

KOGAS signs MOU with Kitimat LNG

World's largest LNG importer agrees to purchase 40% of production from Canadian LNG terminal for a 20-year period

CALGARY, June 1, 2009 – Kitimat LNG Inc. announced today that it has signed a memorandum of understanding (MOU) with Korea Gas Corporation (KOGAS), under which KOGAS will acquire up to 40 per cent of Kitimat LNG's production and an option to acquire an equity stake in Kitimat LNG's liquefied natural gas (LNG) export terminal.

With the MOU, KOGAS, the world's largest LNG importer, plans to purchase two million tons per annum (mtpa) of LNG from the proposed terminal for 20 years. The total purchase value would be more than US\$20 billion over 20 years of operation.

"We welcome KOGAS's participation in our project," said Rosemary Boulton, President of Kitimat LNG. "The addition of a strong international company and leading LNG buyer such as KOGAS marks a significant milestone in the development of the Kitimat LNG terminal."

"Our agreement with Kitimat LNG is key to our ongoing efforts to ensure a secure supply of natural gas for Korea in the long-term," said Kangsoo Choo, CEO of KOGAS. "We are pleased to add natural gas from Canada to our portfolio and tap into the country's growing sources of supply."

Kitimat LNG is progressing with discussions with other potential terminal users and investors for terminal capacity, off-take from the terminal and equity in the 5.0 mtpa project in Kitimat, B.C.

"KOGAS's involvement reinforces that our project is supported by strong business fundamentals and trends in the global and Western Canadian natural gas markets," added Boulton. "We look forward to working with KOGAS in moving the LNG terminal ahead and providing the economic benefits associated with the project to Canada and Korea."

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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 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.

About Korea Gas Corporation

Korea Gas Corporation (www.kogas.or.kr) was incorporated by the Korean government in 1983. Since its founding, it has grown to become the world's largest LNG importer. As the nation's sole LNG provider, the Corporation is fully committed to providing clean, safe and convenient energy to the people of Korea. In keeping with this mission, KOGAS operates three LNG terminals and a nationwide pipeline network spanning over 27,200km in order to ensure stable supply for the nation. KOGAS currently imports 26 million tons of LNG per year.