

RBC MLP Conference  
Dallas, Texas  
November 17, 2011

Scott W. Smith  
President & CEO



Encore Energy Partners LP  
NYSE: ENP



# Forward-Looking Statements

---

Statements made by representatives of Vanguard Natural Resources, LLC during the course of this presentation that are not historical facts are forward looking statements, including (but not limited to) statements about the acquisition (including its benefits, results and effects), the related financing plans, whether and when the acquisition will be consummated, the operating results of Encore Energy Partners LP following the acquisition and statements with respect to future distributions. These statements are based on certain assumptions and expectations made by the Company which reflect management's experience, estimates and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or anticipated in the forward looking statements. These include risks relating to the satisfaction of the conditions to closing of the acquisition, uncertainties as to timing, financial performance and results, our indebtedness under our revolving credit facility, availability of sufficient cash to pay our distributions and execute our business plan, prices and demand for oil, natural gas and natural gas liquids, our ability to replace reserves and efficiently develop our reserves, our ability to make acquisitions on economically acceptable terms and other important factors that could cause actual results to differ materially from those anticipated or implied in the forward looking statements. See "Risk Factors" in the Company's 10-K Annual Report for 2010, Form 10-Q dated March 31, 2011 and any other public filings and press releases. Vanguard Natural Resources, LLC undertakes no obligation to publicly update any forward looking statements, whether as a result of new information or future events. This presentation has been prepared as of November 16, 2011.

# Overview of Vanguard Natural Resources

- **Upstream oil & gas LLC, headquartered in Houston, Texas**
  - Initial Public Offering - "VNR" - October 2007 (Total Enterprise Value of ~\$240 MM)
  - Ten strategic acquisitions totaling ~\$900 MM expanded geographic profile and commodity diversity (including Encore's recent acquisitions)
- **Positive Cash Distribution Coverage**
  - Quarterly distribution of \$0.5775 per unit (\$2.31 annualized) yields approximately 8.5% at current price; ENP's current quarterly distribution is \$0.47 per unit
  - Increased distributions ~36% since IPO
- **Diverse portfolio of mature, long life gas and oil properties, combined with a multi-year hedging program provide stable cash flow and support distribution growth**

## Asset Profile

- \*~78.8 MMboe total proved reserves
- 80% proved developed and ~15 year R/P
- 64% liquids / 36% gas on a consolidated basis

## Market Valuation

Company Profile (\$ MM)	VNR	ENP
UNITS OUTSTANDING	30.3 MM	45.5 MM <sup>(1)</sup>
EQUITY MARKET CAP <sup>(2)</sup>	\$822.4	\$921.1
TOTAL DEBT	\$389.0	\$346.0
LESS CASH	\$4.5	\$4.5
ENTERPRISE VALUE	\$1,266.9	\$1,262.6

\*Proved reserves as of 12/31/10 based on reserve report prepared by our independent reserve engineers, DeGolyer & MacNaughton (D&M) and 12-month average spot prices; Amounts illustrated reflect ENP's and VNR's proved reserves on a consolidated basis and include 2011 YTD acquisitions

(1) VNR owns 20,924,055 ENP common units

(2) Market pricing as of November 15, 2011; VNR includes 420m Class B units



# Snapshot of Strategic Acquisitions Since IPO

Acquisition	Date	Region	Deal Size	Proved Reserves/ PDP <sup>(1)</sup>	Key Features
Apache	Feb 2008	Permian Basin	\$73.4M	4.4 MMBoe / 90% PDP	83% oil
Dos Hermanos	Jul 2008	South Texas	\$53.4M	20 Bcfe / 65% PDP	98% natural gas
SUN TSH	Jul 2009	South Texas	\$52.3M	27 Bcfe / 74% PDP	94% natural gas & NGLs
Ward County	Dec 2009	Permian Basin	\$55.0M	3.2 MMBoe / 65% PDP	83% oil
Parker Creek	May 2010	Mississippi, TX & NM	\$114.6M	4.7 MMBoe / 90% PDP	96% oil
Encore	Dec 2010	Permian, Williston, Arkoma & Big Horn Basins	\$380.0M	43.4 MMBoe / 91% PDP	67% oil & NGLs
Miscellaneous	Q1 2011	Permian Basin	\$13.0	.67 MMBoe / 100% PDP	100% oil
Permian	May 2011	Permian Basin	\$85.0 <sup>(2)</sup>	5.5 MMBoe / 100% PDP	70% oil & NGLs
ENP Deal: Permian	May 2011	Permian Basin	\$14.8 <sup>(3)</sup>	1.3 MMBoe / 51% PDP	87% oil & NGLs
ENP Deal: Wyoming	June 2011	Sweetwater County, WY	\$28.5 <sup>(3)</sup>	4.2 MMBoe 90% PDP	65% natural gas 35% oil & NGLs
ENP Deal: TX, LA, Gulf	Aug 2011	Texas, Louisiana, Gulf	\$47.6 <sup>(3)</sup>	2.1 MMBoe 100% PDP	83% oil & NGLs 17% natural gas

(1) Proved reserves and proved developed producing (PDP) numbers are calculated as of the acquisition closing date.

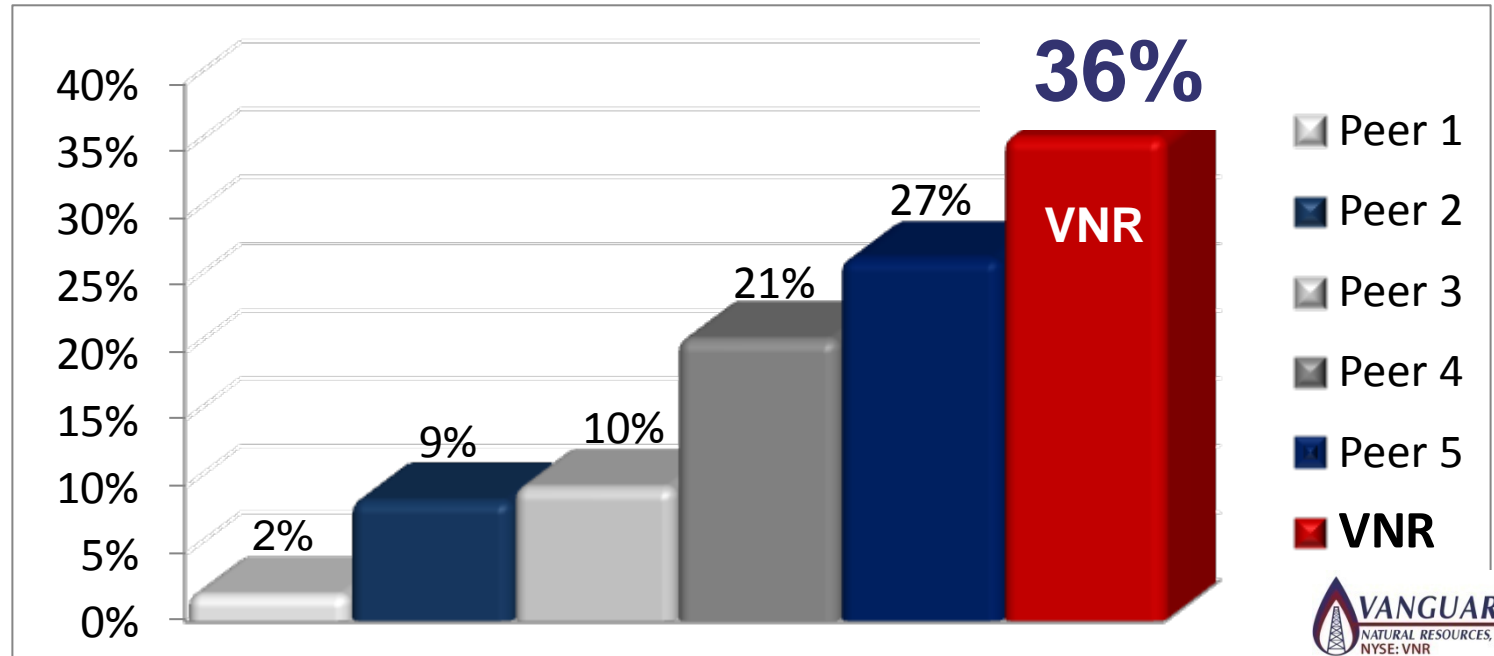
(2) Deal size was a divided fifty percent interest each between VNR and ENP for a net purchase price each of \$42.5 million.

(3) Represents a 100% ENP acquisition.



# Comparable Company Distribution Increases

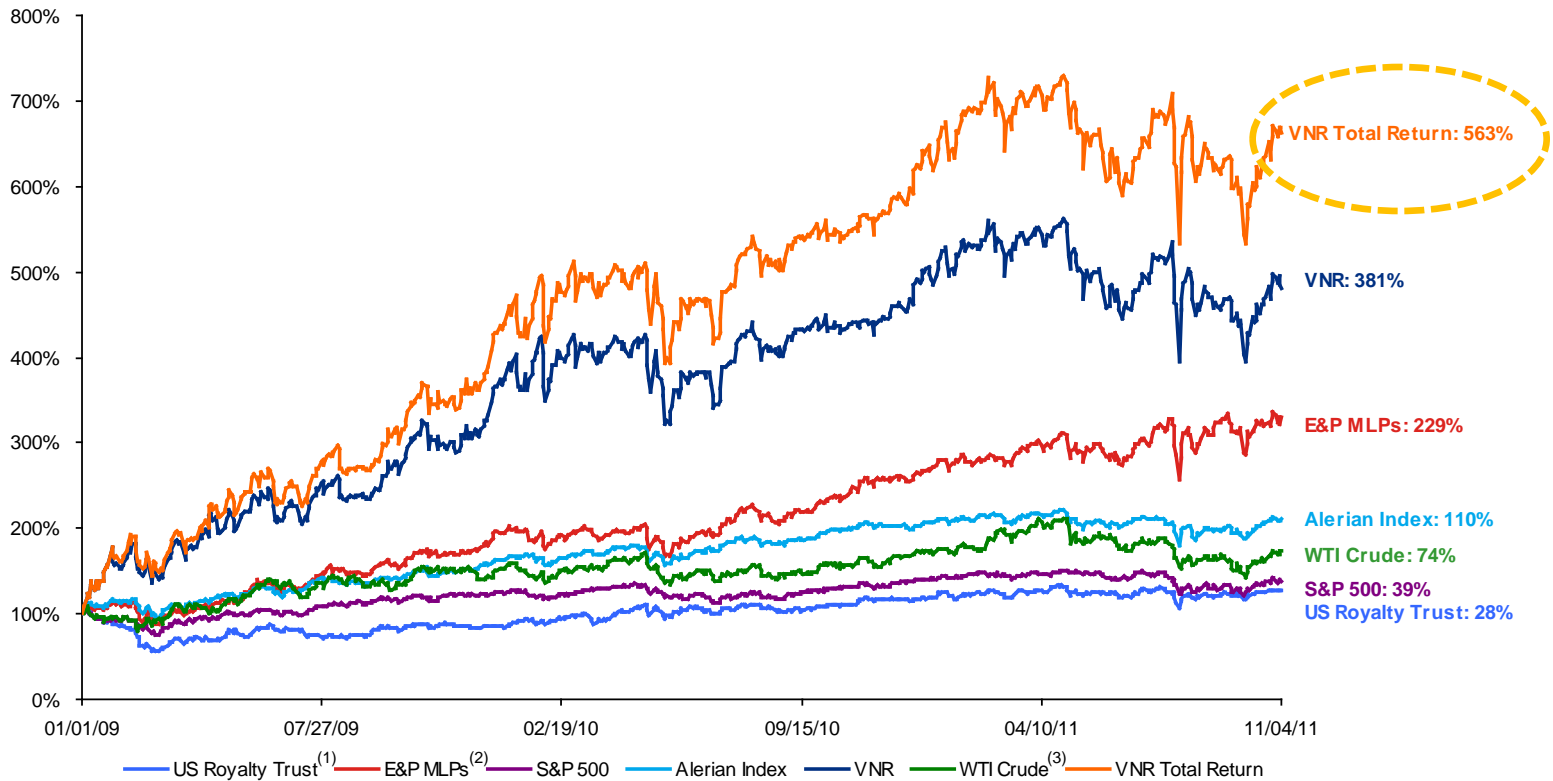
## VNR Leads Peer Group in Overall Distribution Growth



Calculations include all quarterly distributions from 2008 through November 2011

# Price Performance Since 2009

The results have been good. VNR has outperformed US Royalty Trusts, C-Corps and other E&P MLPs. The strategy works.



Note: Market data as of 11/4/11.

(1) US Royalty Trust Index includes: CRT, HGT, MTR, PBT, SBR and SJT.

(2) E&P MLP Index includes: BBEP, CEP, EVEP, LGCY, LINE and VNR.

(3) 12 month strip pricing.