Who Is ORIX?

ORIX Corporation
NYSE ADR: IX

- Established in 1964, ORIX Corporation is a diversified global financial services company with over $110 billion in global assets.
- The Company, currently rated Baa2/A-, has maintained an investment grade rating through various economic cycles over the last 15+ years.
- Based in Tokyo, Japan, the Company employs over 31,000 people and conducts business in 36 countries.

ORIX USA Corporation

- Established in 1981, ORIX USA is a wholly owned subsidiary of ORIX Corporation. Over the last 32 years ORIX USA has grown into a diversified provider of investment capital and advisory services.
- Headquartered in Dallas, TX, ORIX USA manages over $7 billion through various investment strategies targeting North American markets.
- In addition to its principal investing activities, ORIX USA offers a variety of financial advisory services to middle-market clients.

Advisory Services

- **Houlihan Lokey**
  - Middle-market investment banking services
  - M&A, capital markets, and restructuring
  - Acquired in 2005 and IPO in 2015

- **RED Capital Group**
  - Real estate capital provider
  - Acquired in 2010

- **ORIX Asset Management**
  - SEC registered investment advisor
  - $11.7 billion in assets
  - Acquired in 2010

Principal Investing

- **ORIX Corporate Capital**
- **ORIX Energy Capital**
- **ORIX Healthcare**
- **ORIX Venture Finance**
- **Mezzanine and Private Equity**
- **Real Estate**
- **Municipal Investment**
- **Corporate Development and Strategic Opportunities**
ORIX Energy Capital Overview

Strategy

- ORIX Energy Capital is part of the direct lending business of ORIX USA

- ORIX Energy Capital focuses on providing customized capital solutions across the Lower-Middle Market Energy sector
  - Upstream
  - Midstream
  - Downstream

- We actively seek investment opportunities on the following capital needs:
  - **Growth**: internal growth initiatives or identified acquisition opportunities.
  - **Recapitalization**: capital structure maturities and appropriately structured shareholder dividends.
  - **Buyout**: appropriately capitalized management or sponsor-led buyouts.
  - **Shareholder Liquidity**: targeting minority shareholders or partial monetization for majority owner/operators.
  - **Special Situations**: “storied credits” in need of DIP / exit financing.
ORIX Energy Capital Advantage

Financial Strength

- ORIX Energy Capital draws its resources from ORIX Corporation, an investment grade international financial services firm with global assets in excess of $110 billion.

- Extensive institutional knowledge accumulated over nearly 30 years and $4.5 billion in deployed capital provides a unique competitive advantage when evaluating new opportunities.

- Dedicated capital allows for a patient long-term view on investment opportunities.

 Experienced Professionals

- Our energy professionals have over 75 years of experience evaluating and executing oil and gas assets and financings.

- Our team brings together a combination of investment banking, financing, technical evaluation, and legal expertise to each investment opportunity.

- Key decision makers within the business have worked together for over 20 years and have led investment teams through numerous economic cycles.

 Speed/Certainty of Close

- Our dedicated team allows us to respond quickly to new opportunities even under the most demanding timetables.

- Substantial upfront diligence and flat organizational structure results in an expedited credit approval process and certainty of credit terms.

- Internally sourced capital eliminates funding and/or limited partner issues at closing.

 Flexible Capital Solutions

- ORIX Energy Capital provides both debt and equity solutions to the Lower-Middle Market across the energy sector.

- The ORIX Energy Capital team can facilitate a range of capital transactions through either a lead investment roll or as a meaningful partner within an investor group.

- Challenging situations or investments calling for flexibility in structure, covenant or payment terms are instances where ORIX can provide value-added capital.
Secured Debt

- Typical investment size $10 - $50+ million
- Focus on Loan To Value of Total Proved not just PDP
  - Up to 100% of PV-10 PDP at Current Strip
  - Up to 75% of PV-10 PDNP at Current Strip
  - Up to 50% of PV-10 PUD at Current Strip
- Senior, Uni-tranche & 2\textsuperscript{nd} lien debt structures
- Scheduled amortization & cash flow sweep
- Sole lender or club financing
- LIBOR based cash coupon
- Hedging Required
- Call Protection
- ORRI / NPI
Mezzanine

- Typical investment size $5 - $50 million
- Co-invest: $1.0 - $10 million in equity
- EBITDA: $5 - $30 million
- Cash flow amortization to senior secured
- Identified growth opportunities
- Growth Capital / Shareholder Liquidity
- Buyout / Recap
- Cash and/or PIK coupon
- ORRI / Warrants / NPI
Equity

- Typical investment size $5.0 - $50 million
- Ownership: 10% - 49%
- EBITDA: $5 to $50 million
- Proven business with positive cash flow
- Identified growth opportunities
- Low leverage
- Minority investment
- Growth Capital / Shareholder Liquidity
- Entry valuation critical
- Equity dividend / sale
What is Working for ORIX Today?

- Unitranche Term Loan
- First Out/Last Out Construct
- Senior Banks Take Discounted Pay-Off
- Pre and Post Bankruptcy Financing Solutions
- Senior Banks take “Silent Second Lien” behind new Term Loan but Significantly Reduce Exposure to Troubled Credits
- Preferred Equity for Stronger Balance Sheets
- Providing Restructuring and Workout Services
What is NOT Working for ORIX Today?

- Deepwater Offshore
- 2\textsuperscript{nd} Lien
- Oil Field Services
- Drill-Co’s