

Quoddy Bay LNG

October 26, 2008

Mr. Ernest Hilton, Presiding Officer
c/o Ms. Terry Hanson
Board of Environmental Protection
17 State House Station
Augusta, ME 04333-0017

Re: Quoddy Bay LNG, LLC and Quoddy Bay Pipeline LLC
Applications L-23600-26-A-N, L-23600-TG-B-N, A 000975-71-A-N
W-9010-50-A-N and 401 Water Quality Certification/CZMA

Dear Mr. Hilton:

Quoddy Bay writes in follow up to its September 12, 2008 letter to you. Since that letter, the Federal Energy Regulatory Commission on October 17 dismissed our applications without prejudice to filing a new application in the future. Quoddy intends to do so, but given global energy and economic markets and trends of the past month, it will not be able to do so by the end of November 2008, which is the deadline by which we had previously told you we would be updating our Maine applications.

We still have not been able to firm up the likely BTU content of our LNG and thus have not been able to firm up whether we will have to build the nitrogen mitigation facility.

Thus, it is with great regret that Quoddy is withdrawing its State applications to construct its proposed LNG facility and associated pipelines. We expect to refile them in the near future, but are uncertain of the dates due to the world LNG supply and demand situation.

We appreciate the patience and consideration of the Board, its staff and attorneys, and DEP staff throughout this process, and look forward to working with you in the near future.

Sincerely,



Donald M Smith
President

cc: Service List