

SAFETY AND PREPAREDNESS: BELLEDUNE RAIL EXPORT TERMINAL

DUE DILIGENCE: HISTORY

DECEMBER 2013: Research indicated that the Port of Belledune (Port) had accommodated a tank farm, leased and operated by oil majors which stored, received, and shipped liquid bulk petroleum products for over a period of 35 years from original installation.

FEBRUARY 2014: Site visit to ensure Port was safe, up to standards and visual of safety equipment

MARCH 2014: Developed Environmental Impact Assessment (EIA) with mitigation on various aspects of the project

MARCH - JULY 2014: Provincial and Federal government on EIA technical review committee. Submitted draft security, environment and emergency plans. Various meetings to inform mayors, Ministers (provincially and federally) and other rights holders and stakeholders groups

APRIL 2014: Open House outlining safety planning and mitigation with CN Rail, Port, RJ Bartlett (fire safety), Roy Consultants

AUGUST 2014: Developing Emergency Response Assistance Plan (ERAP)

SEPTEMBER 2014: Consultants conducted a mock safety exercise at the Port

OCTOBER 2014: Submitted Oil Pollution Emergency Plan to Transport Canada for approval

NOVEMBER 2014: Finalizing for sign-off from Provincial regulator on security plans

FUTURE

ONGOING: Railroad emergency response training across CN network. In collaboration with local fire departments, CN is organizing training sessions for first responders associated with this project:

DECEMBER 2, 2014: in Mont-Joli for Quebec municipalities

JANUARY 21, 2015: in Belledune for northern New Brunswick municipalities

ONGOING: Comply with fire requirements and conduct annual drills, as directed by regulations. Ensure employees and contractors are current with all required safety and emergency training and that equipment is fully operational.

The safety of our employees, contractors and the public are our top priorities during planning, construction and throughout the life of the project. We are committed to taking a proactive approach to environmental stewardship. We adhere to all regulatory requirements and industry best practices to identify, manage and mitigate the environmental impacts of our operations.

1 RAIL FACILITY SAFETY

CTI recognizes that the transportation of petroleum products by rail is a concern to some residents due to recent events. Over the last year the industry and all levels of government have reviewed legislation and policy regarding the safe transportation of petroleum products.

Transport Canada is responsible for regulating the safe operation of railways under the Railway Safety Act (RSA) and for regulating the transportation of dangerous goods under the Transportation of Dangerous Goods Act (TDGA) and Regulations. CTI commits to adhering to all requirements of this legislation and will obtain all necessary permits or authorizations required under this legislation for the safe transport of petroleum products by rail. CTI is also in the process of preparing the ERAP.

In addition to the requirements of the RSA, CN has reviewed and will approve the technical aspects of the rail facility of the project, prior to construction to ensure that all safety and technical requirements are adhered to. Once final approval is granted, CN will provide CTI with the applicable Industrial Track Agreements. CTI has designed the rail system with this in mind and will meet all applicable requirements.

Over and above Transport Canada current regulations, CN has indicated that they will stipulate additional infrastructure and/or specifications above current regulations of the Industrial Track standards.

Only railcars that meet the highest and latest standards will be used by CTI on this project. CTI recognizes that issues and concerns have been raised around the shipping of producing in DOT-111 tanks cars, however there are several varieties of these cars and the Department of Transport and the Pipeline and Hazardous Materials Safety Administration now requires that all Class 111 tank cars used to transport flammable liquids meet enhanced protection standards that significantly reduce the risk of product loss if these cars are involved in an incident. CTI will only use the latest standard railcars.

2 RAIL FACILITY AND TANK FARM

CTI is responsible for the facility's rail system. The rail system within the terminal facility will consist of just less than 18km of tracks with an inner loop, middle loop and outer loop, including unloading tracks located on the 250 acres of secured land at the Port.

3 PORT AND WATER BODIES

CTI is committed to a high standard of corporate responsibility and takes a proactive approach to environmental stewardship — incorporating best practices to identify and mitigate the environmental impact of our operations.

As part of the Emergency Management and Response Plan for this project, CTI is developing Spill Prevention and Response and Reporting Protocols. This plan will include standards for spill prevention protocols to ensure safe transporting and unloading of petroleum products within the project property and will meet or exceed regulatory standards (ISGOTT, TERMPOL, OCIMF, IMO).

As an oil handling marine terminal, CTI is required to establish and maintain a comprehensive Oil Pollution Emergency Plan. The purpose of the Plan is to ensure:

- as an operator of a designated oil handling facility (OHF), Belledune Terminal has on site an emergency plan which lists the procedures, equipment and resources which must be available to adequately address from an initial response perspective the probable spill scenarios from the unloading of oil from ships;
- that adequate expectations and systems exist to ensure the appropriate training of response personnel;
- that adequate expectations and systems exist to ensure the appropriate exercising of the personnel and equipment to be able to confidently execute the plan;
- that there are clearly defined roles and accountabilities for maintenance and continuous improvement of the plan;
- the effective integration with Belledune Port Authority Contingency Plan, Canadian Coast Guard Atlantic regional oil spill response plan, NB Power emergency plan, Village of Belledune emergency plan, Irving Oil emergency spill response plan, others.; and
- the effective integration with systems and plans of Eastern Canada Response Corporation (ECRC).

CTI has also had discussions and made arrangements with the ECRC who will assist if an incident occurs along the route, at the project site or within or around any water bodies. The ECRC is funded by each ton transported in Canadian waters. The Port also has an Environmental Management System using the International Standards Organization as a model. Every ship entering Canadian Waters is required to have an agreement with ECRC and insurance to cover any spill cleanup costs.

SAFETY RESPONSE: SUMMARY

AREA	FIRST RESPONDER	SECOND RESPONDER	THIRD LINE OF DEFENSE
RAIL ROUTE	Local Fire Department - Municipal	CN, ECRC Spill Response Contractor - Sutherland Excavating Ltd.	Eastern Canada Response Corporation - Dartmouth Response Center
RAIL AND TANK FARM	Chaleur Terminals	ECRC Spill Response Contractor - Sutherland Excavating Ltd. Local Fire Department - Belledune	Eastern Canada Response Corporation - Dartmouth Response Center
PORT AND BAY	Marine Spill Responder - Sutherland Excavating Ltd.	Eastern Canada Response Corporation and Local Fire Department - Municipal	Coast Guard

POTENTIAL RISKS AND MITIGATION: SUMMARY

RAIL FACILITY AND TANK FARM	
POTENTIAL RISKS	MITIGATION
SAFETY	CTI will have on site a workplace safety manual and Emergency Management and Response Plan and will ensure that all workers are familiar with the protocols.
INTEGRITY OF THE RAIL	Regulated by Transport Canada with CN Rail stipulating additional infrastructure and / or specifications over and above Transport Canada's current regulations as per Industrial Track standards. CN Rail is responsible to sign off prior to the start of operations.
SPILLS	As part of the Emergency Management and Response Plan for this project, Chaleur Terminals Inc. is developing Spill Prevention, Response and Reporting Protocols. These will be based on, and will meet or exceed, regulatory standards. A corporate ERAP is currently being developed.
LEAKS / SOIL CONTAMINATION	Secondary containment will consist of an earth berm and High Density Polyethylene (HDP) Liner with a capacity of one full tank plus 10% of the aggregate of the others. HDP Liner will be used under unloading stations to catch any drips that may occur.
FIRE	Firefighting foam inventory will be on site. Fire detection and protection system for tanks and rail cars. A fire protection pond will be used as a back-up water supply.
SAFETY	Stringent safety protocols will be adhered to as per the Emergency Management Plan and Emergency Response Plan.

PORT AND WATER BODIES	
POTENTIAL RISKS	MITIGATION
LEAKS - LAND	Leak detection and automatic shut off with motorized valves will be used.
LEAKS - WATER	<ul style="list-style-type: none"> • Automatic shut-off breakaway couplings. • Floating boom deployed and containment berm installed at product transfer area. • Emergency spill response equipment will be stored on site. • Certified ECRC spill response contractor will be available to provide emergency response services with a 5 minute response time.

CONTACT US

RAIL FACILITY AND TANK FARM: 1 (844) 320-6566 info@chaleurterminals.com

PORT OF BELLEDUNE: Wynford Goodman 1 (506) 522-1201 www.portofbelledune.ca.

CN: 1 (888) 888-5909 contact@cn.ca www.cn.ca/en/delivering-responsibly/safety