



BNP Paribas Upstream Oil & Gas: North America

IPAA Private Capital Conference
New Capital Sources

January 29, 2015



BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

The bank for a changing world

January 2015

Disclaimer

This presentation has been prepared by BNP Paribas for information purposes only. Although the information contained in this presentation has been obtained from sources which BNP Paribas believes to be reliable, it has not been independently verified and no representation or warranty, express or implied, is made and no responsibility is or will be accepted by BNP Paribas as to or in relation to the accuracy, reliability or completeness of any such information.

Opinions express herein reflect the judgement of BNP Paribas as of the date of this presentation and may be subject to change without notice if BNP Paribas becomes aware of any information, whether specific or general, which may have a material impact on any such opinions.

BNP Paribas will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

© BNP Paribas. All rights reserved.



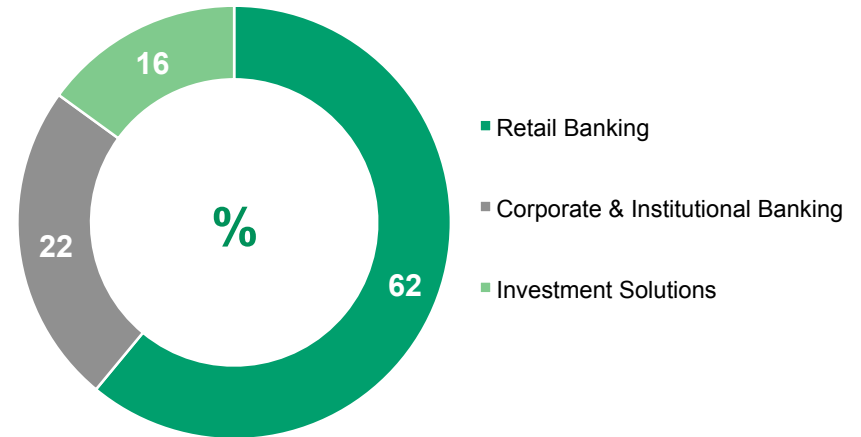
BNP Paribas Corporate Overview

Nearly 190,000 employees in 78 Countries



Source: BNP Paribas, January 2014

Diversified Revenues of €38.8bn, FY 2013



Source: BNP Paribas



A strong lender and counterparty in today's markets

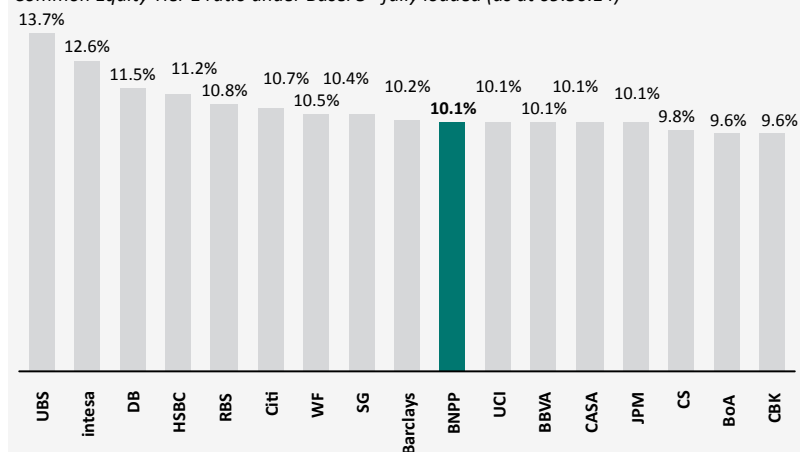
One of the largest banks in the world

All Banks per total assets - 3Q14		
Rank		Assets USD (Bln)
1	Industrial & Commercial Bank of China	3,282
2	HSBC Holdings	2,728
3	China Construction Bank Corporation	2,726
4	Agricultural Bank of China	2,599
5	BNP Paribas	2,580
6	JP Morgan Chase	2,527
7	Credit Agricole	2,519
8	Bank of China	2,513
9	Mitsubishi UFJ Financial Group	2,261
10	Barclays Plc	2,176
11	Deutsche Bank	2,131
12	Bank of America	2,123
13	Citigroup	1,880
14	Japan Post Bank	1,765
15	Societe Generale	1,610

Source: Bloomberg

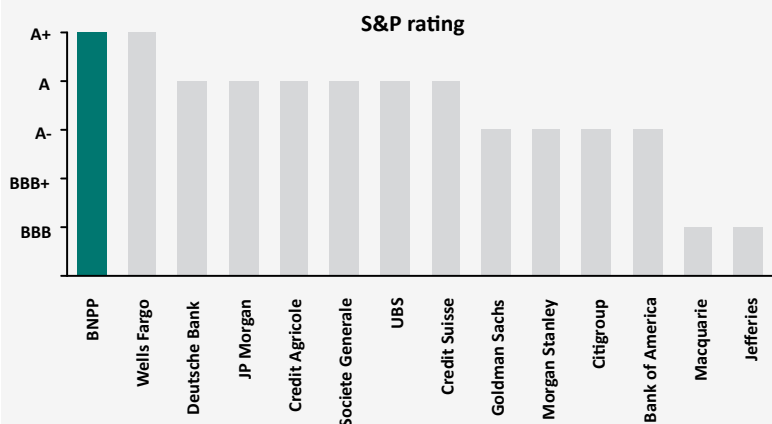
Among the best capitalized

Common Equity Tier 1 ratio under Basel 3* fully loaded (as at 09.30.14)



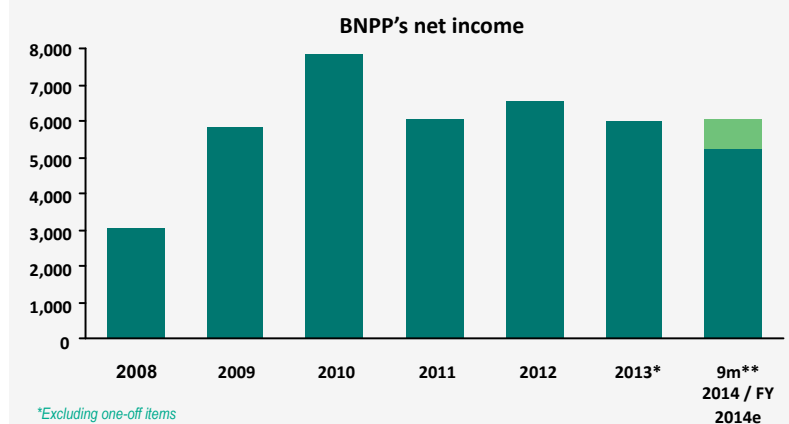
*As disclosed by banks of the peer group, according to CRD4 or Fed NPR ; For Intesa, calculated from disclosed Basel 3, excluding expected absorption of DTA on Tax Loss Carry Forward before 2019

A highly rated counterparty



Source: Bloomberg, November 7th, 2014. For S&P, rating for Long Term Foreign Issuer Credit is quoted (at Holdco)

That has remained profitable



*Excluding one-off items

**Excluding one-off costs related to the comprehensive settlement with U.S. authorities

Source: BNP Paribas / Bloomberg



BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

The bank for a changing world

A market-leading team with a global network serving the Energy Sector

- Energy & Commodity Finance is an **integrated worldwide platform dedicated to upstream, midstream and downstream players**.
- E&C Finance has 3 regional hubs, each dedicated to a specific area:
 - New York => Americas
 - Geneva => Europe, Middle East and Africa
 - Singapore => Asia
- **Upstream Oil & Gas: North America is based in Houston** – one of E&C Finance Americas' many local offices globally.



Growth Strategy

- **North America** and Asia are the **targeted growth areas** for the Bank's Corporate and Investment Banking business
- Strong focus on bolstering corporate and investment banking business in the US, particularly in the **Energy sector**



The **Upstream Oil & Gas franchise is key** to the US development strategy with capital redeployed for strategic Energy & Commodity clients



Upstream Oil & Gas

BNP Paribas is a **global leader in Oil & Gas financing** with a strong and growing commitment to providing risk management solutions.

BNP Paribas has a **strong balance sheet** which enables the Bank to take **significant underwritings and participations**.

In addition to structured financial products, BNPP offers a **broad range of global product platforms** dedicated to the Oil & Gas industry, including:

- Reserve-based revolving credit facilities & term loans
- Commodity Derivatives
- Interest Rate Derivatives
- Loan Syndications
- Debt & Equity Capital Markets
- Structured Commodity Financing
- Corporate Finance & M&A Advisory
- Equity Capital



A global risk management platform

COMMODITY DERIVATIVES PRODUCTS

OTC

- Bilateral customised risk management strategies
- Vanilla flow swaps and options
- Complex structured solutions
- Hedges embedded in lending agreements
- Full range of investment solutions
- Strong power, metals and oil formula business

Listed Derivatives and Clearing

- In-house brokerage platform
- Clearing
- Futures and OTC clearing*
- Execution*
- Margin finance and portfolio clearing

Physical

- Physical capabilities in the US and Canada
- Markets: Natural Gas, Power, Oil
- Structured solutions with financing optimization (repurchase agreements, sleeve..)
- Tailor-made solutions, client focused

Snapshot

- 208 specialists worldwide**
- 25-year continuous track record in the commodities markets
- Three complementary trading and risk management activities

BNP Paribas' Commodity Index Range

- Oscillator Commodities
- Millenium Commodities
- BNP Paribas Market Neutrals
- S&P Dynamic Rolls (SPDYCIP Index)

A Global Presence

- 24 hours market coverage
- 3 dedicated hubs: New York, London and Singapore
- 10 rep offices: Houston, Tokyo, Shanghai, Moscow, Rome, Milan, Geneva, Paris, Brussels, Sao Paulo and Calgary

* Clearing and Execution Services are offered through BNP Paribas Prime Brokerage, Inc. ** As of September 2013



Physical platform capabilities in North America

Physical solutions

Producers

- Gas off-take
- Producer services (e.g. AMA)

Conventional Power

- Physical off-take of energy, ancillaries and capacity

Renewables

- Physical off-take of energy

Midstream / intermediates

- Physical gas storage
- Embed forward price hedging in physical contract
- Manage storage and transport capacity transactions (extract value through location flexibility)
- Park and Loan

End-user aggregators

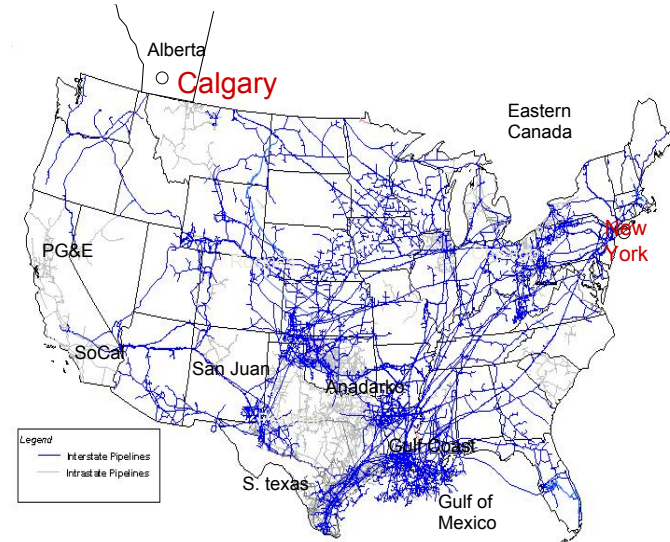
- Gas supply (with flexibility in delivery options)
- Energy and ancillaries (power)
- Fixed shape power supply

End-user (industrials, utilities)

- Gas supply (with flexibility in delivery options)
- AMA (manage portion of entity's transport and storage capacity, together with supply)
- Fixed shape power supply

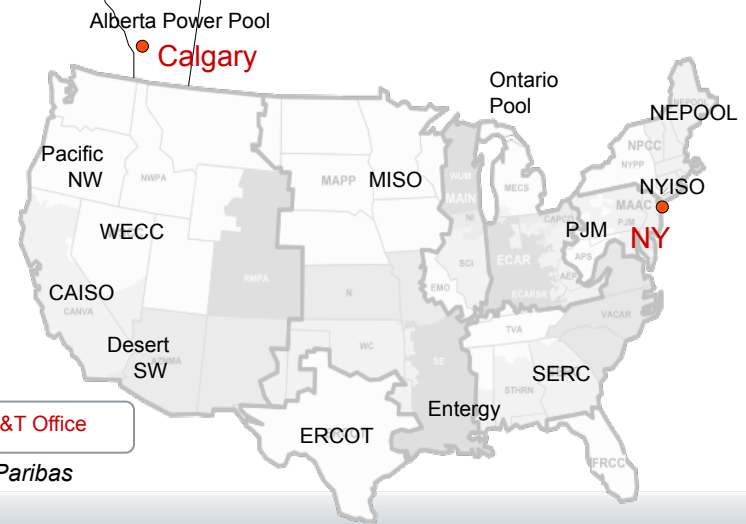
BNP Paribas is a major physical power and natural gas trader in North America

North American gas markets



Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

North American power markets



● Power & Gas M&T Office

Source: BNP Paribas



Latest awards & rankings

Commodity Business Awards 2013

 <p>Commodity Business Awards BNP Paribas WINNER 2013 Commodity House of the Year</p>	 <p>Commodity Business Awards BNP Paribas WINNER 2013 Commodity Finance & Structured Products</p>	 <p>Commodity Business Awards BNP Paribas 2013 Excellence in Precious Metals Special Commendation</p>	 <p>Commodity Business Awards BNP Paribas 2013 Excellence in Traded Commodities Special Commendation</p>
Commodity House of the Year	Commodity Finance & Structured Products	Precious Metals	Traded Commodities

Risk & Energy Risk Commodity Rankings 2014

- Best Overall Institution - #7
- Overall Energy Deal to - #4
- Research - #5
- Structured Hedging in Energy - #2
- Structured Notes & Exotics - #2
- Commodity Index Products - #2
- Best Overall Institution in the Americas - #10
- Coal (Americas) - #2



BNP Paribas Market Strategy and Research



BNP Paribas Senior Natural Gas Strategist **Teri Viswanath** named among Top Ten New York Women in Energy in 2013

Approach

Materials

Access Details

Commodity Markets Strategy Group*

Primary focus: short-term markets in oil, natural gas, base metals, agricultural and precious metals.

Regular market comments and analysis covering the fundamentals of supply and demand in each market with a view to identifying trends shaping the path of current and future prices.

BNP Paribas analysis is often relayed in the financial press, across the main news wires and is frequently called upon in the television media.

Oil and Natural Gas:

- US Weekly Oil Statistics Analysis
- Special Feature Market Comments
- Oil Chapter of BNP Paribas Global Outlook publication
- Quarterly Forecasts

Metals:

- Gold Report
- Base and precious metals forecasts

Agricultural:

- Specific report per underlying

- Access market strategy on <https://globalmarkets.bnpparibas.com/>
- Contact BNP Paribas representative for log-in and password

Macro Research

The goal of BNP Paribas' Economic research team is to spot emerging trends through market relevant and well timed analysis, and to stimulate thought by cutting to the essential points.

- Daily Spotlight
- Weekly Analysis
- Special Reports
- Quarterly Global Outlook

- BNP Paribas Global Economic Research Bloomberg page: BPEC
- For more details, please contact your local sales representative

* Commodity Derivatives Markets Strategy Group is part of BNP Paribas' Commodity Derivatives group.



A global private equity investor in the Energy & Commodity Sector

Energy & Commodity (E&C) Capital employs conservative investment criteria, with a primary focus on the quality of the management teams, level of downside protection and upside potential

Canada

- Natural Gas Trading and Storage

USA

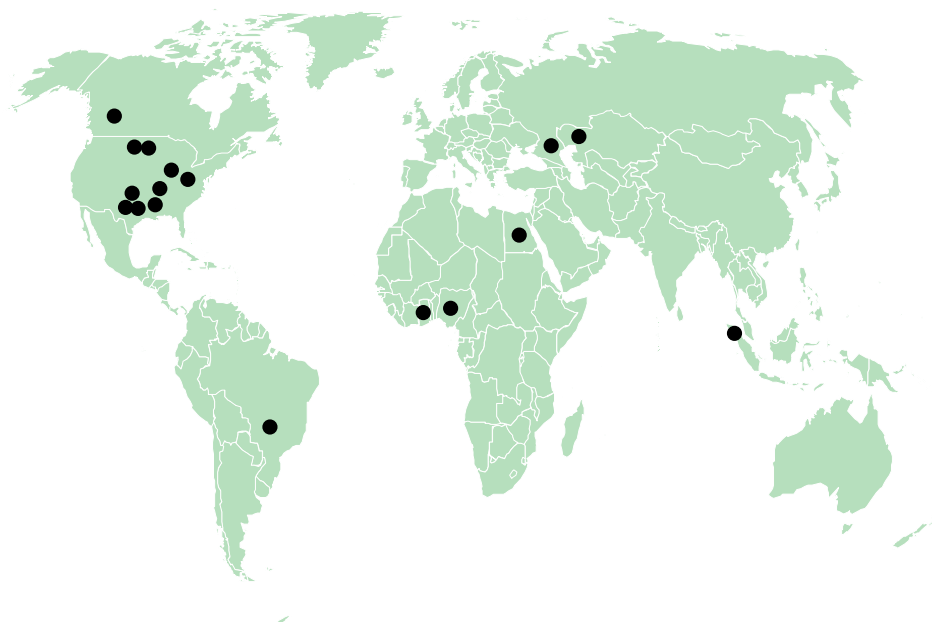
- Oil and Gas E&P**
- Anadarko Basin*^E
 - Bakken Shale*^E
 - Eagle Ford^E
 - Haynesville Shale^E
 - New Mexico
 - Permian Basin*^E
 - Utica Shale

Other

- Commodities Trading^E

Latin America

- Soft Commodities



CIS

- Oil and Gas E&P**
- Kazakhstan
 - Russia

Africa

- Oil and Gas E&P**
- Egypt and Morocco^E
 - Offshore Nigeria and onshore Ivory Coast^E
 - Offshore Ghana^E

Asia

- Oil and Gas E&P**
- Indonesia and Thailand^E

Global

- Metals & Mining

USD Commitments

75% USA
85% Oil and Gas

^E Exited investments

* One exited and one current portfolio company

