

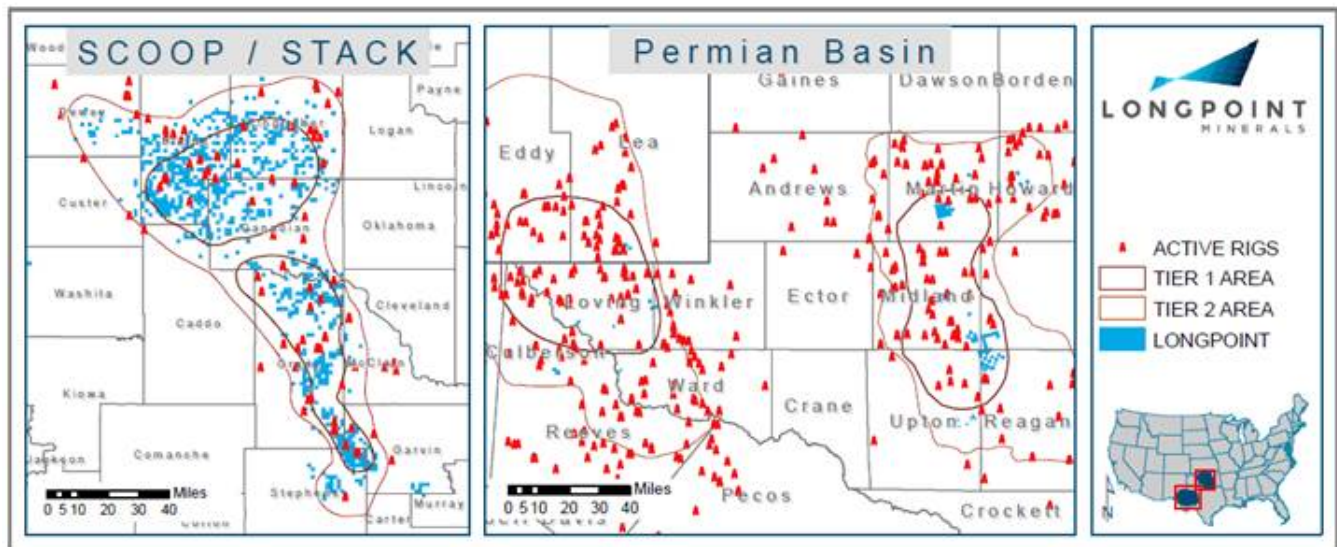
Dear LongPoint Member:

Please find attached the LongPoint Minerals Q3 2018 Financials. In addition, below is a summary and overview of the portfolio and Q3 performance.

Key Portfolio Metrics

During the third quarter, oil and gas royalty revenues totaled \$24.8 million from average daily production of 7,672 boe comprised of 2,830 barrels (bbls) of oil, 1,532 bbls of natural gas liquids (NGL) and 19.9 million cubic feet (Mmcf) of natural gas. Average realized oil, NGL and natural gas prices during the quarter were \$62.29 per bbl, \$25.52 per equivalent bbl and \$2.75 per thousand cubic feet (Mcf), respectively. Oil and gas production and royalty revenues increased 56% and 76% from the third quarter of 2017, respectively. LongPoint Minerals also realized \$0.1 million of lease bonus income during the third quarter of 2018. As of September 30, 2018, LongPoint has not entered into any hedge contracts. During the year, management went through an analysis on developing a potential hedging strategy for future implementation. We concluded with the Committee of Managers that based on LongPoint's primarily variable cost structure and lack of financial leverage, a hedging program does not provide meaningful value at this time. As the company grows, this position will be reevaluated on a recurring basis. Finally, the company generated EBITDA of \$20.5 million during the third quarter representing an EBITDA margin of \$29.00 per boe or 82%. EBITDA increased by approximately 82% over the third quarter of 2017, driven by increased production and improved commodity prices.

LongPoint's Acreage Position

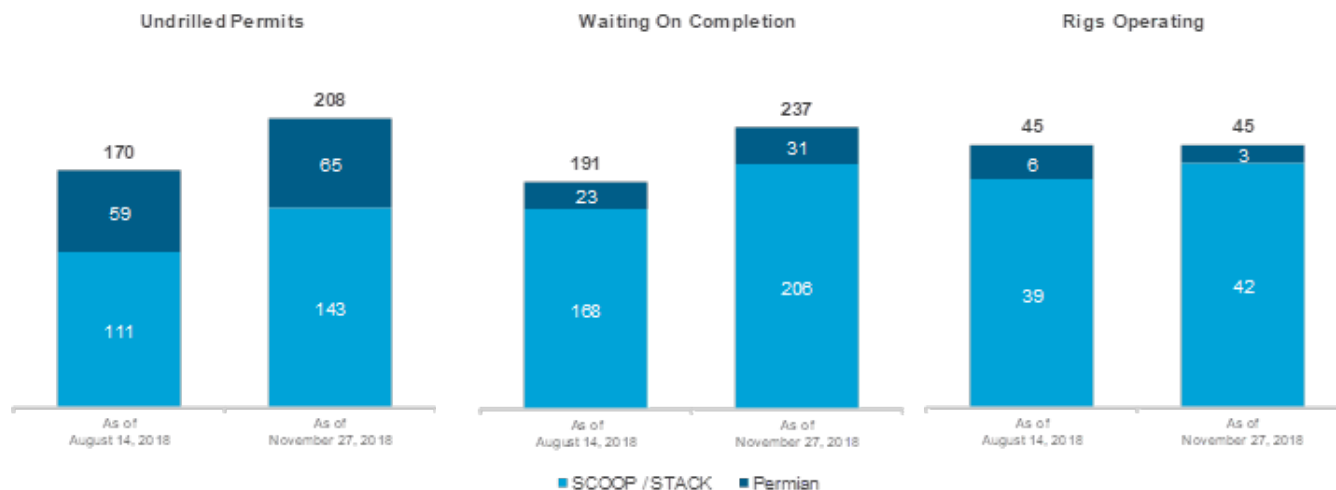


Activity on the Portfolio

There are currently 45 rigs operating, 208 active permits and 237 wells waiting on completion ("WOC") on LongPoint's SCOOP/STACK and Permian acreage positions.

- SCOOP / STACK: 42 rigs, 143 permits and 206 wells WOC - primary operators include Newfield, Devon, Continental and Marathon

- Permian: 3 rigs, 65 permits and 31 wells WOC - primary operators include Pioneer, Cimarex and XTO



Liquidity and 2018 Outlook

LongPoint will issue its second distribution based on an ending Q3 2018 cash balance of \$34.2 million; it will be paid on November 30, 2018. As we look forward, the Company expects LongPoint's strong performance to continue as operators continue to drill and develop acreage on the Company's footprint. As noted in earlier communications, based on a high and low rig pace and development, LongPoint maintains expectations of exiting the year between 8,300 – 9,950 boe/d of production. With encouraging performance in 2018, the Company plans to continue its current distribution strategy of semi-annual distributions into 2019.

Please don't hesitate to contact us with any questions.

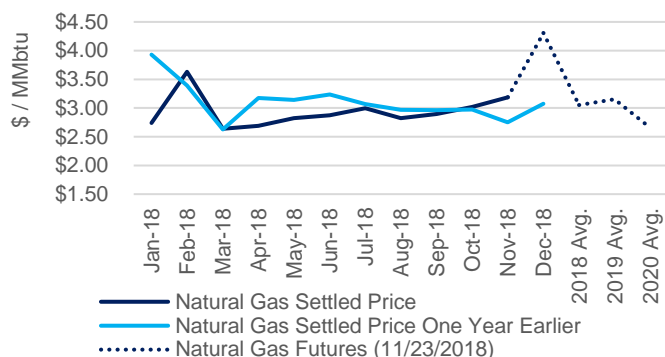
Best,

Ian Patel

Vice President, Finance and Investor Relations

Natural Gas Prices Remain Steady. Natural Gas prices remained stagnant in Q3 2018, averaging \$2.90/MMBtu, a slight increase from the end of June 2018 pricing, however a decrease of 3% from the third quarter of 2017. Natural gas price futures spiked in December to the highest settled price since 2014, as an early start to the winter heating months has heavily affected short-term pricing. As shown in Figure 6, Natural Gas price futures are forecasted to average \$3.05/MMBtu and \$3.16/MMBtu for 2018 and 2019, respectively, before falling to \$2.66/MMBtu in 2020. Natural Gas pipeline constraints in the Permian Basin have affected pricing, however these constraints are forecasted to improve in the second half of 2019.

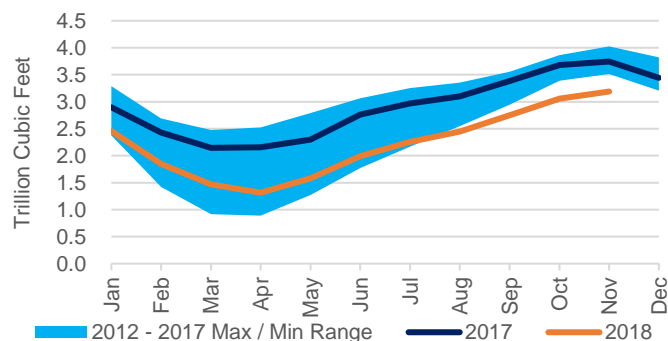
Figure 1. NYMEX Natural Gas Price



Natural Gas Inventories Remain Below 5 year Average.

Current working natural gas in storage is approximately 3.1 Tcf, roughly 16% below the average over the same period from 2012 through 2017, and 15% below levels from one year-ago. Cold temperatures have caused the lower than average inventory levels. It is estimated the U.S. could triple LNG export capacity to around 10 Bcf/d by the end of next year, leading analysts to believe 2019 will be an incredibly impactful year for U.S. LNG gas exports. The volume of total exports equates to around 13% of national natural gas consumption on average over the past year.

Figure 2. Underground Natural Gas Working Storage

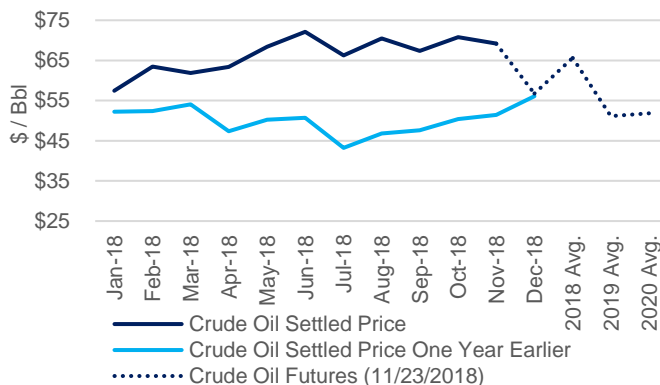


Source: Energy Information Agency

Oil Prices Remain Above \$60/Bbl in Q3 2018. During the third quarter of 2018, oil prices averaged \$68.01/Bbl, an increase of approximately 48% from the third quarter of 2017 and a slight increase from the second quarter of 2018. Following the third quarter, oil prices experienced the longest consecutive day decline (12 days) since WTI started trading in 1983. Markets are anxiously awaiting OPEC's December 6th decision of whether to cut production by approximately 1.4 million barrels per day will materialize. Crude oil futures project pricing to average \$56.76 during December before falling to \$51.14 and \$51.82 for 2019 and 2020, respectively.

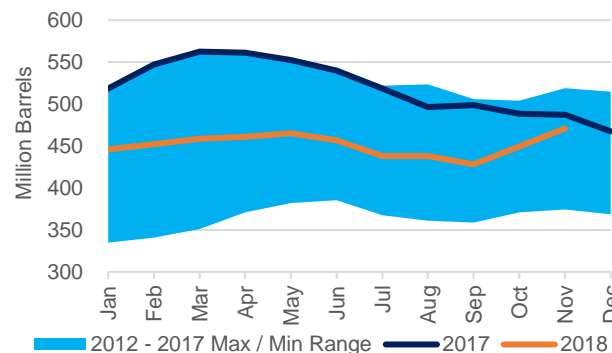
Crude Oil Stocks Decrease in Q3. Crude oil stocks, excluding strategic petroleum reserves, averaged 435.1

Figure 3. NYMEX Crude Oil Price



million barrels in Q3 2018. These reserves are approximately 14% below the average over the same period from 2012 through 2017, and also 14% lower than the average during Q3 2017. The Q3 2018 inventory level equates to approximately 23 days of supply on average over the quarter. Following the third quarter, U.S. crude stocks have risen for more than 10 consecutive weeks, exacerbating expectations for a global inventory glut.

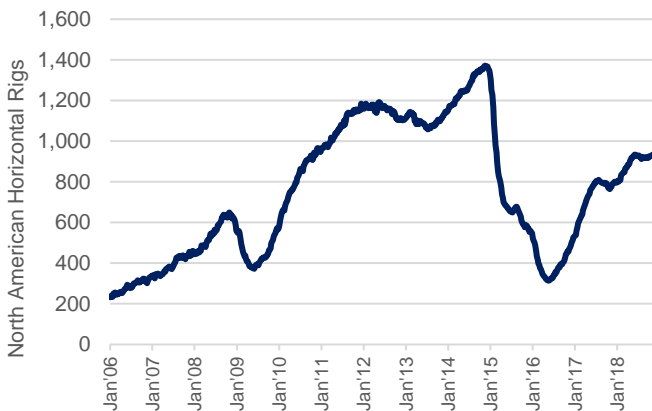
Figure 4. Crude Oil Stocks Excluding the Strategic Reserve



Source: Energy Information Agency

Rig Count Holds Above 850. The number of horizontal rigs in the U.S. has increased 7% in 2018 to 853 from approximately 798 at the end of 2017. The Permian Basin lost 30 rigs over the quarter, but continues to see the most drilling activity as 65 rigs have been added in 2018. The second most active basin in the United States remains the Gulf Coast Basin, which lost two rigs during the third quarter but maintains a total of 150 rigs currently active. Finally, the Anadarko Basin continues to be the third most active basin, which lost seven rigs in the third quarter to a total of 136 rigs.

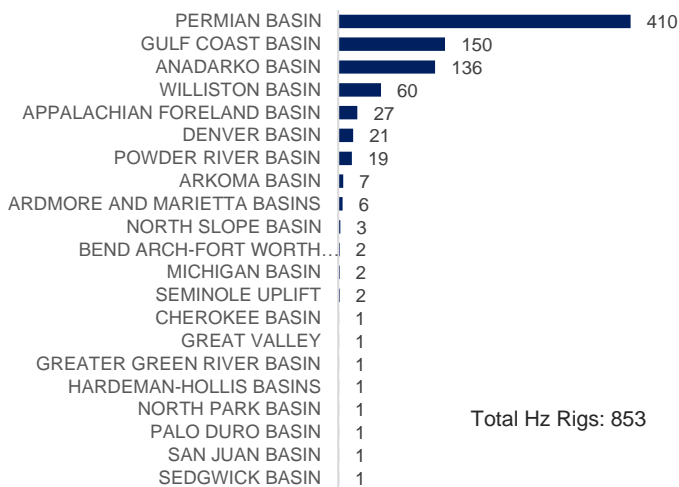
Figure 5. North American Horizontal Rig Count Since 2006



Source: Baker Hughes

The Permian Basin continues to remain the most active basin in the U.S., as production output is expected to sail past 3.3 million barrels per day by year-end and increase to 3.9 million barrels per day by the end of 2019. The Permian basin is expected to account for more than half of the growth in crude oil production in 2019. Overall, LongPoint's target basins continue to be the most active basins in the lower 48 for oil and natural gas development.

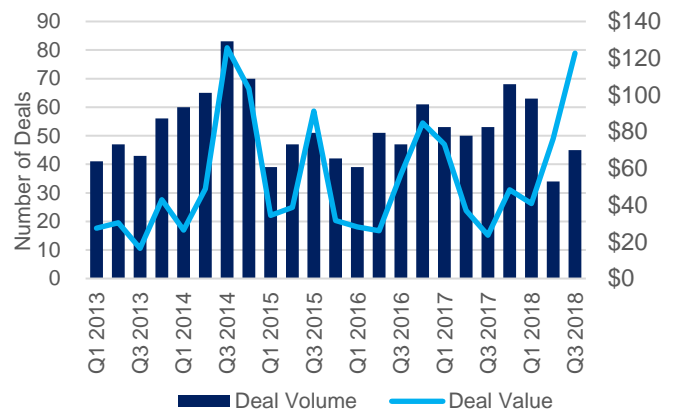
Figure 6. Current Horizontal Drilling Rigs by Major Basin



Source: DrillingInfo

Record Quarter for Total Transaction Value. During the third quarter of 2018, there were a total of 45 oil and gas transactions which is a 15% decrease compared to the third quarter of 2017. Total transaction value was up 420% year-over-year for a total deal value of \$122.8 billion. Four mega deals of \$5.0 billion or more occurred, representing 82% of the third quarter's total deal value. Midstream deals dominated total transaction value, accounting for 66% of third quarter total deal value as strategic MLP to C-Corp conversions continue. Upstream deals led all transaction volume in the third quarter, accounting for 27 deals. The Permian Basin reclaimed the title of most active basin for shale deals, accounting for five upstream deals for a total deal value of \$19.9 billion. Notable third quarter transactions in the Permian included BP's acquisition of BHP Billiton and Diamondback Energy's acquisition of Energen. Downstream's total deal value was down 95% from the second quarter, accounting for \$1.5 billion of deal value over three transactions in the third quarter. Oil prices stabilizing above break-even points enabled acquisition activity. Analysts forecast industry consolidation to continue as companies divest non-core assets and look to optimize current portfolios including bolt-on acquisitions.

Figure 7. Oil and Gas M&A Activity



Source: PWC, IHS Herold

Note: The figures above include U.S. transactions with value greater than \$50 million

LongPoint Minerals, LLC

STATEMENTS OF OPERATIONS (unaudited) (in thousands, except production and per unit data)

	Nine Months Ended September 30,	
	2018	2017
REVENUES		
Oil and gas sales	\$ 70,947	\$ 35,132
Lease bonus income	865	1,653
Total revenues	71,812	36,785
OPERATING EXPENSES		
Transportation and transmission	3,075	569
Severance and other taxes	2,925	2,459
Depletion	9,777	3,882
General and administrative	6,751	8,367
Total operating expenses	22,528	15,277
OPERATING INCOME	49,284	21,508
OTHER INCOME		
Financing costs	(7)	-
Amortization of deferred financing costs	(11)	-
Other income, net	1,000	748
Total other income (expense), net	982	748
NET INCOME	\$ 50,266	\$ 22,256
EBITDA	\$ 60,061	\$ 26,138
OPERATING STATISTICS:		
Gas production (Mcf/d)	18,857	8,245
Oil production (Bbl/d)	2,766	1,925
NGL production (Bbl/d)	1,384	677
Oil equivalent production (BOE/d)	7,293	3,976
Gas price (\$/Mcf)	\$ 2.73	\$ 2.96
Oil price (\$/Bbl)	\$ 63.07	\$ 47.11
NGL price (\$/Bbl)	\$ 24.58	\$ 20.05
Transportation and transmission/BOE	\$ 1.54	\$ 0.52
Depletion/BOE	\$ 4.91	\$ 3.58
G&A/BOE	\$ 3.39	\$ 7.71

LongPoint Minerals, LLC

STATEMENTS OF OPERATIONS (unaudited) (in thousands, except production and per unit data)

	Quarter Ended September 30,	
	2018	2017
REVENUES		
Oil and gas sales	\$ 24,831	\$ 14,131
Lease bonus income	70	1,454
Total revenues	24,901	15,585
OPERATING EXPENSES		
Transportation and transmission	959	311
Severance and other taxes	1,807	945
Depletion	3,455	1,617
General and administrative	2,079	3,316
Total operating expenses	8,300	6,189
OPERATING INCOME	16,601	9,396
OTHER INCOME (EXPENSE)		
Financing costs	(7)	-
Amortization of deferred financing costs	(11)	-
Other income net	409	245
Total other income (expense), net	391	245
NET INCOME	\$ 16,992	\$ 9,641
EBITDA	\$ 20,465	\$ 11,258
OPERATING STATISTICS:		
Gas production (Mcf/d)	19,859	10,640
Oil production (Bbl/d)	2,830	2,302
NGL production (Bbl/d)	1,532	840
Oil equivalent production (BOE/d)	7,672	4,915
Gas price (\$/Mcf)	\$ 2.75	\$ 2.91
Oil price (\$/Bbl)	\$ 62.29	\$ 46.15
NGL price (\$/Bbl)	\$ 25.52	\$ 19.55
Transportation and transmission/BOE	\$ 1.36	\$ 0.69
Depletion/BOE	\$ 4.90	\$ 3.58
G&A/BOE	\$ 2.95	\$ 7.33

LongPoint Minerals, LLC

BALANCE SHEETS (unaudited) (in thousands)

	September 30, 2018	December 31, 2017
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 34,218	\$ 27,430
Accounts receivable	21	118
Accrued oil and gas sales	19,151	11,999
Total current assets	53,390	39,547
PROPERTY AND EQUIPMENT, at cost:		
Oil and gas properties, on the basis of full cost method of accounting:		
Proved properties	313,581	312,001
Unproved properties	519,608	512,829
Accumulated depletion	(20,904)	(11,127)
Total oil and gas properties, net	812,285	813,703
OTHER LONG-TERM ASSETS:		
Deferred financing costs, net of amortization	656	-
Total other long-term assets	656	-
TOTAL ASSETS	\$ 866,331	\$ 853,250
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,557	\$ 3,155
COMMITMENTS AND CONTINGENCIES		
MEMBERS' EQUITY:		
Members' equity, net of placement fees of \$17,932 and \$17,932, respectively	863,774	850,095
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 866,331	\$ 853,250

LongPoint Minerals, LLC

STATEMENTS OF MEMBERS' EQUITY (unaudited) (in thousands)

	<u>CLASS A</u>	<u>CLASS B</u>	<u>CLASS D</u>	<u>TOTAL</u>
BALANCES, JANUARY 1, 2017	\$ 9,060	\$ 422,517	\$ -	\$ 431,577
Capital contributions	8,017	185,584	195,883	389,484
Net Income	458	16,926	4,872	22,256
Placement Fees	-	-	(4,280)	(4,280)
Members' distributions	-	(196)	(58)	(254)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
BALANCES, September 30, 2017	<u>\$ 17,535</u>	<u>\$ 624,831</u>	<u>\$ 196,417</u>	<u>\$ 838,783</u>
BALANCES, JANUARY 1, 2018	\$ 17,680	\$ 633,375	\$ 199,040	\$ 850,095
Net Income	1,035	38,228	11,003	50,266
Members' distributions	(754)	(27,824)	(8,009)	(36,587)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
BALANCES, September 30, 2018	<u>\$ 17,961</u>	<u>\$ 643,779</u>	<u>\$ 202,034</u>	<u>\$ 863,774</u>

LongPoint Minerals, LLC

STATEMENTS OF CASH FLOWS (unaudited) (in thousands)

	Nine Months Ended September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 50,266	\$ 22,256
Adjustments to reconcile net income to net cash provided by operating activities-		
Depletion	9,777	3,882
Amortization of deferred financing costs	11	-
Effect of changes in current assets and liabilities:		
Accounts receivables and accrued oil and gas sales	(7,055)	(1,060)
Prepaid expenses and other current assets	-	11
Accounts payable and accrued liabilities	(598)	908
Net cash provided by operating activities	52,401	25,997
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of proved properties	(1,580)	(60,020)
Acquisitions of unproved properties	(6,779)	(328,919)
Net cash used in investing activities	(8,359)	(388,939)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Equity placement fees	-	(4,280)
Capital contributions	-	389,484
Member distributions	(36,587)	(254)
Deferred financing costs	(667)	-
Net cash (used in) provided by financing activities	(37,254)	384,950
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,788	22,008
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	27,430	72,325
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 34,218	\$ 94,333