



Private Capital Conference

January 21, 2013

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 Reserveand 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 PV8-12% 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

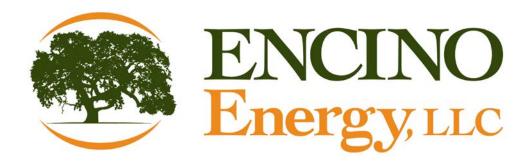
Activity To-Date

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



www.encinoenergy.com

675 Bering Drive
Suite 360
Houston, Texas 77057
281-254-7070
contact.us@encinoenergy.com



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