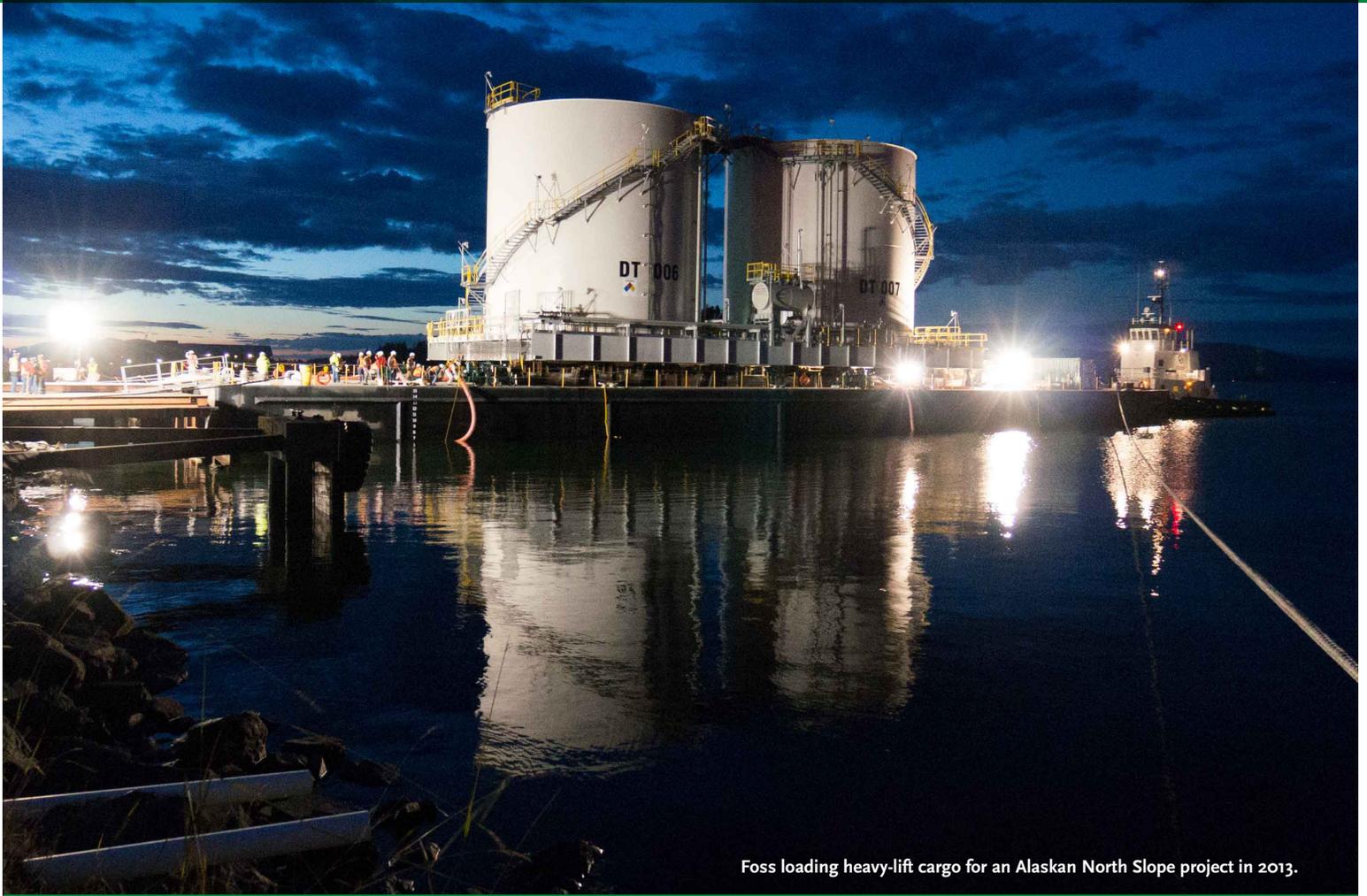


BACKGROUND:

Foss In Alaska



Foss loading heavy-lift cargo for an Alaskan North Slope project in 2013.



ALWAYS SAFE. ALWAYS READY.



For nearly a century Foss Maritime Company has successfully navigated Alaska's most extreme environments. Our mariners embody the 49th state's motto: North to the Future. Today new opportunities are on the Arctic horizon, along with a unique partnership with a native people who have lived on the North Slope for 10,000 years.

**TARGETING
NEW
INVESTMENT,
BUILDING
NEW ASSETS**

"Alaska is woven deeply into Foss' corporate culture of safety and the environment," says Gary Faber, the company's president of global services. "We know the state and we know its waters. When Foss Maritime invests to grow our Alaska operations, when we build assets designed specifically for its oceans, seas, rivers and beaches, we do so with knowledge gained through decades of local experience. Alaska is poised to grow as major new resource developments come on line, particularly on the North Slope. Foss is positioning itself to grow with Alaska."

**NORTHERN
EXPOSURE:
ANCHORAGE
OFFICE**

The mission of Foss' office in Anchorage is to oversee existing work even as it pursues future opportunities in Alaska's expanding oil, gas and mining sectors. As new oil development projects get underway in the Chukchi Sea and Cook Inlet there will be increased need for tug and barge support services. Meanwhile, North Slope activity has intensified during the past year: The federal government is issuing drilling permits for the vast Point Thomson petroleum field. The patch is estimated to contain 8 trillion feet of natural gas, about 300 million barrels of gas condensation liquids and traditional crude oil.

**THE
CHRISTINE
FOSS
AND ROBERT
BURNS**

Oil is Foss Maritime's northern common denominator. Long before statehood, people in tiny western villages like Bethel, Naknek and Dillingham anticipated the summer visits of the *Christine Foss*. For a 25- year stretch, from 1960 to 1985, the *Christine* and her captain Robert (Bob) Burns delivered the fuel that kept Bristol Bay and Kuskokwim River towns alive through long Alaska winter nights. There was never a breakdown, never an interruption. They departed Seattle in April and returned in late October. "We had a schedule and we kept it," says Foss historian Mike Skalley. "For Alaskans from the late 1940s well into the 1980s, the names Foss, the *Christine* and Bob Burns are linked to the summer deliveries. It was good times when the *Christine* came into sight. Foss was a lifeline for those remote communities."

**NO PLACE
TOO REMOTE**

The Point Thomson petroleum field languished for years because it was thought too remote to develop. Getting there *is* an enormous logistics challenge. In the summer of 2013 three Foss tugs hauled critical petroleum industry infrastructure more than 2,300 miles from Anacortes, WA to Point Thomson. Even at the Arctic summer's height in July, the flotilla had to wait for ice to break up before unloading its cargo. In two years Foss will challenge the northern environment again, mounting a second, larger flotilla that will come from South Korea to the Arctic Coast. Accompanying the first convoy was a smaller

Foss tug, the *Emmett Foss*. It was built at the company's Rainier, OR, shipyard with a shallow draft and a specific purpose in mind: Moving modules, supplies and other cargo onto Arctic beaches and rivers, places where larger ocean-going tugs cannot possibly go. Alaska state officials predict that development at Point Thomson – supported by assets like the *Emmett Foss* – will bring hundreds of new jobs to the North Slope's eastern half.

INNOVATION AND ICE

The *Emmett Foss* is not the last new asset the company will deploy in Alaska waters. Work is underway at the Rainier shipyard on a new ice-classed tug, with hulls strengthened to withstand contact with ice flows. These vessels will meet the needs of potential customers involved in offshore drilling and other high-profile project work in the Chukchi and Beaufort seas. The first Arctic Class tug will launch in December 2014, followed by two more in coming years. "At Foss we innovate," Faber says. Outfitted with low-emission Caterpillar engines, the vessels will incorporate several environmentally focused designs and structural and technological upgrades. They will be highly maneuverable with high bollard pull, and state-of-the-art ergonomics and crew amenities. Foss already has five tugs and barges committed to an Arctic exploration project in Alaskan waters. The company expects more work: Geologists believe off-shore Arctic sites contain more oil than the Gulf of Mexico. Drilling could eventually yield one million barrels of oil per day – about 10 percent of America's annual output. Off shore drilling will support thousands of on shore jobs.

NEW VENTURE WITH A NATIVE PEOPLE

Foss recently formed a partnership with the energy services arm of the Arctic Slope Regional Corporation (ASRC), which for four decades has been recognized as a leading Alaska business with ownership of nearly five million acres of North Slope land. Much of the land has oil and gas resources. The company's shareholders are the Iñupiat, a people who have lived on Alaska's North Slope for more than 10,000 years. The joint venture represents an important strategic alliance that has both business and cultural components. One of the partnership's aspects is that Foss will train Iñupiat youth for maritime industry jobs being created on the north coast. The company has done this before, most recently aligning with a Washington state tribe. "We strive to partner with companies that believe in responsible development and will protect our resources through safety and environmental stewardship," says Jeff Kinneeveauk, president and CEO of ASRC Energy Services, Inc. "And in that regard Foss is a maritime industry leader. They are also a good partner because they share, respect and understand our Iñupiat cultural values."

THE INDUSTRY VIEW: SAFETY AND ENVIRONMENT FIRST

In Alaska, the successful companies put safety and the environment first. It was that way for captain Robert Burns, who for 25 seasons was the experienced hand in the *Christine Foss* wheelhouse. In September 2013, when the first Point Thomson sealift ended, the project's lead engineering company emphasized the point. In a message sent to all sealift participants WorleyParsons called the effort, ". . . a superior performance in safety, security, health, environment, quality, cost and schedule." So the bar is set for the next Point Thomson sealift, from South Korea in 2015. Which is something captain Burns would know: Foss Maritime looks north to the future.

Project Milestones in Alaska:

- **1922** Foss tug tows barge of spruce lumber from Wrangell to Tacoma.
- **1932** Foss begins contract with Union Oil delivering refined products from Ketchikan to canneries, logging camps and villages in Southeast Alaska. Contract lasts into the early 1990's.
- **1941** Foss begins contract with Standard Oil of California delivering refined products to communities in Bristol Bay and the Kuskokwim River port of Bethel. Contract lasts through 1985.
- **1950's** Foss supports construction of the Distant Early Warning (DEW Line) radar sites in Western Alaska.
- **1960's & 1970's** Foss supports construction of underwater pipelines and offshore drilling platforms in Cook Inlet; tows drill jackets from California and Japan to Cook Inlet and later services the offshore platforms with a specialized ice-classed vessel.
- **1967** Foss begins a five year contract with Holmes & Narver towing barges between Seattle and Amchitka Island in the Aleutians in preparation for the atomic energy testing.
- **1967** Foss Alaska Line is formed and initiates weekly container barge service to Southeast and Southwest Alaska lasting through 1985.
- **1990** Foss begins lightering ore from the Red Dog Mine in the Alaskan Arctic to bulk carriers anchored in deep water. Successfully completed 24th season of service in 2013
- **2011** First season working for Delta Western in Western Alaska.
- **2013** Foss begins work for WorleyParsons delivering oilfield modules to a development project in the Arctic near Point Thomson; begins work with Shell Oil in a exploratory drilling project in the Arctic; works with Spartan Offshore in Cook Inlet.



The tug "Foss No. 19" with a Foss oil barge discharging product at a Southeast Alaska community in 1942.



The ocean going tug Agnes Foss at anchor in Icy Bay in 1952, during discharge of a cargo barge in support of oil exploration.



The tug Agnes Foss and supporting equipment offloading military cargo in 1960 at a radar site near Cape Newenham on Alaska's Bering Sea.



Two Foss tugs tending pipe laying barge in Cook Inlet in 1966.