What is the Jordan Cove Project?

Jordan Cove Liquified Natural Gas Facility and Terminal (JCLNG)

- 240 acre site
- 7.8 million tons per annum (mtpa) facility (~1.2 bcf/d)
- ~120 port calls annually at Port of Coos Bay

Pacific Connector Gas Pipeline (PCGP)

- 229 mile; 36” diameter, natural gas pipeline
- 1.2 billion cubic feet per day (bcf/d) design capacity
- Interconnects with the existing GTN and Ruby pipelines at Malin, Oregon
Pacific Northwest interstate natural gas pipeline system
Jordan Cove’s strategic rationale

• What makes Jordan Cove LNG attractive?

  ✓ WCSB and Rockies provide abundant long life gas supply
  ✓ Long-term gas supply at Malin Hub from two readily expandable pipelines fed by major resource plays (WCSB and Rockies)
  ✓ Shortest shipping distance to Asian markets without hurricane/Panama Canal risk – 9 days shipping from Coos Bay, Oregon to Tokyo
  ✓ Lowest LNG cost stack to Asia from west coast NA proposed facilities
  ✓ Experienced management team with LNG expertise (30+ years in industry)
  ✓ Filed FERC application
  ✓ Completed competitive bid process for lump sum, turn key construction contract – resulting in high cost confidence

• How Pembina's expertise is helping advance Jordan Cove LNG

  • Proven track record of successfully constructing and operating major projects, particularly in the pipeline industry
  • Robust balance sheet and low cost of capital supports project financing
  • Strong relationships with large customer base that could support supply needs

Competitive advantages make Jordan Cove a premier “second wave” LNG project
Shipping logistics comparison

Assumptions:
- Henry Hub pricing of $3.00/mmbtu; AECO trades at a discount to Henry Hub of ($1.50)/mmbtu
- 170,000 m³ DFDE ships; time charter rate = $85,000/day
- 90% ship utilization rate

Uncertain access to Panama Canal expansion puts additional USGC LNG shipping costs at risk

(1) Shipping distances derived from Platts Portworld shipping distance calculator
Market rebalancing expected in 2022

- Rebalancing of the market has been brought forward a year to 2022 due to higher-than-expected demand from Pakistan, Bangladesh, China, and South Korea.
- Global GDP growth and improved commodity prices provide a supportive macro environment.

Global LNG Supply and Demand Balance to 2030 (mtpa)\(^{(1,2)}\)

(2) Unplanned supply outages factored in 2018 onwards

Timing of Jordan Cove LNG well-positioned to capture market growth