



October 19, 2016

Byng Giraud,
Vice President, Corporate Affairs
Woodfibre LNG
#1020-1075 W. Georgia St.
Vancouver, BC
V6E 3C9

Re: Squamish Nation Decision on Cooling Technology

The Squamish Nation's environmental objectives are unique to the Squamish Nation and are informed by cultural values, spiritual values and Aboriginal rights and title. The Squamish Nation conducted an environmental assessment process ("Squamish Process") of the Woodfibre Liquefied Natural Gas Project and the results of the Squamish Process identified a number of issues with the Project that do not meet the Nation's environmental objectives, including the potential for seawater cooling to adversely impact on the marine environment in Howe Sound.

Based on the conclusions of the Squamish Process, WLNG agreed to enter into an Environmental Assessment Agreement that legally binds it to satisfy certain conditions, including a condition regarding further assessment of the cooling technology to be used for the Project. Under section 4.1 of the Agreement, an independent assessment of seawater cooling, air cooling with freshwater spray, and air cooling was to be done to determine the net environmental effects, including effects on Squamish traditional uses and expression of Aboriginal rights, associated with these three technologies ("Cooling Study Report") and the Squamish Nation is to make a decision on the cooling technology it finds acceptable.

Squamish Nation culture depends on an intact and healthy marine environment. Over the last century, industrialization of Howe Sound has contributed to marine degradation which has seriously impacted on Squamish Nation's practice of its culture and aboriginal rights in Howe Sound. The Howe Sound marine environment has only recently shown signs of revitalization. This trend must be protected and fostered. Thus deterioration of the marine environment, or impeding additional revitalization of the marine environment, may lead to significant impacts on Squamish Nation's culture and aboriginal rights and title. Seawater cooling has the potential to adversely impact on these values. WLNG has not provided any further information satisfactory to the Squamish Nation to demonstrate that seawater cooling will not adversely impact on these values. Therefore, the Squamish Nation rejects seawater cooling as an option for cooling the natural gas for the Project.

The Squamish Nation has concerns that air cooling with freshwater spray will result in mortality and/or injury of freshwater or anadromous fish or their freshwater ecosystem. There are only a small number of creeks that can support spawning salmon. All freshwater ecosystems must be protected from incremental cumulative effects, particularly those that support salmon. The



measurable residual effects on freshwater habitat will impact on our cultural and spiritual values as well as the exercise of aboriginal rights.

Air cooling appears to have the lowest net environmental effects and least likely to adversely impact on Squamish Nation cultural, spiritual and environmental values and Aboriginal rights. Therefore, the Squamish Nation has chosen air cooling as the cooling technology to be used for the Project.

Yours truly,

SQUAMISH NATION



Byron Joseph
Ts'élkwílem Siyam
Co-Chair



Ann Whonnock
Syexwáliya
Co-Chair

