

Update 8/15/10

Twin Tiers Landowners,

Sorry for the late update. I know that many of you are anxious to know our progress.

First, we have called all of the landowners who did not submit tax id numbers so that we can input them into our Geographic Information System (GIS) presentations to the gas companies. We are working with Spectra Environmental Group to produce the maps, but we still have some obstacles to overcome, including some incomplete data.

Second, we continue to work on the lease with our attorneys, incorporating the best provisions that we can find to protect you. These provisions will not impede the exploration and production of our lands; any reputable gas company will not object to the landowner protections.

Third, and most importantly, we have now contacted nearly 30 companies, industry associations, and other personal contacts to tell them of the availability of our acreage. We have sent information to some companies who are not involved in the Marcellus to date, but we know want to be involved. Whether they will enter the Marcellus through the Coalition is probably not likely, but we continue to make known the availability of our acreage. Additionally, we have issued a press release that has appeared in the local papers and actually resulted in some new landowners joining the Coalition. We continue to approach companies as names become available to us. Responses to date have been very encouraging. Most of the companies that talked to us were surprised at the amount of acreage that we have available in Tioga County.

Our approach in the competitive leasing process will be to qualify bidders. The companies will pay a fee for the information and tax id numbers and will sign a non disclosure, non compete agreement to qualify to bid. In fact, the agreement and fees are protection for the companies interested in bidding in that we will not disseminate the tax id information to companies who do not sign the non disclosure, non compete agreement. To clarify the competitive leasing process, after bidders have qualified and we set a date for bids, each of the qualified bidders will receive a package including the proposed lease and the tax parcels on maps. They will then have a deadline to submit bids. We do not talk with any company about any offers or what they might bid.

While all of our landowners are anxious to move to the sale, understand that the information that we sent to the companies has to filter through many hands before any decision is made to compete for our acreage. A company first needs to assess if the properties are complementary to their existing holdings and further assess the probability of new legislation in the fall with regard to force pooling. Companies do not make decisions on \$20 million plus lightly. So there is a period of time for the companies too think about whether to get involved and make decisions. Furthermore, if you have dealt with any companies working in the Marcellus, they are very busy, and it is difficult to get their attention in any event.

We also understand that some of you are under pressure to sign leases. Our mission is to represent the best interests of landowners, and if we think that it would be to your benefit to sign with the company rather than stay in the Coalition, we will tell you that. But in the end, you need to make your own decision and consult your attorney.

We have not set deadlines for any events because we do not want to miss deadlines and disappoint you. All I can say is that you have a solid team working in your interests, and we will move the process along as fast as we can. Remember that we have our own money and time invested; we don't get paid unless and until you do, so there is no benefit to us to delay. Just have confidence in us and be patient.