

Development Capital Resources Announces \$750 Million Infrastructure Joint Venture with California Resources Corporation

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Backed by Ares Management-led Investor Group

LOS ANGELES & HOUSTON & MIDLAND, Texas--(BUSINESS WIRE)-- Development Capital Resources, LLC (DCR) today announced a \$750 million joint venture formed to operate certain of California Resources Corporation's (CRC) existing midstream infrastructure assets. The JV will operate the assets in support of CRC's Elk Hills-area upstream oil and gas assets. CRC will retain a significant ownership interest in the JV, alongside a \$750 million preferred equity investment from a newly-formed vehicle managed by DCR and capitalized by funds managed by Ares Management, L.P. (NYSE: ARES). Concurrent with the joint venture investment, an Ares Management-led investor group will also purchase \$50 million of CRC common equity.

"We believe CRC has one of the premier oil and gas management teams in the industry and a world class asset base to match," said Ronnie Scott, President of DCR. "We are excited to partner with CRC to invest in these midstream assets and support CRC's proven upstream operating capability. We believe this transaction demonstrates CRC's confidence in DCR's and Ares' ability to be constructive joint venture equity partners."

"We are thrilled to continue our partnership with DCR and excited to invest with CRC in support of its upstream business as the company continues to take steps to position itself for future growth," said Nate Walton, Partner and Co-Head of North American Private Equity at Ares. "These investments again demonstrate the flexible capital approach of Ares as we expand our investment portfolio across the upstream, midstream, and infrastructure spectrums within the energy industry."

DCR was formed to provide capital to the North American exploration and production industry and is backed by funds managed by Ares Management. This is the third project involving DCR and Ares, following the previously announced \$300 million drilling partnership with Endeavor Energy Resources to develop the Wolfcamp horizontal wells as well as a \$150 million drilling joint venture with a non-Permian operator, bringing DCR's total to more than \$1 billion in joint venture partnerships.

About Development Capital Resources

Development Capital Resources, LLC is an oil & gas company focused on participating in non-operated joint ventures in the North American exploration and production industry including associated upstream, midstream, and infrastructure investments. Development Capital Resources has offices in Midland, Texas and Houston, Texas.

About Ares Management, L.P.

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$106 billion of assets under management ("AUM") and approximately 1,000 employees as of September 30, 2017. 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 seeks to deliver attractive performance to its investor base across its credit, private equity and real estate strategies. The firm is headquartered in Los Angeles with offices across the United States, Europe, Asia and Australia. Its common units are traded on the New York Stock Exchange under the ticker symbol "ARES".

About California Resources Corporation

California Resources Corporation is the largest oil and natural gas exploration and production company in California on a gross-operated basis. California Resources Corporation operates its world class resource base exclusively within the State of California, applying integrated infrastructure to gather, process and market its production. Using advanced technology, California Resources Corporation focuses on safely and responsibly supplying affordable energy for California by Californians.



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