Oracle and LODESTAR

Acquisition Announcement

April 24, 2007

Disclaimer

This document is for informational purposes only and may not be incorporated into a contract or agreement. It is not a commitment to deliver any material, code or functionality and should not be relied upon in making a purchasing decision. The development, release and timing of any features or functionality remains at the sole discretion of Oracle.

Agenda

- What We are Announcing

- Strategic Rationale

- Customer and Partner Benefits

- LODESTAR Overview

- End-to-End Utilities Suite

- Customer Successes

ORACLE

What We Are Announcing

- Oracle to acquire LODESTAR Corporation

    - Transaction is expected to close in May 2007

- About LODESTAR

    - Leading provider of meter data management and competitive energy operation solutions

    - Headquartered in Peabody, MA

    - 125 employees

    - 114+ customers globally

- Combination creates the most complete end-to-end application suite to meet the unique needs of utilities

    - Oracle for ERP, database, enterprise reporting and infrastructure software

    - SPL for utilities revenue & operations management

    - Siebel for customer relationship management

    - LODESTAR for meter data management and competitive energy operation solutions

- LODESTAR employees expected to join Oracle's Utilities Global Business Unit

ORACLE

Overview of Strategic Rationale

- Utilities continues to be an important industry for Oracle with growth focused on integrated packaged applications
  - Tenth largest industry in terms of software spend
  - Advanced Metering Infrastructure (AMI) mandates are causing rapid growth and the need for more sophisticated and scalable meter data management systems
  - Continued global utilities industry restructuring has increased the need for integrated wholesale and deregulated operational solutions
- LODESTAR has proven segment leadership and world class capabilities
  - LODESTAR's *Customer Choice Suite* of industry leading solutions support advanced meter data management and competitive energy operation solutions
  - Outstanding talent with deep domain expertise across R&D, product management, sales and services
  - Marquee customers in multiple key industry segments: TXU, Hydro Ottawa, E-On, ERCOT, MISO and Ergon Energy
- Combination extends Oracle's leadership in enterprise applications for the utilities industry
  - Increases Oracle's addressable customer base
  - Significant customer commonality provides immediate benefits
  - Additive to Oracle's goal to become leader globally in applications

ORACLE

Oracle in Utilities
Leading provider of corporate, customer-facing, and industry-specific applications and infrastructure software to the industry

- More than 2,500 utilities run Oracle Technology

- More than 500 utilities run Oracle Applications

    - 14 of top 20 global electric and gas companies run Oracle Applications

    - 10 of top 20 U.S. electric companies run Oracle Applications

    - 8 of top 10 U.S. gas companies run Oracle Applications

    - 8 of top 20 U.S. water companies run Oracle Applications

    - More than 200 global utilities run utility-specific applications

- Leading applications and infrastructure capabilities for the utilities industry

    - Customer care & billing, and management of the network, field work and assets

    - Utility-specific CRM, PRM and analytics solutions on 10th release

    - Strategic planning, projects, logistics and maintenance solutions for optimized asset lifecycle management

    - Scalable and secure spatial database and middleware technology for meter data

ORACLE

LODESTAR Customer Benefits

LODESTAR applications supported and protected as standard for Meter Data Management and Competitive Energy Operation Solutions

- Stronger combined vendor with complementary products
  - Improved stability in a highly fragmented competitive landscape
  - Highly complementary combination of product offerings
- Preserve customers' investments in LODESTAR products and vision
  - LODESTAR employees expected to continue as part of the Utilities Global Business Unit within Oracle
  - Current LODESTAR employees will provide industry domain expertise and knowledge
  - Plan to include LODESTAR solutions in Oracle's Lifetime Support policy
- Provide smooth transition for customers without disruption
  - Enhanced support and services through scale
  - Global 24x7 distribution and support network for streamlined commercial relationships
  - Extended partner ecosystem with increased investment
  - Support and broaden relationships with LODESTAR partners

ORACLE

Oracle Customer Benefits
LODESTAR acquisition underscores Oracle's commitment to the utilities industry

- Provides a comprehensive package of applications that Oracle customers worldwide have said is one of their highest priorities

  - Combination of Oracle and LODESTAR will provide the industry's first comprehensive suite of applications for meter data management, competitive energy operations, customer relationship management, customer care and billing, and the management of networks, field work, and assets

- Delivers superior benefits to the customer

  - Forward thinking solutions, addressing the needs to today's utilities
  - Integrated, efficient business processes that address regulated and competitive utility industry requirements
  - Greater business and customer insight and auditability
  - Superior ownership experience and lower total costs of ownership

- Acquisition is consistent with Oracle's intent to develop deep industry functionality and focus

  - Transaction expands industry expertise, complements Oracle's applications and technology, and creates new growth opportunities
  - Delivered by industry experts with significant domain knowledge

ORACLE

Oracle and LODESTAR Partner Benefits

- Draw on partner relationship to address customer needs for mission critical applications and infrastructure software across all utilities segments

  - Benefit from Oracle's worldwide resources and partner investment
  - Benefit from LODESTAR's best-in-class portfolio of meter data management and competitive energy operations solutions
  - Preserves partners' investments and experience with LODESTAR

- Opportunity for SIs specializing in utilities to provide world-class solutions to customers

  - Expanded application footprint offers additional opportunities
  - Strengthened go-to-market capabilities through Oracle's global sales force

- Broaden existing ISV and developer partnerships and establish new partnerships to complete combined footprint

  - Joint product roadmaps
  - Provision of Oracle's infrastructure software (RDBMS, Middleware, BI)
  - Integration between ISVs and Oracle's enterprise applications

ORACLE

Overview of LODESTAR

|	
Long History of Success	• 25+ years of utilities industry presence • Headquartered in Peabody, MA • 114 customers globally
Experienced Utility Industry Specialists	• 125 employees • World-class talent with deep domain expertise across R&D, sales and services
Advanced, Industry Leading Solutions	• LODESTAR® Meter Data Management™ • Competitive Energy Operations solutions • LODESTAR® Profile & Settlement System™ • BillingExpert® • Financial Management Extension™ • PricingExpert® • RateExpert® • ContractExpert™ • LODESTAR® Portfolio Management™ • LODESTAR® Transaction Management Hub™ • LodeStar®

ORACLE

Industry Trends Drive Demand for Integrated, Interoperable Solutions

Dynamic Industry Environment
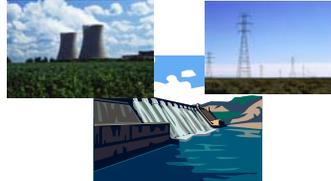
Increased competitive and regulatory pressures drive time to market for system flexibility and accuracy to handle evolving services and minimize risks on low-margin commodity offerings

Continual Operational Improvement

Re-engineering business processes to draw on connectivity and usage data to improve customer service and reduce cost

Reliability of Supply

Increased importance of grid reliability and resiliency is adding to the need for specialized meter data management and associated load forecasting applications
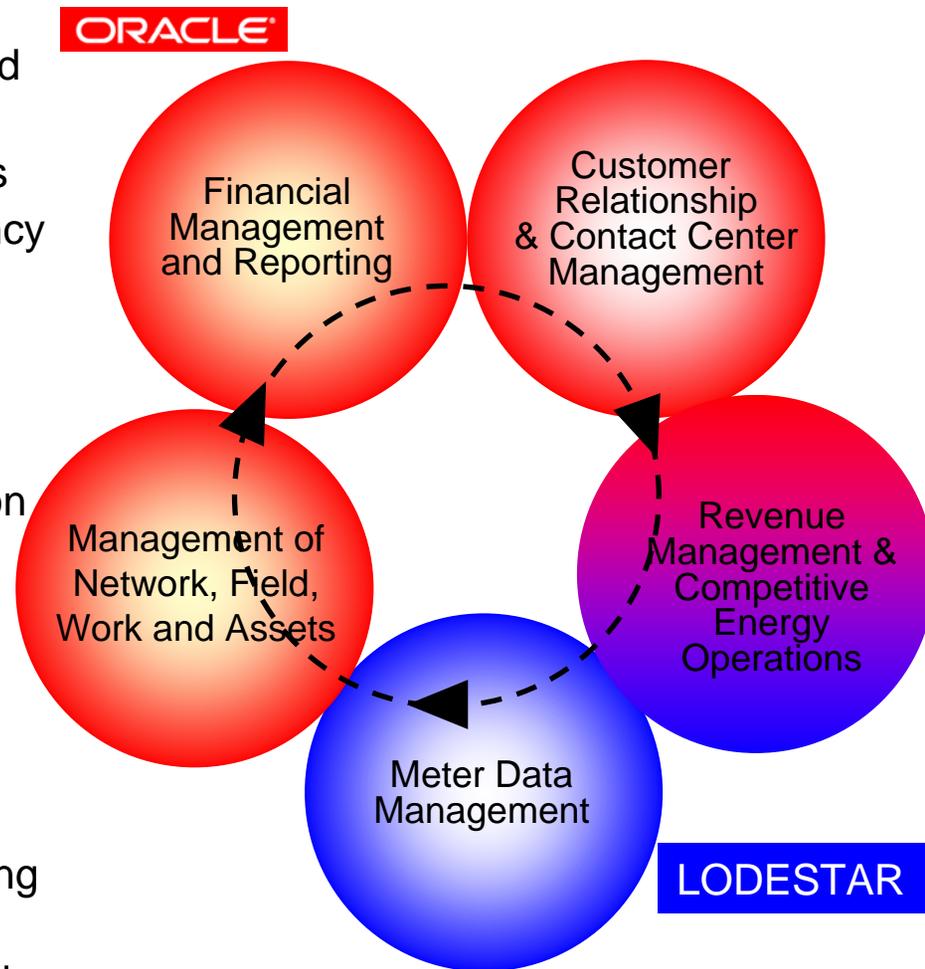
Technology Advances

Innovative technologies such as "connected smart metering" reduces human error, enables more accurate management and requires an integrated, end-to-end solution

Combination Unifies Mission Critical Business Processes for the Enterprise

- Meter data and meter connectivity
  - Implement demand management and demand response
  - Enable more complex rate structures
  - Enhance grid operations and resiliency
  - Improve load forecasting and settlement
- Lower cost of ownership solutions to address new standards
  - Emphasis on integration of all mission critical utility applications
  - Move to predictive and preventive systems
- Address global industry restructuring
  - Integrated solutions to handle the growing complexity of continued industry deregulation and restructuring
  - Meet critical need to accurately forecast, balance, and settle demand and supply

ORACLE

Financial Management and Reporting

Customer Relationship & Contact Center Management

Management of Network, Field, Work and Assets

Revenue Management & Competitive Energy Operations

Meter Data Management

LODESTAR

Creates Utilities Industry's Most Complete End-to-End Solution Suite

- Approximately 550 unique applications customers on a combined basis in Utilities
- Over 95% of LODESTAR's customers are Oracle infrastructure software customers
- Over 50% of LODESTAR's customers are Oracle Applications customers

Customer Relationship and Contact Center Management
(Sales, Marketing, Quote, Order, Contract, Service & Order Entry)

Meter Data Management
(Validation, Editing, Estimating, Connectivity)

Billing & Revenue Management
(Rating, Billing, Dispute/Adjust)

Competitive Energy Operations
(Load Research, Load Profiling / Forecast & Settlement,
Pricing, Portfolio Management, Transaction Management)

Asset Management
(Lifecycle, Work, Inventory)

Network Management
(Trouble, Control, Switching, Model)

Mobile Work Force
(Scheduling, Dispatch)

Financials
(General Ledger, Purchasing, Human Resources, Payroll)

Analytics
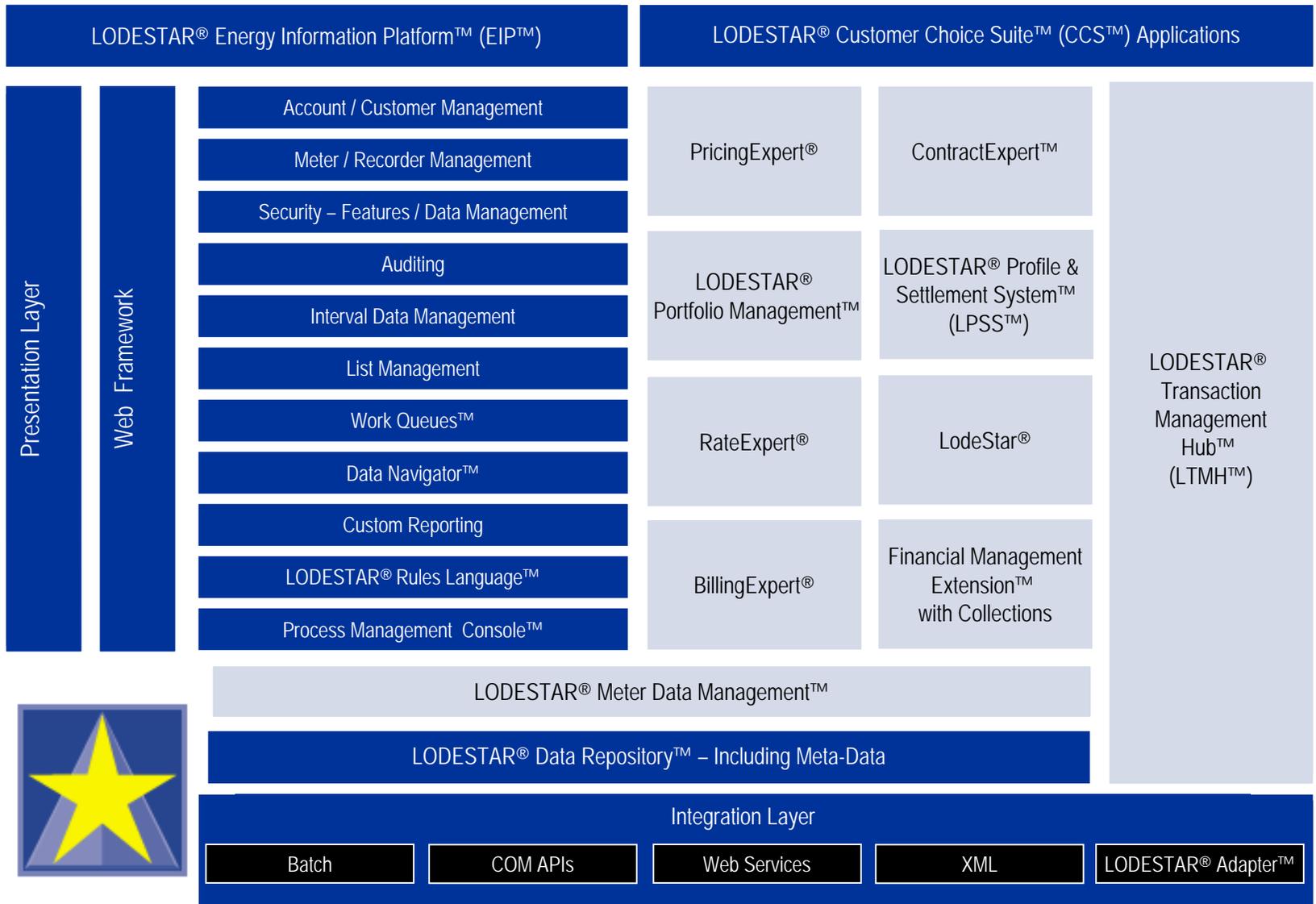(Segmentation, Profitability, Cross/Up Sell, Retention & Operations)

Technology
(RAC, Spatial DB, Service Delivery Platform, Data Hub)

ORACLE

LODESTAR CORPORATION

ORACLE

LODESTAR Solution Footprint

LODESTAR® Energy Information Platform™ (EIP™)	LODESTAR® Customer Choice Suite™ (CCS™) Applications

Presentation Layer	Web Framework				
		Account / Customer Management	PricingExpert®	ContractExpert™	LODESTAR® Transaction Management Hub™ (LTMH™)
		Meter / Recorder Management			
		Security – Features / Data Management			
		Auditing	LODESTAR® Portfolio Management™	LODESTAR® Profile & Settlement System™ (LPSS™)	
		Interval Data Management			
		List Management			
		Work Queues™	RateExpert®	LodeStar®	
		Data Navigator™			
		Custom Reporting			
		LODESTAR® Rules Language™	BillingExpert®	Financial Management Extension™ with Collections	
		Process Management Console™			

LODESTAR® Meter Data Management™

LODESTAR® Data Repository™ – Including Meta-Data

Integration Layer

Batch	COM APIs	Web Services	XML	LODESTAR® Adapter™

ORACLE

14

Select LODESTAR Customers

- 114 customers globally across multiple segments of the utilities industry

Distribution / Transmission

Retail

Regulated ISO / RTOs

Munis/Co-ops

Competitive Generation

Case Study: Large North American Utility

- One of the largest, Fortune 500 utilities in North America
  - Over 4.5 million electric and gas customers
  - Operations across 5 different states
- Business challenge
  - Establish an enterprise meter data management solution to manage all energy data for gas and electric customers, across multiple AMI technologies in support of the utility's current and future advanced metering initiatives
  - Establish an enterprise solution to efficiently manage the processing and delivery of validated meter data to various internal and external customers
- LODESTAR solution
  - LODESTAR Meter Data Management
- Results and business benefits
  - Lower operating costs
  - Faster, more consistent and reliable access to validated energy data across the enterprise and business functions
  - Ability to rapidly deploy new AMI technologies, without impact to downstream systems and business processes.

ORACLE

Case Study: Enbridge

- One of the largest utilities in North America serving more than 2 million customers
  - 3,000 automated meter (interval) customers
- Business challenge
  - Deregulation, re-regulation and new efficiency and metering requirements increased business complexity
  - Need to migrate three legacy meter data stores to one system
- LODESTAR solution
  - LODESTAR Meter Data Management
- Results and business benefits
  - Lower operating costs
  - Better access to data, which enhanced revenue reporting
  - Positioned to be able to offer meter data management solution as an ASP, adding revenue and shareholder value

ORACLE

Case Study: Electricity Supply Board

- Largest energy utility in Republic of Ireland
    - 1.9 million electricity customers
- Business challenge
    - Need for demand forecasting to handle requirements of All-island Single Electricity Market (SEM) Project
        - Maintain short and long-term consumption forecasts by tariff.
        - Roll up forecasts to tariff group, market segment
- LODESTAR solution
    - Forecasting modules with LODESTAR® Adapter™ for interfaces to external ESB Customer Supply data sources
- Results and business benefits
    - On time, on budget
    - Outstanding ability to support strategic analysis
    - Easily adapted to addition of wind generation

ORACLE

Case Study: Leading North American Retail Energy Provider

- North America's leading competitive electric and gas energy supplier
  - Fortune 200 energy company based in Baltimore, Maryland
  - One of the nation's largest wholesale power sellers
  - Operations across 15 states and 2 Canadian provinces
- Business challenges
  - Establish an enterprise wide retail solution architecture to meet current business requirements, future strategic objectives and projected growth
  - Provide a reliable, business-wide view, and understanding of customer needs and behaviors across key functional areas including risk management, pricing and customer service
  - Provide a consistent level of information to various parts of the business, enabling the energy supplier to provide national account customers with a coherent and consistently high quality level of service
- LODESTAR solution
  - Complete back office solution including Meter Data Management, Pricing, Billing & Receivables Management, Forecasting & Settlements
  - Integration with Siebel CRM front office
- Results and business benefits
  - Lower operating costs and improved efficiencies through systems consolidation
  - Consistency of business processes across all organizations
  - Improved risk and profitability management as a result of better access to information across key business functions
  - Improved customer service

ORACLE

Next Steps

- General announcement: April 24, 2007

- Communicate extensively with all constituents

  - Customer briefings

  - Industry analyst and press briefings

- Complete transaction

  - Expect to close May 2007

- More information can be found at:

  - www.oracle.com/lodestar