



EAGLE ROCK ENERGY

Eagle Rock Energy Partners, L.P.

NASDAQ: EROC

AG Edwards' Yield Conference

May 15, 2007

Forward Looking Statements

The statements made by representatives of Eagle Rock during the course of this presentation that are not historical facts are forward-looking statements. Although Eagle Rock believes that the assumptions underlying these statements are reasonable, readers are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect Eagle Rock's business prospects and performance, causing actual results to differ from those discussed during this presentation. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in the prospectus.

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Senior Management Representatives



Joseph A. Mills
Chairman & Chief Executive Officer

Richard W. FitzGerald
Senior Vice President & Chief Financial Officer

- **Acquired Laser Midstream Energy, L.P.**
 - Well-positioned natural gas gathering and processing systems located in East Texas, South Texas and North Louisiana
 - Expected to generate approximately \$15.5 to \$17.5 million of EBITDA in 2007E
 - Purchase price multiple range of 8.8x to 7.8x

- **Acquired certain oil and gas interests held by Montierra Minerals & Production, L.P., a Natural Gas Partners VII, L.P. portfolio company, and by NGP Co-Investment Funds**
 - Diversified asset portfolio of mineral and royalty interests located in 13 basins in 17 states
 - Expected to generate approximately \$14 to \$16.5 million of EBITDA in 2007E
 - Purchase price multiple range of 9.0x to 7.6x

- **Joe Mills became Eagle Rock's new Chairman and CEO**
 - Integration of EROC and E&P management teams
 - Montierra team has over 120 years of combined operations, M&A and management experience in E&P sector

- **Closed \$127.5 million Private Placement of Common Units**

- **Upsized existing Revolving Credit Facility by \$100 million**
 - Flexibility to pursue organic and acquisition-related growth initiatives

	<u>2007 Proforma</u>
EBITDA	\$115.0
Leverage Ratio	3.7x
Financing Availability	\$150.0

Eagle Rock Asset Base



EROC Assets

G&P:

4,975 miles of pipeline
62,890 compression hp
375 MMcfd throughput (1)

E&P:

420,000 net mineral acres
Royalties in over 2,500 wells

12/31/07 Proved Reserves:

4.6 Bcf
2.5 MMBO

Panhandle

3,505 miles of pipeline
37,145 compression hp
134 MMcfd throughput

East Texas / LA

1,310 miles of pipeline
17,645 compression hp
146 MMcfd throughput (1)

South Texas

160 miles of pipeline
8,100 compression hp
95 MMcfd throughput

(1) Including only EROC's 25% interest in Indian Springs plant

Eagle Rock Hybrid Business Model



- **Gathering and Processing - 87% of EROC's business after transaction**

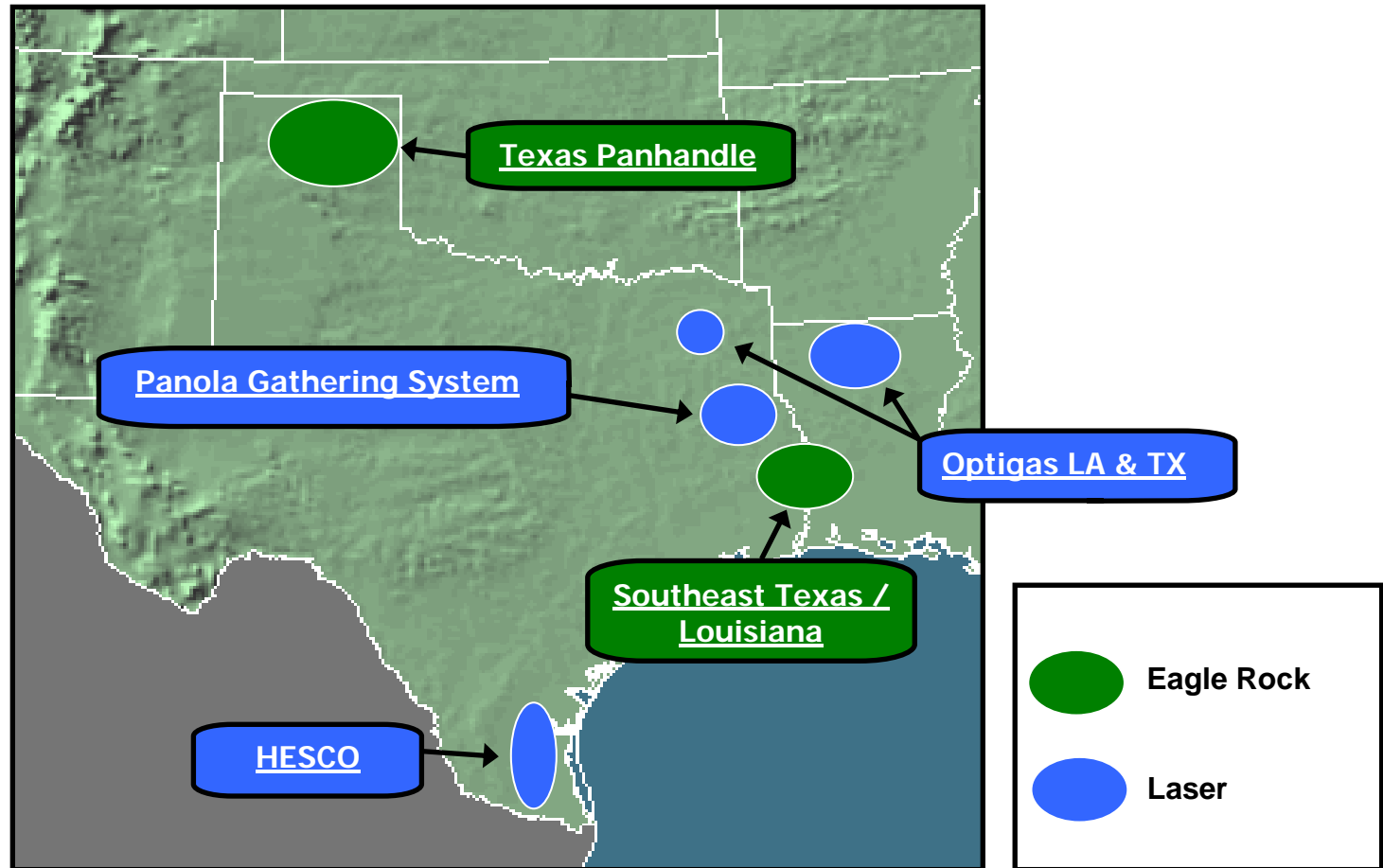
- **Oil and Gas Production – mineral ownership and royalties today with growth in operated and non-operated working interests**

- **Complementary segments**
 - Pursue acquisitions with both E&P and midstream components
 - Leverage E&P/royalty opportunities and relationships into midstream opportunities
 - Diversification of assets and revenue opportunities

Eagle Rock

Map of Midstream Operations

- The Laser acquisition enhances Eagle Rock's geographic footprint in Texas and Louisiana.



Laser

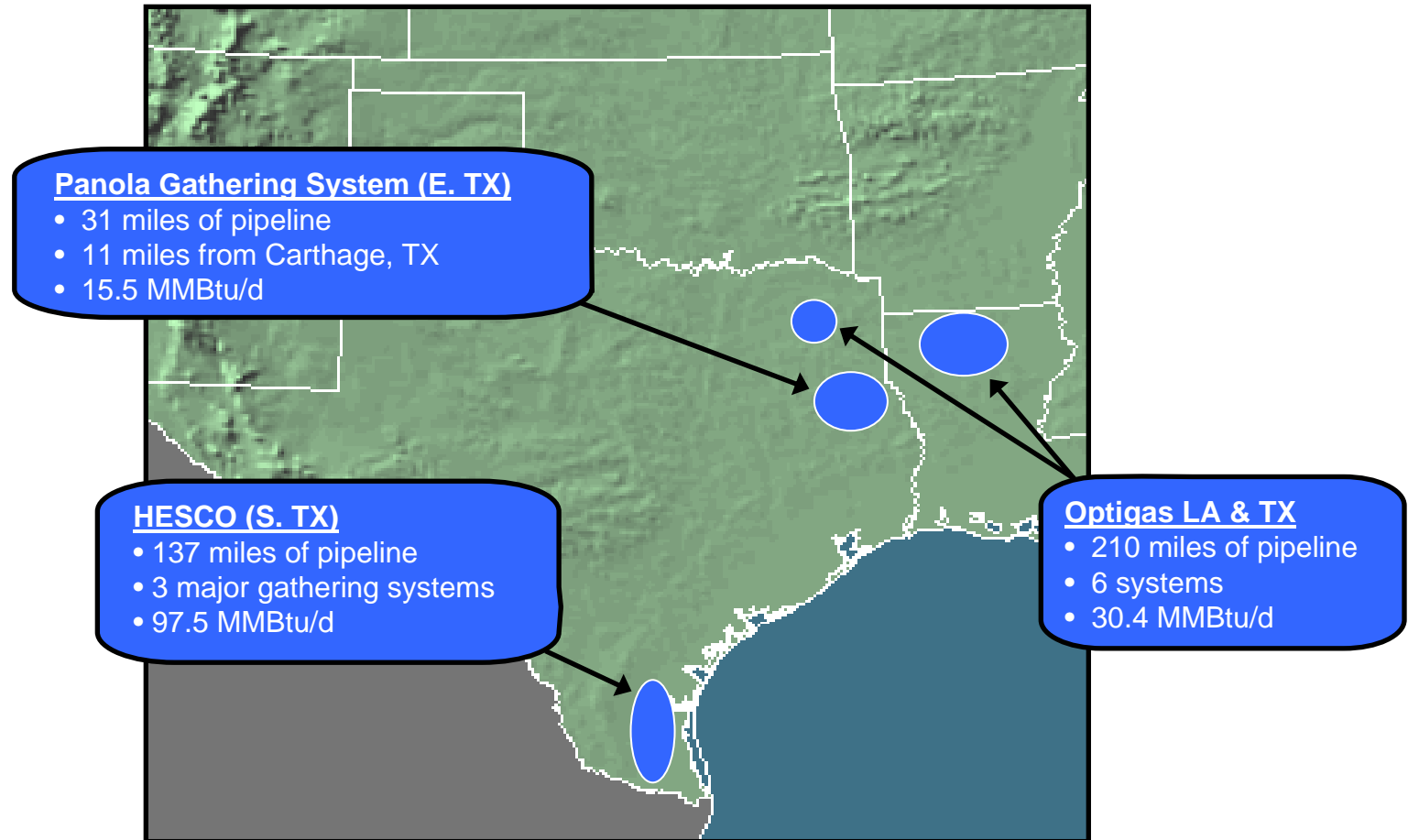
Transaction Rationale

- **Attractive opportunity to expand Eagle Rock's midstream business into additional high-quality basins in East Texas, South Texas and North Louisiana.**
 - Eagle Rock Management has significant prior experience in these areas
 - **Meaningful EBITDA contribution with growth from volume additions as well as organic projects.**
 - Adds approximately \$15.5 to \$17.5 million to 2007E run-rate EBITDA
 - **High component (~50%) of stable Fee-Based cash flow under gas purchase contracts with both Gas Margin and Liquids Recovery uplifts to gross margin.**
 - **Significant drilling activity around Laser assets from active producers**
 - **Visible organic projects and bolt-on acquisition opportunities around Laser's assets.**
 - **Experienced asset operations and commercial management teams to join Eagle Rock staff.**
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Laser

Map of Operations

- Laser's assets are strategically located in attractive basins with active producers.



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Midstream Organic Growth



■ Recently completed organic projects

- **Tyler County Pipeline Extension - Tyler County, TX**
 - 16 miles extending Tyler County Pipeline into Brookeland processing facility
 - Run-rate EBITDA contribution of \$5.5 million per year
 - Currently flowing 46 MMcfd
- **Red Deer Processing Facility – Roberts County, TX**
 - To be completed in the next two to four weeks
 - Refurbished and restarted 20 MMcfd processing plant in East Panhandle of Texas
 - Run-rate EBITDA contribution of \$7.6 million per year

■ Next wave of organic projects

- Sagg Project, Jasper County, TX
 - Expanding processing capacity in Panhandle
 - Number of organic growth opportunities around Laser's assets
 - Optimization and rationalization projects
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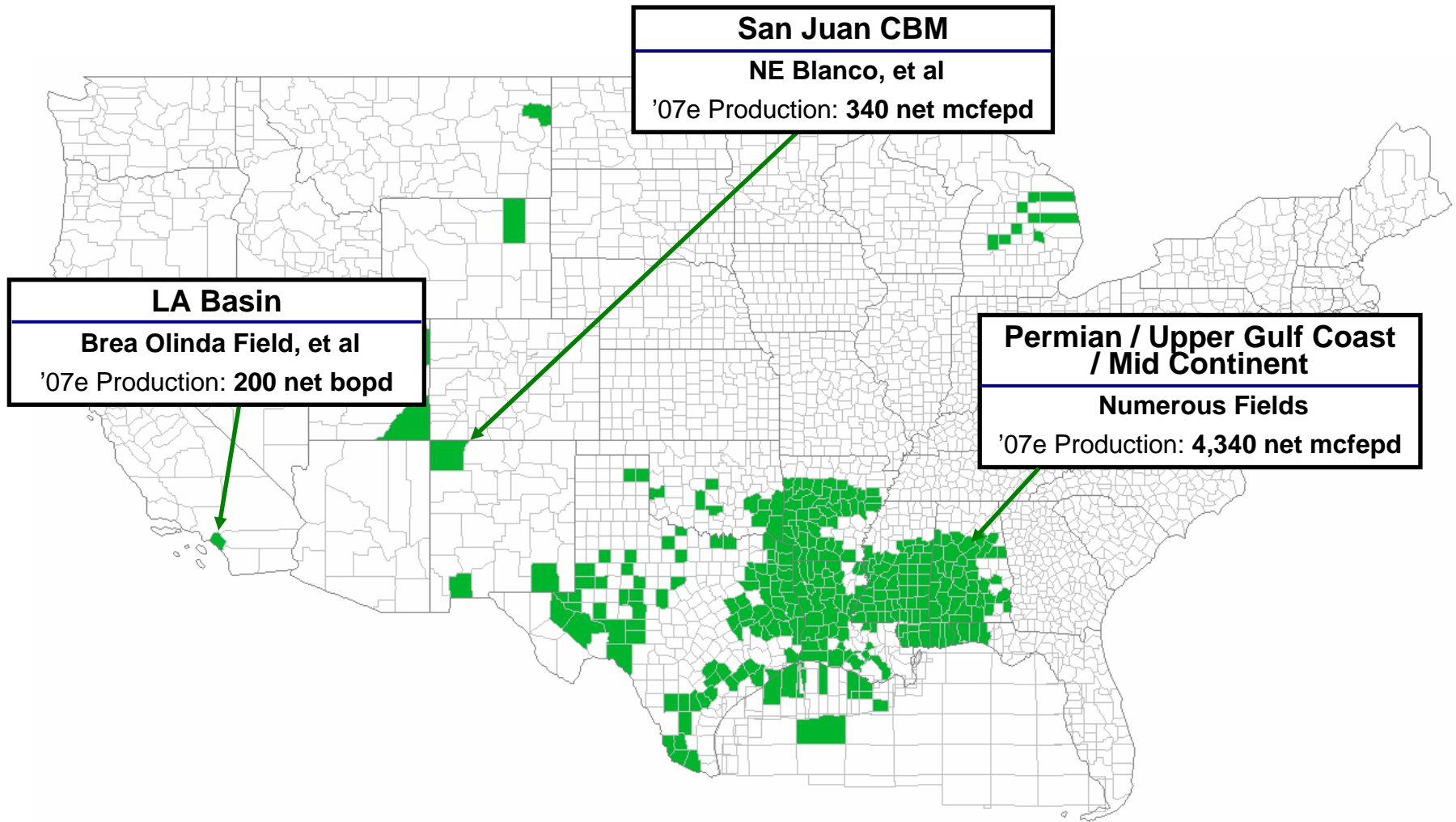
Midstream Growth Opportunities



- **Acquisition-led growth**

- Mid-sized midstream acquisition opportunities, similar to Laser
- Significant number of bolt-on acquisitions opportunities around existing systems
- G&P / E&P combined assets

Eagle Rock Mineral and E&P Operations



Montierra

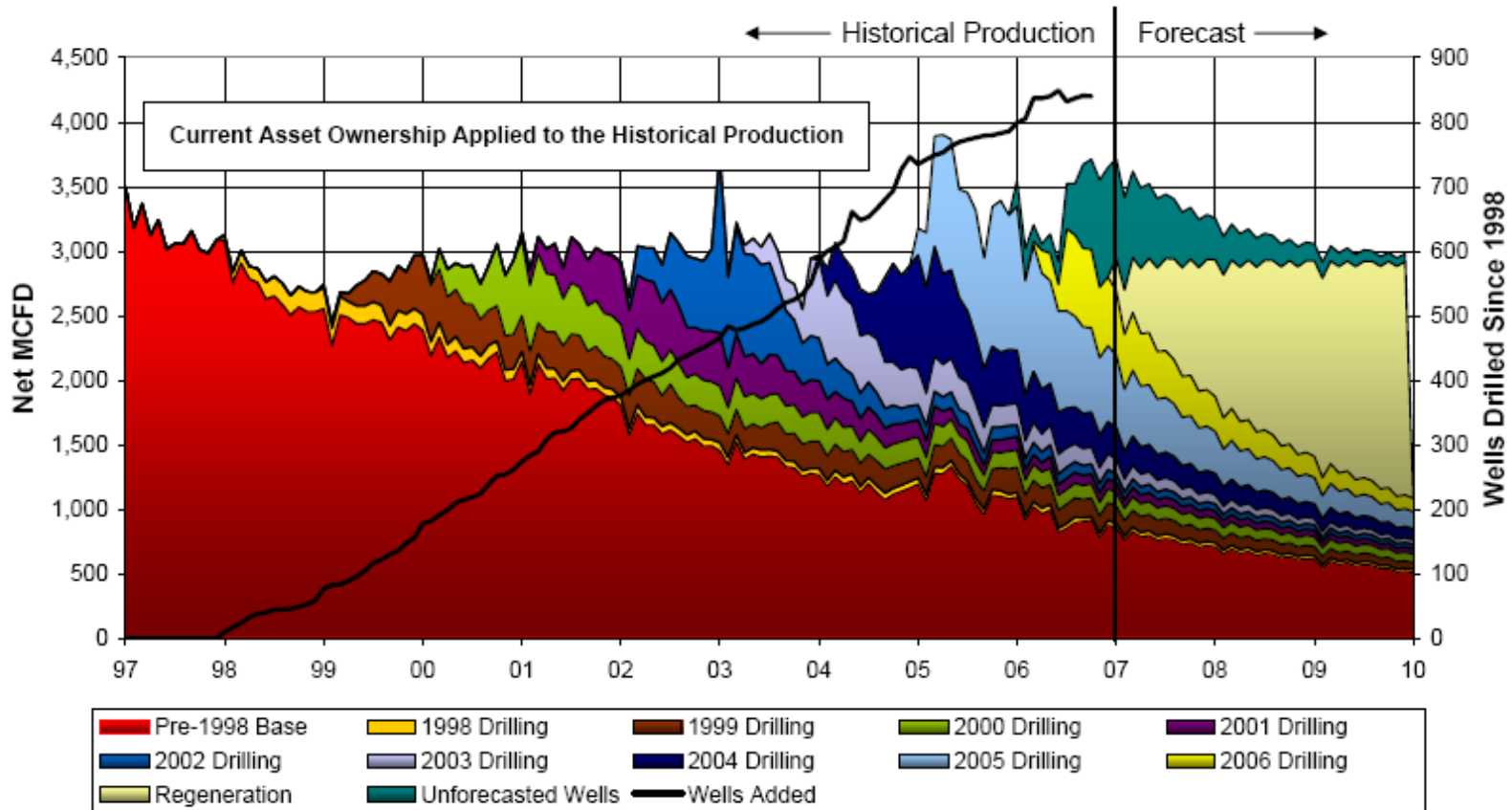
Transaction Rationale



- **Establishes a royalty, mineral and long-lived E&P acquisition growth engine to complement Eagle Rock’s core midstream business.**
 - **Uniquely positions Eagle Rock to pursue transactions with both E&P and midstream components and to exploit the synergies inherent in these opportunities.**
 - Leverage E&P/royalty opportunities and relationships into midstream opportunities
 - **Strong Montierra Management joins Eagle Rock’s Executive Team and provides complementary deal flow and E&P commercial and operations expertise.**
 - **Enables Eagle Rock to benefit from additional high-quality, long-lived E&P asset “drop downs” from Natural Gas Partners.**
 - **Attractive Montierra asset base of diversified interests across 13 different producing basins.**
 - Interests in over 2,500 wells; fee mineral position of over 420,000 net acres
 - PDP R/P of ~ 11 years plus regeneration potential (with no capex requirements) inherent in royalties and mineral interests
 - Portion of existing volumes currently flowing into Eagle Rock’s Panhandle and Southeast Texas systems
 - Hedged through 2009 on approximately 65% of volumes
 - **Meaningful immediate EBITDA contribution with additional volume growth potential.**
 - Adds approximately \$14.0 to \$16.5 million to 2007E EBITDA
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Net Gas Production by Drilling Program Year

- Mineral ownership produces a “regeneration” effect
 - Industry activity over time keeps production flat

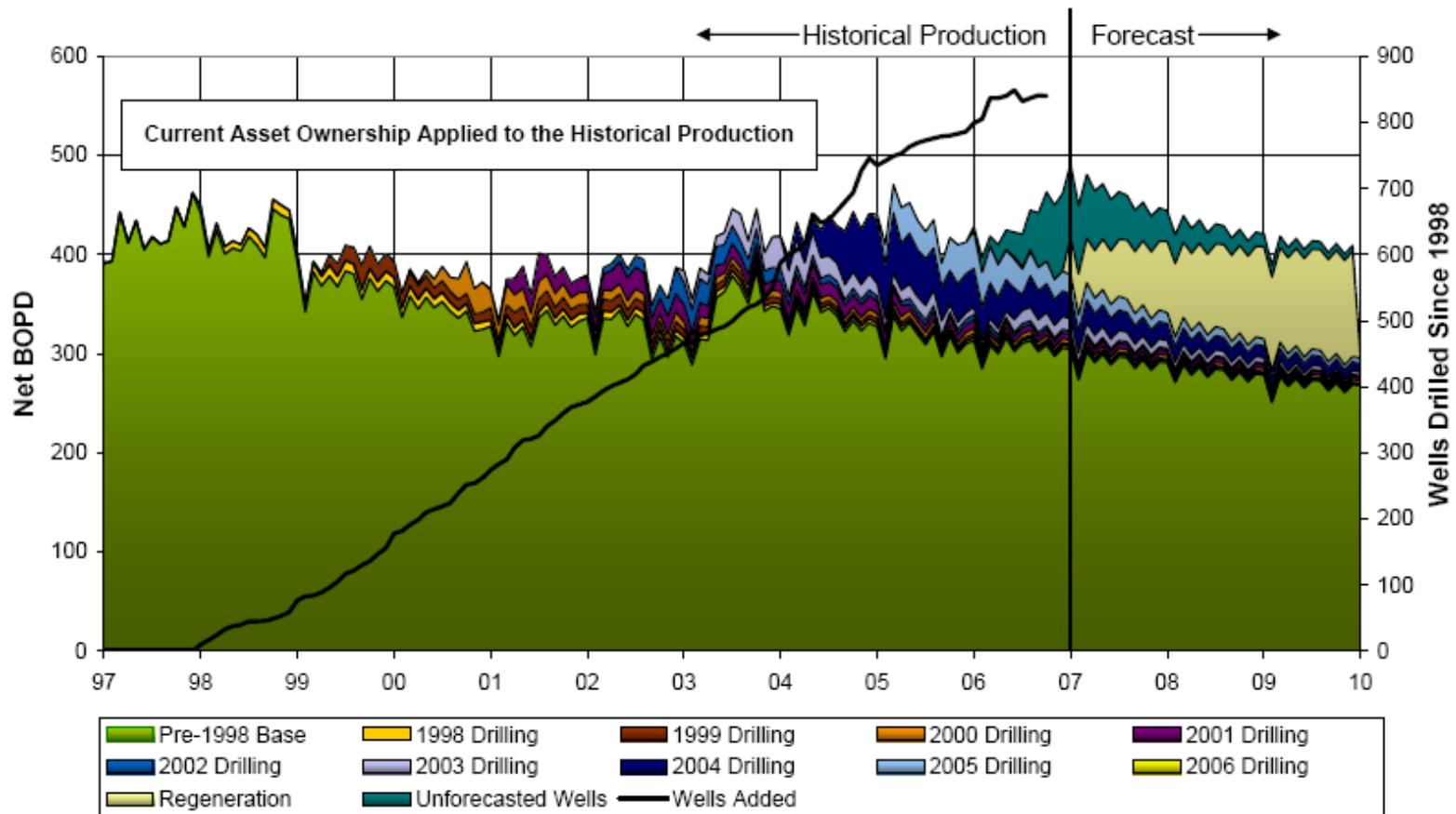


Montierra



Net Oil Production by Drilling Program Year

- Mineral ownership produces a “regeneration” effect
 - Industry activity over time keeps production flat



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Natural Gas and Oil Hedge Positions



Mineral and E&P Production Percentage of Volumes Hedged

	2007	2008	2009
Natural Gas	63%	66%	55%
Crude Oil	74%	61%	66%

Midstream Equity Volumes ⁽¹⁾ Percentage of Volumes Hedged

	2007	2008	2009
NGLs & Condensate	97%	40%	40%
Natural Gas	95%	Neutral	Neutral

(1) Excludes Laser volumes in the process of being hedged

Eagle Rock Combined Vision



- **Balanced G&P / E&P composition**
 - **Disciplined and prudent growth through accretive acquisitions**
 - Strategic acquisitions in midstream segment
 - Large volume of acquisition opportunities in production segment
 - Combined G&P / E&P opportunities
 - NGP drop-downs
 - **Continued growth from existing asset base**
 - Organic growth opportunities
 - Operational improvements
 - Rationalization of assets
 - Regeneration in existing mineral and working-interest holdings
 - **Financially conservative strategy**
 - Stable cash flow
 - < 4.5x leverage ratio
 - Comprehensive combined hedging
 - Continue to develop access to capital markets and lower cost of debt
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Eagle Rock Proforma Financials



	2007E Proforma
Eagle Rock DCF Stand-Alone	
EBITDA	\$85.0
Less: Maint. Capex	(\$10.7)
Less: Interest Expense	(\$31.8)
Distributable Cash Flow	\$42.5
Montierra Acquisition Adjustments	
Acquired Montierra EBITDA (incl. increm. G&A)	\$14.0
Less: Maint. Capex	--
Distributable Cash Flow	\$14.0
Laser Acquisition Adjustments	
Acquired Laser EBITDA (incl. increm. G&A)	\$16.0
Less: Maint. Capex	(\$0.8)
Distributable Cash Flow	\$15.2
Eagle Rock DCF Pro Forma	
EBITDA	\$115.0
Less: Maint. Capex	(\$11.5)
Less: Interest Expense	(\$31.8)
Distributable Cash Flow	\$71.7

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Proforma Capital Structure



Pro Forma Capitalization	2007E
Cash	\$10.6
Debt	\$428.4
Equity	\$568.8
Debt / 07E EBITDA	3.7x
07E EBITDA / Interest	3.7x
Debt / Capital	43%
Total common units outstanding:	35.5 million

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Current Areas of Focus

- **Continue to improve EROC base business performance**
 - Plant and operations integrity
 - Commercial optimization
 - Organic growth execution
 - Reporting and analysis

 - **Integration of acquisitions – emphasis on Laser**
 - Best practices in operations, marketing, procurement, administrative
 - Develop supply, marketing, operating and G&A synergies

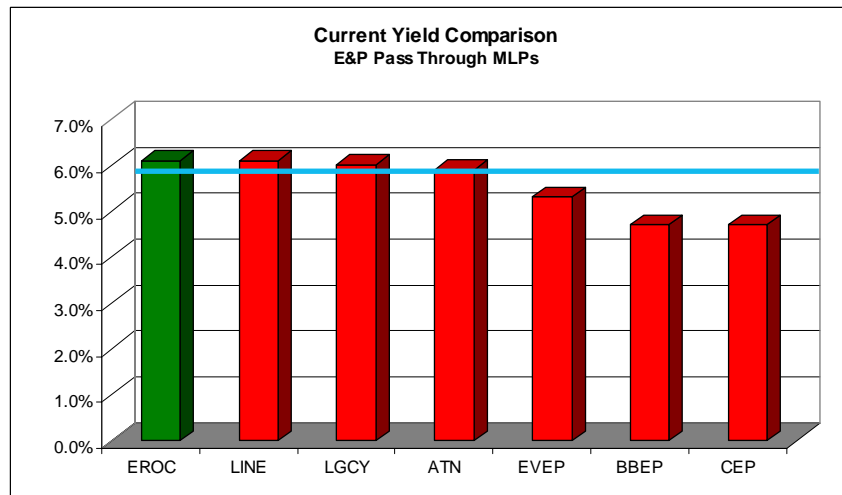
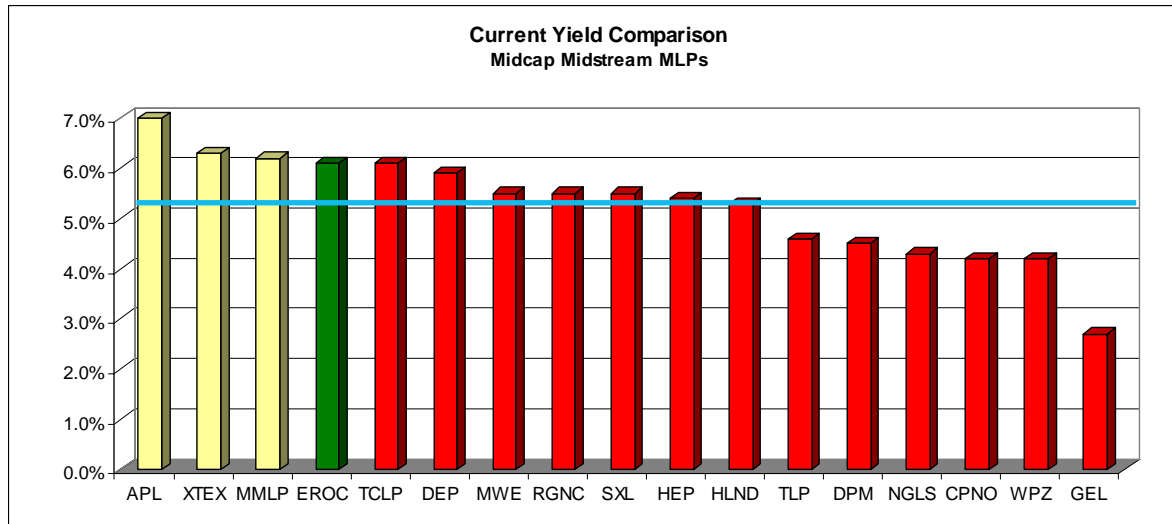
 - **Review consolidated risk management strategy**

 - **Proactive acquisition growth**

 - **Executing on next wave of organic growth opportunities**

 - **Lower debt financing costs**
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Eagle Rock Peer Group Distribution Yields



Source: Bloomberg and FactSet as of May 4, 2007

Eagle Rock Investment Highlights

- **Refocused as hybrid business model along the natural gas and oil value chains**
 - **Expanded set of acquisition growth opportunities**
 - Large number of E&P acquisition opportunities
 - E&P and G&P combined asset sales
 - NGP drop-downs from extensive portfolio
 - **Significant and highly accretive organic growth opportunities around existing and Laser assets**
 - **Strong balance sheet, credit statistics and financing availability**
 - **High common unit coverage**
 - **Experienced management teams in both G&P and E&P segments with substantial equity ownership and incentives**
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