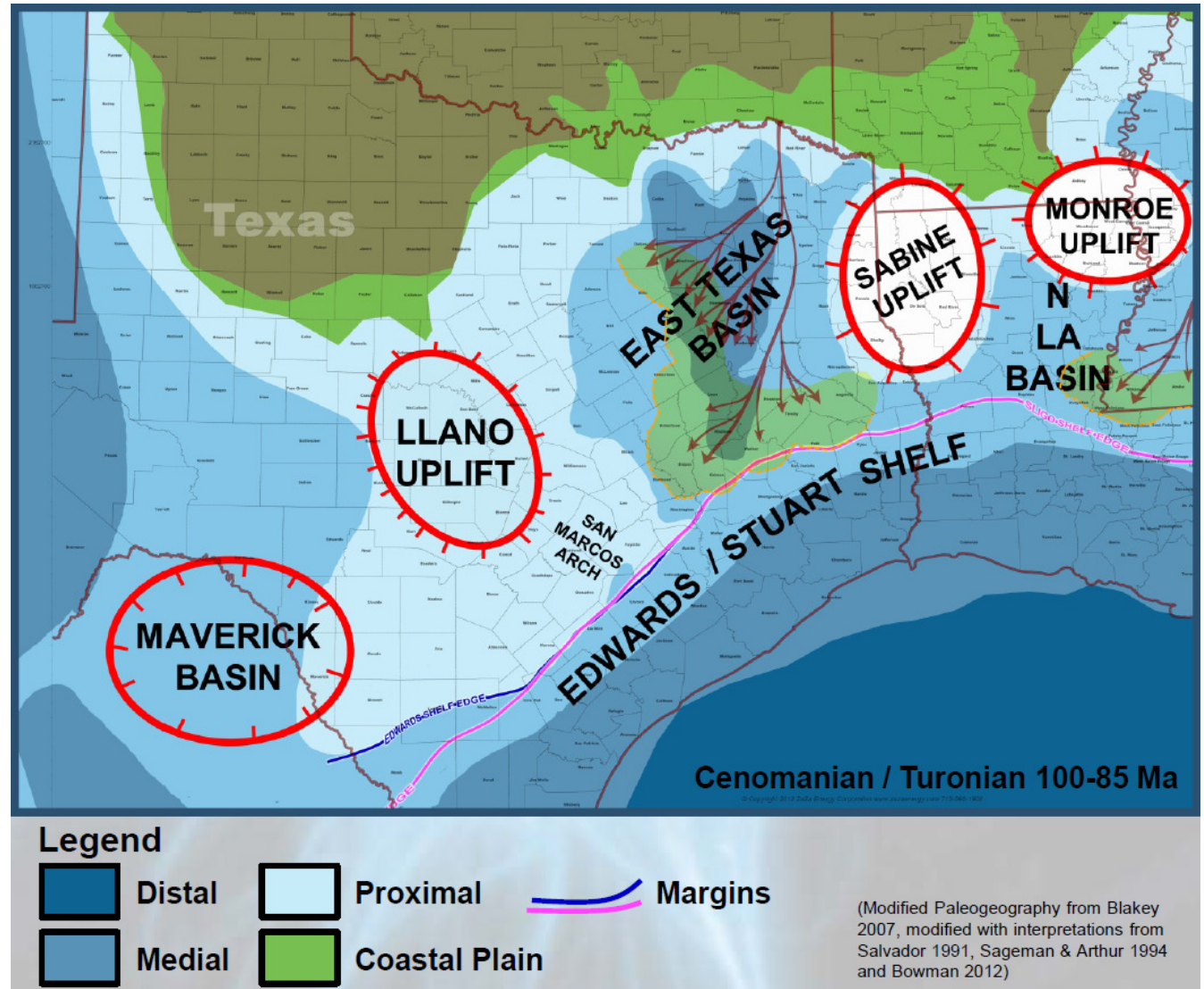

Eagle Ford / Eaglebine Update

November 2013 / Confidential

Cretaceous Paleogeography

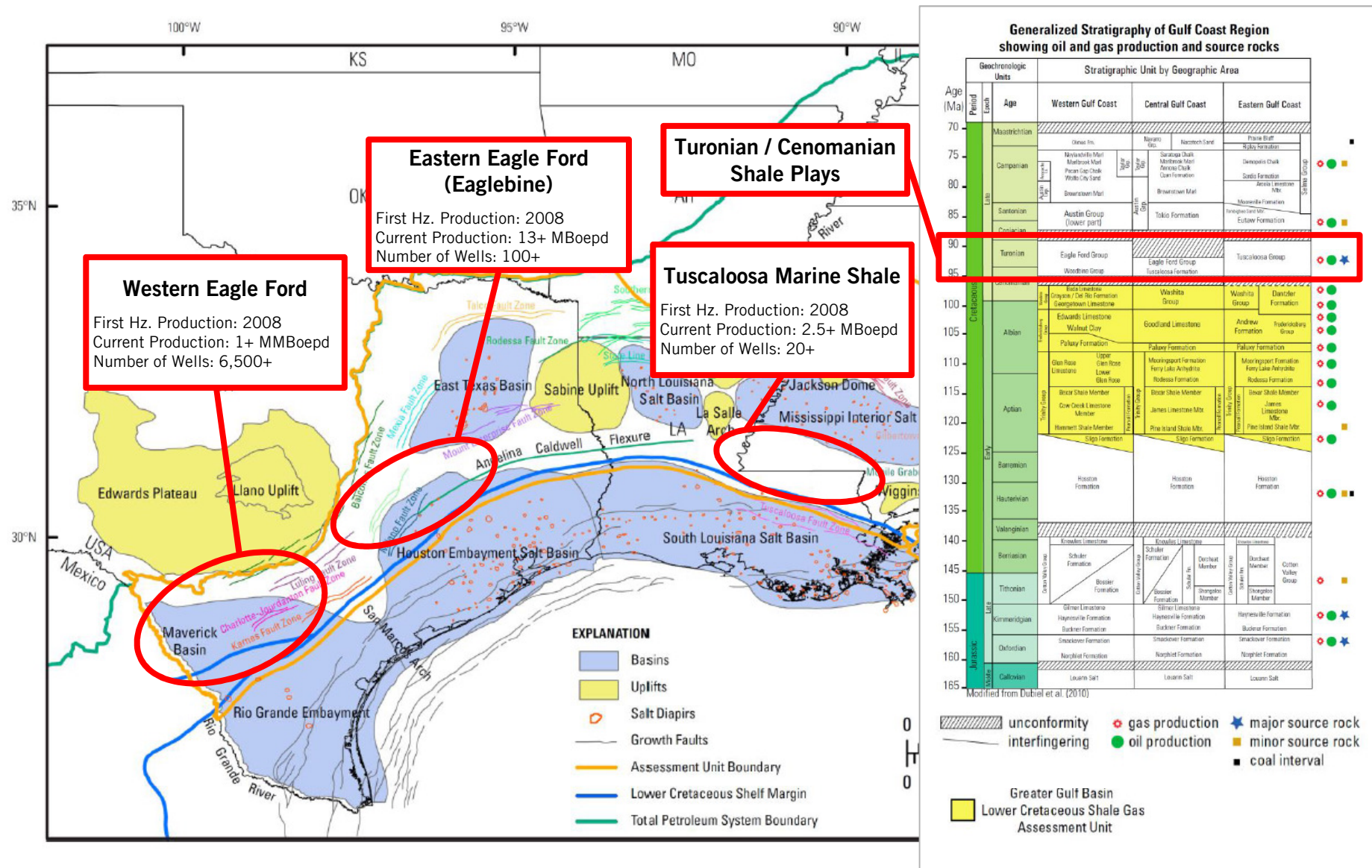
Key Points

- The Eagle Ford in the Maverick Basin is dominated by carbonates
- The East Texas Basin is dominated by siliciclastic deposition from the Ouachita complex to the north
- The siliciclastic formations include the Woodbine sands, Sub-Clarksville and the Harris Delta
- The influx of siliciclastic rocks are interlaced throughout the entire Eaglebine section
- Siliciclastic influx is also pervasive throughout the Tuscaloosa Marine Shale



Source: ZaZa Energy DUG 2012 Presentation.

The Turonian / Cenomanian-Aged Shale Plays Are Expanding Beyond the Eagle Ford Core

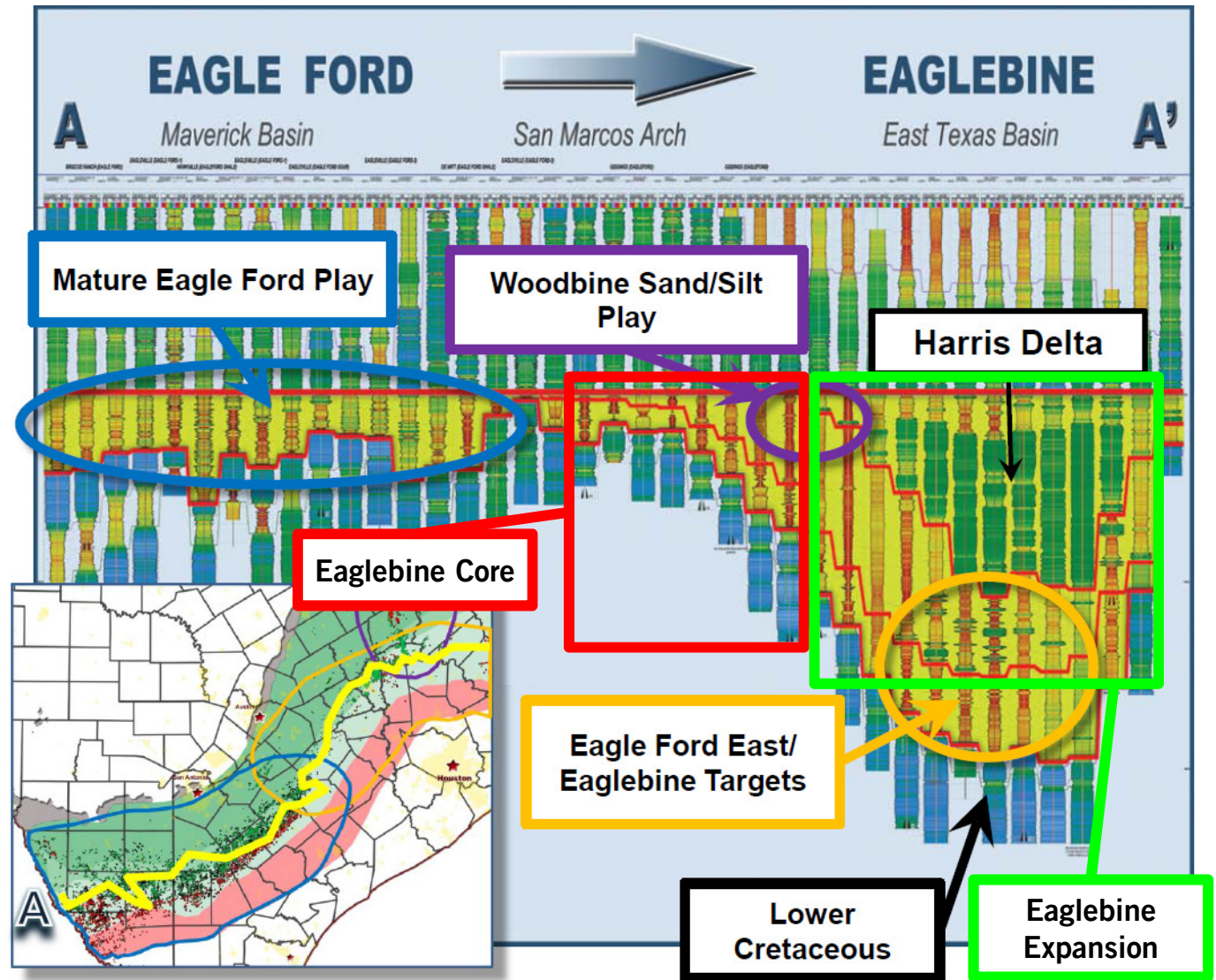


Source: AAPG 2012: Definition of Greater Gulf Basin Lower Cretaceous Shale Gas Assessment.

Eagle Ford to Eaglebine Cross Section

Key Points

- The thickness from the base of the Austin Chalk to the top of the Buda increases to nearly 1,000' in the thickest part of the Eaglebine play
- The eastern Eagle Ford target is a 100' to 250' thick "hot" shale that is analogous to the mature Eagle Ford area beginning at the San Marcos Arch
- The core of the Eaglebine activity has been west of the Woodbine sand/silt play, but ongoing activity is pushing the limits of the play further east

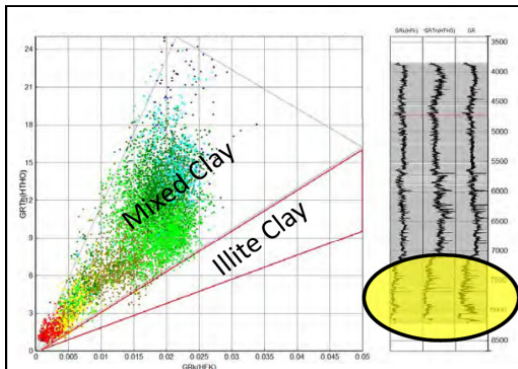


Source: ZaZa Energy 2013.

Eagle Ford to Eaglebine Cross Section

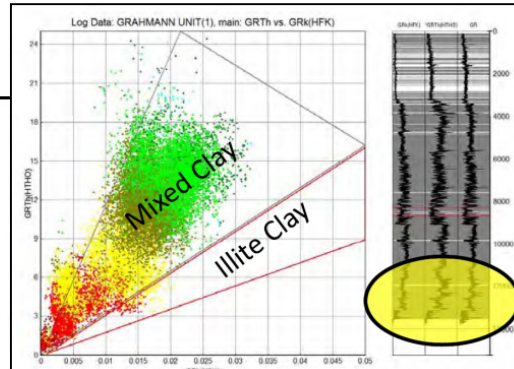
Maverick Basin Eagle Ford

- ~120' Shale Section
- Resistivity > 100 ohm



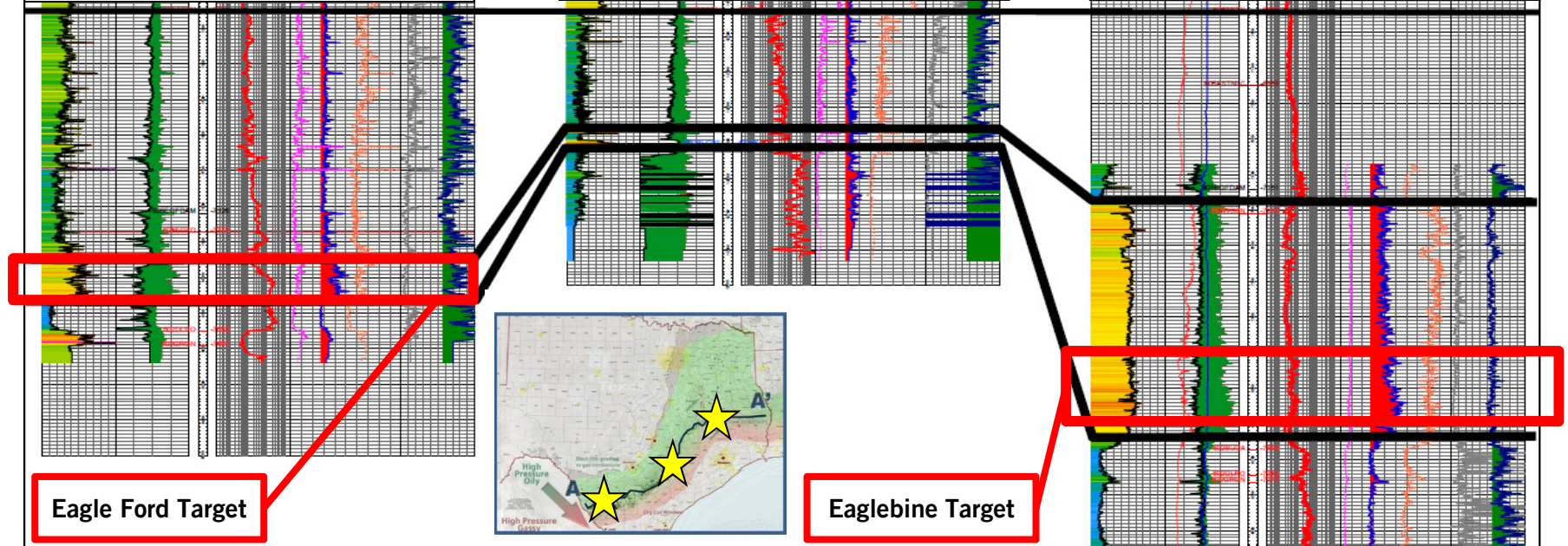
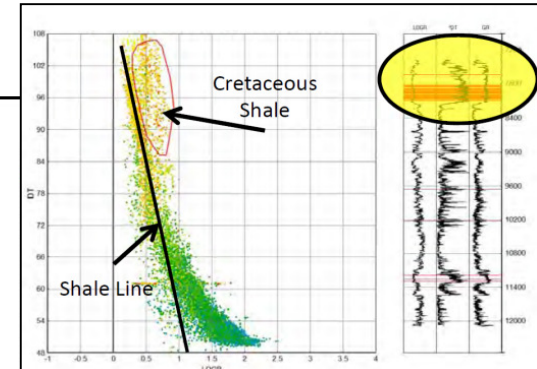
San Marcos Arch Eagle Ford

- ~40' Shale Section
- Resistivity > 5 ohm



Houston Embayment Eaglebine

- ~700' Shale Section
- Low Resistivity < 5 ohm



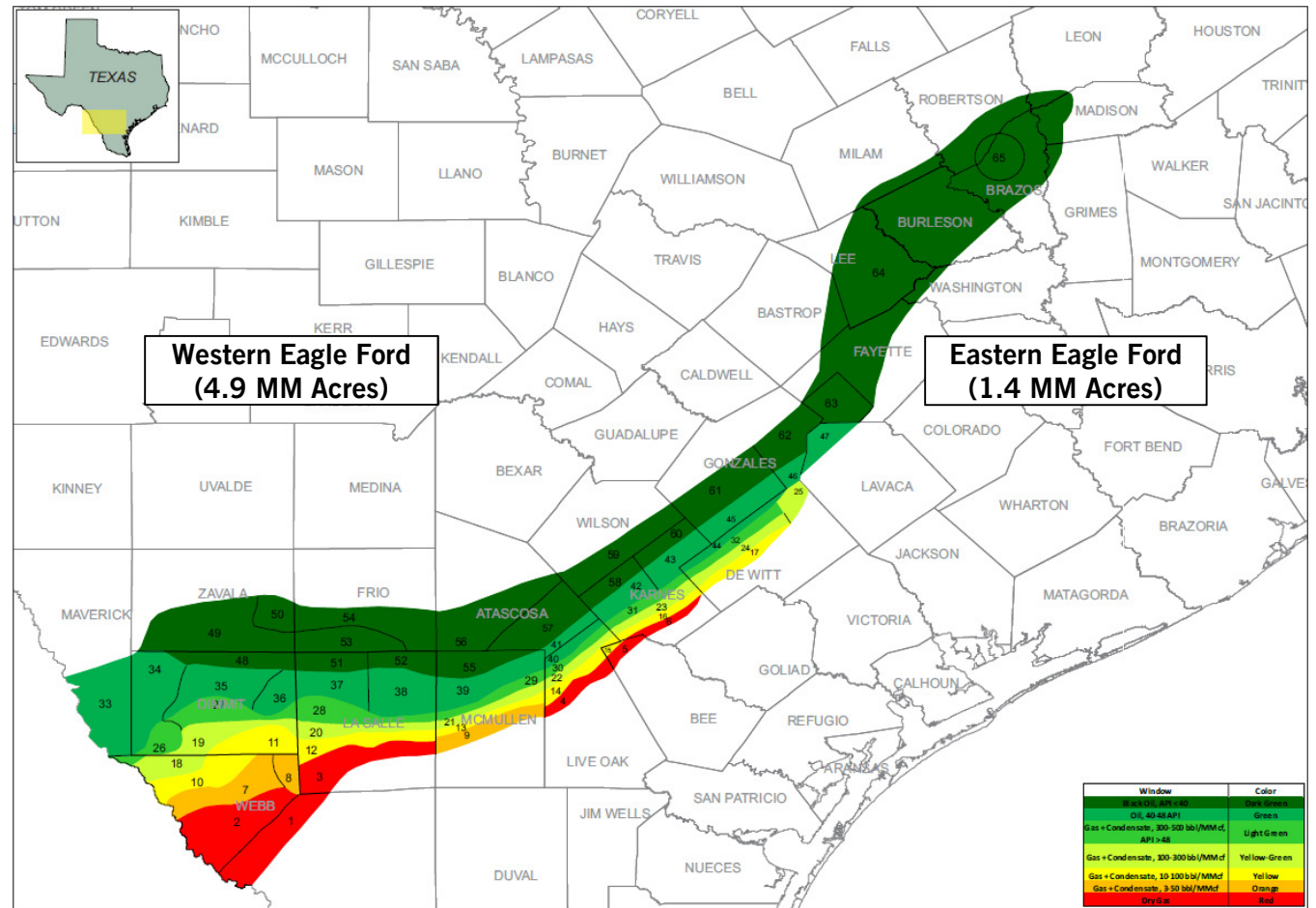
Source: AAPG 2011: Tom Bowman, Hydrocarbon Potential of Upper Cretaceous Shale Sections.

Eagle Ford Type Curve Areas

Key Points

- Jefferies has analyzed approximately 2,000 wells in the Eagle Ford and created 65 unique type curve areas
- The more mature western Eagle Ford covers 4.9 million acres and has 63 type curve areas
 - Single well returns range up to 150%+
- The less mature eastern Eagle Ford (Eablebine) covers 1.4 million acres and has two type curve areas
 - Single well returns range up to 50%+
 - Will become more defined as drilling expands the knowledge base
 - This area is expanding to the east and could grow beyond the currently defined type curve areas

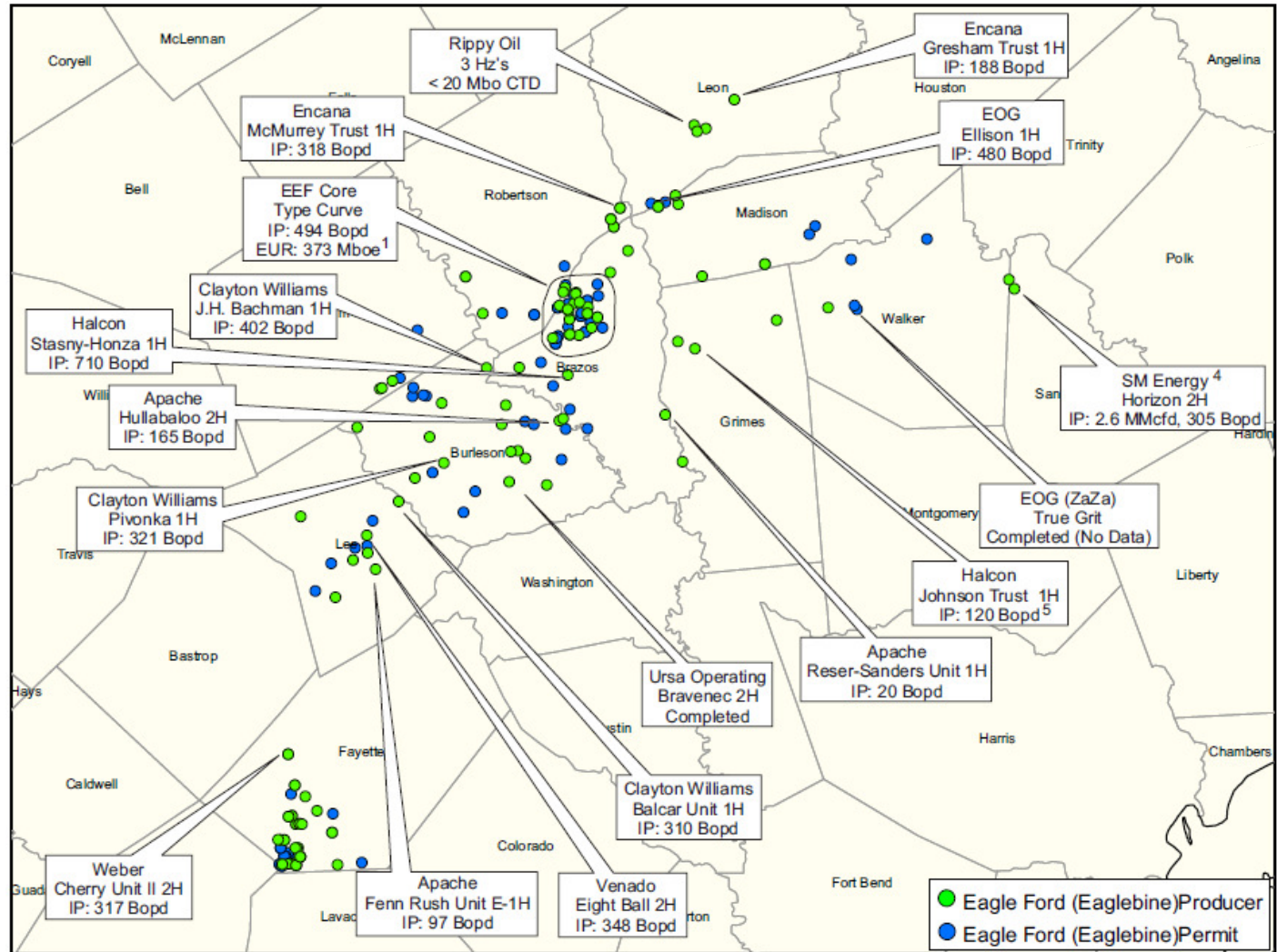
Jefferies Identified Type Curve Areas



East Eagle Ford Activity Map

Key Points

- 100+ wells have been drilled in the eastern Eagle Ford since 2008
 - 95% of the wells have been drilled in the past 18 months
 - 90%+ wells drilled to date have been oil wells
- Crimson Energy type curve⁽³⁾
 - IP: 608 Bbl/d
 - EUR: 330 MBbl
 - D&C: \$5.4 million
 - IRR: 120%
 - OOIP: 29.6 MMBbl / section (Lower Eagle Ford)
- Halcon Resources type curve⁽²⁾
 - EUR: 371 MBoe
 - D&C: \$7.5 million
 - IRR: ~50%
- Sanchez Marquis Area⁽⁶⁾
 - EUR: 450 – 550 MBoe
 - D&C: \$9.0 million
 - IRR: 30% - 53%
- Venado⁽⁷⁾
 - EUR: 370+ MBoe
 - D&C: \$6.0 million
 - IRR: 50%+



(1) Jefferies Type Curve.

(2) Based on Halcon Resources IPAA OGIS Conference presentation, April 15, 2013, and Jefferies internal analysis. IRR based on \$90.00 / Bbl, \$4.00 / MMBtu and 40% of NYMEX WTI for NGLs.

(3) Crimson Energy DUG Conference, April 2013. IRR assumes pricing of \$95.00 / Bbl & \$3.50 / MMBtu for natural gas.

(4) Business Wire, 24-Hour Woodbine Test.

(5) 24-Hour Rate.

(6) Sanchez Investor Presentation October 2013.

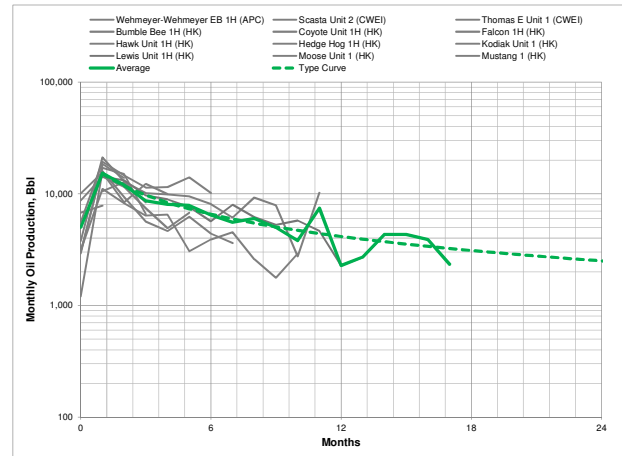
(7) Information communicated from Venado Oil & Gas.

Eaglebine Type Curve

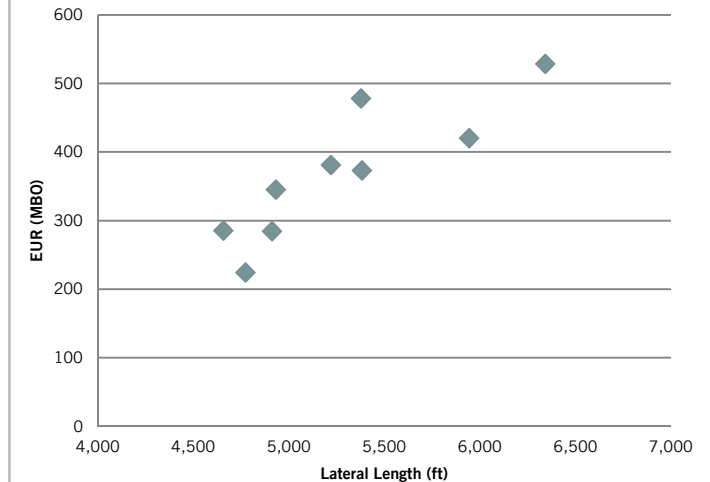
Key Points

- The Jefferies Area 65 curve represents the core of the Eaglebine, defined by 12 of the most mature, modern completions in Brazos County
 - EUR: 373 MBoe
 - 30-Day IP: 494 Bopd
 - Di: 77%
 - B: 1.25
 - GOR: 300
- Optimization of completions has already begun
 - Longer laterals have shown strong correlation to higher EURs
 - Proppant concentration per lateral ft. has been trending down, indicating sufficient frac conductivity can be achieved between 1,000 and 1,500 # / ft. in the core

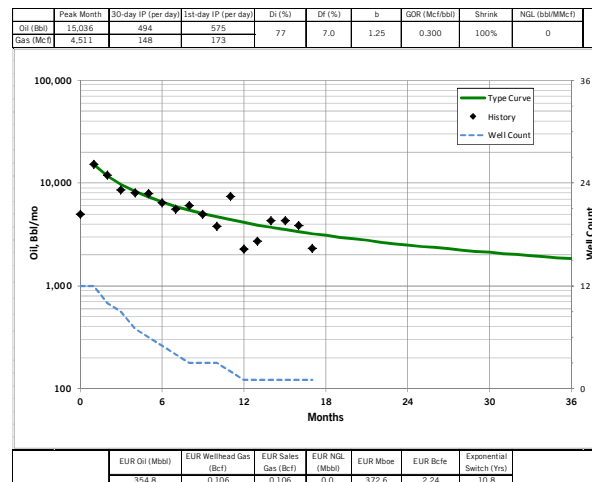
Trend Plot



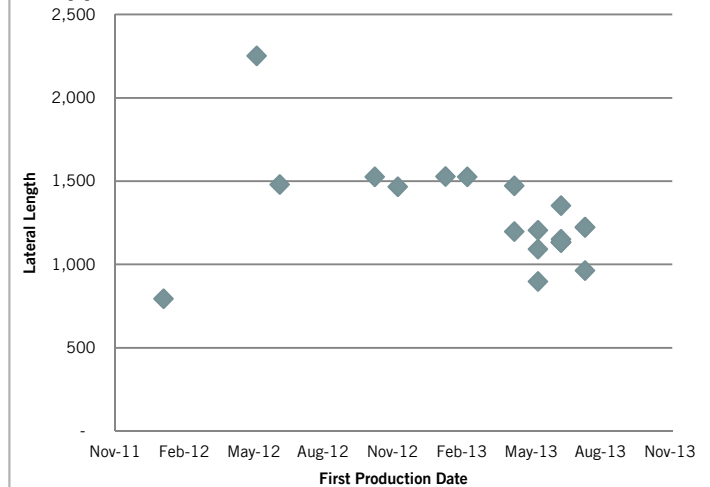
EUR vs. Lateral Length Correlation



Type Curve



Proppant # / ft. vs. First Production Date

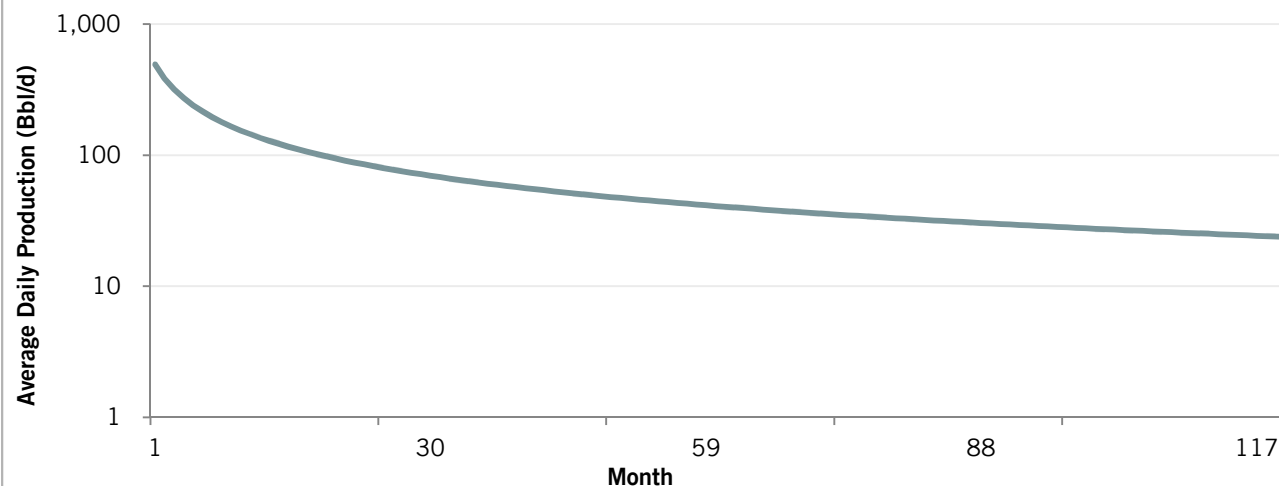


Single Well Summary Page

Operating Assumptions

- 5,000' Treated Lateral Length
- EUR: 373 Mboe
- Operating expenses:
 - Fixed opex of \$4,000 / month
 - Variable oil opex (\$ / gross Bbl) of \$4.00
 - Gathering and transportation fee (\$ / gross sales Mcf) of \$2.00
 - NGL transport fee (\$ / gross Bbl) of \$6.00
- Production taxes:
 - Oil severance tax of 4.60%
 - Gas / NGL severance tax of 7.50%
 - Ad valorem tax of 4.25%
- Capital expenditures:
 - Drilling capex of \$2.4 MM / well
 - Completion capex of \$4.0 MM / well
 - Facility capex of \$100 M / well
- Processing and differentials:
 - Gas shrink factor of 40%
 - NGL yield (Bbl / MMcf) of 200
 - NGL differential of 40%
 - Gas differential of 95.00%
- Spud-to-sales of 30 days

Daily Oil Production Profile



Single Well Sensitivity Analysis

IRR

EUR Risking (%)	Price Deck		
	\$70.00 / \$3.50	\$80.00 / \$3.50	NYMEX
80%	16%	25%	45%
100%	32%	48%	87%
120%	53%	80%	150%

Capex Risking (%)	Price Deck		
	\$70.00 / \$3.50	\$80.00 / \$3.50	NYMEX
80%	59%	89%	168%
100%	32%	48%	87%
120%	19%	29%	51%

PV-10

EUR Risking (%)	Price Deck		
	\$70.00 / \$3.50	\$80.00 / \$3.50	NYMEX
80%	\$935	\$2,190	\$3,705
100%	\$2,952	\$4,522	\$6,416
120%	\$4,970	\$6,855	\$9,127

Capex Risking (%)	Price Deck		
	\$70.00 / \$3.50	\$80.00 / \$3.50	NYMEX
80%	\$4,246	\$5,816	\$7,710
100%	\$2,952	\$4,522	\$6,416
120%	\$1,658	\$3,228	\$5,122

East versus West Eagle Ford Type Curve Area Comparison

Key Points

- The Area 65 Eagle Ford type curve is one of the higher-performing type curves of the 15 Jefferies type curve areas with similar GORs
- Drivers to improved performance of Area 65 could be higher permeability and / or pressure gradient

