

Delaware Minerals Opportunity

Private Seller

A private seller (“Seller”) is under contract to purchase the historic Hanging H Ranch (“HHR”) located in the Delaware Basin in Reeves and Loving Counties, Texas; Seller has retained Detring Energy Advisors to market for sale the associated mineral interests. The assets offer an attractive opportunity to acquire ~7,500 NRA of mineral rights under active development across several high royalty interest units (10%+). Offers are due on August 24, 2020, with anticipated sign and close occurring by September 30, 2020.

7,464 Net Royalty Acres⁽¹⁾

68% HBP | 100% Minerals

- 7,464 net royalty acres
 - 90% Reeves Co. / 10% Loving Co.
 - ~19,700 gross leasehold acres
- Concentrated, high-NRA units leased by top in-basin operators with avg. unit NRI of ~5%

~\$10MM NTM Cash Flow

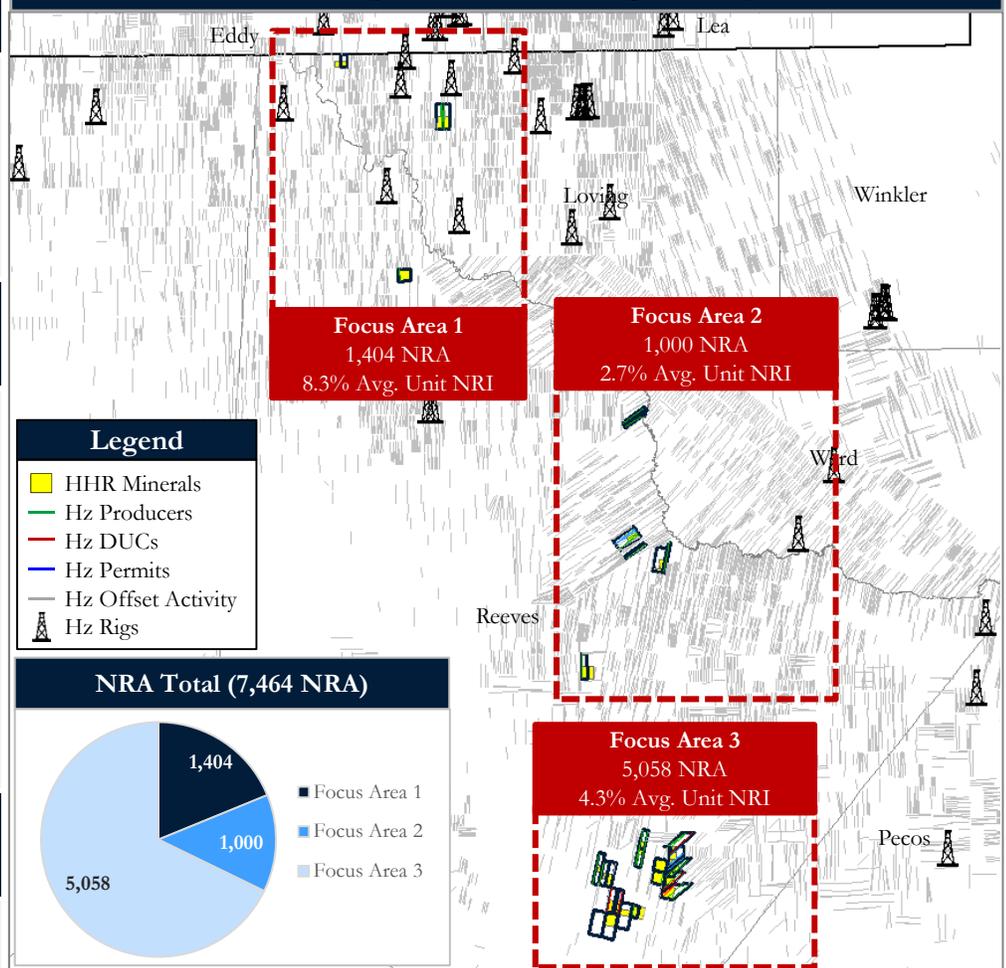
~500 Boed Net Production⁽²⁾

- 30 hz prod. wells with avg. ~4.7% NRI
- Strong near-term cash flow driven by 4 DUCs and 9 permits
 - ~6.2% average NRI
- 2020E cash flow of ~\$6MM with anticipated growth to a total of \$12MM in 2021E driven by high-NRI DUCs on minerals
- Total undiscounted cash flow of \$591MM generated by ~21 MMBoe of net reserves (\$143MM PV10)

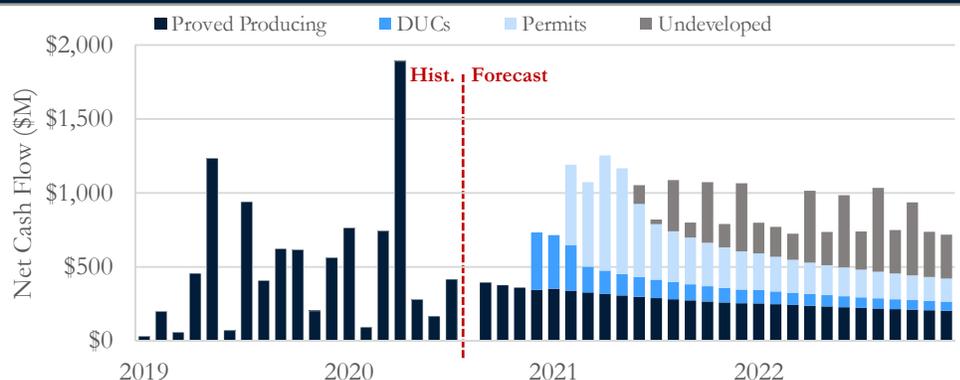
Active Development by Top Delaware Basin Operators

- Whereas previous HHR ownership partially limited access, Seller will facilitate operators in developing the mineral assets
- 76 horizontal rigs continue to run in the Delaware Basin with significant near-term on-lease activity identified
- Ownership concentrated under premier Delaware Basin operators including Concho, Primexx, Oxy (Anadarko), and PDC
- Multi-decade inventory of identified 3rd Bone Spring, Wolfcamp A, and Wolfcamp B targets continue to generate strong returns at current strip

Location Map | Reeves & Loving County, Texas



Historical vs. Forecast Monthly Cash Flow



1. Net Royalty Acres at 1/8 royalty. 2. Production, cash flow, and undeveloped locations from preliminary reserve database at current strip pricing.

Delaware Minerals Opportunity

Private Seller

Process Calendar

August 2020						
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					

-  VDR Opens
-  Evaluation
-  Bids Due

Seller anticipates PSA execution and closing by September 30, 2020.

Detring Energy Advisors | Contact Information

 Derek Detring President (713) 595-1001 derek@detring.com	 Melinda Faust Managing Director (713) 595-1004 mel@detring.com	 Matt Loewenstein Director (713) 595-1003 matt@detring.com	 Richard Ball Director (713) 595-1005 richard@detring.com
 Jonathan Bristol Senior Associate (713) 595-1010 jonathan@detring.com	 Tony Fazio Senior Associate (713) 595-1014 tony@detring.com	 Paul Ngo Associate (713) 595-1008 paul.ngo@detring.com	 Anthony Rojas Associate (713) 595-1009 anthony@detring.com
 Payne Winter Analyst (713) 595-1011 payne@detring.com	 Bryan Bottoms Geology Analyst (713) 595-1007 bryan@detring.com	 Mohammad Abbas Analyst (713) 595-1015 mo@detring.com	 Jorge Rocha-Garcia Geology Technician (713) 595-1018 jorge@detring.com
 Josh Miller Engineering Technician (713) 595-1018 josh@detring.com	 John Woolley Mapping Technician (713) 595-1018 john@detring.com	 Key Process Contact	

Please contact Melinda Faust or Matt Loewenstein to request Virtual Data Room access or to learn more about this opportunity. Please route all communications through Detring and do not contact Seller directly.

This Information Flyer is based on material provided by 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.