

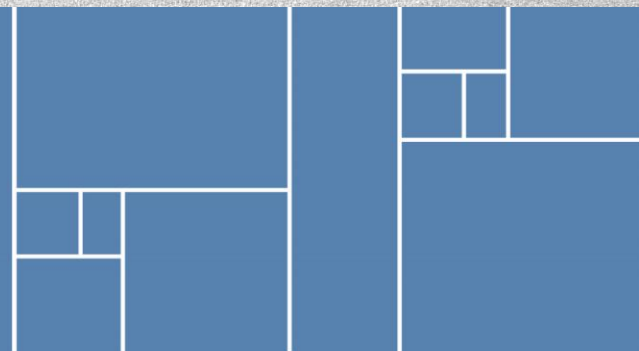
IPAA PRIVATE CAPITAL CONFERENCE



PRUDENTIAL CAPITAL GROUP



RELATIONSHIPS
CAPITAL
CONSISTENCY



January 2017



Prudential

IMPORTANT DISCLOSURES

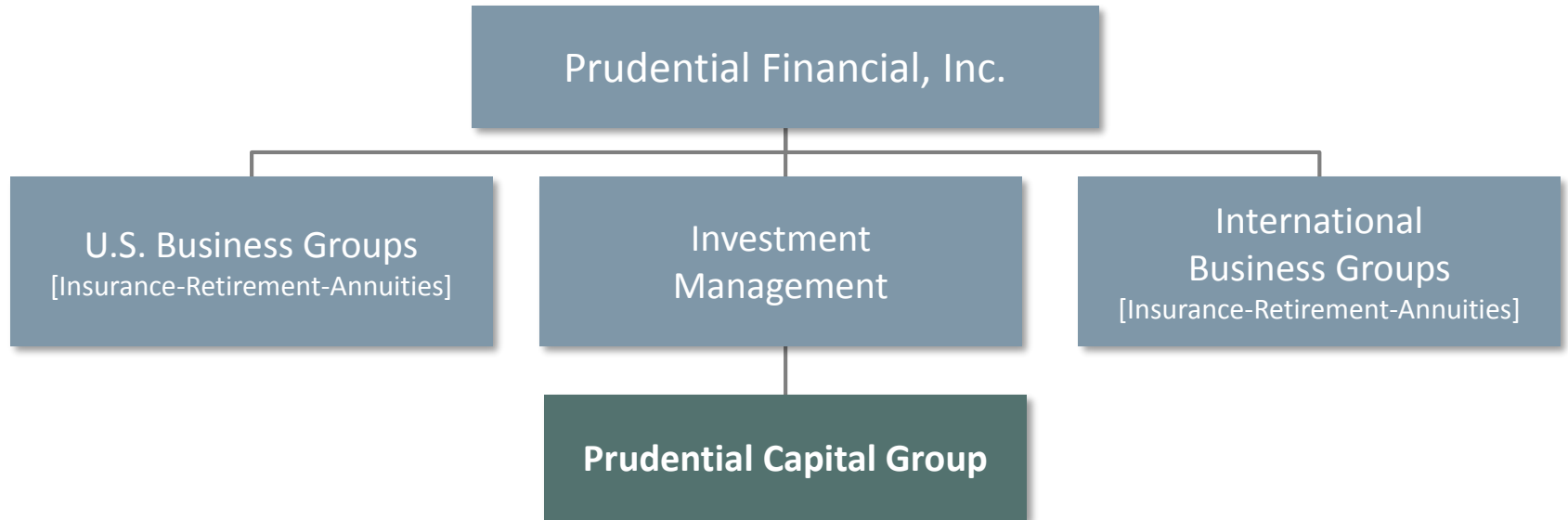
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ONE OF THE WORLD'S LARGEST INVESTORS



- Prudential Financial's assets under management — more than \$1.3 trillion as of 9/30/16
- Investments on behalf of retail and institutional investors
- Investment Management manages numerous pension and other institutional funds
- Prudential Capital Group is the private investment division of Prudential Financial, Inc.

ENERGY FINANCE GROUP: OIL & GAS

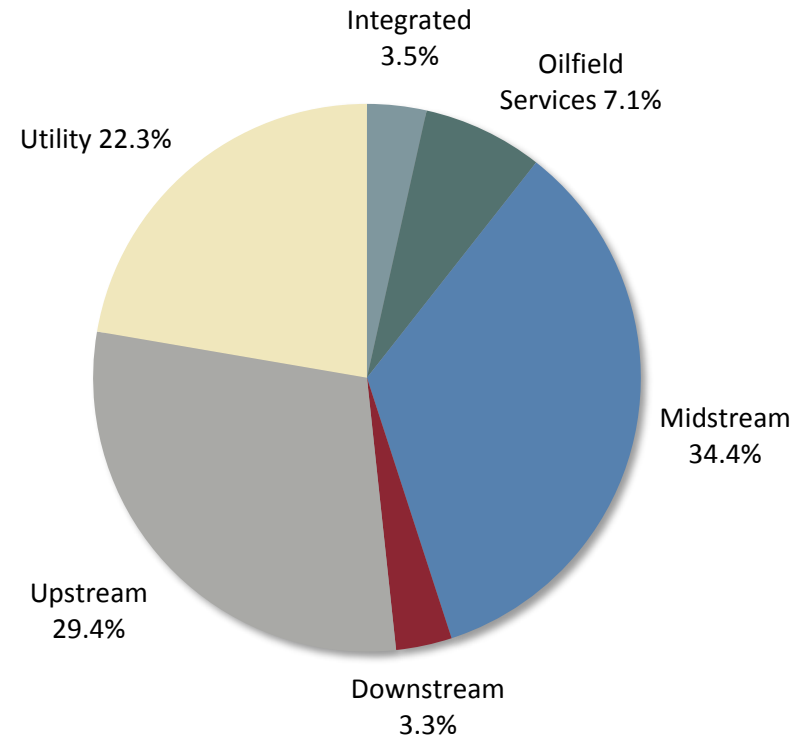
Overview:

- 13 Investment Professionals
- Core Energy Investment Managers average more than 15 years of experience with Prudential
- \$17.3 billion invested since 1995
- \$6.6 billion* investment portfolio as of 9/30/16
- Senior, mezzanine and equity financing relationships with 114 regional energy companies
- Decentralized, streamlined authority to structure and price new financings and modify terms after closing
- Stable buy-and-hold investment partner with a long-term perspective

*Market value as of 9/30/16

Note: Holdings are subject to change

Energy Finance Group: Oil & Gas Portfolio



ENERGY INVESTING CAPABILITIES

Prudential Capital Group invests its own capital and enjoys stability of appetite across economic cycles and asset classes

- Senior, Fixed- and Floating-Rate Debt
- Second Lien Debt
- Subordinated Notes
- Mezzanine Debt
- Preferred Equity
- Common Equity
- Project, Joint Venture and Structured Financings
- One-stop-shop: senior, mezzanine and equity funding abilities

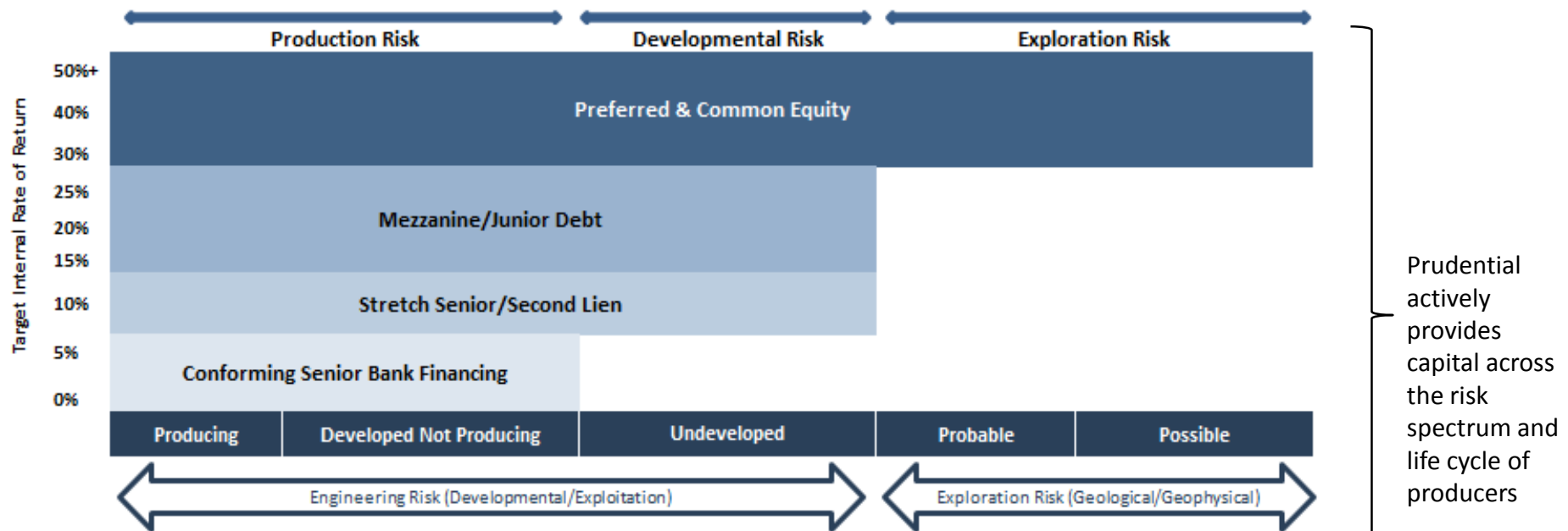
The Energy Finance Group seeks investment opportunities typically in the following ranges:

Senior Debt:	\$10-200 million
Mezzanine Debt:	\$10-50 million
Equity:	\$10-50 million

Capacity and appetite to invest in all levels of the capital structure with no fund holding requirements

OIL AND GAS INVESTMENT RISK SPECTRUM

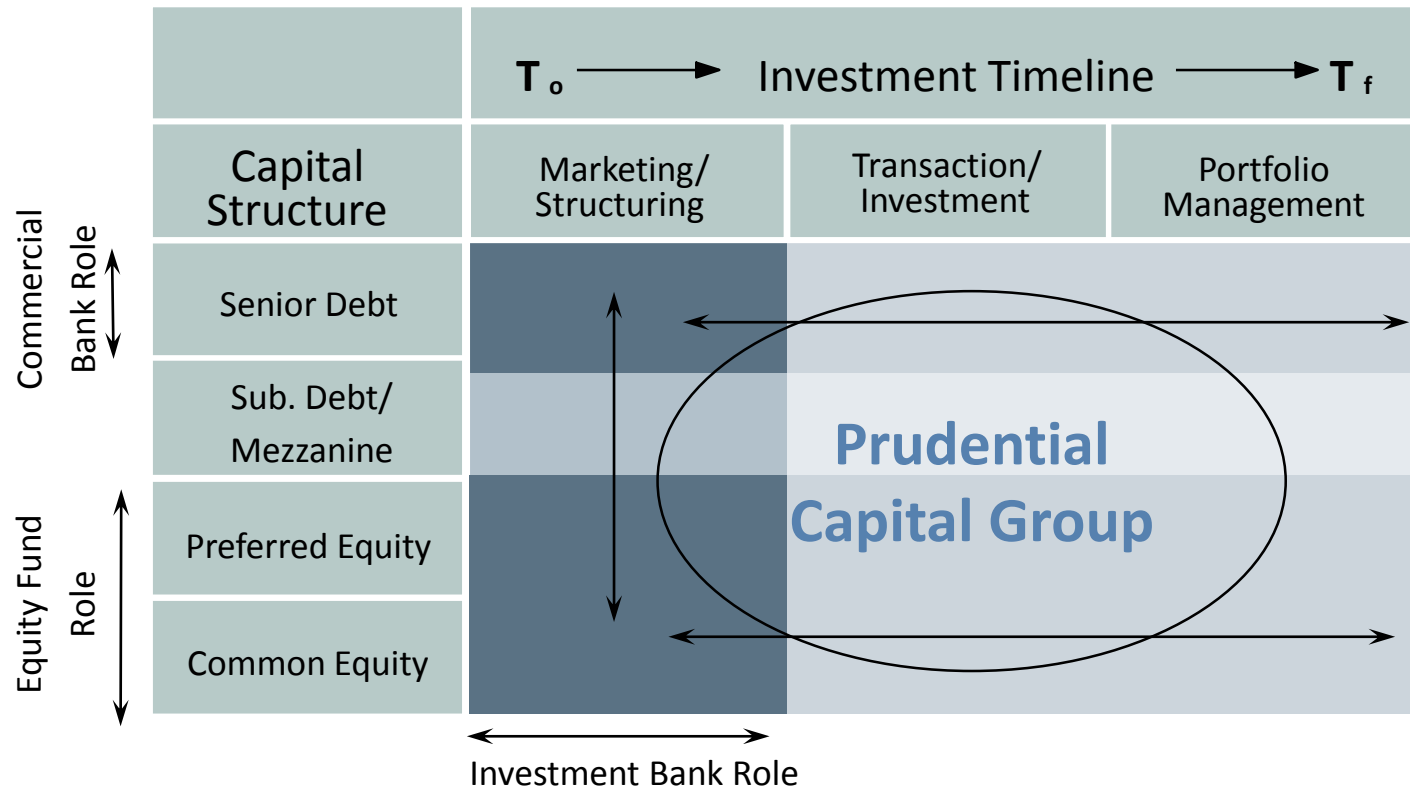
The reserve characteristics, taken together with the size and maturity of the issuer, drive the form of capital required for growth



Note: There can be no assurance that the targets stated above can be achieved and are provided for informational purposes only. Please be advised that the targets shown above are subject to change at any time and are current as of the date of this presentation only. Targeted returns are objectives and should not be construed as providing any assurance or guarantee as to the returns that may be realized in the future from investments in any asset or asset class described herein.

DEPTH AND BREADTH OF INVESTMENT ACTIVITIES

- Our investment capabilities span the entire capital structure, allowing us to work objectively with issuers across all stages of development
- Prudential Capital Group can invest senior debt, mezzanine and equity simultaneously in the same company



EXAMPLE TRANSACTION



Overview:

- Privately owned E&P company that had historically utilized industry partners and bank debt for the development of its acreage positions
- Big Star was interested in development capital that avoided equity dilution for its next venture
- Prudential Capital Group provided a \$50 million senior secured advancing mezzanine facility that Big Star drew upon as needed
- Big Star used the capital to fund its early development wells and ultimately refinanced this facility without having to sell equity or assets
- Big Star chose Prudential Capital Group given the certainty of execution, its industry expertise and its unique deal-structuring capabilities

ENERGY FINANCE GROUP: CONTACT INFORMATION

Brian Thomas, Managing Director

brian.thomas@prudential.com
(214) 720-6216

Brian Lemons, Sr. Vice President

brian.lemons@prudential.com
(214) 720-6276

Matt Baker, Sr. Vice President

matt.baker@prudential.com
(214) 720-6253

Chris Halloran, Vice President

chris.halloran@prudential.com
(214) 720-6235

Brittany Braden, Vice President

brittany.braden@prudential.com
(214) 720-6277

Callie Hamilton, Director

callie.halloran@prudential.com
(214) 720-6232



Headquarters:

Dallas Office

2200 Ross Avenue, Suite 4300

Dallas, TX 75201