

First Keystone Energy Fund - IV, L.P.

Statement of Income

(Income Tax Basis)

11/30/2012

	Current Month	Year to Date
	\$ % Revenue	\$ % Revenue
Revenue		
Oil and Gas Production	\$76,731	\$815,661
Proceeds from Hedge	\$1,587	\$4,970
Total Revenue	78,318	820,631
Operating Expenses (Recurring)		
Lease Operating Expenses	14,268	136,860
Intangible Drilling Costs	0	\$0
Marketing and Transportation	0	\$0
Severance Taxes	6,003	57,225
State Withholding Tax	0	\$0
Ad Valorem Taxes	0	\$0
Total Lease Operating Expenses (Recurring)	20,271	194,085
Net Lease Operating Income	58,047	626,546
Operating Expenses (Non-Recurring)		
Lease Operating Expense	1,484	\$1,484
Intangible Costs - Rework		\$0
Depletion		\$0
Amortization and Depreciation		\$0
Total Operating Expenses (Non-Recurring)	1,484	1,484
Drilling and Completion		
Lease Operating Expenses		\$0
Intangible Drilling Costs	57,366	1,031,491
Depletion		\$0
Amortization and Depreciation		\$0
Dry Hole Expense	<u>1,845</u>	\$131,868
Total Drilling and Completion Costs	59,211	1,163,359
Net Income (Operations)	<u>(2,648)</u>	<u>(538,297)</u>
Total Administrative Expenses	7,667	\$113,751
Other Expense		
Interest Expense	1,915	\$7,179
Interest Income		\$11,966
Amortization of Basis in Hedges (Settled)	\$5,769	\$19,230
Hedge Settlement		\$0
Gain/(loss) from Sale of Assets		(\$45,963)
Gain/(loss) from Sale of Leaseholds		\$484,125
Net Income	<u>(\$17,999)</u>	<u>(\$228,329)</u>

Note: (1) The YTD gain on sale of leaseholds (\$452M) is comprised of the following: \$334M net gain on the sale of the Rushness working interest, \$113M in gross proceeds from the sale of the Woodford Rights, and \$5M in gross proceeds from the sale of the Denton AMI

First Keystone Energy Fund - IV, L.P.

Balance Sheet

(Income Tax Basis)

11/30/2012

Assets

Current Assets

Cash

Cash - First National Bank of Newtown (checking)	\$42,381
Cash - First National Bank of Newtown (disbursements)	<u>\$893</u>

Total Cash \$43,274

Prepaid Expenses

\$0

Prepaid Investments

East Orr	
Big Sandy	\$18,389
Pocohontas	\$3,848
Green Grass	
Denton #1-3	\$381
Farmer Ranch	\$32,135
Lone Grove	\$12,375
Mad Island	\$52,198
SW Dibble	\$32,343
N Haldton	\$56,387
Rose Valley	\$45,235
Maverick	
Rushness	

Total Prepaid Investments \$253,291

Total Current Assets \$296,565

Cash Reserves Set aside for:

Offsets ⁽¹⁾	\$0
Overruns - General	\$26,935
Overruns - Richard #1	\$0
Overruns - Brooksher #1	\$0
Overruns - Gibbs #1	\$0
Overruns - Mad Island	\$0

Total Cash Reserves \$26,935

Fixed Assets

Lease and Well Equipment	\$467,137
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Hedge Positions ⁽²⁾ \$67,962

Intangible Assets

Financing Costs	\$6,865
Organization Costs	\$151,400
Producing Leaseholds	\$156,284
Non-Producing Leaseholds	\$314,557
Seismic and Geology	\$280,947

Total Intangible Assets \$910,053

Total Assets **\$1,768,652**

Liabilities and Partner's Capital

Current Liabilities

Bridge Loan from KPG (FL) LLC	\$35,000
Due to/from Fund I	
Due to/from Fund III	\$269
Due to Jane Price Trust	(\$4,326)

Total Current Liabilities \$30,943

WNB Senior Term Loan	\$487,830
Partner's Contributions	\$4,142,250
Partner's Distributions	(\$1,132,222)
Prior Year Income(Loss)	(\$1,531,820)
Current Year Income (Loss)	(\$228,329)
Total Partner's Capital	<u>\$1,737,709</u>

Total Liabilities and Partner's Capital **\$1,768,652**

Note: (1) The reserve for offset wells includes planned offsets in the Rushness, East Orr, and Alpine Meadows Prospects

\$0

(2) Hedge positions are initially booked at their purchase price at the time the position is acquired. As a contract expires, the portion of the original position that pertains to that month is expensed into the Statement of Income as Basis. Currently the fund owns 35% of 1/2 of a PUT contract (\$85/BBL) for the 2012 and 2013 calendar year, 25% of 1/2 of a \$115 Call contract in 2012, and 35% of 1/2 of a \$115 Call contract in 2013. These figures do not include this funds participatin in a Swap contract for 2012 and 2013, as there is no basis with these arrangements.

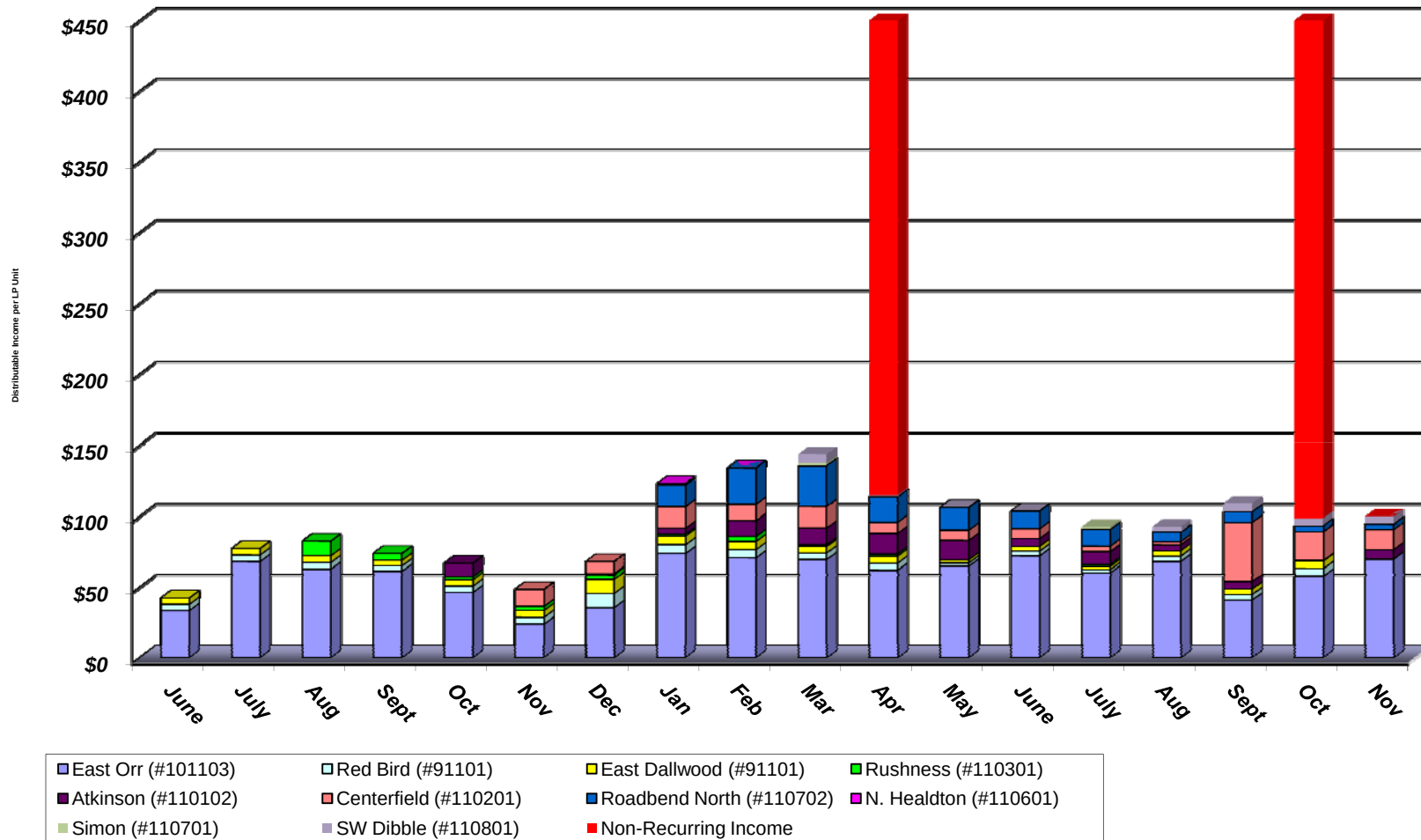
First Keystone Energy Fund IV, L.P.
Statement of Changes in Operating Cash Flows
(Income Tax Basis)
11/30/2012

	<i>Current Month</i>	<i>Year to Date</i>
Net Income	(\$17,999)	(\$228,329)
Adjustments for non-Cash Items		
Depletion	\$ -	\$ -
Depreciation	0	0
Less: Changes in Operating Assets and Liabilities		
Accounts Receivable		(100,000)
Other Assets	(4,935)	229,958
Prepaid Investments	37,743	(253,337)
Producing Leasehold Investments	1,346	(21,975)
Non-Producing Leasehold Investments	4,084	121,683
Fixed Assets	7,122	195,721
Due to Affiliates	5,087	(34,944)
Accounts Payable		0
Accrued Liabilities		0
Total Changes in Operating Assets and Liabilities	<u>\$50,447</u>	<u>\$ 137,106</u>
Plus: Changes in Investment Activities		
Loan Drawdowns	(\$11,111)	487,830
Partner Contributions	\$144,000	664,750
Partner Distributions	(\$35,555)	(980,114)
Total Changes in Investment Activities	<u>97,334</u>	<u>172,466</u>
<i>Net Increase (Decrease) in Cash Balances</i>	<u>\$ 28,888</u>	<u>\$ (192,969)</u>
Cash Balances at the Beginning of the Period	<u>\$41,321</u>	<u>\$ 263,178</u>
Cash Balances at the end of the Period	<u><u>\$70,209</u></u>	<u><u>\$ 70,209</u></u>

First Keystone Energy Fund - IV, L.P.
Sources of Distributable Cash Flow (1.4)

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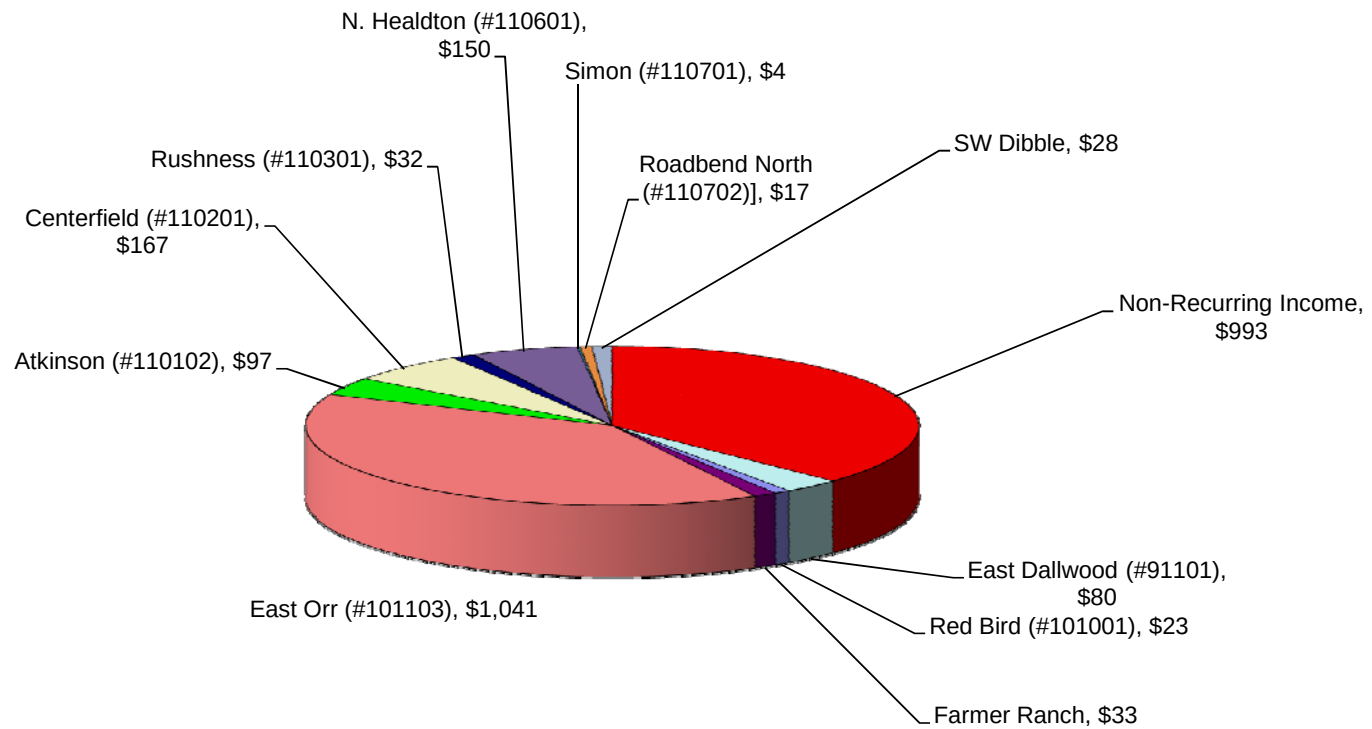
First Keystone Energy Fund - IV, L.P.
Sources of Distributable Cash Flow (I.4)
(Income Tax Basis)
Months Through 11/30/12



Note:

1. The distributable cash for the month of April included \$357 per Unit from the sale of the working interest in the Rushness Prospect. This represents 50% of the gross proceeds received from this sale. The remaining proceeds will be distributed in late October
2. The distributable cash for the month of October included \$636 per Unit from the remaining proceeds from sale of the Rushness Prospect (\$375/Unit) sale of the Woodford Shale (\$252/Unit) and the sale of the Denton AMI (\$9/Unit)

First Keystone Energy Fund - IV, L.P.
Sources of Distributable Cash Flow (I.4)
(Income Tax Basis)
Cumulative Through November 2012



First Keystone Energy Fund - IV, L.P.**Analysis of Lease Operating Expenses***(Income Tax Basis)***11/30/2012**

	Current Month	Year to Date
Lease Operating Expenses (Recurring)		
Lease Operating Expenses		
Atkinson (#110102)	1,534	13,204
Big Sandy (#100902)	201	542
Centerfield (#110201)	2,363	13,469
Cyclone (#110802)		0
Denton (#110801)		(380)
East Dallwood (#91101)	2,030	8,828
East Orr (#101103)	3,354	18,812
Farmer Ranch (#101012)	644	26,163
Lone Grove (#120601)		324
Mad Island (#110503)	5	3,954
Maverick (#110903)		169
N. Healdton (#110601)	1,056	4,666
Red Bird (#110101)	179	3,817
Roadbend (#110702)	222	6,701
Rose Valley (#101101)	553	9,766
Rushness (#110301)		6,387
SE Jefferson (#110502)		1,529
Simon (#110701)	1,942	15,722
SW Dibble (#110803)	185	3,187
Total Lease Operating Expenses	<u>14,268</u>	<u>136,860</u>
Intangible Drilling and Completion Costs		
Total Intangible Drilling Costs	<u>0</u>	<u>0</u>
Total Lease Operating Expenses (Recurring)	<u>\$14,268</u>	<u>\$136,860</u>
Total Drilling and Non-Recurring Expenses		
Lease Operating Expenses		
East Orr (#101103)		0
Farmer Ranch (#101012)	1,144	1,144
N. Healdton (#110601)	340	340
Total Lease Operating Expenses	<u>1,484</u>	<u>1,484</u>
Intangible Drilling and Completion Costs		
Atkinson (#110102)	33	84,773
Big Sandy (#100902)	30,417	57,927
Centerfield (#110201)		99,771
Denton (#110801)		0
East Dallwood (#91101)	71	260
East Orr (#101103)	12,936	266,593
Farmer Ranch (#101102)		28,154
Lone Grove (#120601)	408	38,432
Mad Island (#110503)		182,099
Maverick (#110903)		1,824
N Healdton (#110601)	4,631	80,008
Red Bird (#110101)		0
Roadbend (#110702)	(329)	42,364
Rushness (#110301)		7,866
SE Jefferson (#110502)		5,317
Simon (#110701)		81,354
SW Dibble (#110803)	9,199	54,749
Total Intangible Drilling Costs	<u>57,366</u>	<u>1,031,491</u>
Total Drilling and Non-recurring	<u>\$58,850</u>	<u>\$1,032,975</u>