



301 E. Ocean Boulevard, Suite 1510, Long Beach, CA 90802
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September 21, 2006

Mayor Bob Foster
333 West Ocean Boulevard
14th Floor
Long Beach, CA 90802

Re: SES LNG Receiving Terminal – Long Beach

Dear Mayor Foster:

We very much appreciate the efforts by you, your staff and the City Administration to learn more about our project as the City continues its evaluation.

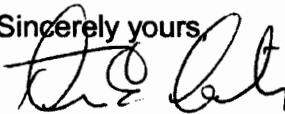
You have requested that we explain the responsibilities we will assume to the City and the Port if our project is approved. First, we would reiterate that the near 40 years of safe performance in the LNG industry have established a record of safety and reliability that all industries would be proud to present as one of their credentials.

We have reviewed some examples of Port leases as part of our effort to fully respond to your request. It appears to us that the very broad language in the Port leases we have examined will provide the basis for us to discuss a commitment on our part to protect the City and Port with respect to the areas of risk that are of concern.

We are ready to meet with you and to work with whomever is appropriate to establish the details of our commitments.

We are confident that we can agree on a framework of protection to the City that will be acceptable.

Please let us know what next steps are appropriate.

Sincerely yours,

Thomas E. Giles
President & CEO


Rick Hernandez
Executive Vice President & COO