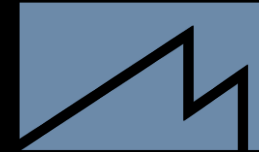


MOUNTAINCAPITAL



IPAA

January 26, 2017

Energy Private Equity

FIRM

- Houston based, energy private equity firm
- Investments from \$50 - \$150 million

PEOPLE

- Unique mix of industry and financial veterans
- Collectively over 125+ years of experience

PARTNERSH

IP

- Balanced approach to terms & structure
- Created in collaboration with anchor LP



Focused Approach

GEOGRAPHY

- North America only
- Currently prefer southern U.S.

SPECIAL SITUATIONS

- Complexity for value
- Need a catalyst

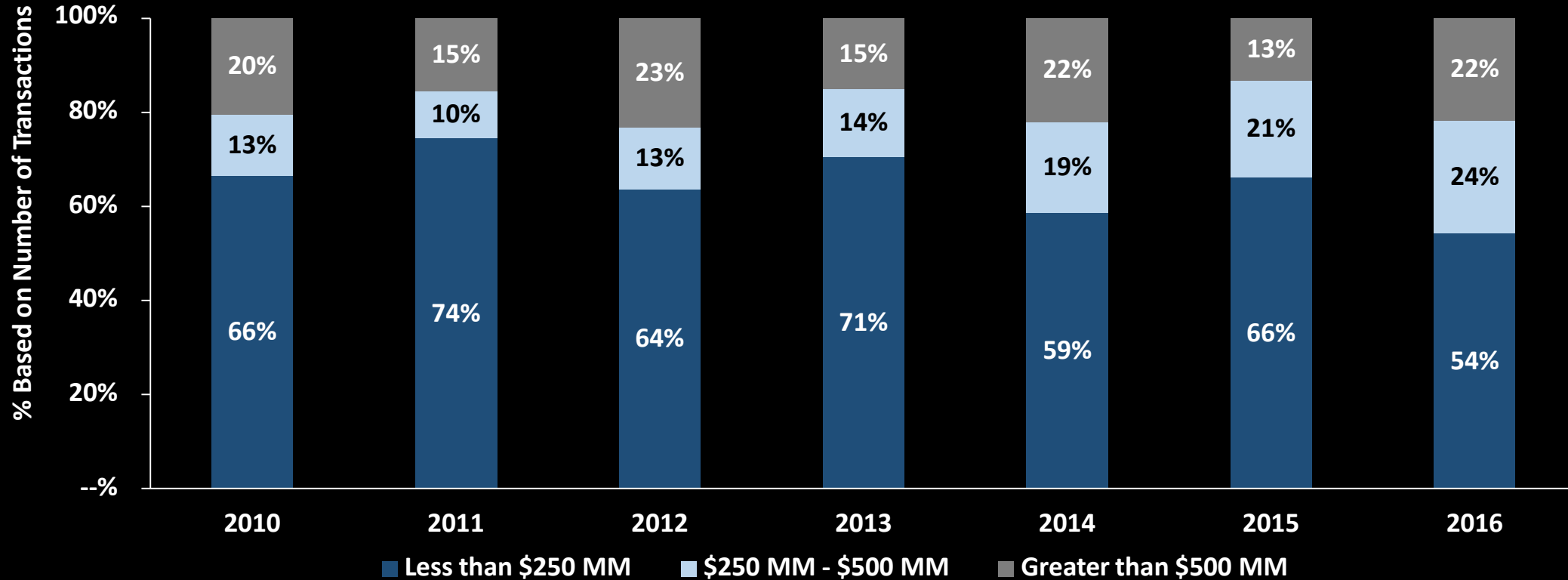
CONCENTRATED

- Actively manage investments
- 6-8 investments



Small Market Rules!

2010 - 2016 Upstream Transactions: 1,108
\$468 Billion Total Volume



Source: Evercore per IHS Herolds as of December 31, 2016



Here's What Hasn't Happened?

- Kinder Morgan cancels its “Northeast Direct Energy Pipeline”
- New York regulators deny permit for “Constitution Pipeline”
- FERC rejects proposal to build an LNG facility on Oregon coast
- Shell indefinitely delays LNG project in Western Canada
- Canada commences a review of the Energy East Pipeline
- First LNG Cargo from Gulf Coast heads to Asia via Panama Canal
- Canada Federal Court overturns approval of \$7.9 billion Enbridge pipeline
- Dakota Access in jeopardy



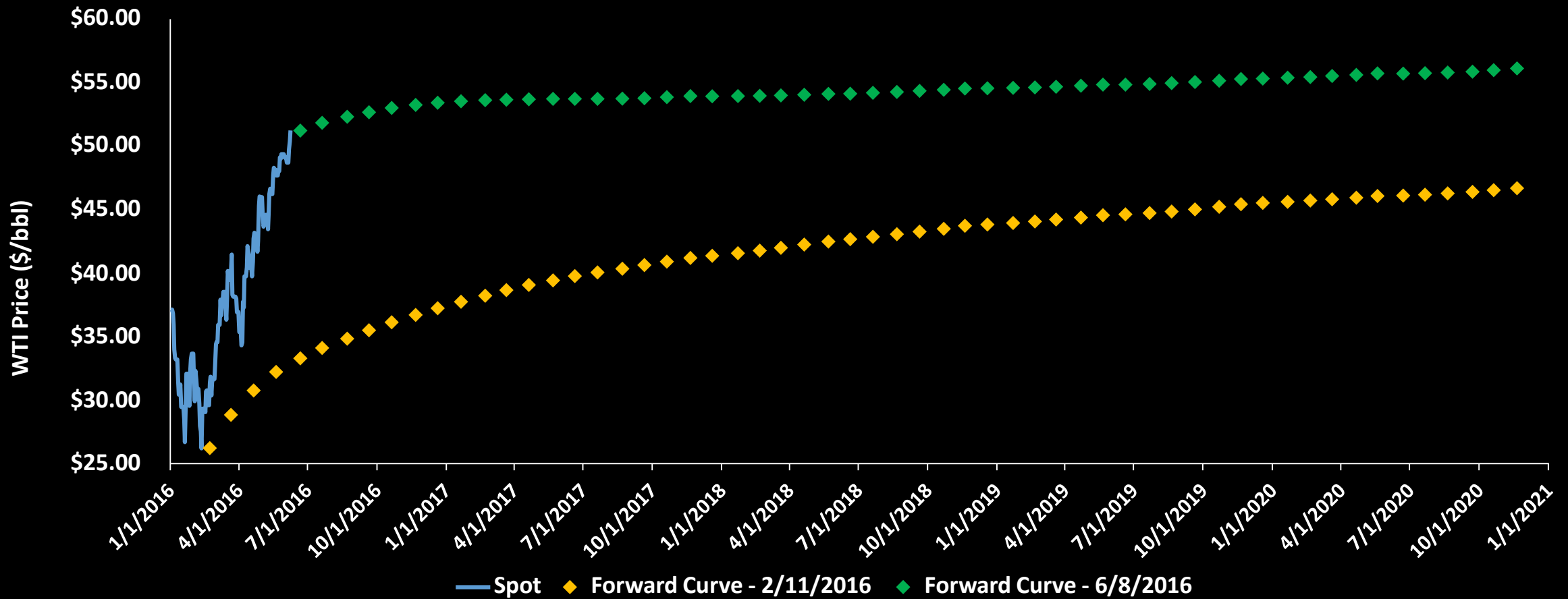
How is this Different?



Source: EIA
Note: Data through 12/31/2016



Spot Price are Misleading



Feb-11-2016 to Jun-8-2016

- Spot WTI up over 95%
- Discounted cash flow of 10 year forward curve up only 26%

Source: FactSet, EIA



Have we seen this Before?

Primary Causes of the Housing Bubble 2007-2009

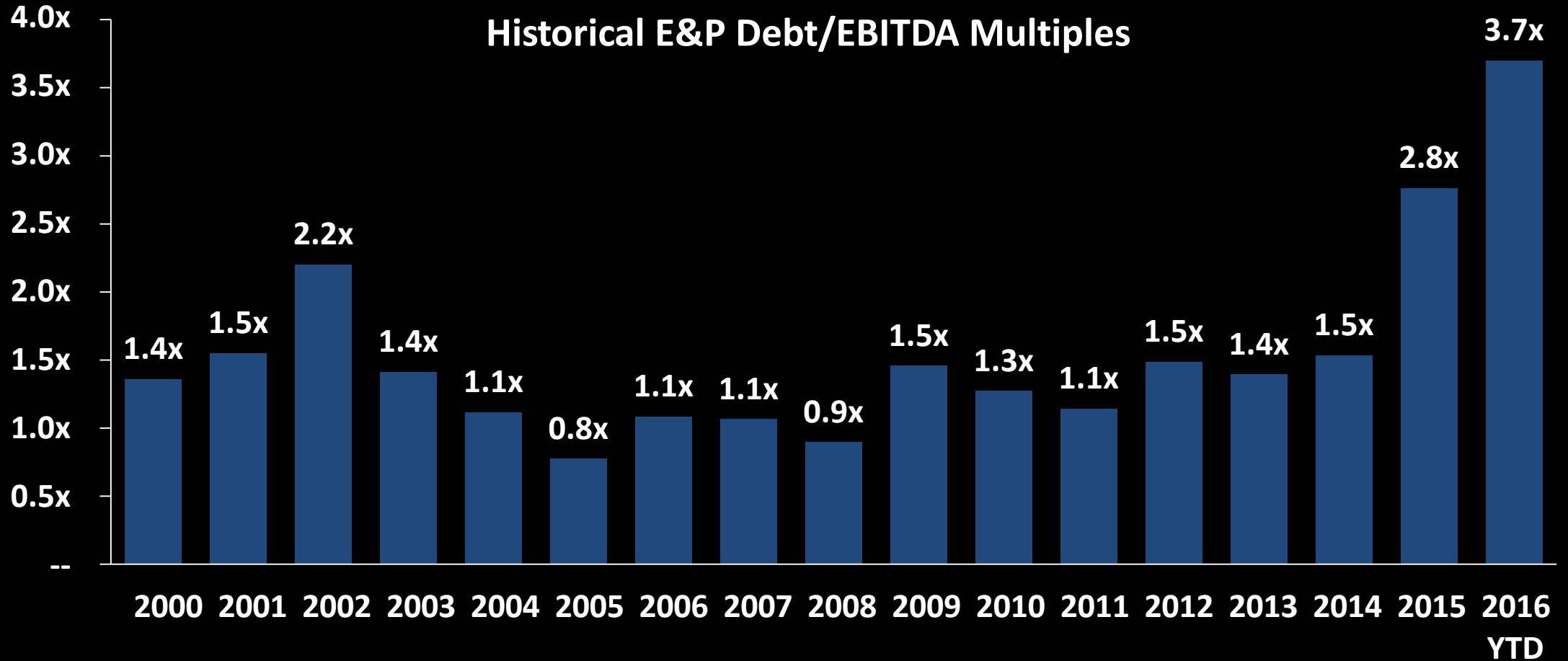
- Low mortgage rates
- Low short-term interest rates
- Relaxed standards for mortgage loans
- Irrational exuberance

Primary Causes of the Energy Bubble 2012-?

- Low rates – global QE
- Covenant lite or no covenant loans
- Irrational exuberance – Super Cycle, Peak Oil



Capital Structure Matters



Debt figures through 9/30/2016
Source: CIBC, FactSet



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