

## DELTA HOUSE PROJECT APPROVED; ARCLIGHT TO PROVIDE FINANCING

12/13/2012

Covington, LA: December 13, 2012 - LLOG Exploration Company, L.L.C. ("LLOG"), along with its Gulf of Mexico joint venture partner, Blackstone Energy Partners, and its co-owners, Ridgewood Energy, ILX, Red Willow Offshore, LLC, Calypso Exploration, LLC, Deep Gulf Energy II, LLC, and Houston Energy have approved the Delta House Project (the "Project"). The Project will include a floating production system ("Delta House FPS" or the "FPS"), an oil export line, a gas export line and a number of subsea systems (collectively "the Facilities").

The Delta House FPS will be located in Mississippi Canyon 254 and is designed to accommodate production from a number of nearby fields, including LLOG's previously announced discoveries in Mississippi Canyon 300 and Mississippi Canyon 431. The oil and gas export lines will connect the FPS to existing downstream pipeline infrastructure. The FPS will have capacity of 80 MBOPD, 200 MMCFD, and 40 MBWPD and space for 20 risers, which will allow production from up to nine simultaneously producing fields with dual flowlines. The FPS will have peaking capability up to 100 MBOPD and 240 MMCFD. The Facilities are expected to process and transport production from six initial wells when they begin commercial operation in 2015. Total capital required for the Project is over \$2B.

The Delta House FPS will use the OPTI-11000® semi-submersible hull design developed by Exmar Offshore Company. Audubon Engineering will perform the design and procurement of the topsides equipment. The hull will be built at Hyundai Heavy Industry's yard in Ulsan, South Korea and transported by one of Dockwise Ltd.'s T-Class heavy lift transport vessels to Kiewit Offshore Services yard in Ingleside, Texas. Kiewit Offshore Services will be responsible for fabrication of the topsides (including the deck) and integration of the topsides to the hull. InterMoor will be responsible for mooring and installation of the FPS at Mississippi Canyon 254 in a water depth of approximately 4500 feet. The FPS is designed to withstand wind and waves from a 1000-year storm.

LLOG recently executed a similar project involving a FPS at its Who Dat Field. The Who Dat project went from concept selection to installation in less than one year and has been a tremendous success for LLOG. The Who Dat Field came on production in 2011 and its production continues to increase as additional wells are being drilled and completed.

Affiliates of ArcLight Capital Partners, LLC ("ArcLight") are providing construction financing for and will have a majority ownership interest in the entities that own the FPS and the oil and gas export lines (the "Infrastructure Entities"). The Infrastructure Entities will collect fees from the LLOG discoveries and from potential third party tiebacks.

"This is an important project for LLOG as we take our company to the next level," said Scott Gutterman, President and CEO. Gutterman added, "We are excited about having an experienced energy infrastructure investor like ArcLight as our partner. With ArcLight providing the capital for the FPS and export lines, LLOG will be able to focus its capital on drilling wells, which is where we can add the most value for our company".

Daniel Revers, ArcLight Managing Partner, commented, "LLOG has long and successful track record. The deepwater Gulf of Mexico is an attractive and growing domestic production basin and we are pleased to be partnering with one of the premier operators on this critical piece of infrastructure. We believe that the independent ownership of infrastructure in the deepwater is a win-win model for producers and infrastructure owners that will facilitate the continued development and growth of this prolific supply basin."

Angelo Acconcia, the Managing Director who leads Blackstone Energy Partners' global oil and gas investing practice, commented, "The official project sanction and full financing of the multi-billion dollar Delta House Project marks another milestone for LLOG and its partners and is a great example of the Company's ability to execute large, complex offshore development and infrastructure projects."

LLOG Exploration Company L.L.C. is a privately operated and owned oil and gas firm with corporate headquarters in Covington, Louisiana and offices in Lafayette, Louisiana and Houston, Texas. LLOG is the largest privately owned oil and gas company operating in the Gulf of Mexico. Company's website: [www.llog.com](http://www.llog.com)

ArcLight is an energy-focused private equity investment firm, having invested over \$10 billion since its inception over a decade ago. Since its establishment in 2001, the Firm has raised five funds with cumulative capital commitments totaling \$10.1 billion. ArcLight has successfully sourced, managed and realized investments through multiple energy industry cycles. The Firm's investment team has extensive energy expertise, investing experience, industry

relationships, and specialized asset level value creation capabilities. ArcLight is headquartered in Boston, Massachusetts with offices in New York and Luxembourg. More information about ArcLight can be found at <http://www.arclightcapital.com> or by contacting ArcLight at [info@arclightcapital.com](mailto:info@arclightcapital.com)

Blackstone is one of the largest alternative asset managers in the world, with more than \$205 billion in assets under management and is a leading global private equity firm and energy private equity franchise. Since its inception in 1985, Blackstone has invested over \$42 billion of equity in 172 transactions across the globe. Over the last decade, Blackstone has built a leading energy sector private equity investing franchise with an extensive, successful track record of investing in partnership with exceptional management teams seeking to capitalize on their growth opportunities and realize the full potential of their assets. Blackstone is currently investing out of Blackstone Capital Partners VI (“BCP VI”), a \$16.7 billion diversified general purpose private equity fund and Blackstone Energy Partners (“BEP”), a \$2.5 billion energy-focused private equity fund. Blackstone’s private equity investments in the energy sector are funded jointly by BEP and BCP VI, which together represent over \$5 billion of equity capital allocated to energy. Further information is available at [www.blackstone.com](http://www.blackstone.com).