Commodity and Interest Rate Hedging Overview

May 7, 2014

The following information is current as of May 7, 2014.
Memorial Production Partners LP (MEMP) intends to update this information quarterly to the extent there are changes within the quarter. MEMP may update more or less frequently at its discretion.

Forward-Looking Statements

This document contains “forward-looking statements.” MEMP believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this document. These factors include, but are not limited to, the following risks and uncertainties: the uncertainty inherent in the development and production of oil and natural gas and in estimating reserves; potential difficulties in the marketing of, and volatility in the prices for, oil and natural gas; counterparty credit risk; uncertainties surrounding the success of secondary and tertiary recovery efforts; competition in the oil and natural gas industry; general political and economic conditions, globally and in the jurisdictions in which MEMP operates; risks related to acquisitions, including MEMP’s ability to close pending acquisitions and to integrate acquired properties; and the risk that MEMP’s hedging strategy may be ineffective or may reduce its income. Other factors that could impact forward-looking statements are described in the “Risk Factors” section of MEMP’s most recent Form 10-K filed with the Securities and Exchange Commission and other public filings and press releases by MEMP. MEMP undertakes no obligation to publicly update or revise any forward-looking statements.

MEMP Hedging Overview: 2014 through 2019

- MEMP's commodity risk management policy provides for hedging approximately 65-85% of estimated production from total proved reserves on a rolling three to six year period
  - Policy reduces MEMP's exposure to movements in commodity prices and provides stability to distributable cash flow
  - All of MEMP's trading counterparties have credit ratings of A- (S&P) or A3 (Moody's) or higher
  - All of MEMP's current hedges are costless, fixed price swaps and collars
- MEMP's targeted average net production estimate represents the production required to reach the lower boundary of the annual production range in the 2014 full year guidance(1)

Hedge Summary						
	Year Ending December 31,					
	2014	2015	2016	2017	2018	2019
Natural Gas Derivative Contracts:						
Total weighted-average fixed/floor price	$4.40	$4.32	$4.40	$4.31	$4.51	$4.75
Percent of 2014 production hedged	88%	88%	80%	73%	64%	57%
Crude Oil Derivative Contracts:						
Total weighted-average fixed/floor price	$94.71	$90.79	$85.44	$84.74	$84.59	$83.33
Percent of 2014 production hedged	81%	96%	90%	50%	46%	18%
Natural Gas Liquids Derivative Contracts:						
Total weighted-average fixed/floor price	$41.07	$43.02	–	–	–	–
Percent of 2014 production hedged	83%	77%	–	–	–	–
Total Derivative Contracts:						
Total weighted-average fixed/floor price	$8.14	$8.36	$8.34	$7.15	$7.36	$6.19
Percent of 2014 production hedged	85%	88%	69%	53%	47%	35%

(1) MEMP's 2014 full year guidance assumes the pending acquisition announced on May 5, 2014 will be completed. Please see "Forward-Looking Statements"

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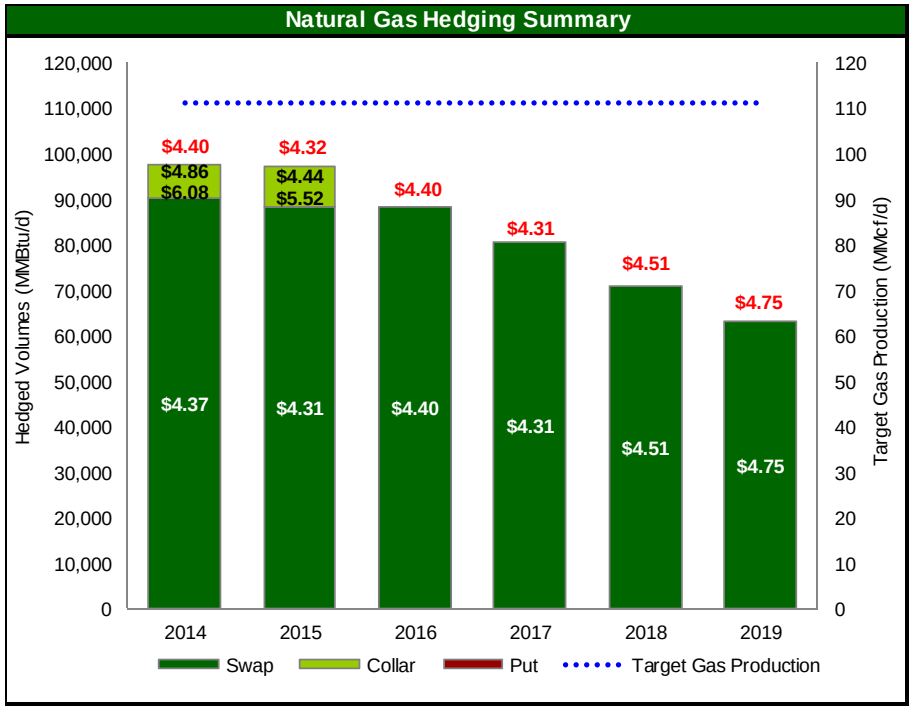
Natural Gas Hedging 2014 through 2019

- MEMP's existing natural gas hedges cover approximately 88% of targeted natural gas production volumes for 2014 at a weighted average price of $4.40
- 100% of MEMP's natural gas hedges are to the appropriate basis differential through 2014
  - 97% of MEMP's natural gas hedges are hedged via separate NYMEX and basis hedges, with the remaining 3% hedged directly to the appropriate basis (see basis hedges summary for additional details)



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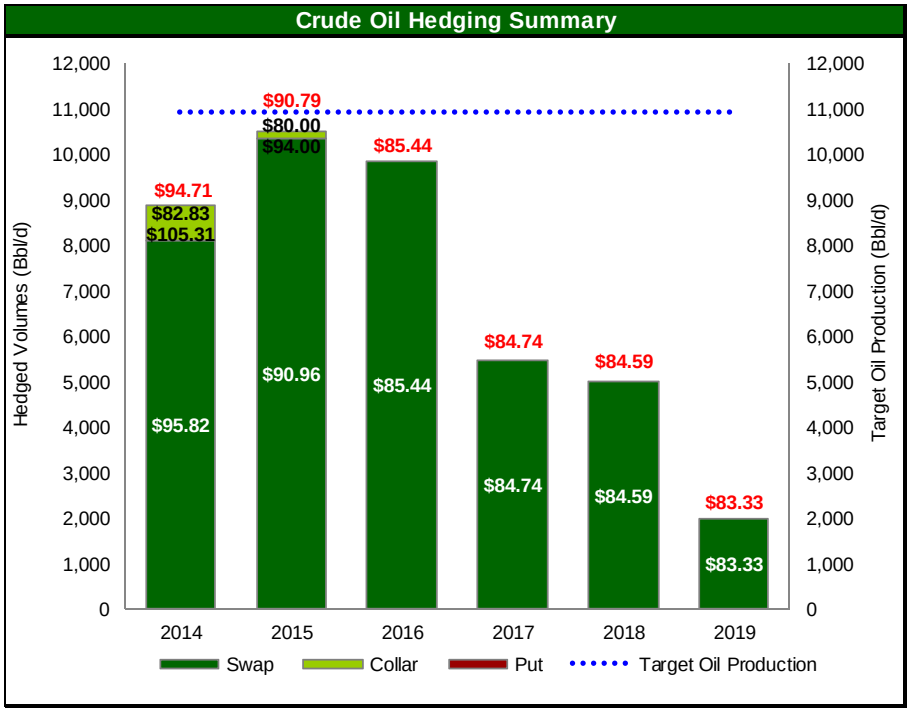
Crude Oil Hedging 2014 through 2019

- MEMP has hedged approximately 81% of targeted crude oil production volumes for 2014 at a weighted average price of $94.71
- MEMP's California production is hedged using Brent swaps, whereas MEMP's East Texas, South Texas and Permian Basin oil production is hedged with WTI swaps and collars
  - MEMP's California hedges include a basis trade through 2015 from Brent to Midway-Sunset and MEMP's Eagle Ford through 2014 from WTI to Louisiana Light Sweet (see basis hedges summary for additional details)



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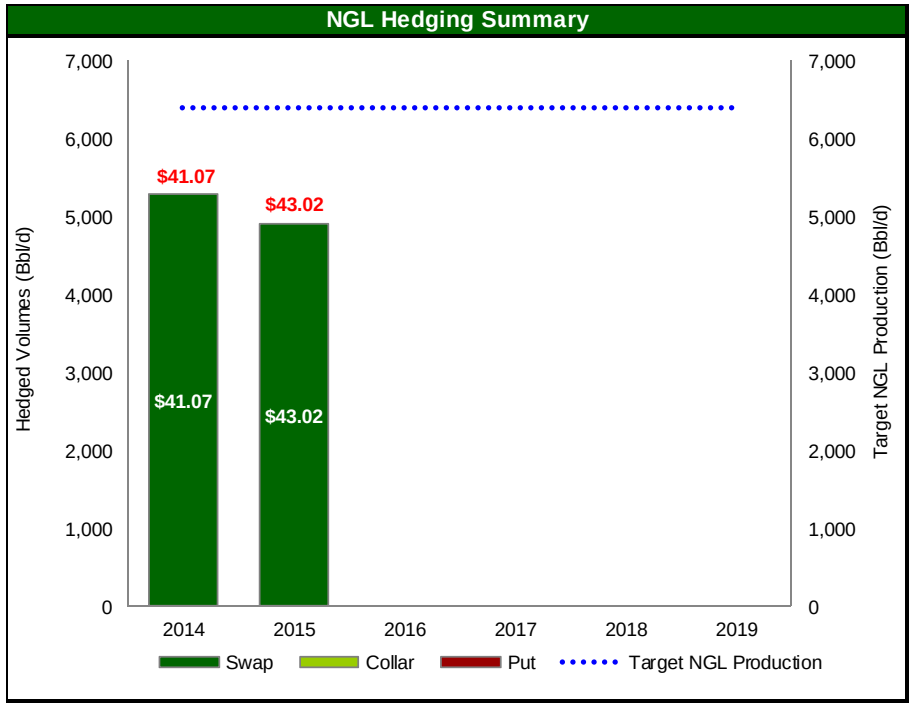
NGL Hedging 2014 through 2019

- Hedging NGLs by product protects MEMP from fluctuations in the NGL to crude oil price relationship
  - Due to a lack of market liquidity, direct hedging of NGLs is typically limited to 12 to 24 months
- MEMP has hedged approximately 85% of targeted NGL production volumes for 2014 at a weighted average floor of $41.07



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Natural Gas and NGL Hedges: 2014 through 2019

Natural Gas / NGLs Hedge Summary						
	Year Ending December 31,					
	2014	2015	2016	2017	2018	2019
Natural Gas Derivative Contracts:						
Swap contracts:						
Volume (MMBtu)	24,850,850	32,223,340	32,309,300	29,400,800	25,920,000	22,975,000
Volume (MMBtu/d)	90,367	88,283	88,277	80,550	71,014	62,945
Weighted-average fixed price	$4.37	$4.31	$4.40	$4.31	$4.51	$4.75
Collar contracts:						
Volume (MMBtu)	1,980,000	3,240,000	–	–	–	–
Volume (MMBtu/d)	7,200	8,877	–	–	–	–
Weighted-average floor price	$4.86	$4.44	–	–	–	–
Weighted-average ceiling price	$6.08	$5.52	–	–	–	–
Put options:						
Volume (MMBtu)	–	–	–	–	–	–
Volume (MMBtu/d)	–	–	–	–	–	–
Weighted-average floor price	–	–	–	–	–	–
Total Natural Gas Derivative Contracts:						
Total natural gas volumes hedged (MMBtu)	26,830,850	35,463,340	32,309,300	29,400,800	25,920,000	22,975,000
Total natural gas volumes hedged (MMBtu/d)	97,567	97,160	88,277	80,550	71,014	62,945
Total weighted-average fixed/floor price	$4.40	$4.32	$4.40	$4.31	$4.51	$4.75
Percent of target production hedged	88%	88%	80%	73%	64%	57%
Natural Gas Liquids Derivative Contracts:						
Swap contracts:						
Volume (Bbl)	1,452,200	1,790,400	–	–	–	–
Volume (Bbl/d)	5,281	4,905	–	–	–	–
Weighted-average fixed price	$41.07	$43.02	–	–	–	–
Collar contracts:						
Volume (Bbl)	–	–	–	–	–	–
Volume (Bbl/d)	–	–	–	–	–	–
Weighted-average floor price	–	–	–	–	–	–
Weighted-average ceiling price	–	–	–	–	–	–
Total Natural Gas Liquids Derivative Contracts:						
Total natural gas liquids volumes hedged (Bbl)	1,452,200	1,790,400	–	–	–	–
Total NGL volumes hedged (Bbl/d)	5,281	4,905	–	–	–	–
Total weighted-average fixed/floor price	$41.07	$43.02	–	–	–	–
Percent of target production hedged	83%	77%	–	–	–	–

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Oil Hedges: 2014 through 2019

Oil Hedge Summary						
	Year Ending December 31,					
	2014	2015	2016	2017	2018	2019
NYMEX Oil Derivative Contracts:						
Swap contracts:						
Volume (Bbl)	1,691,768	3,081,372	2,943,756	1,375,200	1,224,000	420,000
Volume (Bbl/d)	6,152	8,442	8,043	3,768	3,353	1,151
Weighted-average fixed price	$93.90	$89.23	$83.57	$81.64	$81.16	$80.00
Collar contracts:						
Volume (Bbl)	207,000	60,000	–	–	–	–
Volume (Bbl/d)	753	164	–	–	–	–
Weighted-average floor price	$82.83	$80.00	–	–	–	–
Weighted-average ceiling price	$105.31	$94.00	–	–	–	–
Brent Oil Derivative Contracts:						
Swap contracts:						
Volume (Bbl)	537,000	690,000	660,000	624,000	600,000	300,000
Volume (Bbl/d)	1,953	1,890	1,803	1,710	1,644	822
Weighted-average fixed price	$101.85	$98.69	$93.79	$91.57	$91.60	$88.00
Collar contracts:						
Volume (Bbl)	–	–	–	–	–	–
Volume (Bbl/d)	–	–	–	–	–	–
Weighted-average floor price	–	–	–	–	–	–
Weighted-average ceiling price	–	–	–	–	–	–
Total Crude Oil Derivative Contracts:						
Total Crude Oil Derivative Contracts:						
Total crude oil volumes hedged (Bbl)	2,435,768	3,831,372	3,603,756	1,999,200	1,824,000	720,000
Total crude oil volumes hedged (Bbl/d)	8,857	10,497	9,846	5,477	4,997	1,973
Total weighted-average fixed/floor price	$94.71	$90.79	$85.44	$84.74	$84.59	$83.33
Percent of target production hedged	81%	96%	90%	50%	46%	18%

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Natural Gas Basis Hedges: 2014 through 2019

Basis Hedges for Natural Gas						
	Year Ending December 31,					
	2014	2015	2016	2017	2018	2019
NGPL Tex/Ok Gas Differential						
Total natural gas volumes hedged (MMBtu)	20,870,000	10,800,000	–	–	–	–
Total natural gas volumes hedged (MMBtu/d)	75,891	29,589	–	–	–	–
Total weighted-average fixed/floor price	($0.09)	($0.12)	–	–	–	–
NGPL STX Gas Differential						
Total natural gas volumes hedged (MMBtu)	3,420,000	–	–	–	–	–
Total natural gas volumes hedged (MMBtu/d)	12,436	–	–	–	–	–
Total weighted-average fixed/floor price	($0.11)	–	–	–	–	–
HSC Gas Differential						
Total natural gas volumes hedged (MMBtu)	1,710,000	1,800,000	–	–	–	–
Total natural gas volumes hedged (MMBtu/d)	6,218	4,932	–	–	–	–
Total weighted-average fixed/floor price	($0.07)	($0.08)	–	–	–	–
Total Gas Differential						
Total natural gas volumes hedged (MMBtu)	26,000,000	12,600,000	–	–	–	–
Total natural gas volumes hedged (MMBtu/d)	94,545	34,521	–	–	–	–
Total weighted-average fixed/floor price	($0.09)	($0.11)	–	–	–	–

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Oil Basis Hedges: 2014 through 2019

Basis Hedges for Crude Oil						
	Year Ending December 31,					
	2014	2015	2016	2017	2018	2019
Midway-Sunset Differential						
Total crude oil volumes hedged (Bbl)	537,000	690,000	–	–	–	–
Total crude oil volumes hedged (Bbl/d)	1,953	1,890	–	–	–	–
Total weighted-average fixed/floor price	($9.23)	($9.73)	–	–	–	–
Louisiana Light Sweet (LLS) Differential						
Total crude oil volumes hedged (Bbl)	306,000	–	–	–	–	–
Total crude oil volumes hedged (Bbl/d)	1,113	–	–	–	–	–
Total weighted-average fixed/floor price	$3.61	–	–	–	–	–
Total Crude Differential						
Total crude oil volumes hedged (Bbl)	843,000	690,000	–	–	–	–
Total crude oil volumes hedged (Bbl/d)	3,065	1,890	–	–	–	–
Total weighted-average fixed/floor price	($4.57)	($9.73)	–	–	–	–

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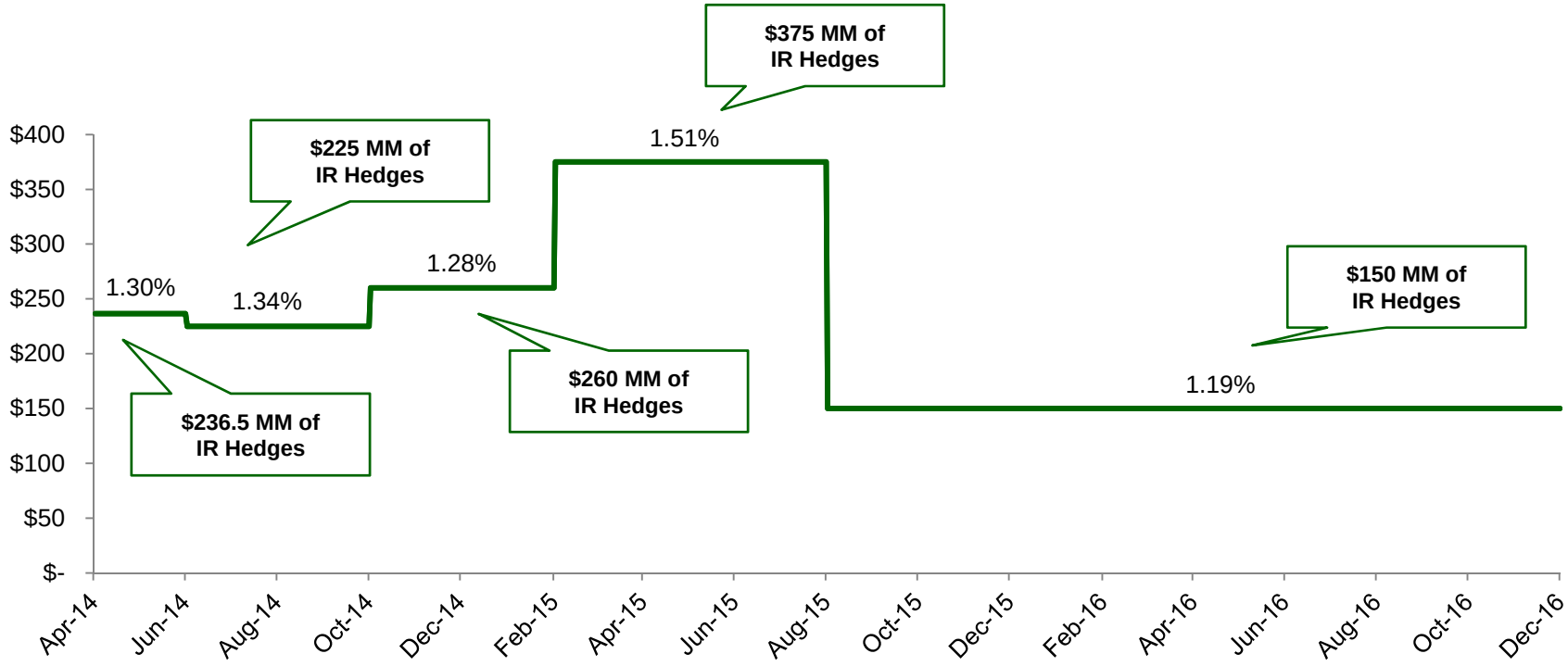
Interest Rate Hedging Overview: 2014 through 2016

- As of March 31, 2014, MEMP has entered into the following interest rate derivative hedging transactions as it relates to the debt outstanding under its revolving credit facility
- MEMP had interest rate hedges on 79% of the $299 MM outstanding as of March 31, 2014



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