Private Capital Adapts to New American Energy Paradigm

ALTERNATIVE LIQUIDITY OPTIONS

JW Marriott, Galleria

"Don't be afraid to give up the good to go for the great." ~ John D Rockefeller

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- 4th Generation Single Family Office.
- Focused on USA, onshore, focused upstream Single Family Office.
- Active in A & D, private & public equity.
- Headquartered in Houston, Texas.

PETRO LUCRUM INC. OWNS...

- Public portfolio companies
- Private oil & gas ventures
- E & P Fund

PETRO LUCRUM INC. SYNDICATES...

- Private Equity Funds
- Institutions
- Oil & gas Groups
- Multi-Family Offices
PORTFOLIO FOCUS - ONSHORE USA

Lower 48 states shale plays

Petro Lucrum, Inc.

Source: EIA
E & P Capital Raises

Petro Lucrum, Inc.

Source: EIA
Cash Is King

Cash Is King for Shale Producers
Money raised from share sales was the highest in 10 years

Source: EIA
ANALYZING EQUITY MARKET LIQUIDITY

Has Equity Money Dried Up?

$130B+ Raised “Dry Powder”

New Money Flooding In

PETRO LUCRUM, INC.

Source: Jefferies
Evaluating the impact of the oil price downfall to determine the ongoing feasibility as mechanism for funding E & P CapEx in today’s down market

Surviving the Downcycle

Understanding what signified a healthy company

Average cash cost per barrel

Abundance of capital but at what cost?

Capital for acquisitions & CapEx

Petro Lucrum, Inc.

Source: Jefferies
ACCESSING THE COST OF ISSUING EQUITY IN THE DOWNCYCLE

Recapitalization Has Become Watchword

Calling The Bottom

Pain Is Very Much Still Being Felt

PETRO LUCRUM, INC.
Analyzing Equity Market Conditions in Relation to Current Oil Prices to Understand the Cost and Level of Risk It Represents for E & P Companies That Exhausted Debt as an Available Source of Capital

Creative Forms of Finance

Previously Outspending Cash Flow

1-1.5 Years Companies A lot Of Trouble

Petro Lucrum, Inc.
Tracking Current Trends in E & P Financing to Determine the Extent to Which They Are Increasingly Turning to the Equity Market as Debt Market Becomes More Expensive

More Than Technical Market Correction

Production Surge in Libya, Iran, Iraq and Others.

The Vicious Cycle Continues
TURNING TO ALTERNATIVE STRUCTURES TO AVOID CORPORATE EQUITY DILUTION AND DEBT LIKE STRUCTURES

One Of The Best Opportunities In A While

Using Royalties To Bridge Gap

ORRIs

Production Payments

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How Low Will It Go?

Oil in Limbo: How Low Will It Go?

- Brent crude, dollars per barrel

Source: Bloomberg
**Is The Bottom Near?**

Closing the Gap: Oil Needs to Rally Further

- WTI Crude Futures
- Close on 12/21 ---- 35.81

Oil needs to climb through $34 to show significant rally

Source: Bloomberg

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