

RISK MITIGATION PLAN

Oil and gas exploration and development involves a high degree of risk. Investments in drilling programs are only suitable for qualified accredited investors (SEC defined) who are sophisticated in making business decisions and can afford the loss of their entire investment.

Encore mitigates risk through the diversification of multiple well drilling programs, targeting several oil formations. Encore utilizes third-party reports, extensive geoscience, results from actual drilling and the recommendations of industry experts in the careful selection of each drill-site.



Although traditional oil and gas investments are not liquid investments, each partnership is typically made part of a much larger oil and gas development that could potentially be sold to a larger operator in the future resulting in a potential exit strategy for investors.



Encore serves as the well operator of record, managing general partner (MGP) and lease owner of each project, while providing each partner with a fixed level of investment through a turnkey drilling and completion agreement. Encore assumes severe environmental, financial, operational and other liability, on the behalf of each partner, by providing this turnkey arrangement. Encore is a significant investor in each drilling project and owns 100% working interest of its undeveloped mineral lease rights. Encore provides each investor with real-time reporting and complete transparency for each phase of operations.

Encore works directly with certified petroleum geologist(s) to develop drilling prospects. An independent certified petroleum geologist prepares a post-drilling analysis for each program well. The Company also performs certified lease title for each lease and maintains sufficient general liability, workers compensation and other necessary insurance coverage for each project.

Encore's objective is to provide monthly income, diversification, asset protection, solid communication, maximum tax benefits and long-term asset value to each project.

Encore is the most active operator in south central Kentucky and potentially the fastest growing exploration and production in Kentucky. The Company has drilled nearly 20 wells in the last year and has thousands of acres under lease. The Company is on track to bring its 30-well program to full production by the fall of 2015.

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