

Questions and Answers

1 WHO OWNS THE PROJECT?

Ksi Lisims LNG is being jointly proposed by the Nisga’a Nation, Rockies LNG and Western LNG and will consist of a floating natural gas liquefaction facility and marine terminal. The partners are fully committed to sound environmental, social and economic stewardship of Nisga’a Lands.

2 WHERE IS THE KSI LISIMS LNG PROJECT LOCATED AND WHAT IS IT ALL ABOUT?

The location of the proposed Ksi Lisims LNG Project is northwest of Terrace, British Columbia on the northern tip of Pearse Island at Wil Milit. The site is on Nisga’a Treaty land that is owned in fee simple by the Nisga’a Nation. The closest community is Gingolx Village which is 15 km east of the Project site. See Figure 1.

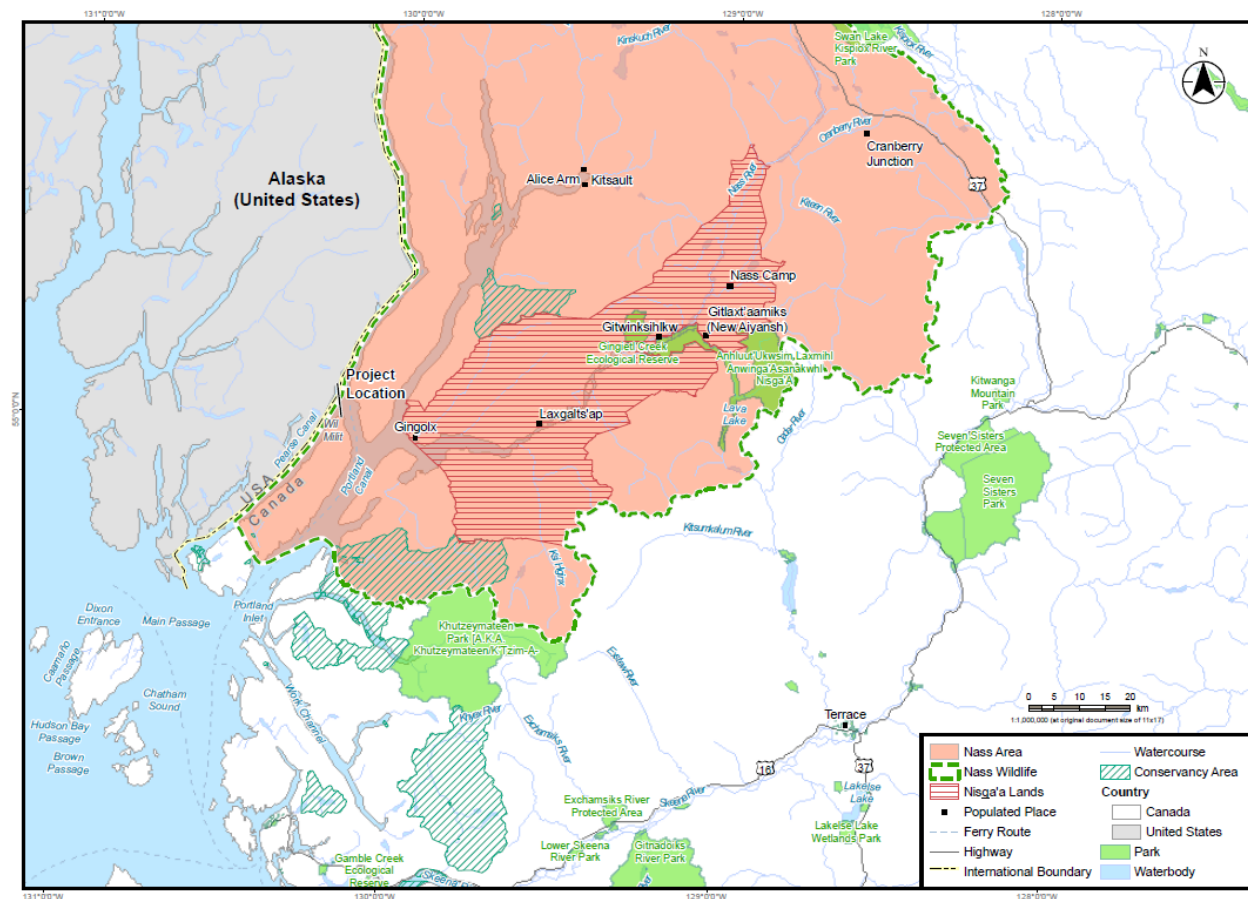


Figure 1 – Project Location

The Project will receive natural gas from the Western Canadian Sedimentary Basin via a pipeline originating from northeastern British Columbia. At full build-out, the Project will receive between 1.7 and 2.0 billion cubic feet per day of natural gas and will produce up to 12.0 million tonnes of liquefied natural gas (LNG) per year. The liquefied natural gas is intended to supply foreign markets, particularly Asia, where demand for cleaner fuel is growing. Natural gas liquids (NGLs) will also be shipped from the site.

The Project's main components are:

- Two floating liquified natural gas platforms (FLNGs) will be located at site and will house liquefaction processing units that will cool and liquify natural gas to temperatures as low as -163°C. The FLNGs will also include LNG storage and offloading systems and mooring for LNG carriers.
- Floating camp to house construction crews, referred to as a 'floatel'
- A personnel dock and material offloading facility (MOF) to receive materials and personnel

There will also be ancillary support structures infrastructure on land such as a feed gas receiving facility, electrical sub-station, water and wastewater treatment plant, solid waste management facility, access roads, warehouse, administration building, permanent accommodation building for operations, and a helipad. Figure 2 provides the current layout of the Project infrastructure on land and at sea.

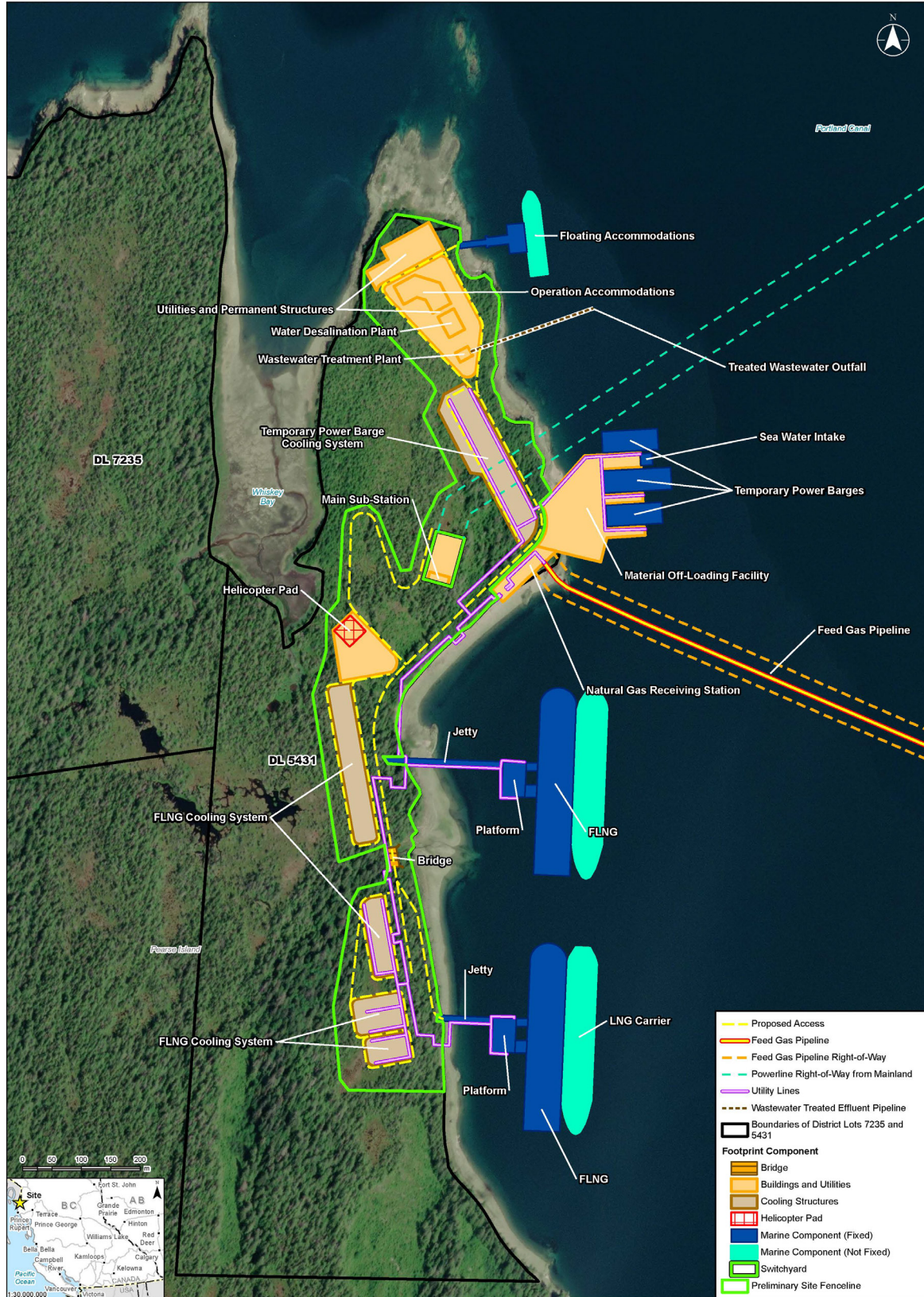


Figure 2 – Project Site Layout

3 WHAT IS LIQUIFIED NATURAL GAS?

Liquefied natural gas (LNG) is predominantly methane and is the same natural gas used to heat homes. When cooled to between -145 to -163 °C, the gas liquefies and shrinks to approximately 1/600th the size, which allows for easier and less expensive transportation over long distances. For more information see Natural Resources Canada information about Liquefied Natural Gas at <https://www.nrcan.gc.ca/energy/energy-sources-distribution/natural-gas/liquefied-natural-gas/5679>.

The Project is currently developing additional materials for the Project website at <https://www.ksilisimslng.com/>; however, an excellent source of additional information about liquefied natural gas can be found on the LNG Canada website: <https://www.lngcanada.ca/about-lng-canada/lng-101/>.

4 WHAT ARE NATURAL GAS LIQUIDS AND CONDENSATE?

Natural gas liquids (NGL) are other components found in natural gas that are separated from the gas when it is liquefied. They include ethane, propane, butanes and heavier hydrocarbons.

5 WHO OWNS THE PIPELINE THAT WILL DELIVER NATURAL GAS TO THE KSI LISIMS LNG PROJECT AND WHAT IS THE ROUTE?

Natural gas will be supplied to the Project site by either TransCanada Energy's Prince Rupert Gas Transmission project or Enbridge's West Coast Gas Transmission project. These pipelines have not been built yet, but both have received their environmental assessment certificates from the British Columbia Environmental Assessment Office. Ksi Lisims LNG will have no legal ownership or responsibility for the selected pipeline. The pipelines will transport gas from the Western Canadian Sedimentary Basin of northeastern British Columbia and northwest/central Alberta. As it is currently routed, if constructed, the Prince Rupert Gas Transmission project will go through a section of Nisga'a Memorial Lava Bed Park.

Maps of the pipeline routes are available on the gas transmission project websites: <https://www.tcenergy.com/siteassets/pdfs/natural-gas/prince-rupert-gas-transmission/transcanada-prince-rupert-gas-transmission-project-map.pdf> and <https://wcgtproject.com/>

6 WHAT IS THE ENVIRONMENTAL ASSESSMENT PROCESS?

The environmental assessment for the Project will be designed to meet the requirements of the British Columbia *Environmental Assessment Act* and the federal *Impact Assessment Act*. The Project will also conduct an environmental assessment in a manner that complies with the Nisga'a Final Agreement and the Nisga'a assessment will be incorporated into the environmental assessment that will be submitted for Project approval.

The environmental assessment will examine possible Project and cumulative impacts on specified aspects of the environment, such as air, water, soil, marine and terrestrial wildlife, marine resources and vegetation; and social components such as archaeological and heritage resources, cultural, community well-being, infrastructure and services, and human health. Mitigations measures and management plans will be developed and monitored to reduce or avoid potential effects.

7 WHAT HAPPENS DURING CONSTRUCTION?

Assuming all regulatory and environmental approvals have been received, construction is anticipated to start in 2024 and take approximately three years to complete. Floating infrastructure will be designed and constructed in ship fabrication yards in Asia and towed to the Project site where it will be attached to piles or anchors. Most onshore infrastructure will also be constructed at off-site locations and towed to the site, where they will be offloaded to land. Construction materials are anticipated to be transported to site from Terrace by truck along Highway 113 to Gingolx or along Highway 12 to Prince Rupert and then via barge to Site, or alternatively, directly via barge. Some materials and personnel may be transported by water taxi or barge to the Project site from Gingolx.

The construction workforce is expected to peak at 600 to 800 workers. During construction, workers will be housed in the floatel on-site. Crews are anticipated to work 10 hours per day, six or seven days a week on rotating schedules. Workers will access the Project site via water taxi originating from Gingolx or Prince Rupert.

8 WHAT HAPPENS DURING OPERATIONS?

Operations are anticipated to start in late 2027 or early 2028, and the facility will operate for 30 years, 24 hours per day, 365 days a year. Once operational, the Project will hire approximately 150 to 250 personnel to work on site and 50 to 100 personnel to work in other offices in British Columbia. Ksi Lisims LNG will provide permanent on-site accommodations for the operations workforce. Water taxi will be the primary means of moving the permanent workforce to and from the mainland to the Site.

9 WHAT IS THE MARINE SHIPPING ROUTE?

There will be an estimated 140 to 160 liquefied natural gas shipments per year and 8 to 12 natural gas liquids product vessels per year. All will be operated by third parties.

Liquefied natural gas carriers will enter Canadian waters from the west through Dixon Entrance north of Haida Gwaii and will pick up a BC Coast Pilot at the Triple Island Boarding Station. Vessels will then proceed eastward, south of the Dundas Island Group, then north through Chatham Sound, northeast through Portland Inlet, then east into Portland Canal.

10 WHAT ABOUT MARINE ACCIDENTS?

Since commercial shipping of LNG started in 1964 there have been no incidents of cargo loss, giving LNG shipping one of the best records in the industry. The risk of a cargo loss, or other marine accident including spills of hazardous materials, will be assessed in the environmental assessment as part of the assessment of possible malfunctions and accidents (as per the requirements of the British Columbia *Environmental Assessment Act* and the federal *Impact Assessment Act*). Technical experts will develop mitigation measures to reduce the likelihood of malfunctions and accidents and develop emergency response plans, including an Emergency Response Plan. The effects assessment will also evaluate potential effects along the proposed marine shipping route including sensitive areas.

Responsibility to protect and manage marine resources is a joint effort between provincial and federal agencies and includes Transport Canada, Canada Coast Guard, the Pacific Pilotage Authority, BC Coast Pilots and the Western Canada Marine Response Corporation. Liability and requirements for releases from ships into the marine environment are regulated under the federal *Canada Shipping Act*, the *Marine Liability Act*, and the *Canadian Environmental Protection Act*. Canada's ship-source oil spill preparedness and response regime is based on the "polluter pays" principle, which requires that responsibility for costs related to cleanup and pollution damage remain with the party responsible for the release.

11 HOW DOES THIS PROJECT CONTRIBUTE TO NATIONAL AND GLOBAL EFFORTS TO REDUCE GREENHOUSE GAS (GHG) EMISSIONS?

The Project is designed to be one of the lower carbon emitting LNG export facilities in the world. This will be achieved through the use of clean, renewable electrical power from the BC Hydro grid and the purchase of carbon offset credits. This will result in the Project achieving its target of net-zero emissions and being in alignment with the provincial CleanBC Plan. Federally, the Project will address net Project GHG emissions as required by the Strategic Assessment of Climate Change. This includes providing a credible net-zero plan to guide the Project to achieving net-zero emissions by 2050. Upstream emissions from natural gas sources are being addressed by the natural gas producers in the Western Canadian Sedimentary Basin, such as through the federal *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)*.

Globally, Ksi Lisims LNG provides an opportunity for British Columbia to export liquefied natural gas to countries that now burn coal or oil as their primary fuel source. Liquefied natural gas will be converted back to its gaseous state when it arrives at its destination. Natural gas burns cleaner and emits less GHGs than coal or oil. Ksi Lisims LNG will provide a valuable contribution to the global drive to reduce CO₂ and other GHG emissions.

12 WHAT ARE THE BENEFITS OF THE PROJECT?

The Project will advance Nisga'a Nation's goal of economic self-determination by providing economic opportunities for Nisga'a Nation, meaningful employment, and contracting opportunities for Nisga'a citizens, as well as increased economic opportunities such as training, employment and contracting for other Indigenous Nations and citizens in British Columbia, Alberta and other provinces.

The Project will provide tax revenue that will support Indigenous Nations, provincial and federal objectives to improve health, education, transportation infrastructure services and other social benefits. In addition to tax revenue, the Project will also result in billions of direct capital expenditures within British Columbia.

13 I AM INTERESTED IN WORKING ON THE KSI LISIMS LNG PROJECT. HOW DO I GO ABOUT FINDING WORK?

Assuming that all the regulatory and environmental approvals have been received and as Ksi Lisims LNG advances to construction, Ksi Lisims LNG and Nisga'a Employment Skills and Training will work closely to develop plans to train and hire local workers. Once available, the website (<https://www.ksilisimslng.com/>) will provide information about how to access employment, training and contracting opportunities.