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Oregon LNG Continues on Permit Approval Path with Report to Coast Guard

Water Suitability Assessment Confirms that Project Site Provides Safety, Flexibility

Warrenton, Ore. — June 11, 2008 — Oregon LNG recently delivered its Water Suitability Assessment (WSA) to the U.S. Coast Guard, moving the liquefied natural gas project further on its expected schedule toward permit approval.

“The WSA shows that tankers can safely navigate the Columbia River Bar to serve our facility,” said Peter Hansen, Oregon LNG chief executive officer. “It also confirms that our site is well-suited for the most modern vessels, including the Q-Max class.”

Oregon LNG is a proposed liquefied natural gas import facility located on the Skipanon Peninsula in Warrenton, Oregon. The project is distinct from other LNG proposals in that it has taken a different route toward permit approval.

“We focused extra time, attention and resources in the beginning to find what we believe is the best site,” Hansen said. Oregon LNG’s site is located near the mouth of the Columbia, which means tankers do not have to pass by Astoria or go under the Astoria-Megler Bridge to serve the facility – a significant advantage compared to upriver locations. “In addition, we started our process by focusing on local land use permits, and then moving to the federal process,” Hansen said. So far, Oregon LNG is the only LNG project in Oregon that has received its land use approvals and successfully defended these approvals against all legal challenges.

“With the WSA report, we are moving forward with the federal process according to plan,” Hansen said.

The WSA evaluated navigation for three liquefied natural gas tanker sizes — 148,000 cubic meters (m³), 216,000 m³ (Q-Flex) and 266,000 m³ (Q-Max). The WSA demonstrates that the Oregon LNG site can accommodate the three tanker sizes.

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Because the site and the tanker transit route are distant from population centers, bridges and other major infrastructures and because the impacts on other river users will be minimal, “the site is ideal from a safety and security standpoint,” Hansen added. Also, the site has far lower impacts on salmon than any other site on the Columbia River.

As the only on-shore, LNG receiving terminal on the West Coast of the U.S. capable of accommodating the larger vessels, the Oregon LNG project will process up to 1.5 billion cubic feet of natural gas per day. The project will serve Oregon, Washington and other western states through a new 120-mile pipeline.

Currently, Oregon imports nearly 100 percent of the natural gas used by Oregonians. Traditional supplies are expected to decline and competition for natural gas is increasing. Access to LNG would help meet Oregon’s demand for natural gas and help hold prices down.

In addition to providing access to new supplies of natural gas, Oregon LNG also fully supports energy efficiency and renewable energy initiatives. “We strongly support the state’s goal of meeting 25 percent of Oregon’s electric energy needs with renewable energy by 2025,” Hansen said. “But even with that aggressive goal, we will still need more natural gas.”

The WSA report is a follow on to the Preliminary Water Suitability Assessment, which was submitted to the U.S. Coast Guard on May 24, 2007.

Oregon LNG expects to receive final federal permit approval in 2009 and anticipates delivering natural gas to customers by late 2013.

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Oregon LNG is a proposed liquefied natural gas (LNG) facility in Warrenton, Ore. Its sister company, Oregon Pipeline, is a proposed pipeline that will deliver affordable natural gas to customers in Oregon, Washington and other western states. Visit www.OregonLNG.com for more information.