



MD America Energy, LLC Announces Agreement to Acquire Oil and Gas Assets

On December 1, 2014, MD America Energy, LLC (“MDAE”) entered into two separate Asset Purchase and Sale Agreements (the “Agreements”) with Manti Equity Partners LP and WM Operating LLC (“Sellers”) to acquire oil and gas assets jointly owned by the sellers (the “Transaction”). These oil and gas assets are located in Brazos and Madison Counties, Texas and adjoins portions of MDAE’s current acreage position. These oil and gas assets consist of 12,202 gross acres and 12,095 net acres. The current net production is approximately 2,650 BOEPD, 90% of which are liquid hydrocarbons. This acreage is in the development phase.

Pursuant to the Agreements, the aggregate consideration to be paid by MDAE is \$141,000,000 in cash, and is subject to customary adjustments. The Agreements provide that \$14,100,000 of the cash purchase consideration will be funded into an escrow account to satisfy Sellers’ post-closing indemnification obligations under the Agreements.

The Agreements contains customary representations, warranties, covenants, closing conditions and indemnification provisions. The Agreements also include procedures pursuant to which MDAE can identify title defects and environmental conditions which, subject to certain monetary thresholds, may reduce the cash purchase consideration.

In addition to a mutual termination right, the Agreements may be terminated under specified circumstances, including (i) by MDAE or the Sellers if an order is issued that prohibits the Transaction, (ii) by Purchaser or Seller if the closing has not occurred by January 30, 2015, and (iii) by the Sellers due to breaches by MDAE or by MDAE due to breaches by the Sellers.

MDAE has deposited cash of \$9,870,000 to serve as a performance deposit. The Sellers are entitled to payment of all or a portion of the performance deposit if the Agreements are terminated under certain circumstances.

The Transaction is subject to customary closing conditions. Subject to satisfaction of these conditions, MDAE expects the Transaction to be completed in January 2015.

The foregoing statement is not intended to be a complete description of all terms.

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When words such as “will,” “expect” or similar expressions are used in statements, those statements are forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Expected results may not be achieved, and actual results may differ materially from expectations.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. MDAE and the Sellers undertake no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.