


Tabula Rasa Partners: A CO₂ Focused Company

11th Annual CO₂ EOR Carbon Management Workshop

Tracy Evans

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Tabula Rasa
ENERGY

Outline

- Management
- Our Model
- Current Status
- Future



Senior Management Team - Experience and Execution are Key

Name	Years	Position	Experience
Bill Townsend	35 years	CEO	<ul style="list-style-type: none"> Co-founded 13 energy & environment companies CO₂ pipeline EPC/ownership Physical CO₂ sourcing, transportation, sales & marketing CCS / ERC sourcing, marketing and sales
Russell Martin	>30 years	CFO	<ul style="list-style-type: none"> CO-founded Kinder Morgan CO₂ business Physical CO₂ sourcing, transportation, sales & marketing CO₂ pipeline EPC/ownership EOR project identification, development, M&A and operations
Tracy Evans	~30 years	COO	<ul style="list-style-type: none"> Denbury Resources, COO & President CO₂ / EOR acquisitions, development, management EOR and conventional reservoir evaluation & development Funding and financing E&P
Brady McConaty	>30 years	SVP Operations	<ul style="list-style-type: none"> Lead for Venoco's Hastings development E&P engineering, operations & M&A Funding and financing E&P Provides operational excellence on and offshore
Jim Skurner	>15 years	VP/ Reservoir Engineer, TRE	<ul style="list-style-type: none"> Tertiary flood development, oil growth through CO₂ flooding Led technical development of 30+ TCF of natural CO₂ Designed & Installed San Andres CO₂ pilot in New Mexico Acquisition screening, valuation and prioritizing
Matt Harmer	>20 years	General Counsel	<ul style="list-style-type: none"> Transactions (private equity, acquisitions, strategic alliances, financing) Governance/compliance, investor relationship, securities, contract mgmt. >10 years' in-house public/private experience Shareholder at Utah's largest law firm



Management's Demonstrated Track Record

1 Oilfield Acquisition and Development			
<input type="checkbox"/> Seminole East Field 40 MMB OOIP	<input type="checkbox"/> Hastings 1.1 BB OOIP	<input type="checkbox"/> Manvel 450 MMB OOIP	<input type="checkbox"/> Yates 4.2 BB OOIP
<input type="checkbox"/> SACROC 2.4 BB OOIP	<input type="checkbox"/> Katz 180 MMB OOIP	<input type="checkbox"/> Conroe 1.7 BB OOIP	<input type="checkbox"/> Tinsley 600 MMB OOIP
2 CO₂ Source Identification and Development			
<input type="checkbox"/> McElmo Dome 15 TCF plus	<input type="checkbox"/> Summit Power 130 MMCFD, 30 year PSA	<input type="checkbox"/> La Veta CO ₂ Source Fields 200 to 300 BCF	<input type="checkbox"/> Jackson Dome 8 TCF
<input type="checkbox"/> Riley Ridge 20 TCF	<input type="checkbox"/> Dakota Gasification 204 miles, 150 MMCFD, 14-12"	<input type="checkbox"/> Centerline Pipeline 130 miles, 16", 300 MMCFD	<input type="checkbox"/> La Veta Pipeline 8 miles, 6", 35 MMCFD
<input type="checkbox"/> Green Pipeline 320 miles, 24", 800 MMCFD	<input type="checkbox"/> Val Verde Pipeline 82 miles, 10", 105 MMCFD	<input type="checkbox"/> Salt Creek Pipeline 135 miles, 12-16", 175 MMCFD	<input type="checkbox"/> Mississippi Power / Air Products 165 MMCFD / 50 MMCFD
3 CAPEX Improvement and Asset Appreciation			
<input type="checkbox"/> SEF – Increased production 260 to 310 BPD <input type="checkbox"/> SACROC – Increased production from 7,500 to 35,000 boe/d <input type="checkbox"/> Yates – Increased production from 17,000 to 28,000 boe/d		<input type="checkbox"/> Hastings – Increased production from 1,740 to 3,100 boe/d <input type="checkbox"/> Manvel – Increased production from 460 to 850 boe/d <input type="checkbox"/> Denbury – Increased production from 1,600 to 40,000 boe/d	
4 Booked Proved Reserves Growth			
<input type="checkbox"/> SEF – Increased P1 reserve base from 0.7 MMBO to 2.7 MMBO <input type="checkbox"/> Milnesand CO ₂ Pilot – Increased booked P1 reserves from 0.5 to 2.7 MMBO in 12 months. P2 reserves increased to 5.4 MMBO which shift to P1 category as CO ₂ response continues			
5 Monetize Assets			
<input type="checkbox"/> Hastings <input type="checkbox"/> Val Verde Pipeline <input type="checkbox"/> Salt Creek Pipeline		<input type="checkbox"/> North / South Cross Pipeline <input type="checkbox"/> La Veta Pipeline <input type="checkbox"/> SEF/Blue Strategies	



Business Strategy and Model

Business Model Characteristics: Permian Basin, niche-focused CO₂ EOR

- ❑ Acquire oilfields with less than 100MMBbls OOIP
- ❑ Acquire oilfields within a reasonable distance of CO₂ infrastructure
- ❑ Acquire San Andres Units/Fields with excellent waterflood response
- ❑ Leverage management's extensive CO₂/CO₂ EOR experience to increase oil recovery and create asset value
- ❑ Exploit all CO₂ EOR-based recoverable oil horizons with emphasis on ROZ
- ❑ Acquire and/or develop CO₂ supplies within a reasonable distance to infrastructure
- ❑ When possible, use anthropogenic CO₂ sources due to lower costs and exposure to other revenue forms



Company History

- ❑ Formed in 2010
 - Acquired Seminole East Field, 2010

- ❑ Financial re-structure in 2012 from project platform to corporate platform
 - Changed corporate financing structure from Mezzanine debt to Private Equity
 - SFC – Private Equity Sponsor

- ❑ Acquired Emma (San Andres) Unit, 2012

- ❑ Acquired La Veta CO₂ source field, 2013

- ❑ Entered in to an agreement on JV Field
 - Joint Venture agreement signed, 2013



Current Status

❑ Seminole East Field

- Initiated CO₂ injections in October, 2013 (ROZ)

❑ Emma Field

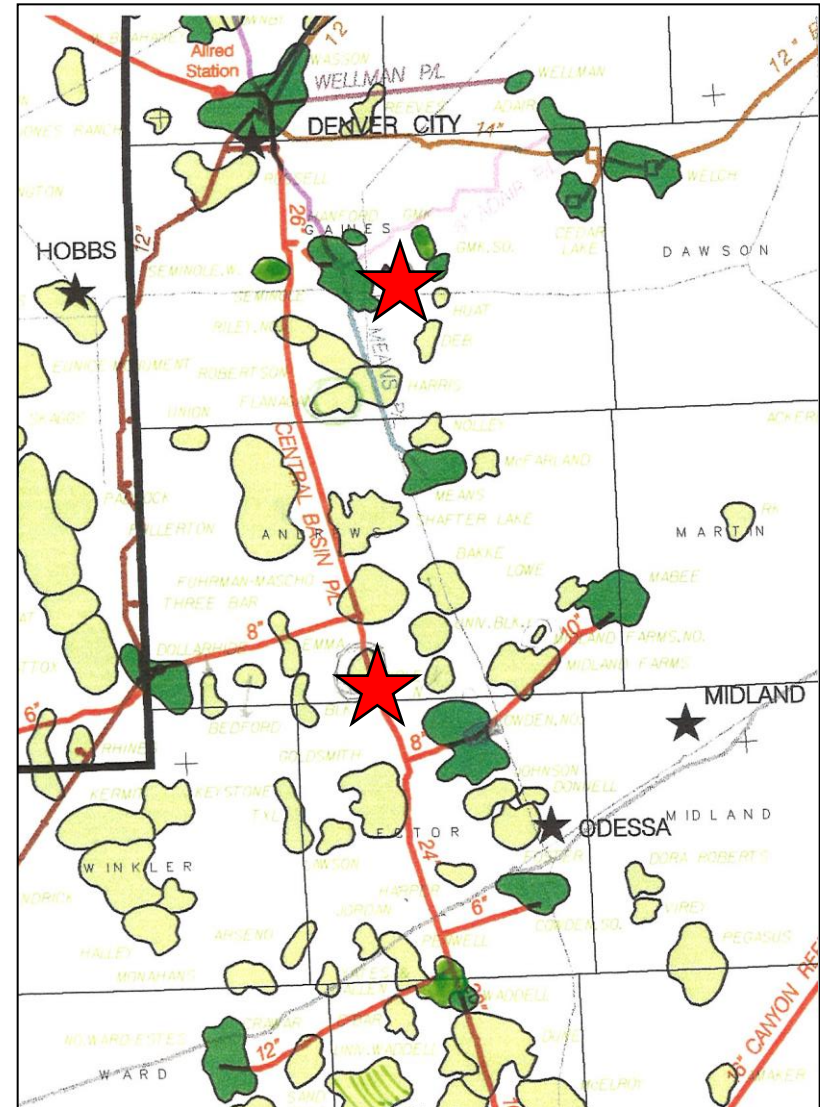
- Expect first CO₂ injections in January 2015 (ROZ)

❑ JV Field

- Joint Venture with current operator
- Expect first CO₂ injections in 3rd quarter 2016

❑ La Veta Field

- CO₂ source field, Colorado
- Developing deeper CO₂ reservoir
- Expect to develop additional CO₂ reserves in the area



Why Joint Venture Agreement?

❑ JV Field

- Analogous to nearby field under CO₂ operations
- Appropriate field size for TRP

❑ Current Operator

- Not interested in selling production
- Capital structure is inconsistent with initiating a CO₂ EOR project
- Recognized that the remaining upside was CO₂ EOR

❑ Tabula Rasa Partners

- CO₂ EOR expertise
- Capital specifically targeted at CO₂ EOR
- Joint Venture agreement reduced the overall capital needs



Why Joint Venture Agreement?

❑ Primary Issues to Overcome

- Project needed to provide meaningful results to both parties
- Operations
- Back-Office
- Ownership structure
- TRP exit

❑ Operations and Back-office – chose entity best suited to perform

- Operations
 - Current Operator until beginning of CO2 EOR development
 - TRP during CO2 EOR development and production phase
- Ownership structure
 - Selected contractual interest for TRP
 - Other consideration was an NPI (probably preferred)



Why Joint Venture Agreement?

- ❑ Meaningful results to both parties
 - Significant carry for current operator
 - Exit mechanism for TRP's contractual interest

- ❑ TRP Exit
 - TRP's issues:
 - Ownership is a contractual interest
 - ~~Not easily marketable (no record title)~~
 - TRP funding is private equity (most likely outcome is an eventual sale)
 - Current operator issues
 - Signed deal with TRP not an unknown party
 - Current operator is a significant acquirer of production
 - Current operator most likely not a seller

- ❑ Parties agreed to a defined Put/Call structure which allows either entity to exercise its option during a defined period
 - If neither party exercises its option, then TRP's contractual interest will convert to a direct working interest.



The Future

- Nearly 40 to 50 fields/units with similar characteristics in the Permian
- TRP's initial goal is 4 or 5 fields/units
- Interested in further developing and refining the joint venture model for CO2 EOR
 - Not for everyone
 - Must be willing to solve for both parties desires
 - Most likely a different structure for each joint venture
- Greenfield ROZ projects
- Other reservoirs
- Other basins



Thank-you

