

## **WaterBridge Resources LLC Announces \$800 million Debt Facilities to Fund Water Infrastructure Acquisitions from Halcón Resources Corporation and NGL Energy Partners LP and to Support Ongoing Organic Growth**

HOUSTON, Dec. 21, 2018 /PRNewswire/ -- WaterBridge Resources LLC (together with its subsidiaries, "WaterBridge") announced today that its subsidiary WaterBridge Operating LLC has entered into \$800 million of debt facilities led by SunTrust Robinson Humphrey, Inc. with a syndicate of fifteen financial institutions. The debt facilities consist of a \$600 million Term Loan A, \$400 million of which will be drawn at close and a \$200 million delayed draw tranche, in addition to the existing \$200 million revolving credit facility. WaterBridge will use the initial Term Loan A proceeds to repay outstanding indebtedness under its revolving credit facility and to fund the acquisition of water infrastructure assets from Halcón Resources Corporation described below.

### **Halcón Transaction**

On December 20, 2018, WaterBridge acquired all of Halcón's existing water infrastructure assets in Pecos, Reeves, Ward and Winkler counties, Texas. The Halcón transaction includes:

- **\$200 million in cash at closing, subject to customary closing adjustments, with up to an additional \$25 million per year in each of the next five years based on the achievement of certain development thresholds by Halcón**
- **Acquisition of ~60 miles of water gathering pipelines, ten disposal wells with total permitted capacity of 120,000 bpd, freshwater wells and water recycling facilities**
- **15-year produced water dedication for Halcón's existing ~75,000 gross acre position and any additional acreage within a ~209,000 acre area of mutual interest ("AMI")**
- **15-year water supply agreement pursuant to which WaterBridge will be Halcón's sole supplier of fresh and recycled water for drilling and completion operations within the AMI**

### **NGL Transaction**

Additionally, on December 19, 2018, WaterBridge entered into a definitive agreement to acquire the South Delaware water infrastructure assets from affiliates of NGL Energy Partners LP. The NGL transaction includes:

- **\$238.8 million in cash at closing**

- **Acquisition of nine saltwater disposal facilities and ~10 miles of pipeline in southern Reeves and Ward counties**
- **Total permitted capacity of the acquired facilities is 275,000 barrels per day**
- **WaterBridge will assume all existing commercial agreements**
- **Includes additional disposal permits with 90,000 barrels per day of permitted capacity**
- **Additional consideration payable upon transfer of certain assets within 18 months of closing**

The NGL transaction is subject to certain regulatory and other customary closing conditions and is expected to close within 45 days.

### **Management Perspective**

"As our Delaware basin customers further evolve their well completion techniques, resulting in higher IPs and EURs, we continue to expand our asset base to meet their growing capacity needs," says Stephen M. Johnson, Founder, President and CEO of WaterBridge. "The WaterBridge team remains focused on improving and increasing our unique infrastructure footprint to better serve Delaware producers current and future requirements."

David Capobianco, CEO and Managing Partner of Five Point Energy LLC, said, "WaterBridge continues to execute on our shared strategy to develop large, integrated produced water handling networks that offer producers the capacity and redundancy necessary to scale their development programs. These transactions expand WaterBridge's southern Delaware system to provide best-in-class service to its customers and position the company for its next phase of organic growth."

### **Advisors**

Bracewell LLP represented WaterBridge in connection with the debt facilities and the NGL transaction. Porter & Hedges LLP represented WaterBridge in connection with the Halcón transaction.

### **About WaterBridge Resources LLC**

WaterBridge Resources LLC is a portfolio company of Five Point Energy that develops, owns and operates permanent, integrated water infrastructure networks to address the long-term produced water management requirements of E&P companies. For further information, visit our website at [www.h2obridge.com](http://www.h2obridge.com).

## About Five Point Energy LLC

Five Point Energy is a leading private equity firm focused on the midstream energy sector. The firm was founded by industry veterans who have had successful careers investing in, building and running midstream companies. Five Point's strategy is to acquire and develop in-basin assets, provide value-added growth capital, and build world-class midstream companies with premier management teams and industry-leading E&P partners. The firm is focused on providing in-basin crude oil, natural gas, liquids and water management midstream solutions to E&P companies in the Permian Basin, Eagle Ford, Mid-Continent and Rockies. Based in Houston, Five Point Energy manages more than \$2.0 billion of capital across multiple investment funds.

For further information, please visit <https://www.fivepointenergy.com/>.

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