



Tall City Exploration Announces Closing of \$803 Million Purchase and Sale Agreement with Moss Creek Resources

Sale of rights to approximately 71,000 leased acres and interest in 40 producing wells in the Midland Basin brings cumulative sales proceeds for Tall City to more than \$1.2 billion, when combined with proceeds from prior transaction completed in 2014

MIDLAND, Texas – (November 30, 2015) – Tall City Exploration LLC (“Tall City”) announced today that it has closed an agreement with Moss Creek Resources, LLC (“Moss Creek”) to sell substantially all of its exploration and production (“E&P”) assets for \$803 million (subject to typical closing adjustments). Tall City’s E&P assets are comprised of the oil and gas rights to leases on approximately 71,000 acres in Howard and Borden Counties, Texas and interest in 34 horizontal and six vertical wells which produce approximately 3,750 barrels of oil equivalent per day (boepd).

“When we formed Tall City Exploration in 2012, we believed in the opportunity the Permian Basin had to offer our team and investors,” said Tall City Chief Executive Officer Mike Oestmann. “We’re pleased to have successfully executed our strategy to the benefit of all parties involved. We anticipate that, through this transaction, our active drilling program will be maintained despite the market’s recent downturn and that it will continue providing jobs, tax and royalty income to the local, state and national economy.”

Curtis Newstrom, President and Chief Executive Officer of Moss Creek Resources, remarked, “I am extremely pleased with this transaction as it places Moss Creek in what we believe to be highly prolific acreage in the core of the Northern Midland Basin.”

Tall City was formed in 2012 with a \$300 million equity commitment from Denham Capital, a leading energy and resources-focused global private equity firm.

“Our team’s on-the-ground experience and local relationships within the Permian helped us build and realize an unconventional opportunity set we believed was only beginning to be exploited when we started this company,” added Tall City President Joseph Magoto.

In addition to the transaction with Moss Creek, in November 2014, Tall City sold approximately 15,000 acres and 1,400 boepd of current production in Reagan and Crockett Counties, Texas to American Energy – Permian Basin, LLC for approximately \$440 million. The two transactions bring cumulative sales proceeds for Tall City to more than \$1.2 billion.

“Denham has greatly enjoyed the collaborative partnership we’ve had with Tall City these past three years,” said Jordan Marye, Partner of Denham Capital. “Mike, Joe and their team have created a highly capable and successful organization, a remarkable feat in today’s competitive marketplace. We are excited to continue our relationship with Tall City and build on the Company’s considerable success.”

RBC Richardson Barr acted as the exclusive financial advisor to Tall City for this transaction and Bracewell & Giuliani acted as legal counsel.

###

About Tall City

Tall City Exploration LLC is a Denham Capital-backed exploration and production oil and gas company headquartered in Midland, Texas with an additional office in Houston. 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 of West Texas.

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, São Paulo 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.

About Moss Creek Resources

Moss Creek Resources, LLC was a recently formed entity by Blue Whale Energy North America Corporation for the purposes of this transaction. Blue Whale is a US subsidiary of Blue Whale Energy Limited, an energy investment company based in Beijing, China. Blue Whale is engaged in the acquisition of upstream oil and gas properties in the United States and Canada. For more information about Moss Creek Resources or Blue Whale, visit www.bluewhalena.com.

Contacts:

Denham Capital/Tall City

Krystal Hewitt

Pierpont Communications

(713) 627-2223

khewitt@piercom.com

Moss Creek Resources, LLC

Douglas Rook

Vice President, Land and Business Development

(832) 333-1922

drook@bluewhalena.com