Private Capital Conference
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ARM Energy – Fully Integrated Platform

**Key Business Segments**

**Asset Risk Management**
- **Formed in 2004**
- Comprehensive risk management services to over 130 clients
- Assists with development, implementation and management of hedge strategies for producers

**Hedging advisory**

**Physical marketing and trading**

**Midstream investment, development and operation**

**ARM Energy Management**
- **Formed in 2013**
- Physical oil and gas marketing, transportation and asset management services
- Utilizes proprietary information to establish physical and financial positions

**ARM Midstream**
- **Formed in 2014**
- Investment and development of infrastructure to efficiently deliver product to market
- Team of midstream experts with 100+ years of experience
## ARM Energy – By the Numbers

### Asset Risk Management – Hedging Advisory
- Over 140 financial hedging clients
- Presence in all major North American basins with 6 office locations
- Largest gas hedger in North America representing approximately 5 Bcf/d of natural gas and 400,000 barrels per day of crude oil

### ARM Energy Management – Physical Marketing
- **Natural gas:**
  - 30 gas marketing clients
  - 2.0+ Bcf/d
  - YoY average daily volume growth of 62%
- **Crude oil:**
  - 40 crude marketing clients
  - 160,000+ bpd
  - YoY average daily volume growth of 63%

### KM Properties
- Midstream JV operated by ARM Midstream
- 350/d processing capacity
- Over 400 miles of gathering pipelines
- 6 producer customers with ~300,000 dedicated acres
- Approximately $300 million invested capital
- Sold to Silver Run II in February 2018, for a total of up to $1.55 billion

### SCM Properties
- Midstream JV between ARM Midstream and Ares Management.
- 400 MMcf/d of processing capacity
- 700+ miles of pipeline
- 17 producer customers with nearly one million dedicated acres across natural gas, crude oil and water business lines
- $720mm term loan and $65mm construction loan financing for NGL JV
Salt Creek Midstream – Largest Delaware Pure Play

Formation of SCM; significant capital commitment from Ares Management

Announced EPIC NGL Transport JV

Contracted significant capacity on EPIC Crude

Construction underway for EPIC NGL and Crude pipelines

Executed NGL Transportation JV

Contracted additional residue capacity on ONEOK Roadrunner

Executed JV with international shipping/trading company

Announced Crude Gathering and Transportation JV

Laid over 700 miles of crude and gas gathering pipeline

Executed 4 strategic JV’s to date

Gas processing and treating facilities in service

1H17

Producers: 4
Acreage: 170,000

Gas Producers: 1
Gas Acres: 170,000

Crude Producers: 7
Crude Acres: 193,000

Water Producers: 1
Water Acres: 40,000

2H17

Producers: 8
Acreage: 468,500

Gas Producers: 8
Gas Acres: 235,500

Crude Producers: 13
Crude Acres: 405,500

Water Producers: 7
Water Acres: 160,800

1H18

Producers: 16
Acreage: 936,380

Gas Producers: 14
Gas Acres: 370,080

Crude Producers: 13
Crude Acres: 405,500

Water Producers: 7
Water Acres: 160,800

2H18

Producers: 17
Acreage: 960,200

Gas Producers: 15
Gas Acres: 378,500

Crude Producers: 14
Crude Acres: 413,200

Water Producers: 8
Water Acres: 168,500

1H19

Gas Producers: 14
Gas Acres: 370,080

Crude Producers: 13
Crude Acres: 405,500

Water Producers: 7
Water Acres: 160,800
Salt Creek Midstream – Company Overview

### Company Snapshot

- **Strategy**
  - Leverage operational and management experience of ARM Energy consolidated platform
  - Flow assurance and improved netback

- **Services / JV’s**
  - Crude gathering
  - Natural gas gathering and processing
  - Producer water gathering and disposal
  - JV’s with Apache, Noble, EPIC and international shipping / trading company

- **Footprint**
  - 365+ miles of wet gas gathering
  - 335+ miles of crude gathering pipeline
  - 75+ miles of water gathering

- **Customers**
  - 17 contracted producers with three streams
  - Three product streams
  - Nearly one million acres under dedication

- **Facilities**
  - 200 MMcf/d processing capacity in service¹
  - 300 GPM amine treating facility in New Mexico
  - 300+ Mbbls of crude tankage
  - 100+ Mbpd of saltwater disposal capacity
  - Multiple downstream interconnects

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¹ Additional 200 MMcf/d of processing capacity in service during 1Q19