



**GREENHUNTER**  
E N E R G Y I N C.



GreenHunter Water, LLC is a wholly owned subsidiary  
of GreenHunter Energy, Inc.

## Investor Presentation

**GreenHunter Energy, Inc. is a publicly traded  
Company. (NYSE Amex symbol: GRH)**

[www.greenhunterenergy.com](http://www.greenhunterenergy.com)  
[www.greenhunterwater.com](http://www.greenhunterwater.com)

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**May 23, 2012**

# Safe Harbor Disclosure

This presentation includes or incorporates by reference statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements include, but are not limited to, information or assumptions about revenues, gross profit, expenses, income, capital and other expenditures, financial plans, capital structure, cash flow, liquidity, management's plans, goals and objectives for future operations and growth. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results, levels of activity, performance or achievements.

# GreenHunter Energy, Inc.

**NYSE Amex: GRH (\$1.91/share closing price 5/22/12)**

Values  
in 000s

Market Capitalization*	\$53,687
Debt*	\$12,569
Enterprise Value*	\$66,256
Common Shares Outstanding*	28,079
Average Daily Trading Volume (3 mo, not in 000s)	182,997
Series A 8% Convertible Preferred Shares (\$1,000 par converts at \$5.00 per common share)	8,271
Series B Convertible Preferred Shares (\$1,000 par converts at \$7.50 per common share)	9,802
Series C 10% Cumulative Preferred Shares (\$25 liquidation value no conversion)*	2,630
Insider Ownership	Approx. 65%



\*Share count and debt as of 4/27/12

47,603 shares outstanding and dilutive at current stock price  
 46,597 shares outstanding and dilutive at a stock price of \$5.00  
 46,353 shares outstanding and dilutive at a stock price of \$7.50

# Fracking & Water Headlines

## INVESTOR'S BUSINESS DAILY

### Will EPA Snuff Out Natural Gas' 'Fracking' Boom?

Posted 06/14/2011 05:26 PM ET

## Bloomberg Businessweek

June 2, 2011, 4:59PM ET

### DEP suggests stronger drilling rules are needed

"... water remains a key issue. In addition to possible contamination of surface and underground water from fracking fluids, the sheer volume of water required poses challenges ...." The New York Times, May 27, 2011

THE ASSOCIATED PRESS May 17, 2011, 4:45PM ET

### Pa.'s drilling wastewater deadline nears

## THE WALL STREET JOURNAL. BUSINESS

BUSINESS | MAY 26, 2011

### Exxon Says 'Fracking' Safe as Industry Mounts Defense

## THE WALL STREET JOURNAL. NY AP TOP NEWS

JULY 5, 2011, 11:50 A.M. ET

### Ohio starts taking Pa. fracking wastewater

## The New York Times

### U.S. Department of Energy Prepares to Take the Floor in the Nation's 'Fracking' Debate

By JOEL KIRKLAND of [ClimateWire](#)

Published: July 26, 2011

## OIL & GAS JOURNAL

International Petroleum News and Technology

### West Virginia issues emergency horizontal drilling rule

HOUSTON, Aug. 24

## THE WALL STREET JOURNAL. NY AP TOP NEWS

FEBRUARY 20, 2012, 9:27 A.M. ET

### Wastewater a key issue in NY's fracking debate

# GreenHunter Water Subsidiary

GreenHunter Water, LLC—a wholly owned subsidiary of GreenHunter Energy, Inc. (NYSE Amex: GRH)—provides Total Water Management Solutions™ in the oilfield including the Marcellus, the Eagle Ford and the Bakken Shale plays.

An understanding that there is no single solution to E&P fluids management, shapes GreenHunter's technology-agnostic approach to services.

In addition to licensing of and joint ventures with manufacturers of mobile water treatment systems, GreenHunter Water is expanding capacity of salt water disposal, temporary above-ground storage, hauling and fresh water logistics services – including 21st Century tracking technologies that allow Shale producers to optimize the efficiency of their water resource management and planning while complying with emerging regulations.



# Plan of Action

- Accelerate acquisition and development of clean water management assets using a combination of cash and stock
- Raise capital through asset-backed commercial loans and sale of additional equity
- License, JV and deploy mobile water treatment and fluids tracking technologies
- Roll out next-generation MAG Tank™ storage line

**Frac-Cycle™**  
GREENHUNTER WATER

**RAMCAT™**  
GREENHUNTER WATER

**MAG Tank™**  
GREENHUNTER WATER

*Provide a comprehensive portfolio of  
Total Water Management Solutions™  
to Oil & Natural Gas Operators*

# Recent Developments

- May 21, 2012 – Announced JV to Develop Seven Eagle Ford Shale SWD Wells
- May 1, 2012 – Announcement of Acquisition of Three Oklahoma Disposal Facilities
- Apr 3, 2012 – Announcement of New Barge Transport and Storage Services
- Feb 21, 2012 – Closed Acquisition of Marcellus & Utica/Kentucky Disposal Operation
- Feb 15, 2012 – Appointed Ernie Easley to Board of Directors
- Dec 5, 2011 – Completed Acquisition of New Appalachian Water Hauling Assets
- Nov 2, 2011 – Announcement of Eagle Ford Contract Award
- Oct 12, 2011 – Announcement of RAMCAT™ cradle-to-grave produced water tracking solutions availability
- Oct 11, 2011 – GHE Prevailed on All Counts in Bioversal Lawsuit
- Sep 7, 2011 – Announcement of Marcellus Shale Water Reuse Contract
- Aug 31, 2011 – Announcement of Marcellus Shale Tank Rentals Agreement
- Aug 17, 2011 – Announcement of entrance into the Eagle Ford Shale
- Aug 2, 2011 – Announcement of acquisition of first property in Marcellus Shale
- Jun 21, 2011 – Private Placement Equity Raise Completed of \$3,090,000

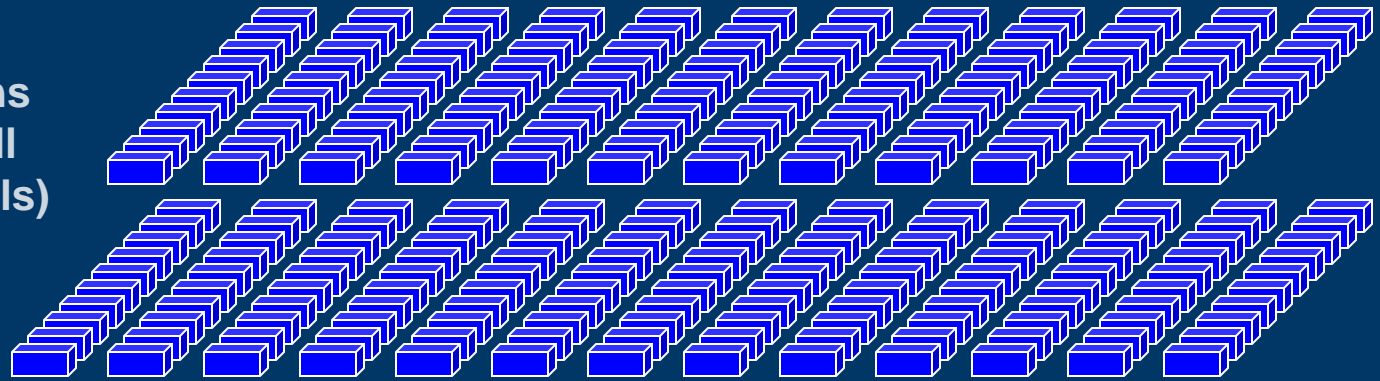
# Water Management Opportunity

- GreenHunter is strategically positioned in the highest growth regions of a \$40+ billion oilfields fluids management market
- 21 Billion barrels of produced water is generated annually by the oil and gas industry; 95% is disposed into a Class II injection well (EPA-preferred)
- The remaining 5% is managed through beneficial reuse or disposed at publicly owned treatment works, evaporation ponds and percolation pits
- Due to limited supplies of fresh water the demand for 'recycled' water is increasing especially in drought-ridden regions (i.e., South Texas)
  - ◆ Costs have increased for fresh water used for fracking from \$0.21/Bbl, to more than \$0.50/Bbl
  - ◆ Flowback can be treated and "clean brine" sold for up to \$4.00/Bbl
  - ◆ Non-financial reasons for using water treatment include public perception enhancement, corporate mandates, etc.
- Currently in talks with multiple proprietary technology water treatment companies and evaluating their technologies for large scale deployment

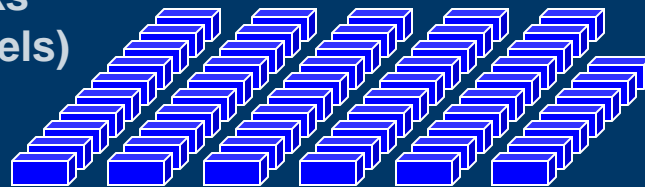
# Shale Play Water Cycle

3 to 6 million gallons  
water used per well  
(appx. 125,000 barrels)

~\$0.40/Bbl



15% to 30% flows back  
in first few weeks  
(appx. 22,500 barrels)



flow back & produced water  
must be stored, hauled,  
treated, disposed and tracked

~\$1.00/Bbl to \$11.00/Bbl+



{ 500 Bbl  
or 21,000 gallons



# Shale Water Highlights

## ➤ Marcellus Shale / Utica Shale (PA, WV, OH, NY, KY)

- ◆ \$3.00+/ Bbl disposal fee
- ◆ Average \$7.00-\$10.00 / Bbl hauling fee
- ◆ More than 900 new horizontal oil & gas wells projected for 2012
- ◆ 2012 SWD disposal market estimate \$1.5-\$1.9 billion
- ◆ Conservative 10 year water services market \$15-22 billion
- ◆ Target year-end 2012 SWD injection capacity of 12,500 Bbl/day

## ➤ Eagle Ford Shale & Horizontal Miss. (South TX, OK)

- ◆ \$0.50 - \$0.80/ Bbl disposal fee
- ◆ Average \$2.00 - \$4.00 / Bbl hauling fee
- ◆ More than 900 new horizontal oil & gas wells projected for 2012 in EF
- ◆ 2012 SWD disposal market estimate \$700-\$1,100 million
- ◆ Conservative 10 year water services market \$6-9 billion

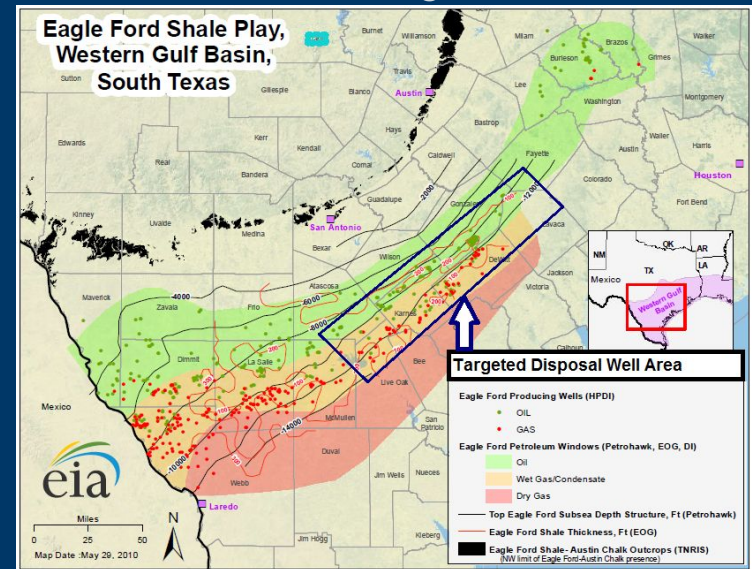
## ➤ Bakken Shale (ND, MT, SK, MB)

- ◆ More than 28,000 wells projected to be drilled over next 20 years
- ◆ Conservative 20 year water services market \$10-11 billion



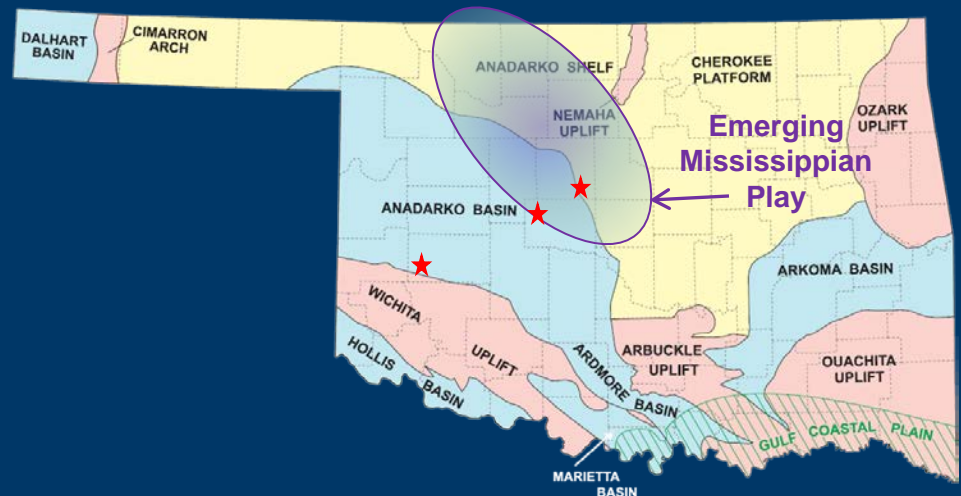
# Water Disposal Market—Eagle Ford

- In the State of Texas there are more than 11,000 active commercial disposal wells according to the Texas RRC
  - However, in the Eagle Ford Shale there are only 429 commercial disposal wells across 21 counties
- Low Supply, High Demand = Shortages and expansion requires capital
- Average 2012 Price per Bbl for disposal in Eagle Ford is \$2.30
- The Eagle Ford area has a shortage of fresh water available for fracking due to drought
- GreenHunter is exploring opportunities to capture additional business through:
  - Tank rental and other water services
  - Evaluating technologies for water treatment and recycling
  - Automated cradle-to-grave and real-time water handling system to satisfy likely reporting requirements (RAMCAT™)



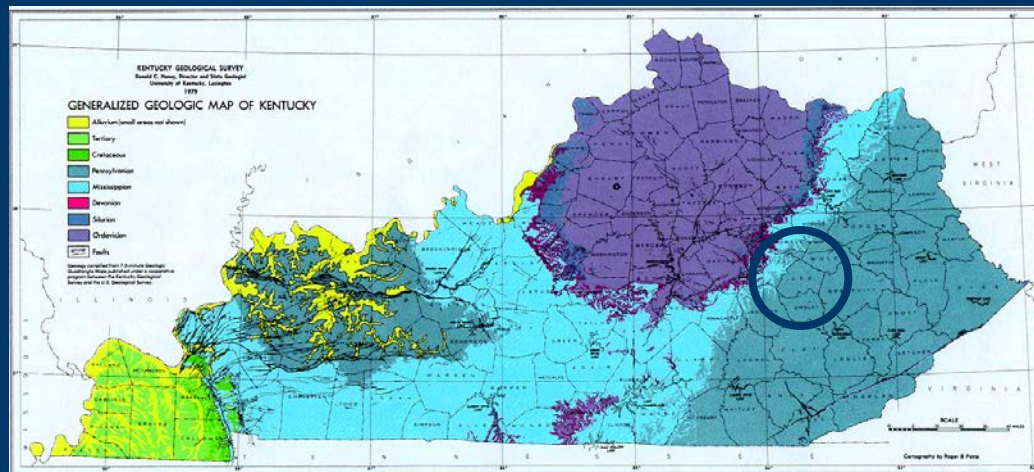
# Water Disposal Market—Oklahoma

- In the State of Oklahoma there are approximately 335 active commercial disposal wells according to the Oklahoma Corporation Commission (OCC)
  - Expected water cuts are so high that many operators drill one non-commercial SWD before spudding oil well
- The new Horizontal Mississippian Lime and Woodford Shale Play are creating demand for new disposal capacity
- Average 2012 Price per Bbl for disposal in Central Oklahoma is \$0.45 to \$0.65
- GreenHunter is capturing additional business through:
  - Tank rental and other water services
  - Evaluating technologies for water treatment and recycling
  - Automated cradle-to-grave and real-time water handling system to satisfy likely reporting requirements (RAMCAT™)



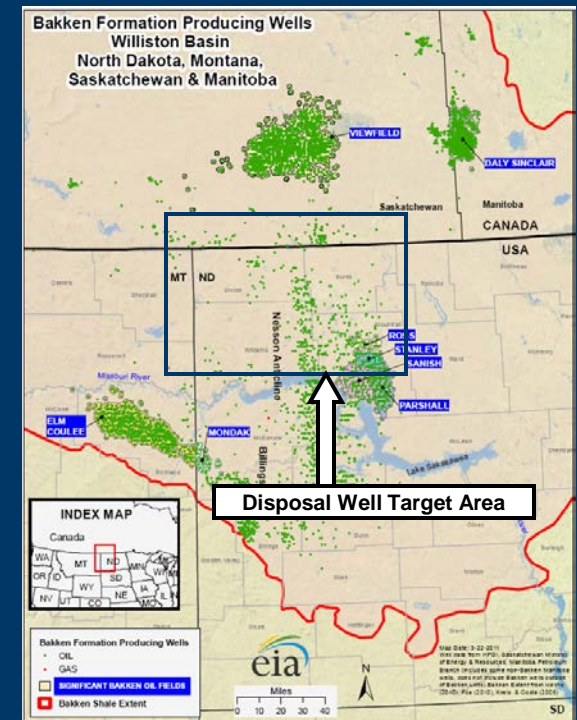
# Water Disposal Market—Kentucky

- 140,000+ conventional oil and natural gas wells
- Kentucky is home to three Unconventional Resources Plays
  - Devonian Shale (natural gas)
  - Ordovician Limestone (oil)
  - Mississippian Limestone (oil)
- Average 2012 Price for Salt Water Disposal (SWD) is ~\$0.80/Bbl in this region
- GreenHunter is evaluating expansion of water gathering system to include additional customers



# Water Disposal Market Bakken Shale

- In the Bakken shale play there are 10,000 horizontal wells planned over next 10 years
- Average 2012 Price for Salt Water Disposal (SWD) is ~\$4.00/Bbl in this region
- GreenHunter is expanding capacity via drilling program for new SWDs
  - Flat expansive terrain ideal for MAG Tank deployment
  - Long multi-stage laterals good candidates for Frac-Cycle
  - In discussions with multiple 3rd-party service companies that are SWD capacity and rental equipment constrained



# Operations Overview

## Total Water Management Solutions™

- We approach water management through the eyes of an operator
- Senior Management team has more than 100 years combined oilfield experience
- Every solution for your water from hauling and disposal to recycling into fresh water for reuse
- Complete turnkey service packages available to outsource your entire water group

## Frac-Cycle™

- Oilfield Water Recycling and Reuse
- Technology agnostic water treatment system customized to meet the unique needs of flowback and / or produced water. Systems available to treat any volume of water and can be designed to return clean brine or fresh water for a subsequent frac job

## RAMCAT™ (Remote Access Management Compliance Asset Tracking)

- 21st Century cutting-edge well head management system and compliance tool that uses a unique combination of proprietary software; advanced hardware and communications technology to provide an extremely powerful, effective and user-friendly method for remote well-head management

## MAG Tank™

- 10,000 – 40,000 Bbl storage capacity, proprietary flexible design, modular-above-ground storage system
- Reduces truck traffic, increases safety, speeds up set-up and take-down times and lowers total costs to operator

## Equipment and Tank Rentals

- Any size from a 500 Bbl Frac Tank to temporary portable 1.7 million gallon above ground frac ponds are available for rent
- Large variety of fluids handling equipment including manifolds are available to rent
- Short and long term rentals

## Disposal Wells

- Disposal Facilities in Marcellus, Utica, Eagle Ford and Bakken Shale Plays
- Trucking and Hauling Fleet with HAZMAT placard units available; Barge Trans-loading Facilities Significantly Reduce Truck Traffic
- Long Term fixed rate contracts available

# Frac-Cycle™

Frac-Cycle uses a technology agnostic approach to treating oilfield water. Due to the unique characteristics of water from different shale plays and unique flowback within a single basin, GreenHunter Water, in consultation with operators, has determined that no one water reuse system is ideal for all areas.

We have evaluated multiple technologies and selected those that provide cost-effective solutions for the desired level of treatment for the operator's needs.

While most operators are targeting a clean brine output, Frac-Cycle's flexible design allows the user to take in flowback or produced water and recycle to either clean brine or fresh water. Recycled water can be used in subsequent frac jobs and in some cases an NPDES permit can be obtained to discharge fresh water into a stream.

Mobile systems and long term on-site semi-portable designs are available. A Frac-Cycle oversight engineer will set up and stay with process through hand-off. GreenHunter Water strives to be cost effective and provide Total Water Management Solutions and cost savings in your current water management expense budget.



# RAMCAT™

## Remote Access Management Compliance Asset Tracking

RAMCAT (Remote Access Management Compliance Asset Tracking) by GreenHunter Water is a cutting-edge well head management system and compliance tool that bundles a unique combination of proprietary software, advanced hardware and industry-standard communications technologies to provide an extremely powerful, effective and user-friendly method for remote activity observation via a web-based portal for management of well-head fluids.

RAMCAT includes online data monitoring which provides oil and natural gas producers near real-time dynamic information on fluid levels, tank temperature, recent transactions, date and time of on-load and off-load, truck and driver identification, H2S and critical condition alarms, battery voltage, and more. The RAMCAT™ system enables closed-loop accountability of all well-head produced water and offers best-in-class environmental and regulatory compliance.

Tank level reporting, Cradle-to-Grave Tracking, Web Interface



# MAG Tank™

## Modular Above Ground Fluid Storage Tank System

- GreenHunter is currently in the engineering and development phase of our MAG Tank™ product line.
- MAG Tank significantly differs from competitive products as GreenHunter's proprietary MAG Tank is designed to be installed on a variety of well pads, taking into consideration space limitations, terrain, weather and environmental conditions.
- A key MAG Tank differentiator is found in the product design that will allow for a flexible footprint in variable capacities using standard building blocks.
- Operators to benefit from improved logistics, increase safety, reduced truck traffic, lower costs and expedited set-up and take-down times.



# Field Equipment And Tank Rentals

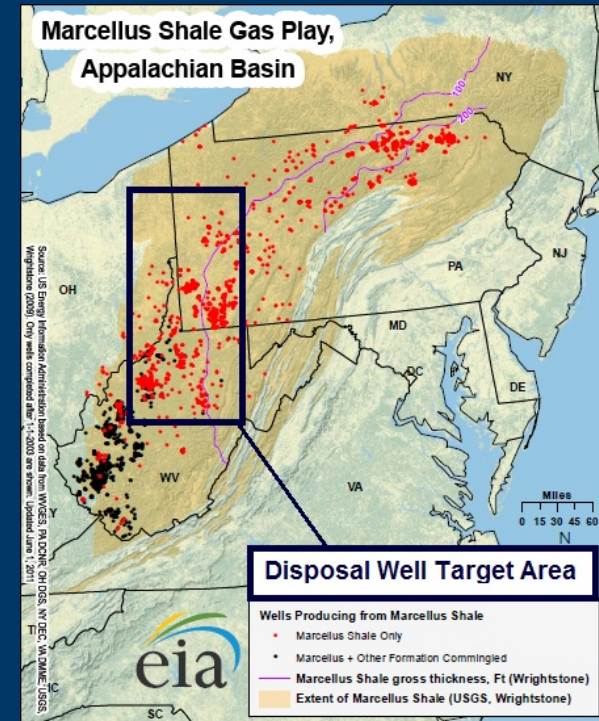
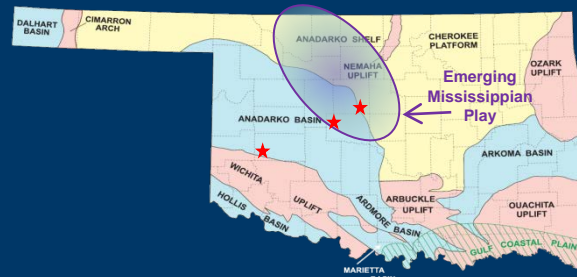
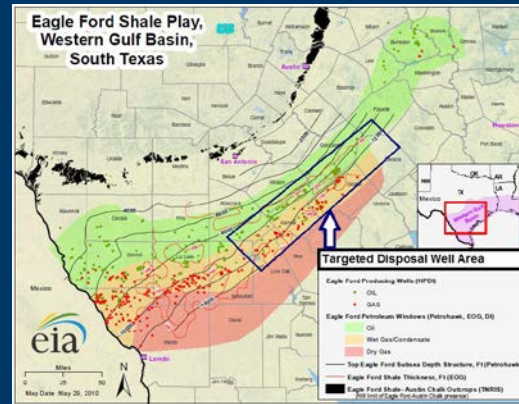
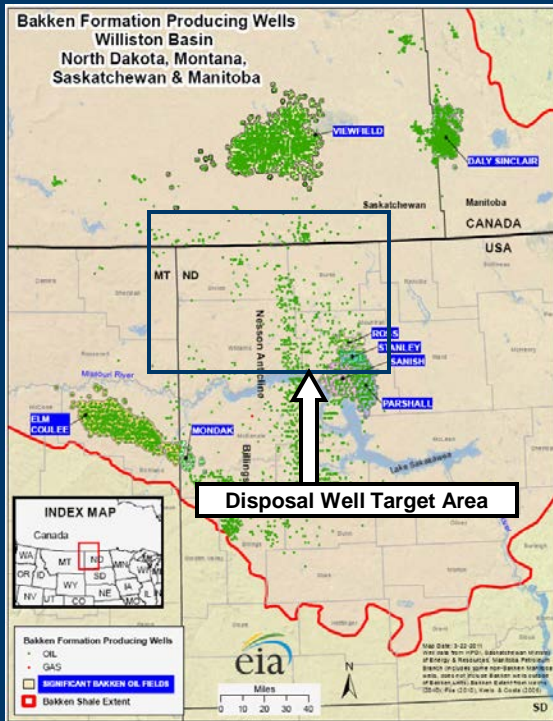
GreenHunter Water has a large variety of equipment and tanks for rental. Products available in the Eagle Ford and Marcellus Shale areas include:

- 500 Bbl Frac Tanks
- 425 Bbl Weir Tanks
- Modular above ground storage tanks (MAG Tank™) to replace frac ponds, available up to 41,000 Bbl in size
- Frac manifolds
- Glass-lined Steel tanks available for long term rental, no corrosion from salt water, up to 100,000 Bbl
- Winch Trucks, Vacuum Trailers, Pumps and Related Equipment

# Salt Water Disposal Wells

Typically, Shale wells produce significant amounts of water that, in most cases, require disposal. Producers often remove the water in trucks for proper disposal in approved facilities.

GreenHunter Water LLC, is developing salt water disposal facilities located in Ohio, West Virginia, South Texas, Montana and North Dakota to service the Marcellus, Utica, Eagle Ford and Bakken Shale plays. In addition to these disposal services, GreenHunter provides logistics optimization services utilizing our disposal facilities and third-party fleet haulers to reduce total disposal costs to E&P operators.



# 2012 Revenue and CAPEX

Current Operations, Future Acquisitions,  
Leasehold and JV Development Pipeline

Shale Region	2012 Est. Revenues	2012 Est. CAPEX Budget
Marcellus/Utica	\$18.3 million	\$2.4–3.4 million
Horizontal Miss.	1.5 million	0.3–0.5 million
<u>Eagle Ford</u>	<u>1.3 million</u>	<u>4.2–6.0 million</u>
Total	\$21.1 million	\$6.9–9.9 million

Targeting 15-25%+ EBITDA margins

# Senior Management Team

Gary C. Evans  
Chairman and CEO

- Founded GreenHunter Energy in 2006. Chairman of the Board and CEO since inception.
- Served as Chairman and CEO of Magnum Hunter Resources, Inc from its formation in 1985 to its sale to Cimarex Energy, Inc in 2005 for over \$2.2 billion. Currently Chairman of the new Magnum Hunter Resources Corporation, a NYSE (MHR) listed oil and gas company
- Held various positions with the Mercantile Bank of Canada from 1978 to 1985 including Vice President and Manager of the Energy Division of the Southwestern United States
- Serves as the Lead Director of Novavax, Inc., a NASDAQ listed pharmaceutical company
- Serves as Individual Trustee of TEL Offshore Trust, a NASDAQ listed offshore trust
- Serves on the Board of the Maguire Energy Institute of Southern Methodist University

Jonathan D. Hoopes  
President and COO

- Has served as Director, President and COO of GreenHunter Energy since November 2009
- Active participant in the energy and technology landscape for more than 20 years
- Held industry leadership roles in strategy, manufacturing, international technology and securities sales and distribution, asset valuation and equity research, debt and equity capital markets underwriting and syndication, sales and trading and financial management at leading multinational corporations including Bechtel, Citibank, Deutsche Bank, DuPont, Goldman Sachs and UBS
- Graduated from Wharton with an MBA in International Finance, an MA in Asian Studies from University of Pennsylvania and a BS in Finance from Brigham Young University

David S. Krueger  
CFO

- Has served as Vice President and Chief Financial Officer of GreenHunter Energy since May 2006
- From June 2005 to May 2006, Mr. Krueger served as Vice President and Chief Financial Officer for Sulphur River Exploration, Inc. in Dallas, Texas
- Served as Vice President and Chief Accounting Officer of Magnum Hunter Resources, Inc. from January 1997 to June 2005
- Graduated from the University of Arkansas with a B.S degree in Business Administration and earned his M.B.A. from the University of Tulsa

# Senior Management Team

**Morgan F. Johnston**  
Senior Vice President

- Has served as Senior Vice President, General Counsel and Secretary of GreenHunter Energy since March 2007
- From June of 2005 to March 1, 2007, Mr. Johnston was a sole practitioner representing clients in corporate and securities law
- Served as the Senior Vice President, General Counsel and Secretary of Magnum Hunter Resources from January 1, 2003 to June of 2005 and held various other positions at Magnum Hunter since April 1997
- Graduated cum laude from Texas Tech Law School in May 1986 and is licensed to practice law in Texas

**Kirk Trosclair**  
Executive Vice  
President  
GreenHunter Water

- Brings more than 15 years of oil & gas service industry experience to GreenHunter Energy
- Oilfield background includes logistics, construction, and business development experience
- Served as Director of Terminal Operations for GreenHunter Energy, Inc., and VP of Business Development for InterMoor Inc., a wholly-owned subsidiary of Acteon.
- Received his Business Administration and A.S. Petroleum Engineering Technology from Nicholls State University

**Robert W. Sloan**  
Senior Vice President -  
Operations  
GreenHunter Water

- Currently serves as Senior VP, Operations at GreenHunter Water
- Has provided operations, development and acquisition-related consulting to GHW since June 2011
- Brings more than a decade of operations and finance experience with high growth companies in the oil and gas industry serving as COO and CTO, facilitating acquisitions, divestitures, and corporate development
- Graduated from the University of Texas with a BBA in Business Management



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