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*Our Culture Unites us; Our Land Sustains us; Our People are Prosperous*

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## **FOR IMMEDIATE RELEASE**

### **Carefully Coordinated Effort - Tolsona Gas Prospect Mobilizes and Prepares for Drilling**

*Anchorage, Alaska* – In a carefully coordinated effort led by Ahtna, Incorporated, a new, approximately 4-acre gravel pad is ready and patiently awaiting arrival of a much-anticipated piece of equipment. The project would not be possible without the support of many, including Senators Click Bishop and Mike Dunleavy, and State House Representatives Jim Colver and David Talerico, who championed the extension of the frontier basin exploration tax credits (HB247). Located just north of Milepost 175 of the Glenn Highway and about 11.5 miles west of Glennallen, over 100,000 yards of gravel was placed for construction of the road and pad. Construction involved over 7,000 round trips from what is known as the Fisher pit to Tolsona over a 35-day period. With clearing of the site, construction of a gravel access road and a drilling pad now in place, Ahtna's Tolsona No.1 gas exploration well rig is being mobilized to its new location and will arrive in approximately 40 more truckloads by September 1st, 2016. Once on-site the drilling contractor will begin assembly of the rig, drilling at depths between 4,000 and 5,000 feet, searching for natural gas that will hopefully bring much needed lower energy prices to the Copper River Basin, and possibly other areas of the state.

The Tolsona No.1 gas prospect drilling project began nearly six years ago, under a state exploration license issued to Tolsona Oil & Gas Exploration LLC, an Ahtna, Inc. company. The Department of Natural Resources (DNR), under then Commissioner and now U.S. Senator Dan Sullivan, was instrumental in Deputy Commissioner Ed Fogels personally delivering the approved application during a meeting Ahtna holds with its merged villages every September. Thanks in part to the cooperative work of state and federal agencies the permitting process has gone smoothly for Ahtna, allowing the project's road and pad construction to be built this past spring. Much is involved in mobilizing the rig, including the staging and mobilization of other equipment such as the mud plant, bulk storage for drilling fluids, testing tubulars, and telecommunications equipment, all in a carefully planned and coordinated effort.

The project has not been without its challenges, one of the largest being the political uncertainty of the State of Alaska's tax credits. Designed to encourage exploration in the lesser-explored areas of Alaska, including the Copper River Basin, Ahtna's drilling program is being made possible by the extension of the frontier basin exploration tax credits (HB247) or what is known in Alaska as "Middle Earth" tax credits. The Middle Earth fields are located in the mid-region of Alaska, and those areas outside the North Slope and Cook Inlet fields.

"Ahtna would not be doing this exploration if the tax credits were not in place. A substantial discovery would benefit not only the Copper River region but the state at large, helping to address high energy costs in the region and beyond," says Ahtna President Michelle Anderson. "We have a Governor that is visionary and actively promotes Alaska resource development. We are very fortunate in that we have hard working state representatives and a Delegation that are just as supportive of resource development. It's like the stars are aligned. This type of development could potentially lower the cost of living here in the region and it will bring in much needed jobs. The whole basin benefits with the influx of workers and contractors."

Once the rig has been mobilized contractors hope to begin drilling within 14 days and have drilling complete within 39 days. Once the test well has been drilled to the target depth, flow testing will begin. Special equipment is required to separate and analyze the fluids that will be flowing from the well along with additional analysis being conducted to help determine test well results. The rig and equipment will be demobilized near the end of October and diligent site cleanup will be performed, including securing the well and production tree.

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To ensure the safety of the general public, access to the drill site will be restricted with the installation of a security gate near the pad entrance. Currently, the gravel access road is open to the public and Ahtna has constructed a pullout/turnaround area at the gate. In anticipation of heavy traffic, including tractor-trailers loaded with rig and support equipment for the mobilization, restrictions will be placed on road access, ensuring the safety of the public and to the operation.

Residents and visitors may see an increase in traffic and activity as the project is localized to the Tolsona pad and supported from the Ahtna 1-19 pad, about one mile down the road. The project will have approximately 50 people working at any given time, with most of those positions currently coming from third-party contractors. Shareholders and members of trade unions accounted for 70 percent of the Ahtna Construction workers on the road and pad work, and 100 percent of project staff, including subcontractors, are Alaskans. Ahtna President Michelle Anderson sees the added benefits of the resource potential saying, "We hope to see an increase in local hire for this phase of the project and taking a longer view that if the potential resources are successful, we will see an increase in long-term jobs and employment opportunities within the region."

Though the region has been explored for many years, little documentation and understanding exists of the resource potential. With the Tolsona No. 1, Ahtna hopes to change this. Considering the lengthy permitting process, challenges from securing an exploration license to developing a seismic program and ultimately the engineering of the well, Ahtna remains hopefully optimistic. By taking a well-planned and conservative approach, Ahtna is making sure that all of the appropriate measures are in place so they can handle any challenge that may be encountered as the development of the resource potential is nurtured to explore further what the Copper River Basin may hold.

#### **About Ahtna, Inc.**

Ahtna, Incorporated is one of 13 Alaska Native Regional Corporations formed under the Alaska Native Claims Settlement Act of 1971, and is based out of Glennallen, Alaska. The company currently has approximately 1,945 shareholders, the majority of whom are of Ahtna Athabascan descent, and employs more than 1,700 people worldwide. A premiere Alaskan-owned business, Ahtna, Incorporated is guided by its vision statement: "Our Culture Unites Us; Our Land Sustains Us; Our People are Prosperous."

To learn more visit [www.ahtna-inc.com](http://www.ahtna-inc.com) and to receive the latest news and updates don't forget to follow us on Facebook.

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