



For immediate release  
July 25, 2017

### **Pacific NorthWest LNG Project Not Proceeding**

**Vancouver, British Columbia** - Pacific NorthWest LNG (PNW LNG) today announced that the LNG project in Port Edward, British Columbia will not proceed as previously planned.

The decision was made by PETRONAS and its partners after a careful and total review of the project amid changes in market conditions.

Anuar Taib, Chairman of the PNW LNG Board, said: "We are disappointed that the extremely challenging environment brought about by the prolonged depressed prices and shifts in the energy industry have led us to this decision.

"PETRONAS and its North Montney Joint Venture partners remain committed to developing their significant natural gas assets in Canada and will continue to explore all options as part of its long-term investment strategy moving forward," added Anuar.

President and CEO of PNW LNG Adnan Zainal Abidin said: "On behalf of the entire PNW LNG team, I would like to thank everyone who has supported the project. I also want to thank everyone who contributed towards the development of this project and its comprehensive environmental assessments. In particular, I want to recognize the area First Nations, the District of Port Edward, the City of Prince Rupert, and their communities for their invaluable support and involvement in the project. I would also like to acknowledge the Pacific NorthWest LNG project team for all of their dedication and hard work."

"Without everyone's support and involvement, we would not have achieved the many key milestones for the project, including agreements with the area First Nations, the BC environmental assessment certificate and the Canadian environmental assessment approval," added Adnan.

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Backgrounder: Project Timeline



### **About Pacific NorthWest LNG**

*Pacific NorthWest LNG was a liquefied natural gas export facility proposed to be situated on Lelu Island in the District of Port Edward, in northwest British Columbia. Pacific NorthWest LNG is majority-owned by PETRONAS. Japan Petroleum Exploration Co., Ltd. (JAPEX), PetroleumBRUNEI, IndianOil Corporation (IOC) and Sinopec-China Huadian who are also partners in Pacific NorthWest LNG and its associated natural gas supply.*

### **About the North Montney Joint Venture**

*The North Montney Joint Venture is a joint venture between Progress Energy Canada Ltd, Japan Petroleum Exploration Co., Ltd. (JAPEX), PetroleumBRUNEI, IndianOil Corporation (IOC) and Sinopec-China Huadian to develop the resources in the North Montney formation located along the foothills of the Rocky Mountains in northeast British Columbia. Progress, a wholly owned subsidiary of PETRONAS, is the operator of the joint venture, which has approximately 800,000 acres of largely contiguous mineral rights in the North Montney with more than 52 trillion cubic feet of reserves and contingent resources, and over 15,000 identified drilling locations. Total gas initially in place is over 200 tcf of high-quality, low-cost unconventional gas and liquids.*



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**BACKGROUNDER**  
**Pacific NorthWest LNG Project Timeline**

| Date        | Milestone  |
|-------------|--|
| <b>2011</b> |  |
| June        | PETRONAS and Progress Energy Resources Corp form the 50-50 North Montney Joint Venture to develop the Altares, Lily and Kahta properties                           |
| <b>2012</b> |  |
| Q1          | Lelu Island is identified as the preferred site for Pacific NorthWest LNG  |
| June        | PETRONAS announces the intent to acquire Progress Energy Resources Corp  |
| December    | Pre-FEED of the Pacific NorthWest LNG facility begins, investigating the project scope, timelines, costs and labour requirements                                   |
| December    | Investment Canada approves purchase of Progress Energy Resources Corp by PETRONAS  |
| <b>2013</b> |  |
| February    | Project Description is submitted to the Canadian Environmental Assessment Agency (CEAA)  |
| March       | The Pacific NorthWest LNG Project Limited Partnership (PNW LNG) is incorporated  |
| April       | Japan Petroleum Exploration Co (JAPEX) acquires 10 percent interest in PNW LNG and the associated natural gas supply   |
| July        | PNW LNG applies to the National Energy Board (NEB) for a license to export up to 19.68 million tons per annum (MTPA) of LNG per year for 25 years starting in 2019 |
| July        | PNW LNG submits its Project Description to the BC Environmental Assessment Office (BC EAO)   |
| December    | PetroleumBRUNEI acquires 3 percent interest in PNW LNG and the associated natural gas supply   |
| December    | The NEB approves a license to export up to 22.2 MTPA of LNG per year for 25 years beginning in 2019  |
| <b>2014</b> |  |
| February    | PNW LNG submits its joint Environmental Impact Statement/Application to CEAA and to the BC EAO   |
| March       | The Government of Canada approves the LNG export license previously granted by the NEB   |
| March       | Indian Oil Corporation acquires 10 per cent interest in PNW LNG and the associated natural gas supply  |
| June        | Sinopec acquires 15 percent interest in PNW LNG and the associated natural gas supply  |
| November    | PNW LNG receives its EA Certificate from the BC EAO, subject to 8 conditions   |
| November    | PNW LNG's associated pipeline, the Prince Rupert Gas Transmission pipeline, receives its BC EA Certificate   |

| Date        | Milestone  |
|-------------|--|
| December    | PNW LNG submits its Environmental Impact Statement Addendum to CEAA, due to improvements in the project design   |
| December    | Property tax agreement signed with the District of Port Edward   |
| December    | PECL proves more than 15 tcf of natural gas reserves, exceeding target for PNW LNG Final Investment Decision   |
|             |  |
| <b>2015</b> |  |
| April       | BC Government passes legislation to enable PNW LNG’s tax agreement with the District of Port Edward  |
| May         | BC Government and PNW LNG agree to terms of a Project Development Agreement  |
| May         | IBA signed with Kitselas First Nation  |
| March       | PNW LNG signs an IBA term sheet with Gitxaala First Nation   |
| June        | PNW LNG board and shareholders announce a conditional Final Investment Decision subject to two conditions: approval of the PDA by the BC Legislature and regulatory approval by the Government of Canada on the EA application |
| July        | PNW LNG’s Project Development Agreement with the BC Government is approved by the BC Legislature   |
| October     | PNW signs an IBA term sheet with Kitsumkalum First Nation  |
|             |  |
| <b>2016</b> |  |
| February    | CEAA releases draft Environmental Assessment Report and conditions on PNW LNG’s EA application to inform a public comment period from February 10 – March 11   |
| September   | Federal government approves the PNW LNG project and issues their Decision Statement for PNW LNG with 190 conditions  |
| September   | IBA signed with Metlakatla First Nation  |
| December    | The Government of Canada approves a 40-year LNG export license previously granted by the NEB   |
|             |  |
| <b>2017</b> |  |
| January     | IBA signed with Lax Kw’alaams First Nation   |
| January     | The BC Oil and Gas Commission issues an LNG Export Facility permit to PNW LNG  |
| July        | PNW LNG’s shareholders announce they are not proceeding with the development of the project after a careful and total review of the proposed project amid changes in market conditions   |

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