



BP Capital Investor Presentation

April 2012



Disclosure

Although the following contains information about the past investment record of the Funds, it cannot be assured the Funds will achieve the same results in the future. Depending on the timing of an investment, actual returns may vary from returns stated herein. Performance is estimated, based on audited and unaudited results, net of management and performance fees and operating expenses. Performance results assume an investment at inception with no additional contributions or withdrawals. Results also reflect a reinvestment of dividends or other earnings received by the Funds, if any. This report is for information purposes only and is not authorized for use as an offer of sale or a solicitation of an offer to purchase investments in the Funds or any affiliated entity. This report is qualified in its entirety by the more complete information contained in the Confidential Memorandum and related subscription materials. This report is confidential and may not be reproduced for any purpose. TBP Investments Management LLC serves as the Equity Fund's Investment Manager and Commodity Pool Operator. Its Form ADV Part II and Privacy Policy are available to investors upon request. BP Capital, LP serves as the Commodity Fund's Investment Manager and Commodity Pool Operator.



Definitions

- “Equity Fund I” – BP Capital Energy Equity Fund, LP. Launched August 2001. Currently closed to new investors.
- “Equity Fund II” – BP Capital Energy Equity Fund II, LP. Launched February 2005. This fund is a domestic feeder to a master feeder structure. There is also an offshore feeder, BP Capital Energy Equity Fund International II, LP.
- “Equity Fund” – Collective term for Equity Fund I and Equity Fund II which are managed side by side to have similar risk and returns.
- “Commodity Fund I” – BP Capital Energy Fund, LP. Launched May 1997. Currently closed to new investors.
- “Commodity Fund II” – BP Capital Energy Fund II, LP. Launched February 2009.
- “Commodity Fund” – Collective term for Commodity Fund I and Commodity Fund II which are managed side by side to have similar risk and returns.



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BP Capital Background



Background

- BP Capital was formed in 1997 by Boone Pickens.
- Mr. Pickens began trading energy futures in 1986 while at Mesa Petroleum.
- Mr. Pickens and members of the Mesa trading desk launched BP Capital in 1997 with approximately \$36 million.
- BP Capital has 30 employees and is located in Dallas, Tx.



Background

- Current AUM of approximately \$325 million across the Equity and Commodity Funds.
- Mr. Pickens owns approximately 20% of the Funds.
- BP Capital has stable employment history. There has been little employment turnover in the last 10 years.
- Manager of Equity Funds is an SEC registered investment advisor.





Investment Strategy



Investment Strategy

- BP Capital takes a fundamental approach to investing in both commodity and equity markets.
- Investment process driven by analysis of supply and demand of the commodity markets.
- BP Capital invests long/short in energy commodities, energy and energy-related equities.
- Typical investment horizons of between 3 months and 2 years.
- Typically maintains directional exposures, either long or short.
- Funds seek an absolute return in all market conditions.
- The Funds do not attempt to avoid volatility.



Investment Strategy

- Because of the directional nature of investments, BP Capital's performance has shown low correlations to other asset classes.
- BP Capital is managed by an informal investment committee. The committee is comprised of professionals focused on all aspects of energy investing: public market equities, physical and financial commodities, private energy investments, and alternative energy.
- The committee meets daily and is in constant communication.



Investment Strategy

BP Capital relies on four primary advantages:

1. Investment team's approximately 200 years of industry experience.
2. Mr. Pickens', and team's, relationships and industry contacts developed over time.
3. Information gained through Mr. Pickens' personal investments made across the energy space.
4. Proprietary information and modeling of key industry/company data points.





Commodity Fund



Commodity Fund

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- Began trading in 1997 with \$36 million. Current AUM of approximately \$120 million between two Funds.
 - Trades in energy futures, swaps and options. Makes directional investments based on analysis of supply and demand. Uses considerable leverage.
 - High-risk and high-volatility fund seeking high returns.
 - Not an active trading strategy, not focused on time spreads or basis trades.
 - Historically made discretionary distributions and intends to continue the practice.



Commodity Fund

Relationship between Commodity Fund I and Commodity Fund II

- Commodity Fund I is no longer accepting new contributions. Commodity Fund I is mentioned here for background purposes.
- Commodity Fund II was launched February 2009, and is open to subscriptions.
- Commodity funds are managed with like strategies and risk profiles.



Commodity Fund

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- Commodity Fund II Terms:
 - 2% management fee, 20% performance fee
 - Accepts monthly contributions
 - Two-year lock up
 - Quarterly withdrawal with 90 day notice (can be waived at GP's discretion)
 - No high-water mark
 - Counterparties:
 - NYMEX – Primarily being used in the current environment
 - Over the counter – (trading relationships include Barclays, Hetco Trading)



Commodity Fund

BP Capital Energy Fund, LP (Closed to new investments February 1, 2009)

Unaudited Summary of monthly returns*

Net of Management Fees, Performance Fees and Expenses

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Jan		-6.21%	0.17%	205.34%	83.07%	14.66%	50.91%	-9.58%	32.27%	20.13%	-33.57%	-1.90%	24.35%	-18.78%	8.93%	-2.3%
Feb		0.42%	0.39%	69.61%	1.54%	2.61%	125.26%	26.52%	26.96%	26.95%	24.67%	-29.28%	4.45%	17.67%	9.30%	13.7%
Mar		17.87%	14.06%	9.02%	-3.52%	-24.26%	-21.35%	19.38%	42.14%	2.41%	11.86%	-39.03%	11.41%	4.15%	6.38%	-0.5%
Apr		-27.11%	6.99%	20.43%	26.30%	9.13%	30.55%	8.78%	-15.09%	20.04%	8.54%	54.75%	-0.97%	14.40%	10.55%	-2.03%
May	0.18%	3.11%	17.82%	218.59%	-12.49%	-35.50%	50.40%	42.33%	6.64%	6.33%	-10.61%	62.32%	21.66%	-49.36%	-16.30%	
Jun	2.44%	-4.42%	9.93%	-27.56%	38.68%	34.90%	-21.74%	-8.54%	39.25%	12.27%	-12.34%	37.23%	3.22%	1.57%	-7.73%	
Jul	-3.07%	-46.55%	47.93%	3.72%	-8.04%	-40.11%	-19.84%	37.03%	12.91%	-32.64%	2.30%	-80.24%	-0.01%	7.53%	5.60%	
Aug	-13.66%	-29.19%	56.76%	56.28%	66.14%	30.74%	3.79%	-4.04%	36.06%	48.02%	-3.21%	-43.99%	-3.56%	-12.52%	-5.26%	
Sep	5.45%	41.41%	-9.80%	29.31%	27.95%	24.33%	3.79%	32.79%	1.39%	-4.10%	17.86%	-73.68%	3.22%	4.01%	2.30%	
Oct	-3.05%	-12.71%	-2.91%	-5.41%	-38.93%	-16.71%	8.86%	36.84%	-8.79%	-15.32%	27.23%	-42.67%	6.70%	0.81%	-4.40%	
Nov	-41.00%	-48.67%	-56.18%	26.17%	16.76%	-4.76%	7.75%	-20.46%	-1.23%	13.85%	13.33%	-3.97%	-2.14%	12.31%	-9.25%	
Dec	-10.48%	-10.35%	17.91%	15.85%	10.26%	108.15%	3.95%	-24.30%	3.90%	-16.60%	5.57%	-4.42%	6.19%	30.11%	3.91%	

Simple Annual Return*

	-53.62%	-82.85%	66.75%	4447.68%	335.02%	33.24%	245.23%	96.02%	247.75%	79.24%	39.96%	-97.76%	98.61%	-15.59%	-0.24%
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*RETURNS SHOULD NOT BE COMPOUNDED because distributions were periodically sent to investors when the General Partner decided market conditions warranted a distribution.

These simple returns are calculated by dividing a partner's gain or loss for the year by the beginning of year capital account value.



Commodity Fund

BP Capital Energy Fund II, LP-Began operations February 1, 2009

Unaudited Summary of monthly returns*

Net of Management Fees, Performance Fees and Expenses

	2009	2010	2011	2012
Jan	-	-18.68%	8.92%	-2.16%
Feb	1.16%	17.71%	9.32%	13.80%
Mar	7.52%	4.16%	6.42%	-0.49%
Apr	-0.79%	14.40%	10.59%	-2.02%
May	20.46%	-49.35%	-16.29%	
Jun	3.07%	1.58%	-7.69%	
Jul	0.01%	7.57%	5.61%	
Aug	-3.43%	-12.53%	-5.24%	
Sep	3.13%	4.03%	2.31%	
Oct	6.59%	0.85%	-4.41%	
Nov	-2.04%	12.31%	-9.15%	
Dec	-4.23%	30.04%	4.00%	

Simple Annual Return*

2009	2010	2011
33.46%	-15.41%	0.13%

*RETURNS SHOULD NOT BE COMPOUNDED because distributions were periodically sent to investors when the General Partner determined market conditions warranted a distribution.

These simple returns are calculated by dividing a partner's gain or loss for the year by the beginning of year capital account value.



Commodity Fund

Distribution History of Commodity Fund I:

Date	Distribution	NAV Before Distribution	Approx. distributiun %
Dec-00	\$187,406,309	\$221,331,943	85%
Apr-01	\$13,581,772	\$88,120,697	15%
Sep-01	\$9,922,605	\$196,507,902	5%
Oct-01	\$30,000,000	\$145,953,452	21%
Jan-02	\$33,053,537	\$129,124,925	26%
Jan-03	\$26,690,122	\$143,126,596	19%
Mar-03	\$116,436,473	\$510,264,668	23%
Jun-03	\$100,000,000	\$548,482,305	18%
Feb-04	\$154,557,582	\$341,624,210	45%
Aug-04	\$21,988,293	\$474,494,793	5%
Sep-04	\$52,188,759	\$594,026,204	9%
Jan-05	\$60,000,000	\$551,519,559	11%
Mar-05	\$60,000,000	\$981,709,270	6%
Apr-05	\$122,235,055	\$781,249,585	16%
Jun-05	\$100,000,000	\$1,019,228,118	10%
Sep-05	\$200,000,000	\$1,448,490,475	14%
Oct-05	\$200,000,000	\$1,141,117,373	18%
Dec-05	\$414,964,056	\$811,643,191	51%
Mar-06	\$150,000,000	\$725,315,253	21%
Jun-06	\$100,000,000	\$854,326,511	12%
Aug-06	\$100,000,000	\$754,268,512	13%
	<u>\$2,253,024,563</u>		

- Approximately \$2.2 billion of distributions from the Commodity Fund I since inception.
- Including distributions, \$1 million invested at inception (May 1997) had returned a value of \$46 million at 12/31/2010.
- As market conditions allow, Commodity Fund II intends to make distributions over time.



Commodity Fund

**BP Capital Energy Funds
Gain (Loss) and Distributions
As of February 28, 2011**

Year	<u>BP Capital Energy Fund, L.P.</u>		<u>BP Capital Energy Fund II, L.P.</u>	
	Gain (Loss)*	Distributions & Withdrawals	Gain (Loss)*	Distributions & Withdrawals
1997	\$ (20,049,898)	\$ -	\$ -	\$ -
1998	\$ (13,316,680)	\$ 928,653	\$ -	\$ -
1999	\$ 1,343,071	\$ 121,148	\$ -	\$ -
2000	\$ 252,258,974	\$ 222,415,913	\$ -	\$ -
2001	\$ 146,837,533	\$ 146,837,533	\$ -	\$ -
2002	\$ 56,322,611	\$ 56,322,611	\$ -	\$ -
2003	\$ 432,315,107	\$ 432,315,107	\$ -	\$ -
2004	\$ 340,668,068	\$ 341,335,304	\$ -	\$ -
2005	\$ 1,261,260,649	\$ 1,118,918,912	\$ -	\$ -
2006	\$ 418,229,312	\$ 435,149,414	\$ -	\$ -
2007	\$ 210,182,781	\$ 147,529,367	\$ -	\$ -
2008	\$ (584,576,288)	\$ 621,682	\$ -	\$ -
2009	\$ 16,156,596	\$ 3,270,254	\$ 22,097,277	\$ 3,723,319
2010	\$ (4,005,890)	\$ 44,195	\$ (16,089,932)	\$ 33,628
2011	\$ 50,581	\$ 1,008,674	\$ (2,572,726)	\$ 7,298,200
2011	\$ 2,211,980	\$ 242,077	\$ 11,041,600	\$ 2,179,100
	<u>\$ 2,515,888,507</u>	<u>\$ 2,906,060,844</u>	<u>\$ 14,476,219</u>	<u>\$ 13,234,247</u>

*Fund totals are before performance fees and after management fees and expenses



Commodity Fund

BP Capital Energy Fund, LP Schedule of Gain\Loss Actual Investor Results

Year	Beginning Balance	Net Distributions	Gain (Loss)	Ending Balance	Simple Return
May-97	\$10,000,000	\$0	(\$5,362,343)	\$4,637,657	-53.62%
1998	\$4,637,657	\$0	(\$3,842,474)	\$795,183	-82.85%
1999	\$795,183	\$0	\$530,797	\$1,325,980	66.75%
2000	\$1,325,980	(\$50,409,849)	\$58,975,334	\$9,891,465	4447.68%
2001	\$9,891,465	(\$9,865,487)	\$33,138,527	\$33,164,505	335.02%
2002	\$33,164,505	(\$6,853,340)	\$11,025,021	\$37,336,186	33.24%
2003	\$37,336,186	(\$62,530,030)	\$91,559,189	\$66,365,345	245.23%
2004	\$66,365,345	(\$42,924,955)	\$63,726,982	\$87,167,372	96.02%
2005	\$87,167,372	(\$226,562,835)	\$215,957,735	\$76,562,272	247.75%
2006	\$76,562,272	(\$62,782,361)	\$60,666,012	\$74,445,922	79.24%
2007	\$74,445,922	\$0	\$29,751,187	\$104,197,109	39.96%
2008	\$104,197,109	\$0	(\$101,868,104)	\$2,329,005	-97.76%
2009	\$2,329,005	\$0	\$2,296,701	\$4,625,706	98.61%
2010	\$4,625,706	\$0	(\$721,022)	\$3,904,684	-15.59%
2011	\$3,904,684	\$0	(\$9,356)	\$3,895,328	-0.24%
2012	\$3,895,328	\$0	\$413,020	\$4,308,348	10.60%
		<u>(\$461,928,858)</u>	<u>\$455,824,186</u>		

An investment of \$10 million has returned value of:

\$461,928,858 Net Distributions

\$4,308,348 Ending Value

\$466,237,206 Total Value



Commodity Fund

Example of typical steps in commodity analysis – Oil:

Step one

- Supply Analysis:
 - Non-Opec supply contribution
 - Major projects supply contribution
 - Decline curve estimates on base production
 - OPEC production levels and quotas
 - OPEC budget requirements
 - Supply disruptions
 - Product import estimates to the U.S.
 - Absolute storage levels and changes in storage levels
 - Field maintenance



Commodity Fund

Example of typical steps in commodity analysis – Oil: cont'd

Step two

- Demand Analysis:
 - Emerging market industrial demand
 - Emerging market consumer demand
 - World economy rate of expansion
 - Structural versus Cyclical demand factors
 - Competitive fuel pricing levels
 - Potential Demand destruction
 - Refinery outages
 - Political factors encouraging or discouraging demand
 - Structure of oil curve and storage economics



Commodity Fund

Example of typical steps in commodity analysis – Oil: cont'd

Step three

- Other factors influencing price:
 - Financial flows
 - Inflation or deflation fears
 - US dollar strength/weakness
 - Government intervention in financial markets
 - Technical trading analysis of entry and exit points
 - Seasonal trends in pricing



Commodity Fund

Example of typical steps in commodity analysis – Oil: cont'd

- As we weigh current market supply and demand over 6 to 12 months, we conclude whether we believe the market will be tightening or loosening.
- We then weigh previously described “other factors” in the market.
- Positions are established and monitored by the investment committee.





Equity Fund



Equity Fund

- Equity Fund I launched in August 2001 with \$85 million. Original strategy was an activist platform to invest in and then influence targets to create value. In hindsight, the Fund was undercapitalized to be successful. Early strategy was abandoned in Mid-2002.

- Equity Fund II invests long/short in energy futures, energy and energy-related equities. Approximately half the risk and returns have been generated by futures and half by equities.

- Futures positions will be similar to the Commodity Funds' positions, but with less leverage employed.

- The current investor breakdown is:

Equity Fund Investors

High Net Worth	60%
FOF, pensions, other	15%
Employees	<u>25%</u>
Total	100%



Equity Fund

Relationship between Equity Fund I and Equity Fund II:

- Equity Fund I had terms originally contemplated for a vehicle investing in illiquid and concentrated positions.
- The decision was made to launch Equity Fund II in February 2005, is a master feeder structure with more customary terms.
- Equity Fund I is closed to new investors, Equity Fund II is open.
- Equity Fund I and Equity Fund II are managed side by side to have like-returns and risk. There are small differences in performance due to different expenses and small variances of futures contract weighting.



Equity Fund

EQUITY INVESTMENTS:

- Equity investments are made in liquid stocks trading on major exchanges.
- Majority of equity investments will be in US and Canada.
- Sectors in the investment universe include:
 - E&P
 - Service and driller
 - Majors and integrated's
 - Pipelines and transportation
 - Alternative energy
 - Coal
 - Refining
 - Energy dependent industries
- Investments are based on both top down commodity views, and bottom up company analysis.

FUTURES INVESTMENTS:

- Trade in futures, swaps and options.
- Trade on NYMEX and over-the-counter. Same counterparties as the Commodity Fund.
- Primarily focused on US natural gas, WTI and Brent crude oil.
- Futures investments will be similar in nature to the Commodity Fund.



Equity Fund

- The Equity Funds can use the futures and equity portions of the portfolio in 2 ways, depending on opportunity in the market.
 - “Directional” or “Hedged”
- An example of exposures in a high conviction long scenario could be:
- In a hedged scenario, an example of exposures could be:
- The approximate maximum exposure limitations are:

Directional	<u>Gross</u>	<u>Net</u>
Equities	100%	55%
Futures	<u>100%</u>	<u>100%</u>
Total Portfolio	200%	155%

Hedged	<u>Gross</u>	<u>Net</u>
Equities	90%	40%
Futures	<u>60%</u>	<u>-40%</u>
Total Portfolio	150%	0%

Maximum	<u>Gross</u>	<u>Net</u>
Equities	200%	+/- 70%
Futures	<u>100%</u>	<u>+/- 100%</u>
Total Portfolio	300%	170%



Equity Fund

EQUITY FUND II TERMS:

- 1.75% management fee, 20% performance fee
- High-water mark
- Monthly contributions
- Quarterly withdrawal after 90-day notice (GP has discretion to waive notice period)
- 25% gate
- Unlike Commodity Fund, no intention of discretionary distributions



Equity Fund

Time-weighted return net of fees and expenses:

BP Capital Energy Equity Funds

Return on Investment ***

Net of Expenses, Management Fees and Performance Fees

Year	BP Capital Energy Equity Fund, LP*	BP Capital Energy Equity Fund II, LP**
2001	14.29%	
2002	-26.11%	
2003	119.56%	
2004	48.69%	
2005	88.64%	72.50%
2006	19.61%	19.06%
2007	24.36%	24.37%
2008	-63.54%	-62.01%
2009	16.86%	16.26%
2010	2.04%	0.70%
2011	-11.79%	-11.77%
Apr 2012	-9.13%	-9.83%

*Funds began operations in August 2001.

**Fund II began operations in February 2005.

***Returns shown are time-weighted.



Equity Fund

Monthly returns and notes for Fund II:

		Notes
Feb-05	12.48%	1
Mar-05	10.44%	
Apr-05	-5.93%	
May-05	5.47%	
Jun-05	15.70%	
Jul-05	6.91%	
Aug-05	14.88%	
Sep-05	5.80%	
Oct-05	-6.51%	2
Nov-05	-1.17%	
Dec-05	0.75%	
Jan-06	7.54%	3
Feb-06	4.31%	
Mar-06	2.11%	
Apr-06	6.58%	
May-06	1.02%	
Jun-06	2.57%	
Jul-06	-8.58%	4
Aug-06	4.57%	
Sep-06	-0.56%	
Oct-06	-1.03%	
Nov-06	3.14%	
Dec-06	-2.99%	
Jan-07	-2.86%	
Feb-07	2.28%	

Note 1: The Fund was long “dated” oil and “prompt” natural gas. The Fund was also long energy equities. Exposures were approx. 250% gross and 150% net for the first 8 months of 2005.

Note 2: The Fund had closed majority of futures positions, but energy equities declined sharply in October 2005.

Note 3: The Fund established a short natural gas position in December 2005 that drove performance for the first 6 months of 2006. Exposures were approx. 150% gross and -12% net.

Note 4: The Fund remained short natural gas as hurricane fears caused a short term spike in natural gas prices. Exposures were approx. 145% gross and -10% net.



Equity Fund

Monthly returns and notes for Fund II:

		Notes
Mar-07	3.35%	
Apr-07	2.00%	
May-07	1.38%	
Jun-07	0.20%	
Jul-07	2.28%	
Aug-07	1.40%	
Sep-07	2.65%	
Oct-07	4.98%	
Nov-07	3.12%	
Dec-07	1.44%	
Jan-08	-5.69%	5
Feb-08	-7.81%	
Mar-08	-9.08%	6
Apr-08	14.34%	
May-08	17.65%	
Jun-08	11.08%	
Jul-08	-32.84%	7
Aug-08	-8.79%	
Sep-08	-21.11%	
Oct-08	-31.96%	8
Nov-08	-0.20%	
Dec-08	-1.98%	
Jan-09	2.58%	9
Feb-09	0.00%	
Mar-09	0.98%	
Apr-09	4.01%	
May-09	7.63%	

Note 5: The Fund was short natural gas, and a cold winter considerably tightened the gas market fundamentals. Exposures were approx. 200% gross and -25% net.

Note 6: Lingering cold weather and higher oil prices caused the Fund to reverse its gas position and establish a long natural gas position. Long oil and gas drove performance for next 6 months.

Note 7: Natural gas and related equities declined severely and the Fund was long. The Fund closed all futures positions in September, 2008. Exposures were approx. 200% gross and 150% net.

Note 8: The Fund remained long energy equities believing the lower prices of futures were fully reflected. When the stock market declined in October, energy stocks were dramatically lower. The Fund exited all positions temporarily in October, 2008.

Note 9: Awaiting more clarity on economic conditions, the Fund has traded natural gas, oil and equities within trading ranges resulting in lower volatility of returns. Approx. exposures have been 75% gross and 10% net.



Equity Fund

Monthly returns and notes for Fund II:

	<u>Notes</u>		<u>Notes</u>
Jun-09	1.22%	May-11	-11.86%
Jul-09	-0.34%	Jun-11	-4.83%
Aug-09	-2.06%	Jul-11	6.34%
Sep-09	4.17%	Aug-11	-9.98%
Oct-09	-0.71%	Sep-11	-9.10%
Nov-09	-2.52%	Oct-11	4.15%
Dec-09	3.14%	Nov-11	-1.38%
Jan-10	-3.23%	Dec-11	-3.04%
Feb-10	5.28%	Jan-12	-3.52%
Mar-10	-2.11%	Feb-12	4.97%
Apr-10	2.28%	Mar-12	-7.97%
May-10	-21.68%	Apr-12	-3.26%
Jun-10	-3.33%		
Jul-10	8.35%		
Aug-10	-10.60%		
Sep-10	11.94%		
Oct-10	0.24%		
Nov-10	6.01%		
Dec-10	13.18%		
Jan-11	6.10%		
Feb-11	10.73%		
Mar-11	1.28%		
Apr-11	2.00%		

