



**FOR IMMEDIATE RELEASE**

**TERRA ENERGY PARTNERS LLC AGREES TO ACQUIRE PICEANCE BASIN ASSETS  
FROM WPX ENERGY**

**COMPANY RECEIVES FURTHER EQUITY COMMITMENT FROM  
KAYNE PRIVATE ENERGY INCOME FUND AND NEW INVESTOR WARBURG PINCUS**

HOUSTON, TEXAS – February 9, 2016 – Terra Energy Partners LLC (“Terra” or the “Company”), an independent oil and natural gas company headquartered in Houston, Texas, announced today that the Company has agreed to acquire WPX Energy Rocky Mountain, LLC from WPX Energy, Inc. (NYSE: WPX) (“WPX”) for \$910 million in cash. In addition, Terra will receive natural gas hedges with a current in-the-money value of more than \$90 million that will be used to support cash flow in 2016 and 2017. In exchange for these hedges, Terra has agreed to assume approximately \$100 million of WPX’s future firm transportation obligations extending to 2022. The parties expect to close the transaction in the second quarter.

The acquired assets consist of an approximate 200,000 net acre position in the Piceance Basin of Colorado boasting recent net production of approximately 500 million cubic feet equivalent per day. Terra estimates that the assets contain approximately 2 trillion cubic feet equivalent of proved developed producing (“PDP”) reserves and an extensive inventory of low-risk drilling locations. The assets also include deep rights across approximately 150,000 net acres prospective for the emerging horizontal Mancos-Niobrara play.

As part of this transaction, Terra has secured an increased equity commitment from existing investor Kayne Private Energy Income Fund, L.P. (“Kayne”) along with an equity commitment from affiliates of new investor Warburg Pincus LLC (“Warburg Pincus”). Terra’s aggregate equity commitment now totals \$800 million, with Kayne and Warburg Pincus as equal partners.

“We are excited to announce our first acquisition since forming Terra last summer. The Piceance Basin is an area that we know well and one that we believe offers considerable upside potential through focused management,” commented Michael S. Land, Chief Executive Officer of Terra. “We are looking forward to working with our equity sponsors Kayne and Warburg Pincus to create value in the years to come.”

J.P. Morgan Securities LLC, along with BMO Capital Markets and Wells Fargo, provided an underwritten commitment for debt financing as part of the acquisition. In addition, BMO Capital Markets acted as M&A Advisor to Terra. DLA Piper LLP (US) and Kirkland & Ellis LLP



served as legal advisors to Terra and Latham & Watkins LLP served as legal advisor to Warburg Pincus. Mobius Risk Group served as marketing and derivatives advisor to Terra.

#### ABOUT TERRA ENERGY PARTNERS

Founded in 2015, Terra Energy Partners is a privately held oil and natural gas exploration and production company based in Houston, Texas. Terra is focused on the acquisition and development of large, long-lived producing oil and gas assets in North America. The Terra management team is led by Michael S. Land, the former President of the Permian and Mid-Continent Business Units at Occidental Petroleum Corp. (“Oxy”). Michael has assembled a deep management team with experience across multiple basins in North America, including the Piceance. Terra is a portfolio company of Kayne Anderson and Warburg Pincus and is backed by an \$800 million equity commitment to pursue its strategy.

For more information, please visit [www.terraep.com](http://www.terraep.com).

#### ABOUT KAYNE ANDERSON CAPITAL ADVISORS

Kayne Anderson Capital Advisors, L.P., (“KACALP”) founded in 1984, is a leading independent alternative investment management firm focused on niche investing in upstream oil and gas companies, energy infrastructure, specialized real estate, middle market credit, growth private equity and distressed municipal opportunities. KACALP’s investment philosophy is to pursue niches, with an emphasis on cash flow, where its knowledge and sourcing advantages enable it to deliver above average, risk-adjusted investment returns. KACALP manages over \$20 billion in assets (as of 12/31/2015) for institutional investors, family offices, high net worth and retail clients and employs over 300 professionals in eight offices across the United States.

The firm is headquartered in Los Angeles with offices in Houston, New York City, Chicago, Denver, Dallas, Atlanta and Boca Raton. For more information, please visit [www.kaynecapital.com](http://www.kaynecapital.com).

The Kayne Private Energy Income Fund is part of KACALP’s successful energy private equity practice that has raised over \$4.5 billion since 1998. The Fund was formed to take advantage of the market opportunity to acquire and develop large, long-life producing oil and gas assets in North America.

#### ABOUT WARBURG PINCUS

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than \$40 billion in assets under management. The firm’s active portfolio of more



than 120 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 15 private equity funds, including a \$4 billion energy fund that closed in October 2014, which have invested more than \$50 billion in over 720 companies in more than 35 countries.

For nearly three decades, Warburg Pincus has invested or committed over \$10 billion across more than 50 energy investments around the world involved in oil and gas exploration and production, midstream, power generation, oilfield technology and related-services, mining and alternative energy development. Notable investments include Antero Resources (NYSE: AR), Bill Barrett Corporation (NYSE: BBG), Broad Oak Energy, Encore Acquisition Company, Kosmos Energy (NYSE: KOS), Laredo Petroleum (NYSE: LPI), MEG Energy (TSX: MEG), Newfield Exploration (NYSE: NFX), Spinnaker Exploration and Targa Resources (NYSE: TRGP, NGLS).

The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo and Shanghai. For more information please visit [www.warburgpincus.com](http://www.warburgpincus.com).

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