

Macquarie



Form ADV Part 2A: Firm brochure

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Date of Brochure: June 29, 2017

This brochure provides information about the qualifications and business practices of Macquarie Energy Partners Inc. If you have any questions about the contents of this brochure, please contact us at +1 212 231 1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Macquarie Energy Partners Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Referring to Macquarie Energy Partners Inc. as a registered investment adviser does not imply a certain level of skill or training of its officers.

Item 2: Material Changes

This is the “initial” Brochure of Macquarie Energy Partners Inc. (“MEP Inc.” or the “Relying Adviser”), which is registering with the SEC in reliance on the Form ADV of Macquarie Infrastructure Partners Inc., an investment adviser registered with the SEC since April 11, 2008 (the “Registrant”).

The Relying Adviser currently has no clients. This Brochure describes the Relying Adviser’s expectations as to its business practices once operational.

The Relying Adviser, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

In future Brochures, this section of the Brochure will address material changes that have been incorporated since the Relying Adviser’s last annual update.

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Item 4: Advisory Business

A. Advisory Firm

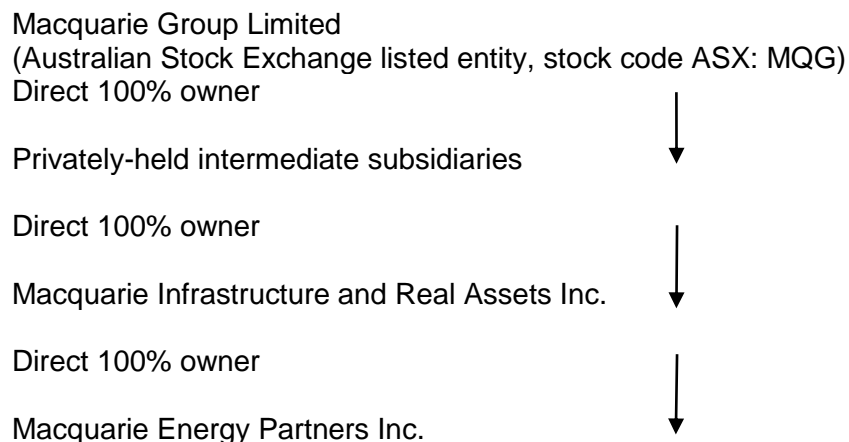
Macquarie Energy Partners Inc. ("MEP Inc." or the "Relying Adviser") is a Delaware corporation. It was incorporated on June 5, 2017. The Relying Adviser is registered with the SEC pursuant to the 2012 ABA No-Action Letter in reliance on the Form ADV of Macquarie Infrastructure Partners Inc. (the "Registrant").

MEP Inc. qualifies as a "relying adviser" because:

- it and the Registrant advise only private funds and separate account clients that are "qualified clients" as defined under the Advisers Act;
- each of MEP Inc.'s "supervised persons" are "persons associated with" the Registrant, both as defined under the Advisers Act;
- the Registrant has its principal office and place of business in the U.S.;
- the advisory activities of MEP Inc. are subject to the Advisers Act and examination by the SEC; and
- the Registrant and MEP Inc. operate under a single Code of Ethics, written policies and procedures, and Chief Compliance Officer in accordance with the Advisers Act.

This Part 2A of Form ADV of MEP Inc. will be included in the annual Form ADV filing of the Registrant.

The Relying Adviser is ultimately owned by Macquarie Group Limited ("MGL"), the ultimate parent of the Macquarie Group, a multi-national financial services company, via the following holding structure:



B. Advisory Services Provided

The Relying Adviser's investment advisory services to the Fund (as defined below) will consist of providing day-to-day managerial and administrative services to the Fund and holding companies through which co-investors co-invest with the Fund or to co-investors directly ("Co-Investment Clients", and together with the Fund, "Clients", and each a "Client"), including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of the portfolio companies of the Clients (the "Portfolio Companies"), and advising

the Fund regarding disposition opportunities. These tailored services are outlined in the respective management agreements in place between the Relying Adviser and the Fund and for the Co-Investment Clients are outlined in the respective advisory agreements in place between the Relying Adviser and the Co-Investment Clients. Information described in this brochure relating to the terms of the Fund and each Co-Investment Client is not complete and is subject to and qualified in its entirety by reference to the limited partnership agreements of the Fund and each Co-Investment Client.

The Relying Adviser provides discretionary and non-discretionary investment supervisory services to Co-Investment Clients and discretionary investment supervisory services to private investment-related funds including:

Macquarie Energy Partners, L.P., a Delaware limited partnership ("MEP LP") and any parallel funds or alternative investment vehicles then in existence in respect thereof are each referred to herein as a "Partnership" and collectively as the "Fund" or "MEP".

The Fund invests in and divests interests in upstream energy and upstream energy-related assets and businesses primarily focused on the delineation and development of oil and gas reserves. Macquarie Energy Partners GP LLC, a Delaware limited liability company, is the general partner of MEP LP ("MEP General Partner"; together with the general partners of parallel funds or alternative investment vehicles of MEP LP and the general partners of other Co-Investment Clients, if any, each a "General Partner", and collectively the "General Partners"). The General Partners are 100% commonly controlled affiliates of the Relying Adviser.

The Relying Adviser primarily advises on privately-negotiated acquisitions and dispositions of securities of energy and energy-related companies and the acquisition and disposition of upstream energy and upstream energy-related assets and businesses ("Portfolio Investments"). In the case of the Fund, target Portfolio Investments will generally include, but will not be limited to, (i) upstream oil and gas assets focused on the delineation and development of oil and gas reserves and (ii) businesses supporting the development of the foregoing projects. The Fund will seek to invest in upstream energy assets that are not yet fully producing and invest capital to optimize these resources through the delineation and development of these opportunities. The Relying Adviser expects to focus its investments primarily in delineation and development opportunities. Although the Fund will be focused primarily on delineation and development of upstream energy assets and businesses in the U.S. or Canada ("North America"), it will also consider energy-related investment opportunities involving: (i) projects that have unproven reserves; and (ii) associated gathering and processing.

The Relying Adviser intends for the Fund primarily to seek to acquire positions of control or significant influence in order to leverage the Relying Adviser's technical expertise and drive the implementation of desired development strategies and value-enhancing initiatives. The Relying Adviser generally expects this to be achieved through control investments in equity and equity-like instruments, however the Fund may also make investments through other instruments such as convertible equity, preferred equity, mezzanine debt, warrants and net profits interests, total return swaps, traditional debt securities, or some combination thereof. For non-controlling investments, the Relying Adviser will seek to retain appropriate governance protections (such as joint or negative control rights) and/or non-governance protections (such as covenants, consent rights or profit distribution or capital priority rights) with regards to the Fund's relative participation, in order to seek to position the Fund to exert significant influence on its investment. However, with regard to certain debt investments, the Fund would not expect to

have governance rights or other significant influence over the management and/or operations of the applicable Portfolio Company.

With respect to Portfolio Companies that the Fund has positions of control or significant influence, employees of the Relying Adviser or affiliates will typically serve on a Portfolio Company's board of directors (or similar governing body) or otherwise act to influence control or management of companies held by the Clients.

From time to time, the Relying Adviser may engage in short sales and other derivatives transactions for the Clients, including option, commodity, currency and similar transactions. Derivatives transactions will generally be used for hedging purposes and are intended to be de minimis.

C. Tailored Advisory Services and Restrictions

The Relying Adviser provides services tailored to the specific needs of each Partnership based on the investment objectives, and applicable restrictions, set forth in each Partnership's limited partnership agreement and, in the case of Co-Investment Clients, the applicable restrictions set forth in individual advisory agreements. The Relying Adviser does not tailor its services to individual investors in the Fund.

D. Wrap Fee Programs

The Relying Adviser does not participate in wrap fee programs.

E. Assets under Management

As of the date of this Brochure, the Relying Adviser has \$0 assets under management.

Item 5: Fees and Compensation

A. Compensation

The Relying Adviser will be entitled to receive an asset-based management fee ("Management Fee") from the Fund as described in the private placement memorandum of the Fund.

The Relying Adviser is expected to agree to a reduced Management Fee rate with certain investors in the Fund, including employees of the Macquarie Group (as defined below) or a feeder fund formed therefor, based on factors such as, among other things, the timing of the investor's capital commitment to the Fund, the size of the investor's commitment or its investment relationship with the Macquarie Group or other funds managed by entities that are part of the Macquarie Group (see also *Co-Investment Arrangements* under Item 11). As used herein, the "Macquarie Group" means MGL and its worldwide subsidiaries and affiliates.

The Relying Adviser typically expects to charge Co-Investment Clients asset-based management fees that can be determined as a percentage of invested capital, which may vary over time ("Co-Investment Management Fee"). Co-Investment Management Fees are separately negotiated with each Co-Investment Client. The Relying Adviser's fees (if any) are paid pursuant to advisory agreements entered into between the Relying Adviser and its Co-

Investment Clients. Co-Investment Clients' Co-Investment Management Fees will vary based on factors such as the size of the investor's commitment to a transaction or its investment relationship with the Macquarie Group, including the Fund, or other funds managed by entities that are part of the Macquarie Group.

Refer also to Item 6 below for a discussion of performance based fees charged by affiliates of the Relying Adviser.

B. Payment of Fees

In the case of the Fund, Management Fees may be paid by drawing on the Fund's credit facility, if any, which causes the Fund to incur related expenses borne by its limited partners, or may also be paid out of current income and disposition of proceeds of the Fund and, to the extent necessary, from called capital commitments to the Fund. In the case of Co-Investment Clients, Co-Investment Management Fees are either paid by Co-Investment Clients or investors in the Co-Investment Clients.

C. Other Fees

The Relying Adviser or the General Partners (or, any of their affiliates within the Macquarie Infrastructure and Real Assets division ("MIRA") or any MIRA employee) may receive set-up, arranging, funding, monitoring, organization, directors', break-up, topping, commitment and other similar fees from persons in which the Fund acquires or holds investments (or seek to acquire or hold investments) ("Other Fees") but, for the avoidance of doubt, excluding fees, commissions and mark-ups paid to affiliates of the Relying Adviser (including, with respect to (a)-(d) below, the Commodities and Global Markets, Macquarie Capital, or any other operating group within the Macquarie Group, and with respect to (e) below those businesses currently conducting business under the Macquarie Insurance Facility business unit), with respect to (a) financial advisory, investment banking, commercial banking, mergers and acquisitions advice, (b) restructuring or other similar advisory services, (c) lending or providing debt facilities, (d) debt or equity underwriting services, hedging or other services related to foreign exchange, interest rates or commodities, (e) vendor, insurer or broker commissions, (f) payments for services provided by Macquarie, the General Partners, the Relying Adviser or any of their respective Affiliates to Portfolio Companies which, if such services had been provided to the Fund, would have constituted partnership expenses, and (g) any salary, bonus, stock options or other compensation granted or paid by Portfolio Companies to employees within the MIRA Division who serve in a bona fide, non-director management capacity at any such Portfolio Company. Such Other Fees are netted of amounts otherwise payable by the Fund, first by reducing reimbursed partnership expenses incurred by the General Partners or Relying Adviser, and second by reducing future Management Fees.

In addition, the Fund pays certain fees to third party consultants (including consultants or employees of legal or other advisers introduced or arranged by MIRA that regularly provide services to one or more Partnerships or Portfolio Companies or affiliates of the General Partners), and such fees, if related to the business of the Fund, a Portfolio Company thereof or the General Partner's or Relying Adviser's operations related thereto, are borne by the Fund or Portfolio Company, as applicable, without offset against the Management Fee as described herein and, thus, are not covered by the Management Fee. These third party consulting services may be provided exclusively from the offices of MIRA in a secondee, consultant or other similar structure or arrangement. In addition, third-parties co-investing with the Fund may pay (i) affiliates of the Relying Adviser a transaction-based fee and/or (ii) the Relying Adviser or

an affiliate of the Relying Adviser management, performance or other similar fees, which, in either case, would also not be subject to offset against the Management Fee.

The Co-Investment Management Fees (if any) will be offset in a manner separately negotiated with certain investors of the Co-Investment Client, and are expected to be typically similar to the arrangement described above for the Fund. For the sake of clarity, MEP Management Fees will not be offset by any Co-Investment Management Fees received by the Relying Adviser.

Moreover, the Relying Adviser and its affiliates can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Clients which will not be subject to the management fee offset or otherwise shared with the Clients and/or their limited partners. For example, airline travel or hotel stays incurred as Clients expenses typically may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to personnel of the Relying Adviser and its affiliates (and not the Clients or their limited partners) even though the cost of the underlying service is borne by the Clients and/or the Portfolio Companies.

In addition, a Partnership may obtain insurance which contains benefits to the Fund's General Partner and the Relying Adviser as part of the overall package of terms offered by the provider to the Fund. The insurance provider may not be able to break out the cost of any such benefits to the General Partner and Relying Adviser so that those costs can be allocated to the General Partner and not the Fund. Thus, the Fund may bear the cost of insurance which includes a benefit to the General Partner and the Relying Adviser as part of the coverage provided. Other Clients (if any) will also share in the costs of insurance pro rata based on capital commitments to the Fund and such other Clients.

Furthermore, non-committed co-investors or co-investment vehicles generally do not bear broken-deal expenses for unconsummated transactions in which they would have participated if the relevant transaction had been consummated. As such, the full amount of any such expenses relating to such proposed but not consummated transaction would, therefore, be borne by the Fund, absent a specific agreement to the contrary with a prospective co-investor.

D. Payment of Fees in Advance

Management Fees and Co-Investment Management Fees are payable by Clients to the Relying Adviser quarterly in advance.

In the case of the Fund, the Management Agreement shall be terminated if the General Partner is removed with or without cause by the limited partners.

E. Compensation for Sale of Securities or Other Investment Products

Neither the Relying Adviser nor any of its supervised persons receives any compensation for the sale of securities or other investment products. All forms of compensation are outlined in Item 5.A and Item 5.C.

Item 6: Performance-Based Fees and Side-By-Side Management

The General Partners are entitled to receive a performance allocation ("Performance Allocation") from each applicable Partnership (if any) pursuant to such Partnerships' limited partnership agreements among the General Partner and the investors. The General Partner may agree to a reduced Performance Allocation rate with certain investors in the Fund based on factors such as the timing of the investor's capital commitment to the Fund, the size of the investor's commitment, the amount of co-investment offered to or made by those investors or its investment relationship with other funds managed by entities that are part of the Macquarie Group. (See also *Co-Investment Arrangements* under Item 11).

In addition, in the event that interests in the Fund are listed on a United States or non-U.S. securities exchange or comparable trading market, MEP General Partner, the Relying Adviser or their affiliates shall have the right to be appointed as investment advisor or investment manager of such listed vehicle or other entity and in either case, with the consent of at least 66-2/3% in interest of the MEP investors, to earn fees and/or incentive compensation in connection therewith.

The existence of the General Partners' carried interest could be viewed as an incentive for a General Partner and the participants in such program, respectively, to make or recommend riskier or more speculative investments for a Client than would be the case in the absence of these arrangements. However, the capital commitment by Macquarie to the Clients should help to mitigate such incentive. In addition, the manner in which a General Partner's entitlement to carried interest is determined may result in a conflict between its interests and the interests of investors in the Clients with respect to the sequence and timing of disposals of investments. 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 applicable General Partner in accordance with procedures set forth in the applicable partnership agreement. An independent appraisal may not be required or obtained. In certain circumstances, the amount of carried interest will be calculated based on the fair market value of in-kind distributions.

MEP General Partner or its designee will typically be entitled to a Performance Allocation from certain investors in the Co-Investment Clients. In addition, the manner in which MEP General Partner's or its designees' entitlement to performance compensation is determined may result in a conflict between the Relying Adviser's interests and the interests of Co-Investment Clients with respect to the sequence and timing of disposals of investments.

Item 7: Types of Clients

The only investment advisory service provided by the Relying Adviser is to act as the investment advisor to the Fund and other private Partnerships and Co-Investment Clients. The Partnerships currently consist of MEP LP, a Delaware limited partnership. Investment advisory services are provided directly to the Fund and not individually to the Fund's limited partners. The limited partners investing in Clients typically include unions and Taft Hartley plans, corporate, public and other pensions, insurance companies, foundations and endowments, other financial institutions and high net worth individuals, which, in the case of the Fund, are expected to include, directly or indirectly, senior executives or other employees of the Relying Adviser and its affiliates.

While the Relying Adviser does not impose a minimum balance as a condition to receiving advisory services, each Partnership generally imposes a \$10 million minimum investment for its investors, which may be waived in the sole discretion of the General Partners, including for Macquarie Group employees.

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

A. Methods of Analysis and Investment Strategies

The Relying Adviser has a well-defined process for evaluating investment opportunities and making investment decisions on behalf of Clients.

A. Investment Sourcing. The Relying Adviser expects that investment opportunities will be sourced both on a proprietary basis as well as through open and limited auction-style processes, but expects the majority of investment opportunities to be sourced on a proprietary basis, consistent with the experience of the former Macquarie Energy Capital business ("Macquarie Energy Capital"). The Relying Adviser expects the Investment Team to originate investment opportunities by identifying and approaching potential sellers through its network of management teams, the financial community servicing the energy sector and the industry at large. Finally, the Relying Adviser believes that several opportunities will be sourced by virtue of being part of the global MIRA platform. MIRA's investment teams have strong relationships with management teams, insights related to the production and consumption of energy globally and relationships with legal, financial, and market advisors active around the world. The Fund will have a priority allocation over privately-negotiated upstream energy and upstream energy-related investment opportunities originated by MIRA in MEP Target Geographies (as defined below).

B. Investment Screening. The key characteristics of prospective investments by the Fund are evaluated in a brief "Initial Investment Screening Memorandum", that is prepared by the Investment Team and reviewed by its Investment Committee (the "Investment Committee") prior to approving the engagement of significant resources or incurring transaction costs. Once an opportunity has passed the "Initial Investment Screening", the Relying Adviser will assign a deal team, typically including the investment professional responsible for originating the opportunity, an execution lead, a technical lead, and other team members as appropriate, including one or more associates and analysts. Once the Investment Committee determines that further due diligence on the prospective opportunity is warranted, the Investment Team will commence a detailed investment and technical analysis (described below), which will form the skeleton of a formal Investment Committee Memorandum ultimately required to approve an investment.

C. Detailed Investment and Technical Analysis.

Overview

Upon approval to proceed beyond the Initial Investment Screening stage, the Investment Team will commence a detailed investment and technical review and analysis of development plan assumptions and material risks associated with the potential investment. The Relying Adviser will draw on its investment experience gained from evaluating and managing other assets, including input from in-house reservoir engineering and geological professionals, to determine reserve estimates, forecast production and design of development plans. The Relying Adviser

will also typically utilize internal, and when warranted, engage external subject matter experts on behalf of the Client to review legal, tax, accounting, insurance, and Environmental, Social and Governance (“ESG”) matters, as well as to review any other risk areas which the Relying Adviser believes relevant to the investment. The due diligence process will typically include: (i) a review of available information including public information sources (including production records, tax records, lease records, and public company information, among other sources) and confidential information supplied by the target management team or company, including third party engineering reports when available, from which the Investment Team will do a further comparative analysis; (ii) the Relying Adviser’s knowledge and direct experience with the assets and the target basin; (iii) in-house analysis of key investment drivers and market dynamics; (iv) detailed discussions with management; and (v) a confirmatory review of material contracts, agreements, leases, easements, financial records and other relevant documents. Although it may do so in certain circumstances, the Relying Adviser does not typically engage third party reserve engineers to perform the technical review because the Relying Adviser believes that one of its key competitive advantages is the technical capabilities of its own investment team, which allows the Relying Adviser to act quickly to review investment opportunities and engage with operational management more comprehensively and effectively.

Technical Underwriting Process

The Relying Adviser’s technical underwriting process can be summarized as follows: (i) identify an area of potentially productive acreage through geological evaluation of the target formation’s lithologic properties, hydrocarbon content, and thermal maturity; (ii) incorporate expected distribution of production results over a given resource area through engineering analysis of surrounding operations and production; (iii) delineate the lateral boundaries and target vertical zone(s) of the productive resource underlying a specific acreage position; and (iv) design a development plan to maximize the economic potential of the resource underlying a specific acreage position including well specifications, optimal lateral length, completion design, and appropriate surface equipment and operations.

Unconventional Delineation and Development

Resources that are exploited unconventionally are not homogeneous in their petrophysical attributes. While only a few of these variables are known or properly evaluated when an investment opportunity arises, the Relying Adviser has developed a rigorous technical evaluation process based upon Macquarie Energy Capital’s process to address the risks of these variables changing from one area to another within the target’s acreage. Details of this evaluation process include: (i) analysis of analog wells, (ii) understanding the geology, (iii) understanding well costs, (iv) experienced operator, (v) ability to drill in stages, and (vi) acreage cushion, as further described in detail in the private placement memorandum of the Fund. Based upon the inputs to this evaluation process as it relates to unconventional delineation and development, the Relying Adviser uses proprietary techniques to map economic viability, including “Economic Heat Mapping” which gathers historical production data for wells with similar drilling and completion techniques and normalizes production for lateral length and proppant loading. When combined with the Relying Adviser’s accumulated data from analysis of comparable operating and capital costs, this is designed to seek to generate a projected gross IRR at a given set of commodity prices. The Relying Adviser can then create contour maps using IHS PowerTools software applications.

Conventional Delineation and Development

Many aspects of evaluating a conventional delineation and development project are the same as for an unconventional delineation and development project, including well costs, operator expertise and capabilities, staged drilling, and acreage cushion. There are a few key differences

emanating from the optimal types of techniques for discerning specific petro-physical properties and associating those with the potential of the project, including: (i) alternative reserve estimate techniques, (ii) geological interpretations, and (iii) acreage cushion, as further described in the private placement memorandum of the Fund in more detail. Within North America, the Relying Adviser expects to selectively target Enhanced Oil Recovery Projects ("EOR"), which may include water flood projects, tertiary (CO₂) projects, and cyclic steam and steam flood projects. The due diligence approach that the Investment Team uses for EOR opportunities is essentially the same as the unconventional delineation and development approach, but with greater emphasis on deterministic relative to probabilistic reserve calculations. In addition, the Relying Adviser places more focus on operating costs, environmental effects, and sources of the enhanced recovery media (water, natural gas for steam, and CO₂) for EOR opportunities.

Financial Analysis and Investment Structuring

- Analytical Process. The risk-adjusted economic viability of the resource is generally the starting point for all investment and structuring decisions. The unique attributes of the underlying resource, in addition to balance sheet and operating condition of the target investment, will be an important consideration in investment decisions. The Relying Adviser incorporates its due diligence findings into the investment business plan and projected cash flows over an expected ownership period. Scenario and sensitivity analyses are performed on key value drivers to quantify risk and determine whether they are consistent with the applicable Client's investment objectives.
- Investment Structuring. The Relying Adviser expects the Fund to primarily focus on four key investment structures: Buy & Develop, Development Joint Ventures, Development Finance, and Balance Sheet Repair. The Relying Adviser expects to focus on a consistent set of goals when structuring investments regardless of which type(s) a given investment may be: (i) providing for the ability for the Fund to earn target returns on what the Relying Adviser believes is a favorable risk-adjusted basis; (ii) aligning incentives between the Fund and the management team operating the assets of the Portfolio Company; and (iii) creating scope for the Relying Adviser's investment team to seek to add value – particularly through its technical expertise – during the course of an investment. However, depending upon the opportunity—specifically the underlying risk and the capitalization of the target entity—the Relying Adviser may prefer to utilize different structural features. The Relying Adviser expects to draw on the Investment Team's experience and knowledge of market precedents in negotiating and completing upstream energy acquisitions. The Relying Adviser will directly negotiate all key documents required to complete an acquisition and engage advisors as necessary. The Relying Adviser will seek to leverage its access to global capital markets to identify efficient sources of debt financing, both at acquisition and during the ownership period for Fund investments. The Relying Adviser will draw on its considerable experience to determine a view as to the appropriate capital structures for investments, taking into account the development stage of the asset.

D. Investment Approval Process. Investments by the Fund will be approved by its Investment Committee as described herein. The Fund's Investment Committee members will be briefed throughout the investment screening and due diligence process as previously described, thereby providing them with the opportunity to effectively screen and evaluate investment opportunities. It is expected that the Investment Committee will meet formally on a regular basis to review the activities of the Fund, including both potential and existing investments. Prior to submitting a binding bid, offer, or executing definitive transaction documentation, the Investment Committee will have been briefed on all key aspects of the investment, including a

comprehensive overview of the opportunity, due diligence findings, financial model results and forecast investment returns. Subject to Investment Committee approval, the Relying Adviser will determine whether to make a formal offer or a binding commitment to invest, or, if necessary, request additional information or conduct further negotiations. Where binding documents are executed, the Relying Adviser will endeavor to complete the acquisition within the approved parameters. In seeking such an approval from the Investment Committee, the Investment Team will prepare a final Investment Memo. Approval may be granted by a majority of Investment Committee members but unanimous decision making is expected to be the norm in practice. MIRA policy also requires each investment in MIRA-managed funds to be approved by (i) the head of MIRA, (ii) the CEO of the Fund, and (iii) the Business Operational Risk Manager ("BORM"). This is designed to provide an additional layer of investment risk management by requiring confirmation from the Investment Team that the appropriate risks have been considered and addressed.

E. Active Investment Management. The Relying Adviser expects to leverage its industry and market expertise to insightfully challenge and support Portfolio Company management teams to achieve operational and financial improvements. The Relying Adviser will seek to apply its active investment management framework to implement and maintain appropriate business planning, performance reporting, governance and risk management. This framework is summarized below:

- Understand and engage with stakeholders.
- Set strategic vision.
- Put the right leadership in place.
- Focus on business operations with detailed plans aligning management goals with shareholder value.
- Optimize capital structures and funding arrangements.
- Manage risk.
- Establish clear governance.

F. Realization and Exit.

Exit strategy is a primary consideration in the evaluation leading up to making an investment with particular attention paid to the prospective timing of such exit, and the universe of forms and structures through which the exit could be accomplished. Financial analysis of how those various outcomes affect economic returns will be weighed against the relative risks of each potential option. The realization of interests is expected to be both opportunistic and systematic through well-managed divestment processes. The Relying Adviser expects to monetize a Client's investments through trade sales, auctions, or secondary sales, if the structure and market conditions are favorable. However, the Relying Adviser will also be open to negotiated transactions depending on the circumstances, especially if there are concerns with respect to timing and value capture that either enhance the ultimate liquidation consideration or preserve any deteriorating rights or assets.

The Investment Team expects to hold quarterly investment reviews with the Investment Committee to evaluate and potentially adjust the assumed exit strategies, in addition to discussing other portfolio management issues. However, the process for determining the right time to exit is an ongoing effort throughout the lifecycle of the investment influenced by the investment performance, contractual rights, actions triggered by the Portfolio Company, and outside market forces (including commodity prices and the mergers & acquisitions environment).

B. & C. Risk of Loss

The Relying Adviser will advise Clients primarily in the upstream energy and upstream energy-related assets and companies whose principal places of business are located in North America. Investments will be subject to the risks incidental to the ownership, development and operation of upstream energy and upstream energy-related assets and companies, including risks associated with the general economic climate, geographic or market concentration, the ability of the Relying Adviser to manage the investment, technical problems, government regulations, and fluctuations in interest rates. Since investments in upstream energy and upstream energy-related assets and companies, like many other types of long term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of a Portfolio Investment.

In addition, general economic conditions in the U.S. and Canada, as well as conditions of domestic and international financial markets, may adversely affect development and/or operations. In particular, because of the long lead-time between the inception of a project and its completion, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic or other conditions prior to its completion, become an economically unattractive investment.

An investment in the Fund or Co-Investment Clients involves a high degree of risk. There can be no assurance that the Fund's or Co-Investment Client's investment objective will be achieved, or that an investor therein will receive a return of its capital. The following are some, but not all, of the considerations regarding risk factors that should be carefully evaluated related to an investment in the Fund or Co-Investment Clients.

Lack of Operating History

Each of the Fund, the General Partner, the Relying Adviser, and certain other affiliated entities are or will be newly formed entities which have not commenced operations and therefore has no operating history upon which prospective investors may evaluate its performance. The prior investment performance of Macquarie, its managed or sponsored investment funds, vehicles or accounts and Macquarie Energy Capital, as with all performance data, can provide no assurance of future results. Certain members of the Investment Team, as well as the Investment Team as a team, have not managed an investment fund for third party investors, and have limited experience making control-style equity investments. The investment experience of certain members of the Investment Team did not involve the investment of capital in upstream energy or upstream energy-related businesses or assets. Moreover, the Fund is subject to all of the business risks and uncertainties associated with any new fund, including the risk that it will not achieve its investment objective and that the value of an interest in the Fund could decline substantially. Accordingly, investors should not expect the Fund or any Co-Investment Client to achieve results similar to Macquarie Energy Capital or other Macquarie-managed or sponsored investment funds, vehicles or accounts.

Risk of Limited Number of Investments; Lack of Diversity

Clients may participate in a limited number of investments, and, as a consequence, the aggregate return of a Client may be substantially and adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification in the Client's investments, either by the sector, geographic region or asset type. If certain investments perform unfavorably, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case. To the extent a Client concentrates investments in a particular company, security, asset

type, sector, geographic region or currency, its overall performance may become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return of a Client may be adversely affected by the unfavorable performance of one or a small number of investments. Such concentration may involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns. Prospective investors should note that (i) the Fund may invest up to (A) the greater of (x) 15% of total Capital Commitments and (y) \$150 million of total capital commitments at any time in its Portfolio Companies (in either event, plus an additional 5% of total Capital Commitments in the form of Bridge Financings) or (B) the greater of (x) 10% of total Capital Commitments and (y) \$100 million of total capital commitments at any time in any single Portfolio Investment, in each of (A) and (B), in Australia, New Zealand, China, India, Indonesia, Malaysia, Denmark, France, Germany, Italy, Netherlands, Norway, Poland, Romania, the United Kingdom, Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Trinidad and Tobago (collectively, "Outside North America"; and together with North America, "MEP Target Geographies") at the time of the initial investment in such Portfolio Company and (ii) the the Fund is not expected to have any investment professionals located outside of the U.S. and Canada and therefore investments outside the United States and Canada are only expected to be sourced on an opportunistic basis.

Environmental Regulatory Risks

Upstream energy and upstream energy-related assets are subject to numerous statutes, rules and regulations relating to environmental protection, and national and local environmental laws, regulations and regulatory initiatives have a substantial impact on the operations of upstream energy and upstream energy-related projects and companies and investments in this industry. Clients may invest in investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. Upstream energy and upstream energy-related industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. Compliance with such current or future environmental requirements does not ensure that the operations of the Portfolio Companies will not cause injury to the environment or people or damage to property or that the Portfolio Companies will not be required to incur additional unforeseen environmental expenditures. In particular, the oil, gas and natural gas liquids ("NGLs") industry is subject to environmental hazards, such as oil and/or NGLs spills, oil, gas and NGLs pipeline leaks and ruptures, discharges of petroleum products and hazardous substances and potential liability associated with historic disposal activities. These environmental hazards could expose Clients' investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of investigation, removal or remediation of materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or caused, the release or presence of environmental contamination. Clients may therefore be exposed to substantial risk of loss as a result of environmental claims arising in respect of its investments. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the

energy industry, and in particular in the oil, gas and NGLs sector. Furthermore, a future change in market sentiment regarding the desirability of holding upstream energy and upstream energy-related assets and businesses could result in an increased number of such assets and businesses being disposed of simultaneously which could drive down the price, and therefore, affect the Fund's ability to dispose its investments at an attractive exit price, if at all.

Change of Law and Sovereign Risk

Clients expect to operate in an environment with increasing regulatory scrutiny and heightened potential for material changes in laws and/or regulations, which could affect Clients and their investments. Any further legal, tax and/or regulatory changes during the term of a Client may adversely affect the Client. In addition to the risks regarding regulatory approvals, it should be noted that government counterparties or agencies may have the discretion to change or increase regulation of an investment's operations, or implement laws or regulations affecting the Portfolio Company's operations, separate from any contractual rights it may have. A Portfolio Company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company.

Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry

A Client's ability to achieve its investment objectives, as well as the ability of the Client to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Client's ability to achieve its investment objectives, as well as the ability of the Client to conduct its operations. Macquarie is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of an investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against Macquarie or its personnel.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law. A key feature of the Dodd-Frank Act is the extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve") to financial institutions that are not currently subject to such regulation but that potentially pose risk to the financial system. The Dodd-Frank Act does not contain any minimum size requirements for such a designation, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds. Included in the Dodd-Frank Act is the so-called "Volcker Rule," which prohibits any "banking entity" (generally defined as any insured depository institution, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law and any affiliate or subsidiary of the foregoing entities) from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the 1940 Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. The Volcker Rule also requires certain nonbank financial companies that have been designated as systemically important by the FSOC

and subject to supervision by the Federal Reserve (as discussed above) to comply with additional capital requirements and comply with certain other quantitative limits on such activities, although such entities are not expressly prohibited from engaging in proprietary trading or sponsoring or investing in such funds. Prospective investors in a Client that are banking entities should consult their bank regulatory counsel prior to making an investment. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on Macquarie or a Client, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Macquarie or otherwise impede a Client's activities. On January 20, 2017, Mr. Donald J. Trump became President of the United States. The full scope of President Trump's short-term legislative agenda is not yet fully known, but it may include certain deregulatory measures for the U.S. financial services industry, including changes to the Volcker Rule. On February 3, 2017, President Trump signed an executive order calling for the administration to review U.S. financial laws and regulations in order to determine their consistency with a set of core principles identified in the order.

The Relying Adviser, as a registered investment adviser under the Advisers Act, will be required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of the Relying Adviser and its affiliates to make regulatory filings with respect to a Client and its activities under the Advisers Act (including, without limitation, Form PF by the Relying Adviser)), including, without limitation, Form PF, Form BE-13, reports to be filed in connection with the requirements of the U.S. Commodity Futures Trading Commission (if such reports become required) and reports, disclosures, filings and notifications prepared in accordance with the Directive (as defined below) and/or other regulatory filings of the Relying Adviser and its affiliates relating to Client activities or an investor's jurisdiction. For example, Form PF requires that the Relying Adviser report the regulatory assets under management of Clients, and because Clients will be required to bear the Client's expenses relating to compliance-related matters and regulatory filings, Clients will bear the costs and expenses of initial and ongoing Form PF compliance applicable to the Client, including costs and expenses of collecting and calculating data and the preparation of such reports and filings. Such expenses are likely to be material, including on a cumulative basis over the life of Clients. Any further increases in the regulations applicable to private investment funds generally or Clients and/or the Relying Adviser in particular may result in increased expenses associated with Client activities and additional resources of the Relying Adviser being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors and/or have an adverse effect on the ability of Clients to effectively achieve their investment objective.

Furthermore, various federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investment by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the Relying Adviser and its affiliates, including those affiliates who provide fund placement services, may be required to make additional registrations and filings and may be exposed to claims and/or actions that could require an investor to withdraw from a Client. Relatedly, Macquarie may be required to provide certain information regarding some of the investors in Clients to regulatory agencies and bodies in order to comply with applicable laws and regulations. In addition, as a global alternative asset manager within the Macquarie Group whose broad range of businesses includes the management of direct and secondary private equity funds, hedge funds, real estate funds, credit-oriented funds, mutual funds, and other private investment funds, as well as the provision of various financial advisory,

restructuring and fund placement services, Macquarie is from time to time subject to litigation and claims relating to its businesses, as well as governmental and/or regulatory inquiries, investigations and/or proceedings. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to Macquarie generally and/or Clients and/or the Relying Adviser specifically, would not have a material adverse effect on Clients and their ability to achieve its investment objectives.

Alternative Investment Fund Managers Directive

The European Union Alternative Investment Fund Managers Directive (the “Directive”), as transposed into national law within the member states of the European Union (the “EU”), imposes requirements on non-EU alternative investment fund managers (“AIFMs”) which market alternative investment funds (“AIFs”) to professional investors within the EU. It is intended that the Directive will also apply in the additional member states of the European Economic Area (“EEA”), namely, Norway, Iceland and Liechtenstein, but at present the Directive has not yet been referenced in the Agreement on the European Economic Area—on the assumption that the Directive will impose harmonized requirements throughout the EEA, we refer below to the EEA rather than to the EU.

The Directive allows member states to permit the marketing of non-EEA AIFs by non-EEA AIFMs in accordance with local laws, provided that local laws meet the requirements of article 42 of the Directive (the so-called national private placement regimes). There is no requirement for member states to operate or maintain a national private placement regime and, if they do, the member state is free to impose stricter rules than the minimum requirements of article 42. Where national private placement is permitted, among other things, the AIFM must comply with article 22 of the Directive (requirements relating to an annual report), article 23 of the Directive (pre-investment and periodic disclosure to investors), article 24 of the Directive (periodic reporting to regulators), and articles 26 to 30 of the Directive if applicable (the provisions relating to the acquisition and control of non-listed companies and issuers, including the anti-asset-stripping rules which apply restrictions on early distributions or reductions in capital in respect of EEA Portfolio Companies); and appropriate cooperation arrangements must be in place for the purposes of systemic risk oversight between the competent authorities of the member states where the AIF is marketed and the supervisory authorities of the third country where the AIFM is established and, if applicable, those of the country where an AIF is established. In addition to these minimum requirements, some jurisdictions require a non-EEA AIFM to comply with substantially all of Directive; other jurisdictions require compliance with the minimum requirements plus, e.g., the appointment of a depositary. Because each national private placement regime is a matter of national law, a non-EEA AIFM must comply with different regulatory requirements in different member states, both in respect of the initial process for seeking to market in that member state and, to some extent, with respect to ongoing compliance. The Directive’s requirements may not apply to other funds which closed before the expiry of the transitional period (July 22, 2014) and they do not apply to vehicles which are not structured as AIFs. The Directive’s requirements have the potential to adversely affect the operations of the Fund, including by (i) affecting the range of investment and realization strategies that the Fund is able to pursue, (ii) limiting the territories in which the Fund may seek investors, and (iii) materially adding to the costs associated with compliance, monitoring and reporting over the life of the Fund.

In the future, the Relying Adviser may be able to seek authorization as an AIFM in an EEA member state or under a similar regime elsewhere (and sometime after late 2019 it may be compelled to seek authorization). This would entail compliance with all requirements of the Directive. In such circumstances, the AIFM would become subject to additional requirements,

such as rules relating to remuneration, minimum regulatory capital requirements, restrictions on the use of leverage, restrictions on investment in securitization positions, requirements in relation to liquidity and risk management, valuation of assets, etc. As a result, the Directive could in the future have other adverse effects in relation to the Fund and the Relying Advisor's business by, among other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the Relying Advisor's ability to recruit and retain these personnel. The Fund will bear the costs and expenses of compliance with the Directive and any related regulations, including costs and expenses of collecting and calculating data and the preparation of regular reports to be filed with EEA member states and other reports, disclosures, filings and notifications prepared in accordance with the Directive. Compliance with the Directive could expose the Relying Adviser and/or the Fund to conflicting regulatory requirements in the United States.

Competing Assets

Portfolio Companies may face competition from other energy or energy-related assets and businesses in the vicinity of the assets and businesses they operate and from energy or energy-related assets and business globally, the presence and competitiveness of which may depend in part on governmental plans and policies. The development of a new (or improved) competing energy or energy-related asset and businesses may compete with the Portfolio Company. If Portfolio Companies are unable to compete successfully with such alternatives, a Client's business, financial condition, and results of operations could be materially and adversely affected.

Development and Construction Risk

The successful development, including the drilling and completion of oil and gas wells and construction of new, or expansion of existing, energy or energy-related assets such as product processing, gathering and transportation systems entails a variety of risks and may require or result in the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such factors may include: political or local opposition, governmental regulation, government macroeconomic policies, receipt of regulatory approvals or permits, site or land procurement, environment related issues, labor disputes (such as work stoppages), acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, counterparty non-performance, defective design or construction, geological risk, risk of well bore failure, bankruptcy or financial difficulty of a major supplier, working interest owner or operator, dealings with and reliance on third-party consultants, slower than projected development progress and the unavailability or late delivery of necessary equipment, legal action from special interest groups, adverse weather conditions, unexpected drilling and completion conditions, and other development risks. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on a Client.

Risk Associated with Delineation

Clients are expected to be primarily focused on making investments in upstream oil, gas and NGLs assets that are not yet fully producing and investing capital to optimize these resources through the delineation and development of these opportunities. Delineation upstream energy opportunities are generally earlier stage assets than development upstream energy assets, with few, if any, wells drilled and very limited existing production, if any, and may also involve components of land aggregation, therefore, these investments are generally considered to

involve higher risk than development upstream energy assets. To the extent that a Client is not able to execute its investment strategy regarding delineation energy assets and businesses, returns to the Client will be adversely affected.

Demand and Usage Risk

Demand and usage risk can affect the performance of upstream energy and upstream energy-related assets and businesses. Demand and usage depend on, and may be affected by, a wide variety of factors, such as demographic changes, economic conditions, commodity prices, government macroeconomic policies, tariffs, other usage or throughput-related fees, social instability, political or local opposition, technical obsolescence, acts of God, war, terrorism, changes in demand for products or services, slower than projected development progress and adverse weather conditions. To the extent that a Clients' assumptions regarding demand and usage prove incorrect, returns to Clients could be adversely affected. Some investments may be subject to seasonal variations, including greater revenues and profitability during different seasons of the year. Accordingly, a Client's operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for that investment throughout the year.

Operations and Maintenance Risk

As a general matter, the operation and maintenance of upstream energy and upstream energy-related assets and businesses involve significant capital expenditures and various risks, many of which may not be under the control of the owner/operator, including labor issues, political or local opposition, failure of technology to perform as anticipated, increasing fuel prices, structural failures and accidents, environment related issues, counterparty non-performance and the need to comply with the directives of government authorities. The detailed discussions of possible risks are further described in the private placement memorandum of a Client in more detail. Operational disruption could adversely impact the cash flows available from these assets. Repeated or prolonged interruption may result in permanent loss of revenue, failure to make physical delivery of commodities as agreed under hedging or marketing arrangements, substantial litigation or penalties for regulatory or contractual non-compliance.

Clients' upstream investments may be in the form of a "non-operated", direct ownership interest in the project oil and gas properties, in which case Clients (typically through a special purpose, project-specific subsidiary or similar acquisition vehicle) would take record title to, and own, an undivided percentage interest in the oil and gas leases and other mineral interests comprising the project (a "working interest"). The several owners of working interests in oil and gas projects typically nominate one of the owners as operator of the project, generally the owner of the largest undivided working interest ownership share, and the parties' contractual relationship is governed by an industry standard form of joint operating agreement (a "JOA"). Non-operators may face the following risks arising out of a JOA: (i) a JOA limits the ability of non-operators to hold the operator liable for its activities unless the liability-causing conduct is due to gross negligence or willful misconduct, and (ii) third parties may seek to rely on the JOA to impose liability on non-operators notwithstanding that the JOA provides that the liability of the parties is several, not joint or collective, because the JOA provides that each party must contribute, to the extent of its participating share, to cover loss sustained by the operator in the conduct of joint operations, unless the loss was caused by the gross negligence or willful misconduct of the operator.

Legal Documentation and Other Legal Risk

Upstream energy and upstream energy-related assets and investments in or financing thereof, are usually governed by a complex series of legal documents and contracts. As a result, the risk

of dispute over interpretation or enforceability of the documentation may be higher than for other investments. It is not uncommon for upstream energy and upstream energy-related assets and businesses to be exposed to a variety of other legal risks including, but not limited to, legal actions from special interest groups and other actions and/or litigation relating to the acquisition, ownership, operation and disposition of Clients' investments that may adversely affect operations of an investment or the value thereof. Interest groups may use legal processes to seek to impede particular projects to which they are opposed.

Acquisition Contractual and Tort Risks

Any new entry into a third party's upstream oil and gas project will require a Client, its acquisition vehicle or Portfolio Company to become party to a purchase and sale agreement, share purchase agreement, joint venture/participation agreement, farmin/farmout or similar acquisition agreement (a "PSA"). The PSA will entail contractual risks for the buyer or project participant, particularly with respect to the assumption (by contract) of legacy liabilities and the breach of the seller's or project sponsor's representations and warranties, which may be viewed as being somewhat more acute than in non-upstream M&A transactions.

Litigation Risks

Financial performance of Portfolio Companies in which Clients have invested may be affected from time to time by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. The performance of Clients may also be affected in the event that litigation is commenced against one or more members of the Macquarie Group, which litigation may restrict such members from performing their functions and duties in relation to a Client. Assuming control or co-control positions in Portfolio Companies or otherwise holding interests in Portfolio Companies may expose Clients to legal and/or regulatory proceedings, disputes, claims and/or actions in respect of the activities of one or more Portfolio Companies which may adversely affect the value of Clients' interests in such Portfolio Companies and the value of an investor's interests in a Client, as well as resulting in reputational damage and/or other liabilities for a Client by virtue of its holding interests in such Portfolio Companies. Investors should be aware that any such legal and/or regulatory proceedings, disputes, claims, actions, reputational damage and/or other liabilities may result from the activities of such Portfolio Companies and their management boards which are not reasonably within the control of, or known to, Clients, the General Partner or the Relying Adviser.

Capital Markets Risk

General fluctuations in the market prices of securities may affect the value of Clients' investments. Instability in the securities markets may also increase the risks inherent in such investments. The ability of Portfolio Companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise. The Relying Advisor expects to exit many of Clients' investments through a sale to a publicly traded company, and therefore capital market instability could affect the ability to sell investments.

Interest Rate Risks

Energy assets are often highly leveraged and as a result are potentially exposed to adverse interest rate movements and increasing cost of debt. Unanticipated inflation in the cost of fuel, labor, resources and other inputs can also adversely affect the returns associated with investments. Movements in interest rates may also affect the appropriate discount rate to be used to value investments, resulting in fluctuations in valuation. Energy assets and companies are vulnerable to local, national and worldwide economic cycles. This could affect the cash flow from investments as well as the prices at which a Client, directly or indirectly, purchases or sells

its investments. Many of Clients' Portfolio Companies may have revenues linked to some extent to inflation, including, especially through exposure to the price of oil, gas and NGLs. Any deterioration of the global debt markets or crude oil, natural gas and NGLs markets, any possible future failures of certain financial services companies and a significant rise in market perception of counterparty default risk and/or increases in interest rates and/or taxes will likely significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn is likely to lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on less favorable terms than had been prevailing in the recent past.

Valuation Risk

The carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. Valuations are only estimates of future results that are based upon assumptions made at the time the valuations are developed, and general economic, political, regulatory and market conditions and the actual operations of the underlying Portfolio Company, which are not predictable, can have a material adverse impact on the reliability of such valuations. Additionally, under certain limited circumstances set forth in a Client's limited partnership agreement, distributions in-kind of investments for which market quotations are not readily available may be made. The valuation of such investments, and the General Partner's carried interest in respect thereof, will be determined by the General Partner in accordance with procedures set forth in the Client's limited partnership agreement. Certain employees of the Relying Adviser or MIRA may have compensation tied to the Client's investments which could create conflicts. The valuation of investments will affect the amount and timing of the General Partner's Carried Interest and, under certain circumstances, the amount of Management Fees payable to the Relying Adviser. The valuation of investments may also affect the ability of Macquarie to raise a successor fund to the Fund. As a result, there may be circumstances where the General Partner is incentivized to determine valuations that may be higher than the actual fair value of investments.

Leverage Risk

The Relying Advisor expects to utilize significant leverage in connection with Clients' operation (such as bridging capital calls) and investments, a considerable portion of which may be at floating interest rates. Utilization of the leverage will result in fees, expenses and interest costs to Clients. Although the General Partner will seek to use leverage in a manner it believes is prudent and consistent with upstream energy industry practice, such leverage will increase the exposure of an investments to adverse economic factors such as rising interest rates, downturns in the economy or further deteriorations in the financial condition of the company invested in or its industry. Such leverage may impair such investments' ability to finance its future operations and capital needs and result in restrictive financial and operating covenants, including those that may prevent distributions to Clients. In any event, although the Relying Adviser may cause Clients to hedge such interest rate risk, there is no assurance that it may do so and that, if undertaken, such hedging may be effective. Clients' investments may be among the most junior financing in a company's capital structure. If a Portfolio Investment is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or make regular dividend payments, the company may default on its loan agreements or be forced into bankruptcy resulting in a restructuring or liquidation of the company, and the value of Clients' investment in such Portfolio Investment could be significantly reduced or even eliminated, which could adversely affect the return of Clients. To the extent there is not ample availability of financing for leveraged transactions (e.g., due to adverse changes in economic or

financial market conditions or a decreased appetite for risk by lenders), Clients' ability to consummate certain transactions could be impaired.

Investment in Restructurings

The success of a Client's investment strategy will, in some cases, depend, in part, on the ability of the Client to restructure and effect improvements in the operations of a Portfolio Company or expand the operations of a Portfolio Company. The activity of identifying and implementing restructuring programs and operating improvements at Portfolio Companies entails a high degree of uncertainty. There can be no assurance that a Client will be able to successfully identify and implement such restructuring programs and improvements.

Bridge Financings

From time to time, Clients may lend funds to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans typically would be convertible into a more permanent, long-term security; however, for reasons not always in the Client's control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Client. The Client's bridge financings may be entered into based on prospective returns that are below the Client's target investment returns. Therefore, a bridge financing that is not exited as originally anticipated, even if successfully recovered by the Client, could significantly reduce the Client's overall investment returns.

Additional Capital

Certain Portfolio Companies, especially those in a development phase, can be expected from time to time to require additional financing to satisfy their working capital or capital expenditure requirements or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular Portfolio Companies. Each round of financing (whether from a Client or other investors) is typically intended to provide Portfolio Companies with enough capital to achieve specific corporate objectives or to reach the next major corporate growth or development milestone. As a result, a Portfolio Company may have to raise additional capital, which may occur at a price or on terms unfavorable to the existing investors, including the Client. The availability of capital is generally a function of capital market conditions that are beyond the control of the Client or any Portfolio Company. There can be no assurance that Portfolio Companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Illiquid Investment/Investments Longer Than Term Risk

Investments in upstream energy and upstream energy-related assets are generally considered illiquid and long-term. Illiquidity may result from the absence of an established market for investments as well as legal or contractual restrictions on their resale. Investments in unlisted companies or projects can be difficult or impossible to realize. While a Portfolio Investment may be sold at any time (subject to lock-up periods or other transfer restrictions that may be agreed to with third parties), it is not typically expected that this will occur for several years after such Portfolio Investment is made and in some cases, where the Portfolio Investment is comprised of securities, may occur through an in-kind distribution to the investors in a Client at dissolution and liquidation of the Client. To the extent that there is no trading market for a Portfolio Investment, the Client may be unable to liquidate that Portfolio Investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of the Client's Portfolio Investments will be found. The Client may make investments that may not be disposed of prior to the date the Client will be dissolved, either by expiration of a Client's term or

otherwise. Although the General Partner expects that investments will be disposed of prior to termination or be suitable for in-kind distribution at dissolution and the General Partner has a limited ability to extend the term of the Client, the Client may be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, there can be no assurance with respect to the time frame in which the winding up and the final distribution of proceeds to the investors in the Client will occur. The Client may be listed on a stock exchange in the future and may continue to be managed by a member of the Macquarie Group.

Currency and Exchange Rate Risk

Certain of a Client's Portfolio Investments and the income received by the Client with respect to all such investments, may be denominated at least in part in currencies other than Dollars. However, the books of the Client will be maintained, and contributions to and distributions from the Client, including in respect of Carried Interest, generally will be made in Dollars. Accordingly, changes in currency exchange rates, costs of conversion and exchange control regulations may adversely affect the dollar value of investments, interest and dividends received by the Client, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the Client. In addition, certain countries in which the Client may invest have implemented or may implement strict controls on foreign exchange which may result in artificially pegged exchange rates that may distort the results of and returns on investments in such countries. While the Relying Advisor may, but is not required to, enter into hedging transactions designed to reduce such currency risks, there can be no assurance that any such transactions would happen and/or achieve their intended results. The Client may also experience gains attributable solely, or in large part, to favorable movements in exchange rates as of any date of valuation or realization of an investment, even despite a relatively adverse performance of the relevant investment.

Capital Expenditures Risk

The energy and natural resources industries are capital intensive. The Portfolio Companies will make substantial capital expenditures for the development and acquisition of oil, gas and NGLs reserves. The actual amount and timing of the Portfolio Companies' future capital expenditures may differ materially from estimates as a result of, among other things, commodity prices, actual drilling results, the availability of drilling rigs and other services and equipment, as well as regulatory, technological and competitive developments. A sustained period of commodity prices at levels that do not support the development or operation of oil, gas and NGLs properties may result in a decrease in the Portfolio Companies' actual capital expenditures, which would negatively impact a Client's ability to grow production. The Portfolio Companies' cash flows and access to capital are subject to a number of variables, including, among other factors, proved reserves, the level of hydrocarbons able to be produced from existing wells, the prices at which production is sold, the ability to acquire, locate and produce new reserves and the ability to borrow. If a Portfolio Company's revenues or ability to borrow decreases as a result of lower oil, gas and NGLs prices, operating difficulties, declines in reserves or for any other reasons, the Portfolio Company may have limited ability to obtain the capital necessary to sustain operations. If additional capital is needed, the Portfolio Company may not be able to obtain debt or equity financing on terms acceptable to it, if at all. If cash flow generated by a Portfolio Company's operations or cash from available borrowings is not sufficient to meet capital requirements, the failure to obtain additional financing could result in a curtailment of the operations relating to development of the Portfolio Company's properties, which in turn could lead to a decline in reserves and production, and adversely affect the Client and the returns of its investors.

Commodity Price Risk

Clients' investments will be subject to commodity price risk, including, without limitation, the price of oil, gas, NGLs and other commodities and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as enhanced oil recovery (related to the use of gas to generate steam used for oil production). The results of operations and cash flows of any investment may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy commodities (such as oil, gas and NGLs). Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations and such volatility may continue in response a variety of factors beyond the control of the Relying Adviser or a Client, including, without limitation, weather conditions, foreign and domestic supply and demand, including consumer demand, force majeure events, changes in law, governmental regulations, prices and availability of alternative fuels and energy sources, international political conditions including those in the Middle East, actions of the Organization of Petroleum Exporting Countries (and other oil- and natural gas-producing nations), terrorist acts, strength of U.S. dollar relative to other currencies, levels of crude oil inventories in storage and changes and overall economic conditions.

Uncertainty of Natural Resource Estimates

Certain investments, as well as Clients and the Relying Adviser, will from time to time rely on the reports of technical consultants when evaluating the condition of upstream energy and upstream energy-related assets or other elements of an investment. Reliance on third-party experts, consultants, advisors, operators, joint venture partners or other third parties in the underwriting process may pose incremental risks for Clients to the extent the work or advice of such persons proves incorrect. Estimates or projections/forecasts of oil, gas and NGLs reserves, market demand, conditions and prices, drilling and completion costs and supply availability and prices by qualified technical consultants may be one of the factors in the Relying Adviser's valuations of the Client's investments. The process of making these estimates is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering, economic and other data for each reservoir, reserve category or location. These estimates are subject to wide variances based on, among other things, changes in commodity prices and certain technical assumptions. The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgment. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the market value of the oil, gas and NGLs assets utilized by the owners or buyers of such oil, gas reserve, which could adversely affect the financial returns of Clients. The actual amounts of oil, gas and NGLs reserves may be underestimated, requiring adjustments such as additional capital or maintenance expenditures which may not be recoverable, allocable to counterparties or economic from a stand-alone perspective.

Land Title Risk

Certain investments may involve acquiring mineral resources in large areas of land or require large areas of land to drill and operate the wells, equipment and associated infrastructure attendant to field development. The rights to use the necessary land and the specific mineral interest under the land may be obtained through the direct acquisition of minerals, easements, oil and gas leases taken from private mineral interest owners or governmental agencies and other rights of use. Different jurisdictions adopt different systems of mineral land title, and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into mineral and land use arrangements with investments. In acquiring oil, gas and NGLs leases or interests, the Portfolio Companies may rely upon the judgment of oil, gas and NGLs lease brokers or landmen who perform the fieldwork in examining records in the appropriate

governmental office or country courthouse before attempting to acquire, or completing the acquisition of, a mineral interest or a lease in a specific mineral interest. Leases in certain regions may be particularly vulnerable to title deficiencies due to the long history of land ownership in such region, resulting in extensive and complex chains of title. Additionally, there may be claims against a Portfolio Company alleging that certain acquired leases that are held by production are invalid due to production from the producing horizons being, or having been, insufficient to hold title to the formation rights that are purchased. The existence of a material title deficiency can render a lease worthless and can adversely affect the Portfolio Company's results of operations and financial condition. The failure of title may not be discovered until after a well is drilled, in which case the Portfolio Company may lose the lease and the right to produce all or a portion of the minerals under the property. In addition, the grantor's fee interests in the land which is the subject of such easements and leases are or may become subject to mortgages securing loans, other liens (such as tax liens) and other lease rights of third parties (such as leases of other oil, or gas, or NGLs or coal or other mineral rights). As a result, an investment's rights under such leases or easements are or may be subject and subordinate to the rights of third parties. Investments by a Client may also involve components of land aggregation, thereby exhibiting a generally higher risk profile. State laws, and in some cases federal laws, regulate the size and shape of drilling and spacing units or proration units governing the pooling of oil and gas properties. These laws and regulations may limit the amount of oil and gas a Portfolio Company can produce from the Portfolio Company's wells or limit the number of wells or the locations that the Portfolio Company can drill. Moreover, each state generally imposes a production or severance tax with respect to the production and sale of oil, NGLs and gas within its jurisdiction. The effect of such future regulations may limit the amounts of oil and gas that may be produced from a Portfolio Company's wells, negatively affect the economics of production from these wells or limit the number of locations a Portfolio Company can drill.

Operational Risk

Market conditions or the unavailability of satisfactory oil, gas and NGLs gathering, transportation and processing arrangements may hinder a Portfolio Company's access to oil, gas and NGLs markets, or delay production. The availability of a ready market for oil, gas and NGLs production depends on a number of factors, including the demand for and supply of oil, gas and NGLs and the proximity of reserves to pipelines and terminal facilities. A Portfolio Company's ability to market production depends in substantial part on the availability and capacity of gathering systems, pipelines or trucks, and processing facilities owned and operated by third parties. The failure to obtain such services on acceptable terms could materially harm a Portfolio Company's business, and a Portfolio Company may be required to shut in wells due to lack of a market or inadequacy or unavailability of oil, gas and NGLs pipelines or gathering system capacity. In addition, if oil, gas and NGLs quality specifications for the third-party oil, gas and NGLs pipelines change so as to restrict the Portfolio Company's ability to transport oil, gas and NGLs, access to oil, gas and NGLs markets could be impeded. If production becomes shut in for any of these or other reasons, a Portfolio Company would be unable to realize revenue from those wells unless other arrangements can be made to deliver the products to market.

Competition in the Upstream Energy Industry

There is substantial competition for resources and for capital available for investment in the oil, gas and NGLs industry, each of which could have a material adverse effect on the Portfolio Companies and a Client. A Portfolio Company's ability to acquire additional prospects and to acquire and develop reserves in the future will depend on its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment for acquiring properties, marketing oil, gas, NGLs and securing trained personnel. Competitor

companies may possess and employ financial, technical and personnel resources substantially greater than those of the Portfolio Companies and may be able to pay more for properties and development projects and to evaluate, bid for and purchase a greater number of properties and development projects. In addition, competitors may be able to offer better compensation packages to attract and retain qualified personnel, and the cost to attract and retain qualified personnel may increase substantially in the future.

Unavailability or Cost of Equipment and Personnel

The demand for qualified and experienced field personnel, geologists, geophysicists, engineers, and other professionals can fluctuate significantly, often in correlation with oil, gas and NGLs prices, causing periodic shortages. Historically, there have been periods during which shortages of drilling and workover rigs, pipe and other equipment have occurred as demand for rigs and equipment has increased along with the number of wells being drilled. It cannot be predicted whether such conditions will exist in the future and, if so, what their timing and duration will be. Such shortages could delay or cause a Portfolio Company to incur significant expenditures and result in a material adverse effect on its business, financial condition and/or results of operations.

Operational and Catastrophe Risks

The operations of upstream energy and upstream energy-related and natural resources assets and businesses are subject to many hazards and force majeure events inherent in the gathering, transporting, processing, storing, production or marketing of oil, gas and NGLs or in the development, operation or production of such commodities including: damage to production facilities, pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, uncontrollable flows of oil, gas, NGLs or well fluids, fires and other natural disasters or by acts of terrorism; inadvertent damage from construction and farm equipment; leaks of oil, gas, NGLs, refined petroleum products or other hydrocarbons; and fires and explosions. Any offshore sea-based operations of investments will be subject to a variety of operating risks peculiar to the marine environment, such as hurricanes or other adverse weather conditions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. There can be no assurance that all Portfolio Companies will be fully insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured, it could adversely affect a Portfolio Company's operations and financial condition, with liabilities potentially exceeding the value of the Portfolio Company involved.

Forward Purchase Agreement Risk

Portfolio Companies may enter into forward purchase agreements ("FPAs") with other parties. Payments by counterparties to such forward purchase agreements pursuant to their respective FPAs may provide the majority of such Portfolio Companies' cash flows. There can be no assurance that such counterparties will fulfill their respective obligations under the forward purchase agreements with Portfolio Companies or that such counterparties will not become bankrupt or that upon any such bankruptcy their obligations under their respective forward purchase agreements with Portfolio Companies will not be rejected by a bankruptcy trustee or by the purchaser, as a U.S. Bankruptcy Code chapter 11 debtor-in-possession. The failure of such counterparties to fulfill their obligations under any FPA or the termination of any FPA may have a material adverse effect on a Portfolio Company or the Client.

Technical Risk

Investments in the upstream energy industry may be subject to technical risks, including the risk

of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations. While Clients intend to seek investments in which creditworthy and appropriately bonded and insured third parties bear some of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations.

Weather and Climatological Risks

Certain upstream energy companies may be particularly sensitive to weather and climate conditions.

Regulation of Greenhouse Gases

There is a growing consensus in the United States and globally that emissions of greenhouse gases ("GHGs") are linked to global climate change and this consensus may lead to more stringent regulation of GHGs in the future. Increased public concern and mounting political pressure may result in more international, United States federal or United States regional or state requirements to reduce or mitigate the effects of GHGs. While the newly appointed EPA administrator and the Trump administration more generally have indicated their interest in scaling back or rescinding regulations that inhibit the development of the U.S. oil and gas industry, it is difficult to predict the extent to which such policies will be implemented or the outcome of any litigation challenging such implementation. While the General Partner will endeavor to take into account existing and anticipated future applicable GHG regulation in its investment decisions, changes in the regulation of GHGs could impact an investment or make future investments undesirable.

Hydraulic Fracturing Risks

The Relying Adviser expects that Clients will invest in Portfolio Companies or projects that utilize hydraulic fracturing techniques. In recent years, some experts and environmental interest groups have warned that hydraulic fracturing could adversely affect groundwater, among other environmental problems. While hydraulic fracturing is not a new practice, its applications in recent years have changed considerably and there is a heightened degree of scrutiny surrounding hydraulic fracturing operations. New environmental problems associated with hydraulic fracturing may be asserted or discovered, or environmental problems already asserted may be substantiated, at any time. To the extent that such assertions are made with respect to oil and gas assets, they could have an adverse effect on such assets. Moreover, the adoption and implementation of new environmental regulations could result in restrictions on the Portfolio Companies' ability to conduct certain operations such as hydraulic fracturing, or in the imposition of new requirements pertaining to the management and disposal of wastes generated by the Portfolio Companies' operations, including, but not limited to, produced water, drilling fluids and other wastes associated with the exploration, development or production of oil and natural gas. Furthermore, new environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells may also increase operating costs and cause delays, interruptions or termination of operations, the extent of which cannot be predicted, all of which could adversely affect the Portfolio Companies', and the Client's, financial conditions and results of operations. The adoption of any future federal, state or local laws or regulations imposing reporting obligations, additional permitting requirements, or limiting or banning, the hydraulic fracturing process could lead to operational delays or increased operating costs in the production of oil and natural gas or make it more difficult for the Portfolio Companies to complete oil, gas and NGLs wells and could have a material adverse effect on the Client and the Client's Portfolio Companies.

Disposal of Water and Waste

Water is an essential component of oil, gas and NGLs production during the drilling, and in particular, hydraulic fracturing, process. Inability to locate sufficient amounts of water, or dispose of or recycle water used in a Portfolio Company's development and production operations, could adversely impact its operations. Moreover, the imposition of new environmental initiatives and regulations could include restrictions on a Portfolio Company's ability to conduct certain operations such as hydraulic fracturing or disposal of waste associated with the development or production of oil, gas or NGLs (including, but not limited to, produced water, drilling fluids and other materials used in the drilling and completion process). The Clean Water Act and other state and federal laws and regulations impose restrictions regarding the discharge of produced waters and other oil, gas and NGLs waste into navigable waters, and provide for civil, criminal and administrative penalties for any unauthorized discharges of pollutants and unauthorized discharges of reportable quantities of oil, gas, NGLs and other hazardous substances. Compliance with current and future environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells may increase operating costs and cause delays, interruptions or termination of operations, the extent of which cannot be predicted.

Induced Seismic Activity

State and federal regulatory agencies recently have focused on a possible connection between the disposal of wastewater in underground injection wells and the increased occurrence of seismic activity, and regulatory agencies at all levels are continuing to study the possible linkage between oil and natural gas activity and induced seismicity. In 2015, the United States Geological Study identified eight states, including Texas, with areas of increased rates of induced seismicity that could be attributed to fluid injection or oil and natural gas extraction. In addition, a number of lawsuits have been filed in other states, most recently in Oklahoma, alleging that disposal well operations have damaged neighboring properties or otherwise violated state and federal rules regulating waste disposal. In response to these concerns, regulators in some states are seeking to impose additional requirements, including requirements in the permitting of produced water disposal wells or otherwise to assess any relationship between seismicity and the use of such wells. A Portfolio Company may dispose of, or need to dispose of, large volumes of produced water pursuant to permits issued by governmental authorities with authority over such disposal activities. While these permits may be issued pursuant to existing laws and regulations, such legal requirements are subject to change, which could result in the imposition of more stringent operating constraints or new monitoring and reporting requirements, owing to, among other things, concerns of the public or governmental authorities regarding such gathering or disposal activities. The adoption and implementation of any new laws or regulations that restrict the ability to use hydraulic fracturing or dispose of produced water gathered from drilling and production activities by limiting volumes, disposal rates, disposal well locations or otherwise, or requiring the shutdown of disposal wells, could make it more difficult for the Portfolio Companies to complete oil, gas and NGLs wells and could have a material adverse effect on the Client and the Client's Portfolio Companies.

Drilling and Development Risks

The Relying Adviser expects Clients will invest in companies or projects that engage in oil, gas and NGLs development and production, a speculative business involving a high degree of risk. Oil, gas and NGLs 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. Acquiring, developing and drilling for oil, gas and NGLs involves many risks that may be more pronounced with respect to drilling in newer or emerging formations and areas that have limited or no production history, which may result in a Portfolio

Company having a more limited ability to assess such risks. Drilling activities involve the risk that no commercially productive oil or gas reservoirs will be found or produced. The operator may drill wells that are productive but that do not produce sufficient net revenues to return a profit after drilling, operating and other costs, in which case, the Client would not receive any return on its investment. Whether a well is productive and profitable depends on a number of factors, many of which are beyond the Client's control. Accordingly, there can be no assurance that the Client's rate of return objectives will be realized if and to the extent, any such risks materialize.

Terrorist Activities

U.S. activities in Iraq, Afghanistan and terrorist attacks of unprecedented scope have caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil, gas and NGLs and could affect Clients' financial results. Further, the United States government has issued public warnings indicating that energy assets might be a specific target of terrorist organizations. Portfolio Investments may involve significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near such assets would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage.

New Technology Risk

There are currently a number of scientific research institutions (including those supported by major venture capital firms and corporations) seeking to develop disruptive technologies designed to reduce dependence upon large scale fossil fuel generation. In the event that a disruptive technology in the transportation or power generation sectors were successfully developed and implemented, Clients' investments might be adversely affected. While Clients' investments may benefit from such technologies, there can be no assurance that technology innovation will not favor properties of a type not held by a Client, which would place the Client in a competitive disadvantage and drive down the value of its assets.

Portfolio Investment Management Risk

Each Portfolio Company's day-to-day operations will be the responsibility of such Portfolio Company's management team unless contracted to third party managers. There can be no assurance that such management team will be able to operate the Portfolio Company in accordance with the Client's plans and objectives, or that each Portfolio Company is able to recruit and retain qualified personnel for its management team. Failure to attract qualified management personnel may impair the Portfolio Company's operational and financial performance. Alternatively, the day-to-day operational management of a Portfolio Company's business may be contracted to a third-party management company unrelated to the Relying Adviser. Although the Portfolio Company would generally have the ability to replace any such operator, the failure of such an operator to adequately perform operations, an operator's breach of the applicable agreements, an operator's failure to make decisions, perform its services, discharge its obligations, deal with regulatory agencies or comply with laws, rules and regulations affecting the particular business or an operator's failure to act in ways that are in the Portfolio Company's best interest, could have a material adverse effect on the Portfolio Company's financial condition or results of operations. Should a third-party manager fail to perform under any applicable agreements between it and the Portfolio Company, the Portfolio Company may need to find a replacement manager, which replacement manager may be subject to governmental approval. A Portfolio Company may not be able to replace the

manager, or do so on a timely basis, or if the Portfolio Company is able to find a replacement manager, the replacement manager may demand terms that are unfavorable to the Portfolio Company.

Misconduct of Employees and of Third-Party Service Providers

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to a Client. Misconduct by employees or by third-party service providers could cause significant losses to a Client. Employee misconduct may include binding a Client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses). In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Client's business prospects or future activities. Furthermore, because of Macquarie Group's diverse businesses and the regulatory regimes under which they operate and the Relying Adviser expects to conduct the business of a Client, misdeeds by a Macquarie Group entity may result in foreclosing a Client's ability to conduct its activities in the manner otherwise intended (e.g., a "bad act" within the meaning of Rule 506 under Regulation D promulgated under the 1933 Act by another Macquarie entity could foreclose a Client's ability to engage in a private placement under Regulation D). It is not always possible to deter misconduct by employees or service providers, and the precautions the Relying Adviser takes to detect and prevent this activity may not be effective in all cases.

Disposition of Private Investments Risk

In connection with the disposition of an investment in a Portfolio Company, Clients may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. Clients also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the occurrence of contingent liabilities for which the General Partner may establish reserves or escrows. In that regard, investors may be required to return amounts distributed to them to fund obligations of a Client, including indemnity obligations, subject to certain limitations set forth in the relevant partnership agreement.

Control Position Risk

Although non-control investments may also be made, the Relying Advisor generally intends to make investments from time to time that allow Clients to acquire control (either positive or negative) or otherwise exercise significant influence over management and the strategic direction of Portfolio Companies as described in the private placement memorandum of a Client. The exercise of control over a company imposes additional risks of liability for environmental damage, workplace accidents, failure to supervise management and other types of liability in which the limited liability characteristic of business operations generally may be ignored. The exercise of control over a Portfolio Company could expose the assets of Clients to claims related to such Portfolio Company, its shareholders and its creditors. While the Relying Advisor intends to manage Clients in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded. The Fund may make and pursue investments and bear costs as Partnership Expenses in connection therewith with the expectation of offering a portion of its interests therein as a co-investment opportunity to investors and/or other third parties. In the event that the Fund is not successful in transferring such co-investment, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related Portfolio Investment than initially was

intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, a Portfolio Investment by the Fund that is not transferred to co-investors on the terms originally anticipated or at all could significantly reduce the Fund's overall investment returns. As further described in "Co-Investments" in Item 11.B., C. & D. below, the Fund may also seek to cause the Fund or MIRA to incur bid and diligence costs on behalf of potential co-investors, and the party underwriting such costs may receive a premium or cost mark up if the transaction is consummated.

Clients may hold non-controlling interests in certain Portfolio Companies and, therefore, may have limited ability to protect its interests in such companies, and may not have significant influence over such companies' management and/or operations. This could result in a Client's investments being frozen in positions that incur substantial losses.

Regulatory and Legal Risks

Upstream energy and upstream energy-related investments are subject to substantial United States and non-U.S. federal, state and local laws and regulations, including, without limitation: the Clean Air Act, the Clean Water Act and Oil Pollution Act, the Safe Drinking Water Act ("SDWA"); the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Occupational Safety and Health Act, the National Environmental Policy Act, the Migratory Bird Treaty Act, the Endangered Species Act. Failure to comply with these laws and regulations could subject a Client and its investments to substantial liabilities. Clients may require investors to invest through alternative vehicles in light of applicable legal and regulatory considerations.

Governments have considerable discretion to implement regulations that could affect the business of upstream energy and upstream energy-related investing. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect the Portfolio Companies and the prospects of a Client. Additional or unanticipated regulatory approvals, including, without limitation, with respect to renewals, extensions, transfers, assignments, restructurings, re-issuances or similar actions, may be required to acquire, refinance or divest upstream energy and upstream energy-related assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the desire to expand the Portfolio Company's business or for other reasons. A Portfolio Company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company.

Public Disclosure Obligations

A Client may be required to disclose confidential information relating to its investors, its investments and its financial results to third parties that may request such information pursuant to federal, state or local law or regulation (either U.S. or non-U.S.) applicable to the Client or any of its investors, including those investors that are public agencies or governmental bodies. Such disclosure obligations may adversely affect certain investors, particularly investors who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Risks Arising from Provision of Managerial Assistance; Certain ERISA Considerations

The General Partner will use reasonable efforts to avoid having the assets of a Client constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the Code and may, in this regard, elect to (i) operate a Client as a "venture capital operating company" (a "VCOC") or

“real estate operating company” (a “REOC”) each within the meaning of the regulations promulgated under ERISA or (ii) limit investment in a Client by “benefit plan investors” (within the meaning of Section 3(42) of ERISA and the regulations thereunder) to less than 25% of the total value of each class of equity interest in the Client. Operating a Client as a VCOC would require that the Client obtain rights to substantially participate in or influence the conduct of the management of a number of the Portfolio Investments. A Client may designate one or more directors to serve on the board of directors of one or more Portfolio Companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of a Client to claims by a Portfolio Investment, any external security holders and its creditors. While the General Partner intends to minimize exposure to these risks, the possibility of successful claims cannot be precluded. In the event a Client is operated to qualify as a VCOC or REOC in order to avoid holding “plan assets” within the meaning of ERISA, a Client may be restricted or precluded from making certain investments. In addition, it could be necessary for the General Partner to liquidate Portfolio Investments at a disadvantageous time in order to avoid holding ERISA “plan assets,” resulting in lower proceeds to the Client than might have been the case without the need to qualify as a VCOC or REOC.

Cyber Security Breaches and Identity Theft

The Relying Adviser’s and its Portfolio Companies’ information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Relying Adviser’s, a Client’s and/or a Portfolio Company’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Relying Adviser’s, a Client’s and/or a Portfolio Company’s reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. In addition, the SEC has made cyber security an area of regulatory focus. Among items that may be reviewed by the SEC inspection staff are advisers’ policies and procedures designed to address computer security, identity theft and business continuity. The growing threat posed by cyber security breaches, coupled with expanding regulatory oversight, may increase expenses associated with a Client’s activities and reduce overall returns for its investors.

Advance Funding

The General Partner may fund the making of investments and other capital needs with proceeds from drawdowns under one or more credit facilities (the collateral for which can be, for example, one or more assets of a Client, i.e., asset-backed facilities, or the undrawn capital commitments of investors, i.e., subscription lines) prior to calling Capital Commitments. There is no limitation on the amount of time any such borrowing may remain outstanding, and the interest expense and other costs of any such borrowings will be expenses of the Client including the cost of borrowings for corporations in which only some investors participate, and, accordingly, may decrease net returns of the Client. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the applicable Client’s preferred return, which will begin accruing when Capital Contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the Client.

In addition, calculations of Net IRR and Gross IRRs in respect of investments, and with respect to a Client are expected to be based on the payment date of Capital Contributions received from investors. This treatment also applies in instances where a Client utilizes borrowings under the

Fund's subscription-based credit facility in lieu of capital contributions or in advance of receiving Capital Contributions from investors to repay any such borrowings and related interest expense. Use of a subscription-based credit facility (or other long-term leverage) with respect to investments will result in higher reported Net IRRs and Gross IRRs than if the facility had not been utilized and instead the investors' capital had been contributed at the inception of an investment and may present conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return and that such preferred return does not accrue on such borrowings, and only accrues on Capital Contributions when made. As a result, use of such long-term leverage arrangements with respect to investments may reduce or eliminate the preferred return received by the Limited Partners and accelerate or increase distributions of Carried Interest to the General Partner, providing the General Partner an incentive to fund investments with the proceeds of such borrowings in lieu of drawing down Capital Commitments on a just-in-time basis, and, accordingly, Capital Contributions to repay such borrowings may be required significantly after acquisition of an investment (or never if principal and interest on such borrowings are repaid out of Disposition Proceeds). Additionally, the General Partner expects that borrowings for management fees will be based on gross management fee amounts, rather than taking into account any rebates Limited Partners may receive at the time such borrowing is incurred. As such, a Client will incur additional interest expense on the difference between gross and rebated management fee amounts. Subject to the limitations in the limited partnership agreement of the Client, the use of a subscription-based credit facility by the Client is within the General Partner's discretion.

To the extent that a Client is unable to obtain a subscription line or an asset-backed facility, the General Partner determines that the terms of such facility would not be appropriate for the Client or otherwise determines not to use such facility or access to such facility otherwise becomes unavailable, the General Partner may determine to draw down capital commitments in advance and hold them in reserve in order to make investments, satisfy fees and expenses and other capital needs as such needs arise in the future.

Risk Associated with Buy and Develop Investments

A significant portion of Clients' investment strategy involves the acquisition of the hydrocarbon resources where the resource potential is established but the economic limits of such potential may require delineation of its extent and design of a development program to most efficiently extract the hydrocarbons. To the extent that a Client's assumptions regarding higher value on proved or producing resources placed by mature oil, gas and NGLs producing companies prove incorrect, returns to the Client could be adversely affected. For buy and develop investments, given the importance of control over operations to value creation, a full disposition by the Client would typically garner the highest relative value for such investment because a potential acquirer would also be expected to view control as important. To the extent that the Client is not able to achieve such full disposition of a buy and develop investment, returns to the Client could be adversely affected.

Risk Associated with Development Finance Investments

Clients may also invest in companies that own a productive acreage position and are in reasonably solid financial condition but do not have immediate access to development capital. Clients' investments in such companies typically are in the form of structured equity or mezzanine debt coupled with an equity interest (net profits interest, warrants, or a royalty). In these instances, although a Client will seek to hold capital budget and development plan approval rights through the transaction documents and associated covenants or shareholders'

agreement provisions, the Client generally would not have control over the Portfolio Company's board or the ability to exert influence through board-level governance.

Risk Associated with Development Joint Ventures Investments

As part of its investment strategy, a Client is expected to in some cases partner with other joint venture partners whereby such joint venture partner would contribute the undeveloped assets and a Client would contribute development capital to a joint venture. Investments in joint ventures will involve additional risks that may not be present in investments where a joint venture partner is not involved, including the possibility that a joint venture partner may have interests or objectives that are inconsistent with those of the Client or may be in a position to take actions contrary to the Client's investment objectives or may become bankrupt or otherwise default on its financial obligations; and such investment may involve risks in connection with such third-party involvement, including the possibility that a third party may be in a position to take (or block) action in a manner contrary to the Client's investment objectives or may have financial, legal or regulatory difficulties resulting in a negative impact on such investment. In addition, Clients may in certain circumstances be liable for the actions of its joint venture partners.

Operator Insolvency Risks

In the event a Client, its acquisition vehicle or Portfolio Company holds working interests acquired from an operator-debtor in a joint venture transaction, pursuant to which the project developer is the operator under a JOA and subsequently becomes subject to U.S. Chapter 11 bankruptcy proceeding, if the Fund, its acquisition vehicle or Portfolio Company has not received and recorded appropriate conveyancing instruments documenting its record title ownership of its working interests, those working interests may be alleged to be property of the operator-debtor's estate. However, assuming such instruments have been properly delivered and recorded, a Client, its acquisition vehicle or Portfolio Company will maintain its working interest in the oil and gas leases and other mineral interests it owns jointly with the operator-debtor notwithstanding a bankruptcy proceeding involving the operator-developer. The filing of a bankruptcy petition by the operator will not divest the operator of its right to act as such under the JOA and the non-operators may not move to remove the operator solely on account of the bankruptcy filing, and in no event unless the bankruptcy court enters an order lifting the automatic stay to permit exercise of the removal remedy when otherwise available. However, the bankruptcy of a third party operator of oil and gas properties in which the Client, its acquisition vehicle or Portfolio Company owns a non-operating working interest would require the non-operator to expend time and resources to protect its interests in the case, and the administrative burden imposed on the operator-debtor and its management and operations personnel may impact the operator-debtor's ability to execute any development plan in a timely manner.

Risk Associated with Balance Sheet Repair Investments

A portion of Clients' investment strategy includes potentially purchasing upstream energy and upstream energy-related assets from developers with overextended balance sheets or tight cash positions or financially distressed developers. The activity of identifying and implementing any such restructuring programs and operating improvements entails a high degree of uncertainty. There can be no assurance that a Client will be able to successfully identify and implement such restructuring programs and improvements. In addition to the risks described under "Purchases from Distressed Developers" above, in certain limited cases (e.g., in connection with a workout, restructuring and/or foreclosure proceedings involving one or more debt investments by the Client), the success of the Client's investment strategy with respect

thereto will depend, in part, on the ability of the Client to effectuate loan modifications and/or restructure and improve the operations of its Portfolio Companies.

Risk Associated with Total Return Swap

Clients may invest in total return swaps or other derivative contracts, instruments or similar arrangements. Such transactions are subject to high volatility risk, market risk, liquidity risk, counterparty risk and risk of imperfect correlation between the value of such instruments and the underlying assets and may involve commissions or other costs. Such total return swap agreements could be structured to effectively add leverage to a Client's portfolio because, in addition to its total net assets, the Client could be subject to investment exposure on the notional amount of the swap while not being required to pay for all (or a portion) of the Portfolio Investment to which it gains exposure (though it will likely be required in such instance to make interest payments on the embedded leverage provided by the total return swap). The leverage provided by such instruments would magnify the gains and losses experienced by the Client and cause the value of the Client's assets to be subject to wider fluctuations than would be the case if the Client did not use the leverage feature in such instruments. Total return swap agreements entered into by the Client would be subject to the risk that one or more counterparties thereto would default on their payment obligations to the Client, due to such counterparty's insolvency, bankruptcy or other factors that are outside of the control of the General Partner and the Client. Swap agreements also bear the risk that the Client will not be able to meet its obligation to such counterparty and therefore be subject to various remedies, including cross-defaults to other transactions with the same counterparty. Defaults by either the Client or a counterparty with respect to any such total return swap could cause the Client to lose all or a portion of its assets.

Risk Associated with Net Profits Interests

Certain Portfolio Investments may be structured as "net profits interests," which are property interests that generally entitle their owners to a share of gross production from a property or the proceeds therefrom, measured as a percentage of the gross revenues from hydrocarbon production less specified costs and expenditures. Net profits interests are typically carved out of "working interests," which are rights granted to the lessee of a property to explore for and to produce and own oil, gas or other minerals. As a general matter, working interest owners bear exploration, development and operating costs (on either a cash, penalty or carried basis), whereas owners of net profits interests generally do not (except to the extent that the terms of the interests provide for an offset against profits).

Prepayment Risk

The value of a Client's assets may be affected by prepayment rates on loans made to Portfolio Companies (i.e., debt investments). Prepayment rates are influenced by a variety of economic and other factors beyond the Client's control. Therefore, the frequency at which prepayments (including voluntary prepayments by borrowers and liquidations due to defaults and insolvency) occur on the Client's Portfolio Investments can adversely impact the Client and prepayment rates cannot be predicted with certainty making it impossible to insulate the Client from prepayment or other such risks. Early prepayments give rise to increased re-investment risk, and the Client may be unable to re-invest cash in a new Portfolio Investment with an expected rate of return at least equal to that of the Portfolio Investment prepaid.

United Kingdom Exit from the European Union

On June 23, 2016, the United Kingdom ("UK") held a referendum on whether to remain a member state of the EU, in which voters favored the UK's withdrawal from the EU. At this time, it is difficult to predict precisely how the UK's withdrawal from the EU will be implemented and

what the economic, tax, fiscal, legal, regulatory and other implications will be for the private investment funds industry and the broader European and global financial and capital and foreign currency markets generally and for a Client and its investments specifically. Under the process for withdrawing from the EU contemplated in the Treaty on European Union, the UK will remain a member state until a withdrawal agreement is entered into or, if later (and no extension is agreed), two years following notification of the UK's intention to withdraw from the EU. The UK has not formally notified the European Council of its intention to leave and there is no certainty that the UK government will do so; instead the UK government may seek to negotiate a bespoke withdrawal right with the agreement of the remaining EU countries. In either case, it is widely expected that it will take longer than two years before the terms of a withdrawal agreement are negotiated and known. As a consequence it is likely that the UK will remain a member state subject to EU law with privileges to provide services under the single market directives for at least two more years. However, given the size and importance of the UK's economy, uncertainty or unpredictability about its legal, political and/or economic relationships with Europe is now, and may continue to be for the foreseeable future (including beyond the date of the UK's withdrawal from the EU), a source of instability, significant currency fluctuations and/or other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). In addition, the outcome of the UK referendum could have a destabilizing effect in which other member states may consider withdrawing from the EU. The decision for any other member state to withdraw from the EU could exacerbate such uncertainty and instability and may present similar and/or additional potential risks and consequences for a Client, its investments and its ability to fulfill its investment objectives.

The foregoing discussion of certain risk factors attempts to identify the material risks related to an investment in a Client but does not purport to be an exhaustive list or a complete explanation of all of the risk involved in an investment in a Client.

Item 9: Disciplinary Information

A. Criminal or Civil Action

There is no such action with respect to the Relying Adviser or any of its management persons.

B. Administrative Proceedings before a Regulatory Agency

There are no such proceedings with respect to the Relying Adviser or any of its management persons.

C. Proceedings before a Self-Regulatory Agency

There are no such proceedings with respect to the Relying Adviser or any of its management persons.

Item 10: Other Financial Industry Activity and Affiliations

A. & B. Other Registrations

Neither the Relying Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or a registered representative or associated person of the foregoing entities.

C. Affiliations

Broker-dealers

In the regular course of business, Macquarie Capital (USA) Inc., an affiliated broker-dealer, assists the Relying Adviser in advising on the sourcing, funding and executing private transactions in the U.S. and raising funds from third party investors to co-invest alongside the Fund. From time-to-time, the Relying Adviser may also use affiliated entities in foreign jurisdictions for similar purposes, including the following: (i) Canada – Macquarie Infrastructure and Real Assets (Sales) Canada Ltd., (ii) the European Union and the UK – Macquarie Infrastructure and Real Assets (Europe) Ltd., (iii) Hong Kong – Macquarie Capital Ltd., (iv) Korea – Macquarie Securities Korea Ltd., and (v) Australia – Macquarie Fund Advisers Pty Ltd.

Other investment advisers

Certain clients of Macquarie Infrastructure and Real Assets Inc. (“MIRA Inc.”), the parent company of the Relying Adviser, may invest in and co-invest alongside the Fund in certain investments. Certain employees of MIRA Inc. are seconded to the Relying Adviser. The Macquarie Group controls other related persons that may meet the definition of investment adviser but do not have a direct business relationship with the applicant and are not listed in Macquarie Infrastructure Partners Inc.’s Form ADV Part 1, sections 7A and 7B.

Banking or thrift institution

The Clients may borrow from Macquarie Bank Limited, an Australian bank affiliated with the Relying Adviser.

Refer to Item 11 B., C. & D.: Potential Conflicts of Interest, for a description of material conflicts potentially created by these relationships and how such conflicts are addressed by the Relying Adviser.

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

A. Code of Ethics

All officers, directors and employees of the Relying Adviser are subject to the provisions contained in the Relying Adviser’s Code of Ethics (“Code”). The Code outlines the Relying Adviser’s policies and procedures regarding standards of conduct, personal investment transactions, and handling of material, non-public information.

The Code contains several restrictions and procedures designed to eliminate conflicts of interest surrounding personal investment transactions including: (i) filing of initial and annual holdings reports; (ii) a prohibition against personally acquiring securities in an initial public offering or private placement without prior approval; (iii) a prohibition against supervised persons purchasing or selling any security on a day during which there is a “buy” or a “sell” order from a client for that security until such order is executed or withdrawn; (iv) a prohibition against supervised persons purchasing or selling a security within seven days before or after that security is bought or sold by a client; and (v) a prohibition against supervised persons profiting from the purchase and sale, or sale and purchase, of the same (or equivalent) securities within 30 days.

If an employee possesses non-public price-sensitive information about or affecting a financial product, or the issuer of any financial product, that employee is prohibited from buying or selling

such financial product, or advising or procuring any other person to buy or sell such financial product.

A copy of the Code will be provided to any client or prospective client upon request.

B., C. & D. Potential Conflicts of Interest

The Relying Adviser is a wholly-owned subsidiary of Macquarie Group Limited, the ultimate parent of the Macquarie Group. As a diversified global investment, financial, advisory and funds management firm, the Macquarie Group engages in a broad range of financial activities including securities underwriting, sales and trading, lending, financial advisory services, investment research, asset management and other activities. Notwithstanding the Macquarie Group's commitment to the Clients, investors should be aware that in the ordinary course of business, the Macquarie Group engages in activities where its interests or the interests of its clients may conflict with the interests of a Client or an investor therein, and that such conflicts may not always be resolved in favor of a Client or an investor therein.

Furthermore, as the Relying Adviser will provide advisory services to the Fund and Co-Investment Clients related to the same investments, Clients and investors therein should be aware that in the ordinary course of business, the interests a Partnership or an investor therein may conflict with the interests of an investor in a Co-Investment Client, and that such conflicts may not always be resolved in favor of a Client or an investor in a Partnership.

Macquarie manages, on an independent and autonomous basis, several public and private equity funds, vehicles and accounts which it is currently investing on behalf of third-party investors, Macquarie and/or eligible employees, and will raise other public and private funds and other investment funds, vehicles and accounts in the future. The Registrant, Macquarie Infrastructure Partners Inc., provides advisory services to certain other investment funds, vehicles and accounts that invest in core and core-plus infrastructure and infrastructure-related businesses and assets, including without limitation, midstream energy and related businesses and assets.

Furthermore, such funds, vehicles and accounts managed by any division of Macquarie outside of MIRA may from time to time make investments that would be suitable for the Fund. Certain former members of the Macquarie Energy Capital team that are not part of the Fund's investment team are employed within the Energy and Markets Division of CGM, and may continue to make investments in upstream energy and upstream energy-related assets and businesses.

Clients should be aware that in the ordinary course of business, the interests of Clients may conflict with the Relying Adviser, the Registrant and other funds, vehicles and accounts managed by any division of Macquarie and that such conflicts may not always be resolved in favor of a Client.

Investment by the Relying Adviser, Macquarie Investment Vehicles and Macquarie Group Clients

Under certain circumstances, the Clients may be offered an opportunity to make an investment in which the Macquarie Group, a Macquarie Group client or a specialized investment vehicle managed by the Macquarie Group ("Macquarie Investment Vehicle") is expected to, seeks to or already has, or concurrently will invest. Conflicts of interest may exist between the Clients' interests and the interests of such co-investors in managing these investments and approving

significant corporate matters. For example, the other Macquarie Investment Vehicle may have a term that expires before or after that of a Partnership and therefore may have a differing interest regarding the timing of disposition of a shared Portfolio Investment. In addition, the other Macquarie Investment Vehicle may have a different capability to participate in follow-on investments and otherwise provide financial support for the Portfolio Company. In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on a Client's investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction.

In certain instances, the Clients make an equity or other subordinated investment in a Portfolio Investment that has issued or is issuing a senior mezzanine or debt security to the Macquarie Group, a Macquarie Group client or a Macquarie Investment Vehicle. For example, another Macquarie Investment Vehicle with a similar investment objective may make a mezzanine investment or a loan to a Portfolio Investment in which the Clients have an equity investment. In negotiating the terms and conditions of any such mezzanine investment or loan or in addressing any subsequent amendments, such Macquarie Investment Vehicle will have interests that will conflict with those of the Clients (see also *Conflicts with Portfolio Investments* below).

If an issuer in which the Clients (directly or through Holding Companies) and the Macquarie Group, a Macquarie Group client or a Macquarie Investment Vehicle hold different classes of securities encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including conflicts over proposed waivers and amendments to debt covenants). For example, a debt holder may be better served by a liquidation of the issuer in which it will be paid in full, whereas an equity holder would prefer a reorganization that could create value for the equity holders.

Co-investment arrangements typically include pre-emption and tag-along and drag-along rights in favor of other members of the Macquarie Group or a Partnership, including rights which are triggered on removal of the Macquarie Group companies as manager or advisor or if the manager or advisor ceases to be part of the Macquarie Group. Where such arrangements are put in place they are approved by the Clients (but not the investors therein or any limited partner advisory committee thereof). In addition, contract counterparties such as lenders may impose similar conditions of ongoing involvement by the Macquarie Group and its removal may have adverse consequences such as an acceleration of loan repayments.

Conflicts with Portfolio Investments

Officers and employees of the Macquarie Group will serve as directors of certain Portfolio Investments and, in that capacity, will be required to make decisions that they consider to be in the best interests of such Portfolio Investments and their shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Portfolio Investment, actions that may be in the best interest of the Portfolio Investment may not be in the best interests of the Clients, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer or employee of the Macquarie Group and such individual's duties as a director of the Portfolio Investment. Conflicts will also arise in cases where the Clients make an equity or other subordinated investment in a Portfolio Investment that has issued or is issuing a senior mezzanine or debt security to the Macquarie Group or one or more Macquarie Investment Vehicles. In negotiating the terms and conditions of any such mezzanine investment or loan or in addressing any subsequent amendments, the Macquarie Group or such Macquarie Investment Vehicle will have

interests that will conflict with those of the Clients. If an issuer in which the Clients and the Macquarie Group or one or more Macquarie Investment Vehicles hold different classes of securities encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including conflicts over proposed waivers and amendments to debt covenants and other terms).

Principal & Affiliate Transactions and Brokerage

The Macquarie Group or a Macquarie Investment Vehicle may sell securities or other financial instruments to or buy them from a Client or act as a counterparty to a Client or Holding Company in foreign exchange, financing, swap and derivative transactions ("Principal Transactions"). Generally, the Fund shall not purchase or sell any Portfolio Investment to or from, as the case may be, Macquarie Group and its affiliates or any Macquarie Investment Vehicle, unless consent of either the the Fund's LPAC or a majority in interest of the Fund's investors is obtained.

Apart from (i) transactions (including service contracts) that are expressly contemplated or approved by the applicable partnership agreements (including, without limitation, co-investment, the receipt of, or contracts providing for, the Management Fee and carried interest, vendor/issuer/broker commissions described in Item 5.C herein and any transaction approved by the relevant LPAC or the applicable Partnership's investors holding a majority of such Partnership's interests ("majority in interest of the applicable Partnership investors")) and (ii) purchases of interests in any Portfolio Investment from Macquarie or acceptance by the Fund of contributions, in each case at Carrying Cost (as defined in the limited partnership agreement of the Fund), from the MEP General Partner and/or its affiliates of interests in any Portfolio Investment that was initially made by the General Partner and/or its affiliates in exchange for interests in the Fund, where such Partnership's purchase of, or acceptance of contribution of, such investment was made with the prior written consent of a majority in interest of the applicable Partnership's investors or the relevant LPAC, the applicable General Partner shall cause such Partnership and any controlled Portfolio Investment not to engage in any transaction with Macquarie (including services or contracts for which advisory fees are received by Macquarie and its affiliates) that (x) provides for a cash payment or exchange of other consideration with Macquarie or an affiliate having a value in excess of a certain threshold as set forth in the applicable partnership agreement or (y) is otherwise reasonably determined by the applicable General Partner to be material, with Macquarie and its affiliates, unless, in each case of clauses (x) and (y), approved by the LPAC or a majority in interest of the applicable Partnership investors.

Allocation of Investment Opportunities

Macquarie manages, on an independent and autonomous basis, several public and private equity funds which it is currently investing on behalf of third-party investors, Macquarie and/or eligible employees, and will raise other public and private funds and other investment funds, vehicles and accounts in the future.

Except under limited exceptions set forth in the applicable limited partnership agreements of the Partnerships, the MEP General Partner, the Relying Adviser and their affiliates within MIRA will not invest outside the Fund in any privately-negotiated investments in upstream energy and upstream energy-related assets and businesses in MEP Target Geographies (focusing primarily on delineation and development opportunities), as determined in good faith by the Relying Adviser, until the earlier of the end of the Fund's investment period or the time at which more

than over 75% of the Fund's commitments are invested, applied or reserved for investments, fees and expenses.

Investment opportunities sourced by or presented to any Macquarie entity outside of MIRA will not be required to be presented to the Fund and may be made (in whole or in part) away from the Fund.

Co-Investments

Prospective investors in the Fund should note that the Relying Adviser may offer co-investment opportunities in its sole discretion and is not expected to offer co-investment with respect to all of the Fund's investments. Prospective investors should also note that investors are not required to participate in co-investments offered by the Relying Adviser and that the Relying Adviser may not offer all investors the opportunity to invest in any co-investments. Moreover, transaction-specific returns, and an investor's overall returns from its exposure to the Fund's investments, may be affected significantly by the extent to which such investor is offered and chooses to participate in co-investment opportunities and the economic and other terms offered to such investor.

Co-investment in a Portfolio Company with another Macquarie-managed or -sponsored investment fund, vehicle or account may present conflicts of interest for the Relying Adviser. Macquarie's relationship with such other funds, vehicles or accounts could influence the decisions made or the advice provided (as applicable) by the MEP General Partner, the Relying Adviser and/or the personnel responsible for the affairs of the Fund with respect to such investments. For example, the other MIRA-sponsored investment fund, vehicle or account may have a term that expires before or after that of the Fund and therefore may have a differing interest regarding the timing of disposition of a shared Portfolio Investment. In addition, the other fund, vehicle or account may have a different capability to participate in follow-on investments and otherwise provide financial support for the Portfolio Company. Similarly, there may be instances where capital available for investment with respect to a particular co-investment opportunity from other sources (due to the attractiveness of such co-investment opportunity to potential co-investors) is limited, and therefore a larger percentage of such co-investment opportunity may be offered to the Fund as a Portfolio Investment than would have otherwise been offered to it had additional capital been available from other sources. The allocation of co-investment opportunities may involve a benefit to Macquarie including, without limitation, fees or carried interest from the co-investment opportunity.

The Fund may seek to make investments with the expectation of offering a portion of its interests therein as a co-investment opportunity to its limited partners and/or other third parties. Macquarie may seek to cause the Fund or MIRA to incur bid and diligence costs on behalf of potential co-investors, and the party underwriting such costs may receive a premium or cost mark up if the transaction is consummated. The Relying Adviser will typically seek for any co-investors or potential co-investors to bear their share of broken deal expenses, although the Relying Adviser may not be able to achieve this result, which may result in the Fund bearing a larger percentage of broken deal expenses. Conversely, a potential co-investment opportunity that is not ultimately consummated may generate proceeds (e.g., due to reverse termination fees) that may not ultimately be shared with the Fund and/or the limited partners thereof, notwithstanding that the Fund may have participated in such potential co-investment opportunity as a Portfolio Investment were such opportunity ultimately consummated. (See also "Co-Investment Arrangements" below).

Advisory Activities

In the regular course of business, the Relying Adviser or its affiliates may be engaged to act, or may seek to act, as a financial advisor to third parties in connection with the sale or purchase of securities or businesses meeting the Clients' investment objectives. If a Client acted as a buyer, notwithstanding the retention of the Relying Adviser or an affiliate by any other party to the transaction, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price. Macquarie will be under no obligation to decline such engagements in order to make the investment opportunity available to a Client. In certain sale assignments, the seller may permit a Client to act as a buyer or investor, which would raise certain conflicts of interest inherent in such a situation. Macquarie and the Relying Adviser have long-term relationships with a significant number of corporations and their senior management. In addition, Macquarie advises and provides debt and equity capital market and other services to a large number of institutional clients, including leveraged buy-out and other private equity funds with investment objectives similar to or the same as those of the Clients and strategic buyers, both of which may be in a position to compete with the Clients for an investment opportunity. Moreover, the Macquarie Asset Management Group, an operating group within Macquarie, manages private equity and hedge fund-of-funds, and as a result Macquarie and the Relying Adviser maintain a number of relationships across the alternative asset class, including with potential buyers and sellers in private equity transactions. In determining whether to pursue a particular transaction on behalf of a Client, these relationships will be considered by Macquarie and the Relying Adviser, and there may be certain potential transactions which will not be pursued on behalf of a Client in view of such relationships. For example, when Macquarie represents a buyer seeking to acquire a particular business, a Partnership may be precluded from investing in that business. There can be no assurance that all potentially suitable investment opportunities which come to the attention of Macquarie and the Relying Adviser will be made available to Clients.

Macquarie may provide a broad range of pre- and post-acquisition advisory and consulting services to the Clients and companies in which Clients invests, and may receive compensation from purchasers, sellers or other parties prior to or upon the closing of certain investments by a Client as compensation for services, including advice on valuing, structuring, negotiating and arranging financing for such transactions and may earn fees in connection with unconsummated transactions. Other compensation may include warrants to purchase an equity interest or other securities in the company for which the transaction is being undertaken. In addition, certain MIRA professionals may be seconded to a Client's Portfolio Companies, with their compensation paid directly by such Portfolio Company to Macquarie, and therefore borne indirectly by the Limited Partners. Generally, none of Macquarie's fees for any of the foregoing (including the compensation of seconded MIRA professionals) will be shared with any Client. In addition, Macquarie may act as underwriter or placement agent in connection with an offering of securities by investments in which a Client has invested or as underwriter, placement agent or financial advisor in connection with the public or private sale of a Client's investments and Macquarie generally will be paid customary fees for such services. A General Partner, the Relying Adviser or any of their affiliates within MIRA or any other Macquarie entity may engage and retain strategic advisors, consultants and other similar professionals who are employees or affiliates of Macquarie and who may, from time to time, receive payments from, or allocations with respect to, investments. In such circumstances, such amounts will not be deemed paid to or received by such General Partner, the Relying Adviser and their affiliates or personnel within MIRA and will not be subject to a Management Fee offset. The Macquarie Group typically receives arms-length fees for such services, which may be paid by Clients or the Portfolio Investments.

In addition, to the extent not disclosed in the quarterly or annual reports to investors, after the end of each fiscal year, the MEP General Partner shall send to the LPAC an expense report describing the services rendered to the applicable Client by the Relying Adviser, such General Partner or any affiliate thereof during such fiscal year and the amounts billed for such services.

Other Activities

Clients do not have teams dedicated solely to such Clients. Members of the Relying Adviser's team will devote such time to the Relying Adviser's clients as the Relying Adviser, in its sole discretion, deems necessary to carry out the Relying Adviser's responsibilities with respect to its clients. A number of members of the Relying Adviser's team may spend a portion of their time on matters unrelated to the Relying Adviser's clients, including as officers or employees of affiliates of the Relying Adviser and related to Macquarie's existing investments, other investment funds and future activities. As a result of the foregoing, conflicts of interests will arise in allocating the time of the members of the Relying Adviser's team. The possibility exists that the companies with which one or more of such persons is involved could engage in transactions that would be suitable for a Client, but in which a Client might be unable to invest.

Officers, employees and affiliates of the Relying Adviser may invest, directly or indirectly, and in some cases have invested, in certain Partnerships and Portfolio Investments.

Macquarie Insurance Facility ("MIF"), a facility run by affiliates of the Relying Adviser, seeks to leverage the combined purchasing demand of Macquarie, Macquarie-managed funds and their portfolio businesses (which may include Clients and their Portfolio Companies) to negotiate agreements with unaffiliated vendors such as insurance companies and brokers. When the Client or its Portfolio Company utilizes MIF, MIF may receive a commission from the vendor and/or a broker involved in obtaining the business, subject to, a cap on such commission of 5% of the premium paid. The amounts received by MIF will not be subject to the offset provisions as provided in the Relying Adviser's or relevant Partnership's constituent documents. For Portfolio Investments, the applicable Portfolio Company and not the Relying Adviser makes the decision whether to use MIF. MIF operates in the U.S. through the legal entity, Commerce and Industry Brokerage, Inc.

MIF also has the ability to write insurance policies on behalf of certain insurance companies (the "MIF Insurance Program"). The only insurance company currently participating in the MIF Insurance Program is AIG, although in the future other insurers may be added and AIG may cease to participate. The Fund or its Portfolio Company, as applicable, will engage an independent third party broker to canvas the insurance market to obtain bids from non-affiliated insurance companies for the placement of the Fund's or such Portfolio Company's insurance policies, as applicable, and MIF may determine in its discretion that the MIF Insurance Program will participate in such bidding process (but MIF is under no obligation to so participate). The Fund or such Portfolio Company will select the most attractive overall package among the bids received. If the Fund or its Portfolio Company chooses a package that includes insurance policies through the MIF Insurance Program (the Fund or such Portfolio Company in such capacity, a "Participating Company"), the Participating Company will receive a 15% premium reduction on the portion of the premium on the insurance policy written by MIF on behalf of the insurance companies participating in the MIF Insurance Program (but the insurance policy written by unaffiliated insurance companies outside the MIF Insurance Program will not receive this premium reduction). The insurance written as part of the MIF Insurance Program will mirror the pricing, terms and conditions set for the Participating Company by nonaffiliated insurance

companies outside of the MIF Insurance Program before applying the 15% premium reduction; MIF does not set the pricing or other terms of the insurance written as part of the MIF Insurance Program. A Participating Company will pay the entire premium to its independent third party broker, who will then distribute such premium, less any amounts retained by the third party broker as its fee pursuant to its agreement with the Participating Company, to MIF and the non-affiliated insurance companies writing insurance outside of the MIF Insurance Program; MIF will then periodically distribute its share of such premium to its participating insurance companies, less an average expected fee of 10% to 12.5% of such premium, which MIF will retain in return for administering and managing the MIF Insurance Program. The amounts received by MIF will not be subject to the offset provisions. Fees earned by MIF under the MIF Insurance Program will vary depending on whether the independent third party broker is paid a flat fee separate from the premium or a commission based fee retained from the premium. Where the independent third party broker is paid a flat fee, the maximum fee available to MIF under the MIF Insurance Program will be 18% of the MIF Insurance Program policy premium. Where the independent third party broker is paid a commission based fee, MIF currently expects the average expected fee range available to MIF under the MIF Insurance Program to be 0% to 8% of the MIF Insurance Program policy premium. When the Fund or a Portfolio Company utilizes the MIF Insurance Program, the fee available to MIF under the MIF Insurance Program will not, in the case of the Fund, without consent of the relevant LPAC, exceed 18% of the MIF Insurance Program policy premium. MIF currently expects that its average expected fee under the MIF Insurance Program will be 10% to 12.5% of the MIF Insurance Program policy premium, which is based on MIF's expectation that approximately 50% of Participating Companies will agree on a flat fee structure with their independent third party broker. Irrespective of the fee paid to MIF under the MIF Insurance Program, the Participating Company will always receive a 15% premium reduction on the portion of an insurance policy written by the MIF Insurance Program compared to the premium paid to non-affiliated insurance companies outside of the MIF Insurance Program. MIF could be incentivized to seek flat fee third party broker structures to maximize the returns to it under the MIF Insurance Program. Any fee payable to MIF under the MIF Insurance Program is in addition to any commission or other payment received by MIF under the preceding paragraph.

From time to time Macquarie may provide interim acquisition financing or other forms of credit in connection with an investment by, or otherwise act as a lender to, an entity in which a Client, directly or indirectly, invests. A Partnership may also borrow money from Macquarie from time to time subject to certain restrictions set forth in the applicable partnership agreement. In addition, a Client also may participate as a counterparty with or as a counterparty to Macquarie or an investment vehicle formed by it in connection with currency and interest rate hedging, derivatives (including but not limited to swaps and forwards of all types), and other transactions.

Resolution of Conflicts

To the extent that the Relying Adviser exercises any discretion on behalf of the Fund in these transactions, any conflicts of interest that arise between the Fund, on the one hand, and the Macquarie Group, any existing or future Macquarie Investment Vehicle or any of the Macquarie Group's clients, on the other hand, (i) will be resolved as set forth in the limited partnership agreement of the relevant Partnership, the Related Party Transactions Policy of the Relying Adviser and/or the corresponding policies of a Macquarie affiliate, or (ii) if not addressed by such agreements or procedures, will be discussed and resolved on a case-by-case basis by the relevant parties. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict.

Any actual conflicts of interest that arise in relation to the relevant Client will be resolved in accordance with the Relying Adviser's conflicts management procedures, including, where required, by referral to the LPAC. If any matter arises that the relevant General Partner determines in its good faith judgment constitutes an actual conflict of interest, such General Partner may take such actions as it determines in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions to the fullest extent permitted by law such General Partner will be relieved of any liability for such conflict and be deemed to have satisfied its fiduciary duties and acted in good faith with respect to such conflict). These actions may, but are not required to, include (i) disposing of the security giving rise to the conflict of interest, (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest or (iii) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the LPAC regarding the conflict of interest and either obtaining a waiver from the LPAC of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the LPAC with respect to such conflict of interest. In addition, MEP investors should note that the MEP partnership agreement contains provisions that, subject to applicable law, reduce or eliminate fiduciary duties, to the Fund and the investors therein, provisions that waive or consent to conduct on the part of the relevant General Partner or the Relying Adviser, and provisions that limit the remedies of the Fund's investors with respect to breaches of such duties. Pursuant to the relevant partnership agreement, an LPAC will be established and the General Partner or the Relying Adviser may in certain situations choose to consult with or obtain the consent of the LPAC with respect to any specific conflict of interest, including, but not limited to, certain affiliate transactions. If the LPAC waives the conflict of interest or the General Partner or the Relying Adviser acts in a manner, or pursuant to the standards and procedures, approved by the LPAC with respect to the conflict of interest, then the General Partner, the Relying Adviser and their affiliates will not have any liability to the Fund or investors therein for such actions taken by them, including actions in pursuit of their own interests, and will be deemed to have satisfied their fiduciary duties and to have acted in good faith with respect to such actions (see Principal Transactions and Brokerage above).

Related Party Transaction Policy

Related party transactions involving Clients will be disclosed to and approved by investors, clients or their representatives if required under the limited partnership agreements of such Clients or standing policies and procedures.

Joint Venture Partners

Some of the third-party operators and joint venture partners with whom the Relying Adviser or the General Partners may elect to co-invest a Client's capital have preexisting investments or other commercial arrangements with Macquarie. The terms of these preexisting investments or other commercial arrangements may differ from the terms upon which a Client invests with such operators and partners. To the extent a dispute arises between the Macquarie Group and such operators and partners, the Fund's investments relating thereto may be affected.

Service Providers

Certain service providers or their affiliates (including, without limitation, any accountants, developers, property managers, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) of Clients, Macquarie or any of their affiliates may be investors in a Client and/or sources of investment opportunities and co-investors or counterparties therewith and may also provide

goods or services to or have business, personal, political, financial or other relationships with Macquarie. These service providers and their affiliates may contract or enter into any custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with a Client, the respective General Partner, the Relying Adviser or any investor in such Client or any entity in which such Client has made an investment. Similarly, these service providers and their affiliates may engage in competitive activities and may earn fees from or receive other consideration from such persons or entities, and may provide different advice or services, take different action from the advice or services they provide, or action they take, for a Client. Moreover, certain service providers (or their affiliates, including project developers, lenders, brokers, attorneys, consultants and investment banking firms) to a Client and its Portfolio Companies may also provide services to or have other relationships with Macquarie. These other services and relationships may influence the Relying Adviser in deciding whether to select such a provider to perform services for a Client and its Portfolio Companies (the cost of which will generally be borne directly or indirectly by such Client). At times, including if unrelated officers of a Portfolio Company have not yet been appointed, Macquarie may be negotiating and executing agreements between Macquarie parties on the one hand and the Portfolio Company or its affiliates on the other hand, including management services agreements or similar agreements, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's-length. Notwithstanding the foregoing, investment transactions for a Client that require the use of a service provider, will generally be allocated to service providers on the basis of best execution, the evaluation of which may include, among other considerations, such service provider's provision of certain investment-related services and research that the Relying Adviser believes to be of benefit to such Client, but it should be noted such service providers may not necessarily be the most cost effective or necessarily the best for every particular situation.

In addition, the General Partners may engage one or more fund administrators to perform certain functions in relation to the Clients, including but not limited to, coordination of the Clients' legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the General Partners' valuation process and support of certain investor correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting that a Client is obligated to comply with. Certain employees of such fund administrators may dedicate substantially all of their time to Macquarie Investment Vehicles and spend all or a significant majority of their business time at the Macquarie offices. In certain circumstances, advisors and service providers, or their affiliates, may have different arrangements for services provided to Macquarie, the General Partner, the Relying Adviser or their affiliates as compared to services provided to the Clients and their Portfolio Companies, due to a variety of factors, including, without limitation, volume of work, complexity of the overall transaction or matter, time commitment and/or seniority of staff involved, which may result in more favorable arrangements than those payable by the Clients or such Portfolio Companies.

Co-Investment Arrangements

The Relying Adviser may in its sole discretion give certain persons an opportunity to co-invest in one or more Portfolio Investments alongside the Fund. The Relying Adviser will have sole discretion to determine (i) when investment opportunities are available to co-investors and (ii) if applicable, the amount of such opportunity to allocate among co-investors. The terms of any such co-investment, including the fees and carried interest applicable to such co-investment, if any, and access to co-investment opportunities will be separately negotiated by the MEP General Partner (or an affiliate thereof) and the potential co-investor. The Relying Adviser may

determine in its sole discretion what constitutes a co-investment opportunity of the Fund and any allocation thereof.

Certain co-investors may receive preferential or priority access to co-investment opportunity before any other MEP limited partners. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among potential co-investors, the General Partner considers a wide range of factors.

In addition, the MEP management fee and carried interest, as well as any transaction-based fees earned by an affiliate of the Relying Adviser, payable by certain MEP limited partners may be based in part on the amount of co-investment offered or made by those MEP limited partners. The relevant General Partner's exercise of its discretion in allocating investment opportunities with respect to a particular investment among various potential investors in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the General Partner will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the General Partner and its affiliates are subject, discussed herein, did not exist. In each case, the General Partner has an incentive to offer co-investment opportunities to certain MEP limited partners rather than offering such opportunities to other MEP limited partners or the Fund. MEP limited partners or other investors making investments alongside the applicable Client pursuant to the principles set forth above will typically be investors in Co-Investment Clients of the Relying Adviser or Holding Companies.

The appropriate allocation between funds managed by the Relying Adviser and any Co-Investment Clients (including underlying investors in a Co-Investment Client) of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Relying Adviser and its affiliates in their good faith discretion, consistent with the limited partnership agreement (or analogous organizational documents) of the relevant funds managed by the Relying Adviser and equity commitment letters entered into by co-investors, as applicable.

The Fund, at the Relying Adviser's discretion, or the Relying Adviser or an affiliate thereof is permitted to underwrite the transaction costs of any MEP co-investors, and will bear such co-investors' portion of broken deal expenses if the transaction is not consummated.

Side Letters; Other Arrangements

Each of the General Partners and the Relying Adviser may enter into certain side letter arrangements with certain investors in the Clients providing such investors with different or preferential rights or terms, including but not limited to excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, the applicable Partnership's investments), and with regard to investors in Partnerships and Co-Investment Clients, waiver of certain confidentiality obligations, different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Item 12: Brokerage Practices

Due to the nature of the investments made by the Clients, broker-dealers are not generally used for Client investment transactions. However, when executing investment transactions on behalf of a Client through a broker-dealer, the Relying Adviser, will seek to obtain a combination of the most favorable commission and the best price obtainable on each transaction. Broker-dealers are selected primarily on the basis of their execution capability and trading expertise consistent with the effective execution of the transaction. Client referrals are not relevant to broker-dealer selection, given the nature of the Relying Adviser's clients. If the broker-dealer is a member of the Macquarie Group, approval of the relevant Partnership's LPAC is required, except to the extent that the limited partnership agreement of the Fund permits the use of such brokers-dealers for certain transactions without such approval, generally if certain conditions are met.

The Relying Adviser does not engage in soft dollar or directed brokerage arrangements.

To the extent an investment is made for more than one Partnership, as described in Item 11, "Allocation of Investment Opportunities" above, the Relying Adviser may combine orders on behalf of a Partnership with orders for other funds managed by its affiliates or in which it or its affiliates have an economic interest. In such cases, the Relying Adviser and its affiliates generally aggregate orders so that each participating vehicle will receive the average price for each execution of a transaction. If an order for more than one Partnership cannot be fully executed, allocation shall be made based upon the Relying Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

To the extent an investment is made for Clients, as described in Item 11, "Co-Investment Arrangements" above, the Relying Adviser may combine orders on behalf of such Clients and/or with orders for other funds managed by its affiliates or in which it or its affiliates have an economic interest. In such cases, the Relying Adviser and its affiliates generally aggregate orders so that each participating vehicle will receive the average price for each execution of a transaction. If an order for Clients and/or for other funds managed by its affiliates or in which it or its affiliates have an economic interest cannot be fully executed, allocation shall be made by the Relying Adviser on a reasonable and appropriate basis and in accordance with Relying Adviser's allocation policy.

Item 13: Review of Accounts

A. & B. Account Review

The Relying Adviser manages and supervises the accounts of the Fund and Co-Investment Partnerships. These accounts and investment positions are monitored on a current basis, and a complete list of the investment positions are more formally reviewed as necessary. The Relying Adviser's Board of Directors (composed of three Directors) meets regularly to review new investment opportunities and monitors the Clients' investments.

C. Client Reporting

The Relying Adviser assists Macquarie Energy Partners GP LLC, the general partner of the Fund in the preparation of the following reports to each limited partner thereof:

(a) Financial statements (audited in the case of a fiscal year-end report and unaudited in the case of a quarterly report);

(b) Schedule of changes in capital account balances for each limited partner; and

(c) With respect to the Fund, a schedule and summary description of each Portfolio Investment owned by the Fund.

In addition, investors in the Fund have access to a third-party administrator's website, which contains copies of the reports and information described above, constituent Partnership documents, a corporate directory and related items.

Item 14: Client Referrals and Other Compensation

A. Other Compensation

The Relying Adviser does not receive any economic benefit from anyone who is not a client in relation to the provision of investment advisory services to its clients.

B. Compensation for Client Referrals

From time to time the Relying Adviser and its affiliates may utilize both affiliated and non-affiliated third party placement agents. Payment of a referral fee does not result in additional cost to the client. In the event the Relying Adviser does enter into such arrangements it intends to comply with disclosure and other requirements applicable to such relationships under applicable laws, including but not limited to Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15: Custody

The Relying Adviser will maintain custody of the Clients' assets and certain direct and indirect subsidiaries of the Partnerships in the applicable Partnerships' or subsidiaries' name with the Bank of New York Mellon.

Account statements are sent from the custodians to the Relying Adviser, where they are reconciled with the Relying Adviser's accounts before financial information is disseminated to Clients.

Item 16: Investment Discretion

The Relying Adviser has the authority to determine, without obtaining specific Partnership consent, the securities or interests and the amount thereof to be bought or sold. Such authority is subject to the limitations set forth in the applicable Partnership's limited partnership agreements. The Relying Adviser generally has the authority to determine, without obtaining specific Co-Investment Client consent, whether and when to sell the Co-Investment Client's interests or securities.

Item 17: Voting Client Securities

The Clients are primarily invested in private entities that typically do not issue proxies. For the limited circumstances where a Client may hold publicly traded securities and receive proxies in connection with them, the Relying Adviser has adopted proxy voting policies and procedures contained in its Portfolio Management Policy (the "Policy") to address how the Relying Adviser will vote proxies for its clients. The Policy seeks to ensure that, if applicable, the Relying Adviser votes proxies (or similar instruments) in the best interest of its clients, consistent with the client's

investment objective including when there may be material conflicts of interest in voting proxies. If the Relying Adviser determines that it is not in the best interests of a client to vote or that it is not in the best interests to vote on a particular proxy, it will document its reasons for such determinations. In the event that the Relying Adviser determines it has a material actual or potential conflict of interest, it will document it and ensure that such conflict is appropriately avoided, managed and/or disclosed. If you would like a copy of the Relying Adviser's complete Policy or, if applicable, information regarding how the Relying Adviser voted proxies, please contact the Chief Compliance Officer and it will be provided to you at no charge.

Item 18: Financial Information

A. Balance Sheet

Management Fees are payable by Clients to the Relying Adviser quarterly in advance. The Relying Adviser does not permit the prepayment of fees earlier than this. As such, it is not required to provide a balance for the most recent fiscal year.

B. Financial Conditions

There are no financial conditions likely to impair the Relying Adviser's ability to meet its contractual obligations to its clients.

C. Bankruptcy

The Relying Adviser has never been the subject of a bankruptcy petition.