

Summary of Shell Oil's Interest in Alaska: Beaufort Sea Frontier Drilling Armada Companies

Royal Dutch Shell has won the lion's share of licensing for acreage offered in Alaska's Beaufort Sea. This confirms Shell's strategic push into Alaska¹. As previously announced MEBA has entered into an agreement with Frontier Drilling, an Oil and Gas exploration company. Frontier Drilling contracts with Shell to provide exploration of oil and gas.

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¹ Source: Business Monitor International, *INSIGHT*, Americas Oil and Gas, June 2007

Shell Oil is a comparative newcomer to Alaska. Shell did not have any activity in the region prior to mid-2005. Indeed, records indicate that Shell arrived on the scene in August of 2005 by winning 84 offshore leases in the Beaufort Sea. The recently awarded new blocks are further offshore than existing areas and may present more challenging exploration conditions.

Shell's interest provides further confirmation of the company's strategy to exploit its technical expertise to develop deposits in challenging conditions. The company, like other majors has gradually changed its focus in recent years. The oil majors have allowed smaller independent companies to move into more mature areas where new reserves are likely to be comparatively minor, while they themselves are concentrating instead on potentially rewarding fields in previously unexplored regions.

As reported in the M.E.B.A.'s Telex Times, on Friday, June 1, 2007, M.E.B.A. successfully completed negotiations on a full-bodied contract that will put marine officers to work onboard drillships and drill rigs in the international subsea oil and gas industry.

M.E.B.A.'s solid working relationship with *Armada Companies*, will enable our marine officers to work on the drillships and rigs owned and operated by Frontier Drilling through a referral arrangement. Armada Companies has entered into a business arrangement with *Frontier*.

Frontier has contracts with Shell Oil for the exploration of natural resources for the international subsea oil and gas industry. The drillship that will be utilized in Alaska is the FRONTIER DISCOVERER which is being refurbished in a shipyard in Singapore.

Additionally, due to the first-class training our marine officers receive at the Calhoon M.E.B.A. Engineering School in Easton, MD we were able to secure terms in the agreement to supply personnel to work in a non-traditional deepsea job classifications known as "subsea engineers." The M.E.B.A. training facility will develop and implement a course curriculum that will provide the additional training required for subsea and assistant subsea engineers.

The deal was brokered by M.E.B.A. President Ron Davis along with Secretary-Treasurer Bill Van Loo and Deputy General Counsel William Doyle. HQ Contracts Rep. Mark Gallagher provided valuable assistance in the process.

M.E.B.A. will continue to provide legislative and administrative agency support for companies desiring to conduct business in the Oil & Gas industry. Indeed, M.E.B.A has been very successful in this arena over the past six years by moving legislation; providing community based education on the safety and security aspects of liquefied natural gas; submitting testimony to Congress and administrative agencies; and testifying before Congress.