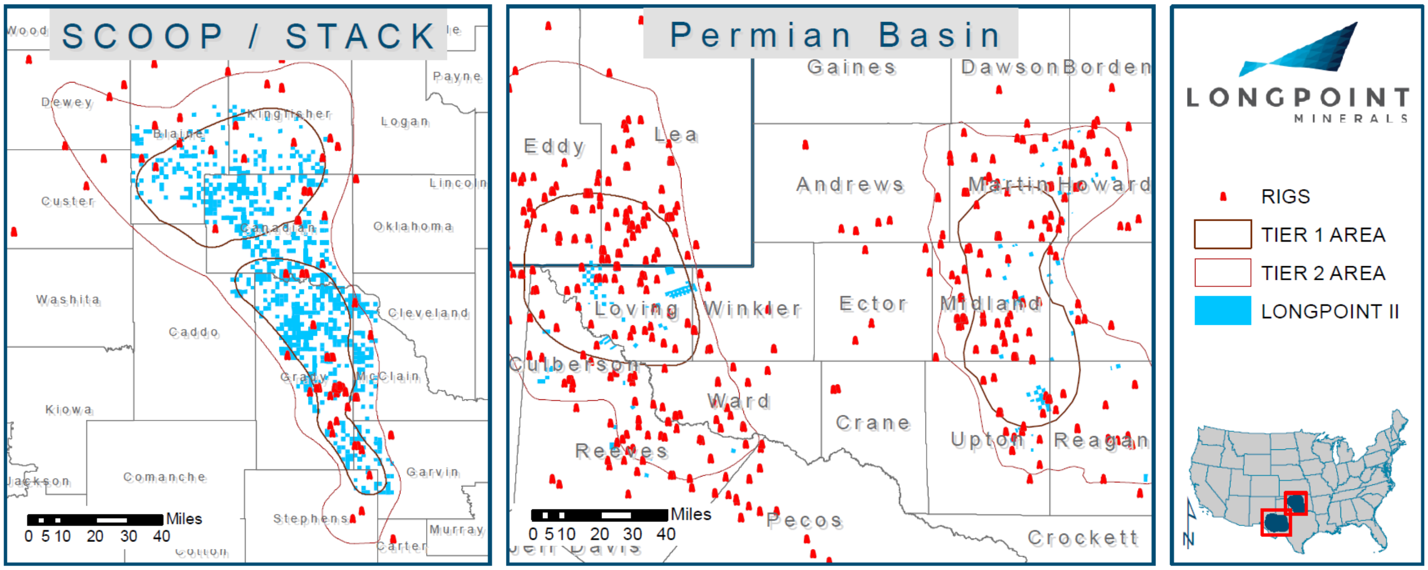
Quarterly Report

Quarter Ended June 30, 2019 **STRICTLY CONFIDENTIAL**

LongPoint Minerals II, LLC ("LongPoint II", the "Company" or "we") is a private royalty and minerals Company focused on acquiring oil and gas mineral interests and royalty rights in the SCOOP/STACK/Merge of Oklahoma and the Midland and Delaware Basins located within the greater Permian Basin in Texas.

Key Portfolio Metrics (Closed transactions as of August 2019)

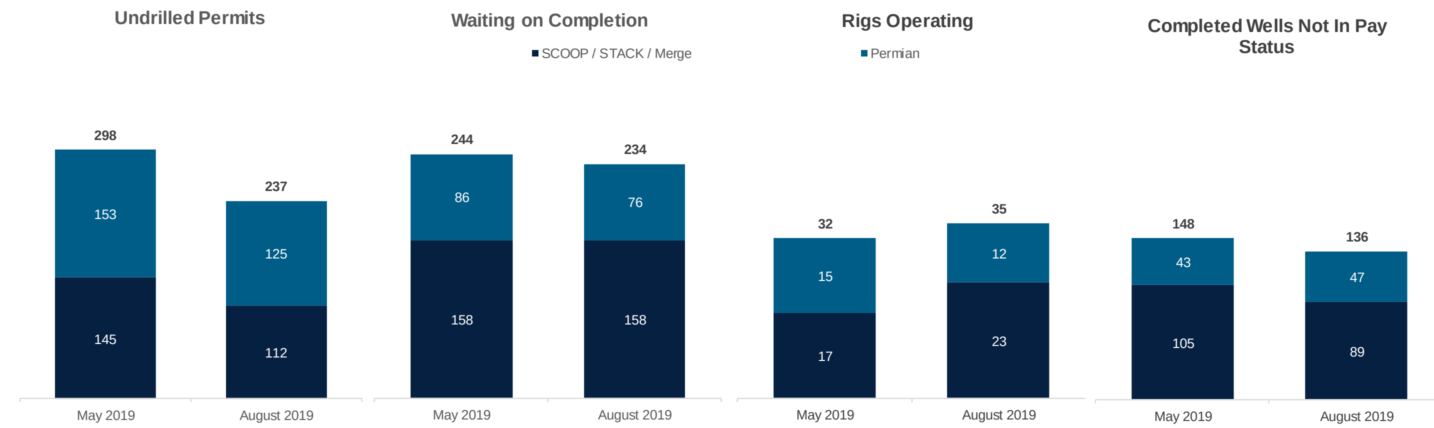


For the three months ended June 30, 2019, oil and gas sales for LongPoint II totaled $6.5 million from average daily production of 2,580 boe. Production for the three months ended June 30, 2019 was comprised of 899 barrels (bbls) of oil per day, 674 bbls of natural gas liquids (NGL) per day, and 6.0 million cubic feet (Mmcf) of natural gas per day. Year-to-date through June 30, 2019, oil and gas sales totaled $11.0 million from average daily production of 2,197 boe comprised of 703 bbls of oil per day, 565 bbls of NGLs per day, and 5.6 Mmcf of natural gas per day. For the three and six months ended June 30, 2019 average realized oil prices were $56.54 per bbl and $55.99 per bbl, respectively, NGL prices were $13.22 per bbl and $16.07 per bbl, respectively, and natural gas prices were $1.94 per thousand cubic feet (Mcf) and $2.17 per Mcf, respectively. For the three months ended June 30, 2019, oil, NGL and natural gas prices decreased 15%, 46%, and 20%, respectively from the same period in 2018. For the six months ended June 30, 2019, oil, NGL and natural gas prices decreased 16%, 34% and 11%, respectively from the same period in 2018. In addition to oil and gas royalty revenues, for the six months ended June 30, 2019 lease bonus revenue was $31,000. Lease bonus revenue is not included in the underwriting assumptions used for acquisitions. LongPoint II did not generate any revenue from leasing activities during the second quarter of 2019. As of August 28, 2019, LongPoint II has not entered into any hedge contracts.

Overall, for the three and six months ended June 30, 2019, total revenues increased more than 7.0x and 12.0x, respectively from the same period during 2018 as a result of acquisition activity closed during the period. LongPoint II was initially capitalized and funded on March 6, 2018 and therefore, the second quarter of 2018 was the first full quarter of production and financial activity. The company generated EBITDA of $3.6 million during the three months ended June 30, 2019, representing a margin of $15.55 per boe or 56%. For the six months ended June 30, 2019, EBITDA was $5.2 million representing a margin of $13.00 per boe or 47%. For the three and six months ended June 30, 2018, LongPoint II generated an EBITDA loss of $1.4 million and $1.7 million, respectively. During the first two quarters of 2018, royalty revenue did not fully cover taxes and G&A. The company generated positive EBITDA during the third quarter of 2018 in August, only five months after inception.

The portfolio of LongPoint II is comprised of assets in the SCOOP/STACK/Merge play and the Permian Basin. On a purchase price metric, the Permian Basin makes up 17% of the portfolio, while the SCOOP/STACK/Merge comprises the remaining 83%. The portfolio is currently weighted towards the SCOOP/STACK/Merge making up 85% of June's equivalent production and over 90% of the Company's net royalty acres. Our boots-on-the-ground teams continue to ramp up and expand relationships in Texas and we expect the Permian to become a larger percentage of the portfolio over time. We currently anticipate significant future development on our acreage, as evidenced by the rigs, permits and well activity on our acreage position, as shown in the following figure.

LongPoint II Key Portfolio Metrics



Business Development Activities

The following table illustrates the Company's key metrics by basin for current closed assets from the first capitalization to present.

LongPoint II Transaction Pipeline as of 8/27/2019

Closed Transactions	# of Transactions	Purchase Amount ($MM)	Net Mineral Acres	Net Royalty Acres	$ / Net Mineral Acre	$ / Net Royalty Acre	June Production (boed)	NTM Cash Flow[1] ($MM)
Permian	65	$68	4,554	3,659	$14,932	$18,584	423	$4
SCOOP/STACK/Merge	546	$338	24,054	32,856	$14,052	$10,287	2,441	$19
Total	**611**	**$406**	**28,608**	**36,515**	**$14,192**	**$11,119**	**2,864**	**$23**

Contracted Transactions	# of Transactions	Purchase Amount ($MM)	Net Mineral Acres	Net Royalty Acres	$ / Net Mineral Acre	$ / Net Royalty Acre	June Production (boed)	NTM Cash Flow[1] ($MM)
Permian	11	$132	5,207	6,935	$25,350	$19,034	-	-
SCOOP/STACK/Merge	73	$20	1,601	2,131	$12,492	$9,385	-	-
Total	**84**	**$152**	**6,808**	**9,066**	**$22,327**	**$16,766**	**-**	**-**
Combined Total	**695**	**$558**	**35,416**	**45,581**	**$15,756**	**$12,242**	**2,864**	**$23**

[1] Based on June 2019 financials. Note: Figures based on best available information and subject to adjustments made during due diligence; not all contracted transactions have production and cash flow data available. All figures per the evaluation economics and do not reflect adjustments made in due diligence or post close. Dollar per net royalty acre is based on a 1/8th royalty. Anadarko Basin royalty rates are typically 3/16ths. Using net royalty acres normalized to a 1/8th royalty allows for cross basin comparisons of acreage.

LongPoint II was highly acquisitive during the second quarter, closing 115 transactions between April 1 and June 30 of this year. Average weekly capital deployed during the quarter was over $3 million. We see steady momentum in the Permian and expect the Permian to be a larger percentage of the portfolio in the future. Of the transactions in the second quarter, 10% were in the Permian representing 5% of the acquired NRA. The table above provides additional detail on these closed transactions as of August 27, 2019. Our primary source for deal activity continues to be our boots-on-the-ground teams, which are evenly split at three teams focused on the SCOOP/STACK/Merge, and three focused on the Permian.

On August 6, 2019 LongPoint II entered into a purchase and sale agreement to acquire up to 7,088 net royalty acres from the Lindley family for $141 million, subject to final due diligence and closing adjustments. The Lindley package represents a rare, consolidated mineral position in the tier 1 Delaware Basin that is largely an undeveloped position with future drilling locations in nine formations. There are currently five permits filed by Shell on the Lindley acreage. LongPoint is in the process of conducting customary due diligence and the transaction is expected to close by September 13, 2019.

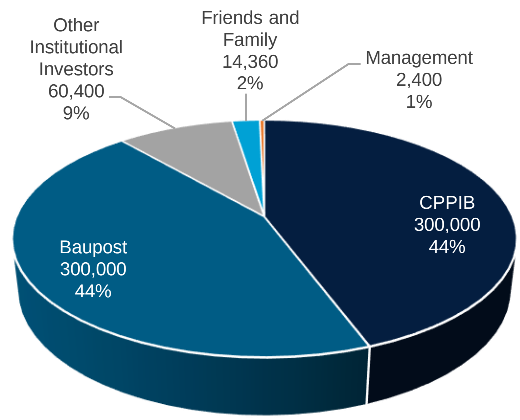
Capitalization and Liquidity

Pro forma for the recently-announced capital call due August 29, 2019, LongPoint will have 677,160 units outstanding, held by three classes of unit holders representing economic ownership interests in the Company. In addition to the classes of securities representing economic interests in the entity, LongPoint II has 100 Class C units entitled to voting rights and constitute non-economic interests in the Company. The following summarizes the three classes of unit holders with an economic interest in the Company:

Class A	- LongPoint II Management
Class B Series I	- Institutional Investors
Class B Series II	- Friends and Family Investors

As of June 30, LongPoint II had cash on hand of $90.0 million, contributed capital of $507.9 million and total liquidity of $428.6 million. As of August 28, LongPoint II has cash of approximately $70 million. The table to the right illustrates our capitalization and liquidity, both at the end of the second quarter and a current estimate when adjusted for the August 29, 2019 capital call of $169.3 million and $141 million acquisition of the Lindley family's acreage in the Delaware Basin as described above.

Equity Capitalization– Units Owned at August 29, 2019



June 30, 2019 and Current Capitalization and Liquidity

U.S. Dollars in millions, unless otherwise noted

	6/30/19	Estimated Current[1]
Contributed Equity	$507.9	$677.2
Debt Outstanding	-	-
Total Capitalization	**$507.9**	**$677.2**

	6/30/19	Estimated Current[1]
Total Committed Equity	$846.5	$846.5
Less: Contributed Equity	(507.9)	(677.2)
Committed Equity Available for Call	**$338.6**	**$169.3**

	6/30/19	Estimated Current[1]
Cash on Hand	$90.0	$240.0
Less: Anticipated Lindley Acquisition[2]	-	(141.0)
Committed Equity Available for Call	338.6	169.3
Liquidity Position	**$428.6**	**$268.3**

[1] *Pro forma for the capital call and Lindley acquisition.*
[2] *Estimated amount subject to closing adjustments, expected close 9/13/19.*

Pro Forma Disclosure and Contact Information

All pro forma numbers are based upon current expectations, estimates, projections, and certain assumptions of LongPoint II. No assurance can be given that such expectations, estimates or projections will prove to have been correct.

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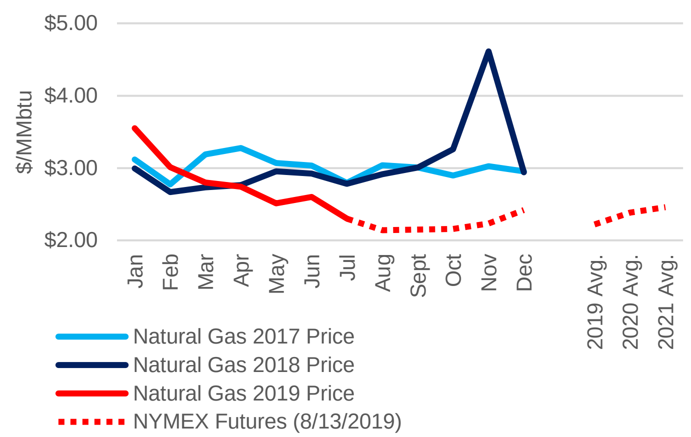
APPENDIX

Oil and Gas Industry Update

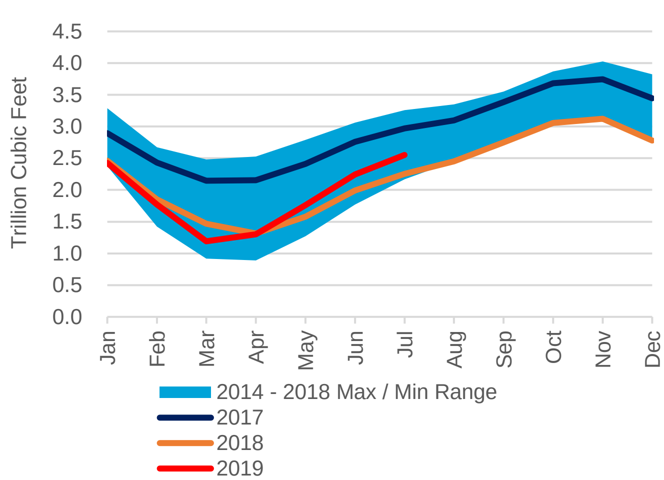
Natural Gas Prices Continue to Decrease. Continuing the overall decline in prices during Q1 2019, prices decreased in Q2 2019 averaging $2.62/MMbtu, down 16% from Q1 2019 and 9% from Q2 2018. As shown in Figure 5, natural gas futures are expected to average $2.22/MMbtu for the remainder of 2019 and rise to $2.38/MMbtu and $2.46/MMbtu for 2020 and 2021, respectively. The average natural gas price in Q2 2019 was approximately 8% higher than future prices at the end of 2019 prices.

Figure 1. NYMEX Natural Gas Price



Natural Gas Inventories Remain Below 5-year Average. Current working natural gas in storage is approximately 2.7 Tcf, roughly 7% below the average over the same period from 2014 through 2018, and 10% above levels from one year-ago. The U.S. has become the third largest LNG exporter in the world behind Australia and Qatar. With a new peak of 4.7 Bcf/d, totals are poised to keep increasing throughout the second half of 2019. Internationally, LNG exports have increased to Europe despite declining demand and spot prices in Asia, according to the EIA.

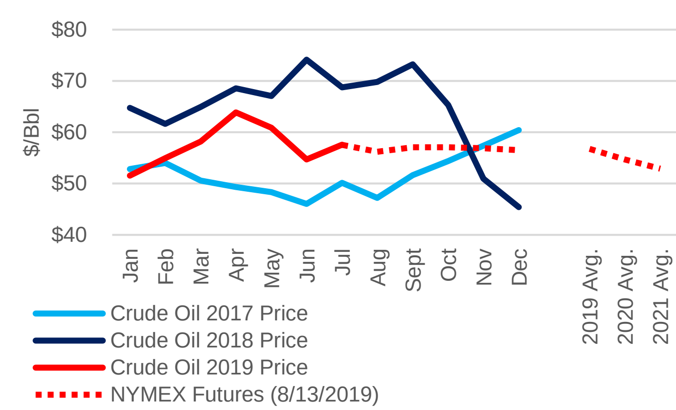
Figure 2. Underground Natural Gas Working Storage



Source: Energy Information Agency

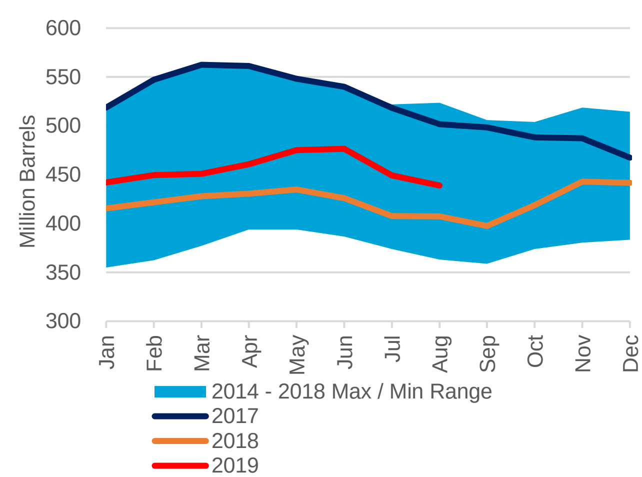
Oil Prices Decrease at the End of Q2 2019. After a peak in April, prices decreased rapidly at the end of Q2 2019 to one of the lowest points of the year. Oil prices averaged $59.82/Bbl in Q2 2019, a decline of approximately 14% from Q2 2018, although an increase of 9% from the average in Q1 2019. Since the end of Q2 2019, prices have remained consistent around the $55/Bbl mark, however many fear with an economic downturn ahead that commodity demand will decrease and in turn, decrease prices. Crude oil futures average $56.77 for the remainder of 2019 before falling to $54.70 and $52.91 in 2020 and 2021, respectively.

Figure 3. NYMEX Crude Oil Price



Crude Oil Stocks Increase in Q2 2019. Crude oil stocks, excluding the strategic petroleum reserves, averaged 470.7 million barrels in Q2 2019. These reserves are in-line with the average over the same period from 2014 through 2018, and 9% higher than the average during Q2 2018. The Q2 2019 inventory level equates to approximately 28 days of supply on average over the quarter.

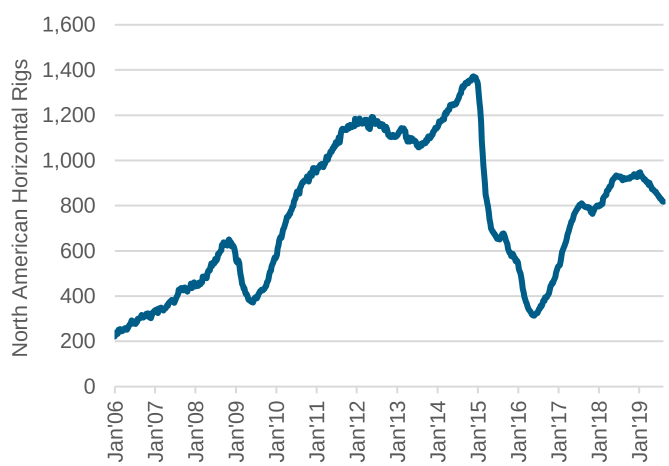
Figure 4. Crude Oil Stocks Excluding the Strategic Reserve



Source: Energy Information Agency

Rig Count Decreased During Q2 2019. Rig activity continues to decline through Q2 2019, as the number of horizontal rigs operating in the U.S. decreased roughly 5% year-over-year to an average of 868 rigs from approximately 913 in Q2 2018. The Permian Basin saw one of the biggest declines with 53 rigs dropping from Q2 2018 to Q2 2019 and a decline of 20 rigs from Q1 2019 to a total of 388 rigs remaining at the end of Q2 2019. The second most active basin in the United States remains the Gulf Coast Basin, losing only 4 rigs since Q1 2019 for a total of 140. Finally, the Anadarko Basin continues to be the third most active basin in the U.S., with 74 active rigs at the end of Q2 2019. With uncertainty surrounding commodity prices, independent exploration and production companies are no longer focused on growth and instead turning their focus to cash flow, resulting in the decline in rigs in 2019 thus far.

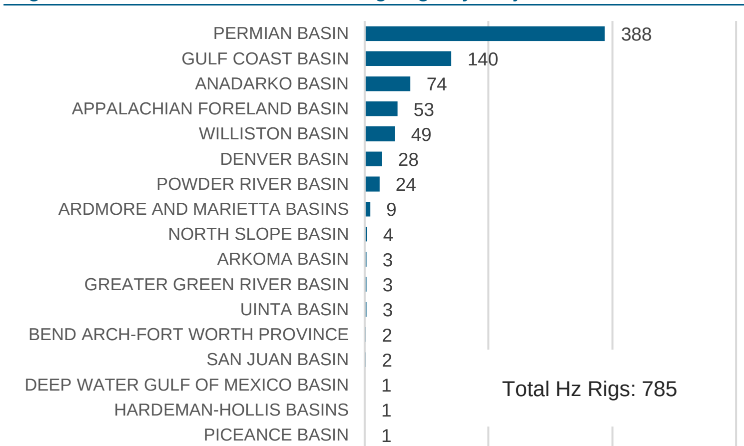
Figure 5. North American Horizontal Rig Count Since 2006



Source: Baker Hughes

The Permian Basin remains the most productive basin in the U.S., with production at approximately 4.2 million barrels per day at the end of Q2 2019 and is expected to grow to 8.0 million over the next few years.

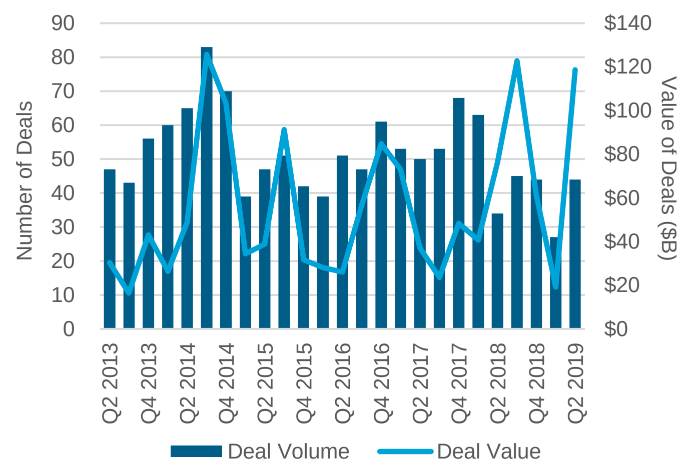
Figure 6. Current Horizontal Drilling Rigs by Major Basin



Source: IHS Herold

Record Quarter for Transaction Value. During Q2 2019 there were a total of 44 oil and gas transactions, a 29% increase compared to Q2 2018. Total transaction value was up 56% year-over-year for total deal value of $118.7 billion. 75% of the total second quarter deal value was made up of three deals, totaling $89.2 billion. Deals this quarter were made up of 62% upstream activity and 31% midstream activity. With concern still surrounding commodity prices, E&P operators are placing more focus on synergies and scale in valuations. Returns in the midstream sub-sector have been zero or negative since 2013 shifting the focus in the upcoming quarters towards returns above cost of capital. Again this quarter, the Permian Basin was the most active for shale deals, accounting for six upstream deals for roughly 55% of total deals announced. Financial investors in the private equity sector announced 12 deals worth $23.0 billion, the highest since Q3 2016

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 II, LLC
And its Subsidiary

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

	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018	
REVENUES				
Oil and gas sales	$	10,956	$	888
Lease bonus income		31		-
Total revenues		10,987		888
OPERATING EXPENSES				
Transportation and transmission		456		46
Severance and other taxes		551		34
Depletion		1,390		134
General and administrative		6,348		2,887
Total operating expenses		8,745		3,101
OPERATING INCOME (LOSS)		2,242		(2,213)
OTHER INCOME		1,539		358
INCOME (LOSS) BEFORE TEXAS MARGIN TAX		3,781		(1,855)
TEXAS MARGIN TAX EXPENSE		5		-
NET INCOME (LOSS)	$	3,776	$	(1,855)
EBITDA	$	5,171	$	(1,721)
OPERATING STATISTICS:				
Gas production (Mcf/d)		5,572		857
Oil production (Bbl/d)		703		91
NGL production (Bbl/d)		565		66
Oil equivalent production (BOE/d)		2,197		300
Gas price ($/Mcf)	$	2.17	$	2.44
Oil price ($/Bbl)	$	55.99	$	66.82
NGL price ($/Bbl)	$	16.07	$	24.29
Transportation and transmission/BOE	$	1.15	$	1.69
Depletion/BOE	$	3.50	$	4.91
G&A/BOE	$	15.96	$	105.78

LongPoint Minerals II, LLC
And its Subsidiary

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

	Quarter Ended June 30, 2019	Quarter Ended June 30, 2018
REVENUES		
Oil and gas sales	$ 6,502	$ 888
Lease bonus income	-	-
Total revenues	6,502	888
OPERATING EXPENSES		
Transportation and transmission	233	46
Severance and other taxes	327	34
Depletion	820	134
General and administrative	3,174	2,572
Total operating expenses	4,554	2,786
OPERATING INCOME (LOSS)	1,948	(1,898)
OTHER INCOME	881	330
INCOME (LOSS) BEFORE TEXAS MARGIN TAX	2,829	(1,568)
TEXAS MARGIN TAX EXPENSE	4	-
NET INCOME (LOSS)	$ 2,825	$ (1,568)
EBITDA	$ 3,649	$ (1,434)
OPERATING STATISTICS:		
Gas production (Mcf/d)	6,040	857
Oil production (Bbl/d)	899	91
NGL production (Bbl/d)	674	66
Oil equivalent production (BOE/d)	2,580	300
Gas price ($/Mcf)	$ 1.94	$ 2.44
Oil price ($/Bbl)	$ 56.54	$ 66.82
NGL price ($/Bbl)	$ 13.22	$ 24.29
Transportation and transmission/BOE	$ 0.99	$ 1.69
Depletion/BOE	$ 3.49	$ 4.91
G&A/BOE	$ 13.52	$ 94.24

LongPoint Minerals II, LLC
And its Subsidiary

BALANCE SHEET (unaudited)
(in thousands)

	June 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 89,982	$ 203,188
Accounts receivable	64	28
Accrued oil and gas sales	4,592	3,434
Total current assets	94,638	206,650
PROPERTY AND EQUIPMENT, at cost:		
Oil and gas properties, on the basis of full cost method of accounting:		
Proved properties	115,272	85,240
Unproved properties	276,261	189,224
Accumulated depletion	(2,204)	(814)
Total oil and gas properties, net	389,329	273,650
TOTAL ASSETS	$ 483,967	$ 480,300
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 3,094	$ 2,774
MEMBERS' EQUITY:		
Members' equity, net of placement fees of $13,893 and $1,032, respectively	480,873	477,526
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 483,967	$ 480,300

LongPoint Minerals II, LLC
And its Subsidiary

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

	CLASS A	CLASS B	TOTAL
BALANCES, JANUARY 1, 2018	$ -	$ -	$ -
Capital contributions	900	416,970	417,870
Net loss	(4)	(1,851)	(1,855)
Placement fees	(32)	(1,000)	(1,032)
Members' distributions	-	(12,563)	(12,563)
BALANCES, JUNE 30, 2018	$ 864	$ 401,556	$ 402,420
BALANCES, JANUARY 1, 2019	$ 874	$ 476,652	$ 477,526
Net Income	7	3,769	3,776
Members' distributions	(1)	(428)	(429)
BALANCES, JUNE 30, 2019	$ 880	$ 479,993	$ 480,873

LongPoint Minerals II, LLC
And its Subsidiary

STATEMENT OF CASH FLOWS (unaudited)
(in thousands)

	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	$	3,776	$	(1,855)
Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities-				
Depletion		1,390		134
Effect of changes in current assets and liabilities:				
Accounts receivables and accrued oil and gas sales		(1,194)		(712)
Accounts payable and accrued liabilities		320		2,404
Net cash provided by (used in) operating activities		4,292		(29)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisitions of proved properties		(30,032)		(28,882)
Acquisitions of unproved properties		(87,037)		(137,071)
Net cash used in investing activities		(117,069)		(165,953)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Equity placement fees		-		(1,032)
Capital contributions		-		405,870
Member distributions		(429)		(12,563)
Net cash (used in) provided by financing activities		(429)		392,275
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(113,206)		226,293
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		203,188		-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$	89,982	$	226,293