EIG Global Energy Partners

**EIG is a Leading Provider of Growth Capital to Energy and Resource Companies Globally**

- Including $6 billion committed from the recent closing of its latest flagship fund, EIG Energy Fund XVI, EIG has $16.1 billion under management as of December 1, 2013.
- Unique and tailored investment style ideally suited to large-scale energy and resource projects.
- Not limited to any one sub-sector. We invest in upstream, midstream, infrastructure, resources, power, transportation and renewables.

**Fully Integrated Technical and Investment Capabilities**

- 43 investment professionals including 12 engineers with an average of 18 years experience.

**32 Years of Investing in Energy and Resources**

- 16 funds / 290+ portfolio investments.
- We have seen it all.

**Global Capability**

- Investments to-date in 34 countries on six continents.
- Strong technical team.
Invested in 34 Countries Worldwide
Target Investments

We Provide Growth Capital for Proven Teams with Tangible Projects

We Seek …

- Investments underpinned by physical assets with long useful lives
- Project finance style structures and approach
  - Hybrid debt: Secured by shares or assets with equity participation
  - Structured equity: Preferred or common supported by assets and contracts
- Partner-like relationship with management/owners

Highly Flexible Vis-à-vis Position in the Capital Structure

- The opportunity and need dictate where we invest
- Investments include common equity, preferred equity, debt and other forms of hybrid capital
- Focus on preservation of capital with upside potential

Target Amounts

- $150 - 750 million per investment
- Larger amounts with fund co-investment
EIG’s Experience in Unconventional Gas

Source: 2013 EIG Partners
US Natural Gas Market Dynamics

2007-2011 unprecedented “land grab” of shale and unconventional gas resource leases in North America
- Amount of land leased and prices paid were on a scale never before seen
- Billions of dollars paid up front for effectively 3-5 year drill-or-lose call options

Created an unprecedented demand for development capital
- Typical North America wells (horizontal / frac’d) now cost $7-10 mm per well
- ~14,300 total unconventional wells drilled in 2012
- Infrastructure commitments compounded capital needs

Today’s low gas prices and massive capital spending have strained corporate balance sheets
- Many independents cash flow negative
- Markets penalizing over-weighted gas companies
- Many independents driven to reduce gas exposure through outright asset sales, joint ventures or working interest partners to lessen their capital obligations

Source: 2013 Baker Hughes Rig Count and EIG Partners
U.S. Shale Plays

Source: 2013 DrillingInfo EIA and EIG Partners
Changing Target of Drilling Rigs – Dry Gas to Wet Gas

Rig Count Change 2011- Present

- Wet Gas Plays
- Dry Gas Plays

Source: 2013 Baker Hughes Rig Count
Barnett Gas Production

Production down 13% in one year

Source: 2013 DrillingInfo EIA and EIG Partners
Haynesville Gas Production

Source: 2013 DrillingInfo EIA and EIG Partners

Production down ~35% in 2 years
Marcellus Gas Production

Marcellus is the most prolific gas play in the U.S., currently producing 10-11 Bcf/day

Source: 2013 DrillingInfo EIA and EIG Partners
Core Areas of the Marcellus

Source: 2013 DrillingInfo
Shale Gas Production has Plateaued

Source: 2013 DrillingInfo EIA and EIG Partners
Case Studies*

Plains Offshore
- $450 Million
- Deepwater Gulf of Mexico
- Convertible Preferred

CHK Utica
- $1.25 Billion
- Utica Shale
- Non-Convertible Preferred with Royalty

Blackbrush
- $420 Million
- Eagleford Shale
- Common Equity and Debt

Prumo Logística
- $590 Million
- Brazilian Port
- Common Equity

* Case studies highlighted have been selected to provide a representative cross-section of assets and types of financing structures EIG seeks.
CASE STUDIES/INVESTMENT SUMMARIES

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CASE STUDIES/INVESTMENT SUMMARIES

Case studies highlighted are not investment recommendations but provided solely to illustrate a cross-section of EIG's capacity to provide capital and financing options to prospective portfolio companies.