

## MYTHS AND FACTS – MAY 2016

### BELLEDUNE TANK FARM AND RAIL TERMINAL

*You may have heard:*

**X MYTH:** *CTI will be crisscrossing Quebec with rail cars transporting product to the terminal at Belledune.*

**✓ FACT:** CTI does not own nor operate rail lines in Quebec. CN Rail however has existing railways that currently carry products on a daily basis throughout Canada. CN Rail is regulated by Transport Canada and follows all safety and environmental protocols stipulated by Transport Canada. CN Rail has not yet finalized the route it will use to travel to the *Belledune Tank Farm and Railway System*.

**X MYTH:** *CTI is shipping product to its facility in Belledune and will determine the type of rail cars.*

**✓ FACT:** CTI's customers will determine the rail cars to be used, which will meet the highest standard. CN Rail is responsible for the rail transportation of our customer's products. CTI expects a high quality of services to be provided and that CN will safely ship products on our customer's behalf.

**X MYTH:** *CTI is responsible for transporting products on marine vessels at the Port of Belledune*

**✓ FACT:** CTI is a storage facility. The Port of Belledune is responsible for marine vessels within the boundaries of the Port of Belledune's jurisdiction, which is regulated by Transport Canada along with the Canadian Coast Guard for the safety of all vessels on marine waters. The Port of Belledune is a separate entity from the project and as such operates independently from the project. As a separate entity, the Port of Belledune has the responsibility to have environmental management systems in place that use the International Standards Organization (ISO) as a model. It is also responsible for all marine vessels entering the port and regulated federally by Transport Canada. The Port also adheres to international rules and guidelines such as the International Ship & Port Security Code (ISPS).

**X MYTH:** *CTI is responsible for the transport of vessels outside the Port of Belledune, in the Bay of Chaleur and for marine protection.*

**✓ FACT:** The Belledune Tank Farm and Railway System is not a marine transportation project. The safety of ships coming and going from Canada's ports is regulated by Transport Canada. Marine emergencies are covered by Eastern Canada Response Corporation (ECRC). Every ship entering Canadian waters is required to have an agreement with ECRC and insurance to cover any spill clean-up costs.

**✗ MYTH:** *Construction of the project will be being summer of 2016.*

**✓ FACT:** CTI is still evaluating the project and is awaiting commercial support. CTI does not anticipate that construction will start until, at the earliest, the end of 2016 or beginning of 2017, with completion about 18 months after the shovels are in the ground.

**✗ MYTH:** *CTI will be shipping 1.2 million of barrels of oil in Phase one and up to 3 million barrels in Phase two.*

**✓ FACT:** Phase one of the project will likely consist of a tank farm with storage capability of 1.2 million barrels of oil. There may be a Phase two that could consist of an additional 1.8 million barrels of storage capacity for a total overall storage capacity of 3 million barrels. The amount of product shipped will depend on the size of the marine vessels but will typically vary between 250,000 to 600,000 barrels.

**✗ MYTH:** *Mi'gmaq territory has been excluded from consultations. CTI has not been returning calls to Mi'gmaq representatives.*

**✓ FACT:** CTI initially contacted Gespagegiag First Nation on May 7<sup>th</sup>, 2014. Since that time there have been several documented attempts to connect with representatives at the several First Nation groups. In addition, on January 27<sup>th</sup> a meeting was held with representatives to discuss CTI's project. CTI has followed-up since that meeting but has received no response.

**✗ MYTH:** *CTI has not engaged with the First Nations impacted by the project.*

**✓ FACT:** CTI has been actively communicating and engaging with First Nations in the project area since March of 2014. CTI values our relationships with First Nations and approach communities recognizing the importance of the relationship. CTI is committed to fulfill the conditions set out in the Certificate of Determination (COD), to being a good neighbour over the long term by building strong relationships within the community and to foster an environment of open,

transparent and responsive communication and engagement. Even though we weren't required to engage with other communities, CTI is committed to an open engagement process with all communities to provide information, project updates, answer questions and address all issues and concerns about the project.

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**X MYTH:** *CTI will destroy First Nations lands, territory, water and culture.*

**✓ FACT:** The *Belledune Tank Farm and Railway System* is situated on 250 acres of private land owned by CTI, which has had industrial use for over 50 years. CTI is following all regulatory requirements and industry best practices to identify, manage and mitigate the environmental impacts of its operations. CTI is committed to following all regulations and safety protocols and have developed comprehensive Environmental, Emergency, Management and Security Plans and are following all requirements set out in the Certificate of Determination.

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**X MYTH:** *Quebec has jurisdiction regarding determination of CTI's project.*

**✓ FACT:** CTI's project is not located in Quebec - it is located on 250 acres of land at the Port of Belledune in New Brunswick. The Environmental Impact Assessment that was submitted to Department of Environment and Local Government (DELG) in New Brunswick was reviewed by a panel which included both Federal and New Brunswick Provincial levels of government. The Certificate of Determination was issued on July 17, 2014. CN Rail will be transporting product on its federally regulated railways through Quebec as it does now on a daily basis. The Province of Quebec should communicate directly with CN Rail if it has concerns about CN's safety and operations, which not a part of CTI's project.

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**X MYTH:** *CTI has not had to conduct any environmental studies or impact assessments.*

**✓ FACT:** Chaleur Terminals Inc. (CTI) registered an Environmental Impact Assessment (EIA) for the project on March 11, 2014 with the Sustainable Development, Planning and Impact Evaluation branch of the provincial Department of Environment and Local Government (DELG) of New Brunswick. The Certificate of Determination was issued on July 17, 2014. CTI is following all regulatory and environment requirements. CTI is committed to a high standard of corporate responsibility and take a proactive approach to environmental stewardship. CTI have developed comprehensive Environmental, Emergency, Management and Security Plans and are following all requirements set out in the Certificate of Determination.

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**X MYTH:** *CTI is a former subsidiary of Predator Oil.*

✓ **FACT:** CTI is a New Brunswick company that previously was a wholly-owned subsidiary of Predator Midstream Ltd. Predator Midstream Ltd., was acquired in August 2014 by Secure Energy Services Inc. and is now the parent company of CTI.

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