

## ALTAGAS AND VOPAK REACH POSITIVE FINAL INVESTMENT DECISION ON RIDLEY ISLAND ENERGY EXPORT FACILITY

World class export facility will strengthen Canada's position as a growing global energy exporter

Calgary and Prince Rupert, Canada; Rotterdam, The Netherlands

29 May 2023 – 6:30pm Mountain Standard Time / 30 May 2023 – 3:30 Central European Time. All figures contained in the press release are in Canadian dollars unless otherwise stated.

**AltaGas Ltd. ("AltaGas") (TSX: ALA) and Royal Vopak ("Vopak") (XAMS: VPK)** (together the "Joint Venture", "Partners" or "Partnership") are pleased to announce a positive final investment decision (FID) on the Ridley Island Energy Export Facility (REEF), a large-scale liquefied petroleum gas (LPG) and bulk liquids terminal with rail, logistics and marine infrastructure on Ridley Island, British Columbia, Canada. Following a five-year environmental preparation and review process, extensive engagement with multiple stakeholders including Indigenous rights holders and local communities, the Joint Venture is set to deliver a world class export facility that will operate with industry-leading environmental stewardship.

### KEY HIGHLIGHTS

- The Joint Venture has completed all major gating items, including front-end engineering design (FEED) and a detailed Class III capital estimate.
- Site clearing work is more than 95 percent complete and with required permits in hand, the project is expected to come online near 2026 year-end.
- Projected gross Joint Venture capital cost of \$1.35 billion, excluding governmental incentives and support, with annual Partnership EBITDA of \$185 million - \$215 million are in-line with the Partners' expectations.
- Onsite work will be minimized to reduce capital cost risk and community impacts, with 90 percent of equipment, packaging and pipes expected to be prefabricated offsite in controlled operating environments.
- The Joint Venture expects to lock-in more than 60 percent of the Phase 1 capital costs through fixed-price, lump-sum engineering, procurement and fabrication contracts prior to construction.
- Vopak and AltaGas expect to fund their 50 percent pro-rata ownership through each company's respective financial capacity with no leverage at the Partnership level.
- REEF will enhance Canada's role as a growing global energy exporter, strengthen Canadian and Asia Pacific energy connectivity and provide Canadian producers and aggregators with access to the premium global markets for LPGs.
- With only ten shipping days to the fastest growing demand markets in Northeast Asia, REEF has a structural advantage in delivering LPGs to Asia with the shortest shipping time globally.

- The project has First Nations support agreements in place and will drive further economic benefits to local communities in Northwestern B.C. through construction activities, long-term job creation and community investment focused on delivering positive outcomes for all stakeholders.
- REEF will be constructed and operate under AltaGas and Vopak's existing exclusive rights granted by the Prince Rupert Port Authority (PRPA) to develop LPG, methanol and other bulk liquids exports on Ridley Island.

"This positive FID enables AltaGas to continue connecting Canadian energy to Asian markets and drive valuable outcomes for all our customers," said Vern Yu, President and CEO of AltaGas. "Canada has a structural advantage in delivering LPGs to Asia with the shortest shipping time and lowest maritime emissions footprint. AltaGas delivers more than 19 percent of Japan's propane and 13 percent of South Korea's LPG imports, connecting our upstream customers with customers in Asia. We look forward to working with our partners to drive more long-term value creation with REEF."

"We are excited to be able to execute on our growth strategy and invest in export infrastructure on this highly strategic location" said Dick Richelle, Chairman of the Executive Board and CEO of Royal Vopak. "Prince Rupert, with the shortest shipping distances between North America and Asia, gives the opportunity to drive progress by increasing the trade between Canada and the Asia Pacific region. We are proud to contribute to this development and are thankful for the good collaboration with our partner AltaGas and other key stakeholders. The trust and support of local First Nations and communities makes this envisioned terminal a reality."

### **Capital Cost, Economics, Funding and Delivery Schedule**

Projected gross capital cost of \$1.35 billion, excluding governmental incentives and support, and annual Partnership EBITDA of \$185 million - \$215 million are in-line with the Joint Venture's expectations. Vopak and AltaGas are expected to fund their pro-rata 50 percent ownership through each organization's respective financial capacity with no leverage at the Partnership level.

The capital cost breakdown of Phase 1 includes approximately \$875 million for construction of the facility, balance of the plant and LPG storage tanks and \$475 million for construction of the new dedicated jetty and extensive rail and logistics infrastructure. The infrastructure includes additional redundancies to provide operational flexibility that benefits the Joint Venture and customers over the long term.

AltaGas will minimize onsite work to reduce capital cost risk, with approximately 90 percent of equipment, packaging and pipes being prefabricated offsite in controlled operating environments. In addition, AltaGas expects to lock-in more than 60 percent of the Phase 1 estimated capital cost through fixed-price, lump-sum engineering, procurement and construction contracts, prior to the start of construction of individual phases.

The bulk of REEF's construction activities are planned to take place over 2025 and 2026 with select workstreams beginning in 2024. This includes plans for the Partners to incur approximately \$200 million of incremental gross capital expenditures in 2024. As part of the positive FID, AltaGas is increasing its 2024 capital expenditure guidance from \$1.2 billion to \$1.3 billion. AltaGas maintains a disciplined approach to capital allocation and plans to fund its portion of the project using internally generated cash flows and its annual investment capacity. During construction, AltaGas will leverage the benefit of operating a diversified platform by adjusting capital spending across other parts of the business to ensure the company is balancing its three long-term objectives of financial strength and flexibility, continued organic growth, and long-term dividend growth.

Vopak's disciplined capital allocation policy is driving value through accretive growth investments that will deliver attractive operating cash return. Vopak's growth capex guidance for FY 2024 remains unchanged. The long-term commitment to invest EUR 1 billion to grow in industrial and gas by 2030 and EUR 1 billion to accelerate towards new energies by 2030 remains unchanged. Vopak plans to fund its portion of the project using the strong balance sheet position. The efficient use of the capital structure will further support cash flow generation at Vopak level.

### **REEF has strong community support following extensive stakeholder engagement**

Vopak and AltaGas have been working closely with First Nations rights holders and key stakeholders, including the local communities in Northwestern British Columbia, as well as the PRPA, and Federal and Provincial regulators for more than five years to deliver a project that will operate with industry-leading environmental and community stewardship. AltaGas and Vopak have developed strong relationships with local Indigenous communities through its existing operations, where the partners have worked collaboratively on economic and social development opportunities, including skills training, emergency response preparedness and other community-identified priorities. REEF will drive strong economic benefits to these local communities in the region through construction activities, long-term job creation, and community investment targeted at driving positive economic outcomes across all stakeholders.

### **Vopak Conference Call**

Vopak will host an analysts' presentation with Vopak's CFO, Michiel Gilsing via an on-demand audio webcast on Vopak's corporate website, details as follows:

- Date: 30 May 2024
- Time: 08:30 CEST
- Webcast Link: [https://channel.royalcast.com/vopakinvestors/#!/vopakinvestors/20240530\\_1](https://channel.royalcast.com/vopakinvestors/#!/vopakinvestors/20240530_1)

## APPENDIX:

### Project Overview

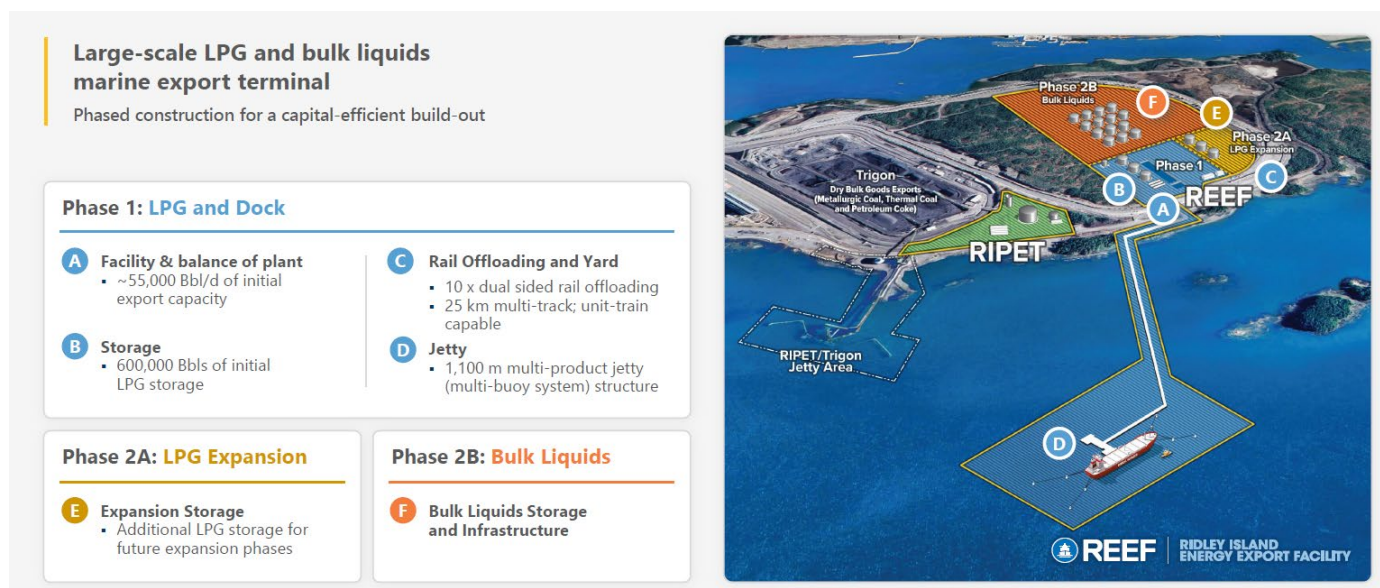
REEF will be developed on a 190-acre (77 hectare) site adjacent to AltaGas and Vopak's existing Ridley Island Propane Export Terminal (RIPET), on lands administered by the Port of Prince Rupert (PRPA) for which the Joint Venture has executed a long-term lease. REEF has been granted the key Federal and Provincial permits to construct storage tanks, a new dedicated jetty, rail and other infrastructure required to operate a state-of-the-art facility.

The project will have the capability to facilitate the export of LPGs, methanol and other bulk liquids that are vital for everyday life. The project will be developed and brought online in phases. This approach will provide the most capital efficient buildout of the project, match energy export supply with throughput capacity, mitigate impacts on local communities and provide local construction and employment opportunities that will extend over longer time horizons.

Phase 1 will include approximately 55,000 barrels a day of initial LPG export capacity, including propane and butane, 600,000 barrels of LPG storage (95 thousand cbm equivalent), a new dedicated multi-product jetty, and extensive rail and logistics infrastructure. The infrastructure will include 10 dual sided rail offloading slots and 25 kilometers of multi-track infrastructure that is unit-train capable and will provide flexibility to overcome congestion and outages. More than 80 percent of Phase 1 capital investments will be able to be leveraged in future REEF phases, providing capital efficient buildout of subsequent expansions. The REEF project design has multiple additional advantages compared to other recent large energy infrastructure projects in Canada, including being a single site and operating jurisdiction, having all major regulatory approvals in place, utilizing proven technologies and being aligned with the Partners' core competencies.

As disclosed in the first quarter of 2024, AltaGas has made considerable contracting progress across its global exports' platform, including tolling levels increasing to 56 percent starting in the second quarter of 2024. AltaGas is in active negotiations with several long-term counterparties, which would move the company to its long-term tolling target of 60 percent of total export volumes, for the beginning of the 2027 natural gas liquids (NGL) year, starting on April 1.

**Figure 1: REEF Project Overview**



### REEF will be constructed under the Joint Venture's exclusive rights for LPG exports on Ridley Island

REEF will be constructed and operate under AltaGas and Vopak's existing exclusive rights granted by the PRPA to develop LPG, methanol and other bulk liquids exports on Ridley Island. The provision of these exclusive rights was important to ensure the certainty needed to advance large capital projects through long and fulsome development periods and ensure developers advance projects with comprehensive environmental and community stewardship.

### REEF will have optionality for alternative fuels

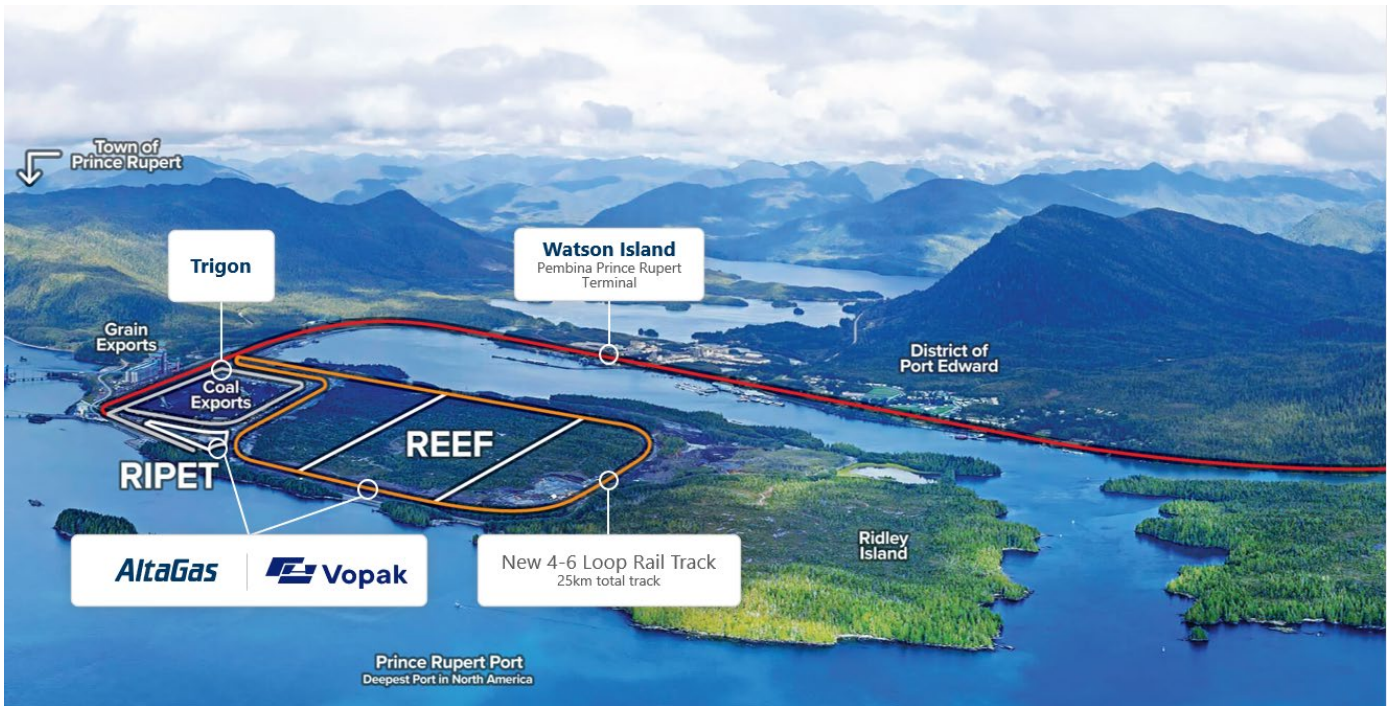
In subsequent phases, the Joint Venture will have the option to progress evaluation work on fuels of the future, such as hydrogen, which has growing customer interest in Asia, particularly Japan and South Korea. The Joint Venture has strong core competencies in this area with Vopak offering one of the preeminent third-party hydrogen storage platforms globally, with multiple terminals in operation across several countries. Through this deep experience, the Partners will consider participation in hydrogen exports from Canada with evaluation work expected to be done methodically with a critical emphasis on safety and stewardship.

### REEF benefits from structural west coast advantage to Asian markets

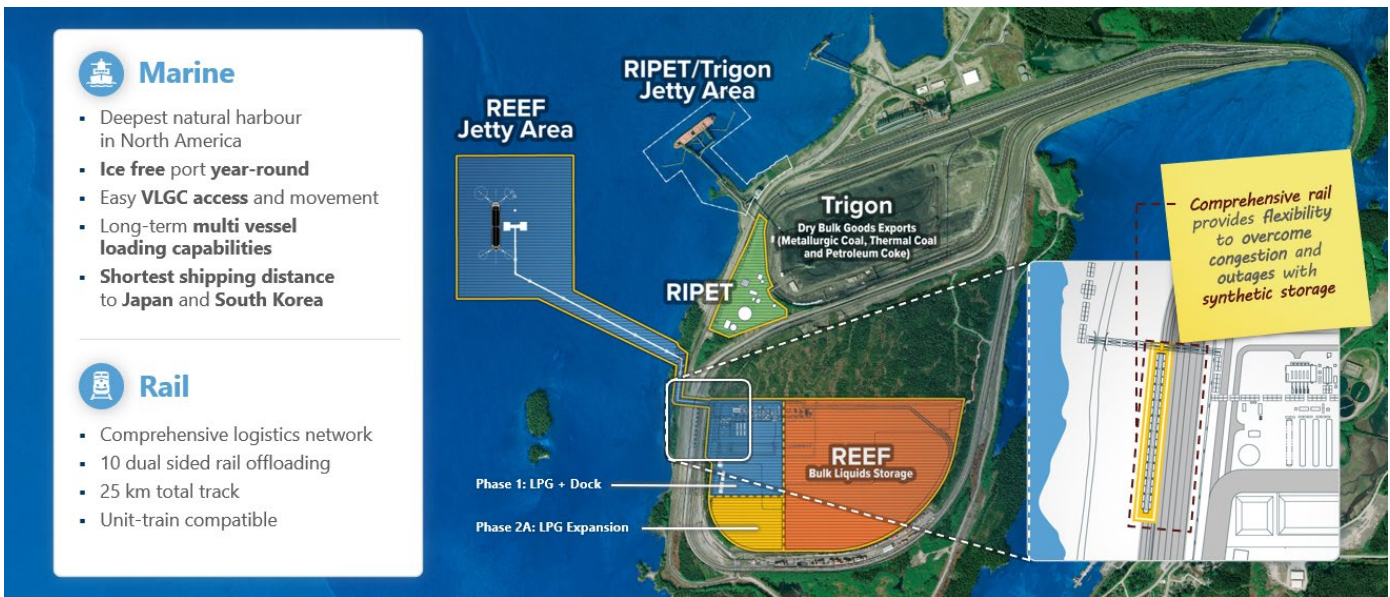
With only 10 shipping days to the fastest growing demand markets in Northeast Asia, REEF will be able to efficiently connect Canada's vital energy products to the world. This includes having an approximate 60 percent base time savings over the U.S. Gulf Coast, which requires a minimum 25-day shipping time to Northeast Asia, and approximately 45 percent base time savings over the Arabian Gulf, which requires a minimum 18-day shipping time. This geographic advantage expands when there is significant congestion in the Panama Canal, as has recently been experienced or when other global shipping pinch points experience disruptions.

AltaGas and Vopak are pleased to move forward with REEF. The REEF project advances Canada's growing role in connecting Canadian energy, vital to everyday life, to global markets. We are thankful to all stakeholders for their continued support and ongoing partnership.

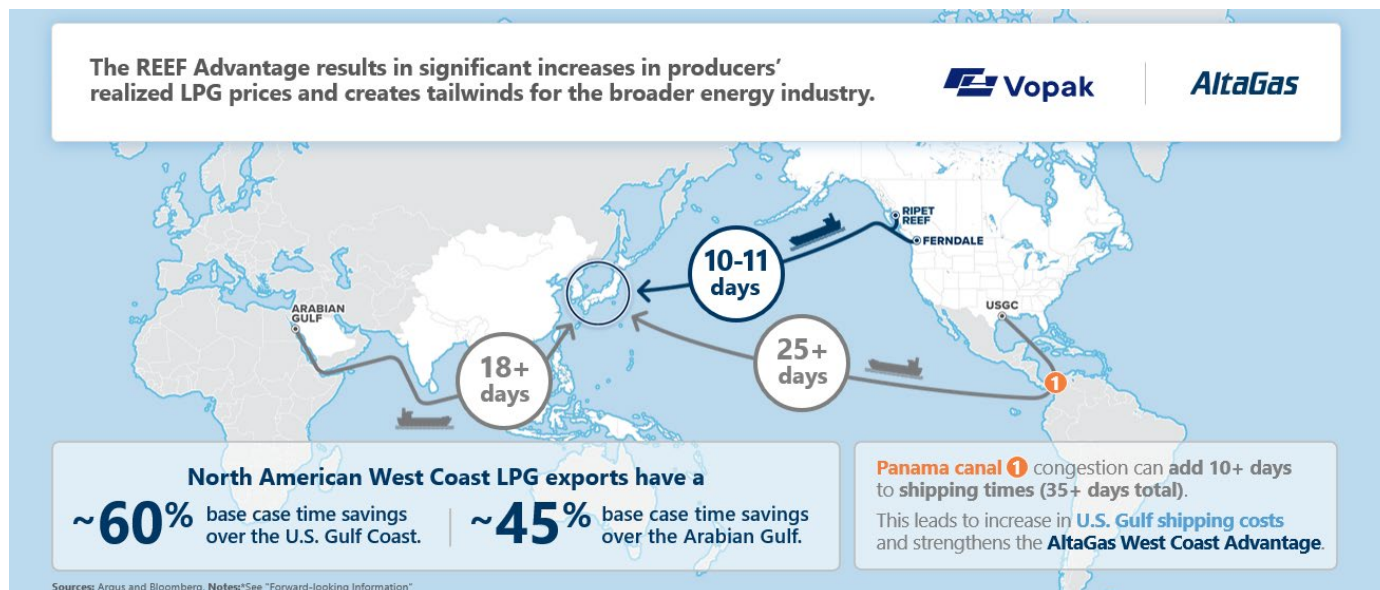
**Figure 2: REEF Geographic Location**



**Figure 3: REEF Logistical Advantages**



**Figure 4: REEF and the West Coast Structural Advantage**



### About AltaGas

AltaGas is a leading North American infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified, lower-risk, high-growth Energy Infrastructure business that is focused on delivering resilient and durable value for its stakeholders.

From wellhead to tidewater, AltaGas' Midstream business is focused on providing its customers with safe and reliable service and connectivity that facilitates the best outcomes for their businesses. This includes global market access for North American LPGs, which provides North American producers and aggregators with the best netbacks for LPGs while delivering diversity of supply and stronger energy security to its downstream customers in Asia.

Throughout AltaGas' operations, the company is playing a vital role within the larger energy ecosystem that keeps the global economy moving forward and is powering the possible within our society, and in a safe, reliable, and affordable manner. For more information, please visit [www.altagas.ca](http://www.altagas.ca).

### About Royal Vopak

Royal Vopak helps the world flow forward. At ports around the world, we provide storage and infrastructure solutions for vital products that enrich everyday life. These products include liquids and gases that provide energy for homes and businesses, chemicals for manufacturing products, and edible oils for cooking. For all of these, our worldwide network of terminals supports the global flow of supply and demand. For more than 400 years, Vopak has been at the forefront of fundamental transformations. With a focus on safety, reliability, and efficiency, we create new connections and opportunities that drive progress. Now more than ever, our talented people are applying this mindset to support the energy transition. Together with our partners and customers, we are accelerating the development of infrastructure solutions for hydrogen, ammonia, CO<sub>2</sub>, long-duration energy storage, and low-carbon fuels & feedstocks – paving the way to a more sustainable future. Vopak is listed on the Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands. For more information, please visit [www.vopak.com](http://www.vopak.com).

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## FORWARD-LOOKING INFORMATION

### AltaGas Forward-Looking Information

*This news release contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to REEF, AltaGas, or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: the expected timing of REEF coming online; the projected capital cost and Partnership EBITDA; potential governmental project funding support; expectations with respect to minimizing onsite work and effects on capital cost risk and community impacts; expected opportunities to lock in capital costs through lump-sum contracts; AltaGas' plans to fund its pro-rata portions of the project; the partners' belief that REEF will strengthen Canadian and Asia Pacific energy connectivity and provide Canadian producers with access to premium global markets for LPGs; anticipated economic benefits to local communities; expectation that REEF will operate with industry-leading environmental and community stewardship to deliver the strongest benefits to all stakeholders; REEF's evaluation of and future participation in hydrogen exports; the expected impact of REEF's structural advantage and outcomes therefrom, including time savings of North American West Coast LPG exports; the expected long-term benefits of the planned Phase I infrastructure; the anticipated timing of construction activities and capital expenditures; expectations of developing the project in phases and the benefits resulting therefrom in terms of maximizing capital efficiency, matching supply and demand, mitigating impacts on local communities, and providing long-term employment opportunities; planned infrastructure and capacity for Phase I; future abilities to leverage Phase I capital investments; descriptions of future phase buildouts; AltaGas' Midstream business focus, strategy and expected outcomes therefrom; AltaGas' expectation of REEF's ability to drive long-term value creation; AltaGas' long-term tolling targets; AltaGas' expectations of adjusting capital spending across other parts of its business to ensure AltaGas is balancing its long-term objectives; and the importance of AltaGas' role in the larger energy ecosystem and global economy.*

*These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, and achievements to differ materially from those expressed or implied by such statements. Such statements reflect AltaGas' current expectations, estimates, and projections based on certain material factors and assumptions at the time the statement was made. Material assumptions include: effective tax rates, financing initiatives, expected commodity supply, demand and pricing, volumes and rates, exchange rates, inflation, interest rates, credit ratings, regulatory approvals and policies, future operating and capital costs, capacity expectations, weather, access to capital, timing of in-service dates of new projects, returns on investments, and dividend levels.*

*AltaGas' forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: risks related to global conflict; health and safety risks; operating risks; infrastructure risks; natural gas supply risks; volume throughput; service interruptions; transportation of petroleum products; market risk; inflation;*



*general economic conditions; inflation; cyber security, information, and control systems; climate-related risks; environmental regulation risks; regulatory risks; litigation; changes in law; Indigenous and treaty rights; dependence on certain partners; political uncertainty and civil unrest; decommissioning, abandonment and reclamation costs; reputation risk; weather data; capital market and liquidity risks; interest rates; internal credit risk; foreign exchange risk; debt financing, refinancing, and debt service risk; counterparty and supplier risk; technical systems and processes incidents; growth strategy risk; construction and development risks; underinsured and uninsured losses; impact of competition in AltaGas' businesses; counterparty credit risk; composition risk; collateral; rep agreements; market value of common shares and other securities; variability of dividends; potential sales of additional shares; labor relations; key personnel; risk management costs and limitations; commitments associated with regulatory approvals for the acquisition of WGL; cost of providing retirement plan benefits; failure of service providers; risks related to pandemics, epidemics or disease outbreaks, including COVID-19; and the other factors discussed under the heading "Risk Factors" in the AltaGas' Annual Information Form for the year ended December 31, 2023 and set out in AltaGas' other continuous disclosure documents.*

*Many factors could cause AltaGas' or any particular business segment's actual results, performance or achievements to vary from those described in this press release, including, without limitation, those listed above and the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, expected, projected or targeted and such forward-looking statements included in this news release, should not be unduly relied upon. The impact of any one assumption, risk, uncertainty, or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent and REEF's and AltaGas' future decisions and actions will depend on management's assessment of all information at the relevant time. Such statements speak only as of the date of this news release. REEF and AltaGas do not intend, and do not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this news release are expressly qualified by these cautionary statements.*

*Financial outlook information contained in this news release about prospective financial performance, financial position, or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on AltaGas management's (Management) assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this news release should not be used for purposes other than for which it is disclosed herein.*

*Additional information relating to AltaGas, including its quarterly and annual MD&A and Consolidated Financial Statements, AIF, and press releases are available through AltaGas' website at [www.altagas.ca](http://www.altagas.ca) or through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

## **Vopak Forward-Looking Information**

*Any statement, presentation or other information contained herein that relates to future events, goals or conditions is, or should be considered, a forward-looking statement. Although Vopak believes these forward-looking statements are reasonable, based on the information available to Vopak on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on these forward-looking statements. Vopak's outlook does not represent a forecast or any expectation of future results or financial performance.*

*The actual future results, timing and scope of a forward-looking statement may vary subject to (amongst others) changes in laws and regulations including international treaties, political and foreign exchange developments, technical and/or operational capabilities and developments, environmental and physical risks, (energy) resources reasonably available for our operations, developments regarding the potential capital raising, exceptional income and expense items, changes in the overall economy and market in which we operate, including actions of competitors, preferences of customers, society and/or the overall mixture of services we provide and products we store and handle.*

*Vopak does not undertake to publicly update or revise any of these forward-looking statements.*