

Site Preparation Work Underway

Site clearing for Kitimat LNG export facility

Kitimat LNG is proactively planning for the construction of the Kitimat LNG export facility as the project partners await the National Energy Board's decision on an application to export liquefied natural gas (LNG) from Bish Cove, British Columbia.

The most visible activity happening in Bish Cove at present is site preparation work. This process involves clearing trees, rough grading, clearing an access road for the facility site, installing water wells, implementing environmental mitigation measures and routing a power line into the export facility.

Site preparation work also includes removal and disposal of naturally occurring sediments, such as silt and clay, to level the ground for construction. Due to the volume of sediments – estimated at 2.3 million cubic metres – it is impractical to dispose of these on land.

As a result, Kitimat LNG is applying for a permit from Environment Canada to dispose of the organic sediments at sea, two kilometres offshore from Bish Cove, in an area not traditionally used for fishing and away from most local boat activity. The recommended site was chosen after consulting with the Haisla Nation.

This type of sea disposal activity is not uncommon. Literature indicates that the disposal will have minimal effects on crab, halibut and clams, and within a year, the site will be re-colonized by marine organisms that may temporarily relocate because of the work being done at that particular area.

If approved by Environment Canada, the disposal will begin after the final investment decision (FID).

Regulatory Approvals on Track

The National Energy Board (NEB) is continuing to review Kitimat LNG's application for a 20-year export licence. The oral portion of the NEB's review concluded in July and a decision is expected in the fall.

The licence would allow Kitimat LNG to export up to 10 million tonnes annually from the proposed Kitimat LNG facility.

The project already has permits from the BC Environmental Assessment Office and the Canadian Environmental Assessment Agency.

Final Investment Decision

Kitimat LNG is currently carrying out a front end engineering and design (FEED) study, which is expected to provide certainty around project design, construction timelines, costs and labour force requirements. The study is scheduled for completion in late 2011 or early 2012.

Kitimat LNG expects to be in a position to make a final investment decision (FID) on the facility near the end of 2011 or early in 2012. Once the FID is granted, construction of the Kitimat LNG facility is expected to begin in 2012, with commercial operations expected to start in late 2015.

Project Benefits

The Kitimat LNG project will provide immediate and long-term economic development opportunities in the region such as regular lease and property tax payments and employment and business opportunities associated with the project.

The construction phase will provide a significant number of job opportunities, with permanent positions becoming available prior to commercial operations.

In addition, local businesses will have opportunities to provide services related to the construction activity.

Eurocan Site Purchased

Kitimat LNG has made another significant investment in Kitimat with the purchase of the former Eurocan industrial site from West Fraser.

The site is anticipated to be used as a work camp, storing materials and some pre-fabrication work.

The sale is subject to government approvals for the transfer of related permits and licences, and is expected to be formalized in fall 2011.

Kitimat LNG Fast Facts

- Natural gas will be transported via pipeline from northeastern BC
- The facility will have an initial output capacity of 5 million metric tons per annum (mtpa) of liquefied natural gas
- Small facility footprint to minimize land use
- Lower greenhouse gas emissions through the use of hydroelectric power
- Targeting 2015 for first LNG shipment

Upcoming Open Houses

Kitimat LNG is committed to consultation with First Nations and neighbouring communities. Our next open house will be held in:

District of Kitimat

September 15

Luso Hall

5:00 pm to 7:30 pm

Kitimat LNG Ownership

Kitimat LNG is a joint venture between managing operator, Apache Canada Ltd., which has 40 per cent ownership of the project, and EOG Resources Canada Inc. and Encana Corporation, each of which have a 30 per cent interest.

Contact us:

For more information on Kitimat LNG, log on to: www.kitimatlngfacility.com or email Kitimat LNG at Kitimat.LNG@apachecorp.com