

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

AMENDED RESOLUTION NO. G24-06

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY APPROVING LOAN PAYOFF WITH
BLUECREST ALASKA OPERATING LLC AND CO-BORROWERS**

WHEREAS, in Resolution No. 015-14, adopted on April 30, 2015, the Alaska Industrial Development and Export Authority (the "Authority") approved a loan of up to \$30 million to BlueCrest Energy, Inc. and its affiliates under the Authority's development finance program (AS 44.88.172);

WHEREAS, on July 24, 2015, the Authority, as Lender, entered into a Loan Agreement (the "loan") with BlueCrest Alaska Operating LLC, as Borrower, and BlueCrest Alaska Oil & Gas LLC, BlueCrest Cosmopolitan, LLC, and BlueCrest Energy, Inc., as Co-Borrowers (collectively "BlueCrest", the "Borrower" or "Borrowers") under which the Authority agreed to provide a line of credit of up to \$30 million to finance the acquisition, transportation, set up and commissioning of an on-shore drilling rig, associated equipment and a camp facility;

WHEREAS, the Authority fully disbursed the \$30 million line of credit, and the Borrower and Co-Borrowers used the loan proceeds to acquire the desired drilling rig and camp facility, both of which have been installed on-site at the Borrowers operations location near Anchor Point, AK;

WHEREAS, in Resolution No. 016-14, adopted December 1, 2016, the Authority approved certain amendments to the Loan Agreement related to the reserve account for the loan;

WHEREAS, in Resolution No. 019-17, adopted June 26, 2019, the Authority approved certain amendments to the Loan Agreement related to the reserve account for the loan;

WHEREAS, in Resolution No. 020-09, adopted March 27, 2020, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, in Resolution No. 021-07, adopted March 3, 2021, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, in Resolution No. 021-21, adopted August 12, 2021, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, in Resolution No. 022-09, adopted September 14, 2022, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, in Resolution No. 023-06, adopted March 1, 2023, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, in Resolution No. 023-09, adopted August 2, 2023, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, in Resolution No. 023-15, adopted December 6, 2023, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, the Authority's recommended modification to the Loan is consistent with all requirements for such loan provided in AS 44.88.172 et seq. and the applicable regulations

of the Authority related to such loans provided in 3 AAC 99.580;

WHEREAS, the modifications approved hereby would replace the modifications previously approved by the Authority pursuant to Resolution No. G23-15;

WHEREAS, pursuant to Resolution G23-15 BlueCrest and associated borrowers were to have made a \$1,004,869.12 to the Authority on or before June 1, 2024;

WHEREAS, the Authority in its Fiscal Year 2023 financial statements has accounted for and established an allowance for loan losses to recognize potential losses in the Authority's loan portfolios and subsequent charge offs adjusted through the allowance;

WHEREAS, it is in the best interest of the Authority that the Authority accept the payoff and accompanying modifications to the loan [, **AS SPECIFICALLY RECOMMENDED, IDENTIFIED AND DESCRIBED IN THE ACCOMPANYING MEMORANDUM**]; and

WHEREAS, the recommended payoff terms have been agreed upon and the terms are in the best interests of the Authority and the State of Alaska.

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

Section 1. The Executive Director is authorized to complete the negotiations with the Borrower regarding the payoff of the balance of the Authority's loan to BlueCrest, as specifically described and defined below **[AND IN THE ACCOMPANYING MEMORANDUM, TO THE LOAN, PROMISSARY NOTE, AND ASSOCIATED DOCUMENTS].**

Section 2. The Executive Director is authorized to execute on behalf of the Authority the final agreement, and associated documents, and amendments to the loan agreement approved with any other modifications and inclusions to the agreements and loan terms and conditions **[AS SPECIFICALLY DESCRIBED AND DEFINED BELOW AND IN THE ACCOMPANYING MEMORANDUM].**

Section 3. The Executive Director is authorized to execute on behalf of the Authority the terms: **[NO FURTHER LOAN MODIFICATIONS OR FOREBEARANCE BE GRANTED AND IS RECOMMENDING THE FOLLOWING PAYOFF TERMS:]**

1. Payment of \$3.0 million on or before July 1, 2024;
2. Release of the BlueCrest Rig #1 and associated equipment as collateral pursuant to current and valid UCC filings with the State of Alaska within 90-days of the payment in #1, above;
3. Remaining amount of loan, net of the payment in #1 above, will be secured by a lien and active UCC interest in the 50-bed man camp;
4. The Borrowers shall provide additional collateral satisfactory to the Authority;
5. A second payment of \$3.0 million plus accrued interest shall be made on or before **[JULY] October 1, 2025;**
6. Monthly interest to accrue at 8.0% for a period of **[12] 15**-months, from July 1, 2024 to **[JULY] October 1, 2025;**
7. Amount of any royalty reduction if granted paid over 50% to AIDEA with corresponding reductions in balance owed on the \$3.0 million plus accrued interest due on or before **[JULY] October 1, 2025.**

Resolution as amended, dated at Anchorage, Alaska, this [20th] 17th day of June, [2024] 2025.

JDS

Chair



Secretary