

Sierra Oil & Gas Announces Commitment of US\$525 million

Mexico City, Mexico (September 18, 2014). Sierra Oil & Gas S. de R.L. de C.V. (“Sierra”), Mexico’s first independent exploration and production (“E&P”) company, today announces that it has secured equity commitments of US\$525 million.

Sierra, headquartered in Mexico City, is led by Ivan Sandrea, a highly experienced E&P executive with an extensive track record of leadership in energy organizations including Statoil, BP, OPEC and Energy Intelligence. Mr Sandrea has assembled a team of distinguished professionals from the Mexican and international oil & gas sector, representing over 350 years of experience with direct applicability to Mexico’s opportunity set.

The company plans to participate in exploration, development and production optimization opportunities made possible by Mexico’s recent energy reform. Additionally Sierra may consider opportunities in hydrocarbon transportation, storage and processing.

Under the terms of the transaction, energy-focused private equity firms Riverstone Holdings LLC (“Riverstone”) and EnCap Investments (“EnCap”) have each committed US\$225 million in funding and Infraestructura Institucional (“I²”), Mexico’s largest infrastructure private equity firm has committed US\$75 million. Additionally, all three investors retain the option to double their existing commitment once the initial equity has been deployed.

Sierra’s CEO, Ivan Sandrea said: *“The opening of Mexico’s energy sector represents a transformational opportunity for the country. Mexico has a world class petroleum system, a significant oil and gas industrial base, a new and modern oil and gas framework, professional institutions, professional human capital and is one of the most progressive economies in the world. At Sierra we have been preparing for this opportunity for several years, having assembled a unique team with outstanding commercial, technical and operational experience as well as the financial backing and expertise of some of the world’s top energy investors and of Mexico’s leading infrastructure fund. We are proud to be Mexico’s first independent oil and gas company”.*

Jim Hackett, partner at Riverstone, commented: *“We are delighted to partner with Sierra’s outstanding management team for what is our first investment in Mexico. We have been very impressed with the progress of the energy reform and look forward to contributing to the growth of a vibrant, private energy sector in the country, as we have done in the US, Canada and elsewhere.”*

Jason DeLorenzo, partner at EnCap, added: *“Our equity commitment to Sierra reflects the confidence that we have in Ivan and his team, as well as our belief in the potential for significant growth in Mexico’s oil & gas sector.”*

Juan Alberto Léautaud, partner at I², added: *“For us in I², the investment in Sierra represents an important opportunity for Mexico’s institutional capital, particularly the pension funds (Afores) that invest in our Development Capital Certificates (CKDs), to help finance the development of the nascent Mexican private energy sector by participating in the E&P projects unlocked by the energy reform. We are delighted to partner with such a strong management team and distinguished fellow investors in fully realising these opportunities.”*

For additional information about Sierra Oil & Gas, please contact Mariana Martinez (info@sierraoil.mx)

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About Riverstone

Riverstone is an energy and power-focused private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre, Jr. with approximately US\$27 billion of equity capital raised. Riverstone conducts buyout and growth capital investments in the exploration & production, midstream, oilfield services, power and renewable sectors of the energy industry. With offices in New York, London, Houston and Mexico City, the firm has committed approximately US\$26 billion to 111 investments in North America, Latin America, Europe, Africa and Asia.

About EnCap

Since 1988, EnCap Investments has been a leading provider of private equity to the independent sector of the U.S. oil & gas industry. The firm has raised 18 institutional oil and gas investment funds totaling approximately US\$21 billion and currently manages capital on behalf of more than 250 U.S. and international investors. EnCap professionals represent more than 250 years of experience in the energy finance and investment business. EnCap has a proven track record, having successfully invested with approximately 200 upstream and midstream oil & gas companies.

About Infraestructura Institucional

Infraestructura Institucional (I²) is a Mexican private equity firm founded in 2010, focused on infrastructure projects. It has raised over US\$1 billion of equity through two funds (CKDs listed in the Mexican Bolsa) with an investor base mainly composed of Mexican pension funds (Afores) and other institutional investors. I² currently manages over US\$1.7 billion in AUM in the energy, social infrastructure and transportation sectors.