

# *A Rapidly Growing E&P Company*



August 2018



**FOOTHILLS**  
— EXPLORATION, INC. —

OTCQB: FTXP

# Forward Looking Information



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# Corporate Snapshot

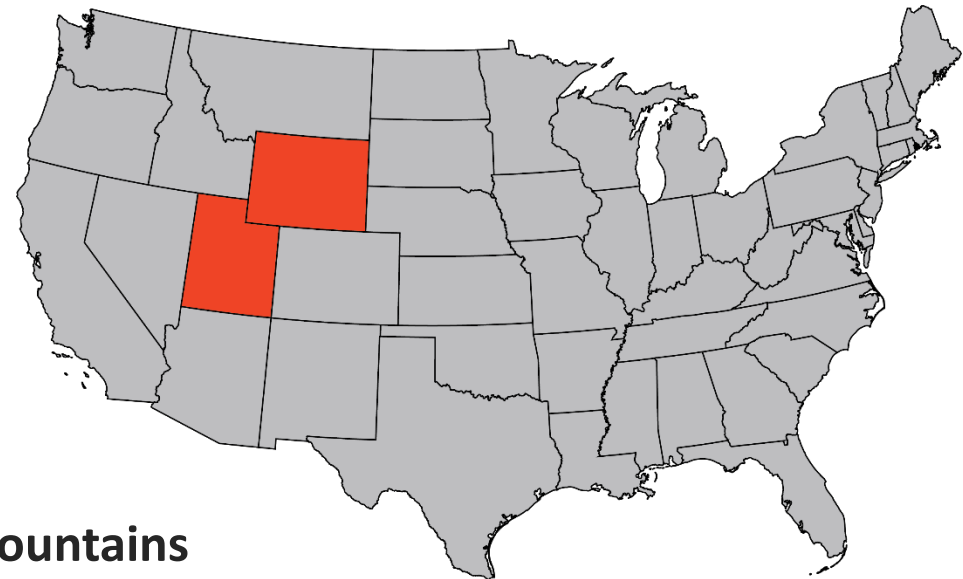
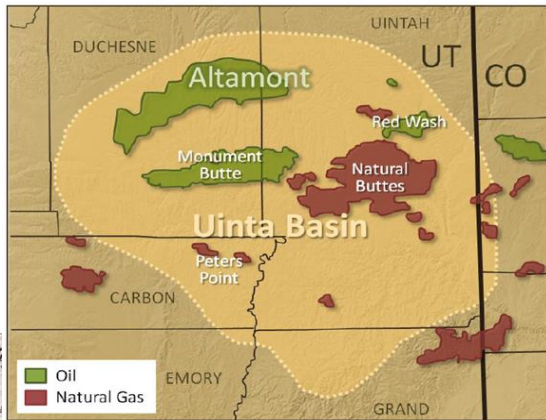
**Foothills Exploration, Inc. (OTCQB: FTXP)**, is a growth stage oil and gas exploration and production (E&P) company with a focus and expertise in the acquisition and development of oil and gas properties.

- 🔥 Currently acquiring and developing undervalued & underdeveloped oil and gas assets at attractive valuations.
- 🔥 Exploiting opportunities to execute on an oil and gas roll-up strategy in the Rockies while the majors focus on the Permian Basin and Scoop and Stack Plays.
- 🔥 Building a portfolio of producing wells that have low operating costs, long life reserves and significant upside potential through improved price environments and development runway.

OTCQB:	FTXP
Share Price (8/27/18)	\$0.13
Market Cap (8/27/18)	\$ 2.6 MM
Common Shares Outstanding	20.1 MM
Management Ownership	6.3 MM
Institutional Ownership	5.9 MM
Total Debt	\$8.65 MM

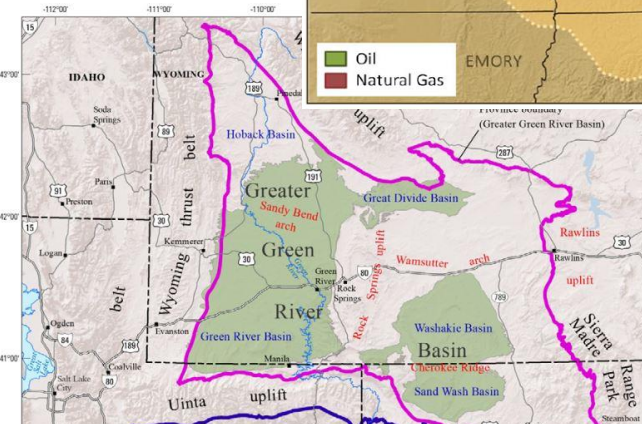
# Regional Focus and Expertise

- Well defined geographic focus – Rockies
- Strong management and technical team with a proven track record and deep operational knowledge of the area
- Applying *new drilling and completion technologies* to **define and optimize untapped potential**



## Rocky Mountains

- Uinta Basin – Utah
- Piceance Basin - Colorado
- Greater Green River & Big Horn Basins – Wyoming



# Uinta Basin Overview

- 🔥 Multi-stacked resource play with 30 billion barrels of OOIP from multiple formations
- 🔥 Uinta Basin has more OOIP than the Eagle Ford, Niobrara and Bakken shale plays
- 🔥 Strong industry results being generated in Castle Peak, Uteland Butte and Wasatch zones with 1-mile and 2-mile horizontal wells.

## Multi-Stacked Resource Pay



**With Significant Oil Remaining in Place**

# Large Operators in the Uinta Basin

Foothills is surrounded by world-class operators in the area

NEWFIELD



NYSE: NFX  
Mkt Cap: \$5.5B

NYSE: CPG  
Mkt Cap: \$3.64B



Crescent Point



NYSE: EOG  
Mkt Cap: \$118.6B



Berry  
Petroleum  
Corporation

NASDAQ: BRY  
Mkt Cap: \$1.279B

NYSE: APC  
Mkt Cap: \$33.054B



NYSE: EPE  
Mkt Cap: \$447.6MM



NYSE: QEP  
Mkt Cap: \$2.386B

# Opportunity

- 🔥 High Risk / High Reward development stage oil and gas company with properties that have significant exploration and development opportunities
- 🔥 Existing Wellbores for potential immediate cash generation
- 🔥 Projects with Significant Proved Oil and Natural Gas Reserves
- 🔥 Oil prices forecasted to be \$75-80 in the next 2 years
- 🔥 Ability to grow production profile to 500 BOEPD in 6 Months from existing assets<sup>1</sup>

1. Assuming necessary funding is secured.

# Current Initiatives

- 🔥 FTXP is currently focused on funding and developing two in-house projects to create shareholder value through a balanced mix of oil and natural gas production from its current assets in the Rockies.
- 🔥 FTXP's rework program will return the Company's six Duck Creek area oil wells back into production with low risk operations including swabbing, perforating, and frac reworks targeting bypassed pay zones.
- 🔥 Two EOG-operated Hz gas wells, in which FTXP has a non-operated working interest, have been producing commercially since Dec 2017.



# FTXP Asset Overview

## Duck Creek

- \$1MM CapEx
- 3-6 well bypassed zone rework program
- \$2.1MM est. annual field level net income based on \$60 oil
- 210 BOPD projected

## EOG Wells

- \$3.4MM<sup>1</sup> CapEx for 2 Hz wells producing since Dec '17
- \$1.0MM est. annual field level net income based on \$2.75 gas
- 21.62% working interest in both wells

## Uinta / Ouray Assets

- 5,700 proved undeveloped acres<sup>2</sup>
- 7+ MMBO PUD reserves and 6+ probable reserves
- \$100MM PV-10 value

1. Payment of ~\$3.346MM must be made to EOG Resources, Inc.  
2. Pending BIA administrative appeal and \$5MM Tribal payment

# Unlocking Shareholder Value

- 🔥 \$1.0MM Capex invested into our Duck Creek rework program is expected to deliver ~\$2.9MM in gross annual revenues @\$60 oil.
- 🔥 Internal Company cash flows will be reinvested into reworking 3 additional Duck Creek wells to generate 50 -200 BOPD additional barrels of oil per day.
- 🔥 FTXP's 21% working interest in two EOG-operated horizontal Uinta Basin gas wells (Capex ~\$3.4MM\*) is expected to generate \$2.3MM (gross) and \$1.0MM (net) pre-tax income (after LOE's) in 2018.

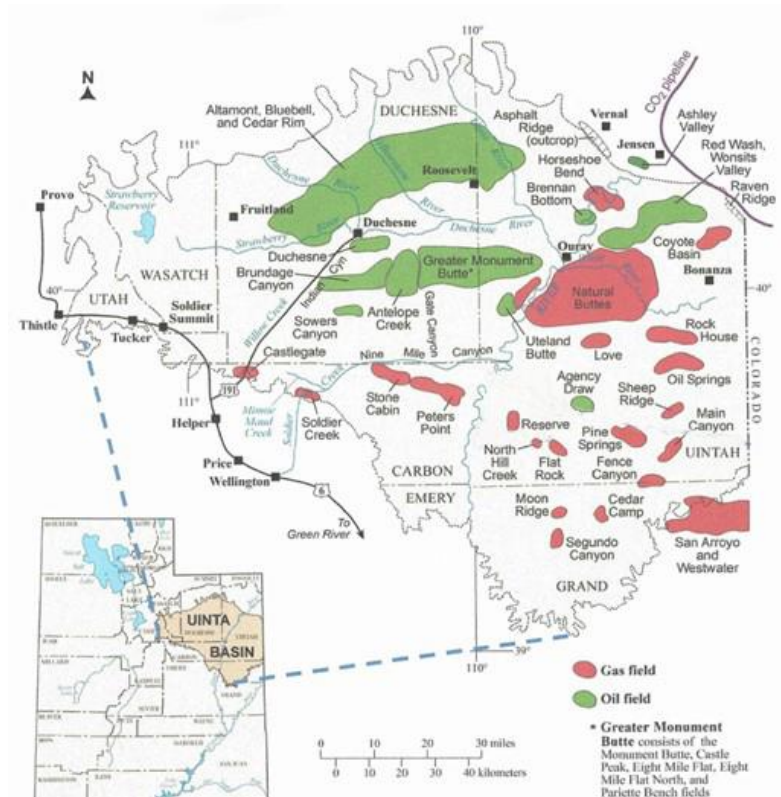
# Duck Creek Rework Program

- 🔥 TOTAL CAPEX = \$ 1.0 MM
- 🔥 Rework 3 of 6 Duck Creek wells back to production
- 🔥 Potential 210 BOPD (post rework)
- 🔥 Rework program will target bypassed pay zones in Castle Peak, B-Limestone, Black Shale and Douglas Creek formations
- 🔥 Swab, perforate and frac rework operations
- 🔥 Estimated to generate ~\$2.9MM annual gross revenues and ~\$2.1MM in field level net operating income based on \$60 oil.

# Additional Development Opportunities

🔥 Uinta/Ouray assets\* consist of 5,700 acres with proved undeveloped reserves providing the Company with numerous infield drilling locations and considerable upside potential in the near term:

- 7+ MMBO PUD reserves
- 6+ MMBO Probable reserves
- Existing infrastructure in place
- Multiple stacked pay zones
- Horizontal drilling targets in Black Shale, Uteland Butte and Upper Wasatch
- Proven Oil Field with numerous PUD Locations
- Long-Life Reserves



\*Pending BIA administrative appeal and \$5MM Tribal payment

# Public Company Comps

Company	Ticker Symbol	TTM Total Revenue	Total Debt (\$ MM)	Market Cap (\$ MM)	Share Price
EOS Petro, Inc.	EOPT	\$41.24K	\$10.68	\$128.20	\$2.31
Petroteq Energy, Inc.	PQE	\$0	\$4.00	\$117.22	\$1.54
Perisson Petroleum Corp.	POG	\$2.32MM	\$6.98	\$110.99	\$0.13
Zion Oil & Gas, Inc.	ZN	\$0	\$2.09	\$93.15	\$1.57
Alpha Energy, Inc.	APHE	\$4.59K	\$0	\$72.68	\$4.25
Cuda Oil and Gas Inc.	CUDA	\$104.7K	\$2.04	\$70.12	\$3.71
Petro River Oil Corp.	PTRC	\$723.4K	\$2.22	\$24.60	\$1.40
<b>Foothills Exploration, Inc.</b>	<b>FTXP</b>	<b>\$1.32MM</b>	<b>\$8.65</b>	<b>\$2.61</b>	<b>\$0.13</b>

**Snapshot of North American Junior Oil and Gas Exploration & Production Companies**

# Summary

- 🔥 Duck Creek rework program expected to generate ~210 barrels/day (aggregate) from 3 wells and \$1MM total Capex:
- 🔥 Management plans to fund the rework of 3 additional Duck Creek area wells from internal cash flows to generate an additional 50 - 200 barrels of oil per day.
- 🔥 EOG-operated wells expected to generate \$2.3MM (gross) and \$1.0MM (net) field level revenues.
- 🔥 Uinta/Ouray assets require Capex of ~\$5MM to clear title for 5,700 proved acres and secure ~7 MMBO in PUD reserves with PV-10 value of ~\$100MM.
- 🔥 Pipeline of potential low-cost value added bolt-on acquisitions to grow the Company's Rockies footprint

# Management Team

## Kevin J. Sylla

### *Executive Chairman*

- Also serves as CEO of Foothills Petroleum, Inc., FTXP's main operating subsidiary.
- 10 years of oil & gas industry experience with extensive knowledge in business development, mergers and acquisitions, and management of oil and gas field operations.
- Served as Managing Director of Tiger Energy Operating and Tiger Energy Partners International.
- Participated extensively in the financing, acquisition and development of hundreds of domestic oil and gas wells.
- Petroleum Land Management from TCU and Energy & Finance Management Certification from University of Denver.

## B.P. Allaire, MBA

### *CEO, Director*

- Seasoned business operator with over 25+ years experience in numerous disciplines across various industries, with last 7 years in oil & gas industry.
- Former Managing Partner of Versailles Capital Partners, a multi-discipline strategic advisory and business development firm based in Los Angeles.
- Experience leading a rollup and integration of 4 acquired targets into a vertically-integrated entity.
- MBA in General Management from Harvard Business School.
- Summa cum laude graduate of Johnson & Wales University.
- B.S. Management, A.S. Finance & Investments / A.S. Advertising & Public Relations.

## Christopher Jarvis, MBA, CFA, CMT

### *EVP Finance, Director*

- 20+ years of capital markets and investments experience covering equity, commodity and fixed-income markets.
- Engineered and executed energy risk management hedges for large multi-national companies.
- Ranked #1 by Bloomberg's BARR analyst ranking system as a publishing analyst in 2005.
- Routinely appears on CNBC, Fox Business News and Reuters.
- Contributor to major print media outlets including Reuters, Bloomberg, and the Wall Street Journal as an oil and gas analyst.
- MBA from University of Connecticut, with concentration in Finance.
- B.A. in Arts History from University of Massachusetts.

# Management Team (con't)

## Alex Hemb

### *Director, Petroleum Engineer*

- 25+ years' experience as Petroleum Engineer, both onshore and offshore with broad domestic and international work experience.
- Engineered & developed technology for separating oil and water and commercialized this into a successful company providing oil/water separation services to oil & gas industry.
- B.S. M.Sc. Petroleum Engineering from Montana Tech with numerous certifications from various oil and gas technical schools.





ACQUISITION • DEVELOPMENT • PRODUCTION GROWTH



**FOOTHILLS**  
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**Company Contact**

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