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New Study Shows Gulfstream Natural Gas System Would Add \$1.2 Billion to Florida Economy; Includes Plans to Purchase Steel Pipe From Florida Supplier

HOUSTON – The Coastal Corporation today announced that its Gulfstream Natural Gas System, L.L.C., affiliate would bring \$1.2 billion into the Florida economy, according to an updated independent study conducted by Fishkind & Associates of Orlando, Fla. The study now includes the additional economic impact of Gulfstream's plans to purchase large diameter pipe from Berg Steel Corporation of Panama City, Fla.

Gulfstream recently received a preliminary determination of need from the Federal Energy Regulatory Commission (FERC) on its application to build a 744-mile pipeline from Alabama to Florida's East Coast.

An initial study conducted by Fishkind & Associates was included in Gulfstream's application to the FERC last year. According to that study, Gulfstream would generate an economic impact of at least \$716 million to the state's economy through the initial construction costs and ongoing operations over a 20-year period once the project is completed. More than half of the benefits would be realized during the construction phase.

Since the original study was completed and submitted to the FERC, decisions made by Gulfstream would bring additional economic benefits to the state of Florida. The most significant of these is Gulfstream's decision to purchase steel pipe from Berg. Gulfstream has signed a letter of intent with Berg to provide the majority of the 36-inch and 30-inch diameter pipe for the project. This anticipated purchase, along with the related events, brings the total economic benefit to the state to more than \$1.2 billion, according to Fishkind & Associates' recent update.

"This project offers a win-win situation to the people of Florida," said David A. Arledge, chairman, president and chief executive officer of The Coastal Corporation. "Not only will the Gulfstream Natural Gas System bring much-needed, reliable natural gas supplies into the area, the state also will enjoy increased economic benefits from both the initial construction and then the presence of the pipeline for years to come through wages paid, property taxes and materials acquired locally to operate the pipeline system."

When completed, Gulfstream will have the capacity to deliver 1.1 billion cubic feet of natural gas per day to Florida to meet the increased need for clean-burning natural gas for use by utilities and power-generation facilities.

More information about the Gulfstream Natural Gas System is available by calling 1-888-GAS-4-FLA (1-888-427-4352).

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