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Henry Gas Storage Makes Case for Water Discharge Permit
Company CEO responds to objections by state environmental group

ST. MARY PARISH, LOUISIANA--Henry Gas Storage, LLC, (HGS), a subsidiary of Ranger Gas Storage, LLC, is seeking a water discharge permit from the Louisiana Department of Environmental Quality (DEQ) for its proposed underground natural gas storage project on Cote Blanche Island in St. Mary Parish. The project will include four solution-mined caverns in the Cote Blanche Island salt dome and a 12-mile natural gas pipeline to connect with interstate and intrastate natural gas pipelines in the area.

"We certainly hope DEQ approves this permit, as we believe this project will have minimal impact on the environment and a positive impact on St. Mary and Iberia Parishes and south Louisiana," said Chief Executive Officer Mike McCall.

The Louisiana Environmental Action Network (LEAN) is opposed to the permit. LEAN alleges the brine discharge could cause potential harm to the marine ecosystem and contribute to the Gulf dead zone. Other allegations include harmful components in the salt discharge, affects on oyster propagation and impacts to residential areas.

According to McCall, the proposed discharge location is not in the dead zone. The National Oceanic and Atmospheric Administration found the dead zone is located more than 25 miles from the brine pipeline discharge. McCall noted there will be no pollutant components in the discharge that are beyond the normal background levels of the source water. HGS is also using sophisticated sonar and other technical surveys to identify and avoid important marine resources. The proposed discharge location is five miles from the nearest oyster lease. McCall added that the existing Louisiana Offshore Oil Port provides 30 years of actual monitoring data that confirm brine discharge has minimal impacts to marine life.

"In addition to environmental protection, HGS is committed to the highest standards of

safety for our employees, industrial neighbors and the community,” said McCall.

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HGS engaged the best firms to complete engineering and geological studies, and their findings determined there are no pathways for gas to migrate from the storage caverns. HGS will also use continuous computer monitoring to make certain there are no leaks. Finally, the caverns will be located several miles from the nearest residences or public facilities.

McCall said the project represents an approximate \$500 million investment over four years in St. Mary and Iberia Parishes, providing construction jobs for local workers, potential sales for local suppliers and about 20 permanent jobs at an annual salary of approximately \$70,000, plus benefits. Overall impact to the Louisiana economy during the four-year construction period is estimated to be \$670 million in new business sales, \$220 million in household earnings and more than 1,600 temporary jobs.

The Federal Energy Regulatory Commission, the Louisiana Departments of Environmental Quality and Natural Resources and other agencies will have responsibility for overseeing the permitting, construction and operation of the storage facility. HGS expects to complete permitting for the facility by the end of 2010 and begin construction in 2011.

As part of the federal and state permitting processes, there will be several opportunities for public comment on the project, including notices of pending actions and additional hearings.

“We know there will be questions about the project and we welcome them,” concluded McCall. “We look forward to working with all interested parties as the project moves forward.”

The DEQ hearing to discuss HGS’s requested water discharge permit will take place Tuesday, March 9.

HGS is a subsidiary of Ranger Gas Storage, LLC, a three-year-old partnership between industry veterans with years of experience developing and managing energy projects in Louisiana.

For up-to-date information on project happenings, please visit www.henrygasstorage.com.

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