

**LETTER OF INTENT
CONCERNING
LIQUEFIED NATURAL GAS INVESTMENTS
IN BRITISH COLUMBIA**

This Letter of Intent is made as of May 7, 2014 between the following Parties:

BETWEEN:

The Province of British Columbia (referred to as "Province"), as represented by the Premier, Christy Clark;

AND:

Woodfibre Natural Gas Limited ("Woodfibre");

WHEREAS

British Columbia has substantial world class natural gas resources, close proximity to markets, strong regulatory regime and environmental standards, and an interest in securing investment in the development of a liquefied natural gas industry.

This Letter of Intent reflects the commitment by the Province and Woodfibre to work collaboratively to secure long term investments by Woodfibre in liquefied natural gas ("LNG") in British Columbia.

Woodfibre is considering construction of a LNG facility in British Columbia.

Woodfibre has requested that the Province provide certainty about costs that are under the control of the Province and that are applicable only to LNG investments.

Province has requested that Woodfibre continue work towards a final investment decision for a LNG facility in British Columbia.

Parties have agreed to enter into negotiations with respect to a possible Project Development Agreement to secure their mutual interests.

THEREFORE

The Province and Woodfibre will assign senior executives to work towards preparation of Terms of Reference for a Project Development Agreement by June 30, 2014.

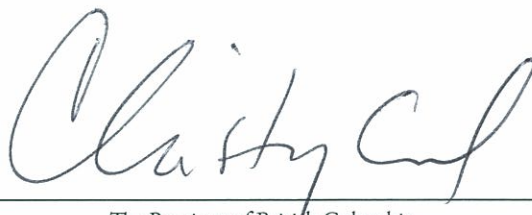
The Province and Woodfibre will make reasonable efforts to negotiate a Project Development Agreement on or before November 30, 2014.

This Letter of Intent does not create or constitute any legally binding or enforceable obligations or liabilities between the Parties, and may be subject in future to further amendment or modification.

SIGNED



Imelda Tanoto
Woodfibre Natural Gas Limited



The Province of British Columbia,
by its authorized representative