



## PRESS RELEASE

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# **AIDEA Announces Pentex Sale to Interior Gas Utility** *Authority and IGU Close Deal*

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) is pleased to announce the sale of Pentex Alaska Natural Gas Company, LLC and its assets, including Fairbanks Natural Gas, to the Interior Gas Utility (IGU).

“It has taken time and much hard work by a group of very dedicated people to bring us to this milestone day, when we can now proudly say that AIDEA has fulfilled its assignment to advance the Interior Energy Project (IEP) for the benefit of Interior Alaska residents,” said AIDEA Board Chairman Dana Pruhs. “The sale of Pentex to IGU represents the culmination of nearly a year and a half of in depth due diligence and negotiations, and now a unified, locally controlled gas utility for the Interior is a reality.”

Under terms of the sale, which was closed on Wednesday, IGU purchased Pentex for the original purchase price of \$54 million, plus an agreed to rate of return to AIDEA from the date of the Authority’s acquisition of Pentex in 2015, until the transaction with IGU closed. The purchase price will be paid to AIDEA from funds made available to the IEP by the Legislature in SB 23. IGU will use the remaining financial tools to establish an investment grade utility for the Interior that will deliver natural gas at competitive prices, and help improve air quality in the region.

Loan terms include a zero percent (0%) interest rate for the first 15 years, with no payments due during that period, and an interest rate of 0.25% thereafter for 35 years. IGU will also have the ability to defer principal payments for an additional five years if expected natural gas demand is not achieved. Additionally, AIDEA is authorized to issue up to \$150 million in bonds.

“We made it to the 1-yard line last year, and now we have finally brought it into the end zone,” said AIDEA Board member and Fairbanks resident Gary Wilken. “I am profoundly honored to have been part of this years-long effort that is now poised to bring such tremendous benefit not only to this generation, but for generations to come.”

The Alaska Industrial Development and Export Authority is a public corporation of the state. AIDEA’s purpose is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska.

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