

September 19, 2016

Dear Chief Copage and members of the Sipekne'katik community:

This letter follows-up on discussions between the Band and AltaGas Ltd. regarding the Alton Natural Gas Storage Project (Alton), located near Stewiacke.

Project update and environmental monitoring with members of Sipekne'katik

We have largely completed our activities at the river site, however, the area remains an active worksite and access is restricted to maintain safety of the public, our personnel and contractors, as well as to adhere with *Occupational Health and Safety Act* requirements. Work at our cavern site is underway ahead of start-up of the solution mining (brining) process. We expect to begin brining later this fall. We are also undertaking activities to support the 12 km natural gas pipeline phase of the project which will connect the cavern site to the Maritimes & Northeast Pipeline.

The Alton project has been the subject of significant expert review and analysis for over eight years. This has included continuous monitoring of fish species by experts at Dalhousie University (Truro campus); two approved Environmental Assessments; and a Mi'kmaq-led independent review of science in 2015 which strengthened the environmental safeguards for the project.

We would welcome participation of Sipekne'katik as part of the environmental monitoring team of the project going forward. This could include funding for an environmental monitoring program through a conservation group, and having members of the Band employed as part of the company's monitoring team. Such positions could also involve reporting back to the community regarding the project, and include traditional knowledge as part of the monitoring process.

Possible impacts and benefits agreement (IBA) with the community

Proponents and First Nations communities often jointly develop an IBA to outline the terms upon which the parties engage and provide mutual benefit. We remain open to developing an IBA with Sipekne'katik, elements of which could include:

- Evaluation of renewable energy, such as wind power, with the community. This could positively impact the environment and help decrease energy costs for band members by creating renewable energy revenue for the community. AltaGas has considerable experience in developing renewable energy;
- Environmental monitoring (as described above);
- Jobs and contracting opportunities;
- Scholarships for youth to attend university, college and trade school programs;
- Funding for elder programs;
- Funding for the Band's consultation and accommodation process.

As we continue to develop our project, we remain open and willing to be positive partners with the community for the long-term.

Yours sincerely,



Tim Church, VP Stakeholder Relations