



## **Reliance Energy Announces Investment in its Crude Oil Gathering System from Metalmark Capital**

**MIDLAND, Texas and NEW YORK** – May 23, 2016 – Reliance Energy (“Reliance” or “the Company”), a Permian Basin focused upstream company that owns approximately 40,000 net acres in the prolific Northern Midland Basin, today announced that it has received an investment in its crude oil gathering affiliate, Reliance Gathering LLC, from Metalmark Capital (“Metalmark”), a private equity firm with expertise in the energy sector. Reliance will use the proceeds to fund the development of its acreage underlying the gathering system in the Northern Midland Basin and for general corporate purposes. Financial terms of the Metalmark investment were not disclosed.

“We are excited to partner with Metalmark and continue to scale our already successful crude oil gathering system,” said Gary D. McKinney, the Founder and CEO of Reliance “We are proud to have grown our gathering system to over 125 miles of pipeline with another 35 miles in process or planned and up to 200,000 barrels per day of capacity, covering more than 110,000 dedicated acres and reaching numerous third party customers. With Metalmark’s support, we are well-positioned to continue driving growth both by serving existing customers that are actively developing the catchment area and by expanding the footprint of our gathering system to new customers. We look forward to leveraging Metalmark’s long-proven expertise in the midstream oil and gas sector as we embark on our next phase of growth.”

“We are pleased to be working alongside Gary and his impressive team at Reliance,” said Gregory D. Myers, a Managing Director of Metalmark Capital. “The combination of highly productive acreage feeding the system, a first mover advantage and multiple access points to market create a very high quality asset with strong growth potential notwithstanding the current low commodity price environment. Not only does this investment complement our existing portfolio of energy investments, but it also aligns with our historical investment strategy of leveraging our deep expertise to facilitate valuable partnerships with founder-owned businesses.”

Metalmark partnered with Monarch Natural Gas Holdings, LLC (“Monarch”), a Metalmark portfolio company led by Founder, Chairman and CEO, Greg Sales. Monarch is focused on building and operating natural gas gathering and processing midstream assets as well as oil gathering and blending assets, and providing production services to natural gas producers.

RBC Capital Markets acted as exclusive financial advisor and Sidley Austin LLP acted as legal advisor to Reliance in connection with the transaction. Davis Polk & Wardwell LLP acted as legal advisor to Metalmark and Monarch.

### **About Reliance Energy:**

Reliance is a private Midland based oil and gas company focused on developing upstream and midstream assets. The Company has over 100,000 net acres in the Permian Basin, including approximately 40,000 net acres in the prolific Northern Midland Basin.

### **About Metalmark Capital**

Metalmark Capital is a leading private equity firm whose principals have a long track record of successful investing in targeted sectors, with a particular focus and competence in energy, business services, growth industrials and healthcare. Metalmark seeks to build long-term value through active and supportive partnerships with company founders and management teams. Metalmark is currently investing its latest fund with \$2.5 billion of capital commitments. More information is available at

[www.metalmarkcapital.com](http://www.metalmarkcapital.com).

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