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# Carnelian Energy Capital

**IPAA Private Capital Conference**

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# Carnelian Energy Capital, L.P. Overview

- North American energy-focused investment firm
  - Nimble team of 10 professionals, most of whom have been with Carnelian since formation
  - Primary investment structures include blind pool / equity line of credit commitments as well as growth equity investments in companies with existing assets
  - Targeted portfolio of 7 – 10 companies per fund allows for unparalleled focus and attention and limits in-basin competition between portfolio companies
  
- \$1 billion of cumulative equity commitments from blue chip U.S.-based endowments and foundations
  - Carnelian Energy Capital, L.P.
    - \$400mm fund closed in 2015
    - Fully committed to 7 portfolio companies
  
  - Carnelian Energy Capital II, L.P.
    - \$600mm fund closed in 2017
    - Targeting portfolio of 7 – 10 companies
    - 2 commitments closed

# Investment Strategy

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- Partner Strategy

- Partner with entrepreneurial owner-managers
  - Create alignment with entrepreneurs who possess a competitive advantage
  - Leverage Carnelian's deep industry relationships, capital markets experience and structuring expertise
- Specialize in partnerships with next generation management teams
  - Entrepreneurs with 10 – 15 years of experience are on the cutting edge of technological revolution and possess a unique hunger level

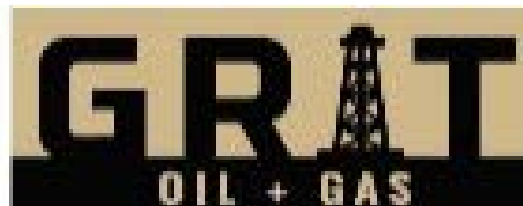
- Deal Strategy

- Seek acquisitions in the lower-to-middle market space; have the ability to scale up well in excess of \$100mm if / when warranted
  - Smaller assets make up the majority of divestiture volume
  - Allow for flexibility on exit
  - Attractive ROIs are achievable on smaller deals
    - Easier to move the needle
    - Buying wholesale / selling retail (a/k/a multiple arbitrage)
- Employ attractive risk-reward strategies focused primarily on low-risk development drilling and acquisition and exploitation business plans
- Selectively pursue differentiated midstream and oilfield services strategies

# Portfolio Companies



SHOT HOLLOW  
RESOURCES



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