



NEWS RELEASE

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FOOTHILLS' RESPONSE TO A PRESIDENTIAL FINDING ON THE EXPORT OF ALASKAN GAS

CALGARY ----- On January 12, 1988, the U.S. President issued a finding under Section 12 of the Alaska Natural Gas Transportation Act that exports of Alaskan natural gas will neither diminish the total quantity, nor increase the price, of energy available to the United States. As the Canadian sponsor of the Alaska Natural Gas Transportation System ("ANGTS"), which is designed to move Alaskan gas to domestic U.S. markets, rather than to foreign markets, Foothills Pipe Lines (Yukon) Ltd. ("Foothills") has the following comments with respect to the Presidential finding:

Given the fact that there is no current or foreseeable foreign market for Alaskan gas, we believe that the Presidential finding on Alaskan gas exports is unsupportable, unwarranted, and inappropriate. Nonetheless, we are pleased that the President has expressly reaffirmed the United States' commitment to the first phase of the ANGTS, which has already been successfully completed, and has specifically stated that the removal of regulatory barriers on exports of Alaskan gas is not intended to hinder the completion of the project.

Gas reserves on the North Slope of Alaska represent the largest pool of untapped gas reserves in the United States. The proven North Slope reserves alone are approximately 30 trillion cubic feet, which is the equivalent of approximately 5 billion barrels of oil.

Notwithstanding the Presidential finding, Foothills is convinced that the Alaskan gas reserves, which could displace substantial volumes of less than secure OPEC oil, will be required by markets in the lower 48 states. Existing shortages in the U.S. this winter make this clear. Foothills continues to believe that the ANGTS will be completed in accordance with the Agreement on Principles between the United States and Canada. Moreover, based upon our ongoing cost studies, it is clear that the ANGTS will cost substantially less than originally envisioned and, in our view, it will be more competitive and viable than any other alternative for moving Alaskan gas.

CONTACT: R.L. Pierce
(403) 290-7800

C. Kent Jespersen
(403) 294-4430