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Press Release

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New gas produced from Southern Kenai

(Anchorage, AK) – Armstrong Cook Inlet, a subsidiary of Armstrong Oil & Gas, Inc., has begun delivering natural gas from state land about 10 miles north of Homer on the southern Kenai Peninsula. The North Fork Pipeline, a new 7.4-mile-long line operated by Anchor Point Energy, LLC, is expected to deliver millions of cubic feet of natural gas per day to ENSTAR Natural Gas Co. to supply the region's transmission grid. The pipeline began sustained deliveries of gas on Thursday, April 7.

"This is a promising milestone for development of new gas supplies in Cook Inlet. We welcome Armstrong's continued participation in Alaska energy markets," said Department of Natural Resources (DNR) Commissioner Dan Sullivan.

The project opens up the southern Kenai region to new discoveries, said Kevin Banks, director of DNR's Division of Oil and Gas. "These new prospects will not only serve all of the gas customers in the Cook Inlet region but also give impetus to the distribution of clean natural gas for the Homer area," he said.

The North Fork Pipeline is the first common-carrier line in Alaska to use plastic composite pipe. Manufactured by Fiberspar LinePipe, LLC, the line has some advantages over conventional steel pipe, including easier installation and corrosion resistance.

The State Pipeline Coordinator's Office, an agency within DNR, received a right-of-way lease application from Anchor Point Energy on February 18, 2010, and issued a lease the following September. The application and lease information are available online at <http://dnr.alaska.gov/commis/pco>.

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