



## **KANATA ENERGY GROUP LTD. CLOSSES \$330 MILLION EQUITY FINANCING ARRANGEMENT AND ESTABLISHES A NEW MIDSTREAM INFRASTRUCTURE AND SERVICE COMPANY**

CALGARY, AB--(Marketwire - Jan 31, 2013) - KANATA Energy Group Ltd. ("KANATA") announced today that it has closed a \$330 million equity financing arrangement with a group of leading private investors including ARC Financial Corp. ("ARC Financial"), Energy Spectrum Capital ("ESC") and Teachers' Private Capital ("Teachers") establishing a new midstream infrastructure and service company. KANATA's business operations will primarily focus on the acquisition, construction and operation of field gathering, processing and liquids extraction facilities in Western Canada.

KANATA will be led by President & Chief Executive Officer Kevin Cumming who is joined by Kim Anderson as Chief Financial Officer and Peter Real as Vice President, Engineering & Construction. Mike Dever and Randy Hughes will also be joining KANATA in the roles of Vice President, Operations and Vice President, Business Development, respectively. KANATA's senior management team has over a century of experience within the energy industry and a strong track record of success building and operating small and large-scale midstream infrastructure assets in Canada.

*"The timing is right for a new midstream service provider,"* said Kevin Cumming, President & Chief Executive Officer. *"At KANATA, our core objective is to develop long-term partnerships with oil and gas producers by delivering flexible midstream solutions which provide for a sharing of risk and superior customer service. With a strong entrepreneurial spirit and \$330 million of committed equity financing, we are determined to respond quickly to the evolving facility and service needs of producers."*

KANATA's Board of Directors includes Kevin Brown of ARC Financial as Chairman, as well as Robert Cook of ARC Financial, Thomas Whitener, Jr. and Mark Honeybone of ESC, Glen Silvestri and Darren Smart of Teachers' and Kevin Cumming of KANATA. The Board of Directors brings extensive experience from across the North American energy industry as well as strong financial and capital markets expertise.

*"Our investment in KANATA is consistent with our objective of investing in proven management teams,"* said Kevin Brown, Chairman, on behalf of KANATA's Board of Directors. *"The emerging unconventional resource plays within Western Canada will require significant midstream infrastructure investment over the next decade, and we think that KANATA is very well positioned to capitalize on this opportunity."*

### **About KANATA Energy Group Ltd.**

Located in Calgary, Alberta, KANATA is a private midstream infrastructure and service company. Focused on the acquisition, construction and operation of gathering, processing and liquids extraction facilities in Western Canada, KANATA is committed to being the most responsive and customer focused infrastructure supplier in Canada's oil and gas industry.

### **About ARC Financial Corp.**

ARC Financial Corp. is a leading energy focused private equity firm with \$3.7 billion of capital across the seven ARC Energy Funds. Leveraging off the experience, technical expertise, and relationships

of our 25 investment professionals, ARC makes equity investments of \$25 – \$100 million across the Canadian oil and gas business, focusing on oil and gas exploration and production, oilfield services and midstream infrastructure. For more information visit: [www.arcfinancial.com](http://www.arcfinancial.com)

### **About Energy Spectrum Capital**

Energy Spectrum Capital is a premier midstream-focused private equity firm that has managed or currently manages cumulatively US\$2.3 billion. ESC partners with experienced, entrepreneurial management teams to acquire, develop and operate assets to serve producers' infrastructure needs and has sponsored more than 30 midstream portfolio companies since its inception in 1996. For more information visit: [www.energyspectrumcapital.com](http://www.energyspectrumcapital.com)

### **About Teachers' Private Capital**

Teachers' Private Capital is one of the world's largest private equity investors. It is the private investment department of the Ontario Teachers' Pension Plan. With \$117.1 billion in assets as of December 31, 2011, the Ontario Teachers' Pension Plan is the largest single-profession pension plan in Canada. An independent organization, it invests the pension fund's assets and administers the pensions of 300,000 active and retired teachers in Ontario. For more information visit: [www.otpp.com](http://www.otpp.com)

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