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toute naturelle

**Press release  
For immediate distribution**

*Agreement on economic and tax impacts*  
**RABASKA PUTS COMMITMENTS IN WRITING**

**Lévis, July 4, 2006**—Rabaska and the City of Lévis have signed an agreement setting out Rabaska's economic commitments and the tax framework of its financial obligations for at least 40 years. If Rabaska comes to be, the company will pay the City of Lévis nearly half a billion dollars and cover all additional expenses related to the project.

"We are very pleased that this clear, strong, and generous agreement was approved by 14 of the City of Lévis' 15 elected officials in attendance last night," stated Rabaska president and CEO Mr. Glenn Kelly. "We worked in close collaboration with the City of Lévis to draw up an agreement that would best meet the expectations of both the city and its residents. The project has just taken a giant leap forward! With this agreement, we have shown that we will, without question, meet our social and economic commitments."

The agreement makes Rabaska one of the top facilities in Quebec in terms of its municipal tax contribution. And while its contribution would represent nearly 5% of City of Lévis revenues, Rabaska would not generate any expenses for the municipality.

**HIGHLIGHTS: TAXES & INFRASTRUCTURES**

*Before construction*

Since the City will incur various expenses in studying the Rabaska project and from its possible implementation, notably for public environmental hearings and the steps it must take with Commission de protection du territoire agricole du Québec (CPTAQ), Rabaska will pay the City \$150,000 as soon as the agreement is ratified to cover all expenses to date. It will then pay \$37,500 per quarter, beginning July 1, 2006.

*During construction*

From the construction start to the beginning of operations, Rabaska will pay \$400,000 per calendar year.

Rabaska will also cover all costs incurred by the City to construct a road providing access to the LNG terminal and other properties beyond Route Lallemand, and to extend the water system along Highway 132 to the eastern edge of the terminal site. This water system will not only serve the terminal, but also properties along Highway 132. The cost of this work is estimated at approximately \$5,850,000.

*During operations*

Once the facility begins operating, Rabaska will pay \$7 million a year for the first five years, \$7.5 million for years 6 to 10, \$8.5 million for years 11 to 15, \$10 million for

years 16 to 20, and \$11 million for years 21 to 50, for a total of nearly \$500 million if the terminal remains in operation for 50 years. This is an average of \$10 million a year.

Rabaska will also pay to acquire the goods and services specifically needed for the project or required by government authorities.

### **HIGHLIGHTS: LOCAL SPINOFFS**

As announced, Rabaska plans to hire local workers and Lévis companies whenever possible, and to use Lévis educational institutions for training purposes, as needed.

During construction, Rabaska's main contractors will be required to use small and medium sized work items whenever possible, invite Lévis bidders to take part in their various calls for tender, and for the same quality, delivery times, and price, choose the supplier with the greatest amount of Lévis content.

Once the terminal begins operations, Rabaska will adopt a formal policy giving precedence to Lévis suppliers. The majority of Rabaska employees will live on the south shore to provide the appropriate oversight.

### **ABOUT RABASKA**

Rabaska is an \$840 million project to build a terminal for tankers transporting liquefied natural gas (LNG). The LNG will then be returned to its gaseous state and used to serve the Quebec and Eastern Ontario markets.

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