

ENERGY

Third-Quarter Update

AKIN GUMP RANKS EIGHTH IN TOP 10 ANNOUNCED GLOBAL ENERGY DEALS

Year-to-date, our energy practice ranks eighth as a legal advisor, according to Bloomberg's M&A Rankings in the category of Global Announced Deals – Energy.

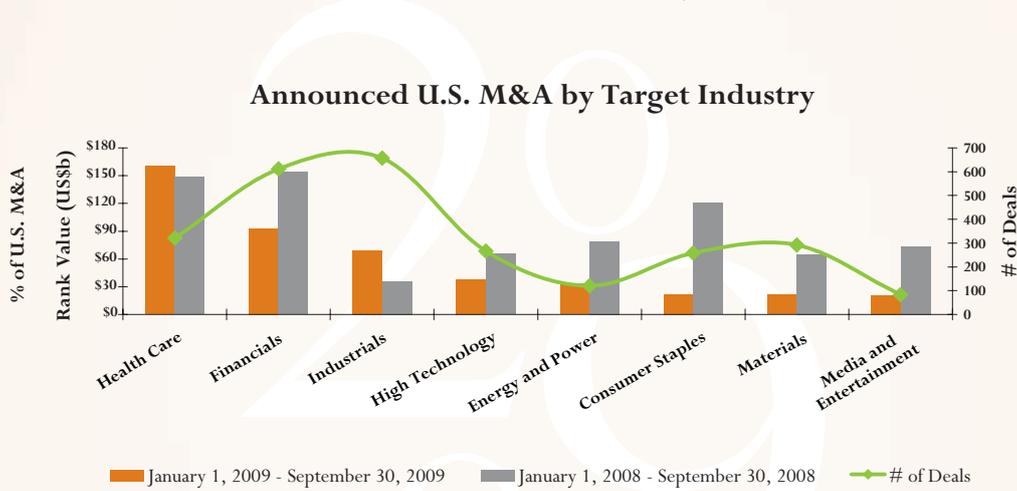
Firm	Rank	Market Share	USD \$M	Deal Count
Shearman & Sterling	1	18.7	25,190	9
McCarthy Tetrault	2	18.1	24,363	14
Blake Cassels & Graydon	3	16.6	22,419	10
Skadden Arps	4	14.6	19,737	13
Torys	5	13.3	18,006	3
Macleod Dixon	6	12.6	17,067	2
Goodmans	7	12.5	17,061	1
Akin Gump Strauss Hauer & Feld	8	11.4	15,337	17
Vinson & Elkins	9	10.5	14,187	19
Dewey & LeBoeuf	10	9.3	12,500	11

Dear Clients and Friends,

According to Thomson Reuters, the value of M&A activity year-to-date worldwide, \$1.46 trillion, is down by 38 percent compared to the same period in 2008 and represents the slowest nine-month activity period since 2004.

U.S. M&A activity during the first three quarters of 2009, according to the same source, decreased by 46.2 percent to \$601.2 billion compared to the same prior year period. But the North American M&A story is a study in contrasts, as Canadian M&A involvement has decreased by only 5.9 percent to US \$94 billion.

In the United States, the decline in energy and power deals, as the graphic below demonstrates, mirrors the overall market's decline quite accurately.



We continue to be very grateful to our clients and friends of the firm who have helped us, as an energy transactional practice, achieve excellent results in a very challenging marketplace.

— Energy and Global Transactions Team

MERGERS AND ACQUISITIONS

Baker Hughes Incorporated

- \$5.5 billion pending acquisition of BJ Services, the third-largest provider of pressure pumping services in the world, to expand its unconventional natural gas, deepwater and pressure-pumping businesses.

The addition of BJ Services will help Baker Hughes “compete for the growing large integrated projects by incorporating pressure pumping into our product offering,” according to Baker Hughes Chief Executive Officer Chad Deaton

Dynegy Inc.

- \$1.5 billion sale of nine U.S. power plants to LS Power Associates

In 2007, Akin Gump represented Dynegy in connection with the transaction that combined many of the assets of LS Power with Dynegy and resulted in LS Power becoming a 40 percent shareholder of Dynegy. This 2009 transaction effectively unwinds that transaction and positions Dynegy to seek other opportunities.

Hicks Acquisition Company I

- \$582 million acquisition of Resolute Natural Resources Company

Resolute Natural Resources Company, an independent oil and gas company with long-lived oil reserves, and Hicks Acquisition Company I, a special purpose acquisition company, announced a definitive agreement, in which Resolute will go public through a transaction with Hicks Acquisition. Following completion of the transaction, the combined enterprise will be renamed Resolute Energy Corporation and will apply for listing on the New York Stock Exchange.

Apollo Global Management LLC

- \$483 million acquisition of Parallel Petroleum Corporation

Parallel Petroleum Corporation announced an agreement to be acquired for \$132 million. The deal includes the assumption of some \$351 million in debt.

Conflicts Committee, El Paso Pipeline Partners, L.P.

- \$214.5 million acquisition of an additional 18 percent interest in Colorado Interstate Gas Company from El Paso

To further its growth strategy, El Paso Pipeline Partners, L.P. completed its acquisition, increasing its interest in CIG to 58 percent following an initial “drop-down” transaction in 2008 and the initial public offering in late 2007.

“We are pleased to announce the partnership’s second acquisition from El Paso Corporation, which is immediately accretive to distributable cash flow,”

said Jim Yardley, president and chief executive officer for the general partner of El Paso Pipeline Partners.

“The acquisition increases our interest in CIG’s well-positioned assets with strong cash flows and organic growth opportunities.”

Conflicts Committee, Holly Energy Partners

- Representation of the committee in its \$34.2 million acquisition of a new pipeline from Holly Corporation
- Representation in the \$17.5 million acquisition of certain truck and rail loading/unloading facilities from Holly Corporation

Conflicts Committee, Regency Energy Partners

- \$63 million acquisition of an additional interest in RIGS Haynesville Partnership Company from an affiliate of GE

The joint venture has recently announced two expansions to ongoing pipeline projects serving the Haynesville Shale to increase the capacity of its Regency Intrastate Gas System (RIGS).

Magellan Midstream Partners, L.P. and Magellan Midstream Holdings, L.P.

A majority of the ownership of each partnership has approved the capital structure simplification and related matters. As a result of the simplification, Magellan Midstream will have just one publicly traded partnership, MMP, going forward. The simplification is expected to provide a larger float, or average numbers of units traded daily, for investors. Because the incentive distribution rights are eliminated as part of the simplification, the partnership’s cost of equity capital will be reduced, allowing the partnership to be more competitive for future growth opportunities. Akin Gump advised the conflicts committee in this matter.



CAPITAL MARKETS

OIL AND GAS

Plains Exploration and Production

- \$414 million shelf takedown of common stock
- \$400 million registered debt offering of senior notes

Bill Barrett Corporation

- \$250 million registered debt offering

Berry Petroleum Company

- \$125 million special indenture counsel to Berry Petroleum in its registered underwritten public offering of senior notes

Volga Gas

- \$27 million private placement of shares on AIM

2009



CAPITAL MARKETS, continued

POWER

First Energy Solutions

- Three Rule 144A/Reg S debt offerings of 4.80 percent senior notes, 6.05 percent senior notes and 6.80 percent senior notes of \$400 million, \$600 million and \$500 million, respectively

First Energy Corporation

- \$1.2 billion debt tender offer of 6.45 percent notes, Series B, due 2011

Pennsylvania Electric Company

- Two shelf takedowns of 5.20 percent senior notes and 6.15 percent notes—\$250 million each

Cleveland Electric Illuminating Company

- \$300 million takedown from automatic shelf registration of mortgage bonds

First Energy Generation Corporation

- \$177 million new issuance of Ohio Air Quality Authority Revenue Bonds 2009-A

T. Boone Pickens has increased his long oil and natural gas position in recent weeks. “It’s not my personality to be short,” the billionaire who has made his fortune investing in the oil sector told Reuters. **“If you have a global recovery, then you could easily be \$90 a barrel next year, you could be \$100 a barrel.”**

He also said that he sees the average price for natural gas next year at \$7 per million British thermal units, up from about \$5 currently.

– reuters.com, October 9, 2009

LENDING

BORROWERS

LUKOIL International Finance BV

- \$1.2 billion pre-export term loan facility

Getty Petroleum Marketing

- \$120 million credit agreement

Southwest Oilfield Products, Inc.

- \$10 million credit agreement



Robert Nelson
rnelson@akingump.com

We are very pleased to announce that Robert Nelson has joined the firm as a partner in our energy and global transactions practice in our San Francisco office. His practice focuses on domestic and international energy and infrastructure project development, finance and workouts, as well as cross-border transactions involving acquisitions and joint ventures, investment funds, venture capital and private equity. He has substantial experience representing clients on Asian matters, particularly those involving China and India.

Mr. Nelson has played a crucial role in the development and financing of many of the world's most significant energy projects. He has worked on over 50 power project transactions worldwide, including those fueled by gas, biofuels, biomass, coal, cogeneration, geothermal, solar and wind. In the solar arena, Mr. Nelson has represented developers and lenders in connection with the development and financing of approximately 80 percent of the world's total installed concentrated solar power (CSP) electrical generation. Mr. Nelson also has significant experience in the development and financing of infrastructure projects related to oil and gas, mining, water, transportation, telecommunications and entertainment.

Mr. Nelson is an appointed member of the Council on Foreign Relations and was recently nominated to serve on the board of directors of the US-India Business Council. He also is a member of the joint U.S.-Indian task force on trade and investment matters, vice chair and past chair of the International Bar Association's Project Finance Subcommittee and chair of the American Bar Association's Subcommittee on Model Agreements, Project Finance Committee. He previously taught at Stanford University in its Graduate School of Business and its School of Engineering.

AKIN GUMP IN PRINT AND ON THE WEB

“COMING TO AMERICA: FIVE QUESTIONS YOU NEED TO ASK BEFORE INVESTING IN THE U.S.,” *THE DEAL*, OCTOBER 5-18, 2009.



The Honorable Mario Mancuso, a new international partner at Akin Gump who served as U.S. undersecretary of commerce for industry and security from 2007 to 2009, summarizes the key questions deal teams need to ask before moving forward, to avoid a transaction that is undone for political, regulatory or other noncommercial reasons.

<http://bit.ly/MMvtT>

Mario Mancuso
mmancuso@akingump.com

“GOVERNMENT SUPPORT FOR ENERGY EFFICIENCY,” *DAILY JOURNAL*, SEPTEMBER 22, 2009.

Rick Gittleman, who leads our Renewable Energy Initiative, and Hank Terhune, also of our Washington, D.C. office, outline the Department of Energy’s Innovative Technology Loan Guarantee Program support for projects employing innovative energy efficiency, renewable energy and advanced transmission and distribution technologies. <http://bit.ly/2VtKKk>



Rick Gittleman
rgittleman@akingump.com



Henry A. Terhune
htherhune@akingump.com

ADDITIONAL AKIN GUMP LEAGUE TABLE STANDINGS

BLOOMBERG

M&A Eastern Europe Announced Deals – ranked tenth by deal count

M&A Russia Announced Deals – ranked first by deal count

THOMSON REUTERS

M&A Any Nordic Involvement Announced – ranked tenth by value

MERGER MARKET

Legal Advisors to Central & Eastern Europe M&A – ranked sixth by value

Legal Advisors to Russian M&A – ranked fourth by value and third by volume

MERGERSTAT

M&A Top Europe Targets (includes Eastern and Western Europe) Announced Deals
– ranked tenth by deal count

Akin Gump Strauss Hauer & Feld LLP is a leading adviser to energy companies and provides a full range of legal services, including corporate transactions, project finance and development, dispute and policy insight. Our lawyers have represented every segment of the energy industry on issues ranging from energy policy to tax questions to environmental and land use challenges.

Akin Gump, a leading international law firm, numbers more than 800 lawyers with offices in 13 cities. Energy clients include public and private companies, financial institutions, private equity firms and sovereign states working across the energy value chain from independent exploration and production activity to renewable energy investment.

For more information, contact:

Michael E. Dillard
HOUSTON
1111 Louisiana Street
44th Floor
Houston, TX 77002-5200
713.220.5800
fax: 713.236.0822

Natasha Kohne
ABU DHABI
Al Wifaq Finance
Company Building
7th Floor, Al Odaid Offices Tower
Airport Road, P.O. Box 55069
Abu Dhabi, United Arab Emirates
971.2.443.4808

Spencer S. Griffith
BEIJING
Suite 01-06, EF Floor,
Twin Towers (East)
B12 Jianguomenwai Avenue
Beijing 100022, China
86.10.8567.2200
fax: 86.10.8567.2201

Doug Glass
Fred Heller
LONDON
Eight Floor
Ten Bishops Square
London, E1 6EG United Kingdom
44.20.7012.9600
fax: 44.20.7012.9601

Richard J. Wilkie
MOSCOW
Ducat Place II
7 Gasheka Street
Moscow 123056
Russia
7.495.783.7700
fax: 7.495.783.7701

Mark Zvonkovic
NEW YORK
One Bryant Park
New York, NY 10036-6715
212.872.1000
fax: 212.872.1002

Robert L. Nelson Jr.
SAN FRANCISCO
580 California Street
Suite 1500
San Francisco, CA 94104-1036
415.765.9588
fax: 415.754.9501

Rick Gittleman
WASHINGTON
Robert S. Strauss Building
1333 New Hampshire Avenue, N.W.
Washington, DC 20036-1564
202.887.4000
fax: 202.887.4288

**AKIN GUMP
STRAUSS HAUER & FELD LLP**

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