



PRESS RELEASE

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DOWNEAST LNG MOVING FORWARD WITH PLANS FOR LNG IMPORT/EXPORT TERMINAL

Downeast LNG (DELNG) announced today that it is planning to develop a bi-directional LNG facility at its proposed location in Robbinston, Maine, meaning that it will be able to handle both the import and export of natural gas. The proposed project will have the ability to liquefy 2 million tons of LNG (270 mmcf of gas) per year or regasify 100 mmcf of LNG, as market conditions warrant.

“Our project will bring much-needed jobs and economic development to Maine,” said DELNG president and founder Dean Girdis. “Having a bi-directional facility will give us the ability to respond to market conditions and customer needs while increasing the supply of natural gas in the state, whether we are importing or exporting,”

The DELNG project, which was first proposed in 2005, received in May of 2014 a positive Final Environmental Impact Statement (FEIS) from the Federal Energy Regulatory Commission (FERC) for its originally proposed regasification project. Although the proposed bi-directional facility will require modifications to the current site plan, much of the facility will remain the same.

The reconfigured DELNG project will retain one LNG storage tank, pier, regasification equipment and natural gas pipeline as currently proposed, adding liquefaction capacity to the current design. The estimated cost of constructing the facility is \$1.3 to 1.4 billion.

DELNG will offer up to 2 million tons of LNG per annum beginning in 2019/2020 to LNG buyers through a tolling model. As compared to other LNG projects proposed in the U.S., DELNG will offer LNG buyers an opportunity to access Canadian and USA gas reserves, with gas committed under a fixed price contract.

DELNG plans to submit its FTA and non-FTA export requests with the DOE and enter the pre-filing process with FERC within a month. DELNG hopes to begin construction in 2016 and looks forward to developing its proposed project in collaboration with the citizens of Maine.

The development of the DELNG project will help alleviate gas supply constraints in the New England region by contracting for 300 mmcf of firm gas pipeline capacity, thereby supporting the construction of new pipelines to the region and increasing market liquidity. DELNG will also release up to 20 days of pipeline capacity annually to New

England consumers on the coldest winter days to increase gas supply, thereby reducing high winter spot gas prices in the region.

Based upon a recently updated economic impact study by Professor Todd Gabe of the University of Maine, the project generates significant economic benefits. These include:

- Over the three-year construction period, the proposed LNG terminal will generate on average 2,350 full- and part-time jobs and labor income of \$375 million. An estimated 1,100 construction jobs will be employed annually during its construction.
- After the proposed LNG terminal is completed, the permanent statewide impact of its annual operations—including multiplier effects—will be an estimated \$68.0 million in output, 337 full- and part-time jobs, and \$21.6 million in labor income.
- The permanent impact of the LNG terminal’s annual operations on the Washington County economy—including multiplier effects—will be an estimated \$46.4 million in output, 207 full- and part-time jobs, and \$14.0 million in labor income.

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