



Tall City Exploration II Receives \$300 Million Equity Commitment from Denham Capital

Successful Midland-based team to pursue new opportunities across Permian Basin following \$1.2 billion of asset sales during 2014 and 2015

MIDLAND, Texas – (May 24, 2016) – Tall City Exploration II LLC (Tall City II) announced today that it has closed on a \$300 million equity commitment from leading energy and resources-focused global private equity firm Denham Capital. The investment follows the sale of exploration and production assets by Tall City Exploration LLC, also a Denham backed company, for more than \$1.2 billion between November 2014 and November 2015.

Tall City II will be led by President and Chief Executive Officer Michael Oestmann. Joining him on the company's executive management team are key members of Tall City's previous iteration, including: Vice President and Chief Financial Officer Michael Marziani; Vice President of Land and General Counsel Angela Staples-Guerrero; Vice President of Drilling Dennis Kruse; and Vice President of Operations and Engineering Gary Womack. In addition, the team is welcoming Vice President of Exploration and Geosciences Chris Cuyler.

"Coming on the heels of last year's success in a down market we know that there will be very high expectations," said Oestmann. "However, we are extremely confident in our strategy and our team, and feel that this group's on-the-ground experience and local relationships in the Permian will result in the creation of another successful E&P operation."

The new company will have a broader remit than its predecessor, which focused on the Permian's Midland Basin, and will look to pursue the acquisition, exploration and development of oil and gas assets throughout the entire Permian Basin.

"Denham is proud to again collaborate with Mike and his team on Tall City II," said Jordan Marye, Partner at Denham Capital. "They have a proven track record of succeeding in today's challenging market. We look forward to another successful and mutually beneficial partnership."

###

About Tall City II

Tall City Exploration II LLC is a Denham Capital-backed exploration and production oil and gas company headquartered in Midland, Texas. The company's primary activities include the pursuit of acquisitions and the exploration and development of upstream oil and gas assets in the Permian Basin. For more information, please visit www.tallcityexploration.com.

About Denham Capital

Denham Capital is a leading energy and resources-focused global private equity firm with more than \$8.4 billion of invested and committed capital across eight fund vehicles and offices in Houston, London, Boston and Perth. The firm makes direct investments in the energy and resources sectors, including

businesses involving oil and gas, power generation and mining, across the globe and all stages of the corporate lifecycle. Denham's investment professionals apply deep operational and industry experience and work in partnership with management teams to achieve long-term investment objectives. For more information about Denham Capital, visit www.denhamcapital.com.

Contacts:

Tall City/Denham Capital
Krystal Patout
Pierpont Communications
(713) 627-2223
kpatout@piercom.com