



PORT FREEPORT™

THE COAST IS CLEAR

July 2008

From the bridge: Blossoming like a flower

FREEPORT — Looking out over Port Freeport from the bridge of the heavylift project carrier M/V Beluga Fusion on a recent Sunday evening, I could plainly see how our seaport is blossoming, its petals unfurling like those of a rose in bloom.

The vessel, berthed at our Dock 5, was the site that evening of a reception celebrating the moves through Port Freeport by RBC Project LLC of windmill units that over the past year have been streaming through our port on their way from manufacture in India by Suzlon Energy Ltd. to eco-friendly wind energy farms in West Texas and beyond.

From the bridge, I could see on Quintana Island the twin domes of the Freeport LNG facility, a state-of-the-industry liquefied natural gas receiving terminal that in April took delivery of its first shipment of the environmentally favorable energy source.

Closer in view was the American Rice Inc. (ARI)/Grupo SOS facility, with recently completed additional rice bins that are augmenting the longtime Port tenant's capabilities in annually serving U.S. and global markets with hundreds of thousands of tons of rice, much of which originates in Texas and South Louisiana paddies.

Other time-honored Port tenants such as banana importers Dole and Chiquita, as well as the latest addition to their number, Turbana, are expanding their export business, with southbound shipments of everything from synthetic resin and PVC pipe to clothing and automobiles.

Containerized cargo activity is



A. J. "Pete" Reixach, Jr.
Executive Port Director/CEO

already on the rise at Port Freeport, where we're developing the Velasco Terminal to be the newest container facility on the Texas Gulf Coast.

Meanwhile, the Texas General Land Office is proceeding with dismantling and removal of an old oil drill rig from the Port channel – a port channel that we look forward to seeing deepened and widened to accommodate even more trade.

Everywhere one looks at Port Freeport, there's activity blooming, and, with some 7,500 acres expanding farther than the eye can see for future development, the petals of our proverbial rose have plenty more room to unfold.

Stay tuned. The best is yet to come!

A. J. "Pete" Reixach, Jr.
Executive Port Director/CEO



Contributed photos

8th Annual TACFT a Huge Success

Port Freeport, along with the Coastal Conservation Association, once again held a successful fishing tournament along the banks of the Old Brazos River for children and their families.

Port Freeport's 8th Annual Take-A-Child Fishing Tournament was held Saturday, May 10 at the Freeport Municipal Park in Freeport, Texas.

There were 370 registered anglers, ages 3-14, with their families from communities in Brazoria County and beyond, generating more than 1,000 people in attendance.

In the Blue Fin Category, ages 3-8, the first place winner was Gage Alderman with 29 fish weighing in at 7.04 lbs.; the second place winner was Madison Varga with 30 fish weighing in at 4.90 lbs.; and third place was awarded to Grace Nicholas with 18 fish weighing in at 3.02 lbs. In the Yellow Fin Category, ages 9-14, the first place winner was Trace Hensley with 30 fish weighing in at 5.05 lbs.; second place went to Zachary Swanson with 30 fish weighing in at 4.97 lbs.; and the third place winner was Kayla Hensley with 30 fish weighing in at 4.94 lbs.

In each age group, the first place winner received a Dell Laptop Computer and printer,

the second place prize was a \$200 Wal-Mart Gift Card and the third place prize was a \$100 Wal-Mart Gift Card.

"It is always exciting to have so many families at the tournament and this year was no exception," Port Freeport Managing Director Phyllis Saathoff said.

"It was a great day for fishing and lots of fish were caught, but the best part was seeing the big smiles that even the smallest fish brought to the faces of our youth."

Anglers weighed in more than 820 fish, ranging from piggy perch to eels. Also, among the fish caught were dogfish, sheepshead, flounder and a mangrove snapper for a total of 158 pounds of fish that were donated to Sea Center Texas, located in Lake Jackson, Texas.

Sea Center Texas also brought their Touch Tank, in which the children were given an opportunity to get up close and personal with sea life such as hermit crabs, sea anemones and various shells.

Several other community organizations and businesses also contributed to the event.

The U.S. Coast Guard brought a boat to the event and were available to answer questions while a local offshore fishing business, Underwater Expeditions



Contributed photo

From left, Port Freeport Managing Director Phyllis Saathoff, tournament winners Kayla Hensley, Trace Hensley, Gage Alderman, Madison Varga and Grace Nicholas. Not pictured is Zachary Swanson.

Offshore Fishing, provided a shark-shaped piñata for the children and a display of things you would see underwater.

In addition to the winners, 43 additional children received door prizes such as fish-shaped pillows, tents and an offshore fishing trip. Also, after registering, each child received a goodie bag full of kid-friendly promotional items along with an event t-shirt.

To find out more information about Port Freeport's Annual Take-A-Child Fishing Tournament or how your company could be a sponsor for next year's tournament please visit our Web site at www.portfreeport.com/TACFT.

THANK YOU

Port Freeport and Coastal Conservation Association would like to thank the following sponsors for their

support: Freeport LNG; Goldston Engineering; Gulf Chemical & Metallurgical Corp; Weston Solutions, Inc.; American Rice, Inc.; Mike Sorrell Trucking, Inc.; Miken Specialties; Parker/Cabett Subsea Products, Inc.; Ports America Texas, Inc.; Brian Bell, DDS; Chiquita Brands, Inc.; Dole Fresh Fruit Company; G&H Towing Company, Inc.; Gulf Stream Marine, Inc.; Kirby Inland Marine Inc.; Lockwood, Andrews, & Newnam, Inc.; Sea Center Texas; TDEC; Texas Gulf Engineering, LLC; The Facts; Transystems Corp.; A.G. Edwards & Sons, Inc.-Lester Saathoff; Aperio Engineering; Area Print Shop; Avkia Embroidery and Arts; B.E.A.R.S., Inc.; Bass Pro Shop; Bay Houston Towing Co.; Baywood Foods; Biehl & Co.; Captain Mark's Seafood Market; Chick-Fil-A; Click Draw Graphics, Inc.; Coastal Securities, LTD; Day & Zimmermann; Freed Advertising; Gulf Coast Engraving; Maxim Crane Works; Office Universe, Inc.; On the River /River Point Restaurant; PC Care, Inc.; Texas Gulf Bank, N. A.; The Blueline Shop & Copy Center; Underwater Expeditions; U. S. Coast Guard; Vining Sparks; Wal-Mart; Wells Fargo.

Journey Hartung named winner of TACFT logo drawing contest

In conjunction with the Port Freeport's Annual Take-A-Child Fishing Tournament, the Port holds an annual logo drawing contest in which one lucky winner is chosen and his/her logo is used on all fliers, posters, advertisements and t-shirts for the tournament.

The Port staff would like to congratulate Journey Hartung, the first place winner of the TACFT Logo Drawing Contest. Journey, a fourth grade student at Madge Griffith Elementary, won a framed print of her drawing and a \$100.00 Wal-Mart Gift Card. Miranda Colegrove, a sixth grade student from Our Lady



Contributed photo

Port Freeport Managing Director Phyllis Saathoff and TACFT logo drawing contest winner Journey Hartung.

Queen of Peace, won second place and was awarded a \$50 Wal-Mart Gift Card and a framed print of her drawing.

The third place winner, Jaime Arana, an eighth grade student at Freeport Intermediate School, also received a framed print of her drawing and a \$25 Wal-mart Gift Card.

'Krewe of Port Freeport' puts unique twist on outreach

The kind of "crews" typically associated with seaports are those that work on docks or man vessels, but Port Freeport is putting a new twist on this term, involving local community leaders on a recently formed board known as the "Krewe of Port Freeport."

The uniquely named port outreach entity is bringing together a diverse range of area residents — from retirees to rice farmers — for quarterly gatherings aimed at keeping the people of Brazoria County aware of Port Freeport's ever-expanding contributions while gaining their valuable input.

"The Krewe of Port Freeport was formed as part of our ongoing efforts to educate the public as to how Port Freeport is an asset to Brazoria County, the state of Texas and the nation," said Executive Port Director/CEO A.J. "Pete" Reixach Jr., noting the Port's direct generation of more than 11,000 jobs and overall \$9 billion-a-year economic impact.

"Our interactions help us to work together to get the word out and at the same time, hear what those throughout the community have to say."

Reixach, who is originally from New Orleans, came up with the notion of a "krewe" (pronounced the same as "crew") because of his familiarity with the krewes that play an integral role in Mardi Gras events and charitable efforts.

Krewe member Curt Mowery, a principal of a family rice-growing business and mayor of the small north-central Brazoria County city of Sandy Point, explained, "Since being part of this committee, I have developed a greater appreciation for the impact that Port Freeport has, not only with my industry but also with fresh produce, the petrochemical industry and, soon, the new liquefied natural gas facility at the Port."

Port Freeport Golf Tournament raises \$20,642.21

Continuing its commitment to the younger residents of the community, Port Freeport has presented to Junior Achievement of Brazoria County more than \$20,000 raised through a benefit golf tournament.

"Port Freeport is dedicated to giving back to our community and, in particular, supporting efforts that benefit the youth of our community," said Port Commission Chairman James F. Brown Jr., who presented a \$20,642.21 check to Junior Achievement representatives at the commission's March 27 meeting. "We're really proud to have the opportunity to serve as host of the tournament and play a role in the commendable efforts of Junior Achievement."

Since 1956, Junior Achievement of Brazoria County has been educating and inspiring youth to value free enterprise, business, financial literacy and economics in order to improve the quality of their lives. Last year, nearly 8,000 students in all grades, kindergartners through high school seniors, in 43 local schools were presented Junior Achievement programs by some 500 volunteers.

"We're thrilled with Port Freeport and all the hard work the people of the Port put into the event, as well as delighted with the amount of funds raised, which is the largest amount raised this school year," said Kim Effenberger, president of Junior Achievement of Brazoria County, who noted that the funds will be used to buy program materials. "This will help us significantly in preparing the workforce of tomorrow by giving these students an understanding of how business operates today."

Port Freeport Executive Port



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From left, Port Freeport Executive Port Director/CEO A. J. Reixach, Jr.; JA Program Manager Stephanie Ward; Port Commission Chairman James F. Brown Jr.; JA Board Member Freddy Jagush; JA Board Chairman Rich Raun; JA Board Member Jim Heath; JA President Kim Effenberger; JA Board Member Tim Daeschner.

Director/CEO A.J. "Pete" Reixach Jr. commented, "Port Freeport has a history of making a concerted effort to assist community organizations that focus on the children of Brazoria County. We are pleased to extend this commitment this year to Junior Achievement."

In previous years, Port Freeport has played a role in support of such organizations as the Boys & Girls Club of Brazoria County, has presented backpacks and school supplies to local children and, each spring since 2001, has sponsored the Take-A-Child Fishing Tournament.

More than 100 golfers, most from the Freeport and Houston maritime transportation industry, took part in the benefit golf tournament, held March 14 at the Wilderness Golf Course in Lake Jackson. The event was capped off with a crawfish boil dinner.

Port Freeport to Partner with Dragados SPL

Officials of Port Freeport are looking forward to partnering with Madrid, Spain-based Dragados Servicios Portuarios y Logísticos in development of the newest facility at Port Freeport.

Port Freeport has entered into negotiations with Dragados SPL on a multi-decade contract for a public-partnership to develop the Port's Velasco Terminal, following unanimous approval by the Port Commission.

"We are truly delighted to team up with such a widely known and well-respected international player as Dragados SPL," said Port Freeport Executive Port Director/CEO A.J. "Pete" Reixach Jr. "Together, we will bring the Texas Gulf Coast a premier facility that represents our Port's first major construction project in more than a quarter century, as well as the entry of Dragados into the U.S. port market."

Dragados SPL is a significant force in terminal operations and infrastructure development in Europe, China and South America. Gina Wang, Madrid-based project development manager for Dragados SPL, is equally enthused.

"We are very excited to soon be involved with Port Freeport on the Velasco Terminal project," Wang said. "Dragados is the largest independent terminal operator in Spain and is also actively pursuing new terminal projects worldwide."

"We see the Velasco Terminal as an excellent opportunity to enter the U.S. market," Wang said. "Now, we look forward to working with Port Freeport officials and bringing success to the Velasco Terminal project."



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Port Freeport officials traveled to Spain to meet with representatives of Dragados SPL in February. The port has entered into negotiations with Dragados SPL on a multi-decade contract for a public partnership to develop the Port's Velasco Terminal.

Port Freeport is currently investing \$42 million in development of the Velasco Terminal's initial phase, to include an 800-foot-long berth. Upon full buildout, the \$225 million facility, with 1,200 linear feet of berthing and 90 acres of developed backland, is to have a capability to handle an annual throughput of more than 750,000 twenty-foot-equivalent container units (TEUs).

The Port ship channel on which the Velasco Terminal is being developed has a depth of 45 feet, and Port Freeport officials are working with U.S. Congress in the final stages of a feasibility study on widening and deepening the channel.

Port officials are also engaged with the Texas Department of Transportation in efforts to widen Texas Highway 36, the main artery for the Port's over-the-road truck traffic.

Port Freeport means *jobs*

Did you know 56,139 jobs in Texas are related to Port Freeport, paying a combined \$4.4 billion, while generating more than \$9 billion in direct and indirect revenue?

To learn more about how *your Port works for you*, visit our Web site at www.portfreeport.com



New facility receives first LNG shipments

Culminating more than seven years of efforts, the Freeport LNG terminal on Port Freeport's Quintana Island property is in operation, having received its first vessel shipment of liquefied natural gas in April.

The \$750 million-plus project, developed by Freeport LNG Development L.P. and ConocoPhillips, already has been a generator of more than 1,500 construction jobs and will maintain a role as a significant force in the economic wellbeing of Port Freeport and Brazoria County, as well as in providing a ready source of eco-friendly energy.

The Freeport LNG receiving terminal and regasification facility, which entered planning stages in early 2001, now is in service on 172 acres on Quintana Island, where its twin white tank domes have quickly become a landmark for mariners and fishermen alike.

The terminal's first vessel call came April 15, when a 908-foot-long LNG tanker arrived from Trinidad & Tobago carrying 133,000 cubic meters of LNG. On May 9, a second vessel brought a similar shipment, with the combined offloaded cargo sufficient to fill the two tanks to 80 percent of storage

capacity.

Gradual offloading of the LNG allowed the tanks to safely reach their operating internal temperature of minus 260 degrees Fahrenheit. That process has been followed with testing of the send-out portion of the plant, including seven vaporization units, or trains.

"We're delighted to see these ships come in and the commissioning of our plant," said Bill Henry, vice president of Freeport LNG Development L.P. "We're really excited about bringing additional ships and LNG into Port Freeport."

When at full first-phase operation, the facility will be able to vaporize 1.55 billion cubic feet (BCF) of LNG per day. A planned second phase could yield additional throughput of 1.15 BCF per day.

The initial capacity is fully contracted for under separate long-term terminal use agreements with ConocoPhillips, The Dow Chemical Co. and Mitsubishi Global Gas Corp.

Both Henry and Port Freeport Executive Port Director/CEO A.J. "Pete" Reixach Jr. noted that the process of bringing in the first vessels went very smoothly,

with solid performances from everyone from tug and pilot boat captains to line handlers.

"Freeport LNG has done a commendable job, including in carrying out construction in a manner that has served to protect wetlands and through the way in which company officials have explained to the community the safety of their product and their operations," Reixach said.

Natural gas offers an environmentally friendly fuel alternative to coal and oil. Because of its colorless, odorless, nontoxic nature, LNG poses no significant environmental concern in the unlikely event of accidental release. For more than 40 years, the LNG industry has a solid track record of no pollution and no fatalities.

The product comes to the Freeport facility aboard double-hulled tanker vessels, arriving in highly compressed, superchilled form.

The vaporization trains at the facility are used to heat the liquid-form product, increases its volume 600-fold before transporting it as natural gas through a 9.6-mile pipeline to Stratton Ridge, a major interconnection point with intrastate pipeline systems.



Contributed photos

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Employee Focus: Westerlin joins port as safety supervisor

Since joining Port Freeport in October in the newly created position of safety supervisor, Ben Westerlin has made significant strides in further ensuring the safety of employees of the port and its tenants.

"Ben has been a great asset and addition to the Port Freeport team," said Port Freeport Director of Operations Al Durel. "He's doing a terrific job of promoting a portwide safety culture."



Ben Westerlin

Even before joining the Port staff, Westerlin was familiar with Port Freeport, having served the preceding year as security manager at the Port for contracted provider Securitas Security Services USA Inc.

Prior to that, he served four years in the U.S. Air Force as a nuclear, biological and chemical weapons expert, attaining the rank of senior airman.

"My job is to put in place a general awareness and training programs to heighten safety awareness so that everyone who works at Port Freeport can go home to their families at the end of their day here," Westerlin said.

A native of Santa Fe, Texas, Westerlin is a graduate of Santa Fe High School. He and high school sweetheart Kelly have been married five years and just expanded their family with the birth of their second daughter, Ella, whose big sister, Abigail, is 3.

Having previously taken classes at Alvin Community College and College of the Mainland, Westerlin, 28, currently is working toward his safety, health and environmental management degree at Brazosport College.

When he's not working, studying or spending time with his family, Westerlin enjoys "gadgetry," golf, rollerblading and martial arts.