



**Press Release
For immediate release**

Farmland protection
UPA AND RABASKA SIGN 20 YEAR AGREEMENT

Lévis, July 9, 2007 – The UPA Kennedy Syndicate and Rabaska today signed a 20 year memorandum of understanding guaranteeing that a maximum of farm and forestland will be protected when the Rabaska LNG terminal is built in Lévis. In addition, Rabaska and *Union des producteurs agricoles* (UPA) have agreed to back the City of Lévis's exclusion application to *Commission de protection du territoire agricole du Québec* (CPTAQ) knowing that the City has suggested that the north section of the property between the Hydro-Québec lines and Route 132 be maintained as a green zone.

"We are delighted with this agreement with UPA officials. It reflects our commitment to make as much land as possible available for farming and thereby minimize the impact on the biological environment in east-end Lévis," noted Mr. Glenn Kelly, president and CEO of Rabaska. "We thank UPA for their close cooperation throughout the discussion process as we sought to identify a solution acceptable to all."

AGREEMENT HIGHLIGHTS

Lease of excess farm and forestland

Rabaska has undertaken to lease to UPA for a nominal fee for the duration of the agreement all farm and forestland north of the Hydro-Québec right-of-way not required for the project, or about 80 hectares in all. UPA will rent the land out in turn to farmers, with priority going to former owners and tenants. Once construction is completed, additional unused Rabaska land to the south between the Hydro-Québec right-of-way and Highway 20 will also be made available.

Rental revenues will be used to create a farm and forestland development fund for unimproved lands and young farmers and forest producers in Lévis. Rabaska will contribute \$2,000 a year to the fund, which will be managed by UPA.

In addition, Rabaska must perform drainage work at its own expense should construction of the terminal notably diminish the productivity of these lands.

Replacement of lost farmland

The advent of the Rabaska facility will result in the loss of about 15 hectares of cultivated farmland, including vegetation screens. After consultation with UPA, Rabaska has agreed to acquire 20 hectares of land in the surrounding area with similar agricultural potential (either uncultivated or with low value forest cover), to deforest the legally permissible area (about 15 hectares), and to plant the land in a similar fashion to the lost farmland.

UPA/Rabaska discussion table

The agreement calls for the creation of a UPA/Rabaska discussion table composed of three UPA members and three Rabaska representatives. In addition, the Public Advisory Committee made up of community and Rabaska representatives will include a UPA-designated member.

Agreement on gas pipeline right-of-ways

Rabaska has also undertaken to negotiate in good faith with UPA regarding technical and financial terms for right-of-ways it plans to acquire. The parties have agreed to base their discussions on the most recent pipeline agreements concluded in Quebec.

Power line routes

UPA and Rabaska have agreed, in their joint discussions with Hydro-Québec, to seek to lessen the impact of power line routes and pylons on agriculture and forestry.

Cancellation of project

The agreement also calls for Rabaska and UPA to ask CPTAQ to reverse any favorable exclusion decision should the project be cancelled, thus guaranteeing to UPA that the land will not be used for any purpose other than that for which the memorandum of understanding was drawn up.

The agreement can be consulted at CPTAQ, on the Rabaska website, or at the Lévis-Bellechasse office of *Fédération de l'UPA*.

About Rabaska

Rabaska is an \$840 million project to build a terminal in Lévis 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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