

Kitimat LNG Community News



Community News is a quarterly newsletter for residents of Kitimat, Terrace and surrounding areas. We invite your comments, questions or suggestions for future articles. Please contact us at KitimatLNGFeedback@chevron.com

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Kitimat LNG project site on Bish Cove.

Message from Alan Dunlop, General Manager



I'm very pleased to share with our neighbouring communities the completion of the acquisition by Woodside of Apache's 50 percent interest in the Kitimat LNG Project. On April 10, 2015, Woodside officially became Chevron's new co-venture

partner in the project. In conjunction with this transaction, and after a brief transition period, Chevron will become the Operator of the Kitimat LNG upstream assets in the Liard and Horn River basins in Northeastern B.C. Chevron brings significant global experience in natural gas development, including industry-leading positions in three major projects in Western Canada.

Woodside's entry is a positive development for Kitimat LNG on a number of fronts. Our new co-venturer is Australia's most experienced LNG operator and largest independent oil and gas company. Their proven track record and distinctive capabilities are underpinned by 60 years of experience and that expertise will be a valuable asset in continuing to advance Kitimat LNG. It also confirms the value and

significant economic benefits that Kitimat LNG has the potential to create for local communities, First Nations, and the people of B.C. and Canada.

Chevron and Woodside already have a long and successful LNG business history together, in particular through the Woodside-operated North West Shelf Project in Australia, which has been in operation since 1984. In addition, Woodside recently became a co-venture partner in Chevron's Wheatstone LNG Project in Australia, which is currently under construction. We look forward to working with Woodside to continue developing the Kitimat LNG export project in a safe and environmentally sustainable manner that will benefit the people of British Columbia, local First Nations and all Canadians for decades to come.

General Manager, Kitimat LNG
Vice President, Chevron Canada Limited



The Bish FSR re-opened to the public in February.

Natural gas powers manufacturing plants that produce a wide range of products.

New Forest Service Road connects people and nature

Kitimat LNG has completed significant upgrades to turn what was once an overgrown logging road into a safe, efficient 14 kilometre roadway capable of transporting workers and equipment to the Kitimat LNG Plant Site.

The Bish Forest Service Road, or FSR, has re-opened to the public, and now provides easier access to nature areas and hiking trails.

The Kitimat LNG Project initiated upgrading work on the FSR in 2011. Construction included widening the route for two-way traffic, replacing six bridges, and stabilizing the foundation. To ensure public safety it was necessary to close the road during this construction project.

Protecting local wildlife was an important consideration during the FSR upgrade. In one instance, an active eagle's nest postponed nearby construction until the fledglings were able to leave the nest. The many water courses flowing across or under the road also required special environmental attention to avoid impacting aquatic habitats.

One tributary in particular required design and construction of a culvert that ensured safe transport not only for the people and equipment using the roadway above, but also of the fish swimming in the creek flowing through it.

Kitimat LNG replaced the tributary's existing log culvert with a robust, 39-metre-long steel culvert three metres in diameter designed to withstand the demands of heavy vehicle traffic overhead, as well as a "once every 100 year" flood in this coastal rainforest setting.

Within the culvert, a stream bed was created to mimic natural fish habitat. A series of nine steps with pools in between were created by carefully placing boulders across the bottom to create a route for fish to travel upstream.

The creek flow - redirected while work was underway - re-opened to flow freely once construction was complete. Juvenile Coho salmon and Dolly Varden char have been observed in the pools.

Drivers who plan to use the FSR are being reminded to drive with caution, and obey traffic signs and speed limits.

LNG 101 - Energy for the Global Economy

If you have a cellphone, flat screen television, microwave or even drive an electric vehicle, chances are many of the components inside those products were produced using Liquid Natural Gas (LNG) as the energy source that fueled the manufacturing process. Japan and South Korea, makers of many high tech, automotive and plastic components, are currently the world's largest importers of LNG. In fact, Japan relies on LNG for virtually all of its natural gas needs, and industrial consumption makes up more than 50 percent of Japan's natural gas demand.

China is also growing as a top global importer of LNG, having increased its LNG imports more than 25 percent since 2010.

However, Japan, South Korea, China and many countries that import LNG still rely heavily on oil and coal to power industrial manufacturing and production. This is why LNG has the potential to play such an important role in lowering global greenhouse gases (GHGs) and airborne emissions through the reduction in coal and oil consumption in economies overseas.

A 2014 study by the U.S. Department of Energy looked at the entire lifecycle, from extraction to consumption, of LNG compared to coal use. The study found that increased natural gas use could reduce global CO₂ emissions by 740 million metric tonnes by 2035. That's more than the current annual emissions of France, Brazil, the UK and Canada combined. The study also determined that increased use of LNG will not increase global GHG emissions on a life cycle perspective, compared to coal use.

An additional benefit is that natural gas is the cleanest burning fossil fuel, emitting dramatically fewer airborne particles that contribute to smog, acid rain and asthma in children and adults.

Greenhouse gases and airborne emissions are a global issue. When the full lifecycle of fossil fuels is taken into account, LNG will play an important role for years to come as an efficient, cleaner-burning fuel for the global economy.



Clockwise from top: 1950s retail outlet; Burnaby refinery ground-breaking, 1935; asphalt plant, 1939; Burnaby refinery today; Coal Harbour marine station; modern retail outlet.

Chevron celebrates 80 years in British Columbia

Although the proposed Kitimat LNG Project is in the early stages of its development, as a company Chevron has been a part of the B.C. landscape for many years.

In June 1935, Standard Oil of British Columbia - the precursor to Chevron Canada Limited - broke ground on a refinery on Burrard Inlet in North Burnaby, just a couple of kilometres away from the Vancouver city border. In an area that was mostly forested and sparsely populated, the 55-acre property at the foot of Willingdon Avenue quickly grew to become part of the fabric of B.C.'s economy.

Today, the Chevron Burnaby refinery is a modern 55,000-bpd facility that produces petroleum products from Canadian crude oil. It is the only refinery on Canada's West Coast, and is fundamental to B.C.'s economic infrastructure. Chevron's products have helped build the province and we remain a leading manufacturer and

supplier to public services, aviation, transportation, and resource industries. Safe and reliable operations are core values that have been necessary for achieving sustainability and have allowed the refinery to operate for many years in the middle of a busy urban centre.

Chevron's commitment to British Columbia is reflected in our ongoing investment in the refinery to ensure our products and operations meet the latest environmental standards.

Chevron's Downstream refining and marketing operations in B.C. supply approximately 25 percent of the province's transportation fuel needs, helping to move people and goods throughout the region. You can read more and watch a video about Chevron's 80 years in B.C. at www.chevron.ca/our-businesses/burnaby-refinery.



From left, Chevron's Deidre Reid and Hannah Davies, and Jeanette Anderson and Josiah Rambally of TDCSS.

HR MacMillan Space Centre's Lisa McIntosh shows off badges worn by astronauts to a young space enthusiast in Kitimat.

Kitimat LNG Helps Drop-in Centre to Support Local Youth

Youth in Terrace have a new space where they can relax, enjoy recreational activities and self-expression in a free, safe and respectful setting.

The Terrace & District Community Services Society is offering the new drop-in centre as part of the Society's Terrace Youth Engagement Strategy. The centre also offers support services in basic skills for making healthy life choices and shares information about other community resources in a confidential, safe and non-judgmental setting.

The drop-in centre, geared towards youth aged 15 to 24, is open five days a week. Chevron provided a \$75,000 community grant to support the pilot program.

"The Terrace Youth Engagement Strategy focuses on creating partnerships and identifying natural community supports for youth" according to Chevron's Deidre Reid, Kitimat LNG Social Investment Manager. "Connecting young people to existing programs and services is a key priority for the program."

Chevron is pleased to support an organization that contributes to our mutual goal of building strong, healthy communities.

To learn more about the Terrace & District Community Services Society visit <http://tdcss.ca/>

Space Centre Comes to Kitimat

Three hundred eager children, parents and teachers descended upon Kildala Elementary School in Kitimat in April for a community event to celebrate astronomy and science with H.R. MacMillan Space Centre's portable planetarium.

The event was part of a Kitimat LNG-sponsored tour of the Space Centre in northern communities this year, including Kitimat, Terrace, Haisla, Kitwanga, Hazelton, New Hazelton and Burns Lake.

The aim is to make science come alive for youth by helping educators get students excited about astronomy. The program showcases science, technology, engineering and mathematics (STEM) activities, including what it takes to be an astronaut. The portable planetarium - a large dome upon which images are projected - takes viewers on a virtual field trip to the far corners of the universe.

The Kitimat event featured star talks in the portable planetarium, an inflatable Mars bubble for everyone to explore and "astronaut ice cream" to check out. Kids were able to take home solar system head bands and coloured mission badges. The Kitimat Museum & Archives was also on hand to show their latest programming.

"The event was a huge success," says Lyndsey Barton, Director of Community Engagement at H.R. MacMillan Space Centre. "We were so happy to be welcomed with open arms and given the opportunity to share our passion for STEM in the community."

Community Contact

Chevron's Kitimat LNG project welcomes your feedback. If you have any comments or concerns, please do not hesitate to email us at KitimatLNGFeedback@chevron.com.

Call us toll-free at 1-844-800-0900

www.chevron.ca/KitimatLNG

KITIMAT OFFICE

Looking for information about the Kitimat LNG project?

Drop by our community office at 369 City Centre in Kitimat.

Office hours are generally Monday to Friday from 9:00 a.m. to 3:00 p.m. Or you can call ahead and make an appointment: 250-632-3680.

