TPH Infrastructure Discussion Materials

March 2015
## Tudor, Pickering, Holt & Co. Overview

The firm’s mission is to be the premier integrated energy investment and merchant banking firm, providing the highest quality advice and professional services to our institutional and corporate partners.

### Energy Focused
- ~170 employees exclusively focused on energy
- Diversified lines of business designed to provide extensive industry and advisory expertise: Investment Banking, Securities, Acquisitions & Divestitures, Private Equity, Asset Management
- Headquartered in Houston with offices in New York, Denver, London and Calgary

### Research, Sales & Trading
- Equity research covering 160+ energy companies
- Sales and trading exclusively covering energy
- Institutional investor focus

### Investment Banking
- Integrated sector efforts in Midstream/MLP, Downstream, Oilfield Services, Power and Upstream
- M&A: strategic advisory, sell-side, buy-side, special committee assignments, fairness opinions and restructuring
- Capital markets: IPO, follow-on equity & debt offerings, private equity, private placements
- Dedicated Acquisitions & Divestitures practice
- Leading Special Committee advisor (advised on 28 transactions since 2010, which is more than any other firm)
- Extensive technical knowledge of oil & gas

### Asset Management
- TPH Partners: ~$300 million private equity fund with seven active energy investments
- TPH Asset Management (excluding TPH Partners): ~$600 million under management
**Industry Leading Investment Banking Practice**

**Top Energy Advisor(1)**
($ in millions)

<table>
<thead>
<tr>
<th>Firm</th>
<th># Deals</th>
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<tbody>
<tr>
<td>Tudor Pickering Holt &amp; Co</td>
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<tr>
<td>Barclays</td>
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<td>Evercore Partners Inc</td>
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<td>RBC Capital Markets</td>
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<td>Jefferies LLC</td>
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<td>Citi</td>
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<tr>
<td>Simmons &amp; Co International</td>
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<tr>
<td>Goldman Sachs</td>
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<td>JPMorgan</td>
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<tr>
<td>Bank of America Merrill Lynch</td>
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<tr>
<th>Firm</th>
<th>Value (SMM)</th>
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<td>Barclays</td>
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<td>Tudor Pickering Holt &amp; Co</td>
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<tr>
<td>Morgan Stanley</td>
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**Overview**

- Coverage of Midstream/MLP, OFS, Power, Upstream and Downstream sectors
- Senior execution expertise in M&A, Corporate Finance, A&D and Capital Markets
- Industry/engineering expertise integrated into IB effort across all sectors
- Three-year old team achieved >25% market share(1) in 2010

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# What has TPH been up to?

## Upstream

- **Encana** - TPH advised Encana on major acquisition to enter the Permian basin
- **Murphy** - TPH managed a complex sale process which facilitated Pertamina’s largest foreign upstream investment, which was the largest ever upstream transaction in Malaysia

## Midstream

- **Samchully** - TPH has successfully acted as both buyside and sellside advisor as international investors acquire U.S. assets
- **El Paso Pipeline** - TPH repeatedly engaged as El Paso’s advisor, representing the company on each of their nine dropdowns as well as the ultimate Kinder Morgan / El Paso Pipeline Partners recombination transaction

## Utilities

- **Guadalupe** - TPH ran a quiet sale process to a select group of bidders, achieving peak value for ERCOT asset
- **Cleco** - TPH facilitated sale of Cleco to a fully financed and committed investor consortium, including, U.S., Canadian and international equity partners
- **New Mexico Gas** - TPH incorporated upstream industry expertise to sale process

## Capital Markets

- **Antero** - TPH marketed Antero’s story to make it become one of the most over-subscribed MLP IPOs
- **Rice** - TPH worked with management to craft its narrative in one of the largest E&P IPOs
- **Dorian** - TPH educated the marketplace to price the only LPG transportation business on NYSE

## Conflicts

- **El Paso Pipeline** - TPH’s has a longstanding relationship with EPB structuring 9 dropdowns worth >$7.5Bn
- **PBF Logistics** - TPH has advised on the company’s first two dropdown transactions
- **Crestwood** - Advisor to Inergy Midstream on merger with Crestwood and advisor on most recent dropdown transaction

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*TPH engages across all energy sectors as leading M&A advisor to boards, conflicts committees and management teams*
Energy Infrastructure Practice

Infrastructure Practice

- Integrated practice across entire energy value chain (wellhead to end-user)
- Fully coordinated with highly technical upstream team to provide unique supply-side insight
- Provides advisory services to broad range of clients
- Expertise in multiple transaction structures
- Relationships at every level of public and private infrastructure companies and investing entities
- Technical, highly acclaimed research effort

Infrastructure Team

Lance Gilliland  
*Head of Infrastructure/M&A*
- CFO at Endeavour Int’l
- Goldman Sachs MBA
- UT MBA
- Baylor BA

Scott Archer  
*Managing Director*
- MD at BAML
- UT MBA
- UT BBA

John Rice  
*Managing Director*
- MD at Berenson
- Head of energy IB at Credit Lyonnais
- Colgate BA

Dave Saxena  
*Managing Director*
- Director at Berenson
- Johns Hopkins BS

Aaron S. Blomquist  
*Managing Director*
- Bank of America
- Merrill Lynch
- Evercore Partners
- LSU BS

Ed Tirello  
*Senior Advisor*
- Senior Advisor / Senior Power Strategist at Berenson
- 43 years following utilities

Jonathan Sherman  
*Vice President*
- Associate at Berenson
- Harvard BA

John Chapman  
*Vice President*
- Miller Buckfire
- Princeton BA

Dan English  
*Vice President*
- Citigroup
- UT BBA
- Northwestern MBA

Jeremy Arendt  
*Associate*
- Franchise Capital Advisors
- U. of Chicago MBA
- Arizona State BS

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- Director at Credit Suisse
- MBA from Rensselaer Polytechnic Institute
- U Massachusetts at Amherst BS

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- BAML
- TCU BS
- UT MBA
Key Midstream Themes Now

Midstream activity today is dominated by building out infrastructure to support shale development as well as ‘re-plumbing’ to capture supply and demand

<table>
<thead>
<tr>
<th>M&amp;A Buyers</th>
<th>M&amp;A Sellers</th>
<th>Private Financing</th>
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<tbody>
<tr>
<td>● Driven to diversification</td>
<td>● Potential to sell early (e.g. Caiman) is appealing, however buyers skeptical of sell-side forecasts</td>
<td>● Many sources of capital:</td>
</tr>
<tr>
<td>● Market fatigue towards end of 2013 but buyers’ interest returned in 2014 and remains strong</td>
<td>● Shale life-cycle is increasing the number of assets mature (de-risked) enough to sell</td>
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<tr>
<td>● New entrants to basins paying premiums</td>
<td>● IPO market still a strong alternative for quality issuers</td>
<td>□ New infrastructure funds</td>
</tr>
<tr>
<td></td>
<td>● Upstream companies finally considering selling/partnering - additional motivation given commodity price downturn</td>
<td>□ Foreign investors turning to US infrastructure</td>
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<tr>
<td></td>
<td></td>
<td>□ Commodity players</td>
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<tr>
<td></td>
<td></td>
<td>● JVs, private MLPs and structural investments are increasing</td>
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<tr>
<td></td>
<td></td>
<td>● Cost of capital declining with competition</td>
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<tr>
<td></td>
<td></td>
<td>● $100 - $1,000 million options are significant</td>
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<tr>
<td></td>
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<td><strong>Public Financing</strong></td>
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<tr>
<td></td>
<td></td>
<td>● IPO market is open for MLPs, dropdown stories continue to be successful with investors</td>
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<tr>
<td></td>
<td></td>
<td>□ Institutional investors driving MLP IPO success during and subsequent to pricing</td>
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<td></td>
<td></td>
<td>● Retail systems under strain, but overnight offerings still getting done</td>
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<td>● Impact of new asset classes and structures to MLP space remains unclear</td>
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</tbody>
</table>
Pipeline Infrastructure Outlook (2014 - 2035)

20-Year Pipeline Capacity Buildout Forecast by Region
Gas: Bcf/d; Crude: Mbbl/d

Western
Gas: 1

Central
Gas: 7.2
Crude: 0.7

Midwest
Gas: 3.5
Crude: 2.7

Northeast
Gas: 10.1
Crude: 0.2

Southwest
Gas: 10.2
Crude: 1.7

Southeast
Gas: 7.9

Source: ICF International.
About The Firm

Tudor, Pickering, Holt & Co., LLC is an integrated energy investment and merchant bank, providing high quality advice and services to institutional and corporate clients. Through the company’s two broker-dealer units, Tudor, Pickering, Holt & Co. Securities, Inc. (TPHCSI) and Tudor, Pickering, Holt & Co. Advisors, LLC (TPHCA), the company offers securities and investment banking services to the energy community. TPH Asset Management, LLC (TPHAM) is an SEC registered investment adviser that delivers a suite of energy investment strategies. TPH Partners Management, LLC is a relying advisor of TPHAM. Certain employees of TPHAM are also employees of TPHCSI.


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