

# COMMUNITY MATTERS

SPRING 2015 INFORMATION BULLETIN 1.3

**AURORA LNG**



## GARY BOWTELL, VICE PRESIDENT LNG & MANAGING DIRECTOR, AURORA LNG SHARES VALUES & PRIORITIES

In December 2014, Gary Bowtell joined Nexen, bringing a wealth of experience in LNG development, including a strong personal commitment to working collaboratively with communities through project design, construction and operations.

### Community Values

“It’s crucial for companies to recognize that industrial development not only has an impact on the environment, but that it’s also an imposition on communities,” says Gary. “As project stewards, we have an obligation to do our best to ensure that our facilities and operations fit and blend with both.”

Managing industrial impact has been a foremost consideration through Gary’s 30-year career in oil and gas. An Australian national, Gary has worked internationally – in both on- and offshore capacities – in Australia, Germany, Brunei, Japan, Italy and the UK. Working at the heart of the LNG industry since the late 1980s, Gary recalls one of his more challenging projects was the development of an LNG facility in northwest Australia.

“Environmental considerations were core to project planning, development and operation. Our aim was to make Pluto one of the most environmentally efficient LNG plants in the world. We were also committed to preservation of the Dampier Archipelago, where the Burrup Peninsula meets the Indian Ocean. This National Heritage site, which is a sacred place and home to Indigenous Australians for tens of thousands of years, has unique on- and offshore environments. A balance between heritage management and economic prosperity is being achieved through collaborative long-term partnerships involving Indigenous groups, industry, governments and the community.”

### Global Vision

The LNG industry has been growing since the early ‘80s, when people started to recognize the benefits of natural gas as a cost-effective, superior, clean-burning fuel alternative to diesel and coal.

“Demand for this cleaner-burning natural resource has grown significantly over the past three decades,” says Gary. “Providing access to this fuel source throughout south-east Asia and other developing countries can have a positive global impact, in terms of the reduction of greenhouse gas emissions.”

To date, the LNG industry has primarily been based in the Middle East, Australia and Asia, with a growing number of countries entering the global arena, including Africa, Russia and the United States.



Gary discusses the project with Lucy Praught at an open house for Nexen employees.

Gary cautions that LNG development in Canada faces unique challenges.

“We’re just one of many countries that recognize the tremendous opportunity presented by growing demand. Western Canada is pitching itself in a competitive arena with companies that are dealing with very different environmental and community considerations. In order to ensure Canada remains attractive to the global investment community, we need to have surety in process, stability in government, and achievable timelines to gain required approvals.”

This topic was one of many discussed at an Aurora LNG Project open house, hosted in Prince Rupert in February 2015. More than 140 people attended, and the project team fielded a broad range of questions.

“I enjoyed having the opportunity to talk about the project with community members,” says Gary. “I left the open house with a better sense of people’s concerns, as well as an understanding of expectations regarding economic opportunities associated with LNG development. I believe there is confidence that Canada has the potential to become a significant export earner.” ■

*Gary joined Nexen in December 2014, relocating from Perth, Australia to Calgary, Canada with his wife of 33 years, Shirley, along with Luke, their 16-year-old son. Luke has three older brothers and a sister (ranging in age from 23 to 32) who reside in Perth, working in the professions of Chemical Engineering, Pharmacy, Physiotherapy, and Marketing & Communications.*

## WHAT'S NEW

At the beginning of the year, work at Grassy Point was undertaken to reclaim the site following investigation activities in 2014. Part of the restoration process at Grassy Point included the removal and disposal of materials collected from the site. Whenever possible, materials were segregated for recycling or reuse. The Aurora LNG site management team consulted with the Lax Kw'alaams village council and high school principal, and coordinated the donation of several fallen trees to the school for cultural and educational purposes.

The Aurora LNG project's focus going forward is ongoing site investigation work at Digby Island. Darcy Janko, Manager, Regulatory, Natural Gas Division, explains that "Since January, we have been working on numerous studies at Digby Island that will contribute to our environmental assessment application, and a number of additional studies will carry on through spring (see right). It's important to note that Met ocean buoys, which include diving operations, will be installed in late spring and may result in increased boat traffic around Fredrick Point." ■

Lumber and log donation to Lax Kw'alaams village



## ENVIRONMENTAL ASSESSMENT UPDATE

The Aurora LNG team has been thoroughly reviewing recent regulatory guidance documents and the information requests from the Environmental Assessment Office (EAO) Advisory Working Group pertaining to our initial draft Application Information Requirements (dAIR).

"We are grateful to have a fully engaged and educated EAO Advisory Working Group to lend experience and expertise towards developing a robust dAIR, which effectively acts as the blueprint for a successful EA Application," says Darcy. "As well, the engagement and participation during Aurora's February 18th open house in Prince Rupert provided our team with invaluable perspectives from community members. I would like to extend my thanks, on behalf of our project team, for their contributions."

## DIGBY ISLAND STUDIES

### Winter 2015

- Mapping
- In-field hydrometric water monitoring
- Marine bird and marine mammal studies from Prince Rupert Harbour to Triple Island
- Marine fish surveys around Digby Island
- Freshwater fish surveys
- Archeological assessments
- Preliminary marine water quality and sediment sampling in Casey Cove and off Fredrick Point

### Spring 2015

- Additional marine bird and marine mammal surveys
- Continued hydrometric water monitoring
- Detailed marine water quality and sediment sampling
- Detailed intertidal and subtidal habitat surveys in Casey Cove and off Fredrick Point
- Targeted field surveys for amphibians, bats, breeding birds, large mammals and nocturnal/diurnal raptures and owls
- Wetland function and rare plant surveys
- Met ocean buoys



PACIFIC SALMON SPECIES

“After careful consideration of the information requests, our learnings through ongoing consultation and engagement efforts with First Nations, stakeholders, and regulatory agencies, and reviews of recent LNG-related EA Application documents, we’ve been busy developing the second draft of the dAIR and expect the public release of the dAIR by early Fall of 2015,” explains Darcy.

Aurora LNG is committed to ensuring that successful consultation and engagement occurs during this important early stage of the Environmental Assessment process.

“This will include ongoing one-on-one meetings with key First Nations, stakeholders, and regulatory agencies, as well as collaborative meetings with the EAO Advisory Working Group,” adds Scott Wagner, Environmental Assessment Lead. “In the upcoming summer season, we want to respect people’s family commitments and other seasonal obligations, so we’ve provided for time between now and the fall season to continue building positive local and regional relationships in the Prince Rupert area.”

Within two to three weeks of the dAIR being released for public comment this fall, an open house will be held in Prince Rupert.

“We’ll provide further details leading up to the open house,” says Scott. “I encourage people to visit the BC EAO website at [eao.gov.bc.ca](http://eao.gov.bc.ca) if they’re interested in learning more about the environmental assessment process.” ■

**For more information on Aurora LNG environmental assessment activities, please contact:**

Scott Wagner  
Environmental Assessment Lead  
[scott.wagner@nexencnooltd.com](mailto:scott.wagner@nexencnooltd.com)  
403-699-4162

Looking west across Frederick Point and Kaien Island from Miller Point



## OUR WORK PRINCIPLES

### Minimizing Impact

All investigative activities are guided by management plans to minimize disruption to the environment and surrounding community. These plans comply with all applicable regulatory and related government requirements and conditions.

### Health and Safety

Gordon Armstrong recently joined the team as a Health, Safety and Emergency Response Analyst, based in Prince Rupert.

“I’m proud to join the team as the first ‘local’ employee,” says Gordon. “Because I live and work in the community, the Aurora LNG project’s commitment to employing high standards of safety, while minimizing the impact on the environment and surrounding community, is especially important to me. One of my key responsibilities will be to ensure that contractors are following Nexen’s safety standards, as well as Worksafe BC regulations.”

Gordon joins Nexen from Prince Rupert Grain, a grain shipping facility, and was previously a Clearance Diver with the Canadian Forces.

### Being a Good Neighbour

Aurora LNG is working with First Nations, local communities and other stakeholders to understand concerns and views regarding the project.

“Aurora LNG’s engagement activities will help to build awareness and understanding of Aurora LNG,” says Francis Erasmus, Senior Aboriginal Relations Advisor. “These activities will also provide opportunities for First Nations, local communities and other stakeholders to provide feedback on the elements of the project that will be considered by the project team.”

Francis adds that “Engagement will generally, although not exclusively, focus on gathering input about potential project effects and on plans for avoiding and mitigating potential project effects. The process will include consultation and engagement with First Nations, local communities and other stakeholders both within, and supplemental to, the environmental assessment process.”

“Aurora LNG will look at opportunities to work with education and training institutions to develop initiatives that support First Nations and local communities with knowledge building and skills development. The Aurora LNG project is committed to hiring and buying local first.”

At this early stage of the project, vendors and service providers are welcome to register with Aurora LNG by visiting: [procurement.auroralng.com](http://procurement.auroralng.com). ■



## DESIGNING WITH THE END IN MIND

You might not know his name, but Andrew Hamilton is a familiar face at Aurora LNG meetings, site tours and field work. As the project's Site Development Manager, he has a wide range of responsibilities including site development, logistics, community consultation, health, safety and environment. Andrew has worked for Nexen for the past 15 years and is well known within the company as an advocate for environmental protection and stakeholder engagement. He brings that passion to Aurora LNG.

"It's easy to get caught up in the 'now' of an exciting project like this, but we must always keep an eye on the future," says Andrew. "For Nexen, an important part of being a responsible energy developer is ensuring the sustainability of the land once our operations are completed. As we move forward with site assessment and development planning at Digby Island, we're designing the project with the end in mind. Envisioning how we want things to look at the end of the project actually helps us build smarter up front."

This commitment to the future is directly linked to Nexen's philosophy of leaving a positive legacy for the host community. The way Nexen puts this philosophy into action has evolved over the years and Andrew's career mirrors these changes. His first job with the company was as a contaminated sites specialist for the remediation of old oil and gas facilities. One of his most challenging projects was the remediation of a sour gas facility in Okotoks, a small Alberta town that has become a thriving bedroom community for Calgary. After the infrastructure was removed, opinions were divided on how the land should be managed.



Rundle community "before" – remediation of diesel contamination and wellbore



Rundle community "after" – site fully remediated and with street, park space, homes and lawns restored (five weeks after "before" image)



Andrew Hamilton

One key issue was what to do with the soil, which had high sulphur and sulphate levels. "The science showed that there would be no negative impact on the environment or human health, and no threat to public safety," explains Andrew. "Nevertheless, people in the community were very concerned. The lesson I learned was that working with stakeholders isn't only about the science; it's about having conversations and establishing trust as you work through potential solutions. By establishing mutually respectful relationships with the community, politicians and regulators, we were able to manage the remediation in a way that satisfied all parties."

Andrew then took those lessons into the Rundle project, a Calgary condominium complex that was built over an old contaminated well site. "As a result of the Okotoks experience, we changed how we worked with the community. We were clear about what we knew and didn't know; we asked community members to be key contributors in defining and solving the problem. This level of transparency and engagement gave the community confidence in what we were doing. As a result of experiences like these, community consultation became an integral part of the way Nexen does business."

CONTINUED ON PAGE 5



Visit [www.nexencnoocltd.com](http://www.nexencnoocltd.com) to view a short video that captures the history of the Balzac plant and the close integration between Nexen and the surrounding community.

Crews working on reclamation of Grassy Point site



*...because of the reputation we had built associated with other reclamation and remediation projects, the community was confident we would do a good job.*



Paul Harris, Nexen VP Engineering & Construction, discussing the project at the February Open House

These principles were further developed during the shutdown and remediation of the Balzac Gas Plant. This facility had operated north of Calgary for 50 years and was part of the social fabric of the local community. Nexen was always a good neighbour, says Andrew. "Because of the time and effort we had taken to be part of the community, there was nothing contentious about the shutdown. Based on the work they'd seen us do and their own experiences working with us, and because of the reputation we had built associated with other reclamation and remediation projects, the community was confident we would do a good job."

These experiences are what Andrew – and the joint venture partners – bring to Aurora LNG. It goes beyond having the skills and know-how to develop a successful project, it's about how we've taken lessons from the past to forge our reputation as a safe, socially and environmentally responsible operator.

At Aurora LNG, environmental planning is fully integrated with construction. We're constantly looking for ways reduce the development footprint, including size and depth of the site, areas we can avoid, features we can preserve, and areas that can be used temporarily and then restored. We're also seeking opportunities to enhance the environment such as fostering new nesting sites.

"When it comes to environmental protection, experience matters, and we have a lot of experience," says Andrew. "At Aurora LNG, we proactively identify potential problems and craft solutions. We carefully consider if any of the things we're doing today could have long-term environmental consequences. When the economic life of the facility is reached and we're ready to remove the facility and equipment, we want to be confident that the environment is healthy, and that restoration activities will return the site to a state that blends and meshes with adjacent natural spaces." ■



## GETTING EVERYONE HOME SAFELY

Safety is one of our top priorities and core to Nexen's culture and beliefs, says Andrew Hamilton, Site Development Manager. "It's been my experience that demanding and expecting safety from everyone doesn't compromise your ability to run a cost-effective project. In fact, embracing safety and asking people to look out for each other fosters a sense of team and family, and everyone goes home safely every day."

## KEEPING YOU INFORMED

Aurora LNG is a joint venture between Nexen Energy ULC (a CNOOC Limited company) and INPEX Gas British Columbia Ltd. (IGBC). Together, these organizations provide decades of experience and expertise, and well-established relationships in all components of the LNG value chain.

Aurora LNG is studying the viability of building and operating an LNG export facility on the coast of British Columbia on Digby Island.

## LEARN MORE:

**For more information, please visit our website or contact us:**

[www.auroralng.com](http://www.auroralng.com)   [questions@auroralng.com](mailto:questions@auroralng.com)   1-800-699-6494

## JOINT VENTURE PARTNERS

**Nexen Energy ULC (a CNOOC Limited company)** has built a reputation as a leader in the development of natural gas in northeastern British Columbia. CNOOC Limited is one of the world's largest oil and gas companies. As a subsidiary of CNOOC Group – China's top importer of LNG – CNOOC Limited has access to expertise in natural gas production; LNG transportation; LNG importing; and natural gas distribution. Through a subsidiary, CNOOC Group currently operates five LNG import terminals, and has interests in the North West Shelf Venture, QCLNG Project and Tangguh LNG. By 2020, CNOOC Group is expected to be the largest importer of LNG in the world.

**INPEX CORPORATION (INPEX)** is Japan's largest oil and gas exploration and production company. An industry leader in LNG, INPEX is moving forward with two large-scale LNG projects as operator: the Ichthys LNG Project in Australia and the Abadi LNG Project in Indonesia. INPEX also has interests in other major LNG projects, including Tangguh, Mahakam (supplying the natural gas to Bontang LNG), Prelude FLNG and Darwin LNG projects.

[www.auroralng.com](http://www.auroralng.com)