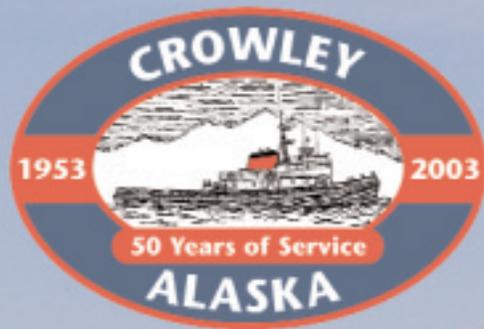


ALASKA



CROWLEY[®]
People Who Know[™]

Crowley Celebrates 50 Years of Service in Alaska

This year marks Crowley's 50th anniversary of service to the people and businesses of Alaska. During the past half century, Crowley has consistently provided unique solutions to Alaska's logistics and marine transportation challenges. From Anchorage to the North Slope, the Aleutians to remote river villages near the Canadian border, Crowley has played an important role in Alaska's business development and in protecting its environment.

Crowley entered the Alaska market in 1953 when a Crowley company pioneered the use of barges to transport railcars between Ketchikan, Alaska, and Prince Rupert, British Columbia.

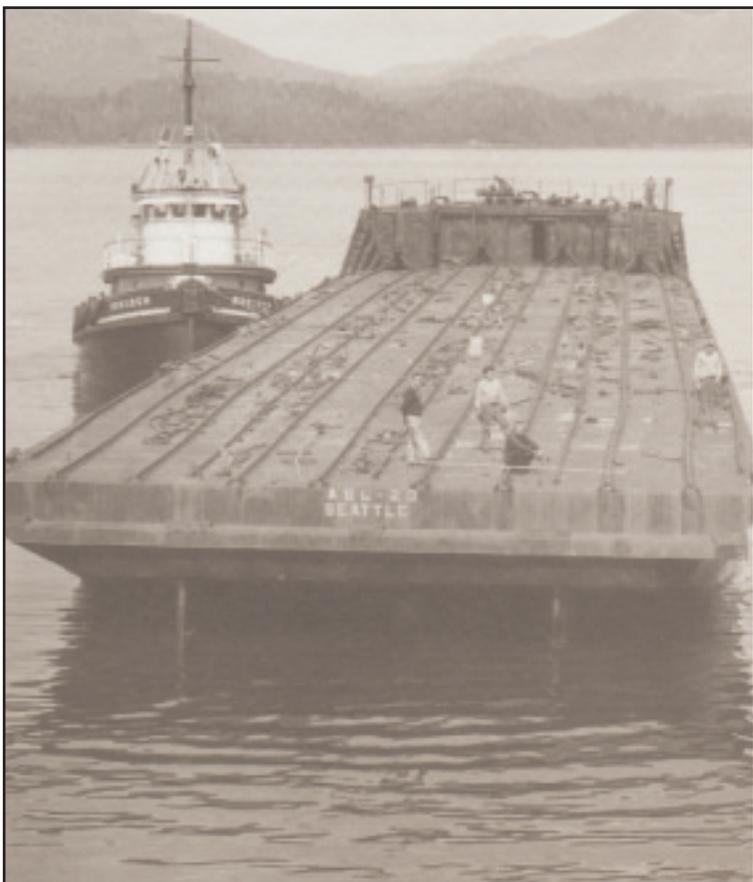
A few years later, Crowley began supplying the Distant Early Warning (DEW) Line radar installations for the U.S. Air Force, including sites on the Aleutian Chain and across the northern coast into Canada. It was the first penetration of the Arctic by commercial tug and barge service. Timing was critical



In 1958, Crowley became the first company to offer common carrier transportation of cargo in containers from the Lower 48 to Alaska.



A Crowley supply boat attends a drill rig platform in Cook Inlet, AK.



Barge ABC 20, used in the 1950s, was equipped to transport railcars between Ketchikan, AK, and Prince Rupert, British Columbia, Canada.

because of the ice pack that remains close to shore near Point Barrow except for about six weeks during the summer. This accomplishment was a prelude to the development of the North Slope in later years.

When oil was discovered in Cook Inlet, first in the Swanson River Field onshore in 1957 and later offshore at McArthur River and other locations, oil industry officials called on Crowley to help tame the treacherous waters of the inlet. Huge tidal variations and 12-knot currents made a difficult chore of setting platforms without the high-horsepower tugs of today and no marine support structure was available. Crowley responded to both problems by pioneering a technique of rafting tugs together to achieve the necessary horsepower; establishing a company called Rig Tenders Dock near Kenai to furnish supply and crew boat services, and by building six ice-strengthened tug supply boats.

In 1958, Crowley became the first company to offer common carrier transportation of cargo in containers from the Lower 48 to Alaska. For many years, Crowley barges delivered containerized and general cargo to ports throughout the state, and the company continues to provide contract tug and barge services in support of infrastructure and resource development projects.

In 1963, Crowley commenced regular rail-barge operations, known as the Alaska Hydro-Train, for the Alaska Railroad. This service involved transporting rail cars by barge from Seattle to the Alaska Railroad terminal in Whittier.

Crowley was also an ally to the fishing industry from 1969 until 1985 with its Salmon Carriers business.

"We started out lightering cases of salmon from seven or eight canneries in Bristol Bay out to the ships at anchorage," said Harley Mangold, Crowley Manager of Cargo Operations. "The ships would then bring the salmon to Seattle."

"In 1971, we put two 400-foot by 76-foot house barges - the *Juneau* and *Fairbanks* - into the service. By this time we were picking up salmon in Bristol Bay, King Cove, Fales Pass, Kodiak and Cordova and delivering it to Seward," he said. "Then in 1972 or 1973, we started using smaller barges with cranes and forklifts aboard, and we called directly on 20 different canneries, hauling supplies northbound to them between April and June. Then between July and October, we would haul salmon southbound into Kodiak for final shipment to Seattle."



Crowley's Nikiski Dock, near Kenai, AK, was established to provide shoreside support for oil industry operations in Cook Inlet.



Two Alaska Hydro Train barges depart from Seattle on the 1,378-mile route to Whittier, AK.



Mukluk trucks are loaded with 48-inch pipe destined for the trans-Alaska pipeline. Mukluk Freight Lines was owned and operated by Crowley until 1987.



In the annals of ice and men, there has been no other event to compare with Crowley's 1975 sealift voyage, when the largest fleet of the multi-year project encountered the worst arctic ice conditions of the century.

When oil was discovered at Prudhoe Bay, the oil industry turned to Crowley. Beginning in 1968, utilizing the earlier pioneering experience in the Arctic, Crowley began the summer sealifts to Prudhoe Bay. Since then, 334 barges carrying nearly 1.3 million tons of cargo have been successfully delivered to the North Slope, including modules the size of ten story buildings and weighing nearly 6,000 tons.

With the passing of the Trans-Alaska Pipeline Authorization Act in November 1973, the largest commercial construction project ever undertaken in the world to that point was launched in earnest, and Crowley was there. The company acquired Mukluk Freight Lines, an established Alaskan trucking firm, and over the next two years hauled more of the 48-inch pipe required for the 800-mile pipeline than any other carrier.

Crowley contributed to pipeline construction in other ways as well.

"We had a contract with Bechtel as a prime contractor for the Alyeska Pipeline Service Company," said Steve Peterson, Sr. Vice President and General Manager, Energy & Marine Services. "In addition to staging cargo all over the Seattle waterfront for Prudhoe Bay, we principally used Piers 90 and 91 for cargo destined to Valdez, the terminus of the pipeline."

"There was a steady run of general cargo for about three years directly into Valdez," he said. The 48-inch pipe was a different story. We delivered that directly to Whittier via Hydro Train and then back-loaded the rail cars onto 200-foot by 60-foot barges for delivery to Valdez. Since there was no railway in Valdez, Crowley bought some waterfront and put a rail siding in to discharge and then unload the railcars, most of which came from US Steel's Baytown mill outside of Houston."



A Crowley Pacific Alaska Line - West barge departs from Seattle en route to Western Alaska with a load of containerized cargo, small boats and building materials.



With pipeline construction well underway in 1975, the Crowley summer sealift flotilla to the North slope faced the worst Arctic ice conditions of the century. In fleet size, it was the largest sealift in the project's history with 47 vessels amassed to carry 154,420 tons of cargo, including 179 modules reaching as tall as nine stories and weighing up to 1,300 tons each. Vessels stood by for nearly two months waiting for the ice to retreat. Finally in late September the ice floe moved back and Crowley's tugs and barges lined up for the slow and arduous haul to Prudhoe Bay. When the ice closed again, it took as many as four tugs to push the barges, one at a time, through the ice. In 2001, Crowley

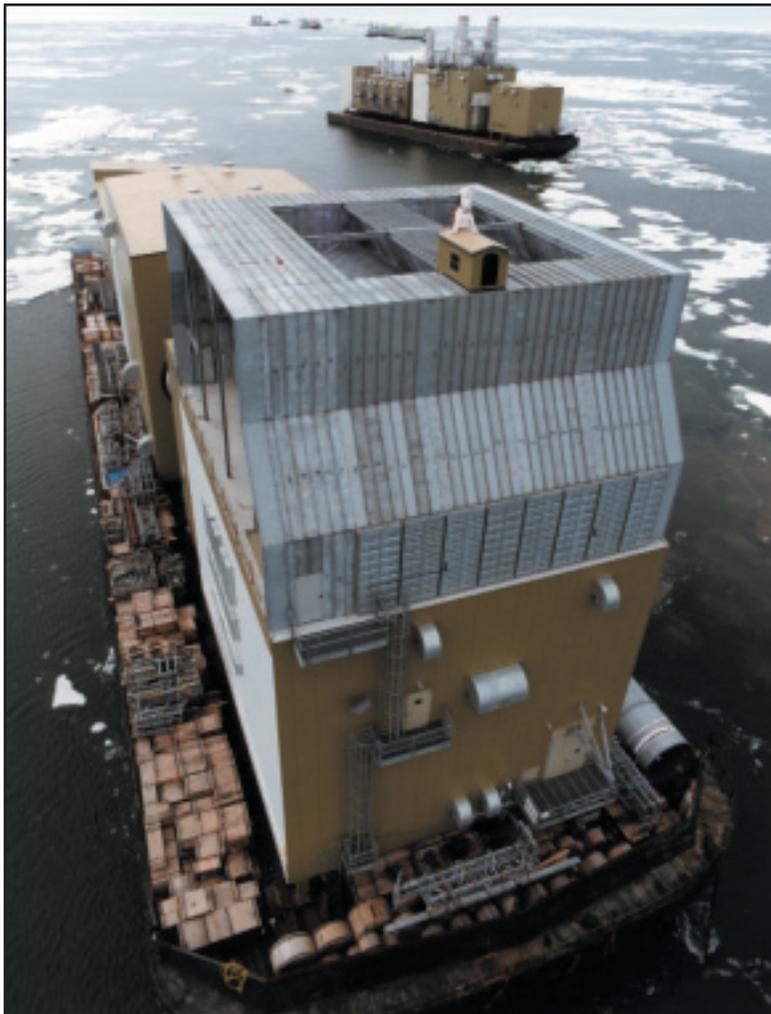
transported the largest modules ever made in Alaska from Anchorage to BP Explorations, Inc.'s Northstar Island and oil field on the North Slope. Another, single-barge sealift is planned for this summer.

Nineteen-seventy-five was also notable for Crowley's initial foray into environmental services and general freight services.

Crowley Environmental Services was a growing concern from 1975 to 1987 providing oil and chemical spill response, training, product sales and technical consulting services to industry and government. And Pacific Alaska Line (PAL), a newly formed Crowley company, began providing general



In 1977, Crowley used the ice breaker Arctic Challenger to achieve the earliest spring delivery by sea to Nome on record.



The 1983 sealift was comprised of 26 barges, 14 tugs and accompanying vessels. Here the fleet has just arrived in the icy waters of the Beaufort Sea.

freight services from Portland, OR, to Alaska, and contract transportation of bulk urea southbound from Kenai to West Coast ports. Two warehouse barges - *Oregon* and *Alaska* - were built for PAL service in 1975 and 1976.

Pacific Alaska Line - West was initiated as a seasonal common carrier service for general cargo moving from Seattle to Western Alaska ports from Bristol Bay to Barrow. In 1977, the company used the ice breaker *Arctic Challenger* to achieve the earliest spring delivery to Nome by sea on record. Seasonal general cargo common carrier services were discontinued in 1998.

Crowley also ventured into the construction business, acquiring Anchorage-based Northwestern Construction Company in 1974. With field offices in Valdez and Fairbanks, this business was involved in many notable civil construction projects, including the North-South runway at Ted Stevens International Airport, many miles of highways, and Duck Island, the first gravel drilling island in the Beaufort Sea for Exxon.

In the late 1970s, Crowley's Mukluk operation expanded its fleet to include large vacuum and water trucks to service rigs drilling in the Prudhoe Bay field. A Mukluk affiliate called Oilfield Services, Inc. was formed to provide a variety of landside services for the oil industry.

"Mukluk's and Oilfield Services' trucking and heavy hauling operations were scattered between Kenai and Prudhoe Bay and represented a major part of Crowley's Alaska business for many years," said Bruce Barto, Crowley Vice President and General Manager, Petroleum Services.

Crowley tugs, barges, cranes and personnel have continued to support North Slope oilfield development and the protection of its environment. Crowley is the marine contractor for Alaska Clean Seas, an oil industry spill response cooperative funded by North Slope producers and Alyeska. In the summer, the company moves equipment and supplies over water, and provides crew boat shuttle service for the major oil producers.

In the winter, Crowley provides additional logistics support for oilfield development on the North Slope with CATCO all-terrain vehicles. These heavy-lift overland transport units, first acquired in 1975 and suitable for all



CATCO all-terrain vehicles were first acquired in 1975 for remote off-road transportation in support of the oil industry.



CATCO vehicles use low-pressure air bag tires to travel over the tundra without damaging it.



In the mid-1980s, Crowley began transporting, storing and selling petroleum products throughout all of Alaska's coastline and major Western Alaska river systems. Here a Crowley truck fuels up a cargo plane in Kotzebue.

types of remote off-road transportation, have large bag tires designed to work on the frozen tundra without damaging the delicate Arctic ecosystem. In the winter, Crowley employees use these vehicles along with drills and pumps to make ice roads and ice islands for oil exploration. When the weather warms, the ice melts and there is no trace that man was ever there.

At the southern terminus of the Trans-Alaska Pipeline, Crowley provides tanker escort and docking services in Valdez harbor for the Alyeska Pipeline Service Company using some

of the most technologically advanced and powerful tugboats in the world. During tanker escorts Crowley tugs are tethered to, or shadow, tankers in the event braking or steering assistance is needed. This operation was put in place following the *Exxon Valdez* grounding on March 24, 1989.

On that date, the 987-foot tanker en route southbound in Prince William Sound, went aground on Bligh Reef. Crowley tugs were first on the scene to take up position alongside the stricken vessel. The tugs were used during the transfer of oil from the tanker to smaller vessels, and provided the power to



Crowley tugs were first on the scene to assist the stricken tanker Exxon Valdez in March 1989.



Crowley's 2001 summer sealift culminated with the delivery of production modules to Northstar Island near Prudhoe Bay. Measuring more than 10 stories high and weighing more than 3,500 tons each, they were the largest modules ever made in Alaska.

Photo by Judy Patrick

guide the crippled tanker off the reef and get it under tow. In 1989 and 1990, Crowley was the principal contractor of equipment and personnel to provide marine support for the spill cleanup, a massive effort spread throughout the sound. At the peak of operations, 66 Crowley vessels were deployed and mobilized from Crowley operations as far away as Los Angeles.

Today, Crowley tugs help to ensure that such an accident will never happen again. In 2001, Crowley tugs in Valdez stopped a tanker from colliding with a fishing boat and its nets that had been set across the Valdez Narrows shipping channel. In 2002, Crowley tugs secured a tanker that was experiencing mechanical problems and had to shut off its engines. In both cases the system worked and the waters of Prince William Sound were protected.

In addition, Crowley has positioned other vessels in the area to provide the world's largest comprehensive spill prevention and response capability to Alyeska and its member companies. This program formed by Alyeska in July 1989, is commonly known as its Ship Escort Response Vessels System (SERVS). Its function is to escort laden tankers through Prince William Sound and Hinchinbrook Entrance to Seal Rocks, to assist tankers in emergencies and to provide initial oil spill response.



Crowley's tug and barge services provide fuel and general cargo delivery to about 150 remote Alaskan villages.



In 2000, Crowley transported, positioned and set down an oil exploration platform called the Osprey on the Redoubt Shoals prospect, west of Kenai, AK in Cook Inlet.



In 2003, Crowley will begin using a new Hovercraft to provide cargo and crew transportation to BP Exploration Inc.'s Northstar Island, located six miles offshore from Prudhoe Bay in the Beaufort Sea.



A Crowley tug crewmember prepares to catch a line from a tanker entering the Port of Valdez.

In the mid-1980s, Crowley launched a service to transport, store and sell petroleum products throughout all of Alaska's coastline and major Western Alaska river systems. Operating from tank farms in Nome and Kotzebue, the company provides direct delivery of bulk fuels and packaged petroleum products to more than 100 coastal and river villages throughout Alaska. During the warmer months, line-haul barges replenish tank farms and smaller lighterage barges carry fuel to remote villages, often beaching where no docks exist. Crowley also positions "floater" barges in Bristol Bay to supply fuel and consumables to the commercial herring and salmon fishing and processing industry.

Crowley's Alaska fuel business is being expanded in 2003

with the construction of a tank farm in Bethel. Built in cooperation with the Bethel Native Corporation, the facility will support commercial, aviation, government and individual fuel consumers in Bethel and outlying villages in the Yukon-Kuskokwim region.

Throughout the last half-century, unique expertise and equipment have propelled Crowley into its position as a leader of quality, reliable and environmentally sound services in Alaska. Whether it's over-the-tundra transportation, supplying fuel in remote areas, providing project cargo services, tanker escort and assist services, or protecting the environment, people who know Crowley, count on Crowley's knowledgeable people to get the job done right.



Crowley uses some of the most advanced tugboats in the world to safely escort tankers from Valdez through Prince William Sound to open waters.



Determined Crowley crewmembers battle icy conditions to deliver heating oil and other petroleum products to Western Alaska villages.



Crowley's 450-10 petroleum barge is capable of transporting 149,000 bbls. Currently there are eight 450-series barges in the Crowley fleet.



In 2003, Crowley is scheduled to open a tank farm in Bethel, similar to the one seen here in Kotzebue.

We take weightlifting to extremes.



We really beefed things up for our latest sealift to BP's Northstar Island. We maneuvered three production modules, each weighing in at 3,500 tons and measuring ten stories high, a distance of 2,023 miles through polar ice, shallow waters and arctic winds. But we're used to it. For the past 25 years, Crowley has done all the heavy lifting for the industry by transporting oil production equipment and supplies to the North Slope of Alaska. Crowley also provides arctic logistics support, like barging services and supplying crew boats to transport workers to and from their offshore site 24 hours a day, seven days a week.

People who know Crowley know we're the only heavy-weights

with the skills and experience to handle the toughest ocean towing assignments – anytime, anywhere. For more information, call Crowley Alaska's Craig Tornga at 907-257-2822 or visit www.crowley.com.



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