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**Alaska Airlines and Hawai'i BioEnergy Sign Agreement
for the Carrier to Purchase Sustainable Fuel**

***Hawaiian Island-based consortium of landowners pioneering production
of bio-based fuels***

HONOLULU — Alaska Airlines and Hawai'i BioEnergy LLC announced today they have signed an agreement for the carrier to purchase sustainable biofuel for its aircraft. Founded in 2006, Hawai'i BioEnergy is a consortium of three of Hawaii's largest landowners and three venture capital companies who plan to use locally grown feedstocks to produce biofuels.

Alaska Airlines is Hawai'i BioEnergy's second customer, and the first airline to sign a contract. Hawaiian Electric Co. previously announced it had agreed to purchase 10 million gallons of fuel a year from Hawai'i BioEnergy for power generation to the state, pending approval by the Hawaii Public Utilities Commission. Hawai'i BioEnergy will ramp up production of the sustainable fuels within five years of regulatory approval, allowing Alaska Airlines to begin procuring sustainable jet fuel for its Hawaii flights possibly as soon as fall 2018.

"We are pleased to be partnering with Hawai'i BioEnergy to encourage the production and commercial distribution of sustainable fuels," said Keith Loveless, Alaska Air Group's executive vice president and general counsel. "Beyond the environmental advantages, it improves the fuel supply integrity in the state of Hawaii, which will allow for the further growth of our airline operations throughout the Islands."

"Alaska Airlines shares our goals of environmental responsibility and our commitment to sustainable, local energy production," said Joel Matsunaga, executive vice president and chief operating officer of Hawai'i BioEnergy. "The development and commercialization of local, renewable energy is of critical importance to Hawaii, given the state imports 95 percent of its energy needs. Use of locally grown feedstocks for biofuel production will improve Hawaii's energy sustainability and security while creating jobs in our communities."

The feedstock for the biofuel is anticipated to be woody biomass-based and will be consistent with the sustainability criteria established by the Roundtable for Sustainable Biofuels, an international multi-stakeholder initiative concerned with ensuring the sustainability of biomass production and processing.

Alaska Airlines has reduced its carbon footprint intensity by 30 percent (measured by revenue passenger miles) since 2004. In 2011, Alaska Airlines and Horizon Air were the first domestic airlines to fly multiple passenger flights powered by a biofuel blend.

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Alaska Airlines, a subsidiary of Alaska Air Group (NYSE: ALK), together with its partner regional airlines, serves 95 cities through an expansive network in Alaska, the Lower 48, Hawaii, Canada and Mexico. Alaska Airlines has ranked “Highest in Customer Satisfaction Among Traditional Network Carriers” in the J.D. Power and Associates North America Airline Satisfaction StudySM for six consecutive years from 2008 to 2013. For reservations, visit www.alaskaair.com. For more news and information, visit the Alaska Airlines Newsroom at www.alaskaair.com/newsroom.

Hawai`i BioEnergy, LLC, (HBE) is a consortium established by three of Hawaii’s largest landowners: Kamehameha Schools, Grove Farm Company Inc., and Maui Land & Pineapple Inc., along with venture capital partnerships including Vinod Khosla, Ulupono Initiative and Finistere Ventures. HBE’s mission is to contribute to a sustainable energy future for the state of Hawai`i through the production of bio-based liquid fuels, power and other valuable co-products from locally grown feedstocks. For more information, visit www.hawaiibioenergy.com.