

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G21-21

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

WHEREAS, in Resolution No. G15-14, 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 with BlueCrest Alaska Operating LLC, as Borrower, and BlueCrest Alaska Oil & Gas LLC, BlueCrest Cosmopolitan, LLC, and BlueCrest Energy, Inc., as Co-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, both of which have been installed on-site and are in operation;

WHEREAS, in Resolution No. G16-14, adopted December 1, 2016, and in Resolution No. G19-17, 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. G20-09, adopted March 27, 2020, and in Resolution No. G21-07, adopted March 3, 2021, the Authority approved certain amendments to the Loan Agreement related to the principal and interest payments on the loan;

WHEREAS, the economic environment for oil and gas producers remains stressed due to the COVID-19 pandemic and other factors;

WHEREAS, as outlined in the board memorandum, staff of the Authority has recommended amending the Loan Agreement to provide for a period of principal payments only on the loan until July 1, 2022, with principal and interest payments resuming on August 1, 2022; and

WHEREAS, the monthly principal payments until July 1, 2022 will be in the amount of the monthly interest payment currently being paid; and

WHEREAS, the interest coming due until July 1, 2022 if principal payments are made as agreed will be forgiven;

WHEREAS, the recommended loan amendments are prudent and reasonable due to the current economic environment, the amendments have been requested by the Borrower to assist the Borrower to remain in business until additional financing is obtained, and the amendments 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 recommended amendments to the loan agreement between the Authority, as Lender, BlueCrest Alaska Operating LLC, as Borrower, and BlueCrest Alaska Oil & Gas LLC, BlueCrest Cosmopolitan, LLC, and BlueCrest Energy, Inc., are approved.

Section 2. Continuing through July 2022, the Authority shall accept principal payments on the loan, modified to be the amount of the current interest payment, and the interest accruing during this period shall be forgiven.

Section 3. The Executive Director is authorized to complete the negotiations with the Borrower regarding the amendments to the loan agreement. The Executive Director is authorized to execute on behalf of the Authority the final amendments to the loan agreement approved in Section 1 above, with any other non-material modifications to loan terms and conditions that the Executive Director determines to be appropriate.

Dated at Anchorage, Alaska, this 12th day of August 2021.





Chair

ATTEST
[SEAL]



Secretary