



# WHITE KNIGHT PRODUCTION LLC

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## Production and Reserve Increases in Prolific California Oil Fields

Lafayette, LA – June 28, 2016 – White Knight Production LLC (“WKP”), a private independent oil and gas company headquartered in Lafayette, LA, announced significant increases in daily oil production rates from producing oil fields within the San Joaquin Basin, California. The properties, which were acquired in June of 2015, are operated and managed by WKP, which is a partnership between Bayou City Energy, L.P., White Knight Resources, LLC and XL Ventures.

To date, production has averaged 625 BOPD in the 1st quarter of 2016, an increase of 40% over the 450 BOPD at the time of acquisition in mid-2015. The fields consist of multiple stacked reservoirs across ~15,000 acres.

The operated assets consist of three proximally situated fields in Fresno County, CA, within the San Joaquin Basin, which has supported major oil and gas extraction for more than a century. The assets cover approximately 11,500 acres, held by production (“HBP”), across the three fields. Since discovery in the 1940s, cumulative production exceeds 120 million barrels from over fifty known stacked pay zones within the fields. WKP plans to continue to grow the existing production and reserves through workovers, enhanced field operations and infill drilling program.

White Knight Production’s CEO, Jerry Wenzel, noted that “since taking over the operations in June, the Company’s reserve replacement equaled 140% of production through our workover program and improvements to existing wells, all without drilling a new well. This was enabled by optimizing producing wells with enhanced beam-lift performance, pump designs and application of improved completion technology.” He also noted that, “we completed our first year-end borrowing base redetermination, with no adverse impacts and concurrently issued our first year-end reserve report and financial audit. Additionally, we continue to increase reserves, production and earnings in 2016 despite not drilling a new well by applying rigor and best practices to this prolific asset base.” Will McMullen, Bayou City Energy’s Managing Partner, added, “we are thrilled with the execution and performance by the White Knight team and believe the company is poised for significant growth in 2016 and beyond.”

WKP believes that attention to the bottom line and leading performance indicators is critical for delivering Best-in-Class performance. We have developed Performance Scorecards and KPIs to help focus our staff and align efforts to optimize our business delivery and insure our success. We continue to build the High Performing Team necessary to achieve our business objectives. Toward this end, we have developed a culture consistent with our Core Values, to attract and retain quality employees.

#### About White Knight Production, LLC

White Knight Production, LLC is a private, independent oil and gas company with an operational strategy to extend field development through drilling, workovers and enhanced field operating efficiency. White Knight's strategic focus is primarily onshore conventional oil. White Knight is committed to safe operations, utilizing the most efficient and effective operational processes, while meeting and exceeding government regulatory requirements. White Knight will continue to make quality acquisitions and further develop producing properties in California, Louisiana and Texas.

For additional information, please visit [www.whiteknightresources.com](http://www.whiteknightresources.com) or contact Dave Knox, White Knight's CFO at [knoxdr@whiteknightresource.com](mailto:knoxdr@whiteknightresource.com) or (713) 870-5622.

#### About Bayou City Energy, L.P.

Bayou City Energy is a private equity firm focused on making investments in the North American upstream oil & gas sector, targeting deal sizes of \$5 to \$50 million. Bayou City targets privately negotiated investments through two complementary strategies: Providing buyout and growth equity capital for small operators with current production, and partnering with leading operators to provide dedicated drilling capital in off-balance sheet structures. The BCE team, combined with the Firm's highly qualified Advisory Board and strategic relationship with Intervale Capital, provide small to mid-sized operators access to expertise, capital and quality services typically available only to much larger enterprises.

For more information about Bayou City Energy, please visit [www.bayoucityenergy.com](http://www.bayoucityenergy.com) or contact Kristin MacKelvey, the Firm's CFO, at [kristin@bayoucityenergy.com](mailto:kristin@bayoucityenergy.com) or (713) 400-8213.