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Don't Sell B.C. Short Mr. Lapierre

OTTAWA—"Federal Transport Minister Lapierre appears set to short change Prince Rupert and British Columbia in his secret deal to turnover Ridley Terminals to Fortune Minerals of London, Ontario," said John Cummins, M.P. (Delta-Richmond East).

On September 30, 2003 Fortune submitted a proposal to the Minister of Transport for the purchase of Ridley Terminals:

- I. Total purchase price of \$20M
- II. Purchase price to be paid as follows
 - a) \$3M in cash at closing and
 - b) The balance starting in the 7th year from the date of closing and ending 40 years after closing, calculated at 30¢ per metric ton exported to a maximum of \$500,000 in any one year.

Ridley Terminals was never built to be a cash cow for friends of the Liberal Party. Ridley was built to provide marine terminal support to the development of coal mines in Northeast British Columbia. About a \$1 B in coal development is set to take place in the catch-basin of the terminal. Three of the four largest coal companies in the world are now active in the area.

The value of metallurgical coal bound for India and China has nearly tripled. The original bid proposal submitted by Fortune in 2003 is wildly out of whack with present realities.

In 2005 some 1.3M tons of coal are scheduled to move through Ridley; in 2006, 3.6M tons; in 2007, 6M tons; and in 2008 approximately 8.5M tons. By any measure this represents a significant growth potential for the coal terminal. Ridley will be profitable in 2006, probably by the end of the first quarter. At 8.5M tons the profits could conceivably reach \$30M per year.

The Federal Cabinet issued a legally binding order to Ridley on September 29th forbidding it to enter into long-term contracts for coal or other commodities so as to ensure that Ridley is losing money at the time it is sold. Thus it can be claimed that the terminal is only worth \$3M up front and can only become profitable if turned over to Fortune at a fire sale price.

What must not be forgotten in the unholy rush to sell Ridley is that it was built to ensure resource development in Northeast BC, not to create a monopoly for well connected investors.

"If Fortune Minerals is allowed to become the sole owner, the strategically located terminal will only enrich the owners of Fortune Minerals and in the process we will have jeopardized the future of our province's massive coal projects," concluded Cummins. "The movement of resources through Prince Rupert depends on internationally competitive rates not fire sale pricing for the well connected."

Contact: John Cummins, M.P. (613) 992-2957, (cell) (604) 970-0937, (604) 940-8040