



PRESS RELEASE

August 20, 2012

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ASRC FRUSTRATED BY DECISION TO LOCK UP POTENTIAL OF NPR-A

Plan is Overly Restrictive; Keeps Half of Petroleum Reserve Off Limits

Arctic Slope Regional Corporation (ASRC) is reacting to the Department of the Interior's proposed management plan that favors locking up millions of acres of land inside the National Petroleum Reserve-Alaska (NPR-A) from oil and gas development. Last week, Interior Secretary Ken Salazar announced that the final Integrated Activity Plan and Environmental Impact Statement (IAP/EIS) will include a preferred alternative that effectively keeps half of the reserve off limits.

The current position and actions of the Department of Interior is counterintuitive to the intent of annual onshore lease sales as directed by the Obama Administration in May 2011.

ASRC president & chief executive officer Rex A. Rock, Sr. commented, "The Department of the Interior is locking up the most prospective areas for increased domestic energy supply, while proposing lease sales on tracts of land with low oil potential."

The 23 million-acre National Petroleum Reserve in Alaska was set aside nearly 90 years ago and contains some of Alaska's best potential for onshore oil and gas. The most recent estimates show the reserve could hold nearly a billion barrels of recoverable oil, and more than 50 trillion cubic feet of natural gas.

"The alternative preferred by Secretary Salazar in the NPR-A would restrict areas that have already been leased, where commercial potential has already been discovered. In addition, Salazar's choice would lock up large swaths of land with little or no additional benefit to wildlife resources found there and elsewhere throughout the petroleum reserve," said Richard Glenn, ASRC executive vice president of lands and natural resources. "Waterfowl, fish, and caribou do not recognize boxes on a map. The Interior's preferred alternative is based on a mistaken idea that somehow development can proceed in one part of the petroleum reserve only by locking up lands in another part. It would turn back the clock on the achievements made to date that show that oil and gas exploration and development can coexist with wildlife populations and the subsistence needs of the people of the North Slope. Salazar's claim that his alternative is supported by "Native interests" is not corroborated by the regional organizations or Native landowners of NPR- A."

As of yet, oil and gas has not been commercially produced from the NPR-A. This lack of production can be attributed to an onerous and sometimes convoluted federal process, where interactions within the Department of Interior and between other federal agencies is often

confusing, leading to actions of one agency being cancelled by the actions of another. This bureaucracy often leads to a stalemate within agencies that can take years to sort out, leaving outside parties with no means of moving projects forward.

ASRC has participated, commented and worked with the DOI since the first NPR-A IAP/EIS in 1999 and despite the Department's statements of working and collaborating with Alaska Native groups we feel that our efforts are rejected. A significant amount of time, effort and costs are incurred by ASRC and other native entities each time the Department initiates a new EIS for NPR-A; however, there does not seem to be any recognition of those efforts in the Preferred Alternative. The Corporation's most recent comments were submitted to the Interior Department in June, urging the Bureau of Land Management to adopt 'Alternative D', which would open all areas of the NPR-A to responsible exploration and development.

"As the largest private land-owner on the North Slope, ASRC remains committed to continuing to work with the Department of Interior," said Rock.

About ASRC

Arctic Slope Regional Corporation is owned by and represents the business interests of the Arctic Slope Iñupiat. Since opening enrollment in 1989 to Alaska Natives born after 1971, the corporation's shareholder base has nearly tripled, growing from the 3,700 original enrollees to around 11,000 today. Corporate headquarters are based in Barrow, Alaska, with administrative and subsidiary offices located in Anchorage and throughout the United States. ASRC, along with its family of companies, is the largest Alaskan-owned company, employing approximately 10,500 people worldwide. The company has five major business segments: petroleum refining and marketing, energy support services, construction, government services and resource development.