Setting the stage – *The evolution of the midstream industry*

**Sunset**
- Pre-2005
- U.S. onshore E&P activity stagnates
- Major oils and others divest midstream assets
- Master Limited Partnerships used to enhance returns

**Rebirth**
- 2005 - 2013
- Shale plays revitalize U.S. E&P
- Midstream participants rush to fill infrastructure gap
- MLP structure provides advantaged access to growth capital

**Shock**
- 2014 - 2016
- O&G price decline slows growth
- MLP structure proves suboptimal for largest players
- M&A activity likely accelerates to simplify structures and capture growth via consolidation

**Purposeful Growth**
- 2016+
- Longer-term infrastructure build trends remain positive
- Players target growth capabilities
- M&A/organic moves to improve competitive positioning
MLP Market Activity – Summary of IPO’s by year

Initial Public Offerings 1987–2014 to Date

MLP IPO Transactions by Year

- Exploration and Production
- Propane
- Timber
- Wholesale Distribution
- Midstream
- Refining
- Shipping
- Fertilizer
- Coal
- General Partner/Holding Co
- Royalty Trusts
- Other

CQH
RMP
VLP
LMRK
DLNG
NAP
MEP
AM
KMI
ALDW
SLRP
DM
NRGM
DKL
PAGP
USD
MCEP
SXE
WNRL
JPEP
MEMP
MPLX
OCIP
CNX
RRMS
LGP
OCIR
HMLP
LRE
SDLP
WPT
VTI
CHKR
SLMP
QEMP
RIGP
RNF
SUSP
FISH
WLKP
SDT
WGP
ARCX
SHLX
PET
TGP
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CMLP
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Source: WWW.SEC.GOV
Midstream Industry Fragmentation

- 205 Midstream companies with reported revenue
- 115 out of 205 companies have revenue (last 12 months) below $100M
- 8 companies make up 65 percent of cumulative revenue
- Energy Transfer is the top company with 24 percent of cumulative revenue between two MLPs (Energy Transfer Equity and Energy Transfer Partners)

Source: Capital IQ: U.S. Oil and Gas Storage and Transportation Companies