



Energy Bridge Express

Volume 2, Issue 1

February 2005

Highlights:

- Gulf Gateway to commence operations in March 2005
- Excelsior completes its first loading successfully at Bintulu, Malaysia
- Does the Energy Bridge system have inherent storage capacity?

Inside this issue:

Accelerate 2
Commissions the
Excelsior in
Malaysia

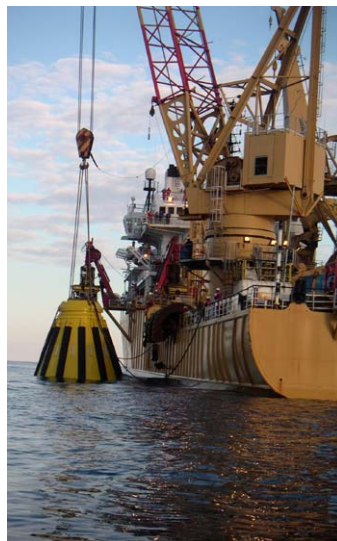
Accelerate 3
Secures
Transportation
Capacity for
Northeast
Gateway

Gulf Gateway Deepwater Port Readies for First Cargo Delivery

Construction of Excelerate Energy's Gulf Gateway Energy Bridge deepwater port was completed earlier this month following a six month installation campaign.

Substantial completion was achieved with all subsea pipeline segments connected to the metering platform and placed in a de-watered, dried, and inerted state.

Concurrent with the completion of the pipelines and metering platform, the installation of the STL™ buoy and its associated flexible riser, and mooring system was completed and final construction and testing is expected to take two to three



STL™ Buoy Installation by Stolt's Seaway Eagle on January 22, 2005

days after the first Energy Bridge Regasification Vessel (EBRV) arrives at Gulf Gateway (see related story on page 2).

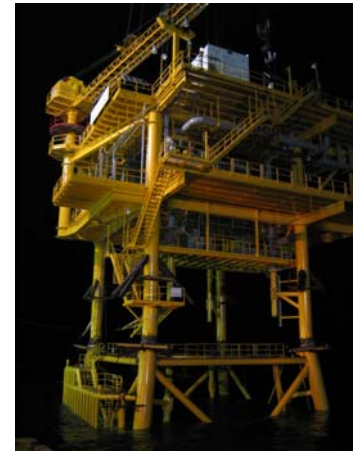
Commissioning Plans

Gulf Gateway will be commissioned in two phases. The first phase will consist of commissioning and start up of the meter platform systems including the generators, power for the air conditioning and control systems, and gas up of the pipelines and platform. These activities took place the week of February 21.

The second phase will take place in March when the Excelsior arrives on its maiden voyage with the first cargo delivery for Gulf Gateway. The activities for this phase include;

- final inspection of the Excelsior by USCG and issuance of a Certificate of Compliance;
- final assembly of the STL™ submerged buoy;
- safety and pre-commissioning activities; and
- testing of the valves and control equipment on the pipeline end manifold, pipelines, and metering platform.

Once all the safety checks have been completed the regasification system onboard the Excelsior will be



Completed Metering Platform to Govern Flows into the Sea Robin and Bluewater Pipelines

commissioned.

The commissioning process involves the system being tested at various flow rates, and includes testing of the corresponding distribution procedures for the metering platform and each of the pipelines connecting to the Bluewater and Sea Robin pipeline systems.

Once these tests have been successfully completed approval to commence commercial operations will be requested from the US Coast Guard.



“The Excelsior is now sailing toward Gulf Gateway, Excelerate’s new facility in the US Gulf of Mexico, and is anticipated to arrive at the deepwater port on or about March 17.”

Excelerate Commissions the Excelsior in Malaysia

The commissioning cargo for the world’s first LNG vessel with onboard regasification equipment (known as an Energy Bridge Regasification Vessel—or EBRV) was loaded in Bintulu, Malaysia on February 14, 2005.

The Excelsior, the first of Excelerate’s fleet of Energy Bridge vessels constructed at DSME in South Korea, arrived in Bintulu on February 13. Asean LNG Trading Co Ltd. (ALTCO), an affiliate of Petronas, was the seller of the cargo to Excelerate. ALTCO is an important new participant in the global LNG business with emerging activities in both the Pacific and Atlantic basins, building upon existing business activities between Malaysia and the United States. Additionally, Petronas is the third largest exporter of LNG in the world with over 20 years of experience in producing and loading LNG cargoes.

Prior to the cargo transfer, a celebration took place to commemorate the historic occasion. Excelerate together with representatives of the Bintulu Port Authority, Bintulu Ports BHD PLC, Malaysian LNG, and ALTCO participated in the celebration. Excelerate expressed its appreciation to ALTCO and Petronas for their support in this critical step in the ongoing implementation of Excelerate’s business plan to increase imports of LNG into the United States and other new and growing markets for natural gas.

Cargo Loading

The transfer of the LNG cargo from the Malaysia LNG terminal at Bintulu proceeded smoothly and event free. The transfer operations included gassing up (a process that safely fills the tanks with natural gas), vessel cooldown,

and loading of the liquid cargo.

Excelsior departed the loading terminal at Bintulu on the morning of February 15 with 135,900 cubic meters of Malaysian LNG on board.

Destination Gulf Gateway

Excelsior is now sailing toward Gulf Gateway, Excelerate’s new facility in the US Gulf of Mexico (see page 1), and is anticipated to arrive at the deepwater port on or about March 17. At that time, the vessel will moor to Gulf Gateway’s STL™ buoy.

Final commissioning activities will be performed at Gulf Gateway upon Excelsior’s arrival after which the vessel will regasify its cargo and discharge it through the subsea buoy. The natural gas will pass through the deepwater port’s subsea pipelines into the Blue Water and Sea Robin pipeline systems.



The Excelsior Loading its Commissioning Cargo at Malaysia LNG’s Facility in Bintulu On February 13, 2005

Excelerate Secures Transportation for Northeast Gateway

On February 14, 2005 Excelerate Energy Limited Partnership and Algonquin Gas Transmission, LLC (Algonquin), a Duke Energy Gas Transmission company, finalized their agreement to have Algonquin build, own and operate the pipeline from Algonquin's existing HubLine pipeline in Massachusetts Bay to Excelerate's proposed Northeast Gateway deepwater liquefied natural gas (LNG) port.

Pipeline Lateral

The approximately 16-mile, 24-inch diameter pipeline will be used to deliver in excess of 400 million cubic feet of natural gas per day from the deepwater port Excelerate proposes to build roughly 12 miles from the Massachusetts coastline.

Excelerate and Algonquin will make joint applications for permits for this project. An initial filing under the Massachusetts Environmental Policy Act is expected in March, followed by other permit applications to state and federal regulators in May. The companies have been working since last spring, doing research, conducting ocean surveys and meeting with local stakeholders, including public officials, commercial fishing and lobstering interests, and citizens in preparation for the permitting process.

With a short construction window due in large part to the minimal infrastructure required, the Energy Bridge technology will allow the Northeast Gateway project to meet New England's energy

needs in a timely manner.

Federal permit applications for the Northeast Gateway project will be filed in May of 2005, with a project in-service date scheduled for early 2007.

Project Description

The Northeast Gateway project will use dual STL™ buoy system (similar to the Gulf Gateway deepwater port) to dock and offload EBRVs at a location approximately 12 miles offshore south of Gloucester.

This buoy system will in turn be connected to the pipeline lateral to be constructed by Algonquin through a subsea riser and manifold to allow for delivery of natural gas to shore.

Algonquin's unique knowledge

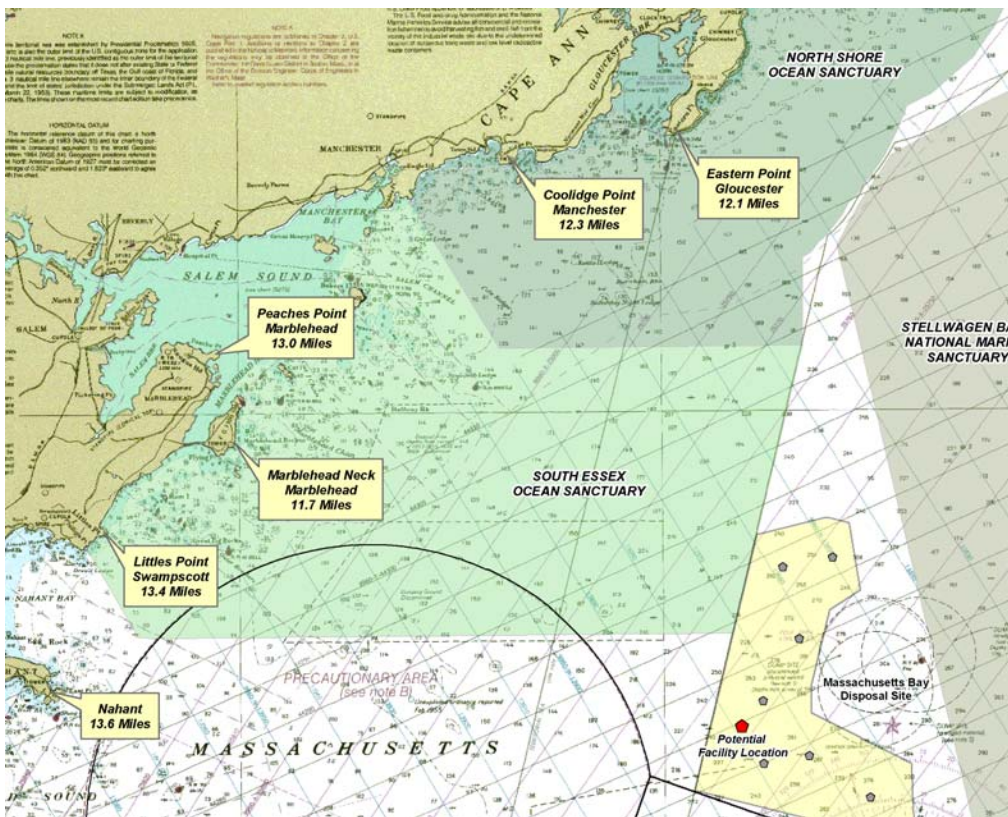
and experience in New England gained from the HubLine pipeline project makes them the ideal party to construct the subsea pipeline required for the Northeast Gateway project. In addition, the ability to interconnect with Algonquin's facilities offshore and the limited infrastructure required for the Energy Bridge system helps ensure the safety of onshore communities and infrastructure while minimizing on-shore and near shore impacts

Development Process

The development process involves a thorough review of offshore conditions, marine life and cultural resources to accurately determine the impact of the Northeast Gateway project. Excelerate is committed to continue working with fishing and lobstering interests and affected communities to mitigate these impacts.

In addition, the project will include a local operations center that will employ personnel responsible for the safe operations of the deepwater port and provide a base for logistics services including launch service, vessel supplies, and deepwater port maintenance and operations.

The operations center will employ at least eight people on a full-time basis and require the use of local service vendors such as divers, marine supply and repair services, warehouse space, and launch services to help support the deepwater port. The center will inject approximately \$5 million into the local economy on an annual basis.



Survey Area for the Northeast Gateway Deepwater Port And Estimated Distances to Various Communities



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Excelerate Energy is pursuing opportunities in the global liquefied natural gas marketplace by developing effective, flexible and economic solutions for upstream producers and downstream customers.

Excelerate Energy is uniquely structured as a private company sponsored by George B. Kaiser, owner of Kaiser-Francis Oil Company and a majority shareholder of BOK Financial (NASDAQ: BOKF). The combination of the company's access to substantial capital and appetite for risk along with the proven track record of the management team will accelerate its ability to serve the rapidly emerging LNG market.

Excelerate Energy is focused on delivering LNG to downstream markets by securing regasification capacity in both existing and new projects, acquiring LNG shipping capacity through flexible time charters and ownership positions, purchasing LNG supplies on both a short-term and long-term basis, and executing contracts for natural gas off-take downstream of regasification terminals.

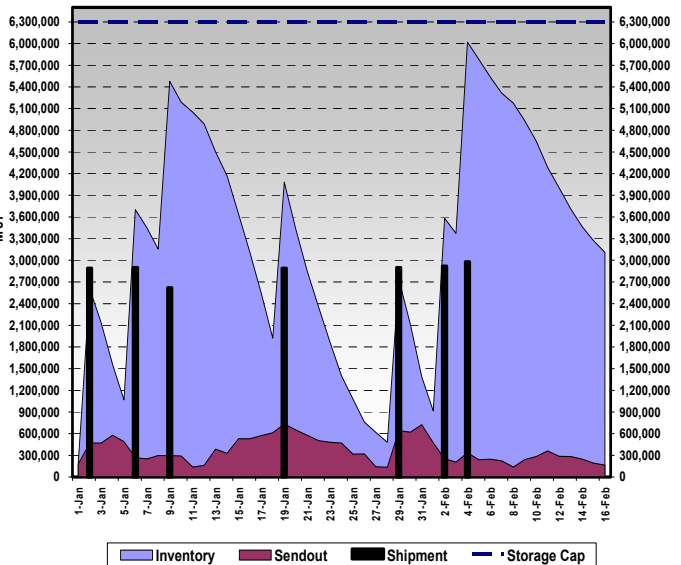


Dispelling the Myths: Energy Bridge Storage Capacity

Many comments about the Energy Bridge system describe the lack of storage as a material weakness in its reliability.

The reality is that the Energy Bridge system's reliability is enhanced by the fact that the ships in the fleet supplying an Energy Bridge terminal provide the storage. This is not dissimilar to the vessels supplying a land based terminal except the Energy Bridge ships are not subject to delays that can occur at land based terminals. The events that may delay a ship from proceeding to a traditional terminal include: fog, daylight, and tide restrictions; port traffic; and terminal operations.

When considering the fact that a terminal must have sufficient space available in its storage tanks to accept a full load from an arriving ship we see that most terminals will only have sufficient excess capacity to sustain full send out rates for about two days. If the arriving ship is delayed enroute or prevented from docking due to delays at the port or terminal



Lake Charles LNG Import, Sendout and Inventory Graph
 Source: Waterborne LNG Report

the send out rate may need to be reduced.

In the graph above it can be seen that send out rates are reduced as inventories are drawn down. The reasons for the fluctuation in send out rate may include market demand and timing for arriving cargos.

The Energy Bridge system has

the same considerations regarding vessel schedules with the exception of the potential for delays due to port restrictions or terminal operations.

Once the Energy Bridge ship arrives at the deepwater port there is approximately 3 bcf of inventory available.