

Kerogen Capital Invests in UK-based Zennor Petroleum

17 August, 2015 — Kerogen Capital is pleased to announce the first investment in its third managed fund, Kerogen Energy Fund II, L.P. (“Kerogen”). Kerogen has made an initial commitment of US\$100 million in Zennor Petroleum Limited (“Zennor” or the “Company”), an E&P company focused on the UK North Sea. Kerogen, together with its limited partners, may commit up to a total of US\$400 million to Zennor during the course of this investment. Proceeds from Kerogen’s investment will be used to fund the development of Zennor’s existing assets and expand the portfolio by way of new acquisitions, farm-ins and licensing rounds. Following the investment, Kerogen will become the majority shareholder alongside Zennor management.

Founded in 2006, Zennor (previously named MPX) is a private E&P company based in Guildford, UK. Its management team, led by Martin Rowe, Rod Crawford and James Henry, has a proven track record of technical and commercial success in the UK North Sea. The technical team has a long history of working together previously at ARCO (now BP) and a number of independents, culminating in their current roles at Zennor. Zennor has an existing portfolio of licences including a 100% interest in the Finlaggan gas-condensate discovery in the Central North Sea. Finlaggan is an attractive low cost conventional appraisal and development project, and underpins Kerogen’s investment in Zennor.

Kerogen Capital’s Co-Founder and Managing Partner, Jason Cheng, commented:

“Kerogen is attracted to the UK North Sea given recent market dynamics, combining attractive pricing for assets, substantial reductions in operating cost structures, and an increasingly favourable fiscal environment. Unlike many other asset markets, funding distress and a lack of liquidity has resulted in many immediately actionable investment opportunities. Kerogen will continue to focus on commercialisation of discovered resources by progressing assets up the value curve.

We are excited to partner with Zennor given our long-term relationship and over 12 months of joint preparatory work. Zennor is an excellent entrepreneurial group poised to take advantage of the current window of opportunity in the North Sea, particularly with the team’s deep technical and operating experience. We look forward to working with the team to develop their existing assets and to build out an attractive portfolio.”

Zennor’s Managing Director, Mr. Martin Rowe, commented:

“We are delighted to be working alongside Kerogen in seeking to grow our upstream business in Northern Europe. With Kerogen’s technical focus, financial expertise, and global upstream industry connections combined with our own experienced team; I am confident that Zennor is very well placed to capture and exploit the attractive opportunities we see available in the current market environment.”

Ends.

About Kerogen Capital

Established in 2007, Kerogen Capital is an independent private equity fund manager focused on the international oil and gas sector with approximately US\$1.6 billion in invested and committed capital. The founding team originated from J.P. Morgan's energy and natural resources group in Asia and the team includes operational and technical industry specialists. Kerogen's investors comprise a range of blue-chip institutions including endowment funds, foundations, pension plans, fund of funds, international corporations and family offices.

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