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Private Capital Adapts to New American Energy Paradigm

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Deploying the right capital for the job, at the right time

Michael McMahon; Managing Director, Pine Brook

PINE BROOK

About Pine Brook

\$5.0 Billion Assets Under Management

Generate returns by creating cash flows – not buying them

Make business building and other growth equity investments

Finance multi-year business plan with a multi-year financing strategy

Manage execution risk through the line of equity funding structure

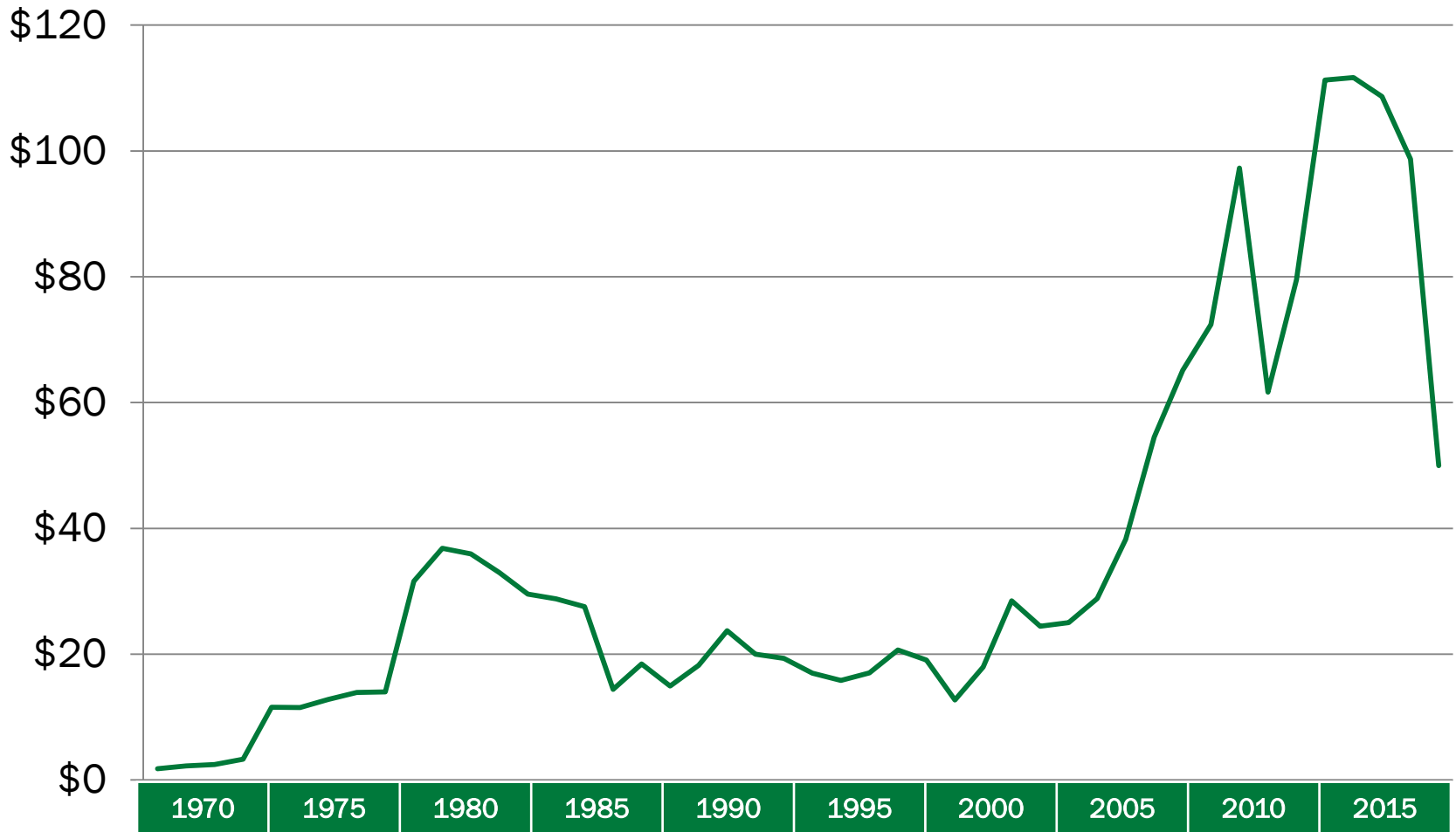
Investments do not require acquisition leverage

Create investment opportunities from deep industry insights

Offices in New York and Houston

Historic Perspective

Historical Brent Prices (Since 1970)



Key Drivers of Oil Price

- Supply Demand
- OPEC/Saudi Objectives
- Strength of U.S. \$
- Go Forward Costs
- Wildcards



Private Equity Opportunities

- Pine Brook – It's all about management teams!
- Existing portfolio companies - Go on offense
- A&D Team(s)
- Non-Op Joint Ventures
- Corporate Capital Infusion

Keys to Success

1. Avoid the Delusion of Unlimited Opportunity

2. Timing

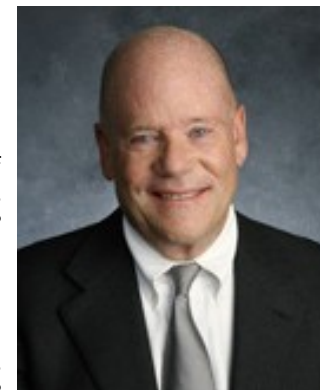
3. Nimbleness

4. Discipline and Intuition

5. Ability to Execute Effectively

Mike McMahon, Managing Director

- Mr. McMahon is a founding partner and a managing director on the energy investment team. He is also a member of the Investment Committee. Mr. McMahon currently represents Pine Brook as a director of Forge Energy, LLC, GR Energy Services Holdings, LLC, Stonegate Production Company, LLC and Stonegate Production Company II, LLC. Mr. McMahon has also served on the board of directors of several public companies, including Bancorp Rhode Island, The Marine Drilling Companies Inc., Spinnaker Exploration Inc., TPC Corporation, Transocean Ltd., Numar Corporation and Triton Energy.
- Mr. McMahon's energy investing and advising experience spans more than 40 years and includes founding RockPort Capital Partners, an energy and clean-tech venture capital firm, and heading global energy investment banking at Salomon Brothers and Lehman Brothers. He also worked at Harvard Management Company, where he was responsible for energy-related private equity investments, and Amgo Funds. Mr. McMahon has collaborated with Howard Newman, Pine Brook CEO for over 20 years on a number of energy investments. He introduced Howard Newman, during Mr. Newman's tenure as head of Warburg Pincus' energy practice to the management teams of five companies in which Warburg Pincus subsequently invested: Newfield Exploration Company, Spinnaker Exploration Inc., ElectroMagnetic GeoServices AS, Fairfield Energy Ltd. and Kosmos Energy Holdings, LLC. Immediately prior to founding Pine Brook, Mr. McMahon was an executive counselor to the governor of Rhode Island and a member of the governor's cabinet, with primary responsibility for economic and infrastructure development. Mr. McMahon is a trustee of Salve Regina University in Newport, RI and a member of the board of The Alley Theater in Houston.
- Mr. McMahon holds an A.B. in American Civilization from Brown University and was a member of the Program for Management Development (PMD 33) at Harvard Business School.



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