

KITIMAT LNG TERMINAL

THE KITIMAT LNG PROJECT

GPAC/PJVA Conference
November 3rd, 2010

www.kitimatlngterminal.com

Project History

- 2004 Project development begins
- 2006 – BC EA & CEAA approvals received following a comprehensive assessment (jointly by BCEAO, Transport Canada, Environment Canada, Indian & Northern Affairs)
- 2009 – partnership between BC, First Nations and gas industry related to PTP was announced
- 2010 – Apache acquires 51%
- 2010 – EOG acquires 49% (Pending)

The Project

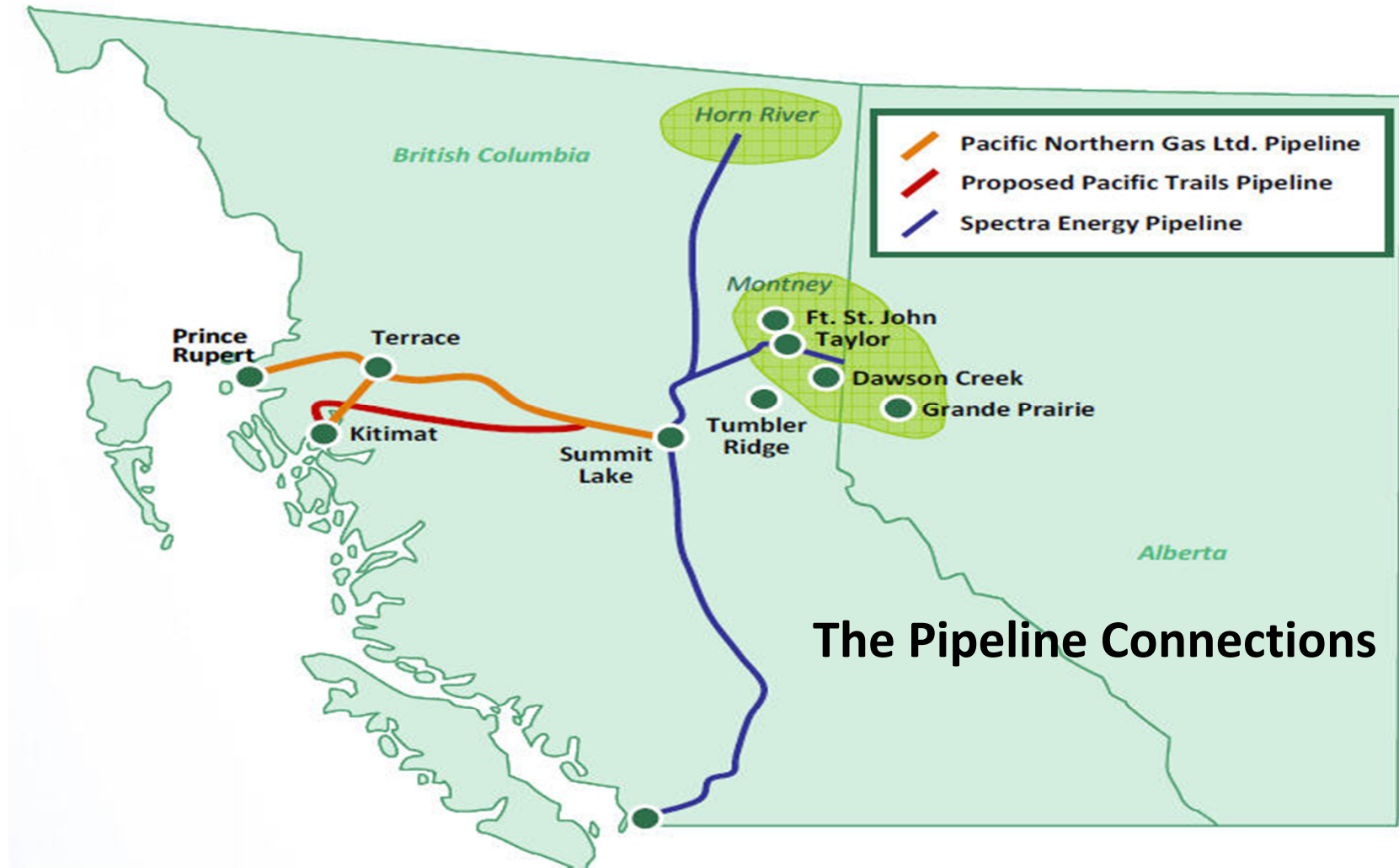
- The Kitimat LNG Terminal Project consists of:
 - The Kitimat LNG Terminal at Bish Cove on the Douglas Channel near Kitimat, British Columbia
 - Phase 1 capacity is approximately 700 mmscfd/ inlet and 5 MMTA export; a second Phase of the same size is being included in the design
 - The Summit Lake to Kitimat Pipeline (Pacific Trail Pipeline)
 - This 463 Km pipeline operated by Pacific Northern Gas will connect the Terminal with the Spectra Energy Transmission pipeline system near Prince George BC

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The Terminal

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The Timing

- Terminal FEED should be underway by year end
- Final Investment Decision is expected in Q4 2011
- Project start-up is forecast to be in 2015

The Estimated Cost

- Initial, before FEED Terminal cost estimate is C\$3 Billion
- Initial, before FEED PTP cost estimate is C\$1.2 Billion
- Final Terminal and PTP cost estimates will be determined during the FEED process

NEB Export Licence Application

- Export Licence to export LNG
- Term: 20 years
- Annual Quantity: Up to 10 million tons (10mmt/y) (NG equivalent 468 Bcf/y)
- Export Point: Outlet of Kitimat LNG Terminal at Bish Cove near Kitimat, BC

Project Benefits

- The Kitimat LNG Terminal project would provide an alternate market for Canadian gas outside of North America
- Alternate markets would provide encouragement to develop the significant shale gas deposits in British Columbia

Current Project Status

- Environmental permits for both Terminal and PTP issued
- Lease agreement with the Haisla First Nation has been negotiated and is awaiting ratification (Vote due November 17th)
- Filing of an NEB Export Licence Application is imminent
- Award of FEED contract is pending

QUESTIONS?