



A subsidiary company of Liquefied Natural Gas Limited

## Canada Gas and LNG Conference



**Greg Vesey, Managing Director, LNG Limited and President, Bear Head LNG**

May 2018



## Forward looking statement / all jurisdictions

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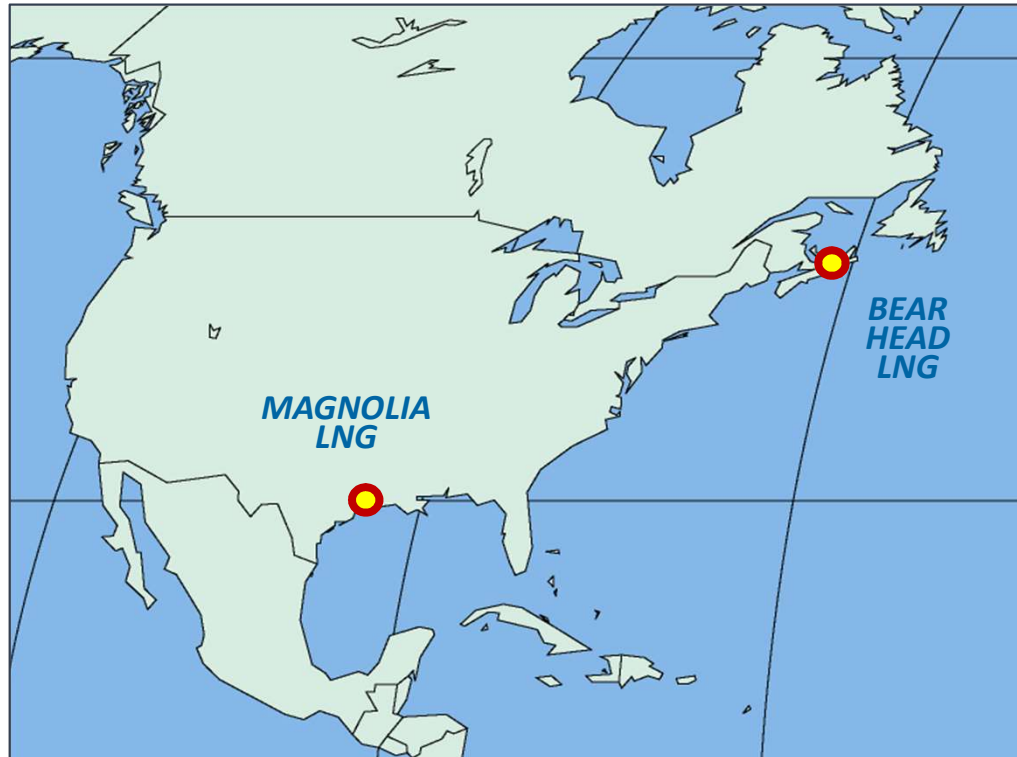
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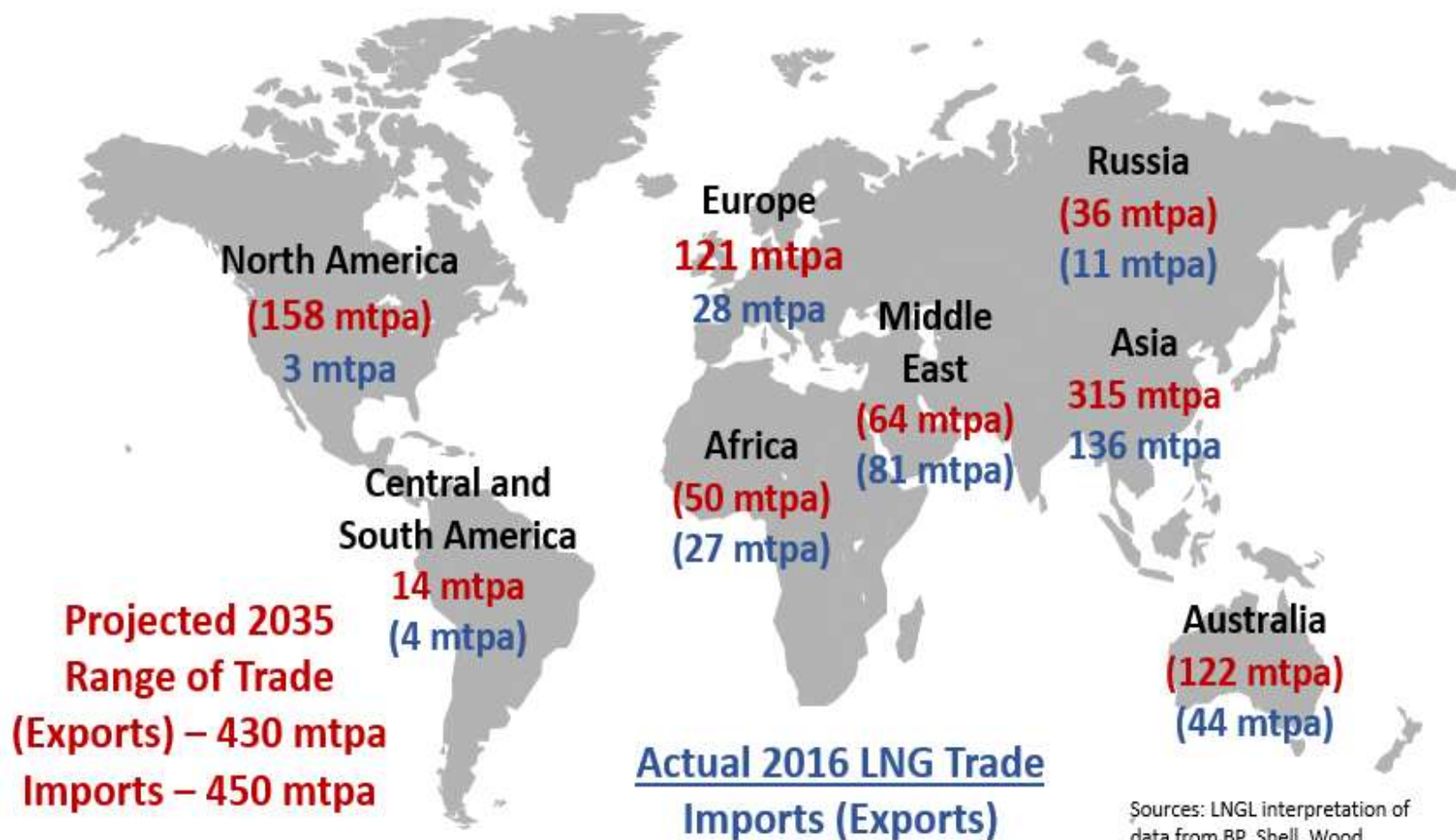
LNGL is an Australian public company (ASX: LNG;  
U.S OTC sponsored ADR: LNGLY)

- Developer of mid-scale LNG export terminals
- Projects are indirect wholly owned subsidiaries

Developing 20 mtpa of capacity using OSMR® process technology



## Yearly net LNG imports / exports in 2035



Note: Differences in supply vs. demand results from variations in estimates

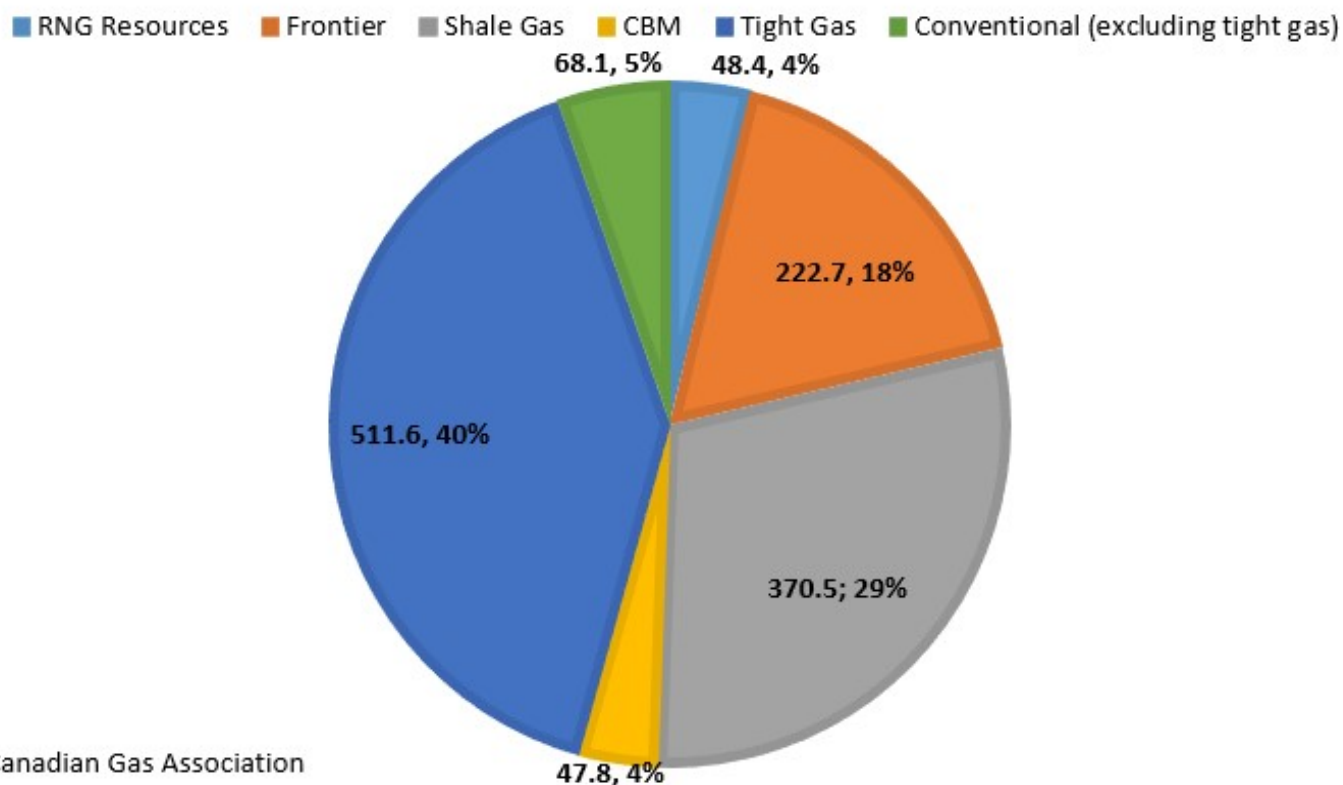
Sources: LNGI interpretation of data from BP, Shell, Wood Mackenzie, and Poten & Partners

Canadian LNG can help supply the world's future LNG import needs



## Canadian gas resource base and yearly demand

**Total resource base: 1278 trillion cubic feet (tcf)**



Source: Canadian Gas Association

**Canadian Natural Gas Demand = 4.02 trillion cubic feet/year**

**Canada has 317 years of gas supply to meet current demand**



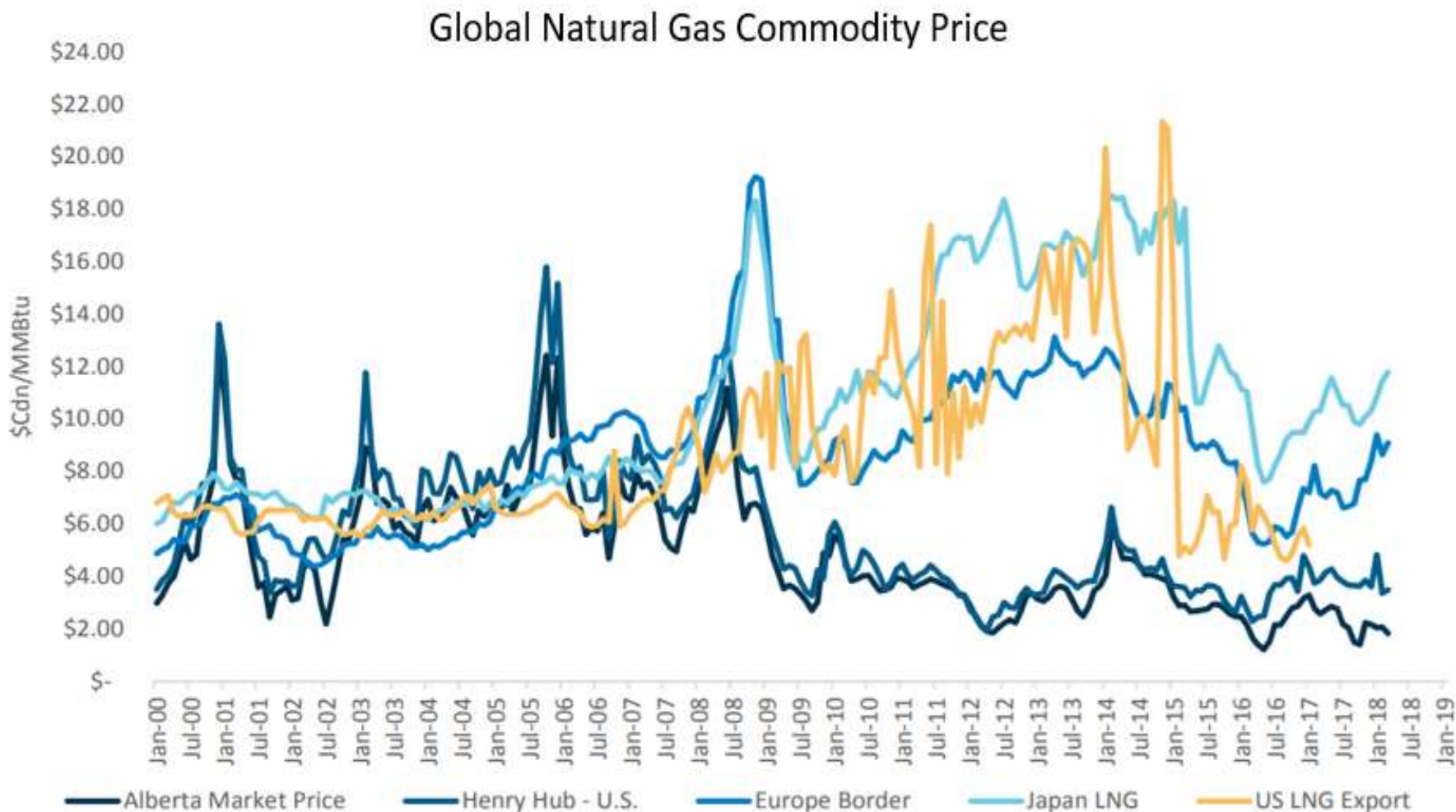
## Western Canadian gas is stranded



West Coast gas export thesis materially shrinking in size; alternative markets filled by US shale



## Canadian gas resource base and yearly demand



Source: Canadian Gas Association, U.S. Federal Reserve, World Bank

**Plentiful Canadian gas resources need outlets both inside and outside Canada**



## Project location – Point Tupper, Richmond County, Nova Scotia



- Accessible 327-acre land and water site (72 acres offshore and 255 acres onshore)
- Nominally half the shipping distance to major European markets compared to U.S. Gulf Coast ports
- Closest North American LNG export location to markets in Argentina, Middle East, India, and other Asian customers
- Strait of Canso location
  - Natural deep water port, sheltered and ice-free, “turning basin” immediately in front of site
  - No wave, current, or tide restrictions
  - Direct access to North Atlantic
  - Within Point Tupper industrial zone

**Optimal site location in established industrial area**





## Profile of a fully permitted Canadian LNG project

| Bear Head | Ten Initial Federal, Provincial and Local Regulatory Approvals |   |
|-----------|--|---|
| ✓         | Federal  | Transport Canada CEAA Screening                                 |
| ✓         | Federal  | Navigable Waters Protection Act Authorizations                  |
| ✓         | Federal  | Fisheries and Oceans Canada CEAA Screening                      |
| ✓         | Federal  | Authorization for Works or Undertakings Affecting Fish Habitats |
| ✓         | Municipal  | Development Permit  |
| ✓         | Provincial   | Breaking Soils of Highways Permit                               |
| ✓         | Provincial   | Beaches Act Clearance   |
| ✓         | Provincial   | Environment Act Water Approval (Wetland Infill)                 |
| ✓         | Provincial   | Permit to Construct Gas Plant                                   |
| ✓         | Provincial   | Environmental Assessment Approval                               |

| Bear Head | Key Export Authority Approvals |                                 |
|-----------|--------------------------------|---------------------------------|
| ✓         | DOE                            | FTA Export Approval (DOE)       |
| n/a       | DOE                            | In-Transit Order Approval (DOE) |
| ✓         | DOE                            | Non-FTA Export Approval (DOE)   |
| ✓         | NEB                            | Import & Export Approval (NEB)  |

In addition, Nova Scotia Energy has accepted the BHLNG Greenhouse Gas and Emissions Management Plans

**Bear Head LNG holds all Canadian initial approvals for construction**



## First Nations support



*Mi'kmaq Chiefs Sidney Peters and Bob Gloade at MOU signing with Bear Head LNG*

- Bear Head LNG has carefully followed the First Nations consultation process
- MOU signed by Assembly of Nova Scotia Mi'kmaq Chiefs and Bear Head LNG commits parties to work together
- Commitment ensures First Nations participation in project
- First Nations band is providing site security and safety

**"This agreement is an important step. We are confident that the relationship we have developed during these discussions with Bear Head LNG will grow and enable us to create opportunities for the Mi'kmaq of Nova Scotia."**  
*-- Chief Terrance Paul, Co-Chair of the Assembly of Nova Scotia Mi'kmaq Chiefs*



## An opportunity for all of Canada – job creation and affordable gas

- Major positive impacts for Atlantic Canada and the Point Tupper region
- No threatened fiscal overreach by Province
- Quality jobs creation \*
  - 200 permanent direct jobs
  - 1200 permanent indirect jobs
  - 1500 construction jobs
- An important new addition to the property tax base of Richmond County
- Long-term access to affordable gas supply for regional power generation
- Community support
  - Continued company participation in the region as a committed corporate citizen
  - Community liaison committee formed
  - Alliance with Community College to train the personnel needed to operate the LNG facility
  - First Nations support



\* Estimates based on 2014 study

**Largest infrastructure project in Atlantic Canada broadly benefits the entire country**



## BHLNG value chain economics

| <b>British Columbia LNG Projects</b> | <b>Cost Stack</b>             | <b>Bear Head LNG</b>         |
|--------------------------------------|-------------------------------|------------------------------|
| \$1.50 - \$2.50 <sup>1</sup>         | Montney Production Costs      | \$1.50 - \$2.50 <sup>1</sup> |
| \$1.86 - \$2.67 <sup>2</sup>         | Pipeline Transportation Costs | \$2.40 - \$3.05 <sup>3</sup> |
| \$4.63 - \$5.67 <sup>4</sup>         | Liquefaction Costs            | \$2.45 - \$2.75 <sup>5</sup> |
| <b>\$7.99 - \$10.84</b>              | <b>Equivalent FOB</b>         | <b>\$6.35 - \$8.28</b>       |

Sources:

1) RBC Capital Markets Research, Credit Suisse Research; 2) Wood Mackenzie, BHLNG analysis; 3) TransCanada; 4) Wood Mackenzie; 5) BHLNG analysis, KBR

**BHLNG using W. Canadian gas delivers globally competitive FOB pricing**



Thank you

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