EAGLE ROCK
ENERGY PARTNERS, L.P.

# Eagle Rock Energy Partners, L.P.
## "Building on Our Core"

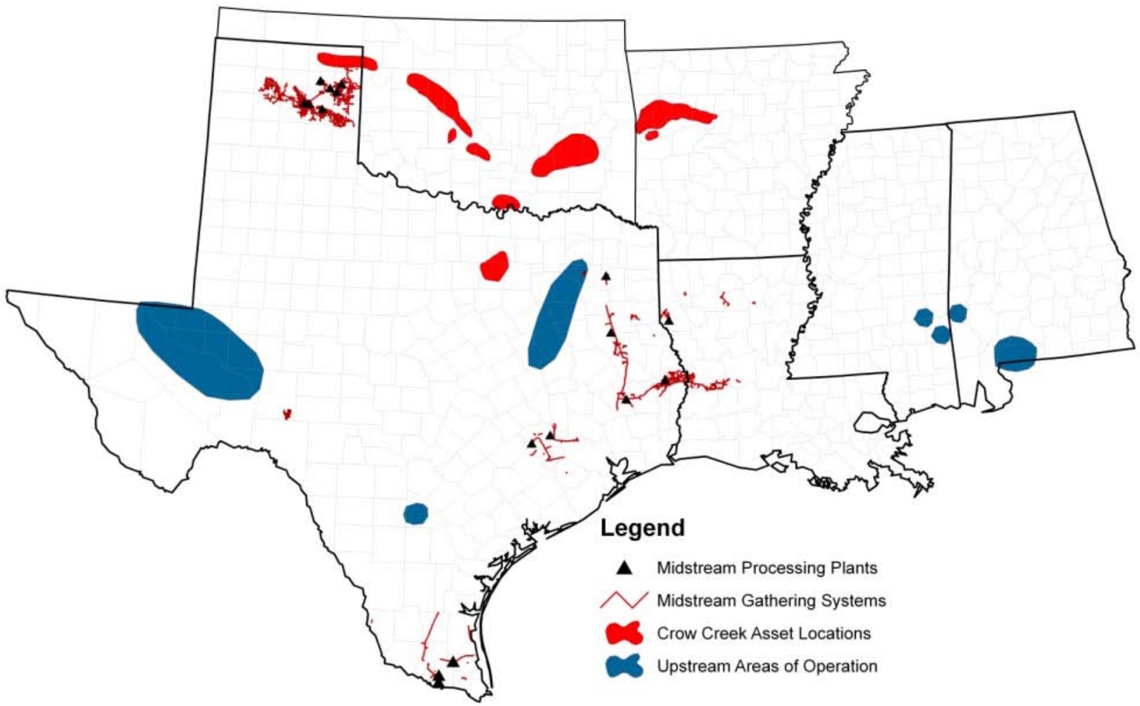
## IPAA/TIPRO Luncheon Presentation
## May 11, 2011

# Forward Looking Statements

This document may include "forward-looking statements." All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Partnership expects, believes or anticipates will or may occur in the future are forward-looking statements and speak only as of the date on which such statement is made. These statements are based on certain assumptions made by the Partnership based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Partnership. These include risks related to volatility of commodity prices; market demand for natural gas and natural gas liquids; the effectiveness of the Partnership's hedging activities; the Partnership's ability to retain key customers; the Partnership's ability to continue to obtain new sources of natural gas supply; the availability of local, intrastate and interstate transportation systems and other facilities to transport natural gas and natural gas liquids; competition in the oil and gas industry; the Partnership's ability to obtain credit and access the capital markets; general economic conditions; and the effects of government regulations and policies. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Partnership's actual results and plans could differ materially from those implied or expressed by any forward-looking statements. The Partnership assumes no obligation to update any forward-looking statement as of any future date. For a detailed list of the Partnership's risk factors, please consult the Partnership's Form 10-K, filed with the Securities and Exchange Commission ("SEC") for the year ended December 31, 2010 as well as any other public filings and press releases.

# Strategically Located, Diversified Asset Base

- Eagle Rock (NASDAQ: EROC) is a growth-oriented MLP engaged in the midstream and upstream businesses, and is well-positioned to benefit from some of the most prolific producing basins in the U.S.




**Enterprise Value:** $2.3 billion (1)
**PF LTM EBITDA:** $198 million (2)

**Business Segments:**

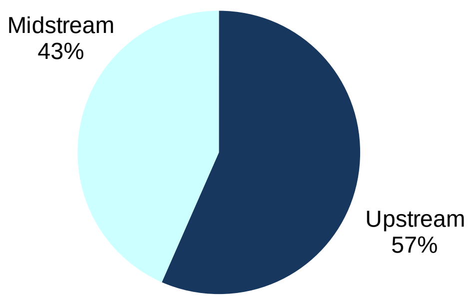
***Midstream:***

- Gather and process natural gas from top-tier producers in Texas and Louisiana
- Active in liquids rich geologic trends like the Granite Wash and Austin Chalk

***Upstream:***

- Operate in established, long-life producing regions primarily in the Mid-Continent, Texas and Alabama
- Extensive inventory of attractive new drilling opportunities

**PF LTM EBITDA Breakdown (2)**




(1) Pro forma for Crow Creek acquisition. Equity value includes common units and warrants priced at their respective prices as of 5/2/11. Units associated with Crow Creek transaction issued at a price of $10.50.
(2) Based on EBITDA contribution for the twelve months ended December 31, 2010; pro forma for Crow Creek acquisition and sale of Minerals business.

# Delivering on Our Promises

- Over the past year, Eagle Rock has moved decisively to deliver on its stated goals of simplifying its structure, strengthening its balance sheet and expanding its growth opportunities

1 **Completed Recapitalization (July 2010)**

  – Raised over $225 million for debt repayment through asset sale and rights offering
  – Acquired general partner, allocating greater control to public unitholders
  – Eliminated Incentive Distribution Rights, allowing for more accretive long-term growth

2 **Management Changes (Q4 2010)**

  – New senior Midstream management team with greater expertise in commercial and project development

3 **Acquisition of Panhandle Gathering Assets (October 2010)**

  – Complementary gathering system in the Texas Panhandle which extends midstream footprint into prolific Wheeler County

4 **Installation of Phoenix Processing Plant (October 2010)**

  – High-efficiency cryogenic processing plant enhances competitiveness in Texas Panhandle and allows for greater recoveries of valuable NGLs

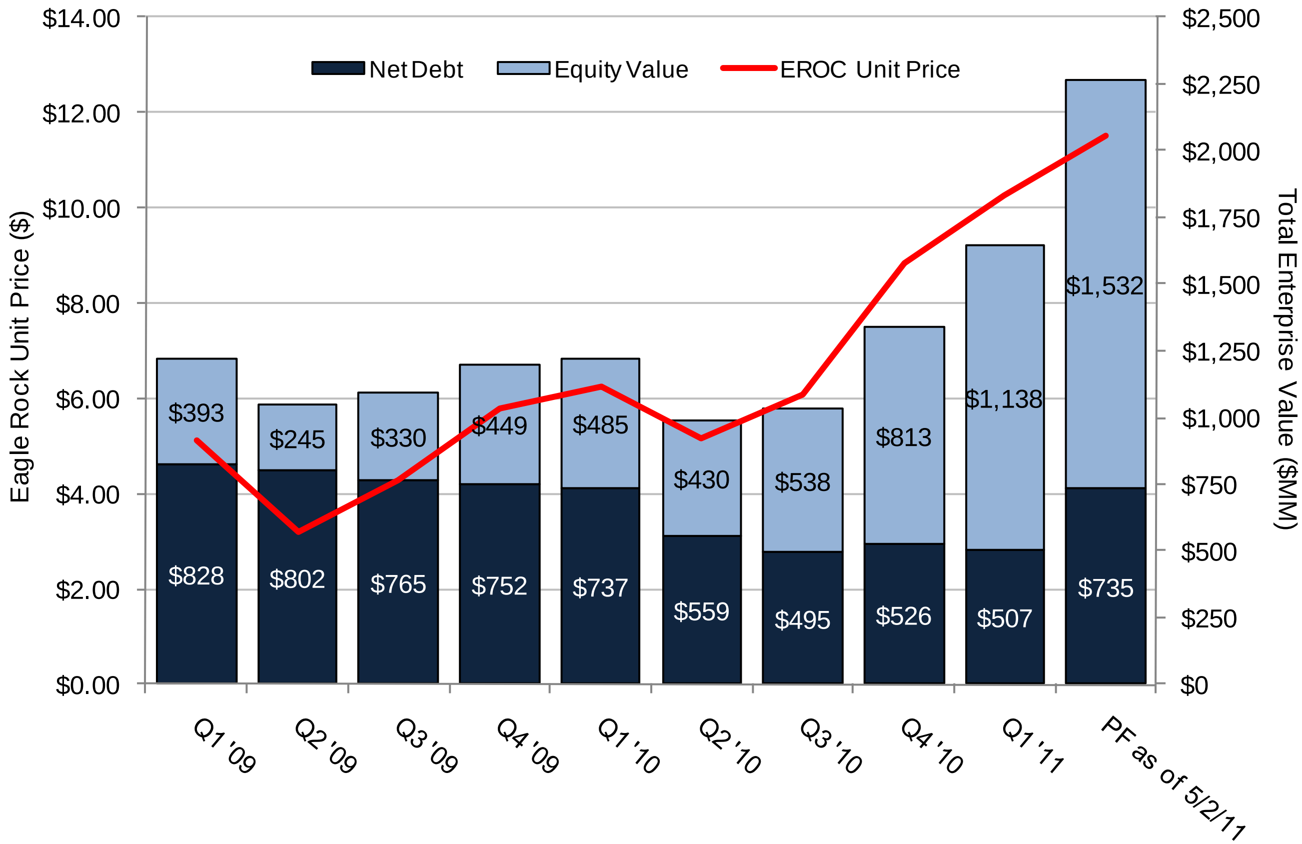
5 **Acquisition of Crow Creek (May 2011)**

  – Serves as a base for organic production growth through 2015; provides additional scale and geographic diversity to Eagle Rock's existing reserve base

# Financial Performance

## Improving Capitalization Profile

- Our debt reduction efforts and improved growth profile have been well-received by investors




Note: Pro forma for Crow Creek acquisition. Equity value includes common units and warrants priced at their respective prices as of 5/2/11. Units associated with Crow Creek transaction issued at a price of $10.50.

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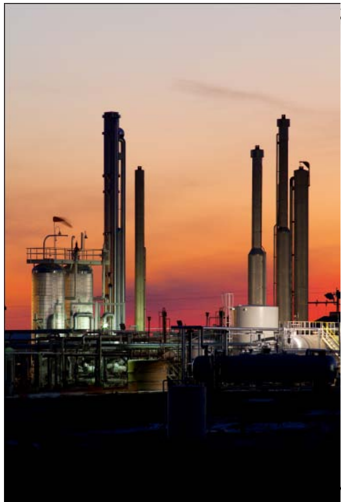
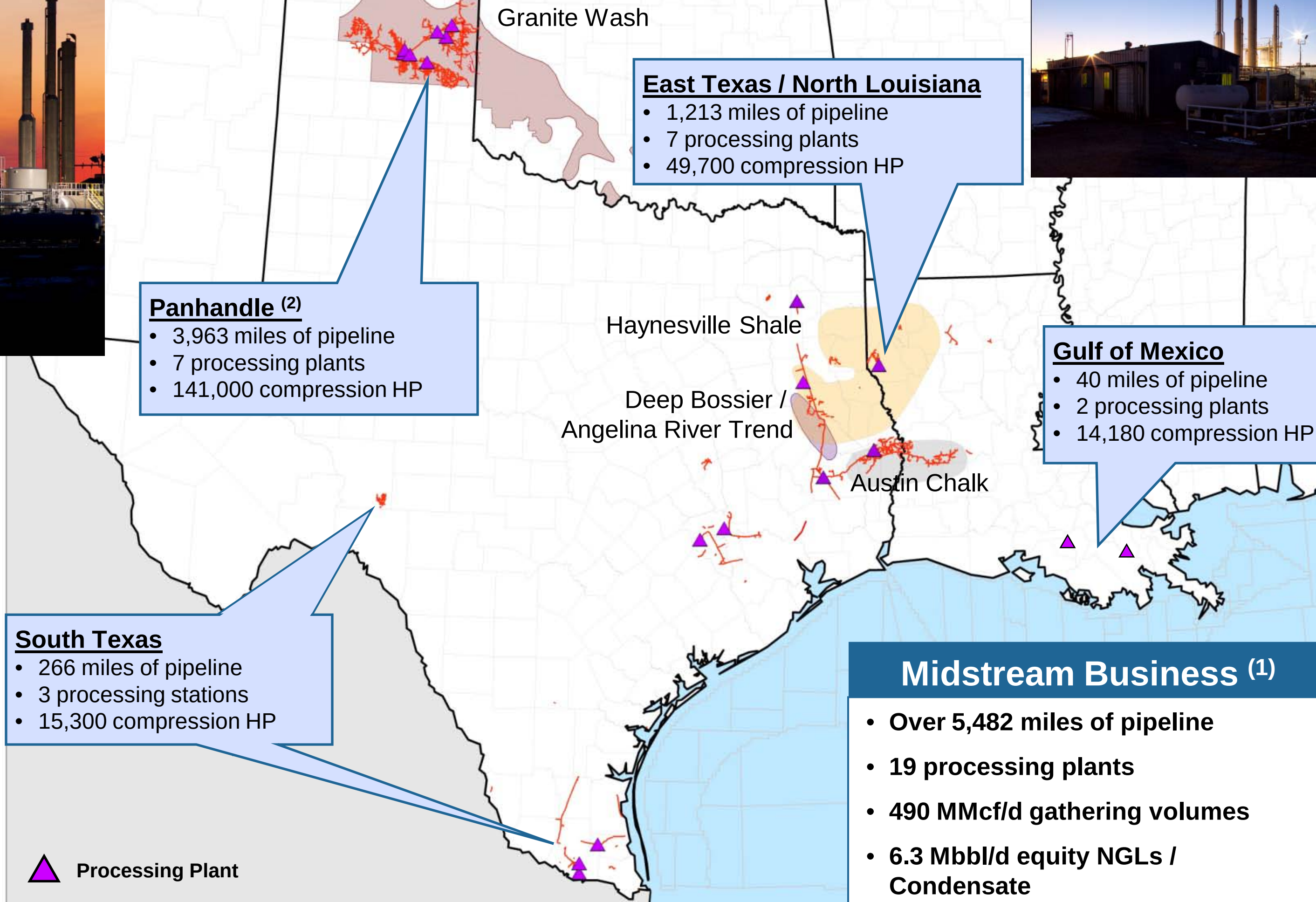
# Eagle Rock Energy
# Midstream Business Overview

# Overview of Midstream Business






**Panhandle (2)**
- 3,963 miles of pipeline
- 7 processing plants
- 141,000 compression HP

**East Texas / North Louisiana**
- 1,213 miles of pipeline
- 7 processing plants
- 49,700 compression HP

**Gulf of Mexico**
- 40 miles of pipeline
- 2 processing plants
- 14,180 compression HP

**South Texas**
- 266 miles of pipeline
- 3 processing stations
- 15,300 compression HP

## Midstream Business (1)

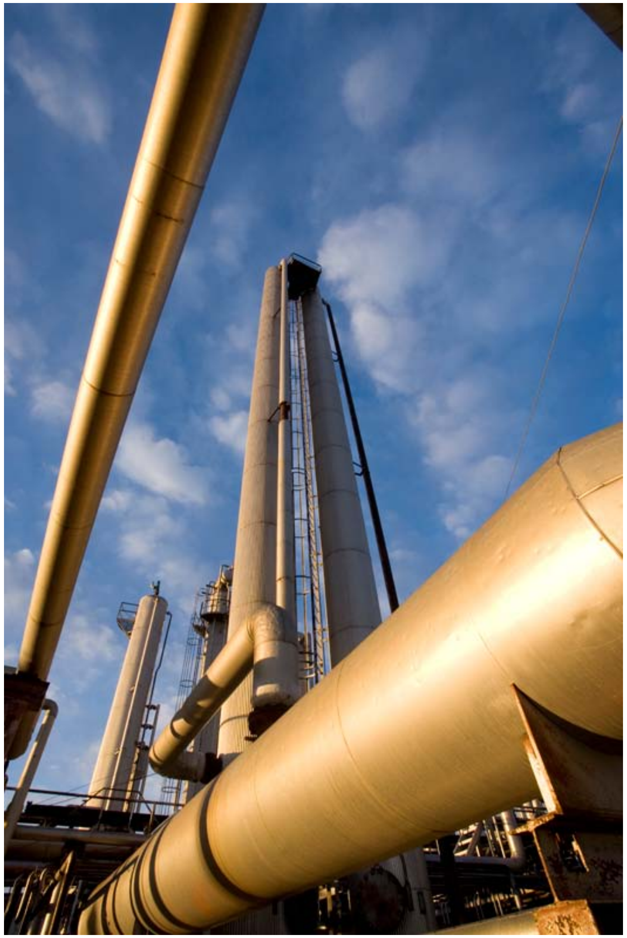
- **Over 5,482 miles of pipeline**
- **19 processing plants**
- **490 MMcf/d gathering volumes**
- **6.3 Mbbl/d equity NGLs / Condensate**

(1) Based on Q1 2011.
(2) Pro forma for asset acquisition from CenterPoint which closed on October 19, 2010.

# Eagle Rock Midstream's Commitment to Producers

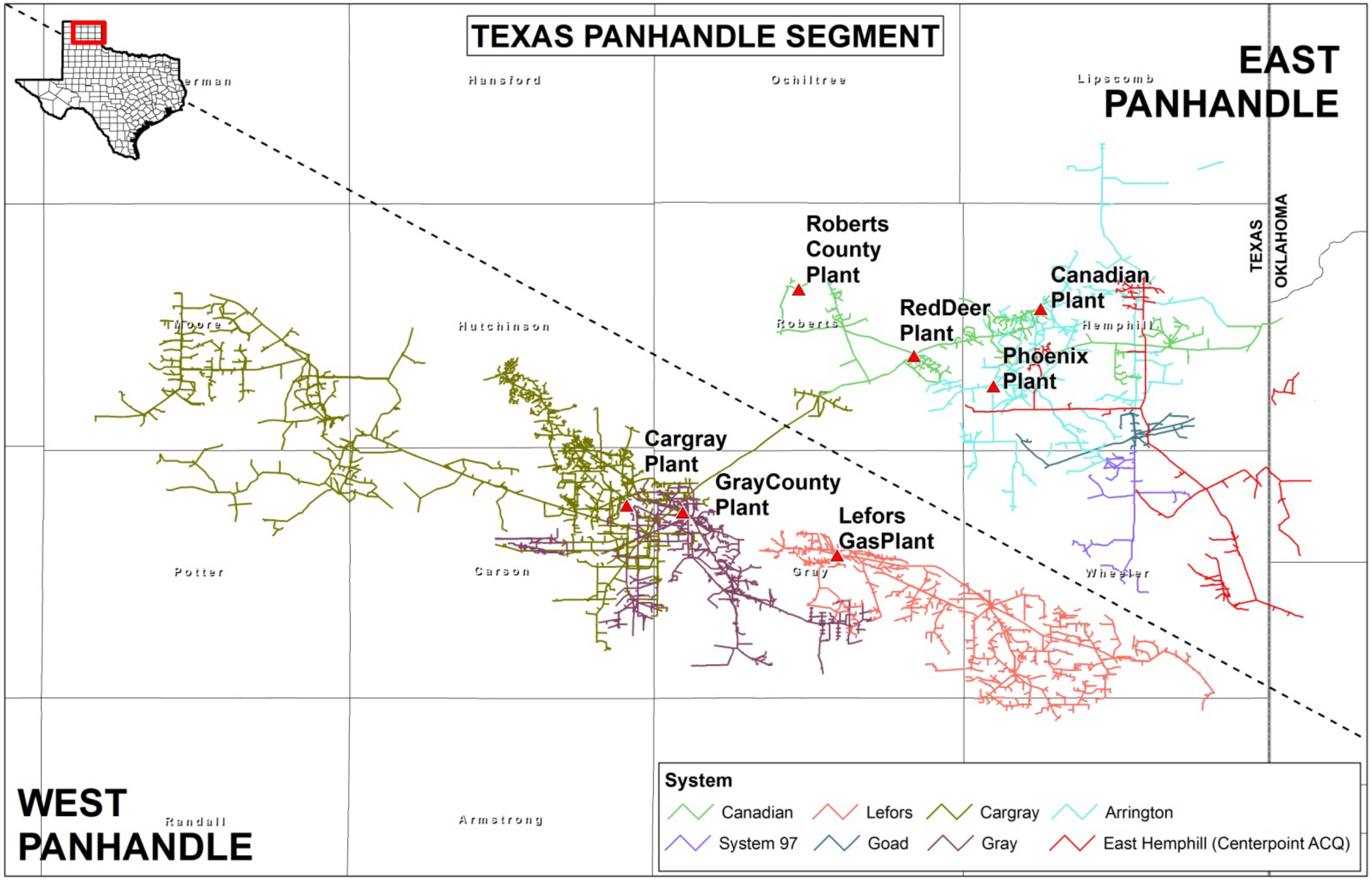
**Our Goal**

**To provide reliable and timely service that provides the best net backs to our customers in a safe and environmentally responsible manner.**



- Managing producers' processing and treating needs through multiple plant options in the Panhandle, East Texas, South Texas and the Gulf of Mexico.
- Eagle Rock offers full complement of gathering, processing and crude oil and natural gas marketing services
  - Eagle Rock Marketing was formed in 2010 to enhance the netback prices received to our customers
- Focused on executing on new organic growth projects to construct facilities and pipelines in growing production basins for our producers.
  - Eagle Rock has the technical, gathering and processing expertise to help you grow infrastructure
- Eagle Rock offers a flexible mix of fee-based and commodity-based contracts tailored to meet each producer's unique needs.
- Customer service focused organization from the back office employees to the field employees.
- Eagle Rock seeks to accomplish all of this while staying focused on the safety of our employees and the public.

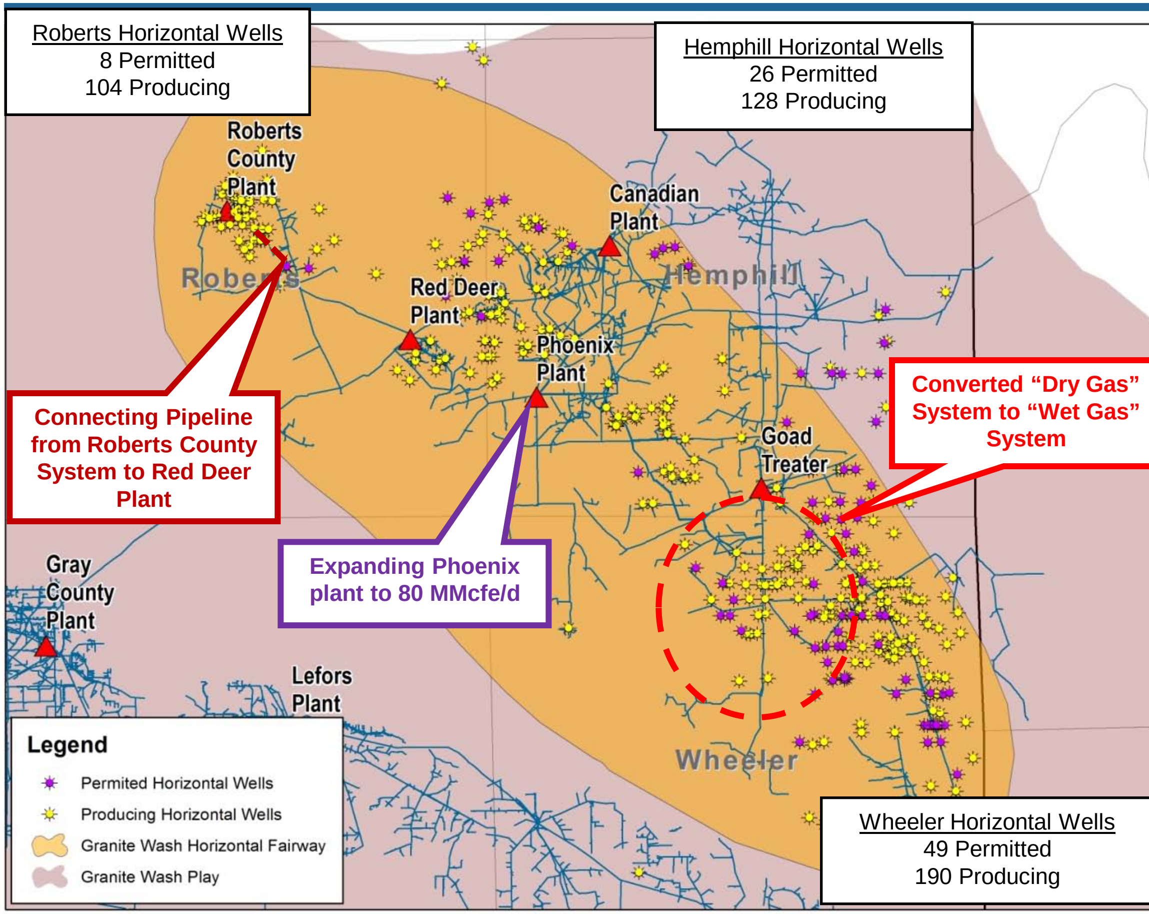
# Midstream: Panhandle System




- Miles of Pipeline: 3,963
- Processing Plants: 7
- Compression HP: 141,000
- Processing Capacity: 180 MMcf/d

- 1Q11 Avg. Gathering Volume: 144 MMcf/d
- 1Q11 Avg. Equity NGL / Condensate Volume: 4.7 Mbbl/d

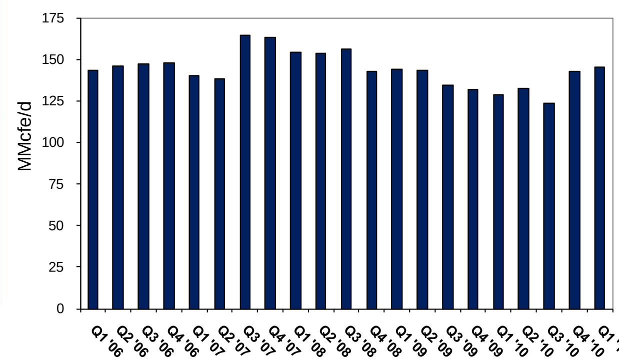
# Panhandle: Rich in Growth Opportunities




**Panhandle System Activity:**

- System is at 90% utilization
- Currently expanding Phoenix to 80 MMcfe/d
- Completed 14 new well connects YTD and have 14 more that are in process of being connected
- IPs ranging from 4-15 MMcfe/d
- Additional expansions being evaluated

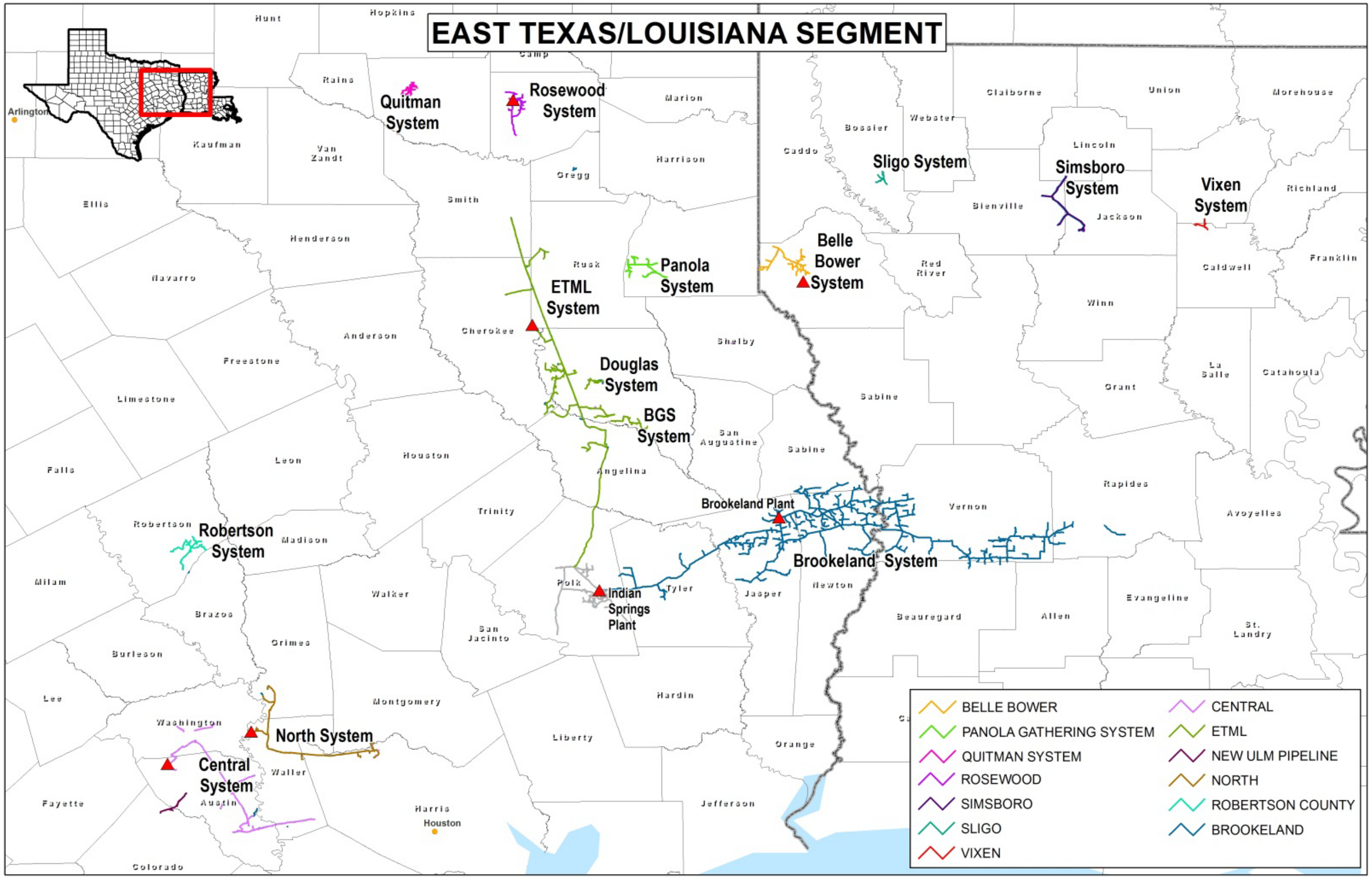
## Panhandle Daily Gathering Volumes




- Proven horizontal drilling potential in Granite Wash
  - EUR of 6 to 8 Bcfe per well (1)
  - Most recent 7 wells in Wheeler County have averaged IPs of 27 MMcfe/d with others with IPs as high as 60 MMcfe/d, including liquids content (1)

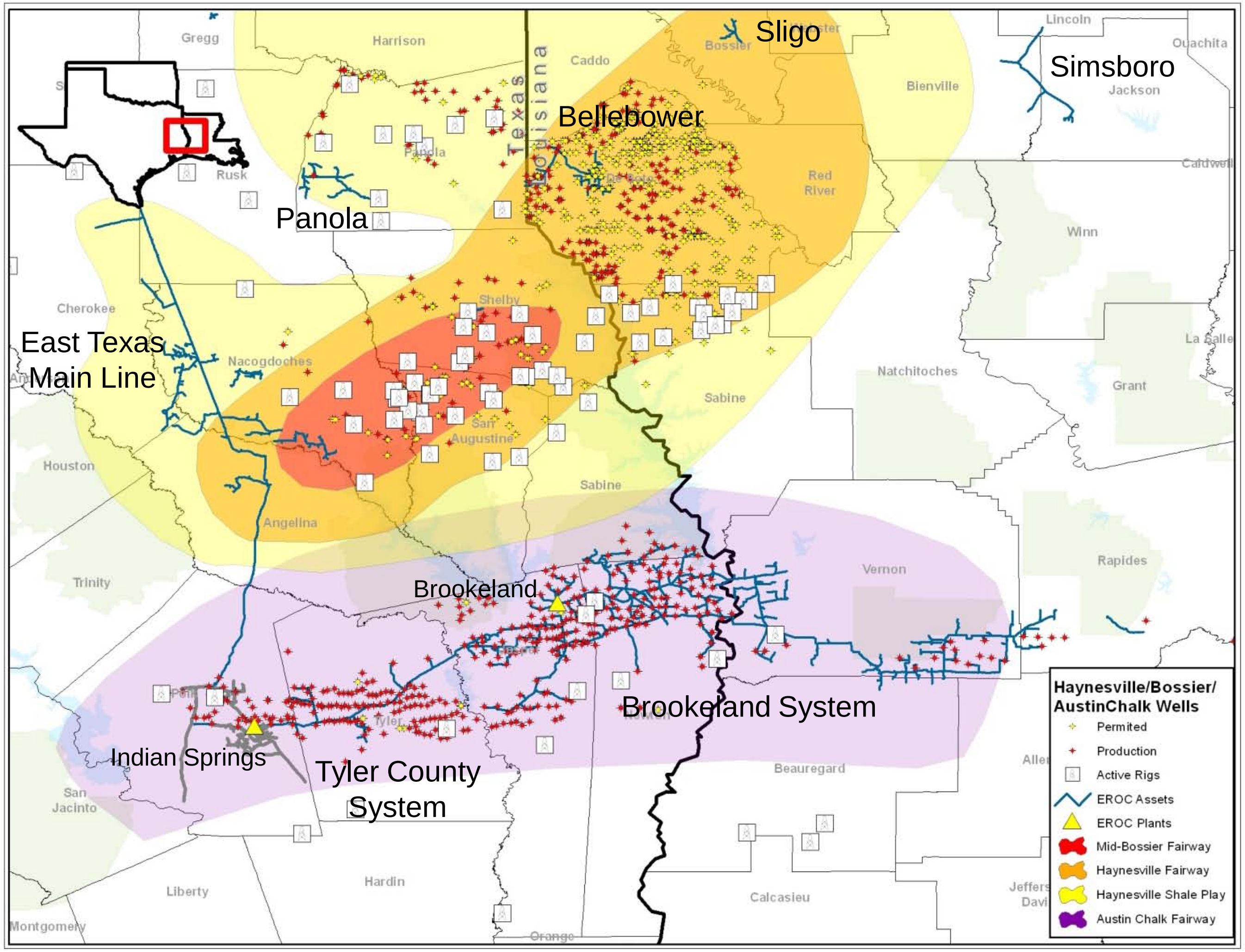
(1) Producer investor presentations.

# Midstream: East Texas System




- Miles of Pipeline: 1,213
- Processing Plants: 7
- Compression HP: 49,700
- Processing capacity: 188 MMcf/d
- 1Q11 Avg. Gathering Volume: 200 MMcf/d
- 1Q11 Avg. Equity NGL / Condensate Volume: 1.3 Mbbl/d

# Strategic Footprint in East Texas




**System Update:**

- ***Austin Chalk:*** Large independents staking 20 potential sites dedicated to Eagle Rock – drilling moving east into Louisiana
- Currently, three rigs running on acreage dedicated to Eagle Rock
- Last two producer wells reported average IP of approximately 10 MMcf/d
- ***Deep and Middle Bossier:*** Producers planning wildcats this year for the play – Middle Bossier IP's in the 15-30 MMcf/d range
- ***Haynesville Shale:*** Continue to monitor drilling activity

Source: SEC filings, industry investor presentations and DrillingInfo.

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# Eagle Rock Energy
# Upstream Business Overview

# Pro Forma Eagle Rock Upstream Assets

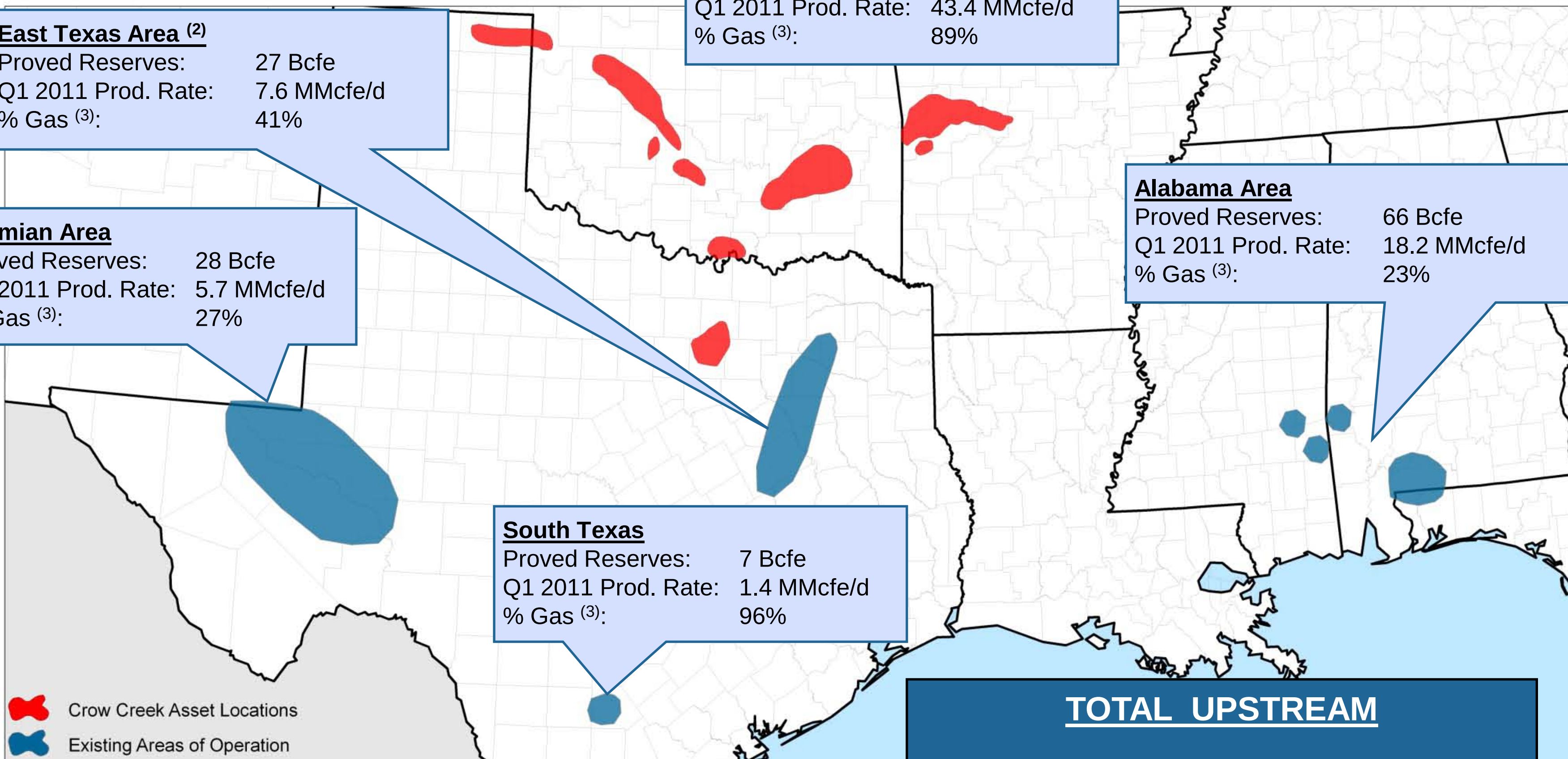
**Mid-Continent Assets (1):**
Proved Reserves: 268 Bcfe
Q1 2011 Prod. Rate: 43.4 MMcfe/d
% Gas (3): 89%

**East Texas Area (2)**
Proved Reserves: 27 Bcfe
Q1 2011 Prod. Rate: 7.6 MMcfe/d
% Gas (3): 41%

**Permian Area**
Proved Reserves: 28 Bcfe
Q1 2011 Prod. Rate: 5.7 MMcfe/d
% Gas (3): 27%

**Alabama Area**
Proved Reserves: 66 Bcfe
Q1 2011 Prod. Rate: 18.2 MMcfe/d
% Gas (3): 23%

**South Texas**
Proved Reserves: 7 Bcfe
Q1 2011 Prod. Rate: 1.4 MMcfe/d
% Gas (3): 96%




**TOTAL UPSTREAM**

**PF Proved Reserves: 396 Bcfe**
**PF Probable Reserves: 400+ Bcfe**
**PF Avg. Q1 2011 Production (2): 76.2 MMcfe/d**

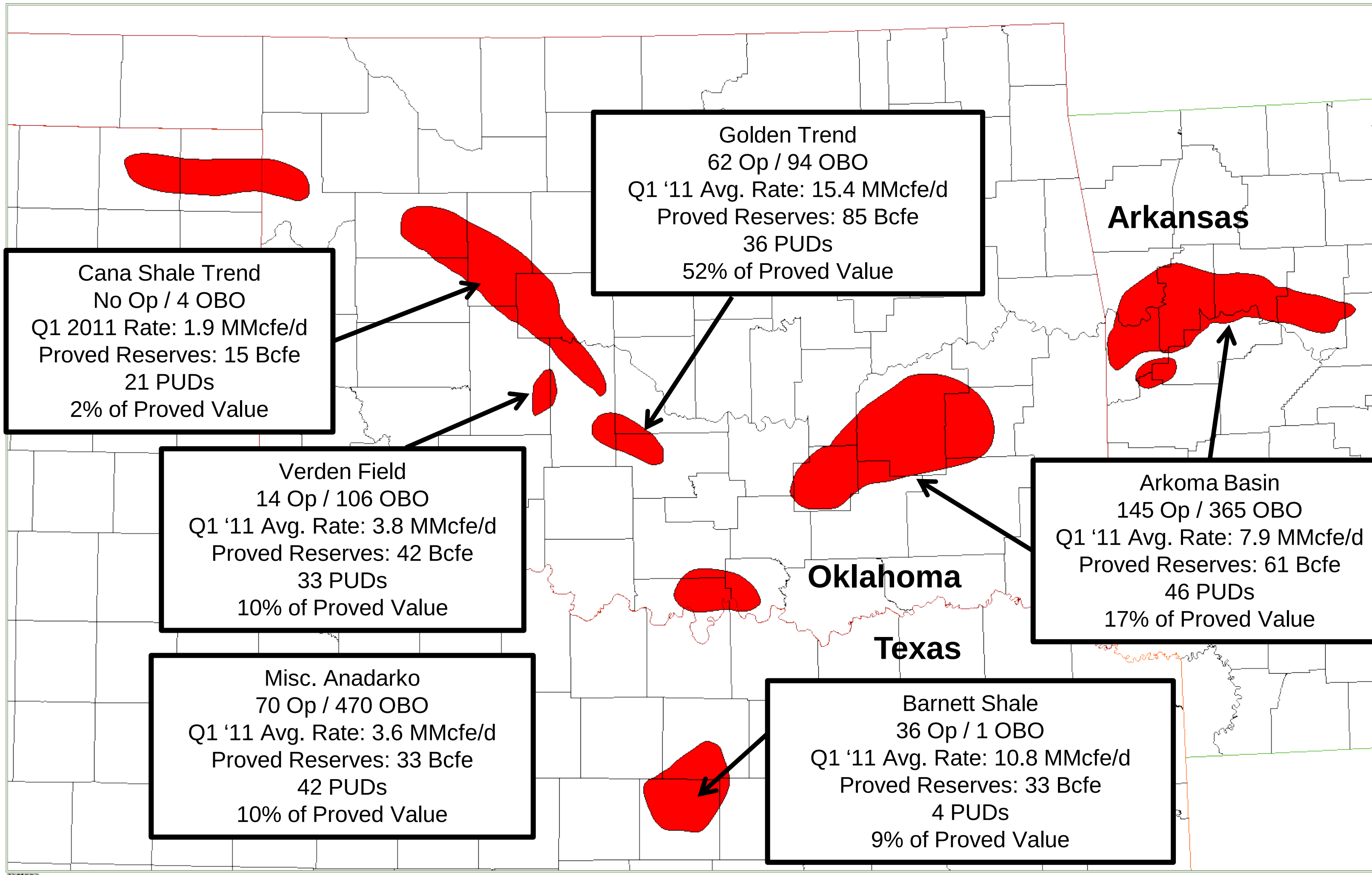
Note: Eagle Rock, other than its Mid-Continent Assets, proved reserves are as of 12/31/10 based on SEC pricing.
(1) Mid-Continent Assets reserves are as of 12/31/10 using 2/15/11 price deck.
(2) Adjusted to reflect estimate of a full quarter of East Texas production (removing the impact of the Eustace processing facility shut-down).
(3) Based on production.

# Crow Creek Acquisition Summary

| | |
|---|---|
| **Transaction Summary** | • Acquisition of all equity interests of CC Energy II, L.L.C. ("Crow Creek") for a total purchase price of ~$530 million<br>• Approximately $317 million for equity interests<br>• Assumption of approximately $213 million of Crow Creek debt<br>• Balanced acquisition consideration further strengthens Eagle Rock balance sheet and credit profile<br>• 57% of purchase price in the form of equity delivered to sellers, primarily Natural Gas Partners<br>• Cash portion of equity purchase price plus refinancing of existing Crow Creek debt funded initially through the Eagle Rock revolver |
| **Asset Overview** | • 268 Bcfe of proved reserves located in multiple basins across Oklahoma, Texas and Arkansas (1)<br>– Proved reserve base is 66% proved developed and 80% natural gas; key operating areas include the Golden Trend and Cana Shale |
| **Financial Impact** | • Transaction is immediately accretive to distributable cash flow per unit<br>– Provides path to $1.00 distribution per unit by year-end 2012 while maintaining strong distribution coverage ratio |
| **Governance** | • NGP restricted to current voting percentage despite increased equity position from 24% to ~40% |
| **Timing** | • The transaction closed on May 3, 2011 |

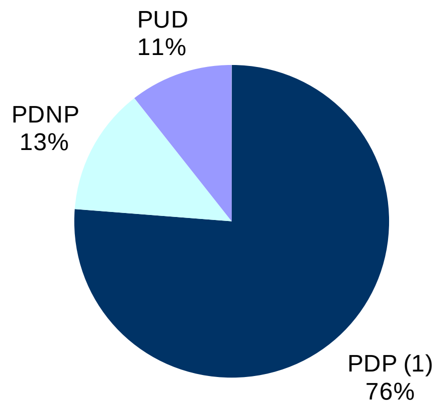
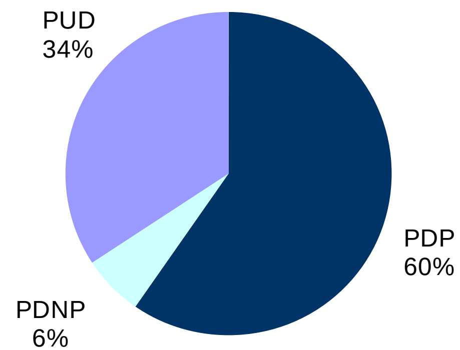
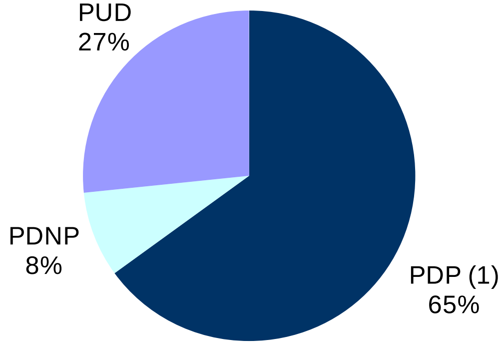
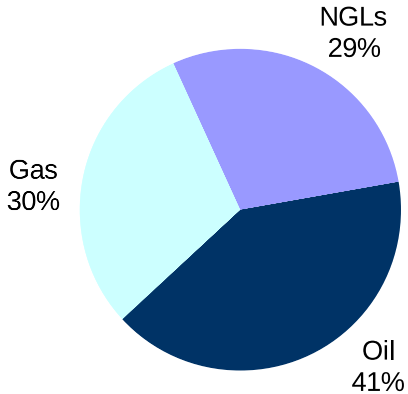
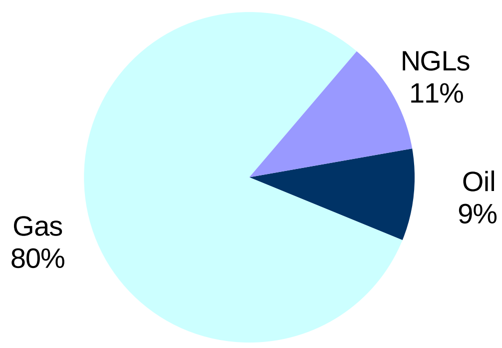
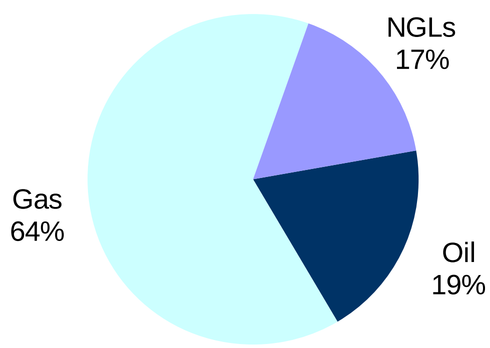
(1) As of 12/31/10 using 2/15/11 strip prices.

# Mid-Continent Asset Base




Note: Based on Q1 2011 average production. Mid-Continent Assets reserves are as of 12/31/10 using 2/15/11 price deck.

# Pro Forma Proved Reserves Profile

| | Eagle Rock (Status Quo) | Crow Creek | Pro Forma EROC |
|---|---|---|---|
| Reserve Category |  |  |  |
| | 128 Bcfe | 268 Bcfe | 396 Bcfe |
| Commodity |  |  |  |









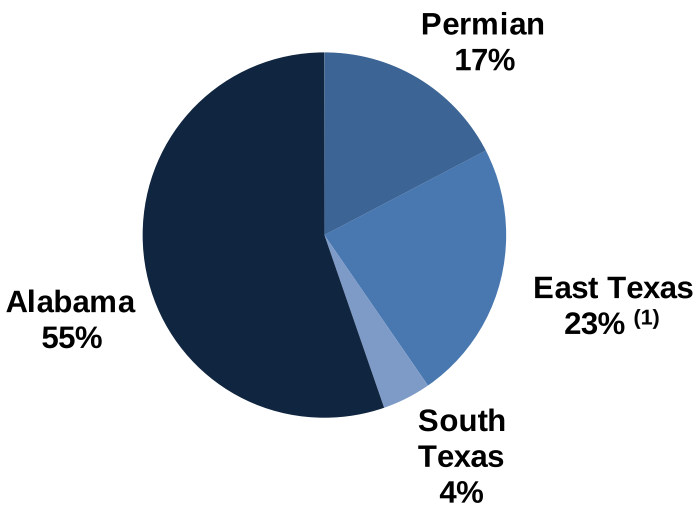




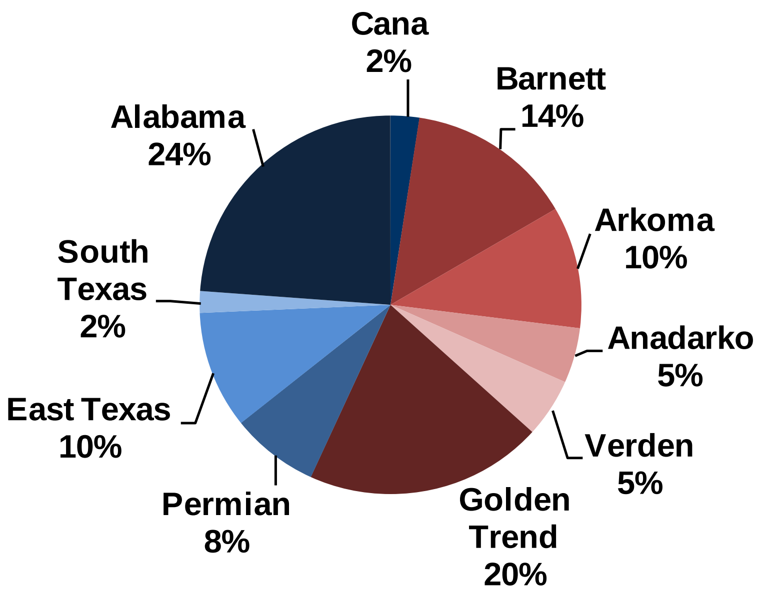
(1) Adjusted to reflect estimate of a full year of East Texas production (removing the impact of the Eustace processing facility shut-down).
Note: Eagle Rock reserves based on 12/31/10 price deck (consistent with SEC filings). Crow Creek reserves as of 12/31/10 using 2/15/11 strip prices.

# Diversified Production Base

## Eagle Rock (Pre-Crow Creek) (1)




## Pro Forma Q1 2011 Combined

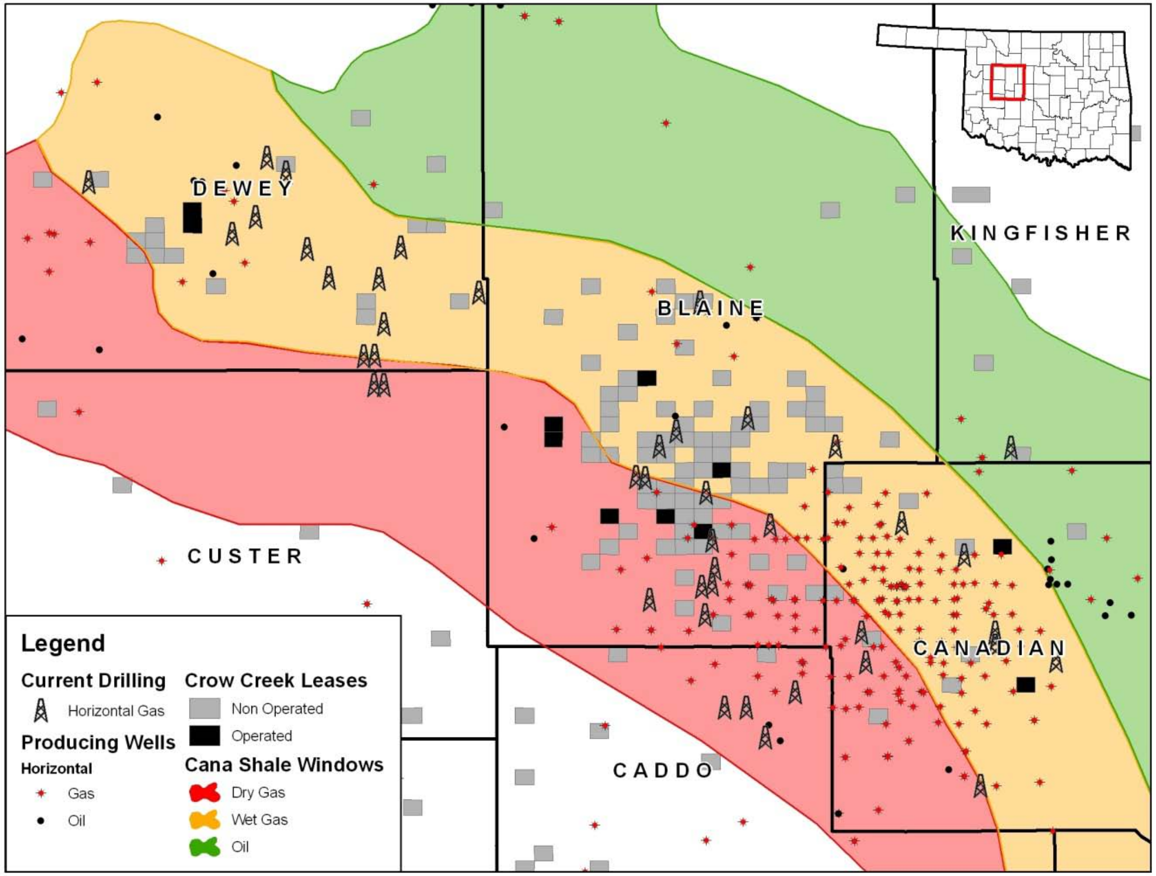



**PF Q1 2011 Avg. Rate: 76.2 MMcfe/d (1)**

(1) Eagle Rock's Q1 2011 East Texas production is pro forma for shut-in production related to Eustace facility.

# Cana Shale Acreage and Activity

- Growing liquids-rich natural gas shale play in western Oklahoma
  - 54 rigs currently drilling horizontal wells in the trend
  - Shale characterized by dry gas to the southwest and oil to the northeast
- Eagle Rock net leasehold totals 12,700 acres
  - Majority of acreage is in wet gas "window"
  - Eagle Rock has one operated rig contracted through 12/2012
  - Participating (non-operated) in seven wells currently drilling
- Majority of drilling activity conducted by large independent producers such as Devon and Continental
  - Devon drilled 87 new wells in play in 2010, plans to drill over 200 wells in 2011 and recently completed construction of gas processing plant (1)



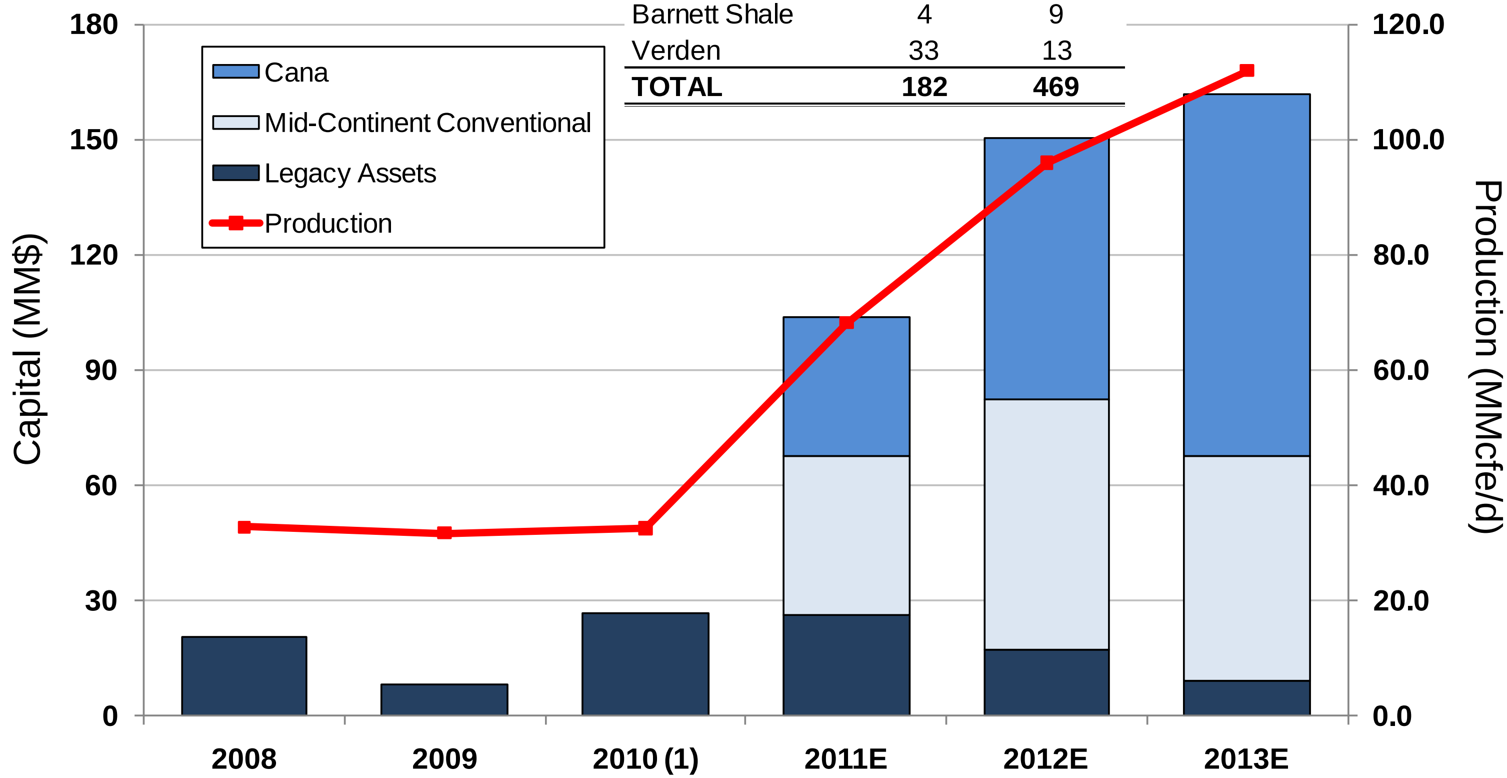

(1) Based on Devon investor presentations and press releases.

# Upstream Capital Program

***Production Growth Driven by Low-Risk Drilling Inventory***

**Eagle Rock Identified Locations**

| | PUD | PROB |
|---|---|---|
| Cana Shale | 21 | 413 |
| Golden Trend | 36 | 2 |
| Anadarko | 42 | 21 |
| Arkoma | 46 | 11 |
| Barnett Shale | 4 | 9 |
| Verden | 33 | 13 |
| **TOTAL** | **182** | **469** |



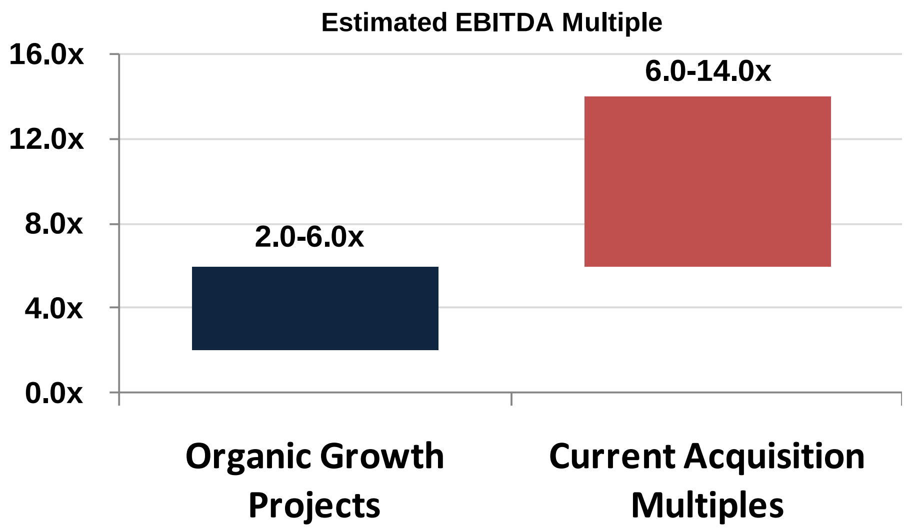

(1) 2010 production is pro forma for the shut-in East Texas production related to Eustace facility.

# Dual Platform for Organic Growth

- With the Crow Creek acquisition, Eagle Rock has two balanced platforms through which it can drive growth organically
  - Midstream assets located in liquids-rich plays such as the Granite Wash and Austin Chalk where producers are ramping-up drilling activity
  - Upstream assets with low-risk proved and probable drilling locations in established basins
- Focus on organic opportunities across both business lines serves as base for growth without relying on acquisition markets
  - Greater opportunity to provide superior returns to unitholders

**Crow Creek Acquisition Substantially Expands Organic Growth Opportunities**

| | |
|---|---|
| Midstream Organic Projects ($50-$100mm identified) | • Condensate logistics<br>• Phoenix plant expansion<br>• New plant construction |
| Upstream Drilling Projects ($100mm+ annually) | • 182 PUD drilling locations<br>• 469 probable drilling locations |



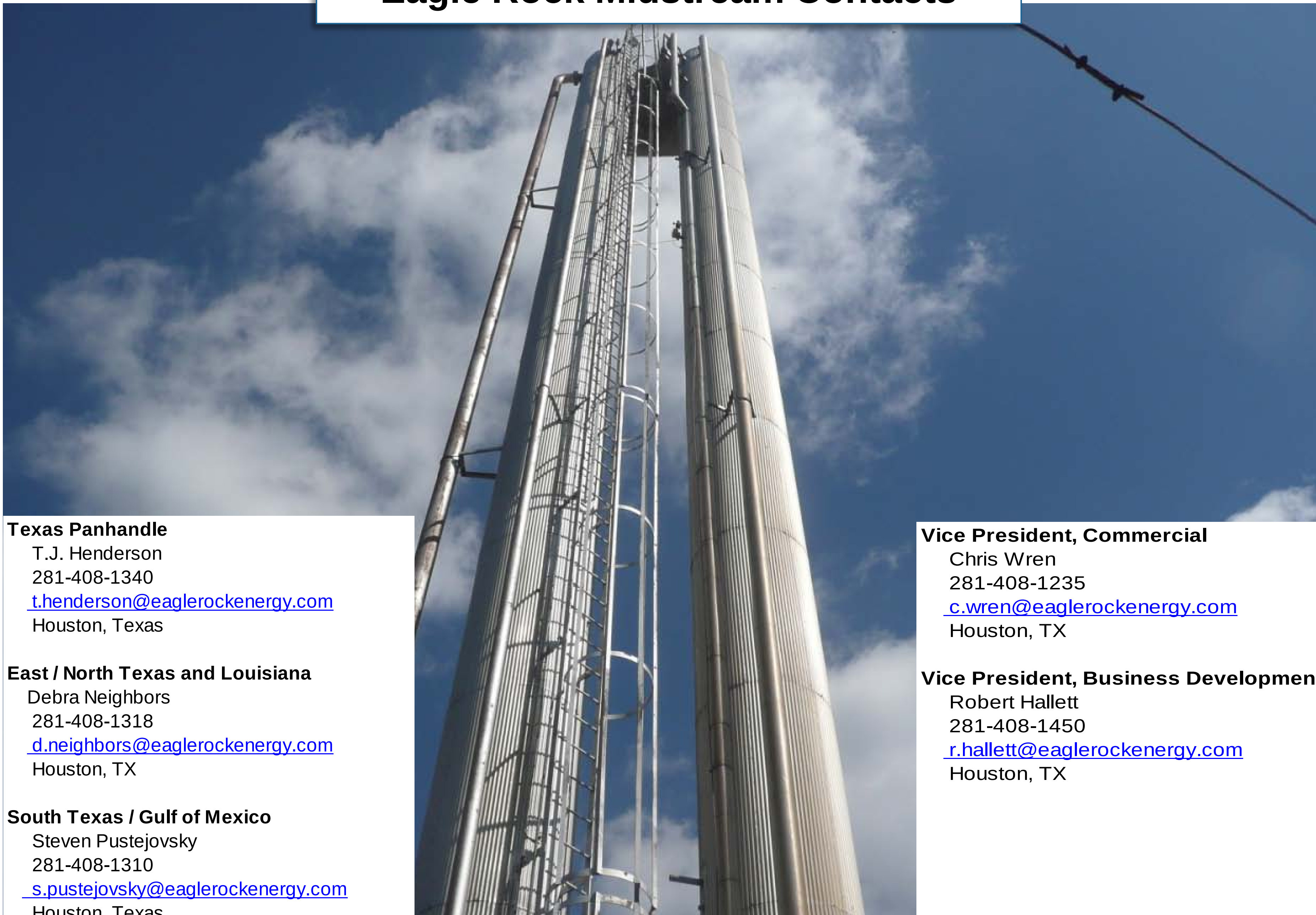

Source: Partnership estimates, Barclays Capital Research and RBC Capital Markets Research.

# Eagle Rock is Well-Positioned for Continued Growth

- ✓ Strong credit profile and capital availability
- ✓ Absence of incentive distribution rights enhances long-term accretion potential
- ✓ Core midstream operations in liquids-rich areas with substantial exposure to Granite Wash and expansion potential in East Texas Haynesville Shale
- ✓ Balanced midstream / upstream platform widens opportunity set
- ✓ Crow Creek acquisition provides substantial drilling inventory (over 600 drilling locations) and immediate double-digit accretion to distributable cash flow per unit
- ✓ Management's expectation to recommend $1.00/unit distribution by end of 2012 while maintaining target distribution coverage ratio greater than 1.20x [(1)]

(1) Based on current expectations of business performance and future commodity prices. All actual distributions paid will be determined at the discretion of the Eagle Rock Board of Directors.

# Eagle Rock Midstream Contacts



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# SEC Reserve Disclosures

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only “reserves” as defined by SEC rules. Estimates of reserves in this communication are based on economic assumptions with regard to commodity prices (NYMEX strip) that differ from the prices required by the SEC (historical 12 month average) to be used in calculating reserves estimates of reserves prepared in accordance with SEC definitions and guidelines. In addition, the SEC generally prohibits in SEC filings the reporting of reserves of different categories on a combined basis (3P) because each category of proved, probable and possible reserves involves substantially different risks of ultimate recovery. Factors affecting ultimate recovery include the scope of our proposed drilling program, which will be directly affected by the availability of capital, drilling and production costs, commodity prices, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors, and actual drilling results, including geological and mechanical factors affecting recovery rates. Accordingly, actual quantities that may be ultimately recovered from the Partnership's interests may differ substantially from the Partnership’s estimates of reserves. In addition, the Partnership's estimates of reserves may change significantly as development of the Partnership’s properties provide additional data.

# Use of Non-GAAP Financial Measures

This presentation includes, and certain statements made during this presentation may include, the non-generally accepted accounting principles, or non-GAAP, financial measures of Adjusted EBITDA. The accompanying non-GAAP financial measures schedule provides reconciliations of Adjusted EBITDA to its most directly comparable financial measure calculated and presented in accordance with accounting principles generally accepted in the United States, or GAAP, with respect to the references to Adjusted EBITDA that are of a historical nature. Where references are forward-looking or prospective in nature, and not based in historical fact, this presentation does not provide a reconciliation. Eagle Rock could not provide such reconciliation without undue hardship because the Adjusted EBITDA numbers included in the presentation, and that may be included in certain statements made during the presentation, are estimations, approximations and/or ranges. In addition, it would be difficult for Eagle Rock to present a detailed reconciliation on account of many unknown variables for the reconciling items. For an example of the reconciliation, please consult the reconciliations included for the historical Adjusted EBITDA numbers in this appendix. Non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income (loss), operating income (loss), cash flows from operating activities or any other GAAP measure of liquidity or financial performance.

Eagle Rock defines Adjusted EBITDA as net income (loss) plus or (minus) income tax provision (benefit); interest-net, including realized interest rate risk management instruments and other expense; depreciation, depletion and amortization expense, impairment expense; other operating expense, non-recurring; other non-cash operating and general and administrative expenses, including non-cash compensation related to our equity-based compensation program; unrealized (gains) losses on commodity and interest rate risk management related instruments; (gains) losses on discontinued operations and other (income) expenses.

Eagle Rock uses Adjusted EBITDA as a measure of its core profitability to assess the financial performance of its assets. Adjusted EBITDA also is used as a supplemental financial measure by external users of Eagle Rock’s financial statements such as investors, commercial banks and research analysts. For example, Eagle Rock’s lenders under its revolving credit facility use a variant of Eagle Rock’s Adjusted EBITDA in a compliance covenant designed to measure the viability of Eagle Rock and its ability to perform under the terms of its revolving credit facility; Eagle Rock, therefore, uses Adjusted EBITDA to measure its compliance with its revolving credit facility. Eagle Rock believes that investors benefit from having access to the same financial measures that its management uses in evaluating performance. Adjusted EBITDA is useful in determining Eagle Rock’s ability to sustain or increase distributions. By excluding unrealized derivative gains (losses), a non-cash, mark-to-market benefit (charge) which represents the change in fair market value of Eagle Rock’s executed derivative instruments and is independent of its assets’ performance or cash flow generating ability, Eagle Rock believes Adjusted EBITDA reflects more accurately Eagle Rock’s ability to generate cash sufficient to pay interest costs, support its level of indebtedness, make cash distributions to its unitholders and general partner and finance its maintenance capital expenditures. Eagle Rock further believes that Adjusted EBITDA also describes more accurately the underlying performance of its operating assets by isolating the performance of its operating assets from the impact of an unrealized, non-cash measure designed to describe the fluctuating inherent value of a financial asset. Similarly, by excluding the impact of non-recurring discontinued operations, Adjusted EBITDA provides users of the Partnership’s financial statements a more accurate picture of its current assets’ cash generation ability, independently from that of assets which are no longer a part of its operations.

# Use of Non-GAAP Financial Measures (Continued)

Eagle Rock's Adjusted EBITDA definition may not be comparable to Adjusted EBITDA or similarly titled measures of other entities, as other entities may not calculate Adjusted EBITDA in the same manner as Eagle Rock. For example, Eagle Rock includes in Adjusted EBITDA the actual settlement revenue created from its commodity hedges by virtue of transactions undertaken by it to reset commodity hedges to prices higher than the then-current forward strip price for such future period or purchase puts or other similar floors despite the fact that Eagle Rock excludes from Adjusted EBITDA any charge for amortization of the cost of such commodity hedge reset transactions or puts. Eagle Rock has reconciled historical Adjusted EBITDA numbers to the GAAP financial measure of net income (loss) in the appendix to this presentation but has not reconciled prospective Adjusted EBITDA numbers.