

Babcock & Brown Infrastructure Fund North America to Acquire Pennsylvania and West Virginia Natural Gas Utilities

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SAN FRANCISCO, July 2 /PRNewswire/ -- Babcock & Brown Infrastructure Fund North America ("BBIFNA"), a San Francisco-based infrastructure fund that owns and manages utilities and other infrastructure assets, today announced it has entered into a definitive agreement with Dominion Resources, Inc. to acquire The Peoples Natural Gas Company and Hope Gas, Inc. natural gas distribution utilities located in Pennsylvania and West Virginia, for \$910 million inclusive of working capital and capital expenditures, subject to certain purchase price adjustments.

"We have a strong understanding of Peoples Natural Gas and Hope Gas and appreciation for their tradition of providing reliable service to their customers," said Michael Cyrus, Chief Operating Officer of BBIFNA. "We are committed to maintaining superior customer service levels and to reinvesting in these businesses."

"This opportunity perfectly fits our focus of making long-term investments in high-quality infrastructure companies throughout North America," said Chris Kinney, Chief Executive Officer of BBIFNA. "We have made a strong commitment to the dedicated employees of Peoples and Hope and we look forward to a smooth transition for all employees and customers."

The agreement is subject to regulatory approvals in Pennsylvania and West Virginia, as well as clearance under the federal Hart-Scott-Rodino Act and under the Exon-Florio provision of the Omnibus Trade and Competitiveness Act.

About Dominion

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 26,500 megawatts of generation, 1.1 trillion cubic feet equivalent of proved natural gas and oil reserves and 14,000 miles of natural gas transmission, gathering and storage pipeline. Dominion also owns the nation's largest underground natural gas storage system and operates more than 975 billion cubic feet of storage capacity, and serves retail energy customers in 11 states. For more information about Dominion, visit the company's Web site at <http://www.dom.com/>.

About Babcock & Brown Infrastructure Fund North America

Babcock & Brown Infrastructure Fund North America ("BBIFNA") is a San Francisco-based infrastructure fund that owns and manages energy and infrastructure companies throughout North America. Investors in BBIFNA include public, employee and other pension plans and insurance companies located throughout North America and Europe. BBIFNA owns Trans Bay Cable, a 400 Megawatt high-voltage direct current electric submarine cable connecting the city of Pittsburg, California and San Francisco. BBIFNA also owns an interest in ICS Logistics, a leading operator of break bulk sea ports in Florida, Louisiana and Alabama. In addition, BBIFNA is also a member of a Babcock & Brown consortium that owns the controlling interest (80%) of the Natural Gas Pipeline of America (NGPL) and partners with Knight Inc. (formerly Kinder Morgan) which also serves as the 20% partner and asset operator.

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Babcock & Brown Infrastructure Fund North America

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