



FUELING ALASKA SAFELY

DELTA WESTERN™
PETROLEUM



NORTHSTAR ENERGY
GUIDING A CLEANER FUTURE



SALTCHUK

Southeast Conference
September 19, 2019



NORTHSTAR ENERGY

ALASKA

- **Carfile** is one of Alaska's largest trucking and logistics companies.
- **TOTE Maritime Alaska** transports more than 1/3 of all goods consumed along the Alaskan Railbelt. It is the first maritime company in the nation to convert its fleet to run on clean burning natural gas.
- **Northern Air Cargo**, Alaska's largest all cargo airline and OnDemand charter specialist throughout North America.
- **Delta Western Petroleum** is the leading independent distributor of petroleum products and lubricants in Alaska.
- **Foss** has been solving complex logistics and transportation challenges in the Arctic's extreme environments for more than a century.
- **Cook Inlet Tug & Barge** specializes in harbor services in the Port of Anchorage and Cook Inlet.
- **Northern Oilfield Services, Inc. (NOSI)** provides exploration and development support services to Alaska's largest oil and mining companies.

WASHINGTON

- **Foss** owns and operates one of the nation's largest coastal tug and barge fleets as well as two Pacific Northwest shipyards.
- **TOTE** is leading the U.S. in the conversion of its fleet to run on natural gas.

CALIFORNIA

- **AMNAV Maritime Services** has been the leading provider of marine and harbor services in the San Francisco Bay area since 1976.
- **Foss** has been operating in California since 1949 where it operates world's first hybrid tug.

HAWAII

- **Young Brothers, Limited** has been providing inter-island cargo service throughout the State of Hawaii since 1900.
- **Ohana Fuels/Mini Stop** retail locations provide fuel and made-fresh food on Maui and the Big Island.
- **Hawaii Petroleum** is the largest independent marketer of petroleum and lubricants on Maui and the Big Island.
- **Aloha Air Cargo**, Hawaii's largest all cargo airline with service to western U.S. cities and South Pacific charters.
- **Foss Maritime** provides harbor support services in all major Hawaiian ports, a 24/7 dispatcher, regional and contract towing, construction support, barge chartering and related marine services throughout the Pacific region.

SALTCHUK

Saltchuk is a privately-owned family of air cargo, marine services, energy distribution, and shipping and logistics companies headquartered in Seattle. Operating throughout North America, the Caribbean, and Central America, Saltchuk has approximately 5,600 employees with consolidated 2017 annual revenue of nearly \$2.8 billion. Saltchuk is a values-driven organization which puts safety first. All Saltchuk companies conduct business with honesty and integrity.

- **Tropical Shipping** connects the Caribbean and Canada through Halifax, Nova Scotia

CARIBBEAN

- **Shoreside Logistics** serves the Ports of Jacksonville and Palm Beach, providing drayage and other cargo transportation and logistics services for the Southeast region
- **TOTE Maritime Puerto Rico** is the first in the nation to build LNG-powered containerships. TOTE companies have provided reliable delivery of essential goods and supplies to Puerto Rico since 1985.
- For more than five decades, **Tropical Shipping** has delivered the most reliable and complete cargo transportation services in The Bahamas and Caribbean.
- **StratAir** provides scheduled freighter service and on-demand charters throughout the Caribbean and Latin America.

- **TOTE Services** oversees technical management and crew services for more than 20 U.S. government, private and commercial ships.
- **Foss Maritime** provides efficient, safe and cost-effective global marine transportation services. From the transportation of oil-production components, oversized and sensitive cargo, to regularly scheduled point-to-point transportation, and one-time assignments worldwide.

SERVICES



AIR CARGO



MARINE SERVICES



ENERGY DISTRIBUTION



DOMESTIC SHIPPING



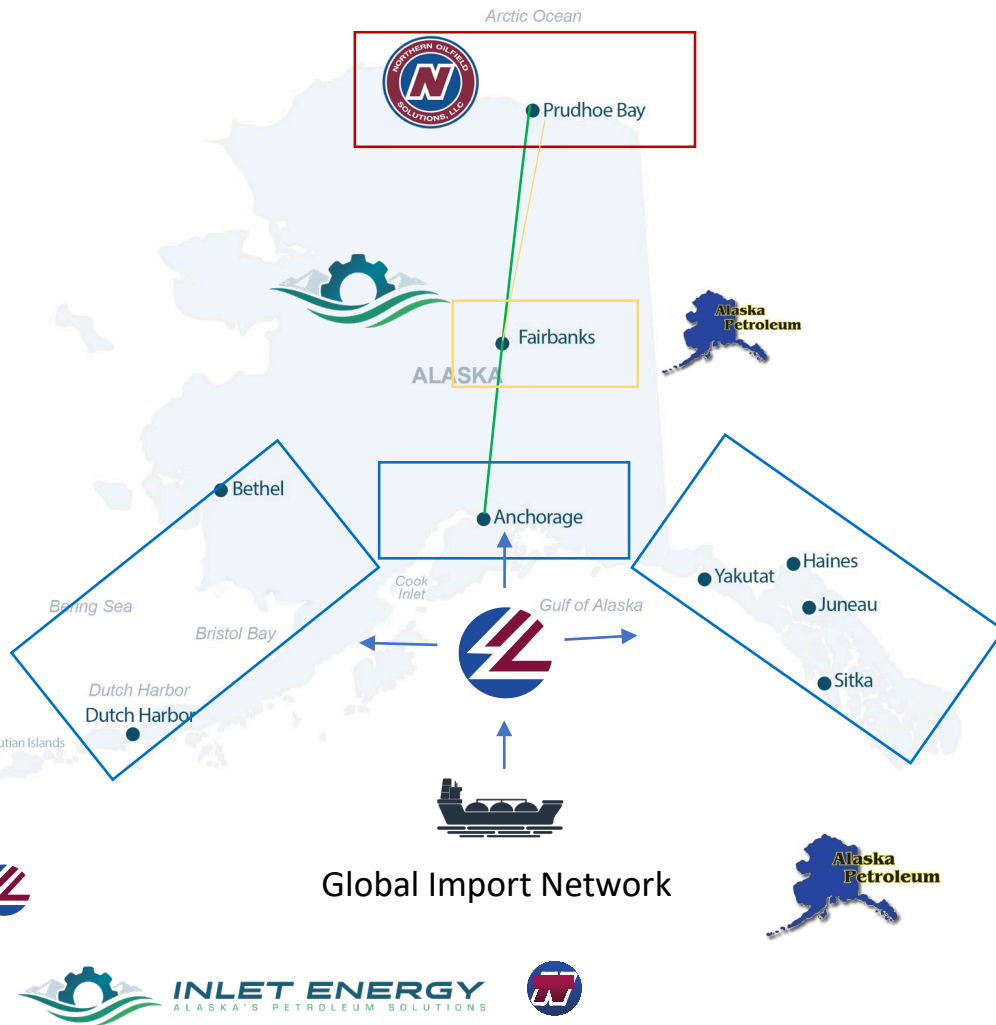
INTERNATIONAL SHIPPING



LOGISTICS



NorthStar businesses: a state-wide storage and distribution network



Operations

- Saltchuk culture of safety
- Experienced terminal managers committed to operational excellence
- Collaborative mindset structuring partnerships to serve customers

Distribution

- 9 bulk marine fuel terminals
- 1 bulk methanol terminal
- Rolling stock fleet
- Warehouses
- 8 retail gas stations

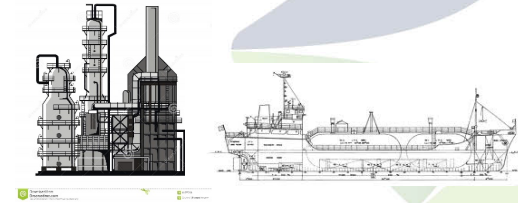
Supply

- Dynamic, competitive pricing structures
- Import tanker operations
- Established supply agreements
- Marine logistics expertise

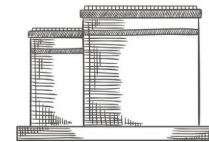
 Total bulk storage capacity: 25 million gallons

Value Chain Segments

Upstream – Multiple supply options & vessel



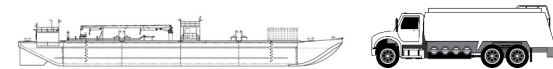
Midstream – terminal operations



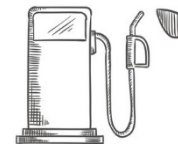
Price risk management – hedging, structured pricing, and arbitrage



Downstream – Delivery by barge or truck



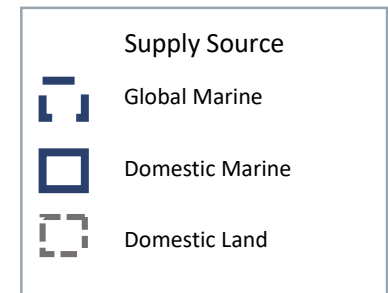
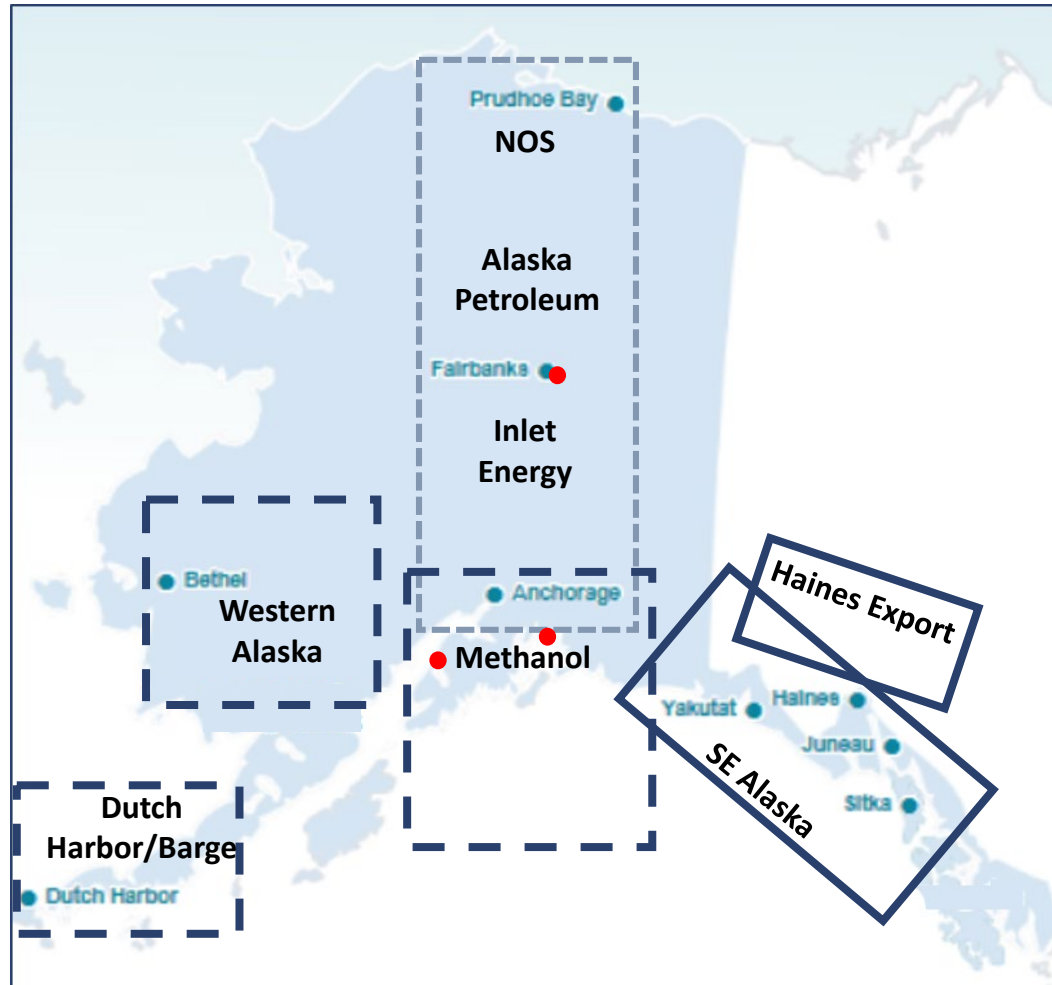
Retail – Retail sales (gas stations, jobber sales)



“Above the Rack”

“Below the Rack”

NorthStar operates in distinct markets with different fuel supply sources; SE fuel is imported via barge from PNW suppliers



Refinery (red dot)

Fuel Pricing Factors

Causes of world crude oil prices and supply disruptions:

These events may create uncertainty about future supply or demand, which leads to higher volatility

- Geopolitical Events (Gulf war, Arab oil embargo, etc)
- Severe weather
- Crude oil production capacity
- Refinery equipment efficiency
- Refinery outages
- Pipeline problems

Many factors affect the price of oil, but in the end it comes down to supply and demand

energy **API**



Source: EIA

SE fuel supply and transportation challenges arise from fuel market dynamics and the high cost of maintaining compliant import assets

- Double hull tankers after 1990 Oil Pollution Act (OPA)
- 2010 ULSD conversion increases transportation cost
- Site-specific delivery requirements and challenges
- IMO 2020 projected impact global fuel market

THANK YOU SE CONFERENCE!



OUR MISSION // TO BE YOUR VITAL LINK TO THE MOST RELIABLE, BEST-IN-CLASS ENERGY SOLUTIONS.

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