

**SOLE PROPONENT AGREEMENT**  
**RE: CROWN LAND**  
**FOR LNG FACILITY DEVELOPMENT**  
**TSIMSHIAN PENINSULA**  
**(GRASSY POINT)**  
**BRITISH COLUMBIA**

THIS AGREEMENT is dated for reference the 8<sup>th</sup> of November 2013 (the "Reference Date").

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**, represented by the Minister of Forests, Lands and Natural Resource Operations, Parliament Buildings, Victoria, British Columbia V8V 1X4  
(the "Province")

**AND**

**NEXEN ENERGY ULC**, a body corporate organized under the laws of British Columbia, **INPEX CORPORATION**, a body corporate organized under the laws of Japan, and **JGC CORPORATION**, a body corporate organized under the laws of Japan  
(collectively the "Proponent")

**WHEREAS:**

- A. The Province issued a request for expressions of interest to establish a list of pre-qualified proponents interested in pursuing long term Crown land tenure within the Tsimshian peninsula, in the vicinity of Prince Rupert, British Columbia for the potential development of a natural gas liquefaction facility and export terminal ( the "REOI");

- B. The Proponent responded to the REOI and has, to the satisfaction of the Province, qualified as a proponent or is a Project Specific Entity acting on behalf a qualified proponent; and
- C. The Parties wish to enter into this Agreement to provide the Proponent with the exclusive right to pursue long term Crown land tenure for LNG facility development within a certain area (more particularly hereinafter defined as the "Designated Area") subject to and in accordance with the terms and conditions set out herein, in order to facilitate First Nations consultation, project planning, and environmental and other regulatory reviews.

**THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE 1 - DEFINITIONS AND INTERPRETATION**

1.01 In this Agreement,

**"Corporation"** means a corporation as defined in the *Business Corporations Act*;

**"Crown land"** means land owned by the Province;

**"Crown land disposition"** means a "disposition" as defined in the *Land Act* and includes any licence of occupation, lease, statutory right of way or fee simple disposition of or over Crown land;

**"Declaration"** means the Declaration of Interest and Acceptance of Terms (Grassy Point Sole Proponent Process) executed under seal by Nexen Energy ULC on its own behalf and as agent on behalf of INPEX Corporation and JGC Corporation;

**"Designated Area"** means the area outlined in black on Schedule A, consisting predominately of Crown land, including upland, foreshore and land covered by water, and identified in the legend on Schedule A as the "North site";

**"Disposition Price"** means the purchase price, lease rental or other proprietary charge payable to the Province in consideration of a Crown land disposition;

**"Existing Interests"** means:

- (a) fee simple interest held by any person other than the Province as of the Reference Date and any subsequent fee simple title relating to that land;
- (b) any other Crown land disposition affecting the Crown land within the Designated Area which has been created prior to the Reference Date; and
- (c) any other interest in or affecting the Crown land within the Designated Area held by any person other than the Province arising prior to the Reference Date under the *Coal Act*, *Forest Act*, *Geothermal Resources*

*Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act;*

**"GST"** has the meaning given to this term in section 10.08;

**"LNG facility"** means the plant, equipment and related facilities for the receipt and liquefaction of natural gas (LNG) and for the storage and off loading of LNG for marine transport by LNG carriers;

**"Performance Conditions"** means the conditions set out in section 6.01;

**"Prior Agreements"** means:

- (a) any non disclosure agreement that has been entered into in writing between the Province and the Proponent, or the Qualified Proponent that the Proponent is acting on behalf of, prior to the Reference Date, and
- (b) the Declaration;

**"Project Specific Entity"** means a corporation acting on behalf of a Qualified Proponent solely for the purpose of pursuing the development of an LNG facility within the Designated Area;

**"Proponent Payments"** means the payments set out in section 5.01;

**"Qualified Proponent"** means any one of the four proponents identified in Schedule B;

**"Reference Date"** means the date indicated as such on the first page of this Agreement;

**"REOI"** has the meaning given to this term in Recital A;

**"Supporting Infrastructure"** means work camps, lay down areas, access roads, marine offload facilities and similar infrastructure to support the construction and operation of LNG facilities at Grassy Point located on or in proximity to the Designated Area;

**"Term"** means the term of this Agreement as provided in section 2.01.

1.02 Wherever this Agreement provides that:

- (a) the form or content of a document being tendered, an action being taken, a decision or determination being made, or a review of something is to be satisfactory or acceptable to a party or subject to consent or approval by a party;
- (b) a decision or determination is to be made by a party; or
- (c) a party may request or require something;



then such party will act reasonably and in a timely manner except where this Agreement expressly states that a party has sole discretion (such as "in its sole discretion") in which case the action of the party may be made having regard solely to the particular interests and objectives of that party.

1.03 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) "this Agreement" means this agreement, including all Schedules hereto, and any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as any of them may from time to time be supplemented or amended and in effect;
- (b) the captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement or any provision thereof.
- (c) a reference to an enactment of the Province of British Columbia or of Canada will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia;
- (d) words importing the singular or masculine form will be construed as the plural or feminine or neuter form, as the case may be, and vice versa; and
- (e) words not otherwise defined herein have the meanings set out in section 29 of the *Interpretation Act*.

1.04 The following are the schedules to this Agreement:

- Schedule A - Map of Designated Area
- Schedule B - Qualified Proponents
- Schedule C - Proponent Status and Relationship between Project Specific Entity and Qualified Proponent (if applicable)
- Schedule D - Specified Existing Interests
- Schedule E - Process Framework for Crown land disposition

1.05 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

## ARTICLE 2 - TERM

2.01 The Term of this Agreement commences on the Reference Date and continues for three years subject to the Proponent satisfying the payment and Performance Conditions on or before the dates stipulated in sections 5.01 and 6.01 respectively. The Province will have no obligation to extend or renew the Agreement at the end of the three year Term

but may elect to do so in its sole discretion. In connection with any such renewal or extension the Province retains its sole discretion to establish such terms and conditions as it may consider appropriate at the time including conditions with respect to additional sole proponent fees, performance conditions or both.

#### **ARTICLE 3 – PROVINCE’S SOLE PROPONENT OBLIGATIONS**

- 3.01 During the Term the Province will not grant to any other person any Crown land disposition within the Designated Area:
- (a) for the purpose of LNG facility development within the Designated Area; or
  - (b) for any other purpose where the Crown land disposition would be reasonably expected to have a material adverse effect on the ability of the Proponent to use the Designated Area for the development of a LNG facility.
- 3.02 During the Term the Province will endeavour to reach a decision as to whether or not or make a Crown land disposition to the Proponent for LNG facility development within the Designated Area in accordance with the framework set out in Schedule E. If the Province determines that a Crown land disposition should be made to the Proponent it will endeavour to finalize with the Proponent all agreements necessary to give effect to the disposition.
- 3.03 The Province represents and warrants that as of the Reference Date it is not considering any application, and it is not aware of any application or pending application, for any Crown land disposition of all or any part of the Designated Area to any person other than the Proponent. The Province agrees that in the event of any such application it will provide the Proponent with notice, and the opportunity to provide its position with respect to the same, before making a decision to allow the application.

#### **ARTICLE 4 – CROWN LAND DISPOSITION DECISIONS, FIRST NATIONS CONSULTATION**

- 4.01 The Province retains all its rights in accordance with governing enactments to decide whether or not to make a Crown land disposition to the Proponent for LNG facility development within the Designated Area, but subject always to the terms of this Agreement. The Agreement does not constitute a representation that any such Crown land disposition will be made.
- 4.02 Without limitation to section 4.01 the Proponent acknowledges that any decisions with respect to the development process and any Crown land disposition for the purpose of LNG facility development will be subject to the Province being satisfied that the Province has met its obligation to consult and to accommodate, as appropriate, First Nations with aboriginal claims in the Designated Area. In addition to consultation undertaken by the Province the Proponent will, throughout the Term, directly engage with such First Nations with respect to its plans for LNG facility development within the Designated Area.

#### **ARTICLE 5 - PROPONENT PAYMENT CONDITIONS**

- 5.01 The Proponent's sole proponent rights are conditional upon the Proponent:



- (a) paying to the Province \$12,000,000 plus GST (Canadian funds) on or before the first business day following the later of the execution and delivery of this Agreement by all parties; and
- (b) delivering to the Province a written notice that it wishes this Agreement to continue past the first anniversary of the Reference Date and paying to the Province \$12,000,000 plus GST (Canadian funds) on or before the first anniversary of the Reference Date.

Each of the Proponent Payments is non-refundable. If either of the Proponent Payments are not made within the time required, this Agreement will come to an end and neither party will have any further obligation to the other under this Agreement, except as provided in section 10.06.

- 5.02 The Proponent acknowledges that except as provided in section 5.04 the Proponent Payments are consideration for the right to be a sole proponent in respect of the Designated Area during the Term and are separate and distinct from any Disposition Price for any future Crown land disposition within the Designated Area.
- 5.03 If the Province decides to make a Crown land disposition to the Proponent within the Designated Area the Disposition Price and payment terms will be established so that the Province will receive a fair return for the use or disposition of Crown land, based on market values for land in accordance with applicable Crown land policies but subject always to 5.04.
- 5.04 The Province agrees that the Disposition Price for any Crown land disposition to the Proponent within the Designated Area for construction or operation of a LNG facility will be reduced by the total amount of the Proponent Payments received by the Province under this Agreement. This reduction in Disposition Price does not apply to any Crown land disposition for investigative purposes. For greater certainty the reduction is based on the amount of the Proponent Payments only and will not include any amount in the nature of interest or any other charge to reflect the time value of money.
- 5.05 Payments to the Province under this Agreement must be delivered by wire transfer in accordance with a direction provided by the Province to the Proponent, which direction will be provided prior to or concurrently with the execution and delivery of this Agreement, or by any other payment procedure agreed to by the parties, such deliveries to be effective on the day of actual receipt.

## **ARTICLE 6 - PROPONENT PERFORMANCE CONDITIONS**

- 6.01 The continuation of the Proponent's sole proponent rights under this Agreement are conditional upon the satisfaction by the Proponent, or a corporation described in section 6.04, of each of the following Performance Conditions:
  - (a) on or before the first anniversary of the Reference Date the Proponent has obtained an energy export certificate in accordance with the requirements of the *National Energy Board Act* (Canada) for the export of not less than 15 million metric tons per annum (MTPA) for a term of not less than 15 years;



- (b) on or before September 1, 2014 the Proponent has received an order under s. 11 of the *Environmental Assessment Act* setting out project scope and procedures for review of an LNG facility development within the Designated Area; and
  - (c) on or before December 1, 2015 the Proponent has received Application Information Requirements for its proposed LNG facility development within the Designated Area.
- 6.02 If any Performance Condition is not achieved by the date stipulated, the Province may in its sole discretion elect to:
- (a) terminate the Agreement in which event the parties will not have any further obligations to each other under the Agreement; or
  - (b) extend the time for achieving the Performance Condition; or
  - (c) offer to extend the time for achieving the Performance Condition subject to such terms and conditions as it considers appropriate.
- 6.03 The Proponent acknowledges that its ability to satisfy the Performance Conditions by the stipulated dates may depend on matters beyond its control but despite this agrees that time remains of the essence and agrees that it has no legal entitlement to extend such dates by reason of force majeure or any matter beyond its control.
- 6.04 The Proponent will be deemed to have satisfied any Performance Condition that is satisfied by:
- (a) a Project Specific Entity so long as that entity has a relationship to the Proponent that has been approved by the Province acting reasonably; or
  - (b) a corporation all of the issued shares of which are held by the Proponent or held by any one or more of the corporations comprising the Proponent.

#### ARTICLE 7 - ASSIGNMENT

- 7.01 This Agreement may not be assigned by the Proponent, in whole or in part, without the prior written consent of the Province, which consent is within the sole discretion of the Province, except as provided in section 7.02.
- 7.02 The rights of the Proponent, or the rights of any of the corporations comprising the Proponent, under this Agreement may be assigned in whole or in part subject to the assignor providing prior written notice to the Province and the assignor entering into or delivering such agreements, acknowledgements or other documents as the Province may reasonably require, and provided the Proponent continues to satisfy the eligibility requirements as set out in the REOI (for certainty being the requirements set out in the "Additional Information" document under the heading "Eligibility Criteria" paragraphs 1, 2 and 3), if:
- (a) the Proponent is a Qualified Proponent and the assignment is to a Project Specific Entity acting on behalf of that Qualified Proponent and the Qualified Proponent agrees with the Province that it remains jointly and severally liable under this Agreement unless the Province agrees otherwise;

- (b) the assignment is to another Qualified Proponent or to a Project Specific Entity acting on behalf of another Qualified Proponent;
- (c) the assignment is to an affiliate (within the meaning of the *Business Corporations Act*) of the assignor and the assignor agrees with the Province that it remains jointly and severally liable under this Agreement unless the Province agrees otherwise; and
- (d) the assignment is by JGC Corporation to one or both of Nexen Energy ULC or INPEX Corporation and in the event of such an assignment JGC Corporation and the Province will provide each other with mutual releases with respect to this Agreement.

#### ARTICLE 8 – PROPONENT REPRESENTATIONS, WARRANTIES AND LIMITATIONS

8.01 Each of Nexen Energy ULC, INPEX Corporation and JGC Corporation severally warrants and represents to the Province, with the knowledge that the Province will rely upon these warranties and representations in entering into this Agreement and completing its obligations under this Agreement, that

- (a) it has the corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement, all of which have been authorized by all necessary corporate proceedings; and
- (b) Schedule C sets out a true and complete description of its corporate status.

8.02 The Proponent acknowledges and agrees that:

- (a) this Agreement does not create or constitute a right to use or occupy Crown land and all such rights must be obtained by separate Crown land disposition;
- (b) this Agreement does not create or constitute a right on the part of the Proponent to commence construction of a LNG facility within the Designated Area;
- (c) it may not be possible to develop a LNG facility within the Designated Area whether by virtue of the Existing Interests or otherwise;
- (d) if the Proponent is granted any interest in, or right to, the Crown Land under a Crown land disposition, then such interests and rights will be subject to:
  - (i) the Existing Interests;
  - (ii) all grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Geothermal Resources Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act* or under any prior enactment of the Province of British Columbia of like effect, or any extension or renewal of the same, whether or not the Proponent has actual notice of them and whether made before or after the Reference Date; and
  - (iii) the exceptions and reservation of rights, interests, privileges and titles referred to in section 50 of the *Land Act*;



- (e) Schedule D lists those Existing Interests that have been identified as of the date of this Agreement but because the detailed review of the Crown land status will occur during the term of this Agreement, the Province will have no responsibility or liability to the Proponent under this Agreement if Schedule D is not complete; in addition to the Existing Interests described in Schedule D there may be other Existing Interests which may affect the Proponent's ability to develop the Designated Area; throughout the Term the Province will keep the Proponent apprised of the results of land status and agency referral that is undertaken with respect to any proposed Crown land disposition to the Proponent;
- (f) there are no warranties, representations, collateral agreements or contracts between the parties relating to the subject matter of this Agreement other than the Prior Agreements;
- (g) the Province is under no obligation, express or implied, to provide financial assistance or to contribute, in any way, to the costs incurred by the Proponent in respect of this Agreement or to the cost of developing and operating a LNG facility within the Designated Area if the Proponent, at any time, is authorized to commence and operate such a development;
- (h) nothing in this Agreement constitutes the Proponent as the agent, joint venture or partner of the Province; and
- (i) the Proponent will provide to the Province (i) annually on or before the anniversary of the Reference Date, and (ii) from time to time when requested by the Province in writing, written confirmation that the information set out in Schedule C, or any amendment to Schedule C by virtue of an assignment that the Province has provided its written consent to in accordance with Article 7, remains true and complete in all material respects, or if there has been a change in that information providing the Province with particulars of that change.

#### **ARTICLE 9 – LIMITATION OF LIABILITY**

- 9.01 In no event will the Proponent, (and for certainty each of Nexen Energy ULC, INPEX Corporation and JGC Corporation), have any liability to pay any damages, costs or any other monetary award or monetary remedy in respect of any failure to satisfy or perform any payment or Performance Condition as set out in sections 5.01 and 6.01; it being the intent of the parties that such requirements are conditions only and that the sole remedy of the Province in the event the same are not satisfied or performed would be to terminate this Agreement in accordance with its terms.
- 9.02 In no event will the Province have any liability to pay any damages, costs or any other monetary award or monetary remedy in respect of this Agreement that would exceed, in aggregate, the total amount of the Proponent Payments that have been paid to the Province.
- 9.03 Without limitation to sections 9.01 or 9.02, in no event will either party be liable to the other for any indirect or consequential, exemplary, punitive or special damages in respect of this Agreement, even if such party has been advised of the possibility of such damages in advance.



- 9.04 The provisions of this Article 9 apply irrespective of the nature of the cause of action, demand or claim that is asserted, including breach of contract (including fundamental breach), negligence, tort or any other legal theory, and will survive the termination of this Agreement including any termination as a result of any breach or fundamental breach or breaches of this Agreement by the party claiming the benefit of the provisions of this Article 9.

#### ARTICLE 10 – MISCELLANEOUS

- 10.01 The Proponent will undertake its planning for an LNG facility within the Designated Area, subject always to all required approvals, in a manner consistent with the Province's expectation that LNG facility proponents at Grassy Point:
- (a) use access and servicing corridors that will minimize cumulative impacts and preserve the potential for the development of multiple LNG facility sites within the Grassy Point peninsula;
  - (b) engage the Oil and Gas Commission on proposed LNG facility engineering design work and facility permitting requirements;
  - (c) contribute funding towards Supporting Infrastructure feasibility analysis that can be shared with other Qualified Proponents ;
  - (d) contribute funding towards the cost of development of Supporting Infrastructure that can be shared with other Qualified Proponents where logistically and economically reasonable;
  - (e) plan for the sharing of Supporting Infrastructure with other Qualified Proponents where logistically and economically reasonable; and
  - (f) work with Province on workforce training initiatives.
- 10.02 Any dispute under this Agreement which cannot be settled by the parties to this Agreement will be determined by reference to a single arbitrator appointed under the *Arbitration Act* and arbitrator's fees and related arbitral costs will be borne equally by the parties. The parties will each bear their own legal fees and all related disbursements. The place of the arbitration will be Vancouver, British Columbia.
- 10.03 The Proponent acknowledges that the Province has entered into this Agreement to set out the agreement of the parties relating to the Designated Area and possible future Crown land dispositions through the exercise of the authorities to dispose of Crown Land given to the Minister of Natural Resource Operations in the *Ministry of Lands, Parks and Housing Act* and the *Land Act*. Except as expressly set out in sections 3.01, 3.02, 3.03, 5.02, 5.03 and 5.04, this Agreement will not interfere with, influence, encroach upon or fetter the jurisdiction, processes or discretion or any minister, public official, agency or decision maker who may be entitled or required to make any decision or to take any action that may affect or relate to the Proponent's proposed development of a LNG facility on the Crown Land.
- 10.04 Without limiting section 10.03, nothing in this Agreement fetters the powers of any minister responsible for the administration of the, *Environmental Assessment Act* or any



minister, public official, agency or other decision maker acting under the *Environmental Assessment Act*.

- 10.05 Any communication given under this Agreement must be delivered by hand, courier, double-registered mail or facsimile transmission to the party to whom it is to be delivered to the following address or facsimile number:

to the Province:

Ministry of Forests, Lands and Natural Resource Operations  
Tenures, Competitiveness and Innovation Division  
LNG, Crown Land Opportunities and Restoration Branch  
780 Blanshard Street, Victoria, British Columbia V8W 2H1  
Fax: 250 356-6791

Email: [Duncan.Williams@gov.bc.ca](mailto:Duncan.Williams@gov.bc.ca)

Attention: Executive Director

With a copy to:

Ministry of Natural Gas Development  
8th Floor - 1810 Blanshard Street, Victoria, British Columbia V8W 9N3

Attention: Assistant Deputy Minister and Lead Negotiator

Fax: 250 952-0269

Email: [Brian.Hansen@gov.bc.ca](mailto:Brian.Hansen@gov.bc.ca)

to the Proponent:

Aurora LNG  
c/o Nexen Energy ULC  
2900 – 801 7th Avenue SW  
Calgary, Alberta  
T2P 3P7

Attention: Doug Dreisinger  
Vice President – Energy Marketing  
Facsimile: 403-699-7100  
[Doug\\_Dreisinger@nexeninc.com](mailto:Doug_Dreisinger@nexeninc.com)

provided, however, that a party may, by notice in writing to the other, specify another address or facsimile number for delivery of communications under this Agreement and, where another address or facsimile number is specified by a party, all communications must be delivered to that address or facsimile number in accordance with this section.

- 10.06 Sections 5.04, 9.01, 9.02, 9.03, 9.04 and 10.02 will survive any expiration of the Term and any termination of this Agreement.
- 10.07 This Agreement creates contractual rights only between the parties but does not create any equitable or legal interest in the Designated Area or any other Crown land and will not be registered by the Proponent at any land title office at any time. If the Proponent registers or attempts to register this Agreement, or interest in the Designated Area, at any land title office at any time, the Province may terminate this Agreement.
- 10.08 In the event that the Province has any obligation to collect from the Proponent, and to remit, any goods and services taxes, sales taxes, value added taxes, or any other like taxes in respect of the Proponent Payments and the rights granted to the Proponent under this Agreement whether characterized as a goods and services tax, sales tax, value added tax or otherwise ("GST"), the Proponent will pay the GST to the Province at the same time and in the same manner as the Proponent Payments. The Proponent agrees that it will indemnify and hold the Province harmless in respect of any and all GST, and interest and penalties relating to GST that the Province may be liable for as a result of this Agreement.
- 10.09 This Agreement may be published by the Province or made available for inspection by the public at the times and places determined by the Province.
- 10.010 Except as otherwise provided the obligations of the Proponent under this Agreement are joint and several obligations of each of Nexen Energy ULC, INPEX Corporation and JGC Corporation.
- 10.011 The Province and the Proponent will perform such further other acts and execute such further documents as may reasonably be required to give effect to this Agreement.
- 10.012 This Agreement is a "Sole Proponent Agreement" as defined in the Declaration.
- 10.013 This Agreement may be executed in counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Any executed counterpart may be delivered by facsimile or in electronic form by email in accordance with the delivery particulars set out in section 10.05.



SIGNED on behalf of HER MAJESTY  
THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA

by the Minister responsible for the *Land Act* and the *Ministry of  
Lands, Parks and Housing Act*, or authorized representative



*Executive Director*

Minister of Forests, Lands and Natural Resource Operations,  
or authorized representative

SIGNED by an authorized signatory of

**Nexen Energy ULC**

Per: 

Name: *Dora Oresinger*

Authorized Signatory

**INPEX Corporation**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Authorized Signatory

**JGC Corporation**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Authorized Signatory

SIGNED on behalf of HER MAJESTY  
THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA

by the Minister responsible for the *Land Act* and the *Ministry of  
Lands, Parks and Housing Act*, or authorized representative

Per: 

Name: Duncan Williams, Executive Director  
Minister of Forests, Lands and Natural Resource Operations,  
or authorized representative

**Nexen Energy ULC**, by its authorized signatory

Per: \_\_\_\_\_

Name: \_\_\_\_\_

**INPEX Corporation**, by its authorized signatory

Per: 

Name: Shuhei Miyamoto

**JGC Corporation**, by its authorized signatory

Per: \_\_\_\_\_

Name: \_\_\_\_\_



SIGNED on behalf of **HER MAJESTY  
THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA**

by the Minister responsible for the *Land Act* and the *Ministry of  
Lands, Parks and Housing Act*, or authorized representative

Per: 

Name: Duncan Williams, Executive Director  
Minister of Forests, Lands and Natural Resource Operations,  
or authorized representative

**Nexen Energy ULC**, by its authorized signatory

Per: \_\_\_\_\_

Name: \_\_\_\_\_

**INPEX Corporation**, by its authorized signatory

Per: \_\_\_\_\_

Name: \_\_\_\_\_

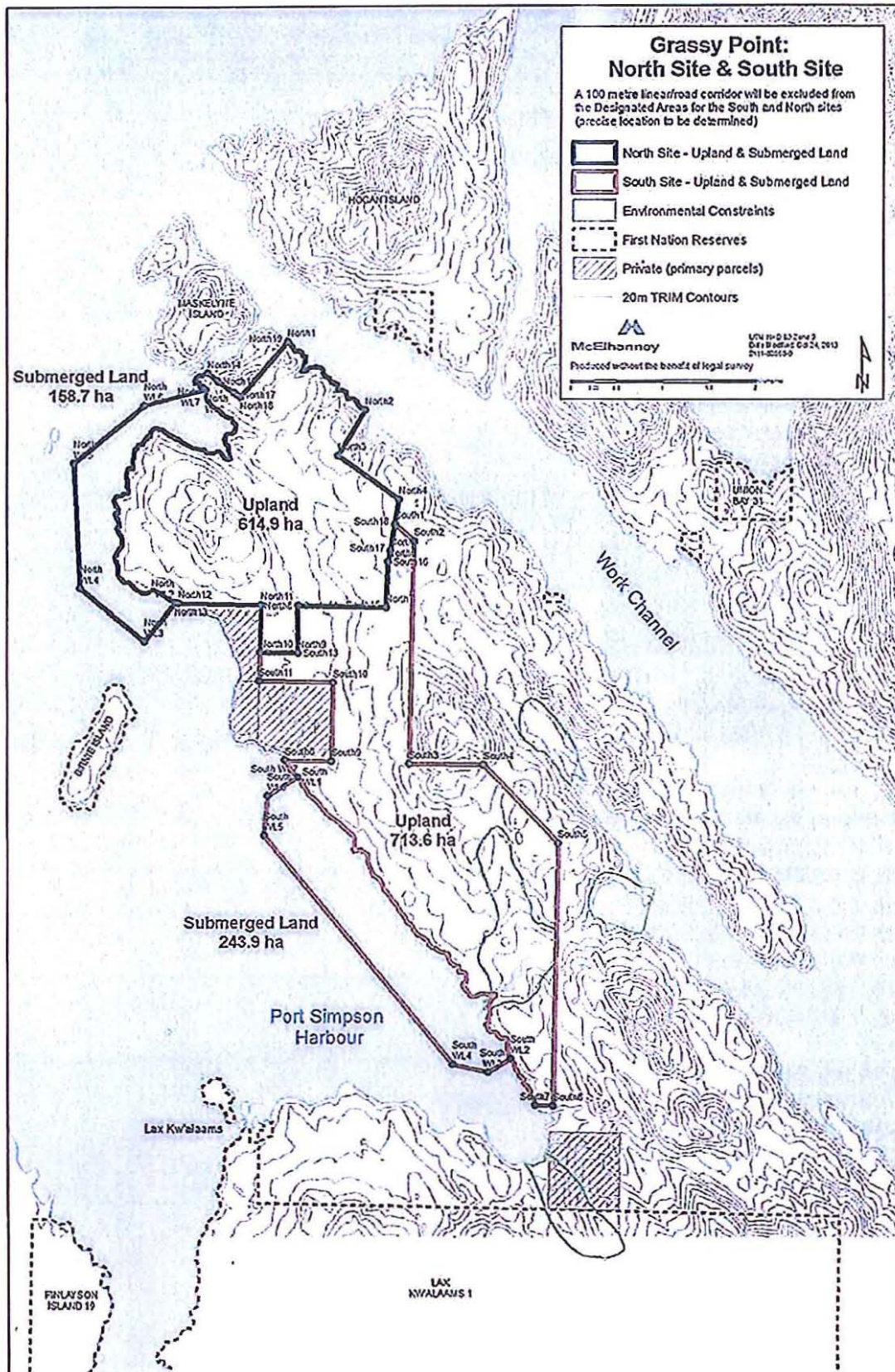
**JGC Corporation**, by its authorized signatory

Per: Sei Tange

Name: Sei Tange

**SCHEDULE "A"**  
**DESIGNATED AREA**  
**(see attached)**





**Notes:**

1. Coordinates are in UTM NAD 83 Zone 9
2. Produced without the benefit of legal survey

**North Site - Upland**

Commencing at

North 1 407800 6055230

and then along the natural boundary of the coast to

North 2 408640 6054480

North 3 408340 6053980

North 4 409000 6053510

North 5 408910 6052950

North 6 408890 6052830

North 7 408860 6052340

North 8 407910 6052360

North 9 407910 6051860

North 10 407500 6051860

North 11 407510 6052370

North 12 406610 6052390

North 13 406570 6052390

and then along the natural boundary of the coast to

North 14 406930 6054880

North 15 407040 6054790

North 16 407210 6054670

North 17 407250 6054650

North 18 407290 6054620

and finally returning to

North 19 407800 6055230

**North Site – Submerged Land**

Commencing at

North WL 1 406910 6054700

and then along the natural boundary of the coast to

North WL 2 406570 6052390

North WL 3 406240 6051980

North WL 4 405550 6052550

North WL 5 405470 6053900

North WL 6 406240 6054530

and finally returning to

North WL 7 406910 6054700

**Notes:**

1. Coordinates are in UTM NAD 83 Zone 9
2. Produced without the benefit of legal survey

**South Site - Upland**

Commencing at

South 1 408960 6053240

South 2 409160 6053060



South 3 409100 6050650  
South 4 409900 6050640  
South 5 410710 6049790  
South 6 410650 6046930  
South 7 410460 6046930  
and then along the natural boundary of the coast to  
South 8 407760 6050690  
South 9 408270 6050680  
South 10 408280 6051540  
South 11 407480 6051560  
South 12 407500 6051860  
South 13 407910 6051860  
South 14 407910 6052360  
South 15 408860 6052340  
South 16 408890 6052830  
South 17 408910 6052950  
and finally returning to  
South 18 408960 6053240

**South Site – Submerged Land**

Commencing at

South WL 1 407910 6050510  
and then along the natural boundary of the coast to  
South WL 2 410190 6047440  
South WL 3 409950 6047290  
South WL 4 409580 6047380  
South WL 5 407540 6049880  
South WL 6 407580 6050300  
and finally returning to South WL 7 407910 6050510

**SCHEDULE "B"**  
**QUALIFIED PROPONENTS**

- 1. Imperial Oil Resources Limited and ExxonMobil Canada Ltd.**
- 2. Nexen Energy ULC, INPEX Corporation and JGC Corporation**
- 3. SK E&S Co. Ltd.**
- 4. Woodside Energy Ltd.**



**SCHEDULE "C"**  
**QUALIFIED PROPONENT**  
**PARTICULARS**

1. Nexen Energy ULC, being an unlimited liability company currently organized and validly existing under the *Business Corporations Act*, under number BC0973069.
2. INPEX Corporation, a corporation incorporated on April 3, 2006 and currently organized and validly existing under the *Companies Act* (Japan).
3. JGC Corporation, a corporation incorporated on October 25, 1928 and currently organized and validly existing under the *Companies Act* (Japan).

**SCHEDULE "D"**  
**SPECIFIED EXISTING INTERESTS**

[The following list is for inclusion in the Agreement pertaining to the North Site]

Agency File Number	Type	Interest Holder	Legal Description
9636943	Land Act Tenure Temporary Permit, Industrial	Imperial Oil Esso	Investigative Use Permit Term is 2 years – Expiry/Next Review 2015/03/01
1022211	Mineral Tenure	BRINKMAN & ASSOCIATES REFORESTATION LTD.	LAX RENEW 3 Mineral Claim being 149.86 ha defined by cells 103J09E025A, 103J09E035A, 103J09E024B, 103J09E024A, 103J09E025D, 103J09E034B, 103J09E036A, 103J09E035B and excluding land covered by tidal water
TR0614T037	Trapline		

**Private Parcels**

Parcel Ref	PID	Interest Holder	Legal Description
5.2.2			LOT 2 BLOCK A OF LOT 24 SECTION 33 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401
5.6		s.22	LOT 6 BLOCK D OF LOT 26 SECTION 33 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401
5.9			LOT 9 BLOCK B OF LOT 35 SECTION 32 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401



Parcel Ref	PID	Interest Holder	Legal Description
5.10	s.22		LOT 10 BLOCK B OF LOT 35 SECTION 32 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401
5.11			LOT 11 BLOCK A OF LOT 22 SECTION 32 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401
5.12			LOT 12 BLOCK A OF LOT 22 SECTION 32 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401
5.17			LOT 17 OF BLOCK D OF BLOCK 1 SECTION 32 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401
5.18			LOT 18 OF BLOCK D OF BLOCK 1 SECTION 32 TOWNSHIP 1 RANGE 5 COAST DISTRICT PLAN 401

[The following list is for inclusion in the Agreement pertaining to the South Site]

Agency File Number	Type	Interest Holder	Legal Description
9636943	Land Act Tenure Temporary Permit, Industrial	Imperial Oil Esso	Investigative Use Permit Term is 2 years – Expiry/Next Review 2015/03/01
6408610	Land Act Tenure Temporary Permit – Heavy Industrial	Nexen Energy ULC	Status: Application /Allowed 2013/10/01 All that unalienated and unencumbered Crown land in the vicinity of the townsite of Port Simpson and those parts of Sections 10, 11, 14, 15, 16, 21, 22, 23, 26, 27, 28, 29 32, 33 34, all Township 1, together with those parts of DL 1260 and 1261, and all DL in Plan 401 and 10412, all Range 5 Coast District, containing 2,064.95 Ha, more or less.
1022211	Mineral Tenure	BRINKMAN & ASSOCIATES REFORESTATION LTD.	LAX RENEW 3 Mineral Claim being 149.86 ha defined by cells 103J09E025A, 103J09E035A, 103J09E024B, 103J09E024A, 103J09E025D, 103J09E034B,

Agency File Number	Type	Interest Holder	Legal Description
			103J09E036A, 103J09E035B and excluding land covered by tidal water
1022210	Mineral Tenure	BRINKMAN & ASSOCIATES REFORESTATION LTD.	LAX RENEW 4 Mineral Claim being 187.37 ha defined by cells 103J09E012B, 103J09E014D, 103J09E002C, 103J09E003D, 103J09E013D, 103J09E014A, 103J09E013B, 103J09E014B, 103J09E013A, 103J09E013C and excluding land covered by tidal water
1022212	Mineral Tenure	BRINKMAN & ASSOCIATES REFORESTATION LTD.	LAX RENEW 5 Mineral Claim being 56.22 ha defined by cells 103J09E002B, 103J09E002A, 103J09E001B and excluding land covered by tidal water
1022208	Mineral Tenure	BRINKMAN & ASSOCIATES REFORESTATION LTD.	LAX RENEW 1 Mineral Claim being 337.39 ha defined by cells 103J09D092B, 103J09E004D, 103J09D082C, 103J09D092C, 103J09D082A, 103J09D092A, 103J09D081B, 103J09D091B, 103J09D093D, 103J09D081C, 103J09D091C, 103J09E003B, 103J09D093A, 103J09E003A, 103J09D093C, 103J09E003C, 103J09D082D, 103J09D092D and excluding land covered by tidal waters
TR0614T037	Trapline		



## **SCHEDULE "E"**

### **Process Framework for Crown land disposition**

The Province confirms its commitment to the process outlined below with the objective of allowing a Crown land disposition decision to be made in a timely manner and in a manner that will be fully consistent with the Province's obligations to First Nations and that will facilitate First Nations consultations, and that will provide the certainty and flexibility that supports project planning and environmental and other regulatory reviews.

**Step 1:** Within 45 days of execution and delivery of this Agreement – meeting with Province and Proponent to establish governance understanding (for example operational and executive contacts, process for issue escalation) and to establish detailed work plan;

**Step 2:** Within 45 days of Step 1 – finalization of work plan and commencement of working group meetings.

**Objective for year 1:** Settlement of terms and conditions for a lease for an initial term to support investigative work to allow preliminary investigations and feasibility studies and environmental and other regulatory reviews and execution of that lease should the Province determine that such disposition is appropriate and/or if possible concluding a term sheet outlining principal terms and conditions for both initial and long term Crown land disposition; and

**Objective for year 2:** Settlement of principal terms and conditions for long term Crown land disposition and execution of Crown land disposition agreements if the Province should determine that such dispositions are appropriate.

**Objective for year 3:** In the event that principal terms and conditions for long term Crown land disposition have not been settled or if a Crown land disposition decision has not been previously made then settling those terms and conditions and making the decision.