



MONTREAL MAYOR TELLS ENBRIDGE 'NOT AT ANY COST' FOR 9B PIPELINE

The City of Montreal and the Montreal Metropolitan Community are outraged that Enbridge is not respecting conditions set out in March by the National Energy Board to build the 9B pipeline, and local politicians are urging the Board to force Enbridge to comply.

Montreal mayor Denis Coderre said Friday that the 30 conditions spelled out by the energy board were a bare minimum.

"You can't just pick and choose 25 of the 30 and say you comply," the mayor said at a press conference.

Coderre admitted municipal politicians do not have the legislative tools to block the project if the Energy Board allows it to proceed without compliance.

But the mayor said his only recourse was political and public pressure.

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oversight committee to put the pressure on," Coderre said.

He called the 9B pipeline file a test for the National Energy Board.

"It's a good opportunity for the NEB to show that it has some teeth."

Asked if he had confidence in the Board to do the right thing, Coderre replied:

"It remains to be seen. Let's see what kind of answer they give us."

Using his typical colourful vocabulary, the mayor went on to say:

"If the board responsible for national energy sets out a series of conditions and they are not respected and then they do nothing,

what do we do with the puck?"

Coderre said the Montreal Metropolitan Community is particularly concerned with answers provided by Enbridge on the question of protecting Montreal's waterways, and the emergency measures plan in "at risk" zones

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in the event of a pipeline break. "It's a public safety issue; it's a matter of what kind of society you want to live in."

"If they chose to put up some way of doing things, some process, and you issue a permit," he said. "If those conditions are not completed then come back to me and we'll talk."

The mayor sent his concerns directly to the National Energy Board, with a copy to Federal Natural Resources Minister, Greg Rickford.

Coderre insisted that it's important to note that the city is not opposed to the project in principle.

"We agree with the economic development it could bring," Coderre said.

"But not at any cost."

The National Energy Board gave it's approval to the 9B pipeline in March.

The project reverses the flow of oil through lines in Ontario and Quebec, so that crude from the Alberta oil sands can be sent directly to refineries in those two provinces.

In its decision, the National Energy Board stipulated that Enbridge must verify the integrity of the line, built in 1975, and continue to survey it as long as it is pumping oil.

It may come as no surprise that Greenpeace is applauding the move by the mayor and the Montreal Metropolitan Community.

"We're lucky the city is being vigilant, because the province has been asleep at the switch on this project," said Greenpeace spokesperson Patrick Bonin.

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"They laid out 18 conditions for the use of this pipeline, but have not forced Enbridge to respect any of them." Bonin noted that Enbridge is responsible for an average of 65 oil spills per year.

542 EMPLOYEES OF CANADIAN OIL COMPANY REPORT TO WORK IN FULL BATMAN COSTUMES

Holy caped crusaders! Hundreds wear head-to-toe Batman suits to office to raise money for charity and get a listing in the Guinness Book of World Records.

A Canadian company was briefly transformed into Gotham City.

More than 500 people — 542, to be exact — donned Batman suits

complete with capes and pointy ears before reporting to work at a Canadian oil and gas company in Calgary this week to raise money for charity and to gain entrance to the Guinness Book of World Records.

"We blew apart the old record," organizer Dave Kelly told Canada's Metro. "There was no comparison (to) the greatness that we were."

And while the assembled mass waited for stragglers, they burst into dance moves to the Village People's "YMCA."

So the scene outside the energy giant Nexen's headquarters wasn't just hundreds of Batman costumes, it was hundreds of dancing Batman costumes.

An inspector from Guinness had the caped crusaders stand still for five minutes before bestowing



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LIQUEFIED NATURAL GAS LIMITED (ASX:LNG) SHAREHOLDER PRESENTATION

Liquefied Natural Gas Limited (ASX:LNG) (OTCMKTS:LNGLY) announced that it had agreed to acquire 100% of the issued and outstanding capital of Bear Head LNG Corporation (BHLC) from a

subsidiary of Anadarko Petroleum Corporation (Anadarko), and 100% of the Project Rights associated with a Project Site located in Richmond County, Nova Scotia, Canada (the Transaction) for US\$11.0 million.

The Transaction was finalised on 27 August 2014. The Company raised A\$38.6 million (pre-costs) from US and Australasian institutional investors to primarily fund the acquisition and the development of Bear Head LNG Project.

The Key Assets of BHLC include: The Project Site in Northern Nova

\$1,975,000



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Horse lovers will approve of the large outdoor arena! Surrounding this home are panoramic views of Hidden Lake and valley. Currently, the owner is renting out this property at \$2700/mo. Renters may stay if new owner (s) are inclined to continue.

Excellent potential for a subdivision with neighbors as an optional joint venture. Reports have indicated there is enough lake water for up to 100 houses.

Owner is prepared to personally mortgage up to one million dollars for right the client if need be.

To watch a video on this property:
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Scotia, comprising (i) Land Lot: 180 acres of industrial-zoned land (~800m length x 890m wide) and (ii) Water Lot: 75 acres of land and water covered land (~330m length x 890m wide); and The Project Rights in relation to the previously proposed LNG import terminal at the Project Site, including all assets, rights and obligations associated with the Bear Head project.

Plans to transform the Bear Head LNG Project (Bear Head) into a 4 mtpa LNG export facility with potential for future expansion.

LNGL has already developed a gas supply plan and a transportation plan, and has interest from several parties to enter into Tolling Agreements, adopting the same business model as the Magnolia

LNG Project in Louisiana, USA. Bear Head acquisition is consistent with LNG Limited's strategy of acquiring sites in North America where the Company can replicate its Magnolia LNG Project and fast-track development by using existing LNG Limited development team and OSMR(R) LNG technology.

BURNABY'S TRANS MOUNTAIN PIPELINE INJUNCTION REJECTED BY B.C. COURT

City of Burnaby was seeking to prevent Pipeline Company from cutting trees. The City of Burnaby's application for a temporary injunction to stop Kinder Morgan cutting trees for survey work on Burnaby Mountain has been rejected by

a B.C. Supreme Court Judge. The judge in the case has not yet issued the reasons for the decision. Those could be issued next week.

The city was seeking the temporary injunction while it prepares for an upcoming court case challenging the company's right to cut trees in the conservation area as part of its survey work for a new route for its existing Trans Mountain Pipeline.

The company has proposed rerouting the existing pipeline by tunnelling under the mountain to reach its terminal near Burrard Inlet.

The City of Burnaby has been a staunch opponent of the Trans Mountain expansion—a \$5.4-billion project to nearly triple the flow of bitumen and other oil products from Alberta along a pipeline to a terminal in Burnaby.

CANADA, SOUTH KOREA EMBRACE OVER ENERGY

Harper's government is trying to woo energy-hungry Asian markets.

A joint declaration from the Canadian and South Korean governments said the depth of their bilateral relationship extends well into the energy sector.

Canadian Prime Minister Stephen Harper met in Ottawa with South Korean President Park Geun-hye to sign documents establishing a strategic partnership and celebrating the March signing of a free-trade agreement.

"This partnership will lay out a strategic direction for stronger

relations in key areas of common interest including energy and natural resources, science, technology and innovation, and Arctic research and development," their Monday declaration read.

Harper has tried to diversify an export economy that relies almost exclusively on the United States as its destination for oil and natural gas. The March free-trade deal with South Korea was Canada's first with an Asian power.

Both leaders during their Monday visit in Ottawa signed an agreement to develop deeper relations in energy technology and industry collaboration "in strategic areas of mutual interest."

South Korea is the second-largest importer of liquefied natural gas in the world. For Harper, LNG shipments from the western Canadian coast are an opportunity for diversification.

FIRST NATIONS SHARE NORTHERN GATEWAY PIPELINE ALLY IN PRENTICE

Jim Prentice, soon to be Alberta's 16th premier, has worked for years to earn the trust of two warring camps in the battle to build an oil pipeline to the west coast: the energy industry and Canada's First Nations. Now he faces a conundrum: how to get those camps to trust each other.

"One of the great public policy failures in Canadian history was the failure to actually execute land claim treaties and, in a sense, titlement, in British Columbia over of course of the last 150 years," Mr. Prentice said in

May, 2011, addressing the difficulties Northern Gateway faces. "And so the reality on the ground is that the constitutional and legal position of the First Nations is very strong."

More recently, Mr. Prentice argued during the race to lead Alberta's Progressive Conservative Party that he was the candidate who could make the pipeline happen. He won that race Saturday, and now must show how he plans to move the stalled pipeline plan forward. Northern Gateway plans to take Alberta oil to Kitimat, B.C., where it would be loaded on to tankers

and shipped to customers in Asia — a key new market for energy companies operating in Canada.

Art Sterritt, executive director of B.C.'s Coastal First Nations, said Mr. Prentice understands that members of his alliance are after more than money. They want the industry to come up with better techniques to clean up potential oil spills on their territories and the waters of the Pacific before they talk money and consider budging on their opposition to the \$7.9-billion project.

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working with First Nations out of Alberta that we've seen yet," Mr. Sterritt said of Mr. Prentice. "His understanding of what our issues are and his ability to move industry as opposed to what other people have been able to do" could open the door for more negotiating, he said. Mr. Sterritt has repeatedly met with Mr. Prentice.

But other First Nations in British Columbia opposed to Northern Gateway don't see how Mr. Prentice can build bridges between all sides. Ellis Ross, the Haisla Nation's chief councillor, said he has never met with Mr. Prentice, or Enbridge to discuss economic terms, or former Alberta premier Alison Redford, who also pushed hard for the pipeline. There's too much unfinished business with B.C. and the federal government regarding First Nations rights and titles to bother meeting with Alberta's premier, even if it's Jim Prentice, Mr. Ross said.

"The issue around the crude oil pipeline has got to do with the impact of crude oil on the environment. And for that, the duty of that consultation, lies with the Crown – and in our case, that means the government of B.C. And in the pipeline respect of Enbridge, that means with the government of Canada," he said. "It really has got nothing to do with the premier of Alberta."

The energy sector believes Mr. Prentice could get a deal done.

John Carruthers, Northern Gateway's president, believes Mr. Prentice could convince First Nations to back down. "I would

agree that he could very well deal with them," he told reporters last week. But, at the same time, he also conceded the pipeline is unlikely to be moving oil by 2018 as planned, saying more time is required to cut deals with First Nations.

Enbridge in March appointed Mr. Prentice as a liaison between the company and First Nations, a post he quit in order to run for the Alberta PC leadership. Previously, he was the former federal cabinet minister for aboriginal affairs, industry and environment.

The pipeline's potential shippers also have faith Mr. Prentice can pull off what no other political or industry leader has been able to accomplish.

"Mr. Prentice has a good focus on what needs to be done for development of our resource for the benefit of all of Canada," Ivor Ruste, Cenovus Energy Inc.'s chief financial officer and a board member at the Canadian Association of Petroleum Producers, said at a conference in Toronto Tuesday. "Getting pipeline and transportation access to markets should be on the top of his list. And he has indicated he understands that."

LNG, HYDRO PROJECTS DRIVE ATLANTIC CANADA'S \$52 BILLION IN PROJECT SPENDING, AN INDUSTRIAL INTO NEWS ALERT

Researched by Industrial Info Resources (Sugar Land, Texas) -- Atlantic Canada has the smallest total investment value (TIV) of any region in Canada, but several of

its projects are among the most watched in the nation. Industrial Info is tracking \$52.38 billion in active and unconfirmed projects in the region, all but a small portion of which are in the Oil & Gas Production, Metals & Minerals, and Power industries. Only about \$366 million are expected to kick off before the end of the year, but a little more than \$14 billion are expected to kick off between March 2015 and April 2016.

Within this article: Details on key projects from major companies, such as Pieridae Energy Limited, Spectra Energy (NYSE:SE), Nalcor

Energy, Vale S.A. (NYSE:VALE), Fluor Canada Limited (NYSE:FLR) and AltaGas Income Trust.

FROM CANADA WITH PIPELINES

Canada got rid of its version of master limited partnerships, known as trusts, years ago. But the MLPs sponsored on the US side of the border by Canadian pipeline companies have been red hot of late, fueled by speculation that their parents will accelerate asset dropdowns.

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Last week, TC PipeLines (NYSE: TCP) outperformed all other MLPs, rising more than 20%. Another partnership sponsored by a Canadian midstream giant, Enbridge Energy Partners (NYSE: EEP), rallied 10%.

TC PipeLines is an affiliate of TransCanada (NYSE: TRP, TSE: TRP). The TransCanada's network of natural gas pipelines, cover more than 35,000 miles throughout Canada, the US and Mexico. TransCanada also has approximately 400 billion cubic feet of natural gas storage capacity.

TransCanada's assets include the Keystone Pipeline system that transports oil from the oil fields of Alberta and North Dakota to refineries in the US. But most people are familiar with TransCanada because of its proposed Keystone XL pipeline expansion project. This pipeline has run into fierce opposition from global warming activists, delaying the required US State Department approval.

TransCanada shares have continued to rally over the past week as rumors emerged that several activist hedge funds are viewing the company as a break-up candidate to unlock shareholder value. This was also apparently the catalyst behind TC Pipelines' 15% surge late Friday, although traders tempered their enthusiasm Monday, discounting the stock 6%.

Enbridge Energy Partners is sponsored by Calgary-based Enbridge (NYSE: ENB, TSE: ENB). Enbridge provides the single largest conduit of crude oil into the US,

moving 13% of US crude imports.

Enbridge Energy Partners has thousands of miles of oil and gas pipelines, and a dominant position in the Bakken. Of the 583,000 barrels per day (bpd) of pipeline export capacity from the Bakken in 2013, Enbridge Partners owned 355,000 bpd (61 percent). EEP also has a major presence in Texas, moving 15% of Texas natural gas production via its 11,200 miles of natural gas gathering and transmission pipelines, 26 processing plants and 10 treating plants.

EEP surged last week on Enbridge's proposal to sell to it for \$900 million in cash and equity the US portion of the Alberta Clipper crude pipeline linking Alberta to Wisconsin. The deal would be immediately accretive to EEP's distributable cash flow following the summertime restructuring of the incentive distribution rights it pays to Enbridge.

Meanwhile, last week's two biggest losers were partnerships we have been skeptical of in the past. Viper Energy Partners (NASDAQ: VNOM) dropped 12% for the week. VNOM is a spinoff from rapidly-growing Permian Basin oil producer Diamondback Energy (NASDAQ: FANG), and its initial public offering on June 18 generated very strong demand.

Viper Energy Partners has a business model that hadn't been attempted previously with an MLP. The partnership owns mineral rights on 14,804 acres in the Permian Basin, with an average 21% royalty interest on the oil and gas production. It intends to grow distributions by

acquiring additional mineral rights.

The IPO was projected to price near \$20. But demand proved extremely strong, and units priced at \$26, opened at \$31.50, then jumped above \$34 during the first morning of trading. We warned readers on June 24 (Stingy Viper Soars, Foresight Found Lacking): "Given the commodity risk associated with Viper Energy Partners' business model and the now paltry 3.2% yield, this security could prove quite poisonous should commodity prices fall or interest rates rise."

The good news is that the projected yield has since risen to 4.2%. That bad news is that this is because the unit price has dropped 18% since the IPO, the decline accelerating last week after the partnership announced a secondary offering of 3.5 million units.

The second biggest loser of the week was Eagle Rock Energy Partners (NASDAQ: EROC). Nearly every month during the joint monthly web chat for subscribers of The Energy Strategist and MLP Profits, someone asks if EROC is a bargain. The unit price has steadily eroded

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since topping out above \$12 in 2011. We have been asked whether this looked like a value at \$10, \$8, and \$5 (in the July 8th chat), but our advice has been to wait and see before jumping into this one. This is a case where we lost faith in management's guidance, and once that happens the trust must be earned back.

Investors pummeled EROC after it announced in April that it was temporarily suspending distributions, and the free-fall continues. Last week EROC shed another 7.7%, and is now down 34.6% year-to-date, making it the biggest loser among MLPs thus far in 2014.

But EROC has a number of producing oil and gas wells in some of the most productive regions of the country. There is value here, but it will take a few more quarters of stable financial performance before I would be comfortable taking a position. For now, the partnership remains too risky for most MLP investors.

SHELL CANADA: OIL-SANDS MINES MAY NOT MEET WASTE TARGETS

The Head of Royal Dutch Shell's Canada Unit Calls for Greater Regulator Flexibility

The head of Royal Dutch Shell RDSA.LN -0.29% PLC's Canadian unit Wednesday said the company may not be able to meet promised targets for reducing toxic wastes from oil sands and called for greater regulatory flexibility.

Shell, which operates two major oil-sands surface mines in northern Alberta, had committed to cutting the amount of waste generated by its heavy-oil extraction projects in Canada. But the company and other producers have struggled to meet reduction targets mandated by the government and now face the prospect of penalties if those goals remain unmet.

"It's going to be very challenging" to achieve mandated reduction targets next year, said Lorraine Mitchelmore, president of Shell Canada Ltd.

Growth in natural gas and oil sands is a core focus for the energy company, she said, adding the company is committed to its operations in Canada as a "multi-decade opportunity."

Ms. Mitchelmore said Shell hopes to link inland sources of natural gas to a proposed liquefied natural gas export terminal on Canada's Pacific coast, though the company hasn't made a final investment decision yet.

She also said Shell's Canadian oil-sands operations meet the company's internal yardstick for profitability as long as prices of Brent crude remain above the \$70 mark.

The company has had less success in reducing the environmental impact of wastes generated by its oil sands operations, even though Shell says it has reduced the intensity of its greenhouse gas emissions and use of fresh water.

Alberta's Energy Resources Conservation Board, the province's chief regulatory authority, last year

said Shell's two oil-sands mines and two others owned by rivals, Suncor Energy Inc. SU -2.42% and Syncrude Canada Ltd., each failed to meet cleanup goals in at least one of two cumulative periods measured.

It found that not only did the amount of waste generated not go down, but actually increased in line with greater oil-sands production. The report followed-up on a policy implemented in 2009 known as Directive 74, which laid out specific targets for reducing oil sands wastes and reclaiming waste-storage ponds in the boreal forests where the industry is centered.

The regulator waived penalties, citing industry progress in introducing new technology, but warned operators to make up any shortfalls and said it would "assess enforcement options" in a follow-up report due in 2015.

That move angered environmental groups and raised questions about the province's commitment to reducing or eliminating so-called tailings ponds of fluid waste.

Oil-sand wastes, which are toxic in high concentrations, are a byproduct of mining when bitumen, or heavy oil, is separated from clay, sand and silt. The tailing ponds where wastes are collected have become a magnet for critics, who say they are an eyesore and dangerous to wildlife.

Ms. Mitchelmore said Shell and other oil-sands strip-mine operators have urged Alberta's government to ease requirements to allow the industry more time and flexibility. "Prescriptive regulation puts you in a box," she said.

Last year, then-premier Alison Redford said fluid tailings growth would be halted by 2016 and that tailing ponds would "disappear from Alberta's landscape in the very near future."

Industry executives say that is not realistic. Ms. Mitchelmore said tailings may be eliminated one day, but not anytime soon. "Timeline? I don't know," she said.



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