



PRESS RELEASE

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Interior Gas Utility Approves an Additional \$10 Million Loan from AIDEA

Funding to Help Advance Natural Gas in North Pole

(Fairbanks) – The Interior Gas Utility (IGU) Board of Directors on Tuesday authorized an additional \$10 Million loan with the Alaska Industrial Development and Export Authority (AIDEA). An original loan agreement, dated June 13, 2018 between IGU and AIDEA, is being amended to include the addition of \$10,000,000, subject to the original terms. The original 50-year loan has an initial deferment period of 15 years at 0% interest, after which, interest will be charged at 0.25%.

The IGU will use the proceeds from the loan primarily to fund the construction of an LNG Storage Facility in North Pole. Additionally, funding will be used for the installation of service lines and meters to serve new customers. IGU is targeting gas availability in North Pole in the later part of 2020.

The soon-to-be completed 5.25 million gallon LNG storage tank will provide a 50% boost in available gas for spring of 2020. The tank will begin filling this fall and will provide a secure back-up for the existing liquefaction facility at Point MacKenzie. Design work is nearing completion for additional liquefaction facilities at the Point MacKenzie site from which the LNG will be transported to the storage tanks.

“IGU greatly appreciates AIDEA’s initiative in offering this loan expansion, which will provide funds for continued work on the North Pole Storage and Regasification facilities, while helping keep the cost as low as possible” said Steve Haagenon, IGU Board Chair.

“We are pleased that the IGU Board agreed to accept this additional loan,” said AIDEA Chief Infrastructure Development Officer, Mark Davis. “We will continue to work with the IGU to advance the goals of the Interior Energy Project.”

IGU was established with the mission of providing “low cost, clean burning, natural gas to the most people in the Fairbanks North Star Borough as possible, as soon as possible.” AIDEA was authorized by the Alaska State Legislature to provide financing “for the development, construction, and installation of, and the start-up costs of operation and maintenance for, liquefied natural gas (LNG) production plant and system and affiliated infrastructure to serve Interior Alaska as a primary market.”

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