



## PRESS RELEASE

### **ArcLight to Sell Element Petroleum II's Remaining Permian Basin Assets**

BOSTON, MA (September 7, 2016) – ArcLight Capital Partners, LLC, one of the leading energy-focused private equity firms, announced today its affiliated portfolio company, Element Petroleum II, has agreed to sell its remaining oil and gas assets in the Permian Basin to a subsidiary of Callon Petroleum Company (NYSE: CPE). This follows Element II's sale of adjacent assets to affiliates of Blue Whale Energy in 2015 and to Diamondback Energy (NASDAQ: FANG) in 2013.

ArcLight partnered with the Element Petroleum management team to form Element II in 2011. Element II was ArcLight's second partnership with the Element team, which is led by Todd Gibson, its Chief Executive Officer. ArcLight recently made its third investment with Element in its most recent fund, committing \$186 million to Element Petroleum III in September 2015 to acquire and develop additional oil and associated rich gas properties in the Permian Basin.

Over the past five years, Element II drilled 76 wells across a land position of 21,500 net acres in the Permian Basin, including the first successful horizontal Wolfcamp well in Howard County, Texas in May 2013.

"We could not be happier with Element II's success," said Dan Revers, ArcLight's Co-Founder and Managing Partner. "The Element team has been a tremendous partner and we congratulate them on this terrific outcome. We look forward to working with them on Element III."

Mr. Revers added, "While ArcLight is best known for power and midstream, our portfolio of select upstream assets has been an important contributor of our fund performance, providing key insights and portfolio diversification."

"We continue to see many opportunities in the Permian Basin and are excited to continue to have ArcLight's partnership and support in Element III," said Mr. Gibson.

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## **About ArcLight Capital Partners**

ArcLight is one of the leading private equity firms focused on energy infrastructure investments. Founded in 2001, we helped pioneer an asset-based private equity approach to investing in the dynamic energy sector. We have invested approximately \$16.8 billion in 99 transactions since inception, generating strong realized returns for our limited partners from 62 exits across diverse market cycles. Based in Boston, our 29-person investment team targets midstream, power and production opportunities with substantial growth potential, significant current income and meaningful downside protection, typically on a proprietary basis. We employ a hands-on value creation strategy that utilizes our in-house technical, operational and commercial specialists as well as our 400-person asset management affiliate. More information about ArcLight, and a complete list of ArcLight's portfolio companies, can be found at [www.arclightcapital.com](http://www.arclightcapital.com).

## **About Element Petroleum**

Element is an exploration, development, and production company based in Midland, Texas. We were an early entrant into the shale oil plays of the Permian Basin. Management dedicated its efforts to find and develop acreage prospective for vertical Wolfberry exploitation and, more recently, horizontal exploration and development of the Wolfcamp and Spraberry shales. To date, management has drilled approximately 400 wells across 120,000 acres in the Permian Basin, including the first successful horizontal Wolfcamp well in Howard County, Texas, in May 2013. As of September 2016, Element has successfully drilled and completed an additional 37 horizontal wells. Element III was formed in 2015 to find, develop, and acquire oil and gas reserves and production, primarily in the Permian Basin.

## **Contacts**

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