Constellation Energy Partners LLC

Second Quarter 2012
Earnings Presentation

August 9, 2012

Constellation Energy Partners LLC

Forward-looking Statements Disclaimer

This presentation contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control, which may include statements about: the volatility of realized oil and natural gas prices; the conditions of the capital markets, inflation, interest rates, availability of a credit facility to support business requirements, liquidity, and general economic and political conditions; the discovery, estimation, development and replacement of oil and natural gas reserves; our business, financial, and operational strategy; our drilling locations; technology; our cash flow, liquidity and financial position; the ability to extend or refinance our reserve-based credit facility; the level of our borrowing base under our reserve-based credit facility; the resumption or amount of our cash distributions; our hedging program and our derivative positions; our production volumes; our lease operating expenses, general and administrative costs and finding and development costs; the availability of drilling and production equipment, labor and other services; our future operating results; our prospect development and property acquisitions; the marketing of oil and natural gas; competition in the oil and natural gas industry; the impact of the current global credit and economic environment; the impact of weather and the occurrence of natural disasters such as fires, floods, hurricanes, tornados, earthquakes, snow and ice storms and other catastrophic events and natural disasters; governmental regulation, including environmental regulation, and taxation of the oil and natural gas industry; developments in oil-producing and natural gas producing countries; lack of support from a sponsor or a change in sponsor; and our strategic plans, objectives, expectations, forecasts, budgets, estimates and intentions for future operations. In some cases, forward-looking statements can be identified by terminology such as “may,” “could,” “should,” “expect,” “plan,” “project,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “pursue,” “target,” “continue,” the negative of such terms or other comparable terminology.

The forward-looking statements contained in this presentation are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this presentation are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors listed in the “Risk Factors” section in our SEC filings and elsewhere in those filings. All forward-looking statements speak only as of the date of this presentation. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

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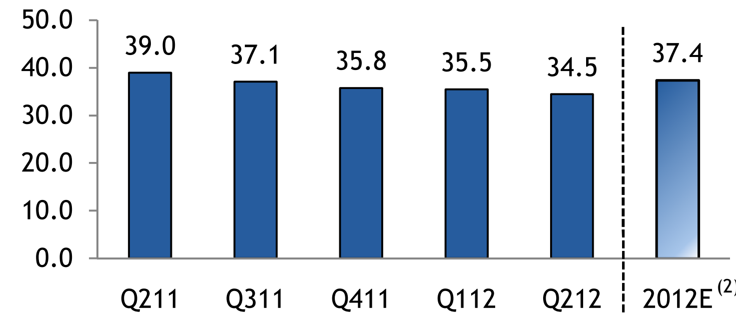
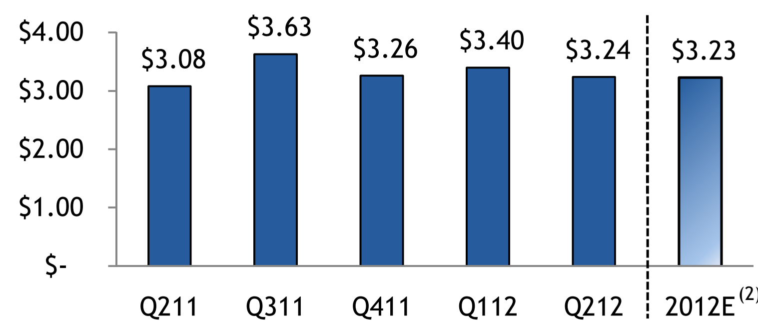
Updates

- **Q212 operating performance:**
  - **Average daily net production of 34.5 MMcfe**
    - **Includes average daily net oil production of approximately 324 Bbl**
  - **Operating cost of $3.24 per Mcfe**
  - **Resulted in $6.3 million in Adjusted EBITDA**
- **Capital expenditures of $4.2 million in Q212**
- **Completed 33 net wells and recompletions in Q212**
- **24 additional net wells and recompletions in progress at June 30**
- **Provided drilling update July 30**
- **Actively pursuing merger and acquisition opportunities**

Average Daily Net Production
(MMcfe per day)



Operating Cost [1]
($ per Mcfe)



(1) Includes lease operating expenses, production taxes, general and administrative expenses; excludes exploration costs and unit-based compensation program expenses, which are non-cash items
(2) 2012E average daily net production based on mid-point of 2012 net production forecast; 2012E operating cost based on mid-point of 2012 operating cost forecast

See Appendix

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Q212 Financial Results

($ in 000's unless noted)	Q212 vs. Q112		Q212 vs. Q211	
	Q212	**Q112**	**Q212**	**Q211**
Production (MMcfe)	3,142	3,226	3,142	3,545
Oil & Gas Sales	$16,709	$17,158	$16,709	$68,080
Gain (Loss) from Mark-to-Market Activities	(4,897)	6,602	(4,897)	(43,656)
Revenue	$11,812	$23,760	$11,812	$24,424
Operating Expenses[1]	10,584	11,250	10,584	11,274
Cost of Sales	251	385	251	542
Other (Income) Expense[2]	--	(93)	--	(54)
EBITDA	$977	$12,218	$977	$12,662
DD&A[3]	4,550	4,714	4,550	6,119
Net Interest Expense	1,437	1,619	1,437	4,076
Net Income (Loss)	$(5,010)	$5,885	$(5,010)	$2,467
Adjusted EBITDA[4]	$6,264	$5,907	$6,264	$15,334

(1) Includes lease operating expenses, production taxes, general and administrative expenses and unit-based compensation program expenses
(2) Includes loss (gain) on asset sale and exploration costs
(3) Includes accretion expense and asset impairments
(4) Q211 results exclude $41.3 million in hedge settlements related to the company's Jun-11 hedge restructuring; including these hedge settlements, Adjusted EBITDA was $56.7 million

See Appendix

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Net Asset Value *($ in millions)*

Quarter Ending:			Q211	Q311	Q411	Q112	Q212
Value of Proved Reserves [1],[2]			$286.6	$242.8	$229.8	$189.2	$170.0
+/- Adjustments for:	Debt		- 115.5	- 104.3	-98.4	-98.4	-88.4
	Working Capital [3]		13.6	7.2	10.6	11.4	3.4
	ARO		- 13.5	- 13.8	-14.0	-14.2	-14.5
	Value of Hedges in Place [2]		28.7	32.4	38.9	44.4	37.7
= Net Asset Value (NAV) -- Proved Reserves [1],[2]			$199.9	$164.4	$166.9	$132.4	$108.2
÷ Units Outstanding		*(millions)*	24.3	24.3	24.3	24.2	24.2
= NAV/Unit -- Proved Reserves [1],[2]		*($/Unit)*	$8.23	$6.76	$6.87	$5.47	$4.47
+ NAV/Unit -- Probable Reserves [1],[2],[4]		*($/Unit)*	$3.01	$2.22	$2.03	$1.45	$0.86
+ NAV/Unit -- Possible Reserves [1],[2],[5]		*($/Unit)*	$0.63	$0.42	$0.47	$0.28	$0.10
= NAV/Unit -- Total Reserves (3P) [1],[2]		*($/Unit)*	$11.87	$9.40	$9.37	$7.20	$5.43
CEP Closing Price [6]		*($/Unit)*	$2.58	$2.78	$1.96	$2.59	$1.58

(1) Estimated by Netherland, Sewell & Associates in a report dated as of the last day of the quarter shown using SEC reserve guidelines using a five year limit on PUDs
(2) Based on (a) forward market prices on the last day of the quarter shown and (b) a 10% discount rate (PV10)
(3) Current assets less current liabilities less the value of current risk management balance sheet items
(4) Value of probable reserves is: Q211 $73.1 million, Q311 $54.0 million, Q411 $49.4 million, Q112 $35.0 million, Q212 $20.8 million
(5) Value of possible reserves is: Q211 $15.3 million, Q311 $10.2 million, Q411 $11.4 million, Q112 $6.8 million, Q212 $2.3 million
(6) Price shown is as of the market close on the last day of trading for the quarter

Appendix

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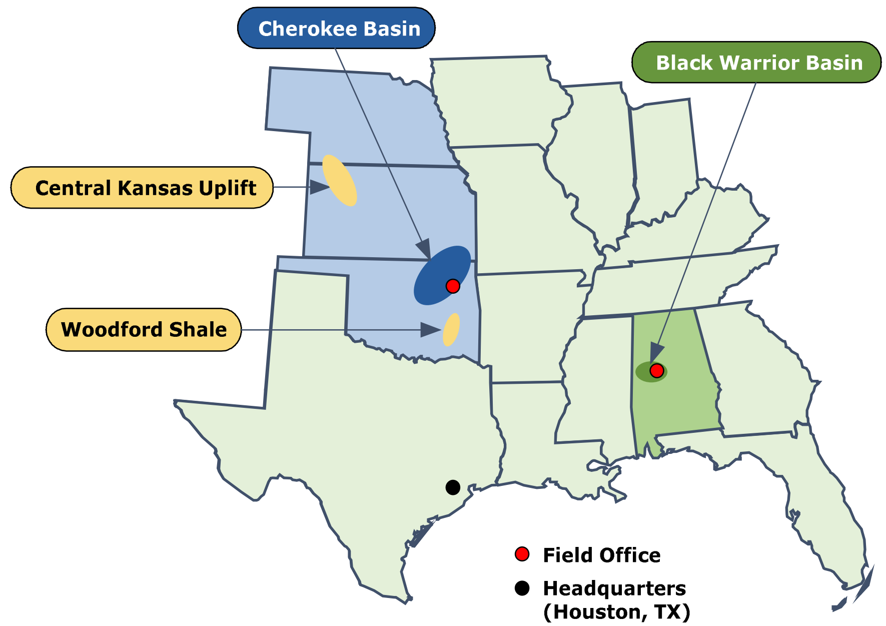
Portfolio Summary

Portfolio

- Total reserves: 528 Bcfe
  - Proved reserves: 232 Bcfe (227 Bcfe natural gas; 943 MBbl oil)
    - Proved developed as a % of total proved reserves: 72%
    - Proved reserve to production ratio: 18.0 years
  - Probable reserves: 159 Bcfe (158 Bcfe natural gas; 275 MBbl oil)
  - Possible reserves: 137 Bcfe (100% natural gas)
- Production Mix: 95% natural gas; 5% oil
- Daily net production: Approximately 35.3 MMcfe
- Decline rate: 13% to 15%, natural gas; 10% to 50%, oil
- Net producing wells: 2,785
- Net acres: Over 769,000
- Spacing: 40, 80, 160 acre
- Well costs: $170,000 to $500,000
- Recompletion costs: $45,000 to $65,000
- Initial daily production rates (for natural gas wells, after dewatering):
  - Vertical - 40 to 75 Mcfe, natural gas wells; 1 to 40 Bbl, oil wells
  - Horizontal - 70 to 100 Mcfe, natural gas wells
  - Recompletions - 10 to 20 Mcfe, natural gas wells; 1 to 15 Bbl, oil wells
- Dewatering: 3 to 6 months, natural gas wells
- Days to drill: 2 to 3 days
- Days to complete: 2 to 6 days
- Hook up to flow: 60 to 90 days, natural gas wells; 30 to 60 days, oil wells
- Well depths: 500 to 4,900 feet



Black Warrior Basin

- Proved reserves: 90 Bcfe
  - Proved developed as a % of total proved: 88%
  - 100% natural gas
- Net producing wells: 507
- Net acres: over 43,000
- Average working interest: 100%
- Average net revenue interest: 75%
- Pricing: SONAT Inside FERC

Cherokee Basin

- Proved reserves: 136 Bcfe
  - Proved developed as a % of total proved: 60%
  - Natural gas: 131 Bcfe (96%)
  - Oil: 860 MBbl (4%)
- Net producing wells: 2,261
- Net acres: over 725,000
- Average working interest: 100% operated, 50% non-operated
- Average net revenue interest: 80% operated, 40% non-operated
- Pricing: ONEOK, Southern Star, CEGT East, NGP MidCon, PEPL

Other Basins

- Proved reserves: ~ 6.3 Bcfe
  - Proved developed as a % of total proved: 99%
  - Natural gas: 5.8 Bcfe (92%)
  - Oil: 83 MBbl (8%)
- Net producing wells: 17
- Net Acres: over 1,000
- Non-operated
- Average working interest: 14%
- Average net revenue interest: 11%
- Pricing: CEGT East (Woodford Shale); WTI (Central Kansas Uplift)

Statistics as of December 31, 2011; reserve values are estimates based on forward prices on December 31, 2011; numbers may not add due to rounding

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2012 Forecast

Forecast Component		2012 Forecast
Total Capital Spending		\$15.0MM - \$19.0MM
Total Net Production		13.3 Bcfe - 14.1 Bcfe
Production Mix:	Mid-Con Oil	0.9 Bcfe (7% of Total)
	Total Natural Gas	12.8 Bcfe (93% of Total)
	Mid-Con Natural Gas	66% of Total Natural Gas
	Robinson's Bend Natural Gas	34% of Total Natural Gas
Market Price:	Natural Gas (Henry Hub)	\$3.24 per Mcfe
	Oil (WTI, Cushing)	\$98.50 per Bbl
NYMEX/Basis Hedges	Mid-Con Natural Gas	6.9 Bcfe at \$4.84 per Mcfe *
NYMEX Only Hedges:	Other Natural Gas	3.3 Bcfe at \$5.38 per Mcfe *
	Mid-Con Oil	89 MBbl at \$103.36 per Bbl
Hedges as a % of Total Net Production		78% (At Midpoint) *
Differentials:	Mid-Con Natural Gas (Basis to NYMEX)	(\$0.18) per Mcfe
	Mid-Con Oil (Marketing)	(\$2.50) per Bbl
	Mid-Con Natural Gas (Gathering)	(\$0.50) per Mcfe
Operating Costs (Blended):	LOE(1)	\$1.84 per Mcfe
	Production Taxes	\$0.20 per Mcfe
	G&A - Field Level(2)	\$0.35 per Mcfe
	G&A - Corporate(2)	\$0.84 per Mcfe
	Total	\$42.5MM - \$46.0MM
Margin from Third Party Sales/Services		\$2.0MM - \$3.0MM
Adjusted EBITDA(3)		\$29.5MM - \$31.5MM
Interest Expense (5.9% Effective Rate)		~ \$5.8MM
Maintenance Capital		\$15.0MM

(1) Excludes exploration costs and unit-based compensation program expenses, which are non-cash items
(2) Excludes unit-based compensation program expenses, which is a non-cash item
(3) We are unable to reconcile our forecast range of Adjusted EBITDA to GAAP net income or operating income because we do not predict the future impact of adjustments to net income (loss), such as (gains) losses from mark-to-market activities and equity investments or asset impairments due to the difficulty of doing so, and we are unable to address the probable significance of the unavailable reconciliation, in significant part due to ranges in our forecast impacted by changes in oil and natural gas prices and reserves which affect certain reconciliation items
* Updated May 10, 2012

Natural Gas Hedge Positions[1]

Fixed Price Swaps[2]	MMBtu Hedged	Weighted Average Sales Price ($/MMBtu)
2012	5,562,529	5.18
2013	9,234,295	5.50
2014	8,022,030	5.38

Basis Swaps	MMBtu Hedged	Weighted Average Sales Price ($/MMBtu)
2012	3,142,309	0.56
2013	5,235,403	0.39
2014	4,443,677	0.39

(1) As of June 30, 2012
(2) NYMEX

NOTE: The company accounts for derivatives using the mark-to-market accounting method.

Oil Hedge Positions[1]

Fixed Price Swaps	Bbl Hedged	Weighted Average Sales Price ($/Bbl)
2012	45,756	$103.53
2013	87,427	$102.14
2014	68,864	$100.23
2015	55,431	$99.77

[1] As of June 30, 2012

NOTE: The company accounts for derivatives using the mark-to-market accounting method.

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures:

EBITDA and Adjusted EBITDA are non-GAAP financial measures that are reconciled to their most comparable GAAP financial measure under Reconciliation of Non-GAAP Financial Measures in this presentation. The reconciliations are only intended to be reviewed in conjunction with the oral presentation to which they relate.

EBITDA is defined as net income (loss) adjusted by interest (income) expense, net; depreciation, depletion and amortization; write-off of deferred financing fees; asset impairments; and accretion expense. Adjusted EBITDA is defined as EBITDA adjusted by (gain) loss on sale of assets; exploration costs; (gain) loss from equity investment; unit-based compensation programs; (gain) loss from mark-to-market activities; and unrealized (gain) loss on derivatives/hedge ineffectiveness. Although not presented herein, we define Distributable Cash Flow as Adjusted EBITDA less maintenance capital expenditures and cash interest expense. Maintenance capital expenditures are capital expenditures that we expect to make on an ongoing basis to maintain our asset base (including our undeveloped leasehold acreage) at a steady level over the long term. These expenditures include the drilling and completion of additional development wells to offset the expected production decline during such period from our producing properties, as well as additions to our inventory of unproved properties or proved reserves required to maintain our asset base.

These financial measures are used as a quantitative standard by our management and by external users of our financial statements such as investors, research analysts and others to assess the financial performance of our assets without regard to financing methods, capital structure or historical cost basis; the ability of our assets to generate cash sufficient to pay interest costs and support our indebtedness; and our operating performance and return on capital as compared to those of other companies in our industry, without regard to financing or capital structure. These financial measures are not intended to represent cash flows for the period, nor are they presented as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP.

Summary of Non-GAAP Financial Measures:

Non-GAAP Measure	Slide(s) Where Used in Presentation	Most Comparable GAAP Measure	Slide Containing Reconciliations
Adjusted EBITDA, EBITDA	3, 4	Net Income	12

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Reconciliation Items

Reconciliation of Net Income (Loss) to Adjusted EBITDA ($ in 000s)	YTD 2012	Q412	Q312	Q212	Q112	Q211
Net income (loss)	$875	--	--	$(5,010)	$5,885	$2,467
Interest (income) expense, net	3,056	--	--	1,437	1,619	4,076
DD&A(1)	9,264	--	--	4,550	4,714	6,119
EBITDA	$13,195	--	--	$977	$12,218	$12,662
(Gain) loss on sale of assets	--	--	--	(4)	4	14
Exploration costs(2)	--	--	--	--	--	--
Unit-based compensation programs	681	--	--	394	287	341
(Gain) loss from mark-to-market activities	(1,705)	--	--	4,897	(6,602)	43,656
Adjusted EBITDA	$12,171	--	--	$6,264	$5,907	$56,673

Operating Expense to Operating Cost ($/Mcfe)	YTD 2012	Q412	Q312	Q212	Q112	Q211
Operating expenses(3)	$3.43	--	--	$3.37	$3.49	$3.18
Less: Exploration costs	--	--	--	--	--	--
Less: Unit-based compensation incl. in operating expense	0.11	--	--	0.13	0.09	0.10
Operating cost	$3.32	--	--	$3.24	$3.40	$3.08

(1) Includes accretion expense and asset impairments
(2) Q211 results include $41.3 million in hedge settlements related to the company's Jun-11 hedge restructuring
(3) Includes lease operating expenses, production taxes, general and administrative expenses, exploration costs, and unit-based compensation program expenses

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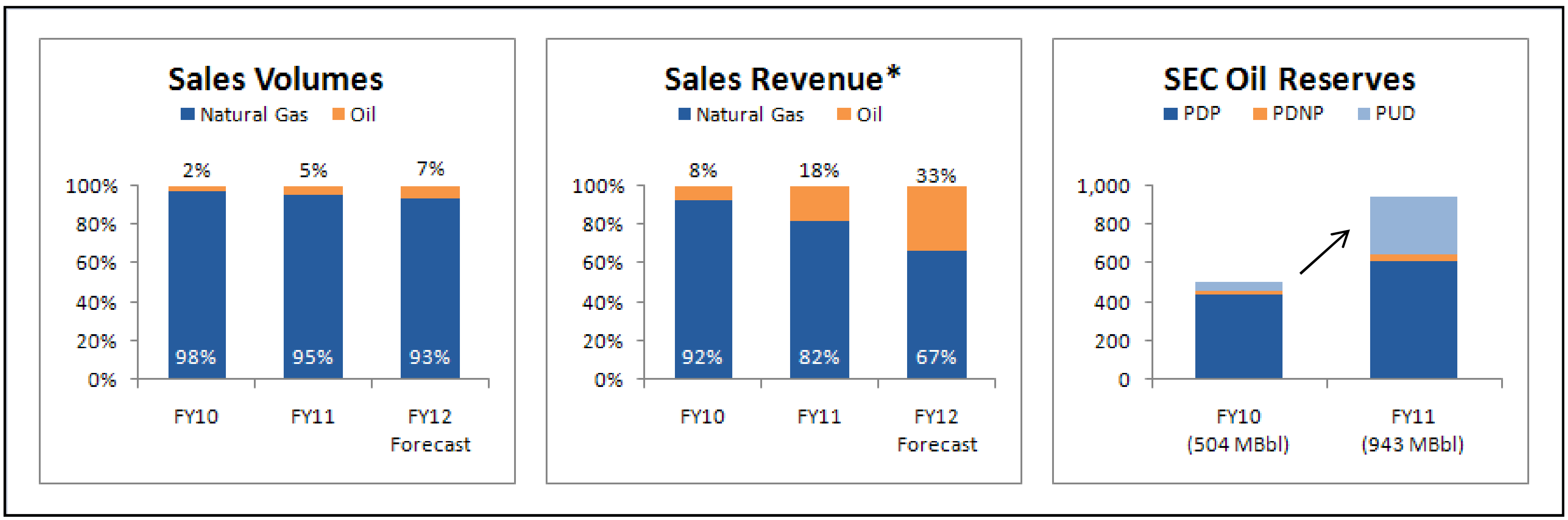
CEP’s 2012 Drilling Update

July 2012

[Excerpts]

Continuing Focus on Oil Opportunities

- Since late 2010, our capital program has been focused on the oil potential we see in our existing asset base and our most capital efficient recompletion opportunities
- As a result of this focus, oil has become an increasingly important part of our production mix, and our oil reserves nearly doubled from 2010 to 2011
- The company forecasts capital spending of between $15.0 million and $19.0 million in 2012
- We forecast that oil will account for about 7% of our production mix and about 33% of our sales revenue in 2012*



* Excludes hedge settlements, gains (losses) on mark-to-market activities, and other revenue

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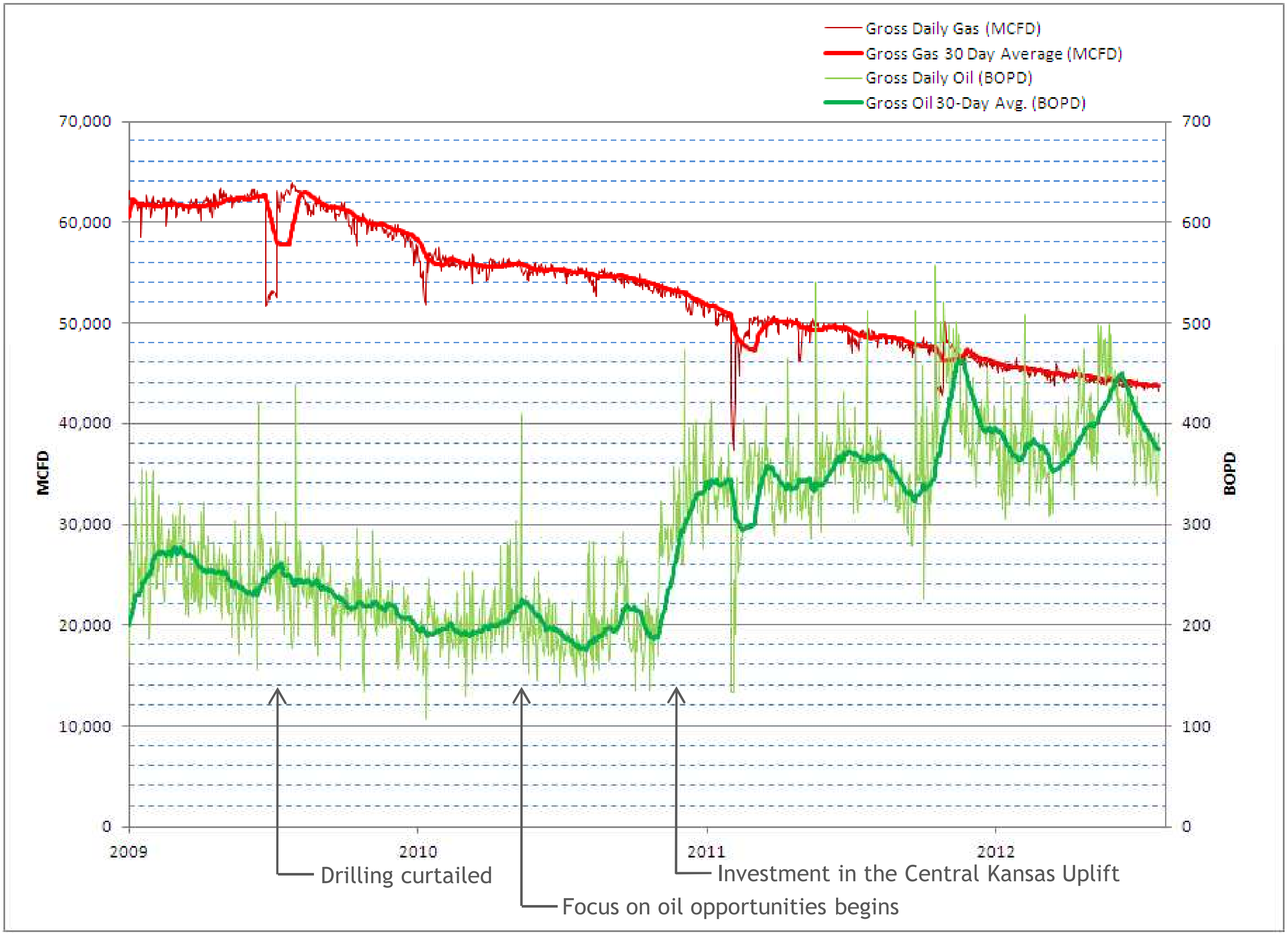
Path to Increased Oil Production



Relative Advantage in Mid-Continent

- Significant footprint in the Cherokee Basin
  - Approximately 725,000 net acres
  - More than 2,250 net producing wells
  - Among the largest natural gas producers in the basin
- Largest concession in Osage County
  - Term extends through 2020
  - Grants us exclusive coalbed methane and shale rights on over 560,000 acres
  - Current production encompasses 80,000 acres held by production, which includes 24,000 acres held by production that extend to all rights, all depths
  - Overlapping concessions are subject to rights granted under our concession
- Existing infrastructure (gas gathering, water handling facilities) supports further growth in Mid-Continent
- Infill and step-out opportunities, which facilitate lower-cost exploitation
- Drilling inventory of conventional oil and gas add-on opportunities which include horizontal and Mississippian potential

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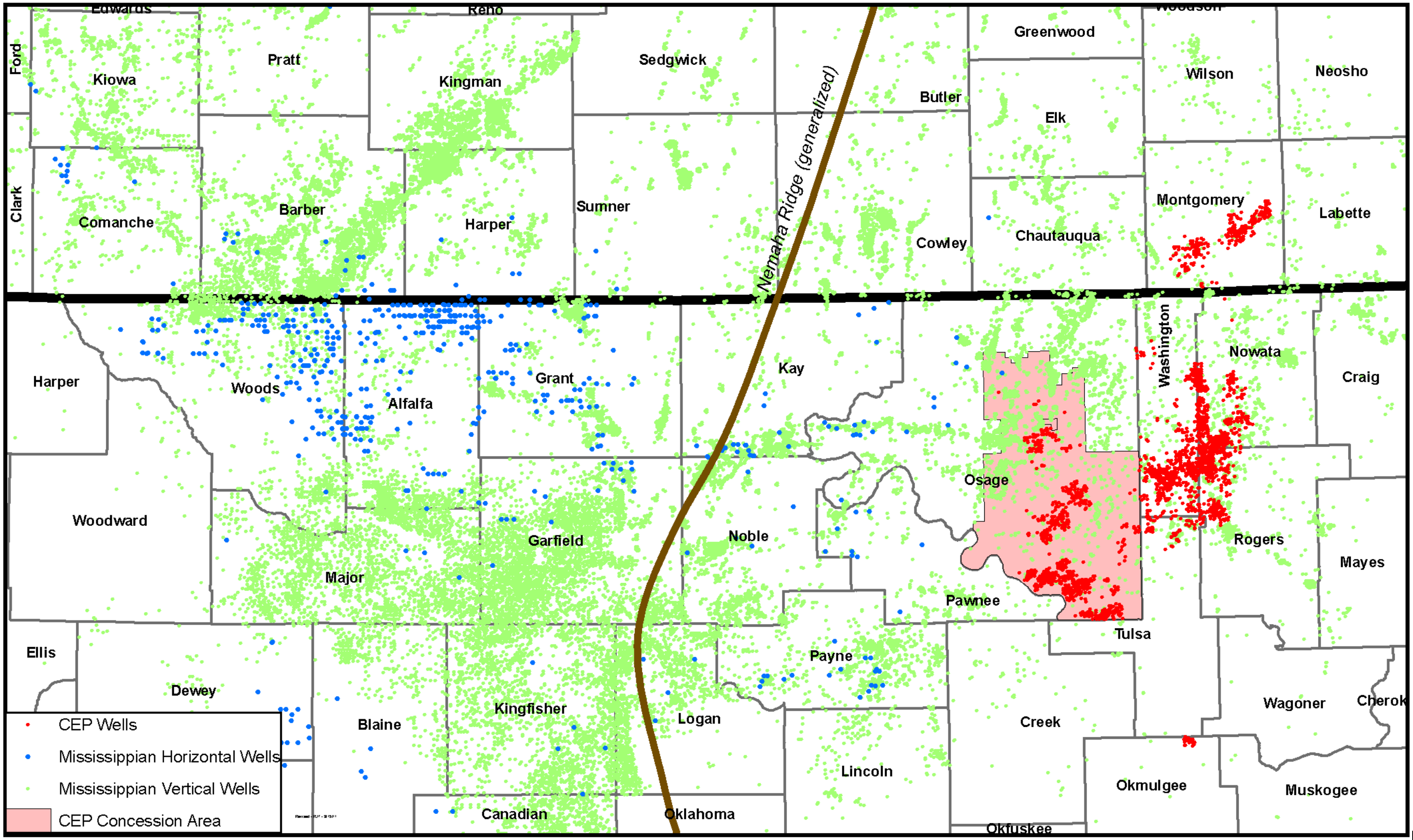
Footprint in the Cherokee Basin



2012 Drilling Program

- Drilling and recompletion activity is currently focused on oil potential in CEP's existing asset base in the Cherokee Basin, with plans primarily targeting production from the Bartlesville, Skinner, Red Fork, Burgess and Mississippian zones
- Activity also targets the Mississippian trend, where the company is currently completing four of 18 vertical wells planned during 2012 in the Bulldog, Bull Creek, Bluestem, Queen Anne, Coshehe, and Sand Creek projects in Osage County
- Well costs are generally expected to range between $175,000 and $375,000 each depending on depth and completion zones, with a 20% rate of return possible at prices that range between $40/Bbl and $70/Bbl, respectively
- The following table summarizes program results for the net wells and recompletions completed during the six months ended June 30, 2012:

Total Program	At June 30, 2012
Capital Expenditures	$6.9 MM
Net Wells and Recompletions	48
Daily Average Oil Production (June 2012)	146 Bbls
Daily Average Gas Production (June 2012)	228 Mcf
Capital Efficiency	$37,356 / boepd

Oil Type Curve