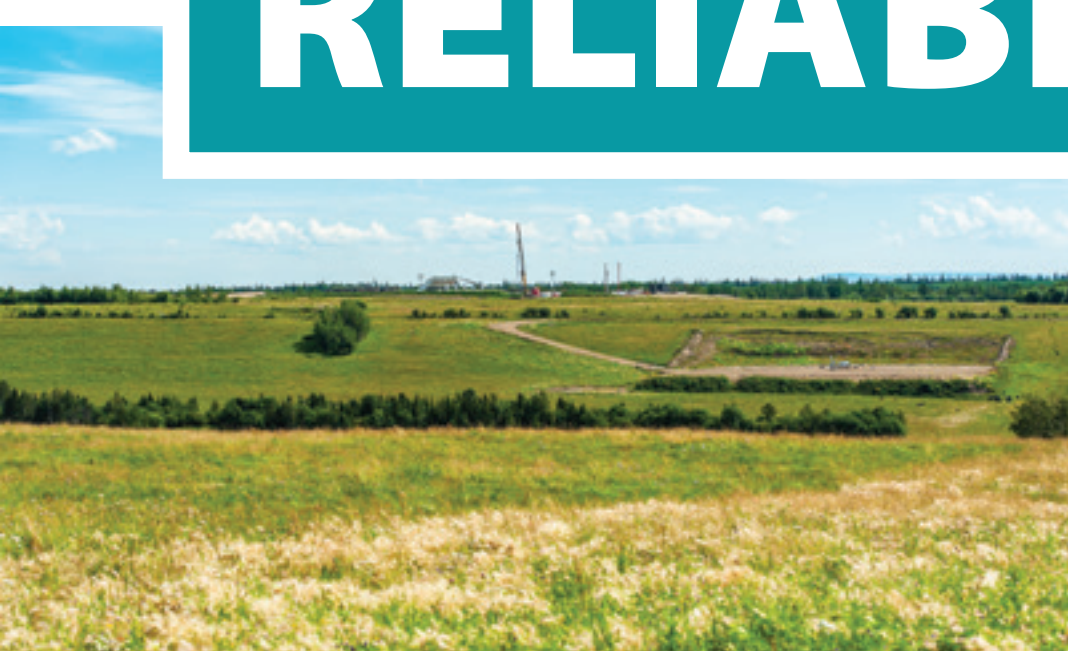


BRITISH COLUMBIA CANADA



ABUNDANT

RELIABLE



LIQUEFIED NATURAL GAS





BRITISH COLUMBIA

Canada's strategic Pacific Rim location, abundant resources and supportive business environment ideally position the province to become a global leader in the supply of Liquefied Natural Gas (LNG).

British Columbia's Advantages

OPPORTUNITIES ABOUND IN BC, WITH NUMEROUS NATURAL GAS PROJECTS IDENTIFIED AND A STRONG GOVERNMENT COMMITMENT TO BUILDING THIS NEW INDUSTRY.

ABUNDANT NATURAL GAS RESOURCES

British Columbia's total natural gas resources exceed 3,400 trillion cubic feet, with a marketable resource base exceeding 575 trillion cubic feet. To put this in perspective, an active LNG industry could result in B.C.'s production reaching 4 trillion cubic feet of natural gas per year. Based on statistics, B.C. has over 160 years of natural gas available for domestic and international markets, and new discoveries are likely.

EASY MARKET ACCESS

Efficient supply chains, superior transportation linkages and the shortest sea route between North America and Asia make British Columbia a supplier of choice. Deep water ports in locations like Prince Rupert and Kitimat are ideally positioned for growth in LNG shipments to Asia.



PROFITABLE ENVIRONMENT

Extractive industries benefit from low corporate tax rates, incentives such as tax or royalty credits, and low-cost power – doing business in British Columbia is good for the bottom line. British Columbia benefits from Canada's sound financial system and enjoys a AAA credit rating with a stable economy that makes it a favoured port of call for investors.

British Columbia has unique royalty programs in place to strengthen the economics of capital investments made in the Province. The Infrastructure Royalty Credit Program, for example, facilitates the construction of new roads and pipelines by providing credits to the companies that build them. Royalty credits improve access to new resource finds and helps B.C. reach its potential in natural gas supply and export.

BUSINESS ADVANTAGES

Businesses can count on a British Columbia government that is:

- Focused on creating the best business climate in North America
- Actively encouraging investment, with few restrictions on foreign investors
- Cutting red tape and streamlining regulations
- Maintaining strong, responsible fiscal policy. Government has tabled a balanced budget for fiscal year 2015 / 2016
- Determined to maintain tax competitiveness, demonstrated by significant tax reductions and targeted tax credit incentives implemented since 2001

British Columbia's Natural Gas Supply

For more than 50 years people have been extracting natural gas in British Columbia. The Province has a world-class regulatory framework in place to govern extraction of natural gas from the soil.

Some of the world's most promising areas for natural gas extraction are found in B.C. – in places like the Horn River Basin and the Montney Basin.

Thanks to new innovations, B.C. has been able to access newly discovered shale rock formations – a relatively common type of rock formation in the province – deep under the surface.

To extract the natural gas from these formations, engineers use a stimulation technique known as hydraulic fracturing. The natural gas extracted this way is often referred to as shale gas.

A Growing Industry

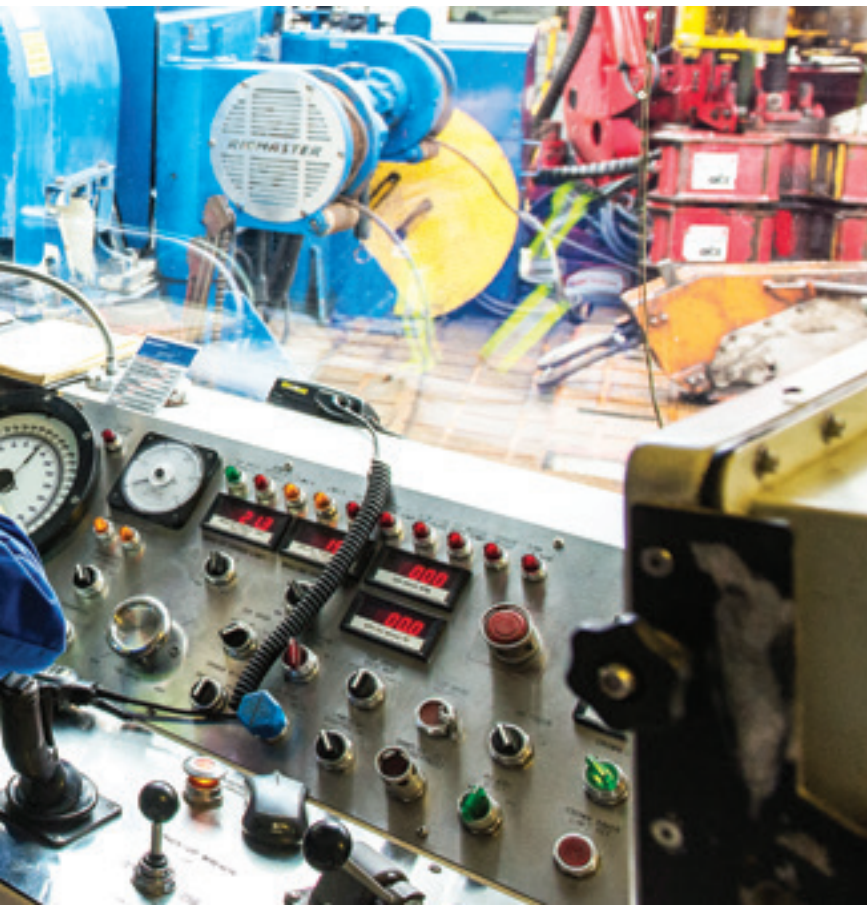
British Columbia is focused on building a viable, globally competitive new export industry.

To achieve this goal, an LNG Strategy was developed which set in motion a plan to build the industry. The strategy captured the attention of large companies and global investors who have since come forward with a variety of LNG proposals, now at various stages of development. Most of these projects are planned for northwest British Columbia in communities such as Kitimat and Prince Rupert. These projects are so significant that they represent the largest private sector investment proposals in the Province's history.



LIST OF ANNOUNCED LNG PROPOSALS (as of February 2015)

LNG Project	Proponent	Location
Aurora LNG	CNOOC Limited's wholly-owned subsidiary Nexen Energy ULC / INPEX Corporation / JGC Corporation	Digby Island
Cedar LNG	Cedar LNG Export Development Ltd.	Kitimat
Discovery LNG	Quicksilver Resources Canada	Campbell River
Grassy Point LNG	Woodside Energy	Grassy Point, north of Prince Rupert
Kitimat LNG	Chevron Canada / Woodside Petroleum Ltd.	Kitimat
Kitsault Energy Project	Kitsault Energy Ltd.	Kitsault
LNG Canada	Shell Canada / KOGAS / Mitsubishi / PetroChina	Kitimat
New Times Energy	New Times Energy Ltd.	Prince Rupert Area
Orca LNG	Orca LNG Ltd.	Prince Rupert
Pacific NorthWest LNG	PETRONAS/ Japan Petroleum Exploration Company/ Petroleum BRUNEI/ Indian Oil Corporation/ Sinopec	Prince Rupert
Prince Rupert LNG	Royal Dutch Shell	Prince Rupert
Steelhead LNG (Sarita LNG and Malahat LNG)	Steelhead LNG Corp.	Vancouver Island
Stewart Energy LNG	Canada Stewart Energy Group Ltd.	Stewart
Triton LNG	AltaGas / Idemitsu Canada	Kitimat or Prince Rupert
WCC LNG	Imperial Oil / ExxonMobil Canada	Prince Rupert
Watson Island LNG	Watson Island LNG Corporation	Prince Rupert
WesPac LNG	WesPac Midstream – Vancouver LLC	Delta
Woodfibre LNG	Woodfibre LNG Limited	Squamish



BC'S LNG ADVANTAGES

- Low shipping costs
- Secure, stable government
- Vast natural gas resources
- High environmental standards
- Clean electricity
- Positive relationships with First Nations
- A well-established service sector
- Strong, updated regulations



Environmental Leadership

British Columbia is a world leader in environmental regulation for natural gas development. Exploration and extraction practices are tightly monitored to protect wildlife.

The latest pipeline technology is used to safeguard water from harm.

The B.C. government is taking action to maintain a safe natural gas sector while also building the cleanest LNG facilities in the world. In negotiations with proponents, the Province continues to focus on the use of clean energy sources to power LNG facilities. New measures to manage greenhouse gas emissions are also being evaluated.

Major liquefied natural gas export facilities require an environmental assessment from both the provincial and federal government. British Columbia worked with Canada's federal government to find a more efficient, streamlined approach. Today, a more efficient procedure is possible, where one agency – the BC

Environmental Assessment Office – performs a review of a project proposal, with a final decision from both B.C. and Canada. This streamlined process means major LNG projects will be subject to a faster, but still comprehensive, review and capital planning can move forward faster than in years prior.

As a future supplier of the cleanest burning fossil fuel, B.C. will help other markets transition to cleaner natural gas and away from energy sources like coal. For years, areas of Asia have relied heavily on coal for energy needs. Soon, with access to B.C.'s natural gas, coal-fired power generation should decrease and cleaner energy production will fill the gap.



A Highly Skilled Workforce

British Columbia currently has a mature upstream gas industry with more than 13,000 skilled workers. As well, the province graduates record numbers of skilled workers each year.

- Over 7,600 certifications were issued in B.C.
- There are over 39,000 apprentices enrolled in trades programs across the province.

Recently, the Government of British Columbia, in partnership with industry representatives, First Nations groups, construction associations, and training institutions developed the Natural Gas Workforce Strategy and Action Plan. The plan identifies workforce needs for both construction and operation stages and establishes six key actions to ensure the LNG industry has the workers it needs:

1. Ensure British Columbians are aware of the job opportunities available in the sector
2. Remove barriers to local labour force participation
3. Develop the skills and qualifications required for construction and operation
4. Develop capacity in local businesses
5. Source and relocate workers from other parts of Canada and the world
6. Offer work arrangements that support workers rotating into the economic region

British Columbia invested over \$100 million in the Industry Training Authority in 2013/14. As a result of such investments, industry stakeholders will have a well-educated and prepared workforce for construction and operational needs, and we can increase the participation of First Nations, immigrants, women, and other under-represented workers in the process.





Community and First Nation Engagement

The provincial government is helping communities prepare for the emerging opportunities and demands of a growing natural gas sector and a new LNG industry.

The British Columbia government anticipates rapid economic development and population growth, especially for municipal services that support health, education and public safety.

And, we are prepared to work with impacted communities to help them plan towards that opportunity. Measures to sustain infrastructure in growing communities will be taken seriously, including the needs associated with sewers, water quality, health care, education and recreation services.

Over the coming years, the Province will work in partnership with our communities and to support economic and social opportunities for families.

Together, we will lay the groundwork to ensure our communities remain healthy and are equipped to deal with growth.

Since 2013, the provincial government has signed more than 60 LNG related benefits agreements with 32 First Nations in support of four major LNG pipeline projects in northern British Columbia. In addition to negotiating benefits agreements with First Nations, the Province is also engaging First Nations on its LNG Environmental Stewardship Initiative and Skills and Training Initiative.

In July 2015, the Province committed \$30 million over three years to support First Nation co-designed projects focusing on ecosystem assessment and monitoring, ecosystem restoration and enhancement, ecosystem research and knowledge exchange, and stewardship education and training. Today, the LNG Environmental Stewardship Initiative is engaged with 35 First Nations and five industry partners on four regional demonstration projects.

In April 2015, the Province committed \$30 million over three years to support Aboriginal skills training development projects in communities poised to benefit from LNG development in British Columbia. To date, more than 1,000 Aboriginal people have benefitted from training under Aboriginal Skills Training Development Fund projects. These projects are supporting BC's Skills for Jobs Blueprint goal of adding 15,000 Aboriginal workers to the Province's workforce within 10 years.

First Nations have an important and direct role in the development of our natural gas export potential and these initiatives ensure that First Nations people will benefit from the creation of the LNG industry through financial benefits, jobs and training, and sound environmental and resource management.



Extracting Natural Gas

EXPORTING LNG

- 1** A well extracts Natural Gas from deep underground and it is piped to a liquefaction plant.



- 2** Once at the plant, the natural gas is cooled and liquefied.



- 3** Now LNG, it can be safely loaded onto a ship for transport overseas.



- 4** After reaching its customer, the LNG is then unloaded at a regasification facility for conversion back into its original form.



- 5** The natural gas is piped to homes and industry for use.



COMMITTED TO SUCCESS

British Columbia is serious about creating a strong LNG industry. We have created a Ministry of Natural Gas Development to pursue the opportunity and are well on our way to establishing a globally competitive LNG export industry in British Columbia.



3,400

trillion cubic feet

160 YEARS

BC's natural gas supply



Short transit times,
low shipping costs

OVER 93%

B.C.

Electricity for manufacturing
processes comes from clean
and renewable sources



CONTACT

Trade and Invest British Columbia

999 Canada Place, Suite 730 Vancouver,
British Columbia, Canada, V6C 3E1

Phone: 604 775-2100

Fax: 604 775-2197

international@gov.bc.ca

www.BritishColumbia.ca

Every effort has been made to ensure the accuracy of this publication at the time of writing; however, the programs referred to, and data cited, are subject to change.

All figures are in Canadian dollars.

Printed: August 2016

