

## CONFIDENTIALITY UNDERTAKING

This Confidentiality Undertaking is dated the 14th day of August, 2007 by N.V. Nederlandse Gasunie, having its office in Groningen, the Netherlands, ("the Recipient")

### WHEREAS

- A. [redacted] ("the Advisor") is representing clients ("the Clients") who are contemplating divesting certain assets ("the Assets") by way of a sale and transfer of shares ("the Transaction");
- B. The Recipient is interested to receive information on the Assets and details of the proposed Transaction which include any and all data, reports, information memorandum, records, correspondence, notes, compilations, studies and other information disclosed directly or indirectly to the Recipient relating to or in any way connected with the Assets or the Transaction whether such information is disclosed orally, in writing, in machine readable form or by any other means, regardless of whether such Information is identified as confidential ("the Confidential Information");
- C. The Clients are interested to maintain strictest confidentiality on the fact that they are considering a Transaction and on the specifics of the Assets;
- D. The Recipient understands that maintaining confidentiality is important to the Clients;
- E. In order to be considered for receiving more information on the Transaction the Recipient is prepared to issue this confidentiality undertaking ("the Confidentiality Undertaking").

### Now therefore

1. The Recipient acknowledges that the Confidential Information is confidential and expressly and irrevocably undertakes vis-à-vis each of the Clients represented by [redacted] Limited by way of contract in favor of third parties (each of the Clients as third party shall be entitled to enforce the benefits conferred in this Confidentiality Agreement):
  - i) to keep the Confidential Information in strict confidence and to treat as private and confidential the fact that it has entered into discussions on the Assets and the Transaction, and the status of those discussions, and not to disclose this information to any third parties;
  - ii) not to contact any third party (including the owner of the Assets) with respect to the Transaction without the Clients' prior written consent;
  - iii) to secure that its employees and advisers as well as the employees and advisers of their affiliates will fully adhere to this Confidentiality Undertaking;
  - iv) to use all information and documents exclusively for the review of its interest in the Transaction and to disclose internally such information and documents only to the management and such employees, affiliates and advisers who have a legitimate need to know the information for the purpose of evaluating the Transaction;

- v) in particular, not to use the Confidential Information for competitive purposes, not to pass it on to third parties and not to make it publicly known;
  - vi) to return to the Clients, upon their or the Advisor's request or upon the Recipient ceasing to be interested in acquiring the Assets, all Confidential Information received from the Clients, in whatever form, and all copies thereof and to destroy its own records, summaries and memoranda relating to the Transaction and containing such Confidential Information. However, the Recipient is entitled to retain copies if and to the extent required for legal compliance purposes, provided that these copies remain subject to confidentiality for an unlimited period of time, Sec. 5 does not apply for these copies.
2. The undertakings in clause 1 shall not apply to:
- i) any Confidential Information in the event that the Recipient is required by any court, legislative, regulatory or administrative body to disclose any Confidential Information. In that event the Recipient shall promptly inform the Advisors before such disclosure is made to the extent lawful to do so;
  - ii) any Confidential Information that at the time of disclosure to the Recipient or thereafter has become part of public knowledge or literature without breach of the said undertakings by the Recipient.
3. It is agreed that neither the Clients nor the Recipient shall be under any obligation or commitment to enter into discussions or any further agreement with regard to the Transaction merely by reason of this Confidentiality Undertaking or the disclosure, evaluation or inspection of Confidential Information. Discussions in relation to the Transaction are not exclusive and any party shall be entitled to discuss, negotiate or agree any matter with any third party provided that the terms of this Confidentiality Undertaking are otherwise respected.
4. The Recipient declares and expressly accepts to be jointly liable for any breach of this Confidentiality Undertaking committed by its employees, directors or advisors, affiliates or its affiliates' employees, directors or advisors.
5. The obligations under this Confidentiality Undertaking shall terminate on the date the parties enter into any further agreement which contains provisions covering the confidentiality of the Confidential Information disclosed hereunder or latest two years from the date hereof .
6. If any provision of this Confidentiality Undertaking (or part thereof) is or becomes unlawful or void, the legality, validity, and enforceability of any other part of that provision or any other provision of this Undertaking shall not be affected, but shall continue in force and effect. The unlawful or void provision shall be deleted from this Undertaking by written agreement of the Parties or final court order but only to the extent of any invalidity so as to preserve this Undertaking to the maximum extent.
7. This Confidentiality Undertaking is subject to English Law and the parties submit to the exclusive jurisdiction of the courts of England.

NV Nederlandse Gasunie

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by:  
its: managing director  
Groningen 14 August 2007

NV Nederlandse Gasunie

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by:  
its: managing director  
Groningen, 14 August 2007

# Gasunie - Beleid investering

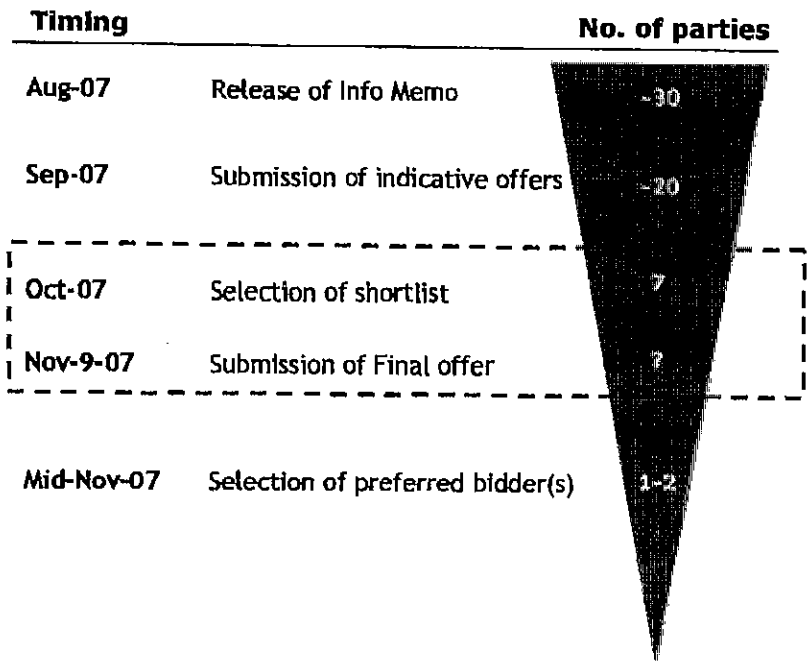
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# Gasunie has been selected to the final round of the sale process in a highly competitive auction process

## Progress to date

Credit Suisse advises ExxonMobil and Shell on the sale of Euston 1 and 2



## Overview of workstreams

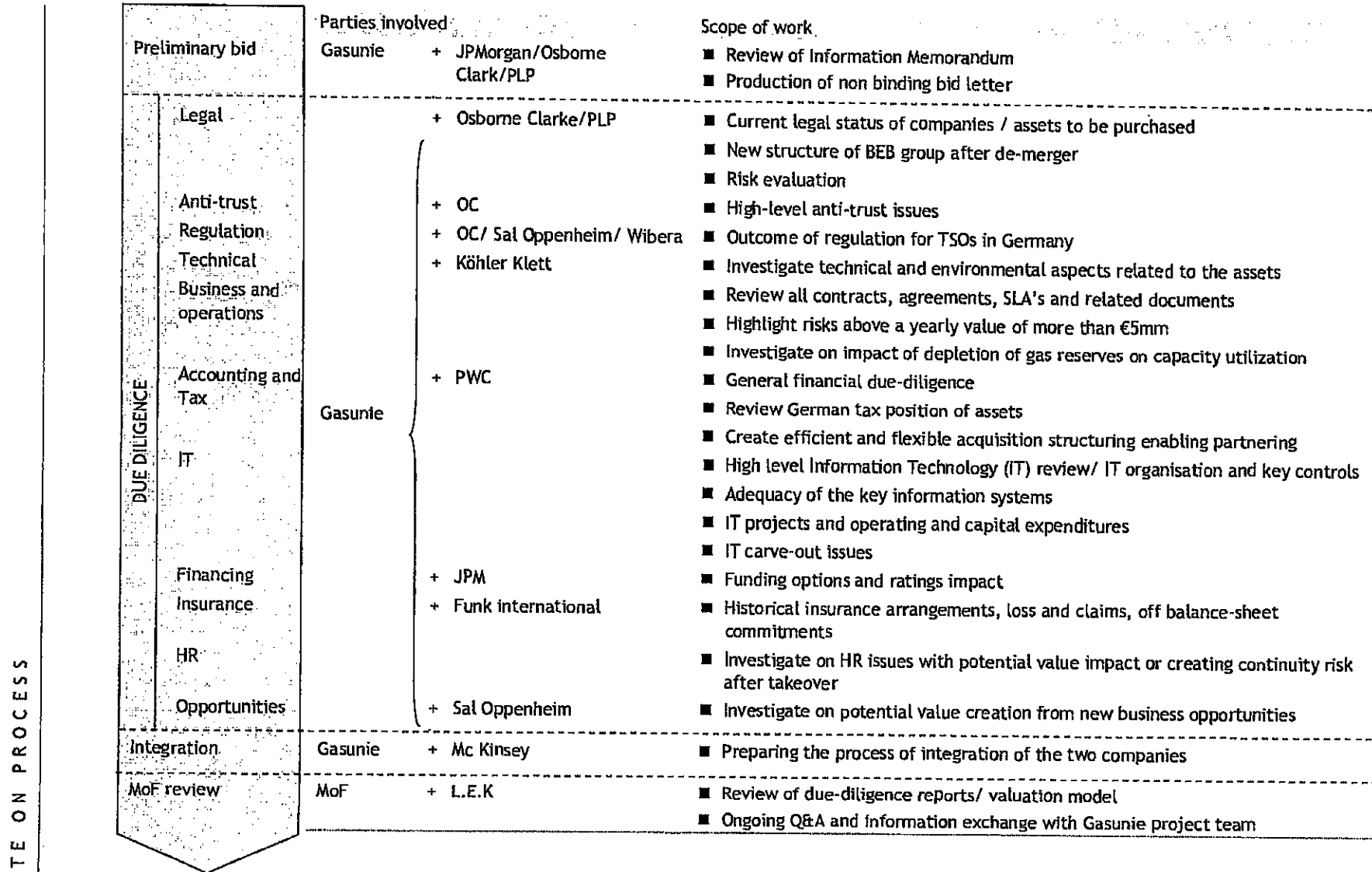
Workstream	Supported by
Legal	Osborne Clarke Ploum Lodder Princen
Regulation	Osborne Clarke Sal Oppenheim, Wibera
Antitrust	Osborne Clarke
Technical/Environmental	Gasunie and Köhler Klett
Business/operations	Gasunie
Accounting, tax and IT	PWC
Finance/rating	JPMorgan
Insurance	Funk International
HR	Gasunie
Business opportunities	Sal Oppenheim

- JPMorgan coordinates all workstreams
- Each workstream and advisor have submitted a due diligence report by October 26, 2007

UPDATE ON PROCESS



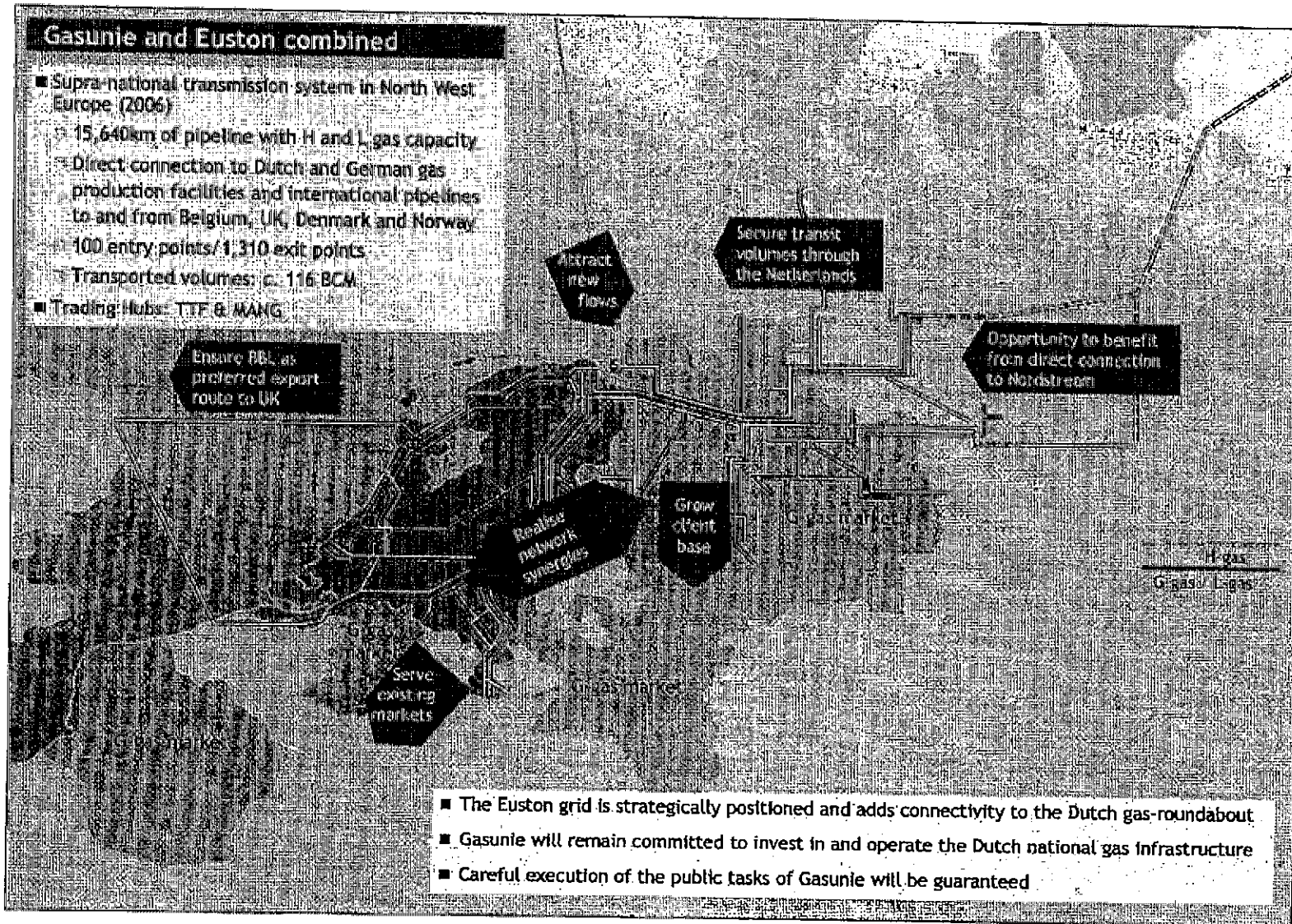
# Overview of process



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# Euston is a unique opportunity to transform Gasunie to a leading North Western European gas player



TRANSACTION RATIONALE



# Strong rationale to acquire Euston

We have identified the following priority arguments

- |   |                                                            |                                                                                                                                                                                                                                                                                                                                                                    |
|---|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Enforce the gas-roundabout                                 | <ul style="list-style-type: none"> <li>■ Enlarge the gas-roundabout with a smaller twin-sister of Gasunie</li> <li>■ Secure the position of The Netherlands in Europe even after Dutch supplies will be depleted</li> </ul>                                                                                                                                        |
| 2 | Enhance Security of Supply                                 | <ul style="list-style-type: none"> <li>■ Create the conditions to attract Norwegian and Russian gas volumes</li> </ul>                                                                                                                                                                                                                                             |
| 3 | Promotes market forces and supports unbundling initiatives | <ul style="list-style-type: none"> <li>■ Liberalisation will support development of a free market and enhances competition</li> <li>■ Fits the "pentilateral" consultation of the Ministry of Economic Affairs (MinEZ) of The Netherlands</li> <li>■ Subscribes to the ideas of the 3<sup>rd</sup> package" to promote independent infrastructure in EU</li> </ul> |
| 4 | Boosts market liquidity                                    | <ul style="list-style-type: none"> <li>■ Euston possesses the fastest growing trading hub in Germany</li> <li>■ Integration with the Dutch TTF will attract liquidity and, as a consequence, ensure stable prices</li> </ul>                                                                                                                                       |
| 5 | Prolongues L-gas lifecycle and relevant services           | <ul style="list-style-type: none"> <li>■ Safeguard cost efficient transition from L-gas to H-gas</li> <li>■ Secure additional quality conversion and flexibility services</li> </ul>                                                                                                                                                                               |
| 6 | Positive financial impact                                  | <ul style="list-style-type: none"> <li>■ Potential operating synergies on capex and opex through best practice sharing</li> <li>■ Secure access to capital for investment through stable cash flow and return profile</li> <li>■ [No government capital required]</li> </ul>                                                                                       |
| 7 | Twin sister                                                | <ul style="list-style-type: none"> <li>■ Gasunie has great understanding of the Euston networks                             <ul style="list-style-type: none"> <li>▸ The Euston network is a Gasunie replica</li> </ul> </li> </ul>                                                                                                                                |

Gasunie can control its ambition and become a major player in future consolidation in the European gas transmission sector

# What happens if Gasunie is not successful in acquiring Euston 1 and 2?

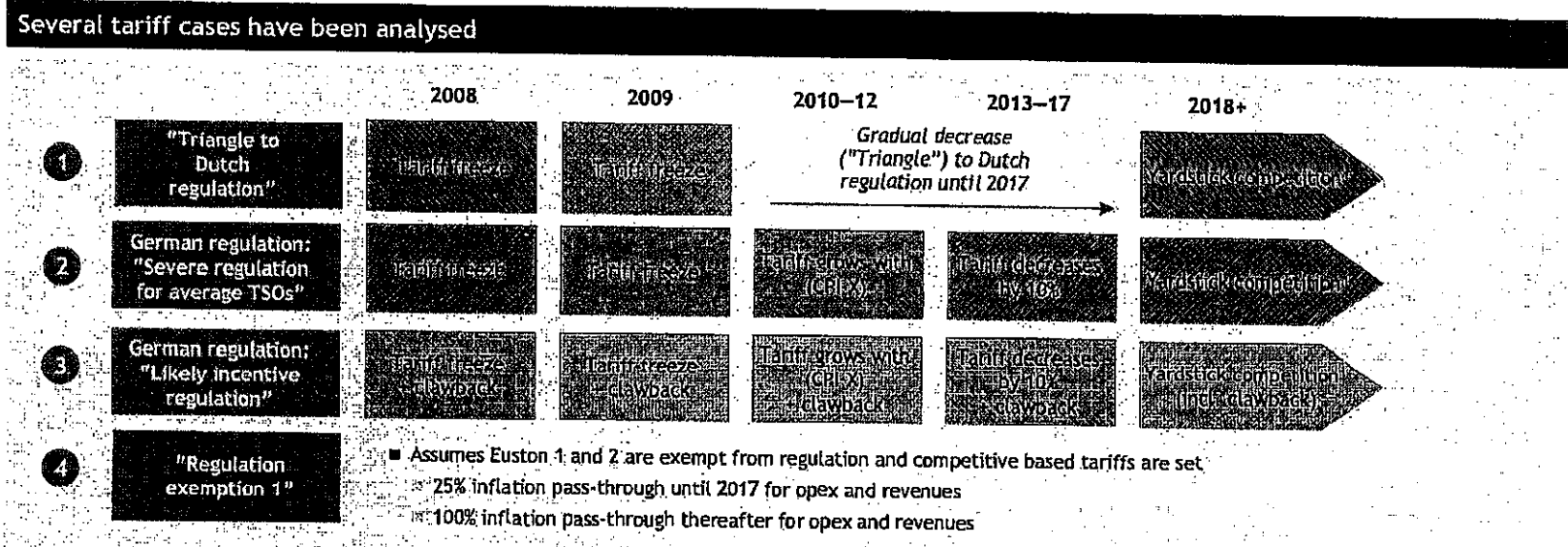
<p>● <b>Security of supply impaired</b></p>	<ul style="list-style-type: none"> <li>■ Lack of control over critical infrastructure which reduces security of supply through foreign ownership of pipelines bringing Russian gas to Europe</li> <li>■ Ownership of pipelines is even more important as indigenous production declines and as third party access is not yet effective</li> </ul>
<p>● <b>Lower dividend for Dutch government and higher tariffs for end customers</b></p>	<ul style="list-style-type: none"> <li>■ Gasunie would most likely need to decrease tariffs to attract competitors using the Dutch gas roundabout</li> <li>■ Lower tariffs and revenues would result in lower dividends Gasunie can pay to the Dutch government</li> </ul>
<p>● <b>Risk exposure to Dutch regulatory regime not diversified</b></p>	<ul style="list-style-type: none"> <li>■ Gasunie will remain 100% exposed to Dutch economic and regulatory developments</li> <li>■ This risk will not be diversified by owning Euston and being exposed to the German regulatory system</li> </ul>
<p>● <b>Loss of potential for value-creating opportunities</b></p>	<ul style="list-style-type: none"> <li>■ Not owning Euston results in a loss of value creating opportunities in Northern Europe and lower flexibility and optionality for Gasunie</li> <li>■ Euston is the gateway to future opportunities</li> </ul>
<p>● <b>Loss of additional tax revenues for Dutch state</b></p>	<ul style="list-style-type: none"> <li>■ Assuming return on capital employed is higher than cost of debt, the acquisition of Euston would result in higher profits and therefore higher tax revenue for the Dutch state</li> </ul>
<p>● <b>Challenge to retain best staff</b></p>	<ul style="list-style-type: none"> <li>■ As Europe becomes more integrated, the best staff will want to work in integrated, truly European companies</li> </ul>
<p>● <b>Shortened remaining life of L-Gas market</b></p>	<ul style="list-style-type: none"> <li>■ Switch to H-Gas will be earlier in Northern Europe</li> <li>■ Negative impact on sales from Groningen gas field</li> </ul>

TRANSACTION RATIONALE

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# Approach to valuation



## DCF valuation approach

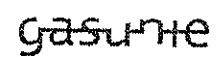
- Detailed bottom up DCF valuation for Euston 1 and 2 separately
- Deal date assumed: 30/06/2007 in line with SPA purchase price adjustment mechanism
- Projection years: 60
  - No terminal value assumed
- Mid-year discount convention
- Tax rate
  - Euston 1: 28.2% (corporate of 15.8% and trade of 12.4%) as from 2008
  - Euston 2: 31.9% (corporate of 15.8% and trade of 16.10%) as from 2008

## Opex/capex assumptions

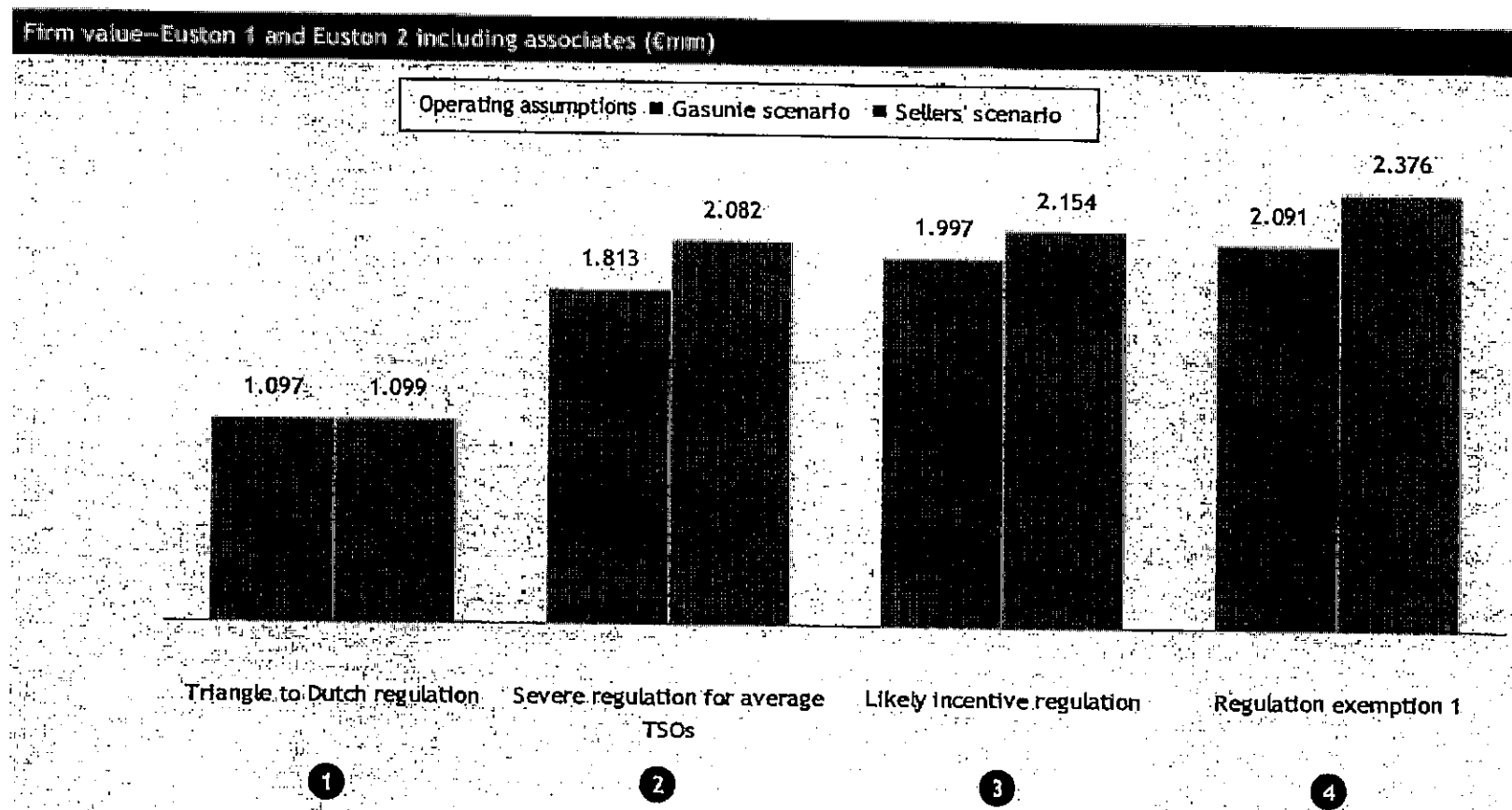
- Regulated opex variation in line with tariff evolution (excluding effect of clawback)
  - Regulated EBITDA margin to stay flat at 2007 level in all cases
- Non-regulated opex to grow by CPI
  - 10% EBITDA margin assumed for non-regulated revenue stream
- Two opex/capex scenarios assumed
  - Scenario 1: Gasunie experts' guidance on opex and capex
  - Scenario 2: Seller's forecast based on historicals in Sellers' Information Memorandum and E&Y databook
- Opex/capex clawback assumed only in case 3, 4 and 5

\* Yardstick competition period: indexation by 100% of CPI is assumed

STANDALONE VALUATION

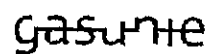


# Comparison of firm values in various cases—Euston 1 and 2

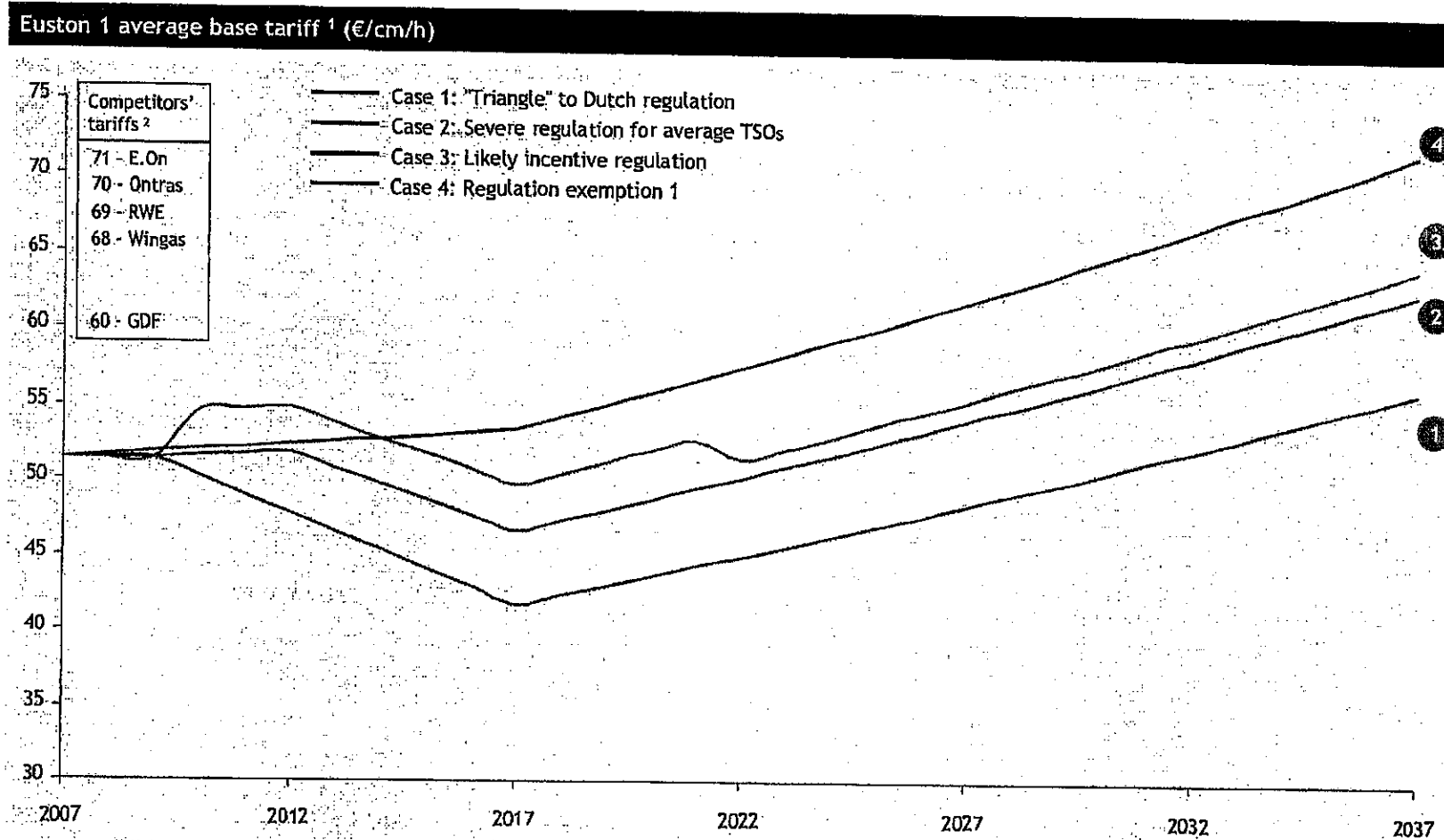


STANDALONE VALUATION

Note: Case 3 and 4 include assumptions of higher bookings (+2%) and case 3 with Gasunie's opex/capex assumptions includes also a clawback on additional opex/capex vs. the sellers' scenario



# Several cases have been analysed—tariff comparison

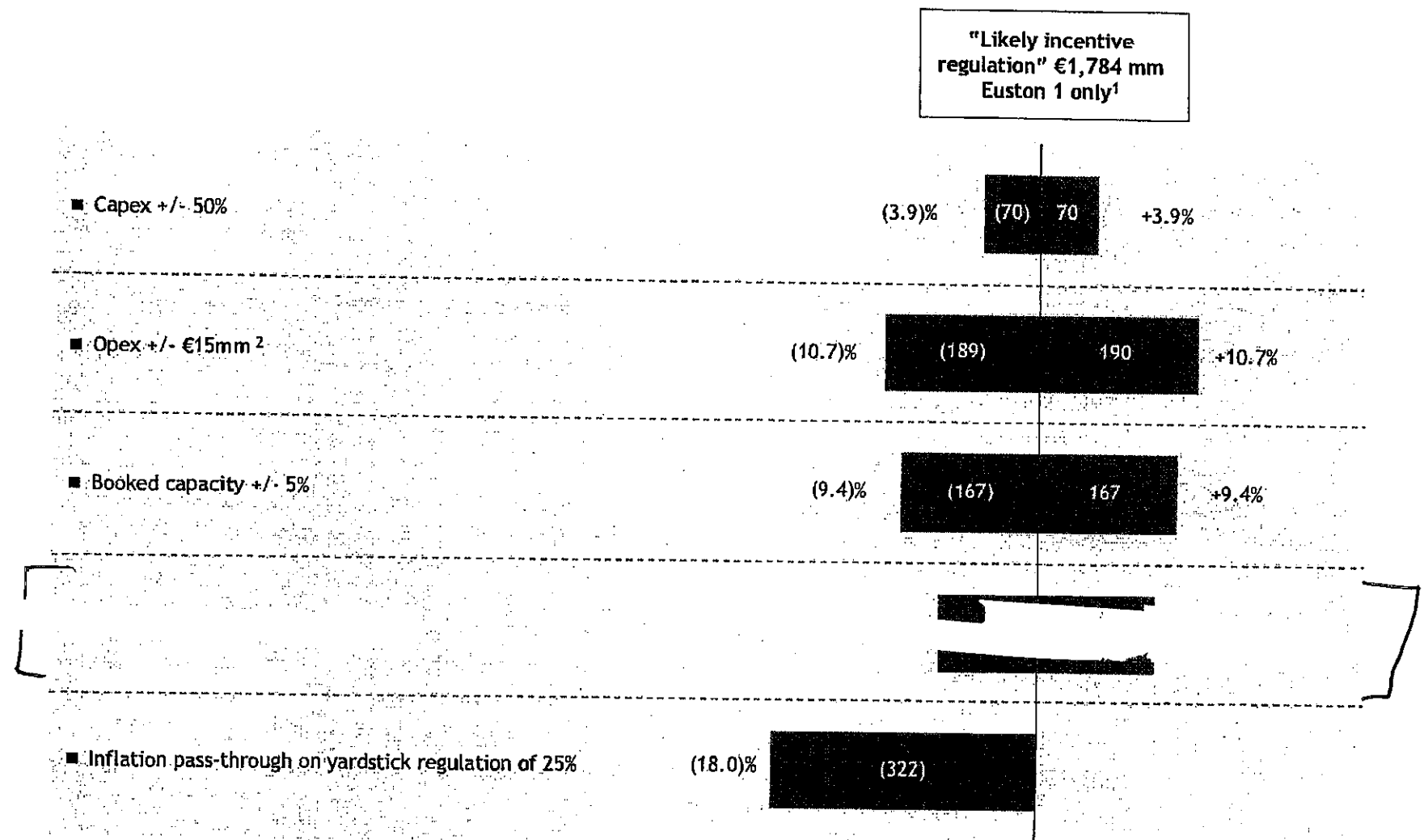


Note: Post 2037, all tariff curves are indexed by inflation; Cases 2 and 3 follow the same base tariff and in addition to the tariff base, Euston benefits from clawback in case 3

<sup>1</sup> Excluding exceptional items

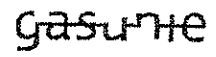
<sup>2</sup> 2007 average tariff (Source: Arthur D Little, "West European gas transmission tariff comparisons", July 2007)

# Key valuation sensitivities Euston 1 – Gasunie’s operational assumptions



<sup>1</sup> Firm value of Euston 1 only excluding associates (€1,537mm) + Deudan & Netra (€246mm) in "Likely incentive regulation" case; excludes €214 mm valuation of Euston 2  
<sup>2</sup> +/- €15mm on 2007 opex

STANDALONE VALUATION



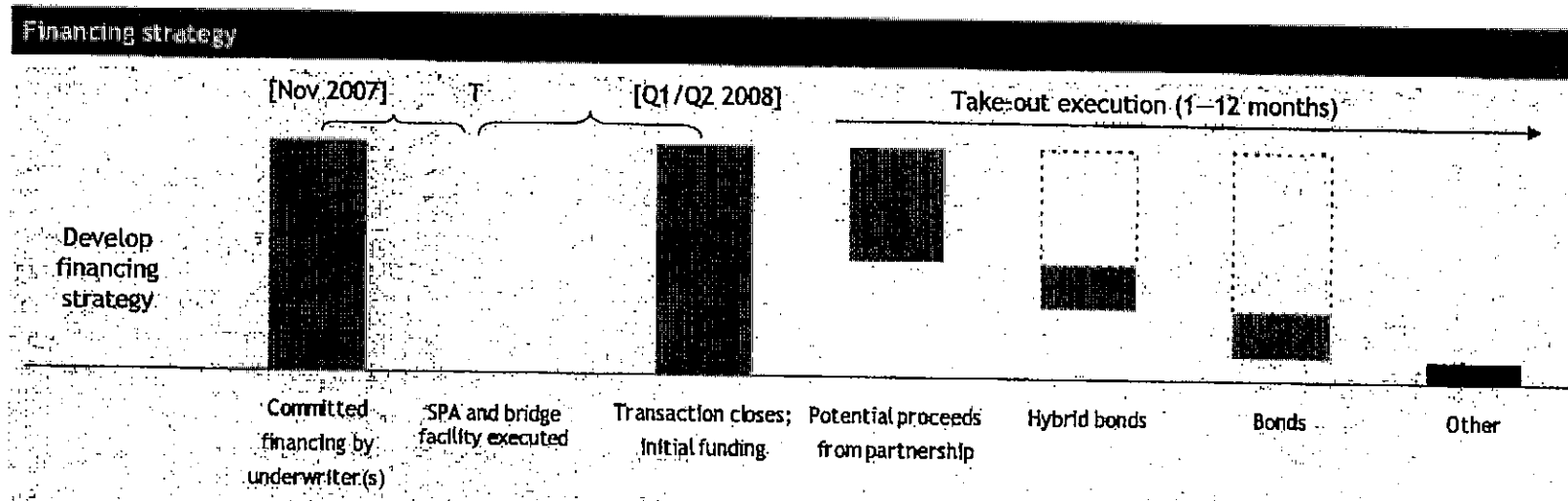
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# Ratings and financing considerations



## Ratings and financing considerations

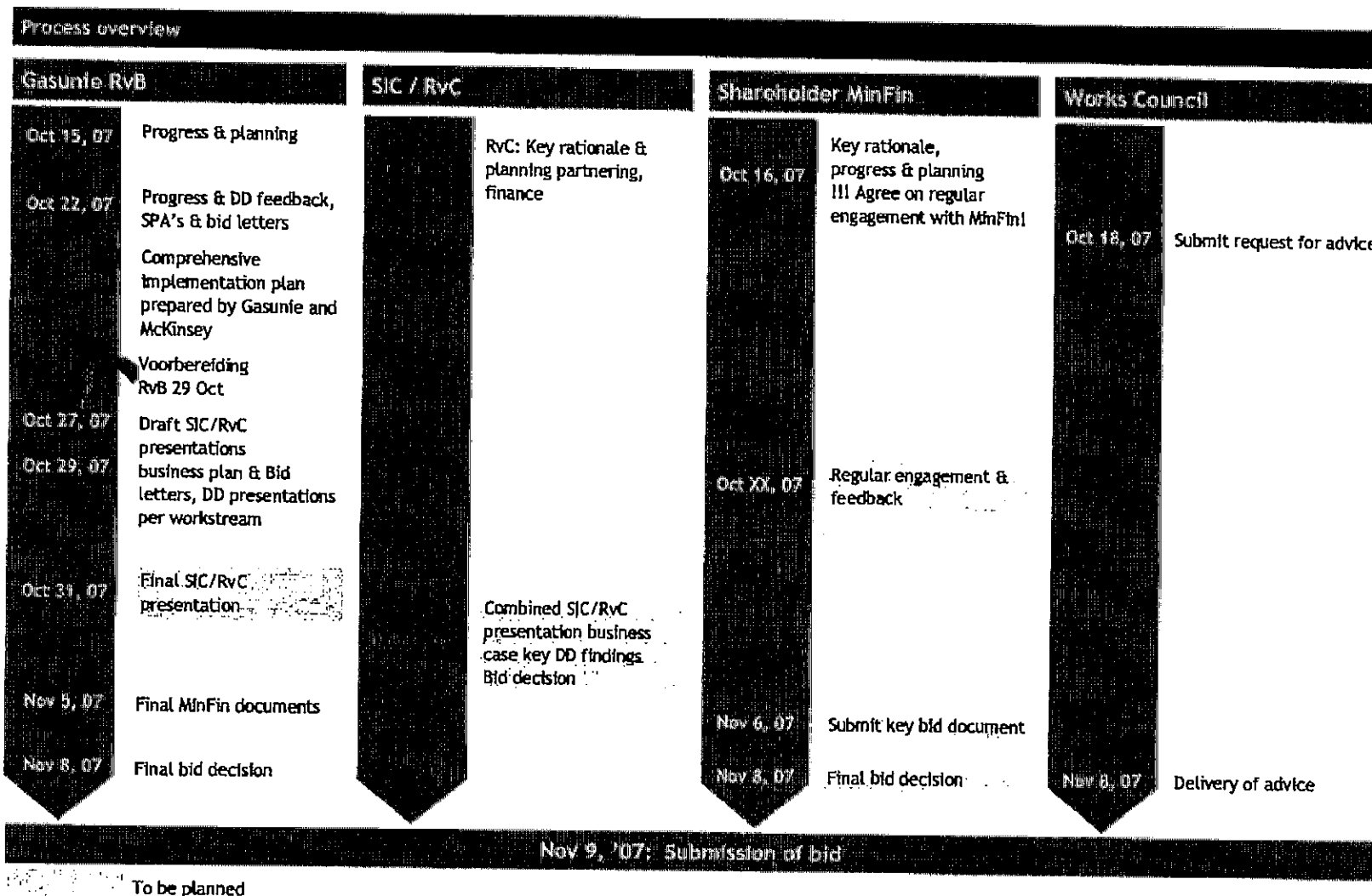
- S&P rating outcomes (November 5<sup>th</sup>), including one notch for government support
  - Reviewed standalone assessment: AA+ (factoring in capex plan & higher dividend)
  - € 2.2bn fully debt funded: AA-
  - € 2.2bn with € 1bn of Hybrid: AA
- Improvements due to change of methodology (i.e. explicit notching for government support)

FINANCING AND RATINGS CONSIDERATIONS

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# Timetable



NEXT STEPS



**Vraag: Hoe ziet Gasunie het implementatieplan?**

Er wordt momenteel door Mc. Kinsey een implementatieplan uitgewerkt. Daarbij wordt uitgegaan van Euston als zelfstandige onderneming naast de bestaande Gasunie-organisatie, onder een holding (zie bijgevoegd schema).

Uit de due-diligence informatie is gebleken dat van de 188 zittende medewerkers er 42 niet mee zullen gaan. Deze categorie is als volgt te verdelen:

- |                                                                    |    |
|--------------------------------------------------------------------|----|
| a) Operations Support                                              | 17 |
| (beheer/onderhoud, sales, business development operations support) |    |
| b) Business Services                                               | 9  |
| (procurement, financiële administratie/tax)                        |    |
| c) Staff Support                                                   | 16 |
| (HR, IT, administratie)                                            |    |

Categorie a is hiervan het meest kritisch.

Wij gaan momenteel uit van de volgende aanpak:

- |                   |                                          |
|-------------------|------------------------------------------|
| 1. 09/11/07       | binding bid                              |
| 2. 31/11/07       | signing of SPA                           |
| 3. 30/04/08       | akkoord OR-Euston                        |
| 4. 01/07/08       | share transfer                           |
| 5. vanaf 01/07/08 | start "100-dagenplan" voor implementatie |

Vanaf het bekend zijn van de uitkomst van het biedproces (verwacht 17-24 november) gaat een transitieteam van ca. 20 Gasuniemedewerkers aangevuld met outside-consultants aan de slag om het hele project te trekken. De daarvoor beoogde expertises zijn:

- commercieel/financieel
- technisch-operationeel
- juridisch/tax
- HR, regulatory
- IT

Op dit moment wordt een dergelijk onderhandelings- en implementatietraject ingevuld. Wij voorzien wel enige knelpunten bij het adequaat bemannen van deze task-force. Ruimte kan met name tijdens de transitiefase worden gecreëerd door een combinatie van de volgende maatregelen:

- Inhuren recente ex-Gasuniemedewerkers (2 personen), met name technisch;
- Verschuiven binnen huidig werkprogramma 2008. Dit betreft onder andere verschuiven benchmark exercitie naar Q3-Q4 2008 en verschuiven van een klein deel van het (niet tijds-kritisch) onderhoud naar dezelfde periode. In totaal kan hiermee 3 tot 5 fte's worden vrijgemaakt;
- Inzetten vrijgevallen resources Noors gas project en GWWL (5 fte's);
- Gedeeltelijk instandhouden huidig projectteam Euston (3 tot 5 fte's);
- Uitbesteden (bijvoorbeeld: legal en tax)

Het meest kritisch is daarbij het vinden van een commercieel/financieel "onderhandelaar"/ projectmanager.

De "eindsituatie" zoals ons die voor ogen staat eind 2008 is als volgt:

- CEO: ofwel uit bestaand Euston management te recrutereren (niet de huidige CEO die met pensioen gaat) ofwel van buiten aan te trekken, Duitse nationaliteit;
- CFO: Gasunie-financiële man/vrouw.

Rest bemand conform ongeveer huidige bezettingsschema, met waar mogelijk benutting van synergie-effecten (staff, technische planning, business development).

Het hierboven beschrevene gaat uit van de door sellers voorgestane route om 42 fte's niet mee te laten gaan. Wij begrepen overigens van Shell dat dit een onderhandelbaar punt is. Bovendien gaat het Mc. Kinsey plan ook uit van een "retention-scheme". Beide aspecten kunnen de overgangsproblematiek verlichten.



Bijlage 2 bij RvC 07.047, Acquisitie Euston

**STRIKT VERTROUWELIJK**

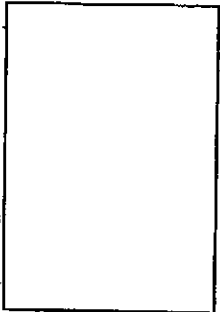
**Strategische voordelen**



De aankoop van Euston brengt voor Gasunie een aantal strategische voordelen met zich mee die wegvallen op het moment dat dit niet doorgaat.

1) Regulering

Momenteel is de markt gereguleerd per nationale staat. Er is een tendens te gaan richting Europese regulering. In Nederland heerst een streng reguleringsregime ten opzichte van andere landen. De ontwikkeling van Gasunie in de richting van een internationale onderneming zal voortdurende druk richting de Nederlandse regulator leggen om zich internationaal op te stellen. Een grondige kennis van Gasunie van alle ins en outs van het Duitse systeem levert dat waardevolle argumenten op. Op den duur is er aanzienlijke kans dat internationale netwerken gereguleerd gaan worden door een internationale regulator. Het internationale reguleringsregime zal een grootste gemene deler zijn van de diverse Europese reguleringsregimes en daarmee aanzienlijk aantrekkelijker dan het Nederlandse reguleringsregime.



2) Commercieel: marktkoppeling

De grootste concurrenten van Gasunie bezitten een H-gas portfolio en zullen er alles aan doen om de Noord-Duitse markt om te bouwen richting H-gas. De Noord-Duitse markt is dan ontkoppeld van de Nederlandse markt. Gasunie wil echter beide markten koppelen.

De 'interne' markt van Gasunie wordt door deze koppeling vergroot van 45 bcm per jaar tot 70 bcm per jaar. De koppeling van de markten van Noord-Duitsland en Nederland zal tot aanzienlijke handelsvolumes tussen beide markten aanleiding kunnen geven: 's zomers goedkoop UK-gas naar Duitsland, 's winters gas uit Duitse bergingen naar de UK. Dit leidt tot aanvullende transportinkomsten die relatief weinig investeringen met zich meebrengen. Indien wordt gerekend met een volume van 2 mrd m3, dat zomers in 6 maanden naar Duitsland stroomt en 's winters in drie maanden naar Nederland, dan leidt tot transportinkomsten ter hoogte van circa 30 mln € per jaar. Daarnaast zou de verkoop van Groningen gas in Noord Duitsland tot aanvullende transportinkomsten aanleiding geven. Uitgaande van een marge op transport van 1/3 bedraagt de NCW van deze optie 10 mln €.

Bovendien vergroot de koppeling van de markten de kansen van Nederland op het gebied van LNG en gasopslag. Bijvoorbeeld, koppeling van het Nederlandse net vanaf Enschede, via Epe, met het BEB net zal ertoe leiden dat de eigenaren van de gasopslag Epe meer in Duitsland actief worden wat tot extra vraag in Nederland voor Zuidwending capaciteit zal leiden. Van belang bij de ontwikkeling van grootschalige seizoensopslag (en LNG) is het feit dat de NL markt niet groot genoeg is om plots heel veel volume te absorberen. We zagen dat ook bij Noors Gas. Potentiële klanten moeten zich daarom voorafgaand vergewissen van exportcapaciteit, en importcapaciteit in de exportlanden. De creatie van een grotere thuismarkt vergemakkelijkt dit soort projecten. Ter illustratie, het project Zuidwending leidt voor Gasunie op basis van de huidige business case tot een toegevoegde waarde van 10 mln €. Aangenomen mag worden dat Nuon een vergelijkbare waarde realiseert.

3) Storage in Duitsland

Gasunie probeert al geruime tijd actief te worden op de markt van seizoensopslag. Deze markt is commercieel interessant, en er dreigt een groot tekort aan seizoensopslag (zie studie Clingendael)

wat de leveringszekerheid in gevaar kan brengen bij een koude winter. Euston ligt in een gebied waar lege gasvelden zijn en opent perspectieven voor Gasunie om hier actief te worden.

Mogelijkheden van Gasunie om in Duitsland actief te worden versterkt tevens de positie van Gasunie vis a vis de Nederlandse bezitters van assets, die thans weinig lijken te willen bewegen. Verwacht mag worden dat storage projecten een vergelijkbare toegevoegde waarde met zich meebrengen als Zuidwending, dus meer dan            mln € per stuk.

### **Naast deze effecten voor Gasunie zijn er een aantal effecten voor de BV Nederland**

#### **1) Behoud G-gasmarkt**

Er is een sterke drive om buitenlandse G-gas markten om te bouwen naar H-gas. Deze drive komt deels voort uit het streven naar meer marktwerking (Belgie) en deels omdat de eigenaren van netwerken een sterke H-gas portfolio hebben en niet te zeer afhankelijk willen zijn van GasTerra. De dreiging is dat Nederland op den duur een G-gas eiland wordt op de Europese H-gas gasrotonde, om het maar bloemrijk uit te drukken.

Het behoud van een G-gasmarkt, of uitstel van ombouw tot H-gas, in Noord-Duitsland brengt voor GasTerra (inkomsten voor 80% naar de Staat) interessante opties mee.

In de eerste plaats ontstaat er een extra markt, waardoor zij, binnen de door EZ opgelegde productiecap, haar afzet kan vergroten. Op dit moment kan GasTerra, door gebrek aan markt, onvoldoende gas verkopen waardoor zij vele miljarden m<sup>3</sup>'s onder haar target zit (42.5 bcm) Stel, GasTerra kan per jaar, over een periode van 2010 tot 2020, een extra volume vermarkten ter grootte van 'slechts' 0,5 BCM (2% Euston markt). De totale opbrengst is dan per jaar, bij huidige gasprijzen, ruim 100 mln € per jaar. De Staat ontvangt daarvan 80%. De NCW van deze mogelijkheid bedraagt voor de Staat 400 mln €.

In de tweede plaats kan GasTerra haar portfolio optimaliseren. In plaats van transport technisch dure exporten naar Frankrijk kan zij haar G-gas afzetten op de aanpalende Noord-Duitse markt. Stel, op deze manier wordt 4 bcm per jaar verplaatst. Het verschil in transportkosten bedraagt circa 0,8 €/m<sup>3</sup> en dus levert dat GasTerra ruim 30 mln € per jaar op. Tegelijkertijd zal H-gas het gat in Frankrijk opvullen, waardoor de transportvolumes van Noord naar Zuid zullen blijven bestaan waardoor Gasunie niet veel transportinkomsten zal missen. De NCW van deze optie bedraagt (voor de Staat) circa 130 mln €.

#### **2) Security of Supply**

Dit effect is uitermate moeilijk kwantificeerbaar. Een poging: algemeen wordt aangenomen dat een meer liquide spotmarkt leidt tot het aantrekken van additionele gasstromen wat de leveringszekerheid vergroot. De kosten van te late infrastructuur in de UK (inter 2005/2006) bedroegen circa 3 mrd €. Stel, dit komt eenmaal per 10 jaar voor, en de kans erop wordt door een liquide spotmarkt vermindert met 10%. Dat leidt dan tot een jaarlijkse besparing van 30 mln €. Hier speelt overigens ook een psychologisch fenomeen: als de markt meer vertrouwen heeft, zal men minder snel in paniek raken en dus zal de gasprijs in tijden van crisis (bijvoorbeeld Oekraïne, zie ook huidige oliemarkt) minder snel stijgen. Gegeven de positie van GasTerra en het feit dat de Staat 80% van haar revenuen ontvangt, moet qua maatschappelijke NCW hiervoor gecorrigeerd worden. De resulterende maatschappelijke waarde bedraagt circa 100 mln €.

D

The German gas transportation system is organized on a three-tier structure: supra-regional transmission system operators (including BEB and EMGTG), regional transport network operators and local distributors.

The German market is governed by the Energy Industry Act (EnWG), which implements the 2<sup>nd</sup> EU Gas Directive, and by other complementary national directives. Under the EnWG, the Federal Network Agency (Bundesnetzagentur, BNetzA) is responsible for monitoring network access and approving tariffs.

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#### *Development of the German regulation regime*

The impact of the introduction of the German regulation on the value of BEB and EMGTG has been identified from the outset of the valuation process as the most critical issue. Currently the German parliament is in the final stage of passing the bill, which will govern gas transportation tariffs. Although this law does not provide for discrimination between supra-regional TSO's and local distribution companies, Gasunie has been given clear indications that supra-regional TSO's will be treated very much differently.

Contrary to developments in The Netherlands and the UK, security of supply has always been a major concern of German politics, mainly triggered by the almost total lack of indigenous production and dependency of gas imports from Russia, Norway and The Netherlands. It is thus not surprising that in the eyes of the BNetzA supra-regional TSO's are earmarked as gatekeepers of this issue. The BNetzA has sketched the following regulatory regime for supra-regional TSO's during our meeting on October, 25<sup>th</sup>.

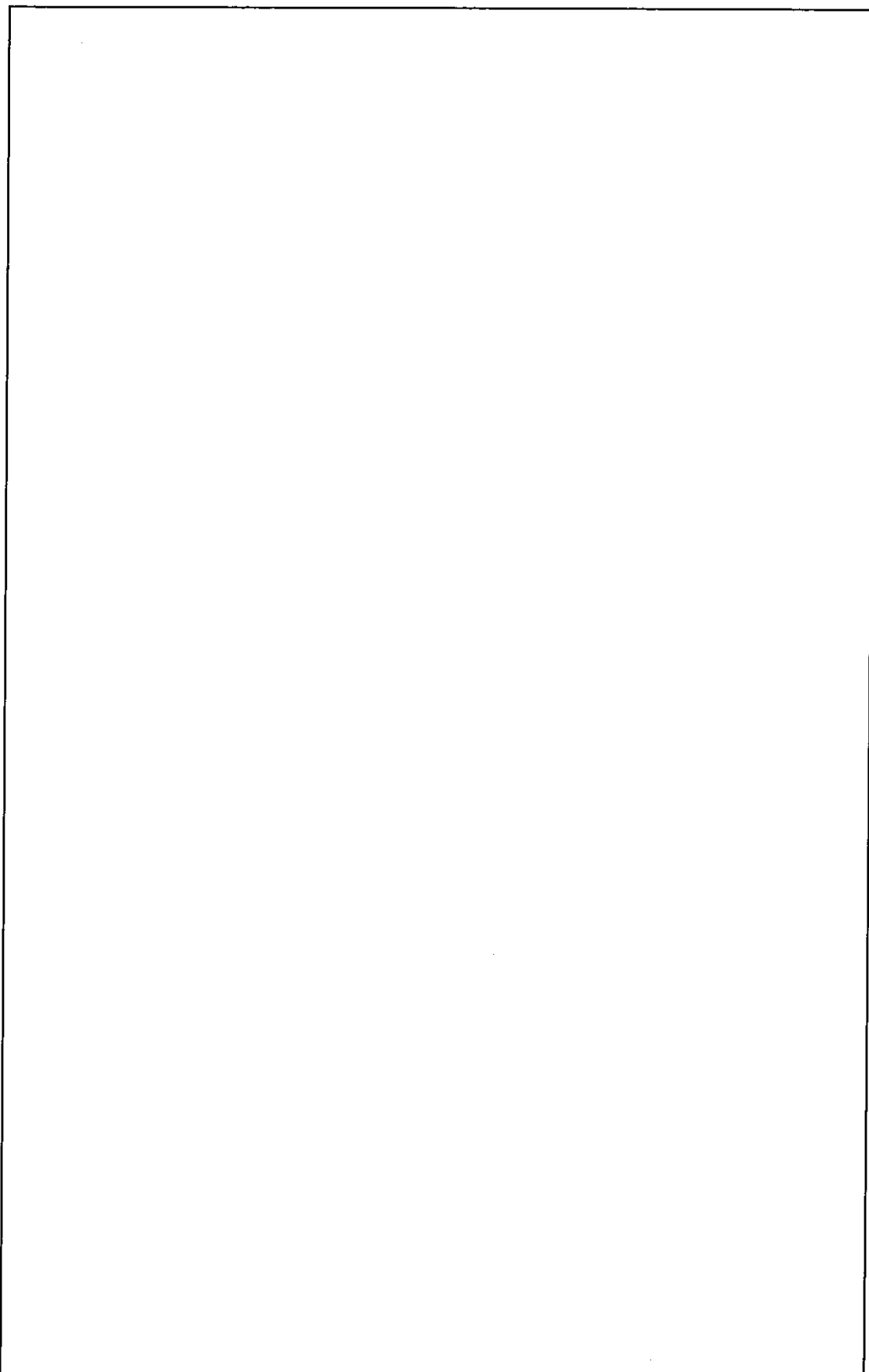
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- Any "bow wave" of costs, for example born by earlier cost cutting measures - i.e. "sweating the assets" before sales - may be recovered if it can be demonstrated that these costs are efficient - in essence this forms an attractive cost "claw back" clause.

Above regulation framework has been modelled accordingly and implemented in the economic model.

D



6-a



A

# 1 There are different business model options for Euston to fulfill the aspiration

Euston becomes a.....

Need to believes

Increased control of

**I Stand-alone entity with limited direct control**

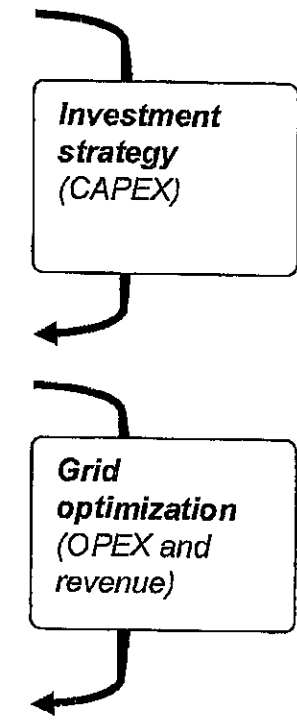
- Euston is a one-off stand-alone addition rather than start of a series of acquisitions/ participations in adjacent networks
- Euston has its own growth strategy, e.g. storage, LNG or adjacent German networks, replicating Gasunie's strategy aiming to be the German gas roundabout
- Euston can be operated by its own management with Gasunie "just as shareholder" (as GATE, BBL, etc.)

**II Integral part of Gasunie with primarily strategic and financial control**

- Gasunie needs to ensure alignment with Gasunie strategy and therefore needs to
  - Control strategic decision-making/ investment planning
  - Have the option to exercise control on e.g. sales processes and regulatory management
- Euston can be operated by its management as a stand-alone business unit with its own P&L

**III Integral part of Gasunie with full day-to-day operational control**

- Euston is considered to be purely an extension of the GTS-network and becomes a "regiokantoor" for the German part of the GTS-network
- All Euston processes can be fully integrated into Gasunie's operating model



## 2 Archetypes for top level organization and governance structure in case of a 100% acquisition

STRICTLY CONFIDENTIAL

FOR DISCUSSION

□ GU    ■ Euston

Level of integration, active control and synergy capture

Main archetypes	Description	Realistic?
<p><b>A. Shareholding structure</b></p>	<ul style="list-style-type: none"> <li>• Keep Euston as separate entity with its own Board</li> <li>• Ensure control via                             <ul style="list-style-type: none"> <li>– Placement of GU-executive(s) in Euston Board</li> <li>– GU-appointed members in a kind of "RvC" as "gedelegeerde aandeelhouders" (alternative would be to have Euston CEO report (a) Gasunie Board (member)</li> </ul> </li> </ul>	✓
<p><b>B. BU structure</b></p>	<ul style="list-style-type: none"> <li>• Place Euston in GU organization to have direct executive control (level of "ophanging" to be decided)</li> <li>• Operate Euston as a separate BU with an own BU Management Team that reports to the GU RvB and that has an own P&amp;L; potentially appoint GU managers in Euston MT</li> </ul>	✓
<p><b>C. Absorption</b></p>	<ul style="list-style-type: none"> <li>• Split Euston up and merge it into existing GU dept's under existing GU managers</li> <li>• Very strong executive control by GU people; uses current Gasunie supervisory structure and senior management</li> </ul>	X?

For detailing of options A and B to a Gasunie-specific context see next slide

Would mean the end of Euston existence as organizational entity. From e.g. cultural and regulatory perspective probably "a bridge too far"

## 2 Current options for the organizational model for Euston in case of a 100% acquisition

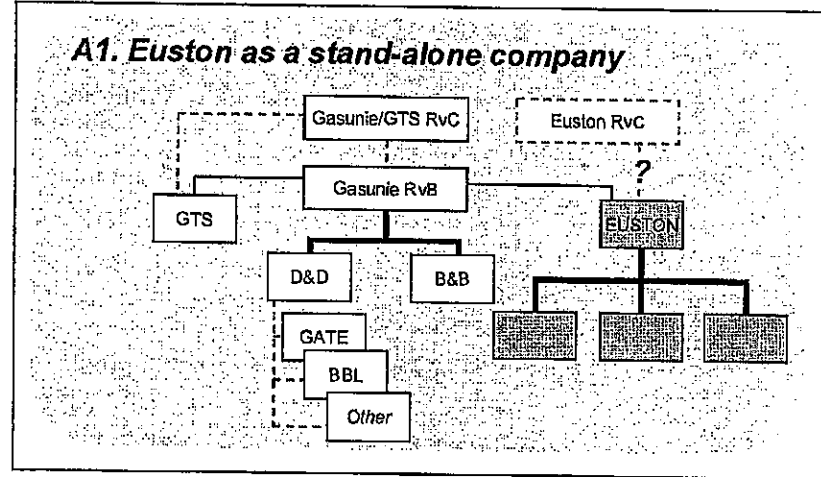
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FOR DISCUSSION

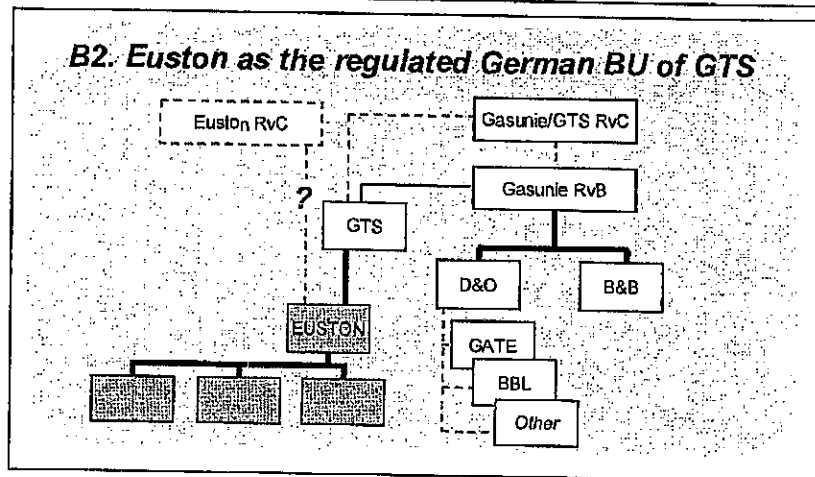
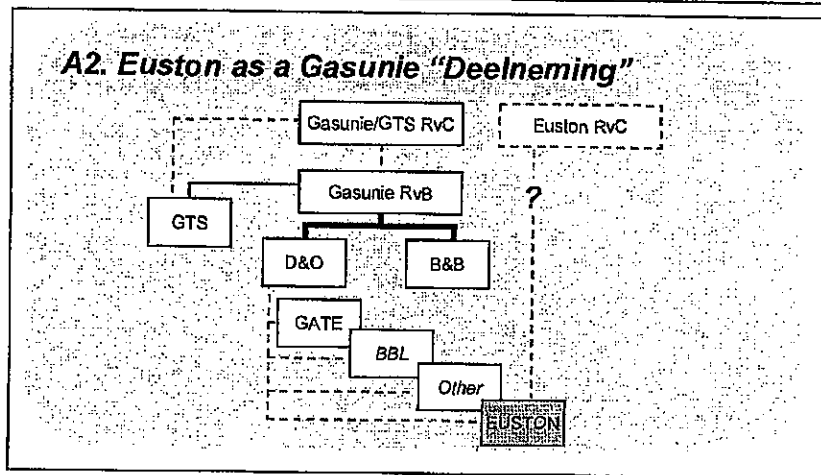
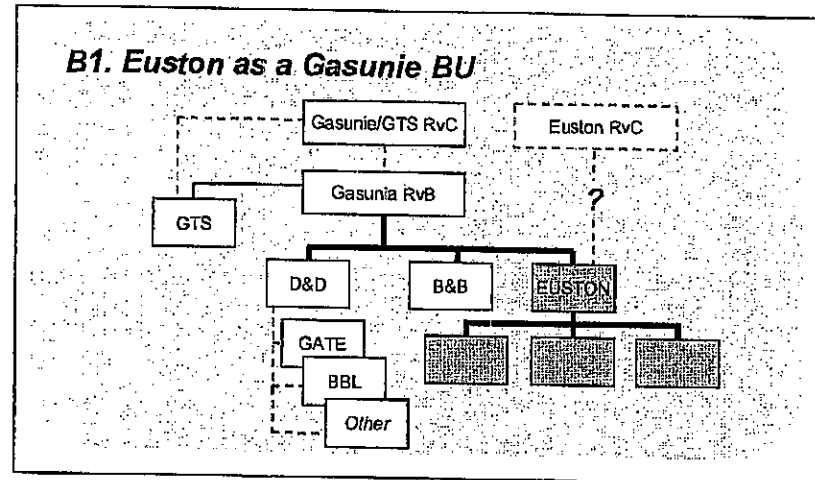
□ GU    ■ Euston

— Executive TSO control    — Full executive control    - - - - - Supervisory/ shareholder control

### A. Shareholding structure



### B. BU structure



**2** There seem to be two realistic options for the organizational model that should be assessed further

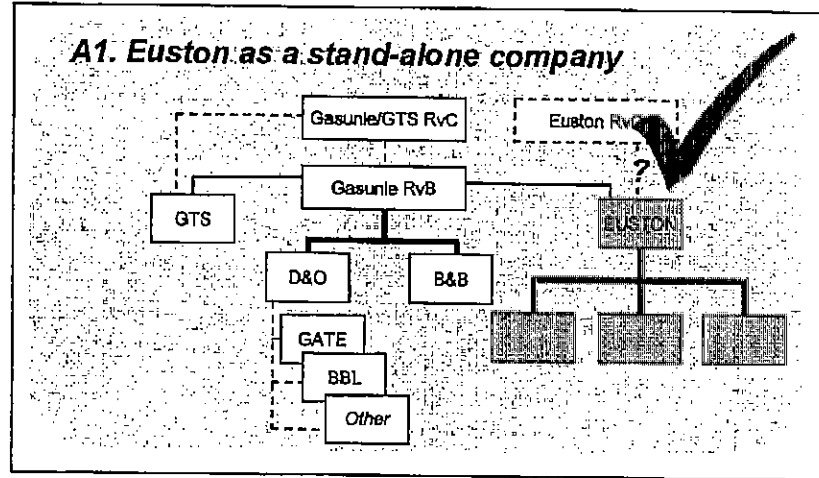
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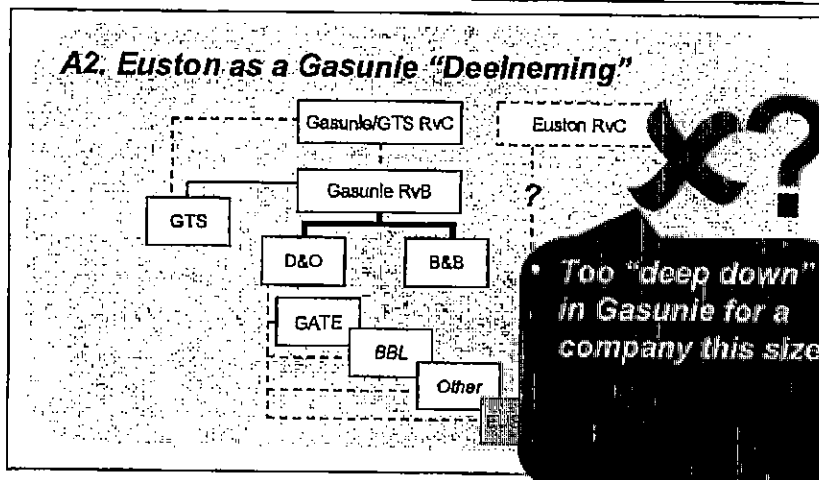
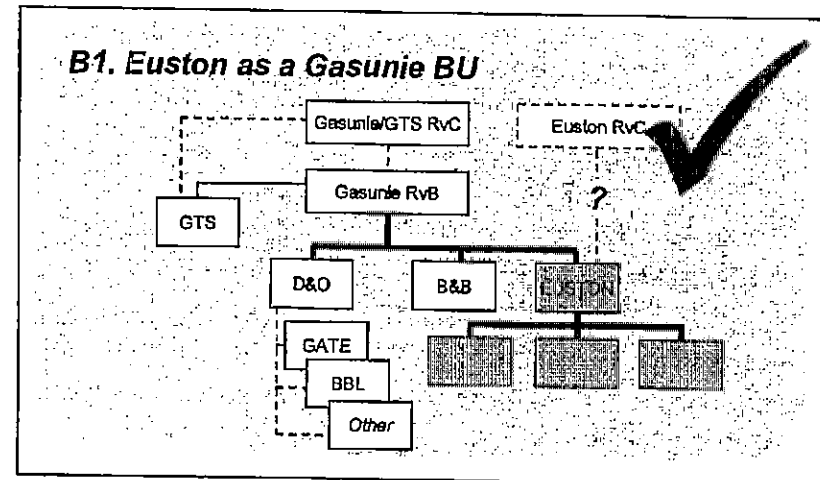
□ GU    ■ Euston

———— Executive TSO control    ——— Full executive control    - - - - - Supervisory/ shareholder control

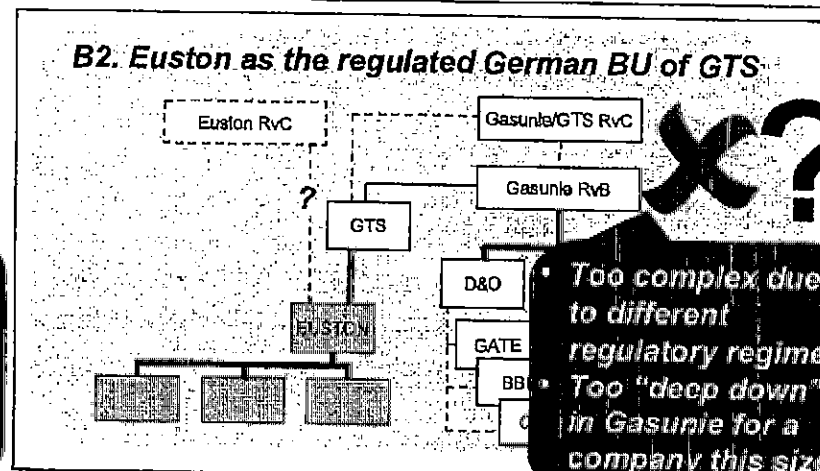
**A. Shareholding structure**



**B. BU structure**



*Too "deep down" in Gasunie for a company this size*



*Too complex due to different regulatory regimes*  
*Too "deep down" in Gasunie for a company this size*

## Immediate next steps for the project

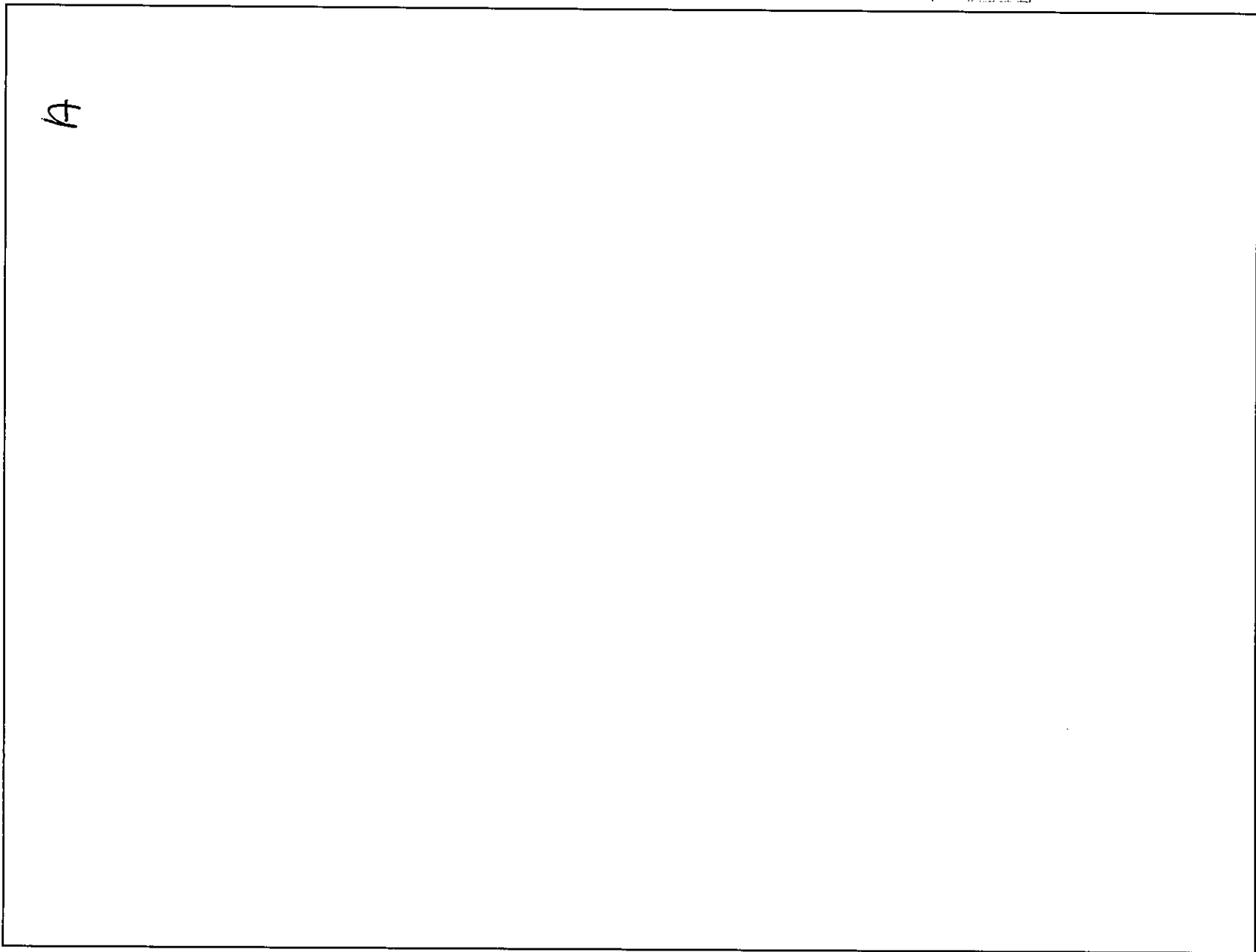
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- 1 • Confirm **deal aspiration**, i.e. deal rationale and preferred business model, with Steering Committee
- 2 • Detail **organization design** for Euston
  - Finalize top-level organization and governance structure based on answering key questions
  - Sketch out potential Euston top-team structure
  - Describe key business processes to control (incl. how to control)
  - Detail organization design to n-1 and n-2 level
- Address specific organizational issues like retention plan and relocation need(s)
- 3 • Start developing the **integration approach** with e.g. integration architecture, integration masterplan and a communications plan



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SOURCE: SHADOW MODEL GASUNIE (OLD ASSUMPTIONS)



7



# Gasunie - Beleid investering

## BUSINESS CASE PROJECT EUSTON

### INTRODUCTION AND STRATEGIC RATIONALE

With effect of August, 1<sup>st</sup> Gasunie has been invited by Shell & Exxon to participate in an auction to bid for their gas transport assets in Northern Germany. The deal comprises of the acquisition of the transport assets of BEB Transport GmbH (BEB), jointly owned by the sellers and ExxonMobil Gas Transport Gesellschaft mbH (EMGTG), solely owned by ExxonMobil. The underground storage assets of the sellers are not part of the transaction.

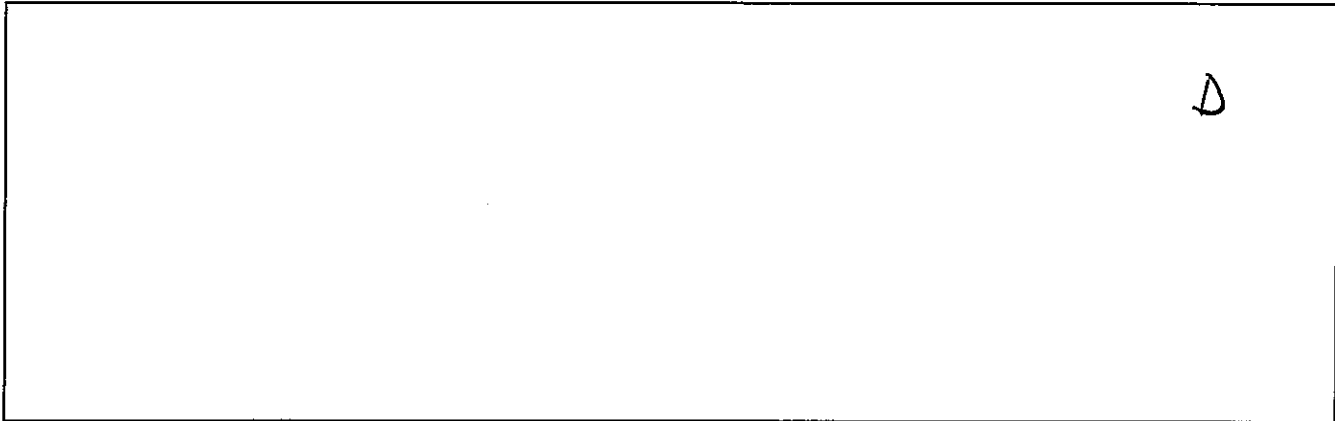
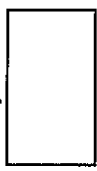
Indicative and non-binding bids for the assets have been forwarded to the sellers on September, 7<sup>th</sup>. Out of ca. 40 competitors the sellers selected 7 parties, among which Gasunie, to carry out a due diligence with the objective to prepare binding bids for the targets by November, 9<sup>th</sup>.

It is expected that the sellers will invite one or two preferred buyers to enter into final negotiations shortly after the binding bids have been evaluated. The sellers likely aspire to sign a Sales and Purchase Agreement (SPA) by year end. The formal engagement processes with the sellers have given rise to the assumption that a closure of the deal will not take place before mid year 2008.

The acquisition of the BEB & EMGTG assets is a unique opportunity to transform Gasunie into a leading North West European infra structure player. This move from a national to a truly European player lifts Gasunie into a level playing field of larger European companies like E.ON transport, Gaz de France and National Grid with the clear objectives to enforce the Dutch gas-roundabout and to enhance security of supply for customers in The Netherlands. This holds already true for Norwegian gas which enters the BEB network in larger volume at Emden, close to the Dutch border. In particular Gasunie will have the opportunity to realize a physical connection between the landing of Russian gas at Greifswald, Germany (the NordStream project) and The Netherlands, creating additional export options of this gas to the UK.

In addition, the acquisition will boost a number of important strategic rationales for Gasunie and its shareholder under which support of both the development of a free market and competition as envisaged in the "3<sup>rd</sup> package" of the EU commission and the "pentilateral" consultation of the Dutch government. The prolongation of the L-gas lifecycle (Groningen gas quality) supported by relevant services, not only safeguards a cost efficient transition from L-gas to H-gas it also strengthens the ability of Gasunie to act as a key agent for the L-gas market in which the Dutch State is a major stakeholder. In addition it will provide a broader framework for judging the needs for quality-conversion in North West Europe. Consequently, related flexibility services will arise and add value to both shareholder and customers. Notwithstanding the current regulatory uncertainties, the German market served by BEB and EMGTG offers a stable cash flow and return profile, which in turn will have a strong positive impact on Gasunie's financial position. From an operational point of view one may speak about the merger of two "twin-sisters". The target's network, although smaller in size, is a Gasunie replica.

A sale of such an asset in the current European gas industry is uncommon and it has to be stressed that the chances to acquire a similar asset of such strategic value for Gasunie and its shareholders in the near future are scarce.



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## *DESCRIPTION OF THE BUSINESS*

Due to the geographical and operational connection of the BEB network and the EMGTG network and the fact that BEB and EMGTG are currently technically both serviced by ExxonMobil, there is a strong rationale to sell both businesses in a package deal. In essence, the networks have always been considered as one, albeit with different owners.

### *Overview*

BEB and EMGTG pipeline networks, controlled from a central dispatching centre, consist of ca. 3640 km total pipeline length, of which approximately 54% are dedicated to the transport of natural gas of high calorific value (H-gas) and the remainder to the transport of gas of low calorific value (L-gas). A peculiar characteristic of the BEB network is that parts of the network are co-owned through so called "Bruchteilgemeinschaften" (BTG's) by local distribution companies, which own parts of the capacities in those pipes, which carry in average limited capacities. BEB and EMGTG are responsible for the operation of these pipelines. With respect to the target's participation in the transit pipelines Deudan and Netra, the relevant partners are amongst others Dong, Statoil, GdF and E.on/Ruhrgas transport. The network comprises 32+6<sup>1</sup> entry points for the injection of gas into the network and 173+32<sup>2</sup> exit points for the delivery of gas into adjacent pipeline systems or to directly connected end consumers. 8 Compressor stations with 23 compressure units pressurize the network.

BEB and EMGTG's networks are connected to indigenous gas production facilities ultimately owned by ExxonMobil and Shell as well as to certain gas production facilities of other producers, e.g. RWE Dea and Gaz de France. Via its five cross-border stations, the network is also connected to international gas pipelines from Denmark, Norway and The Netherlands. Furthermore, the network is connected to five third party-owned storage facilities.

In 2006, BEB established the Market Area Northern Germany (MANG) for H-gas together with a number of shippers active in the area as well as the MANG for L-gas together with EMGTG, enabling customers to transport gas across the networks of participating transmission system operators based on the entry / exit model stipulated by relevant German law.

Based on the combined networks the companies offer gas transport capacity and balancing services as well as a number of additional value added services to their customers. BEB's largest customers are the merchant affiliates of Shell and ExxonMobil, together accounting for capacity booking in the gas year 2006/07 of approximately 78% of total H-gas entry capacity bookings and 97% of total L-gas entry capacity bookings. The remainder is accounted for by a growing number of non-affiliated shippers. EMGTG's largest customer is a merchant affiliate of ExxonMobil, which accounts for the majority of capacity bookings in the L-gas and H-gas systems.

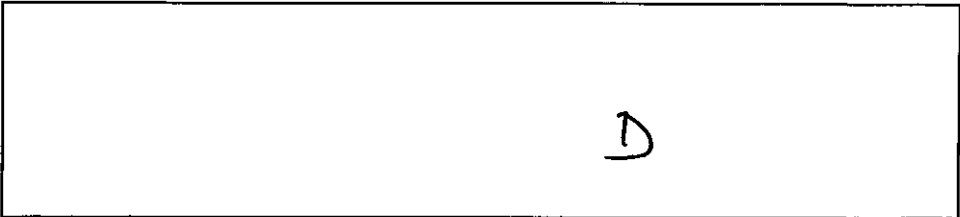
### *Market Environment and Regulation*

Germany, covering approximately 23% of its primary energy demand through natural gas, is the second largest market for natural gas in Europe. Natural gas consumption in Germany grew at a compound annual growth rate (CAGR) of 2.6% between 1992 and 2005. Energy supplies into the German market are highly demand driven.

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<sup>1</sup> The total number of entry / exit point is lower than the sum shown because BEB and EMGTG share some entry / exit points

<sup>2</sup> Idem dito



The German gas transportation system is organized on a three-tier structure: supra-regional transmission system operators (including BEB and EMGTG), regional transport network operators and local distributors.

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*Development of the German regulation regime*

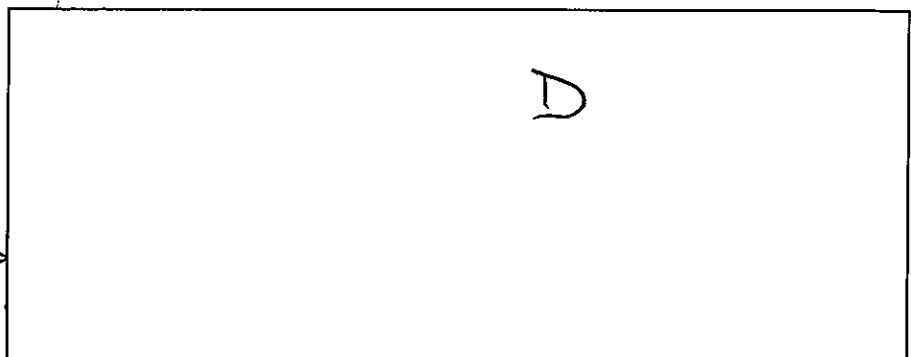
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7727



## ***DUE DILIGENCE***

### ***Process***

Gasunie has structured the due diligence process through 10 work streams and has employed financial, legal & environmental, tax & accountancy, and insurance advisors, from Germany, The Netherlands and The UK. At peak times the entire due diligence team including Gasunie employees accounted for more than 50 people. To ensure ownership of results, Senior Gasunie employees managed each work stream with the objectives to review the information provided by the sellers and flag, by means of a comprehensive due diligence report, risks and issues.

All teams had delivered an intermediate report by October 26<sup>th</sup>. These reports form the basis of the current business case. It should be noted that experience shows that sellers often disclose important documents very late in the due diligence process. The entire due diligence team will continue to monitor and analyze the information provided by the sellers until the data room will be closed.

The identified key risks and the appropriate mitigation measures are described in Appendix 1.

## ***VALUATION***

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Firm value- Euron 1 and Euron 2 including associates (€mm)

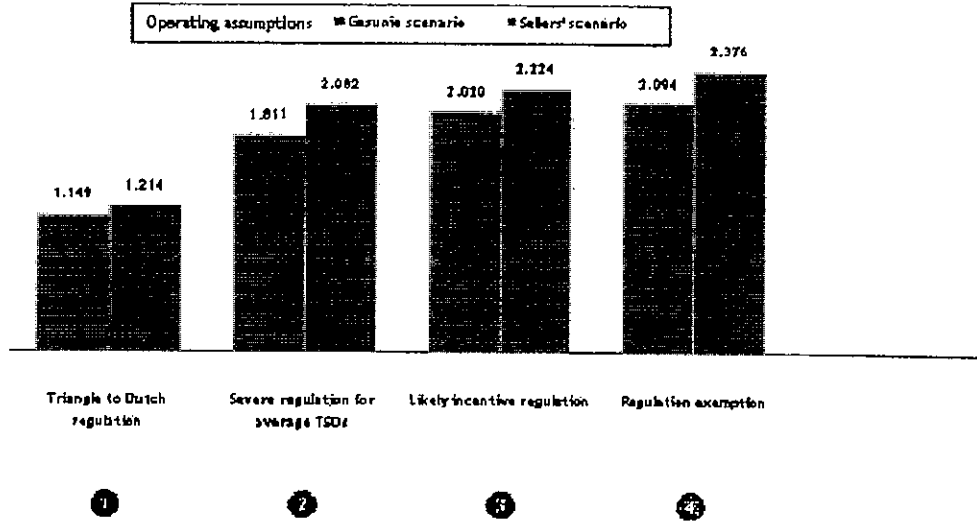
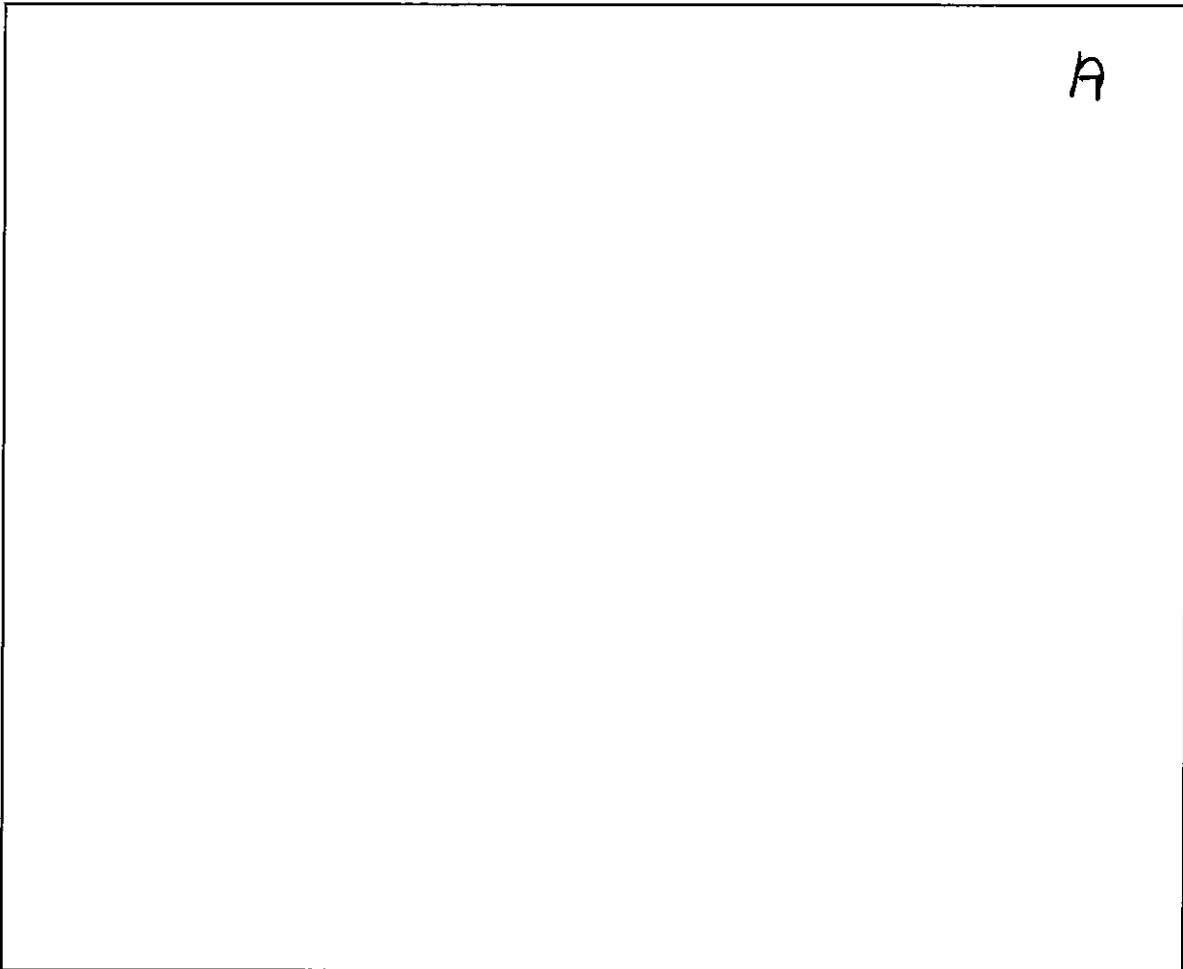


Figure 1: Comparison of Firm Values

***FINANCING & RATING CONSIDERATIONS***



## *CORPORATE STRUCTURE & PARTNERING STRATEGY*

In close co-operation with Gasunie's tax advisors a corporate structure has been proposed that will allow for both an appropriate tax shield for dividends transferred from Germany to The Netherlands and an acceptable structure to ease participation of financial investors and/or strategic partners at a later stage of the project. This partnering strategy has been explicitly taken into account to guarantee the most the highest flexibility

### *DIVIDENDS*

The estimated forward dividends (based on a 100% pay-out ratio) to the shareholder from Gasunie will not be negatively affected by this transaction. The cash flows of the targets provide, based on the assumption of 100% leverage at Gasunie level, for additional average dividends in the order of  
m. Even if a rating change to AA-/Aa3 occurs, the total dividends of the combined entities will provide for a higher absolute dividend payment than Gasunie standalone.

## *APPENDICES*

### *APPENDIX 1*

#### *MAIN DUE DILIGENCE RESULTS IN DETAIL*

##### *Risk mitigation through bid documents*

The final bid documents will comprise of a bid letter and a marked-up version of the sales and purchase agreement provided by the sellers. In addition risks flagged by the due diligence teams will be treated by means of the following decision tree:

<b>Risk acceptable</b>	<b>Risk not acceptable</b>
Monitor risk after closure	Preferable: SPA mark-up If contractual shield cannot be safeguarded: Price the risk in bid price
The bid letter will contain those risks which cannot be marked-up in the SPA and/or sufficiently priced.	

The following risks that are not acceptable and the according mitigations have been identified:

##### **De-Merger**

We have not been provided with sufficient information about the content, structure and timing of the envisaged de-merger. This provides a lack of clarity and therefore a reference will be made in the SPA to the necessity of a clear de-merger concept. Furthermore Gasunie will ask the sellers to guarantee the result of the de-merger and demand full cooperation of the sellers in case of deviation of the concept.

##### **Management of business until closing**

According to the draft SPA, the management of the business until closing of the transaction remains with the sellers and is therefore at their sole discretion. In the SPA mark up Gasunie will demand more information rights and as soon as regulatory clearance has been given, additional cooperation rights.

##### **Deposit**

The sellers have asked for a deposit of 10% of the purchase price at signing of the SPA. Gasunie will not accept this deposit demand and will amend the SPA accordingly. As a fallback scenario, Gasunie is willing to discuss the possibility of setting up an escrow account, which will be immediately refunded in case closing fails.

##### **Representations and warranties**

The representations and warranties in the SPA have not been adapted enough to capture the necessary scope of the de-merger. These will be amended so they will secure the transfer of BEB transport including adequate employees.

##### **Regulation**

Sellers maintain that their application for exemption from regulation will be granted. As described above the BNetzA envisages a very much different regime. The latter has been taken as the basis for our valuation and the regulation risk is hence reflected in the bid price.

**Opex/capex spending**

Compared to the information from the sellers, the technical team expects an increase in maintenance costs due to aging of the network. In addition higher investments are envisaged in, among others, IT infrastructure and 60 MW of compression. This risk will also be reflected in the bid price.

**Soil pollution**

Soil pollution is expected on several locations. The due diligence teams have found no results of soil surveys in the data room, though it is known that one location (Steimbke) will be cleaned up by the sellers. It will be mentioned in the SPA that all costs related to cleaning up of existing both known and unknown pollution have to be taken by the sellers.

**Pension costs**

The current pension provisions are based on German GAAP calculations. Under IFRS calculations these provisions will not suffice and will need to be increased from € 13.1 m to € 24.1 m. This will be incorporated in the bid letter in the explanation of the enterprise value adjustments.

**Possible step up**

The purchaser of the assets is to compensate the sellers for a possible higher basis of tax depreciation. This can have a significant financial risk. The compensation clauses in the SPA will be redrafted and further due diligence will be carried out after signing to mitigate this risk.

**Carve-out (IT/HR)**

These carve out due diligence issues have not been completed yet due to a lack of detailed information in the data room, especially with regards to the transition strategy. Transmission Services Agreements (TSA's) will have to be developed prior to closing of the transaction. This will be provided for in the SPA. The integration plan, currently being drafted by a Gasunie team supported by McKinsey as advisor, will define the relevant workstreams and safeguard not only participation in the carve-out process but will ensure access to the employees and operational sites between signing and closing of the transaction.

**Comparability of reference accounts**

For the calculation of the final purchase price, the final accounts pre- and post de-merger will have to be investigated further. This is not possible at the moment because the accounts have not been finalised and audited yet. A provision will be made in the SPA.

**Insurance**

The existing insurance policies and according coverage will expire at the closing date of the transaction. Any damage occurring before closing, but discovered after, is at the risk of the purchaser of the assets. Any remaining risk will therefore have to be covered in future insurance policies. The mitigation is subject to receipt of adequate information and will be mentioned in the SPA.

**Shareholder approval**

Final approval from the shareholder will not be given prior to the final offer. This will be mentioned in the bid letter.



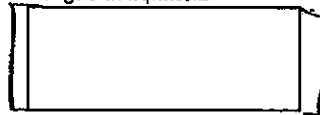
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Henk Chin Sue  
Executive Board Member, CFO  
N.V. Nederlandse Gasunie  
PO Box 19  
9700 MA Groningen  
The Netherlands

Investment Banking  
Mergers & Acquisitions



01 August 2007

#### Acquisition Opportunity in the European Natural Gas Transmission Sector

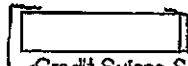
Dear Mr. Chin Sue,

Credit Suisse Securities (Europe) Limited ("Credit Suisse") has been retained as exclusive financial advisor with regard to the potential sale of a company which owns and operates a natural gas transportation pipeline system strategically located in Europe with a total length of more than 3000 km (the "Business"). In addition, Credit Suisse provides certain support services with regard to the concurrent potential sale of another company which owns certain interests in such natural gas transportation pipeline system (the "Related Business" and together with the Business, the "Businesses"). It is the intention of the respective shareholders of the Business and the Related Business to run parallel, though separate, processes. We have now been instructed to initiate processes to solicit non-binding offers from interested parties, with a view to reaching binding agreements concerning the sale of the Businesses before the end of 2007.

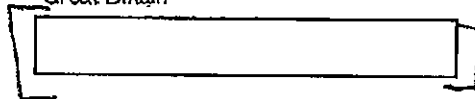
Credit Suisse would expect that based on the nature of the Businesses, their size, geographical location, strategic significance and financial parameters, Gasunie will be interested in receiving further information to fully consider whether to submit preliminary proposals concerning the potential acquisition of the Businesses. Equally, Credit Suisse would expect that Gasunie will be able to demonstrate its ability to meet the conditions which the ultimate purchaser of the Businesses will need to satisfy, namely:

- ▶ Either in its own capacity or via service arrangement(s) demonstrate the ability to operate physical gas transmission assets in a prudent manner to ensure continued asset integrity and reliability of the operations and be capable of integrating the Businesses within its own organization;
- ▶ Demonstrate commitment to non discriminatory third party access to infrastructure and preparedness to operate within a regulated market environment;
- ▶ Possess a commercially sound balance sheet and be able to generate sufficient financial resources to take over the Businesses and run its operations on a sustainable basis.

We kindly request that you indicate your interest in receiving additional information regarding these potential divestments by signing and returning the enclosed confidentiality undertakings at your earliest convenience by mail with advance copy by email or fax to



Credit Suisse Securities (Europe) Limited  
One Cabot Square  
London E14 4QJ  
Great Britain



Upon receipt of your expression of interest by way of returning both signed confidentiality undertakings, you may be invited to participate further in the sales processes by issuing to you Confidential Information Memoranda concerning the Business and the Related Business and inviting you to make non-binding purchase offers.

Sincerely,

**CREDIT SUISSE SECURITIES (EUROPE) LIMITED**

CREDIT SUISSE

CREDIT SUISSE SECURITIES (EUROPE) LIMITED  
17 Columbus Courtyard Phone +44 (0)20 7888 8888  
London E14 4DA Fax +44 (0)20 7888 1600  
www.credit-suisse.com

Henk Chin Sue  
Executive Board Member, CFO  
N.V. Nederlandse Gasunie  
PO Box 19  
9700 MA Groningen  
The Netherlands

Investment Banking  
Mergers and Acquisitions

14 August 2007

## Acquisition Opportunity in the European Natural Gas Transmission Sector

Dear Mr. Chin Sue,

Further to your execution of the confidentiality undertaking dated 14 August 2007, on behalf of our Clients ESSO Erdgas Beteiligungsgesellschaft mbH ("ExxonMobil") and Deutsche Shell Holding GmbH ("Shell") (together the "Sellers") we are pleased to provide to you additional information concerning the opportunity and the procedures to be observed with respect to the proposed transaction.

The Sellers are currently evaluating a possible sale of all shares in a 50/50 joint venture company, holding the natural gas transport pipeline business (the "Business" or "BEB Transport"), of BEB Erdgas und Erdöl GmbH ("BEB") (such potential sale hereinafter referred to as the "Transaction"). The Sellers have engaged Credit Suisse Securities (Europe) Ltd. ("Credit Suisse") as their exclusive financial advisor in relation thereto. Credit Suisse will act as your contact and will be available throughout the process to answer any questions. You must not contact the Sellers, BEB, the Business, any of their respective subsidiaries or any of their respective directors, officers, customers, suppliers or employees directly in relation to the Transaction.

You are invited to submit a written, non-binding offer for the possible acquisition of the Business (an "Indicative Offer"). We are pleased to enclose the Confidential Information Memorandum (the "CIM") to assist you in your evaluation of the Transaction. Please note that the existence and content of this letter, the CIM, and any other confidential information the Sellers or their respective advisors may provide to you about the Business are subject to the terms of the confidentiality undertaking which you have executed for the benefit of the Sellers and by which you are bound.

Below, we set out relevant information concerning the process as currently envisaged by the Sellers:

### I. Transaction Background

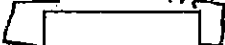
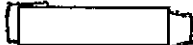
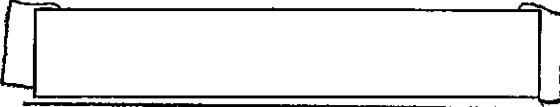
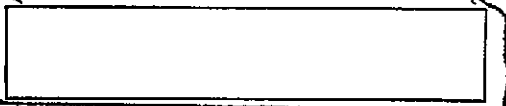
BEB Transport owns the natural gas transport pipeline business of the BEB group. The BEB group is inter alia engaged in the gas production and the operation of gas pipeline networks and gas storage facilities. BEB Transport is legally and operationally unbundled from the other BEB activities. The Sellers are evaluating a possible sale of the Business so as to achieve their overall objectives, namely to:

- ▶ Maximize the proceeds and the transaction certainty;
- ▶ Ensure BEB Transport is sold to a new owner suitable and committed to conducting the Business in compliance with certain operational safeguards covering the regional natural gas production undertakings to the extent legally feasible;
- ▶ Ensure continued compliance with relevant regulatory, safety, and other legal requirements;
- ▶ Ensure timely completion of the transaction with minimised risk of delay due to regulatory approvals, financing, or other constraints;
- ▶ Achieve a clean transfer of ownership of the Business and minimise the requirement for the Sellers to provide transitional services; and
- ▶ Sell to an entity with a commercially sound balance sheet and the ability to generate sufficient financial resources to take over the Business and run its operations on a sustainable basis.

The above criteria have been applied in selecting the group of potential bidders approached. You should assume that they will continue to be used as framework during the process and in determining the ultimately selected buyer.

## ii. Indicative Offers

Your Indicative Offer, signed by an authorized representative, should be delivered in writing, with advance copy by fax or email, by **5.00 pm (UK) on Friday, 7 September, 2007** to both:

Advance copy by fax or email:	By mail, as well as advance copy by fax or email:
 Credit Suisse Securities (Europe) Ltd. 17 Columbus Courtyard London E14 4DA	 Credit Suisse Securities (Europe) Ltd. Junghofstrasse 16 60311 Frankfurt
	

Indicative Offers should be submitted in writing and should contain the following information:

1. *Purchase Price:* Please specify the cash consideration (in Euros) you would be prepared to offer for 100% of the Business on a cash and debt free basis ("Enterprise Value"). Further, you are requested to specify in detail any deductions or additions you would propose to make to arrive at the cash purchase price for 100% of the equity of the Business. Please also note that you are required to provide a single Enterprise Value figure rather than a range of values. Should you submit a range of values, Sellers will only consider the lower value.

2. *Assumptions:* In formulating your Indicative Offer, you should state in sufficient detail all material assumptions, issues or conditions on which the purchase price is based. Specifically, please detail (i) your business plan including the underlying market, growth, and regulatory and tariff assumptions used for the purposes of the valuation, (ii) the valuation methodologies and metrics you have used, and (iii) how you have taken the current regulatory framework and its applicability to the Business as well as your expectations as to any future developments with regard thereto into account in your assumptions.
3. *Rationale and Plans for the Business:* Your Indicative Offer should describe the background for your interest in the Business, the strategic or other rationale for a Transaction and any plans you may have for the Business. You should also outline your experience in managing critical infrastructure assets and how you would intend to ensure continuing performance of the Business, including the consolidation of the Business organisation to be transferred with staffing plans, to the highest standards of service and availability. Equally, you should illustrate your prior experience in owning and managing gas transport related businesses, including their location and how you acquired the assets.
4. *Financing:* Your Indicative Offer should provide sufficient detail as to the contemplated financing in order to complete a Transaction. If prospective financing is being obtained from third-party sources, please specify the current status of your financing discussions, including an appropriate contact person. You should also provide details with respect to the process and timing required to secure such financing, any material conditions related to such financing as well as details with respect to your assumed financing and capital structure.
5. *Approvals:* Your Indicative Offer should specify any internal approvals which have been obtained prior to submitting the Indicative Offer, as well as any additional internal approvals which will be required prior to executing a definitive agreement or closing the Transaction. Your Indicative Offer should also include a statement as to any material external approvals (corporate, shareholder, regulatory, or otherwise) required to complete a Transaction. Please specify the timeframe necessary for obtaining all approvals.
6. *Anti-trust Implications:* You should provide a detailed assessment of any anti-trust implications of the Transaction (including anticipated filings), which may affect its timely conclusion, and elaborate on what commitments you would make if required to ensure that the Transaction would be consummated expeditiously. The Indicative Offer should indicate the likely timetable for satisfying such conditions or receiving such approvals. Alternatively, please provide contact details of an authorized officer or advisor whom we may contact to discuss potential anti-trust considerations.
7. *Conditions and Due Diligence:* Your Indicative Offer should include any other conditions and a description of the principal reasons that would lead you to alter the offered Purchase Price, subject to contract, for the Business or not consummate the Transaction in a timely fashion. You should detail a list of material due diligence issues to be resolved and additional information you will require prior to submitting a definitive proposal. In this context, you should also confirm that a due diligence team will be available to undertake the required due diligence.

8. *Identity of Acquirer and Advisors:* Your Indicative Offer should include a description of the proposed acquirer of the Business, including capital structure, jurisdiction and form of organization and affiliates. Please note that we request that you disclose any potential discussions or intentions to partner with a third party. Failure to do so at this stage may lead to the Sellers preventing you from partnering up with a third party at a later stage in the process. Please also detail the names and respective roles of any external advisors which you have engaged or plan to engage to assist you in evaluating the Transaction, indicating where relevant whether such advisors have already been retained.
9. *Contact Details:* Your Indicative Offer should include contact details (including telephone and facsimile numbers and e-mail addresses) of contact persons who will be available to answer questions regarding your Indicative Offer.
10. *Other Information:* Any other information that you consider important to the Sellers in their decision to select a purchaser for the Business.

### III. Clarifications

Should you require any clarifications with regard to the Business and the information contained in the CIM, you are invited to submit, via email to the Credit Suisse contacts outlined above, a list of no more than 5 questions by **5.00 pm (UK) on Friday, 24 August, 2007**. The Sellers, in their sole discretion, may choose to address some or all of your questions in a manner and form deemed suitable by them prior to the deadline for submission of an Indicative Offer.

### IV. Second Phase

Indicative Offers will be evaluated as soon as reasonably practicable. The Sellers, in their sole discretion, may identify a shortlist of potential purchasers from whom they wish to receive a definitive bid for the Business. Subject to those potential purchasers signing a comprehensive confidentiality agreement provided by the Sellers, they will be invited to conduct detailed due diligence in the second phase of the process, which will include (i) a presentation of the Business and Q&A sessions, (ii) access to a virtual data room and (iii) access to certain reports prepared to assist the due diligence process.

The timing of and procedures governing the second phase of the process will be provided to potential purchasers selected to participate in the second phase. It is currently contemplated that the second phase will commence shortly after review of the Indicative Offers.

In the second phase, potential purchasers will also receive a draft sale and purchase agreement specifying the terms upon which the Sellers intend to enter into a Transaction. Binding, definitive proposals, including contract mark-ups of the sale and purchase agreement, will be requested at the end of the second phase. Please note that Lovells and CMS Hasche Sigle are acting as the Sellers' legal advisors with regard to the Transaction.

## V. Parallel Process Regarding the Possible Divestiture of EMGTG

ExxonMobil is in parallel evaluating a possible sale of ExxonMobil Gastransport Deutschland GmbH ("EMGTG"), which holds a major gas transportation network in Northern Germany. Given the differing ownership of the assets, ExxonMobil and Shell have decided to conduct the evaluations of possible sales of BEB Transport and EMGTG as separate processes, but along the same timeline. Credit Suisse is providing certain administrative support services to ExxonMobil in relation to EMGTG. Potential purchasers are requested to strictly observe the separation of the processes and to communicate only with the appropriate contact persons for each of the processes as indicated to potential purchasers at the various stages of the processes.

Potential purchasers should be aware that due to the geographical and operational connection of the BEB Transport network and the EMGTG network and the fact that BEB Transport and EMGTG are currently technically both serviced by EMPG, ExxonMobil will only allow the divestiture of BEB Transport if EMGTG is sold at the same time on conditions acceptable to ExxonMobil. Shell, being a seller of BEB Transport only, will make its decision to consent to the disposition of BEB Transport solely based on the offers received for BEB Transport.

## VI. Miscellaneous

The CIM and this letter have been provided to you subject to a confidentiality undertaking previously entered into by you for the benefit of the Sellers, and have been furnished to you solely for informational purposes. The CIM was prepared to assist you in making your own evaluation of the Business, but should not be relied upon by you and does not purport to be complete in its description of the Business. Please refer to the notice at the preface of the CIM. You should make an independent assessment of the merits of pursuing a Transaction. Neither the CIM nor any other statement by the Sellers, Credit Suisse or any of their affiliates or advisors shall constitute a representation or warranty or create any liability for any party; representations made, if any, and/or warranties given shall be solely those set forth in a definitive sale and purchase agreement executed and delivered by the Seller.

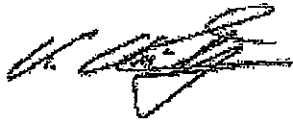
The Sellers expressly reserve – at their respective sole discretion – the right to reject any or all Indicative Offers for any reason or for no reason, to terminate discussions and negotiations with you at any time, to deal with one or more parties to the exclusion of others and modify the procedures described herein. Neither the Sellers, Credit Suisse nor any of their affiliates or advisors shall have any liability to any prospective purchaser as a result of the rejection of any or all Indicative Offers, the acceptance of any Indicative Offer or pursuing discussions or any transaction in respect of the Business with any other party. The only binding obligations of the Sellers, if any, shall be those set forth in a definitive sale and purchase agreement, if one is executed and delivered by the parties thereto, and no such obligation shall exist until such execution and delivery. This letter does not constitute any offer to sell the Business. An offer to buy the Business requires the acceptance by the Sellers, subject to all necessary approvals, in a definitive sale and purchase agreement to be mutually agreed upon and duly executed between the Sellers and the potential purchaser. You must bear all costs of your investigation and evaluation of the Business, including the fees and disbursements of your counsel and advisors. This process letter shall be governed by and construed in accordance with German substantive law. By submitting an Indicative Offer in accordance herewith you will express your consent to the provisions of this procedure letter.

Under no circumstances and in addition to the confidentiality obligations of the potential purchasers are any prospective purchasers allowed to contact, in connection with the Transaction, any third parties, in particular any suppliers, customers, employees, affiliates or similar of the Business or the Sellers without the prior express written consent of Credit Suisse on behalf of the Sellers. Credit Suisse remains the sole point of contact for the Transaction and is available to discuss matters relating to these procedures. Please direct all inquiries relating to the sale of the Business to

On behalf of the Sellers, we appreciate your interest in the Business.

Sincerely,

**CREDIT SUISSE SECURITIES (EUROPE) LIMITED**

A handwritten signature in black ink, appearing to be a stylized name, located below the company name.



## **RATIONALE EUSTON**

**De overname van BEB past in de strategie van Gasunie als onafhankelijk gasinfrastructuurbedrijf. Doordat het gaat om aangrenzende netten en naadloos aansluitende kernactiviteiten, is er sprake van een unieke kans. De acquisitie betreft een stabiel renderende, solide asset die bijdraagt aan waardecreatie voor de aandeelhouder en aan de verdere ontwikkeling van een transparante en goed functionerende Europese gasmarkt op basis van onafhankelijke netwerken. Hiermee zal Gasunie haar concurrentiepositie in de Europese energiemarkt kunnen versterken.**

### **I Inleiding**

#### **Nederland als gasrotonde**

De internationale gasmarkt is in beweging. In Europa staat de voorzieningszekerheid hoog op de politieke agenda's. De Europese lidstaten produceren steeds minder gas, terwijl de vraag blijft stijgen. Dit geldt in het bijzonder ook voor Nederland. Om die dreigende tekorten op te vangen moet Nederland steeds meer gas importeren. Bijvoorbeeld uit Noorwegen en Rusland omdat die landen nog over grote gasvoorraden beschikken. Het is van belang dat Nederland een belangrijke speler blijft op het gebied van de eigen en de Europese aardgasvoorziening. Ons land is namelijk bij uitstek geschikt om te fungeren als de 'gasrotonde' van Noordwest-Europa vanwege de centrale ligging en de beschikbaarheid van lege gasvelden die voor gasopslag kunnen worden gebruikt. Nederland wordt daarbij in het zadel geholpen door de aanwezigheid van een kwalitatief hoogwaardig gastransportnet. Als gevolg van de groei van het aantal nieuwe gasstromen zal dit net evenwel moeten worden uitgebreid en aangepast, bijvoorbeeld voor verschillende aansluitingen op buitenlandse netwerken. Doordat de kosten hiervoor over meer partijen verdeeld kunnen worden, zullen deze voor de Nederlandse burger beperkt kunnen blijven.

### **II Waarom Nederland?**

#### **Versterken concurrentiepositie Nederland**

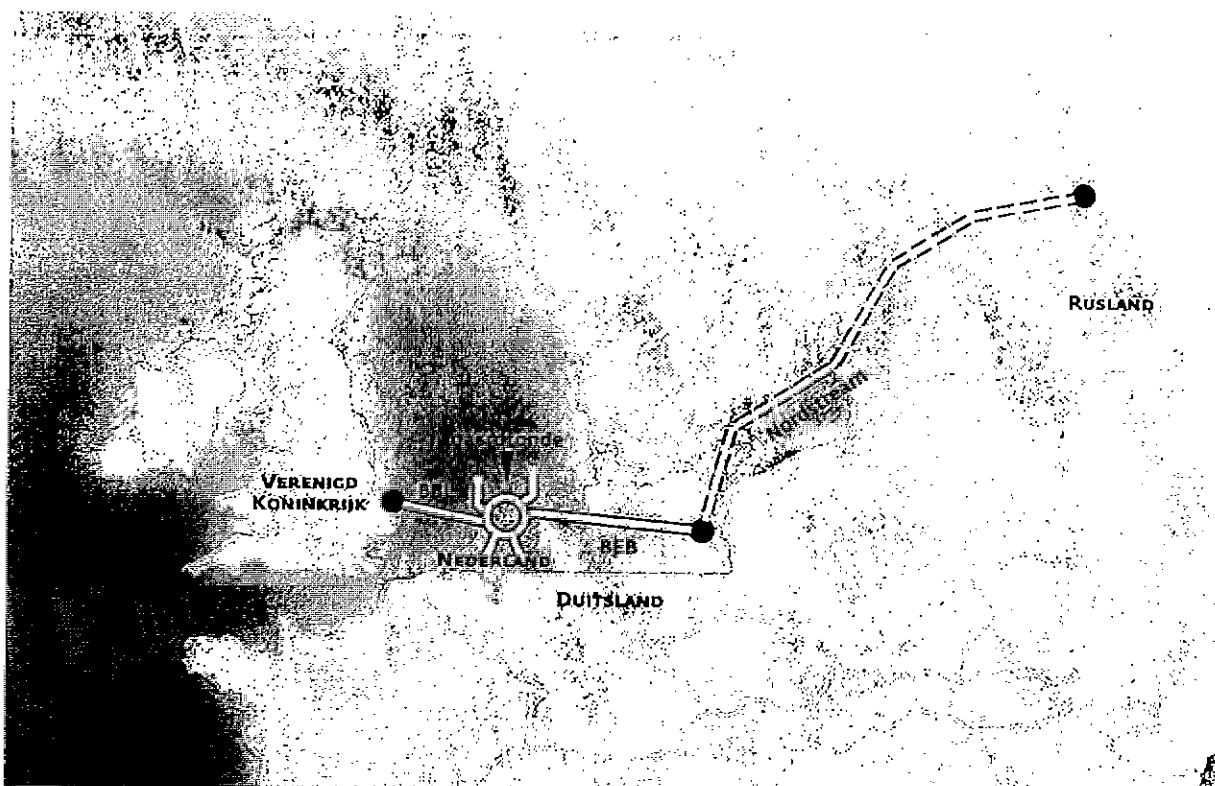
Door de overname wordt de (concurrentie)positie van Gasunie en daarmee ook die van de BV Nederland in Europa versterkt. Mede in het licht van een dalende eigen gasproductie is een internationale asset base met een grotere connectiviteit van belang voor een effectievere en efficiëntere uitvoering van de publieke taken van Gasunie waaronder leveringszekerheid en voorzieningszekerheid.

#### **Impuls voor eigendomssplitsing**

De overname geeft een impuls aan het proces van liberalisering en eigendomssplitsing in Duitsland. Dit past in het beleid dat Nederland en de EU voorstaan. Een succesvolle eigendomssplitsing van een deel van het netwerk in Duitsland kan als voorbeeld dienen voor andere netwerken in Duitsland. De Nederlandse overheid zet zich al actief in om de energiemarkten in deze regio te laten integreren (Regional Gas Initiative) en er zijn vergelijkbare initiatieven die erop gericht zijn te komen tot een geïntegreerde elektriciteitsmarkt. Dit proces zal door de overname worden bespoedigd.

### Meer gas door de gasrotonde

Vanwege dalende productie neemt in Nederland en Europa de afhankelijkheid van geïmporteerd aardgas toe. Hierbij wordt ook onderkend dat aardgas als schoonste fossiele brandstof de brug naar een duurzame energiehuishouding vormt. Aansluiting op gasstromen vanuit landen met grote reserves, zoals Noorwegen en Rusland, is daarom van belang. Uit oogpunt van voorzieningszekerheid is het netwerk van BEB in Noord-Duitsland strategisch gepositioneerd. Door de internationale koppelingen is het een aanvoerrote vanuit de grote gasreserves in Noord- en Oost-Europa (met name Noorwegen en Rusland). De aanvoer van gas uit Rusland zal in de toekomst in belangrijke mate gebeuren via NordStream, een nieuwe pijpleiding van St.Petersburg naar Noord-Duitsland, ter hoogte van de grens met Polen (Greifswald). Het BEB-net stelt Gasunie in staat de NordStream leiding rechtstreeks te koppelen aan het bestaande Gasunie-net. Dit gas kan via de Nederlandse gasrotonde worden geleid naar Nederlandse afnemers of worden afgevoerd naar het buitenland, onder meer naar het Verenigd Koninkrijk via de door Gasunie aangelegde BBL. De Nederlandse gasrotonde wordt hierdoor een spil tussen grote gasproducenten in het Noordoosten en Europese afnemers –in feite wordt de bestaande Oost-west-as van het Nederlandse netwerk een belangrijke schakel tussen “Londen en Berlijn”.



### Betere marktwerking en vergroten liquiditeit

De energiemarkten van Nederland en Noord-Duitsland zijn van oudsher nauw met elkaar verbonden. Dit geldt niet alleen voor gas maar ook voor elektriciteit. Door de samenvoeging van BEB en Gasunie ontstaat een geografisch strategisch sterk gepositioneerde infrastructuur. Juist door de onafhankelijkheid van het infrastructuurbedrijf kan er een stimulans uitgaan voor het bevorderen van marktwerking

in deze regio. Hierdoor wordt de liquiditeit op de gasmarkt vergroot en ontstaat meer concurrentie met positieve (prijs)effecten voor eindgebruikers.

#### **Regie in L-gasmarkt**

Het BEB-netwerk bestaat uit een L-gas en een H-gas gedeelte. De L-gasmarkt wordt thans grotendeels bediend door eigen productie uit diverse kleine gasvelden. Deze loopt de komende jaren terug en daardoor ontstaat mogelijk een interessante markt voor Nederlands Groningengas. Het alternatief is omschakeling op H-gas. Het behoud van een L-gasmarkt in Nederland en Noord-Duitsland is van belang om de life cycle van G-gas te verlengen en te helpen voorkomen dat Nederland met zijn G-gas op een eiland komt te zitten, indien omringende landen besluiten te gaan ombouwen naar H-gas. Door uitbreiding van het netwerk heeft Gasunie meer opties en tevens de mogelijkheid de regie te behouden in geval er ook in haar eigen netwerk uiteindelijk ombouw naar H-gas moet plaatsvinden.

### **III Waaron Gasunie?**

#### **Past naadloos in core business**

De verwerving van het aangrenzende BEB-net is een kans om te komen tot schaalvergroting en waardevermeerdering. Doordat het net van BEB direct gekoppeld is aan het Gasunienetwerk en de activiteiten naadloos aansluiten op de core business van Gasunie, is er hier sprake van een unieke kans. Met ruim 3000 kilometer pijpleiding is het BEB-systeem qua omvang ongeveer een kwart van het Gasunie-systeem. Beide netwerken zijn qua structuur, technische standaardisatie en benutting nagenoeg identiek – beide transporteren bijvoorbeeld zowel L- als H-gas- waardoor het BEB-netwerk voor Gasunie bekend terrein is. De achterliggende reden hiervoor is dat Shell en ExxonMobil als voormalige aandeelhouders van Gasunie de lay out van het net hebben bepaald, zoals ook het geval is bij BEB. Door schaalvergroting ontstaan mogelijkheden voor systeemoptimalisatie en het realiseren van synergievoordelen.

#### **Betere uitgangspositie voor toekomst**

Met een overname van BEB versterkt Gasunie haar positie op de Europese gastransportmarkt, mede in het licht van een mogelijke consolidatieslag en/of een eventuele (deel)privatisering van Gasunie door de aandeelhouder. Uitbreiding van het Gasunienetwerk met dat van BEB leidt tot meer business opportunities, niet alleen voor transport, maar ook voor aanvullende diensten (opslag).

#### **Stap naar eenwording gasmarkt**

Het virtueel handelspunt van BEB is het snelst groeiende handelsplatform in Duitsland en daarmee een concurrent voor TTF. Een liquide spotmarkt is van belang voor het aantrekken van nieuwe gasstromen en het realiseren van stabielere prijsvorming. Daarom streeft Gasunie -hierin gesteund door EZ- naar koppeling van de handelspunten van BEB met TTF. De overname brengt de realisatie hiervan dichterbij.

**Tot slot**

**Infrastructuur als nationale core business**

Met een overname van BEB ontwikkelt Gasunie zich -net als bijvoorbeeld Schiphol- tot een van de dragers van een belangrijke core business van Nederland: infrastructuur ('Nederland Distributieland'). Dit in tegenstelling tot andere recente ontwikkelingen bij o.a. ABN-AMRO. Eindelijk weer eens iets om nationaal trots op te zijn. Nederland als gasland.

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SEPTEMBER 3, 2007

gasurhe

PROJECT EUSTON

BOARD PRESENTATION

STRICTLY PRIVATE AND CONFIDENTIAL

JPMorgan 

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PROJECT EUSTON

# Agenda

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# Two simultaneous sales processes are in place

INTRODUCTION AND SITUATION OVERVIEW

## Overview of assets

### Euston 1

- Euston 1 is the transportation division of Euston Group
- Supra-regional transmission system (North Germany)
  - ▣ 3,100km of pipeline with H and L gas capacity
  - ▣ Connection to Germany's gas production facilities and international pipelines from Denmark, Norway and The Netherlands
  - ▣ 32 entry points/173 exit points
- 86% capacity utilisation in Gas Year 2005/06
- 2 core clients representing >85% of capacity bookings
- Market Area Coordinator for Markets Areas Northern Germany

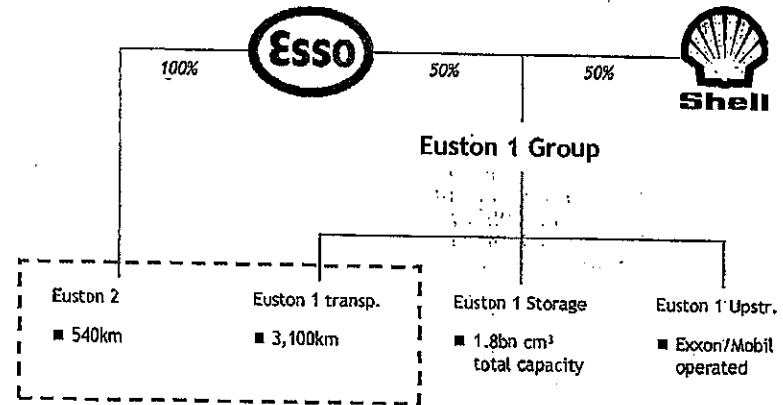
### Euston 2

- Euston 2 is a supra-regional transmission asset geographically and operationally connected with Euston 1
  - ▣ 540km of pipeline
  - ▣ Connection to Germany's gas production facilities and international pipelines from Denmark, Norway and The Netherlands
  - ▣ 6 entry points/32 exit points
- The scope of the transaction only includes the transportation asset—no personnel will be transferred as part of the transaction
  - ▣ Technical, marketing, dispatching provided by Euston 1 and sister companies via a service agreement

Source: Information Memorandum

<sup>1</sup> Excluding income from associates and standalone additional costs of €5.5–7.0mm as per Information Memorandum

## Organisational structure

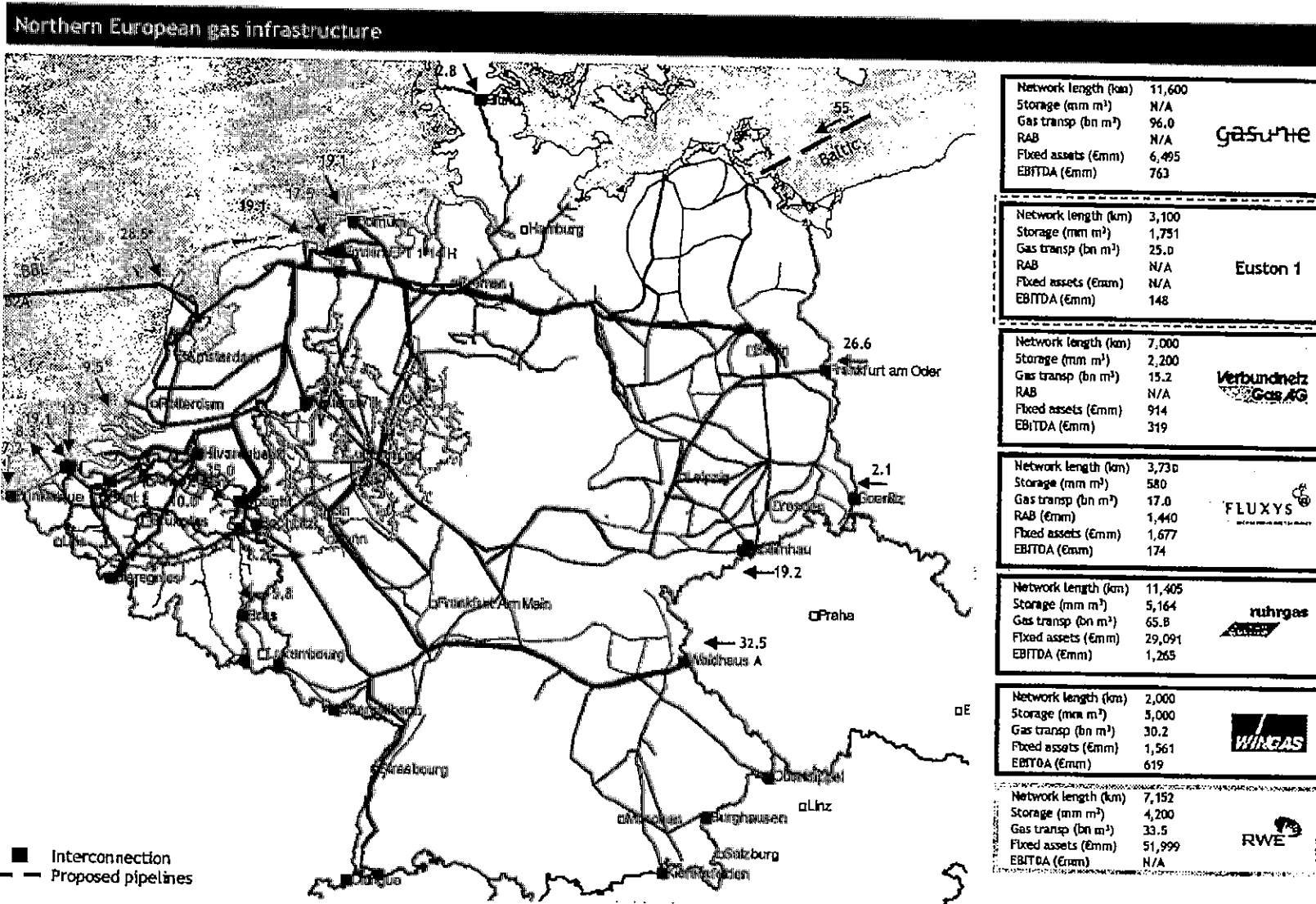


## Pro forma financials (€mm)

Dec YE	2005A	2006A	1H 2007A
<b>Revenues (ongoing activities)</b>			
Euston 1			---
Euston 2			---
<b>Normalised EBITDA<sup>1</sup></b>			
Euston 1			---
% margin			---
Euston 2			---
% margin			---

# Euston is well placed for transit volumes and supply to Gasunie's network

INTRODUCTION AND SITUATION OVERVIEW

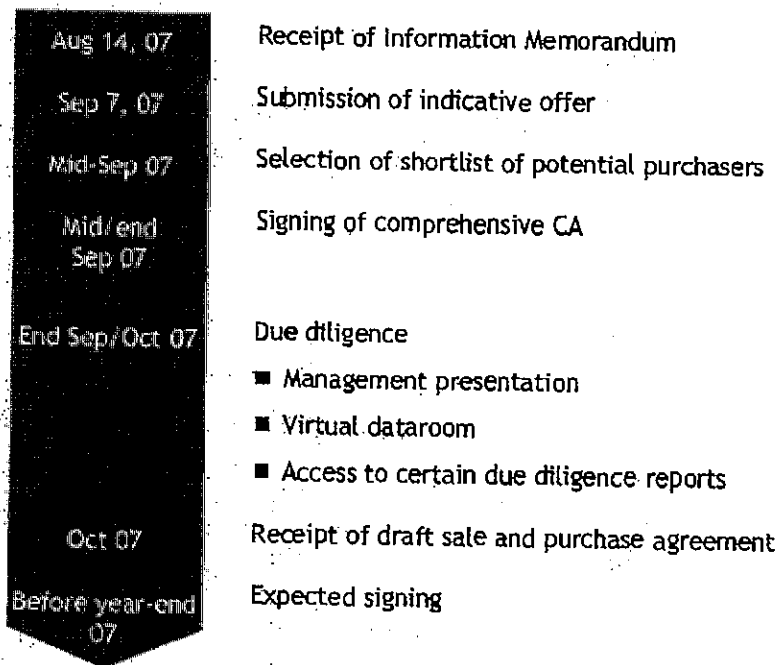


# Timetable aimed at signing before year-end

## Process overview

- Credit Suisse has been retained by Exxon Mobil and Shell to advise on the sale of Euston 1 and Euston 2










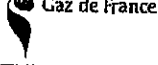















## Seller's timeline














## Key highlights of non-binding bid letter

- Purchase price
  - Agree on "price" versus value
  - Consider bid levels of competitors
- Assumptions
  - Discuss appropriate level of detail on valuation assumptions and regulatory framework
- Rationale and plans for the business
  - Discuss consolidation of the business organisation to be transferred with staffing plans
- Financing
  - Financing from third-party sources needed?
- Approvals
  - Important to highlight that expedite closing will be possible
- Anti-trust implications
  - Assessment of anti-trust implications
- Conditions and due diligence
- Identity of acquirer and advisors
  - Disclose partnering intentions broadly

# Competition landscape

Potential industrial buyers universe				
Company	Market cap. (€bn)	S&P rating	Comments	Rumoured to have received IM
 RWE	46	A+	■ Excellent fit, extension of RWE's gas pipeline Thyssengas	
 WINGAS	195	BBB	■ Continued appetite for downstream gas with Germany as a core target market; Wingas could be used as acquisition vehicle	
 Verbundnetz Gas AG	3	N/A	■ Good fit with adjacent service territory to BEB; however might be distracted by its internal issues with EWE	
 DONG energy	9	BBB+	■ Proximity with own pipeline network is attractive as well as entry into Germany	
 VATTENFALL	33	A-	■ Keen to enter the German gas business given current lack of gas strategy	
 Gaz de France	36	AA-	■ Strong appetite to expand in Germany; needs to strengthen access to gas and to demonstrate standalone growth strategy	
 SVEZ	53	A-	■ Good fit with Belgian operations; keen to develop standalone gas strategy as illustrated by Gas Natural purchase	
 centrica	21	A	■ Recently opened presence in Germany; looking for European expansion	
 edf	142	AA-	■ Actively looking for gas expansion with Germany a core target market; could be structured with EnBW	
 gasNatural	20	A+	■ Could use the asset to support Northern European expansion	
 EnBW	14	A-	■ Keen to grow in gas and expand in Northern Germany	
 Eni	113	AA	■ Interested in expanding German gas business; could be structured with GVS, its 50/50 gas JV with EnBW	
 e-on	92	A	■ Will likely have antitrust issues	
 EWE	N/A	A	■ Interested in gas transmission; however, might be distracted by internal issues	

**Infrastructure funds having received the Information Memorandum**

Name	Headquarters	Utility investments	AUM	Comments
 Heritage Funds Management Limited	Melbourne, Australia	<ul style="list-style-type: none"> <li>Mid Kent Water</li> <li>South East Water</li> </ul>	\$6bn	<ul style="list-style-type: none"> <li>Highly interested in the target and in partnership discussions with Gasunie</li> </ul>
 RREEF	New York, NY		\$1.5bn	<ul style="list-style-type: none"> <li>Highly interested in the target and in partnership discussions with Gasunie</li> <li>Formerly part of DB Capital Partners in Australia</li> </ul>
 JPMorgan	New York, NY	<ul style="list-style-type: none"> <li>Zephyr Wind Farm</li> </ul>	\$1.0bn	<ul style="list-style-type: none"> <li>Very interested in BEB and partnership with Gasunie</li> </ul>
 BDO KFF IIT	Toronto, Canada	<ul style="list-style-type: none"> <li>Significant Hydro and T&amp;D assets</li> </ul>	\$6.0bn	<ul style="list-style-type: none"> <li>Very interested in BEB and partnership with Gasunie</li> <li>Only participate if find operating partner</li> </ul>
 GIP	US		N/A	<ul style="list-style-type: none"> <li>Highly interested</li> </ul>
 Delta	UK	<ul style="list-style-type: none"> <li>Delta Hydracarbons</li> <li>AWG plc</li> </ul>	€10.7bn	<ul style="list-style-type: none"> <li>Highly interested</li> </ul>
 TEACHERS' PENSION PLAN	Toronto, Canada	<ul style="list-style-type: none"> <li>Intergen</li> <li>Scotland and South of England gas distribution networks</li> <li>Northumbrian Water Group</li> <li>Northern Star Generation</li> </ul>	\$4.5bn	<ul style="list-style-type: none"> <li>Investments in funds as well as direct co-investments</li> </ul>
 Morgan Stanley	New York, NY		N/A	<ul style="list-style-type: none"> <li>Currently fundraising</li> </ul>
 Allianz	Germany		N/A	<ul style="list-style-type: none"> <li>Rumoured to have partnered up with RWE</li> </ul>
 PRUDENTIAL	UK		N/A	<ul style="list-style-type: none"> <li>Interested if an angle with a partner</li> </ul>
 BABCOCK & BROWN	Sydney, Australia	<ul style="list-style-type: none"> <li>International Energy Group</li> </ul>	\$4.9bn	<ul style="list-style-type: none"> <li>Highly interested</li> <li>Have been in previous partnership discussions with Gasunie</li> </ul>

INTRODUCTION AND SITUATION OVERVIEW

# Strong rationale points towards obtaining control

INTRODUCTION AND SITUATION OVERVIEW

<b>Strategic</b>	<b>Security of supply</b>	<ul style="list-style-type: none"> <li>■ Important in time of declining domestic supply to gain more control over supply chain of Gasunie</li> <li>■ Closer to Russian supply flows</li> <li>■ Security of supply and business relations with Norway</li> <li>■ Greater control over Gasunie's supply chain by reducing German transit risk</li> </ul>
	<b>Enhance "gas roundabout" strategy</b>	<ul style="list-style-type: none"> <li>■ Attract more gas flows to the Dutch system, volume increase will enhance liquidity</li> <li>■ More supply to the Dutch market could lead to more competitive gas pricing</li> <li>■ Possibility to integrate trading platforms and create more efficient pricing</li> <li>■ Better supply coordination of gas imports into Netherlands with more pipeline further up the supply chain and gas in the line acting as storage</li> </ul>
	<b>Support liberalisation/ownership unbundling</b>	<ul style="list-style-type: none"> <li>■ A sale of Exxon/Shell networks supports the Dutch policy of unbundling</li> </ul>
<b>Financial/Value</b>	<b>No government capital required</b>	<ul style="list-style-type: none"> <li>■ The majority of capital will be raised through Euston</li> <li>■ Gasunie would have enough capacity to finance the remainder entirely</li> <li>■ Possible investment by financial investor(s) alongside Gasunie, who can add value from a political and financial point of view</li> </ul>
	<b>Core business expansion</b>	<ul style="list-style-type: none"> <li>■ Ability to optimise use of the networks, due to seamless fit of both networks</li> <li>■ Reaping of operating synergies (capex and opex) through best practice sharing</li> <li>■ Increased throughput can reduce unit cost of expansion and maintenance for Dutch customers</li> <li>■ Lower unit costs could further stimulate throughput</li> <li>■ Scale will position the company well for upcoming consolidation in gas transmission sector e.g. options to move North to Denmark at East to Eastern Germany or South into Belgium</li> </ul>
	<b>Reduce risk profile</b>	<ul style="list-style-type: none"> <li>■ Regulatory risk diversification will lead to lower perceived business risk</li> <li>■ Scale will enhance business profile as well as reduce risk</li> </ul>
	<b>Secure future investment</b>	<ul style="list-style-type: none"> <li>■ Business will retain its stable cashflow and return profile</li> <li>■ An improved business profile will lead to a lower cost of attracting capital, both equity and debt</li> </ul>

With 100% control Gasunie can control its destiny and become a major player in future consolidation in the European gas transmission sector

## Discussion topics for today

- 1 Valuation and the impact of leverage on valuation
  - ▣ Infrastructure funds have a lower cost of capital and can therefore bid a higher price
  - ▣ Strategic buyers such as Gasunie have the potential for synergies which however are lower than value impact from higher leverage
  - ▣ Gasunie should consider using a levered vehicle to be competitive on bid price
- 2 Approach key Dutch stakeholders
  - ▣ Tailored approach to ministry of Economics via Director General and Ministry of Finance via civil servants responsible for file prior to indicative offer
  - ▣ Inform coalition party representatives and potentially energy regulator prior to indicative offer with standard talksheet
  - ▣ Less focus on opposition party representatives
- 3 Potential partners
  - ▣ Focus on strategic and financial partners with German and Dutch angle
  - ▣ Reduces equity cheque and adds incentive to apply higher leverage
  - ▣ Keep potential partners warm but don't commit to anyone before phase 2
  - ▣ Be well-prepared for discussions with partners (i.e. proposed termsheet and structure)
- 4 Bid letter
  - ▣ Agree on bid price
  - ▣ Financing
  - ▣ Partnering intentions

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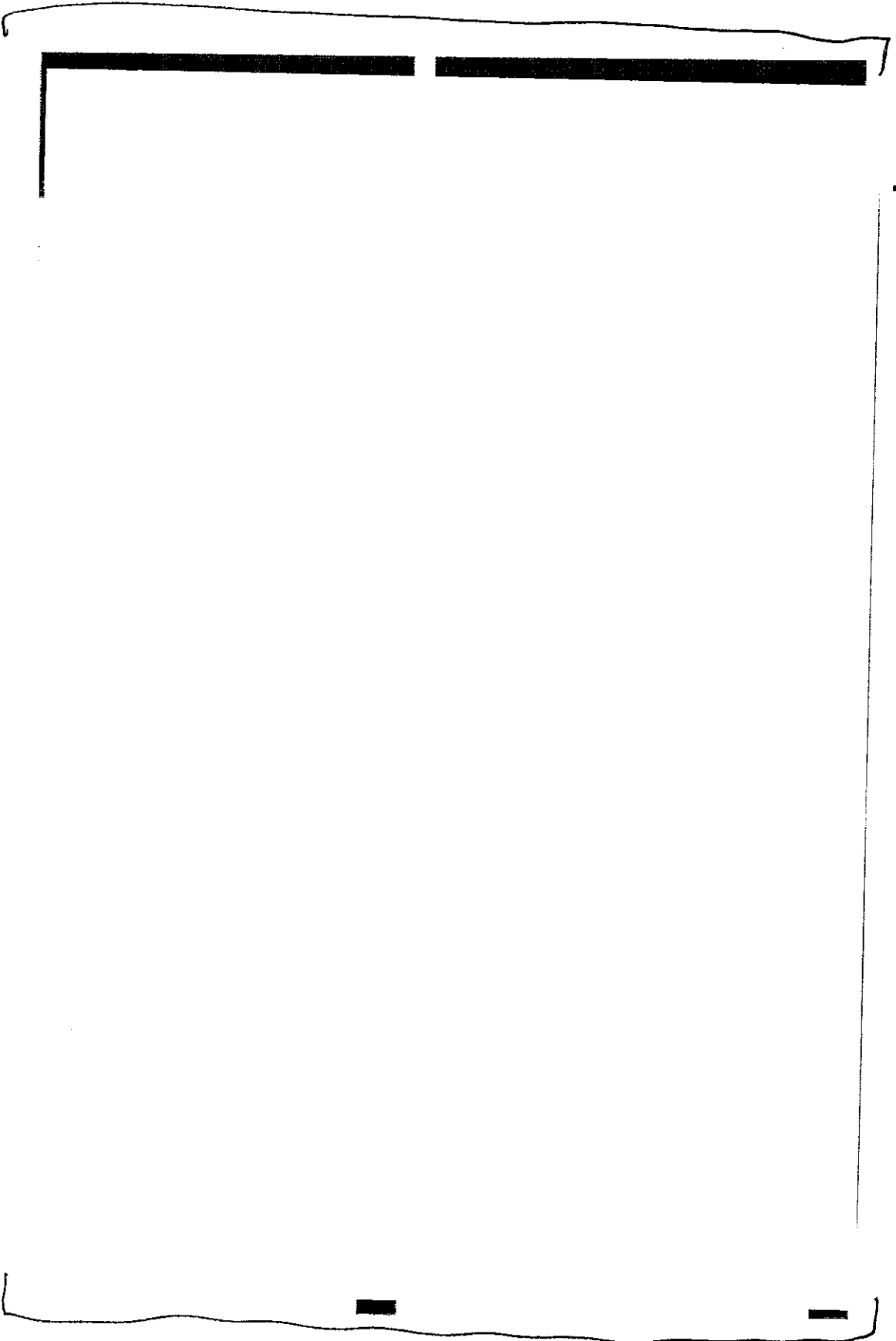
# Preliminary valuation of Euston 1 and 2 businesses indicates a range of €1.8–2.2bn

VALUATION AND IMPACT OF LEVERAGE

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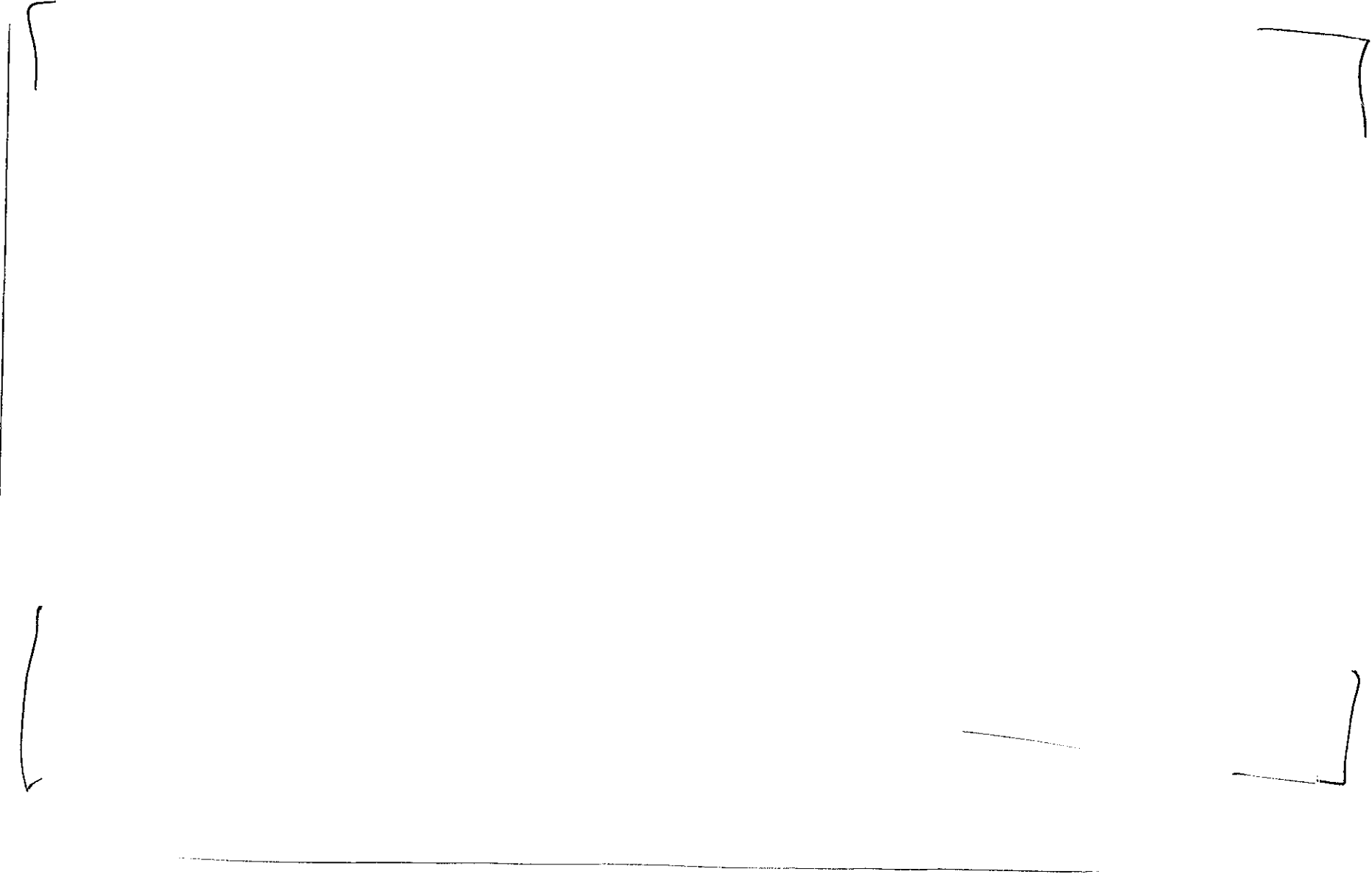
JF

**Key assumptions**



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VALUATION AND IMPACT OF LEVERAGE



# Key valuation sensitivities

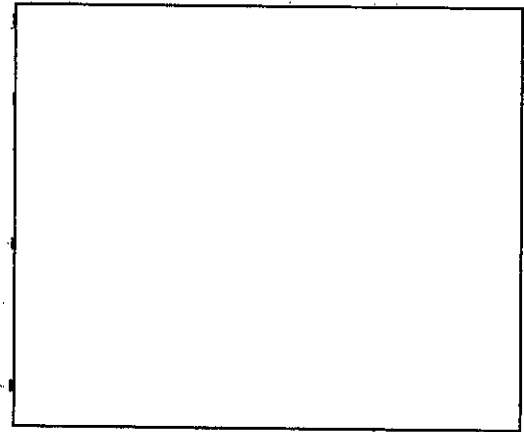
VALUATION AND IMPACT OF LEVERAGE



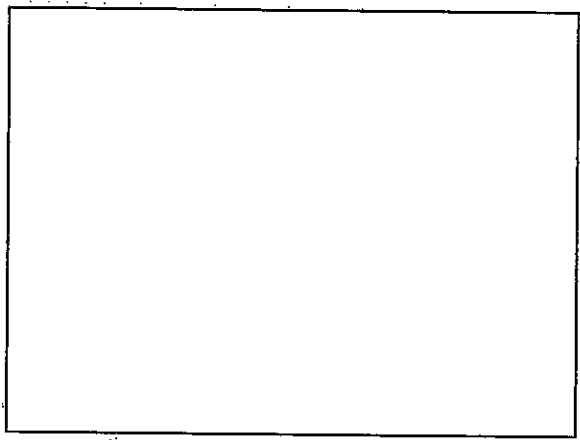
# This preliminary top-down estimate of synergies should be underpinned by a thorough bottom-up synergy analysis of Gasunie

VALUATION AND IMPACT OF LEVERAGE

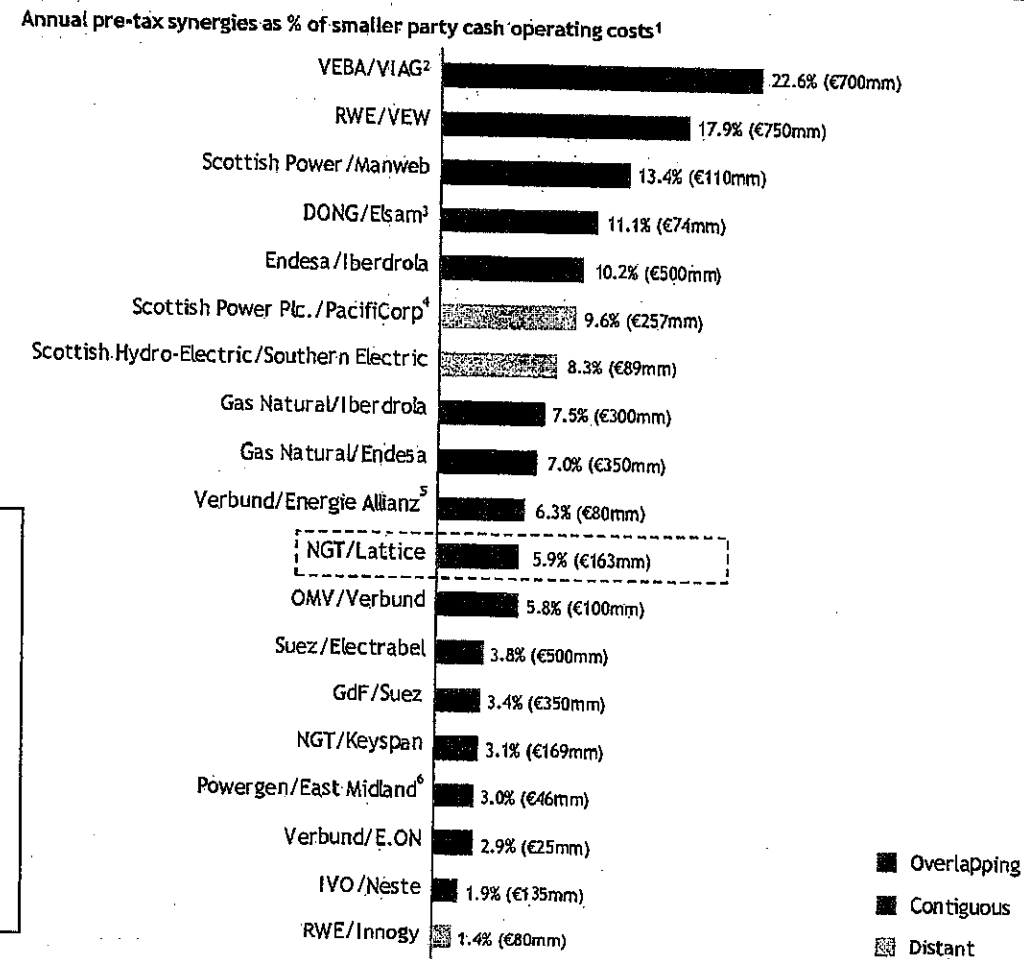
## Potential areas for synergies



## Synergy estimate for Euston 1



## Precedent utility transactions in Europe



Source: Factiva, company data, J5 Herolds, Merger markets, JPMorgan research, company filings, broker reports  
<sup>1</sup> Based on smaller party cash operating costs (defined as sales minus EBITDA); <sup>2</sup> Based on energy cost base of VIAG; <sup>3</sup> Assuming synergies of €1.5bn are spread over 20 years;  
<sup>4</sup> Cost base for PacifiCorp; <sup>5</sup> Cost base for Verbund; <sup>6</sup> Cost base for East Midland Electricity



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# We believe Gasunie could comfortably raise debt financing without impacting the credit profile

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VALUATION AND IMPACT OF LEVERAGE



Source: Information Memorandum, JPMorgan estimates

<sup>1</sup> Final Moody's ratings will include the two-notch uplift currently awarded by Moody's to Gasunie due to Government support

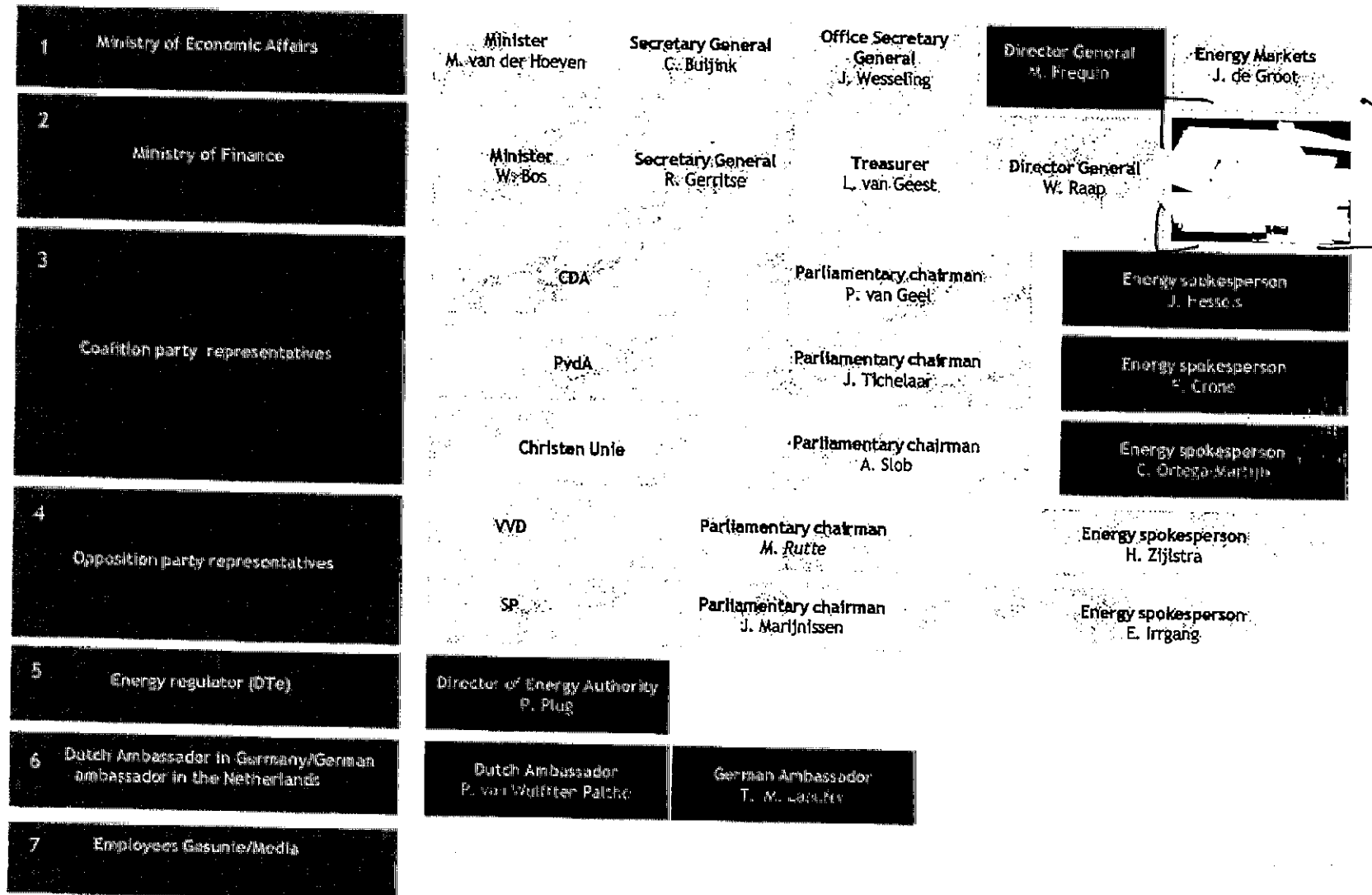
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# Key Dutch political stakeholders

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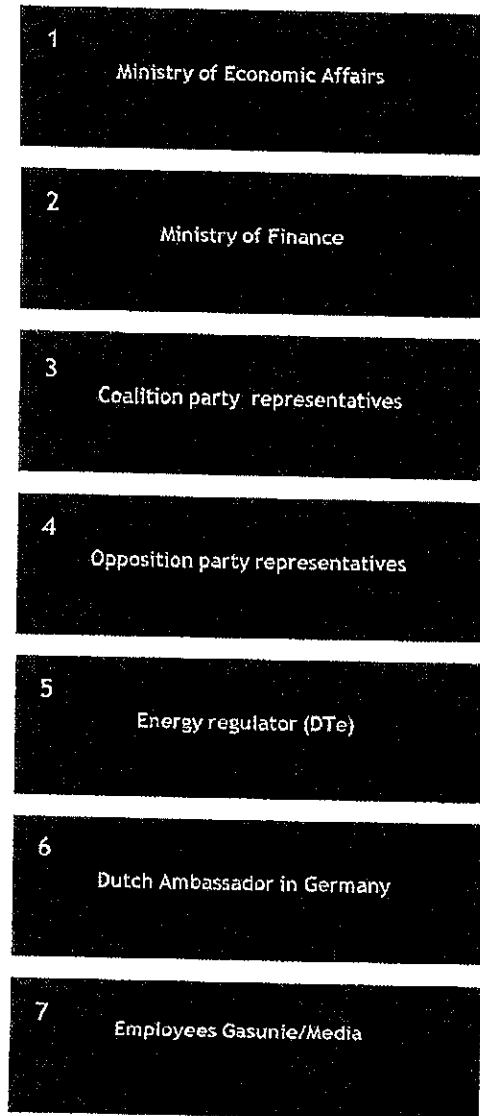
APPROACHING THE KEY DUTCH STAKEHOLDERS





# Suggested approach

APPROACHING THE KEY DUTCH STAKEHOLDERS



- Tailored approach prior to indicative offer
- V/d Hoeven has limited experience in the industry; hence will rely on Director General (Frequin)
- Approach should focus on Frequin with strategically oriented presentation
- Potentially joint approach with JPM
- Assess through Frequin when and how Minister should be approached

- Tailored approach prior to indicative offer
- Objective of Ministry is to avoid injecting equity
- Approach should focus on civil servants responsible for file (Brocheler and Verschuren)
- Joint approach with JPM with financially oriented presentation
- Assess through civil servants when and how other senior people should be informed

- Inform prior to indicative offer with standard talksheet
- Post indicative offer more detailed one-on-one presentations
- JPM has good access to Croné (most vocal and influential energy spokesperson)

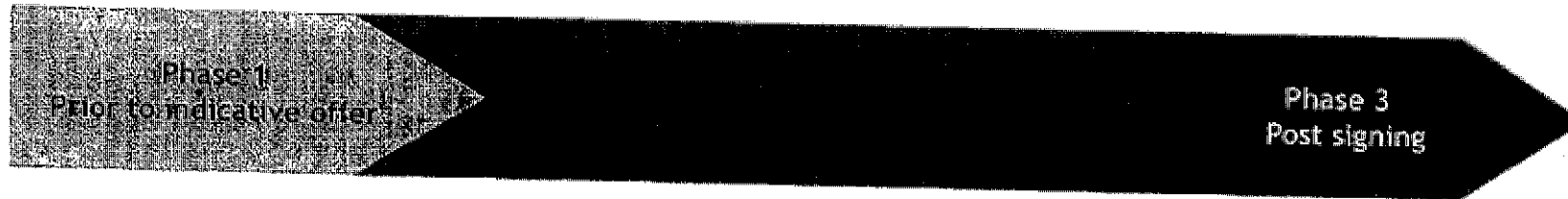
- No approach until post indicative offer
- Main focus should be on VVD
- SP in all likelihood to be against; hence approach SP questionable

- Inform prior to indicative offer with standard talksheet
- Post indicative offer more detailed one-on-one presentations

- No approach until post indicative offer
- Could assist in navigating German political landscape post indicative offer

- Need to know basis
- Broad announcement upon signing
- Leak statement prepared

# High level communication roadmap



- Inform MoEA (Frequin) and MoF (Brocheler, Verschuren)
- Consider informing key spokesmen of key coalition parties (Crone, Hessels)
- Prepare leak statement

- Convince MoEA of strategic rationale of transaction
  - Consider lobbying Minister through supporters (Elverding, van Lede)
  - Obtain formal approval
- Convince MoF of financial rationale
  - JPM to play key role
  - Start with civil servant level
  - Obtain formal approval
- Detailed one-on-one sessions with industry spokesmen from all coalition parties
  - Focus on strategic rationale
- Obtain support from ambassador and Ministry of Foreign Affairs
  - Access through Bot
- Consider one-on-one discussion (or phone call) between Balkenende and Merkel
- Update leak statement

- Issue detailed press release to media and commercial partners
- Inform employees
- Commence media roadshow with interviews in selected papers

APPROACHING THE KEY DUTCH STAKEHOLDERS

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## Partnering considerations

- The type of partner is driven by the type of leverage Gasunie will choose
  - Aggressive leverage – infrastructure funds will be most suitable partners
  - Conservative leverage – infrastructure funds will fall away
- The partner would reduce the equity cheque for Gasunie, build the case with the stakeholders in the Netherlands but also in Germany
  - Might lead to choosing two partners
- At this stage finding the right partner will be impossible before submission of non-binding bids and is also not required from the auction process laid out by CS
  - However, some of the competition have teamed up already and it is important to keep the important partners warm
  - Gasunie is recommended to continue to have discussions with infrastructure funds and strategics such as RReef, 3i, Hastings, Terrafirma, Babcock&Brown, Delta and VNG
- Based on the strategic rationale of the transaction, we strongly feel that Gasunie should acquire control of the target
- Ideal partner would help Gasunie
  - Convince all relevant stakeholders in Germany and the Netherlands
  - Get the deal done
  - Reduce the equity cheque for Gasunie that no fresh capital from the shareholder is needed without risking the current credit rating of Gasunie

# There are several partnership structures depending on Gasunie's objectives

	Sole bidder	Majority with funds	Minority with funds	Minority with funds and strategic partner	JV with German integrated gas player
Equity required by Gasunie <sup>1</sup>	€500mm	€255mm	€165mm	€255mm	€255mm
Gasunie Equity stake	100%	51%	33%	26% in MergeCo	51%
Structure				<p>Shareholders agreement</p>	
Assessment	<ul style="list-style-type: none"> <li>✓ Simple</li> <li>✓ Synergie extraction possible</li> <li>✗ Requires significant capital</li> <li>✗ No German angle</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reduced equity cheque</li> <li>✓ Synergie extraction possible</li> <li>✗ Negotiate with partner</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reduced equity cheque</li> <li>✗ Four-party consortium</li> <li>✗ Synergie extraction difficult</li> </ul>	<ul style="list-style-type: none"> <li>✓ Coast to border network</li> <li>✓ Demonstrable energy security</li> <li>✗ Significant capital, less influence</li> </ul>	<ul style="list-style-type: none"> <li>✓ German angle</li> <li>✓ Additional business opportunities</li> <li>✗ Partner is competitor to seller</li> <li>✗ Contradicts unbundling concept</li> </ul>

JPMorgan will help Gasunie to prepare term sheet and structure proposal to be well-prepared for discussions with potential partners

<sup>1</sup> Assuming a €2.0bn enterprise value transaction financed by €1.5bn of debt

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## Next steps

### Phase 1

- Finalise non binding bid letter
  - Agree on bid price

### Phase 2

Assuming Gasunie is invited to the next round, JPMorgan together with Gasunie will

- Further develop a detailed roadmap for approaching the Dutch stakeholders with tailored messages to the specific needs of the stakeholders
- Reach out to the potential supporters who can help in convincing all the stakeholders with regards to the investment case
- Develop a similar roadmap for the stakeholders on the asset side, e.g. Euston shareholders, German politicians, German regulator
- Perform due diligence on the target to refine assumptions and finalise valuation analysis
- Set up separate work stream to try to find separate angles on how Gasunie can differentiate itself from the competition such as gas marketing JV or gas storage contracts
- Need to take a decision immediately after being invited to Phase 2 on whether a partner is needed and which partner Gasunie should choose, i.e. strategic versus financial versus both and prepare term sheet and structure proposal to be well prepared for such discussions

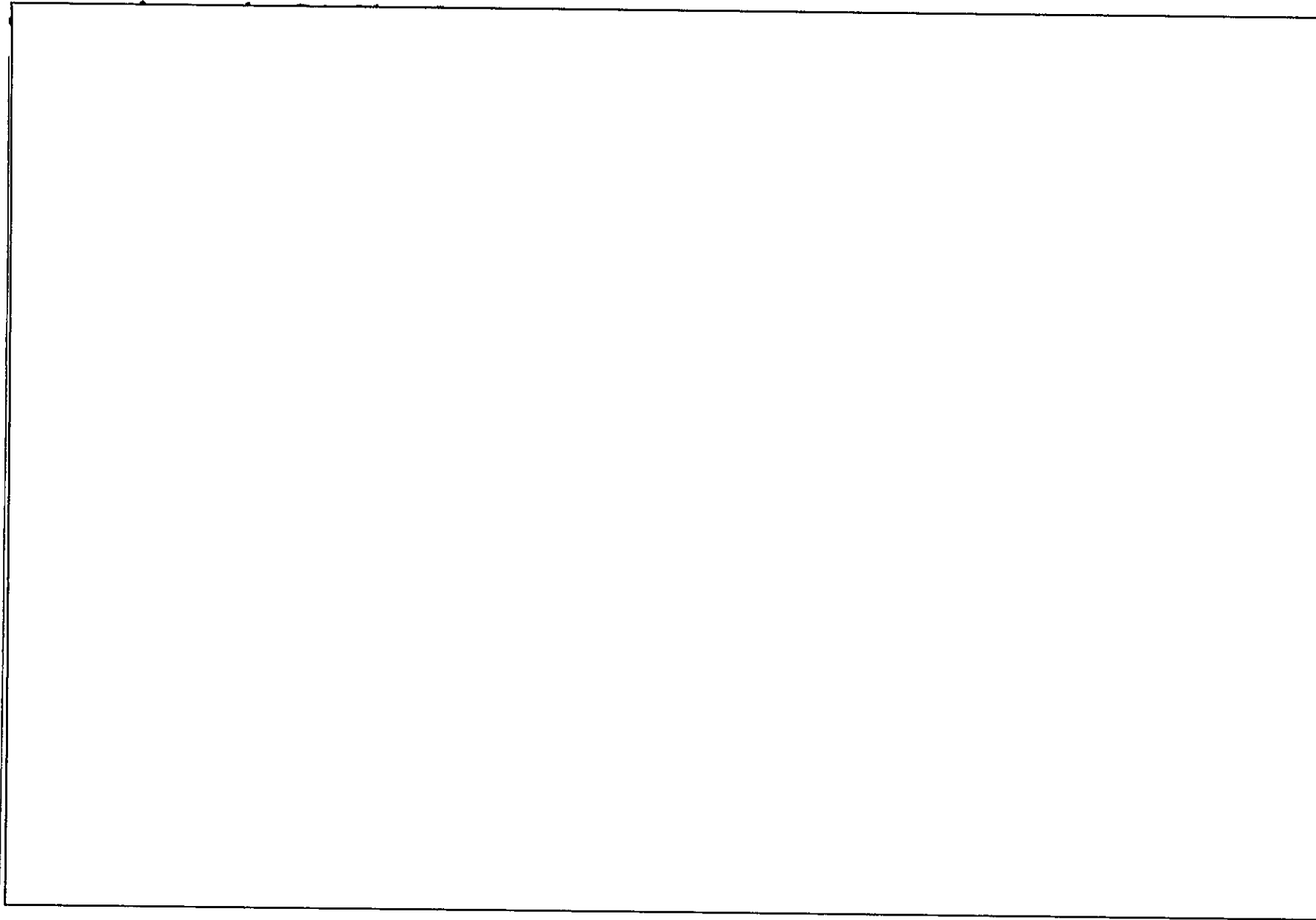
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# Preliminary DCF analysis suggest firm value of

A



# Regulated assets can be financed with a mix of Senior and Subordinated Non IG debt

## Indicative debt capacity

- Whilst no formal guidelines for Euston 1 and 2 debt capacity is imposed it is expected that regulated assets should be maintained with moderate financial flexibility - generally accepted as investment grade
- The asset would be unrated but it would still be advisable to be able to demonstrate a suite of ratios comparable to an investment grade profile
- However, Holdco debt is less scrutinised and further leverage is readily available
  - Ring-fencing at Opco level to maintain financial flexibility

## S&P bands for transmission utilities

Ratios - serviceability			
	AA	A	BBB
Pretax Int coverage	3.0-2.0x	2.5x-1.5x	1.7x-1.0x
FFO Int coverage	4.0x-3.0x	3.3x-2.0x	2.0x-1.5x

Ratios - leverage			
	AA	A	BBB
FFO-total debt	12%-17%	10%-15%	5%-10%
Total debt : total capital	50%-60%	55%-70%	65%-80%

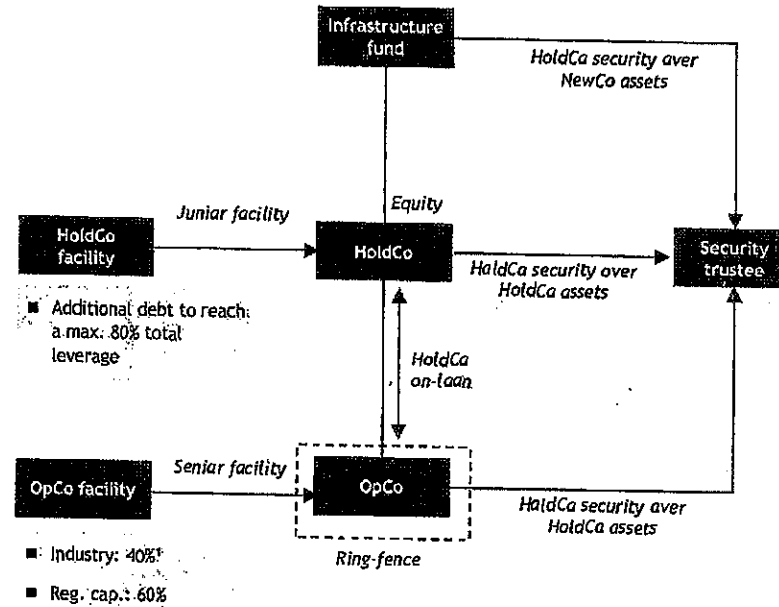
- Whilst there are no non investment grade transmission assets we would indicatively view the following ratios as a reasonable target for Junior debt :

Junior only ratios		Consolidated ratios	
Dividend: jnr interest	3.0-5.0x	FFO Int cover	1.3x-1.5x
Jnr debt: dividend	3.0x-5.0x	FFO-total debt	3%-5%

<sup>1</sup> Based on listed network companies

## Indicative structure

Achievable leverage



## Indicative capital structure

Financing instrument	Target rating	Pricing	Maturity
OpCo	Low BBB	LIBOR + 100bp	Bullet-7 yrs
HoldCo	BB range	LIBOR + 400bp	Bullet-7 - 8 yrs

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Credit Suisse Securities (Europe) Ltd  
[redacted]  
17 Columbus Courtyard  
LONDON E 14 4DA, UK

[redacted]

Credit Suisse Securities (Europe) Ltd  
[redacted]  
Junghofstrasse 16  
60311 FRANKFURT, GERMANY

[redacted]

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9700 MA Groningen  
The Netherlands  
T +31 50 521 21 42  
F +31 50 521 19 77

[redacted]  
VAT NL007239348B01  
Trade register Groningen  
02029700  
www.gasunie.nl

Date  
7 September 2007  
Our reference  
D 07.112

Telephone  
[redacted]

Subject  
Non-binding Indicative Bid for BEB Transport GmbH

STRICTLY CONFIDENTIAL

Dear [redacted]

Thank you for inviting N.V. Nederlandse Gasunie ("Gasunie") to consider the potential acquisition of all the outstanding shares in the capital of BEB Transport GmbH ("BEB Transport") for which together with your letter dated 14 August 2007 (the "Procedure Letter") you recently sent us the Confidential Information Memorandum (the "CIM").

In accordance with the transaction process outlined in the Procedure Letter and based on the information contained in the CIM, Gasunie, acting as principal for its own account, is pleased to submit this non-binding, indicative offer (the "Non-Binding Bid") on 100% of all the outstanding shares in the capital of BEB Transport including the business as defined in the Procedure Letter (together: the "Business"), as further detailed in this letter (the "Transaction").

**Parallel Interest in the Acquisition of EMGTG**

Gasunie wishes to inform you that in addition to our interest in BEB Transport, we will also express our strong interest in ExxonMobil Gastransport Deutschland GmbH ("EMGTG"), which is offered for a possible sale in a parallel process by ExxonMobil (as disclosed under Chapter V of the Procedure Letter). Gasunie considers BEB Transport and EMGTG as inseparable businesses, with respect to both operations and value generation. Gasunie would like to stress that it will submit non-binding indicative bids for both businesses with the clear objective to ensure the current business integrity.

STRICTLY CONFIDENTIAL

Date: 7 September 2007      Our reference: D 07.112  
Subject: Non-binding Indicative Bid for BEB Transport GmbH

### **Reciprocal Confidentiality**

Gasunie assumes this letter is strictly confidential, and will be dealt with reciprocally to the undertaking Gasunie entered into vis-à-vis yourselves and your clients.

#### **1. Purchase Price**

Subject to the conditions specified herein, Gasunie would be prepared to pay an offer price to the shareholders (the "Sellers") of BEB Transport, assuming the transaction is made on a cash-free and debt-free basis of EUR (the "Enterprise Value").

The Enterprise Value is based on a 100% ownership of the Business. We would expect to deduct any net debt (and similar financial liabilities) from this Enterprise Value to arrive at the cash purchase price for 100% of the equity of the Business.

#### **2. Assumptions**

The Non-Binding Bid is made under the assumption that Gasunie will be able to conduct proper due diligence and subject to the finalisation of a definitive Share Sale and Purchase Agreement (the "SPA").

This Non-Binding Bid was derived through the use of a number of valuation methodologies, including comparisons with peer companies and precedent transactions, and a Discounted Cash Flow ("DCF") valuation model. We have run several scenarios in the DCF valuation and based on our current view and the probabilities that we attach to the different scenarios and valuation methodologies we have derived the Enterprise Value which we submit in this Non-Binding Bid.

Our DCF valuation relies on the information disclosed in the CIM and assumes 31 December 2007 as valuation date.

Given the maturity of the demand-side driven market which the Business serves, we have assumed a "business as usual" market scenario. We note that the valuation is highly dependent on the utilisation rate assumed. We have made our own assumptions in this regard and look forward to further evaluating our view as we learn more in due diligence in the second phase.

With respect to regulation and tariff assumptions we have taken note of the bill for the Anreizregulierungsverordnung (the "ARegV") recently submitted to the Bundesrat. According to this bill, supra-regional TSO's currently charging market-based tariffs will not be subject to incentive regulation during the first regulatory period, provided that the Bundesnetzagentur does not prohibit such market-based tariffs by 1 October 2007. Depending on the outcome of the ongoing legislative process, we expect further clarity of the impact of the ARegV on tariffs following this date.

As a major player in the European gas infrastructure industry Gasunie is well aware of the specific investments needed to replace and maintain a mature gas pipeline network. However, subject to further due diligence we have not applied any major capital expenditure other than

STRICTLY CONFIDENTIAL

Date: 7 September 2007      Our reference: D 07.112  
Subject: Non-binding Indicative Bid for BEB Transport GmbH

mentioned in the CIM. Moreover, no assumption with respect to capital expenditure related to the future accommodation of L-gas volumes has been taken into account.

We currently are in the process of evaluating the impact of the stated business opportunities. Furthermore, and again subject to further research and due diligence, please note that we expect that the integration of the two neighbouring networks of Gasunie and the Business will yield additional value and that further business opportunities will emerge, among which the further integration of the L-gas markets.

### **3.            Rationale and plans for the Business**

#### *Gasunie's interest in the Business*

As an independent gas infrastructure company, Gasunie's mission is to safely and efficiently deliver gas transport and provide related services. In light of the increasing integration of the gas markets and Europe's increasing dependence on imported gas, Gasunie's ambition is to remain a leading player in the gas infrastructure and gas transport service industries in (North-West) Europe. Deliveries to customers outside of The Netherlands already contribute to more than half of the throughput of our system. Hence, maintaining and developing the Dutch gas transport infrastructure in order to strengthen our geographical region with the objective to establish an important hub in the European gas transport system forms an integral part of our strategy. This ambition is supported by the Ministry of Finance on behalf of Gasunie's sole shareholder, the State of The Netherlands. Although Gasunie is a state-owned company, it independently defines and implements its own strategic goals, respectively plans. The involvement of the Dutch state, as far as (energy) policies are concerned is restricted to legislation and regulation.

We therefore believe that the Business is a highly interesting asset in the context of the integrating European gas market and increasing cross-border gas flows. As such, the Business could have an important role in Gasunie's vision for the future development of the Dutch and German gas infrastructure, with particular positive influence on the North West European gas markets. As mentioned earlier, we are convinced that the integrated networks of Gasunie and the Business will create synergies for both shareholders and customers.

With Gasunie being a major gas transporter of L-gas (G-gas) in the Dutch market we wish to stress that the continuation of the current L-gas network of the Business fits our current strategic planning.

From the above perspectives we are very interested in further exploring the potential acquisition of all of the Business.

#### *Gasunie's skills and experiences*

With a track record of over 40 years of safe, reliable and efficient gas transport, Gasunie is acknowledged by peers and customers as a first tier industry player. We owe this position to our skilled and experienced workforce of 1500 employees. In particular and with the objective to demonstrate Gasunie's in-depth knowledge and understanding of the operations of the Business we want to draw your attention to the following key skills and experiences Gasunie possesses:

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- Gasunie operates complex networks of different gas quality;
- Gasunie has a proven track record of delivering large projects on time and within budget;
- Gasunie has extensive experience in gas quality conversion service;
- Gasunie is connecting indigenous gas producers with midstream market;
- Gasunie possesses extensive experience in metering & allocation of gas flows;
- Gasunie deploys robust dispatching services and related IT systems;
- Gasunie has recently executed a successful business carve out process; and
- Gasunie has successfully operated ten years in regulated market environments.

Finally, until recently Gasunie and the Business had the same shareholders and we expect that technical and safety standards between the two companies are likely very similar. In short, Gasunie and the Business form an ideal match to safeguard efficient and reliable operations and foster mutual growth of both a common knowledge base and our businesses.

*Gasunie's experience of an approach to M&A*

Through the successful separation and unbundling of Gasunie in 2005, Gasunie has developed significant internal experience relating to the valuation, due diligence and transaction process within the Northern European gas wholesale and transmission business. These skills are supplemented by a highly experienced team of specialist M&A advisors (referred to later). In this way the transaction team is highly confident of being able to undertake this transaction in a rapid and smooth fashion.

*Business Plan*

Gasunie is confident that BEB Transport's current business plans are sufficiently mature to safeguard a smooth transition of ownership. In particular, we want to ensure the Sellers that our primary objective is to continue the current service level on a stand-alone basis. A detailed business plan will be in place to govern the Business in the "first 100 days".

Without jeopardizing the steady-state operation, Gasunie and the Business will then jointly investigate mutual synergies, business opportunities and mid- and long-term business development plans.

To secure this approach, Gasunie wishes to retain the current employees including, if possible, the current management. Driven by our strategic goals, Gasunie's and the Business' management teams, will cooperate to consolidate our operations, actively analyse and develop synergies, such like network optimisation, expand the MANG and TTF virtual trading hubs, and procure new business developments with the objective to grow our businesses. In short, we want to ensure the current employees that they will become an integral part of an independent gas-infrastructure player which will surely provide an interesting and challenging work environment. In fact, the recent transformation of Gasunie (post-unbundling 2005) bears evidence that both business and employees benefit from the new dynamics which will characterise the European gas markets for the decades to come. With the objective to support a smooth organisational transition and business set-up, we want to ensure the Sellers that Gasunie is prepared to share the experiences gained in our recent successful unbundling process, namely the carve-out of GasTerra B.V. ("GasTerra" previously: Gasunie Trade&Supply B.V.).

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*Special attention to business relationships*

Gasunie acknowledges that the Sellers have expressed a strong interest in ensuring that BEB Transport remains a viable provider of the required transport services in particular to their respective merchant affiliates in the long term. In relation to this we are open to discussing a similar approach as is in place for GasTerra in relation to Gasunie.

Furthermore, Gasunie will cooperate with the Sellers to agree on mutually beneficial relevant contractual safeguards regarding the buyers obligation mentioned in section 3.7 of the CIM.

**4.            Financing**

The purchase price would be paid entirely in cash and would be financed from Gasunie's existing financial resources. Gasunie would be willing to explore other forms of consideration if this is of interest to the Sellers' boards.

Based on the credit ratings of Gasunie (Aaa/AA+ with a stable outlook) and available funding facilities, access to capital markets is secured. It is our experience that amounts necessary can be raised in the bond markets and/or through committed facilities on very short notice.

**5.            Approvals & Consultations**

The management board, supervisory board and shareholder are aware of Gasunie's strategic interest in this asset and are highly supportive of our submission of this Non-Binding Bid.

Approvals can be obtained and consultations can take place during the negotiations on the terms and conditions of the SPA and all ancillary documents relating to the Transaction and are not likely to lead to any delays in completing the Transaction before the year end.

*Internal approvals and conditions*

The following internal approvals are required in order to complete the Transaction:

- approval of Gasunie's Board of Directors; and
- approval of Gasunie's Supervisory Board of Directors.

*External approvals and conditions*

The following material external approvals are required in order to complete the Transaction:

- approval by the Ministry of Finance on behalf of the sole shareholder of Gasunie, the State of The Netherlands; and
- any (external) approval on merger control as addressed in Section 6 below.

*Consultations*

The following consultation is required with respect to the completion of the Transaction:

- consultation of Gasunie's Works Council.

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**6.      Anti-trust implications**

The transaction would require merger control clearance from the German Federal Cartel Office (Bundeskartellamt). Gasunie expects to receive such clearance within one month beginning on the day on which the merger control filing is submitted, and certainly no later than four months after such submission. Gasunie and BEB Transport are far from exceeding the thresholds of Regulation (EC) No. 139/2004.

Gasunie expects to receive an expeditious clearance from the merger control authorities, as the Transaction clearly does not lead to the creation or strengthening of a dominant market position. While Gasunie is experienced in the market for wholesale gas distribution, it does not operate in the same geographic market as the target. This applies regardless of whether the relevant geographic market is defined as regional or national, as Gasunie does not operate pipelines in Germany.

Gasunie does not recognize any need to offer divestments or other commitments in order to secure clearance.

As Gasunie is generally open to partnering options, it should be noted that any discussions between the parties to the Transaction on partnering shall consider the effects that such partnering might have on merger control.

**7.      Conditions and due diligence**

The Non-Binding Bid is subject to the satisfactory completion of the usual due diligence process including but not limited to business, technical, financial, tax, legal and environmental due diligence. Provided that we are given full access to the relevant information we believe that we could complete our due diligence in four to five weeks.

We would typically expect an opportunity to meet the management and have access to the infrastructure and storage facilities during site visits in order to complete our technical due-diligence.

We can confirm that a fully equipped due diligence team is available to undertake the required due diligence. Gasunie takes this Transaction very seriously and has already committed significant resources to the Transaction. The advisors listed in Section 8 have already been retained by Gasunie.



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**8.                      Identity of acquirer and advisors**

*Description of Gasunie*

N.V. Nederlandse Gasunie was incorporated under Dutch law as a public limited company (*naamloze vennootschap*) on 6 April 1963 and is operating under Dutch law. The head office of Gasunie is in Groningen, The Netherlands.

The State of The Netherlands holds 100 per cent of the issued shares in the capital of Gasunie.

Gasunie became an independent gas infrastructure company in July 2005 after a de-merger (unbundling) of the former integrated infrastructure and trade-company. The trade and supply part of the former integrated company was de-merged to GasTerra, which is completely separate and independent of Gasunie.

The high-pressure gas transport network of Gasunie, with over 12,000 kilometres of pipelines, 9 compressor stations, 2 gas quality conversion plants and around 1,100 gas receiving stations, is one of the biggest of its kind in Europe. The company transports gas to major industrial consumers and power stations that are directly connected to the network, to neighbouring network operators abroad and to regional network operators that distribute gas through their distribution networks, primarily to domestic and small commercial consumers. In 2006, Gasunie transported more than 96 billion cubic metres of gas, more than twice the volume consumed in The Netherlands. Via the Gasunie network gas is also transported to a large number of international networks and customers; this gives Gasunie a special role and responsibility within the European gas market and the energy supply. Fulfilling that role safely, reliably and efficiently is the main aim of Gasunie. Next to that the company is also committed to responding swiftly to new demand for transport and related services from its customers. Gasunie applies standard business practices based on a sense of corporate social responsibility and a commitment to offering services based on the principles of open access, transparency and non-discriminatory application of terms and tariffs.

The operation and development of the national gas transport grid and its accompanying installations are the responsibility of Gas Transport Services B.V. ("GTS"), the national network operator which offers regulated services under Dutch law. GTS is a wholly owned subsidiary of Gasunie. GTS provides transport and related services such as quality conversion and flexibility services to customers, particularly shippers, and industries connected to the network.

In order to meet the growing demand for transport capacity, Gasunie is dedicated to providing an optimum service to its customers through the creation of new connections and the removal of (trans)national bottle necks. Gasunie is currently conducting a major set of projects to boost its capacity on the so called North-South route, based on an open season approach.

Gasunie intends to acquire the Business directly through N.V. Nederlandse Gasunie. However, we reserve the right to set up a special purpose vehicle (directly or indirectly owned by Gasunie) as acquisition vehicle.

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*Advisors*

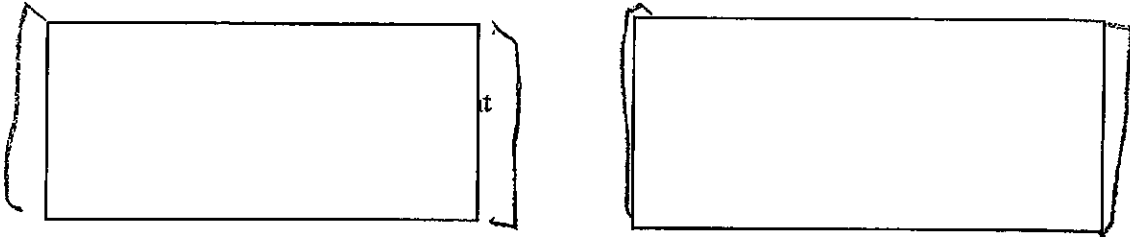
Gasunie has retained JPMorgan as financial and M&A advisor. Price Waterhouse Coopers performs financial due diligence and tax services. Legal advice is provided by Osborne Clarke for German law matters and Ploum Lodder Princen for Dutch law matters. Both legal firms are members of the Osborne Clarke Alliance EEIG and will jointly also cover EU law matters.

*Partnering*

Gasunie is submitting this Non-Binding Bid as the principal and sole acquirer of BEB Transport. At present Gasunie is not considering any partnership or joining a consortium with any industrial partner or financial sponsor. However, Gasunie is generally open to accepting potential partners in the second phase if that offers demonstrable value creation in this Transaction. We would ensure that this in no way jeopardizes our ability to conduct a fast and smooth process.

9.      Contact details

All communication regarding this transaction should be directed to:



Postal address:

N.V. Nederlandse Gasunie

P.O. Box 19  
9700 MA Groningen  
The Netherlands

We are looking forward to working with you in this important transaction for Gasunie.

Yours sincerely,

Mr. Marcel P. Kramer  
Chairman of the Executive Board  
and CEO N.V. Nederlandse Gasunie

Drs. Pieter E.G. Trienekens  
Member of the Executive Board  
N.V. Nederlandse Gasunie

ExxonMobil Gas & Power Marketing  
ExxonMobil International Limited  
[Redacted]  
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Leatherhead, Surrey KT22 8UX, UK

By facsimile: + 44 1372 22 3170  
By email: [mickey.d.johnson@exxonmobil.com](mailto:mickey.d.johnson@exxonmobil.com)

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Trade register Groningen  
02029700  
[www.gasunie.nl](http://www.gasunie.nl)

[Redacted]

Date  
7 September 2007  
Our reference  
D 07.113

Telephone  
[Redacted]

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Non-binding Indicative Bid for ExxonMobil Gastransport Deutschland GmbH

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[Redacted]

Thank you for inviting N.V. Nederlandse Gasunie ("Gasunie") to consider the potential acquisition of all the outstanding shares in the capital of ExxonMobil Gastransport Deutschland GmbH ("EMGTG") for which together with your letter dated 14 August 2007 (the "Procedure Letter") you recently sent us the Confidential Information Memorandum (the "CIM").

In accordance with the transaction process outlined in the Procedure Letter and based on the information contained in the CIM, Gasunie, acting as principal for its own account, is pleased to submit this non-binding, indicative offer (the "Non-Binding Bid") on 100% of all the outstanding shares in the capital of EMGTG including the business as defined in the Procedure Letter (together: the "Business"), as further detailed in this letter (the "Transaction").

**Parallel Interest in the Acquisition of BEB Transport**

Gasunie wishes to inform you that in addition to our interest in EMGTG, we will also express our strong interest in BEB Transport GmbH, which is offered for a possible sale in a parallel process by Esso Erdgas Beteiligungsgesellschaft mbh and Deutsche Shell Holding GmbH (as disclosed under Chapter V of the Procedure Letter). Gasunie considers BEB Transport and EMGTG as inseparable businesses, with respect to both operations and value generation. Gasunie would like to stress that it will submit non-binding indicative bids for both businesses with the clear objective to ensure the current business integrity.

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**Reciprocal Confidentiality**

Gasunie assumes this letter is strictly confidential, and will be dealt with reciprocally to the undertaking Gasunie entered into vis-à-vis yourselves and your client.

**1. Purchase Price**

Subject to the conditions specified herein, Gasunie would be prepared to pay an offer price to the shareholder (the "Seller") of EMGTG, assuming the transaction is made on a cash-free and debt-free basis of EUR (the "Enterprise Value").

The Enterprise Value is based on a 100% ownership of the Business. We would expect to deduct any net debt (and similar financial liabilities) from this Enterprise Value to arrive at the cash purchase price for 100% of the equity of the Business.

**2. Assumptions**

The Non-Binding Bid is made under the assumption that Gasunie will be able to conduct proper due diligence and subject to the finalisation of a definitive Share Sale and Purchase Agreement (the "SPA").

This Non-Binding Bid was derived through the use of a number of valuation methodologies, including comparisons with peer companies and precedent transactions, and a Discounted Cash Flow ("DCF") valuation model. We have run several scenarios in the DCF valuation and based on our current view and the probabilities that we attach to the different scenarios and valuation methodologies we have derived the Enterprise Value which we submit in this Non-Binding Bid.

Our DCF valuation relies on the information disclosed in the CIM and assumes 31 December 2007 as valuation date.

Given the maturity of the demand-side driven market which the Business serves, we have assumed a "business as usual" market scenario. We note that the valuation is highly dependent on the utilisation rate assumed. We have made our own assumptions in this regard and look forward to further evaluating our view as we learn more in due diligence in the second phase.

With respect to regulation and tariff assumptions we have taken note of the bill for the Anreizregulierungsverordnung (the "ARegV") recently submitted to the Bundesrat. According to this bill, supra-regional TSOs currently charging market-based tariffs will not be subject to incentive regulation during the first regulatory period, provided that the Bundesnetzagentur does not prohibit such market-based tariffs by 1 October 2007. Depending on the outcome of the ongoing legislative process, we expect further clarity of the impact of the ARegV on tariffs following this date.

As a major player in the European gas infrastructure industry Gasunie is well aware of the specific investments needed to replace and maintain a mature gas pipeline network. However, subject to further due diligence we have not applied any major capital expenditure other than

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mentioned in the CIM. Moreover, no assumption with respect to capital expenditure related to the future accommodation of L-gas volumes has been taken into account.

We currently are in the process of evaluating the impact of the stated business opportunities. Furthermore, and again subject to further research and due diligence, please note that we expect that the integration of the two neighbouring networks of Gasunie and the Business will yield additional value and that further business opportunities will emerge, among which the further integration of the L-gas markets.

### 3. Rationale and plans for the Business

#### *Gasunie's interest in the Business*

As an independent gas infrastructure company, Gasunie's mission is to safely and efficiently deliver gas transport and provide related services. In light of the increasing integration of the gas markets and Europe's increasing dependence on imported gas, Gasunie's ambition is to remain a leading player in the gas infrastructure and gas transport service industries in (North-West) Europe. Deliveries to customers outside of The Netherlands already contribute to more than half of the throughput of our system. Hence, maintaining and developing the Dutch gas transport infrastructure in order to strengthen our geographical region with the objective to establish an important hub in the European gas transport system forms an integral part of our strategy. This ambition is supported by the Ministry of Finance on behalf of Gasunie's sole shareholder, the State of The Netherlands. Although Gasunie is a state-owned company, it independently defines and implements its own strategic goals, respectively plans. The involvement of the Dutch state, as far as (energy) policies are concerned is restricted to legislation and regulation.

We therefore believe that the Business is a highly interesting asset in the context of the integrating European gas market and increasing cross-border gas flows. As such, the Business could have an important role in Gasunie's vision for the future development of the Dutch and German gas infrastructure, with particular positive influence on the North West European gas markets. As mentioned earlier, we are convinced that the integrated networks of Gasunie and the Business will create synergies for both shareholders and customers.

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From the above perspectives we are very interested in further exploring the potential acquisition of all of the Business.

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Gasunie is confident that EMGTG's current business plans are sufficiently mature to safeguard a smooth transition of ownership. In particular, we want to ensure the Seller that our primary objective is to continue the current service level on a stand-alone basis. A detailed business plan will be in place to govern the Business in the "first 100 days".

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Furthermore, Gasunie will cooperate with the Seller to agree on mutually beneficial relevant contractual safeguards regarding the buyers obligation mentioned in section 3.7 of the CIM.

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The purchase price would be paid entirely in cash and would be financed from Gasunie's existing financial resources. Gasunie would be willing to explore other forms of consideration if this is of interest to the Seller's board.

Based on the credit ratings of Gasunie (Aaa/AA+ with a stable outlook) and available funding facilities, access to capital markets is secured. It is our experience that amounts necessary can be raised in the bond markets and/or through committed facilities on very short notice.

**5. Approvals & Consultations**

The management board, supervisory board and shareholder are aware of Gasunie's strategic interest in this asset and are highly supportive of our submission of this Non-Binding Bid.

Approvals can be obtained and consultations can take place during the negotiations on the terms and conditions of the SPA and all ancillary documents relating to the Transaction and are not likely to lead to any delays in completing the Transaction before the year end.

*Internal approvals and conditions*

The following internal approvals are required in order to complete the Transaction:

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- approval of Gasunie's Supervisory Board of Directors.

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The following material external approvals are required in order to complete the Transaction:

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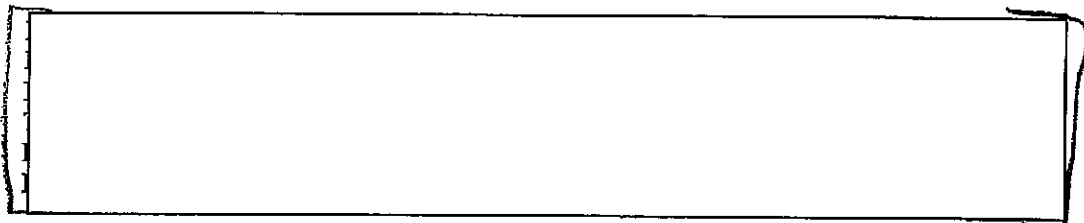
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However, Gasunie is generally open to accepting potential partners in the second phase if that offers demonstrable value creation in this Transaction. We would ensure that this in no way jeopardizes our ability to conduct a fast and smooth process.

9. Contact details

All communication regarding this transaction should be directed to:



Postal address:

N.V. Nederlandse Gasunie

P.O. Box 19  
9700 MA Groningen  
The Netherlands

We are looking forward to working with you in this important transaction for Gasunie.

Yours sincerely,

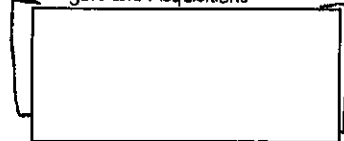
Mr. Marcel P. Kramer  
Chairman of the Executive Board  
and CEO N.V. Nederlandse Gasunie

Drs. Pieter E.G. Trienekens  
Member of the Executive Board  
N.V. Nederlandse Gasunie

STRICTLY PRIVATE & CONFIDENTIAL

Drs. Pieter E.G. Trienekens  
Member of the Executive Board  
N.V. Nederlandse Gasunie  
P.O. Box 19  
9700 MA Groningen  
The Netherlands

Investment Banking  
Mergers and Acquisitions



28 September 2007

## Phase II of BEB Transport Sale Process

Dear Sirs,

Further to your Indicative Offer dated 7 September 2007, on behalf of our Clients ESSO Erdgas Beteiligungsgesellschaft mbH ("ExxonMobil") and Shell Verwaltungsgesellschaft für Erdgasbeteiligungen mbH ("Shell") (together the "Sellers"), Credit Suisse Securities (Europe) Ltd. ("Credit Suisse") are pleased to invite you into the 2<sup>nd</sup> round of the sale process ("Phase II"). We are hereby confirming details for the process until submission of your binding offer for 100% of the share capital of Newco GmbH (the "Business") (such potential sale hereinafter referred to as the "Transaction").

As before, Credit Suisse will act as your sole contact and will be available throughout the process to answer any questions. You must not contact the Sellers, the Business or any company within the BEB group of companies, any of their respective subsidiaries or any of their respective directors, officers, customers, suppliers or employees directly or indirectly in relation to the Transaction.

At the end of Phase II, you are invited to submit a final and binding offer for the Transaction (the "Final Offer").

Please note that the existence and content of this letter, all due diligence information, and any other confidential information the Sellers or their respective advisors may provide to you about the Business are subject to the terms of the confidentiality agreement which you have executed on 28/09/07 for the benefit of the Sellers and by which you are bound.

Below, we set out relevant information concerning the process as currently envisaged by the Sellers.

### I. Phase II

The aim of Phase II is to provide you with the opportunity to firm up your understanding of the Business and thereby enable you to submit the Final Offer. To that end, you will be provided with further detail on the Business by way of access to a data room, due diligence reports, a management presentation, and certain expert sessions with key representatives.

1. *Data Room:* You will be granted access to an electronic data room administered by Credit Suisse and hosted on the Intralinks platform (the "Data Room"). Please note that a significant portion of the documents in the Data Room are in German and no translations will be provided by the Sellers. The Data Room will be opened on 1 October 2007 or shortly thereafter. Access will only be granted following receipt of your written acceptance of the "Data Room Rules and Procedures" as well as each Data Room participant's explicit electronic acceptance of the "Data Room Rules and Procedures" (as set out in Appendix 1) on the Data Room platform. Please note that Credit Suisse will need to register every Data Room participant from your side before access can be granted to such participant (see Appendix 1 for details).
2. *Due Diligence Reports:* To facilitate the due diligence work undertaken by you and your advisors, you will be provided with the following reports shortly following this letter:
  - ▶ Financial Fact Book prepared by E&Y on behalf of the Sellers,
  - ▶ Phase I Environmental Due Diligence Report prepared by ERM on behalf of the Sellers, and
  - ▶ Technical Review prepared by ILF on behalf of the Sellers.
3. *Management Presentation:* You are invited to attend a management presentation on Monday, 8 October 2007 at 14:00 – 17:00. The presentation will be held at the Holiday Inn Hannover Airport, Petzelstraße 60, Room Montgolfier in Hanover, Germany and participation from your side will be limited to 20 persons, including any advisors, consultants, and financing banks. You are requested to submit any specific key questions you may wish to discuss at the management presentation as well as a list of participants (detailing function and organisation each participant belongs to) by email to Credit Suisse [redacted] by no later than **5.00 pm (UK) on 3 October 2007**. A one-hour management presentation covering the separate but parallel EMGTG process will be conducted 30 minutes after the completion of the BEB management presentation at the same location.
4. *Expert Sessions:* An expert session on financial matters will be arranged for the week of October 15-19, 2007. You are requested to confirm your interest or otherwise and provide by email to Credit Suisse [redacted] no later than **5.00 pm (UK) on 10 October 2007** any specific financial topics, accompanied by a list of detailed questions regarding each such financial topic, concerning which you would require more detailed discussions or clarifications. An SPA clarification session with the Sellers' legal counsel will be arranged closer to the end of Phase II.
5. *Site Visits:* The Sellers intend to maintain greatest confidentiality of this process vis-à-vis the Business and the employees of the BEB group of companies. As a consequence, site visits will not be possible prior to submission of your Final Offer
6. *Question and Answer Process:* You will be able to submit specific written questions regarding the Business during Phase II. For that process, we ask you to appoint one person on your team to coordinate and submit those questions. Such person should also be responsible for ensuring proper prioritization of questions and avoiding duplications. Your questions must be submitted via an Excel-based Q&A template to Credit Suisse [redacted] [redacted] which will be provided to you together with this letter. Please refer to the Data Room Rules and Procedures for further information on the Q&A process.

The Sellers will not address any questions outside this specified Q&A process and will exercise their sole discretion with regard to which and to what extent questions will be answered. In order to ensure an efficient process for all bidders during Phase II, we are required to impose certain restrictions on the submission of questions:

- ▶ No more than 200 questions in total will be accepted per bidder; if more questions are submitted, the excess number of questions will be deleted from the questions queue. Combined questions will be separated and will lead to an increase of the respective questions count. Please note that questions submitted in connection with the management presentation (as outlined under 3 above) will not count towards the total number of questions submitted via the Q&A process, but at the same time, no written answers will be provided for those questions unless re-submitted through the Q&A process. The same applies for any potential expert sessions.
- ▶ Further, you should carefully prioritise your questions. Answers will likely be prepared in order of priority. Submissions of questions late in the process may well result in no answer being given.

7. *Due Diligence Coordination and Schedule:* We would kindly ask you to designate a person responsible for the due diligence coordination of your team including your advisors (the "Due Diligence Team Leader") who will act as the principal interface with Credit Suisse regarding e.g. general logistics, topic lists for any expert sessions, participants lists, etc. All enquiries relating to the due diligence process should be directed to [redacted] email: [redacted] and Gerald Koch [redacted] email: [redacted] at Credit Suisse.

8. *Transitional Services:* In addition, we request that you submit to Credit Suisse [redacted] a list of any transitional services, which will be required of the Sellers to provide, should you acquire the Business, by no later than **close of business on 22 October 2007**. Such list shall inter alia include a specification of such services as well as the envisaged term of corresponding transitional service agreements. Note, however, that it is a clear preference of the Sellers to minimize the scope of any transitional service relationships with the Business after consummation of the Transaction and any such requirements from your part will be considered by the Sellers in their assessment of your Final Offer. Where the Sellers, in their sole discretion, agree to provide such services, they will seek to do so on the basis of commercially reasonable terms which will be negotiated and agreed during the definitive SPA discussions.

## II. Final Offer

Your Final Offer, signed by your authorized representative(s), should be delivered in writing, with advance copy via fax or email by no later than **5.00 pm (UK) on 9<sup>th</sup> November 2007** to both:

Advance copy by fax or email:

[redacted]  
Credit Suisse Securities (Europe) Ltd.  
17 Columbus Courtyard  
London E14 4DA

By mail, as well as advance copy by fax or email:

[redacted]  
Credit Suisse Securities (Europe) Ltd.  
Junghofstrasse 16  
60311 Frankfurt

[redacted]

[redacted]

Your Final Offer is required to be open for acceptance by the Sellers until 31 January 2008.

Your Final Offer, expressed to be irrevocable and binding, should be submitted in writing and should contain the following information:

1. *Purchase Price:* Please specify the cash consideration (in Euros) you are prepared to offer for 100% of the Business on a cash and debt free basis ("Enterprise Value"). Further, you are requested to specify in detail any deductions or additions you would propose to make to arrive at the cash purchase price for 100% of the equity of the Business (the "Equity Value", conforming in concept to the (Preliminary) Purchase Price as defined in the SPA). In any case, we require you to confirm that except for the defined post closing adjustments you will not make any further deductions from the Enterprise Value and that your derived Equity Value is final. Please also note that you are required to provide single Enterprise Value and Equity Value figures, respectively, rather than a range of values.
2. *Conditions:* Your Final Offer will be submitted prior to the release by the Sellers of certain highly sensitive confidential information (primarily related to confidential shipper information and individual specific HR details) ("Sensitive Confidential Information") which is currently withheld from the Data Room, and prior to the ability to visit the technical data storage archive at Dötlingen ("Technical Confidential Information"). Your Final Offer may contain the condition that it is subject to satisfactory review of the Sensitive Confidential Information and the Technical Confidential Information, but should otherwise be on the terms set out below.

Further, your Final Offer may be subject to the condition that transitional services to be provided by the Sellers as requested by you pursuant to section 1.8. above will be agreed on commercially reasonable terms during the definitive SPA discussions.

Notwithstanding the aforementioned, your Final Offer shall not be subject to any conditions other than those included in the SPA. In addition, your Final Offer shall confirm that you have completed your due diligence to your satisfaction. For the avoidance of doubt, you should take into account that any outstanding due diligence issues may well put your Final Offer at a competitive disadvantage.

Subsequent to receipt of Final Offers, the Sellers may choose to invite one or more selected potential purchasers a) to engage in definitive discussions with the Sellers regarding the provision of any required transitional services and b) to undertake during a maximum 1-week timeframe the review of Technical Confidential Information and additional HR information to allow confirmation of the Final Offer.

3. *Plans for the Business:* Your Final Offer should describe in detail any plans you may have for the Business. You should also outline your experience in managing critical infrastructure assets and how you would intend to ensure continuing performance of the Business, including the consolidation of the Business organisation to be transferred with staffing plans, to the highest standards of service and availability should the Transaction be consummated with you. In particular any issues which will affect the employees in the Business as laid out in the transfer plans should be outlined.
4. *Financing:* Your Final Offer should provide for firm and committed financing. To that end, we expect you to confirm the sources of financing for the Transaction stating the level, structure, and economic terms for equity, shareholder loan, and debt. In case you require any financing from outside sources, we request you to provide written evidence that such financing is fully and unconditionally

underwritten or has the required approvals, as the case may be. You should ensure that the related financing commitment letters envisage that credit documentation would be entered into at the same time as the SPA is signed and that such credit documentation only has conditions mirroring those in the SPA. In case financing is obtained from existing internal funds, the Final Offer should include respective guarantees of an appropriate parent company of unquestionable financial standing. You should expect that the Sellers will deem your Final Offer non-compliant if there is any deviation from the above in terms of certainty of funding.

5. *Approvals:* Your Final Offer must entail a confirmation that all required internal approvals have been obtained (including those of any relevant corporate bodies and any shareholder approvals which are not shown to be required by listing rules or other regulatory requirement) and must not be subject to any required approvals from lenders. To the extent that your Final Offer is subject to any material external approvals (other than specified under paragraph 6 below), please specify those in detail including envisaged timing and a description of any other factor or circumstance that you can reasonably foresee that might affect the timing and/or certainty of those external approvals to be obtained. The specification should also include any reason, if any, why you could not sign the Share Purchase Agreement prior to 31 January 2008.
6. *Anti-trust Implications:* You should confirm any anti-trust approvals required to consummate the Transaction (including anticipated filings), which may affect its timely conclusion, and elaborate on what commitments you would make if required to ensure that the Transaction would be consummated expeditiously. The Final Offer should indicate the likely timetable for satisfying such conditions or receiving such approvals. Alternatively, please provide contact details of an authorized officer or advisor whom we may contact to discuss potential anti-trust considerations.
7. *Identity of Acquirer and Advisors:* Your Final Offer should confirm the proposed acquirer of the Business, including legal entity, acquisition structure, capital structure, jurisdiction and form of organization and affiliates. Please note that we require you to also disclose any partnering or similar arrangements and how those will influence the ongoing management of the Business, and also to indicate any structuring that you require to complete before closing of the Transaction.
8. *Contact Details:* Your Final Offer should include contact details (including telephone and facsimile numbers and e-mail addresses) of contact persons who will be available to answer questions regarding your Final Offer.
9. *Other Information:* Any other information that you consider important to the Sellers in their decision to select a purchaser for the Business.
10. *Sale and Purchase Agreement (SPA):* You will be provided with a draft SPA for review and submission with the Final Offer. We require you to submit a detailed final mark-up of the SPA alongside your Final Offer setting out your definite and exhaustive comments. In order to ensure an efficient process and allow for comparability of Final Offers, the Sellers will deem to be non-compliant any Final Offer which includes a proposed SPA that is not a mark-up of the draft provided to you. We encourage you to take advantage of the SPA clarification session with the Sellers' legal counsel.

The SPA so marked up should be in a form which you are prepared to sign. The extent and nature of any proposed amendments to the SPA will be a key factor taken into consideration in evaluating your Final Offer.

### III. Next Steps

Final Offers will be evaluated as soon as reasonably practicable. The Sellers, in their sole discretion, may identify a potential purchaser or potential purchasers, as the case may be, with whom they enter into final negotiations. In any case, you should be prepared to enter into such negotiations at short notice and ensure respective availability on your side.

### IV. Parallel Process Regarding the Possible Divestiture of EMGTG

ExxonMobil is in parallel evaluating a possible sale of ExxonMobil Gastransport Deutschland GmbH ("EMGTG"), which holds a major gas transportation network in Northern Germany. Given the differing ownership of the assets, ExxonMobil and Shell have decided to conduct the evaluations of possible sales of the Business and EMGTG as separate processes, but along the same timeline. Credit Suisse is providing certain administrative support services to ExxonMobil in relation to EMGTG. Potential purchasers are requested to strictly observe the separation of the processes and to communicate only with the appropriate contact persons for each of the processes as indicated to potential purchasers at the various stages of the processes.

Potential purchasers should be aware that due to the geographical and operational connection of the BEB Transport network and the EMGTG network and the fact that the BEB Transport network and EMGTG are currently technically both serviced by EMPG, ExxonMobil will only allow the divestiture of the Business if EMGTG is sold at the same time on conditions acceptable to ExxonMobil. Shell, being a seller of the Business only, will make its decision to consent to the disposition of the Business solely based on the offers received for the Business.

### V. Miscellaneous

The Sellers expressly reserve – at their respective sole discretion – the right to reject any or all Final Offers for any reason or for no reason, to terminate discussions and negotiations with you at any time, to deal with one or more parties to the exclusion of others and modify the procedures described herein. Neither the Sellers, Credit Suisse nor any of their affiliates or advisors shall have any liability to any prospective purchaser as a result of the rejection of any or all Final Offers, the acceptance of any Final Offer or pursuing discussions or any transaction in respect of the Business with any other party. The only binding obligations of the Sellers, if any, shall be those set forth in a definitive sale and purchase agreement, if one is executed and delivered by the parties thereto, and no such obligation shall exist until such execution and delivery. This letter does not constitute any offer to sell the Business. An offer to buy the Business requires the acceptance by the Sellers, subject to all necessary approvals, in a definitive sale and purchase agreement to be mutually agreed upon and duly executed between the Sellers and the potential purchaser. You must bear all costs of your investigation and evaluation of the Business, including the fees and disbursements of your counsel and advisors. This process letter shall be governed by and construed in accordance with German substantive law. By acceptance of the Data Room Rules and Procedures in accordance herewith you express your consent to the provisions of this procedure letter.

**Under no circumstances and in addition to the confidentiality obligations of the potential purchasers shall any prospective purchasers be allowed to contact, in connection with the Transaction, any third parties, in particular any suppliers, customers, employees, affiliates or similar of the Business or the Sellers without the prior express written consent of Credit Suisse on behalf of the Sellers. Credit Suisse remains the sole point of contact for the Transaction and is available to discuss matters relating to these procedures. Please direct all inquiries relating to the sale of the Business to**

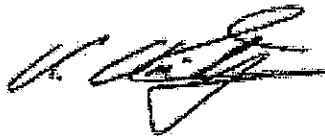
[REDACTED]



On behalf of the Sellers, we appreciate your ongoing interest in the Business.

Sincerely,

**CREDIT SUISSE SECURITIES (EUROPE) LIMITED**

A handwritten signature in black ink, appearing to be a stylized name, possibly "M. [unclear]".

ExxonMobil International Limited  
MP 40, ExxonMobil House  
Ernyn Way  
Leatherhead  
Surrey KT22 8UX

16  
1

Advisor - Business Development  
Europe NGL & Infrastructure

**ExxonMobil**  
*Gas & Power  
Marketing*

Drs. Pieter E.G. Trienekens  
Member of the Executive Board  
N.V. Nederlandse Gasunie  
P.O. Box 19  
9700 MA Groningen  
The Netherlands

28 September 2007

**Phase II of ExxonMobil Gastransport Deutschland GmbH Sale Process**

Dear Sirs:

Further to your Indicative Offer dated 7 September 2007, on behalf of Mobil Erdgas - Erdöl GmbH (hereinafter referred to as the "Seller" or "MEEG"), which is a 99.9 % subsidiary of ExxonMobil Central Europe Holding GmbH ("ExxonMobil"), we are pleased to invite you into the 2nd round of the sale process ("Phase II"). We are hereby confirming details for the process until submission of your binding offer for 100% of the share capital of ExxonMobil Gastransport Deutschland GmbH (the "Business") (such potential sale hereinafter referred to as the "Transaction").

As before, Credit Suisse provides certain administrative services in relation thereto and will be available throughout the process to answer any questions. You must not contact the Seller, the Business or any of their respective subsidiaries or any of their respective directors, officers, customers, suppliers or employees directly or indirectly in relation to the Transaction.

At the end of Phase II, you are invited to submit a final and binding offer for the Transaction (the "Final Offer").

Please note that the existence and content of this letter, all due diligence information, and any other confidential information the Seller or its respective advisors may provide to you about the Business are subject to the terms of the confidentiality agreement which you have executed on 28/09/07 for the benefit of the Seller and by which you are bound.

Below, we set out relevant information concerning the process as currently envisaged by the Seller.

Registered In England  
Number: 3834848  
Registered Office:  
ExxonMobil House, Ernyn Way  
Leatherhead, Surrey KT22 8UX

An ExxonMobil Subsidiary

**I. Phase II**

The aim of Phase II is to provide you with the opportunity to firm up your understanding of the Business and thereby enable you to submit the Final Offer. To that end, you will be provided with further detail on the Business by way of access to a data room, due diligence reports, a management presentation, and certain expert sessions with key representatives.

1. *Data Room:* You will be granted access to an electronic data room administered by Credit Suisse and hosted on the Intralinks platform (the "Data Room"). Please note that a significant portion of the documents in the Data Room are in German and no translations will be provided by the Seller. The Data Room will be opened on October 1, 2007 or shortly thereafter. Access will only be granted following receipt of your written acceptance of the "Data Room Rules and Procedures" as well as each Data Room participant's explicit electronic acceptance of the "Data Room Rules and Procedures" (as set out in Appendix I) on the Data Room platform. Please note that Credit Suisse will need to register every Data Room participant from your side before access can be granted to such participant (see Appendix 1 for details).
2. *Due Diligence Reports:* To facilitate the due diligence work undertaken by you and your advisors, you will be provided with a Financial Fact Book prepared by E&Y on behalf of the Seller. Please note that, on behalf of the Sellers of the BEB Transport business, a Phase I Environmental Due Diligence Report has been prepared by ERM and a Technical Review has been prepared by ILF.. As the pipelines sections within the pipeline network of the Business are co-owned by the BEB Transport business, information relevant to the Business is contained within the reports prepared on behalf of the BEB Transport business.
3. *Management Presentation:* You are invited to attend a one-hour management presentation on Monday, 8 October 2007 at 17:30 – 18:30. The presentation will be held at the Holiday Inn Hannover Airport, Petzelstraße 60, Room Montgolfier in Hanover, Germany and participation from your side will be limited to 20 persons, including any advisors, consultants, and financing banks. You are requested to submit any specific key questions you may wish to discuss at the management presentation as well as a list of participants (detailing function and organisation each participant belongs to) by email to Credit Suisse [redacted] and [redacted] by no later than 5.00 pm (UK) on 3rd October 2007.
4. *Expert Sessions:* An expert session on financial matters will be arranged for the week of October 15-19, 2007. You are requested to confirm your interest or otherwise and provide by email to Credit Suisse [redacted] no later than 5.00 pm (UK) on 10 October 2007 any specific financial topics, accompanied by a list of detailed questions regarding each such financial topic, concerning which you would require more detailed discussions or clarifications. An SPA clarification session with the Seller's legal counsel will be arranged closer to the end of Phase II.
5. *Site Visits:* The Seller intends to maintain greatest confidentiality of this process vis-à-vis the Business and its employees. As a consequence, site visits will not be possible prior to submission of your Final Offer
6. *Question and Answer Process:* You will be able to submit specific written questions regarding the Business during Phase II. For that process, we ask you to appoint one person on your team to coordinate and submit those questions. Such person should also be responsible for ensuring proper prioritization of questions and avoiding duplications. Your questions must be submitted via an Excel-based Q&A template to Credit Suisse [redacted] and

[redacted] which will be provided to you together with this letter. Please refer to the Data Room Rules and Procedures for further information on the Q&A process.

The Seller will not address any questions outside this specified Q&A process and will exercise its sole discretion with regard to which and to what extent questions will be answered. In order to ensure an efficient process for all bidders during Phase II, we are required to impose certain restrictions on the submission of questions:

- No more than 50 questions in total will be accepted per bidder; if more questions are submitted, the excess number of questions will be deleted from the questions queue. Combined questions will be separated and will lead to an increase of the respective questions count. Please note that questions submitted in connection with the management presentation (as outlined under 3 above) will not count towards the total number of questions submitted via the Q&A Process, but at the same time, no written answers will be provided for those questions unless re-submitted through the Q&A Process. The same applies for any potential expert sessions.
- Further, you should carefully prioritise your questions. Answers will likely be prepared in order of priority. Submissions of questions late in the process may well result in no answer being given.

7. *Due Diligence Coordination and Schedule:* We would kindly ask you to designate a person responsible for the due diligence coordination of your team including your advisors (the "Due Diligence Team Leader") who will act as the principal interface with Credit Suisse regarding e.g. general logistics, topic lists for any expert sessions, participants lists, etc. All enquiries relating to the due diligence process should be directed to [redacted] email: [redacted] and Gerald Koch [redacted] email: [redacted] at Credit Suisse.

8. *Transitional Services:* In addition, we request that you submit to Credit Suisse [redacted] list of any transitional services, which will be required of the Seller to provide, should you acquire the Business, by no later than close of business on 22 October 2007. Such list shall inter alia include a specification of such services as well as the envisaged term of corresponding transitional service agreements. Note, however, that it is a clear preference of the Seller to minimize the scope of any transitional service relationships with the Business after consummation of the Transaction and any such requirements from your part will be considered by the Seller in their assessment of your Final Offer. Where the Seller, in their sole discretion, agree to provide such services, they will seek to do so on the basis of commercially reasonable terms which will be negotiated and agreed during the definitive SPA discussions.

28 September 2007

Page 4

## II. Final Offer

Your Final Offer, signed by your authorized representative(s), should be delivered in writing, with advance copy via fax or email by no later than 5.00 pm (UK) on 9th November 2007 to both:

Advance copy by email:	By mail, as well as advance copy by fax or email:
<div data-bbox="268 716 507 773" style="border: 1px solid black; height: 25px; width: 150px;"></div> <p data-bbox="268 773 699 898">ExxonMobil Gas &amp; Power Marketing ExxonMobil International Limited ExxonMobil House, MP40, Ermyn Way Leatherhead, Surrey KT22 8UX, UK</p> <div data-bbox="268 898 772 1000" style="border: 1px solid black; height: 45px; width: 316px;"></div>	<div data-bbox="815 716 1193 773" style="border: 1px solid black; height: 25px; width: 237px;"></div> <p data-bbox="842 773 1126 902">Attorney at Law / Partner Lovells LLP Warburgstr. 50 20354 Hamburg, Germany</p> <div data-bbox="815 902 1319 1022" style="border: 1px solid black; height: 53px; width: 316px;"></div>

As further discussed below, please do not send any final offer information to Credit Suisse

Your Final Offer is required to be open for acceptance by the Seller until 31 January 2008.

Your Final Offer, expressed to be irrevocable and binding, should be submitted in writing and should contain the following information:

1. *Purchase Price:* Please specify the cash consideration (in Euros) you are prepared to offer for 100% of the Business on a cash and debt free basis ("Enterprise Value"). Further, you are requested to specify in detail any deductions or additions you would propose to make to arrive at the cash purchase price for 100% of the equity of the Business (the "Equity Value", conforming in concept to the (Preliminary) Purchase Price as defined in the SPA). In any case, we require you to confirm that except for the defined post closing adjustments you will not make any further deductions from the Enterprise Value and that your derived Equity Value is final. Please also note that you are required to provide single Enterprise Value and Equity Value figures, respectively, rather than a range of values.
2. *Conditions:* Your Final Offer will be submitted prior to the ability to visit the technical data storage archive at Döttingen ("Technical Confidential Information"). Your Final Offer may contain the condition that it is subject to satisfactory review of the Technical Confidential Information, but should otherwise be on the terms set out below.

Further, your Final Offer may be subject to the condition that transitional services to be provided by the Seller or its Affiliates as requested by you pursuant to section I.8. above will be agreed on commercially reasonable terms during the definitive SPA discussions.

Notwithstanding the aforementioned, your Final Offer shall not be subject to any conditions other than those included in the SPA. In addition, your Final Offer shall confirm that you have completed your due diligence to your satisfaction. For the avoidance of doubt, you should take into account that any outstanding due diligence issues may well put your Final Offer at a competitive disadvantage.

Subsequent to receipt of Final Offers, the Seller may choose to invite one or more selected potential purchasers a) to engage in definitive discussions with the Seller regarding the provision of any required transitional services and b) to undertake during a maximum 1-week timeframe the review of Technical Confidential Information to allow confirmation of the Final Offer.

3. *Plans for the Business:* Your Final Offer should describe in detail any plans you may have for the Business. You should also outline your experience in managing critical infrastructure assets and how you would intend to ensure continuing performance of the Business, including the consolidation of the Business organisation to be transferred with staffing plans, to the highest standards of service and availability should the Transaction be consummated with you. In particular any issues which will affect the employees in the Business as laid out in the transfer plans should be outlined.
4. *Financing:* Your Final Offer should provide for firm and committed financing. To that end, we expect you to confirm the sources of financing for the Transaction stating the level, structure, and economic terms for equity, shareholder loan, and debt. In case you require any financing from outside sources, we request you to provide written evidence that such financing is fully and unconditionally underwritten or has the required approvals, as the case may be. You should ensure that the related financing commitment letters envisage that credit documentation would be entered into at the same time as the SPA is signed and that such credit documentation only has conditions mirroring those in the SPA. In case financing is obtained from existing internal funds, the Final Offer should include respective guarantees of an appropriate parent company of unquestionable financial standing. You should expect that the Seller will deem your Final Offer non-compliant if there is any deviation from the above in terms of certainty of funding.
5. *Approvals:* Your Final Offer must entail a confirmation that all required internal approvals have been obtained (including those of any relevant corporate bodies and any shareholder approvals which are not shown to be required by listing rules or other regulatory requirement) and must not be subject to any required approvals from lenders. To the extent that your Final Offer is subject to any material external approvals (other than specified under paragraph 6 below), please specify those in detail including envisaged timing and a description of any other factor or circumstance that you can reasonably foresee that might affect the timing and/or certainty of those external approvals to be obtained. The specification should also include any reason, if any, why you could not sign the Share Purchase Agreement prior to 31 January 2008.
6. *Anti-trust Implications:* You should confirm any anti-trust approvals required to consummate the Transaction (including anticipated filings), which may affect its timely conclusion, and elaborate on what commitments you would make if required to ensure that the Transaction would be consummated expeditiously. The Final Offer should indicate the likely timetable for satisfying such conditions or receiving such approvals. Alternatively, please provide contact details of an authorized officer or advisor whom we may contact to discuss potential anti-trust considerations.
7. *Identity of Acquirer and Advisors:* Your Final Offer should confirm the proposed acquirer of the Business, including legal entity, acquisition structure, capital structure, jurisdiction and form of organization and affiliates. Please note that we require you to also disclose any partnering or similar arrangements and how those will influence the ongoing management of the Business, and also to indicate any structuring that you require to complete before closing of the Transaction.
8. *Contact Details:* Your Final Offer should include contact details (including telephone and facsimile numbers and e-mail addresses) of contact persons who will be available to answer questions regarding your Final Offer.

9. *Other Information:* Any other information that you consider important to the Seller in their decision to select a purchaser for the Business.
10. *Sale and Purchase Agreement (SPA):* You will be provided with a draft SPA for review and submission with the Final Offer. We require you to submit a detailed final mark-up of the SPA alongside your Final Offer setting out your definite and exhaustive comments. In order to ensure an efficient process and allow for comparability of Final Offers, the Seller will deem to be non-compliant any Final Offer which includes a proposed SPA that is not a mark-up of the draft provided to you. We encourage you to take advantage of the SPA clarification session with the Seller's legal counsel.

The SPA so marked up should be in a form which you are prepared to sign. The extent and nature of any proposed amendments to the SPA will be a key factor taken into consideration in evaluating your Final Offer.

### III. Next Steps

Final Offers will be evaluated as soon as reasonably practicable. The Seller, in their sole discretion, may identify a potential purchaser or potential purchasers, as the case may be, with whom they enter into final negotiations. In any case, you should be prepared to enter into such negotiations at short notice and ensure respective availability on your side.

### IV. Parallel Process Regarding the Possible Divestiture of BEB Erdgas und Erdöl GmbH's transport business

ExxonMobil and Deutsche Shell Holding GmbH ("Shell") are in parallel evaluating a possible sale of their shares in a company holding the gas transportation business of BEB Erdgas und Erdöl GmbH ("BEB Transport"), which is a 50/50 joint venture of ExxonMobil and Shell holding a 3,000 km natural gas transportation gas system in Northern Germany. Given the differing ownership of the assets, ExxonMobil and Shell have decided to conduct the evaluations of possible sales of BEB Transport and EMGTG as separate processes, but along the same timeline. Credit Suisse is the exclusive financial advisor of ExxonMobil and Shell in relation to BEB Transport. Potential purchasers are requested to strictly observe the separation of the processes and to communicate only with the appropriate contact persons for each of the processes as indicated to potential purchasers at the various stages of the processes.

Potential purchasers should be aware that due to the geographical and operational connection of the BEB Transport network and the EMGTG network and the fact that BEB Transport and EMGTG are currently technically both serviced by EMPG, ExxonMobil will only allow the divestiture of BEB Transport if EMGTG is sold at the same time on conditions acceptable to ExxonMobil. For clarity, please note that any direct questions regarding the due diligence process should be addressed to the Credit Suisse as defined in Section I whereas any Final Offers must be sent to the ExxonMobil contacts as defined in Section II.

### V. Miscellaneous

The Seller expressly reserves – at its respective sole discretion - the right to reject any or all Final Offers for any reason or for no reason, to terminate discussions and negotiations with you at any time, to deal with one or more parties to the exclusion of others and modify the procedures described herein. Neither the Seller, Credit Suisse nor any of their affiliates or advisors shall have any liability

28 September 2007

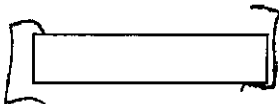
Page 7

to any prospective purchaser as a result of the rejection of any or all Final Offers, the acceptance of any Final Offer or pursuing discussions or any transaction in respect of the Business with any other party. The only binding obligations of the Seller, if any, shall be those set forth in a definitive sale and purchase agreement, if one is executed and delivered by the parties thereto, and no such obligation shall exist until such execution and delivery. This letter does not constitute any offer to sell the Business. An offer to buy the Business requires the acceptance by the Seller, subject to all necessary approvals, in a definitive sale and purchase agreement to be mutually agreed upon and duly executed between the Seller and the potential purchaser. You must bear all costs of your investigation and evaluation of the Business, including the fees and disbursements of your counsel and advisors. This process letter shall be governed by and construed in accordance with German substantive law. By acceptance of the Data Room Rules and Procedures in accordance herewith you express your consent to the provisions of this procedure letter.

Under no circumstances and in addition to the confidentiality obligations of the potential purchasers are any prospective purchasers allowed to contact, in connection with the Transaction, any third parties, in particular any suppliers, customers or similar of the Business or the Seller or any of their affiliates without the prior express written consent of ExxonMobil. Unless and until directed otherwise by the Seller, for all matters related to the process except for matters concerning the submission of your Final Offer and the content thereof, Credit Suisse remains your sole point of contact.

We appreciate your interest in the Business.

Sincerely,





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## CONFIDENTIALITY AND RESTRICTED USE AGREEMENT

This Confidentiality and Restricted Use Agreement ("**Agreement**") is entered into as of the 28<sup>th</sup> day of September, 2007 (hereinafter, the "**Effective Date**")

between

Mobil Erdgas-Erdöl GmbH ("**ExxonMobil**"), a company organized and existing under the laws of the Federal Republic of Germany and residing at Kapstadtring 2, 22297 Hamburg, Germany,

and

N.V. Nederlandse Gasunie ("**Gasunie**"), a public company, organized and existing under the laws of the Netherlands, whose registered office is located at Groningen, the Netherlands;

ExxonMobil and Gasunie are referred to individually herein as "**Party**" and collectively as "**Parties**."

WHEREAS, ExxonMobil proposes to disclose certain sensitive business, operational and technical information that is not in the public domain and that ExxonMobil would not normally disclose to Gasunie or other third parties; and

WHEREAS, ExxonMobil is willing to make such information, selected in its sole discretion, available to Gasunie on a non-exclusive basis solely for the Limited Purpose hereinafter defined, subject to the obligations of confidentiality, restricted use and other terms and conditions of this Agreement:

WHEREAS, this Agreement replaces and supersedes the certain Confidentiality Undertaking as signed by the Receiving Party on 14 August 2007.

In consideration of the mutual covenants and undertakings stated herein, the Parties agree as follows:

### CLAUSE 1 - DEFINITIONS

"**Affiliate**" with respect to a Party, means any company or legal entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Party. "**Control**" means the right to exercise fifty percent (50%) or more of the voting rights in a company or legal entity.

"**Agreement**" means this Confidentiality and Restricted Use Agreement.

"**Assets**" means ExxonMobil's shareholding interests, held directly or indirectly, in the Company.

"**Authority**" has the meaning as defined in Clause 6.1.

"**Business Day**" means any day, when the banks in the city of Hamburg are normally open for business, generally a day other than a Saturday, Sunday, public holiday or bank holiday.

"**Company**" shall mean ExxonMobil Gastransport Deutschland GmbH

"**Confidential Information**" means the information described in Clause 3.

"**Disclosing Party**" means ExxonMobil and its respective Affiliates.

"**Limited Purpose**" means use by Gasunie for the sole purpose of evaluating the Assets and a possible Transaction.

"**Notice**" or "**Notify**" means a communication by one Party to the other that complies with the provisions of Clause 13 of this Agreement.

"**Person**" means any person, company, firm, partnership, association, body corporate, governmental agency, or other legal entity not a Party to this Agreement including without limitation, natural persons, groups of persons and legal entities.

"**Receiving Party**" means Gasunie.

"**Transaction**" means a possible sale of the Assets to Gasunie consummated pursuant to definitive written agreements executed by duly authorized representatives of the Parties.

## **CLAUSE 2 - DISCLOSURE, CONFIDENTIALITY AND RESTRICTED USE**

- 2.1 The Disclosing Party shall disclose to Receiving Party on a non-exclusive basis certain confidential and/or proprietary information selected in the Disclosing Party's sole discretion regarding the Assets or a possible Transaction, including but not limited to business, technical and/or operational information, subject to the terms and conditions of this Agreement. The Receiving Party shall use this information solely for the Limited Purpose.
- 2.2 Concurrent Disclosure and Right to Deal with Third Parties
- (a) Gasunie acknowledges and accepts that ExxonMobil has, or may has, disclosed to any Person all or any part of the technical and business information it discloses to Gasunie pursuant to this Agreement. ExxonMobil is entitled at any time without Notice during the term of this Agreement, or following expiration, cancellation, or termination of this Agreement, to disclose to any Person information disclosed to Gasunie as Confidential Information under this Agreement. ExxonMobil is entitled to make such disclosures to any Person for any purpose, including without limitation, facilitating negotiation or consummation of a commercial arrangement with any Person involving all or any part of the Assets or consummating a transaction of the kind defined in this Agreement as a "**Transaction**."
- (b) Gasunie agrees that ExxonMobil is entitled at any time and from time to time without Notice during the term of this Agreement or following expiration, cancellation or termination of this Agreement to negotiate and consummate such a possible sale or commercial arrangement, subject only to the duty to provide Notice to Gasunie pursuant to Clause 9.1 as soon as ExxonMobil determines it has no interest in pursuing the possible Transaction with Gasunie.
- 2.3 Undertakings of Confidentiality and Restricted Use
- (a) Confidential Information shall be held and protected in strict confidence by Receiving Party. Receiving Party agrees that it shall not sell, trade, publish,

disclose or divulge such Confidential Information to any Person whomsoever, including by means of photocopy, reproduction or electronic media, without the prior written consent of Disclosing Party except as provided for in this Agreement.

- (b) Receiving Party agrees that it shall use and permit use of Confidential Information received from Disclosing Party solely for the Limited Purpose and shall not, during the term of this Agreement and the survival period prescribed in Clause 11 hereof, use or permit use of such Confidential Information for any other purpose.
- (c) In the event Receiving Party becomes aware that any of its officers, directors, or employees of Receiving Party or its Affiliates (or any Person who has received Confidential Information directly or indirectly from Receiving Party) has disclosed or used, or intends to disclose, use or permit use of Confidential Information received from Disclosing Party in a manner contravening or violating the terms of this Agreement, Receiving Party is obliged to do anything possible to stop and/or rectify such violation and immediately notify Disclosing Party and provide Disclosing Party with details available at the time, and keep Disclosing Party fully informed of its actions to stop and/or rectify such violations.

#### 2.4 Patents, Copyrights, Proprietary Information, Trade Secrets and Inventions

- (a) A Disclosing Party may provide Confidential Information that contains information on patented equipment or processes as well as copyrighted material, proprietary technical information and trade secrets of Disclosing Party, its Affiliates, and third party licensors. Except for temporary use solely for the Limited Purpose, nothing in this Agreement shall be interpreted or construed to constitute a right or license to utilize, practice or disclose at any time any or all of said patent rights, copyrighted materials, trade secrets, and technical information.
- (b) Nothing in this Agreement is to be construed as a grant or as an intention or commitment to grant any right, title or interest, of any nature whatsoever, in or to Confidential Information disclosed by one Party to the other pursuant to this Agreement.

### **CLAUSE 3 - INFORMATION SUBJECT TO CONFIDENTIALITY AND RESTRICTED USE**

3.1 For purposes of this Agreement, the term "**Confidential Information**" includes the following:

- (a) the existence and content of this Agreement;
- (b) the fact that either Party has communicated with the other Party concerning the Assets or possible Transaction and the fact that the Parties are exchanging information or holding discussions regarding the Assets or a possible Transaction;
- (c) all information regarding the Assets or a possible Transaction disclosed by a Disclosing Party to Receiving Party pursuant to this Agreement, whether in writing or other visual form, oral, recorded on tape or other media, or disclosed through magnetic or other electronic displays, inspection of facilities, or discussions between the Parties (including information

disclosed to Receiving Party prior to the Effective Date), and including without limitation: (i) technical information; (ii) proprietary information; and (iii) business and operational information; whether or not such information is labelled or otherwise identified as private, proprietary or confidential;

- (d) all memoranda, reports, valuations, analyses, and summaries of Confidential Information Receiving Party derives from such Confidential Information disclosed to it by a Disclosing Party; and
- (e) all information and data the Disclosing Party discloses or makes available to Receiving Party through inspections of the Assets, examinations in a data room or the like.

3.2 Information shall not constitute Confidential Information subject to the terms and conditions of this Agreement to the extent Receiving Party shows by convincing evidence that the information:

- (a) at the time of disclosure by a Disclosing Party to Receiving Party, already was in the public domain;
- (b) at the time of disclosure by a Disclosing Party to Receiving Party, already was known by Receiving Party, was not subject to any obligation of confidentiality or restriction on use, and had not been obtained directly or indirectly from Disclosing Party;
- (c) after disclosure by a Disclosing Party to Receiving Party, is published or otherwise enters the public domain through no act or omission of Receiving Party or any Person to whom Receiving Party directly or indirectly has made Confidential Information available; or
- (d) after disclosure by a Disclosing Party to Receiving Party, is received by Receiving Party, as demonstrated by documents in the possession of Receiving Party, without obligation of confidentiality or restriction on use, from a Person who is lawfully in possession of such information and who is not under a contractual or fiduciary obligation to a Disclosing Party or any Person with respect to such information.

#### **CLAUSE 4 - INTERNAL DISCLOSURE AND RESTRICTED USE**

4.1 Subject to the provisions of Section 4.2 of this Agreement, Receiving Party shall be entitled to disclose Confidential Information without Disclosing Party's prior written consent to the following persons, if, and to the extent that, they have a clear need to know in order to evaluate the Assets and possible Transaction:

- (a) employees, officers, directors of the Receiving Party;
- (b) employees and shareholders of the Receiving Party who are involved on the instructions of the latter in the process of assessing the Receiving Party's interest in proceeding with and in the preparation of the Transaction, to the extent that in this connection they need access to the Confidential Information;

- (c) any consultant, agent or legal counsel retained by the Receiving Party or its Affiliate;
  - (d) up to 3 recognised credit institutions which the Receiving Party may approach, if necessary, for the financing of a possible Transaction. If the Receiving Party wishes to approach more than 3 credit institutions, it will request the prior written approval of the Disclosing Party to do so, which approval will not be unreasonably withheld by the Disclosing Party; and
  - (e) any relevant competition or regulatory authority.
- 4.2 Receiving Party, prior to disclosing Confidential Information received from a Disclosing Party to persons or entities identified in Clause 4.1(c) and (d) of this Agreement, shall inform each recipient that the information is Confidential Information and shall obtain from each such recipient a written undertaking of confidentiality and restricted use, enforceable by either Disclosing Party or Receiving Party, substantially in the same form and content as this Agreement.
- 4.3 At the request of one Disclosing Party, the Receiving Party shall name the persons to whom access is given to Confidential Information on this basis and furnish proof of the assumption by those persons of an obligation of confidentiality.
- 4.4 The Receiving Party shall neither directly nor indirectly contact any of the Companies, its corporate officers, employees, business partners, customers, suppliers and advisers or the Disclosing Party's employees without the Disclosing Party's prior written consent.

## **CLAUSE 5 - MAINTENANCE AND PROTECTION OF INFORMATION**

- 5.1 Receiving Party shall be responsible for ensuring that all persons to whom, consistent with the limitations imposed by this Agreement, it discloses Confidential Information received from a Disclosing Party (i) shall keep such information confidential; (ii) shall not disclose or divulge the same to any person not authorized by this Agreement to receive such information; and (iii) shall comply with the use restrictions under this Agreement.

Receiving Party, to the extent not already in place, shall adopt and enforce controls to ensure safekeeping of all Confidential Information received from a Disclosing Party. As a minimum, Receiving Party shall:

- (a) designate a custodian of records responsible for receiving and safeguarding such Confidential Information;
- (b) maintain a listing of all persons to whom Receiving Party discloses, directly or indirectly, such Confidential Information, including without limitation, employees, officers, and directors of Receiving Party and its Affiliates; and their respective consultants, agents, legal counsel, and bank or other financial institution personnel;
- (c) ensure that all such Confidential Information is kept in a secure place at all times and is properly protected against theft, damage, loss or unauthorized access; and
- (d) make no copies in any form of any documents which contain such Confidential Information or authorize any other person to do so, except for the purpose of providing such Confidential Information to persons to whom

disclosure of Confidential Information is expressly permitted by this Agreement.

- 5.2 Receiving Party, upon request of a Disclosing Party, and at reasonable intervals during normal business hours, shall permit such Disclosing Party, at its own expense, to conduct audits of Receiving Party's compliance with its internal control procedures for Confidential Information.
- 5.3 The Receiving Party is liable to each Disclosing Party and each of the Companies (contract in favour of third parties) for failure to honor the obligations under Clause 5.1 and 5.2.

#### **CLAUSE 6 - DISCLOSURES REQUIRED BY AUTHORITIES**

- 6.1 In the event Receiving Party is informed or becomes aware that it may be required by law (such as by order or rules of a court, arbitration tribunal, or duly empowered governmental body (hereinafter "**Authority**")) to make available or disclose Confidential Information received from a Disclosing Party to an Authority or Person specified by an Authority, Receiving Party will promptly inform the Disclosing Party by Notice pursuant to Clause 13 and will keep the Disclosing Party promptly and fully informed of all developments relating to possible disclosure of such Confidential Information. The Parties will cooperate with one another to resist or narrow the request or obtain other mutually acceptable resolution with the Authority.

If resolution mutually acceptable to the Parties and the Authority cannot be achieved in a timely fashion, the Parties will cooperate with one another to obtain a protective order from a court or other mutually acceptable relief from compelled disclosure. In the event mutually acceptable resolution is not achieved, the provisions of Clause 6.2 shall apply.

- 6.2 To the extent resolution mutually acceptable to the Parties and the Authority is not achieved pursuant to Clause 6.1 of this Agreement, and Receiving Party is compelled, in the opinion of its legal counsel, to disclose such Confidential Information or suffer legal penalty, Receiving Party shall:
  - (a) prior to any such disclosure, provide the Disclosing Party at the earliest possible time with full details of the disclosure requirement and any planned disclosure;
  - (b) support a Disclosing Party if such Disclosing Party elects, in its own name and at its sole cost and expense, to seek a judicial or arbitral ruling preventing or limiting disclosure of Confidential Information to the Authority;
  - (c) furnish only that portion of such Confidential Information that Receiving Party is required to disclose pursuant to written advice of legal counsel; and
  - (d) seek, and permit either Disclosing Party at its own expense to participate in seeking, written agreement or assurances of the Authority that it will cause any Person receiving such Confidential Information to: (i) comply with the confidentiality and restricted use provisions of the Agreement (and in the event the Authority itself is the sole recipient of the information, also afford such Confidential Information all confidential, safekeeping, and restricted use protections permitted by law); (ii) mark such Confidential Information to reflect that it is confidential and/or proprietary and subject to a

confidentiality agreement; (iii) store such Confidential Information in locked, secure files separate from other information and subject to controlled access; (iv) disclose such Confidential Information only to Persons with a clear need to know; (v) limit disclosures to extracts and summaries to the maximum extent; (vi) confine, to the extent permitted by law, disclosure to the first Authority which receives such Confidential Information.

- 6.3 To the extent required to comply with any applicable securities law, the provisions of Clauses 6.1 and 6.2 shall be waived except that Receiving Party, if required to disclose such Confidential Information, shall inform the Disclosing Party of the disclosure in advance, to the extent consistent with law.

#### **CLAUSE 7 - DISCLAIMER OF WARRANTIES**

The Disclosing Party makes no representations or warranties express or implied, as to (a) the quality, adequacy, reliability, accuracy, or completeness of the information disclosed to Receiving Party under or in connection with this Agreement; or (b) whether such information can or cannot be used by Receiving Party without infringing any third party patents or copyrights. Neither Disclosing Party nor the respective officers, directors, or employees of such Disclosing Party or its affiliates shall have any liability to Receiving Party or any person resulting from the use of Confidential Information disclosed pursuant to this Agreement. Explanations, discussions, or other communications between the Parties concerning the Confidential Information, and any subsequent joint use of the Confidential Information by the Parties, shall not constitute, and should not be construed as, a representation or warranty by Disclosing Party that the Confidential Information is accurate, complete or suitable for the Limited Purpose or for any other use. Any assessments, conclusions, and applications Receiving Party derives from the Confidential Information are at Receiving Party's sole risk.

It is agreed that no Party shall be under any obligation or commitment to enter into discussions or any further agreement with regard to the Transaction merely by reason of this Agreement or the disclosure, evaluation or inspection of Confidential Information. Discussions in relation to the Transaction are not exclusive and any Party shall be entitled to discuss, negotiate or agree any matter with any third party provided that the terms of this Agreement are otherwise respected.

#### **CLAUSE 8 - OWNERSHIP OF CONFIDENTIAL INFORMATION**

All Confidential Information provided by the Disclosing Party to Receiving Party shall remain the property of Disclosing Party. Gasunie shall acquire no right, title, or interest in Confidential Information received directly or indirectly from Disclosing Party under this Agreement and no actions pursuant to this Agreement shall be construed as conferring on Receiving Party or any Person, by implication or otherwise, any license under any patent, copyright, or future patent owned by the Disclosing Party or its Affiliates.

#### **CLAUSE 9 - RETURN AND DESTRUCTION OF CONFIDENTIAL INFORMATION**

- 9.1 Upon expiration, cancellation, or termination of this Agreement, or at any time, and from time to time, Disclosing Party, by Notice, may demand return of all or any designated portion of Confidential Information it has disclosed to Receiving Party. Within fifteen (15) days of receipt of such Notice designating such Confidential Information, Receiving Party shall:

- (a) return to the Disclosing Party all of the Confidential Information (whether in hard copy, magnetic or other electronic form or otherwise) disclosed to it by or on behalf of such Disclosing Party;
  - (b) destroy any materials in its possession prepared or created directly or indirectly by Receiving Party (including memoranda, reports, valuations, analyses, and summaries of Confidential Information) Receiving Party derives from such Confidential Information disclosed to it by either Disclosing Party; and
  - (c) erase all such Confidential Information received from either Disclosing Party from Receiving Party's computers, word processors or other devices containing such Confidential Information, except that any such Confidential Information retained in Receiving Party's computer back-up systems may be destroyed in accordance with Receiving Party's regular on-going records retention process.
- 9.2 Receiving Party shall Notify the Disclosing Party promptly upon completion of its return, destruction, and/or erasure of Confidential Information pursuant to Clause 9.1 of this Agreement. Receiving Party shall provide the Disclosing Party with detailed documentation of actions taken to comply with Clause 9.1 and shall permit either Disclosing Party at its own expense to examine Receiving Party's pertinent records documenting its compliance.
- 9.3 Notwithstanding the return, destruction or erasure of such Confidential Information, all obligations of confidentiality and restricted use under this Agreement shall remain in effect in accordance with provisions of Clause 11 of this Agreement.

#### **CLAUSE 10 - PUBLIC STATEMENTS**

Gasunie, unless acting in compliance with prior written approval of the Disclosing Party (on terms solely within the discretion of such Parties) shall not make, or permit or procure to be made, or solicit or assist any Person to make, any statement to a third party, the public, or media regarding the occurrence or the substance of any communications, discussions, or negotiations between the Parties with respect to the Assets or a possible Transaction. None of the Parties shall use or permit use of the name of any other Party or any of its Affiliates in any publication, advertisement, or other disclosure concerning the subject matter of this Agreement.

#### **CLAUSE 11 - TERM OF AGREEMENT**

Unless otherwise agreed, this Agreement will expire of its own terms on the earlier of September 15, 2010 or the date of execution of an agreement for the sale and purchase of the Assets between the Parties, provided however that the Disclosing Party may cancel or terminate this Agreement at any time, in its sole discretion, by written Notice to the Receiving Party and provided further that if any Party determines, in its sole discretion, that it has no interest in pursuing a possible Transaction it immediately shall so Notify the other Parties. In any event, for a period of five (5) years from the earlier of expiration, cancellation or termination of this Agreement, all covenants and obligations of confidentiality and restricted use applicable to Receiving Party hereunder shall remain in effect and fully apply to Confidential Information disclosed by a Disclosing Party to Receiving Party.



The obligations of this Clause shall survive and remain in force for such period of five (5) years from the expiration, cancellation or termination of this Agreement.

## **CLAUSE 12 – CONTRACTUAL PENALTY**

- 12.1 The Receiving Party undertakes, in the event that it or the persons named in Clause 4 breaches the obligations arising from this Agreement, to pay to the Disclosing Party, a contract penalty in the amount of EURO 25.000. In the event of such breach being protracted (ie lasting for more than one calendar week), the Receiving Party, for each week that such breach lasts, undertakes to make further payment in the amount of EURO 50.000. The payment of the contract penalty shall not affect claims for further damages.
- 12.2 The Receiving Party undertakes for the earlier of (i) the execution of an acquisition agreement for the Assets or (ii) a period of two years from the date of this Agreement, not to hire, solicit for employment or employ any persons who at the time of the signing of this Agreement are employees of the Disclosing Party or the Assets other than as a result of a bona fide general advertisement or upon the initiative of such person nor, except in the ordinary course of business, to establish or maintain contact with employees or customers of the Disclosing Party or the Assets, .

## **CLAUSE 13 - NOTICES**

All Notices and other communications required under this Agreement shall be in writing and shall be addressed to the Parties at the addresses or facsimile numbers set forth below, or to such other addresses or facsimile numbers one Party specifies to the other by Notice:

- (a) if to ExxonMobil at: Kapstadtring 2, 22297 Hamburg, Germany  
Facsimile Number: +49-40-6393-2652
- (b) if to Gasunie at: Concourslaan 17, 9727 KC Groningen, the Netherlands  
Facsimile Number: + 31 50 521 1999

Notice given in accordance with this Clause shall take effect, or be deemed to take effect, as follows:

- (a) If sent by facsimile, upon the earlier of: i) the date and time sent, provided the sending machine issues a written confirmatory report that the message has been sent to the recipient's facsimile number before the recipient's close of business on a Business Day, or ii) at 10.00 hours on the next occurring Business Day if delivered on a Business Day after recipient's close of business.
- (b) If sent by mail, postage pre-paid, or by hand (including by courier), upon the earlier of: i) the date and time delivered if before recipient's close of business on a Business Day; or ii) at 10.00 hours on the next occurring Business Day if delivered on a Business Day after recipient's close of business.

For purposes of this Clause, a Notice delivered on a day which is not a Business Day shall be deemed to be delivered at 10.00 hours on the next occurring Business Day.

#### **CLAUSE 14 - APPLICABLE LAWS**

This Agreement shall be governed by the substantive laws of Germany. Place of jurisdiction is Hamburg.

#### **CLAUSE 15 - MISCELLANEOUS**

- 15.1 The obligations and liabilities of the Disclosing Party are several; not joint, nor joint and several.
- 15.2 Nothing in this Agreement and no action by the Parties pursuant to this Agreement alone or viewed in conjunction with any other contract, documents or course of conduct shall constitute or be construed to constitute a partnership, joint venture, or any other cooperative relationship, including a fiduciary relationship between the Parties.
- 15.3 Each Party shall bear sole responsibility for any costs or expenses it or its Affiliates incur in connection with preparation and performance of this Agreement, including activities undertaken to evaluate the Assets or a possible Transaction and activities related to dispute resolution regarding this Agreement.
- 15.4 If any provision of this Agreement (or part thereof) is or becomes unlawful or void, the legality, validity, and enforceability of any other part of that provision or any other provision of this Agreement shall not be affected, but shall continue in force and effect. The unlawful or void provision shall be deleted from this Agreement by written agreement of the Parties or final court order but only to the extent of any invalidity so as to preserve the Agreement to the maximum extent.
- 15.5 Any variation, addition, or amendment to this Agreement shall be in writing and shall not be valid unless duly signed and executed by the Parties.
- 15.6 This Agreement comprises the full and complete agreement between the Parties with respect to the subject matter hereof, and supersedes and cancels all prior communications, understandings and agreements whether written or oral, expressed or implied, between the Parties and/or their respective Affiliates relating to the Confidential Information, the Assets or a possible Transaction.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective duly authorized signatories effective as of the Effective Date.

Signed for and on behalf of: Signed for and on behalf of:

Mobil Erdgas-Erdöl GmbH

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signed for and on behalf of:

N.V. Nederlandse Gasunie

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Memo

Aan **Wouter Raab**  
Van   
Datum **11 oktober 2007**  
Onderwerp **Investeringsbesluit Gasunie m.b.t. BEB netwerk**

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### Aanleiding

Gasunie heeft recent Financiën geïnformeerd dat het kandidaat is om de Duitse netwerken BEB en EMGTG over te nemen. Om ons nader te informeren over deze investering is een afspraak gemaakt met de heer Kramer op 16 oktober om 9:00. Dit memo met de pro argumenten opgebracht door Gasunie en vragen over wenselijkheid van deze investering dient ter voorbereiding op dit gesprek.

### Inleiding

Gasunie is benaderd door Credit Suisse, dat de verkopende partijen Shell en ExxonMobil vertegenwoordigt, of het geïnteresseerd is in de overname van het Duitse gastransportbedrijf BEB. Gasunie heeft in de eerste ronde een zogenaamde non-binding offer gedaan en op grond daarvan is het doorgeslagen naar de 2<sup>e</sup> ronde. In de 2<sup>e</sup> ronde doen de kandidaat kopers een bod, waarna de hoogste bieder exclusieve onderhandelingen met de verkopende partijen aangaat.

### Kernpunten

- Gasunie heeft in een eerder gesprek de volgende pro's voor acquisitie van de BEB en EMGTG netwerken opgebracht.
  - 1) Schaalvergroting; Het is in lijn met de gedachte om één noord west Europees gasnetwerk te creëren, directe aansluitingen op Noorwegen en Denemarken.
  - 2) Het ondersteunt het beleidsvoornemen om van Nederland een gasronde te maken.
  - 3) Duitse netwerk is efficiënter dan het Nederlandse en hier zou Gasunie dus iets van kunnen leren.
  - 4) Ondersteunen de activiteiten zoals de opslag van gas in Duitse cavernes zou hierdoor kunnen worden uitgebreid.
  - 5) Toename van de leveringszekerheid doordat Gasunie directe aansluiting krijgt op Nordstream (pijplijn Rusland- Duitsland) en er geen Duitse partijen meer tussen zitten.
  - 6) Verbetering van liquiditeit van de markt; Twee aansluitingen met Noren waardoor Noren de keuze hebben.
  - 7) Het in stand houden van de laagcalorische (Groninger gas behoort tot deze categorie) gasmarkt. Het BEB netwerk bestaat uit een H en L-gas gedeelte. De productie van L-gas loopt de komende jaren terug, terwijl vraag/aanbod van H-gas toe zal nemen. Nederland zal hierdoor een buitenbeentje worden in Europa.

8) Door acquisitie is het mogelijk om druk te zetten op DTe. Daarnaast kunnen reguleringsrisico's weg worden gediversificeerd.

- Vragen m.b.t. strategie.

- Welk publieke belang dient deze acquisitie voor Nederland?
- Wat is het belang voor Nederland om BEB te acquireren?; Gasunie is immers nu gewoon aangesloten op dit netwerk, waarom zou het BEB moeten opkopen (Duitsland is een betrouwbare partner, dus heeft dit qua leveringszekerheid toegevoegde waarde)? Draagt BEB daadwerkelijk bij tot de integratie van een NW Europees netwerk?
- Draagt BEB, via een buitenbocht, daadwerkelijk bij aan het beleidsvoornemen om van NL een gasrotonde te maken?
- Het Duitse netwerk opereert blijkbaar efficiënter dan het Nederlandse. Hoe denkt Gasunie deze efficiëntie over te kunnen brengen naar het Nederlandse netwerk? Wat voor gevolgen heeft dit voor de efficiencykorting in Nederland wanneer bijvoorbeeld eenmalige efficiëncymeevallers structureel doorberekend worden in de tarieven.
- Kunnen shippers (vnl. Shell en ExxonMobil) het BEB netwerk omzeilen en gas over concurrerende netwerken transporteren? M.a.w. hoe zeker is BEB van hun klandizie?
- Het aandeel van L-gas zal op den duur marginaliseren, is het technisch haalbaar om L-gas netwerken in H-gas netwerken om te zetten?
- BEB transport heeft geen mogelijkheden tot gasopslag in het netwerk, derhalve is onduidelijk hoe het hierboven bij "pro's" opgebrachte punt 4 moet worden geïnterpreteerd.
- Mits geacquireerd, welke vervolginvesteringen liggen in de lijn der verwachting?
- BEB heeft een 12 % belang in een project N.V. dat momenteel een de aanleg van een LNG terminal bij Wilhelmshaven evalueert. Kan dit project conflicteren met de aanleg van GATE (zoals nu bijv. een de partijen in GasTerra een belang heeft dat GATE niet wordt aangelegd)?

- Vragen m.b.t. business case

- Financiën zou vanwege de omvang van de investering graag de volledige business case in willen zien.

- Vragen m.b.t. regulering

- Wat heeft BEB voor gevolg voor de regulering? Praktische uitvoering van twee reguleringsregimes.
- Kunnen tariefverhogingen worden doorberekend en/of gecompenseerd van Duitsland naar Nederland.

- Gasunie krijgt een redelijk marktaandeel als BEB wordt overgenomen, mede doordat BEB in veel andere netwerkbedrijven participeert. Kan dit op het gebied van mededinging nog problemen opleveren?
- Vragen m.b.t. financiering
  - Het eerste bod lag rond de € 2 mrd, heeft gasunie inmiddels een beter inzicht in de overnamesom van BEB?
  - Hoe wil Gasunie deze overname financieren?
  - Is Gasunie op zoek naar een (financiële) partij die mee participeert?
- Vragen m.b.t risico's
  - Welke operationele, financiële en strategische risico's zien Gasunie en hoe worden die ondervangen.