



---

**Eagle Rock Energy Partners, L.P.**

---

**NASDAQ: EROC**

**Joseph A. Mills, Chairman and Chief Executive Officer**

# Forward Looking Statement



- 
- The statements made by representatives of Eagle Rock during the course of this presentation that are not historical facts are “forward-looking statements”. Although Eagle Rock believes that the assumptions underlying these statements are reasonable, readers are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect Eagle Rock’s business prospects and performance, causing actual results to differ from those discussed during this presentation. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in the prospectus.
  - Any forward-looking statements made are subject to all of the risks and uncertainties, many of which are beyond management’s control, including risks related to the gathering, processing, and marketing of natural gas and natural gas liquids, or NGLs. These risks include the risks described in Eagle Rock’s prospectus filed with the SEC. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, Eagle Rock’s actual results and plans could differ materially from those expressed in any forward-looking statements.
  - The Partnership undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.
-

# Eagle Rock Energy Partners

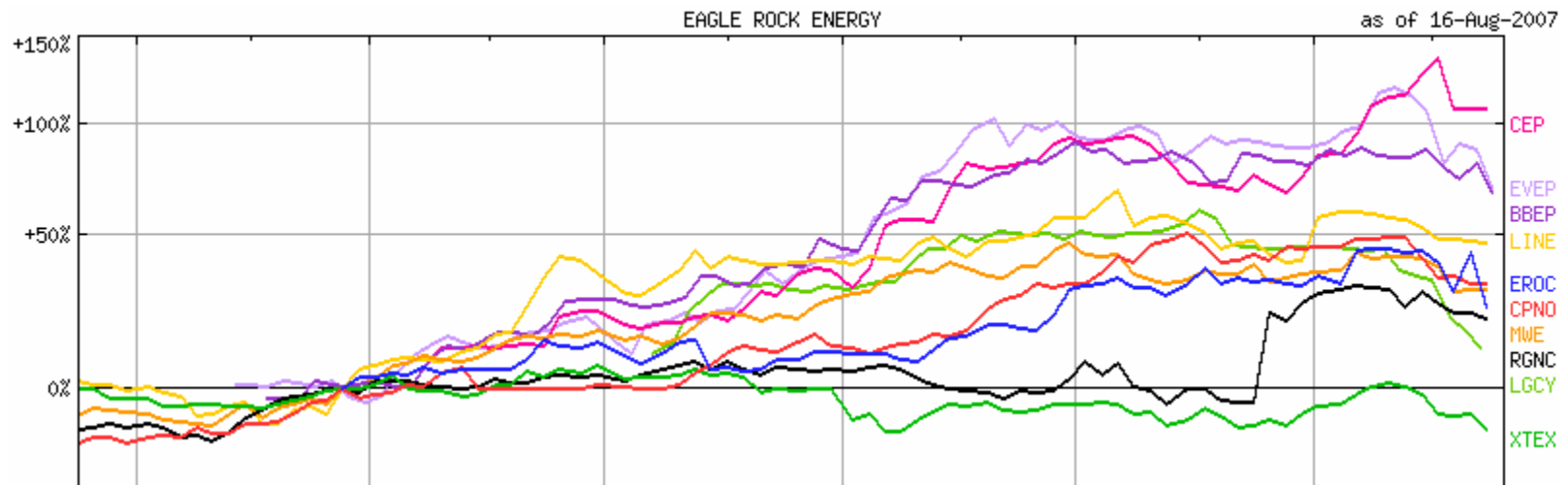
## A New, Unique MLP



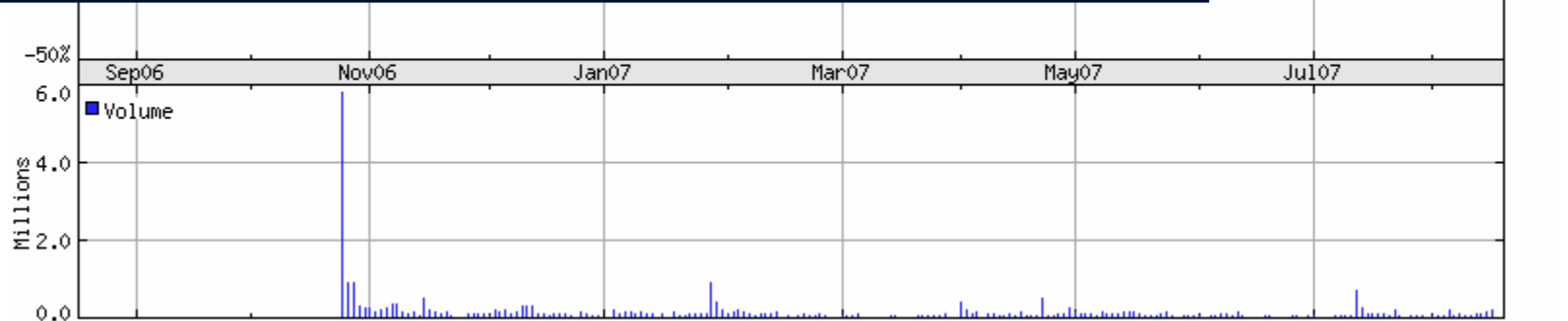
- 
- Eagle Rock Energy Partners, L.P. (NASDAQ:ERO) is a growth-oriented publicly traded Master Limited Partnership (MLP).
  - Our objective is to provide stable and growing distributions to unitholders.
  - **“Double Barreled” Strategy** – Exploit opportunities in the midstream and upstream segments of the energy business.
    - **Midstream**
      - Gathering, compressing, treating, processing, transporting and selling natural gas
      - Fractionating and transporting natural gas liquids
    - **Upstream**
      - Acquiring, developing and producing oil and gas properties
      - Acquiring and managing fee minerals and royalties
    - *Unique ability to pursue transactions that contain both components (i.e., recent EAC acquisition)*
  - Corporate headquarters in Houston; regional offices in Corpus Christi, Pampa, and Shreveport
-

# Eagle Rock Energy Partners

## Unit Performance To Date



- Since inception, EROC has performed well compared to other midstream MLP's.
- Adoption of "double-barreled" strategy should generate increased returns.



Copyright 2007 Yahoo! Inc.

<http://finance.yahoo.com/>

# Eagle Rock Energy Partners

## *Management's Vision*

---



- **Balanced G&P / E&P composition**
  - **Growth through accretive acquisitions**
    - Disciplined and thorough technical evaluation of opportunities
    - Strategic acquisitions in midstream segment
    - Exploit large volume of acquisition opportunities in production segment
    - Combined G&P / E&P opportunities
    - NGP drop-downs
  - **Continued growth from existing asset base**
    - Organic growth opportunities
    - Operational improvements
    - Rationalization of assets
    - Regeneration in existing mineral and working-interest holdings
  - **Financially conservative strategy**
    - Stable cash flow
    - < 2.5x leverage ratio
    - Continue to develop access to capital markets and lower cost of debt
    - Reduce commodity price exposure through comprehensive hedging activities
-

# Recent Events at Eagle Rock

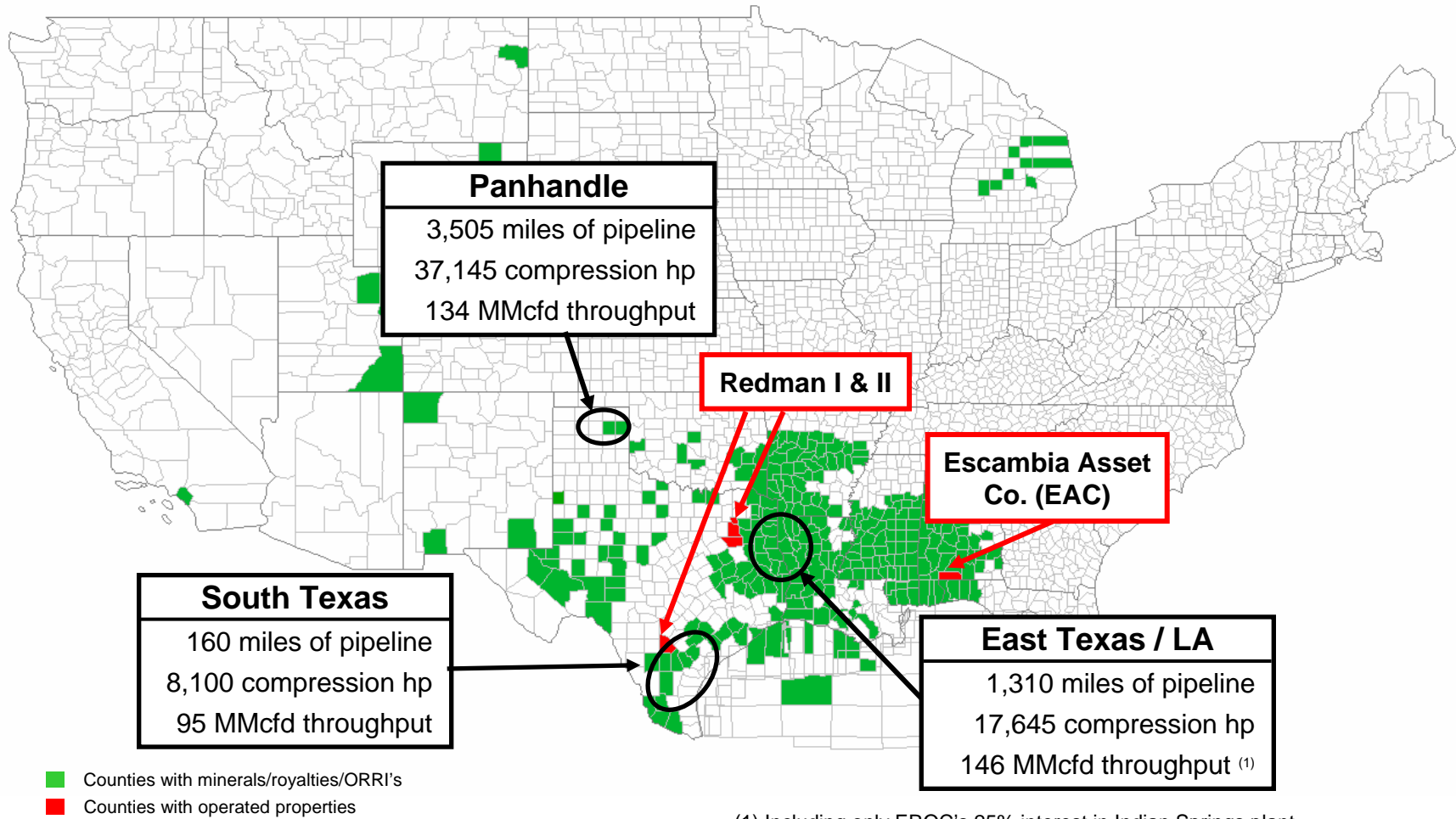
## *Growth and Transformation*

---



- **Acquired Laser Midstream Energy, L.P.**
    - Well-positioned natural gas gathering and processing systems located in East Texas, South Texas and North Louisiana
  
  - **Entered Upstream Business**
    - Acquired mineral and royalty interests from Montierra Minerals & Production, L.P. (NGP portfolio company) and NGP Co-Investment Funds
    - Diversified asset portfolio of mineral and royalty interests located in multiple basins in 17 states
  
  - **Began Upstream Operations**
    - Acquired Escambia Asset Company and Redman Energy Holdings I and II.
    - Operated working interests in 74 wells in Alabama and Texas, plus additional non-operated working interests.
  
  - **Closed \$331.5 million Private Placement of Common Units**
  
  - **Upsized existing Revolving Credit Facility by \$100 million**
-

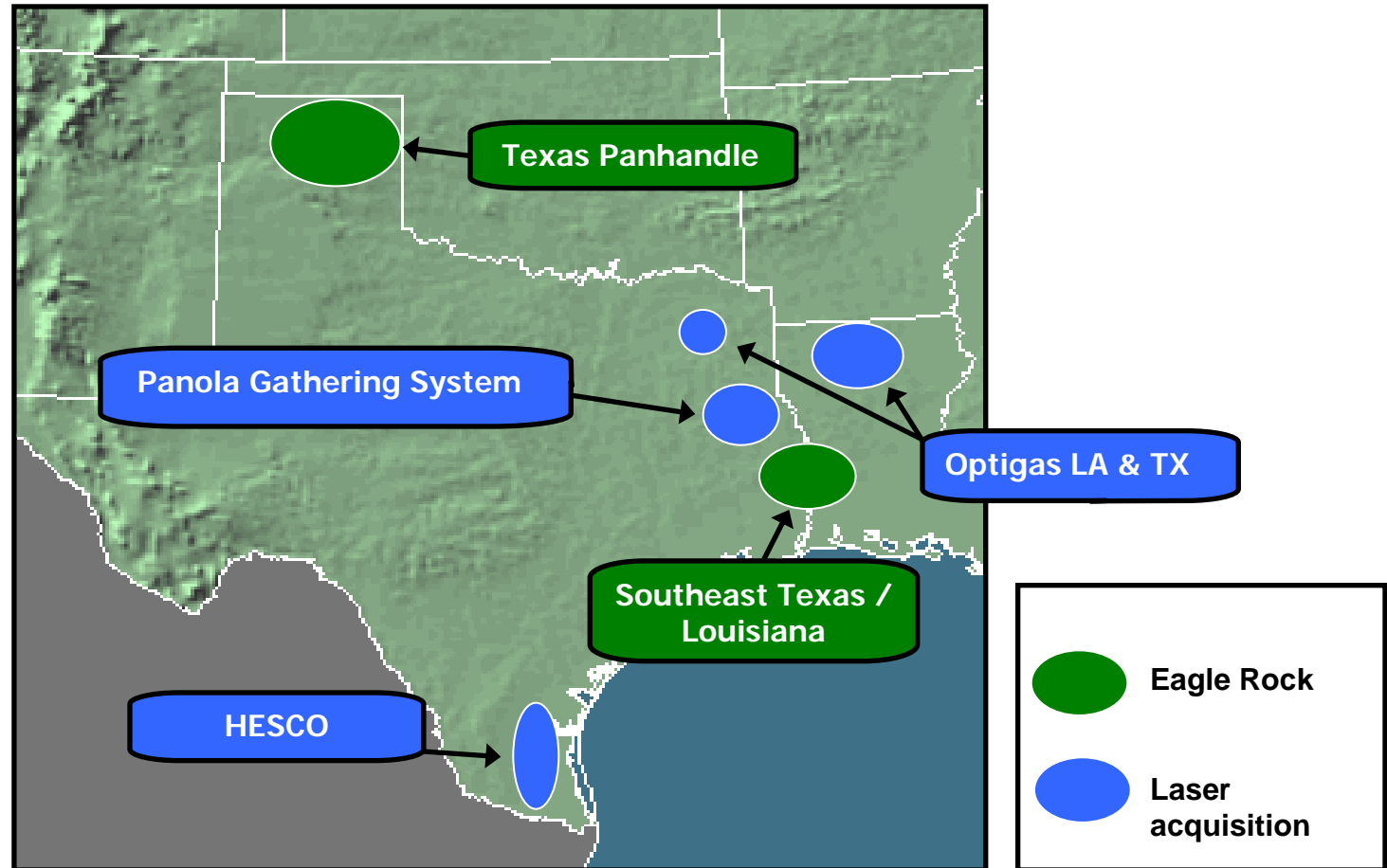
# Combined EROC Operations



(1) Including only EROC's 25% interest in Indian Springs plant

# Eagle Rock Energy Partners

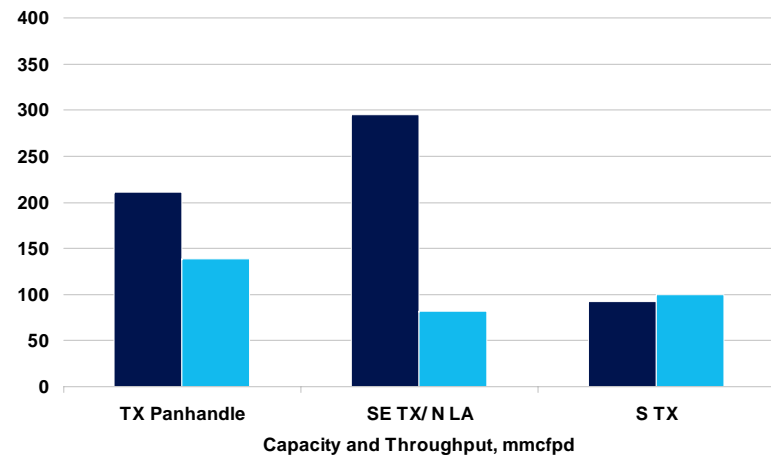
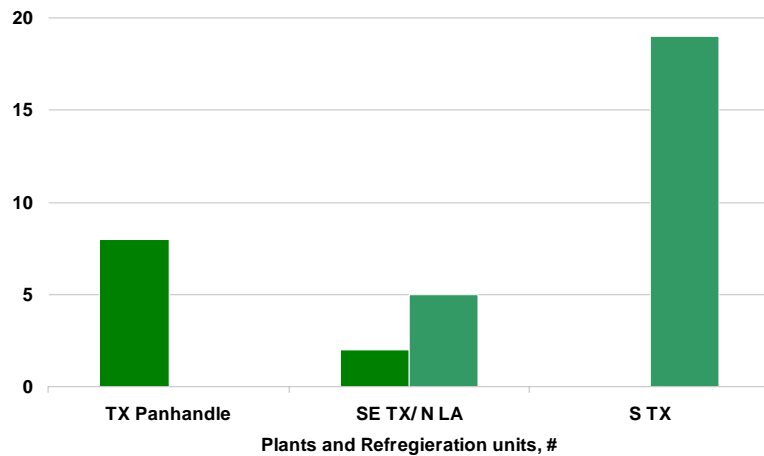
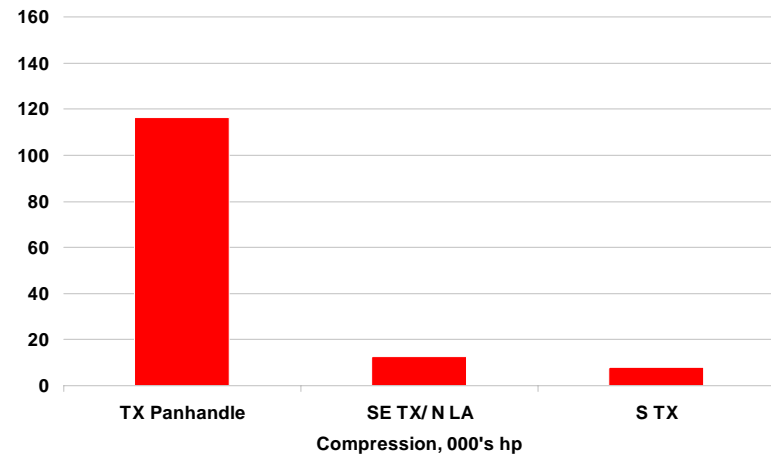
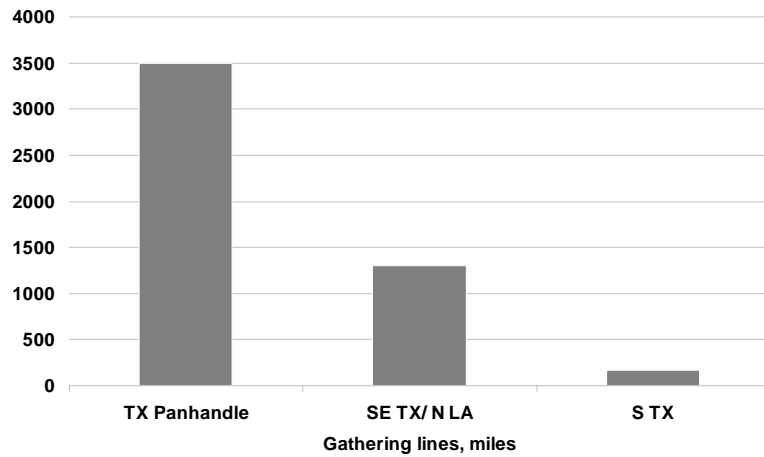
## Midstream Assets





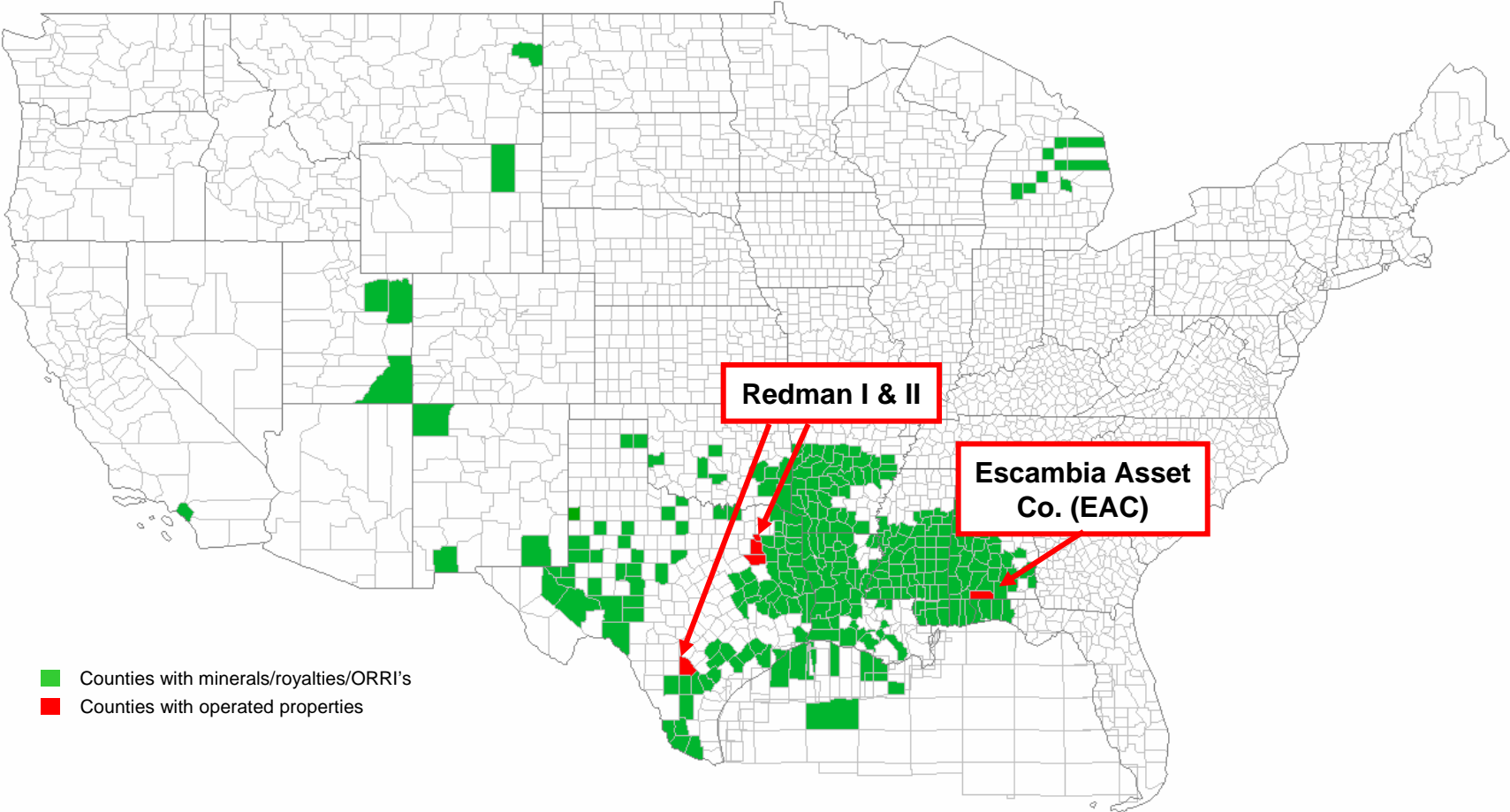
# Eagle Rock Energy Partners

## Midstream Assets



# Eagle Rock's Upstream Assets

## *Operated Properties and Minerals/Royalties*



■ Counties with minerals/royalties/ORRI's  
■ Counties with operated properties

# Eagle Rock Energy Partners

## Upstream Assets



### ■ Operated Interests

- Alabama – 33 wells in Big Escambia Creek and surrounding fields, Escambia County
- East Texas – 41 wells in various counties
- South Texas – 13 wells in the Jourdanton Field, Atascosa County
  
- Proved Reserves (as of 7/1/2007)\*
  - 7.2 MBO
  - 43 BCF
  - 5.8 MBPP
  - 87% PDP

### ■ Mineral and Royalty Interests

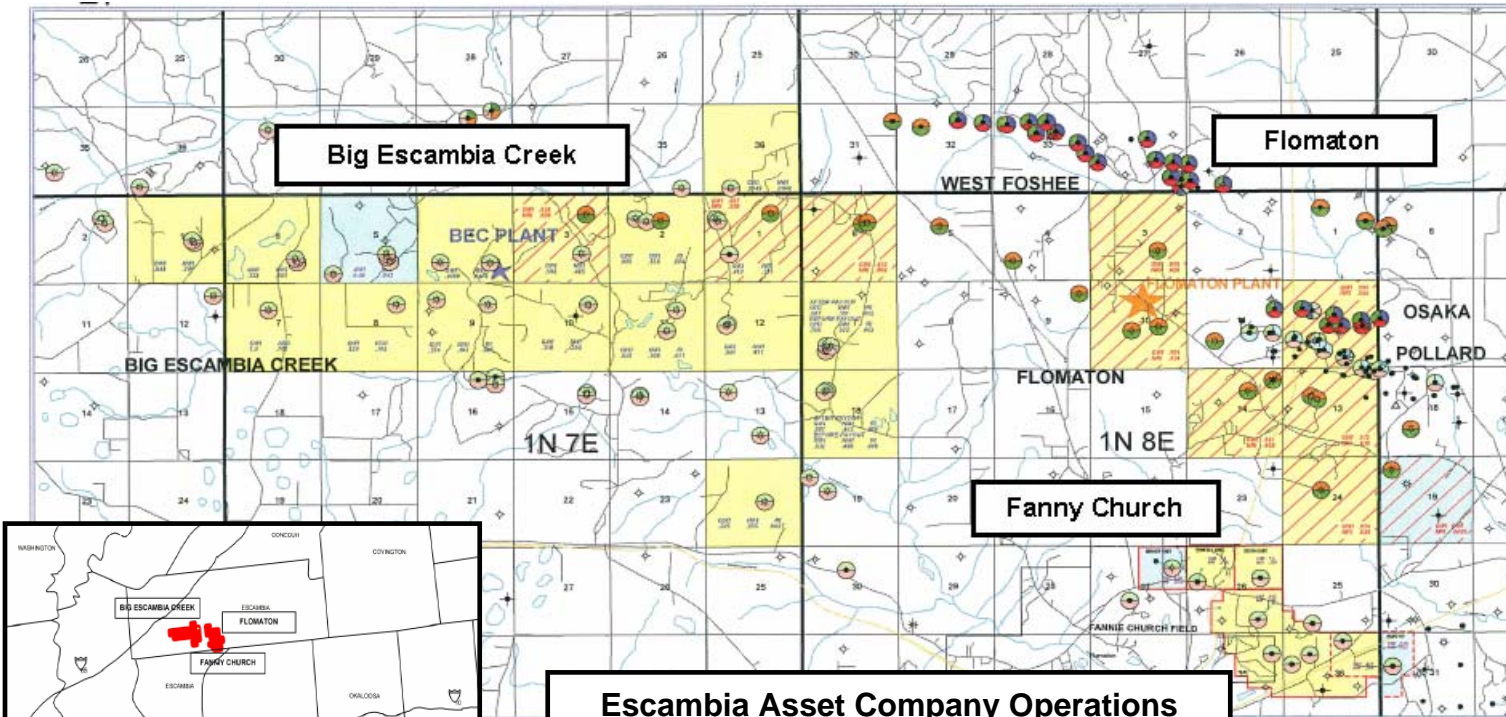
- Large fee mineral owner
  - Interest in 5.6 MM gross acres / 420,000 net mineral acres in 10 states
  - No surface ownership
  - Active development of the oil and gas reserves by industry participants
  
- Royalty and overriding royalty interests in over 2,500 wells located in multiple producing trends in 17 states
  
- Proved Reserves (as of 7/1/2007)
  - 2.7 MMBO
  - 5.7 BCF
  - 100% PDP

---

\* includes minor non-operated working interests

# EAC Acquisition

## Big Escambia Creek Area

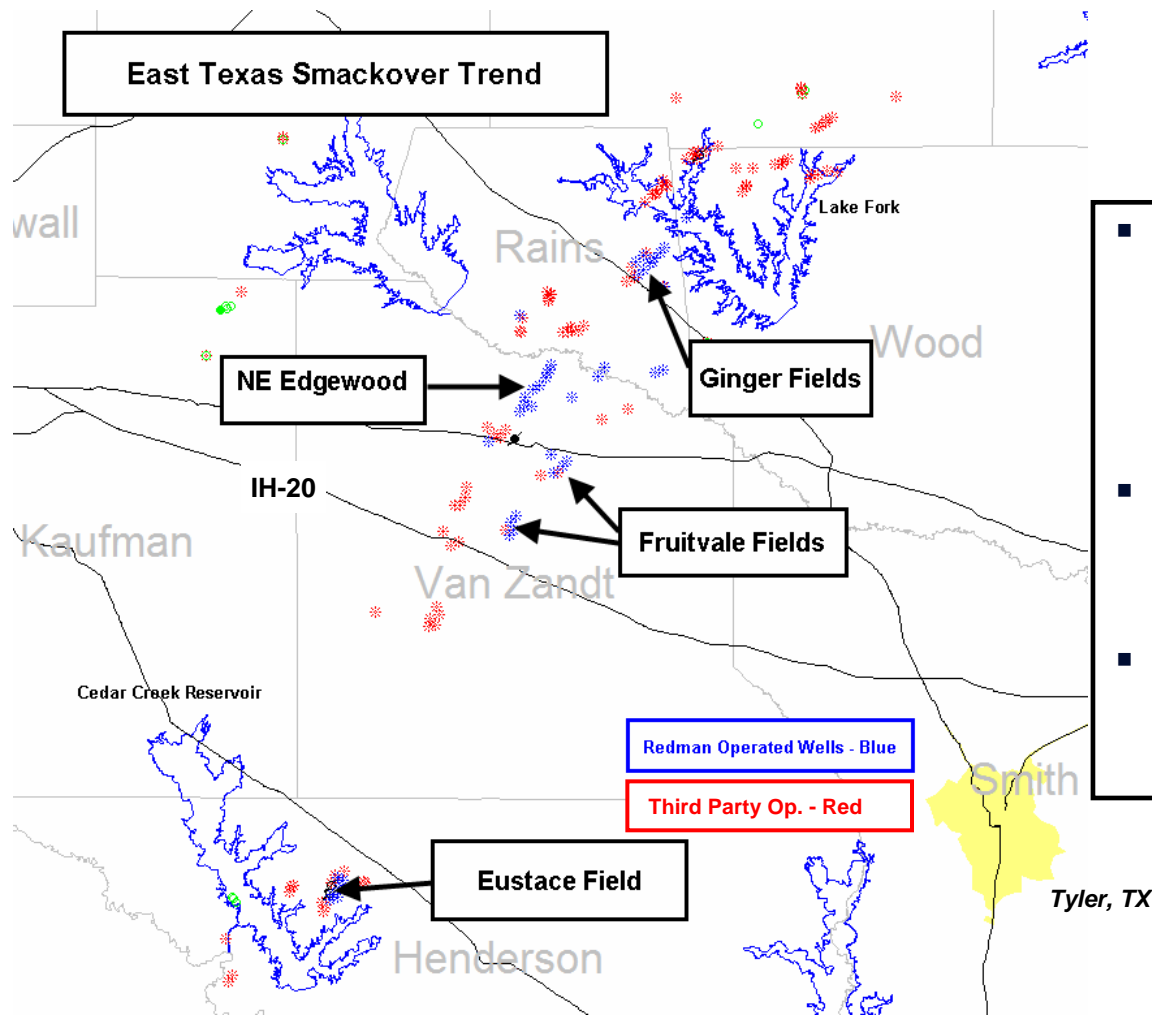


**Escambia Asset Company Operations**

- 33 Producing Wells**
- 2 H<sub>2</sub>S Treating Facilities**
- 1 Gas Processing Plant**
- Net Volumes: 5,800 Mcfd, 1,600 BOPD**
- 750 BLPD, 160 LT Sulfur**

# Redman Acquisition

## East Texas Area

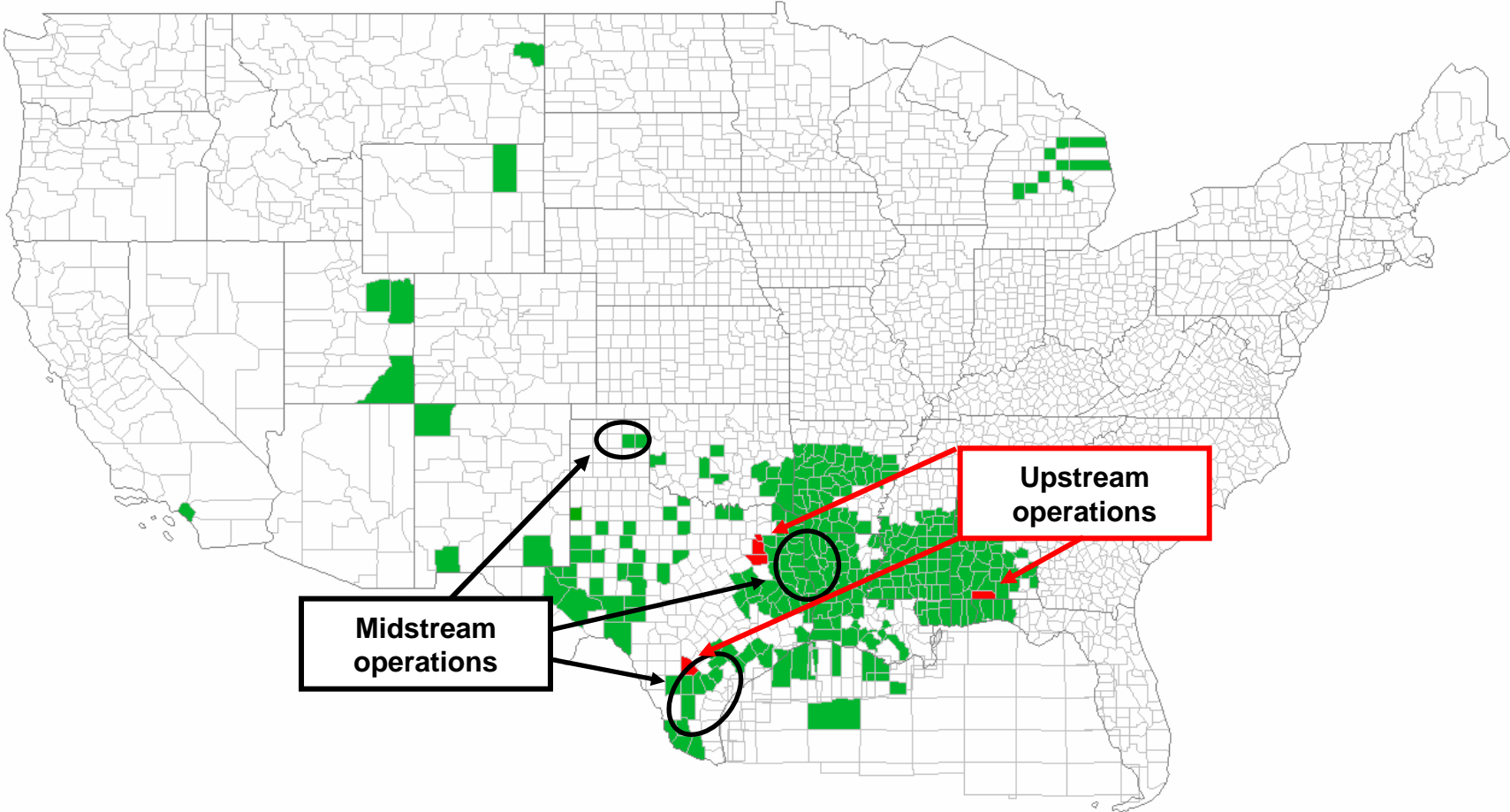


- Net Production from East Texas
  - 3,500 Mcfd
  - 310 Bopd
  - 590 Blpd
  - 137 LT Sulfur
  
- 41 operated & 64 non-op wells
  - Smackover prod – operated
  - Sweet gas prod – non-op
  
- Full well stream production to Eustace
  - H<sub>2</sub>S range 6-50%
  - Custody transfer at wellhead

Includes 6 wells in Louisiana & Mississippi

# Eagle Rock Energy Partners

## Midstream + Upstream Overlay



# Eagle Rock Energy Partners

## Hedging



- Mitigating commodity price exposure is important to ensure future distributions can be met.
- Current hedge portfolio consists of puts, swaps and costless collars.
- Percent of volumes hedged – midstream + upstream  
(PDP and expected production from wells currently being processed)

	<b>2007 rem.</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Oil</b>	86%	83%	17%	0%
<b>Gas</b>	58%	54%	21%	0%
<b>NGL's</b>	100%	66%	60%	54%

- Management is actively addressing additional hedging alternatives.

# Eagle Rock Energy Partners

## *Current Areas of Focus*

---



- **Continue to improve EROC's base midstream business performance**
    - Plant and operations integrity
    - Commercial optimization
    - Organic growth execution
    - Reporting and analysis
  
  - **Integrate recent acquisitions**
    - Best practices in operations, marketing, procurement, administrative
    - Develop supply, marketing, operating and G&A synergies
  
  - **Implement consolidated risk management strategy**
  
  - **Seek and execute "MLP appropriate" acquisitions**
  
  - **Execute on next wave of organic growth opportunities**
    - **Red Deer, Arrington, Tyler County expansions**
  
  - **Lower debt financing costs**
-





---

**Eagle Rock Energy Partners, L.P.**

---

**NASDAQ: EROC**