

Route Slip

NYS DEPARTMENT OF STATE

DOS-014 (Rev. 3/03)

TO: _____ DATE _____

1 Bob Alessi 5/16/08

2 _____

3 Received Anne

4 Kallner

- | | | |
|---|---|---|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Contact Me | <input type="checkbox"/> Prepare Reply |
| <input type="checkbox"/> As Requested | <input type="checkbox"/> Initial and Return | <input type="checkbox"/> Signature |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Necessary Action | <input type="checkbox"/> Your Information |
| <input type="checkbox"/> Prepare draft reply for my consideration | | |

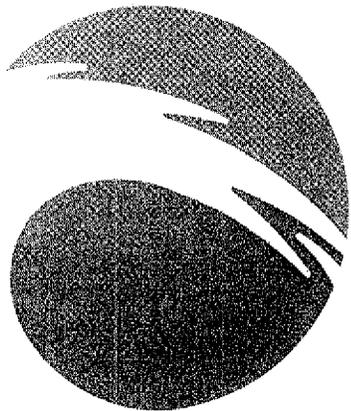
FROM Bell Sharp

REMARKS

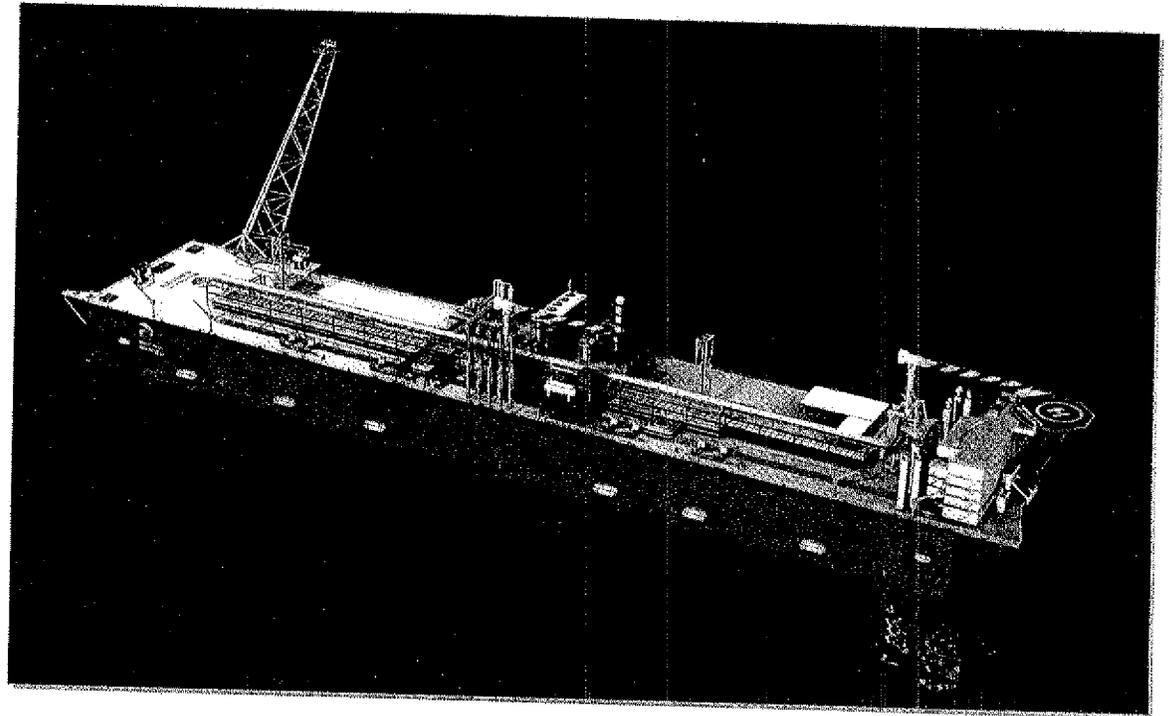
- Kevin Law memo to G. Steffora
- Blue Ocean Energy presentation materials

Department of State New York

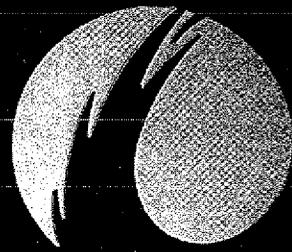
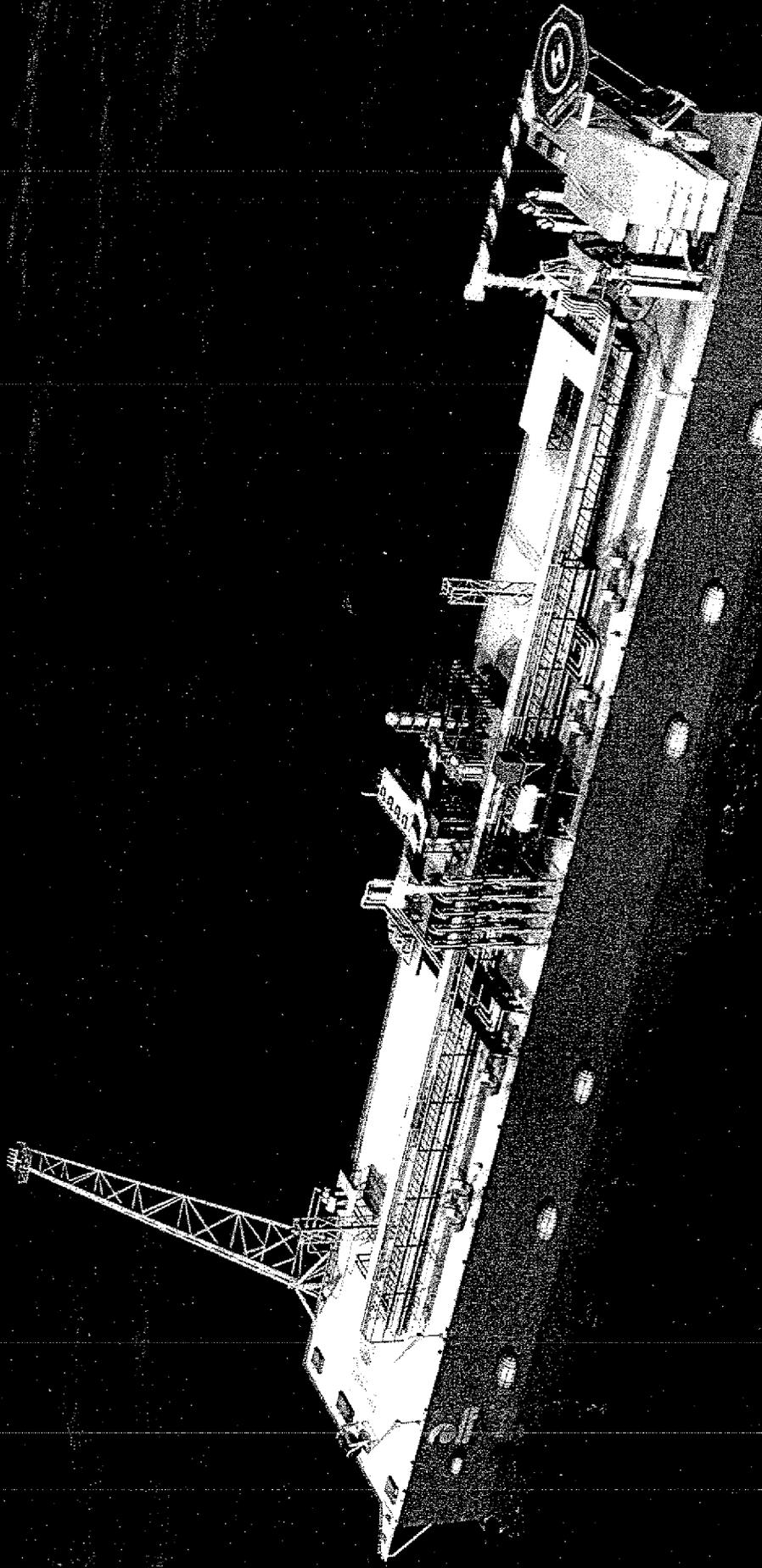
December 18, 2007



**BlueOcean
energy** SM



Projections, targets, expectations, estimates, and business plans in this report may contain forward-looking statements. Actual future results, including demand growth and energy mix; capacity growth; the impact of new technologies; capital expenditures; project plans, date and capacities; and efficiency gains and cost savings could differ materially due to, for example, changes in gas prices or other market conditions affecting the oil and gas industry; reservoir performance; timely completion of development projects; war and other political or security disturbances; changes in law or government regulation; the actions of competitors; unexpected technological developments; the occurrence and duration of economic recessions; the outcome of commercial negotiations; unforeseen technical difficulties; and other factors.



**BlueOcean
Energy**

ExxonMobil's Global Natural Gas Business



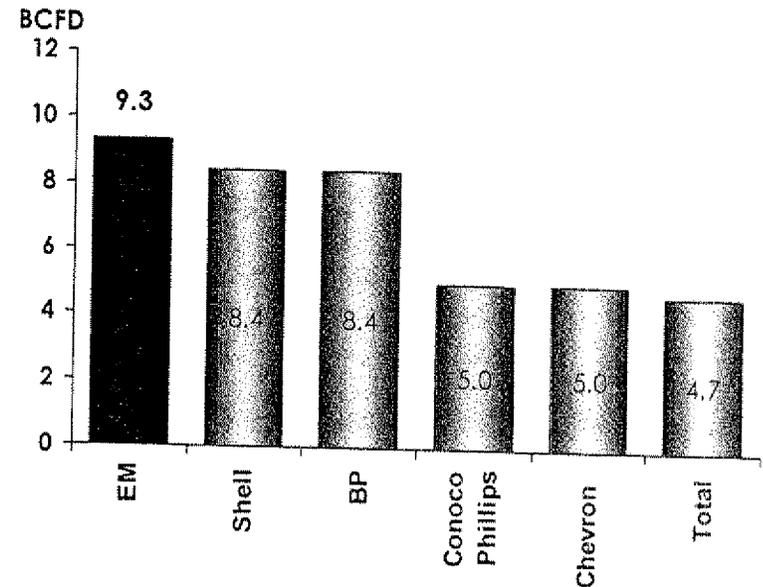
Natural Gas Leader

- World's largest non-governmental equity gas producer
- Largest oil and gas resource base in industry
- Leading-edge upstream technology

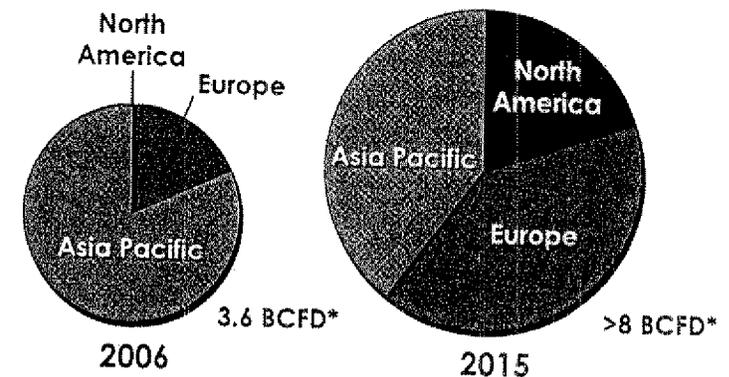
Liquid Natural Gas Pioneer

- ExxonMobil has led the development of LNG projects for over 35 years
- ExxonMobil LNG projects were 1st sales to:
 - Japan
 - Korea
 - India
- ExxonMobil & JV partners supply about 20% of the world's LNG
- ExxonMobil ramping up LNG sales and broadening market
- ExxonMobil is developing LNG terminals to help meet demand in key markets

ExxonMobil: The Leader in Gas Sales



ExxonMobil's Growing LNG Sales



Delivering Gas to the NY/NJ Region



Supply Link

- LNG ships mooring about twice weekly

Super-cooled Storage

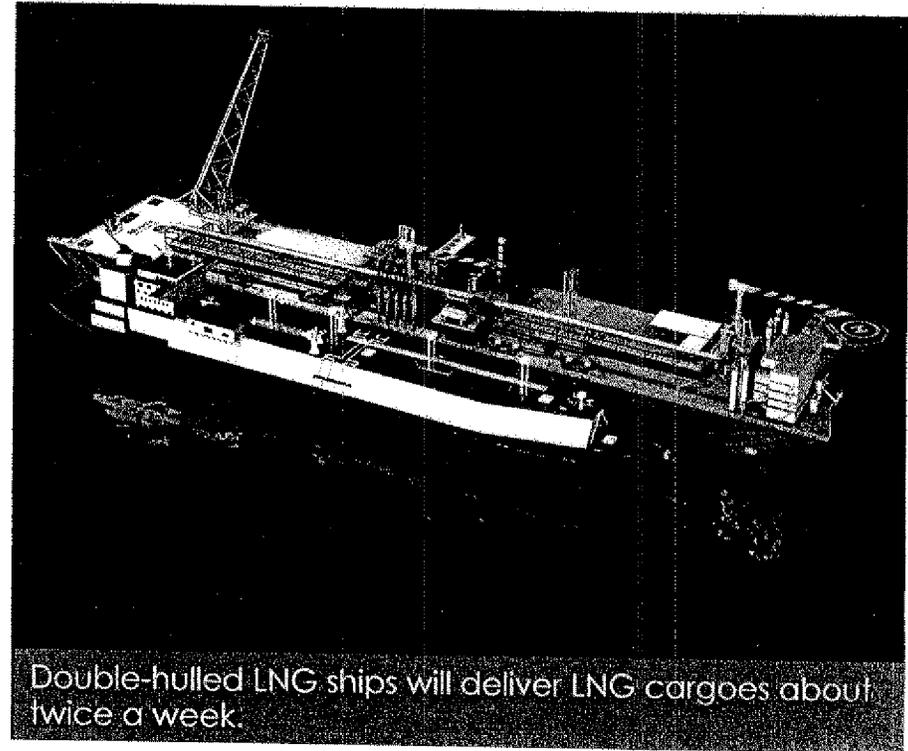
- Double-hulled insulated tanks
- LNG: -260°F , stored at atmospheric pressure

Regasification

- Gas-fired heaters warm the LNG back into gas

Pipeline to Shore

- New sub-sea pipeline
- Connect to existing and new onshore gas distribution pipelines
- Deliver to homes, businesses, and power plants
- Pipeline route will be determined during the permitting process



Double-hulled LNG ships will deliver LNG cargoes about twice a week.

An Environmentally Sound Solution



Siting, design and operation to protect the environment

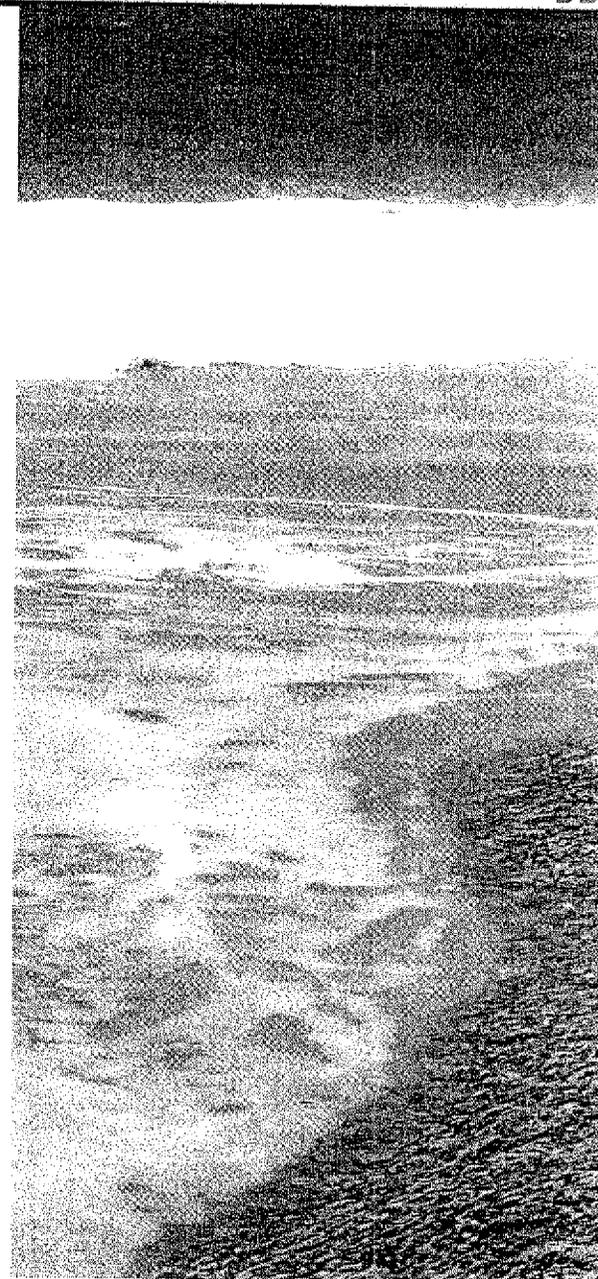
- Building on LNG industry's proven safety/environmental record
- Incorporating ExxonMobil experience and expertise with LNG facilities, LNG shipping and floating production systems
- Consideration for site-specific environmental and other sensitivities
- Federal and state agencies will independently confirm that the project meets rigorous safety and environmental standards

Key federal permits and authorizations

- MARAD DWPA license
- FERC certificate
- US Army Corps of Engineers dredge and fill
- NOAA fisheries, US F&W
- EPA air, water
- MMS

Key state permits and authorizations

- Coastal zone consistency
- Water quality certificate
- Coastal, freshwater wetlands
- Tidelands
- Streams
- Air
- Green acres



Safety and security are top priorities for ExxonMobil

- Facility located offshore, far from communities
- Double-hull storage tanks and ships
- Former NJ Attorney General and 9/11 Commission chief counsel John Farmer is respected security advisor to the project
- ExxonMobil's long-term safety performance is industry-leading

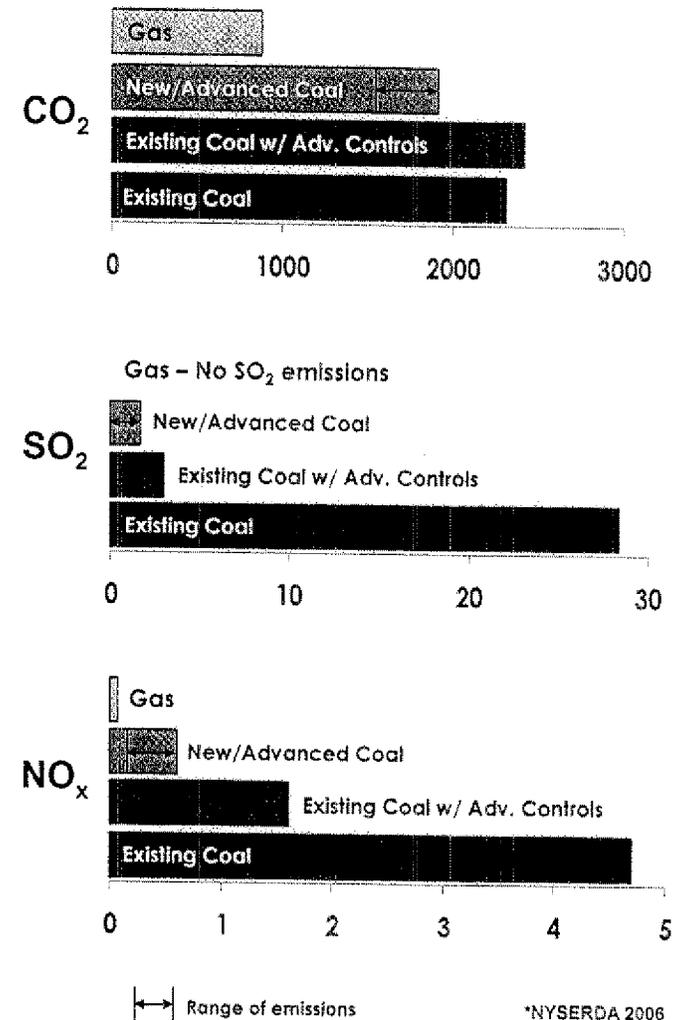
NY Access to global natural gas supplies

- Diversify regional supply portfolio
- Improve reliability
- Reduce gas price swings
- Lower sensitivity to supply/demand shocks
- Fuel industry and economic growth

NY Environmental Goals

- New natural gas supplies can reduce the need for new coal-fired power generation
- Natural gas combined cycle plant produces 50% less CO₂ than new, advanced coal
- Gas is an ideal complement to renewable energy and efficiency initiatives

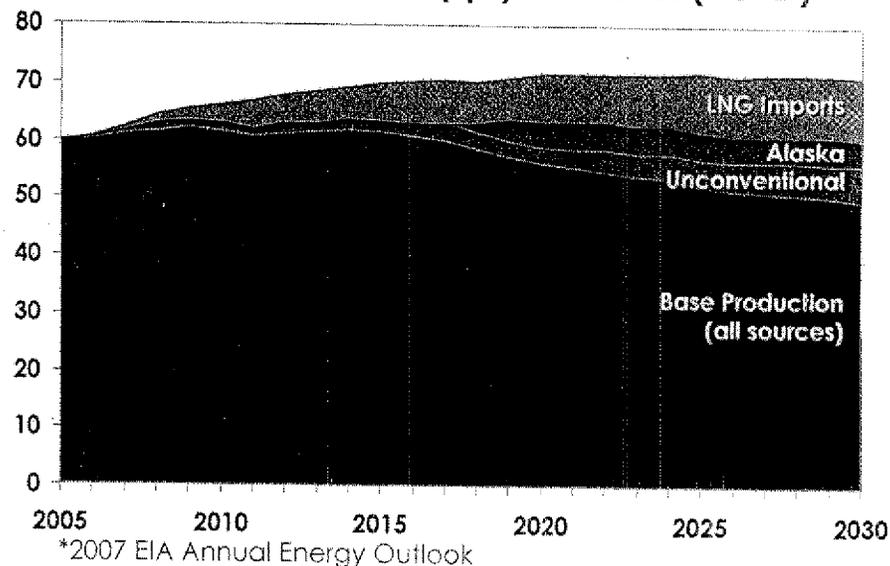
NY Power Generation Coal Emissions Assessment (pounds/MWH)



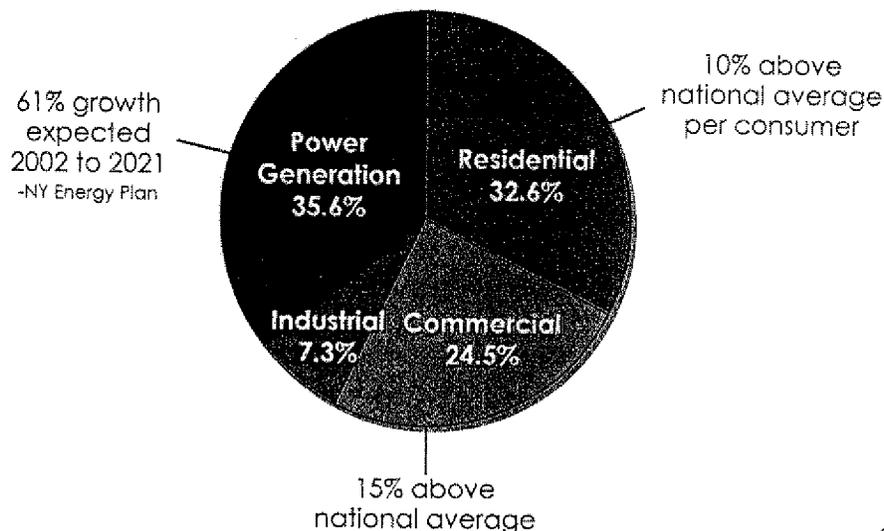
The Need for Natural Gas

- The U.S. Northeast is a major gas market (8 BCFD)
 - NY alone accounts for 3 BCFD
- Natural gas comprises 25% of NY energy demand
 - NE Gas Association
- Traditional North American natural gas supply sources are declining
- LNG can contribute to the energy solution via access to global natural gas supplies

EIA US Natural Gas Supply Forecast (BCFD)



New York Natural Gas Use 2006 (EIA)

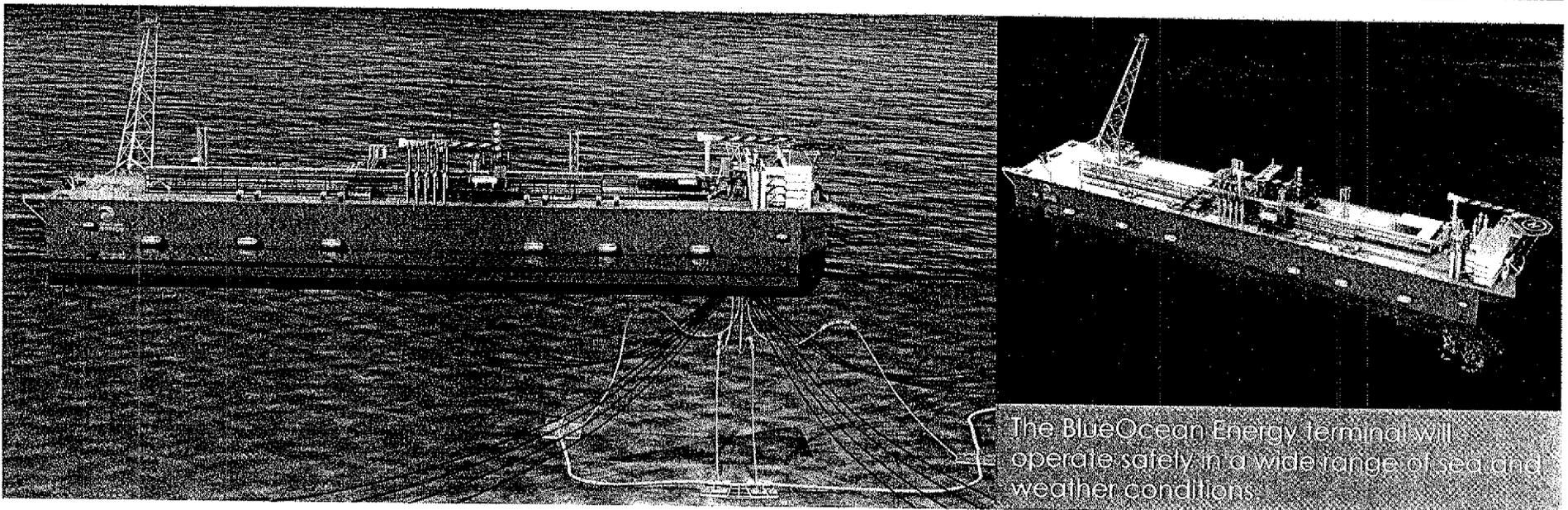
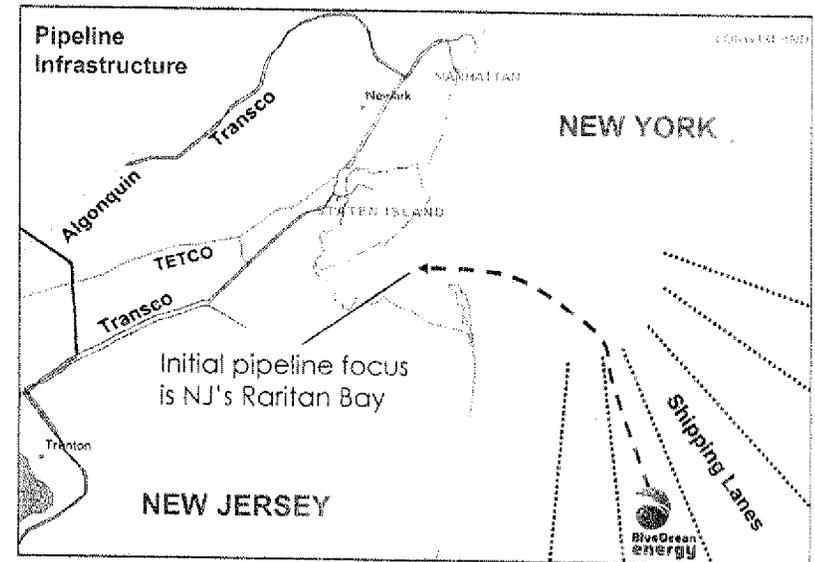


Expansion of infrastructure is needed to meet rising demand for natural gas. -NY Energy Plan



Offshore Floating LNG Receiving Terminal

- Not visible from the shoreline, about 30 miles offshore NY
- Away from shipping lanes, commercial fishing and recreational areas
- 1.2 billion cubic feet per day supply capacity
 - Enough for 5 million residential consumers
- More than \$1 Billion investment
- Start-Up: 2015/16; Project life ~25 years



The BlueOcean Energy terminal will operate safely in a wide range of sea and weather conditions.

Communication Timeline



Consultation begins early in 2008 and continues throughout the process

- Work with federal and state agencies and local stakeholders from the beginning
- Identify environmental resource sensitivities
- Develop appropriate survey methodologies; initiate surveys and studies
- Incorporate feedback to support evaluation of alternate sites, pipeline routes and interconnects
- Select the preferred terminal site and pipeline route
- Promote public awareness and participation

Near Term Plans

