

November 28, 2017

Via E-mail, Facsimile and Certified Mail

(via e-mail: lisa.mielke@alaska.gov)
Ms. Lisa Mielke
Rapid Response Statewide Coordinator
P.O. Box 115509
Juneau, AK 99811-5509

(via fax: 907-852-0337)
Mayor Harry K. Brower, Jr.
P.O. Box 69
Barrow, AK 99723

Re: Notice of Potential Layoffs

Dear Ms. Mielke and Mayor Brower:

I write to inform you that ASRC Energy Services Alaska, Inc. (AES AK) received notification from Hilcorp yesterday that it will be terminating many of our services at Milne, Endicott, and Northstar effective January 1, 2018. We were surprised and disappointed by the decision, but understand that Hilcorp wants to reduce its costs in this challenging economic environment.

As a result of Hilcorp's decision, AES AK anticipates having to conduct some layoffs beginning December 18, 2017-December 31, 2017. Attached for reference is the Memorandum we distributed today to potentially affected employees. We are also sending letters to all employees notifying them about potential job opportunities, and are providing contact information for the State of Alaska Rapid Response Unit.

We understand that Hilcorp is engaging a new service provider that will be seeking to employ potentially affected personnel. Also, while there are no bumping rights, AES AK has about 40 open positions elsewhere, and affected employees will receive priority consideration for these positions. There are a total of approximately 92 employees impacted by Hilcorp's decision, but we believe that most employees will have new employment opportunities in the next few weeks.

We do not currently anticipate that any layoffs will constitute a plant closing or mass layoff under the Worker Adjustment and Retraining Notification Act, but nevertheless are providing all required notifications.

Please do not hesitate to contact me if you need additional information. I can be reached at 907-339-7630 or at Amanda.Cascio@asrcenergy.com

Best regards,



Amanda Cascio

Senior Director of Human Resources



MEMORANDUM

Date: November 28, 2017

To: ASRC Energy Services Alaska, Inc. (AES Alaska) Employees Supporting Hilcorp Alaska O&M contracts

From: Doug Smith, President & CEO

Regarding: Hilcorp's Termination of Services and Notice of Potential Layoff

AES Alaska received notification yesterday that Hilcorp is terminating many of our services effective January 1, 2018. We are surprised and disappointed with the decision, but understand that Hilcorp is looking to reduce costs in this challenging economic environment.

We understand that Hilcorp is engaging a new service provider that will be seeking to employ potentially affected personnel. AES Alaska has also posted available positions, and interested personnel are encouraged to apply as soon as possible. We currently anticipate that most employees will have job opportunities, but we nevertheless wanted to provide you notice of this unfortunate development as soon as possible.

Hilcorp notified us that the following positions are impacted:

- Roads and Pads personnel at Milne and Endicott
- GMT personnel at Milne, Endicott and Northstar
- Electricians and electrical maintenance personnel at Milne and Endicott

AES Alaska employees in these positions will be laid off starting December 18 through December 31, 2017. Human Resources will be individually contacting these employees. The Company does not have a job bumping system (that is, affected employees will not be able to displace more junior employees out of their job positions), and you should consider a layoff to be permanent. However, potentially affected employees who apply for current job openings will receive priority consideration.

Hilcorp has notified us that the following positions are not impacted:

- Vehicle maintenance shop personnel at Milne, Endicott and Northstar
- Little Red Services personnel at Milne, Endicott and Northstar

I know these are difficult circumstances, but I would ask that we all do our best to make the transition as smooth as possible for Hilcorp. They remain a valued client and we want to ensure that their business continues without impact to safety or quality over the next 30 days.

Thank you for your understanding and continued commitment and dedication to our Company. If you have any questions, please contact Amanda Cascio, Senior Director of Human Resources, at (907) 339-7630 or at Amanda.Cascio@asrcenergy.com.

Doug Smith
President/CEO
ASRC Energy Services, LLC