



Latest deals: In July, the firm backed Streamline Innovations Inc., a San Antonio-based technology provider specializing in hydrogen sulfide treatment for natural gas and water, with a \$24 million commitment. Streamline’s technology removes hydrogen sulfide from natural gas, produced water and wastewater. Founded in 2015, Streamline deploys advanced technologies for water and gas treating and related processes to help oil and gas, utilities, industrial, and municipal customers, both domestically and internationally.

patiently and are constantly evaluating opportunities to return capital to our investors,” Coleman said.

CSG Investments Inc.

Focus: A global buy-and-hold institution headquartered in Dallas, CSG is an affiliate of Beal Bank and Beal Bank USA, which have total assets of \$7 billion as of June 30. CSG focuses on transactions ranging from \$50 million to \$600 million and does not plan on funding any startups in 2019, said Hans Hubbard, a managing director of CSG.

“CSG’s transactions generally require substantial durable, tangible collateral, and we prefer E&P opportunities with existing production already in place,” he said.

The company is open to extending additional capital to existing borrowers only within the context of existing facilities or for a new facility, depending on the circumstances, Hubbard said.

The typical hold period for CSG is three to five years. “We’re generally prepared for the longer end of that range,” Hubbard said.

Latest deals: In May 2019, CSG originated a \$250 million senior secured term loan with full funding provided by Beal Bank to U.S. Well Services LLC, a Houston-based electric hydraulic fracturing services and technology company. The capital will give the company an opportunity to fund its growth initiatives to capitalize on the growing market demand for electric-powered fracturing services.



In March, Pearl made a \$150 million commitment to Red Wolf Natural Resources, a newly formed upstream exploration and production company based in Oklahoma City. Red Wolf will pursue upstream development and acquisition opportunities focused in the Midcontinent region as well as several Rockies basins.

Market outlook: Pearl said funding more startups is a possibility. “We will continue to evaluate opportunities to partner with new management teams pursuing differentiated business plans,” said Stewart Coleman, managing director.

For an E&P start-up opportunity, the firm prefers to partner with management teams and does not require an asset in hand in order to make an initial investment, he said. Pearl plans to extend additional capital to its current portfolio companies.

“We view the current market as an attractive opportunity to deploy capital alongside great teams,” said Coleman.

The firm’s strategy is to build companies around assets that provide long-term value creation opportunities with “optionality in evolving market conditions,” he said.

While economic conditions for 2019 and 2020 are unknown, Pearl said it continues to scout potential deals.

“While subdued equity markets are creating exit uncertainty in the marketplace, we are committed to investing



Market outlook: The energy sector still has various opportunities available, according to Hubbard. “Within the energy sector, the biggest opportunity is simply being available with capital and flexible, customized solutions tailored to meet borrower needs,” he said. ■