



FOR IMMEDIATE RELEASE

**Ares Management and ARM Energy Holdings Announce Partnership
To Develop Salt Creek Midstream in the Delaware Basin**

Funds Managed by Ares Have Provided Substantial Equity Commitment to Pure-Play Delaware Basin Midstream Company

HOUSTON, April 16, 2018 -- Ares Management, L.P. (NYSE: ARES) ("Ares") and ARM Energy Holdings, LLC ("ARM Energy") today announced a partnership to develop Salt Creek Midstream, LLC ("Salt Creek" or the "Company") in the Delaware Basin. The Company is owned by funds managed by the Ares Private Equity Group and ARM Energy. ARM Midstream Management, LLC, a subsidiary of ARM Energy, will serve as operator of the project.

Once fully operational, Salt Creek will primarily be comprised of multiple cryogenic processing facilities, as well as gas and crude gathering pipelines, compression and treating facilities. The initial phase of the project is expected to be commissioned in April 2018, and by the end of 2018, Salt Creek is expected to have 260 million cubic feet per day of processing capacity, with additional expansion investments planned as producers are added to the system.

To date, Salt Creek has secured commitments for more than 250,000 dedicated acres from multiple Delaware Basin producers, which the Company expects will provide decades of high-return drilling inventory, driving additional project growth and scale in a rapidly expanding basin.

ARM Energy's CEO Zach Lee said, "We are thrilled to partner with Ares on this important initiative, and are confident it will create long-term value for ARM Energy, Ares and our other partners. ARM's downstream intelligence and in-depth fundamentals analysis provided us with the insight to identify Salt Creek as a unique midstream offering for Delaware Basin producers as we continue to build world-class midstream assets spanning the entire basin, as well as downstream market solutions for residue gas, NGLs and crude. We believe the rapid development of the Salt Creek project, on the heels of our successful development and sale of Kingfisher Midstream, demonstrates our agility, efficiency and integrated approach in evaluating and capitalizing on market opportunities."

Ares' Nate Walton, Partner and Co-Head of North American Private Equity, said, "Ares is excited to collaborate with the ARM Energy team on Salt Creek Midstream, which is located in one of the most prolific energy plays in North America. We believe that this company will benefit from the combination of our industry experience and long-term relationships in the sector as well as ARM's extensive midstream, downstream and marketing knowledge."

Salt Creek Midstream, LLC also announced the successful close of its \$350 million term loan facility. Deutsche Bank acted as sole arranger and underwriter of the credit facility, the proceeds from which will be used to fund further development and expansion of the project in the Delaware Basin. Key phases of Salt Creek's development plan will continue to enter service throughout 2018.

About Salt Creek Midstream, LLC

Formed in 2017, Houston-headquartered Salt Creek Midstream, LLC is a joint venture of ARM Energy Holdings LLC and funds managed by Ares Management, L.P. Salt Creek is a full service midstream provider, offering gas and crude gathering, compression, cryogenic processing and treating services. The greenfield development project spans more than 250,000 acres across Culberson, Reeves, Ward, Winkler, Lea, Pecos, and Eddy Counties within the Delaware Basin.

About Ares Management, L.P.

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$106.4 billion of assets under management as of December 31, 2017 and 18 offices in the United States, Europe, Asia and Australia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment groups in Credit, Private Equity and Real Estate is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole. For more information, visit www.aresmgmt.com.

About ARM Energy Holdings, LLC

Headquartered in Houston, with offices in Calgary, Denver, Midland, and Pittsburgh, ARM Energy is a premier producer services firm, active in every sector of the energy value chain across all major North American oil and gas basins. Its integrated, diversified portfolio includes Asset Risk Management, LLC, providing risk management and hedging strategies for producers; ARM Energy Management LLC, providing physical oil and gas marketing, transportation and asset management services and trading; and ARM Midstream, LLC, providing midstream investment, infrastructure development and operations. www.armenergy.com.

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