

# 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](mailto:KitimatLNGFeedback@chevron.com)

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## Message from Alan Dunlop, General Manager



As we begin 2015, I'd like to share some news with our neighbouring communities including a Project status update and some developments that represent significant milestones towards our objective of advancing the Kitimat LNG Project to a Final Investment Decision (FID).

Major capital projects like Kitimat LNG are very large and extremely complex undertakings with multiple moving parts that must all come together through hard work, patience and perseverance in order to be successful. As we move into 2015, we will continue to advance the Kitimat LNG Project. However, unlike the last two years, the pace of field work at the LNG plant site near Kitimat will decrease as we focus on other aspects of the Project - in particular, the Upstream natural gas assets in Northeastern B.C. that will feed the LNG plant, select field work related to the Pacific Trail Pipeline (PTP) route and on the engineering and LNG Plant design in order to enhance the Project's global competitiveness.

The goal of this shift in focus to the Upstream (natural gas resource appraisal and drilling) part of the Project is to ensure we have all of the key components ready at the right time to meet the global market demand for LNG. More information on what this change will mean for local communities can be found in the Project Status Update in this issue of our Newsletter.

The ownership of the Project is also likely to change in 2015. In December 2014, Apache executed an agreement to sell its entire (50%) interest in Kitimat LNG and Pacific Trail Pipeline to Woodside, Australia's largest independent Oil and Gas Company. Subject to certain conditions, the transaction is anticipated to close in the first quarter of 2015.

Upon the closing of a successful transaction, Woodside will bring significant experience to the Kitimat LNG Project. Chevron has a long history of working with Woodside, primarily through our joint venture in the North West Shelf LNG Project in Australia.

Most recently, in January, the Moricetown Indian Band and the First Nation Limited Partnership (FNLP) concluded an agreement with Moricetown agreeing to join the FNLP. This important and precedent setting agreement means that Kitimat LNG's Pacific Trail Pipeline now has the support of all 16 First Nation bands along the proposed 480km natural gas pipeline route from Summit Lake to Kitimat.



Mount Nimbus.

The FNLP is a partnership that ensures First Nations whose territories are located along the proposed natural gas pipeline right of way receive immediate and long-term benefits from the project, including economic benefits, skills training, employment and procurement opportunities. No other proposed LNG project in British Columbia has achieved a similar level of First Nations' support, or has completed such a broad-based agreement. Chevron welcomes Moricetown's full participation in the FNLP and is committed to ensuring the pipeline is constructed responsibly and with minimal environmental impact while creating long-term benefits for all FNLP members.

These two major developments represent key milestones to the project. But there is still much work to do in order to reach a Final Investment Decision including: completion of LNG Plant engineering and design work; establishing a clear, competitive and stable fiscal framework with the B.C. Government; gaining additional First Nations support; and securing firm LNG marketing agreements.

Chevron is strongly committed to the Kitimat LNG Project and we look forward to being part of your community for years to come.



Alan Dunlop  
General Manager, Kitimat LNG  
Vice President, Chevron Canada Limited



Marine trestle at the Bish Cove Kitimat LNG plant site.



Clare Forest Service Road construction east of Mount Nimbus.

## Kitimat LNG Project Activity Update

Since 2011, Chevron and our co-venturer Apache have made significant capital investments on early site engineering and design work at the proposed Kitimat LNG facility site at Bish Cove and on the Pacific Trail Pipeline (PTP), along with major upgrading of the Bish Forest Service Road. These substantial investments made to date reflect Kitimat LNG's commitment to working with local communities and First Nations who have benefited through skills training, employment and supply contracts for goods and services.

During the life of any major capital project like Kitimat LNG, changes to work pace can be expected. The important work Kitimat LNG has completed to date has provided increased clarity on project cost and schedule.

As a result of this progress, in 2015 there will be a decrease in the early site preparation and field work associated with the LNG plant site and the Pacific Trail Pipeline. Going forward, the Project will direct more resources to the Upstream natural gas development component of the Project in the Liard and Horn River Basins in Northeastern B.C. in addition to ongoing LNG plant engineering and select PTP Field work. This re-pacing and redirection of capital investment will result in a reduced level of Project related field activity in Kitimat and some of the other communities along the PTP route.

The goal of the 2015 Kitimat LNG work plan is to advance all of the major elements of the Project to the same level. From the Upstream natural gas development in Northeastern B.C., to the PTP that will transport the natural gas to the LNG facility at Bish Cove near Kitimat where it will be liquefied and shipped to overseas customers. Our goal is to be fully prepared to begin construction once a final investment decision is made.

Chevron believes it is critical that the appropriate time is taken to do things right, and we are committed to delivering a globally competitive Kitimat LNG Project, in the right way, and at the right pace. We will continue to work with local communities and First Nations to identify employment and contracting opportunities as well as to support and engage in skills training to enable individuals to participate in the wide variety of opportunities B.C.'s new LNG industry will create.

For more information on the current status of the Kitimat LNG Project, please contact us via email at [KitimatLNGFeedback@chevron.com](mailto:KitimatLNGFeedback@chevron.com) or toll free at 1-844-800-0900 or drop by the Kitimat LNG Community Office located at 369, City Centre, Kitimat, B.C. V8C 2G7.



### 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](mailto:KitimatLNGFeedback@chevron.com).

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

[www.chevron.ca/KitimatLNG](http://www.chevron.ca/KitimatLNG)

# Kitimat LNG



The Apache logo, featuring the word "Apache" in a stylized, italicized font with a yellow-to-orange gradient.