

The Blackstone logo consists of the word "Blackstone" in a white, serif font, centered within a solid black rectangular background.

Blackstone Energy Partners Announces Acquisition of Ulterra Drilling Technologies from American Securities

NEW YORK, October 23, 2018 – Blackstone Energy Partners announced today that it has entered into binding agreements to acquire a controlling, majority interest in Ulterra Drilling Technologies (“**Ulterra**” or the “**Company**”) from affiliates of American Securities LLC. American Securities and certain members of management will retain a minority equity interest in the Company going forward. Financial terms were not disclosed. The transaction is expected to close prior to year-end 2018.

Ulterra is the largest pure-play, independent supplier of polycrystalline diamond compact (“PDC”) drill bits to the oil and gas industry. The Company is one of the fastest growing PDC drill bit manufacturers, having more than doubled total revenue since 2016. Ulterra currently has a leading position in many of the most active U.S. onshore oil and gas basins including the Permian and Eagle Ford, and has a growing presence internationally. Ulterra’s singular focus on PDC drilling technology allows it to deliver the highest level of customer service and customization to producers across a wide range of basins and geological formations, driving industry leading performance and durability.

The Company is led by a best-in-class management team who will continue in their current roles going forward, including Chief Executive Officer, John Clunan, and Chief Financial Officer, Maria Mejia, who are joined by a dedicated workforce of more than 600 employees worldwide. “We are very excited about having Blackstone as a partner as we enter the next phase of growth. Blackstone’s in-depth knowledge of the energy markets through their upstream and midstream companies will provide valuable insight for Ulterra. We are also excited to have American Securities continue their involvement with the company. This new team will enable the next phase of aggressive growth for our people, our culture, and our partners,” said John Clunan.

From Blackstone Energy Partners

“Drill bits are a mission-critical downhole consumable product, which are poised to benefit from drilling activity, particularly in the most economic oil and gas plays in North America. Ulterra is well-positioned to serve producers in these plays given its portfolio of premium PDC drill bits that deliver best-in-class performance and reliability. We look forward to partnering with American Securities and the Ulterra team as the Company enters this next phase of growth. We believe that high-quality equipment manufacturers such as Ulterra will continue to represent attractive investment opportunities, including potential add-on acquisitions for Ulterra, or new standalone opportunities in oil field services and equipment,” said Eric Liaw, Senior Managing Director of Blackstone Energy Partners.

From American Securities

“During our partnership, John and the talented Ulterra management team have established Ulterra as the market leader in the U.S. through their best-in-class products and focus on customer service,” said Kevin Penn, a Managing Director of American Securities. “We continue to believe in Ulterra and are excited to remain equity holders in the Company alongside the management team and Blackstone to pursue Ulterra’s next phase of growth,” added Michael Sand, a Managing Director of American Securities.

Kirkland & Ellis served as legal counsel to Blackstone. Barclays served as financial advisor to Blackstone. Simmons & Company International, Energy Specialists of Piper Jaffray and Wells Fargo Securities, LLC acted as financial advisors to American Securities and Ulterra. Weil Gotshal & Manges LLP acted as legal counsel to American Securities and Ulterra.

About Ulterra

Headquartered in Fort Worth, Texas, Ulterra is a leading manufacturer of PDC drill bits to the oil and gas sector. The Company has nearly 250,000 square feet of engineering, manufacturing and service space in Fort Worth, Texas, Leduc, Alberta in Canada and global locations in Oman, Colombia, Argentina, Kurdistan, and soon to open in Saudi Arabia. With locations all throughout the United States, Canada, and international, Ulterra’s field service locations are conveniently located near the drilling activity to provide direct support for your drilling operations. For more information, please visit www.ulterra.com

About Blackstone Energy Partners

Blackstone Energy Partners is Blackstone's energy-focused private equity business, with a successful record built on our industry expertise and partnerships with exceptional management teams. Blackstone has invested over \$15 billion of equity globally across a broad range of sectors within the energy industry.

Blackstone is one of the world’s leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with approximately \$457 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter @Blackstone.

About American Securities

Based in New York with an office in Shanghai, American Securities is a leading U.S. private equity firm that invests in market-leading North American companies with annual revenues generally ranging from \$200 million to \$2

billion and/or \$50 million to \$250 million of EBITDA. American Securities and its affiliates have approximately \$23 billion under management. For more information, visit www.american-securities.com.

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