



Energy, Mines and Resources  
**Oil and Gas Resources**  
 Box 2703 K-11  
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**Construction Authorization**  
**For LNG Facility Licence No. 1140-0**

*Yukon Oil and Gas Act*  
*Gas Processing Plant Regulation OIC 2013/162 ("GPPR")*

Effective Date: July 11, 2014  
 Amended: November 25, 2014  
 Construction Period July 11, 2014 to May 31, 2015

Pursuant to the *Oil and Gas Act*, Section 19 of the GPPR, and subject to the terms and conditions contained herein, the Licensee is hereby approved to proceed with construction.

**PARTICULARS**

Licensee: Yukon Energy Corporation  
 Identification Code: 522472  
 Address: PO Box 5920, Whitehorse, Yukon, Y1A 6S7  
 LNG Facility Licence: No. 1140  
 Facility Name: The Whitehorse Diesel - Natural Gas Conversion Project (the "Facility")  
 General Construction Contractor(s): Allnorth Consultants Limited  
 Name of Licensee's Agent<sup>i</sup>: Janna Gillick P.Eng, Allnorth Consultants Limited

**DESIGNS AND SPECIFICATIONS SUBMITTED:**

Description	Revision #	Latest Revision Date
Project Quality Management Plan, Allnorth	0	December 4, 2013
Winterization Philosophy, 141021-YEC	0	October 21, 2014
Design Basis Memorandum – Civil, KGS Group,	0	May 29, 2014
Design Basis Memorandum – Structural, KGS Group,	0	May 29, 2014
Design Basis Memorandum – Electrical, KGS Group,	0	June 4, 2014
Design Basis Memorandum – Instrumentation, KGS Group,	0	June 4, 2014
Design Basis Memorandum – Mechanical, KGS Group,	0	June 4, 2014
Design Basis Memorandum – LNG, GP Strategies	N/A	March 2014
Equipment Data Sheets (424 pages)	N/A	June 6, 2014

<sup>i</sup> Pursuant to Section 20(1)(b) of the GPPR  
*Yukon Oil and Gas Act, Gas Processing Plant Regulation*

<b>Description</b>	<b>Revision #</b>	<b>Latest Revision Date</b>
Major Equipment Design Specs, Cryogenic Experts Inc, Quote Q104-14	N/A	April 1, 2014
LNG Storage Vessel Design Specs, Taylor-Wharton Cryogenics, #1755	3	January 15, 2014
Inspection and Test Plan, Taylor-Wharton (Beijing) Cryogenics	N/A	June 16, 2014
Inspection Schedule, Taylor-Wharton (Beijing) Cryogenics	N/A	June 26, 2014
Sump Pumps Technical Specification, KGS Group,	0	June 4, 2014
Factory Acceptance Test Forms	N/A	June 16, 2014
Piping and Instrumentation Diagrams M01 to M08, GP Strategies,	5	June 4, 2014
Scope of Work – Civil Works, YEC, SPEC_CIV-SPC, Civil Works	2	May 29, 2014
Scope of Work – Mechanical & Electrical Works, YEC, SPEC_SOW-Mech_Rev 1 and SPEC_SOW-Elec_Rev 1	1	October 6, 2014
Scope of Supply and Services – Communications and Control, YEC, 1826-SOS-C&C	0	June 18, 2014
Control Narrative Table, YEC,	1	June 6, 2014
Confidential Flow Model, GP Strategies	5	June 2, 2014
Process Skid General Arrangement, GP Strategies	2	June 4, 2014
Cause and Effect Glycol Loop, YEC, ELEC_LST-004	0	June 4, 2014
Cause and Effect Diagram, YEC	0	June 3, 2014
Civil Site Layout, KGS Group, DWG_WG0-D-C100-01	0A	June 10, 2014
Civil Site Surfacing Plan, KGS Group, DWG_WG0-D-C201-01	2	May 13, 2014
Civil Site Grading Plan, KGS Group, DWG_WG0-D-C202-01		July 4, 2014
Miles Canyon Road E Ditch, KGS Group, DWG_WG0-D-C203-01	2	July 4, 2014
Miles Canyon Road W Ditch, KGS Group, DWG_WG0-D-C204-01	2	July 4, 2014
Structural Partial General Arrangement, KGS Group, DWG_WG0-D-S003-01	3	May 29, 2014
Structural Concrete Notes, KGS Group, DWG_WG0-D-S100-01	3	May 13, 2014
Structural Impoundment Pit, KGS Group, DWG_WG0-D-S101-01	6	July 14, 2014
Structural LNG Impoundment GPS Skid & Truck Offloading, KGS Group, DWG_WG0-D-S102-01,	6	August 11, 2014
Structural E-House, Fluid & LNG Utility Module, KGS Group, DWG_WG0-D-S103-01	5	August 14, 2014



<b>Description</b>	<b>Revision #</b>	<b>Latest Revision Date</b>
Structural Transfer Trench Impoundment Plan, WG0-D-S109-01	0	June 25, 2014
Structural LNG Storage Tank Pedestals, KGS Group, DWG_WG0-D-S106-01	2	May 29, 2014
Structural LNG Impoundment Sections & Details, KGS Group, DWG_WG0-D-S302-01	6	August 11, 2014
Structural LNG Storage Tank Pedestals Sections & Details, KGS Group, DWG_WG0-D-S306-01	2	May 13, 2014
Electrical Heat Trace Control Panel Schedule, WG0-D-E201-01	1	October 14, 2014
Electrical LNG Utility Module Schematic and Wiring Diagram – 120/208 VAC Panel, WG0-D-E300-03	1	October 14, 2014
Electrical Substation S151 Grounding Plan, KGS Group, DWG_S151-D-E400-03	4	October 2, 2014
Electrical Site Lighting Plan, KGS Group, DWG_WG0-D-E400-01	5	October 14, 2014
Electrical Area Classification Plan – Composite, KGS Group, DWG_WG0-D-E401-01	0	June 4, 2014
Electrical Area Classification Plan – Impoundment, KGS Group, DWG_WG0-D-E401-02	0	June 4, 2014
Electrical Area Classification Details – Sht 1, KGS Group, DWG_WG0-D-E401-03	0	June 4, 2014
Electrical Area Classification Details – Sht 2, KGS Group, DWG_WG0-D-E401-04	0	June 4, 2014
Electrical Area Classification Details – Sht 3, KGS Group, DWG_WG0-D-E401-05	0	June 4, 2014
Electrical Site Embedded Tubing and Conduit Plan, WG0-D-E403-01	4	October 1, 2014
Electrical Site Grounding Plan, KGS Group, DWG_WG0-D-E404-01	0	October 3, 2014
Electrical Key Plan – Heat Trace, KGS Group, DWG_WG0-D-E405-01	4	October 14, 2014
Electrical Impoundment Pit Sump – Heat Trace, KGS Group, DWG_WG0-D-E405-02	2	June 4, 2014
Electrical Impoundment Pit Heat Trace Schematics and BOM, KGS Group, DWG_WG0-D-E405-03	2	June 4, 2014
Electrical Key Plan Systems, KGS Group, DWG_WG0-D-E407-01	2	October 14, 2014
Electrical Systems Plan South, KGS Group, DWG_WG0-D-E407-02	2	October 14, 2014

<b>Description</b>	<b>Revision #</b>	<b>Latest Revision Date</b>
Electrical Systems Plan North, KGS Group, DWG_WG0-D-E407-03	2	October 14, 2014
Instrumentation Key Plan – Instruments, KGS Group, DWG_WG0-D-E450-01	2	October 14, 2014
Instrumentation Plan South, KGS Group, DWG_WG0-D-E450-05	2	October 14, 2014
Instrumentation Plan North, KGS Group, DWG_WG0-D-E450-06	2	October 14, 2014
Electrical Single Line Diagram, E03	B	June 25, 2014
Electrical Single Line Diagram, KGS Group, DWG_WG0-D-S151-D-E500-01	4	October 15, 2014
Electrical Protection and Metering, Single Line Diagram – Station Service, KGS Group, DWG_WG0-S151-D-E500-02	2	October 14, 2014
Mechanical General Arrangement Site Plan, KGS Group, DWG_WG0-D-M001-01	4	October 9, 2014
Mechanical General Arrangement Partial Site Plan, KGS Group, DWG_WG0-D-M002-01	4	October 9, 2014
Mechanical General Arrangement Partial Site Plan, KGS Group, DWG_WG0-D-M003-01	4	October 9, 2014
Electrical Pipe Rack Heat Trace Sheet 1, WG0-D-E405-04	1	October 14, 2014
Electrical Impoundment Pit Heat Trace Details, WG0-D-E405-06	1	October 14, 2014
Electrical Heat Trace Schedule Electrical List, ELEC-LST-003	1	October 14, 2014
Mechanical General Arrangement LNG Area Plan, KGS Group, DWG_WG0-D-M004-01	4	October 9, 2014
Mechanical General Arrangement Generator Area Plan, KGS Group, DWG_WG0-D-M005-01	4	October 9, 2014
Mechanical LNG Impoundment Pit Water Drainage Sump Plan and Section, KGS Group, DWG_WG0-D-M007-01	3	October 9, 2014
Mechanical Fire Protection Water Piping Outside P125 Hydro Plant Plan, KGS Group, DWG_WG0-D-M035-01	4	October 9, 2014
Mechanical Fire Protection Water Piping Outside P125 Hydro Plant Section, KGS Group, DWG_WG0-D-M036-01	4	October 9, 2014
Mechanical Fire Protection Water Piping Inside P125 Hydro Plant Plan, KGS Group, DWG_WG0-D-M037-01	3	October 9, 2014



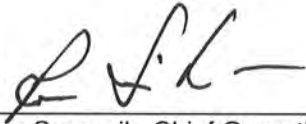
<b>Description</b>	<b>Revision #</b>	<b>Latest Revision Date</b>
Mechanical Fire Protection Water Supply Line from P125 Hydro Plant Underground Pipe Profile, KGS Group, DWG_WG0-D-M202-01	4	October 9, 2014
Mechanical Natural Gas & Fire Protection Water Piping Along Miles Canyon Road Section, KGS Group, DWG_WG0-D-M203-01	4	October 9, 2014
Mechanical Glycol System Process Flow Diagram, KGS Group, DWG_WG0-D-M300-01	0	June 4, 2014
Mechanical Natural Gas System Process Flow Diagram, KGS Group, DWG_WG0-D-M301-01	0	June 4, 2014
Piping P&ID Legend, KGS Group, PID_WG0-D-E000-01	2	October 9, 2014
Piping Glycol System P&ID, KGS Group, PID_WG0-D-E001-01	2	October 9, 2014
Piping Natural Gas System P&ID, KGS Group, PID_WG0-D-E002-01	2	October 9, 2014
Piping Lube Oil and Fresh Glycol P&ID, KGS Group, PID_WG0-D-E003-01	2	October 9, 2014
Piping LNG Impoundment Pit Water Drainage System P&ID, KGS Group, PID_WG0-D-E004-01	3	October 9, 2014
Piping Fire Protection Water P&ID, KGS Group, PID_WG0-D-E005-01	4	October 9, 2014

**REQUIRED CHANGES IN THE DESIGNS OR SPECIFICATIONS:**

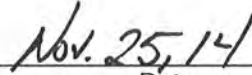
N/A

**THIS AUTHORIZATION IS SUBJECT TO THE FOLLOWING TERMS & CONDITIONS:**

1. The Licensee shall not undertake any activity under this Construction Authorization unless it is undertaken in accordance with the Oil and Gas Act and regulations; any authorization issued in respect of the Facility, including this Construction Authorization, as amended from time to time; any Directions or Orders of the Chief Operations Officer ("COO"); and, to the extent they are not inconsistent with the foregoing the Licensee's Application (including the Application Form) and any representations made by the Licensee to the COO during the Construction Authorization review process.
2. An obligation of the Licensee will survive the termination or expiry of this Construction Authorization if it is expressly required or reasonably implied in pursuit of the objectives of the Oil and Gas Act.
3. An amended Construction Authorization replaces and supersedes all previous versions of this Construction Authorization.
4. This Construction Authorization shall not be construed as affecting any obligation the Licensee may have under a Federal, Territorial, or Municipal law.
5. A copy of the Construction Authorization will be kept on site.
6. The Licensee will notify the COO in advance of the start of construction, and provide bi-weekly construction reports thereafter until construction is complete as determined by the COO.
7. Construction reports will be prepared by the agent appointed under Section 20(1)(b) of the GPPR.
8. Construction reports will provide details about work accomplished; personnel on site; all safety and environmental concerns; and forecast schedules and will be prepared to the satisfaction of the COO.
9. Subject to the requirements of the Oil and Gas Act and any Directions and Orders of the COO, the facility must be constructed in accordance with the drawings, designs, work scopes and specifications as listed herein. This does not exempt the Licensee from any responsibility to prepare additional documents for engineering requirements or to abide by applicable Federal, Territorial, and Municipal laws.
10. Any application to vary or modify the designs and specifications approved by this Construction Authorization shall be submitted to the COO at least 7 days prior to the date on which the Licensee wishes for the variation or modification to take effect.
11. Final "as-built" drawings must be submitted to the COO within 60 days of construction completion as determined by the COO.



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Ron Sumanik, Chief Operations Officer



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Date