



# **Chalker Energy Partners**

IPAA Business Development  
Roundtable

Houston, Texas

June 2004



# Chalker's Vision

Build a successful, natural gas oriented E&P company through an opportunistic approach to acquisitions and exploitation in the gas basins of Texas suitable for a larger company to acquire in 3-5 years.



# Who is Chalker?

- ❑ Formed in December 2003 by Alan Smith and Tom Campbell
- ❑ Funded by Quantum Energy Partners
  - \$670MM Under Management
  - Target Investment: \$10 to \$50MM
  - 3 to 6 Year Investment Horizon
- ❑ Acquire & Exploit Strategy
- ❑ Prefer Gas Basins in Texas
- ❑ Building Strong Operating Team



# Chalker's Strategy

- ❑ Acquire & Exploit Framework
- ❑ Initial Focus – Tight Gas/Multiple Zones in East Texas
- ❑ Focus on Smaller Transactions (\$0.5 to \$5MM) in These Market Conditions
- ❑ Seek Deals with Drilling Upside
- ❑ Remain Opportunistic - South Texas and Texas Panhandle are Other Areas of Interest
- ❑ Apply Best Technologies in Each Basin

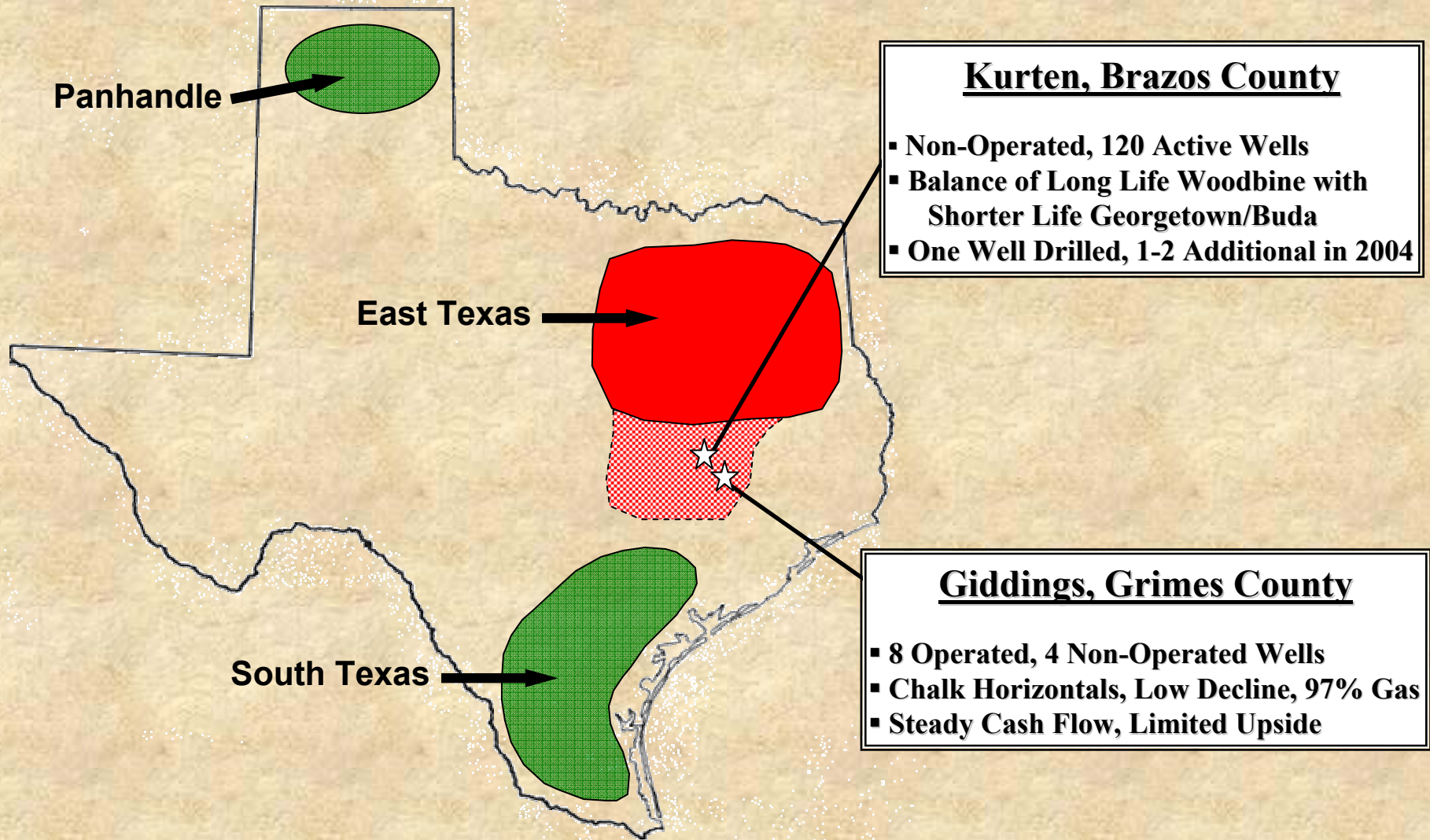


# Deal Flow

- ❑ Screened a Minimum of 75 Deals
- ❑ Made Offers on 22 Deals
- ❑ Closed 2 Deals for \$11.3MM
- ❑ Minimal Effort Toward Deals with Advisors
- ❑ Majority of Offers are \$0.5 - 5.0MM Range, Unsolicited



# Existing Assets





# Summary

- ❑ Initial Focus – East Texas
- ❑ Prefer to Operate
- ❑ Proven Closer
- ❑ Highly Responsive
- ❑ Sweet Spot: \$1.0 - \$10MM, but can do up to \$40-50MM

**Show Us Your Deals !!!**



GP