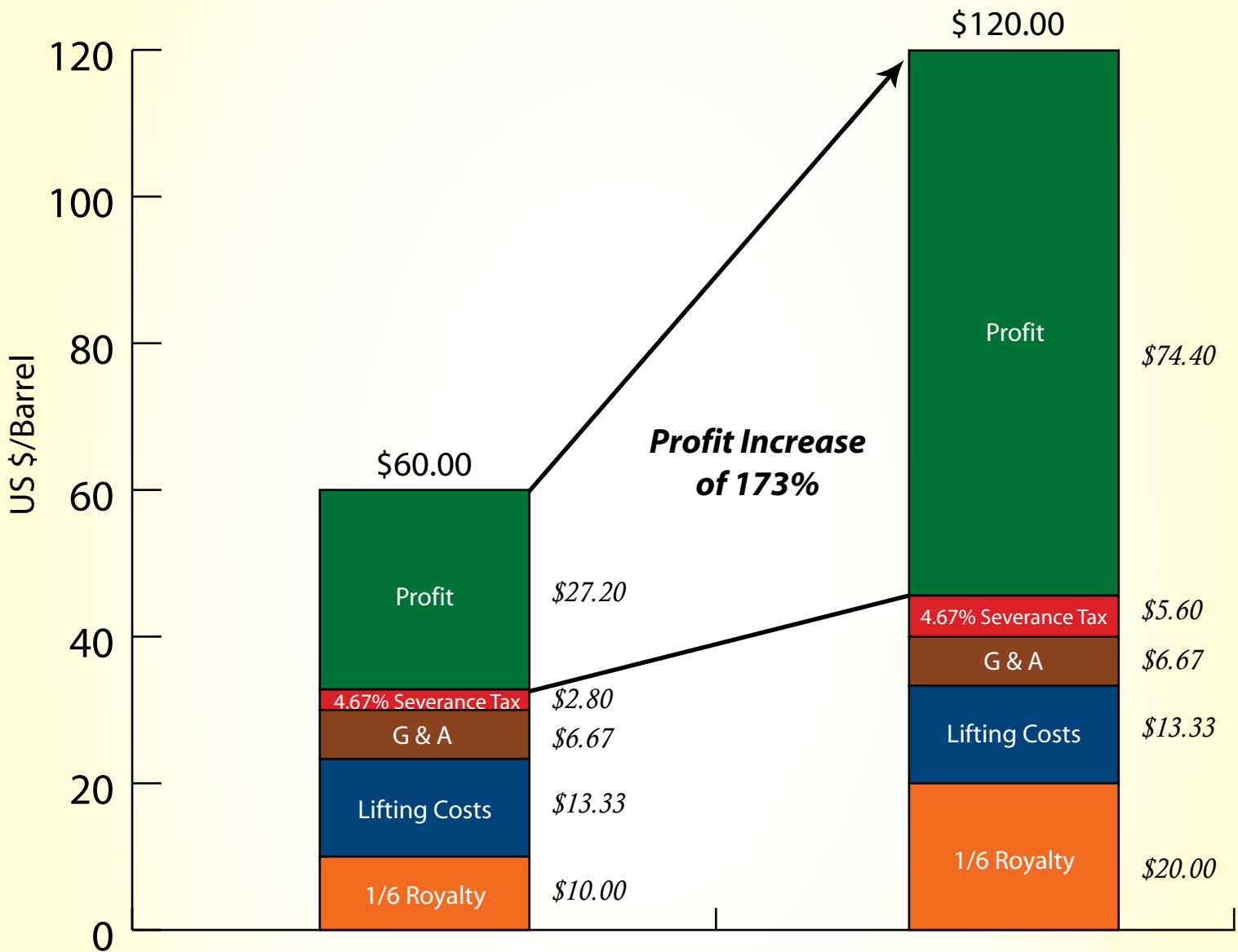


Value Gain From Price Uplift



Understanding Why Buying Production Makes Sense

This graph will help demonstrate the fundamentals of the value that can be created when a buyer purchases producing oil and gas properties. Certain elements of the fixed, or relative, costs associated with a producing well will be limited in its incremental increase. Thus, this limitation in a rising market can leave a tremendous upside in overall property valuation and future cash flows when commodity prices rise.