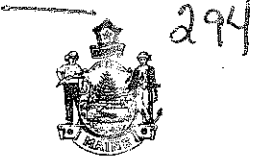


BEP Letter Nov 19, 2010



STATE OF MAINE
BOARD OF ENVIRONMENTAL PROTECTION

SUSAN M. LESSARD

CHAIR

CYNTHIA S. BERTOCCI

EXECUTIVE ANALYST

JOHN ELIAS BALDACCI

GOVERNOR

November 19, 2010

David Van Slyke, Esq.
Preti Flaherty
One City Center
Portland, Maine 04101

Re: Calais LNG Project Company, LLC and Calais Pipeline Company, LLC

Dear Mr. Van Slyke:

On November 18, 2010 the Board received a letter from Steven M. Carothers and Gail J. Roberts stating that they are the owners of Calais Tax Map/Lot 022-007, a 250 acre parcel of land upon which much of Calais LNG's proposed facility and pier would be built. In their letter they state that as of August 31, 2010, Calais LNG and its assigns failed to exercise or renew their Option to Purchase Agreement. They state that consequently, as of September 1, 2010, Calais LNG lost any rights to use or purchase their property for the proposed LNG facility.

As you are aware, title, right or interest is a threshold criterion for processing of an application. Specifically, in accordance with Chapter 2, section 11(D) of the Department's rules, "An applicant must maintain sufficient title, right or interest throughout the entire application processing period." As it appears that Calais LNG does not have title, right or interest in a substantial portion of the property proposed for development, please notify the Board by Wednesday, November 24, 2010 of Calais LNG's intent with respect to its pending applications. If Calais LNG does not intend to withdraw its applications, it should show cause as to why the applications should remain pending.

Thank you for your attention to this matter.

Sincerely,

Susan M. Lessard, Chair

cc: Service List
Steven Carothers and Gail Roberts



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