

GE Energy Financial Services

Oil & Gas Business Overview

April 3, 2014



imagination at work



GE Capital

GE Capital Americas

Corporate lending
Equipment lending and leasing
Healthcare financial services
Industrial loan corporation



GE Capital International

Corporate lending
Equipment lending and leasing
Healthcare financial services
Mubadala JV



GE Real Estate

Debt and equity financing
Asset and investment management



GE Commercial Aviation Services

Commercial aircraft lending and leasing
Airport facility project financing



GE Energy Financial Services

Energy equity, debt and structured solutions



GE Retail Finance

Private label credit cards
Retail sales finance
Federal savings bank



\$18B assets, 220 investments \$25B in volume since 2004

Across energy spectrum



Renewables



Power



Midstream



Oil & Gas

Across capital structure

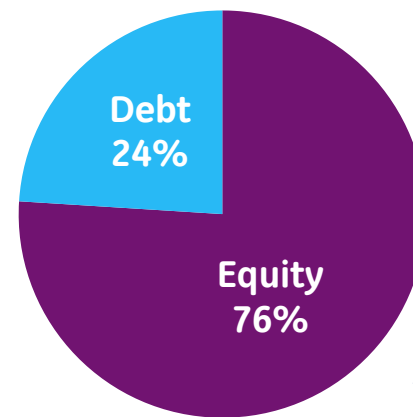
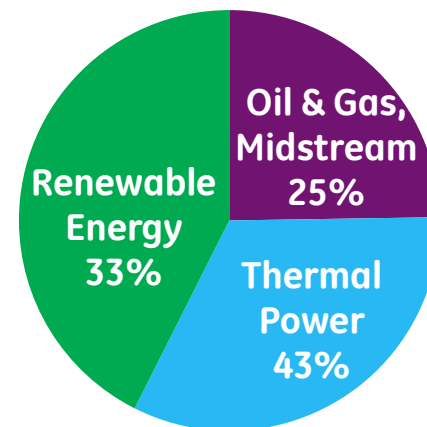


Financing & Investing

Across geographies



North America, Europe, Latin America, Australia, India



Sept 2013 exposure



imagination at work

Going strong for 30+ years ... core to GE

GE Energy Financial Services' Oil & Gas Products

Equity



Limited Partnership

- ✓ Business established in 1991
- ✓ 4 management teams in DFW area

Debt



Uni-Tranche Credit Facility

- ✓ EFS strategic growth area
- ✓ 3 Agented deals

Oil & Gas Equity

Oil & Gas Limited Partnership



- **Equity Investment with O & G Industry Partner**
 - GE is Limited Partner: 90% -95% of initial investment
 - LP contributes its share of development capital

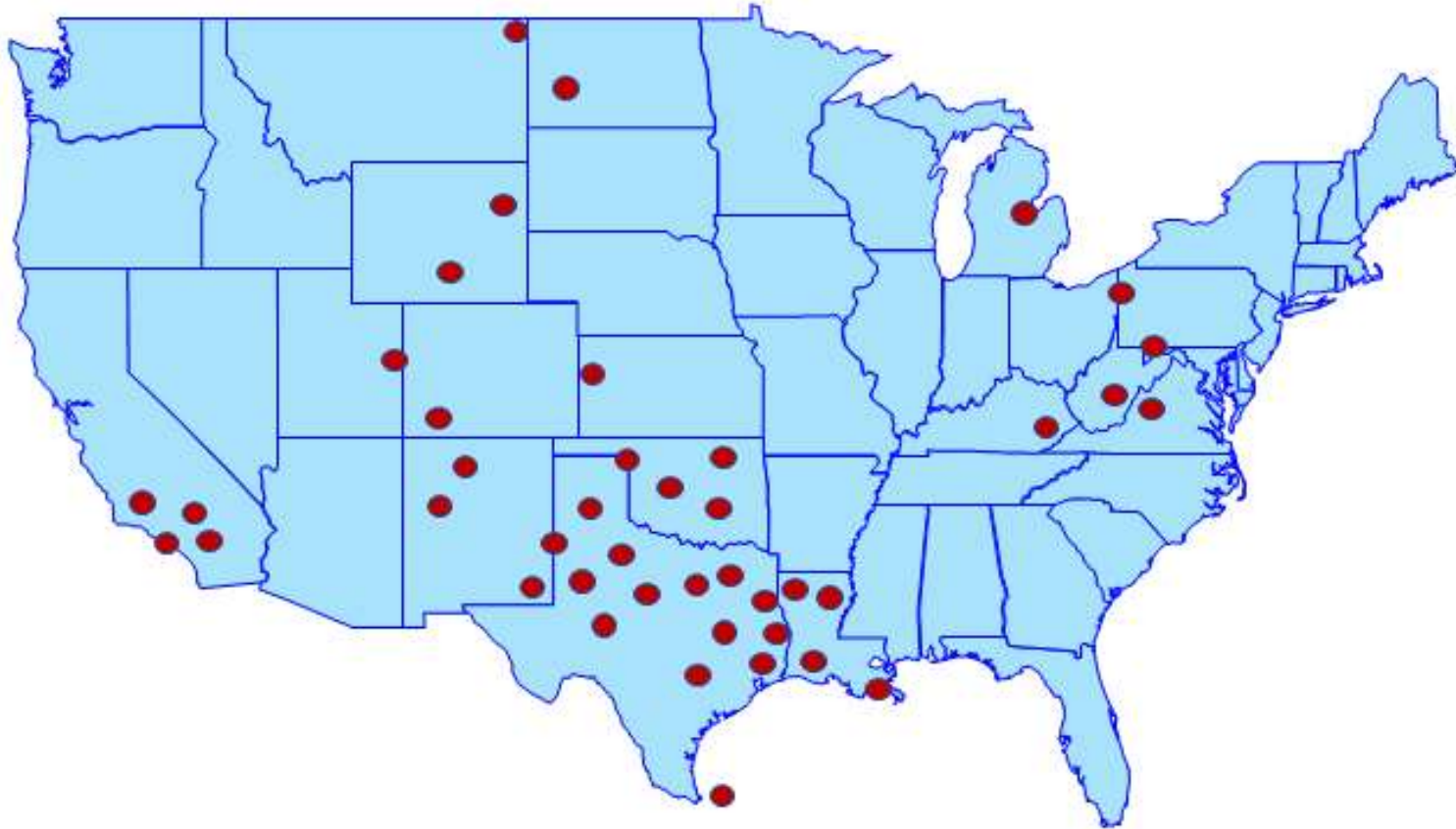
- **Flip Structure to drive alignment with GPs**
 - GP back-in after obtaining a pre tax IRR

- **GP able to explore other projects outside of P'ship AMI**

Oil & Gas Reserves



\$4.0 billion of equity invested since 1991
Partnerships producing ~ 16,000 barrels of oil equivalent a day



As of June 2013



Case Study: Vess Oil Company

GE Energy Financial Services and Vess Oil Company acquire oil and gas reserves in East Texas from EnerVest, Ltd. for \$108MM

Opportunity

- Third partnership investment with Vess
- Acquire oil and gas reserves targeting the Woodbine and prospective for Eagle Ford

Result

- Allowed for Vess to expand existing operations in Brazos County, TX
- Provides a platform for future acquisitions
- Initiated active drilling program immediately post-close





Case Study: Clayton Williams

GE Energy Financial Services invested \$215 million to monetize oil and gas reserves from Clayton Williams

Opportunity

- Third partnership with Clayton Williams
- Invest in Wolfberry oil reserves in Andrews County, TX

Result

- Partnership structure provides development capital
- Monetization proceeds allowed Clayton Williams to deploy capital to other projects



Monetization Overview



- **Sale of oil and gas reserves into a Limited Partnership**
- **An alternative to an outright sale**
 - Opportunity to recapitalize vs exit the assets
 - Provides liquidity for development capital needs
- **Sets the stage for a secondary liquidity event after asset base has been derisked**

Oil & Gas Lending

Uni-Trache Credit Facility



Product Overview

Deal Size: \$20MM and up

Max Hold: \$100MM

Advance: 75% - 80% LTV

Pricing: Utilization Grid

Advantages

- ✓ Higher advance rate vs traditional bank debt
- ✓ Accelerate drilling schedule...without equity dilution
- ✓ One stop capital provider...no inter-creditor issues
- ✓ Revolver grows along with reserves

Case Study: East Texas Producer



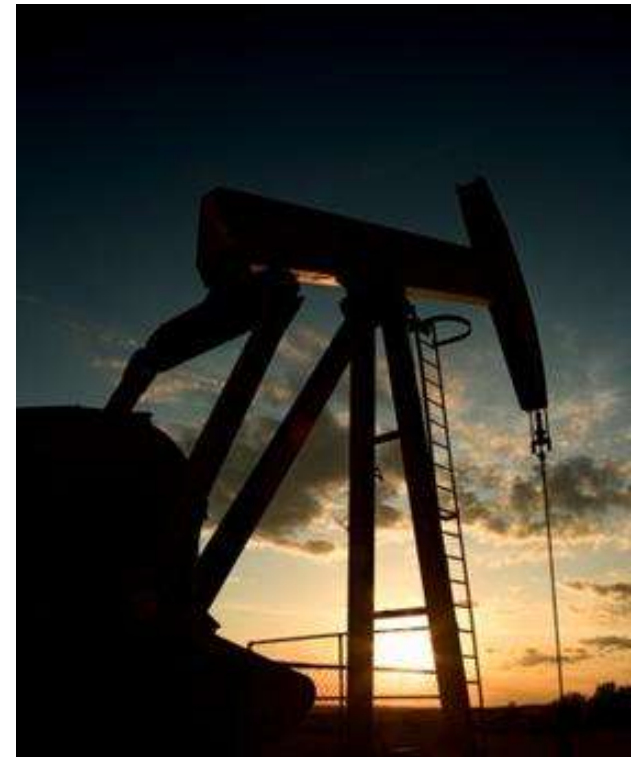
GE Energy Financial Services served as agent of \$200 million uni-tranche senior secured credit facility for East Texas oil producer

Opportunity

- \$105MM uni-tranche borrowing base with flexibility for future growth
- GE syndicated 45% of debt facility to another financial partner

Result

- Allowed client to accelerate development of acreage position in Tyler, Polk and Jasper counties



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