



Riverbend
Exploration & Production, L.L.C.

Oil & Gas Asset & Equity Investments

IPAA Private Capital Conference

**January 24, 2012
Houston, Texas**

Riverbend Cannot Predict The Future Accurately

Acquire & Drill At Your Own Risk

Lease & Flip Might Be Best (Last 6 Years)

Riverbend's History



Fifty-Four (54) Transactions Over 87 Months Period Since Start-Up

Acquisitions & Divestments	27
Drilling Deals	10
Total Asset Transactions	37
Equity Investments	17 ¹
Total Transactions	54

1) 11 Fully &/Or Partially Realized Investments, 6 In Portfolio

Riverbend I & II

(Built & Exit)

- Time Period 2003 – 2008
- 22 Acquisitions
- 5 Drilling Deals
- Properties In 15 States

Commodity Prices

- Oil - \$26 To \$145
- Nat Gas - \$4 To \$14 To \$4 To \$6

Banking & Equity Markets

- Open & Fluid

E&P MLP's

- On The Rise

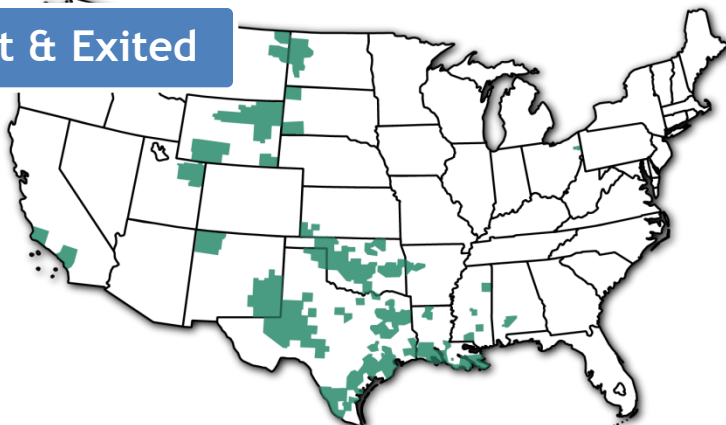
Energy Outlook

- Peak Oil & Limited Worldwide Resources

Small Business

- Thriving

Built & Exited



Riverbend III

(Building)

- Time Period 2008 – 2011
- 6 Acquisitions
- 5 Drilling Deals
- Properties In 13 States

Commodity Prices

- Oil - \$145 To \$32 To \$65
- Nat Gas - \$14 To \$2.50 To \$5.50 To \$2.50

Banking & Equity Markets

- Selective, Choppy & Closed

E&P MLP's

- Questioned, But Now Thriving

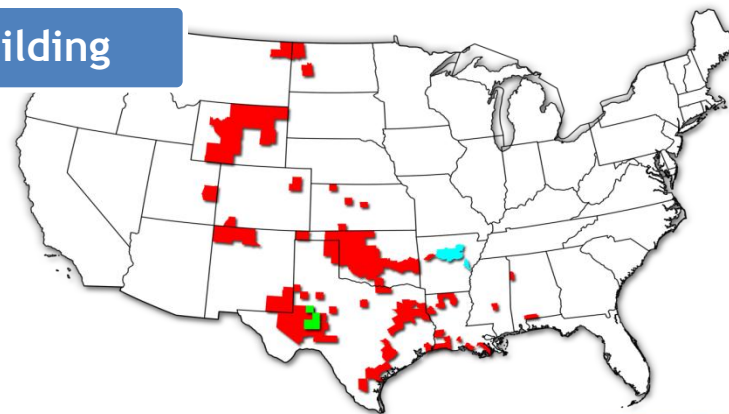
Energy Outlook

- U.S. Shale Significant

Small Business

- Less Advantaged Than Previous

Building



- **Self Assessment & Review**
 - WWW.YOURUNIQUEDESIGN.COM (Self-Survey & Co-Workers)
 - SWOT Analysis Of Yourself & Team Members (Work On W & T)
 - Personal Operating Expenses & Balance Sheet
- **Long (Multi-Year) & Detailed Discussion With Spouse**
 - Financial Implications (Investment Commitment & Pay System)
 - Risk (First) & Reward (Second)
 - (Significantly More) Pre-Occupation With Work (& Carries Over To Home)
- **Trusted Opinions**
 - Friends – What They Say About The Plan & The Fit For You
 - Confidential Opinions From Those In The E&P (& Finance) Business
- **Be Patient**
 - Continually Evaluate Business Plans &/Or Situations Right For You
 - Set Aside Time (In & Outside Of Work) To Meet, Greet & Establish Relationships
 - Work On Ability To Discern Those That Are Trustworthy
 - First Priority Is Excellence & Integrity Where You Are Employed
- **Cycle Timing & Commodity Prices (Likely Highest Correlation To P_s)**
- **Prayer**

Teams Selecting A Private Equity Firm

- **Engineering (Acq), Geologic (Exploit), Real Estate (Lease, Drill Enough Or Not & Flip) Or Financially Focused**
- **Leverage & Hedging Philosophy**
- **Fund Size, Commitment Amount & Time Frame To Invest (& Compatibility With Team Strategy)**
- **Current Exposure To Similar Risk, Geographic Area Or Strategy**
- **Number Of Teams Under Management**
- **Pure Energy Fund Or General**
- **Price Cycle Tested**
- **History With Current Or Past Teams**
- **Personality Fit ... & Involvement With Real Decision Makers At Firm**

Private Equity Firm Selecting Teams

- **Team's Track Record**
- **Experience (Together) & Tested**
- **Business Plan Risk Level & Firm's Expected Returns (ROI, IRR) & Timing**
- **Mgmt's History Of Allocating CAPEX & Managing People**
- **Level Of Mgmt Commitment (\$'s, Time, Other "Assets" Contributed)**
- **Number Of Teams With Similar Risk, In Geographic Area Or Strategy**
- **Time Needed For Plan To Mature**
- **Percent Of Plan Currently Captured Or Identified**
- **All Aspects Of Leadership**

▪ **Communication**

- Deliver Good News Fast & Bad News Even Faster
- Anticipate Questions & Respond Prior To Being Asked
- Relay Current Activity (Operations & Deals) Regularly

▪ **Transparency**

- Deliver Executive Summaries Plus Detailed Analysis
- Reconcile Changes & Forecast
- Communicate “Good, Bad & Ugly” On “Inside” Activities & Outside Relationships

▪ **Performance**

- Stay Focused On The Business You Have Chosen
- If Business Model Becomes Impeded Or Obsolete, Work With Partner To Adapt

▪ **“Exit Ready”**

- Continually Evaluate Whether Your Company Is Worth More Dead Or Alive
- “3P” Geology, Engineering (Reserve Reports) & Accounting
- Preserve “Shelf Ready” Company Metrics & Presentations



Encourage Participation From Your Partner
Remember They're Part Of The Team



Home	Company	Team	Property Acquisitions	Equity Investments	Publications	Contact
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Based in Houston, Texas, The Riverbend Team Encompasses Over 130 years Experience In Energy and E&P, Midstream & Private Equity In The Areas Of Engineering & Operations As Well As Accounting & Finance With Expertise In All The Major Production Basins In The U.S., The Riverbend Team Has A Broad Network Of Relationships Necessary To Execute Acquisitions & Investments In Energy

RIVERBEND GUIDING PRINCIPLES

FOCUSED
On Being Good Industry & Investment Partners

EXPERIENCED
Engineers & Investors In The Energy Industry

RESPONSIVE
To Ongoing Projects, Duties & Relationships

CHARACTER
In Dealings With Each Other, In Industry & Our Community