

August 17, 2009

Commissioner David Cole  
Maine Department of Transportation  
16 State House Station  
Augusta, ME 04333-0016

Reference: Eastport Gateway Project

Dear Commissioner Cole,

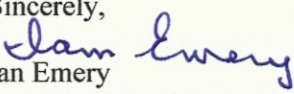
I would like to take this opportunity to offer the support of Calais LNG to the proposed Eastport Gateway Rail Restoration Project currently being pursued under the ARRA (American Recovery and Reinvestment Act) TIGER grant program.

As you know, the Calais LNG project is currently seeking regulatory approvals from both the Federal Regulatory Commission and the State of Maine regulatory agencies. We plan a construction start date for the end of 2010. Part of the development will include the transshipment of LNG. Currently, there exists an interstate pipeline that runs from Baileyville to South Berwick, Maine to transport natural gas. There are markets for natural gas in other regions of Maine where the pipeline currently does not exist. Some of the industries like the pulp and paper industry could benefit by switching over to natural gas as it is less expensive compared to oil. Through transshipment of LNG by use of truck to rail, LNG could be shipped to those remotes areas in Maine and beyond where high energy costs make it difficult for these industries to stay in business.

The Calais LNG project is a 1.5bcf facility that will accommodate three 160,000 cu meter storage tanks. Calais LNG plans to transport natural gas through a 20.3 mile pipeline and also by the transshipment of LNG by truck or rail. At this time, it's difficult to estimate how much LNG will be shipped via truck or rail, but as the use of natural gas continues to replace oil and coal as the preferred nonrenewable energy source for heat and electricity and to meet our carbon emissions reduction limits, the use for natural gas will increase and the need for various alternatives to transport natural gas will expand as well.

As such we see that this project's rail initiatives provide for the much needed infrastructure investments and upgrades that will offer transportation alternatives for our company. We would again offer this project our full support and hope that it is favorably reviewed by all in this process.

Sincerely,

  
Ian Emery  
Founding Development Manager  
Calais LNG