



Supplemental Q3 2012 Earnings Results



3rd Quarter 2012 Highlights

Significant Third Quarter Results:

- Adjusted EBITDA attributable to Vanguard unitholders (a non-GAAP financial measure defined below) increased 79% to \$66.3 million in the third quarter of 2012 from \$37.0 million in the third quarter of 2011 and increased 49% from \$44.5 million recorded in the second quarter of 2012.
- Distributable Cash Flow attributable to Vanguard unitholders (a non-GAAP financial measure defined below) increased 93% to \$36.6 million from the \$19.0 million generated in the third quarter of 2011 and increased 94% from the \$18.9 million generated in the second quarter of 2012.
- We reported net loss attributable to Vanguard unitholders for the quarter of \$68.7 million or \$(1.29) per basic unit compared to reported net income of \$75.9 million or \$2.51 per basic unit in the third quarter of 2011. The recent quarter includes a loss of \$86.7 million in non-cash adjustments and the third quarter 2011 results included a gain before non-controlling interest of \$106.9 million in non-cash adjustments. Excluding these items, Adjusted Net Income attributable to Vanguard unitholders (a non-GAAP financial measure defined below) was \$17.9 million in the third quarter of 2012, or \$0.34 per basic unit, as compared to \$14.1 million, or \$0.47 per basic unit, in the third quarter of 2011.
- Reported average production of 24,367 BOE per day in the third quarter of 2012 increased 82% from the 13,371 BOE per day produced in the third quarter of 2011 and increased 97% from the second quarter of 2012. On a BOE basis, crude oil, natural gas and natural gas liquids (“NGLs”) accounted for 30%, 61%, and 9% of our third quarter 2012 production, respectively.

3rd Quarter 2012 Highlights (cont.)

Significant Events:

- Completed a public offering of 6.9 million common units at a price of \$27.51 per unit (net proceeds of \$182.3 million);
- Completed an add-on of \$200.0 million aggregate principal amount of 7.875% senior unsecured notes due 2020 (net proceeds of \$196.5 million);
- On November 1, 2012, we announced that we entered into a definitive agreement to acquire natural gas and liquids assets in the Piceance Basin in Colorado and the Powder River and Wind River Basins in Wyoming for a purchase price of \$335 million from Bill Barrett Corporation; and
- Taking into consideration the deposit made on the recently announced acquisition of natural gas and oil assets from Bill Barrett Corporation, on November 1, 2012, there were \$403.5 million of outstanding borrowings and \$556.5 million of borrowing capacity under the reserve-based credit facility.

Selected Summary Financials

(\$ in thousands, expect per unit amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Production (Boe/d) (1)	24,367	13,371	16,786	13,312
Oil, natural gas and natural gas liquids sales (1)	\$78,871	\$74,429	\$228,029	\$226,838
Realized gain (loss) on commodity derivative contracts (1)	\$318	\$1,902	(\$756)	\$4,474
Unrealized gain (loss) on commodity derivative contracts (1)	(\$51,332)	\$109,639	\$9,243	\$68,625
Operating expenses (1)	\$26,567	\$21,923	\$75,918	\$63,002
Selling, general and administrative expenses (1)	\$5,499	\$6,493	\$15,298	\$18,713
Depreciation, depletion, amortization, and accretion (1)	\$31,245	\$21,419	\$73,897	\$62,797
Impairment of oil and natural gas properties	\$18,029	—	\$18,029	—
Net Income (Loss) attributable to Vanguard unitholders (1)	(\$68,727)	\$75,884	\$32,696	\$77,271
Adjusted Net Income attributable to Vanguard unitholders (2)	\$17,932	\$14,137	\$48,153	\$46,472
Adjusted Net Income per unit attributable to Vanguard unitholders (2)	\$0.34	\$0.47	\$0.92	\$1.54
Adjusted EBITDA attributable to Vanguard unitholders (2)	\$66,277	\$37,028	\$163,965	\$111,105
Interest expense, including realized losses on interest rate derivative contracts (1)	\$12,857	\$8,173	\$29,158	\$23,306
Drilling, capital workover and recompletion expenditures (1)	\$16,925	\$15,000	\$40,285	\$23,729
Distributable Cash Flow (2)	\$36,640	\$19,029	\$100,044	\$72,999
Distributable Cash Flow per unit (2)	\$0.67	\$0.63	\$1.89	\$2.42

- (1) The operating results and production of the subsidiaries we acquired in the ENP Purchase through the date of the completion of the ENP Merger on December 1, 2011 were subject to a 53.4% non-controlling interest.
- (2) Non-GAAP financial measures.



Commodity Hedge Summary

	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Natural Gas Positions:						
Fixed Price Swaps:						
Notional Volume (MMBtu)	16,887,432	27,813,000	20,587,725	18,250,000	16,470,000	7,602,000
Fixed Price (\$/MMBtu)	\$5.32	\$5.09	\$5.07	\$5.04	\$5.04	\$5.04
Puts:						
Notional Volume (MMBtu)	328,668	-	-	-	-	-
Fixed Price (\$/MMBtu)	\$6.76	-	-	-	-	-
Total:						
Notional Volume (MMBtu)	17,216,100	27,813,000	20,587,725	18,250,000	16,470,000	7,602,000
Fixed Price (\$/MMBtu)	\$5.34	\$5.09	\$5.07	\$5.04	\$5.04	\$5.04
Basis Swaps: (1)						
Notional Volume (MMBtu)	915,000	912,500	452,500	-	-	-
Fixed Price (\$/MMBtu)	(\$0.32)	(\$0.32)	(\$0.32)	-	-	-
Swaptions and Calls:						
Notional Volume (MMBtu)	-	-	1,642,500	-	-	-
Fixed Price (\$/MMBtu)	-	-	\$5.69	-	-	-
% Natural Gas Hedged	88%	100%	86%	76%	75%	77%
Oil Positions:						
Fixed Price Swaps:						
Notional Volume (Bbls)	1,478,590	1,728,900	1,596,875	-	-	-
Fixed Price (\$/Bbl)	\$92.50	\$90.59	\$90.21	-	-	-
Collars:						
Notional Volume (Bbls)	411,750	82,125	12,000	-	-	-
Floor Price (\$/Bbl)	\$80.89	\$88.89	\$100.00	-	-	-
Ceiling Price (\$/Bbl)	\$100.17	\$107.34	\$116.20	-	-	-
Three Way Collars:						
Notional Volume (Bbls)	821,000	876,000	565,750	194,055	-	-
Floor Price (\$/Bbl)	\$88.41	\$95.21	\$98.06	\$100.00	-	-
Ceiling Price (\$/Bbl)	\$104.23	\$107.94	\$108.86	\$124.53	-	-
Put Sold (\$/Bbl)	\$69.06	\$72.76	\$74.19	\$75.00	-	-
Put Spreads:						
Notional Volume (Bbl)	-	-	-	255,500	-	-
Floor Price (\$/Bbl)	-	-	-	\$100.00	-	-
Put Sold (\$/Bbl)	-	-	-	\$75.00	-	-
Total:						
Notional Volume (Bbls)	2,711,340	2,687,025	2,174,625	449,555	-	-
Fixed Price (\$/Bbl)	\$89.50	\$92.45	\$92.81	\$100.00	-	-
Basis Swaps: (2)						
Notional Volume (Bbls)	84,000	84,000	-	-	-	-
Fixed Price (\$/Bbl)	\$15.15	\$9.60	-	-	-	-
Swaptions and Calls:						
Notional Volume (Bbls)	137,250	196,350	492,750	508,445	622,200	-
Fixed Price (\$/Bbl)	\$100.00	\$100.73	\$117.22	\$105.98	\$125.00	-
Range Bonus Accumulators						
Notional Volume (Bbl)	-	365,000	365,000	-	-	-
Bonus (\$/Bbl)	-	\$3.00	\$3.00	-	-	-
Digital Call Sold (\$/Bbl)	-	\$110.00	\$110.00	-	-	-
Put Sold (\$/Bbl)	-	\$70.00	\$70.00	-	-	-
% Oil Hedged	95%	91%	72%	17%	0%	0%

Note: Hedge prices reflect a weighted average of swap prices, floor prices on collars and puts and long put prices on three way collars. Excludes NGL production. In 2013, Vanguard sold puts on 378,400 Bbls at a weighted average price of \$60.47. In addition, Encore sold puts on 250 bbl/d for 2012-2013 at \$65.00. Weighted average floor price includes a \$3.00 / Bbl premium on a 1,000 Bbl/day in 2013-2014 only if the monthly oil price settles between \$70.00 - \$110.00.

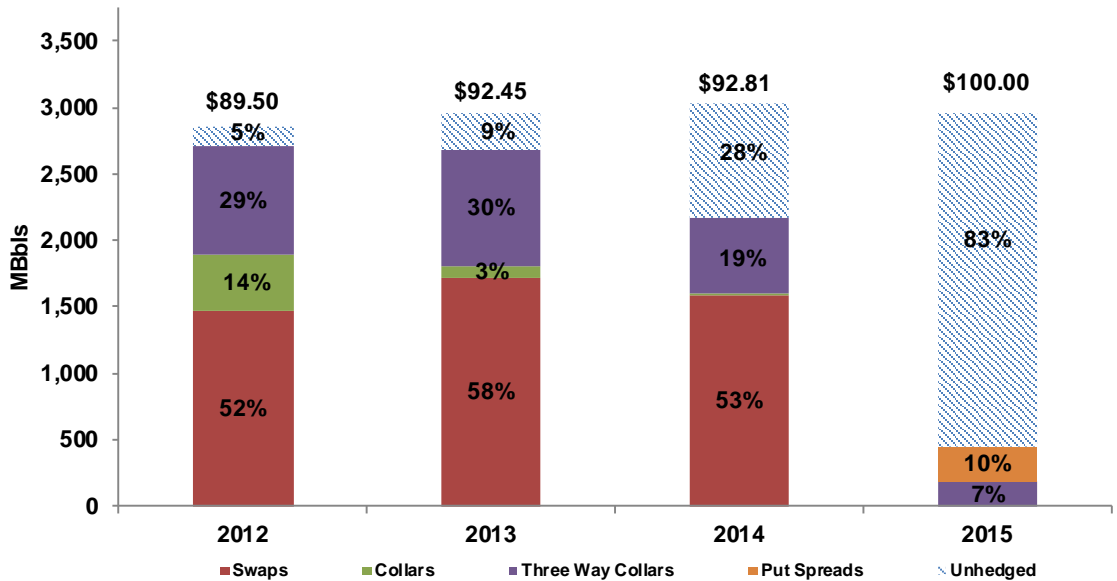
(1) Natural gas basis swap contracts represent a weighted average differential between prices against Rocky Mountains (CIGC) and NYMEX Henry Hub prices.

(2) Oil basis swap contracts represent a weighted average differential between prices against Light Louisiana Sweet Crude (LLS) and NYMEX WTI prices.

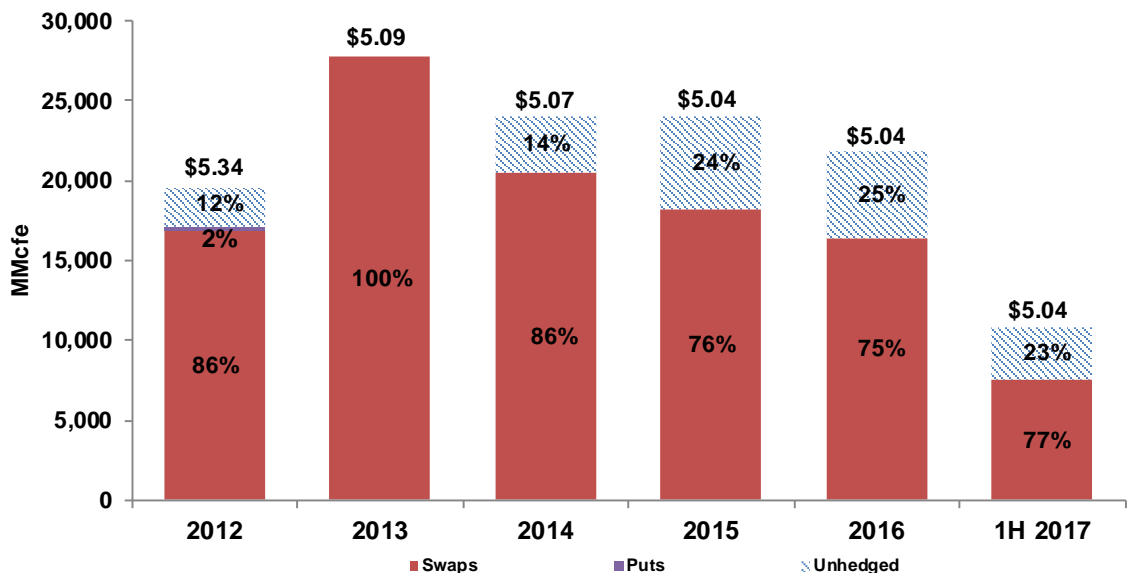


Commodity Hedge Positions

Oil Hedges



Gas Hedges



Note: Hedge prices reflect a weighted average of swap prices, floor prices on collars and puts and long put prices on three way collars. The percent hedged is based on guidance issued on August 2, 2012. Excludes NGL production.



9/30/12 Reserve Summary

- Excludes Appalachia properties and does not include the recently announced pending acquisition
- Reserve Mix
 - 55% natural gas / 45% liquids
 - 69% proved developed / 31% proved undeveloped
 - Reserve life of approximately 15 years

Reserves By Area

Area	Reserves (MMBoe)	Percentage (%)
Arkoma	71.2	51%
Permian & GC	27.7	20%
Big Horn	24.2	18%
S. Texas	7.5	5%
Williston	5.3	4%
Mississippi	2.6	2%
Total	138.6	100%

By Commodity

Commodity	Reserves (MMBoe)	Percentage (%)
Oil	42.5	31%
Natural Gas	75.9	55%
NGLs	20.2	14%
Total	138.6	100%

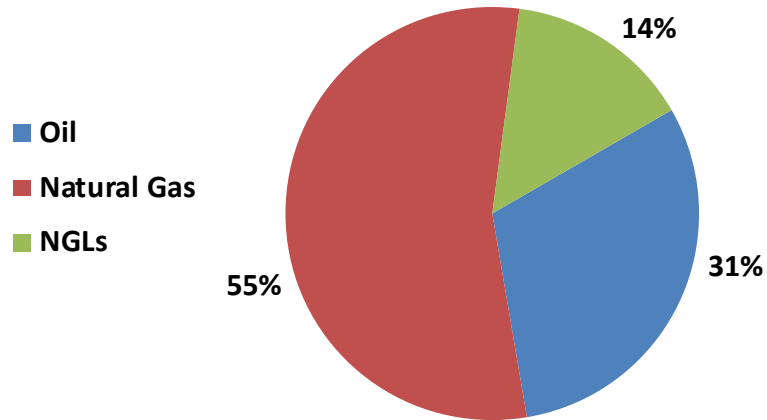
By Reserve Class

Reserve Class	Reserves (MMBoe)	Percentage (%)
PDP	92.2	67%
PDNP	3.3	2%
PUD	43.1	31%
Total	138.6	100%

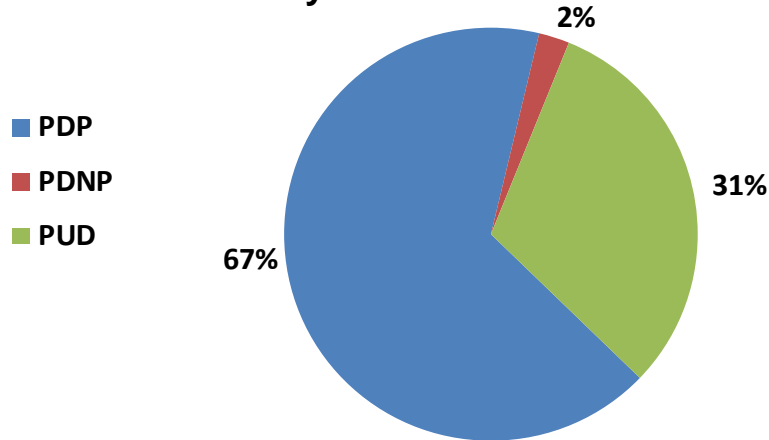


9/30/12 Reserve Breakout

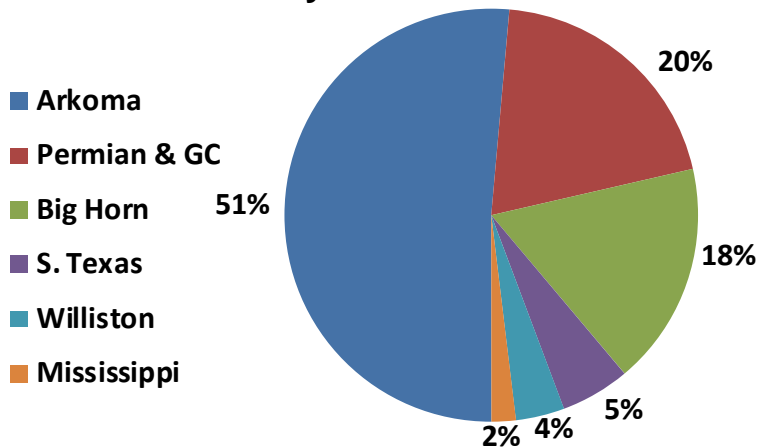
Reserve Charts – By Commodity



Reserve Charts – By Reserve Class



Reserve Charts – By Area



Note: Excludes Appalachia properties and includes the Arkoma Basin Acquisition.



Pro Forma 9/30/12 Reserve Summary

- Total proved reserves increase ~36% pro forma for the pending Bill Barrett acquisition
- Reserve Mix
 - 61% natural gas / 39% liquids
 - 72% proved developed / 28% proved undeveloped
 - Reserve life of approximately 15 years

Reserves By Area

Area	Reserves (MMBoe)	Percentage (%)
Arkoma	71.2	38%
Barret Acq. (Pending)	50.1	26%
Permian & GC	27.7	15%
Big Horn	24.2	13%
S. Texas	7.5	4%
Williston	5.3	3%
Mississippi	2.6	1%
Total	188.6	100%

By Commodity

Commodity	Reserves (MMBoe)	Percentage (%)
Oil	46.1	24%
Natural Gas	114.8	61%
NGLs	27.7	15%
Total	188.6	100%

By Reserve Class

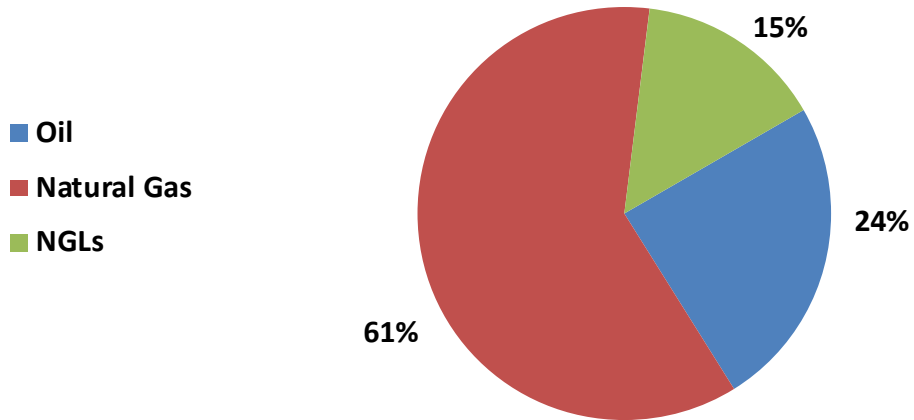
Reserve Class	Reserves (MMBoe)	Percentage (%)
PDP	129.2	69%
PDNP	6.4	3%
PUD	53.0	28%
Total	188.6	100%

Note: Excludes Appalachia properties and includes the Arkoma Basin Acquisition and recently announced pending acquisition.

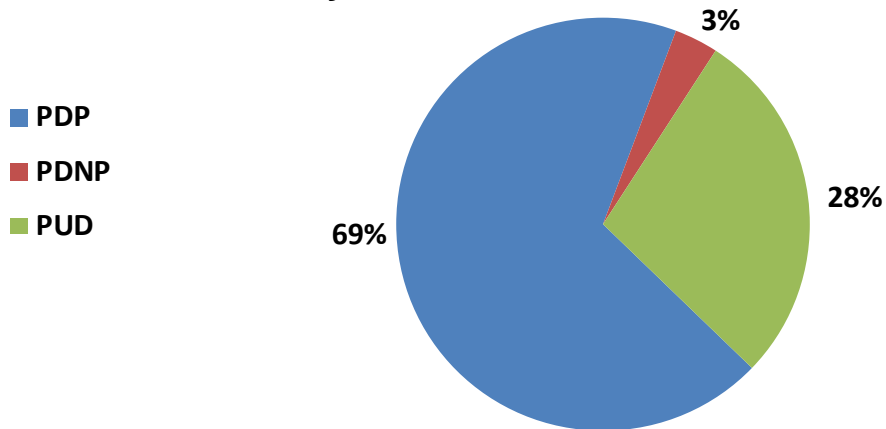


Pro Forma 9/30/12 Reserve Breakout

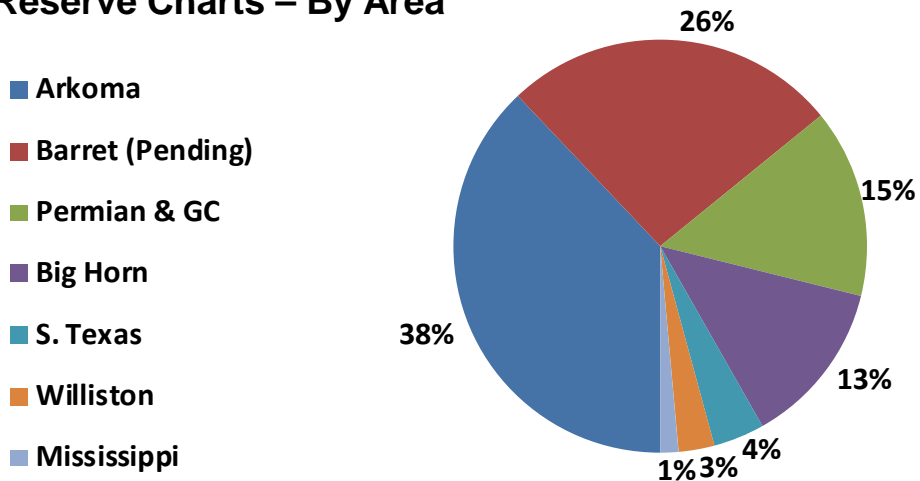
Reserve Charts – By Commodity



Reserve Charts – By Reserve Class



Reserve Charts – By Area



Note: Excludes Appalachia properties and includes the Arkoma Basin Acquisition and recently announced pending acquisition.



Adjusted EBITDA / Distributable Cash Flow and Adjusted Net Income

Adjusted EBITDA

Adjusted EBITDA is used by management as a tool to measure (prior to the establishment of any cash reserves by our board of directors, debt service and capital expenditures) the cash distributions we could pay our unitholders. Specifically, this financial measure indicates to investors whether or not we are generating cash flow at a level that can sustain or support an increase in our monthly distribution rates. Adjusted EBITDA is also used as a quantitative standard by our management and by external users of our financial statements such as investors, research analysts and others to assess the financial performance of our assets without regard to financing methods, capital structure or historical cost basis; the ability of our assets to generate cash sufficient to pay interest costs and support our indebtedness; and our operating performance and return on capital as compared to those of other companies in our industry. Adjusted EBITDA is not intended to represent cash flows for the period, nor is it presented as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP.

Distributable Cash Flow

Distributable Cash Flow is used by management as a tool to measure (prior to the establishment of any cash reserves by our board of directors) the cash distributions we could pay our unitholders. Specifically, this financial measure indicates to investors whether or not we are generating cash flow at a level that can sustain or support an increase in our monthly distribution rates. While Distributable Cash Flow is measured on a quarterly basis for reporting purposes, management must consider the timing and size of its planned capital expenditures in determining the sustainability of its monthly distribution. Capital expenditures are typically not spent evenly throughout the year due to a variety of factors including weather, rig availability, and the commodity price environment. As a result, there will be some volatility in Distributable Cash Flow measured on a quarterly basis. Distributable Cash Flow is not intended to be a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP.

Adjusted Net Income

This information is provided because management believes exclusion of the impact of our unrealized derivatives not accounted for as cash flow hedges and non-cash oil and natural gas property impairment charge will help investors compare results between periods and identify operating trends that could otherwise be masked by these items and to highlight the impact that commodity price volatility has on our results. Adjusted Net Income is not intended to represent cash flows for the period, nor is it presented as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP.



Adjusted EBITDA and Distributable Cash Flow (a)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011 (b)	2012	2011 (b)
<i>(\$ in thousands, except per unit amounts)</i>				
Net income (loss) attributable to Vanguard unitholders	(\$68,727)	\$75,884	\$32,696	\$77,271
Net income attributable to non-controlling interest	—	50,061	—	50,593
Net income (loss) attributable to Vanguard unitholders	(68,727)	125,945	32,696	127,864
Plus:				
Interest expense, including realized losses on interest rate derivative contracts	12,857	8,173	29,158	23,306
Depreciation, depletion, amortization, and accretion	31,245	21,419	73,897	62,797
Impairment of oil and natural gas properties	18,029	—	18,029	—
Amortization of premiums paid on derivative contracts	3,441	4,663	10,516	9,501
Amortization of value on derivative contracts acquired	14,213	36	14,096	154
Unrealized (gain) losses on other commodity and interest rate derivative contracts	53,795	(107,700)	(3,736)	(66,984)
Net (gain) loss on acquisition of oil and natural gas properties	—	(487)	(13,796)	383
Deferred taxes	(16)	220	(153)	415
Unit-based compensation expense	818	675	2,394	1,821
Fair value of phantom units granted to officers	622	77	864	310
Material transaction costs incurred on acquisitions and mergers	—	1,182	—	1,745
Adjusted EBITDA before non-controlling interest	66,277	54,203	163,965	161,312
Non-controlling interest attributable to adjustments above	—	(17,957)	—	(52,457)
Administrative services fees eliminated in consolidation	—	782	—	2,250
Adjusted EBITDA attributable to Vanguard unitholders	66,277	37,028	163,965	111,105
Less:				
Interest expense, net	(12,857)	(8,173)	(29,158)	(23,306)
Drilling, capital workover and recompletion expenditures	(16,925)	(15,000)	(40,285)	(23,729)
Proceeds from the sale of leasehold interests	145	—	5,522	—
Non-controlling interest	—	5,174	—	8,929
Distributable Cash Flow	\$36,640	\$19,029	\$100,044	\$72,999
Distributable Cash Flow per unit	\$0.67	\$0.63	\$1.89	\$2.42

(a) Our Adjusted EBITDA should not be considered as an alternative to net income, operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Our Adjusted EBITDA excludes some, but not all, items that affect net income and operating income and these measures may vary among other companies. Therefore, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

(b) Results of operations from oil and gas properties acquired in the ENP Purchase during 2011 through the date of the completion of the ENP Merger on December 1, 2011 were subject to a 53.4% non-controlling interest.



Adjusted Net Income

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
<i>(\$ in thousands, except per unit amounts)</i>				
Net income (loss) attributable to Vanguard unitholders	(\$68,727)	\$75,884	\$32,696	\$77,271
Net income attributable to non-controlling interest	-	50,061	-	50,593
Net income (loss)	(\$68,727)	\$125,945	\$32,696	\$127,864
Plus (Less):				
Unrealized (gain) loss on other commodity derivative contracts	51,332	(109,639)	(9,243)	(68,625)
Unrealized (gain) loss on interest rate derivative contracts	2,463	1,939	5,507	1,641
Amortization of value on derivative contracts acquired	14,213	36	14,096	154
Unrealized fair value of phantom units granted to officers	622	77	864	310
Impairment of oil and natural gas properties	18,029	-	18,029	-
Net (gain) loss on acquisition of oil and natural gas properties	-	(487)	(13,796)	383
Material transaction costs incurred on acquisitions and mergers	-	1,182	-	1,745
Total adjustments	86,659	(106,892)	15,457	(64,392)
Adjusted net income before non-controlling interest	17,932	19,053	48,153	63,472
Non-controlling interest attributable to items above	-	(5,698)	-	(19,250)
Administrative services fees eliminated in consolidation	-	782	-	2,250
Adjusted Net Income attributable to Vanguard unitholders	\$17,932	\$14,137	\$48,153	\$46,472
Net income (loss) per unit attributable to Vanguard unitholders	(\$1.29)	\$2.51	\$0.62	\$2.56
Net income attributable to non-controlling interest	-	1.66	-	1.68
Net income (loss) per unit:	(\$1.29)	\$4.17	\$0.62	\$4.24
Plus (Less):				
Unrealized (gain) loss on other commodity derivative contracts	0.96	(3.62)	(0.17)	(2.27)
Unrealized (gain) loss on interest rate derivative contracts	0.05	0.06	0.10	0.05
Amortization of value on derivative contracts acquired	0.27	-	0.27	0.01
Unrealized fair value of phantom units granted to officers	0.01	-	0.02	0.01
Impairment of oil and natural gas properties	0.34	-	0.34	-
Net (gain) loss on acquisition of oil and natural gas properties	-	(0.02)	(0.26)	0.01
Material transaction costs incurred on acquisitions and mergers	-	0.04	-	0.06
Non-controlling interest attributable to items above	-	(0.19)	-	(0.64)
Administrative services fees eliminated in consolidation	-	0.03	-	0.07
Adjusted Net Income per unit attributable to Vanguard unitholders	\$0.34	\$0.47	\$0.92	\$1.54



Coverage Ratio Calculation

Distribution Coverage Ratio

The coverage ratio is used to determine the amount of actual cash distributions the company makes, relative to the amount it could potentially pay out. The amount of distribution which could be paid out is referred to as Distributable Cash Flow. The coverage ratio is then calculated by dividing Distributable Cash Flow by the actual cash distribution.

<i>(\$ in thousands, except per unit amounts)</i>	Three Months Ended		
	March 31, 2012	June 30, 2012	September 30, 2012
Adjusted EBITDA	\$53,239	\$44,450	\$66,277
Interest expense, net	(5,905)	(10,396)	(12,857)
Drilling, capital workover and recompletion expenditures	(8,213)	(15,147)	(16,925)
Proceeds from the sale of leasehold interests	5,377	-	145
Distributable cash flow	<u>\$44,498</u>	<u>\$18,907</u>	<u>\$36,640</u>
Distributable cash flow per unit	\$0.86	\$0.36	\$0.67
Distribution per unit	\$0.5925	\$0.6000	\$0.6000
Units outstanding (millions)	52.0	52.0	54.4
Distribution coverage ratio	1.44x	0.61x	1.12x



Production and Realized Pricing

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012 (a)(b)	2011 (a)(c)	2012 (a)(b)	2011 (a)(c)
Average realized prices, excluding hedging :				
Oil (Price/Bbl)	\$82.98	\$78.19	\$85.93	\$84.16
Natural Gas (Price/Mcf)	\$1.84	\$5.34	\$2.39	\$4.75
NGLs (Price/Bbl)	\$37.91	\$58.96	\$46.21	\$59.94
Average realized prices, including hedging (d):				
Oil (Price/Bbl)	\$83.14	\$76.89	\$84.16	\$79.75
Natural Gas (Price/Mcf)	\$4.01	\$8.00	\$4.59	\$7.43
NGLs (Price/Bbl)	\$37.91	\$58.96	\$46.21	\$59.94
Total production volumes:				
Oil (MBbls)	682	695	2,061	2,051
Natural Gas (MMcf)	8,238	2,585	12,505	7,795
NGLs (MBbls)	187	104	454	284
Combined (MBOE)	2,242	1,230	4,599	3,634
Average daily production volumes				
Oil (Bbls/day)	7,415	7,556	7,523	7,513
Natural Gas (Mcf/day)	89,547	28,099	45,639	28,552
NGLs (Bbls/day)	2,028	1,131	1,656	1,040
Combined (BOE/day)	24,367	13,371	16,786	13,312

- (a) During 2011 and 2012, we and ENP acquired certain oil and natural gas properties and related assets in the Permian Basin, Arkoma Basin, and the Wyoming, South Texas and Louisiana Gulf Coast areas. The operating results of these properties are included with ours from the date of acquisition forward.
- (b) On March 30, 2012, we divested oil and natural gas properties in the Appalachian Basin in connection with the Unit Exchange. As such, there are no operating results from these properties included in our operating results from the date of the divestiture forward.
- (c) Production from the properties acquired related to the ENP Purchase during 2011 through the date of the completion of the ENP Merger on December 1, 2011 was subject to a 53.4% non-controlling interest in ENP.
- (d) Excludes amortization of premiums paid and amortization on derivative contracts acquires.



Statements of Operations

(\$ in thousands, except per unit amounts)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Revenues:				
Oil, natural gas and NGLs sales	\$ 78,871	\$ 74,429	\$ 228,029	\$ 226,838
Loss on commodity cash flow hedges	-	(635)	-	(2,307)
Realized gain (loss) on commodity derivative contracts	318	1,902	(756)	4,474
Unrealized gain (loss) on commodity derivative contracts	(51,332)	109,639	9,243	68,625
Total revenues	27,857	185,335	236,516	297,630
Costs and expenses:				
Production:				
Lease operating expenses	19,514	14,230	54,754	41,683
Production and other taxes	7,053	7,693	21,164	21,319
Depreciation, depletion, amortization, and accretion	31,245	21,419	73,897	62,797
Impairment of oil and natural gas properties	18,029	-	18,029	-
Selling, general and administrative expenses	5,499	6,493	15,298	18,713
Total costs and expenses	81,340	49,835	183,142	144,512
Income (loss) from operations	(53,483)	135,500	53,374	153,118
Other income (expense):				
Interest expense	(12,389)	(7,509)	(27,548)	(21,137)
Realized loss on interest rate derivative contracts	(468)	(664)	(1,610)	(2,169)
Unrealized gain (loss) on interest rate derivative contracts	(2,463)	(1,939)	(5,507)	(1,641)
Net gain (loss) on acquisition of oil and natural gas properties	-	487	13,796	(383)
Other	76	70	191	76
Total other expense	(15,244)	(9,555)	(20,678)	(25,254)
Net income (loss)	(68,727)	125,945	32,696	127,864
Less:				
Net income attributable to non-controlling interest	-	50,061	-	50,593
Net income (loss) attributable to Vanguard unitholders	\$ (68,727)	\$ 75,884	\$ 32,696	\$ 77,271
Net income (loss) per Common and Class B units – basic	\$ (1.29)	\$ 2.51	\$ 0.62	\$ 2.56
Net income (loss) per Common and Class B units – diluted	\$ (1.29)	\$ 2.5	\$ 0.62	\$ 2.55
Weighted average units outstanding:				
Common units – basic	52,719	29,839	52,135	29,792
Common units – diluted	52,719	29,981	52,190	29,855
Class B units – basic & diluted	420	420	420	420



Balance Sheets

<i>(\$ in thousands)</i>	September 30, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 24,420	\$ 2,851
Trade accounts receivable, net	54,131	48,046
Derivative assets	37,635	2,333
Other current assets	2,497	3,462
Total current assets	<u>118,683</u>	<u>56,692</u>
Oil and natural gas properties, at cost	1,767,497	1,549,821
Accumulated depletion	(290,466)	(331,836)
Oil and natural gas properties evaluated, net – full cost method	<u>1,477,031</u>	<u>1,217,985</u>
Other assets		
Goodwill	420,955	420,955
Derivative assets	46,077	1,105
Other assets	29,181	19,626
Total assets	<u>\$ 2,091,927</u>	<u>\$ 1,716,363</u>
Liabilities and members' equity		
Current liabilities		
Accounts payable:		
Trade	\$ 6,861	\$ 7,867
Affiliate	317	718
Accrued liabilities:		
Lease operating	6,042	5,828
Developmental capital	7,463	563
Interest	13,906	103
Production and other taxes	15,147	12,768
Derivative liabilities	4,279	12,774
Deferred swap premium liability	274	275
Oil and natural gas revenue payable	9,919	505
Accrued distribution payable	11,761	—
Other	7,115	4,437
Total current liabilities	<u>83,084</u>	<u>45,838</u>
Long-term debt	570,000	771,000
Senior notes, net of discount	347,572	—
Derivative liabilities	11,230	20,553
Asset retirement obligations, net of current portion	43,363	34,776
Other long-term liabilities	3,443	275
Total liabilities	<u>1,058,692</u>	<u>872,442</u>
Commitments and contingencies		
Members' equity		
Members' capital, 58,661,188 common units issued and outstanding at September 30, 2012 and 48,320,104 at December 31, 2011	1,029,943	839,714
Class B units, 420,000 issued and outstanding at September 30, 2012 and December 31, 2011	3,292	4,207
Total members' equity	<u>1,033,235</u>	<u>843,921</u>
Total liabilities and members' equity	<u>\$ 2,091,927</u>	<u>\$ 1,716,363</u>

