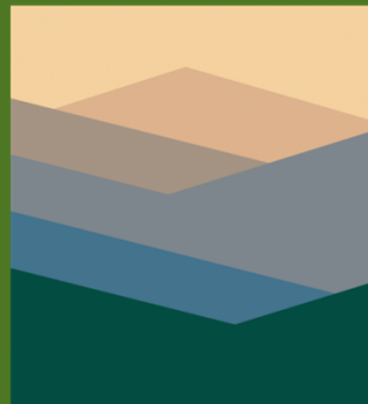




Kentucky Oil & Gas Association 2015 Annual Meeting



**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

Prepared By:

Wesley P. Cate, CPL
Executive Vice President
wcate@gnrmc.com

Disclaimer & Forward Looking Statement

DISCLAIMER

This presentation is confidential and does not carry any right of publication or disclosure to any other party. Further, this presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Global Natural Resource Management Company, LLC ("GNR"). Neither this presentation nor any of its contents may be used for any other purpose without the prior written consent of GNR.

The information, including any forecasts or projections, provided in this presentation has been developed and is based upon information, data and materials provided to GNR by third parties. GNR has not independently verified the accuracy, reliability or completeness of information provided by third parties. As such, GNR makes no representations or warranties of any kind about the information provided in this presentation, including any forecasts or projections, provided herein. Additionally, any such information, forecasts, projections, analysis, etc., provided in this presentation reflects prevailing conditions and our views as of the date hereof, all of which are accordingly subject to change and such changes may be significant and material.

While the information presented and views expressed in this presentation and the oral briefing have been prepared in good faith, GNR accepts no responsibility or liability to any party in connection with such information or views. No one should act on the information without appropriate professional advice after a thorough examination of the particular situation.

FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements with respect to financial condition, financial results, operations, plans, objectives, expectations, and industry specific information that involve risk and uncertainties. Examples of forward-looking statements include statements made about strategy, estimates of revenues, expenses, growth, future EBITDA and future developments. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "predicts", "intends", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. All persons should be advised that future results and financial condition may differ materially from those results, conditions, forecasts or projections addressed herein or discussed in connection with this presentation.

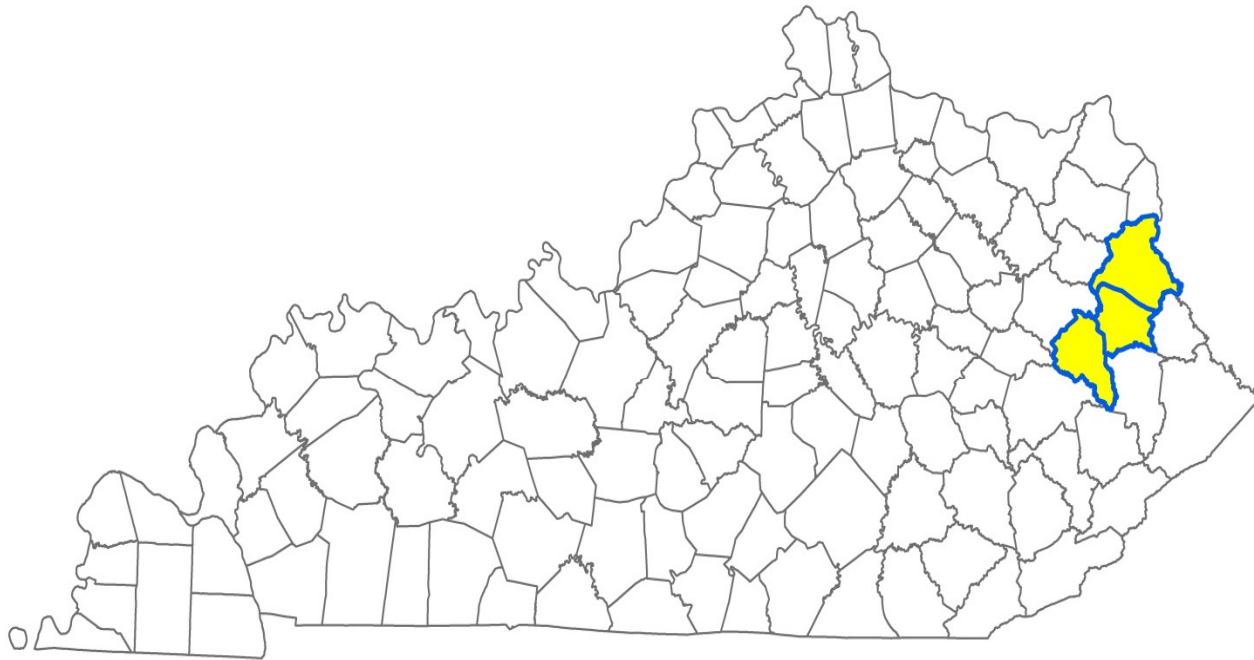


Transactional & Leasing Updates Rogersville Shale

Overview

- General Location Map of Specific Counties Covered
- Leasing Activity Overview For Magoffin, Johnson & Lawrence County, Kentucky
- Summary of Rogersville Activity
- Recent Market Moving Transactions

COUNTIES SAMPLED



- Each county had the entire lease index entered into our database, this includes leases, subleases, memorandums, farmouts, assignments, etc.
- Data was collected from January 2014 to June of 2015
- Our focus area was the heart of the Rogersville Shale Play



Counties With Sampled Lease Data
Lawrence – Johnson – Magoffin

***GNR's Management
Team has serviced
clients in 31 states and 2
countries.***

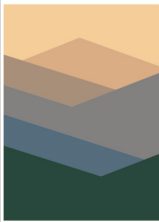
MAGOFFIN COUNTY, KY


CURRENT COMPANIES LEASING

MAGOFFIN COUNTY	
Lessee	Total # of Leases
Exterra	457
Gulfland Appalachian Energy	427
Cimarex Energy	364
G3 Royalty	350
EQT Production Company	130
Deep Creek Resources	99
Stephen P. Bell	72
Terra Nova Exploration	46
East KY Fuels	45
Licking River Resources 42	42
Abarta Oil & Gas	39
Slone Energy 31	31
Hooper Oil & Gas	25
TOTAL	2127



791

**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

MAGOFFIN COUNTY 

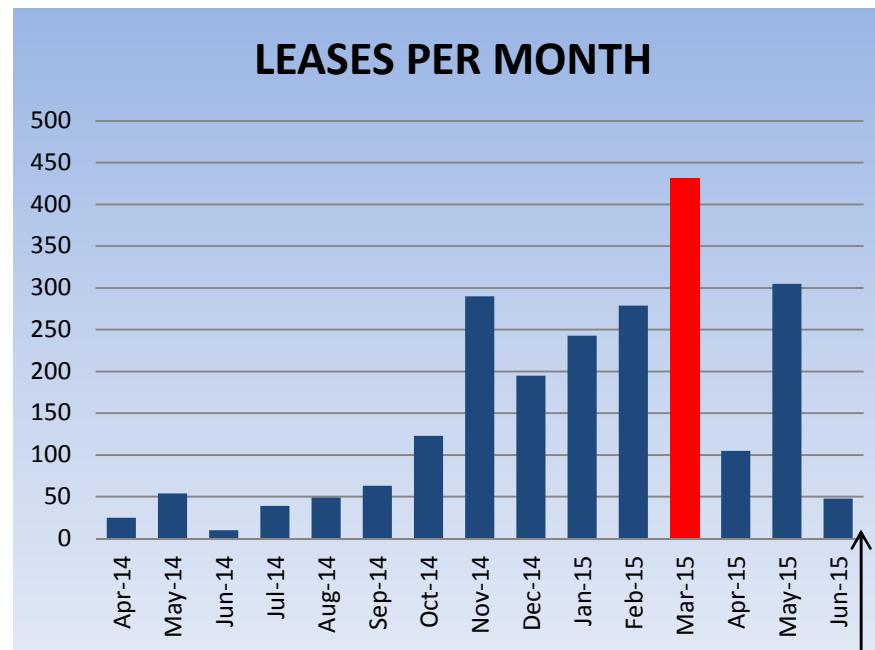
***GNR's Management
Team has serviced
clients in 31 states and 2
countries.***

MAGOFFIN COUNTY, KY

TOTAL LEASES PER MONTH



MAGOFFIN COUNTY	
Date	Total Number of Leases
Jun-15	48
May-15	305
Apr-15	105
Mar-15	432
Feb-15	279
Jan-15	243
Dec-14	195
Nov-14	290
Oct-14	123
Sep-14	63
Aug-14	49
Jul-14	39
Jun-14	10
May-14	54
Apr-14	25



MAGOFFIN COUNTY



GNR's Management Team has serviced clients in 31 states and 2 countries.

Is this pull back pricing related or due to saturation?

CURRENT LEASING COSTS

- \$150-\$300 PER ACRE
- 5 YEAR TERM LEASES PLUS RENEWAL
- RENEWAL IS EQUAL TO PRIMARY BONUS
- 1/8TH TO 3/16TH LEASES




HISTORICAL LEASING COSTS


- \$25-\$50 PER ACRE
- 5 YEAR TERMS OR LESS
- NO RENEWAL
- 1/8TH LEASES

Issues

- COMPLEX TITLE WITH OLD SEVERANCES
- OLD HISTORICAL PRODUCTION, POOR RECORDS

Assuming each lease is 50 acres, with 2,027 leases, at current bonus rates that represents **\$30,405,000** in bonus payments

**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

MAGOFFIN COUNTY 

GNR's Management Team has serviced clients in 31 states and 2 countries.

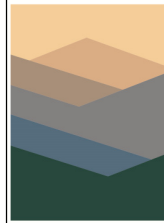
JOHNSON COUNTY, KY

CURRENT COMPANIES LEASING

2014 Lessee / Number of Leases	
ABARTA OIL AND GAS CO., INC.	173
GULFLAND APPALACHIAN ENERGY, INC.	163
TERRA NOVA EXPLORATION, LLC	115
EQT PRODUCTION COMPANY	109.
EXTERRA RESOURCES LLC	66
TROUBLESOME CREEK GAS CORPORATION	31
SCAGGS ENERGY, INC.	9
LAUFFER, JAMES M.	4
HAY EXPLORATION	2
KINZER BUSINESS REALTY, LTD.	2

2015 Lessee / Number of Leases	
EQT PRODUCTION COMPANY	157
ABARTA OIL AND GAS CO., INC.	91
GULFLAND APPALACHIAN ENERGY, INC.	41
TROUBLESOME CREEK GAS CORPORATION	12
EXTERRA RESOURCES LLC	5
CIMAREX ENERGY CO	2
DEEP CREEK RESOURCES, LLC	1




**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

JOHNSON COUNTY

★

GNR's Management Team has serviced clients in 31 states and 2 countries.

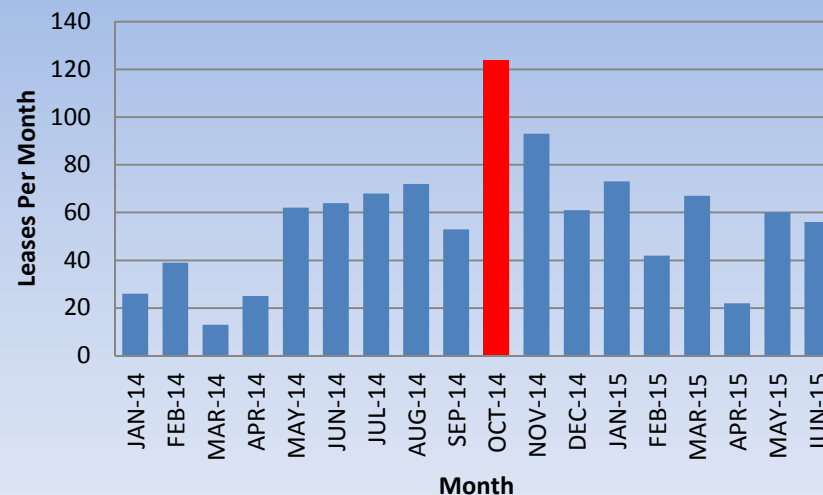
JOHNSON COUNTY, KY

TOTAL LEASES PER MONTH

JOHNSON COUNTY		
DATE		TOTAL NUMBER OF LEASES
JAN-14		26
FEB-14		39
MAR-14		13
APR-14		25
MAY-14		62
JUN-14		64
JUL-14		68
AUG-14		72
SEP-14		53
OCT-14		124
NOV-14		93
DEC-14		61
JAN-15		73
FEB-15		42
MAR-15		67
APR-15		22
MAY-15		60
JUN-15		56
TOTAL		1020



Johnson County Leases Per Month



JOHNSON COUNTY

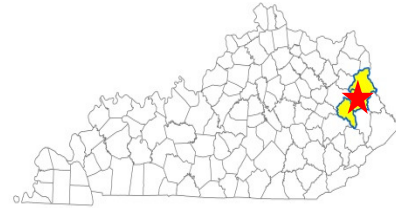


GNR's Management Team has serviced clients in 31 states and 2 countries.

JOHNSON COUNTY, KY

CURRENT LEASING COSTS

- \$250-\$300 PER ACRE
- 5 YEAR TERM LEASES PLUS RENEWAL
- RENEWAL IS EQUAL TO PRIMARY BONUS
- 1/8TH TO 3/16TH LEASES



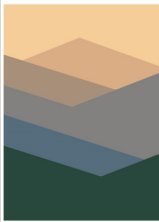
HISTORICAL LEASING COSTS


- \$25-\$50 PER ACRE
- 5 YEAR TERMS OR LESS
- NO RENEWAL
- 1/8TH LEASES

Issues

- Large Mineral Severances (John C.C. Mayo)
- Potentially Saturated Lease Market

Assuming each lease is 50 acres, with 1020 leases, at current bonus rates that represents **\$15,300,000** in bonus payments

**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

JOHNSON COUNTY 

GNR's Management Team has serviced clients in 31 states and 2 countries.

LAWRENCE COUNTY, KY

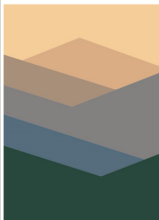
CURRENT COMPANIES LEASING

2014	
<u>Company Name</u>	<u>Leases</u>
Gulfland Appalachian	336
Nytis	130
Echelon Energy	35
Hay Exploration	33
Abarta Oil & Gas	26
Fireborn Energy, LLC	22
APP Energy, LLC	21
Lawrence County Gas	16
Kinser Business Realty	15
Cimarex	12
Troublesome Creek	12
Deep Creek Resources	12
L&B Oil and Gas, LLC	7
Universal Exploration	6
Triple Sands O&G	6
Terra Nova Exploration, LLC	6
Magnum Drilling of Ohio	4
Deep Hole Oil, LLC	4
EQT	4
Exterra Resources	4
Brangasco, LLC	3
Horizontal Natural Gas, LLC	3
TOTAL	717



2015	
<u>Company</u>	<u>Leases</u>
Gulfland Appalachian	106
Chesapeake	105
Echelon Energy	18
Nytis	10
Lawrence County Gas	8
Deep Creek Resources	7
Abarta Oil & Gas	5
EQT	5
Cimarex	4
Brangas Co.	4
Big Star Energy	4
Ferguson, Joshua	4
APP Energy, LLC	3
TOTAL	283

No 2014
Recorded Leases


**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

LAWRENCE COUNTY

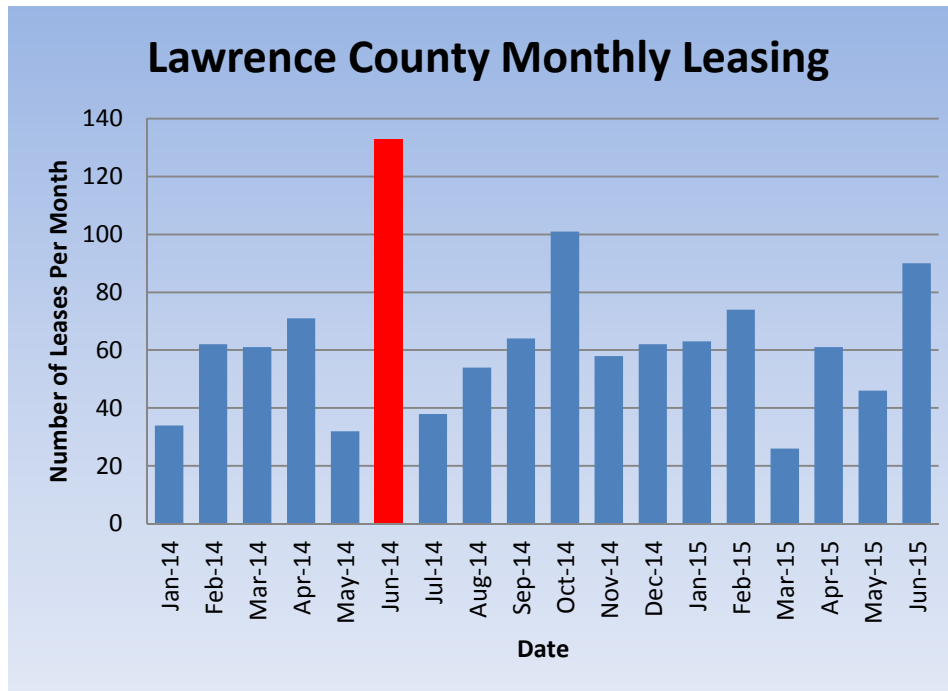
★

GNR's Management Team has serviced clients in 31 states and 2 countries.

LAWRENCE COUNTY, KY

TOTAL LEASES PER MONTH

DATE	Total Number of Leases
Jan-14	34
Feb-14	62
Mar-14	61
Apr-14	71
May-14	32
Jun-14	133
Jul-14	38
Aug-14	54
Sep-14	64
Oct-14	101
Nov-14	58
Dec-14	62
Jan-15	63
Feb-15	74
Mar-15	26
Apr-15	61
May-15	46
Jun-15	90
TOTAL	1130



LAWRENCE COUNTY

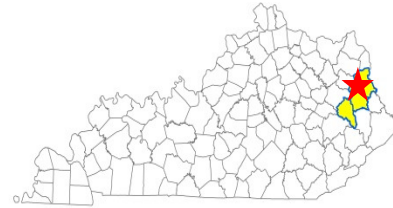


GNR's Management Team has serviced clients in 31 states and 2 countries.

LAWRENCE COUNTY, KY

CURRENT LEASING COSTS

- \$250-\$350 PER ACRE
- 5 YEAR TERM LEASES PLUS RENEWAL
- RENEWAL IS EQUAL TO PRIMARY BONUS PLUS KICKER
- 14% TO 3/16TH LEASES



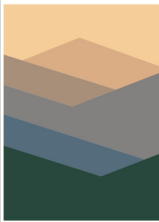
HISTORICAL LEASING COSTS


- \$25-\$50 PER ACRE
- 5 YEAR TERMS OR LESS
- NO RENEWAL
- 1/8TH LEASES

Issues

- SATURATED LEASE MARKET
- PRICING HAS REACHED ALL TIME HIGHS

Assuming each lease is 50 acres, with 1,130 leases, at current bonus rates that represents **\$19,775,000** in bonus payments

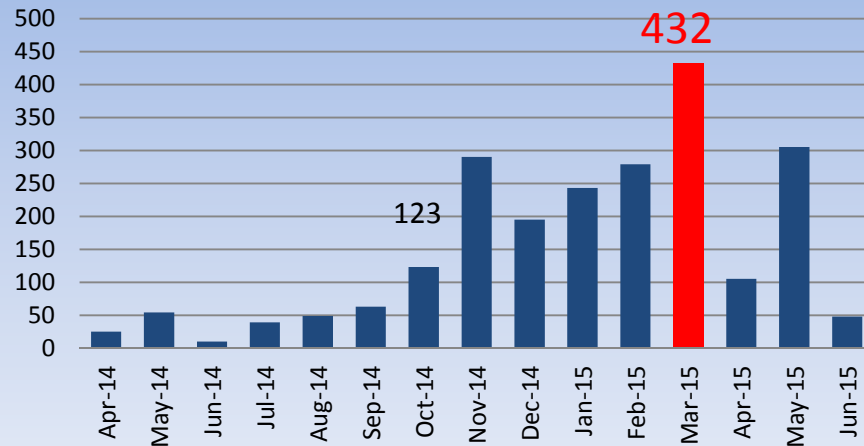
**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

LAWRENCE COUNTY 

GNR's Management Team has serviced clients in 31 states and 2 countries.

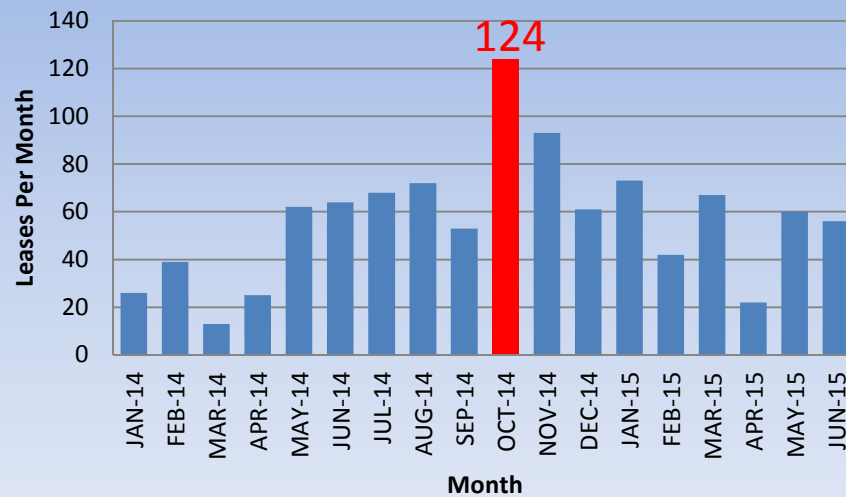
ROGERSVILLE SUMMARY

Magoffin County Leases Per Month

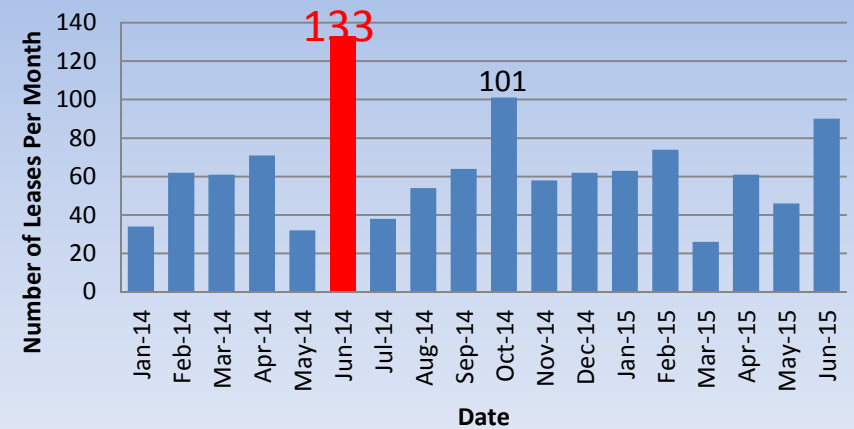


***GNR's Management
Team has serviced
clients in 31 states and 2
countries.***

Johnson County Leases Per Month



Lawrence County Leases Per Month



ROGERSVILLE SUMMARY

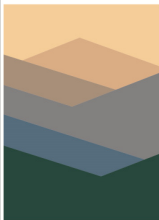
LAWRENCE, JOHNSON & MAGOFFIN


Company Name	Total Number of Leases
Gulfland Appalachian	1,073
Exterra Resources	466
EQT	400
Cimarex	378
G3 Royalty	350
Abarta Oil & Gas	329
Terra Nova Exploration, LLC	167
Nytis	140
Deep Creek Resources	112
Chesapeake	105
Stephen P. Bell	72
Troublesome Creek	55
Echelon Energy	53
East KY Fuels	45
Licking River Resources	42
Hay Exploration	33
Fireborn Energy, LLC	22
APP Energy, LLC	21
TOTAL	3,863



Industry Leaders
with 1,451 leases

Only in
Magoffin Co.


**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

ROGERSVILLE SHALE PLAY 

GNR's Management Team has serviced clients in 31 states and 2 countries.

*Leases recorded between Jan 14 – June 2015

TRANSACTIONAL HIGHLIGHTS

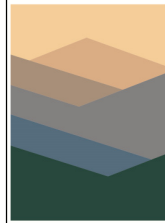
2015


- VINLAND PURCHASES HAYDEN HARPER ENERGY

2014

- NYTIS SELLS DEEP RIGHTS
- TROUBLESOME CREEK SELLS DEEP RIGHTS
- APP ENERGY SELLS DEEP RIGHTS
- HAY EXPLORATION SELLS DEEP RIGHTS



**GLOBAL
NATURAL
RESOURCE
MANAGEMENT
COMPANY**

ROGERSVILLE SHALE PLAY 

***GNR's Management
Team has serviced
clients in 31 states and 2
countries.***



Additional Presentations

- PPT 1.1: Rogersville Shale – Geological Overview
- PPT 1.2: Berea – Leasing Activity
- PPT 1.3: Berea – Geological Overview

Pricing available upon request.



THANK YOU TO KOGA

QUESTIONS?

For more information
and a risk-free proposal,
please contact:

Visit us online at:
www.GNRMCM.com

PENNSYLVANIA

Neil M. Kok

O: + 1 724 307 3177

C: + 1 412 596 5964

nkok@gnrmc.com

1225 Gneiss Drive
McDonald, PA 15057-3552

OHIO

Paul D. Vuljanic

O: + 1 513 701 0397

C: + 1 423 534 9094

pvljanic@gnrmc.com

7697 Innovation Way, Suite 200
Mason, Ohio 45040

KENTUCKY

Wesley P. Cate

O: + 1 606 679 8591

C: + 1 859 559 9512

wcate@gnrmc.com

102 East Columbia Street
Somerset, KY 42502



GNRMCM.COM