



ENCINO
Energy, LLC



Private Capital Conference

January 21, 2013

Encino Energy Overview

New Oil & Gas Acquisition and Development Company

- ❑ Private oil & gas company with \$222MM of committed capital
 - ❑ Permanent equity funding and long-term outlook
 - ❑ Co-investors and leverage provide Encino total capital of over \$1B
 - ❑ Targeting operated and non-operated working interests and minerals

- ❑ Unique positioning
 - ❑ Experienced team including exceptional industry partners
 - ❑ Below the radar of many competitors
 - ❑ Well positioned as a partner to other companies and private equity
 - ❑ Active in the Bakken, Permian, Anadarko and East Texas

Encino Team:

Management

- ❑ **Hardy Murchison** (President)
 - ❑ Former Partner at First Reserve and Vice President at Range Resources
- ❑ **Ryan Springmeyer** (Vice President)
 - ❑ Oil & gas investing and finance roles at Natural Gas Partners and Lehman Brothers
- ❑ **Carlos Rodriguez** (Vice President)
 - ❑ Former CFO of Zephyr Gas Services
- ❑ **Jameson Farrell** (Manager, Operations)
 - ❑ Operations and reservoir experience in GOM shelf and Permian Basin at Apache
- ❑ **Anangela García Gonzáles** (Manager, Reservoir Engineering)
 - ❑ Formerly with EP Energy, Highmount Exploration, Dominion E&P

Partners & Directors

Fred Brazelton

President, Platform Partners, LLC

Scott Cone

Co-Founder & President of Tri-C Resources, Inc.

Larry Dale

Founder & President, Dale Resources, LLC

Peter Dea

Founder & CEO, Cirque Resources LP; former CEO Western Gas Resources

Fred Lummis

Chairman & CEO, Platform Partners, LLC

Steve McDaniel

Co-Founder & Chairman, Midstates Petroleum

Duane Radtke

Chairman, NFR Energy, LLC; former CEO of Dominion E&P

Cullen Spitzer

Founder & CEO, Spitzer Industries, Inc.

John Yearwood

Former CEO, Smith Int'l; President, Schlumberger Americas

Encino Philosophy

Long-term Focus: long holding periods in large proven basins

- ❑ Encino takes a long-term outlook
 - ❑ Long-term capital provides a competitive advantage
 - ❑ Focus on multiples of investment and managing risk, not IRR
 - ❑ Sustainability and profitability matter
 - ❑ Long-lived assets provide multiple sources of upside
- ❑ Smaller is better
 - ❑ Less competition
 - ❑ More favorable risk-reward balance
 - ❑ Emphasizes specific expertise and relationships
- ❑ Strong partners add value
 - ❑ Experience, relationships and deal flow
 - ❑ Personal investment, board participation and co-investments

Encino Strategy

Old Fields, Tight Reservoirs, Redevelopment, Negotiated Transactions

- ❑ Focus on long-lived assets with multiple sources of upside exposure
 - ❑ Costs
 - ❑ Technologies
 - ❑ Commodity prices
 - ❑ Recovery factors

- ❑ Manage risk while protecting upside
 - ❑ Hedge prices
 - ❑ Use debt conservatively
 - ❑ Focus on ROI
 - ❑ Emphasize development versus exploration

- ❑ Prioritize people
 - ❑ Use relationships to seek negotiated deals
 - ❑ Seek the right people and partners for involvement in each play

In current market conditions: buy gas and drill oil.

Balanced Mix of Targeted Assets

Buy Mineral Interests and Producing Gas Reserves, Drill Oil Projects

- ❑ Acquire production
 - ❑ Target unlevered PV8-12% on PDP at strip pricing
 - ❑ Long field lives and large volumes in place
- ❑ Buy minerals
 - ❑ Producing, cash flowing acreage in gas plays
 - ❑ Undrilled tracts in oil plays with active drilling
- ❑ Drill tight oil and liquids wells
 - ❑ Tight oil reservoirs in resource plays and old fields
 - ❑ Focus on completions

Activity To-Date

25% of Committed Capital Allocated

- ❑ Acquiring undeveloped minerals in Bakken, Anadarko, Mississippian, Permian
- ❑ Acreage in Permian oil shales and field extension plays
- ❑ Shallow tight oil horizontal redevelopment in East Texas
- ❑ Williston acquisitions partnership
 - ❑ Acquiring and drilling non-operated leasehold
 - ❑ Co-managed with Dale Resources
 - ❑ Raised \$60MM of institutional equity
 - ❑ Committed \$15MM of Encino equity
- ❑ Bidding on gas reserves

Contact Encino

Oil & Gas Mineral Interests, Production Acquisitions, Drilling Projects



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