



Just the Gist - Key Takeaways from:



Total Energy USA - "Financial Planning for Energy Companies in Uncertain Times"

We are committed to continuing the dialog of the "Financial Planning for Energy Companies in Uncertain Times" panel at Total Energy USA, we hope you were able to join us!

Moderated by Gary Voth, panelists Nathaniel Karp, Patrick Leach, Alexandra Pruner and Dick Williams discussed the energy industry and what companies can do during times of economic uncertainty.

Below we offer a recap of key takeaways from each panelist. The presentations may be found on our [website](#). We welcome your feedback and suggestions of future interests!

Nathaniel Karp

Chief Economist - BBVA Group

- The global recovery is uneven, but according to economic metrics the US is fully recovered. Consumer confidence is down because of the volatility in the uncertain policy decisions of short-term politicians. For future long-term sustainability, we need a strong, clear and privately-led energy plan aligned with the economy.
- We must level the playing field for energy types, educate the policymakers to lessen reactivity and encourage the energy revolution.
- Must solve our limitations, inefficiency in government & institutions, and focus on quality of goods and services, education levels, healthcare (especially with low coverages) and restrictions on foreign trade.



Patrick Leach

Chief Executive Officer, Decision Strategies

- Patrick makes a strong case that even if you are in the fossil fuels business, it makes a lot of sense to promote leveraging a carbon tax now, because it is inevitable, socially responsible AND will help stabilize the market.
- The number one key to managing during uncertain times is to integrate risk management into your strategy development, rather than the usual method to develop strategy first with risks mitigated.
- From a risk management perspective, which addresses what could happen, the probability of it and how ugly it could be, changing our energy habits now is essential. To not do anything, you have to be SURE. You don't need to be sure for it to make business sense to take steps. The probability of an eco-disaster is non-zero. The problem is that humans think 100 years is a long time.



Alexandra Pruner

Chief Financial Officer, Tudor, Pickering, Holt & Co.

- In 2012, energy investments focused on assets, foreign capital and joint ventures. Private equity firms focused on energy remained largely uninvested, leaving \$28 out of \$30B on the table.
- With the highest backlog we've ever seen of energy companies going public, 2013 will be all about merger and acquisition activity.
- Alie says for 2013 bet on oil prices going up and hedge now, lock in prices. The biggest question on the policy horizon is likely to be whether the policymakers will allow the industry to export its energy independence when it comes to LNG.



Dick Williams

President, Shell WindEnergy, Inc.

- Dick, with a long-term career in traditional energy, says the future is in a blend heavy with alternatives, which are getting more competitive every day. Every single major energy company is investing.
- There is tons of opportunity to make significant money in wind. The movement is led both by public awareness and environmentalism, interest from stakeholders and the fluctuations in carbon policy. Over a broad range of cost factors, alternatives levelize to become competitive with carbon in the picture. From a cash flow perspective, it's about managing the wind farm development schedule and continuing to make strides in safety and technology.
- The unionization of property owners has helped significantly with development, as has discovered ecological benefits. The future lies in technology assisting with consistency and efficiency, forming viable recycling scenarios and solving the Holy Grail of energy challenges: storage.



Gary Voth

Tax Director, PKF Texas

In closing, Gary offered these sage words:

- "Try not. Do or do not, there is no try." - Yoda



We would like to thank Gary for outlining the panel topic and working with the panelists on key insights to present to the Total Energy USA audience. We also thank each of the panelists, as well as Total Energy USA, for the opportunity to learn from and work along side you.