

Kitsault Energy Can Solve Canada's Energy Crisis

Open Letter to the Prime Minister, Provincial Premiers, Leaders of the Energy Industries, and First Nations of Canada — by Krishnan Suthanthiran, President, Kitsault Energy and Best Cure Foundation

PRESS RELEASE • JANUARY 27, 2016 • Vancouver, BC, Canada and Springfield, VA, USA

On January 21st, 2016, the National Energy Board of Canada authorized a 20-year permit for Kitsault Energy to export 20 million tons of LNG (Liquefied Natural Gas) per year from Kitsault, located North West of British Columbia (BC), Canada. It is about 800 km (500 miles) north of Vancouver, BC and about 140 km (85 miles) north of Prince Rupert, BC, Canada.

Kitsault Energy (KE) first announced their project on January 8, 2013, with the goal of establishing a Dedicated Energy Corridor (DEC) from Fort Nelson and Dawson Creek, BC to Kitsault, BC to ship energy products from Alberta, British Columbia, and Saskatchewan to Asia and Latin America. Now, TransCanada and Spectra are in the process of obtaining approvals for multiple pipelines for natural gas (48" diameter), either going via or near Kitsault, making the goals of Kitsault Energy closer to reality. KE is the first company to promote a DEC from Northeast to Northwest British Columbia. Also, KE is the first company to promote a 48" diameter pipeline in February 2013; and now other companies are planning the same. KE hopes to work with one of the two pipeline companies, Spectra or TransCanada, for their pipeline construction, possibly using one of their permits. KE is continuing to have discussions with both of them, as they have done a few years of work in moving the process forward.

The time to ship energy products from Kitsault to Asia (China, Japan, and Korea) by tankers is about one week, and to South and Southeast Asia will be between 10 days to two weeks. With reduced shipping times compared to other popular ports, KE's shipping costs are expected to be significantly lower, as there are no toll canals, such as the Panama Canal, Suez Canal or other narrow channels of water, that need to be navigated. Such canals and channels have toll fees and waiting times, which are likely to cause delays and will add to the total cost of shipping.

KE is planning for a floating (FLNG) or land-based facility at Kitsault in increments of 4–5 million tons of LNG per FLNG ship or train. KE's goal is to become an integrated energy company, so they can be their own customer for a range of energy products by establishing their own downstream use. This vertical integration ensures a higher probability of success. Also, KE will be the lowest-cost producer of LNG and shipper of any of the energy products from Kitsault — giving KE a unique advantage over similar projects in Prince Rupert or Kitimat.

The following are cost estimates for various pipeline projects in Canada and the US:

- The distance for any energy pipeline to Kitsault from Fort Nelson, BC or Alberta is only 650 to 700 km, costing \$4 billion USD for each pipeline. This compares well with Petronas/TransCanada or Spectra Pipelines to Lelu Island/Ridley Island of about 900 to 1,000 km, costing \$7–8 billion USD each. The TransCanada XL Keystone Pipeline is almost 2,000 km, costing nearly \$15 billion USD, and TransCanada East Pipeline (including reversing the natural gas pipeline for oil) will add another 1,600 to 1,800 km of new pipeline, and will cost similarly \$15 billion USD. Kinder Morgan Pipeline is over 1,300 km and will cost nearly \$10 billion USD. The Enbridge Northern Gateway Pipeline is 750 to 800 km, costing about \$7–8 billion USD.

Continued →



For more information, please visit: www.kitsaultenergy.com www.bestcure.md

Kitsault Energy Can Solve Canada's Energy Crisis

Open Letter to the Prime Minister, Provincial Premiers, Leaders of the Energy Industries, and First Nations of Canada — by Krishnan Suthanthiran, President, Kitsault Energy and Best Cure Foundation

- KE's location, with the housing infrastructure for nearly 1,000 residents, full BC hydro, and the ability to add additional power using solar, wind and hydro, is ideal for a DEC, Port, and Export Terminal to ship energy products from Alberta, BC, and Saskatchewan to Asia and Latin America. Kitsault is located north of dense population area, with fewer First Nations along the pipeline route and shorter distance from Alberta and Northeast BC, making it the most economical with least environmental impact. By establishing a DEC, Port, and Export Terminal, KE can monitor more rigorously the environmental impacts and accidents to remedy very quickly. Also, energy tankers will leave from the Kitsault Port for a distance of 50–60 km in Alice Arm (deep, wide, and ice-free water for navigation) before they enter the open ocean of international waters. Spectra and KE have performed studies of the Alice Arm waterway.
- Kitsault is a private town, in a regional district, with lower taxation, compared to a city, town, county, or municipality with substantial taxes. Thus, the project could save as much as \$200 to 400 million CAD per year in taxes alone, and up to \$10 billion USD in the total cost of the project. KE works with a non-profit foundation, Best Cure Foundation (www.bestcure.md), which can assist the First Nations along the pipeline route with healthcare, education, job training and community recreation facilities. This will vastly improve the First Nation communities and their living standards with healthy lifestyle and abundant jobs for aboriginals.

For more information about Kitsault Energy, please visit www.kitsaultenergy.com. To read Krish Suthanthiran's bio, please visit [www.teambest.com/about bio.html](http://www.teambest.com/about_bio.html).

Contact:

Krishnan Suthanthiran
President, Kitsault Energy and Best Cure Foundation

703-451-2378

krish@kitsaultenergy.com



Canada Office (ON): 413 March Road, Ottawa, Ontario K2K 0E4 Canada
Canada Office (BC): 8765 Ash Street, Unit 7, Vancouver, BC V6P 6T3 Canada
U.S. Office (HQ): 7643 Fullerton Road, Springfield, Virginia 22153 USA