

THE WOODLANDS, Texas, Aug. 25, 2015 /PRNewswire/ -- GeoSouthern Haynesville, LP ("GeoSouthern") and GSO Capital Partners LP ("GSO") announced today a definitive agreement to acquire from indirect, wholly-owned subsidiaries of [Encana Corp.](#) (TSX: ECA, NYSE: ECA) its Haynesville Shale assets for \$850 million, subject to customary adjustments and the assumption of certain liabilities. The properties, which are located primarily in DeSoto and Red River Parishes, Louisiana, contain approximately 112,000 net acres and 300 operated wells in the most prolific area of the Haynesville Shale. The assets are being purchased by GEP Haynesville, LLC, a joint venture of GeoSouthern and GSO.

"GeoSouthern is a company defined by its entrepreneurial spirit and results oriented management team. Our new joint venture with GSO, coupled with our history of successfully drilling and developing horizontal shale assets, gives us great confidence in our ability to enhance the value of these leases," said Margaret Molleston, President of GeoSouthern.

"GeoSouthern has a world-class management team and a leading track record in operating large-scale resource assets. GEP Haynesville will be positioned with significant financial flexibility to take advantage of the current market environment. We are pleased to have the opportunity to partner with GeoSouthern as it develops assets in the core of the Haynesville play and further expands its business," said Dwight Scott, Senior Managing Director, GSO Capital Partners.

GeoSouthern intends to remain opportunistic and continue its entrepreneurial approach to new energy assets. With no debt outstanding at closing, aside from an undrawn revolver, the company's strong balance sheet and liquidity position enable the funding of growth investments and anticipated capital expenditures. In connection with the transaction, GSO will receive preferred equity interests and a 10 percent common equity stake in the joint venture entity.

GeoSouthern was advised by Jefferies LLC, Kirkland & Ellis and Thompson & Knight.

ABOUT GEOSOUTHERN:

GeoSouthern Haynesville, LP is a joint venture formed by principles of GeoSouthern Energy Corporation and GeoSouthern Energy Partners, LP. GeoSouthern Energy Corporation was formed in 1981 by Mr. George Bishop and is a privately held exploration and production company based in the Woodlands, Texas. The company and its affiliates focus their efforts in the Texas Gulf Coast area and own and operate substantial acreage positions throughout Texas. Prior to the sale of its Eagle Ford Shale assets to [Devon Energy Corp.](#) in 2014, GeoSouthern Energy Corporation was one of the largest privately held producers of liquids in the United States.

ABOUT GSO CAPITAL PARTNERS:

GSO is a leading credit-focused alternative asset manager, with approximately \$81 billion of assets under management as of June 30, 2015. GSO has a global footprint with approximately 260 professionals among its offices in New York, Dublin, London and Houston. GSO is the credit division of Blackstone, one of the world's leading investment and advisory firms with approximately \$333 billion in assets under management as of June 30, 2015.

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SOURCE GeoSouthern Haynesville, LP

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