



SECTION 5.0

NEED FOR AND PURPOSE OF THE PROJECT



**GOLDBORO
LNG**

TABLE OF CONTENTS

	PAGE
5.0 NEED FOR AND PURPOSE OF THE PROJECT.....	5-1

5.0 NEED FOR AND PURPOSE OF THE PROJECT

The Project will export North American natural gas supplies to consumers in Europe, Asia, and other developing markets. The driver for the Project is the surplus of natural gas in North America evolving through development of technology allowing production from gas bearing shale rock (shale gas). The large reserves of shale gas were known to the North American gas industry for over 50 years, but only became accessible with the new technology. World demand for natural gas presents an opportunity for North America to sell the surplus natural gas, in the form of LNG, to overseas markets.

This LNG opportunity also has a practical commercial time limit. LNG liquefaction projects are very capital intensive and require long term LNG sales and natural gas feed stock contracts. The time window for building this contract chain will dwindle over time. Success of the Project depends upon obtaining permits in the commercial window available.

The Project objective is to receive gas via the existing M&NP pipeline, liquefy, store, and load the LNG onto LNG vessels for export to foreign markets. The location at Goldboro, NS, is ideally suited to the Project with the established industrial park along the coast with a previously permitted LNG project at the same site. The site provides access through the M&NP pipeline network to multiple US and Canadian pipelines. The Project will provide employment, investment, and tax revenues to a region in great need of economic development and a community that has expressed significant support for the Project proposal and past industrial development proposals.

From a provincial and national perspective, projects such as Goldboro LNG provide support for the exploration and production chain for natural gas extraction in Atlantic Canada.