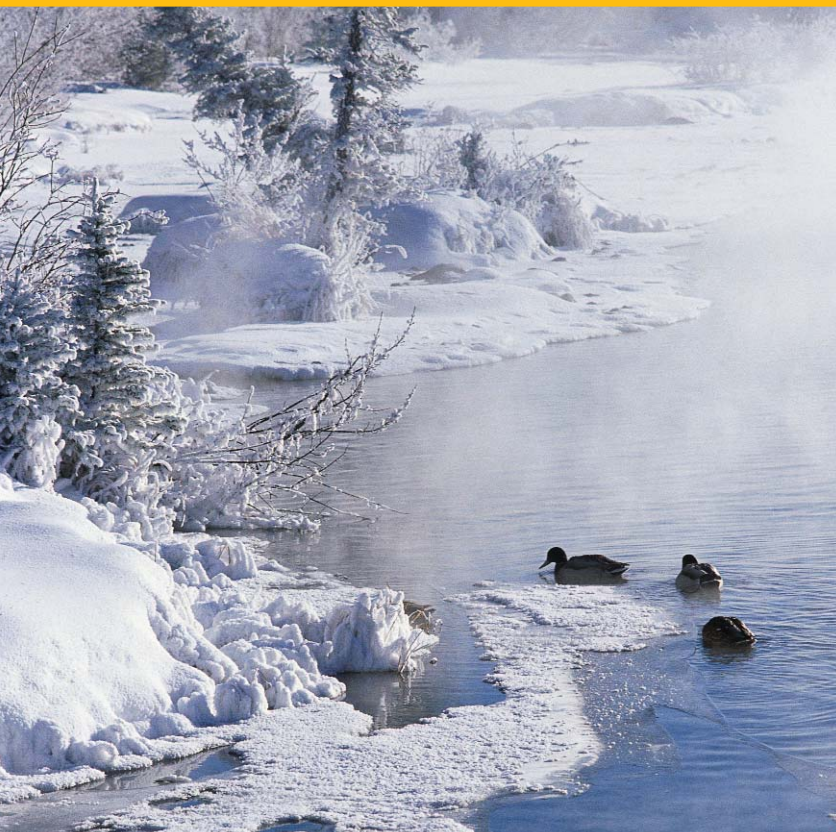


Jordan Cove – Pacific Connector Project Update

Fourth Quarter 2009



Jordan Cove – Pacific Connector receive FERC approval for gas pipeline and LNG project

On Dec. 17, 2009, the Federal Energy Regulatory Commission (FERC) issued a certificate order approving an application to construct and operate the Pacific Connector Gas Pipeline. The FERC also authorized the Jordan Cove Energy Project to site, construct and operate the Jordan Cove Energy LNG terminal. Combined, these two projects will import and transport up to 1 billion cubic feet of natural gas per day from the LNG terminal in Coos Bay to Malin, Ore. The project will provide an additional source of natural gas supply to markets in the Pacific Northwest, northern California and northern Nevada. Jordan Cove – Pacific Connector originally filed their project applications with the FERC on Sept. 4, 2007. The project received a Final Environmental Impact Statement from the FERC on May 1, 2009.



Jordan Cove receives final local land use approval

On Sept. 22, 2009, the Coos County Board of Commissioners issued the final order to allow rezoning of the land currently used as the Kentuck Golf Course from recreational use to that of exclusive farm use, with a provision that allows for the continuing use of the property as a golf course. Additionally, the Board of Commissioners attached conditions to the land use decision that will allow both active and passive restoration of the land that has been recently used as an eighteen-hole public golf course. The current land owners have recently ceased operation of the golf course for economic reasons. The Jordan Cove Energy project currently holds an option to purchase the Kentuck lands and, if purchased, ownership of the property would be transferred to the Oregon International Port of Coos Bay for use as compensatory wetland mitigation for impacts created by construction of the Jordan Cove Energy marine terminal and for future Port development projects.

With the issuance of this fifth and final local land use decision, Jordan Cove Energy has secured all of the local land use decisions and approvals necessary to construct the LNG terminal and marine facilities. Jordan Cove initiated the local land use process in the spring of 2007. With this phase of permitting completed, attention is now focused upon securing other necessary state and federal permits. Earlier this autumn, Jordan Cove held a meeting with the Oregon Department of Environmental Quality, Division of State Lands and the Department of Land Conservation and Development to clearly identify agency requirements and expectations. Based upon these meetings as well as ongoing communications that began as early as 2005, Jordan Cove plans to submit applications for all required state permits during the first quarter of 2010.

Progress on permits

The project has been involved in activities designed to meet federal, state and local permit requirements and to keep stakeholders and other interested parties informed of progress on the project. These activities include:

- In October, the Douglas County Planning Commission approved a conditional use permit and a designation as a utility facility necessary for public service that will allow the proposed Pacific Connector pipeline to construct along a 7.3-mile section of land within the Coastal Zone Management Area from the Douglas-Coos County line east through the Camas Valley. The Douglas County Planning Commission presented its findings, and the Board of Commissioners made a final decision approving the land use permit on Dec. 10, 2009.
- The project continues to work with federal land managing agencies in preparation of the Plans of Development and Northwest Forest Plan Amendments to support a right of way grant across federal lands.

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 | December 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 |



Project Update

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

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