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Clearwater Port LNG terminal application deemed complete
Federal and state agencies initiate formal environmental review process

HOUSTON, Tex. – NorthernStar Natural Gas Inc. today announced that federal and state agencies have completed their review of Clearwater Port LLC’s deepwater port license application to own, construct and operate a liquefied natural gas (LNG) import terminal, and have deemed it complete. The project, known as Clearwater Port, is located 12.6 miles off the coast of Oxnard in Ventura County, California. The determination – by the California State Lands Commission (CSLC), the U.S. Coast Guard (USCG) and U.S. Maritime Administration (Maritime) – initiates preparation of the agencies’ joint Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR), the comprehensive, independent assessment of the project required by state and federal law.

NorthernStar CEO William “Si” Garrett said, “Clearwater Port is uniquely positioned to meet California’s growing need for natural gas in a manner consistent with its energy and environmental priorities. We believe our innovative approach to converting an existing offshore oil platform into a safe, modern LNG receiving terminal conforms to the California Coastal Act’s principle of reusing existing infrastructure.”

Notice of the application will be published in the Federal Register this week. Clearwater Port expects the DEIS/EIR report to be issued for public comment in the spring. If the application review proceeds on schedule, Clearwater Port could deliver natural gas to California consumers as early as 2011.

Earlier this year, Clearwater Port pledged to hold itself to a higher standard for air quality rules. Clearwater Port will comply with the Ventura County Air Pollution Control Board’s (VCAPCD) local air quality standards, which include using Best Available Control Technology (BACT) to reduce emissions and compliance with VCAPCD Rule 26, which requires offsets for emissions. Because the project is subject to California State Lands Commission, U.S. Coast Guard and U.S. Maritime Administration approval, California is assured of a rigorous review.

“We look forward to continuing to work with the responsible agencies and all stakeholders to demonstrate how Clearwater Port will meet or exceed all safety and environmental standards,” said Mr. Garrett. “Our use of ambient air vaporizers to significantly reduce greenhouse gas emissions is just one example of that commitment.”

Continued

By increasing supplies of clean-burning natural gas to California, Clearwater Port will help lower energy prices for all Californians while the state increases its use of renewable energy. Under the Clearwater Port's "equal access" business model, the company will not own the natural gas delivered to the terminal. Instead, it will promote competition among potential suppliers to benefit all consumers.

About Clearwater Port LLC

Clearwater Port is a proposed offshore LNG receiving terminal located 12.6 miles off the coast of Oxnard, California. The platform will be connected to the Southern California Gas Company (SoCalGas) pipeline network and storage infrastructure through a 28-mile pipeline alongside an existing undersea pipeline corridor. In converting "Platform Grace," a pre-existing oil and gas platform into a receiving terminal for the re-gasification of LNG, environmental impacts will be dramatically reduced through the use of Best Available Control Technology (BACT). Without the need for onsite storage, the project can deliver gas to market faster and more cost-effectively than constructing a new terminal. For more information about Clearwater Port LLC, please visit: <http://www.clearwaterport.com>.

About NorthernStar Natural Gas Inc.

At NorthernStar Natural Gas, we create innovative solutions that bring clean, safe, affordable natural gas to meet America's energy needs. Led by a dynamic executive team with deep industry experience, NorthernStar Natural Gas is a US owned and operated company that is currently developing liquefied natural gas terminals on the west coast. We combine our business aspirations with a bold commitment to improve the communities where we live and work by generating new jobs and economic opportunities, supporting better education for our children and leaving a lasting legacy of environmental excellence in all that we undertake. For more information about NorthernStar Natural Gas Inc., please visit: <http://www.northernstar-ng.com>

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