

Rodman Energy Group Continues, Expands COSCO Tradition

Having acquired COSCO Capital, Rodman Energy Group helps private and public energy companies.

By Leslie Haines, Editor-in-chief, *Oil and Gas Investor*

When Rodman & Renshaw Capital Group Inc. acquired the operating assets of COSCO Capital Management LLC and its related companies earlier this year, the deal gave the COSCO principals "more shots on goal" for their E&P clients.

COSCO and its employees have become the nucleus of the newly created Rodman Energy Group, led by COSCO founder and senior managing director Cameron O. Smith.



Cameron O. Smith

The new entity, still headquartered in New York, materially expands Rodman's reach. It combines Rodman's leadership in PIPEs (private investment in public equities) and other forms of public financing with COSCO's deep knowledge and decades of experience in energy investing, finance and M&A advisory, particularly as it

relates to private equity that backs start-up and growth-stage E&P companies.

"Now, we can serve every person we know in the energy sector, whether through venture capital or growth capital, whether they are large or small, and whether they are public or private," Smith says. "It means we can keep servicing private companies looking to go public, and we can cast our eyes wider on public companies we couldn't help before."

In addition, Rodman Energy Group will add oil and gas equity research to the tool kit. Three E&P analysts, headed by Jeff Hayden, formerly of Pritchard Capital Partners, have already joined the firm's New York and Houston offices.

COSCO had enjoyed 17 years as a New York investment bank focused on private capital for oil and gas and other energy entities before joining Rodman.

The Rodman Energy Group will continue and expand COSCO's existing investment advisory and finance practice for companies and funds active in the energy sector. The group includes COSCO's other principals, who are based in Houston and Calgary. Rodman consolidated COSCO's office in New York, and operates COSCO's offices in Houston and Calgary as Rodman branches.

"The nice thing is, COSCO and our people remain intact and we move lock, stock and barrel to the Rodman group," says Smith.

Operations in Calgary permit Rodman to serve COSCO's existing private Canadian oil and gas clients, as well as to deepen its finance and advisory relationships with the public energy sector in Canada. By year-end, Rodman expects to become a nationally registered securities dealer in Canada, enabling the company to conduct offerings and public listings on Canada's two exchanges and to provide a broader range of finance and advisory services in multiple industry sectors in Canada.

"I am delighted to bring Cameron Smith and his COSCO colleagues to Rodman in a transaction that joins Rodman's leadership in the PIPE transaction market with COSCO's decades of experience...in private finance to oil and gas and other energy companies," said Michael Lacovara, chief executive officer of Rodman, at the time of the deal. "This acquisition in energy finance, much like our acquisition of Miller Mathis & Co. in steel and resources, continues the execution of our strategy to strengthen and broaden our franchise."

Of the new combination, Smith says, "In addition to benefiting our current and future private clients, through expanded monetization capacity and general access to private capital at hedge funds and other institutional wealth managers, we see significant near-term growth potential through the ability to offer Rodman's world-class PIPE capabilities to our host of friends who manage public energy companies worldwide.

"The merger of our firms also enhances materially COSCO's initiatives in energy secondary offerings and direct investments."

Since the merger, the Rodman Energy Group has already launched financings for public energy companies on the Toronto Stock Exchange and London AIM, as well as the American Stock Exchange and Australian exchanges.

"We have expanded services to companies in the mid-

stream and service industry, as well as alternatives like wind and ethanol. We are even taking advantage of Rodman's new strengths in mining and minerals to take on a joint engagement for a uranium mining company in Colorado," Smith says. "This is all on top of our usual portfolio of private equity and debt placements. We have never been busier—or more productive."

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—Cameron O. Smith

Rodman & Renshaw has existed since 1951, but since 2002 it has been reinvigorated with new management (many former employees of Ladenburg, Thalmann), a new board of di-

rectors and a new strategic direction, says Michael Vasinkevich, vice chairman.

Energy is a renewed focus of the firm, which went public in 2007.

"We were looking for areas where the risk-reward scenario and time lines were similar to biotech, and where there is an intense need for capital," Vasinkevich says. "Certainly oil and gas companies fit that model. Energy is here to stay and the need for capital is here to stay."

For the past six years, Rodman had hosted two of the leading biotech conferences in the world, one in the spring in Monaco and the other in the fall in New York. This year, in keeping with its new profile, Rodman is expanding its New York event, on November 10-12, to include tracks on energy, steel and mining, as well as SPACs, Southeast Asia and growth. The three-day conference will host 3,000 to 5,000 investors at the Palace Hotel.

Rodman is a holding company with a number of subsidiaries. It provides research, sales and trading to institutional investors, and is a leading investment bank to the biotech sector, as well as a leader in the PIPEs and RD (registered direct placements) markets. ●

Private Placements and Transaction Advice:

\$1.75 billion since January 2000, alone!

- Equity: \$850 million
- Debt: \$400 million
- A&D Advisory: \$500 million

In June 2008, Rodman & Renshaw, LLC (member FINRA/SIPC) acquired COSCO Capital Management LLC and formed **The Rodman Energy Group**, retaining all of COSCO's former personnel and offices in Houston and Calgary.

Mt. Dora Energy Corporation



\$35,500,000
Line of Equity

Undersigned acted as Placement Agent
for Mt Dora Energy Corporation



May 2008

Lake Ronel Energy Partners, LLC

**LAKE RONEL
ENERGY PARTNERS, LLC**

\$40,500,000
Common Equity

Undersigned acted as Placement Agent
for Lake Ronel Energy Partners, LLC



January 2008

Action Energy Inc.



C\$17,500,000
Common Stock

Undersigned acted as Placement Agent
for Action Energy Inc.



December 2007

Red Arrow Energy, LLC



\$85,600,000
Line of Equity

Undersigned acted as Placement Agent
for Red Arrow Energy, LLC



July 2007

Ausam Energy Corporation



\$25,000,000

Line of Debentures and Warrants
To The Huff Energy Fund, L.P.

Undersigned acted as Placement Agent
for Ausam Energy Corporation



July 2007

KGL Investment Company



\$30,000,000
Units of Convertible Notes and Warrants

Undersigned acted as Exclusive Advisor
for KGL Investment Company



June 2007

An Affiliate of
Jones Energy, Ltd.



\$100,000,000
Senior Secured Notes To
GUGGENHEIM

Undersigned acted as Placement Agent
for Jones Energy, Ltd.



May 2007

An Affiliate of
Sanchez Oil & Gas Corporation



\$50,000,000
Secured Notes

Undersigned acted as Placement Agent
for Sanchez Oil & Gas Corporation



December 2006

The Rodman Energy Group

For further detail on The Rodman Energy Group, its Services and Track Record, please visit www.rodman.com

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|---------------------|-------------|--------------|----------------|
| Cameron O. Smith | New York NY | 212-430-1792 | cos@rodman.com |
| William E. Weidner | Simsbury CT | 860-658-6700 | wew@rodman.com |
| Lane W. McKay | Calgary AB | 403-237-9462 | lw@rodman.com |
| T.P. (Scott) Kessey | Houston TX | 713-654-8080 | tpk@rodman.com |