

January 28, 2013

Dear Partner:

Happy New Year! We hope you are having a great start to 2013. We had a very active fourth quarter and are pleased to provide you this brief update on developments at Cohesive Capital Partners, L.P. (together with its affiliates, the “Fund”) since our last communication on November 14, 2012. In late March we will follow-up with a more comprehensive review of the Fund’s 2012 activities as well as year-end valuations.

To recap, as of December 31, 2012, the Fund had called approximately \$81 million, representing 40.3% of your total capital commitment, and returned \$14 million from the Dwyer Group dividend and the sale of TLP Energy. The remaining unfunded portion of your capital commitment, net of callable capital¹, is 66.8%.

On November 27, 2012, the Fund closed on its previously announced \$12.0 million investment in Serta Simmons Holdings. Serta Simmons is the #1 bedding manufacturer in the U.S. with a 34% market share and was formed in 2010 when Serta International purchased Simmons Holdco out of a bankruptcy process. The investment was made alongside Advent International, which purchased the Company from Ares Management and Ontario Teachers’ Pension Plan on October 1, 2012. The Fund purchased its interest at a 5% discount to the Advent transaction price from a distressed debt hedge fund that did not want to hold its rollover equity position resulting from the Advent transaction.

On December 14, 2012, the Fund had its first full realization: TLP Energy closed on the sale of all its energy-bearing assets in Texas and Oklahoma to NFR Energy LLC for a gross purchase price of \$670 million. In connection with the sale the Fund received gross proceeds of \$11.6 million, representing a 2.01x gross multiple of capital and a 123% gross IRR, on its \$5.8 million investment in TLP. A portion of the proceeds were used to fund our investment in E-P Gas (discussed below) and to pay fees and expenses, and the balance was distributed to you on December 21, 2012. As the proceeds from the sale of TLP were received within 18 months of investment, the amount representing the invested capital in this transaction (\$5.8 million) will be “recyclable for investments” into existing or future portfolio companies. We are very pleased with the outcome of this investment and look forward to evaluating future opportunities in the sector.

On December 28, 2012, the Fund closed on an \$8.0 million commitment to Epic Pantheon International Gas Shipping (“E-P Gas”) alongside Jefferies Capital Partners. E-P Gas, headquartered in Singapore, is a newly formed shipping company created through the merger of two existing shipping companies, Epic Shipping and Pantheon LPG Carriers. The combined company focuses on the operation of small pressurized liquid petroleum gas carriers in regional waterways in Asia, West Africa and Western Europe. With 16 company-owned vessels and six contracted vessels, E-P Gas is the second largest player in its niche shipping sector with ~10% of global capacity. At closing, the Fund

¹ See definition of “Unpaid Capital Commitment” and Section 3.4(g)(i) in the Fund’s Amended and Restated Limited Fund Agreement dated as of November 15, 2010 (as amended from time to time) (the “A&R LPA”).

invested \$5 million of its commitment, with the balance reserved for additional growth capital principally to expand the fleet. Jefferies Capital Partners has significant prior experience and a successful track record over fifteen years, investing specifically in maritime and energy companies, with 10 transactions completed representing over \$300 million in invested capital.

On December 28, 2012, the Fund also closed on its previously announced \$11.0 million investment in Access MediQuip (“AMQ”). AMQ serves its large managed care/insurance company clients as a provider of outsourced solutions to manage the pre-authorization, purchasing, delivery and reimbursement of implantable medical devices. The Fund invested alongside Water Street Healthcare Partners as part of a balance sheet recapitalization to reduce indebtedness and position the Company for its next phase of growth. AMQ was acquired by Water Street in 2006 and is a portfolio company in their first fund. As a result of the Fund’s investment, John Barber has a seat on the AMQ Board of Directors.

As previously announced, legal documentation for the Fund’s investment in Standard Bancshares was submitted to the government for regulatory approval on November 5, 2012. We expect to receive regulatory approval and close our investment in Standard Bancshares in February, and accordingly expect to call capital for the investment later this week. Post-closing, John Barber will have a seat on the Board of Directors.

Taken together, the Fund has made nine investments and has one investment pending closing (Standard Bancshares). A summary of the Fund’s invested capital by deal is included below:

<i>(\$ in thousands)</i>	Initial Investment	Investment Amount	% of Fund
Dwyer Group	Jan-11	5,000	2.5%
FNB United	Oct-11	10,499	5.2%
TLP Energy	Dec-11	5,763	2.9%
TLC Companies	Apr-12	6,500	3.2%
I Drive Safely	Jun-12	6,000	3.0%
Party City	Oct-12	10,000	5.0%
Serta Simmons	Nov-12	11,998	6.0%
E-P Gas	Dec-12	5,000 ²	2.5%
Access MediQuip	Dec-12	11,000	5.5%
Total Capital Invested as of 12/31/2012		71,761	35.8%
Standard Bancshares	Est. Q1'13	10,000	5.0%
Total (Incl. Standard Bancshares)		81,761	40.8%

PricewaterhouseCoopers, the Fund’s auditor, is in the middle of their audit process now. Annual audited financial statements and 12/31/2012 capital account statements will be issued following the conclusion of the Fund’s annual audit process, expected sometime in April 2013. These statements will be posted on Cohesive’s Intralinks investor reporting website or will be delivered to you by LeverPoint Management, LLC. As a reminder, LeverPoint is the third-party administrator that maintains the Fund’s books and records and handles all its tax matters.

² The Fund committed \$8.0 million to E-P Gas, of which \$5.0 million was initially funded at closing

As we continue to find investment opportunities for the Fund throughout the investment period, we will be reaching out to you for input and thoughts on diligence. Should you come across any investment opportunities that fit with the strategy of the Fund, we would appreciate the introduction.

If you have any questions now or in the future, please do not hesitate to contact me at 212-616-9619 or via email at jbarber@cohesivecapital.com.

Best Regards



John R. Barber
Managing Partner