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**STATE OF THE PORT 2011: DIVERSE OPERATIONS SPUR RECORD
YEAR FOR PORT FREEPORT TONNAGE, REVENUE**

FREEPORT, TX (March 5, 2012) - Propelled by a diverse mix of on-port operations, Port Freeport enjoyed its best year ever in fiscal 2011 and looks forward to continuing gains with new berth development and expanding cargo opportunities.

Thanks to decades of foresight on the part of Port Commissioners and ongoing dedication of Port staff, Port Freeport is well-positioned to post further gains in years to come.

Fiscal year ended September 30, 2011, show cargo volume moved through Port Freeport at 2,102,431 tons – up a remarkable 16.3 percent from the prior high mark of 1,806,375 tons reported for fiscal 2010. Meanwhile, the Port’s total operating revenue rose 10.9 percent, to a new record of \$15.6 million.

During a challenging time when many ports in the United States and beyond have seen declining volumes and slipping revenues, Port Freeport has kept on an upswing, largely due to the fact that our Port relies on a multitude of distinct operations and commodity types.

As fiscal 2011 came to a close, Port Freeport’s advantageous position was recognized by the confidence of the prestigious ratings service of Standard & Poor’s, which assigned an “A” rating and stable outlook for the Port’s revenue bonds. S&P analysts cited the Port’s average annual increase in tonnage of 4.3 percent from 2006 through 2010, as well as a double-digit gain in operating revenues in 2010 – all while the Port has reduced its reliance upon ad valorem taxes.

Among significant contributors to Port Freeport’s banner year in fiscal 2011 was Transocean Ltd., the world’s largest offshore drilling company, which used the Port for several months as a base for shuttling materials and personnel to and from operations in the Gulf of Mexico.

Meanwhile, Port Freeport sustained its position among the top three U.S. ports for banana imports, continued to be a hub for movement and storage of wind energy components and other project cargos, remained home to on-port milling and export operations of American Rice Inc./Grupo SOS, and saw liquefied natural gas ships maintaining calls at the Freeport LNG terminal on Quintana Island.

New developments in fiscal 2011 included the historic first calls at Port Freeport by Maersk Line, the world’s largest container shipping company, as well as, on the environmental front, the completion of a project to put low-polluting technology in place on forklift and top loader units at the Port.

In 2011, Port Freeport looks to begin its Berth 7 construction project that is a key element in the development of the Port’s Velasco Terminal. At full build-out, including three berths and 90 acres of backlands, the Velasco Terminal will generate 3,000 direct jobs plus an equal number of induced and indirect jobs, according to preeminent industry economist Dr. John Martin.

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Looking ahead, the operators of the Freeport LNG facility are seeking to add liquefaction operations for exportation, petrochemical plants in the Freeport area are expanding and Port Freeport expects to compete for numerous major wind energy projects that are on the horizon.

Finally, for me, fiscal 2011 has also been a particularly eventful time as it coincided with my term as chairman of the American Association of Port Authorities, affording me the privilege to engage in advancing addressing of issues of mutual critical interest to seaports throughout the Western Hemisphere.

Fiscal 2011 has indeed been a memorable year, and we at Port Freeport are setting the stage for further progress in the months and years ahead.

So, stay tuned. The best is yet to come!

A.J. "Pete" Reixach Jr.
Executive Port Director
and Chief Executive Officer

Port Freeport currently ranks 16th 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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