

GAS STORAGE FINANCE & INVESTMENT SUMMIT

OCTOBER 22-24, 2007 • ST. REGIS HOTEL • HOUSTON, TX

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Workshop Luncheon

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AGENDA

October 22, 2007

8:30 – 5:00 *Pre-Summit Workshop*

October 23, 2007: The Summit

7:00 – 8:00 Registration & Networking Breakfast
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8:00 – 8:15 Welcome by the Summit Chairman
Erik J. A. Swenson, Partner, KING & SPALDING LLP

8:15 – 8:45 *Keynote Address:*
OPPORTUNITIES IN THE GAS STORAGE MARKET

Lee Van Atta, Senior Director, R.W. BECK, INC.

The Summit will kick off with an overview of the status of and outlook for the gas storage market, an assessment of where the market is headed, and a prognosis of future market opportunity.

- What changes are taking place in the gas storage market?
- How are these changes influencing gas storage development?
- How does the interplay of physical and financial demand impact the market?
- What will be the next phase of the market?
- What are the opportunities in the next phase?
- What are the main challenges that need to be overcome?

8 :45 - 9:45 **USERS' PHYSICAL DEMAND FOR GAS STORAGE SERVICES**

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 these users 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:

Pete Cianci, Vice President, DTE GAS STORAGE COMPANY

Patrick De Ville, Vice President, ENSTOR

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

9:45 – 10:15 *Morning Refreshment and Networking Break*
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10:15 – 11:15 **USERS' PERSPECTIVES ON GAS STORAGE CONTRACTING WITH PROJECTS UNDER DEVELOPMENT**

Contracting is the key to financing. This panel of gas storage users—LDCs, pipelines, and gas marketers— will discuss their perspectives of the evolving markets for gas storage contracting and the type of terms they are seeking in the market.

- How do users do their long term planning on contracts?
- How do they value and contract with projects in development?
- How far are they willing to go forward?
- What types of discounts are they seeking?
- What kind of terms do they expect?

Moderator:

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

Panelists:

Lon Tiemann, *Director*, MERRILL LYNCH GLOBAL COMMODITIES (MLCI)

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

Robert Truman, P.E., *Director, Business Development*, CENTERPOINT ENERGY SERVICES

11:15 – 12:15 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:

George (Ned) Crady, *Partner*, KING & SPALDING LLP

Panelists:

Chris Foster, *Executive Director*, UBS ENERGY LLC

Richard Marshall, *VP Gas Trading*, FORTIS ENERGY MARKETING AND TRADING

Mark McKee, *Vice President, Storage Services*, ENERGY TRANSFER

Patrick Wade, *Managing Director*, BEAR ENERGY, LP

12:15 – 1:45 *Group Luncheon*

1:45 – 2:45 DEVELOPERS’ STRATEGIES FOR STORAGE DEVELOPMENT

During this panel, gas storage developers will discuss the strategies they are pursuing to meet the needs of the market:

- What are developers’ strategies for gas storage development?
- How do they view expansion on current or newly acquired assets?
- What type of assets are they developing?
- What type of locations are they looking at?
- What are their technology and equipment strategies?
- What kind of terms are you seeking?
- What role do they want in the development of these projects?

Moderator:

Larry K. Smith, *Senior Consultant*, BARNES & CLICK, INC.

Panelists:

Brian Bierbach, *President & CEO*, FOOTHILLS ENERGY VENTURES, LLC

Dana Grams, *President of Pivotal Energy Development*, AGL RESOURCES INC.

Joe Kienle, *Director of Market Center Services*, DOMINION TRANSMISSION

Gil F. Muhl, *Vice President*, FREEBIRD GAS STORAGE, LLC

2:45 – 3:15 *Afternoon Networking Break*

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3:15 – 4:15 THE IMPACT OF THE PROJECT FINANCE MARKET ON PROJECT DEVELOPMENT STRATEGIES

To achieve financability, a developer's project strategy and the project financing proposal must meet the demands of the project finance market. This panel will discuss how the project finance market is influencing gas storage developer's project development decision-making.

- What are the major financing challenges for gas storage projects?
- What restrictions do the project finance market place on development strategy?
- How does the project finance market affect decisions on:
 - ❖ Construction
 - ❖ Contracting
 - ❖ Land acquisition
 - ❖ Expansion
- How does the market's view on project risk impact projects?

Moderator:

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

Panelists:

Toby Bean, *President*, MISSISSIPPI HUB, LLC

James Bennett, *Director*, GSO CAPITAL PARTNERS LP

Jim Goetz, *President of Caledonia Energy Partners*, CALEDONIA ENERGY PARTNERS, LLC

4:15 – 5:15 CASE STUDIES AND LESSONS LEARNED IN GAS STORAGE FINANCINGS

Mark D. Cook, SOUTHERN PINES ENERGY CENTER
Tom Dill, *Chief Executive Officer*, BOBCAT GAS STORAGE

5:15 – 6:30 ***The Summit Reception***
Hosted by:



October 24, 2007

7:30 – 8:30 Networking Breakfast
Sponsored by:



8:30 – 9:30 EQUITY INVESTORS' OUTLOOK 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 returns do equity investors typically require?
- How does an equity investor determine the level or amount of investment for the sponsors of the project?
- For what type of management teams are equity investors looking?
- What is the investor's investment horizon?
- What is the appropriate stage for an investment?
- What are the most difficult negotiation points?
- How quickly can a transaction close?

Moderator:

Jack Whiteside, *President*, BARNES & CLICK, INC.

Panelists:

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

Andrew Makk, *Vice President*, ENERGY CAPITAL PARTNERS

In Seon Hwang, *Principal*, WARBURG PINCUS LLC

9:30 – 10:00 *Morning Networking Break*
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10:00 – 11:00 **LENDERS' PERSPECTIVE 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:

Erik J. A. Swenson, *Partner*, KING & SPALDING LLP

Panelists:

Juan Kreutz, *Associate Director*, BARCLAYS CAPITAL – ENERGY INVESTMENT BANKING

Ashok Gupta, *SVP, Project & International Finance*, MIZUHO CORPORATE BANK, LTD.

Eric Stoerr, *Director*, THE ROYAL BANK OF SCOTLAND

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

Michael Zander, *Managing Director, Natural Resources*, ING CAPITAL LLC

11:00 – 12:00 **PERSPECTIVES ON GAS STORAGE A&D**

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?

Moderator:

Joe Gatto, *Managing Director*, MERRILL LYNCH & CO.

Panelists:

Sean Dolan, *Director, Global Energy Investment Banking*, CITIGROUP GLOBAL MARKETS INC.

Lou Talarico, *Vice President*, GOLDMAN, SACHS & CO.

John Rutherford, *Managing Director*, SIMMONS & COMPANY INTERNATIONAL LTD.

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

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

12:00

Summit Adjourns

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