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

* Assets under management as of December 1, 2011.

- 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
Parallel Resource Partners Organization

C. John Wilder*
Chairman

Ron Hulme*
Chief Executive Officer

John Howie*
MD Origination

Jonathan Siegler*
MD Finance

Kent Bowker*
MD Geology

Vlad Bayer
Vice President

Ben Daniel
Vice President

Lillian Meyer
Vice President

Matt Miller
Vice President

Clint D. Carlson*
Board Member

*Investment Committee members
# Parallel’s Management Team Has Deep Energy Industry Experience

## John Wilder
- **Chairman**
- **CEO and Founder**
- **Chairman and CEO**
- **CFO**
- **CEO**
- **CFO**
- **Education**

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

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## Ron Hulme
- **Chief Executive Officer**
- **Vice Chairman and Portfolio Mgr.**
- **CEO**
- **Director**
- **Education**

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)

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## John Howie
- **Managing Director**
- **Consultant/Director Energy PE**
- **Vice President**
- **Principal**
- **Senior Investment Associate**
- **Petroleum Engineer**
- **Education**

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)

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## Jonathan Siegler
- **Managing Director**
- **CFO**
- **SVP Strategy and M&A**
- **Engagement Manager**
- **Lieutenant**
- **Education**

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

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## Clint Carlson
- **President and CIO**
- **Head of Risk Arbitrage**
- **Co-Manager Risk Arbitrage**
- **Education**

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

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## Kent Bowker
- **Managing Director**
- **Principal Geologist**
- **Principal Geologist**
- **Asset Manager**
- **Exploration Geologist**
- **Education**

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.
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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