



## Letter from Dean

Dear Friends:

It's been a busy year and it's hard to believe that it's almost over. With your continued support, we have made great progress on many fronts: our 13 resource reports have been completed, our FERC application is moving towards completion, and we have opened our office in Robbinston and become actively involved in the community.

There is a lot of positive momentum behind our project, but I have to confess that the biggest disappointment so far has been the political games that some in Canada are continuing to play concerning the transit of ships to our facility. There is absolutely no legal justification for blocking LNG carriers, and we have asked all parties on both sides of the border to judge our project, including our shipping operations, on the merits.

We have continued to meet with government officials in both the U.S. and Canada about our project and as this quote from a recent article in Canada's *Financial Post* notes, we have support from the highest levels of our government:

*"The dispute has quietly reached the highest political levels with Condoleezza Rice, the U.S. Secretary of State, and Sam Bodman, the Energy Secretary, getting involved. Both Ms. Rice and Mr. Bodman have told Canada it is illegal for it to try to prevent ships from entering a U.S. port. Privately, State Department officials told the Financial Post they believe the issue is all about "domestic politics."* (LNG: The Great Divide, *Financial Post*, November 18, 2006)

The U.S. and Canada have long cooperated on energy issues and officials in both countries recognize that we need to work together more than ever. We are confident that in the end facts and reason will win out over local politics.

Once again, we appreciate the great local support we are receiving as we move ahead with our plans to invest in Washington County and create many new jobs by building a safe, environmentally sound LNG import terminal in Robbinston. It's been a great year and the best is yet to come.

Best wishes for the Holidays from all of us at Downeast LNG.

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

Dean Girdis

## Robbinston office playing an important role

The DELNG office has been open for six months, and the response has been great. Many people from the local area, as well as visitors from away, have stopped by according to office manager Cathy Footer. They are interested in the project, future job opportunities and the status of our FERC filing process.

We are also pleased that DELNG's Rob Wyatt and his wife, Camille, are now Washington County residents. They have settled into a home in the area, and Rob is now coordinating all of our studies, reports, and applications to FERC and other agencies from the Robbinston office.



*Jimmy and Eric Morrell help DELNG's Rob Wyatt move into our office on Route 1.*

## Maryland emergency services trip

Downeast LNG sponsored a trip for 11 area citizens to attend the quarterly Law Enforcement/Emergency Services Coordination Meeting held in Solomons, Maryland.

The meeting was attended by federal, state, county and local agencies. After the meeting the personnel from the different agencies met with their counterparts from Maine.

The group then continued on to McAllister Towing Company to get a ride on the tugboats that bring in the LNG Tankers to the Cove Point, Maryland facility and a tour of the facility's LNG pier.

Downeast LNG's Marine Advisor John Egan, who previously worked at Cove Point, led the tour.



*Representatives of Washington County law enforcement agencies, after attending meetings with federal, state and local agencies, tour the tugboat company which is used to bring the LNG ships to the Cove Point, MD facility.*

## Keeping our word – involved in the community

People tell us they like the positive impact that DELNG is having on the community. We have made donations to local fundraisers and organizations, and our community picnic, which involved a number of local businesses, was a great success. We plan to stay involved in the local area, and below are some of our activities to date.

This summer, we sponsored an American Legion Baseball team with participants from the U.S. and Canadian side of the border. The team was led by volunteer coaches and made up of players from 14-19 years of age.

There are a lot of great activities in Washington County in the summer and we were pleased to



*People from all over the area attended our first annual picnic at the Robbinston Grade School on September 30. DELNG's Rob Wyatt manned the grill and treated everyone to his special barbeque sauce.*

support local festivals such as the Grand Lake Stream Folk Arts Festival, the 4<sup>th</sup> of July celebration in Eastport and the International Homecoming Festival involving Calais and St. Stephen.

We have made a donation to the Robbinston Grange in support of their efforts to renovate their 100-year old building. They are hoping to recruit some new members and eventually hold 4-H Club meetings there.

We also signed up as a hole sponsor for the Senior Golf League tournament at

the St. Croix Country Club at the end of August.

Finally, our project is all about responsible economic development for Washington County, and the Sunrise County Economic Council has been a strong supporter of our project. We support the work of the Council in creating business opportunities for this area and were pleased to make contributions to the Council's annual campaign.

## Ship simulations are a great success

For four days in July we conducted a series of computerized simulations to test a variety of situations that could possibly occur when bringing ships through Head Harbour Passage to our proposed facility in Robbinston.

These are not computer games – they are simulations of real life situations that require the same kind of responses a marine pilot would have to take to avoid a collision or grounding.

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The simulations were conducted at Marine Safety International (MSI) near Newport, Rhode Island. Groups represented at the exercises included Downeast LNG, United States Coast Guard, Federal Energy Regulatory Commission (FERC), Transport Canada, Maine Port Authority, Eastport Pilots, Bayside Pilots, and Quoddy Pilots USA.

A total of twenty-five transit simulations were conducted under a broad range of wind and weather conditions. In addition, numerous scenarios were introduced, including loss of propulsion, steering failures, and/or loss of services of escort tugs. All simulations were successfully completed at the hands of the experienced local pilots and proved the feasibility of safely navigating LNG carriers from the pilot boarding area off East Quoddy Head to the proposed DELNG Terminal in Mill Cove, Passamaquoddy Bay.

## No surprises – but lots of inaccurate information – in Yellow Wood Study

To no one's surprise, the Save Passamaquoddy Bay's study by Yellow Wood Associates of Vermont totally rejected the idea of an LNG terminal. However, if the report's "Employment at Sea" section is any indication, people should take this report with a grain of salt – and it appears that most local residents and the news media are doing just that.

The report says that there will be only three crew members per tugboat, for a total of 12 jobs. The source for that number is a website for the "New Jersey Scuba Diver." However, if Yellow Wood Associates instead had bothered to talk with any company operating LNG tugs, they would have found that there will be a minimum of 32 tug jobs and possibly up to 59 jobs at sea in total when you include the pilots, maintenance and dispatch staff that will be required.

A study for Downeast LNG last year by the Margaret Chase Smith Center for Public Policy at the University of Maine determined the total impact of the DELNG project, including direct and indirect jobs, would be 375 jobs during the construction phase, and 187 local jobs after the plant is operational. As you might have guessed, we are sticking by the study, which can be found at <http://www.downeastlng.com/ecdevelopment.htm>.

## Quotable

"The area should have a mix of industry and non-industrial activities...I believe many people understand this concept and it appears only a few more to go. Maybe they should make a visit to Casco Bay."

*- Robbinston resident Mike Footer in a letter published in the Downeast Times describing a recent visit to Portland where he saw fishing, recreational boating, oil tankers, power plants and some of the most expensive homes in Maine all co-existing in Casco Bay.*