

September 13, 2010

BY ELECTRONIC & U.S. MAIL

Susan Lessard, Chair
c/o Terry Hanson
Board 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:

This letter is a status report made on behalf of Calais LNG Project Company, LLC and Calais Pipeline Company, LLC (“Calais LNG”).

As you know, in mid-August Calais LNG requested that the Board of Environmental Protection (“BEP”) grant an additional extension of time with regard to the processing of its applications. In particular, Calais LNG noted that its lead financial partner and managing member, GS Power Holdings LLC, needed an additional thirty days to negotiate with new potential financial partners for the project.

There have been serious discussions during those intervening thirty days and, as one might imagine concerning an energy project anticipated to cost between \$900M and \$1B, such discussions are time consuming and complex. Calais LNG has now limited its discussions to two entities. While each entity must remain confidential at this time, one of those entities has access to a very significant natural gas supply and is currently applying a vertically integrated business approach (gas supply, liquefaction capacity, shipping capacity and receiving terminal capacity) to the worldwide LNG market. The other entity has considerable expertise in the global commodity markets and a keen interest in energy sources that promote clean energy and sustainable alternative energy sources as well as natural gas. The Calais LNG project, being located in New England, would add a significant component to either enterprise.

Due to the complex nature of these negotiations, it is not now possible to predict precisely when the discussions might be concluded such that a new financial partner can be identified to the Board and the parties. Given that uncertainty, therefore, Calais LNG respectfully requests that the BEP provide it with an additional 30 days to complete those efforts.

In light of the above information, and in order to minimize the expense and inconvenience of an in-person conference of the parties in Augusta on Wednesday,

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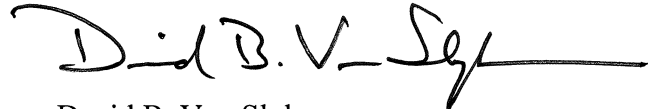
Susan Lessard, Chair

September 13, 2010

Page 2

September 15, 2010, Calais LNG respectfully requests that you postpone that conference until the week of October 11, 2010. In the meantime, we will provide the Board and the parties with a further status report on September 30, 2010, or sooner in the event that negotiations come to completion prior to that date.

Very truly yours,

A handwritten signature in black ink, appearing to read "David B. Van Slyke". The signature is stylized and includes a long horizontal line extending to the right.

David B. Van Slyke

cc: Beth Nagusky, Acting Commissioner - DEP
Service List