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CEO and President
Oak Valley Resources, LLC**

“Scorecard for Success”

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Private Equity Ingredients

- ◆ Capable management team with a history of value creation
- ◆ Honesty, integrity, and forthrightness
- ◆ Strong technical and operational backgrounds
- ◆ Ability to adapt with changing market environments
- ◆ Shared view of risk management and capital preservation
- ◆ Receptive to “partnership” relationship
- ◆ Entrepreneurial mindset towards cultivating economical projects
- ◆ “Skin-in-the-Game”
- ◆ Exit strategy

Oak Valley Resources, LLC – Summary

Oak Valley Resources, LLC (“OVR”) has been formed to pursue economically attractive, U.S. onshore upstream opportunities

- ◆ Senior management team has generated significant shareholder value in prior ventures
- ◆ Capitalized with \$215 million of cash commitments from EnCap, Vlasic, Wells Fargo, Friends and Family, and Management
- ◆ EnCap contributed a portfolio of stranded assets to OVR in December 2012
 - Properties provided immediate cash flow and upside potential
- ◆ OVR acquired its Eagle Ford properties in July 2013
 - Significantly enhances OVR’s cash flows, production, reserves, and liquids exposure
- ◆ **Near-term objective of establishing a public presence**

OVR Capitalization Overview (\$mm)

Investors	Cash Commitment	Capital Invested
EnCap	100	39
Wells Fargo	25	15
Vlasic	20	12
Friends and Family	63	38
Management	7	4
Total	215	108
Contributed Properties		60
Credit Facility Borrowings		11
Total Capitalization		178
Liquidity		165

Oak Valley Resources is Backed by Top Tier Equity Investors

Oak Valley Management

- Management team formerly of GeoResources prior to sale to Halcon Resources in 2012
- CEO has 40 years of experience with several successful prior companies
- Executive officers have over 30 years of industry experience gained from GeoResources and its predecessor entities as well as from other independent E&Ps
- Prior companies include GeoResources, Southern Bay, Texoil, and others



ENCAP INVESTMENTS L.P.

- Leading provider of private equity to the independent E&P sector
- 25-year history of providing capital
- Repeat investors
- Long relationship with Management

Vlasic Group

- Partnered with Management for 25 years
- Director of Halcón Resources
- Former investor and director of GeoResources and predecessor entities
- Previously affiliated with Vlasic Foods prior to sale to Campbell Soup

Energy Capital Group

- Part of Wells Fargo Energy Group, a \$30bn capital provider to the North American energy industry
- Predecessor entities have partnered with management previously

Friends and Family

- Many repeat investors
- Long-term investment horizons
- Petroleum engineers, geologists, industry bankers and lawyers, asset managers, endowments, family trusts, high net worth individuals
- Source of incremental deal flow and advice

Management

- ◆ Strong management and technical team with demonstrated ability and prior success
- ◆ OVR benefits from a full compliment of technical, operations, financial/accounting, and administrative personnel, nearly all of whom are investors in OVR and have been involved in prior successful ventures

	Years of Experience	Years with Team	Responsibility
Frank Lodzinski	41	25	CEO & President
Robert Anderson	26	10	A&D, Reservoir Engineering
Steve Collins	26	16	Completion & Operations
Chris Cottrell	30	16	Land & Marketing
Tim Merrifield	34	13	Geological & Geophysical
Francis Mury	38	25	Drilling & Development
Bret Wonson	12	6	Chief Accounting Officer
Neil Cohen	9	1	Finance

Track Record

Team members have repeatedly executed a highly successful strategy, earning significant value for shareholders

- ◆ Track record of creating value and liquidity
- ◆ Success with multiple entities over an extended period of time
- ◆ Several long-term and recurring shareholders
- ◆ Extensive industry and financial relationships
- ◆ Significant technical and financial experience
- ◆ Team has been together through multiple entities

2007 – 2012
GeoResources, Inc.
Eagle Ford, Bakken, Gulf Coast
Initial investors – 35% IRR
Initial investors – 4.8x return

2001 – 2004
AROC Inc.
Gulf Coast, Permian Basin, Mid-Con.
Preferred investors – 17% IRR
Initial investors – 4x return

2005 – 2007
Southern Bay Energy, LLC
Gulf Coast, Permian Basin
Initial investors – 40% IRR

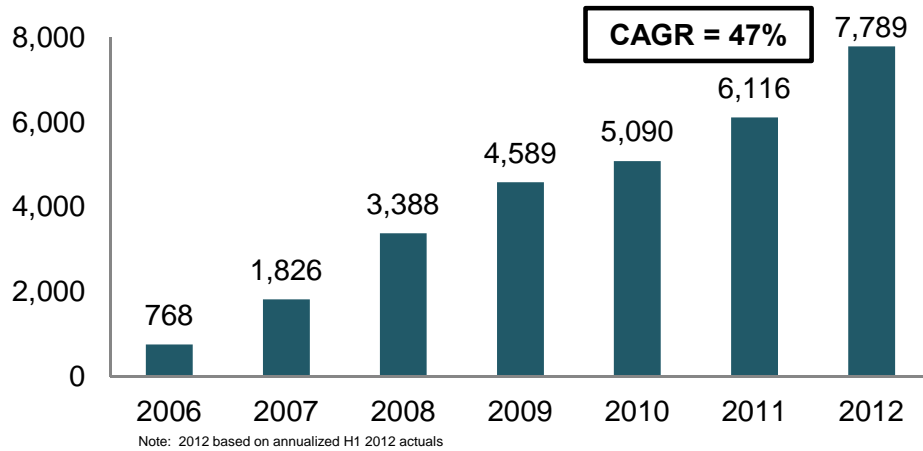
1992 – 1996
Hampton Resources Corp
Gulf Coast
Preferred investors – 30% IRR
Initial investors – 7x return

1997 – 2001
Texoil Inc.
Gulf Coast, Permian Basin
Preferred investors – 2.5x return
Follow-on investors – 3x return
Initial investors – 10x return

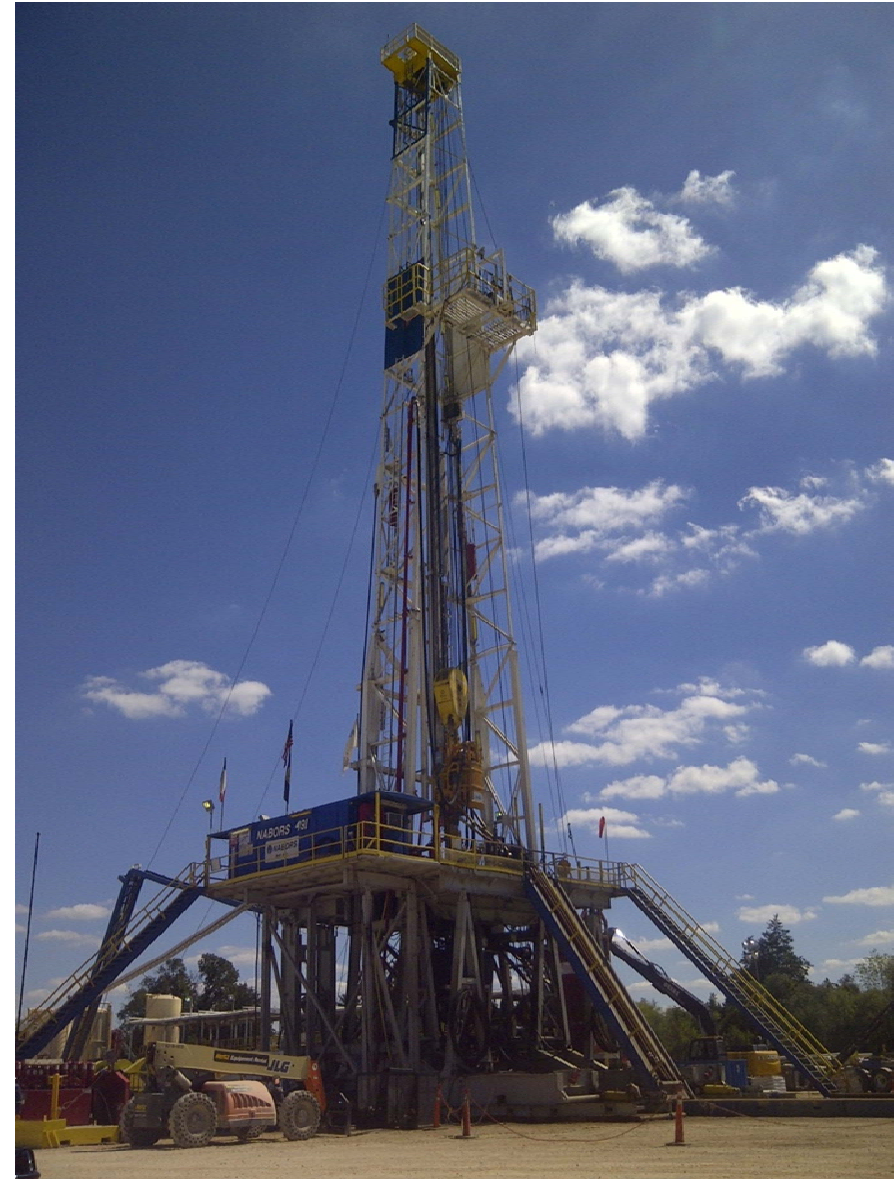
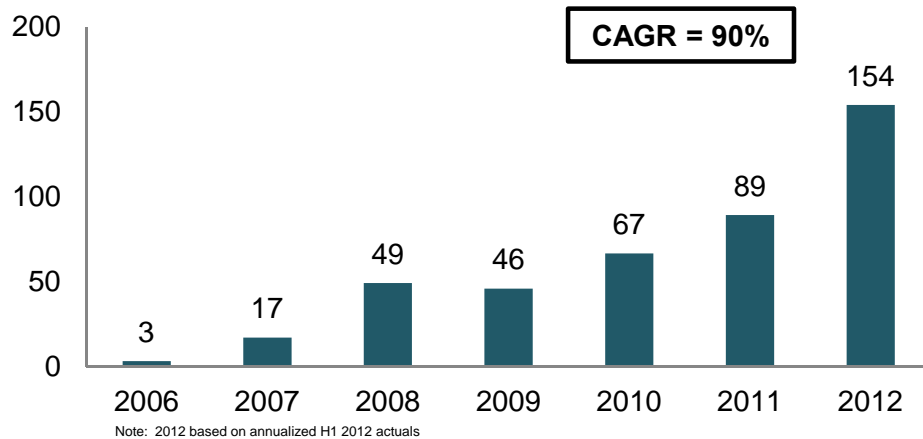
Southern Bay investors (2005) achieved a combined 7.4x ROI upon the merger with GeoResources (2007) and subsequent sale in 2012

Track Record (Cont'd)

GeoResources Average Daily Production (Boepd)



GeoResources EBITDA Growth (\$mm)



Oak Valley Strategy

Strategy employed is similar to the objectives implemented and realized in Management's prior entities in which significant returns were delivered to shareholders

Asset Strategy

- ◆ **Objective I:** Optimize Existing Properties
 - Operational improvements and efficiencies
 - Fully define geological and engineering upside
 - Pursue tactical acquisitions and leases in the vicinity of existing properties/fields
- ◆ **Objective II:** Enhance Production / Cash Flow
 - Pursue production based deals
 - Acquire liquids production with a stable cost structure and development potential
 - Re-establish operating presence
- ◆ **Objective III:** Growth thru the Drill-Bit
 - Acquire acreage at favorable economics
 - Execute multi-year development drilling program
 - Continue to survey and execute low-risk / high-impact exploration drilling opportunities
 - **Subsequent selective asset acquisitions**

Corporate Strategy

- ◆ Target low development, operating, and G&A cost structure
- ◆ Solicit industry and financial partners on a promoted basis
- ◆ Maintain financial flexibility and a clean balance sheet to execute acquisitions/mergers
- ◆ Re-establish Denver office and Rockies presence
- ◆ **Public merger and/or ultimate sale**

Property Overview

Portfolio of conventional and unconventional assets located in:

- South Texas (Eagle Ford)
- East Texas
- Eastern Oklahoma
- North Louisiana

Eagle Ford Acreage:
Gonzales, Fayette, LaSalle Counties
 17,940 net acres
 90 PDP wells

Gonzales/Fayette Counties:
 14,825 net acres; operated position
 33 PDP wells with 200+ drilling locations

LaSalle County:
 27,000 gross / 3,115 net acres; 10% to 15% working interest non-op position to BHP
 Active Eagle Ford drilling program: 57 PDP wells, 6 wells waiting on completion, ~140 drilling locations

Zapata County:
 1,630 net acres;
 10 PDP wells; Lobo formation; operated and non-operated

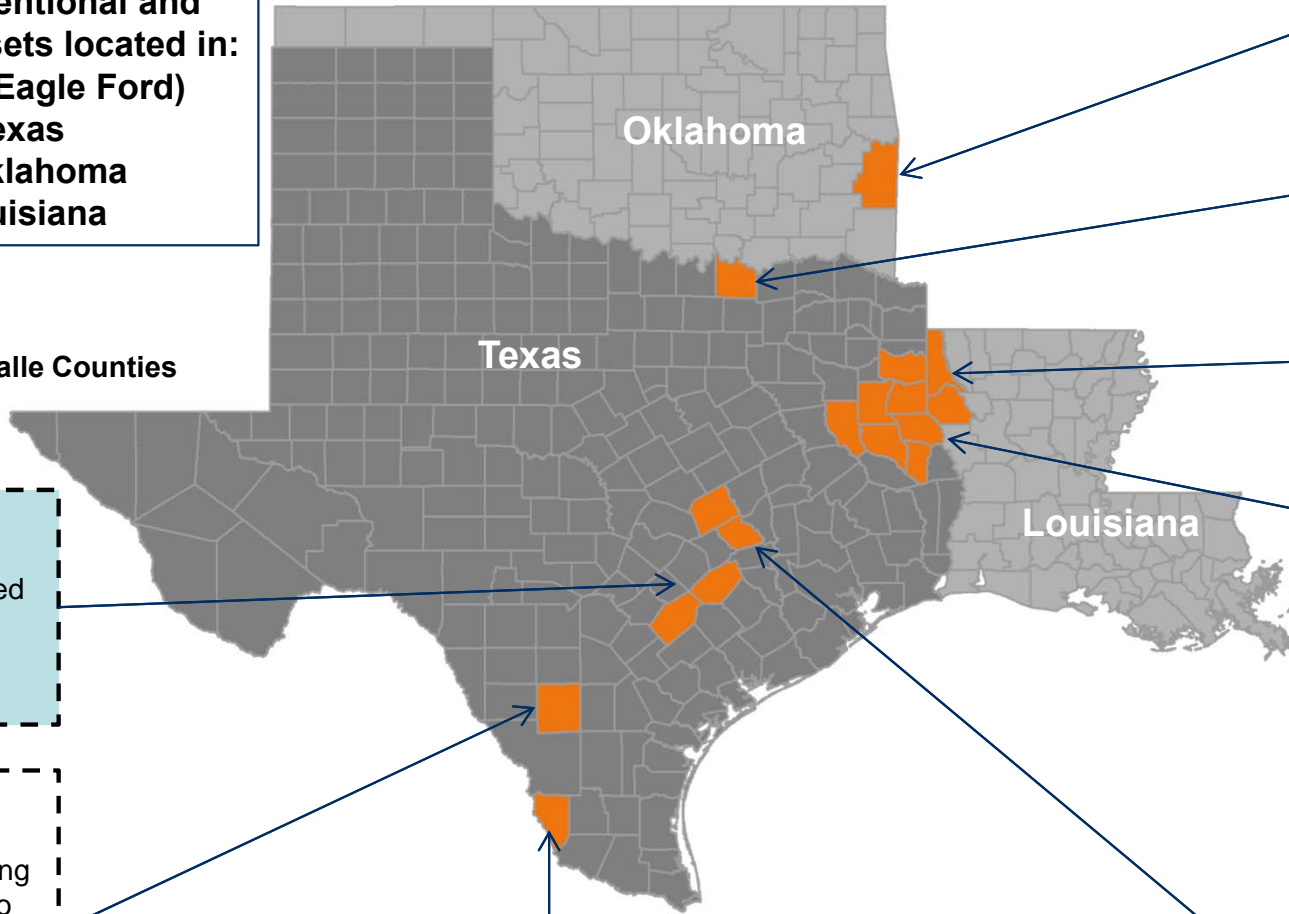
LeFlore County:
 14,025 net acres with 37 PDP wells in Red Oak Field

Grayson County:
 2,480 net acres prospective for horizontal Viola play

North Louisiana: (Caddo & DeSoto Parishes)
 20 PDP wells

East Texas:
 9,290 net acres prospective for Travis Peak, Pettet, Rodessa, James Lime, and Haynesville/Bossier formations
 96 PDP wells and an inventory of ~145 recompletions and drilling locations

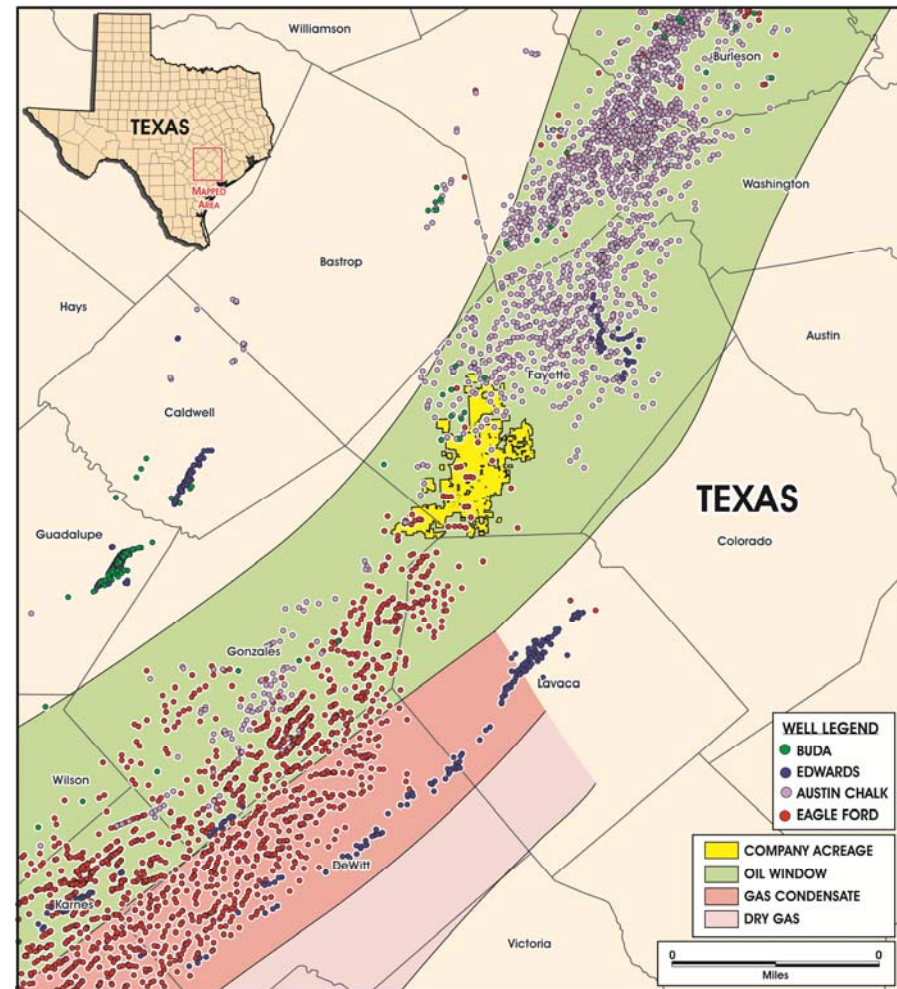
Milam/Burleson Counties:
 20,735 net acres prospective for Austin Chalk, Buda, Eagle Ford, Georgetown, and Woodbine formations



Eagle Ford Position – Gonzales/Fayette Counties

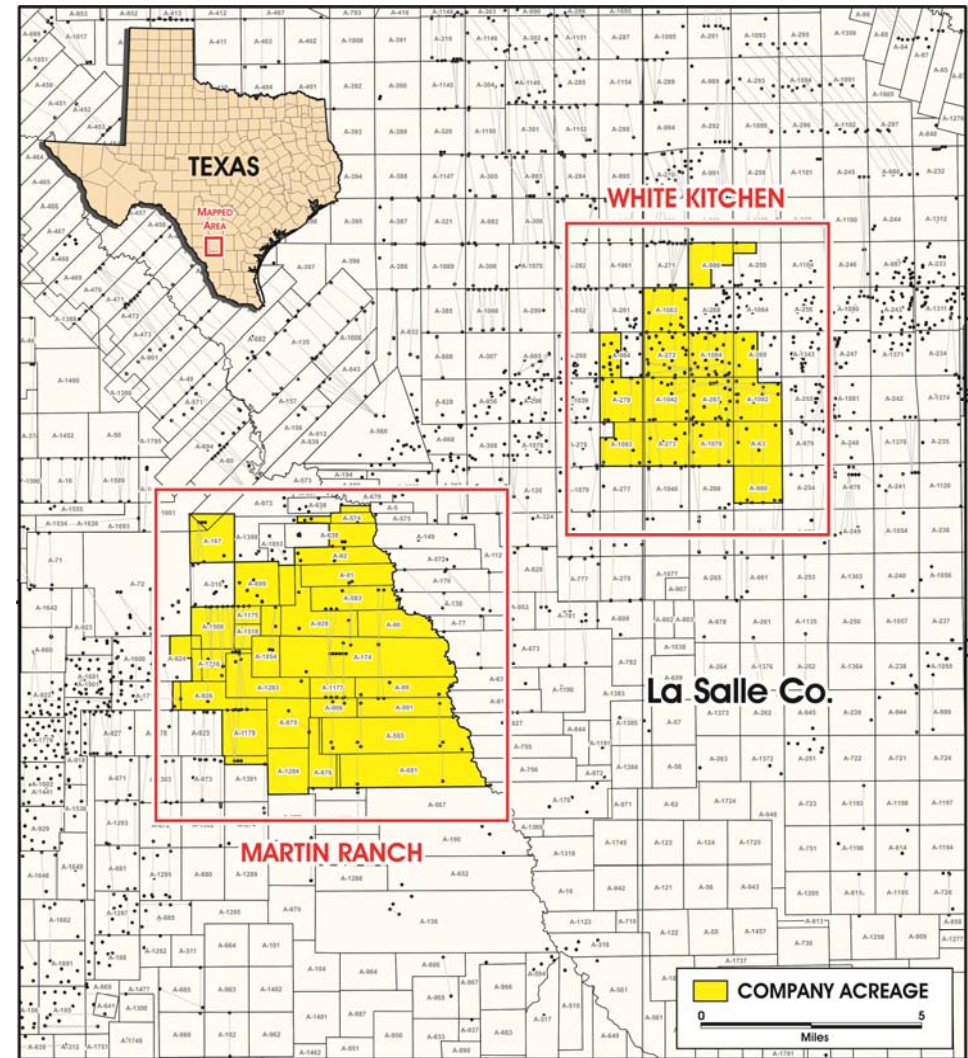
OVR and Flatonia Energy acquired Halcon's Eagle Ford position of 51,000 net acres

- ◆ Developed by OVR management team while at GeoResources prior to its sale to Halcon in 2012
- ◆ OVR acquired a 30% working interest, operated position
- ◆ Parallel Resource Partners, a private equity firm, formed Flatonia Energy to participate with a 70% working interest
- ◆ Significant exposure to the oil window of the Eagle Ford trend in South Texas
- ◆ Nearly all 33 producing wells were drilled by OVR management team/former employees of GeoResources; extensive in-house knowledge of geology, land, title, drilling and completion costs, and upside potential
- ◆ Current 3,000 gross Boepd
- ◆ Currently 1-rig running targeting the Eagle Ford, with plans to have a 4-rig program by year-end 2014, and 1-rig running targeting the Austin Chalk



Eagle Ford Position – LaSalle County

- ◆ 3,115 net acres, non-op position to BHP
- ◆ 57 producing wells, with another 6 expected to come online in the next 3 months
- ◆ Two areas:
 - White Kitchen
 - HBP
 - Gas and Liquids
 - 15% working interest
 - 8,300 gross / 1,250 net acres
 - Martin Ranch
 - Gas
 - 10% working interest
 - 18,700 gross / 1,900 net acres
- Economics are adequate in the current price environment
- Substantial upside from HBP acres and increased natural gas prices



Current Private Equity Environment

- ◆ Most private equity firms deploy capital to teams that they have funded previously and achieved prior success
- ◆ Will consider top-tier executives leaving mid/large-cap public and private companies
- ◆ Assemble and flip model becoming antiquated / unappealing
- ◆ Assets must reach a greater stage of development
- ◆ Longer holding periods
- ◆ Must consider exit strategy
 - Special circumstances – Devon / GeoSouthern; Marathon / Hilcorp
 - Sale to publicly-traded C-corps and/or MLPs
 - Monetize via the public markets (e.g., IPO)
 - Sale to other private equity firms or to their portfolio companies

Suggestions for Those Seeking Private Capital for the First Time

- ◆ Assemble an experienced team across all major disciplines – technical, operational, and financial
- ◆ Skin in the Game
 - Invest personal funds into the company to align management and investor interests
 - If you have a deal – great; even a small starter deal could attract the right investor(s)
- ◆ If you do not have a deal, then have a specific focus area
- ◆ Become knowledgeable of A&D / M&A environment and metrics
- ◆ Communicate clearly and convincingly how you will deliver profits/shareholder value
- ◆ Discuss exit strategy