

# Ares Management Announces Formation of Development Capital Resources

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*New Oil & Gas Company Provides Development Capital to North American E&P Operators*

LOS ANGELES & MIDLAND, Texas--(BUSINESS WIRE)-- Ares Management, L.P. (NYSE:ARES) announced the formation of Development Capital Resources (DCR), an oil and gas company focused on providing development capital to North American exploration and production operators. Led by Ronnie Scott and Matt Loreman and backed by funds managed by Ares Management, DCR will identify opportunities to partner with existing operators throughout North America to help them accelerate growth through the development of their assets.

“The formation of DCR is exciting because it provides an opportunity to participate alongside some highly-respected operators across a variety of oil and gas basins in the U.S. by providing them growth capital,” commented Ronnie Scott, President of DCR. “There is a demand for this type of capital, and we anticipate significant interest from operators. We have a substantial amount of capital available to deploy around a variety of similarly-styled investments including but not limited to drilling joint ventures, non-operated working interests, and royalty participation.”

“We are excited to continue our longstanding relationship with the DCR principals, Ronnie and Matt,” said Nate Walton, Partner in the Ares’ Private Equity Group. “DCR expands Ares’ participation across the capital spectrum and is a continuation of Ares’ focus on being among the most flexible capital providers in the energy industry. We are increasingly finding that a single equity or debt solution does not meet every operator’s needs, so the establishment of the DCR platform gives Ares another avenue to provide competitive capital solutions. We are working with DCR to aggressively identify additional opportunities for investment and are pleased that DCR has participated in two significant joint ventures within their first ninety days of operation.”

DCR also announced that it has entered into a \$300 million drilling partnership with Endeavor Energy Resources, a Midland, Texas-based operator with expertise in the development of Wolfcamp horizontal wells. DCR will fund the majority of the capital required and will participate as a non-operator to finance and develop identified locations. Upon achieving an agreed upon return, DCR’s working interest will decrease during the operations phase of the drilling joint venture.

In addition, DCR announced a second, similar transaction with a non-Permian operator in which DCR will fund approximately \$150 million in a drilling joint venture.

“The Endeavor program was of interest because it provided an opportunity to participate alongside a highly-respected operator in one of the premier basins in the U.S.,” said Mr. Scott. “Endeavor’s ability to identify development locations and then quickly begin implementation of the program was important to us. Rather than begin with a capital commitment spread across many years and multiple prospects, the parties involved in the project were interested in drilling known locations at a reasonable pace. This joint venture is off to a rapid start with two drilling rigs in operation. In the same way, the second transaction allowed us to quickly deploy capital as it too is now in progress.”

**About Ares Management, L.P.**

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$99 billion of assets under management as of December 31, 2016, including approximately \$3.6 billion of AUM pro forma for Ares Capital Corporation's acquisition of American Capital, Ltd., which closed on January 3, 2017, and more than 15 offices in the United States, Europe and Asia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment groups in Credit, Private Equity and Real Estate is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole. For more information, visit [www.aresmgmt.com](http://www.aresmgmt.com).

### **About Development Capital Resources**

Development Capital Resources L.P. is an oil & gas company focused on providing development capital to North-American E&P operators. Development Capital Resources is headquartered in Houston, Texas.



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