

TRAIL RIDGE ENERGY PARTNERS, LLC

“ROAD TO SUCCESS”

IPAA 2012
PRIVATE CAPITAL CONFERENCE
January 24, 2012
Houston, Texas



TRAIL RIDGE
ENERGY PARTNERS, LLC

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Full Cycle

- **Aug '07** – Formed Trail Ridge Energy Partners, LLC
- **April '08** – Closed Equity Agreement with Kayne Anderson
Closed Texas Panhandle Acquisition and Started Leasing
- **June '09** – Closed Anadarko Basin Acquisition
- **Sept '09** – Closed Anadarko/Cherokee Platform Acquisition
- **Feb '10** – Closed Arkoma Basin Acquisition
- **Mar '10 – Feb '11**
 - Annexation of Interests
 - High-Grade & Execute on Upside Opportunities
 - Perform Field Refurbishments
 - Drill 1st Horizontal Tonkawa Well
 - Participate in over 20 Non-Op Horizontal Wells
- **Feb '11** – Initiate Exit Strategy
- **Oct '11** – Closed Asset Sale to EnerVest



The Team

- **Ronald D. Wade – President & CEO**

- 30 Years of Experience in Reservoir Engineering; Economics; Bus Dev; Financial Modelling; and Negotiations (CSM – BSc PE)
 - ❑ Trail Ridge Energy Partners, LLC (Private Equity)
 - ❑ Redman Energy Corporation (Private Equity)
 - ❑ Cordillera Energy Partners II, LLC (Private Equity)
 - ❑ Hunt Petroleum Corporation (Independent)
 - ❑ Forrest A. Garb & Associates, Inc. (Consulting Firm)

- **Chuck Cederberg – Chief Financial Officer**

- 37 Years of Experience in Oil and Gas Finance and Accounting (St. Cloud Univ – BBA Accounting)
 - ❑ Trail Ridge Energy Partners, LLC (Private Equity)
 - ❑ Redman Energy Corporation (Private Equity)
 - ❑ Jennings, Hawley & Cederberg (CPA Firm)
 - ❑ Drilling Fund Consultants (Consulting Firm)
 - ❑ Centura Energy Corporation (Independent)



The Team (Cont.)

- **William E. Knebusch - Vice President – Geology**
 - **30 Years of Experience in Both Domestic and International Exploration and Operations (Sul Ross BSc Geology)**
 - ❑ Calvary Consulting, LLC (Consulting Firm)
 - ❑ Mewbourne Oil Co. (Independent)
 - ❑ Rio Petroleum, Inc. (Independent)
 - ❑ Maxus Energy Corporation (Independent)
- **Toby Solis – Operations and Drilling Manager**
 - **13 Years of Experience in Drilling and Completion Operations and Work-Overs (CSM – BSc CPR)**
 - ❑ Samson Resources (Independent)
 - ❑ Newfield Exploration (Independent)
 - ❑ Manzano Oil Corporation (Private Equity)
 - ❑ Petroleum Development Corp (Public)
 - ❑ Agave Energy Corporation (Private)
- **Rebecca Edwards – Land Coordinator**
 - **15 Years of Experience in Land Management (UT – BBA Mgmt & Acct)**
 - ❑ Murchison Oil & Gas, Inc. (Private)
 - ❑ Patterson Drilling Company, LP (Private)



Dawn of the Dawn

- “Imagination is the key... the rest is painted with science fiction”

Jimi Hendrix

➤ It All Starts with an Idea... and Commitment to Excellence

- ❑ Don't Quit Your Day Job - Stick to What You Know Best
- ❑ Be an Excellent Steward of Your Skin and Your Equity Partner's Skin
- ❑ Choose Your Employees and Partners Wisely
- ❑ Find the Balance - (Risk/Reward; Macro/Micro; Personal/Business)
- ❑ Persevere



Courting the Quan

- **Should I use a PE Dating Service?**
 - **Investment Advisors Yield More Exposure, but comes with a Price**
 - ❑ **Good at Matching Your Idea and Skills with the Right PE Fund**
 - ❑ **Help Secure the “Best Deal”**
 - ❑ **Expedite Your Time to Close and Save the “Deal in Hand”**
 - ❑ **Trail Ridge Selected Rivington Capital Advisors, LLC as Our IA**
- **The Proposal – Will you marry me? or Should I marry you?**
 - **Compatibility is Very Important**
 - ❑ **It’s Not Just About the Money**
 - ❑ **Where’s the Love, Respect, Community?**
 - ❑ **Speak the Same Language (Finance, Engineering, Land)**



The Mate

- **The Engagement**
 - **Deal Terms**
 - ❑ **First Timers**
 - ❖ **Not Much Room to Negotiate**
 - ❖ **Structure Can Vary Significantly**
 - ❑ **Second Timers**
 - ❖ **Can Expect/Negotiate Better Terms**
 - ❖ **More Flexibility (Regional Diversity; Exit Timing)**
- **The Marriage**
 - **Contract or covenant?**
 - ❑ **100 : 100 Relationship**
 - ❑ **Don't See Eye to Eye? Compromise**
 - ❑ **'til Success/Death Do Us Part**

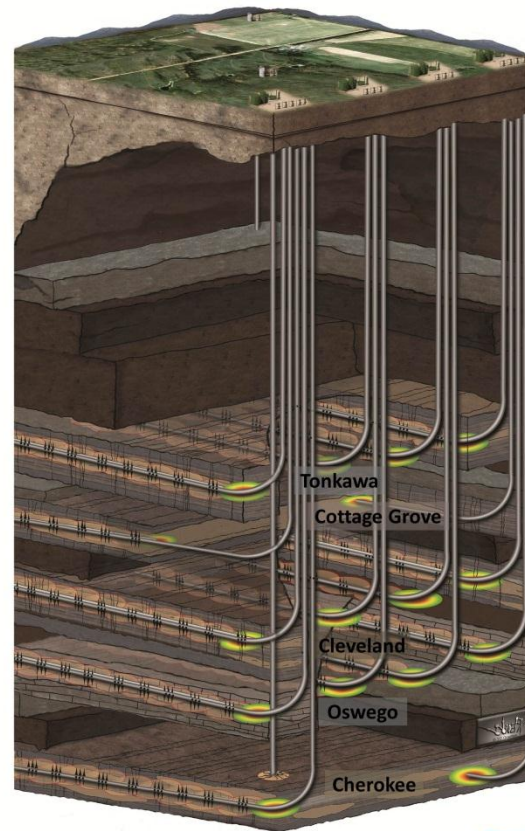


The Play



Tonkawa/Cottage Grove/Cleveland/Oswego/Cherokee Play (Fully Developed)

Roger Mills County, OK



TREP

TRAIL RIDGE
ENERGY PARTNERS, LLC

Execution

TX PANHANDLE ACQUISITION

- Closed April 2008
- Tonkawa & Cleveland Plays
- 100% PDP w/ Horizontal Upside
- 7 Wells (100% Operated)
- 24 Opportunities
- CHK Presently Drilling
Tonkawa and Cleveland Wells

ANADARKO ACQUISITION

- Closed June 2009
- All Producing Formations
- 64% PDP w/ Vertical and
Horizontal Mississippian &
Woodford Upside
- 183 Wells (73% Operated)
- 51 Initial Opportunities

TOTAL ALL ACQUISITIONS

- Closed 4 Major Acquisitions
Plus Several Small Annexations
- 730 Net BOEPD (6,100 BOEPD Gross)
- 51 MMBOE 3-P Reserves (24% Proved)
- 18.8 Reserve Life Index
- 61% Liquids
- 274 Active Wells (76% Operated)
- 24,500 Net Acres (78% HBP)
- 1,062 Horizontal Locations

TONKAWA & CLEVELAND HORIZONTAL DRILLING PROJECT

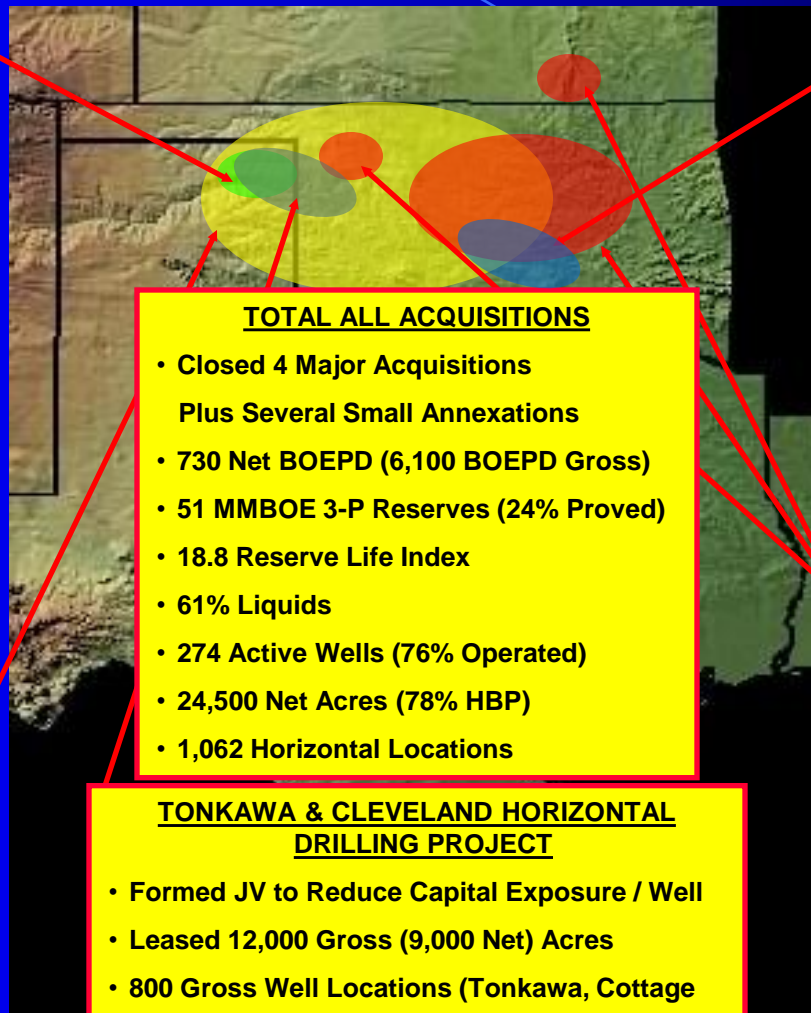
- Formed JV to Reduce Capital Exposure / Well
- Leased 12,000 Gross (9,000 Net) Acres
- 800 Gross Well Locations (Tonkawa, Cottage
Grove and Cleveland)

ARKOMA BASIN ACQUISITION

- Closed Feb 2010
- Gilcrease & Cromwell
- 68% PDP w/ Horizontal
Woodford & Hunton Upside
- 53 Wells (100% Operated)
- 30 Initial Opportunities

ANADARKO & CHEROKEE PLATFORM ACQUISITION

- Closed Sept 2009
- Several Producing Formations
- 59% PDP w/ Horizontal
Mississippian, Hunton and
Woodford Upside
- 101 Wells (97% Operated)
- 26 Initial Opportunities



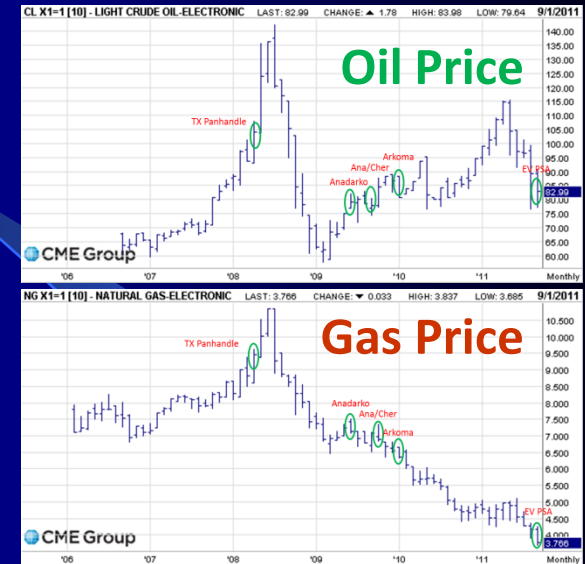
Dawn of the Dusk

- **Equity Plus Debt Invested in Assets**
 - **Capital Calls on Non-Op Acreage Continue**
 - ❑ **Tonkawa, Cottage Grove, and Cleveland Wells (\$4 to \$7 MM)**
 - ❑ **Woodford (\$8 to \$10 MM)**
 - **Equity ROR Can Consume Significant % of Net Cash Flow**
- **Lease Expirations Become a Concern**
 - **3-Year Leases Nearing Expiration**
 - ❑ **Must Exercise 2-Year Extension Option**
- **Time Exit @ Peak Production**
 - **Non-Op Drilling Program Makes this Difficult**



Sortie

- **Always be Ready to Sell**
 - Interview Several Financial Advisory Firms
 - ❑ Expertise in Play Areas is Critical
 - ❑ Expected Exit Value Important to Selection
 - Prep Time is Longer than Anticipated
- **Select Bid Date @ Peak Commodity Prices**
 - Good Luck With That!!
- **Select Buyer with High Probability of Closing**
 - Important to have a Strong PSA



Dawn of a New Day

- **Where Do We Go From Here?**
 - **Depends on Management Team Objectives**
 - **Depends on Degree of Success**
- **Trail Ridge Exploration and Production, LLC**
 - **Staged to Re-Group**
 - **Kick-Off March 1, 2012**
 - **Mid-Continent Region Still Attractive**
 - **May Expand to Rockies and East Texas**
 - **Acquire & Exploit and Lease to Drill Model**
 - **Seed Capital of \$5 MM Funded with Private Investors**
 - **Secondary Offering of \$50+ MM within 12 months**

