

David B. Van Slyke
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December 14, 2010

By Electronic and U.S. Mail

Susan M. Lessard
Chair
Maine Board of Environmental Protection
17 State House Station
Augusta, Maine 04333-0017

Beth Nagusky
Acting Commissioner
Maine Dept of Environmental Protection
17 State House Station
Augusta, Maine 04333-0017

Re: Calais LNG

Dear Chair Lessard and Acting Commissioner Nagusky:

I have enclosed a letter addressed to each of you from Harold Ian Emery, dated December 14, 2010, withdrawing the following applications regarding the Calais LNG project:

- NRPA Application: #L-24843-TG-B-N, #L-24843-IW-C-N, #L-24843-L6-D-N, #L-24843-4P-E-N;
- Site Location of Development Application: #L-24843-26-A-N;
- Air Emission Application: #A-1029-71-A-N;
- Waste Discharge License Application: #W-9056-5O-A-N; and
- Water Quality Certification.

As a result of this withdrawal, the Board and the Department no longer have jurisdiction over these applications and the BEP hearing scheduled on this matter for December 16, 2010 is now moot. Calais LNG will notify the Department when it is ready to re-file its applications.

Calais LNG and Preti Flaherty appreciate the efforts of the BEP and the Department to move this project through the regulatory process in an expeditious fashion.

Very truly yours,



David B. Van Slyke

Enclosure

cc: Service List
Harold Ian Emery
Arthur Gelber
Eliza Townsend, DOC
Tim Glidden, SPO

December 14, 2010

Susan M. Lessard, Chair
c/o Terry Dawson
Maine Board of Environmental Protection
17 State House Station
Augusta, Maine 04333-0017

Beth Nagusky
Acting Commissioner
Maine Department of Environmental Protection
17 State House Station
Augusta, Maine 04333-0017

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

Dear Chair Lessard and Acting Commissioner Nagusky:

It is with deep regret that, by this letter, I am notifying the Board of Environmental Protection (“Board” or “BEP”) that Calais LNG Project Company, LLC and Calais Pipeline Company, LLC (“Calais LNG”) are withdrawing the following permit applications previously filed with the Maine Department of Environmental Protection and currently under the jurisdiction of the Maine Board of Environmental Protection:

- NRPA Application: #L-24843-TG-B-N, #L-24843-IW-C-N, #L-24843-L6-D-N, #L-24843-4P-E-N;
- Site Location of Development Application: #L-24843-26-A-N;
- Air Emission Application: #A-1029-71-A-N;
- Waste Discharge License Application: #W-9056-5O-A-N; and
- Water Quality Certification.

Calais LNG recognizes that you, Chair Lessard, the rest of the Board, and Board staff, as well as DEP management and staff, all have made extraordinary efforts to move these applications through the DEP and BEP process in an expeditious fashion, and we are extremely disappointed that this project cannot proceed with its state applications at this time.

While we believe that it is in Calais LNG’s best interest, as well as in the best interest of the State of Maine, for the companies to withdraw their applications at this time, it is worth noting that this is being done now as a result of a significant force majeure event that has impacted all of America – the meltdown of the financial markets. It is our firm belief that, but for the extreme turbulence of the capital markets, Maine would be well on its way toward having an LNG facility in Washington County that would be capable of providing stable and secure natural gas prices for Maine’s industrial, commercial and residential consumers.

Susan M. Lessard / Beth Nagusky
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A tremendous amount of work has been done to position this project for successful permitting, construction and operation. Millions of dollars worth of high quality scientific research and study has been undertaken with regard to the project site, the pipeline route and the Passamoquoddy Bay / St. Croix River waterway. As you may know, the project recently received a very favorable Waterway Suitability Report from the U.S. Coast Guard. We have also received all necessary local permits for the project from the City of Calais.

Further, the Calais LNG project has enjoyed broad public support throughout this process. The City of Calais has worked with the project team from the inception of this effort. The Maine State Chamber of Commerce and its members have been stalwart supporters, as have been the Industrial Energy Consumers Group, the Professional Mariners and Waterway Users of Passamoquoddy Bay Region, Citizens for Clean and Secure Energy, Inc., and Maine Workers for a Healthier Environment. Their efforts are much appreciated by Calais LNG and, given the importance of this project to the State of Maine, we hope that their support will remain strong as Calais LNG re-groups and subsequently re-files its DEP applications.

Based upon all of those positive results, the strong support of the Community and other interest groups, the interest in this project currently being shown by various energy companies, and the general continued forward momentum of the project, we are very optimistic that we will be able to satisfy the requirements necessary for permitting in the near future, at which time Calais LNG fully intends to re-file its applications.

It has been a pleasure working with you and your very capable staffs and we look forward to continuing that positive relationship upon re-filing of the applications in the near term. In the meantime, please direct all further correspondence with regard to these matters to:

Harold Ian Emery
Calais LNG Project Company, LLC
Calais Pipeline Company, LLC
1863 Cutler Road
Cutler, ME 04626
E-mail: iemery1@roadrunner.com

Again, on behalf of the entire Calais LNG project team, including Arthur Gelber and myself, we thank you and your staffs for your efforts on this project to date.

Sincerely,



Harold Ian Emery

cc: Arthur Gelber
BEP Service List
Eliza Townsend, DOC
Tim Glidden, SPO