



NEWS RELEASE

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FERC Commission Approves Broadwater Project

Bi-Partisan Commission Votes 5-0 in Favor

March 20, 2008 (Riverhead, NY) – The bi-partisan Federal Energy Regulatory Commission (FERC) today unanimously approved construction and operation of the Broadwater LNG Project, subject to the conditions reflected in the authorization.

After 3 years of intensive review, the Commission found that the project is consistent with the public interest. In a statement issued today, FERC Chairman Joseph T. Kelliher stated that “Based on all available scientific facts, we approve the Broadwater project today, subject to rigorous conditions, because it can meet the projected energy needs for New York City, Long Island and Connecticut, and can provide the service safely, securely and with limited adverse impact on the environment.”

“This decision is an important step forward in bringing new clean, reliable, affordable natural gas supply to a region where prices are volatile and climbing, air quality is a concern and is located at the end of the pipeline delivery system. Without new energy supply, energy consumers will continue to face volatile and increasing natural gas prices in New York and Connecticut,” said John Hritcko, Senior Vice President, Broadwater LLC.

The Commission also considered the findings reflected in the Final Environmental Impact Statement (FEIS) issued in January 2008 and determined that with the implementation of the specified mitigation measures, the project will result in limited adverse environmental impacts and fewer environmental impacts than any alternatives considered.

The Environmental Impact Statement (EIS) was developed with the assistance of the following cooperating agencies: the Department of Homeland Security, U.S. Coast Guard, the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, the National Oceanographic and Atmospheric Administration, the National Marine Fisheries Service and the New York State Department of State. Nearly 30 FERC staff, who have masters and doctoral degrees in their field of study, helped prepare the EIS.



BROADWATER



Input into the EIS also came from the Broadwater's application, the New York State Department of Public Services, the State of Connecticut Department of Environmental Protection, the State of New York Department of Environmental Conservation, the New York State Office of Parks, Recreation and Historic Preservation, public open houses, scoping meetings, comment meetings, letters from the public, field inspection, research and analysis.

Made up of five individuals, FERC Commissioners are nominated by the President with the advice and consent of the Senate. No more than three of the Commissioners may be from the same party.

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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.

