

Press Release

FOR IMMEDIATE RELEASE

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ALASKA POWER & TELEPHONE ANNOUNCES COST ESCALATION ON HIILANGAAY HYDROPOWER PROJECT

Port Townsend, WA, January 16, 2020 –Alaska Power & Telephone Company (AP&T) today announced that its 2019 results will include a pretax charge in the range of approximately \$10.5 to \$11.5 million, or \$8.30 to \$9.10 per share, for estimated cost increases on the Hiilangaay Hydropower Project.

The project has experienced a number of construction challenges since it began in 2016. Field conditions and design changes have resulted in significant cost overruns above the original project cost estimates. The additional costs are primarily related to the penstock, diversion structure, the powerhouse and site mobilization. Costs to complete the project in 2020 are estimated to be in the range of \$5.5 to \$6.5 million, and such costs to complete the project are included in the above-identified charge. AP&T is conducting a further review of the project to determine if there are any additional impacts.

AP&T is in the process of preparing its 2019 financial statements, and expects that AP&T's other business lines will perform as planned.

About AP&T

Celebrating over 60 years of reliability and innovation, Alaska Power & Telephone Company provides energy and communication services to 40 communities stretching from the Arctic Circle to the southernmost tip of Southeast Alaska. For more information about AP&T visit www.APTalaska.com

This news release contains forward-looking statements, including statements regarding our current expectations for future financial performance and cash flows, which may affect the company in the future. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond our control and many of which could have significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in such statements.

The forward-looking statements contained in this news release speak only as of the date hereof. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New risks, uncertainties and other factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on our business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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