



FOR IMMEDIATE RELEASE

Candor Midstream Secures \$200 Million Equity Commitment from EnCap Flatrock Midstream

HOUSTON – August 21, 2018 – [Candor Midstream, LLC](#) (“Candor”) today announced an initial venture capital commitment of \$200 million from [EnCap Flatrock Midstream](#) (“EnCap Flatrock”). Headquartered in Houston and established in 2017, Candor is an independent energy company focused on the development of midstream infrastructure across North America. Candor is pursuing organic, greenfield projects and select acquisition opportunities.

Candor offers tailored midstream solutions including gas gathering, processing and treating; crude oil gathering, terminaling and logistics; and produced water gathering.

Candor’s management team is a cohesive group of straightforward industry professionals with a long track record of value creation at companies including Crestwood Midstream Partners LP, Enbridge, ONEOK Inc. and Delhi Gas Pipeline Corp. The management team is led by Candor’s founder, President and Chief Executive Officer Darrel Hagerman, a 33-year energy industry veteran, and co-founder and Chief Commercial Officer Derek Gonseaux. Other key members of the Candor team are Chief Financial Officer Eric Howell and Senior Vice President, Operations Barry Robison.

CEO Perspective

“Our team is truly like no other,” said Candor President and CEO Darrel Hagerman. “We have a tremendous amount of experience and understand that every producer has unique needs. We spend a lot of time meeting face-to-face in our customers’ offices and getting our hands dirty out in the field, where we work alongside producers to get a first-hand look at their challenges and opportunities. We think that’s the best way to really get to know our customers and develop effective midstream solutions that start at the wellhead.”

“Candor has been blessed in so many ways. We are humbled and excited to work with EnCap Flatrock. We engaged with several potential financial sponsors, but ultimately chose to work with EnCap Flatrock. Our core values are aligned, which provides a sound footing to navigate the everchanging industry landscape. EnCap Flatrock’s wisdom, sound business fundamentals, financial strength and foresight will help us execute on Candor’s aggressive growth strategy.”

From EnCap Flatrock Midstream

“We are very pleased to welcome Darrel and the rest of the Candor Midstream team to the EnCap Flatrock family,” said EnCap Flatrock Midstream Managing Partner and founder Bill Waldrip. “Producers across the country know and trust the Candor team and genuinely enjoy working with them. That’s a huge asset. We look forward to helping them grow a very successful company.”

Legal Advisers

Crain, Caton & James served as legal adviser to Candor with partners David L. Griffis, Jonathan T. Bickham and Larry George in the lead roles from the firm’s Houston office. Gibson, Dunn & Crutcher LLP served as counsel to EnCap Flatrock Midstream with partners Hillary H. Holmes and Beau Stark in the lead roles from Houston and Denver, respectively.

About Candor Midstream, LLC

Candor Midstream is an independent energy company that provides a full suite of midstream services to oil and gas producers across the U.S. Candor is led by a team of seasoned industry professionals who have worked in virtually every shale play in the country and are well-known and trusted by the industry’s premier operators. Headquartered in Houston, Candor was established in 2017 by President and CEO Darrel Hagerman. The company is backed by EnCap Flatrock Midstream. For more information please visit www.candormidstream.com.

About EnCap Flatrock Midstream

EnCap Flatrock Midstream provides value-added growth capital to proven management teams focused on midstream infrastructure opportunities across North America. The firm was formed in 2008 by a partnership between EnCap Investments L.P. and Flatrock Energy Advisors, LLC. Based in San Antonio with offices in Oklahoma City and Houston, the firm manages investment commitments of nearly \$9 billion from a broad group of prestigious institutional investors. EnCap Flatrock Midstream is currently making commitments to new management teams from EFM Fund IV, a \$3.25 billion fund. For more information please visit www.efmidstream.com.

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