

## The Importance of Independent 3rd Party Reports

Encore utilizes a multitude of independent third-party reports that are prepared by certified petroleum geologist, engineers, well service companies, land professionals, leasing agents, legal experts, accountants and other expert advisors that are experienced in petroleum geology, engineering, securities compliance, environmental regulation, mineral title review, risk management, asset protection, lease acquisition, operations planning, drilling, completion, production and all areas of oil and gas operations.



These expert reports and analyses are critically important in developing Encore's lease acquisition and drilling programs in south central Kentucky and vital for growing the Company's assets and planning a future potential financial exit strategy for Encore and its investors, long-term. The Company's ultimate objective is to grow its production, reserves and lease acreage, while optimizing production, maximizing reserves and income distribution to its partnerships under management.

Prospective investors, who qualify as an SEC defined accredited investor, are encouraged to request and review this information by contacting Joseph Hooper, Encore's Executive Vice President, at [\(270\) 842-1242, ext. 224](tel:2708421242).

**Assumptions, Disclaimer and Cautionary Statement:** The information herein may contain forward-looking statements, and actual results may vary. Oil and gas investments involve a high degree of risk, uncertainty and are only suitable for qualified Accredited (SEC Definition) investors who are sophisticated in making business decisions and can bear the financial loss of their entire investment, while delivering a turnkey profit to the Company for proving the prospect development, lease acquisition, drilling, completion, engineering and ongoing production operations. The Company does not provide tax advice and investors should seek the advice of their tax professional. Any tax and/or other information herein is provided for illustration purposes only and may include estimates that are uncertain and subject to change. It is impossible to accurately forecast profitability, production, reserves, income, expenses and timelines for any project. No assurances can be made as it relates to reserves, production, income, profit, prices, timelines and/or other estimates. Actual production and results are beyond the control of management. In the event that commercial production is achieved, it may take many years for the investor to recoup his or her investment. The Company's lease acreage position under is subject to change and includes acreage under lease, Farmout agreement, verbal agreement, renewals, expired terms and any other prospective acreage in which the Company has communicated and/or negotiated with the landowner the leasing of oil and gas rights, now or in the future, and the lease / mineral owner has leased or communicated their intent to lease there mineral lease rights to the Company. It is important for qualified investors to acknowledge the fact that the US government provides them with tax savings (100% IDC tax deduction) to mitigate or at least off-set some of the financial risk associated with domestic oil and gas investments. This is not an offer to sell or buy a security. An offer shall only be made pursuant to SEC Regulation D, Rule 506(c) by a private placement offering memorandum, and this is not a private placement offering memorandum.