



Energy Recapitalization and Restructuring Fund, L.P.

IPAA Presentation

January 2012



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Portfolio characteristics and other information are provided as of the dates set forth herein. Current or future characteristics and other information may vary significantly from those provided herein and Parallel Resource Partners, LLC undertakes no obligation to notify the recipient of any such variances. Past performance does not guarantee future results.

All data as of 12/31/2011 unless otherwise noted.

Parallel Resource Partners

Bluescape Resources

- Founded late 2007 by C. John Wilder following TXU LBO
- Over 200 transactions to create a “top ten” Marcellus Shale acreage position
- Over \$1b in value creation
- 2 large monetizations



Carlson Capital

- \$6.4b in assets under management* with a 17 – year track record
- Ron Hulme led energy platform and served as CEO from late 2008 until February 2011
- Active leadership role in 4 of largest oil and gas bankruptcy restructurings in 2009/2010



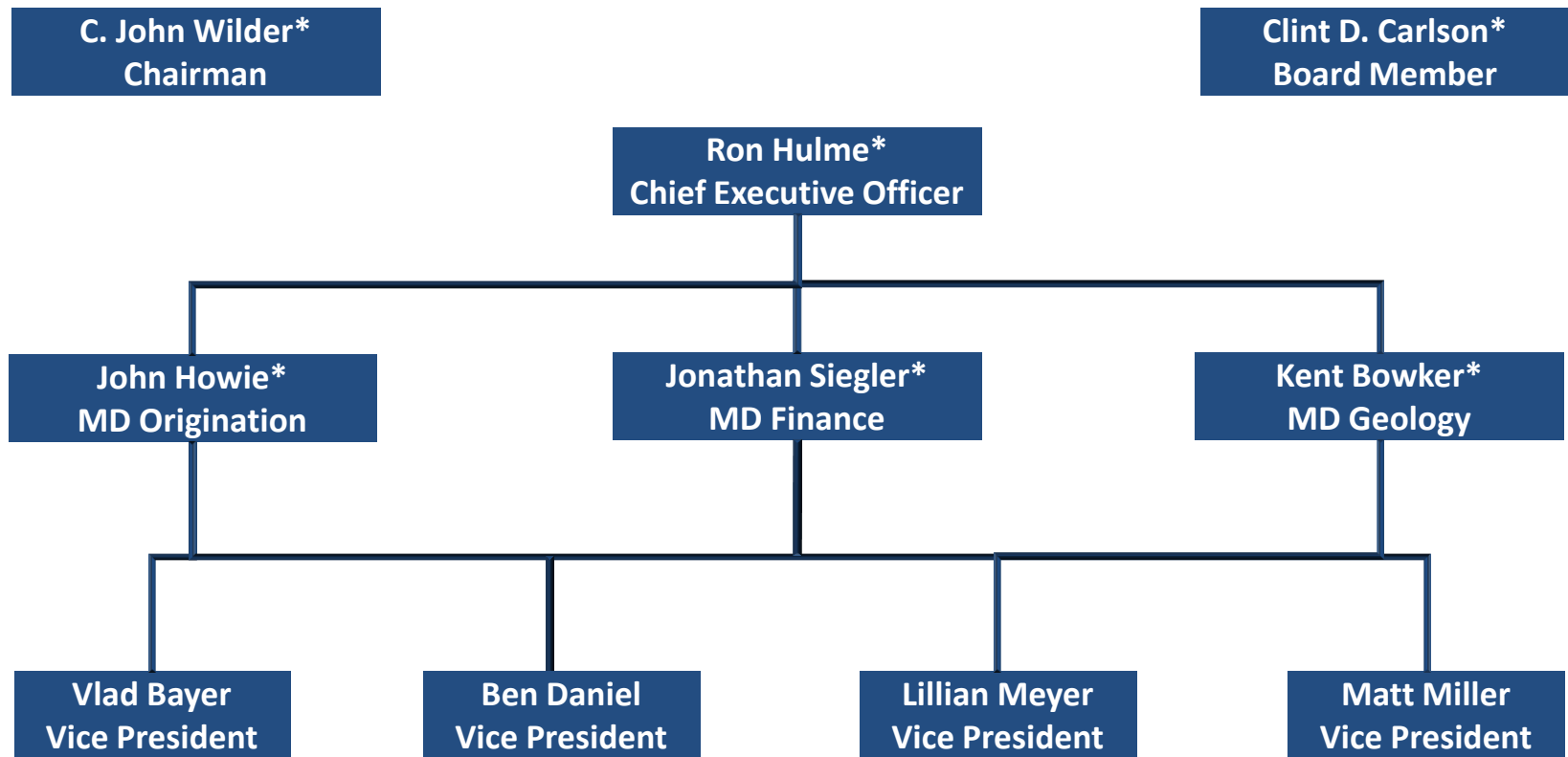
- Experienced Leadership Team
- Significant Investment From General Partner/Affiliates
- Exclusivity Commitments
- Support Services (Back Office, Technical)



- Focused on control equity investing in small North American oil and gas producers
 - Financial distress
 - Commercial distress
 - Out-of-favor assets
- Fund target of \$500m
 - First close on 2/1/11
 - Second close on 10/10/11
 - Final close anticipated 1/31/12
 - Meaningful co-investment opportunities for larger investors

* Assets under management as of December 1, 2011.

Parallel Resource Partners Organization



*Investment Committee members

Parallel's Management Team Has Deep Energy Industry Experience

| | | | | | |
|--|--|--|---|--|---|
| <p>John Wilder</p> | <p>Chairman CEO and Founder Chairman and CEO CFO CEO CFO Education</p> | <p>Parallel Resource Partners (current) Bluescape Resources (current) TXU Entergy Shell Capital Shell E&P Southeast Missouri State, BBA Texas, MBA</p> | <p>Jonathan Siegler</p> | <p>Managing Director CFO SVP Strategy and M&A Engagement Manager Lieutenant Education</p> | <p>Parallel Resource Partners (current) Bluescape Resources (current) TXU McKinsey & Company U.S.S Pennsylvania SSBN 735B U.S. Naval Academy, BS Stanford, MS</p> |
| <p>30+ Years Of Professional Experience In The Energy Industry; Spearheaded Two Of The Energy Industry's Most Effective Financial/Operational Turnarounds; Formed Highly Successful Businesses In The Industry, Including Aera Energy, Altura Energy and Entergy-Koch; More Than 35 Major Investments/Transactions Totaling Over \$36 billion, With Value Creation Exceeding \$125 billion</p> | | | <p>10 Years Of Energy Industry Experience; Deep Expertise In Energy Value/Microeconomics Of Energy Markets; Lead effort to sell TXU to private sponsors in the largest LBO; Designed 90-day Turnaround Plan At TXU That Led To A 300% Increase In Free Cash Flow And Over \$30 billion In Shareholder Value Creation; Developed Industrial Focused Strategy That Led To Top-decile Costs/ Productivity and Growth Strategy Focused On Structurally Advantaged New Build Baseload Generation</p> | | |
| <p>Ron Hulme</p> | <p>Chief Executive Officer Vice Chairman and Portfolio Mgr. CEO Director Education</p> | <p>Parallel Resource Partners (current) Carlson Capital (current) Carlson Capital McKinsey & Company Texas, BBA Stanford, MBA</p> | <p>Clint Carlson</p> | <p>President and CIO Head of Risk Arbitrage Co-Manager Risk Arbitrage Education</p> | <p>Carlson Capital (current) Bass Brothers Maxxam Group Rice, BBA, MBA Univ. of Houston, JD</p> |
| <p>30+ Years Of Professional Experience In Energy. CEO Of Carlson Capital from 11/08 to 1/11; Led The Firm's Energy Investment Activities. 26 Years With McKinsey & Co. Serving Energy And Private Equity Clients; Led Practices In Oil And Gas, Corporate Finance, Strategy, And Risk; Served As Member Of McKinsey's Office Of The Managing Director And As Member Of The Shareholder's Council (McKinsey's Board)</p> | | | <p>25+ Years Active Energy Investor (Public Equity, Private Equity And Credit) With A Distinctive, Long-Term Track Record; Founded Carlson Capital In 1993 After Five Years As Head Of Risk Arbitrage For The Investment Arm Of The Bass Brothers Organization; Co-managed A Risk Arbitrage Fund For Maxxam Group And Affiliated Companies</p> | | |
| <p>John Howie</p> | <p>Managing Director Consultant/Director Energy PE Vice President Principal Senior Investment Associate Petroleum Engineer Education</p> | <p>Parallel Resource Partners (current) Carlson Capital (current) Goldman, Sachs & Co. EnCap Investments Range Resources Amoco Production & Apache Corp New Mexico, BS</p> | <p>Kent Bowker</p> | <p>Managing Director Principal Geologist Principal Geologist Asset Manager Exploration Geologist Education</p> | <p>Parallel Resource Partners (current) Bluescape Resources (current) Mitchell Energy Chevron Gulf Adrian College, BS Oklahoma State, MS</p> |
| <p>28+ Years Experience In The Energy Industry; Previously Head Of Goldman Sachs E&P Capital (Houston-based Principal Investing Arm Of Goldman Sachs Focused On Providing Various Forms Of Asset-Backed Capital To E&P Companies); Served 4 Years As A Principal With EnCap Investments In The E&P Sector; And Also Served As A Board Member At Cheniere Energy (AMEX: LNG)</p> | | | <p>28 Years Of Direct Energy Experience; Leading Industry Shale Geologist With Extensive Experience In Barnett, Marcellus, Fayetteville And Other Major North American Shale Plays; Responsible For Multiple Shale Breakthroughs, Including Being The First To Recognize The Prospectively Of Johnson County In The Barnett Shale And Removing Unnecessary Additives From Fracture Fluid Saving The Industry Millions Of Dollars.</p> | | |

Parallel's Investment Focus

- Invest Based Upon Strategic Principles
 - Express POV on commodity prices
 - Aggregate subscale positions
 - Acquire long term optionality
- Create Value Through Solid Execution
 - Technical
 - Operational
 - Commercial
- Maximize Value Through Disciplined Exit

Parallel's Investment Philosophy

- Invest Into Operating Companies, Not Start-ups
 - Firms with out-of-favor assets
 - Gulf of Mexico
 - Shale Gas
 - Conventional gas
 - Coal bed methane
 - Companies with a lack of liquidity because of current natural gas environment
- Desire Control Equity Positions
 - Invest in either common or preferred positions
 - Will consider negative control
- Will Invest Through Debt



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