

Letter to the Community

Downeast LNG would like to extend our appreciation to those who attended our recent Safety Seminar, as well as an apology to those who wished to but did not receive the announcement in time. We are still working out the logistics of our mailings to make sure that everyone gets advance notice of events, and ask you to bear with us. The Safety Seminar was the first in a series of educational seminars designed to address issues of special interest to the community. Our speakers were individuals with a long history in LNG safety, and we understand from those who attended that it was very informative. As such, we have decided to repeat the seminar later this year or early next year to make sure that everyone who would like to attend and ask questions has another opportunity to do so.

The second seminar in our series will take place November 17 at the Robbinston Grade School from 6 to 9 pm and will discuss upcoming construction and operations jobs, as well as the associated training. We hope that you can attend! Downeast LNG expects to create 300 construction jobs and more than 60 permanent positions once the facility is operational. Detailed descriptions of the permanent positions can be found on our website, and a copy of our recent Information Bulletin is enclosed.

Finally, we would like to restate our firm belief that our LNG Import Terminal can and will peacefully coexist with the diverse marine environment and current business activity of the Bay and region. There is no reason to assume that a loss of economic activity will be associated with the operation of our facility. The coexistence of LNG import terminals in rural settings has been demonstrated at Cove Point in Chesapeake Bay, Maryland. Because of Cove Point's similarity in setting to the Downeast Project and the community's interest, we are sending eight representatives of Robbinston's Advisory Committee and Fire Department to tour that facility and get a feel first hand what an LNG import terminal is like and how it interacts with the community.

Thanks again for your continued involvement. Please feel free to contact us at any time.

Best regards,
Dean Girdis,
Downeast LNG

Photo: Jerzy Kichner of TRC Security presenting at Safety Seminar





Status and Studies

Wetlands – Wetlands specialists conducted a comprehensive wetlands delineation study in September and October. The results indicate that rainfall runoff from the areas west of Route 1 drain into the project site. This has created some areas of wetlands that are presently being evaluated and our engineering design team is looking into plant layouts that would minimize disturbance of the on-site drainage patterns.

Bathymetry – A marine contractor and local boat owner obtained depth measurements and conducted geophysical profiling in the waters of Mill Cove in Mid-August. The results have been computer analyzed and indicate that the project pier can be shortened to approximately 3,200-3,400 feet depending on desired depth. A 3-D map of the marine area and depths in Mill Cove is being prepared for posting on our web page.

Seismicity – Geophysical profiling of the rock strata and geophysical nature of the project site was completed this summer and the results indicate that no geologic faulting occurs on-site. The results of the testing are being used by our engineering professionals to complete initial pier and LNG component designs.

Waterway Suitability Assessment – This important evaluation is 90% complete and our internal technical review of the TRC Security analysis has been initiated. We expect a final report to be completed before the end of the year.

Fisheries – We continue to have discussions with local fishermen and have even been on some of the vessels to observe local practices. We have developed a Draft Operations Plan to address their concerns and look forward to meeting with them to review many of the promising resolutions developed to date.

Economic Impact – The University of Maine has completed the initial tasks of its study evaluating the potential economic and fiscal impacts of the project. A Final Report is expected in the near future and will be posted on our web page.

Pipeline Routing – We will soon initiate discussions with government officials regarding potential natural gas pipeline routes to Baileyville, as well as a review of the land ownership along the route.

Archaeology and Marine Fauna Studies – These are expected to be initiated in the field very soon - -and hopefully (for the team's sake) before the snow and ice starts!

Downeast LNG Newsletter



Fact or Fiction?

Fiction #1: *"Property values will significantly decline"*

Fact #1: Property values in similar situations have not been negatively affected and have actually risen, both during construction and operation. The properties surrounding the Cove Point LNG terminal have increased in value 30% per year during the past three years. Even for projects as significant as a nuclear power plant, a study by Metz and Clark (1997) found no evidence of significant property value impacts, and a study by Anstine (2003) examining the impact of a heavy metal manufacturing plant found no impact on housing values.

Fiction #2: *"LNG ships will have a negative impact on whale watching tourism."*

Fact #2: LNG deliveries are infrequent during whale watching season (one every 9-10 days), and at worst will require a brief (e.g., 35 minute) change in course as the ship transits the area. With a 4-day advance notice of the LNG ship's arrival, there should be no "surprises" to local tour operating companies.

Fiction #3: *"There won't be enough jobs going to locals"*

Fact #3: Downeast has made specific commitments regarding the employment of local residents and has already started discussions with local trade and community college schools regarding the establishment of training programs for local residents interested in working at the facility. A complete jobs listing will soon be posted on our web page – and it demonstrates that there will be many jobs available to the local residents. Downeast is also establishing an economic development fund that will help stimulate other new businesses that otherwise might not get off the ground. Many of these jobs could be completed unrelated to the LNG terminal, and will be driven by the resourcefulness, entrepreneurial talents and creative energy in the region.

Fiction #4: *"We'll see these ships every day"*

Fact #4: LNG ships will arrive once every 9-10 days in the summer, and once every five days in the winter on average, with only 14 hours required for unloading at the pier.

Notable Comments from Residents

"There is no work here and we need this"

"Kids in the area have to move to other areas with employment and good paying jobs. This LNG terminal may not be the only answer, but it is certainly a place to start"

"Stay open. Keep answering questions honestly"

"The opportunities for spin off businesses could be great and allow more people to stay in the area with decent paying jobs"

"Keep the promises you make to the town"