

A PLS Quarterly Special Report

U.S. Energy Capital Markets – 3Q17 Review

U.S. public markets continue to shrink in a volatile industry coming to grips with new paradigms

- Equity markets slow, private equity sponsorship expanding, bond market ok but facing some 2018/2019 expiries
- Industry also facing significant capital requirements to fund “new drilling” off recent Permian M&A

Facts & Figures

- \$28.9 billion aggregate equity and debt raised in Q2, up 6% sequentially but down 34% year-over-year
- \$2.98 billion in equity offerings in 3Q17, down 60% from 2Q17 and 75% year-over-year
- \$25.9 billion in debt offerings, up 30% from 2Q17 and down 18% year-over-year

Bankers & Market Share

- Most active participants- Wells Fargo in 53% of all offerings in 3Q17, 58% of all equity offerings,
- JP Morgan also active, in 71% of all debt offerings
- \$39 billion in borrowing, launched or amended in Q3 across 54 agreements, down 26% from 2Q17 but up 50% YOY
- JP Morgan, most active lender w/ 57% participation in all credit facilities but Citi largest aggregated share w/ ~ \$2.3 billion

U.S. Energy Capital Markets

3Q17 Takeaways

A look at 3Q17 capital raises including equity, IPOs, bonds, credit & private equity

- Equity Markets slowed down in 2Q17 and stumbled to a crawl in 3Q17 with the 2nd lowest quarter since 2010.
- This fall off in equity sales was no more evident than in the Upstream Sector where we saw the 5th consecutive quarterly decline and the worst quarter since 2010 with only \$794 million in stock trading hands.
- At the top of the market over \$12 B in equity was raised and since 2010 over \$134 B has been raised in equity.
- Lack of public market liquidity was felt in M&A as the 3Q17 was least active since 2Q16 with only \$11 B trading hands and much of that driven by prior publics selling assets (instead of equity) to fund intensive new drilling.
- Midstream sector experienced 3rd consecutive quarter of declines & 3rd worst since 2010 falling off from \$3.4 B to \$1.9 B.
- After having 3 consecutive quarters of above average activity (at least \$260MM), the services sector also fell victim with only \$85 MM this 3rd quarter. The previous 3 quarters averaged ~ \$2.0 B.
- Bond market (\$ 25.9 B) continues to be relatively stable, led by Midstream and Upstream activity.
- Private Equity remains somewhat robust looking to fill the void now that public markets have pulled back.
- Private Equity sponsors issued 35 commitments in 3Q17 slightly higher than the past two quarters. The majority of new commitments skewed to the Upstream sector with 24.
- The advent of Drillcos is another alternative option for sourcing capital for hefty capex requirements. 16 Drillco deals YTD with 7 in 3Q17. IOG Capital led the charge with 4 deals in the quarter alone.
- PLS estimates the industry still requires > \$290 B in D&C capital to drill acreage that has been acquired since 2016.

U.S. Energy Capital Markets (continued)

3Q17 Review

Additional observations on shrinking public markets

- \$794.3 million in upstream equity, off 64% from Q2's \$2.2 billion, down 91% YOY from \$9.2 billion.
- \$1.9 Billion in midstream equity financing, down 44% from 2Q17's \$3.43 billion, and down 13% YOY from \$2.2 billion.
- \$85 million OFS equity financing, down 94% from 2Q17 \$1.45 billion, down 67% YOY from \$260 million.
- 3 IPOs in 3Q17 raised \$462.5 million aggregate proceeds, 87% lower than Q2, 64% higher YOY.
 - OFS service sector produced one IPO in Q3- Ranger Energy Services (\$85 million).
 - One midstream IPO during Q3- Oasis Midstream Partners (\$127.5 million).
 - One upstream IPO in Q3- Osprey Acquisition Corp. (\$250 million).
 - Osprey deal continued SPAC (special purpose acquisition company) into Q3;
 - \$120 mm SPAC in Q4.
- Fees? Bankers generated ~\$66.5 million in fees from Q3 equity sales.
- Debt? Midstream generated \$10.85 billion in debt in Q3, while Upstream tapped \$10.4 billion.
 - OFS Services sector issued \$1.35 billion in debt in Q3.
 - Integrated- mainly through BP- sold \$3.3 billion in notes during the quarter.

Top 3Q17 Market Events

Expanded Thoughts of Observations from PLS Capital Markets report

M&A Markets Comments

- EQT still planning to close \$8.2 billion Rice Energy buy in Q4.
- \$3.8 billion mega-merger of Silver Run II, Kingfisher Midstream & Alta Mesa drove an industry pivot to Oklahoma.
 - Downstream, Andeavor Logistics buys Western Refining Logistics for \$1.8 billion.
 - Power market led by Sempra \$18 billion takeover of long troubled Oncor.
 - Energy Capital Partners and others buy Calpine for \$17.2 billion.
- Sempra Energy acquires utility Oncor in \$18 billion deal.
- Energy Capital Partners and others buy Calpine for \$17.2 billion.
- Andeavor Logistics buys Western Refining Logistics for \$1.8 billion.

Private equity groups active in variety of funding transactions, influence rising

- Kayne Anderson commits \$1.0 billion to Pinedale Resources.
- Pearl Energy Investments close second fund at \$600 million hard cap.
- EnCap entities make an aggregate \$1.0 billion in commitments during Q3.
- Quantum in for \$750 million, realizes \$237 million during quarter.
- Riverstone backed Vista IPO raises \$650 million.

SPACs drive 7 US IPOs year-to-date & one in Mexico, are still a force

- 2017 IPO activity continues to be buoyed by new SPACs.
- Blank check company Osprey closes IPO at \$250 million during Q3.
- Mexico-focused SPAC Vista Energy raises \$650 million in upsized IPO.
- Q4 started with Black Ridge SPAC raising \$120 million.

Special Report (Index & Key Slides)

Coverage Universe (By Ticker Symbol) (>400 Firms)

UPSTREAM - AXAS AMZGQ ASENQ APC AR APA AREX AOIL ATHL ATLS BRN BROE BXE BRY BBG ANFC BSM BCEI BPZR BBEP COG CRC CPE CNQ CRZO CDEV CHK XEC COIL COP CWEI CIE CRK CXO CNX MCF CLR CBNR DRBM DNR DVN FANG DUNR EROC ESTE ECR EC EOX ECA ENDRQ EGN EXXIQ ENRJ EOG EPE EPL EQT ERN ESCR EVEP EPM XCO XOG FEECQ FPP FOR FCX FXEN GST GPRK GDP GTE GPOR HK HWKR HES HUSA HECC HDYN IOC ISRL JAG JYHW JONE KAACU KLREU KOG KOS KRP LPI LGCY LBYE LLEX LINE LNCO LRE LEI LVL MPET MHR MRO MTD R MMR MEMP MRD MXC MCEP MPO MILL MUR NSLP NWTR NFX NBL NOG OAS OSPRU OXY ROYT PHX PE PDCE PED PVA PBR PQ PRHR PXD PSE PXP PSTR PRNG QEP QRE KWKA ROGI RRC RGFR RDMP REN REXX RICE REI BBLS ROSE ROYL RSPP SOGCQ SSN SN SPP SD SDR PER SARAQ SSL SM SWN SGY STUNU SWTF SYRG GMXRQ TTEN TRCH TENG TAT TPLM TPGE.UN UPL UNT USEG EGY VNR VEI VEAC VQ VY EY VNOM VOC WTI WRES WLL WHZ WRD WPX YUMA ZAZA ZN

MIDSTREAM - CAFD ACMP AMID AM AMGP ARCX APLP APL ATO AZUR BKEP BWP BPL CPGX CPPL CNNX CEQP CQH CMLP XTXI XTEX CCLP DAKP DPM DKL DM LPG EPB ENBL EEQ EEP ENB ETE ETP ENLC ENLK EPD EQGP EQM GEL GLOP GMLP HESM HEP KNOP NRG M JPEP KMP KMI KMR LNG MMP MWE MMLP MEP MPLX NAP NGL NKA NMM NVGS NS NSH OILT OKE OKS OMP PBA PTXP PSXP PAA PAGP PVR QPEM STR RGP RMP RRMS SEMG SHLX SXE SOCGP SO SWX SE SEP SMLP SXL TEGP TEP TLP TRGP NGLS TCP TLLP TRP USAC USDP WGP WES WMB WPZ

DOWNSTREAM - ALJ ALDW APU BDCO CLMT CPLP CQP CAPL CVI UAN CVRR CELP DK DLNG FGP GLP HMLP HFC MPC NTI OCIP PARR PBF PBFX PDH PESC PSX RNF SRLP SGU SPH SUN SYMX TGP TOO TSO VLO VLP VTTI WNR WNRL WLKP WPT

INTEGRATED - BP CVE CVX CEO XOM HSE NFG REPHY RDSA STO SU TOT YPF

SERVICES - BHI BAS BRS CJES CDVIQ CAM CRR HELI CLH CLB DWSN DPDW DO DRC DRQ ESES EDG ENG ESV EMES ENSV EXTN FMSA FTK FMC FTI FET FI FRAC GDI GEOKQ GEOS GEGSQ GPP GIF I GLF HAL HNR HLX HP HERO HIIT HOS ICD IO FRAC KEGXQ MIC TUSK MTZ MDR MIND MRC NBR NOV NGS NR NE NBLX NAO NADL DNOW NCSM NES ORIG OII OIS PACD PGNPF PKD PTEN PHII PES PDS PUMP RCON RGCO RNET RNGR RDC RES SAEX SLB SDLP SOI SSE SND SND SDPI SPN TESO TTI TDW RIG RIGP SLCA VTG VTNR WFT WTTR INT

Quarterly Special Report-

Energy Equity Review	Page 6
3Q17 Energy IPOs	Page 11
Bond Markets (Fixed Income Review)	Page 12
Credit Facilities (Market Analysis)	Page 18
Private Equity Markets	Page 20



Capitalize includes 14 modules tracking various energy finance events. Email Chris George at cgeorge@plsx.com for a demo.

Energy Equity Review

- Equity Markets slowed down in 2Q17 and stumbled to a crawl in 3Q17 with the 2nd lowest quarter since 2010.
- This fall off in equity sales was no more evident than in the Upstream Sector where we saw the 5th consecutive quarterly decline and the worst quarter since 2010 with only \$794 million in stock trading hands.
- At the top of the market over \$12 B in equity was raised and since 2010 over \$134 B has been raised in equity.
- Equity market reported total deal value of \$2.98 billion, down 60% from 2Q17 and 75% year-over-year.
- Average equity follow on offering was \$280 million during 3Q17.
- Largest corporate equity raise in Q3 was the Follow-On of NYSE-listed Energy Transfer Partners LP for \$1,007.1 million.
- Enlink Midstream Partners issued \$400 million Redeemable Perpetual Preferred Units and Antero Midstream issued \$314.5 million common units.
- Wells Fargo was the most active equity bookrunner in Q3, followed by Credit Suisse (who lead the most deals with 4), Barclays and Citi.
- Barclays led banks with ~ \$1.1 billion in deal value (\$1B in Midstream). Credit Suisse came in 2nd with \$767 million (\$657 million in Upstream).
- Credit Suisse led the IPO market, leading 2 of the 3 deals launched in 3Q17. The three IPOs include: Osprey Energy Acquisition Corp, Oasis Midstream Partners and Ranger Energy Services.

3Q17 Energy Sector Equity Summary

\$2.52 billion in follow-on equity offerings not including IPO and ATM offerings

Midstream was the most active sector in 3Q17, with 4 deals and total deal amount of \$1.8 billion.



Equity
Upstream
\$0.54 billion (22%)
QOQ -61%
3 Deals



Equity
Midstream
\$1.78 billion (71%)
QOQ -20%
4 Deals



Equity
Downstream
\$0.20 billion (8%)
N/A
2 Deals



Equity
Integrated
No Deals



Equity
Services
No Deals

Top banks for each sector by allocated deal amount.



\$0.42 billion
76% Market
Share



\$1.04 billion
58% Market
Share



0.1 billion
51% Market
Share

No Banking
Activity

No Banking
Activity

Note: Does not include at-the-market equity offerings.
QOQ= Quarter On Quarter

Energy Follow-on Equity Issues 3Q17

The 9 deals resulted in \$2.52B, down 35% from 2Q17 and 79% from 3Q16, respectively

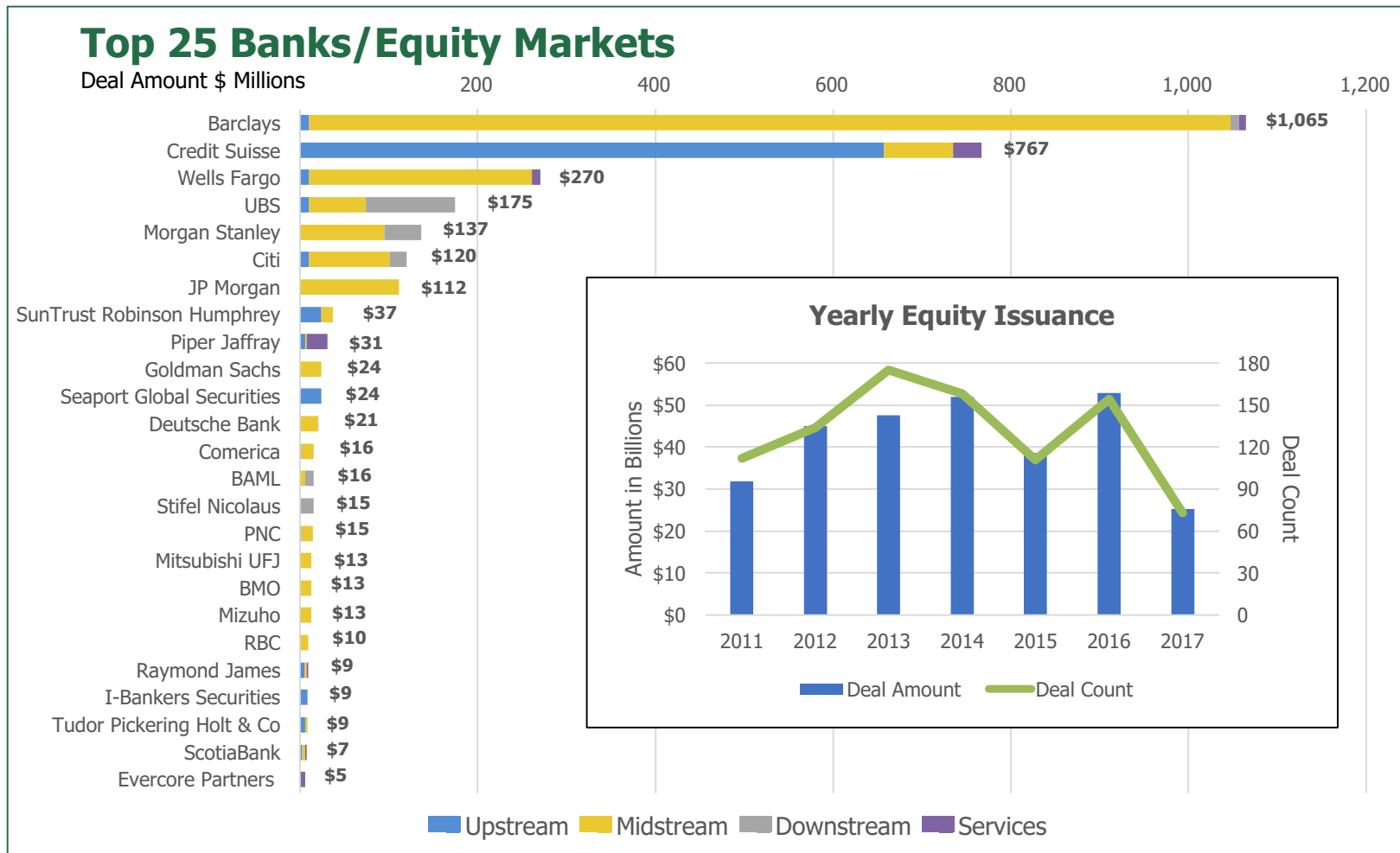
There were only 9 follow-on deals in 3Q.



Announce Date	Company	Sector	Ticker	Deal Amount (\$MM)	Bank Fees (\$MM)	Underwriting Discount	Reoffer Discount	All In Rate	Lead Bookrunner	No. of Banks
08/16/17	Energy Transfer Partners LP	Midstream	ETP	\$ 1,007	\$ 9.99	0.99%	4.99%	5.93%	Barclays	4
09/15/17	EnLink Midstream Partners LP	Midstream	ENLK	\$ 400	\$ 5.00	1.25%	0.00%	0.00%	JP Morgan	12
09/08/17	Antero Midstream Partners LP	Midstream	AM	\$ 315	\$ 3.40	1.08%	6.32%	7.33%	Barclays	2
08/11/17	Diamondback Energy Inc	Upstream	FANG	\$ 282	\$ 5.64	2.00%	0.76%	2.75%	Credit Suisse	1
07/19/17	Viper Energy Partners LP	Upstream	VNOM	\$ 207	\$ 5.16	2.50%	8.95%	11.23%	Credit Suisse	16
09/29/17	Hoegh LNG Partners LP	Downstream	HMLP	\$ 100	\$ 3.15	3.15%	0.00%	0.00%	Morgan Stanley	4
09/28/17	Westlake Chemical Partners LP	Downstream	WLKP	\$ 99	\$ 2.48	2.50%	8.14%	10.44%	UBS	4
07/19/17	Ring Energy Inc	Upstream	REI	\$ 56	\$ 2.53	4.50%	7.13%	11.31%	SunTrust	8
08/04/17	Archrock Partners LP	Midstream	APLP	\$ 55	\$ 2.20	4.00%	9.84%	13.44%	JP Morgan	11
Top 9 Total Transactions:				\$ 2,520	\$ 40				Avg # of Banks:	7
3Q17 Total Follow-on Equity Issuance:				\$ 2,520	\$ 40					

Top 25 Equity Market Advisors & Facilitators

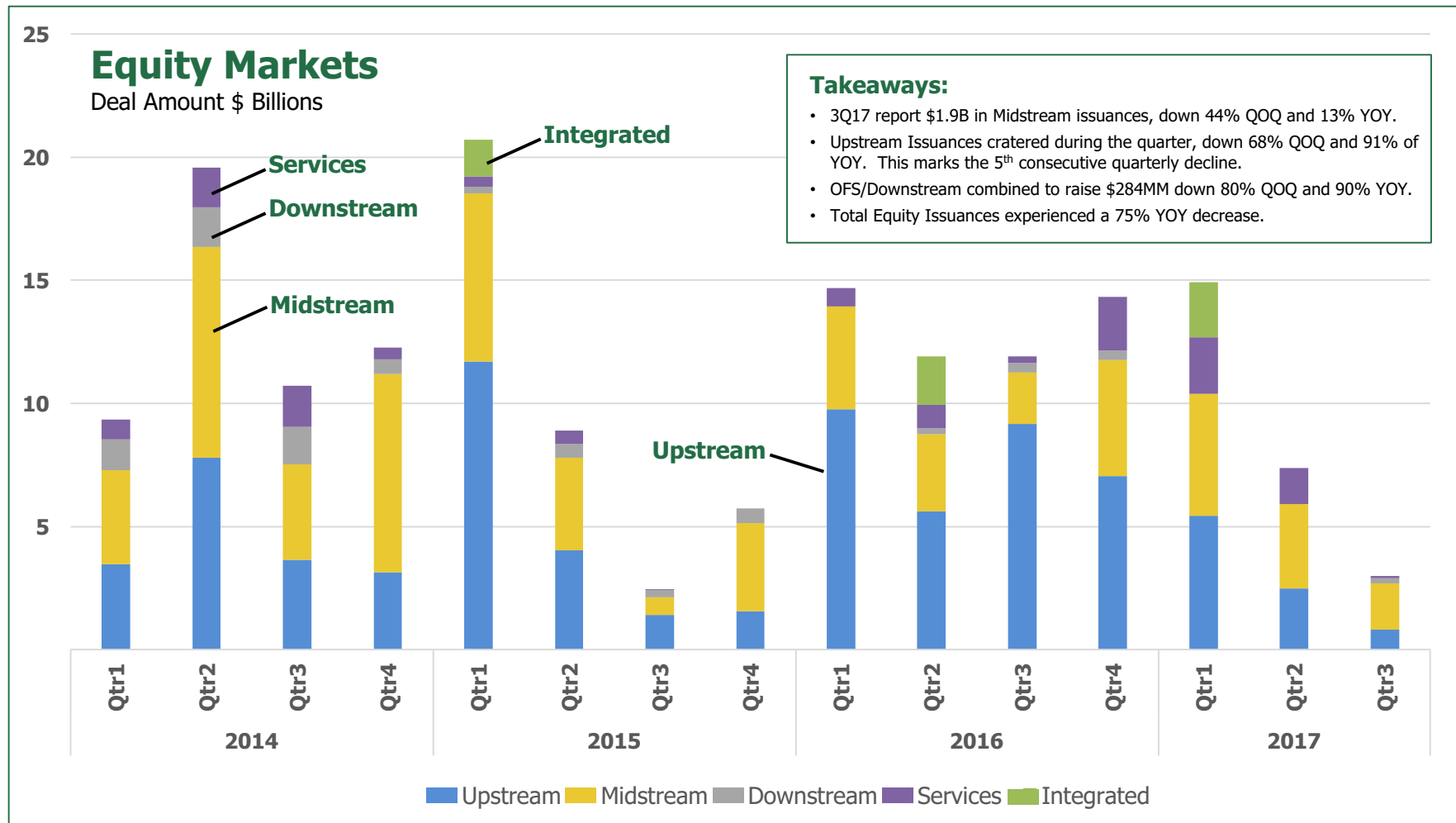
Wells Fargo participated in 58% of all equity deals in 3Q17 but Barclays was allocated the most transaction value



Note: Follow-on and IPO offerings.
Does not include at-the-market equity offerings.

U.S. Equity Deals by Quarter Q1 2014 to Q3 2017

Total transaction value decreased by ~ 60% sequentially



Note: Follow-on and IPO offerings.
Does not include at-the-market equity offerings
QOQ= Quarter On Quarter
YOY = Year over Year.

3Q17 Energy IPOs

IPOs tank in 3Q17 in concert w/ equity fall off; \$463 million in value down 88% from 2Q17



IPO	Company	Sector	Ticker	Deal Amount (\$MM)	Bank Fees (\$MM)	Net Proceeds (\$MM)	Total Shares Issued (MM)	Public Reoffer Price Per Issue	Underwriting Discount	Lead Bookrunner*	No. of Banks
07/21/17	Osprey Energy Acquisition Corp	Upstream	OSPRU	\$ 250	\$ 13.75	\$236.25	25.00	\$ 10.00	5.50%	Credit Suisse (96.50%)	2
09/22/17	Oasis Midstream Partners	Midstream	OMP	\$ 128	\$ 7.65	\$119.85	7.50	\$ 17.00	6.00%	Morgan Stanley (25.00%)	24
08/14/17	Ranger Energy Services	Services	RNGR	\$ 85	\$ 5.53	\$79.48	5.86	\$ 14.50	6.50%	Credit Suisse (37.85%)	9
Totals:				\$ 463	\$ 27	\$ 436					

* Bank allocation percentage shown in parenthesis

Key Takeaways:

- Credit Suisse led the IPO market in 3Q17.
- Lead banks took larger allocation percentages when syndicating IPO deals in comparison to 2Q17.
- 6.00% average underwriter discount (31 BPS higher than 2Q17 average).
- 3 IPOs saw an average of 12 bookrunners (20% higher than 2Q17 average).
- 53% - average allocation to lead bookrunner.
- Lead bookrunner statistics are skewed by the Osprey Energy IPO where Credit Suisse took 97% allocation.

Bond Markets

Energy Fixed Income Review

- Bond market continues to be relatively stable, led by Midstream and Upstream activity.
- 3Q17 bond market reported \$25.9 billion in deals, up 30% QOQ but down 18% YOY.
- Average principal amount was \$632 million in Q3, slightly down from the 2Q17 average of \$642 million.
- JP Morgan and Wells Fargo were the most active banks, both participated in 71% of all bond issuances.
- PLS expects \$62.1 billion of bonds to mature in the next 12 months, 23% coming due in 4Q17.
- Investment Grade Bonds accounted for 51% of issuances during the quarter.
- BP and EQT were the most prolific issuers, both selling \$3B of bonds.

3Q17 Energy Bond Market

\$25.9 billion in energy bond issuances

Upstream was the most active sector in Bond Issuances during 3Q17 with 18 deals raising \$10.4 billion. However, Midstream had the highest deal value with \$10.9B.



Bonds Upstream
\$10.4 billion (40%)
QOQ +14%
18 Deals



Bonds Midstream
\$10.9 billion (42%)
QOQ +23%
15 Deals



Bonds Downstream
No Deals



Bonds Integrated
\$3.3 billion (13%)
N/A
5 Deals



Bonds Services
\$1.4 billion (5%)
QOQ +116%
3 Deals

Top banks in the Bond Market by sector.



\$1.48 billion
14% Market Share



\$0.84 billion
8% Market Share

No Banking Activity



\$0.52 billion
16% Market Share



JPMorganChase

\$0.19 billion
14% Market Share

Energy Top Bond Issues in 3Q17

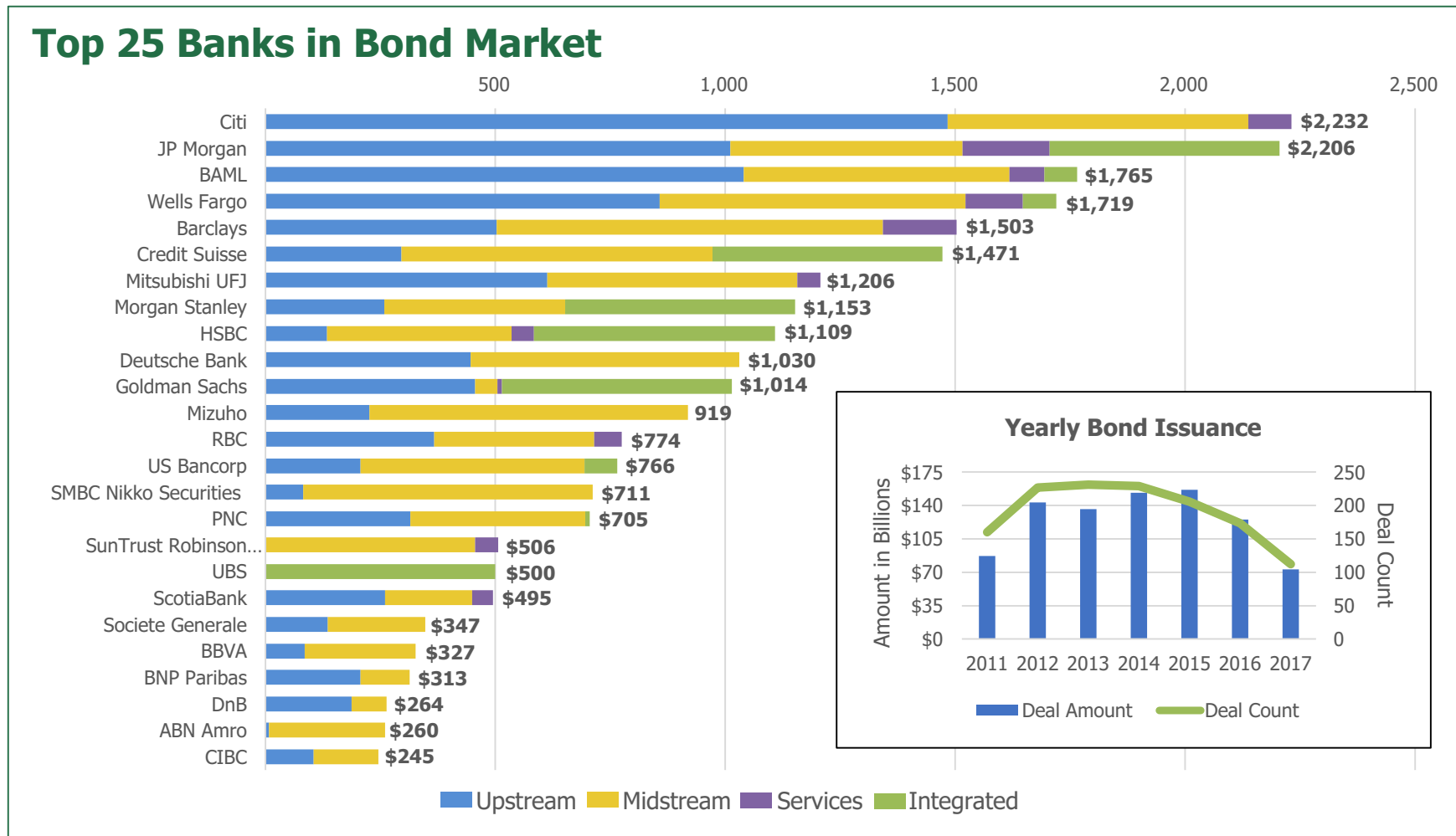
The Top 25 deals total \$20.6 billion, 79% of the total transaction value during the quarter

Announce Date	Company	Sector	Ticker	Deal Amount (\$MM)	Bank Fees (\$MM)	Coupon	Maturity	Underwriting Discount	Lead Bookrunner	No. of Banks
09/21/17	Energy Transfer Partners LP	Midstream	ETP	\$ 1,500	\$ 13.13	5.400%	10/01/47	0.88%	Deutsche Bank	15
09/15/17	BP plc	Integrated	BP	\$ 1,500	\$ 4.50	3.279%	09/19/27	0.30%	Credit Suisse	6
09/12/17	Cheniere Energy Partners LP	Midstream	CQP	\$ 1,500	\$ 30.00	5.250%	10/01/25	2.00%	Credit Suisse	13
09/29/17	EQT Corp	Upstream	EQT	\$ 1,250	\$ 8.13	3.900%	10/01/27	0.65%	Citi	16
09/14/17	Concho Resources Inc	Upstream	CXO	\$ 1,000	\$ 6.50	3.750%	10/01/27	0.65%	BAML	21
08/08/17	Enterprise Products Partners LP	Midstream	EPD	\$ 1,000	\$ 10.00	5.250%	08/16/77	1.00%	Citi	19
08/07/17	Kinder Morgan Inc	Midstream	KMI	\$ 1,000	\$ 3.50	3.150%	01/15/23	0.35%	Barclays	7
07/17/17	Marathon Oil Corp	Upstream	MRO	\$ 1,000	\$ 6.50	4.400%	07/15/27	0.65%	JP Morgan	22
07/11/17	Enbridge Inc	Midstream	ENB	\$ 1,000	\$ 10.00	5.50%	07/15/77	1.00%	Deutsche Bank	5
09/14/17	Concho Resources Inc	Upstream	CXO	\$ 800	\$ 7.00	4.875%	10/01/47	0.88%	BAML	21
09/29/17	EQT Corp	Upstream	EQT	\$ 750	\$ 4.50	3.000%	10/01/22	0.60%	Citi	16
09/21/17	Energy Transfer Partners LP	Midstream	ETP	\$ 750	\$ 4.88	4.000%	10/01/27	0.65%	Deutsche Bank	15
09/15/17	BP plc	Integrated	BP	\$ 700	\$ 1.19	2.520%	09/19/22	0.17%	Credit Suisse	6
08/08/17	Enterprise Products Partners LP	Midstream	EPD	\$ 700	\$ 7.00	4.875%	08/16/77	1.00%	Citi	19
07/12/17	Oneok Inc	Midstream	OKE	\$ 700	\$ 6.13	4.950%	07/13/47	0.88%	Citi	17
09/13/17	Southwestern Energy Co	Upstream	SWN	\$ 650	\$ 8.13	7.50%	04/01/26	1.25%	JP Morgan	24
08/10/17	Noble Energy Inc	Upstream	NBL	\$ 600	\$ 3.90	4.850%	01/15/28	0.65%	Citi	30
09/27/17	Chesapeake Energy Corp	Upstream	CHK	\$ 550	\$ 5.01	8.00%	06/15/27	0.91%	Morgan Stanley	16
08/09/17	Genesis Energy LP	Midstream	GEL	\$ 550	\$ 8.25	6.50%	10/01/25	1.50%	Wells Fargo	15
08/08/17	Murphy Oil Corp	Upstream	MUR	\$ 550	\$ 6.88	5.75%	08/15/25	1.25%	JP Morgan	10
09/29/17	EQT Corp	Upstream	EQT	\$ 500	\$ 2.00	3M LIBOR + 77 bps	10/01/20	0.40%	Citi	16
09/29/17	EQT Corp	Upstream	EQT	\$ 500	\$ 2.00	2.50%	10/01/20	0.40%	Citi	16
09/27/17	Magellan Midstream Partners LP	Midstream	MMP	\$ 500	\$ 4.38	4.200%	10/03/47	0.88%	Barclays	10
09/15/17	BP plc	Integrated	BP	\$ 500	\$ 0.50	1.768%	09/19/19	0.10%	Credit Suisse	6
09/13/17	Southwestern Energy Co	Upstream	SWN	\$ 500	\$ 6.25	7.750%	10/01/27	1.25%	JP Morgan	24
Top 25 Issuances:				\$ 20,550	\$ 170				Avg # of Banks:	15
3Q17 Total Bond Issuances:				\$ 25,900	\$ 241					

Note: includes issuances registered with the SEC by foreign companies.

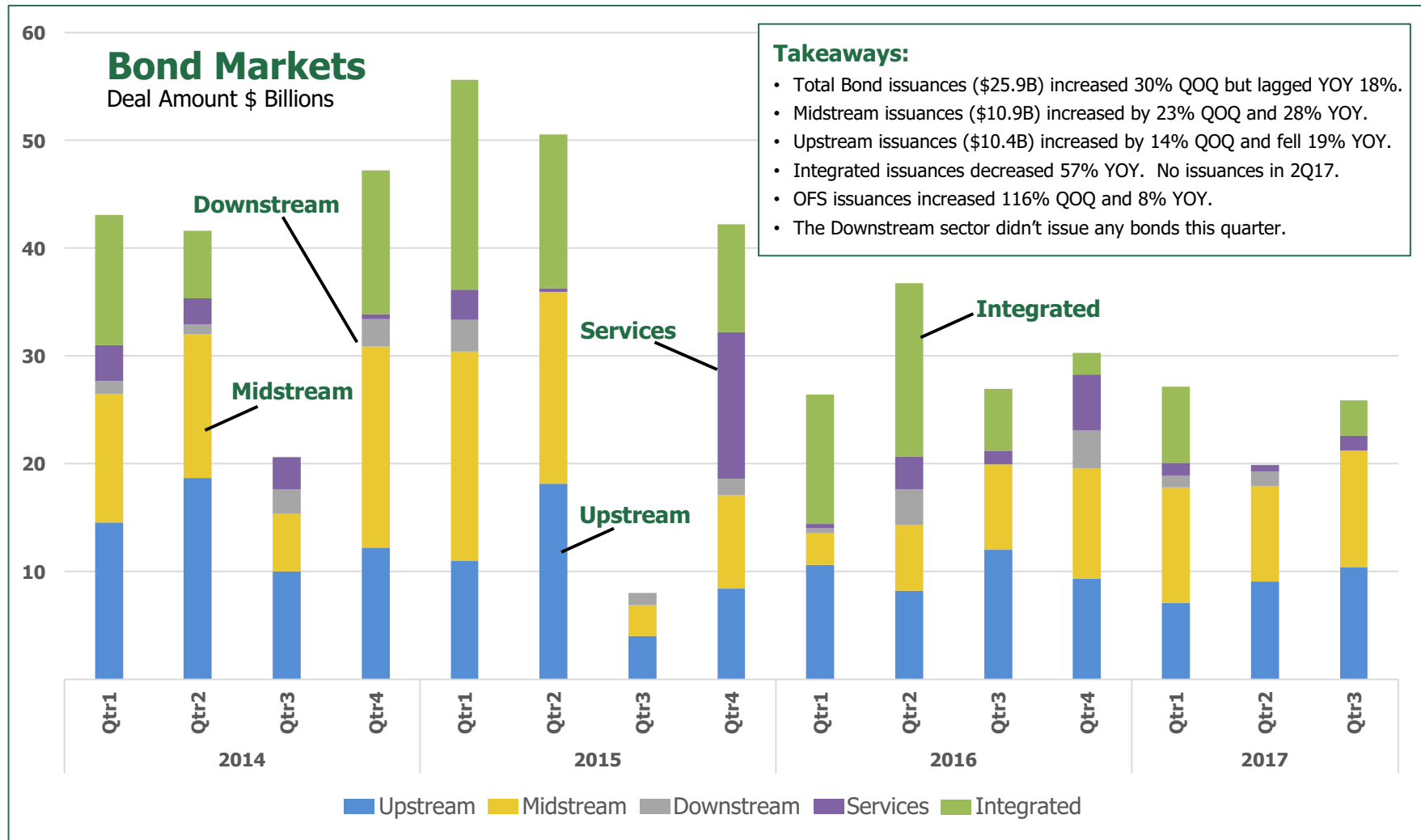
Top 25 Bond Market Advisors & Facilitators

JP Morgan & Wells Fargo participated in 71% of all bond deals in 3Q17 but Citi won larger allocations



U.S. Energy Bond Deals by Quarter 1Q14 to 3Q17

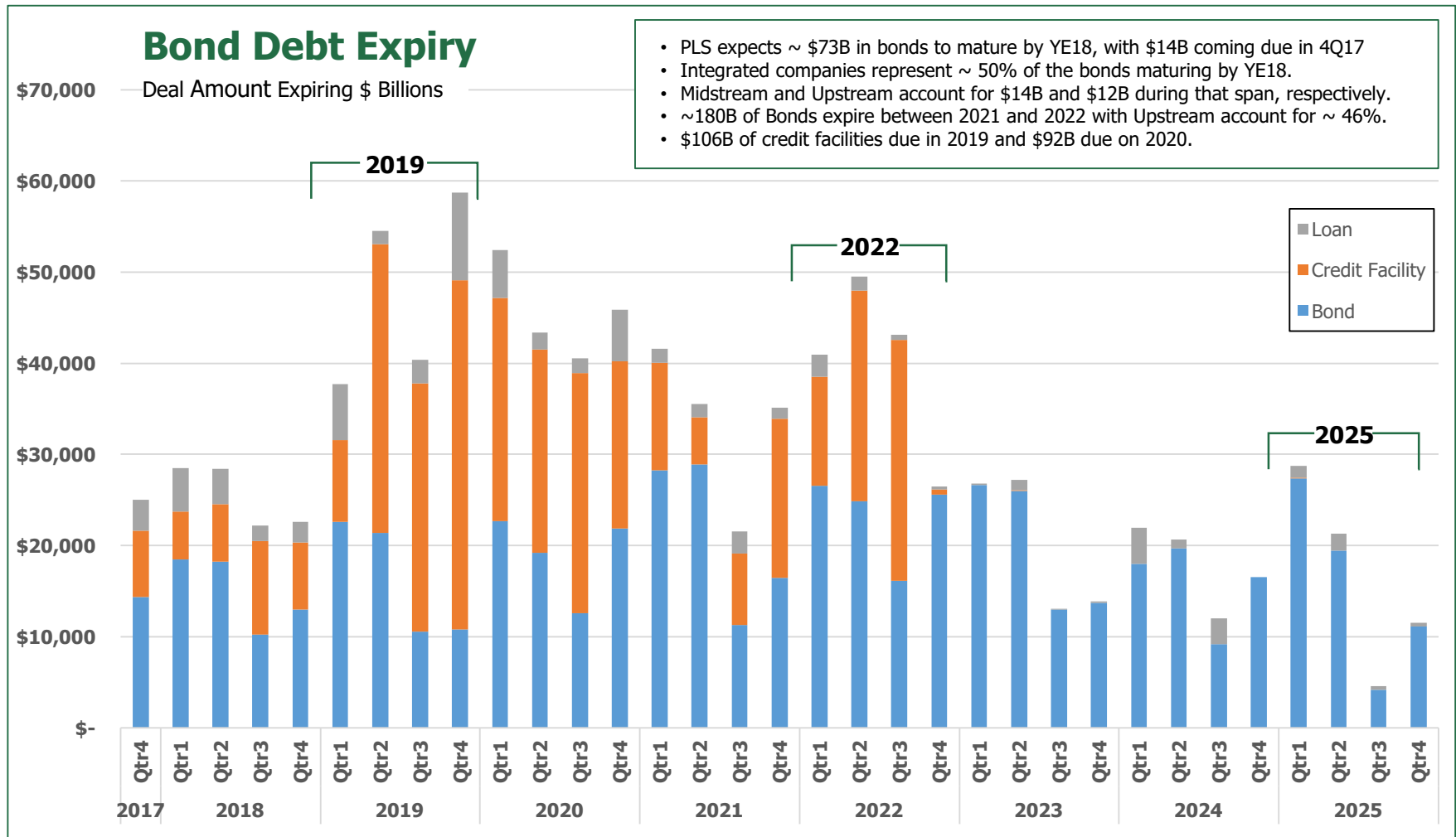
Midstream bond issuances in 3Q increased by 23% QOQ and increased by 28% YOY



QOQ= Quarter On Quarter
YOY = Year over Year.

Bond Debt Expirations Schedule

Capitalize monitors over 400 companies within our coverage universe



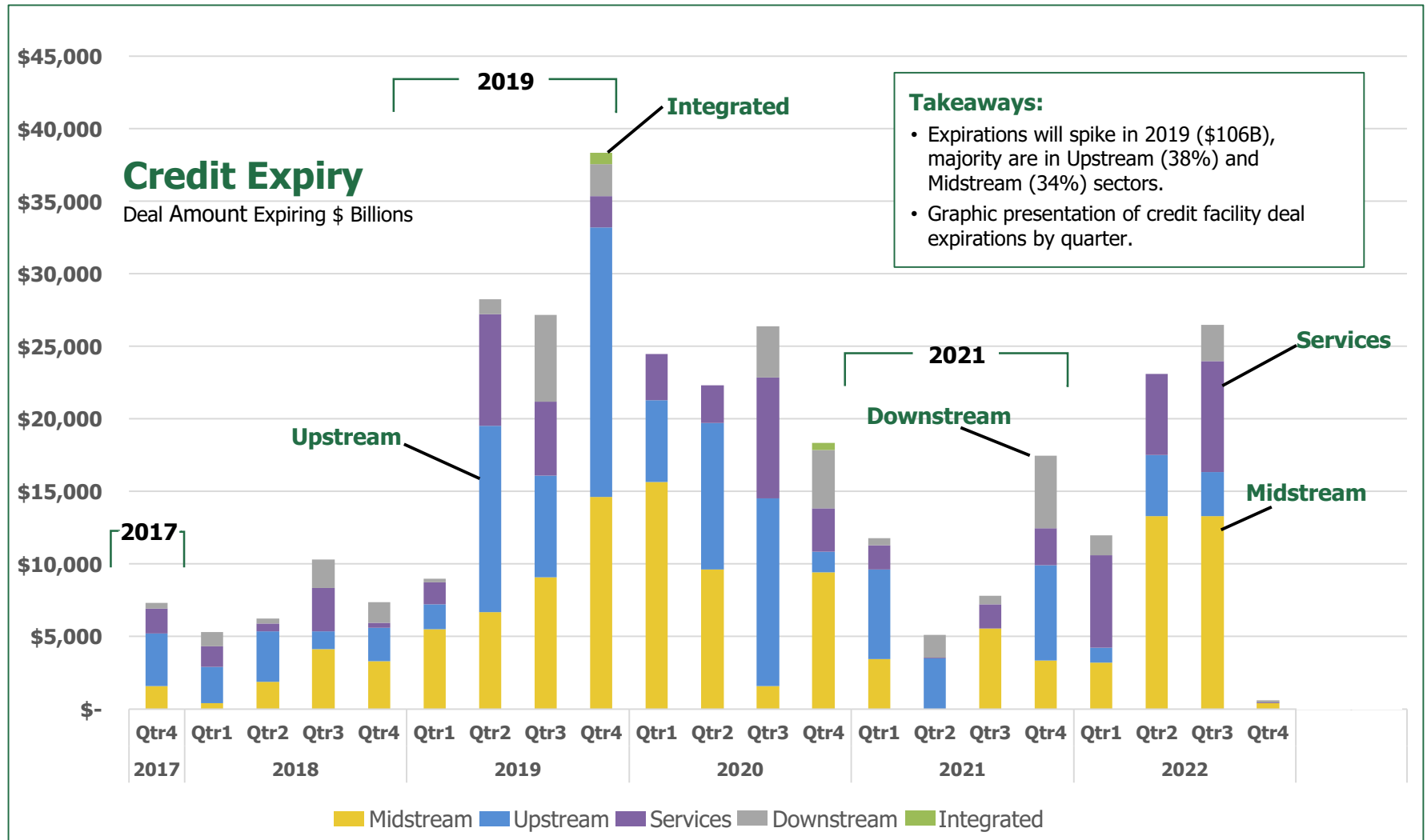
Credit

Energy Credit Facility Lending Review

- Over \$38.9 billion in facilities launched or amended in Q3 across 54 distinct agreements.
 - 26% less borrowings than in 2Q17, 50% more than 3Q17.
 - 35 of 54 were secured first lien agreements.
- \$83B of Midstream Facilities are set to expire between 2017 – 2020.
- The Midstream sector accounted for 48% of facilities launched or amended in 3Q17.
- OFS sector experienced a QOQ decrease while Integrated had no new or amended facilities.

US Energy Credit Facility Expirations

Reporting Period: 4Q17 to 4Q23



Private Equity Markets

- Private Equity remains robust looking to fill the void now that public markets have pulled back.
- Private Equity sponsors issued 35 commitments in 3Q17 slightly higher than the past two quarters. The majority of new commitments skewed to the Upstream sector with 24.
- The advent of Drillcos is another alternative option for sourcing capital for hefty capex requirements. 16 Drillco deals YTD with 7 in the 3Q17. IOG Capital led the charge with 4 deals in the quarter alone.
- Upstream sector was the most active, accounting for 68% of P/E commitments.
- NGP was most active P/E sponsor in 3Q17. Pearl Energy and Vortus Investments both closed their 2nd funds of \$600MM and \$500MM, respectively.

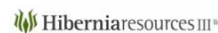


Kayne Anderson

Capital Advisors



- Select private equity backed companies with new mandates.



Top Private Equity Commitments

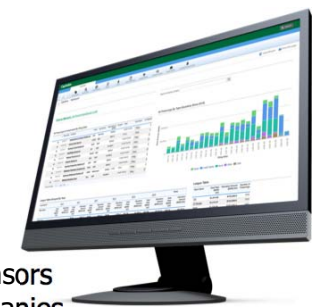
3Q17 Snapshot – Top 10 Reported Commitments



Vintage	Company	Sponsor	Sector	Key Areas	Amount (\$MM)
2017	Encino Acquisition Partners	CPP Investment Board	Upstream	United States; Lower 48	\$1,000
2017	Pinedale Energy Partners	Kayne Anderson Capital Advisors	Upstream	Sublette	\$1,000
2017	Vitruvian Exploration IV	Quantum Energy Partners LP	Upstream	Eagle Ford	\$450
2017	Impact Exploration & Production Partners	Quantum Energy Partners LP	Upstream	Rocky Mountains	\$300
2017	Perpetual Production LLC	Castlelake LP	Upstream	Midcontinent; SCOOP/STACK; Merge plays	\$300
2017	Roundtable Energy	Apollo Global Management	Upstream	Powder River Basin	\$300
2017	WaterBridge Resources II	Five Point Capital Partners	Midstream	Southern Delaware Basin	\$300
2017	Hibernia Resources III	NGP Natural Gas Partners LP	Upstream	Midland Basin	\$250
2017	Sable Bay Energy LLC	EnCap Investments LP	Upstream	Powder River Basin; Delaware Basin	\$250
2017	Valiant Midstream LLC	Tailwater Capital LLC	Midstream	MidContinent; North America	\$150

General Partner	3Q17 Commitments	Notes
NGP	4	100% Upstream
Vortus Investments	3	100% Upstream
Kayne Anderson Capital Advisors	3	100% Upstream
Post Oak Energy Capital	3	100% Upstream
Other Sponsor Commitments	22	52% Upstream
Total 3Q17 Commitments	35	68% Upstream

Select printout for some of the select larger private equity commitments.
 PLS Capitalize database offers significantly more granular data.



Capitalize Private Equity Statistics

- PLS tracks over 750+ private equity sponsors and over 2,000 of their P/E backed companies

For more details, call **713-600-0129**,
 email Chris George at cgeorge@plsx.com

Canadian Capital Activity 3Q17



Observations from PLS Canadian Capital Coverage

Smaller companies struggling

- US Oil Sands now has a receiver at the request of its largest shareholder ACMO.
- Penn West completed restructuring, renamed itself Obsidian Energy and received a notice of non-compliance from NYSE over deficient price share.
- Sunshine Oilsands in forbearance agreement with creditors. Had \$333 million working capital deficiency and accumulated deficit of \$747.8 million.
- Jagercor Energy's auditor said company needs significant capital injection to continue as going concern.
- Niko Resources' creditors must approve any new cash that funds continuing operations per restated credit facilities.



Few equity bright spots in a quarter when deal value fell 64% and offerings were off 57% YOY

- Fewer traditional brokered offerings.
- Biggest in Q3 was TransCanada's \$1.0 billion at-the-market offering.
- Another midstreamer, Kinder Morgan Canada, sold 12 million preferred shares for \$300 million.
- Cardinal Energy sold \$170 million in subscription receipts to fund House Mtn & Midale purchase.
- Non-brokered private placements included Canadian Intl's \$150 million and Jaguar's \$49 million sales.

Sizeable debt offerings in Q3 from Canadian issuers

- Biggest sale came from midstream sector- Enbridge sold \$2.7 billion in bonds in three tranches.
- Midstream also represented by Pembina Pipeline's \$600 million two-tranche issue.
- In Q3 private debt placements included Seven Generations \$700 million, Keyera's \$400 million, Painted Pony's \$150 million and Black Pearl's \$75 million.



International Capital Activity 3Q17

Observations from PLS International Capital Global Report

The quest to rebalance the markets

- Bloated stockpiles of fuel have been “massively drained”.
- Generally upward Q3 price trajectory, Brent & WTI now at \$57.88 & \$51.88 a barrel.
- Output cuts of 1.8 MMbo/d through next March but production in exempt Libya & Nigeria is rising.
- Compliance with OPEC & allied producers’ cuts falls to 86%.
- US shale boom continues to undermine OPEC & allied producers’ efforts.

Still a year away, Saudi Aramco IPO still dominating headlines

- Doubt over international portion of IPO starts to loom.
- Justifying a \$2.0 trillion valuation become increasingly more difficult.
- Chinese companies reported to have approached Aramco about taking a 5% direct investment.
- Stimulating the region- other Gulf states seek to privatize state-owned energy assets.

Trends taking shape & gaining speed in the quarter

- Growing emphasis on "sustainable profitability" with realignment of portfolios.
- Surging US exports, up to 2.0MMbo/d, perceived as threat to market share by some.
- Infrastructure investment growing rapidly- Japan starting \$10B fund, Blackstone and Saudi sovereign wealth fund planning largest infrastructure fund ever.
- Climate-related financial disclosure; lenders and investors asking how companies are assessing, pricing and managing climate-related risks.
- Though private equity was dominant in global deals in Q1, it’s been quiet on the world stage.
- Most industry watchers concerned that investment in new discoveries hasn’t returned.



Opportunity is a reflection
of information.

Tools for the Modern Oilman

Your threefold solution to oil and gas intelligence including M&A, E&P and energy finance

Track Financings, Relationships & Associated Fee

Capitalize tracks equity and debt capital market activity for 400 plus energy companies. Bankers and CFOs can identify trends within the credit facility marketplace. The private equity tracker module provides transparency to over 2,000 portfolio companies, management teams, area of interests and their sponsors.

For more details, call **713-600-0129**, email **Chris George** at cgeorge@plsx.com

Capitalize
Analyze Market Activity.



www.plsx.com/capitalize



Deal Metrics & Comparables

Global M&A Database is a powerful tool for tracking energy industry mergers and acquisitions including deal metrics and comparables. Provides critical market information on upstream, oilfield service, midstream, downstream, utilities and LNG sectors.

For more information or to schedule a demo, call **Lauren Simonton** at **713-600-0113** or email at lsimonton@plsx.com.

Global M&A Database

Deal Analysis Made Simple.

Spotfire Map/Analytics

Your Portal To Immediate E&P Facts & Figures

PetroScout is an integrated E&P database that provides the ability to track critical industry metrics (Permits, Completions, Frac Index, Production Data Summaries, Type Curves, DrillBits, Key Well Index, Corporate Intelligence, GIS MapIndex and more).

For more information or to schedule a demo, call **Brad Jamison** at **713-600-0108** or email at bjamison@plsx.com.

PetroScout
The E&P Database



Databases and tools for the modern oilman.

www.plsx.com

PLS

Business Intelligence

PLS research, reports & regionals provide clients necessary industry context

Opportunity is a reflection of information.

8 Regional Scouts
Tracking prospects, permits & plays.

3 Canadian Reports
Covering M&A, E&P and energy finance in Canada.

6 National Reports
Covering midstream, oilfield services & product prices in the U.S.

3 International Reports
Tracking the global market.

Sold through subscription and corporate site licenses.

For more details visit: www.plsx.com/subscribe

World Class Brands (Just a few of our thousand plus clients)

Serving clients with critical market intelligence and industry insight

Opportunity is a reflection of information.

PLS A&D	PLS Core Reports	PLS Databases

www.plsx.com

