



Sageview Capital Announces Investment in Exaro Energy III LLC

On April 1, 2012, Sageview Capital LP (“Sageview”) made a \$57.5 million capital commitment to Exaro Energy III LLC (“Exaro”). Exaro has entered into an agreement with Encana Oil & Gas (USA) Inc. (“Encana”) to invest up to \$380 million to fund development in the Jonah Field, located in Sublette County, Wyoming. Upon completion of this \$380 million investment, Exaro will have earned 32.5% of Encana’s working interest in a defined joint venture area that comprises approximately 5,760 gross acres. Encana will continue to be the operator of the field.

The Jonah Field is one of the most significant natural gas fields in the United States. This is a high-quality, low-cost field with significant volumes of recoverable natural gas and condensate in-place. Sageview will benefit from a strong Exaro management team that has a good working relationship with Encana, a low-cost, world-class operator.

Funding for this commitment, which will occur over the next three to five years, will be comprised of \$182.5 million in equity, a senior secured multi-draw term loan, and cash from operations. Sageview’s commitment, which is comprised of \$55 million from our funds plus a \$2.5 million direct investment by the GP, represents an ownership interest of approximately 30%.

Sageview’s partners in this investment include Contaro Company, a wholly-owned subsidiary of Contango Oil & Gas Company (NYSE Amex:MCF); Exaro II Jonah, an affiliate of Jefferies Capital Partners; UnionBanCal Equities, Inc.; Wells Fargo Energy Capital; and members of the management team.