



Venice
PORT COMPLEX

DEEP WATER TO THE GULF

THE VPC REPORT

FALL 2009

The Venice Port Complex (VPC) has played an important role in the energy industry for over 60 years. Location, infrastructure and crucial industry tenants have made us the oil and gas hub in the eastern and east central gulf.

To make sure the VPC stays on top as an energy port, infrastructure maintenance and upgrades are essential. A new organization, the Venice Port Coalition, is devoted to making that a priority. This non-profit group now consists of over 30 local businesses that have set out to work with Parish, State and Federal governments to improve infrastructure in South Plaquemines. For more information contact its Chairman, Jerrold Denet at 504-534-7807.

The Venice Port Coalition has contracted with the LSU Center for Energy Studies to conduct an economic benefits



survey of Venice area businesses. The study is scheduled to be presented in mid October and will be used to further secure State and Federal funding to improve infrastructure in South Plaquemines. The Venice Port Coalition is also working with parish government to streamline the permitting process to make Venice more business friendly.

On that note, maintenance and infrastructure work continues. Dredging work is vital to keeping the VPC open and operating. The Corps of Engineers is currently in the process of maintenance dredging Tiger Pass to a depth of 14 feet with an additional 2 feet of advanced dredging, and is on schedule to be completed in early December of 2009. The Corps of Engineers will also begin dredging Baptiste Collette



Bayou to a depth of 14 feet with 2 feet of advanced dredging on October 15th. The feasibility plan for dredging Baptist Collette Bayou to a depth of 26 feet is moving along and on schedule to be completed in April of 2010.

Another recent infrastructure upgrade has been accomplished with the completion of phase 1 of Tidewater Road. Drainage work wrapped up this past summer and plans are moving along on Phase 2, which will widen and raise Tidewater Road to +5 MSL from Coast Guard Road to its termination.

While the global economy rebounds slowly, we are already seeing the results at the VPC. Drilling activity is up for the fourth quarter and continued interest in drilling in the Gulf all bode well for the energy industry.



Oil and gas exploration continues as companies drill deeper and deeper to find new energy resources. Substantial oil finds, such as the Blind Faith and Tahiti discoveries are a positive

sign for the future of the energy industry and a definite boost for the offshore service industry. Blind Faith, which is being serviced out of the VPC, began production in late 2008 and Tahiti began production in May of 2009.

Both represent record-breaking achievements by pushing the limits of technology. Blind Faith is Chevron's deepest offshore production facility, located in 6,500 feet of water and produces 65,000 barrels of crude oil and 55 million cubic feet of natural gas daily. Production at the Tahiti Platform is expected to eventually ramp up to 125,000 barrels of crude oil and 70 million cubic feet of natural gas before the end of 2009. These discoveries and others like it are proof that the Gulf of Mexico is a growing oil region and a profitable one for exploration companies who are willing to drill to deeper depths as technological improvements allow them to do so.

As activity increases in the eastern and east central gulf, the VPC and the many industrial and service related companies, from shipyards to industrial equipment businesses, will see the benefits of the growing oil and gas industry.

Sincerely,

George Pivach II
Vice President and General Counsel

INDUSTRY UPDATES

L&L Oil and Gas: Continuing success at the VPC

L&L Oil & Gas has been in business since 1956, and one of its oldest operating facilities resides in Venice. L&L has the capacity to store 648,000 gallons of diesel and 100,000 gallons of potable water.



Construction is ongoing to add an additional 100,000-gallon water tank. L&L has 2,344 ft. of deep draft dock frontage with five fueling stations to serve vessels. The company stores 80,000 gallons of methanol, 30,000 gallons of gasoline and various other lube oils on site.

L&L's Venice dock delivers via land from Venice to Pointe-a-la-Hache with the capability of pumping off fuel and oil. In addition to fuel and oil, crane service is available through an operating agreement with Whitetail Construction.

L&L's secret to great success has been hard working and dedicated employees and first class service. For more information call L&L's Venice dock at 504-534-7401, the corporate office at 504-832-8600 or visit www.lloil.com.

Halliburton opens new Consolidated Facility in VPC

Halliburton recently opened its newly consolidated facility in the Venice Port Complex. The new facility, located at the end of Coast Guard Road, comprises plants for liquid mud, completions fluids, bulk cement, barite storage, and covered storage area totaling 12,000 square feet. Culminating the consolidation of three previously separate locations, this facility will allow for delivery of integrated products and services across the company.

"This area was devastated by Hurricane Katrina four years ago, and we are excited to put that behind us and look forward to the resurgence of economic opportunities here," said Richard Vaclavik, regional vice president, Gulf of Mexico, Halliburton.

The facility has more than 1,000 linear feet of bulk-head and a 50-ton pedestal crane with 70 feet of boom to support our customer's vessel load outs. In addition, there is new office space and living quarters for the onsite Halliburton team that will staff the facility 24/7.

"We are also excited about the improvements that the Venice Port Complex has accomplished – raising Tidewater Road to minimize flooding and continuing its efforts to dredge Baptiste Collette Bayou even deeper, allowing a safer and shorter route to the eastern Gulf of Mexico," Vaclavik added. "Halliburton has been in the Venice Port for over 50 years, and we will



continue to support our customers working in the area."

Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry. With more than 50,000 employees in approximately 70 countries, the company serves the upstream oil and gas industry throughout the life cycle of the reservoir – from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production through the life of the field. Visit the company's website at www.halliburton.com or call Roger Matthews at 504.534.2021.

MI SWACO: Bigger and Better



MI SWACO occupies two yards at the Venice Port Complex. With recent upgrades finished, they have not only recovered from Hurricane Katrina, but also built back bigger and better than before.

As a vital part of the hydrocarbon exploration and production industry, MI SWACO is ISO 9000 & 14000

certified and supported by their QHSE department to provide a safe and environmentally friendly work place. They are a leading supplier of drilling fluid systems engineered to improve drilling performance by anticipating fluids-related problems. Their fluid systems and specialty tools are designed to optimize wellbore productivity, as well as environmental solutions that safely manage waste volumes generated in both drilling and production operations.

MI SWACO is a company that is focused on customizing to meet their client's specific application and location. The Venice base offers both drilling and completion products. The facility can mix water base systems, diesel and synthetic base systems or completion fluids. The Venice base operates as a 24 hr oilfield service dock, which includes a 85-ton crane and a truck ramp to load out trucks and tanks directly to a client's barge.

For more information visit MI SWACO's website at www.miswaco.com or call the Venice office at 504.534.7422 and ask for Mike Weekly or Vincent Marsigilia II.

VPC gives support to the Plaquemines 4-H

In early September the Venice Port Complex (VPC) donated \$7,500 to help the Plaquemines 4-H organization.

"The Plaquemines 4-H organization does a wonderful job of motivating the youth of our Parish. Therefore, we wanted to continue our support of the 4-H program in Plaquemines Parish, by helping with a donation that would provide much needed funding to offer programs that positively influence thousands of young adults and children in our area," said George Pivach.

The Plaquemines 4-H organization is a community of young people from the Parish that participate in learning the skills of leadership and citizenship by gaining knowledge in areas of character-building, nutrition and health, environmental awareness, horticulture, and other life skills. There are over 500 youth members in the Plaquemines Parish 4-H chapter, and the educational enrichment program reaches approximately 2,000 students in the Parish.

The funding that the Plaquemines chapter receives from the VPC will directly assist with general operating expenses such as supplies needed for the group's various camps and activities. These funds

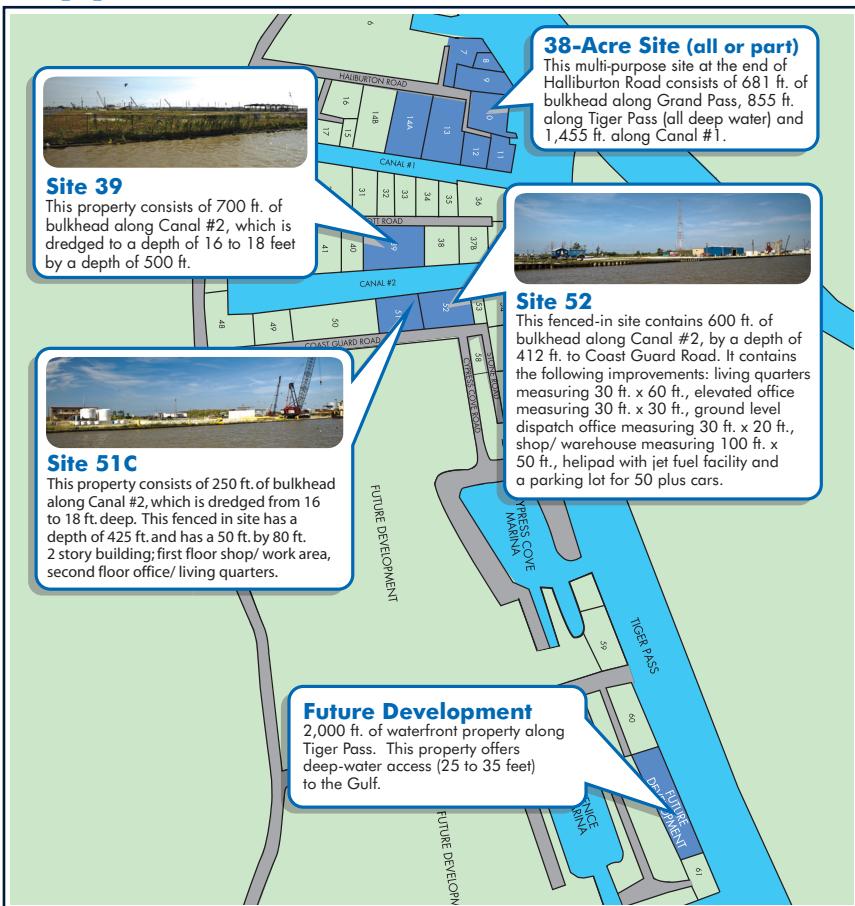


Tony Frickey of the VPC presents a check to Jan Morgan, Plaquemines 4-H Agent. From Left to Right: George Pivach, Ashley Jefferson, Jan Morgan, Tony Frickey and Priscilla Borne

will also provide opportunities for student members to attend continuing education programs, training seminars and regional and statewide 4-H events.

If anyone is interested in learning more about the Plaquemines 4-H or in making a donation, please contact Plaquemines 4-H Agents: Jan Morgan at 504.433.3664 or Wayne Burgess at 504.278.4234.

Opportunities abound at the VPC!



Available Sites

The Venice Port Complex has developed and undeveloped sites available for ground lease, or we can build to suit. The developed sites range from one to ten acres, while the undeveloped sites are larger. If your business is looking to expand or relocate, please contact George Pivach, II for more information on one of the most strategic sites on the Gulf of Mexico. He can be reached at 504-392-1830 or e-mail gpiach@veniceportcomplex.com

The Venice Port Complex Report will be published quarterly. If you have any updates or news that you would like to contribute, please contact George Pivach II at 504-392-1830 or gpiach@veniceportcomplex.com www.veniceportcomplex.com

8311 Highway 23 • Suite 104
P.O. Box 7125
Belle Chasse, LA 70037

