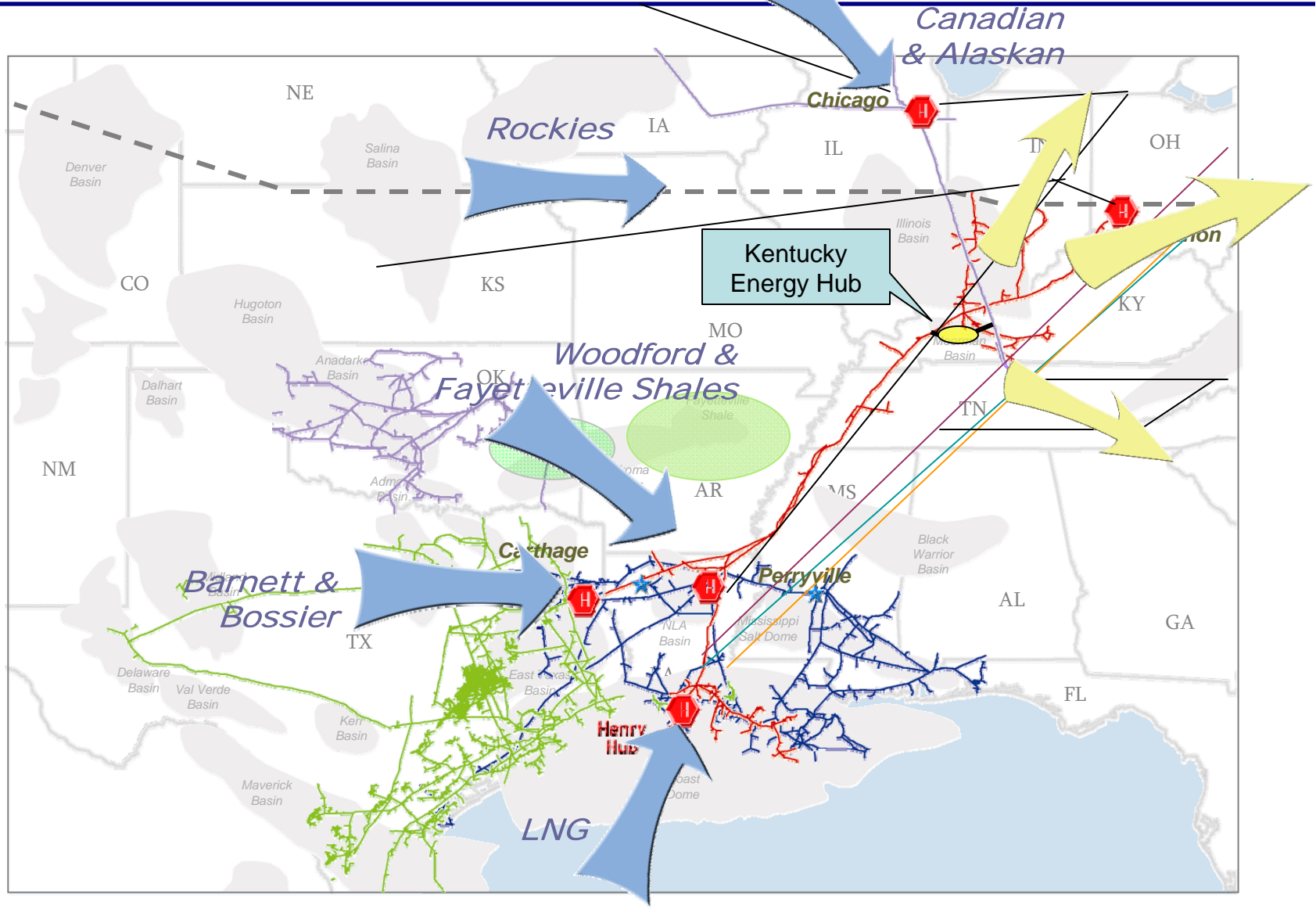


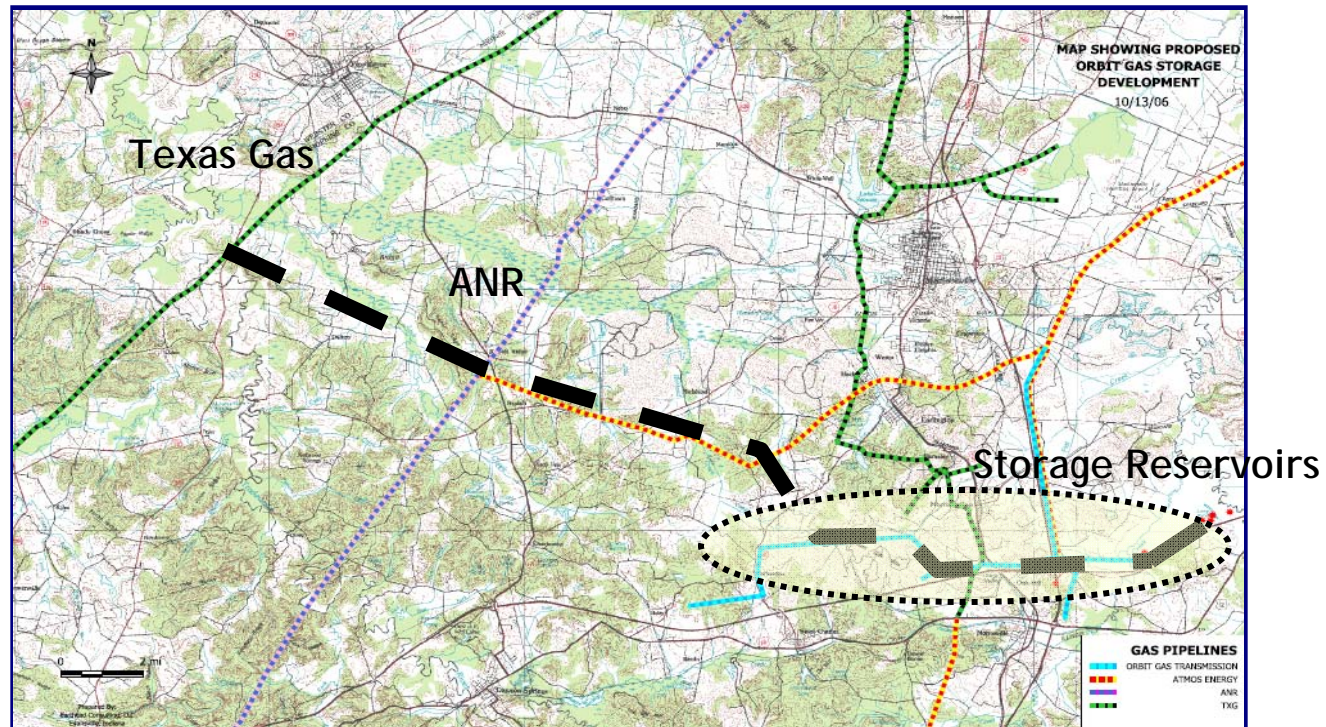
Crossroads of Supply & Market



Overview

KEH will convert several depleted gas fields in western Kentucky to natural gas storage service and will develop an interstate pipeline system with planned connections to Texas Gas and ANR. Development will be in at least two phases. Final development includes:

- 30 miles of pipe (22 mi. of 24", 8 mi. of 16")
- 28,000 hp, centrally located (50% recip, 50% motor)
- 475 MMcf/d injection/withdrawal
- 21 Bcf storage, working



Development Advantages



- **Strong ownership structure, strong oil & gas experience**

- Harold Hamm and Associated Trusts: Controls multi-billion energy related asset base (Hiland Partners, LP and Continental Resources Inc.)

- **Strong development team**

- Jim Martin – President: 26 years interstate development and marketing of supply, pipelines and storage projects.
- Ben Cabbage – Legal Counsel: 40+ years oil, gas, storage and land contract expertise
- Bob Barron – Engineering Consultant: 34 yrs interstate Design & Construction Engineering
- Other: TRC (environmental), IGC (reservoir analyses), John & Hengerer (FERC filing + tariff), Lukens Energy Group (economics/valuations)

- **Strong local & regional support**

- Economic Development groups supportive of project
- Hopkins County Judge supportive of economic incentives
- State Senator supportive of Energy Bill incentive language
- Governor supports energy infrastructure in “Energy Initiatives”

Kentucky Energy Hub Facts



- **Description:** Natural Gas Storage development project using depleted gas reservoirs. Energy-based private ownership. Experienced storage and pipeline development management.
- **Total Size:** 20.7 Bcf Working Gas, 475,000 MMBtu/d max daily injection/withdrawal
- **Interstate Connections:** ANR (Phase 1) + Texas Gas (Phase 2&3). Midwestern potential.
- **Phased Development:**
 - Phase 1: April 2009 In-service. 100,000 MMBtu/d, 5 Bcf Working
 - Phase 2: April 2010 In-service. 350,000 MMBtu/d, 17.1 Bcf Working Totals
 - Phase 3: August, 2010 In-service: 475,000 MMBtu/d, 20.7 Bcf Working Totals.
- **Regulatory:** FERC regulated facility pursuing market-based rates. Filing utilizing NEPA Pre-Filing process for FERC environmental reviews. Phase 1 filing target May 1, 2008 and approvals Oct. 15, 2008. Two preliminary filing meetings held with FERC Staff.
- **Development Team:** TRC (Environmental), John & Hengerer (FERC Filing and Tariff), IGC (Reservoir Simulations), THA (Prelim Engineering), McDonough-Brown (Civil Surveys), Tom Hughes (Market Power Study), Pipeline and Compression Modeling (Orbit), Lukens Energy Group (Market Valuation Analyses)
- **Development Progress:** Environmental Surveys: Done, Tariff Draft: Done, FERC Filing: In progress, Reservoir simulations: Done, Civil Surveys: Done, Market Power Study: Done, Facility Modeling: Done, Market Valuations: Done, EPC: Under study/preliminary negotiations
- **ROW and Leases:** Phase 1: 77% ROW signed, another 16% negotiating. 75% storage leases signed, another 22% negotiating. Compressor Station Site: Negotiating. Phase 2&3: Approximately 90% of storage rights optioned or under Orbit control (via production)

Project Timing



Proposed Orbit Gas Storage Expansion Timeline (Rev 8-07)

	'06	2007		2008		2009		2010	
	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	
Phase 1: 5.0 Bcf, 100 MMcf/d	Prelims, ROW (18 mi to ANR)		FERC Approval		Construct				
Phase 2: 12.1 Bcf, 250 MMcf/d			Prelims		FERC Approval		Construct		
Phase 3: 3.6 Bcf, 125 MMcf/d					Prelims		FERC Approval		Construct
Totals: 20.7 Bcf, 475 MMcf/d									

Note:

- Storage volumes reflect working capacity (Bcf) and maximum daily injection and withdrawal
- Storage cycles can vary from 2 to 6 turn depending on total Bcf cycled.

- **Jim Martin, President**

Jim is a graduate of Purdue University, BSME. With prior positions at Texas Gas, Jim has nearly 25 years experience in the development of energy related expansion projects ranging from interstate pipeline and storage expansions to supply and delivery meters. Positions included facility planning, capital estimating, cost controls and the last 10 years in business development. Strong and successful marketing experience has led to extensive industry contacts with all major gas marketing and trading companies, producers, pipelines and distribution companies.

- **Benjamin C. Cabbage, Jr., Legal Counsel**

Ben is the legal counsel and a consultant with Orbit Gas Transmission, Inc. (OGT). A graduate of Vanderbilt University, Mr. Cabbage has been a practicing attorney in the tri-state area of Illinois, Indiana and Kentucky for many years. He is admitted to practice in the states of Kentucky and Indiana, the Federal Courts of both states, U.S. Court of Appeals in Chicago and Cincinnati, and the Supreme Court of the United States. Mr. Cabbage has specialized in oil and gas law and, as a result, has acquired a practical knowledge of the oil and gas business both as an attorney representing most aspects of the oil and gas business locally, and as a participant, serving as President and part owner of Orbit Gas Company (OGC), the predecessor of OGT. Mr. Cabbage directed and managed all the operations of OGC for 15 years before selling the company to OGT in December of 2005. While President of OGC, Mr. Cabbage supervised and was instrumental in the development of the East Diamond Gas Storage Field in Hopkins County, Kentucky, drilling 10 injection/withdrawal wells, installing compression facilities, dehydration, and building a 19 mile, 8 inch steel pipeline to a connection with a major interstate pipeline. OGC operated that field for 15 years thereafter.

- **Bob Barron, P.E., Engineering Consultant**

Bob is a graduate of Louisiana Tech University, BSEE, and University of Evansville, MS Engineering Management. Bob retired from Texas Gas in 2003 with 33 years experience in all levels of design & construction engineering, the last 15 years as director of engineering department including Central Gas Pipeline. Bob was responsible for design and installation of all projects with annual budgets of \$40 to \$100 million, ranging from pipeline and compression projects to measurement (receipt and delivery), dehydration, desulphurization and regulation facilities. Bob currently works as a consultant to the energy industry.

- **Clyde Burnett, Tony Offutt, Operations**

Combined 67 years operational experience with OGT (formally OGC) in western Kentucky area in the fields of natural gas exploration, production, transportation and marketing. Currently operate approximately 85 miles of gathering lines, ranging in size from 2" to 6" in diameter including approximately 15 gas producing properties in the southern part of Hopkins County, Kentucky and adjoining counties. Trained and certified in every aspect of natural gas production, transmission, measurement and safety. In addition, operated East Diamond GSF (currently owned by Atmos) for 12 years including maintaining compression, dehy and metering.