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Niagara Energy Signs Facility Management Agreement with Petrogas, Inc.

Joint venture brings major U.S. & Canadian Marketer to Western New York.

North Collins, NY -- Niagara Energy, LLC, of North Collins, New York, announced today that they have entered into a Facility Management Agreement with Petrogas, Inc., of Houston, Texas, and Petrogas parent company, Petrogas Marketing, Ltd., of Calgary, Alberta. The long-term agreement grants Petrogas the exclusive use of Niagara Energy's 367,500-gallon underground storage facility, rail and truck terminal.

A member of the Renaldo Group of companies, Niagara Energy was created in 2003 to meet the propane storage needs of Western New York. The state-of-the-art storage and transport facility is located on Route 62 (Gowanda State Road) just north of Mile Strip Road in North Collins.

"We are pleased to have entered into this new partnership with the Renaldo Group of Companies," says Stan Owerko, President and CEO of the Petrogas Companies, "in particular, we look forward to a long relationship with the Renaldo family who have over many years developed significant business enterprises in WNY."

Donnie Schubert, formerly of Duke Energy NGL Services, has joined the Petrogas team in Houston to coordinate all direct sales, oversee the marketing efforts and manage the transportation and supply logistics of Western New York's largest underground propane storage facility and rail terminal. Mr. Schubert will be assisted in his new position at the local level by the owner/operators of the facility: James V. Joan, James K., Jan, Jeffrey and Jon Renaldo.

"Working in conjunction with Petrogas, we are building the Niagara Energy Network." says James K. Renaldo, General Manager. "This facility is capable of through putting 30 to 40



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million gallons of propane for Western New York annually. We are hoping that the independent dealers and multi-state marketers operating in this area realize the advantage of having this terminal right in their back yard."

We at Petrogas pride ourselves on customer service and satisfaction. We look forward to the success of our joint venture with Niagara Energy and to building a business relationship within the Western New York area," adds Donnie Schubert.

Founded in 1987 by Stanley Owerko, President and CEO, the Petrogas organization includes the buying, selling and distribution of commodities such as liquefied petroleum gas (propane), butane and crud oil, with terminaling operations in Western Canada. The company owns an extensive fleet of truck transportation assets and manages a substantially sized rail car fleet. Headquartered in Calgary, Alberta, Canada, with offices in Houston, Texas, and Kansas City, Missouri, Petrogas operates a very successful wholesale supply, marketing and distribution business, which covers all of North America.

Operations in the United States began in 1993, and are currently headed up by the direction of Thomas Frey, Vice President of U.S. Supply Operations and ably assisted by James Norvell, Manager Sales and Marketing in Houston and by Mark Porth in the Kansas City area where Petrogas has a propane terminal supplying the Missouri and Kansas markets. Corporate LP-Gas (propane) sales in 2003 increased to approximately 147,000,000 gallons, or 3.5 million barrels. In addition to their core businesses, Petrogas also offers such diverse services as propane procurement, transportation, supply and price risk management services to independent and major LP-Gas retailers.