

**FOR IMMEDIATE RELEASE**

**December 16, 2013**

### **The Carlyle Group Backs Former Cove Team**

**The Carlyle Group commits up to US\$200m equity capital in Discover Exploration Limited, a new oil and gas exploration company led by the former Cove Energy plc oil & gas management team.**

**The investment enables Discover Exploration to participate in an immediate two-well, deep-water drilling programme in the Taranaki and Canterbury basins offshore New Zealand, and to fund an exploration programme offshore the Comoros**

**London, UK** – Global alternative asset manager The Carlyle Group (NASDAQ:CG) today announced it has made a majority investment in Discover Exploration Limited. The equity investment of up to \$200 million over the next three years will fund existing operations in New Zealand and the Union of the Comoros as well as new opportunities. This is the first investment by CIEP, a fund that focuses on oil and gas exploration & production, midstream, oil field services and refining and marketing in Europe, Africa, Latin America and Asia. CIEP is headed by Managing Director Marcel van Poecke, an industry veteran and a seasoned investor in the energy sector.

Discover is an unlisted, geology-led oil and gas exploration company headquartered in London. The Company was founded by the same management team responsible for the successful creation of Cove Energy plc in 2009 and its eventual sale three years later for £1.2bn. Led by Executive Directors Michael Blaha, John Craven and Michael Nolan, the team has strong technical expertise in deep-water hydrocarbon plays, solid industry reputations and continuing relationships with major oil companies.

Discover's strategy is to deliver value through participation in exploration and appraisal programmes focusing on deep-water petroleum systems. The Company concentrates on young and emerging basins, de-risked through 2D and 3D seismic surveys, and aims to participate in multi-well drilling programmes through farm-ins, farm-outs and M&A activity.

This investment will fund Discover Exploration's near-term, high-impact drilling programme offshore New Zealand with operating partner Anadarko Petroleum Corporation (NYSE:APC), and will provide working capital for its stake in offshore the Comoros and to grow the business.

In addition, Discover will seek early value creation through participation at ground floor level in targeted areas, where large interests are available. The Company has solid industry relationships and works with reliable, well-financed and proven partners to build a balanced portfolio of exploration assets with both oil and gas potential.

#### **Discover's current exploration portfolio:**

- 10% participation in the PEP38451 permit in the Taranaki basin, offshore New Zealand, operated by Anadarko Petroleum Corporation – the first exploration well spud on November 25, 2013;

- 10% participation in the PEP38264 permit in the Canterbury basin, offshore New Zealand, operated by Anadarko – the first exploration well is expected to spud in early 2014;
- 60% participation in a Production Sharing Contract covering c. 18,000 km<sup>2</sup> offshore the Comoros, currently awaiting approval by the National Assembly – license area is on trend with the major Rovuma delta gas discoveries (gas-in-place approaching a combined 175 trillion cubic feet) made by Anadarko and ENI S.p.A (BIT:ENI NYSE:E), offshore Northern Mozambique.

**Michael Blaha, Executive Chairman of Discover, said:**

“We are delighted that CIEP has agreed to support the Company with significant investment funding to allow us to acquire these two New Zealand opportunities and to capture other future opportunities that are available to us from host Governments and our international peers in the oil and gas industry. We are confident of using the success we enjoyed with Cove Energy as a bridgehead to our new endeavours. We see the respective skills of the management team and CIEP as providing an excellent and dynamic combination.”

**John Craven, CEO of Discover, commented:**

“This investment by CIEP will enable us to continue on-going discussions with several parties with regard to developing or gaining access to a number of deep water turbidite plays worldwide. Furthermore, I am very pleased Discover is entering the Taranaki and Canterbury basins in New Zealand with a near-term drilling programme and with Anadarko as the operator. These two licenses fit perfectly with our strategy of pursuing prospective, deep water petroleum systems in emerging basins.”

**Marcel van Poecke, Managing Director, and Head of CIEP said:**

“Discover is an outstanding company and offers an exciting opportunity to combine its international oil and gas experience with the resources we have available in Carlyle’s global energy platform. Our investment will fund Discover’s exploration activities and enable the acquisition of additional concessions in frontier exploration geographies.”

Investec Bank plc acted as financial adviser and Lawrence Graham LLP acted as legal adviser to Discover.

**For More Information**

**The Carlyle Group**

Rory Macmillan, External Affairs Director  
+44 (0) 207 894 1630;  
roderick.macmillan@carlyle.com

Catherine Armstrong, Media Relations Manager  
+44 (0) 207 894 1632;  
catherine.armstrong@carlyle.com

**Discover Exploration Limited**

John Craven, CEO  
c/o Edward Westropp  
+44 (0) 207 831 3113;  
edward.westropp@fticonsulting.com

## **FTI Consulting**

Edward Westropp

Georgia Mann

+44 (0) 207 831 3113;

georgia.mann@fticonsulting.com

### **About The Carlyle Group**

The Carlyle Group is a global alternative asset manager with US\$185bn of assets under management (“AUM”) across 122 funds and 81 fund of funds vehicles as of September 30, 2013. Carlyle's purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,450 people in 34 offices across six continents.

Web: [www.carlyle.com](http://www.carlyle.com)

Videos: [www.youtube.com/onecarlyle](http://www.youtube.com/onecarlyle)

Tweets: [www.twitter.com/onecarlyle](http://www.twitter.com/onecarlyle)

Podcasts: [www.carlyle.com/about-carlyle/market-commentary/481](http://www.carlyle.com/about-carlyle/market-commentary/481)

### **About Carlyle's Existing Energy Platform**

Carlyle has carefully constructed a broad-based energy investing platform (over \$25bn in AUM) offering innovative investment opportunities, including international energy investing in oil & gas exploration & production, midstream, oil field services and refining & marketing in Europe, Africa, Latin America and Asia (CIEP), U.S. energy investing (NGP Energy Capital Management where Carlyle owns 47.5% of revenues), project finance (Energy Mezzanine), Power (Cogentrix) and Commodities (Vermillion) and the firm's proven buyout capabilities in transactions such as Philadelphia Energy Solutions and Kinder Morgan. Supporting this is the Carlyle network and capital markets experience.

### **About CIEP**

Established in May 2013, the CIEP team will focus on oil and gas exploration and production midstream, oil field services and refining and marketing in Europe, Africa, Latin America and Asia. CIEP is led by Marcel van Poecke, a leading international energy investor and operator, and his team is comprised of long-tenured international energy professionals with oil and gas industry investment and operational expertise. It includes Paddy Spink, Senior Advisor to CIEP with 35 years' upstream experience in Africa, Latin America & Europe and Carlyle Managing Director Joost Dröge, an industry veteran with over 25 years' downstream experience in Europe. The CIEP team focuses on transactions where it has a distinctive competitive advantage and can create tangible value for companies in which it invests, through industry specialization, deployment of human capital and access to Carlyle's global network. The team operates primarily from offices in London while leveraging Carlyle's local offices to pursue opportunities across Europe, Africa, Asia and Latin America and is reinforced by Carlyle's regional fund teams and global investment professionals.

### **About Discover Exploration**

Discover is an unlisted, geology-led oil and gas exploration company headquartered in London. The Company was founded by the same management team responsible for the successful creation of Cove Energy plc (“Cove”) in 2009 and its eventual sale three years later for £1.2bn. Led by Executive Directors Michael Blaha, John Craven and Michael Nolan, the team has strong technical expertise in deep water petroleum systems, solid industry reputations and continuing relationships with major oil companies.

Discover holds a Production Sharing Contract offshore in the Comoros that was signed with the Comoros Government in March 2013 and is currently awaiting the approbation of the National Assembly. The Company has also acquired a 10% participation in two Petroleum Exploration Permits for the Taranaki and Canterbury basins in offshore New Zealand. Both permits are operated by Anadarko and have a near-term exploration drilling programme. Discover also has a pipeline of other opportunities to acquire additional participations in attractive exploration blocks across the globe.

Web: [www.discover-exploration.com](http://www.discover-exploration.com)

### **About Discover’s Management Team & Board of Directors**

The management team, led by Executive Directors Michael Blaha (Executive Chairman), John Craven (CEO) and Michael Nolan (CFO), has strong technical expertise in deep water petroleum systems and solid industry reputations. Paul Griggs (Corporate Development Director) and Alexander Mollinger (Commercial Director), both former Cove associates, are also part of the management team.

In addition, Marcel van Poecke (Managing Director and Head of CIEP), Alexander Berger (CEO of Oranje-Nassau Energie B.V. and Non-Executive Director of Cairn Energy plc (LON:CNE)), Paddy Spink (Senior Advisor to CIEP) and Andrew Marino (Managing Director at Carlyle) are on the Board as Non-Executive Directors.

#### **Michael Blaha, Executive Chairman**

Michael Blaha is a petroleum engineer with 33 years of oil and gas experience in Africa, the Middle East, Asia and Europe. He was co-founder and Executive Chairman of Cove, helping to guide the company in three years from a £1m cash shell through to its £1.2bn sale to PTT Exploration and Production Public Company Limited (“PTTEP”; BKK:PTTEP). Prior to Cove, he held a number of senior roles in Royal Dutch Shell plc (“Shell”; NYSE:RDS.A NYSE:RDS.B LON:RDSA LON:RDSB AMS:RDSA). He was Country Chairman in Algeria in 2005-2009, Director of External Relations for E&P Africa in 2003-2005, Vice-President E&P for Russia (Sakhalin and Salym) in 2001-2003 and Vice-President E&P for Iran (Soroosh and Nowrooz) in 1998-2001. Earlier in his career, he worked at the Shell headquarters in The Hague on developing business in China, Iran and Russia. He also held senior roles in the Philippines, Syria, Thailand and the United Kingdom.

#### **John Craven, Chief Executive Officer**

John Craven is a petroleum geologist with 40 years of experience in upstream oil and gas exploration and production companies. He was co-founder and CEO of Cove, helping to guide the company in three years from being a £1m cash shell through to its £1.2bn sale to PTTEP. Before this, he was founder and CEO of Petroceltic International plc (“Petroceltic”; LON:PCI), the exploration company with African and Mediterranean assets. Under his direction and stewardship, Petroceltic grew into a business with a diversified portfolio of exploration and appraisal projects in Italy, Algeria and Tunisia. Mr Craven also held senior

executive positions with Gulf Oil Corporation Limited (NSE:GULFOILCOR), Dana Petroleum plc and Vanco. He is currently also the Chairman of Falcon Oil & Gas Ltd (CVE:FO LON:FOG).

**Michael Nolan, Chief Financial Officer**

Michael Nolan was co-founder and former Finance Director of Cove, helping to guide the company in three years from being a £1m cash shell through to Cove's £1.2bn sale to PTTEP. He is a founder and Non-Executive Director of Fastnet Oil and Gas plc (LON:FAST), Rathdowney Resources Ltd (CVE:RTH) and Orogen Gold plc (LON:ORE). A qualified accountant, he has 19 years' experience working in public companies in the natural resource sector.

**Paul Griggs, Corporate Development Director**

Paul Griggs was a close advisor to the Board of Cove, helping to guide the company in three years from being a £1m cash shell through to its £1.2bn sale to PTTEP. He has 30 years' experience in the oil and gas industry working with companies such as Sterling Energy plc (LON:SEY), OMV AG (VIE:OMV), BHP Petroleum and Lion Petroleum Corporation.

**Alexander Mollinger, Commercial Director**

Alexander Mollinger is a petroleum engineer with 8 years of upstream oil and gas experience in technical and commercial roles in Europe and Africa. Previously, he was the commercial adviser to Cove, helping to guide the company through its £1.2bn sale to PTTEP. Prior to joining Cove Alexander Mollinger worked at Shell.

**Legal Disclaimers**

This release does not constitute an offer for any current or future Carlyle fund.