



Ranger Gas Storage, LLC
1010 Lamar, Suite 1720
Houston, Texas 77002

UPDATING YOU ON THE COTE BLANCHE ISLAND HENRY GAS STORAGE PROJECT

Henry Gas Storage, LLC, (HGS), a subsidiary of Ranger Gas Storage, LLC, is proposing the development of an underground natural gas storage facility on Cote Blanche Island and the construction of a 12-mile natural gas pipeline to connect with interstate and intrastate natural gas pipelines in the area.

When surveying regions for the location of this project, it was obvious the state of Louisiana would be an ideal choice. Louisiana is a major producer and consumer of natural gas and is home to a vast network of pipelines that provide access to energy markets throughout the U.S.

Once in Louisiana, we chose Cote Blanche Island for the project site due to its proximity to the Intercoastal Waterway and the Henry Hub, a pipeline system in Acadiana, that interconnects with nine interstate and four intrastate pipelines. In fact, for these reasons the Cote Blanche Island landowners reserved a part of the island for natural gas storage in a 1960s lease agreement with a salt mine on the island. We also know Louisiana workers have the skills and know-how to help us build and operate this facility.

PARTNERING FOR PROGRESS

We recognize that economic development, environmental protection and safety go hand-in-hand. We know there will be questions about the project and we welcome them. We look forward to working with all interested parties as the project moves forward.

We hope this document helps you in getting to know a little more about our company and our project. If you would like additional information, please contact me at mike.mccall@rangergs.net.

Sincerely,

Mike McCall

Chief Executive Officer, Ranger Gas Storage



HENRY GAS STORAGE PROJECT

For more information and up-to-date project happenings, please visit our Web site at www.henrygasstorage.com.

PARTNERING FOR PROGRESS

UPDATING YOU ON THE COTE BLANCHE ISLAND

Getting to Know Henry Gas Storage, LLC

Henry Gas Storage, LLC, (HGS) is a subsidiary of Ranger Gas Storage, LLC, a three-year-old partnership between industry veterans with more than 150 years of combined energy industry experience, including the development, construction, operation and management of storage and energy facilities.

HGS's very own chief executive officer, Mike McCall, grew up in New Iberia, Louisiana, very near to the project site.

Project Site: Cote Blanche Island

The island was used for sugar production and livestock development from the 1800s through the 1900s. Additionally, oil and gas production is still active in this area today. In 1961, Cote Blanche Island landowners decided to reserve a part of the island for natural gas storage in their lease agreement with a nearby salt mining operation, presently known as North American Salt Company, who later began operating a salt mine on the island.

The Project

The project will consist of the following major components:

- 4 solution-mined caverns in the Cote Blanche salt dome for the purpose of storing natural gas;
- up to 65,000 HP of compression to allow for injection and removal of gas;
- a solution mining plant to create the caverns;
- a pipeline to dispose of the brine from the caverns; and
- a 12-mile pipeline header system to receive gas from and re-deliver gas to various existing interstate and intrastate pipelines

“Natural gas storage facilities provide a means for producers and consumers to plan future sales and purchases as well as moderate prices that fluctuate widely as a result of supply and demand.”

*Don Briggs, President
Louisiana Oil & Gas Association*

Economic Development

Henry Gas Storage plans to invest \$500 million in the project in St. Mary Parish. The project will provide more than 1,600 construction jobs and

about 20 permanent jobs with an annual salary of approximately \$70,000, plus benefits. It will also create potential sales for local vendors and suppliers.

Combining construction and operations, the facility will generate approximately \$737 million in new business sales, \$241 million in new household income and \$35 million in new state taxes over a 10-year period, according to a recent economic impact study by economist Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University.

Community Interaction

In 2008, HGS held an open house in Franklin, Louisiana, to introduce its proposed gas storage facility to the local community. HGS CEO Mike McCall has also met with various elected officials, community members and other key stakeholders to discuss project specifics.

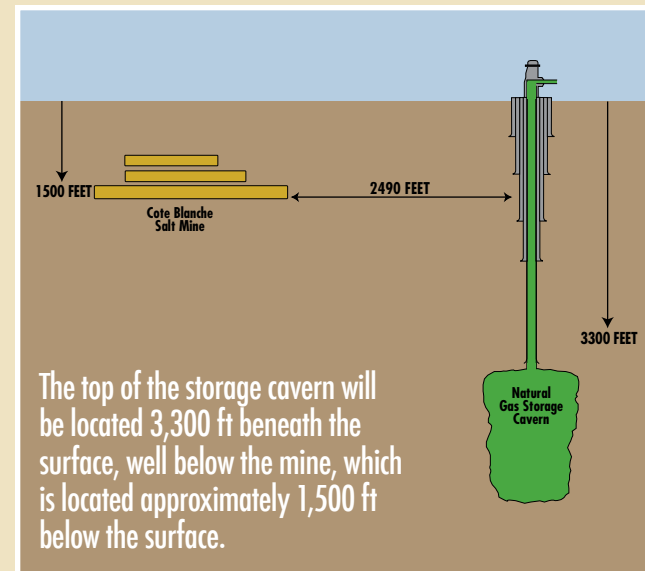
To keep with our pledge of open communication with the community, HGS developed a Web site with project happenings and relative information. There will be several opportunities for public comment on the project, as part of the permitting process, including notices of pending actions and hearings.

Safety & Environment

We are committed to the highest standards of safety and environmental protection for our employees, industrial neighbors and the community. Salt cavern natural gas storage facilities have been safely operated for more than 50 years, and we have every intention of continuing that record of performance.

We are also committed to minimizing the impact to marine and wildlife, wetlands, crops and residential and public facilities. Further, the project will use water from the Intercoastal Waterway for cavern construction, avoiding impact to groundwater resources.

When we finally begin construction, this project will be one of the most intensely reviewed and permitted gas storage caverns in the history of the U.S.



CONCERNS & ANSWERS

Following are a list of concerns and our responses regarding the siting of this project on Cote Blanche Island.

CONCERN: Is it unsafe for a natural gas storage cavern and salt mining operation to co-exist in the same salt dome structure?

ANSWER: HGS believes that gas storage caverns and salt mines can safely co-exist. The science and engineering of spacing between salt caverns is well known and HGS will construct and operate the proposed facilities in a manner consistent with all applicable safety regulations and industry best practices. There are several examples where gas storage caverns have coexisted for decades without incident on the same salt structure as salt mines and HGS is committed to continuing the success of this practice.

CONCERN: Is there any chance that gas from the storage cavern will migrate over to the salt mine?

ANSWER: Salt mining history on site has not demonstrated any features in the salt structure that would allow gas to migrate from gas storage caverns to the mine. To make certain of this, HGS engaged the best engineering and geological firms to complete engineering and geological studies. The findings from these extensive studies have determined there are no pathways for gas migration and the caverns and the mine can co-exist safely.

CONCERN: The gas storage cavern is simply too close to the salt mining operation.

ANSWER: HGS storage caverns will be located at least one-half mile from the nearest mining activity and miles away from the nearest residence. The top of HGS storage caverns will be located at a depth of 3,300 feet, far below the salt mine, which is at a depth of approximately 1,500 feet. This horizontal and vertical spacing is more than adequate to guarantee the safety of the mining operation. In fact, it is a greater distance than practiced in other similar situations.

CONCERN: Brine disposal from the storage caverns is going to damage sensitive marine life in the Gulf.

ANSWER: Years of actual monitoring of brine discharge related to the existing Louisiana Offshore Oil Port have confirmed minimal impacts to offshore marine life. HGS will use sophisticated sonar and other technical surveys to identify and avoid oyster beds. The project's storage site and pipeline route have been selected to minimize the crossing of wetlands, stress to crops and disturbance to nearby residences and public facilities.

CONCERN: The state of Louisiana already has natural gas storage capacity, why do we need more?

ANSWER: With an investment of \$500 million over four years, the project will have a significant positive economic impact in St. Mary and Iberia Parishes and south Louisiana. This means construction jobs for local, skilled workers and potential sales for local vendors and suppliers. Increasing natural gas storage capacity is an objective of the Louisiana Department of Economic Development, the Louisiana Association of Business and Industry and the Louisiana Oil and Gas Association. The need for energy projects is ultimately decided by their appeal to the market, and this project has had a positive reception from the natural gas marketplace.

DID YOU KNOW?

- The U.S. Department of Energy considers salt dome cavern storage safer than other storage methods for hydrocarbons.
- In the U.S., as much as 30 percent of winter peak gas deliveries come from natural gas storage.