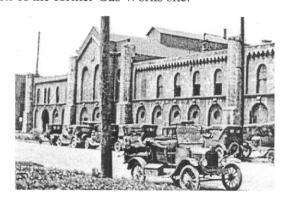
BACKGROUND ON THE GAS WORKS SITE - JUNE 2005

THE PAST

- At the turn of the 20th century, Manufactured Gas Plants (MGP) could be found in every major city. These plants used what was then considered a state-of-the-art process to produce gas for heating, lighting and cooking.
- The gas manufacturing and purification process yielded by-products that included tars, light oils, oxide wastes, and other materials. Many of these by-products were recycled, although, due to the quantity produced, excess residues remained at the sites of these facilities.
- As time went on and technology advanced, the nature of these residues became known and in modern times, it was determined that environmental cleanup efforts were necessary at the sites of former MGPs.
- By 1948, the Gas Works site was no longer being used to produce manufactured gas. After that, National Fuel used the site as a service center for its Buffalo-area utility operations. Since the early 1990's, the site has been vacant.
- In 1989, National Fuel conducted a preliminary environmental investigation of the former Gas Works site.
- In 1990, National Fuel conducted a partial cleanup of the site; National Fuel and dozens of other like companies have successfully completed MGP remediation projects. In 1992, the Environmental Protection Agency determined that the Gas Works site had "minimal levels of residuals" and did not declare it a Superfund site.
- Since 1990, National Fuel has worked voluntarily with the New York State Department of Environmental Conservation (DEC) to further investigate and develop a work plan for remediation at the Gas Works site. At the same time, the area has been continually monitored and tests have shown the presence of subsurface materials only.



THE PRESENT

- On June 9, 2005, National Fuel and HealthNow New York concluded a purchase and property transfer of the Gas Works site to HealthNow's developer, Duke HN New York, LLC.
- In conjunction with the property transfer, National Fuel, HealthNow New York and Duke HN New York, LLC have collaboratively worked on a joint clean-up plan where a third party environmental specialist was engaged to conduct and be responsible for the clean-up efforts.

THE FUTURE

- In the coming months, fieldwork conducted by QLT/Environmental Strategies Consulting will begin to remove contaminants left as a result of the manufactured gas process. This work will involve the Gas Works site and some adjacent property owned by the Buffalo Urban Renewal Agency, as well as a small area at the adjacent Waterfront School and is expected to last approximately six months.
- The DEC, along with the New York State Department of Health, is the oversight agency for this work.
- Work at the Waterfront School will commence first, as soon as the school year ends and the school closes as part of the District's renovation program. Work at the Gas Works site will commence later this summer or early fall and is expected to take place under New York's Brownfields Cleanup Program.
- This work will follow preliminary steps recently taken to install dewatering wells to allow the containment and removal of groundwater in the area of the site and adjacent properties necessary for implementation of the remedy.
- The remedy, currently under final stages of approval by the DEC, will involve removal of some of the materials at the site. The work plan has been designed to, among other things:
 - o Protect human health and the environment
 - o Protect the historic facade at the site
 - o Control potential odors associated with the work (which may be akin to road construction or roofing projects)
- HealthNow New York intends to construct its new headquarters at the site (249 West Genesee) once the work is completed.

For more information: Julie Coppola Cox - (716) 857-7079 - National Fuel Laura Perry - (716) 887-6094 - HealthNow New York