COHESIVE CAPITAL PARTNERS

November 19, 2013

Dear Partner:

We are pleased to provide you this third quarter 2013 update on Cohesive Capital Partners, L.P. (together with its affiliates, the "Fund") that discusses key developments of the Fund. We are also today issuing the 9/30/13 unaudited financial statements and capital account statements.

New Investments, Follow-On Investments and Significant Portfolio Company Developments

Epic Shipping: As discussed in the second quarter letter, in May, July and August, the Fund invested an additional $2.7 million into Epic Shipping (part of our $3 million unfunded commitment to Epic at the original closing) in order to fund deposits on the construction of six new vessels and the acquisition of three "lease-to-own" secondhand vessels, bringing the Fund's total investment to $7.7 million out of its original commitment of $8.0 million.

On November 12, 2013, the Fund increased its commitment by an additional $4.9 million, bringing our total investment to $12.6 million (6.3% of the Fund), to fund the construction of four additional (and larger) newbuilds and the acquisition of two other secondhand vessels. These four larger newbuilds are the largest pressurized ships on the market and will make Epic the leading owner-operator of this class of tonnage when the ships are delivered in 2015 and 2016. Including these additions, Epic's fleet will have grown to 31 owned vessels with ~181,000 cbm of LPG capacity (~13.5% of total global capacity of the niche, small pressurized LPG sector) from 16 owned vessels when we first invested in December 2011. This is the 2nd largest fleet behind Stealthgas (NYSE:GASS), which has 53 owned vessels with ~258,000 cbm of LPG capacity (~19% of total global capacity).

Templar Energy: On September 4, 2013, the Fund invested an additional $1.8 million (part of our $15.0 million commitment to Templar) to fund a small acquisition as well as drilling and other operating costs.

On October 3, 2013, Templar reached an agreement to purchase Forest Oil Corp.'s (NYSE:FST) Mid-Continent Assets in the Anadarko basin for ~$1.0 billion, a price we consider very attractive. Templar was able to negotiate a favorable deal because Forest was a motivated seller looking to (i) delever from onerous debt levels, (ii) increase its financial flexibility/liquidity and (iii) re-focus its holdings on the Eagle Ford, Permian and Ark-La-Tex regions. Upon closing, Templar will add ~85,000 net acres of land (vs. 141,000 net acres today), 17,500 boe/d[1] of production (vs. 2,000 boe/d today) and 99.0 mmboe[2] of proved reserves (vs. 22.5 mmboe of proved reserves today). Management believes these

[1] boe/d stands for barrels of oil equivalent per day.
[2] mmboe stands for one million barrels of oil equivalents.

assets fit well within the Company's strategy because of their location, their liquid-rich resource composition and their significant geologic and production information.

When the sale closes in late November, Templar expects to finance its portion of the purchase price with ~$700 million of covenant-lite 2nd lien debt and ~$115 million drawn at close on a $300 million revolving facility committed by banks including Citi and Bank of America, and $130 million of new equity[1]. Templar's lenders felt comfortable providing this amount of leverage for two reasons: (i) Templar's existing assets have little debt attached to them resulting in the Company currently being "over-equitized" and (ii) Forest's assets have high levels of both existing production and proved reserves, thereby constituting a secure collateral package. Cohesive's pro rata portion of the required equity to fund this acquisition is $3.9 million, which we expect to fund prior to the transaction's closing date of 11/25/13. Pro forma for this investment, the Fund's total investment in Templar Energy is $11.4 million out of a total $15.0 million commitment.

CASA Exploration: As we highlighted in the second quarter letter, in April 2013, the Fund committed to invest $12.5 million into CASA Exploration ("CASA"), a newly formed E&P company focused on making large new oil discoveries in frontier Latin American basins. We invested alongside Warburg Pincus, which has a long and excellent track record investing in the energy sector. Similar to Templar, we are providing CASA with an "equity line of credit" which will be gradually drawn down over the course of the investment to fund the acquisition of drilling rights and the subsequent drilling costs.

In October 2013, CASA entered its first basin by reaching an agreement with Noble Energy to acquire a minority working interest in two shallow water (~100 feet) blocks off the east coast of Nicaragua at highly attractive deal terms. Concurrent with closing the Noble deal, CASA issued its first capital call to fund its proportionate share of corporate G&A costs and drilling expenditures on the first exploratory well. On October 11, 2013, Cohesive closed on its investment in CASA and funded ~$1 million, its pro rata portion of the initial capital call. We note that drilling is currently underway, although initial well results are not yet available. Management has since issued its second capital call to further support drilling activities and corporate G&A costs, of which Cohesive's pro rata share is approximately $0.3 million. This additional investment will be funded on November 27, 2013.

Interlink Maritime: On October 29, 2013, the Fund closed on a $7.5 million commitment, of which $6.3 million was funded at closing, into Interlink Maritime Corp. ("Interlink") alongside The Carlyle Group's Equity Opportunity Fund ("CEOF"). The balance of the commitment will be called over time to fund the final payments due upon delivery of our newbuild vessels. CEOF is an approximately $1 billion middle-market focused fund. Interlink, a newly formed shipping company, is being capitalized with ~$280 million of equity in total (including equity owned by management in exchange for contribution of existing dry bulk vessels) to fund the purchase of four existing and the construction of 21 new Handysize[2] eco-friendly (fuel efficient) dry bulk vessels.

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[1] Dave Le Norman is funding the other 1/8th working interest.
[2] Handysize dry bulk vessels include all ships with up to 45,000 dead weight tonnes (DWT) of capacity.

Interlink was founded in July 2013 when CEOF partnered with Paul Gurtler, a thirty year shipping veteran who owned four new Handysize dry bulk vessels with a fifth newbuild expected to be delivered by Q1 2014. Paul also held construction contracts with two different shipyards, each for five Handysize newbuilds with options for five more (for a total of 20 newbuilds and a total fleet of 25 vessels).

We believe that it is currently an opportune time to invest in eco-friendly Handysize shipping assets because dry bulk asset values and charter rates are currently at/near cyclical lows and are expected to rebound due to a favorable vessel supply/demand outlook. On the demand side, increasing demand for dry bulk commodities (specifically from Asian countries such as China and India) are expected to drive increased demand for Handysize vessels. On the supply side, a low current orderbook for Handysize vessels, high projected scrapping activity (resulting from an aging fleet) and limited slot availability in Chinese shipyards for construction of additional Handysize newbuilds are expected to drive lower future supply. Taken together with what we believe is meaningful downside protection from investing in shipping assets levered only 50% at this low point in the cycle, we are excited to be partnering with CEOF and Paul Gurtler.

OmniSYS: On November 8, 2013, the Fund committed to invest $11.0 million in OmniSYS, LLC ("OmniSYS"), a healthcare services company. The Fund invested alongside Moelis Capital Partners, a New York-based middle market private equity firm. The total enterprise value of the transaction[1] was $105.5 million, which represents 11.7x 2013E Adjusted EBITDA of $9.0 million and 12.4x 2013E Adjusted EBITDA less Capex of $8.5 million. As part of this transaction, the company will receive a substantial tax basis step-up (~$100 million) allowing for a significant annual shield to OmniSYS' cash taxes. Adjusting the enterprise value for the discounted after-tax amortization afforded by this step-up, the implied multiple of 2013E Adjusted EBITDA is reduced to 9.9x. We expect the transaction to close on November 21, 2013.

OmniSYS is a provider of revenue cycle management and audit/compliance services to pharmacies with respect to Medicare Part B and other medical claims processed in a pharmacy setting. The Company serves over 23,500 Medicare Part B pharmacy providers including independent and mega-chain pharmacies, mail-order pharmacies, institutional pharmacies, pharmaceutical companies, Pharmacy Benefit Management organizations ("PBMs"), and Durable Medical Equipment ("DME") suppliers. The Company's revenue cycle management product holds approximately 60% Medicare Part B market share of all retail pharmacies and the largest mail-order providers. Additionally, management believes OmniSYS is the largest provider of Medicare Part B audit and compliance services in the pharmacy setting.

OmniSYS has experienced, and is expected to continue to experience, rapid growth driven by a number of positive industry trends. In addition, the company has been winning new clients and expanding on its suite of product offerings. In its medical claims processing product, the Company is benefiting from the changing landscape of how and where healthcare is being delivered in this country. Recently, there has been significant growth in the volume and types of medical services that are being offered in the pharmacy setting, the most prominent of which is the administration of flu shots and other

[1] Excluding fees and expenses.

immunizations. Separately, this past summer saw the implementation of the new competitive bidding pricing by the Centers for Medicare and Medicaid Services ("CMS") which drastically reduced reimbursement rates for mail-order providers of diabetes testing supplies. The net effect of this change should be large increases in retail pharmacy volume as customers who previously purchased their supplies through the mail now come into the pharmacy. As a provider of services tied to medical claims in the pharmacy setting, OmniSYS is poised to continue to see significant revenue growth at its existing clients as their transaction volume grows. OmniSYS' audit and document collection services have separately benefitted from an increased focus on cost containment on the part of the CMS which has led to significantly increased incidences of Medicare Part B audits. The time and knowledge required to collect appropriate documentation, respond to these audits, and generate successful outcomes has made this a priority area for pharmacies. OmniSYS' expertise and track record of audit success positions them well to continue to capture new clients and expanded audit-related mandates.

Access MediQuip: Since closing, Access MediQuip ("AMQ") has experienced several customer issues which have delayed the rollout of new facilities and thus delayed the Company's originally expected ramp of sales volume. Coupled with new contracts that contained pricing reductions, these delays have unfortunately severely impacted earnings and cash flows, and are expected to continue to do so for the next 9-18 months. This has caused the Company to be out of compliance with its debt covenants and strained the Company's liquidity position.

AMQ continues to slowly gain traction in generating new volume and we believe the long-term value proposition and growth potential remain mostly intact, albeit delayed. Management has also been aggressively working to reduce the Company's cost structure and return it to a position of financial stability without having to rely on future revenue growth.

Water Street has a long-term relationship with the Company's primary lender and has been actively negotiating a forbearance agreement. As of the date of this letter, we have reached a set of mutually agreeable terms with the lenders and expect to have the fully documented forbearance agreement in place in the coming weeks. The forbearance will last through 9/30/14.

Note that despite the significant recent progress that has been made, the company has negative operating cash flow and it is our expectation that it will run out of liquidity before year-end. We have extensively analyzed the restructuring activities underway as well as the immediate growth prospects of the business and have concluded that a small infusion of additional capital presents a very compelling risk reward investment. Cohesive is in active dialogue with Water Street about an additional investment of equity capital (~$3 million, of which ~$0.7 million would come from Cohesive) in order to provide the Company with sufficient liquidity to enact all of the restructuring activities underway. The equity infusion is also a requirement as part of the agreement with the lenders and, as such, funding will coincide with the execution of the forbearance agreement.

As a result of these developments, we have written down the value of our existing investment at 9/30/13 to $1.1 million, or 0.1x cost. Notwithstanding the foregoing, it is our current projection that the company should be able to achieve profitability on a monthly basis sometime in 2014 and return to more sustained profitability in 2015 and beyond in part from cost cuts but also eventually from revenue growth with existing clients and roll-out of new products. We continue to monitor developments closely and will keep you informed as appropriate.

Distributions:

Party City: As noted in the second quarter letter, on August 1, 2013, Party City successfully completed a \$350 million offering of Senior PIK Toggle Notes which carry a cash interest rate of 8.75% and can toggle to a PIK interest rate of 9.50%. The net proceeds of the transaction were used to fund a dividend to shareholders. On August 7, the Fund received its pro rata portion of the dividend, or \$4.0 million, representing approximately 40% of invested capital. The proceeds of this dividend were distributed to you on August 15 via a deemed distribution and the corresponding deemed capital call was used to repay a portion of the outstanding balance of the Fund's credit line.

Fund Capital Summary

As of September 30, 2013, the Fund had called approximately \$94 million, and returned \$18 million from realizations. The table below details the remaining unfunded portion of your capital commitment, net of recallable capital [(1)], as well as the outstanding amounts that have been committed by the Fund to investments that have not yet been called from Limited Partners.

	% of Total Commitment
As of 9/30/13	
Capital Called Since Inception	47.3%
Less: Capital Distributed Since Inception (Recallable) [(1)]	(9.1%)
Remaining Unfunded Portion of Committed Capital, net of Recallable Capital [(1)]	**61.8%**
Total Committed Capital	100.0%
Current (as of the date of this letter)	
Capital Called Since Inception (Includes Capital Calls #14 and #15)	60.3%
Less: Capital Distributed Since Inception (Recallable) [(1)]	(9.1%)
Remaining Unfunded Portion of Committed Capital, net of Recallable Capital [(1)]	**48.8%**
Total Committed Capital	100.0%
Capital Committed to Investments but Not Yet Called (Templar, CASA and OmniSYS)	12.3%

[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 "LPA").

Fund Credit Line

The investments into Epic and Templar, as well as quarterly management fees were funded from the credit line in the third quarter, resulting in a balance of $7.0 million as of the end of the quarter.

After the end of the quarter, additional money was drawn on the credit line for our investments in CASA Exploration and Interlink Maritime. The Fund also repaid the entire outstanding balance of the credit line with proceeds from capital calls #14 and #15. As of the date of this letter, the Fund's credit line has an outstanding balance of $0.0 million.

Our November follow-on investments into Epic Shipping, Templar Energy, CASA Exploration, and Access MediQuip have been, and will be funded by cash received from Capital Call #15. We anticipate funding the majority of our investment in OmniSYS using the credit line.

9/30/13 Portfolio Summary and Fund Valuation

As illustrated in the table on the next page, as of 9/30/13, the Fund had closed on eleven investments totaling $92.0 million of invested capital. Including realized proceeds to date, the portfolio was collectively valued at $97.2 million as of 9/30/13, which represents a 1.1x gross multiple of capital (or "MoC"). Please refer to your individual capital account statement of 9/30/13 that details the value of your individual interest in the Fund as of that date.

Total commitments for investments closed as of 9/30/13 represent 49.7% of the total Committed Capital of the Fund. We note that if one includes the Fund's $12.5 million commitment to CASA Exploration, $7.5 million commitment to Interlink Maritime, $4.9 million follow-on investment in Epic Shipping, $11.0 million commitment to OmniSYS, and reserves for follow-on investments, then the total investment commitments and reserves would represent 74.0% of the Fund's total Committed Capital. After accounting for the $13.1 million of distributions returned to date that are recyclable for investments[1], the total investment commitments and reserves would represent 69.5% of investable capital.

[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 "LPA").

Portfolio Summary as of September 30, 2013 [1]

($ in Thousands)

Company	Business	Sponsor(s)	Date of First Investment	Total Commitment	% of Total Fund [2]	Invested Amount	Realized Proceeds	Carrying Value	Realized Proceeds + Carrying Value	MoC
Fully and Partially Realized Investments										
The Dwyer Group	Franchisor/home repair services	TZP Capital	Jan. 2011	$5,000	*2.5%*	$5,000	$3,305	$6,639	$9,944	2.0x
TLP Energy	Oil & gas	Trilantic; First Reserve	Dec. 2011	5,763	*2.9%*	5,763	11,649	0	11,649	2.0x
Party City	Party supplies	THL; Advent	Oct. 2012	10,000	*5.0%*	10,000	4,035	8,386	12,421	1.2x
Sub-Total				**$20,763**	***10.4%***	**$20,763**	**$18,989**	**$15,025**	**$34,014**	**1.6x**
Unrealized Investments										
CommunityOne	Community banking	Carlyle FSP [3]; Oak Hill	Oct. 2011	10,499	*5.2%*	10,499		7,216	7,216	0.7x
TLC	Professional Employer Org.	High Street	Apr. 2012	6,500	*3.2%*	6,500		8,844	8,844	1.4x
I Drive Safely	Online drivers education	CIP Capital	Jun. 2012	6,000	*3.0%*	6,000		5,885	5,885	1.0x
Serta Simmons	Mattress manufacturer	Advent; Ares	Nov. 2012	11,998	*6.0%*	11,998		14,052	14,052	1.2x
Epic Shipping	LPG shipping	Jefferies Capital	Dec. 2012	7,698	*3.8%*	7,698		7,740	7,740	1.0x
Access MediQuip	Specialty managed care	Water Street	Dec. 2012	11,000	*5.5%*	11,000		1,100	1,100	0.1x
Standard Bancshares	Community banking	Stone Point	Feb. 2013	10,000	*5.0%*	10,000		10,816	10,816	1.1x
Templar Energy	Oil & gas	First Reserve; Trilantic	Jun. 2013	15,000	*7.5%*	7,500		7,500	7,500	1.0x
Sub-Total				**$78,695**	***39.3%***	**$71,195**		**$63,152**	**$63,152**	**0.9x**
Total Fund Investments as of 9/30/13				**$99,459**	***49.7%***	**$91,959**	**$18,989**	**$78,177**	**$97,166**	**1.1x**
Investments Closed After 9/30/13										
CASA Exploration	Oil & gas	Warburg Pincus	Oct .2013	12,500	*6.2%*	989				
Interlink Maritime	Dry bulk shipping	Carlyle EOF [3]	Oct. 2013	7,500	*3.7%*	6,301				
Epic Shipping (follow-on)		Jefferies Capital	Nov. 2013	4,856	*2.4%*	4,856				
Total Fund Investments as of the Date of This Letter				**$124,315**	***62.1%***	**$104,104**				
Committed Investments (not yet closed)										
OmniSYS	Medical claims services	Moelis Capital	Nov. 2013	11,000	*5.5%*					
TOTAL - Cohesive Capital Partners				**$135,315**	***67.6%***					
TOTAL - Cohesive Capital Partners (Incl. Reserve for Follow-On Investments) [4]				**$148,270**	***74.0%***					

1 Includes all investments of Cohesive Capital Partners, L.P. and Cohesive Capital Partners (AIV), L.P. (collectively, the "Partnerships"), presented on a pro forma combined basis. Excludes capital called for management fees and expenses.
2 Total Fund size is $200,317,000.
3 CommunityOne investment is alongside Carlyle Global Financial Service Partners. Interlink Maritime is alongside Carlyle Equity Opportunity Fund.
4 Reserves for follow-on assumed to be 10% of capital commitments.

Annual Meeting

As a reminder Cohesive will be holding its annual meeting for Limited Partners on November 25th from 2pm – 6pm at the offices of our fund counsel, Akin Gump Strauss Hauer & Feld LLP, on the 43rd floor of the Bank of America Tower at One Bryant Park (NW corner of 42nd Street and 6th Avenue). In the meeting we will discuss the updates contained in this letter in more detail and also provide updates on the rest of the portfolio as well as commentary on the private equity market in general. Following the meeting, dinner will be at the Lambs Club where our guest speaker will be John Mozeliak, Vice President & General Manager of the St. Louis Cardinals baseball organization, who will share some thoughts with us around recruitment, training, allocation of assets (people and dollars), and risk/reward (especially long term contracts) in the context of building a consistently successful team over a long period of time. We look forward to seeing many of you there.

Administration

Your individual 9/30/13 capital account statements and unaudited financial statements for the third quarter are being issued concurrently with this letter. As a reminder, all information is posted on Cohesive's Intralinks investor reporting website or will be delivered to you by LeverPoint Management, LLC, the Fund's the third-party administrator who maintains the Fund's books and records and handles all its tax matters.

Cohesive takes seriously the safeguarding of your confidential personal information. We do so for your protection, but also in order for Cohesive, as an investment advisor that is registering with the SEC in the first half of this year, to meet all laws and regulations related to the safeguarding of your confidential personal information. To efficiently meet all of its legal and regulatory obligations, in 2011 Cohesive established the Cohesive investor reporting website using the Intralinks reporting platform. There are two ways to access the Intralinks investor reporting website: either via the Firm's website at www.cohesivecapital.com (which has a link on its homepage to the investor reporting website) or via the following link:

https://services.intralinks.com/logon.html?clientID=3694374887

As we find 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

John R. Barber
Managing Partner

Disclosure

These materials have been prepared by Cohesive Capital Management, L.P. ("Cohesive") exclusively for informational purposes only. The materials include forward looking statements as well as statements of belief and opinions of Cohesive, which are subject to various risks and uncertainties. All opinions, estimates and forecasts of future performance are based on information available to Cohesive as of the date of this publication and are subject to change.

All valuations are based on current values for both realized and unrealized investments and, unless stated otherwise, do not reflect the deduction of expenses, management fees and carried interest payments. Due to the inherent uncertainty of valuations, the stated values may differ significantly from the values that would have been used had a ready market existed for all of the portfolio investments, and the difference could be material. The long-term values of these investments may be lesser or greater than the valuations provided. In considering the performance information contained herein, investors should bear in mind that **past performance is not necessarily indicative of future results**, and that there can be no assurance that the Fund will achieve comparable results or that target returns will be met.

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