

SEPTEMBER 2020

Where do we go from here?

Salman Patoli

**RYDER SCOTT 16TH ANNUAL
RESERVES CONFERENCE**

**THE FUTURE
IS YOU**  **SOCIETE
GENERALE**

A GLOBAL BANK WITH A STRONG U.S. PRESENCE

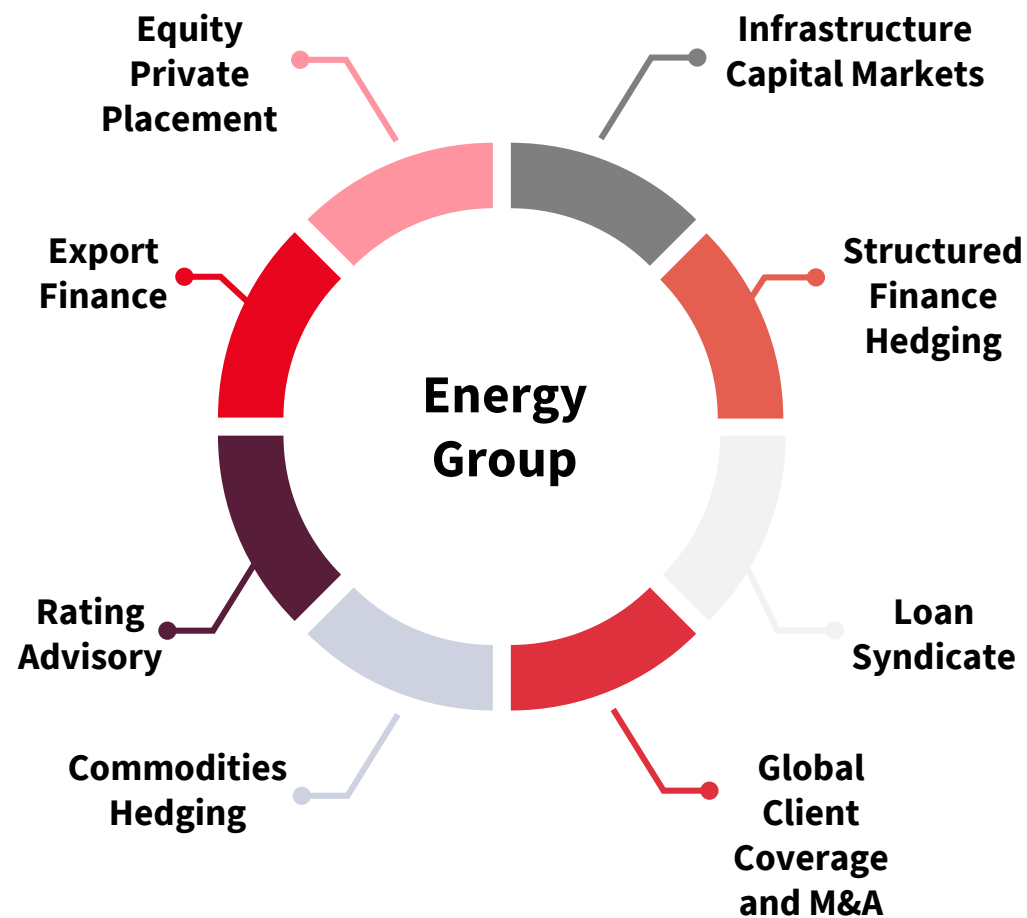


FULLY INTEGRATED INVESTMENT BANKING PLATFORM

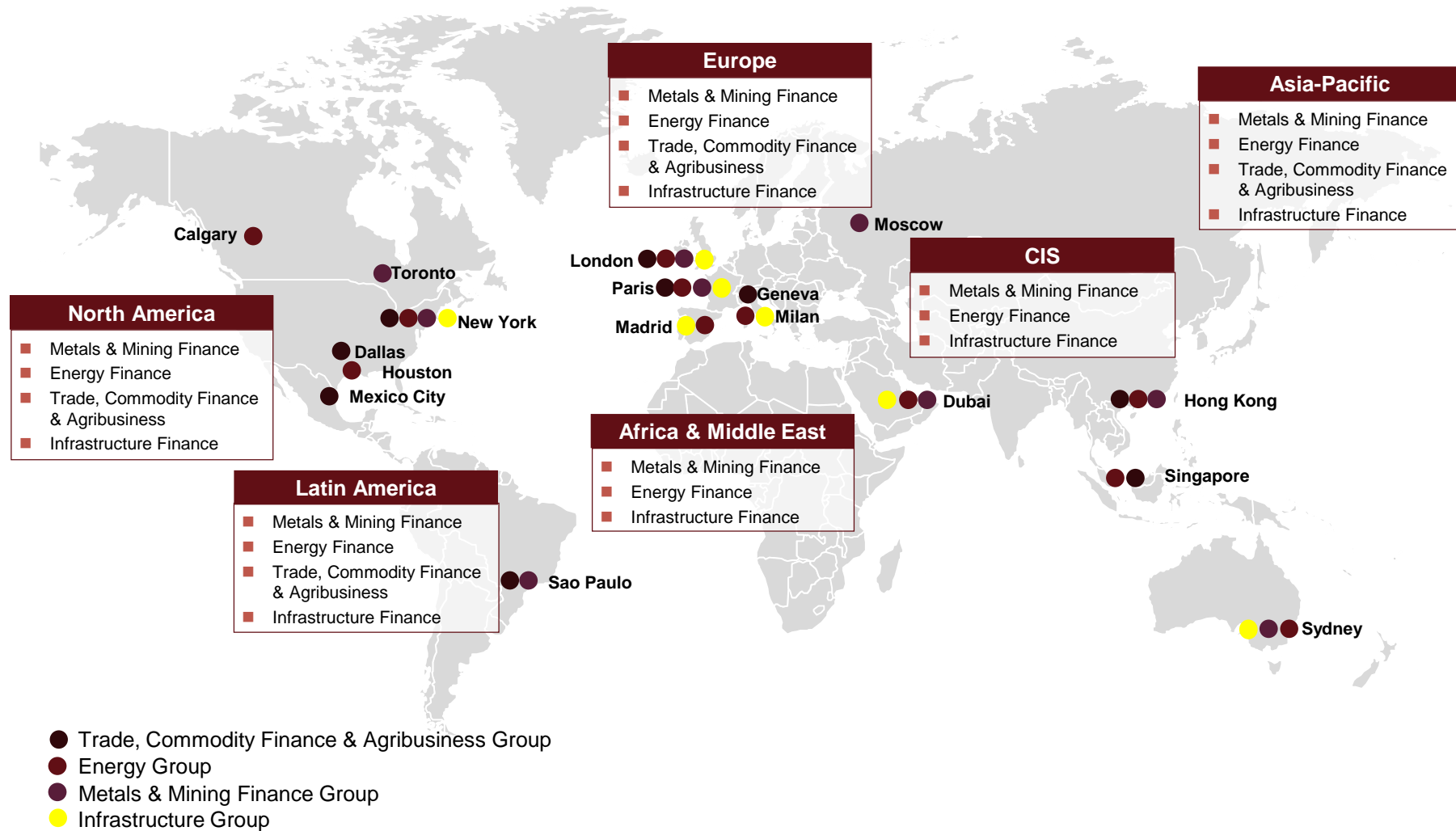
INTEGRATED PLATFORM

The Energy Group is the center of an integrated banking platform:

- Fully integrated investment banking platform enables SG to offer a compelling and comprehensive offer
- Deep knowledge of complex financing structures and experience closing deals both as financial advisor and lead arranger with Bank Debt, Project Bonds, Multilaterals, ECA covers
- New York, Calgary & Mexico City-based team dedicated to energy project finance markets, advisory, and debt arranging
- Local teams lead and coordinate the execution work of the various global product teams to ensure a seamless coordinated approach
- History of providing tailored optimal solutions when developing financing strategies on behalf of the client, as SG is not purely precedent driven



A GLOBAL PRESENCE IN THE WORLD OF NATURAL RESOURCES & INFRASTRUCTURE



A DEDICATED UPSTREAM PRACTICE

Reserve Based Finance (“RBF”) is one cohesive global team with three offices – London, Houston and Singapore

- Extensive transaction experience across all geographies
- Technical expertise with in-house Petroleum Engineers
- Uninterrupted presence in the US RBL market for 30+ years
- Longstanding commitment to advising and supporting public and private energy companies through their life cycle

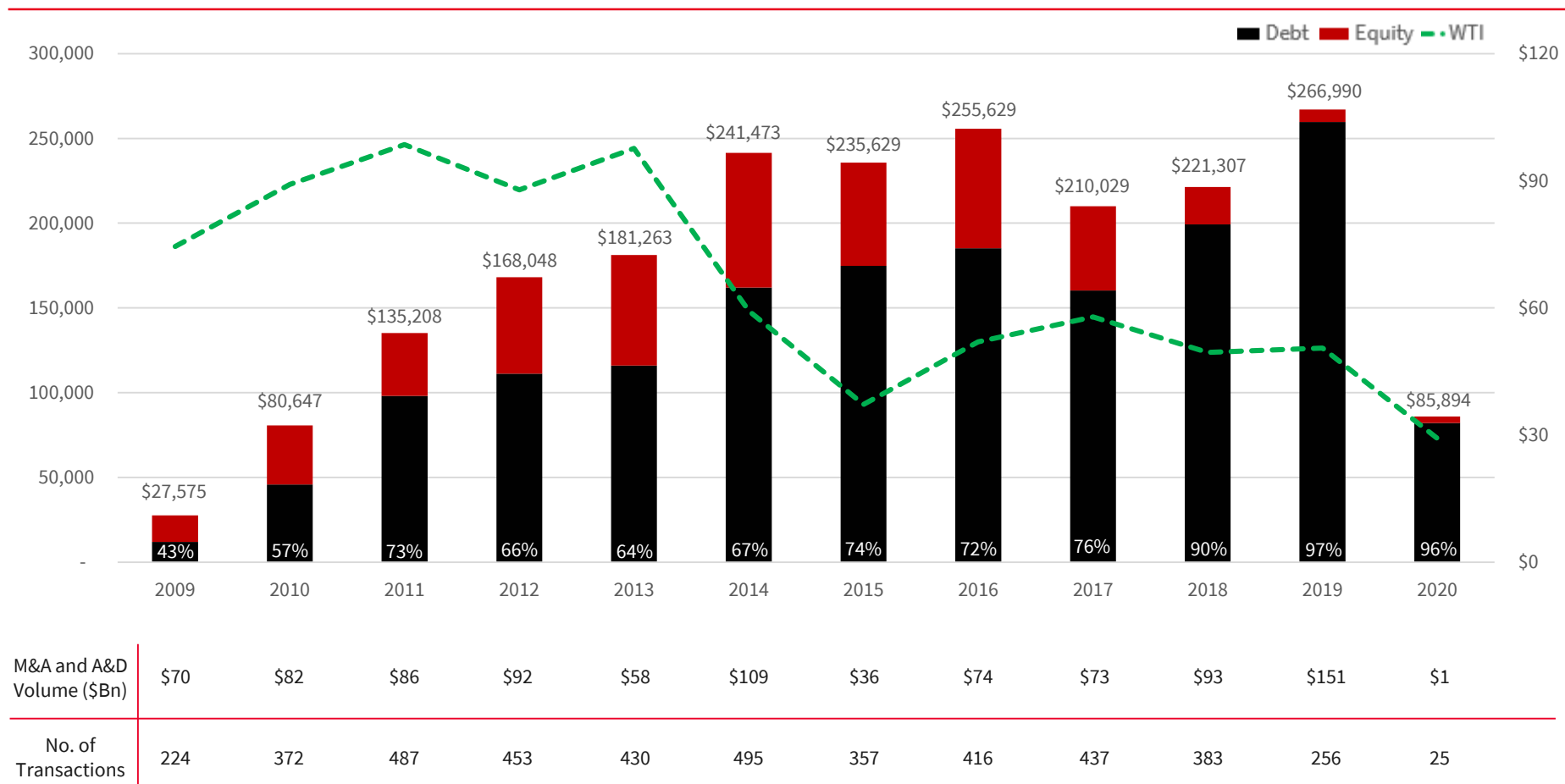
Leading upstream debt business with an ability to structure customized financing solutions and provide advisory across the energy chain via its growing:

- Natural Resources Advisory business
- Ability to raise institutional private capital
- Development & Project Finance



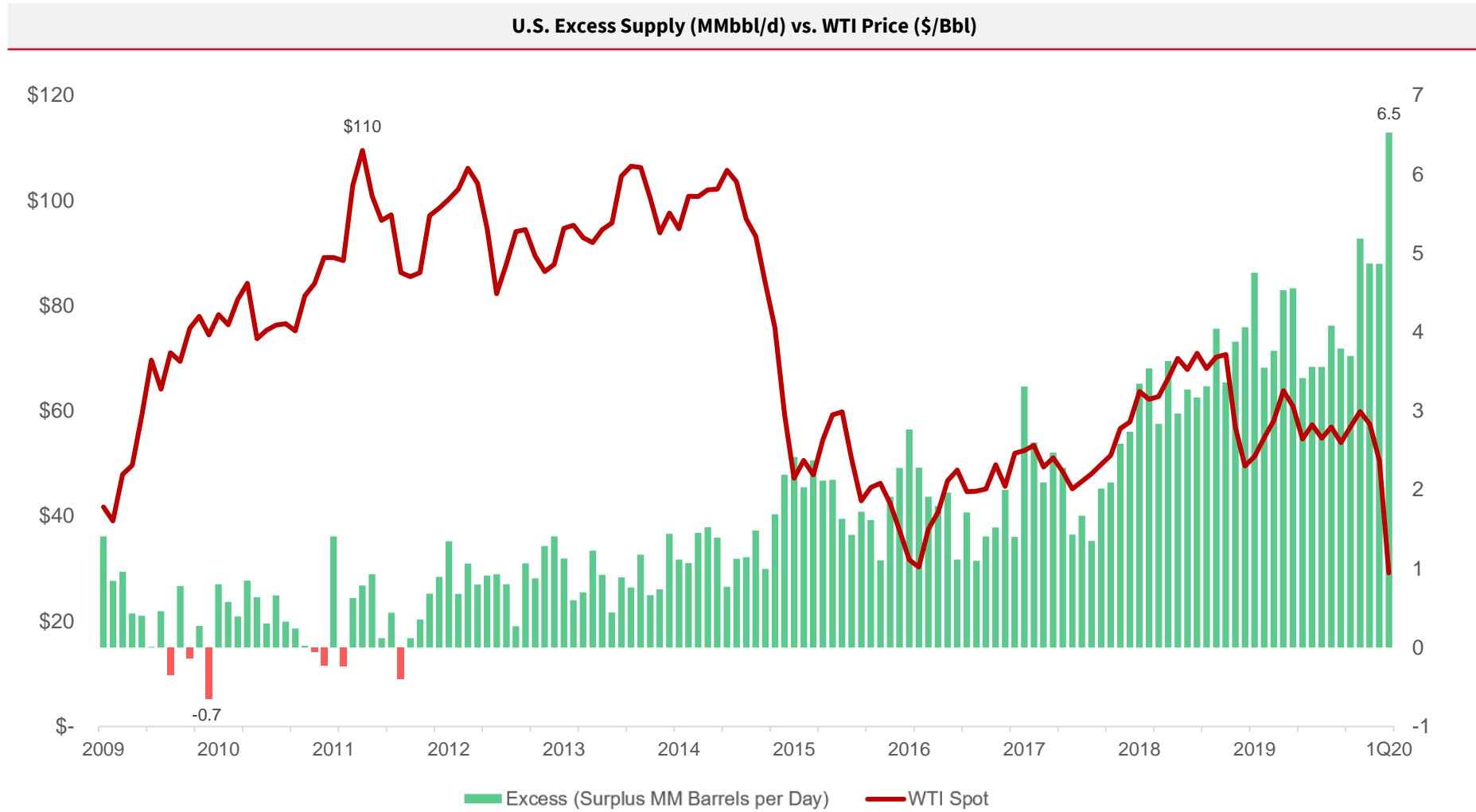
THE ENABLERS: CAPITAL INVESTED IN THE U.S. OIL PATCH

Total Debt and Equity Capital Invested* (\$MM) 2009-1Q20



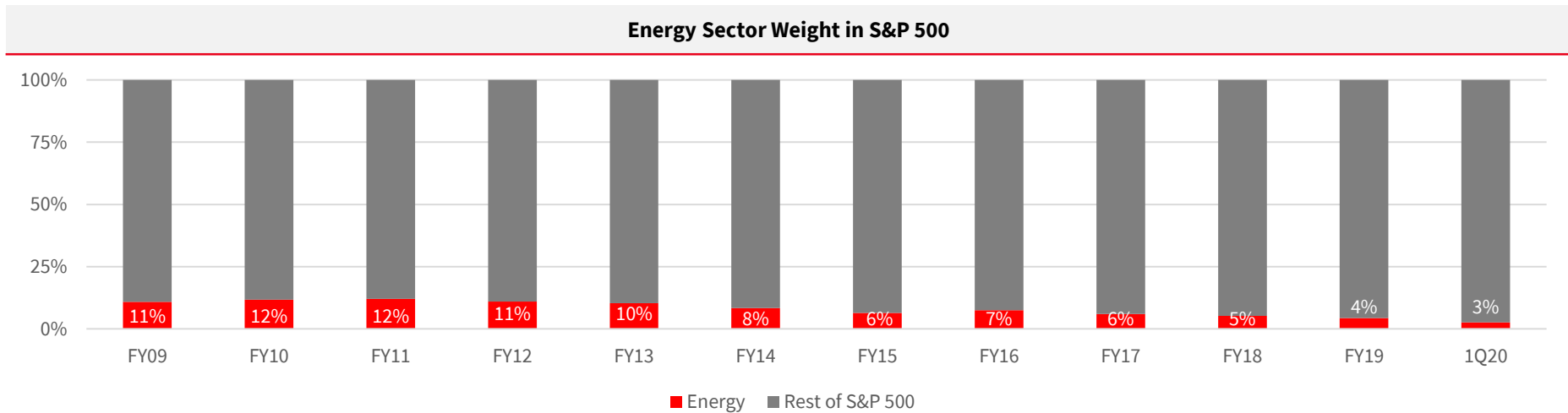
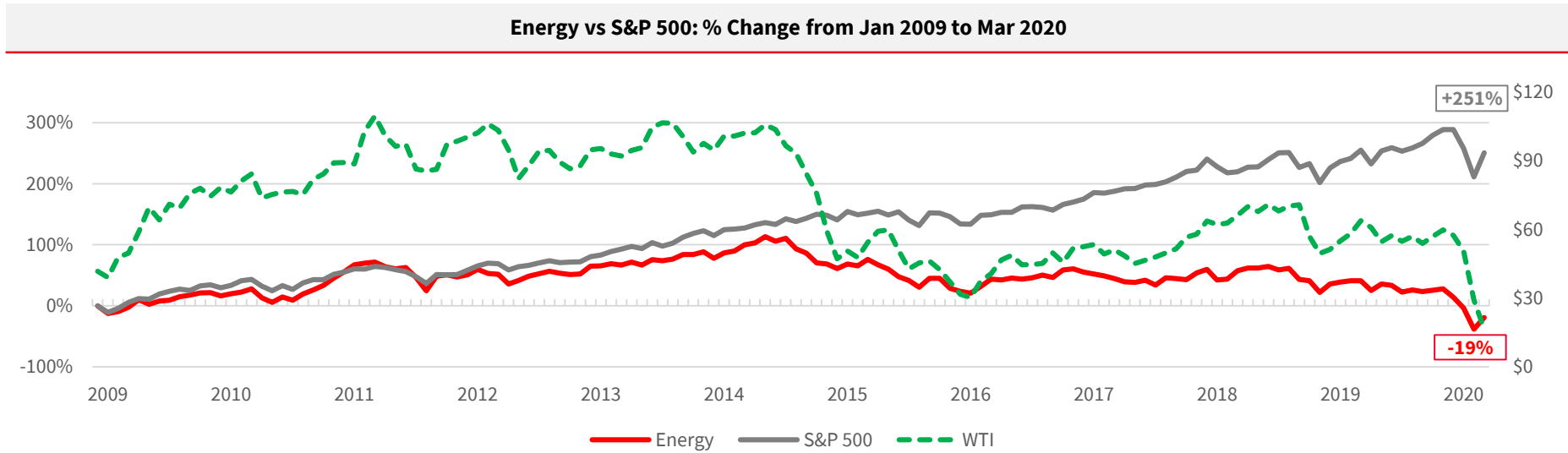
Source: Enverus as at June 25, 2020; *limited to instruments filed with the SEC

THE DOERS: HISTORIC OVERSUPPLY



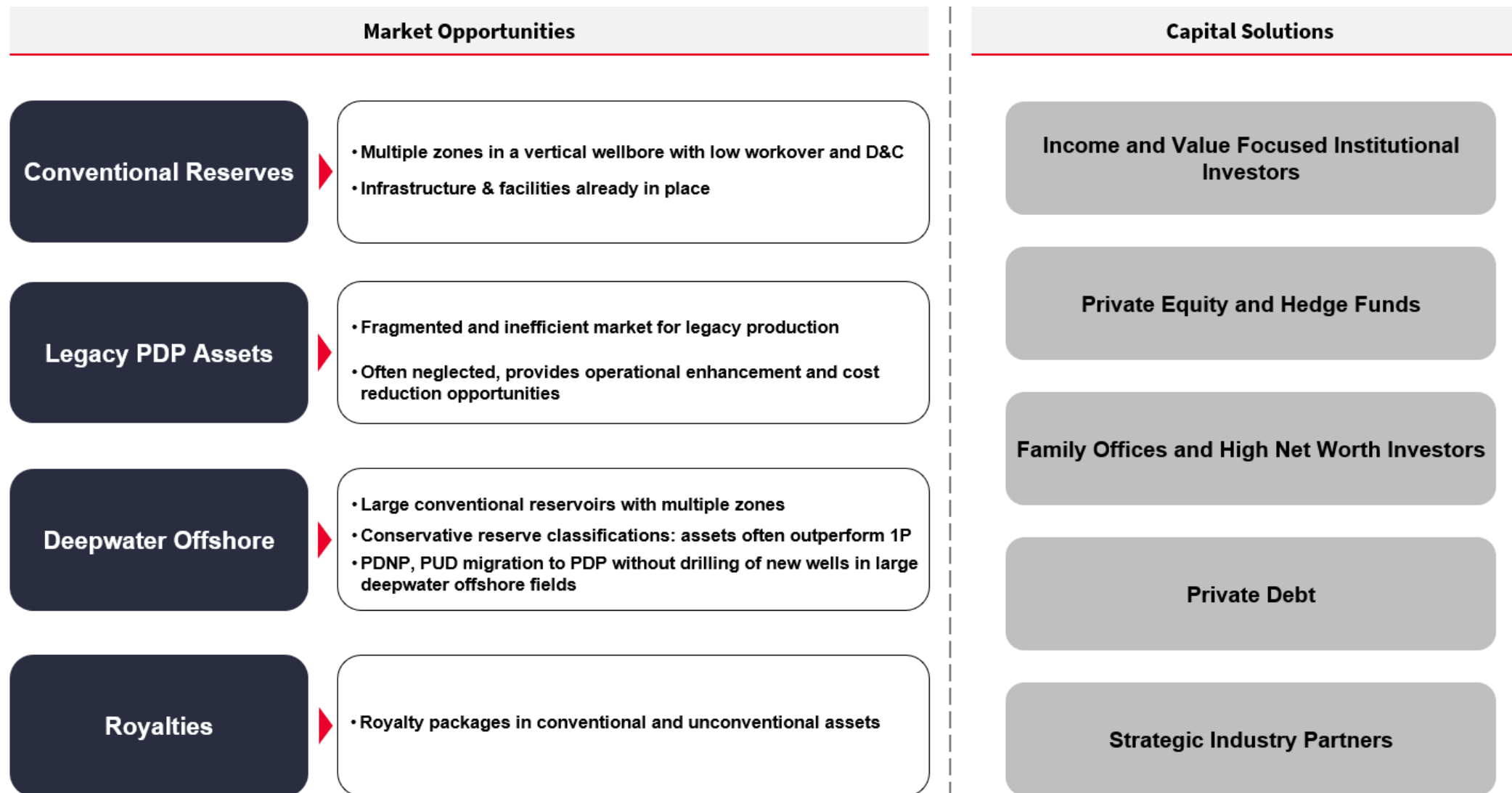
Source: EIA as at June 25, 2020

THE INVESTORS: RELATIVE UNDERPERFORMANCE

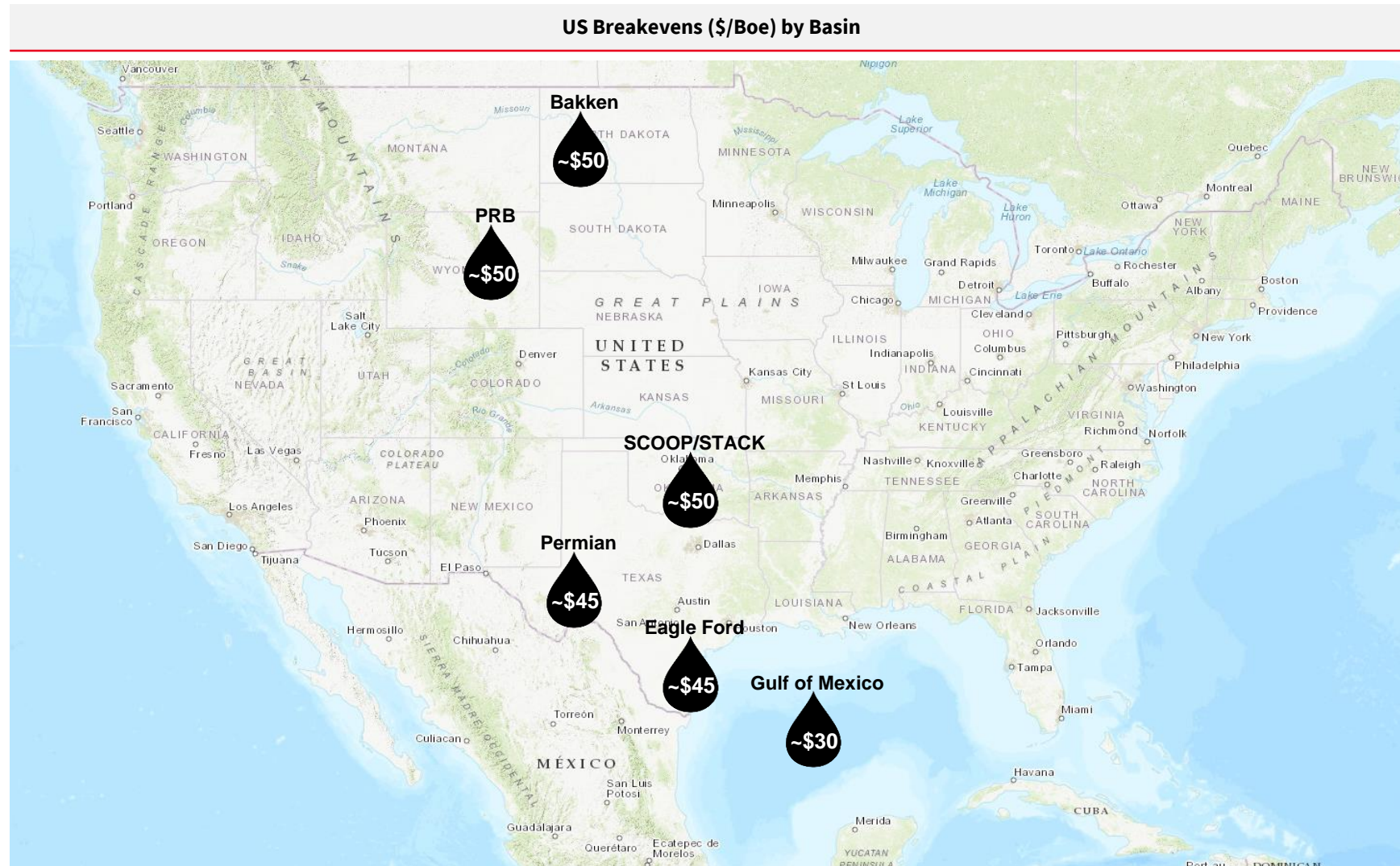


Source: Bloomberg.

MARKET OPPORTUNITIES VS. CAPITAL SOLUTIONS



BREAKEVENS ARE BEING TESTED IN WEAK PRICE ENVIRONMENT



Source: IHS.

WHY GULF OF MEXICO?

Advantaged Conventional Resources in the Gulf of Mexico Create Opportunity

GoM benefits from proximity to refining capacity, premium pricing relative to WTI

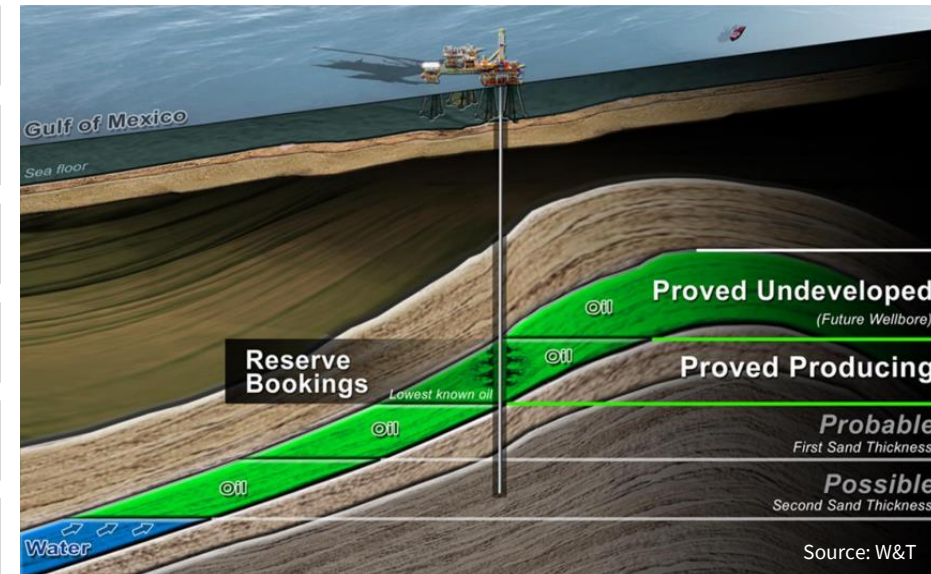
Deep inventory of underdeveloped, low-risk opportunities of discovered resources

Existing infrastructure underpins lowest cost of supply and high margins

The area also enjoys from low royalties and no ad valorem or severance taxes

Lower service costs vs pre-2015 oil price reduction

US GOM lease sale activity has shown historically low competition




Incremental reserves can be realized at no cost from stacked pay below lowest known oil (SEC Reserve Bookings)

Onshore unconventional focus has created opportunities in the offshore space
Large acreage positions with existing infrastructure acquired at little to no upfront cost
Modern, leading-edge practices can be implemented to extract value across the D&P life cycle

Source: W&T, EIA, equity research.

DEEPWATER INVESTMENT OPPORTUNITIES

 SOCIETE GENERALE	Integrated Investment Model	Integrated w/ Monetization of Facilities	Investment Utilizing Existing Facilities
Description	<ul style="list-style-type: none"> • Producer acquires Federal leases • Drills exploration wells • Drafts development plan • D&C • Producer constructs and owns all necessary facilities for the long term development of the reserves 	<ul style="list-style-type: none"> • Producer acquires Federal leases • Drills exploration wells • Drafts development plan • D&C • Producer partners with financial sponsor to monetize facilities for lower upfront costs in exchange for a PHA fee 	<ul style="list-style-type: none"> • D&C • Producer ties back wells to existing area facilities in exchange for PHA fee
Key Components	<ul style="list-style-type: none"> • D&C • Subsea kit • Risers • Facility (e.g. platform) • Export pipelines 	<ul style="list-style-type: none"> • D&C • Subsea kit • Risers • Facility & pipelines cost reduced by partial sale of interest in assets 	<ul style="list-style-type: none"> • D&C • Subsea kit • Risers
Key Attributes	<ul style="list-style-type: none"> • Most capital intensive, multi-year project • Vertical integration improves economics providing low operating costs over life • Significant 1P upside through migration of reserves without additional capex 	<ul style="list-style-type: none"> • Less upfront capital costs, private investment in midstream assets • Higher operating costs through PHA fee • Upfront proceeds can be used to accelerate drilling program 	<ul style="list-style-type: none"> • Least capital intensive • Assumes there is capacity in area facilities • Lower upfront investment offset by higher PHA fee with 3rd party • Lower initial investment can be put towards drilling program

Key Considerations

Risk Reward Profile:

- Use of existing facilities reduces risk but limits upside to improvements along D&P cycle
- D&C activity has potential for greater upside
- Facilities exposed indirectly to oil prices
- Added execution risk of new facilities buildout

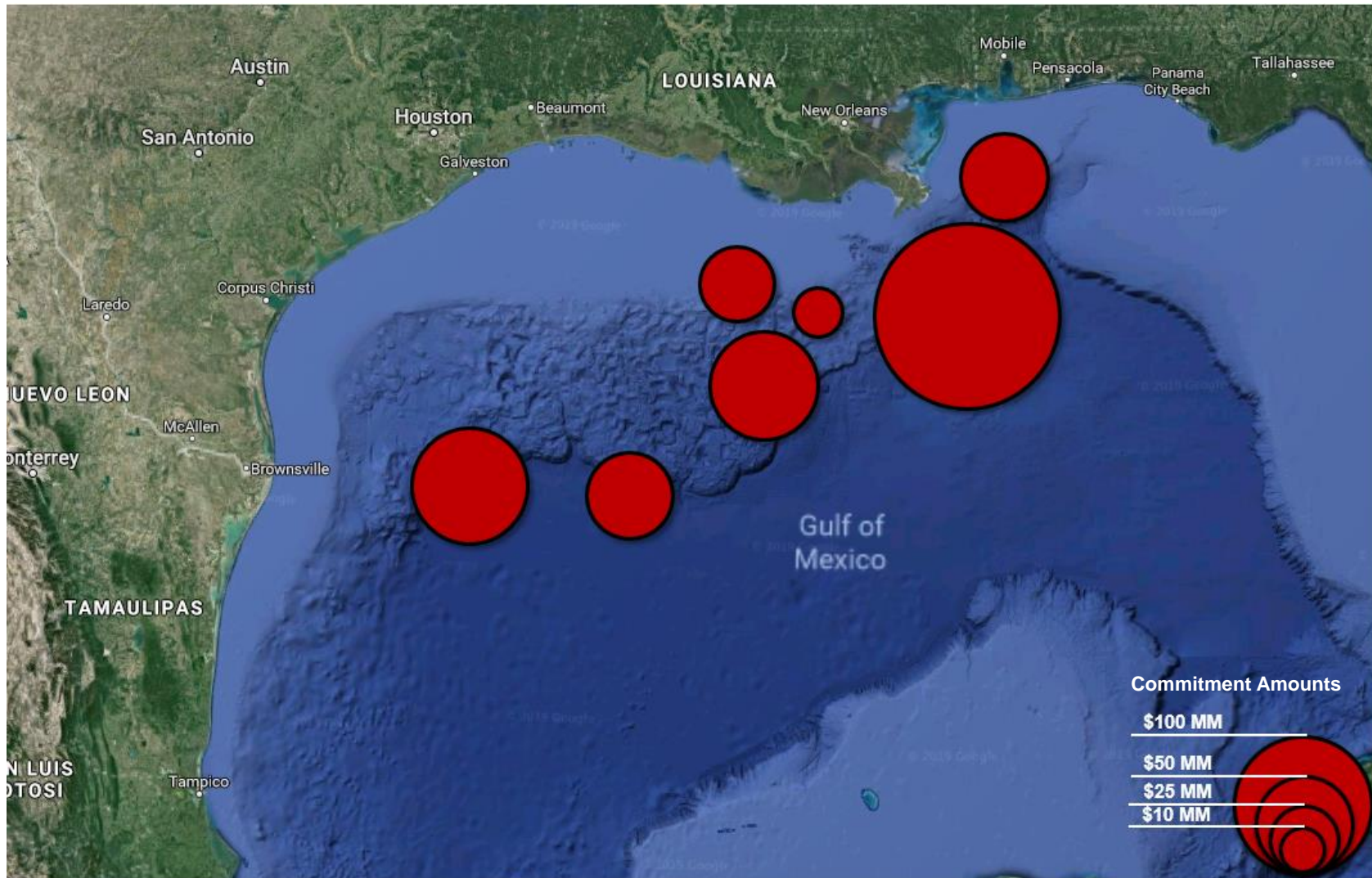
Capital Allocation:

- Investment in currently producing area vs. complete buildout of new field(s)
- Upfront integrated investment eliminates PHA
- Tieback to existing facilities allows expansion of drilling program in the near term at the cost of increased PHA fees over the life

Market Liquidity:

- Infrastructure led development gives companies access to infrastructure focused banks in addition to GoM E&P capital providers
- Deeper liquidity and bankability of volumetric risk projects versus commodity exposure
- Combined infrastructure and E&P financing maximizes total debt dollars for the project

SG HAS EXPERIENCE WORKING THROUGHOUT THE GOM



Material ESG Issues Combined with a Compelling Financing Advisory Thesis



Integrating Positive Impact Criteria in Financing & Advisory Solutions



Sustainability & Responsibility

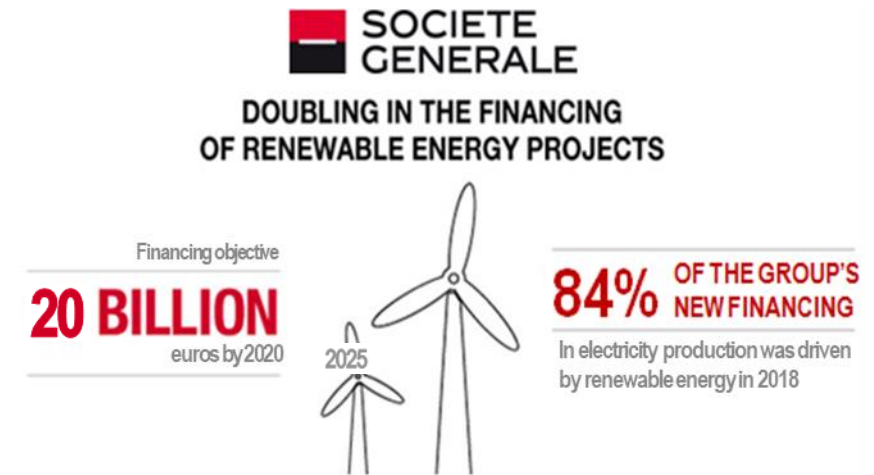
Positive Impact Finance

Green Bonds

Environmental, Social & Governance (ESG) and Positive Impact Finance issues are more easily quantifiable and increasingly seen as an integral part of any corporate or industry assessment

SG SUPPORTING THE ENERGY TRANSITION ACROSS THE GLOBE

- Deeply involved in renewable energy since 2003
- Providing **continuous financing support** to renewable energy projects
- Providing **Advisory and Financing services** across the globe
- Supporting existing, innovative but also maturing technologies
- Providing sponsors with **innovative financing solutions** in bank and bond markets



SOCIETE GENERALE IS HIGHLY COMMITTED TO THE RENEWABLE INDUSTRY:

- SG has built one of the largest and **most active energy project finance group in the industry** with a combined total outstanding project finance debt amounting to several billion EUR
- SG Project Finance focuses on project finance for the largest energy projects around the world but as well on smaller transactions especially in the renewable sector
- Since 2016, about 85% of SG new commitments in power are linked to renewable energy

SG IS THE LEADING PROJECT FINANCE ADVISOR IN THE AMERICAS

Recent Advisory Mandates



Top Financial Advisor (2019 LTM)

Rank	Financial Advisor	Value (\$ MM)	% Share
1	Morgan Stanley	7,796.95	41.13
2	Société Générale	4,680.25	24.69
3	Mitsubishi UFJ Financial Group	2,060.87	10.87
4	Whitehall & Company	1,083.60	5.72
5	CohnReznick	863.70	4.56
6	Royal Bank of Canada	855.80	4.51
7	Agentis Capital	656.16	3.46
8	Paragon Energy Advisors	255.00	1.35
9	CCA Group	204.59	1.08
10	Fifth Third Bank	200.40	1.06

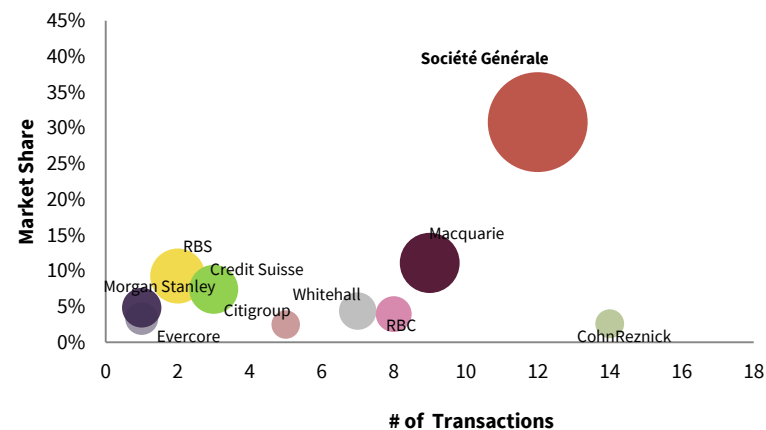
Source: Infrastructure Journal (LTM)

Top Financial Advisor (2012-2019)

Rank	Financial Advisor	Value (\$ MM)	% Share
1	Société Générale	49,724.31	30.82
2	Macquarie	17,932.30	11.11
3	Royal Bank of Scotland	14,943.00	9.26
4	Credit Suisse	11,969.02	7.42
5	Morgan Stanley	7,796.95	4.83
6	Whitehall & Company	7,016.42	4.35
7	Royal Bank of Canada	6,335.70	3.93
8	Evercore Partners	5,343.02	3.31
9	CohnReznick	4,164.93	2.58
10	Citigroup	4,024.26	2.49

Source: Infrastructure Journal (01/01/2012 – 10/30/2019)

SG'S Competitive Position (2012-2019)



DISCLAIMER

IMPORTANT NOTICE

This Presentation (the “Presentation”) has been prepared solely for informational purposes for the client or potential client to whom such materials are directly addressed and delivered (the “Company”) and may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with us. This Presentation is not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. This Presentation does not constitute an offer, or the solicitation of an offer, to buy or sell any securities or other financial product, to participate in any transaction or to provide any investment banking or other services, and should not be deemed to be a commitment or undertaking of any kind on the part of Société Générale (“SG”) or any of its affiliates to underwrite, place or purchase any securities or to provide any debt or equity financing or to participate in any transaction, or a recommendation to buy or sell any securities, to make any investment or to participate in any transaction or trading strategy.

This Presentation remains subject to our review and assessment from a legal, compliance, accounting policy and risk perspective, as appropriate, following our discussion with the Company.

Although the information contained in this Presentation has been obtained or compiled from sources deemed reliable, neither SG nor any of its affiliates make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein is, or shall be relied upon as, a promise or representation whether as to the past, present or future performance. The information set forth herein may include estimates and/or involve significant elements of subjective judgment and analysis. No representations are made as to the accuracy of such estimates or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realized. The information contained herein does not purport to contain all of the information that may be required to evaluate a participation in any transaction and any recipient hereof should conduct its own independent analysis of the data referred to herein. We assume no obligation to update or otherwise revise these materials.

SG and its affiliates do not provide legal, tax or accounting advice. Prior to making any investment or participating in any transaction, you should consult, to the extent necessary, your own independent legal, tax, accounting and other professional advisors to ensure that any transaction or investment is suitable for you in the light of your financial capacity and objectives.

To the extent applicable to this Presentation, if this material discusses derivative products to be entered into by SG, please visit <http://swapdisclosure.sgcib.com> for important information with respect to such products. By transacting with SG, you are deemed to acknowledge that you have read and accepted the information provided on such website.

Société Générale and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Société Générale of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties. This Presentation has not been prepared with a view toward public disclosure under applicable securities laws or otherwise, is intended solely for the benefit and use of the Company, is strictly confidential and may not be reproduced, disseminated, quoted or referred to, in whole or in part, without our prior written consent other than to your advisors and professionals who will be assisting you in evaluating these materials.

This Presentation may not reflect information known to other professionals in other divisions or business units of SG and its affiliates. SG and its affiliates (the “SG Group”) comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, as well as providing investment, corporate and private banking, asset and investment management, financing and strategic advisory services and other commercial services and products to a wide range of corporations, governments and individuals, domestically and offshore, from which conflicting interests or duties, or a perception thereof, may arise. In the ordinary course of these activities, parts of the SG Group at any time may invest on a principal basis or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions, for their own accounts or the accounts of customers, in debt, equity or other securities or financial instruments (including derivatives, bank loans or other obligations) of the Company, potential counterparties or any other company that may be involved in a transaction. Société Générale Corporate & Investment Banking (SG CIB) is a marketing name for corporate and investment banking businesses of Société Générale and its subsidiaries worldwide. Capital markets and investment banking activities in the United States are offered through its U.S. registered broker-dealer, SG Americas Securities, LLC (“SGAS”), a member of FINRA and SIPC. SGAS is also a futures commission merchant (FCM) registered with the NFA and CFTC. Please visit <http://www.sgasdisclosure.com/> for important disclosures regarding SGAS and transactions you may enter into with SGAS. Lending, derivatives and other commercial banking activities are performed by Société Générale and its banking affiliates. Products and services that may be referenced in this Presentation may be provided through one or more affiliates of SG. Additional information is available upon request. This material should not be reproduced or redistributed without the specific consent of SGAS, SG or its affiliates. Copyright: 2020. Société Générale (SG), SGAS, and their affiliates. All rights reserved. www.sgcib.com

SAL PATOLI



Managing Director, SG Americas Securities

Sal is an energy banker at Société Générale and has over seventeen years of experience in upstream oil & gas finance and investment space that ranges from private debt and equity capital raise to origination and structuring of energy project finance.


At Soc Gén, he is responsible for oil & gas project financings, oil & gas infrastructure, reserve-based finance facilities, private debt and equity capital raises for US, Canadian and Latin American companies.

Prior to Soc Gén, Sal was with GE Energy Financial Services' oil & gas investment team focused on structured equity and debt investments. Prior to GE, Sal was with Merrill Lynch in the global energy team where he focused on upstream financings, private capital raises and capital markets solutions.

Sal holds an MBA from Rice University, and a B.A. in business management and finance from Houston Baptist.

Contact Me

 Salman_Patoli@sgcib.com

 713-759-6347

1111 Bagby St., Suite 2020
Houston, Texas 77002

www.ryderscott.com

Numbers to Count On. Experts to Trust.