

PROPOSED ISLAND GAS CONNECTOR PROJECT

Steelhead LNG is working with Williams (Northwest Pipeline) to determine the feasibility of building and operating a natural gas pipeline called the Island Gas Connector (IGC) Project to supply Canadian natural gas to the proposed Malahat LNG facility on the Malahat-owned Bamberton Industrial Lands on Vancouver Island.

- The estimated 128-kilometre (80-mile) natural gas pipeline system would begin in the US and end in Canada.
- The land portion of the proposed IGC Project would run approximately 53 kilometres (33 miles) from Northwest Pipeline's interconnect with Spectra Energy's Pipeline system at Sumas to the Birch Bay/Custer area in Washington.
- Part of the proposed IGC Project – approximately 75 kilometres (47 miles) – would be placed on the seabed in the Salish Sea between Washington State and the proposed Malahat LNG facility on Vancouver Island.
- The proposed IGC Project is in its early stages of development and studies with preliminary engineering and environmental surveys initiating this spring.
- The proposed route is in a conceptual stage of development and will evolve depending on technical or environmental factors or as a result of engagement and consultation with Canadian Aboriginal groups, Native American Tribal groups, landowners, local stakeholders and communities.



A Co-development of Williams and Steelhead LNG

If approved, Williams will design, construct, operate and maintain the proposed Island Gas Connector – it will also own the US portion while the Canadian portion will be owned by a subsidiary of Steelhead LNG on a limited partnership basis.

Williams is an Oklahoma-based energy infrastructure company focused on connecting North America's significant hydrocarbon resource plays to growing markets for natural gas, natural gas liquids and olefins. Williams' operations span from the deep-water Gulf of Mexico to northern Alberta in Canada.

Through its 6,400-kilometre (4,000-mile) Northwest Pipeline, Williams has safely maintained and operated natural gas pipelines in the Pacific Northwest for nearly 60 years.

With major positions in top supply basins in the US and Canada, Williams owns and operates more than 48,200 kilometres (33,000 miles) of pipelines system wide providing natural gas for clean-power generation, heating and industrial use. Williams' operations touch approximately 30 per cent of US natural gas.

More information about Williams is available at Williams.com. More information about Steelhead LNG and the Malahat LNG facility is available at steelheadlng.com.



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Malahat LNG



Steelhead LNG is proposing to develop the Malahat LNG Project on the Malahat-owned Bamberton Industrial Lands.

The proposed Malahat LNG Project:

- Would liquefy the same natural gas that many British Columbians already use to heat their homes and cook their meals.
- Would consist of up to three floating liquefaction production facilities and a potential floating storage and off-loading unit (FSO), with a potential capacity to produce up to 7.5 million tonnes per year at full build out.



Proposed Malahat LNG facility components

The floating liquefaction production facilities will be permanently moored to jetties along the shoreline for the life of the proposed Project and will be supported by minor land-based infrastructure.

Currently in the preliminary engineering and design stage, it is proposed that at full build out, there will be one LNG carrier loading at the facility every 3-5 days.

The proposed Malahat LNG Project will undergo rigorous federal and provincial regulatory processes, including an environmental assessment process. We are currently undertaking environmental studies to gain a greater understanding of the local and regional area.

PROJECT LOCATION

There are a few reasons why the Malahat-owned Bamberton Industrial Lands have been identified as an ideal location for the proposed Malahat LNG Project:

- It provides an opportunity for Steelhead LNG to work collaboratively with the Malahat Nation and develop a strong economic future for the Nation, other First Nations, Vancouver Island residents and citizens of BC in general.
- This location is an existing industrial site and will allow for onshore facilities to be located on previously disturbed land.
- This location is a deep-water port and is close to international shipping lanes.

PROJECT BENEFITS

The Malahat LNG Project has the potential to diversify the local economy, contribute to local government revenue, provide jobs to people who previously had to travel for work and bring benefits home to stay for Vancouver Island families. Potential benefits include:

- Up to 30 years of revenue generation through taxation for local, provincial and federal governments during construction, operation and decommissioning phases. This is revenue that could support social services such as hospitals, recreational facilities and schools, as well as maintenance of local infrastructure;
- Employment for approximately 350-400 workers during peak construction;
- The creation of as many as 200 well-paid direct, long-term positions at home in the Cowichan Valley, once the facility is operational; and
- Hundreds of additional direct and indirect jobs on Vancouver Island and the surrounding areas.

Come by and visit: Community Space at 845 Deloume Road, Mill Bay

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