

Joint venture companies



LNG Canada Shortlists to Two Engineering, Procurement and Construction Contractors

Commercial negotiations to commence immediately

Vancouver, British Columbia, February 2, 2018 – Following a year-long request for proposal (RFP) process, LNG Canada announced it has notified two of its four potential engineering, procurement and construction (EPC) contractors that they have been shortlisted for the chance to build the company’s proposed LNG export facility in Kitimat, British Columbia.

LNG Canada intends to select the preferred EPC contractor sometime in 2018. Negotiations will begin immediately with the two EPC contractors to determine the most commercially competitive proposal.

LNG Canada identified the finalists as the partnership of TechnipFMC plc and KBR, Inc. (LNG BC Contractors), and the partnership of JGC Corporation and Fluor Corporation.

Following a decision to delay a final investment decision in 2016, LNG Canada used the delay period to issue an RFP to identify a preferred EPC contractor willing to build the proposed LNG Canada project on a lump sum basis. LNG Canada prequalified four EPC consortia based on several criteria, including prior experience in LNG design and modularization, track record of project completion, and experience with construction in Western Canada.

“This process is critical in LNG Canada’s pursuit of the level of competitiveness required to support a future final investment decision by our joint venture participants,” said Andy Calitz, CEO of LNG Canada. “A tremendous amount of time and effort has been invested by the four EPC consortia, as well as by LNG Canada’s internal review team, and I thank them all for their contributions to the RFP process thus far.”

LNG Canada’s proposal evaluation criteria included health and safety management, financial strength, technical design, execution plans, contract price and schedule. The proposers also committed to living up to LNG Canada’s values and the commitments it has made to local communities, First Nations, as well as the company’s high standards of social and environmental performance.

“While this is a significant milestone, work remains to be done to deliver a globally cost competitive project that is well positioned to take a final investment decision,” added Calitz. “We look forward to working closely with TechnipFMC plc and KBR, Inc. and JGC Corporation and Fluor Corporation to advance our project in British Columbia that will benefit the regional, provincial and national economy.”

About LNG Canada

LNG Canada is a joint venture comprised of Shell Canada Energy (50%), an affiliate of Royal Dutch Shell plc, and affiliates of PetroChina (20%), Korea Gas Corporation (15%) and Mitsubishi Corporation (15%). The joint venture is proposing to build an LNG export facility in Kitimat that would initially consist of two LNG processing units referred to as “trains”, each with the capacity to produce at least 6.5 mtpa of LNG annually. The project would include an option to expand in the future to four trains.

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