



FOR IMMEDIATE RELEASE

THE CITY OF PRINCE RUPERT WELCOMES PEMBINA BOARD APPROVAL OF WATSON ISLAND PROPANE EXPORT TERMINAL

NOVEMBER 29th, 2017 – PRINCE RUPERT, B.C. – The City of Prince Rupert is pleased to welcome Pembina’s approval to proceed with the development of the Prince Rupert LPG Export Terminal (the “Prince Rupert Terminal” or the “Project”) on Watson Island, announced today by Pembina’s Board of Directors.

The Project is to be located on Watson Island on lands owned by the City of Prince Rupert, leased to Prince Rupert Legacy Inc., a wholly owned subsidiary of the City. Pembina has confirmed Watson Island as the ideal location for the Project and has executed definitive commercial agreements with Legacy and the City.

“We are thrilled to work with Pembina and finally get Watson Island back in business,” says Mayor Lee Brain, “what was once the story of economic downfall and hardship is now the story of prosperity and renewal. Getting Watson Island back on the tax roll has been the key priority of this council, and receiving this final investment decision from Pembina will provide us with additional lease and tax revenues to support community services and infrastructure.”

“We are very excited to progress the Prince Rupert Terminal and continue working with the local communities, stakeholders, First Nations, and governments in the area”, said Mr. Stuart Taylor, Pembina’s Senior Vice President, NGL & Natural Gas Facilities, “this project will provide significant economic benefits to the Prince Rupert area including 150 to 200 construction positions, and once operational, it will create between 20 to 30 full-time positions in addition to generating annual property tax revenue and lease payments”.

The Prince Rupert Terminal is expected to have a permitted capacity of approximately 25,000 barrels per day of LPG and is expected to be in service mid-2020, subject to Pembina receiving necessary regulatory approvals. At an expected capital cost of \$250-270 million dollars, Pembina plans to commence Project site preparations immediately. Mayor, council and staff are happy to credit Pembina with being the first company willing to write a new chapter in the storied saga of Watson Island.

As an ideal location for intermodal trade and logistics with access to road, rail, and water, a new name has been selected to reflect these trade assets. Therefore, moving forward, Watson Island will now be known as the Watson Intermodal Trade & Logistics Park.

The City of Prince Rupert invites residents to an open house on December 6th at the North Coast Convention Centre from 4pm to 7pm in order to learn more about the past, present, and future of the old pulp mill site.

ABOUT WATSON ISLAND:

Watson Island is the site of the former Skeena Cellulose pulp mill that operated from 1955 to 2001 before declaring bankruptcy. For many years, Skeena Cellulose was the City's largest employer and contributed approximately 1/3 of the city's annual tax revenues. In 2009, after multiple failed restarts, the City was the unwilling recipient of the property through the tax sale process from the previous owner, Sunwave Forest Products Ltd. In 2013, the City and Sunwave Forest Products Ltd., with the assistance of their lawyers, entered into a confidential Settlement Agreement for the site that has been enforced by the courts. In 2015, the City contracted NRI Global for a two-year project to dismantle the former pulp mill and decommission the site to prepare the site for redevelopment. As of today, 95% of all materials on site were recycled for other uses, including the removal and reuse of pulping chemicals in other BC operations.

ABOUT PEMBINA:

Calgary-based Pembina Pipeline Corporation is a leading transportation and midstream service provider that has been serving North America's energy industry for over 60 years. Pembina owns and operates an integrated system of pipelines that transport various products derived from natural gas and hydrocarbon liquids produced primarily in Western Canada. The Company also owns and operates gas gathering and processing facilities and an oil and natural gas liquids infrastructure and logistics business. Pembina's integrated assets and commercial operations along the majority of the hydrocarbon value chain allow it to offer a full spectrum of midstream and marketing services to the energy sector. Pembina is committed to working with its community and First Nations neighbours, while providing value for investors in a safe, environmentally responsible manner. This balanced approach to operating ensures the trust Pembina builds among all of its stakeholders is sustainable over the long term.

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