

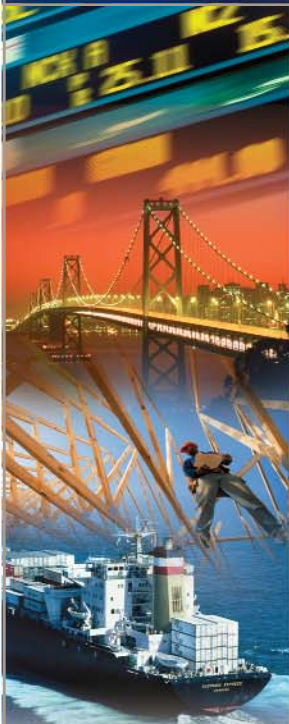


Insured Bond Issue Provides Financing for Elevated Toll Road to Enhance Important Gulf Port

\$88,389,490

Louisiana Transportation Authority

LA1 Project Senior Lien Toll Revenue Bonds, Series 2005 A & B



On the extreme southern tip of Louisiana in the Gulf of Mexico, Port Fouchon is a strategic oil and gas port servicing the off-shore exploration and recovery activities of major oil companies, as well as providing land base for support of the only offshore oil terminal in the U.S. A single highway, LA 1, provides the only land access to the Port, crossing Bayou Lafourche with a series of causeways and bridges. A major bridge on the route, Leeville Bridge, opens to allow shipping traffic through, causing significant traffic delays on LA 1. Since 1995, commerce at Port Fouchon has tripled in size and activity. As a result, already difficult overland access has become increasingly untenable. A few years ago, Louisiana Transportation Authority officials began to explore options for improving access to the important port.

To overcome many of the problems inherent in the existing road, State officials decided to plan an elevated road that would eliminate the need for moveable bridges and minimize weather-related road damage. As the only access to the strategic Port Fouchon, the project route was designated as critical energy infrastructure by the U.S. Congress. Financing for the project include bonds supported by toll revenue from the new road, as well as contributions from the State of Louisiana and U.S. Department of Transportation. As financing plans were being considered, Louisiana officials and their financial advisors reached out to Ambac Assurance for insight and suggestions about how best to structure the transaction. Ambac was able to leverage its project finance experience and credit understanding to assist the team in achieving a final financing structure that proved beneficial to all project participants. With extensive experience in toll road financings and a dedicated project finance group, Ambac helped the Louisiana Transportation Authority strengthen the credit and provide assurances for bondholders. Incorporating a senior and subordinated structure, Ambac wrapped the senior lien bonds and provided a debt service reserve surety based on the projected toll revenue and the obligation of the State, subject to appropriation, to replenish the reserve. On June 9, 2005, \$88 million of toll revenue bonds were successfully sold into the market with the highest ratings available thanks to the triple-A-rated Ambac guarantee.

Contact:

Anne Hird Rabin
Managing Director
(212) 208-3214
arabin@ambac.com

► Financial Peace of Mind.®

This report has been prepared by Ambac Assurance Corporation ("Ambac Assurance"). It is distributed solely to assist issuers and their underwriters and financial advisors in gaining a better understanding of Ambac Assurance's experience as a financial guarantee insurance company. The report was written by personnel of Ambac Assurance based on information available and believed to be accurate and complete as of June 9, 2005, the date on which the obligations described above were issued (the "Issuance Date"), which information was obtained from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources and the occurrence of subsequent events, Ambac Assurance does not guarantee the accuracy or completeness of this report as of the Issuance Date or its continued accuracy as of any date subsequent thereto. This report is distributed for information purposes only and nothing contained herein should be viewed as investment advice or as constituting a recommendation to buy, hold or sell the obligations described herein. Ambac Assurance has insured the obligations described above and received fees for the issuance of a financial guarantee insurance policy covering such obligations. In addition, Ambac Assurance (or its affiliates) may from time to time provide investment or financial products or other services for, or solicit other business from, or invest in securities of, the issuer of the obligations described in this report. Citigroup was the financial advisor on this transaction.

© 2005 Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004
All Rights Reserved | 800-221-1854 | www.ambac.com



London
Milan
New York
Sydney
Tokyo