

Gas Storage

Finance & Investment Summit

November 12-14, 2008 | JW Marriott Hotel | Houston, TX

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AGENDA

November 12, 2008

8:30 – 5:00 *Pre-Summit Workshop*

November 13, 2008

7:30 – 8:30 Registration & Networking Breakfast
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8:30 – 8:45 Welcome by the Summit Chairman

Kenneth S. Culotta, *Partner*, KING & SPALDING LLP

8:45 – 9:30

Keynote Address

THE NATURAL GAS STORAGE INDUSTRY – WHERE ARE WE HEADED?

- What are the implications of
 - Several recent gas storage financings
 - Tightening of credit
 - Soaring construction costs
 - Increased base gas costs on the future of gas storage development, financing, acquisitions and divestitures?
- Is the industry in danger of an overbuild?
- How does gas storage finance compare to project finance in other industries?
- Can the attractiveness of gas storage project finance be enhanced by developers and financiers?

Andy Franks, *President*, AFENERGY, LLC

9:30 – 10:00 *Morning Refreshment and Networking Break*

Sponsored by:



10:00 – 11:00 STORAGE USERS' PERSPECTIVES ON THE MARKET

A major factor that will drive the future of the gas storage market is the growth and changing nature of physical demand. Representatives from LDC, IPP, pipeline, and LNG companies will discuss how their future plans and activities will create additional demand for gas storage capacity and services.

- What are the demands end users put on storage in the residential, commercial and electric power generation markets?
- What demands do pipelines put on gas storage as they expand and implement changes in pipeline size and flow?
- What is the status and outlook for LNG terminal development and what demands on storage infrastructure will be required to support these facilities coming online?
- Are storage facilities better situated near hubs, upstream or downstream?
- How will they use storage to manage physical delivery risk?
- Will their approach be to own, operate, lease or have others do it for them?

Moderator:

Scott Smith, VP Natural Gas & Fuels Advisory Services, BLACK & VEATCH, ENTERPRISE MANAGEMENT SOLUTIONS

Panelists:

Andrew Fellon, President & Chief Executive Officer, FELLON-MCCORD & ASSOCIATES

Bob Gibb, Director, Business Development, TRANSCANADA US PIPELINES CENTRAL

John R. Talley, President, PROLIANCE ENERGY LLC

Hugh Urbantke, Chief Financial Officer, FREEPORT LNG DEVELOPMENT, L.P.

11:00 – 12:00 DEVELOPERS' STRATEGIES FOR STORAGE DEVELOPMENT

Gas storage developers will discuss the strategies they are pursuing to meet the needs of the market during this panel discussion:

- How will newly constructed pipelines affect gas storage development strategies? LNG terminals?
- Are new developments being planned for compressed air storage?
- What type of assets are they developing?
- What type of locations are they looking at?
- How has their view of risk changed over the last year?
- How has the collapse of the credit market changed affected strategies?
- Are equity sponsorships being sought earlier in the process?
- Is there an over-build in the Gulf Coast?

Moderator:

Kenneth S. Culotta, Partner, KING & SPALDING LLP

Panelists:

Paul Amirault, *Senior Vice President*, NISKA GAS STORAGE

Paul W. Bieniawski, *Chief Operating Officer*, BOBCAT GAS STORAGE

W. Colin Harper, *General Manager Business Development*, NISOURCE GAS TRANSMISSION AND STORAGE

Laura Luce, *President*, NGS ENERGY

12:00 – 1:30 *Group Luncheon*
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1:30 – 2:00 OPPORTUNITIES IN EUROPEAN GAS STORAGE

Presentation

- Status of gas storage development in Europe
- Projected European storage requirements
- Opportunities for North America developers and investors in Europe
- Transatlantic partnerships and joint ventures

Speaker:

Jean-Marc Leroy, *Vice President, Major Infrastructures Division*, GAZ DE FRANCE; *President*, GAS STORAGE EUROPE

2:00 – 3:00 TRADERS' PERSPECTIVES ON THE GAS STORAGE MARKET

Traders are an important segment in the natural gas storage industry. During this panel you will hear them discuss their views and strategies to use storage facilities to trade their physical gas positions.

- How do traders view reservoir vs. salt dome and aquifer physical facilities?
- What strategies are used to decide when to inject and withdraw?
- How do traders physically cycle an asset under contract?
- What changes have traders seen in the physical to financial market relationships?

Moderator:

James S. Diemer, *Executive Vice President*, PACE

Panelists:

Chris Beggins, *Managing Director of Originations*, MERRILL LYNCH COMMODITIES, INC.

Gregory Schockling, *Vice President of Financial Trading*, SEQUENT ENERGY MANAGEMENT, L.P.

Marc Tronzo, *Senior Vice President – Trading*, ATMOS ENERGY MARKETING, LLC

3:00 – 3:30 *Afternoon Networking Break*

3:30 – 4:00 GAS STORAGE DEVELOPMENT IN THE WEST

Presentation

- Market changes in the Western U.S. and Canada
- Additional infrastructure needed to support Western storage facilities
- LNG's effect on Western supply needs

Rob Webster, *Founder and President*, RED BUTTE ENERGY INC.

4:00 – 5:00 PRIVATE EQUITY'S PERSPECTIVES ON THE GAS STORAGE MARKET

Private equity and hedge funds have begun to play an increasing role in the financing of gas storage deals. This panel of investors will discuss their investment requirements and expectations in the gas storage market and comment on the criteria they use when making investment decisions for these projects.

- What project characteristics are equity investors seeking when making an investment?
- What stage of development do equity investors prefer when acquiring a new development?
- What returns do equity investors typically require?
- How does an equity investor determine the level or amount of investment for the sponsors of the project?
- What type of management teams are equity investors seeking?
- What effect has the collapse of the credit market had on acquisitions?

Moderator:

Jack Whiteside, *President*, BARNES & CLICK DIVISION, RW BECK, INC

Panelists:

J. Chris Jones, *Managing Director*, HADDINGTON VENTURES, LLC

Andrew F. Makk, *Vice President*, ENERGY CAPITAL PARTNERS

John T. Raymond, *Managing Partner & CEO*, NGP MIDSTREAM & RESOURCES, LP

Scott Soler, *Managing Director*, QUANTUM ENERGY PARTNERS, *Board of Directors*, QUANTUM NGS, LLC

5:00 – 6:30 ***The Summit Reception***

November 14, 2008

7:30 – 8:30 Networking Breakfast

8:45 – 9:30 GAS STORAGE OVERBUILD IN THE GULF COAST

Presentation

This presentation will take a point/counter-point look at natural gas storage facilities in the Gulf Coast region and examine whether or not excess capacity has been created or if additional projects are warranted. Each speaker will present a case, one agreeing with the “overbuild” point of view and the second speaker arguing that additional capacity is needed.

Speakers:

Pro: **E. Russell (Rusty) Braziel**, *Managing Director*, BENTEK ENERGY, LLC
Con: **Amol Wayangankar**, *Executive Director – Natural Gas & Oil*, PACE

9:30 – 10:00 *Morning Networking Break*

10:00 – 11:00 LENDERS’ PERSPECTIVES ON THE MARKET FOR DEBT FINANCING

This panel of lenders will provide their perspectives on the current market for gas storage project debt. They will provide the most up-to-date information on the current sources, terms and structures for debt financing. They will also discuss the prospects for lenders entering the market.

- What deals have received financing?
- What type of leverage is available?
- What do the debt structures look like?
- Is sub-debt available?
- How do the covenants compare with other types of energy deals?
- What should sponsors understand before they discuss financing options?
- What have been the most contentious issues?
- How does technology risk affect lending decisions?

Moderator:

Daniel R. Rogers, *Partner*, KING & SPALDING LLP

Panelists:

Peter D. Gaw, *President*, CIT ENERGY

Casey Lowary, *Director*, FORTIS CAPITAL CORP.

Jim Warren, *Managing Director, Energy Banking*, SUNTRUST ROBINSON HUMPHREY

Michael Zander, *Managing Director, Natural Resources*, ING STRUCTURED FINANCE

11:00 – 12:00 **PERSPECTIVES ON GAS STORAGE ACQUISITION & DIVESTITURE**

In association with the push to build new gas storage facilities, there has been increased gas storage A&D activity. This session will look at the activity in the A&D market and its financial drivers and implications:

- What is driving the A&D market?
- What has driven valuations higher?
- How is the market pricing risks?
- How do purchasers envision financing future acquisitions?
- What does the A&D market tell us about financing new storage facilities?
- How are exit strategies being affected?

Panelists:

John F. Beatty, *Managing Director*, NEW HARBOR INC.

Jason Satsky, *Director*, CREDIT SUISSE SECURITIES (USA) LLC

Eric Stoerr, *Director*, RBS GLOBAL BANKING & MARKETS

Timothy W. Watson, CFA, *Managing Director – Global Oil & Gas, Investment Banking*, CIBC WORLD MARKETS INC.

Chuck Zabriskie, *Partner*, ACQUEST ADVISORS LLC

12:00 Summit Adjourns