

First Reserve Management, L.P.
Part 2A of Form ADV

The Brochure

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

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

Item 2. Material Changes

While there has not been a material change to this Brochure since the last annual update in April 2020, please carefully read items 4, 5, 8 and 11, which have been updated to expand upon the description of certain aspects of the advisory business, certain fees and expenses, certain risk factors and certain potential conflicts of interest, respectively.

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Item 4. Advisory Business

For purposes of this brochure, “First Reserve” means First Reserve Management, L.P., a Cayman Islands exempted limited partnership, together (where the context permits) with certain of its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below) (together with First Reserve, the “First Reserve Advisors”). In addition, certain affiliates of First Reserve which are formed in connection with the organization of the Funds serve as the general partners of the First Reserve Funds (collectively, the “General Partners”). First Reserve provides investment advisory services to, and receives advisory fees from, investment vehicles

sponsored by First Reserve that are not required to register under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended (the “1933 Act”) (such investment vehicles, the “First Reserve Funds” or the “Funds”).

As an investment adviser for each First Reserve Fund, First Reserve identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for each First Reserve Fund. The principle area of business of the First Reserve Funds is private equity and buyout investments (the “Private Equity Funds”). In addition, First Reserve provides investment advisory services to two debt funds (each with a single limited partner) that manage investments no larger than \$40 million in senior and senior subordinated debt primarily in energy-related infrastructure businesses (the “Debt Funds”). Although an affiliate of First Reserve has sponsored a blank check company, First Reserve Sustainable Growth Corp. (the “SPAC”), for the purpose of effecting a business combination with one or more businesses that focus on solutions, processes, and technologies that facilitate, improve, or complement the ongoing energy transition toward a low- or no-carbon emitting future. First Reserve does not provide investment advisory services to and/or receive advisory fees from the SPAC. As a result, the SPAC is not a First Reserve Fund for purposes of this Form ADV. The First Reserve Funds focus exclusively on making investments within the energy and natural resources industries.

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

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

First Reserve has been in business since 1983. First Reserve is principally owned by its employees. First Reserve founder and Chairman William E. Macaulay passed away on November 26, 2019. The estate of William E. Macaulay, and his related family trusts are the largest owners of First Reserve. As of December 31, 2020, First Reserve managed a total of \$5,338,044,769 of regulatory assets under management, all of which is managed on a discretionary basis.

On June 2, 2017, First Reserve completed the sale of its infrastructure investment business to BlackRock (the “Transaction”) in connection with which (i) BlackRock acquired the equity interests of the entities that control the General Partners of First Reserve Energy Infrastructure Fund, L.P. and First Reserve Energy Infrastructure Fund II, L.P., including related investment and co-investment vehicles (the “Infrastructure Funds”), and the First Reserve Advisors to the Infrastructure Funds, (ii) BlackRock acquired from First Reserve 9.9% of the capital and certain carried interest held by the General Partner of one of the Infrastructure Funds, and (iii) BlackRock and First Reserve entered into a cooperation agreement in respect of the Infrastructure Funds. Pursuant to the cooperation agreement, dated as of January 27, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Cooperation Agreement”), First Reserve and BlackRock agreed, among other things, that (i) First Reserve would consult with BlackRock, upon request, with respect to macroeconomic trends in the global energy sector and the energy infrastructure investment industry, (ii) William E. Macaulay and Alex T. Krueger, each of whom also served and would continue to serve on First Reserve’s Investment Committees (as defined below), would serve as members of the investment advisory group of the Infrastructure Funds, and (iii) First Reserve would use its commercially reasonable efforts to refer to BlackRock investment opportunities that it deems, in its sole and absolute discretion, not to be suitable for the First Reserve Funds but suitable for the Infrastructure Funds, so that the Infrastructure Funds may evaluate such opportunities. The Cooperation Agreement expired on June 2, 2020; Alex T. Krueger continues to serve as a member of the investment advisory group of the Infrastructure Funds. The Transaction was approved by a super-majority in the interest of the Limited Partners (as defined below) of each of the Infrastructure Funds. Each of the Infrastructure Funds is not a “First Reserve Fund” for purposes of references in this Form ADV. On July 3, 2018, Alex T. Krueger, as well as First Reserve, entered into an agreement with BlackRock to provide consulting services. In connection therewith, Alex T. Krueger is paid to serve on the investment committee relating to the Global Energy and Power Infrastructure Fund III family of funds as an independently contracted consultant.

Item 5. Fees and Compensation

The First Reserve Funds

As compensation for investment advisory services rendered to a First Reserve Fund, each First Reserve Fund is generally charged an annual management fee, payable quarterly in advance. For those Funds that have defined commitment periods, management fees during the commitment period of such First Reserve Funds generally are based on aggregate capital commitments of the Limited Partners and are asset-based thereafter. For those Funds that do not have defined commitment periods, management fees are generally asset-based throughout the term of the Fund. The management fees are negotiated collectively with the Limited Partners of each First Reserve Fund, and are subject to waiver or reduction by First Reserve. For those Funds that have defined commitment periods, management fees during the commitment period typically range from 1.00% to 1.75%. Management fees are paid by the First Reserve Funds on behalf of the Limited Partners by (i) requiring Limited Partners to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the Limited Partners of such First Reserve Fund. In some situations, First Reserve may cause a First Reserve Fund to incur indebtedness for the payment of management fees. The Limited Partners of certain of the First Reserve Funds’ parallel vehicles are charged an

administration fee in addition to the management fee described above, payable quarterly in advance, equal to a percentage of the aggregate capital commitments of the Limited Partners in such parallel vehicle. Upon termination of a relevant Advisory Agreement, management fees that have been prepaid are returned on a prorated basis. Each First Reserve Fund's confidential private offering memorandum (each such memorandum, a "Confidential Private Placement Memorandum"), where applicable, and governing documents include a more detailed description of management fees charged to the Limited Partners of such First Reserve Fund.

First Reserve, from time to time, receives a variety of other fees from its First Reserve Fund portfolio companies and their affiliates. Typically, a First Reserve Fund's allocable share of (i) all transaction, directors', monitoring, advisory, financial, consulting, net break-up (including topping, break-up and similar fees), set-up, acquisition and commitment fees (collectively, the "Other Fees") received by the First Reserve Advisors, their affiliates or their respective employees and (ii) if applicable, at least 50% of any offering, placement, syndication, underwriting, solicitation or similar fees payable to a regulated broker-dealer that is an affiliate of the applicable General Partner in connection with the distribution of debt or equity securities of a portfolio company other than the securities being acquired by the First Reserve Fund ("Broker Dealer Fees") will be applied to reduce the quarterly management fee of the applicable First Reserve Fund. However, the reduction amount will be reduced by any broken-deal expenses that the applicable General Partner or its affiliates elected to bear instead of calling capital from the applicable First Reserve Fund. Fees received by (i) an employee of First Reserve in respect of (x) services rendered prior to the time such employee became an employee of First Reserve or (y) services rendered by such employee during any period when such employee serves in a bona fide, non-director management capacity (or other operational capacity involving a material portion of such employee's business time) at a portfolio company or any of its affiliates and (ii) any senior advisor to First Reserve are, to the extent set forth in a First Reserve Fund's governing documents, not treated as Other Fees for purposes of calculating applicable reductions to the management fee. The recipients of this Brochure must refer to the detailed information found in each Confidential Private Placement Memorandum, where applicable, and governing documents for specific information about the fees earned by First Reserve, including Other Fees and, if applicable, Broker Dealer Fees and the fees charged to the First Reserve Funds.

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

Infrastructure Funds

Following the Transaction, BlackRock is now the investment adviser to, and provides investment advisory services to, the Infrastructure Funds for compensation. However, First Reserve is entitled to receive carried interest with respect to the Infrastructure Funds as described in Item 6.

In addition, pursuant to a Transition Services Agreement, dated as of June 2, 2017, for a First Reserve provided certain transition services to BlackRock related to accounting and reporting, among other services. Although the Transition Services Agreement expired on June 2, 2018, First

Reserve continues to provide certain services to BlackRock for fees calculated based on cost or historic allocation.

Director's Compensation

Because its investment strategy includes making control investments, and in order to protect the First Reserve Funds' interests, when making equity investments First Reserve generally seeks appropriate shareholder rights including, in most situations involving control investments, the ability to designate one or more directors to serve on the board of directors of its portfolio companies. In their capacity as directors of portfolio companies, First Reserve personnel earn compensation in the form of cash, stock options or other equity awards from time to time.

A First Reserve Fund's allocable share of any compensation received by a First Reserve employee from a First Reserve portfolio company for serving as a director for that portfolio company is reimbursed to the applicable First Reserve Fund through a management fee offset. First Reserve engages and retains senior advisors, who are not employees or otherwise affiliates of First Reserve, and fees received by any such senior advisors are, to the extent set forth in a First Reserve Fund's governing documents, not reimbursed to the applicable First Reserve Fund through a management fee offset.

Co-Investment Vehicles

The General Partners of the First Reserve Funds from time to time offer certain persons, including existing Limited Partners, strategic investors or other third parties, the opportunity to co-invest in particular investments alongside of the applicable First Reserve Fund, subject to certain restrictions. In addition, First Reserve also manages certain co-investment vehicles that allow investors to opt-in to investments allocated to such vehicle by the applicable General Partner. In each case where co-investors participate in an investment, such co-investors will bear their pro rata share of any expenses associated with such investment but generally do not bear broken-deal expenses; similarly, in the event break-up or topping fees are paid in connection with a transaction that is not ultimately consummated, such co-investors will generally not be allocated any share of such break-up or topping fees. Such determinations will be made by the applicable General Partner on a case by case basis and may result in differing treatment of co-investment vehicles under certain circumstances. In addition, any such co-investors who are also Limited Partners in the applicable First Reserve Fund are generally not charged any management fees or carried interest in respect of their commitments to the applicable co-investment vehicle, but co-investors who are not also Limited Partners in the applicable First Reserve Fund may be charged such fees and carried interest. To the extent co-investors are not charged any management fees, the portion of any Other Fees and, where applicable, Broker Dealer Fees received by First Reserve in respect of the applicable co-investment, which would otherwise offset such management fees, are expected to be retained by First Reserve and will not be applied to further reduce the management fees paid by Limited Partners in respect of their capital commitments to the applicable First Reserve Fund. For additional information regarding co-investment allocation, please see Item 11.

Expenses Charged to the Funds

Except as set forth in the governing documents of a First Reserve Fund, the Limited Partners will bear all legal and other expenses, including the out-of-pocket expenses of the applicable General Partner and, where specifically described and agreed in the applicable governing documents, the out-of-pocket expenses of any cornerstone investors, incurred in the formation of the applicable First Reserve Fund and its applicable General Partner and First Reserve Advisor, typically up to an amount as set forth in the organizational documents of the applicable Fund. To the extent the governing documents of a First Reserve Fund cap organizational expenses, organizational expenses in excess of such amount, if any, will ultimately be borne by First Reserve. The Limited Partners will also bear indirectly the ongoing fees and expenses of the First Reserve Funds. Those fees and expenses will vary by First Reserve Fund, but typically will include, among other things: (i) fees, costs and expenses of any third party administrators, custodians, depositaries, attorneys, accountants, tax advisers, consultants, brokers, deal finders, executive search firms, agents, valuation experts, data providers (including related systems and services from such data providers and data management software) and other advisers and professionals (including audit and certification fees and the costs of preparing, printing and distributing reports to Limited Partners) and costs of related information management systems (in certain cases, whether maintained at First Reserve or otherwise) and technical services; (ii) fees, costs and expenses payable to third parties incurred in developing, bidding on, evaluating, negotiating, structuring, obtaining regulatory approvals for, acquiring, trading, settling, monitoring, maintaining custody of, holding and disposing of actual investments and costs of related information management and trading systems, including any financing, legal, accounting, engineering, advisory and consulting expenses, and any costs and expenses arising from any foreign exchange or other currency transactions, any insurance, indemnity or litigation expenses, and any travel and accommodation expenses (which includes first or business class commercial travel, and from time to time includes the actual cost of non-commercial air travel, as well as travel, entertainment and accommodation expenses in connection with fund-raising activities) in connection therewith, including any such costs, fees (including break-up fees and reverse termination fees) and expenses incurred in connection with a proposed portfolio investment that is not ultimately made and any amounts paid to an individual or group pursuing a business plan that is not successfully implemented; (iii) costs and expenses of entities through which a First Reserve Fund holds portfolio investments; (iv) costs and expenses of an affiliated feeder fund of a First Reserve Fund; (v) expenses incurred in connection with a First Reserve Fund's legal, tax, regulatory and statutory compliance with U.S. federal, state, local, non-U.S. or other law and regulation, including, without limitation, regulatory filings of a First Reserve Advisor and its affiliates relating to a First Reserve Fund and its activities, including reporting on and compliance with Form PF and reports to be filed with the U.S. Commodities Futures Trading Commission (the "CFTC"), the Foreign Account Tax Compliance Act ("FATCA"), the Organisation for Economic Co-operation and Development's Common Reporting Standard, any similar regimes and any fiscal or regulatory legislation, regulations, rules, guidance or practices adopted pursuant to the Organisation for Economic Co-operation and Development's Common Reporting Standard and/or any comparable legislation or regulations published by any other relevant jurisdiction, including, in each case, reports, disclosures, filings and notifications prepared in accordance therewith and the organization or maintenance of any entity used in connection with compliance by a First Reserve Fund with the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (as amended) (the "Directive") (including any depositary, administrator or entity established or

engaged to be the “alternative investment fund manager” of a First Reserve Fund within the meaning of the Directive), and any notices, disclosures, reports and/or filings required under the European Union Sustainable Finance Disclosure Regulation and any other applicable legislation or regulations related to the European Commission’s Action Plan on Financing Sustainable Growth; (vi) brokerage commissions, prime brokerage fees, custodial expenses, agent bank and other bank service fees, costs and expenses actually incurred in connection with actual portfolio investments; (vii) costs and expenses, if any, associated with any third party examinations or audits (including other similar services) of a First Reserve Fund, a General Partner or a First Reserve Advisor that are attributable to the operation of such First Reserve Fund or otherwise requested by a Limited Partner; (viii) the costs and expenses of any lenders, investment banks and other financing sources (including principal and interest and fees and other expenses arising out of borrowings made by a First Reserve Fund permitted to be incurred under the governing documents, including the arranging thereof and any related expenses or professional fees incurred in connection with any procedure reports for lenders and any indemnification obligations); (ix) the out-of-pocket costs of any litigation, D&O liability or other insurance and indemnification (including advances) or extraordinary expense or liability relating to the affairs of First Reserve Funds; (x) the out-of-pocket expenses incurred in connection with compiling and complying with provisions in side letters, including “most favored nations” provisions; (xi) expenses of liquidating a First Reserve Fund and any intermediate entity used to acquire, hold or dispose of any actual or potential portfolio investments; (xii) registration expenses and any taxes, fees or other governmental charges levied against or payable by a First Reserve Fund and all expenses incurred in connection with any tax audit, filings, investigation, settlement or review of a First Reserve Fund; (xiii) placement compensation payable to any placement agent (including any out-of-pocket expenses of such placement agent and any indemnification expenses payable to such placement agent) or financial advisor in connection with subscriptions for interests in First Reserve Funds by Investors (such fees and expenses will be applied to reduce the quarterly management fee of the applicable First Reserve Fund); (xiv) expenses of the Limited Partner advisory boards for each of the First Reserve Funds (each an “Advisory Board”)¹ and meetings of the Limited Partners; and (xv) fees, costs and expenses related to the organization or maintenance of intermediate vehicles through which Limited Partners participate in an investment of a First Reserve Fund, including, without limitation, any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, break-up fees, or other overhead expenses in connection therewith.

In addition, certain First Reserve Funds are allocated fees, costs and expenses related to in-house administrative, accounting and legal services provided by its General Partner or affiliates thereof to the extent permitted by the governing documents of such First Reserve Fund and in accordance with its expense allocation policy. Although First Reserve does not generally use the services of broker-dealers for the purpose of executing portfolio investments of the First Reserve Funds (other than in respect of the Debt Funds), in the event that First Reserve chooses to use a broker-dealer or other finder for purposes relating to a First Reserve Fund, such First Reserve Fund is likely to incur brokerage and other transaction costs, including finder’s fees. For additional information regarding brokerage practices, please see Item 12. Investors should review all fees charged by

¹ Generally an Advisory Board is made up of a small number of voting representatives of certain Limited Partners.

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

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

As noted in Item 5, First Reserve Funds allocate a portion of their investment profits to their respective General Partners, to the extent set forth in each First Reserve Fund's Confidential Private Placement Memorandum, where applicable, and its governing documents.

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

First Reserve is also entitled to receive carried interest with respect to the Infrastructure Funds.

Item 7. Types of Clients

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

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

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

The following is a summary of the methods of analysis and investment strategies generally employed by First Reserve as well as the material risks associated with investing in such strategies. Prospective and existing investors are advised to review the offering materials and other

constituent documents for full details on each applicable First Reserve Fund's investment, operational and other actual and potential risks.

Method of Analysis

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

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

Investment Strategy

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

Private Equity Funds

The Private Equity Funds generally target equity and equity-related investments in energy and natural resource companies throughout the world. The Private Equity Funds generally focus on companies in which First Reserve can have significant influence through the Fund's ownership position and board representation. Certain other investments, particularly those in less-traditional sectors of the energy and natural resources industries or in emerging markets, are structured from time to time so that First Reserve will work closely with an experienced industry or regional partner. This general focus is supplemented with a differentiated, and what First Reserve believes to be a risk-mitigated, approach in the midstream and downstream sectors that at the same time offer returns consistent with the Private Equity Funds' objectives. With respect to all investments, First Reserve seeks to bring to bear its industry and strategic experience.

The Private Equity Funds focus on capitalizing on primary investment themes identified for each First Reserve Fund, including the decades long underinvestment in worldwide energy infrastructure, the increased importance of North American shale production, the increased focus on safety and regulation-driven environment, social and governance expenditures for aging and new infrastructure, new or improved technologies and the global nature of the energy and natural resources industry. In evaluating potential portfolio investments, First Reserve conducts extensive due diligence to analyze, among other things, the target company's market and competitive

position, the target company's cost and revenue structures, the target company's assets, management team, contingent liabilities (environmental, regulatory, accounting or otherwise), integrity and compliance, potential growth opportunities and First Reserve's potential exit strategies.

First Reserve has invested in a range of segments within the energy and natural resources industry historically, and currently intends to focus its Private Equity Funds' strategy in the following investment areas: (1) Resources (which includes oil, gas, mining and minerals), (2) Equipment and Services (which includes infrastructure and industrial equipment & services and oilfield equipment & services) and (3) Midstream and Downstream.

Debt Funds

First Reserve's investment strategy with respect to the Debt Funds focuses on investments in no larger than \$40 million senior and senior subordinated debt primarily in energy-related infrastructure businesses, but may also include non-controlling equity and other interests including mezzanine capital, preferred stock, convertible securities and other contractual rights or instruments in such businesses. While the Debt Funds continue to hold and manage portfolio investments, as of the date hereof, the Debt Funds are no longer acquiring new portfolio investments.

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

Risks

No Assurance of Investment Return. An investment in a First Reserve Fund requires a long-term commitment with no certainty of return. There can be no assurance that the First Reserve Advisors will be able to choose, make and realize investments in any particular company or portfolio of companies, and there can be no assurance that projected or targeted returns set forth in a Confidential Private Placement Memorandum of a First Reserve Fund will be achieved. There typically is little or no near-term cash flow available to Investors following investment in a First Reserve Fund. Many of the First Reserve Funds' investments are highly illiquid, and there can be no assurance that a First Reserve Fund will be able to realize on its investments in a timely manner. Dispositions of investments may require a lengthy time period or could result in distributions in-kind to Investors.

There can be no assurance that any First Reserve Fund will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of

investments in which such First Reserve Fund participates. There can be no assurance that any Limited Partner will receive any distribution from a First Reserve Fund. Accordingly, an investment in a First Reserve Fund should only be considered by persons who can afford a loss of their entire investment.

Past activities of the First Reserve Funds provide no assurance of future success of any First Reserve Fund. Past or projected performance is not necessarily indicative of future results and there can be no assurance that any First Reserve Fund will achieve certain results, that the returns generated by any First Reserve Fund will equal or exceed those of other fund investment activities of First Reserve, or that any First Reserve Fund will be able to implement its investment strategies or achieve its investment objectives.

Restrictions on Transfer and Withdrawal; No Market for Interests. Interests in the First Reserve Funds have not been registered under the 1933 Act or any other securities laws of any U.S. state or any other jurisdiction. Therefore, the interests in the First Reserve Funds cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the interests in the First Reserve Funds under the 1933 Act or other securities laws will ever be effected. An investment in a First Reserve Fund is a long-term commitment. It is anticipated that there will be a significant period of time (up to six years or more) before a First Reserve Fund has completed the investments in its portfolio companies. There is no public market for the interests in the First Reserve Funds and none is expected to develop. In addition, the interests in the First Reserve Funds are not assignable or transferable except with the applicable General Partner's consent, which may be given or withheld in its sole and absolute discretion, and, in certain cases, are also subject to a right of first offer to other Limited Partners. Except in extremely limited circumstances, withdrawals from the First Reserve Funds are not permitted.

Market Conditions. The success of a First Reserve Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws and regulations (including laws relating to taxation of such First Reserve Fund's investments), trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations) in respect of the countries in which such First Reserve Fund may invest. These factors may affect the level and volatility of securities prices and the liquidity of such First Reserve Fund's investments, which could impair its profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect a First Reserve Fund's investment opportunities and the value of its investments. First Reserve's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on First Reserve's business and operations and thereby could impact the First Reserve Funds. Recent volatility in the global financial markets and political systems of certain countries may have adverse spill-over effects into the global financial markets generally and the U.S. markets in particular.

Moreover, a recession, slowdown and/or sustained downturn in the U.S. or global economies (or any particular segment thereof) or weakening of credit markets could adversely affect the profitability of the First Reserve Funds, impede the ability of the portfolio companies of the First

Reserve Funds to perform under or refinance their existing obligations, and impair the ability of the First Reserve Funds to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the First Reserve Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular portfolio company's capital structure. First Reserve itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry in particular or of the U.S. and/or global economies generally. Similarly, the portfolio companies of the First Reserve Funds historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of the First Reserve Funds to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of the First Reserve Funds, restrict the investment activities of the First Reserve Funds and/or impede the ability of the First Reserve Funds to effectively achieve their investment objectives.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the First Reserve Advisors are responsible for monitoring the performance of each investment and generally intend to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with the plans and/or objectives of the applicable First Reserve Fund. Additionally, portfolio companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive, notwithstanding general unemployment levels or developments within a particular industry. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of their management teams and, as a result, the First Reserve Funds may be adversely affected thereby.

Illiquid and Long-Term Investment Risks. An investment in a First Reserve Fund requires a long-term commitment with no certainty of return. Many of a First Reserve Fund's investments will be highly illiquid, and there can be no assurance that a First Reserve Fund will be able to realize on such investments in a timely manner. Although a First Reserve Fund's investments occasionally generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by the First Reserve Funds at the time of their acquisition. The First Reserve Funds will generally not be able to sell the securities of portfolio companies publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the First Reserve Funds are prohibited for contractual, legal or regulatory reasons from selling certain securities for a period of time. To the extent that there is no trading market for an investment, a First Reserve Fund may be unable to liquidate that investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of the First Reserve Funds' investments will be found.

Risks Relating to Investments in Restructurings. From time to time, First Reserve Funds make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject a First Reserve Fund to certain additional potential liabilities that may exceed the value of such First Reserve Fund's original investment therein. In addition, under certain circumstances, payments to a First Reserve Fund and distributions by such First Reserve Fund to the Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Risks Relating to Investments in Less Established Companies. The First Reserve Funds from time to time invest a portion of their assets in the securities of less established companies. Investments in such early stage companies involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by a First Reserve Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance, and, in many cases, if operating, will have negative cash flow. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which a First Reserve Fund invests, such First Reserve Fund may suffer a partial or total loss of capital invested in that company. Any such losses may not be offset by gains (if any) realized on other investments.

Risks in Effecting Operating Improvements. In certain cases, the success of a First Reserve Fund's investment strategy will depend, in part, on the ability of such First Reserve Fund to restructure and effect improvements in 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. A First Reserve Fund may not be able to successfully identify and implement such restructuring programs and improvements.

Risks Relating to Holding Investments Longer Than Term. A First Reserve Fund from time to time may make investments which may not be advantageously disposed of prior to the date such First Reserve Fund is dissolved, either by expiration of such First Reserve Fund's term or otherwise. Although First Reserve Advisors typically expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution prior to dissolution, and a General Partner typically has a limited ability to extend the term of a First Reserve Fund, a First Reserve Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the winding up and dissolution of such First Reserve Fund.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies. Before making an investment, a First Reserve Advisor will conduct due diligence that they deem reasonable and

appropriate based on the facts and circumstances applicable to each investment. Due diligence typically entails evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors, consultants and other third parties presents a number of risks primarily relating to First Reserve's reduced control of the functions that are outsourced. In addition, if the First Reserve Advisor is unable to timely engage third party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the General Partner and/or the First Reserve Advisor will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigation that a First Reserve Advisor carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that investments will achieve their desired goals, notwithstanding attempts to provide downside protection, and potential investors should regard an investment in a First Reserve Fund as being speculative and having a high degree of risk.

Risks Relating to Conduct at Portfolio Companies. There can be no assurance that First Reserve will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor an investment on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a First Reserve Fund may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of a portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of a First Reserve Fund's securities and/or instruments in such portfolio company. First Reserve Funds typically will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable, but cannot guarantee accuracy or completeness. Under certain circumstances, payments to a First Reserve Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Use of Leverage. The investments of the First Reserve Funds include companies whose capital structures have significant leverage. In addition, investments are consummated through the use of significant leverage. While investments in leveraged companies and the use of leverage in financing transactions offer the opportunity for capital appreciation, and First Reserve Advisors will seek to use leverage in a manner they believe to be prudent, such investments and use of leverage also involve a higher degree of risk and increase an investment's exposure to adverse economic factors such as rising interest rates and downturns in the economy. To the extent a portfolio company utilizes leverage, any recession, operating problem, deterioration in the condition of the portfolio company and/or its industry, or any other general business and economic risk, may have a more pronounced effect on the profitability or survival of such portfolio company. As a general matter, the presence of leverage can accelerate losses. In using leverage, portfolio companies may be subject to terms and conditions that include restrictive financial and operating covenants that could impair their ability to finance or otherwise pursue their future operations or otherwise satisfy additional capital needs. Moreover, rising interest rates may significantly

increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet its debt obligations, a First Reserve Fund may suffer a partial or total loss of capital invested in such portfolio company. To the extent there is not ample availability of financing for leveraged transactions (e.g., adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) a First Reserve Fund's ability to consummate certain transactions could be impaired. See also "Market Conditions" above.

In addition, to the extent that the General Partner of a First Reserve Fund has the right, at its option, to cause the First Reserve Fund to borrow money (including the drawn portion of letters of credit) for the purpose of paying operational expenses, covering management fees, providing interim financing to the extent necessary to consummate the purchase or financing of investments prior to the completion of the permanent debt or equity financing therefore or prior to the receipt of capital contributions therefore and/or making payments to withdrawing Limited Partners, such borrowing exposes such First Reserve Fund to refinancing, recourse and other risks, and such borrowing may be in addition to, or in lieu of (or a replacement for), debt at the asset level. Notwithstanding that the General Partner will seek to incur and manage such facilities effectively, the interest expense and other costs incurred in connection with such borrowings may not be recovered by appreciation in the investments purchased or carried. In addition, with respect to any asset-backed facility entered into by a First Reserve Fund (or an affiliate thereof), a decrease in the market value of such First Reserve Fund's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which such First Reserve Fund must either repay the borrowed funds to the lender, which could, subject to any limitations set forth in the governing document of such First Reserve Fund, require its Limited Partners to make capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of a First Reserve Fund's investments at an inopportune time to satisfy such financial covenants could adversely impact the performance of a First Reserve Fund and could, if the value of its investments had declined significantly, cause a First Reserve Fund to lose all or a substantial amount of its capital. Moreover, if capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other investments and could adversely affect the diversification of a First Reserve Fund's portfolio. In the event of a sudden, precipitous drop in the value of a First Reserve Fund's assets, a First Reserve Fund might not be able to dispose of assets quickly enough to pay off its debt, resulting in a foreclosure or other total loss of some or all of the pledged assets. Fund-level debt facilities typically include other covenants such as, but not limited to, covenants against a First Reserve Fund making distributions to its Limited Partners if there is a default under a First Reserve Fund-level debt facility, and covenants against a First Reserve Fund incurring or being in default under other recourse debt, including certain guarantees of asset level debt by a First Reserve Fund. Any breach of those covenants could cause adverse consequences to a First Reserve Fund if it is unable to cure or otherwise mitigate such breach. A First Reserve Fund may need to refinance its outstanding debt as it matures. There is a risk that a First Reserve Fund may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of the existing loan agreements. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect a First Reserve Fund's financial condition, cash flows and return on its investments. Recourse debt, which a First Reserve Fund reserves the right to obtain, may subject other assets of a First Reserve Fund to the

risk of loss and the Partner's capital commitments to be called or a First Reserve Fund's assets to be sold to satisfy such debt. Full or partial recourse debt may also limit the ability of a First Reserve Fund to effect a debt restructuring at or prior to maturity of the debt.

Incurrence of indebtedness at the level of a First Reserve Fund (or an entity through which it invests) may, among others, have the following consequences, including, but not limited to: (i) greater fluctuations in the net asset value of a First Reserve Fund's assets; (ii) use of cash flow (including capital contributions) for debt service, distributions or other purposes; (iii) to the extent that a First Reserve Fund's revenues are required to meet principal payments, the Partners may be allocated income (and therefore tax liability) in excess of cash distributed; and (iv) in certain circumstances, a First Reserve Fund may be required to dispose of investments at a loss or otherwise on unattractive terms to service its debt obligations or meet its debt covenants. There can be no assurance that a First Reserve Fund will have sufficient cash flow to meet its debt service obligations. As a result, a First Reserve Fund's exposure to foreclosure and other losses may be increased due to the illiquidity of its investments.

First Reserve Funds, from time to time, guarantee obligations (including undrawn portions of letters of credit) in connection with investments (including, without limitation, guarantees with respect to completion, recourse, creditworthiness, misconduct, environmental matters and capital contributions to a participating co-investment vehicle) or collateralize loans or other extensions of credit made to, or obligations of, any current or prospective vehicle through which investments are made or held directly or indirectly (or any subsidiary thereof), any vehicle formed to effect the acquisition thereof, any parallel vehicle, alternative investment vehicle or co-investment vehicle or, in each case, any affiliate thereof (including, without limitation, to cover a First Reserve Fund's expenses and organizational expenses, pay management fees, make investments, and provide interim financing to the extent necessary to consummate the purchase of investments prior to completion of the permanent debt financing therefore or prior to the receipt of capital contributions).

Borrowings by a First Reserve Fund are generally secured by, among other things, its Limited Partners' unpaid commitments and/or by a First Reserve Fund's assets, including investments. This may limit the Partners' ability to use their interests in a First Reserve Fund as collateral for other indebtedness. Subject to the terms of a First Reserve Fund's limited partnership agreement, lenders to a First Reserve Fund may include Limited Partners and their affiliates and/or the limited partners (or affiliates of limited partners) of any parallel vehicle and other First Reserve vehicles. In connection therewith, Limited Partners may be required to execute an investor acknowledgement for the benefit of the lenders under the subscription-based credit facility, and may be required to acknowledge their obligations to pay their share of indebtedness up to their unpaid commitment. If a First Reserve Fund defaults on secured indebtedness, the lender may foreclose and a First Reserve Fund could lose its entire investment in the security for such loan and/or the lender may issue a drawdown notice for the purpose of repaying the secured indebtedness. If a First Reserve Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to a First Reserve Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. In connection with one or more credit facilities entered into by a First Reserve Fund, distributions to Limited Partners may be subordinated to payments required in connection with any indebtedness contemplated thereby. The exercise by any lenders of their drawdown right under a subscription-

based credit facility would reduce the amount of capital otherwise available to a First Reserve Fund for making investments and may negatively impact a First Reserve Fund's ability to make investments or achieve its investment objectives.

To the extent that a First Reserve Fund co-invests with any vehicles managed or controlled by First Reserve, including any other First Reserve Funds, vehicles and accounts, a First Reserve Fund could incur indebtedness and guarantee obligations together with such vehicles on a joint and several or cross-collateralized basis (which may be on an investment-by-investment or portfolio wide basis). While such arrangements may be joint and several with respect to a First Reserve Fund, such arrangements may not necessarily impose reciprocal joint and several obligations on such vehicles. As a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, a First Reserve Fund may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such vehicles are unable to repay their pro rata share of such indebtedness. Moreover, a First Reserve Fund could also lose its interests in performing investments in the event such performing investments are cross-collateralized with poorly performing or non-performing investments.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a First Reserve Fund is often considered to control, participate in the management of or otherwise influence the conduct of portfolio companies. Under certain circumstances, such ownership or roles could be used by third parties as the basis for such parties to assert claims against such First Reserve Fund or its affiliates whether or not there is any actual liability on such basis. If these liabilities were to arise, such First Reserve Fund could suffer a significant loss.

Turmoil in the U.S. and Global Financial Markets. There can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of the portfolio companies of the First Reserve Funds (including with respect to performing under or refinancing their existing obligations), their access to capital or leverage, their ability to effectively deploy capital or realize investments on favorable terms or their overall performance. The First Reserve Funds' investment strategies and the availability of opportunities satisfying their risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past or projected performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations held by a General Partner will prove correct and actual events and circumstances may vary significantly.

United Kingdom Exit from the European Union. As part of the process of the United Kingdom ("UK") leaving the European Union ("EU"), the EU and the UK agreed an EU-UK Trade and Cooperation Agreement ("FTA") that governs the trading relationship between the UK and the member states of the EU from and after January 1, 2021. Broadly, the FTA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

UK regulated firms in the financial sector are adversely affected by these arrangements because the FTA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU.

It will take some time to observe the many and varied effects on UK businesses of the consequences of leaving the single market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the UK's economy, uncertainty, at least in the near term, about the effect of the FTA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the UK may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

This present uncertainty could therefore adversely affect the First Reserve Funds, the performance of their investments and their ability to fulfill their investment objectives (especially if their investments include, or expose them to, businesses that have historically relied on access to the single market for their customers or that have historically relied on sourcing goods, materials or labor from the single market).

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. The First Reserve Funds compete for investments with other private equity investment vehicles, as well as individuals, companies, public equity markets, strategic buyers, financial institutions and other institutional investors. Further, there continues to be a significant amount of equity capital available for private equity investment. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a First Reserve Fund and adversely affecting the terms upon which investments can be made. A First Reserve Fund will incur bid, due diligence or other costs on investments which may not be successful. As a result, it is expected that, in certain circumstances, a First Reserve Fund will not recover all of its costs, which will adversely affect returns. In addition, participation in auction transactions may increase the pressure on a First Reserve Fund with respect to pricing of a transaction. Limited Partners will be dependent upon the judgment and ability of the General Partner in sourcing transactions and investing and managing the capital of a First Reserve Fund. There can be no assurance that a First Reserve Fund will be able to locate, consummate and exit investments that satisfy a First Reserve Fund's rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital. To the extent that First Reserve Funds encounter competition for investments, returns to investors may decrease.

Limited Number of Investments; Concentration of Investments in the Energy and Natural Resources Industries. The First Reserve Funds typically participate in a limited number of investments and, as a consequence, the aggregate return of a First Reserve Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the governing documents of each First Reserve Fund, Investors have no assurance as to the degree of diversification of a First Reserve Fund's investments, either by geographic region or transaction type. To the extent a First Reserve Fund concentrates its investments in a particular issuer, security or geographic region, it will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, the First Reserve Funds' investments are expected to be concentrated in the energy and natural resources industries. Such concentration involves greater risks than those generally associated with diversified funds, including significant fluctuations in returns. Moreover, all of the investments of a First Reserve Fund may not perform well or return capital. Therefore, if certain investments perform unfavorably, for a First Reserve Fund to achieve above-average returns, then one or a few of such First Reserve Fund's investments must perform very well. There can be no assurance that this will be the case.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes could occur during the term of a First Reserve Fund that may adversely affect such First Reserve Fund. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, partly in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions.

Enhanced Scrutiny and Potential Regulation of the Private Equity Industry. The First Reserve Funds' ability to achieve their investment objectives, as well as the ability of the First Reserve Funds to conduct their operations, is based on laws and regulations that are subject to change through legislative, judicial or administrative action. There have been significant legislative developments affecting the private investment fund industry and there continues to be discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private investment fund industry. It is difficult to determine what impact, if any, that increased regulatory scrutiny or initiatives will have on the private investment fund industry generally, or on First Reserve and the First Reserve Funds specifically. Future legislative, judicial or administrative action could adversely affect the First Reserve Funds' ability to achieve their investment objectives, as well as the ability of the First Reserve Funds to conduct their operations.

The alternative asset management and financial services industries are subject to enhanced governmental scrutiny and/or increased regulation, and a number of legislative initiatives have been signed into law affecting alternative investment firms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), a key feature of which is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to nonbank financial companies that are not currently subject to such regulation but that potentially are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is substantially predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the "FSOC"), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to regulation by the Federal Reserve

Board (including capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important, in that its material financial distress or the riskiness of its activities could pose a threat to the financial stability of the United States. 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. If regulations were to extend the regulatory and supervisory requirements, such as capital and liquidity standards currently applicable to banks, or a First Reserve Fund were considered to be engaged in certain “shadow banking” activities, either in the United States or in any other jurisdiction in which such First Reserve Fund engages in investment activities, the regulatory and operating costs associated therewith could adversely impact the implementation of such First Reserve Fund’s investment strategy, and such First Reserve Fund’s returns, and may become prohibitive.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with certain private equity funds and hedge funds and other provisions that will affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called “Volcker Rule,” which takes the form of new Section 13 of the Bank Holding Company Act of 1956. Among other things, the Volcker Rule (as amended by the Reform Act, defined below, and together with its implementing regulations) prohibits any “banking entity” (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities, 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 U.S. Investment Company Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the U.S. Investment Company Act, subject to certain exclusions.

The enactment of these reforms and/or other similar legislation could have an adverse effect on the private investment funds industry generally and on First Reserve and/or the First Reserve Funds specifically, and may impede a First Reserve Fund’s ability to effectively achieve its investment objectives. First Reserve Advisors are 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 to make regulatory filings with respect to the First Reserve Funds and their activities under the Advisers Act (including, without limitation, Form PF)). Relatedly, First Reserve may be required to provide certain information regarding some of the investors in the First Reserve Funds to regulatory agencies and bodies in order to comply with applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (the “FCPA”) and Freedom of Information Act (“FOIA”). In light of the heightened regulatory environment in which the First Reserve Funds and the First Reserve Advisors operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the First Reserve Funds and the First Reserve Advisors to comply with such regulatory reporting and compliance-related obligations. For example, Form PF requires reporting the regulatory assets under management of the First Reserve Funds, and because the First Reserve Funds could be required to bear the expenses relating to compliance-related matters and regulatory filings, the First Reserve Funds will bear the costs and expenses of initial and ongoing Form PF compliance applicable to the First Reserve Funds,

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 the First Reserve Funds. Any further increases in the regulations applicable to private investment funds generally or the First Reserve Funds and/or the First Reserve Advisors in particular may result in increased expenses associated with the First Reserve Funds' activities and additional resources of the First Reserve Advisors being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for the Limited Partners and/or have an adverse effect on the ability of the First Reserve Funds to effectively achieve their investment objectives.

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 General Partner and its affiliates may be exposed to claims and/or actions that could require a Limited Partner to withdraw from a First Reserve Fund. Relatedly, First Reserve could be required to provide certain information regarding some of the investors in the First Reserve Funds to regulatory agencies and bodies in order to comply with applicable laws and regulations including the FCPA and FOIA. Moreover, the SEC has specifically focused on private equity. In connection with that focus, the SEC's list of examination priorities includes, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on First Reserve or the First Reserve Funds specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on First Reserve or otherwise impede the First Reserve Funds' activities. The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Reform Act") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including modification of the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule to implement certain amendments included in the Reform Act. As well, such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule in 2019 to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted certain clarifying amendments to the Volcker Rule's restrictions on sponsoring and investing in certain covered hedge funds and private equity funds, along with certain new exemptions that allow banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation vehicles and family wealth management vehicles (the "Covered Fund Amendments"). The Covered Fund Amendments also ease certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments, which became effective as of October 2020, therefore expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and such regulatory developments on the First Reserve Funds and their activities

remain uncertain, and the private investment fund industry may be subject to further enhanced governmental scrutiny and/or increased regulation in the future, including resulting from changes in U.S. executive administration or Congressional leadership. Any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on the First Reserve Funds and their activities.

On January 20, 2021, Joseph R. Biden, Jr. became President of the United States and the Democratic Party came into control of the U.S. Congress. The full scope of President Biden's legislative and regulatory agenda is not yet fully known, but may include certain regulatory measures for the U.S. financial services industry, changes to tax policies and other aspects of a progressive platform, any of which could adversely affect the private equity industry, the energy industry and / or the business of the First Reserve Funds. Such uncertainty around future legislation could adversely affect the First Reserve Funds.

Furthermore, elements of organized labor and other labor union representatives have embarked on a campaign targeting private investment firms on a variety of matters of interest to organized labor. There can be no assurance that the foregoing will not have an adverse impact on First Reserve or the First Reserve Funds or otherwise impede the First Reserve Funds' activities.

In addition to the U.S. legislation described above, non-U.S. jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. Therefore, there is a material risk that regulatory agencies in the U.S., Europe, Asia, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the alternative asset management (including private equity) industry, or other changes that could adversely affect alternative asset management firms, private equity firms and the funds they sponsor, including the First Reserve Funds. In addition, and particularly in light of the changing global regulatory climate, the First Reserve Funds may be required to register under certain foreign laws and regulations, requiring the engagement of distributors or other agents in certain non-U.S. jurisdictions to market to potential investors, which may generally limit a First Reserve Fund's ability to raise capital and/or increase the costs and expenses borne by the investors in such First Reserve Fund.

Moreover, as private fund firms and other alternative asset managers have become more influential participants in the U.S. and global financial markets and economy generally, the private fund industry has recently been subject to criticism by some politicians, regulators and market commentators. The recent negative perception of the private fund industry in certain countries could make it harder for the First Reserve Funds to successfully bid for and complete investments.

Possible Withholding Tax and Information Reporting Regime. FATCA requires all entities in a broadly defined class of foreign financial institutions ("FFIs") to comply with a complicated and expansive reporting regime or become subject to a 30% U.S. withholding tax on certain U.S. payments. As well, FATCA requires non-U.S. entities which are not FFIs to either certify they have no substantial U.S. beneficial ownership or to report certain information with respect to certain U.S. beneficial ownership or become subject to a 30% U.S. withholding tax on certain U.S.

payments. The reporting obligations imposed under FATCA require FFIs to enter into agreements with the U.S. Internal Revenue Service (the “IRS”) to obtain and disclose information about certain investors to the IRS, or, if subject to an intergovernmental agreement (“IGA”), to register with the IRS and comply with the other reporting regime of the IGA and any implementing legislation enacted thereunder. IGAs are generally intended to result in the automatic exchange of tax information through reporting by an FFI to the government or tax authorities of the country in which such FFI is domiciled, followed by the automatic exchange of the reported information with the IRS. Any amounts withheld pursuant to FATCA that are allocable to a Limited Partner, in accordance with a First Reserve Fund’s governing agreement, can be deemed to have been distributed to such Limited Partner to the extent the taxes reduce the amount otherwise distributable to such Limited Partner.

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

Volatility of Commodity Prices. The performance of certain of the First Reserve Funds’ investments will be substantially dependent upon prevailing prices of oil, natural gas, coal and other commodities (such as metals) and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as petroleum refining (“crack spread”) and power generation (“spark spread”). Commodity prices are likely to continue to be volatile and subject to wide fluctuations in response to any of the following factors: (i) relatively minor changes in the supply of and demand for each commodity; (ii) market uncertainty; (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and the importation of commodities in certain relevant markets; (v) the foreign supply of commodities; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels; (viii) the level of consumer demand; (ix) the recent imposition of tariffs by the U.S. and other countries; (x) the price of steel and the outlook for steel production; (xi) weather conditions; (xii) the competitive position of oil, gas or coal as a source of energy as compared with other energy sources; (xiii) the industry-wide refining or processing capacity for oil, gas or coal; (xiv) the effect of U.S. and non-U.S. federal, state and local regulation on the production, transportation and sale of commodities; (xv) with respect to the price of oil, actions of the Organization of Petroleum Exporting Countries; (xvi) the expected consumption of coking coal in steel production; (xvii) the amount and character of excess electric generating capacity in a market area; (xviii) overall economic conditions; and (xix) a variety of additional factors that are beyond the control of First Reserve or the First Reserve Funds. A substantial or extended decline in commodity prices may materially and adversely affect the First Reserve Funds’ investment activities as well as the financial condition, results of operations and liquidity of the First Reserve Funds’ investments, and the ability of such investments to finance planned capital expenditures.

Energy or Infrastructure Assets Generally. Investment in energy or infrastructure assets or businesses involves many significant risks that are relatively unique and

potentially acute. Project revenues can be affected by a number of factors including economic conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of an energy or infrastructure asset may adversely affect the overall profitability of the investment. Events outside the control of a portfolio company, such as political action and governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, social stability, natural disasters, changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer and/or acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring energy or infrastructure facilities. In turn, this could impair a portfolio company's ability to repay its debt, make distributions to a First Reserve Fund or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of energy or infrastructure assets or businesses involve various risks, many of which are not under the control of the owner/operator, including labor issues, failure of equipment to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. It is expected that portfolio companies will typically maintain insurance to protect against certain risks, where available on reasonable commercial terms, such as business interruption insurance, that is intended to offset loss of revenues during an operational interruption. Such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. In addition, investments in energy or infrastructure assets or businesses may also be affected by the prevailing prices of related commodities such as oil, gas and coal, which are generally subject to significant fluctuation.

Energy and Natural Resources Regulatory Risk. The energy and natural resources industries are subject to comprehensive U.S. federal, state, local and non-U.S. laws and regulations, including: the Clean Air Act, which imposes obligations related to air emissions; the Clean Water Act and Oil Pollution Act, which impose obligations related to discharges of pollutants into regulated bodies of water; the Safe Drinking Water Act; the Resource Conservation and Recovery Act, which imposes requirements for the handling and disposal of waste; the regulations and rulemakings by the Bureau of Ocean Energy Management and Bureau of Safety and Environmental Enforcement of the U.S. Department of the Interior, which impose permitting procedures and regulatory safety and performance requirements relating to oil and gas exploration and development in U.S. federal waters; the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), which regulates the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by a portfolio company or at locations to which a portfolio company has sent waste for disposal; the Environmental Protection Agency's community right to know regulations under Title III of CERCLA, which require a portfolio company to organize and/or disclose information about hazardous materials used or produced in connection with operations; the Occupational Safety and Health Act, which establishes

workplace standards for the protection of the health and safety of employees, including the implementation of hazard communications programs designed to inform employees about hazardous substances in the workplace, potential harmful effects of these substances, and appropriate control measures; the National Environmental Policy Act, which requires federal agencies to evaluate major agency actions having the potential to significantly impact the environment and which may require the preparation of environmental assessments and more detailed environmental impact statements that may be made available for public review and comment; the Migratory Bird Treaty Act, which implements various treaties and conventions between the U.S. and certain other nations for the protection of migratory birds and, pursuant to which the taking, killing or possessing of migratory birds is unlawful without a permit, thereby potentially requiring the implementation of operating restrictions or a temporary, seasonal, or permanent ban on operations in affected areas; the Endangered Species Act, which seeks to ensure that activities do not jeopardize endangered or threatened animals, fish and plant species or their habitats; and U.S. federal, state, local and non-U.S. laws and regulations similar to the foregoing. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the portfolio companies and the prospects of the First Reserve Funds. From time to time, such investments also involve an ongoing commitment to or from a government agency and derive a significant portion of their revenues from regulated tariffs or other usage or throughput-related fees. The nature of these obligations exposes the owners of portfolio companies and energy and natural resources related investments to a higher level of regulatory control and political risk than typically imposed on other businesses.

Regulatory changes in a jurisdiction in which a project or portfolio company is located or operates may make the continued operation of such project or company unfeasible or economically disadvantageous, and any expenditures made with respect to such investment may be wholly or partially written off. The location of a project or portfolio company may also be subject to government exercise of eminent domain power, expropriation or similar events. Similarly, regulatory differences among jurisdictions where projects and/or portfolio companies are located or operate may make the commencement and/or continued operation of a project and/or portfolio company in a particular jurisdiction less feasible and/or less profitable than projects and/or portfolio companies in other jurisdictions. In any case, landowners will be entitled to compensation for the use of their property, and in eminent domain actions, such compensation may be determined by a court. The inability of a First Reserve Fund and/or a portfolio company to obtain and maintain regulatory permits or right-of-way or rental agreements on acceptable terms could adversely impact a First Reserve Fund and/or a portfolio company, including by impeding their ability to complete construction projects on time, on budget, or at all. Any of these factors could significantly increase the regulatory-related compliance and other expenses incurred with respect to investments, and could significantly reduce or entirely eliminate any potential revenues generated by one

or more of the investments, which could materially and adversely affect returns to a First Reserve Fund.

There can be no assurance that (i) existing regulations applicable to investments generally or the portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to the portfolio companies; (iii) the technology and equipment selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

In addition, investments in renewable energy and related businesses and/or assets currently enjoy support from national, state and local governments and regulatory agencies designed to finance or support the financing development thereof. There can be no assurance that government support for renewable energy will continue or that favorable legislation will pass. To the extent any tax credits, favorable tax treatment or other forms of support for renewable energy are changed, the First Reserve Funds' renewable energy investments would likely be negatively impacted.

Regulatory Approvals. A First Reserve Fund from time to time invests in a portfolio company it believes has obtained all material energy and natural resources-related U.S. and non-U.S. federal, state and local approvals, if any, required as of the date thereof to acquire and operate their facilities. Notwithstanding the foregoing, such portfolio company may not have obtained such required approvals, if any, and such portfolio company may be required to obtain such approvals to operate its facilities. 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. In addition, a First Reserve Fund may require the consent or approval of applicable regulatory authorities to acquire or hold particular investments. Moreover, additional regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations or for other reasons. A portfolio company may not be able to (i) obtain all required regulatory approvals that it does not have at the time of a First Reserve Fund's investment or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other

applicable requirements, could prevent operation of the facility or sales to third parties or could result in additional costs to a portfolio company.

Change of Law Risk. In addition to the risks regarding regulatory approvals, government counterparties or agencies may have the discretion to change or increase regulation of a portfolio company's operations, or implement laws or regulations affecting the portfolio company's operations separate from any contractual rights it may have. A portfolio company or project 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 or project. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by a portfolio company or gains recognized by a First Reserve Fund on its investment in such portfolio company, that could impact a portfolio company's business as well as such First Reserve Fund's return on investment with respect to such portfolio company. Because its business may provide energy, a basic everyday service, and face limited competition, or because extraction and delivery of mineral resources may be considered a strategic area, governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business.

Regulatory Risk Involving Hydraulic Fracturing. Hydraulic fracturing (also known as "fracking") is an important and common practice that is used to stimulate production of natural gas and/or oil from dense subsurface rock formations. 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/or gas assets, they could have an adverse effect on such assets. The hydraulic fracturing process generally involves the injection of water, sand and chemicals under pressure through a cased and cemented wellbore into targeted subsurface formations to fracture the surrounding rock and stimulate production. A portfolio company's inability to locate sufficient amounts of water, sand and chemicals, or dispose of water after drilling, at a commercially reasonable price, could adversely impact such portfolio company's operations. Moreover, the adoption and implementation of new environmental regulations could result in restrictions on 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 First Reserve Funds' financial conditions and results of operations.

Although some federal agencies have asserted federal regulatory authority over certain aspects of the process, including the U.S. Environmental Protection Agency's publication of guidance regarding hydraulic fracturing activities involving the use of diesel fuels, hydraulic fracturing typically is regulated by state oil and gas commissions. In addition, the U.S. Congress has considered legislation to provide for federal regulation of hydraulic fracturing and require disclosure of chemicals used in the hydraulic fracturing process. At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure and well-construction requirements on hydraulic fracturing activities. Local governments may also seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general, or hydraulic fracturing activities in particular. Some states and municipalities have banned hydraulic fracturing altogether. Portfolio companies could incur potentially significant added costs to comply with existing or future requirements, experience delays or curtailment in the pursuit of exploration, development or production activities, and perhaps even be precluded from drilling wells.

Disposal of Water and Waste. Water is an essential component of oil and natural gas 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 exploration 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 exploration, development or production of natural gas (including, but not limited to, produced water, drilling fluids and other materials used in the drilling and completion process). 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.

Uncertainty of Estimates. Estimates of energy and natural resources reserves (e.g., hydrocarbon reserves or mineral reserves), and of factors such as solar energy intensity and movement of wind and water flow (for solar, wind and hydroelectric power, respectively) by qualified engineers, are often key factors in valuing certain energy and natural resources companies. The process of estimating natural resources reserves, and such other factors, is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data. These estimates are subject to wide variances

based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the company owning such reserves or subject to such factors. Further, any significant inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of the reserves. Reserve estimates for fields that do not have a lengthy production history are also less reliable than estimates for fields with lengthy production histories. Less production history may contribute to less accurate estimates of reserves, future production rates and the timing of development expenditures.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the energy and natural resources industries and can have a substantial impact on investments in these industries. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. The energy and natural resources industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. From time to time, First Reserve Funds invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements, or stricter interpretations of current laws or regulations, could impose substantial additional costs on portfolio companies and potential investments, including delays as the waiting periods to receive certain permits and other regulatory approvals have become longer. Additionally, 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 to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company, and there can be no assurance that the portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of the portfolio companies could also result in material personal injury or property damage claims. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as a First Reserve Fund) subject to environmental liability. However, a Limited Partner may reduce its risk of such personal liability by avoiding activities with respect to such First Reserve Fund's investments other than as specifically contemplated by the governing documents of such First Reserve Fund.

Conservation Matters and Reduced Demand. Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil

and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas. The impact of the changing demand for oil and gas services and products may have a material adverse effect on a portfolio company's business, financial condition, results of operations and cash flows.

Regulations Related to Wildlife Protection. Oil and natural gas operations in operating areas can be adversely affected by regulations designed to protect various wildlife. The designation of previously unprotected species as threatened or endangered in areas where underlying operations are conducted could result in increased costs arising from species protection measures or could result in constraints on exploration and production activities. Such limits on ability to operate in those areas can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages. These constraints and the resulting shortages or high costs could delay operations and materially increase operating and capital costs.

Regulation of Greenhouse Gases. There is a growing consensus in the U.S. 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 international, U.S. federal or U.S. regional or state requirements to reduce or mitigate the effects of GHGs. Changes in the regulation of GHGs could impact investments or make future investments undesirable. Any future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, operators' equipment and operations could require portfolio companies to incur costs to reduce emissions of GHGs associated with their operations. In addition, substantial limitations on GHG emissions could adversely affect demand for the oil and natural gas produced by portfolio companies. Restrictions on emissions of methane or carbon dioxide, as well as climate change initiatives in any relevant jurisdiction, could adversely affect the oil and natural gas industry, and, at this time, it is not possible to accurately estimate how potential future laws or regulations addressing GHG emissions would impact oil and gas assets.

Catastrophe Risk; Force Majeure. The operations of energy and natural resources companies and energy infrastructure assets targeted by First Reserve Funds are subject to many hazards inherent in the transporting, processing, storing, refining, distributing, mining or marketing of natural resources like natural gas, natural gas liquids, crude oil, coal, minerals, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities or potential unplanned interruptions caused by significant catastrophic or force majeure events, including: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and farm equipment, leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons, and fires and explosions. 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 the 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.

Drilling, Exploration, Development and Mining Risks. From time to time, First Reserve Funds invest in businesses or projects that engage in exploration and development, a speculative business involving a high degree of risk. Oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Acquiring, developing and exploring for oil and natural gas involves many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents in completing wells and otherwise, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks. Mining is subject to inherent risks including unexpected equipment or maintenance problems, variations in geological conditions, natural disasters, underground mine flooding, environmental hazards, industrial accidents, explosions caused by the ignition of explosive materials at mine sites and fires caused by spontaneous combustion and, in certain cases, periodic labor unrest. Such risks 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.

Effects of Ongoing Changes in the Utility Industry. From time to time, First Reserve Funds invest in, or invest in companies associated with, providing services to electric utility industries both in the U.S. and abroad. In many regions, including the U.S., the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects into which a First Reserve Fund may invest could come under increasing pressure. Deregulation is fueling the current trend toward consolidation among domestic utilities, but also the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry. In addition, independent power producers may find it increasingly difficult to negotiate long-term power sales agreements with solvent utilities, which would affect the profitability and financial stability of independent power projects.

Power Purchase Agreement Risk. Portfolio companies engaged in power generation from time to time enter into power purchase agreements ("PPAs"). Payments by power purchasers to such companies or projects pursuant to their respective PPAs could provide the majority of such companies' or projects' cash

flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their respective PPAs, that a power purchaser will not become bankrupt, or that upon any such bankruptcy its obligations under its respective PPA will not be rejected by a bankruptcy trustee. There are additional risks relating to PPAs, including the occurrence of events beyond the control of a power purchaser, that could excuse it from its obligation to accept and pay for delivery of energy generated by a company or project. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA would likely have a material adverse effect on a portfolio company or project.

Political and Societal Challenges. Energy and energy-related projects are often subject to siting requirements. Siting of energy projects is also frequently subject to regulation by applicable governmental authorities. For example, proposals to site an energy plant or drilling are from time to time challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, including the common “not in my backyard” phenomenon. Concerns can also arise regarding some of the extraction techniques used in connection with certain projects, including, without limitation, the use of natural gas hydraulic fracturing (also known as “fracking”) in the extraction of shale gas in order to enhance recovery, which often requires governmental permits or approvals and which has been the subject of heightened environmental concerns and public opposition in some jurisdictions. The failure of any portfolio company or project to receive, renew or maintain any required permits or approvals or any inability to satisfy any requirement of any permits or approvals would likely result in increased compliance costs, the need for additional capital expenditures or a suspension of operations.

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 natural gas and oil prices, causing periodic worker shortages. As well, historically, there have been shortages of drilling and workover rigs, pipe and other equipment as demand for rigs and equipment has increased along with the number of wells being drilled. Currently, there are instances of equipment and/or personnel shortages in markets where First Reserve Funds invest from time to time. 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 portfolio companies to incur significant expenditures and result in a material adverse effect on its business, financial condition and/or results of operations.

Documentation and Other Legal Risk. Energy and energy generation and related projects are typically governed by complex legal agreements. As a result, there is a higher risk of dispute over interpretation or enforceability of the agreements. It is not uncommon for energy and 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 investments that may adversely affect operations of an investment or the value thereof. Interest groups may also use legal processes to seek to impede particular projects to which they are opposed.

Sovereign Risk. The rights of certain portfolio companies to extract mineral resources, or to generate, deliver or sell energy or related services and equipment are often granted by or derive from approval by governmental entities. This subjects such companies to special risks, including the risk that the relevant governmental entity will exercise sovereign rights and take actions contrary to the rights of a First Reserve Fund or the relevant portfolio company or project under the relevant agreement. There can be no assurance that the relevant governmental entity will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of any relevant portfolio company or project.

Trade Policy. Current and future political leaders have been elected and may be elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of a First Reserve Fund and its investments.

Terrorist Activities. The continued threat of terrorism and the impact of military or other action have led to and will likely continue to cause volatility in prices for commodities, and could affect the financial results of the First Reserve Funds. Further, the U.S. government has issued public warnings indicating that energy assets might be a specific target of terrorist organizations. Investments of the First Reserve Funds involve certain 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. As a result of the terrorist attacks on September 11, 2001, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees for claims resulting from acts of terrorism, war or similar events. A terrorist attack on an energy-related asset that is not owned by a portfolio company may also have adverse consequences for all energy-related assets of that type or in the same vicinity, including those owned by a portfolio company, and may result in a portfolio company being forced to increase preventative security measures and/or expand its insurance coverage, adversely

affecting the profitability of the investment therein. As a result of such a terrorist attack, or terrorist activities in general, a First Reserve Fund may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Technical Risk. Investments in the energy industry are subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events that adversely affect operations.

While the First Reserve Funds intend to seek investments in which creditworthy and appropriately bonded and insured third parties bear much 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.

New Technology Risk. Historically, technology changes in the energy sector have resulted in gradual incremental improvements with no disruptive technology impacts. However, there are currently a number of scientific research institutions (including those supported by major venture capital firms and corporations) seeking to develop technologies designed to reduce dependence on large scale fossil fuel generation. In the event that any such technology in the power generation sector is successfully developed and implemented, a First Reserve Fund's investments could be adversely affected.

Renewable Energy Policy Risk. The operation and financial performance of any renewable energy investment will be significantly dependent on governmental policies and regulatory frameworks that support renewable energy sources. Investments in renewable energy and related businesses and/or assets currently enjoy support from national, state and local governments and regulatory agencies designed to finance or support the financing development thereof, such as the U.S. federal investment tax credit and federal production tax credit, U.S. Department of the Treasury grants, various renewable and alternative portfolio standard requirements enacted by several states, renewable energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular the EU. Non-U.S. jurisdictions may have more variable views on policies regarding renewable energy (and, for example, may be more willing or likely to abandon initiatives regarding renewable energy in favor of more carbon-intensive forms of traditional energy generation). The combined effect of these programs is to subsidize, in part, the development, ownership and operation of renewable energy projects, particularly in an environment where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. Some U.S. states or other jurisdictions in which renewable energy investments are located may have Renewable Portfolio Standards ("RPS") requirements that support the sale of electricity generated from renewable energy sources. Electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits ("RECs") from producers of

electricity generated from renewable sources. There can be no assurance that government support for renewable energy will continue, that favorable legislation will pass, or that the electricity produced by any renewable energy investments will continue to qualify for support through RPS programs. The elimination of, or reduction in, government policies that support renewable energy could have a material adverse effect on a renewable energy portfolio company's financial condition or results of operation, and any reduction in or elimination of these programs will have an adverse effect on development of renewable energy resources, as was demonstrated by the significant reduction in wind power development projects between 2003, when the federal production tax credit expired, and October 2004, when such credit was reinstated by the U.S. Congress. On the other hand, because policies and programs favoring renewable energy initiatives may involve economic disincentives on more carbon-intensive forms of traditional energy generation, such policies may adversely affect any other investments held by the First Reserve Funds that do not involve renewable energy projects. As a result, any expansion of such policies or programs could have a material adverse effect on the financial condition or results of operation of portfolio companies outside the renewable energy sector. Accordingly, to the extent any federal, state, local or non-U.S. tax credits, other favorable tax treatment or other forms of support for renewable energy are changed, the investments may be negatively impacted.

Weather and Climatological Risks. Certain energy companies may be particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines rely on the frequency and intensity of wind, and companies focused on biomass rely on the production of crops, all of which can be adversely affected by certain weather conditions.

Construction Risk. In connection with any new development project (i.e., a "greenfield" project), expansion of a facility or acquisition of a facility in late-stage development, a portfolio company may also face construction risks, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) less than optimal coordination with public utilities in the relocation of their facilities, (iv) adverse weather and unexpected construction conditions, (v) accidents or the breakdown or failure of construction equipment or processes, and (vi) catastrophic events such as explosions, fires, terrorist activities and other similar events beyond a First Reserve Fund's control. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on a First Reserve Fund. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds

to complete construction. Delays may also result in adverse effects on the scheduled flow of project revenues necessary to cover the scheduled operations phase debt service costs, lost opportunities, increased operations and maintenance expenses, and damage payments for late delivery. Investments under development or investments acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after completion. In addition, a change in market conditions may occur during the course of development that may make such development less attractive than at the time it was commenced. As well, there are risks inherent in the construction work that may give rise to claims or demands against a portfolio company from time to time.

Title Defects Risk. In acquiring oil and gas leases or interests, portfolio companies may rely on the judgment of oil and gas lease brokers or landmen who perform the fieldwork in examining records in the appropriate governmental office before attempting to acquire 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 regions, resulting in extensive and complex chains of title. Additionally, there may be claims against a portfolio company alleging that certain acquired leases 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. While title opinions are expected to be obtained prior to commencing drilling operations, 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.

Cybersecurity Breaches, Identity Theft, Privacy Breaches and Other Threats. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. First Reserve's, its affiliates', the First Reserve Funds' and their portfolio companies' and service providers' and/or the First Reserve Funds' Limited Partners' information and technology systems are vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, security threats (including cybersecurity threats to and attacks on First Reserve's information technology infrastructure), infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information, including nonpublic personal information and material nonpublic information. Although First Reserve has implemented, and portfolio companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. First Reserve does not control the cybersecurity plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to First

Reserve, its affiliates, the First Reserve Funds, a portfolio company and/or the Limited Partners, each of whom could be negatively impacted as a result. Breaches, such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage, may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and prevention from being addressed appropriately. First Reserve, its affiliates, the First Reserve Funds and/or a portfolio company may have to make a significant investment to fix or replace any information and technology systems affected by any such breaches. The failure of these systems and/or disaster recovery plans could cause significant interruptions in First Reserve's, its affiliates', the First Reserve Funds' 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 or unauthorized disclosure of data could harm First Reserve's, its affiliates', the First Reserve Funds' and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims, increased costs, financial losses, data privacy breaches, regulatory intervention and otherwise affect their business and financial performance. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

Financial Market Fluctuations. General fluctuations in the market prices of securities may affect the value of a First Reserve Fund's investments. Instability in the securities markets may also increase the risks inherent in such investments, including the ability to realize investments through the capital markets. 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, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

Interest Risks. The business and operating results of a portfolio company can be harmed by factors such as the availability, terms and cost of capital, increases in interest rates or a reduction in credit rating. These changes could cause the cost of doing business to increase, limit ability to pursue acquisition and other business opportunities, reduce cash flow and place the portfolio company and the applicable First Reserve Fund at a competitive disadvantage.

Uncertainty of Financial Projections. The General Partners will generally establish the pricing of transactions and the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Reliance on Personnel. Limited Partners are placing their entire capital commitments in the discretion of, and are dependent upon, the skill and experience of the General Partners and the First Reserve Advisors. The governing documents of the First Reserve Funds do not permit the Limited Partners to engage in the active management and affairs of the First Reserve Funds. Generally, as of the initial closing of a First Reserve Fund, none of such First Reserve Fund's investments will have been identified, so Limited Partners will be relying on the ability of the

applicable General Partner and First Reserve Advisor to select the investments to be made using the capital available to such First Reserve Fund. The success of such First Reserve Fund will depend in part on the ability of First Reserve's investment professionals to identify, make and consummate appropriate investments for such First Reserve Fund and to manage and improve operating performance of portfolio companies, where applicable, and subsequently dispose of such investments. The interests of such professionals in First Reserve and the "carried interest" should tend to discourage them from withdrawing from participation in such First Reserve Fund's investment activities. However, there can be no assurance that First Reserve investment professionals will continue to be associated with First Reserve throughout the life of any First Reserve Fund and a loss of the services of key personnel could impair First Reserve's ability to provide services to a First Reserve Fund. There is ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals. There can be no assurance that First Reserve personnel will not be solicited by and join competitors or other firms and/or that First Reserve will be able to hire and retain any new personnel that it seeks to maintain or add to its roster of investment professionals. In addition, members of the investment team work on other projects for First Reserve. Conflicts of interest may arise in allocating management time, services or functions, and the General Partners and their affiliates' ability to access other professionals and resources within First Reserve for the benefit of a First Reserve Fund may be limited. Such access may also be limited by internal compliance policies of First Reserve or other legal or business considerations, including those constraints generally discussed herein. In addition, certain entities and future employees of First Reserve (including senior First Reserve personnel) may transition to a consultant role (which, for the avoidance of doubt, includes a senior advisor role) or, in certain circumstances, provide other advisory services such as legal, information technology or accounting advice, independently or as part of an unaffiliated law, information technology, accounting or business/consulting services firm.

Risks Relating to Bridge Financings. From time to time, First Reserve Funds lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in a First Reserve Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding. In such an event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the unsecured position taken by a First Reserve Fund.

Risks Relating to Non-U.S. Investments. From time to time, First Reserve Funds invest in companies domiciled, located and/or operating outside of the U.S. Non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a First Reserve Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements in some countries, and/or less government supervision and regulation;

(iv) certain economic, social and political risks, including potential restrictions on foreign investment and repatriation of capital, exchange control regulations, nationalization of business enterprises, the risks of political, economic or social instability, the possibility of substantial rates of inflation and the possibility of expropriation or confiscatory taxation and/or adverse economic and political development; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (vi) less developed laws regarding corporate governance, fiduciary duties and/or the protection of investors; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) political hostility to investments by foreign or private equity investors; and (ix) less publicly available information. In addition, portfolio companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide a First Reserve Fund with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, such First Reserve Fund's investments in any such portfolio company may be adversely affected. While First Reserve intends, where deemed appropriate, to manage the First Reserve Funds in a manner that minimizes exposure to the foregoing risks to the extent practicable, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the First Reserve Funds that are held in certain countries.

From time to time, certain countries in which a First Reserve Fund invests have in the past, and may in the future, experience political and social instability that could adversely affect such First Reserve Fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised, and continue to exercise, substantial influence over many aspects of the private sector. A First Reserve Fund may not have political risk insurance. Accordingly, government actions could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability or other economic or political developments could adversely affect the assets of a First Reserve Fund held in a particular country.

In addition, in emerging and developing markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in more established markets. Accordingly, any regulatory supervision in place may be subject to manipulation or control. Some emerging and developing market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in financial instruments may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The First Reserve Funds may encounter difficulties in pursuing legal remedies or in

obtaining and enforcing judgments in non-U.S. courts. Due to the foregoing risks and complications, the costs associated with investments in emerging market securities generally are higher than for securities and other instruments of issuers based in developed countries.

Risks Relating to Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment, a First Reserve Fund is typically required to make representations about the business and financial affairs of a portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. A First Reserve Fund also may be required to indemnify the purchasers of such investment regarding certain matters, including the accuracy of any such representations or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which a First Reserve Fund may establish reserves or escrow accounts. In addition, Investors may be required to return amounts distributed to them to fund obligations of a First Reserve Fund, including indemnity obligations, subject to certain limitations set forth in the governing documents of such First Reserve Fund.

Risks Relating to Additional Capital. From time to time, certain portfolio companies, especially those in a development or startup phase, may require additional financing to satisfy working capital requirements or acquisition strategies. The amount of such additional financing will depend on the maturity and objectives of the particular portfolio company. Each such round of financing (whether from a First Reserve Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to its existing investors, including the applicable First Reserve Fund. In addition, a First Reserve Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such portfolio company to preserve such First Reserve Fund's proportionate ownership when a subsequent financing is planned, or to protect such First Reserve Fund's investment when such portfolio company's performance does not meet expectations. In the event that other First Reserve Funds hold securities in a portfolio company, any such additional investments or exercise of rights may result in a First Reserve Fund holding different securities from such other First Reserve Funds. The availability of capital is generally a function of capital market conditions that are beyond the control of the First Reserve Funds or any portfolio company. There can be no assurance that the 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.

Risks Relating to Defaulting Investors. If an Investor fails to pay, or is excused or excluded from paying, when due, installments of its commitment or other amounts owed to a First Reserve Fund, and the capital contributions made by non-defaulting Investors and borrowings by such First Reserve Fund are inadequate to cover the defaulted, excused or excluded capital contribution or other payment, such First Reserve Fund may be unable to pay its obligations when due. As a result, such First Reserve Fund may be subjected to significant penalties that could materially adversely affect the returns to its Investors (including non-defaulting Investors). If an Investor defaults, it may be subject to various remedies as provided in the governing documents of the First Reserve Funds, including, without limitation, reductions in its capital account balance and forfeiture of distributions made subsequent to its default, to be imposed in the General Partner's sole discretion.

Risks Relating to the Removal of a General Partner; Early Termination of a First Reserve Fund. If, pursuant to and in accordance with the terms of the governing documents of a First Reserve Fund, the General Partner of such First Reserve Fund is removed by the Investors and a successor general partner is appointed, First Reserve will cease to be involved in the management or control of the business of such First Reserve Fund. Therefore, there can be no certainty regarding such First Reserve Fund's ability to consummate investment opportunities thereafter. Similar risks exist if the investment period is cancelled earlier than anticipated pursuant to the terms of the governing documents of a First Reserve Fund. Moreover, it is possible that a First Reserve Fund may be wound up and dissolved prematurely and, as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in Investors not having their capital invested and/or deployed in the manner originally contemplated).

Risks Relating to Currency and Exchange Rates. Certain of the First Reserve Funds' investments, and the income received by the First Reserve Funds with respect to such investments, are denominated in currencies other than U.S. dollars. However, the books of the First Reserve Funds are typically maintained, and capital contributions to and distributions from the First Reserve Funds are typically made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by the First Reserve Funds, gains and losses realized on the sale of investments and the amount of distributions, if any, made by the First Reserve Funds. In addition, the First Reserve Funds may incur costs in converting investment proceeds from one currency to another. The General Partners may enter into hedging transactions designed to reduce such currency risks.

OFAC, FCPA and UK Bribery Act Considerations. Economic sanction laws in the U.S. and other jurisdictions prohibit First Reserve, its professionals and the First Reserve Funds from transacting with or in certain countries and with certain individuals and companies. In the U.S., the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may restrict the First Reserve Funds' investment activities.

In some countries, there is a greater acceptance than in the U.S. of government involvement in commercial activities, and of corruption. First Reserve, its professionals and the First Reserve Funds are committed to complying with the FCPA, the United Kingdom Bribery Act ("UKBA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the First Reserve Funds may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the First

Reserve Funds to act successfully on investment opportunities and for investments to obtain or retain business.

The U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the UK, through the UKBA, has significantly expanded the reach of its anti-bribery laws. While First Reserve has developed and implemented policies and procedures designed to ensure strict compliance by First Reserve and its personnel with the FCPA and UKBA, such policies and procedures are not expected to be effective in all instances to prevent violations. In addition, despite First Reserve's policies and procedures, portfolio companies and their affiliates, particularly in cases where the First Reserve Funds do not control such portfolio company, may engage in activities that could result in FCPA or UKBA violations. Any determination that First Reserve has violated the FCPA, UKBA or other applicable anti-corruption laws or anti-bribery laws could subject First Reserve to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect First Reserve's business prospects and/or financial position, as well as a First Reserve Fund's ability to achieve its investment objective and/or conduct its operations.

Registration Under the U.S. Commodity Exchange Act. Registration with the CFTC as a "commodity pool operator" or any change in a First Reserve Fund's operations necessary to maintain the General Partner's or a First Reserve Advisor's ability to rely upon an exemption from registration could adversely affect such First Reserve Fund's ability to implement its investment program, conduct its operations and/or achieve its objectives and subject such First Reserve Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by a General Partner to cease or to limit holding or investing in interests which may be treated as "commodity interests" to comply with the regulations of the CFTC may have a material adverse effect on a First Reserve Fund's ability to implement its investment objectives and to hedge risks associated with its operations.

Risks Relating to Hedging. In connection with certain investments, the First Reserve Funds may purchase commodity positions or derivatives and may employ hedging techniques designed to reduce the risks of adverse movements in commodity prices, interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a First Reserve Fund may benefit from the use of these hedging mechanisms, unanticipated changes in commodity prices, interest rates, securities prices or currency exchange rates may result in a poorer overall performance for a First Reserve Fund than if it had not entered into such hedging transactions. In some cases, First Reserve may determine not to hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

Risks Relating to the Use of Derivatives and Other Specialized Techniques. Companies in the energy and natural resources industries often engage in derivatives transactions to insulate against changes in commodities prices, and the First Reserve Funds or their portfolio companies may engage in other derivative or similar transactions. These transactions may involve the purchase

and sale of commodities or commodity futures, the use of forward contracts, swap agreements, put and call options, floors, collars or other arrangements. Such instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets. Derivative instruments may trade principally on markets organized outside the U.S. markets for such instruments, may be illiquid, highly volatile and subject to interruption. As well, suitable hedging instruments may not continue to be available at reasonable cost.

The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of portfolio companies, First Reserve or the First Reserve Funds. For all the foregoing reasons, the use of derivatives and related techniques can expose the First Reserve Funds and their portfolio companies to significant risk of loss.

Risks Relating to Derivative Counterparty Risk. The First Reserve Funds and their portfolio companies are subject to credit risk with respect to the counterparties to the derivative contracts (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments) and other instruments which may be entered into directly by the First Reserve Funds and their portfolio companies. Counterparty risk is the risk that the other party in a derivative transaction will not fulfill its contractual obligation. Changes in the credit quality of the companies that serve as the counterparties to the First Reserve Funds and their portfolio companies with respect to their derivative transactions will affect the value of those instruments. By using derivatives that expose the First Reserve Funds and their portfolio companies to counterparties, the First Reserve Funds and their portfolio companies assume the risk that their counterparties could experience financial hardships that could call into question their continued ability to perform their obligations. As a result, concentrations of such derivatives in any one counterparty subject the First Reserve Funds and their portfolio companies to an additional degree of risk with respect to defaults by such counterparty.

If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, a First Reserve Fund and its portfolio companies may experience significant delays in obtaining any recovery under the derivative contract in a dissolution, assignment for the benefit of creditors, liquidation, winding-up, bankruptcy, or other analogous proceeding. In addition, in the event of the insolvency of a counterparty to a derivative transaction, the derivative transaction would typically be terminated at its fair market value. If a First Reserve Fund or its portfolio company is owed this fair market value in the termination of the derivative transaction and its claim is unsecured, such First Reserve Fund or its portfolio company will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying security. Such First Reserve Fund or its portfolio company may obtain only a limited recovery or possibly no recovery in such circumstances.

Some, but not all, derivatives may be cleared, in which case a central clearing counterparty stands between each buyer and seller and effectively guarantees performance of each derivative contract, to the extent of its available resources for such purpose. As a result, the counterparty risk would be shifted from bilateral risk between the parties to the individual credit risk of the central clearing

counterparty. Even in such case, there can be no assurance that a clearing house or its members will satisfy the clearing house's obligations to a First Reserve Fund or its portfolio company. Uncleared derivatives have no such protection; each party bears the risk that its direct counterparty will default.

Risks Arising from the Provision of Managerial Assistance. For so long as there is a Limited Partner in a First Reserve Fund that is subject to Title I of the U.S. Employee Retirement Income Security Act of 1974 ("ERISA") or Section 4975 of the Internal Revenue Code of 1986, as amended (the "IRC"), the applicable General Partner will typically be required to use reasonable best efforts to avoid having the assets of such First Reserve Fund constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the IRC and may, in this regard, elect to operate such First Reserve Fund as a "venture capital operating company" ("VCOC") within the meaning of regulations promulgated under ERISA or meet another exemption from the ERISA "plan asset" regulations. Operating a First Reserve Fund as a VCOC would require that such First Reserve Fund obtain rights to substantially participate in, or influence the conduct of the management of a number of, such First Reserve Fund's portfolio companies. Such First Reserve Fund 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 the applicable First Reserve Fund to claims by a portfolio company, its security holders and its creditors. While the General Partners intend to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

ERISA Considerations. In the event a First Reserve Fund is operated to qualify as a VCOC in order to avoid holding "plan assets" within the meaning of ERISA, such First Reserve Fund may be restricted or precluded from making certain investments. In addition, it could be necessary for a General Partner to liquidate investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to a First Reserve Fund than might have been the case without the need to qualify as a VCOC.

Risk Relating to Indemnification. A First Reserve Fund is typically required to indemnify the applicable First Reserve Advisor, the applicable General Partner, their affiliates, and each of their respective direct and indirect officers, directors, agents, stockholders, members, employees and partners, and any other person who serves at the request of the applicable General Partner on behalf of such First Reserve Fund as an officer, director, partner, member, employee or agent of any other entities, and any member of the Advisory Board for liabilities incurred in connection with the affairs of such First Reserve Fund and as otherwise provided in the governing documents of such First Reserve Fund. Such liabilities may be material and have an adverse effect on the returns to such Investors. The indemnification obligations of a First Reserve Fund are payable from the assets of such First Reserve Fund (including advancement of expenses in connection therewith), including the unpaid commitments of the Investors. If the assets of a First Reserve Fund are insufficient, the applicable General Partner is permitted to recall distributions previously made to Investors (subject to certain limitations set forth in the governing documents of the First Reserve Funds). The First Reserve Funds purchase liability insurance for protection with respect to such indemnification obligation, but there can be no assurance that such insurance will fully cover such indemnification obligations.

Risks Relating to Public Company Holdings. From time to time, a First Reserve Funds' investment portfolio contains securities issued by publicly held companies. Such investments can subject a First Reserve Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a First Reserve Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and sponsors like First Reserve and increased costs associated with each of the aforementioned risks.

Risks Relating to Non-Controlling Investments. From time to time, First Reserve Funds may hold a non-controlling interest in certain portfolio companies, therefore limiting its ability to protect its position in such portfolio companies. In these cases, a First Reserve Fund is typically significantly reliant on the other sponsors of the transaction, if any, and on the existing management and board of directors and other shareholders of such companies, which may include representation of other financial investors with whom a First Reserve Fund is not affiliated and whose interests may conflict with the interests of such First Reserve Fund. First Reserve Funds from time to time co-invest with third parties through consortiums of private equity investors, joint ventures or other similar arrangements. Such investments involve risks in connection with such third party involvement, including the possibility that a third party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of a First Reserve Fund, or may be in a position to take (or block) action in a manner contrary to a First Reserve Fund's investment objectives, or the increased possibility of default by, diminished liquidity or insolvency of, the third party, due to a sustained or general economic downturn. In addition, a First Reserve Fund could, in certain circumstances, be liable for the actions of its third party partners or co-venturers. As well, investments made with third parties in joint ventures or other entities might involve incentive compensation and fees payable to such third party partners or co-investors.

Risks Relating to Public Disclosure. Some Limited Partners are public pension plans and listed investment vehicles that are subject to public disclosure requirements. The amount of information about their investments in a First Reserve Fund that is required to be disclosed has increased in recent years, and that trend may continue. To the extent disclosure of confidential information relating to the First Reserve Funds or their investments results from interests being held by public investors, a First Reserve Fund may be adversely affected. To prevent any such potential disclosure, First Reserve, from time to time, withholds information from such public investors. Conversely, potential future regulatory changes applicable to investment advisors and/or the accounts they advise could result in First Reserve Funds becoming subject to additional disclosure requirements, the specific nature of which is as yet uncertain.

Debt Investments. The Debt Funds focus on the acquisition of, and the other First Reserve Funds may make investments in, debt, mezzanine capital, preferred stock, convertible securities and other contractual rights related to energy-related assets or businesses (each, a "Debt Investment"). Debt Investments involve certain additional risks, including the following:

Credit Risk. One of the fundamental risks associated with a Debt Investment is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. A Debt Investment's return would be adversely

impacted if an issuer of such Debt Investment becomes unable to make such payments when due. Even if the General Partner believes a Debt Investment is secured by specific collateral, the value of which initially exceeds the principal amount of such Debt Investment, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the First Reserve Funds could experience delays or limitations with respect to the ability to realize the benefits of the collateral securing a Debt Investment. Under certain circumstances, collateral securing a Debt Investment may be released without the consent of the First Reserve Funds. Moreover, Debt Investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the First Reserve Funds may not have priority over other creditors as anticipated. Debt Investments also include investments in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, the First Reserve Funds' rights to payment and their security interests, if any, will be subordinated to the payment rights and security interests of senior lenders. Certain of these investments may have interest-only payment schedules, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a First Reserve Fund's ability to repay the principal of a Debt Investment will be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Investments in Senior Loans. Debt Investments may include first lien senior secured debt and selected second lien senior secured debt, which involve a higher degree of risk of a loss of capital. The loans invested in by the First Reserve Funds may include term loans and revolving loans paying interest at a fixed or floating rate. The First Reserve Funds may also acquire interests in senior secured loans by way of sale or assignment. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under a credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In addition, if the First Reserve Funds acquire loans pursuant to an assignment, it is possible that the First Reserve Funds' claims become subject to attack (i.e., equitable subordination or disallowance) on account of the conduct of the transferor. Some of the senior secured loans acquired by the First Reserve Funds may be below investment grade. In terms of liquidity with respect to such investments, there can be no assurance that levels of supply and demand in senior secured loan trading will provide an adequate degree of liquidity for such investments in senior secured loans.

The factors affecting an issuer's first and second lien leveraged loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company), or involve first liens only on specified assets of an issuer (e.g., excluding real estate). Issuers of first lien loans typically have two tranches of first lien debt outstanding, each with first liens on separate collateral.

Furthermore, the first and second liens generally only cover domestic assets, and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, Title 11 of the U.S. Code, as amended (the “Bankruptcy Code”), authorizes the issuer to use a creditor’s collateral and to obtain additional credit by grant of a prior lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be “adequate protection,” typically consisting of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of prior liens on the First Reserve Funds’ collateral would adversely affect the priority of the liens and claims held by the First Reserve Funds and could adversely affect the First Reserve Funds’ recovery on leveraged loans.

Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow the First Reserve Funds to withstand certain assumed deficiencies in payments occasioned by the borrower’s default, if any deficiencies exceed such assumed levels, or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the First Reserve Funds in respect of its investment.

Further, loans may become non-performing for a variety of reasons. Upon a bankruptcy filing by an issuer of debt, the Bankruptcy Code imposes an automatic stay on payments of its pre-petition debt. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings that would likely entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. If an issuer were to file for Chapter 11 reorganization, the Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt, even if the class fails to accept the restructuring, as long as the restructured terms are “fair and equitable” to the class and certain other conditions are met.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit pursuant to a Chapter 11 plan of reorganization is done on a class basis. As a result of these voting regimes, the First Reserve Funds may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the First Reserve Funds.

Senior secured loans are also subject to other risks, including (i) the possible invalidation of a debt or lien as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors,

(iv) so-called “lender liability” claims by the issuer of the obligations, (v) environmental liabilities that arise with respect to collateral securing the obligations, and (vi) adverse consequences resulting from participating in such instruments with other institutions having lower credit quality. Decisions in bankruptcy cases have held that a secondary loan market assignee can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received, and does not return a preference or fraudulent conveyance, or engaged in conduct that would qualify for equitable subordination. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal bankruptcy, receivership or distressed exchange, can significantly diminish the value of the First Reserve Funds’ investment in any such company. Successful claims by third parties arising from these and other risks, absent bad faith, will be borne by the First Reserve Funds.

Investments in Subordinated Debt Securities. The First Reserve Funds’ investments in subordinated debt securities will be unsecured and rank behind the borrower’s senior indebtedness. While such subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments, and may benefit from cross-default provisions and security over the portfolio company’s assets, some or all of such terms may not be part of particular investments. For example, under typical subordination terms, senior creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights they have as creditors. In addition, Debt Investments may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and are not expected to be rated by a credit rating agency. Further, upon any distribution to a borrower’s creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such borrower’s senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on the First Reserve Funds’ subordinated debt securities. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to a borrower, the First Reserve Funds will participate with all other holders of such borrower’s indebtedness in the assets remaining after the borrower has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). A borrower may not have sufficient funds to pay all of its creditors, and the First Reserve Funds may receive nothing or less, ratably, than the holders of senior and/or secured indebtedness of such borrower, or the holders of indebtedness that is not subordinated.

Investment in Mezzanine Investments. The First Reserve Funds, from time to time, invest a portion of their capital in investments that are unsecured and made in companies whose capital structures have significant indebtedness ranking ahead of the investments, all or a significant portion of which may be secured. While the investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments, and may benefit from cross-default provisions and security over the portfolio company’s assets, some or all of such terms may not be part of particular investments. Moreover, the ability of the First Reserve Funds to influence a portfolio company’s affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, senior creditors are able to block the acceleration of the

mezzanine debt, or the exercise by mezzanine debt holders, of other rights they have as creditors. Accordingly, the First Reserve Funds may not be able to take steps to protect their investments in a timely manner, or at all, and there can be no assurance that the rate of return objectives on any particular investment will be achieved. In addition, the mezzanine securities in which the First Reserve Funds invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency.

Mezzanine investments generally are subject to various risks including, without limitation: (i) a subsequent characterization of an investment as a “fraudulent conveyance” under relevant creditors’ rights laws, possibly resulting in the avoidance of collateral securing the investment or the cancellation of the obligation representing the investment; (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called “lender liability” claims by the issuer of the obligations; and (v) environmental liabilities that arise with respect to collateral securing the obligations. In the U.S., at least one bankruptcy case has held that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance, or engaged in conduct that would qualify for equitable subordination. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the First Reserve Funds’ investment in any such company.

Debt Investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the First Reserve Funds earlier than expected. This may happen when there is a decline in interest rates. Early repayments of the Debt Investments may have a material adverse effect on the First Reserve Funds’ investment objectives and the internal rate of return on invested capital. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless.

The First Reserve Funds may seek mezzanine investments in various geographic locations and obtain structural and contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect. Prospective investors should regard Debt Investments as being speculative and having a high degree of risk.

Investments in Participation Interests. The First Reserve Funds may have a participation or derivative interest in (as opposed to direct ownership of) payments and interest on an investment in mezzanine securities and any related collateral or an indirect interest (for example, through a swap or other derivative instrument) in such a participation or derivative interest. In such cases, the First Reserve Funds will not have any direct rights against the issuers of the related notes, any direct rights or recourse in the collateral, if any, securing such notes, or any right to deal directly with any such issuers. The note holder

typically retains the right to determine whether remedies provided for in the underlying indenture will be exercised or waived without any prior consultation with or consent by the applicable First Reserve Funds. In the event that a First Reserve Fund enters into such an indirect investment or derivative transaction, there can be no assurance that such First Reserve Fund's ability to realize upon a participation or derivative interest will not be interrupted or impaired in the event of the bankruptcy or insolvency of any of the borrower, the note holder or a First Reserve Fund's counterparty in such indirect investment or derivative transaction.

Coronavirus and Public Health Emergencies. As of the date hereof, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a global pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact to the private equity industry and global markets as a whole is currently unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, along with other restrictive measures designed to help slow the spread of COVID-19. Many businesses have or are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have and are creating significant disruption in public and private markets globally, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the First Reserve Funds and their portfolio companies, and could adversely affect a First Reserve Fund's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on a First Reserve Fund's and its portfolio companies' operational and financial performance will depend on many factors, including, but not limited to, the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could be incorrect with the benefit of hindsight. Furthermore, valuation approaches may be modified to capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of a First Reserve Fund's portfolio

companies, a First Reserve Fund's ability to source, manage and divest investments (including, but not limited to, circumstances where potential transactions are already signed but not closed) and a First Reserve Fund's ability to achieve its investment objectives, all of which could result in significant losses to such First Reserve Fund. Any such disruptions may continue for an extended period of time. In addition, the operations of a First Reserve Fund, its portfolio companies, a General Partner and First Reserve may be impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings, and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

In connection with the impacts of the current pandemic, and any such future public health crisis, the First Reserve Funds may incur heightened legal expenses which could similarly have an adverse impact to the First Reserve Funds' returns. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency, and any future emergency, which could result in adverse effects to the First Reserve Funds or their portfolio companies in the form of economic harm, data loss or other negative outcomes.

In addition, in response to the spread of COVID-19 many businesses, including First Reserve, have encouraged or mandated that their personnel work from home in an effort to slow the spread of COVID-19. Notwithstanding such precautionary measures, First Reserve may still experience illness of its personnel. Work-at-home arrangements could also lead to reduced collaboration and less optimal communication and supervision relative to traditional office structures, potentially having a detrimental impact on business and operations. To the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, First Reserve is likely to be more vulnerable to cybersecurity incidents and cyberattacks, and could experience difficulty in resuming normal operations following such an incident or attack. Widespread work from home arrangements also expose First Reserve's information to a greater potential risk of exposure and expose First Reserve's employees to the potential risk that they will encounter confidential information related to the employer of someone else with whom they reside.

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

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Except as described below, First Reserve does not have any legal, financial or other "disciplinary" event to report.

On September 14, 2016, without admitting or denying any wrongdoing, First Reserve Management, L.P. consented to the entry of an order to cease and desist from committing or causing any violations and future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder (the "SEC Order"). According to the SEC Order, First

Reserve (i) did not provide appropriate disclosure or receive effective consent regarding certain Private Equity Funds bearing, prior to June 2015, certain expenses of two entities formed as investment advisers to (and owned by) a portfolio company of those Private Equity Funds that was a pooled investment vehicle, (ii) until 2013, caused the First Reserve Funds to pay insurance premiums for a liability policy covering First Reserve for risks that did not entirely arise from its management of the First Reserve Funds and (iii) did not provide, prior to 2014, disclosure that First Reserve received a legal fee discount from a law firm for itself for certain services while the First Reserve Funds did not receive a discount on the same services (although the First Reserve Funds received certain discounts on other types of services). In addition, the SEC Order found that First Reserve did not adopt and implement written policies and procedures reasonably designed to prevent the above violations of the Advisers Act. First Reserve agreed as part of the settlement to pay a civil monetary penalty of \$3,500,000 to the SEC.

Item 10. Other Financial Industry Activities and Affiliations

Other Financial Industry Affiliations

First Reserve organizes and sponsors the First Reserve Funds, which are private investment companies. Each investment vehicle managed by First Reserve is controlled by a General Partner.

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

First Reserve has a foreign affiliated entity, First Reserve International Limited ("FRIL"), an English company limited by shares, located in London, UK that was registered with and governed by the regulations of the Financial Conduct Authority of the UK (the "FCA"). FRIL withdrew its authorization with the FCA effective April 2, 2020. While authorized, FRIL performed certain sub-advisory services pursuant to sub-advisory agreements executed with the applicable First Reserve Advisor, which included due diligence of portfolio company targets. Due diligence work performed was provided to the applicable Investment Committee for review and investment determination; FRIL did not make investment-related decisions. FRIL also met with existing and potential non-U.S. investors. After its withdrawal of authorization, First Reserve has been winding down the affairs of FRIL.

Some of the First Reserve Funds' portfolio companies include, among others, investment advisers, and investment-related limited partnerships and limited liability companies. Such portfolio companies are operated by management teams that are independent of First Reserve. First Reserve believes that such portfolio companies do not create a material conflict of interest with First Reserve's clients. First Reserve agrees to provide a list of such portfolio companies upon request.

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

Other Financial Industry Activities

The Infrastructure Funds may make investments in portfolio companies in which a Private Equity Fund or a Debt Fund, or a portfolio company thereof, has made or is concurrently making a different principal investment (e.g., in different parts of the capital structure). In such situations, such funds and/or portfolio company will likely have conflicting interests (e.g., over the terms of their respective investments and with respect to the timing of dispositions). In such cases, actions may be taken for the benefit of the Infrastructure Funds that may be adverse to the Private Equity Funds or the Debt Funds, and vice versa. In connection with such shared investments, First Reserve will generally seek to implement certain procedures to mitigate such conflicts of interest, including causing the relevant fund to recuse itself from participating in any decisions related to equity or debt securities and/or other obligations held by the other fund, including in each case with respect to actions and/or decisions with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities.

By reason of their relationship with BlackRock, First Reserve and its related persons may come into possession of material, nonpublic and other confidential information from BlackRock. Under applicable law, First Reserve and its related persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, including a First Reserve Fund, regardless of whether such other person is an advisory client of First Reserve. Accordingly, should such persons come into possession of material, nonpublic or other confidential information, they may be prohibited from communicating such information to, or using such information for the benefit of, the First Reserve Funds. Under applicable securities laws, this may limit First Reserve's ability to buy or sell securities issued by certain companies and the First Reserve Funds may be unable to engage in certain transactions they would otherwise find attractive, or may be able to engage in such transactions only during limited periods of time. Due to these restrictions, First Reserve may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Similarly, First Reserve may decline to receive material non-public information in order to avoid trading restrictions with regard to any other First Reserve Fund, even though access to such information may have been advantageous to a particular First Reserve Fund.

SPAC

The SPAC, which closed its public offering on March 9, 2021, is sponsored by a newly formed entity called First Reserve Sustainable Growth Sponsor, LLC, a Delaware limited liability company (the "SPAC Sponsor"). The SPAC Sponsor is owned by a First Reserve Fund and FRSGC Management Company LLC, an entity owned by certain First Reserve partners, employees and friends and family (the "SPAC Sponsor Manager"). In connection with the

foregoing, each of the First Reserve Fund and the SPAC Sponsor Manager (i) contributed approximately 50% of the “at-risk” capital to the SPAC, and (ii) received an equal portion of the founder shares and the initial private placement warrants issued by the SPAC. If a particular investment opportunity falls within the investment objective of a First Reserve Fund and the SPAC, conflicts of interest may arise. To the extent any conflict of interest arises between First Reserve or an affiliate thereof, in its capacity as sponsor of the SPAC, and the First Reserve Funds, First Reserve and its respective applicable affiliate entities will resolve such conflicts of interest in their sole discretion in accordance with their then existing fiduciary, contractual and other duties, and there can be no assurance that such conflict of interest will be resolved in favor of a First Reserve Fund.

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

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

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

A copy of First Reserve’s Code is available upon request to: Chief Compliance Officer, First Reserve, 290 Harbor Drive, Stamford, CT 06902.

Potential Conflicts of Interest

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

Principal Transactions

First Reserve, as investment adviser, or an affiliate may, to the extent not prohibited by a First Reserve Fund's governing documents, engage in principal transactions (i.e., transactions where First Reserve or an affiliate is deemed to be acting for its own account by buying a security from, or selling a security to, a client, including a First Reserve Fund). A conflict of interest could arise in that the interested First Reserve-related person could benefit from such a purchase or sale of the applicable security by a First Reserve client.

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

Affiliated Transactions

The governing documents of First Reserve Funds require that any transactions between a First Reserve Fund and First Reserve, its affiliates or certain senior First Reserve employees, must be consummated on an arm's-length basis. Additionally, certain First Reserve Fund governing documents limit affiliated transactions on a more restrictive basis. Moreover, from time to time counterparties to transactions in which a First Reserve Fund participates (including lenders) may require such First Reserve Fund to guarantee, or otherwise be liable for, the obligations of other First Reserve Funds participating in such transactions.

Cross Transactions

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

Portfolio Company Representation

From time to time, employees of First Reserve serve as directors and officers of certain portfolio companies and, in that capacity, are required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the First Reserve Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the First Reserve Advisor and such individual's duties as a director or officer of such portfolio company.

Allocation of Investment Opportunities

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

Each First Reserve Fund typically has a specified investment objective defined by certain parameters. From time to time investment opportunities are suitable for more than one First Reserve Fund and are allocated among multiple First Reserve Funds in accordance with First Reserve's allocation policies. The Investment Committee of the relevant First Reserve Fund has the discretion to construct what, in their business judgment, constitutes an appropriate investment portfolio for that First Reserve Fund. As such, in determining what they believe to be an appropriate portfolio for a particular First Reserve Fund, they may give consideration to factors in addition to those outlined above. As a result, it may not be desirable for a First Reserve Fund to participate in an investment opportunity or acquire all of an available investment opportunity.

In the event multiple First Reserve Funds invest in the same securities, conflicts of interest may arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for each First Reserve Fund may not be the same. Additionally, First Reserve Funds may have different expected termination dates and/or investment objectives (including target return profiles, projected holding periods and use of leverage) and First Reserve, as a result, may have conflicting goals with respect to the price and timing of

disposition opportunities. Moreover, while First Reserve generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, it is possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one fund entity or group of entities, which may result in (i) each First Reserve Fund being solely liable with respect to its own share as well as such other funds' or vehicles' shares of the applicable obligation or (ii) each First Reserve Fund being jointly and severally liable for the full amount of such applicable obligation, in each case which may result in the First Reserve Funds entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any First Reserve Fund would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty. Furthermore, as a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, a First Reserve Fund may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such vehicles are unable to repay their pro rata share of such indebtedness.

The governing agreements of certain First Reserve Funds prohibit the investment by such Funds in any issuer in which First Reserve or any of its affiliates holds a debt or equity interest. Accordingly, holdings in the securities or debt of an issuer by a First Reserve Fund would restrict such other First Reserve Funds from investing in, or entering into certain other transactions with, such issuer. In addition, in the process of acquiring or selling investments, First Reserve, on behalf of a First Reserve Fund, may have to enter into contractual agreements with counterparties that would limit or restrict the ability of other First Reserve Funds to transact in securities and debt associated with those counterparties.

Please also see Item 10, Other Financial Industry Activities and Affiliations, regarding allocation of investment opportunities between the SPAC and the First Reserve Funds.

Participation in Co-Investments

Generally, First Reserve may offer co-investment opportunities in its sole discretion and may choose not to offer co-investment with respect to all investments. Transaction-specific returns, and a Limited Partner's overall returns from its exposure to a First Reserve Fund's investments, may be affected significantly by the extent to which Limited Partners are offered and choose to participate in co-investment opportunities. The actual number of co-investment opportunities made available to any Limited Partner may be higher or lower than those made available in connection with such Limited Partner's investment in another First Reserve Fund. First Reserve may choose to present co-investment opportunities to certain Limited Partners and other third party potential co-investors at any time and with respect to any particular co-investment opportunity, at different times. Thus, one or more Limited Partners and/or other third party potential co-investors may have a longer period of time to evaluate a co-investment opportunity relative to other potential co-investors being offered the same opportunity. In addition, First Reserve officers, employees, advisors and affiliates from time to time co-invest with a First Reserve Fund. There is no guarantee, prediction or projection of the availability of future co-investment opportunities. Investing in a First Reserve Fund does not give Limited Partners any rights, entitlements

or priority to co-investment opportunities, subject to specific agreements with First Reserve. The performance of co-investments is not aggregated with that of the First Reserve Funds, including for purposes of determining carried interest or management fees.

There may be circumstances where an amount that would have otherwise been invested by a First Reserve Fund is instead offered to co-investors, which may include, without limitation, co-sponsors, other investment firms, strategic investors, other First Reserve Funds, First Reserve officers, employees, advisors and affiliates or third parties, and there is generally no guarantee for any Limited Partner that it will be offered any co-investment opportunities. As a general matter, First Reserve, in determining the allocation of discretionary co-investment opportunities, generally takes into account various facts and circumstances deemed relevant to First Reserve. Such factors include, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with First Reserve, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of a First Reserve Fund's investment (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in such First Reserve Fund), the timing of the investor's commitment to a First Reserve Fund, the existence of accounts or vehicles formed to co-invest in investments across all or a portion of a First Reserve platform (whether or not formed in connection with the admission of a Limited Partner), whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of First Reserve or the First Reserve Funds, the overall size of a co-investor's commitments to First Reserve Funds, the expected amount of negotiations required in connection with such co-investor's commitment and such other factors that the General Partners deem relevant under the circumstances. A portion of such co-investment opportunities may also be offered to consortiums of private equity investors. Limited Partners are typically not required to participate in co-investments offered by the General Partner. The allocation of co-investment opportunities may involve a benefit to First Reserve including, without limitation, fees or carried interest from the co-investment opportunity and additional commitments to First Reserve Funds.

Co-investments are typically offered by First Reserve on such terms and conditions (including with respect to management fees, syndication fees, transaction fees, monitoring fees, incentive allocation, carried interest and related arrangements) as First Reserve determines in its discretion on a case-by-case basis. In the event break-up or topping fees are paid in connection with a transaction that is not ultimately consummated, co-investment vehicles established from time-to-time, or contemplated to facilitate such a transaction and that invest alongside First Reserve Funds, are generally not allocated any share of such break-up or topping fees. Similarly, such co-investment vehicles generally do not bear their share of broken deal expenses (such as reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) for unconsummated transactions, and such costs and expenses will generally be borne by the applicable First Reserve Fund. In particular, potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of deal closing generally do not bear broken deal expenses unless First Reserve determines otherwise in its discretion or as may be set forth in the

relevant operative agreements. Such determinations are made on a case by case basis by First Reserve and could result in differing treatment of co-investment vehicles under certain circumstances. The foregoing will, under certain circumstances, result in a First Reserve Fund bearing more than its pro rata share of such amounts and may give rise to conflicts of interest in connection with such First Reserve Fund's investment activities. First Reserve seeks to resolve any such conflicts in a fair and equitable manner, although there is no assurance that any such conflicts will be resolved in favor of any particular First Reserve Fund.

In the event a First Reserve Fund transfers a portion of its interest in a portfolio investment to a co-investment vehicle in accordance with the governing documents of such First Reserve Fund, such First Reserve Fund will generally charge the co-investment vehicle an amount equal to such First Reserve Fund's cost plus interest at a rate determined by the applicable General Partner in good faith. The proceeds from such transfer are typically not treated as investment proceeds and are instead distributed to the Partners based on their percentage interest in the applicable portfolio investment.

Investments Alongside other First Reserve Funds

From time to time, First Reserve Funds co-invest with other First Reserve Funds or accounts in investments that are suitable for both entities. To the extent a First Reserve Fund holds securities in a portfolio company that are different (including with respect to their relative seniority) than those held by such other First Reserve Fund or account, First Reserve may be presented with decisions when the interests of such First Reserve Fund and the interests of such other First Reserve Fund or account are in conflict. In addition, to the extent a First Reserve Fund jointly holds securities with another First Reserve Fund or account that has a different expected duration or liquidity terms, conflicts of interest may arise between such First Reserve Fund and such other First Reserve Fund or account with respect to the timing and manner of disposition opportunities. In addition, it is possible that in a bankruptcy proceeding a First Reserve Fund's interest may be subordinated or otherwise adversely affected by virtue of such other First Reserve Fund's or account's involvement and actions relating to its investment.

Even if a First Reserve Fund and another First Reserve Fund or account invest in the same securities, conflicts of interest may still arise. Moreover, while First Reserve generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, it is possible that a counterparty, lender or other unaffiliated participant in a transaction requires or desires facing only one fund entity or group of entities, which may result in (i) a First Reserve Fund and/or account being solely liable with respect to its own share as well as another First Reserve Fund's or account's share of the applicable obligation and/or (ii) the First Reserve Funds and/or accounts being jointly and severally liable for the full amount of such applicable obligation which, in each case, may result in the First Reserve Funds and/or accounts entering into a back-to-back or similar reimbursement agreement. In such situations it is not expected that any of the First Reserve Funds and/or accounts would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty. Furthermore, as a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, a First Reserve Fund may

be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if the other First Reserve Fund or account is unable to repay its pro rata share of such indebtedness.

Other Activities

Certain professionals of First Reserve responsible for one First Reserve Fund also manage the activities of other First Reserve Funds, which include involvement with existing portfolio companies, and participate in other activities of First Reserve, including additional investments or funds, or manage other financial industry activities (as noted in Item 10, Other Financial Industry Activities and Affiliations), and, therefore, conflicts may arise in the allocation of management resources.

Please also see Item 4, Advisory Business, regarding certain other activities of certain First Reserve professionals.

Other Fees and Expenses

Should First Reserve form an affiliate that is a regulated broker-dealer, such affiliate may be entitled to receive certain offering, placement, syndication, underwriting, solicitation or similar fees in connection with the distribution of debt or equity securities of a portfolio company other than the securities being acquired by a First Reserve Fund. Limited Partners will receive the benefit of certain such fees as discussed in Item 5.

To the extent First Reserve receives any fees that result in an offset of the management fee payable by the Limited Partners as provided in the governing document of a First Reserve Fund, such fees will first be allocated among such First Reserve Fund, any other First Reserve Funds participating (or intending to participate) in such investment, and any co-investment vehicles participating (or intending to participate) in such investment. The amount of such fees allocable to other First Reserve Funds and co-investment vehicles will not result in an offset of the management fee payable by the Limited Partners of such First Reserve Fund, even if other First Reserve Funds and co-investment vehicles provide for lower or no management fees for the investors or participants therein, unless otherwise contemplated in the governing documents of such First Reserve Fund. The allocation of a portion of such fees to co-investment vehicles creates an incentive for First Reserve to offer co-investment opportunities resulting in other fees being received more frequently (or exclusively) in connection with investments that involve co-investment.

In addition, certain First Reserve Funds, pursuant to their governing documents, allocate fees, costs and expenses related to in-house administrative, accounting and legal services provided by the relevant First Reserve Advisor or affiliates thereof to the extent permitted by the governing documents of such First Reserve Fund and in accordance with its expense allocation policy.

First Reserve senior advisors are current and former industry executives who are engaged by First Reserve as consultants to First Reserve pursuant to consulting agreements. Senior advisors are not considered First Reserve personnel or affiliates. Senior advisors currently include, and may in the future include, former officers of First Reserve portfolio companies

and may, but do not currently, include former First Reserve employees. To the extent a senior advisor consulting agreement contemplates consulting fees for services provided to First Reserve Funds or their portfolio companies, or, if applicable, retainer fees, in connection with the engagement of the senior advisor, certain First Reserve Funds may pay all or a portion of such consulting fees, including retainer fees, if applicable, as permitted by the Fund governing documents. First Reserve may also elect to bear consulting fees or retainer fees under these consulting agreements. The consulting agreements with such senior advisors also contemplate direct engagement by the portfolio companies of the senior advisors for board of director service or consulting services, in which case the portfolio companies bear the fees of the senior advisors for their services. Any such directors' fees or other remuneration received by senior advisors may be retained by such persons and will not benefit the First Reserve Funds or the Limited Partners.

In addition, a First Reserve employee who sits on the board of directors of a portfolio company may choose not to resign from such board following the applicable First Reserve Fund's disposition of its investment. Any fees received by such First Reserve employee allocable to his or her service following such First Reserve Fund's exit will be retained by such person and will not benefit such First Reserve Fund or the Limited Partners. Similarly, if a General Partner and its affiliates receive any fees following the time that the management fee ceases to accrue or the applicable First Reserve Fund exits the relevant investments giving rise to such fees, then such fees generally will be retained by such General Partner or such affiliate and will not benefit such First Reserve Fund or the Limited Partners. Finally, for the avoidance of doubt, any fees that accrue to the benefit of former First Reserve employees or other persons who are or become unaffiliated with First Reserve will not benefit First Reserve Funds or the Limited Partners.

Moreover, First Reserve and its personnel may receive certain intangible and/or other benefits, discounts and/or perquisites arising or resulting from their activities on behalf of the First Reserve Funds which will not be subject to management fee offset or otherwise shared with the First Reserve Funds, Limited Partners and/or portfolio companies.

Portfolio Company Relationships

From time to time, a First Reserve Fund's portfolio companies are counterparties or participants in agreements, transactions or other arrangements with portfolio companies of another First Reserve Fund, which, although First Reserve determines them to be consistent with the requirements of such funds' governing agreements, may not have otherwise been entered into but for the affiliation with First Reserve, and that may involve fees, management promote and/or servicing payments to First Reserve-affiliated entities not subject to the management fee offset provisions described in Item 5. In addition, from time to time portfolio companies of First Reserve Funds do business with, support, or have other relationships with competitors of First Reserve Funds' portfolio companies, and in that regard investors should not assume that a company related to or otherwise affiliated with First Reserve will only take actions that are beneficial or not opposed to the interests of First Reserve Funds and their portfolio companies. In addition, it is possible that one or more portfolio companies of a First Reserve Fund may look to buy or sell a business or

asset to or from a portfolio company of another First Reserve Fund (or to or from the other First Reserve Fund itself).

First Reserve receives various kinds of entity data and information (including from portfolio companies and/or entities of First Reserve Funds), such as data and information relating to business operations, trends, budgets, customers and other metrics (this data is sometimes referred to as “big data”). As a result, First Reserve may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of information learned from a portfolio company. In furtherance of the foregoing, First Reserve may enter into information sharing and use arrangements with portfolio companies and/or entities. First Reserve believes that access to this information furthers the interests of the Limited Partners by providing opportunities for operational improvements across portfolio companies and/or entities and in connection with First Reserve Funds’ investment management activities. Such information can, from time to time, be utilized by First Reserve outside of First Reserve Funds’ activities in a manner that provides a material benefit to First Reserve and/or its affiliates, but not to such First Reserve Fund. The sharing and use of such information presents potential conflicts of interest, and any corresponding/resulting benefits received by First Reserve may not be subject to the management fee offset provisions or otherwise shared with the Limited Partners.

Additionally, First Reserve may itself hold equity or other investments in companies or businesses (even if they are not “affiliates” of First Reserve) that provide services to or otherwise contract with portfolio companies. In connection with such relationships, First Reserve may also make referrals and/or introductions to portfolio companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting First Reserve that are tied or related to participation by portfolio companies). The First Reserve Funds and the Limited Partners will not share in any fees or economics accruing to First Reserve as a result of these relationships and/or participation by portfolio companies.

In addition, a portfolio company of a First Reserve Fund may enter into agreements, transactions or other arrangements with another portfolio company of such First Reserve Fund or one or more portfolio companies of another First Reserve Fund, which may give rise to actual or potential conflicts of interest for the General Partners, the First Reserve Funds and/or their respective affiliates. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of the First Reserve Funds or the consent of the Advisory Board and/or the Limited Partners. In any such case, a First Reserve Fund may not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement may not be as favorable to such First Reserve Fund as otherwise may be the case if such First Reserve Fund was involved.

With respect to transactions or agreements with a First Reserve Fund’s portfolio companies, if unrelated officers of a portfolio company have not yet been appointed, a First Reserve Fund may negotiate and execute agreements between First Reserve and/or such First Reserve Fund on the one hand, and the portfolio company or its affiliates on the other

hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. Among the measures First Reserve may use to mitigate such conflicts is to involve outside counsel for review of and advisement on such agreements and to provide insights into commercially reasonable terms.

Moreover, in connection with seeking financing or refinancing of a First Reserve Fund's portfolio companies and their assets, it may be the case that better financing terms are available when more than one portfolio company provides collateral, particularly in circumstances where the assets of each portfolio company are similar in nature. Consequently, rather than seeking such financing or refinancing on its own, a portfolio company of a First Reserve Fund may enter into cross collateralization arrangements with another portfolio company of such First Reserve Fund or portfolio companies of one or more of the other First Reserve Funds. While First Reserve would expect any such financing arrangements to generally be non-recourse to the First Reserve Funds, as a result of any cross-collateralization, a First Reserve Fund could lose its interests in otherwise performing investments due to poorly performing or non-performing investments of another First Reserve Fund.

Platform Investments

In the case of investments involving a start-up or platform business, First Reserve Funds from time to time enter into an arrangement with one or more individuals or management teams (who may have experience or capability in sourcing and/or managing investments) to undertake a "buy and build" or a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy, such as acquiring oil or gas working interests, acreage or smaller businesses. The counterpart individuals are typically compensated with a salary and/or equity incentive plan. Such compensation may take the form of a management fee and/or profits allocation (whether paid directly to such individuals and/or to an affiliated entity controlled by such individuals), which may be calculated as a percentage of assets under management and/or a waterfall, similar to a carried interest, respectively, and which will generally not be subject to an offset against the management fee paid to the applicable First Reserve Advisor. The professionals at any such platform company, which in certain circumstances may include former employees or current or former senior advisors or consultants of First Reserve and/or current and former executive officers of other First Reserve portfolio companies, can be expected to undertake analysis and evaluation of potential investment and acquisition opportunities for such platform company. In these circumstances, typically a First Reserve Fund would initially invest capital to fund a portion of the overhead such as rent, benefits, salary or retainers for the counterpart individuals and/or their affiliated entity) and sourcing costs for such investments. Although the applicable General Partner and its affiliates are generally responsible under the governing documents of the First Reserve Funds for certain overhead expenses and investment analysis associated with sourcing and managing investments, as well as compensation costs of investment professionals, a First Reserve Fund (and indirectly the Limited Partners, and not solely the applicable General Partner and its affiliates) would bear some or all of the cost of such platform companies, including costs related to overhead and the sourcing and analysis of investments, as well as compensation for the related counterparties for any such platform companies.

Advisors and Consultants

From time to time First Reserve engages and retains strategic advisors, consultants, senior advisors, operating executives and/or other professionals who are not employees or affiliates of First Reserve, which in certain circumstances may include former employees or current or former executive officers of portfolio companies), as well as other similar professionals who are not employees or affiliates of First Reserve (collectively “Consultants”) and who, from time to time, receive payments from, or allocations or performance-based compensation (e.g., promote) with respect to, portfolio companies (as well as from First Reserve or First Reserve Funds). In such circumstances, payments from, or allocations or performance-based compensation (e.g., promote) with respect to, portfolio companies and/or the First Reserve Funds are generally treated as expenses of the applicable First Reserve Fund and typically are not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by First Reserve, deemed paid to or received by First Reserve, and such amounts are generally not subject to the offset provisions in the governing documents of the First Reserve Funds. These Consultants may be offered the ability to co-invest alongside a First Reserve Fund, including in investments with which they are involved (and for which they may be entitled to receive performance-related incentive fees, which will reduce such First Reserve Fund’s returns and will not necessarily be subordinated to the return of Limited Partners’ capital contributions), or otherwise participate in equity plans for management of any such portfolio company, or invest directly in a First Reserve Fund or in a vehicle controlled by a First Reserve Fund subject to reduced or waived management fees and/or carried interest, including after the termination of their engagement by or other status with First Reserve. Additionally, and notwithstanding the foregoing, these Consultants may be investors in portfolio companies (which, in some cases, may involve agreements to pay performance fees to such persons in connection with a First Reserve Fund’s investment therein, which will reduce such First Reserve Fund’s returns and will not necessarily be subordinated to the return of Limited Partners’ capital contributions) and/or First Reserve Funds. The nature of the relationship with each Consultant and the amount of time devoted or required to be devoted by such Consultant varies considerably. In some cases, they provide First Reserve with industry-specific insights and feedback on investment themes, assist in transaction due diligence, and/or make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. They are either compensated (including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements that will not be confirmed as being comparable to the market rates for such services) by First Reserve, the First Reserve Funds and/or portfolio companies, or otherwise uncompensated unless and until an engagement with a portfolio company develops. In some cases, they have certain attributes of First Reserve “employees” (e.g., they may participate in general meetings and events for First Reserve personnel, work on First Reserve matters as their primary or sole business activity and have First Reserve-related e-mail addresses) even though they are not considered First Reserve employees, affiliates or personnel for purposes of the governing documents of the First Reserve Funds, the Advisory Agreements and related management fee offset provisions or other applicable provisions of the governing documents of the First Reserve Funds. First Reserve typically allocates the costs of such personnel to the First Reserve

Funds and/or applicable portfolio companies, and to the extent allocated to the First Reserve Funds, with such expenses treated as expenses of the First Reserve Funds. Payments or allocations to Consultants are generally not subject to the offset provisions and increase the overall costs and expenses borne indirectly by the Limited Partners. Over time, certain existing and future employees of First Reserve (including senior First Reserve personnel) may transition to a Consultant role (which, for the avoidance of doubt, includes a senior advisor role) or may, in certain circumstances, provide other advisory services such as legal, information technology or accounting advice either independently or as part of an unaffiliated law, information technology or accounting firm. Such a transition would have the effect of shifting the burden of the compensation of such employees from First Reserve to the First Reserve Funds and/or their portfolio companies.

Capital Calls and Use of Subscription Lines and Asset-Backed Facilities

From time to time a General Partner funds the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the unfunded commitments of investors, i.e., subscription lines) prior to calling commitments. For administrative convenience, capital calls, including those used to pay interest on subscription lines, asset-backed facilities and other indebtedness, are expected to be periodically “batched” together into larger, less frequent capital calls or closings, with a First Reserve Fund’s interim capital needs being satisfied by First Reserve Advisors borrowing money from such credit facilities. In particular, it is expected that certain capital needs of a First Reserve Fund during the fundraising period will be met through drawdowns from such credit facilities rather than capital calls. The interest expense and other costs of any such borrowings will be expenses of the applicable First Reserve Fund and, accordingly, decrease net returns of such First Reserve Fund.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by Limited Partners as a result of fewer, but larger, capital calls. To the extent a subscription facility is due upon demand by a lender, or in the event of a margin call such demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on Limited Partners and/or Limited Partners facing similar capital calls in multiple funds and being unable to simultaneously satisfy all such demands. Finally, the existence of a subscription facility may impair a Limited Partner’s ability to transfer its interest in a First Reserve Fund due to restrictions imposed on such transfers by the lender. To the extent a First Reserve Fund is unable to obtain a subscription line or asset-backed facility, or a First Reserve Advisor determines the terms of such facility would not be appropriate for such First Reserve Fund or otherwise determines not to use such facility, or access to such facility otherwise becomes unavailable, such First Reserve Advisor may determine to draw down capital commitments in advance and hold them in reserve to make investments, satisfy fees and expenses and other capital needs as such needs arise in the future.

It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which does not accrue on such borrowings and will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to a First Reserve Fund. As a result, the use of a

subscription facility with respect to investments and ongoing capital needs may reduce or eliminate the preferred return received by the Limited Partners and accelerate or increase distributions of carried interest to the General Partner of a First Reserve Fund. In light of the foregoing, First Reserve Advisors have an incentive to cause the First Reserve Funds to borrow in this manner in lieu of drawing down commitments, therefore First Reserve Advisors are expected to benefit from operating the First Reserve Funds in this manner. As a general matter, use of leverage in lieu of drawing down commitments amplifies returns (either negative or positive) to Limited Partners.

First Reserve Funds may utilize their subscription-based credit facility and/or enter into similar arrangements and extensions of credit for the benefit of co-investors and/or other First Reserve Funds that invest alongside the First Reserve Funds in one or more investments.

Joint Venture Partners

Some third party operators and joint venture partners with whom First Reserve may elect to co-invest a First Reserve Fund's capital have preexisting investments with First Reserve. The terms of these preexisting investments may differ from the terms on which a First Reserve Fund invests with such operators and partners. To the extent a dispute arises between First Reserve and such third party operators and/or joint venture partners, a First Reserve Fund's investments relating thereto may be affected.

Valuation of Investments

Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations. There are situations in which First Reserve is incentivized to influence or manipulate the valuation of investments. For example, First Reserve could be motivated to minimize losses from writedowns (i) that must be returned to Investors prior to an affiliate receiving carried interest or (ii) for purposes of increasing the management fee payable to the relevant First Reserve Advisor. The valuation of investments may also affect the ability of First Reserve to raise a successor fund to any First Reserve Fund. As a result, there may be circumstances where First Reserve is incentivized to determine valuations that may be higher than the actual fair value of investments.

First Reserve investments are valued quarterly in accordance with ASC 820, which defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures on fair value measurements. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

The objective is to estimate the exchange price at which hypothetical willing marketplace participants would agree to transact. Accordingly, while the cost (or "entry price") associated with a non-marketable asset held by a First Reserve Fund may be a consideration when assessing the asset's fair value, the purpose of the assessment is to determine a fair

sale (or “exit”) price, which may be ‘cost’ until there is a material change that would deem it necessary to carry an asset at a price other than cost.

First Reserve’s policy is to ensure that all portfolio investments are recorded at fair value on a consistent, transparent and reasonable basis. First Reserve will determine the fair value of the First Reserve Funds’ investments in the manner provided in the organizational, governing and offering documents of the relevant First Reserve Fund. Under certain circumstances, First Reserve may engage independent third parties to provide assessed market value of certain portfolio company holdings. Except as otherwise set forth in the governing documents of a First Reserve Fund, First Reserve Funds are audited annually.

Advisory Board

Certain First Reserve Funds from time to time establish Advisory Boards, consisting of representatives of Investors. A conflict of interest exists when some, but not all, Investors are permitted to designate a member to the Advisory Board. Except where the governing document of a First Reserve Fund specifically requires that a matter be brought to the Advisory Board, First Reserve will have sole discretion to decide whether to present any potential conflict of interest to the Advisory Board. In the event that First Reserve consults with the Advisory Board as to certain potential conflicts of interest or otherwise presents a matter to the Advisory Board, it could be disadvantageous to the Investors, including those Investors who do not designate a member to such Advisory Board. Pursuant to certain governing documents of the First Reserve Funds, certain matters that may be, or are required to be, submitted to a vote of the Limited Partners may instead be submitted to the Advisory Board for approval. Furthermore, members of the Advisory Board may have various business and other relationships with First Reserve and its partners, employees and affiliates (and may be investors in, and/or serve on similar committees of other First Reserve Funds). The presence of such other relationships may influence their decisions as members of the Advisory Board.

Carried Interest; Distributions In-Kind

As discussed in Item 5, the existence of the General Partners’ carried interest may create an incentive for the General Partners to make riskier or more speculative investments on behalf of the First Reserve Funds than would be the case in the absence of such an arrangement, although First Reserve’s commitment of capital to the First Reserve Funds should reduce this incentive.

The existence and terms of the General Partners’ carried interest may also create other incentives and potential conflicts of interest related to the General Partners’ investment-related decisions. Tax reform legislation enacted in respect of the taxation of carried interest provides for a lower capital gains tax rate on investments held for at least three years. Because the First Reserve personnel entitled to carried interest through the General Partners are generally subject to U.S. federal and local income tax, the General Partners will be incentivized to operate the First Reserve Funds, including the holding and/or sale of investments, in a manner that accounts for the tax treatment of carried interest. While the General Partners seek to maximize pre-tax returns for the First Reserve Funds as a

whole, the General Partners may nonetheless be incentivized, for example, to accelerate the making of investments at the beginning of a First Reserve Fund's investment period, hold investments longer to ensure long-term capital gains treatment and/or dispose of investments prior to any change in law that would result in a higher effective income tax rate on its carried interest.

If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property as determined by the General Partners in accordance with procedures set forth in the applicable governing documents of such First Reserve Fund. An independent appraisal generally will not be required. In limited circumstances, the amount of carried interest will be calculated based on the fair market value of in-kind distributions, even though a Limited Partner may have elected to receive a distribution of cash in lieu thereof.

Pursuant to the governing documents of certain First Reserve Funds, the General Partners are typically required to return excess amounts of carried interest as a "clawback." This clawback obligation creates an incentive for the General Partners to defer disposition of one or more investments or delay the liquidation of a First Reserve Fund if the disposition and/or liquidation would result in a realized loss to the First Reserve Fund or would otherwise result in a clawback situation for a General Partner.

Cayman Islands Private Funds Law

First Reserve Funds that are Cayman Islands exempted limited partnerships are required by the provisions of the Private Funds Law, 2020 (as amended) of the Cayman Islands to disclose certain potential conflicts of interest relating to the valuation and safekeeping of assets and the discharge of certain cash monitoring obligations.

Side Letters

The General Partners of the First Reserve Funds have in the past entered into, and are expected in the future to enter into, side letter or other similar agreements with specific Investors with respect to a First Reserve Fund without the approval of any other Investors. Such agreements generally establish rights under, supplement or alter, the terms of, the applicable governing documents of such First Reserve Fund with respect to such specific Investors, including with respect to economic terms, fee structures, excuse rights, information rights, co-investment rights (including the provision of priority allocation rights to investors admitted to a First Reserve Fund within a prescribed period following the initial closing thereof or making or holding aggregate commitments of a certain size to one or more First Reserve Funds) and liquidity or transfer rights in a manner more favorable to such specific Investors than those applicable to any other Investors. While First Reserve has no obligation to offer all such additional rights, terms or conditions to any other Investor in a First Reserve Fund, First Reserve generally makes such terms of the side letters available to all Limited Partners of the relevant First Reserve Fund.

Transactions with Investors

The General Partners and their affiliates from time to time engage in transactions with prospective and actual investors that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor's admission to the First Reserve Funds or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to the First Reserve Funds and their respective portfolio companies. Examples include the ability to co-invest alongside First Reserve Funds, the ability (subject to confidentiality, fiduciary, contractual and other considerations) to bid on the financing or disposition of portfolio companies of the First Reserve Funds, recommendations to underwriters for allocations in initial public offerings, and provision of training programs.

Material, Non-Public Information

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

Diverse Limited Partner Group

The Limited Partners (and First Reserve professionals who have interests in the First Reserve Funds through their interests in the General Partners of the First Reserve Funds) have conflicting investment, tax and other interests with respect to their investments in the First Reserve Funds. The conflicting interests of individual Limited Partners with respect to other Limited Partners may relate to or arise from, among other things, the nature of investments made by the First Reserve Funds, the structuring or acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partners, the First Reserve Advisors or First Reserve, including with respect to the nature or structuring and managing of investments that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to any Limited Partner's individual tax situation. In addition, the First Reserve Funds may make investments that could have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for a First Reserve Fund, the General Partner will generally consider the investment and tax objectives of the First Reserve Fund and its Limited Partners (and those Limited Partners in other First Reserve Funds) as a whole, and not the investment, tax or other objectives of any Limited Partner individually. Limited Partners should note that, to the extent members of the Advisory Board or Limited Partners in a First Reserve Fund vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action by those Limited Partners, any such Limited Partners in such First Reserve Fund may have an interest in other First Reserve

Funds or other funds and, as a result, may not be motivated to vote solely in accordance with its interests related to such First Reserve Fund.

Allocation of Expenses

An allocation among the First Reserve Funds of expenses generated in the course of evaluating and making investments are required in certain situations, such as where more than one First Reserve Fund considers making a particular investment. For instance, this might include the expenses of common counsel and other professionals. Any such allocation will be made in good faith and in accordance with the applicable First Reserve Fund governing documents by the First Reserve Advisors, considering all factors deemed relevant. Any expenses shared by more than one First Reserve Fund in connection with evaluating and making consummated portfolio investments of the First Reserve Funds or broken deals generally are allocated pro rata based on each First Reserve Fund's invested capital (or, in the case of broken deals, the amount that would have been invested by each First Reserve Fund), as determined by First Reserve, although the General Partners typically structure co-investment participation such that their participants do not share in broken deal expenses. D&O liability insurance premiums borne by the First Reserve Funds will be allocated pro rata based on each First Reserve Fund's aggregate capital commitments. Other expenses are allocated by First Reserve in good faith.

Personnel

From time to time, First Reserve hires short-term or long-term personnel (or interns) who are relatives of, or are otherwise associated with, an investor, portfolio company or a service provider. Although reasonable efforts are made to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee that First Reserve can control for all such potential conflicts of interest, and there may continue to be an ongoing appearance of a conflict of interest. In most such circumstances, the governing documents of a First Reserve Fund will not preclude such First Reserve Fund from undertaking any particular investment activity and/or transaction. To the extent First Reserve determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by First Reserve.

In addition, from time to time, certain current and/or former First Reserve personnel (including secondees and temporary personnel or consultants that may have short-term or long-term arrangements) may be seconded to or, in the case of former First Reserve personnel, be employed by, one or more portfolio companies and provide finance, administrative, consulting, legal, accounting and other services to such portfolio companies, and the compensation for such personnel during the secondment or employment will be borne by the portfolio companies (in whole or in part). To the extent First Reserve receives any fees or expense reimbursement from the portfolio companies with respect to such personnel (or, in the case of former First Reserve personnel employed by such portfolio companies, to the extent such persons receive compensation from such portfolio companies), they will not be subject to the management fee offset and the Limited Partners may not receive the benefit of such fees or compensation. In addition, former

employees of First Reserve may provide services to the First Reserve Funds, the General Partners and the First Reserve Advisors, including legal, information technology, accounting or business/consulting services, and such former employees could have an ownership interest in service providers described below.

First Reserve Policies and Procedures

First Reserve implements policies and procedures from time to time to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions effecting a reduction of synergies across First Reserve's areas of operation or expertise that First Reserve Funds expect to draw on for purposes of pursuing attractive investment opportunities. Because First Reserve sponsors various First Reserve Funds, it is subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than that to which it would otherwise be subject if it focused only on one First Reserve Fund. As a consequence, information that could benefit a First Reserve Fund may be restricted to specific business lines and otherwise be unavailable to such First Reserve Fund. Additionally, the terms of confidentiality or other agreements with or related to companies in which First Reserve has or has considered making an investment, or which is otherwise an advisory client of First Reserve, may restrict or otherwise limit the ability of a First Reserve Fund and/or its portfolio companies and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. While First Reserve has sought, and will continue, to, resist, mitigate and manage contractual restrictions requested by investment counterparties, non-competition undertakings and analogous agreements are becoming increasingly prevalent in international M&A transactions, and any restrictions (whether in existence under current investment documentation or to be negotiated under future investment documents) may have consequences that are adverse to the interests of a First Reserve Fund, such as, for example and without limitation, adversely affecting the ability of a First Reserve Fund to participate in certain sectors and/or geographies. Further, First Reserve may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for a First Reserve Fund, could require such First Reserve Fund to share such opportunities or otherwise limit the amount of an opportunity such First Reserve Fund can otherwise take.

Service Providers

Certain services required by a First Reserve Fund (including some services historically provided by First Reserve to other First Reserve Funds) are, for certain reasons, including efficiency considerations, outsourced in whole or in part to third parties in the discretion of the relevant First Reserve Advisor or its General Partner in connection with the operation of such First Reserve Fund, and the relevant First Reserve Advisor and the General Partner will have an incentive to outsource such services at the expense of such First Reserve Fund to leverage the use of First Reserve's employees. Such outsourced services may include, without limitation, deal sourcing, asset management, information technology, licensed software, data processing, trading, settlement, investor relations, administration, custodial, accounting, legal and tax support and other services. Outsourcing does not occur uniformly

for all First Reserve Funds and, accordingly, certain costs may be incurred by one First Reserve Fund or portfolio company through the use of third party service providers that are not incurred for comparable services used by other First Reserve Funds or portfolio companies. The decision by First Reserve to initially perform particular services in-house for a First Reserve Fund will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties. The costs, fees or expenses of any such third party service providers will be treated as partnership expenses borne by such First Reserve Fund. First Reserve will determine (in its discretion based on relevant experience, its belief regarding market practice and such other factors it determines relevant under the circumstances) the fees, carried interest and other consideration payable to deal “sourcers” (who may be exclusive to First Reserve), asset managers and other service providers.

Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents), or their affiliates, to a First Reserve Fund or its portfolio companies could also provide goods or services to, or have business, personal, political, financial or other relationships with, First Reserve. Such advisors and service providers may be investors in a First Reserve Fund, affiliates of First Reserve, sources of investment opportunities or co-investors or counterparties with them. These relationships may influence First Reserve in deciding whether to select or recommend such a service provider to perform services for a First Reserve Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such First Reserve Fund or such portfolio company, as applicable). Notwithstanding the foregoing, investment transactions for a First Reserve Fund that require the use of a service provider will generally be allocated to service providers on the basis of First Reserve’s judgment as to best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that First Reserve believes to be of benefit to the First Reserve Fund. In certain circumstances, advisors and service providers, or their affiliates might charge different rates or have different arrangements for services provided to First Reserve and its affiliates as compared to services provided to the First Reserve Funds and their portfolio companies, which results in more favorable rates or arrangements than those payable by the First Reserve Funds or such portfolio companies, although First Reserve typically shares the benefit of such favorable arrangements with the First Reserve Funds. Moreover, a First Reserve Fund or the applicable First Reserve Advisor may not be in a position to verify the risks or reliability of such third party service providers. A First Reserve Fund may suffer adverse consequences from actions, errors or failure to act by such third parties, and may have obligations, including indemnity obligations, and limited recourse against them.

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

No Independent Advice

The terms of the agreements and arrangements under which a First Reserve Fund is established and operated have been or will be established by the applicable General Partner

and are not the result of arm's-length negotiations or representations of the Limited Partners by separate counsel. Limited Partners should therefore seek their own legal, tax and financial advice before making an investment in the First Reserve Funds.

Insurance

Each First Reserve Fund purchases, and/or bears premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure such First Reserve Fund, the applicable General Partner, the applicable First Reserve Advisor, First Reserve and/or their respective directors, officers, employees, agents, representatives, members of the Advisory Board and other indemnified parties, against liability in connection with the activities of such First Reserve Fund. This includes a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by First Reserve that covers the other First Reserve Funds, General Partners, First Reserve Advisors and/or First Reserve (including their respective directors, officers, employees, agents, representatives, members of the Advisory Boards and other indemnified parties). The General Partners will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among the First Reserve Funds, the First Reserve Advisors and/or First Reserve on a fair and reasonable basis, in their sole discretion, and may make corrective allocations should it be determined subsequently that such corrections are necessary or advisable, except that D&O liability insurance premiums will generally be allocated based on aggregate capital commitments.

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

Item 12. Brokerage Practices

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

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

without unduly impacting the market; the belief that the broker-dealer charges a fair and reasonable fee for each trade, and that the First Reserve Funds have been treated fairly and honestly in prior trades; and the quality of execution, quality of the broker-dealer relationship, quality of service rendered by the broker-dealer in prior transactions, and quality of any proprietary research and investment ideas.

First Reserve has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution (so called “soft dollar” arrangements).

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of the First Reserve Funds are generally private, illiquid and long-term; accordingly, First Reserve’s review of them is not directed toward a short-term decision to dispose of securities. However, First Reserve’s Investment Staff continuously monitor the portfolio investments of each First Reserve Fund.

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

Reporting

First Reserve furnishes Limited Partners in the First Reserve Funds with annual audited financial statements (except in the case of a First Reserve Fund with a single Limited Partner) and K-1s, quarterly unaudited financial statements, and, except in the case of a First Reserve Fund with a single Limited Partner and certain co-investment vehicles, quarterly descriptive investment information for each of the portfolio companies. In addition, First Reserve generally provides Limited Partners with periodic portfolio update conference calls, newsletters, fund reports, performance reports and summaries of the portfolio companies. It also provides detailed capital call and distribution statements. First Reserve also holds annual meetings with the Limited Partners (except in the case of a First Reserve Fund with a single Limited Partner and co-investment vehicles).

Item 14. Client Referrals and Other Compensation

From time to time, First Reserve engages third party placement agents (i.e., solicitors) to introduce prospective investors to the First Reserve Funds. While they are, from time to time, initially paid by the First Reserve Funds, the management fee payable to the relevant First Reserve Advisor is generally reduced by the amount of such expenses.

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

Item 15. Custody

First Reserve has access to client accounts because its affiliates serve as the General Partners of the First Reserve Funds. Limited Partners will not receive statements from any custodians (except

in the case of a First Reserve Fund with a single Limited Partner). Instead, the First Reserve Funds are generally subject to an annual audit by an independent public accountant that is registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board (the “PCAOB”). To the extent that a First Reserve Fund is subject to an annual audit, the audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each Limited Partner in accordance with the applicable First Reserve Fund’s governing agreements. To the extent a First Reserve Fund is not subject to such annual audit, First Reserve engages a PCAOB major accounting firm to subject such First Reserve Fund’s assets to a surprise audit and provides requisite reporting to such First Reserve Fund.

Item 16. Investment Discretion

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

Item 17. Voting Client Securities

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

The First Reserve Funds are primarily invested in privately-held portfolio companies or public or private debt, none of which typically issue proxies. However, upon occasion, First Reserve will receive proxies in connection with its publicly traded portfolio companies, in which case it is First Reserve’s policy to exercise the proxy vote in the best interest of the First Reserve Funds, taking into consideration all relevant factors, including acting in a manner that First Reserve believes will (i) maximize the economic benefits to the relevant First Reserve Fund and (ii) promote sound corporate governance by the issuer. On rare occasion, First Reserve may be required to exercise a vote for a privately-held portfolio company, or vote on a consent or resolution with respect to a debt investment, in which case the same procedures shall apply.

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

All conflicts of interest will be resolved in the best interests of the First Reserve Funds. Resolutions shall be reached after such conflicts are presented by the CCO to the President & CEO and the COO. In situations where such group perceives a material conflict of interest, First Reserve will: (i) disclose the conflict to the relevant Advisory Board (or in the case of a First Reserve Fund with a single Limited Partner, such Limited Partner) and obtain the informed consent of such Advisory Board (or Limited Partner) as to the fact that a material conflict exists in voting the First Reserve Fund's proxy in a manner favored by First Reserve; (ii) defer to the voting recommendation of an independent third party provider of proxy services (e.g., Institutional Shareholder Services, an independent proxy voting advisory and research firm); and/or (iii) take such other action in good faith which would protect the interests of the First Reserve Fund.

A copy of First Reserve's proxy voting policies and procedures, as well as specific information on how First Reserve has voted in the past, is available to existing Investors upon written request to: Compliance Department, First Reserve, 290 Harbor Drive, Stamford, CT 06902.

Item 18. Financial Information

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