



Kitimat LNG plans liquefied natural gas export terminal to meet growing demand in Asia

Expanding supplies of natural gas in Western Canada drive proposal

CALGARY, September 19, 2008 – Kitimat LNG Inc. announced today that it plans to develop an LNG export terminal near Kitimat, British Columbia on its existing site at Bish Cove.

Rising natural gas demand in Asia and recent increases in supply throughout North America – including in the U.S., Canada’s traditional export market – have led to significantly higher natural gas prices in Asia than North America. These market and pricing conditions provide a compelling opportunity for companies looking to export LNG from North America to Asia.

“Kitimat continues to be a viable and advantageous location to build a West Coast LNG terminal,” said Rosemary Boulton, President of Kitimat LNG. “The growing economies of the Pacific Rim and rapidly increasing demand for LNG make Asia a natural market for B.C.’s plentiful and expanding supplies of natural gas. Kitimat is close to Asian markets and an extensive pipeline network already connects B.C. gas suppliers to the Kitimat area.”

The fundamental changes altering the global natural gas market have made Kitimat LNG’s proposal to export LNG more viable than an earlier proposal to import LNG to North America through a regasification terminal located in Bish Cove.

“Delays and cancellations of several LNG liquefaction terminals have caused major LNG shortfalls globally. Regasification terminals in North America are underutilized. At the same time, the trend away from coal is accelerating and demand for clean burning gas has never been stronger,” said Ilene Schmaltz, Vice President, Supply Marketing, Kitimat LNG. “These long-term trends create opportunities for stable sources of natural gas supply to take advantage of high demand in Pacific Rim markets.”

The export plan provides a number of benefits for the Province of B.C., the Haisla First Nation, the District of Kitimat, and the local region:

- The project will create direct and indirect economic benefits for northern B.C.
- Construction jobs under this proposal will increase to 1,500 from 700 in the import proposal, and permanent jobs will increase to 100 from 50.
- The project will help diversify the regional economy and increase the use of local personnel, goods and services.
- First Nations will gain jobs, training and capacity-building for their communities.

“The Haisla First Nation offers its full support to Kitimat LNG and its new LNG export proposal,” said Haisla Chief Councillor Steve Wilson. “Our community has much to offer to the proposed terminal, and we look forward to the employment and skills training a new LNG terminal would provide.”

Kitimat has entered into a memorandum of understanding with a leading multinational corporation that is currently conducting a feasibility study to participate in the project.

Kitimat LNG’s previous import proposal received all regulatory, environmental and government approvals, and the company will work with all levels of government on approvals, processes and permitting for the export proposal.

There are no additional environmental impacts expected from a change in use to a liquefaction terminal from a regasification terminal. The amount of space the terminal would require remains constant, and the number of vessels moving in and out of the terminal also remains the same.

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For more information or to arrange interviews, contact Ian Noble at 604-623-3007 (office) or 604-809-9650 (cell), or call Kitimat LNG at 250-279-0224 or 604-999-9058.

About Kitimat LNG Terminal– Kitimat LNG Terminal is a project of Kitimat LNG Inc. (www.kitimatlng.com), a Calgary-based private company focused on the development of liquefied natural gas (LNG) and related facilities in North America. Kitimat LNG Terminal is proposing to construct, own and operate a liquefied natural gas terminal near the Port of Kitimat in British Columbia. The environmentally sensitive facility will receive natural gas via pipeline from Western Canada. At the terminal, the natural gas will be cooled and liquefied in preparation for export via ship to growing Asian markets.