

Media Advisory

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INUVIK GAS RECEIVES FINAL RESERVE REPORT FOR IKHIL POOL

Inuvik Gas Ltd. (IGL) and the Ikhil Joint Venture (IJV) today announced that they have received a final reserve report for the Ikhil natural gas pool. The report confirms the remaining recoverable reserves are significantly less than originally anticipated. At current production rates, the pool has been estimated to have a likely reserve life of 1.2 years, with the possibility that reserves could last up to 2.3 years. However, as with any reserve analysis, uncertainty exists and the reserve life could be significantly less.

“The report confirms the value of the work that the IJV, IGL and other stakeholders have undertaken to develop a short-term plan to extend the life of the reserve and to put an emergency backup system in place,” said Kevin MacKay, General Manager, Inuvik Gas.

Since 1999, two wells located 50 km northwest of Inuvik at Ikhil, have supplied natural gas to IGL for customers in the Town of Inuvik. In addition, these two wells also supplied natural gas to the Northwest Territories Power Corporation (NTPC) to generate electricity in Inuvik.

In November 2010, one of the two wells at Ikhil ceased to produce due to water entering the well bore. Since that time, a number of technically advanced studies have been conducted to determine the remaining gas supply at Ikhil.

In December 2011, the NTPC announced that it would be reducing demand on the Ikhil reserves by switching to existing diesel generators. The lifespan of the pool is based on forecasted production which takes into account reduced consumption by the NTPC.

“Together with the Town of Inuvik and the Government of the Northwest Territories, we continue to pursue options to secure a long-term natural gas supply solution for the town and for the NTPC,” said MacKay.

Meetings with representatives from the Federal Government to discuss continued gas supply for the Town of Inuvik are taking place this week.

For more information, please contact:

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Inuvik Gas Ltd. distributes natural gas to approximately 900 commercial and residential customers in the town of Inuvik in the Northwest Territories. Two wells at Ikhil, located 50 kilometres northwest of Inuvik on the Mackenzie River, supply Inuvik Gas Ltd. and the Northwest Territories Power Commission. Inuvik Gas Ltd. and the Ikhil Joint Venture are owned by the Inuvialuit Petroleum Corporation, AltaGas Ltd. And ATCO Midstream NWT Ltd.