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Global Energy M&A Database | Q2 2018

OIL AND GAS M&A REVIEW & OUTLOOK

HIGHLIGHTS:

- U.S. Upstream market paused at \$8.7 billion
- Top 10 deals account for 75% of 2Q18 total
- Royalties and minerals market segment increasing rapidly
- Permian activity slow as pipeline bottlenecks impact market
- Over \$50 billion of deals in play bode well for increase in 2H18
- Midstream and Downstream sectors strong in 2Q18
- Globally Energy deals tally \$165 billion

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\$8.7B compares to quarterly average of \$17.1B since 2014

U.S. Upstream Deal Value (\$billion) by Top Plays

Play	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	Total	% Total	% 2Q18
Conventional	\$1.1	\$5.7	\$1.9	\$4.2	\$2.8	\$2.8	\$18.6	19%	32%
Utica	\$0.1	\$0.0	\$0.4	\$0.1	\$0.1	\$1.5	\$2.2	2%	17%
Bakken	\$0.2	\$0.0	\$2.0	\$0.4	\$0.0	\$1.4	\$4.0	4%	16%
Eagle Ford	\$3.7	\$0.8	\$0.4	\$1.0	\$3.3	\$1.1	\$10.2	10%	12%
Delaware Unconventional	\$13.7	\$1.2	\$0.6	\$1.3	\$1.8	\$0.7	\$19.4	20%	8%
Multiple/Other	\$0.1	\$0.9	\$0.6	\$0.8	\$2.5	\$0.6	\$5.7	6%	7%
Niobrara	\$0.1	\$0.0	\$0.3	\$1.6	\$0.1	\$0.3	\$2.4	2%	3%
Haynesville	\$0.0	\$0.1	\$0.6	\$0.0	\$0.0	\$0.1	\$0.9	1%	2%
Midland Unconventional	\$4.3	\$1.1	\$0.9	\$0.1	\$10.8	\$0.1	\$17.3	18%	1%
Barnett	\$0.1	\$0.0	\$0.2	\$0.0	\$0.6	\$0.1	\$0.9	1%	1%
Marcellus	\$0.8	\$9.6	\$0.3	\$0.4	\$0.0	\$0.0	\$11.1	11%	0%
SCOOP/STACK	\$0.9	\$0.0	\$4.1	\$0.1	\$0.0	\$0.0	\$5.1	5%	0%
Total	\$25.1	\$19.5	\$12.3	\$10.1	\$22.0	\$8.7	\$97.8	100%	100%

Top 10 deals takes 75% of 2Q18 market

Top 10 U.S. Upstream Oil & Gas Transactions: 2Q18

Date	Buyers	Sellers	Value (\$MM)	Type	Play
6/29/18	Ascent Resources	Hess, CNX, Utica Minerals Dev., Undisclosed	\$1,500	Property	Utica
6/18/18	Cox Oil	Energy XXI GC	\$1,006	Corporate	GOM Conventional
6/4/18	Osprey Energy Acquisitions	Royal Resources	\$894	Royalty	Eagle Ford
4/26/18	Comstock Resources	Arkoma Drilling	\$620	Property	Bakken
6/14/18	Diversified Gas & Oil	EQT	\$575	Property	Conventional
5/24/18	Callon Petroleum	Cimarex Energy	\$570	Property	Delaware Unconventional
4/9/18	California Resources	Chevron	\$511	Property	CA Conventional
5/29/18	Kimbell Royalty	Haymaker Minerals & Royalties	\$404	Royalty	Multiple
6/25/18	Undisclosed	Oasis Petroleum	\$283	Property	Bakken
4/27/18	Stone Energy	Shell, Exxon, Anadarko	\$234	Property	GOM Conventional

Royalty markets surge to \$1.3B in 2Q18 while corporate mergers fall to just \$1.1B

U.S. Upstream Deal Value (\$billion) by Type

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	Total	% Total	% 2Q18
Property	\$11.7	\$9.7	\$6.9	\$6.2	\$11.2	\$5.9	\$51.6	53%	68%
Royalty	\$0.4	\$0.2	\$0.3	\$0.5	\$0.2	\$1.3	\$2.8	3%	15%
Corporate	\$12.2	\$8.2	\$3.8	\$3.2	\$9.6	\$1.1	\$38.1	39%	13%
JV/Farm-out	\$0.3	\$1.0	\$0.6	\$0.0	\$0.2	\$0.2	\$2.3	2%	3%
Acreage	\$0.6	\$0.4	\$0.7	\$0.3	\$0.8	\$0.2	\$2.9	3%	2%
Total	\$25.1	\$19.5	\$12.3	\$10.1	\$22.0	\$8.7	\$97.8	100%	100%

Largest and last deal of quarter (\$1.5B Utica gas deal) raise gas focused deals in 2Q18 from 13% to 28%

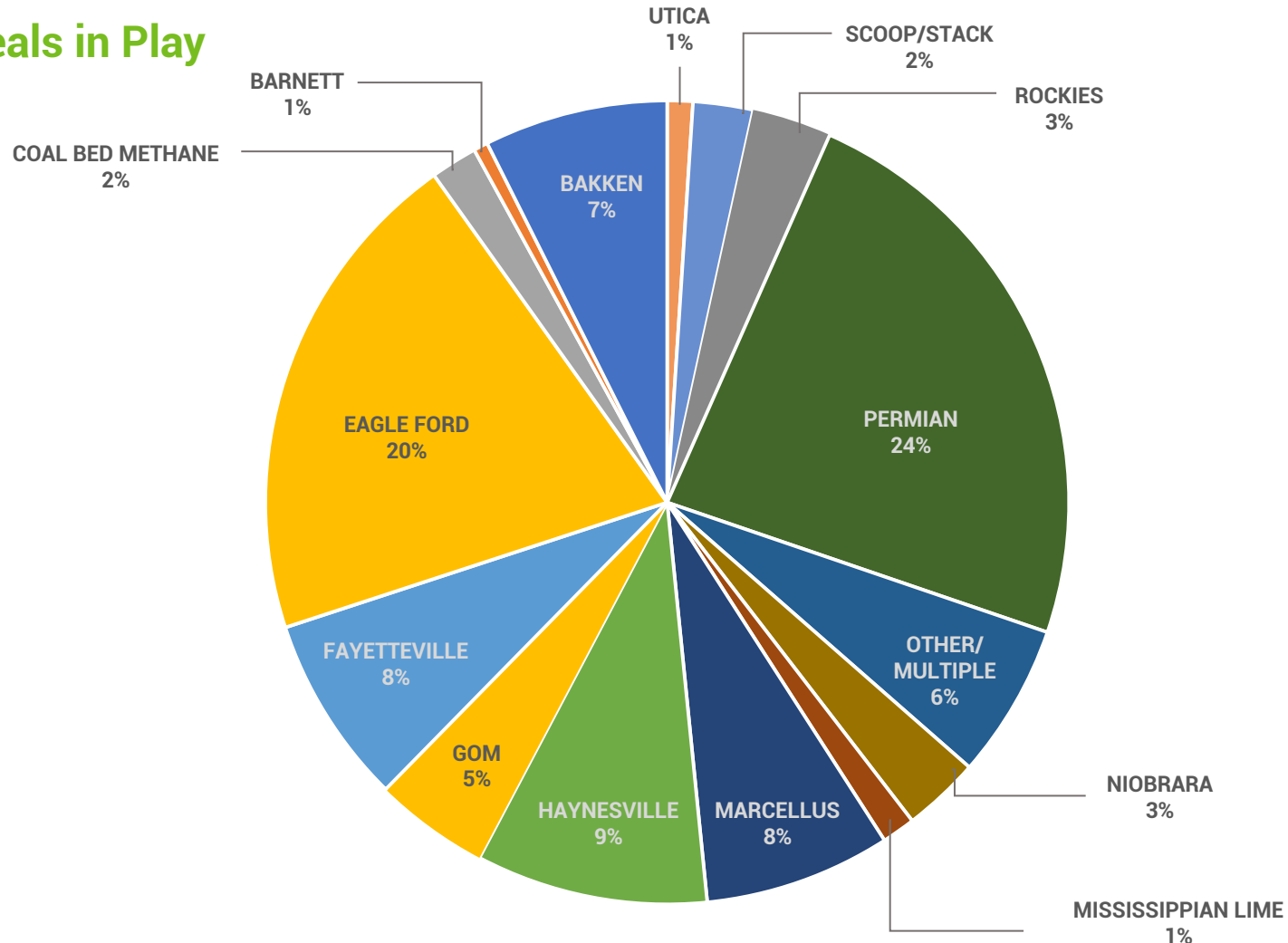
U.S. Upstream Deal Value (\$billion) and Counts by Commodity

	Q1 2017		Q2 2017		Q3 2017		Q4 2017		Q1 2018		Q2 2018	
	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count
Oil	\$20.2	53	\$3.4	31	\$4.3	33	\$7.3	40	\$16.2	32	\$4.6	30
Gas	\$1.5	10	\$13.9	17	\$2.6	20	\$1.3	8	\$1.7	13	\$2.4	9
Oil + Gas	\$3.4	27	\$2.2	30	\$5.4	27	\$1.6	24	\$4.1	38	\$1.7	26
Total	\$25.1	90	\$19.5	78	\$12.3	80	\$10.1	72	\$22.0	83	\$8.7	65
Oil	81%	59%	17%	40%	35%	41%	72%	56%	74%	39%	52%	46%
Gas	6%	11%	71%	22%	21%	25%	13%	11%	8%	16%	28%	14%
Oil + Gas	14%	30%	11%	38%	44%	34%	15%	33%	19%	46%	20%	40%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Commodity classification based on a 70% threshold of production

Currently \$53B in U.S. Oil & Gas Upstream Deals in Play, led by Permian and Eagle Ford

U.S. Deals in Play



Deals in Play estimate based on known active marketing processes.

\$165B in Global Energy M&A led by strong Midstream and Downstream sectors

Global Energy Sector Deal Value (\$billions)

Area	Sector	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	Total	% Total	% 2Q18
USA	Upstream	\$25.1	\$19.5	\$12.3	\$10.1	\$22.0	\$8.7	\$97.8	14%	5%
Canada	Upstream	\$25.0	\$1.9	\$2.9	\$2.1	\$1.5	\$6.6	\$40.0	6%	4%
International	Upstream	\$38.5	\$8.7	\$18.8	\$28.7	\$9.0	\$9.3	\$113.0	16%	6%
Global	Oilfield Service	\$9.1	\$7.8	\$10.9	\$10.6	\$4.1	\$2.5	\$45.0	6%	1%
Global	Midstream	\$26.6	\$18.1	\$7.9	\$6.7	\$12.7	\$51.2	\$123.5	17%	31%
Global	Downstream	\$7.6	\$11.7	\$3.0	\$17.9	\$12.4	\$41.5	\$94.0	13%	25%
Global	Power & Utilities (Non-Renewable)	\$16.2	\$2.8	\$50.1	\$30.4	\$38.5	\$33.7	\$171.8	24%	20%
Global	Power & Utilities (Renewable)	\$2.5	\$3.1	\$0.9	\$6.3	\$3.6	\$6.6	\$22.8	3%	4%
Global	LNG	\$0.8	\$1.0	\$1.5	\$1.6	\$0.7	\$5.2	\$10.7	1%	3%
	Total	\$151.4	\$74.7	\$108.3	\$114.6	\$104.3	\$165.2	\$718.5	100%	100%

Renewables = Solar, Wind, Geothermal, Hydro and Tidal