

Downeast LNG Newsletter

Summer 2008



Letter from Dean

Dear Friends:

While Downeast LNG hasn't been making a lot of headlines in the last few months, we have been hard at work on our permit applications, conducting additional studies, and meeting with industry leaders.

I also have attended a number of energy-related meetings and conferences in the U.S. and internationally, as well as in Maine. I have spoken with potential gas suppliers, political leaders and people who are just concerned about high energy costs. The Downeast LNG project is widely seen as one of the few under consideration in the U.S. that has a good chance to succeed.

We also have been working on a new website with a fresh new look and updated information. The new website will be ready soon, and we are committed to using this important tool to communicate more effectively with you. Please visit us often online at www.downeastlng.com.

Finally, we hope to see you at the Downeast LNG barbeque in Robbinston on Saturday, September 20. We had a great time two years ago, and I look forward to seeing you there again this year.

In the meantime, as always thanks for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Dean P. Girdis".

Dean Girdis

Permitting update

The Maine state public hearings on our initial applications last summer identified several areas where state resource agencies wanted additional information about lobster habitat, migratory birds and other issues. We are finishing studies to address those requests in our new applications. In addition, we have come up with a new pipeline route that we are confident will be acceptable. We plan to file new state applications later this year.

At the federal level, we are still waiting for the Federal Energy Regulatory Commission (FERC) to issue its Draft Environmental Impact Statement (DEIS), which will include a Waterway Suitability Report (WSR) from the U.S. Coast Guard. This is an important step in the permitting process. The DEIS will be made available to the public and comments will be solicited through the mail and a public hearing.

As soon as the report is available we will post it on our website.

Large vessels travel Head Harbor Passage frequently

In this photo, the 622-foot ALICE OLDENDORFF makes its way through Head Harbor Passage last summer on the way to the Canadian port of Bayside. The Deer Island Ferry is standing by, awaiting passage of the ship. Earlier this year, the GDANSK, at 740 feet the largest ship ever



Doug Lord photo

to visit Bayside, traveled these same waters. The OLDENDORFF and GDANSK represent just two of the more than 100 ship transits through Head Harbor Passage each year, most without any tug escort (or protests by Canadian officials and Save Passamaquoddy Bay, we might add).

LNG ships, which will be comparable in length, will at all times be escorted by three to four specially built tractor tugs. LNG ships have an amazing safety record of more than 40 million nautical miles at sea.

Downeast LNG in the community

Downeast LNG continues to be very active in the community. Cathy Footer regularly attends meetings of the St. Croix Chamber of Commerce and the Washington County Transition Team. Cathy also has attended an economic development lunch with Congressmen Mike Michaud and Tom Allen, the East-West Corridor meeting at Washington County Community College, job fairs at WCCC and the University of Maine-Machias. Rob Wyatt and Cathy have attended meetings of the Local Emergency Planning Committee and the Maritimes & Northeast Pipeline open house in Baileyville.

We also have supported the American Cancer Society's local Relay for Life through a corporate sponsorship and provided materials for a mailing to other sponsors. In addition, we have provided financial support to the Calais High School for band uniforms and equipment, the Ronald McDonald House polar dip, the Calais Recreation Department for Legion baseball, and the Robbinston ATV club.

This summer we have been pleased to support the WCCC Education Foundation Golf Tournament, the International Festival, and the Eastport Pirate Festival.

Address corrections

If the address we are using to send you this newsletter is incorrect in any way, please contact Cathy Footer at 454-3925 or cafooter@downeastlng.com. We are always trying to make sure our mailing lists and email addresses are up to date.