



Preqin Industry News

Oliver Senchal takes a look at recent private equity activity focused on the oil & gas sector, including investors, fundraising and deal activity.

Buyout Deal Activity

In February 2015, [NGP Energy Capital Management](#) invested \$400mn in a newly formed [Prairie Storm Energy Corp](#), a Canada-based company engaged in acquiring, developing and exploiting oil & gas assets. The investment is thought to benefit from the volatility currently seen within the oil & gas market and increased opportunities within Western Canada.

Also during February, the formation of [Rio Oil and Gas II, LLC](#) was announced as a result of capital commitments of \$350mn by [Quantum Energy Partners](#) and the company management. Based in the US, Rio II focuses on acquiring and developing oil and gas assets in certain North American basins.

Additionally, in late January, [Velvet Energy](#), an oil and gas exploration and production company focused on the Western Canadian Sedimentary Basin, announced a \$100mn equity investment led by its existing backers [Warburg Pincus](#), [Trilantic Capital Partners](#) and ZAM Ventures.

Funds Seeking Investor Capital

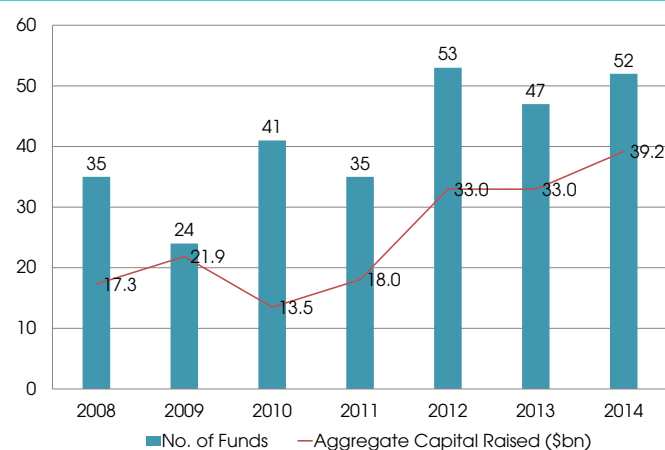
[Riverstone Global Energy and Power Fund VI](#) is the largest fund with a focus including oil & gas investments currently in market, and will also invest in energy and power opportunities globally. The natural resources fund, managed by [Riverstone Holdings](#), is targeting \$8bn and held a first close last month on \$1.5bn.

[Kerogen Energy Fund II](#) is managed by Hong Kong-based [Kerogen Capital](#). The fund follows on from the success of its predecessor, [Kerogen Energy Fund](#), and is targeting \$1.5bn. It aims to invest in international upstream oil & gas sectors outside North America through the provision of growth and expansion capital to small and mid-sized "junior" oil & gas companies. Kerogen Energy Fund II expects its portfolio to reflect a diversified exposure by hydrocarbon type, development phase and geography.

The largest solely oil & gas-focused fund currently in market is [Ridgewood Energy Oil & Gas Fund III](#). The vehicle, managed by US-based [Ridgewood Energy](#), is targeting \$1.5bn for investments in the deep-water Gulf of Mexico.

Chart of the Month

Private Equity Funds Closed that Include Oil & Gas Investments as Part of a Wider Industry Focus, 2008 - 2014



Source: Preqin Funds in Market

As the chart above shows, there were 52 private equity funds closed in 2014 that targeted investments in the oil & gas industry, either exclusively or as part of a wider industry focus. 2014 saw the largest amount of capital (\$39.2bn) raised in the seven-year period shown in the chart, surpassing the totals raised in 2013 and 2014 by \$6.2bn.

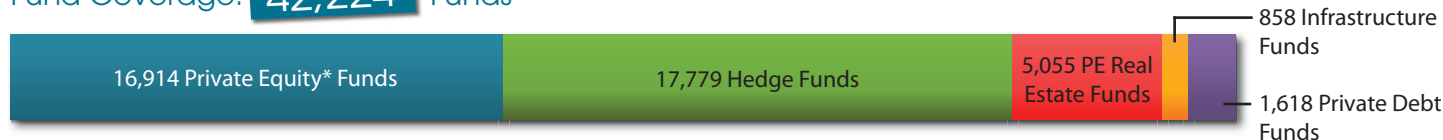
However, [EIV Capital Fund II](#) is the only fund to have held a final close in 2015 with a focus on oil & gas as part of a wider industry focus, raising \$267mn. The natural resources fund, managed by Houston-based [EIV Capital](#), focuses on midstream businesses, related services and expanded natural gas uses in the US. Only 39 vehicles have closed since 2008 that had a sole focus on oil & gas investments, raising \$18.2bn.

Do you have any news you would like to share with the readers of Spotlight? Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

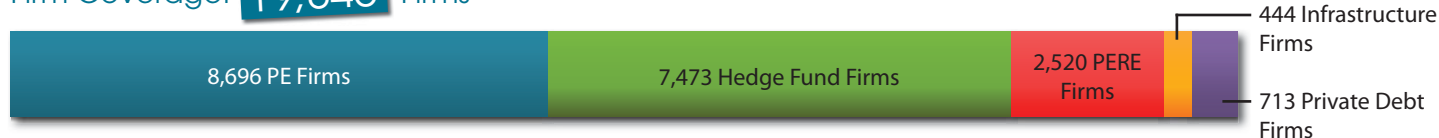
Send your updates to spotlight@peqin.com and we will endeavour to publish them in the next issue.

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Fund Coverage: **42,224** Funds



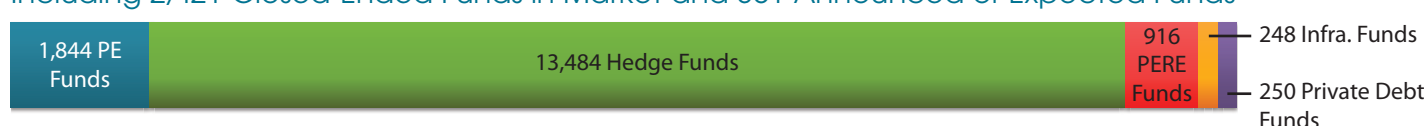
Firm Coverage: **19,846** Firms



Performance Coverage: **19,505** Funds (IRR Data for 5,958 Funds and Cash Flow Data for 2,804 Funds)



Fundraising Coverage: **16,742** Funds Open for Investment/Launching Soon
Including 2,421 Closed-Ended Funds in Market and 351 Announced or Expected Funds



Deals Coverage: **131,897** Deals Covered; All New Deals Tracked



Investor Coverage: **12,743** Institutional Investors Monitored,
Including 9,006 Verified Active**** in Alternatives and 95,039 LP Commitments to Partnerships



Alternatives Investment Consultant Coverage: **501** Consultants Tracked

Fund Terms Coverage: Analysis Based on Data for Around **9,800** Funds

Best Contacts: Carefully Selected from Our Database of over **312,249** Active Contacts

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*Private Equity includes buyout, venture capital, distressed, growth, natural resources and mezzanine funds.

**Buyout deals: Preqin tracks private equity-backed buyout deals globally, including LBOs, growth capital, public-to-private deals, and recapitalizations. Our coverage does not include private debt and mezzanine deals.

***Venture capital deals: Preqin tracks cash-for-equity investments by professional venture capital firms in companies globally across all venture capital stages, from seed to expansion phase. The deals figures provided by Preqin are based on announced venture capital rounds when the capital is committed to a company.

****Preqin contacts investors directly to ensure their alternatives programs are active. We emphasize active investors, but clients can also view profiles for investors no longer investing or with programs on hold.