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NEWS RELEASE

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FIRST ALASKAN OCS LEASE SALE IN FIVE YEARS HELD IN ANCHORAGE

The U.S. Department of the Interior's Minerals Management Service (MMS) today held the first natural gas and oil lease sale in five years for tracts in the Beaufort Sea, the area's sixth federal offshore sale. A total of 4 companies submitted 31 bids for Sale 144, held in Anchorage.

"This was a significant sale, not just because it adds revenue to the U.S. Treasury' and the Alaska economy, and potentially increases U.S. energy production," said MMS Director Cynthia Quarterman. "It is significant because it proves that the long process of consensus-building and outreach to involve all affected parties is ultimately in everyone's best interest. This sale shows that all parties can cooperatively work together to provide access to needed energy resources while giving local communities assurances that their way-of-life will be taken into account and their concerns addressed.,,

"The industry bid on key areas near existing oil development, and showed its belief that oil potential remains high," she added.

High bids totaling \$14,429,363 were submitted on 29 tracts which encompassed about 99,983 acres offshore of Alaska's arctic coast. The total of all bids was \$14,572,057. The highest bid received for the sale was \$10,611,680. submitted by BP Exploration & Oil, Inc., for blocks 6819 Area B, 6820 Area B, 6870 Area B, and 6871 Area G, which is located offshore Foggy Island Bay near the Tern Island exploration area.

More complete sale information will be available on the MMS World Wide Web page located at <http://www.gov/omm/alaska/lease/144sale/144.html> by 3:00p.m. A.S.T. on September 18.

MMS offered 1,364 blocks encompassing about 7.3 million acres. The area is located three to 140 miles off Alaska's arctic coast and is believed to hold substantial oil resources. The area east of Barter Island was not offered at the request of the State of Alaska, the North Slope Borough, and the Alaska Eskiino Whaling Commission.

MMS, the State of Alaska, the North Slope Borough, the AEWK, local communities, and the natural gas and industry worked together during preparation for the sale to develop a cooperative. approach for managing the fliture exploration and development that can result from the sale.

MMS is the federal agency that manages the nation's natural gas, dil and other mineral resources on the Outer Continental Shelf, and collects, accounts for and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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