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September 11, 2006

David M. Verhey
Principal Deputy Assistant Secretary
Assistant Secretary for Fish, Wildlife and Parks
United States Department of the Interior
1849 C Street, N.W.
Room 3159
Washington, D.C. 20240

Bruce F. Kiely
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Re: Weaver's Cove LNG Project

Dear Mr. Verhey:

As we have discussed, Weaver's Cove Energy, LLC ("Weaver's Cove") has been authorized by the Federal Energy Regulatory Commission ("FERC") to construct and operate an LNG Import Receiving Terminal in Fall River, Massachusetts. As part of the Project, to facilitate the transit of specially designed and built LNG ships, Weaver's Cove proposes to perform some maintenance and improvement dredging in the existing Federal Navigation Channel.

Certain positions taken by the Department of Interior ("DOI"), the National Park Service ("NPS") and the Fish and Wildlife Service ("FWS") before the Federal Energy Regulatory Commission ("FERC") and the United States Army Corps of Engineers ("USACE") are having an adverse impact on the ability of the Weaver's Cove's proposed LNG Receiving Terminal to obtain a variety of regulatory approvals and permits, including a workable dredging permit.

As is customary, as part of FERC's approval process, it required Weaver's Cove to obtain various permits that are associated with the Project. One of these permits pertains to the dredging of certain portions of the existing Federal Navigation Channel in the Taunton River to permit the transit of LNG ships to the Terminal. That permit is pending before the USACE. Among the considerations is whether there should be Time-of-Year restrictions ("TOY restrictions") on the dredging operations purportedly to protect fish spawning, juvenile development and migrations.

On June 8, 2006, after discussions with representatives of the Department of the Interior ("DOI"), the Fish and Wildlife Service ("FWS") and the National Park Service ("NPS"), Weaver's Cove submitted a "Proposed Balanced Dredging Mitigation Plan." A copy is attached.

On September 8, 2006, I was contacted by Michael Thalbault of FWS and Bob McIntosh of NPS regarding that Plan. Each indicated an interest on behalf of their respective

agencies to work toward a resolution of TOY restriction issues along the lines set forth in that Plan. We scheduled a conference call for September 25 and a meeting for October 10.

We appreciate the interest of Messrs. Thabault and McIntosh to reach an accord that could be transmitted to the USACB. Weaver's Cove is concerned about timing of such an accord as Weaver's Cove's Section 404 permit with the USACE and satisfaction of FERC conditions awaits such an accord. Hence, timing of reaching a resolution and communicating it to the USACE and FERC is critical.

As to overall time lines, we suggest:

1. September 25: Conference call among Thabault, McIntosh and Kiely as to the status of FWS and NPS deliberations.
2. October 10: Meeting among FWS, NPS and Weaver's Cove. We hope that prior to this meeting there will have been an exchange of concepts by the experts so that at this meeting the structure of a final resolution can be reached. To this end, if it would be helpful, we could convert the Proposed Plan into the form of a draft joint agreement. Please advise if you would like us to prepare such a draft.
3. On or before October 24: Execution of a joint agreement or similar agreement.
4. On or before October 30: Delivery by FWS and NPS to USACE a letter advising that, based on the agreement, they agree to a TOY restriction for winter flounder ending July 31.

Weaver's Cove appreciates your interest in this matter and any help you can provide in facilitating efforts to meet our time line.

Sincerely,


Attorney for
Weaver's Cove Energy, LLC

Attachment

cc: Ted Barten
Mark Cook
Gordon Shearer
Ted Gehrig



United States Department of the Interior



FISH AND WILDLIFE SERVICE

300 Westgate Center Drive
Hadley, MA 01035-9589

In Reply Refer To:
FWS/Region 5/ES

Mr. Bruce F. Kiely
Baker Botts LLP
The Warner
1299 Pennsylvania Avenue, NW
Washington, DC 20004-2400

Dear Mr. Kiely:

Thank you for your letter of September 11, 2006, to the U.S. Department of the Interior (Department) Assistant Secretary David Verhey regarding the proposed Weaver's Cove LNG Import Terminal. The U.S. Fish and Wildlife Service (FWS) has been requested to provide a response on behalf of the Assistant Secretary.

Consistent with your conversation of September 8, 2006, with Mr. Robert McIntosh of the National Park Service (NPS) and Mr. Michael Thabault of the FWS, both Department agencies are committed to thorough and careful consideration of Weaver's Cove's June 8, 2006, "Proposed Balanced Mitigation Plan" (Plan). This Plan, and potentially other concepts and proposals not articulated at the time of the Department's February 7, 2006, comment letter to the U.S. Army Corps of Engineers (Corps), may present opportunities to meet resource protection objectives in a manner more cognizant of the practical considerations of high importance to Weaver's Cove Energy.

The Department is committed to proper and full consideration of such new ideas and proposals in the context of normal interagency review processes. The FWS and NPS regional staff recently contacted the Corps and other resource agencies to encourage timely meetings to review the proposed Plan, as well as exploring other potential ideas/strategies. We understand there is a September 25, 2006, conference call scheduled to provide updates on this topic. Also, a meeting is scheduled for October 10, 2006, referenced in your letter, to discuss the Plan and concepts for reaching a mutual and final resolution. If additional alternatives are developed, other than those in the Plan, we will provide them to you prior to the October 10 meeting. We are expeditiously working to reach a resolution and are committed to achieving it as quickly as possible. We will identify a completion date once we have completed discussions with the other involved agencies.

Please continue to use Mr. McIntosh and Mr. Thabault as your primary contacts in this regard. If we can be of further assistance, please feel free to contact Mr. Thabault at 413-253-8304.

Sincerely,

Marvin E. Moriarty
Regional Director