



Venado Oil & Gas and KKR Acquire Eagle Ford Oil Assets

July 3, 2018

AUSTIN, Texas & HOUSTON--(BUSINESS WIRE)-- Today, affiliates of Venado Oil and Gas, LLC ("Venado") and KKR announced that they have closed on an acquisition of operated assets located in the Eagle Ford oil window of South Texas. The assets acquired by Venado and KKR include current oil production from 22 producing wells and significant future resource development potential across approximately 23,000 net acres immediately adjacent to existing operated assets held by Venado and KKR in Atascosa and Frio counties. During the second quarter of 2018, the assets produced approximately 4,500 net barrels of oil equivalent per day (74% oil, 11% natural gas and 15% NGLs).

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20180703005458/en/>

Venado CEO Scott Garrick stated, "These assets are a natural addition to our existing operated assets and considerably increase our future drilling inventory. This acquisition is a continuation of our strategy begun in late 2016 to consolidate proven assets in the Eagle Ford. This is a prime example of the Venado and KKR partnership using our extensive experience in the Eagle Ford to capture additional high-quality assets, where we have identified multiple opportunities to enhance long-term value for our stakeholders."

David Rockecharlie, Member and Head of Energy Real Assets for KKR, commented, "This investment marks our third asset acquisition in partnership with the Venado team in less than eighteen months, underlining our commitment to capitalizing on the attractive market opportunity we see in the U.S. oil and gas sector at this point in the cycle. We continue to employ our differentiated strategy, which seeks to generate strong investment returns and free cash flow through superior technical and operational execution, as well as disciplined financial and risk management."

As of the closing date, the Venado and KKR partnership manages an asset position comprising approximately 136,000 net acres producing approximately 43,000 barrels of oil equivalent per day from the Eagle Ford trend of South Texas.

The Venado and KKR asset partnership is principally funded by KKR's Energy Income and Growth Fund I ("EIGF"). KKR manages a portfolio of oil and gas assets in numerous unconventional and conventional resource areas across the United States and has made thirteen investments in the Eagle Ford to date.

About Venado Oil and Gas

Venado Oil & Gas is a private company focused on the acquisition and exploitation of upstream oil and gas assets. Headquartered in Austin, Texas, its primary objective is to build and operate a portfolio of producing oil and gas wells and drilling locations in the Eagle Ford Shale. For additional information about Venado Oil & Gas, please visit www.vogllc.com.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

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