



August 12, 2013

## **MEDIA ADVISORY**

### **NOTIFICATION OF FRANCHISE AGREEMENT**

**INUVIK, NT** -- Inuvik Gas Ltd. and the Town of Inuvik have provided one year's notice to each other that they will not renew the Franchise Agreement which ends August 2014. Inuvik Gas is fully committed to continuing to deliver safe and reliable gas service to its customers for the coming year.

Inuvik Gas is and will continue to work directly with the Town of Inuvik and the Government of the Northwest Territories over the next year to explore options that continue to use the existing distribution system that has delivered safe and reliable energy to heat customer's homes and businesses.

For more than 14 years, Inuvik Gas has served the Town of Inuvik under its existing Franchise Agreement. Customers have saved more than \$30 million over the term of the Franchise as a result of the lower cost of natural gas. Without local access to natural gas or a long-term fuel supply solution, Inuvik Gas is unable to enter into a new long-term Franchise Agreement.

"When Inuvik Gas was established, it was expected that the Mackenzie Valley Pipeline would be built within several years. Unfortunately, there is no infrastructure in place to ensure continued access to natural gas after the Ikhil wells are depleted," said Kevin MacKay, General Manager, Inuvik Gas. "One well at Ikhil stopped producing in 2011 and the reserves from the other well are depleting. Despite this, we have maintained our commitment to the community throughout the term of the Franchise and will continue to do so for the coming year."

Inuvik Gas supplemented the diminishing natural gas supply by investing in a Synthetic Natural Gas (SNG) system with the same clean-burning characteristics of natural gas.

Inuvik Gas has assured the Town that customers will continue to receive safe, reliable delivery of gas over the winter and to the end of the Franchise Agreement in August 2014.

Updates will be provided at a Town Hall meeting tentatively set by the Town of Inuvik for September.

For more information, please contact:

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