

News Release

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BC FERRIES AWARDS CONTRACTS FOR FOUR MORE HYBRID ELECTRIC VESSELS Ships are designed to be fully electric when electric charging technology matures

VICTORIA – BC Ferries continues to roll out its Clean Futures Plan and has awarded Damen Shipyards Group of the Netherlands contracts to build four more battery electric-hybrid Island Class vessels scheduled to go into service in 2022. In the spring of 2017, BC Ferries awarded Damen contracts to build two "first in class" of these battery electric-hybrid vessels. These vessels have successfully completed sea trials and will arrive in Victoria, B.C. by January 2020.

With the extension of the partnership between BC Ferries and Damen now confirmed, Damen will extend its agreement with Point Hope Shipyards of Victoria, B.C. to provide technical and warranty support for the new vessels with their local staff.

"Our Clean Futures Plan spells out our strategy to reduce GHG emissions by replacing our legacy carbon intensive fossil fuelled vessels with ships using clean energy," said Captain Jamie Marshall, BC Ferries' Vice President, Business Development & Innovation. "These next four Island Class ships are a major step in our plan to progressively lower emissions across the fleet and be a leader in the energy transition to a lower carbon future."

The Island Class is a battery-powered ferry. When electric charging technology matures to make electricity available in the quantities required, BC Ferries will operate these new ships as all-electric ferries, using clean energy. In the interim, these ships will use an on board low sulphur diesel hybrid system.

This agreement with Damen is a design-build, fixed-priced contract that provides BC Ferries with substantial guarantees related to delivery dates, performance criteria, cost certainty and quality construction. The total project budget, which includes financing and project management costs, is approximately \$200 million CAD.

The first two Island Class vessels will be deployed on the Powell River – Texada Island route and the Port McNeill – Alert Bay – Sointula Island route by mid-2020.

The third and fourth new vessels will service the Campbell River – Quadra Island route and the fifth and sixth new ships will serve the Nanaimo Harbour – Gabriola Island route by 2022. By replacing one larger ship with two smaller vessels on each of these routes, customers will receive more frequent service, increased passenger capacity per hour, reduced vehicle line-ups, improved safety and reduced congestion on local roads. It also eliminates the need to consume more greenspace to increase the size of terminal holding compounds by moving more traffic through the same amount of space.

The Island Class vessels will have the capacity to carry at least 47 vehicles and up to 300 – 450 passengers and crew depending on configuration. They will allow for fleet redeployments and retirements of existing diesel fuelled vessels. They will have a number of key features that support BC Ferries' goal to be efficient and environmentally responsible throughout its system.

Highlights of the Island Class vessels include:

- Electric power and propulsion systems
- Battery-hybrid power systems improve efficiency and reduces emissions during interim operations
- The exhaust system reduces NOx emissions through selective catalytic reduction
- Twin propellers designed to reduce underwater radiated noise
- Machinery is vibration isolated to reduce underwater and ambient noise
- Designed to be fully accessible without elevators, reducing energy consumption, operating cost and complexity
- Vessel completely outfitted with LED lighting
- Heat recovery system uses waste thermal energy to heat the vessel
- Low friction and biofouling resistant full coating reduces fuel consumption
- Comfortable passenger lounges and solariums for great views along the journey

BC Ferries issued a Request for Expressions of Interest (RFEOI) for the construction of the four latest vessels to leading shipyards in Canada and around the world in July 2018. In the lead up to this process, BC Ferries raised awareness of the upcoming tender to Canadian shipyards through such forums as the Canadian Ferry Association, the Association of British Columbia Marine Industries and other local and national industry events. Canadian shipyards were invited to participate in the competitive bidding process.

BC Ferries received responses from 18 international shipyards and short-listed nine shipyards to proceed to the Request for Proposal (RFP) stage. No Canadian companies submitted a bid.

Damen Shipyards Group operates 36 shipbuilding and repair yards, employing 12,000 people worldwide. Damen has delivered more than 6,500 vessels in more than 100 countries and delivers some 175 vessels annually worldwide. Damen contributes to BC Ferries' standardization strategy for the Island Class vessels with its vast experience in delivering identical vessels.

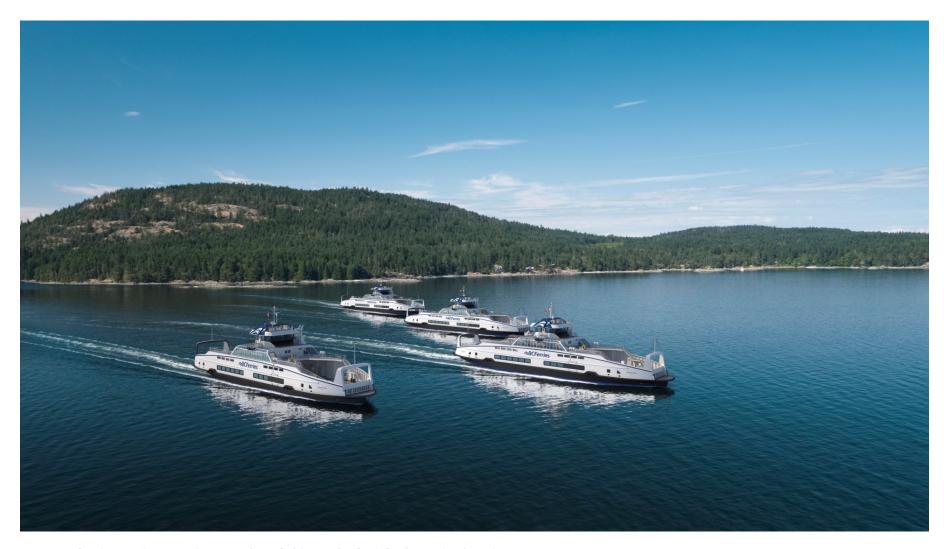
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Artist rendering and vessel details attached

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Rendering of next four Island Class hybrid electric ferries

Island Class Snapshot: efficient, quiet battery-hybrid ferries

