



Laramie Energy, LLC

EnerCom Conference

August 18, 2016



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Statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Any reserve estimates provided in this presentation may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC's reserves reporting guidelines. Resource estimates do not take into account the certainty of resource recovery and are therefore not indicative of the expected future recovery and should not be relied upon. Resource estimates might never be recovered and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors.



Laramie Energy LLC - Introduction

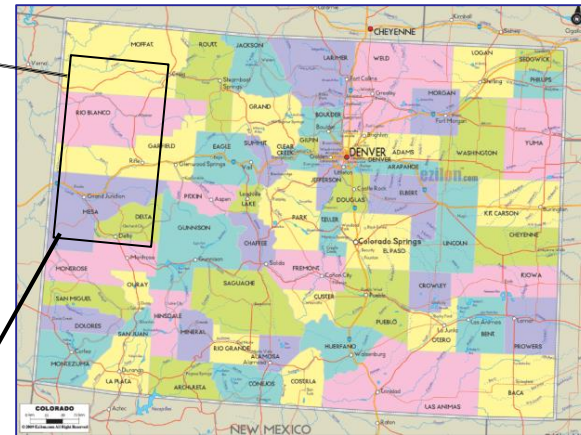
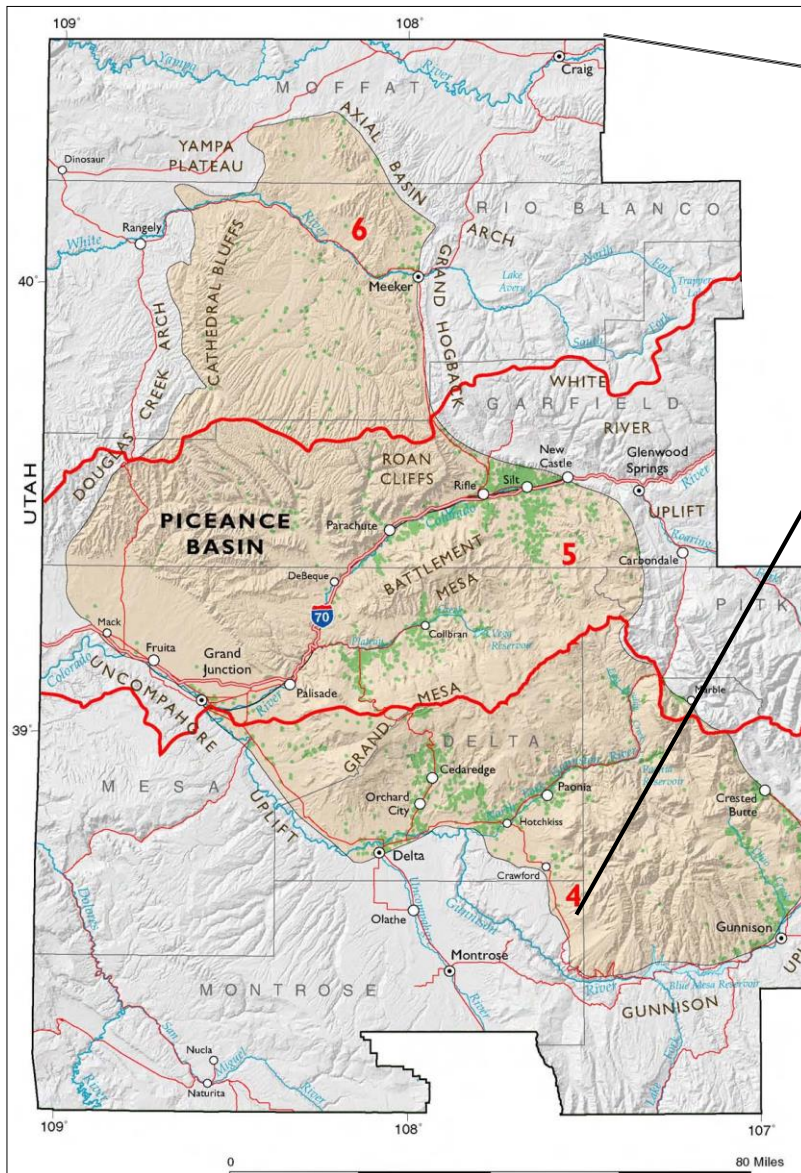
Laramie Energy, LLC is a Denver-based natural gas and oil development company funded by management, public, and private equity.

- Public Equity: Par Pacific Holdings
- Private Equity: Avista, EnCap, APriori, Wells Fargo, & Energy Trust
- Bank Funding: JP Morgan Chase, Wells Fargo, US Bank, CIBC, and Capital One

Laramie's fundamental business strategy has changed from an early "prove and move" strategy to a full scale production growth strategy

- Piceance Basin Focused (Western Colorado)
 - Williams Fork Tight Gas Sand Play
 - Mancos Shale Gas Play (includes Niobrara)
- Concentration leads to reduced costs, EUR improvement, and more robust development economics

Colorado's Piceance Basin



- One of North America's largest accumulations of natural gas
 - 5 of the top 50 gas fields in the USA
 - Peaked at over 1.6 Bcf/d of production
 - 20% of all Rockies gas production
 - 84% gas, 16% NGLs and condensate
- Primary operators: Terra, EnCana, ExxonMobil, **Laramie**, Ursa, Caerus, Legacy
- Core area across Mesa, Garfield, Rio Blanco Counties with virtually all acreage locked up by existing operators
- Over 12,000 wells drilled to date in the Williams Fork play
- Emerging deeper play delineated with over 60 vertical and horizontal wells in the Mancos / Niobrara



Laramie Energy – Brief History

- Laramie I (2004 to 2007)
 - Invested \$210 million of equity and \$180 million of bank debt in the Piceance Basin
 - Drilled over 200 wells by ramping up to a 5-rig program
 - Built-out the area's midstream system
 - Sold to Plains Exploration & Production (PXP) for approximately \$1.1 billion in May 2007
- Laramie Energy, LLC (2007 – present)
 - 2007 – Restarted as a new company with the same private equity investors
 - 2008 – Ran 4 rigs in the Piceance Basin before pulling back due to declining gas prices.
 - 2012 - Acquired all of the bankrupt Delta Petroleum's assets in the Piceance Basin, primarily by issuing new equity to Delta's bondholders through Delta's Plan of Reorganization.
 - Delta emerged from bankruptcy under new management as Par Pacific Holdings, Inc. as a successful operating company and significant Laramie Energy equity owner (NYSE MKT: PARR)
 - 3/1/2016 – Acquired $\pm 1,100$ well asset base and approximately 72,000 net lease acres plus 24,000 mineral acres in the Piceance Basin including all of Laramie I's previous assets sold to PXP in 2007



Piceance Basin Keys for Success

Land / Contracts

- High lease Net Revenue Interests (NRI's)
- Favorable Surface Use Agreements (surface ownership is valuable)
- Optionality in Gathering & Processing Contracts

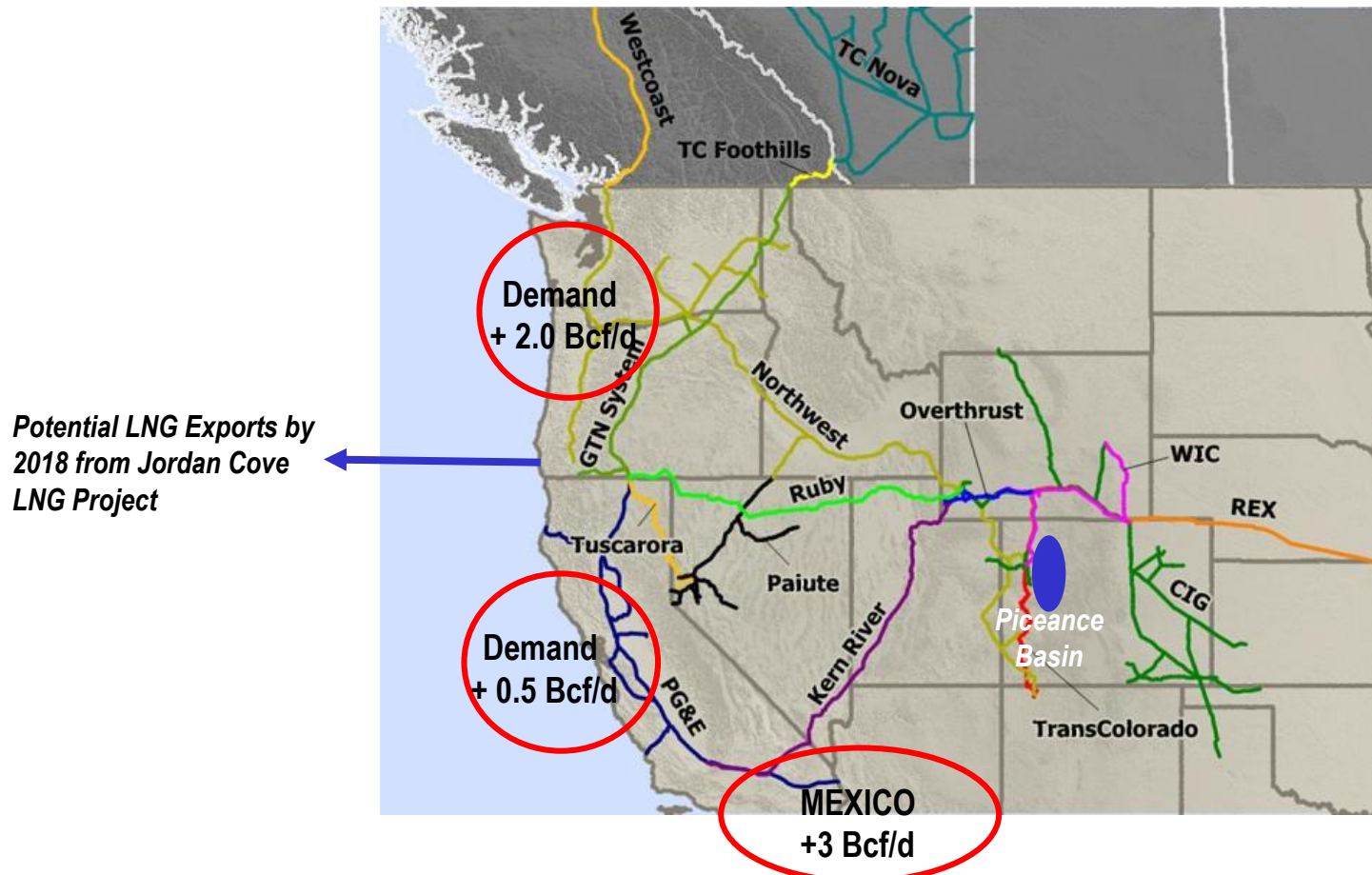
Operations

- Manufacturing style drilling program
- Large volume sandless slickwater fracs
 - Larger fracs, larger EUR's
 - Sandless fracs reduce up-front capital & future LOE
 - Larger fracs require a change in drilling pattern
- Large scale water infrastructure lowers overall water handling costs
- Low operating costs (< \$0.50/Mcfe)



Advantaged Interstate Pipeline Takeaway Capacity & Markets

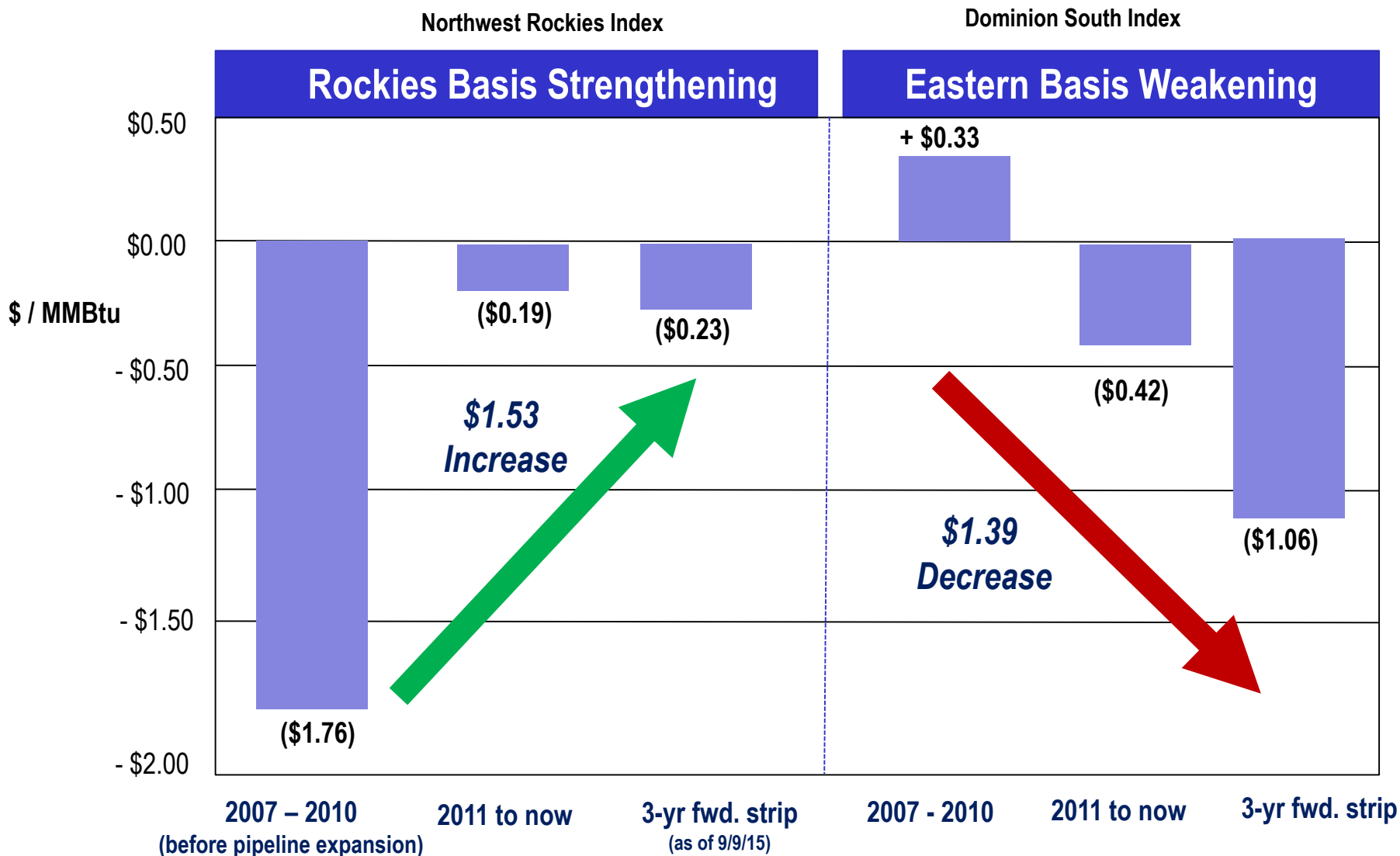
- Unlike the Eastern U.S., the Piceance Basin has completely unconstrained pipeline takeaway capacity due to the construction of REX and Ruby pipelines and expansions of Kern River and Northwest pipelines during 2007 – 2010
- Western market dynamics underpin a low Piceance Basin gas price differential for foreseeable future
 - Demand growth projected across Western U.S. and Mexico (*and potential for LNG exports by 2018*)
 - Production from San Juan Basin (NM) and Uinta Basin (UT) expected to decline





Rockies Differentials to NYMEX vs. Eastern U.S.

Attractive Rockies basis differentials due to regional demand and ample pipeline capacity





Laramie Overview – Summary Information

- 100% focused in Piceance Basin
- $\pm 1,200$ operated producing wells, ± 400 non-operated
- All vertical/directional except for 2 horizontal wells
- Production (June 2016): Net (w/ OBO)
 - Gas: 109 MMcfd
 - Condensate 310 Bpd
 - NGL's: 4,700 Bpd
 - Equivalent: 140 MMcfed
- Acreage: 367,027 Gross Acres / 136,000 Net Acres (+ 23,756 Acres Mineral Interest)
- Drillable Locations:
 - Mesaverde $\pm 8,000$ (10's)
 - Mancos Shale $\pm 5,000$ vertical (20's) or 3,600 horizontal (320's)
- 1P Reserves: 1.1 Tcfe Proved Mesaverde + 8 Mancos PDP wells
- 2P Reserves: 8.2 Tcfe Add Probable Mesaverde locations
- 3P Reserves: 37 Tcfe Add Possible Mancos locations



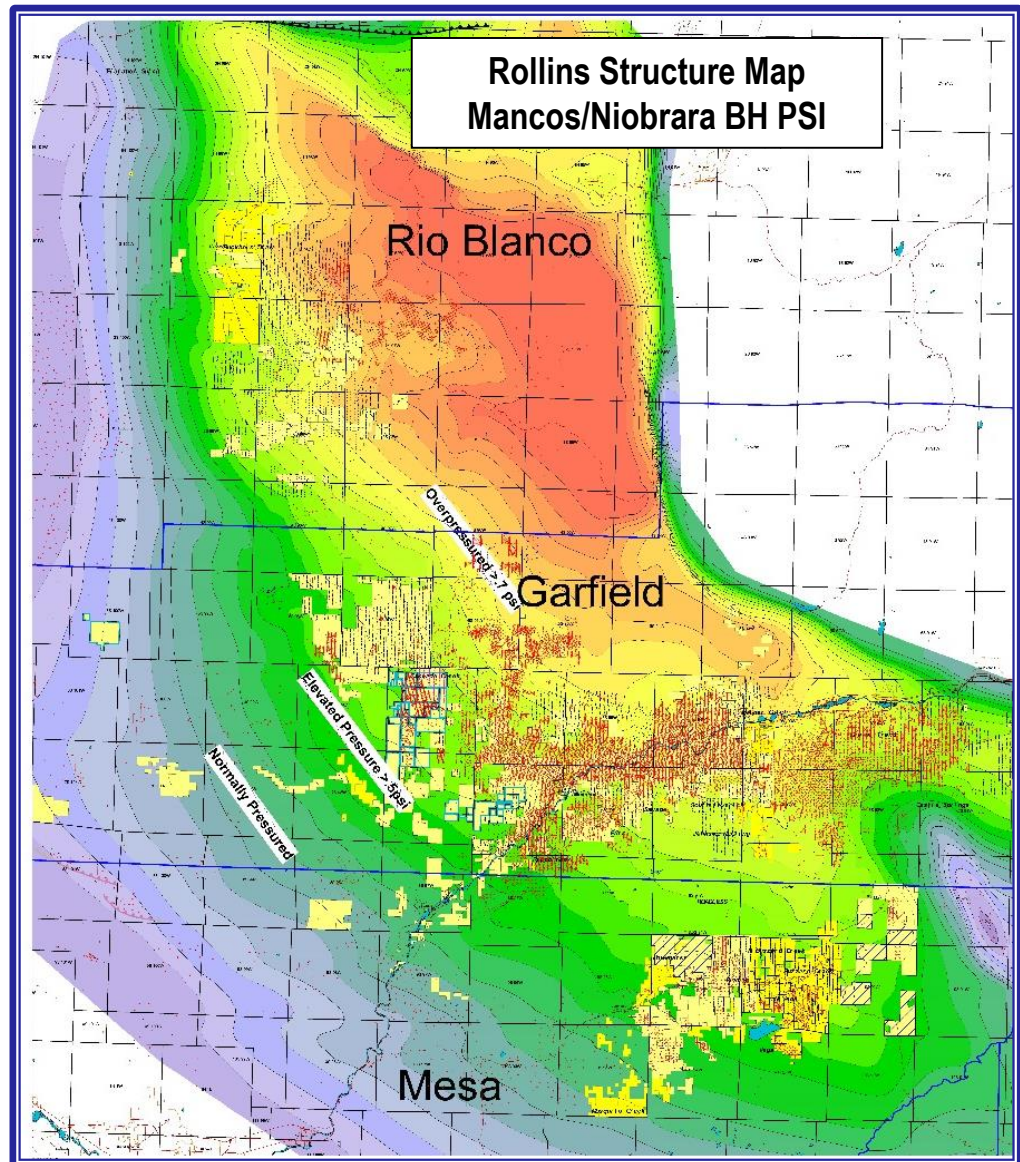
Primary Producing Formations

Williams Fork

- Basin centered gas
- Fluvial deposition
- 3000 feet of stacked sand bars averaging 6 acres in size
- Sourced by Cameo Coals & Mancos
- Gas column increases w/ depth
- Liquids-rich (1100 Btu w/ NGLs)
- Drilled on 10-acre density

Mancos

- Deepwater marine shale
- Bottom 1/3rd is the Niobrara
- 3800 feet of productive shale
- Over-pressured (>18ppg) in heart of basin
- Dry gas (slightly <1000 Btu/scf)

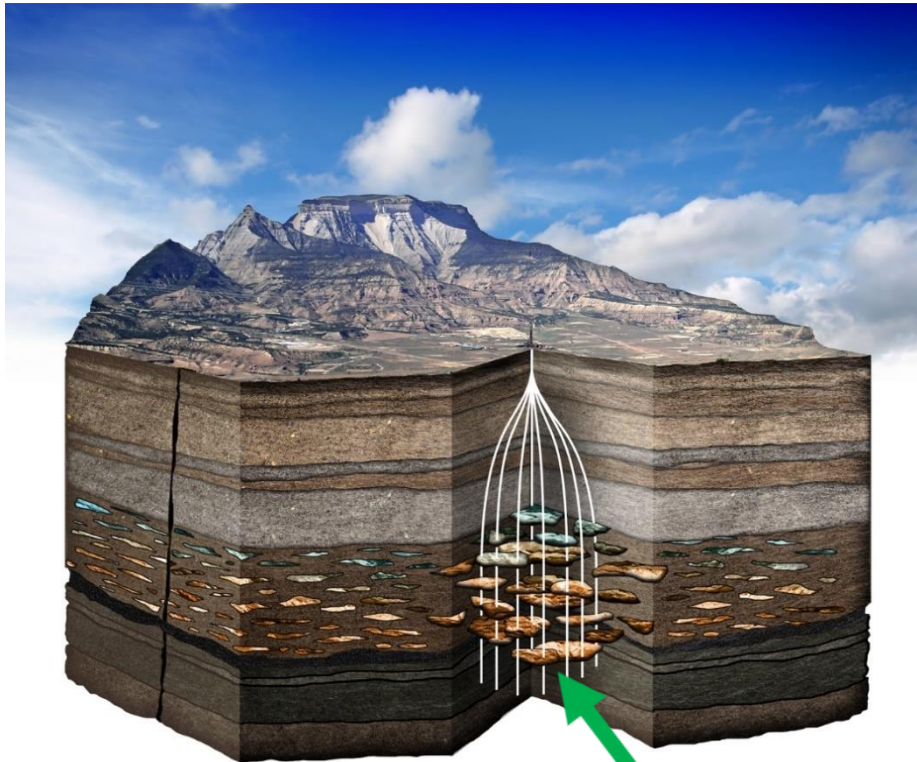




Piceance Basin Development - Pad Drilling of Directional Wells

Williams Fork Formation

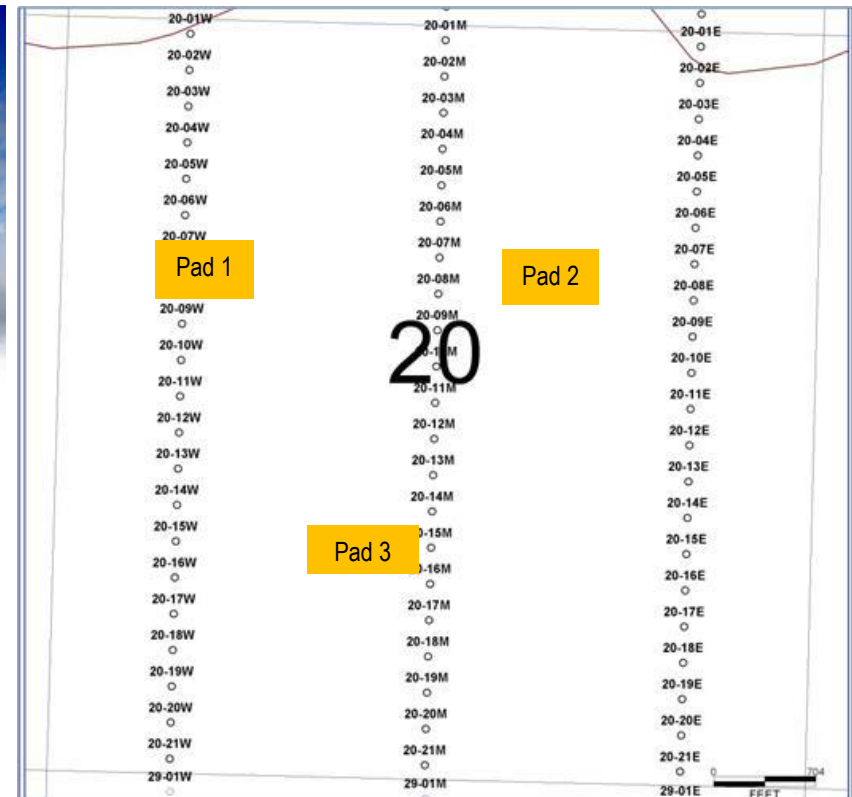
- Stacked, tight-sand gas reservoir
- Developed on 10-acre density using directional pad drilling
- 16 to 28 wells per pad to minimize surface foot-print
- Called “Mesaverde” formation when combined w/ lles zones



Laramie's current drilling pattern:

- 3-columns of 21-wells
- Drilled from 3 pads per section
- 63 wells per 640-acre section

Map View: 640-acres, 1 square mile

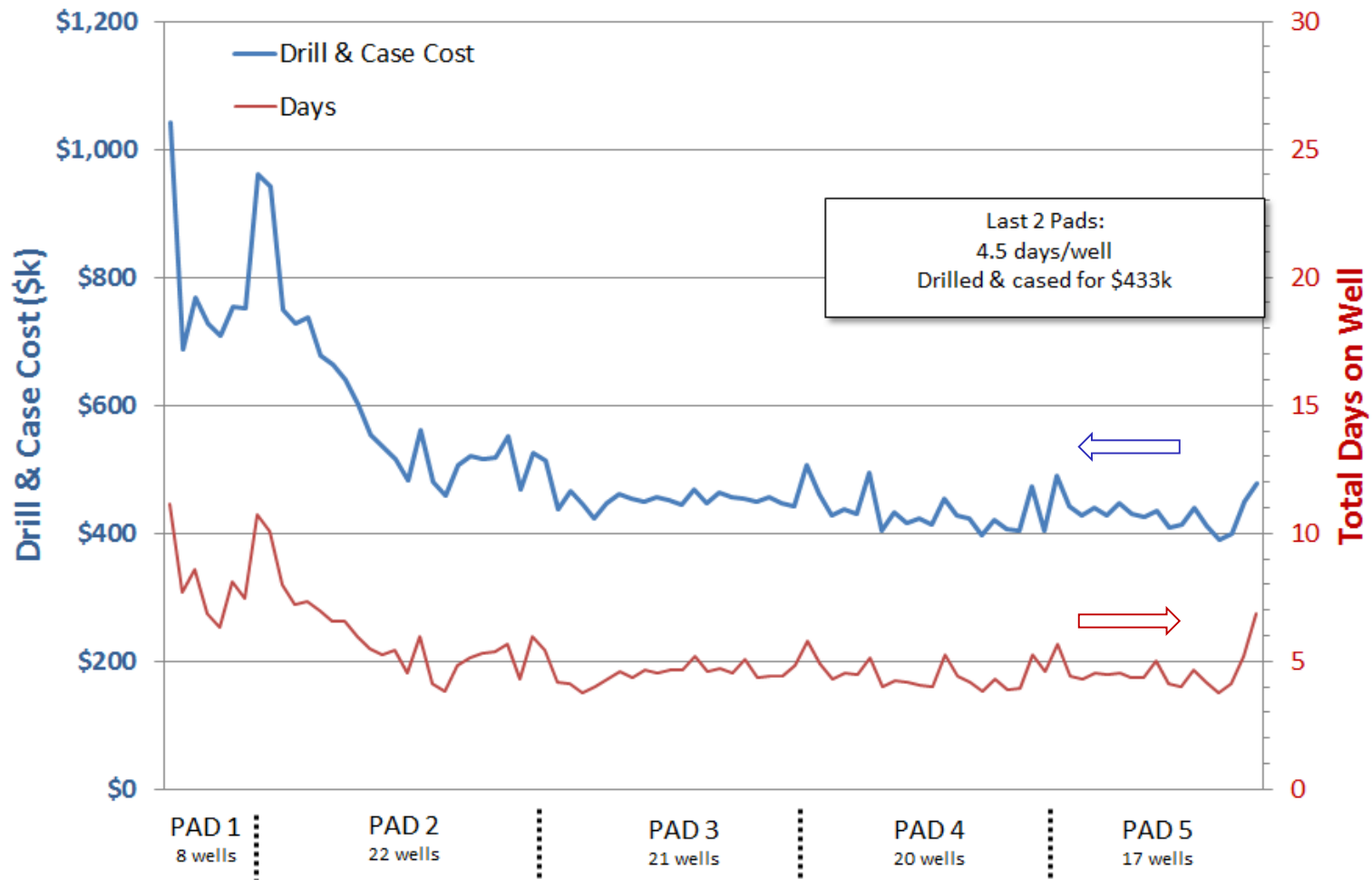


Williams Fork tight sand reservoirs,
interbedded with shales and coal formations



Drilling – Demonstrating Repeatable Performance

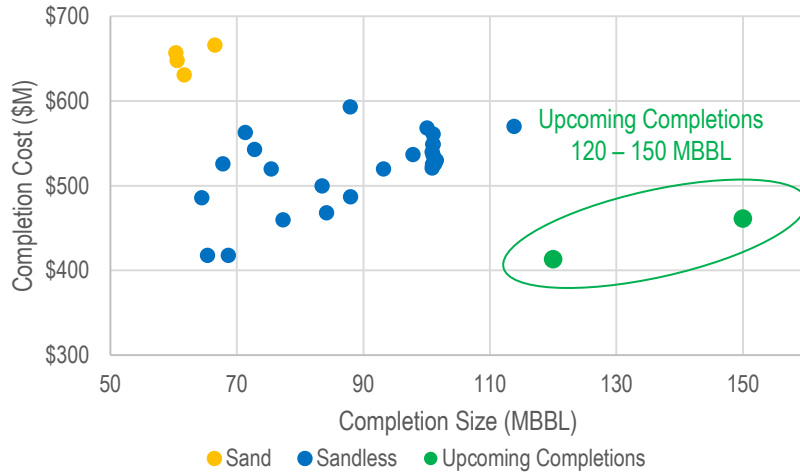
Significant Drill Cost & Time Reductions Achieved on Williams Fork Wells





Completions Update

Cost Savings Through Sand-less Completions



Sandless Completions

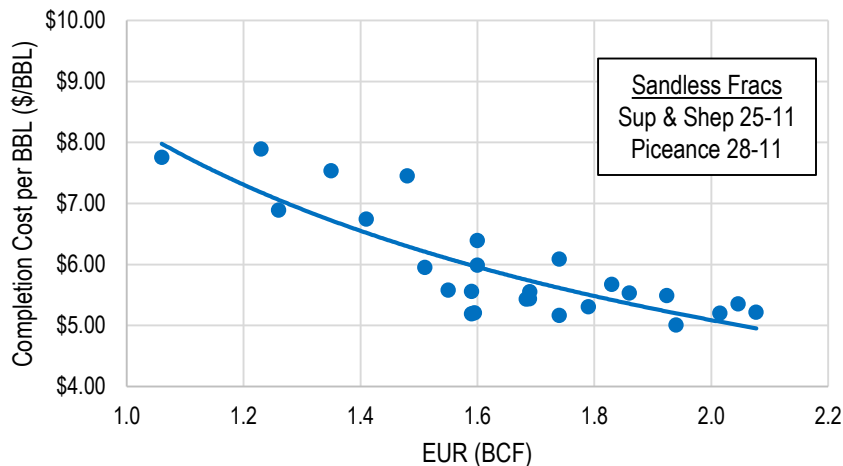
- Savings from propantless fracs allows for increased job size without increasing AFE.
- **Testing indicates no differences between sand and sandless completions.**

Cost Reduction

Cost reduction through efficiency, not reduction in contract rate.

- Originally completed 2 wells at a time.
- Currently completing 5-6 wells at a time to increase water recycling on pad.
- **Still increasing recoveries while reducing per unit costs.**

Completion Efficiency





EUR vs Completion Volume

EUR (BCF)

Completion Fluid (MBBL)

Sand Fracs

28-11 Pad Averages
100,000 Bbls/Well

Upcoming Pads
120 – 150 MBBL/Well

● Sup and Shep 25-11 ● Piceance 28-11



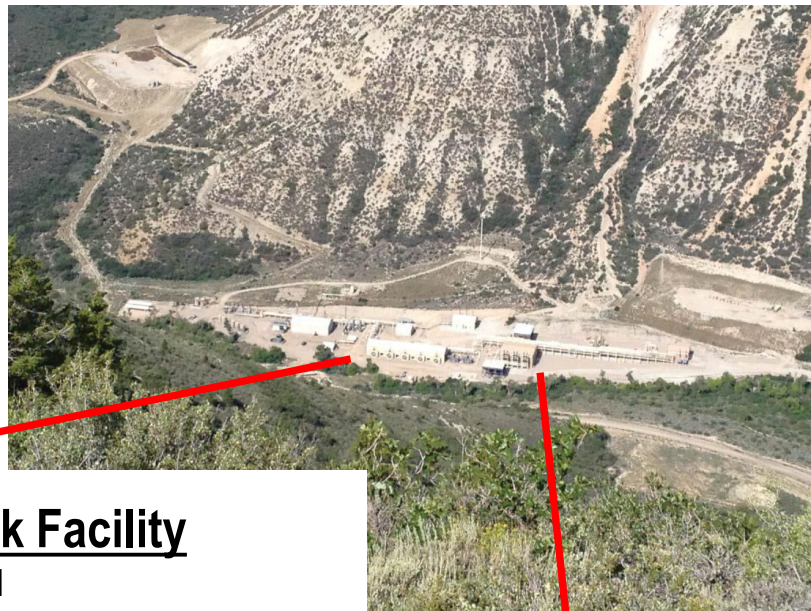
Owned Facilities – Compression & Dehydration Assets

- 2 Major sites & 5 Minor sites
- 270 MMscfd / 45,000 HP in Compression Capacity
- Maintenance profile is excellent (high % runtime)
- Compression sites integrated to new drilling areas
- Current lease compression costs down 30% YTD



CC I – 45 MMscfd

MVS – 85 MMscfd (140 MM exp.)



ConnCreek Facility

- CCI & CCII
- Propane Refrig with bullets (idle)
- Amine Treating Facility (idle)
- 2.6 MW (4160V) Power Plant (idle)

CC II – 85 MMscfd





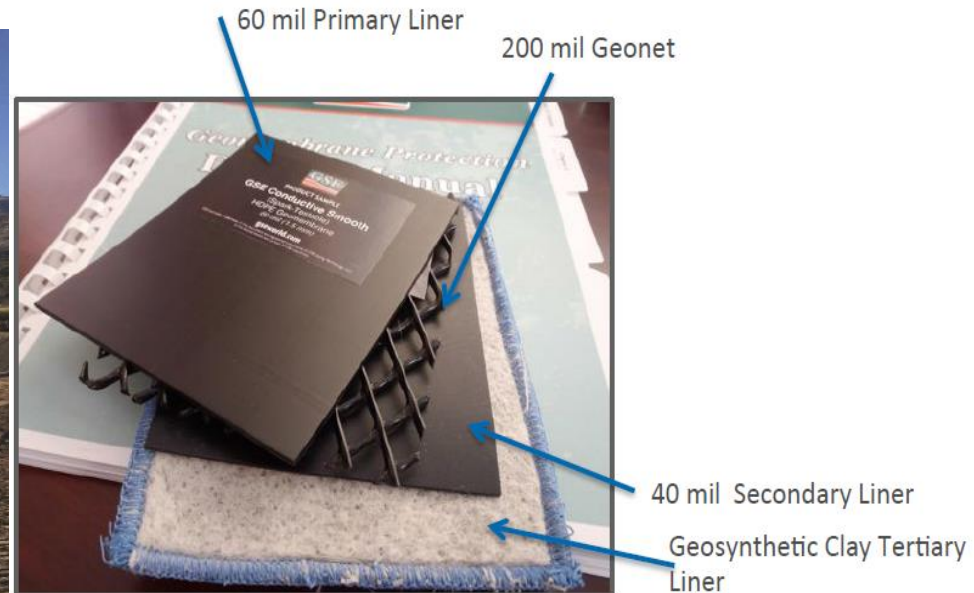
Owned Facilities – Water Storage & SWD Infrastructure

Cascade Creek

- 7 Ponds with 450k bbls of fresh & flowback storage
- Fully integrated pond, facility, SWD, & pipeline system
- 3 SWD's w/ 2000 bwpd capacity

Collbran Valley

- 2x 500k bbls Treated Water ponds, +600k bbls permitted
- New DAF treatment facility (15k bwpd)
- New Frac Supply Pump Station (20 bpm)
- 1x 600k bbls Fresh Water pond
- Latest liner system for CO regulatory
- 6 SWD's w/ 3500 bwpd capacity





May Snapshot Lease Operating Expenses

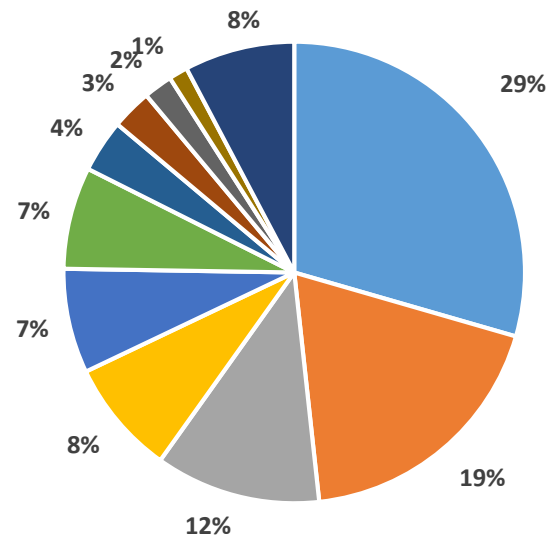
Operations

May 2016			
May LOE - Gross Operated \$	\$/Month	%	Cumulative
1 Labor	\$ 511,000	29%	29%
2 Salt Water Disposal	\$ 326,000	19%	48%
3 Compression	\$ 201,000	12%	60%
4 Storm Water Management	\$ 140,000	8%	68%
5 Automation & Telemetry	\$ 127,000	7%	75%
6 Chemicals	\$ 124,000	7%	82%
7 Road & Pad Maintenance, Signage	\$ 64,000	4%	86%
8 Surface & Misc Equipment M&R	\$ 49,000	3%	89%
9 Safety, Health & Environmental	\$ 35,000	2%	91%
10 Fuel, Power & Potable Water	\$ 23,000	1%	92%
11 Other (multiple categories)	\$ 134,000	8%	100%
Total Recurring LOE	\$ 1,734,000	100%	

Average Operated Production
(Mcf/Month) 4,056,532 (130.9 MMcfd)

Gross Operated LOE/Gross Mcf \$ 0.427

LOE Breakdown



- Labor
- Salt Water Disposal
- Compression
- Storm Water Management
- Automation & Telemetry
- Chemicals
- Road & Pad Maintenance, Signage
- Surface & Misc Equipment M&R
- Safety, Health & Environmental
- Fuel, Power & Potable Water
- Other (multiple categories)

Ongoing cost-cutting measures:

- Continued labor integration
- Working off inventories of chemicals and supplies
- Reverting to plunger-lift, cutting chemical cost (foamers)
- Shorten water hauling routes, use closest injectors
- Limit contractor usage (no crews/equipment on continuous payroll)
- Changing the culture from that of a major to an independent



Drilling Program - Current D&C Cost Structure

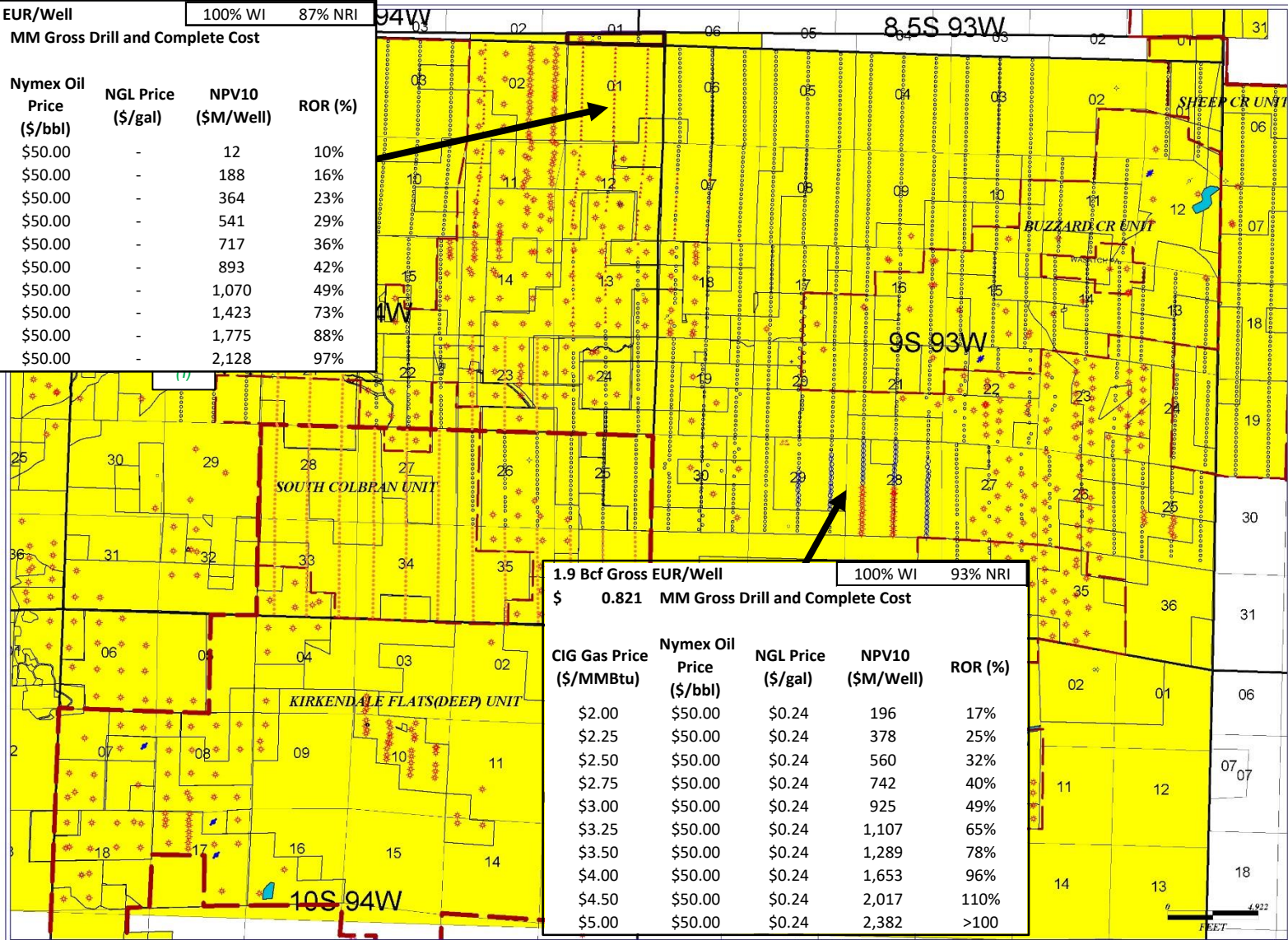
Cost/Well	Collbran Valley	Cascade Creek
Road & Pad (1/20 th)	\$20,000	\$13,400
Rig Mob (1/20 th)	\$11,500	\$7,700
Drill & Case	\$375,000	\$585,000
Complete	\$415,000	\$474,000
Equip	\$65,000	\$58,000
Total	\$886,500	\$1,139,000

- Collbran Valley – Based on actual operational performance
- Cascade Creek – Based on extrapolation of Collbran Valley costs w/ adjustment for parasite string drilling



Collbran Valley - Williams Fork

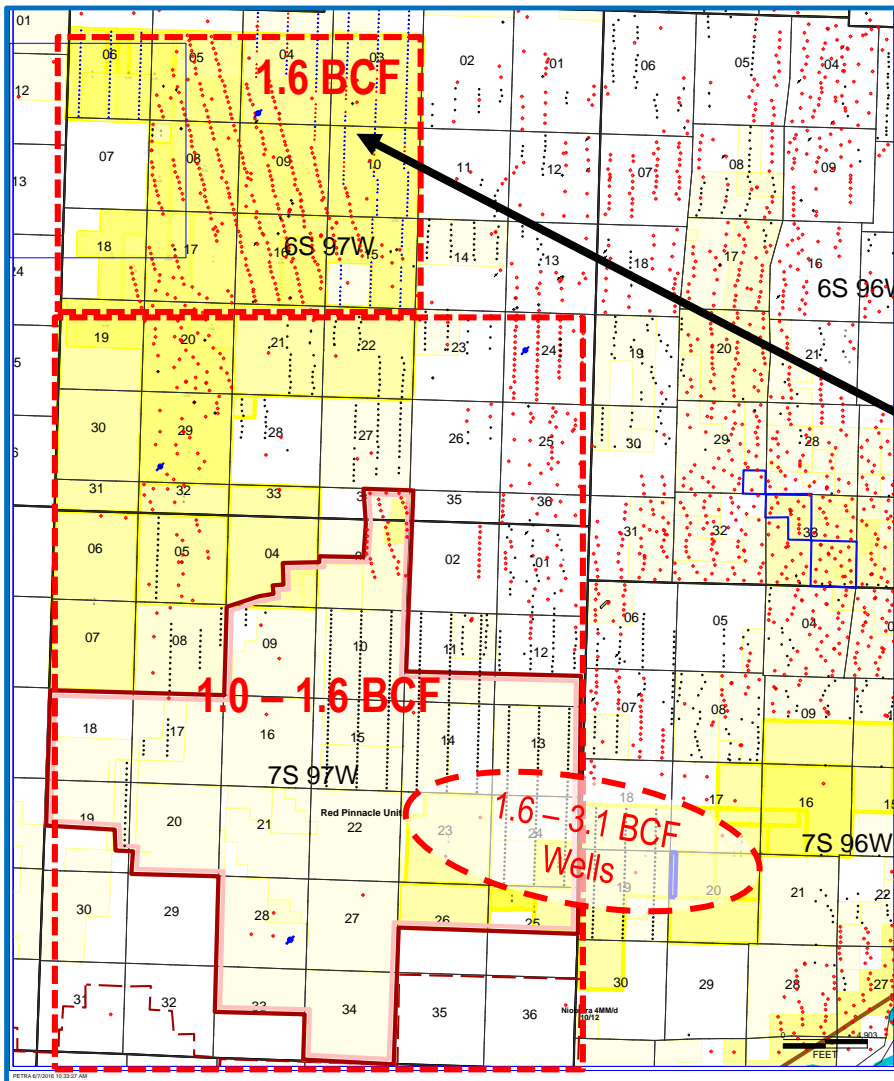
1.9 Bcf Gross EUR/Well				
\$ 0.886 MM Gross Drill and Complete Cost				
		100% WI	87% NRI	
CIG Gas Price (\$/MMBtu)	Nymex Oil Price (\$/bbl)	NGL Price (\$/gal)	NPV10 (\$M/Well)	ROR (%)
\$2.00	\$50.00	-	12	10%
\$2.25	\$50.00	-	188	16%
\$2.50	\$50.00	-	364	23%
\$2.75	\$50.00	-	541	29%
\$3.00	\$50.00	-	717	36%
\$3.25	\$50.00	-	893	42%
\$3.50	\$50.00	-	1,070	49%
\$4.00	\$50.00	-	1,423	73%
\$4.50	\$50.00	-	1,775	88%
\$5.00	\$50.00	-	2,128	97%



1.9 Bcf Gross EUR/Well				
\$ 0.821 MM Gross Drill and Complete Cost				
		100% WI	93% NRI	
CIG Gas Price (\$/MMBtu)	Nymex Oil Price (\$/bbl)	NGL Price (\$/gal)	NPV10 (\$M/Well)	ROR (%)
\$2.00	\$50.00	\$0.24	196	17%
\$2.25	\$50.00	\$0.24	378	25%
\$2.50	\$50.00	\$0.24	560	32%
\$2.75	\$50.00	\$0.24	742	40%
\$3.00	\$50.00	\$0.24	925	49%
\$3.25	\$50.00	\$0.24	1,107	65%
\$3.50	\$50.00	\$0.24	1,289	78%
\$4.00	\$50.00	\$0.24	1,653	96%
\$4.50	\$50.00	\$0.24	2,017	110%
\$5.00	\$50.00	\$0.24	2,382	>100



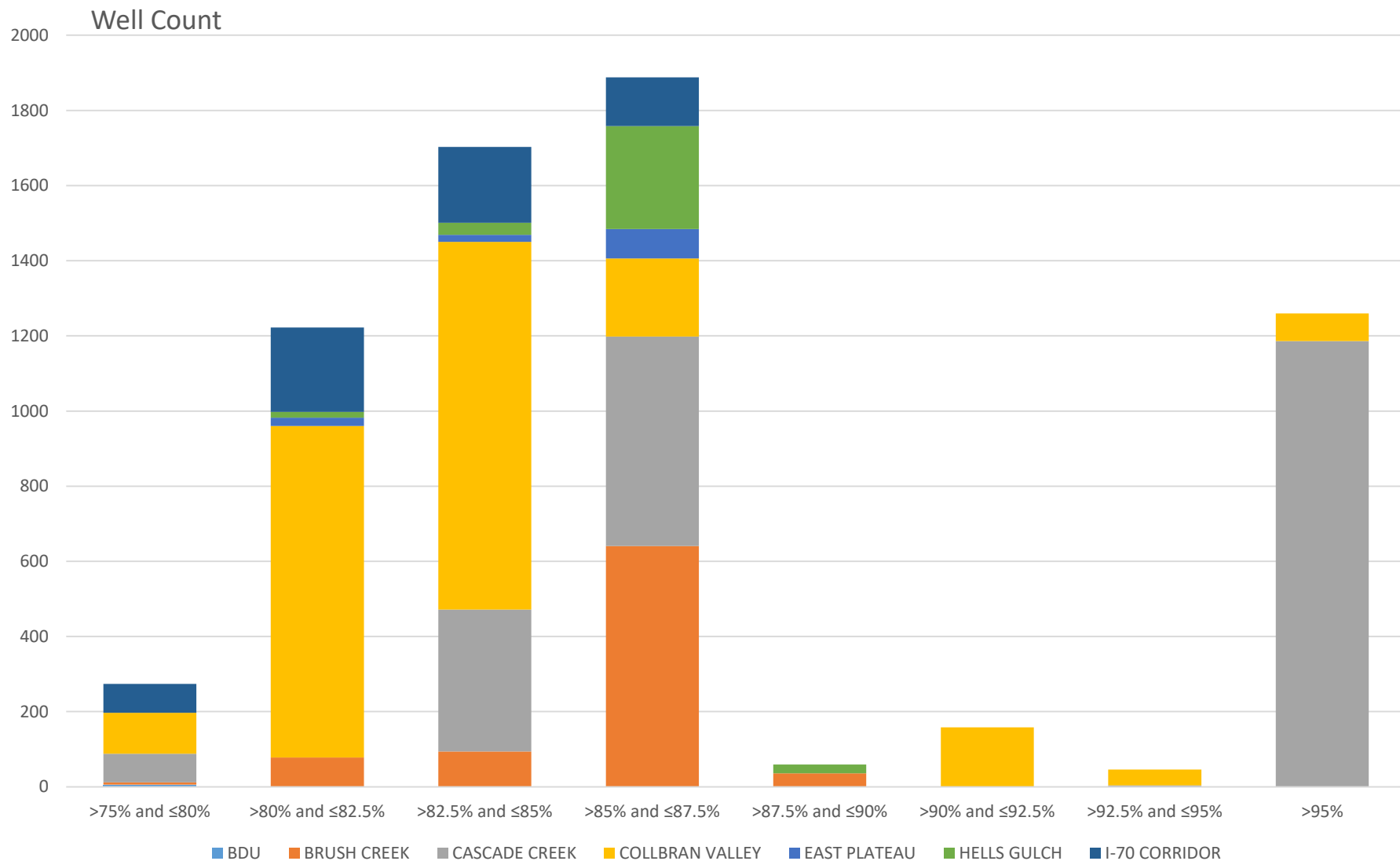
Cascade Creek - Williams Fork EURs (Bcf/Well)



1.6 Bcf Gross EUR/Well			100% WI	99.4% NRI
\$ 1.136 MM Gross Drill and Complete Cost				
CIG Gas Price (\$/MMBtu)	Nymex Oil Price (\$/bbl)	NGL Price (\$/gal)	NPV10 (\$M/Well)	ROR (%)
\$2.00	\$50.00	\$0.28	235	18%
\$2.25	\$50.00	\$0.28	392	25%
\$2.50	\$50.00	\$0.28	549	30%
\$2.75	\$50.00	\$0.28	706	36%
\$3.00	\$50.00	\$0.28	863	42%
\$3.25	\$50.00	\$0.28	1,021	48%
\$3.50	\$50.00	\$0.28	1,178	59%
\$4.00	\$50.00	\$0.28	1,493	80%
\$4.50	\$50.00	\$0.28	1,807	90%
\$5.00	\$50.00	\$0.28	2,122	97%



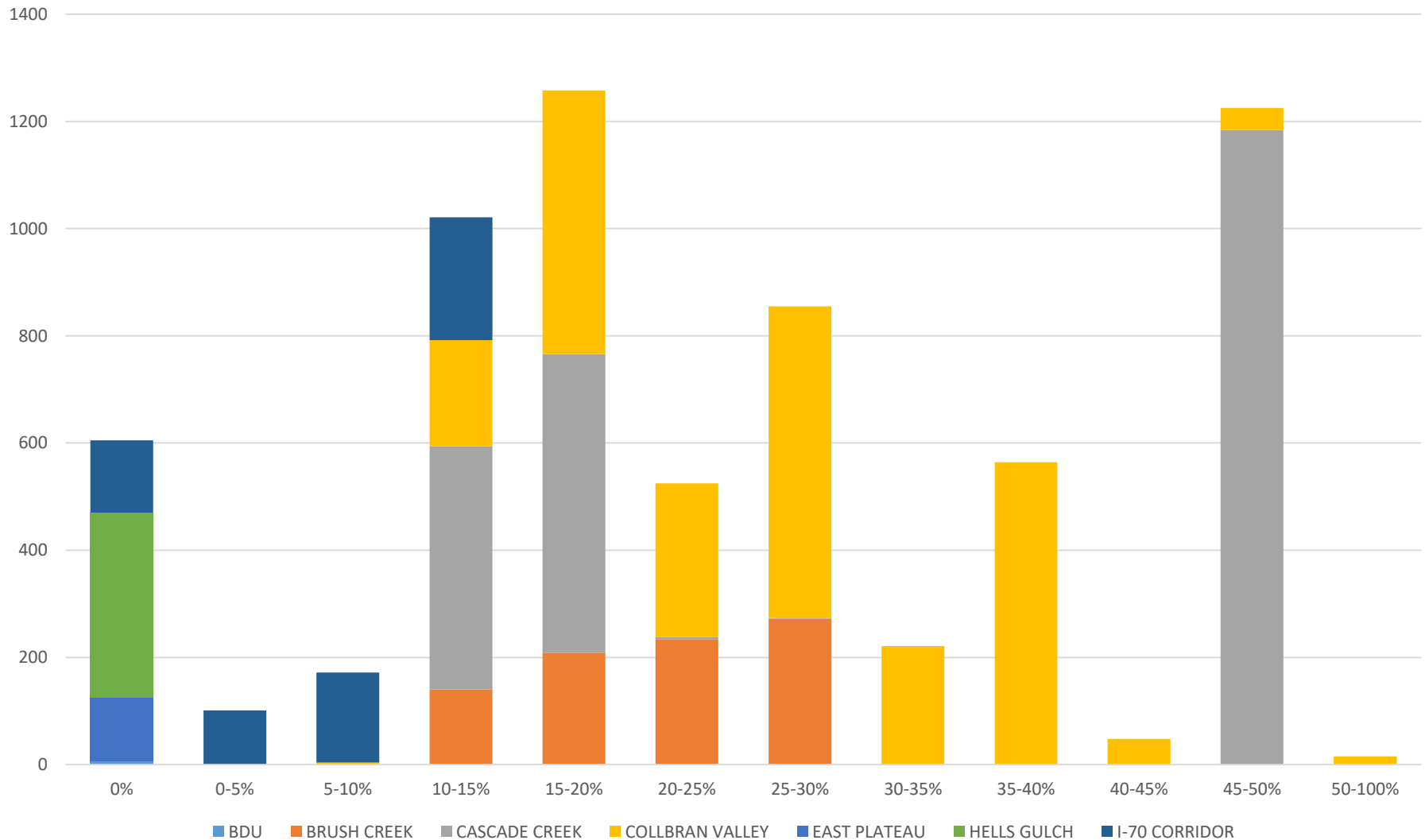
Well Count By Net Revenue Interest





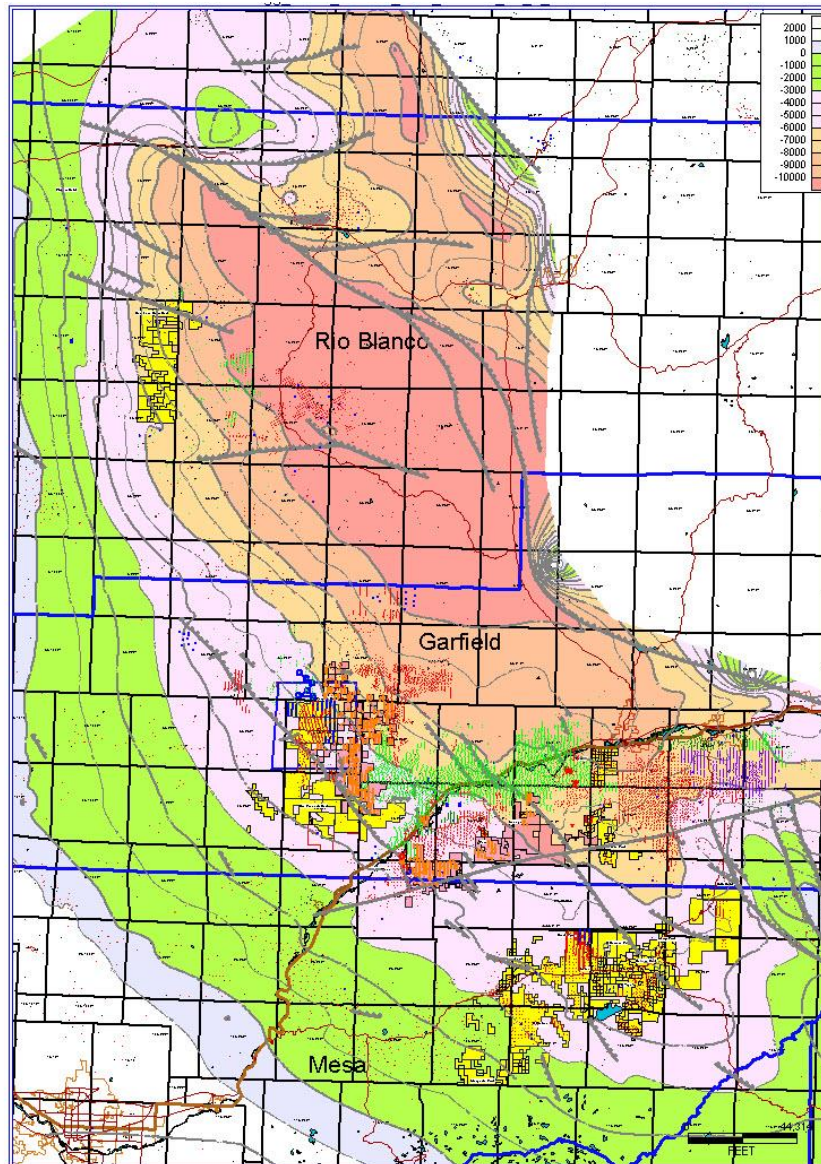
Well Count Internal Rate of Return at Current Strip prices

ROR Count by Field Williams Fork Only





Mancos Shale 2nd Largest Shale Gas Resource Base in U.S.



Mancos / Niobrara Structure Map

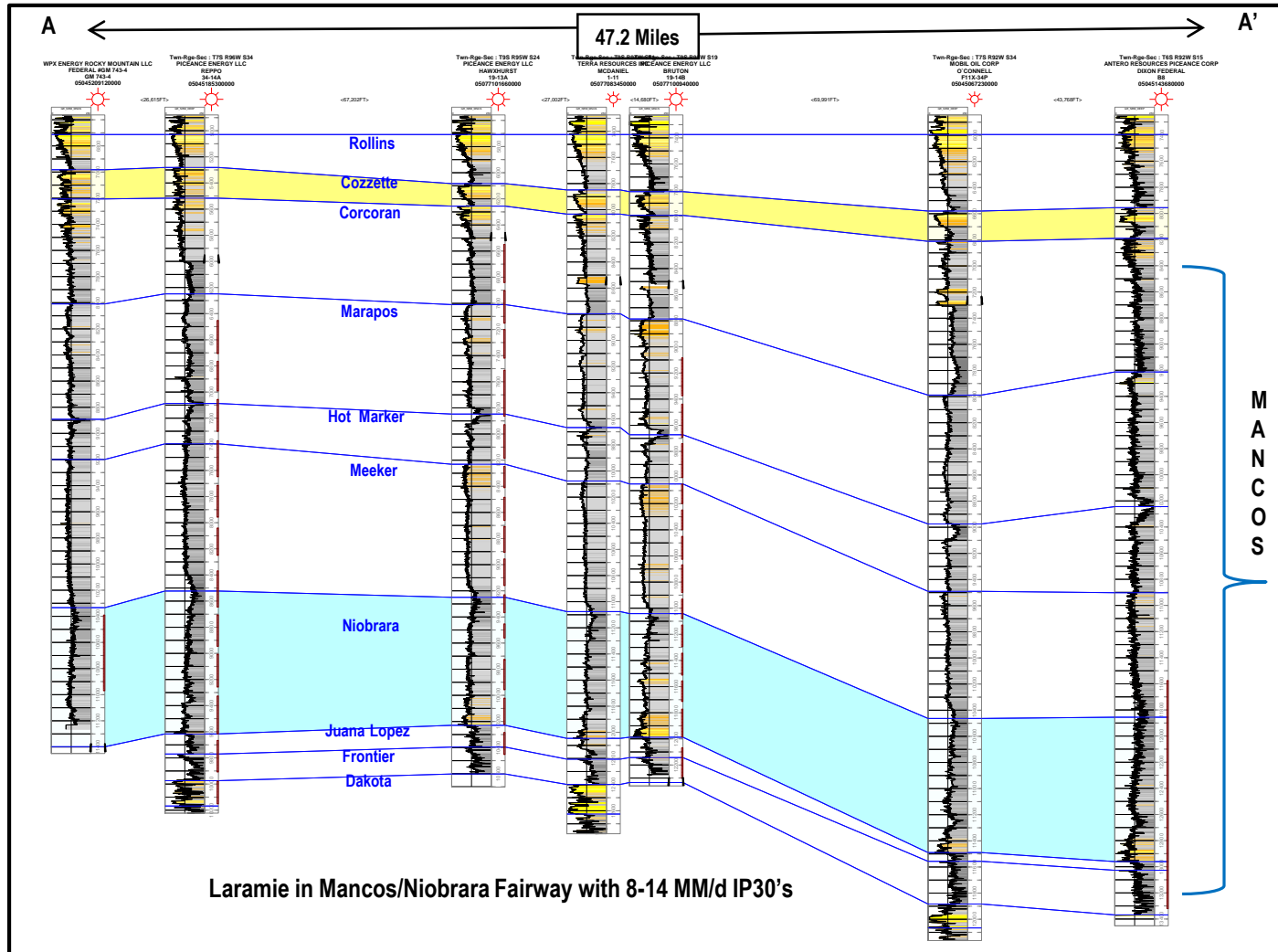
- Deep structure is similar to shallower structure (Rollins) except the base of the syncline moves North
- Collbran Valley is situated at shallower drilling depths than Grand Valley
- Gas is richer at shallower depths but also lower pressure
- Oil rim is very thin and generally contains non-flowable hydrocarbons

1000' Contours



Regional Mancos Stratigraphic Cross Section

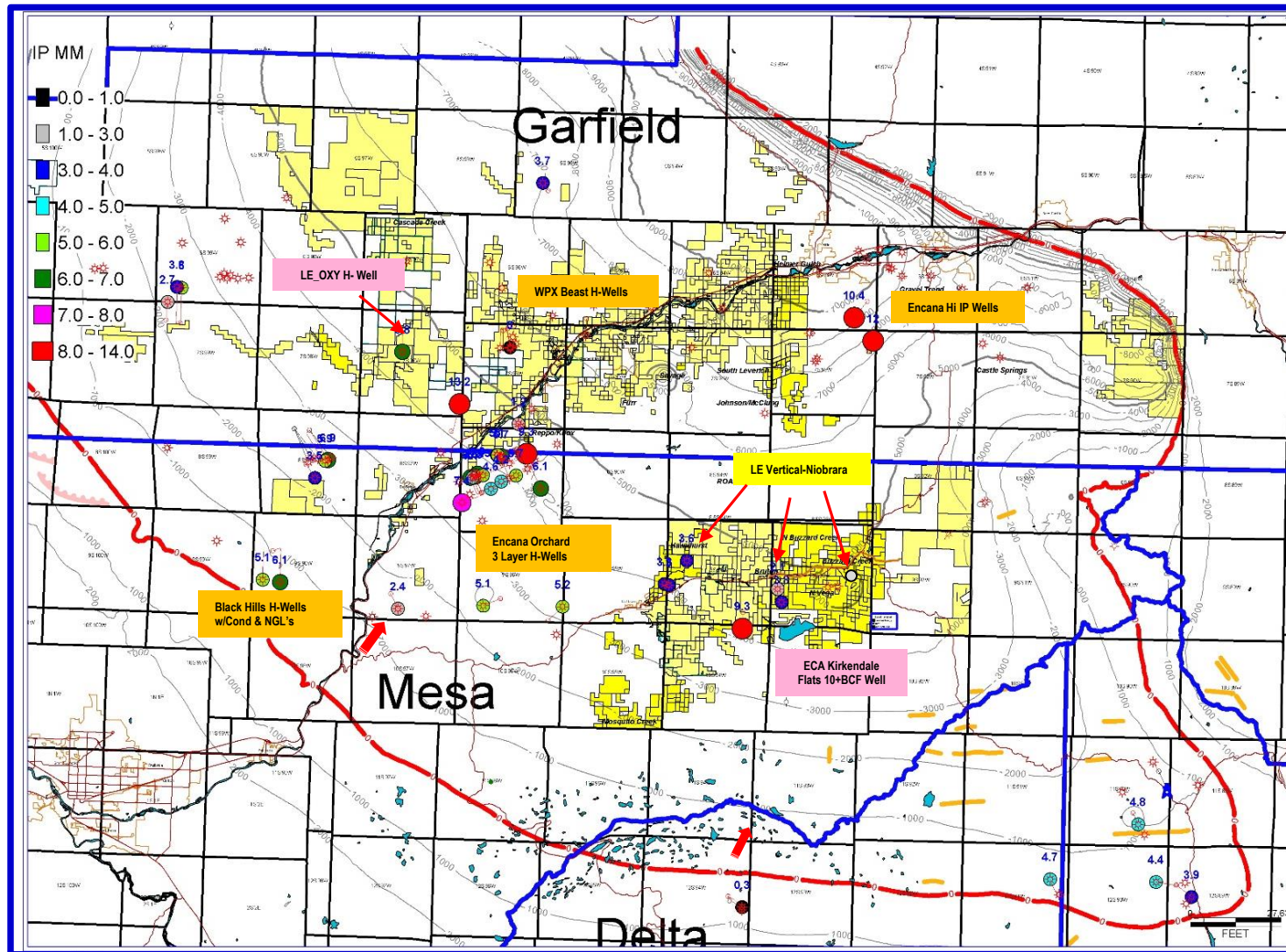
Regional section shows consistency of Mancos Stratigraphy across basin





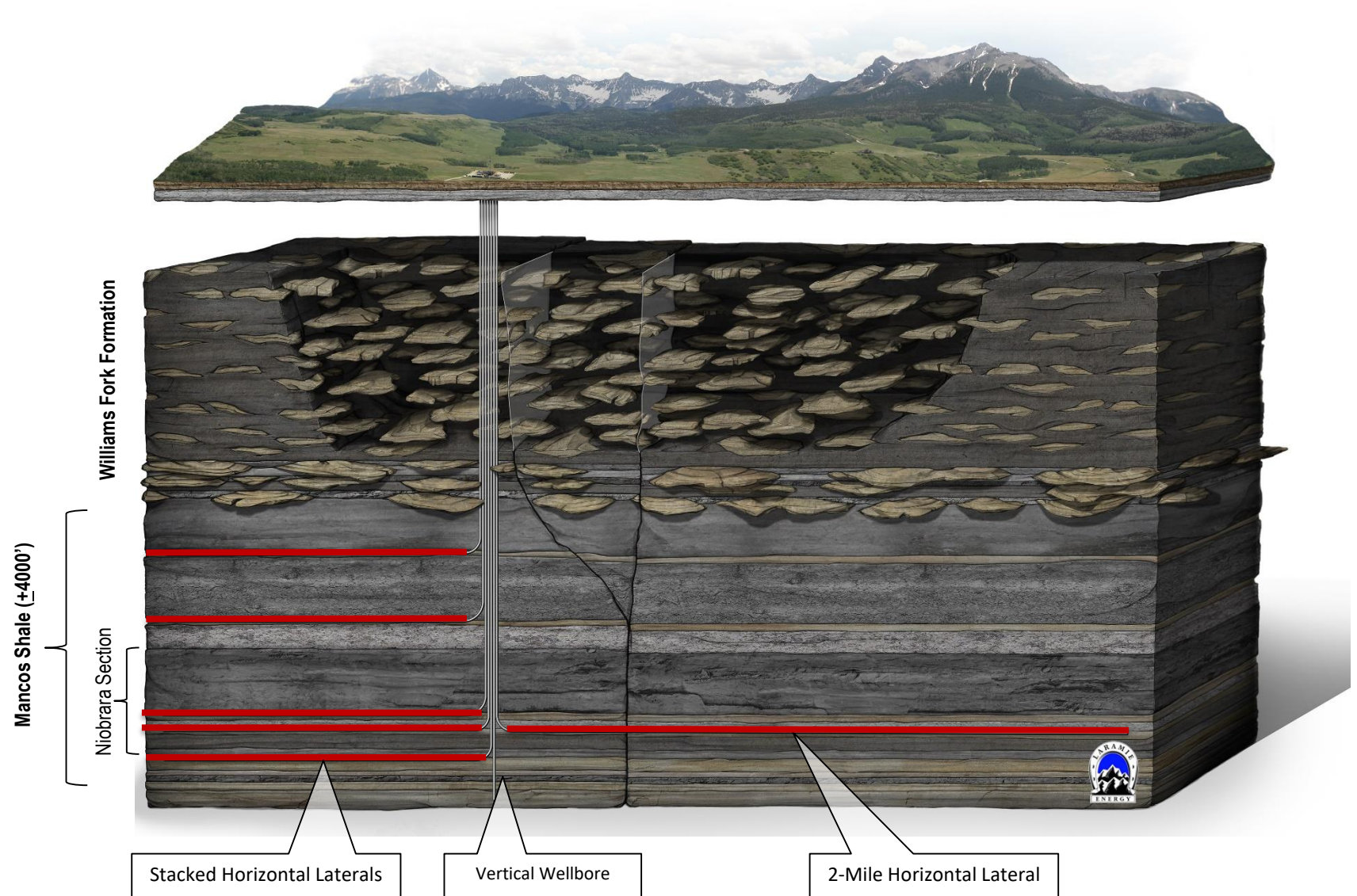
Mancos Resource Play with Stacked Horizontal Potential

Laramie Energy Offset By High IP/EUR H-Wells





Mancos Shale (includes Niobrara)





Mancos/Niobrara Horizontal Economics – “Art of the Possible”

Goal is to reduce drill and complete costs using latest lessons learned in the DJ Basin Niobrara Program

Laramie Energy, LLC

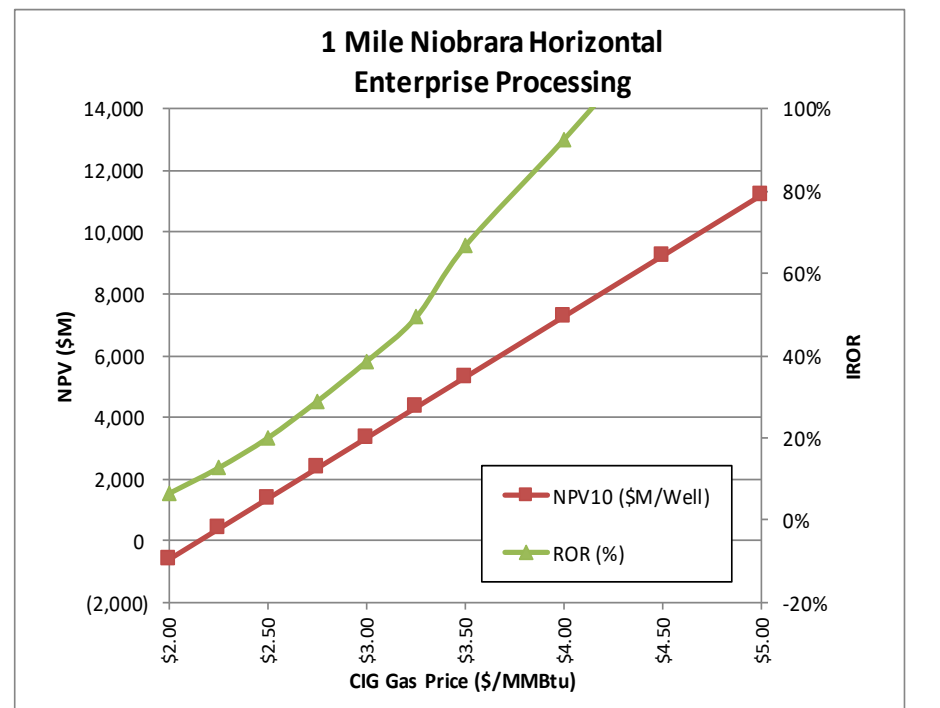
**1 Mile Niobrara Horizontal
Development Case
Enterprise Processing**

10.0 Bcf Gross EUR/Well

100% WI 82.5% NRI

\$ 4.56 MM Gross Drill and Complete Cost

CIG Gas Price (\$/MMBtu)	Nymex Oil Price (\$/bbl)	NGL Price (\$/gal)	NPV10 (\$M/Well)	ROR (%)
\$2.00	\$50.00	\$0.35	(582)	7%
\$2.25	\$50.00	\$0.35	401	13%
\$2.50	\$50.00	\$0.35	1,383	20%
\$2.75	\$50.00	\$0.35	2,366	29%
\$3.00	\$50.00	\$0.35	3,349	39%
\$3.25	\$50.00	\$0.35	4,332	49%
\$3.50	\$50.00	\$0.35	5,314	67%
\$4.00	\$50.00	\$0.35	7,280	93%
\$4.50	\$50.00	\$0.35	9,245	120%
\$5.00	\$50.00	\$0.35	11,211	>100





Laramie Energy “Production Growth” Strategy Summary

- **Premier position in a prolific gas resource basin with the following attributes:**
 - Repeatable
 - Competitive returns
 - Long life
 - Consistent results
 - Significant running room
 - Operating Control
 - Mancos shale upside

- **Laramie will continue to focus operations and build value by conducting a highly efficient, low-risk development program**

