

Broadwater Advances Project Review With Filing of FERC Application

Riverhead, New York, January 30, 2006 - Broadwater Energy, LLC announced today the filing of an application with the Federal Energy Regulatory Commission (FERC) for the proposed Broadwater Liquefied Natural Gas (LNG) project in Long Island Sound. Broadwater plans to begin operation in late 2010 supplying one billion cubic feet of natural gas per day, an amount equal to the needs of four million New York and Connecticut residences.

The filing marks the next step in a comprehensive public and regulatory review of the project that began in November 2004. The FERC application provides detailed project information required by federal and New York state agencies to consider the benefits and the impacts of the project and make a determination on its approval.

“The Broadwater project provides a safe and efficient way to deliver a major new supply of natural gas directly into this growing market. Area residents are entitled to more reliable and affordable energy supplies, and they want a fair and comprehensive regulatory review of Broadwater,” said John Hritcko, Jr. Broadwater Energy’s Sr. Vice President.

A floating LNG terminal, as proposed by Broadwater, will provide an energy solution that incorporates proven technology to ensure the safety of coastal communities and avoids impacts to sensitive nearshore habitat. A new offshore pipeline will connect the LNG terminal to an existing pipeline system that currently transports natural gas to serve homes, businesses and power plants in the Long Island Sound region.

During the past 15 months of extensive consultation, changes have been made to the facility to reduce its profile and lessen its visual impact as much as possible. In addition, the design of the mooring system will allow it to withstand wind and wave conditions beyond any experienced in Long Island Sound history. The proposed location of the facility and the pipeline has been moved to reflect input from fishermen, lobstermen and other marine users.

“Our goal is to do everything practical to make Broadwater the best possible solution to meet this region’s growing energy needs. We understand that no major energy project will be embraced by everyone when first introduced, but we are confident that the facts and extensive analysis presented in this filing will demonstrate to all that Broadwater will be a safe, reliable and environmentally sound energy supply source, as well as one with a profound impact on the regional natural gas prices faced by ratepayers,” said Hritcko.

Broadwater’s comprehensive FERC application will be available on the FERC website at www.ferc.gov/docs-filing/elibrary.asp. In addition, a project update is available from Broadwater at www.broadwaterenergy.com or by calling 1-800-798-6379.

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Broadwater Fact Sheet

Energy Need

- The United States is facing a critical period, where demand for natural gas is outpacing domestic production. The US Energy Information Administration is predicting a national gap of 28% by 2025.
- In New York, the New York State Energy Research Development Authority (NYSERDA), projects that by 2021 natural gas demand is expected to grow nearly 37% from its current levels.
- The Connecticut State Energy Plan forecasts that the share of natural gas used for electric generation will nearly double from 24% in 2002 to 47% by 2008.

LNG

- LNG stands for Liquefied Natural Gas. It is a clear, odorless, non-toxic and non-corrosive liquid. It is natural gas cooled to a very low temperature (roughly - 260° F). In its liquid state, natural gas occupies 600 times less volume than non-liquefied natural gas. LNG is not compressed gas and is not stored under pressure.
- The new natural gas supply from Broadwater will be used by residential, commercial, and industrial users - in addition to increasing the supply of natural gas that can be used to produce electricity.
- LNG has been delivered for 45 years without major accidents or safety incidents. Broadwater will expand on this safety record by using state of the art technology and by locating near the center of the Long Island Sound, 9 miles from the nearest shoreline.

Project Details

- The Floating Storage Regasification Unit (FSRU) is a ship-like vessel that will be moored in the Long Island Sound.
- The terminal, once constructed, will be towed and anchored 9 miles off the coast of Long Island and 10.5 miles off the coast of Connecticut.
- The FSRU will store approximately 8 Bcf of natural gas and will have a peak send-out capacity of 1.25 Bcf/day, enough to heat 4 million homes for one year.
- Approximately 2 - 3 carriers will arrive each week to offload LNG into the facility where it will be stored in liquid form until it is regasified and transferred to the existing Iroquois Gas Transmission System in the Sound and supplied to New York and Connecticut.

Regulatory Review

- Broadwater began the National Environmental Policy Act (NEPA) pre-file process in November 2004. Since that time, Broadwater has met with hundreds of individuals, organizations, agencies and governments on Long Island, in Connecticut and New York City. Feedback received from these meetings will be reflected in the Broadwater application.
- After Broadwater submits its application, the FERC, in conjunction with other federal and state agencies, will develop a draft Environmental Impact Statement (EIS) for public comment. Those comments will be incorporated into the final EIS. The agencies will consider the findings of the final EIS and any subsequent comments in their decisions whether to grant the required approvals and permits.
- The U.S. Coast Guard also will play a major role in the review process and will issue a safety and security assessment after Broadwater files its application.