

# VERESEN



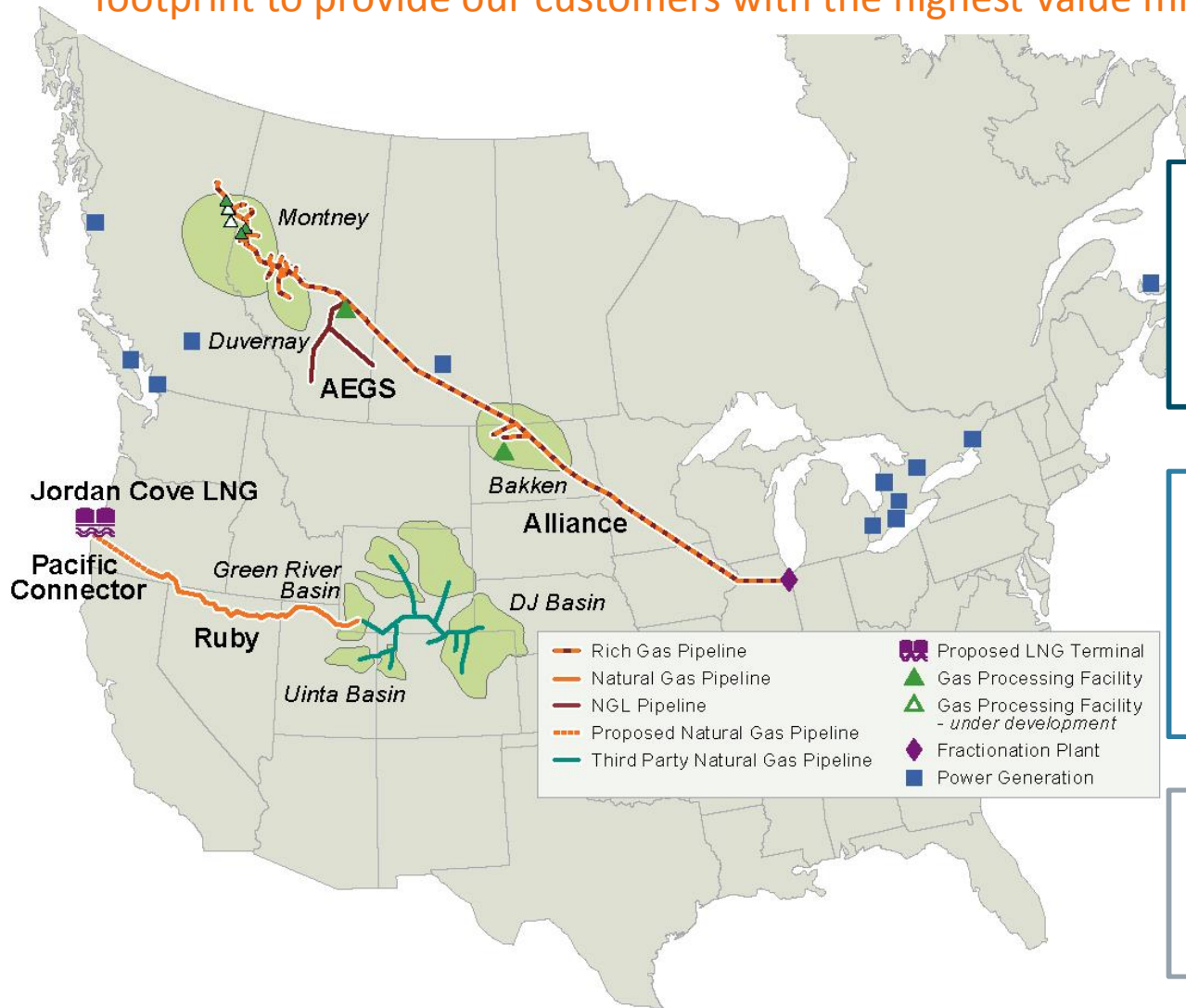
## Jordan Cove LNG – Supply Diversity and Security for the Japanese Market

LNG Producer-Consumer Conference 2015  
Ministry of Economy, Trade and Industry  
Tokyo • September 16, 2015

**Betsy Spomer**  
Executive Vice President, Veresen  
President & CEO, Jordan Cove LNG LLC

# Veresen today

Building an interconnected network of energy infrastructure in our geographic footprint to provide our customers with the highest value midstream solutions



## Pipelines

- 6,000+ km of regulated gas transmission
- 1,300+ km of NGL transportation

## Midstream

- 900 km of gathering systems
- 670 mmcf/d of processing
- 100,000 HP of compression
- 100,000+ bbls/d of fractionation

## Power

- 13 plants
- 830 MW of generation
- 17 years average PPA

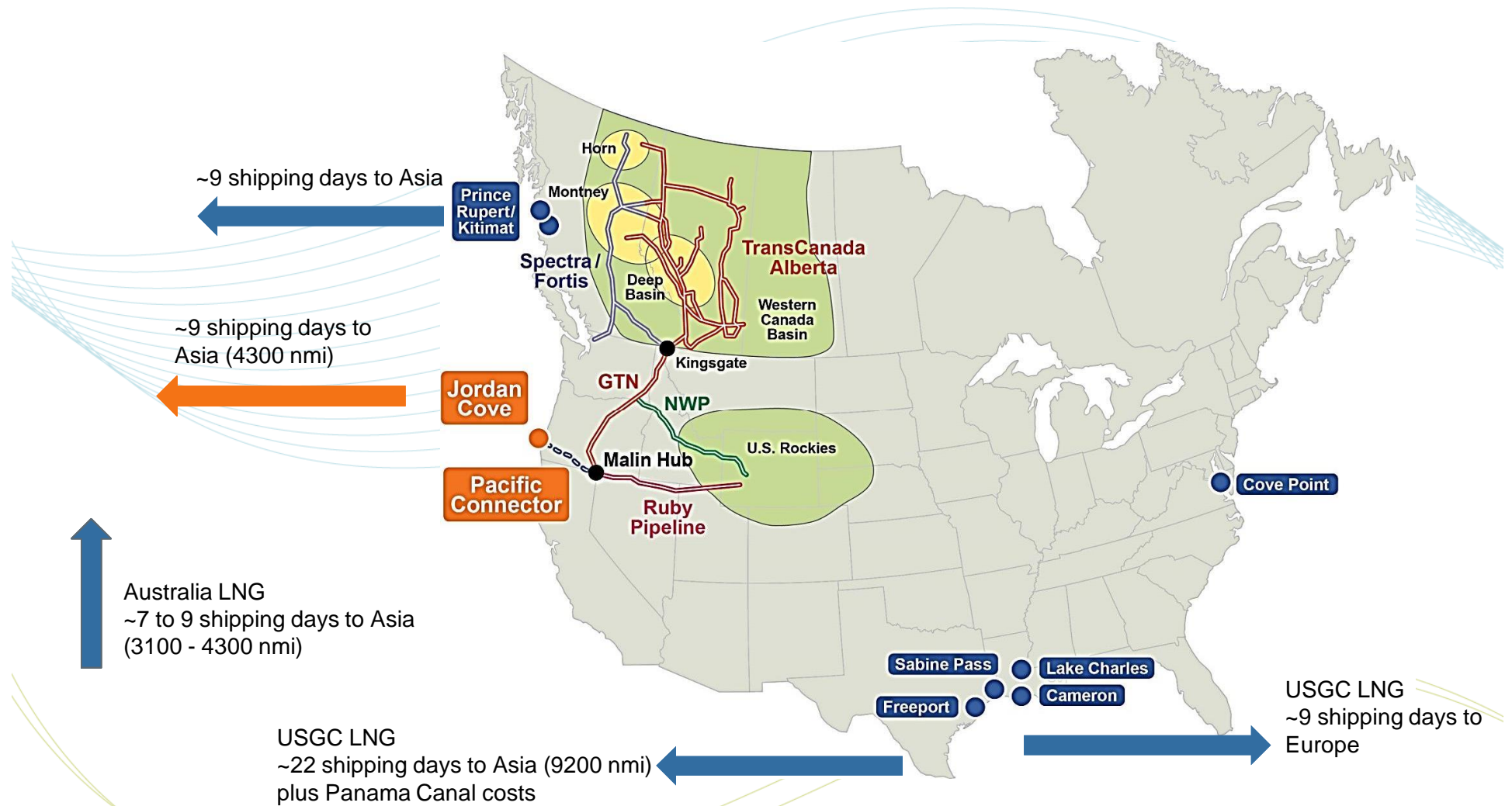
# Jordan Cove LNG - update

- 6 mtpa greenfield facility
  - 7-mile transit to site – Port of Coos Bay
  - Expandable to 9+ mtpa
  - 400 acre site
  - Ownership: 100% Veresen
- 232 mile Pacific Connector Gas Pipeline
  - 36" diameter; expandable to 1.5+ bcf/d
  - Ownership: 50% Veresen; 50% Williams
- Project has both FTA and non-FTA DOE conditional licenses
- Air permit from State of Oregon – June 2015
- Final EIS to be issued by September 30, 2015
- FERC certificate expected by end-2015
- All other permits advancing well





# Abundant gas supply from W Canada & US Rockies



# Advantages of US LNG exports to Asia

- Stable and predictable legal and regulatory framework
- Lowest cost natural gas in the world
  - Size and quality of resource supports sustained competitive advantage
  - Transparent market indices determine cost of feed gas
  - Market size and depth allows disaggregation of midstream and upstream developments
  - Existing pipeline infrastructure in place to support exports
- Deep labor and capital markets
  - US GOM brownfield terminal expansions have set global price benchmark
  - US infrastructure developers have different return expectations than IOCs and NOCs
  - EPC contractors provide technology and execution capability while “wrapping” EPC cost risk
- Introduces flexibility into global LNG markets
  - US Government sets restrictions on delivery destinations
  - No sharing of margin between FOB and delivered prices ( $\pm$ )
- US LNG exports will continue to grow over time

# Jordan Cove's strengths and challenges

## Strengths:

- Price competitive with GOM brownfield LNG delivered into Asia
  - Right sized for current market conditions at 6 mtpa
- 9 days shipping from Coos Bay, Oregon to Tokyo
  - No Panama Canal or hurricane risks
- Long term gas supply from two large gas regions – W Canada and US Rockies
  - Limited local competition for natural gas
- Strong state and community support
- Advanced permitting status

## Challenges:

- Greenfield development
- Mitigation of impacts to old growth forests and endangered species



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