

Four Areas of Focus

- **Regulatory**
 - main applications filed October 2004
 - project permit applications expected in early 2005
 - continued public consultation
- **Commercial**
 - precedent agreements with shippers
 - commercial terms among project proponents
- **Benefits and Access**
 - four settlement regions
 - education, training, employment and business opportunities; related to project development and ongoing operations
 - land access terms, including fees
- **Project Technical**
 - finalize project design, cost and schedule
 - position project for construction decision



7

Key Points

- So, with the main regulatory applications filed and the formal regulatory review process underway, I want to highlight our four near-term key areas of focus.
- The formal regulatory process is obviously an area of major focus. In early 2005, we intend to file the Project Permit Applications, which cover the specific approvals required for actual field work -- land-use permits, water licences and quarry permits, for example.
- In the Commercial area, we are continuing to progress precedent agreements with shippers, seeking progressively firmer shipping commitments.
- Precedent agreements for 830 million cubic feet a day from the three anchor fields have been signed. We are in discussions with several other companies for additional gas volumes. We hope to make further progress on these soon, and intend to meet them tomorrow.
- As I mentioned, based on these discussions and the non-binding expressions of interest received from potential shippers, we have based engineering and impact assessment work on a pipeline with an initial design capacity of 1.2 billion cubic feet a day (Bcf/d) expandable to 1.9 Bcf/d by adding compression facilities. We are hopeful that we will conclude precedent agreements with additional shippers during the regulatory process. A final decision on pipeline capacity will match the precedent agreements in place.
- We continue to finalize commercial terms among the project proponents. This is a complex arrangement, and is progressing very well.
- The successful conclusion of benefits and access agreements is essential to the project proceeding, and completion of these agreements is targeted for the next few months. Some regulatory approvals are conditional upon obtaining land access. Also, the start of some regulatory reviews may also be conditional on obtaining land access.
- We will be attempting to work benefits and access agreements in all four settlement regions.
- And finally, we continue to progress engineering work, field development plans, routing, cost estimates and schedules, to put us in the position for appropriation decisions following the regulatory process.