

PORT of QUEBEC LAURENTIA CONTAINER TERMINAL PROJECT

An aerial photograph of Quebec City, Canada, featuring the iconic Fairmont Le Manoir Richelieu hotel. The building is illuminated by the warm, golden light of a sunset, with its many windows glowing. The surrounding city and distant mountains are visible in the background under a clear, orange-hued sky.

Presented by:
Don Krusel
Managing Director, Container Terminal
Quebec Port Authority



LAURENTIA

BEYOND CAPACITY

**BUILDING PORT INFRASTRUCTURE FOR
STRATEGIC REASONS**

INTERNATIONAL TRADE

Trade relations with 300
ports in more than 60
countries



PORT OF QUEBEC TODAY:



PORT OF QUEBEC TODAY:



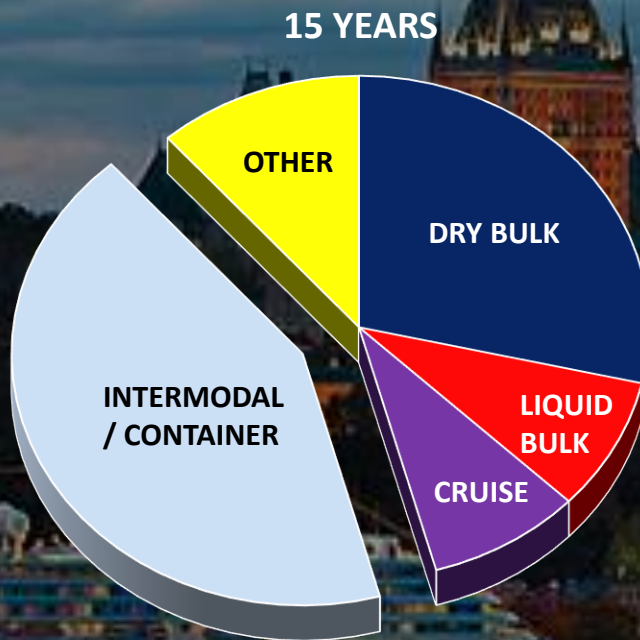
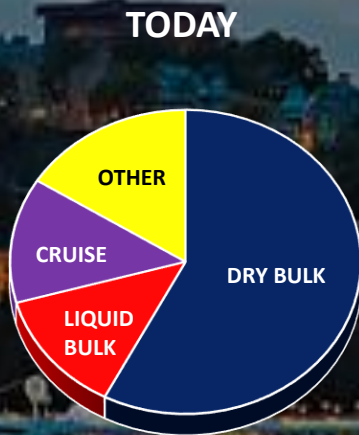
PORT OF QUEBEC TODAY:



PORT OF QUEBEC TODAY:



PORT OF QUEBEC TRANSFORMED: BULK to INTERMODAL



THE COMPETITIVE CHALLENGE:

- **“THE NEW NORM” on the N.A. East Coast**
 - 12,000+ TEU CONTAINER VESSEL
 - 15 / 16 METER WATER DEPTH
- **ST. LAWRENCE TRADE CORRIDOR FACING INCREASING COMPETITIVE PRESSURES**
- **GROWTH IN ASIA-N.A. TRAFFIC VIA SUEZ CANAL TRADE LANE**

THE STRATEGY:

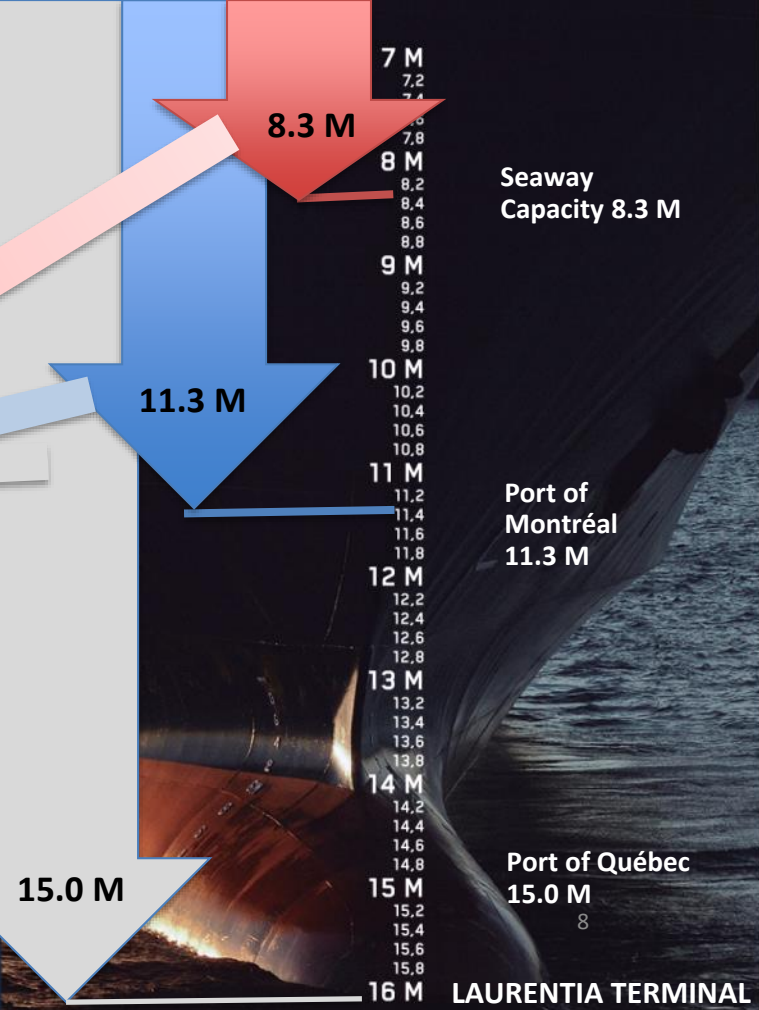
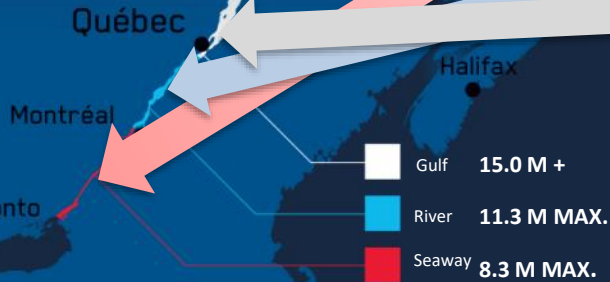
- **BRING LARGE SHIP ECONOMICS TO THE ST. LAWRENCE TRADE CORRIDOR**
- **IMPROVING SUPPLY CHAIN ECONOMICS & COMPETITIVENESS**
- **GROW MARKET SHARE IN LUCRATIVE U.S. MID-WEST REGION**

THE ST. LAWRENCE SUPPLY CHAIN



PORT OF QUEBEC

North America's most inland deep-water port

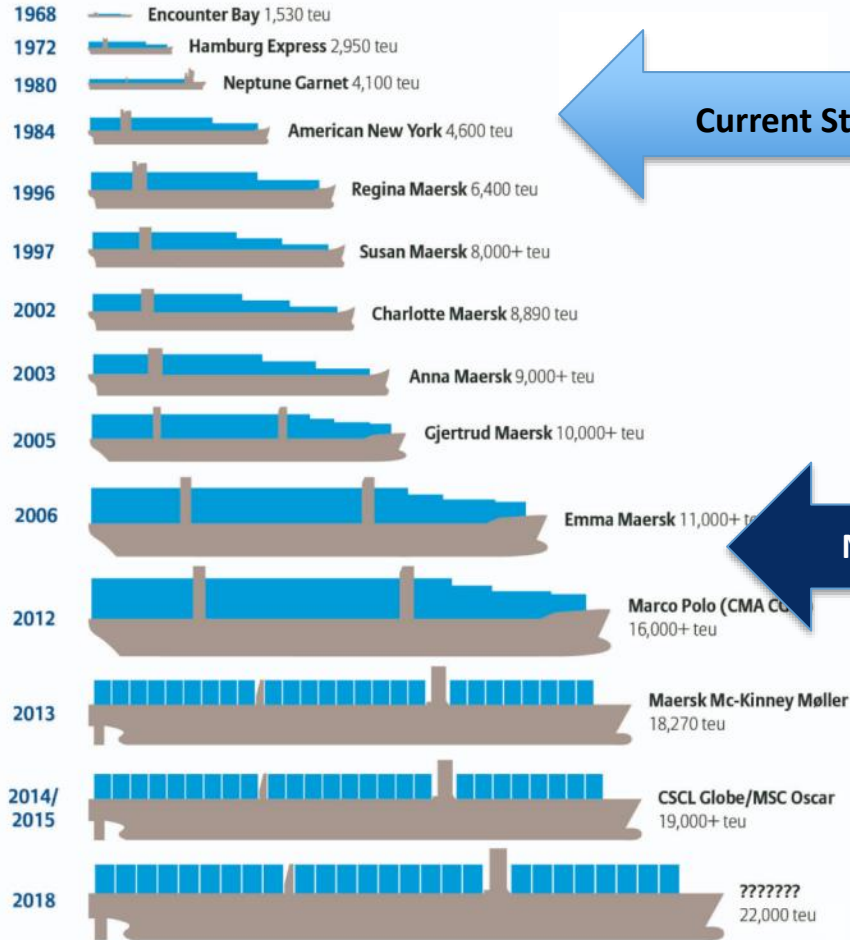


50 years of Container Ship Growth

1968 — Encounter Bay 1,530 teu



50 years of Container Ship Growth



Current St. Lawrence standard

New East Coast-Atlantic standard

And getting bigger

THE THREAT

East Coast Ports & Supply Chains are there!

- **Port of NY/NJ**

- Dredging Project at 50' (15.2m) completed \$2.1 Billion
- Bayonne Bridge Elevation \$1.6 Billion completed in June 2017
 - Elevated from 46m to 66m
 - Three St. Lawrence Bridges at 50m



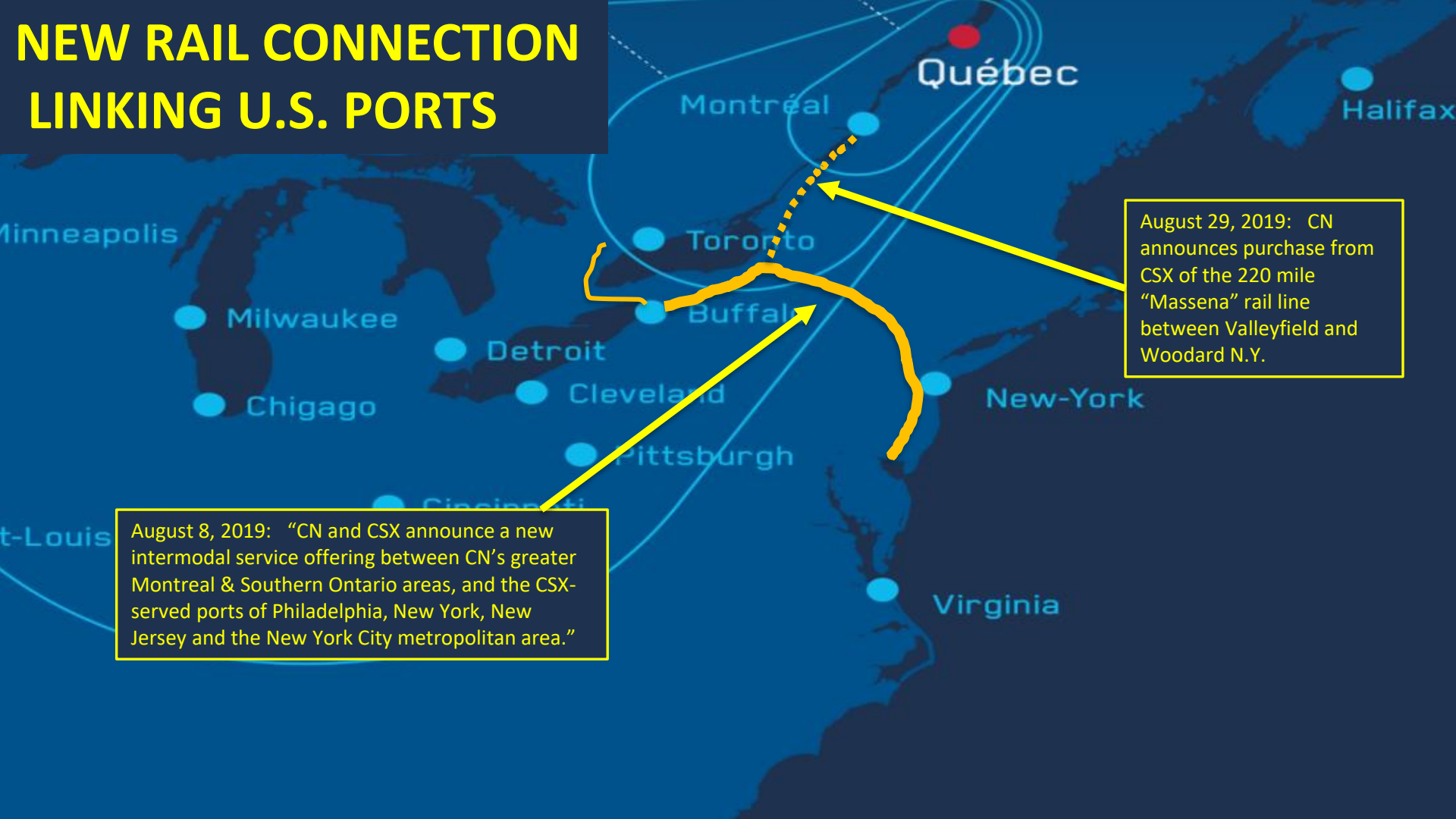
- **Port of Norfolk**

- \$670 M investment to redevelop two terminals
- Authorized project by Congress for dredging from 50 ' to 55'
- Deepest Port on the East Coast

- **US intermodal rail connections improving with increased on-dock, near-dock rail**



NEW RAIL CONNECTION LINKING U.S. PORTS



August 29, 2019: CN announces purchase from CSX of the 220 mile "Massena" rail line between Valleyfield and Woodard N.Y.

August 8, 2019: "CN and CSX announce a new intermodal service offering between CN's greater Montreal & Southern Ontario areas, and the CSX-served ports of Philadelphia, New York, New Jersey and the New York City metropolitan area."

STRATEGIC INFRASTRUCTURE

Laurentia Container Terminal



LAURENTIA Terminal

Located at closest inland point on the East Coast with 16m draft at dockside



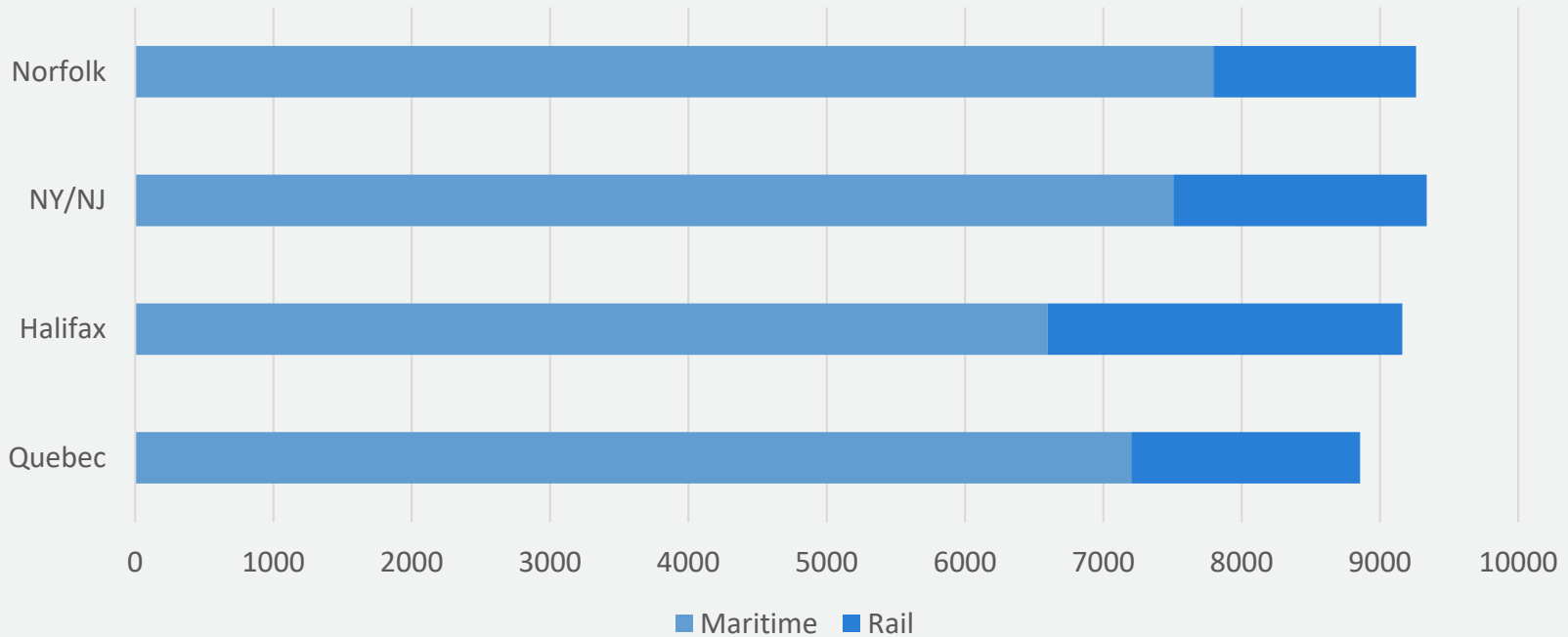
15m draft ship traffic to/from Atlantic Ocean

St. Lawrence River traffic - 11.3 meter draft



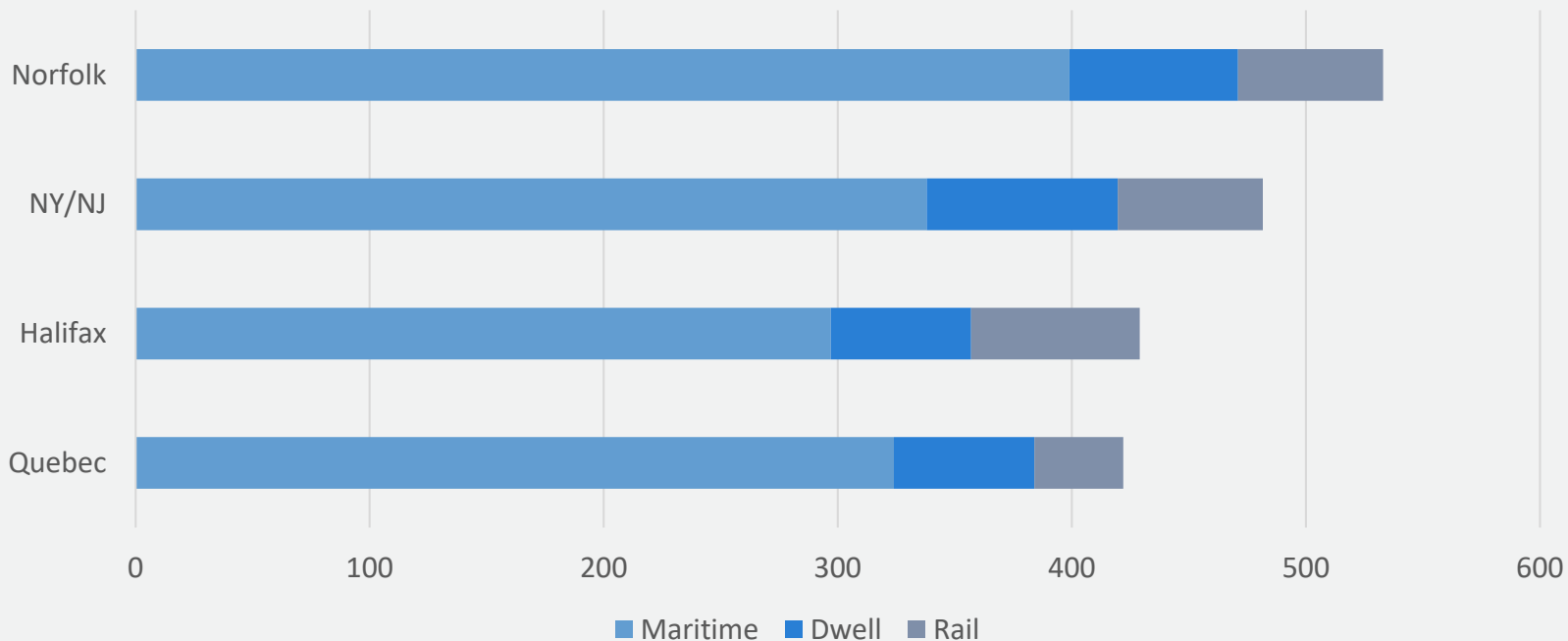
SHORTEST LAND-SEA LINK TO MID-WEST MARKETS

Example: Genoa to Chicago

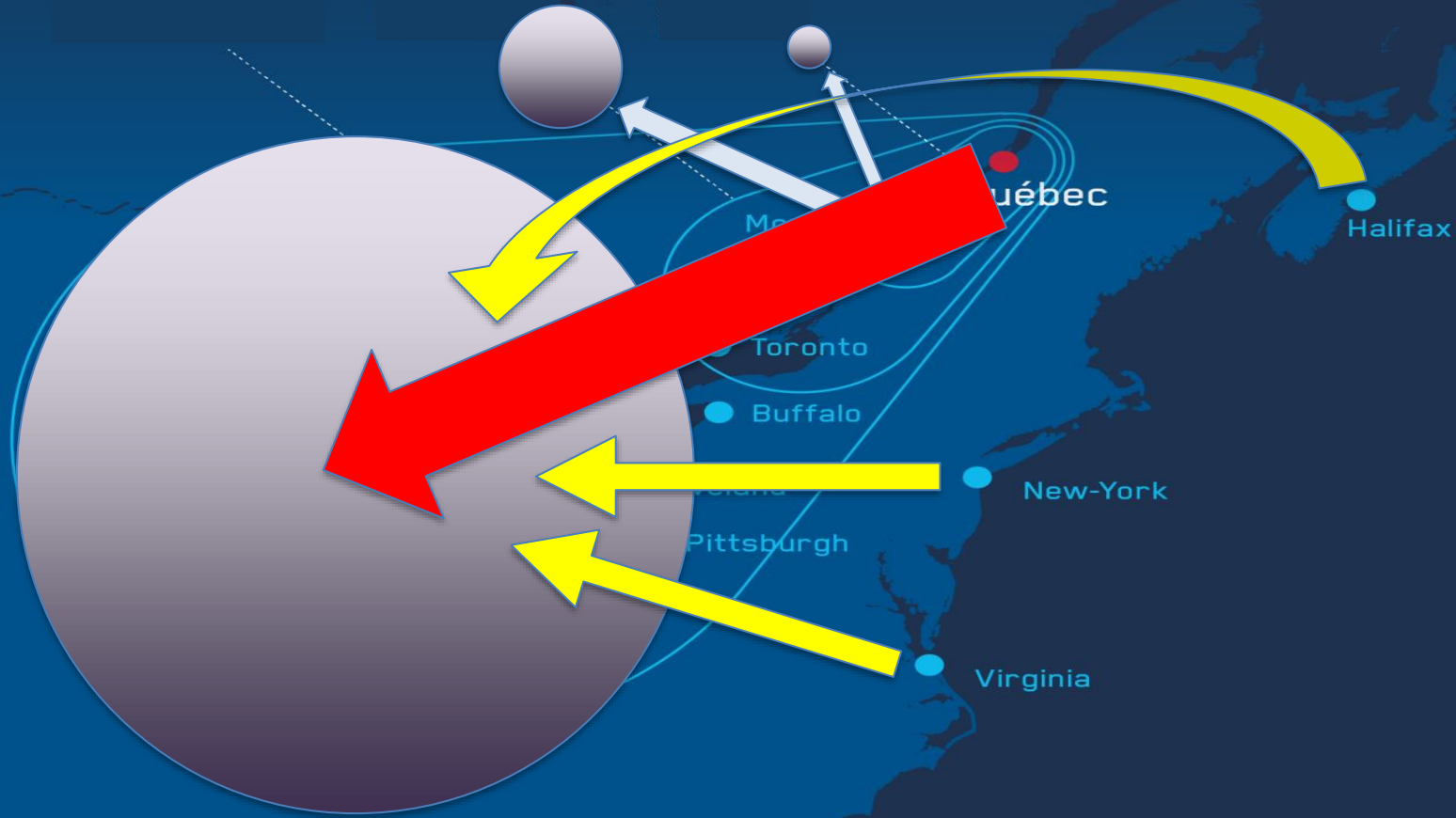


FASTEST SEA-LAND LINK TO MID-WEST MARKETS

Example: Genoa to Chicago



THE MARKET



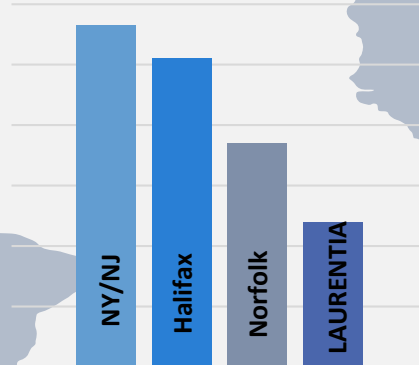
NORTH EUROPE TRADE LANE

Chicago
Toronto
New York
Halifax
Port of Québec

12 days

- 3,179NM from ex-Rotterdam to Québec
- 3,411NM from ex-Rotterdam to New-York

Trade Lane Cost
Per in-bound Container
to Chicago



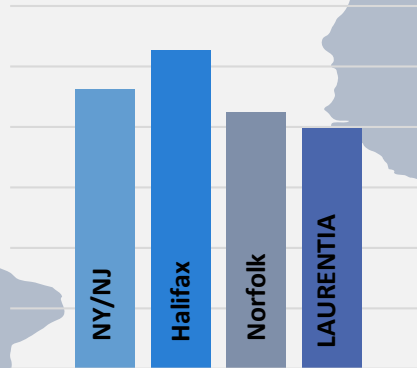
MEDITERRANEAN TRADE LANE

Chicago
Toronto
New York
Halifax
Port of Québec

16 days

Trade Lane Cost
Per in-bound Container
to Chicago

- 3,888NM from Genoa to Québec
- 4,053NM from Genoa to New-York



ASIA – LAURENTIA DIRECT

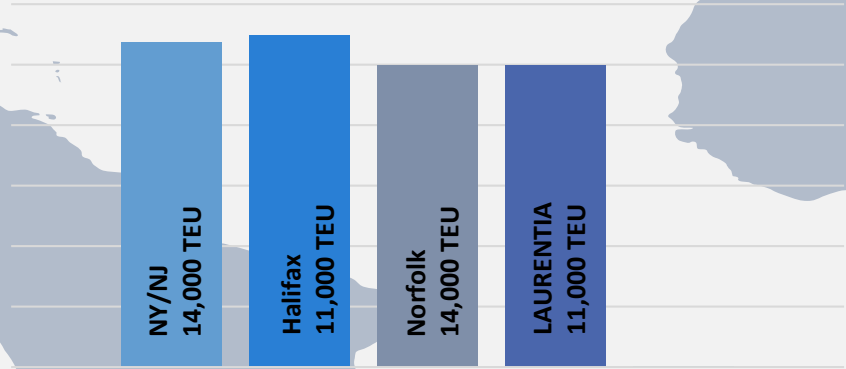
11,000 TEU Vessel

Chicago
Toronto
New York
Halifax
Port of Québec

Trade Lane Cost
Per in-bound Container
to Chicago

41 days

- 9,968NM from Singapore to Québec
- 10,133NM from Singapore to New-York



LAURENTIA

World class partners

- Commercial agreement for the construction and operation of the container terminal
- Joint venture formed by Hutchison Ports and CN
- Total investment of \$775 million
- Most environmentally and technologically advanced terminal in North America





LAURENTIA

INTERMODAL CONTAINER TERMINAL