

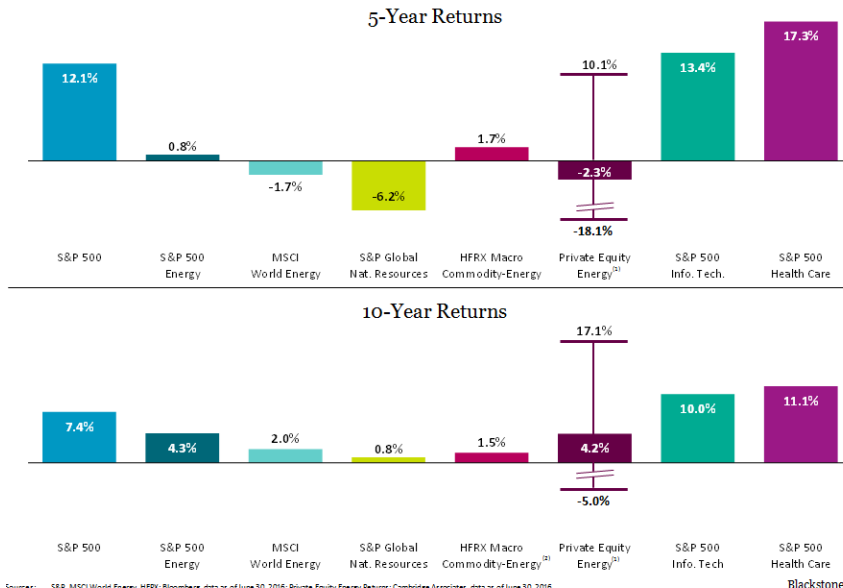
Strategies for Financial Recovery and Future Growth

Panel **David I. Foley** – Chief Executive Officer, *Blackstone Energy Partners*
Dave Pursell – Managing Director and Head of Macro Research, *Tudor, Pickering, Holt & Co*
Colin Welsh – Head of International Energy Investment Banking, *Simmons & Company International, Piper Jaffray*

Moderator **Bob Maguire** – Managing Director, *The Carlyle Group*

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Energy Sector Long Term Performance Comparison



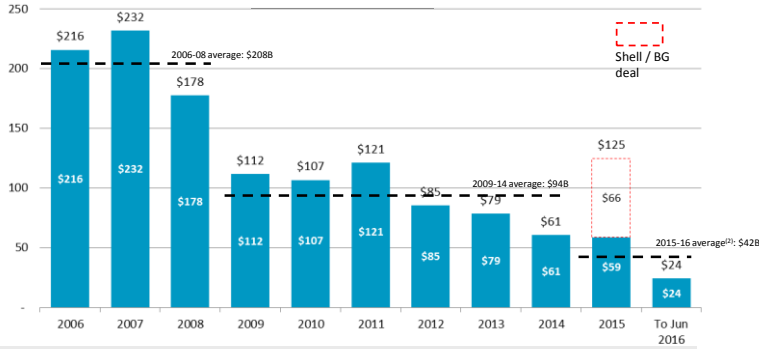
Sources: S&P, MSCI World Energy, HFRX: Bloomberg, data as of June 30, 2016; Private Equity Energy Returns: Cambridge Associates, data as of June 30, 2016.
 (1) Private Equity Energy figures represent the top quartile, median and bottom quartile.
 (2) The effective start date of the HFRX Macro Commodity-Energy Index was December 31, 2008, therefore the 10-year return represents the inception to date return.

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Total Energy M&A Volume in EMEA (Last 10 Years)

Historically active region for Energy deals, but currently at a 10-year trough in activity

Energy Sector M&A in EMEA ⁽¹⁾
(\$ in billions)



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	To Jun 2016
Total PE (\$B)	6.7	9.4	6.4	2.1	3.3	6.4	6.2	8.2	6.3	1.2	0.4
Memo: % of Market	3.1%	4.1%	3.6%	1.9%	3.1%	5.3%	7.3%	10.5%	10.3%	2.1% ⁽²⁾	1.8%
Deal Count											
>\$500MM	46	64	54	36	42	53	44	41	30	33	13
\$200-\$500	42	73	50	42	39	49	41	44	36	39	12
<\$200	36	40	50	28	38	36	34	43	25	20	12
Total Deal Count	124	177	154	106	119	138	119	128	91	92	37

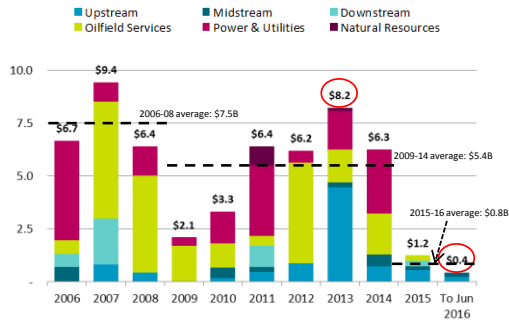
(1) Includes all deals where TEV >\$100MM; excludes former Soviet Union; (2) Excluding Shell/BG deal. Source: Preqin, Mergermarket, Dealogic, Thomson Reuters.

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PE Energy Deals in EMEA (Last 10 Years)

Sponsor deals are also at a trough vs. historical average of ~11 deals and ~\$5.5 billion per annum (~\$57 billion of deal value across ~114 deals over the past decade)

Energy Sector PE Deals in EMEA⁽¹⁾
(\$ in billions)



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	To Jun 2016	Total
PE Deal Count												
>\$500MM	4	5	2	1	2	5	3	3	3	-	-	28
\$200-\$500	3	5	4	3	5	5	6	4	5	2	2	44
<\$200	1	4	6	3	4	4	6	9	1	4	-	42
Total	8	14	12	7	11	14	15	16	9	6	-	114

(1) Only includes EMEA deals where a Sponsor (excluding Infra Funds, SWFs, or Family Offices) was on the buy-side and TEV >\$100MM; excludes former Soviet Union; (2) Excluding Shell/BG deal. Source: Preqin, Mergermarket, Dealogic, Thomson Reuters.

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