

**SUBJECT** ALASKAN FISHING COMPANY CONTRACTS LARGE ECO-FRIENDLY COMMERCIAL FISHING VESSEL WITH TACOMA SHIPYARD  
"The Northern Leader will be truly Green by every measure"

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## **MEDIA RELEASE**

(Anchorage, Alaska; February 14<sup>th</sup>, 2012) A contract to build one of the largest and most eco-friendly commercial fishing vessels constructed in the United States has been signed by Alaskan Leader Fisheries LLC, an Alaskan fishing company, and J.M. Martinac Shipbuilding Corporation of Tacoma, Washington

The F/V NORTHERN LEADER will be a 184' x 42' x 18.75' freezer-longliner designed for service in the Alaskan longline fisheries of the North Pacific, Bering Sea, and Aleutian Islands. The vessel will target Alaska Cod, Sablefish, and other groundfish species. The vessel will be one of the largest longliners in the world with over 38,000 cu.ft. of refrigerated fishhold with an estimated capacity of 1,867,025 lbs. of frozen seafood.

In announcing the contract signing, Robin Samuelsen, Chairman of Alaskan Leader Fisheries LLC and Chairman and Chief Executive Officer of Bristol Bay Economic Development Corporation of Dillingham, Alaska said "The NORTHERN LEADER will be one of the most technologically advanced and innovative commercial fishing vessels ever built. Our ship design will combine an extremely ecosystem friendly fishing system, onboard processing capacities featuring complete utilization of the vessel's targeted catches, and propulsion and generator systems that will substantially reduce fuel usage."

"For centuries Alaskans have survived a harsh yet giving land by having complete and unabiding respect for our environment. This vessel represents the responsibility of our stewardship of nature's resources and the necessity to fully utilize what we harvest. The continuing sustainability of Alaska's resources is only possible by choosing fishing technology that has minimal environmental impact"

"I'm very proud that Alaskans are providing the leadership in rebuilding our aging offshore fleets. Many of the freezer-longliners fishing in Alaska are approximately 70 years old".

"New vessels also provide greater safety for our crews and create many new jobs that start with the building of the vessel and will continue for many years in the harvesting, value-adding, and world-wide marketing of the vessel's catch. Alaska's universal reputation for producing the highest quality seafood is unsurpassed".

In commenting on the contract signing Joe Martinac Jr., President of J.M. Martinac Shipyard stated "The NORTHERN LEADER project represents many positives for both Martinac and our highly valued employees. To have this vessel built in the Pacific Northwest is important to many other Northwest maritime companies. Our livelihoods are interdependent upon a

healthy and productive local economy. Without a strong and competitive shipbuilding industry many of the participants in our maritime industries suffer when the output of our shipyards slows or stops completely.”

“ Technological advancements incorporated over the last twenty years in other sectors of work vessel construction such as tugs, oil-sector service vessels, and overseas fishing vessels are being incorporated into the NORTHERN LEADER design. A generation of technological advancements and innovation, lost in the absence of the construction of larger U.S commercial fishing vessels, is being incorporated into this vessel’s design.”

Mr. Martinac estimates that a project of this scope will create over 100 full-time jobs at Martinac and many additional jobs at other companies that will provide goods and service support over the 16 month construction timeline. Delivery of the vessel to Alaskan Leader Fisheries is scheduled for late April 2013.

In discussing the project, Robert J. Wurm, Chief Executive Officer of Alaskan Leader Fisheries, said “We are very appreciative to have our new vessel built in the Pacific Northwest. J.M. Martinac Shipbuilding is a great shipyard that well represents the finest traditions of Northwest shipbuilding. As a complete Union Trade facility its employees are some of the best craftsmen anywhere. Martinac is a testament to the competitiveness and technological innovation that thrives in the Greater Puget Sound area. They represent in the best light the strong work ethic and productivity that has helped make the Pacific Northwest renowned for both industrial spirit and advanced shipbuilding skills - past, present, and future.

Jensen Maritime Consultants (JMC), a prominent Seattle naval architecture firm, will provide a complete engineering package that includes everything from concept to production engineering. Jensen’s new production engineering department will deliver a 3D model and assembly package that supports efficient vessel construction.

Northwest Farm Credit Services of Seattle, will provide financing for the “NORTHERN LEADER” construction project.

Alaskan Leader Fisheries LLC is one of the largest Alaskan longline companies with four freezer-longliners, a seafood marketing company, a vessel management company, and a marine equipment fabricating enterprise. Established in 1990 in Kodiak, Alaska by seven Alaskan fishing families, the overall operation is based on a cooperative model with active participation by the company’s owners. Bristol Bay Economic Development Corporation and the original founding families have an equal 50%-50% ownership interest in the company.

When the NORTHERN LEADER is completed in the Spring of 2013 the vessel will be home ported in Kodiak with the primary port of operation being Dutch Harbor, Alaska.

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## VESSEL SPECIFICATIONS AND CAPACITIES

<b>NAME:</b>	<b>NORTHERN LEADER</b>		
<b>TYPE:</b>	<b>STEEL FREEZER-LONGLINER</b>		
<b>DIMENSIONS:</b>	<b>184' 3" X 42' X 18' 9"</b>		
<b>CAPACITIES:</b>	<b>MAIN HOLD</b>	<b>31,000 cu.ft. –</b>	<b>878 cubic meters</b>
	<b>FWD UPPER HOLD</b>	<b>4,400 cu.ft. –</b>	<b>125 cubic meters</b>
	<b>AFT UPPER HOLD</b>	<b>2,800 cu.ft. –</b>	<b>78 cubic meters</b>
	<b>TOTAL HOLD CAPACITY</b>	<b>38,200 cu.ft. –</b>	<b>1,082 cubic meters</b>
		<b>1,867,025 lbs. est. –</b>	<b>847 metric tons</b>
	<b>FUEL</b>	<b>136,000 gallons</b>	
	<b>FRESH WATER</b>	<b>18,900 gallons</b>	
	<b>LUBE OIL</b>	<b>2,100 gallons</b>	
	<b>DIRTY OIL</b>	<b>2,100 gallons</b>	
	<b>SEWAGE</b>	<b>6,700 gallons</b>	
<b>CREW COMP:</b>	<b>TOTAL</b>	<b>31</b>	
	<b>OPERATING</b>	<b>26</b>	
<b>TONNAGE:</b>	<b>Under 1600 Gross Registered Tons</b>		
	<b>1800 International Tonnage Certificate</b>		
<b>CLASSIFICATION:</b>	<b>ABS Classed for Maltese Cross</b>		
	<b>A-I Fishing Vessel with Unrestricted Service</b>		
	<b>USCG Loadline</b>		
<b>PROPULSION:</b>	<b>Two (2) Schottel Z-Drive Rudder Propellers</b>		
	<b>Type SRP 1012FP – 1,000 kw (1,350 hp)</b>		
<b>BOW THRUSTER:</b>	<b>One (1) Schottel Tunnel Thruster</b>		
	<b>Type STT 170FD – 300 kw (400 hp)</b>		
<b>GENERATORS (DIESEL):</b>	<b>Four (4) Caterpillar C-32 Generators</b>		
	<b>Rated at 715 kw each</b>		
	<b>One (1) Caterpillar C-18 Generators</b>		
	<b>Rated at 425 kw</b>		
	<b>Total shipboard output = 3,285 kw</b>		
<b>REFRIGERATION:</b>	<b>Five (5) DSI Plate Freezers</b>		
	<b>Daily Capacity – 153,000 lbs.</b>		
	<b>Highland Refrigeration, Seattle, WA</b>		
<b>PROCESSING EQUIP:</b>	<b>Marel, Seattle, WA and others</b>		
<b>FISHING SYSTEM:</b>	<b>Mustad Deep Sea System – 76,800 hooks</b>		
	<b>Rena International, Seattle, WA</b>		
<b>DECK CRANES:</b>	<b>Two (2) Hydra-Pro Model HP40-7</b>		
	<b>Fixed Boom</b>		
	<b>One (1) Hydra-Pro Model ESI M/35</b>		
	<b>Knuckle Boom Folding</b>		
<b>NAVAL ARCHITECT:</b>	<b>Jensen Maritime Consultants, Seattle, WA</b>		
<b>SHIPYARD:</b>	<b>J.M. Martinac Shipbuilding, Seattle, WA</b>		
<b>DELIVERY INTO SERVICE:</b>	<b>April 26, 2013</b>		

# APPENDIX

## TECHNICAL, REGULATORY, AND MARKETING INFORMATION

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**1) LONGLINE FISHING FOR SUSTAINABLE HARVESTS** - The fishing methods employed by the **NORTHERN LEADER** and other North Pacific freezer-longliners has been globally recognized as being one of the most environmentally-friendly methods of fishing. Using a 7/16<sup>th</sup> diameter main line, leaders and baited hooks are spaced 48” apart. Covering a linear distance of up to 50 miles a day, a freezer-longliner will set and haul gear each 24 hours to insure the freshest possible catch with fishing gear that has an extremely low physical impact on the ocean floor. This one-fish-at-a-time method of fishing produces the highest quality seafood through the careful handling of individually hooked fish. Worldwide market demand for Alaskan longline caught product has been ever-increasing due to both high quality and the growing public awareness of ecosystem sustainability. Selectively targeting larger fish, longlining avoids the bycatch of immature fish and the capture of non-targeted species that hamper other commercial fishing methods.

**2) FULL UTILIZATION OF TARGETED SPECIES** – The **NORTHERN LEADER** will be the first freezer-longliner that utilizes up to 100% of targeted species. Presently approximately 40% of the body weight of Alaska cod (representing head and fish offal) is discarded during the processing of catch into frozen headed and gutted fish. Although what is presently discarded is of lower value, utilization of these byproducts is made possible on a larger vessel such as the **NORTHERN LEADER**. Full retention of the vessel’s catch in various product forms is projected to add up to 20% to the value of harvested fish. Shaun Andrew, longtime partner in ALF and captain of the 167’ **BRISTOL LEADER** since it was built in 1998, will be the captain of the **NORTHERN LEADER**. “The days of wasting our resources are coming to an end. It’s both a privilege and a responsibility to be a fisherman. To me the greatest challenge and most satisfying feeling is to leave our resources in better shape than we found them while fully utilizing what we do catch. If we don’t believe in that goal, what will be left for our future?”

### **3) ALASKAN LEADER SEAFOODS - MARKETING**

All marketing of the Alaskan Leader Fisheries fishing fleet production is conducted by Alaskan Leader Seafoods of Seattle, Washington. Steve Alger, President of Alaskan Leader Seafoods said, "The Freezer-Longline production of the ALF vessels and the other harvesters in the Alaska fleet have established the highest quality benchmark for Alaska cod throughout domestic and international markets".

"Cod is an interesting seafood commodity because it is one of the few species that has closely related genetic stocks in so many areas of the world. Historically the commodity trading of white fish in world markets is in fact the history of the cod fish trade. Alaska's production, especially the significant proportion harvested by Freezer-Longliners, has gained the apex of market acceptance due to the purity, texture, and taste of the product".

"The NORTHERN LEADER will have the highest quality control standards of any vessel in the Alaska fleet through technological advances in all aspects of the product handling once it enters the vessel's processing and freezing deck".

A special division of Alaskan Leader Seafoods has been created to value-add to the traditional longliner production of frozen headed and gutted fish. Keith Singleton, a 30 year veteran of the Alaskan seafood industry, will head the new marketing entity - Alaskan Leader Specialty Products.

"We will use the 4,000 square feet of the seafood processing deck to process our traditional H&G products in addition to all ancillary products such as cod heads, cod liver oil, and other valuable by-products that the vessel harvests. This processing arrangement will facilitate private label fillets and portion programs for our restaurant, supermarket, and food service customers".

"The world markets have become well aware of the great economic value that the highest quality, eco-friendly and sustainable seafood products will bring to their customers. It's all about "Going Green" by using fishing techniques that do not have damaging impacts on the oceans environment while delivering a much superior seafood product at a very reasonable cost to the consumer".

### **4) FREEZER –LONGLINER COALITION** - Kenny Down, Executive Director of the Freezer-Longliner Coalition- the freezer-longliner cooperative comprised of 30 vessels owned by 11 Alaskan and Washington companies that fish primarily Alaska cod in the Bering Sea, Aleutian Islands and the Gulf of Alaska- is very optimistic about the future of the ecofriendly fisheries of Alaska.

"The NORTHERN LEADER project would not be possible without the many years of diligent efforts by the North Pacific Fisheries Management Council to ensure that the fisheries stocks of Alaska remain abundant and fully sustainable. By promoting regulatory stability that encourages long-term investments, companies can now move forward with needed vessel replacements. We believe the NPFMC has done a great job as the steward of Alaska's offshore fisheries while helping maintain the strong economic vitality of our fishing fleets. It's truly a joy to me to see vessels as impressive as the NORTHERN LEADER enter our fleet".

"It has taken many years of hard work by many people for members of fishing communities to have the opportunity to invest in new vessels such as the NORTHERN LEADER. Our fleet of vessels is one of the oldest offshore fleets in the U.S. with an average age close to 40 years old. It's time to start rebuilding. To start with a vessel as impressive as the NORTHERN LEADER is definitely a good way to

move forward. The entire U.S. commercial fishing industry is made stronger when participants are able to invest in the future of these very important fisheries.”

**5) NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL** - The capacity of companies to accept the financial risk of building a vessel such as the NORTHERN LEADER developed with the stabilization of Alaska fisheries management through actions of the North Pacific Fisheries Management Council, the establishment of a fishing cooperative by 100% of the freezer-longliners federally licensed to fish Alaska cod in the Bering Sea and Aleutian Islands, and the passage of the ‘Longline Single Fisheries Act’ by the 111<sup>th</sup> U.S Congress and signed into law by President Barack Obama in December 2010. In recent years the North Pacific Fisheries Management Council has worked diligently to ensure that fisheries stocks of Alaska remain abundant while also developing and promoting catch-share programs that provide the economic and regulatory stability that encourage long-term capital investments. New vessels and environmentally friendly gear types provide greater safety, more efficient use of our marine and ecosystem resources and help conserve valuable fossil fuels while creating jobs from one end of the economic spectrum to the other.

**6) HISTORY OF J.M. MARTINAC SHIPBUILDING**

J.M. Martinac Shipbuilding of Tacoma, Washington was founded in 1924 and today represents one of the oldest and most revered shipyards on the U.S. West Coast.

For over eight decades the shipyard has adhered to the same principles: Craftsmanship, reliability, performance, and uncompromising quality in all vessels that they build. From design and engineering expertise to innovation in construction, J.M. Martinac has held steadfast to these principles that has given them an unsurpassed reputation around the world.

For over forty years (1945 – the early 1990’s) Martinac was most renowned as the preeminent Tuna Clipper shipbuilder in the world. Designing and building over 70 of these sleek and elegant vessels, which operate from the Ivory Coast to the Western Pacific, most of these vessels are still in service today.

In discussing the NORTHERN LEADER project, Joe Martinac Jr., the third generation of the Martinac family to operate the facility said, “Building commercial fishing vessels has been the historic mainstay of our business since J.M. Martinac Shipbuilding was founded in 1924. Fishing has always been in our blood although it has now been 20 years since our last new construction of a fishing vessel. The NORTHERN LEADER is designed as our Hull #256. Historically about 150 of the vessels built at Martinac have been fishing vessels. We are excited about this project and honored to be selected by Alaskan Leader Fisheries to build their new longliner. It’s going to be a tremendous vessel”.

**7) VESSEL PROPULSION SYSTEM & ELECTRICAL GENERATING SYSTEMS** - The NORTHERN LEADER will be a fully diesel electric vessel. The ship’s propulsion system is comprised of two (2) German 360 degree Schottel Z-Drive Rudder Propellers – Type SRP 1012 FP each being powered by 1000kw (1350hp) motors and one (1) Schottel Tunnel Thruster Type STT 170 FP powered by a 300kw(400hp) motor giving the vessel unrivalled positional control and fuel savings of up to 35% over traditional vessel designs. This propulsion system replaces mechanical shafting, stuffing boxes, propellers, and rudders with two single unit 360 degree directional propellers coupled to electrical motors mounted directly above. A single joy-stick can control the entire maneuvering of the vessel. All other power demands of the vessel are provided for from the array of generator-diesels that also power the vessel’s propulsion system. The control center of the ship’s Engine Room is the vessel’s Power

Management System that matches electrical output with electric demands on an ever-changing basis which accounts for the significant fuel savings of this system. The vessel is believed to be the largest fishing vessel in the world to employ this technology. The vessel's diesel generating system will be provided by NC Power Systems of Seattle, Washington. The package consists of four (4) Caterpillar C-32 Gensets rated at 715 kw each, one (1) Caterpillar C-18 Genset rated at 425 kw each. Total electrical capacity of the vessel is 3,285 kw.

#### **8) VESSEL POWER MANAGEMENT SYSTEM**

Techsol Marine, a Canadian based provider of high-tech marine technical solutions in the field of vessel automation, alarm monitoring and control including switchboard and console construction, has been chosen by Martinac Shipbuilding and Alaskan Leader Fisheries to provide the NORTHERN LEADER an integrated Vessel Power Management System.

Techsol is also an innovator in the field of energy efficient electric propulsion technology. The company specializes in "whole vessel solutions" systems integrator combining its own software and hardware products with those of third parties to produce state-of-the-art solutions for its customers. Techsol, based in Quebec, Canada, has been a North American leader in high-tech marine production solutions for over 15 years. Acquired in late 2011 by the Dutch company Imtech Marine N.V., Techsol now has the additional support of the larger European engineering firm.

Imtech Marine is also a leading international full service provider and system integrator of tailor-made, innovative and sustainable technology solutions covering complete vessels systems. Imtech Marine employs over 2,500 employees at more than 70 offices worldwide.

#### **9) VESSEL FISHING SYSTEM** -The NORTHERN LEADER's MUSTAD Deep Sea System with a capacity of 76,800 hooks is the world's most advanced automated longline system. This Norwegian system is comprised of the latest generation of the Superbaiter, a newly developed 30" Line Hauler, a Line Controller system for setting and hauling the longline gear, a RotoCleaner, a Line Retriever, and a Mustad Hook Separator.

Mustad Longline A/S is the world leader in autoline fishing technology and continues to optimize their fishing systems efficiencies through their technical expertise and innovation. Rena International of Seattle is the U.S representative and agent for Mustad and will assist in coordinating the installation of the system aboard the vessel.

#### **10) OTHER VESSEL SYSTEMS**

**REFRIGERATION** - The NORTHERN LEADER's robust ammonia refrigeration system will be supplied and installed by Highland Refrigeration of Seattle. For primary freezing of the vessel's production the system will include five DSI Plate-Freezers (Denmark) each capable of freezing up to 720 cases (42.5 lbs. each) per day. Maximum total freezing capacity is 153,000 lbs. per day. The vessels main fish hold will be approximately 31,000 cu.ft. Two main deck secondary freezers will hold an additional 7,000 cu.ft. Total vessel capacity of frozen production is projected to be 1,867,025 lbs. A fin-coil piping system will be installed in both main holds and secondary holds. Highland Refrigeration will also supply and install the vessel galley's freezer and cooler systems for crew food storage.

**PROCESSING EQUIPMENT** – The primary supplier of the vessel's processing equipment will be fabricated and supplied by Marel Seattle. Marel specializes in all-inclusive integrated seafood processing and turnkey systems designed to offer a large variety of flexible solutions. Marel Seattle

fish processing systems are world-renown for their highly functional design and the quality and craftsmanship of their metal fabrication.

Headquartered in Iceland, Marel International, the owner of Marel Seattle, has facilities throughout the world and is engaged in many areas of the global seafood and agricultural processing businesses.

**VESSEL HYDRAULIC SYSTEMS** - The NORTHERN LEADER'S multiple hydraulic systems will be designed, supplied, and installed by Puget Sound Hydraulics of Seattle, Washington. Puget Sound Hydraulics is a leader in innovative marine hydraulic systems and installation and has worked extensively with Alaskan Leader Fisheries on many past projects.

**11) JENSEN MARITIME CONSULTANTS** – Johan Sperling, Vice President of Jensen Marine said, “JMC is very pleased to bring it’s more than 50 years of naval architecture and marine engineering services to Alaskan Leader Fisheries and their new longliner project. The services we are able to provide has been enhanced by our association with Crowley Maritime Corporation, which acquired us in 2008. Crowley has provided a foundation that has allowed Jensen to grow and become a recognized full service naval architecture firm, providing sophisticated, state of the art engineering solutions to all our clients.”

Presently Alaskan Leader Fisheries owns and operates four Jensen-designed freezer-longliners.”

**12) NORTHWEST FARM CREDIT SERVICES** – Financing for the NORTHERN LEADER is provided by the Seattle Fisheries branch of Northwest Farm Credit Services, a \$10 Billion cooperative lending association. Michael Wittman, Vice President said, “Northwest Farm Credit Services has been the capital lender to Alaskan Leader Fisheries since the company was founded in 1990”. Wittman is impressed by the collaborative effort among a strong and focused group of family owned fishing operations, closely teamed with Bristol Bay Economic Development Corporation, their Community Development Quota partner in the business. “We share common business values and a deep commitment to the fishing industry which has made us a natural fit for financing Alaskan Leader Fisheries complex project such as this vessel”.

“Perhaps the most exciting aspects of the NORTHERN LEADER project for me is that Martinac Shipbuilding is located only 45 minutes from my Seattle office. Over the years, Alaskan Leader Fisheries projects have taken me all over the country. It’s great to finally have a project so close to home with such a capable and high quality shipyard”.