

Nautical Energy

Methanol Project

Made-in-Alberta Petrochemicals Diversification Program

Project Highlights

Nautical Energy plans to build a \$2-billion methanol plant south of Grande Prairie. The first of three phases of the project is expected to begin construction in 2020 and operations in 2022.

The first phase of the project has an anticipated initial capital investment of nearly \$800 million and will convert 100 million cubic feet per day of Alberta's natural gas (methane) into methanol, a value-added liquid product used to make fuels, electronics, antifreeze, and construction materials.

Nautical Energy's first facility, to be located 10 km south of Grande Prairie, will produce a million metric tonnes of methanol annually for domestic and export markets, and can be shipped via rail to the Port of Prince Rupert for export to Asia.

Funding

Alberta will provide up to \$80 million in royalty credits toward phase one of the project through the Petrochemicals Diversification Program.

Job Creation (Phase 1)

1,000 jobs

and more while under construction

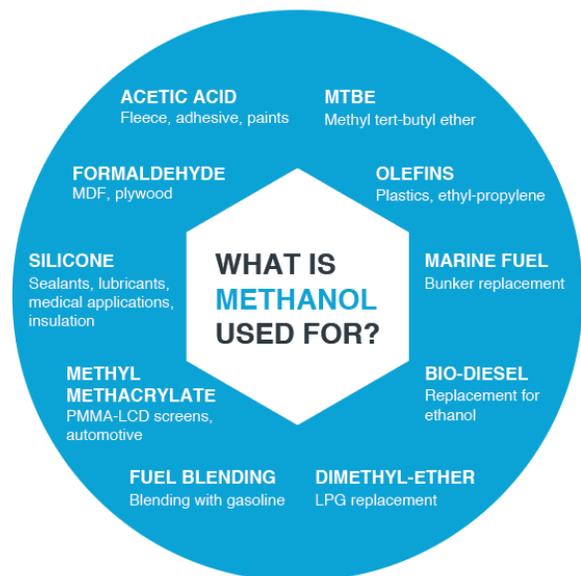
100 jobs

and more that are permanent when it is up and running



What is methanol used for?

Methanol is used in a variety of everyday products such as windshield washing fluid, fleece, construction material, sealants, and electronics. It is also used for growing market areas such as bio-diesel, fuel blending and plastics.



Industrial neighbours

The project will optimize neighbouring infrastructure to reduce its ecological footprint by 50 per cent compared to traditional facilities of this scale.

Western Cree Tribal Council

Nautical Energy has signed a Memorandum of Understanding with the three member nations of the Western Cree Tribal Council - Duncan's First Nation, Horse Lake First Nation and Sturgeon Lake Cree Nation, for potential future investment and employment opportunities.

Learn more at alberta.ca/made-in-alberta.aspx

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MADE IN



Made-in-Alberta Energy Strategy

The government's Made-in-Alberta energy strategy builds on Alberta's energy strengths by building more bitumen upgrading and petrochemical processing facilities to get more value from our resources.

These programs are expected to attract up to \$25 billion in private investment, support as many as 20,000 construction jobs, hundreds of operational jobs, and secure our energy future through innovation and diversification. The Made-in-Alberta Energy Strategy includes:

- Up-to \$1.1 billion in royalty credits for a second round of the Petrochemicals Diversification Program
- Up-to \$1 billion in loan guarantees and grants to establish a Petrochemical Feedstock Infrastructure Program
- Up-to \$1 billion in loan guarantees and grants to initiate a Partial Upgrading Program

Diversifying

The Government of Alberta is providing support for the Nautical Energy's methanol project through the second round of the Petrochemicals Diversification Program.



This program was created as part of the Made-in-Alberta energy strategy to create jobs, attract investment and diversify Alberta's economy. The program offers future royalty credits to companies that invest in the development of new Alberta petrochemical facilities.

Building on Alberta's large supply of natural gas and natural gas liquids, the program capitalizes on a growing global demand for related high value products and promotes increased processing in Alberta.

Rounds One and Two

Two projects were approved under the first round of the Petrochemicals Diversification Program. The projects are expected to result in more than \$8 billion in new private investment and create up to 5,300 jobs during construction and 380 permanent jobs. The second round was announced in 2018 with \$1.1 billion in available royalty credits.

Benefits

- Attracts investment
- Creates jobs
- Expands market reach with more products
- Diversifies Alberta's economy

Royalty Credits

While petrochemical facilities do not directly benefit from royalty credits as they do not pay royalties, the credits earned can be sold or traded to an oil sands or natural gas producer. Nautical Energy can use these credits to offset the cost of building its project. There is no upfront cost to taxpayers and no credits are awarded to the companies until the successful petrochemical plants are built and operational.

Benefits to Albertans

The \$2.1-billion in program funding under round two of the Petrochemical Diversification Program and the Petrochemical Feedstock



Infrastructure Program is expected to attract up to \$20.6 billion in private and create as many as 15,500 construction jobs and an additional 1,000 permanent jobs.

[Learn more at alberta.ca/made-in-alberta.aspx](https://alberta.ca/made-in-alberta.aspx)

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