Jack Lafield

Chairman & CEO
Caiman Energy II

IPAA Conference

Caiman Energy: Value Creation

CAIMAN ENERGY

2009 – Seizing the Opportunity

The Right Management Team

- Industry veterans with deep business development expertise
- 30+ year relationship with EnCap Flatrock team

The Right Business

- Initially focused on shale plays in Texas and Louisiana
- Producer relationship led team to Marcellus area
- First mover in liquids rich area of Marcellus

The Right Capital Provider

- EnCap's upstream focus was a strategic advantage for Caiman
- $50 million initial equity commitment to Caiman
- Willingness to support incremental capital raises was integral to Caiman's success

Leg #1: Management

Key Characteristics

Industry Experience & Expertise

- Caiman executives have over 150 years of experience in the midstream and energy sector

Complementary skill sets

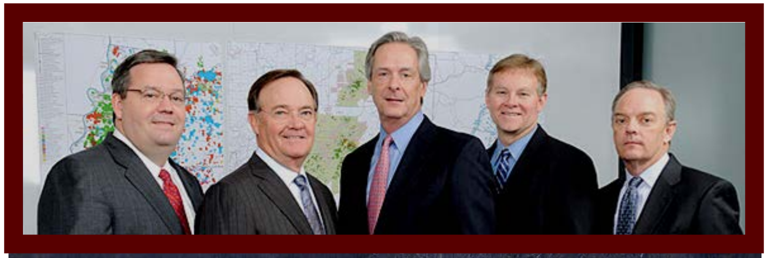
- Executive management backgrounds include business development, operations, consulting, investment banking

Vision & Strategy

- Management has cohesive vision of company's direction, risk appetite, growth strategy

Relationships

- Relationships with customers, government, bankers, labor

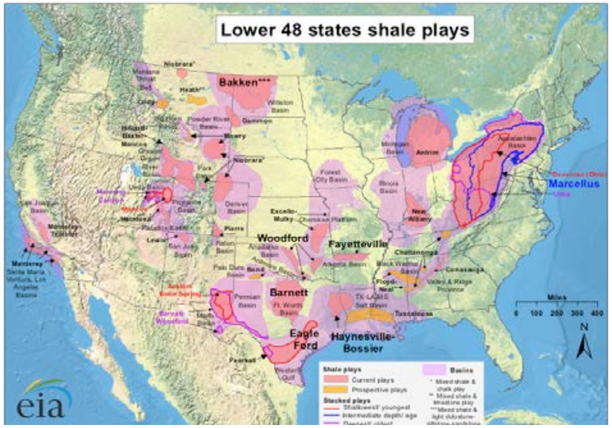


Leg #2: Business Opportunity

CAIMAN ENERGY

OPPORTUNITY

- **Paradigm Shift:** from conventional reserves to production from unconventional, shale resource plays (e.g. Barnett, Haynesville, Eagle Ford, and Marcellus)
- Capital intensive
- Barnett required ~$10 billion of infrastructure investment
- Other shale plays will require significantly greater capex



CAIMAN'S STRATEGY

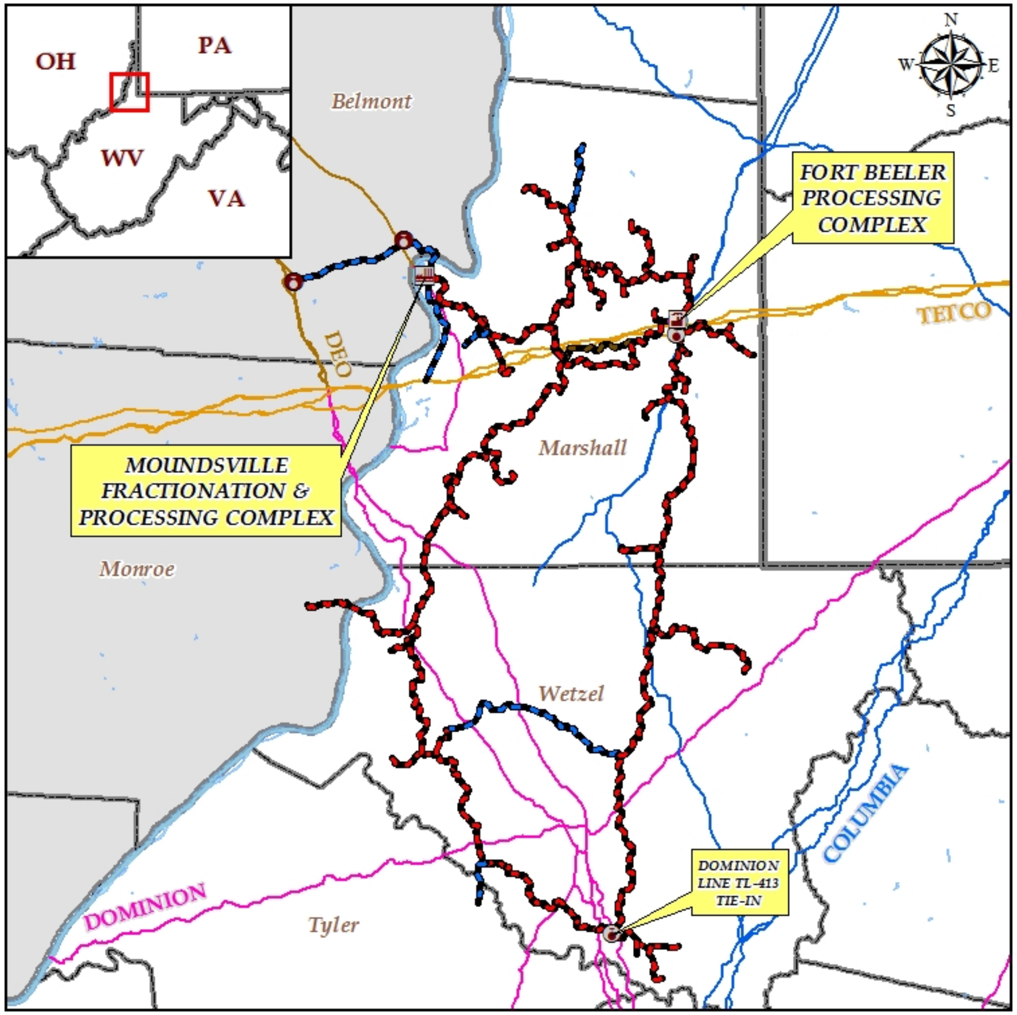
- **Shale Experience**: Unlike Appalachian incumbents, Caiman's management team has shale experience
  - Incumbents underestimated and/or didn't understand volume growth
  - Incumbents had significant leverage over small conventional producers and weren't prepared for commercial interactions with large shale-play producers

Value Creation

CAIMAN ENERGY

Creating a Franchise

- **Geology**: focused on prolific liquids-rich play
  - Economic for producers in low gas price environment
  - Large infrastructure needs: gathering, processing and fractionation
- **Demand**: identified area lacking existing infrastructure
- **Strategy**: acreage dedications
  - Step in alongside producers early on in the play
  - Long term contracts
  - Provide midstream services throughout value chain
- **Competition**: first mover advantage
  - Infrastructure extremely difficult to replicate (from both a cost and time perspective)



Leg #3: The Right Capital

	MLP	Private Equity
Distribution Requirements	Yes	No
Risk Appetite for Early Stage Projects	No	Yes
Biased Towards Legacy Assets	Yes	No
Cumbersome Bureaucracies	Yes	No

Timeline of Capital

Feb. 2009: Initial Private Equity Funding – EEIF commits $50 MM to Caiman Energy

Fall/Winter 2009 - Caiman signs three commercial agreements

Jul. 2010: Increased Equity Funding: Caiman secures $380MM in commitments

3 commercial agreements and 14 MM/d flowing

2010 Development:
- 5 commercial agreements (total)
- Cryo 1 Plant operational
- Still had limited production history

Mar. 2011: Caiman secures $200 MM Credit Revolver

7 commercial agreements and 18 MM/d flowing

July 2011: Capitalized to $900 million – Caiman secures $300 MM in preferred equity commitments

40 MM/d flowing

Q1-2012 Status:
- Flowing ~140 MMcfd
- Cryos I & II operational
- Frac I nearing completion
- Invested nearly $600MM in equity, debt and preferred

2009 → 2012

Value Realization

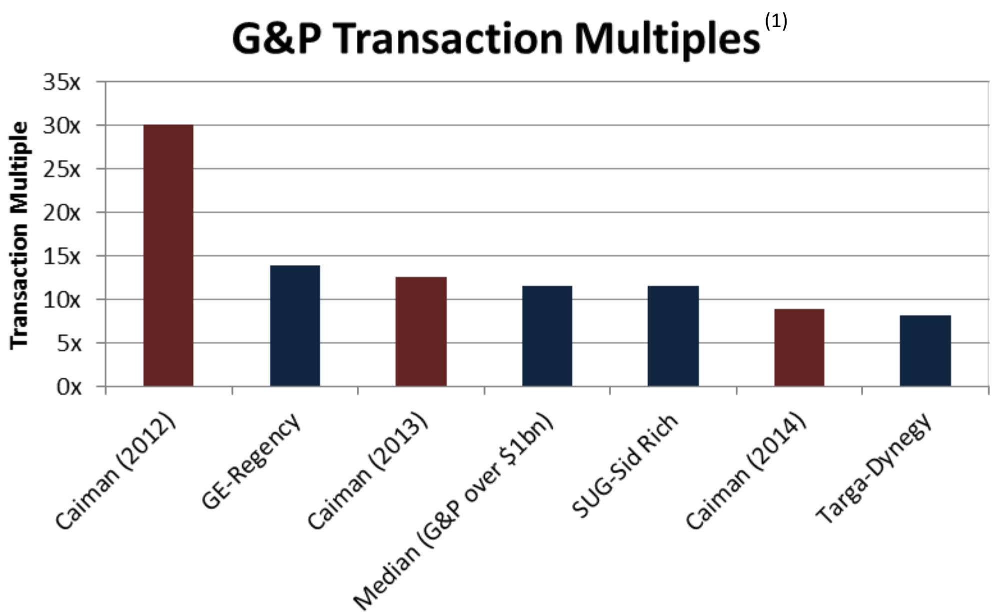
2012 – Realizing the Value

- On March 19th, Williams Partners L.P. acquired Caiman Eastern Midstream for $2.5 billion

Acquirer's Reasoning

- Right assets, right markets, right strategy
- MLP structure enables high growth and high dividend
- High-dividend payout; expect increase every quarter
    - Estimated 20% annual dividend growth in 2013 and 2014
- Benefits from Williams Partners' premier position in Marcellus Shale and entering Utica Shale

Acquisition provides accelerated growth opportunities for Williams



(1) Source: Barclays Capital.

Summary

Management

- Industry Experience & Expertise
- Complementary skill sets
- Vision & Strategy
- Relationships

Financing

- $880 million total capital committed
- Patient, experienced capital providers

Business Opportunity

- Emerging Shale Play
- Limited Existing Infrastructure

PCC

PRIVATE CAPITAL CONFERENCE

SCORECARD FOR SUCCESS

sponsored by

PRUDENTIAL CAPITAL GROUP

RELATIONSHIPS
CAPITAL
CONSISTENCY

IPAA

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA