

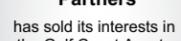
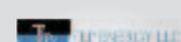
Energy Capital Solutions

Consistently creating value for our clients

For the past 12 years, Energy Capital Solutions, LLC (“ECS”) has been a leading investment banking firm focused on private capital raising and M&A advisory assignments for mid-size public and private energy companies. Allow us to show you how a deep and balanced understanding of the energy capital and M&A markets can help you obtain the best transaction outcome.

- ➔ 136 completed transactions
- ➔ \$7.2 billion in completed transaction value
- ➔ \$3.8 billion in private capital
- ➔ \$3.4 billion in M&A

SELECTED RECENT TRANSACTIONS

 Excalibur Resources equity capital has been committed by  \$200,000,000 Exclusive Placement Agent	 Le Norman Properties has obtained Senior Secured Notes from  \$250,000,000 Exclusive Placement Agent	 Dimension Energy Services equity capital has been committed by  \$200,000,000 Exclusive Placement Agent	 Wynn-Crosby Partners has sold its interests in the Gulf Coast Assets  \$861,000,000 Exclusive Financial Advisor	 Nextenergy has sold its interests in the Sand Wash Basin to  \$861,000,000 Exclusive Financial Advisor
 CONCHO has sold an interest in the Company to  \$15,000,000 Exclusive Placement Agent	 Directional Rentals has been acquired by  \$30,000,000 Exclusive Financial Advisor	 CWI has Merged 24 Limited Partnerships into its Wholly-Owned Subsidiary,  \$64,000,000 Financial Advisor	 Trend Exploration I LLC has sold its Powder River Basin Assets to  \$350,000,000 Exclusive Placement Agent	 BRANTA has sold its Uinta Basin Assets to  \$113,000,000 Financial Advisor

Exploration & Production Oilfield Services Gathering & Processing Alternative Energy & Renewable Fuels

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In the unconventional-resource era, the oil and gas industry has created an ideal environment for private-equity investment, says Russell Weinberg, founder and managing director of Energy Capital Solutions in Dallas.

Greater leasehold, drilling and completion costs—along with higher predictability and lower risk—allow private equity with an appetite for scale to deploy large capital commitments with a reasonable rate of return.

“Everything is more expensive, but less risky,” he concludes. “It is an excellent match.”

To be sure, the industry has shifted to take advantage of the opportunities of unconventional resources, and if that also means attracting huge volumes of private equity, so much the better for operators and investors. Weinberg notes that many operators need assistance in communicating their capital requirements to potential investors.

“Operators need more capital today,” he says, “and in being compelled to seek private equity, they are challenged to meet the expectations of those investors. We help management teams communicate their opportunities through detailed modeling and analysis of historical performance, demonstrating more transparent value creation.”

That discipline in turn has revealed further opportunities. “We are serving more and more private-equity firms that are making room in their portfolios to pursue conventional development,” says Scott Trulock, managing director.

“The emphasis is still very much on shale and liquids, but conventional development is still in the mix. We have seen the pendulum swing back a little from the one extreme.”

Nuances like this illustrate why management teams seeking capital like to hire intermediaries. “We understand the entire private-equity universe, not

just the name brands,” says Weinberg.

“In understanding both sides of the table, we can articulate the operator’s story in a way that is efficient and effective for the private-equity firms, and also help the management teams better understand the various funds’ investment criteria, control provisions, and goals to assist them in selecting a good partner.”

Weinberg founded ECS in 2001, and since then the firm has completed \$7.2 billion in transactions (136 deals), including \$3.8 billion of private capital raised through 92 deals.

Weinberg has more than 24 years of investment banking experience including RBC Dain Rauscher Wessels and Thomson McKinnon. He has focused most of his career in covering primarily exploration and production companies and other energy-related companies.

Before joining ECS in 2003, Trulock was with Deutsche Bank Securities in the Energy, Power, and Chemicals Group. Previously, he was a chemical engineering consultant with Berwanger Inc., where he focused on refineries, petrochemical plants and midstream processing.

ECS’ most recent closed transactions include a \$200-million private equity placement for Excalibur Resources and a series of transactions for Le Norman Properties, including a \$350-million private-equity placement with Trilantic and First Reserve Corp. It also included a \$250 million, senior secured credit facility with Carlyle Energy Mezzanine Opportunities Fund.

The way that private-equity firms and the teams they back get to build longterm relationships, including multiple portfolio

company formation and divestiture cycles with the same team, is by working toward a foundation of common objectives.

“There is a lot more to the process than obtaining term sheets and shaking hands on a deal,” says Weinberg.

“We help management teams make things easy for the private-equity side of the table by articulating the use of proceeds clearly and modeling the economic outcome with well-supported assumptions. We also work throughout the final documentation process to help teams understand potential pitfalls and



Russell Weinberg



Scott Trulock

secure the best possible terms. The more efficient the process, the better for everyone.

“Management teams who present a strong, financially supportable business case, are prepared for diligence and are ready to execute immediately, stand out to private equity,” Weinberg says.

“We help ensure client opportunities are communicated to decision-makers effectively and professionally from a business and technical perspective.”