



Membership Meeting

Fluor Auditorium

Thursday, May 19th, 2016

7:30 a.m.

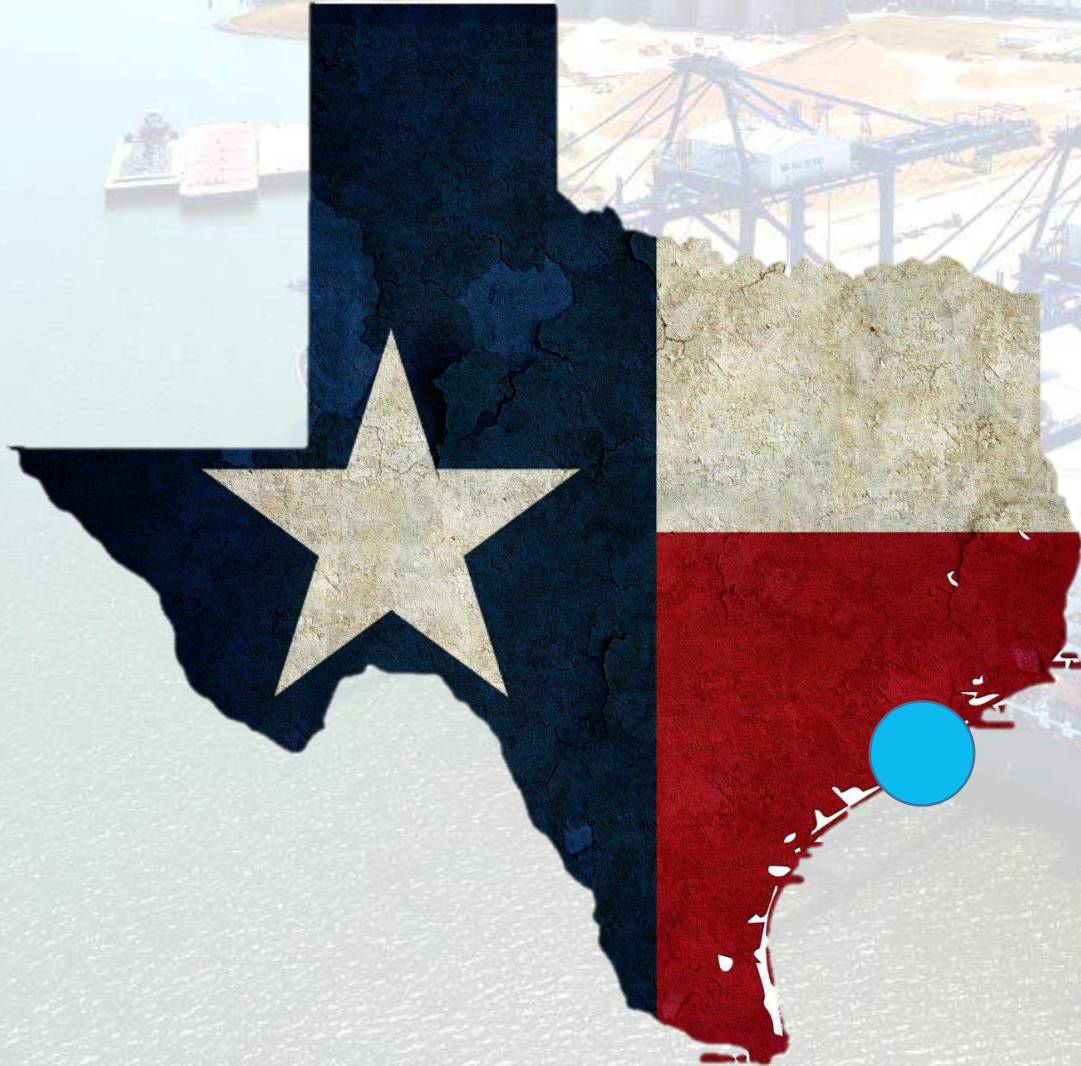
Good morning and Thank you

Where We are Located

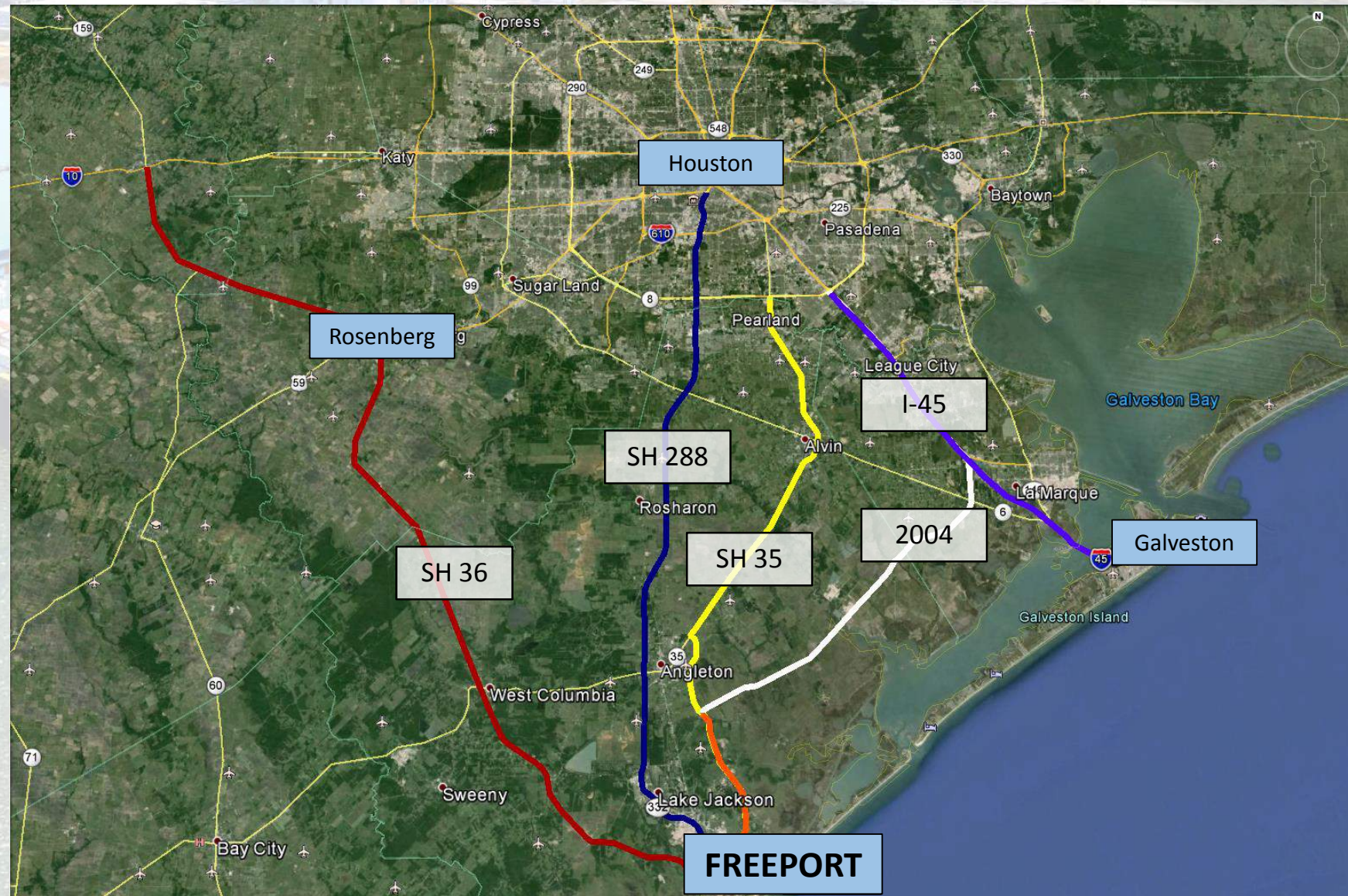


Port Freeport is located in Brazoria County on the Texas Coast on the Gulf of Mexico

- **Approximately 60 miles South of Houston**
- **4 Days from Cristobal, Panama**
- **4 Days from Cartagena, Colombia**
- **3.5 Days from Kingston, Jamaica**
- **2.75 Days from Freeport, Bahamas**



Highway Approaches



Port Commission



Ravi K. Singhanian
Chairman



Bill Terry
Vice Chairman



Paul Kresta
Secretary



John Hoss
Commissioner



Shane Pirtle
Commissioner



Rudy Santos
Asst. Secretary

- Each Port Commissioner serves a term of 6 years.
- The 6 year terms are staggered with an election held each uneven numbered year for two commissioner positions.

Economic Impacts

126,000 jobs direct and indirect

\$7.6 billion in income generated

\$46 billion in economic activity supported

\$500+ million in annual tax impacts

Among America's Leading Ports



Port Ranking

24th in U.S. foreign tonnage

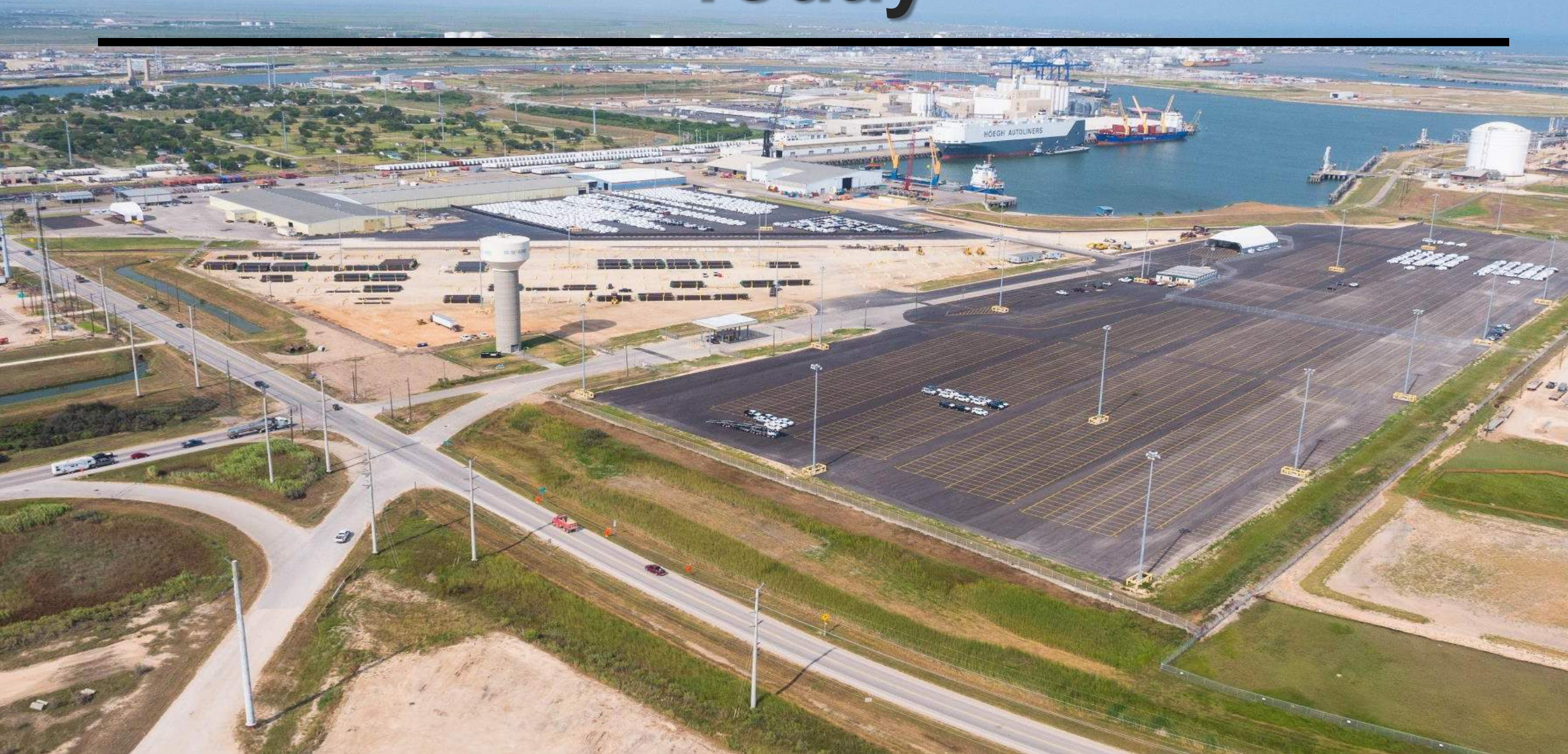
10th largest Chemical tanker port



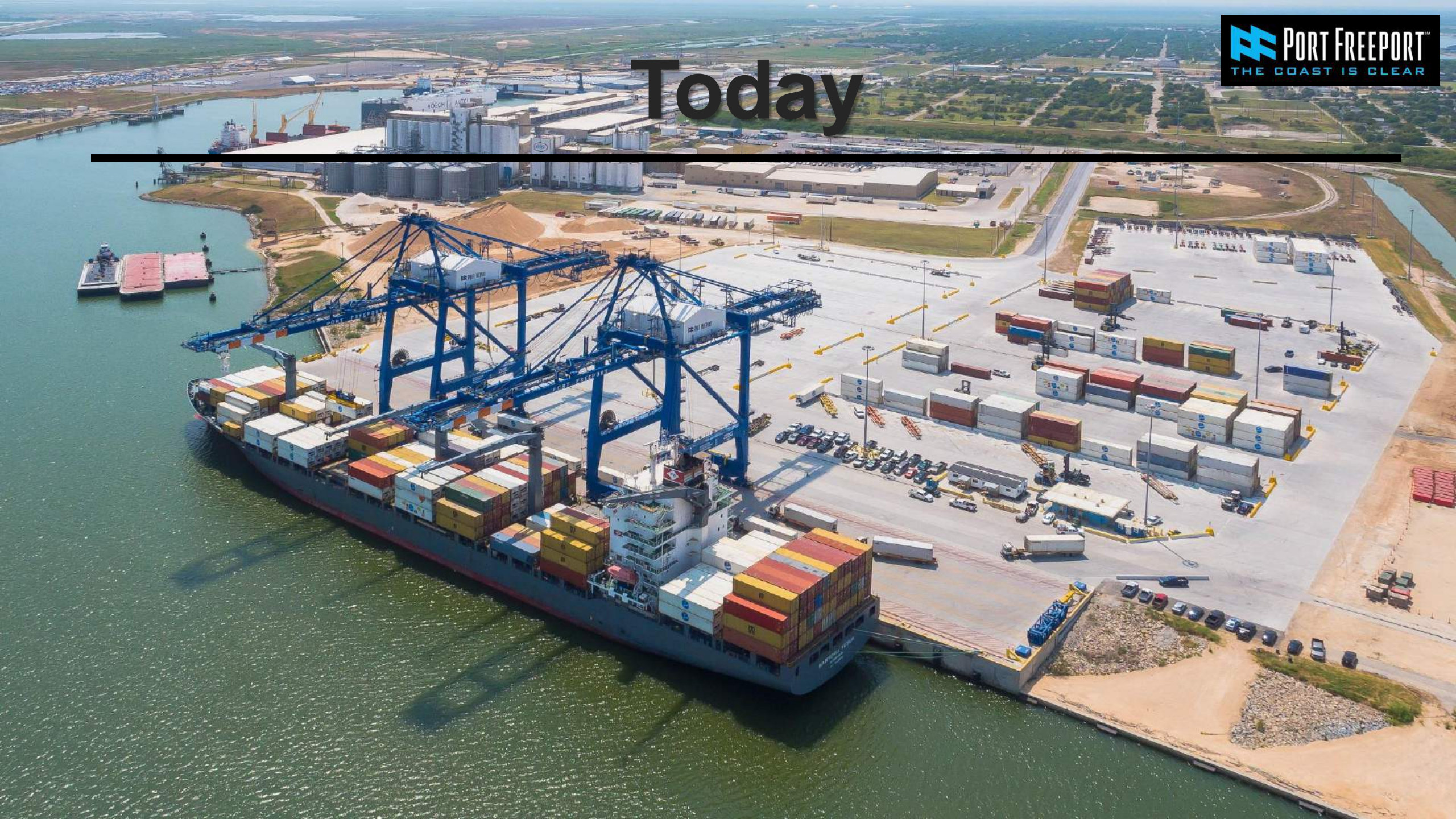
2008



Today



Today



Port Freeport's Partners



Port Freeport's Partners



Freeport, Freeport



Bryan Lake

Primary Trade Lanes and Cargo

Major Trade Areas

- Central America
- South America
- Middle East
- Africa
- Far East
- Europe

(Global Reach)

Major Import Commodities

- Fresh Fruits
- Aggregate
- Automobiles
- Crude Oil
- Bulk Chemicals
- Clothing
- Paper Goods

Major Export Commodities

- Bulk Chemicals
- Automobiles
- General Cargo
 - Clothing/Paper Good
- Rice
- Plastic Resin
- Crude Oil
- Liquefied Natural Gas

New Business



Tenaris



- Importing Steel Billets and Pipe
- \$1.7B Bay City Plant to be fully operational by 2017



MEDITERRANEAN SHIPPING COMPANY



- Importing Fresh Fruit
- Exporting General Cargo



HÖEGH AUTOLINERS



- Exporting GM to Middle East
- Importing Buicks from Korea
- Importing High and Heavy from Japan

New Business



- International Mega Mover and Heavy Hauler
- Serves Local Manufacturers and Plant Expansions



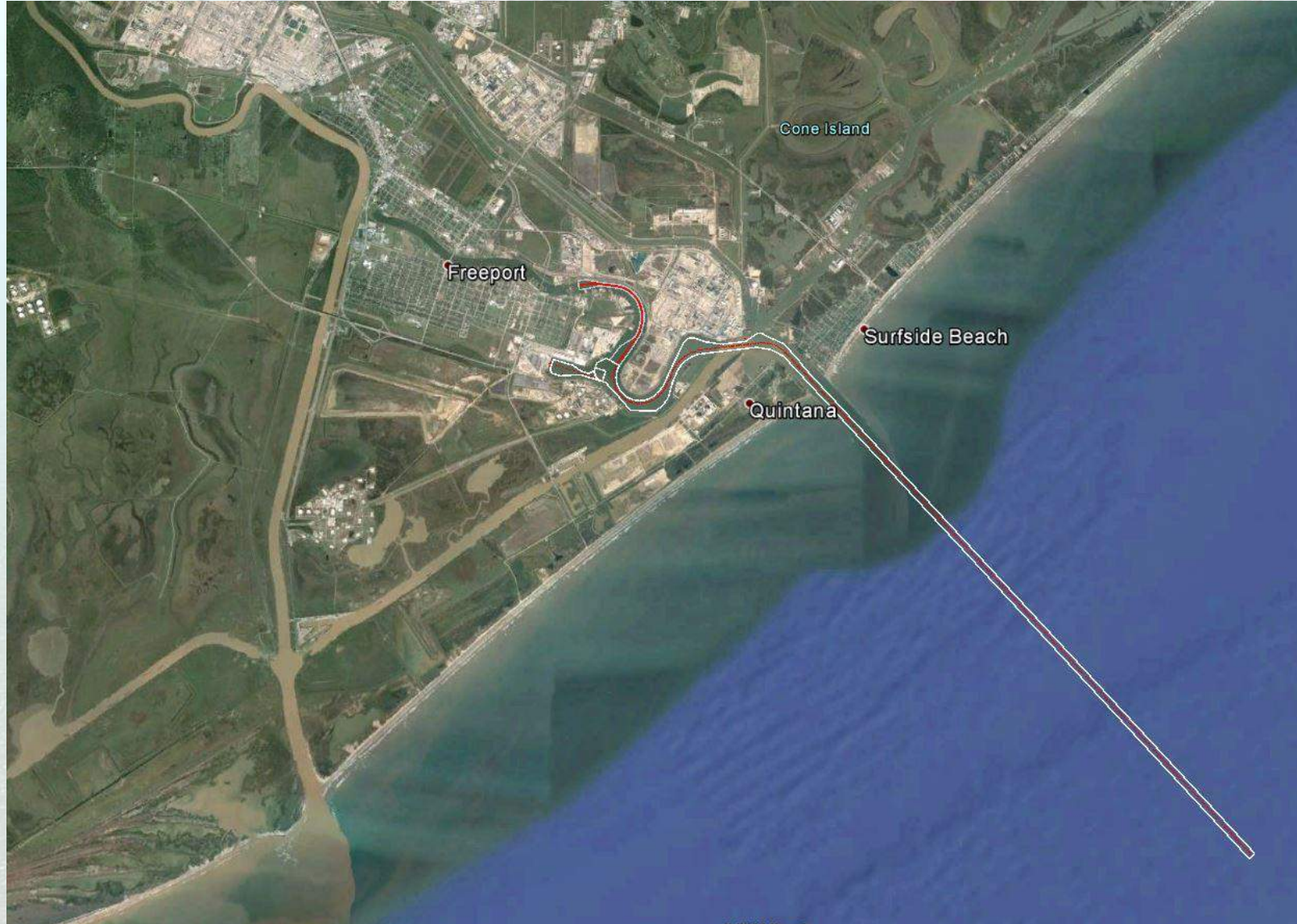
- Will Commence Exporting LNG 2018/19
- At Full Capacity FLNG will be the Largest Exporter of LNG in State of Texas

What We Have To Offer



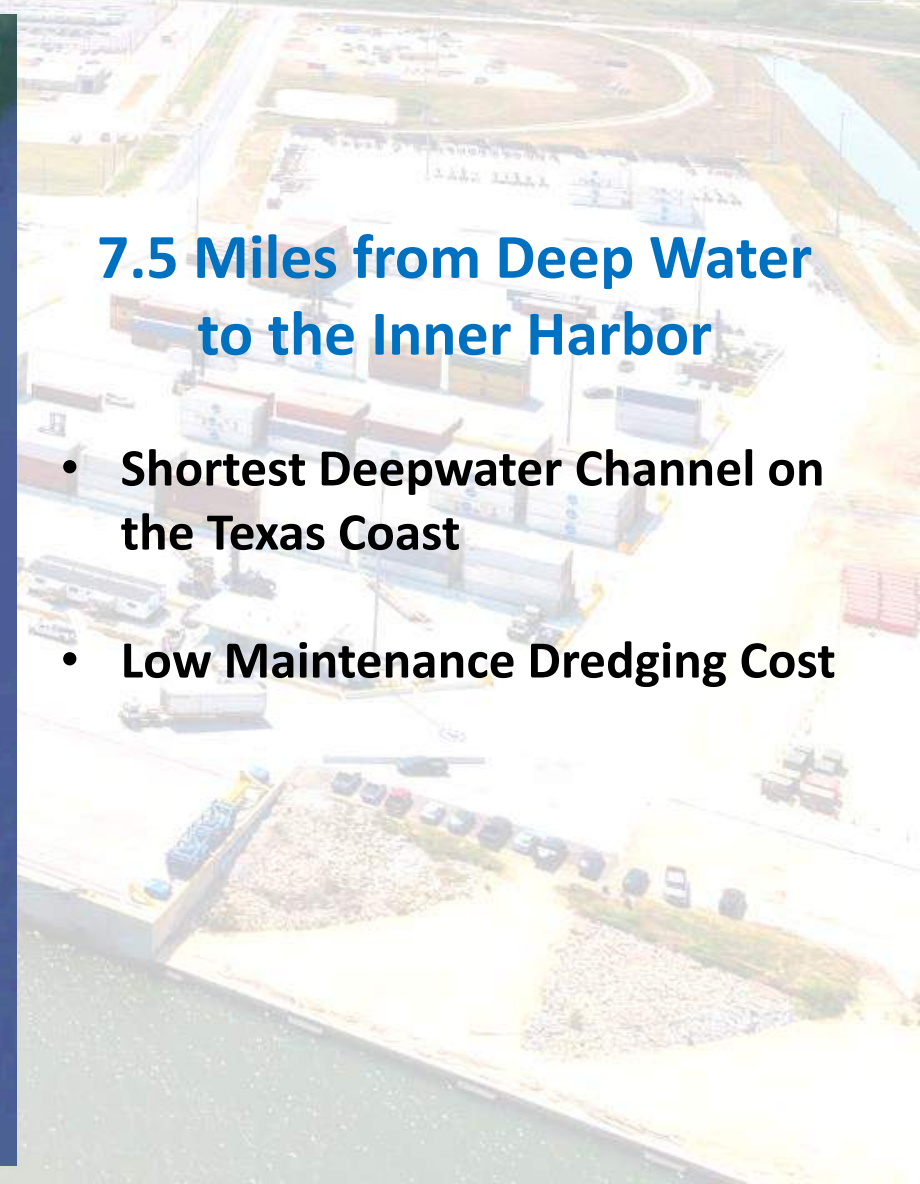
- 45' Deepwater Channel
- Foreign-Trade Zone
- Landlord Business Partnership
- Lower Cost of Business
- State of the Art Infrastructure

45' Deepwater Channel



**7.5 Miles from Deep Water
to the Inner Harbor**

- **Shortest Deepwater Channel on the Texas Coast**
- **Low Maintenance Dredging Cost**



Foreign-Trade Zone

- Encompasses Brazoria County and Fort Bend County.
- Allows firms to defer or even eliminate Customs duties on imported goods
- Helps zone users enhance their competitiveness while supporting local business development



Land and Vicinity

- 500 Acres Environmentally Mitigated
- 1,800 Acres Industrial Development
- 8,000+ Total Acres

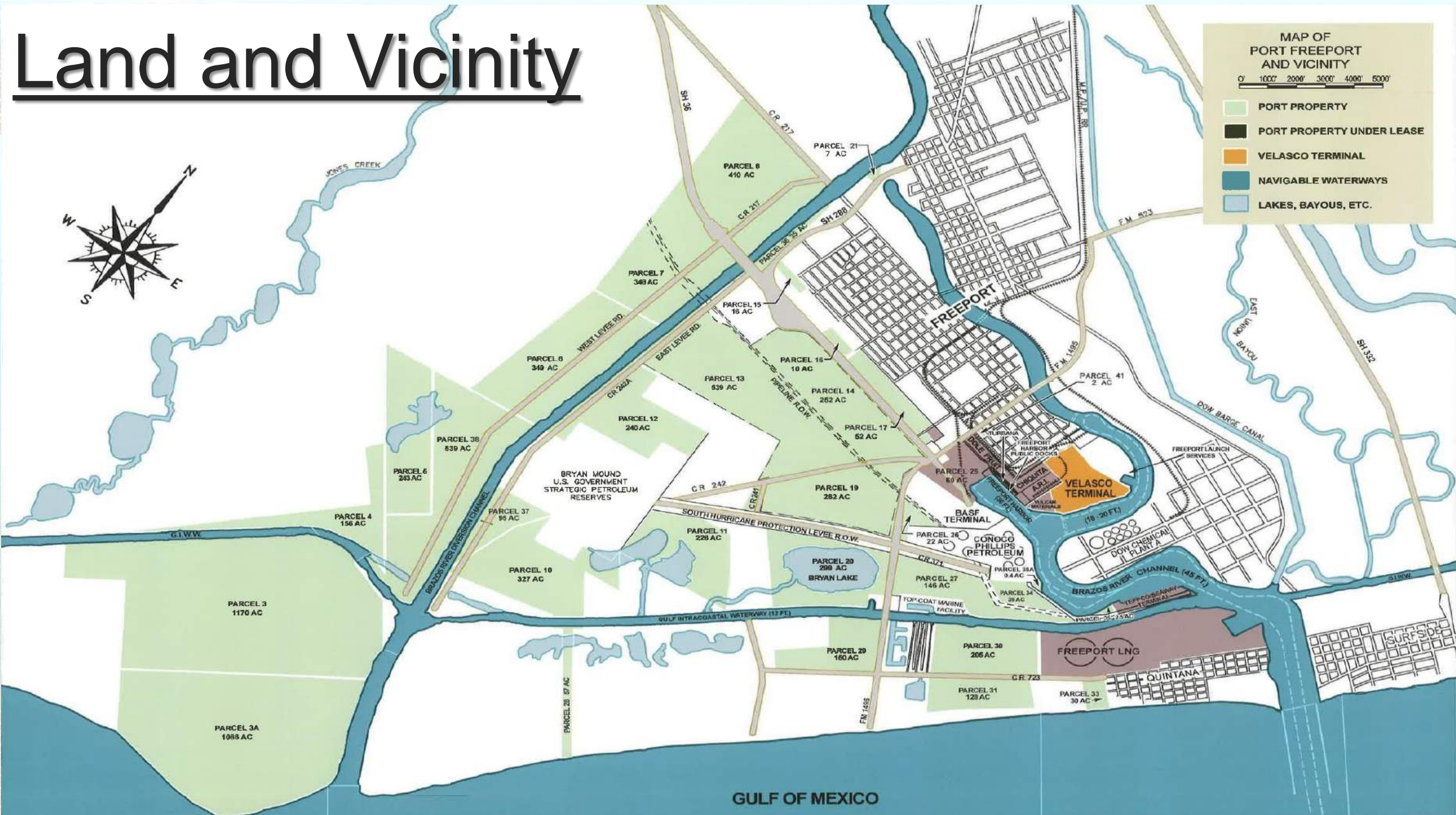
Land and Vicinity



MAP OF PORT FREEPORT AND VICINITY

0' 1000' 2000' 3000' 4000' 5000'

- PORT PROPERTY
- PORT PROPERTY UNDER LEASE
- VELASCO TERMINAL
- NAVIGABLE WATERWAYS
- LAKES, BAYOUS, ETC.



Lower Cost of Business

Shorter Transit Time = Cost Savings

- Lower Pilotage Charges
- Reduces Vessel Charter Cost

State of the Art Infrastructure

- New Terminals
 - Container – Breakbulk – OEM
- Heavy Lift Corridor
 - Reduces Truck Traffic, Improves Road Safety
- New Rail Connectivity in 2017/2018 for OEM
 - Capability for 5 Units Trains Simultaneously
- Seamless Connectivity Between
 - Water → Highway → Rail



Future Development



Future Development



Strategic Objectives

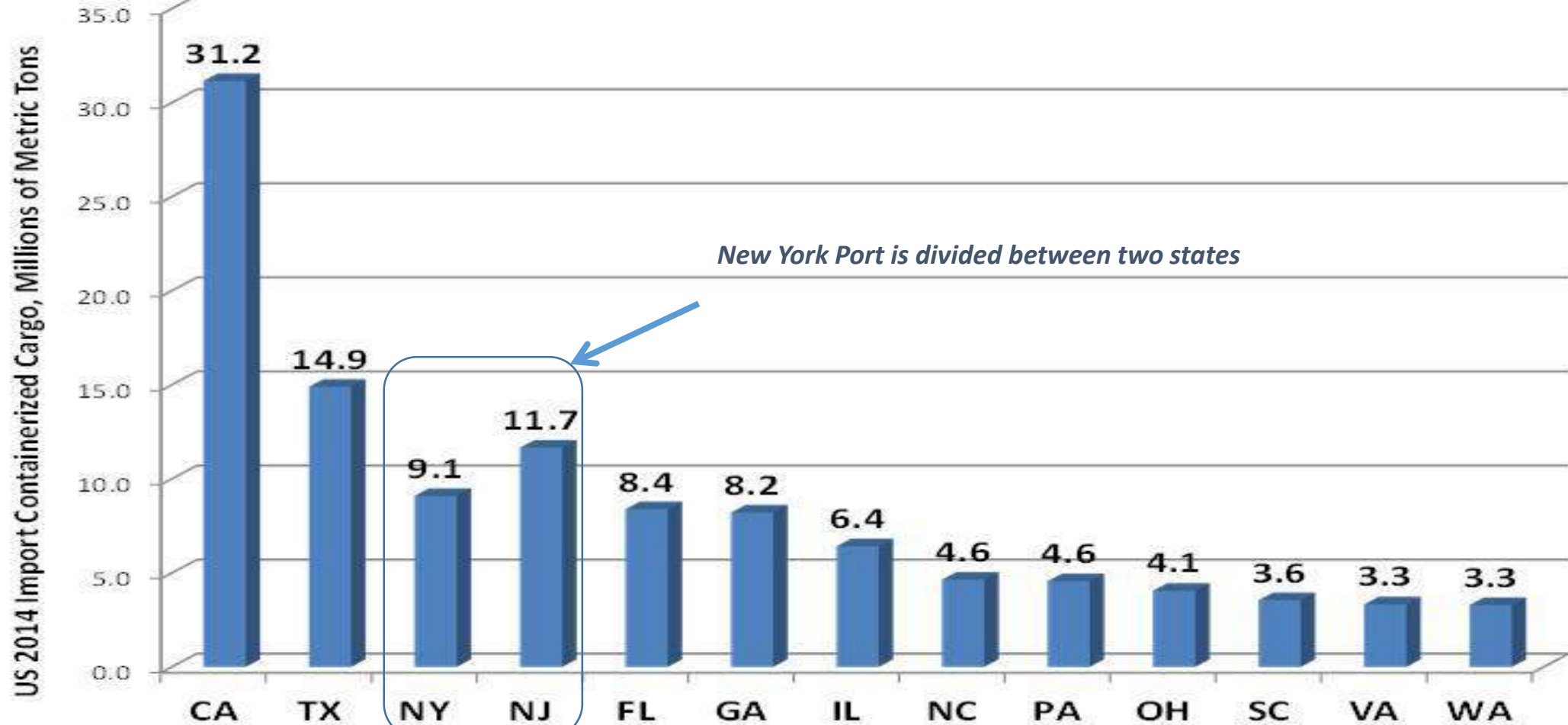
Strategic Objectives

- Channel Deepening and Widening
- Expansion of Container Terminal
- 36A Corridor
 - Highway
 - Rail
- Integrated Warehousing Facilities

Texas Market is 3rd Largest in US

ONLY AFTER CALIFORNIA AND NY/NJ (WHICH IS DIVIDED BETWEEN THE TWO STATES)

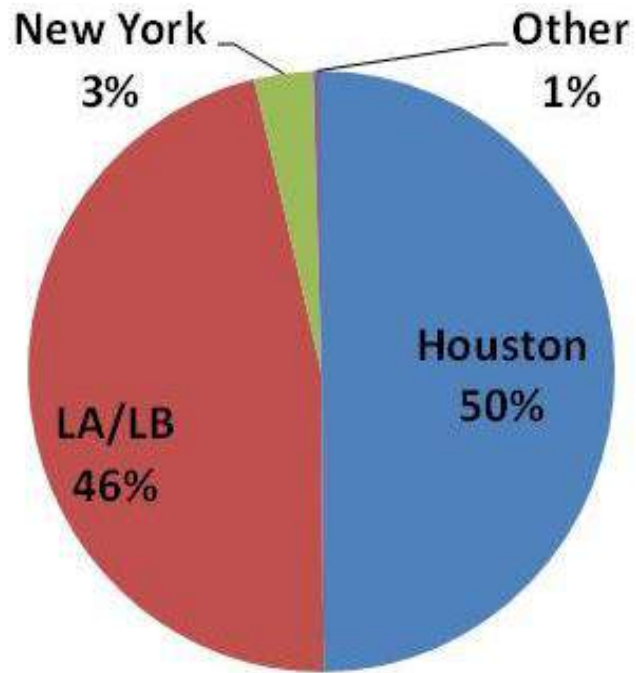
FEASIBILITY



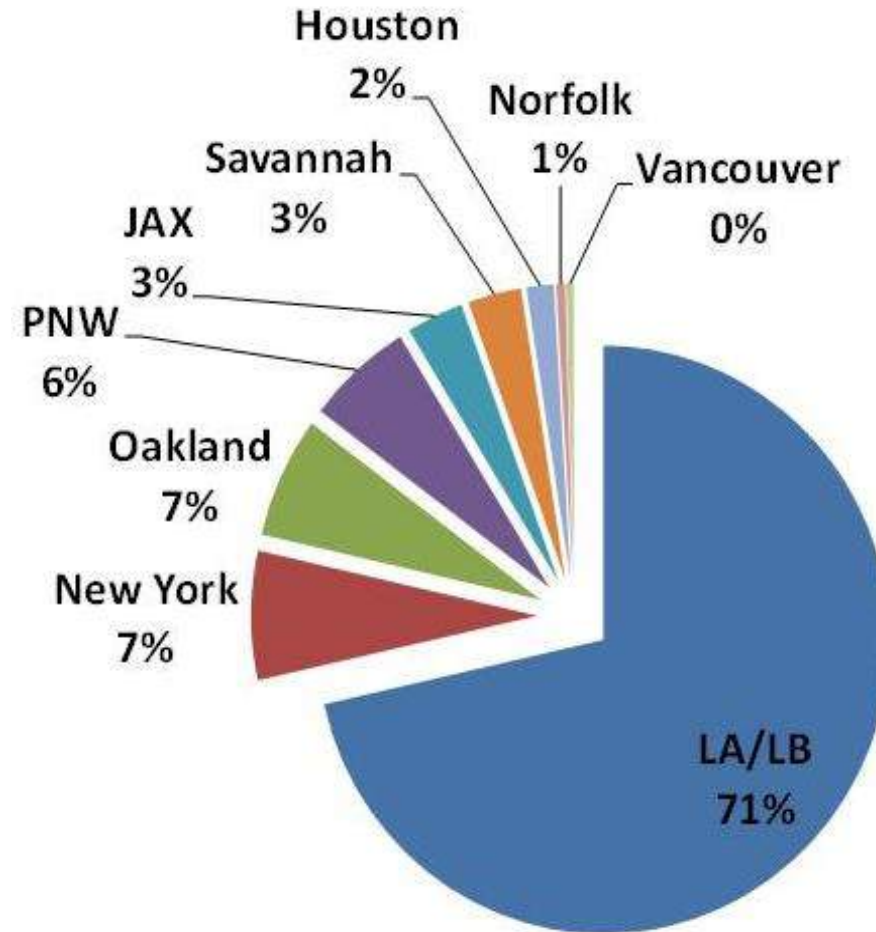
Top 13 States Containerized Tonnage (Source: US Census)

Currently Houston's Share of Asian Containers is 22% of Texas Market

FEASIBILITY



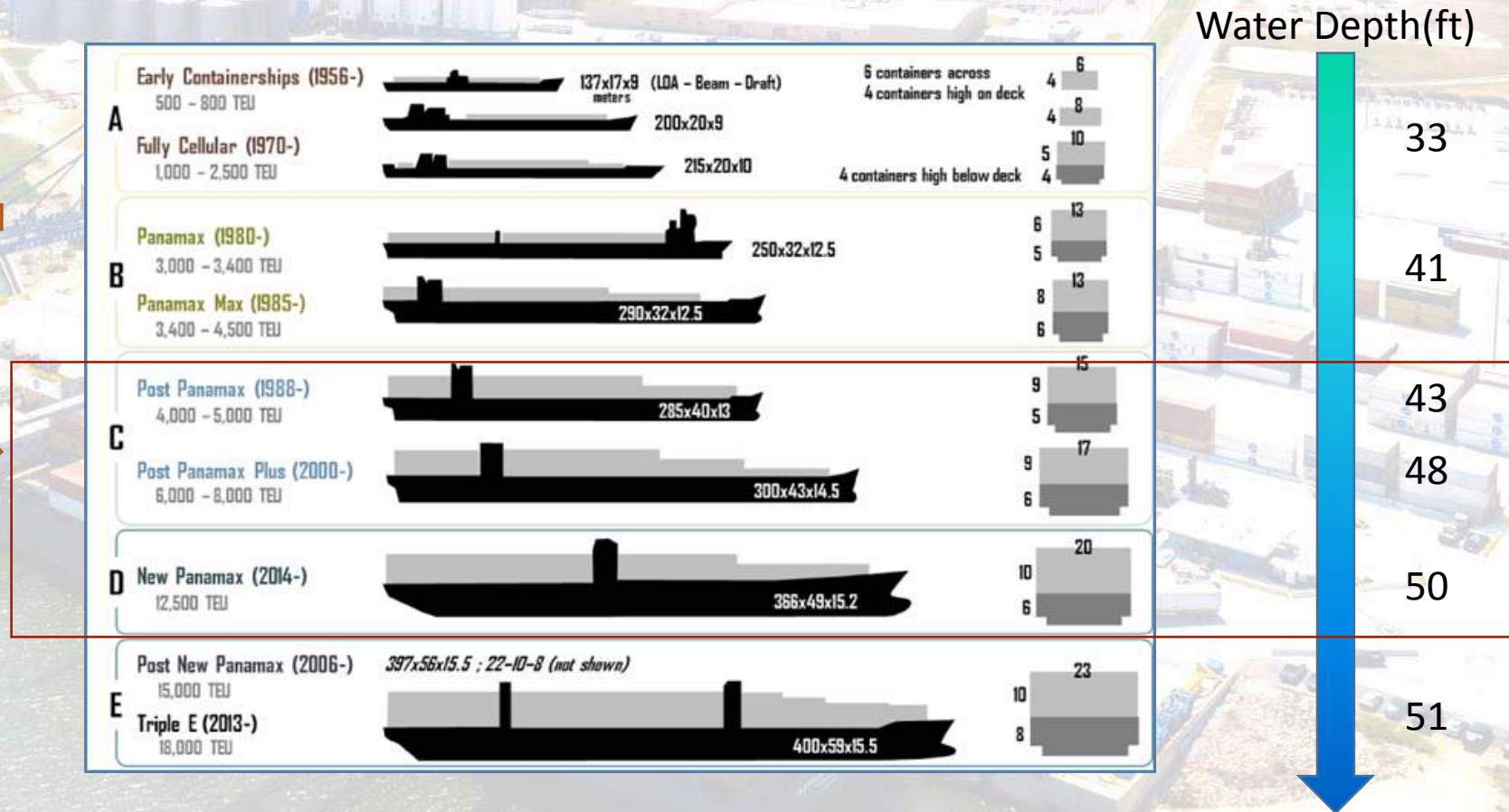
HOUSTON



DALLAS-FORT WORTH

Panama Canal will Change the Situation

FEASIBILITY

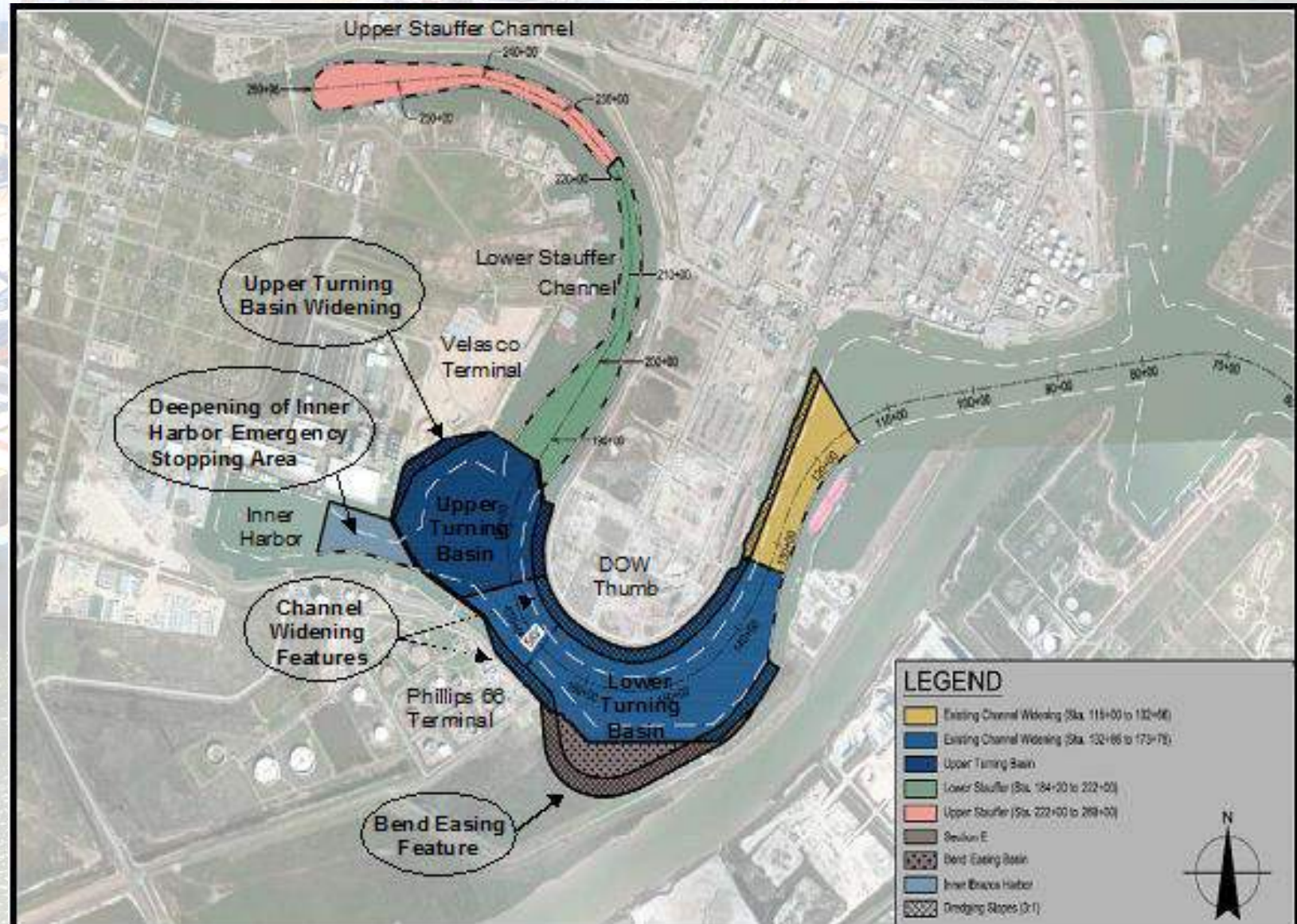


Capacity of New Panamax ship will increase 2-3 times, but requires 48-51 feet draft. Only a few Gulf and East Coast ports can support this, but in the long term Freeport will be able to accommodate these larger ships.

Channel Deepening and Widening

- Currently at 45 ft
- Authorized to Deepen to 50-55 ft
- Further Channel Enhancements
 - Lower Bend Easing
 - Widening of the Channel
 - Enhancements to the Upper Turning Basin.

Critical element



Container Terminal Expansion



Future of Container Terminal



As Envision

- 250 Paved Acres
- 9 Post Panamax Gantry Cranes
- 3,600' Berth with 50' Operational Depth
- On Dock Rail
- High Density Configuration
- 1,500,000 Lift Capacity

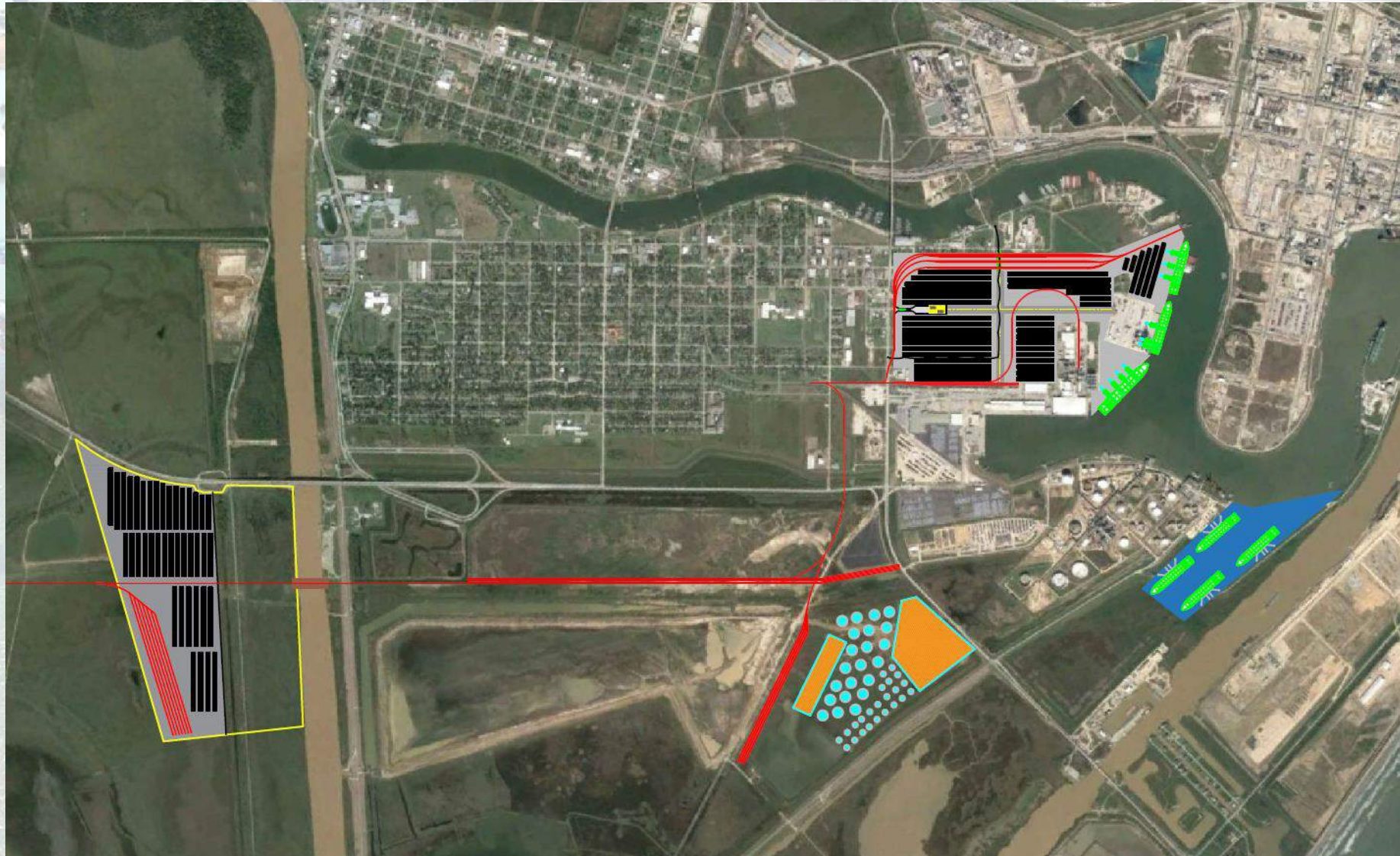


DRAFT

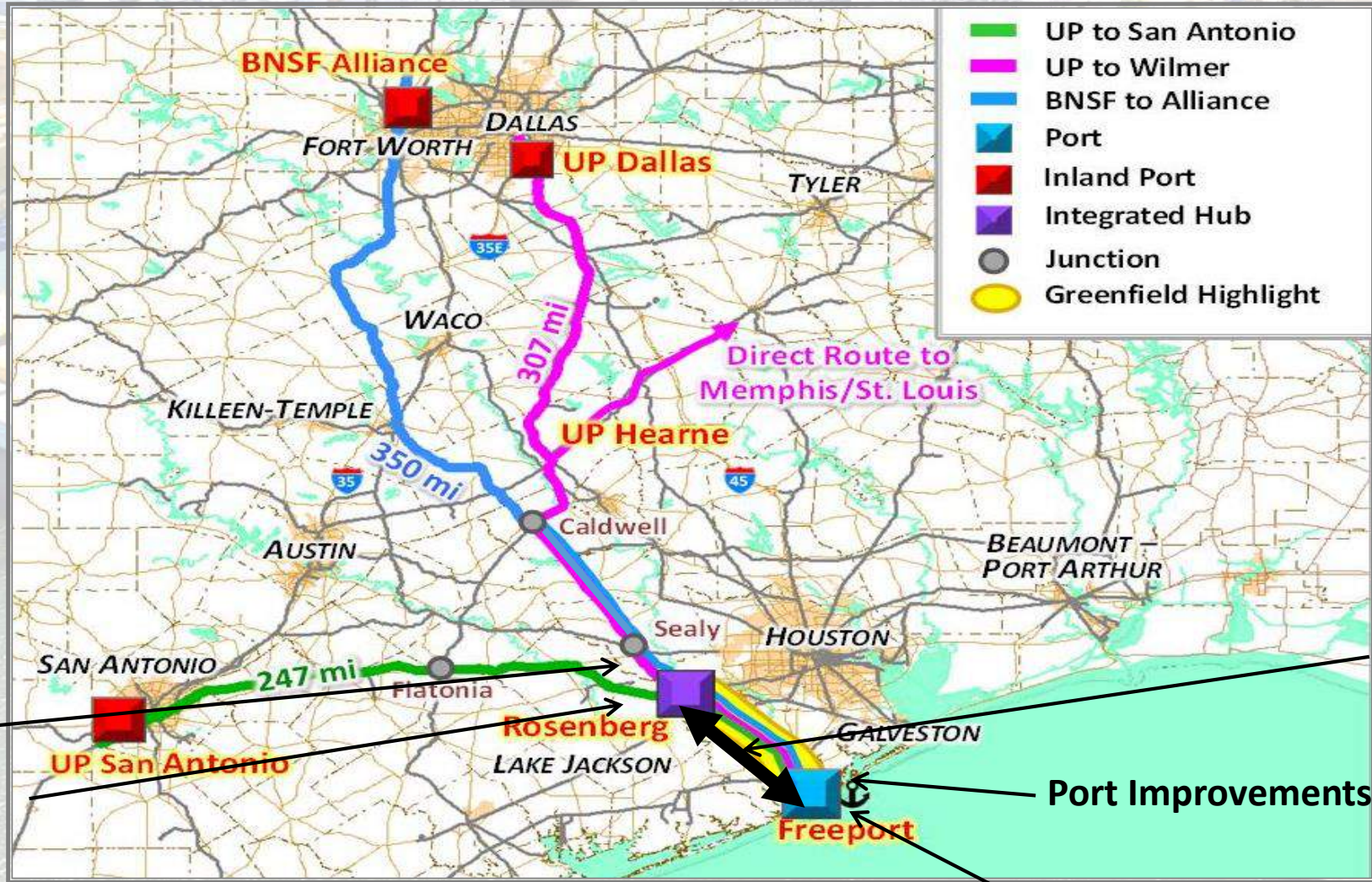
① RECEIVING DOOR	⑤ DELIVERY PEDESTALS	⑨ EQUIPMENT PARKING	⑬ 4500 TEU VESSEL	TOP HANDLER-GROUNDED CONTAINERS
② RECEIVING PEDESTALS	⑥ ADMINISTRATION BUILDING	⑩ INTERMODAL YARD	⑭ CHASSIS PIT	RTG-GROUNDED CONTAINERS
③ TROUBLE PARKING	⑦ MAINTENANCE AND REPAIR	⑪ PIPELINE CORRIDOR		RTG-GROUNDED REEFER CONTAINERS
④ DELIVERY PPM/DOOR	⑧ POV PARKING	⑫ PUMP STATION		

SCALE 1"=200'

Connectivity of Rail Infrastructure



36A Rail Corridor



- 5 New Hwy 36A
- 4 Widen Ex. Hwy 36

New Rail 3

Port Improvements 1

Channel (8 Miles) 2

Competitive Balance Shift

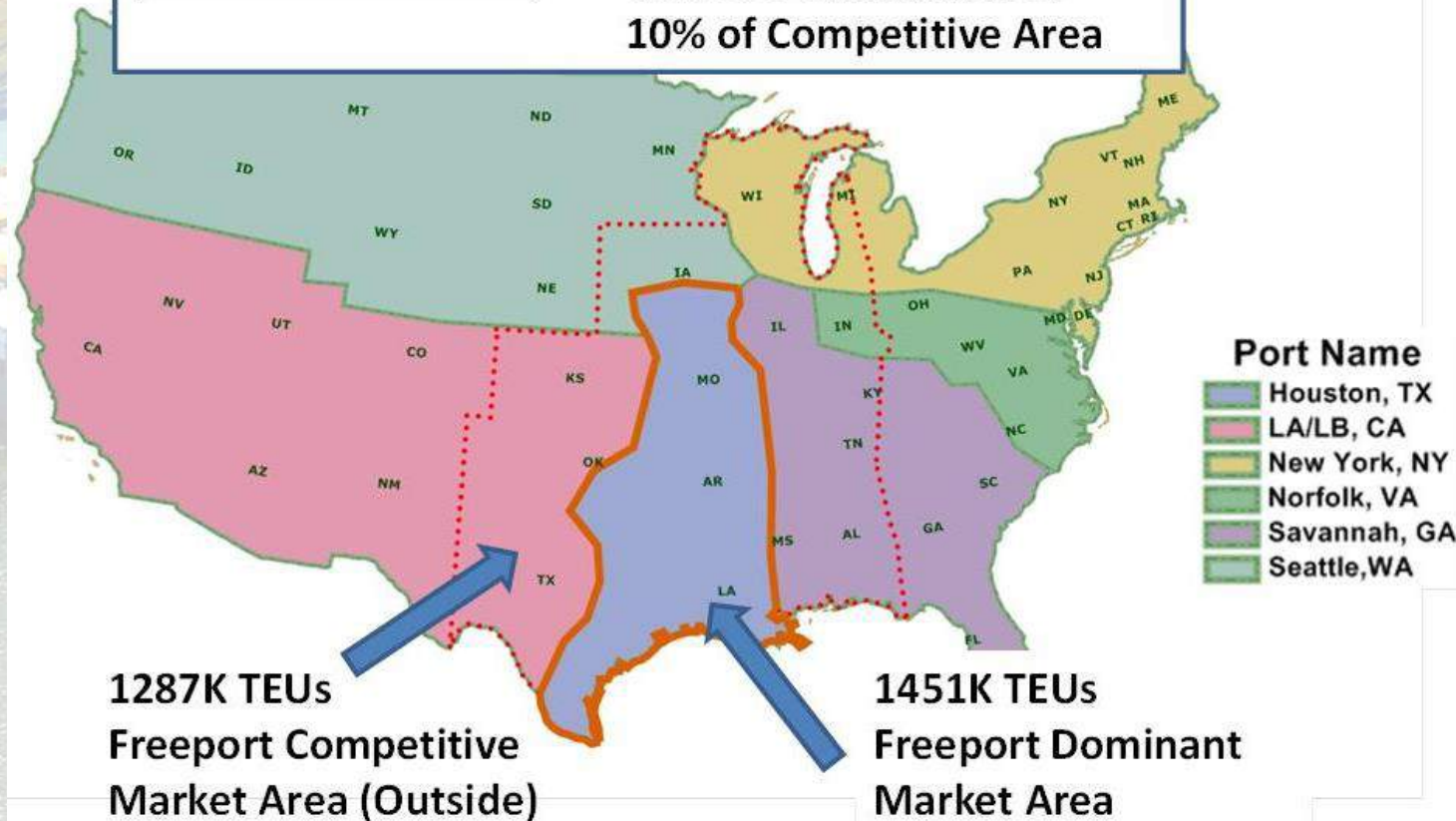
FEASIBILITY



After Panama Canal Expansion

Room to grow?

Freeport Estimated Share:
40% of Dominant Area
10% of Competitive Area



The Competitive Balance with the West Coast Ports will change dramatically if a South Texas port has 50 feet of water and an effective inland distribution network



DFW

Rosenberg Inland Port

Rail to Rosenberg

Velasco Terminal

Channel Project

Panama Canal Expansion – Open June 26

36A Highway Project





Port Freeport

Questions or Comments

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