IPAA Private Capital Conference
Public Capital Markets Update
Upstream Equity Performance Lookback

Indexed Price Performance (Last 10 Years)

Source: FactSet. Market data as of 1/18/2019.
Energy vs. Other Industries

Historical S&P 500 Weighting

Source: FactSet and Bloomberg.

Cash Flow Performance – Unappealing

$40bn+ Equity Value\(^{(1)}\) (3 Companies)

< $40bn Equity Value (39 Companies)

\(^{(1)}\) Companies with 40$bn+ Equity Value include COP, EOG and OXY. WTI Consensus / Strip for 2019E of $61.00 / $54.31 and Henry Hub Consensus / Strip for 2019E of $3.14 / $3.07. WTI Consensus / Strip for 2020E of $63.00 / $54.98 and Henry Hub Consensus / Strip for 2020E of $3.07 / $2.75.

\(^{(2)}\) Indexed performance of WTI and Henry Hub since 12/31/2005.

Note: Shown in $bn. Includes Upstream companies. Excludes Majors. Equity value defined as shares as of 9/30/18 times current share price. 2018 YTD represents most recent financial filings.

Source: FactSet. Market data as of 1/18/19.

Cumulative FCF: Positive, Negative
Cumulative FCF: Current, Cum. FCF

WTI (% change)\(^{(2)}\)
Henry Hub (% change)\(^{(2)}\)
Total Shareholder Return by Equity Value

Note: Includes Upstream companies. Excludes Majors.

(1) First price date of 06/16/10.
(2) First price date of 12/14/16.
(3) First price date of 05/11/11.
(4) First price date of 06/26/17.
(5) First price date of 06/17/10.
(6) First price date of 02/02/12.
(7) First price date of 01/27/17.
(8) First price date of 04/15/16.
(9) First price date of 10/10/13.
(10) First price date of 05/23/14.
(11) First price date of 12/12/11.
(12) First price date of 10/12/12.
Investor Reaction – Tightening Capital

Public Upstream Equity Issuance ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Aggregate Upstream Market Cap ($bn)</th>
<th>Public Upstream Equity Issuance ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$275.3</td>
<td>$12.3</td>
</tr>
<tr>
<td>2014</td>
<td>$199.5</td>
<td>$16.2</td>
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<tr>
<td>2015</td>
<td>$117.8</td>
<td>$19.3</td>
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<tr>
<td>2016</td>
<td>$216.6</td>
<td>$33.8</td>
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<tr>
<td>2017</td>
<td>$208.6</td>
<td>$11.7</td>
</tr>
<tr>
<td>2018</td>
<td>$122.2</td>
<td>$5.1</td>
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</tbody>
</table>

Aggregate Upstream Market Cap ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5</th>
<th>Next 5</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$275.3</td>
<td>$103.1</td>
<td>$69.9</td>
</tr>
<tr>
<td>2014</td>
<td>$199.5</td>
<td>$69.9</td>
<td>$128.2</td>
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Source: FactSet, Dealogic.
What Are Public Equity Investors Looking For?

Investors Seeking:
- Scale
- Cash Flow
- Margins
- Balance Sheet
- Longevity
- Growth

2018E EBITDA/Boe vs. P/2019E CFPS

Bubble size represents relative Firm Value

Median = $25.32
Median = 2.8x

Investors Seeking:
- Scale
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- Margins
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- Longevity
- Growth

2018E EBITDA/Boe vs. P/2019E CFPS

Note: Excludes public E&P companies with FV of less than $5bn. CHK, ECA, and XEC shown pro forma for announced acquisitions of WRD, NFX, and REN, respectively.
Citi believes that sustainability is good business practice. We work closely with our clients, peer financial institutions, NGOs and other partners to finance solutions to climate change, develop industry standards, reduce our own environmental footprint, and engage with stakeholders to advance shared learning and solutions. Highlights of Citi’s unique role in promoting sustainability include: (a) releasing in 2007 a Climate Change Position Statement, the first US financial institution to do so; (b) targeting $50 billion over 10 years to address global climate change: includes significant increases in investment and financing of renewable energy, clean technology, and other carbon-emission reduction activities; (c) committing to an absolute reduction in GHG emissions of all Citi owned and leased properties around the world by 10% by 2011; (d) purchasing more than 234,000 MWh of carbon neutral power for our operations over the last three years; (e) establishing in 2008 the Carbon Principles; a framework for banks and their U.S. power clients to evaluate and address carbon risks in the financing of electric power projects; (f) producing equity research related to climate issues that helps to inform investors on risks and opportunities associated with the issue; and (g) engaging with a broad range of stakeholders on the issue of climate change to help advance understanding and solutions.

Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

efficiency, renewable energy and mitigation