



Fresh Start for Douglas Channel LNG Project as New Owners Take Control

Press Release

29/01/2015 7.45 am

Regulated Information

Antwerp, January 29th 2015 - The *Douglas Channel LNG Consortium*¹ today announced that it now has full ownership and control of the *Douglas Channel LNG project* as a result of the Plan of Arrangement completed under the *Companies' Creditors Arrangement Act* ("CCAA") proceeding. All of the useful assets of the former project have been transferred to the Consortium and all creditor claims have been settled. In parallel, the Consortium has also executed long-term lease agreements with the Haisla Nation regarding land and water tenure, and with Pacific Northern Gas Ltd. (PNG) for long-term pipeline capacity to supply gas to the project. On the strength of these contracts, assets and approvals the Consortium is advancing towards a final investment decision in fourth quarter 2015 for the *Douglas Channel LNG project*. The target Commercial Operation Date to commence LNG exports is 2018.

The *Douglas Channel LNG project* will be a barge-based LNG facility on District Lot 99 near Kitimat, British Columbia. Natural gas will be sourced from Western Canada and transported to the project site for liquefaction via PNG's existing pipeline system under a 20-year transportation contract approved by the British Columbia Utilities Commission. The project site is secured by a long-term lease with the Haisla Nation. The project will have initial nameplate capacity of 0.55 million tonnes per annum. The land and foreshore access provide future opportunity to expand and accommodate additional LNG processing projects.

Under Consortium ownership, the *Douglas Channel LNG project* is controlled by creditworthy partners with a full suite of expertise throughout the energy export value chain. EXMAR, an independent Belgium-based company with 35 years' experience in LNG shipping, will be responsible for the development and operation of the floating liquefaction facility. As the owner and operator of what will be world's first floating liquefaction facility ("Caribbean FLNG"), it has significant capabilities to leverage off building a similar facility for the *Douglas Channel LNG project*. EDF Trading ("EDFT") will hold the required pipeline capacity to deliver gas to the project and will be the LNG offtaker of the project. EDFT is a subsidiary and wholesale market operator of Électricité de France S.A., an international energy company with over 39 million customers. It is a major participant in the global LNG market and offers a complete range of required services. AIJVLP is a limited partnership between AltaGas Ltd. ("AltaGas") and Idemitsu Kosan Co.,Ltd. ("Idemitsu"). Idemitsu is a global leader in the supply of energy, petroleum, and other products, with strong market presence in Japan.

¹ The Consortium is comprised of AltaGas Idemitsu Joint Venture Limited Partnership ("AIJVLP"), EDF Trading Limited ("EDFT") and EXMAR NV ("EXMAR")





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AltaGas is a leading energy infrastructure company in North America with access to natural gas supply in Western Canada and pipeline access to the Douglas Channel through ownership of PNG. The AIJVLP will leverage the energy industry experience and expertise of both companies and AltaGas' relationship with First Nations and local communities. AltaGas will act as the project manager of the *Douglas Channel LNG project*.

Bart Lavent, Managing Director EXMAR LNG Infrastructure, said "EXMAR will leverage its proven experience with floating LNG assets to provide a fast track and cost competitive floating liquefaction barge to the project. The site in sheltered, ice-free waters is a perfect fit with EXMAR's barge-based philosophy and provides an ideal location for LNG deliveries to the Asian market."

David Harris, President and COO, AltaGas, said, "The Consortium is excited to advance this small scale floating LNG project and is looking forward to a long and mutually beneficial relationship with the Haisla Nation, building on the newly signed long-term land and water lot leases. The project will be supplied by the significant Canadian reserves and is backed by a supportive regulatory regime in British Columbia. The project provides natural gas producers in Western Canada a new market for their products. PNG customers who live and work in northwestern BC can expect to benefit from lower natural gas rates."

John Rittenhouse, Chief Executive of EDF Trading commented, "The project is well positioned to be an early exporter of LNG off the West Coast of Canada with unique competitive advantages." Matthew Arnold, Global Head of LNG and LPG said "The smaller scale LNG project will utilize existing pipeline infrastructure, proven barge technology and very short shipping distances to target markets. We will be working with our Asian customers to secure a long-term contract as this is a very competitive package."

Hisao Sato, General Manager, Idemitsu Kosan, said, "Upon completion of the *Douglas Channel LNG project*, numerous long-term benefits to Japanese buyers are expected, and will demonstrate British Columbia's ability to quickly deliver scaleable LNG to the global marketplace."



Idemitsu Kosan
AltaGas Idemitsu Joint Venture LP





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Company Profiles

Company Name	EXMAR NV
Location	20 De Gerlachekaai, 2000 Antwerp, BELGIUM
Business Description	Industrial Shipping Group with interests in LPG, LNG and Offshore assets. EXMAR is a leading provider of transportation, regasification and liquefaction solutions in the natural gas industry.
Website	www.exmar.be

Company Name	EDF Trading Limited
Location	80 Victoria Street, London SW1E 5JL UNITED KINGDOM
Business Description	EDF Trading is a leader in the international wholesale energy markets and active throughout the value chain within the electricity, natural gas, LNG, upstream gas, coal, freight and environmental products markets. It is also active in the Commercial and Industrial Retail market in North America.
Website	www.edftrading.com

Company Name	AltaGas Ltd.
Location	1700, 355 - 4th Avenue, S.W. Calgary, Alberta T2P 0J1 CANADA
Business Description	Energy infrastructure business with a focus on natural gas, power and regulated utilities. AltaGas creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on clean energy sources.
Website	www.altagas.ca

Company Name	Idemitsu Kosan Co., Ltd.
Location	1-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8321 JAPAN
Business Description	Petroleum refining and manufacture and sale of oil products manufacture and sale of petrochemical products , E&P of petroleum and coal.
Website	www.idemitsu.com

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AltaGas

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