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Energy private equity firm looks to harvest oil and gas talent for new investment



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Houston-based Post Oak Energy Capital closed its third fund May 24, valued at \$600 million, and with it, Frost Cochran, the fund's managing director, plans to target a new generation of oil and gas entrepreneurs.

Post Oak invests largely in upstream oil and gas companies, but has one midstream and one oil field services company in its portfolio, Cochran said. He sees room for people inside large oil and gas companies who either will be laid off or

have seen their compensation fall due to poor stock prices to venture out into their own business.

"They have to make some hard decisions to steer through with a big company or say, 'Is this the entrepreneurial opportunity of a lifetime to spread my wings and jump?'" Cochran said.

Two other cycles come to mind, the late '90s and the early '80s, where low oil prices pushed people out of companies into leadership positions at new companies, with this cycle potentially leading to another influx of new entrepreneurs.

Post Oak has a track record of making these sorts of investments, as well, one being UpCurve Energy LLC led by a team of former ConocoPhillips employees. It received \$100 million in December 2015 for its business, which does horizontal recompletions and unconventional development in shale plays.

"There are some very talented people inside large companies who have never been entrepreneurs, but I think (the downturn) will breathe life into a whole new generation," Cochran told the Houston Business Journal.