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News Release

Mackenzie Gas Project resumes and extends geotechnical work program; awards contracts to Northern companies

Calgary, AB., Feb. 5, 2004 - Imperial Oil Resources, on behalf of the Mackenzie Gas Project proponents, has announced the resumption of the geotechnical work program that will assist in advancing the proposed project.

The Mackenzie Gas Project is being proposed by Imperial, ConocoPhillips Canada, Shell Canada Limited, ExxonMobil Canada and the Aboriginal Pipeline Group (APG). The APG was formed in 2000 to represent the interest of the Aboriginal peoples of the Northwest Territories in the proposed Mackenzie Valley Pipeline.

The work program, which begins immediately in the Gwich'in Settlement Area (GSA), resumes activity initiated during the winter of 2003. Regulatory approvals needed to proceed with the work program in the GSA have been received. A similar program is also beginning in the Sahtu K'ahsho Got'ine district, where regulatory approvals needed to proceed have also been obtained. Geotechnical work in the Inuvialuit Settlement Region was commissioned and completed during the winter of 2003.

The program consists primarily of soil analysis and geotechnical surveys needed to help determine the optimal location of the Mackenzie Valley pipeline, including associated facilities, and support the development of regulatory applications and preliminary engineering for the proposed project. Geotechnical work programs in other regions of the Northwest Territories are expected in the future, including the Sahtu Tulita district where agreements have been reached for future geotechnical work.

Contracts required to carry out the geotechnical work program have been awarded to nine companies that are located in, or have business relationships with organizations in the GSA. Similarly, contracts have been awarded to nine companies that are located in, or have joint ventures with organizations in the Sahtu Settlement Area (SSA). These contracts cover services such as geotechnical consulting, geotechnical drilling, land surveying, camp and catering, and emergency medical support. The contracts were awarded through ColtKBR, lead engineering contractor for the Mackenzie Gas Project.

Speaking on behalf of the project proponents, K.C. Williams, president and chief executive officer, Imperial Oil Resources, said "completion of this activity is important, as it will assist us in advancing work to support filing regulatory applications in 2004. The Producers Group and the APG appreciate the hard work done by the regulatory agencies, Aboriginal organizations, businesses and community members, all of whom played a role in helping us secure the approvals necessary to move this work forward."

The Mackenzie Gas Project involves natural gas production facilities, compression and gathering pipelines in the Mackenzie Delta area, and a pipeline system in the Mackenzie River valley. Imperial is the operator of the gas gathering and pipeline systems for the project.

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