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# Louisiana Energy Conference

Bruce Ross

Managing Partner

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# OFS Energy Fund Introduction

- ◆ Established to make acquisitions and investments in lower middle market energy service companies
- ◆ OFS seeks to provide creative solutions for business owners in the form of buyouts, recapitalizations and growth equity investments
- ◆ First fund managed by the OFS principals at a predecessor entity named Dorado Energy Partners was closed in October 2008 with \$46.5 million in total commitments
  - 4.4x gross cash-on-cash and 200.0% gross IRR
- ◆ Second fund (“Fund II”) was closed in September 2012 with \$90.0 million in total commitments and had an add-on closing in November 2014 that raised total commitments to \$130.0 million
  - OFS principals and industry advisors personally committed \$15.0 million
  - \$109.0 million capital called related to investments in eight platform companies
  - \$54.5 million capital returned related to three exits, representing 60.5% of capital commitment
- ◆ Third fund (“Fund III”) was closed in April 2014 with \$175.0 million in total commitments
  - \$91.8 million capital called related to investments in five portfolio companies
  - Fund III targets investments of \$15.0 million to \$30.0 million in each portfolio company, but has the ability to invest larger amounts with co-investment from Fund III investors

# Portfolio Summary

	Onshore / Offshore	Products/Services	Date of Investment	Total Investment
<b>Fund II - \$130.0 million</b>				
	Onshore	Manufacturer of production equipment and meter runs	Sep-2012	\$23.1
	Onshore	Workover rigs, wireline, chemical sales	Oct-2013	\$17.7
	Offshore	Highly engineered handling equipment	Oct-2013	\$2.5
	Onshore	Water transfer, water sourcing, water recycling, water treatment, and solids control	Oct-2013	\$13.3
	Onshore	Production equipment rental	Dec-2013	\$11.3
<b>Fund III - \$175.0 million</b>				
	Onshore	Coiled tubing services	Aug-2014	\$25.8
	Onshore	Frac stack, wireline, surface drilling, solids control, mixing plant, torque and test	Sep-2014	\$34.5 (Fund) \$14.9 (Co-Inv)
	Onshore	Provides parts, repairs, and services for industrial gas turbines	Oct-2016	\$10.9
	Onshore	Nitrogen services	Mar-2017	\$8.0
	Onshore	Valve distribution and services	May-2017	\$6.0

# 2017 Deal: Integrity Gas Services

- ◆ Provides nitrogen services to the upstream, midstream, and downstream energy markets
- ◆ Founded in July 2016 with purchase of two nitrogen pumps; concurrent with the \$8.0 million OFS investment in March 2017, five additional pumps added via purchase of a suite of underutilized assets
  - 180K nitrogen pumps: 2
  - 260K nitrogen pumps: 1
  - 880K nitrogen pumps: 4
  - Nitrogen transports: 11
- ◆ Initial service focus on west Texas, south Texas, and Gulf Coast
  - Upstream: completion and drilling focused work
  - Midstream: new commissioning of pipelines as well as integrity work (main lines, gathering systems, etc.)
  - Downstream: new commissioning and turnaround of plants, refineries, etc.

