Key Facts

- Formed in April 2010 and headquartered in Austin, Texas
- Equity backed by Riverstone Holdings LLC
- Closed on acquisitions with Chesapeake and Samson Resources within the first year for approximately $540 million
- Sold non-core assets for $60 million in July 2011
- Sold all assets in May 2012 to Concho Resources for $1 billion
- Formed 3ROC II in September 2012 and made two acquisitions totaling just over $200 million by year end
Step 1: Understanding the money

- Limited Partners
  - Risk appropriate yield
  - Short cycle times
  - Downside protection
Step 2: What is the Plan?

Business Strategy

- How do you add value?
- Define entry and exit points
- What if all hell breaks loose?
Step 3: Time to take action

- Limited Partners
- Business Strategy
- Execution

- Risk appropriate yield
- How do you add value?
- Be obsessively detailed

- Short cycle times
- Define entry and exit points
- Start execution plan before closing the Transaction

- Downside protection
- What if all hell breaks loose?
- Take risk off the table
Summary

Don’t fall in love with your assets!
<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chicken or the egg?</td>
<td>Deal or Money?</td>
</tr>
<tr>
<td>2</td>
<td>How much do I need to invest?</td>
<td>Spouse must make you go to work</td>
</tr>
<tr>
<td>3</td>
<td>Can I have overrides?</td>
<td>No</td>
</tr>
<tr>
<td>4</td>
<td>Can I maintain control?</td>
<td>No</td>
</tr>
<tr>
<td>5</td>
<td>Are long term gas plays the answer?</td>
<td>Unlikely</td>
</tr>
<tr>
<td>6</td>
<td>Do I need a team first?</td>
<td>No one man shows</td>
</tr>
<tr>
<td>7</td>
<td>Can I exclude an asset?</td>
<td>No</td>
</tr>
</tbody>
</table>