Houlihan Lokey



Oil and Gas
Market Update

Q3 2024

About **Our Firm**

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2023 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**352**
2	Rothschild & Co	349
3	Goldman Sachs & Co	300
3	JP Morgan	300
5	Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Markets Advisor

FINANCIAL RESTRUCTURING

2023 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**73**
2	PJT Partners Inc	64
3	Rothschild & Co	51
4	Lazard	37
5	Evercore Partners	27

Source: LSEG (formerly Refinitiv).

No. 1
Global Restructuring Advisor

1,700+
Transactions Completed Valued at More Than $3.5 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

1999–2023 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,247**
2	JP Morgan	1,035
3	Duff & Phelps, A Kroll Business	977
4	UBS	884
5	Morgan Stanley	716

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1
Global M&A Fairness Opinion Advisor Over the Past 25 Years

2,000+
Annual Valuation Engagements



Learn more about how our advisors can serve your needs:

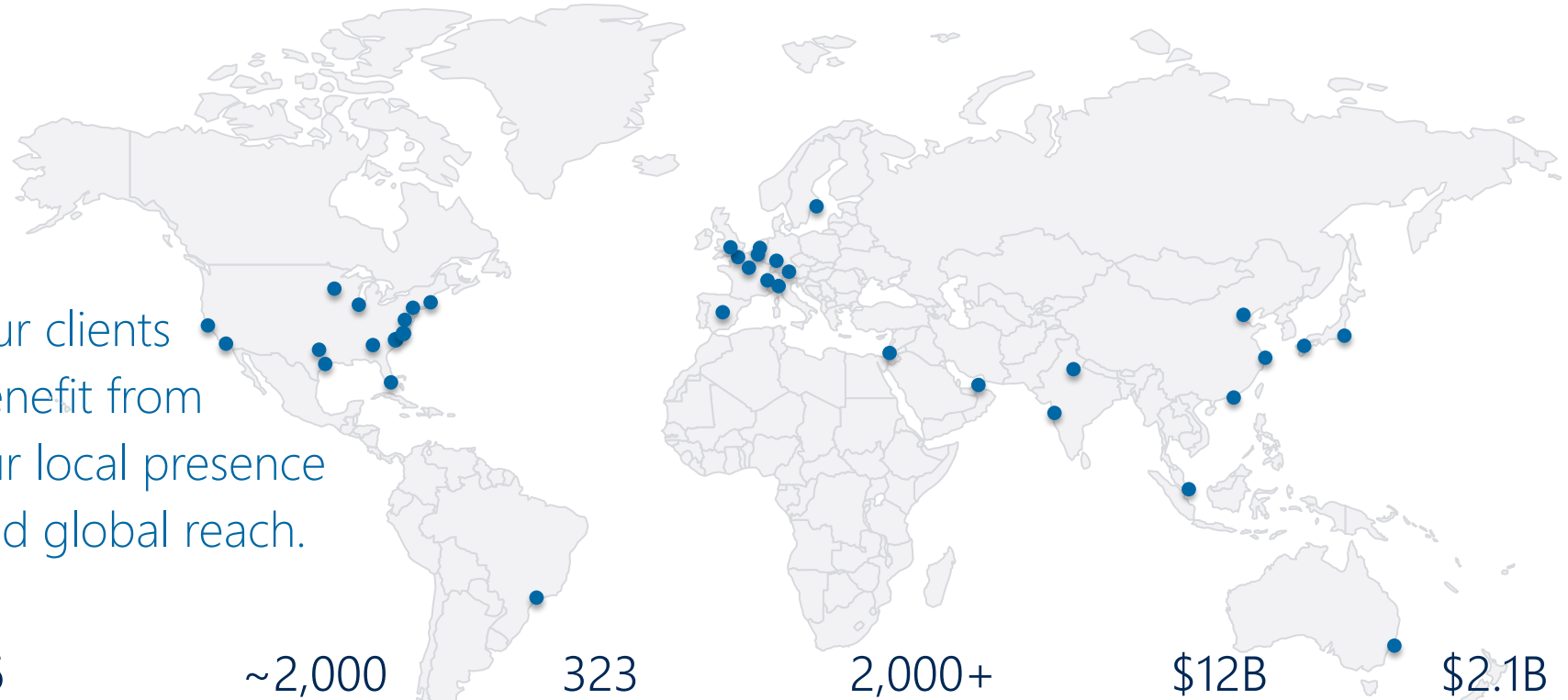
Corporate Finance →

Financial Restructuring →

Financial and Valuation Advisory →

Our Industry Coverage →

Our clients benefit from our local presence and global reach.



36
Locations Worldwide

~2,000
Total Financial Professionals

323
Managing Directors[1]

2,000+
Clients Served Annually

$12B
Market Cap[2]

$2.1B
Annual Revenue[3]

AMERICAS	Atlanta	Los Angeles	**EUROPE AND MIDDLE EAST**	Amsterdam	Milan	**ASIA-PACIFIC**	Beijing	Shanghai
	Baltimore	Miami		Antwerp	Munich		Fukuoka	Singapore
	Boston	Minneapolis		Dubai	Paris		Gurugram	Sydney
	Charlotte	New York		Frankfurt	Stockholm		Hong Kong SAR	Tokyo
	Chicago	San Francisco		London	Tel Aviv		Mumbai	
	Dallas	São Paulo		Madrid	Zurich			
	Houston	Washington, D.C.		Manchester				

Fully Integrated Financial Sponsor Coverage

29
Senior officers dedicated to the sponsor community in the Americas and Europe.

1,300+
Sponsors covered, providing market insights and knowledge of buyer behavior.

800+
Companies sold to financial sponsors over the past five years.

HLI LISTED NYSE

(1) As of September 30, 2024; excludes corporate MDs.
(2) As of October 31, 2024.
(3) LTM ended September 30, 2024.

About **Our Energy Group**

Houlihan Lokey provides comprehensive energy sector advisory services through its two dedicated industry groups: Power & Utilities and Oil & Gas.

These groups have earned a reputation for providing superior service and achieving outstanding results in M&A and A&D advisory, capital raising, and restructuring, as well as financial and board advisory services.

Our teams provide customized, independent advice across the rapidly evolving energy value chain. Our Energy Group is among the largest of its kind—and our clients include some of the industry's most impressive companies.

FINANCIAL AND VALUATION ADVISORY

2023 M&A Advisory Rankings
U.S. Energy & Power Transactions Under $1 Billion

	Advisor	Deals
1	**Houlihan Lokey**	**17**
2	Piper Sandler & Co	11
2	RBC Capital Markets	11
4	Barclays	9
4	Jefferies LLC	9

Source: LSEG (formerly Refinitiv).

Based on number of transactions and according to data provided by LSEG (formerly Refinitiv), Houlihan Lokey was ranked the

No. 1

investment bank for U.S. energy and power transactions under $1 billion in 2023.

Energy Industry Coverage

Tombstones included herein represent transactions closed from 2021 forward.

Industry Sector Coverage

We cover the entire energy spectrum from a dedicated subsector-specific model, with experienced senior-level finance professionals dedicated to each coverage area.

Oil and Gas

Power, Utilities, and Renewables

Featured Energy Industry Transactions



Key Facts and Figures

80+

Dedicated financial professionals.

13

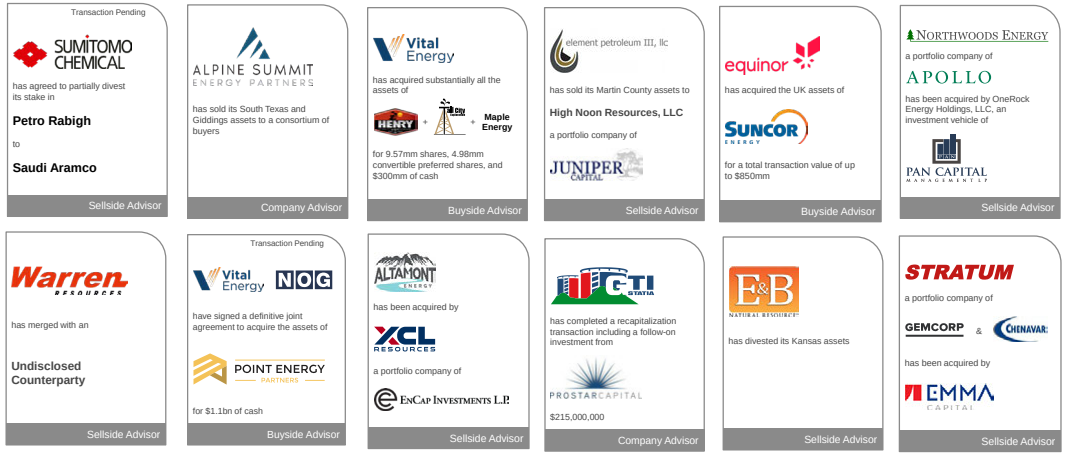
Energy sectors covered, operating out of 11 offices globally.

About **Our Oil & Gas Group**

Houlihan Lokey's Oil & Gas Group operates within the firm's energy industry coverage, which has earned a reputation for providing superior service and achieving outstanding results in M&A and A&D advisory, capital raising, and financial recapitalization/restructuring, as well as financial and board advisory services.

The Oil & Gas Group is a cross-product, global, industry-dedicated team of 50+ highly experienced professionals with a diverse set of backgrounds, including E&P companies, midstream companies, other investment banks, investment funds, and research/brokerage shops. Our A&D/technical team is led by a group of technically focused professionals from the industry with an average of 25+ years of industry experience.

Featured Transactions



Subsector Coverage

Upstream

Midstream

Downstream

Hydrocarbon-Related Alternative Energy

Leadership



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Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

Request a Meeting

Learn More About Us

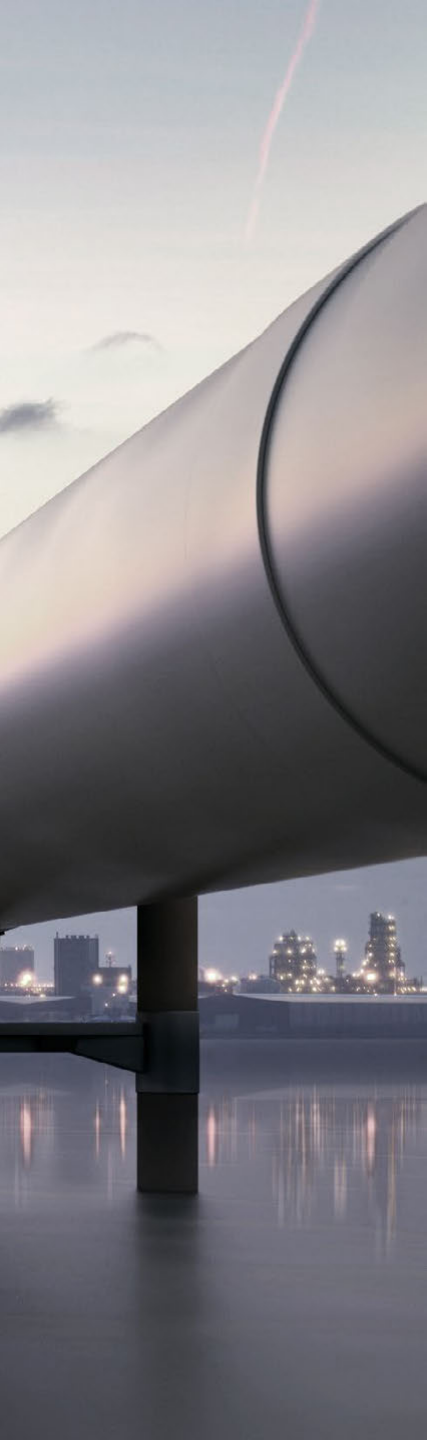


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Introduction **Oil and Gas Market Update**

Q3 2024 experienced a pause in oil and gas M&A&D activity as the prior three quarters' heightened consolidation activity (particularly in the U.S.) has subsequently resulted largely in a period of digestion and reevaluation/"high-grading" of core vs. noncore assets.

Global aggregate M&A&D transaction value in Q3 2024 totaled approximately $12 billion across the upstream sector. In addition, the midstream, downstream, and OFS subsectors experienced aggregate deal value of ~$15 billion. This represented the lowest aggregate transaction value across the oil and gas industry since Q1 2023.

It should be noted that both Q3 2024 and Q1 2023 experienced relatively high volatility in global oil prices as the market attempted to assess macroeconomic trends and the impact on supply/demand dynamics. Volatile oil prices make it especially difficult for buyers and sellers to reconcile valuation and thus transact in an M&A&D context.

Within the upstream sector, M&A&D transactions continue to be driven by a desire to increase inventory as a means to preserve reserves and extend the life of cash flow.

In addition to inventory extensions, operators in more mature basins in the U.S. (e.g., Eagle Ford and Bakken) have not only executed on refracs on their own acreage but have also pursued M&A&D transactions with refracs in sight.

Upstream: Q3 2024 global M&A&D activity slowed dramatically compared to (i) each of the prior three quarters as well as (ii) the historical average. Upstream M&A&D value aggregated ~$12 billion. Notable transactions include Devon Energy's acquisition in the Bakken Basin of Grayson Mill Energy for $5 billion; Hilcorp's acquisition of select Permian Basin assets from APA Corp. for $950 million; Viper Energy's (a subsidiary of Diamondback Energy) acquisition of Tumbleweed Royalties for ~$1.1 billion; PRIO Oil & Gas' acquisition of 40% of the Peregrino field in Brazil from Sinochem for $1.92 billion; and RAC's acquisition of Tethys, among others.

Midstream: During Q3 2024, aggregate midstream activity actually outpaced upstream. Oneok was particularly busy consolidating midstream systems across multiple basins in the U.S., including Medallion Midstream for $5.9 billion and EnLink Midstream for $3.3 billion. Other Q3 2024 midstream transactions included Apollo's investment in the TAPs system for $1 billion and Pembina's $295 million acquisition in Canada, among others.

Downstream: Refinery crack spreads remained relatively soft during Q3 2024. Notwithstanding that softness, transactions occurred in the downstream sector, including Sumitomo's pending sale of 22.5% of its equity interests in the Petro Rabigh refinery to Saudi Aramco in conjunction with a broader recapitalization; Woodside Energy's acquisition of Tellurian, Inc., for $900 million, including the operations, licenses, and development rights to Driftwood LNG; and Edgewater Midstream's acquisition of the downstream refined products infrastructure assets of the Colex Terminal from Shell for an undisclosed sum, among others.

OFS: Activity in the OFS sector has once again followed upstream, including higher relative consolidation activity in early Q3 2024, which tailed off as the quarter came to a close. Interesting to note is the continued consolidation in the water handling subsector as Layne Water Midstream was acquired by an undisclosed party following the trend started by Deep Blue in late 2023.

Molecule-Based Energy Expansion: Alternative energy transactions slowed considerably in Q3 2024, particularly as cash flows have been slower to materialize than anticipated.



Sources: Company websites, press releases.

Featured Sector News

Date	Company	Subsector	Summary	Article Link
9/26/2024	OPAL FUELS	Hydrocarbon-Related Alternative Energies	OPAL Fuels Inc. has opened its third RNG fueling station in El Centro, California, with GT Carriers Inc. This strengthens its network of more than 300 stations, aligns with its "Cleaner, Cheaper, Now" mission, and supports GT Carriers' sustainability goals by reducing diesel costs and emissions.	Read More
9/25/2024	ExxonMobil	Upstream	Mitsubishi Corp. and ExxonMobil have signed an agreement to develop the world's largest low-carbon hydrogen project in Texas. Aiming to produce near-carbon-free hydrogen and more than 1 million tons of low-carbon ammonia annually, this collaboration involves transporting ammonia to Japan for industrial use.	Read More
9/24/2024	DIAMONDBACK ENERGY	Upstream	Diamondback Energy, Kinetik Holdings, and EPIC Midstream announced transactions to bolster EPIC Crude's growth, including a 30% equity acquisition by Diamondback and Kinetik. These moves enhance crude transport from the Permian Basin, emphasizing cost efficiency.	Read More
9/19/2024	ConocoPhillips	Upstream	Uniper and ConocoPhillips have extended their partnership to supply up to 10 billion cubic meters of natural gas over the next decade. This collaboration strengthens energy security in Europe while supporting Uniper's diversification and decarbonization efforts.	Read More
9/19/2024	Chevron	Upstream	Wärtsilä and Chevron Shipping Company LLC announced plans to convert engines on Chevron's LNG carriers from dual fuel to spark gas to lower methane emissions. This marine industry first aims to support Chevron's carbon reduction goals.	Read More
9/10/2024	DIAMONDBACK ENERGY	Upstream	Diamondback Energy has completed its merger with Endeavor Energy Resources, forming a leading North American independent oil company. CEO Travis Stice highlighted the merger's potential, emphasizing the company's enhanced position in the Permian Basin and commitment to operational excellence.	Read More
9/9/2024	MARATHON	Downstream	Sharefest and Marathon Petroleum partnered to revitalize Dominguez Elementary STEAM Academy in Los Angeles. The collaboration enhanced the school's environment with vibrant murals and landscaping, showcasing corporate social responsibility and the power of community partnerships.	Read More
9/5/2024	Shell	Upstream	Shell Eastern Trading and Vena Energy have received conditional approval from Singapore's Energy Market Authority to export 400 MW of solar power from Indonesia's Riau Islands to Singapore. Granted at the Indonesia International Sustainability Forum, this follows their August 2023 collaboration agreement.	Read More
9/4/2024	ExxonMobil	Upstream	ADNOC has signed an agreement to acquire a 35% stake in ExxonMobil's proposed low-carbon hydrogen and ammonia plant in Baytown, Texas. This strategic investment aligns with ADNOC's commitment to lower-carbon energy sources, leveraging advanced carbon capture technology.	Read More
9/3/2024	Chevron	Upstream	Chevron has begun water injection operations at its Jack/St. Malo and Tahiti facilities in the Gulf of Mexico to enhance oil and gas recovery. This move aims to boost production to 300,000 barrels a day by 2026.	Read More

Sources: Company websites, press releases.

Featured Sector News (cont.)

Date	Company	Subsector	Summary	Article Link
8/21/2024	Enterprise Products Partners L.P.	Midstream	Enterprise has entered a $950 million agreement to acquire Piñon Midstream, enhancing its presence in the Delaware Basin with Piñon Midstream's advanced gas treating system. This acquisition is set to complete in Q4 2024.	Read More
8/15/2024	TC Energy	Midstream	TC Energy and Northern New England Investment Company completed the sale of Portland Natural Gas Transmission System for $1.14 billion, including $250 million in assumed senior notes. This move is part of TC Energy's strategy to divest $3 billion in assets.	Read More
8/14/2024		Upstream	Shell Offshore Inc., a Shell PLC subsidiary, announced plans for a waterflood project at its Vito asset in the Gulf of Mexico to enhance oil recovery by 2027. This method will increase production capacity by 60 million boe, maximizing Vito's potential while maintaining low GHG emissions.	Read More
8/14/2024	PetroChina	Hydrocarbon-Related Alternative Energies	PetroChina and Shell agreed to invest in phase two of the Surat Gas Project, aiming to produce 130 million cubic feet daily by 2026. The project will supply LNG for export and domestic use and add an expected 400 jobs.	Read More
8/14/2024	CETY	Hydrocarbon-Related Alternative Energies	Clean Energy Technologies, Inc. (CETY) has partnered with Green Energy Ventures LTDA (GEV) in Brazil to expand its market reach. GEV will be CETY's exclusive distributor, focusing on market assessment and product installations.	Read More
8/13/2024	Chevron	Upstream	Gulf Energy Operations has formed a strategic alliance with Chevron Products Company to distribute Chevron and Texaco products across the Gulf Coast. Gulf Energy is also collaborating with 68 Ventures to expand its fuel distribution and convenience store network.	Read More
8/10/2024	OPAL FUELS	Hydrocarbon-Related Alternative Energies	South Jersey Industries and OPAL Fuels have begun constructing an RNG production facility in Florence Township, New Jersey, capable of producing 0.92 million MMBtus annually. The project will convert landfill methane into low-carbon fuel, reducing emissions and displacing more than 530,000 metric tons of CO2 annually.	Read More
7/30/2024	TC Energy	Midstream	TC Energy Corp. agreed to sell a minority stake in its Western Canadian gas transmission network to Indigenous communities for $1 billion. This deal marks Canada's largest Indigenous equity ownership agreement, ensuring long-term cash flows for the communities involved.	Read More
7/26/2024	ConocoPhillips	Upstream	ConocoPhillips has secured deals for LNG supply and capacity in Belgium, Europe, and Asia. Starting April 2027, it will import 0.75 mtpa of LNG via Fluxys' terminal. The firm also signed agreements with Gate LNG, Mexico Pacific, and QatarEnergy to expand its global LNG portfolio.	Read More
7/16/2024	ENERGY TRANSFER	Midstream	Energy Transfer LP and Sunoco LP formed a joint venture combining their crude oil and produced water-gathering assets in the Permian Basin. Energy Transfer will operate the venture and hold a 67.5% stake, while Sunoco holds 32.5%. The venture started on July 1, 2024.	Read More

Sources: Company websites, press releases.

Featured Sector News (cont.)

Date	Company	Subsector	Summary	Article Link
7/15/2024	ENERGY TRANSFER	Midstream	Energy Transfer LP completed its acquisition of WTG Midstream Holdings for $2.275 billion in cash and 50.8 million ET common units. The deal adds 6,000 miles of gas-gathering pipelines and eight gas-processing plants, boosting Energy Transfer's system with increased NGL and gas volumes.	Read More
7/15/2024	CHENIERE	Hydrocarbon-Related Alternative Energies	The ADCC Pipeline, a joint venture between Whistler Pipeline, LLC, and Cheniere Energy, Inc., has begun operations. This 43-mile pipeline transports up to 1.7 Bcfpd with potential expansion and connects Permian gas supply to export markets, reducing flared volumes and supporting U.S. LNG exports.	Read More
7/10/2024		Upstream	Shell has invested in the Ruwais LNG project in Abu Dhabi with ADNOC to expand its LNG portfolio. The project features two 4.8 mmtpa liquefaction trains with a total capacity of 9.6 mmtpa and electric-powered systems for lower emissions, with LNG deliveries set for 2028.	Read More
7/9/2024		Upstream	Shell Trinidad and Tobago Ltd. has decided to proceed with the Manatee project, an undeveloped gas field in Trinidad's East Coast Marine Area. This initiative will enhance Shell's Integrated Gas business and support LNG growth by 20%–30% by 2030. Production is set to begin in 2027.	Read More

Sources: Company websites, press releases.

Featured Transactions Executed by Houlihan Lokey's Oil & Gas Group

Houlihan Lokey Advises Vital Energy



- Houlihan Lokey is pleased to announce that Vital Energy, Inc. (VTLE) recently announced the signing of a definitive joint purchase and sale agreement to acquire the assets of Point Energy Partners (Point), a Vortus Investments portfolio company. The agreement was signed in partnership with Northern Oil and Gas, Inc. (NOG), with VTLE agreeing to purchase 80% of Point's assets and NOG acquiring the remaining 20%. Total consideration for the all-cash transaction is $1.1 billion. VTLE intends to finance its portion of the transaction through use of its credit facility, which has been expanded to $1.5 billion.
- Houlihan Lokey is proud to have acted as the lead financial advisor to VTLE and NOG on the transaction.

Houlihan Lokey Advises Stratum Energy Romania



- Houlihan Lokey is pleased to announce that Stratum Energy Romania, LLC (Stratum Energy), a portfolio company of Gemcorp Capital Management (Gemcorp) and Chenavari Credit Partners (Chenavari), has been acquired by Emma Lambda Ltd., a subsidiary of Emma Capital. The transaction closed on September 16, 2024.
- Stratum Energy supplies gas to industrial and domestic gas markets in Romania, utilizing a modern and owned gas processing facility with 44 million standard cubic feet per day nameplate capacity. The Poduri Field contains significant volumes of currently undeveloped oil and gas, providing the opportunity to materially increase and extend the company's production activities.
- Houlihan Lokey acted as the sole financial advisor to Stratum Energy, Gemcorp, and Chenavari.

Houlihan Lokey Advises Sumitomo Chemical



- Houlihan Lokey is pleased to announce that Sumitomo Chemical (SCC) has agreed to partially divest approximately 22.5% of its equity interest in Rabigh Refining & Petrochemical Co. (PRC) to Saudi Arabian Oil Group (Saudi Aramco) for $702 million. The transaction was announced on August 7, 2024.
- SCC and Saudi Aramco entered into a sale and purchase agreement for the divestment of approximately 22.5% equity interest in PRC from SCC for $702 million. Following the completion of the transaction, SCC will maintain a 15% equity interest in PRC. As part of the deal, SCC will reinject the proceeds of the transaction into PRC and Saudi Aramco will contribute the same amount to reduce the leverage of PRC. In addition, both shareholders have agreed to each write off $750 million loans to substantially reduce PRC's accumulated losses.
- Houlihan Lokey acted as the financial advisor to SCC.

Houlihan Lokey Advises Altamont Energy

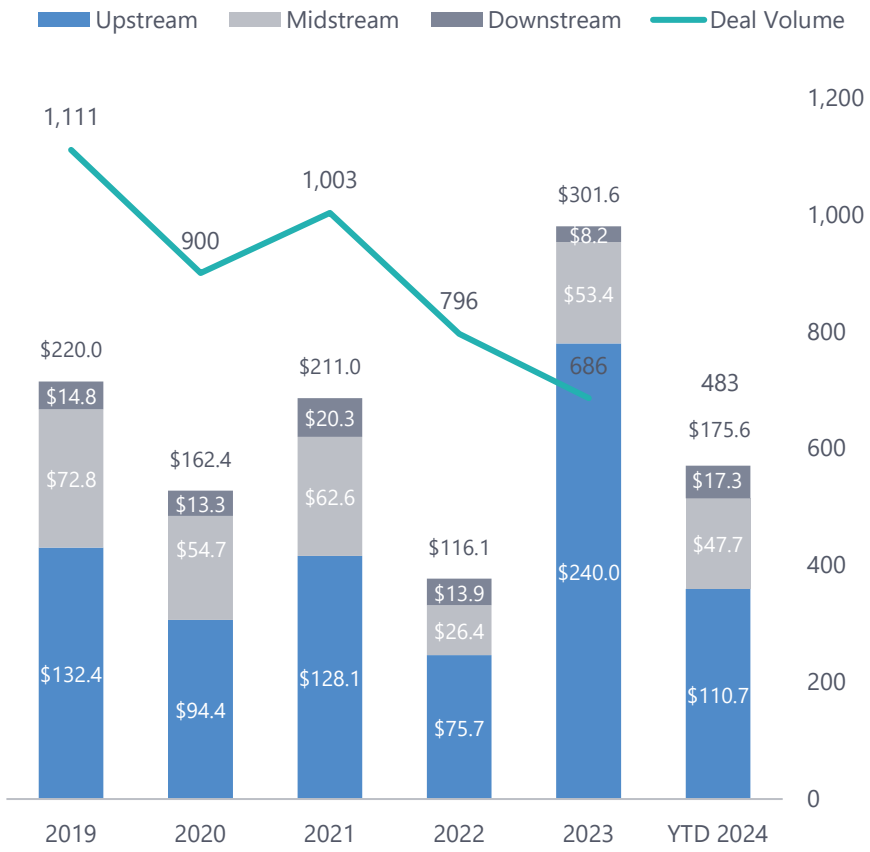


- Houlihan Lokey is pleased to announce that Altamont Energy, LLC (Altamont) has been acquired by XCL Resources, LLC (XCL), a portfolio company of EnCap Investments, LP (EnCap).
- Altamont is a privately owned E&P company based in Denver, Colorado. The company owns more than 36,000 contiguous oil-weighted net acres in the core of the Uinta Basin, producing more than 2,000 barrels of oil equivalent per day, primarily in the Bluebell field.
- XCL is a Houston-based independent oil and gas company focused on the identification, acquisition, and development of horizontal resource plays in the Lower 48.
- Houlihan Lokey acted as the exclusive financial advisor to Altamont for all aspects of this transaction, including underwriting, structuring, and negotiating the deal.

Oil and Gas M&A Highlights

Transaction Value and Deal Volume

($ in Billions)



Source: S&P Capital IQ as of September 30, 2024.

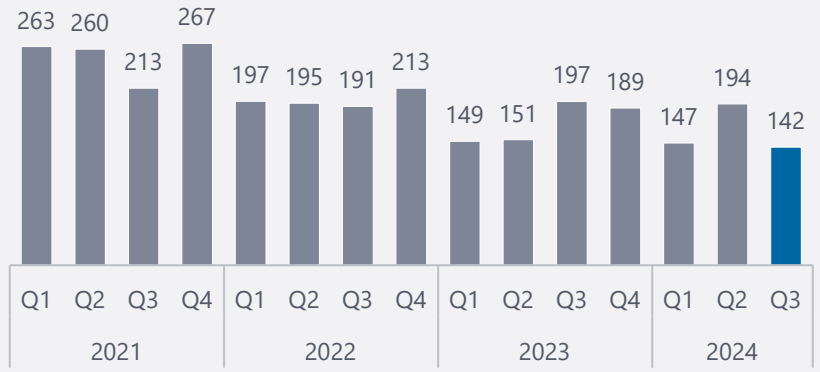
(1) The Houlihan Lokey Oil & Gas Index consists of a diversified set of companies across the oil and gas sector. See page 19 for a complete list.

Quarterly Volume Breakdown

142

Transactions

Q3 2024



Performance Stats[1]

Stats	Upstream	Midstream	Downstream
M&A&D Precedents	10.3x	13.2x	19.9x
2024E EBITDA Margin	33.2%	21.6%	5.7%
Public Trading Multiples	5.9x	10.5x	8.4x

Key Takeaways

Q3 2024 oil and gas M&A&D slowed to the lowest levels since Q1 2023, totaling ~$12 billion in the upstream sector, plus ~$15 billion across infrastructure sectors (midstream and downstream).

The slowdown in M&A&D appears to be driven by two primary factors: post-consolidation wave deal integration and increased volatility in global oil prices, which has a negative impact on valuation for dealmaking.

Private equity sponsors have recently closed several large fundraises, including Quantum Energy Partners, EnCap Investments, and Kayne Anderson Energy, among others. This availability of new equity capital is expected to facilitate further M&A&D activity as transaction volumes revert to historical averages.

Oil and Gas M&A Highlights (cont.)

Additional Notable Transactions (Upstream)

Date	Acquirer	Target
9/27/2024	PRIO	Statoil ASA, Peregrino Oil Field in Brazil
9/24/2024	Carnelian Energy Capital	Zavanna, LLC
9/19/2024	Undisclosed Investor	SABLE OFFSHORE
9/16/2024	WATEROUS ENERGY FUND	GREENFIRE RESOURCES
9/13/2024	VIPER	Tumbleweed–Q Royalties, LLC
9/13/2024	roc	TETHYS OIL
9/12/2024	Undisclosed Investor	LOGAN ENERGY CORP.
9/10/2024	Undisclosed Investor	Noncore Producing Properties in the Permian Basin
9/10/2024	Undisclosed Investors	APA Corporation
9/09/2024	POST OAK ENERGY CAPITAL	Quantent Energy
9/09/2024	PEMBINA	veren
9/09/2024	Quantent Energy	Natural Gas Assets in the Haynesville Shale
9/05/2024	Blue Harbour Capital Securities Fund I	PTal
9/04/2024	Crescent Energy	Central Eagle Ford Assets

Additional Notable Transactions (Upstream)

Date	Acquirer	Target
9/04/2024	Undisclosed Investors	Certain Noncore and Non-Montney Assets of ARC Resources Ltd.
9/03/2024	VOYAGER MIDSTREAM	Natural Gas Gathering and Processing Assets Located in Panola, Rusk, Louisiana, and Texas
9/03/2024	Absolute Resources	MJF and South Yelemes Structures in Kazakhstan
9/02/2024	PERENCO	Immortelle, Flamboyant, Amherstia, and Cashima Offshore Gas Fields and Associated Production Facilities
8/29/2024	Undisclosed Investors	PTal
8/24/2024	Beijing Huineng Haitou New Energy Co.	XINCHAO 新潮能源
8/20/2024	DIVERSIFIED energy	Operated Natural Gas Properties Located Within Eastern Texas
8/19/2024	GranTierra Energy	i3 ENERGY
8/07/2024	SM ENERGY	Additional Uinta Basin Assets of Altamont Energy LLC
8/07/2024	TOURMALINE	crew energy inc.
7/31/2024	viaro ENERGY	Operated U.K. Southern North Sea Assets Shell and ExxonMobil
7/29/2024	SANDRIDGE energy	Certain Producing Assets and Leasehold Interests in the Cherokee Play of the Western Anadarko Basin
7/21/2024	Woodside Energy	TELLURIAN
7/18/2024	TENAZ ENERGY	NAM

Additional Notable Transactions (Upstream)

Date	Acquirer	Target
7/17/2024	CHAPPAL Energies	SPDC JV Licenses in Nigeria
7/16/2024	BW ENERGY	Petroleum Exploration License 73 in the Kavango Basin
7/02/2024	TOPAZ ENERGY	Musreau 05–09 Facility of Whitecap Resources

Source: S&P Capital IQ as of September 30, 2024.

Oil and Gas M&A Highlights (cont.)

Additional Notable Transactions (Midstream)

Date	Acquirer	Target
9/24/2024	Diamondback Energy	EPIC
9/16/2024	Apollo	Trans Adriatic Pipeline
8/29/2024	Edgewater Midstream	Sinco Pipeline System of Shell Pipeline Company LP and Triton West LLC
8/29/2024	Edgewater Midstream	Colex East and Colex West Terminals of Shell Pipeline Company LP and Triton West LLC
8/28/2024	ONEOK	Medallion
8/28/2024	ONEOK	ENLINK Midstream
8/21/2024	Enterprise Products Partners L.P.	Piñon Midstream
8/19/2024	EOC Partners	Brazos Midstream
8/13/2024	CPP Investments	TALLGRASS
8/06/2024	Delek Logistics	H2O Midstream
8/05/2024	Williams	Discovery Producer Services LLC
7/25/2024	snam	Edison Stoccaggio
7/17/2024	Undisclosed Investors	RUBIS ENERGIE
7/11/2024	CITADEL	Liquid Gas Distribution Business in Hong Kong and Macau of DCC PLC

Additional Notable Transactions (Midstream)

Date	Acquirer	Target
7/10/2024	BLACKSTONE	TALLGRASS

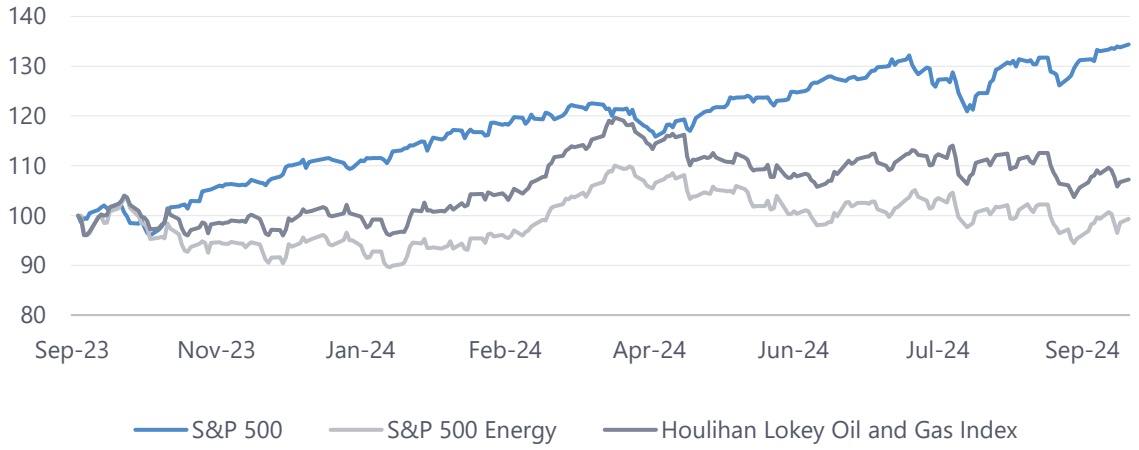
Additional Notable Transactions (Downstream)

Date	Acquirer	Target
9/25/2024	MACQUARIE	Tag Pipelines Sur, S. De R.L. De C.V.
9/16/2024	MidOcean Energy	PERU LNG
9/08/2024	methanex	OCI Global
9/04/2024	RADIANT	
8/23/2024	SK E&S	IGE Co., Ltd.
8/07/2024	aramco	
8/06/2024	TRACE	Natural Gas Gathering and Transportation Assets of LM Energy Delaware, LLC
7/02/2024	PGI	15–07 Kaybob Complex

Source: S&P Capital IQ as of September 30, 2024.

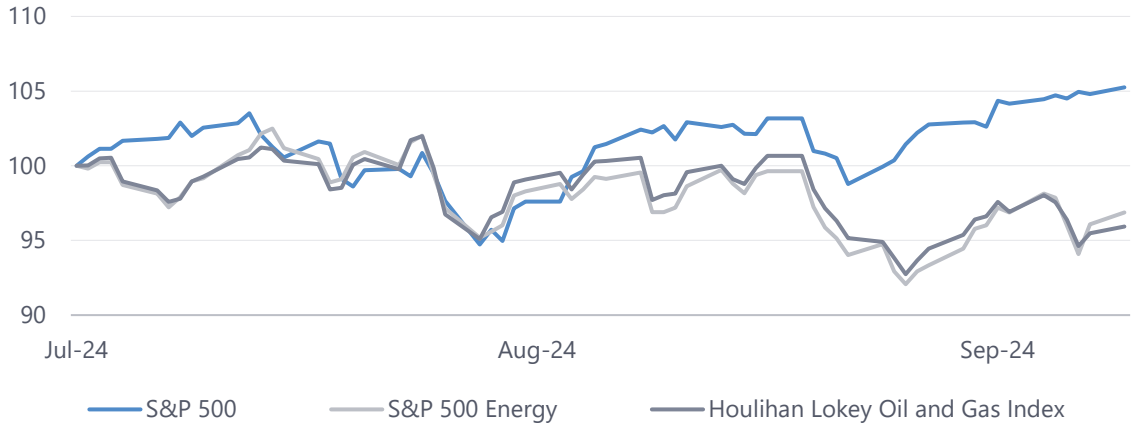
Equity Market Index Performance

LTM September 2024 Performance



S&P 500	34.4%
Houlihan Lokey Oil and Gas Index	7.3%
S&P 500 Energy	(0.7%)

July 2024 – September 2024 Performance



S&P 500	5.3%
S&P 500 Energy	(3.1%)
Houlihan Lokey Oil and Gas Index	(4.1%)

Source: S&P Capital IQ.
Notes: Data as of September 30, 2024. All share prices are rebased to 100.
The Houlihan Lokey Oil & Gas Index consists of a diversified set of companies across the oil and gas sector. See page 19 for a complete list.

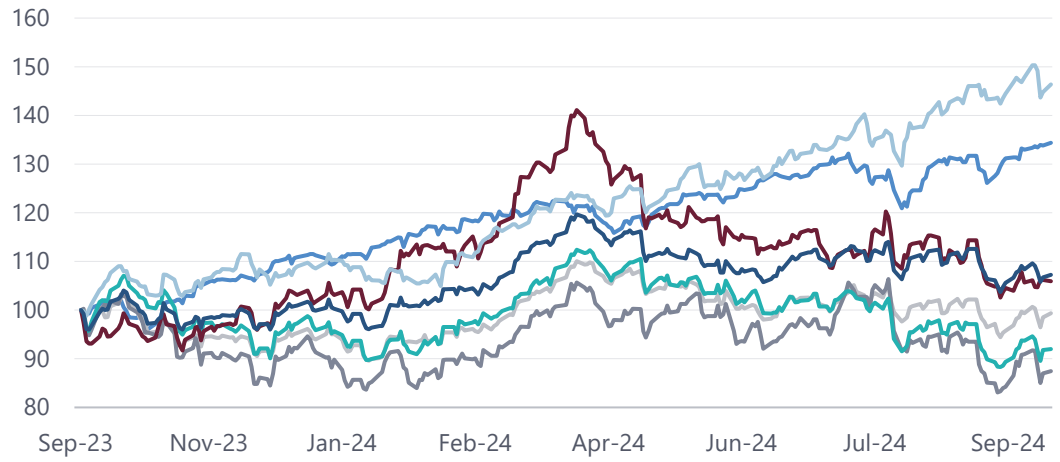
Key Takeaways

Q3 2024 energy equity indices continued the trend from Q2 2024 of underperforming the broader S&P 500. The two factors that have the greatest impact on performance are (i) commodity prices, particularly global oil price volatility, driven by geopolitical and market supply/demand dynamics and (ii) concerns regarding economic slowdown, especially in China, which represents an influential global demand center.

Notwithstanding the relative underperformance, during Q3 2024, the oil and gas industry experienced another IPO by BKV. This is notable given the extended period of no IPOs until TXO went public in early 2023.

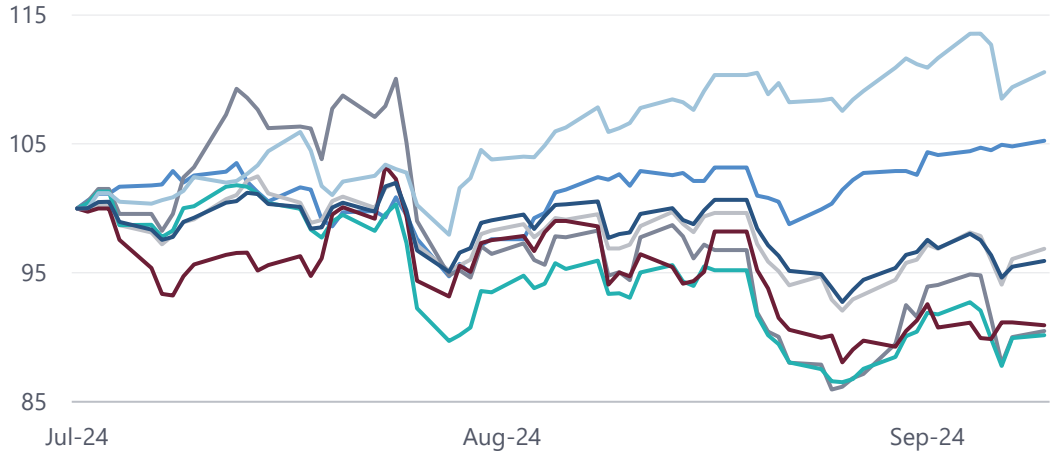
Equity Market Index Performance

LTM September 2024 Performance



S&P 500 Oil and Gas Storage and Transportation	46.4%
S&P 500	34.4%
Houlihan Lokey Oil and Gas Index	7.3%
S&P 500 Oil and Gas Refining and Marketing	5.9%
S&P 500 Energy	(0.7%)
S&P Oil and Gas Exploration and Production Select Industry Index	(8.0%)
S&P Oil and Gas Equipment Select Industry Index	(12.5%)

July 2024 – September 2024 Performance



S&P 500 Oil and Gas Storage and Transportation	10.6%
S&P 500	5.3%
S&P 500 Energy	(3.1%)
Houlihan Lokey Oil and Gas Index	(4.1%)
S&P 500 Oil and Gas Refining and Marketing	(9.1%)
S&P Oil and Gas Equipment Select Industry Index	(9.5%)
S&P Oil and Gas Exploration and Production Select Industry Index	(9.8%)

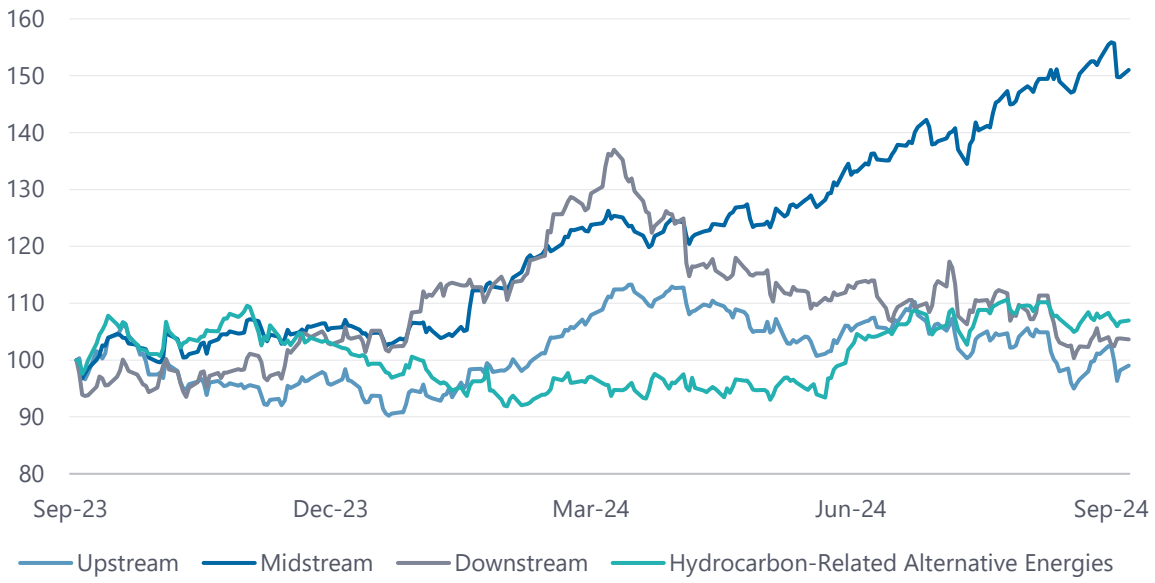
Source: S&P Capital IQ.
Notes: Data as of September 30, 2024. All share prices are rebased to 100.
The Houlihan Lokey Oil & Gas Index consists of a diversified set of companies across the oil and gas sector. See page 19 for a complete list.

Key Takeaways

While most oil and gas sectors (other than storage and transportation) underperformed the S&P 500 during the LTM period, the Houlihan Lokey Oil and Gas Index has outperformed select key sector indices (e.g. S&P 500 Oil and Gas Refining and Marketing, S&P Energy, among others) on an LTM basis.

Equity Market Index Performance Oil and Gas Subsectors

LTM September 2024 Performance by Subsector

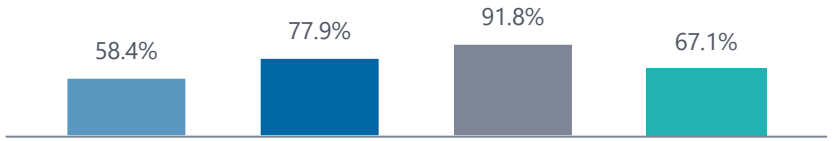


Midstream	51.0%
Hydrocarbon-Related Alternative Energies	6.9%
Downstream	3.6%
Upstream	(1.0%)

YTD 2024 Performance



Three-Year Performance



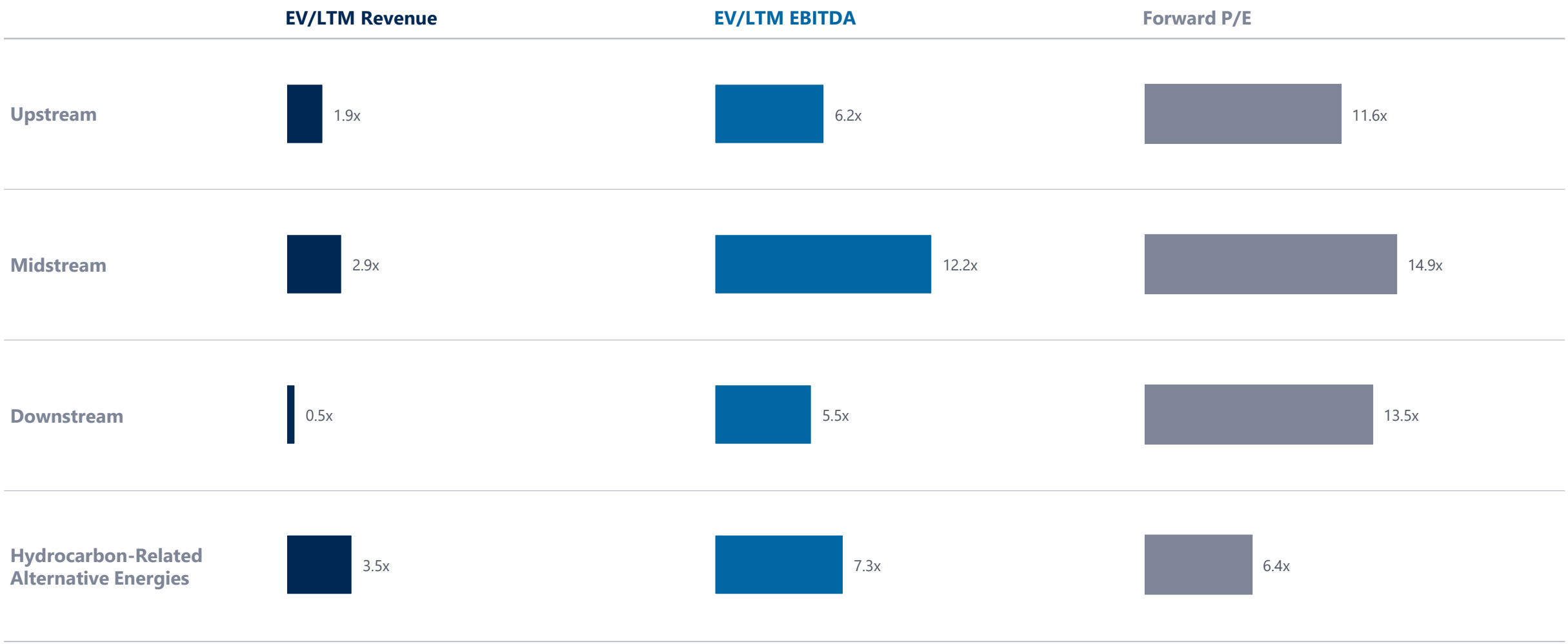
Source: S&P Capital IQ.
Notes: Data as of September 30, 2024. All share prices are rebased to 100.

Key Takeaways

As demonstrated on the left, equity investments in the oil and gas sectors (or "traditional energy") have dramatically outperformed alternative energies over the LTM period.

As global energy demand has continued to grow, particularly in the post-COVID-19 period, more energy (and especially more cost- and delivery-effective energy) is required.

Public Company Valuations (LTM September 2024)



Source: S&P Capital IQ.
Note: Data as of September 30, 2024.

Public Comparables (LTM September 2024)
Oil and Gas

($ in Millions, Except Per-Share Prices)

	As of 9/30/24	Market Cap USDM	EV USDM	Net Debt USDM	Net Debt/LTM EBITDA	LTM Revenue USDM	LTM EBITDA USDM	LTM EBITDA Margin	LTM EPS	Forward P/E	TEV/ LTM EBITDA	TEV/ LTM Revenue
Upstream	Exxon Mobil Corp.	$520,788.1	$545,375.1	$16,726.0	0.2x	$345,135.0	$74,442.0	21.6%	$8.4	14.4x	7.3x	1.6x
	Chevron Corp.	269,344.6	289,550.6	19,176.0	0.5x	195,151.0	41,004.0	21.0%	10.1	13.2x	7.1x	1.5x
	Shell PLC	204,624.3	246,094.6	37,320.0	0.6x	302,025.0	62,644.0	20.7%	2.8	7.9x	3.9x	0.8x
	ConocoPhillips	122,256.4	134,591.4	12,335.0	0.5x	58,080.0	25,288.0	43.5%	9.0	12.6x	5.3x	2.3x
	EOG Resources, Inc.	69,897.9	68,553.9	(1,647.0)	N/M	24,105.0	14,678.5	60.9%	13.0	10.6x	4.7x	2.8x
	Diamondback Energy, Inc.	50,813.6	57,144.6	5,252.0	0.8x	8,846.0	6,733.0	76.1%	19.3	9.3x	8.5x	6.5x
Median				$14,530.5	0.5x	$126,615.5	$33,146.0	32.6%	$9.5	11.6x	6.2x	1.9x
Mean				$14,860.3	0.5x	$155,557.0	$37,464.9	40.6%	$10.4	11.3x	6.1x	2.6x
Midstream	Energy Transfer LP	$54,926.9	$128,135.9	$56,966.0	4.1x	$83,629.0	$13,962.0	16.7%	$1.2	11.6x	9.2x	1.5x
	TC Energy Corp.	49,384.6	104,682.7	45,177.4	6.3x	12,058.6	7,187.4	59.6%	2.4	14.9x	14.6x	8.7x
	Enterprise Products Partners LP	63,177.5	94,695.5	30,200.0	3.2x	54,863.0	9,435.0	17.2%	2.6	10.5x	10.0x	1.7x
	Kinder Morgan, Inc.	49,027.9	82,281.9	31,898.0	4.8x	15,359.0	6,660.0	43.4%	1.1	18.2x	12.4x	5.4x
	Targa Resources Corp.	32,426.0	47,787.8	13,400.6	3.4x	16,260.5	3,901.7	24.0%	4.8	21.8x	12.2x	2.9x
Median				$31,898.0	4.1x	$16,260.5	$7,187.4	24.0%	$2.4	14.9x	12.2x	2.9x
Mean				$35,528.4	4.4x	$36,434.0	$8,229.2	32.2%	$2.4	15.4x	11.7x	4.0x
Downstream	Marathon Petroleum Corp.	$54,523.4	$82,899.4	$20,438.0	1.4x	$148,772.0	$15,132.5	10.2%	$19.3	15.7x	5.5x	0.6x
	Phillips 66	55,020.9	73,588.9	17,516.0	2.1x	151,853.0	8,269.0	5.4%	11.7	13.2x	8.9x	0.5x
	Valero Energy Corp.	43,261.0	51,563.0	5,495.0	0.5x	134,330.0	11,642.0	8.7%	17.7	13.5x	4.4x	0.4x
	Sunoco LP	7,300.4	14,974.4	7,154.0	6.9x	23,634.0	1,040.0	4.4%	8.3	8.5x	14.4x	0.6x
	CVR Energy, Inc.	2,315.2	3,559.2	998.0	0.9x	8,553.0	1,057.0	12.4%	5.4	20.0x	3.4x	0.4x
Median				$7,154.0	1.4x	$134,330.0	$8,269.0	8.7%	$11.7	13.5x	5.5x	0.5x
Mean				$10,320.2	2.4x	$93,428.4	$7,428.1	8.2%	$12.5	14.2x	7.3x	0.5x
Hydrocarbon-Related Alternative Energies	PetroChina Company Ltd.	$225,433.9	$261,897.0	$10,377.1	0.1x	$424,529.0	$70,157.3	16.5%	$0.1	6.4x	3.7x	0.6x
	Cheniere Energy, Inc.	40,693.0	69,155.0	21,491.0	2.3x	15,957.0	9,522.0	59.7%	18.9	19.8x	7.3x	4.3x
	OPAL Fuels Inc.	103.7	1,049.1	204.4	5.4x	294.0	37.6	12.8%	0.1	2.6x	27.9x	3.6x
	Clean Energy Technologies, Inc.	44.6	46.2	1.3	N/M	13.5	(2.9)	N/M	(0.1)	N/A	N/M	3.4x
Median				$5,290.7	2.3x	$8,125.5	$4,779.8	16.5%	$0.1	6.4x	7.3x	3.5x
Mean				$8,018.4	2.6x	$110,198.4	$19,928.5	29.7%	$4.7	9.6x	13.0x	3.0x
Overall Median				$15,063.3	1.7x	$39,484.0	$9,478.5	20.7%	$6.9	13.2x	7.3x	1.7x
Overall Mean				$17,523.9	2.4x	$101,172.4	$19,139.5	28.1%	$7.8	12.9x	9.0x	2.5x

Source: S&P Capital IQ.
Note: Data as of September 30, 2024.

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