

Kayne Anderson Announces Agreement to Sell Silver Hill Midstream Assets

Dallas, Texas - January 27, 2017 – Silver Hill Energy Partners Holdings, LLC (“Silver Hill”), a privately held entity controlled by an affiliate of Kayne Anderson Capital Advisors, L.P. (“Kayne Anderson”) through its energy private equity practice, has agreed to sell its midstream assets to a subsidiary of Targa Resources Corp. (“Targa”) as part of a larger transaction. On January 23, 2017, Targa announced the acquisition of three separate midstream entities, including Outrigger Delaware Operating, LLC, a 50/50 joint venture between Silver Hill and Outrigger Energy LLC (“Outrigger”). The Silver Hill management team conceptualized and co-founded the joint venture with Outrigger in 2014 to build scalable gas gathering, gas processing and crude gathering infrastructure to support the development of Silver Hill’s upstream assets and surrounding third party producers in the Delaware Basin.

Kyle D. Miller, Silver Hill President & CEO, stated: “Silver Hill was able to utilize our unique understanding of the Delaware Basin, and more specifically our own assets, to capture incremental value from the success of our upstream development activity. We value our partnership with the Outrigger team as they did a great job of executing on our shared vision.”

“This transaction demonstrates the incremental value that we can realize by leveraging our upstream knowledge to identify attractive investment opportunities in the midstream space.” said Chuck Yates, Managing Partner of Kayne Anderson Energy Funds. “The Silver Hill management team did an incredible job of recognizing the value potential and forming a strategic partnership with Outrigger to seize the opportunity. This opportunistic partnership and the impressive performance of the Outrigger team led to a very good outcome for all involved.”

Advisors

DLA Piper LLP served as legal counsel to Silver Hill and Kayne Anderson.

About Kayne Anderson Capital Advisors, L.P.

Kayne Anderson Capital Advisors, L.P., founded in 1984, is a leading alternative investment management firm focused on niche investing in upstream oil and gas companies, energy infrastructure, specialized real estate, middle market credit and growth private equity. Kayne’s investment philosophy is to pursue niches where our knowledge and sourcing advantages enable us to deliver above average, risk-adjusted investment returns. Kayne manages over \$25 billion in assets (as of 12/31/2016) for institutional investors, family offices, high net worth and retail clients and employs 300 professionals in nine offices across the U.S.

Through Kayne Anderson Energy Funds, the firm has raised over \$6.3 billion of committed capital dedicated to energy private equity investments in primarily upstream and midstream oil and gas companies. Currently, the firm has over 30 active portfolio companies focused on upstream and midstream oil and gas assets across North America.

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