



PRESS RELEASE

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AIDEA Commits \$70 Million to Advance the First Methanol and Ultra-Low Sulfur Diesel Facility in Alaska, Unlocking Alaska's Stranded North Slope Gas

Anchorage, Alaska — The Alaska Industrial Development and Export Authority (AIDEA) has executed loan agreements for project loan financing of up to \$70 million to support Alyeschem LLC's development of a first-of-its-kind methanol and ultra-low sulfur diesel (ULSD) production facility on Alaska's North Slope. This strategic investment will help monetize stranded natural gas, create jobs, reduce fuel imports, and strengthen the state's energy infrastructure.

The facility—part of Alyeschem's Distributed Chemical Manufacturing (DCheM) platform—will convert North Slope natural gas and waste CO₂ into methanol and hydrogen. The hydrogen will be used to refine high-sulfur diesel into ULSD, reducing emissions and improving fuel quality for oilfield operations. The plant will also serve as a launchpad for future clean fuel and chemical production, including dimethyl ether (DME) and enhanced oil recovery (EOR) chemicals.

The project has received strong support from Governor Dunleavy, the North Slope Borough, and other state leaders. With major permits secured and front-end engineering and design completed, Alyeschem is preparing for construction.

The plant will be constructed on a previously developed AIDEA gravel pad, minimizing new environmental disturbance. Its location is strategically chosen to serve oilfield operations and reduce long-haul transport needs. The project is anticipated to generate over \$5 million annually in tax and royalty revenue for the State of Alaska and the North Slope Borough. AIDEA expects to receive a minimum of \$2.39 million annually from loan repayment and royalties.

By producing methanol and diesel locally, the facility will reduce reliance on imported fuels, cut transportation costs, and enhance the resilience of the Trans-Alaska Pipeline System (TAPS). Methanol is a critical chemical used to prevent pipeline corrosion and freezing in oilfield operations.

"This facility is an Alaskan solution to long-standing logistical challenges, which will allow us to replace key fluids currently imported to the North Slope with locally made methanol and clean diesel." **said JR Wilcox, CEO of Alyeschem.** "The North Slope is a world-class energy basin and can be for generations to come. Its future hinges on the ability to lower operating costs, increase the resource base, monetize gas, and adapt to changing markets. Value-added chemistry is an invaluable tool for addressing all of these challenges."

The project is expected to create approximately 80 construction jobs and 15 permanent operational positions, with a strong emphasis on hiring Alaskans and supporting long-term employment in the Arctic. It is projected to reduce CO₂ emissions by 93 percent—approximately 45,000 tons per year—compared to current supply methods. Additionally, the facility will eliminate an estimated 4,000 truck trips annually, reducing road wear and emissions across the region.

Dana Pruhs, Chairman of AIDEA's Board of Directors, emphasized the alignment with AIDEA's mission in saying, "The Board of Directors and I support investment in the Alyeschem project. This Alaskan project would meet AIDEA's mission by creating Alaskan jobs and providing an economic return to Alaskans for generations. AIDEA is committed to supporting projects that strengthen Alaska's economy and enhance our energy independence."

"This is exactly the kind of project AIDEA was created to support," said Randy Ruaro, AIDEA Executive Director. "It unlocks the economic value of stranded gas, creates jobs, and strengthens Alaska's energy infrastructure for decades to come."

Geoff Johns, AIDEA's Chief Financial Officer, added, "This investment reflects AIDEA's commitment to financially sound, high-impact projects that deliver long-term value to the state. Alyeschem's facility not only generates strong returns for public funds but also catalyzes private capital and innovation in Alaska's energy sector."



Pictured above from left to right at the loan document signing are Kent Sullivan, AIDEA General Counsel; JR Wilcox, Alyeschem CEO; Logan Birch, Operating Partner, McKinley Alaska Private Investment, LLC; Geoff Johns, AIDEA Chief Investment Officer; and Craig Graff, Alyeschem Chief Operations Officer.



Pictured above from left to right at the check presentation are Randy Elledge, AIDEA Board Member; Craig Graff, Alyeschem COO; Albert Fogle, AIDEA Board Member; JR Wilcox, Alyeschem CEO; Rob Gillam, McKinley Management, LLC Chief Executive Officer, McKinley Alaska Private Investment LLC; Randy Ruaro, AIDEA Executive Director; Geoff Johns, AIDEA CIO; Bill Kendig, AIDEA Board Vice Chairman; Bill Vivlamore, AIDEA Board Member; and Dana Pruhs, AIDEA Board Chairman.

About Alyeschem, LLC: Alyeschem (www.alyeschem.com) is an Alaska-based company developing chemical manufacturing solutions to meet the unique needs of the Arctic. Its initial focus is production of methanol and ultra-low sulfur diesel. Founded by Alaskans, Alyeschem, LLC is committed to sustainable development and long-term partnerships with Alaska-based investors, local communities, government entities, and industry partners. The company is backed by leading private equity sponsors, including McKinley Alaska Private Investment (www.mckinley-alaska.com) and BP Energy Partners (www.bpenergypartners.com).

About AIDEA: Established by the Alaska State Legislature in 1967, AIDEA is an independently governed public corporation tasked with promoting the economic welfare of Alaskans. Through flexible financing solutions, AIDEA has invested over \$3 billion in projects that drive economic development and job creation across the state.

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