



NORTHSTAR ENERGY ORIGIN STORY

ORIGIN, HISTORY, MISSION, VISION AND VALUES FOR ALL NORTHSTAR ENERGY COMPANIES IN ALASKA AND HAWAII

FALL 2019



ETHOS OF NORTHSTAR ENERGY

“The more volatile and uncertain the environment,
the more important it is to have individuals who can and want to embrace the
disruption, who
understand how to thrive in ambiguity
and respond quickly to its unforeseen challenges.”

- Forged in Crisis

ORIGIN STORY

Saltchuk: noun. The sea, or any body of salt water. From the Chinook Jargon, a revived American indigenous language of the Pacific Northwest: chuk, meaning water. Both salt and water are essential for life.

Saltchuk: community. Among the largest private companies in Washington state. Named one of the World's Most Ethical Companies in 2014. Committed to providing essential services to communities, whether by land, air, or sea.

North Star: The guiding navigational star of the Northern Hemisphere, toward which the axis of the Earth points.

NorthStar Energy: the parent company of Saltchuk's energy distribution line of business. The trusted guide to the future of fuel, orienting customers to their right energy solutions. The thought leader populated with men and women who exemplify courage, cohesion, and commitment - commitment to safety, the environment, and to the wellbeing of all customers, including the most remote, especially during extreme conditions.

With an eye for opportunity and a single-minded vision—to create a family of companies where all employees would feel proud for their children to work—Saltchuk was born. At its heart, Saltchuk is the best of a family business: grounded in trust and managed for the long-term. A family of companies where every employee and every customer is valued as an integral branch of the family tree. And at its core, Saltchuk stands for integrity and commitment to the remote communities it serves.

NORTHSTAR ENERGY: CHRONOLOGY

NorthStar Energy’s timeline begins with our customers: the resilient people and communities who call remote places their home.

- 10,000 B.C.E** People began to inhabit Alaska, using a land bridge that connected Siberia to eastern Alaska. Of these migrant groups, the Athabaskans, Aleuts, Inuit, Yupik, Tlingit and Haida still call Alaska home.
- 4,000 B.C.E.** The first wave of nomadic foragers arrived in the Caribbean from Central America, traveling by canoe. That was followed by migrants from South America.
- 300-500 A.D.** Polynesians from the Marquesas Islands became the original settlers of the Hawaiian Islands.
- 900-1000 A.D.** A second wave of migrants arrived from Tahiti in double-hulled canoes, from 3,500 miles south of the Big Island. They had to haul almost everything they needed for their survival on Hawaii, including banana and coconut trees, dogs, hogs, and chickens.
- 1492** European explorers landed on an island in the Caribbean, launching the age of exploration where European nations, notably Spain and Portugal, battled to claim as many of the 7,000 islands as they could. The Caribbean islands are now divided into three groups: The Greater Antilles, the Lesser Antilles, and the Bahamas.
- 1959** Alaska was granted statehood by the United States. The new state contains 17 of the 20 highest peaks in America and commands an enormous portion of the country. So large, Rhode Island can fit into Alaska more than 420 times. The terrain is among the most rugged in the states with extreme temperatures, surrounded by rough seas. It is also the most sparsely populated of all the states. 128 cities in Alaska are officially labelled as “very small towns and villages” with fewer than 1000 residents each.
- 1959** Hawaii became the 50th and last state to make up the United States of America. It is the most isolated population center on the planet—more than 2,300 miles from the United States, 3,850 miles from Japan, 4,900 miles from China, and 5,280 miles from the Philippines.

- 1972** The Soriano brothers bought Western Pioneer, one of the last wood-hulled World War II freighters on the west coast and the last in the Alaska trade. The brothers named the company after the boat. They operated an old-style break bulk and palletized freight business between Seattle and remote Western Alaska, serving the commercial fishing industry and western Alaska communities.
- 1973** NANA Regional Corporation was started. From Alaska's North Slope to the Gulf of Mexico, their companies provide offshore platform operations and maintenance, facilities design and construction fabrication, engineering and project management, and indigenous engagement.
- 1975** NANA created NANA Oilfield Services, Inc. (NOSI). This business provides North Slope producers and contractors with diesel, gasoline and aviation fuels, along with the Chevron lubricants that keep equipment in optimum running condition even when temperatures dip to minus 50 degrees, and wind chill factors of minus 80.
- 1982** Jimmy Haynes started Maui Petroleum at age twenty-eight with two kids and no financial backing other than a loan from the Small Business Administration. Before long, Jimmy expanded the company to include convenience stores that focused on local food.
- 1984** After experimenting with direct delivery into the remote communities along the Yukon River and Western Alaska coastline, Western Pioneer formed Delta Western Fuels. Delta Western began to serve ships, planes, and vehicles with fueling stations in Dutch Harbor, St. Paul, and St. George.
- 1988** Equitable Life Assurance Society of the United States and Lepercq, de Neufelize & Co, New York based investment firms, purchased a half interest in Western Pioneer. That year, Amigo, Max, and Steven Soriano, and the CFO, created a \$4 million pool of bonus money that was shared between employees and alum who were integral to Western Pioneer's success.
- 1998** Jimmy Haynes purchased his largest competitor on the Big Island of Hawaii, creating a new company called Hawaii Petroleum.

- 2000** Saltchuk bought Delta Western from Western Pioneer. This represented Saltchuk's first purchase in the petroleum sector. As Larry Soriano noted, "We thought Saltchuk was a smart, strategic, big-thinking company. They were integrating all pieces in Alaska infrastructure companies and were expanding thoughtfully. It felt right."
- 2005** Saltchuk purchased Inlet Petroleum. Inlet Petroleum had differentiated itself with an unrivaled commitment to customer service. Upon acquisition by Saltchuk, Inlet's operations became a part of Delta Western, and that commitment was augmented by an additional and equal emphasis on safety.
- 2006** NorthStar Petroleum formed as the parent company of the petroleum line of business of Saltchuk Resources. Its operating companies focus on the fuel and lubricants distribution and retail trade with an eye for future alternative energy sources.
- 2007** Saltchuk bought Hawaii Petroleum, the leading independent distributor of petroleum products and lubricants on the islands of Maui and Hawaii. According to founder Jimmy Haynes, "Mike Garvey took me out on his antique tugboat. I got a strong sense of his care for employees. That was important since some of my people had been with me for over thirty years."
- 2016** Saltchuk bought NOSI, the oldest subsidiary of NANA since its formation in 1975. As articulated by the president of NOSI at the time, "Saltchuk walked the walk: we want to create a place where our kids want to work.... The fit couldn't have been better."
- 2018** NorthStar Petroleum became NorthStar Energy, orienting to its mission as the vital link to the most reliable, best-in-class, integrated energy solution, and its quest to lead the way in energy innovation, guiding customers to the future of fuel. NorthStar relaunched and welcomed Inlet Energy to its family of brands.
- 2019** NorthStar energy acquired Alaska Petroleum Distribution, a family-founded brand serving home heating oil to the Fairbanks and North Pole communities. Meanwhile the business recognized that customers in another remote community, the Caribbean, need a more reliable, best-in-class, integrated fuel solution, and a trusted provider with an eye toward their future.

TheNorthStar story continues...

VISION: The single most exciting and most creative time to work in Energy is now. We are poised at the very cusp of change. Presently, people are reassessing their relationship with fuel as they become more efficient and conscious about energy. At the same time, innovations are advancing fuel at a more rapid pace than ever. The fuel of today is far from the fuel of three or four years ago, much less three or four decades ago. And fuel continues to change in powerful ways, providing efficiencies that are critical to global health.

All of this means that our relationship with energy needs to be even more deliberate and forward-thinking. Even as we explore new energy sources, we all need to commit to using less energy while gaining more efficiencies.

Although alternative fuels have been around for twenty years, these future fuels are still in their infancy. With infancy comes enormous opportunity: opportunity to develop new markets, introduce different fuels, and create alternative power generation.

Fuel has been one solution for a hundred years, but are we set up for the next solutions in the future? Are we prepared to extend those solutions to geographically and economically isolated populations?

Our vision is that over the next few decades, the world will transition away from hydrocarbons. Yet today many communities have no alternatives. Think of Alaska, Hawaii, and the Caribbean. This is why we plan to use NorthStar Energy's integral position in niche markets to lead the way in energy innovation and decarbonization. We will guide *all* our customers to the future of fuel.

MISSION: To be the vital link to the most reliable, best-in-class, integrated energy solution.

QUEST: To guide all customers to the future of fuel.

NORTHSTAR ENERGY: VALUES

Four main values guide NorthStar: Cohesion, Commitment, Courage, Personal Agency.

VALUE 1: COHESION *RESOLVE DIFFERENCES TO GET ALONG*

An elevated and deeper form of collaboration among a team of people with a diverse range of backgrounds, talents, and perspectives. Cohesion encompasses teamwork, where connectivity is rooted in a shared understanding that our customers' lives may be at stake if we cannot deliver on our promise to provide them with essential fuel solutions. It communicates a feeling of responsibility that permeates all relationships: leaders and employees, customers and competitors. Above all, it is unity behind our mission and quest. Cohesiveness is how we create a company where we would all be proud for our children to work. It is not about corporate politics or blindly adhering to tradition. Instead, cohesion is the best of a family business where everyone does whatever needs to be done to meet the customer commitment, where everyone helps build the business.

VALUE 2: COMMITMENT: *STAY FOCUSED TO GET IT DONE*

We have a deep sense of commitment to serve people—our own employees and residents in the most remote communities, especially in the face of the most extreme conditions. This deep commitment also extends to the environment. We do the right thing for the people and the places we serve. If there is a NorthStar motto, it would be this: if you step into a role of service, you own your commitment to serve.

VALUE 3: COURAGE: *SPEAK UP WHEN SOMETHING ISN'T SAFE OR RIGHT*

Without ever compromising the safety of our people, we do whatever it takes. In the face of firsts, in the face of crisis, in the face of challenging conditions, we have the grit to figure it out, have the hard conversation, and get it done. Never careless, always bold, we rely on intelligence and creativity to navigate daunting situations.

VALUE 4: PERSONAL AGENCY: *TAKE ACTION*

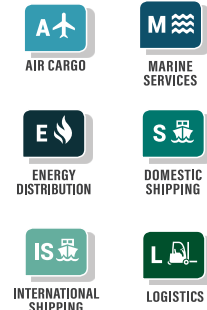
Underpinning the three preceding values (Cohesion, Commitment, and Courage) is the real belief in Personal Agency—that each person has the personal power and wherewithal to create trusting relationships, solve hard problems, and implement better ideas. Furthermore, it is company policy that any employee can call out a safety concern and halt operations until everything aligns with our relentless commitment to the preservation of the health and wellbeing of our team – a necessary foundation for fulfilling our commitment to others. Personal Agency doesn't just underscore NorthStar's safety culture; it engenders the healthy relationships that keep us all afloat. It is at the core of the pioneering spirit inherent in all the NorthStar companies.

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 5,500 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.



SERVICES



alaska

- **Carlile** 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 Solutions** provides exploration and development support services to Alaska's largest oil and mining companies and climate research efforts.
- **Alaska Petroleum Distribution** serves home heating fuel to customers in North Pole and Fairbanks and supplies linke haul drivers to deliver fuel up the Dalton Highway to Prudhoe Bay.

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.

- **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.

hawaii

- **Young Brothers, Limited** has been providing inter-island cargo service throughout the State of Hawaii since 1900.
- **Ohana Fuels/Minit 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.

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.

- **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 Resources, Inc.



NorthStar Energy, LLC



Northern Oilfield Solutions, LLC



Delta Western Petroleum, LLC



Alaska Petroleum Distribution, LLC



Hawaii Petroleum, LLC



Delta Western DBA Inlet Energy



NORTHSTAR ENERGY
GUIDING A CLEANER FUTURE

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

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