

NEWS RELEASE

January 11, 2008

Contact: Broadwater media line (631) 208-8350

FERC ISSUES FINAL ENVIRONMENTAL IMPACT STATEMENT ON BROADWATER

A major regulatory milestone confirms the need, location and limited environmental impact of the Broadwater project.

RIVERHEAD, NY – Broadwater Energy, LLC achieved another major milestone today as the bipartisan Federal Energy Regulatory Commission (FERC) issued its Final Environmental Impact Statement (FEIS) on Broadwater's proposed offshore, liquefied natural gas (LNG) facility in Long Island Sound.

The FEIS states that, "Overall, the proposed Project with implementation of the mitigation methods we have recommended would result in fewer environmental impacts than any alternatives considered. This includes consideration of the Project's purpose and need and the environmental impacts associated with the location, design, and construction methods of the alternatives."

"We welcome the issuance of the FEIS. The attention to details by the federal and state agencies involved is clearly evident and we will be reviewing the findings and conclusions over the coming days," said John Hritcko, Sr. Vice President, Broadwater Energy. "We are pleased that this stage of the regulatory review is complete and, in the coming months, look forward to the Commissioners' decision on Broadwater's proposal.

After due consideration of both verbal and written comments provided on its draft EIS, further data collection, and its final analysis, the FERC staff has reaffirmed its conclusions that Broadwater is the most environmentally responsible way to meet the region's natural gas needs in the coming years, given the alternatives. This view is further confirmed by the thousands of letters of support received by the project from local businesses, individuals, large energy users and the city of New York among others.

The FEIS is an extensive, collaborative assessment of the Broadwater proposal led by FERC staff with input from federal and state agencies as well as local residents from both sides of the Sound and other interested parties. The report provides an analysis of the environmental, technical, and socio-economic aspects of the proposal that will be used by the FERC Commissioners in their project review, expected sometime in the next few months

Key conclusions include:

- ✓ The terminal would provide a new source of reliable, long-term, and competitively priced natural gas to the Long Island, New York City, and Connecticut markets
- ✓ The proposed Project would result in fewer environmental impacts than any alternatives considered, and many alternatives could not meet the proposed purpose and need of the Project
- ✓ The Coast Guard has made a preliminary determination that, if specific risk mitigation conditions are implemented; the Project Waterway would be suitable for use by LNG carriers to and from the proposed Project

Broadwater Energy is proposing to build an LNG import terminal and connecting pipeline that would help the region meet its growing need for affordable and reliable supplies of natural gas. The proposed facility will be located 9 miles from the nearest Long Island coastline and 10 miles from the nearest Connecticut coastline.

Broadwater has been actively engaged in the detailed federal and state regulatory review of its proposed energy project over the past three years. The joint venture has undertaken over three years of public engagement and participated in numerous events in both New York and Connecticut seeking to share information about the project and solicit public input. Additionally, federal, State of New York, county, and local government entities held scoping meetings, local hearings, and public information meetings during this time.



Acting on FERC's behalf, the US Coast Guard conducted an extensive safety and security review of Broadwater's proposal culminating in the issuance, in September 2006, of a Waterways Suitability Report that determined that the Long Island Sound is a mixed-use waterway and by following the Coast Guard's recommendations, Broadwater operations could be made suitable for the Sound. Broadwater continues working with various New York State and federal agencies to complete the permitting and licensing requirements necessary to conclude the extensive regulatory review process as soon as practicable.

###

Broadwater Energy | 889 Harrison Avenue, Riverhead, New York 11901 | Phone: (631) 208-8349 or 1-800-798-6379 | Fax: (631) 208-8346 | www.broadwaterenergy.com

Broadwater is a joint venture between TransCanada and Shell US Gas and Power. TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure. TransCanada's network of approximately 36,500 miles of pipeline transports the majority of Western Canada's natural gas production to key Canadian and U.S. markets. A growing independent power producer, TransCanada owns, or has interests in, approximately 7,700 megawatts of power generation in Canada and the United States.

For more than 40 years, Shell has been a leader in producing natural gas, converting it to Liquefied Natural Gas (LNG) — its highly compact liquid form — and transporting it to markets beyond the reach of pipelines. Today, Shell is the world's largest private producer of LNG and a leader in supplying it to the world. As pioneers of the industry, Shell has set the pace in developing LNG technology and establishing the safety of LNG operations and shipping standards used throughout the industry.

