

**First Keystone Energy Fund - I, L.P.****Statement of Income***(Income Tax Basis)*

August 2012

|                                            | Current Month   |           | Year to Date     |           |
|--------------------------------------------|-----------------|-----------|------------------|-----------|
|                                            | \$              | % Revenue | \$               | % Revenue |
| Revenue                                    |                 |           |                  |           |
| Oil and Gas Production                     | \$61,116        |           | \$495,346        |           |
| Proceeds from Hedge                        | \$2,037         |           | \$2,124          |           |
| Total Revenue                              | 63,153          |           | 497,470          |           |
| Operating Expenses (Recurring)             |                 |           |                  |           |
| Lease Operating Expenses                   | 10,121          |           | 111,573          |           |
| Intangible Drilling Costs                  | 0               |           | \$0              |           |
| Marketing and Transportation               | 43              |           | \$317            |           |
| Severance Taxes                            | 2,976           |           | 24,571           |           |
| State Withholding Tax                      | 0               |           | \$0              |           |
| Ad Valorem Taxes                           | 0               |           | \$0              |           |
| Total Lease Operating Expenses (Recurring) | 13,140          |           | 136,461          |           |
| <b>Net Lease Operating Income</b>          | 50,013          |           | 361,009          |           |
| Operating Expenses (Non-Recurring)         |                 |           |                  |           |
| Lease Operating Expense                    | 156             |           | \$12,326         |           |
| Intangible Costs - Rework                  |                 |           | \$0              |           |
| Depletion                                  |                 |           | \$0              |           |
| Amortization and Depreciation              |                 |           | \$0              |           |
| Total Operating Expenses (Non-Recurring)   | 156             |           | 12,326           |           |
| Drilling and Completion                    |                 |           |                  |           |
| Lease Operating Expenses                   |                 |           | \$0              |           |
| Intangible Drilling Costs                  | 7               |           | \$184,878        |           |
| Depletion                                  |                 |           | \$0              |           |
| Amortization and Depreciation              |                 |           | \$0              |           |
| Dry Hole Expense                           | <u>0</u>        |           | (\$1,582)        |           |
| Total Drilling and Completion Costs        | 7               |           | 183,296          |           |
| <b>Net Income (Operations)</b>             | <u>49,850</u>   |           | <u>165,387</u>   |           |
| Total Administrative Expenses              | 2,736           |           | \$30,649         |           |
| Other Expense                              |                 |           |                  |           |
| Interest Expense                           | 380             |           | \$8,529          |           |
| Interest Income                            |                 |           | \$0              |           |
| Amortization of Basis in Hedges (Settled)  | \$2,498         |           | \$12,330         |           |
| Transaction Related Expenses               |                 |           | \$3,779          |           |
| Gain/(loss) from Sale of Leasehold         |                 |           | \$19,688         |           |
| <b>Net Income</b>                          | <u>\$44,236</u> |           | <u>\$129,788</u> |           |

**First Keystone Energy Fund - I, L.P.****Balance Sheet***(Income Tax Basis)***8/31/2012****Assets**

## Current Assets

## Cash

Cash - First National Bank of Newtown <sup>(1)</sup> \$14,407

Cash - T. Rowe Price \$0

Cash - Western National Bank \$1,905Total Cash \$16,312

Accounts Receivable - From Operators \$17,851 \$17,851

Prepaid Expenses \$28,567 \$28,567

## Prepaid Investments

Straley

Rasberry \$10,626

Grey Wolf - \$2,159

Thorpe (\$25,000)

Total Prepaid Investments (\$12,215)

Total Current Assets \$50,515

## Cash Reserves Set aside for:

Overruns \$0

Drilling and Rework \$36,580

Fund II Asset Purchase \$0

Fund I Tender Offer \$0

Margin Tax \$0

Liquidity Event \$0

Total Cash Reserves \$36,580

## Fixed Assets

Lease and Well Equipment \$345,353

## Intangible Assets

Hedge Costs (02.19.09A, 06.18.09, 05.29.09B, 06.03.09) \$48,270

Seismic and Geology \$46,409

Producing Leasehold Costs <sup>(1)</sup> \$281,717Non-Producing Leasehold Costs <sup>(1)</sup> \$15,282Financing Costs \$35,445Total Intangible Assets \$427,123**Total Assets \$859,571****Liabilities and Partner's Capital**

## Current Liabilities

Accounts Payable \$0

Accrued Liabilities \$0

Due to/from FKPG

Due to/from Funds <sup>(1)</sup> (\$184,930)Senior Term Loan <sup>(1)</sup> \$345,126

Total Current Liabilities \$160,196

## Other Liabilities

Partner's Contributions \$4,887,444

Partner's Distributions (\$12,585,226)

Prior Year Income(Loss) \$8,267,369

Current Year Income (Loss) \$129,788Total Partner's Capital \$699,375**Total Liabilities and Partner's Capital \$859,571**

Note: (1) This balance sheet reflects all transactions prior to the merger of FKEF-I and FKEF-III. FKEF-I borrowed \$184,930 for the payoff of the Fund III loan with the General Partner. That loan draw is reflected in the WNB loan balance, and in this PRE-MERGER balance sheet is reflected as an intercompany transaction with Fund III.

(2) This balance sheet is pre-merger and does not include any of the Fund III assets or liabilities.

***First Keystone Energy Fund - I, L.P.***  
***Statement of Changes in Operating Cash Flows***  
*(Income Tax Basis)*  
***August 2012***

|                                                        | <i>Current<br/>Month</i> | <i>Year to Date</i>    |
|--------------------------------------------------------|--------------------------|------------------------|
| Net Income                                             | <b>\$46,734</b>          | <b>\$132,286</b>       |
| Adjustments for non-Cash Items                         |                          |                        |
| Depletion                                              | 0                        | <b>\$0</b>             |
| Depreciation                                           | 0                        | <b>\$0</b>             |
| Less: Changes in Operating Assets and Liabilities      |                          |                        |
| Prepaid Expenses                                       | 28,567                   | 28,567                 |
| Accounts Receivable                                    | (1,553)                  | 17,851                 |
| Hedge Costs (02.19.09A, 06.18.09, 05.29.09B, 06.03.09) | 0                        | (2,480)                |
| Prepaid Investments                                    | 10,626                   | (9,152)                |
| Non-Producing Leasehold Investments                    | 0                        | (25,536)               |
| Producing Leasehold Investments                        | 6,157                    | (89,073)               |
| Seismic and Geology                                    | 0                        | 17,760                 |
| Fixed Assets                                           | 2,499                    | 35,800                 |
| Other Assets                                           | 0                        | 10,174                 |
| Accounts Payable                                       | 0                        | 0                      |
| Due to/from Related Parties                            | (12,070)                 | (10,221)               |
| Accrued Liabilities                                    | 0                        | 0                      |
| Total Changes in Operating Assets and Liabilities      | <u>34,226</u>            | <u>(26,310)</u>        |
| Plus: Changes in Investment Activities                 |                          |                        |
| Bridge Notes                                           | 0                        | 0                      |
| Notes Payable                                          | 0                        | 0                      |
| Senior Term Loan                                       | (10,066)                 | (79,651)               |
| Preferred LP Unit Contributions                        | \$0                      | 0                      |
| Partner Contributions                                  | 0                        | 0                      |
| Partner Distributions                                  | (35,099)                 | (179,918)              |
| Total Changes in Investment Activities                 | <u>(45,165)</u>          | <u>(259,569)</u>       |
| Net Increase (Decrease) in Cash Balances               | <u>(32,657)</u>          | <u>(100,973)</u>       |
| Cash Balances at the Beginning of the Period           | <u>85,549</u>            | <u>153,865</u>         |
| Cash Balances at the end of the Period                 | <u><u>\$52,892</u></u>   | <u><u>\$52,892</u></u> |

**First Keystone Energy Fund - I, L.P.**  
**Net Distributable Income (I.4)**  
(Income Tax Basis)  
August 2012

|                                              | Oplin - #51001   | South Spur - #60202 | Roca Negra - #50703 | Live Oak (Isenhower #2) - #50502 | Apache SE (Nunn#1) - #50901 | Grey Wolf (Herber) - #50903 | Natalia (Natalia #1) - #51002 | Fairgrounds - #60101 | Jimmie Herring - #61101 | Schwerthner - #61101 | Billy R. - #61101 | Live Oak West - #60801 | Thorpe - #61001 | Eaton - #70601  | Rasberry - #70102 | East Trifecta - #110703 | Sub-Total Recurring Revenue | Alaska     | Total           |
|----------------------------------------------|------------------|---------------------|---------------------|----------------------------------|-----------------------------|-----------------------------|-------------------------------|----------------------|-------------------------|----------------------|-------------------|------------------------|-----------------|-----------------|-------------------|-------------------------|-----------------------------|------------|-----------------|
| <b>Current Month</b>                         |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            |                 |
| <b>Gross Revenue</b>                         |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            |                 |
| Oil Revenue                                  | \$0              | \$11,912            | \$0                 | \$0                              | \$0                         | \$102                       | \$0                           | \$0                  | \$2,552                 | \$5,505              | \$0               | \$3,516                |                 | \$7,731         | \$24,374          | \$0                     | \$55,692                    |            | \$55,692        |
| Gas                                          | \$80             | \$0                 | \$0                 | \$0                              | \$241                       | \$26                        | \$0                           | \$237                | \$304                   | \$932                |                   | \$693                  | \$128           | \$2,783         | \$0               |                         | \$5,424                     |            | \$5,424         |
| Gain on Sale of Leasehold Assets             |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         | \$0                         | \$0        | \$0             |
| <b>Total Gross Revenue</b>                   | <b>\$80</b>      | <b>\$11,912</b>     | <b>\$0</b>          | <b>\$0</b>                       | <b>\$241</b>                | <b>\$128</b>                | <b>\$0</b>                    | <b>\$237</b>         | <b>\$2,856</b>          | <b>\$6,437</b>       | <b>\$0</b>        | <b>\$4,209</b>         | <b>\$128</b>    | <b>\$10,514</b> | <b>\$24,374</b>   | <b>\$0</b>              | <b>\$61,116</b>             | <b>\$0</b> | <b>\$61,116</b> |
| Production Taxes                             | \$0              | \$549               | \$0                 | \$0                              | \$27                        | \$8                         | \$0                           | \$17                 | \$141                   | \$321                | \$0               | \$214                  | \$10            | \$565           | \$1,124           | \$0                     | \$2,976                     |            | \$2,976         |
| Marketing Expenses                           |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            | 0               |
| <b>Total Production Taxes</b>                | <b>\$0</b>       | <b>\$549</b>        | <b>\$0</b>          | <b>\$0</b>                       | <b>\$27</b>                 | <b>\$8</b>                  | <b>\$0</b>                    | <b>\$17</b>          | <b>\$141</b>            | <b>\$321</b>         | <b>\$0</b>        | <b>\$214</b>           | <b>\$10</b>     | <b>\$565</b>    | <b>\$1,124</b>    | <b>\$0</b>              | <b>\$2,976</b>              |            | <b>\$2,976</b>  |
| <b>Total Operating Expenses</b>              | <b>\$1,659</b>   | <b>\$1,351</b>      | <b>\$0</b>          | <b>\$0</b>                       | <b>\$73</b>                 | <b>\$97</b>                 | <b>\$0</b>                    | <b>\$100</b>         | <b>\$622</b>            | <b>\$503</b>         | <b>\$0</b>        | <b>\$1,216</b>         | <b>\$718</b>    | <b>\$2,169</b>  | <b>\$835</b>      | <b>\$7</b>              | <b>\$9,350</b>              |            | <b>\$9,350</b>  |
| <b>Net Lease Operating Income</b>            | <b>(\$1,579)</b> | <b>\$10,012</b>     | <b>\$0</b>          | <b>\$0</b>                       | <b>\$141</b>                | <b>\$23</b>                 | <b>\$0</b>                    | <b>\$120</b>         | <b>\$2,093</b>          | <b>\$5,613</b>       | <b>\$0</b>        | <b>\$2,779</b>         | <b>(\$600)</b>  | <b>\$7,780</b>  | <b>\$22,415</b>   | <b>(\$7)</b>            | <b>\$48,790</b>             |            | <b>\$48,790</b> |
| Less: Administrative Expenses                |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         | \$0                         |            | \$7,129         |
| Less: Debt Service                           |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            | \$10,435        |
| Less: GP Override                            |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            | \$8,758         |
| Plus: Hedge Proceeds                         |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            | \$3,729         |
| <b>Net Distributable Income</b>              | <b>(\$1,579)</b> | <b>\$10,012</b>     | <b>\$0</b>          | <b>\$0</b>                       | <b>\$141</b>                | <b>\$23</b>                 | <b>\$0</b>                    | <b>\$120</b>         | <b>\$2,093</b>          | <b>\$5,613</b>       | <b>\$0</b>        | <b>\$2,779</b>         | <b>(\$600)</b>  | <b>\$7,780</b>  | <b>\$22,415</b>   | <b>(\$7)</b>            | <b>\$48,790</b>             |            | <b>\$26,197</b> |
| Income per L.P. Unit                         |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            | \$70            |
| % Return on Contributed Capital - Annualized |                  |                     |                     |                                  |                             |                             |                               |                      |                         |                      |                   |                        |                 |                 |                   |                         |                             |            | 8.6%            |

|                                              |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            |                  |
|----------------------------------------------|-------------------|------------------|-----------------|----------------|----------------|----------------|------------|----------------|-----------------|-----------------|---------------|-----------------|------------------|-----------------|------------------|--------------|------------------|------------|------------------|
| <b>Year to Date</b>                          |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            |                  |
| <b>Gross Revenue</b>                         |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            |                  |
| Oil Revenue                                  | \$3,640           | \$101,356        | \$25,266        | \$0            | \$0            | \$1,718        | \$0        | \$629          | \$25,786        | \$55,179        | \$0           | \$11,910        |                  | \$71,415        | \$163,117        | \$736        | \$460,752        |            | \$460,752        |
| Gas                                          | \$1,440           | \$0              | \$3,883         | \$1,255        | \$2,432        | \$613          | \$0        | \$2,591        | \$4,132         | \$11,856        |               | \$6,904         | \$4,019          | \$15,157        | \$0              |              | \$54,282         |            | \$54,282         |
| Gain on Sale of Leasehold Assets             |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              | \$0              | \$0        | \$0              |
| <b>Total Gross Revenue</b>                   | <b>\$5,080</b>    | <b>\$101,356</b> | <b>\$29,149</b> | <b>\$1,255</b> | <b>\$2,432</b> | <b>\$2,331</b> | <b>\$0</b> | <b>\$3,220</b> | <b>\$29,918</b> | <b>\$67,035</b> | <b>\$0</b>    | <b>\$18,814</b> | <b>\$4,019</b>   | <b>\$86,572</b> | <b>\$163,117</b> | <b>\$736</b> | <b>\$515,034</b> | <b>\$0</b> | <b>\$515,034</b> |
| Production Taxes                             | \$575             | \$4,671          | \$548           | \$0            | \$245          | \$203          | \$0        | \$231          | \$1,499         | \$3,459         | \$0           | \$1,192         | \$273            | \$4,428         | \$7,214          | \$33         | \$24,571         |            | \$24,571         |
| Marketing Expenses                           |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | \$0              |
| <b>Total Production Taxes</b>                | <b>\$575</b>      | <b>\$4,671</b>   | <b>\$548</b>    | <b>\$0</b>     | <b>\$245</b>   | <b>\$203</b>   | <b>\$0</b> | <b>\$231</b>   | <b>\$1,499</b>  | <b>\$3,459</b>  | <b>\$0</b>    | <b>\$1,192</b>  | <b>\$273</b>     | <b>\$4,428</b>  | <b>\$7,214</b>   | <b>\$33</b>  | <b>\$24,538</b>  | <b>\$0</b> | <b>\$24,571</b>  |
| <b>Total Operating Expenses</b>              | <b>\$20,457</b>   | <b>\$8,557</b>   | <b>\$7,059</b>  | <b>\$0</b>     | <b>\$700</b>   | <b>\$1,135</b> | <b>\$0</b> | <b>\$1,280</b> | <b>\$6,566</b>  | <b>\$6,686</b>  | <b>\$67</b>   | <b>\$9,814</b>  | <b>\$4,936</b>   | <b>\$30,252</b> | <b>\$16,430</b>  | <b>\$532</b> | <b>\$114,471</b> |            | <b>\$114,471</b> |
| <b>Net Lease Operating Income</b>            | <b>(\$15,952)</b> | <b>\$88,128</b>  | <b>\$21,542</b> | <b>\$1,255</b> | <b>\$1,487</b> | <b>\$993</b>   | <b>\$0</b> | <b>\$1,709</b> | <b>\$21,853</b> | <b>\$56,890</b> | <b>(\$67)</b> | <b>\$7,808</b>  | <b>(\$1,190)</b> | <b>\$51,892</b> | <b>\$139,473</b> | <b>\$171</b> | <b>\$376,025</b> | <b>\$0</b> | <b>\$375,992</b> |
| Less: Administrative Expenses                |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | \$62,790         |
| Less: Debt Service                           |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | \$123,059        |
| Less: Reserves                               |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | \$42,595         |
| Plus: Hedge Proceeds                         |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | (\$221)          |
| <b>Net Distributable Income</b>              | <b>(\$15,952)</b> | <b>\$88,128</b>  | <b>\$21,542</b> | <b>\$1,255</b> | <b>\$1,487</b> | <b>\$993</b>   | <b>\$0</b> | <b>\$1,709</b> | <b>\$21,853</b> | <b>\$56,890</b> | <b>(\$67)</b> | <b>\$7,808</b>  | <b>(\$1,190)</b> | <b>\$51,892</b> | <b>\$139,473</b> | <b>\$171</b> | <b>\$375,992</b> | <b>\$0</b> | <b>\$147,337</b> |
| Income per L.P. Unit                         |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | \$393            |
| Contributed Capital                          |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            |                  |
| % Return on Contributed Capital - Annualized |                   |                  |                 |                |                |                |            |                |                 |                 |               |                 |                  |                 |                  |              |                  |            | 5.6%             |

|                                              |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                |                    |
|----------------------------------------------|--------------------|--------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------|-----------------|----------------|------------------|------------------|--------------|--------------------|----------------|--------------------|
| <b>Cumulative</b>                            |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                |                    |
| <b>Gross Revenue</b>                         |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                |                    |
| Oil Revenue                                  | \$1,028,815        | \$1,631,946        | \$175,524        | \$28,439        | \$1,088         | \$5,721         | \$76,817        | \$13,301        | \$47,083        | \$113,379        | \$197        | \$15,880        | \$0            | \$109,793        | \$204,826        |              | \$3,452,809        | \$0            | \$3,452,809        |
| Gas                                          | \$211,683          | \$7,661            | \$203,417        | \$9,263         | \$51,001        | \$5,769         | \$9,930         | \$40,840        | \$7,265         | \$19,664         | \$0          | \$15,729        | \$7,348        | \$17,549         | \$0              |              | \$607,119          | \$0            | \$607,119          |
| Gain on Sale of Leasehold Assets             | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              |              |                 |                |                  |                  |              | \$0                | \$0            | \$0                |
| <b>Total Gross Revenue</b>                   | <b>\$1,240,498</b> | <b>\$1,639,607</b> | <b>\$378,941</b> | <b>\$37,702</b> | <b>\$52,089</b> | <b>\$11,490</b> | <b>\$86,747</b> | <b>\$54,141</b> | <b>\$54,348</b> | <b>\$133,043</b> | <b>\$197</b> | <b>\$31,609</b> | <b>\$7,348</b> | <b>\$127,342</b> | <b>\$204,826</b> | <b>\$0</b>   | <b>\$4,059,928</b> | <b>\$0</b>     | <b>\$4,059,928</b> |
| Production Taxes                             | \$63,463           | \$74,211           | \$24,139         | \$2,614         | \$5,392         | \$826           | \$4,139         | \$3,975         | \$2,717         | \$6,767          | \$9          | \$2,037         | \$522          | \$6,382          | \$9,194          |              | \$206,387          | \$9            | \$206,396          |
| Marketing Expenses                           | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$0          | \$0             | \$0            | \$0              | \$0              |              | \$0                | \$0            | \$0                |
| <b>Total Production Taxes</b>                | <b>\$63,463</b>    | <b>\$74,211</b>    | <b>\$24,139</b>  | <b>\$2,614</b>  | <b>\$5,392</b>  | <b>\$826</b>    | <b>\$4,139</b>  | <b>\$3,975</b>  | <b>\$2,717</b>  | <b>\$6,767</b>   | <b>\$9</b>   | <b>\$2,037</b>  | <b>\$522</b>   | <b>\$6,382</b>   | <b>\$9,194</b>   | <b>\$0</b>   | <b>\$206,387</b>   | <b>\$9</b>     | <b>\$206,396</b>   |
| <b>Total Operating Expenses</b>              | <b>\$187,445</b>   | <b>\$151,449</b>   | <b>\$37,309</b>  | <b>\$25,565</b> | <b>\$5,980</b>  | <b>\$7,377</b>  | <b>\$14,072</b> | <b>\$19,209</b> | <b>\$9,949</b>  | <b>\$12,692</b>  | <b>\$187</b> | <b>\$14,566</b> | <b>\$6,090</b> | <b>\$37,890</b>  | <b>\$22,916</b>  | <b>\$7</b>   | <b>\$552,703</b>   | <b>\$187</b>   | <b>\$552,703</b>   |
| <b>Net Lease Operating Income</b>            | <b>\$989,590</b>   | <b>\$1,413,948</b> | <b>\$317,493</b> | <b>\$9,523</b>  | <b>\$40,717</b> | <b>\$3,286</b>  | <b>\$68,536</b> | <b>\$30,957</b> | <b>\$41,682</b> | <b>\$113,584</b> | <b>\$1</b>   | <b>\$15,006</b> | <b>\$736</b>   | <b>\$83,070</b>  | <b>\$172,716</b> | <b>(\$7)</b> | <b>\$3,300,837</b> | <b>(\$196)</b> | <b>\$3,300,828</b> |
| Less: Administrative Expenses                | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$0          | \$0             | \$0            | \$0              | \$0              |              | \$0                | \$0            | \$7,129            |
| Less: Debt Service                           | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$0          | \$0             | \$0            | \$0              | \$0              |              | \$0                | \$0            | \$10,435           |
| Less: Reserves                               |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                | \$8,758            |
| Plus: Hedge Proceeds                         |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                | \$3,729            |
| <b>Net Distributable Income</b>              | <b>\$989,590</b>   | <b>\$1,413,948</b> | <b>\$317,493</b> | <b>\$9,523</b>  | <b>\$40,717</b> | <b>\$3,286</b>  | <b>\$68,536</b> | <b>\$30,957</b> | <b>\$41,682</b> | <b>\$113,584</b> | <b>\$1</b>   | <b>\$15,006</b> | <b>\$736</b>   | <b>\$83,070</b>  | <b>\$172,716</b> | <b>(\$7)</b> | <b>\$3,300,837</b> | <b>(\$196)</b> | <b>\$3,278,235</b> |
| Income per L.P. Unit                         |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                | \$8,765            |
| Contributed Capital                          |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                | \$10,500           |
| % Return on Contributed Capital - Annualized |                    |                    |                  |                 |                 |                 |                 |                 |                 |                  |              |                 |                |                  |                  |              |                    |                | 13.0%              |

Note: (1) Net Distributable Income on this chart includes the non-recurring revenue generated from the sale of the Alaska leaseholds, and has also been reduced by Fund Administrative Expenses

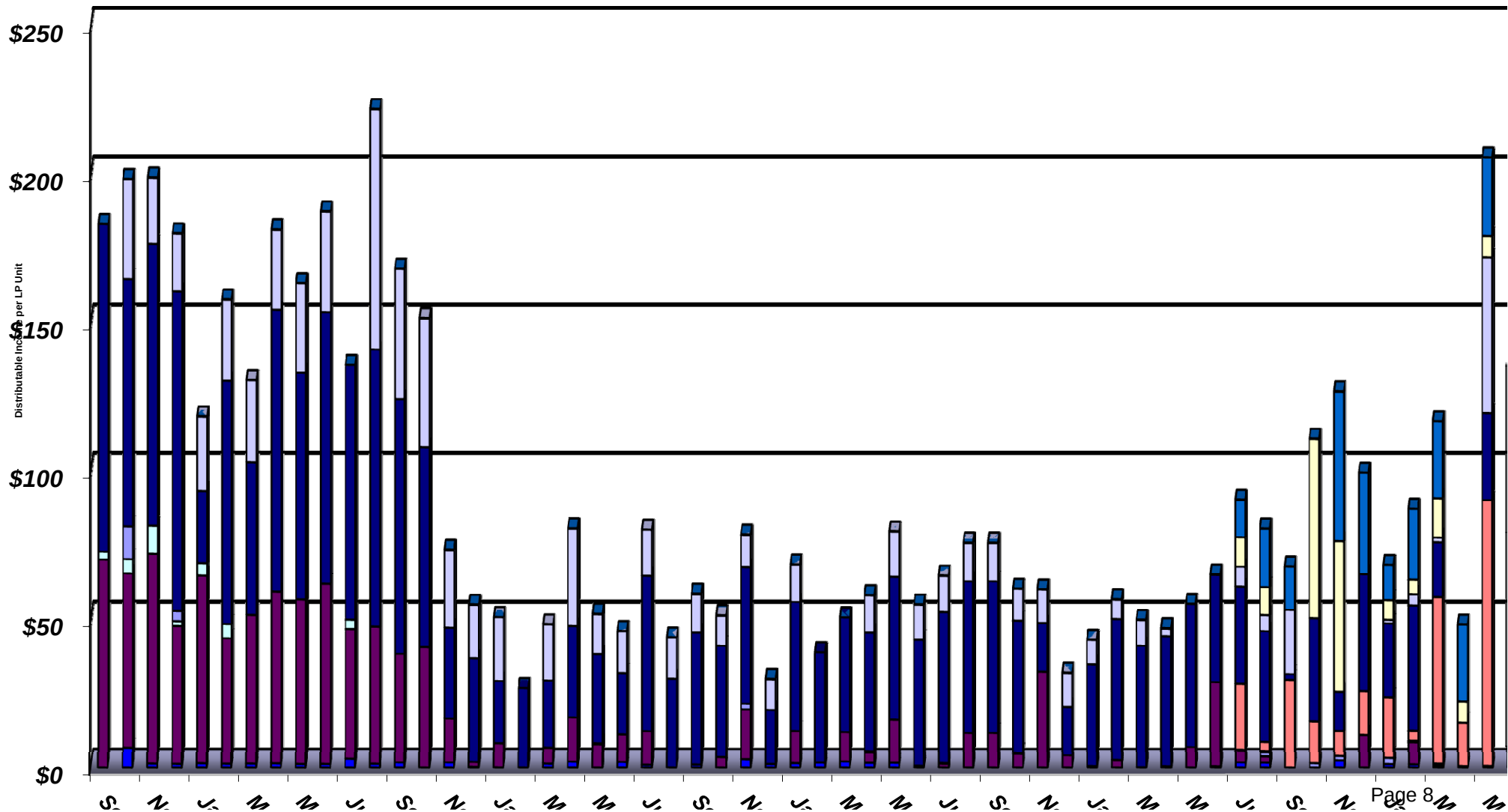
(2) Approximately \$2900 of Distributable Income on this chart was received in January 2007, but was accrued into December for tax purposes. The cash distributions to Limited Partners occurred in January.

(3) Effective February 2009 distributions to partners have been suspended and all "distributable income" is being utilized to amortize debt. The figure shown on this report represents the amount of income that would have been available to distribute IF the Fund were making distributions. These amounts are being applied toward debt.

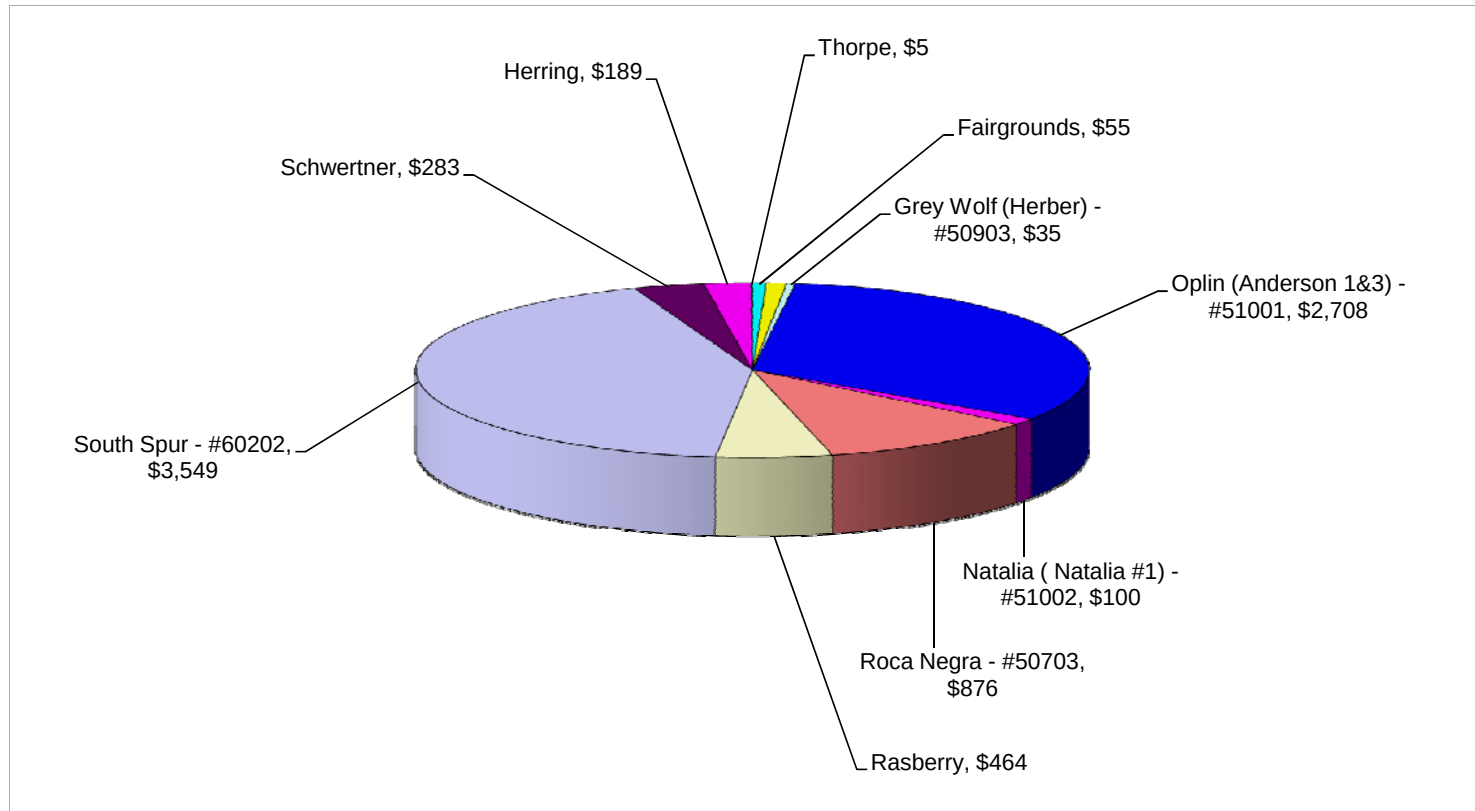
(4) This table depicts revenues generated by prospects BEFORE debt service and administrative expenses and excludes gains and losses from settlement of hedge contracts.

(5) This table has been updated to exclude the East Kenedy assets sold in the Liquidity Event transaction in December 2010.

**First Keystone Energy Fund - I, L.P.**  
**Net Lease Operating Income by Month (I.4)**  
 (Income Tax Basis)  
 Months 9/30/07 Through 8/31/12



***First Keystone Energy Fund - I, L.P.***  
***Net Lease Operating Income by Field (I.4)***  
*(Income Tax Basis)*  
*(Continuing Operations Only)*  
***Cumulative Through August 2012***



Note: (1) The distributable cash per unit depicted on this chart includes only recurring revenue, and therefore excludes funds distributed for the sale of the Umiat, Eagle Prospect, and Northern Lights leaseholds in Alaska. We have also not deducted administrative expenses on a per well basis.

(2) This table has been updated to exclude the East Kenedy Assets sold in the South Texas Liquidity Event Transaction in December of 2010

**First Keystone Energy Fund - I, L.P.**  
**Analysis of Lease Operating Expenses**  
*(Income Tax Basis)*  
**August 2012**

|                                              | <b>Current<br/>Month</b> | <b>Year to Date</b> |
|----------------------------------------------|--------------------------|---------------------|
| Recurring Expenses                           |                          |                     |
| Lease Operating Expenses                     |                          |                     |
| Herring - 61101                              | 622                      | 6,634               |
| HOC Billy R - 61101                          |                          | 0                   |
| Apache SE - 50901                            | 153                      | 744                 |
| East Kenedy - 51201                          |                          | 0                   |
| Grey Wolf - 50903                            | 733                      | 1,144               |
| Live Oak (Isenhower) - 50502                 | 1,217                    | 4,238               |
| Natalia - 51002                              |                          | 0                   |
| Oplin - 51001                                |                          | 14,857              |
| Rattlesnake Mound - 50703                    | 30                       | 13,946              |
| Fairgrounds - 60101                          | 286                      | 1,300               |
| South Spur - 60202-01                        | 1,195                    | 9,067               |
| Live Oak West -                              |                          | 4,759               |
| Schwertner - 61101                           | 503                      | 5,279               |
| Rasberry                                     | 2,495                    | 16,926              |
| Eaton                                        | 2,169                    | 27,748              |
| Thorpe                                       | 718                      | 4,110               |
| East Trifecta                                |                          | 821                 |
| Total Lease Operating Expenses               | <u>10,121</u>            | <u>111,573</u>      |
| Intangible Drilling Costs                    |                          |                     |
| Grey Wolf - 50903                            |                          | 0                   |
| Live Oak (Isenhower) - 50502-01              |                          | 0                   |
| Oplin - 51001                                |                          | 0                   |
| Rattlesnake Mound - 50703                    |                          | 0                   |
| Fairgrounds - 60101                          |                          | 0                   |
| South Spur - 60202-01                        |                          | 0                   |
| Total Intangible Drilling Costs              | <u>0</u>                 | <u>0</u>            |
| Total Recurring Expenses                     | <u>10,121</u>            | <u>111,573</u>      |
| Non-recurring Expenses                       |                          |                     |
| Lease Operating Expenses                     |                          |                     |
| Eaton                                        |                          | 7,634               |
| Grey Wolf - 50903                            |                          | 0                   |
| Live Oak West -                              |                          | 575                 |
| Natalia - 51002                              |                          | 0                   |
| Oplin - 51001                                |                          | 3,961               |
| Rattlesnake Mound - 50703                    |                          | 0                   |
| Schwertner - 61101                           |                          | 0                   |
| South Spur - 60202-01                        | 156                      | 156                 |
| Total Lease Operating Expenses               | <u>156</u>               | <u>12,326</u>       |
| Intangible Drilling & Completion Costs       |                          |                     |
| Eaton                                        |                          | 117,455             |
| Rasberry                                     |                          | 66,341              |
| Live Oak (Isenhower) - 50502-01              |                          | 0                   |
| Oplin - 51001                                |                          | 0                   |
| Rattlesnake Mound - 50703                    |                          | 0                   |
| Fairgrounds - 60101                          |                          | 0                   |
| East Trifecta - 110703                       | 7                        | 114                 |
| Schwertner - 61101                           |                          | 968                 |
| Total Intangible Drilling & Completion Costs | <u>7</u>                 | <u>184,878</u>      |
| Total Non-Recurring Expenses                 | <u>163</u>               | <u>197,204</u>      |