

PRESS RELEASE

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For immediate release

SGR HOLDINGS ANNOUNCES OPEN SEASON FOR NATURAL GAS STORAGE AT THE SOUTHERN PINES ENERGY CENTER

Houston, Texas (November 05, 2003) – SGR Holdings, L.L.C. announced today that its wholly-owned subsidiary, SG Resources Mississippi, L.L.C. (SGRM), will conduct an Open Season from November 05, 2003, through December 05, 2003, for firm storage services to be provided by its Southern Pines Energy Center. This open season is intended to gauge market interest in SGRM's plan to extend the Southern Pines Energy Center storage header north to interconnect directly with Southern Natural Gas Company (SONAT) at Enterprise and Tennessee Gas Pipeline.

The Southern Pines Energy Center, a new salt cavern natural gas storage facility to be located in Greene County, Mississippi, has already received its Certificate of Public Convenience and Necessity authorizing construction and operation of the storage facility from the Federal Energy Regulatory Commission (FERC) under Section 7 of the Natural Gas Act.

SGRM is planning to provide direct bi-directional interconnects to the pipeline facilities of Destin Pipeline, Florida Gas Transmission (FGT), Transco's Mobile Bay lateral providing services to Station 85, Gulfstream, and Gulf South. SGRM has executed interconnect agreements with FGT, Transco, Gulfstream and Destin. SGRM plans to file for FERC certificate authorization to construct the additional pipeline interconnects with Tennessee and SONAT in early 2004.

“With the recent announcement of a proposed LNG terminal in Mobile Bay to be developed by ExxonMobil, the Southern Pines Energy Center is ideally situated to provide much needed flexibility and balancing from shipments of LNG cargoes and offshore production because of its quick cycling ability and multiple pipeline interconnects,” says Mark D. Cook, a principal of SGRM. “This new option will be valuable to pipelines, suppliers, and end users.”

When completed in 2005, the Southern Pines Energy Center will provide 12 billion cubic feet (Bcf) of high-deliverability natural gas storage in two caverns that can be expanded to 16 Bcf of storage. It will be capable of supporting natural gas withdrawal rates of up to 1.2 Bcf per day and injection rates of up to .6 Bcf per day.

SGRM has been authorized to offer firm and secondary firm storage services at “market-based” rates, allowing it to custom design services to meet the needs of individual customers. The location of Southern Pines was carefully chosen to allow it to serve as a supply and storage market hub for seven major pipelines serving the southeastern, northeastern, and mid-Atlantic United States.

Information about the Open Season process is available on SGR’s web site at www.sgr-holdings.com. or from Mark D. Cook at (713)914-8187 or (713)502-4930.

SGR Holdings, L.L.C., of Houston, Texas, is an independent developer/owner/operator of high-deliverability natural gas storage facilities. For further information, contact A.J. (Tony) Clark at (713) 914-8188, or visit SGR’s website at www.sgr-holdings.com.

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