

How Energy Private Equity Firms are Adapting to Economic Recovery

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The recession years of 2008 and 2009 have been difficult years for many private equity energy firms with depressed commodity prices and limited availability of capital. With the swift recovery in 2010, enhanced by new technologies, capital has rushed into the basin at a record pace. Private equity firms, as significant providers of capital to the energy sector, have been adapting to these changing times. KERN Partners Ltd. (“KERN”), a leading Canadian private equity provider to the energy sector, has monitored this recovery and the impact it has had on the three primary facets of its business: (i) monitoring existing portfolio companies; (ii) reviewing new investment opportunities; and (iii) raising capital for future private equity funds. This presentation will focus on how the economic recovery has impacted the private equity business, and in particular, how KERN applies its four key decision making criteria of: (i) investing in top decile management teams; (ii) which implement a differentiated, real return business strategy; (iii) resulting in an attractive risk / return profile; (iv) while maintaining strong governance and alignment with all stakeholders, on the three primary facets of its business.