

Encino Acquisition Partners Agrees to Acquire Ohio Utica Shale Properties for US\$2.0 Billion

HOUSTON, TX (July 26, 2018): Encino Acquisition Partners (EAP) announced today that it has signed a definitive agreement to acquire all of Chesapeake Energy's (Chesapeake) Utica Shale oil and gas assets in Ohio for a total consideration of US\$2.0 billion in cash.

EAP is acquiring more than 900,000 net acres of leasehold spanning the condensate, liquids-rich and dry gas windows of the Utica play in Ohio. Approximately nine hundred wells produce more than 600 million cubic feet of gas equivalent per day and hold 85% of the acreage. EAP plans to operate multiple drilling rigs on the properties to increase production and cash flow.

Canada Pension Plan Investment Board (CPPIB) and Encino Energy (Encino) formed EAP in 2017 to acquire large, high-margin oil and gas production and development assets in the U.S. lower 48 states. In support of this acquisition, CPPIB will invest approximately US\$1.0 billion in EAP and will own approximately 98% of the partnership. Houston-based Encino will invest in EAP alongside CPPIB and will operate the acquired assets on behalf of EAP. Together, EAP's owners plan to build a large, well-capitalized independent E&P company.

"At EAP, Encino and CPPIB are building a company focused on shareholder returns with top-notch people, carefully managed risk and sustainable, safe operations," commented Hardy Murchison, Encino's Chief Executive Officer. "With a multi-decade inventory of development projects held by 920 producing wells, the Utica acquisition provides an excellent start for EAP. We are excited to work with Chesapeake's employees in the Utica and all other stakeholders in the state of Ohio. With a strong balance sheet and a partner of CPPIB's stature, EAP is well positioned for continued growth through drilling and acquisitions."

"We are pleased to support EAP's acquisition of these highly attractive Utica Shale assets, which provides CPPIB with meaningful exposure to a leading North American natural gas play and aligns with the growing focus on energy transition. This transaction represents a unique opportunity to acquire a foundational asset that has a large inventory of wells with a well-established production history, and will be managed by Encino, whose management has deep operational and development expertise in the Appalachian region," said Avik Dey, Managing Director, Head of Energy & Resources, CPPIB. "Through EAP, we are continuing to efficiently expand our energy and resources portfolio in key U.S. energy markets as we seek to further diversify the CPP Fund. We look forward to building on our ongoing partnership with Encino to pursue high-quality energy assets in the lower 48 states."

The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close in the fourth quarter of 2018.

About Encino Acquisition Partners

Encino Acquisition Partners (EAP) is headquartered in Houston, Texas, and is focused on building a world-class oil and gas company with a diverse portfolio of assets with strong full-cycle margins. EAP was formed in 2017 with a commitment from Canada Pension Plan Investment Board and Encino Energy to focus on driving long-term investor returns by acquiring and developing high-quality assets with an established base of production and a large, low-cost development inventory across the lower 48 states of the United States.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2018, the CPP Fund totalled C\$356.1 billion.

CPPIB's Energy & Resources group focuses on direct private investments in the oil and gas, energy midstream, power and LNG, mining and Innovation, Technology & Services (ITS) industries. The team invests directly in companies, strategic partnerships and direct resource interests with an investment size of \$500 million or more. As at March 31, 2018, the Energy & Resources portfolio consisted of 10 direct investments valued at C\$6.1 billion.

For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About Encino Energy

Encino Energy (Encino) is a private oil and gas operating company with leasehold and mineral interests in multiple U.S. basins. Encino employs a talented group of people with expertise and experience in virtually every North American basin, led by industry veterans Hardy Murchison (Chief Executive Officer), John Pinkerton (Chairman), Tim Parker (Chief Technical Officer), and Michael Magilton (Chief Financial Officer). Capitalized by long-term investors, Encino is devoted to generating low-risk, sustainable returns through multiple energy industry cycles and to being the partner of choice to investors, landowners, communities and operators. For more information about Encino Energy, please visit www.encinoenergy.com.

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