ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G26-13

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY RELATING TO THE AUGUSTINE GEOTHERMAL PROJECT AND A DIRECT EQUITY INVESTMENT IN GEOALASKA, LLC

WHEREAS, the Alaska Industrial Development and Export Authority (the "Authority") was established to promote, develop, and advance the general prosperity and economic welfare of the people of the State of Alaska and to provide financing and financing assistance for the development of industrial, manufacturing, energy, export, small business, and business enterprises within the State;

WHEREAS, under AS 44.88.010(a)(1) and (2), the legislature has found that "there exist areas of the state in which seasonal and nonseasonal unemployment exist" and that "this unemployment is a serious menace to the health, safety, and general welfare, not only to the people in those areas, but also to the people of the entire state," and the Augustine geothermal project would provide low-cost and reliable power to the Southcentral Alaska electric grid, increasing the supply of power available for use in manufacturing by new and existing businesses in Alaska and thereby helping to reduce unemployment;

WHEREAS, under AS 44.88.010(a)(3), the legislature has found that the state lacks the basic manufacturing, industrial, energy, export, small business, and business enterprises and the other facilities "necessary to permit adequate development of its natural resources and the balanced growth of its economy," and the Augustine geothermal project is an energy facility that would help develop Alaska's natural resources and grow the State's economy;

WHEREAS, under AS 44.88.010(a)(4), the legislature has found that "the establishment and expansion of industrial, manufacturing, energy, export, small business, and business enterprises in the state and the other facilities referred to in this subsection are essential to the development of the natural resources and the long-term economic growth of the state, and will directly and indirectly alleviate unemployment in the state";

WHEREAS, under AS 44.88.010(a)(9), the legislature has found that "the achievement of the goal of full employment . . . and of establishment and continuing operation and development of industrial, manufacturing, energy, export, small business, and business enterprises in the state will be accelerated and facilitated by the creation of an instrumentality of the state with powers to incur debt, to own and operate facilities," and to finance "the establishment, operation, and development of industrial, manufacturing, energy, export, small business, and business enterprises," and the Authority is that instrumentality;

WHEREAS, under AS 44.88.010(a)(10), the legislature has found that "it is in the public interest to promote the prosperity and general welfare of all citizens of the state by" creating the Authority "with the powers necessary to accomplish the objectives stated in this paragraph, including the power . . . to acquire ownership interests in projects as provided in this chapter";

WHEREAS, AS 44.88.010(b) provides that "[i]t is declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises and the other facilities referred to in (a) of this section";

WHEREAS, AS 44.88.080(11) provides that the Authority has the power "to enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter";

WHEREAS, the Authority finds that advancing the development of new geothermal generation such as the Augustine geothermal project, and an equity investment in GeoAlaska, LLC for that purpose, is consistent with and furthers the statutory mission of the Authority described above;

WHEREAS, the development of Alaska's energy resources is important to the long-term economic growth and prosperity of the State of Alaska;

WHEREAS, the Railbelt electric system serves a substantial portion of Alaska's population and economy, and diversification of electric generation resources may contribute to long-term energy reliability and affordability;

WHEREAS, geothermal energy may provide a source of renewable baseload electric generation capable of supporting the future energy needs of the Railbelt;

WHEREAS, John Sims, President of Enstar Natural Gas Company, the principal utility providing natural gas and energy to Southcentral Alaska, and other utility leaders have repeatedly warned of natural gas shortages that could occur as soon as this winter and could result in curtailment, meaning the reduction or interruption of service to Alaskans, and Mr. Sims has stated that "the Cook Inlet is no longer a viable long-term option. Let's just be very clear about that" (Anchorage Daily News, July 29, 2026);

WHEREAS, The Augustine geothermal project, with an estimated resource potential of 224 megawatts (P50) of firm, continuous power that would last for decades without the depletion characteristic of natural gas wells, would provide a new non-gas source of energy equivalent to approximately 10 percent of Cook Inlet gas;

WHEREAS, if GeoAlaska, LLC is able to resolve the technical challenges of producing power from near-magma heat sources, the power produced from the Augustine geothermal resource could triple or more;

WHEREAS, power from the Augustine geothermal project could be transmitted through the Alaska Energy Authority's new Cook Inlet PowerLink transmission line, which would provide capacity to move power from the project to the Railbelt;

WHEREAS, the Augustine geothermal project would demonstrate the viability of medium- to large-scale geothermal power production in Alaska, where the United States Geological Survey has found tremendous geothermal potential;

WHEREAS, GeoAlaska, LLC has assembled geothermal lease holdings on Augustine Island and has undertaken exploration and evaluation activities concerning the geothermal resource potential of that area;

WHEREAS, on April 16, 2026, GeoAlaska, LLC submitted an application to the Authority seeking an equity investment in support of the Augustine geothermal project;

WHEREAS, the United States Department of Energy has selected the Kamishak #1 geothermal resource confirmation well project for award negotiations, subject to completion of applicable federal requirements and approvals;

WHEREAS, the Authority has reviewed information concerning the Augustine geothermal project and desires to continue evaluation of the project and investment opportunity through negotiations, due diligence, and review of definitive transaction documents;

WHEREAS, the Authority finds that advancement of geothermal resource development may promote economic development, employment opportunities, energy diversification, and other public benefits within the State of Alaska; and

WHEREAS, the Authority further finds that it is in the public interest to authorize a direct equity investment in GeoAlaska, LLC, subject to satisfactory completion of due diligence and execution of definitive documentation acceptable to the Authority.

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

Section 1. Approval of Investment. The Authority approves a direct equity investment in GeoAlaska, LLC in an amount not to exceed Ten Million Dollars ($10,000,000), subject to the terms and conditions of this Resolution.

Section 2. Source of Funds. The Authority approves the use of funds from the Revolving Fund, or such other fund as may be appropriate and available, for the investment authorized by this Resolution, subject to certification by the Chief Financial Officer that funds are available for that purpose. The amount authorized by this Resolution shall constitute the maximum financial commitment of the Authority unless increased by subsequent Board action.

Section 3. Executive Director Authority. The Executive Director is authorized and directed to negotiate, execute, deliver, amend, administer, and enforce all agreements, instruments, certificates, and other documents necessary or convenient to effectuate the investment approved by this Resolution, including subscription agreements, purchase agreements, operating agreement amendments, governance agreements, and related documents.

Section 4. Conditions. Prior to execution of any binding investment commitment, the Executive Director shall:

(a) complete such legal, financial, technical, environmental, and business due diligence as the Executive Director determines appropriate;

(b) obtain advice of counsel concerning the Authority's statutory authority for the proposed transaction and investment structure;

(c) obtain confirmation from the Chief Financial Officer that sufficient funds are available and that the proposed investment will not adversely affect the Authority's financial condition, bond covenants, pledged revenues, liquidity, or other obligations;

(d) determine that the proposed investment structure, anticipated return, project risks, sources of project funding, governance provisions, investor protections, management arrangements, and anticipated public benefits have been adequately evaluated and that the proposed investment is structured to protect the financial interests and assets of the Authority, is consistent with the statutory purposes for which Revolving Fund assets may be used, and is otherwise authorized by and consistent with AS 44.88; and

(e) determine that the definitive transaction documents are acceptable to the Authority and adequately protect the Authority's interests.

Section 5. Professional Services. The Executive Director is authorized to engage attorneys, accountants, financial advisors, geothermal consultants, engineers, technical consultants, and such other professional advisors as may be necessary or appropriate to carry out the purposes of this Resolution.

Section 6. Further Actions. The Executive Director and other officers of the Authority are authorized to take such additional actions and execute such additional agreements, certificates, instruments, and documents as may be necessary or convenient to carry out the intent and purposes of this Resolution.

Section 7. Effective Date. This Resolution becomes effective immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 4th day of November, 2026.

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Chair

ATTEST:

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Secretary

MEMORANDUM

TO: Board Members
Alaska Industrial Development and Export Authority

FROM: Randy Ruaro
Executive Director

DATE: November 4, 2026

SUBJECT: Resolution No. G26-13 Relating to the Augustine Geothermal Project and a Direct Equity Investment in GeoAlaska, LLC

RESOLUTION

Resolution No. G26-13 requests Board approval of a direct equity investment by the Authority in GeoAlaska, LLC in an amount not to exceed $10,000,000 to support advancement of the Augustine geothermal project. The Resolution authorizes the Executive Director to negotiate and execute definitive agreements for the investment, subject to completion of due diligence, legal review, financial review, and the conditions set forth in the Resolution.

The Resolution authorizes the use of funds from the Revolving Fund, or such other fund as may be appropriate and available, for purposes of the investment and establishes conditions intended to ensure that the investment is adequately evaluated and structured in a manner consistent with the financial interests and statutory responsibilities of the Authority.

BACKGROUND

GeoAlaska, LLC was formed in 2020 to pursue geothermal resource development opportunities in Alaska. Since its formation, the company has acquired geothermal lease interests on Augustine Island and at Mt. Spurr and has undertaken exploration, geological evaluation, geophysical studies, and related resource assessment activities.

The Augustine prospect is located on Augustine Island in lower Cook Inlet and is being evaluated as a potential conventional geothermal electric generation project. GeoAlaska has advised the Authority that the project has the potential to support baseload electric generation for the Railbelt and other Alaska energy users. The company has identified Ignis Energy as a technical and project-management participant in the project.

In August 2025, GeoAlaska provided the Authority with technical materials concerning the Augustine prospect, including scientific analyses, geophysical information, and project development information. On April 16, 2026, GeoAlaska submitted an application to the Authority

seeking an equity investment to assist in advancing the project. On October 21, 2026, representatives of GeoAlaska presented information regarding the project to the Board.

PROJECT STATUS

On September 21, 2026, the United States Department of Energy notified GeoAlaska that the Kamishak #1 geothermal resource confirmation well project had been selected for award negotiations.

Due to the merits of the project; including the strong diversification of Alaska's energy grid that a large geothermal project would allow, it is in public benefit to promote AIDEA capital behind developing this resource alongside the Department of Energy.

ECONOMIC DEVELOPMENT CONSIDERATIONS

The Authority's mission includes promoting economic development, facilitating investment, supporting development of Alaska's natural resources, and encouraging projects that contribute to the economic welfare of the State. The proposed project is consistent with those objectives because it seeks to evaluate and potentially develop an indigenous Alaska energy resource.

If successfully developed, the Augustine geothermal resource could contribute to diversification of Alaska's electric generation resources, increase development activity within Alaska's energy sector, create construction and operating employment opportunities, and attract additional public and private investment into Alaska infrastructure and resource development. Representing over 200MW, the completed geothermal project would represent nearly 1/3 of the Railbelt's energy demand.

DUE DILIGENCE AND INVESTMENT REVIEW

The proposed Resolution does not approve a specific valuation, ownership percentage, governance arrangement, or definitive investment structure. Instead, it authorizes the Executive Director to continue negotiations and to finalize an investment structure only after completion of appropriate due diligence and satisfaction of the conditions established by the Resolution.

The Resolution also authorizes retention of legal counsel, engineers, geothermal advisors, financial advisors, accountants, and other professionals as necessary to evaluate the transaction and assist in preparation of definitive transaction documents.

STATUTORY AUTHORITY

The proposed Resolution relies upon the Authority's existing statutory powers and responsibilities, including:

- AS 44.88.010 and AS 44.88.070 concerning the Authority's economic development mission and purposes;
- AS 44.88.060 concerning the Revolving Fund;

- AS 44.88.080 concerning the Authority's corporate and financing powers;
- AS 44.88.172 concerning development project financing authority; and
- AS 44.88.178 concerning subsidiary entities and project structures, if determined to be appropriate, to facilitate the appropriate financing and governance structure.

AIDEA MISSION

The proposed investment is consistent with the Authority's mission to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska through financing, investment, and economic development activities. The project represents a potential opportunity to advance development of Alaska energy resources and to encourage investment in long-term energy infrastructure within the State.

SIGNED

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Randy Ruaro
Executive Director
Alaska Industrial Development and Export Authority