

Contact: Robert Epps
Telephone: 713-439-0506
Email: robert.epps@calhounlng.com

Calhoun LNG Terminal Receives Strong Natural Gas Demand Market Responses

Houston – May 9, 2006 – Gulf Coast LNG Partners, L.P. (“GCLP”) announced today that customers with annual average natural gas demand of nearly 20 billion cubic feet per day (Bcf/d), or approximately one-third of the U.S. consumption, have expressed strong interest in making long-term gas purchases from LNG suppliers through the proposed Calhoun LNG import terminal.

The terminal site at Point Comfort, 90 miles southwest of Houston, is strategically located to access major pipelines serving Texas and the Midwest, Northeast, and Southeast regions of the country.

The gas customers expressing interest include some of the largest gas consumers in the U.S. Most already have firm transport capacity on major pipelines that will interconnect to the LNG terminal via a new Point Comfort Pipeline. This 27-mile-long, 36-inch pipeline, designed to transport 1 Bcf/d, will connect the terminal with nine pipelines having a take-away capacity of approximately 5 Bcf/d. The pipelines are Energy Transfer (Houston Pipe Line/Channel System), Florida Gas Transmission, Kinder Morgan (Texas and Tejas Systems), Enterprise (Valero and Channel Systems), Boardwalk (Gulf South System), Natural Gas Pipeline of America, Transcontinental, and Tennessee Gas.

“The level of interest shown by so many major natural gas end users and retailers has been gratifying,” said Robert Epps, GCLP’s Executive Vice President of downstream marketing. “In addition to sending letters of interest, these companies are ready to negotiate agreements to purchase gas with terms of up to 20 years. The prospective companies include electric utilities, independent power generators, gas distribution companies, large municipalities and major industrial customers. What has attracted most of these buyers to the Calhoun LNG location is that the gas will come online in a region where they have existing long haul pipeline capacity and where they have historically purchased and will continue to purchase a portion of their gas supply.”

The strategic location of the Calhoun terminal, coupled with its low-cost access to numerous interstate and intrastate pipelines, will allow terminal users to market gas to most major buyers in the country including those in Texas, the nation’s largest gas consuming market, which averages 10.7 Bcf/d, roughly 17% of the total consumption in the country.

Customers expressing an interest have indicated that gas quality is and will remain extremely important to them, especially considering the gas composition and interchangeability issues facing the U.S. natural gas grid today. The planned integrated natural gas liquids (NGL) separation system for the Calhoun LNG project will allow terminal users to consistently meet all existing gas quality specifications that

pipelines serving end user customers require. Moreover, the NGL separation system will provide terminal users with tremendous flexibility with respect to the range of LNG cargoes they may bring to market, notwithstanding the tightening pipeline composition requirements now being advocated by domestic gas producers, pipelines and gas consumers. Because of the proximity of the terminal to the large industrials in the vicinity of the Port and the terminal's direct access to the liquid pipelines serving Mont Belvieu, suppliers landing LNG at the Calhoun LNG project will have access to markets to sell the NGL stream.

Gulf Coast LNG Partners, L.P. is a Houston-based partnership formed between Gulf Coast LNG, LLC and Haddington Energy Partners II, LP, a private equity fund managed by Haddington Ventures, LLC. Additional information about Gulf Coast Partners, L.P. and the Calhoun LNG and Point Comfort Pipeline projects may be found at www.calhounlng.com.

Haddington Ventures provides capital to the energy industry, including mid-stream oil and natural gas companies and electric generation, transmission, and distribution companies, with a focus on natural gas storage, gathering and processing, and other midstream activities. Additional information about Haddington Ventures is available at www.hvllc.com.