

EagleClaw Midstream, Blackstone Energy Partners, and I Squared Capital Announce the Formation of a Leading Delaware Basin Midstream Partnership and the Concurrent Acquisitions of Caprock Midstream and Pinnacle Midstream by EagleClaw

- *Closing of the previously-announced acquisition of Caprock Midstream reinforces EagleClaw's position as the largest pure-play, privately-held Delaware Basin midstream business with comprehensive, multi-stream service capabilities*
- *Investment by I Squared Capital, a leading global infrastructure investor, will provide capital to further accelerate EagleClaw's growth*
- *The additional concurrent acquisition of Pinnacle Midstream from I Squared Capital further augments EagleClaw's best-in-class service offering, adding high-quality dedicated acreage, customers, and complementary natural gas gathering, processing, and crude storage assets in close proximity to EagleClaw's existing system*
- *Pro forma for these investments, the EagleClaw system offers Delaware Basin producer customers unrivaled scale, reliability, and connectivity for residue gas, NGLs, and crude takeaway*

EagleClaw Midstream ("EagleClaw" or the "Company"), funds managed by Blackstone Energy Partners ("Blackstone"), and I Squared Capital announced today that the parties have executed and concurrently closed binding agreements pursuant to which I Squared Capital has committed over \$500 million of cash and contributed its Delaware Basin midstream portfolio company, Pinnacle Midstream, and become a partner in BCP Raptor Holdco, the parent company for EagleClaw. In addition, the parties announced the closing of EagleClaw's previously-announced acquisition of Caprock Midstream. Proceeds from I Squared Capital's investment, together with additional investments by Blackstone and EagleClaw's management team, are being used to fund EagleClaw's continued growth, including the expansion of EagleClaw's system, the acquisition of Caprock Midstream, and the ongoing construction of the Permian Highway Pipeline.

The investment by I Squared Capital and the acquisitions of Caprock and Pinnacle further augment EagleClaw's position as the leading privately-held midstream operator in the Permian's Delaware Basin in west Texas. Pro forma for these acquisitions, the Company operates nearly 1,000 miles of natural gas, natural gas liquids, crude, and water gathering pipelines; over 1.4 billion cubic feet per day of processing capacity (pro forma the completion of one plant currently in construction); and crude and water storage and disposal facilities. In addition, EagleClaw now has nearly half a million acres in the core of the southern Delaware Basin under long-term dedication for midstream services. EagleClaw is also a 50% partner with Kinder Morgan on the Permian Highway Pipeline, an approximately \$2 billion pipeline project designed to transport up to 2.0Bcf/d of natural gas from the Permian Basin to the Katy, Texas area, with connections to the Gulf Coast and Mexico markets. With the acquisition of Caprock Midstream and Pinnacle Midstream complete, the assets have been integrated into the EagleClaw system and now operate under the EagleClaw brand name. Today's announcement is the next step in the overall Delaware Basin midstream consolidation as EagleClaw continues to grow and diversify its business.

Prior to the acquisition, Pinnacle was an independent midstream company providing natural gas gathering and processing and crude oil gathering services to producers in the Delaware Basin. Pinnacle operates approximately 100 miles of natural gas and crude gathering pipeline, approximately 30,000 Bbls of crude storage facilities, and a 60 MMcf/d natural gas processing facility. Pinnacle's assets are located in close proximity to EagleClaw's existing assets, providing a complementary asset footprint.

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Pinnacle serves several highly active producers, who have committed approximately 35,000 acres for long-term dedication of midstream services. The acquisition of Pinnacle by EagleClaw significantly benefits Pinnacle's customers by enhancing flow assurance and reliability and providing additional flexibility for customers' natural gas, crude, and NGL takeaway. Pinnacle is now a subsidiary of EagleClaw Midstream Ventures LLC. All field personnel of Pinnacle are being offered opportunities to remain with the company.

"The acquisition of Pinnacle, coming on the heels of our recent announcements of the acquisition of Caprock and our partnership on the Permian Highway Pipeline, is another exciting chapter in the continued growth story of EagleClaw," stated Bob Milam, CEO of EagleClaw. "This transaction expands our business in every aspect, from asset footprint to customer diversity, while remaining true to EagleClaw's core mission of providing best-in-class midstream service to Delaware Basin producers."

David Foley, CEO of Blackstone Energy Partners, added, "We are very pleased with the strong operating performance of EagleClaw since the closing of our acquisition in June 2017 and its rapid growth via existing customers as well as through strategic, accretive acquisitions such as Caprock and Pinnacle. We are excited to welcome I Squared Capital to partner with us in this effort. As one of the leading global infrastructure firms, with experience in the midstream sector and substantial financial resources, I Squared Capital is an ideal partner for Blackstone and management as together we enable EagleClaw's continued evolution into a major, fully-integrated midstream player, delivering comprehensive value-added services to Delaware Basin producers."

"We are excited to partner with Blackstone to invest in essential midstream infrastructure transporting critical resources from the Permian Basin," commented Adil Rahmathulla, Partner at I Squared Capital. "We share EagleClaw management's long-term strategic vision and are committed to supporting EagleClaw's continued success and position as the largest pure-play privately-held Delaware Basin midstream business. Pinnacle Midstream's facilities complement the existing EagleClaw portfolio well and position it soundly for continued robust growth."

Jefferies LLC acted as Blackstone and EagleClaw's financial advisor in connection with the transactions. Akin Gump acted as legal counsel on the acquisition of Caprock, and Vinson & Elkins acted as legal counsel on the acquisition of Pinnacle Midstream and partnership with I Squared Capital. Goldman Sachs and Greenhill acted as financial advisors to I Squared Capital, and Sidley Austin acted as legal counsel.

About EagleClaw Midstream Ventures, LLC

Headquartered in Midland and with a core presence in Houston, EagleClaw is focused on rapid response to the midstream infrastructure requirements of Permian producers. The Company provides comprehensive gathering, transportation, compression, processing and treating services necessary to bring natural gas, natural gas liquids, and crude oil to market. EagleClaw is also partners with Targa on the Grand Prix Pipeline Project and with Kinder Morgan on the Permian Highway Pipeline Project. EagleClaw has long term dedications for almost a half million acres from a broad number of successful

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and active producers in the Delaware Basin. For more information, please visit www.eagleclawmidstream.com

About Blackstone Energy Partners

Blackstone Energy Partners is Blackstone's energy-focused private equity business, with a successful record built on our industry expertise and partnerships with exceptional management teams. Blackstone has invested or committed \$16 billion of equity globally across a broad range of sectors within the energy industry. Blackstone (NYSE: BX) is one of the world's leading investment firms. Our asset management businesses, with \$457 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com.

About I Squared Capital

I Squared Capital is an independent global infrastructure investment manager focusing on energy, utilities, telecommunications and transport in the Americas, Europe and Asia. The firm has offices in Hong Kong, Houston, London, Miami, New Delhi, New York and Singapore.

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