



M.E.B.A. Corrals a Stampede of LNG Jobs as Un on Partners Up with Exceleerate Energy

M.E.B.A. is riding “tall in the saddle” after inking a landmark deal to crew ships carrying sensitive cargoes of Liquefied Natural Gas (LNG) sailing into U.S. ports. The M.E.B.A. closed on a memorandum of understanding with innovative LNG import marketer Exceleerate Energy that will round up a host of new jobs for highly skilled M.E.B.A. deck and engineering officers.

Our members are not exactly greenhorns in the LNG business – M.E.B.A. actually pioneered the art of modern LNG carriage from the late 1970s through the ‘90s and has over seven million man-hours of LNG sailing experience.

With a more intense focus on the security of this nation in the aftermath of 9/11, the use of American mariners, especially aboard ships carrying security sensitive cargo into U.S. ports, has become more of a priority for this country. The

Maritime Administration (MarAd), the U.S. Department of Transportation’s agency in charge of promoting the U.S. marine transportation system, has worked tirelessly, under the leadership of Administrator Sean Connaughton, to solidify a role for U.S. mariners in the burgeoning international LNG trades.

This new pact does just that, and puts the LNG fleet of Houston, Texas-based Exceleerate Energy in good hands. “The best way to ensure the safest and most secure means to prevent breaches of national security affecting our country’s import of LNG is with U.S. Coast Guard Licensed Officers and credentialed merchant mariners on these vessels,” M.E.B.A. President Ron Davis contends. “There is simply no legitimate alternative.”

The MOU recognizes M.E.B.A. as the exclusive supplier of U.S. officers and Exceleerate will open up its vessels and

terminals worldwide to M.E.B.A. members. Once qualified, M.E.B.A. members will begin to mix into the fleet and fill shipboard deck and engineering billets.

Circling the Wagons: How the Deal Got Done

Pres. Davis mobilized our Government Affairs Department, led by William Doyle, to get important M.E.B.A.-sponsored language inserted into the Coast Guard Authorization bill of 2006 to foster an American presence in LNG carriage. The bill, soon after made into law, amended the Deepwater Port Act to give top priority to applications for deepwater LNG import terminals to companies utilizing U.S. officers. Normally, this highly competitive process can take anywhere from six months

Photo 1: The EXCELSIOR was the first EBRV in Exceleerate’s young fleet of vessels (Photo courtesy of Mark Lane).



to a year to process. The law also required that all applications for deepwater LNG terminals specify the flag of the vessels and the nationality of the officers and crew that would be used to import the gas into the U.S. This provision ensures a more robust discussion about the need for a strong American presence in the LNG shipping business in the wake of security concerns following 9/11. The new law also tapped MarAd to initiate a study on ways to create incentives to increase demand for American mariners on international LNG tankers.

Our Political Action Fund allows M.E.B.A.'s voice to be heard on Capitol Hill and members who contribute to the P.A.F. had a big hand in helping our Union get these LNG provisions enacted.

The Union's participation in a number of LNG hearings and meetings on both state and federal levels also helped smooth the way. M.E.B.A. rallied up members and retirees, such as Mike Blakeslee, to speak and testify at local community hearings all over the nation. These hearings were held in localities where LNG terminals are being proposed for construction.

In every case, behind the scenes or in testimony before Congress, M.E.B.A. repeatedly reinforced the assertion that crewing LNG vessels with Americans is the best way to ensure the safe and

secure carriage of sensitive LNG cargoes to American shores. Unlike foreign seafarers, U.S. mariners meet stringent Coast Guard credentialing requirements, undergo extensive background checks through the FBI, are vetted through the National Driver Record Database and soon will be subject to terrorism background checks through the Transportation Security Administration.

"This expanded fleet... increases our unparalleled flexibility and access to markets around the world."

In place for less than a year, Maritime Administrator Sean Connaughton paved the way for a renaissance of U.S. mariner involvement in the LNG trades. Previously, American seafarers were off the international radar screen. Administrator Connaughton took the bull by the horns by aggressively marketing U.S. mariners to overseas companies. MarAd has worked tirelessly on this issue and has been successful in securing commitments with a number of operators to use American citizen mariners.

MarAd's request for public comment on how to expand the U.S. role in LNG helped shape the debate. The notice, placed in the *Federal Register*, also asked for input about the availability of qualified officers and crew as well as the advantages of using U.S. crews

aboard LNG ships. Not only did the Union and M.E.B.A.'s School provide MarAd with comments at the administrative level, hundreds of M.E.B.A. rank and file members flooded the agency with insight and support, an overwhelming response that exceeded all expectations. M.E.B.A. President Ron Davis lauded members participating in the comment period saying, "Your comments about the availability of qualified LNG officers within the M.E.B.A. caught the attention of the maritime industry worldwide. And because of the enormous response by M.E.B.A. members, companies are now taking greater interest in considering M.E.B.A. officers for their LNG vessels."

Excelerate Energy recognized the advantages of U.S. crews and was ahead of the curve with its agreement to utilize M.E.B.A. deck and engine officers aboard their vessels. Though the company only surfaced in

Photo 2: On a sunny day on the terrace at M.E.B.A. Headquarters, Sean Connaughton signed the license for Excelerate's Northeast Gateway Energy Bridge Deepwater Port. In the front row are Excelerate President Kathleen Eisbrenner and Administrator Connaughton. In the back row are (l-r) Excelerate Executive V.P. & COO Rob Bryngelson, Govt. & Legislative Affairs Director William Doyle, M.E.B.A. President Ron Davis and Secretary-Treasurer Bill Van Loo.





2003, Excelerate's long-term strategy and investments in innovation have catapulted them into a force to be reckoned with in the LNG industry. Much work has gone on behind the scenes before the deal was done. M.E.B.A. had been in communications with Excelerate for over two years before the trigger was pulled on a final agreement. President Davis called Excelerate "a forward-thinking company that is becoming a player in the global LNG market. They are making an investment in the future and the future looks bright."

Trailblazing Technology: Excelerate Beefs Up Fleet

The development of Excelerate's Energy Bridge technology is visionary. This involves specially designed "Energy Bridge Regasification Vessels" that allow them to revaporize LNG onboard the ships so that it can be directly fed into natural gas pipelines. Excelerate has three such EBRVs that can deliver the natural gas at specially designed offshore receiving facilities utilizing Submerged Turret Loading (STL) buoys that connect to a subsea pipeline for delivery to U.S. markets.

Though it can also deliver its cargo to traditional land-based LNG terminals, Excelerate continues to build a network of proprietary facilities that take advantage of the Energy Bridge technology, including

Gulf Gateway Deepwater Port – 116 miles off Louisiana coast (deliveries began March 2005), Teesside GasPort in Northern England (deliveries began Feb. 2007) and Northeast Gateway Deepwater Port – 13 miles off the Massachusetts coast (deliveries scheduled to begin in Dec. 2007). The Northeast Gateway will be New England's first LNG deepwater port and only the second operating LNG deepwater port globally – the other one is Excelerate's Gulf Gateway. Gulf Gateway is the first new LNG regasification facility in North America in over 20 years and Teesside is the very first dockside regasification port and second operational LNG facility in the UK.

Excelerate currently has three Energy Bridge vessels (EXCELSIOR, EXCELLENCE & EXCELERATE) and one conventional LNG carrier in service (EXCALIBUR), with two additional Energy Bridge vessels under construction and slated for delivery in the spring of 2008 and 2009, respectively (EXPLORER & EXPRESS).

In April, Excelerate announced the tremendous news that they have agreed to further expand their fleet with three additional EBRVs to be delivered by 2010 (EXQUISITE, EXEMPLAR, & EXPEDIENT).

"These additions to our fleet demonstrate Excelerate Energy's commitment to remain a leader in worldwide LNG floating

Photo 3: Maritime Administrator Sean Connaughton deserves a boatload of credit for reestablishing an American presence aboard LNG vessels.

regasification," said Kathleen Eisbrenner, President and CEO of Excelerate.

"Growing our fleet is critical as we look to supply our Northeast Gateway project in Massachusetts Bay while we expand our operations in Asia, South America and Europe," said Rob Bryngelson, Executive Vice President and Chief Operating Officer of Excelerate. "With all nine ships in operation, we can serve multiple market access points at any given time."

Eisbrenner added, "This expanded fleet, combined with our ship-to-ship transfer capabilities, increases our unparalleled flexibility and access to markets around the world."

Indeed, the ability to transfer LNG ship to ship, at traditional offloading facilities or by on-board regasification directly into gas networks gives the company a competitive advantage over other LNG carriers allowing the ships to discharge their cargo without venturing into a land-based facility. Excelerate is the only company to have successfully performed commercial ship-to-ship transfers of LNG. The first-ever commercial transfer of LNG from one ship to another took place earlier





this year near the Orkney Islands when the EXCELSIOR received 132,000 cubic meters of LNG from the conventional LNG ship EXCALIBUR.

In May, the major players that helped bring LNG shipping jobs back to U.S. mariners converged in a rooftop ceremony at M.E.B.A. Headquarters as Maritime Administrator Sean Connaughton signed Exceleerate Energy's Northeast Gateway Energy Bridge Deepwater Port license. An Exceleerate contingent including President Eisbrenner took part in the ceremony along with many of the M.E.B.A. officials who helped solidify our new relationship with Exceleerate.

Spectra Energy, formerly known as Duke Energy, is building a 16-mile subsea pipeline from its existing hub line to the deepwater port site to transfer natural gas from the vessels into New England's gas pipeline network. Exceleerate is constructing and will own the deepwater port to be operated by Skaugen PetroTrans (SPT) Offshore, LLC. It will, of course, accommodate Exceleerate's EBRV fleet operated by Exmar NV.

"Increasing Exceleerate Energy's shipping assets will provide additional job opportunities for U.S. mariners as we progress our initiative toward integrating U.S. mariners into the crews of the Energy

Bridge fleet," noted Exceleerate's V.P. for Operations and Marine Services Jonathan Cook.



SPT Hitches Up With M.E.B.A.

And if that isn't enough, M.E.B.A. recently closed on another deal with an Exceleerate company to bring more jobs to the M.E.B.A. – this time at the LNG deepwater ports and other terminals worldwide. Utilizing a third party to get the deal done, M.E.B.A.-contracted Armada Companies, LLC signed an agreement with SPT Offshore that will provide M.E.B.A. members to serve as Person-In-Charge (PIC) marine officers at the terminals visited by the Exceleerate vessels.

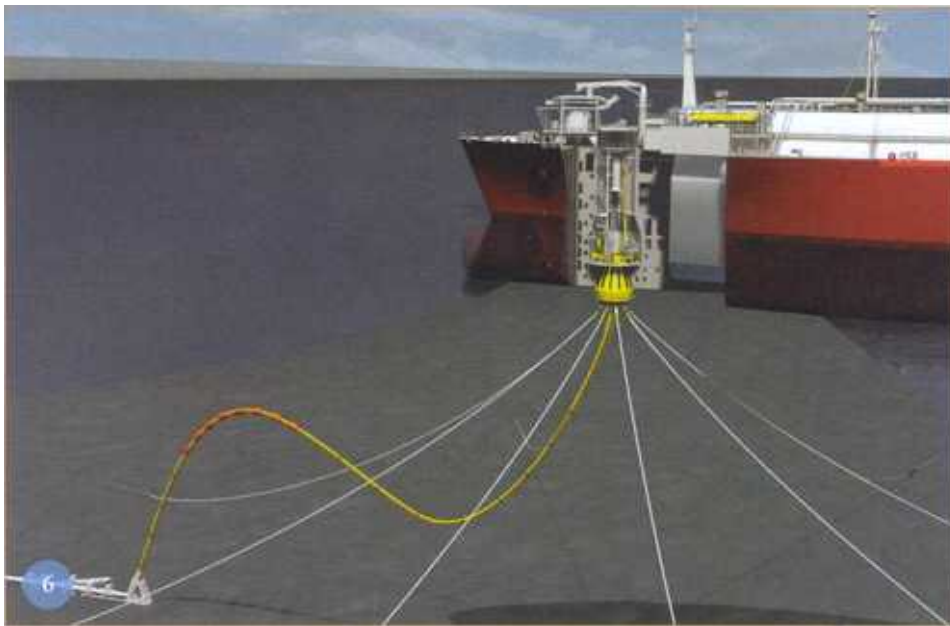
PICs serve as a deepwater port operator's representative and are normally stationed aboard vessels during cargo operations.

These highly skilled officers must be familiar with deepwater port operations, emergency and security procedures. PICs are also responsible for coordinating gas discharge operations between the EBRVs, ports, pipeline operators and other downstream interests. They also monitor cargo transfer operations, disconnection, maneuvering off STL Buoys and maintain communications between the offshore port and the port managers. Under the terms of the agreement, M.E.B.A. will also supply marine officers for liquefied natural gas ship-to-ship (STS) transfer operations.

Ready to Ride: CMES Ramps Up LNG Training

Though U.S. seafarers had been shut out of the business of LNG carriage for years, the Calhoun M.E.B.A. Engineering School continued its gas boat training – a program begun in 1975. In fact, the training has become even more advanced in the last few years with the advent of the School's state-of-the-art bridge simulator. The Tankship/LNG course was overhauled in 2005 to meet anticipated mariner training demands. The LNG cargo simulation program allows students to dock, load and discharge LNG vessels and even encompasses the terminal-side operations of an LNG facility. It also accommodates upgrades to





adapt to ever-evolving Coast Guard and International Maritime Organization training and testing requirements. The School is currently working with Excelerate and Exmar NV, the operator of the Excelerate fleet, on developing and implementing further upgrades to the LNG curriculum to better mold their courses to help students master the latest technologies used in LNG carriage. Excelerate Director of Operations Capt. Mark Lane is helping to facilitate that process and helped the School get a jumpstart on their research. In his sailing career, Capt. Lane headed up LNG ships as an M.E.B.A. member. He and his crew aboard the LNG vessel ARIES were recipients of the prestigious Jones Devlin ship safety award.

Invaluable in ramping up the LNG courses at the School and helping to steer the Excelerate deal to fruition were, among others, School Director Lou Marciello, Executive Coordinator of LNG Training & Simulation Scott Conway, the School's Executive Officer of Business Development Bob Smith, Academic Affairs Manager Chuck Eser and the Assistant Director of Academics Barry Van Vechten.

Recently, the M.E.B.A., CMES and the other maritime unions, labor schools and academies signed off on an agreement establishing training standards and learning objectives for U.S. mariners as they are re-introduced to the LNG Industry. MarAd was the key behind the agreement and believes the new standards will expand opportunities for U.S. mariners on LNG ships.

Earning Their Spurs . . .

Ron Davis, Secretary-Treasurer Bill Van Loo, Baltimore Branch Agent Bill McHugh and Deputy Counsel William Doyle stuck by their guns and herded in the groundbreaking agreements. They were able to wrangle the deals with invaluable assistance from Contracts Officer Mark Gallagher and key figures at the Calhoun School. That straight shooting team will stay hot on the trail in pursuit of future job opportunities for M.E.B.A. officers.

"M.E.B.A. is at the forefront when it comes to providing qualified, trained and completely vetted marine officers for the LNG trade," Pres. Davis pointed out. "We are committed to working with any company willing to utilize U.S. merchant mariners in the transportation of natural gas to the United States."

With its grand return to the LNG stage, M.E.B.A. is back in the saddle again!

Photo 4: The impressive STL buoys that will be deployed at the Northeast Gateway Deepwater port (Photo courtesy of Mark Lane).

Photo 5: M.E.B.A. President Ron Davis during a break before the House Homeland Security Committee where he advocated an enhanced presence for Americans aboard LNG vessels.

Photo 6: An example of an EBRV vessel unloading its regasified cargo into the subsea pipeline utilizing an STL buoy.

