ACTIVE IRON
ENERGY MANAGEMENT

INVESTOR PRESENTATION
January 2021

Executive Summary and Strategy

Experienced team seeks to pursue a growth strategy that capitalizes on our core competencies

- ***ACTIVE IRON*** intends to acquire oil and gas assets at attractive prices that support investor distributions and provide upside when commodity prices justify investment in further development.
- ***ACTIVE IRON*** plans to raise investor capital to capitalize on opportunities and current trends in the market.
- Pursue an ***acquisition strategy*** focused on conventional (and select mature unconventional) Proved Developed Producing ("PDP") oil and gas assets.
- Tim Murray has an over 40-year career with petroleum engineering, banking, workout, alternative capital, and private equity transaction experience. He has led four significant energy lending and investment efforts over the last 25 years. Mr. Murray has an extensive industry network, a broad exposure to virtually every domestic play, and capital structuring experience from bank revolvers to drillcos.
- Craig Davis has led the consulting business of INEXS for 30 years through multiple industry cycles. He has a track record of advising industry and financial firm clients in over 2,000 assignments, spanning many countries and basins and technology developments.
- The combination of Tim, Craig, and the management team together have a broad industry network of contacts and a local presence in Dallas, Midland, and Houston which facilitates business development and asset diligence.
- The management team's historic perspective as lender/investor/consulting professionals is anchored in a foundation of healthy skepticism and deep diligence that is critical to continued success through all cycles.

The focus of acquisition strategy will be on conventional producing reserves in non-strategic divestments and distressed situations. Conventional producing reserves offer a lower risk, lower development and operating cost, more stable production profile, and steady cash flow that is an appropriate long-term investment through industry cycles. The recent commodity price decline will add to the stress on commercial banks and alternative lenders to monetize their distressed assets – these creditors are reluctant to assume operations and potential environmental liabilities that are not core to financial firms. Legacy conventional assets are at the top of the divestment list for the larger independents and major oil companies seeking to rationalize their asset portfolios.

Executive Summary and Strategy continued

The Opportunities

- Acquisition opportunities are plentiful due to:
    - A significant number of distressed operators, who are motivated to sell assets and generate cash to repay debt
    - Creditors who have foreclosed on assets they'd prefer not to operate
    - Very few well capitalized acquisition vehicles/upstream MLPs
    - Public companies who need to divest assets to optimize their portfolio
    - Shortage of capital from commercial banks and the public markets to fund acquisitions and development
- Generational opportunity for private capital to fill the void between the commercial banks, private equity and the public markets
- Unconventional resource plays have progressed to pad development, which has created significant capital demands on smaller non-op partners to meet the capital calls from larger, better capitalized operators
- Creditors are willing to accept deep discounts on loans to avoid bankruptcy complications or foreclosure; most creditors are unprepared to operate oil and gas assets and wish to avoid any potential operational or environmental liability
- Legacy conventional assets have been neglected by operators pursuing unconventional plays – in many cases there is significant upside for applying updated completion technology to neglected conventional fields

The *Active Iron* team has the skill set to capitalize on these opportunities

Key Management

TIM MURRAY is a Managing Partner of Active Iron Investment Management. Prior to joining Active Iron, he was a Managing Director and Head of Energy Origination with Benefit Street Partners. He opened the BSP Houston office in 2015 to build an energy investment practice. Mr. Murray was a Managing Director and Manager of the Houston energy office for GSO Capital Partners beginning in November 2011. He was responsible for investing and raising capital for the energy team at GSO. Prior to joining GSO, Mr. Murray was a Managing Director of Guggenheim Partners and opened the Houston office in September 2005. Prior to joining Guggenheim, Mr. Murray was an Executive Vice President and Manager of the Energy Group at Wells Fargo Bank and the President of Wells Fargo Energy Capital. Mr. Murray was responsible for commercial banking and alternative investments in the energy sector, managing offices in Dallas, Denver, and Houston. Mr. Murray was relocated to San Francisco headquarters and managed the Corporate Banking Group in the early 90's. Prior to Wells Fargo, Mr. Murray was a Senior Reservoir Engineer for ARCO Oil and Gas Company and an engineering assistant at Atlas Processing, a Pennzoil-owned refinery. Mr. Murray has served as chairman of the Capital Markets Committee and Director of the Finance Committee of the IPAA. He is the former Treasurer and current President of the Houston Producers Forum. Mr. Murray has served for many years as an advisory board member of the Mays School of Business at Texas A&M University and was recently named an advisory board member of the Petroleum Ventures Program. He received a Master of Business Administration from Southern Methodist University and a Bachelor of Science in Chemical Engineering from Texas A&M University.

CRAIG DAVIS is a Managing Partner of Active Iron Investment Management. has worked in the upstream and midstream oil & gas industry since 1980, leading projects in 40 countries around the world on various assignments. Craig founded INEXS in 1990 to provide premium quality engineering and geoscience advisory services to the worldwide oil and gas industry. He is actively involved with the management of many of the company's largest projects, including, asset valuations, sell side mandates, field evaluations, major acquisitions, restructuring, expert witness testimony, and litigation support. He leads a team of twenty+ petroleum engineers, geologists, geophysicists, and accountants. His skills include strategic planning, leadership, presentation, business development, project management, and communication. Craig has led projects for Monsanto Oil, Shell Oil, Chevron, BP, Magnum Hunter, Sabine, Energy XXI, Stone, Ultra, Sandridge, Pioneer, Devon, Chesapeake, and dozens of other companies large and small. On behalf of banks, private equity, and private capital the team has performed due diligence evaluations for hundreds of assets, and provided independent analyses of company asset valuations, operating costs and G&A. Craig led technical teams on various projects for clients in Venezuela, Turkey, the UK, Indonesia, Belize, Eritrea, Norway, Grenada, India, The Netherlands, Nigeria, Mexico, and every major petroleum basin within the United States, including the Gulf of Mexico. Successful sell side mandates have been managed for multiple divestitures in the Gulf of Mexico, onshore Texas, and onshore Louisiana for Chevron, Marathon, BP, Rocksource, KCS, Century, Hall Houston and others, and numerous international projects. Craig has led teams working more than one hundred buy-side mandates in the United States and internationally.

Key Management

KEVIN MCMILLAN – CHIEF FINANCIAL OFFICER: Prior to joining Active Iron, he was President since 2017 of CBP Resources LLC, an oil and gas production company operating in the Permian Basin. Previously he served as Vice President of Finance and Administration of Santa Maria Energy from 2010 to 2016. Prior to joining Santa Maria Energy, Mr. McMillan served as Senior Vice President at Intermarket Management LLC from September 2003 to April 2010, focusing on raising capital for energy-related companies. During his time at Intermarket, Mr. McMillan worked on a number of capital market oil and gas transactions from Nebraska to Libya, both upstream and downstream, as well as alternative energy transactions involving ethanol, bio-diesel, re-refiners, fuel cells, gas storage and others. From 2001 to 2003, Mr. McMillan was the Chief Financial Officer of Ascent Energy, Inc., an early-stage E&P company. From 1998 to 2001, Mr. McMillan was the Chief Financial Officer for two start-up E&P companies, one with assets in Georgia and Azerbaijan. Prior to this, Mr. McMillan spent sixteen years at United Meridian Corporation, where he last held the position of Vice President - Treasurer. At United Meridian Corporation, Mr. McMillan was involved in over $1 billion in revolving credit agreements, $500 million in equity placements, $3.5 billion in M&A transactions, and $125 million in asset divestitures. The transactions in which Mr. McMillan was involved covered both domestic and foreign assets and included both public and private transactions. Mr. McMillan started his career as an Auditor at Ernst & Young, LLP, also worked for Arthur Andersen & Co. after earning a B.B.A. in Accounting from the University of Notre Dame in 1980.

DON MCCORMACK – VP FINANCE AND ACCOUNTING: Don was at Burlington Resources (BR), starting in 1989 where he remained until the company was sold to Conoco Phillips in 2006. At BR, he went from Internal Audit to Treasury, IT (he managed 22 IT professionals), and finally Accounting. His last role at BR, was in fact, the Senior Manager of International Accounting. In that role he had reporting responsibility for West Africa, South America and Asia upstream finance activities. In January 2007, he began formal “C-Suite” Finance leadership roles which included the role of CAO at Red Oak Capital Management, VP and CAO at Concho Resources, SVP Treasurer and CAO at Rosetta Resources, CFO at VAALCO Energy, CFO at Gavilan Resources and most recently VP Accounting at Wapiti Energy. He has led Finance teams as large as 70 and as small as one in that time span. Don has had the opportunity to focus on process improvements at several firms including Red Oak Capital Management, Concho Resources and Rosetta Resources. He has led system conversions as part of his process improvements. At Gavilan Resources he set up the company from inception.

Key Management

STEVE WHITE – VP OPERATIONS: Steve started his career in 1982 after graduating from Texas AM with a BS in Petroleum Engineer, with ODECO\Murphy E&P, where he worked in the drilling and production field operations. In 1992, he became the Production Operations Coordinator for the entire GOM. During this time, he made trips to Venezuela, China, and Newfoundland to investigate present or future ongoing projects. In 1997, he was promoted to Sr Production Engineer, where he was in charge of their largest producing oil field, over 100 wells. In 1999, Murphy started drilling operations in the GOM deepwater and he was promoted to Sr Drilling Engineer. He was responsible for the first five wells, three of which became actual fields (Front Runner, Medusa & Seventeen Hands). In 2001, he was promoted to Sr. Production Manager and responsible for the GOM Shelf and Onshore operations.

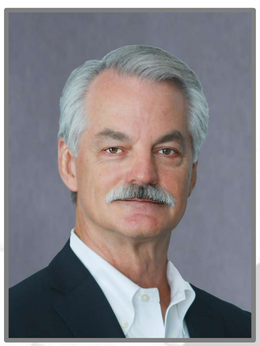
In 2005, he joined Woodside Energy as their Operations Manager and responsible for all of the drilling, completion, production and operations on the GOM shelf and deepwater. In 2008, he moved to Houston and joined JGC Energy Development as the Operations Manager. JGC was a startup company with South LA inland waters and Eagle Ford operations. In 2013, he joined Tema O&G as their VP of Operations and developed the company's WTx unconventional acreage, by successfully developing and implementing the drilling, fracking and completion programs, along with the infrastructure setup. In 2015, he started SW1 Consulting, where he's been involved with various oil and gas evaluations and projects. For one such project , he served as the Drilling Manager for the first well ever drilled in Grenada.

MIKE LOUDERMILK – VP OPERATIONS: Mike is an operations manager with over 30 years of hands-on management and technical experience. He has successfully planned and managed various sized projects from a small E&P startup to a large independent E&P with TEV over $2 billion. As the recent COO of JBL he led a team of engineers and geologists that successfully exploited conventional reservoirs in North Texas. Over his career, he was active in M&A bids of over $2.5 billion in aggregate for projects in various domestic basins. Mike has a petroleum engineering degree from Oklahoma State University and an MBA From the University of Texas at Arlington. Mike has demonstrated technical competence as a production, completion, drilling, and reservoir Engineer in onshore and offshore, in the US and in several overseas locations. As the former operations manager for Lime Rock, he ran the drilling, completions and field development for 2,300 wells in the Bakken, Permian, Delaware, Anadarko and Arkoma Basins. Mike was the VP of Drilling and New Technology for Lewis Energy in South Texas and built and led the team that successfully drilled and completed over 800 wells In the Eagle Ford and Escondido. He served as the interim CEO for Keldur Petroleum for a Delaware Basin bid and recently served as the interim Operations Manager for Pearl Resources in a Pecos County WolfCamp horizontal development. He served on the Energy Forum Board, a think tank on completions, and has given talks at several Industry and business forums. He has been a member of SPE for over 25 years and is on the Deep-Water Symposium committee as a completions expert. He was recognized as the Drilling Engineer of the year by the SPE in 2010 in South Texas.

Key Management

BEHROOZ RAMESH – VP RESERVOIR ENGINEERING: Behrooz has 45+ years of experience in reservoir engineering and simulation with international consulting organizations and major oil and gas companies. He has also conducted reservoir simulator development as well as managed reservoir engineering services groups at consulting and major oil companies. Since 2015, Behrooz has conducted valuation of both conventional oil and gas assets and unconventional assets involving tight shale exploitation with long laterals and multi-stage fracture completion. Production forecasting based on carefully-developed type curves representing closely-analogous production performance has been an integral part of these valuations. Previously Behrooz was a cofounder of Sabco Oil and Gas Corp., an independent producer in the Texas Gulf Coast and the Gulf of Mexico shelf (sold in 2011)

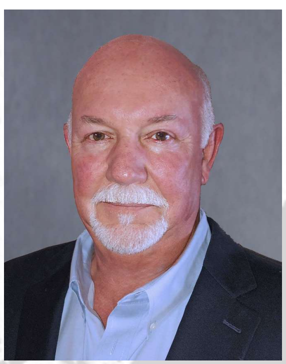
Prior to Sabco, Behrooz served as global reservoir simulation consultant within BP, manager of reservoir engineering at Standard Oil, reservoir engineering manager and senior consultant at Intercomp. He worked at Gulf Research & Developement Co., where he developed a 3-D compositional reservoir simulator. He has worked extensively in primary/secondary recovery studies as wells as a variety of EOR projects including reservoir analysis, field pilot design, and full-field development design. These projects were in the Lower 48, Alaska, Central and South America, the Persian Gulf, Turkey, and Libya. Behrooz holds a Ph.D. in Petroleum Engineering from The University of Texas at Austin, an M.S. from Penn State University, a B.S. from West Virginia University, and is a registered Professional Engineer in Texas and a member of the SPE.



JAMES ABNEY - VP LAND: James has over 40 years of petroleum land management experience in the US onshore, offshore, and Canada. He has extensive experience in managing the land aspects in acquisitions, divestitures, development activities, title diligence, and risk management. Previously, James was the VP of Land at Cantera Energy for 5 years. He was the Gulf Coast Land Manager for Preston Exploration for 13 years. James served in a number of roles at Torch Energy Advisors over 10 years managing land issues for three independent upstream companies, including supervision of landmen, technicians, and support personnel on a substantial Austin Chalk horizontal drilling program. James started his career as a Landman at the consulting firm J.L. Schneider and Company in 1978; he ultimately spent 12 years there and was promoted to General Manager in 1985. James spent three summers as an offshore roustabout while earning his college degree (BBA Marketing) at West Virginia University in 1978. James is a member of the AAPL and is a Certified Professional Landman. He served the Houston Association of Professional Landmen as a Director on three separate terms. He is also a member of the North Houston Association of Professional landmen.

Key Management

GARY DONNAN – VP ENVIRONMENTAL MANAGEMENT: Gary is an environmental professional with over 32 years experience in the environmental consulting industry, primarily in support of energy industry clients in Texas, Oklahoma, New Mexico, Louisiana, Wyoming, Utah, and other states around the country. Gary also has significant international experience and has supported primarily oil & gas clients with their environmental needs in most regions of the globe. Gary's main focus is on environmental due diligence (including preliminary desktop data room reviews and Phase I and II environmental site assessments), soil and ground water investigation and remediation, and development of environmental programs. His experience includes managing environmental elements of acquisitions and divestitures, helping clients manage environmental transition activities following an acquisition, developing and implementing environmental management systems, and addressing environmental liabilities involving upstream and midstream assets. Most recently, Gary serves as a senior advisor at Edge Engineering & Science. Prior to joining Edge, Gary was CEO of Texanada Environmental Advisors. Prior to Texanada, Gary was a senior partner at Environmental Resources Management (ERM), where he served on the global senior leadership team. While a partner at ERM, Gary created a global client management program and served as key client director for ERM's two largest global clients. Gary joined ERM straight out of graduate school and was employed at the firm for over 27 years. He is a licensed professional geologist in the State of Texas, He received a Master of Science in geology from New Mexico State University and a Bachelor of Science in geology from the University of Texas.



SAM MCDONALD – VP BUSINESS DEVELOPMENT MIDLAND: Sam has 32 years of experience in the oil & gas business and is currently Chief Operating Officer of CBP Resource LLC, a production & development company holding Permian Basin conventional assets in Ward, Ector & Garza counties. Previous roles included Operations Manager for three Permian Basin startups: Tradition Resources LLC (TX, LA), Vess Oil Corporation (Permian, NTX) and VP of Operations for Rex Energy (Permian). Sam has a career managing technical and operating teams that have been successful increasing production and reducing expenses. Sam has been active in the Midland oil community for over 30 years and has an extensive network and knowledge base in the Permian Basin.

Sam began his oilfield career on workover and drilling rigs prior to spending 17 years with Halliburton Energy Services where he progressed through a series of positions of increasing responsibility in field engineering, district and regional operations and global account management. He was credited with two innovative horizontal completion procedural patents during his tenure with Halliburton. Mr. McDonald received his B.S. in Building Construction from Texas A&M University in 1983. He is a member of SPE and AADE.

Key Management

DEBI GORDON – VP REGULATORY MANAGEMENT: Debi began her career in 1986 working for Sun Production Company in the Supply Chain Management Department where she handled RFQ's for oilfield operations and maintained wellhead and OCTG inventories for the Houston Division. In 1987, she accepted a position with Meridian Oil which later became Burlington Resources. She held the position of Purchasing and Material Analyst for a few years before being transferred to the Regulatory Department working in the Houston Division as a Sr. Staff Analyst supporting the gulf coast operations from Texas to Alabama with exposure to OCSG waters. In 2006, after ConocoPhillips acquired Burlington, she resigned and founded Regulatory Solutions, LLC, a consulting company servicing the energy industry. As a consultant, she provided regulatory support for Newfield, Milagro, Evolution and EPNG to list a few companies. In 2008, she accepted a position with Rosetta Resources as Regulatory Manager and was responsible for managing the Regulatory, Production Accounting and the EHS Departments. Operations were located on the Blackfeet Indian Reservation in Montana and in South Texas. In July 2012, Debi accepted a Regulatory Manager position with Linn Energy. Linn's operations were extensive domestically and involved state, federal and Indian operations for the following states: California, Utah, Wyoming, Michigan, Illinois, Oklahoma, Colorado, New Mexico, Texas, Louisiana. Linn filed for bankruptcy in 2017 and upon emergence filed an entity name change to Riviera Resources at which time she was promoted to Director over Regulatory and EHS. In April 2020 she returned to Regulatory Solutions, LLC to provide consulting services to the energy industry.

Core Competencies

Business Development

- The management team has an extensive network of industry and financial contacts and knowledge base built over their combined 375 years in the industry.
- Outside of Houston, Sam McDonald and Nick Masten have been in the Midland oil and gas community for 30 and 20 years, respectively. Kevin McMillan has been in the Dallas oil and gas circles for almost 20 years.

Financial

- Tim has 36 years of experience in commercial banking, leveraged finance, alternative capital and private equity.
- Craig has been engaged with clients on financial and technical diligence all over the world for 30 years.
- Don McCormack has 13 years as a CAO, Controller, and CFO with public company experience and an extensive network.
- Kevin has over 32 years experience as a VP Finance, Treasurer, or CFO for private and public oil and gas companies.

Technical Evaluation / Asset Valuation

- Tim and Craig have technical backgrounds that have enhanced their financial perspectives when evaluating oil and gas assets.
- The technical team of reservoir engineers and geoscience experts are proficient in reservoir analysis, modeling, production forecasting, operating expense forecasting; geology, log and reservoir analysis.

Operations

- Steve, Mike and Sam have extensive experience in every aspect of field operations including drilling, completions, production operations, and production optimization, and have both led teams overseeing field crews and contractors.

Land and Contracts

- Jim Abney has managed land, legal, and contractual issues for large asset portfolios and in multiple acquisitions over 40 years.

Accounting and Financial Reporting

- Kevin and Don have extensive experience not only with accounting and financial reporting with both private and public companies, but with managing asset acquisitions and system integrations.

Marketing

- Tim, Kevin, and Don have experience in multiple situations managing production marketing and hedging.

Regulatory

- Debi has managed regulatory affairs for over 30 years for small to large cap independents all over the US including onshore, offshore, Federal land, and Indian Nation territories.

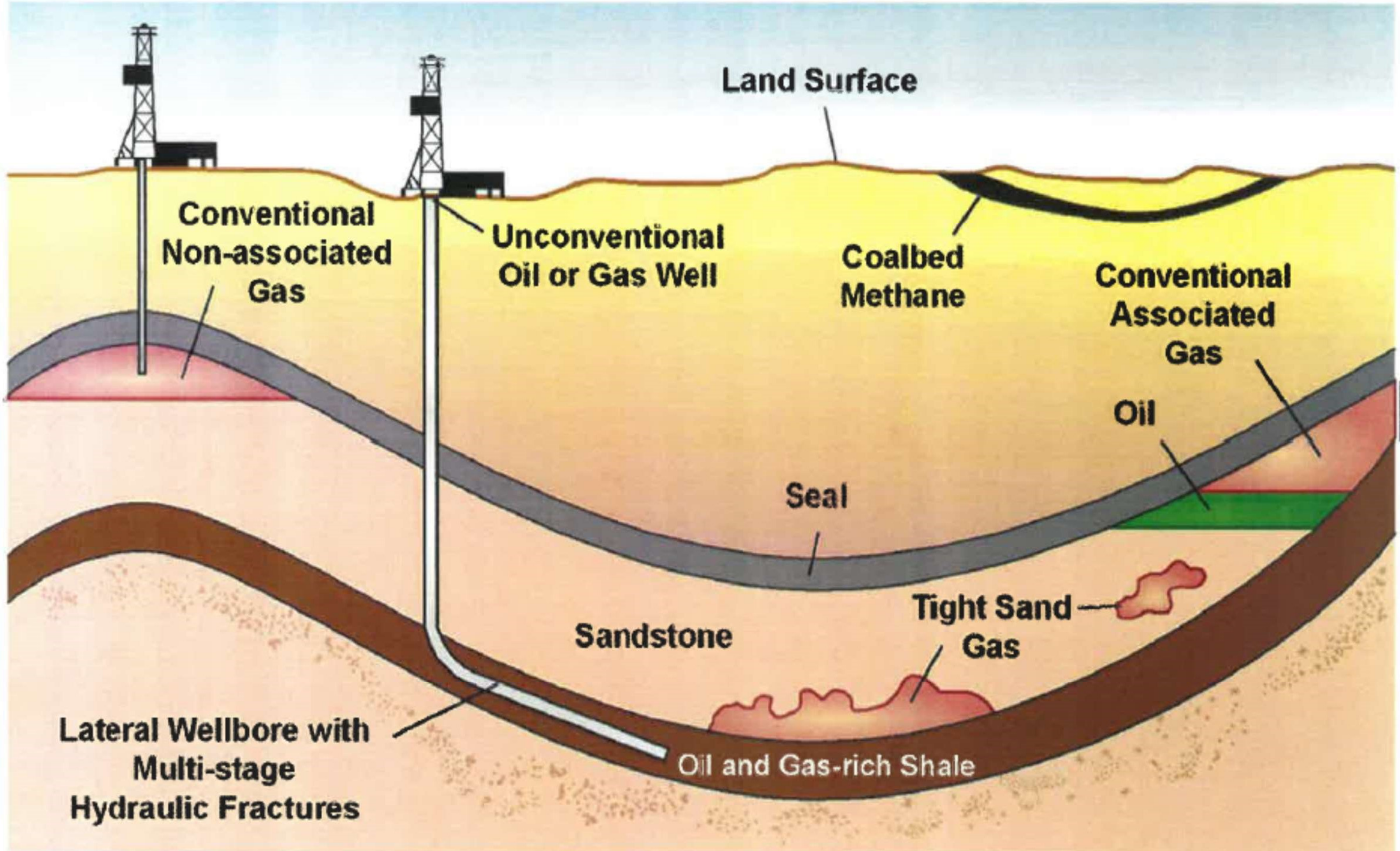
Safety and Environmental

- Gary has over 32 years of extensive experience managing HSE issues for multiple clients around the world.

Investment Process – Diligence through Execution Phase

- Define attractive target plays
- Identify specific acquisition targets
    - Prioritize according to prime location in the play and development upside
    - Rank acquisition targets with focus on distressed and non-strategic opportunities
    - Within the target list, seek neglected assets or those with operational efficiencies to be gained
    - Seek negotiated deals and avoid auctions unless it is an attractive situation
- Negotiate and execute an (exclusive) LOI
- Conduct Diligence
    - Technical
    - Land
    - Environmental
    - Financial and Marketing
    - Regulatory
    - Legal
- Execute PSA
- Conduct any final diligence and determine any title or environmental deficiencies
- Plan transition of operations
- Prepare capital plan to include remedial and return to production (“RTP”) projects to increase cash flow, and development work to enhance value. Capital plan will be predicated on current strip prices and available hedging capacity to mitigate downside price risk.
- Close acquisition
- Establish long term hedging program with a rolling quarter top-up
- Transition operations and accounting
- Execute capital plan

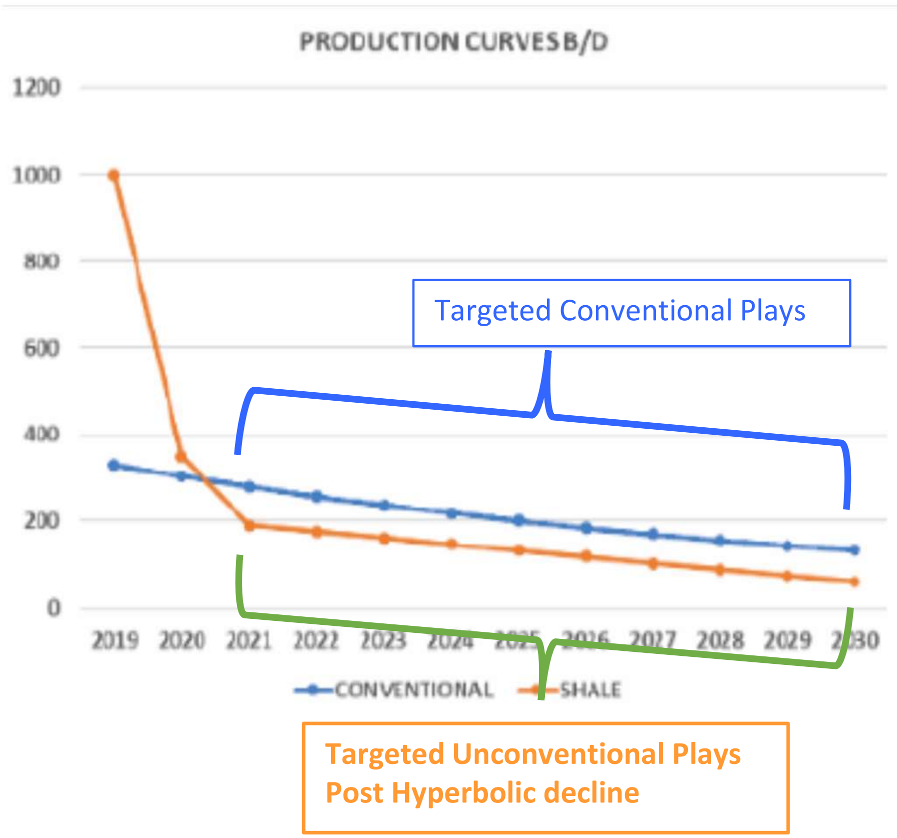
The Geology of Conventional and Unconventional Oil and Gas Plays



Source: U.S. Energy Information Administration (EIA).

Defining Targeted Plays

- Traditional differences between conventional and unconventional reservoirs
  - Lower cost drilling and more predictable production behavior
  - Typically, lower initial rate but more stable, longer economic productive life
  - Generally higher Return On Investment (“ROI”) but lower Internal rate Of Return (“IRR”)
- Conventional plays are out of favor with public companies, so acquisition cost is generally more reasonable
- Conventional plays have generally lower reservoir risk with less development uncertainty from parent-child effects
- Conventional plays with stable and predictable production are well-suited to yield-oriented investors
- Active Iron team’s experience positions them particularly well to capitalize on conventional plays



Summary of acquisition strategies:

- Prioritize Permian oil, East TX/North LA gas, Eagle Ford, and select Rockies and Gulf Coast
- Proved Developed Producing with redevelopment upside
- Remedial and RTP opportunities
- Deepening or plug back
- Recompletion with new completion technology
- Unconventional tail assets with well-defined decline rates
- De-emphasize auctions that have more competition
- Seek generation transfer sale opportunities
- Seek distressed seller and motivated creditor situations
- Manage foreclosed assets for creditors to earn equity upside
- Partner with best operators in the Basin

US Oil and Gas Industry Merger and Acquisition Update

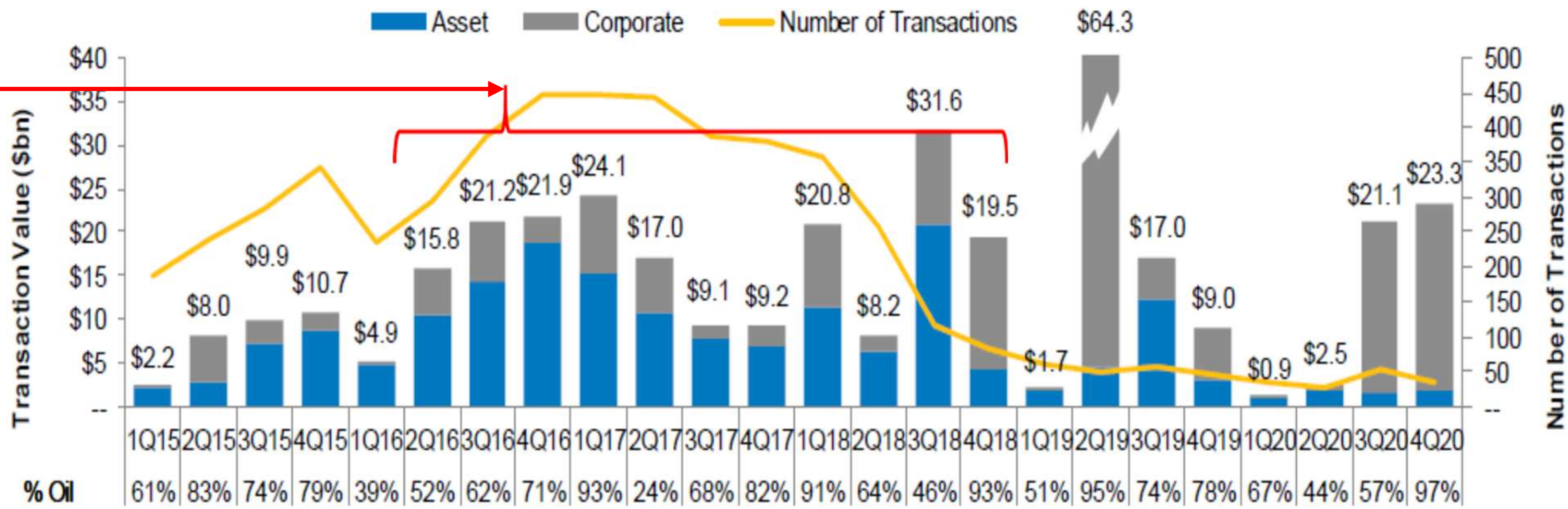
The US oil & gas industry is experiencing unprecedented stress due to a supply/demand imbalance caused by OPEC disharmony and the Covid-19 pandemic. Recovery is expected once the pandemic is controlled and economic activity resumes to near pre-pandemic levels.

- The US M&A (alternatively referred to as the Acquisition and Divestiture or "A&D") activity is near historical lows since the pandemic impacted the industry by temporarily reducing worldwide demand.
- Transactions closed pre-pandemic are not representative of the current market, as commodity prices and future expectations were an order of magnitude higher than that now.
- Bankruptcy asset sales ("363 sales") may not be representative of fair market valuations due to complexities of bankruptcy law and competing creditor tactics and maneuvers.
- The upstream segment has experienced 45 bankruptcies through November 2020 and expectations are the number will grow over the next year.
- Industry stress extends beyond the operators to the public markets and the historical capital providers to the industry. Post-pandemic, the historical capital providers to the industry have significant challenges with their investments and loan portfolios. New capital for the industry's recovery is extremely limited at this time. Most of the new capital sources in this environment are focused on capitalizing on distressed opportunities and rapid recoveries.
- Acquisition opportunities of distressed assets are plentiful, as well as divestitures of non-strategic assets to rationalize portfolios and raise cash for improving the balance sheet.

This is the most attractive acquisition environment the US oil industry has experienced since the mid-1980's. Access to capital in this environment can produce out-sized returns with even a modest return to pre-pandemic demand conditions.

Industry M&A Activity

Note the surge in buying activity following the 2014 downturn. Expectations are for a similar surge in 2021.



The 10 Most Recent Asset Transactions Over $20 Million

Ann'd Date	Buyer	Seller	Area	Asset Description	Value[1] ($mm)	Proved Multiple ($/boe)	Prod. Multiple ($/boe/d)	Net Acres ($/acre)
11-Nov-20	Terra Energy Partners LLC	Ursa Resources	Other Rockies	~41,000 net acres in Piceance Basin	$60	n.a.	$4,800	$1,463
08-Nov-20	Ameredev LLC	Lilis Energy	Permian	16,584 net acres in Delaware Basin	$47	$3.30	$10,553	$2,810
03-Nov-20	Penn Virginia	Rocky Creek Resources	Eagle Ford	4,100 net acres in Eagle Ford	$38	n.a.	$41,729	$9,364
27-Oct-20	EQT	Chevron	Marcellus/Utica	550,000 net acres in Appalachia	$735	n.a.	$9,800	$1,336
13-Oct-20	Tapstone Energy LLC	Chesapeake	Mid-Continent	752,000 net acres in Mid-Continent	$130	$2.24	$8,153	$173
05-Oct-20	BHP Billiton	Hess	Gulf of Mexico	Gulf of Mexico assets	$505	n.a.	$45,909	n.a.
02-Oct-20	Mesquite Energy	Gavilan Resources	Eagle Ford	77,000 net acres in Eagle Ford	$50	n.a.	$1,842	$649
01-Oct-20	Undisclosed Buyer	Callon	Multi-Region	Non-op assets	$30	n.a.	$18,750	n.a.
01-Oct-20	Kimmeridge Energy	Callon	Multi-Region	Overriding royalty interests	$140	n.a.	$65,421	nmf
30-Sep-20	Continental, Franco-Nevada	Undisclosed Seller	Mid-Continent	SCOOP/STACK mineral assets	$24	n.a.	n.a.	nmf

Blue = BMO provided transaction advisory services Green = BMO provided acquisition financing, financing support, or related services
Purple = BMO provided both transaction advisory services and acquisition financing or related services

Industry M&A Activity over Last Twelve Months

Vinson&Elkins

https://www.velaw.com/insights/turbulent-times-key-trends-challenges-and-opportunities-in-the-oil-gas-market-in-2020-and-beyond/

COVID-19 and subsequent oil price collapse, what do you anticipate to be the mid-term impact for the industry?

- Companies are understandably demonstrating caution when it comes to future investment commitments . . . .
- Conversely, we anticipate an uptick in M&A activity in the mid-term led by distressed sales and consolidation in the upstream sector.
- As we saw following the last major oil price dip in 2016, we anticipate a steep rise in disputes in the industry, many of which will be triggered by an increase in defaults, as JOA partners struggle to pay cash calls and post decommissioning security. Work programs and budgets are typically approved by operating committees during the fourth quarter of each year, while decommissioning security typically expires and will need to be renewed towards the end of the calendar year. Companies should be thinking ahead and preparing contingency plans to avoid the risks of forfeiture or withering of their interests in a default scenario.

E&P opportunities and hotspots – Who, what and where to watch in 2020, 2021?

- The current crisis presents opportunities for a range of potential buyers. . . . . . .
- We expect there to be significant activity in upstream asset and share sales, especially as stronger field partners move to buy out their smaller partners who are in need of capital.
- In terms of “hotspots”, the current crisis has exposed the challenges faced by the US shale industry, including relatively high transportation costs and break-even prices. This was very publicly illustrated when WTI contracts traded at negative prices for the first time in history, triggered by a lack of available storage capacity leaving buyers unable to take physical delivery of crude

Industry M&A Activity over Last Twelve Months

S&P Global
Market Intelligence

https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/consolidation-coming-oil-companies-set-to-party-like-it-s-1999-58753567

- The oil industry tailspin created by a combination of glutted markets, weak demand and lingering apprehension over coronavirus shutdowns will lead to a wave of consolidation, energy experts agreed. And if history is a guide, megadeals may be on the horizon.

New wave of bankruptcy coming

- A decade of limited returns have also made bankers more cautious about lending based on the value of oil reserves.
- The latest oil price plunge has prompted banks to reduce some producers' borrowing base, credit often determined and secured by the value of oil and gas reserves. Production shut-ins and low prices have made it difficult for lenders to cut borrowing bases without triggering deficiencies and sending companies into a "death spiral" ending in bankruptcy, according to Buddy Clark, a partner at law firm Haynes and Boone.
- "What we're already seeing is unsecured bondholders are as deep underwater as equity is, and the second liens are under water," Clark said. "First-lien secured banks are going to be impaired on a number of these filings. Those banks are not at all interested in becoming oil and gas companies or amassing a bunch of oil and gas assets."
- During the bankruptcy cycle that accompanied the oil price crash in late 2014, equity holders got wiped out while bondholders swapped debt for equity and took control of the companies, often leaving management teams in place. The new equity holders resolved to hunker down and await the oil price recovery. Management teams were hesitant to trade their positions for equity stakes in combined companies and worried that Wall Street would not reward M&A.
- This time around, experts expect fewer reorganizations through the Chapter 11 process and more Chapter 7 liquidations and asset sales through the 363-sale process in bankruptcy, ultimately leading to fewer operators.

Representative Transactions over the Last Twelve Months

The following examples are selective recent transactions relevant to AIEM's strategy

❑ Diamondback Conventional on the CBP in the Permian - $322 MM (July 2019)

- Diamondback divests non-core conventional assets on the Central Basin Platform ("CBP") in the Permian
- Sale price was 4.1x LTM cash flow and ~12% discounted present value of the PDP assets
- The Permian CBP is a primary acquisition target for AIEM due to expansive conventional and legacy non-strategic opportunities

❑ ConocoPhillips Waddell Ranch on the CBP in the Permian - $184 MM (March 2020)

- ConocoPhillips divestiture of the legacy conventional Waddell Ranch Field
- Sale price was 8.4x LTM cash flow and ~4% discounted present value of the PDP assets
- Sale price reflects major oil company divestiture with significant proven upside from horizontal development and updated completion technology from offset operators

❑ Grizzly Energy- Big Horn, Powder River and Permian packages - $58 MM (December 2020)

- Grizzly was under pressure to monetize all assets by its bank lenders. Of the 11 packages offered, only 3 attracted bids. The sale price reflected a very motivated seller in a distressed situation.
- Sale price was 3.2x LTM cash flow and ~28% discounted present value of the PDP assets
- Based on PDP reserve values, the Permian package accounted for $11MM of the $58 MM sale price. AIEM's bid of $20 MM for the Permian package did not make the second round (AIEM bid was non-cash and for only one package)

Diamondback – Conventional and non-Core Permian - $320 MM (1/3)

The current proceeds from the sale of the conventional and non-core assets that were acquired as part of its acquisition of Energen for $9.2 B in 2018 would help in debt reduction and would bring down company's debt to capital ratio to 21%, well below the 33% industry's average

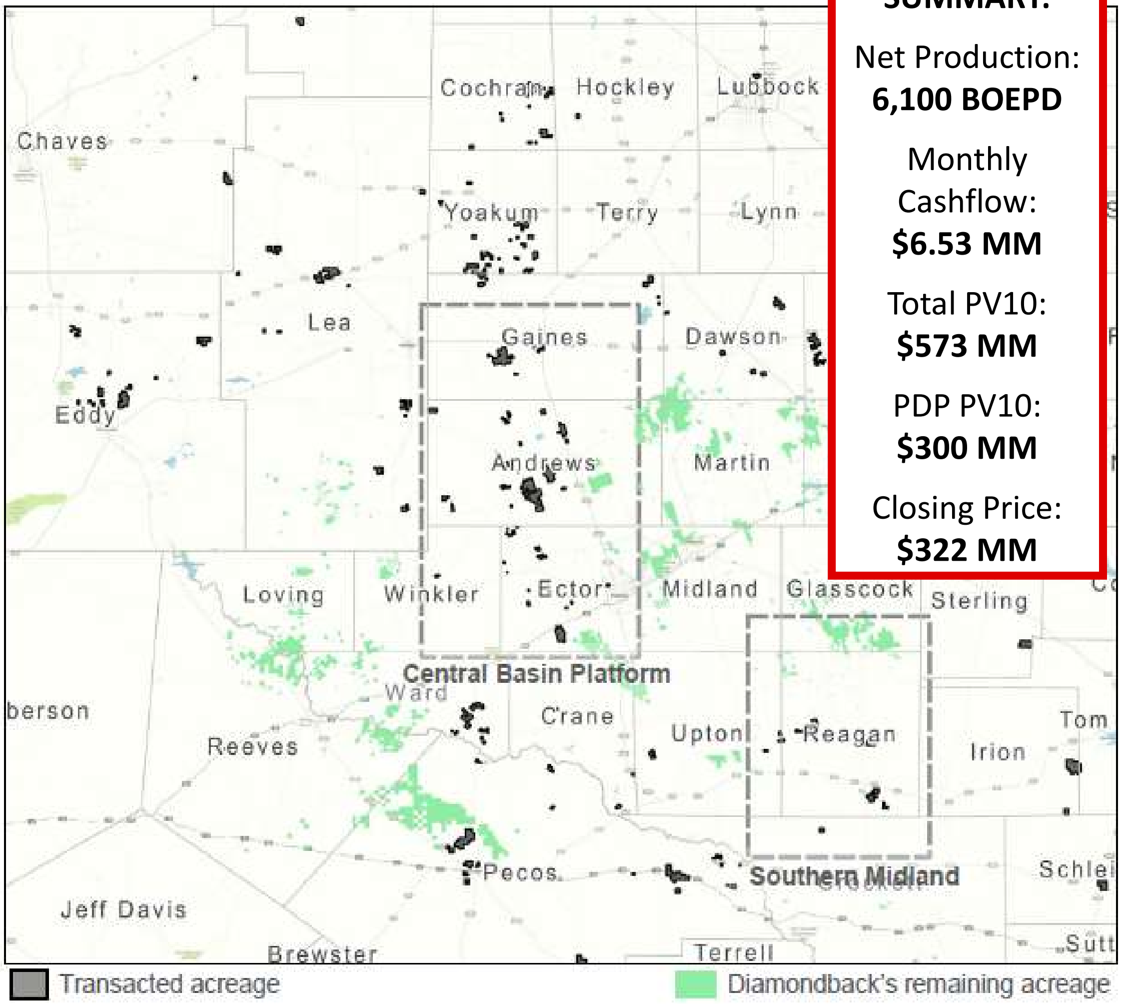
Diamondback grew its assets by 123% Y/Y to ~461,000 net acres in Permian basin in 2018

Highlights:

- Assets have been split as follows:
  - -- Central Basin Platform (CBP)
  - -- Southern Midland
  - -- Other assets
- Covers **103,423** net acres (92% operated, ~46% Northwest Shelf/other, ~29% CBP, ~25% Eastern Shelf)
- Includes **1,989** PDP wells (1,045 Eastern Shelf, 748 CBP and 197 Northwest Shelf/other)
- Proved Reserves (effective as of 1-Mar-2019): **64.35 MMBOE** (~84% oil, ~9% NGL, ~7 gas, 46% PDP, 10% PDNP)
- Proved PV10 (as of 1-Mar-2019): **$573 million**
- 2019E Production: **~6.1 MBOE/d** (87% oil)
- Estimated annual cash flow (annualized based on Jan-2018 through Sep-2018): **$78.4 million** (~59% Eastern Shelf, ~33% CBP, ~8% Northwest Shelf/other)
- Also, covers **6,589** net non-core acres in Crockett Co. and Reagan Co., TX in southern Midland basin and 2019E production: **~400 BOE/d**

Agreement terms:

- **$322 million** total gross proceeds from two divestitures
- Expected to close by July 2019, subject to necessary approvals



SUMMARY:

Net Production:
6,100 BOEPD

Monthly Cashflow:
$6.53 MM

Total PV10:
$573 MM

PDP PV10:
$300 MM

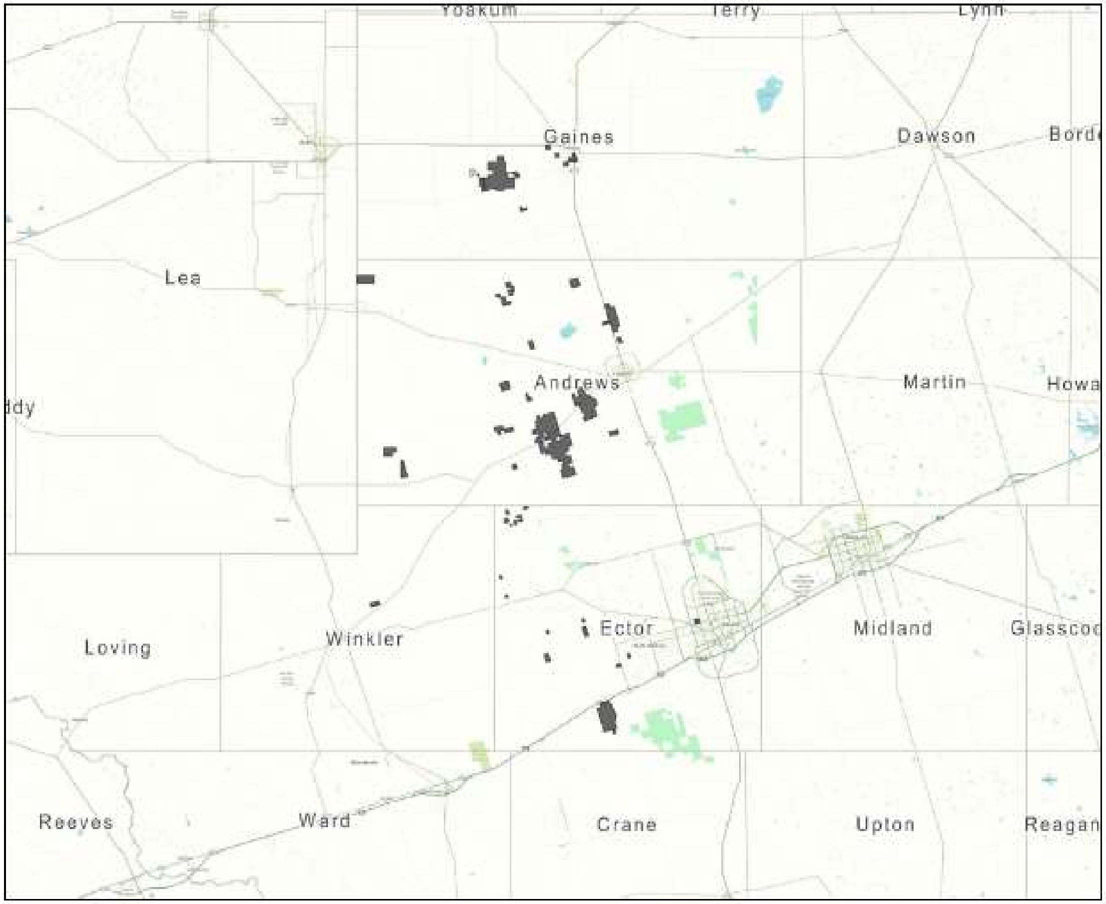
Closing Price:
$322 MM

Diamondback – Conventional and non-Core Permian - $320 MM (2/3)

Central Basin Platform (CBP)

Highlights:

- Located primarily in Andrews Co., Ector Co., and Gaines Co., TX and also in Winkler Co., TX
- Includes North Robertson, Fuhrman-Mascho, and East Penwell fields
- Covers **30,311** net acres (100% HBP, 95% operated)
- Holds **81%** operated WI
- Targets Clear Fork and San Andres formations with upside from San Andres and Clear Fork horizontals, Clear Fork re-acidizing and Grayburg pay adds
- Includes **748** PDP wells (501 Fuhrman-Mascho, 163 North Robertson and 72 East Penwell)
- PDP PV-10: **$85.3** million (~50% North Robertson, ~34% Fuhrman-Mascho, ~16% East Penwell)
- Estimated annual cash flow (annualized based on Jan-2018 through Sep-2018): **$25.8** million
- Offset operators (developing the San Andres horizontally) include Ring Energy, Lime Rock, Sheridan and Parallel Petroleum



Transacted acreage

Diamondback's remaining acreage

Diamondback – Conventional and non-Core Permian - $320 MM (3/3)

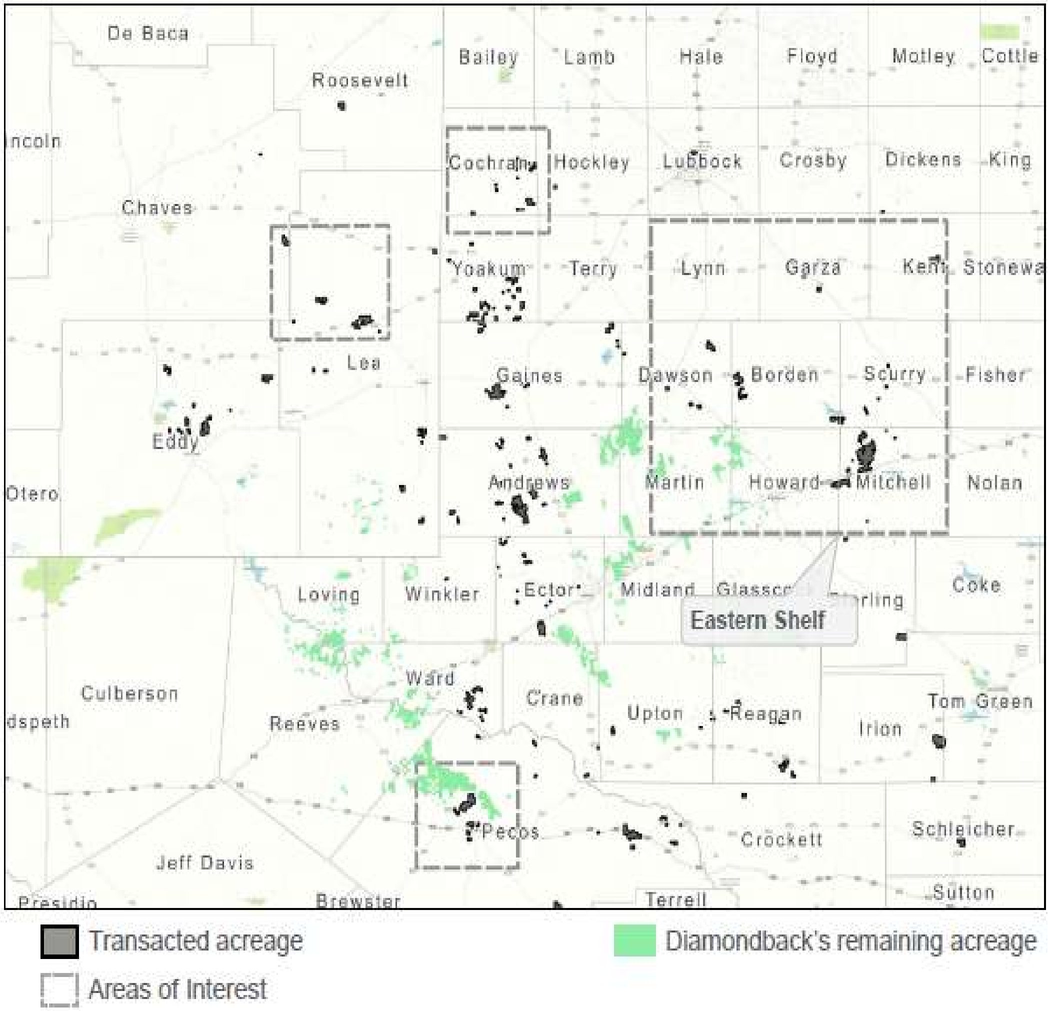
Highlights:

Northwest Shelf/ Other

- Located across Texas and New Mexico
- Major fields include Whiteface Unit, West Lovington, and Fort Stockton
- Covers **47,495** net acres (46% operated)
- Holds **74% operated WI**
- Includes 197 PDP wells;
- Net Production during Sep-2018: **1.037 MBOE/d** (63% oil)
- Estimated annual cash flow (annualized based on January-2018 through September-2018): $6.1 million

Eastern Shelf

- Located primarily in Mitchell Co., Howard Co., and Scurry Co., TX and also in Dawson Co., Borden Co., Garza Co., and Kent Co., TX
- Covers **25,617 net acres** (99% operated, 95% operated WI)
- Includes Westbrook and Iatan fields
- Targets Clear Fork, Glorietta and San Andres formations with upside from Clear Fork and San Andres pay adds and Pennsylvanian horizontals
- Includes 1,045 PDP wells (888 Westbrook and 148 Iatan)
- PDP PV-10: $191.6 million (~87% Westbrook, ~13% Iatan)
- Net Production during Sep-2018: **3.285 MBOE/d** (99% oil, ~85% Westbrook, ~14% Iatan)
- Estimated annual cash flow (annualized based on Jan-2018 through Sep-2018): $46.5 million



Conoco Phillips Waddell Ranch Sale - $184MM (1/3)

Permian Basin Central Basin Platform ("CBP")– Attractive conventional target area

ConocoPhillips Company ("COPC") is offering for sale certain operated Central Basin Platform oil and gas properties in Crane County, Texas. RBC Richardson Barr ("RBC") has been retained as exclusive advisor to COPC on this transaction.

Opportunity Highlights

Generational, Permian Conventional Asset

- Multiple, prolific oil fields with nearly 600 MMboe recovered to date
  - Four active waterfloods, including Sand Hills and Dune
- Contiguous, 100% operated CBP position held in fee covering all depths
- Current net production of 4,600 boe/d(1)

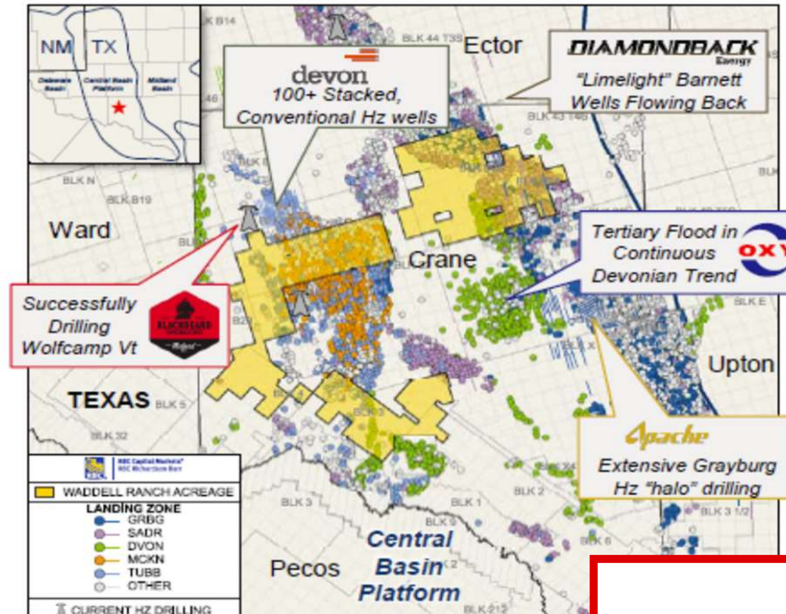
Numerous Upsides in Target Rich Southern CBP Oil Play

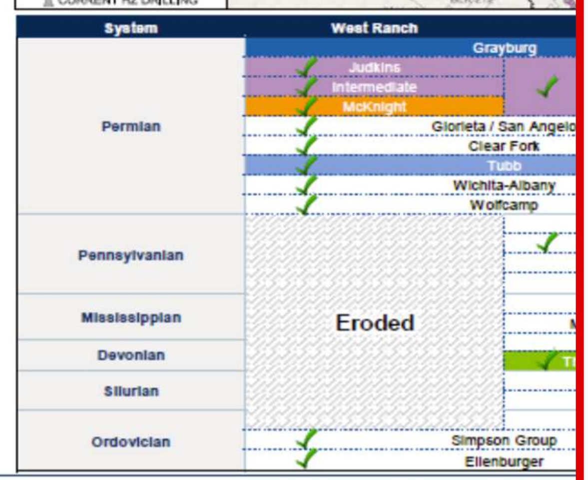
- Active production from thirteen unique oil formations
- Large, virtually-untapped horizontal potential across asset
  - Directly offsets Stronghold (formerly Devon) multi-zone horizontal development
  - Devonian Hz upside adjacent to Blk-31 and East Ranch production
  - Barnett play evolving in nearby Diamondback "Limelight" prospect
- Vertical Wolfcamp potential offset to ongoing Blackbeard development
- Significant inventory of readily executable opportunities including recompletions, injector cleanouts, LOE reduction, and lift optimization

Substantial Free Cash Flow Engine

- LTM Operating Cash Flow of ~$22 MM(2)
- Production declining at only 6% annually with minimal investment in recent years
- Numbers presented herein are net of net profits interests (NPI) – details to be provided in Data Room

Key Asset Statistics	
Operator	COPC
Gross Acres / Net Acres	~77,000 / ~39,000 (oil), ~44,000 (gas)
Net Production (% Liquids)(1)	4,600 boe/d (67%)
LTM Operating CF ($MM)(2)	~$22 MM
Producing Wells	~900





Denotes producing formation at Waddell Ranch.

RBC Capital Markets

SUMMARY:

Net Production:

4,600 BOEPD

Monthly Cashflow: **$1.83 MM**

Total PV10: **$460 MM**

PDP PV10: **$138 MM**

Closing Price:

$184 MM

1 (1) As of June 2019.
(2) As of May 2019. Includes impact of NPIs.

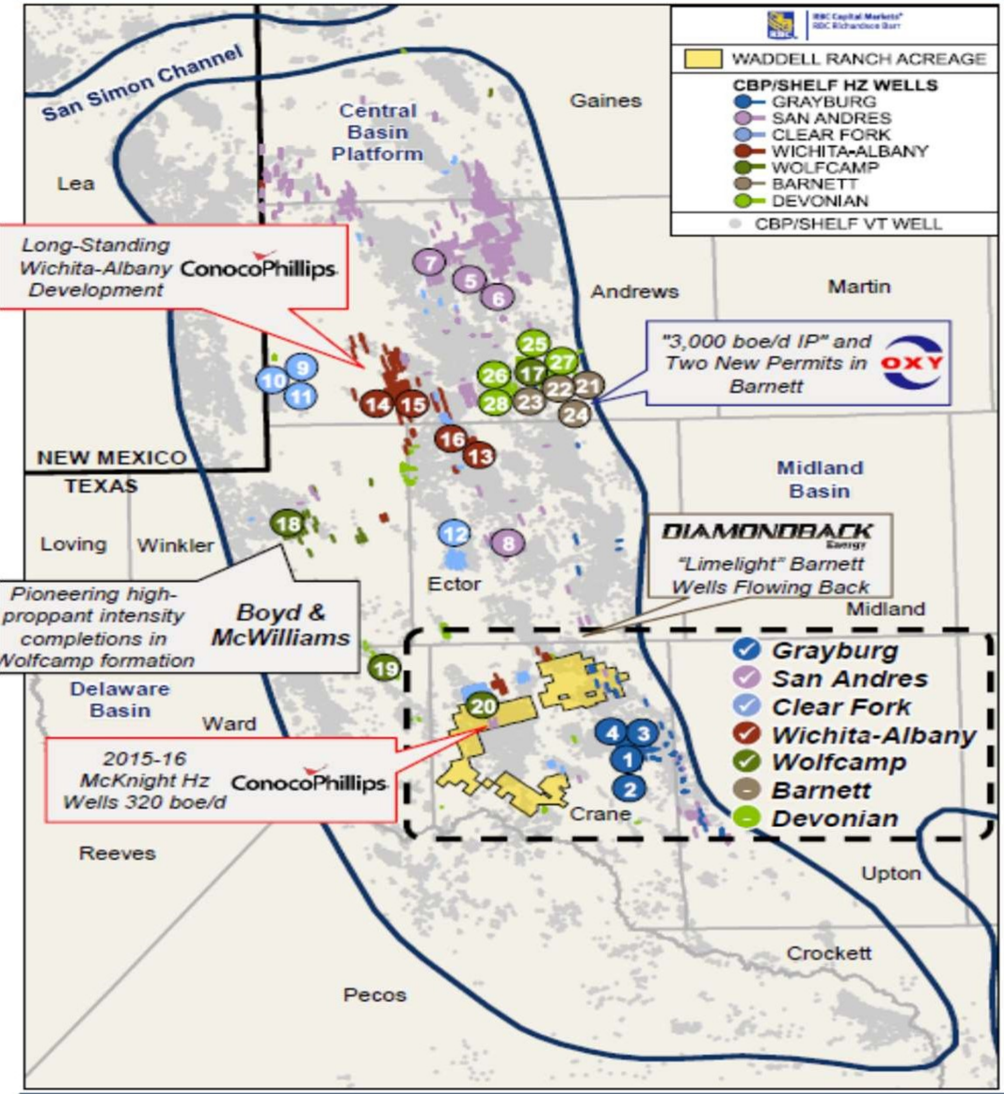
Conoco Phillips Waddell Ranch Sale - $184MM (2/3)

Although Conventional for over 100 years, CBP has attractive opportunities with new completion technology

All Major CBP Horizontal Trends In-Play at Waddell Ranch

Top-well results across the CBP support large, undeveloped Hz potential at Waddell Ranch

Locator Map



2 Denotes derisked target   Denotes prospective target

Top 2015+ Hz Wells by Formation

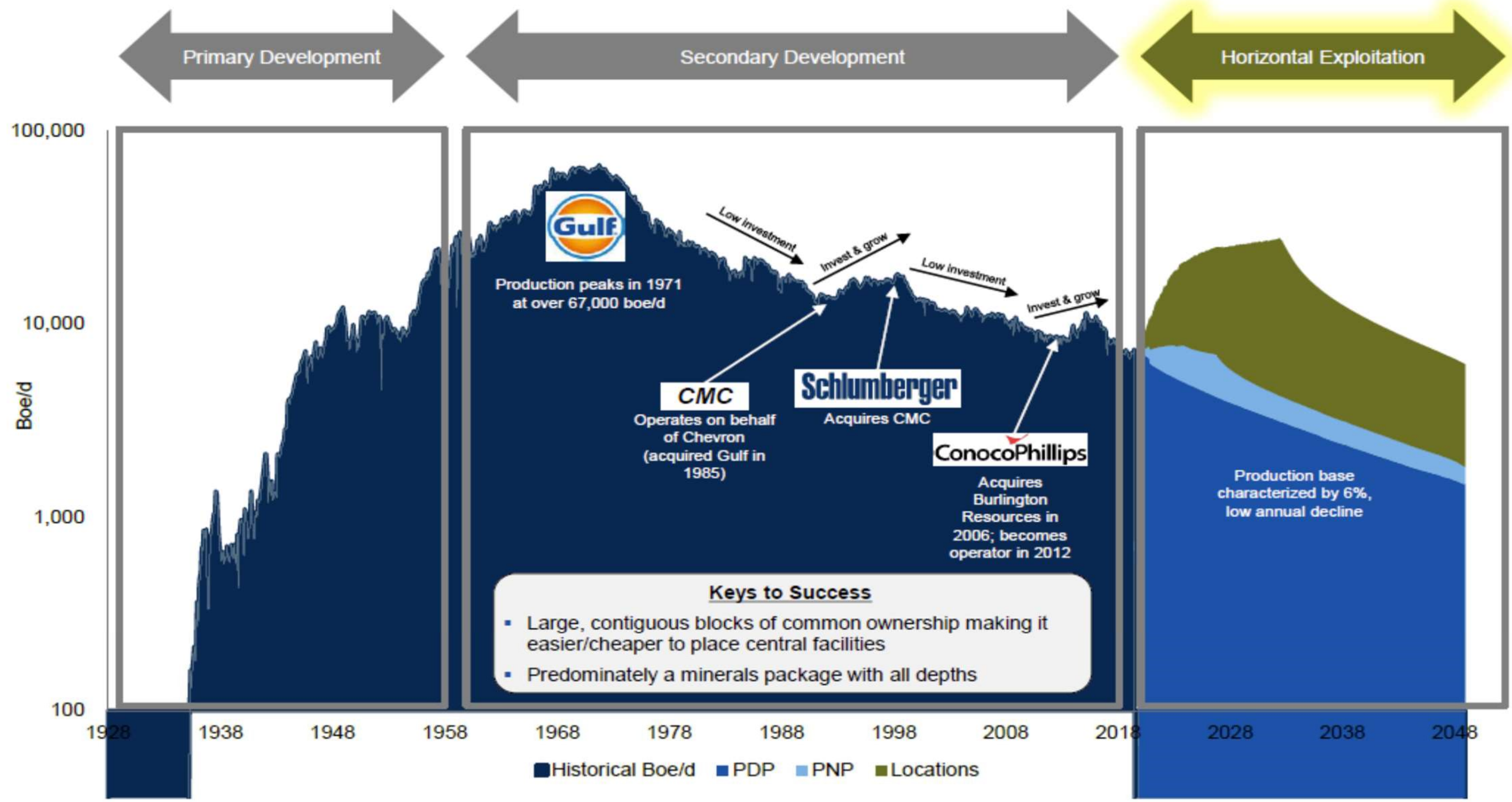
Zone	#	Well Name	Operator	Compl Year	IP30 (boe/d)	% Oil	LL (ft)	Propp Int (lbs/ft)
Grayburg	1	UNIVERSITY LANDS 42 1HR	APACHE	2011	563	92%	4,322	294
	2	COWDEN 10 6H	APACHE	2013	474	91%	4,060	329
	3	UNIVERSITY LANDS 36 3H	APACHE	2013	412	89%	4,028	276
	4	UNIVERSITY LANDS 36 5H	APACHE	2014	380	82%	-	-
San Andres	5	UNIVERSITY JV 14 8H	PACESETTER	2016	929	99%	7,588	683
	6	UNIVERSITY JV 14 3H	PACESETTER	2016	869	97%	10,065	669
	7	JAFFREY 5AH	LIME ROCK	2018	726	97%	8,323	501
	8	PARKER MINERALS 8B 4H	SHERIDAN	2018	701	88%	5,737	366
Clear Fork	9	DOLLARHIDE NORTH UNIT 512H	OXY	2017	565	94%	4,401	1,820
	10	DOLLARHIDE NORTH UNIT 511H	OXY	2017	431	94%	4,399	1,773
	11	DOLLARHIDE NORTH UNIT 508H	OXY	2016	338	97%	4,014	1,202
	12	TXL NORTH UNIT 1029H	APACHE	2013	300	78%	4,183	-
Wichita-Albany	13	EMBAR 1702H	COPC	2016	1,508	65%	4,279	542
	14	THREE BAR SHALLOW UNIT 105H	APACHE	2012	1,056	77%	5,276	356
	15	THREE BAR SHALLOW UNIT 101H	APACHE	2012	889	92%	4,870	83
	16	COLE 1208H	COPC	2018	880	82%	5,277	894
Wolfcamp	17	UNIVERSITY BLK 9 UNIT 101H	EXXONMOBIL	2017	454	90%	7,411	1,217
	18	COACHWHIP 25 2H	BOYD & MCWILLIAMS	2017	443	89%	4,342	996
	19	SEALY SMITH FOUNDATION 1049H	OXY	2017	419	71%	7,402	655
	20	MCKNIGHT M B 507H	DEVON	2013	394	75%	4,497	224
Barnett	21	UNIVERSITY 1 30 8H	ZARVONA	2019	1,434	75%	10,096	1,390
	22	UL G 1-22 UNIT 5H	ELEVATION	2018	1,323	63%	5,870	2,578
	23	UL G 1-28 UNIT 2H	ELEVATION	2018	1,208	69%	6,810	2,712
	24	UNIVERSITY 1-37 UNIT 6H	ZARVONA	2018	1,174	75%	10,277	1,373
Devonian	25	UNIVERSITY 1-20 4H	ELEVATION	2016	1,610	61%	4,954	518
	26	UNIVERSITY FV 2H	LIME ROCK	2015	1,267	88%	4,160	572
	27	UNIVERSITY 1-20 3H	ELEVATION	2015	935	60%	4,454	468
	28	UNIVERSITY LANDS 31 2H	LIME ROCK	2017	764	83%	6,091	634

Conoco Phillips Waddell Ranch Sale - $184MM (3/3)

New completion technology can produce very attractive returns in old conventional fields

Long History of Successful Development by COPC and Predecessors

Multiple Operators Able to Grow Production – Gross Oil Equiv. (Two Stream)



Multi-zone performance with over 450 MMBbls and 836 Bcf of cumulative production to date [1]

Grizzly Energy sells Permian and Rockies assets – $58 MM (1/4)

Contango Announces Signing of Agreement to Acquire Oily, Low Decline Assets in Big Horn, Permian, and Powder River Basins

FORT WORTH, Texas, Nov. 30, 2020 (GLOBE NEWSWIRE) -- Contango Oil & Gas Company (NYSE American: MCF) ("Contango" or the "Company") announced today that it has entered into an asset purchase agreement to acquire assets in the Big Horn, Permian, and Powder River Basins via a bank owned liquidation of assets.

HIGHLIGHTS

- Acquisition of PDP heavy reserves for $58 million in cash, subject to customary purchase price adjustments, representing more than a 50% discount to producing reserve value[1]
- Adds significant volumes of low-decline liquids production requiring minimal maintenance capital
- Pro forma for the Mid-Con Energy merger and this acquisition, Contango's net producing oil annual decline rate to drop to approximately 11% during 2021
- Pro forma[2] for the Mid-Con Energy merger, these assets are expected to increase Contango's reserve value by approximately 36%
- Unlevered payback period on these assets estimated to be 2.7 years at 11/27/20 strip. Long-lived, conventional asset package is expected to retain a majority of its value and production volumes through payout and continue to produce significant cash flow thereafter
- Significant potential for cash flow optimization through Contango's proven ability to cut costs on acquired assets. Large scale assets will also provide future inventory of low-risk capital projects that we are currently evaluating

TRANSACTION DETAILS

The executed purchase and sale agreement provides that Contango will acquire approximately 7.5 Mboe/d of production (as of 8/1/20), approximately 18.3 Mmboe of PDP reserves (unaudited), and ~182,000 net acres (100% HBP) across the package for a total purchase price of $58 million subject to customary purchase price adjustments.

Production from the acquired assets is liquids weighted at >55% oil and NGLs, and the acreage is 100% held-by-production. The largest property in the package, the Elk Basin Field (Big Horn Basin), is a conventional asset which has been producing from multiple horizons for over 100 years. This field has produced in excess of 500 million barrels of oil since discovery with historic estimates of the OOIP in excess of 1.2 billion barrels. This field currently produces approximately 2 Mboe/d (87% oil and 100% liquids), having exhibited low single digit decline rates for several decades. The second largest asset in the portfolio, located on the Central Basin Platform and Northwest Shelf areas of the Permian Basin, currently produces 3.8 Mboe/d (40% oil and 59% liquids).

Contango's acquisition of 3 of the Grizzly sale packages was the latest asset sale in 2020

- $58 MM cash for PDP assets with aggregate PV10% of $111 MM (approximately 52% discount with lower strip as of 8/20/20)
- Acquisition metrics: less than $8,000/flowing BOE and $3.17 per PDP BOE…both well below pre-COVID market levels
- AIEM offered a $20 MM bid for the Permian package but didn't make the second round (equivalent Contango bid was ~$11 MM)
  - Permian package was negative cash flow in 2020 due to significant number of marginal wells operated at post-COVID oil and gas prices
  - Identified P&A liability was >$14 MM
  - AIEM's principal interest in the package was the Red Lake Field on the Northwest Shelf in New Mexico
  - If funded, we intend to pursue negotiations with Contango for just the Red Lake Field (Contango CFO is close long-time friend of THM)

SUMMARY:

Net Production: **7,500 BOEPD**

Monthly Cashflow: **$1.5 MM**

Total PV10: **$220 MM**

PDP PV10: **$111 MM**

Closing Price: **$58 MM**

Grizzly Energy sells Permian and Rockies assets – $58 MM (2/4)

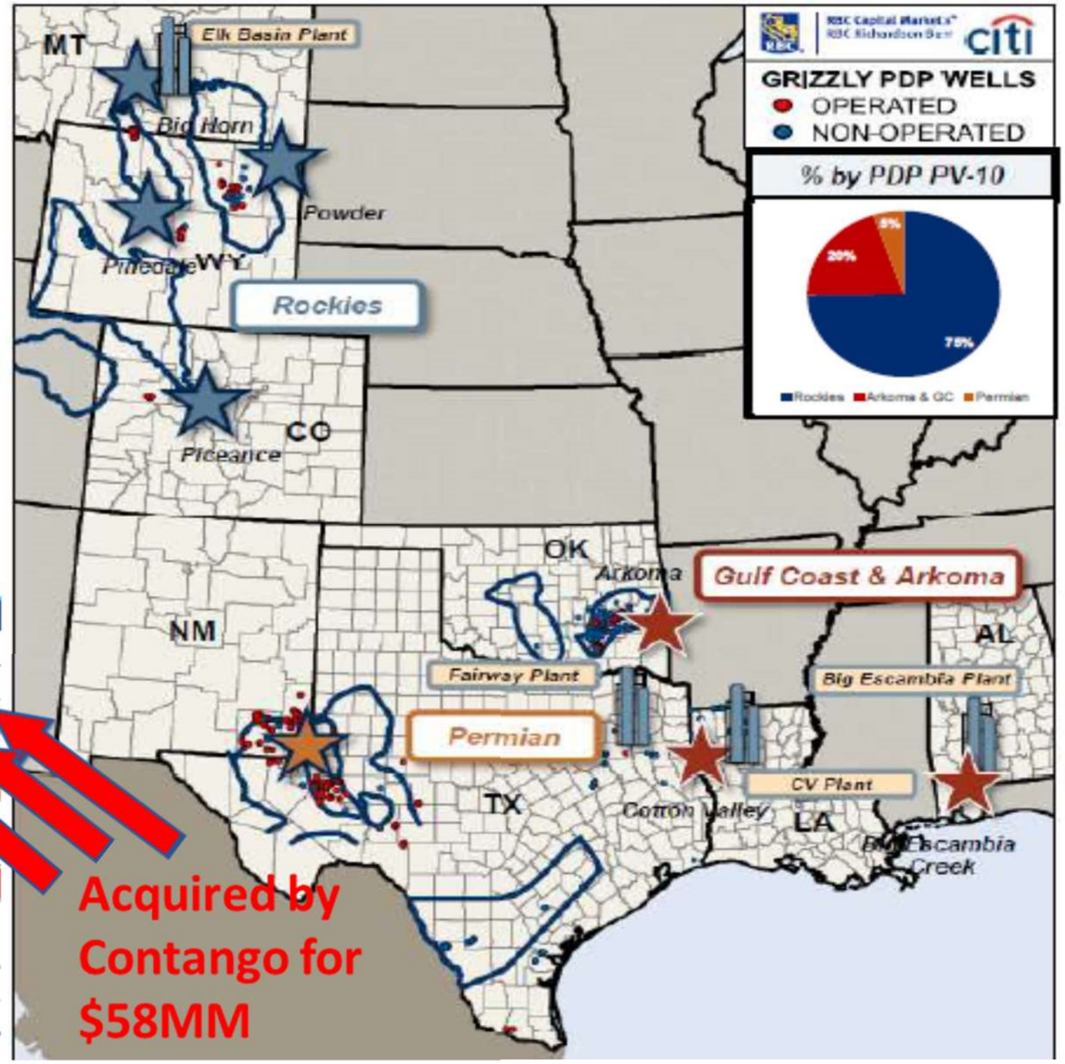
Grizzly Assets Provide an Attractive, Diversified CF Base

Grizzly Energy, LLC ("Grizzly") is considering the sale of certain oil and gas assets and has retained RBC Richardson Barr ("RBC") and Citigroup Global Markets Inc. ("Citi") as exclusive advisors for the transaction.

Key Attractions[1]

- ✓ Stable, low-decline production of ~212 mmcfepd (30% liquids) across multiple established and prolific basins
- ✓ 2021E PDP OCF of nearly $100mm provides optionality to grow production across attractive upside projects
- ✓ 100% HBP acreage provides long runway for thousands of drilling locations with increasing prices
- ✓ Substantial backlog of additional quick-hitting, capital efficient behind pipe and operational upside opportunities
- ✓ Multi-basin footprint and commodity mix limits volatility and exposure to regional pricing blowouts

Key Area	Net Prod. (mmcfepd)	% Gas (%)	2021E PDP OCF ($mm)	2021E Total OCF ($mm)	PDP PV_{10} ($mm)	Total PV_{10} ($mm)
Rockies	**141.7**	**75%**	**69.5**	**70.2**	**314.4**	**327.2**
Piceance	52.6	71%	24.3	24.4	120.6	123.6
Pinedale (All Non-Op)	67.0	87%	31.1	31.2	104.1	104.1
Big Horn	11.7	0%	11.8	12.4	85.4	95.2
Powder River	10.3	100%	2.3	2.3	4.3	4.3
Permian	**22.0**	**36%**	**4.5**	**7.8**	**21.2**	**120.8**
Permian NM	13.9	25%	5.2	8.2	21.0	119.1
Permian TX	8.1	56%	(0.8)	(0.4)	0.2	1.7
Gulf Coast & Arkoma	**48.7**	**71%**	**20.2**	**63.0**	**84.5**	**165.2**
Arkoma	29.2	93%	12.2	19.1	52.9	121.2
Big Escambia	9.7	10%	3.8	4.4	17.1	27.4
ETX Fairway	1.1	38%	1.1	1.1	2.9	2.9
STX	0.2	68%	(0.1)	(0.1)	(0.5)	(0.5)
Cotton Valley (All Non-Op)	8.6	70%	3.1	3.3	12.2	14.3



3 Note: NYMEX pricing as of 08.20.2020.
(1) Estimated cash flow, production and PV values as of August 2020.

When managing the energy business for Guggenheim, THM's Houston team acquired this asset in 6/06 for $177MM and sold to Grizzly/Vanguard predecessor for $233MM in 7/07

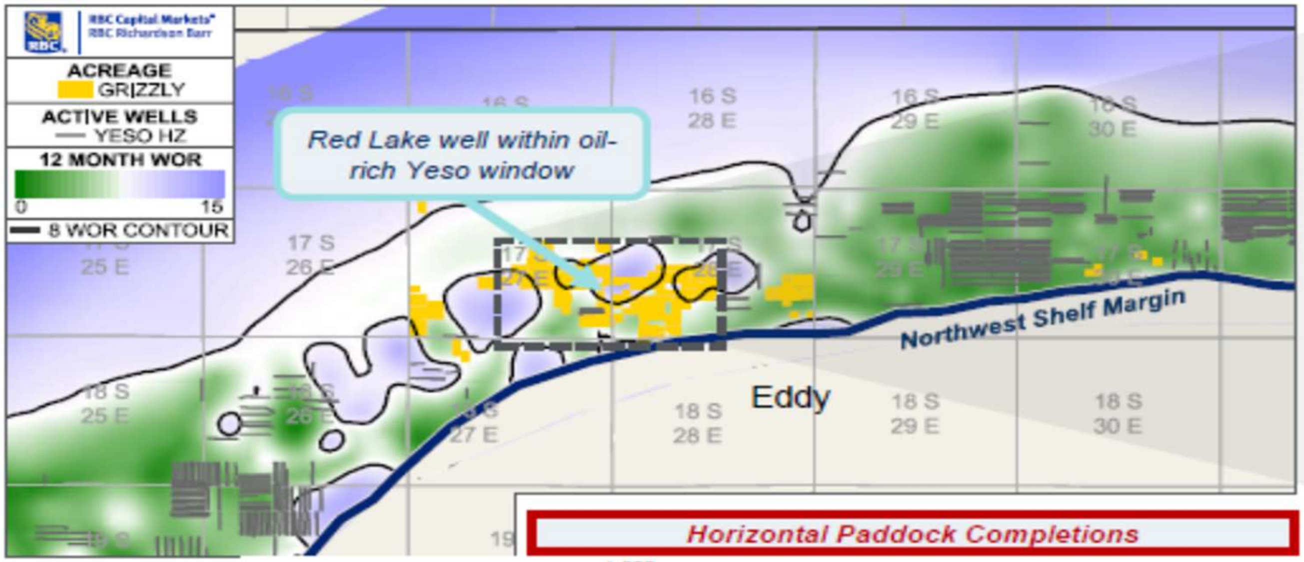
Grizzly Energy sells Permian and Rockies assets – $58 MM (3/4)

Spur acquired Percussion for ~$400MM in 4/19 and Concho's position for $980MM in 9/19

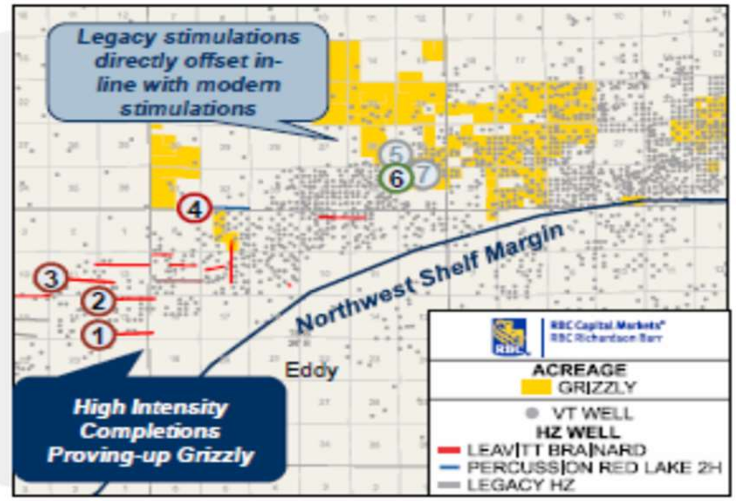
Grizzly Sits at Heart of Recent Red Lake HZ Development

Grizzly's Red Lake position provides multi-bench, horizontal inventory that is highly economic at current pricing.

Grizzly Red Lake Lies Within the Core Fairway of the Horizontal Yeso Play

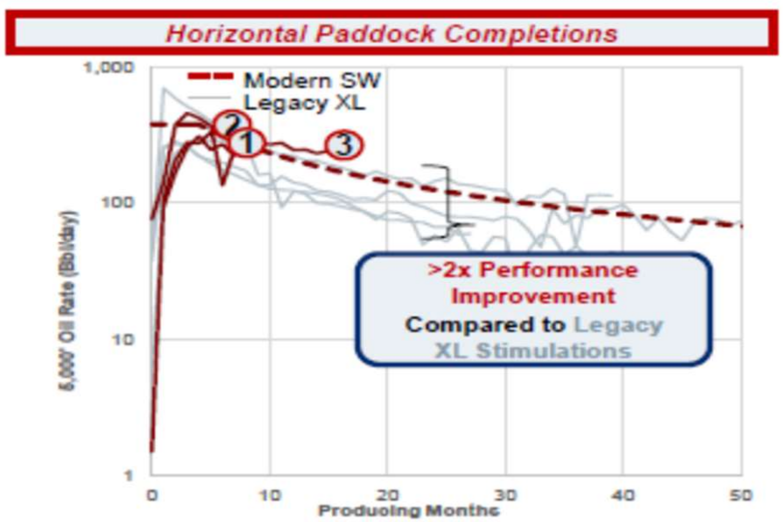


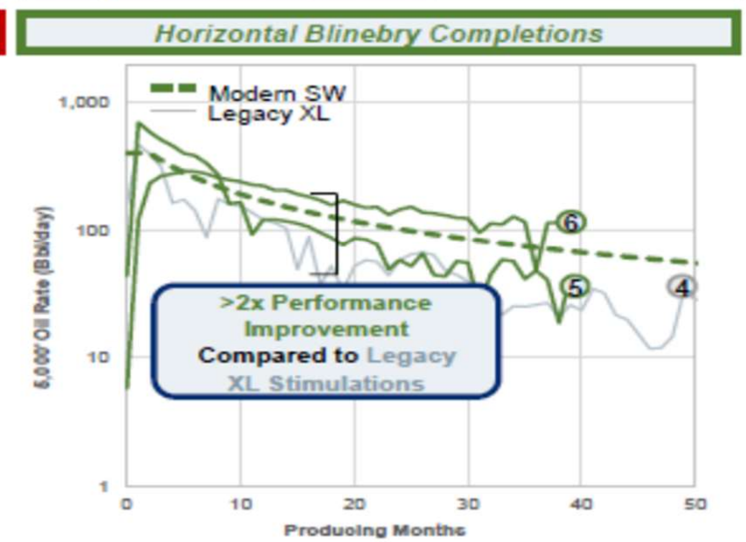
Recent Yeso Results Prove-Up Grizzly



Commentary

- While horizontal development of the Yeso along the NW Shelf has been ongoing since the mid 2000's, high-intensity completions are relatively new
- Percussion's 2018-2019 completions highlighted the prolific potential of the Yeso via enhanced completions
- Recent Lime Rock and Spur completions in the Red Lake area near Grizzly expand the commercial extents of the play
- The Beech Federal Paddock / Blinebry stack pad established the Blinebry as a comparable resource to the Paddock

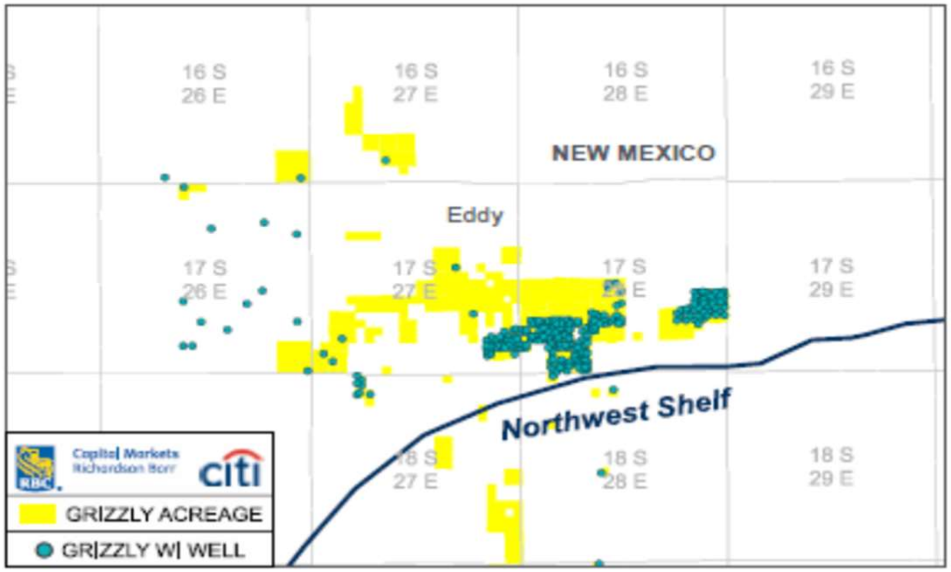




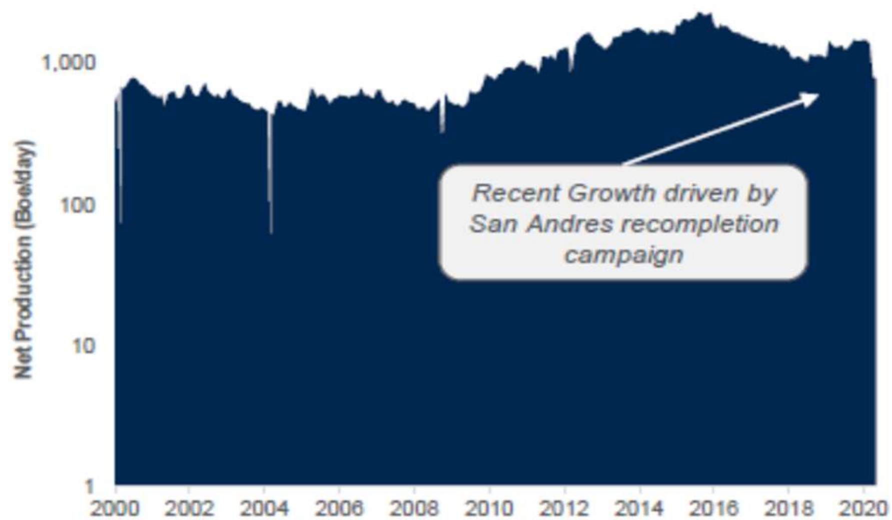
Grizzly Energy sells Permian and Rockies assets – $58 MM (4/4)

Red Lake Asset Overview

Asset Locator Map



Net Production | Boe/day



Reserves Summary

Category	Wells	Net Res. (MBoe)	Dev. Capex ($MM)	Net PV_{10} ($MM)
PDP (1)	130	2,881	-	$18.8
PDNP (2)	10	64	-	$0.3
PBP	104	4,356	$24	$25.3
UND	107	28,137	$217	$72.5
Grand Total	351	35,437	$241	$116.9

Note: Nymex pricing as of 08.20.2020.
(1) Includes COPAS reimbursement; Excludes P&A co
(2) Includes curtailed wells forecasted to RTP in 2021.

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Asset Overview

Operator	Grizzly
Major Fields	Red Lake
Acreage	8,291
Average WI / NRI, %	87% / 68%
Est. Net Production	1,519 boe/day (48% oil)
PDP Well Count	130
Main Formation(s)	Yeso (Paddock & Blinebry), San Andres, Queen, Yates and Penn
Development Potential & Unquantified upside	- San Andres recompletions and commingles - Horizontal Paddock and Blinebry new drills o new drills

There is significant upside in remedial, re-fracs, and horizontal development in this neglected asset

Capital Markets Richardson Barr citi

Active Iron Energy Pipeline at 12/1/20 - $5.2 BN of Opportunities

This was the AIEM pipeline of prospective deals compiled for an investor who requested larger targets. Many of these are proprietary or public, so names are redacted. Smaller deals grow with bolt-on and non-consent interests added over time.

Status	Opportunity	Location	Description	Broker	Capital Required	AIEM Commitment	Timing	Comments
2	A	Houston, TX	fka Vanguard MLP prior to exiting BK in 7/19. Banks are now forcing corporate asset liquidation offered in several packages. AIEM interest was solely in the Permian package. Mostly conventional stripper wells in NM and TX with significant attractive recompletion upside in NM Red Lake Field. Most of other properties have breakeven to negative cash flow post COVID with significant P&A liabilities.	RBC	low/no cash bid offered $20MM in value with contingent upside for banks	$20	Bids were due 10/21/20	Offered no cash partnership bid; AIEM would invest to recomplete the Red Lake wells (60+% IRRs at current strip) and Dune East Field. Banks were unresponsive. Offered to buy Red Lake PDP at PV20% and invest in recompletions, Banks earning a back in after AIEM recovered recompletion capital plus a return. No response.
1	B	Denver, CO	EnCap backed company drilling Wolfcamp wells in the southern Midland Basin on 26,600 net acres in Irion County. 100% operated 72 wells, 32 horizontal producing 8,400 BOEPD (62% liquids) with PDP PV10% of $135MM. 2020 EBITDA $37MM and 2021 $32MM. Significant lease extensions and lease saving wells required.	Jefferies	at $12k/flowing BOE average in the market 2018-19, indicated bid would be $100MM, equivalent to ~3.1x NTM EBITDA	$100	Bids due 12/9/20	Awaiting diligence answers but the WC leases may not hold the shallow depths. It seems the shallow depths may be marginal in any event. We have moved this to the back burner until we have answers on lease depths and vertical well performance.
1	C	Shreveport, LA	Local operator active in the Haynesville and Cotton Valley for decades looking to monetize latest partnership. Operates 27,400 acres 90% HBP'd producing 96 MMCFED (97% gas) with PDP of $183MM and NTM cash flow of $51MM. Opportunity to acquire additional interest from JIO Nadal & Gussman	Stephens	at $1,900/flowing MCFE (average in the market 2018-19), indicated bid would be $182MM or ~3.6X NTM EBITDA	$182	Post bid deadline	Sale process has been terminated. Now dealing directly with the owner/operator. Awaiting confirmation of funding before proceeding.
1	D	Houston, TX	Outreach to this premier operator backed by Quantum in the Cotton Valley and Haynesville	N/A		$0	unsolicited	Awaiting feedback form Quantum board meeting post-Thanksgiving.
1	E	Fort Worth, TX	Outreach to Texland resulted in this opportunity to acquire a family company after the patriarch recently passed. Great Western owns a significant acreage and production base on the CBP with upside of redevelopment and secondary recovery exploitation. Texland would evaluate and negotiate in partnership with AIEM and operate post acquisition.	N/A		$0	unsolicited	Awaiting confirmation of funding before proceeding.
1	F	Houston, TX	Outreach to this private operator backed by private investors to acquire Permian assets.	N/A		$0	unsolicited	Awaiting confirmation of funding before proceeding.
1	G	*San Antonio, TX*	Private company may need capital infusion to recapitalize and expand development of its substantial Eagle Ford acreage position.	N/A		$0	unsolicited	Awaiting confirmation of funding before proceeding.
1	H	Fort Worth, TX	Small CBP mineral and WI package with 38 PDP wells producing 2,100 BOEPD. PDP PV10% $47MM with NTM cash flow $11.5MM. Minerals in 36 wells operated by Four Corners with PDP PV10% $4MM and $900k NTM cash flow. 14,000 net acres but depth limited with 15 potential vertical locations	Detring Energy Advisors	at $12k/flowing BOE (average in the market 2018-19), indicated bid would be $25MM plus 5x mineral cash flow ($4.5MM) for total ~$30MM	$30	Bids due December 9th	
1	I	Houston, TX	Potential partnership to aggregate small interest, orphan acreage and wells in the Permian CBP.	N/A		$250	unsolicited	Awaiting confirmation of funding before proceeding.
1	J	Dallas, TX	Potential partnership/acquisition of large family office non-op portfolio.	N/A		$500	unsolicited	Awaiting confirmation of funding before proceeding.
1	K	Midland. TX	Potential partnership/acquisition of large family office non-op portfolio.	N/A		$0	unsolicited	Awaiting confirmation of funding before proceeding.

Active Iron Energy Pipeline at 12/1/20 (continued)

Status	Opportunity	Location	Description	Broker	Capital Required	AIEM Commitment	Timing	Comments
1	L	Denver, CO	Former client of THM and 5 time portfolio company of Yorktown. SW Wyoming redevelopment of gas condensate trend originally developed by majors and now divested. Gas is sold to CA, condensate to Salt Lake refiners to dilute their Uinta Basin crude, and sulfur to a recently enlarged fertilizer plant in SL - all products receive premium prices due to location. There are multiple recompletions and bolt on opportunities in this trend.	N/A		$100	unsolicited	Awaiting confirmation of funding before proceeding.
1	M	Houston, TX	strategic divestiture of 42,000 acres in the core of the southern end of the Eagle Ford. 625 mature horizontal wells producing 29,000 BOEPD (71% oil) with PDP PV10% of $779MM. 2020 decline of 37%, 2021 decline estimated 26%. Potential for EOR analogous to offset operators. 2H20E EBITDA $106MM, 2021 $179MM, 2022 $139MM, 2023 $113MM, 2024 $94MM. Eagle Ford 27 PUDs with IRRs of 46%->80%, >100 locations economic at >$50 oil. Austin Chalk 28 PUDs with IRRs > 100% . May be required to hire current employees operating the assets.	Jefferies	at $40k/flowing BOE average in the market 2018-19, indicated bid would be $1.2BN, equivalent to 6.7x NTM EBITDA	$1,200	unsolicited	Awaiting confirmation of funding before proceeding.
1	N	Dallas, TX	strategic divestiture by private company with 43,400 acres in Permian Midland Basin producing 50,000 BOEPD	N/A	at $40k/flowing BOE (average in the market 2018-19), indicated bid would be $2 BN	$2,000	unsolicited	Awaiting confirmation of funding before proceeding.
1	O	Houston, TX	strategic divestiture by public company of multiple lower-48 natural gas assets. 821 wells in Fayetteville play producing 139 MMCFED from mature, low decline wells (10.3% in 2020). Dry gas production with little reservoir or regulatory risk, and low basis differentials. PDP PV10% $264MM with operating cash flow of $67MM in 2020, $51MM in 2021, $39MM in 2022, $32MM in 2023	N/A	at $1,900/flowing MCFE (average in the market 2018-19), indicated bid would be $264MM or 5.2X NTM operating cash flow	$264	unsolicited	Awaiting confirmation of funding before proceeding.
	P	Houston, TX	strategic divestiture by public company of multiple lower-48 natural gas assets. East Texas Cotton Valley and Haynesville Shale with 363 horizontal and 2,230 vertical wells producing 478 MMCFED on moderate decline (16.4% in 2020). PDP PV10% $1,088MM with 2020 operating cash flow of $311MM, 2021 $229MM, 2022 $171MM, 2023 $138MM.	N/A	at $1,900/flowing MCFE (average in the market 2018-19), indicated bid would be $908MM or ~4X NTM EBITDA	$908	unsolicited	Awaiting confirmation of funding before proceeding.
1	Q	Dallas, TX	private company with 190,000 acres in the Haynesville producing 790 MMCFED	N/A	at $1,900/flowing MCFE (average in the market 2018-19), indicated bid would be $361MM	$361	unsolicited	Awaiting confirmation of funding before proceeding.
1	R	Houston, TX	strategic divestiture of 360,000 acres on the CBP with 2,763 producing wells and 3,284 SI wells. Average 92 wells P&A over last 3 years. Net production 7,700 BOEPD 62% oil on 5% annual decline. PDP PV10% $249MM with EBITDA 2H20 of $16MM, average $36MM for next 4 years. May be required to hire current employees operating the assets.	N/A	at $40k/flowing BOE average in the market 2018-19, indicated bid would be $308MM, equivalent to 8.5x NTM EBITDA	$250	unsolicited	Significant presence on the CBP with secondary and tertiary operations, likely significant neglected and sub-optimal operations for years. Likely significant LOE savings from improving efficiency versus large public company cost structure. Plentiful opportunities to apply new completion technology to old conventional fields as well as exploiting deeper horizons that others have proven attractive on the CBP. Awaiting confirmation of funding before proceeding.
1	S	Houston, TX	Potential JV with private company backed by private fund ivestors. Zarvona has significant PDP in the Brookeland Field of SE Texas, with an attractive Austin Chalk development opportunity. CA expected prior to evaluating the opportunity.	N/A	TBD	TBD	unsolicited	
						$5,257		

Status

1 =Preliminary material received or meeting scheduled
2 =Indicative proposal made
3 =Indicative terms agreed to
4 =In documentation and due diligence
5 =Closed
6 =Declined or lost opportunity
Public Company

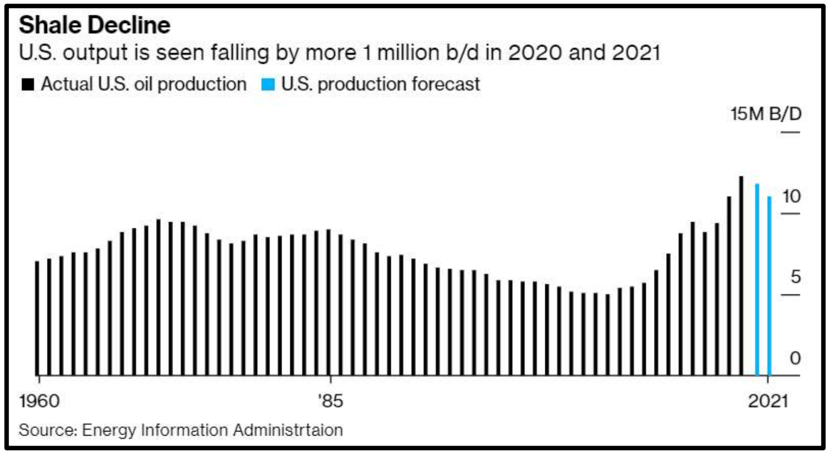
Appendix

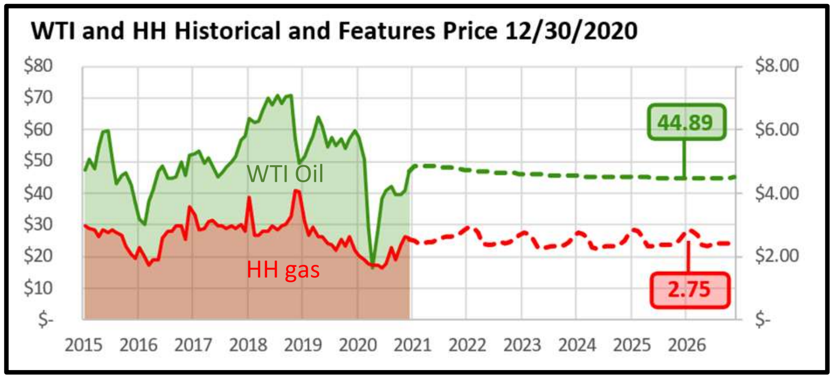
- **Industry Fundamentals**
- **Goldman Sachs Research**
- **ESG Outlook**

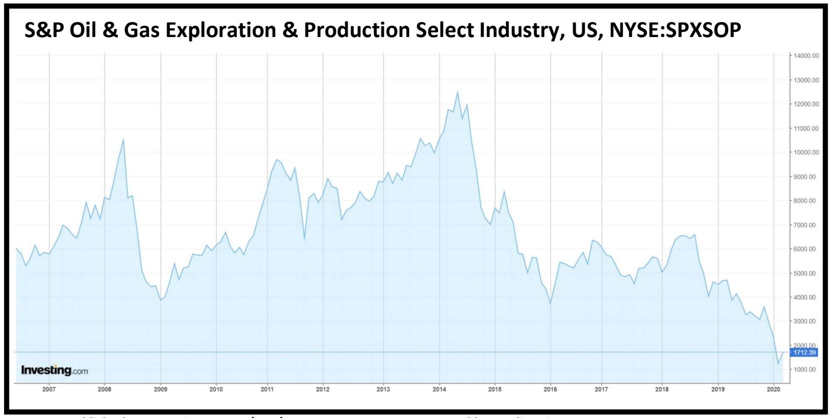
Industry Fundamentals

- Drop in global demand due to pandemic quarantine and associated economic recession
- OPEC production increases due to price war between Russia, Saudi Arabia, and American unconventional producers
- Over-investment in drilling and production development during the last five years has increased US production by 4.2 MMBOPD
- Capital investment has dried up with lower prices and production has begun to drop as of December 2019 and is forecast to decline by more than 1 MMBOPD in 2020 and another 1 MMBOPD in 2021 (EIA)
- Record storage surplus of 800+ MMBBL in first six months of 2020
- Shut in mature production may never come back due to difficulties of restarting operations
- Tens of thousands of oil wells in the United States are at or below break-even based on current prices, but with price increases based on NYMEX oil futures, these wells will have significant value in the next few years
- Current S&P O&G Exploration and Production Index (2,650) has started a recovery from historic low point in 2020 (1,142), but still well below historical levels over the last thirteen years
- US upstream companies experienced a decline of more than 25% in year-over-year equity valuations – opportunities to acquire assets at attractive valuations
- Financial stress in the US upstream has been growing with already overextended companies and assets additionally devalued
    - 46 upstream bankruptcies with $53+ BN of debt in 2020
    - 42 upstream bankruptcies in 2019 (31 in 2018)
    - $200 billion of debt maturing in the next 4 years (+$40 billion in 2021)
- OPEC+ recent announcement to cut production by 1 million per day in light of their expectation of continued depressed demand due to COVID

Sources: Forbes.com, Nsenergybusiness.com, Gordonbrothers.com, SPGglobal.com, Ogj.com, Bloomberg.com







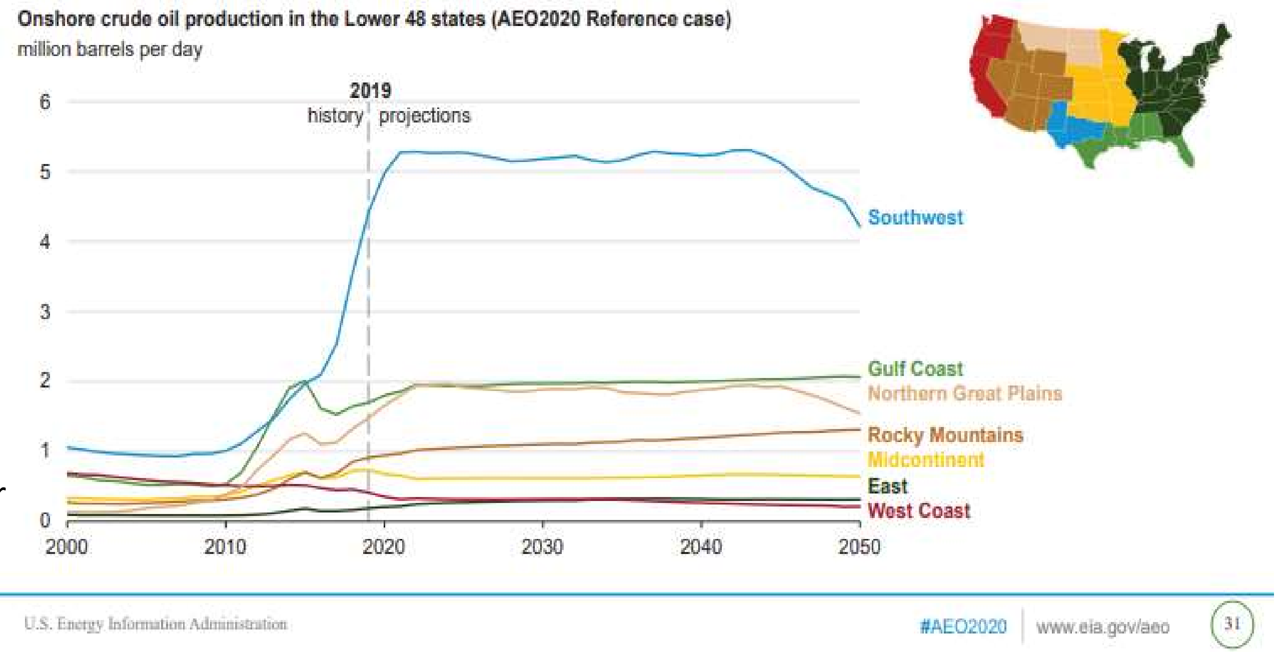
Source: Published on Investing.com, 3/Apr/2020 – 18:38:00 GMT, Powered by TradingView.

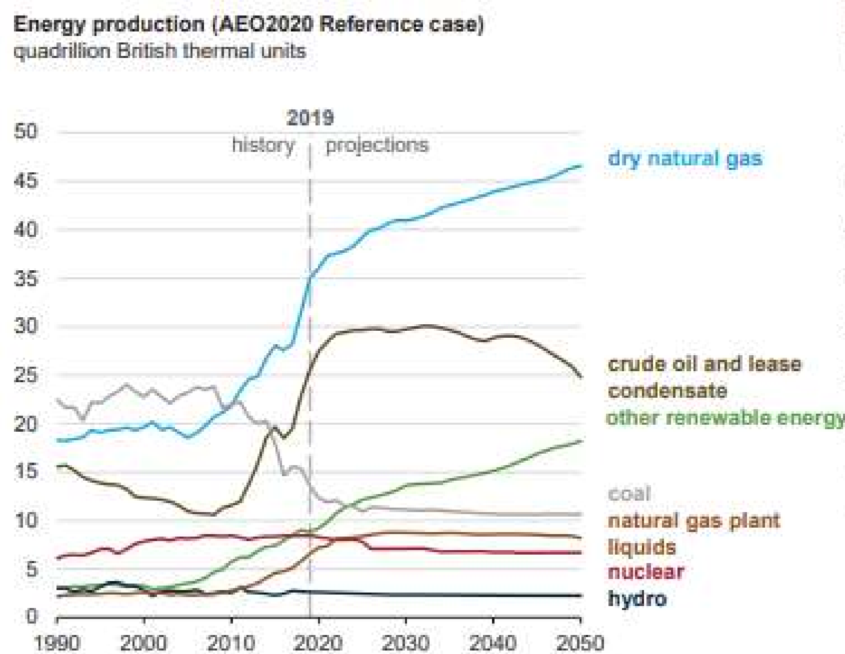
U.S. Energy Information Administration – Projections to 2050

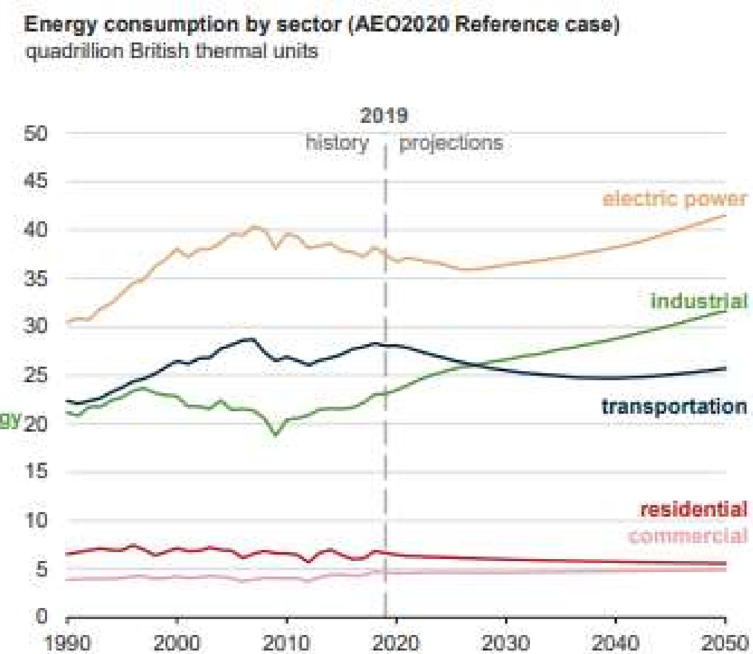
- The US EIA has issued the Annual Energy Outlook 2020 with Projections to 2050

https://www.eia.gov/outlooks/aeo/pdf/AEO2020%20Full%20Report.pdf

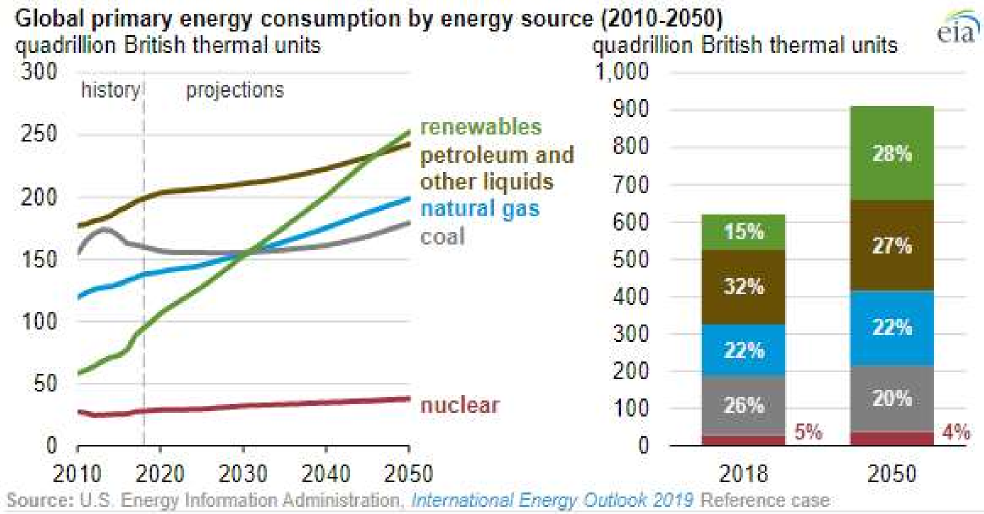
- Projections for oil production remain nearly flat for 20+ years
- Projections for natural gas production continue to rise throughout the 30-year period
- Projections for other renewables rise at the same rate as natural gas throughout the 30-year period
- Projections for coal continue to fall then flatten over the same time frame

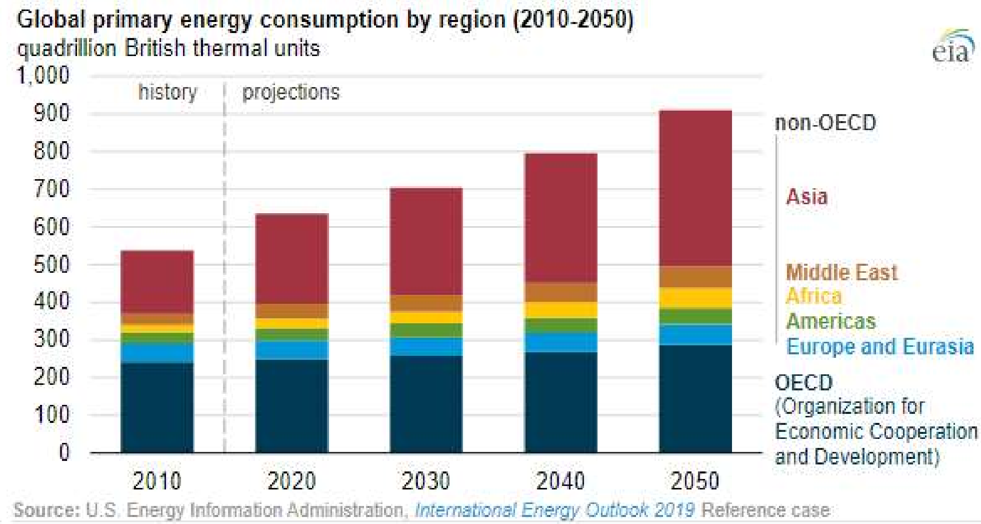






World Energy Demand from 2020 to 2050

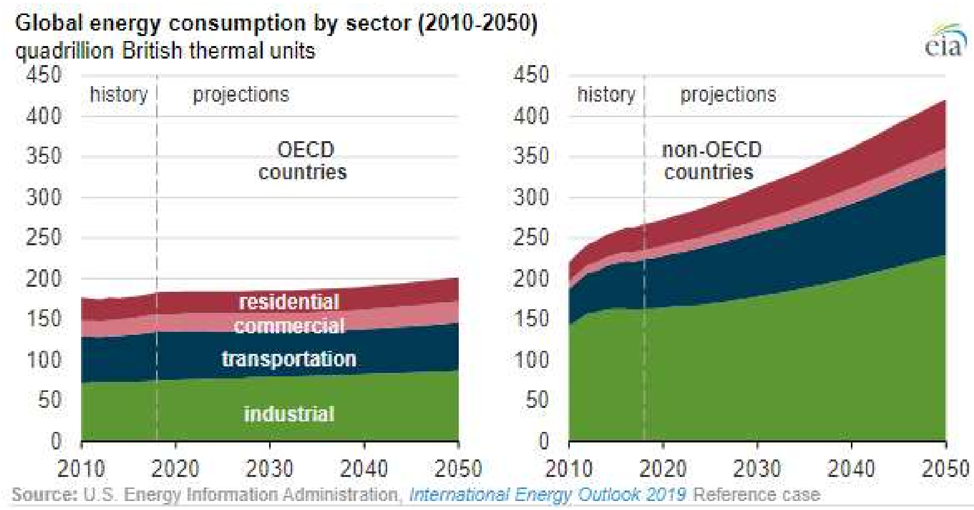




The US Energy Information Administration ("EIA") projects world energy consumption to significantly rise over the next 30 years, and ***petroleum product usage will increase*** during that same time period while renewables will increase at a faster rate.

The vast majority of energy demand increases will be centered in the Asian region, with modest energy demand increases from countries within the OECD (primarily Europe), Africa, and the Middle East.

Significant growth in energy demand is projected over the next 30 years, with the greatest growth in energy demand from non-OECD countries primarily for industrial and transportation usage.



Goldman Sachs Predicts $62 WTI Oil and $3.25 Gas In 3Q 2021

Goldman Sachs | Equity Research

11 October 2020

GIR out with their latest thoughts on the US energy complex in light of the upcoming US Election. **Even under a "Blue Wave" political outcome, the team reiterates their bullish outlook for both gas and oil, with the former benefiting from production headwinds, lower capex investments, and reduced associated gas growth, and the latter likely to see a demand recovery that will outweigh any negative (and likely already priced-in impact) from the US lifting sanctions on Iran / rejoining a version of the JCPOA**. The potential for near-term stimulus should continue to weigh on the dollar, further bidding USD-denominated assets like crude and gas.

Headwinds to shale production likely to boost 2021 oil and gas prices: On the supply side, a reduction in federal land leases, additional restrictions on the midstream approval process, limitations on drilling (particularly on federal lands), new taxes, and stricter methane requirements, as well as a redoubled focus on ESG investments (away from fossil fuel development) could present headwinds to oil and gas production in the US. State-level regulations (e.g. setback rule in Colorado, flaring rules in Texas) could further complicate the upstream process for US E&Ps, thereby raising the marginal cost of production.

- The political bar for implementing all such measures, however, remains high, particularly given the precarious economic situation that characterizes 2020. This suggests an all-out ban on fracking (on private land) is unlikely, requiring 60 Senate votes to pass, but more likely a ban on future drilling on federal lands will be implemented, but only after a few years. This dynamic helps explain why producers are seeking permits well in excess of drilling activity at the moment.
- Higher corporate taxes and a potential repeal of producers' cash tax deferrals associated with intangible drilling costs would also raise the cost of shale production, by around $3.00/bbl and $0.15/MMBtu according to GIR equity analysts.

Updated GS commodity price deck

January 15, 2021

	Brent spot			WTI spot			Henry Hub ($/MMBtu)	
	Fcst	Prev	Fwds	Fcst	Prev	Fwds	Old	New
1Q21	55.0	47.0	55.8	52.5	45.0	52.2	$3.50	$3.50
2Q21	60.0	51.0	54.9	57.5	49.0	51.7	$3.25	$3.25
3Q21	65.0	59.0	53.9	62.0	56.5	50.8	$3.25	$3.25
4Q21	65.0	63.0	53.1	62.0	60.5	49.9	$3.00	$3.00
2021	61.3	55.0	54.4	58.5	52.8	51.1	$3.25	$3.25
2022	65.0	65.0	51.8	62.0	62.0	48.2	$2.75	$2.75

Source: CME, ICE, Goldman Sachs Global Investment Research
Past performance is not indicative of future results

"Growing conviction in our 2021 bullish oil view"

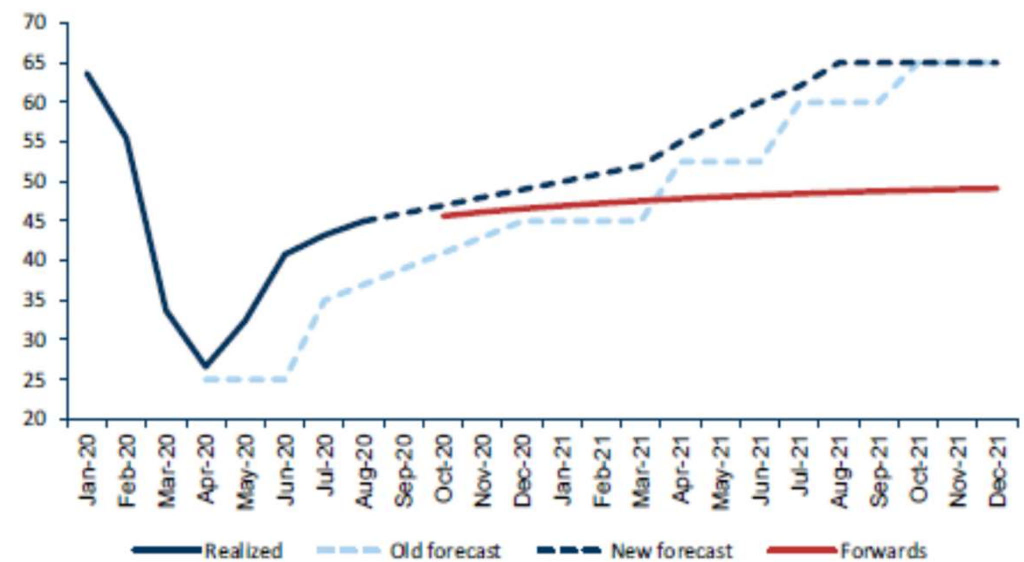
Goldman Sachs | Equity Research

30 August 2020

- The oil market rebalancing slowed sharply this summer as we expected. Demand gains stalled as the virus continued to spread with Chinese imports also slowing. In turn, shut-in production restarted in North America alongside higher OPEC+ quotas. This left for an only modest draw in inventories since early July and weaker crude timespreads, from overvalued levels late June.
- Despite these headwinds and a still challenging year-end demand outlook, prices have continued to grind higher, with Brent at a 5-month high of $46/bbl. We believe this reflects growing evidence supporting our bullish 2021 oil forecast. First, the market managed to remain in deficit despite a global second COVID-19 wave, with US cases now declining without US oil demand having to fall. Second, 2021 fundamentals appear skewed to a faster rebalancing than our base case given (1) the rising likelihood of widely available vaccines next spring, (2) discipline by both OPEC+ and shale producers and with the majors' upstream capex still low and shifting towards renewables.
- Key to the resilience of spot prices despite stalling inventory draws this summer has been the steady rally in long-dated prices. These have outperformed our expectations once again, rising alongside a weakening dollar as next year's growth prospects improve. Given our rising confidence in the market rebalancing next year, we are bringing forward our forecast for higher long-dated prices, with 3-year forward Brent expected to reach $58/bbl by end-2021.
- While current lackluster fundamentals (or a cross-asset risk-off event) could still lead to a short-term spot sell-off, we find a compelling risk-reward for going long deferred Brent prices, and recommend a long Dec-21 Brent position. As has historically been the case, such a trade should further perform as an effective portfolio hedge for investors against unexpected inflation surprises. For producers which remain under-hedged for 2021, we recommend patiently waiting for higher deferred prices to add coverage. It is only by next spring that we expect Brent backwardation to steepen sharply, leading us to roll our in-the-money long Dec-20 vs. Dec-21 Brent timespreads position into a Jun-21 vs. Jun-22 trade.
- With our 2H20 fundamental updates broadly offsetting (lower shale supply vs. slower demand gains), our forecast for higher long-dated prices is leading us to raise our Brent spot forecast by c.$5/bbl, with prices expected to rally from $45/bbl currently to $65/bbl by 3Q21. The needed return of deferred prices to shale's marginal costs in the face of producer discipline, lower OPEC spare capacity and further dollar depreciation all point in our modeling to long-dated (and hence spot) prices potentially exceeding our above-consensus forecasts by late next year.

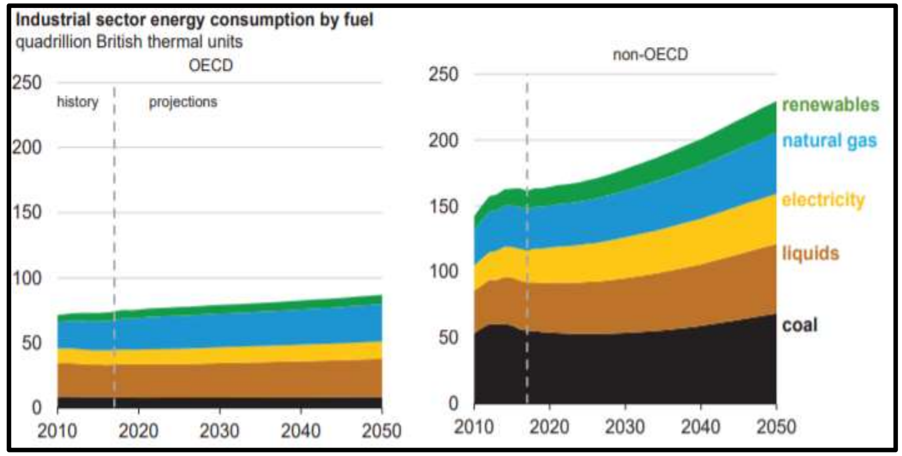
Exhibit 16: Our spot price forecast remains above consensus and market forwards

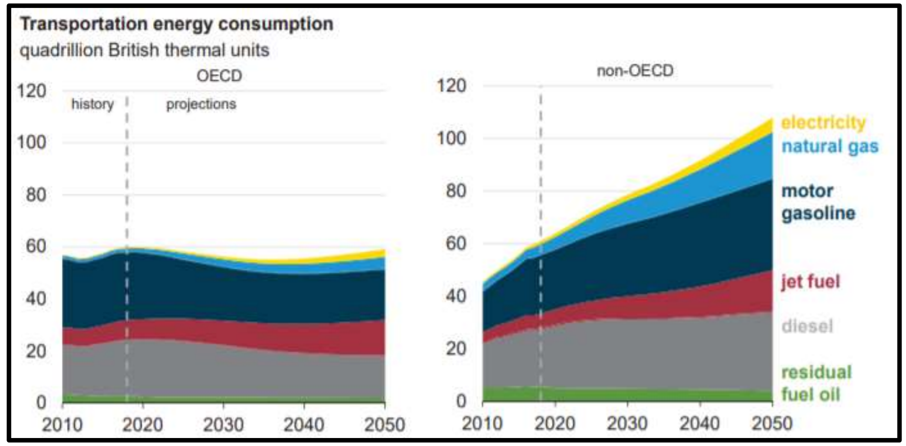
$/bbl

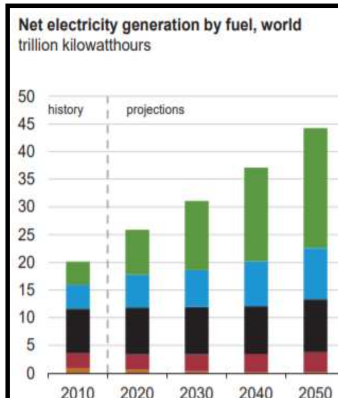


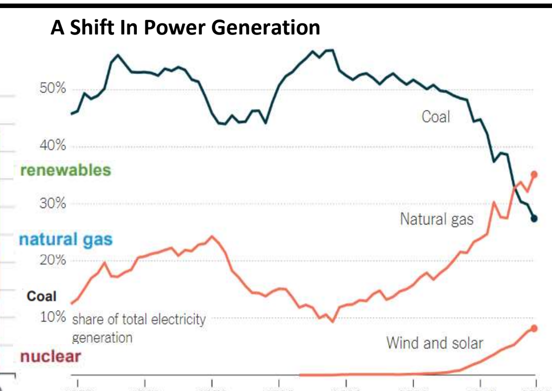
ESG Outlook

- Despite growing demand for cleaner energy, the overriding driver for non-OECD governments is providing cheap energy for their constituents and growing economies
- With the additional production from US shale keeping commodity prices low, the energy consumption growth in the next decade from non-OECD economies will be more likely met by natural gas for power generation and liquid fuels for shipping in lieu of more expensive alternative sources
- Renewables will play a growing role in power generation and be implemented wherever electrification is possible, however there are large sectors of the economy which will continue to depend largely on hydrocarbons
- The industrial sector accounts for more than 50% of end-use energy consumption and oil and gas maintain the dominant supply position due to their high energy content and no current viable substitute as feedstock in manufacturing
- The transportation sector accounts for an additional 25% of energy demand and is almost entirely depended on hydrocarbon liquids for the foreseeable future
- The electrification trend will continue to grow and a transition from coal to the cleaner natural gas in OECD countries will bolster demand
- Improvements in efficiency across all sectors as well as processes to mitigate greenhouse gas emissions and environmental degradation will be implemented on a large scale, however reliance on hydrocarbons will not change only how we use them
- In light of public perception with increased focus on environmental and social considerations, institutional investors have already limited M&A activity in the oil and gas sector, depressing equity and asset valuations









Source: US Energy Information Administration, International Energy Outlook 2019, Reference Case

Sources: Forbes, Nsenergybusiness.com, Gordonbrothers.com, SPGglobal, Ogj, Bloomberg