

FOR IMMEDIATE RELEASE

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**PORT FREEPORT AWARDS CONTRACT
FOR ZEUS REMOVAL**

FREEPORT, Texas (January 10, 2008) – Work to begin removing the towering Zeus from the Freeport Channel will soon begin.

The Port Commission of Port Freeport unanimously approved the proposal received from Kevin Hoot Construction for the demolition, removal, storage, salvage and disposal of the Mobile Offshore Drilling Unit (MODU) Zeus that is currently located in the Freeport channel.

Port Freeport entered into an Interlocal Cooperation Contract with the General Land Office to oversee the contract for the final removal of the Zeus after Jerry Patterson, Commissioner of the Texas General Land Office ordered the immediate removal of the Zeus on July 6, 2007.

The Port issued a request for proposals for the project and received several responses. After recommendations from Port staff and the General Land Office, the Port Commission awarded the contract to Kevin Hoot Construction in the amount of Six Hundred Thousand Dollars (\$600,000.00) with a salvage credit value in the amount of Six Hundred Fifty Thousand Dollars (\$650,000.00).

"We can not be more pleased with representatives from the GLO and their cooperation in this matter," said Port Freeport Executive Port Director A.J. "Pete" Reixach Jr. "We look forward to seeing the Zeus gone from the Freeport channel."

"Removing the Zeus helps keep Texas waters clean and eases a real threat to Port traffic, said Patterson. "The removal of the Zeus represents good government, plain and simple. This is what happens when state and local government come together to represent the will of the people, and I am proud to be a part of that."

The Notice to Proceed should be issued in early-February. The removal phase of the project should commence in mid-March and should take about 3 months.

Port Freeport currently ranks 13th among U.S. ports in international cargo tonnage handled. With a current channel of 45-foot depth, soon to be widened and deepened, just 3 miles from open Gulf of Mexico waters, Port Freeport offers more than 7,500 acres for future development. Port Freeport serves its customers and stakeholders through development and marketing of competitive world-class navigational capabilities, technically advanced marine and multimodal terminal services and port-related industrial facilities while achieving profits and creating jobs as a leading economic catalyst for the Texas Gulf Coast.

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