



## **Chief Oil & Gas and IMG Midstream Enter into Strategic Gas Supply Agreement**

*Allows Locally Produced Marcellus Gas to Stay in Local Area for Power Generation*

New York, NY ([PRWEB](#)) August 28, 2013 -- Chief Oil & Gas (“Chief”) and IMG Midstream (“IMG”) announced today they have entered into a long-term strategic natural gas supply agreement. Chief will supply natural gas to multiple IMG electric generation facilities to enable the production of clean natural gas fired power. The agreement covers a specific area of mutual interest in Northeastern Pennsylvania along the Access and PVR Partners’ midstream systems.

"We are pleased to enter into this agreement with IMG," said Sam Fragale, SVP for Chief Oil & Gas. "Benefiting the local communities around our operations has always been important to Chief. With this agreement, a portion of the gas we produce in northeastern Pennsylvania will stay in the local area. That was important to us."

Under the agreement, the parties will work together to identify additional gas-fired project opportunities to compliment Chief production positions in the region. This arrangement effectively adds IMG to Chief's local gas origination efforts and adds business process and scale efficiencies to IMG's business model.

"This arrangement brings Chief, Access, and PVR Partners together as development partners," said Ron Kiecana Managing Director at IMG Midstream. "We are excited to construct projects that will use locally produced gas, create new local gas markets and satisfy local electricity needs," added Mr. Kiecana.

"It is an exciting opportunity to work with Chief Oil and Gas, one of our largest upstream customers, and IMG on such an exciting opportunity," said Mark Casaday, PVR's Executive Vice President and Chief Operating Officer -- Midstream. "Finding additional markets, such as the clean and efficient gas-fired power generation that IMG is providing, will be instrumental in the continued success and prosperity of new US gas supply basins, such as the Marcellus Shale in Northeast Pennsylvania."

IMG expects this arrangement to enable construction to commence on up to three power generation facilities by the end of 2013. IMG's facilities will be fully enclosed and minimize environmental impact through the use of advanced emission control technologies, closed loop cooling systems to minimize water consumption, being located near to gas production and existing electric infrastructure, and a compact design disturbing less than 2 acres of land.

IMG Midstream, founded by Bregal Investments, was formed on the basis that market creation is a critical part of the energy revolution underway in North America. Rather than transporting fuels, the core principle behind IMG is location of gas fired power generation as close as possible to fuel supply and electricity demand, improving overall market efficiencies and being an important part of the midstream solution.

"This is an important milestone for IMG and we are excited to invest in the business enabling the rollout of multiple power generation assets. We believe that IMG's business model delivers many benefits to energy consumers, gas producers and the environment," said Nathan Campbell, a Director of Bregal Energy. "These potential benefits include local jobs, improved reliability, reduced congestion and lower electric costs."



#### About IMG Midstream

IMG Midstream (formerly known as Iron Mountain Generation) develops, owns, and operates small-scale natural gas generation projects. The Company manages and performs all activities required to bring its projects from conception through completion, including construction, start-up and operation. IMG is currently focused on projects in the Northeastern United States, with a focus on the PJM and NYISO market areas. Backed by Bregal Investments, IMG Midstream has multiple projects under development, across Pennsylvania, West Virginia, and Ohio with each project typically 20MW in size. For more information please visit [www.imgmidstream.com](http://www.imgmidstream.com).

#### About Chief Oil & Gas

Chief Oil & Gas is a privately held exploration and development company founded in 1994 by Trevor Rees-Jones. Based in Dallas, Texas, with a regional office in Wexford, Pennsylvania, Chief operates primarily in the Marcellus Shale in northeastern Pennsylvania, but holds interests in oil & gas fields throughout the United States.

#### About PVR Partners

PVR Partners, L.P. is a publicly traded limited partnership which owns and operates a network of natural gas midstream pipelines and processing plants, and owns and manages coal and natural resource properties. PVR's midstream assets, located principally in Texas, Oklahoma and Pennsylvania, provide gathering, transportation, compression, processing, dehydration and related services to natural gas producers. PVR's coal and natural resource properties, located in the Appalachian, Illinois and San Juan basins, are leased to experienced operators in exchange for royalty payments.

#### About Bregal Investments

Bregal Investments is the private equity investment business of COFRA Holding AG, a European holding company for a privately-owned group of companies. Bregal was founded in 2002 to consolidate and grow COFRA's private equity investment activities and has invested over \$US9 billion globally. The Bregal group includes a number of specialist funds, of which Bregal Partners and Bregal Energy deploy capital across the energy sector from startups to growth companies. For more information, please visit [www.bregal.com](http://www.bregal.com).

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