

APPENDIX A – PROJECT DESCRIPTION

I. PROJECT OVERVIEW

1. GNL Québec Inc. (“GNLQ”) is developing a liquefied natural gas (“LNG”) export facility at the Port of Grande-Anse in La Baie, in the Saguenay Area, Quebec. Port of Grande-Anse is located 15 kilometers (“km”) east of Chicoutimi and 6 km north of La Baie on the southern bank of the Saguenay River (refer to Figure 1, below). The project name is Énergie Saguenay (the “Project”).

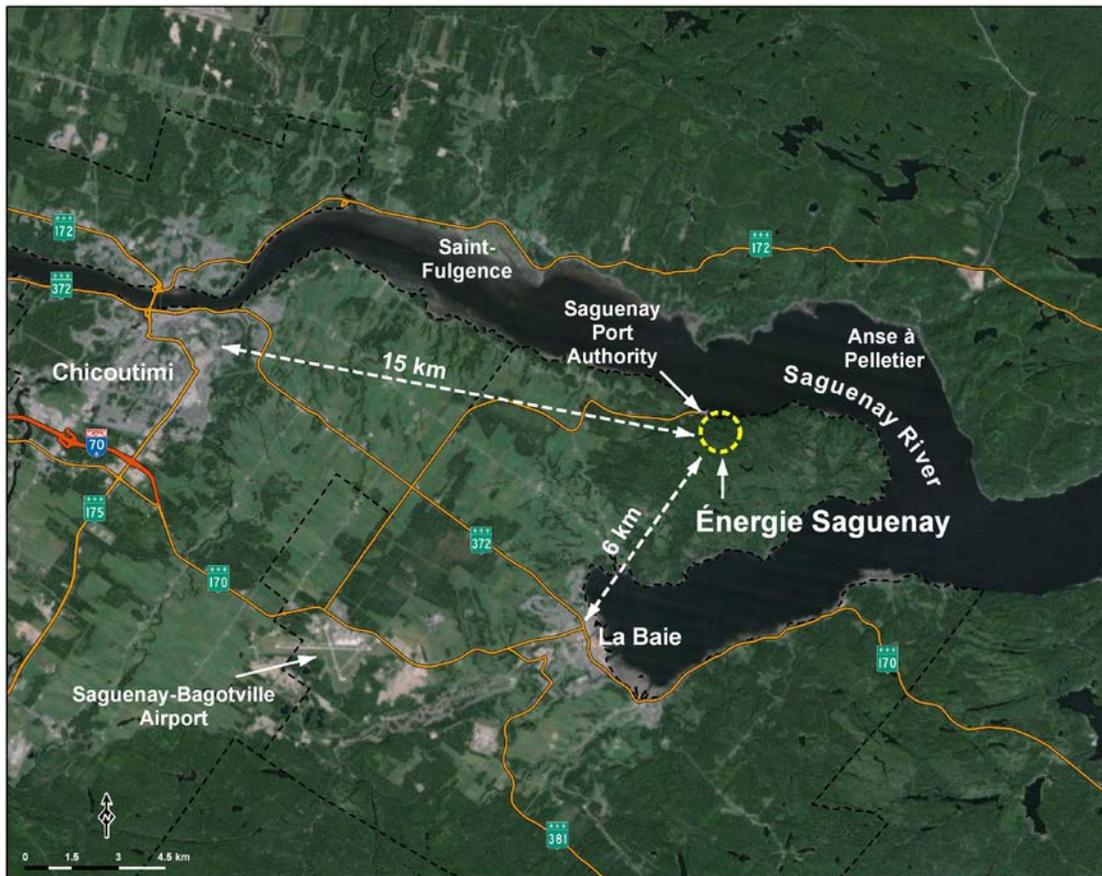


Figure 1: Project Location

2. Among other things, the Project will include a natural gas liquefaction facility (the “Facility”) and related infrastructure and facilities to enable export of LNG to worldwide markets. It is also possible that the Project may supply small scale local needs from time to time. The proposed site of the Project is estimated to be approximately 200 to 250 hectares (the “Site”). The Site is Federal Crown Land administered by the Port of Saguenay authority. GNLQ has executed a four-year option agreement (that can be extended an additional 3 years) with the Port of Saguenay for the land for the Project.

The option agreement will convert to a 99-year lease agreement prior to financial sanctioning the project.

3. GNLQ has chosen the Site due to the presence of an available deep-water sheltered port which is open year-round. The port has navigational access, and the Project will benefit from existing infrastructure, low ambient temperature which will improve Facility efficiency, and access to skilled labour. In addition to these advantages, the Project is uniquely positioned to utilize hydroelectric power, which will lower the capital and operating costs for the Project and enable the Project to achieve significantly lower greenhouse gas emissions than most existing and proposed LNG projects in the world.
4. A new, approximately 42-inch diameter and 650-km long natural gas pipeline, running from a point or points on the TransCanada PipeLines Limited Eastern Triangle infrastructure to the Facility is expected to supply feed-gas to the Project (the "Pipeline Connection"). The Pipeline Connection will primarily follow existing pipeline and utility/road corridors. GNLQ intends to partner with experienced pipeline developers/operators with respect to the development, permitting and construction of the Pipeline Connection.
5. Natural gas supply for the Project is expected to be sourced primarily from fields in the Western Canadian Sedimentary Basin ("WCSB") located in Saskatchewan, Alberta and British Columbia. Natural gas supply for the Project may be accessed in a number of ways, including proprietary natural gas holdings of GNLQ or its customers and third party agreements with gas producers, marketers, and aggregators. Third party purchases are expected to be transacted at a variety of Canadian locations including the Eastern Triangle receipt points, the Union Dawn Hub and the AECO Hub. Over the full life of the Project, it is possible that other sources of Canadian gas supply not yet under development may also be accessed by the Project.
6. In addition to the proposed Pipeline Connection from a point or points on the Eastern Triangle pipeline to the Facility, the Project will also rely on currently underutilized pipeline infrastructure existing in Canada as well as potential expansions through the Eastern Triangle pipeline and other eastern Canadian pipeline infrastructure to supply feed-gas. The Project may also rely on underutilized capacity that brings WCSB natural gas east to Ontario transiting United States pipeline systems, such as Northern Border, Great Lakes Gas Transmission and Alliance Pipeline (Canadian and US segments). It is intended that the Project will be connected to natural gas market hubs through the existing Canadian natural gas pipeline network and infrastructure in Canada, especially in Eastern Ontario.

At full build-out, the Facility is expected to include two or three LNG processing units (“Trains”). In either case, at full build-out the Facility is expected to have a total production capacity of 11 million metric tons of LNG per year. Detailed engineering studies are underway to assess the optimal number of Trains to be built. Export of LNG as a result of the Project is expected to begin in September 2020 with the Facility's first Train coming online. Additional Trains will be added approximately every 6 months thereafter. The Project design incorporates 2 LNG storage tanks each with an expected capacity up to 200,000 m³ to hold LNG from the liquefaction process until it is loaded on ships for export.

7. With respect to marine facilities, the Project is expected to include one ship-loading berth, with one jetty and associated loading arms. The Project's ship-loading berth is being designed to contain Q-Flex LNG vessels with LNG load capacities of up to 217,000 m³. The Project is expected to accommodate up to 160 vessels a year, or three to four calls a week.

II. PROJECT OWNERSHIP

8. GNLQ, incorporated in Quebec, and the Project, are owned by Ruby River Capital LLC, incorporated in the USA. Ruby River Capital LLC is jointly owned by Freestone International LLC and Breyer Capital LLC. The Project owners possess extensive worldwide experience in the design, development, execution and operation of LNG facility projects and all associated natural gas and LNG market knowledge, as well as strong expertise in infrastructure project funding and financing.
9. Freestone International LLC provides resource development and business consulting services and is a vehicle for developing and launching new business ideas. Freestone International LLC collaborates with investors, developers, government agencies and community stakeholders to develop, build, own and operate innovative energy and resource management projects in a sustainable manner.
10. Breyer Capital LLC is a global equity investor focused on catalyzing high-impact social and for-profit entrepreneurs. Breyer Capital LLC provides investment funds to both early-stage and established companies capitalizing on long-term global opportunities at the intersection of media, technology, education and retail.

III. PROJECT OPERATING ARRANGEMENTS

11. The Project will be owned and operated by GNLQ. In addition to partnering with experienced energy infrastructure firms for the development of the Pipeline Connection

to the Facility, GNLQ also intends to engage a partner, or partners, who have strong experience in the LNG industry including operations and LNG marketing expertise. GNLQ will also enter into a long-term power agreement with Hydro-Québec to supply approximately 550 MW of hydro-power for the Project.

12. At this stage of the Project, GNLQ is considering a few models for Project utilization, any or all of which may inevitably be employed. Customers of GNLQ may utilize the Project through a combination of their own proprietary natural gas reserves, open market trades/swaps with third parties and/or gas supply contracts. GNLQ may also develop its own capabilities over the long term regarding gas supply and contract with various gas producers in the WCSB or in other Canadian producing regions. GNLQ may also rely on gas aggregators and marketers in Canada to secure its own supply of feed gas to the Facility.

IV. REGULATORY STATUS OF PROJECT

13. In addition to seeking an LNG export licence from the National Energy Board, GNLQ is preparing its applications to obtain all necessary regulatory approvals to construct and operate the Project. Project descriptions for environmental permitting purposes will soon be filed with the relevant provincial and federal regulatory agencies.