

## Indian Country Today

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# Energy partnership allows First Nations to develop own resources

Originally printed at <http://www.indiancountrytoday.com/business/63288697.html>

Creating an environment where tribes and First Nations can be proactive in energy investments on their land is what the private equity development fund, known as Native American Resource Partners, does best.

IBC Energy, Inc. – owned by the 44 Alberta First Nations – recently signed an agreement with NARP to identify, develop and fund natural resource development projects for First Nations in Alberta and British Columbia.

IBC Energy is a subsidiary of the Alberta-based Indian Business Corporation, which has provided more than \$60 million in financial services and expertise to First Nations clients throughout Alberta since 1987.

IBC Energy was established in 2008 to partner with First Nations in the development of natural resources; including oil, gas and wind power or bio-diesel opportunities. IBC also works with First Nations to build business management capacity so control of assets can eventually be transferred to the nations.

NARP's management team, headquartered in Salt Lake City, Utah, has a successful track record in developing energy opportunities with tribes in the United States. President and CEO John Jurrius said NARP was introduced to the First Nations of Canada a year ago. With their know-how and the backing of capital provider Quantum Energy Partners of Houston, NARP partners with tribes and First Nations on ventures in which both own interests and earn profits.

“We feel that First Nations are part of the solution to Canada’s energy needs, both renewable and conventional sources. Tribes and First Nations should not be passively providing their resources; they should be actively participating in their development. Our company provides a capital solution for nations enabling them to co-partner in the development of their land versus passively allowing others to develop those resources.”

Jurrius expects to make an initial capital commitment of \$100 million to \$250 million immediately with projects in the Alberta region. “We are creating a co-partner resource company that NARP, IBC and the nations will jointly manage. NARP provides the capital investment and expertise and the nations provide the resource opportunities. The ultimate goal is for the nations to gain capacity; to own and manage their own resource companies.”

According to Jurrius, the First Nations will contribute to the projects in several ways, the most important being human resources. “When you are working on a project you want to work with local knowledge. By way of the nations’ land and mineral ownership they have significant resources. The companies we are working to establish will be managed day-to-day by the nations and representatives from NARP and IBC. This allows the nations to be actively involved in the companies.

IBC Energy General Manager Rob Rollingson said 12 projects with Alberta First Nations are in the research stage. “We are still looking to sign off on our first deal, but there doesn’t seem to be a shortage of opportunities. Instead there is a shortage of people who know who we are and what we do. NARP brings with them their expertise and a long history of success in working with American tribes. They also bring capital. First Nations have traditionally lacked in both capital and capacity. It takes a great deal of expertise to manage and run a successful oil and gas operation. Both NARP and IBC can bring some capacity-building to First Nations in Alberta and British Columbia.”

The First Nations, NARP and IBC each receive an ownership interest in the energy companies they create. Quantum Energy Partners, because it put up the capital, receives preferential return on its investment. When Quantum has met its return thresholds, the nations, IBC and NARP begin to participate.

“We feel that by assisting a First Nation in becoming a commercial partner we are helping them fulfill their journey to gain capacity while generating good investments for ourselves,” Jurrius said. “This partnership provides the opportunity for the Nations to participate in the commercial development of their resources without risk, while maintaining traditional royalties so they can build the capacity and expertise to ultimately develop their own resources in the future without partners.

“We are looking at developing everything from conventional oil and gas to what we call mid-stream business, which is gas-gathering, transportation and processing. On the renewable side our focus is wind. Renewable energy can include anything from biomass to solar power and hydro. NARP and IBC will jointly pursue energy projects with the first step of that process being identification of resources and mining investment opportunities.”

Rollingson said the goal of both IBC and NARP is to have an exit strategy defined so eventually ownership is returned to the nation. “The opportunities this partnership can bring to nations are incredibly exciting. They owe it to themselves to investigate and find out what NARP and IBC can offer them.”

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#### **New Energy Partnership Gives First Nations Opportunity to Commercially Develop Own Resources**

By PR and Business Wire News, 8/18/2009 09:46:33 AM MT

IBC Energy Inc. - a company owned by all Alberta First Nations -- has signed a partnership agreement with Native American Resource Partners (NARP) to identify, develop and fund natural resource development projects for First Nations in Western Canada. IBC Energy is a subsidiary of the Alberta-based Indian Business Corporation ([www.indianbc.ca](http://www.indianbc.ca)) that has provided financial services and expertise to First Nation clients throughout Alberta since 1987.

"We recently established IBC Energy in order to partner with First Nations in the development of their natural resources and, importantly, to assist First Nation partners in building their business management capacity so that control of the assets can eventually be transferred over to the First Nation," said Blood Tribe member Bernard Fox, president of IBC and IBC Energy.

Headquartered in Salt Lake City, Utah, NARP ([www.narpllc.com](http://www.narpllc.com)) is a natural resource development company whose mission is to co-partner with Indian Tribes in the U.S. and with First Nations in Canada by providing both capital and expertise in the development of their natural resources.

NARP is a portfolio company of Quantum Energy Partners ([www.quantumep.com](http://www.quantumep.com)), a group of private equity funds with US\$5 billion of investment capital, of which US\$3.1 billion is available for investment.

John P. Jurrius, NARP President and CEO, said, "This strategic alliance reflects the aligned and complementary missions of both IBC Energy and NARP to bring long-term socio-economic benefits to First Nation members."

According to President Fox, First Nations have traditionally relied on a passive lessor/lessee energy development relationship, in which others obtained the rights to develop native lands and resources in exchange for a royalty interest. "Our partnership with NARP now enables us to provide both the capital and expertise that have prevented First Nations in the past from forming their own joint venture oil and gas companies on their own lands," noted President Fox.

IBC Energy Director of Oil and Gas Development John Kingsbury added, "Our signed agreement with NARP enables IBC Energy to move forward on ten solid, already identified joint venture opportunities with First Nation partners and to develop many more."