



Fleur de Lis
ENERGY, LLC

EnerCom
The Oil & Gas Conference
August 2018

Our Firm

- FDL is a returns focused asset manager and private E&P operator that makes direct investments in oil & gas properties
- Currently managing over \$2 billion of capital on behalf of private equity and institutional investors across a diverse portfolio of world-class assets in 3 major basins
- Headquartered in Dallas, TX with field employees located in Texas, Wyoming, and Mississippi

Our Strategy

- Generate attractive, risk adjusted returns through the acquisition, exploitation, and operation of high-quality, long-lived producing oil & gas properties
- Deliver current yield to investors by targeting assets that generate significant free cash flow
- Protect downside through hedging and capital discipline

Our People

- Full suite of upstream oil & gas operating departments with diverse operational skillset
- Efficient collaboration between departments and flat organizational structure
- FDL has one of the leanest cost structures amongst its competitors - \$1.20 G&A/BOE

Our Competitive Advantage

People. Process. Performance.



Experienced Team	Proven Process	Attractive Performance
<p><i>FDL's success depends on its people. We are able to "do more with less" by employing highly motivated, entrepreneurial, and talented oil & gas professionals.</i></p>	<p><i>Acquire, Exploit, and Operate long-lived, producing assets with established cash flows that generate attractive risk-adjusted returns and facilitate strong cash yields in current price environment.</i></p>	<p><i>FDL strives to increase asset value and deliver current yield to investors while mitigating risk through a conservative financial structure and an active risk management program.</i></p>

Experienced Management Team

- Acquired over \$9 billion of oil and gas assets
- Over 100 years of combined industry experience

Full Suite of Oil and Gas Departments with Efficient Structure

- Operations, DC&E, BD, Finance, Accounting, IT, & HSE
- Diverse operational skillset allows us to operate in every major basin

Investment Checklist

- ☑ Buy Good Rock
- ☑ Operate Efficiently
- ☑ Deploy Capital Prudently
- ☑ Hedge to Protect
- ☑ Deliver Yield to Investors

Manage the "3 Risks"

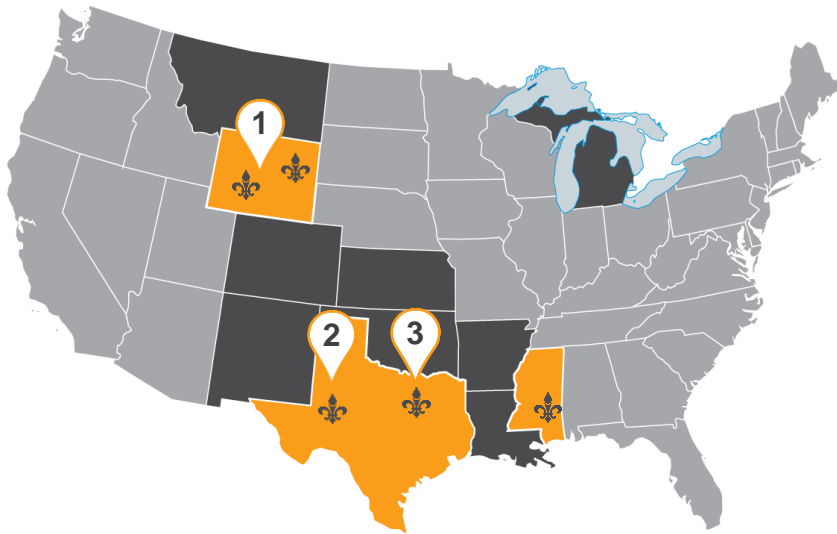
1. Reserves
2. Operations
3. Commodity Price

Deliver Yield. Increase Value.

- Returned over \$250mm to LPs since inception
- Robust hedging to protect LP capital and provide certainty of cash flows
- Active risk management program to mitigate price volatility and preserve distributions

Areas of Operation

Presence in 3 Major Basins



1 Wyoming CO₂

Net Production	2018E EBITDA	% Liquids
12.7 Mboe/d	\$113 MM	99%

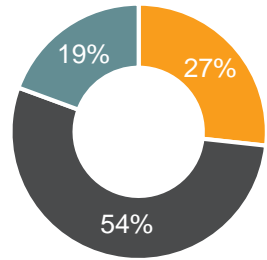
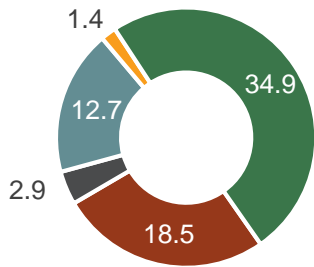
2 Permian Oil

Net Production	2018E EBITDA	% Liquids
18.5 Mboe/d	\$128 MM	64%

3 Barnett Gas

Net Production	2018E EBITDA	% Liquids
209 MMcfe/d	\$125 MM	19%

FDL Net Production: 70.4 Mboe/d



- Permian Oil
- W TX Oil
- Oil
- Gas
- NGL
- Wyoming CO₂
- MS Gas
- Barnett Gas

Wyoming CO₂ – Closed April 2015

Since acquisition, the FDL team has paid a ~16% average distribution yield, held proved reserves flat, stemmed production decline, and reduced the operating cost structure by over 30%.

World-Class, Low-Decline Oil Assets

Salt Creek Field (~ 16,800 net acres)

- Discovered in 1908, CO₂ flood initiated in 2003 - 7,300 net Boe/d

Monell Field (~ 18,000 net acres)

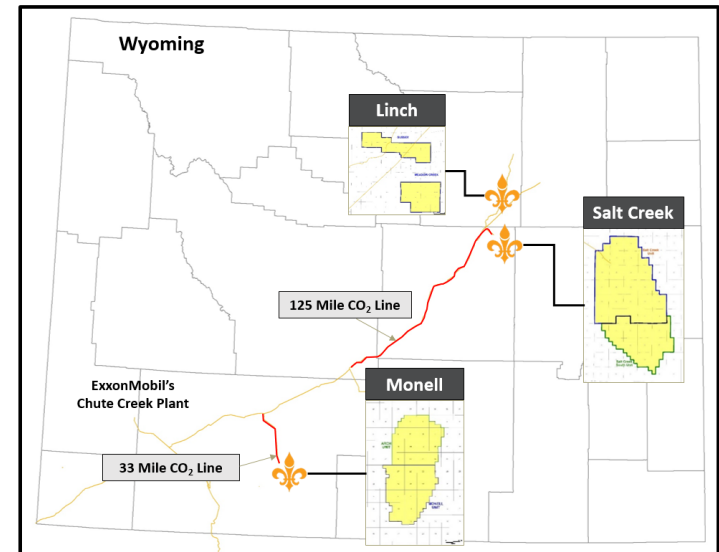
- Discovered in 1959, CO₂ flood initiated in 2001 - 5,600 net Boe/d

Howell Pipeline

- 158 miles of wholly-owned CO₂ pipeline with over 300 MMcf/d capacity

Increased Operating Margins by 25% and Rightsized Capital Program, Maximizing Free Cash Flow

- Held 1P reserves flat since YE 2015 while generating ~\$265mm in EBITDA
- Reduced operating costs by > 32%
- Completed major CO₂ flood expansion into new horizon
- Suspended +\$25 million / month of capital while maintaining steady production decline



Investment Snapshot

Close Date	April 2015
Net Production	~12,700 Boe/d (99% Oil)
2018E EBITDA	~\$113mm
1P Reserves - YE 2017	46.8 MMboe / (9.9 Years R/P)
Equity Deployed	\$412.6mm
Distributions to Date	\$216.0mm

Permian Basin – Closed September 2016

Since acquisition, the FDL team has reduced operating costs by over 20%, invested over \$100mm in the asset to drill over 15 horizontal wells, all while returning \$43mm to investors.

Highly Contiguous Midland Position Generating Substantial Cash Flow

Southern Midland Basin (~ 69,000 net acres)

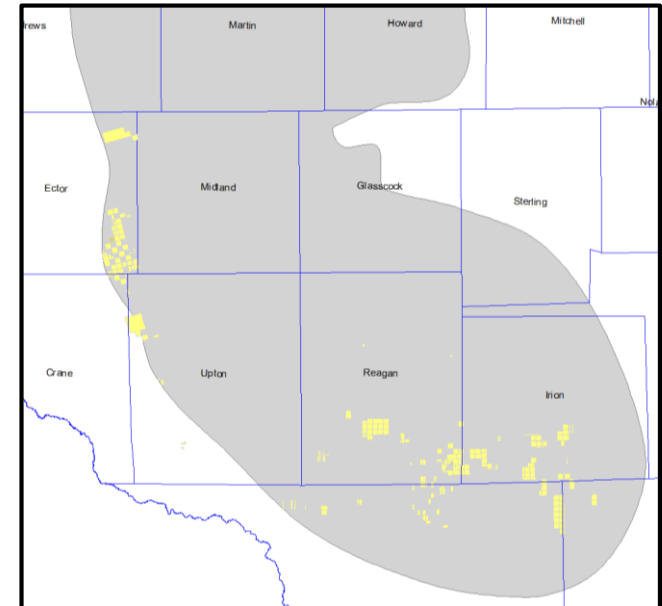
- Assets span ~ 69,000 net acres across Reagan, Iron, and Crockett counties
- Located in thickest Wolfcamp pay section in Midland Basin

Ector County (~ 29,000 net acres)

- Highly contiguous acreage position in Ector and Upton counties (100% HBP)
- Development potential in Lower Spraberry, Wolfcamp A and B

Invested over \$100mm in Asset while Returning \$43mm to Investors

- Reduced operating expenses by > 20%
- Drilled 15 Wolfcamp & Lower Spraberry unconventional wells across 3 counties, all funded within cash flow
- Returned over \$43mm in quarterly distributions to investors since acquisition
- Investment is currently paying a 14% yield



Investment Snapshot

Close Date	September 2016
Net Production	~18,500 Boe/d (64% Liquids)
2018E EBITDA	~\$128mm
Location Count	> 1,000
Equity Deployed	\$279.1mm
Distributions to Date	\$43.0mm

On May 31st, 2018, FDL purchased Devon's southern Barnett Shale assets for \$553mm.

Long-Lived, Well-Understood Gas Asset Currently Producing 209 MMcfe/d

Barnett Shale (~ 146,100 net acres)

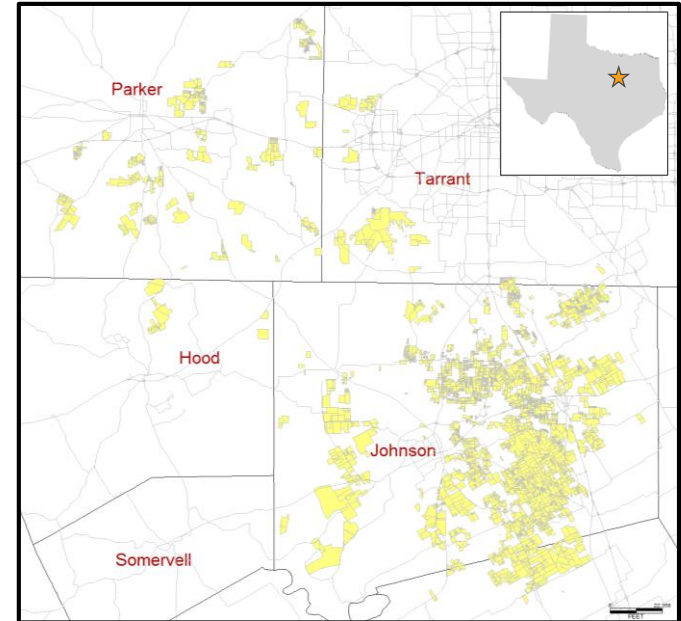
- Significant operating cash flow supports development and a steady distribution yield to Limited Partners
- Long-lived, low-decline assets give long-term optionality to higher natural gas and NGL prices
- Secured gas transportation through 2022 and hedged basis exposure
- Ample inventory of refrac candidates and drilling locations

Immediate Execution of Strategy

In the first two months of ownership, the FDL team has:

1. Reduced recurring LOE by 5%
2. Completed 23 workovers, adding 4.5 MMcf/d in production
3. Positioned to pay first distribution in Q3 2018

1. Annualized; investment closed 5/31/2018

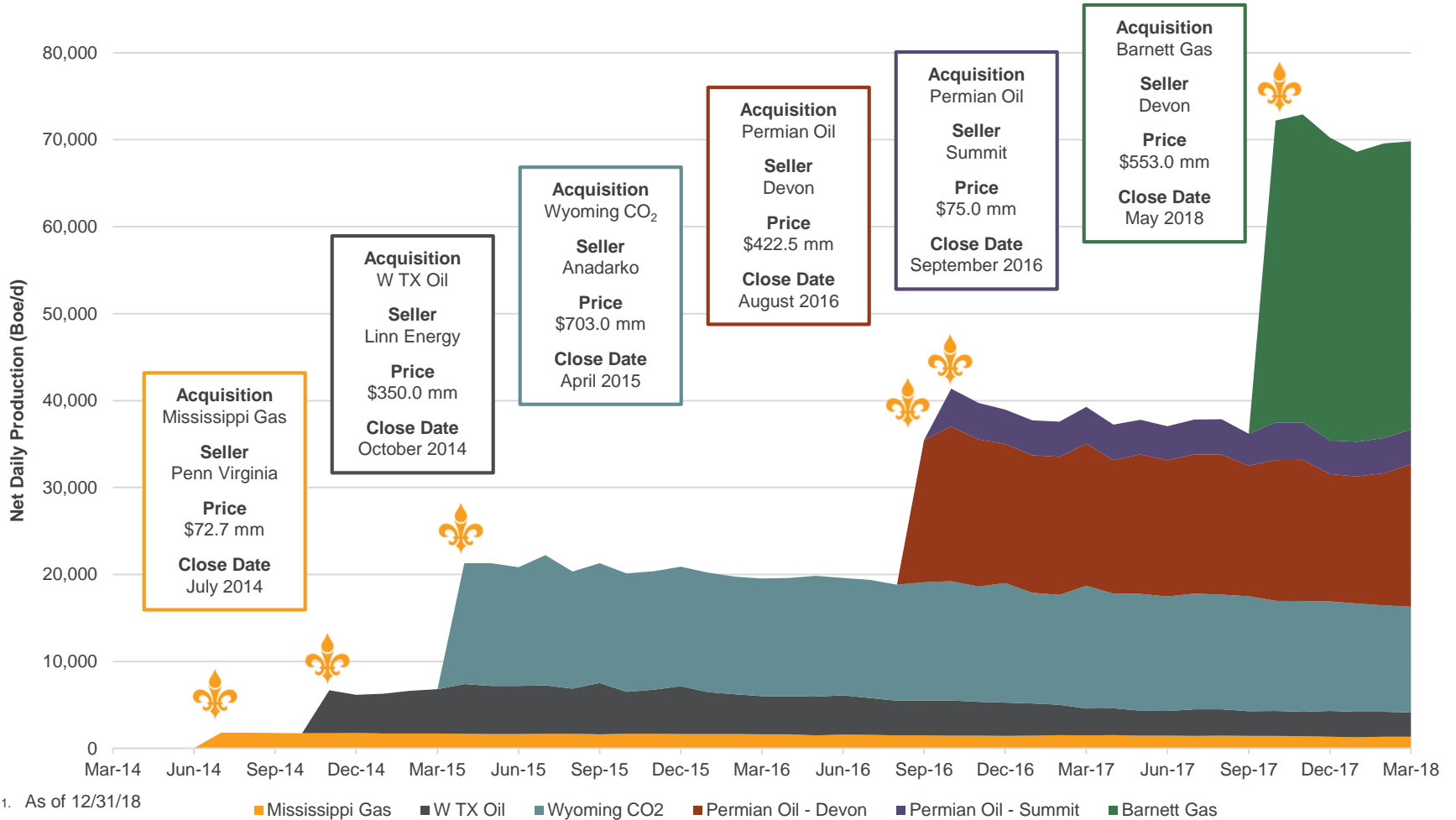


Investment Snapshot

Close Date	May 2018
Net Production	~209 MMcfe/d
2018E EBITDA⁽¹⁾	~\$125mm
PDP Reserves	1.0 Tcfe
Equity Deployed	\$245mm
2018E Distribution Yield⁽¹⁾	17% (~\$30mm)

FDL Today

4 Years	6 Transactions	70,400 Boe/d	\$1.23 Billion Equity Deployed	+\$250 Million LP Distributions
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