

Agreement signed for NS natural gas to Japan

JUNEAU--The Atlantic Richfield Company and the Japanese government have signed a long-anticipated agreement to conduct a pre-feasibility study of shipping North Slope natural gas to Japan, Governor Bill Sheffield announced today.

"Alaska stands to gain thousands of jobs and a large amount of revenue if we can market Prudhoe Bay gas," the Governor said. "I'm encouraged that a major gas owner and the Japanese government have committed to pursuing the feasibility of finding this market."

Stuart Kirk, vice president of ARCO Alaska, Inc., informed

Sheffield of the agreement during a telephone call from the company's Dallas, Texas headquarters. Kirk also said discussions would begin this month with Korean companies about undertaking a parallel study focusing on North Slope gas exports.

The pre-feasibility study was one time of discussion between the Governor and Prime Minister Nakasone of Japan during a meeting Monday in Anchorage. They also discussed an offer made by Sheffield last month to sell Japan a share of crude oil production from Cook Inlet, when the royalty oil becomes
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Offshore oil

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available later this year.

"I believe the Japanese government is very interested in purchasing Cook Inlet oil, and this would certainly enhance other trade possibilities, including gas, coal, and timber," Sheffield said.

"This is the most concrete step the United States can take at this time to further relations with our neighbors in the Pacific and to help bring our trade imbalance back into line."