



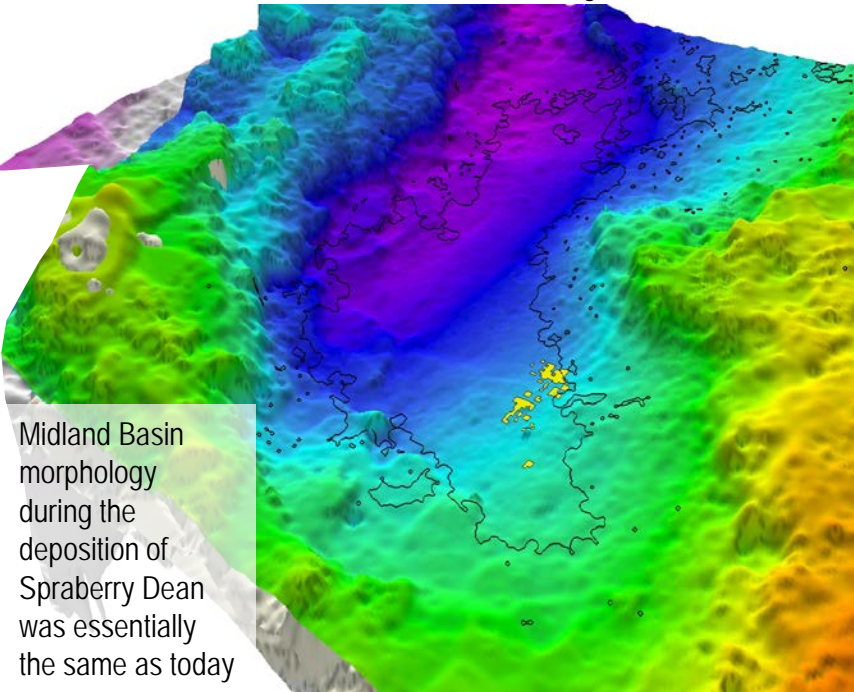
Broad Oak Energy Presentation January 21, 2013



Started With Simple Business Plan

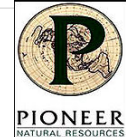
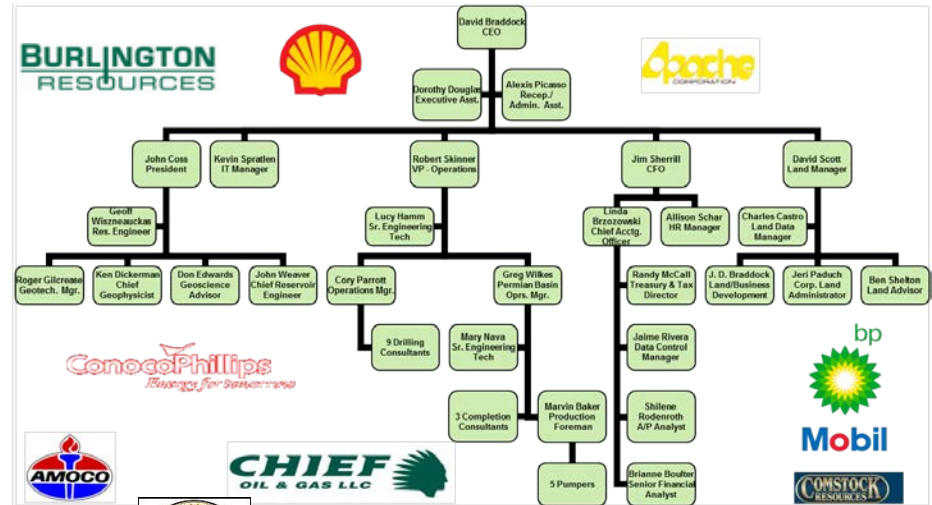
- Raise \$150mm in equity; (Warburg Pincus)
- Invest \$10-20mm in 3-5 Resource Plays;
- Appraise;
- Find 1-2 plays that work best economically;
- Lever up and develop;
- Sell at a reasonable multiple

Regional Geology Provides Bounds on Uncertainty



Midland Basin morphology during the deposition of Spraberry Dean was essentially the same as today

Assemble an Experienced Management Team & Staff



Unautho

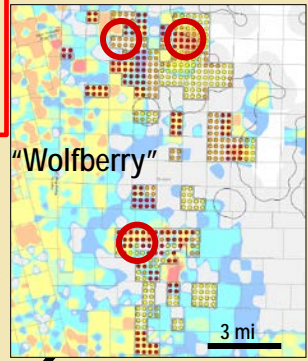


Hone in on Prospects / Acquire Leasehold

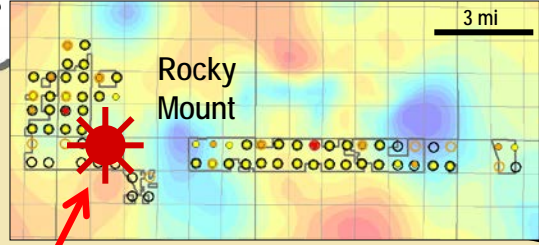
115K Acres / 850 Locations
in 3 Plays

Acres 6,326
Locations 32

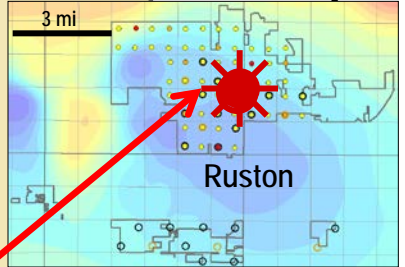
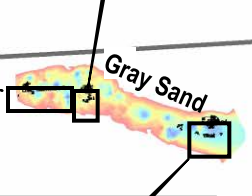
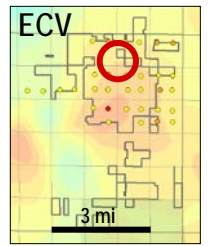
3 wells drilled in Spring 2008
35 wells by YE



Acres 17,800
Locations 436



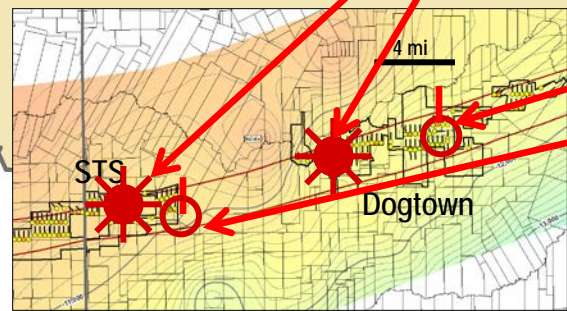
Acres 8,465
Locations 122



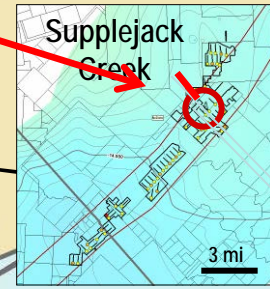
Acres 14,934
Locations 89

2007 Drills

2008 Drills



Area	Acres	Locations
STS	10,202	55
Dogtown	16,076	67



Acres 7,103
Locations 55

Spraberry Field

Louisiana

Mexico

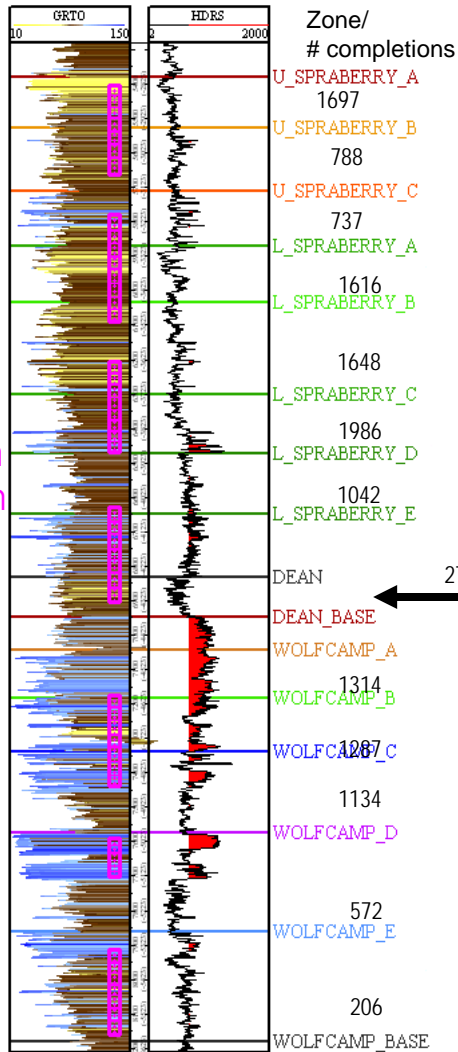
Edwards Trend



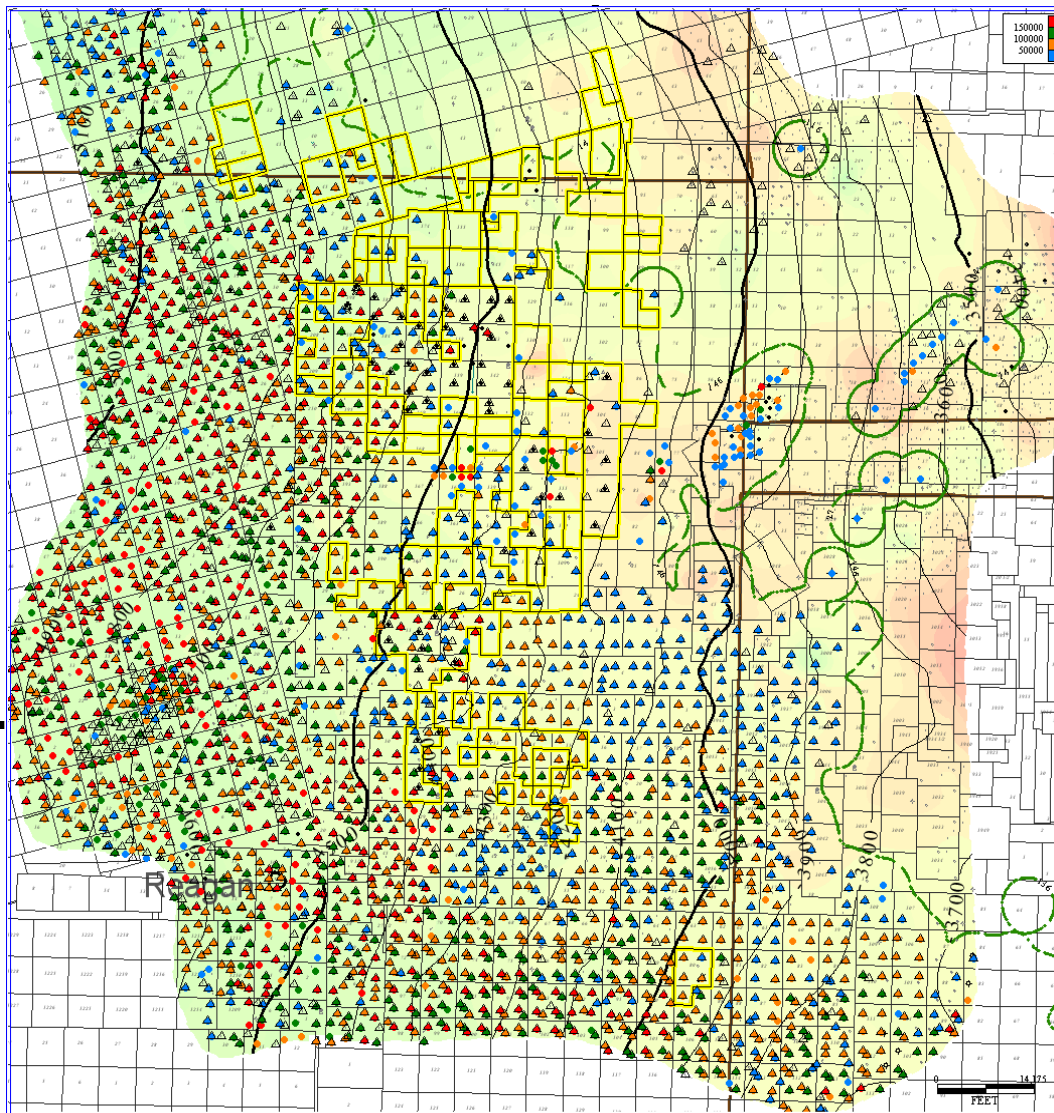
Redefining the Wolfberry - 5,000 Well Field Study

BROAD OAK ENERGY INC.

SUGG-D-104A
BROAD OAK ENERGY, INC.



Optimized 7-9 stage Frac design For optimum recovery

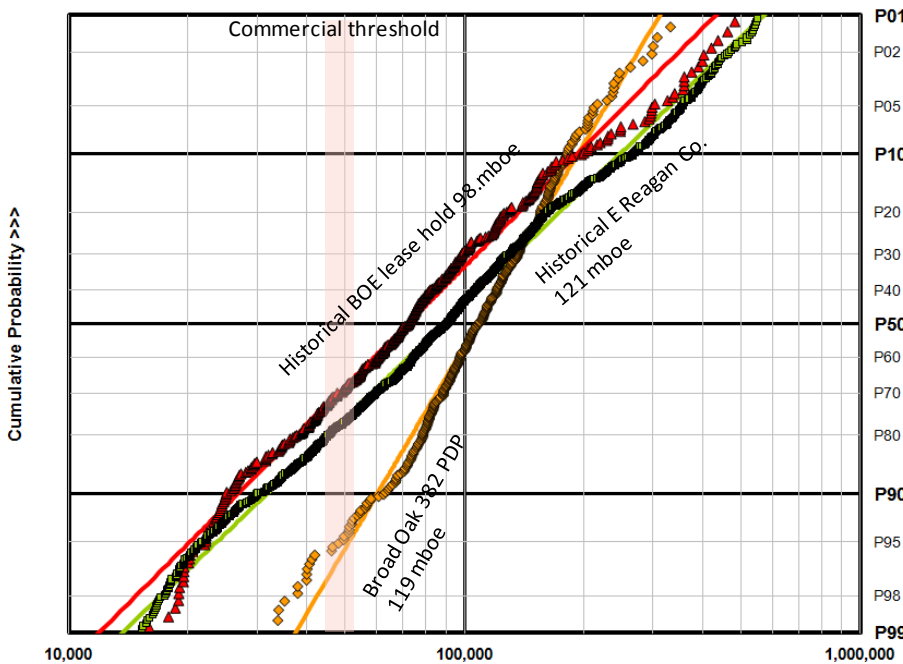


Historical Completions Proved Productivity of 2800' Interval

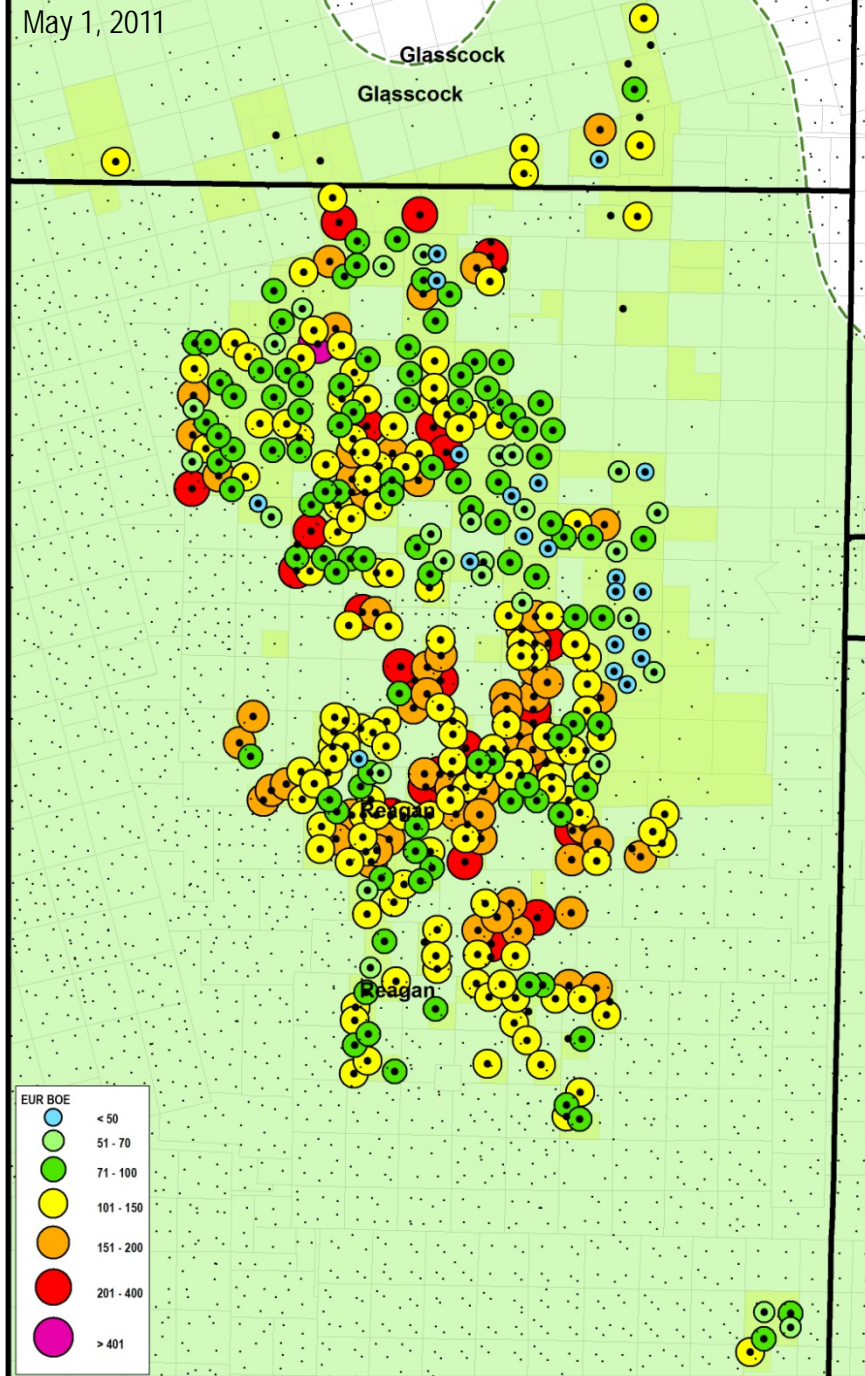


Drilling Results

(Well EUR excluding NGLs)

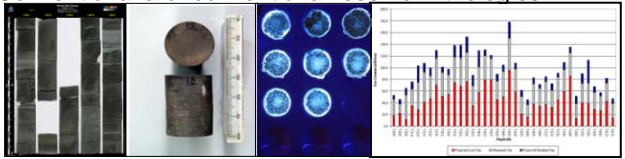


- Drilling proved commerciality and repeatability across Broad Oak's leasehold
- Multi-stage completion and modern fracture stimulation minimized the frequency of non-commercial wells

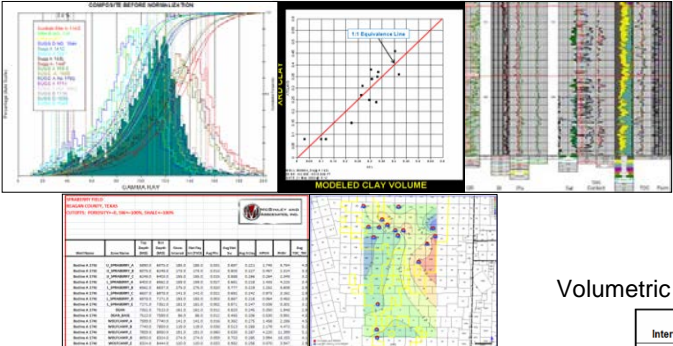


Two year study Integration of Core, Petrophysics & Production Data

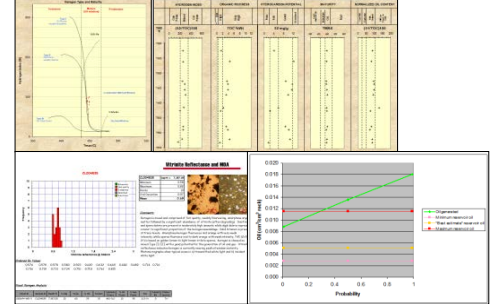
Comprehensive core sampling & data analysis
Conventional & unconventional reservoir lithologies



Log data QC, statistical integration of core and log data,
attribute analysis computations & volumetrics



Analysis of source rock geochemistry data for maturity, richness, burial/thermal history and HC volumes generated



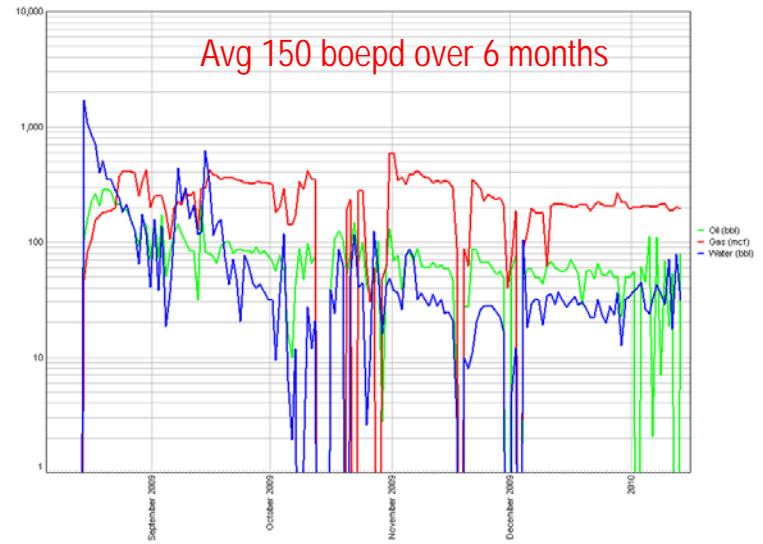
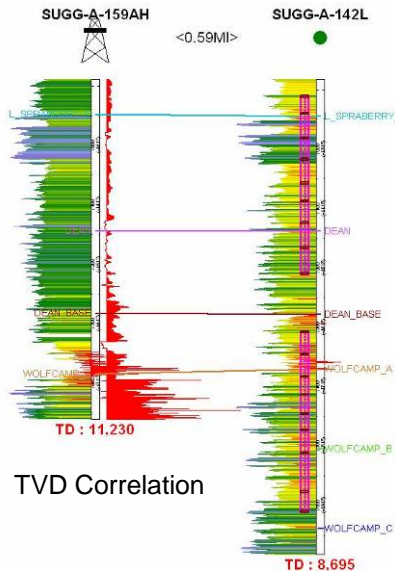
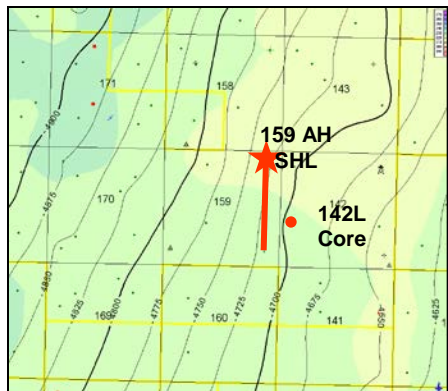
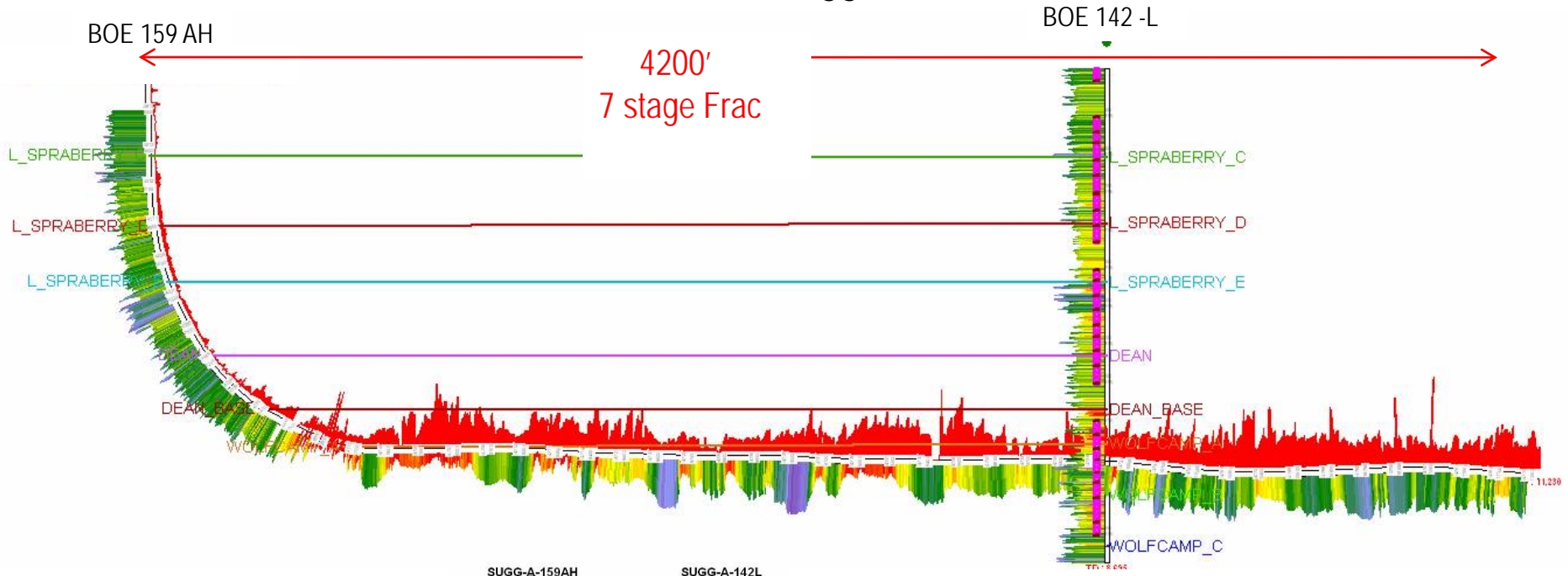
Volumetric summaries and zone rankings

Interval	Reservoir OOIP/40ac	Volume Rank	In-Place STBOE/40ac	# of wells completed in zone
U Spraberry A	865 MBO	4th	898 MBOE	1697
U Spraberry B	461 MBO	8th	479 MBOE	788
U Spraberry C	365 MBO	9th	379 MBOE	737
L Spraberry A	778 MBO	5th	807 MBOE	1616
L Spraberry B	1,186 MBO	1st	1,221 MBOE	2153
L Spraberry C	517 MBO	6th	537 MBOE	1886
L Spraberry D	163 MBO	13th	169 MBOE	1042
L Spraberry E	86 MBO	15th	89 MBOE	986
Dean	310 MBO	11th	321 MBOE	2735
U Wolfcamp	143 MBO	14th	142 MBOE	1648
Wolfcamp A	328 MBO	10th	325 MBOE	1314
Wolfcamp B	517 MBO	7th	512 MBOE	1287
Wolfcamp C	953 MBO	3rd	945 MBOE	1134
Wolfcamp D	1,164 MBO	2nd	1,154 MBOE	572
Wolfcamp E	268 MBO	12th	265 MBOE	206

Huge amount of hydrocarbons in place
 - 250 Billion BOE within old Spraberry field outline
 - Recovery to date 2.5 BBOE = 1% OIP
 How do we recover more ???

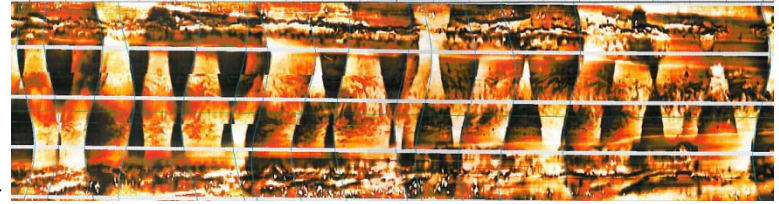
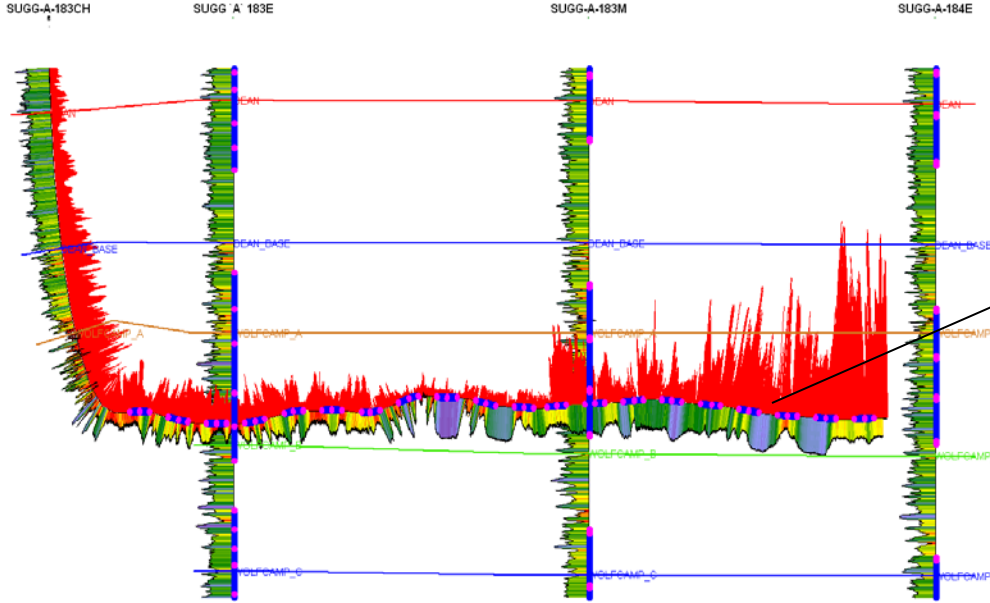
July 2009 BOE Drilled 1st Wolfcamp Horizontal Well

Sugg A 159AH



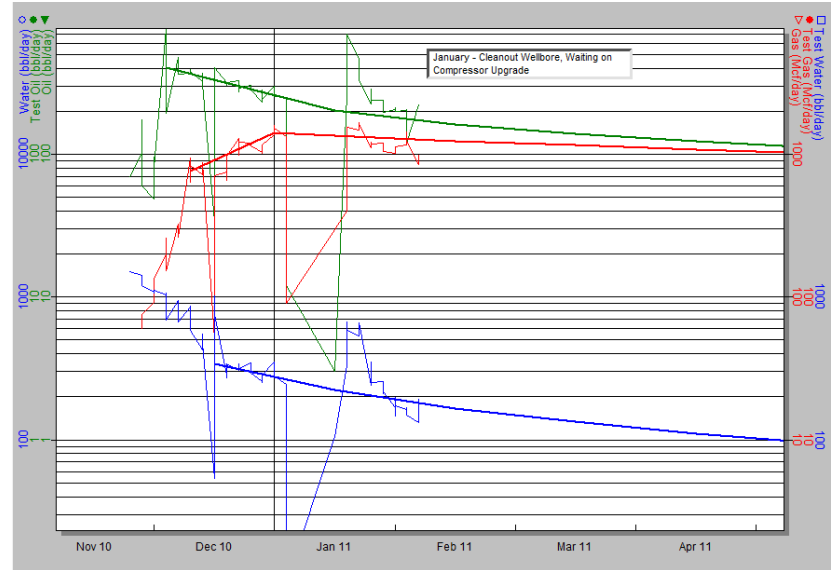
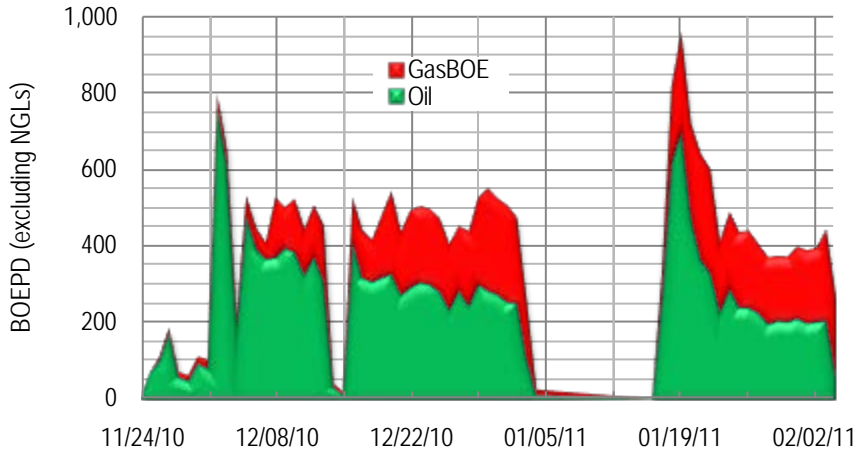
Broad Oak 183 CH Upper Wolfcamp Horizontal

6000' ft lateral / 20 stage frac



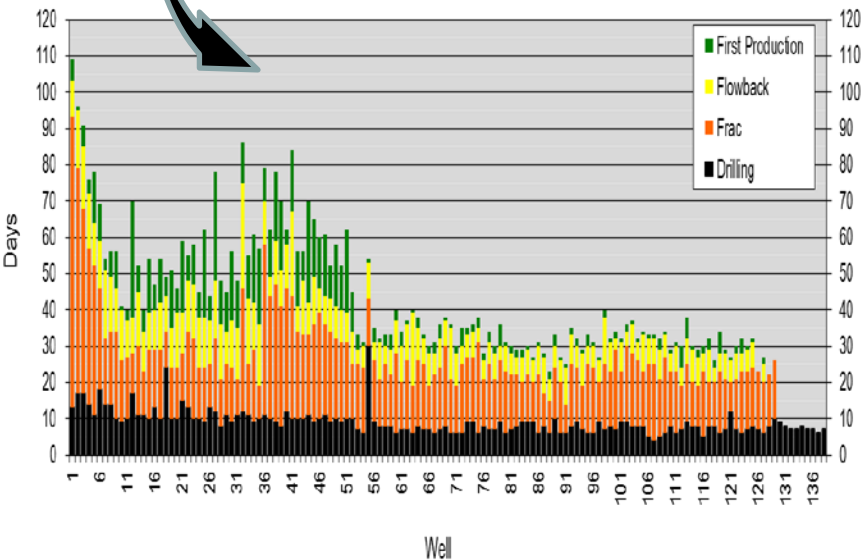
~ 20'

30 Day Avg 490 BOE



Path to Transaction

- Concentrate company efforts – sell N. Louisiana and South Texas Assets
- Continue to build Wolfberry Lease position – 75K
- Continue to build Operational excellence
- Grow Production - goal of 10,000 BOEPD net to support \$1B+ PW10
- HBP acreage as soon as practical with vertical wells
- Encourage Wolfcamp Horizontal Development



Total days from spud to first production reduced to 30 days

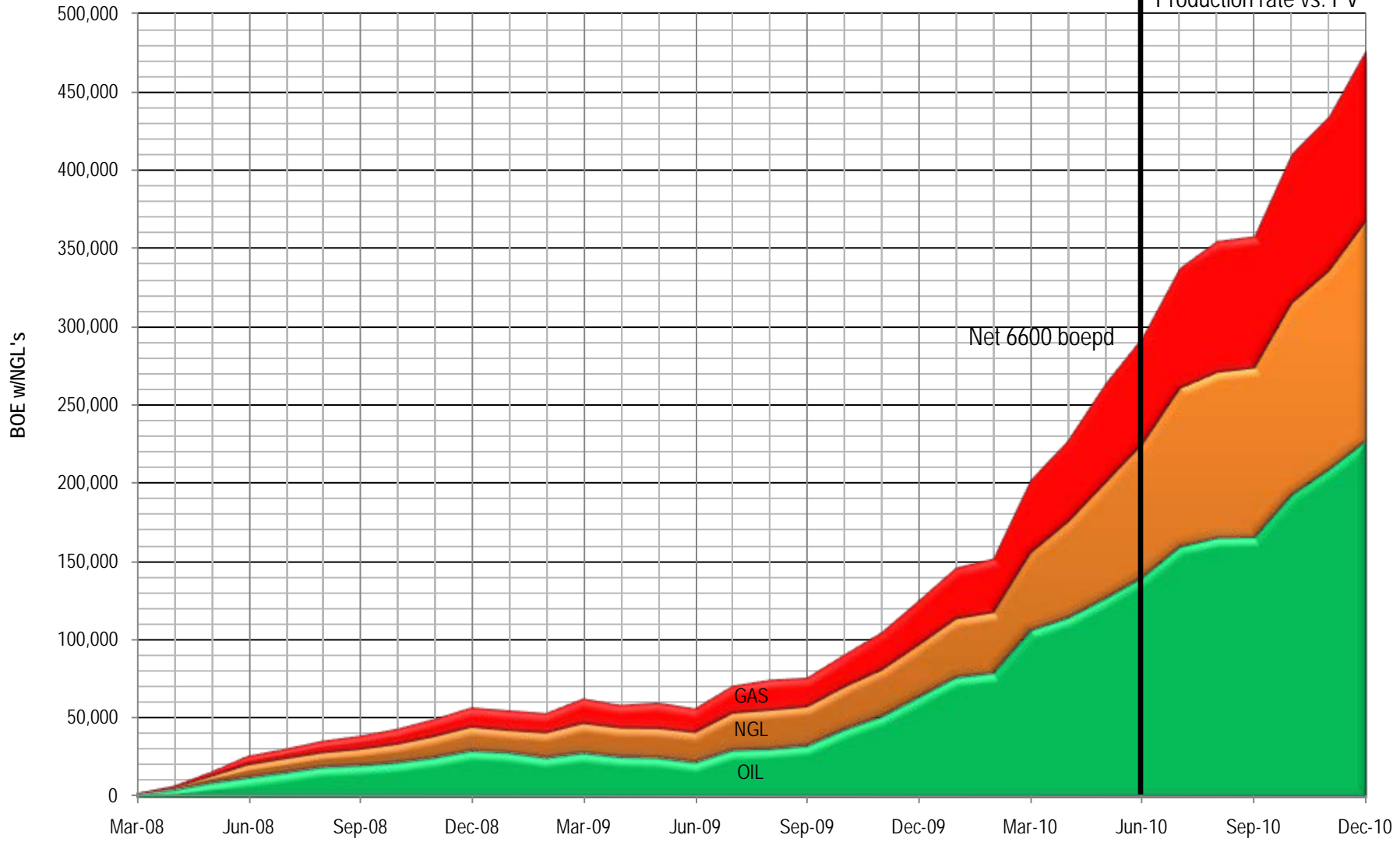
BOE Reserves – 1/17/11

	Wells	Mb	Ngl	MMcf	Mboe	PW10 (M\$)	BOE/well (M)	PW10 (M\$/Well)
PDP	320	11,967	9,230	51,273	29,743	629,141	123	2608
PDNP	19	817	577	3,207	1,928	36,311	13	2569
PUD	774	30,143	23,177	128,747	74,778	618,804	80	1072
Total Prv	1,113	42,927	32,985	183,228	106,450	1,284,256	128	1543
Probable	281	9,240	7,318	40,294	23,273	132,488	117	668
Total 2P	1,394	52,166	40,304	223,523	129,724	1,416,745	126	1372



Grow Production

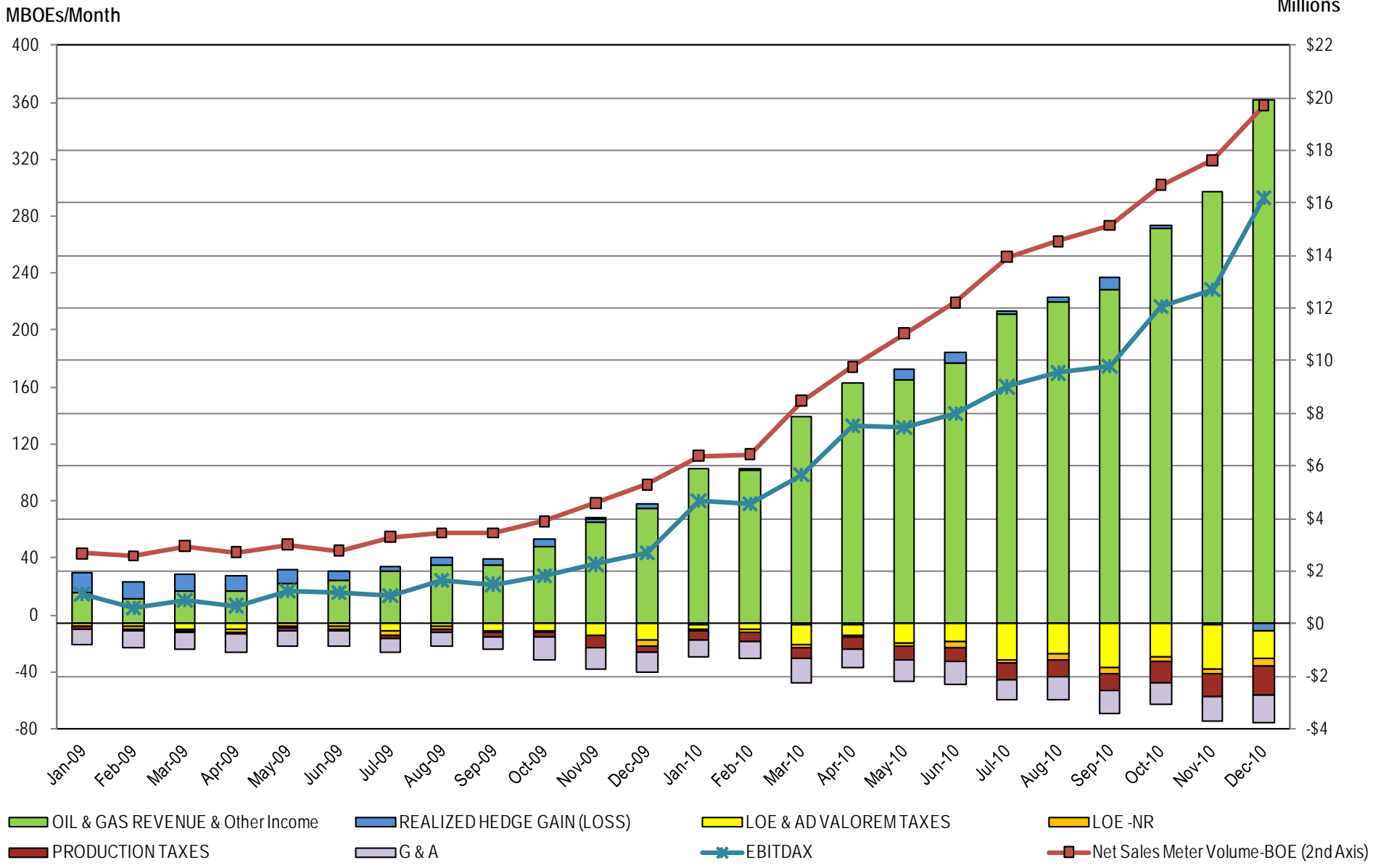
Withdrawn Market Test
BP Macondo Blow out
Greek debt Crisis
WTI fell below \$70/boe
Production rate vs. PV





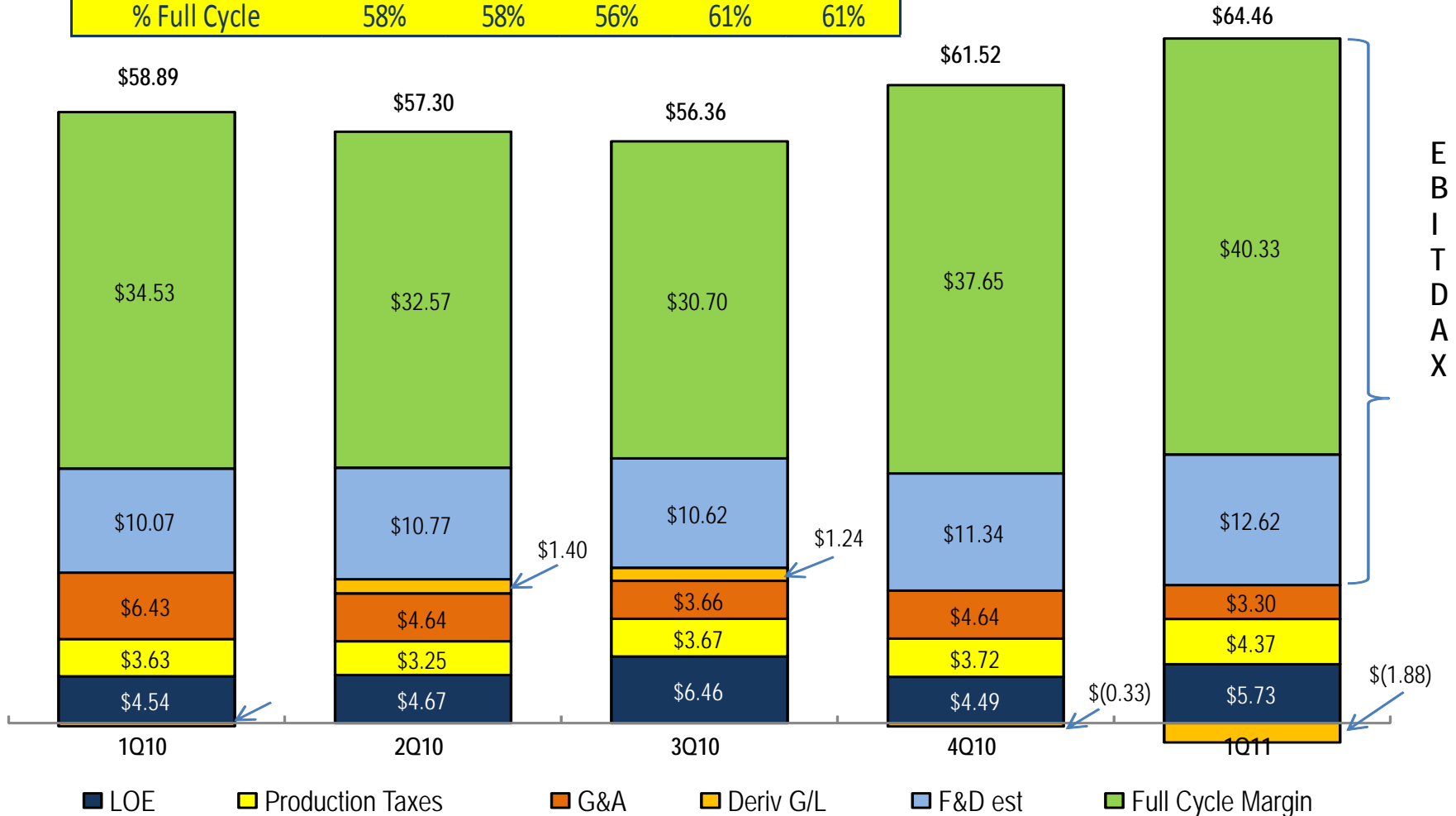
EBITDAX and Components

From 2/11 BOD



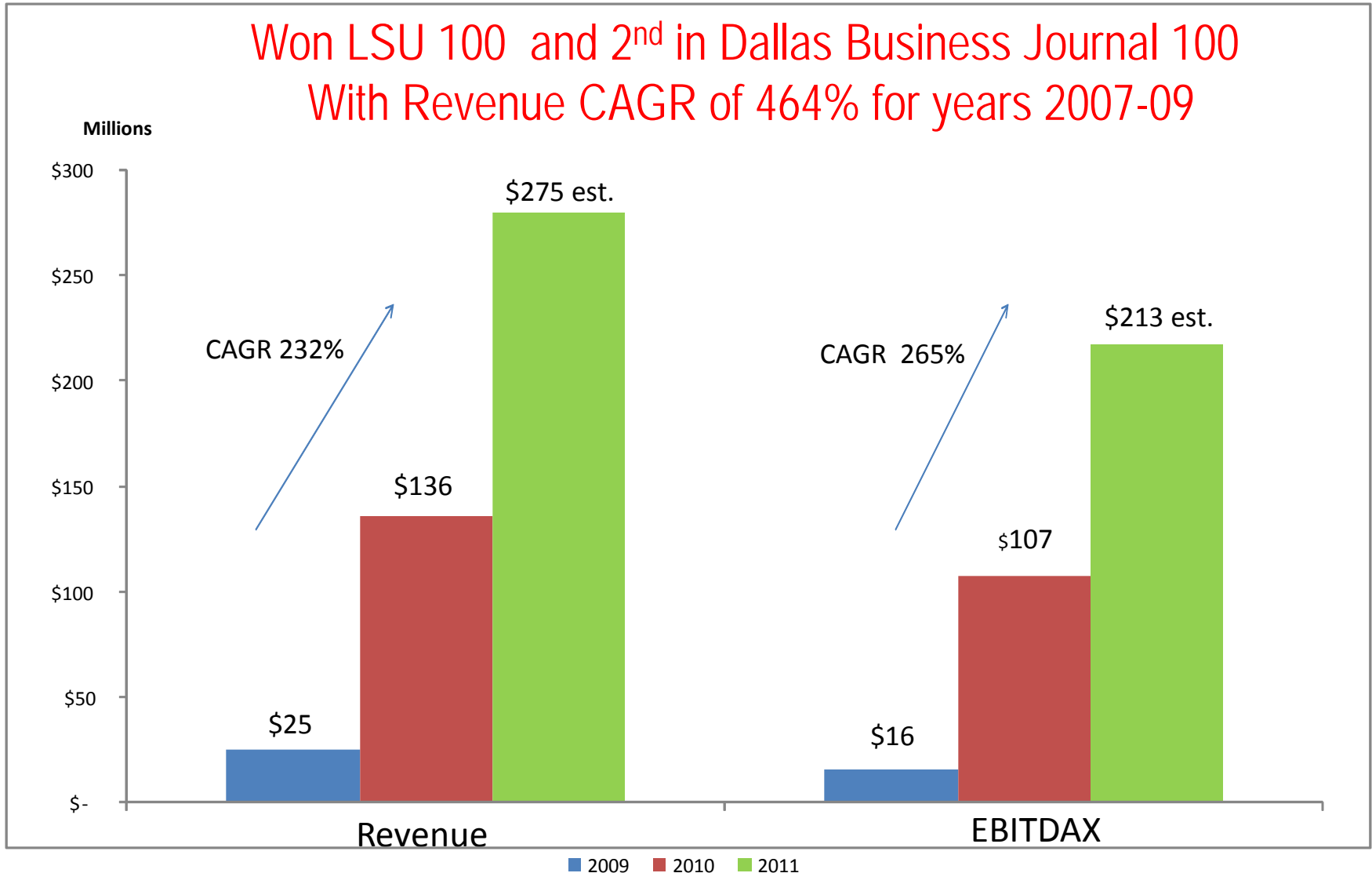
Full Cycle and Operating Margins

	1Q10	2Q10	3Q10	4Q10	1Q11
% Operating Margin	75%	78%	75%	79%	80%
% Full Cycle	58%	58%	56%	61%	61%



Revenue & EBITDAX Growth 2009-11

Won LSU 100 and 2nd in Dallas Business Journal 100
With Revenue CAGR of 464% for years 2007-09





Estimated Broad Oak Transaction Metrics

- BOE Stand alone IPO
 - Estimated 2012 EBITDAX = \$175-225mm
 - Multiple of 8-10 times EBITDAX = \$1.4 - 2.2B (5 Investment banks)
 - Management team concerns
 - Multi year tie up
 - Sarbanes - Oxley

- LPI Merger & IPO - Cash and Stock (with management team stock election)
 - BOE value \$1.01B with debit (~\$246mm) NAV \$764mm
 - Dollars per flowing BOE ~ \$91,8181
 - Dollars per proved BOE ~ \$9.49
 - Return on equity 4.78x (on a cash basis)
 - Return on equity post IPO of merger partner ~ 6-8 depending on LPI stock price



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