



## **GE UNIT MAKES FIRST INVESTMENT IN NATURAL GAS STORAGE, EXPANDING ITS MIDSTREAM ASSETS**

**PORT BARRE, La. and HOUSTON, Feb. 21, 2007** – GE Energy Financial Services, a unit of General Electric (NYSE: GE), is making its first investment in natural gas storage, acquiring a preferred equity interest in an underground salt dome storage project in Louisiana for \$65 million from Haddington Energy Partners III LP, a Houston-based, energy-focused private equity fund.

The investment, which will also help cover the project's capital expenditures, enables GE Energy Financial Services to expand in midstream energy, where it already co-owns pipelines, retail distribution and gas processing assets.

The Bobcat gas storage project -- which the fund's sponsor, Haddington Ventures, LLC, sourced and developed -- is strategically located in St. Landry Parish, Louisiana, 45 miles from Henry Hub, the clearing point for NYMEX natural gas futures contracts and the most liquid trading point in the natural gas over-the-counter and cash markets.

GE Energy Financial Services will have a one-time option to convert its preferred interest to 50 percent common ownership of Bobcat within 90 days of the commencement of the project's commercial operations. RBS Securities acted as advisor to Haddington Energy Partners in the sale of the preferred equity interest and is arranging \$185 million in senior secured credit facilities to be used in the construction, development and long-term financing.

Underground natural gas storage is a critical component of the US natural gas supply, balancing flat production and weather-driven, highly seasonal demand.

The project's location, 1.5 miles southwest of Port Barre, provides access to natural gas from offshore in the Gulf of Mexico, onshore in Texas and Louisiana, as well as from the Barnett Shale. Bobcat will interconnect with five major interstate pipelines -- Florida Gas Transmission Company, Texas Eastern Transmission Corp., Transcontinental Gas Pipeline Corp, ANR Pipeline Company and Gulf South Pipeline Company. It will provide gas to five key US natural gas consuming markets: the Northeast, Midwest, Mid-Atlantic, Southeast and Florida.

“The Bobcat project benefits from its strategic location in the natural gas infrastructure grid, strong growth forecasts for US gas demand, and a need for more storage in the Gulf Coast markets,” said Dan Castagnola, a managing director at GE Energy Financial Services in Houston. “Haddington Energy Partners’ excellent track record as a developer, and the management team’s experience in operating other gas storage projects, makes the Bobcat project very appealing to GE Energy Financial Services.”

Haddington’s Jim P. Wise said: “Haddington’s strong natural gas storage experience, combined with GE’s broad energy experience, provides a powerful platform for Bobcat’s successful development and operation.”

The Bobcat project is initially planned to provide up to 13.5 billion cubic feet of working gas storage capacity (“Bcfw”) in two new 6.75 Bcfw underground salt caverns. Among underground gas storage facilities, salt caverns provide the greatest operational flexibility, supporting the widest range of storage.

Construction of the project commenced in December 2006, with service from Cavern 1 scheduled to begin during the third quarter of 2008 and Cavern 2 scheduled to enter operation in the third quarter of 2009. The project can be expanded to five caverns, bringing total capacity to approximately 34 Bcfw. Construction costs for the first two caverns are estimated at \$200 million.

The Bobcat salt dome structure begins 3,700 feet beneath the ground and extends to a depth of 14,000 feet. Beginning 500 feet below the top of the salt dome, each of two planned caverns will have a maximum diameter of 265 feet and depth of 1,300 feet.

To date, the project has executed contracts for 6 Bcfw of natural gas, and has obtained all the necessary permits to commence the construction of the first two caverns.

### **About GE Energy Financial Services**

GE Energy Financial Services’ 300 experts invest globally with a long-term view, across the capital spectrum and the energy and water industries, to help their customers and GE grow. With \$13 billion in assets, GE Energy Financial Services, based in Stamford, Connecticut, invests more than \$5 billion annually in two of the world’s most capital-intensive industries, energy and water. More information: [www.geenergyfinancialservices.com](http://www.geenergyfinancialservices.com).

### **About GE**

GE (NYSE: GE) is Imagination at Work -- a diversified technology, media and financial services company focused on solving some of the world’s toughest problems. With products and services ranging from employs more than 300, aircraft engines, power generation, water processing and security technology to medical imaging, business and consumer

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### **About Haddington Ventures**

Haddington Ventures, LLC is a Houston-based private equity firm that provides capital to the energy industry, including midstream oil and natural gas companies and electric generation, transmission, and distribution companies, with a focus on natural gas storage, gathering and processing, and other midstream energy activities. Haddington has raised more than \$320 million of capital since its formation in 1998. Among the participating investors in Haddington are large insurance companies, public and private pension groups, commercial banks and high net worth individuals. Haddington Energy Partners III, LP is a private equity fund managed by Haddington. Additional information on Haddington Ventures is available at [www.hvllc.com](http://www.hvllc.com).

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**EDITOR'S NOTE:** Caption for accompanying map: GE Energy Financial Services is making its first equity investment in natural gas storage, in an underground salt dome storage project near Port Barre, Louisiana. This map shows the project's strategic access to natural gas sources and consumers. Map courtesy of Pace Global Energy Services.