



Westshore Terminals Investment Corporation

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***For Immediate Release***

**WESTSHORE TERMINALS ANNOUNCES FURTHER DIVIDEND REDUCTION AND UPDATE  
ON CAPITAL PROJECT**

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**Vancouver, British Columbia**

Over the last 45 days there has been a further significant decline in the product pricing for thermal coal in the global export market, which has seen product pricing in some markets decrease by as much as 25%. With no apparent improvements to such pricing in the near term, Global Coal Sales Group, LLC (“Global”), an exporter of thermal coal, has advised Westshore Terminals LP (“Westshore”) that it will be necessary to reduce its sales to the export market for 2016 and, if current prices persist, further reductions may be necessary in 2017 and 2018.

In order to assist Global through this difficult time in their business, the parties have agreed to restructure their agreement so that Global’s committed volumes for 2016 – 2018 will be reduced and certain payments to Westshore will be accelerated. As a result, Westshore’s 2016 throughput volumes are now anticipated to be approximately 24 – 24.5 million tonnes (rather than the approximately 26 million tonnes previously announced).

Given recent events, Westshore has reviewed the need to fully complete the \$270 million capital project underway. To date, Westshore has completed the new office and shops and has ordered the new shiploader for berth 1 and first stacker reclaimer, both due for delivery and installation in 2016. Two additional stacker reclaimers have also been ordered to replace the current 40 year old equipment; however, Westshore has the option, until December 31, 2016, to cancel the third stacker reclaimer and will make that determination later in 2016. If the order for the third stacker reclaimer is cancelled, the total budget for the project would drop to \$225 million.

With the global export thermal coal markets continuing to be under significant pressure and given the risk of a further reduction in throughput in the near future if current thermal coal prices persist, Westshore's board has determined to continue its policy of incurring no debt financing for the capital project. Accordingly, Westshore's board of directors has determined to reduce the quarterly dividend by a further \$0.09 to \$0.16 per quarter, and has declared a dividend of \$0.16 per share payable on or before January 15, 2016 to shareholders of record on December 31, 2015. The dividend will be designated an "eligible dividend" for Canadian tax purposes. The board will continue to review the dividend policy on a regular basis, factoring in the current coal market conditions and other opportunities Westshore may have.

Forward-looking information included in this document includes statements with respect to future revenues, expected loading rates, strength of markets for metallurgical and thermal coal, expected throughput volumes, future throughput capacity, the effect of Canadian/U.S. dollar exchange rate, the future cost of post-retirement benefits, cost of and timing to complete capital projects and the anticipated level of dividends.

Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at which, such performance or results will be achieved. There is significant risk that estimates, predictions, forecasts, conclusions and projections will not prove to be accurate, that assumptions may not be correct and that actual results may differ materially from such estimates, predictions, forecasts, conclusions or projections.

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