



**Canaport LNG General Manager
Jorge Ciacciarelli**

General Manager's Message to the Community

Jorge Ciacciarelli

All of us at Canaport LNG have entered 2007 with a sense of accomplishment and optimism. We're proud to say that the project is progressing smoothly and ahead of schedule, as the mild weather of the past few months has helped speed key aspects of construction and fabrication. At this time, approximately 20 per cent of Canaport LNG's construction is complete. We are very pleased with this progress, and we remain confident about completing the project on schedule. I would like to thank our workforce and the members of our community who are helping us bring clean energy to North America.

Aside from the evolution of the project, we are also happy about the progress we have made in building relationships within our Saint John community. We are heartened by the collaboration we are cultivating with the local neighbors and with landmark Saint John institutions such as the Lilly Lake Pavilion and Saint John Sea Dogs. We are also proud of initiatives such as the Canaport LNG Safety Day, which we held in the fall of 2006 to communicate our commitment to safety at our facility, and the concrete steps we are taking to promote safety for everyone in the community.

As we move ahead, we plan to broaden and strengthen our relationships with the community. That means we intend to continue our program of social investments aimed at improving our community's quality of life. The priorities shaping this program include education, safety, local culture and the environment.

All of us at Canaport LNG look forward to another great, productive year in Saint John. We've had a great start.

Sincerely,

A stylized, handwritten signature in black ink, consisting of several loops and a final flourish.

Jorge Ciacciarelli
GENERAL MANAGER



Safety & Environmental Review

By Fraser Forsythe

Health, Safety, Security & Environmental Manager

By now, most members of the Saint John community know that we take safety very seriously at Canaport LNG. Many people, however, still don't recognize the level of detail, meticulous analysis and vigilance that safety assurance requires.

We gauge our safety performance based on two key statistics: the recordable injury frequency (RIF) and time lost due to injury. All construction-related events requiring medical attention (e.g. any injury requiring a hospital or doctor's visit) are counted as recordable injuries. We calculate RIF based on the formula widely used in industrial projects:

$$\text{Recordable Injury Frequency (RIF)} = \frac{\text{Number of Recordable Injuries} \times 200,000}{\text{Man-hours Worked}}$$

Based on this formula, our current RIF is 1.08. This rate is better than industry averages, and we are aiming to bring our benchmark down further to 1.0. This performance is especially impressive since our winter weather in Saint John makes simple accidents like slips and falls harder to avoid.

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— FRASER FORSYTHE, CANAPORT LNG'S HSSE MANAGER

To keep our RIF as low as possible, we maintain a comprehensive safety program that incorporates educational components, motivational components as well as strictly enforced rules about day-to-day do's and don'ts.

First, we develop in detail the risk profile of the particular job on the site. Before a job begins, everyone from supervisors and foremen, to the drillers and fabricators, have a discussion on what possible dangers are present during the construction activity. This is called the Job Safety Analysis (JSA). Everything, from the process of chipping concrete, to sealing joints, is combed over to determine the smartest and safest procedure. Even the safety requirements of walking from one end of the work zone to the other are considered. The conclusions are then written down and signed by every member of the crew working on that particular activity. This document determines the safety equipment that is required in order to work in that area and is then passed to a trained safety inspector for review.

Once the JSA has been agreed upon by the work crew, the supervisor of the job writes a work permit outlining the specific safety equipment needed and the scope of the work. After it is read and signed by myself and other safety officials at Canaport LNG, the safety document is posted in a prominent area so that everyone knows that in order to enter this work area, you must have the required safety materials.

While extremely important, this technical process of safety review is only one aspect of safety vigilance. At the same time, every employee contracted to work on our site goes through orientation training that details our safety practices and site regulations. This training is repeated at least once a year. Throughout the year, employees participate



Fraser Forsythe, Canaport LNG's Health, Safety, Security & Environmental Manager

in behavioral-based safety seminars, given by a qualified instructor to 15-20 people at a time. These seminars teach our workers that in addition to safety regulations, they must take responsibility for their own safety and their fellow workers.

We have set very high safety goals for the Canaport LNG project. We are working to maintain our recordable injury frequency lower than the national average. This performance will continue to be based on two pillars of safety: consistent oversight and personal responsibility. For example, at the time when we had the heaviest personnel traffic at our construction site, we had 10 safety experts holding meetings, checking the safety equipment and keeping strict logs of potential risks as they evolved. Our people working on site deserve most of the credit since it is their attention to detail that keeps our safety record as one of the most impressive in Canada.

In the coming months, we plan to start an incentive program that will provide the opportunity for our workers to provide feedback and to take satisfaction in their safety efforts on the site. I want everyone on the site to be proud of the fact that they not only keep themselves safe, but also serve as models of safety to the construction industry and community.

