

## **Fresh Start for Douglas Channel LNG Project as New Owners Take Control**

CALGARY, ALBERTA--(Marketwired - Jan. 28, 2015) - The Douglas Channel LNG Consortium<sup>1</sup> today announced that it now has full ownership and control of the Douglas Channel LNG project as a result of the Plan of Arrangement completed under the Companies' Creditors Arrangement Act ("CCAA") proceeding. All of the useful assets of the former project have been transferred to the Consortium and all creditor claims have been settled. In parallel, the Consortium has also executed long-term lease agreements with the Haisla Nation regarding land and water tenure, and with Pacific Northern Gas Ltd. (PNG) for long-term pipeline capacity to supply gas to the project. On the strength of these contracts, assets and approvals the Consortium is advancing towards a final investment decision in fourth quarter 2015 for the Douglas Channel LNG project. The target Commercial Operation Date to commence LNG exports is 2018.

The Douglas Channel LNG project will be a barge-based LNG facility on District Lot 99 near Kitimat, British Columbia. Natural gas will be sourced from Western Canada and transported to the project site for liquefaction via PNG's existing pipeline system under a 20-year transportation contract approved by the British Columbia Utilities Commission. The project site is secured by a long-term lease with the Haisla Nation. The project will have initial nameplate capacity of 0.55 million tonnes per annum. The land and foreshore access provide future opportunity to expand and accommodate additional LNG processing projects.

Under Consortium ownership, the Douglas Channel LNG project is controlled by creditworthy partners with a full suite of expertise throughout the energy export value chain. EXMAR, an independent Belgium-based company with 35 years' experience in LNG shipping, will be responsible for the development and operation of the floating liquefaction facility. As the owner and operator of what will be world's first floating liquefaction facility ("Caribbean FLNG"), it has significant capabilities to leverage off building a similar facility for the Douglas Channel LNG project. EDF Trading ("EDFT") will hold the required pipeline capacity to deliver gas to the project and will be the LNG offtaker of the project. EDFT is a subsidiary and wholesale market operator of Électricité de France S.A., an international energy company with over 39 million customers. It is a major participant in the global LNG market and offers a complete range of required services. AIJVLP is a limited partnership between AltaGas Ltd. ("AltaGas") and Idemitsu Kosan Co.,Ltd. ("Idemitsu"). Idemitsu is a global leader in the supply of energy, petroleum, and other products, with strong market presence in Japan. AltaGas is a leading energy infrastructure company in North America with access to natural gas supply in Western Canada and pipeline access to the Douglas Channel through ownership of PNG. The AIJVLP will leverage the energy industry experience and expertise of both companies and AltaGas' relationship with First Nations and local communities. AltaGas will act as the project manager of the Douglas Channel LNG project.

David Harris, President and COO, AltaGas, said, "The Consortium is excited to advance this small scale floating LNG project and is looking forward to a long and mutually beneficial relationship with the Haisla Nation, building on the newly signed long-term land and water lot leases. The project will be supplied by the significant Canadian reserves and is backed by a supportive regulatory regime in British Columbia. The

project provides natural gas producers in Western Canada a new market for their products. PNG customers who live and work in northwestern BC can expect to benefit from lower natural gas rates."

John Rittenhouse, Chief Executive of EDF Trading commented, "The project is well positioned to be an early exporter of LNG off the West Coast of Canada with unique competitive advantages." Matthew Arnold, Global Head of LNG and LPG said "The smaller scale LNG project will utilize existing pipeline infrastructure, proven barge technology and very short shipping distances to target markets. We will be working with our Asian customers to secure a long-term contract as this is a very competitive package." Bart Lavent, Managing Director EXMAR LNG Infrastructure, said "EXMAR will leverage its proven experience with floating LNG assets to provide a fast track and cost competitive floating liquefaction barge to the project. The site in sheltered, ice-free waters is a perfect fit with EXMAR's barge-based philosophy and provides an ideal location for LNG deliveries to the Asian market."

Hisao Sato, General Manager, Idemitsu Kosan, said, "Upon completion of the Douglas Channel LNG project, numerous long-term benefits to Japanese buyers are expected, and will demonstrate British Columbia's ability to quickly deliver scaleable LNG to the global marketplace."

<sup>1</sup> The Consortium is comprised of AltaGas Idemitsu Joint Venture Limited Partnership ("AIJVLP"), EDF Trading Limited ("EDFT") and EXMAR NV ("EXMAR")

#### Company Profiles

<b>Company Name</b>	<b>EXMAR NV</b>
Location	20 De Gerlachekaai, 2000 Antwerp, BELGIUM
Business Description	Industrial Shipping Group with interests in LPG, LNG and Offshore assets. EXMAR is a leader in providing regasification and liquefaction solutions in the natural gas industry.
Website	<a href="http://www.exmar.be/">http://www.exmar.be/</a>
<b>Company Name</b>	<b>EDF Trading Limited</b>
Location	80 Victoria Street, London SW1E 5JL UNITED KINGDOM
Business Description	EDF Trading is a leader in the international wholesale energy markets and active through electricity, natural gas, LNG, upstream gas, coal, freight and environmental products markets. Commercial and Industrial Retail market in North America.
Website	<a href="http://www.edftrading.com/">http://www.edftrading.com/</a>
<b>Company Name</b>	<b>AltaGas Ltd.</b>
Location	1700, 355 - 4th Avenue, S.W. Calgary, Alberta T2P 0J1 CANADA
Business Description	Energy infrastructure business with a focus on natural gas, power and regulated utilities. A growing and optimizing its energy infrastructure, including a focus on clean energy sources.
Website	<a href="http://www.altagas.ca/">http://www.altagas.ca/</a>
<b>Company Name</b>	<b>Idemitsu Kosan Co., Ltd.</b>
Location	1-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8321 JAPAN
Business Description	Petroleum refining and manufacture and sale of oil products manufacture and sale of petroleum and coal.
Website	<a href="http://www.idemitsu.com/">http://www.idemitsu.com/</a>

*This news release contains forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results*

*of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas' current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in AltaGas' public disclosure documents. Many factors could cause AltaGas' actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*

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