

NATURAL GAS PARTNERS

125 E. JOHN CARPENTER FREEWAY, SUITE 600

IRVING TEXAS 75062

TELEPHONE: (972) 432-1440

FACSIMILE (972) 432-1441

100 NORTH GUADALUPE STREET, SUITE 205
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 983-8400
FACSIMILE: (505) 983-8120

1266 EAST MAIN STREET, 5TH FLOOR
STAMFORD, CONNECTICUT 06902
TELEPHONE: (203) 504-5072
FACSIMILE: (203) 5045073

FOR IMMEDIATE RELEASE

NATURAL GAS PARTNERS ANNOUNCES THE FORMATION OF CLASSIC HYDROCARBONS INC.

Irving, Texas – August 2, 2006 – Natural Gas Partners (“NGP”), one of the leading private equity investors in the oil and gas industry, announced today the formation of Classic Hydrocarbons Inc. The NGP portfolio company has been formed with a focus on building a valuable natural gas and oil asset portfolio. The principal management team includes Rob Jacobs, Don Gann, and Mark Doering. The company is backed by equity provided by company management and Natural Gas Partners VIII, L.P. Classic’s strategy is to create value through a combination of low-risk strategic acquisitions and partnerships, leasehold accumulation, development and exploitation drilling.

The management team of Classic Hydrocarbons has extensive knowledge and success in the oil and gas industry. Rob Jacobs, President, has worked as a geologist, asset manager, and head of business development for both private and publicly traded oil and gas companies. A founding partner of Encore Acquisition Company, he was involved in all aspects of oil and gas exploitation and development and he served in a number of capacities including Vice President – Geology and Senior Vice President - Asset Management, Business Development, and Administration. Mr. Jacobs’ responsibilities included management of the company’s acquisition and growth programs, and oversight of the land department. Prior to Encore, he worked for 12 years on the staff of Bass Enterprises Production Company. Don Gann, Chief Operating Officer, has experience in numerous engineering roles including reservoir, operations and production. He also was a founding partner of Encore Acquisition Company where he served in a number of engineering and management capacities including Production Manager, Vice President – Production, and Sr. Vice President – Operations which included supervision of the drilling and production operations, and health, safety, and environmental programs. Prior to Encore, he worked for 14 years for Mitchell Energy Company.

Joining Rob and Don is Mark Doering who will serve as Chairman of Classic Hydrocarbons. Mr. Doering has over 30 years of experience in the oil and gas business. He has extensive experience in property evaluations and acquisitions. Mr. Doering began his career with Exxon as a petroleum engineer before joining Netherland, Sewell and Associates. He formed his own consulting firm and later served as chief evaluator and technical officer for a start-up acquisition company that grew to have assets of over \$100,000,000. He operated his own acquisition and divestiture company before forming Classic Resources Inc. in 1998 with equity backing from NGP. After selling Classic Resources, Mark formed, built and sold Classic Petroleum Inc. and Classic Petroleum Resources Inc. alongside NGP.

Kenneth A. Hersh, Chief Executive Officer of NGP Energy Capital Management and Managing Partner of Natural Gas Partners, said, “We are extremely excited at the formation of Classic Hydrocarbons. NGP is fortunate to be able to partner with top management from former successful NGP portfolio companies in this new endeavor. The combination of Messrs. Doering, Jacobs and Gann tangibly shows the opportunities that an NGP relationship can provide our management teams.”

Classic’s activities will initially focus on East Texas and North Louisiana. “We plan on accumulating low-risk opportunities on which we can increase value through smart technical management,” commented Jacobs. He added, “There remain many, many opportunities for us to pursue in East Texas where all of us have years of experience. We are attracted to the multiple reservoirs that produce in this area, and plan to take advantage of our technical knowledge to enhance the properties in our portfolio.”

Founded in 1988, Natural Gas Partners is a \$2.9 billion family of funds that invest private equity capital in oil and gas production, midstream and oilfield service companies. The firm also manages \$350 million in two co-investment funds that invest in direct oil and gas property interests alongside NGP portfolio companies. Natural Gas Partners is an affiliate of NGP Energy Capital Management, a \$3.6 billion firm based in Irving, Texas that invests in all sectors of the energy industry.

Classic Hydrocarbons Contact:

Rob Jacobs

President

Classic Hydrocarbons Inc.

One Ridgmar Centre

6500 West Freeway, Suite 222

Fort Worth, TX 76116

(817) 731-4100

Email: rjacobs@classicinc.net

Natural Gas Partners Contact:

Kenneth A. Hersh

Managing Partner

Natural Gas Partners

125 East John Carpenter Freeway, Suite 600

Irving, Texas 75062

(972) 432-1440

Email: inquiries@ngptrs.com

Website: www.naturalgaspartners.com