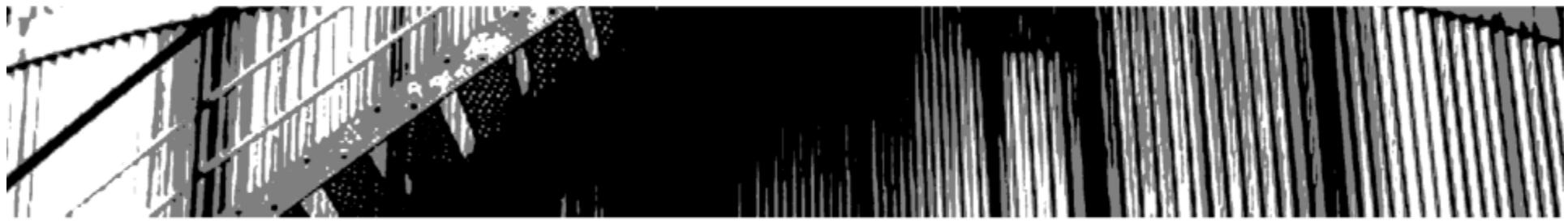


Regent Street Energy

Western Canadian Natural Gas



RegentStreetCapital

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Executive Summary



Today's natural gas market in Western Canada offers a unique opportunity to invest in natural gas producing assets at prices substantially below their long-term values.

Certain structural elements in the market are holding natural gas prices artificially low. While these elements may linger for several more years, they are unsustainable and will in time reverse. This creates a once-in-a-generation opportunity to enter the natural gas market at very attractive prices.

Regent Street Capital is creating an investment vehicle to capitalize on this unique opportunity. Regent Street Energy will invest in Western Canadian natural gas assets. It will conduct a disciplined acquisition program. It will build a portfolio of quality natural gas assets. It will efficiently manage those assets, or partner with best-in-class operators. It will hold those assets until the market revalues them. Regent Street expects the revaluation process to take 7 to 10 years.

The fund will be managed by Kent Whitaker, an energy industry veteran with more than 25 years experience in all aspects of the energy markets. Kent will make a large personal investment in Regent Street Energy.

Our Edge

This opportunity fits Regent Street's core competency perfectly. Regent Street's founder and principal, Kent Whitaker, has been involved in the energy markets for the last 25+ years. He will manage the program and invest a sizable portion of his net worth in the fund.

- Has invested his own and 3rd-party capital in the energy industry for the last 13 years.
- Researched and invested in the early pioneers of shale gas production.
- Has evaluated 100s of projects in all aspects of the oil and gas industry, including drilling projects, development projects, acquisitions, and divestments.
- Was an exploration geologist with primary responsibilities in North Dakota and Texas.
- Founded Regent Street Capital in April of 2006. Each of his funds has outperformed the S&P 500 since inception after all fees and expenses.

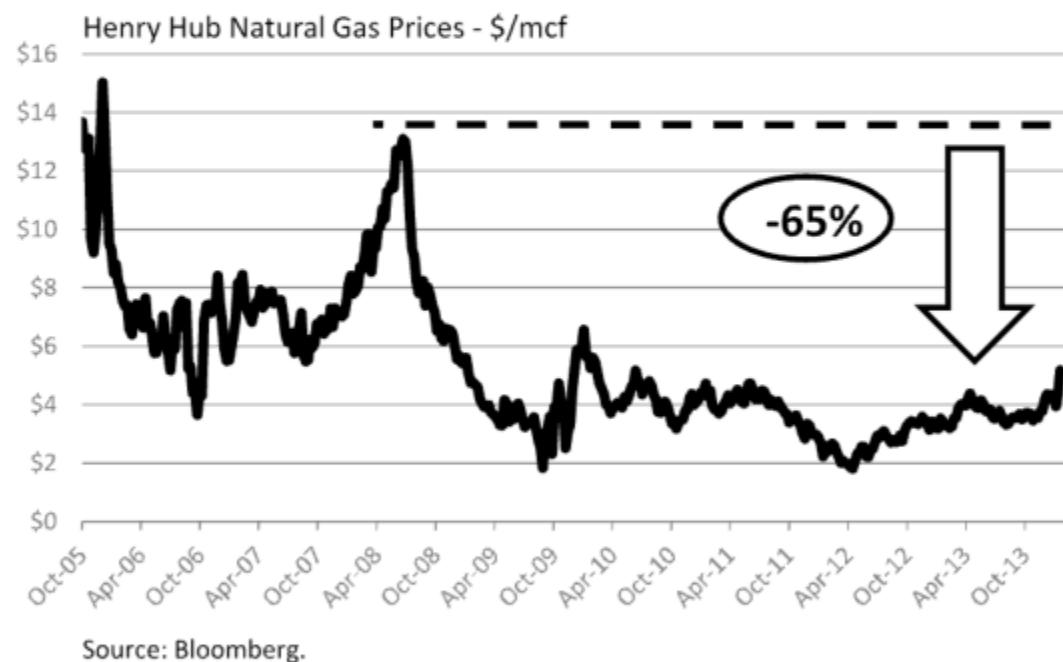


See Kent's curriculum vitae at the end of this presentation.

The Situation



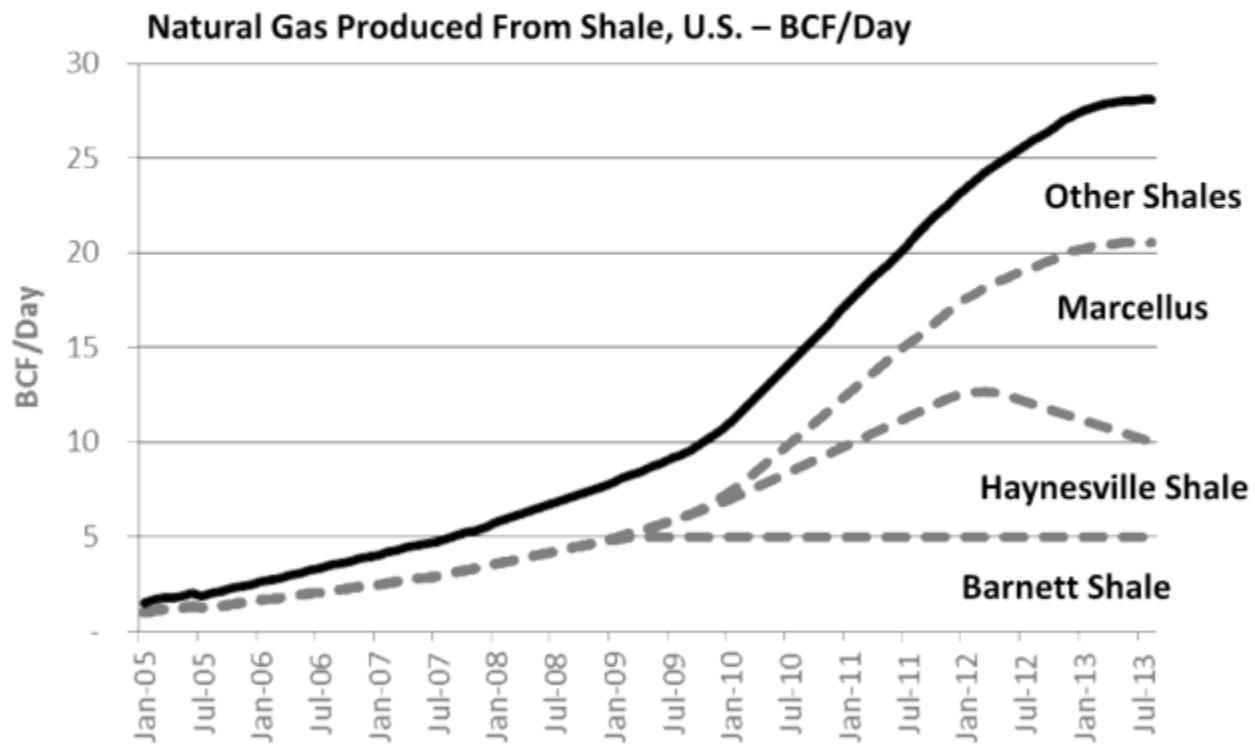
North American natural gas prices have collapsed...



The Situation



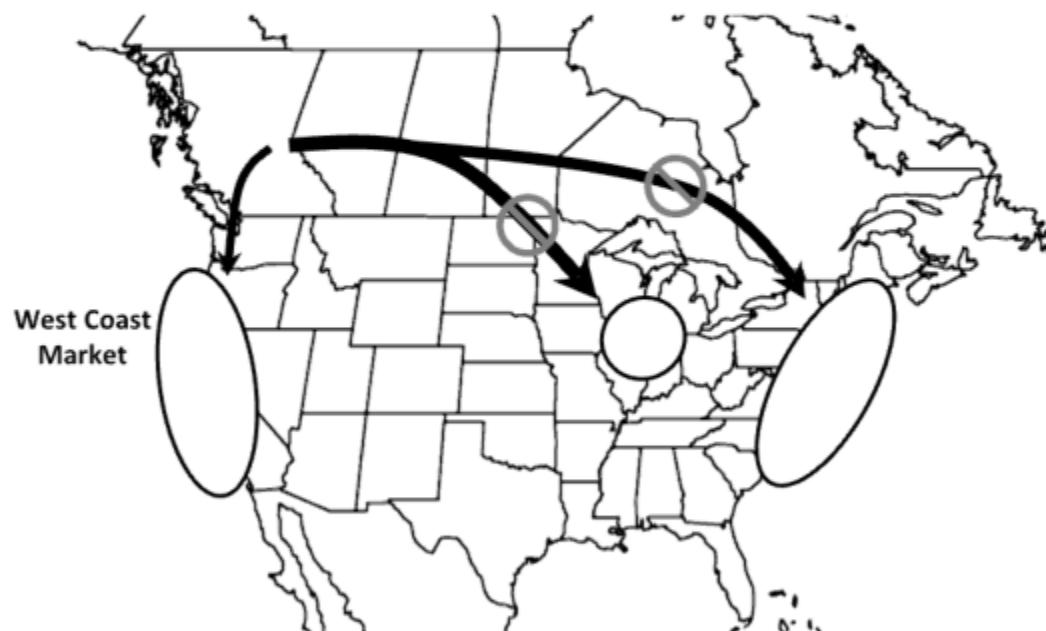
...as a result of an influx of cheap natural gas from shale in the United States.



The Situation



Depressed prices have crippled natural gas producers across North America, but particularly in Western Canada. U.S. shale gas has displaced traditional Canadian exports to the U.S.



The Situation



This has created one of the best buyer's markets for natural gas assets in the last several decades.

Here are some quotes:

"I could count on one hand the purchasers of producing properties with cash in Western Canada"
Banker active in Western Canada

"We are buying properties for 3-3 ½ times cash flow even at today's depressed natural gas prices"
CEO of a company buying properties

"Two years ago, 25 potential buyers would visit the data room; we would receive 8-10 bids. Today, we are lucky to get one or two bids. Sometimes we do not get any bids."

Banker active in Western Canada

The Situation

We expect distressed conditions to persist in the coming 12-24 months as the Marcellus shale in the U.S. continues to grow.

But, starting in 2016, we expect the growth in gas production from the Marcellus to slow as the initial wells begin their decline.

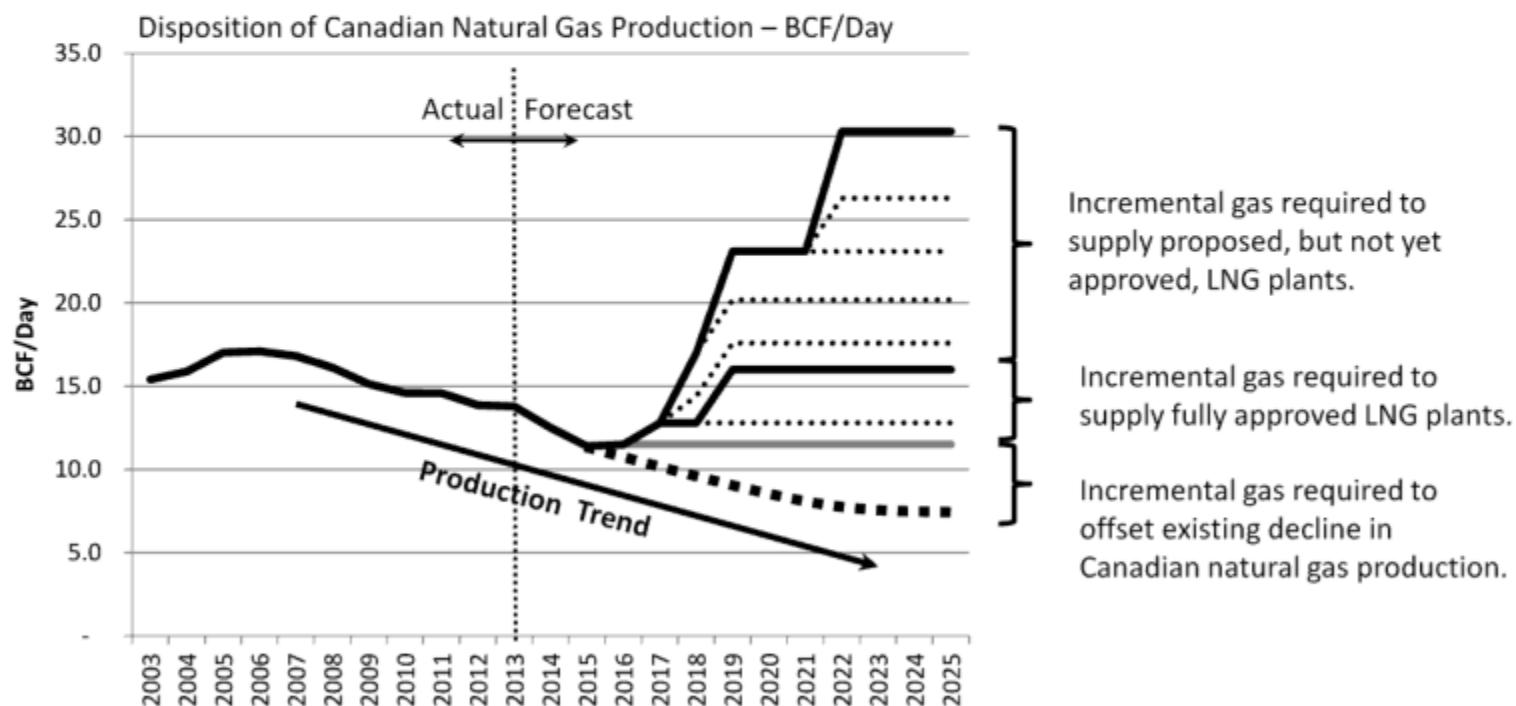
North American gas production in total has already started to level off despite growth from the Marcellus due to production declines elsewhere on the continent.



The Situation



In addition, a number of natural gas liquefaction facilities on Canada's West Coast will require large incremental supplies of natural gas by 2020.



The Situation

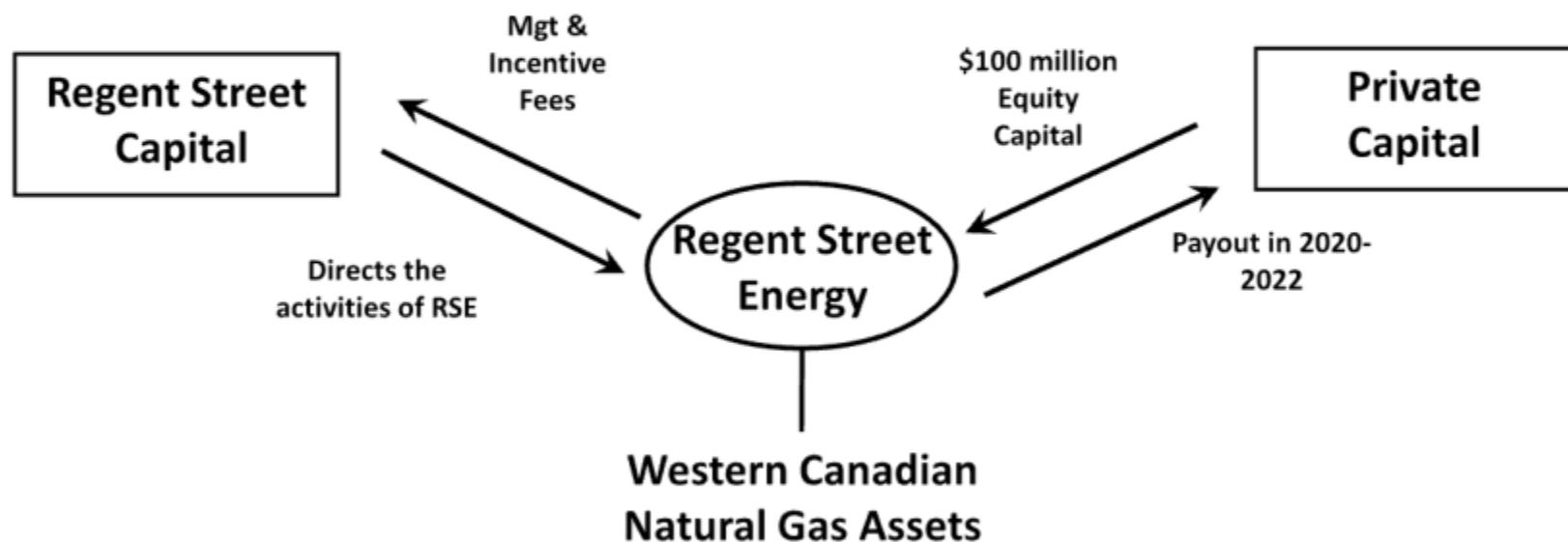


Many owners of natural gas assets in Western Canada are not willing to wait for the recovery. Some have too much debt. Others have “better” opportunities elsewhere. We estimate there are \$8-12 billion of assets on the market today in Western Canada.

Patient, long-term investors can acquire natural gas assets in Western Canada at prices substantially below their long-term values.

Regent Street Energy

Regent Street Capital is creating a special purpose vehicle to capture this opportunity. Regent Street Energy (a Canadian corporation) will raise capital by issuing equity to private investors and invest in Western Canadian natural gas assets.



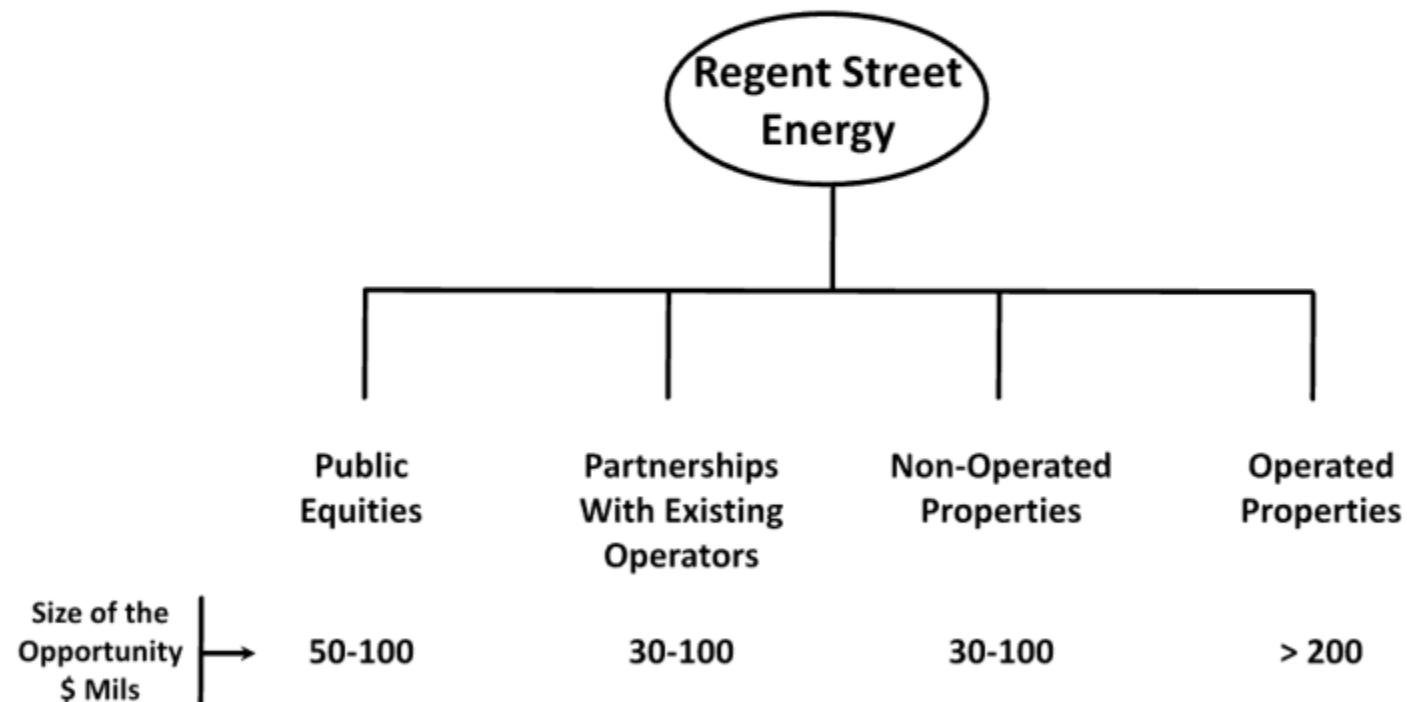
Regent Street Energy



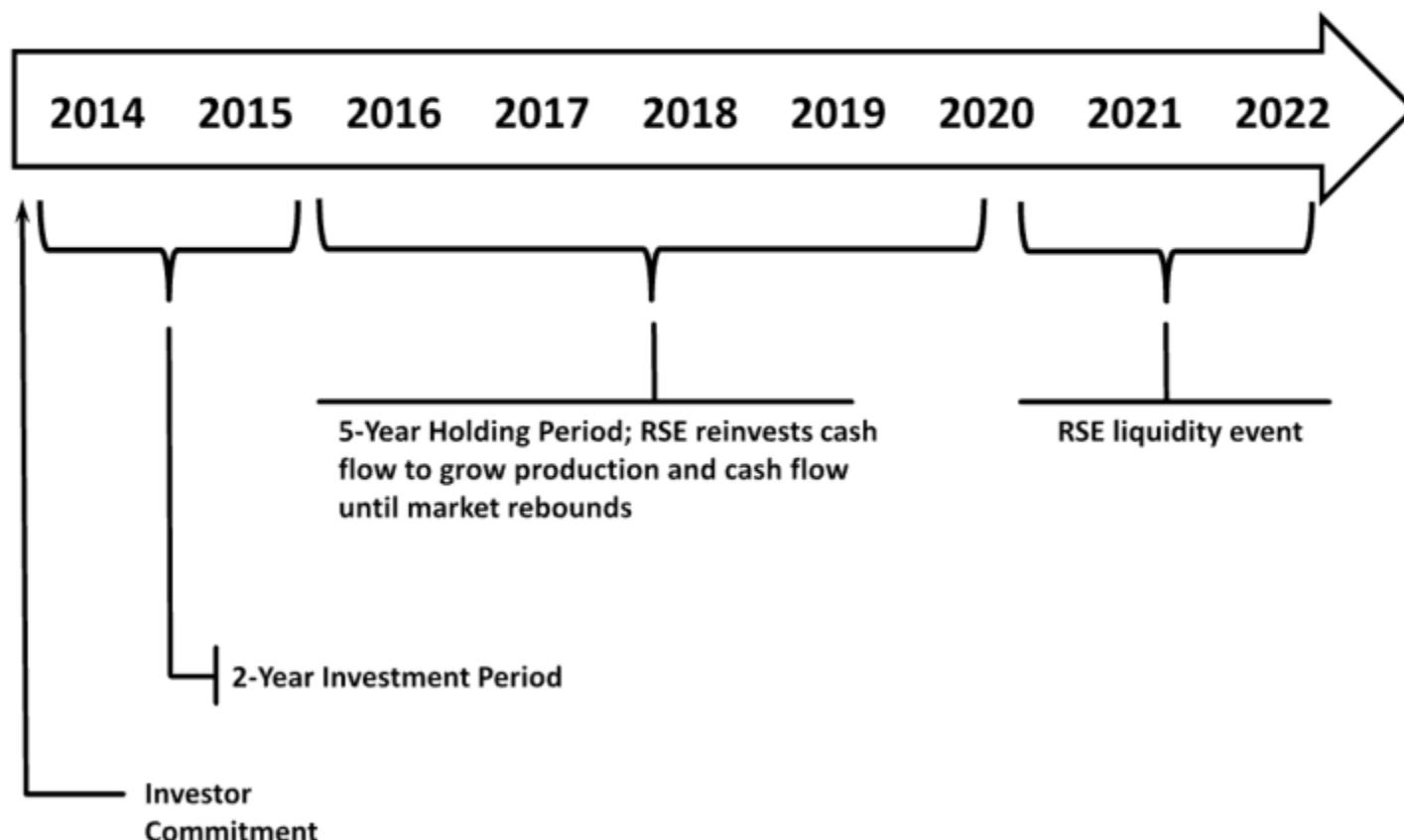
- ✓ Regent Street Energy (RSE) will issue debt (not to exceed 2x operating cash flow) to supplement equity capital.
- ✓ RSE will use the proceeds to invest in Western Canadian natural gas assets.
- ✓ RSE will manage the natural gas assets and reinvest operating cash flow.
- ✓ RSE will seek a liquidity event beginning in 2020. Possible liquidity events include an initial public offering of RSE, the private sale of RSE to a larger energy company, and the sale of RSE assets.

Regent Street Energy

Regent Street believes the opportunity exists to allocate \$300 to \$400 million of equity capital in attractive opportunities.



Regent Street Energy – Time Line



Base Case Cash Flow Summary

<u>RSE Cash Flow Summary</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Equity Capital	50	50	-	-	-	-	-	100
Debt Capital	-	20	40	25	-	-	-	85
Cash Operations	(1)	9	28	39	66	74	110	324
Cash Available	49	79	68	64	66	74	110	509
Interest	-	(1)	(3)	(5)	(6)	(6)	(6)	(26)
Capital Spending	(40)	(85)	(60)	(60)	(60)	(70)	(80)	(455)
Cash Build/(Draw)	9	(7)	5	(1)	(0)	(2)	24	28

<u>Equity Investor CF</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>End</u>
Equity Capital	(50)	(50)						
Net Proceeds @ 6.5x Cash Flow								565
Net Return								5.6x
Net IRR								30%

Our base case projections show a
30% net IRR over 6 years

565
5.6x
30%

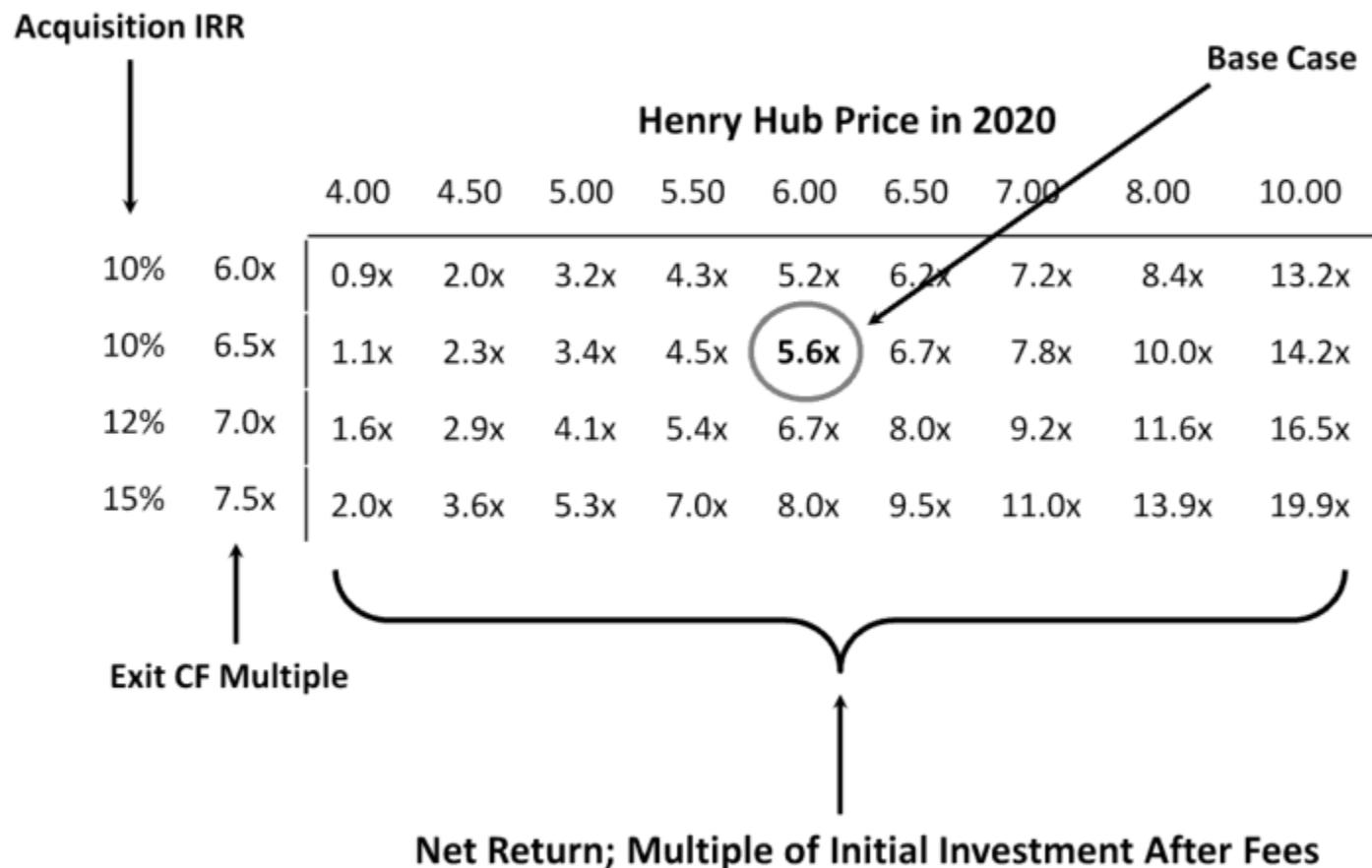
Regent Street Energy



The economic returns for RSE depend on three key variables:

- **Acquisition and Reinvestment Economics:** The better the acquisition economics, the better the RSE Economics. In our base case, we assume we can purchase assets at a 10% rate of return with current prices. We believe the current market for acquisitions in Western Canada is 12-15% return with current prices.
- **Price Improvement from now to 2020:** The greater the price recovery, the better the economics. Our base case assumes natural gas prices escalate to \$6.00/mcf by 2020.
- **Exit Conditions:** The better the exit multiples, the better the RSE economics. Our base case assumes we can liquidate RSE at the end of 2020 for 6.5x cash flow.

Regent Street Energy – Sensitivity Table



Terms

Investment Terms

Fund Size: Regent Street is seeking commitments of \$100 million.
Kent will make a large personal investment in the fund.

Closing Date: February 28, 2014.

Commitment Period: Two years commencing at the Closing Date.

Fund Term: Seven years from the Closing Date, with 3 one-year extension options.

Management Fee: 1.0% Annually.

Performance Fee: 15% payable at time of liquidation.

Communications: Investors will receive annual audited financial statements and quarterly letters describing the status of portfolio investments. Regent Street will also be available for one-on-one consultation.

Contact: Kent Whitaker	Phone: 203 202 3613	kwhitaker@regentstreetcap.com
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Kent's Curriculum Vitae



Experience

2006-Present	Regent Street Capital	Evaluates and invests in all aspects of the global energy and natural resource industries.
2000-2006	Davis Selected Advisors	Lead energy analyst and portfolio manager. Researched and invested in the early pioneers of shale gas production.
1998-2000	British Petroleum	General Manager Paraxylene; full profit-and-loss responsibility for this \$1 billion (revenues) business.
1989-1998	Amoco Corporation	Evaluated projects in all aspects of the oil and gas industry, including drilling projects, development projects, acquisitions, and divestments; arranged project financings; conducted acquisition due diligence; performed economic audits on capital projects.
1981-1987	Asarco; Hunt Energy; Lomak Petroleum	Oil and gas exploration geologist in North Dakota (Hunt Energy Corporation), gold and silver exploration geologist in Nevada (Asarco), and oil & gas exploration geologist in Texas (Lomak Petroleum)

Education

1989	Amos Tuck Business School at Dartmouth College (MBA); with distinction; Edward Tuck Scholar
1987	Miami University (MS, Geology); Masters Thesis: Depositional Environments of the Bisher Formation, Kentucky
1981	Dartmouth College (BA, Geology)

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Disclaimer



The information contained herein regarding Regent Street Capital, LLC (the "Advisor") has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any interests in any fund or to participate in any trading strategy with the Advisor. Any decision to have the Advisor manage interests or shares described herein should be made after reviewing the definitive Confidential Private Placement Memorandum and such other relevant documents, conducting such investigations as the investor deems necessary and consulting the investor's own investment, legal, accounting, and tax advisors in order to make an independent determination of the suitability and consequences of an investment managed by the Advisor.

Except where stated otherwise, all returns reported herein are unaudited estimates, net of commissions, fees and expenses, and include the reinvestment of dividends.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.