Encino Energy Overview

New Oil & Gas Acquisition and Development Company

- Private oil & gas company with $222MM of committed capital
  - Permanent equity funding and long-term outlook
  - Co-investors and leverage provide Encino total capital of over $1B
  - Targeting operated and non-operated working interests and minerals

- Unique positioning
  - Experienced team including exceptional industry partners
  - Below the radar of many competitors
  - Well positioned as a partner to other companies and private equity
  - Active in the Bakken, Permian, Anadarko and East Texas
Encino Team:

**Management**

- **Hardy Murchison** (President)
  - Former Partner at First Reserve and Vice President at Range Resources
- **Ryan Springmeyer** (Vice President)
  - Oil & gas investing and finance roles at Natural Gas Partners and Lehman Brothers
- **Carlos Rodriguez** (Vice President)
  - Former CFO of Zephyr Gas Services
- **Jameson Farrell** (Manager, Operations)
  - Operations and reservoir experience in GOM shelf and Permian Basin at Apache
- **Anangela García Gonzáles** (Manager, Reservoir Engineering)
  - Formerly with EP Energy, Highmount Exploration, Dominion E&P

**Partners & Directors**

- **Fred Brazelton**
  - President, Platform Partners, LLC
- **Scott Cone**
  - Co-Founder & President of Tri-C Resources, Inc.
- **Larry Dale**
  - Founder & President, Dale Resources, LLC
- **Peter Dea**
  - Founder & CEO, Cirque Resources LP; former CEO Western Gas Resources
- **Fred Lummis**
  - Chairman & CEO, Platform Partners, LLC
- **Steve McDaniel**
  - Co-Founder & Chairman, Midstates Petroleum
- **Duane Radtke**
  - Chairman, NFR Energy, LLC; former CEO of Dominion E&P
- **Cullen Spitzer**
  - Founder & CEO, Spitzer Industries, Inc.
- **John Yearwood**
  - Former CEO, Smith Int’l; President, Schlumberger Americas
Encino Philosophy

Long-term Focus: long holding periods in large proven basins

- Encino takes a long-term outlook
  - Long-term capital provides a competitive advantage
  - Focus on multiples of investment and managing risk, not IRR
  - Sustainability and profitability matter
  - Long-lived assets provide multiple sources of upside

- Smaller is better
  - Less competition
  - More favorable risk-reward balance
  - Emphasizes specific expertise and relationships

- Strong partners add value
  - Experience, relationships and deal flow
  - Personal investment, board participation and co-investments
Encino Strategy

Old Fields, Tight Reservoirs, Redevelopment, Negotiated Transactions

- Focus on long-lived assets with multiple sources of upside exposure
  - Costs
  - Technologies
  - Commodity prices
  - Recovery factors

- Manage risk while protecting upside
  - Hedge prices
  - Use debt conservatively
  - Focus on ROI
  - Emphasize development versus exploration

- Prioritize people
  - Use relationships to seek negotiated deals
  - Seek the right people and partners for involvement in each play

In current market conditions: buy gas and drill oil.
Balanced Mix of Targeted Assets

*Buy Mineral Interests and Producing Gas Reserves, Drill Oil Projects*

- Acquire production
  - Target unlevered PV 8-12% on PDP at strip pricing
  - Long field lives and large volumes in place
- Buy minerals
  - Producing, cash flowing acreage in gas plays
  - Undrilled tracts in oil plays with active drilling
- Drill tight oil and liquids wells
  - Tight oil reservoirs in resource plays and old fields
  - Focus on completions
Activity To-Date

25% of Committed Capital Allocated

- Acquiring undeveloped minerals in Bakken, Anadarko, Mississippian, Permian
- Acreage in Permian oil shales and field extension plays
- Shallow tight oil horizontal redevelopment in East Texas
- Williston acquisitions partnership
  - Acquiring and drilling non-operated leasehold
  - Co-managed with Dale Resources
- Raised $60MM of institutional equity
- Committed $15MM of Encino equity
- Bidding on gas reserves
Contact Encino

Oil & Gas Mineral Interests, Production Acquisitions, Drilling Projects

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