

11 May 2017

## **Neptune Energy Group to acquire ENGIE E&P International**

### **Investment to create a major independent global E&P company**

Neptune Energy Group (“Neptune” or the “Company”), announced today it has entered into an exclusivity agreement under which it proposes to acquire ENGIE E&P International S.A. (“EPI”) for \$3.9 billion (€3.6 billion<sup>1</sup>). Neptune, backed by funds advised by The Carlyle Group (through its Carlyle International Energy Partners platform), CVC Capital Partners Fund VI and a group of co-investors would acquire a majority shareholding in EPI from France’s ENGIE Group. The proposed transaction is subject to relevant consultation processes and customary regulatory approvals with completion expected by early Q1 2018.

EPI is a large global E&P business focused on North West Europe and with operations in North Africa and South East Asia. EPI produces more than 150 kboepd and has proven and probable reserves of 672 mboe. The assets are advantageously spread across the spectrum of the value chain from pre-development and development through to long-life production. EPI’s production mix is equally weighted between oil and gas.

The EPI business that would be acquired by Neptune includes significant North Sea operations in Norway, including operatorship of the Gjøa field, in the Netherlands where EPI is the #1 offshore operator and the UK, with operatorship of the recently commissioned Cygnus gas field, as well as onshore Germany, and the Jangkrik LNG project in Indonesia. In all, EPI operates some sixty producing oil and gas fields. It also includes the large Touat gas development underway in Algeria, where ENGIE would retain a substantial interest alongside Neptune.

Neptune was launched in June 2015 to focus on investing in large oil and gas portfolios that may come available as a result of energy market dynamics. Neptune’s highly experienced management team is led by seasoned industry expert Sam Laidlaw, who has more than thirty years’ experience in the energy sector.

**Sam Laidlaw, Executive Chairman of Neptune Energy Group, said:** “EPI is a strong business with a balanced portfolio of long-life assets with low operating costs in diversified geographies across the entire E&P value chain. We look forward to working with the EPI leadership team to grow the business organically and through acquisitions. We intend to capitalise on the quality of EPI’s people and the company’s global asset portfolio, to generate long term sustained value for employees, the countries in which we are privileged to operate and for our investors. Our ambition is to create a leading international independent E&P company within the next 5 years.”

Following the exclusivity agreement reached between Neptune and ENGIE, there will be a full consultation process with employee representatives in all relevant jurisdictions to outline the proposed plans for the business going forward. Once that consultation process has finished and definitive agreements are entered into, Neptune and ENGIE will work together

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<sup>1</sup> Assumes €:\$ 1:1.07 exchange rate

to obtain regulatory approvals in the shortest possible time frame to ensure an efficient transition of EPI from ENGIE to Neptune. It is anticipated that following the consultation period with all appropriate employee representative bodies and the obtaining of all regulatory approvals, the transaction would be complete by early Q1 2018. EPI management and its employees are critical to the future growth and success of the business and Neptune has made certain commitments in respect of EPI's ongoing restructuring programme and maintaining employment arrangements.

Zaoui & Co acted as lead financial advisor to Neptune. BNP Paribas and Citi also provided financial advice to Neptune.

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**About Neptune Energy Group**

Neptune was launched in June 2015 to focus on investing in large oil & gas portfolios that may come available as a result of energy market dynamics. Neptune Energy's management team is led by seasoned industry expert Sam Laidlaw, who has more than thirty years' experience in the energy sector. The Company is backed by funds advised by two global alternative investment managers, The Carlyle Group and CVC Capital Partners.

**About Carlyle International Energy Partners (CIEP)**

Established in May 2013, the CIEP team focuses on oil and gas exploration and production mid- & downstream, refining and marketing and oil field services in Europe, Africa, Latin America and Asia. CIEP is a \$2.5b fund dedicated to oil and gas investing. The CIEP team focuses on transactions where it has a distinctive competitive advantage and can create tangible value for companies in which it invests, through industry specialization, deployment of human capital and access to The Carlyle Group's global network.

**About CVC Capital Partners**

CVC Capital Partners is a leading private equity and investment advisory firm. Founded in 1981, CVC today has a network of 23 offices and approximately 400 employees throughout Europe, Asia and the U.S. To date, CVC has secured commitments of more than US\$88 billion from some of the world's leading institutional investors across its European and Asian private equity, strategic opportunities and growth funds. In total, CVC currently manages over US\$50 billion of assets. Today, funds managed or advised by CVC are invested in 52 companies worldwide, employing c.250,000 people in numerous countries. Together, these companies have combined annual sales of over US\$80 billion. For further information about CVC please visit: [www.cvc.com](http://www.cvc.com)