



**MARLIN MIDSTREAM AND  
AZURE MIDSTREAM  
INVESTOR PRESENTATION**  
JANUARY 15, 2015



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## Marlin Midstream Partners, LP's General Partner Acquired by Azure Midstream Energy, LLC

### Proposed Transactions

- Marlin Midstream Partners, LP (Nasdaq: FISH, "Marlin" or the "Partnership") today announced Azure Midstream Energy, LLC's ("Azure") Legacy gathering system (the "Legacy system") will be acquired by Marlin for \$162.5 million
- Additionally, Marlin, its sponsor, NuDevco Midstream Development, LLC ("NuDevco") and Azure have entered into definitive agreements that will result in Azure owning 100% of the general partner of Marlin and 90% ownership of the total outstanding incentive distribution rights ("IDRs") in Marlin
- The proposed transactions will result in a Partnership with a total enterprise value of over \$500 million
- To create alignment of interests and incentivize unit holder value creation, NuDevco will also grant Azure an option to acquire up to 20% of each of the 1.9 million common units and 8.7 million subordinated units currently held by NuDevco

### Partnership Accretion and Significant Growth Potential

- The Partnership's acquisition of the Legacy system is expected to be accretive to 2015 distributable cash flow per unit, and synergies between the businesses along with additional future growth are expected to enable Marlin to increase its distribution per unit starting Q1 2015
- Azure's remaining midstream assets including the Center gathering system and the Holly gathering system are expected to be dropped down into the Partnership over time targeting double digit distribution growth
  - Azure acquired the Legacy, Center and Holly systems for total consideration of \$1.05 billion in November 2013

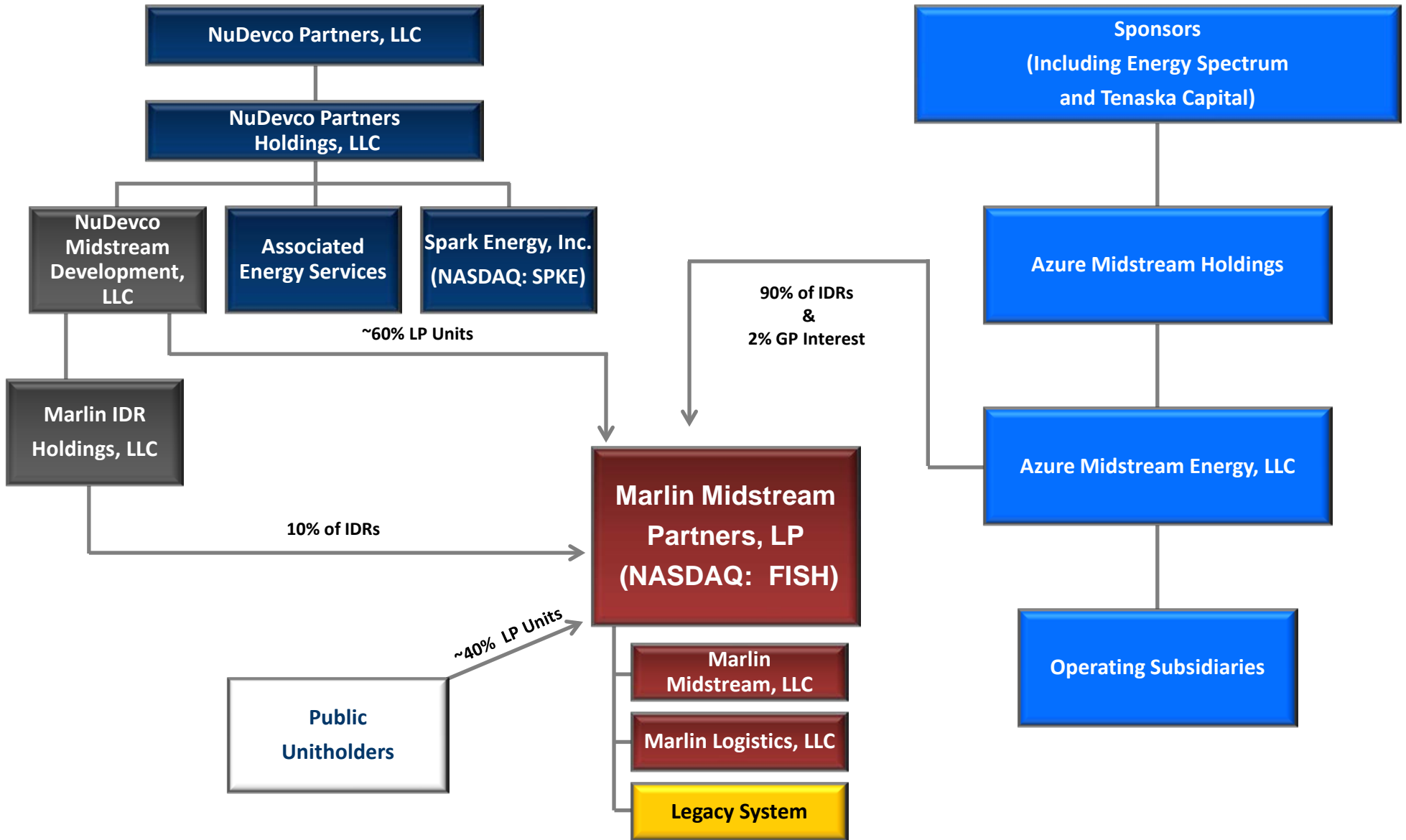
### Management

- The combined Partnership will be led by Azure's current executive management team, including I.J. "Chip" Berthelot, Azure's Chief Executive Officer, President and Director, Eric T. Kalamaras, Azure's Chief Financial Officer, and other long term industry veterans in commercial and operational roles
- Marlin's Chairman and Chief Executive Officer W. Keith Maxwell III will step down from day-to-day management at Marlin; however, Mr. Maxwell will retain 100% of his existing equity stake in the combined Partnership. Additionally, he will continue to serve as a Director of the combined Partnership

### Financing

- Marlin is amending and increasing its senior secured revolving credit facility to \$225 million and the cash portion of the Legacy system acquisition is expected to be fully funded under Marlin's amended credit facility

# PRO FORMA ORGANIZATIONAL STRUCTURE

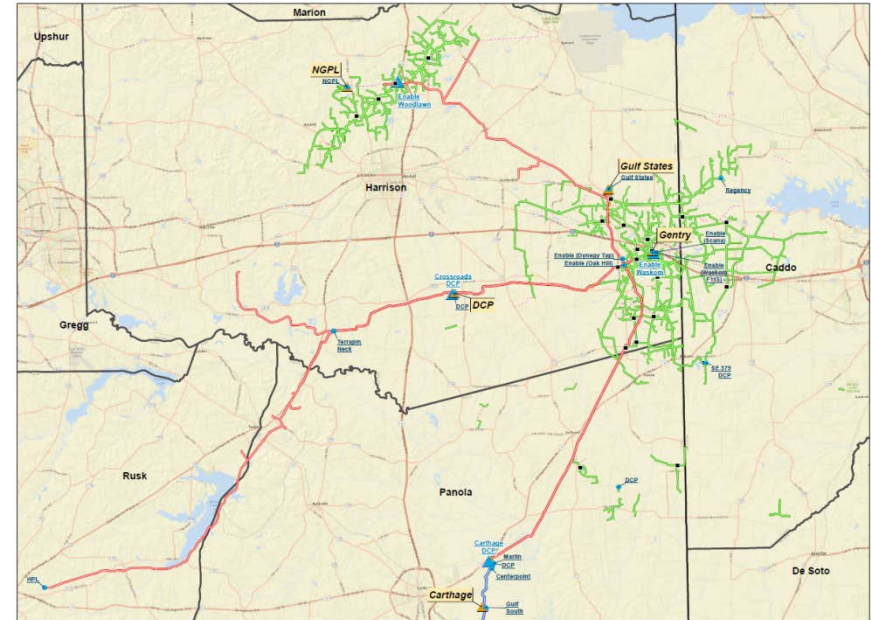




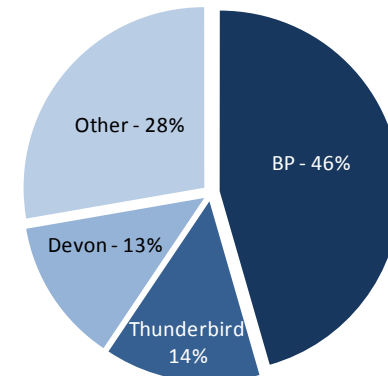
## Asset Overview

- Located in Harrison, Panola and Rusk counties in Texas and Caddo parish in Louisiana and serves the Cotton Valley formation, the Haynesville Shale formation and the shallower producing sands in the Travis Peak formation
- 658 miles of high- and low-pressure gathering lines and serves ~100,000 dedicated acres
- Eight compressors providing 10,010 horsepower of compression
- Access to seven major downstream markets via 750 MMcf/d interconnect capacity (~3.5x current throughput) provides best-in-class producer marketing flexibility
- Has access to Marlin’s processing and three other third-party processing plants, including the Carthage Hub
- 177 MMcf/d current throughput

## Legacy System Footprint



## Customer Overview<sup>(1)</sup>



(1) – Percent of total long-term contract Legacy system throughput estimated as of September 2014

# EXPECTED DROP DOWNS HIGHLIGHT GROWTH OPPORTUNITY

## Holly System Overview

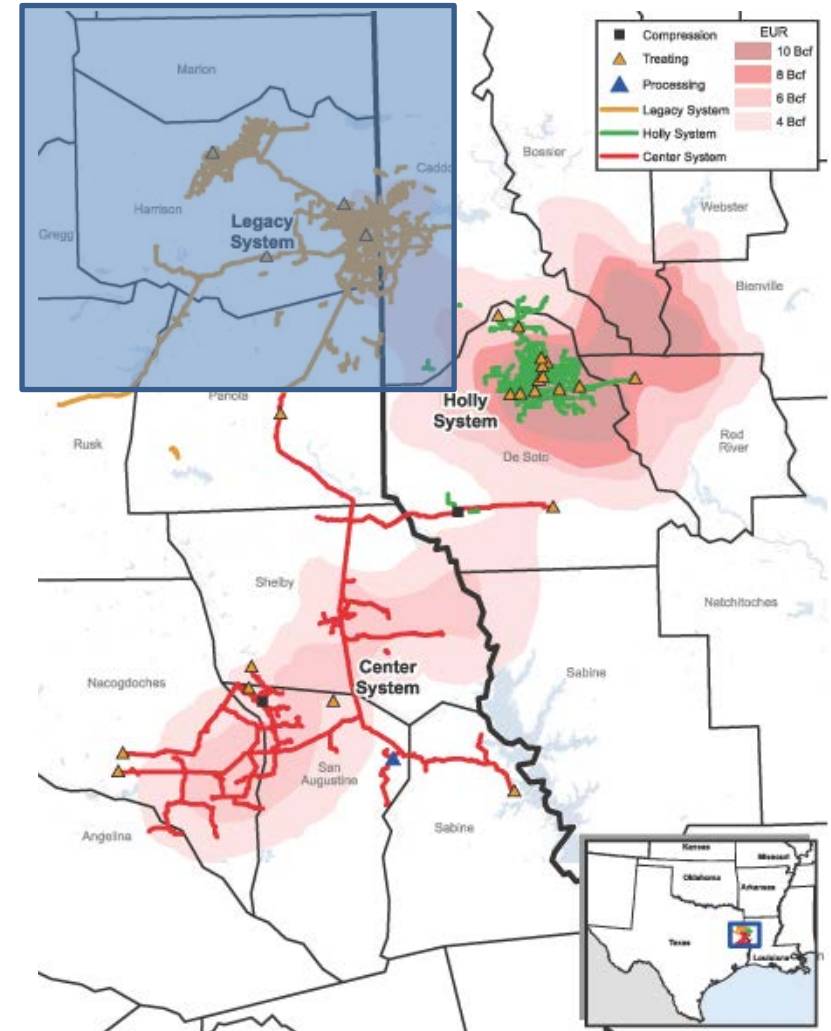
- 335 miles of high- and low-pressure pipeline serving ~69,000 dedicated gross acres with throughput of ~625 MMcf/d
- Includes four amine treating plants with combined capacity of 920 MMcf/d, two 1,340 horsepower compressors and connects to eight downstream access points

## Center System Overview

- 372 miles of high-pressure pipeline serving ~370,000 dedicated gross acres
- Includes six amine treating plants with combined capacity of 952 MMcf/d, two 1,340 horsepower compressors and access to five major interconnect access points
- Supported by long term fee-based gas gathering contracts

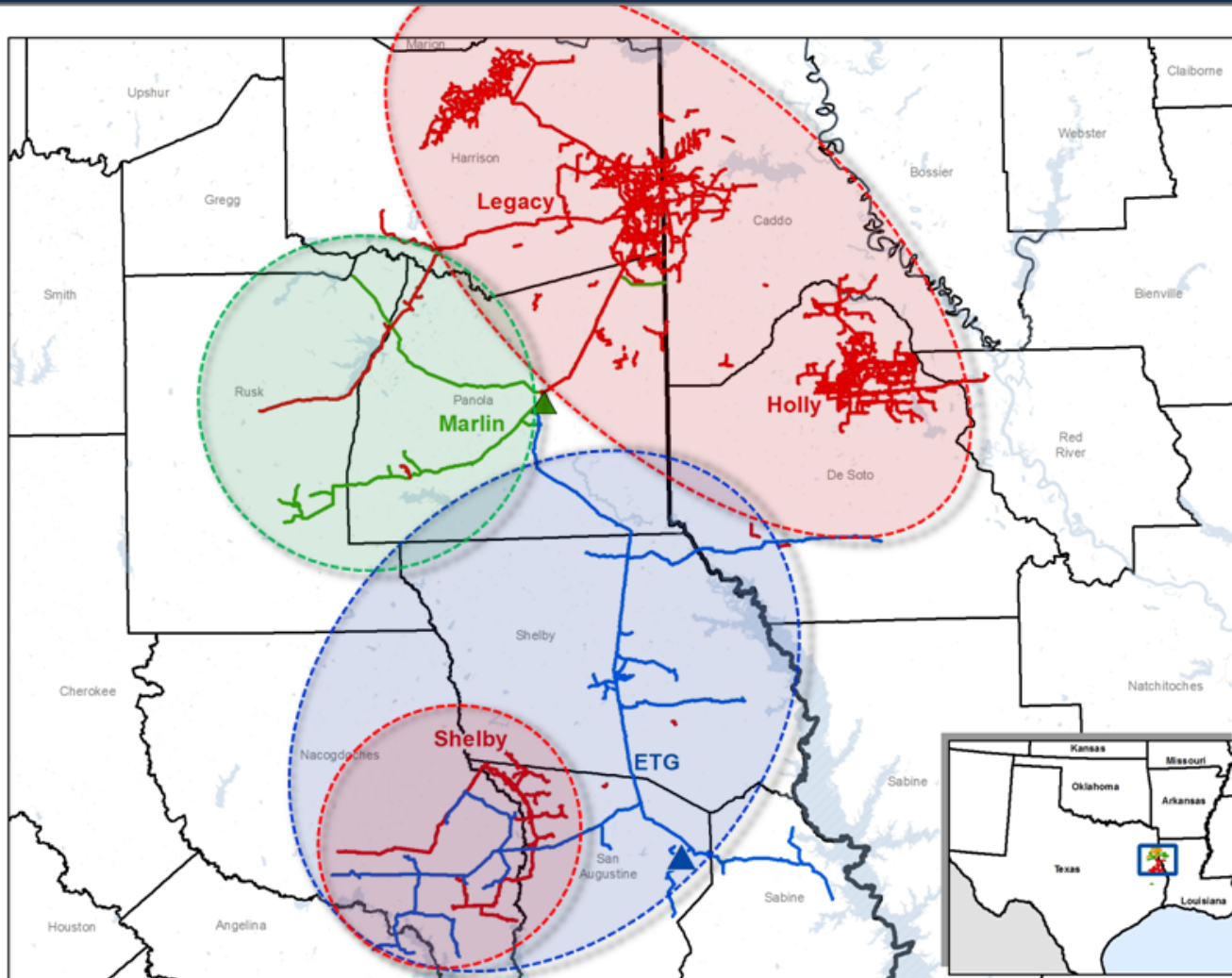
Note: Shading represents Legacy gathering system which is being acquired by the Partnership

## Azure Gathering Systems Footprint



# COMBINED OPERATING FOOTPRINT

The Azure / Marlin Combination Creates a Leading Integrated Midstream Platform Serving the Haynesville Shale and Horizontal Cotton Valley Plays in East Texas and Northern Louisiana





**W. Keith Maxwell III**  
*Marlin – Chairman & CEO*

- >25 years of experience in the oil & gas industry
- Founder and CEO of Spark Energy, a multi-state, certified retail electricity and natural gas supplier
- Founding partner at Wickford Energy, an oil & gas producer service company that was sold to Black Hills Utility
- Former Partner at Polaris Pipeline, a natural gas producer services and midstream company that was sold to TECO Pipeline

**I.J. (“Chip”) Berthelot**  
*Azure – CEO, President & Director*

- President of Azure Midstream since July 2012
- Founded Laser Midstream Company (Laser II) which developed a 1.4 Bcf/d gas gathering system in Northeast Pennsylvania and Southern New York
- Founded Laser Midstream Company (Laser I) which focused on natural gas gathering and processing in Texas and Louisiana and sold to Eagle Rock Energy Partners, LP in 2007
- President of privately owned midstream company (2002 – 2004)
- Served as Chief Operating Officer, Executive Vice President, and a member of the Board of Directors at Midcoast Energy Resources, Inc., the predecessor gathering and processing business of Enbridge Energy Partners, LP

**Eric Kalamaras**  
*Azure – Chief Financial Officer*

- Chief Financial Officer of Azure Midstream since January 2014
- Senior Vice President and CFO of Valerus Energy Holdings, LP, a multi-billion dollar oil field service company
- Executive Vice President and CFO of Delphi Midstream Partners, LLC (Principle asset – Laser Northeast Gathering Company – was sold to Williams Partners, LP for \$750 million in 2011)
- Executive Vice President and CFO of Atlas Pipeline Partners, LP (NYSE: APL) from 2009 – 2011
- Previous investment banker with Wells Fargo and Bank of America with extensive transactional and capital raising background including placement of over \$30 billion of debt and equity, primarily focused on Master Limited Partnerships



## David Garrett

*Azure - Vice President of  
Business Development*

- Vice President of Business Development for Azure Midstream since July 2012
- Senior Vice President for DCP Midstream Partners, L.P. (NYSE: DCP)
- 21 years with DCP Midstream as Director of Gas Supply and Commercial Vice President
- Previous roles at Texas Oil and Gas, Acadian Gas Pipeline and McRae Oil and Gas

## Victor Davis

*Azure - Vice President of  
Operations*

- Vice President of Operations for Azure Midstream since November 2013
- Over 17 years of experience in the oil and gas industry with a primary focus on midstream operations
- Extensive experience in project management and asset optimization
- Previously Director of Operations, Operations Manager for TGG Pipeline and Talco Midstream Assets

## Dennie Dixon

*Azure - Vice President of  
Engineering*

- Vice President of Engineering for Azure Midstream since July 2012
- SVP Operations & Engineering of Regency Energy Partners, L.P. (NYSE: RGP) with experience managing and constructing the Partnership's Haynesville intrastate expansion project
- Served as Vice President of Pipeline Operations for Lewis Energy Group
- 33 years with the Tenneco and El Paso Corporations holding various leadership positions related to the development of natural gas and NGL midstream infrastructure

## Current Marlin Midstream Partners, LP Executives

## Amanda Bush, CPA

*Marlin - Chief Financial  
Officer*

- >10 years of finance and accounting experience in the oil & gas industry
- Previously served as CFO of Spark Energy
- Former public accountant at PricewaterhouseCoopers, LLC
- Certified Public Accountant licensed in the State of Texas

## Jeremy Ham

*Marlin - VP Business  
Development*

- >10 years of commercial, corporate development and financial experience
- VP Business NuDevco Development Partners
- Commercial Representative at Enterprise Products Partners
- VP of Hoover Energy Partners, an Energy Spectrum midstream portfolio company

## Strong Sponsor / Aligned Interests

- **Azure Sponsorship:** Through 100% ownership of the Partnership's GP and 90% of the IDRs, Azure is financially incentivized and committed to supporting the Partnership's growth. Additionally, Azure's sponsor, Energy Spectrum and Tenaska Capital Management bring the support of incremental financial and industry resources
- **NuDevco Sponsorship:** Keith W. Maxwell III and NuDevco are incentivized to support the Partnership's growth through retained significant equity stake in the Partnership and 10% ownership of the IDRs
- **Strong Senior Leadership:** Experienced senior leadership team with track record of executing growth strategies

## Increased Size, Scale and Diversity

- **Complementary Assets:** Haynesville and Cotton Valley focused Legacy gas gathering system complements the Partnership's existing gas gathering and processing asset base
- **Financial Scale:** Combined Partnership is expected to have a total enterprise value of over \$500 million and generate 2015 EBITDA of ~\$47 - 53 million<sup>(1)</sup>
- **Financial Benefits:** Expected improved cost of capital and greater access to capital better positions the Partnership to execute on sizable and accretive organic development and acquisition opportunities

## Greater Cash Flow Stability and Visibility

- **Customer Base Diversification:** The Legacy system brings additional blue-chip customers including BP and Devon Energy to the Partnership's midstream natural gas segment
- **Limited Commodity Price and Volumetric Risk:** 86% of the combined Partnership's 2015 margin is contracted under fixed-fee agreements and 45% of which is contracted under firm, minimum volume commitment agreements with no volumetric or commodity price risk

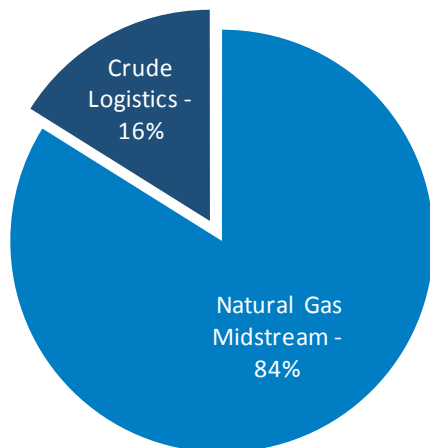
## Double Digit Distribution Growth Potential

- **Potential Dropdowns from Sponsor:** Azure's remaining midstream assets expected to be dropped down into the Partnership over time
- **Organic Growth:** Experienced management team with established track record of organic growth project development and execution
- **Third Party Acquisitions:** Experienced management team with vast experience structuring and executing material and complex acquisitions, restructurings, financings and major development midstream infrastructure

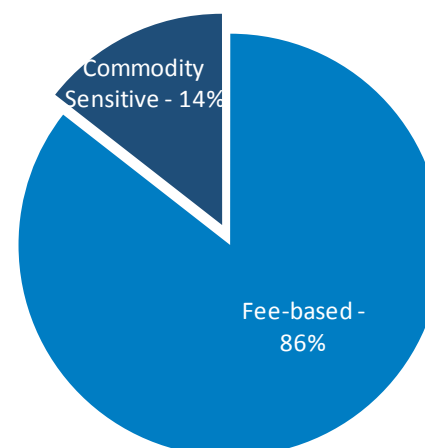
## Significant Revenue and Cost Synergies

- **Significant Financial Impact:** The complementary nature of Azure and Marlin's business operations and asset footprint positions the Partnership to realize revenue and cost synergies of ~\$6 - \$13 million on an annual run-rate basis over the next 12 - 24 months

## FY 2015 Gross Margin by Segment



## FY 2015 Gross Margin by Contract Type



## FY 2015 Financial Forecast

Adjusted EBITDA (\$MM)	\$47 - \$53
Distributable Cash Flow (\$MM)	\$37 - \$44
Annualized Distribution Per Unit (\$/Unit)	\$1.65 - \$1.80

Note: Represents Marlin Midstream Partners, LP pro forma for the Legacy system drop down acquisition