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## **CenterPoint Energy signs agreement with Continuum Energy to acquire retail energy services business**

### **Accretive, strategic acquisition complements CenterPoint Energy's non-regulated energy services business**

HOUSTON, Jan. 29, 2016 /PRNewswire/ -- CenterPoint Energy Services, Inc., (CES) an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc. (NYSE: CNP), and Continuum Energy, LLC, along with its wholly-owned subsidiary, Continuum Energy Services, LLC, today announced they have signed an agreement under which CES will acquire Continuum's retail energy services business through the acquisition of Continuum Retail Energy Services, LLC, including its wholly-owned subsidiary Lakeshore Energy Services, LLC. The acquisition also includes the natural gas wholesale assets of Continuum Energy Services, LLC. The aggregate purchase price for the acquisition is \$77.5 million plus working capital, subject to customary post-closing purchase price adjustments. With the addition of these businesses, CES would operate in 26 states and serve nearly 24,000 commercial and industrial customers and more than 65,000 individual Choice customers.



"Continuum has built an impressive retail energy services business, which complements our overall natural gas business strategy," said Joe McGoldrick, executive vice president and president of CenterPoint Energy's Gas Division. "With similar business models, customer-focus and risk management practices, this transaction positions CES to have access to more markets and efficiently grow our customer base, and we expect it to increase our total gross margin by 40 percent. This transaction is projected to be earnings per share accretive in 2016 and subsequent years."

CES and the Continuum businesses both operate with a low value-at-risk, mitigating potential high-risk exposure to gas price and supply market fluctuations. Their core functions are retail focused.

"We are excited about the opportunity for our retail energy services business to become part of CenterPoint Energy, a company with substantial scale and diverse markets, focused on quality customer service at competitive prices," said Jason Few, president and chief executive officer of Continuum Energy. "This transaction allows Continuum to concentrate on growing its midstream business and solidifies an attractive business portfolio for our stakeholders as we move forward."

CES is part of CenterPoint Energy, an electric and natural gas energy delivery company headquartered in Houston with more than 140 years of experience in the utility and retail energy industry. Ranked among the top 20 natural gas energy services companies in the country based on volume, CES complements the company's gas distribution business by providing gas purchase options to customers across multiple states. Combined, CES and the company's natural gas distribution business deliver more than 1 trillion cubic feet of natural gas a year or 4 percent of the country's throughput.

In 2014, CES marketed approximately 600 billion cubic feet of natural gas and related energy services and transportation to approximately 18,000 commercial and industrial customers in 19 states. Continuum marketed nearly 300 billion cubic feet of natural gas, related energy services and transportation to nearly 6,000 commercial and industrial customers in 2014.

**The acquisition includes Continuum's:**

- l Retail business, which includes commercial and industrial transport customers in 25 states
- l Choice customers in California, Michigan, Nebraska, Ohio and Wyoming
- l Origination and logistics segment, which optimizes transport and storage capacity through its retail segment

Continuum will continue to operate its midstream, crude oil logistics and producer services businesses primarily in the Mid-Continent, Appalachia, West Texas and New Mexico and the Utica with more than 1,000 miles of gathering pipeline, 656 million cubic feet system capacity and 44,000 horsepower of compression.

### **Transaction Terms and Other Details**

The transaction, financed from internally generated cash flow or borrowings under CenterPoint Energy's commercial paper programs, is expected to close in the first quarter of 2016, subject to customary closing conditions, the expiration of any Hart-Scott-Rodino waiting period and receipt of certain third-party consents. The transaction has been approved by the board of directors of both companies.

Wells Fargo Securities LLC acted as financial advisor to CenterPoint Energy and Baker Hostetler LLP acted as their outside legal counsel. Citi acted as financial advisor to Continuum and Winston & Strawn acted as their outside legal counsel.

### **CenterPoint Energy**

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and energy services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. The company also owns a 55.4 percent limited partner interest in Enable Midstream Partners, a publicly traded master limited partnership it jointly controls with OGE Energy Corp., which owns, operates and develops natural gas and crude oil infrastructure assets. With more than 7,400 employees, CenterPoint Energy and its predecessor companies have been in business for more than 140 years. For more information, visit the website at [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com).

### **Continuum Energy**

Continuum Energy is an integrated energy products and services company that serves over 500 producers and 90,000 retail customers across 25 states. The company owns and operates gathering, processing, treating, compression and transportation assets for natural gas, crude oil and NGLs. With midstream assets in key production areas throughout the United States, that includes more than 44,000 HP of compression, 1,000 miles of pipeline, rail terminal services, a transportation fleet, and marketing services, the company provides comprehensive services for both natural gas and crude oil producers.

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which include the ability of the companies to receive regulatory and other approvals and close the transaction, the ability of the CES to access markets and its footprint, customer growth and future customer count, the accretive effect of the transaction and impact on future earnings and gross margin and future operations, are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual events and results may differ materially from those expressed or implied by these forward-looking statements. Any statements in this news release regarding future earnings, growth, performance, results of operations and any other statements that are not historical facts are forward-looking statements. Each forward-looking statement contained in this news release speaks only as of the date of this release. Factors that could affect actual results include (1) the ability of the parties to satisfy the conditions precedent and consummate the proposed transactions and the timing of the consummation of the proposed transactions, (2) factors related to our business and the economy, including commodity prices, (3) the performance of the companies, (4) competitive conditions in the industry, (5) state and federal legislative and regulatory actions or developments affecting various aspects of the businesses, and (6) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as well as in CenterPoint Energy's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, June 30, 2015, and September 30, 2015, and other reports on Form 8-K CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.

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