



Colgate Energy Announces Pricing of \$200 Million Private Placement of Additional Senior Notes Due 2029

November 8, 2021

MIDLAND, Texas--([BUSINESS WIRE](#))--Colgate Energy Partners III, LLC (the "Company" or "Colgate") announced today the pricing of its private offering to eligible purchasers of \$200 million in aggregate principal amount of 5.875% Senior Notes due 2029 (the "Notes"). The Notes mature on July 1, 2029, pay interest at the rate of 5.875% per year and were priced at 101.75%, which implies an effective yield to worst of 5.441%. The offering is expected to close on November 12, 2021, subject to customary closing conditions. The Notes are being offered as additional notes under an indenture (the "Indenture") pursuant to which Colgate issued, on June 30, 2021, \$500 million aggregate principal amount of Notes. The offered Notes will have identical terms as the existing Notes. Colgate intends to use the net proceeds from this offering to fully repay amounts outstanding under its revolving credit facility and the remaining net proceeds to fund a portion of the purchase price for the acquisition of certain assets in Eddy and Lea Counties, New Mexico (the "Parkway Acquisition"). The Parkway Acquisition is not conditioned on the consummation of this offering and this offering is not conditioned on the consummation of the Parkway Acquisition. If the Parkway Acquisition is not consummated on the terms currently contemplated or at all, Colgate intends to use the net proceeds from this offering for general company purposes.

The Notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and, unless so registered, the Notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Colgate plans to offer and sell the Notes only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act.

This communication shall not constitute an offer to sell, or the solicitation of an offer to buy, any of the Notes, nor shall there be any sale of the Notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Colgate

Colgate is a privately held, independent oil and natural gas company headquartered in Midland, Texas that is engaged in the acquisition, exploration and development of oil and natural gas assets in the Delaware Basin, with operations principally focused in Reeves County, Ward County, and Eddy County.

Forward-Looking Statements

This communication includes statements regarding this private placement that may contain forward-looking statements within the meaning of federal securities laws. Colgate believes that its expectations and forecasts are based on reasonable assumptions; however, no assurance can be given that such expectations and forecasts will prove to be correct. A number of factors could cause actual results to differ materially from the expectations and forecasts, anticipated results or other forward-looking information expressed in this communication, including risks and uncertainties regarding future results, Colgate's ability to complete the Parkway Acquisition, the sources of funding for any remaining portion of the purchase price of the Parkway Acquisition, capital expenditures, liquidity and financial market conditions, sufficiency of cash from operations, adverse market conditions, governmental regulations, the future actions of foreign oil producers such as Saudi Arabia and Russia and the effects of such actions on the supply of oil, and the impact of world health events, such as the COVID-19 pandemic.