

December 13, 2004

Prince Rupert, BC – WestPac Terminals Inc. announces that it has entered into an agreement with Prince Rupert Port Authority (PRPA) to develop a liquefied natural gas (LNG) import terminal and related facilities on PRPA lands at Ridley Island.

The agreement establishes the terms and conditions that will allow WestPac to enter into a 30 year lease, with exclusive rights for LNG development, for 250 acres of industrial land on Ridley Island. The agreement also allows for three, ten-year extensions of the lease.

“This agreement represents a critical milestone in the development of the project”, stated Rob Woronuk, President of WestPac Terminals Inc. “We can now proceed with confidence to complete engineering and site development work as well as to finalize commercial terms with companies who wish to ship LNG through our terminal. It will also allow us to begin public consultation with key stakeholders in the region and to begin the process to obtain the requisite project approvals.”

Don Krusel, President and C.E.O. of the PRPA commented “This announcement is a significant step forward in our efforts to create a new energy hub on the west coast of Canada. With the safest and deepest harbour in North America, along with the anticipated pipeline and offshore developments, this LNG project spearheads a dynamic energy transportation industry centered in the Port of Prince Rupert.”

“The City of Prince Rupert strongly supports WestPac Terminals in its efforts to develop its LNG import terminal” commented Acting Mayor Ken Cote. “Not only will the project generate significant job opportunities through the construction and operational phases of the project, but the availability of abundant, secure supplies of natural gas will remove bottlenecks that have in the past restricted economic development and growth in the region.”

The \$200 million project will comprise a minimum 180,000 cubic meter LNG storage tank, dock facilities and related re-gasification and trans-shipment facilities. LNG will be transported by ship to Ridley Island where it will be off-loaded and stored in the storage tank. From this hub, LNG will be transported by various means or re-gasified and shipped by pipeline from Ridley Island to markets in British Columbia and other locations in North America.

The proposed terminal is scheduled to be operational by 2009 following the completion of all detailed design, construction and regulatory approvals. The project is expected to generate about 300 direct jobs during construction and about 30 full time jobs during the operational phase.

For additional information, contact Wayne Stanley at (403)920-3277, email waynestanley@westpacterminals.ca