



NEWS RELEASE

Woodfibre LNG awards EPFC contract to McDermott

Collaboration to design and build the lowest-emission LNG facility in the world

VANCOUVER AND HOUSTON, Nov. 23, 2021 – Woodfibre LNG has signed an Engineering, Procurement, Fabrication, and Construction (EPFC) contract with McDermott International. The EPFC contract is an important step in advancing detailed engineering and construction scheduling work in advance of Woodfibre LNG issuing a notice to proceed.

Responsibly produced natural gas is a necessary part of making a successful global transition from heavy-emitting fuels to renewables. By harnessing the low-carbon gas resources of British Columbia's Montney region to replace coal-fired energy sources in Asia, Woodfibre LNG will reduce global emissions by 3.5 million tonnes CO₂e per annum, equivalent to removing 5 per cent of B.C.'s annual emissions from the atmosphere each year. McDermott and Woodfibre's collaboration on front-end engineering and facility design, relative to typical LNG facilities, will result in an ~86 per cent reduction in carbon dioxide emissions per tonne of LNG produced.

Woodfibre LNG will be the cleanest liquefied natural gas export facility on earth, achieved through the adoption of a low-emission philosophy across every element of engineering and design. The facility will use hydroelectricity for the main liquefaction process, and includes state of the art technology that enables liquefaction machinery to restart without flaring, a recycling system for "boil-off" gas, and additional transformers, switchgear and transmission lines. Altogether, this results in the most groundbreaking technical achievement in the world of LNG, and sets a new standard for efficient plant design. This next-generation LNG production is in high demand. Woodfibre LNG has two offtake agreements signed with BP, meaning over 70 per cent of Woodfibre's annual throughput has already been sold.

McDermott's industry-leading NetZero Modular LNG strategy has been fully utilized during the development of this advanced onshore gas processing and liquefaction facility with floating storage near Squamish, British Columbia, Canada. The strategy provides multiple pathways through design, execution and construction to reduce operational and project emissions.

"Our contract with McDermott is a positive step forward for this substantial piece of clean energy infrastructure," said Christine Kennedy, president of Woodfibre LNG. "Together, we will be building the lowest-emission, most sustainable and innovative LNG export facility in the world. A particular point of pride for us is that the Squamish Nation serves as a full environmental regulator for this project. Serving as a unique example of economic Reconciliation, this is the first arrangement of its type for an LNG facility."

McDermott will manage onshore construction, leveraging Canadian-based contractors and commitments included in Woodfibre LNG's Impact Benefit Agreements with the Skwxwú7mesh Úxwumixw (Squamish Nation). It is estimated that 650 people will be working on the Woodfibre LNG site at peak construction. The EPFC contract commits McDermott to Woodfibre LNG's hiring priority for qualified Squamish Nation members and local workers first, followed by British Columbians and then Canadians. The joint priority is to create a safe, inclusive and respectful workplace that brings benefits to the project's Indigenous partners and community.

"This is another example of how we are applying our unique integrated capabilities to solve challenges and create successes for our customers," said Samik Mukherjee, Executive Vice President and Chief Operating Officer of McDermott. "This award is a tremendous opportunity to further demonstrate how our LNG and modularization expertise enables a new generation of sustainable energy solutions."

In addition to the EPFC work, McDermott will also be responsible for commissioning and start-up services. Pre-installation work for the project is planned for early 2022 and will gradually ramp up to September 2023, when major construction is targeted to begin. Major works will continue through to substantial completion, expected in Q3 2027.

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About Woodfibre

The Woodfibre LNG project is located approximately 7 km west-southwest of Squamish, British Columbia (located midway between Vancouver and Whistler). The project is gearing up to start pre-construction of a single train, liquefied natural gas (LNG) export facility on the previous Woodfibre pulp mill site. The facility will have a storage capacity of 250,000 m³ and produce approximately 2.1 million tonnes per year of LNG using 100 per cent renewable hydroelectric technology. Once operational, the facility will produce and export the cleanest, most technologically advanced LNG in the world. Woodfibre LNG is also the only industrial project in Canada, and possibly in the world, to have received an environmental approval from an Indigenous people in the absence of a treaty. Woodfibre LNG Limited is a privately held Canadian company based in Vancouver, and a subsidiary of Pacific Energy Corporation (Canada) Limited.

About McDermott

McDermott is a premier, fully-integrated provider of engineering and construction solutions to the energy industry. Our customers trust our technology-driven approach engineered to responsibly harness and transform global energy resources into the products the world needs. From concept to commissioning, McDermott's innovative expertise and capabilities advance the next generation of global energy infrastructure—empowering a brighter, more sustainable future for us all. Operating in over 54 countries, McDermott's locally-focused and globally-integrated resources include more than 30,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit www.mcdermott.com.

Forward-Looking Statements

McDermott cautions that statements in this communication which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact McDermott's actual results of operations. These forward-looking statements include, among other things, statements about the expected scope, execution and timing associated with the project discussed in this press release. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: adverse changes in the markets in which we operate or credit or capital markets; our inability to successfully execute on contracts in backlog; changes in project design or schedules; the availability of qualified personnel; changes in the terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by our customers and other business counterparties; changes in industry norms; actions by lenders and other creditors of McDermott and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. This communication reflects management's views as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

Contacts:

Woodfibre LNG

Director, Communications

Rebecca Scott

+1 604 202-5251

rebecca_scott@wlng.ca

McDermott Global Media Relations

Reba Reid

Senior Director, Global Communications and Marketing

+1 281 588-5636

RReid@McDermott.com

McDermott North America Media Relations:

Kristi Krupala

Manager, North, Central and South America (NCSA)
Area Communications & Marketing

+1 281 870-5447

Kkrupala2@mcdermott.com