

## partnering with First Nations



The proposed Kitimat LNG Project includes First Nations as meaningful participants, providing the opportunity to benefit from the development of B.C.'s significant natural gas resources. Kitimat LNG has established First Nations partnerships that are unique in the Canadian energy industry.

This includes benefit agreements with the Haisla Nation associated with the LNG Plant, and an agreement with all 16 First Nations along the proposed Pacific Trail Pipeline route through the First Nations Limited Partnership (FNLP). These agreements have already delivered First Nations training, employment, goods and services contracts, environmental stewardship and financial benefits.



### First Nations Limited Partnership

The First Nations Limited Partnership (FNLP) was formed in 2008 specifically to secure significant, reliable and long-term benefits from the proposed Pacific Trail Pipeline (PTP) Project.

FNLP is a limited partnership and commercial entity comprising 16 First Nations whose traditional territories would be traversed by PTP. It is a commercial partnership worth over \$500 million developed by and for First Nations who, together, negotiated and concluded a precedent setting commercial benefits agreement with PTP. This commercial structure and approach enabled collective negotiation of potential economic benefits while each individual member Nation retained the ability to act independently regarding other matters related to the project.

- Haisla Nation
- Kitselas First Nation
- Lax Kw'alaams Band
- Lheidleh T'enneh First Nation
- McLeod Lake Indian Band
- Metlakatla First Nation
- Nadleh Whut'en First Nation
- Nak'azdli First Nation
- Nee Tahi Buhn Indian Band
- Saik'uz First Nation
- Skin Tyee First Nation
- Stellat'en First Nation
- Ts'il Kaz Koh First Nation
- West Moberly First Nations
- Wet'suwet'en First Nation
- Witset First Nation

### Pacific Trail Pipeline activities

A substantial amount of work has already been completed on the Pacific Trail Pipeline (PTP). Between 2012 and 2016, 110 km of right-of-way was cleared, 40 km of previously deactivated forestry roads were reactivated, 160 km of existing road was upgraded and 10 km of new access road was constructed.

In 2015, in response to changing LNG market conditions and global energy prices, activities on the PTP shifted from early works to ensuring compliance on specific commitments as well as all regulatory permits and authorizations. Over the last four years, PTP activities have been focused on environmental studies and surveys, monitoring and erosion mitigation on the proposed pipeline right-of-way, and maintenance of access roads for safe usage.

In 2016, the B.C. Environmental Assessment Office granted the PTP a "substantially started determination" on its Environmental Assessment Certificate. The new LNG Plant design and increased production volume will not require any changes to the PTP. As a result, no regulatory amendments are anticipated for the PTP at this time. Regulatory processes are ongoing in relation to the revised Kitimat LNG Plant design and increased production volumes.

We welcome your feedback. If you have comments, questions or suggestions, contact us at [KitimatLNGFeedback@chevron.com](mailto:KitimatLNGFeedback@chevron.com). Call us toll-free at 1-844-800-0900

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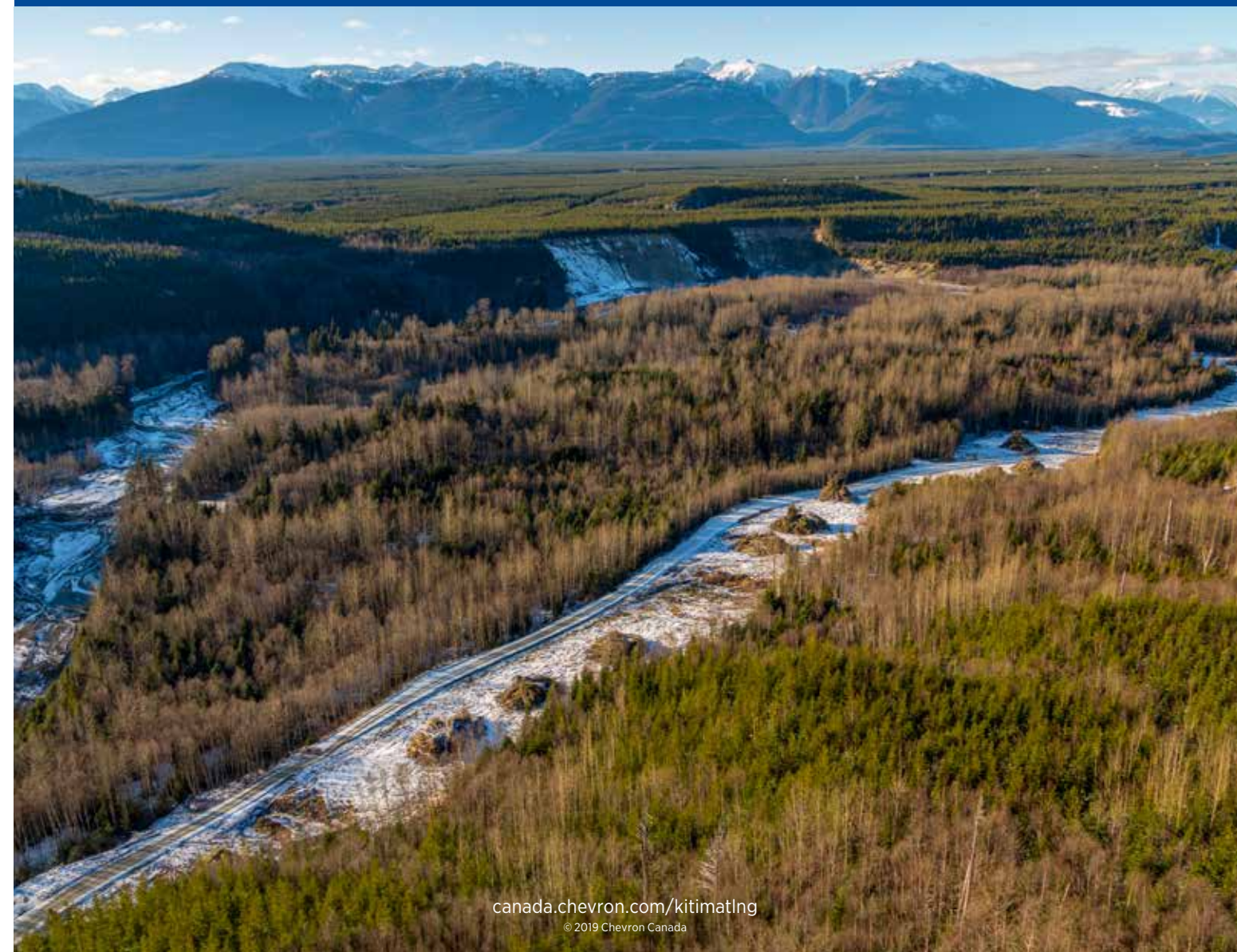


# Kitimat LNG project update



summer 2019

the world's first all-electric LNG plant powered by renewable hydroelectricity



[canada.chevron.com/kitimatlng](http://canada.chevron.com/kitimatlng)  
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## message from Alan Dunlop



It's a very exciting time for the Kitimat LNG Project, and on behalf of Chevron and our joint venture partner Woodside, I am pleased to provide an update on our project. There is a lot of positive news to share with the community.

Since 2015, in response to changing LNG market conditions and global energy prices, Chevron and Woodside have focused on improving the cost

competitiveness of the Kitimat LNG Project. As a result of these efforts, we have achieved step-change improvements in the LNG plant design and substantial reductions in unit costs, project execution risk and greenhouse gas emissions.

### Key Kitimat LNG Plant changes include:

- The new design eliminates the need for natural gas-powered turbines and will be the first all-electric LNG plant in the world to be fully powered by clean hydroelectricity. This e-drive concept is aligned with the Clean BC strategy and will enable the Kitimat LNG Plant to achieve the lowest emissions intensity of any large-scale LNG facility in the world.
- The introduction of a compact modular design for the LNG plant provides a significantly higher volume of LNG production per area of plant footprint relative to other recent or proposed global LNG projects.
- An increase in LNG production from 10 to 18 million tonnes per annum (MTPA) through a two-train (6 MTPA/train) foundation project with a possible third-train expansion.

Chevron and Woodside continue to advance the Kitimat LNG Project on various regulatory fronts. In April, we applied to the

National Energy Board for a new natural gas export license to replace the current license that expires at the end of 2019.

The improved LNG Plant design has also prompted the initiation of several regulatory processes related to our existing environmental assessment certificate. Work is ongoing with both the Canadian Environmental Assessment Agency and the B.C. Environmental Assessment Office.

In recent months, we have shared information on our project at a number of industry and community events including the LNG 19 conference in Shanghai, China in April, the Haisla LNG Conference and trade show in Kitimat in April, the Canada Gas & LNG Exhibition and Conference in Vancouver in May, the Clean Energy Ministerial and Mission Innovation in Vancouver in May, and our community open house in Kitimat in June.

On behalf of the entire Kitimat LNG Project team, I want to express my appreciation for the continued strong support we have received from communities and First Nations along the project's entire value chain - from the Liard Basin in northeast B.C., along the Pacific Trail Pipeline route, and in the greater Kitimat area.

Chevron and Woodside remain committed to advancing the Kitimat LNG Project to meet increasing global demand for affordable, reliable and ever-cleaner energy while delivering significant economic and social benefits to local and Indigenous communities, British Columbia and Canada.

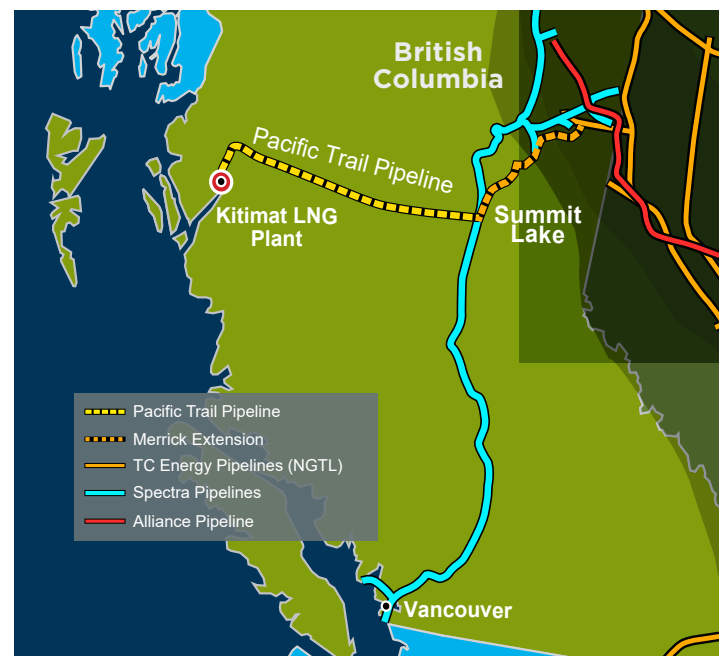
**Alan Dunlop**

Vice President and General Manager, Asset Development  
Chevron Canada Resources

## a world-class Canadian LNG project

The Kitimat LNG Project is a 50/50 joint venture between Chevron Canada Limited (Chevron) and Woodside Energy International (Canada) Limited (Woodside). Chevron and Woodside are advancing the proposed Kitimat LNG Project to meet increasing global demand for affordable, reliable, cleaner energy.

Canada is a leading supplier of sustainable and responsibly produced natural gas, and the Kitimat LNG Project is ideally positioned to deliver this low-emissions energy from its Pacific coast plant to Asian markets. Chevron and Woodside are focused on delivering a globally competitive project that is aligned with LNG market demand.



### Chevron and Woodside LNG experience

- Operate 12 LNG trains worldwide and safely loaded over 500 cargoes in 2018
- Possess extensive technical and operational LNG capabilities
- Have demonstrated LNG project design and execution success

## reducing global emissions with clean LNG

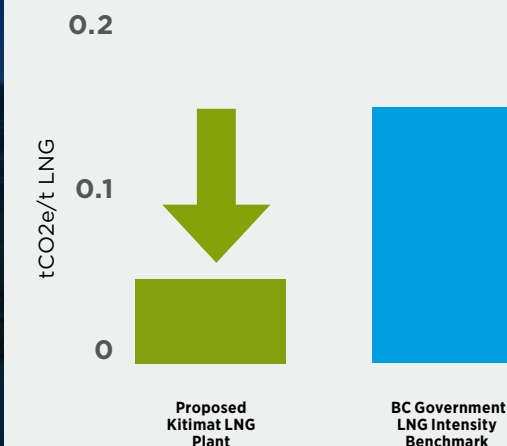


• An all-electric Kitimat LNG facility powered by renewable hydroelectricity will have the lowest emissions intensity of any large scale LNG facility in the world

• 98% of BC Hydro power is generated from hydroelectric, wind, solar and biomass sources

• Aligned with CleanBC Strategy

### LNG facility emissions intensity



• All emission intensities include combustion and vented emissions.



An all-electric Kitimat LNG facility design eliminates the need for natural-gas powered turbines. The plant design features an advanced compact modular design enabling low-cost operations, high efficiency and high availability with a reduced surface footprint.

### Kitimat LNG Plant:

- Bish Cove (Haisla I.R. #6), Kitimat, British Columbia
- Up to 3 LNG train 18 MTPA facility (6.0 MTPA/train)
- All-electric LNG Plant powered by clean hydroelectricity provided by BC Hydro
- Advanced compact modular design
- Atmospheric Pressure Chemical Ionization (APCI) dual mixed refrigerant LNG process technology

### natural gas supply:

- Western Canada natural gas supply including Chevron and Woodside upstream resource assets in the Liard Basin (366,944 acres, 1,485 sq km) in northeastern British Columbia
- An appraisal drilling program has confirmed a prolific natural gas resource in the Liard Basin

### Pacific Trail Pipeline:

- Fully permitted 471-km, 42-inch pipeline from Summit Lake to Kitimat
- Ownership: Chevron 50%, Woodside 50%
- Benefits agreement with the First Nations Limited Partnership (FNLPL) that includes all 16 First Nations along Pacific Trail Pipeline route
- Initial pipeline capacity 1.8 BCFD, expandable to 3+ BCFD
- Proposed Merrick Pipeline Extension will link the TC Energy's NGTL system to the Pacific Trail Pipeline