

# Austin Chalk Development Opportunity

Texas American Resources Company



Texas American Resources Company (“Texas American”) has retained PetroDivest Advisors to market for sale its oil and gas leasehold and mineral interests in Burleson and Washington Counties, Texas. This highly-contiguous development position offers an attractive opportunity to proceed with a vetted 5-well Austin Chalk drilling program on ~5,200 net acres, supported by thorough technical backing from geologic and reservoir analysis. Offset Austin Chalk legacy wells were historically understimulated, offering excellent remaining potential as demonstrated by analogous, modern development.

## Austin Chalk Leasehold

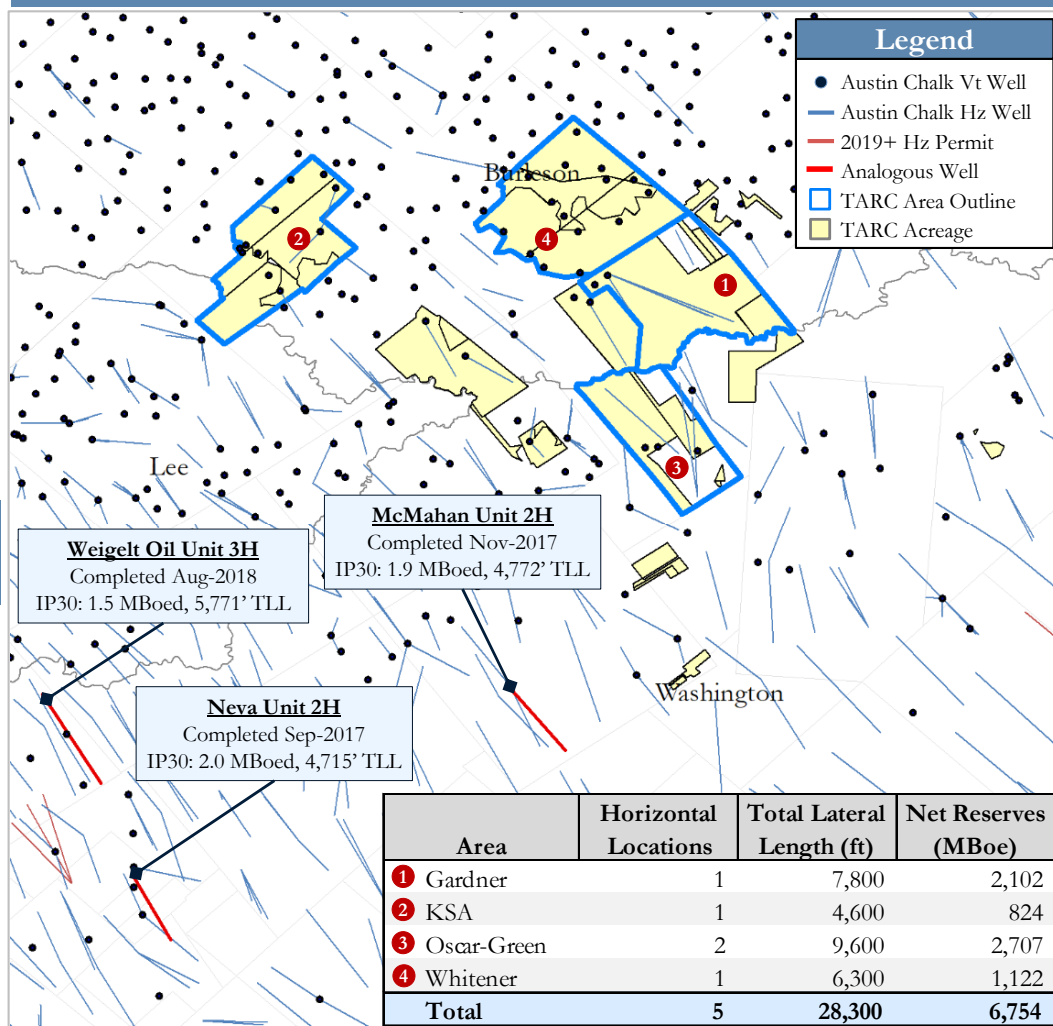
5,228 Net Acres

- **Highly-contiguous acreage position, in the heart of the Austin Chalk play, with 4 acreage blocks identified**
  - Average 8/8ths lease NRI: ~77%
  - Additional 291 NMA across the position, improving royalty burden
- **Extensions available for ~90% the of position, providing flexibility for near-term development timing**
  - Acreage in primary term with options to extend to 2023+

## 5 Highly-Vetted Austin Chalk PUD Locations<sup>(1)</sup>

- **Texas American has completed rigorous analysis identifying 28,300 lateral-feet of high-quality locations**
  - Anticipated well performance based on nearby, analogous units
- **Execution-ready development program set to begin late-2020**
  - Peak Net Prod.: 6 MBoed (59% liq.)
  - Net 1P Reserves: ~6.8 MMBoe
  - Net 1P PV10%: ~\$33MM

## Location Map | Burleson, & Washington Counties, TX

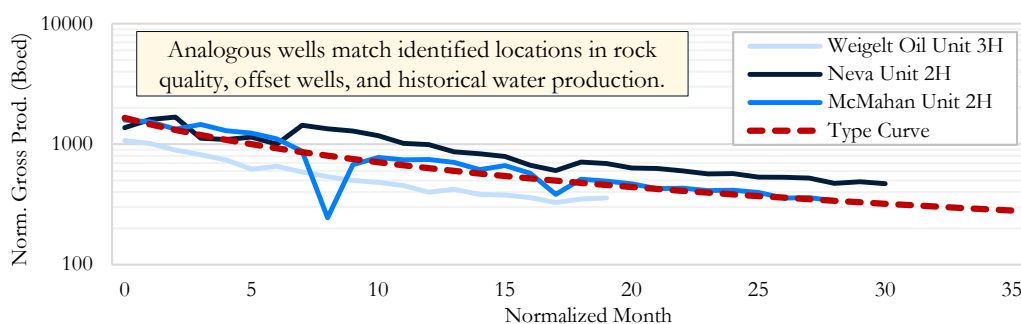


## Significant Potential With Modern Stimulation

- **Offset legacy vertical and horizontal wells were completed open-hole and with minimal stimulation**
- **Identified locations have several key characteristics to ensure performance**
  - Proven Austin Chalk rock quality
  - Open-hole and min. frac offsets
  - Low water-cut historical production

## Attractive Economics Underpinned By Analogous Results

~70% IRR & ~1.7 MBoed IP30 (~60% liq., 4,000' TLL)



1. Values for prod., reserves, and cash flow based on a preliminary reserves database as of 10/1/2020 using 8/3/2020 NYMEX 5-year strip pricing.

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## Process Calendar

August 2020						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Texas American anticipates closing on the asset by mid-October 2020.

## Contact Information | PetroDivest Advisors



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Please contact Jerry Edrington to request access to the virtual data room or to learn more about this opportunity. Please route all communications through PetroDivest Advisors and do not contact Texas American directly.

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