

Sarita LNG News Release

January 29, 2018

FOUR GLOBAL EPC CONTRACTORS SHORTLISTED TO CARRY OUT FEED WORK FOR KWISPAA LNG PROJECT

Competitive FEED contract to be awarded to two successful bidders in third quarter 2018

VANCOUVER, B.C. – Steelhead LNG and Huu-ay-aht First Nations today announced that they have narrowed the field of bidders to complete front-end engineering and design (FEED) work on the proposed Kwispaa LNG project. The project is located on the west coast of Vancouver Island, British Columbia, Canada and is licensed to export up to 24 million tonnes per annum (mtpa) of liquefied natural gas (LNG) for 25 years. Initial production of 12 mtpa is expected to begin in 2024.

Following a rigorous Expression of Interest process, four Engineering, Procurement and Construction (EPC) contractors have been shortlisted. They include: Black & Veatch / Samsung Heavy Industries / PCL Industrial Management Inc.; CB&I / Offshore Oil Engineering Co., Ltd. (COOEC); KBR; and TechnipFMC. Invitations to Tender are expected to be issued in Q2 2018. From there, two successful bidders will be selected to carryout FEED for Kwispaa LNG, including *At-Shore LNG*[™] Topsides, Onshore Power Station, Pre-Treatment and Balance of Plant components, starting in Q3 2018.

“Our Expression of Interest process attracted a number of proposals from leaders in LNG facilities engineering, procurement and construction,” said Steelhead LNG Vice President, Technical Alex Brigden. “We are very pleased to have these internationally recognized EPC contractors compete to provide their expertise as we continue to progress the Kwispaa LNG project into FEED.”

Brigden also noted that Hyundai Heavy Industries has been provisionally nominated as the hull fabrication contractor for EPC of two *At-Shore LNG*[™] hulls—for a total value of approximately US\$500 million—to support the initial production capacity of Kwispaa LNG. Hyundai Heavy Industries will collaborate with successful EPC contractors to execute FEED studies.

Steelhead LNG's *At-Shore LNG*TM approach drives down costs by reconfiguring proven technology of an onshore LNG plant in the most cost-effective way for the West Coast of Canada. Each *At-Shore LNG*TM unit will have an LNG production capacity of up to 6 mtpa with approximately 280,000 m³ of integrated LNG storage.

About Kwispaa LNG

Kwispaa LNG is the only Canadian LNG project being developed through a co-management relationship between industry (Vancouver, British Columbia-based Steelhead LNG) and First Nations (Huu-ay-aht First Nations). Steelhead LNG's management team's experience includes guiding some of the world's leading energy companies and projects, with commercial and technical expertise that spans the entire LNG value chain. Huu-ay-aht First Nations is one of the most progressive and foremost leaders in First Nations economic development in Canada. The community is located on the west coast of Vancouver Island in British Columbia.

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