

Jordan Cove – Pacific Connector Project Update

Third Quarter 2009



Jordan Cove receives renewed vote of approval from Coos County

On July 23, 2009, Jordan Cove Energy Project L.P. received a renewed vote of approval from the Coos County Board of Commissioners to construct an LNG terminal on the North Spit of Coos Bay. The Board of Commissioners unanimously approved changes to the three conditions of land use approval that had been identified by the Oregon Land Use Board of Appeals (LUBA) as requiring reconsideration. The Jordan Cove land use application originally received unanimous approval from the Board of Commissioners in November 2007; however, the decision was appealed and went before LUBA for review. Upon review, LUBA identified three areas that required further elaboration: avoidance of a vaguely mapped wetland, clarification of the means of resolving disputes over cultural resources and the applicability of two provisions of the Coos Bay Estuary Management Plan. The revised conditions addressed all three of these areas. As part of the revised land use approval, maps provided by Coos County will be used to determine the location of the wetland. In addition, Jordan Cove is working closely with the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians to ensure the protection and preservation of cultural sites in the area.

As there were no appeals of the Board of Commissioners' decision made to LUBA, the three revised conditions become part of the Administrative Conditional Use approval for the LNG terminal, thereby completing the local land use approval process. Jordan Cove will now focus its attention to securing other required state and federal permits for the project.



Local, state and federal agencies agree on safety and security guidelines

In 2005, Jordan Cove began working with federal, state and local agencies to review and identify potential impacts to the community from LNG carriers within Coos Bay traveling to and from the proposed LNG facility on the North Spit. A core group of agencies, the Emergency Management Planning Team (EMPT), has worked with Jordan Cove in providing local knowledge and expertise that have helped develop emergency response procedures in case of incidents at or around the LNG facility and for LNG carriers in transit to and from the facility. The EMPT is presently comprised of representatives from the U.S. Coast Guard, Oregon Department of Energy, Oregon State Fire Marshal, Coos County Sheriff's Department, Emergency Management and Health Department, Port of Coos Bay, North Bend Police and Fire, Coos Bay Police and Fire, and the North Bay, Charleston and Hauser Fire Districts.



Update on certificate for the project

We anticipate the FERC will issue a certificate and order for the Jordan Cove – Pacific Connector project sometime this fall. In the meantime, both projects continue to work on obtaining the necessary permits that will keep the project moving forward until the certificate and order are issued.

Over the past several years, the EMPT members have reviewed emergency management documents, participated in seven exercise scenarios, traveled to LNG sites across the country, observed large LNG burn demonstrations in Louisiana and attended LNG security conferences that included the U.S. Coast Guard and other law enforcement agencies. These opportunities for local agency representatives to discuss their concerns with other agencies and actually see an LNG terminal in operation have proven invaluable. The knowledge gained has guided the EMPT members in their decision-making and in developing a sound and comprehensive series of operational guidelines or “concept papers” that define the agency resources needed and how these resources will be utilized. Jordan Cove believes these concept papers are a national “first” in which a private company has worked in concert with local agencies to identify resources and outline response processes for incidents resulting from LNG operations. All twelve agencies have now agreed upon the five concept papers that provide the detailed resource and funding requirements, new public awareness programs, and risk-reduction programs needed to safeguard the community.

Williams supports local Boys & Girls Club fundraiser

On October 24, Williams' Northwest Pipeline, Pacific Connector's designated operator, will serve as a sponsor for the fall fundraiser to benefit the Boys & Girls Club of the Umpqua Valley. Williams has donated \$10,000 to the club for program support.

Boys & Girls Clubs provide educational and social after-school programs for youth to give them the knowledge, skills and attributes critical to success in life. The Boys & Girls Club of the Umpqua Valley began offering programs to at-risk youth in February 2000. Today, the club serves on average more than 300 youth per day.

"Williams has a long history of providing support to the communities it serves," said Dan Lattin, project manager for the proposed Pacific Connector Gas Pipeline. "The donation was made possible by the Williams' Homegrown Giving program, which is a great resource to identify ways to impact and improve the lives of youth in Douglas County."

Alumni who have benefitted from participating in Boys & Girls Club programs in their local communities include Bill Cosby, Denzel Washington, President Bill Clinton, Michael Jordan, Derek Jeter and Jackie Joyner-Kersey, among others. For more information about the Boys & Girls Club of the Umpqua Valley, contact 541-440-9505 or visit their Web site at www.bgcuv.

Douglas County Planning Commission meets to review conditional use permit

In July and early September, the Douglas County Planning Commission met to hear comments regarding a conditional use permit that would allow the proposed Pacific Connector

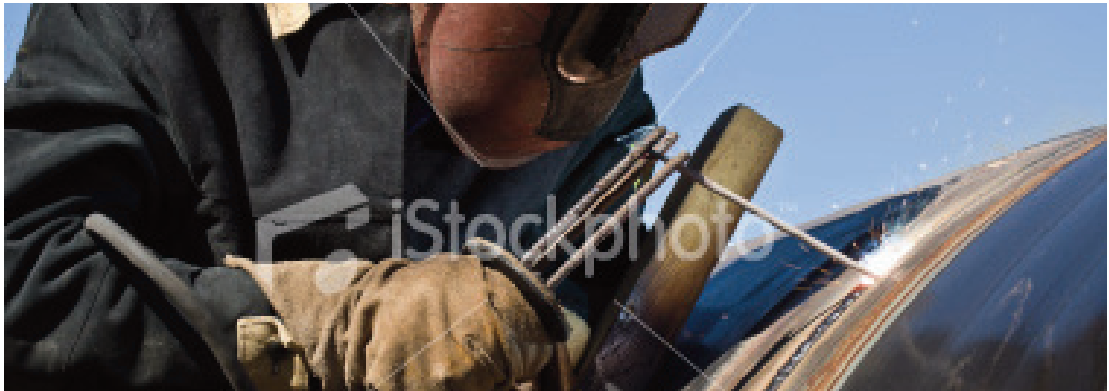


Gas Pipeline to construct a 7.3-mile section from the Douglas-Coos County line east through the Camas Valley.

The planning commission was asked to review the project's request for a conditional use permit and designation for a utility facility necessary for public service because the section of the proposed pipeline falls within the county's Coastal Zone Management Area. This area requires special regulations due to the sensitivity of the coastal environment. The planning commission is scheduled to deliberate to a decision on October 15.

Progress on permits

The FERC is responsible for reviewing all proposed LNG and interstate natural gas pipeline projects, including the Jordan Cove – Pacific Connector project. As such, the FERC coordinates its review with cooperating agencies, including the Bureau of Land Management, the U.S. Forest Service and a number of agencies at the state level that are charged with protecting the environment, natural resources and agriculture.



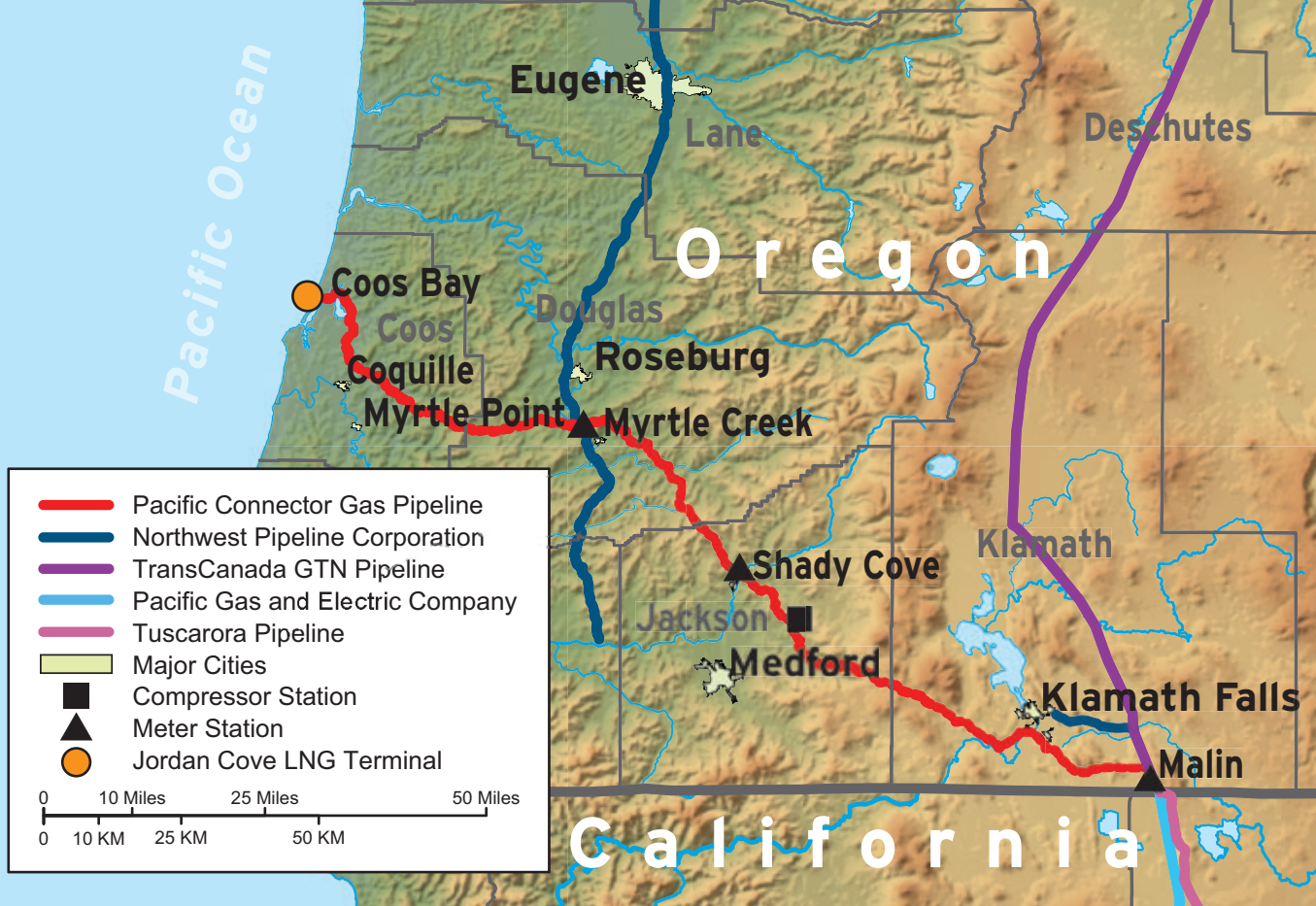
Jordan Cove – Pacific Connector has been involved in several activities designed to meet FERC requirements and to keep stakeholders and interested parties informed of progress on the project. These activities include:

- In May, the FERC transmitted a Biological Assessment document for the project to the National Marine Fisheries Service and the U.S. Fish and Wildlife Service. Both agencies have requested additional information, which has been submitted to the FERC by Jordan Cove – Pacific Connector.
- In mid-June, the U.S. Forest Service published a Notice of Intent (NOI) to prepare plan amendments under their Northwest Forest Plan administrative responsibilities. The NOI requested comments from the public on the scope of the associated Draft Environmental Impact Statement (DEIS), which the Forest Service is preparing in order to evaluate the significance of the plan amendments.

- Jordan Cove – Pacific Connector re-filed a joint permit application with the Army Corps of Engineers in June.
- Following acceptance of the application submitted to the Army Corps of Engineers, the Oregon Department of Environmental Quality has begun their review of the joint permit application for the requirements under the Clean Water Act 401 Water Quality Certification.

We will continue to meet and listen

We will continue to meet with landowners, government and regulatory officials, and other stakeholders about the proposed project. We are happy to consider pipeline route suggestions and alternatives proposed by landowners. Ultimately, the FERC has the jurisdiction to determine the final route.



Milestones

Project receives FERC certificate	Fall 2009
Construction begins on the LNG terminal	Planned for 3rd quarter 2011
Construction begins on the pipeline	Planned for 2nd quarter 2013
In-service for LNG terminal and pipeline	Planned for 4th quarter 2014



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The newsletter is intended to provide information about the proposed Jordan Cove Energy LNG terminal and the Pacific Connector Gas Pipeline project to affected landowners and other stakeholders.

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