

September 8, 2010

To all Twin Tiers Landowners Coalition (TTLC) Members in Tioga County, PA:

We will be moving forward on a lease sale for our almost 11,000 acres (approximately 8,400 acres for immediate lease) in Tioga County and have set out a tentative schedule:

1. September 17 – Notices to Interested Gas Companies (sent overnight Fed Ex) to companies who want to qualify to bid on our lands. Package includes the following:
 - a. Process, timing, and deadlines of lease sale
 - b. Delineation of summary lease terms with set royalty amount
 - c. Administrative fee to be paid to TTLC (will be set to keep out companies who want our information but will not compete; in fact, it is a protection for the competing companies)
 - d. Requirement to sign the non-compete agreement which will be enclosed
 - e. Leasing process rules, i.e. competitive bids on paid up 5 year lease; must lease all our lands with exception of top leases, land outside of Tioga County, parcels less than two acres; non-entry lease to be half of bonus amount; and escrow amount to ensure that the winning bidder completes the transaction
 - f. Fee and signed non-compete due October 1

2. October 8 – Packages to be sent to Qualified Bidders (Fed Ex). Package to include the following:
 - a. Actual lease that companies can comment upon and suggest modifications (not financial, not substantial changes)
 - b. Information on our parcels mapped in a Geographical Information System (GIS) by town
 - c. Bidding rules, i.e. TTLC under no obligation to accept offer, etc.

3. October 22 – Bid deadline

Shortly thereafter, we will announce the winner bidder and convene a TTLC meeting to go over the lease terms and deliver the lease to you. We continue to strongly recommend that you review the lease with an attorney. Remember that you are not under any obligation to sign, but we continue to be optimistic about the lease and the terms, and we think that the Coalition will do well.

The summary of the lease will be posted on the website when we release it to the gas companies on September 17. We will continue to work on the actual lease and will not distribute it to you until after the companies have bid. We do expect to make some minor changes.

We understand that many of you are being pressured by the companies and in some cases, have seen your bonus amounts increase. You can expect that the pressure will continue until the sale and likely thereafter. Remember that whether you sign a Coalition lease or not, the lease terms need to be protective of your land for the future. Don't just consider the short-term money.

We recognize that our landowners want to move to the lease sale as quickly as possible, and we are doing our best to be responsive to questions and to make progress as well as delivering a first-rate product to the companies. However, it is important to understand that we must do things right. Finally, as you know, the schedule can also change, but we intend to meet the schedule barring any unforeseen circumstances.

The TTLC Team