

BP Energy Partners to sell Pinnacle Midstream gathering and processing system in the Delaware Basin of West Texas to I Squared Capital

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DALLAS & NEW YORK--([BUSINESS WIRE](#))--BP Energy Partners, LLC ("BPEP") and I Squared Capital are pleased to announce they have entered into a definitive agreement by which BPEP will sell Pinnacle Midstream, LLC ("Pinnacle"), a portfolio company of BPEP, to I Squared Capital through its ISQ Global Infrastructure Fund II. Pinnacle is a strategically located provider of crude and natural gas gathering, natural gas processing and related midstream solutions in the Delaware portion of the Permian Basin of West Texas. The newly built infrastructure serves multiple producers in an area with some of the highest rig activity in the United States. Pinnacle's current management team will continue to run the company as it pursues its growth strategy. The transaction is expected to close following customary regulatory approvals.

"We are excited to work with the Pinnacle team to bring I Squared Capital's operating expertise and capital to the company as it expands its footprint and service offerings to provide additional downstream optionality for producers in the region."

"This transaction is a very important milestone for our team," said Greg Sargent, Founder and CEO of Pinnacle. "Over the past three years, we have worked hard to create significant value by developing, constructing and bringing into operation a full-service midstream solution in Culberson and Reeves Counties. This asset will serve some of the best producers in the basin and we look forward to working with I Squared Capital to expand the system."

Michael Watzky, Managing Partner at BPEP, said, "We are proud of the success that Greg Sargent and his team achieved at Pinnacle. Pinnacle and BPEP have built a strategic asset in one of the most active basins in North America."

Commenting on the transaction, Adil Rahmathulla, Partner at I Squared Capital noted, "We are excited to work with the Pinnacle team to bring I Squared Capital's operating expertise and capital to the company as it expands its footprint and service offerings to provide additional downstream optionality for producers in the region."

RBC Capital Markets served as the exclusive financial advisor to Pinnacle in the transaction and Thompson & Knight LLP served as legal counsel to BPEP.

About Pinnacle Midstream

Pinnacle Midstream is a midstream company based in Houston, Texas with an additional office in Midland, Texas. Pinnacle provides gas gathering and processing, crude oil gathering and transloading services to oil and gas producers.

About BP Energy Partners

BP Energy Partners LLC is a Dallas based middle market private equity firm focused on the energy industry. BPEP brings operating experience, knowledge, relationships and executional know-how, in addition to capital, to partner with entrepreneurs, family-run businesses and management teams with the goal of growing investments in the energy space. Investing growth capital across a wide range of energy dependent sectors along the natural gas value chain, including oil field services, midstream, power, logistics / transportation and basic industry. BPEP will also invest in producing resources (oil, natural gas and natural gas liquids) in North American basins. For more information please visit: www.bpenergypartners.com

About I Squared Capital

I Squared Capital is an independent global infrastructure investment manager focusing on energy, utilities, telecommunications and transport in the Americas, Europe, and select high growth economies. The Firm has offices in New York, Houston, London, New Delhi, Hong Kong and Singapore.

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