

Overview and Frequently Asked Questions

Oracle Buys LODESTAR: Further extends Oracle's leadership in enterprise applications for the utilities industry with a world class portfolio of Meter Data Management and Competitive Energy Operation solutions

Overview

On April 24, 2007, Oracle announced our agreement to acquire LODESTAR Corporation ("LODESTAR"), a leading provider of meter data management and competitive energy operation solutions. We expect the transaction to close in May, subject to certain closing conditions. Until such time, each company will continue to operate independently.

LODESTAR delivers best-in-class meter data management, commercial & industrial (C&I) billing, load research, load forecasting & pricing, load profiling, and settlement and transaction management solutions to the utilities industry. For over 25 years, LODESTAR has had a long history of helping utilities around the world enhance customer service, improve operations, better compete, and achieve excellence in business performance. LODESTAR is headquartered in Peabody, Massachusetts and has assembled a world-class team focused on utilities solutions.

Oracle and LODESTAR have complementary products with a shared focus that information and adaptive business processes are keys to achieving corporate revenue and profitability goals. After the closing of the transaction, Oracle plans to accelerate the pace of innovation and integration of LODESTAR's products. The strengths of LODESTAR's solutions for utilities are planned to be combined with Oracle's industry leading database, middleware, and enterprise applications. Combined, we plan to deliver the most comprehensive suite of mission critical operational systems for all segments of the utilities industry, combining meter data management, load profiling, pricing, marketing, sales, customer care, billing, analytics and management of

the networks, work force, assets, and business to business transactions. We are also committed to supporting our respective customers, which include over 2,500 utilities worldwide, and 10 of the top 10 Global electric and gas companies.

After closing, Oracle plans to offer LODESTAR products as part of the Oracle Utilities applications suite. LODESTAR management, employees, and products are expected to become a part of Oracle's Utilities Global Business Unit.

CUSTOMER BENEFITS

The combination is expected to provide Oracle customers with a number of benefits after the closing of the transaction:

- **Comprehensive Oracle Utilities suite:** Combination of Oracle and LODESTAR is expected to provide the most comprehensive suite of mission critical operational systems for all segments of the utilities industry, enabling end-to-end marketing, sales, customer care, revenue management, and service delivery processes.
- **Customer centric business operations:** Flexible and scalable solutions that address regulated, competitive and transitioning utilities industry segments.
- **Improve competitive advantage:** The combined solutions are expected to help facilitate the transformation of utility operations based on a leading edge infrastructure that improves the customer's ability to compete.
- **Industry needs addressed in a dynamic environment:** By combining the talents of both organizations, Oracle will be able to better address evolving customer needs and effectively respond to industry trends that are driving the demand for customer-centric, cost effective solutions.
- **Efficient business processes:** Facilitates the development of more efficient business processes that enable the various regulated, competitive, and transitioning utilities industry segments.
- **Backed by a single global vendor:** Customers will have access to proven best-in-class utility management solutions combined with comprehensive, world-class capabilities in applications and technology infrastructure—all from the same vendor. This is expected to significantly reduce total cost of ownership while satisfying customer demand for a global integrated platform that supports varied business processes, services, markets, and geographies.

PARTNER BENEFITS

After the closing of the acquisition, the combination of Oracle and LODESTAR is expected to permit existing partners of both Oracle and LODESTAR to:

- Work with a single vendor to address customer needs for meter data management, revenue and operations management, CRM, ERP, analytics, and infrastructure across all utilities segments: Oracle partners are expected to benefit from LODESTAR's best-in-class solutions for meter data management and competitive energy operations. LODESTAR partners are expected to benefit from Oracle's worldwide resources and partner ecosystem, as well as preserve their investments and experience with LODESTAR products. Both companies' partners should benefit from the complementary solutions that create the most complete end-to-end packaged enterprise software suite for the utilities industry.
- Expanded opportunity for System Integrator partners: System Integrators specializing in utilities should now have the opportunity to provide world-class solutions to customers with an expanded application footprint and strengthened go-to-market capabilities through Oracle's global sales force.
- Continued commitment to support Independent Software Vendor relationships: Oracle plans to broaden existing ISV and developer partnerships and establish new partnerships to complete the combined footprint. Oracle will work to develop joint product roadmaps with its customers that include customer-driven requirements. Oracle is committed to helping other utility ISVs with the provision of Oracle's infrastructure software, including its relational database, middleware, and analytics. Oracle is also committed to helping enable integrations between utility ISVs and Oracle's other enterprise applications.

Frequently Asked Questions

BUSINESS RATIONALE

What is the rationale for this acquisition?

The acquisition of LODESTAR extends Oracle Utilities industry applications breadth and depth. It adds a world-class portfolio of meter data management and competitive energy operation solutions for the utilities industry.

Utilities are a strategic industry segment for Oracle with growth focused on integrated packaged applications. Changing regulatory environment, continued deregulation, technology advances, new standards, and energy conservation initiatives are creating a fresh cycle of information technology investments in the utilities industry. Advanced metering infrastructure and meter data management applications represent priority software spends for many utilities. The addition of the LODESTAR capabilities to the existing Oracle Utilities products provides an even broader suite of industry leading solutions that support critical operational business processes, services, industry segments, and geographies.

Why did Oracle select LODESTAR for its meter data management and competitive energy operation solutions strategy?

LODESTAR offers the utilities industry's leading solutions for this industry segment with the largest customer base for these products around the world. It is an established vendor-partner for leading distribution and transmission organizations. Founded in 1978, LODESTAR has a long history of helping utilities around the world meet the emerging demands of deregulation and new requirements that have arisen as national grids become increasingly constrained. LODESTAR has a premier and diverse global customer base and a proven ability to support high scalability and performance. More than 114 customers worldwide are drawing on LODESTAR software to deliver utility services. LODESTAR's employees bring extensive industry, domain, and product experience and will be a valuable supplement to Oracle's Utilities Global Business Unit. LODESTAR's products are complementary to the existing Oracle Utilities solutions. Several of LODESTAR's customers are already Oracle Utilities customers that are using both Siebel Energy and LODESTAR's solutions to enable their energy retail operations.

How will the acquisition of LODESTAR help to accelerate Oracle's strategy to build out mission critical applications for the utilities industry?

With the combination of Oracle and LODESTAR, Oracle deepens its end-to-end packaged software solution for all utilities industry segments including meter data management, revenue and operations management, CRM, ERP, and analytics. This includes processes that span from a utility's initial customer interaction, through to service delivery, contract management, financial management, billing, network management, and asset management. Oracle's outstanding product portfolio, complementary infrastructure and applications software, and extensive R&D budget will position Oracle to help its utility customers transform their operations into leading edge infrastructure.

PRODUCT OVERVIEW, PRODUCT ROADMAP AND STRATEGY

What products does LODESTAR sell?

LODESTAR's Customer Choice Suite provides meter data management and competitive energy operation solutions for the utilities industry and includes LODESTAR Energy Information Platform as the underlying framework and the following products:

- LODESTAR Meter Data Management features a central database to store and archive metering data and acts as a hub to receive data from multiple meter environments and outputs data to revenue generating and operational applications.
- BillingExpert provides the means to calculate and bill complex rate structures.
- PricingExpert is a highly configurable solution used to calculate, analyze, and manage price quotes and offers for current and prospective customers in retail or wholesale utilities or service market segments.
- LODESTAR Profiling and Settlement System is a highly scalable solution that allows utilities to validate, edit, estimate, and aggregate usage data to forecast and settle with retailers and suppliers.

- RateExpert provides a platform for designing, experimenting, maintaining, and analyzing all types of rate structures.
- ContractExpert is a comprehensive, web-based, solution to initiate contracts with end-user customers and other counterparties.
- LODESTAR Portfolio Management assists companies realize seamless integration of retail business functions and wholesale energy procurement functions to help drive profitability.
- LODESTAR Transaction Management Hub manages business transactions among operating organizations and their market participants.
- LodeStar is a program designed to help collect, manage and analyze load research data.

What is LODESTAR's architecture and technology?

The LODESTAR application suite is built on a multi-tier architecture using relational database management systems, including Oracle Database 10g. Integration with other applications is based on Web Services standards.

How compatible are these technologies with Oracle Applications?

They are very well aligned with Oracle's Fusion Architecture. LODESTAR products have been written from the ground up using current application development approaches, including the same open standards-based J2EE technology and principles of a Services Oriented Architecture that Oracle employs.

How does this fit into Oracle's Fusion Applications strategy?

The technology behind Oracle Fusion Applications is based on Java and the J2EE platform. These applications are based on the principles of a Services Oriented Architecture, and are intended to work in heterogeneous environments using integration based on Web Services standards. Oracle Fusion Middleware provides comprehensive support for these standards, and can be used to integrate LODESTAR products with the rest of the application suite. As such, the LODESTAR applications are compatible and consistent with Oracle Fusion Applications.

Will this acquisition impact the product roadmap of LODESTAR's solutions?

After the closing, Oracle expects to provide continuity in roadmap and direction for LODESTAR products.

After the closing, will you continue to sell LODESTAR into otherwise non-Oracle application situations?

Yes. After the closing, we plan to pursue LODESTAR opportunities that do not involve other Oracle applications. LODESTAR has demonstrated its ability to compete for and to win business from customers running varied applications suites.

Will Oracle continue to support LodeStar BillingExpert product?

LODESTAR's products are complementary to Oracle's existing products. Accordingly, after the closing, Oracle plans are to continue selling and supporting all LODESTAR products.

Customers

How will this acquisition impact LODESTAR's customers?

Oracle plans to protect customers' investments in LODESTAR applications. R&D in LODESTAR solutions will now have the backing of Oracle's R&D budget, and significant technology and applications offerings.

How can existing LODESTAR customers benefit from this acquisition?

Oracle plans to protect LODESTAR customers' investments. LODESTAR customers will also have access to Oracle's comprehensive software portfolio, global resources, worldwide sales, consulting, support, and R&D organizations. The combination is expected to deepen what is already the most comprehensive suite of mission critical operational systems for all segments of the utilities industry.

Partners

How will this acquisition benefit LODESTAR partners?

Partners are essential to Oracle's economy and growth strategy. Oracle is committed to our partners' success and the satisfaction and retention of our mutual customers. As current partners know, the foundation of partner success with Oracle is the Oracle

PartnerNetwork, a worldwide ecosystem of more than 19,000 partners, a management portal, a network of interaction centers for partner support, and a global business program. Partnership with Oracle offers the opportunity to gain access to Oracle's premier products coupled with education, plus support from across all lines of business within Oracle. Oracle seeks to maintain and enhance the relationships with existing LODESTAR partners through our global partner program.

How can Oracle partners benefit from this acquisition?

Oracle partners can benefit from LODESTAR's best-in-class solutions. Oracle and LODESTAR provide complementary solutions that significantly deepen our end-to-end packaged enterprise software suite for the utilities industry.

System integrators specializing in utilities should be able to provide world-class solutions to customers with an expanded application footprint and strengthened go-to-market capabilities through Oracle's global sales force.

Oracle plans to broaden existing ISV and developer partnerships to complete the combined footprint. Oracle plans to work to develop joint product roadmaps with our customers that include customer-driven requirements. Oracle is committed to helping other utility ISVs build and deploy their solutions on Oracle's infrastructure software, including Oracle's relational database, middleware, and analytics. Oracle is also committed to helping enable integrations between utility ISVs and Oracle's other enterprise applications.

How will LODESTAR partners learn more about the Oracle PartnerNetwork program and partnerships with Oracle?

The Oracle PartnerNetwork portal is the best source of information about the program. Partners may also contact an Oracle PartnerNetwork representative directly by going to partner.oracle.com and clicking on "Contact Us".

How will Oracle support LODESTAR partners through the integration and beyond?

Oracle is deeply committed to our partners' success. The message for LODESTAR partners today is one of continuity – business as usual. Appropriate steps are being taken to ensure that business continues uninterrupted. As we blend LODESTAR education delivery with Oracle University, we want to ensure that partners are fully prepared to take advantage of the new

opportunities available through this combination. The Oracle PartnerNetwork (OPN) Portal will feature upcoming training announcements.

Throughout the transition, we will communicate with partners and provide the latest information and resources to address questions and highlight new opportunities. Partners not yet enrolled in the Oracle PartnerNetwork program will be invited to join the program to gain access to some of the highest levels of support and resources in the industry today.

For those who are both LODESTAR partners and members of Oracle PartnerNetwork, will LODESTAR contracts be honored?

Yes. To provide a smooth transition, existing LODESTAR partner contracts will remain in effect after the closing, and existing LODESTAR contacts for support, professional services and sales will remain the same. As contact information changes after the closing, we will communicate these changes through normal channels.

How will this acquisition impact any existing project, deployment, or service engagements?

It is not expected that this transaction will impact any existing project, deployment or services engagement. With the depth, breadth and scale of Oracle, it is anticipated that customers will continue to derive even more value from LODESTAR products after the closing. Oracle's Utilities Global Business Unit will continue to provide its world-class products as well as its unparalleled services and product management portfolio.

Does this acquisition affect Oracle's relationship with other utilities vendors?

Many utilities have multi-vendor environments and use a variety of revenue and operations management needs. Oracle is committed to the ongoing support of other utilities applications vendors.

Business Continuity

Can I still purchase LODESTAR products?

Yes, LODESTAR and Oracle remain separate companies until the closing of the acquisition. Please contact your LODESTAR sales representative to assist you, or visit <http://www.lodestarcorp.com> for contact information.

Should LODESTAR customers continue to call LODESTAR support?

Yes. Until the closing of the transaction, LODESTAR continues to operate as a separate business. LODESTAR customers will continue to receive support and services from LODESTAR, and should continue to use existing LODESTAR contacts for support, professional services, and sales to address immediate and ongoing needs. We will communicate all changes and transitions occurring after the close of the transaction well in advance through these familiar channels.

Should LODESTAR customers continue to contact their LODESTAR sales representatives?

Yes. Until the closing of the transaction, LODESTAR continues to operate as a separate business and, until further advised, customers should continue to rely on existing relationships.

Will training on LODESTAR product continue?

Yes. Until the closing of the transaction, LODESTAR continues to operate as a separate business. LODESTAR customers will continue to receive support and services from LODESTAR, and should continue to use existing LODESTAR contacts for support, professional services, and sales to address immediate and ongoing needs. We will communicate all changes and transitions occurring after the close of the transaction well in advance through these familiar channels.

Will existing LODESTAR customer contracts be honored after the closing of the transaction?

Yes. Oracle intends to honor the terms and conditions of existing LODESTAR contracts for all existing license and service projects after the closing. Technical support will continue to be governed by the terms of the LODESTAR maintenance agreement until the current support term expires. At the first renewal with Oracle, customers' support services (and not licenses) will be migrated to an Oracle License and Services Agreement (OLSA),

which will govern the next support term. The OLSA will not govern customers' LODESTAR license(s). New orders under existing LODESTAR contracts may include order specific modifications to meet the requirements of Oracle's order taking policies.

Will LODESTAR employees be retained?

Yes. The goal of this combination is to complement the offerings to Oracle. LODESTAR employees are expected to be incorporated into Oracle's Utilities Global Business Unit.

Where can I find out more information about the proposed Oracle and LODESTAR combination?

For more information, please visit Oracle.com/LODESTAR.

The above is for informational purposes and may not be incorporated into a contract. IT IS NOT A COMMITMENT TO DELIVER ANY MATERIAL, CODE, OR FUNCTIONALITY, AND SHOULD NOT BE RELIED UPON IN MAKING PURCHASING DECISION. THE DEVELOPMENT, RELEASE, AND TIMING OF ANY FEATURES OR FUNCTIONALITY DESCRIBED FOR ORACLE'S PRODUCTS REMAINS AT THE SOLE DISCRETION OF ORACLE. THE DEVELOPMENT, RELEASE, AND TIMING OF ANY FEATURES OR FUNCTIONALITY DESCRIBED FOR LODESTAR'S PRODUCTS REMAINS AT THE SOLE DISCRETION OF LODESTAR. This acquisition is subject to the satisfaction of a variety of conditions. Oracle is not affiliated with LODESTAR and LODESTAR is not affiliated with Oracle until the official close of the transaction.