

# Midland Basin Minerals Opportunity

## EnCore Permian Holdings LP



EnCore Permian Holdings LP (“EnCore” or “Seller”) is offering for sale its oil & gas mineral and royalty interests located throughout the core of the Midland Basin.

EnCore has retained Detring Energy Advisors as its exclusive advisor relating to the transaction.

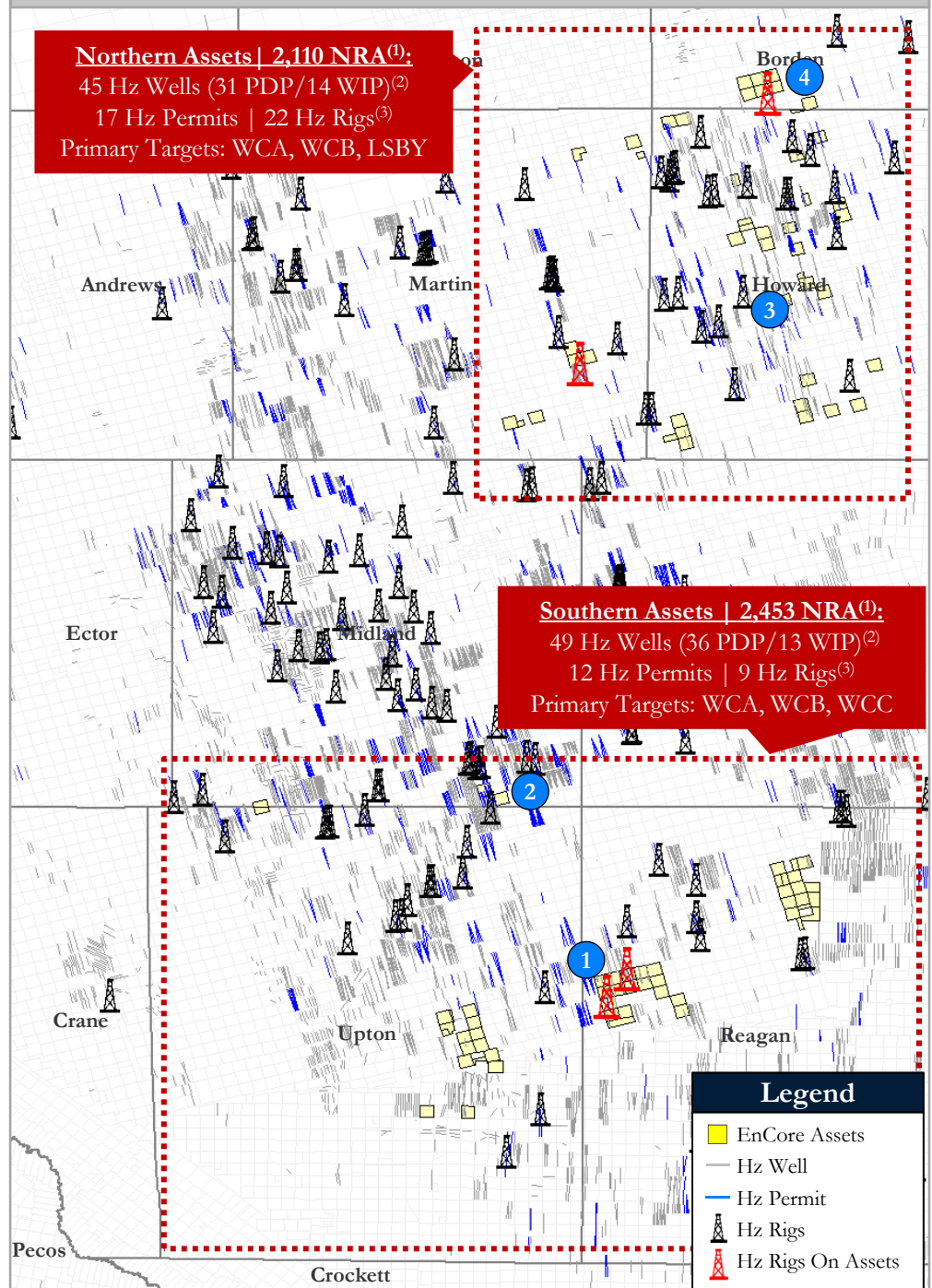
**~4,560 Net Royalty Acres<sup>(1)</sup>**  
~94% Minerals

- **357 Active Producers (67 Hz) & 27 Hz DUC's**
  - Net Prod: ~230 Boed
  - NTM Cash Flow: ~\$4MM
- **Cash Flow Poised to Increase with Substantial Near-Term Horizontal Development:**
  - Hz producers set to increase ~2x with 27 hz DUC's and 29 hz permits (avg. ~0.8% RI)
- **Assets located throughout the well-defined and rapidly developing northern and southern portions of the Midland Basin**
  - 31 hz rigs running within 3 miles of Seller properties
- **In addition to three materially de-risked benches, outstanding recent test results suggest the presence of 5+ highly economic horizons across both positions**

### Substantial On-Mineral Activity from Industry-Leading Hz Operators

- 1 Parsley-operated, 2 rigs on minerals (~0.7% NRI)
- 2 XTO-operated, multiple 3-mile laterals permitted (~2.8% NRI)
- 3 Encana, Callon, SM Energy operated, core Howard position (~0.5% NRI)
- 4 Surge-operated, 1 rig on minerals with permits actively being filed (~1.3% NRI)

Location Map | Midland Basin (West Texas)



1. Net Royalty Acres (“NRA”) normalized to 1/8 royalty. 2. WIP = Well in-progress  
3. Rigs within 3 miles of Seller assets.

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**ENCORE PERMIAN**  
MIDLAND, TEXAS

### Process Calendar

- **Virtual Data Room (“VDR”) opens Monday, February 5<sup>th</sup>**
- **Evaluation Period/Data Rooms from February 6<sup>th</sup> to February 27<sup>th</sup>**
- **Bids due Wednesday February 28<sup>th</sup>**
  - Offers for all properties will be given preference over those for sub-portions of the assets
- **PSA signing and closing anticipated in March and April 2018, respectively**

January 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

	VDR Opens		Data Rooms
	Bids Due		Holidays

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Please contact Melinda Faust to learn more about this opportunity, request access to the virtual data room, or schedule a management presentation.

This Information Flyer is based on material provided by EnCore Permian Holdings LP (“Seller”) and is offered to interested parties for the sole purpose of providing an overview of an opportunity to acquire certain of the Seller’s assets (the “Transaction”). This Information Flyer is delivered on behalf of Seller by Detring & Associates, LLC (“Advisor”). The information contained in this Information Flyer (“Information”) is for informational purposes only and does not constitute an obligation by Seller to enter into any future transaction. The Information should not be relied upon by the recipient in considering the Transaction, and the recipient should consider its own financial situation when evaluating the Transaction. This Information Flyer does not constitute investment, legal, financial, tax, accounting or other counsel of any kind, and the recipient should conduct its own independent examination and assessment of the Information, including obtaining investment, legal, tax, accounting and such other counsel as it considers suitable. Seller may change or otherwise modify the transaction process at any time without notice to the recipient, including but not limited to accepting any proposal at any point in time, altering the dates of the process, or terminating the process completely without defining any reason and without any liability to any interested party. Advisor and its directors, employees, consultants and agents (“Group”) make no representation or warranty as to the accuracy, completeness, timeliness or reliability of the contents of this Information Flyer or any Information provided during the course of the Transaction process. The Information has been prepared on the basis of publicly accessible information and material made available to Advisor by Seller. Advisor has relied upon and assumed, without independent verification, the accuracy or completeness of all such information, which does not claim to be all-inclusive or to contain all of the information that may be relevant to the Transaction. The recipient acknowledges that conditions may change and that the Information may become out-of-date as a result. Advisor is under no obligation to update or correct this Information. Seller and Advisor are under no obligation to provide the recipient with access to any further information. Seller and Group shall have no liability for any representations (expressed or implied) other than, in the case of Seller, those given by Seller in the purchase and sale agreement, for any written or oral communications with any Interested Parties in the course of their review of the Transaction, or for any implied terms or obligations arising from operation of law or otherwise. To the maximum extent permitted by law, no member of the Group accepts any liability (including, without limitation, any liability arising from fault or negligence on the part of any of them) for any loss whatsoever arising from the use of this Information Flyer or its contents or otherwise arising in connection with it or from the use of any Information provided throughout the course of the Transaction procedure. Certain statements contained herein may constitute forward-looking statements which involve risks and uncertainties that could cause actual events or results to differ materially from the projected or expected events or results implied or conveyed in such forward-looking statements. In particular, statements regarding oil and gas reserves may include the implied assessment that the resources described can be profitably produced in the future, based on certain estimates and assumptions. No constituent of the Group represents or warrants that such forward-looking statements will be achieved or will prove to be correct. Actual future results and operations could vary materially from the forward-looking statements. Similarly, no representation or warranty is made that the assumptions on which the forward-looking statements are based may be reasonable. No audit, review or verification has been undertaken by the Group or an independent third party of the assumptions, data, results, calculations and forecasts presented or referred to herein. The recipient acknowledges that neither it nor Advisor intends that Advisor acts or be responsible as a fiduciary to the recipient, its management, stockholders, creditors or any other person. Each of the recipient and Advisor, by accepting and providing this Information Flyer respectively, expressly disclaims any fiduciary relationship and agrees that the recipient is responsible for making its own independent judgments with respect to any transaction and any other matters regarding this Information Flyer. Subsequent modifications may be provided as required.