

Development Capital Resources Announces \$165 Million Development Joint Venture in the Permian Basin

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Backed by funds managed by Ares Management Corporation

LOS ANGELES & HOUSTON & MIDLAND, Texas--(BUSINESS WIRE)-- Development Capital Resources, LLC (DCR) announced today that a DCR-managed subsidiary, capitalized by funds managed by affiliates of Ares Management Corporation (NYSE:ARES), has entered into a drilling and development joint venture with a private operator in the Permian Basin. The DCR-managed entity will invest up to \$165 million in the joint venture and will participate as a working interest owner in the drilling and completion of identified drilling locations in the Permian's Wolfcamp formation. The drilling program has commenced, and it is anticipated to continue through 2020.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20190619005206/en/>

“This transaction represents a continuation of our strategy of participating in energy sector joint ventures with quality operators in established basins,” said Ronnie Scott, President of DCR. “As the structure of energy joint ventures continues to evolve, DCR has worked to remain flexible in finding ways to assist operators to improve and develop their assets.”

“We are excited to complete our fourth transaction in this segment of the energy space. In each case, we have been able to structure a creative solution tailored to the needs of the operator,” said Matt Loreman, Executive VP of DCR. “While the energy investment space remains challenging, it has been enjoyable to work directly with quality companies to find investment solutions that work for them and for DCR. We look forward to continuing to grow our portfolio of non-operated partnerships.”

“This partnership reflects the flexible capital approach of Ares and our ability to customize transactions to the needs of operators,” said Gary Levin, Partner in the Ares Private Equity Group. “We look forward to finding additional ways to utilize the scale and creativity of our platform to provide attractive capital solutions to the energy industry.”

DCR was formed in early 2017 to provide capital to the North American exploration and production industry and, in partnership with funds managed by affiliates of Ares, has been involved in four transactions representing more than \$1.3 billion to acquire and fund participating interests in joint ventures across projects in Texas, Oklahoma, and California.

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. DCR has offices in Houston, Texas and Midland, Texas.

About Ares Management Corporation

Ares Management Corporation is a publicly traded, leading global alternative asset manager with approximately \$137 billion of assets under management as of March 31, 2019 and 18 offices in the United States, Europe, Asia and Australia. 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.

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Source: Ares Management Corporation