

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G20-24

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY ENTERING INTO THE MEMORANDUM OF UNDERSTANDING AND COST REIMBURSEMENT AGREEMENT WITH OIL SEARCH (ALASKA) ON THE SURFACE INFRASTRUCTURE ASSOCIATED WITH THE PIKKA PROJECT

WHEREAS, the Alaska Industrial Development and Export Authority (the “Authority”) has the ability under AS 44.88.172 to own and operate, or to finance, development projects that create infrastructure needed to bring natural resources to market;

WHEREAS, natural resource development through the construction of roads is important in supporting economic development and is in furtherance of the Authority’s statutory mission;

WHEREAS, financing roads accessing natural resource projects may require expenditures for planning, feasibility studies, financial analysis, or other similar tasks before a determination can be made as to whether the project is viable or eligible for financing by the Authority;

WHEREAS, the Authority has an opportunity to work with Oil Search (Alaska), LLC (“OSA”), who is the operator of the Pikka Unit on the North Slope of Alaska on the financing for surface infrastructure including access roads and gravel pads that will develop oil and gas resources within the Pikka Unit (the “Project Elements”);

WHEREAS, the Staff of the Authority has negotiated a memorandum of understanding (“MOU”) with OSA to outline the joint efforts the Authority and OSA will take in investigating potential financial arrangements for the Project Elements;

WHEREAS, the Staff of the Authority has negotiated a Cost Reimbursement Agreement (“CRA”) with OSA to provide for the cost reimbursement of up to \$225,000 for third-party costs incurred by the Authority to develop financing plans and conduct due diligence; and

WHEREAS, pursuing entering into the MOU and CRA with OSA and carrying out financial analysis and due diligence on the Project Elements are all in furtherance of the Authority's statutory powers and are in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. Under AS 44.88.172, the Authority is authorized to enter into the MOU and CRA with OSA regarding the potential financing of the Project Elements. The Executive Director is authorized and directed to complete the negotiations regarding the MOU and CRA so long as those changes are not material and do not alter the intent of the agreements or this Resolution, to sign the MOU on behalf of the Authority, and to cause the Authority to perform its obligations under the MOU.

Section 2. Once the MOU and CRA are executed, the Authority is authorized to contract for services on the Project Elements with the appropriate financial analysts and other professionals, as contemplated in the MOU and CRA. Thereafter, the Authority is authorized to expend up to \$225,000 from the Revolving Fund to pay for these services on the Project Elements, which monies are expected to be reimbursed by OSA under the CRA.

Dated at Anchorage, Alaska, this 5th day of August, 2020.




Secretary


Chair