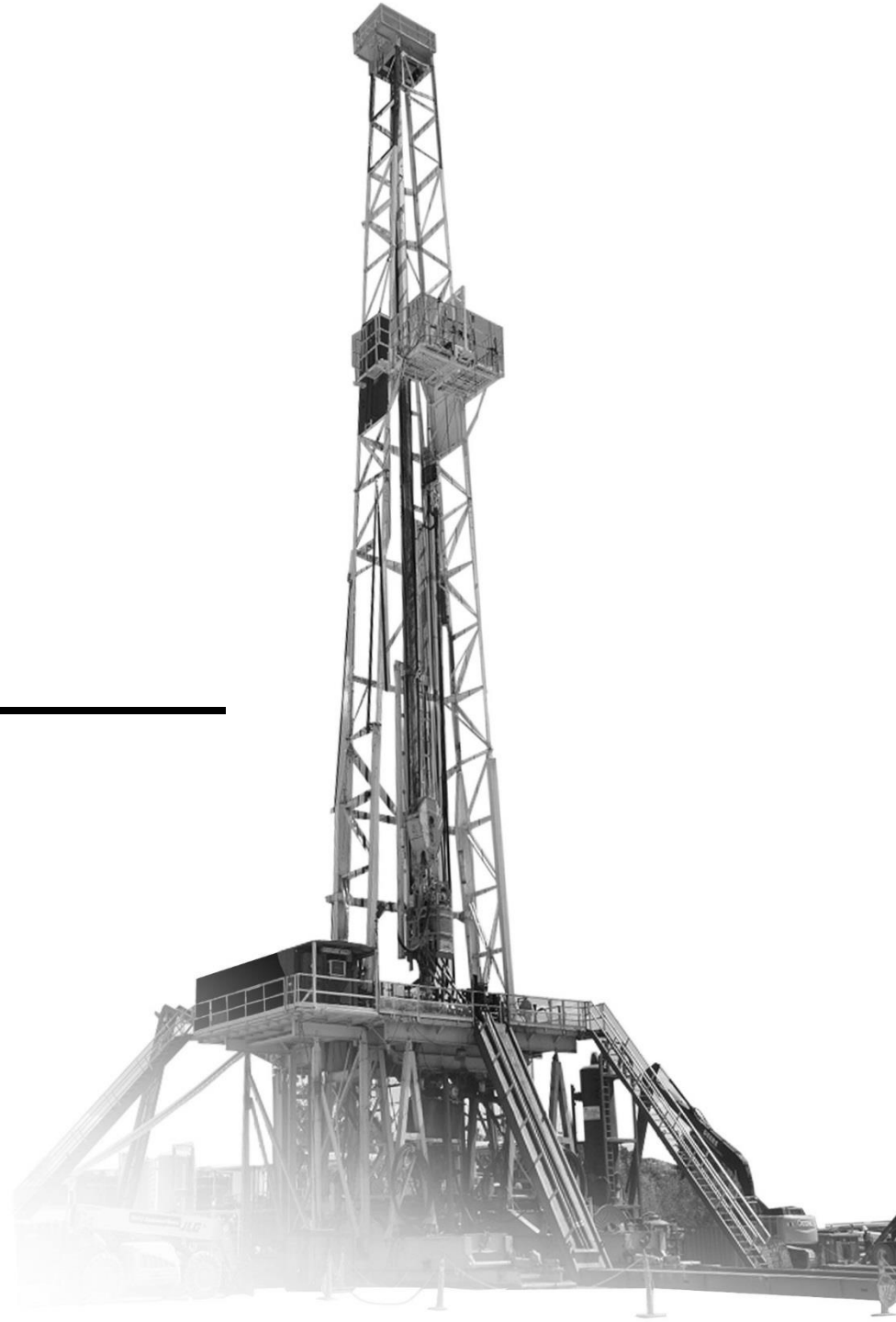




EARTHSTONE
Energy, Inc.

IPAA-TIPRO

June 10, 2015



Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words such as “expects,” “believes,” “intends,” “anticipates,” “plans,” “estimates,” “potential,” “possible,” or “probable” or statements that certain actions, events or results “may,” “will,” “should,” or “could” be taken, occur or be achieved. The forward-looking statements include statements about oil and gas pricing assumptions, future operations, estimates of reserve and production volumes, estimates of capital expenditures, expansion of production and reserves, future growth potential, possible acquisitions, and the ability to raise future capital. Forward-looking statements are based on expectations and assumptions and analyses made by Earthstone Energy, Inc. (“Earthstone”) in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors appropriate under the circumstances. However, whether actual results and developments will conform with expectations is subject to a number of risks and uncertainties, including adverse changes in oil and gas prices or protracted periods of low oil and gas prices; problems that may arise in the integration of the businesses involved with the transactions generally described on page 3; that the transactions may involve additional and unexpected costs; the risks of the oil and gas industry (for example, operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits); the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to future production, costs and expenses; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; health, safety and environmental risks and risks related to weather; inability of management to execute its plans to meet its goals; shortages of drilling equipment, oil field personnel and services; unavailability of gathering systems, pipelines and processing facilities; the possibility that government policies may change; and that foreign production rates may change. Earthstone’s annual report on Form 10-K for the year ended December 31, 2014 and other Securities and Exchange Commission (“SEC”) filings discuss some of the important risk factors identified that may affect Earthstone’s business, results of operations, and financial condition. Earthstone undertakes no obligation to revise or update publicly any forward-looking statements except as required by law.

Investment Highlights

Strong, Well Capitalized Balance Sheet

- Significant cash balance
- Common equity, minimal debt
- Traditional reserve-based credit facility
- \$80mm borrowing base
- No additional securities outstanding

Proven Management Team

- Operational excellence
- Four prior successful public entities
- Repeat investors
- Market recognition



Eagle Ford and Bakken Concentration

- Oil-weighted reserves
- Growth through drill bit and acquisitions
- ~220 operated Eagle Ford locations
- Upside from down-spacing and other formations

Strategic Combination on December 19, 2014



1.7 mm shares (12.6%)



9.1 mm shares (66.0%)

- EnCap – 37.8%
- Wells Fargo – 6.1%
- Vlastic – 4.9%



3.0 mm shares (21.4%)

Earthstone closed two transformational transactions, creating a well-capitalized company with significant growth opportunities and substantial economic drilling inventory

- Oak Valley received 9.1 million shares in exchange for oil and gas properties and cash
 - Transaction is the fourth public strategic combination
- Flatonia received 3.0 million shares for additional working interests in Fayette and Gonzales Counties
 - Increased leasehold interest in properties from 30% to 50%
 - Current Eagle Ford position totals 27,000 net acres
- Houston headquarters and Denver office to facilitate Rockies expansion

From 0 to 22.2 MMBoe in 2 years
Doubled reserves in 2014 though drill bit and acquisitions

Oak Valley Resources, LLC owns 66.0% of Earthstone.

Oak Valley's investors include:

Earthstone Management

- Significant equity investors
- CEO has over 40 years of experience
- Executive officers average over 30 years of industry experience
- Senior executives have worked together in multiple successful entities

EnCap Investments L.P.

- Leading provider of private equity to the independent E&P sector
- 25-year history of providing capital
- Repeat investors
- Long relationship with Management



ENCAP INVESTMENTS L.P.

Vlasic Group

- Partnered with Management for 26 consecutive years
- Former investor and director of GeoResources and predecessor entities
- Previously affiliated with Vlasic Foods prior to sale to Campbell Soup

VLASIC
GROUP

Wells Fargo Energy Capital

- Part of Wells Fargo Energy Group, a \$30bn capital provider to the North American energy industry
- Predecessor entities have previously invested with Management

**WELLS
FARGO**

Friends and Family

- Many repeat investors
- Long-term investment horizons
- Petroleum engineers, geologists, portfolio managers, endowments, family trusts, investment bankers, lawyers, and other accredited persons
- Source of incremental deal flow and advice

Management

- Strong management and technical team with demonstrated ability and prior success
- Equity investors—interests are clearly aligned with shareholders

	Years of Experience	Years Working Together	Responsibility
Frank Lodzinski	43	25	President and CEO
Robert Anderson	28	11	Corporate Development and Reservoir Engineering
Steve Collins	26	18	Completions and Operations
Chris Cottrell	31	16	Land and Marketing
Tim Merrifield	35	14	Geological and Geophysical
Francis Mury	40	25	Drilling and Development
Ray Singleton	37	-	Operations and A&D, Northern Region (Former President and CEO of ESTE)
Neil Cohen	11	2	Finance
Bret Wonson	12	5	Accounting

Track Record

- **Management team has consistently created shareholder value**

- Repeated success with multiple entities over 20+ years
- Results have created long-term and recurring shareholders
- Extensive industry and financial relationships
- Technical and operational excellence
 - Multi-basin experience
 - Resource & conventional expertise
 - Complex Gulf Coast drilling & horizontal resource proficiency
 - Efficient and low-cost operator
 - Proven acquisition and exploitation results



2007 – 2012 GeoResources, Inc. (“GEOI”)

Eagle Ford, Bakken, Gulf Coast

*Initial investors – **35% IRR***

*Initial investors – **4.8x return***

Initial Southern Bay investors achieved a combined 7.4x ROI upon the merger with GeoResources and subsequent sale in 2012

2005 – 2007 Southern Bay Energy, LLC (Private)

Gulf Coast, Permian Basin

*Initial investors – **40% IRR***

2001 – 2004 AROC, Inc. (Private)

Gulf Coast, Permian Basin, Mid-Con.

*Preferred investors – **17% IRR***

*Initial investors – **4x return***

1997 – 2001 Texoil, Inc. (“TXLI”)

Gulf Coast, Permian Basin

*Preferred investors – **2.5x return***

*Follow-on investors – **3x return***

*Initial investors – **10x return***

1992 – 1996 Hampton Resources Corp. (“HPTR”)

Gulf Coast

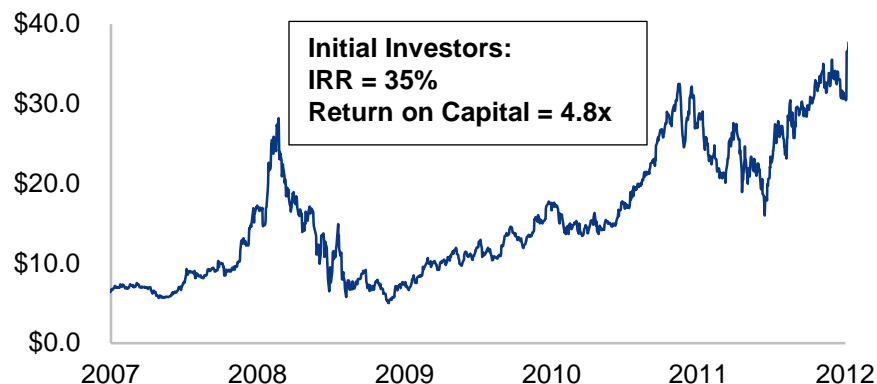
*Preferred investors – **30% IRR***

*Initial investors – **7x return***

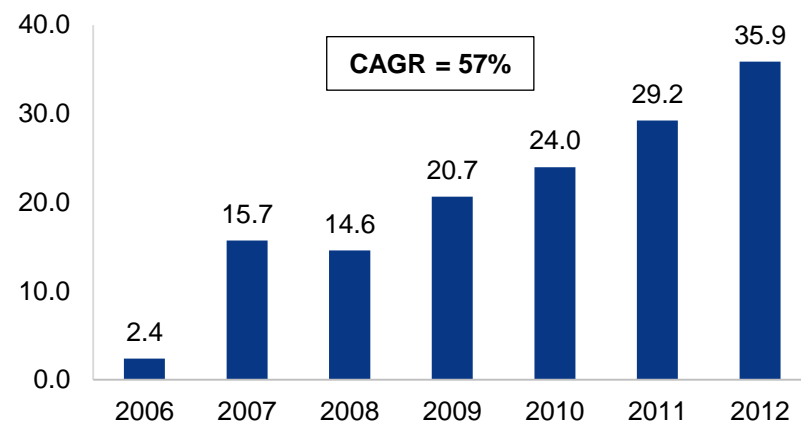
GeoResources – Performance Summary

Stock Performance (%)

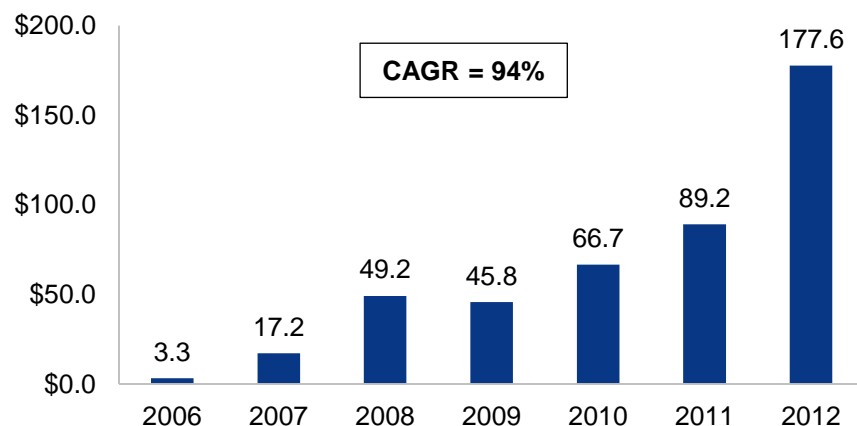
Merger with Southern Bay to Sale Announcement



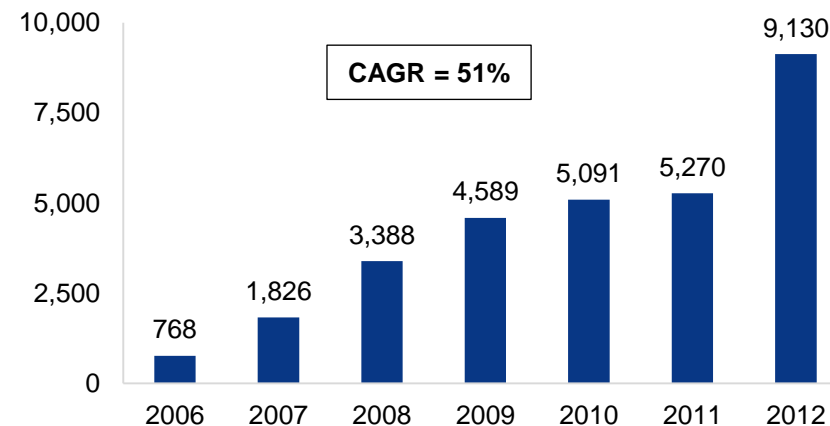
Proved Reserve Growth (MMBoe)⁽¹⁾



EBITDA Growth (\$mm)⁽¹⁾



Production Growth (Boepd)⁽¹⁾



(1) 2012 figures based on 2H 2012 actuals and 2H 2012 internal projections.

Go-Forward Strategy

Utilize similar strategy to previous entities which delivered significant returns to shareholders

Asset Strategy

- **Optimize Existing Properties**
 - Implement operational improvements and efficiencies
 - Drive costs down in all aspects of drilling and production
 - Fully define geological and engineering upside
- **Enhance Production / Cash Flow**
 - Acquire producing assets
 - Pursue tactical operated acquisitions in proximity to existing properties/fields
 - Divest non-core properties
- **Growth Through the Drill Bit**
 - Acquire acreage at favorable terms
 - Continue to generate and de-risk high-impact drilling opportunities
 - Execute multi-year development drilling program

Corporate Strategy

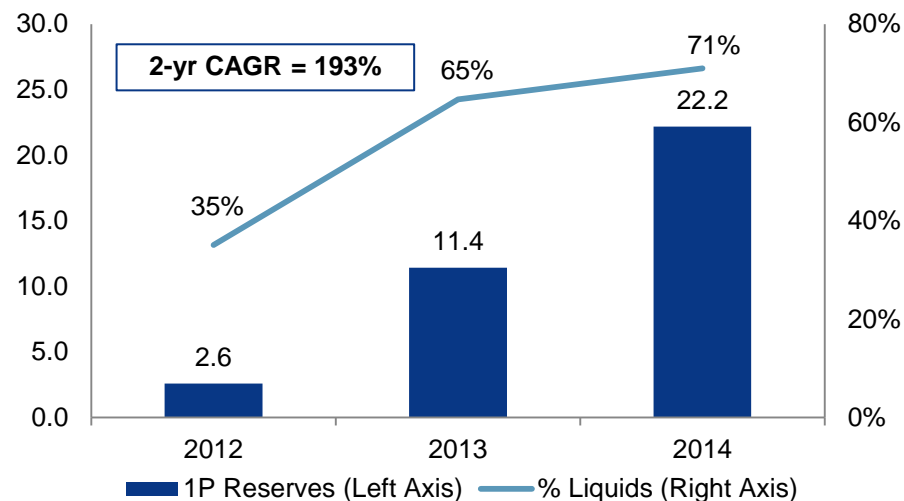
- Deliver superior returns to shareholders
- Maintain financial flexibility and a strong balance sheet to facilitate additional acquisitions
- Focus company 2 to 3 basins where Company has expertise
- Achieve low development, operating, and G&A cost structure
- Consistently improve operating margins
- Generate significant cash flow and net income

Asset Overview

Company Overview

- Proven, growth-oriented management team
- Oil-weighted with strong cash margins
- Focused on the prolific Eagle Ford and Bakken
- Robust liquidity with clean balance sheet
- Ongoing conversion of undeveloped acres
 - 37,900 Eagle Ford and Bakken net acres
- Inventory upside through downspacing and targeting additional horizons
- 2014 proved reserve distribution (by reserve quantity):
 - Eagle Ford Trend 69%
 - Williston Basin 11%
 - East Texas/Other 20%

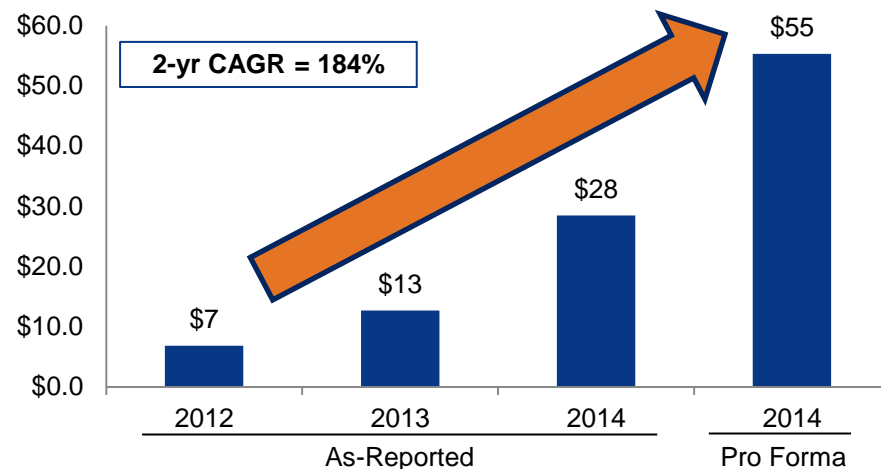
Proved Reserves (MMBoe)⁽¹⁾



Approximate Gross Drilling Locations

Area	Op/Non-Op	Avg. WI	Approx. Gross Locations ⁽²⁾
Eagle Ford (Gonzales / Fayette)	Operated	44%	215
Eagle Ford (Karnes)	Operated	50%	4
Eagle Ford (La Salle)	Non-op	11%	180
Austin Chalk	Operated	43%	4
Bakken / Three Forks	Non-op	3%	205
East Texas / Other	Op/Non-op	40%	175
Total		25%	783

Adjusted EBITDAX (\$mm)



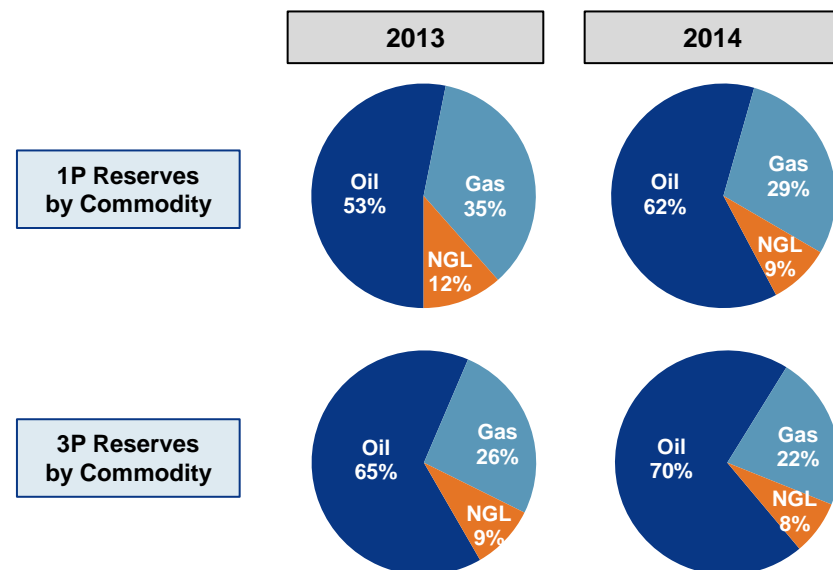
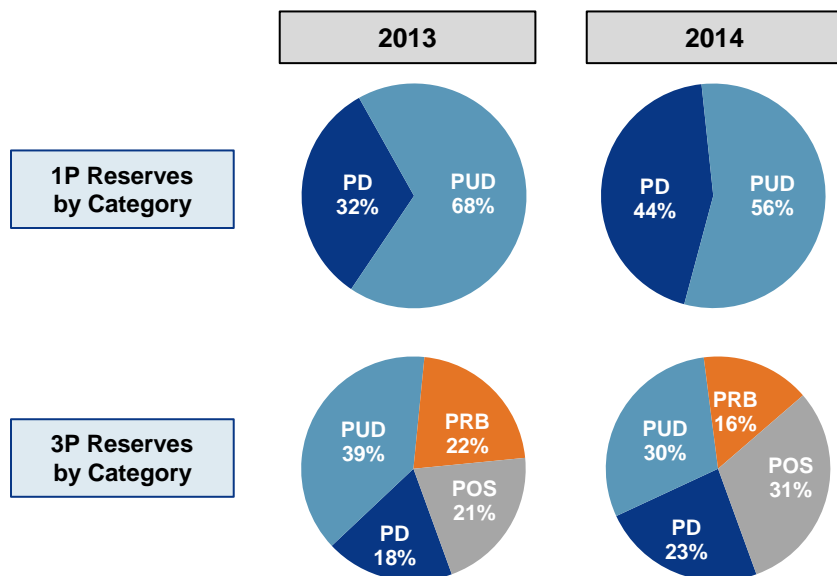
(1) Reserves at year-end SEC prices.

(2) Estimated number of locations include proved undeveloped as well as management's estimates of additional potential. Actual locations drilled and quantities that may be ultimately recovered from the Company's interests could differ substantially from management's estimates.

Reserve Summary – 2013 and 2014 SEC Price Deck

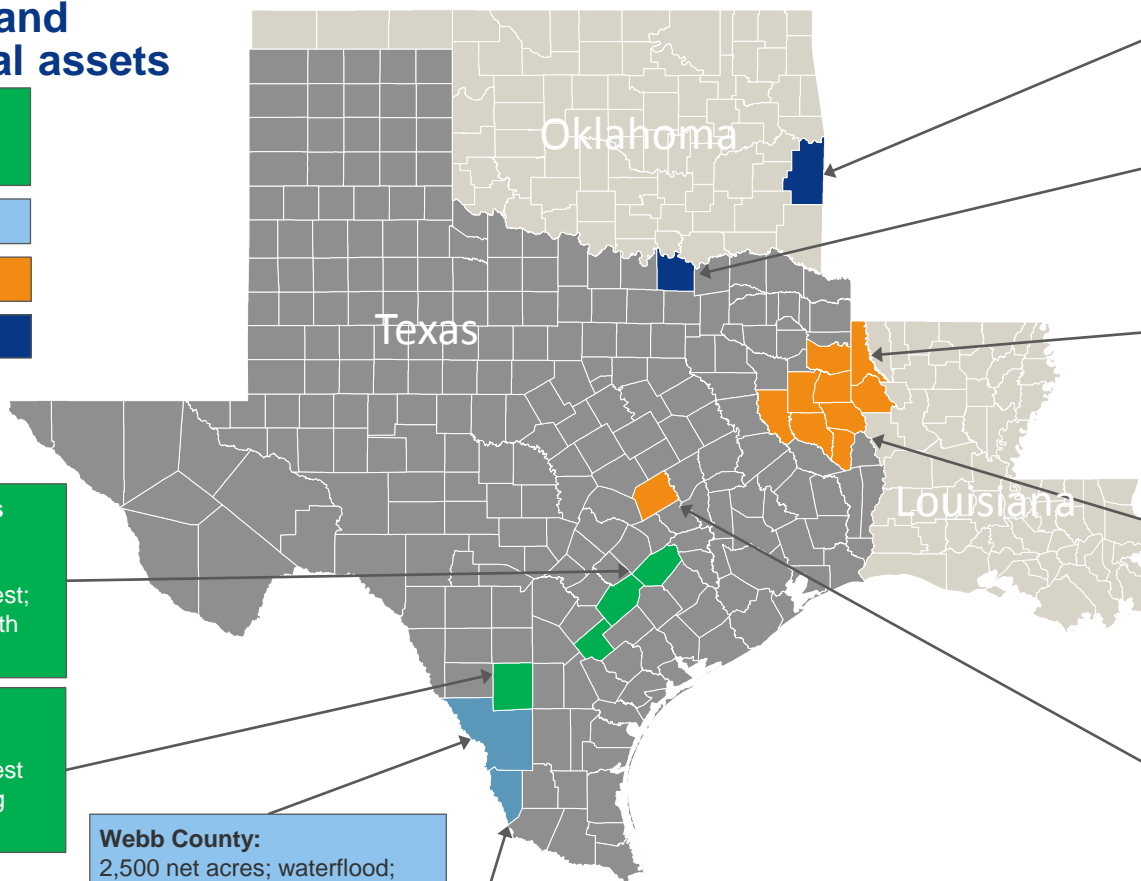
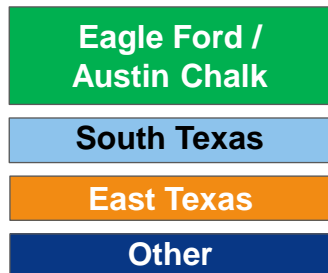
2013						
Reserves				Economics		
Category	Oil (MBbls)	Gas (MMcf)	NGL (MBbls)	Total (MBoe)	Undisc. CF (\$mm)	PV-10 (\$mm)
PDP	1,098	9,744	496	3,218	\$93	\$63
PNP	209	1,309	61	488	13	7
PUD	4,771	13,160	761	7,726	188	55
1P	6,078	24,213	1,318	11,432	294	125
PRB	3,162	5,814	248	4,379	121	31
POS	3,720	1,079	301	4,201	132	28
3P	12,961	31,105	1,868	20,013	\$548	\$184

2014						
Reserves				Economics		
Category	Oil (MBbls)	Gas (MMcf)	NGL (MBbls)	Total (MBoe)	Undisc. CF (\$mm)	PV-10 (\$mm)
PDP	4,198	12,276	645	6,889	\$265	\$164
PNP	1,895	3,938	360	2,911	121	71
PUD	7,711	22,365	954	12,392	338	109
1P	13,804	38,579	1,959	22,193	725	345
PRB	4,020	12,905	339	6,510	182	56
POS	11,184	3,817	947	12,767	482	146
3P	29,007	55,301	3,245	41,469	\$1,389	\$547



Southern Region

Conventional and unconventional assets



Gonzales/Fayette/Karnes Counties:
24,300 net acres;
38% to 50% working interest;
operated; 63 PDP wells with
~220 drilling locations

La Salle County:
3,100 net acres;
10% to 15% working interest
71 PDP wells, ~180 drilling
locations

Webb County:
2,500 net acres; waterflood;
86% operated working interest
23 PDP wells

Zapata County:
770 net acres;
10 PDP wells; Lobo formation;
operated and non-operated

Le Flore County:
13,900 net acres; 34 PDP
wells in Red Oak Field

Grayson County:
1,200 net acres prospective
for horizontal Viola play
2 PDP wells

**North Louisiana:
(Caddo & DeSoto Parishes)**
3,135 net acres
20 PDP wells

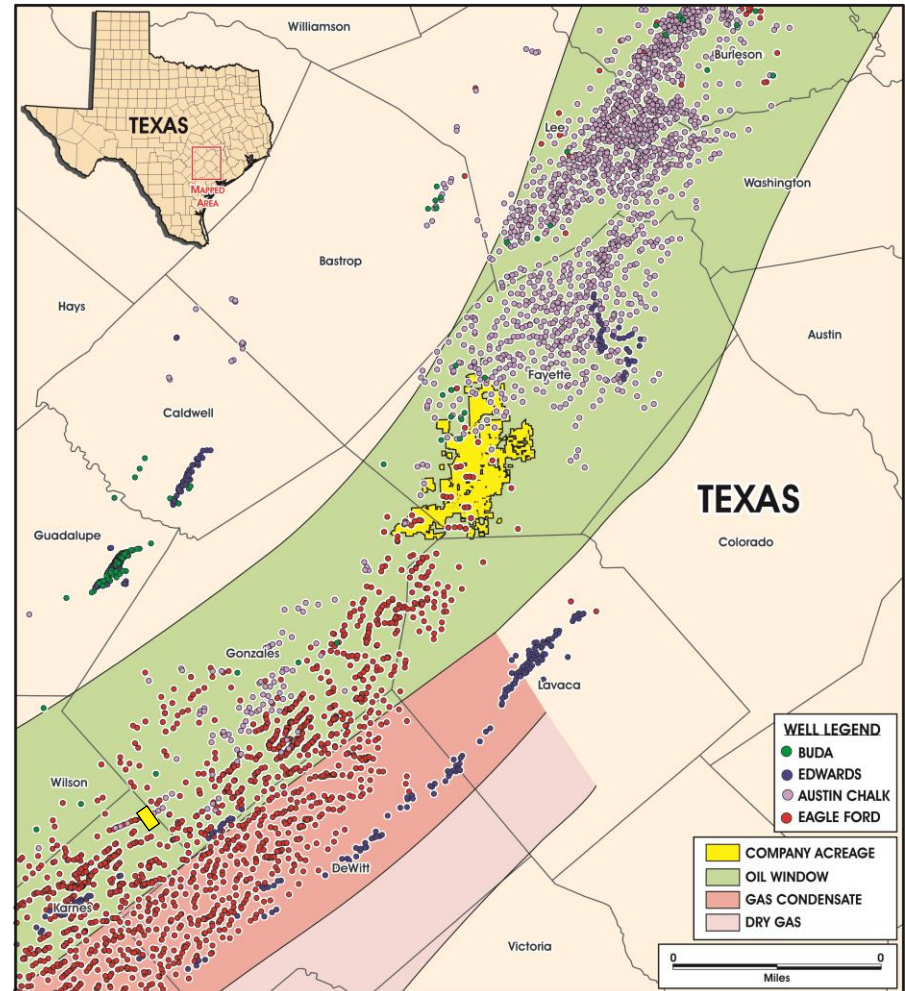
East Texas:
7,960 net acres prospective
for Travis Peak, Pettet,
Rodessa, James Lime, and
Haynesville/Bossier
formations
79 PDP wells and an inventory
of ~140 drilling locations

Milam County:
17,100 net acres prospective
for Austin Chalk, Buda, Eagle
Ford, Georgetown, and
Woodbine formations
2 PDP wells

Note: Estimated number of locations include proved undeveloped as well as management's estimates of additional potential. Actual locations drilled and quantities that may be ultimately recovered from the Company's interests could differ substantially from management's estimates.

Operated Eagle Ford and Austin Chalk

- 47,900 gross leasehold acres in Gonzales and Fayette Counties
 - 23,900 net leasehold acres
 - Working interests range from 38% to 50%
- Position developed by management team
 - Pushed Eagle Ford play into northeast Gonzales and Fayette counties
- 63 gross producing wells (59 operated / 4 non-op)
- Average gross operated March 2015 production of ~5,000 Boepd
- Approximately 215 identified gross Eagle Ford drilling locations, of which ~30% are proved
- Majority of acreage covered by 173 square mile 3-D seismic shoot
- 400 gross acres in Karnes County
 - 50% working interest
 - Four to five gross operated locations, of which two are proved
 - Offsetting EnCana, EOG, and Marathon
- Other Potential: Upper Eagle Ford, Austin Chalk, Buda, Wilcox, and Edwards



Note: Estimated number of locations include proved undeveloped as well as management's estimates of additional potential. Actual locations drilled and quantities that may be ultimately recovered from the Company's interests could differ substantially from management's estimates.

Operated Eagle Ford and Austin Chalk (Cont'd)

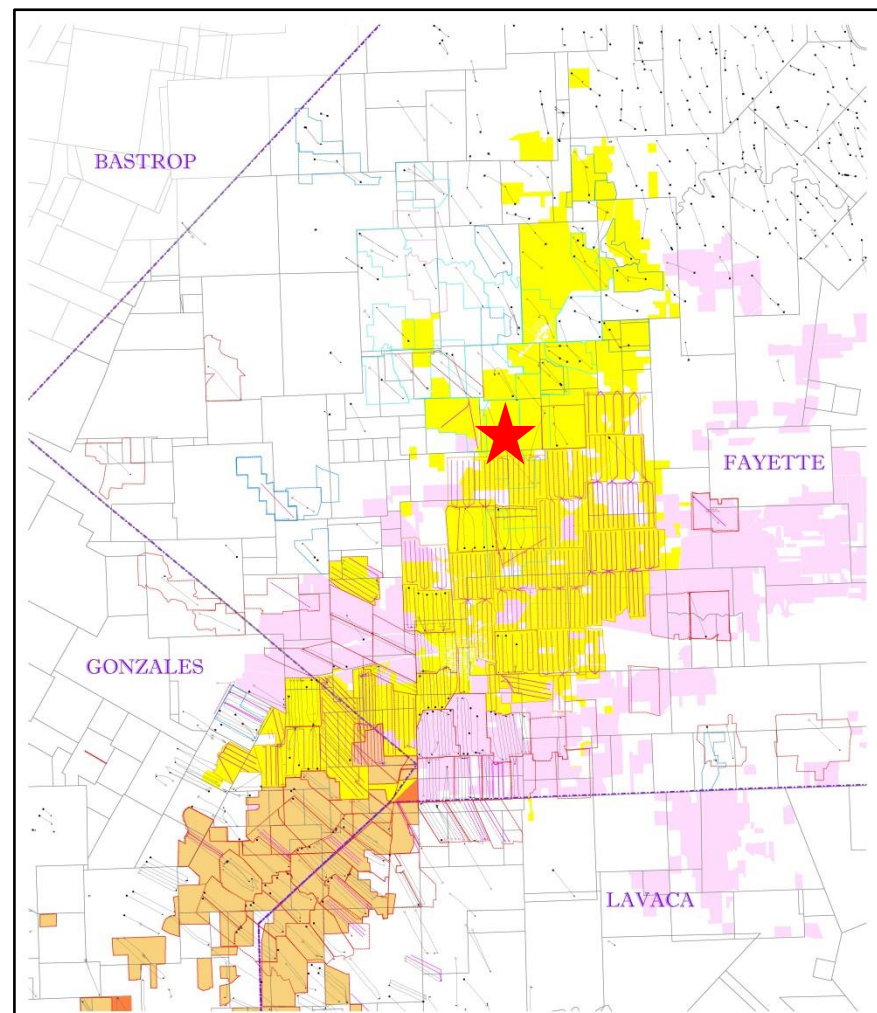
• Eagle Ford

- Brought 21 gross wells online in 2014
- 9 to 10 gross wells to come online in Q2 2015 and 7 to 8 wells between Q3 and Q4 2015
- 500 to 750 foot spacing between wells
- Offset by Sanchez, Penn Virginia, and Argent
- 2014: D&C of \$7.5 - \$8.8mm per well
- 2015: Expect completion costs to drop 20% to 30%

Laterals Impact Costs and Reserves						
Est. Lateral Length (ft)	Cost (\$M)			Est. Stages	Est. IP30 (Bopd)	Initial GOR (Scf/Bbl)
	Drilling	Completion	Total			
7,000	3,100	4,670	7,770	36	780	540
7,000	3,100	4,670	7,770	36	690	540
6,000	3,000	4,070	7,070	31	560	540

• Austin Chalk

- Brought 4 gross wells online in 2014
- Naturally fractured reservoir
- 2014: D&C of \$4.3mm per well - 13,000 feet of lateral length (two opposing laterals)



Earthstone

Sanchez

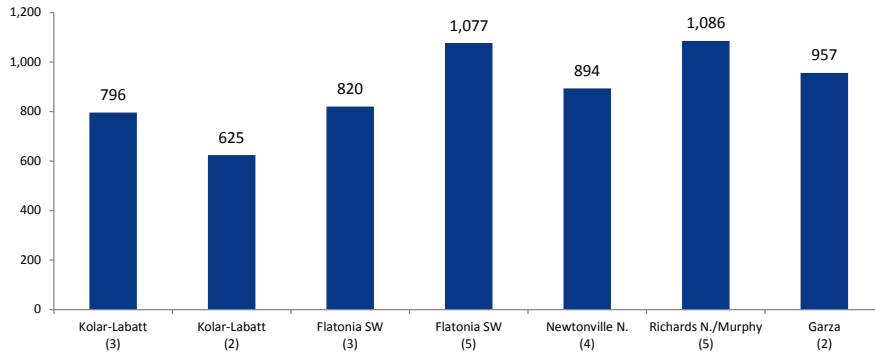
Penn Virginia

★ Current Rig Location

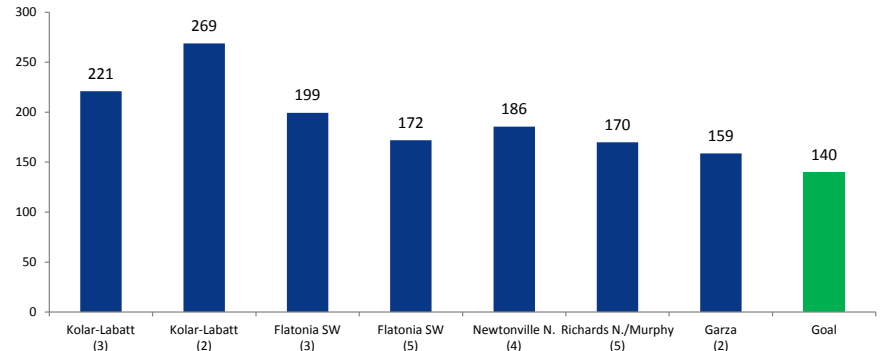
Eagle Ford Drilling and Completion Trends and Economics

Pad Averages

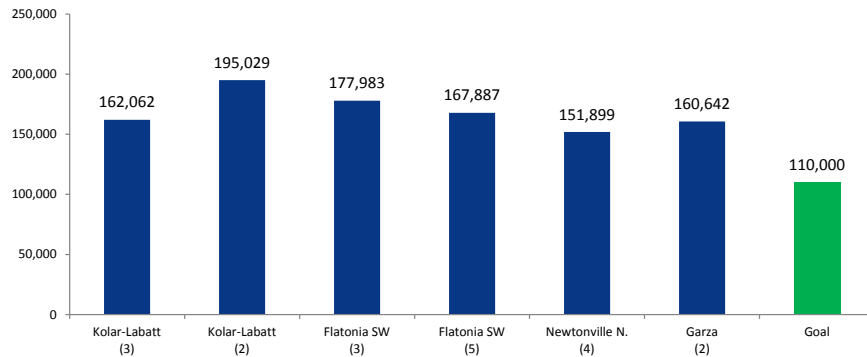
Feet Drilled per Day



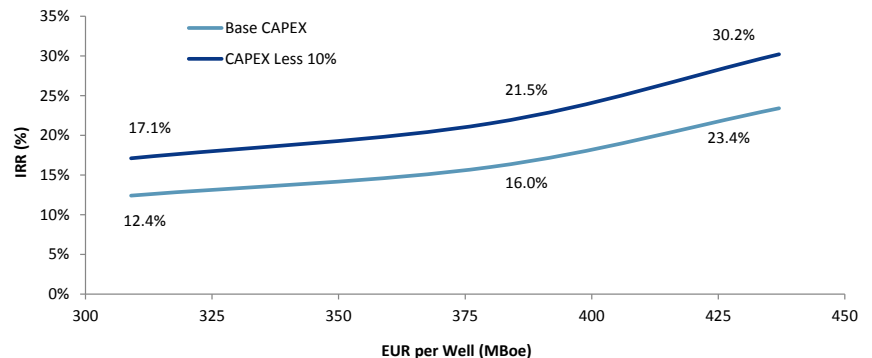
Drilling CAPEX per Foot Drilled (\$/Foot)



Completion CAPEX per Stage (\$/Stage)



Eagle Ford IRR Sensitivity⁽¹⁾

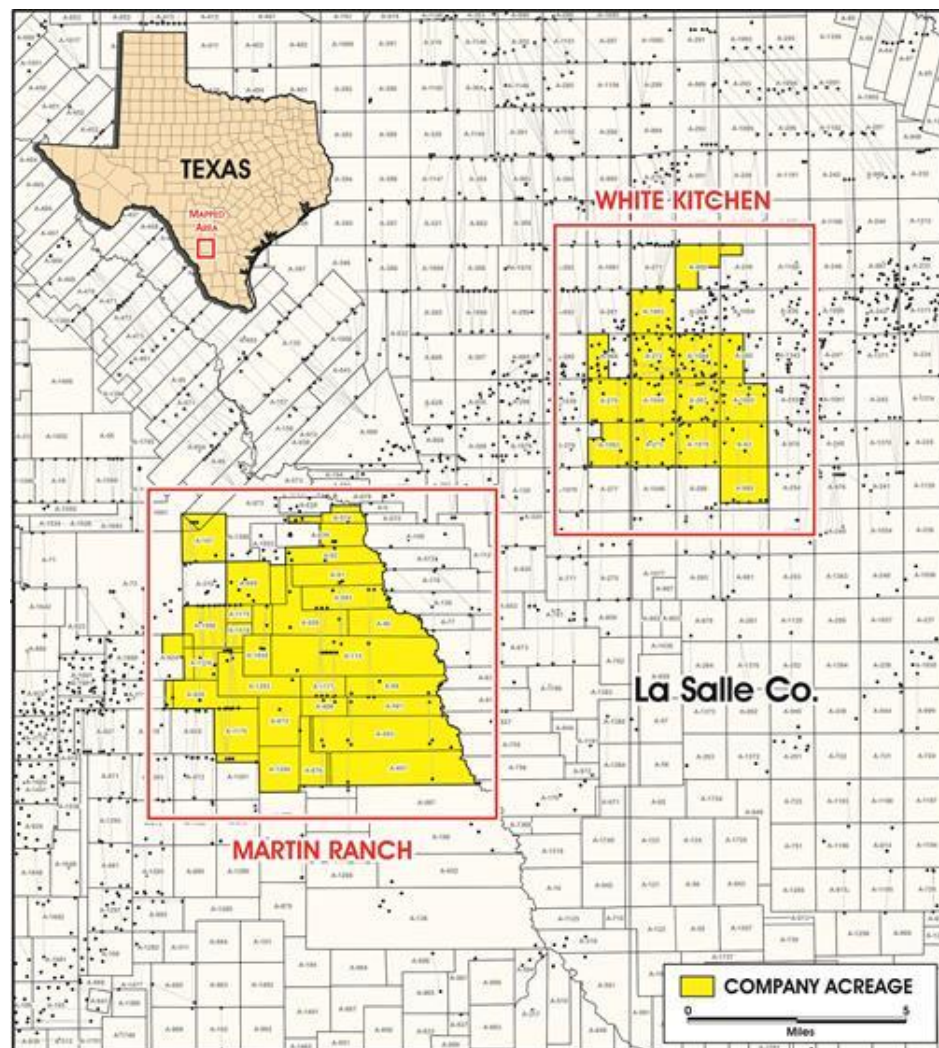


Notes: Amount in parentheses indicates the number of wells drilled/completed.
 Kolar-Labatt (2) required intermediate casing.
 Analysis excludes 2 wells that involved a side-track.

(1) IRR chart assumes strip pricing as of January 1, 2015. Quantities recovered, costs and economic results are management estimates. Actual quantities recovered, costs and economic results may differ from management estimates.

Non-Operated Eagle Ford

- Non-operated position with BHP and Lewis Energy; 71 gross producing wells
- Two areas totaling 3,100 net acres
 - White Kitchen
 - 15% working interest in 7,625 gross acres
 - Held by production
 - Gas and liquids
 - Martin Ranch
 - 10% working interest in 18,660 gross acres
 - Minimal continuous drilling requirements
 - Gas
 - Substantial HBP acres
 - ~180 potential gross locations



Note: Estimated number of locations include proved undeveloped as well as management's estimates of additional potential. Actual locations drilled and quantities that may be ultimately recovered from the Company's interests could differ substantially from management's estimates.

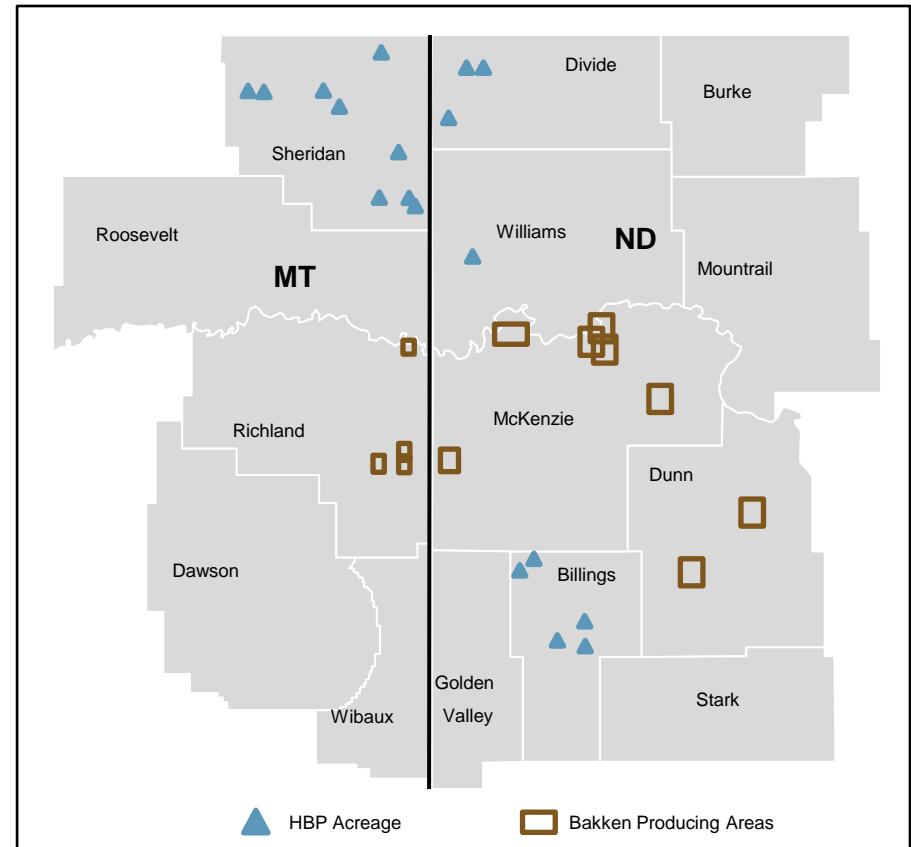
Northern Region – Williston Basin

Summary

- 98 gross / 7 net wells producing
 - Average working interest of ~3%
 - 54 gross / 1.3 net wells currently being drilled or completed
- 10,900 non-operated net acres in North Dakota and Montana
- ~205 potential gross drilling locations
- Operators include: ConocoPhillips/Burlington, Continental, ExxonMobil/XTO, Marathon, Newfield, Oasis, and Statoil
- Majority of units in McKenzie County, ND
 - Banks Field
 - Largest development area
 - Interest in 22 spacing units
 - Operators down-spacing to 6-7 wells per unit in the Bakken
 - Indian Hill Field

Near-Term Strategy

- Expand acreage
- Acquire production
- Establish operating presence



Capital Expenditures and Financial Overview

2015 Capital Expenditure Budget

(All \$ figures in millions)

Current Budget⁽¹⁾

Drilling and Completion

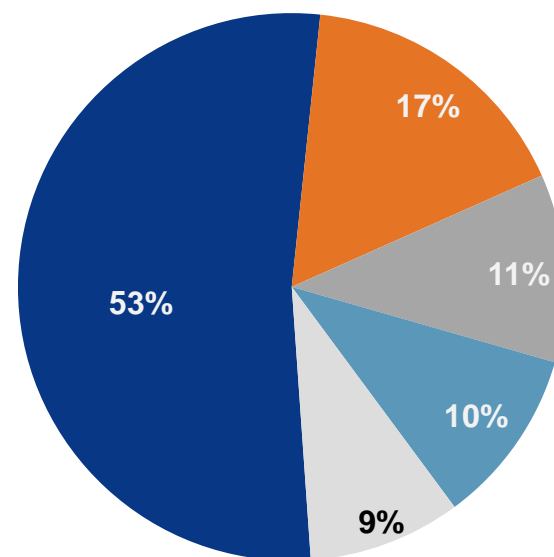
Operated Eagle Ford Gonzales/Fayette Counties	\$38.0
Non-Operated Bakken	12.0
Operated Eagle Ford Karnes County	8.0
Non-Operated Eagle Ford La Salle County	7.5
Operated Austin Chalk Fayette County	6.5

Total Drilling and Completion	72.0
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Land⁽²⁾	13.0
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Total	\$85.0
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D&C Spend by Area



- Operated Eagle Ford - Gonzales/Fayette Counties
- Non-Operated Bakken
- Operated Eagle Ford - Karnes County
- Non-Operated Eagle Ford - La Salle County
- Operated Austin Chalk - Fayette County

(1) Estimates are based on one dedicated rig through summer 2015 and are subject to material change based on commodity prices, service costs, and drilling and completion methods.

(2) Leasehold budget includes estimated lease maintenance, extensions, and renewals to maintain and enhance current position; excludes significant new lease areas.

Financial Information

(All \$ figures in thousands except per unit or where otherwise noted)

	2013	2014	Pro-Forma Combined 2014 ⁽¹⁾		2013	2014	Pro-Forma Combined 2014 ⁽¹⁾
Production				Summary of Operations			
Oil (MBbl)	163	403	798	Total Revenues	\$ 29,943	\$ 47,994	\$ 85,633
Natural Gas (MMcf)	2,635	2,132	2,431	Less: Lease Operating / Workover Exp.	8,552	10,513	17,476
Natural Gas Liquids (MBbl)	134	124	170	Severance Taxes	1,225	2,002	4,578
Barrels of Oil Equivalent (MBoe)	737	882	1,373	G&A	7,750	7,864	9,137
Barrels of Oil Equivalent / Day (Boepd)	2,019	2,416	3,762	Non-GAAP Cash from Operations	12,416	27,615	54,442
Average Realized Prices				Less: DD&A and Accretion	17,328	18,731	22,655
Oil (\$ per Bbl)	\$ 98.32	\$ 86.29	\$ 86.14	Impairment Exp.	12,298	19,359	19,359
Natural Gas (\$ per Mcf)	3.69	4.39	4.52	Other Exp. - Net	2,961	696	624
Natural Gas Liquids (\$ per Bbl)	28.88	28.29	31.82	Add: Net Gain on Derivatives	296	4,392	4,392
Average Price (per Boe)	\$ 40.63	\$ 54.41	\$ 62.37	Pre-Tax Net Income / (Loss)	(19,875)	(6,779)	16,196
				Less: Income Tax Exp. ⁽²⁾	-	22,105	5,524
				Net Income / (Loss)	(19,875)	(28,834)	10,672
				Add: Loss / (Gain) on Sale of Property	121	-	-
				Interest Exp. - Net	487	597	597
				Income Tax Exp. ⁽²⁾	-	22,105	5,524
				DD&A and Accretion	17,328	18,731	22,655
				Impairment Exp.	12,298	19,359	19,359
				Exploration Exp.	2,490	111	111
				Less: Unrealized Gain / (Loss) on Derivatives	(45)	3,614	3,614
				Adjusted EBITDAX ⁽³⁾	\$ 12,894	\$ 28,455	\$ 55,304
Per Barrel Costs							
Lease Operating / Workover Exp.	\$ 11.60	\$ 11.92	\$ 12.73				
Severance Taxes	1.66	2.27	3.33				
G&A	10.52	8.92	6.65				
DD&A	23.51	21.24	16.50				

Liquidity of more than \$128mm, including \$60mm of cash and \$68mm of borrowing base availability, plus cash flow from operations

2015 Production Guidance: 4,200 – 4,600 Boepd, 63% oil and 74% liquids, was 58% and 71% in 2014

2015 per Boe Cost Guidance: LOE/Workover expense \$10-12; Production taxes \$2-3; Cash G&A \$6-8; DD&A \$24-26 ⁽⁴⁾

(1) Combined as if the Earthstone and Oak Valley assets were operated together for the entirety of 2014. Otherwise, figures for 2013 and 2014 represent Oak Valley.

(2) Reported 2014 income tax expense includes the cumulative effect of deferred taxes upon conversion of the Oak Valley subsidiaries to a taxable entity. The pro forma combined number is an estimate of the combined entities effective tax rate.

(3) Adjusted EBITDAX should not be considered an alternative to net income (loss), operating income (loss), cash flow provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Our Adjusted EBITDAX may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDAX in the same manner.

(4) Guidance provided in March 9, 2015 press release.



Contact Information

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Robert Anderson	EVP, Corporate Development and Engineering
Neil Cohen	VP, Finance, and Treasurer

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