



Gulf LNG Energy, LLC

an el paso, crest, sonangol company

The Gulf LNG terminal at the Port of Pascagoula will be a receiving terminal for liquefied natural gas shipped from various parts of the world, helping supply energy to Mississippi, the South and the nation. Current estimates show demand for natural gas in North America outpacing domestically produced supplies, and this project will help meet the growing needs.

Project Details



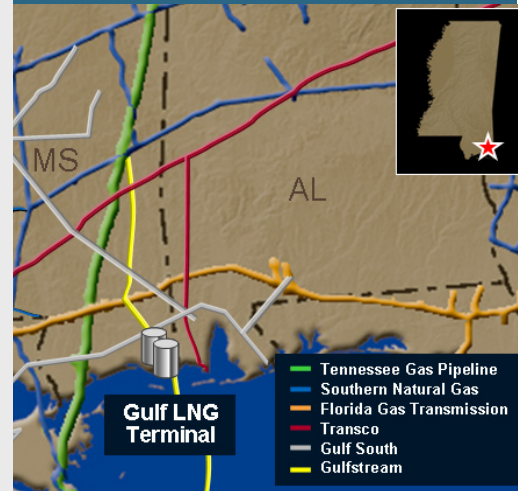
- **Two full containment storage tanks with combined capacity of 6.6 Bcf**
- **1.3 Bcf/d base send-out capacity**
- **Fully contracted with two 20-year firm service agreements**
- **\$1.1 Billion total project cost**
- **Expected in-service date 2011**

Economic Impact

Port Pascagoula will benefit from lease payments from Gulf LNG for the terminal site along with other port fees and charges associated with receiving LNG vessels. In addition, once operational, the facility will offer 50-60 well paying full-time jobs.

Mississippi will benefit as a key player in the U.S. energy market as the state will have a vital asset along its gulf coast. The state will benefit directly from a substantial share of the lease payments made to the port.

Economic developers will now have another advantage to point to when promoting business relocation to the Gulf Coast and to Mississippi. The assurance of a steady supply of clean, efficient energy for both future and existing consumers is a selling point that Gulf LNG will bring to the area.



Location

The site of the Gulf LNG Terminal is adjacent to the Bayou Casotte Ship Channel in the Port of Pascagoula, an excellent location for receiving LNG vessels. Located away from populated areas, it affords access to major gas pipelines serving the Northeast, and the Southeast United States. Other major advantages include the ability to access underground gas storage in the region, and the ability to supply nearby gas processing plants.

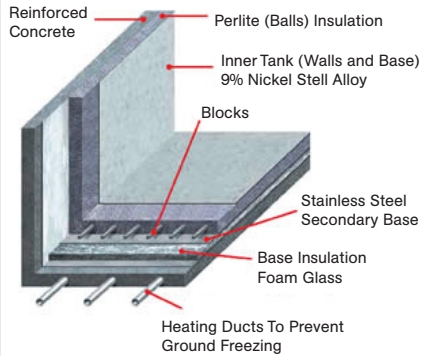
Operations

The Gulf LNG terminal will receive, temporarily store, and regasify LNG. The terminal includes two low-pressure, insulated storage tanks; an unloading dock for LNG vessels; closed-loop regasification equipment (known as vaporizers); and other related equipment.

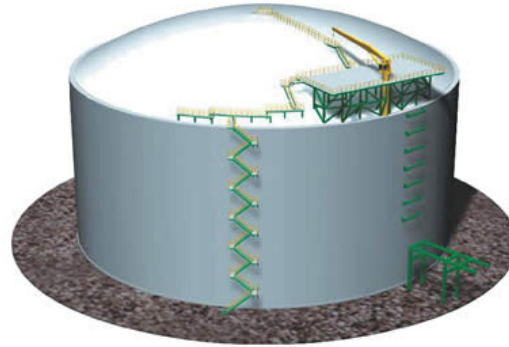
There are various opportunities for pipeline interconnects within close proximity to the facility. Initially, the facility will have pipeline interconnects with Gulfstream and Destin pipelines, a joint venture pipeline between Florida Gas Transmission and Transco, as well as a BP gas processing facility, to be located about 5 miles from the terminal.

About LNG

Cross-Section of the Storage Tank Walls



Typical Liquefied Natural Gas Storage Tank with Double Walls



Natural gas is the cleanest burning fossil fuel. It is both efficient and environmentally friendly. Currently it accounts for about one quarter of our country's energy requirements. With demand predicted to increase 40 percent in the next 20 years, liquefied natural gas (LNG) is becoming the natural solution. Currently providing 2 percent of the U.S. natural gas supply, the use of LNG has been on the rise.

LNG is natural gas that is cooled to minus 260 degrees Fahrenheit, and condensed into a liquid. This process reduces its volume by a ratio of 600 to 1, making it more economical to ship. Transporting natural gas as a liquid also increases safety, since LNG will not burn or explode.

LNG is produced and exported by countries whose natural gas reserves exceed their demand. In some cases, natural gas that can't be exported is flared (burned) and treated as waste.

LNG is transported in specially designed and constructed double-hulled ships engineered to prevent leakage or rupture in an accident. These ships have systems that automatically shut down operations in the event of an emergency. The ships' equipment is accurate enough to detect leakage through even a pinhole-sized rupture.

LNG, offloaded from ships, is pumped into low pressure double-walled insulated storage tanks (a tank within a tank.) On demand, the LNG is pumped from the tanks to a vaporization unit and converted back to the same gas millions of American households use for heating and cooking. Once LNG is regasified it is delivered to customers via our nation's interstate pipeline system.

Learn more about Gulf LNG contact:
Customer Service
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Or visit us on the web: www.elpaso.com/gulfng

Terminal Security

The perimeter of the terminal will be surrounded by a 27-foot storm surge protection wall, which will also serve as a very effective barrier for security. Access will be tightly controlled with multiple state-of-the-art systems, including fiber optic detection systems and security cameras. Security personnel will be in full compliance with government regulations. In addition to the surge protection wall, a full containment barrier will be included as an integral component to the safety design. In the unlikely event of a spill, LNG would simply evaporate and dissipate into the atmosphere.

Cross-Section of the LNG Ship's Hull and Containment System

