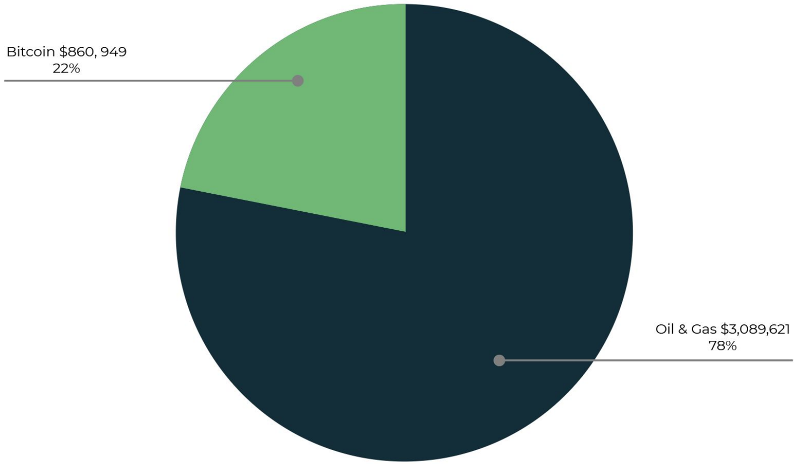
EnergyFunders

ENERGYFUNDERS YIELD FUND I GP LLC

Q2 2022 INVESTOR UPDATE

FUND FINANCIALS

EnergyFunders Yield Fund I GP LLC Capital Allocation
(As of June 30, 2022)



In the second quarter, EnergyFunders Yield Fund I GP LLC ("Yield Fund I" or the "Fund") invested $551,133, bringing the total investment through the end of the second quarter to $3.95 million. Approximately 78% of this invested capital was allocated into oil and gas wells, with the remainder allocated into off-grid bitcoin mining.

This quarter, we invested in the drilling and completion of one brand new well—the Lion #2—and in the recompletions of two additional wells. One well in which the Fund had previously invested—the Barbados #2—also came online.

FUND FINANCIALS

The table below shows the breakdown of the Fund's $3.09 million of invested capital across 9 oil and gas wells as of the end of Q2 2022. Together, these assets generated total net operating income of $791,538 through June 30, 2022:

EnergyFunders Yield Fund I GP LLC Oil and Gas Well Summary (as of June 30,2022)

Asset	NET Investment	Cumulative Net Operating Income	Investment Type	Current Net Revenue Interest
Barbados #2	$669,490	$37,918	PUD (Leasehold) and PUD DrillCo, 15% IRR Hurdle	71.5%
Joffre 103	$412,100	$12,278	DNP (Leasehold)	5.0%
Knight Ranch #1	$108,379	-	DNP DrillCo, 15% IRR Hurdle	6.9%
Lion #2	$195,890	-	PUD DrillCo, 15% IRR Hurdle	31.1%
Little Exuma #2	$546,760	$(1,256)	PUD DrillCo, 15% IRR Hurdle	69.6%
Oakville Hinton #1	$16,309	$13,918	DNP DrillCo, 15% IRR Hurdle	6.2%
Parker #10	$315,208	$418,419	PUD DrillCo, 15% IRR Hurdle	4.3%
Parker Heirs #2	$366,866	$260,454	PUD DrillCo, 15% IRR Hurdle	42.2%
Parker Heirs #3	$458,620	$49,806	PUD DrillCo, 15% IRR Hurdle	48.4%
Total	$3,089,621	$791,538		

FUND FINANCIALS

Next, the two tables below show the gross oil and gas production volumes for each of the Fund's wells during the quarter:

Gross Oil Production by Well, Monthly Average (bbl/d)			
Well	**April 2022**	**May 2022**	**June 2022**
Barbados #2	-	-	-
Joffre 103	45	55	37
Knight Ranch #1	-	-	-
Lion #2	-	-	-
Little Exuma #2	-	-	-
Oakville Hinton #1	6	24	-
Parker #10	136	47	62
Parker Heirs #2	64	49	30
Parker Heirs #3	11	11	12
Total	262	185	141

FUND FINANCIALS

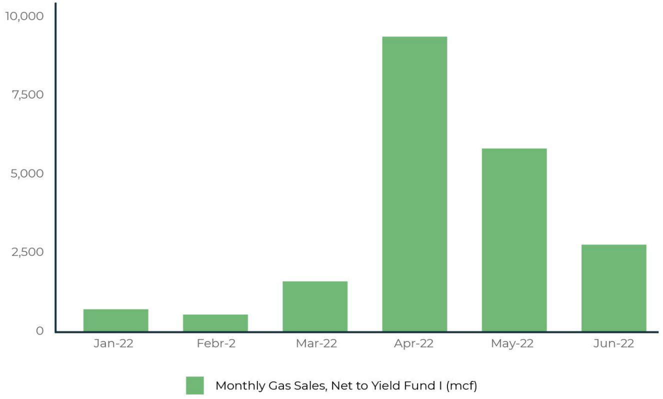
Gross Gas Production by Well, Monthly Average (Mcf/d)			
Well	**April 2022**	**May 2022**	**June 2022**
Barbados #2	277	102	44
Joffre 103	-	-	-
Knight Ranch #1	-	-	-
Lion #2	-	-	-
Little Exuma #2	-	-	-
Oakville Hinton #1	177	541	-
Parker #10	435	131	237
Parker Heirs #2	206	180	121
Parker Heirs #3	-	-	-
Total	1,095	954	402

FUND FINANCIALS

The table below shows the oil and gas income earned from production for the quarter:

EnergyFunders Yield Fund I GP LLC Q2 2022 Net Oil and Gas Income				
	Apr 2022	**May 2022**	**Jun 2022**	**Q2 2022 Total**
Oil Sales (bbls)	**1,219**	**995**	**688**	**2,902**
Natural Gas Sales (mcf)	**9,443**	**5,828**	**2,777**	**18,048**
NET OIL & GAS INCOME	**$170,568**	**$139,004**	**$93,400**	**$402,971**

Yield Fund I Capital Trends: Growing Gas Exposure



Latest Trends in Capital Allocation and Cash Flows

Three key trends drove the Fund's income and capital allocation during the quarter.

First, in response to the downturn in bitcoin prices, the Fund has pulled back on its allocation to bitcoin mining. Although we originally planned a 50/50 allocation between bitcoin mining and oil and gas production, our number one priority is stewarding your capital towards the best risk/reward opportunities. As such, we have pivoted to a greater oil and gas allocation —up to 78% of Fund capital, as shown in the Fund Financials section above.

Going forward, we will continue to be nimble and opportunistic as we adjust to market conditions and work towards minimizing your risk, while searching for the highest returning opportunities.

That leads to the second key trend this quarter—a growing number of oil and gas investments coming online. The Fund's asset base expanded to six net-positive cash flowing wells during the quarter, up from one at the end of last quarter. This is part of our ongoing strategy designed to target a diversified portfolio of opportunities, while reducing the risk exposure to any single investment.

The final big trend was the Fund's growth in natural gas producing assets, with gas sales growing 1,600 thousand cubic feet per month (Mcf/month) to end the quarter at 2,800 Mcf/month, up 73% from the end of the first quarter.

The Fund's shift towards natural gas capitalizes on today's powerful gas bull market. With U.S. natural gas prices recently trading above $10 per Mcf—the highest since 2008—the market has issued a clear directive: produce more low-cost American gas.

The driving force behind this rally traces back to the Russian invasion of Ukraine last February. The invasion sparked a geopolitical showdown between East and West, forcing the Europeans into a desperate scramble to reduce their reliance on Russian natural gas. The only problem is that Russia controls 40% of European gas supplies—causing a massive spike in gas prices that's rippling around the globe.

European gas prices have spiked towards $100 per Mcf, squeezing consumers with skyrocketing energy and utility bills, while European manufacturing grinds to a halt. Economic activity across the entire continent is on the verge of collapse (source).

This rally shows no signs of ending any time soon. Securing enough alternative supplies to replace 40% of European gas will simply take time.

At a public event on Monday, Belgium Prime Minister Alexander De Croo implored Europeans to dig in for the long haul, warning that **"the next 5 to 10 winters are going to be difficult."** In other words. . .

We could be staring down the barrel of a decade-long spike in global natural gas prices.

Yield Fund I Positioned for a Decade Long Bull Market in American Gas

Today's energy crisis is restoring a sense of energy realism among policymakers. The European Parliament last month issued a landmark ruling to endorse natural gas as a "green fuel." This sets the stage for hundreds of billions of dollars in capital investment for natural gas infrastructure, including liquefied natural gas (LNG) import terminals.

That's where American natural gas, and EnergyFunders, comes in.

The U.S. has become the largest source of reliable gas supply to Europe—and the globe—via LNG exports. Starting in March, the White House began a major push to produce more U.S. natural gas to ship to Europe via LNG exports. This included an agreement that committed the U.S. LNG industry to send an additional 15 billion cubic meters (approximately 530,000,000 mcf) of natural gas to Europe through 2022.

That's how U.S. natural gas prices have spiked to over $10 per Mcf, providing what could prove to be a tailwind for the Fund's early investments in gas wells such as the Barbados #2. The Fund invested in this well with the expectation of producing its oil reserves. However, in an effort to produce all formations in an efficient manner, the operator decided to target the gas-rich formation first, resulting in a "bonus" productive zone that we hope will pay dividends with record high gas prices.

The growing portfolio of gas assets in Yield Fund I positions the Fund to continue capitalizing on the highest gas prices of the last decade.

This includes the Oakville Hinton #1, an asset in which the Fund entered into a participation agreement covering a 17% initial working interest during the quarter. The well is currently flowing to sales via a new pipeline connection with favorable commercial terms.

The Fund committed $69,818 to complete a new reservoir in this well. You may have noticed that the daily production tables above do not show any production from this well for June. This is because the operator was moving the production to another pipeline to obtain a better price on the well's production long term. Production returned in late July, and we estimate the Fund is currently earning about $1,000 per day on the production from this well (though, remember, the well will decline over time along with returns).

The Little Exuma #2 well is another recent addition to the Fund's gas assets. This well has been drilled and completed, and is awaiting connection to the production line. Early production reached as high as 1,063 Mcf/d, indicating excellent potential for long term production and economics. The operator has ordered a compressor to the facility to improve gas deliverability to sales.

Looking ahead, we have plans to continue funding the critical natural gas that America—and the world—will require. We are currently exploring several additional deals focused on gas-heavy wells, and will keep you updated on the new opportunities we bring into the Fund.

Next, let's move on to the oil side of the portfolio.

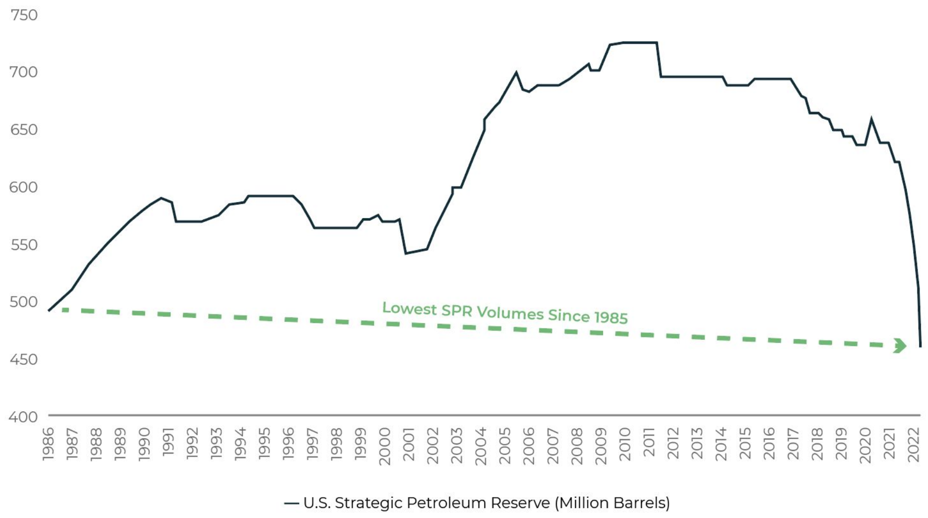
Oil Price Declines on Recession Fears and SPR Release

Following a powerful rally to over $120 per barrel this spring, oil prices have retreated back into $90 - $100 per barrel territory in recent weeks.

Growing fears of a recession have pressured prices, as traders price in a potential demand hit from slowing economic activity. However, the supply side of the equation remains bullish, with global inventories well below historic averages. This includes the ongoing collapse in the U.S. strategic petroleum reserve (SPR), which now sits at the lowest levels since 1985.

This unprecedented SPR liquidation has provided a temporary relief valve to a global oil market running on depleted inventories. But if we zoom out from the short-term factors of SPR releases and even a potential economic slowdown, the longer-term picture remains bullish for energy and commodities prices across the board.

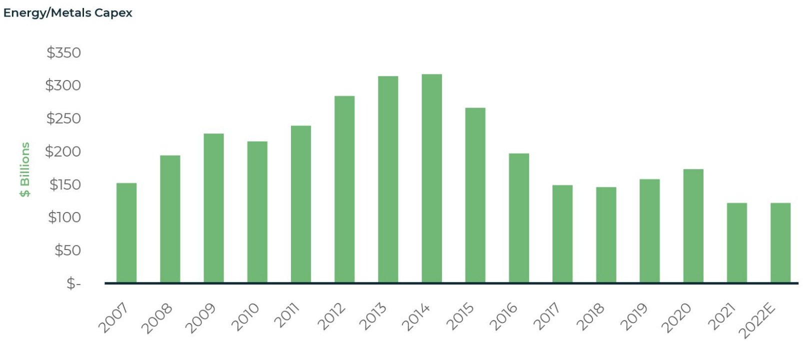
Strategic Petroleum Liquidation:
U.S. Stockpiles Plunge to 35-Year Low



FUND FINANCIALS

The reason traces back to a theme we've covered for years now—a persistent lack of investment, even despite today's high price environment, as captured in the chart below:

Capex in the resources sector has been slashed to 15-year lows



As of 3/31/2022 | Source: WorldScope, MSCI, GMO
Energy/Metals capx represents the aggregate capex of 30 of the largest publicly traded fossil fuel and mining companies globally.

A recent Ernst and Young study explains. . .

“Sky-high commodity prices typically lead to greater investments — yet that hasn’t occurred... In fact, the 2022 EY US oil and gas reserves, production and ESG benchmarking study found that expenditures for extensions and discoveries ranked at the second-lowest level in the last five years.”

The study goes on to explain that “the number of working rigs hasn’t returned to pre-pandemic levels — **and probably never will**.”

What’s driving this trend? Look no further than Wall Street, as the Financial Times reports. . .

“But executives say they remain under pressure from Wall Street to return the windfall to investors through dividends and share buybacks rather than spending heavily to increase production.”

In the same article, the CEO of Devon Energy explained that “unless we have shareholders that come in and say, look, we absolutely — we do not like these big dividends. We do not like your share repurchase programme. We want you to go back to a growth model...Until we see that, I see no reason to change our strategy.”

With the big Wall Street-funded energy corporations facing capital constraints, private operators have stepped in to seize the opportunity, as the Financial Times further explains. . .

"The growth in output this year has primarily been driven by private operators not under the same kind of shareholder pressure to cap investment."

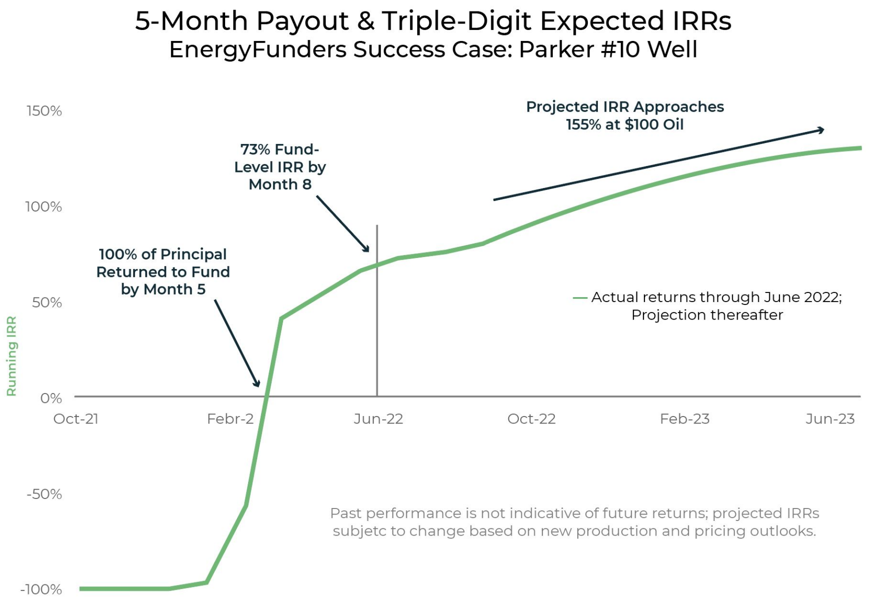
Therein lies the big opportunity for EnergyFunders investors. The smaller, private market operators we partner with—like Paleo Oil—are uniquely positioned to capitalize on today's environment. We've simply never seen an environment with such compelling drilling economics and so little competition for deals.

Highlights from Yield Fund I Deals to Date

Our results to date include some notable examples, including the wells on the Parker lease. In recent weeks, the operator has implemented several upgrades on the facility to optimize lease operating expenses, which we expect will continue improving the performance of the Parker #10 and Parker Heirs #2 & #3.

FUND FINANCIALS

Among all of the wells on this lease, the Parker #10 remains the standout performer. To review the performance, this well repaid its entire principal investment back to the fund within five months, and we believe this well is on track for triple-digit returns from here based on the following current projections:



We're very pleased with this and other early success cases, and we look forward to many more opportunities like the Parker #10 going forward.

Next, let's review another recent addition to the Fund's oil portfolio—the Lion #2.

Our strategic partner Paleo Oil successfully drilled and completed the Lion #2, which produced initial test volumes as high as 144 Mcf/d of gas and 48 bbl/d of oil. Paleo is now laying pipe to the nearby Lion #1 facility which will act as the gathering point for the well's oil and gas. Paleo has also submitted for a water disposal permit amendment and should be able to inject water produced from the Lion #2 into the existing Lion #1 in the next few weeks. If successful, this will minimize operating expenses and improve the well economics in the long run.

Finally, Paleo Oil continues finding ways to unlock efficiencies in the Fund's existing wells. One example of this is the Barbados #2 where a compressor is being installed to increase line intake, which should help the gas flow more efficiently to sales.

Looking ahead, we anticipate the Fund will invest in three to five additional wells before the deadline for 2022 intangible drilling cost (IDC) deductions on March 31, 2023. The drilling of these wells is, as always, contingent on several things coming to fruition, including deal terms, landowner and other surface use factors, operational factors such as drilling rig availability, and permitting/other regulatory requirements.

FUND FINANCIALS

Also, since we know a lot of investors are interested in the tax implications of their Yield Fund I investment, here's the latest update on our estimate for intangible drilling costs (IDCs) and intangible completion costs (ICCs) incurred in the first half of 2022:

Total Yield Fund I GP LLC IDCs & ICCs		
2021	IDC	$906,937
	ICC	$91,913
	Total	$998,851
2022	IDC	$254,153
	ICC	$890,470
	Total	$1,144,623
TOTAL		$2,143,474

In early Q2, the Fund deployed capital to finance Paleo Oil Company's acquisition of a large legacy producing property near Pettus, Texas. Our capital allocation decision was driven by our standing Fulfillment Agreement with Paleo, whereby EnergyFunders has the right to select drilling projects from Paleo's inventory, the opportunity to acquire drilling inventory without exposure to legacy plugging and abandonment obligation, the limited number of investment-grade opportunities available at the time, and the preferred 10% interest rate we were able to secure for this otherwise non-deployed capital. The loan will reach maturity on September 28th, 2022 and we are pleased to report that the first new drill from the property is being planned as we write this update.

Finally, a quick note in regards to the bitcoin mining investment. We are, after several mechanical failures in the immersion mining set up, up and running at approximately 95% efficiency. To date, the mine has grossed 4.3 bitcoin. We plan to begin distributions soon so please remember to update your wallet on our platform if you would like to receive bitcoin, otherwise we will distribute your share in dollars.

EnergyFunders - the Right Investment for the Right Time

The world might be waking up to the importance of fossil fuels, like oil and natural gas, as the critical inputs to our modern day society. It's also waking up to the importance of energy security. European policymakers have shifted from the demonization of fossil fuels like natural gas towards supporting billions of investment dollars in natural gas infrastructure.

EnergyFunders offers part of the solution to the European energy crisis. Low-cost American oil and gas can help the world secure alternative energy supplies, including reducing Russia's grip on the European economy.

Meanwhile, we're also seeing a shift towards more rational energy policy among U.S. policymakers. This includes language in the recently passed "Inflation Reduction Act" which includes mandates that open up substantial new oil and gas leases on both public land and offshore (source).

As Andrew Gillick of Enervus recently explained to USA today, "the new law signals Democrats are willing to work with them and abandon the notion fossil fuels could soon be rendered obsolete."

EnergyFunders is part of the solution in securing low-cost energy, for America and the globe.

EnergyFunders - the Right Investment for the Right Time

And yet. . .

Despite this shift in political will, and the greatest pricing environment of the last decade, Wall Street capital remains sidelined. This has opened up the greatest divergence we've seen between compelling economics in the private market, and the lack of competition for deals.

We look forward to allocating your capital into this once-in-a-lifetime market, while helping the world solve a critical energy shortage.

We plan to continuously monitor the macro environment, for risks and opportunities, with one goal: maximize the return on your capital while minimizing your risk.

Thank you for your investment with EnergyFunders.

Your CEO,

Laura Pommer

REACH OUT

IF YOU HAVE ANY QUESTIONS

716 S. FRIO STREET, SUITE 201
SAN ANTONIO, TEXAS 78207

713-863-3297

info@energyfunders.com

EnergyFunders