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Global Energy M&A Database | Q3 2018

# OIL AND GAS M&A REVIEW & OUTLOOK

## HIGHLIGHTS:

- U.S. Upstream market surges 250% to \$32.0 B vs. Q2 2018
- BP gets back on offense with \$10.5 B shale buy from BHP
- Diamondback buys Energen for \$9.2 B in Delaware Basin
- \$30 billion of U.S. Deals for Sale
- Drillinginfo expects continued accretive deals to drive shale consolidation
- Globally, Energy deals tally \$156 B, down slightly from Q2's \$161 B

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# \$32.0B compares to quarterly average of \$18.3B since 2014

## U.S. Upstream Deal Value (\$billion) by Top Plays

Play	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Total	% Total	% 3Q18
Multiple/Other	\$0.2	\$0.9	\$0.8	\$0.8	\$3.1	\$0.9	\$13.3	\$20.0	15%	42%
Delaware Unconv.	\$13.7	\$1.2	\$0.6	\$1.3	\$1.8	\$0.7	\$11.1	\$30.6	23%	35%
Conventional	\$1.1	\$5.7	\$1.9	\$4.2	\$2.8	\$2.8	\$2.3	\$21.0	16%	7%
Utica	\$0.1	-	\$0.4	\$0.1	\$0.1	\$1.5	\$2.2	\$4.4	3%	7%
Midland Unconv.	\$4.3	\$1.1	\$0.9	\$0.1	\$10.8	\$0.3	\$1.4	\$18.7	14%	4%
Bakken	\$0.2	\$0.0	\$2.0	\$0.4	\$0.0	\$1.4	\$0.6	\$4.6	4%	2%
Marcellus	\$0.8	\$9.6	\$0.3	\$0.4	\$0.0	-	\$0.6	\$11.7	9%	2%
SCOOP/STAC K	\$0.9	\$0.0	\$4.1	\$0.1	\$0.0	\$0.0	\$0.2	\$5.4	4%	1%
Eagle Ford	\$3.7	\$0.8	\$0.4	\$1.0	\$3.3	\$1.1	\$0.1	\$10.3	8%	0%
Haynesville	\$0.0	\$0.1	\$0.6	-	\$0.0	\$0.2	\$0.0	\$0.9	1%	0%
Niobrara	\$0.1	\$0.0	\$0.3	\$1.6	\$0.1	\$0.3	-	\$2.4	2%	-
<b>Total</b>	<b>\$25.1</b>	<b>\$19.5</b>	<b>\$12.3</b>	<b>\$10.1</b>	<b>\$22.0</b>	<b>\$9.1</b>	<b>\$32.0</b>	<b>\$130.1</b>	<b>100%</b>	<b>100%</b>

Note:

In Q3, BP's \$10.5 B buy of BHP's U.S. onshore assets is included in Multiple/Other Play. Deal value is allocated as follows: Permian \$3.9 B, Eagle Ford \$4.8 B, Haynesville \$1.8 B.

# Top 10 deals takes 89% of 3Q18 market

## Top 10 U.S. Upstream Oil & Gas Transactions: 3Q18

Date	Buyers	Sellers	Value (\$MM)	Type	Play
07/26/18	BP	BHP Billiton	\$10,500	Property	Eagle Ford, Delaware, Haynesville
08/14/18	Diamondback Energy	Energen Resources	\$9,200	Corporate	Delaware, Midland
07/26/18	Encino Acquisition Partners	Chesapeake Energy	\$1,900	Property	Utica
09/04/18	Flywheel Energy	Southwestern Energy	\$1,865	Property	Fayetteville
08/08/18	Diamondback Energy	Ajax Resources	\$1,245	Corporate	Midland
08/06/18	Kosmos Energy	Deep Gulf Energy	\$1,225	Corporate	Gulf of Mexico
09/06/18	Matador; Marathon; et al	New Mexico BLM	\$972	Acreage	Delaware
08/27/18	PennEnergy	Rex Energy	\$601	Property	Marcellus
09/11/18	The Carlyle Group	Diamondback Energy	\$527	JV	Delaware
08/27/18	Eclipse Resources	Blue Ridge Mountain Resources	\$346	Corporate	Utica

# Property transactions surge to \$17.8 B

## Led by BP's \$10.5B buy BHP's U.S. shale assets – a record asset level deal

### U.S. Upstream Deal Value (\$billion) by Type

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Total	% Total	% 3Q18
Property	\$11.7	\$9.7	\$6.9	\$6.1	\$11.2	\$6.0	\$17.8	\$69.5	53%	56%
Corporate	\$12.2	\$8.2	\$3.8	\$3.2	\$9.6	\$1.1	\$12.1	\$50.2	39%	38%
Acreage	\$0.6	\$0.4	\$0.7	\$0.3	\$0.8	\$0.3	\$1.0	\$4.0	3%	3%
Royalty	\$0.4	\$0.2	\$0.3	\$0.5	\$0.2	\$1.4	\$0.6	\$3.6	3%	2%
JV/Farm-Out	\$0.3	\$1.0	\$0.6	\$0.0	\$0.2	\$0.2	\$0.5	\$2.9	2%	2%
<b>Total</b>	<b>\$25.1</b>	<b>\$19.5</b>	<b>\$12.3</b>	<b>\$10.1</b>	<b>\$22.0</b>	<b>\$9.1</b>	<b>\$32.0</b>	<b>\$130.1</b>	<b>100%</b>	<b>100%</b>

# Q3 market solidly weighted to oil and oil+gas transactions which took 92% of deals transacted value

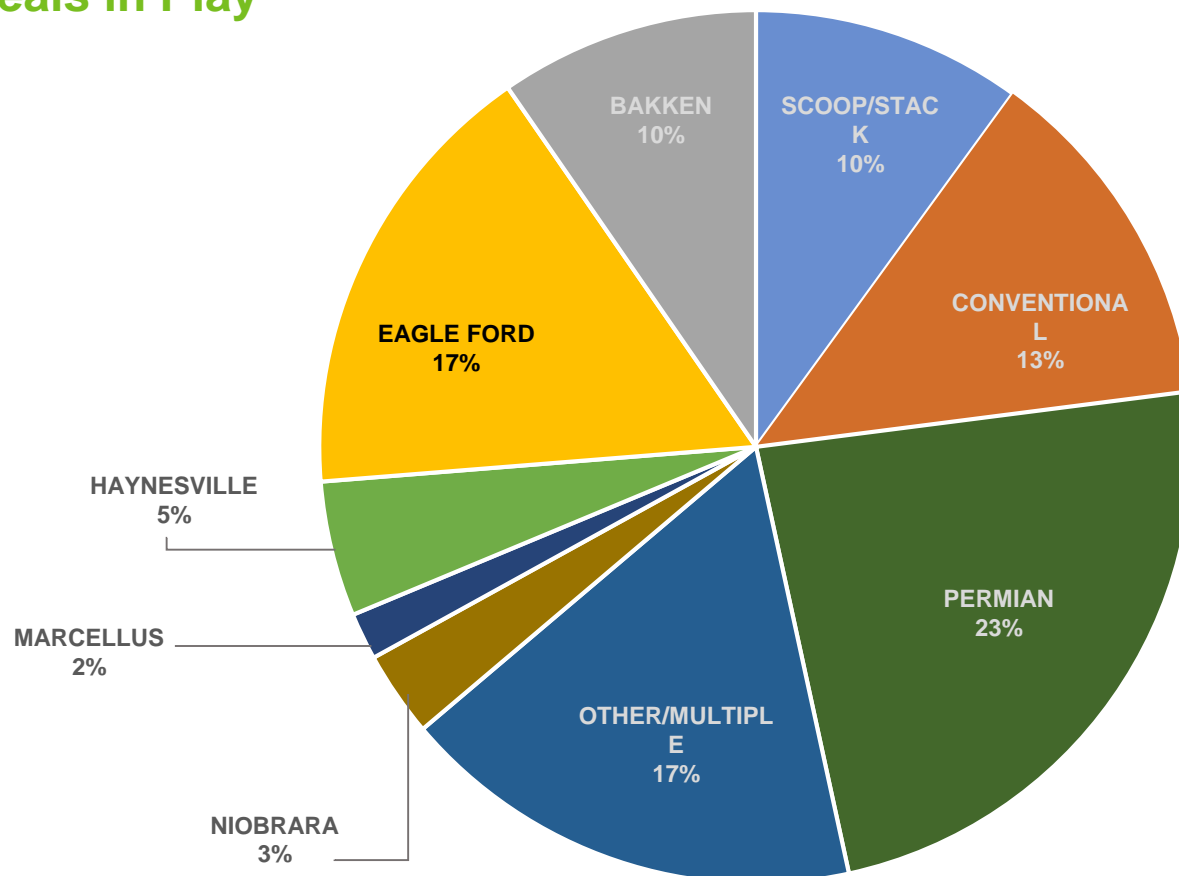
## U.S. Upstream Deal Value (\$billion) and Counts by Commodity

	Q1 2017		Q2 2017		Q3 2017		Q4 2017		Q1 2018		Q2 2018		Q3 2018	
	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count
Oil	\$20.2	60	\$3.4	44	\$4.3	49	\$7.2	56	\$16.2	53	\$4.8	62	\$14.6	45
Oil+Gas	\$3.4	45	\$2.2	44	\$5.4	49	\$1.6	49	\$4.1	50	\$1.9	49	\$14.6	38
Gas	\$1.5	20	\$13.9	29	\$2.6	28	\$1.3	24	\$1.7	15	\$2.5	15	\$2.8	12
<b>Total</b>	<b>\$25.1</b>	<b>125</b>	<b>\$19.5</b>	<b>117</b>	<b>\$12.3</b>	<b>126</b>	<b>\$10.1</b>	<b>129</b>	<b>\$22.0</b>	<b>118</b>	<b>\$9.1</b>	<b>126</b>	<b>\$32.0</b>	<b>95</b>
Oil	81%	48%	17%	38%	35%	39%	72%	43%	74%	45%	52%	49%	46%	47%
Oil+Gas	14%	36%	11%	38%	44%	39%	16%	38%	19%	42%	20%	39%	46%	40%
Gas	6%	16%	71%	25%	21%	22%	13%	19%	8%	13%	27%	12%	9%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Commodity classification based on a 70% threshold of production

# Currently \$30B in U.S. Oil & Gas Upstream Deals in Play, led by Permian and Eagle Ford

## U.S. Deals in Play



Deals in Play estimate based on known active marketing processes.

# \$156B in Global Energy M&A led by strong Midstream, U.S. Upstream and Renewables sectors

## Global Energy Sector Deal Value (\$billions)

Area	Sector	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Total	% Total	% 3Q18
USA	Upstream	\$25	\$20	\$12	\$10	\$22	\$9	\$32	\$130	15%	21%
Canada	Upstream	\$25	\$2	\$3	\$2	\$2	\$7	\$6	\$47	5%	4%
International	Upstream	\$16	\$7	\$18	\$28	\$17	\$5	\$8	\$99	11%	5%
Global	Oilfield Service	\$9	\$8	\$14	\$11	\$4	\$3	\$7	\$57	7%	4%
Global	Midstream	\$27	\$18	\$8	\$6	\$13	\$47	\$77	\$195	23%	49%
Global	Downstream	\$8	\$12	\$3	\$17	\$12	\$42	\$4	\$97	11%	2%
Global	Power & Utilities (Non-Renewable)	\$17	\$3	\$50	\$36	\$38	\$38	\$6	\$188	22%	4%
Global	Power (Renewable)	\$4	\$4	\$2	\$8	\$4	\$7	\$16	\$44	5%	10%
Global	LNG	\$1	\$0	\$1	\$2	\$0	\$5	\$0	\$9	1%	0%
	<b>Total</b>	<b>\$132</b>	<b>\$73</b>	<b>\$112</b>	<b>\$119</b>	<b>\$112</b>	<b>\$161</b>	<b>\$156</b>	<b>\$865</b>	<b>100%</b>	<b>100%</b>

Renewables = Solar, Wind, Geothermal, Hydro and Tidal