



BAYSWATER
EXPLORATION & PRODUCTION



BAYSWATER EXPLORATION & PRODUCTION

ENERCOM

AUGUST 17 , 2021

- **Denver Based Oil and Gas Exploration and Production Company**
 - Founded in 2004
 - Management team with over **250 years of oil and gas experience: land, geoscience, engineering, and operations**
 - Successfully **raised and deployed over \$1.1 billion in LP capital** across 4 Institutional Energy Funds
 - Direct owner / operator Fund Model – Bayswater is Fund GP and Asset Operator

- **Strategy / Approach**
 - Focused on **highest quality resource plays in the US (Northern Midland; Delaware; DJ Basin Wattenberg)**
 - Those with lowest break-even costs, best development economics; a robust competitive service sector, and a healthy arena of strategic buyers of quality assets
 - **Value Creation via Reserves Promotion**
 - Acquiring undeveloped leasehold in low risk or proven areas, drilling horizontal wells, hydraulically fracturing those wells, then producing and selling (hedged) oil and gas
 - Majority of capital spending is for **follow-on drilling and completion activities**
 - **ESG focused:** Endowment and Foundation Investor Base

BAYSWATER NATURAL RESOURCE FUNDS: 2010 - PRESENT

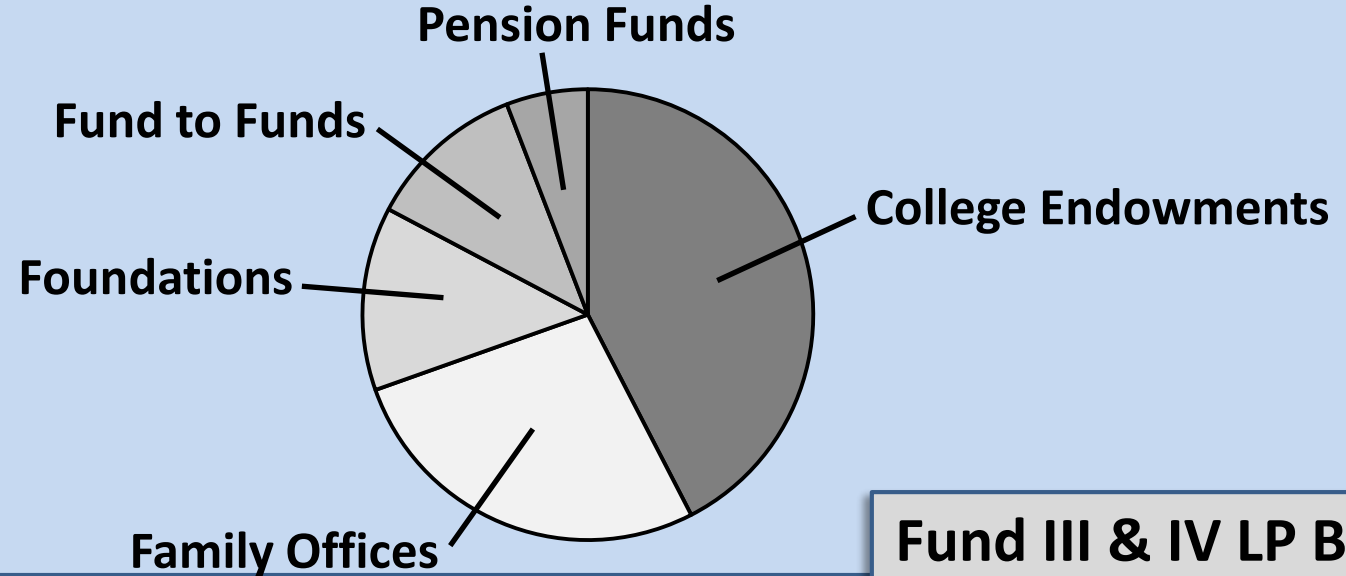


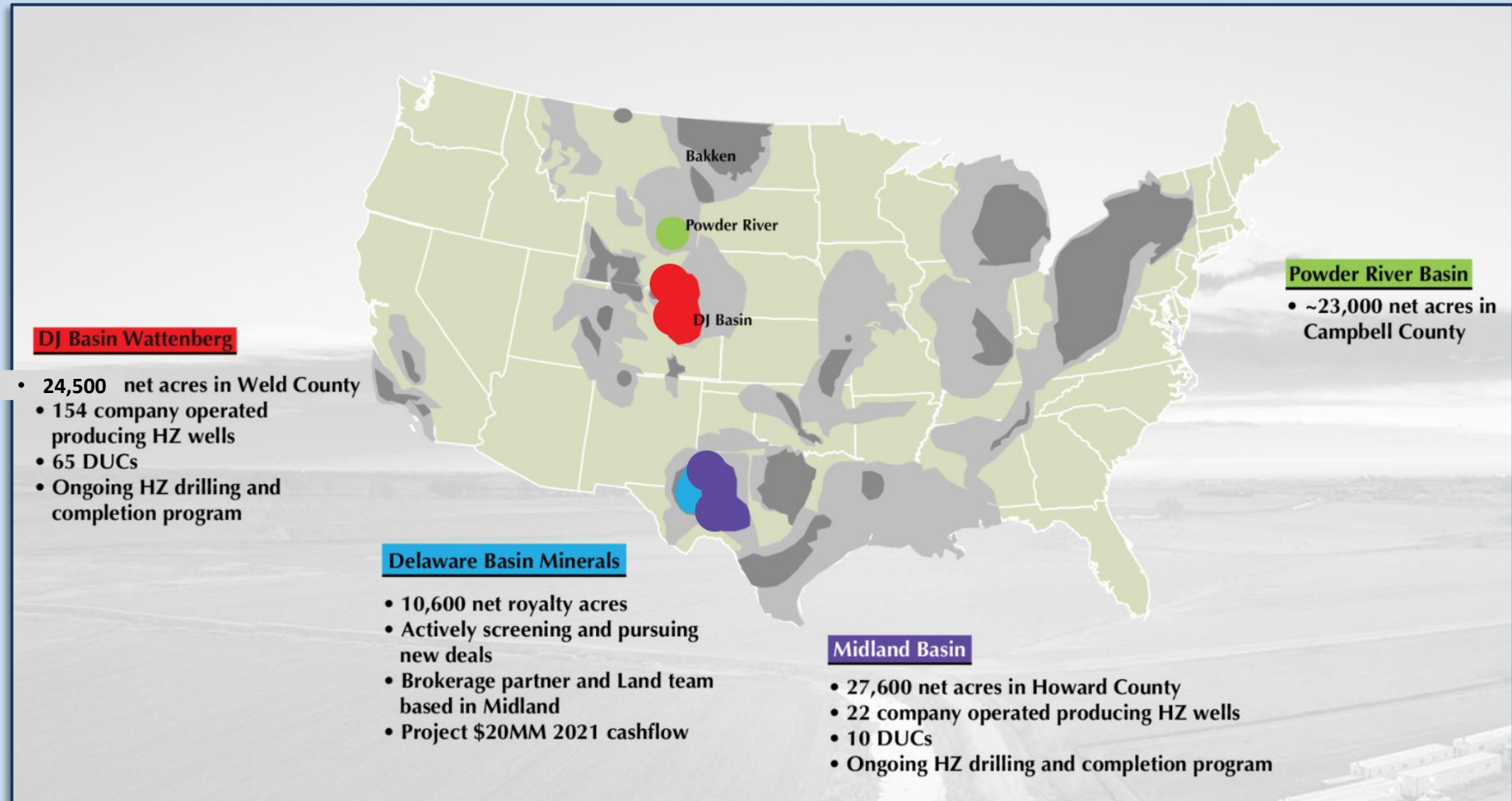
Fully Realized

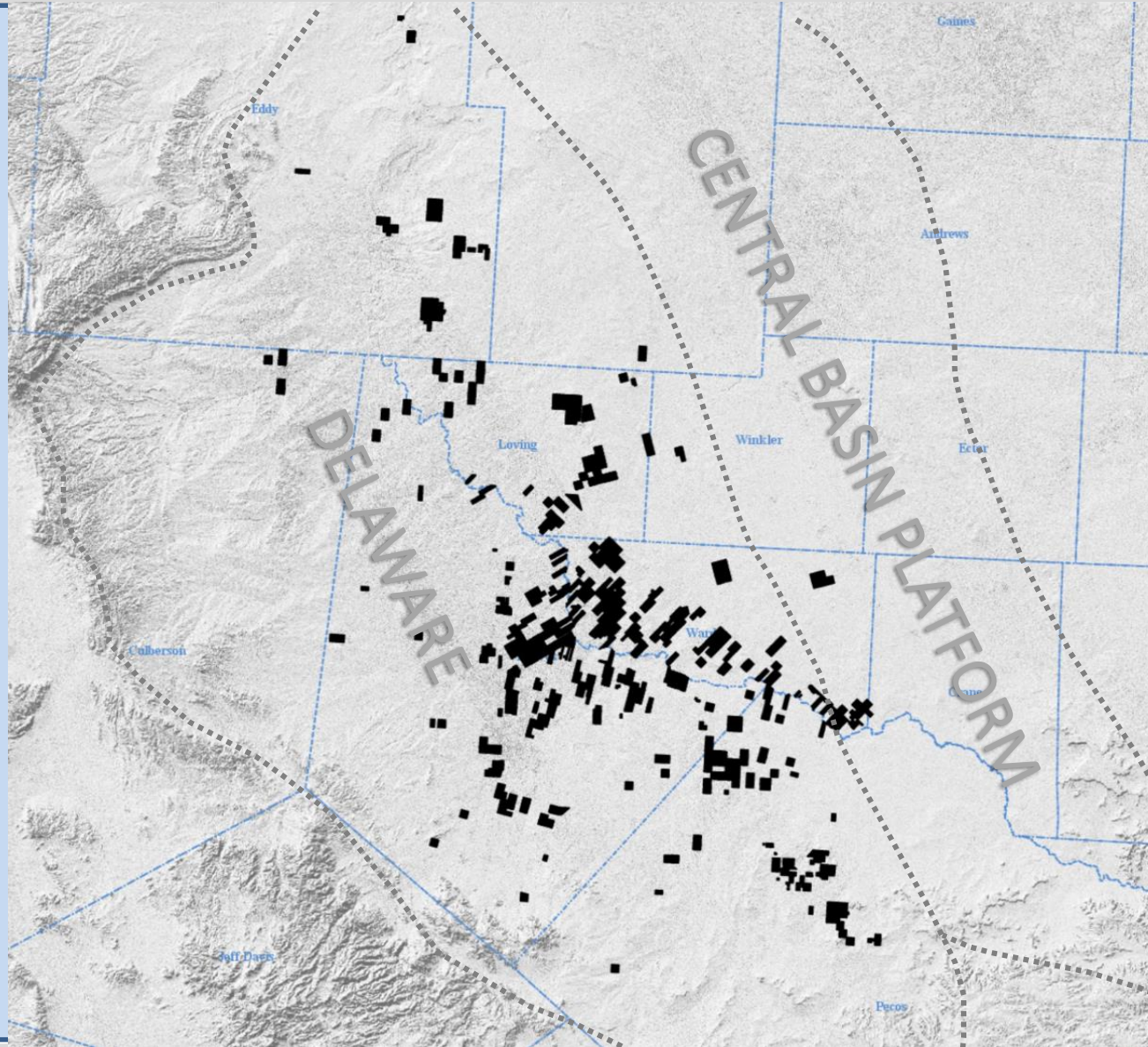
Active

	Fund I	Fund II	Fund III	Fund IV
Commitments	\$105 million	\$250 million	\$390 million	\$356 million
Year Closed/Realized	2010 / 2017	2012 / 2017	2017 /	2020 /
Focus Area	DJ Basin / Wattenberg	DJ Basin / Wattenberg San Joaquin	Northern Midland Basin Delaware Minerals DJ Basin / Wattenberg	Northern Midland Basin Delaware Minerals DJ Basin / Wattenberg

- Bayswater Fund Hallmarks**
- Blind Pools
 - Narrowly Defined Strategic Fairways
 - Modest Use of Leverage ~ 1.0x EBITDA
 - Hedge to Protect Project Returns
 - Recycle Cash Flow
 - Investor Returns via Asset Sales





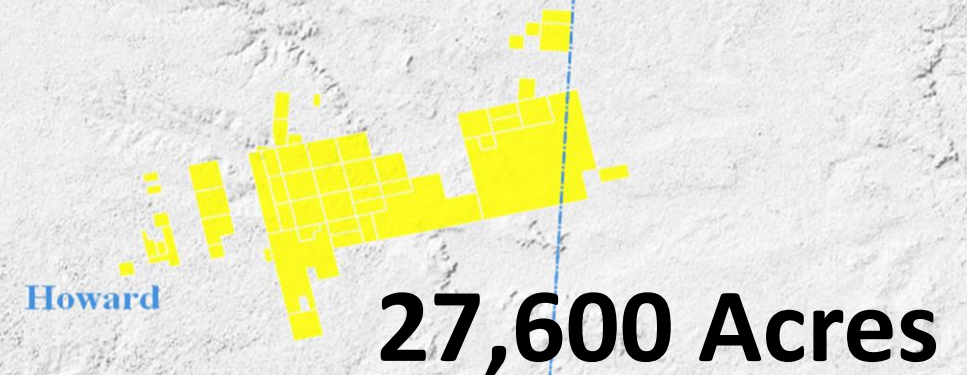



- **10,900 net royalty acres**
- **1,080 producing wells**
- **200 DUCs and Permits**
- Currently - 5 active rigs
- 2019 peak - 22 active rigs
- **Top Operators (of 60+)**
 - Occidental
 - Exxon
 - Diamondback
 - Chevron
- **Top Projects include**
 - Poker Lake
 - Harrison Ranch
- **2021 Pro-forma**
 - EBITDA - \$20.4 MM
 - Net Production - 1400 BOEPD

BAYSWATER - FEAST PROJECT HOWARD COUNTY, TX

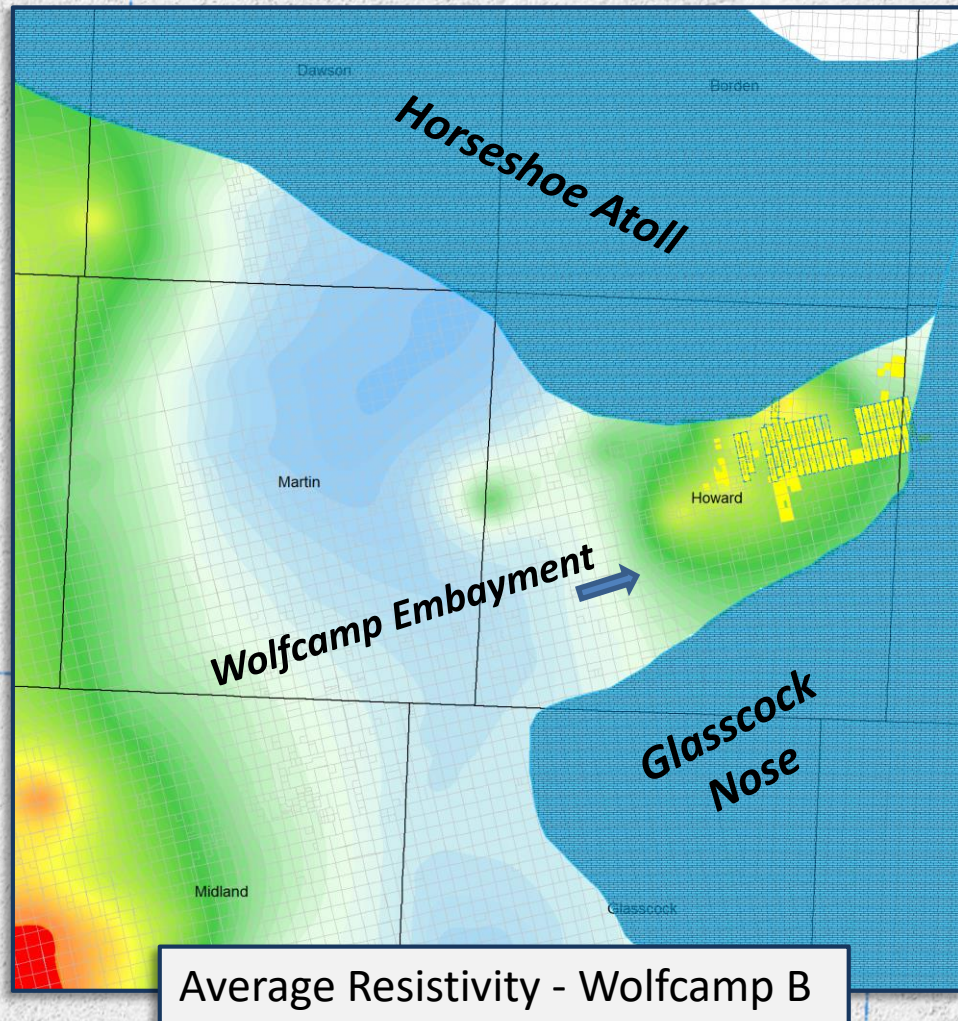


- 2016 technical study (based upon historical vertical well development) - **began leasing step-out “Tier Two” Wolfcamp acreage**
- **High liquid percentage**, combined **low DC&E costs**, yielded attractive project economics
- Existing oil and gas infrastructure, **friendly regulatory environment**, access to services and qualified workforce
- **Repeatable type curve performance was original underwriting risk**
- Since 2016, **over 250 eastern horizontal laterals** have been completed in four separate benches yielding solid **“Tier One” economic performance and a well documented type curve**



 Bayswater Leasehold

Midland



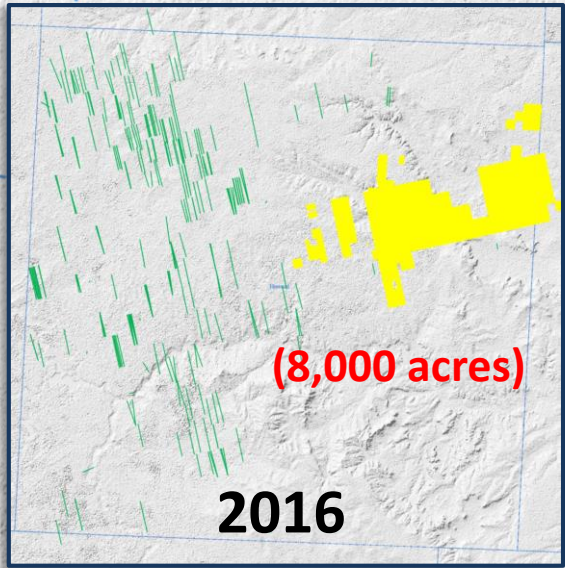
- **Uniquely positioned** - situated between two large carbonate buildups which both shed abundant sediment into basin
 - Horseshoe Atoll (HA, underlying)
 - Eastern Shelf (ES, adjacent/overlying)
- **Area targeted** based on Wolfcamp B rock properties (**Shale-focused**)
 - Source rocks continually present
 - Consistent heat flow/maturation
 - Highly oil saturated rock (both shale and carbonate)
 - Substantial vertical well performance (both shale and carbonate)

HOWARD COUNTY DEVELOPMENT PROGRESSION

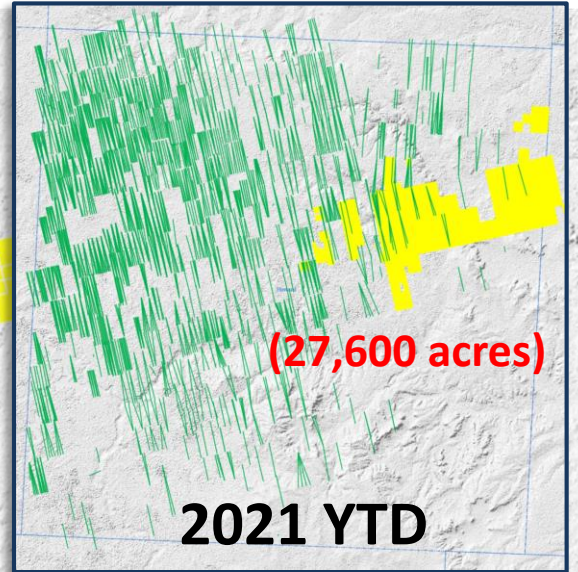
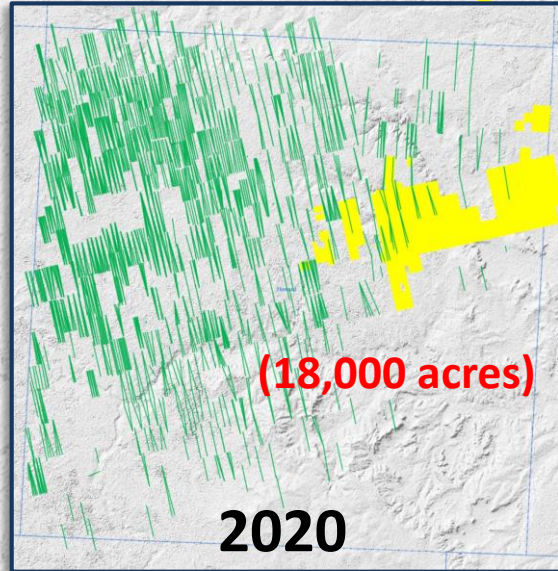
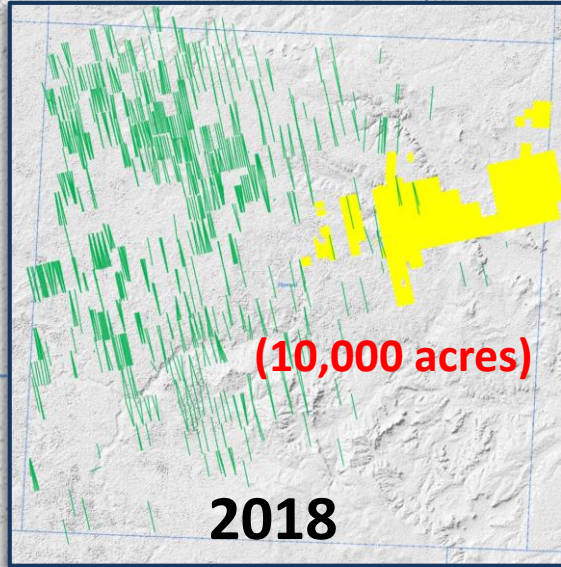


Play has expanded rapidly to the east in the last three years with no significant drop in well results

Martin



Midland



1550 Resources Laterals

 Bayswater Leasehold

* Current acreage position shown on all maps

RECENT M&A ACTIVITY (HOWARD COUNTY)



Laredo / Sabalo transaction May 2021

- \$715 million
- 14,500 BOEPD
- 21,000 acres
- 120 operated locations; 150 non-operated locations




Pure Acquisition Corp → HighPeak Energy

- De-SPAC 8/23/2020
- HPK begins trading 8/24/2020
- 51,000 acres - 91% operated
- 85% Oil

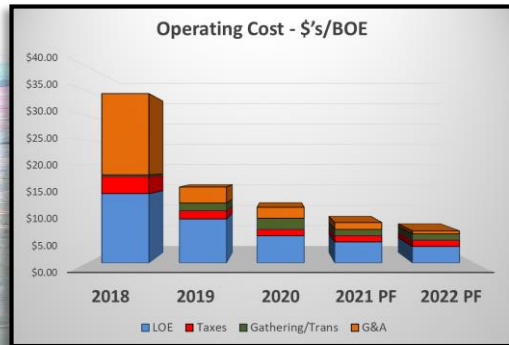


Surge / Grenadier transaction Mar 2021

- \$420 million
- 9,000 BOEPD
- 18,000 net leasehold acres
- Operated inventory of ~120 high-quality / economic future drilling locations

 Bayswater Leasehold

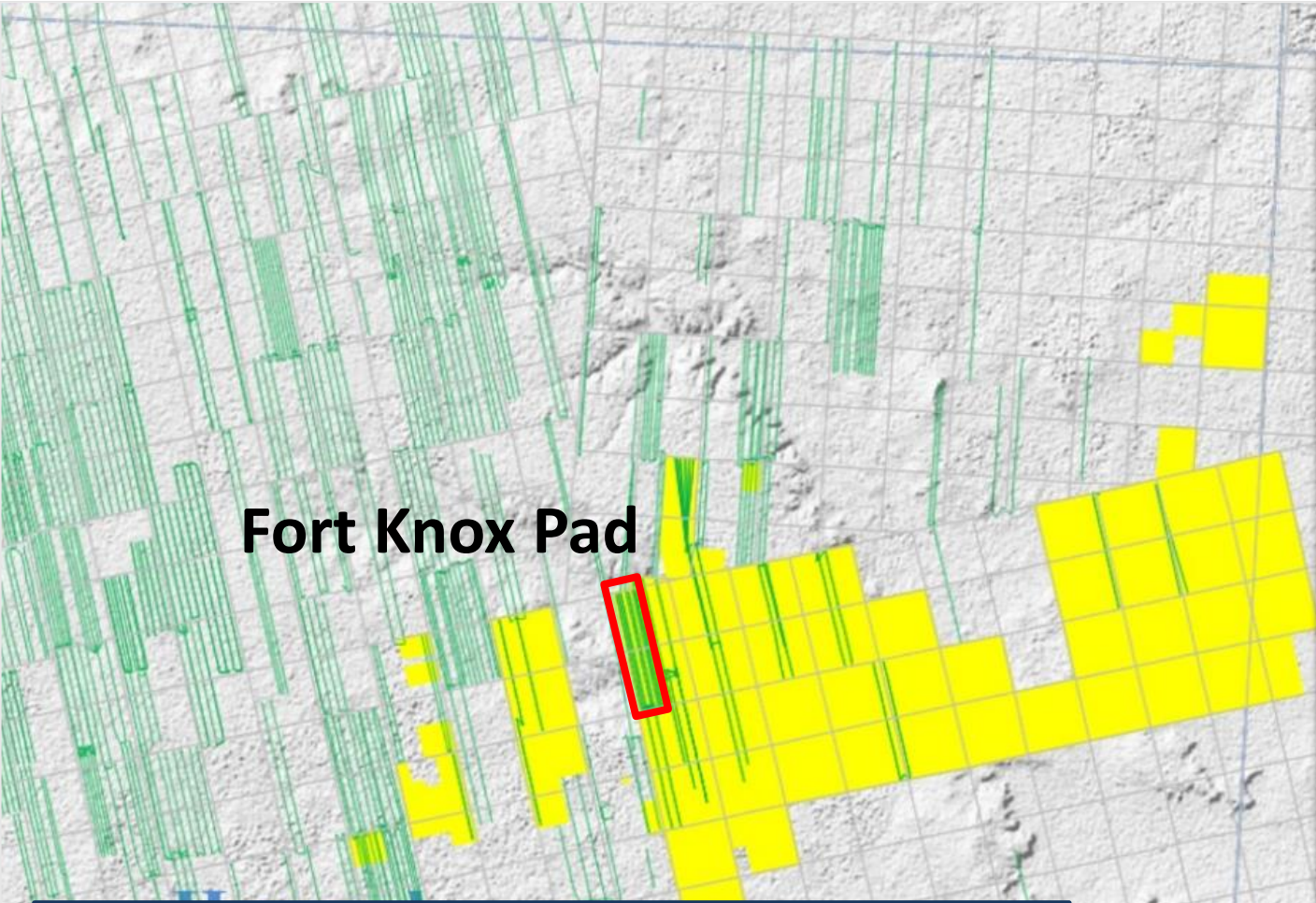
INFRASTRUCTURE BUILT FOR YEARS OF GROWTH



- 1.3 million BBLs of frac-water storage
- Landowner agreements for water supply
- 4 company-owned water disposal wells
- Pipeline interconnected to 3rd party water disposal
- 85% of oil gathering via pipeline
- Multiple gas takeaway options

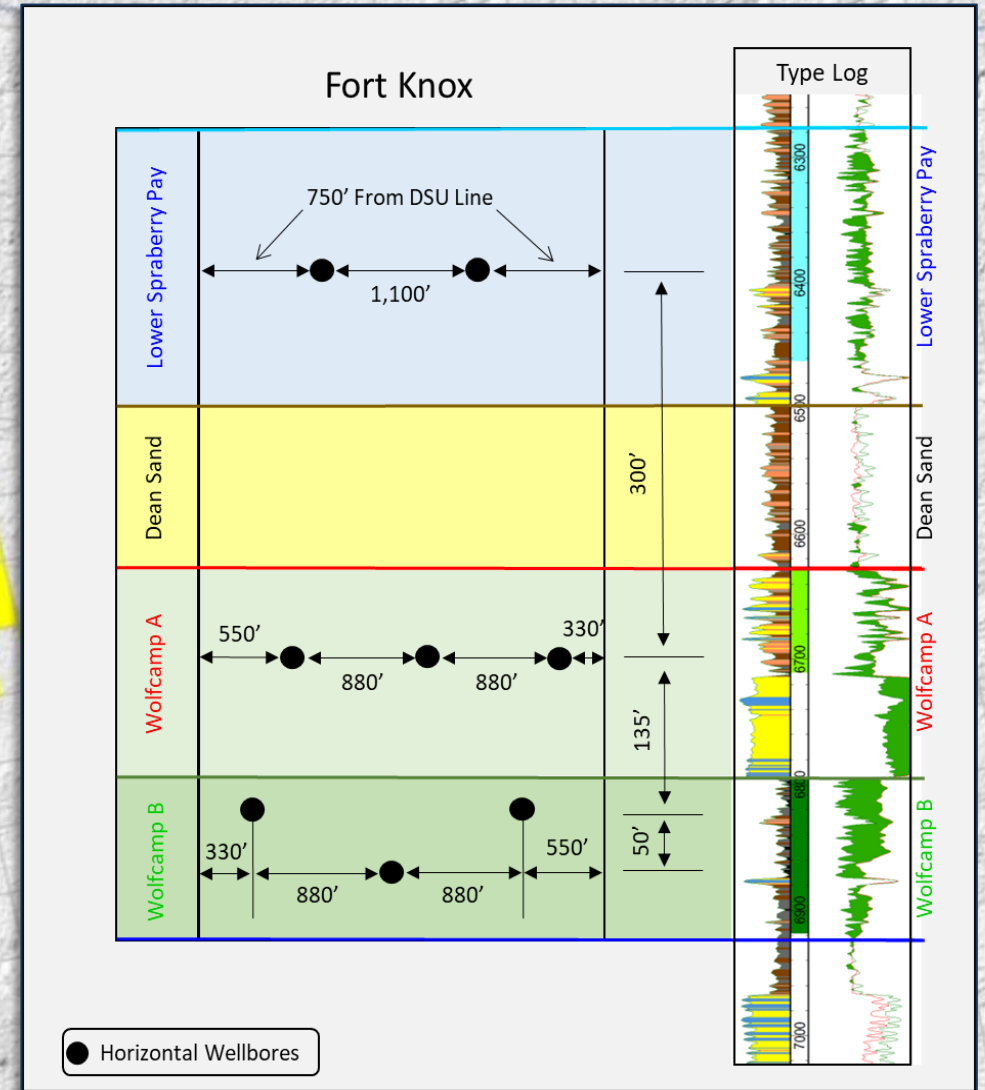


FORT KNOX PAD - DRILLING COMPLETED JULY 1

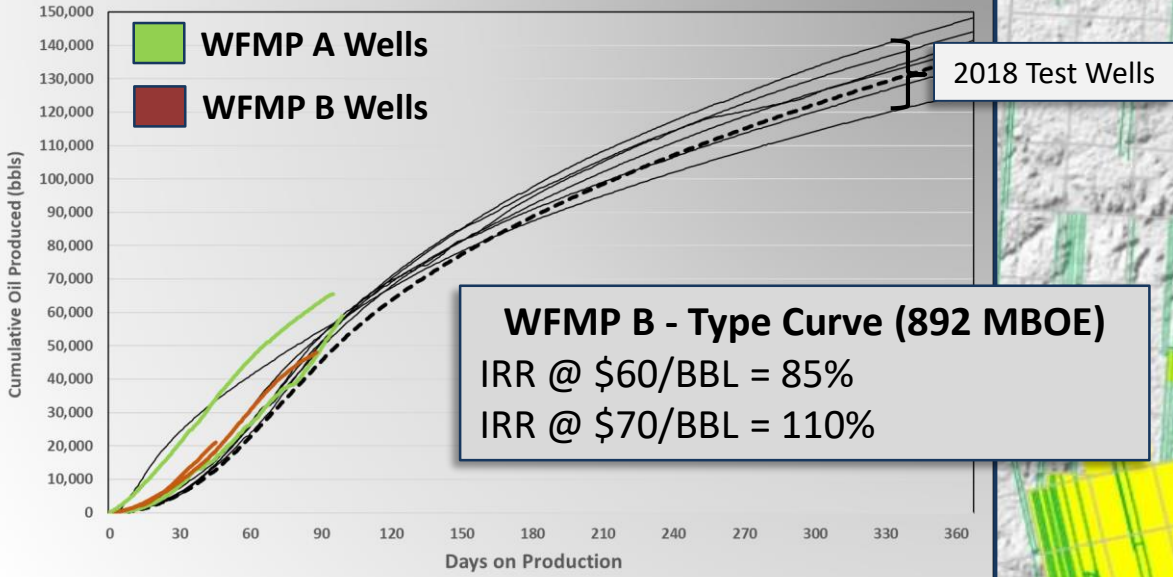


Fort Knox Pad

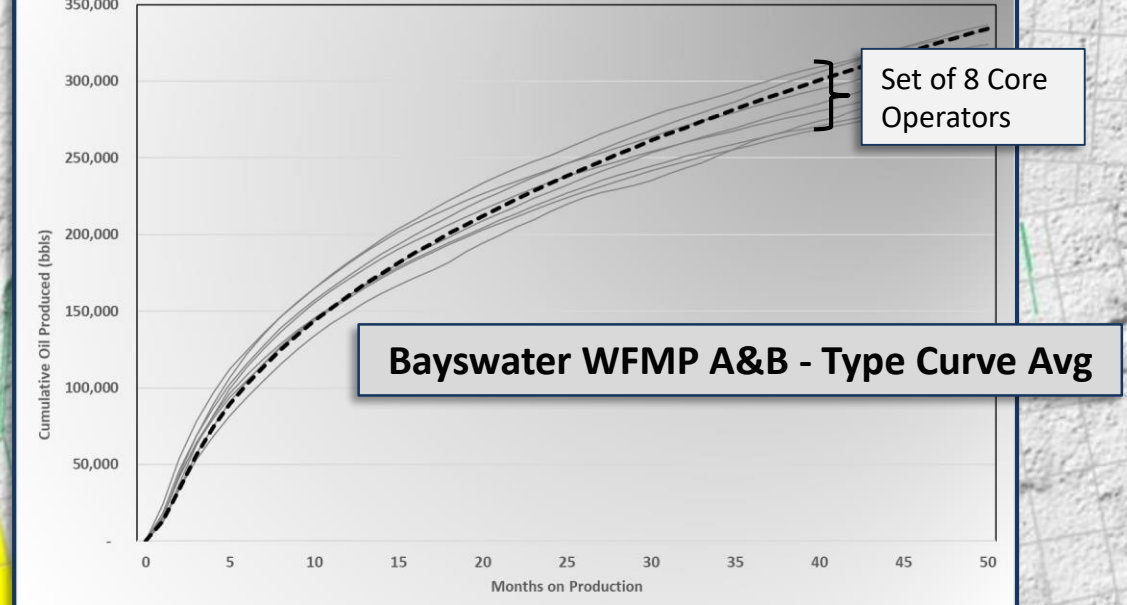
- 8 wells total (16 well per mile density)
- 12.5 average days from spud to RR (per well)
- Average lateral length = 10,643'
- Simul-frac ops starting late August



2021 Program Wells



Howard County - Operator Comparison



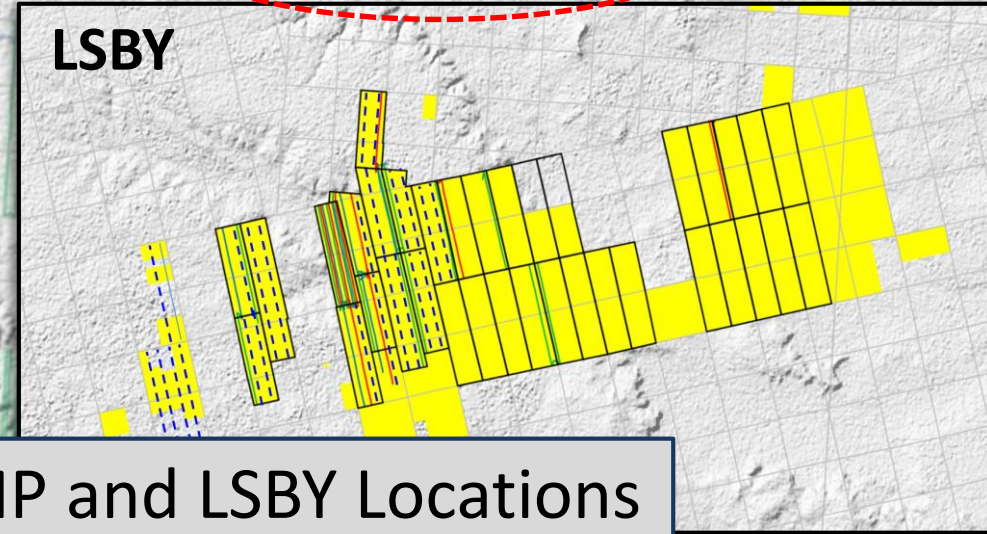
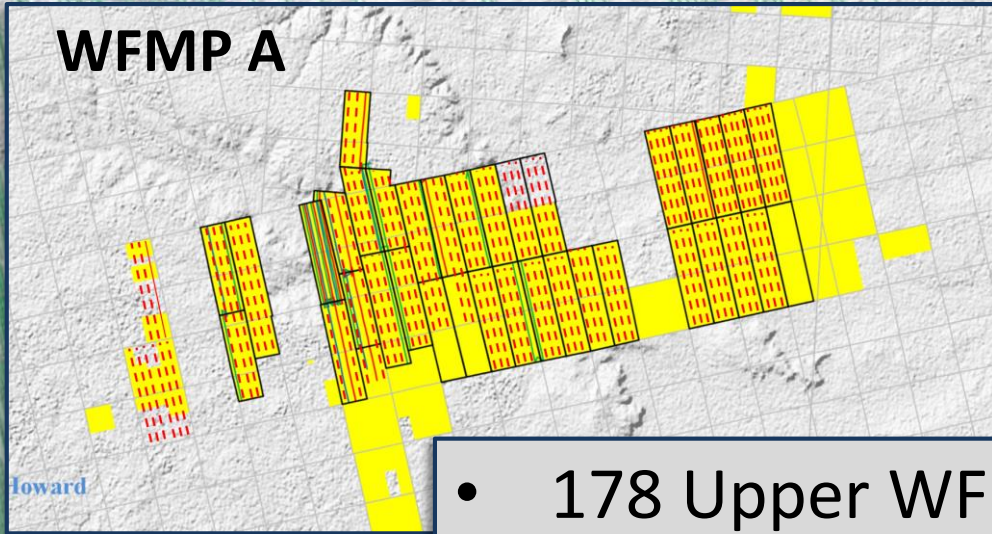
Narrow bandwidth of historic production proves consistent and repeatable results

■ Bayswater Leasehold

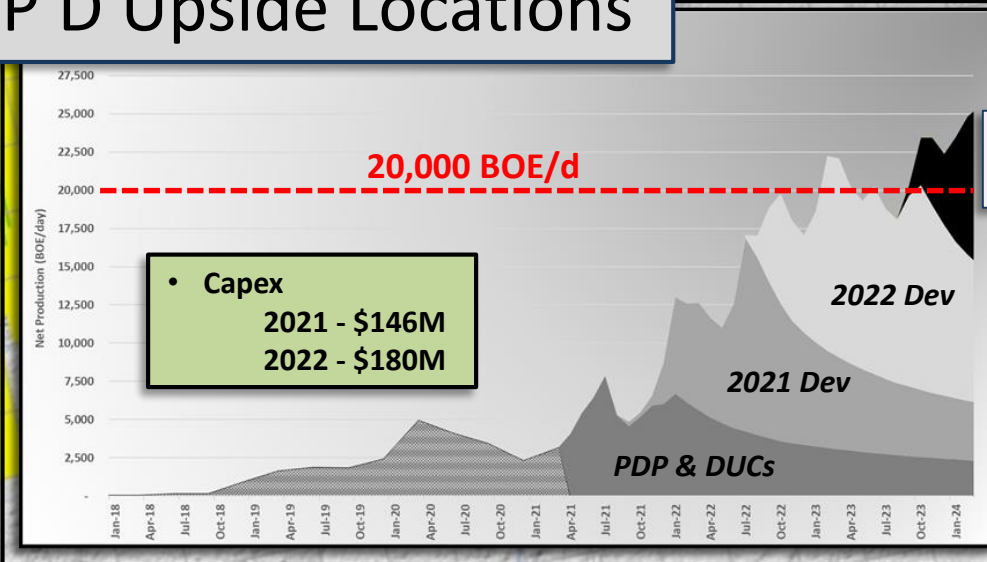
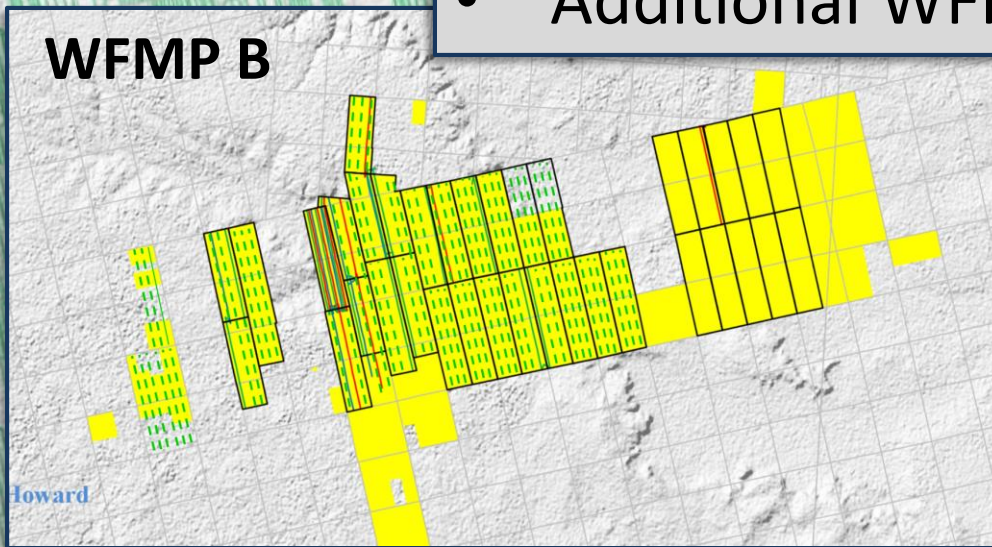
Howard

* Assumes \$5.5M CAPEX, exit in 3 years at PV12.5, \$1.50/MCF, NGL = 30% of WTI, no deducts or diffs; drill one month, frac next, one month delay, then TIL
 ** All wells normalized to 10,000'

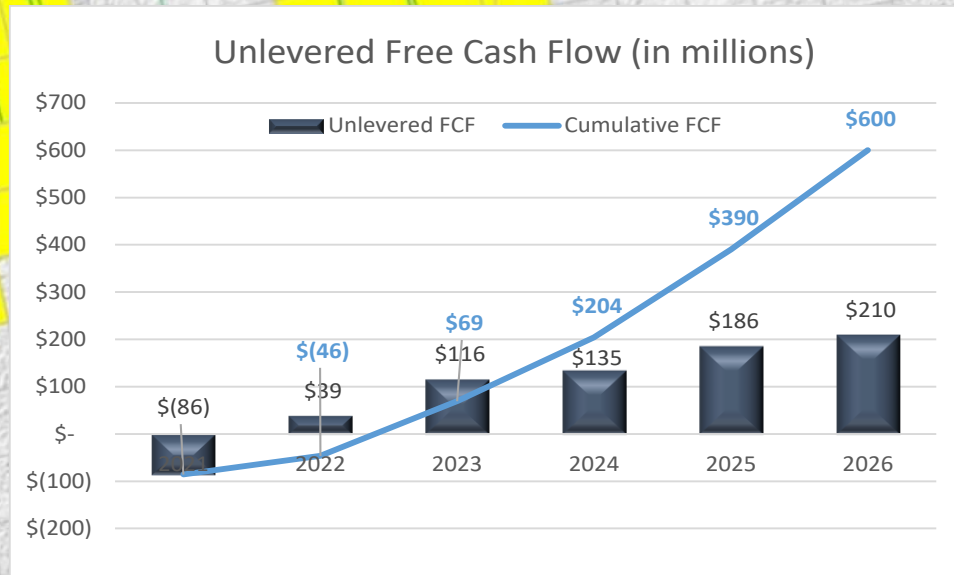
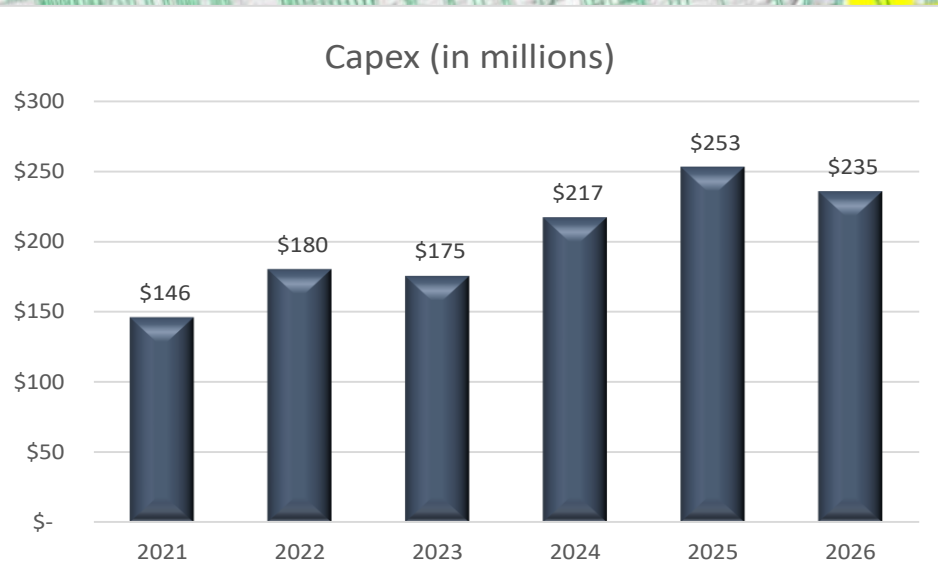
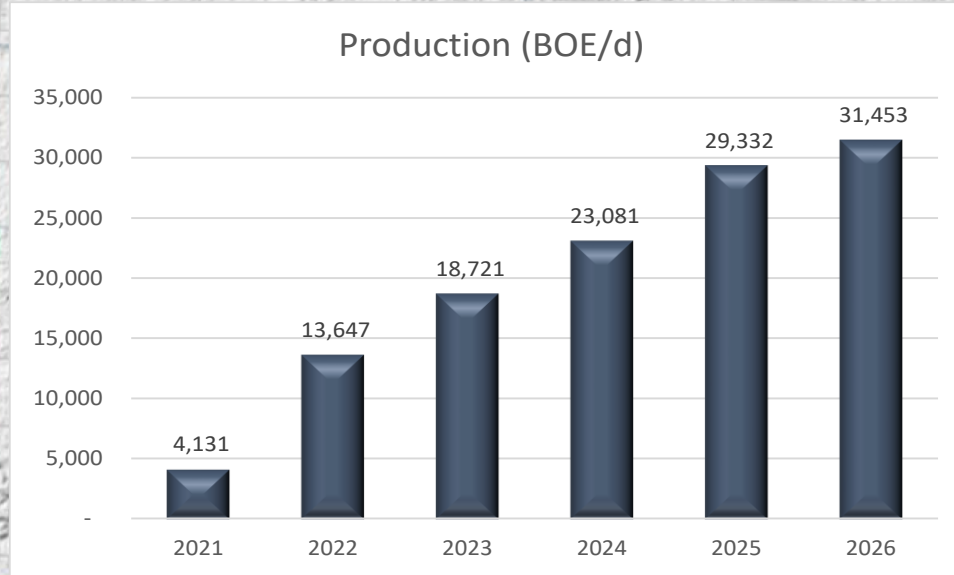
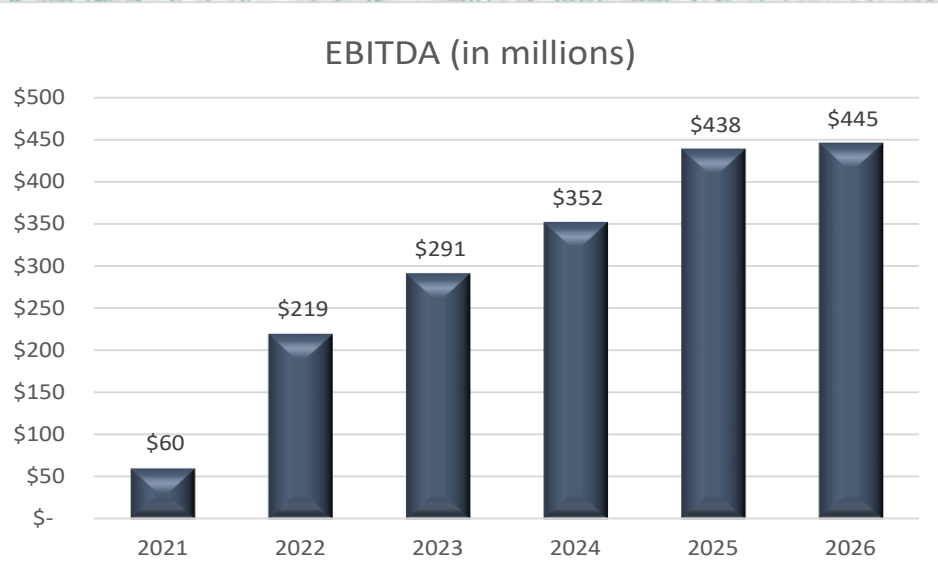
INVENTORY OF HIGH QUALITY LOCATIONS - 95% OPERATED



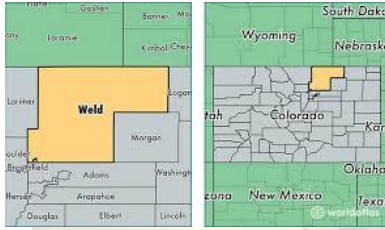
- 178 Upper WFMP and LSBY Locations
- Additional WFMP D Upside Locations



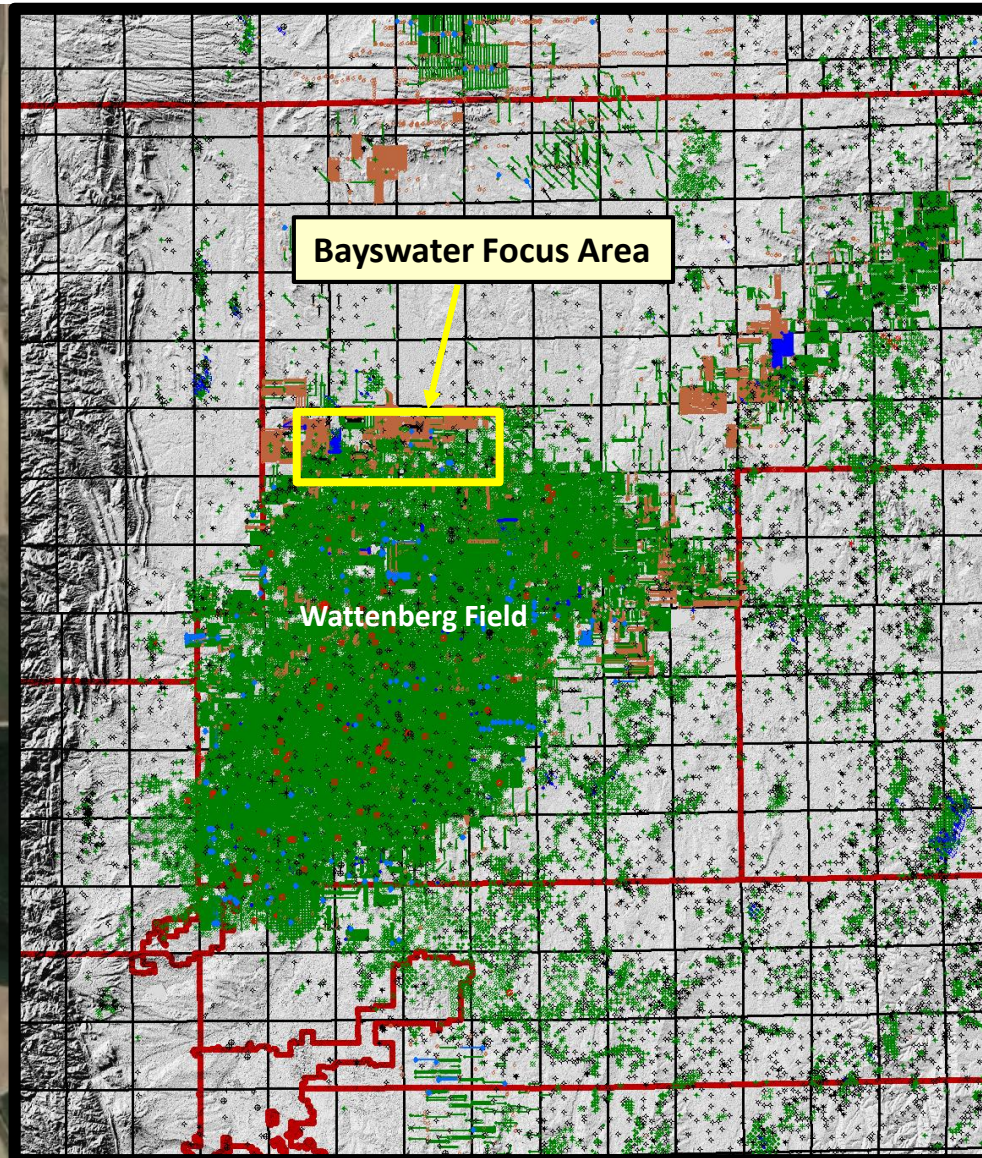
PROFORMA FINANCIAL METRICS – MIDLAND BASIN (\$60 WTI LESS DIFF)



DJ BASIN WATTENBERG – WELD COUNTY



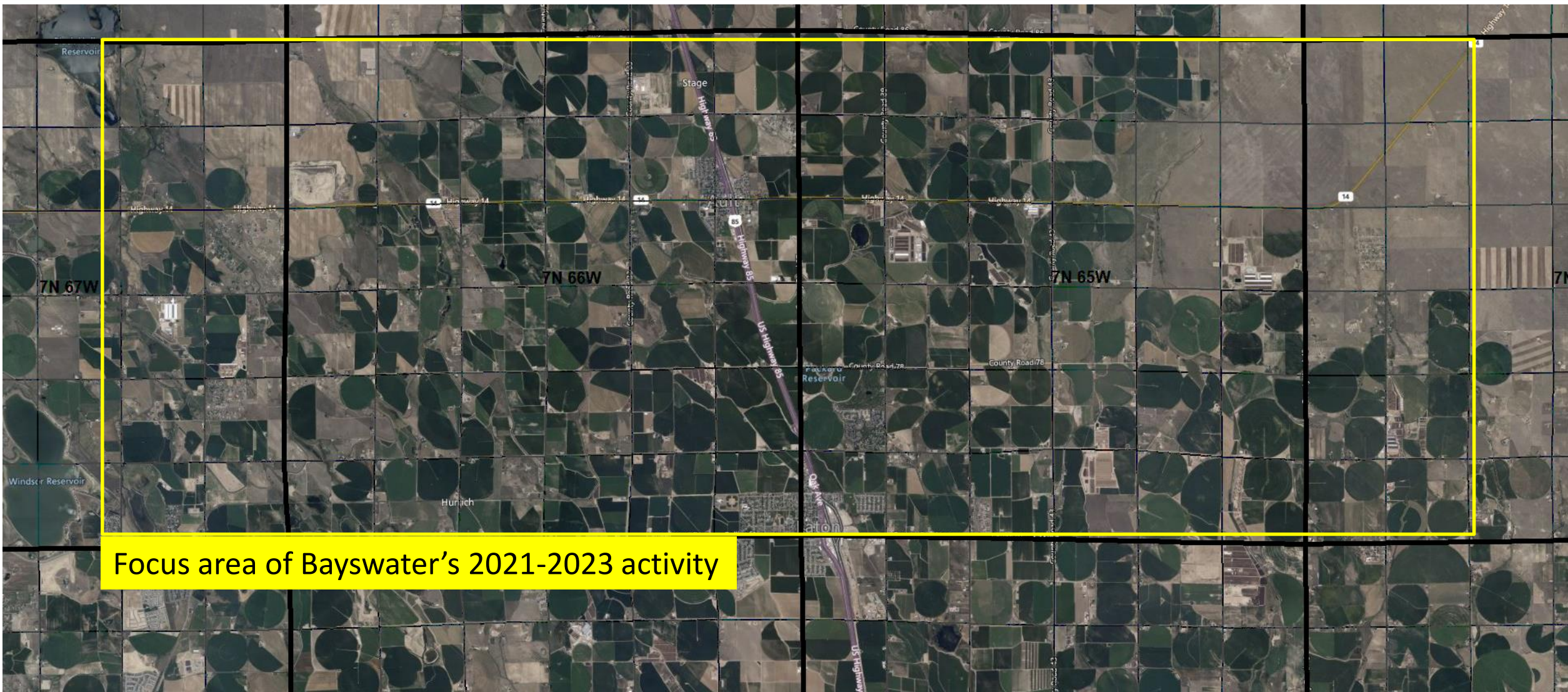
DJ BASIN – CORE WATTENBERG OPERATING AREA



Bayswater's N. Wattenberg Focus Area

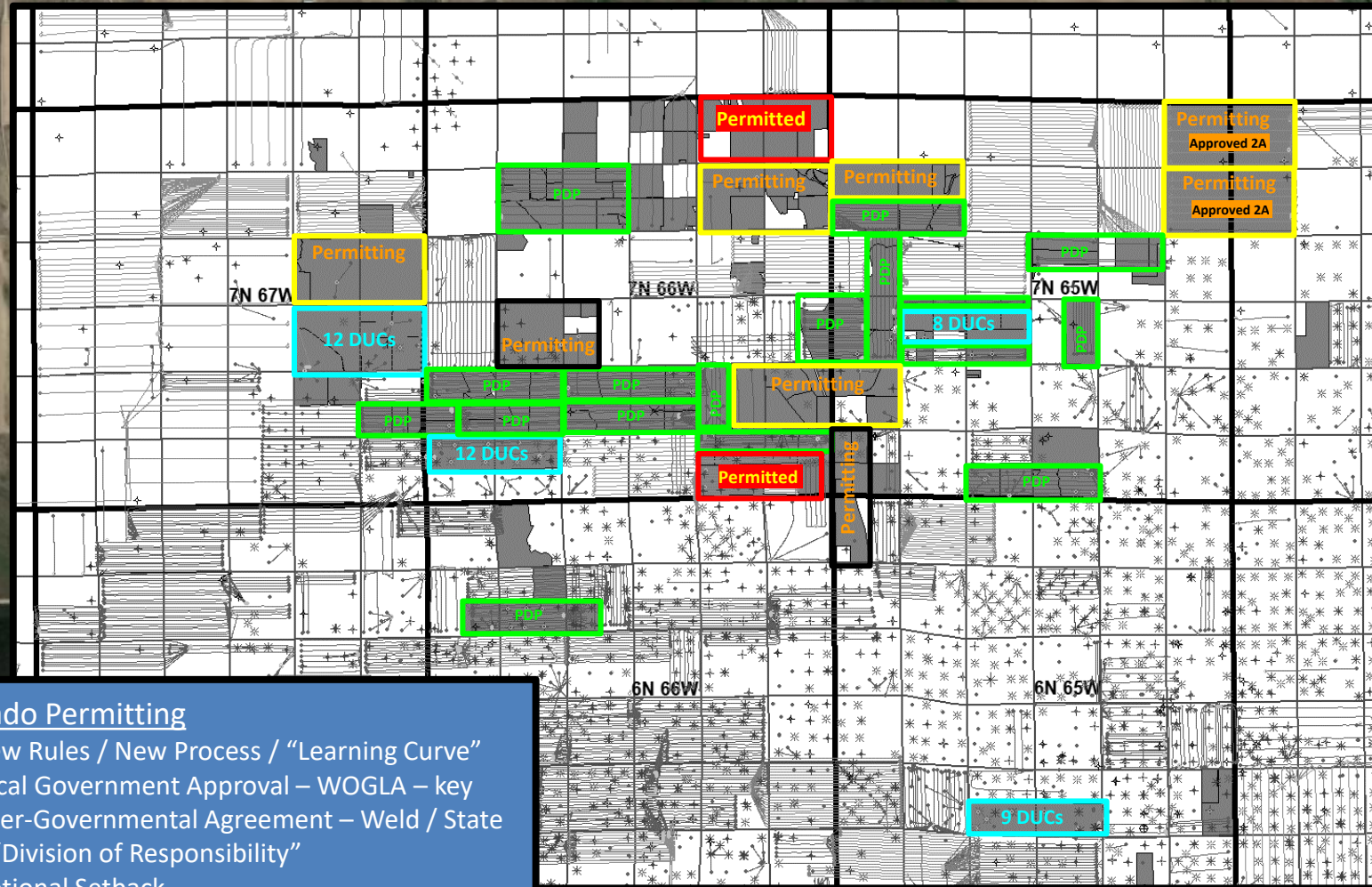
- Core area since 2009
 - Assembled 30,000 acres in Funds I & II
 - Exited in 5 transactions 2014-2017
- Currently
 - 24,000 acres
 - 20,000 BOED & growing
 - 1 – 2 Rig program 2021 & Forward
- Surface Culture = Rural, agricultural
- All four Wattenberg Benches are fully developed
- In the volatile oil band: 40-48⁰ API

CULTURE: RURAL - AGRICULTURAL



Focus area of Bayswater's 2021-2023 activity

BAYSWATER 7N ACTIVITY MAP



Colorado Permitting

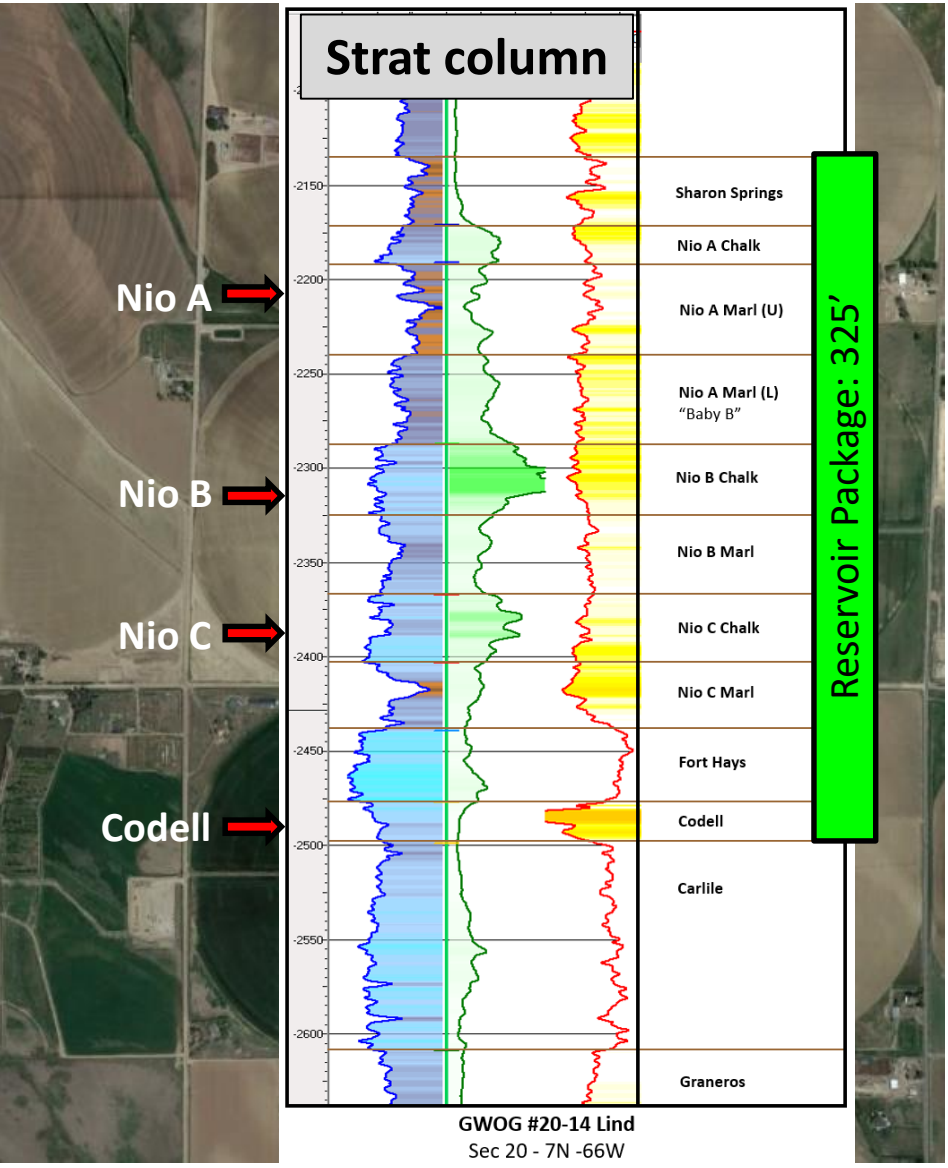
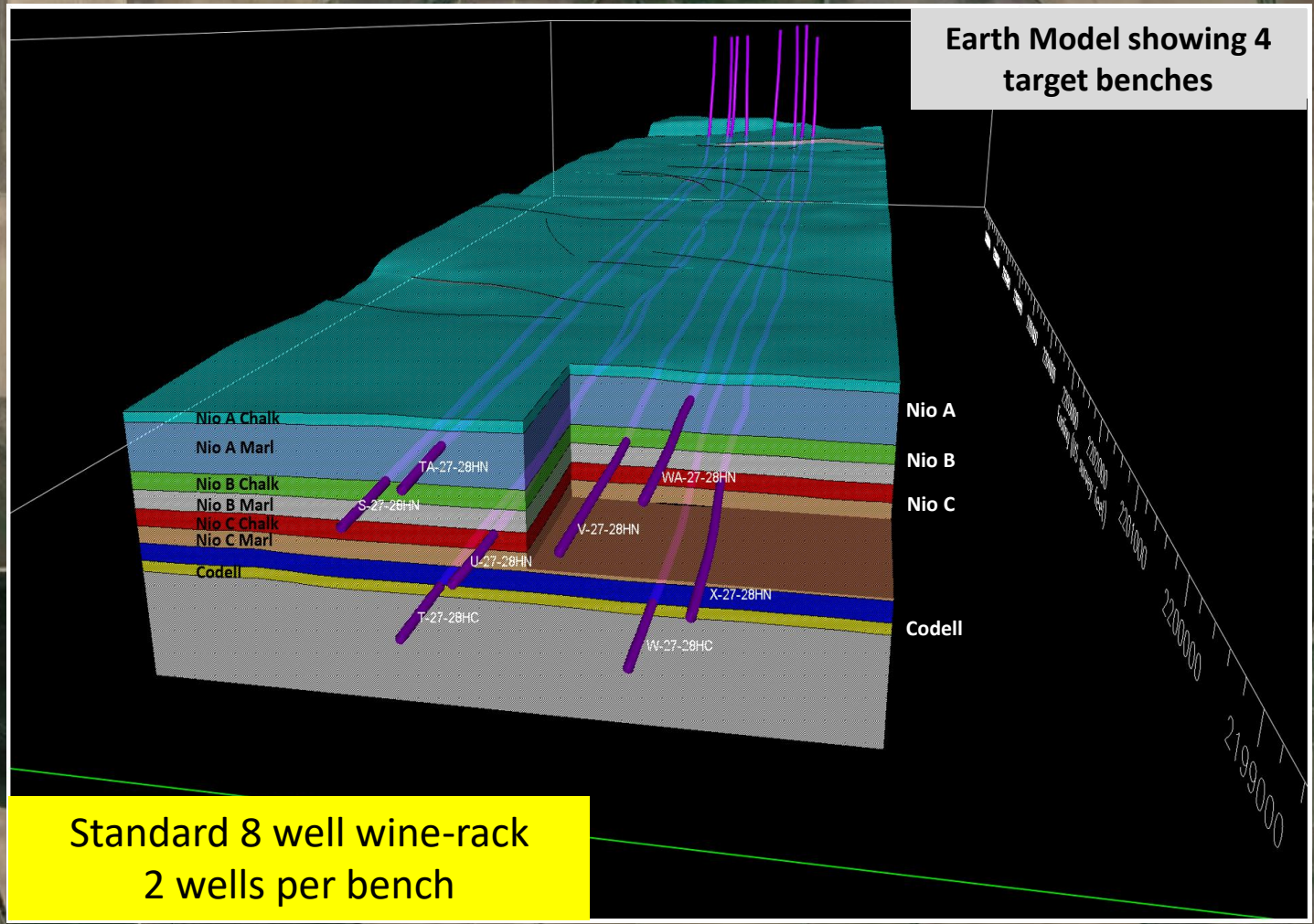
- New Rules / New Process / “Learning Curve”
- Local Government Approval – WOGLA – key
- Inter-Governmental Agreement – Weld / State – “Division of Responsibility”
- Notional Setback
 - > 2000’ – Administrative
 - < 2000’, > 500’ – Commission Hearing

Bayswater DSU Status

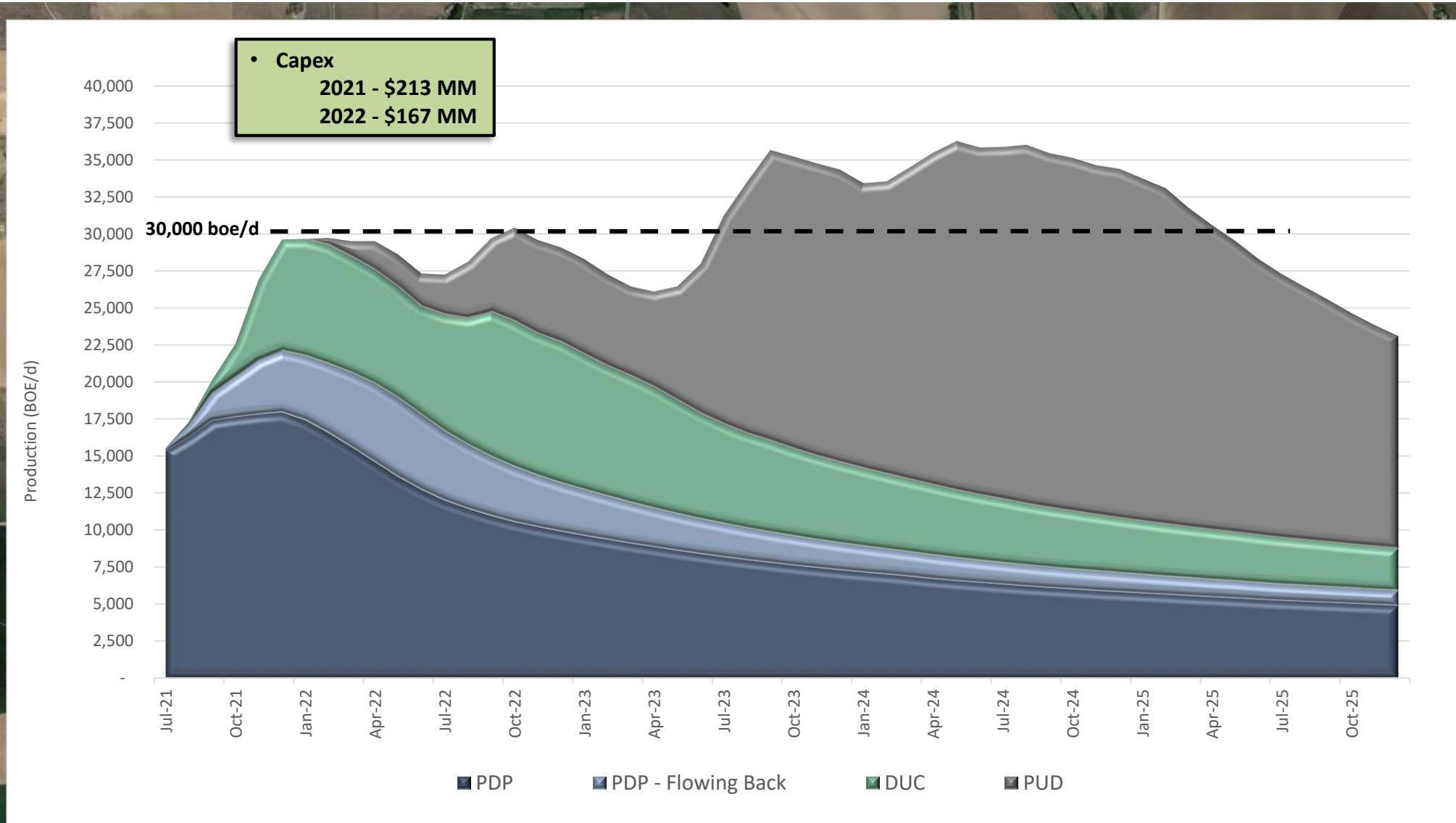
- = Producing
- = DUCs
- = Approved state permits
- = Permitting: Approved 1042 WOGLA
- = Permitting process started

- 24,500 Acres
- 162 Producing horizontal wells
- 27 Producing vertical wells
- 17 Completed/flowing back wells
- 41 DUC’s
- 38 Approved state permits
- 12 Permits in process w/ 2As
- 72 Permits in process w/ approved WOGLA
- 30 Permits in process w/o WOGLA

WATTENBERG GEOLOGY

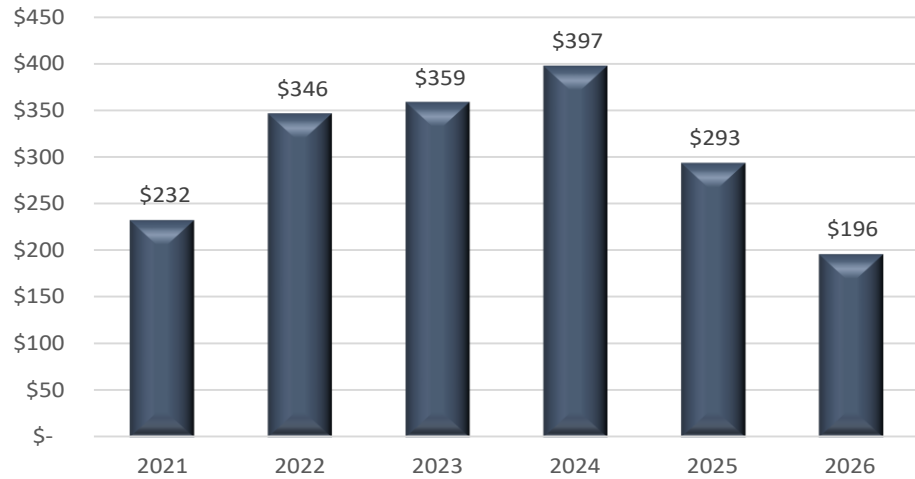


PROFORMA DJ BASIN PRODUCTION (BOE/D)

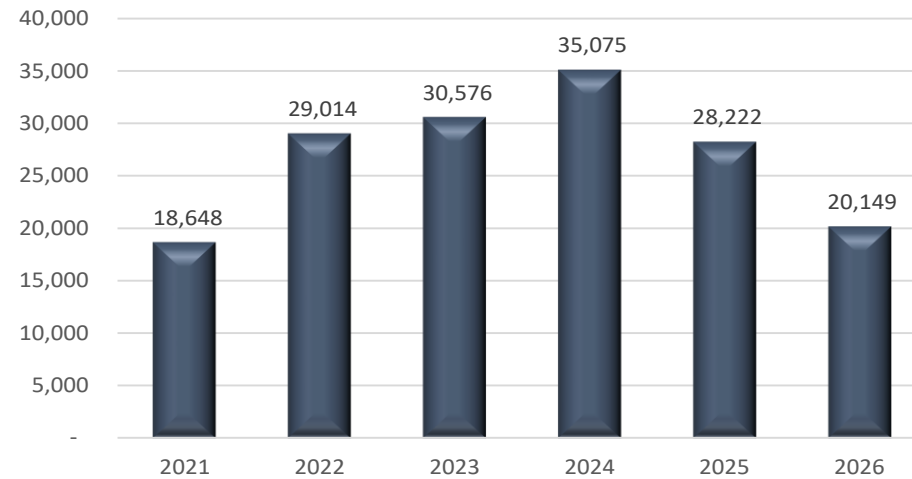


PROFORMA FINANCIAL METRICS – WATTENBERG (\$60 WTI LESS DIFF)

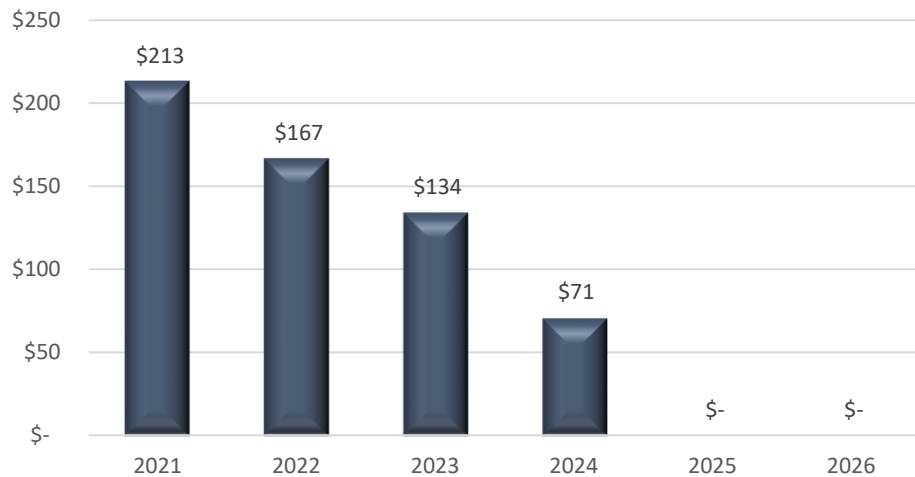
EBITDA (in millions)



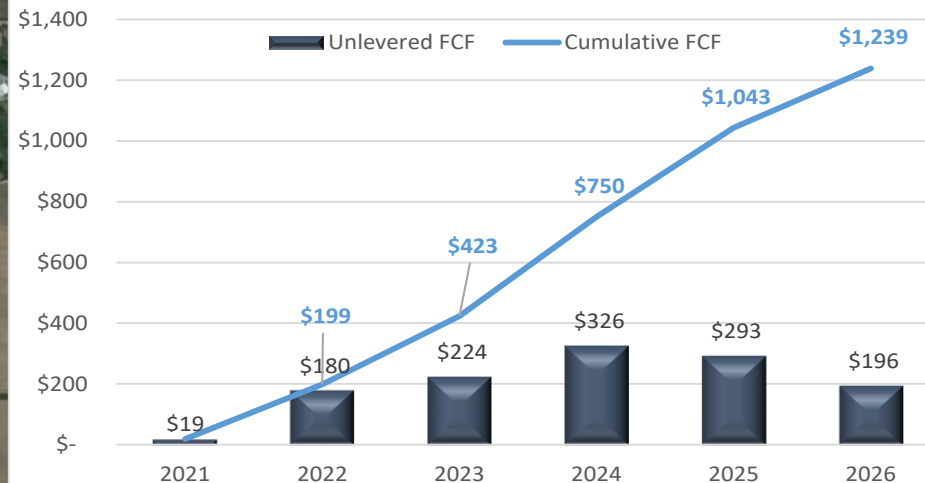
Production (BOE/d)



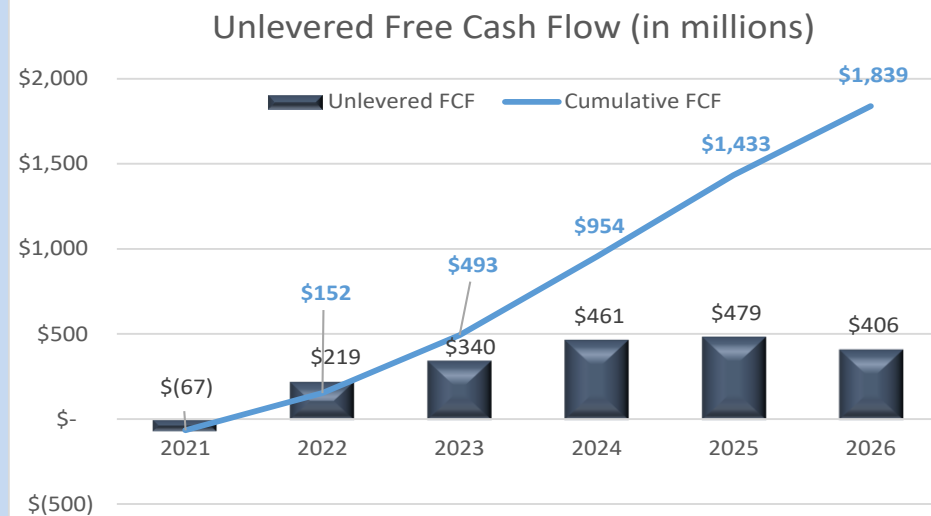
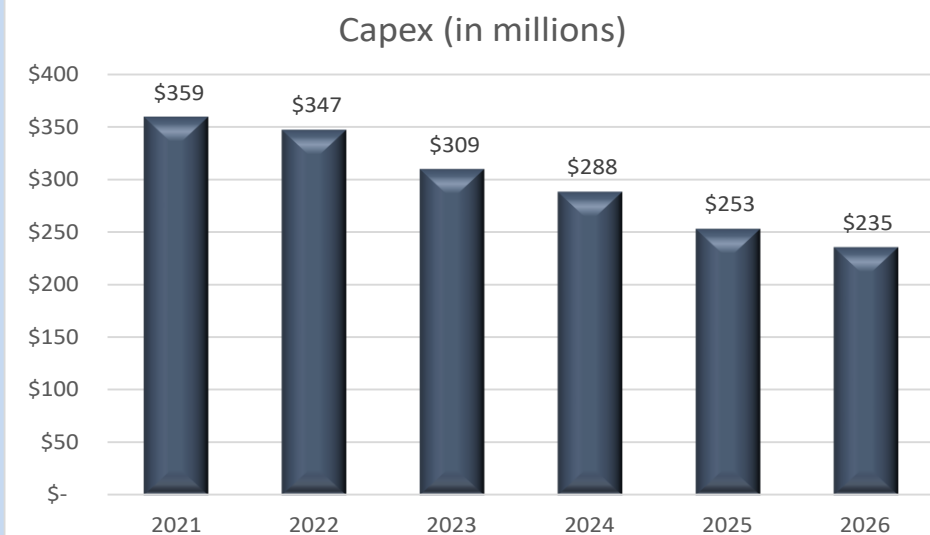
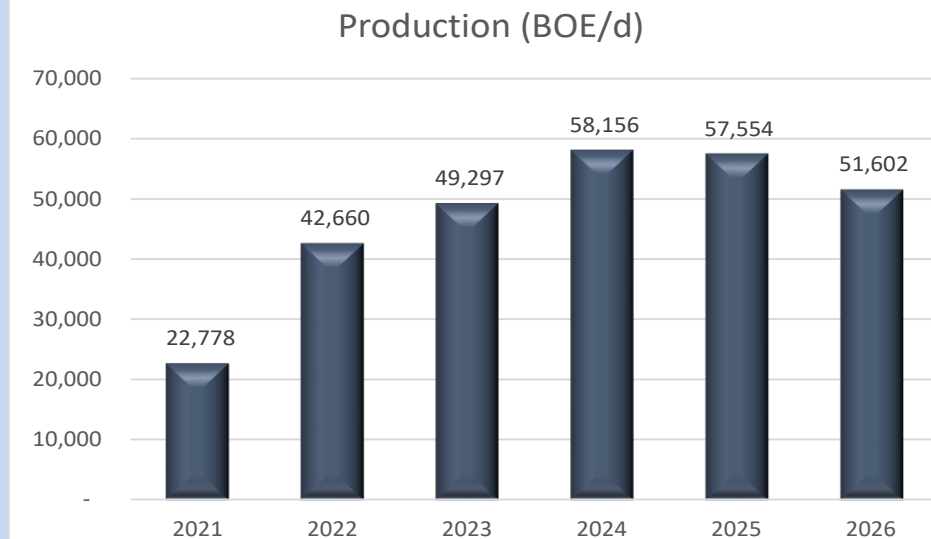
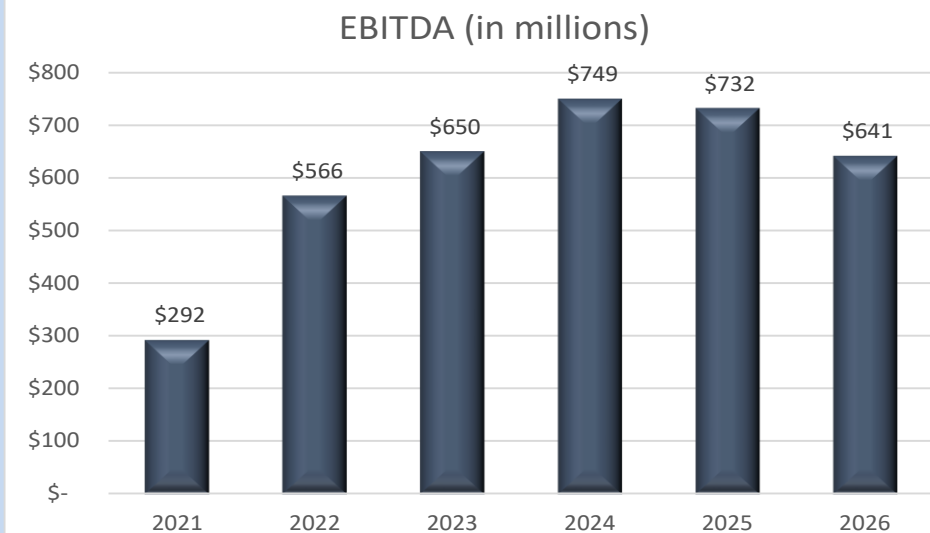
Capex (in millions)



Unlevered Free Cash Flow (in millions)



PROFORMA FINANCIAL METRICS – MIDLAND PLUS WATTENBERG OPERATED ASSETS (\$60 WTI LESS DIFF)



THIS PRESENTATION CONTAINS "FORWARD-LOOKING STATEMENTS." ALL STATEMENTS, OTHER THAN STATEMENTS OF FACT, THAT ADDRESS ACTIVITIES, EVENTS OR DEVELOPMENTS THAT BAYSWATER OR ITS MANAGEMENT INTEND, EXPECT, PROJECT, BELIEVE OR ANTICIPATE WILL OR MAY OCCUR IN THE FUTURE ARE FORWARD-LOOKING STATEMENTS. ALTHOUGH WE BELIEVE FORWARD-LOOKING STATEMENTS ARE BASED UPON REASONABLE ASSUMPTIONS, SUCH STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS, WHICH MAY CAUSE THE ACTUAL RESULTS OR PERFORMANCE OF BAYSWATER TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS OR PERFORMANCE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IN CONSIDERING THE PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST OR PROJECTED PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO GUARANTEE THAT BAYSWATER WILL ACHIEVE COMPARABLE RESULTS. YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE, AND ACTUAL RESULTS, DEVELOPMENTS AND BUSINESS DECISIONS MAY DIFFER FROM THOSE ENVISAGED BY OUR FORWARD-LOOKING STATEMENTS. EXCEPT AS REQUIRED BY LAW, WE UNDERTAKE NO OBLIGATION TO UPDATE SUCH STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES ARISING AFTER THE DATE OF THIS PRESENTATION, AND WE CAUTION INVESTORS NOT TO PLACE UNDUE RELIANCE ON ANY SUCH FORWARD-LOOKING STATEMENTS.

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2021 ENERCOM

