DOWNSTREAM | ADVISORS

Résumé

Richard (Rick) J. Duszynski – Vice President

Expertise	Mergers and Acquisitions Investment Portfolio Management Operations Management Refining, Natural Gas Marketing, Electric Power Project Development / Strategic Planning	
Employment History	Downstream Advisors, Inc. North America Lead	2015-Present
	Mergent Energy Group, Ltd – General Partner	2003-2015
	AGL Resources, Inc. – Senior Vice President President, Sequent Diversified Business Group President, Atlanta Gas Light Company, 2 years	2000-2003
	Duke Energy Power Services – EVP, Western Region	1997-2000
	Basis Petroleum Inc. / PHIBRO Energy Senior Vice President – Refining, 3 years Sr. VP – Planning & Business Development, 2 years VP – Planning & Business Development, 6 years Manager – Economics & Planning, 2 years	1985-1997
	Conoco, Conoco Chemicals & DuPont Engineer, Energy, Feedstocks and Planning Coordinator	1981-1985
Education	B.S. Chemical & Petroleum Refining Engineering Colorado School of Mines, Golden, Colorado –1979 MBA, University of Notre Dame, Notre Dame, Indiana –1981	

Summary of Work History

- Vice President, Downstream Advisors, Inc. (2015 – Current)

  - Responsibilities: Lead consultant responsible for project management and work product in the North America region, as well as a senior consultant supporting various global assignments (predominantly in Europe and South America). Primary activities include consulting, economic analyses, and technical evaluations on behalf of clients involved in the mid-stream and downstream sectors of the energy industry. Responsibilities also extend to business development, proposal generation, and the management of project budgets and schedules.

  - Assignments/Accomplishments: Representative projects and assignments include the development of a business plan for an oil trading company that was used to secure growth financing. Various client assignments in North America, Asia Pacific, and Europe requiring economic and technical evaluation of oil products terminals. A global market study of industrial shelters in support of a successful acquisition. Transactional due diligence, along with capital project evaluations, crude and product slate optimization, and asset valuations of numerous refineries and processing facilities in the U.S. and Europe. Litigation support associated with refinery tax assessments, the storage and disputed

Summary of Work History (Continued)

ownership of crude oil and petroleum products, and the arbitration between a commercial oil trading company and a sovereign government. Included within the mid-stream sector projects: evaluations of mid-continent pipeline systems, crude oil movements, and individual PADD supply and demand estimates for transportation fuels.

In addition to the consulting work associated with active and on-going operations, assignments have also involved greenfield evaluations of natural gas to petroleum conversion facilities, standalone fuel oil desulfurization units, and new grassroots refineries. Client sponsored projects have also included assessments of idled facilities to be repurposed into gas-to-liquids processing plants, asphalt manufacturing, and terminals.

- Principal & President, Mergent Energy Group, Ltd. (2003 – 2015)
    - Responsibilities: Consultant and co-investor working with private equity groups seeking to identify specific acquisition targets in energy services; evaluation, due diligence, negotiation, and management of portfolio companies.
    - Assignments/Accomplishments: Served as interim President & CEO of LineStar Services, Inc./BJB Services Company, Inc. (a pipeline service company) as the representative of BluePoint Capital Partners pre- and post-closing to restructure the business and transform the family-owned operation into a professionally managed enterprise. Leveraged background in energy industry, capital markets, and risk management to conceive, structure, market, launch, and manage the Osage Energy Fund; an investment fund specializing in public mid-stream energy markets (primarily Master Limited Partnerships). Successfully solicited subscriptions for the creation of a private equity fund seeking undervalued assets in energy and related markets, closing three projects on behalf of investors: a chemical blending terminal, a gas gathering system, and a trans-shipment distribution center. Captured additional value by developing a fiber optic metro-network business to facilitate the creation of a data warehouse for a multinational bank.

- Group President, Sequent Diversified Business Group (2002 – 2003)
  Executive Vice President, AGL Resources, Inc.
    - Responsibilities: Along with retaining the position of CEO for Sequent Energy Management ("Sequent"), the Group President position also assumed the CEO position for the corporation's telecommunications infrastructure business, and became a ranking member of the five person Policy Committee that oversaw the management and strategic direction for AGL Resources, Inc. ("AGL Resources" a Public Utilities Holding Company Act company). These two businesses, along with oversight and management of the corporation's 50% ownership in SouthStar Energy Services LLC ("SouthStar"), a Georgia based retail natural gas marketer, comprise the Diversified Business Group. Along with profit and loss responsibility for each business unit, management of the Diversified Business Group also included divisional level responsibility for legal, regulatory, financial, and business support. This encompassed Sequent operations in Houston, and AGL Networks ("Networks") operations in Atlanta, Houston, and Phoenix.
    - Assignments/Accomplishments: Along with the continued growth of Sequent, including the entry into new two geographic markets and additional interstate pipelines; oversight of the company's metro area dark fiber business required proactive management as a result of its high growth rate. With a completed fiber optic ring in Atlanta, and the purchase of additional metro ring capacity in Phoenix, Dallas, Houston, Richmond, St. Louis, and Kansas City, the Networks business unit moved from the development and provisioning stage into the sales and marketing arena. This included working with large enterprise customers, carriers, cellular providers, Internet service providers, and regional Bell operating companies to set up virtual private networks, enable cell site connectivity, and provide greater telecommunication quality and capacity within central business districts and larger metro areas.

Summary of Work History (Continued)

  - With respect to the retail marketing of natural gas in Georgia, SouthStar was the state's largest marketer and was challenged with upgrading the quality of its accounts while defending its market share against the entry of the Southern Company. As the lead member for AGL Resources on the Executive Committee of SouthStar it required direct involvement with management in order to set pricing strategy, manage bad debt, upgrade customer service, manage the company's leverage, and set legislative and regulatory strategies within the difficult Georgia unregulated model. Additionally, maximization of earnings was helped by the development of the natural synergies between SouthStar as a retail marketer and Sequent as a wholesale natural gas provider.

- President & CEO Sequent Energy Management, LLC (2001 – 2002)
  Executive Vice President, AGL Resources, Inc.

  - Responsibilities: Chief Executive Officer for the natural gas wholesale marketing and asset optimization business of AGL Resources, responsible for the supply and risk management of natural gas to the parent corporation's three local distribution companies in Georgia, Virginia, and Tennessee, as well as the structuring of third party gas marketing and sales, optimization of interstate pipeline transportation and logistics, and both physical and financial hedging. Activities included the oversight and management of a 50-person commercial organization comprised of front office revenue generators, mid-office risk control, credit, and contract administration professionals, and back office accountants. Additionally, the organization managed its own legal, regulatory, and support functions (i.e., human resources, IS&T, planning, and business development). At the time, the business annually generated $300 million of sales on volumes on up to three billion cubic feet per day of natural gas.

  - Assignments/Accomplishments: Sequent was launched in 2001 in order to manage and optimize the interstate pipeline transportation and storage assets of AGL Resources in the southeastern United States. This required an entrepreneurial approach to the start-up, staffing, and organization of this new business from the ground up. This was done in an environment when many of the larger merchant energy companies were suffering financial setbacks due to lowered credit ratings and tightened capital markets. In its first year Sequent covered all of its start-up costs and contributed an incremental seven cents per share to the corporation. In its second year the business grew dramatically, with its financial contribution to the corporation doubling that of the start-up year.

  - Additionally, during this start-up and growth phase it was necessary to create and implement all required risk control systems, as well as credit, contract, and accounting procedures. Despite the deteriorating financial environment surrounding many of the company's trading partners, Sequent did not experience any losses due to bad debts and was able to establish contractual relationships with well over one hundred counter parties.

- President, Atlanta Gas Light Company and Chattanooga Gas Company (2000 – 2001)
  Senior Vice President, AGL Resources, Inc.

  - Responsibilities: Chief Operating Officer for the second largest natural gas only local distribution company in the country (this included operations in both Georgia and Tennessee). Responsibilities for this position included the management and oversight of approximately 1,500 employees in the gas operations, engineering, customer service, marketing, field services, distribution system maintenance, business process redesign, and gas purchasing functions. Additionally, this position required regular interface with the Georgia Public Service Commission on rates and regulations, as well as the Certificated Marketers who serviced the retail customer in the Georgia deregulated natural gas market. This position was also a member of senior management for AGL Resources, helping to set all administrative policies and to develop strategic direction for the overall corporation.

Summary of Work History (Continued)

- Assignments/Accomplishments: The entire utility organization was challenged during the extremely cold and highly volatile markets present during the winter of 2000/2001. During this period, it was necessary to maximize both the physical and the economic dispatch of the distribution system in order to ensure that gas flowed to all firm customers and that skyrocketing prices did not create either a financial or a regulatory debit. Prior experience from the refining industry, as well as improved communication and cooperation among the various parts of the organization made it possible to achieve all of these objectives.

- Aside from distribution system operations, it was also possible to implement a program that created value for the corporation by efficient utilization of the company's interstate pipeline and storage assets (which eventually led to the creation of Sequent). This improved focus on value made it possible to successfully implement a bottom-line orientation into an organization that had previously not been concerned with anything other than cost side management. This focus led to more creativity and better prioritization of goals for the overall organization.

- Also, during this time, the Engineering Department initiated two major long-term capital projects that required a higher level of management attention. The manufactured gas plant clean-up project and the bare steel/cast iron pipeline replacement program required thorough compliance vetting with several state regulatory agencies, as well coordination and communication with local businesses and communities. It was also imperative that these two programs be carefully managed from a cash flow standpoint as the regulatory provisions for recovering all capital outlays were done retrospectively.

- Duke Energy, Inc. - Executive Vice President, Western Region
  Duke Energy Power Services, LLC (1997 – 2000)

  - Responsibilities: Senior operating executive in charge of the start-up and financial operation, growth, and development of the corporation's unregulated power business within the Western Systems Coordinating Council (WSCC) inter-connect system. Responsible for the oversight and operation of three California based generating stations consisting of $500 million of assets and 200 direct and contract employees, with an annual operating budget of $150 million and combined revenues of over $200 million. Included in these facilities were six gas-fired steam turbines and three oil-fired combustion turbines. Power from these facilities was sold on the wholesale level into both the southern and northern pools of the California grid system.

  - Assignments/Accomplishments: Directed the start-up of the business unit, including the establishment of an organizational structure and staffing plan, administrative policies, capital budgeting and spending approval procedures, and plant performance monitoring and measurement techniques. Overcame a delayed closing schedule for the acquisition of the three California plants, to exceed the first year's earnings targets by more than 10% in only six months' time. Personally directed the strategy and oversaw the tactics employed in the contract settlement discussions held with the California Independent System Operator, the Federal Energy Regulatory Commission, the California Public Service Commission, and the California Energy Commission. Negotiated fixed price forward contracts and index based pricing agreements, including all transmission and distribution charges, for both power sales and natural gas purchases. Maximized the opportunity provided by California Assembly Bill 1890 and laid the groundwork for the Company's labor strategy and union negotiations in anticipation of the end of the statutory two-year waiting period.

  - Gained the necessary internal authorizations and approvals to develop $750 million in modernization projects at the two largest generating stations. Structured business unit growth plans incorporating asset acquisitions, "brownfield" and "greenfield" development projects, proprietary joint venture arrangements, and a portfolio approach to risk/return management. In less than 12 months' time, brought the "Duke" name and reputation in California from obscurity to the highest level of respect and appreciation within key legislative circles, local communities, and regulatory agencies.

Summary of Work History (Continued)

- By-passed strong competition to seize an opportunity to enter into and close a negotiated transaction for the purchase of a fourth power plant on very favorable terms, and in cooperation with the local community in the San Diego Bay area.

- Senior Vice President, Refining Basis Petroleum, Inc. – Salomon Inc (1995 – 1997)

  - Responsibilities: This position was responsible for all on-site operations at the company's three refineries, as well as the Economics & Planning, Engineering Services, Monitoring & Control, and Production Control functions. This included the management of 1,100 people, an annual operating budget of $410 million, and a capital and turnaround budget of $80 million per year. Within the Refining Department resided seven, all responsibility for planning, executing, and monitoring the manufacture of over 300 thousand BPD of petroleum products for distribution throughout the U.S., South America, Europe, and the Far East. This position was also one of the six members of the Board of Directors, maintaining positions on the Human Resources, Compensation, and Finance Committees.

  - Assignments/Accomplishments*:* With the change in management of the Refining Department, a renewed focus was placed on converting plant operations from management as a utility cost center, toward more of a business unit, with complete responsibility for all aspects of each site's income and cash flow statements, as well as return on assets employed. Additionally, the Monitoring & Control function was established in order to close the planning and execution loop by providing feedback to operations and the economic decision makers. Also, a completely new series of measurement criteria and metrics were established in order to provide proper incentives for the optimal allocation of all resources.

  - Emphasis on plant reliability, yield, and process gain was renewed, resulting in noncapital improvements of a nearly three percentage point improvement in the system on-stream factor, an increase of 20,000 BPD of throughput, and a measurable shift toward higher value yields and increased process gain. As part of this renewed emphasis, plant operations and the various refinery support functions were decoupled and moved toward much more of a vertical concentration, allowing the optimization of the refinery process units to become the primary focus for plant management. Specifically, regionalization or centralization of most administrative functions was charted, as well as the formation of a utilities business unit to manage and operate the system's cogeneration units, boilers, hydrogen plant, water treatment plants, and other such facilities as a separate and distinct business.

  - Under-pinning many of these accomplishments was the judicious and selective re-staffing of the company's technical ranks with "revenue producers" capable of both maximizing the value of all existing assets, and eliminating those assets that failed to positively contribute to the profitability of the company on a full cost basis.

- Senior Vice President, Planning & Business Development (1993 – 1995)
  Basis Petroleum, Inc. (formerly Phibro Energy USA)
  Salomon Inc

  - Responsibilities*:* The main responsibility of this position was the administration and oversight of the Operations Planning, Blending Operations, Trade Support, Business Analysis and Production Control departments. In all cases the primary functions of these groups were to economically evaluate options and set direction for both the refineries and the commercial groups to execute. Additionally, as one of the seven members of the Board of Directors, this position also was a member of the Human Resources, Compensation, Finance, and Residfiner/ROSE Unit Project Oversight Committees.

Summary of Work History (Continued)

- Assignments/Accomplishments: Aside from the continued development of the Residfiner/ROSE unit project, the major accomplishments in this timeframe included the development and execution of a plan to refocus the business on its core refining assets. Consequently, sales were negotiated and executed for the divestment of the Northland and Moss Bluff joint ventures, and the Questor Drilling Company. Additionally, due to the nature of the Residfiner/ROSE unit project, the small unsophisticated St. Rose refinery would have eventually become unnecessary as a feedstock unit to the system. Consequently, a sales contract was negotiated and the plant sold to an independent refining company.

- The sales of these assets, as well as the primary refocusing of the organization back onto the refining business, required several key developments in structure and administration of the business. Efforts through the Board and various committees helped to generate a new company-wide salary and bonus grade level classification, reorganization of reporting responsibilities, a succession plan for the key technical positions within the Company, and a more structured hedging program to protect against volatility in the energy markets.

- Vice President, Strategic Planning & Business Development (1993)
  Basis Petroleum, Inc. (formerly Phibro Energy USA)
  Salomon Inc

  - Responsibilities*:* With the reorganization of the corporation into three separate subsidiaries, this position was created to take charge of the long-range planning and business development efforts of the asset-based businesses. This included preparation of business plans and capital budgets, as well as the evaluation and analysis of all asset investments, acquisitions, and divestitures.

  - Assignments/Accomplishments: By far the biggest accomplishment during this time period was the development of the $300 million Residfiner/ROSE unit expansion project for the Texas City refinery. There were several unique aspects to this project which were all led and coordinated by this position. In fact the primary reason for creating this job was the role it would be required to fill during the development of the project. Specifically, this included the design of the project; negotiations to purchase the used equipment, hydrogen, and pipeline access from the Dow Chemical Company; justification of the investment to the Salomon Inc Board; and lastly negotiations to sell the excess equipment to Hyundai Oil Refinery Co., Ltd.

- Vice President, Corporate Planning & Business Development (1990 – 1993)
  Phibro Energy, Inc.
  Salomon Inc.

  - Responsibilities*:* The responsibilities of this position were very similar to those of the Vice President of Business Development function, only with an expansion of the areas to be covered to include asset acquisitions, new product development, and commercial support for all of the corporation's wide range of global trading businesses, as well as refining. On the trading side, these included crude oil, refined products, petrochemicals, coke and coal, fertilizers, and metals. There were also development efforts on-going in an energy trading information system platform. During this assignment, an extensive amount of foreign and domestic travel was required, and meetings and negotiations were conducted with all levels of corporate and government officials. Additionally, this position was responsible for the oversight and administration of the company's Government Affairs department in the Washington, DC office.

  - Assignments/Accomplishments: During this period of time there was a constant stream of investment opportunities that were evaluated and pursued. Listed below are examples of several of the more meaningful projects.

Summary of Work History (Continued)

Downstream Business Opportunities

- Refinery Acquisitions - In an effort to expand the refining asset base, several potential acquisition candidates were evaluated, and preliminary due diligence and commercial negotiations conducted. Over this three-year period, serious discussions were held with the following foreign refineries, Gulf in Wilhelmshaven, Germany; Dow in Terneuzen, Netherlands; ICI & Phillips in Teesside, Great Britain. Also, opportunistic discussions were held with several Russian refining companies concerning capital investment/joint venture proposals. Additionally, in North America, evaluations were developed and negotiations initiated with Kerr-McGee over their Cotton Valley, Louisiana refinery; with the owner of the Gulf Puerto Rico plant, and with the debt holders of the bankrupt El Paso Refining West Texas plant. In all of these cases it was not possible to justify the purchase price demanded in light of the potential market, and quite often, environmental exposures.

Non-refining Opportunities

- Several non-refining joint ventures in South America were also pursued to no avail during this time period. Specifically, a cogeneration project in Argentina, an ENAP MTBE joint venture project in Chile, and the commercialization of a new methanol process in Colombia.

Upstream Business Opportunities

- White Nights Joint Enterprise - This opportunity presented the company with the chance to form the first USSR/Western joint venture to more completely develop and exploit existing oil and gas fields in Raduzhny, Siberia. The company invested over $100 million in this project, and despite the change in government, undulating policies and taxes, and general business and logistical problems, the project eventually produced a return. Involvement by this position in all early negotiations with both the USSR government and the Soviet joint venture partner was required, as well as management expertise in the development of a template for operations and project staffing. Also, the coordination of certain aspects of the technical due diligence was required.

- Questor Drilling Company Acquisition - This small South Texas land-based drilling operation was purchased as an asset play on the price of domestic crude oil. It also provided an opportunity to combine drilling with the company's crude oil gathering and production sharing derivative products to obtain a synergistic return. Involvement in due diligence and post-acquisition organization was required.

- Moss Bluff Gas Storage Systems Joint Venture - This joint venture, with Tejas Gas Corporation as the operating partner, was one of the first natural gas salt dome storage projects. Efforts on this project included initial due diligence, continued economic justifications, oversight of joint venture management responsibilities, and the economic justification of the eventual sale of the company's interest to the operating partner.

- Northland Gas Properties Joint Venture - Involvement in this small natural gas exploration and production venture in Montana included economic evaluation, partnership interface, and the eventual negotiation of the sale of all ownership interests back to the local partner.

Product, Market & Business Development Projects

- During this time period, a variety of economic evaluations, preliminary due diligence efforts, contract negotiations, and market research were conducted on a sizable list of new products, new markets, and possible business combinations. Notably, were production sharing agreements, derivative trading products, SO2 emission trading credits, and the NeXT platform trade capture system. Also, negotiations for the sale of a minority interest position in the corporation were held with the Nigerian National Petroleum Corporation. Likewise, an interesting business combination proposal was discussed with Total North America.

Summary of Work History (Continued)

- Vice President, Business Development (1989 – 1990)
  Basis Petroleum, Inc. (formerly Phibro Refining, Inc.)
  Salomon Inc.
  - Responsibilities: Primary responsibilities for this position included the identification, economic evaluation, justification, and negotiation of acquisitions and divestitures of assets and business units for the refining company. Additionally, this role was asked to advise and help set strategic direction and optimize the portfolio of refining and downstream assets in an effort to maximize the long-term return on investment for the corporation.
  - Assignments/Accomplishments: During this time period, the largest accomplishment was the initiation of a growth and income-oriented capital reinvestment program in the refineries. During the previous year the four-plant system, based upon its small capital base arising from the very low acquisition prices paid for each facility, had generated percentage returns on investment in the high hundreds. In such strong refining markets viable acquisition candidates were no longer available. Consequently, a shrewd reinvestment program back into the company's assets was developed and initiated. Over the 1990 to 1992 time period, well over $300 million of cash flow was reinvested back into the refineries.

- Vice President, Economics & Planning Department (1986 – 1989)
  Basis Petroleum, Inc. (formerly Hill Petroleum Company)
  Salomon Inc.
  - Responsibilities*:* With the acquisition of additional refineries, the responsibilities for the economic optimization of the company's refining business increased from a single-plant to a three-plant (and eventually to a four-plant) system. Consequently, the rapid growth of the business from 70,000 BPD to 350,000 BPD led to growth in the volume of opportunities to be evaluated, the number of key variables to be analyzed and monitored, and the addition of quality staff. Also, the added responsibility of seeking out and evaluating additional growth and expansion opportunities was added to this position. Additionally, the position was elevated to officer level within the company and was one of the six senior management positions charged with administration and strategic direction setting.
  - Assignments/Accomplishments*:* A particularly successful project was the start-up and growth of the company's petrochemical business, using the "mothballed" manufacturing assets that were included in the acquisition of the Houston refinery. Also, the successful and profitable negotiation of a crude oil netback deal with the Chinese national oil company (SinoChem) allowed for the payout of the St. Rose refinery to be made within less than a year's time. However, the largest accomplishment during this assignment was leading the due diligence and negotiating teams in the successful acquisition of a fourth refinery in Texas City, Texas. This acquisition added 140,000 BPD of additional capacity to the system, and once again caused an exponential increase in the complexity of the overall operation of the refining system. Also during this assignment several opportunities were analyzed and executed involving growth of several value-added businesses, particularly wholesale marketing and ship bunkering.

- Manager, Economics & Planning Department (1985 – 1986)
  Basis Petroleum, Inc. (formerly Hill Petroleum Company)
  Salomon Inc.
  - Responsibilities: Primarily responsible for directing the economic optimization of the company's one refinery in Krotz Springs, Louisiana during the start-up phase of Phibro Energy's entrance into the refining business. Additional responsibilities included the building and use of tools for the continuous economic evaluation of commercial opportunities in the crude oil and refined products marketplace.

Summary of Work History (Continued)

   - Assignments/Accomplishments: The largest accomplishment during this period was leading the successful acquisition of two additional refineries, in Houston, Texas and St. Rose, Louisiana. This involved the economic evaluation of each opportunity, leading the due diligence team, the negotiation of the purchase price, terms, and conditions necessary to acquire the refinery, and most importantly the justification of the purchase to the Salomon Inc. Board of Directors.

- Planning Coordinator, Olefins & Aromatics Division, Petrochemicals Department (1983 – 1985)
  E.I. DuPont de Nemours & Company, Inc.

   - Responsibilities***:*** Primarily responsible for the development of earnings forecasts, capital budgets, and business opportunity evaluations for the olefins and aromatics business.

   - Assignments/Accomplishments***:*** Worked directly for the senior management of the division to develop, evaluate, and recommend actions required to effect a business restructuring and turnaround during what was a period of poor ethylene market economics and large business operating losses. Laid the groundwork for the closing down of facilities and the eventual sale of the remaining business.

- Energy & Feedstocks Coordinator, Planning Department (1982 – 1983)
  Conoco Chemicals Company
  Conoco, Inc.

   - Responsibilities: Primarily responsible for the economic evaluation of competing ethylene cracker feedstocks, as well as the tracking and interpretation of market supply, demand, and pricing fundamentals. Also, acted as the primary liaison back to the Conoco Refining Department.

   - Assignments/Accomplishments: At the request of senior management, in turn developed detailed market research analysis and reports on ethane, para-xylene, and high paraffin content kerosenes/surfactants. The later assignment involving extensive international travel (Europe, Japan, Singapore, and Australia) and many high-level business meetings with oil and chemical company executives and various government officials.

- Associate Engineer, North American Economic Planning Division (1981 – 1982)
  Refining Department, Conoco, Inc.

   - Responsibilities***:*** Primarily responsible for all planning and optimization activities for Conoco's Denver refinery, including monthly operating plans, crude oil evaluations, and capital project economics.

   - Assignments/Accomplishments: Represented the Refining Department on the development of the long-range plan for all downstream businesses.