




INYAR E K

**The Evolution of Energy  
Private Equity**

SPEE Annual Meeting 2023 | Newport, RI





A satellite view of Earth at night, showing the curvature of the planet and the glowing lights of cities and continents. The background is a deep black space with some faint stars.

Humanity's energy needs are growing...

...yet the age of traditional energy abundance is over.

Renewables are starting to bridge the gap...

... but an unorganized energy transition would be catastrophic for humanity.

**THIS TENSION CREATES OPPORTUNITY**

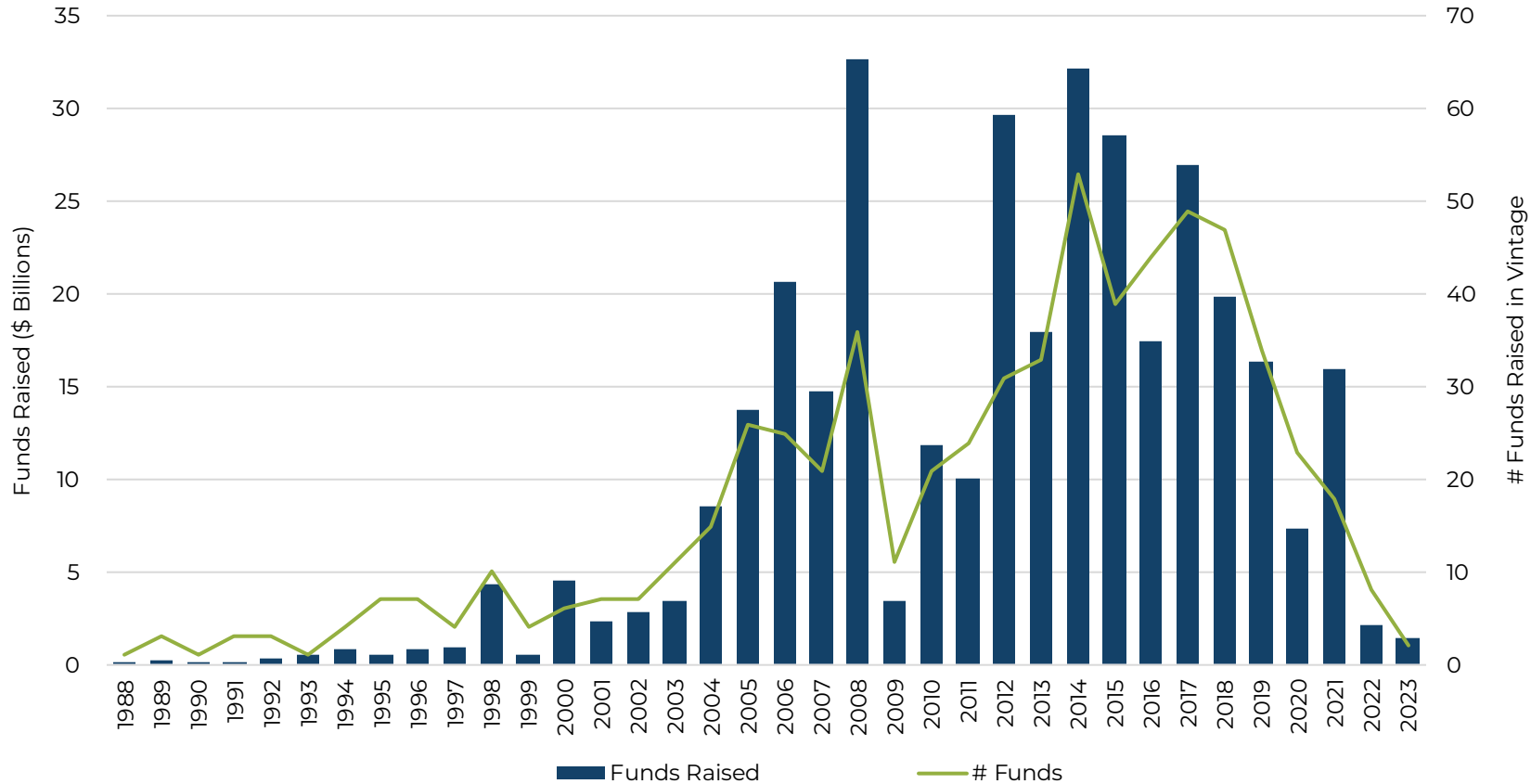
# ROLE OF PRIVATE EQUITY

Private equity played a key role in the technological innovation and acceleration of growth in the industry for the last 30+ years



# WHO FUNDED ALL THIS?

Over \$350 billion has been raised for energy private equity strategies since 1988



- PRIMARY INVESTORS:**
- Public & Private Pensions
  - College Endowments
  - Foundations
  - Healthcare Systems
  - Insurance Companies
  - Family Offices



# ATTRIBUTES OF A PRIVATE EQUITY DEAL

## OBJECTIVE

Generally, the objective of private equity-backed companies is to act as a farm system for larger strategies to eventually acquire



**Assemble an asset**



**Prove the playbook**



**Monetize**

## FORMULA FOR SUCCESS

### Team

- Experienced teams that are small and nimble
- Entrepreneurial drive and owner/manager mentality a must

### Strategy

- Build vs. acquire
- Greenfield vs. brownfield
- Growth vs. value

### Capital

- Equity capital sized for the specific strategy
- Investors that are aligned with the strategy and understand the risk/reward equation of operational and strategic decisions

### Incentive alignment

- Management team with material capital at risk alongside private equity sponsor
- Ownership structure that provides material value to the team when good returns are achieved



# MY EXPERIENCE - WHERE DO I FIT IN TO THIS STORY?

I have been investing in energy assets and companies for 15 years

## Liberty Energy

Participated in many of the early development and play extension deals of the shale growth era

Formed JV's with a wide range of operators, from family-owned companies to large public independents

## Old Ironsides Energy

Raised \$2+ billion across two funds from institutional investors

Partnered with many of the top entrepreneurs in our industry

## Inyarek

Applying consistent asset development expertise to a broader set of energy opportunities



# THE ENERGY PRIVATE EQUITY MARKET TODAY

The market is evolving

## Private company's role as the farm system for larger strategics is still in demand

- Seeking assets that fit the return of capital model
- Solving the inventory needs of larger buyers

## Less capital available & fewer teams

- Investors are reducing their allocations to energy private equity
- This results in firms having to be even more selective with the capital they have
- Several firms have evolved to building larger companies with significant scale

## Energy landscape is broadening

- Oil & Gas is not going away, but many renewables verticals are becoming economic
- Our definition of transition includes oil & gas, *responsibly sourced*

**A comprehensive understanding of the energy ecosystem is required to navigate the transition.**





# INYAREK'S APPROACH

Applying consistent asset development expertise to a broader set of opportunities

We invest growth equity to develop transition assets that produce, move and store energy.

We target growth equity returns in the gap between pre-commercial venture and lower-returning infrastructure, with a line of site to cashflow.



## Supply and Alternative Fuels

- Renewable natural gas
- Other biofuels
- Responsibly sourced traditional energy

### Still Maturing

- Hydrogen



## Distributed Power

- Battery storage
- Solar PV development
- Waste to energy

### Still Maturing

- Geothermal



## Transportation, Processing and Storage

- Infrastructure for traditional and renewable energy
- Water recycling, disposal, and transportation

### Still Maturing

- Carbon Capture





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