

FOR IMMEDIATE RELEASE

Blackstone Energy Partners to Acquire EagleClaw Midstream Ventures

MIDLAND, Texas – April 17, 2017 – [EagleClaw Midstream Ventures, LLC](#) (“EagleClaw”) and its financial sponsor, [EnCap Flatrock Midstream](#), announced today that they have entered into a binding agreement to sell the company to funds managed by [Blackstone Energy Partners](#) and [Blackstone Capital Partners](#) for approximately \$2 billion. Blackstone Energy Partners is the energy-focused private equity business of Blackstone (NYSE: BX). The all-cash transaction is expected to close by the end of July 2017 and includes approximately \$1.25 billion in stapled debt financing provided by [Jefferies LLC](#).

EagleClaw is the largest privately held midstream operator in the Permian’s Delaware Basin in West Texas. The company’s assets are strategically located in Reeves, Ward and Culberson counties and include more than 375 miles of natural gas gathering pipelines and 320 million cubic feet per day (MMcf/d) of processing capacity with an additional 400 MMcf/d under construction. EagleClaw serves many of the region’s leading oil and gas producers, which have made to the company long-term dedications of natural gas volumes from more than 220,000 acres.

EagleClaw will retain its name and operate as a Blackstone portfolio company. The leadership team and fundamentally all of the company’s employees will remain in their current roles and are investing alongside Blackstone in this transaction.

CEO Perspective

“This transaction is a very exciting moment in our advancing growth story,” said EagleClaw President and CEO Bob Milam. “I am extremely proud of our team and grateful for our outstanding, five-year relationship with EnCap Flatrock Midstream. We are very fortunate to have had such a great financial partner. EnCap Flatrock brought consistent value to our strategic planning process. They helped us navigate the opportunities and challenges of our early years with growth capital, technical expertise, decades of commercial experience and valuable contacts.

“As we begin a new chapter, we will continue to deliver the same outstanding level of service our customers expect while we work with Blackstone to deploy additional capital and to expand our footprint in the Delaware Basin. Blackstone has a deep understanding of the compelling fundamentals of the upstream and midstream economics in the Permian, an outstanding reputation as an investor in the energy sector and the scale to take EagleClaw to the next level. We are proud to have their support and look forward to a long and successful relationship.”

From EnCap Flatrock Midstream

“We are pleased to join EagleClaw in announcing this realization,” said EnCap Flatrock Midstream Managing Partner and Founder Bill Waldrip. “Bob Milam and his team are to be commended for developing a world-class physical and contractual platform in the most active basin in the country. The sale to Blackstone will produce strong returns for our institutional investors and rewards the EagleClaw team for many years of very hard work. We also appreciate Blackstone’s interest and diligence in working with us to reach an agreement that is beneficial for everyone at the table. We are confident that

Blackstone is the right partner to take EagleClaw to the next level and look forward to watching its story evolve.”

From Blackstone Energy Partners

“Our extensive experience over the past two decades as an investor across all segments of the energy sector, access to capital on a very large scale and firsthand knowledge of the Permian as an owner of oil and gas producers in this region make Blackstone uniquely well qualified to acquire EagleClaw and to build upon the solid foundation started with the investment of Bill Waldrip and the folks at EnCap Flatrock Midstream,” said David Foley, Senior Managing Director of Blackstone and CEO of Blackstone Energy Partners. “Bob Milam and his team have established excellent relationships with the leading Permian-focused oil and gas companies. We are pleased to partner with management to ensure EagleClaw is well positioned to continue to serve the rapidly growing future needs of its expanding customer base, creating additional jobs for American workers and providing significant benefits to the economy.”

Advisers

Jefferies LLC acted as EagleClaw’s exclusive financial adviser in connection with the transaction and was the sole provider of the committed debt financing. The Jefferies team was led by Co-Head of Energy Investment Banking Peter Bowden. Blackstone was advised by Trevor Heinzinger of Morgan Stanley & Co. LLC and Skip McGee of Intrepid Partners LLC.

Frost Brown Todd LLC served as legal counsel to EagleClaw with partner Edward W. Moore, Jr. in the lead role from the firm’s Dallas office. Thompson & Knight LLP represented EnCap Flatrock Midstream, with partner Sarah E. McLean in the lead role from the firm’s Houston office. Blackstone was represented by Vinson & Elkins LLP, whose team was led by partner Keith Fullenweider.

About EagleClaw Midstream, LLC

Headquartered in Midland, Texas, EagleClaw Midstream is a midstream company focused on developing infrastructure opportunities in the Permian Basin. EagleClaw provides natural gas producers with a wide array of midstream services including gathering, compression, treating, processing and transportation. EagleClaw is led by President and CEO Bob Milam, Executive Vice President and COO Curtis Clark, and Executive Vice President and CCO Blake Bixler. Visit www.eagleclawmidstream.com for more information.

About EnCap Flatrock Midstream

EnCap Flatrock Midstream provides value-added growth capital to proven management teams focused on midstream infrastructure opportunities across North America. The firm was formed in 2008 by a partnership between [EnCap Investments L.P.](#) and Flatrock Energy Advisors. Based in San Antonio with offices in Oklahoma City and Houston, EnCap Flatrock is led by Managing Partners and Founders William D. Waldrip, Dennis F. Jaggi and William R. Lemmons, Jr., Managing Partners Gregory C. King and David J. Kurtz, and Partner Dennis McCanless. The firm manages investment commitments of nearly \$6 billion from a broad group of prestigious institutional investors. We are currently making commitments to new management teams from EFM Fund III, a \$3 billion fund. For more information please visit www.efmidstream.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 over \$12 billion of private equity globally across a broad range of sectors within the energy industry.

Blackstone is one of the world's leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies in which we invest, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with over \$360 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. Follow Blackstone on Twitter @Blackstone.

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