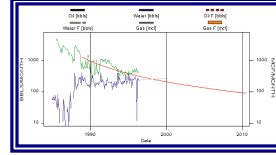


# NGPC



## NGP CAPITAL RESOURCES COMPANY

IPAA OGIS Private Capital Conference

*April 18, 2005*

### ***FORWARD-LOOKING STATEMENTS***

This presentation contains forward-looking statements. These forward-looking statements are subject to various risks and uncertainties, which could cause actual results and conditions to differ materially from those projected, including the uncertainties associated with the timing of transaction closings, changes in interest rates, availability of transactions, the future operating results of our portfolio companies, changes in regional, national, or international economic conditions and their impact on the industries in which we invest, or changes in the conditions of the industries in which we invest, and other factors enumerated in our filings with the Securities and Exchange Commission.

Words such as "anticipates," "believes," "expects," "intends", "will", "should," "may" and similar expressions may be used to identify forward-looking statements. Undue reliance should not be placed on such forward-looking statements as such statements speak only as of the date on which they are made. We do not undertake to update our forward-looking statements unless required by law.

Persons considering an investment in NGP Capital Resources Company should consider the investment objectives, risks, and charges and expenses of the company carefully before investing. Such information and other information about the company is available in our annual report on Form 10-K and in prospectuses we issue from time to time in connection with our offering of securities. Such materials are filed with the SEC and copies are available on the SEC's website, [www.sec.gov](http://www.sec.gov). Prospective investors should read such materials carefully before investing.

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## ***NGP CAPITAL RESOURCES COMPANY***

- NGP Capital Resources Company (Nasdaq: NGPC) is a newly organized financial services company. NGPC invests predominately in asset based loans and mezzanine securities of small and middle-market energy companies.
- Our primary focus is in the domestic oil and gas exploitation, development and production businesses; as well as investments in midstream businesses that gather, process, and transport oil and gas.
- Our current investment capacity is approximately \$450 million utilizing leverage with our equity base.
- Our public equity capital makes NGPC a permanent source of capital for the energy markets.

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## ***NGPC – OUR BUSINESS***

- NGPC is a flexible source of capital, providing customized financing solutions. We can invest at multiple levels of the balance sheet:
  - Senior Debt
  - Subordinated Debt
  - Mezzanine Capital
- These investments can range from \$5 million to \$100 + million.
- Our capital serves a broad range of purposes, including:
  - Acquisitions and Buyouts
  - Growth & Development
  - Monetizations
  - Structured Vehicles
  - Recapitalizations
  - Restructuring
  - Special Situations

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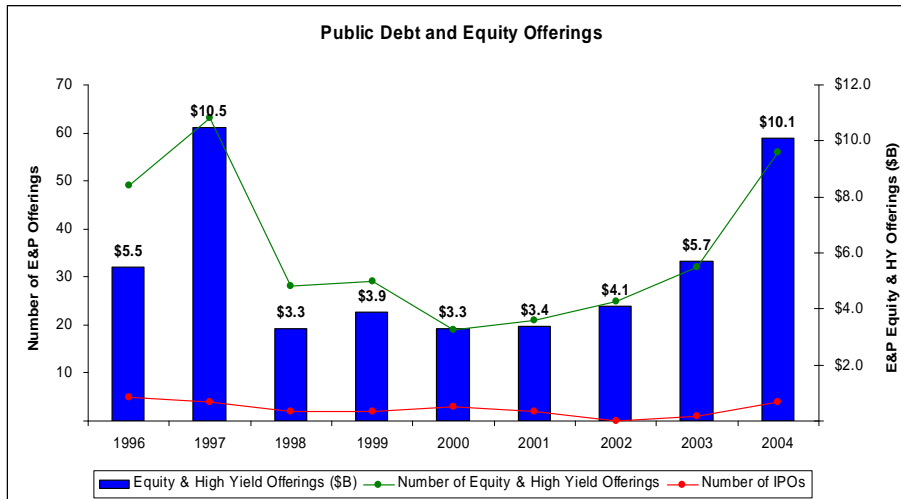
## ENERGY INDUSTRY FOCUS

- Domestic E&P Business continues to provide exciting investment opportunities:
  - Enormous volume of properties changing hands creates ongoing financing opportunities
  - Capital intensive development activities occur inside all companies
  - Volatile commodity markets
  - Volatile capital markets
  - Strategic importance of oil and gas

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## ENERGY INDUSTRY FOCUS

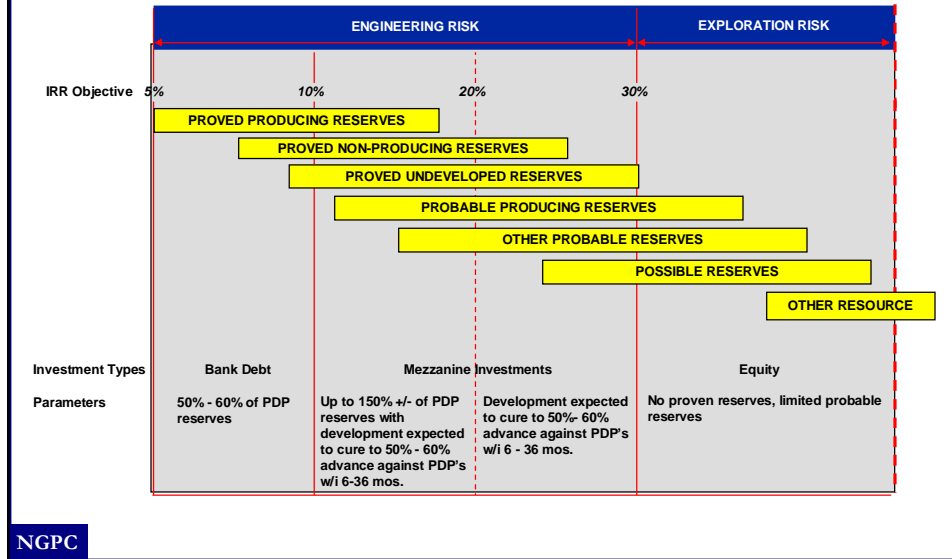
*Access to Public Debt and Equity Capital Markets is Limited*



Sources: CommScan Data and Raymond James

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## RISK - RETURN SPECTRUM

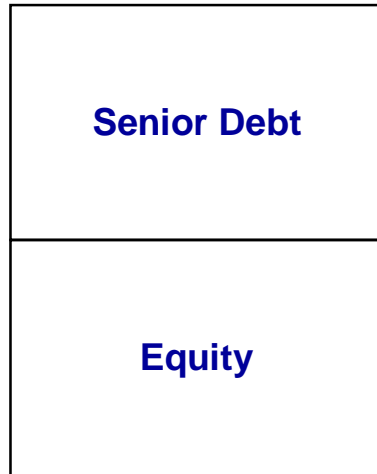


## NGPC – DEAL PARTICULARS

- Structure: Typically a Loan, often with Equity Kickers.
- Coupon: High single digit to low teens, depending on position in the risk spectrum.
- Equity Kickers: Property based and/or warrant based; sized along with coupon to achieve target return commensurate with risk of financing.
- Important Things to Start:
  - Clear description of engineering development opportunity.
  - Engineering Report (internally generated report is good to start, with a third party report completed prior to close).
  - Development Plan (projects, properties, timing, funds required, schedule, forecast of outcomes) – should tie to engineering report.
- A custom tailored facility for the assets and management team being financed.
- Timing: 30 to 60 days start to close.

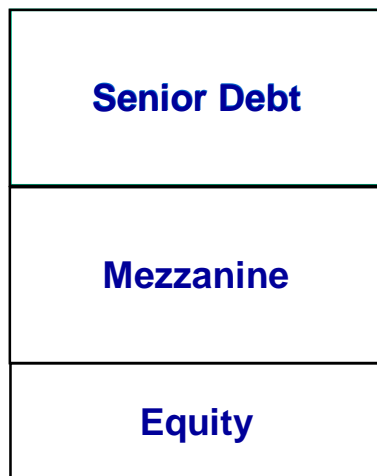
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***STRUCTURE***



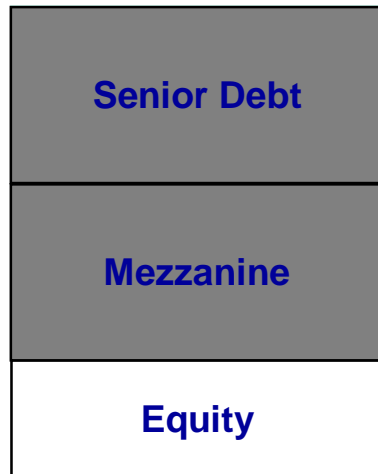
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***STRUCTURE***



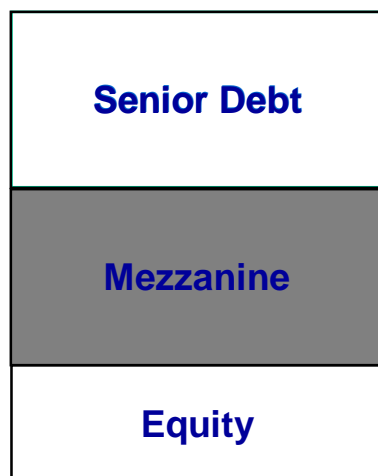
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***STRUCTURE***



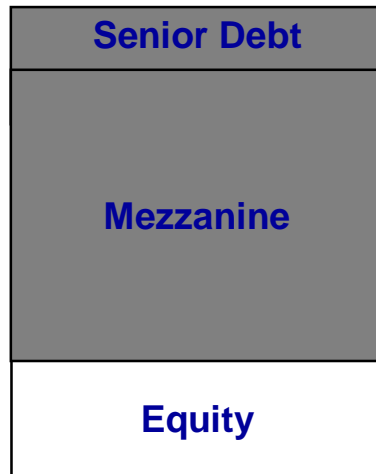
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***STRUCTURE***



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## ***STRUCTURE***



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## ***NGPC – INVESTMENT CRITERIA***

- Good management
  - Proven energy track record
  - Regional, asset and/or technical expertise
- Reserves development and engineering play -- not a pure exploration or price play.
- Acquisition and development projects for oil and gas production and other related investments, such as gas plants, pipelines and gas storage. Also, on a limited basis, coal, power, and alternative energy.
- Management controls the pace of development and operations.
- Target investment size in the range of \$5 million to \$50 million, although NGPC can underwrite and syndicate transactions of \$100 + million dollars.

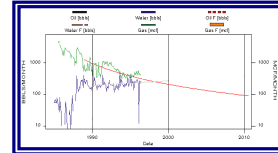
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## **NGPC – SUMMARY**

- NGPC is a permanent and flexible source of capital for multiple levels of a company's balance sheet.
- Our primary focus is to provide financing for domestic upstream and midstream businesses.
- Investments in the range of \$5 million to \$100 + million.
- Our financings enable companies to develop their assets, accelerate their growth, and position themselves for other capital markets activities.

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## **NGP CAPITAL RESOURCES COMPANY**

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