

First Reserve Management, L.P.

Part 2A of Form ADV

The Brochure

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This Brochure provides information about the qualifications and business practices of First Reserve Management, L.P. and its affiliates. If you have any questions about the contents of this Brochure, please contact us at 203-661-6601. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

First Reserve is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Additional information about First Reserve is also available on the SEC’s website at: www.adviserinfo.sec.gov. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

In February 2012, First Reserve filed its initial application to register as an investment adviser with the SEC. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first firm Brochure compiled by First Reserve to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety.

In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's Brochure and that may be important to them.

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Item 4. Advisory Business

For purposes of this brochure, "First Reserve" means First Reserve Management, L.P., a Cayman Islands exempted limited partnership, together (where the context permits) with certain of its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below) (together with First Reserve, the "First Reserve Advisers"). These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds (collectively, the "General Partners"). First Reserve provides investment advisory services to investment vehicles sponsored by First Reserve that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act") (the "First Reserve Funds" or the "Funds").

As an investment adviser for each First Reserve Fund, First Reserve identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for each First Reserve Fund. The First Reserve Funds have two principle areas of business: 1) the private equity and buyout investment business (the “Buyout Funds”) and 2) the infrastructure investment business (the “Infrastructure Fund”). Both businesses focus exclusively on making investments within the energy and natural resources industries.

For the Buyout Funds, First Reserve primarily provides investment advisory services related to private equity investments, including leveraged acquisitions and recapitalizations, turnarounds, traditional buyouts and investments in growth platforms. Such private equity investments generally take the form of privately-negotiated investment instruments, including unregistered equity securities of both U.S. and non-U.S. issuers. The Buyout Funds may borrow money to make or facilitate private equity investments or for various other purposes, with such debt financings capped as set forth in the governing documents of the Buyout Funds. Although the primary focus of each Buyout Fund is on private equity investments, First Reserve also may from time to time offer advice on other types of investments consistent with the respective Buyout Fund’s investment objectives and strategies.

For the Infrastructure Fund, First Reserve primarily provides investment advisory services related to privately negotiated investments in infrastructure assets or businesses, including unregistered equity securities of both U.S. and non-U.S. issuers. The Infrastructure Fund may borrow money to make or facilitate private equity investments or for various other purposes, with such debt financings capped as set forth in the governing documents of the Infrastructure Fund. Although the primary focus of the Infrastructure Fund is on privately negotiated investments, First Reserve also may from time to time offer advice on other types of investments consistent with the Infrastructure Fund’s investment objectives and strategies.

Investment advice is generally provided to each First Reserve Fund pursuant to separate investment and advisory agreements (each, an “Advisory Agreement”). The terms of the investment advisory services to be provided are set forth in each First Reserve Fund’s Advisory Agreement. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable First Reserve Fund and are set forth in the governing documents of such Fund provided to each limited partner of a First Reserve Fund (each a “Limited Partner” or an “Investor”) prior to investment in such First Reserve Fund. Investment advice is provided by the applicable First Reserve Adviser directly to the First Reserve Fund and not individually to the Limited Partners thereof, subject to the direction and control of the applicable General Partner.

First Reserve has been in business since 1983. First Reserve is principally owned by its employees. William Macaulay, Chairman and Chief Executive Officer, and his related family trusts are the largest owners of First Reserve. As of December 31, 2011, First Reserve managed a total of \$19,837,899,829 of client assets (i.e. the First Reserve Funds), all of which is managed on a discretionary¹ basis.

¹ First Reserve does not have ultimate investment discretion with respect to the assets of any First Reserve Fund, as such discretion is retained by the applicable General Partner.

Item 5. Fees and Compensation

The First Reserve Funds

As compensation for investment advisory services rendered to a First Reserve Fund, each First Reserve Fund is charged an annual management fee, payable quarterly in advance. Management fees during the commitment period of the First Reserve Fund generally are based on aggregate capital commitments of the Limited Partners and are asset-based thereafter. The management fees are negotiated collectively with the Limited Partners of each First Reserve Fund, and are subject to waiver or reduction by First Reserve. Management fees during the commitment period typically range from 1.36% to 1.75%. Management fees are paid by the First Reserve Funds on behalf of the Limited Partners by (i) requiring Limited Partners to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the Limited Partners of such First Reserve Fund. In some situations, First Reserve may cause a First Reserve Fund to incur indebtedness for the payment of management fees. The Limited Partners of certain of the First Reserve Funds' parallel vehicles may be charged an administration fee in addition to the management fee described above, payable quarterly in advance, equal to a percentage of the aggregate capital commitments of the Limited Partners in such parallel vehicle. Upon termination of a relevant advisory agreement, management fees that have been prepaid are returned on a prorated basis. Each First Reserve Fund's private offering memorandum (each such memorandum, a "Private Placement Memorandum") and governing documents include a more detailed description of management fees charged to the Limited Partners of such First Reserve Fund.

First Reserve may also receive a variety of other fees from its First Reserve Fund portfolio companies and their affiliates. Each First Reserve Funds' allocable share of all transaction, directors', monitoring, advisory, financial, consulting, net break-up (including topping, break-up and similar fees), acquisition, and commitment fees (collectively the "Other Fees") received by the General Partner and its affiliates will be applied to reduce the quarterly management fee of the applicable First Reserve Fund. However, the Other Fees amount will be reduced by any broken deal expenses that the General Partner or its affiliates elected to bear instead of calling capital from the applicable First Reserve Fund. The recipients of this Brochure must refer to the detailed information found in each Private Placement Memorandum and governing documents for specific information about the fees earned by First Reserve, including Other Fees, and the fees charged to the First Reserve Funds.

The General Partners of the First Reserve Funds may also receive carried interest of up to 20% of profits on distributions derived from the disposition of investments (and, in certain circumstances, other income from investments) following a preferred return to the Limited Partners as set forth in each First Reserve Fund's Private Placement Memorandum and other governing documents.

Director's Compensation

Because its investment strategy includes making control investments, and in order to protect the First Reserve Funds' interests, First Reserve generally seeks appropriate shareholder rights including, in most situations involving control investments, the ability to designate a director(s) to

serve on the board of directors of the portfolio company. In their capacity as directors of portfolio companies, First Reserve personnel may earn compensation in the form of cash, stock options or other equity awards.

A First Reserve Fund's allocable share of any compensation received by a First Reserve employee from a First Reserve portfolio company for serving as a director for that portfolio company is reimbursed to the applicable First Reserve Fund through a management fee offset.

Co-Investment Vehicles

The General Partners of the First Reserve Funds may from time to time offer certain persons, including existing Limited Partners, strategic investors or other third parties, the opportunity to co-invest in particular investments alongside of the applicable First Reserve Fund, subject to certain restrictions. In each case where co-investors participate in an investment, such co-investors will bear their pro rata share of any expenses associated with such investment. In some circumstances, however, such co-investors may not be charged any management fees in respect of their commitments to the applicable co-investment vehicle. In such cases, the portion of any Other Fees received by the relevant First Reserve Fund in respect of the applicable investment, which would otherwise offset the co-investors' management fees, will be retained by First Reserve and shall not be applied to further reduce the management fees paid by Limited Partners in respect of their capital commitments to the relevant First Reserve Fund.

Expenses Charged to the Funds

The First Reserve Funds' Limited Partners will bear all legal and other expenses, including the out-of-pocket expenses of the applicable General Partner, incurred in the formation of the applicable First Reserve Fund up to an amount as set forth in the organizational documents of the applicable Fund. Organizational expenses in excess of this amount, if any, ultimately will be borne by First Reserve. The First Reserve Funds' Limited Partners will also bear indirectly (to the extent not reimbursed by a portfolio company) the ongoing fees and expenses of the First Reserve Funds. Those fees and expenses will vary by First Reserve Fund, but typically will include, among other things: fees associated with the acquisition, holding and disposition of investments, broken deal expenses, financing, legal, travel related to monitoring of portfolio investments, auditing, consulting, engineering and accounting fees and expenses, interest on fees and expenses arising out of all borrowings made by the First Reserve Funds, and expenses of the Limited Partner Advisory Boards for the First Reserve Funds (each an "Advisory Board")² and meetings of the Limited Partners.

Although First Reserve does not generally use the services of broker-dealers for the purpose of executing portfolio investments of the First Reserve Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a First Reserve Fund, such First Reserve Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

² Generally an Advisory Board is made up of a small number of voting representatives of certain Limited Partners of a First Reserve Fund.

Investors should review all fees charged by First Reserve, its affiliates, and others to fully understand the total amount of fees to be paid by the First Reserve Funds and, indirectly, their Limited Partners.

Item 6. Performance Based Fees and Side-by-Side Management

As noted on the response to Item 5 above, First Reserve Funds allocate a portion of their investment profits to their respective General Partners, as set forth in each First Reserve Fund's Private Placement Memorandum and other governing documents. Such General Partners' entitlement to performance-based distributions may create an incentive for First Reserve to take risks in managing the First Reserve Funds that it would not otherwise take in the absence of such arrangements or with respect to funds from which First Reserve does not received performance-based compensation (e.g., co-investment vehicles). First Reserve has in place policies and procedures to address the potential conflict to favor, or take increased investment risk with respect to, First Reserve Funds from which it receives higher performance-based compensation over First Reserve Funds from which lower performance-based compensation is received, including policies and procedures designed to ensure allocation of investments to the First Reserve Funds on a fair and equitable basis, taking into account the Fund's investment objectives. See Item 5, Fees and Compensation, above and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, below for additional detail.

Item 7. Types of Clients

First Reserve provides investment advisory services to the First Reserve Funds. Investment advice is provided directly to each First Reserve Fund, subject to the direction and control of their respective General Partners, and not individually to the Limited Partners of such First Reserve Fund. Investors in the First Reserve Funds may include, but are not limited to, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, endowments, foundations, and corporate or other business entities.

Details concerning applicable Investor suitability criteria are set forth in the respective First Reserve Fund's Private Placement Memorandum and subscription materials. Although First Reserve and/or its affiliates have the authority to accept subscriptions for lesser amounts, minimum investment commitments generally are established for Limited Partners in First Reserve Funds. Investors making capital commitments of less than the minimum investment commitment may be required to invest through an affiliated vehicle rather than through the primary fund. Each Investor is required to meet certain suitability qualifications, such as being an "accredited investor" and "qualified purchaser" within the meaning set forth under the United States federal securities laws.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the methods of analysis and investment strategies generally employed by First Reserve as well as the material risks associated with investing in such strategies. Prospective and existing Investors are advised to review the offering materials and other constituent documents for full details on each applicable First Reserve Fund's investment, operational and other actual and potential risks.

Method of Analysis

First Reserve has separate investment committees for its Buyout Funds and Infrastructure Fund, respectively (collectively, the “Investment Committees”). The members of the Investment Committees typically meet weekly with the First Reserve staff responsible for formulating and implementing the investment strategies of each First Reserve Fund (collectively, the “Investment Staff”) to review and stay informed about current activities in the portfolio, the status of all First Reserve Fund investments and administrative matters. First Reserve’s current view on industry trends, market conditions and other relevant items are also discussed at such time. The members of each Investment Committee then meet amongst themselves to discuss certain transactions in more detail and further deliberate the relative merits and risks of proposed investments with the Investment Teams involved in order to encourage candid dialog and, ultimately, to vote on each investment decision.

The Investment Committees and First Reserve’s entire Investment Staff work together to identify and vet possible investment opportunities for the First Reserve Funds. First Reserve employs various methods of analysis, including fundamental and technical methods, when analyzing potential investments.

Investment Strategy

First Reserve’s overall strategy is to identify emerging trends in the global energy and natural resources industries and engage in transactions with market participants to capitalize on those trends.

Buyout Funds

The Buyout Funds generally target equity and equity-related investments in energy and natural resource companies throughout the world. The Buyout Funds generally focus on companies in which First Reserve can have significant influence through the Fund’s ownership position and board representation. Other investments, particularly those in less-traditional sectors of the energy and natural resources industry or in emerging markets, may be structured so that First Reserve will work closely with an experienced industry or regional partner. With respect to all investments, First Reserve seeks to bring to bear its industry and strategic expertise.

The Buyout Funds focus on capitalizing on primary investment themes identified for each Fund, including the decades long underinvestment in worldwide energy infrastructure, the increasing importance of offshore oil and gas production, natural gas driven themes and the global nature of the energy and natural resources industry. In evaluating potential portfolio investments, First Reserve conducts extensive due diligence to analyze, among other things, the target company’s market and competitive position, the target company’s cost and revenue structures, the target company’s assets, management team, contingent liabilities (environmental, regulatory, accounting or otherwise), potential growth opportunities and First Reserve’s potential exit strategies.

First Reserve believes that manufacturing and service companies operating in the upstream, midstream and/or downstream sectors provide many of the best opportunities

for First Reserve to execute its overall strategy of “building value by building companies,” creating value through add-on investments, sector consolidations, cost reductions and improved marketing and distribution. The Buyout Funds also target energy reserve investments in the oil, natural gas and coal sectors and has more recently expanded its reserve investments to include other commodities.

The balance of the Buyout Funds generally is invested in power assets, renewables and energy related insurance and financial investments.

Infrastructure Fund

The Infrastructure Fund’s investment strategy focuses on infrastructure investment in three sectors within the energy value chain: (a) Contracted Power, (b) Contracted Midstream and (c) Regulated Transmission & Distribution. The Contracted Power sector invests in companies that generate electricity from renewable sources and other fuels, with an expected emphasis on wind and solar power generation. The Contracted Midstream sector invests in pipelines, storage and other logistics assets and facilities dedicated to the movement of basic energy resources, with an expected emphasis on natural gas. The Regulated Transmission and Distribution sector focuses on regulated electric, natural gas, and water transmission and distribution, with an expected emphasis on electric transmission. First Reserve believes that certain businesses in these sectors have investment characteristics that result in less volatility than other energy businesses or transportation infrastructure assets. By focusing its investment strategy on these sectors, the Infrastructure Fund seeks to provide attractive risk-adjusted returns through investments that include one or more of the following characteristics: (i) long-lived assets with monopolistic and/or highly defensible franchises; (ii) current cash income; (iii) low commercial and market risks; and (iv) a geographic focus on North America and Western Europe which allows for a large opportunity set while maintaining lower political and counterparty risks.

Risks

Prospective investors in any First Reserve Fund, including the Buyout Funds and the Infrastructure Fund, or any investment vehicle sponsored by First Reserve should be aware that an investment in any such Fund or investment vehicle involves a high degree of risk. Each investor should carefully consider the following risks, along with the risk factors and potential conflicts of interest described in the applicable Confidential Private Placement Memorandum of the First Reserve Fund or vehicle. As a result of these risks, and other risks inherent in any investment, there can be no assurance that any First Reserve Fund or investment vehicle will meet its investment objectives or otherwise be able to carry out its investment program successfully or that an investor will receive a return of its capital.

No Assurance of Investment Return. There can be no assurance that any First Reserve Fund will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of investments in which such First Reserve Fund participates. Accordingly, an investment in a First Reserve Fund should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with

First Reserve provide no assurance of future success. There can be no assurance that projected or targeted returns for any First Reserve Fund will be achieved.

General Business and Management Risk. Investments in the portfolio companies of the First Reserve Funds subject the First Reserve Funds to the general risks associated with the underlying businesses, including, but not limited to, market conditions, changes in regulatory requirements, reliance on management at the portfolio company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases the relevant First Reserve Adviser will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company. Further, a First Reserve Fund's success will depend in large part upon the skill and expertise of the Investment Staff of First Reserve, and there can be no assurance that any individual First Reserve professional will continue to be associated with the First Reserve Funds. The General Partner and First Reserve Adviser of a First Reserve Fund will have exclusive responsibility for a First Reserve Fund's activities, and, other than as may be set forth in First Reserve Fund's governing documents, Investors will not be able to make investment or any other decisions concerning the management of a First Reserve Fund.

Illiquid and Long-Term Investment Risks. An investment in a First Reserve Fund requires a long-term commitment with no certainty of return. It is unlikely there will be significant near-term cash flow available to the Limited Partners. The full return of capital and the realization of gains, if any, from an investment is generally not expected to occur until the partial or complete disposition of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by the First Reserve Funds at the time of their acquisition. The First Reserve Funds will generally not be able to sell the securities of portfolio companies publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the First Reserve Funds may be prohibited by contract or regulatory reasons from selling certain securities for a period of time. There can be no assurances that private purchasers of the First Reserve Funds' investments will be found.

Use of Leverage. The investments of the First Reserve Funds are expected to include companies whose capital structures may have significant leverage. In addition, investments may also be consummated through the use of significant leverage. While investments in leveraged companies and the use of leverage in financing transactions offer the opportunity for capital appreciation, such investments also involve a higher degree of risk.

Market Conditions. The ongoing turmoil in the U.S. and global financial markets has illustrated that the current environment is one of extraordinary and unprecedented uncertainty and instability. A number of very high-profile and significant transactions and events have occurred with respect to participants in the financial services industry, including the failure or forced sale of certain banks, investment banks and other financial services businesses and broad scale market intervention by governments in the United States and abroad. Global financial markets have

experienced considerable and prolonged declines in the valuations of equity and debt securities and an acute contraction in the availability of credit, which has made it significantly more difficult for sponsors like First Reserve to obtain favorable financing for investments, and the financing that is available is on much less favorable terms than had been prevailing in the recent past. A recession, slowdown and/or sustained downturn in the United States or global economy (or any particular segment thereof) will have a pronounced impact on each First Reserve Fund and could adversely affect such First Reserve Fund's profitability, impede the ability of such First Reserve Fund's portfolio companies to perform under or refinance their existing obligations, and impair such First Reserve Fund's ability to effectively deploy its capital or realize investments on favorable terms.

Highly Competitive Market for Investment Opportunities; Risk of Limited Number of Investments; Concentration of Investments in the Energy and Natural Resources Industries. Because the First Reserve Funds operate in a highly competitive market, there can be no assurance that a First Reserve Fund will be able to locate, consummate and exit investments that satisfy such First Reserve Fund's rate of return objectives or that such First Reserve Fund will be able to invest fully its committed capital. The First Reserve Funds may participate in a limited number of investments and, as a consequence, the aggregate returns of a First Reserve Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the governing documents of each First Reserve Fund, Investors have no assurance as to the degree of diversification of a First Reserve Fund's investments, either by geographic region or transaction type. To the extent a First Reserve Fund concentrates investments in a particular issuer, security or geographic region, its investments will be more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, the portfolio companies of the First Reserve Funds are expected to be concentrated in the energy and natural resources industries. Such concentration may involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns.

Energy and Natural Resources Industries. Investments in the energy and natural resources industries and energy infrastructure assets are subject to certain special risks, including, but not limited to, the following:

Volatility of Commodity Prices. The performance of certain of the First Reserve Funds' investments will be substantially dependent upon prevailing prices of oil, natural gas, coal and other commodities (such as steel). Commodity prices have been, and may in the future be, volatile and subject to wide fluctuations in response to uncertain market factors that are beyond the control of First Reserve or the First Reserve Funds.

Regulatory Risk; Government, Agency and Rate Risk. The energy and natural resources industries are subject to comprehensive U.S. and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the portfolio companies and the prospects of the First Reserve Funds. Such investments may also involve an ongoing commitment to or from a government agency and may derive a significant portion of their revenues from regulated tariffs or other usage or throughput-related fees. The nature of these obligations exposes the owners of portfolio companies and energy

investments to a higher level of regulatory control and political risk than typically imposed on other businesses.

Uncertainty of Estimates. Estimates of natural resources reserves (e.g., hydrocarbon reserves) by qualified engineers are often a key factor in valuing certain energy and natural resources companies. The process of estimating natural resources reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the value of the company owning such reserves.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the energy and natural resources industries and can have a substantial impact on investments in these industries. The energy and natural resources industries will continue to face considerable oversight from environmental regulatory authorities. A First Reserve Fund may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments.

Catastrophe Risk; Force Majeure. The operations of energy and natural resources companies and energy infrastructure assets targeted by the First Reserve Funds are subject to many hazards inherent in the transporting, processing, storing, distributing, mining or marketing of natural resources like natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities or potential unplanned interruptions caused by significant catastrophic or force majeure events.

Drilling, Exploration, Development and Mining Risks. A First Reserve Fund may invest in businesses that engage in oil and gas exploration and development, a speculative business involving a high degree of risk. Oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Mining is subject to inherent risks including unexpected equipment or maintenance problems, variations in geological conditions, natural disasters, underground mine flooding, environmental hazards, industrial accidents, explosions caused by the ignition of coal dust or other explosive materials at mines sites and fires caused by the spontaneous combustion of coal and, in certain cases, periodic labor unrest.

Nature of Utility and Energy Infrastructure Assets Generally and Ongoing Changes. The First Reserve Funds may make certain investments in electric utility industries and energy infrastructure assets both in the United States and abroad. In many regions, including the United States, these industries are experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the

economics of independent power generation projects into which the First Reserve Funds may invest may come under increasing pressure. Unanticipated changes in the availability or price of inputs necessary for the operation of a utility or an infrastructure asset may adversely affect the overall profitability of the investment.

For additional information regarding the foregoing or the risks and conflicts with respect to any First Reserve Fund or investment vehicle sponsored by First Reserve, please see the applicable Confidential Private Placement Memorandum of the applicable First Reserve Fund or investment vehicle.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. No material items exist at this time.

Item 10. Other Financial Industry Activities and Affiliations

First Reserve organizes and sponsors the First Reserve Funds, which are private investment companies. Each investment vehicle managed by First Reserve is controlled by a General Partner. Although a First Reserve Adviser provides advisory services to each First Reserve Fund, the applicable General Partner will be responsible for all decisions regarding portfolio transactions of a First Reserve Fund and have full discretion over the management of such First Reserve Fund's investment activities. While the General Partners and First Reserve Advisers are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Advisers Act and the rules promulgated thereunder. In addition, employees and persons acting on behalf of the First Reserve Advisers and General Partners are subject to the supervision and control of First Reserve and its Code of Ethics (see Item 11 below) together with its other compliance policies and procedures as adopted pursuant to the requirements of the Advisers Act, as applicable (in addition to applicable local laws and regulations). Thus, the General Partners and First Reserve Advisers, all of First Reserve's employees and the persons acting on their behalf would be considered "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partners and First Reserve Advisers.

First Reserve has two foreign affiliated entities, First Reserve International Limited ("FRIL"), an English company limited by shares, located in London, United Kingdom and First Reserve Asia Limited ("FRAL"), a Hong Kong company limited by shares, located in the Hong Kong Special Administrative Region of the People's Republic of China. FRIL and FRAL are expected to perform certain sub-advisory services pursuant to sub-advisory agreements executed with the applicable First Reserve Adviser, including due diligence of portfolio company targets. Due diligence work performed is provided to the applicable First Reserve Fund's Investment Committees for review and investment determination. FRIL and FRAL also meet with potential and current non-U.S. Investors. Neither affiliate makes investment-related decisions.

FRIL is registered with and governed by the regulations of the Financial Services Authority of the United Kingdom and FRAL is registered with and governed by the regulations of the Hong Kong Securities and Futures Commission.

Please also see Item 4, Advisory Business, above regarding the role of First Reserve Advisers.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

First Reserve has adopted a written Code of Ethics (the “Code”) that sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest, as required under Rule 204A-1 of the Advisers Act. Among other things, the Code requires First Reserve and its employees to act in a manner consistent with their fiduciary duty to their clients, abide by all applicable regulations, and pre-clear and report on many types of personal securities transactions. First Reserve also maintains policies and procedures to restrict affiliate transactions and avoid insider trading and the appearance of insider trading. First Reserve’s restrictions on personal securities trading apply to employees, as well as employees’ family members living in the same household. Each General Partner and First Reserve Adviser, as well as their respective personnel, is subject to the Code and First Reserve’s other policies and procedures.

Employees must report every account that they or members of their household use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions, including IPOs and private placements, and provide copies of periodic account statements, or have them sent by their broker, to First Reserve’s compliance department. Trading by employees and members of their household is monitored by First Reserve’s compliance department in a wide range of securities that appear on restricted lists and confidential watch lists, including securities that the First Reserve Funds have purchased or are considering purchasing.

A copy of First Reserve’s Code is available upon request to: Chief Compliance Officer, First Reserve Corporation, One Lafayette Place, Greenwich, CT 06830.

Potential Conflicts of Interest

There may be occasions when the General Partner and its affiliates (including the First Reserve Advisers) may encounter potential conflicts of interest with the First Reserve Funds. If any matter arises that the General Partner determines in its good faith judgment constitutes an actual conflict of interest, the General Partner may take such actions as it determines reasonably and acting in good faith may be necessary or appropriate to ameliorate the conflict. There can be no assurance that First Reserve will resolve all conflicts of interest in a manner that is favorable to the First Reserve Funds. The following discussion enumerates certain potential conflicts of interest, although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a First Reserve Fund:

Principal Transactions

First Reserve, as investment manager, or an affiliate (including the First Reserve Funds) may engage in principal transactions (i.e., transactions where First Reserve or an affiliate is deemed to be acting for its own account by buying a security from, or selling a security to, a client, including a First Reserve Fund). A potential conflict of interest could arise in that the interested First Reserve-related person could benefit from such a purchase or sale of the applicable security by a First Reserve client.

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and its clients, on the other hand. Generally, pursuant to the Advisers Act, if First Reserve (or an affiliate) purchases a security from or sells a security to, a client, First Reserve must disclose the terms of the transaction to the client and obtain the consent of the client prior to engaging in the principal transaction. First Reserve has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with clients. Additionally, each First Reserve Fund's governing documents may limit principal transactions on a more restrictive basis than the Advisers Act.

Affiliated Transactions

The governing documents of First Reserve Funds require that any transactions between a First Reserve Fund and First Reserve, its affiliates or a supervised person of First Reserve must be consummated on an arm's-length basis.

Cross Transactions

Generally, First Reserve does not effect cross transactions between First Reserve Funds; however, such cross transactions may be effected in rare instances. In the event that First Reserve does effect other cross transactions between First Reserve Funds, First Reserve will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements and First Reserve's policies and procedures. In particular, First Reserve will seek to ensure that the transaction is: (i) in First Reserve's judgment, in the best interest of each First Reserve Fund involved; (ii) in compliance with the relevant First Reserve Fund governing documents, including any investment guidelines or restrictions for those First Reserve Funds; (iii) entered into only after obtaining any required Advisory Board approvals of the transaction's terms and conditions; and (iv) effected at a price that is comparable to the price that could be obtained through an arm's length transaction with a third party and that is otherwise fair to both parties.

Portfolio Company Representation

Employees of First Reserve may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in

the best interests of the portfolio company may not be in the best interests of the First Reserve Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the First Reserve Adviser and such individual's duties as a director or officer of such portfolio company.

Allocation of Investment Opportunities

In accordance with its fiduciary duty, First Reserve must allocate all investment opportunities to its clients on a fair and equitable basis and in accordance with all relevant guidelines and restrictions as outlined in the governing documents of each of the First Reserve Funds. If a particular investment opportunity falls within the investment objective of more than one First Reserve Fund, then the Firm will allocate such opportunity (including, any related co-investment opportunities) among the First Reserve Funds on a basis that First Reserve reasonably determines in good faith to be fair and reasonable taking into account a number of considerations, including: the sourcing of the transaction, the nature of the investment focus of each First Reserve Fund, the relative amounts of capital available for investment, any diversification limitations and restrictions, portfolio diversification, and other considerations deemed relevant by First Reserve in good faith.

Other Activities

Professionals of First Reserve responsible for one First Reserve Fund may continue to manage the activities of other First Reserve Funds, which will include involvement with existing portfolio companies, and will participate in other activities of First Reserve, including additional investment funds and, therefore, conflicts may arise in the allocation of management resources.

Valuation of Investments

There may be situations in which First Reserve is incentivized to influence or manipulate the valuation of investments. For example, First Reserve could be motivated to minimize losses from writedowns (i) that must be returned to Investors prior to an affiliate receiving carried interest or (ii) for purposes of increasing the management fee payable to the relevant First Reserve Advisor.

First Reserve investments are valued quarterly in accordance with ASC 820 (formerly, Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*), which defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

The objective is to estimate the exchange price at which hypothetical willing marketplace participants would agree to transact. Accordingly, while the cost (or "entry price") associated with a non-marketable asset held by a Private Fund may be a consideration when assessing the asset's fair value, the purpose of the assessment is to determine a fair sale (or "exit") price, which may be 'cost' until there is a material change that would deem it necessary to carry an asset at a price other than cost.

First Reserve's policy is to ensure that all portfolio investments are recorded at fair value on a consistent, transparent and reasonable basis. First Reserve will determine the fair value of the Private Fund's investments in the manner provided in the organizational, governing and offering documents of the relevant Private Fund. In addition, First Reserve may engage independent third parties to provide assessed market value of certain Portfolio Company holdings. All First Reserve Funds are audited annually.

Carried Interest; Distributions in Kind

As discussed in Item 5 above, the existence of the General Partners' carried interest may create an incentive for the General Partners to make riskier or more speculative investments on behalf of the First Reserve Funds than would be the case in the absence of this arrangement, although First Reserve's commitment of capital to the First Reserve Funds should somewhat reduce this incentive. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property as determined by the General Partners in accordance with procedures set forth in the applicable governing documents of the First Reserve Fund. An independent appraisal generally will not be required. In certain limited circumstances, the amount of carried interest will be calculated based on the fair market value of in-kind distributions, even though a Limited Partner may have elected to receive a distribution of cash in lieu thereof.

Side Letters

The General Partners of the First Reserve Funds may enter into side letter or other similar agreements with specific Investors with respect to a First Reserve Fund establishing rights under, or supplementing or altering the terms of, the applicable governing documents of such First Reserve Fund with respect to such Investors, including with respect to fee structures, information rights, co-investment rights and liquidity or transfer rights. While First Reserve has no obligation to offer all such additional rights, terms or conditions to any other Investor in such First Reserve Fund, First Reserve generally makes such side letters available to all limited partners of the relevant First Reserve Fund.

Material, Non-Public Information

By reason of their responsibilities in connection with other activities of First Reserve, certain employees of the General Partners and their affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The First Reserve Funds will not be free to act upon any such information. Due to these restrictions, the First Reserve Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Diverse Limited Partner Group

The Limited Partners (including First Reserve professionals) may have conflicting investment, tax and other interests with respect to their investments in the First Reserve Funds. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the First Reserve Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in

connection with decisions made by the General Partners, the First Reserve Advisers or First Reserve, including with respect to the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to any Limited Partner's individual tax situations. In addition, the First Reserve Funds may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting and structuring investments appropriate for a First Reserve Fund, the General Partner will consider the investment and tax objectives of the First Reserve Fund and its Limited Partners as a whole, not the investment, tax or other objectives of any Limited Partner individually.

Allocation of Expenses

An allocation among the First Reserve Funds of expenses generated in the course of evaluating and making investments may be required in certain situations, such as where more than one First Reserve Fund considers making a particular investment. For instance, this might include the expenses of common counsel and other professionals. Any such allocation will be made in good faith in accordance with the applicable First Reserve Fund governing documents by the First Reserve Advisers, considering all factors deemed relevant. Any expenses shared by more than one First Reserve Fund in connection with evaluating and making consummated portfolio investments of the First Reserve Funds or broken deals generally are allocated pro rata based on each First Reserve Fund's invested capital (or, in the case of broken deals, the amount that would have been invested by each First Reserve Fund), as determined by First Reserve. Any other expenses shared by more than one First Reserve Fund generally are allocated pro rata based on each First Reserve Fund's invested capital and unfunded capital commitments.

Please also see Item 5, Fees and Compensation, above regarding a description of Other Fees that may be received by First Reserve and its affiliates.

Item 12. Brokerage Practices

Although First Reserve does not generally utilize the services of broker-dealers for the purposes of executing portfolio investments of the First Reserve Funds, in the event it chooses to use a broker-dealer to the limited extent First Reserve transacts in public securities or makes other non-private equity investments (e.g., currency hedging) First Reserve seeks to obtain best execution of transactions. "Best execution" means obtaining for a Fund the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer.

In selecting brokers or dealers, First Reserve will consider various factors, including, without limitation: the reputation, experience and financial stability of the broker-dealer; the ability to maintain First Reserve's anonymity; the ability to provide competitive pricing; the size and timing of the transaction; the ability and willingness to commit capital and provide prompt and accurate execution and settlement; whether the broker-dealer makes a market in a security and/or finds sources of liquidity; the nature of the market for the security and the difficulty of execution; the broker-dealer's trading expertise, including its ability to minimize total trading costs and to trade without unduly impacting the market; the belief that the broker-dealer charges a fair and

reasonable fee for each trade, and that the Funds have been treated fairly and honestly in prior trades; and the quality of execution, quality of the broker-dealer relationship, quality of service rendered by the broker-dealer in prior transactions, and quality of any proprietary research and investment ideas.

First Reserve has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution (so called “soft dollar” arrangements). However, First Reserve may receive research services from brokers and dealers available to other institutional investors. Research services received from brokers and dealers are generally supplemental to First Reserve’s own research efforts. To the best of First Reserve’s knowledge, these services are generally made available to institutional investors doing business with such broker-dealers. First Reserve does not separately compensate such broker-dealers for the research and does not believe that it “pays-up” for such broker-dealers’ services.

Item 13. Review of Accounts

Oversight and Monitoring

First Reserve’s portfolio investments are generally private, illiquid and long-term; accordingly, First Reserve’s review of them is not directed toward a short-term decision to dispose of securities. However, First Reserve’s investment professionals continuously monitor the portfolio investments of each First Reserve Fund and generally maintain an ongoing oversight position in such portfolio companies.

Periodically, First Reserve performs a bottom-up review of its portfolio, to monitor performance and gauge the market for timing an exit strategy.

Reporting

First Reserve furnishes Investors in the First Reserve Funds with annual audited financial statements and K-1s, quarterly unaudited financial statements, and quarterly descriptive investment information for each of the portfolio companies. In addition, First Reserve also provides Limited Partners with periodic portfolio update conference calls, newsletters, fund reports, performance reports, and summaries of the portfolio companies. It also provides detailed capital call and distribution statements. First Reserve also holds annual meetings with the Limited Partners.

Item 14. Client Referrals and Other Compensation

First Reserve may periodically engage third party placement agents (i.e., solicitors) to introduce prospective investors to the First Reserve Funds. While they may initially be paid by the First Reserve Funds, such expenses are not ultimately borne by the First Reserve Funds.

For details regarding economic benefits provided to First Reserve and its related persons by non-clients, please see Item 5, Fees and Compensation, above.

Item 15. Custody

First Reserve has access to client accounts because its affiliates serve as the General Partners of the First Reserve Funds. Limited Partners will not receive statements from any custodians. Instead, the First Reserve Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each Limited Partner within 120 days of each First Reserve Fund's fiscal year end.

Item 16. Investment Discretion

The First Reserve Funds' General Partners generally have discretionary authority to determine, without obtaining specific consent from the First Reserve Funds or their Limited Partners, the securities and the amounts to be bought or sold on behalf of the First Reserve Funds. Any limitations on authority are included in each First Reserve Fund's Private Placement Memorandum and its governing documents.

Item 17. Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, First Reserve has adopted and implemented written policies and procedures governing the voting of client securities.

The First Reserve Funds are primarily invested in privately-held portfolio companies which typically do not issue proxies. However, upon occasion, First Reserve will receive proxies in connection with its publicly traded portfolio companies, in which case it is First Reserve's policy to exercise the proxy vote in the best interest of the First Reserve Funds, taking into consideration all relevant factors, including acting in a manner that First Reserve believes will (i) maximize the economic benefits to the relevant First Reserve Fund and (ii) promote sound corporate governance by the issuer. On rare occasion, First Reserve may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

First Reserve will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its First Reserve Funds on the other. However, as is typical with private equity investing, First Reserve seeks and accepts the election of a First Reserve representative to serve on the board of directors of a portfolio company on behalf of its First Reserve Funds and will typically, but not always, vote in favor of board recommendations. In situations where First Reserve is required to vote the proxy for a company in which employees of First Reserve serve on the board of directors, First Reserve has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the First Reserve Funds' investment in such portfolio company. Accordingly, while First Reserve is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that portfolio company, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the best interests of First Reserve's Funds. Conflicts of interest will be reviewed by First Reserve's Proxy Conflict Committee. In situations where the Proxy Conflict Committee perceives a material conflict of interest, First Reserve may: (i) disclose the conflict to the relevant First Reserve Fund's Advisory Board and obtain such Advisory Board's informed consent as to the fact that a material conflict exists in voting the First Reserve Fund's proxy in the manner favored by First Reserve; (ii) defer to the voting recommendation of an independent third party provider of proxy services (e.g., such as Institutional Shareholder Services, an independent proxy voting advisory and research firm); or (iii) take such other action in good faith which would protect the interests of the First Reserve's Fund.

A copy of First Reserve's proxy voting policies and procedures, as well as specific information about how First Reserve has voted in the past, is available to existing Investors upon written request to: Chief Compliance Officer, First Reserve Corporation, One Lafayette Place, Greenwich, CT 06830.

Item 18. Financial Information

First Reserve has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.