



# Retirement News Highlights

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## Blackstone to No Longer Fund Oil & Gas Exploration

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Blackstone says it will no longer back projects or firms that explore for, or produce, oil and gas, Bloomberg reports. Instead, the private equity giant will focus on the so-called “energy transition” for its investments in the sector going forward.

The company says that its new policy – which essentially codifies what has been its practice for several years – is based not on morality or ethics but on finance.

David Foley, who heads up Blackstone’s energy business, says as the world starts to shift toward lower-carbon economies, the risk and return characteristics of energy transition investments are now “more attractive” than the risks and returns for so-called upstream oil and gas, which refers to exploration and production.

Blackstone hasn't made any new oil and gas investments through its private equity funds since 2017 but is now making it a formal rule to avoid such investments. The firm’s credit arm won’t back such projects either, Bloomberg reports.

The manager is looking to raise more than \$4 billion for its next energy fund, a source tells Bloomberg. That vehicle will focus on energy transition investments, a term that generally refers to industries like renewable power, battery storage and carbon capture. Blackstone has invested about \$15 billion in such projects since 2019.

Blackstone’s most recent energy fund is now invested almost entirely in energy transition projects and, at the end of 2021, was delivering returns of 64%, according to Bloomberg.

Other private equity firms are also backing away from upstream oil and gas. Riverstone Holdings, which like Blackstone invested heavily in shale oil a decade ago, won’t finance oil and gas extraction going forward, Bloomberg reports. And Apollo Global Management has told potential investors that its next fund won’t invest in fossil fuels.

Blackstone has no plans to exit the oil industry altogether and will still back the processing, storage and transportation of oil, gas and related products.

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