

AN INTERVIEW WITH.....



ON PHAROS GAS INVESTMENT FUND

November 2006

1. Please describe your energy fund

Pharos Gas Investment Fund's principal objective is to achieve consistent and superior returns on capital. The Fund seeks to achieve this by investing primarily in a portfolio of securities where exposure to the natural gas industry is a major component of either their asset base, or revenue stream, or both. Such exposure to the industry may be found in the exploration, production, transportation, distribution, storage or processing of natural gas. The geographical focus of the fund is the Eurasian region. This includes Russia, Ukraine, Kazakhstan, Azerbaijan, Turkmenistan and Uzbekistan. Most of the fund is invested in public equity, though this is combined with an element of opportunistic debt and private placements. In addition to its long positions, the Fund may also sell short securities. The Fund is up 282% since inception in April 2004.

2. Who are your service providers?

Administrator -

Custom House Administration (Dublin)

Custody - ING Bank

Legal -

Dechert (New York); Akin Gump (Moscow)

Banker - Northern Trust (New York)

Auditor - Deloitte

3. What makes your fund unique?

Pharos Gas Investment Fund is the only dedicated natural gas fund focused on the Eurasian region. Our team is uniquely experienced in the region. We have been present on-the-ground in Moscow since the collapse of the Soviet Union in the early 1990s, and have held board positions in more than 36 Russian companies.

4. How do you approach risk management?

We employ a number of methods to manage risk on the Pharos Gas Investment Fund. These include: selective use of options to hedge our positions; a core holding in Gazprom for its liquidity; and regular meeting with the managements of companies that we are invested in to assess any corporate governance risks.

5. What is your investment strategy?

We combine top-down and bottom-up approaches. In terms of top-down, the key macroeconomic factors that currently underpin the Fund are buoyant global demand for natural gas and increasing prices. The rationale for the geographical focus stems from the fundamental change in the gas market structure that is currently underway in Europe which is resulting in countries such as the UK, which were previously self-sufficient in natural gas, becoming dependent upon Eurasian imports.

In terms of bottom-up, we employ all the industry standard financial modeling and valuation methodologies from DCF to P/E to make investment decisions, and to monitor the valuation of companies we are invested in against their peers. We also conduct regular meetings with the managements of companies in order to assess their competence, and to gather primary information or verify public information.

6. How do you see energy as an investment opportunity over the next 12-months?

Eurasian natural gas appears very strong going forward. Demand remains buoyant while sources of supply are restricted. Combined with strong global demand, there is an ongoing secular process of gas price increases in domestic markets in the Eurasian region as formally command economies progressively



adjust to the market mechanism, and energy subsidies to industry are reduced.

7. What advice would you give an investor looking at energy hedge funds?

Find a fund that combines a good macro opportunity, with the capability to be able to make the right micro investment decisions to be able to fully exploit it.

ABOUT US

Pharos Financial Group was established in 1997 to provide institutions and private investors an opportunity to gain exposure to the emerging markets of the former Soviet Union.

UNCOMMON INSIGHT AND EXPERIENCE

Pharos' strength lies in management's unparalleled experience in the growth and development of Russian capital markets and

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the resulting insight into market events, opportunities and trends. Pharos principals have in-depth, personal knowledge of Russian companies, their history, and management. Management has extensive Western capital markets experience and the technical expertise to handle complex opportunities involving derivatives and structured product.

Pharos has a well established reputation for corporate ethics and integrity. Management has been centrally involved in key corporate governance events during Russia's progress towards rules-based, investment grade markets and has represented minority shareholder interests on the boards of 36 of Russia's leading companies.

**FUND MANAGER
PETER HALLORAN**

Founder and President

Prior to the formation of Pharos Financial Group, Mr. Halloran was the principal contributor toward building the CS First Boston equity, fixed income and investment banking businesses in Russia and the CIS. Mr. Halloran established Pharos in 1997 with \$50 million in discretionary funds from institutions and high net worth individuals and a \$10 million personal investment. Prior to this, while at CSFB, he managed their \$300 million proprietary trading account in the equity market. He was also directly responsible for all equity research, sales and trading with more than 30 professionals under his supervision. During his tenure CSFB became the top-rated broker as measured by research ranking, trading volume and profitability. In the fixed income markets, he generated trading volumes sufficient to rank CSFB as second only to state-owned Sberbank in market-making of Russian government securities. Mr.

Halloran brought a total of \$7.5 billion to Russia and the Ukraine during this period through debt, equity and private placements.

Having also arranged for more than \$2 billion of bids for privatization initiatives, he has been a leading participant in the Russian market since 1994 and has thus developed extensive contacts both locally and among foreign market participants. From 2000-2002 he was a partner and Chairman of the Board at Aton Capital Group, a leading investment bank in Russia with over 200 employees. Mr. Halloran has also acted as adviser to Soros Fund Management. Mr. Halloran has lived in Moscow since 1995. Prior to that he worked for 10 years in New York with CS First Boston, Salomon Brothers and CJ Lawrence, Morgan Grenfell. Mr. Halloran is a graduate of Yale University.

NAT MOSER

Senior Analyst – Oil & Gas

Mr Moser has 10 years of experience analyzing the Russian and CIS oil & gas sectors as both an economist and industry consultant. This has included working for the European Union, the Organization for Economic Cooperation and Development, the UK energy consultancy Wood Mackenzie, the US investment company Dart Management, and the UK accounting firm Robson Rhodes. He has also advised several Russian companies on buying and selling oil and gas assets. Mr Moser has considerable experience in oil & gas sector company valuations, due diligence and financial analysis. He speaks fluent Russian. BA, Manchester University, 1994; MPhil, Oxford University 1996. Hometown: Manchester, UK.

Renewable Energy Project Finance
Capitalizing on policy frameworks and innovative financing methods

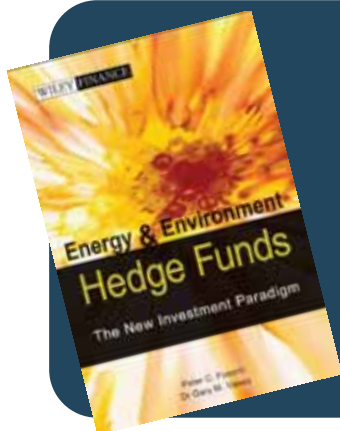
November 16-17, 2006 • Affinia Manhattan Hotel, New York, NY

Renewable Energy Project Finance will bring the development and financial communities together to identify the major opportunities and issues in project finance for renewable energy. U.S. renewable energy markets are in growth mode, affording investors and developers great opportunities. Political initiatives are fueling the development of the renewable energy industry, and investors are now looking to capitalize on the growing demand for green power markets.

Join us in New York City as we discuss new ways to:

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