

Arcapita acquires one of the largest private gas storage operators in the United States

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Arcapita Bank B.S.C.(c), a leading Bahrain-based investment firm, announced today that it and its co-investors have acquired a majority equity interest in Falcon Gas Storage Company Inc., ("Falcon"), one of the largest independent owners of natural gas storage capacity in the United States. The total value of the transaction was approximately \$100 million.

Falcon owns, develops, and operates a portfolio of strategically located natural gas storage facilities in Texas and Alabama. The company's Alabama facilities are particularly well positioned to serve the important markets in the southeast of the United States, including Florida.

With Arcapita's support, Falcon plans to complete two major expansions of existing facilities and commence development of a third, consolidating its leading position in the market. Falcon Gas provides natural gas storage services to a broad range of companies in the energy sector including power producers, electric and gas utilities, energy traders and gas producers.

Atif A. Abdulmalik, CEO of Arcapita, said: "As the world's largest consumer of natural gas, US demand for gas storage facilities is considerable. Falcon is well positioned to profit from the fast growth in gas demand as the company adds scale."

"Falcon is one of the few non-regulated gas storage operators which can provide service at market rates, and its facilities are located close to key strategic markets. There is a limited supply of suitable and viable storage facilities in the United States and regulatory and legal barriers mean it can take years to develop new facilities." said Asim Zafar, head of Arcapita's Asset-Based Investment line of business.

Falcon is Arcapita's latest addition to a portfolio of 33 investments in the US and Europe. "Falcon joins investments such as Caribou Coffee, Church's Chicken and the Sunrise assisted living portfolio in the US and South Staffordshire Water and the Shurgard self-storage portfolios in Europe. It once again demonstrates our commitment to providing our GCC investors with a diversified range of investment opportunities around the world", added Mr. Abdulmalik.