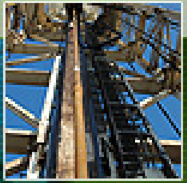
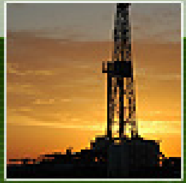
IPAA-TIPRO Luncheon
“Out of the Financial Maelstrom & Into the Energy Future”

January 13, 2010


TripleDouble
ADVISORS, LLC

Important Notice

This notice is issued with and forms an integral part of information supplied in the form of either a printed document or in an audio visual presentation (in either case "Information") and should be particularly noted in connection with that Information. This document has been prepared by Triple Double Advisors, LLC, an investment advisor registered with the State of Texas ("TDA") for informational purposes only and without regard to the particular needs of any specific recipient. All Information is indicative only and may be amended, superseded or replaced by subsequent summaries and should not be considered as any advice whatsoever, including without limitation, legal, business, tax or other advice by TDA. Any such advice should be sought from an appropriately qualified and or authorised professional.

TDA does not guarantee the accuracy or completeness of the Information which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modeling, back-testing or strategy contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling, back-testing or strategy. All opinions and estimates are given as of the date hereof and are subject to change without notice. The value of any investment may fluctuate as a result of market changes. The Information is not intended to predict actual results and no assurances are given with respect thereto.

The Information is not an invitation or inducement to acquire or dispose of, or deal in, any interest in any fund or security, or to engage in any investment activity. Strategies or investments of the type described herein may involve a high degree of risk and the value of such strategies or investments may be highly volatile. Such risks include, without limitation, risk of adverse or unanticipated market developments, risk of counterparty or issuer default, risk of adverse events involving any underlying reference obligation or entity and risk of illiquidity. In certain transactions, counterparties may lose their investment or incur an unlimited loss. This brief statement does not disclose all the risks and other significant aspects in connection with transactions of the type described herein.

THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO AN INVESTMENT IN ANY SECURITY DISCUSSED HEREIN. PRIOR TO TRANSACTING, POTENTIAL INVESTORS SHOULD ENSURE THAT THEY FULLY UNDERSTAND ANY APPLICABLE RISKS. THIS DOCUMENT IS NOT A PROSPECTUS OR OFFERING DOCUMENT FOR ANY SECURITY DESCRIBED HEREIN.

None of TDA, its related persons or any of their affiliates make any representation, assurance, or guarantee whatsoever as to any expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to potential investors, and no investor may rely on any such party for a determination of expected or projected success, profitability, return, performance result, effect, consequences, or benefit to such potential investor.

NHPO
National Hispanic Professional Organization

2009 HLSR World's Championship Bar-B-Que Contest

Reliant Energy

Erin & Matt tie the Knot October 2008

Bertram Survives IKE!

Bear Market 2008

OXYMORONS
TDA Favorites

Great Depression

TOXIC ASSETS!

Casual Sex

Marital Bliss

Tight Slacks

Drunk

Synthetic Natural Gas

Military Intelligence

Agenda

I. Introduction

II. Top 3 Surprises in 2009

III. 2010 Outlook

Triple Double Advisors, LLC

Manager	Arthur L. Smith, CFA
Dated Established	August 2007
Location	Houston, TX
Structure	Managed account with broker of investor's choosing
Objective	Triple Double Advisors, LLC ("TDA") seeks to achieve superior capital growth through long-only investments in companies in the energy sector. TDA selectively uses options to mitigate a portion of the risk of owning the underlying securities.
Assets Under Management	$27.5 Million (at December 2009)
Annual Management Fee	1.00%
Incentive Fee	10% of annual net capital appreciation and subject to a high water mark

Investment Philosophy

- Achieve tax-efficient capital appreciation with low portfolio turnover. The quality of assets and management teams do not vary markedly on a day-to-day basis.

- Core holdings in the portfolio are energy companies with strong potential to generate long-term above-average appreciation. Characteristics sought:

  1. Superior assets
  2. Superior management
  3. Superior relative valuation fundamentals
  4. Focus on building net asset value per share

- Avoid “story” stocks with:

  1. Above-average proved undeveloped reserves and speculative acreage positions
  2. High operating cost structures and overhead
  3. Unseasoned or promotional management teams

- Understand the macro energy picture and mitigate the risk of underlying portfolio positions using options. Utilize option expirations to maintain sell discipline and continually re-evaluate portfolio holdings.

- Visit portfolio companies’ headquarters and know the people whom we have selected to protect and grow our client’s capital.



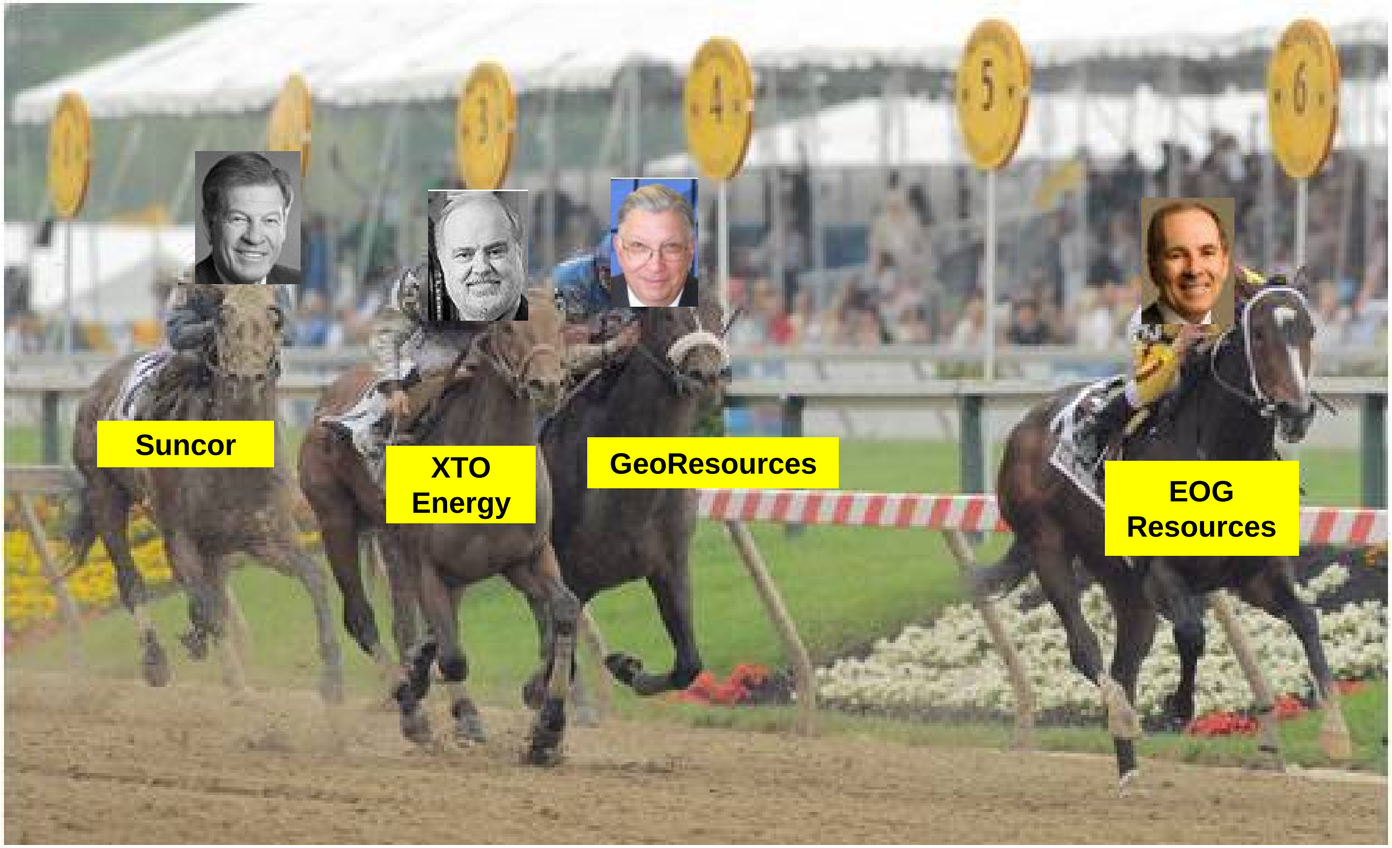
Handicapping the E&P Horses

RESEARCH and More
RESEARCH!

TDA Methodology

1. Fundamentals – Know the Horses
2. Know the Conditions of the Track
3. Check the Weather Forecast

"Picking the Jockeys": Evaluating Management



- We consider visiting portfolio companies' headquarters and knowing the people whom we have selected to protect and grow our clients' capital to be a critical part of our due diligence and investment process.

Typical Portfolio

- Concentrated core portfolio, 15-25 equity positions

- Roughly equal weights with 3-5 best ideas over-weighted

- Liquid portfolio of large, mid and small capitalization stocks

- Energy Sector Universe
  1. Exploration & Production
  2. Oil & Gas Service
  3. Integrateds
  4. Pipelines & Diversified
  5. Refiners & Marketers
  6. Coal
  7. Nuclear
  8. Renewables

- Selectively use options to reduce portfolio risk, but not to increase portfolio leverage including:
  1. Covered calls
  2. Protective puts
  3. Sale of puts with cash reserve held to acquire underlying at expiration

- More than 400 energy stocks in investment universe

Stock Selection

Superior Assets and Management at Attractive Valuation

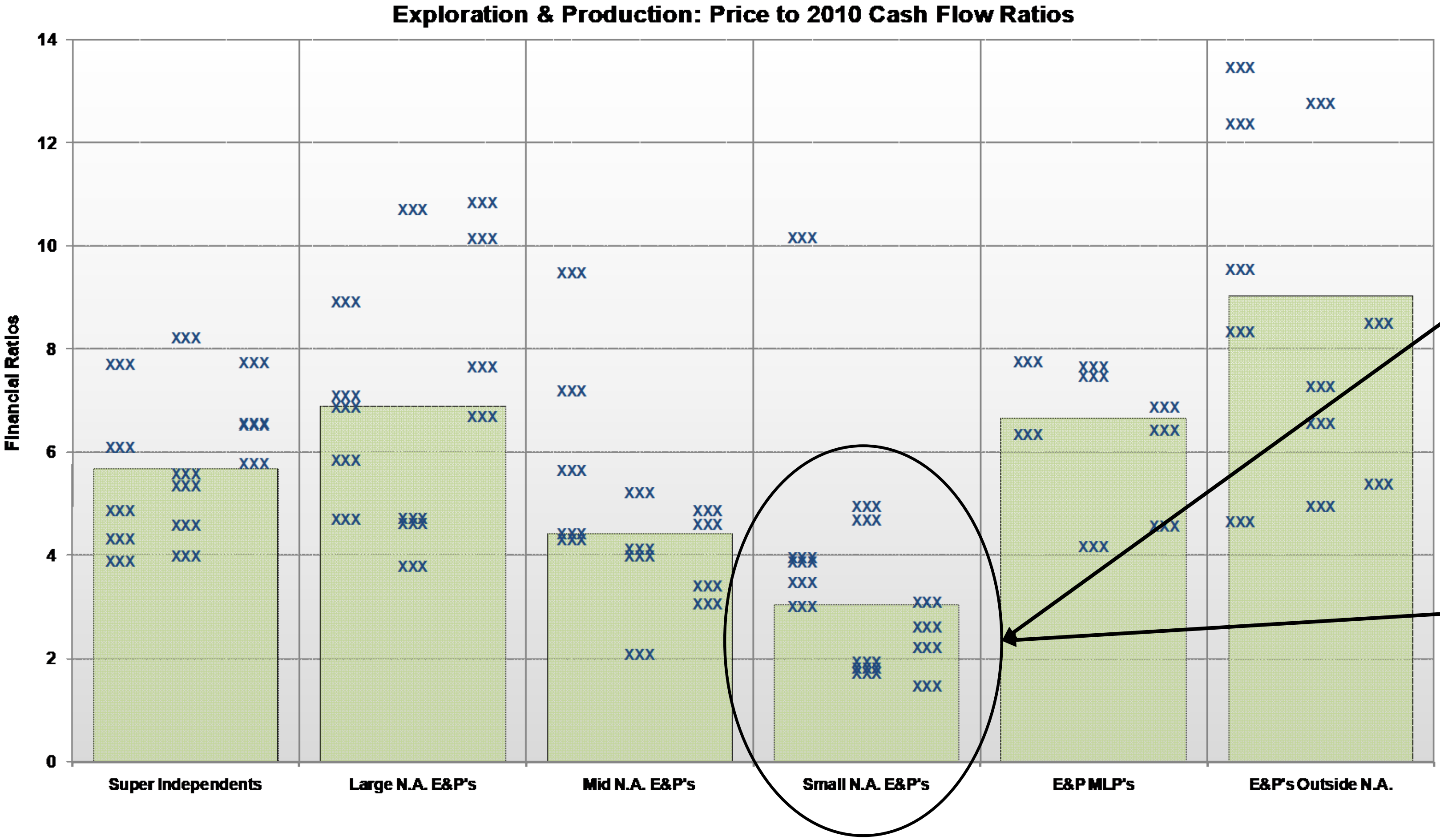
Quantitative Research

- Internally developed screening tools and company rankings with a focus on energy industry specific metrics
- Develop and maintain internal company NAV models
- Leverage relationships with analysts and utilize "Appraised Net Worth" valuations and company research

Qualitative Research

- Know the management of all portfolio companies
- Meet regularly with portfolio companies through industry events and office visits
- Utilize our relationships with energy industry experts, but maintain independent view of macro fundamentals and internal idea generation

Evaluating Sub-Industries



Sub-industry pricing at a discount relative to other E&P sub-industries.

Move to evaluate individual companies in sub-industry.

Screening the Investment Universe

	Valuation								Leverage, Liquidity & Yields			
	Metric #1	Metric #2	Metric #3	Metric #4	Metric #5	Metric #6	Metric #7	Metric #8	Metric #9	Metric #10	Metric #11	
Company A	3	5	9	7	2	1	2	1	3	8	8	A
Company B	13	13	8	11	10	5	6	6	9	3	10	B
Company C	6	7	11	6	1	11	4	13	11	5	12	C
Company D	5	1	2	3	7	2	1	4	14	14	3	D
Company E	4	3	4	10	5	8	9	9	8	9	7	E
Company F	14	14	6	5	9	7	8	7	7	2	1	F
Company G	8	8	5	8	6	10	11	3	2	7	9	G
Company H	1	4	7	4	11	4	7	12	13	10	11	H
Company I	7	6	10	9	4	12	12	2	6	6	6	I
Company J	9	11	12	12	12	9	5	11	1	1	2	J
Company K	12	12	13	13	14	13	13	14	5	12	14	K
Company L	10	10	14	14	13	14	14	8	12	13	13	L
Company M	2	2	3	1	8	3	10	10	4	4	5	M
Company N	11	9	1	2	3	6	3	5	10	11	4	N

Expensive relative to peers on multiple metrics.

	Profitability		Costs				Growth				Results	
	Metric #12	Metric #13	Metric #14	Metric #15	Metric #16	Metric #17	Metric #18	Metric #19	Metric #20		Average Score	TDA Rank
Company A	8	7	9	9	7	9	9	12	11	A	6.5	6
Company B	6	12	14	12	10	11	12	7	7	B	9.3	13
Company C	14	10	6	7	14	1	6	14	6	C	8.3	12
Company D	4	9	10	11	6	6	10	9	3	D	6.2	4
Company E	12	11	8	10	5	12	7	10	10	E	8.1	11
Company F	11	4	2	2	4	3	5	8	8	F	6.4	5
Company G	13	5	3	3	2	7	3	3	4	G	6.0	2
Company H	1	1	4	4	11	2	4	6	5	H	6.1	3
Company I	10	8	7	8	1	8	13	5	12	I	7.6	7
Company J	2	3	11	6	9	10	8	11	9	J	7.7	8
Company K	9	2	1	1	3	4	1	1	1	K	7.9	10
Company L	5	14	13	14	13	14	14	4	14	L	12.0	14
Company M	3	13	12	13	12	13	11	13	13	M	7.8	9
Company N	7	6	5	5	8	5	2	2	2	N	5.4	1

Great cost structures

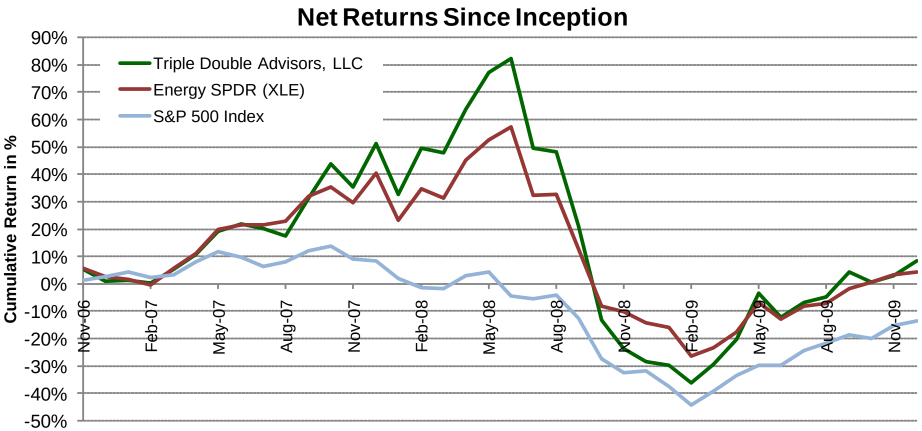
Companies that attract our attention for further due diligence and meetings.

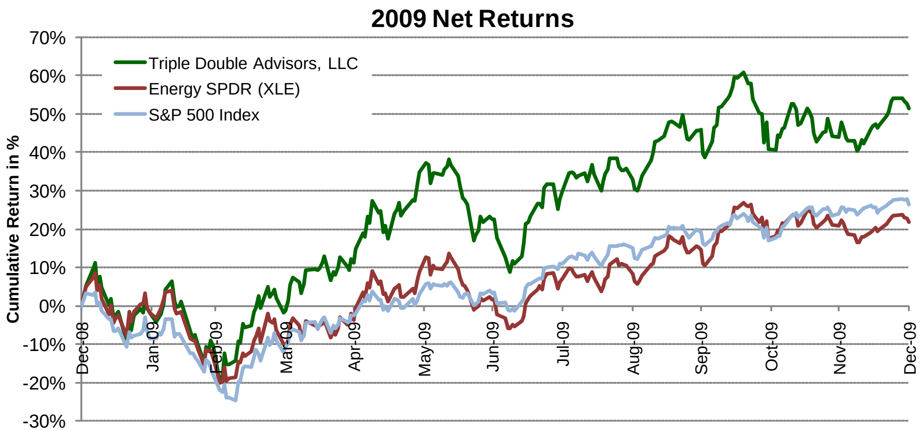
TDA's Historical Performance

Net Performance (1) (2)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD/FY
2009	-1.9%	-9.0%	10.6%	12.6%	21.2%	-9.1%	6.1%	2.1%	9.8%	-3.5%	2.2%	5.3%	51.5%
2008	-12.3%	12.8%	-1.1%	10.6%	8.2%	2.9%	-18.0%	-0.8%	-18.3%	-28.4%	-11.8%	-6.4%	-52.6%
2007	0.5%	-1.3%	5.3%	5.1%	7.5%	2.3%	-1.4%	-2.3%	12.0%	9.5%	-5.9%	11.6%	49.8%
2006											5.2%	-4.2%	0.9%

	1 Month	2009	2008	2007	Launch (3)
Triple Double Advisors, LLC	5.3%	51.5%	-52.6%	49.8%	8.5%
Energy SPDR (XLE)	0.9%	21.8%	-39.0%	36.9%	4.3%



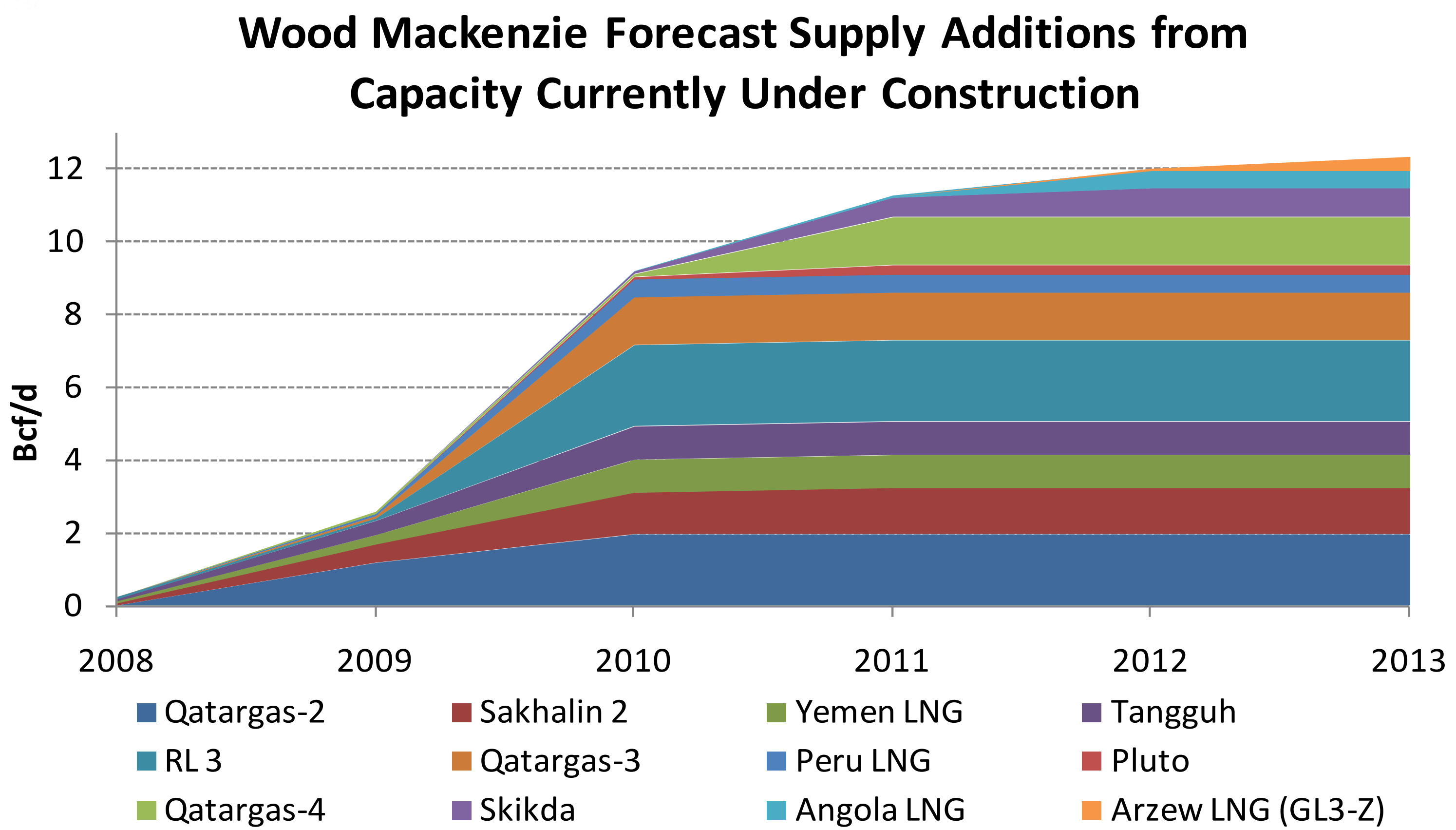


(1) All returns are presented net of transaction costs and management fees. (2) Returns displayed include client account managed with the same methodology described herein by Arthur L. Smith while at John S. Herold Advisors, Inc.. Arthur L. Smith, John S. Herold Advisors, Inc. and Triple Double Advisors, LLC ("TDA") have managed investments in other asset classes and/or with different methodologies that have not been included here. (3) Launch date 11/13/2006.

II. Top 3 Surprises in 2009

Number 3:
What Happened to LNG Imports?

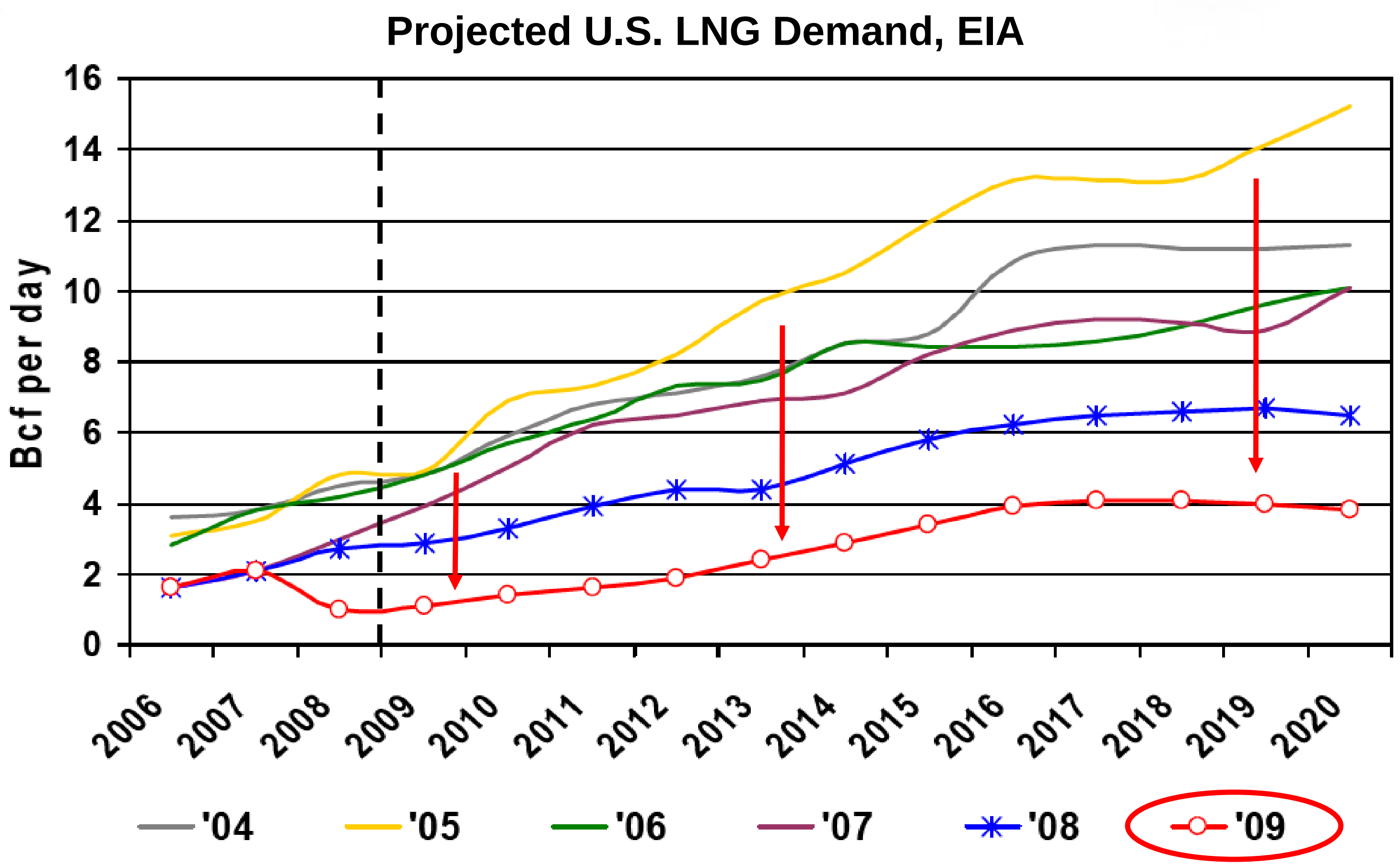
Worldwide LNG Supplies Under Construction



- With about 7 Bcf/d from new LNG projects and a weak global economy, we believed that there was a significant risk of a sharp increase U.S. imports in 2009.

Source: Wood Mackenzie, Downeast LNG

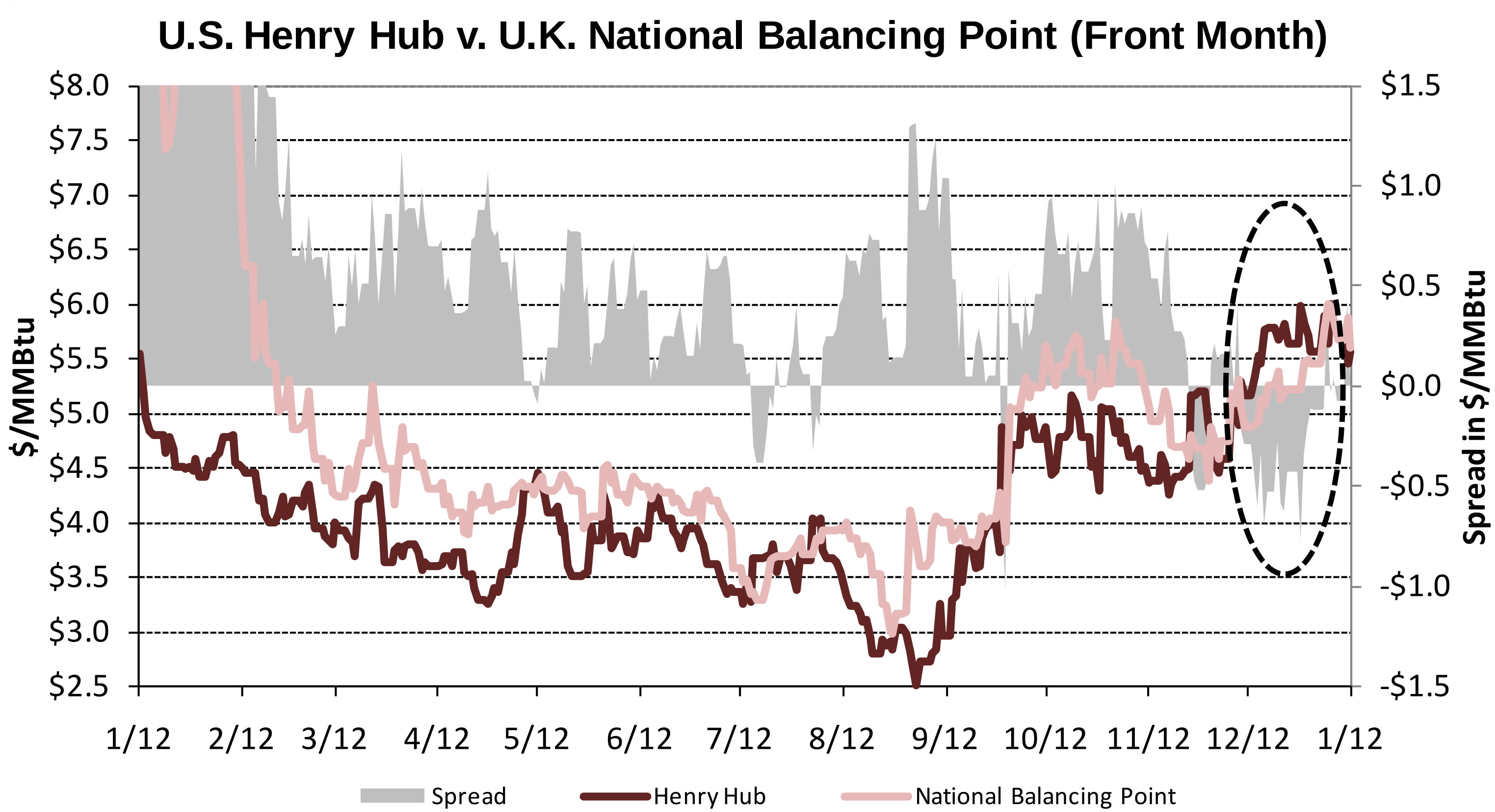
EIA U.S. LNG Demand Forecasts



- We knew that the U.S. didn't need much LNG, so the combination of new supply capacity and weak demand did not bode well natural gas prices.

Source: EIA

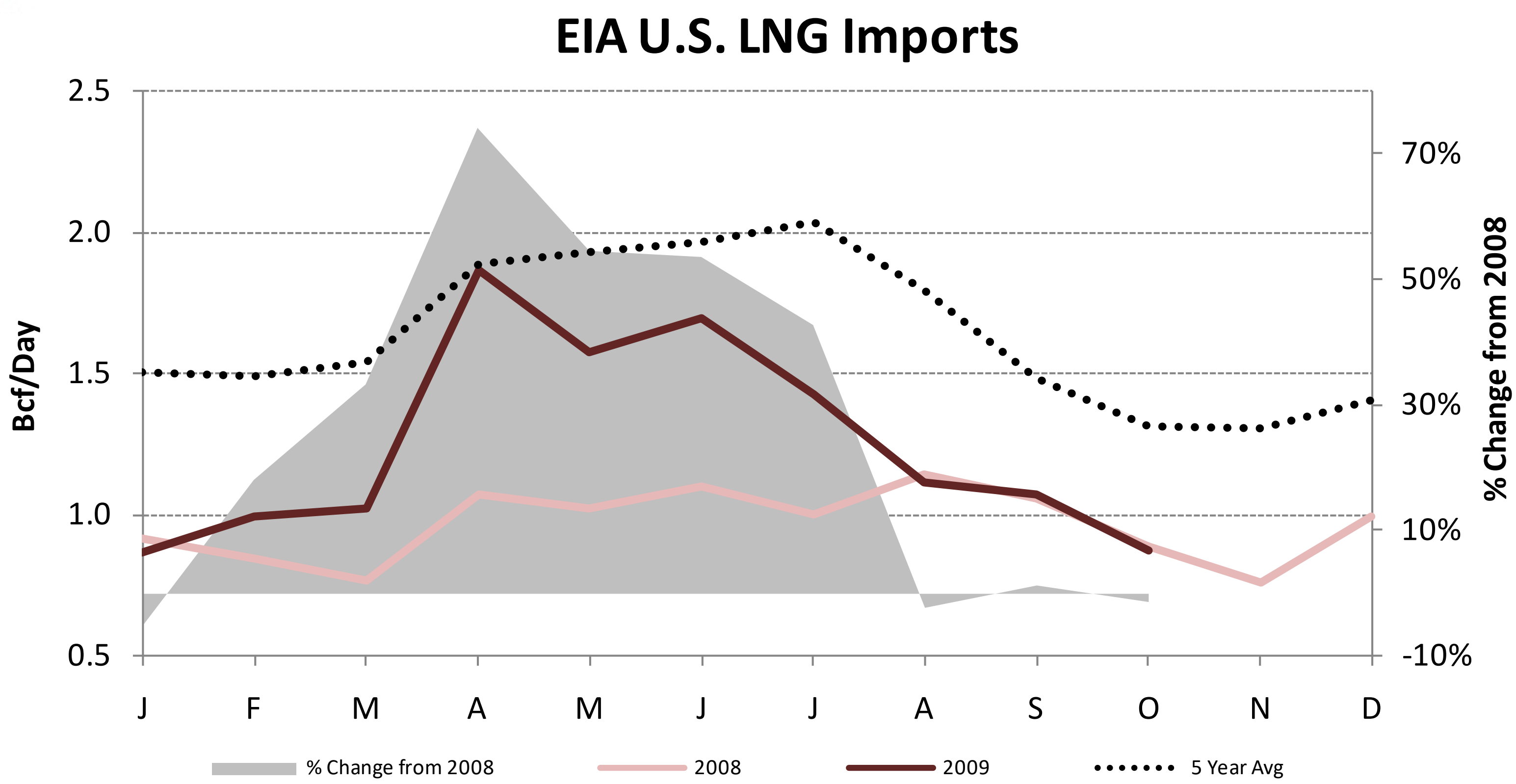
2009 Pricing Favored Shipping to U.K.



- Although prices in both the U.S. and U.K. were depressed throughout the year, for the most part, NBP prices managed to maintain a healthy spread above Henry Hub prices. Nevertheless, this spread has deteriorated and recently has slightly favored sending cargoes to the U.S.

Source: Bloomberg

2009 LNG Imports Stayed Low

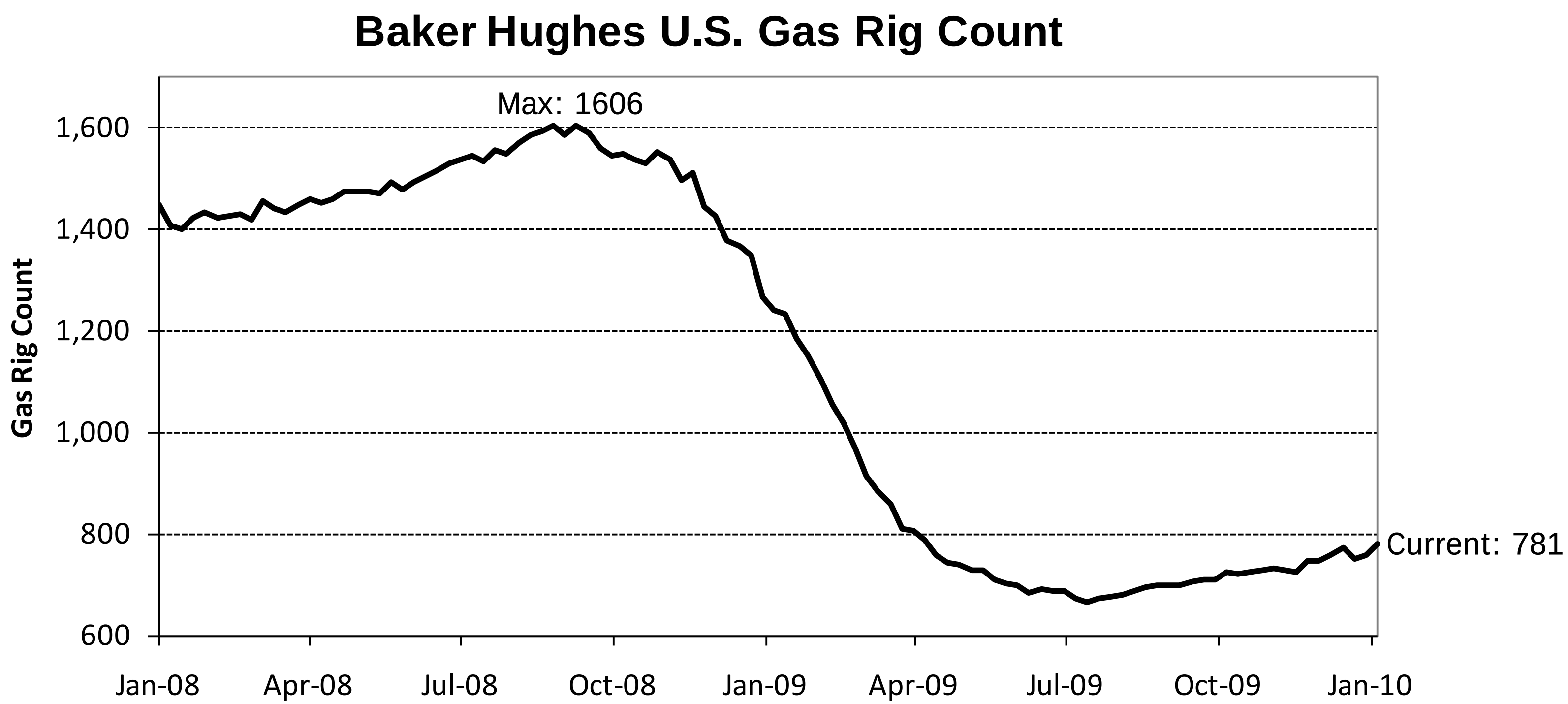


- According to latest available EIA monthly data, LNG imports have been well below 5-year average levels throughout the year as a result of a well supplied gas market. However, there are early indications that with Henry Hub prices rallying and a positive spread relative to NBP, imports have increased to over 3 Bcf/d since in early 2009(1).

Source: EIA, (1) TPH

Number 2:
U.S. Natural Gas Production Stays Flat

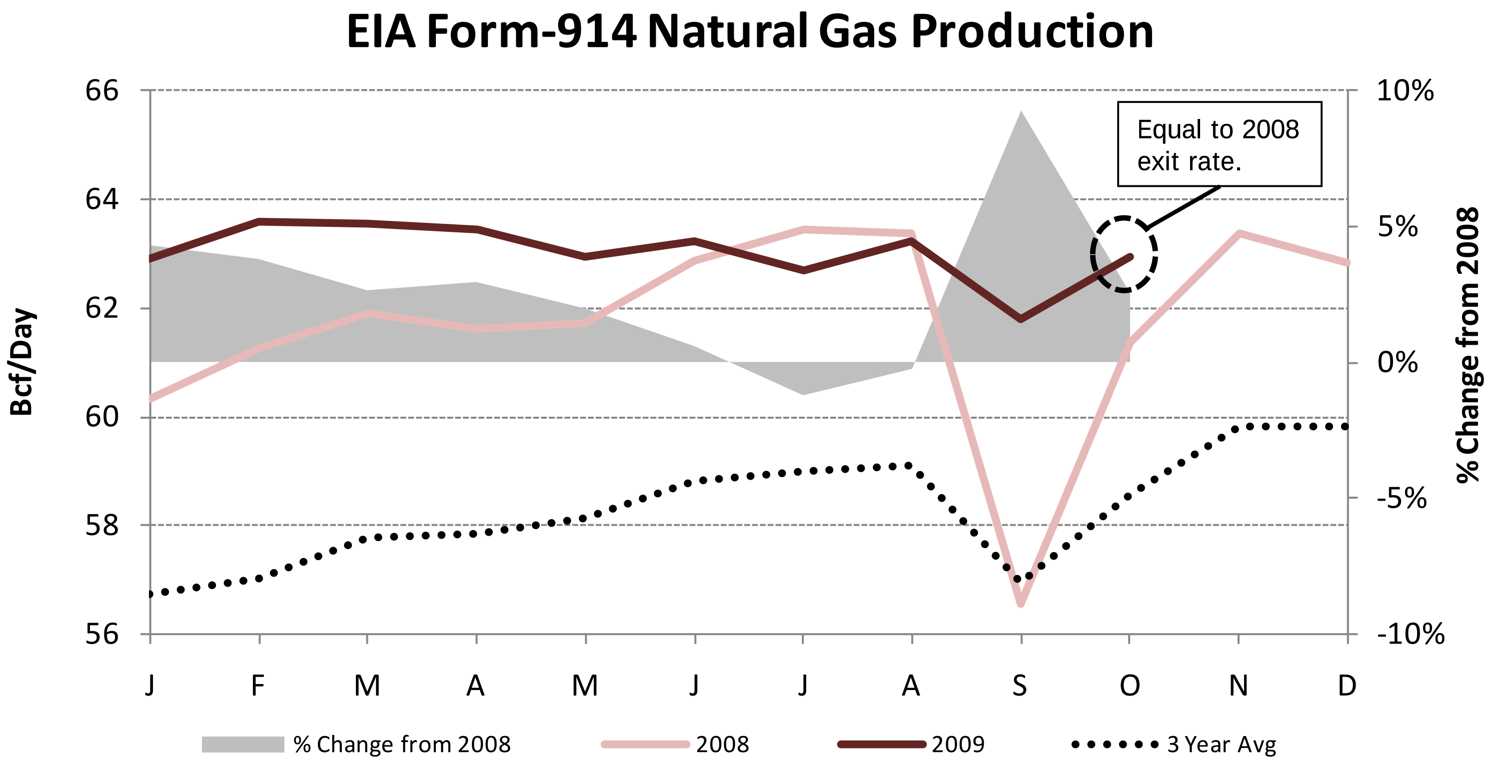
Natural Gas Rig Count



- With the over 50% decline in rig count, many observers expected a sharp decline in natural gas production.

Source: Baker Hughes, Bloomberg

U.S. Natural Gas Production



- A steep decline in natural gas production has failed to materialize in 2009. We hypothesize that this is due to a combination of average well productivity and increases in rig efficiency as the rig count has dropped.

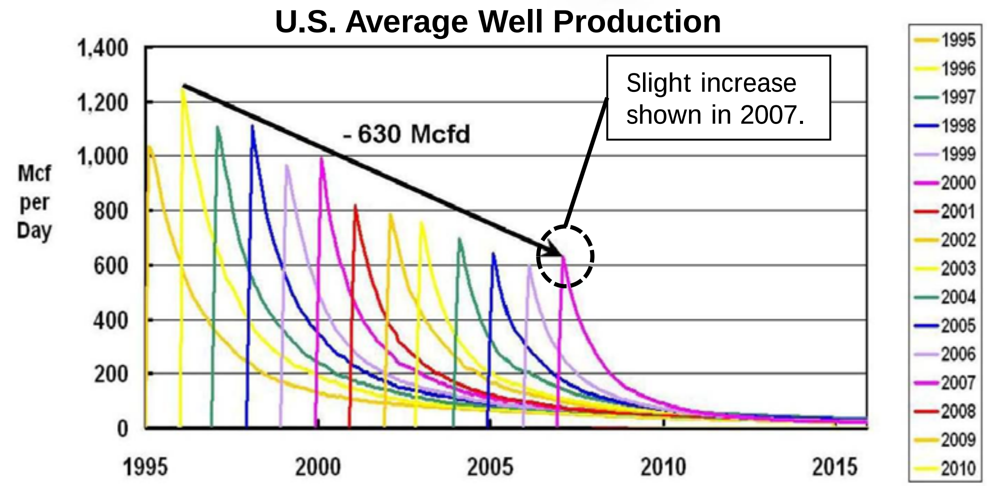
Source: EIA, Bloomberg

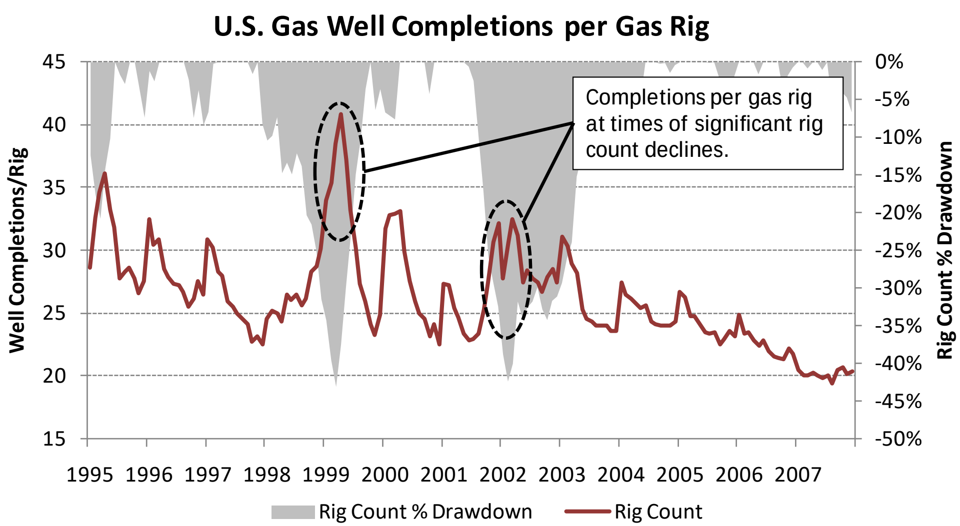
Well Productivity & Rig Efficiency

➢ We noticed two reasons why forecasts for a sharp decline in 2009 natural gas production were challenged:

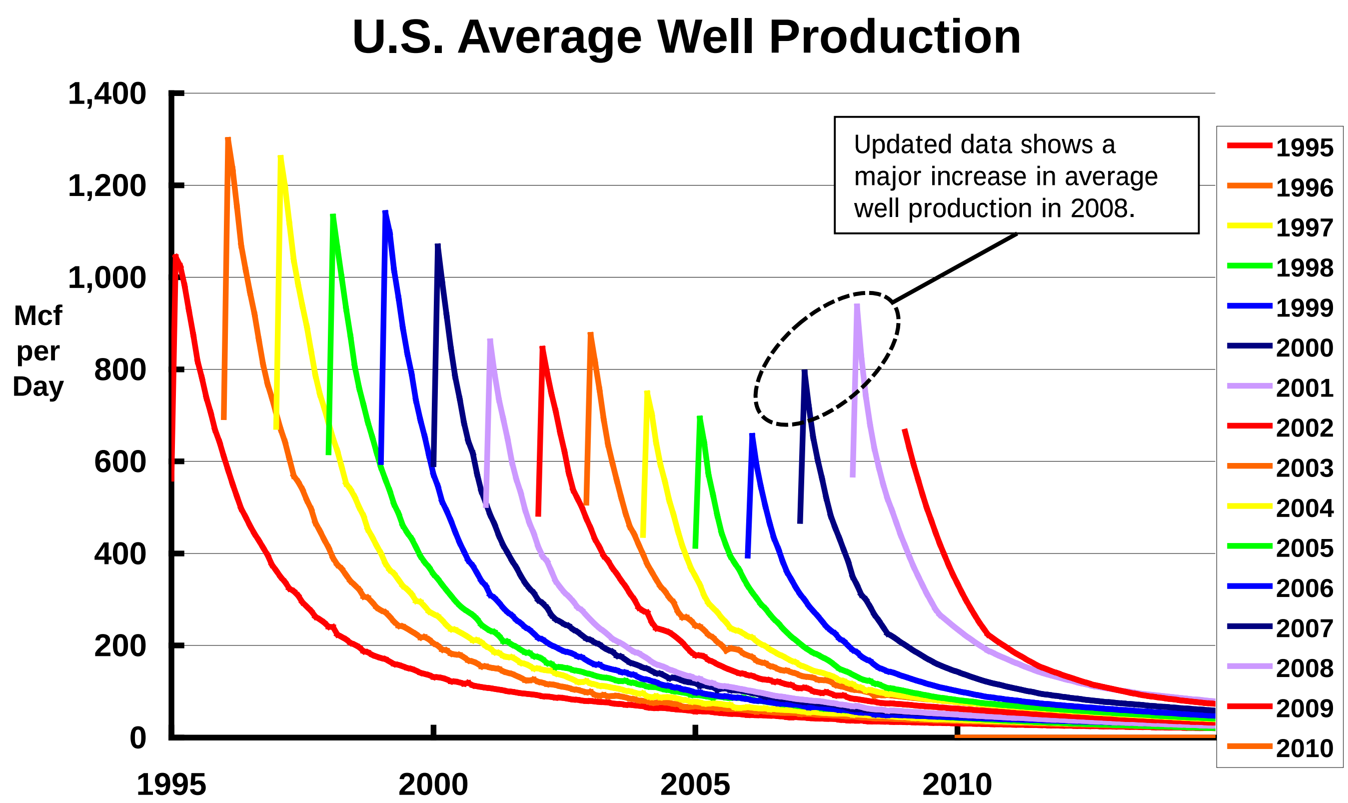
1. Data showed that wells in 2007 were slightly more productive than 2006. This was the first time since 2000 that there was a year over year increase. We speculated that this increase in well productivity could be the beginning of an emerging trend due to shale wells.

2. Historically, during declines in rig count, completions per rig always spiked. In times of a severe decline in rigs, the efficiency gains could be quite dramatic.





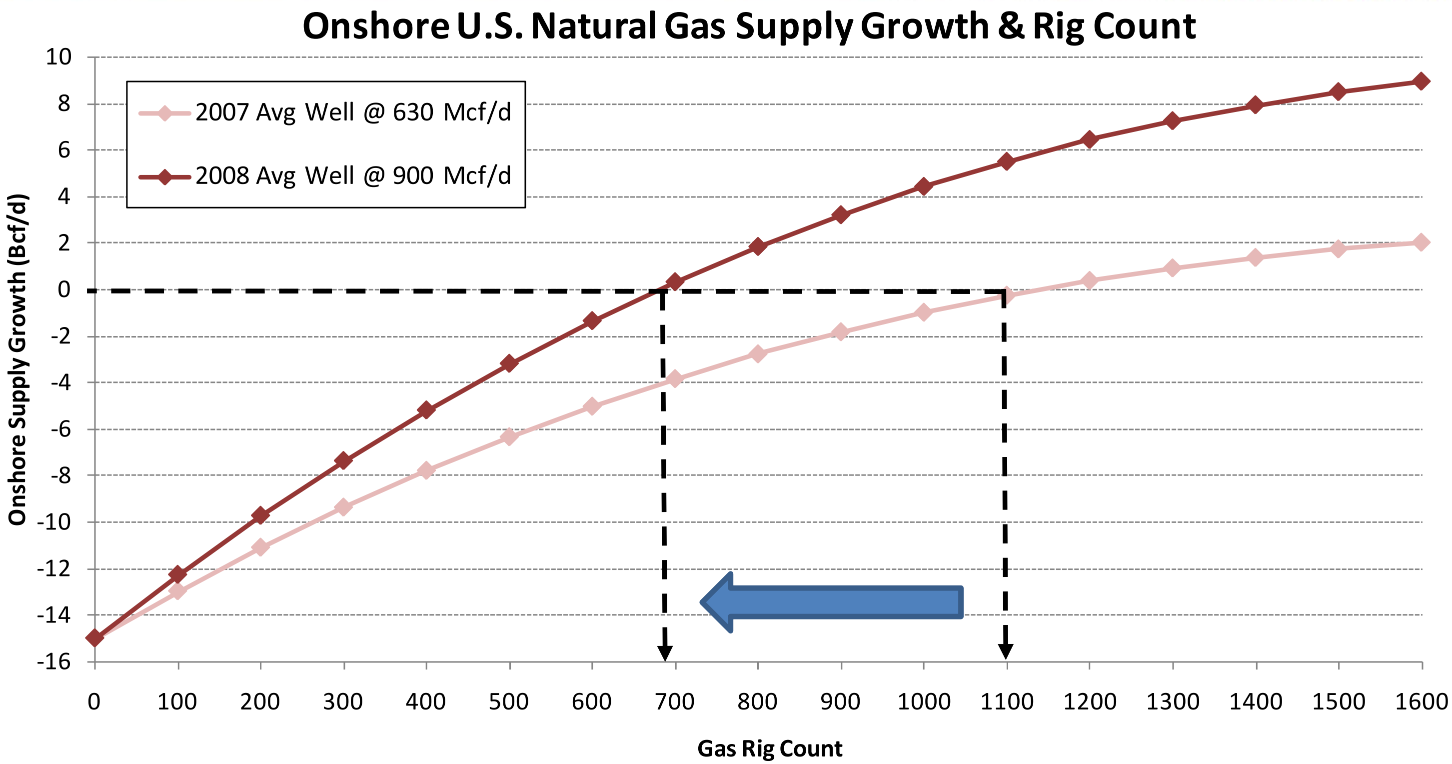
2008 Natural Gas Well Productivity



- The same graph as the previous page with updated data shows that the average well drilled in 2008 showed another year over year increase in productivity.

Source: IHS

U.S. Natural Gas Rig Count Equilibrium



- Using rig efficiency and average well productivity, we constructed a very simple model that shows a significant change in the number of gas rigs needed hold U.S. production flat. While this number was about 1,100 rigs given 2007 average well productivity, our latest 2008 data shows that this figure is closer to 700 rigs at current average well productivity levels.
- Thus, current gas rig count appears adequate to sustain current production levels.

Number 1:
XOM Acquires XTO Energy

Deal Highlights

Implied Valuation Benchmarks	US$
Implied Value / Proved Mcfe (6)	**$2.22**
Implied Value / Total Resources Mcfe (6)	$0.91
Implied Value / daily Mcfe (6) produced	$10,456

Valuation Breakdown	US$MM
Proved Reserve Value	**$30,818.7**
Non-Proved Reserve Value	$10,173.0
Total Valuation	$40,991.7

Reserve Estimates by Seller	Proved Reserves	Production	R/P
Oil & NGLs (MMbbl)	343.4	32.1	10.7
Natural Gas (Bcf)	11,802.9	883.5	13.4
Total Bcfe (6)	**13,862.7**	**1,075.90**	**12.9**
% Developed	**64%**		
% Gas	**85%**	**82%**	

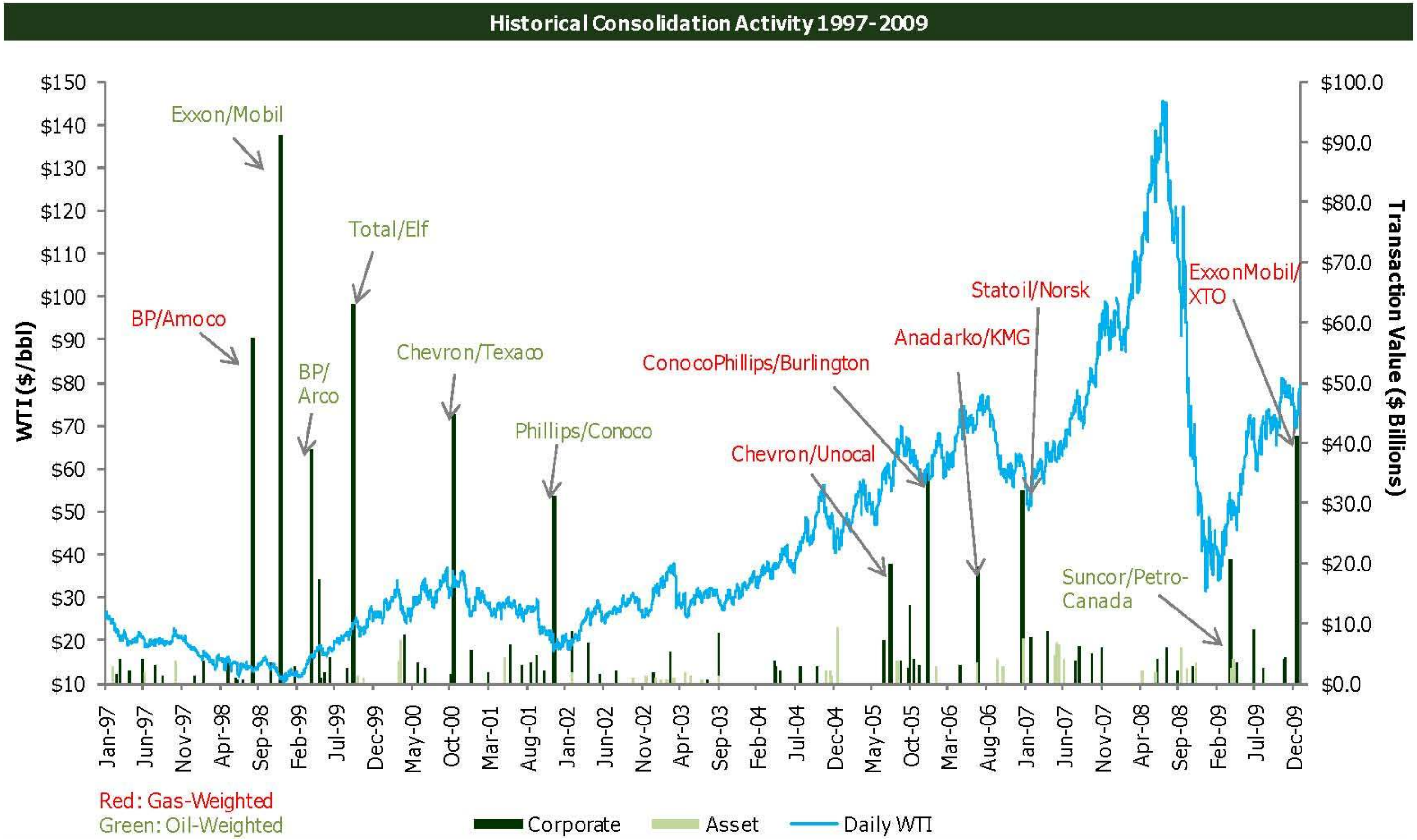
Deal Value	US$MM
Cash	$0.0
Stock	$31,098.5
Other Equity	$0.0
Long term liabilities	$11,037.0
Minority Interest	$0.0
Working Capital	($1,143.8)
Total Deal Value	**$40,991.7**

Premium Analysis	
Implied offer US$ price / share	**$51.69**
Premium:	
1 day prior to announcement	**24.6%**

- XOM's proposed acquisition of XTO Energy marks a significant long-term bet on natural gas demand growth over the next 20 – 30 years.
- The price of $51.69 per share implies a 25% premium, but is well below XTO's mid-2008 price of $73.

Source: IHS Herold

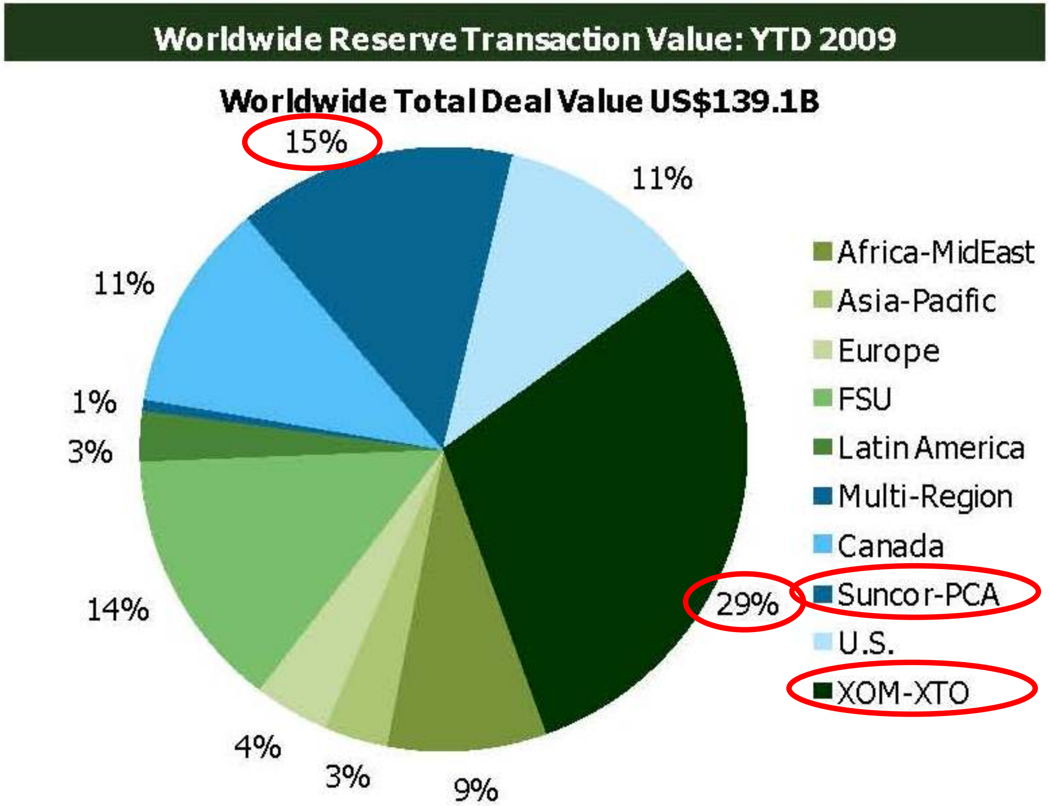
History of Industry Consolidation



- XOM's acquisition of XTO Energy is the largest global upstream deal since the Chevron-Texaco merger in 2000.

Source: IHS Herold

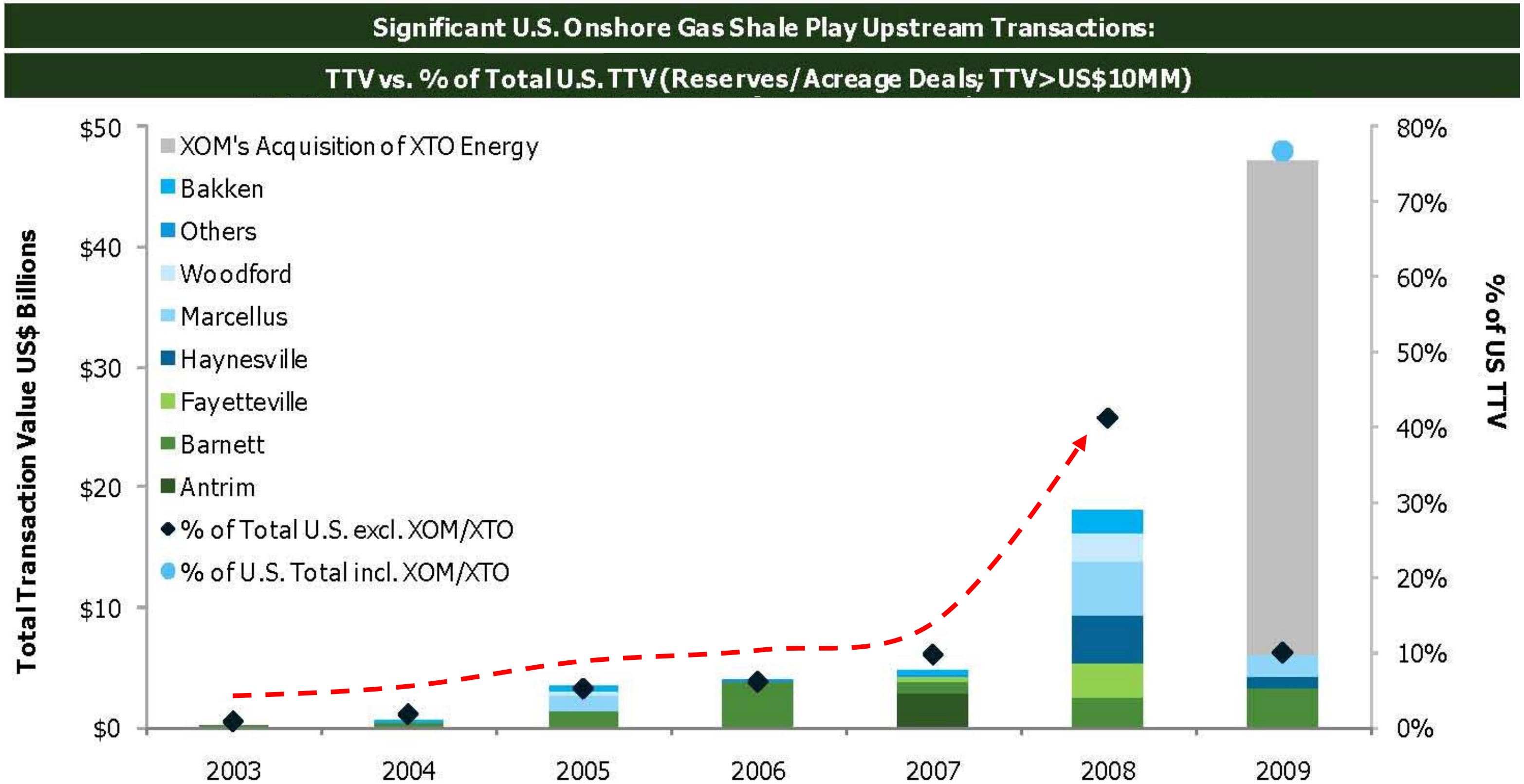
2009 Transactions by Region



- With XOM's acquisition of XTO Energy, N.A. accounts for 67% of global energy deal value in 2009. Both the XOM and SU acquisitions highlight the emerging importance of unconventional assets as a long-term growth driver for the industry.

Source: IHS Herold

Increased Role of Shale in U.S. M&A Activity

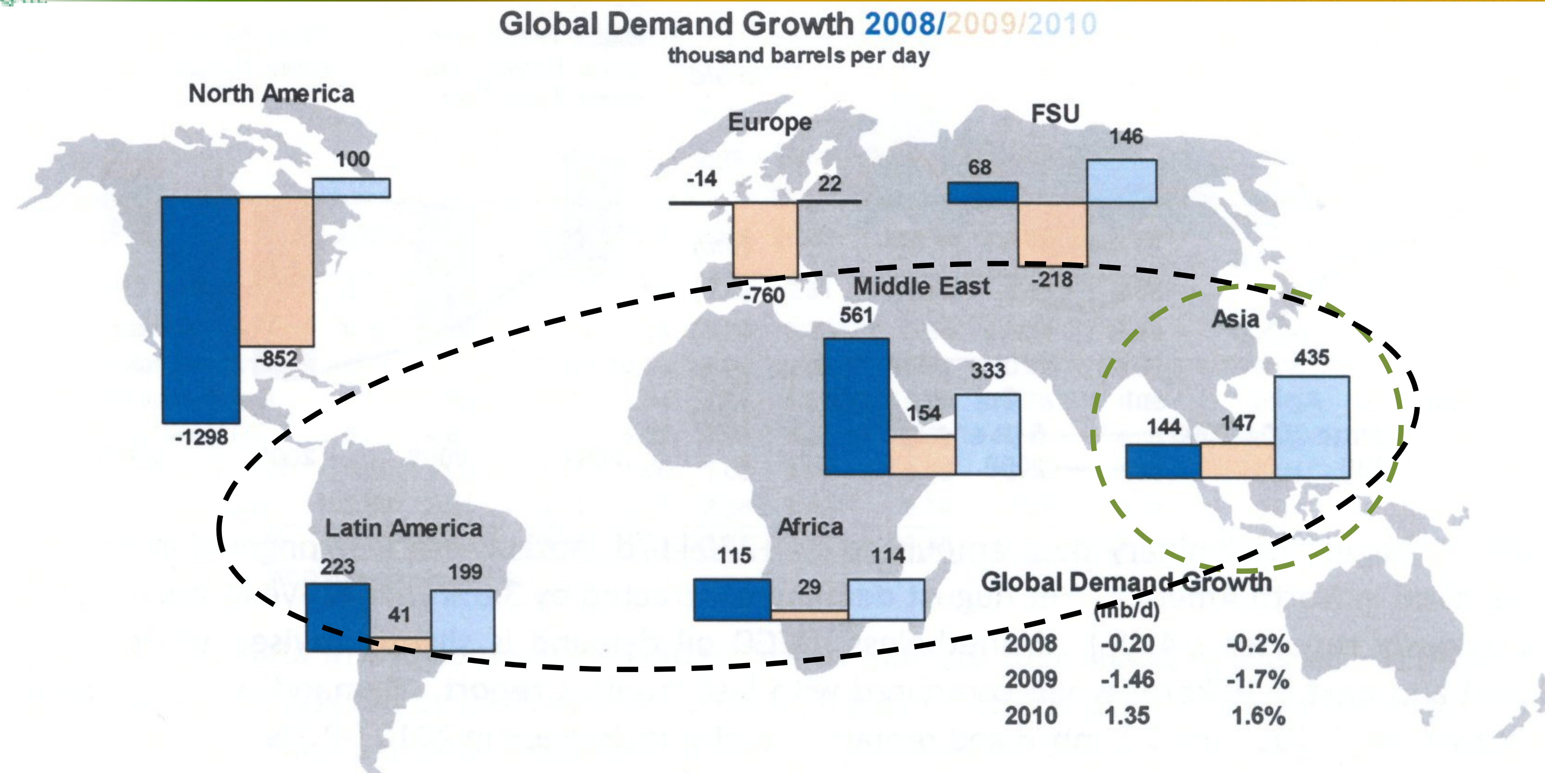


- Shale gas has been an increasingly large part of the U.S. M&A landscape. Excluding the XOM/XTO deal, there have been approximately $33 billion in U.S. onshore shale deals since 2003. In the same period, international majors have spent approximately $6 billion buying into U.S. onshore shale gas plays.

Source: IHS Herold

III. 2010 Outlook

Oil Review: World Demand



- The IEA is projecting a return to oil demand growth in 2010 with nearly all of the increases coming from non OECD countries. Currently, oil demand in 2010 is projected to be 86.2 MMBbl/day.

- Of the +435 MBbl/day demand increase forecasted for Asia, more than half (+294 MBbl/day) is attributable to China. However, Chinese increases are predicated on observed growth in bitumen, lubricants and coke that appear to be related to the government’s stimulus measures.

Source: IEA, November 2009

Oil: 2010 Forecasts

	WORLD DEMAND		DEMAND GROWTH	NON-OPEC SUPPLY		CALL ON OPEC inc. IRAQ	
	2009	2010	10 vs. 09	2009	2010	2009	2010
Barcap Total	84.6	85.4	0.8	50.0	49.6	34.6	35.8
OECD	45.6	45.5	-0.1				
Non OECD	39.0	39.9	0.9				
Goldman Sachs	84.7	86.4	1.7	50.9	50.7	33.8	35.7
OECD						0.0	0.0
Non OECD							
IEA Total	84.9	86.2	1.3	51.1	51.9	33.8	34.3
OECD	45.5	45.5	0.0				
Non OECD	39.3	40.7	1.4				
EIA Total	84.1	85.4	1.3	50.2	50.4	33.9	35.0
OECD	45.5	45.6	0.1				
Non OECD	38.7	39.8	1.1				
Deutsche Bank	84.7	86.0	1.3	51.0	51.3	33.7	34.7
OECD	45.4	45.6	0.2				
Non OECD	39.3	40.3	1.0				
OPEC	84.3	85.1	0.8	50.9	51.2	33.4	33.9
OECD	45.8	45.7	-0.1				
Non OECD	38.5	39.4	0.9				
BNP Paribas	84.9	86.3	1.4	51.0	51.6	33.9	34.7
OECD							
Non OECD							
BofA-ML	84.7	86.7	2.0	51.0	51.2	33.7	35.5
OECD	45.6	46.1	0.5				
Non OECD	39.1	40.6	1.5				
Average Total	**84.6**	**85.9**	**1.3**	**50.8**	**51.0**	**33.9**	**35.0**
OECD	**45.6**	**45.7**	**0.1**				
Non OECD	**39.0**	**40.1**	**1.1**				

Almost all demand growth comes from Non-OECD.

Once again, almost no growth from non-OPEC.

Source: Reuters

Oil: 2010 Forecasts

	WORLD DEMAND		DEMAND GROWTH	NON-OPEC SUPPLY		CALL ON OPEC inc. IRAQ	
	2009	2010	10 vs. 09	2009	2010	2009	2010
Barcap Total	84.6	85.4	0.8	50.0	49.6	34.6	35.8
OECD	45.6	45.5	-0.1				
Non OECD	39.0	39.9	0.9				
Goldman Sachs	84.7	86.4	1.7	50.9	50.7	33.8	35.7
OECD						0.0	0.0
Non OECD							
IEA Total	84.9	86.2	1.3	51.1	51.9	33.8	34.3
OECD	45.5	45.5	0.0				
Non OECD	39.3	40.7	1.4				
EIA Total	84.1	85.4	1.3	50.2	50.4	33.9	35.0
OECD	45.5	45.6	0.1				
Non OECD	38.7	39.8	1.1				
Deutsche Bank	84.7	86.0	1.3	51.0	51.3	33.7	34.7
OECD	45.4	45.6	0.2				
Non OECD	39.3	40.3	1.0				
OPEC	84.3	85.1	0.8	50.9	51.2	33.4	33.9
OECD	45.8	45.7	-0.1				
Non OECD	38.5	39.4	0.9				
BNP Paribas	84.9	86.3	1.4	51.0	51.6	33.9	34.7
OECD							
Non OECD							
BofA-ML	84.7	86.7	2.0	51.0	51.2	33.7	35.5
OECD	45.6	46.1	0.5				
Non OECD	39.1	40.6	1.5				
Average Total	**84.6**	**85.9**	**1.3**	**50.8**	**51.0**	**33.9**	**35.0**
OECD	**45.6**	**45.7**	**0.1**				
Non OECD	**39.0**	**40.1**	**1.1**				

Bull Case

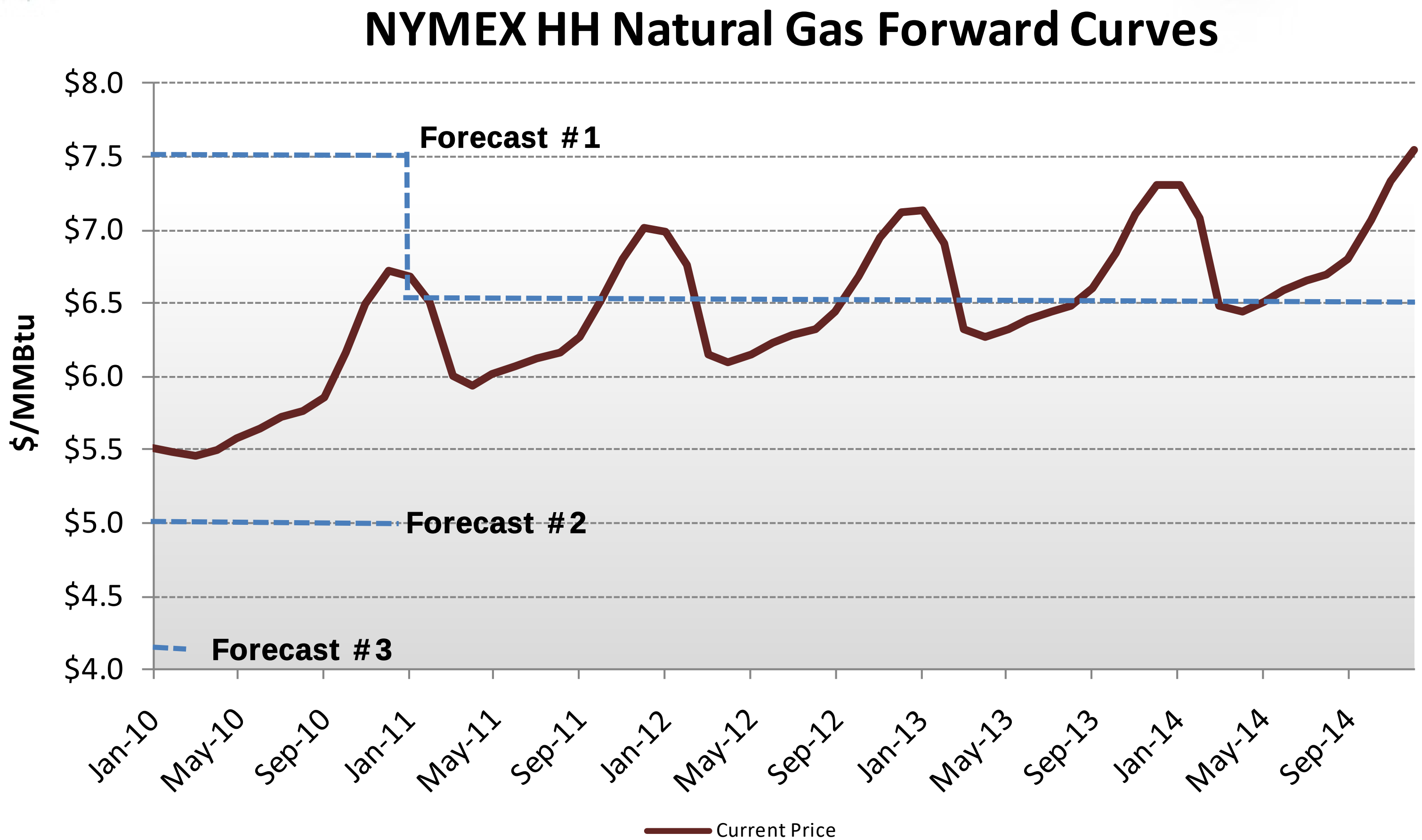
2010
Demand
86.4
+1.8

OPEC
Call
+2.0

Non-Opec
-0.3

Source: Reuters

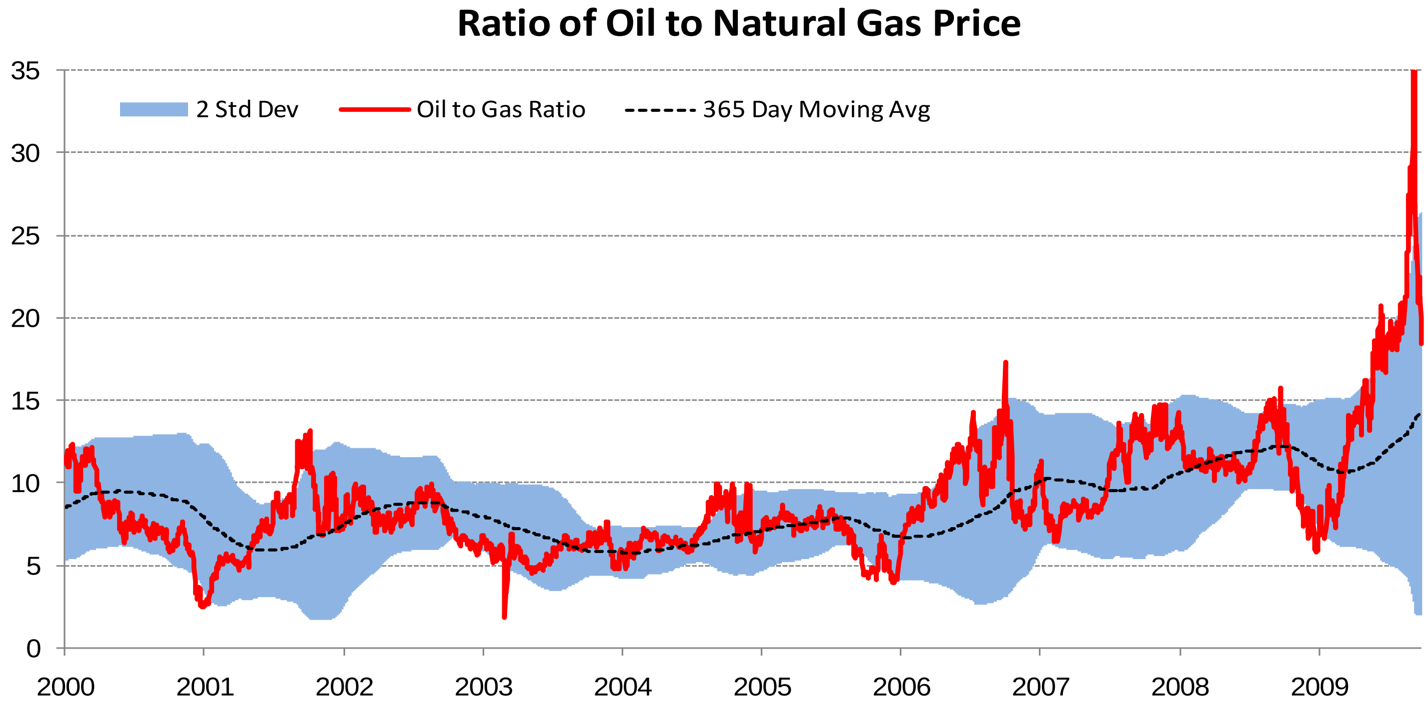
Natural Gas: Price Forecasts



- With production declines fairly unimpressive and an increased reliance on cold weather to spur larger than normal storage draws to support prices, we see extremely bullish 2010 gas price targets as increasingly remote.

Source: Bloomberg

Oil v. Gas



- The traditional ratio of oil to natural gas of 6:1 ratio has been consistently exceeded since 2007.
- Domestic natural gas supply and demand fundamentals that have "decoupled" from global oil fundamentals are largely responsible.
- Currently, forwards markets offer little indication that this is likely to change in the near future.

Source: Bloomberg

Final Thoughts

Macro Energy Outlook

- We continue to have a preference for oily E&P's compared to gassy counterparts as long-term fundamentals for oil appear more compelling.

- Prolific shale wells are a "game changer" and data indicates that the U.S. natural gas market will remain well supplied. Even when demand growth returns, the industry appears well positioned to grow supply.

Portfolio Implications

- Oily E&P's that are able to grow production within cash flow are among our favorites.

- Gassy E&P's must be trading at attractive valuations and have strong footholds in the most attractive shale plays to garner our interest.

Evaluating Management

- Continue visiting companies and understand management's strategy to steer company given underlying energy fundamentals.

Fishing in Alaska

My MIT PhD Candidate


A $500 FISH!

$500 Prize

73 Lbs 11 Oz

31 Hours at Sea

31 Hours at Sea

Getting a Closer Look at Energy Assets

Testosterone Heaven!!

GREAT BBQ

Synergistic Location -- GUNS

Synergistic Location -- Fishing Tackle

TripleDouble
ADVISORS, LLC

Strategic Partnership

o Matter How Sick Your Pet Is

u can bring him home to the kids

Bad News! JV Dissolves


Tri State Taxidermy
Has Moved to
1747 Campbell Rd.
Houston, Tx 77080
Office : 713-465-7388
After Hours : 281-639-2255
New Location
Long Point
Campbell
I-10
You are Here


Positive proof of global warming.
18th Century
1900
1950
1970
1980
2009