LRR Energy, L.P.
Form DEFM14A
September 03, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant	x
Filed by a Party other than the Registrant	o

Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

LRR Energy, L.P.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x	No fee required.
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

TABLE OF CONTENTS

LRR Energy, L.P.

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Dear Unitholders of LRR Energy, L.P.:

On April 20, 2015, LRR Energy, L.P. (LRE) and Vanguard Natural Resources, LLC (Vanguard) entered into a merger agreement (the merger agreement), pursuant to which a subsidiary of Vanguard will merge with and into LRE, with LRE continuing as the surviving entity (the merger), and, at the same time, Vanguard will purchase all of the limited liability company interests in LRE GP, LLC, the general partner of LRE (LRE GP), resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard. The LRE GP conflicts committee has determined that the merger agreement is advisable to and in the best interests of LRE and its unitholders who are not affiliates of LRE GP and has approved the merger agreement and recommended that the board of directors of LRE GP approve the merger agreement. Based upon, among other things, the recommendation of the LRE GP conflicts committee, the board of directors of LRE GP has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are in the best interests of LRE and its unitholders, and has unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and the board of directors of LRE GP has recommended that unitholders vote to approve the merger agreement.

Under the terms of the merger agreement, holders of LRE common units will receive 0.550 common units of Vanguard for each LRE common unit held (the merger consideration). The exchange ratio for the merger consideration is fixed and will not be adjusted to reflect changes in the price of LRE common units or Vanguard common units prior to the closing of the transactions contemplated by the merger agreement. The merger consideration is valued at $8.93 per LRE common unit eligible to receive the merger consideration based on the closing price of Vanguard s common units as of April 20, 2015, representing a 12.6% premium to the closing price of LRE s common units of $7.93 on April 20, 2015. In addition, under the terms of the merger agreement, Vanguard will issue and deliver 12,320 Vanguard common units to the members of LRE GP in exchange for all of the limited liability company interests in LRE GP. The number of Vanguard common units to be issued to the members of LRE GP was determined based upon the 0.550 exchange ratio for the merger consideration.

Vanguard has also entered into an Agreement and Plan of Merger (as it may be amended from time to time, the Eagle Rock merger agreement) with Eagle Rock Energy Partners, L.P. (Eagle Rock) and Eagle Rock Energy GP, L.P., the general partner of Eagle Rock (Eagle Rock GP), pursuant to which, subject to the terms and conditions thereof, an indirect subsidiary of Vanguard will merge with and into Eagle Rock, with Eagle Rock continuing as the surviving entity and a wholly owned indirect subsidiary of Vanguard (the Eagle Rock merger). Prior to entering into the Eagle Rock merger agreement, Vanguard obtained the consent of the board of directors of LRE GP, as required by Section 4.2 of the merger agreement, pursuant to a letter agreement by and among Vanguard, LRE GP and LRE. Neither the Vanguard unitholders nor the LRE unitholders are entitled to vote with respect to the approval of the Eagle Rock merger agreement or the Eagle Rock merger, although Vanguard unitholders are entitled to vote with respect to the issuance of Vanguard common units to Eagle Rock s unitholders pursuant to the Eagle Rock merger agreement.

If the transactions contemplated by the Eagle Rock merger agreement are consummated, immediately following the later to occur of the transactions contemplated by the merger agreement and the transactions contemplated by the

Eagle Rock merger agreement, it is expected that LRE unitholders will own approximately 11.8% of the outstanding common units of Vanguard. If, however, the transactions contemplated by the Eagle Rock merger agreement are not consummated, immediately following the completion of the transactions contemplated by the merger agreement, it is

TABLE OF CONTENTS

expected that LRE unitholders will own approximately 15.1% of the outstanding common units of Vanguard. The common units of LRE are traded on the New York Stock Exchange under the symbol LRE, and the common units of Vanguard are traded on the NASDAQ Global Select Market under the symbol VNR.

LRE is holding a special meeting of its unitholders at Two Allen Center, 1200 Smith Street, the Forum Assembly Room on the 12th Floor, Houston, TX 77002 on October 5, 2015 at 10:00 a.m., local time, to obtain the vote of its unitholders to approve the merger agreement and the transactions contemplated thereby. Your vote is very important, regardless of the number of units you own. The merger cannot be completed unless the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units vote to approve the merger agreement and the transactions contemplated thereby at the LRE special meeting. Certain affiliates of LRE, as holders of certain of the issued and outstanding LRE common units, have entered into an amended and restated voting and support agreement with Vanguard, pursuant to which they have agreed to vote all of their LRE common units in favor of the approval of the merger agreement and to take other actions in furtherance of the merger. Collectively, these LRE unitholders hold LRE common units representing approximately 30.5% of the votes of LRE s outstanding common units as of August 27, 2015.

Based upon, among other things, the recommendation of the LRE GP conflicts committee, the board of directors of LRE GP recommends that LRE unitholders vote FOR the approval of the merger agreement and the transactions contemplated thereby, FOR the merger-related compensation proposal and FOR the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the LRE special meeting.

On behalf of the board of directors of LRE GP, I invite you to attend the LRE special meeting. Regardless of whether you expect to attend the LRE special meeting in person, we urge you to submit your proxy as promptly as possible through one of the delivery methods described in the accompanying proxy statement/prospectus.

In addition, we urge you to read carefully the accompanying proxy statement/prospectus (and the documents contained in or incorporated by reference into the accompanying proxy statement/prospectus), which includes important information about the merger agreement, the proposed merger, LRE, Vanguard and the LRE special meeting. Please pay particular attention to the section titled Risk Factors beginning on page 45 of the accompanying proxy statement/prospectus.

On behalf of the board of directors of LRE GP, we thank you for your continued support.

Sincerely,

Eric D. Mullins
Co-Chief Executive Officer of LRE GP, LLC,
the general partner of LRR Energy, L.P.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated September 3, 2015 and is first being mailed to the unitholders of LRE on or about September 4, 2015.

TABLE OF CONTENTS

LRR Energy, L.P.

Heritage Plaza

1111 Bagby Street, Suite 4600

Houston, Texas 77002

NOTICE OF SPECIAL MEETING OF UNITHOLDERS TO BE HELD ON OCTOBER 5, 2015

To the Unitholders of LRR Energy, L.P.:

Notice is hereby given that a special meeting of unitholders of LRR Energy, L.P., a Delaware limited partnership (LRE), will be held at Two Allen Center, 1200 Smith Street, the Forum Assembly Room on the 12th Floor, Houston, TX, 77002 on October 5, 2015 at 10:00 a.m., local time, solely for the following purposes:

Proposal 1: to consider and vote on a proposal to approve the Purchase Agreement and Plan of Merger, dated as of April 20, 2015 (as such agreement may be amended from time to time, the merger agreement), by and among LRE, LRE GP, LLC, the general partner of LRE (LRE GP), Lime Rock Management LP (LRM), Lime Rock Resources A, L.P. (LRR A), Lime Rock Resources B, L.P. (LRR B), Lime Rock Resources C, L.P. (LRR C), Lime Rock Resources II-A, L.P. (LRR II-A), Lime Rock Resources II-C, L.P. (LRR II-C), Vanguard Natural Resources, LLC (Vanguard) and Lighthouse Merger Sub, LLC, a wholly owned subsidiary of Vanguard (Merger Sub), pursuant to which, among other things, Merger Sub will merge with and into LRE, with LRE continuing as the surviving entity (the merger), and, at the same time, Vanguard will purchase all of the outstanding limited liability company interests in LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard;

Proposal 2: to consider and vote on a proposal to approve, on an advisory, non-binding basis, the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and

Proposal 3: to consider and vote on a proposal to approve the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

These items of business, including the approval of the merger agreement and the proposed merger, are described in detail in the accompanying proxy statement/prospectus. Among other things, the LRE GP conflicts committee has determined that the merger agreement is advisable to and in the best interests of LRE and its unitholders who are not affiliates of LRE GP and has approved the merger agreement and recommended that the board of directors of LRE GP approve the merger agreement. **Based upon, among other things, such recommendation of the LRE GP conflicts committee, the board of directors of LRE GP has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are in the best interests of LRE and its unitholders and recommends that LRE unitholders vote FOR the proposal to approve the merger agreement and the transactions contemplated thereby, FOR the advisory**

TABLE OF CONTENTS

merger-related compensation proposal and FOR the adjournment of the LRE special meeting if necessary to solicit additional proxies in favor of such approval.

Only unitholders of record as of the close of business on August 28, 2015 are entitled to notice of the LRE special meeting and to vote at the LRE special meeting or at any adjournment or postponement thereof. A list of unitholders entitled to vote at the LRE special meeting will be available in LRE s offices located at Heritage Plaza, 1111 Bagby Street, Suite 4600, Houston, Texas 77002, during regular business hours for a period of ten days before the LRE special meeting, and at the place of the LRE special meeting during the meeting.

Approval of the merger agreement and the transactions contemplated thereby by the LRE unitholders is a condition to the consummation of the merger and requires the affirmative vote of the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units. Therefore, your vote is very important. Certain affiliates of LRE, as holders of certain of the issued and outstanding LRE common units, have entered into an amended and restated voting and support agreement with Vanguard, pursuant to which they have agreed to vote all of their LRE common units in favor of the approval of the merger agreement and to take other actions in furtherance of the merger. Collectively, these LRE unitholders hold common units representing approximately 30.5% of the votes of LRE s outstanding common units as of August 27, 2015.

Your failure to vote your LRE common units will have the same effect as a vote cast AGAINST approval of the merger agreement and the transactions contemplated thereby.

By order of the board of directors,

Eric D. Mullins
Co-Chief Executive Officer of LRE GP, LLC,
the general partner of LRR Energy, L.P.

Houston, Texas

September 3, 2015

YOUR VOTE IS IMPORTANT!

REGARDLESS OF WHETHER YOU EXPECT TO ATTEND THE LRE SPECIAL MEETING IN PERSON, IT IS IMPORTANT THAT YOUR COMMON UNITS BE REPRESENTED. WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE, (2) VIA THE INTERNET OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE PREPAID ENVELOPE PROVIDED. You may revoke your proxy or change your vote at any time before the LRE special meeting. If your LRE common units are held in the name of a bank, broker, nominee or other record holder, please follow the instructions on the voting instruction card furnished to you by such record holder.

We urge you to read the accompanying proxy statement/prospectus, including all documents included in or incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the merger agreement, the advisory, non-binding vote on the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger, the adjournment vote, the LRE special meeting or the accompanying proxy

statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus or need help voting your LRE common units, please contact LRE s proxy solicitor.

The Solicitation Agent for the Special Meeting is:

Morrow & Co., LLC
470 West Avenue 3rd Floor
Stamford, CT 06902

Banks and Brokerage Firms, please call (203) 658-9400

Unitholders, please call toll free (855) 264-1296

TABLE OF CONTENTS

ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Vanguard and LRE from other documents filed with the Securities and Exchange Commission (the SEC) that are not included in or delivered with this proxy statement/prospectus. See Where You Can Find More Information.

Documents incorporated by reference are available to you without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate party at the following addresses and telephone numbers.

Vanguard Natural Resources, LLC
Attention: Investor Relations
5847 San Felipe, Suite 3000
Houston, Texas 77057
(832) 327-2255
investorrelations@vnrllc.com

LRR Energy, L.P.
Attention: Investor Relations
Heritage Plaza
1111 Bagby Street
Suite 4600
Houston, Texas 77002
(713) 292-9510

To receive timely delivery of the requested documents in advance of the LRE special meeting, you should make your request no later than September 28, 2015.

ABOUT THIS DOCUMENT

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC by Vanguard (File No. 333-204696), constitutes a prospectus of Vanguard under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the Vanguard common units to be issued pursuant to the merger agreement. This proxy statement/prospectus also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to the LRE special meeting, at which LRE unitholders will be asked to consider and vote on, among other matters, a proposal to approve the merger agreement and the transactions contemplated thereby.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated September 3, 2015. The information contained in this proxy statement/prospectus is accurate only as of that date or, in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies. Neither the mailing of this proxy statement/prospectus to LRE unitholders nor the issuance by Vanguard of its common units pursuant to the merger agreement will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in each case, in any jurisdiction in which, or from any person to whom, it is unlawful to make any such offer or solicitation in such jurisdiction.

The information concerning Vanguard contained in this proxy statement/prospectus or incorporated by reference has been provided by Vanguard, and the information concerning LRE contained in this proxy statement/prospectus or

incorporated by reference has been provided by LRE.

TABLE OF CONTENTS

TABLE OF CONTENTS

QUESTIONS AND ANSWERS	1
SUMMARY	10
The Parties	10
The Merger	10
Merger Consideration	10
Treatment of LRE Restricted Units	10
LRE Special Unitholder Meeting; Unitholders Entitled to Vote; Vote Required	11
LRE s Reasons for the Merger; Recommendation of LRE GP s Board of Directors and LRE GP s Conflicts Committee	12
Voting and Support Agreement	12
Termination and Continuing Obligations Agreement	13
Registration Rights Agreement	13
Opinions of the Financial Advisor to the LRE GP Board of Directors	14
Opinions of the Financial Advisor to the LRE GP Conflicts Committee	14
Vanguard Unitholder Approval is Not Required	15
Ownership of Vanguard After the Merger	15
Interests of Directors and Executive Officers of LRE GP in the Merger	16
Risks Relating to the Merger and Ownership of Vanguard Common Units	16
Material U.S. Federal Income Tax Consequences of the Merger	17
Accounting Treatment of the Merger	18
Listing of Vanguard Common Units; Delisting and Deregistration of LRE Common Units	18
No Appraisal Rights	18
Conditions to Consummation of the Transactions Contemplated by the Merger Agreement	18
Regulatory Approvals and Clearances Required for the Merger	19
No Solicitation by LRE of Alternative Proposals	19
Change in LRE GP Board Recommendation	20
Termination of the Merger Agreement	21
Expenses	21
Termination Fee	22
Comparison of Rights of Vanguard Common Unitholders and LRE Unitholders	22
Litigation Relating to the Merger	22
Litigation Relating to the Eagle Rock Merger	23
Recent Developments	24
Selected Historical Consolidated Financial Data of Vanguard	27
Selected Historical Consolidated Financial Data of LRE	33
Selected Unaudited Pro Forma Combined Financial Information	37
Unaudited Comparative Per Unit Information	39
Comparative Unit Prices and Distributions	42

TABLE OF CONTENTS

RISK FACTORS	45
Risk Factors Relating to the Merger	45
Risk Factors Relating to the Ownership of Vanguard Common Units	52
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	59
THE PARTIES	61
THE LRE SPECIAL MEETING	63
PROPOSAL 1: THE MERGER	68
Effect of the Merger	68
Background of the Merger	68
Recommendation of LRE GP s Board of Directors and Its Reasons for the Merger	77
Reasons of LRE GP s Board of Directors for Consenting to the Eagle Rock Merger	80
Recommendation of the LRE GP Conflicts Committee and Its Reasons for the Merger	83
Reasons of the LRE GP Conflicts Committee for Consenting to the Eagle Rock Merger	88
Opinions of the Financial Advisor to the LRE GP Board of Directors	90
Opinions of the Financial Advisor to the LRE GP Conflicts Committee	103
Voting and Support Agreement	124
Registration Rights Agreement	127
Termination and Continuing Obligations Agreement	127
Unaudited Prospective Financial and Operating Information of LRE and Vanguard	127
Vanguard s Reasons for the Merger	132
Interests of Directors and Executive Officers of LRE GP in the Merger	132
No Appraisal Rights	135
Accounting Treatment of the Merger	135
Regulatory Approvals and Clearances Required for the Merger	135
Listing of Vanguard Common Units	135
Delisting and Deregistration of LRE Common Units	135
Vanguard Unitholder Approval is Not Required	135
Ownership of Vanguard After the Merger	135
Restrictions on Sales of Vanguard Common Units Received in the Merger	136
Board of Directors and Executive Officers Following the Merger	136
Litigation Relating to the Merger	136
THE MERGER AGREEMENT	138
The Merger	138
Effective Time; Closing	138
Merger Consideration	139
Treatment of LRE Restricted Units	139
Adjustments to Prevent Dilution	139
Withholding	139
Distributions	140
Conditions to Consummation of the Transactions Contemplated by the Merger Agreement	140

TABLE OF CONTENTS

LRE Unitholder Approval	143
No Solicitation by LRE of Alternative Proposals	144
Change in LRE GP Board Recommendation	145
Regulatory Matters	146
Termination of the Merger Agreement	147
Termination Fee	148
Expenses	149
Conduct of Business Pending the Consummation of the Transactions Contemplated by the Merger Agreement	149
Indemnification; Directors and Officers Insurance	152
Financing Matters	153
Amendment of Merger Agreement	153
Remedies; Specific Performance	153
Representations and Warranties	154
Additional Agreements	155
VANGUARD NATURAL RESOURCES, LLC UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION	156
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER	197
Tax Opinions Required as a Condition to Closing	197
Assumptions Related to the U.S. Federal Income Tax Treatment of the Merger	198
U.S. Federal Income Tax Treatment of the Merger	199
Tax Consequences of the Merger to LRE	199
Tax Consequences of the Merger to LRE Common Unitholders	200
Tax Basis and Holding Period of the Vanguard Common Units Received	201
Effect of Termination of LRE s Tax Year at Closing of Merger	201
Tax Consequences of the Merger to Vanguard and Its Unitholders	201
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF VANGUARD COMMON UNIT OWNERSHIP	202
Partnership Status	203
Limited Partner Status	204
Tax Consequences of Unit Ownership	204
Tax Treatment of Operations	209
Disposition of Common Units	214
Uniformity of Units	216
Tax-Exempt Organizations and Other Investors	217
Administrative Matters	217
State, Local, Foreign and Other Tax Considerations	220
DESCRIPTION OF VANGUARD COMMON UNITS	222
Where Common Units Are Traded	222
Issuance of Additional Units	222
Voting Rights	222

TABLE OF CONTENTS

Transfer Agent and Registrar	222
Transfer of Common Units	223
Summary of Limited Liability Company Agreement	223
COMPARISON OF RIGHTS OF VANGUARD COMMON UNITHOLDERS AND LRE UNITHOLDERS	224
Purpose	224
Outstanding Units	224
Issuance of Additional Securities	225
Distributions of Available Cash	225
Distributions of Cash upon Liquidation	228
Merger, Sale or Other Disposition of Assets	230
Election of Directors	231
Meetings; Voting; Voting Rights	231
Withdrawal or Removal of the General Partner; Election of General Partner	234
Transfer of General Partner Interests	236
No or Limited Preemptive Right	236
Limited Call Right	236
Amendment of Limited Liability Company Agreement or Partnership Agreement	237
Indemnification	241
Fiduciary Duties; Conflicts of Interest	242
Anti-Takeover Provisions	244
Dissolution	246
Transfer of Units; Status as Member, Limited Partner or Assignee	246
PROPOSAL 2: ADVISORY VOTE ON MERGER-RELATED NAMED EXECUTIVE OFFICER COMPENSATION	248
PROPOSAL 3: ADJOURNMENT OF THE LRE SPECIAL MEETING	249
LEGAL MATTERS	250
EXPERTS	251
WHERE YOU CAN FIND MORE INFORMATION	252
ANNEX A: Purchase Agreement and Plan of Merger	A-1
ANNEX B: Amended and Restated Voting and Support Agreement	B-1
ANNEX C: Opinion of Tudor, Pickering, Holt & Co. Advisors, LLC, dated April 20, 2015	C-1
ANNEX D: Opinion of Tudor, Pickering, Holt & Co. Advisors, LLC, dated May 21, 2015	D-1
ANNEX E: Opinion of Simmons & Company International, dated April 20, 2015	E-1
ANNEX F: Opinion of Simmons & Company International, dated May 20, 2015	F-1

TABLE OF CONTENTS

QUESTIONS AND ANSWERS

Set forth below are questions that you, as a unitholder of LRE, may have regarding the merger, the vote on the merger, the advisory, non-binding vote on the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger, the adjournment proposal and the LRE special meeting, and brief answers to those questions. You are urged to read carefully this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety, including the merger agreement, which is attached as Annex A to this proxy statement/prospectus, and the documents contained in and incorporated by reference into this proxy statement/prospectus, because this section may not provide all of the information that is important to you with respect to the merger and the LRE special meeting. You may obtain a list of the documents incorporated by reference into this proxy statement/prospectus in the section titled Where You Can Find More Information.

Q: Why am I receiving this proxy statement/prospectus?

A: Vanguard and LRE have agreed to a merger, pursuant to which Merger Sub will merge with and into LRE, with LRE continuing as the surviving entity, and, at the same time, Vanguard will purchase all of the limited liability company interests in LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard. Following the completion of the transactions contemplated by the merger agreement, LRE will cease to be a publicly traded limited partnership. In order to complete the merger, LRE unitholders must vote to approve the merger agreement and the transactions contemplated thereby. LRE is holding a special meeting of unitholders to obtain such unitholder approval. LRE unitholders will also be asked to approve, on an advisory, non-binding basis, the payments that will or may be paid by LRE to certain of its named executive officers in connection with the merger.

In the merger, Vanguard will issue Vanguard common units as the consideration to be paid to holders of LRE common units. This document is being delivered to you as both a proxy statement of LRE and a prospectus of Vanguard in connection with the merger. It is the proxy statement by which the board of directors of LRE GP is soliciting proxies from you to vote on the approval of the merger agreement and the transactions contemplated thereby at the LRE special meeting or at any adjournment or postponement of the LRE special meeting. It is also the prospectus by which Vanguard will issue Vanguard common units to you in the merger.

Your vote is important. We encourage you to vote as soon as possible.

Q: What will happen in the merger?

A: In the merger, Merger Sub will merge with and into LRE. LRE will be the surviving limited partnership in the merger. LRE will cease to be a publicly traded limited partnership following completion of the merger. At the same time, Vanguard will purchase all of the limited liability company interests in LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard.

Q: What will I receive in the merger for my LRE common units?

A: If the merger is completed, your LRE common units will be cancelled and converted automatically into the right to receive a number of Vanguard common units equal to 0.550 (the exchange ratio) multiplied by the number of LRE common units you hold. No fractional Vanguard common units will be issued. Holders of LRE common units to whom fractional units would have otherwise been issued will be entitled to receive, subject to applicable withholding, a cash payment in lieu of such fractional interest based on the average of the closing sale prices of the Vanguard common units over the ten consecutive full trading days ending at the close of trading on the full trading day immediately preceding the closing date of the merger. The exchange ratio for the merger consideration is fixed and will not be adjusted to reflect changes in the price of LRE common units or Vanguard common units prior to the closing of the merger. See Risk Factors beginning on page 45 of this proxy statement/prospectus.

1

TABLE OF CONTENTS

Q: Can I elect to receive cash for my LRE common units?

A: No. Pursuant to the merger agreement, the consideration to be received by the holders of LRE common units consists of the merger consideration and is fixed at the exchange ratio, in each case as described above.

Q: What will happen to LRE s restricted units in the merger?

A: If the merger is completed, each restricted common unit issued under LRE GP s Long-Term Incentive Plan (the LTIP) that is subject to time-based vesting (an LRE restricted unit) and that is outstanding and unvested immediately prior to the effective time will, automatically and without any action on the part of the holder of such LRE restricted unit, become fully vested and the restrictions with respect thereto will lapse and such LRE restricted unit will be deemed to be an LRE common unit for purposes of the merger. See The Merger Agreement Treatment of LRE Restricted Units beginning on page 139 of this proxy statement/prospectus.

Q: What happens if the merger is not completed?

A: If the merger agreement is not approved by LRE unitholders or if the merger is not completed for any other reason, you will not receive any form of consideration for your LRE units in connection with the merger. Instead, LRE will remain an independent publicly held limited partnership and its common units will continue to be listed and traded on the New York Stock Exchange (the NYSE). Under specified circumstances, LRE may be required to pay Vanguard a termination fee of $7,288,000. In addition, following a termination of the merger agreement in specified circumstances, either LRE or Vanguard will be required to pay up to $1,215,000 in expenses to the other party as described in The Merger Agreement Termination Fee beginning on page 148 and The Merger Agreement Expenses beginning on page 149 of this proxy statement/prospectus.

Q: Will I continue to receive future distributions?

A: Before completion of the merger, LRE expects to continue to pay its regular quarterly cash distribution on its common units, which is currently $0.1875 per unit. LRE and Vanguard intend to coordinate the timing of distribution declarations leading up to the merger so that, in any month, a holder of LRE common units will either receive a regular quarterly distribution in respect of its LRE common units or a monthly distribution in respect of Vanguard common units that such holder will receive in the merger (but will not receive distributions in respect of both in any month). However, if the merger is completed at a time in which there is one or more months prior to completion of the merger for which a holder of LRE common units would not receive either a regular quarterly cash distribution covering such month or months or a monthly distribution in respect of the Vanguard common units such holder will receive in the merger, LRE may pay a portion of its regular quarterly cash distribution early to cover such month or months. Receipt of any LRE distributions prior to the completion of the merger will not reduce the merger consideration you receive. After completion of the merger, you will be entitled only to distributions on any Vanguard common units you receive in the merger and hold through the applicable distribution record date.

Q: What am I being asked to vote on?

A: LRE s unitholders are being asked to vote on the following proposals:

Proposal 1: to approve the merger agreement, as such agreement may be amended from time to time, a copy of which is attached as Annex A to this proxy statement/prospectus, and the transactions contemplated thereby;

Proposal 2: to approve, on an advisory, non-binding basis, the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and

Proposal 3: to approve the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the LRE special meeting.

TABLE OF CONTENTS

The approval of the proposal to approve the merger agreement and the transactions contemplated thereby by LRE unitholders is a condition to the obligations of LRE and Vanguard to complete the transactions contemplated by the merger agreement. Neither the approval (on an advisory, non-binding basis) of the merger-related compensation proposal nor the approval of the proposal to adjourn is a condition to the obligations of LRE or Vanguard to complete the transactions contemplated by the merger agreement.

Q: Does the board of directors of LRE s general partner recommend that unitholders approve the merger agreement and the transactions contemplated thereby?

A: Yes. The board of directors of LRE GP has unanimously approved the merger agreement and the transactions contemplated thereby, including the merger, and determined that these transactions are in the best interests of the LRE unitholders. Therefore, the board of directors of LRE GP unanimously recommends that you vote FOR the proposal to approve the merger agreement and the transactions contemplated thereby at the LRE special meeting. See Proposal 1: The Merger Recommendation of LRE GP s Board of Directors and Its Reasons for the Merger beginning on page 77 of this proxy statement/prospectus. In considering the recommendation of the board of directors of LRE GP with respect to the merger agreement and the transactions contemplated thereby, including the merger, you should be aware that, in certain cases, directors and executive officers of LRE GP have interests in the merger that may be different from, or in addition to, your interests as a unitholder of LRE. You should consider these interests in voting on this proposal. These different interests are described under Proposal 1: The Merger Interests of Directors and Executive Officers of LRE GP in the Merger beginning on page 132 of this proxy statement/prospectus.

Q: What are the merger-related compensation payments to certain of LRE s named executive officers and why am I being asked to vote on them?

A: The SEC has adopted rules that require LRE to seek an advisory (non-binding) vote on the compensation payments related to the merger. The related compensation payments are certain compensation payments that are tied to or based on the merger and that will or may be paid by LRE to certain of its named executive officers in connection with the merger. This proposal is referred to as the merger-related compensation proposal.

Q: Does the board of directors of LRE GP recommend that unitholders approve the merger-related compensation proposal?

A: Yes. The board of directors of LRE GP unanimously recommends that you vote FOR the merger-related compensation proposal. See Proposal 2: Approval of Merger-Related Compensation beginning on page 248 of this proxy statement/prospectus.

Q: What happens if the merger-related compensation proposal is not approved?

A: Approval of the merger-related compensation proposal is not a condition to completion of the merger. The vote is an advisory vote and is not binding. If the merger is completed, LRE will pay the related compensation to certain of its named executive officers in connection with the merger even if LRE unitholders fail to approve the merger-related compensation proposal.

Q: Does the board of directors of LRE GP recommend that unitholders approve the adjournment of the LRE special meeting if necessary?

A: Yes. The board of directors of LRE GP unanimously recommends that you vote FOR the proposal to adjourn the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the LRE special meeting. See Proposal 3: Adjournment of the LRE Special Meeting beginning on page 249 of this proxy statement/prospectus.

TABLE OF CONTENTS

Q: What unitholder vote is required for the approval of each proposal?

A: The following are the vote requirements for the proposals:

Proposal 1: Approval of the Merger Agreement. The affirmative vote of the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units. Accordingly, abstentions, broker non-votes (if any) and unvoted units will have the same effect as votes AGAINST approval.

Proposal 2: Approval of Merger-Related Compensation. The affirmative vote of the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units. Accordingly, abstentions, broker non-votes (if any) and unvoted units will have the same effect as votes AGAINST approval.

Proposal 3: Adjournment of the LRE Special Meeting (if necessary). If a quorum is present at, and if a limited partner vote is solicited on adjournment of, the meeting, the affirmative vote of the holders of a majority of the outstanding LRE common units will be required to approve the proposal. If a quorum is not present at the meeting, the affirmative vote of the holders of a majority of the outstanding LRE common units present and entitled to be voted at such meeting represented either in person or by proxy, will be required to approve the proposal. Accordingly, if a quorum is present, abstentions, broker non-votes and unvoted units will have the same effect as votes AGAINST the proposal. If a quorum is not present, abstentions and broker non-votes will have the same effect as votes AGAINST the proposal, and unvoted units will have no effect on the approval of the proposal.

Simultaneously with the execution of the merger agreement, Vanguard entered into a Voting and Support Agreement (the original support agreement) with each of LRR A, LRR B and LRR C, as holders of certain of the issued and outstanding LRE common units (collectively, the Holders), LRE, LRE GP, and, solely for certain restrictions on the sale of Vanguard common units, LRM, LRR II-A and LRR II-C. On May 21, 2015, in connection with the execution of the Eagle Rock merger agreement, the parties to the original support agreement entered into an Amended and Restated Voting and Support Agreement (the amended and restated support agreement). Pursuant to the amended and restated support agreement, the Holders have agreed to vote all of their LRE common units in favor of the merger agreement and to take certain other specified actions in furtherance of the merger. Collectively, the Holders hold common units representing approximately 30.5% of the votes of LRE s outstanding common units as of August 27, 2015.

Q: What constitutes a quorum for the LRE special meeting?

A: The holders of a majority of the outstanding LRE common units must be represented in person or by proxy at the meeting in order to constitute a quorum.

Q: When is this proxy statement/prospectus being mailed?

A: This proxy statement/prospectus and the proxy card are first being sent to LRE unitholders on or about September 4, 2015.

Q: Who is entitled to vote at the LRE special meeting?

A: Holders of LRE s common units outstanding as of the close of business on August 28, 2015, the record date for the determination of unitholders entitled to notice of and to vote at the LRE special meeting, are entitled to one vote per unit at the LRE special meeting.

At the close of business on August 28, 2015, there were 28,074,433 common units outstanding, all of which are entitled to be voted at the LRE special meeting.

Q: When and where is the LRE special meeting?

A: The special meeting will be held at Two Allen Center, 1200 Smith Street, the Forum Assembly Room on the 12th Floor, Houston, TX 77002, on October 5, 2015 at 10:00 a.m., local time.

TABLE OF CONTENTS

Q: How do I vote my LRE common units, or cause my LRE common units to be voted, at the LRE special meeting?

A: There are four ways you may cause your LRE common units to be voted at the LRE special meeting:

In Person. If you are a unitholder of record, you may vote in person at the LRE special meeting. Units held by a broker, bank, nominee or other holder of record may be voted in person by you only if you obtain a legal proxy from the record holder (which is your broker, bank, nominee or other holder of record) giving you the right to vote the units;

Via the Internet. You may submit a proxy electronically via the Internet by accessing the Internet address provided on each proxy card (if you are a unitholder of record) or vote instruction card (if your LRE common units are held by a broker, bank, nominee or other holder of record);

By Telephone. You may submit a proxy by using the toll-free telephone number listed on the enclosed proxy card (if you are a unitholder of record) or vote instruction card (if your LRE common units are held by a broker, bank, nominee or other holder of record); or

By Mail. You may submit a proxy by filling out, signing and dating the enclosed proxy card (if you are a unitholder of record) or vote instruction card (if your LRE common units are held by a broker, bank, nominee or other holder of record) and returning it by mail in the prepaid envelope provided.

Even if you plan to attend the LRE special meeting in person, your plans may change, thus you are encouraged to submit your proxy as described above so that your vote will be counted if you later decide not to attend the LRE special meeting.

If your LRE common units are held by a broker, bank, nominee or other holder of record, also known as holding units in street name, you should receive instructions from the broker, bank, nominee or other holder of record that you must follow in order to have your LRE common units voted. Please review such instructions to determine whether you will be able to submit your proxy via Internet or by telephone. The deadline for submitting your proxy by telephone or electronically through the Internet is 11:59 p.m. Eastern Time October 4, 2015 (the Telephone/Internet deadline).

Q: If my LRE common units are held in street name by my broker, will my broker automatically vote my LRE common units for me?

A: No. If your LRE common units are held in an account at a broker or through another nominee, you must instruct the broker or other nominee on how to vote your LRE common units by following the instructions that the broker or other nominee provides to you with these materials. Most brokers offer the ability for unitholders to submit voting instructions by mail by completing a voting instruction card, by telephone and via the Internet.

If you do not provide voting instructions to your broker, your LRE common units will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is referred to in this proxy statement/prospectus and in general as a broker non-vote. Because the only proposals for consideration at the LRE special meeting are non-discretionary proposals, it is not expected that there will be any broker non-votes at the LRE special meeting. If there are any broker non-votes, they will be counted as units that are present and entitled to be voted for purposes of determining the presence of a quorum, but the broker or other nominee will not be able to vote on those matters for which specific authorization is required. Under the current rules of the NYSE, brokers do not have discretionary authority to vote on the proposal to approve the merger agreement and the transactions contemplated thereby. A broker non-vote (if any) will have the same effect as a vote cast AGAINST (i) approval of the merger agreement and the transactions contemplated thereby, (ii) approval of the merger-related compensation proposal and (iii) approval of the adjournment proposal.

TABLE OF CONTENTS

Q: How will my LRE common units be represented at the LRE special meeting?

A: If you submit your proxy by telephone, the Internet website or by signing and returning your proxy card, the officers named in your proxy card will vote your LRE common units in the manner you requested if you correctly submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your LRE common units, your LRE common units will be voted as the board of directors of LRE GP recommends, which is:

Proposal 1: FOR the approval of the merger agreement and the transactions contemplated thereby;
Proposal 2: FOR the approval, on an advisory, non-binding basis, the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and
Proposal 3: FOR the approval of the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approval the merger agreement at the time of the special meeting.

If you hold your LRE common units through a broker or other nominee, you must follow the directions you receive from your broker or other nominee in order to revoke your proxy or change your voting instructions.

Q: Who may attend the LRE special meeting?

A: LRE unitholders (or their authorized representatives) and LRE s invited guests may attend the LRE special meeting. All attendees should be prepared to present government-issued photo identification (such as a driver s license or passport) for admittance.

Q: Is my vote important?

A: Yes, your vote is very important. If you do not submit a proxy or vote in person at the LRE special meeting, it will be more difficult for LRE to obtain the necessary quorum to hold the LRE special meeting. In addition, an abstention or your failure to submit a proxy or to vote in person will have the same effect as a vote cast AGAINST approval of the merger agreement and the transactions contemplated thereby. If you hold your LRE common units through a broker or other nominee, your broker or other nominee will not be able to cast a vote on such approval without instructions from you. The board of directors of LRE GP recommends that you vote FOR the approval of the merger agreement and the transactions contemplated thereby.

Q: Can I revoke my proxy?

A: Yes. If you are a unitholder of record, you may revoke or change your proxy at any time before the Telephone/Internet deadline or before the polls close at the LRE special meeting by:

sending a written notice, no later than the Telephone/Internet deadline, to LRE at Heritage Plaza, 1111 Bagby Street, Suite 4600, Suite 4600, Houston, Texas 77002, Attn: Secretary, that bears a date later than the date of the proxy and is received prior to the LRE special meeting and states that you revoke your proxy;

submitting a valid, later-dated proxy by mail, telephone or Internet that is received prior to the LRE special meeting; or

attending the LRE special meeting and voting by ballot in person (your attendance at the LRE special meeting will not, by itself, revoke any proxy that you have previously given).

Q: What happens if I sell my LRE common units after the record date but before the LRE special meeting?

A: The record date for the LRE special meeting is earlier than the date of the LRE special meeting and the date that the transactions contemplated by the merger agreement are expected to be completed. If you sell

TABLE OF CONTENTS

or otherwise transfer your LRE common units after the record date but before the date of the LRE special meeting, you will retain your right to vote at the LRE special meeting. However, you will not have the right to receive the merger consideration to be received by LRE s unitholders in the merger. In order to receive the merger consideration, you must hold your LRE common units through completion of the merger.

Q: What does it mean if I receive more than one proxy card or vote instruction card?

A: Your receipt of more than one proxy card or vote instruction card means that you have multiple accounts with LRE s transfer agent or with a brokerage firm, bank, nominee or other holder of record. If submitting your proxy by mail, please sign and return all proxy cards or vote instruction cards to ensure that all of your LRE common units are voted. Each proxy card or vote instruction card represents a distinct number of units, and it is the only means by which those particular units may be voted by proxy.

Q: Am I entitled to appraisal rights if I vote against the approval of the merger agreement?

A: No. Appraisal rights are not available in connection with the merger under the Delaware Revised Uniform Limited Partnership Act (the Delaware LP Act) or under the LRE partnership agreement.

Q: Is completion of the merger subject to any conditions?

A: Yes. In addition to the approval of the merger agreement by LRE unitholders, completion of the transactions contemplated by the merger agreement requires the satisfaction or, to the extent permitted by applicable law, waiver of the other conditions specified in the merger agreement. See The Merger Agreement Conditions to Consummation of the Transactions Contemplated by the Merger Agreement beginning on page 140 of this proxy statement/prospectus.

Q: When do you expect to complete the merger?

A: LRE and Vanguard are working towards completing the merger promptly. LRE and Vanguard currently expect to complete the transactions contemplated by the merger agreement, including the merger, in October 2015, subject to receipt of LRE s unitholder approval and other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur.

Q: How does the proposed merger relate to Vanguard s proposed merger with Eagle Rock?

A: On May 21, 2015, Vanguard and Talon Merger Sub, LLC (Talon Merger Sub), an indirect wholly owned subsidiary of Vanguard, entered into an Agreement and Plan of Merger with Eagle Rock and Eagle Rock GP (as it may be amended from time to time, the Eagle Rock merger agreement), pursuant to which, subject to the terms and conditions thereof, Talon Merger Sub will be merged with and into Eagle Rock, with Eagle Rock continuing as the surviving entity and a wholly owned indirect subsidiary of Vanguard (the Eagle Rock merger). Under the terms of the Eagle Rock merger agreement, holders of Eagle Rock common units will receive 0.185 Vanguard common units for each Eagle Rock common unit held. The exchange ratio for the Eagle Rock merger is fixed and will not be adjusted to reflect changes in the price of Eagle Rock common units or Vanguard common units prior to the closing of the transactions contemplated by the Eagle Rock merger agreement. Prior to entering into the Eagle Rock merger agreement, Vanguard obtained the consent of the board of directors of LRE GP as required under Section 4.2 of the merger agreement pursuant to a letter agreement by and among Vanguard, LRE GP and LRE.

A joint proxy statement/prospectus will be mailed to unitholders of Vanguard and Eagle Rock in connection with the Eagle Rock merger. The Eagle Rock merger is a transaction separate and apart from the merger, and the completion of the Eagle Rock merger is not a condition to the completion of the merger, and the completion of the merger is not a condition to the completion of the Eagle Rock merger.

Q: What are the expected U.S. federal income tax consequences to an LRE common unitholder as a result of the transactions contemplated by the merger agreement?

A: It is anticipated that no gain or loss will be recognized by a holder of LRE common units solely as a result of the merger, other than (i) such unitholder s distributive share of any gain recognized by LRE as

TABLE OF CONTENTS

a result of the receipt of the aggregate amount of any cash in lieu of fractional Vanguard common units to be received by the LRE unitholders and (ii) any net decrease in such LRE unitholder s share of partnership liabilities pursuant to Section 752 of the Internal Revenue Code of 1986, as amended (the Code) to the extent such decrease exceeds such LRE unitholder s adjusted tax basis in its LRE units at the closing of the merger.

Please read Risk Factors Risk Factors Relating to the Merger and Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to LRE Common Unitholders.

Q: Under what circumstances could the merger result in a holder of LRE common units recognizing taxable income or gain?

A: For U.S. federal income tax purposes, LRE will be deemed to contribute all of its assets to Vanguard in exchange for Vanguard common units, the assumption of LRE s liabilities and cash in lieu of fractional Vanguard common units, followed by a liquidation of LRE in which Vanguard common units and cash are distributed to LRE unitholders. The actual receipt of cash and the deemed receipt of cash by LRE in the merger could trigger gain to LRE either because it would be treated as part of a sale or because it exceeds LRE s adjusted tax basis in its assets at the closing of the merger, and any such gain would be allocated to the LRE unitholders pursuant to the LRE partnership agreement. LRE expects that the actual receipt of cash and the deemed receipt of cash by LRE will qualify for one or more exceptions to sale treatment, and LRE does not currently expect that it will recognize gain as a result of the deemed receipt of cash in the merger exceeding its adjusted tax basis in its assets. In addition, as a result of the merger, the holders of LRE common units who receive Vanguard common units will become limited partners of Vanguard for U.S. federal income tax purposes and will be allocated a share of Vanguard s nonrecourse liabilities. Each holder of LRE common units will be treated as receiving a deemed cash distribution equal to the excess, if any, of such LRE unitholder s share of nonrecourse liabilities of LRE immediately before the merger over such common unitholder s share of nonrecourse liabilities of Vanguard immediately following the merger. If the amount of cash actually received plus any deemed cash distribution received by a holder of LRE common units exceeds such common unitholder s basis in his LRE units, such common unitholder will recognize gain in an amount equal to such excess. While there can be no assurance, Vanguard and LRE expect that most holders of LRE common units will not recognize gain in this manner. The amount and effect of any gain that may be recognized by holders of LRE common units will depend on such unitholder s particular situation, including the ability of such unitholder to utilize any suspended passive losses. For additional information, please read Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to LRE, Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to LRE Common Unitholders and Risk Factors Relating to the Merger.

Q: What are the expected U.S. federal income tax consequences for a holder of LRE common units of the ownership of Vanguard common units after the merger is completed?

A: Each holder of LRE common units who becomes a Vanguard unitholder as a result of the merger will, as is the case for existing Vanguard common unitholders, be allocated such unitholder s distributive share of Vanguard s income, gains, losses, deductions and credits. In addition to U.S. federal income taxes arising as a result of such allocations, such a holder will be subject to other taxes, including state and local income taxes, unincorporated business taxes, and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which Vanguard conducts business or owns property or in which the unitholder is resident. Please read Material U.S. Federal Income Tax Consequences of Vanguard Common Unit Ownership.

Q: Assuming the merger closes before December 31, 2015, how many Schedule K-1s will I receive if I am an LRE unitholder?

A: If you are a holder of LRE common units, you will receive two Schedule K-1s, one from LRE, which will report your share of LRE s income, gain, loss and deduction for the portion of the tax year that you held LRE units prior to the effective time of the merger, and one from Vanguard, which will report your

TABLE OF CONTENTS

share of Vanguard s income, gain, loss and deduction for the portion of the tax year you held Vanguard common units following the effective time of the merger.

At the effective time of the merger, LRE will be treated as a terminated partnership under Section 708 of the Code. Therefore, as a result of the merger, LRE s taxable year will end as of the date of the merger, and LRE will be required to file a final U.S. federal income tax return for the taxable year ending on the date the merger is effective. LRE expects to furnish a Schedule K-1 to each LRE unitholder, and Vanguard expects to furnish a Schedule K-1 to each Vanguard unitholder, within 90 days of the closing of Vanguard s taxable year on December 31, 2015.

Q: What do I need to do now?

A: Carefully read and consider the information contained in and incorporated by reference into this proxy statement/prospectus, including its annexes. Then, please vote your LRE common units or submit your proxy in accordance with the instructions described above.

If you hold units through a broker or other nominee, please instruct your broker or nominee to vote your LRE common units by following the instructions that the broker or nominee provides to you with these materials.

Q: Should I send in my unit certificates now?

A: No. LRE unitholders should not send in their unit certificates at this time. After completion of the merger, Vanguard s exchange agent will send you a letter of transmittal and instructions for exchanging your LRE common units for the merger consideration. All Vanguard common units issued pursuant to the transactions contemplated by the merger agreement will be issued in book-entry form, without physical certificates.

Q: Who should I call with questions?

A: LRE unitholders should call Morrow & Co., LLC (Morrow), LRE s proxy solicitor, toll-free at (855) 264-1296 (banks and brokers can call collect at (203) 658-9400) with any questions about the merger or the LRE special meeting, or to obtain additional copies of this proxy statement/prospectus, proxy cards or voting instruction forms.

TABLE OF CONTENTS

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. You are urged to read carefully the entire proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the LRE special meeting. See Where You Can Find More Information. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Parties (See page 61)

Vanguard Natural Resources, LLC (Vanguard) is a Delaware limited liability company with common units traded on the NASDAQ Global Select Market (NASDAQ) under the symbol VNR. Vanguard is an independent energy company focused on the acquisition, exploitation and development of mature, long-lived oil and natural gas properties in the United States. Vanguard s properties and oil and natural gas reserves are located primarily in nine operating basins in Wyoming, Colorado, Texas, New Mexico, Mississippi, Montana, Arkansas, Oklahoma and North Dakota. Vanguard s principal executive offices are located at 5847 San Felipe, Suite 3000, Houston, Texas 77057, and its telephone number is (832) 327-2255.

LRR Energy, L.P. (LRE) is a Delaware limited partnership formed in April 2011 by Lime Rock Management LP (LRM), an affiliate of Lime Rock Resources A, L.P. (LRR A), Lime Rock Resources B, L.P. (LRR B) and Lime Rock Resources C, L.P. (LRR C and, together with LRR A and LRR B, Fund I), to operate, acquire, exploit and develop producing oil and natural gas properties in North America with long-lived, predictable production profiles. LRE s properties consist of mature, low-risk onshore oil and natural gas reservoirs with long-lived, predictable production profiles located across three diverse producing regions: (i) the Permian Basin region in West Texas and Southeast New Mexico, (ii) the Mid-Continent region in Oklahoma and East Texas and (iii) the Gulf Coast region in Texas. LRE s common units are traded on the NYSE under the symbol LRE . LRE GP, LLC, a Delaware limited liability company (LRE GP), is LRE s general partner. LRE s principal executive offices are located at Heritage Plaza, 1111 Bagby Street, Suite 4600, Houston, Texas 77002, and its telephone number is (713) 292-9510.

Lighthouse Merger Sub, LLC (Merger Sub) is a Delaware limited liability company and wholly owned subsidiary of Vanguard. Merger Sub was created for purposes of the merger and has not carried on any activities to date, other than activities incidental to its formation or undertaken in connection with the transactions contemplated by the merger agreement.

Each of LRM, LRR A, LRR B, LRR C, Lime Rock Resources II-A, L.P. (LRR II-A) and Lime Rock Resources II-C, L.P. (LRR II-C) are Delaware limited partnerships and affiliates of LRE that own limited liability company interests in LRE GP.

The Merger (See page 68)

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, the merger agreement provides for the merger of Merger Sub with and into LRE, with LRE continuing as the surviving entity, and, at the same time, the purchase by Vanguard of all of the outstanding limited liability company interests in LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard.

Merger Consideration (See page 139)

The merger agreement provides that, at the effective time of the merger (the effective time), each LRE common unit issued and outstanding immediately prior to the effective time will be converted into the right to receive 0.550 Vanguard common units. Any LRE common units that are owned by LRE or Vanguard or any of their respective subsidiaries at the effective time will be cancelled and cease to exist, without any conversion or payment of consideration in respect thereof.

Treatment of LRE Restricted Units (See page 139)

Under the merger agreement, each LRE restricted unit that is outstanding and unvested immediately prior to the effective time will, at the effective time, become fully vested and the restrictions with respect thereto will lapse and such LRE restricted unit be deemed to be an LRE common unit for purposes of the merger.

TABLE OF CONTENTS

LRE Special Unitholder Meeting; Unitholders Entitled to Vote; Vote Required (See page 63)

Meeting. The special meeting will be held at Two Allen Center, 1200 Smith Street, the Forum Assembly Room on the 12th Floor, Houston, TX 77002 on October 5, 2015 at 10:00 a.m., local time. At the LRE special meeting, LRE unitholders will be asked to vote on the following proposals:

Proposal 1: to approve the merger agreement, as such agreement may be amended from time to time, and the transactions contemplated thereby;
Proposal 2: to approve, on an advisory, non-binding basis, the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and
Proposal 3: to approve the adjournment of the special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

Record Date. Only LRE unitholders of record at the close of business on August 28, 2015, the record date for the determination of holders entitled to notice of and to vote at the LRE special meeting, will be entitled to receive notice of and to vote at the LRE special meeting. As of the close of business on August 28, 2015, there were 28,074,433 LRE common units outstanding and entitled to be voted at the meeting. Each holder of LRE common units is entitled to one vote for each unit owned as of the record date.

Required Vote. To approve the merger agreement and the transactions contemplated thereby, the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units must vote in favor of such proposal. **LRE cannot complete the merger unless its unitholders approve the merger agreement and the transactions contemplated thereby.** Simultaneous with the execution of the merger agreement, certain affiliates of LRE, as holders of certain of the issued and outstanding LRE common units, have entered into an amended and restated voting and support agreement with Vanguard, pursuant to which they have agreed to vote all of their LRE common units in favor of the approval of the merger agreement and to take other actions in furtherance of the transactions contemplated by the merger agreement. Collectively, these LRE unitholders hold common units representing approximately 30.5% of the votes of LRE s outstanding common units as of August 27, 2015. Because approval of this proposal is based on the affirmative vote of the holders of a majority of the outstanding LRE common units, an LRE unitholder s failure to vote, an abstention from voting or the failure of an LRE unitholder who holds his or her units in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote cast AGAINST approval of the merger agreement and the transactions contemplated thereby.

To approve (on an advisory, non-binding basis) the proposal regarding the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger, the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units must vote in favor of such proposal. Because approval of this proposal is based on the affirmative vote of the holders of a majority of the outstanding LRE common units, an LRE unitholder s failure to vote, an abstention from voting or the failure of an LRE unitholder who holds his or her units in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote cast AGAINST approval of the merger related compensation payments.

To approve the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting if a quorum is present at, and if a limited partner vote is solicited on adjournment of, the meeting, the holders of a majority of the outstanding LRE common units must vote in favor of the proposal. If a quorum is not present at the meeting, the affirmative vote of the

holders of a majority of the outstanding LRE common units present and entitled to be voted at such meeting represented either in person or by proxy is required to adjourn. Because approval of this proposal is based on the affirmative vote of the holders of a majority of the outstanding LRE common units if a quorum is present, if a limited partner vote is solicited, an LRE unitholder s failure to vote, an abstention from voting or the failure of an LRE unitholder who holds his or her units in street name

TABLE OF CONTENTS

through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote cast AGAINST approval of this proposal.

Unit Ownership of and Voting by LRE GP s Directors and Executive Officers. At the close of business on the record date for the LRE special meeting, LRE GP s directors and executive officers and their affiliates beneficially owned and had the right to vote 8,962,552 LRE common units at the LRE special meeting, which represents approximately 32% of the LRE common units entitled to be voted at the LRE special meeting. It is expected that LRE GP s directors and executive officers will vote their units FOR the approval of the merger agreement and the transactions contemplated thereby, although none of them has entered into any agreement requiring them to do so.

LRE Unitholder Proposals. Ownership of LRE common units does not entitle LRE common unitholders to make proposals at the LRE special meeting. The LRE partnership agreement gives LRE GP the right to make rules regarding the conduct of such meetings and only permits the limited partners of LRE to have the right to vote on matters they are entitled to vote on under the LRE partnership agreement or with respect to matters that LRE GP determines to submit to a vote of the limited partners of LRE. As a result, LRE GP may adopt a rule for such meetings that only LRE GP may make proposals at such meetings, and it is expected that LRE GP will adopt such a rule for the LRE special meeting.

LRE s Reasons for the Merger; Recommendation of LRE GP s Board of Directors and LRE GP s Conflicts Committee (See pages 77 and 83)

The conflicts committee of the board of directors of LRE GP (the LRE GP conflicts committee) has determined that the merger agreement is advisable to and in the best interests of LRE and its unitholders who are not affiliates of LRE GP and has approved the merger agreement and recommended that the board of directors of LRE GP approve the merger agreement. Based upon, among other things, the recommendation of the LRE GP conflicts committee, the board of directors of LRE GP has determined that the merger agreement and the transactions contemplated thereby are in the best interests of LRE and its unitholders and recommends that LRE unitholders vote **FOR** the approval of the merger agreement and the transactions contemplated thereby.

In the course of reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement, the board of directors of LRE GP considered a number of factors in its deliberations in addition to the recommendation of the LRE GP conflicts committee. For a more complete discussion of these factors, see Proposal 1: The Merger Recommendation of LRE GP s Board of Directors and Its Reasons for the Merger and Proposal 1: The Merger Recommendation of the LRE GP Conflicts Committee and Its Reasons for the Merger.

Voting and Support Agreement (See page 124)

Simultaneous with the execution of the merger agreement, Vanguard entered into a Voting and Support Agreement (the original support agreement) with each of LRR A, LRR B and LRR C, as holders of certain of the issued and outstanding LRE common units (collectively, the Holders), LRE, LRE GP, and, solely for certain restrictions on the sale of Vanguard common units, LRM, LRR II-A and LRR II-C (the Non-Fund I GP Sellers). On May 21, 2015, in connection with the execution of the Eagle Rock merger agreement, the parties to the original support agreement entered into an Amended and Restated Voting and Support Agreement (the amended and restated support agreement). Collectively, the Holders hold LRE common units representing approximately 30.5% of the votes of LRE s outstanding common units as of August 27, 2015.

In accordance with the amended and restated support agreement, the Holders have agreed, among other things, subject to a change in recommendation by the board of directors of LRE GP, to vote or cause to be voted all of their units, including LRE common units owned by such Holders, in favor of the merger and the approval of the merger agreement and against alternative proposals or other proposals made in opposition to approval of the merger agreement and other actions or transactions which might materially impede or interfere with the merger or the transactions contemplated by the merger agreement. The Holders also agreed to provide Vanguard with an irrevocable proxy over all of their LRE common units, which will empower Vanguard, subject to the terms of the amended and restated support agreement, to vote those units in favor of the merger and the transactions contemplated thereby on behalf of the Holders. The foregoing obligations will terminate

TABLE OF CONTENTS

upon the earliest to occur of (a) the consummation of the merger and (b) the valid termination of the merger agreement in accordance with its terms.

The Holders have also agreed to certain restrictions under the amended and restated support agreement, including but not limited to: (i) a restriction on transferring more than 15% of their LRE common units prior to the earlier of the completion of the merger and the valid termination of the merger agreement in accordance with its terms and (ii) a restriction on soliciting or encouraging alternative proposals. Furthermore, the Holders agreed to promptly notify Vanguard of any alternative proposal that they receive and to keep Vanguard reasonably informed on the material developments of any such alternative proposals. For a period beginning at the effective time of the merger and continuing for a period of 90 days thereafter, the Holders and the Non-Fund I GP Sellers have also agreed not to sell, contract to sell, transfer or otherwise dispose of any Vanguard common units (or any security exercisable or exchangeable for Vanguard common units) received in the transactions contemplated by the merger agreement, provided that, on each trading day during such period, the Holders and the Non-Fund I GP Sellers may sell, contract to sell, transfer or otherwise dispose of an aggregate number of Vanguard common units (or any security exercisable or exchangeable for Vanguard common units), on a daily basis, not to exceed 10% of the average daily trading volume of Vanguard common units during the four weeks immediately prior to the first day of the calendar month in which such transaction occurs. Vanguard and the Holders have also agreed to a mutual two-year non-solicitation of employees commencing at the effective time of the merger.

For a more complete discussion of the amended and restated support agreement, see Proposal 1: The Merger Voting and Support Agreement.

Termination and Continuing Obligations Agreement (See page 127)

As a condition to closing of transactions contemplated under the merger agreement, the parties have agreed to execute and deliver a Termination and Continuing Obligations Agreement (the termination agreement) substantially in the form attached as an exhibit to the merger agreement. Pursuant to the termination agreement, (i) the omnibus agreement among LRE, LRE GP, LRE Operating, LLC, a Delaware limited liability company and wholly owned subsidiary of LRE (OLLC), the Holders, LRR GP, LLC, a Delaware limited liability company and the ultimate general partner of each of the Holders, and LRM, will be terminated and (ii) the Holders, severally and in proportion to each entity's property contributor percentage, will agree to indemnify LRE, LRE GP, OLLC and all of their respective subsidiaries from and against any losses arising out of any income tax liabilities attributable to the ownership or operation of the oil and natural gas properties owned or leased by any of LRE, LRE GP, OLLC or their respective subsidiaries prior to the closing of the LRE's initial public offering. The indemnification obligations of the Holders under the termination agreement will survive until the first anniversary of the closing date of the merger. See Proposal 1: The Merger Termination and Continuing Obligations Agreement.

Registration Rights Agreement (See page 127)

Simultaneous with the execution of the merger agreement, Vanguard entered into a Registration Rights Agreement (the original registration rights agreement) with the Holders and Non-Fund I GP Sellers. On May 21, 2015, in connection with the execution of the Eagle Rock merger agreement, the parties to the original registration rights agreement entered into an Amended and Restated Registration Rights Agreement (the amended and restated registration rights agreement). Pursuant to the amended and restated registration rights agreement, among other things, (i) no later than the 14th day following the closing date of the merger, Vanguard will file with the SEC either (a) a

shelf registration statement with respect to the public resale of the Vanguard common units received by the Holders and Non-Fund I GP Sellers as consideration in the merger and the acquisition of LRE GP or (b) a post-effective amendment to Vanguard s existing automatic shelf registration statement on Form S-3, (ii) the Holders and the Non-Fund I GP Sellers will have the right to participate in future underwritten public offerings of Vanguard common units and (iii) subject to certain conditions, Vanguard will be obligated to initiate an underwritten offering of the Vanguard common units received by the Holders and the Non-Fund I GP Sellers as consideration in the merger and the acquisition of LRE GP. For a more complete discussion of the registration rights agreement, see Proposal 1: The Merger Registration Rights Agreement.

TABLE OF CONTENTS

Opinions of the Financial Advisor to the LRE GP Board of Directors (See page 90)

The board of directors of LRE GP retained Tudor, Pickering, Holt & Co. Advisors, LLC (TPH) as its exclusive financial advisor to provide financial advice and assistance to the board and to provide an opinion to the board in connection with the merger. TPH evaluated the fairness, from a financial point of view, of the merger consideration to be received in the merger by the holders of LRE common units. At a meeting of the board of directors of LRE GP held on April 20, 2015, at the request of the board, TPH orally rendered its opinion to the board that, as of April 20, 2015, based upon and subject to the assumptions, qualifications, limitations and other matters considered by TPH in connection with the preparation of its opinion, the merger consideration to be received in the merger by the holders of LRE common units pursuant to the merger agreement was fair, from a financial point of view, to such unitholders. TPH subsequently confirmed its opinion in writing to the board of directors of LRE GP (the LRE Opinion).

Pursuant to the merger agreement, Vanguard s entering into and performing the Eagle Rock merger agreement and consummating the transactions contemplated by the Eagle Rock merger agreement (the Eagle Rock Transactions), including the Eagle Rock merger, required the prior consent of the board of directors of LRE GP. Accordingly, in connection with its negotiation of the Eagle Rock merger agreement, Vanguard sought such consent of the board of directors of LRE GP (the Consent). The board of directors of LRE GP retained TPH as its exclusive financial advisor to provide financial advice and assistance to the board and to provide an opinion to the board in connection with the board s consideration of the Consent. TPH evaluated the fairness, from a financial point of view, to Vanguard, giving pro forma effect to the consummation of the transactions contemplated by the merger agreement (the LRE Transactions) (New Vanguard), of the consideration to be paid by New Vanguard pursuant to the Eagle Rock merger agreement (the Eagle Rock merger consideration). At a meeting of the board of directors of LRE GP held on May 21, 2015, at the request of the board, TPH orally rendered its opinion to the board that, as of May 21, 2015, based upon and subject to the assumptions, qualifications, limitations and other matters considered by TPH in connection with the preparation of its opinion, the Eagle Rock merger consideration to be paid by New Vanguard pursuant to the Eagle Rock merger agreement was fair, from a financial point of view, to New Vanguard. TPH subsequently confirmed its opinion in writing to the board of directors of LRE GP (the Eagle Rock Opinion).

The full text of the LRE Opinion, dated April 20, 2015, and the Eagle Rock Opinion, dated May 21, 2015, each of which sets forth, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken by TPH in rendering its opinions, are attached as Annex C and Annex D to this proxy statement/prospectus and are incorporated herein by reference. The summary of the TPH opinions set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinions. LRE unitholders are urged to read each TPH opinion carefully and in its entirety. TPH provided its opinions for the information and assistance of the board of directors of LRE GP in connection with (i) its consideration of the merger and (ii) its consideration of the Consent. Neither TPH opinion nor the summaries thereof, nor the related analyses disclosed in this proxy statement/prospectus, constitutes a recommendation as to how the board of directors of LRE GP, any holder of securities in LRE, Vanguard or Eagle Rock or any other person should act or vote with respect to the LRE Transactions, the Eagle Rock Transactions, the Consent or any other matter. TPH did not express any view on, and neither opinion addressed, any other term or aspect of the merger agreement, the LRE Transactions, the Eagle Rock merger agreement or the Eagle Rock Transactions. TPH did not express any opinion as to the price at which Vanguard common units, LRE common units or Eagle Rock common units will trade at any time or as to the impact of the LRE Transactions or the Eagle Rock Transactions on the solvency or viability of LRE, Vanguard or Eagle Rock or the ability of each of LRE, Vanguard or Eagle Rock to pay its obligations when they become due.

See The Merger Opinions of the Financial Advisor to the LRE GP Board of Directors beginning on page 90. See also Annex C and Annex D to this proxy statement/prospectus.

Opinions of the Financial Advisor to the LRE GP Conflicts Committee (See page 103)

In connection with the merger, Simmons & Company International (Simmons) delivered its opinion to the LRE GP conflicts committee to the effect that, as of April 20, 2015, and based upon and subject to the assumptions, limitations and qualifications set forth in its opinion, the terms of the merger contemplated by

TABLE OF CONTENTS

the merger agreement were fair from a financial point of view to the holders of common units of LRE other than LRM or affiliate entities (the unaffiliated LRE unitholders).

In connection with the LRE GP conflicts committee s consideration of whether to consent to the Eagle Rock merger, Simmons delivered its opinion to the LRE GP conflicts committee to the effect that, as of May 20, 2015, and based upon and subject to the assumptions, limitations and qualifications set forth in its opinion, the terms of the Eagle Rock merger contemplated by the Eagle Rock merger agreement were fair from a financial point of view to the unaffiliated LRE unitholders.

The full text of Simmons written opinion, dated April 20, 2015, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex E.

The full text of Simmons written opinion, dated May 20, 2015, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex F.

Simmons opinion, dated April 20, 2015, was provided to the LRE GP conflicts committee in connection with the LRE GP conflicts committee s consideration of the merger agreement, does not address any other aspect of the proposed merger agreement or the Eagle Rock merger and does not constitute a recommendation as to how any holder of interests in LRE or any other party to the merger or the Eagle Rock merger should vote or act with respect to the merger agreement, the Eagle Rock merger or any other matter. Simmons opinion, dated May 20, 2015, was provided to the LRE GP conflicts committee in connection with the LRE GP conflicts committee s consideration of whether to consent to the Eagle Rock merger, does not address any other aspect of the proposed merger agreement, or the Eagle Rock merger, and does not constitute a recommendation as to how any holder of interests in LRE or any other party to the merger agreement or the Eagle Rock merger should vote or act with respect to the merger, the Eagle Rock merger or any other matter. See The Merger Opinions of the Financial Advisor to the LRE GP Conflicts Committee beginning on page 103. See also Annex E and Annex F to this proxy statement/prospectus.

Vanguard Unitholder Approval is Not Required (See page 135)

Vanguard unitholders are not required to approve the merger agreement or approve the merger or the issuance of Vanguard common units in connection with the merger.

Ownership of Vanguard After the Merger (See page 135)

Vanguard will issue approximately 15.44 million Vanguard common units to former LRE unitholders (which does not include the 12,320 Vanguard common units to be issued to the former members of LRE GP) pursuant to the transactions contemplated by the merger agreement. Additionally, if the Eagle Rock merger is consummated, Vanguard will issue approximately 28.75 million Vanguard common units to former Eagle Rock unitholders pursuant to the transactions contemplated by the Eagle Rock merger agreement. Further, the number of Vanguard common units outstanding will increase after the date of this proxy statement/prospectus if Vanguard sells additional common units to the public.

If the Eagle Rock merger is consummated pursuant to the terms and conditions of the Eagle Rock merger agreement, based on the number of Vanguard common units outstanding as of August 27, 2015, immediately following the later to occur of the transactions contemplated by the merger agreement and the Eagle Rock merger agreement, Vanguard

expects to have approximately 130.80 million Vanguard common units outstanding (including the 12,320 Vanguard common units issued to the members of LRE GP). Under this scenario, LRE unitholders would be expected to hold approximately 11.8% of the aggregate number of Vanguard common units outstanding immediately after the completion of the merger and the Eagle Rock merger.

If, however, the Eagle Rock merger is not consummated pursuant to the terms and conditions of the Eagle Rock merger agreement, based on the number of Vanguard common units outstanding as of August 27, 2015, immediately following the completion of the merger, Vanguard expects to have approximately 102.05 million common units outstanding (including the 12,320 Vanguard common units issued to the members of LRE GP). Under this scenario, LRE unitholders would be expected to hold approximately 15.1% of the aggregate number of Vanguard common units outstanding immediately after the completion of the merger.

TABLE OF CONTENTS

Interests of Directors and Executive Officers of LRE GP in the Merger (See page 132)

LRE GP s directors and executive officers have financial interests in the merger that are different from, or in addition to, the interests of the LRE unitholders generally. Except as noted below, the members of the board of directors of LRE GP were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to LRE s unitholders that the merger agreement be approved.

These interests include:

The Vice President and Chief Financial Officer and the independent directors of LRE GP hold restricted units issued under the LTIP that are subject to time-based vesting. Each LRE restricted unit that is outstanding and unvested immediately prior to the effective time of the merger will, automatically and without any action on the part of the holder of such LRE restricted unit, become fully vested and the restrictions with respect thereto will lapse and such LRE restricted unit will be deemed to be LRE common units for purposes of the merger. The aggregate value of the Vanguard common units to be received by the Vice President and Chief Financial Officer and the independent directors of LRE GP in connection with the vesting of the LRE restricted units in connection with the merger is currently estimated to be $1.2 million (based on a per unit price of $16.28, the average closing price of Vanguard common units over the first five business days following the first public announcement of the transaction).

The employment of one executive officer of LRE GP is expected to be terminated in connection with the merger, and he is expected to receive a cash severance payment of $750,000 immediately prior to the closing of the merger, as well as other cash bonuses in an aggregate amount equal to the sum of $250,000 plus a pro rated portion of a $250,000 annual cash bonus.

Eric Mullins and Charles W. Adcock, LRE GP s Co-Chief Executive Officers, each own a small number (5,840 and 2,250, respectively) of Vanguard common units. The board of directors of LRE GP did not consider these interests in evaluating and negotiating the merger agreement and in recommending to LRE s unitholders that the merger agreement be approved.

LRE GP s directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement.

Risks Relating to the Merger and Ownership of Vanguard Common Units (See page 45)

LRE unitholders should consider carefully all the risk factors together with all of the other information contained in or incorporated by reference in this proxy statement/prospectus before deciding how to vote. Risks relating to the merger and ownership of Vanguard common units are described in the section titled Risk Factors. Some of these risks include, but are not limited to, those described below:

Because the exchange ratio is fixed and because the market price of Vanguard common units will fluctuate prior to the consummation of the merger, LRE unitholders cannot be sure of the market value of the Vanguard common units they will receive as merger consideration relative to the value of LRE common units they exchange.

The merger agreement contains provisions that limit LRE s ability to pursue alternatives to the merger, could discourage a potential competing acquirer of LRE from making a favorable alternative transaction proposal and, in specified circumstances, could require LRE to reimburse up to $1,215,000 of Vanguard s out-of-pocket expenses or pay a termination fee to Vanguard of $7,288,000. Following payment of the termination fee, LRE will not be obligated to pay any additional expenses incurred by Vanguard or its affiliates.

Certain directors and executive officers of LRE GP have certain interests that are different from those of LRE unitholders generally.

LRE unitholders will have a reduced ownership and voting interest in the combined organization after the merger and will exercise less influence over management.

TABLE OF CONTENTS

Vanguard common units to be received by LRE unitholders as a result of the merger have different rights from LRE common units.

No ruling has been requested with respect to the U.S. federal income tax consequences of the merger.

The intended U.S. federal income tax consequences of the merger are dependent upon Vanguard and LRE being treated as partnerships for U.S. federal income tax purposes.

LRE common unitholders could recognize taxable income or gain for U.S. federal income tax purposes as a result of the merger.

Vanguard s limited liability company agreement restricts the voting rights of unitholders owning 20% or more of its units.

Vanguard s tax treatment depends on its status as a partnership for federal income tax purposes, as well as it not being subject to a material amount of entity-level taxation by individual states or local entities. If the IRS treats Vanguard as a corporation or Vanguard becomes subject to a material amount of entity-level taxation for state or local tax purposes, it would substantially reduce the amount of cash available for payment for distributions on Vanguard s common units.

Material U.S. Federal Income Tax Consequences of the Merger (See page 197)

Tax matters associated with the merger are complicated. The U.S. federal income tax consequences of the merger to an LRE unitholder will depend, in part, on such unitholder s own personal tax situation. The tax discussions contained herein focus on the U.S. federal income tax consequences generally applicable to individuals who are residents or citizens of the United States that hold their LRE units as capital assets and acquired their LRE units in exchange for cash, and these discussions have only limited application to other unitholders, including those subject to special tax treatment. LRE unitholders are urged to consult their tax advisors for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger that will be applicable to them.

In connection with the merger, LRE expects to receive an opinion from Andrews Kurth LLP to the effect that (i) except to the extent that any cash received in lieu of fractional common units of Vanguard is treated as part of a sale, LRE will not recognize any income or gain as a result of the merger other than any gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Code; (ii) except to the extent that any cash received in lieu of fractional common units of Vanguard is treated as part of a sale, a holder of LRE common units who acquired his units in exchange for cash will not recognize any income or gain as a result of the merger other than any gain resulting from any actual or constructive distribution of cash, including as a result of any decrease in partnership liabilities pursuant to Section 752 of the Code; and (iii) at least 90% of the gross income of LRE for the most recent four complete calendar quarters ending before the Closing Date for which the necessary financial information is available is from sources treated as qualifying income within the meaning of Section 7704(d) of the Code.

In connection with the merger, Vanguard expects to receive an opinion from Paul Hastings LLP to the effect that (i) Vanguard will not recognize any income or gain as a result of the merger other than any gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Code; (ii) a holder of Vanguard common units will not recognize any gain or loss as a result of the merger other than any gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Code; and (iii) at least 90% of the combined gross income of each of Vanguard and LRE for the most recent four complete calendar quarters ending before the Closing Date for which the necessary financial information is available is from sources treated as qualifying income within the meaning of Section 7704(d) of the Code.

Opinions of counsel, however, are subject to certain limitations and are not binding on the Internal Revenue Service (IRS) and no assurance can be given that the IRS could not successfully assert a contrary position to the position of

the opinions of counsel regarding the merger. In addition, such opinions will be based upon certain factual assumptions, representations, warranties and covenants made by the officers of

TABLE OF CONTENTS

Vanguard, LRE, LRE GP and their respective affiliates. Please read Material U.S. Federal Income Tax Consequences of the Merger for a more complete discussion of the U.S. federal income tax consequences of the merger.

Accounting Treatment of the Merger (See page 135)

In accordance with accounting principles generally accepted in the United States (GAAP) and in accordance with the Financial Accounting Standards Board s Accounting Standards Codification Topic 805 Business Combinations, Vanguard will account for the merger as an acquisition of a business.

Listing of Vanguard Common Units; Delisting and Deregistration of LRE Common Units (See page 135)

Vanguard common units are currently listed on the NASDAQ under the symbol VNR. It is a condition to closing that the Vanguard common units to be issued in the transactions contemplated by the merger agreement to LRE unitholders and LRE GP members be approved for listing on the NASDAQ, subject to official notice of issuance.

LRE common units are currently listed on the NYSE under the ticker symbol LRE. If the merger is completed, LRE common units will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

No Appraisal Rights (See page 135)

Appraisal rights are not available in connection with the merger under the Delaware LP Act or under the LRE partnership agreement.

Conditions to Consummation of the Transactions Contemplated by the Merger Agreement (See page 140)

Vanguard and LRE currently expect to complete the transactions contemplated by the merger agreement in October 2015, subject to a majority of LRE unitholders voting in favor of approving the merger agreement and to the satisfaction or waiver of the other conditions to the transactions contemplated by the merger agreement described below.

As more fully described in this proxy statement/prospectus, each party s obligation to complete the transactions contemplated by the merger agreement depends on a number of customary closing conditions being satisfied or, where legally permissible, waived, including the following:

the merger agreement and the transactions contemplated thereby must have been approved by the affirmative vote of the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units;
all waiting periods applicable to the transactions contemplated by the merger agreement under the S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), must have been terminated or expired;
no law, order, judgment or injunction issued, enacted, promulgated, entered or enforced by any court or governmental authority will be in effect restraining or prohibiting the consummation of the transactions contemplated by the merger agreement or making the consummation of such transactions illegal;

the registration statement of which this proxy statement/prospectus forms a part must have become effective and must not be subject to any stop order suspending the effectiveness or proceedings initiated or threatened by the SEC; and the Vanguard common units to be issued pursuant to the transactions contemplated by the merger agreement must have been approved for listing on the NASDAQ, subject to official notice of issuance.

The obligation of Vanguard to effect the transactions contemplated by the merger agreement is subject to the satisfaction or waiver of the following additional conditions:

TABLE OF CONTENTS

the representations and warranties of LRE, LRE GP and the sellers of LRE GP in the merger agreement being true and correct both when made and at and as of the closing date of the merger, subject to certain standards, including materiality and material adverse effect qualifications, as described under The Merger Agreement Conditions to Consummation of the Transactions Contemplated by the Merger Agreement ;

LRE, LRE GP and the sellers of LRE GP having performed and complied with, in all material respects, all agreements and covenants required to be performed by them under the merger agreement;

the receipt of an officer s certificate executed by a Co-Chief Executive Officer of LRE GP certifying that the two preceding conditions have been satisfied;

the receipt from Paul Hastings LLP, tax counsel to Vanguard, of a written opinion regarding certain U.S. federal income tax matters, as described under The Merger Agreement Conditions to Consummation of the Transactions Contemplated by the Merger Agreement ;

the receipt of the written resignation of each member of the board of directors of LRE GP and each officer of LRE GP, dated to be effective as of the effective time;

the receipt of an assignment of membership interests in LRE GP; and

the receipt of a counterpart of a termination and continuing obligations agreement from LRE, LRE GP and the sellers of LRE GP.

The obligation of the sellers of LRE GP and LRE to effect the transactions contemplated by the merger agreement is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Vanguard in the merger agreement being true and correct both when made and at and as of the closing date of the merger, subject to certain standards, including materiality and material adverse effect qualifications, as described under The Merger Agreement Conditions to Consummation of the Transactions Contemplated by the Merger Agreement ;

Vanguard and Merger Sub having performed and complied with, in all material respects, all agreements and covenants required to be performed by them under the merger agreement;

the receipt of an officer s certificate executed by the Chief Executive Officer of Vanguard certifying that the two preceding conditions have been satisfied; and

the receipt from Andrews Kurth LLP, tax counsel to LRE, of a written opinion regarding certain U.S. federal income tax matters, as described under The Merger Agreement Conditions to Consummation of the Transactions Contemplated by the Merger Agreement.

Regulatory Approvals and Clearances Required for the Merger (See page 135)

Vanguard and LRE are not required to file notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice or observe a mandatory pre-merger waiting period before completing the merger under the HSR Act. Vanguard and LRE cannot assure you, however, that other government agencies or private parties will not initiate actions to challenge the merger before or after it is completed.

No Solicitation by LRE of Alternative Proposals (See page 144)

Under the merger agreement, LRE has agreed that it will not, and will cause its subsidiaries and use reasonable best efforts to cause its and its subsidiaries directors, officers, employees, investment bankers, financial advisors, attorneys, accountants, agents and other representatives not to, directly or indirectly:

initiate, solicit, knowingly encourage or knowingly facilitate any inquiry, proposal or offer that would reasonably be expected to lead to the submission of any alternative proposal (as defined under The Merger Agreement LRE

Unitholder Approval); or
19

TABLE OF CONTENTS

enter into or participate in any discussions or negotiations regarding, or furnish to any person any non-public information with respect to, or that would reasonably be expected to lead to, any alternative proposal.

In addition, the merger agreement requires LRE and its subsidiaries to cease and cause to be terminated any discussions or negotiations with any persons conducted prior to the execution of the merger agreement regarding an alternative proposal.

Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances at any time prior to a majority of LRE unitholders voting in favor of approving the merger agreement, LRE may furnish information, including confidential information, with respect to it and its subsidiaries to, and participate in discussions or negotiations with, any third party that makes a written alternative proposal (which was not solicited after the execution of the merger agreement and that did not result from a violation of the no solicitation restrictions described above) that the board of directors of LRE GP believes is *bona fide*, and (after consultation with its financial advisors and outside legal counsel) that the board of directors of LRE GP determines in good faith constitutes or would reasonably be likely to lead to or result in a superior proposal.

LRE has also agreed in the merger agreement that it will promptly, and in any event within 24 hours after receipt, (i) advise Vanguard in writing of any alternative proposal (and any changes thereto) and the material terms and conditions of any such alternative proposal, including the identity of the person making such alternative proposal and (ii) provide Vanguard with copies of all written proposals or draft agreements received by LRE or any representative of LRE setting forth the terms and conditions of, or otherwise relating to, such alternative proposal. In addition, LRE will keep Vanguard reasonably informed of all material developments with respect to any such alternative proposals, offers, inquiries or requests (and promptly (and in no event later than 24 hours after receipt) provide Vanguard with copies of any additional written proposals received by LRE or that LRE has delivered to any third party making an alternative proposal that relate to such alternative proposal) and of the status of any such discussions or negotiations.

Change in LRE GP Board Recommendation (See page 145)

The merger agreement provides that the board of directors of LRE GP will not (i) withdraw, modify or qualify, in a manner adverse to Vanguard, the recommendation of the board of directors of LRE GP that LRE s unitholders approve the merger agreement and the transactions contemplated thereby, including the merger, (ii) fail to include such recommendation in this proxy statement/prospectus or (iii) publicly approve or recommend, or publicly propose to approve or recommend, any alternative proposal. LRE taking or failing to take, as applicable, any of the actions described above is referred to as a partnership change in recommendation. The merger agreement also provides that the board of directors of LRE GP will not: (i) approve, adopt or recommend, or publicly propose to approve, adopt or recommend, or allow LRE or any of its subsidiaries to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar contract or any tender or exchange offer providing for, with respect to, or in connection with any alternative proposal; (ii) fail to announce publicly within ten business days after a tender offer or exchange offer relating to the LRE common units has been commenced that the board of directors of LRE GP recommends rejection of such tender offer or exchange offer and reaffirming the recommendation of the board of directors of LRE GP that LRE s unitholders approve the merger agreement and the transactions contemplated thereby, including the merger; or (iii) resolve, agree or publicly propose to, or permit LRE or any of its representatives to agree or publicly propose to, take any of the actions referred to in this paragraph.

Subject to the satisfaction of specified conditions in the merger agreement described under The Merger Agreement Change in LRE GP Board Recommendation, the board of directors of LRE GP may, at any time prior to the approval of the merger agreement by the unitholders of LRE, effect a partnership change in recommendation in

response to any bona fide alternative proposal if the board of directors of LRE GP determines, after consultation with its outside legal counsel and financial advisors, that such alternative proposal constitutes a superior proposal.

TABLE OF CONTENTS

Termination of the Merger Agreement (See page 147)

The merger agreement may be terminated at any time prior to the closing, whether before or after LRE unitholders have approved the merger agreement, as follows:

by mutual written consent of Vanguard and LRE;

by either Vanguard or LRE:

if the closing of the transactions contemplated by the merger agreement has not occurred on or before December 31, 2015 (unless such failure of the closing to occur is due to the failure of the terminating party to perform and comply in all material respects with the covenants and agreements to be performed or complied with by such party prior to the closing);

if there is in effect a final and nonappealable order of a governmental authority restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by the merger agreement (unless such right to terminate is primarily due to the failure of the terminating party to perform any of its obligations under the merger agreement); or

if after the final adjournment of the LRE special meeting at which a vote of the LRE unitholders has been taken in accordance with the merger agreement, approval of a majority of LRE unitholders has not been obtained;

by Vanguard:

if, prior to final adjournment of the LRE special meeting, a partnership change in recommendation has occurred; or

if there is a breach by LRE, LRE GP or any LRE GP seller of any of its representations, warranties, covenants or agreements in the merger agreement such that certain closing conditions would not be satisfied, or if capable of being cured, such breach has not been cured by the earlier of December 31, 2015 and within 30 days following delivery of written notice of such breach by Vanguard, subject to certain exceptions discussed in The Merger Agreement Termination of the Merger Agreement; and

by LRE:

if there is a breach by Vanguard of any of its representations, warranties, covenants or agreements in the merger agreement such that certain closing conditions would not be satisfied, or if capable of being cured, such breach has not been cured by the earlier of December 31, 2015 and within 30 days following delivery of written notice of such breach by LRE, subject to certain exceptions discussed in The Merger Agreement Termination of the Merger Agreement; or

in order to enter into a definitive agreement relating to a superior proposal, provided that LRE must concurrently with such termination pay to Vanguard the termination fee.

Expenses (See page 149)

Generally, all fees and expenses incurred in connection with the transactions contemplated by the merger agreement will be the obligation of the respective party incurring such fees and expenses, except that Vanguard and LRE will each pay one-half of the expenses incurred in connection with any HSR Act filing and the filing, printing and mailing of this proxy statement/prospectus.

In addition, following a termination of the merger agreement in specified circumstances, the non-terminating party would be required to pay all of the reasonably documented out-of-pocket expenses incurred by the terminating party in connection with the merger agreement and the transactions contemplated thereby, up to a maximum amount of $1,215,000.

TABLE OF CONTENTS

Termination Fee (See page 148)

Following termination of the merger agreement under specified circumstances, including (i) termination by Vanguard due to a partnership change in recommendation having occurred, (ii) termination by LRE in order to enter into a superior proposal or (iii) termination by either party after an alternative proposal was received by LRE, and LRE enters into an definitive agreement with respect to such alternative proposal within 12 months after the date of the merger agreement, LRE will be required to pay Vanguard a termination fee of $7,288,000. Following payment of the termination fee, LRE will not be obligated to pay any additional expenses incurred by Vanguard or its affiliates.

Comparison of Rights of Vanguard Common Unitholders and LRE Unitholders (See page 224)

LRE unitholders will own Vanguard common units following the completion of the merger, and their rights associated with those Vanguard common units will be governed by the Vanguard limited liability company agreement, which differs in a number of respects from the LRE partnership agreement, and the Delaware Limited Liability Company Act (the Delaware LLC Act).

Litigation Relating to the Merger (See page 136)

A putative class action was filed on June 3, 2015 in connection with the merger by a purported LRE unitholder (the Delaware State Plaintiff) against LRE, LRE GP, the members of the LRE GP board of directors, Vanguard, Merger Sub and the other parties to the merger agreement (the Original Defendants). The lawsuit was styled *Barry Miller v. LRR Energy, L.P. et al.*, Case No. 11087-VCG, in the Court of Chancery of the State of Delaware (the Delaware State Lawsuit). On July 23, 2015, the Delaware State Plaintiff voluntarily dismissed the Delaware State Lawsuit without prejudice.

On July 10, 2015 and July 13, 2015, two additional purported LRE unitholders (the Texas State Plaintiffs) filed putative class action lawsuits against the Original Defendants. These lawsuits were styled (a) *Christopher Tiberio v. Eric Mullins et al.,* Cause No. 2015-39864, in the District Court of Harris County, Texas, 334th Judicial District; and (b) *Eddie Hammond v. Eric Mullins et al.*, Cause No. 2015-40154, in the District Court of Harris County, Texas, 295th Judicial District (the Texas State Lawsuits). On July 28, 2015, the Texas State Lawsuits were nonsuited without prejudice.

On July 14, 2015, another purported LRE unitholder (the Texas Federal Plaintiff) filed a putative class action lawsuit against the Original Defendants. This lawsuit was styled *Ronald Krieger v. LRR Energy, L.P. et al.*, Civil Action No. 4:15-cv-2017, in the United States District Court for the Southern District of Texas, Houston Division (the Texas Federal Lawsuit). On July 17, 2015, the Texas Federal Plaintiff voluntarily dismissed the Texas Federal Lawsuit without prejudice.

On August 18, 2015, another purported LRE unitholder (the Plaintiff) filed a putative class action lawsuit against the members of the LRE GP board of directors, Vanguard, and Merger Sub (the Defendants). This lawsuit is styled *Robert Hurwitz v. Eric Mullins et al.*, Civil Action No. 1:15-cv-00711-UNA, in the United States District Court for the District of Delaware (the Lawsuit).

The Lawsuit alleges that the Defendants violated Sections 14(a) and/or 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder. In general, the Plaintiff alleges that the proxy statement/prospectus fails, among other things,

to disclose allegedly material details concerning (i) the background of the merger, (ii) Simmons and TPH s analysis of the merger, (iii) LRE s and Vanguard s financial and operational projections, and (iv) certain alleged conflicts of interest.

The Plaintiff seeks, among other relief, to enjoin the merger, or rescind the merger in the event it is consummated, and an award of attorneys fees and costs.

The Plaintiff has not yet served the Defendants, and the Defendants date to answer, move to dismiss, or otherwise respond to the Lawsuit has not yet been set.

Vanguard and LRE cannot predict the outcome of the Lawsuit or any others that might be filed subsequent to the date of the filing of this proxy statement/prospectus; nor can Vanguard and LRE predict the amount of time and expense that will be required to resolve the Lawsuit. The Defendants believe the Lawsuit is without merit and intend to vigorously defend against it.

TABLE OF CONTENTS

Litigation Relating to the Eagle Rock Merger

On May 28, 2015 and June 10, 2015, alleged Eagle Rock unitholders (the Eagle Rock State Plaintiffs) filed two derivative and class action lawsuits against Eagle Rock, Eagle Rock GP, Eagle Rock Energy G&P, LLC, the general partner of Eagle Rock GP, Vanguard, Talon Merger Sub, and the members of the board of directors of Eagle Rock Energy G&P, LLC (collectively, the Eagle Rock Defendants). These lawsuits have been consolidated as *Irving and Judith Braun v. Eagle Rock Energy GP, L.P. et al.*, Case No. 2015-30441, in the District Court of Harris County, Texas, 125th Judicial District (the Eagle Rock State Lawsuits). On June 1, 2015, another alleged Eagle Rock unitholder (the Eagle Rock Federal Plaintiff and, together with the Eagle Rock State Plaintiffs, the Eagle Rock Plaintiffs) filed a class action lawsuit against the Eagle Rock Defendants. This lawsuit is styled *Pieter Heydenrych v. Eagle Rock Energy Partners, L.P. et al.*, Case No. 4:15-cv-01470, in the United States District Court for the Southern District of Texas, Houston Division (the Eagle Rock Federal Lawsuit and, together with the Eagle Rock State Lawsuits, the Eagle Rock Lawsuits).

The Eagle Rock Plaintiffs allege a variety of causes of action challenging the Eagle Rock merger, including that (i) the members of the board of directors of Eagle Rock G&P, LLC have allegedly breached duties and the implied covenant of good faith and fair dealing in connection with the Eagle Rock merger, and (ii) Eagle Rock GP, Eagle Rock Energy G&P, LLC, Vanguard, and Talon Merger Sub have allegedly aided and abetted in these alleged breaches. The Eagle Rock Federal Plaintiff also alleges that the Eagle Rock Defendants have violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder. In general, the Eagle Rock Plaintiffs allege that the Eagle Rock merger (a) provides inadequate consideration to Eagle Rock unitholders, (b) is not subject to minority unitholder approval due to the support agreement and the absence of a majority-of-the-minority vote requirement, (c) contains contractual terms (the no-solicitation, matching rights, and termination fee provisions) that will dissuade other potential merger partners from making alternative proposals, and (d) does not include a collar to protect Eagle Rock unitholders against declines in Vanguard s unit price. The Eagle Rock Plaintiffs also allege, in general, that the registration statement filed in connection with the Eagle Rock merger fails, among other things, to disclose allegedly material details concerning (i) Eagle Rock s and Vanguard s financial and operational projections, (ii) the analysis underlying the opinion of the financial advisor to Eagle Rock, (iii) the analysis underlying the opinion of the financial advisor to Vanguard and (iv) the background of the Eagle Rock merger.

Based on these allegations, the Eagle Rock Plaintiffs seek to enjoin Eagle Rock from proceeding with or consummating the Eagle Rock merger. To the extent that the Eagle Rock merger is consummated before injunctive relief is granted, the Eagle Rock Plaintiffs seek to have the Eagle Rock merger rescinded. The Eagle Rock Federal Plaintiff also seeks damages. The Eagle Rock Plaintiffs also seek attorneys fees.

The Eagle Rock Defendants date to answer, move to dismiss, or otherwise respond to the Eagle Rock Federal Lawsuit has not yet been set. The Eagle Rock Defendants have answered the Eagle Rock State Lawsuits, denying the allegations therein. Eagle Rock and Vanguard cannot predict the outcome of the Eagle Rock Lawsuits or any others that might be filed subsequent to the date of the filing of this proxy statement/prospectus; nor can Eagle Rock and Vanguard predict the amount of time and expense that will be required to resolve the Eagle Rock Lawsuits. The Eagle Rock Defendants believe the Eagle Rock Lawsuits are without merit and intend to vigorously defend against them.

The completion of the Eagle Rock merger is not a condition to the completion of the merger, and the completion of the merger is not a condition to the completion of the Eagle Rock merger.

TABLE OF CONTENTS

RECENT DEVELOPMENTS

Agreement and Plan of Merger with Eagle Rock

On May 21, 2015, Vanguard and Talon Merger Sub (collectively, the Vanguard Entities), entered into the Eagle Rock merger agreement with Eagle Rock and Eagle Rock GP, pursuant to which Vanguard will acquire Eagle Rock in exchange for Vanguard common units, implying an aggregate transaction value of approximately $614 million, including the assumption of Eagle Rock s existing net debt. The Eagle Rock merger agreement provides that, upon the terms and subject to the conditions set forth in the Eagle Rock merger agreement, Talon Merger Sub will be merged with and into Eagle Rock, with Eagle Rock continuing as the surviving entity and an indirect wholly owned subsidiary of Vanguard.

Under the terms of the Eagle Rock merger agreement, each outstanding Eagle Rock common unit will be converted into the right to receive 0.185 newly issued Vanguard common units or, in the case of fractional Vanguard common units, cash (without interest and rounded up to the nearest whole cent) (the Eagle Rock merger consideration). Further, in connection with the Eagle Rock merger agreement, Vanguard will adopt Eagle Rock s long-term incentive plan and each outstanding award of Eagle Rock common units (including performance units based on Eagle Rock common units, restricted Eagle Rock units) issued under such plan will be converted into new awards of Vanguard restricted units. However, any outstanding Eagle Rock restricted units held by employees and officers of Eagle Rock and members of the board of directors of Eagle Rock Energy G&P, LLC, the general partner of Eagle Rock GP, who do not receive offers from Vanguard or who receive Unqualified Offers (as such term is defined in the Eagle Rock merger agreement) and do not accept such offers will accelerate upon the effective time of the Eagle Rock merger (as if terminated without cause following a change of control) and be converted into the right to receive the Eagle Rock merger consideration, with the vesting level of performance-based restricted units determined based upon actual performance through the effective time of the Eagle Rock merger (subject to Vanguard s good faith review). The Eagle Rock Entities and the Vanguard Entities have each made certain representations and warranties and agreed to certain covenants in the Eagle Rock merger agreement. Each of the Eagle Rock Entities and Vanguard has agreed, among other things, subject to certain exceptions, to conduct its respective business in the ordinary course during the period between the execution of the Eagle Rock merger agreement and the effective time of the Eagle Rock merger (unless the Eagle Rock merger agreement is earlier terminated in accordance with its terms). In addition, Eagle Rock has agreed not to solicit alternative business combination transactions during such period, and, subject to certain exceptions, not to engage in discussions or negotiations regarding any alternative business combination transactions during such period.

The closing of the Eagle Rock merger agreement is subject to satisfaction or waiver of customary closing conditions, including, among others, (1) the approval of the Eagle Rock merger agreement by the affirmative vote or consent of the holders of at least a majority of the outstanding Eagle Rock common units, voting as a class, (2) the approval of the issuance of the new Vanguard common units to the Eagle Rock unitholders in connection with the Eagle Rock by the majority of the votes cast affirmatively or negatively by holders of the outstanding Vanguard common units and Vanguard class B units present in person or by proxy at a duly called unitholder meeting, (3) the registration statement on Form S-4 used to register the Vanguard common units to be issued in the Eagle Rock being declared effective by the SEC, (4) the approval for listing of the Vanguard common units issuable as part of the Eagle Rock merger consideration on NASDAQ, (5) subject to specified materiality standards, the accuracy of the representations and warranties of, and the performance of all covenants by, the parties and (6) the delivery of certain tax opinions.

The Eagle Rock merger agreement contains certain termination rights for both Vanguard and Eagle Rock and further provides that, upon termination of the Eagle Rock merger agreement, under certain circumstances, either party may be

required to reimburse the other party s expenses up to $2,317,700 and pay the other party a termination fee equal to $20,000,000.

Prior to entering into the Eagle Rock merger agreement, Vanguard obtained the consent of LRE and the board of directors of LRE GP.

TABLE OF CONTENTS

Voting and Support Agreement with Holders of Common Units of Eagle Rock

Simultaneously with the execution of the Eagle Rock merger agreement, Vanguard entered into a Voting and Support Agreement (the Eagle Rock support agreement) with each of Montierra Minerals & Production, L.P., Montierra Management LLC, Natural Gas Partners VII, L.P., Natural Gas Partners VIII, L.P., NGP Income Management L.L.C., Eagle Rock Holdings NGP 7, LLC, Eagle Rock Holdings NGP 8, LLC, ERH NGP 7 SPV, LLC, ERH NGP 8 SPV, LLC, NGP Income Co-Investment Opportunities Fund II, L.P. and NGP Energy Capital Management, L.L.C. (collectively, the Eagle Rock Holders and each, an Eagle Rock Holder), and, solely for the waiver of an existing voting agreement and termination and other miscellaneous provisions, Eagle Rock and Eagle Rock GP.

In accordance with the Eagle Rock support agreement, the Eagle Rock Holders have agreed, among other things, to vote all Eagle Rock common units owned by such Eagle Rock Holders in favor of the Eagle Rock merger and the approval of the Eagle Rock merger agreement and against alternative proposals or other proposals made in opposition to approval of the Eagle Rock merger agreement and other actions or transactions which might materially impede or interfere with the Eagle Rock merger or the transactions contemplated by the Eagle Rock merger agreement. The Eagle Rock Holders also agreed to provide Vanguard with an irrevocable proxy over all of their Eagle Rock common units, which will empower Vanguard, subject to the terms of the Eagle Rock support agreement, to vote those units in favor of the Eagle Rock merger agreement and the transactions contemplated thereby on behalf of the Eagle Rock Holders. The foregoing obligations will terminate upon the earliest to occur of (a) the consummation of the Eagle Rock merger or the termination of the Eagle Rock merger agreement in accordance with its terms (the Eagle Rock expiration date), (b) the effective date of any waiver, amendment or other modification to the Eagle Rock merger agreement that is materially adverse to the Eagle Rock Holders and (c) a change in recommendation of Eagle Rock regarding the Eagle Rock merger.

The Eagle Rock Holders have also agreed to certain restrictions under the Eagle Rock support agreement, including but not limited to: (i) a restriction on transferring more than 15% of their Eagle Rock common units prior to the Eagle Rock expiration date and (ii) a restriction on soliciting or encouraging alternative proposals. Furthermore, the Eagle Rock Holders agreed to promptly notify Vanguard of any alternative proposal that they receive and to keep Vanguard reasonably informed on the material developments of any such alternative proposals. For a period beginning at the effective time of the Eagle Rock merger and continuing for a period of 90 days thereafter, the Eagle Rock Holders have also agreed not to sell, contract to sell, transfer or otherwise dispose of any Vanguard common units (or any security exercisable or exchangeable for Vanguard common units) received in the transactions contemplated by the Eagle Rock merger agreement, provided that on each trading day during such period, the Eagle Rock Holders may sell, contract to sell, transfer or otherwise dispose of an aggregate number of Vanguard common units (or any security exercisable or exchangeable for Vanguard common units), on a daily basis, not to exceed 10% of the average daily trading volume of Vanguard common units during the four weeks immediately prior to the first day of the calendar month in which such transaction occurs.

Registration Rights Agreement with Holders of Common Units of Eagle Rock

On May 21, 2015, Vanguard entered into a Registration Rights Agreement (the Eagle Rock registration tights agreement) with the Eagle Rock Holders. Pursuant to the Eagle Rock registration rights agreement, among other things, (i) no later than the 14th day following the closing date of the Eagle Rock merger, Vanguard will file with the SEC either (a) a registration statement with respect to the public resale of the Vanguard common units received by the Eagle Rock Holders as consideration in the Eagle Rock merger or (b) a post-effective amendment to Vanguard s existing automatic shelf registration on Form S-3, (ii) the Eagle Rock Holders will have the right to participate in future underwritten public offerings of Vanguard common units and (iii) subject to certain conditions, Vanguard will

be obligated to initiate an underwritten offing of the Vanguard common units received by the Eagle Rock Holders as consideration in the Eagle Rock merger.

Third Amended and Restated Credit Agreement

On June 3, 2015, Vanguard entered into the Eighth Amendment to its Third Amended and Restated Credit Agreement (the Amended Agreement) which decreased the borrowing base from $2.0 billion to $1.6 billion. The Amended Agreement however provides for an automatic increase in the borrowing base by

TABLE OF CONTENTS

$200.0 million upon closing of the merger. In addition, the Amended Agreement includes, among other provisions, the amendment of the debt to Last Twelve Months Adjusted EBITDA covenant to be greater than 5.5 to 1.0 in 2015, 5.25 to 1.0 in 2016 and 4.5 to 1.0 starting in 2017 and beyond.

TABLE OF CONTENTS

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VANGUARD

The following summary historical consolidated data as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 are derived from Vanguard s audited historical consolidated financial statements. The following selected historical consolidated financial data as of and for the six months ended June 30, 2015 and 2014 are derived from Vanguard s unaudited condensed consolidated financial statements. In the opinion of Vanguard s management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of Vanguard s financial position at June 30, 2015, and its operating results and cash flows for the six months ended June 30, 2015 and 2014 have been included.

You should read the following historical consolidated financial data in conjunction with Vanguard s Annual Report on Form 10-K for the year ended December 31, 2014 and its Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, as well as Vanguard s historical financial statements and notes thereto, which are incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

	Six Months Ended June 30,		Year Ended December 31,[4]				
	2015	2014	2014	2013	2012[5]	2011[6]	2010
	(in thousands, except per unit data)						
Statement of Operations Data:							
Revenues:							
Oil sales	$79,801	$142,163	$268,685	$268,922	$233,153	$236,003	$50,022
Natural gas sales	95,651	133,348	285,439	124,513	47,270	47,977	25,778
NGLs sales	19,283	38,748	70,489	49,813	29,933	28,862	9,557
Net gains (losses) on commodity derivative contracts[1]	38,233	(94,436)	163,452	11,256	36,846	6,735	7,797
Total revenue	232,968	219,823	788,065	454,504	347,202	319,577	93,154
Costs and Expenses:							
Production							
Lease operating expenses	67,078	64,715	132,515	105,502	74,366	63,944	18,471
Production and other taxes	22,180	31,563	61,874	40,430	29,369	28,621	6,840
Depreciation, depletion, amortization and accretion	130,015	95,118	226,937	167,535	104,542	84,857	22,231
Impairment of oil and natural gas properties	865,975		234,434		247,722		
Selling, general and administrative expenses[2]	18,193	15,902	30,839	25,942	22,466	19,779	10,134
Total costs and expenses	1,103,441	207,298	686,599	339,409	478,465	197,201	57,676
Income (Loss) from Operations:	(870,473)	12,525	101,466	115,095	(131,263)	122,376	35,478

Other Income (Expense):							
Interest expense	(40,563)	(32,808)	(69,765)	(61,148)	(41,891)	(28,994)	(5,766)
Net losses on interest rate derivative contracts	(1,484)	(1,579)	(1,933)	(96)	(6,992)	(4,962)	(2,148)
Net gain (loss) on acquisitions of oil and natural gas properties		32,114	34,523	5,591	11,111	(367)	(5,680)
Other income	45	131	54	69	220	77	1
Total other expense	(42,002)	(2,142)	(37,121)	(55,584)	(37,552)	(34,246)	(13,593)

27

TABLE OF CONTENTS

	Six Months Ended June 30,		Year Ended December 31,[4]				
	2015	2014	2014	2013	2012[5]	2011[6]	2010
	(in thousands, except per unit data)						
Net Income (Loss)	$(912,475)	$10,383	$64,345	$59,511	$(168,815)	$88,130	$21,885
Less: Net income attributable to non-controlling interest						(26,067)	
Net Income (Loss) Attributable to Vanguard Unitholders	$(912,475)	$10,383	$64,345	$59,511	$(168,815)	$62,063	$21,885
Less: Distributions to Preferred unitholders	(13,380)	(6,558)	(18,197)	(2,634)			
Net Income (Loss) Attributable to Common and Class B unitholders	$(925,855)	$3,825	$46,148	$56,877	$(168,815)	$62,063	$21,885
Net Income (Loss) Per Common and Class B Unit:							
Basic	$(10.86)	$0.05	$0.56	$0.78	$(3.11)	$1.95	$1.00
Diluted	$(10.86)	$0.05	$0.55	$0.77	$(3.11)	$1.95	$1.00
Distributions Declared Per Common and Class B Unit[3]	$0.80	$1.26	$2.52	$2.46	$2.79	$2.28	$2.15
Weighted Average Common Units Outstanding:							
Basic	84,816	79,865	81,611	72,644	53,777	31,370	21,500
Diluted	84,816	79,865	82,039	72,992	53,777	31,370	21,500
Weighted Average Class B Units Outstanding	420	420	420	420	420	420	420
Cash Flow Data:							
Net cash provided by operating activities	$164,715	$154,927	$339,752	$260,965	$204,490	$176,332	$71,577
Net cash used in investing activities	$(57,486)	$(573,155)	$(1,446,202)	$(397,977)	$(839,244)	$(236,350)	$(429,994)
Net cash provided by (used in) financing activities	$(103,097)	$428,523	$1,094,632	$137,267	$643,466	$61,041	$359,758
Other Financial Information:							
Adjusted EBITDA attributable to Vanguard unitholders interest	$175,918	$187,552	$421,445	$309,745	$230,512	$164,603	$80,396

(1)

Oil and natural gas derivative contracts were used to reduce Vanguard s exposure to changes in oil and natural gas prices. In 2008, all commodity derivative contracts were either de-designated as cash flow hedges or they failed to meet the hedge documentation requirements for cash flow hedges. As a result, (a) for the cash flow hedges that were settled in 2008 through 2011, the change in fair value through December 31, 2007 was reclassified to earnings from accumulated other comprehensive loss and is classified as gain (loss) on commodity cash flow hedges and (b) the changes in the fair value of commodity derivative contracts are recorded in earnings and classified as gain (loss) on commodity derivative contracts.

(2) Includes $7.8 million, $5.0 million, $11.7 million, $5.9 million, $5.4 million, $3.0 million and $1.0 million of non-cash unit-based compensation expense in the six months ended June 30, 2015 and 2014 and in the years ended December 31, 2014, 2013, 2012, 2011 and 2010, respectively.

TABLE OF CONTENTS

(3) Includes distributions declared during the respective periods. Due to the change in the payment of Vanguard s distributions from quarterly to monthly starting with Vanguard s July 2012 distribution, the distributions declared during 2012 include 14 months of distributions compared to 12 months of distributions for each of the other years presented.

(4) From 2010 through 2014, Vanguard acquired certain oil and natural gas properties and related assets, as well as additional interests in these assets. The operating results of these properties were included with Vanguard s from the closing date of the acquisitions forward.

(5) From 2010 through 2014, Vanguard acquired certain oil and natural gas properties and related assets, as well as additional interests in these assets. The operating results of these properties were included with Vanguard s from the closing date of the acquisitions forward.

(6) On December 31, 2010, Vanguard acquired all of the member interests in Encore Energy Partners GP, LLC, the general partner of Encore Energy Partners LP (ENP) and certain limited partnership interests in ENP (the ENP Purchase) together representing a 46.7% aggregate equity interest in ENP at the date of the ENP Purchase. On December 1, 2011, Vanguard acquired the remaining 53.4% of the limited partnership interests in ENP not held by Vanguard through a merger (the ENP Merger) with one of Vanguard s wholly-owned subsidiaries. The operating results of the subsidiaries Vanguard acquired in the ENP Purchase through the date of the completion of the ENP Merger on December 1, 2011 were subject to a 53.4% non-controlling interest.

Non-GAAP Financial Measure

Adjusted EBITDA

Vanguard presents Adjusted EBITDA in addition to its reported net income (loss) attributable to Vanguard unitholders in accordance with GAAP. Adjusted EBITDA is a non-GAAP financial measure that is defined as net income (loss) attributable to Vanguard unitholders plus, for 2011, net income (loss) attributable to the non-controlling interest. The result is net income (loss) which includes the non-controlling interest for 2011. From this Vanguard adds or subtracts the following:

Net interest expense, including write-off of deferred financing fees;
Depreciation, depletion, amortization and accretion;
Impairment of oil and natural gas properties;
Net gains or losses on commodity derivative contracts;
Cash settlements on matured commodity derivative contracts;
Net gains or losses on interest rate derivative contracts;
Net gains and losses on acquisitions of oil and natural gas properties;
Texas margin taxes;
Compensation related items, which include unit-based compensation expense, unrealized fair value of phantom units granted to officers and cash settlement of phantom units granted to officers;
Transaction costs incurred on acquisitions and mergers;
Interest income;
For 2011, non-controlling interest amounts attributable to each of the items above from the beginning of year through the completion of the ENP Merger on December 1, 2011, which revert the calculation back to an amount attributable to the Vanguard unitholders; and
For 2011, administrative services fees charged to ENP, excluding the non-controlling interest, which are eliminated in consolidation.

TABLE OF CONTENTS

Adjusted EBITDA is a significant performance metric used by Vanguard management as a tool to measure (prior to the establishment of any cash reserves by the board of directors of Vanguard, debt service and capital expenditures) the cash distributions Vanguard could pay its unitholders. Specifically, this financial measure indicates to investors whether or not Vanguard is generating cash flow at a level that can sustain or support an increase in its monthly distribution rates. Adjusted EBITDA is also used as a quantitative standard by Vanguard s management and by external users of its financial statements such as investors, research analysts and others to assess the financial performance of Vanguard s assets without regard to financing methods, capital structure or historical cost basis; the ability of Vanguard s assets to generate cash sufficient to pay interest costs and support its indebtedness; and Vanguard s operating performance and return on capital as compared to those of other companies in its industry.

Vanguard s Adjusted EBITDA should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Vanguard s Adjusted EBITDA excludes some, but not all, items that affect net income and operating income and these measures may vary among other companies. Therefore, Vanguard s Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For example, Vanguard funds premiums paid for derivative contracts, acquisitions of oil and natural gas properties, including the assumption of derivative contracts related to these acquisitions and other capital expenditures primarily with proceeds from debt or equity offerings or with borrowings under Vanguard s reserve-based credit facility. For the purposes of calculating Adjusted EBITDA, Vanguard consider the cost of premiums paid for derivatives and the fair value of derivative contracts acquired as part of a business combination as investments related to its underlying oil and natural gas properties; therefore, they are not deducted in arriving at Vanguard s Adjusted EBITDA. Vanguard s Consolidated Statements of Cash Flows, prepared in accordance with GAAP, present cash settlements on matured derivatives and the initial cash outflows of premiums paid to enter into derivative contracts as operating activities. When Vanguard assumes derivative contracts as part of a business combination, Vanguard allocates a part of the purchase price and assigns them a fair value at the closing date of the acquisition. The fair value of the derivative contracts acquired is recorded as a derivative asset or liability and presented as cash used in investing activities in Vanguard s Consolidated Statements of Cash Flows. As the volumes associated with these derivative contracts, whether Vanguard entered into them or assumed them, are settled, the fair value is recognized in operating cash flows. Whether these cash settlements on derivatives are received or paid, they are reported as operating cash flows which may increase or decrease the amount Vanguard has available to fund distributions.

As noted above, for purposes of calculating Adjusted EBITDA, Vanguard considers both premiums paid for derivatives and the fair value of derivative contracts acquired as part of a business combination as investing activities. This is similar to the way the initial acquisition or development costs of Vanguard s oil and natural gas properties are presented in its Consolidated Statements of Cash Flows; the initial cash outflows are presented as cash used in investing activities, while the cash flows generated from these assets are included in operating cash flows. The consideration of premiums paid for derivatives and the fair value of derivative contracts acquired as part of a business combination as investing activities for purposes of determining Vanguard s Adjusted EBITDA differs from the presentation in its consolidated financial statements prepared in accordance with GAAP which (i) presents premiums paid for derivatives entered into as operating activities and (ii) the fair value of derivative contracts acquired as part of a business combination as investing activities.

TABLE OF CONTENTS

The following table presents a reconciliation of Vanguard s consolidated net income (loss) to Adjusted EBITDA.

	Six Months Ended June 30,		Year Ended December 31,				
	2015	2014	2014	2013	2012	2011[e]	2010[f]
	(in thousands)						
Net income (loss) attributable to Vanguard unitholders	$(912,475)	$10,383	$64,345	$59,511	$(168,815)	$62,063	$21,885
Net income attributable to non-controlling interest						26,067	
Net income (loss)	(912,475)	10,383	64,345	59,511	(168,815)	88,130	21,885
Plus:							
Interest expense	40,563	32,808	69,765	61,148	41,891	28,994	5,766
Depreciation, depletion, amortization and accretion	130,015	95,118	226,937	167,535	104,542	84,857	22,231
Impairment of oil and natural gas properties	865,975		234,434		247,722		
Net (gains) losses on commodity derivative contracts	(38,233)	94,436	(163,452)	(11,256)	(36,846)	(6,735)	(7,797)
Net cash settlements received (paid) on matured commodity derivative[a][b][c]	80,620	(19,380)	10,187	30,905	39,102	18,720	25,887
Net losses on interest rate derivative contracts[d]	1,484	1,579	1,933	96	6,992	4,962	2,148
Net (gain) loss on acquisitions of oil and natural gas properties		(32,114)	(34,523)	(5,591)	(11,111)	367	5,680
Texas margin taxes	142	(281)	(630)	601	239	261	(12)
Compensation related items	7,827	5,003	11,710	5,931	6,796	3,026	1,026
Transaction costs incurred on acquisitions and mergers			739	865		2,019	3,583
Less:							
Interest income							(1)
Adjusted EBITDA before non-controlling interest	$175,918	$187,552	$421,445	$309,745	$230,512	$224,601	$80,396
Non-controlling interest attributable to adjustments above						(62,838)	
Administrative services fees eliminated in						2,840	

consolidation							
Adjusted EBITDA attributable to Vanguard unitholders	$175,918	$187,552	$421,445	$309,745	$230,512	$164,603	$80,396

31

TABLE OF CONTENTS

(a) Excludes premiums paid, whether at inception or deferred, for derivative contracts that settled during the period. Vanguard considers the cost of premiums paid for derivatives as an investment related to Vanguard s underlying oil and natural gas properties	$2,567	$	$	$220	$11,641	$11,346	$1,950
(b) Excludes the fair value of derivative contracts acquired as part of prior period business combinations that apply to contracts settled during the period. Vanguard considers the amounts paid to sellers for derivative contracts assumed with business combinations a part of the purchase price of the underlying oil and natural gas properties	$20,281	$10,864	$21,306	$30,200	$26,505	$169	$1,995
(c) Excludes fair value of restructured derivative contracts	$(31,945)	$	$	$	$	$	$
(d) Includes settlements paid on interest rate derivatives	$1,980	$2,005	$4,035	$3,888	$2,515	$2,874	$1,799

(e)

Results of operations from oil and natural gas properties acquired in the ENP Purchase through the date of the completion of the ENP Merger on December 1, 2011 were subject to a 53.4% non-controlling interest.

(f)

As the ENP Purchase was completed on December 31, 2010, no results of operations were included for the year ended December 31, 2010.

TABLE OF CONTENTS

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF LRE

The following summary historical consolidated data as of and for the years ended December 31, 2014, 2013 and 2012 and for the period from November 16, 2011 to December 31, 2011 are derived from LRE s audited historical consolidated financial statements. The selected financial data for the period from January 1, 2011 to November 15, 2011 and as of and for the year ended December 31, 2010 are derived from the audited financial statements of LRE s predecessor. References to LRE s predecessor refer collectively to LRR A, LRR B and LRR C, which sold and contributed oil and natural gas properties and related net profits interests and operations to LRE in connection with LRE s initial public offering. The following selected historical consolidated financial data as of and for the six months ended June 30, 2015 and 2014 are derived from LRE s unaudited condensed consolidated financial statements. In the opinion of LRE s management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of LRE s financial position at June 30, 2015, and its operating results and cash flows for the six months ended June 30, 2015 and 2014 have been included.

You should read the following historical consolidated financial data in conjunction with LRE s Annual Report on Form 10-K for the year ended December 31, 2014 and its Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, as well as LRE s historical financial statements and notes thereto, which are incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

	LRE					Predecessor		
(in thousands, except per unit data)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	November 16 to December 31, 2011	January 1 to November 15, 2011	Year Ended December 31, 2010
Statement of Operations Data:								
Revenues:								
Oil sales	$26,291	$40,510	$76,662	$77,181	$72,916	$9,766	$59,605	$52,670
Natural gas sales	7,986	15,664	28,521	26,800	23,502	3,976	35,883	48,088
Natural gas liquids sales	2,832	6,124	11,362	10,147	11,627	1,976	14,500	14,748
Gain (loss) on commodity derivative instruments, net	9,755	(18,950)	71,235	781	12,748	12,287	22,027	24,065
Other income	55	71	125	186	45		159	116
Total revenues	46,919	43,419	187,905	115,095	120,838	28,005	132,174	139,687
Operating expenses:								
Lease operating expenses	12,780	12,664	25,821	25,397	29,069	3,193	21,391	23,804
	2,748	4,648	8,738	8,614	7,790	1,076	7,763	9,320

Production and ad valorem taxes								
Depletion and depreciation	17,574	17,145	36,729	43,420	46,928	5,876	37,206	55,828
Impairment of oil and gas properties	35,962		37,758	63,663	3,544		16,765	11,712
Accretion expense	1,029	1,013	2,071	1,924	1,575	191	1,290	1,366
Loss (gain) on settlement of asset retirement obligations	68	61	151	358	(31)		496	(209)
Management fees							5,435	6,104
General and administrative expenses	16,464	5,881	11,447	11,965	13,758	1,892	5,149	5,293
Total operating expenses	86,625	41,412	122,715	155,341	102,633	12,228	95,495	113,218
Operating income (loss)	(39,706)	2,007	65,190	(40,246)	18,205	15,777	36,679	26,469
Other income (expense), net:								

TABLE OF CONTENTS

	LRE						Predecessor	
(in thousands, except per unit data)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	November 16 to December 31, 2011	January 1 to November 15, 2011	Year Ended December 31, 2010
Interest income	$	$	$	$	$	$	$1	$17
Interest expense	(5,889)	(5,116)	(10,472)	(9,235)	(6,596)	(604)	(919)	(3,223)
Gain (loss) on interest rate derivative instruments, net	(1,673)	(1,422)	(1,790)	1,256	(4,650)		(133)	(897)
Other income (expense), net	(7,562)	(6,538)	(12,262)	(7,979)	(11,246)	(604)	(1,051)	(4,103)
Income (loss) before taxes	(47,268)	(4,531)	52,928	(48,225)	6,959	15,173	35,628	22,366
Income tax (expense) benefit	18	(112)	(186)	(56)	(172)	(48)	76	(32)
Net income (loss)	$(47,250)	$4,643	$52,742	$(48,281)	$6,787	$15,125	$35,704	$22,334
Net (income) loss attributable to common control operations				(448)	(6,790)	(2,975)		
Net income (loss) available to unitholders	$(47,250)	$(4,643)	$52,742	$(48,729)	$(3)	$12,150		
General partner s interest in net income (loss)	$(9,434)	$(4)	$53	$(49)	$	$12		
Limited partners interest in net income (loss)	$(37,816)	$(4,639)	$52,689	$(48,680)	$(3)	$12,138		
Net income (loss) per limited partner unit (basic and diluted)	$(1.35)	$(0.17)	$1.94	$(1.92)	$(0.00)	$0.54		
Weighted average number of limited partner units outstanding (basic and diluted)	28,073	26,539	27,092	25,372	22,425	22,418		
Other Financial Data:								
Adjusted EBITDA	$40,169	$40,677	$88,385	$79,550	$81,156	$13,603	$79,762	$119,130
Cash Flow Data:								
	$35,954	$31,663	$67,885	$65,541	$77,223	$5,523	$84,027	$121,269

Net cash provided by (used in) operating activities								
Net cash provided by (used in) investing activities	$(17,606)	$(17,029)	$(69,950)	$(35,805)	$(40,433)	$(755)	$(44,981)	$(125,846)
Net cash provided by (used in) financing activities	$(14,243)	$(16,180)	$1,224	$(28,786)	$(34,836)	$(3,255)	$(38,000)	$1,505

34

TABLE OF CONTENTS

Non-GAAP Financial Measures

LRE discloses the non-GAAP financial measures Adjusted EBITDA and Distributable Cash Flow for the periods presented and provides reconciliations of these items to net income (loss), LRE s most directly comparable financial performance measure calculated and presented in accordance with GAAP. LRE defines Adjusted EBITDA as net income (loss) plus or minus:

Income tax expense (benefit);
Interest expense-net, including loss (gain) on interest rate derivative instruments, net;
Depletion and depreciation;
Accretion of asset retirement obligations;
Amortization of equity awards;
Loss (gain) on settlement of asset retirement obligations;
Loss (gain) on commodity derivative instruments, net;
Commodity derivative instrument net cash settlements;
Impairment of oil and natural gas properties; and
Other non-recurring items that LRE deems appropriate.

Adjusted EBITDA is used as a supplemental financial measure by LRE s management and by external users of LRE s financial statements, such as investors, commercial banks, research analysts and others, to assess LRE s financial performance as compared to that of other companies and partnerships in its industry, without regard to financing methods, capital structure or historical cost basis.

LRE defines Distributable Cash Flow as Adjusted EBITDA less cash income tax expense, cash interest expense and estimated maintenance capital.

Distributable Cash Flow is a supplemental financial measure used by LRE s management and by external users of LRE s financial statements, such as investors, commercial banks, research analysts and others to compare basic cash flows generated by LRE (prior to the establishment of any retained cash reserve by LRE GP) to the cash distributions LRE expects to pay its unitholders. Distributable Cash Flow is also an important financial measure for LRE s unitholders as it serves as an indicator of its success in providing a cash return on investment. Specifically, distributable cash flow indicates to investors whether or not LRE is generating cash flow at a level that can sustain or support an increase in its quarterly distribution rates. Distributable Cash Flow is a quantitative standard used throughout the investment community with respect to publicly-traded partnerships and limited liability companies because the yield is based on the amount of cash distributions the entity pays to a unitholder compared to the unit price.

LRE s management believes that both Adjusted EBITDA and Distributable Cash Flow are useful to investors because these measures are used by many partnerships in the industry as measures of operating and financial performance and are commonly employed by financial analysts and others to evaluate the operating and financial performance from period to period and to compare it with the performance of other publicly traded partnerships within the industry. Adjusted EBITDA and Distributable Cash Flow should not be considered alternatives to net income (loss), operating income (loss), or any other measures of financial performance presented in accordance with GAAP. LRE s Adjusted EBITDA and Distributable Cash Flow may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA and Distributable Cash Flow in the same manner.

LRE s Adjusted EBITDA for the six months ended June 30, 2015 and 2014, for the years ended December 31, 2014, 2013, 2012, and for the period from November 16 to December 31, 2011 was $40.2 million, $40.7 million, $83.4

million, $79.6 million, $81.2 million, and $13.6 million, respectively. LRE s predecessor s Adjusted EBITDA for the period from January 1 to November 15, 2011 and the year ended December 31, 2010 was $79.8 million and $119.1 million, respectively.

TABLE OF CONTENTS

LRE s Distributable Cash Flow for the six months ended June 30, 2015 and 2014, for the years ended December 31, 2014, 2013, and 2012 and for the period from November 16 to December 31, 2011 was $23.9 million, $25.2 million, $52.0 million, $49.6 million, $53.8 million and $11.0 million, respectively.

The following table presents a reconciliation of Adjusted EBITDA and Distributable Cash Flow to net income (loss), LRE s most directly comparable GAAP financial performance measure, for each of the periods indicated.

	LRE						Predecessor	
(in thousands)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	November 16 to December 31, 2011	January 1 to November 15, 2011	Year Ended December 31, 2010
Net income (loss)	$(47,250)	$(4,643)	$52,742	$(48,281)	$6,787	$15,125	$35,704	$22,334
Income tax expense (benefit)	(18)	112	186	56	172	48	(76)	32
Interest expense net, including loss (gain) on interest rate derivative instruments, net	7,562	6,538	12,262	7,979	11,246	604	1,052	4,120
Depletion and depreciation	17,574	17,145	36,729	43,420	46,928	5,876	37,206	55,828
Accretion of asset retirement obligations	1,029	1,013	2,071	1,924	1,575	191	1,290	1,366
Amortization of equity awards	838	534	1,081	549	313	31		
Loss (gain) on settlement of asset retirement obligations	68	61	151	358	(31)		496	(209)
Loss (gain) on commodity derivative instruments, net	(9,755)	18,950	(71,235)	(781)	(12,748)	(12,287)	(22,027)	(24,065)
Commodity derivative instrument net cash settlements	25,061	967	11,640	10,663	23,370	4,015	9,353	48,029
Impairment of oil and natural gas properties	35,962		37,758	63,663	3,544		16,765	11,712
Other non-recurring items	9,098							

Interest income							(1)	(17)
Adjusted EBITDA	$40,169	$40,677	$83,385	$79,550	$81,156	$13,603	$79,762	$119,130
Adjusted EBITDA	$40,169	$40,677	$83,385	$79,550	$81,156	$13,603		
Cash income tax expense	(85)	(88)	(146)	(132)	(86)			
Cash interest expense	(6,638)	(5,401)	(10,905)	(9,513)	(7,012)	(31)		
Estimated maintenance capital[(1)]	(9,500)	(10,000)	(20,300)	(20,300)	(20,300)	(2,538)		
Distributable cash flow	$23,946	$25,188	$52,034	$49,605	$53,758	$11,034		

(1) Estimated maintenance capital expenditures as defined by LRE s partnership agreement represent LRE s estimate of the amount of capital required on average per year to maintain LRE s production over the long term. For the period from November 16 to December 31, 2011, the amount represents prorated maintenance capital for the period.

TABLE OF CONTENTS

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following selected unaudited pro forma combined balance sheet as of June 30, 2015 reflects the transactions contemplated by the merger agreement and the transactions contemplated by the Eagle Rock merger agreement as if they occurred on June 30, 2015. The unaudited pro forma combined statements of operations for the year ended December 31, 2014 and the six months ended June 30, 2015 reflect the transactions contemplated by the merger agreement, the transactions contemplated by the Eagle Rock merger agreement and certain acquisitions made by Vanguard in 2014 as if they occurred on January 1, 2014.

The following selected unaudited pro forma combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of what the combined organization s financial position or results of operations actually would have been had the transactions contemplated by the merger agreement and the transactions contemplated by the Eagle Rock merger agreement been completed as of the dates indicated. In addition, the unaudited pro forma combined financial information does not purport to project the future financial position or operating results of the combined organization. Future results may vary significantly from the results reflected because of various factors. The following selected unaudited pro forma combined financial information should be read in conjunction with the section entitled Unaudited Pro Forma Combined Financial Information and related notes included in this proxy statement/prospectus.

The completion of the Eagle Rock merger is not a condition to the completion of the merger and there can be no assurance that the transactions contemplated by the Eagle Rock merger agreement will be completed.

Unaudited Pro Forma Combined Balance Sheet Data as of June 30, 2015

	Historical				Historical		
(in thousands)	Vanguard	LRE	Pro Forma Adjustments	Vanguard/ LRE Pro Forma Combined	Eagle Rock	Pro Forma Adjustments	Vanguard/ LRE/Eagle Rock Pro Forma Combined
Total assets	$2,768,042	$502,863	$(17,531)	$3,253,374	$562,178	$7,313	$3,822,865
Total liabilities	$2,190,403	$349,881	$(4,189)	$2,536,095	$276,970	$30,449	$2,843,514
Total members equity	$577,639	$152,982	$(13,342)	$717,279	$285,208	$(23,136)	$979,351
Total liabilities and members equity	$2,768,042	$502,863	$(17,531)	$3,253,374	$562,178	$7,313	$3,822,865

Unaudited Pro Forma Combined Statement of Operations Data for the Year Ended December 31, 2014

(in thousands except per unit data)	Vanguard As Adjusted[(1)]	LRE Historical	Pro Forma Adjustments	Vanguard/ LRE Pro Forma Combined	Eagle Rock Historical	Pro Forma Adjustments	Vanguard/ LRE/Eagle Rock Pro Forma Combined
Total revenues	$902,083	$187,905	$(4)	$1,089,984	$298,204	$	$1,388,188

Total costs and expenses	710,724	122,715	(16,198)	817,241	585,259	(41,353)	1,361,147
Income from operations	191,359	65,190	16,194	272,743	(287,055)	41,353	27,041
Income (loss) from continuing operations attributable to common and Class B unitholders	$95,125	$52,742	$20,643	$168,510	$(352,367)	$45,670	$(138,187)

TABLE OF CONTENTS

(in thousands except per unit data)	Vanguard As Adjusted[1]	LRE Historical	Pro Forma Adjustments	Vanguard/ LRE Pro Forma Combined	Eagle Rock Historical	Pro Forma Adjustments	Vanguard/ LRE/Eagle Rock Pro Forma Combined
Income (loss) from continuing operations per common and Class B Unit							
Basic	$ 1.16	$ 1.94		$ 1.73	$ (2.25)		$ (1.09)
Diluted	$ 1.14	$ 1.94		$ 1.71	$ (2.25)		$ (1.09)

(1) On January 31, 2014, Vanguard and its wholly owned subsidiary, Encore Energy Partners Operating, LLC, completed the acquisition of certain natural gas and oil assets in the Pinedale and Jonah fields located in Southwestern Wyoming for approximately $555.6 million in cash (the Pinedale Acquisition), and, on September 30, 2014, Vanguard and its wholly owned subsidiary, Vanguard Operating, LLC, completed the acquisition of natural gas, oil and NGL assets in the Piceance Basin located in Colorado for approximately $496.4 million (the Piceance Acquisition). The Vanguard As Adjusted column in the Unaudited Pro Forma Combined Statement of Operations Data for Year Ended December 31, 2014, above, incorporates the following financial information related to the Pinedale Acquisition and the Piceance Acquisition:

(in thousands except per unit data)	Vanguard Historical	Pinedale Acquisition Adjustments	Piceance Acquisition Adjustments	Vanguard As Adjusted
Total revenues	$ 788,065	$ 14,259	$ 99,759	$ 902,083
Total costs and expenses	686,599	5,785	18,340	710,724
Income from operations	101,466	8,474	81,419	191,359
Net income (loss) attributable to common and Class B unitholders	$ 46,148	$ (24,628)	$ 73,605	$ 95,125
Net income per common and Class B Unit				
Basic	$ 0.56			$ 1.16
Diluted	$ 0.55			$ 1.14

Unaudited Pro Forma Combined Statement of Operations Data for the Six Months Ended June 30, 2015

(in thousands except per unit data)	Historical Vanguard	LRE	Pro Forma Adjustments	Vanguard/ LRE Pro Forma Combined	Historical Eagle Rock	Pro Forma Adjustments	Vanguard/ LRE/Eagle Rock Pro Forma Combined
Total revenues	$ 232,968	$ 46,919	$	$ 279,887	$ 73,788	$	$ 353,675
Total costs and expenses	1,103,441	86,625	(10,473)	1,179,593	147,336	(11,885)	1,315,044
Loss from operations	(870,473)	(39,706)	10,473	(899,706)	(73,548)	11,885	(961,369)
Loss from continuing operations attributable	$ (925,855)	$ (47,250)	$ 13,237	$ (959,868)	$ (81,119)	$ 11,841	$ (1,029,146)

to common and Class B unitholders						
Loss from continuing operations per common and Class B Unit Basic & Diluted	$(10.86)	$(1.35)		$(9.53)	$(0.54)	$ $(7.95)

38

TABLE OF CONTENTS

UNAUDITED COMPARATIVE PER UNIT INFORMATION

The tables below set forth historical and unaudited pro forma combined per unit information of Vanguard, LRE and Eagle Rock.

Historical Per Unit Information of Vanguard and LRE

The historical per unit information of Vanguard and LRE set forth in the tables below is derived from the audited consolidated financial statements as of and for the year ended December 31, 2014 and the unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2015 for each of Vanguard and LRE.

Pro Forma Combined Per Unit Information of Vanguard

The unaudited pro forma combined per unit information of Vanguard set forth in the tables below gives effect, as applicable, to the transactions contemplated by (i) the merger agreement under the purchase method of accounting, as if the merger had been effective on January 1, 2014, in the case of income from continuing operations per unit and cash distributions data, and June 30, 2015, in the case of book value per unit data, and, in each case, assuming that 0.550 Vanguard common units have been issued in exchange for each outstanding LRE common unit and after giving effect to the settlement of outstanding restricted units awarded under the LTIP in accordance with the merger agreement, and (ii) the Eagle Rock merger agreement under the purchase method of accounting, as if the Eagle Rock merger had been effective on January 1, 2014, in the case of income from continuing operations per unit and cash distributions data, and June 30, 2015, in the case of book value per unit data, and, in each case, assuming that 0.185 Vanguard common units have been issued in exchange for each outstanding Eagle Rock common unit and after giving effect to the settlement of outstanding restricted units awarded under the long-term incentive program of Eagle Rock in accordance with the Eagle Rock merger agreement.

General

You should read the information set forth below in conjunction with the selected historical financial information of Vanguard and LRE included elsewhere in this proxy statement/prospectus and the historical financial statements and related notes of Vanguard and LRE that are incorporated by reference into or contained in this proxy statement/prospectus. See Selected Historical Consolidated Financial Data of Vanguard, Selected Historical Consolidated Financial Data of LRE and Where You Can Find More Information.

The accounting for an acquisition of a business is based on the authoritative guidance for business combinations. Purchase accounting requires, among other things, that the assets acquired and liabilities assumed be recognized at their fair values as of the date the merger is completed. The allocation of the purchase price is dependent upon certain valuations of LRE s assets and liabilities and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments reflect the assets and liabilities of LRE at their preliminary estimated fair values. Differences between these preliminary estimates and the final purchase accounting will occur, and these differences could have a material impact on the unaudited pro forma combined per unit information set forth in the following tables.

TABLE OF CONTENTS

The unaudited pro forma per unit information of Vanguard does not purport to represent the actual results of operations that Vanguard would have achieved or distributions that would have been declared had the companies been combined during these periods or to project the future results of operations that Vanguard may achieve or the distributions it may pay after the merger (in thousands, except per unit data).

Historical Vanguard	As of and for the Six months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
Total revenues	$ 232,968	$ 788,065
Net income (loss) per common unit and Class B unit		
Basic	$ (10.86)	$ 0.56
Diluted	$ (10.86)	$ 0.55
Distribution declared per common unit and Class B unit	$ 0.798	$ 2.515
Book value per common unit and Class B unit	$ 2.79	$ 14.29

Historical LRE	As of and for the Six months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
Total revenues	$ 46,919	$ 187,905
Net income (loss) per common unit		
Basic & Diluted	$ (1.35)	$ 1.94
Distribution declared per common unit	$ 0.375	$ 1.9825
Book value per common unit	$ 5.77	$ 9.03

Pro Forma Vanguard (giving effect to the LRE merger only)	As of and for the Six months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
Total revenues	$ 279,887	$ 1,089,984
Net income (loss) per common unit and Class B unit		
Basic	$ (9.53)	$ 1.73
Diluted	$ (9.53)	$ 1.71
Distribution declared per common unit and Class B unit[1]	$ 0.798	$ 2.515
Book value per common unit and Class B unit	$ 3.73	[2]

(1) Pro forma distributions per unit are based solely on historical distributions for Vanguard.

(2) A pro forma balance sheet was prepared only as of June 30, 2015.

Equivalent Pro Forma LRE(1) (giving effect to the LRE merger only)	As of and for the Six months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
Net income (loss) per common unit and Class B unit		
Basic	$ (5.24)	$ 0.95
Diluted	$ (5.24)	$ 0.94
Distribution declared per common unit and Class B unit	$ 0.439	$ 1.383
Book value per common unit and Class B unit	$ 2.05	(2)

(1) LRE s equivalent pro forma earnings, book value and cash distribution amounts have been calculated by multiplying Vanguard s pro forma per unit amounts by the 0.550x exchange ratio.

(2) A pro forma balance sheet was prepared only as of June 30, 2015.

TABLE OF CONTENTS

Pro Forma Vanguard (giving effect to the LRE merger and the Eagle Rock merger)	As of and for the Six months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
Total revenues	$ 353,675	$ 1,388,188
Loss from continuing operations per common unit and Class B unit		
Basic & Diluted	$ (7.95)	$ (1.09)
Distribution declared per common unit and Class B unit[1]	$ 0.798	$ 2.515
Book value per common unit and Class B unit	$ 4.91	[2]

(1) Pro forma distributions per unit are based solely on historical distributions for Vanguard.

(2) A pro forma balance sheet was prepared only as of June 30, 2015.

Equivalent Pro Forma LRE[1] (giving effect to the LRE merger and the Eagle Rock merger)	As of and for the Six months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
Loss from continuing operations per common unit and Class B unit		
Basic & Diluted	$ (4.37)	$ (0.60)
Distribution declared per common unit and Class B unit	$ 0.439	$ 1.383
Book value per common unit and Class B unit	$ 2.70	[2]

(1) LRE s equivalent pro forma earnings, book value and cash distribution amounts have been calculated by multiplying Vanguard s pro forma per unit amounts by the 0.550x exchange ratio.

(2) A pro forma balance sheet was prepared only as of June 30, 2015.

TABLE OF CONTENTS

COMPARATIVE UNIT PRICES AND DISTRIBUTIONS

Vanguard common units are currently listed on the NASDAQ under the ticker symbol VNR. LRE common units are currently listed on the NYSE under the ticker symbol LRE. The table below sets forth, for the calendar quarters indicated, the high and low sale prices per Vanguard common unit on the NASDAQ and per LRE common unit on the NYSE.

	Vanguard Common Units		LRE Common Units	
	High	Low	High	Low
2015				
Third quarter (through August 27, 2015)	$ 15.50	$ 5.50	$ 7.99	$ 3.01
Second quarter	$ 17.59	$ 13.81	$ 8.90	$ 6.35
First quarter	$ 19.50	$ 11.90	$ 8.80	$ 5.61
2014				
Fourth quarter	$ 27.72	$ 12.57	$ 18.04	$ 6.57
Third quarter	$ 33.04	$ 26.11	$ 20.11	$ 17.10
Second quarter	$ 32.21	$ 29.26	$ 18.36	$ 16.90
First quarter	$ 31.50	$ 29.11	$ 18.16	$ 16.01
2013				
Fourth quarter	$ 29.75	$ 27.13	$ 18.45	$ 15.75
Third quarter	$ 28.45	$ 24.23	$ 16.15	$ 13.41
Second quarter	$ 29.93	$ 27.08	$ 18.28	$ 13.13
First quarter	$ 29.64	$ 26.21	$ 19.20	$ 18.78
2012				
Fourth quarter	$ 30.22	$ 24.25	$ 20.08	$ 15.66
Third quarter	$ 29.00	$ 25.80	$ 19.00	$ 14.23
Second quarter	$ 29.29	$ 22.81	$ 20.63	$ 12.25
First quarter	$ 29.75	$ 26.36	$ 21.62	$ 17.68

The following table shows the amount of cash distributions declared on Vanguard common units and LRE common units, respectively, for the periods indicated. Vanguard changed its cash distribution policy from a quarterly payment schedule to a monthly payment schedule beginning with the distributions relating to the third quarter of 2012.

	Vanguard Cash Distributions	LRE Cash Distributions	Paid
2015			
Second Quarter	$	$ 0.1875	August 14, 2015
June	$ 0.1175	$	August 14, 2015
May	$ 0.1175	$	July 15, 2015
April	$ 0.1175	$	June 12, 2015
First Quarter	$	$ 0.1875	May 15, 2015
March	$ 0.1175	$	May 15, 2015
February	$ 0.1175	$	April 14, 2015
January	$ 0.1175	$	March 17, 2015

TABLE OF CONTENTS

	Vanguard Cash Distributions	LRE Cash Distributions	Paid
2014			
Fourth Quarter	$	$ 0.4975	February 13, 2015
December	$ 0.2100	$	February 13, 2015
November	$ 0.2100	$	January 14, 2015
October	$ 0.2100	$	December 15, 2014
Third Quarter	$	$ 0.4975	November 14, 2014
September	$ 0.2100	$	November 14, 2014
August	$ 0.2100	$	October 15, 2014
July	$ 0.2100	$	September 12, 2014
Second Quarter	$	$ 0.4950	August 14, 2014
June	$ 0.2100	$	August 14, 2014
May	$ 0.2100	$	July 15, 2014
April	$ 0.2100	$	June 13, 2014
First Quarter	$	$ 0.4925	May 15, 2014
March	$ 0.2100	$	May 15, 2014
February	$ 0.2100	$	April 14, 2014
January	$ 0.2075	$	March 17, 2014
2013			
Fourth Quarter	$	$ 0.4900	February 14, 2014
December	$ 0.2075	$	February 14, 2014
November	$ 0.2075	$	January 15, 2014
October	$ 0.2075	$	December 13, 2013
Third Quarter	$	$ 0.4875	November 14, 2013
September	$ 0.2075	$	November 14, 2013
August	$ 0.2075	$	October 15, 2013
July	$ 0.2075	$	September 13, 2013
Second Quarter	$	$ 0.4850	August 14, 2013
June	$ 0.2050	$	August 14, 2013
May	$ 0.2050	$	Juley 15, 2013
April	$ 0.2050	$	June 14, 2013
First Quarter	$	$ 0.4825	May 15, 2013
March	$ 0.2025	$	May 15, 2013
February	$ 0.2025	$	April 12, 2013
January	$ 0.2025	$	March 15. 2013
2012			
Fourth Quarter	$	$ 0.4800	February 14, 2013
December	$ 0.2025	$	February 14, 2013
November	$ 0.2025	$	January 14, 2013
October	$ 0.2025	$	December 14, 2012
Third Quarter	$	$ 0.4775	November 14, 2012
September	$ 0.20	$	November 14, 2012
August	$ 0.20	$	October 15, 2012
July	$ 0.20	$	September 14, 2012
Second Quarter	$ 0.60	$ 0.4750	August 14, 2012
First Quarter	$ 0.5925	$ 0.4750	May 14, 2012

43

TABLE OF CONTENTS

The following table presents per unit closing prices for Vanguard common units and LRE common units on April 20, 2015, the last trading day before the public announcement of the merger agreement, and on August 28, 2015, the last practicable trading day before the date of this proxy statement/prospectus. This table also presents the equivalent market value per LRE common unit on such dates. The equivalent market value per LRE common unit has been determined by multiplying the closing prices of Vanguard common units on those dates by the exchange ratio of 0.550 of a Vanguard common unit.

	Vanguard Common Units	LRE Common Units	Equivalent Market Value per LRE Common Unit
August 28, 2015	$ 9.62	$ 4.55	$ 5.29
April 20, 2015	$ 16.23	$ 7.93	$ 8.93

Although the exchange ratio is fixed, the market prices of Vanguard common units and LRE common units will fluctuate prior to the consummation of the merger and the market value of the merger consideration ultimately received by LRE unitholders will depend on the closing price of Vanguard common units on the day the merger is consummated. Thus, LRE unitholders will not know the exact market value of the merger consideration they will receive until the closing of the merger.

TABLE OF CONTENTS

RISK FACTORS

In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed in the section titled Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risks before deciding whether to vote to approve the merger agreement and the transactions contemplated thereby. In addition, you should read and carefully consider the risks associated with each of Vanguard and LRE and their respective businesses. These risks can be found in Vanguard s Annual Report on Form 10-K for the year ended December 31, 2014 and subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus with respect to Vanguard, and included in LRE s Annual Report on Form 10-K for the year ended December 31, 2014 and subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus with respect to LRE. For further information regarding the documents contained in or incorporated into this proxy statement/prospectus by reference, please see the section titled Where You Can Find More Information. Realization of any of the risks described below, any of the events described under Cautionary Statement Regarding Forward-Looking Statements or any of the risks or events described in the documents contained in or incorporated by reference could have a material adverse effect on Vanguard s, LRE s or the combined organization s respective businesses, financial condition, cash flows and results of operations and could result in a decline in the trading prices of their respective common units.

Risk Factors Relating to the Merger

Because the exchange ratio is fixed and because the market price of Vanguard common units will fluctuate prior to the consummation of the merger, LRE unitholders cannot be sure of the market value of the Vanguard common units they will receive as merger consideration relative to the value of LRE common units they exchange.

The market value of the consideration that LRE unitholders will receive in the merger will depend on the trading price of Vanguard s common units at the closing of the merger. The exchange ratio that determines the number of Vanguard common units that LRE unitholders will receive in the merger is fixed. This means that there is no mechanism contained in the merger agreement that would adjust the number of Vanguard common units that LRE unitholders will receive based on any decreases in the trading price of Vanguard common units. Unit price changes may result from a variety of factors (many of which are beyond Vanguard s or LRE s control), including:

- changes in Vanguard s business, operations and prospects;
- changes in market assessments of Vanguard s business, operations and prospects;
- interest rates, general market, industry and economic conditions and other factors generally affecting the price of Vanguard common units; and
- federal, state and local legislation, governmental regulation and legal developments in the businesses in which Vanguard operates.

If Vanguard s common unit price at the closing of the merger is less than Vanguard s common unit price on the date that the merger agreement was signed, then the market value of the consideration received by LRE unitholders will be less than contemplated at the time the merger agreement was signed.

Because the exchange ratio is fixed and because the market price ofVanguard common units will fluctuate prior to t

TABLE OF CONTENTS

The fairness opinions rendered to each of the board of directors of LRE GP and the LRE GP conflicts committee by their respective financial advisors were based on the financial analyses performed by their respective financial advisors, which considered factors such as market and other conditions then in effect, and financial forecasts and other information made available to the financial advisors, as of the date of their respective opinions. As a result, these opinions do not reflect changes in events or circumstances after the date of such opinions. Neither the board of directors of LRE GP nor the LRE GP conflicts committee has obtained, or expects to obtain, updated fairness opinions from the financial advisors reflecting changes in circumstances that may have occurred since the signing of the merger agreement.

The fairness opinions rendered to the board of directors of LRE GP by Tudor, Pickering, Holt & Co. Advisors, LLC and the fairness opinions rendered to the LRE GP conflicts committee by Simmons & Company International were provided in connection with, and at the time of, the evaluation of the merger and the merger agreement, and the determination of whether to consent to the Eagle Rock merger, respectively, by the board of directors of LRE GP and the LRE GP conflicts committee, respectively. These opinions were based on the financial analyses performed by their respective financial advisors, which considered market and other conditions then in effect, and financial forecasts and other information made available to their respective financial advisors, as of the date of the opinions, which may have changed, or may change, after the date of their respective opinions. Neither the board of directors of LRE GP nor the LRE GP conflicts committee has obtained updated opinions from its respective financial advisor as of the date of this proxy statement/prospectus nor does it expect to obtain updated opinions prior to completion of the transactions contemplated by the merger agreement or the Eagle Rock merger agreement. Changes in the operations and prospects of Vanguard or LRE, general market and economic conditions and other factors which may be beyond the control of Vanguard and LRE, and on which the fairness opinions were based, may have altered the value of Vanguard or LRE or the prices of Vanguard common units or LRE common units since the date of such opinions, or may alter such values and prices by the time the merger or the Eagle Rock merger is completed. The opinions do not speak as of any date other than the date of the opinions. For a description of the opinions that the board of directors of LRE GP and the LRE GP conflicts committee received, please refer to Proposal 1: The Merger Opinions of the Financial Advisor to the LRE GP Board of Directors and Proposal 1: The Merger Opinions of the Financial Advisor to the LRE GP Conflicts Committee.

LRE is subject to provisions that limit its ability to pursue alternatives to the merger, could discourage a potential competing acquirer of LRE from making a favorable alternative transaction proposal and, in specified circumstances under the merger agreement, would require LRE to reimburse up to $1,215,000 of Vanguard s out-of-pocket expenses and pay a termination fee to Vanguard of $7,288,000.

Under the merger agreement, LRE is restricted from entering into alternative transactions. Unless and until the merger agreement is terminated, subject to specified exceptions (which are discussed in more detail in The Merger Agreement No Solicitation by LRE of Alternative Proposals), LRE is restricted from initiating, soliciting, knowingly encouraging or knowingly facilitating any inquiry, proposal or offer for a competing acquisition proposal with any

person. Under the merger agreement, in the event of a potential change by the board of directors of LRE GP of its recommendation with respect to the proposed merger in light of a superior proposal, LRE must provide Vanguard with three business days notice to allow Vanguard to propose an adjustment to the terms and conditions of the merger agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of LRE from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher per unit market value than the merger consideration, or might result in a potential competing acquirer of LRE proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable in specified circumstances.

If the merger agreement is terminated under specified circumstances, LRE will be required to pay all of the reasonably documented out-of-pocket expenses incurred by Vanguard and its affiliates in connection with the merger agreement and the transactions contemplated thereby, up to a maximum amount of $1,215,000. In addition, if the merger agreement is terminated by Vanguard due to a partnership change in recommendation having occurred, by LRE in order to enter into a superior proposal or by either party after an alternative proposal was received by LRE and LRE enters into an definitive agreement with respect to such alternative proposal within 12 months after the date of the merger agreement, LRE will be required to pay Vanguard a

TABLE OF CONTENTS

termination fee of $7,288,000. Following payment of the termination fee, LRE will not be obligated to pay any additional expenses incurred by Vanguard or its affiliates. Please read The Merger Agreement Termination Fee and The Merger Agreement Expenses. If such a termination fee is payable, the payment of this fee could have material and adverse consequences to the financial condition and operations of LRE. For a discussion of the restrictions on LRE soliciting or entering into a takeover proposal or alternative transaction and the board of directors of LRE GP s ability to change its recommendation, see The Merger Agreement No Solicitation by LRE of Alternative Proposals and The Merger Agreement Change in LRE GP Board Recommendation.

Directors and executive officers of LRE GP have certain interests that are different from those of LRE unitholders generally.

Directors and executive officers of LRE GP have interests in the merger that may be different from, or be in addition to, your interests as a unitholder of LRE. You should consider these interests in voting on the merger. These different interests are described under Proposal 1: The Merger Interests of Directors and Executive Officers of LRE GP in the Merger.

Vanguard may have difficulty attracting, motivating and retaining executives and other employees in light of the merger.

The success of the combined organization after the merger will depend in part upon the ability of Vanguard to retain its key employees. Key employees may depart either before or after the merger because of issues relating to the uncertainty and difficulty of integration or a desire not to remain following the merger. Accordingly, no assurance can be given that the combined organization will be able to retain key Vanguard employees to the same extent as in the past.

The unaudited pro forma financial statements included in this document are presented for illustrative purposes only and may not be an indication of the combined entity s financial condition or results of operations following the merger, and, if completed, the Eagle Rock merger.

The unaudited pro forma financial statements contained in this document are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates, and may not be an indication of the combined entity s financial condition or results of operations following the merger, and, if completed, the Eagle Rock merger, for several reasons. The actual financial condition and results of operations of the combined entity following the merger, and, if completed, the Eagle Rock merger, may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined entity s financial condition or results of operations following the merger, and, if completed, the Eagle Rock merger. Any potential decline in the combined entity s financial condition or results of operations may cause significant variations in the price of Vanguard common units after completion of the merger, and, if completed, the Eagle Rock merger. See Selected Unaudited Pro Forma Combined Financial Information.

Lawsuits have been filed challenging the merger and additional lawsuits may be filed in the future. Any injunctive relief, rescission, damages, or other adverse judgment could prevent the merger from occurring or could have a

material adverse effect on LRE, Vanguard or Merger Sub.

Alleged LRE unitholders have filed lawsuits challenging the merger against LRE, LRE GP, the members of the board of directors of LRE GP, Vanguard, Merger Sub and the other parties to the merger agreement. Although each of these lawsuits has been dismissed or nonsuited, additional lawsuits challenging the merger may be filed in the future. For more information on these lawsuits, see The Merger Litigation Relating to the Merger.

One of the conditions to the completion of the merger is that no order, decree or injunction of any court or agency of competent jurisdiction shall be in effect, and no law shall have been enacted or adopted, that enjoins, prohibits or makes illegal consummation of any of the transactions contemplated by the merger agreement. A preliminary injunction could delay or jeopardize the completion of the merger, and an adverse judgment granting permanent injunctive relief could indefinitely enjoin completion of the merger. An adverse judgment for rescission or for monetary damages could have a material adverse effect on LRE, Vanguard or Merger Sub.

TABLE OF CONTENTS

Vanguard and LRE are subject to business uncertainties and contractual restrictions while the proposed merger is pending, and, with respect to Vanguard, while the Eagle Rock merger is pending, which could adversely affect each party s business and operations.

In connection with the pending merger, it is possible that some customers, suppliers and other persons with whom Vanguard or LRE have business relationships may delay or defer certain business decisions or, might decide to seek to terminate, change or renegotiate their relationship with Vanguard or LRE as a result of the merger, which could negatively affect Vanguard s and LRE s respective revenues, earnings and cash available for distribution, as well as the market price of Vanguard common units and LRE common units, regardless of whether the merger is completed.

Under the terms of the merger agreement, each of Vanguard and LRE is subject to certain restrictions on the conduct of its business prior to completing the merger, and under the terms of the Eagle Rock merger agreement, Vanguard is subject to restrictions on the conduct of its business prior to completing the Eagle Rock merger, which may adversely affect its ability to execute certain of its business strategies. Such limitations could negatively affect each party s businesses and operations prior to the completion of the merger or the Eagle Rock merger. Furthermore, the process of planning to integrate three businesses and organizations for the post-merger and post-Eagle Rock merger period can divert management attention and resources and could ultimately have an adverse effect on each party. For a discussion of these restrictions, see The Merger Agreement Conduct of Business Pending the Consummation of the Transactions Contemplated by the Merger Agreement.

Vanguard and LRE will incur substantial transaction-related costs in connection with the merger.

Vanguard and LRE expect to incur substantial expenses in connection with completing the merger and integrating the business, operations, networks, systems, technologies, policies and procedures of Vanguard and LRE. These expenses include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. There are a large number of systems that must be integrated, including billing, management information, purchasing, accounting and finance, sales, payroll and benefits, fixed assets, lease administration and regulatory compliance, and there are a number of factors beyond Vanguard s and LRE s control that could affect the total amount or the timing of integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and integration expenses associated with the merger could, particularly in the near term, exceed the savings that the combined organization expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of two businesses following the completion of the merger.

Failure to successfully combine the businesses of LRE and Vanguard in the expected time frame may adversely affect the future results of the combined organization, and, consequently, the value of the Vanguard common units that LRE unitholders receive as part of the merger consideration.

The success of the proposed merger will depend, in part, on the ability of Vanguard to realize the anticipated benefits and synergies from combining the businesses of Vanguard and LRE. To realize these anticipated benefits, the businesses must be successfully combined. If the combined organization is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the merger may not be realized fully

or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the merger. These integration difficulties could result in declines in the market value of Vanguard s common units and, consequently, result in declines in the market value of the Vanguard common units that LRE unitholders receive as part of the merger consideration.

The merger is subject to conditions, including certain conditions that may not be satisfied on a timely basis, if at all. Failure to complete the merger, or significant delays in completing the merger, could negatively affect the trading prices of Vanguard common units and LRE common units and the future business and financial results of Vanguard and LRE.

The completion of the merger is subject to a number of conditions. The completion of the merger is not assured and is subject to risks, including the risk that approval of the merger by the LRE unitholders is not

TABLE OF CONTENTS

obtained or that other closing conditions are not satisfied. If the merger is not completed, or if there are significant delays in completing the merger, the trading prices of Vanguard common units and LRE common units and the respective future business and financial results of Vanguard and LRE could be negatively affected, and each of them will be subject to several risks, including the following:

the parties may be liable for damages to one another under the terms and conditions of the merger agreement;
negative reactions from the financial markets, including declines in the price of Vanguard common units or LRE common units due to the fact that current prices may reflect a market assumption that the merger will be completed;
having to pay certain significant costs relating to the merger, including, in the case of LRE in certain circumstances, the termination fee of $7,288,000, and in the case of both LRE and Vanguard, the obligation to reimburse the other party of up to $1,215,000 if the merger agreement is terminated in specified circumstances, as described in The Merger Agreement Termination Fee and The Merger Agreement Expenses ; and
the attention of management of Vanguard and LRE will have been diverted to the merger rather than each organization s own operations and pursuit of other opportunities that could have been beneficial to that organization.

If the merger is approved by LRE unitholders, the date that those unitholders will receive the merger consideration is uncertain.

As described in this proxy statement/prospectus, completing the proposed merger is subject to several conditions, not all of which are controllable or waiveable by Vanguard or LRE. Accordingly, if the proposed merger is approved by LRE unitholders, the date that those unitholders will receive the merger consideration depends on the completion date of the merger, which is uncertain.

LRE s, Vanguard s and Eagle Rock s financial estimates are based on various assumptions that may not prove to be correct.

The financial estimates set forth in the forecast included under Proposal 1: The Merger Unaudited Prospective Financial and Operating Information of LRE, Vanguard and Eagle Rock are based on assumptions of, and information available to, LRE, Vanguard and Eagle Rock, respectively, at the time they were prepared and provided to the board of directors of LRE GP and LRE s financial advisors. LRE, Vanguard and Eagle Rock do not know whether such assumptions will prove correct. Any or all of such estimates may turn out to be wrong. Such estimates can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond LRE s, Vanguard s and Eagle Rock s control. Many factors mentioned in this proxy statement/prospectus, including the risks outlined in this Risk Factors section and the events or circumstances described under Cautionary Statement Regarding Forward-Looking Statements, will be important in determining LRE s, Vanguard s and/or Eagle Rock s future results. As a result of these contingencies, actual future results may vary materially from LRE s, Vanguard s and Eagle Rock s estimates. In view of these uncertainties, the inclusion of LRE s, Vanguard s and Eagle Rock s financial estimates in this proxy statement/prospectus is not and should not be viewed as a representation that the forecasted results will be achieved.

LRE s, Vanguard s and Eagle Rock s financial estimates were not prepared with a view toward public disclosure, and LRE s and Vanguard s financial estimates were not prepared with a view toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made, and LRE, Vanguard and Eagle Rock undertake no obligation, other than as required by applicable law, to update their financial estimates herein to reflect events or circumstances after the date those financial estimates were prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances.

The merger is subject to conditions, including certain conditions that may notbe satisfied on a timely basis, or at all. I

The financial estimates included in this proxy statement/prospectus have been prepared by, and are the responsibility of, LRE, Vanguard and/or Eagle Rock s. Moreover, the prospective financial information

LRE s, Vanguard s and Eagle Rock s financial estimates are based on variousassumptions that may not prove to

TABLE OF CONTENTS

included in this proxy statement/prospectus has been prepared by, and is the responsibility of, LRE s, Vanguard s and Eagle Rock s management. None of Vanguard s independent registered public accounting firm, LRE s independent registered public accounting firm, Eagle Rock s independent registered public accounting firm or any other independent accountants, has compiled, examined or performed any procedures with respect to the unaudited prospective financial and operating information contained herein, accordingly they have not expressed any opinion or any other form of assurance on such information. The report of the independent registered public accounting firm of LRE in its Annual Report on Form 10-K for the year ended December 31, 2014, relates to LRE s historical financial information, and the report of the independent registered public accounting firm of Vanguard in its Annual Report on Form 10-K for the year ended December 31, 2014, relates to Vanguard s historical financial information and the report of the independent registered public accounting firm of Eagle Rock in its Annual Report on Form 10-K for the year ended December 31, 2014, relates to Eagle Rock s historical financial information. These reports do not extend to the unaudited prospective financial and operating information and should not be read to do so. See Proposal 1: The Merger Unaudited Prospective Financial and Operating Information of LRE, Vanguard and Eagle Rock for more information.

The number of outstanding Vanguard common units will increase as a result of the transactions contemplated by the merger agreement, and, if completed, the Eagle Rock merger agreement, which could make it more difficult to pay distributions.

As of August 27, 2015, there were approximately 86.60 million Vanguard common units outstanding. Vanguard will issue approximately 15.44 million common units to former LRE unitholders (which does not include the 12,320 Vanguard common units to be issued to the former members of LRE GP) pursuant to the transactions contemplated by the merger agreement, and, if the Eagle Rock merger is completed, will issue approximately 28.75 million common units to former Eagle Rock unitholders. Accordingly, the aggregate dollar amount required to pay the current per unit distribution on all Vanguard common units will increase, which could increase the likelihood that Vanguard will not have sufficient funds to pay the current level of monthly distributions to all Vanguard unitholders.

If the transactions contemplated by the Eagle Rock merger agreement are consummated, based on this distribution amount on approximately 130.80 million Vanguard common units (including the 12,320 Vanguard common units issued to members of LRE GP), the combined pro forma Vanguard monthly distribution with respect to the month ended June 30, 2015, had the merger and the Eagle Rock merger been completed prior to the record date for such distribution, would have totalled approximately $15.37 million, which is an additional $5.19 million compared to the historical distribution amount for the month ended June 30, 2015. If, however, the transactions contemplated by the Eagle Rock merger agreement are not consummated, based on this distribution amount on approximately 102.05 million Vanguard common units (including the 12,320 Vanguard common units issued to members of LRE GP), the combined pro forma Vanguard monthly distribution with respect to the month ended June 30, 2015, had the merger been completed prior to the record date for such distribution, would have totalled approximately $11.99 million, which is an additional $1.82 million compared to the historical distribution amount for the month ended June 30, 2015.

LRE unitholders will have a reduced percentage ownership of the combined entity after the merger, and, if completed, the Eagle Rock merger, and will exercise less influence over management.

When the merger occurs, each LRE unitholder that receives Vanguard common units will become a unitholder of Vanguard with a percentage ownership of the combined organization that is much smaller than such unitholder s percentage ownership of LRE. If the Eagle Rock merger is completed, such ownership percentage of the combined organization will decline further.

Vanguard common units to be received by LRE unitholders as a result of the merger have different rights from LRE common units.

Following completion of the merger, LRE unitholders will no longer hold LRE common units, but will instead be unitholders of Vanguard. There are important differences between the rights of LRE unitholders and the rights of Vanguard unitholders. See Comparison of Rights of Vanguard Common Unitholders and LRE Unitholders for a discussion of the different rights associated with LRE common units and Vanguard common units.

TABLE OF CONTENTS

No ruling has been obtained with respect to the U.S. federal income tax consequences of the merger.

No ruling has been or will be requested from the IRS with respect to the U.S. federal income tax consequences of the merger. Instead, Vanguard and LRE are relying on the opinions of their respective counsel as to the U.S. federal income tax consequences of the merger, and counsel s conclusions may not be sustained if challenged by the IRS. Please read Material U.S. Federal Income Tax Consequences of the Merger.

The expected U.S. federal income tax consequences of the merger are dependent upon Vanguard and LRE being treated as partnerships for U.S. federal income tax purposes.

The treatment of the merger as nontaxable to holders of LRE common units is dependent upon Vanguard and LRE each being treated as a partnership for U.S. federal income tax purposes. If Vanguard or LRE were treated as a corporation for U.S. federal income tax purposes, the consequences of the merger would be materially different and the merger would likely be a fully taxable transaction to a holder of LRE common units.

LRE unitholders could recognize taxable income or gain for U.S. federal income tax purposes, in certain circumstances, as a result of the merger.

For U.S. federal income tax purposes, LRE will be deemed to contribute all of its assets to Vanguard in exchange for Vanguard common units, the assumption of LRE s liabilities and cash in lieu of fractional Vanguard common units, followed by a liquidation of LRE in which Vanguard common units and cash are distributed to LRE unitholders. The actual receipt of cash and the deemed receipt of cash by LRE in the merger could trigger gain to LRE either because it would be treated as part of a sale or because it exceeds LRE s adjusted tax basis in its assets at the closing of the merger, and any such gain would be allocated to the LRE unitholders pursuant to the LRE partnership agreement. The actual receipt of cash and the deemed receipt of cash by LRE will qualify for one or more exceptions to sale treatment and LRE does not currently expect that it will recognize gain as a result of the deemed receipt of cash in the merger exceeding its adjusted tax basis in its assets. Please read Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to LRE. In addition, as a result of the merger, holders of LRE common units who receive Vanguard common units will become limited partners of Vanguard for U.S. federal income tax purposes and will be allocated a share of Vanguard s nonrecourse liabilities. Each such LRE unitholder will be treated as receiving a deemed cash distribution equal to the excess, if any, of such LRE unitholder s share of nonrecourse liabilities of LRE immediately before the merger over such LRE unitholder s share of nonrecourse liabilities of Vanguard immediately following the merger. If the amount of cash actually received in the merger plus any deemed cash distribution received by such LRE unitholder exceeds the LRE unitholder s basis in his LRE units, such LRE unitholder will recognize gain in an amount equal to such excess. While there can be no assurance, Vanguard and LRE expect that most holders of LRE common units will not recognize gain in this manner. The amount and effect of any gain that may be recognized by holders of LRE common units will depend on such unitholder s particular situation, including the ability of such unitholder to utilize any suspended passive losses. For additional information, please read Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to LRE Common Unitholders.

A holder of LRE common units may have a holding period for Vanguard common units received in the merger that is shorter than such holder s holding period in the surrendered LRE common units.

As a result of the merger, LRE will be deemed to contribute its assets to Vanguard in exchange for Vanguard common units, the assumption of LRE s liabilities, and cash in lieu of fractional Vanguard common units followed by a liquidation of LRE in which Vanguard common units and cash are distributed to holders of LRE common units. Such unitholders holding period in the Vanguard common units received in the merger will not be determined by reference to their holding period in the surrendered LRE common units. Instead, such unitholders holding period in the Vanguard common units received in the merger that are attributable to LRE s capital assets or assets used in its business as defined in Section 1231 of the Code will include LRE s holding period in those assets. The holding period for Vanguard common units received by a holder of LRE common units attributable to other assets of LRE, such as inventory and receivables, will begin on the day following the merger.

TABLE OF CONTENTS

Vanguard may not be able to complete the pending Eagle Rock merger, which could adversely affect its business.

Completion of the Eagle Rock merger is subject to, among other things, the approval of Eagle Rock unitholders of the Eagle Rock merger agreement, the Vanguard unitholders approval of the issuance of Vanguard common units to Eagle Rock s unitholders pursuant to the Eagle Rock merger agreement and other customary closing conditions. It is possible that Eagle Rock unitholder approval or Vanguard unitholder approval may not be received in a timely manner or at all, or that one or more other closing conditions may not be satisfied or, if not satisfied, that such conditions may not be waived in accordance with the terms of the Eagle Rock merger agreement. The Eagle Rock merger is a transaction separate and apart from the merger and the completion of the Eagle Rock merger is not a condition to the completion of the merger, and the completion of the merger is not a condition to the completion of the Eagle Rock merger. Therefore, it is possible that the merger will be consummated but the Eagle Rock merger will not be consummated. If Vanguard is unable to complete the Eagle Rock merger, Vanguard will not fully realize the anticipated benefits of the Eagle Rock merger.

Risk Factors Relating to the Ownership of Vanguard Common Units

The Vanguard limited liability company agreement limits Vanguard s duties to its unitholders and restricts the remedies available to unitholders for actions taken by Vanguard that might otherwise constitute breaches of duty.

The Vanguard limited liability agreement contains provisions that reduce the standards to which Vanguard might otherwise be held by state fiduciary duty law. For example, the Vanguard limited liability company agreement:

provides that the board of directors of Vanguard will not have breached any duty to Vanguard or Vanguard unitholders for decisions made so long as such person acted in good faith, meaning it believed the determination or other action was in the best interests of Vanguard;
provides generally that affiliated transactions and resolutions of conflicts of interest not approved by Vanguard s conflicts committee or by a vote of Vanguard unitholders must be on terms no less favorable to Vanguard than those generally being provided to or available from unrelated third parties or be fair and reasonable to Vanguard and that, in determining whether a transaction or resolution is fair and reasonable, the totality of the relationships between the parties involved may be considered, including other transactions that may be particularly advantageous or beneficial to Vanguard; and
provides that the officers and directors of Vanguard will not be liable for monetary damages to Vanguard or its unitholders for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that such persons acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the conduct was criminal.

Any Vanguard unitholder is bound by the provisions in the Vanguard liability company agreement, including those discussed above.

The Vanguard limited liability company agreement restricts the voting rights of those unitholders owning 20% or more of Vanguard s common units.

Vanguard unitholders voting rights are restricted by the Vanguard limited liability company agreement provision providing that any units held by a person that owns 20% or more of any class of units then outstanding, other than its founding unitholder and his affiliates or transferees and persons who acquire such units with the prior approval of the board of directors of Vanguard, cannot vote on any matter. The Vanguard limited liability company agreement also contains provisions limiting the ability of Vanguard unitholders to call meetings or to acquire information about its operations, as well as other provisions limiting Vanguard unitholders ability to influence the manner or direction of Vanguard s management.

The Vanguard limited liability company agreement restricts the voting rightsof those unitholders owning 20% or mor

TABLE OF CONTENTS

Vanguard may issue an unlimited number of additional units without common unitholder approval, which would dilute the ownership interest of existing unitholders.

Vanguard may, without the approval of Vanguard common unitholders, issue an unlimited number of additional limited liability company interests at any time, including common units, without the approval of Vanguard common unitholders. The issuance by Vanguard of additional units or other equity securities may have the following effects:

Vanguard unitholders proportionate ownership interest in Vanguard will may decrease;
the amount of cash available for distribution on each unit may decrease;
the relative voting strength of each previously outstanding unit may be diminished; and
the market price of Vanguard common units may decline.

The Vanguard limited liability company agreement provides for a limited call right that may require unitholders to sell their units at an undesirable time or price.

If, at any time, any person owns more than 90% of any class of the Vanguard units then outstanding, such person has the right, but not the obligation, which it may assign to any of its affiliates or to Vanguard, to acquire all, but not less than all, of the remaining Vanguard units of such class then outstanding at a price not less than the then-current market price of the units. As a result, unitholders may be required to sell their Vanguard common units at an undesirable time or price and therefore may receive a lower or no return on their investment. Vanguard unitholders may also incur a tax liability upon a sale of their units.

Vanguard does not have the same flexibility as other types of organizations to accumulate cash and equity to protect against illiquidity in the future.

Unlike a corporation, the Vanguard limited liability company agreement requires Vanguard to make quarterly distributions to its unitholders of all available cash, reduced by any amounts of reserves for commitments and contingencies, including capital and operating costs and debt service requirements. Vanguard pays distributions on a monthly basis. The value of Vanguard s units, including common units, may decrease in direct correlation with decreases in the amount Vanguard distribute per unit. Accordingly, if Vanguard experiences a liquidity problem in the future, it may have difficulty issuing more equity to recapitalize.

Vanguard s management may have conflicts of interest with its unitholders. The Vanguard limited liability company agreement limits the remedies available to its unitholders in the event its unitholders have a claim relating to conflicts of interest.

Conflicts of interest may arise between Vanguard s management, on the one hand, and Vanguard and its unitholders, on the other hand, related to the divergent interests of Vanguard s management. Situations in which the interests of Vanguard s management may differ from interests of its non-affiliated unitholders include, among others, the following situations:

the Vanguard limited liability company agreement gives its board of directors broad discretion in establishing cash

reserves for the proper conduct of its business, which will affect the amount of cash available for distribution. For example, Vanguard s management will use its reasonable discretion to establish and maintain cash reserves sufficient to fund its drilling program;

Vanguard s management team, subject to oversight from its board of directors, determines the timing and extent of its drilling program and related capital expenditures, asset purchases and sales, borrowings, issuances of additional units and reserve adjustments, all of which will affect the amount of cash that Vanguard distributes to its unitholders; and

affiliates of Vanguard s directors are not prohibited under its limited liability company agreement from investing or engaging in other businesses or activities that compete with Vanguard.

Vanguard s management may have conflicts of interest with its unitholders.The Vanguard limited liability company

TABLE OF CONTENTS

The price of Vanguard s common and cumulative preferred units could be subject to wide fluctuations and unitholders could lose a significant part of their investment.

During the first six months of 2015, the quoted market prices of Vanguard s common and cumulative preferred units fluctuated as follows:

	Closing Low	Closing High
Common unit (VNR)	$ 12.50	$ 18.72
Series A Preferred unit (VNRAP)	$ 21.85	$ 25.10
Series B Preferred unit (VNRBP)	$ 19.43	$ 23.68
Series C Preferred unit (VNRCP)	$ 19.75	$ 24.20

The market prices of Vanguard s common and cumulative preferred units are subject to fluctuations in response to a number of factors, most of which Vanguard cannot control, including:

fluctuations in broader securities market prices and volumes, particularly among securities of oil and natural gas companies and securities of publicly traded limited partnerships and limited liability companies;
changes in general conditions in the U.S. economy, financial markets or the oil and natural gas industry, including fluctuations in commodity prices;
changes in securities analysts recommendations and their estimates of Vanguard s financial performance;
the public s reaction to Vanguard s press releases, announcements and Vanguard s filings with the SEC;
changes in market valuations of similar companies;
departures of key personnel;
commencement of or involvement in litigation;
variations in Vanguard s quarterly results of operations or those of other oil and natural gas companies;
variations in the amount of Vanguard s monthly cash distributions; and
future issuances and sales of Vanguard s units.

In recent years, the securities market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. Future market fluctuations may result in a lower price of Vanguard s common units.

Vanguard Unitholders may have liability to repay distributions.

Under certain circumstances, Vanguard unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 18-607 of the Delaware Limited Liability Company Act, Vanguard may not make a distribution to unitholders if the distribution would cause Vanguard s liabilities to exceed the fair value of its assets. Delaware law provides that for a period of three years from the date of an impermissible distribution, members or unitholders who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited liability company for the distribution amount. A purchaser of Vanguard common units who becomes a member or unitholder is liable for the obligations of the transferring member to make contributions to the limited liability company that are known to such purchaser of units at the time it became a member and for unknown obligations if the liabilities could be determined from the Vanguard limited liability company agreement.

TABLE OF CONTENTS

An increase in interest rates may cause the market price of Vanguard s common units to decline.

Like all equity investments, an investment in Vanguard s common units is subject to certain risks. In exchange for accepting these risks, investors may expect to receive a higher rate of return than would otherwise be obtainable from lower-risk investments. Accordingly, as interest rates rise, the ability of investors to obtain higher risk-adjusted rates of return by purchasing government-backed debt securities may cause a corresponding decline in demand for riskier investments generally, including yield-based equity investments such as publicly traded limited liability company interests. Reduced demand for Vanguard s units resulting from investors seeking other more favorable investment opportunities may cause the trading price of Vanguard s common units to decline.

Vanguard s tax treatment depends on its status as a partnership for federal income tax purposes, as well as it not being subject to a material amount of entity-level taxation by individual states or local entities. If the IRS were to treat Vanguard as a corporation or if Vanguard were to become subject to a material amount of entity-level taxation for state or local tax purposes, it would substantially reduce the amount of cash available for payment for distributions on Vanguard s common units.

The anticipated after-tax economic benefit of an investment in Vanguard s common units depends largely on Vanguard being treated as a partnership for U.S. federal income tax purposes. A publicly traded partnership such as Vanguard may be treated as a corporation for U.S. federal income tax purposes unless it satisfies a qualifying income requirement. Based on its current operations Vanguard believes that it satisfies the qualifying income requirement, will satisfy the qualifying income requirement following the merger and will therefore be treated as a partnership. Failing to meet the qualifying income requirement or a change in current law could cause Vanguard to be treated as a corporation for federal income tax purposes or otherwise subject Vanguard to taxation as an entity. Vanguard has not requested, and does not plan to request, a ruling from the IRS with respect to its treatment as a partnership for federal income tax purposes.

If Vanguard were treated as a corporation for federal income tax purposes, it would pay federal income tax on its taxable income at the corporate tax rate, which is currently a maximum of 35% and would likely pay state income tax at varying rates. Distributions to Vanguard s common unitholders would generally be taxed again as corporate distributions and no income, gains, losses, or deductions would flow through to unitholders. Because a tax would be imposed on Vanguard as a corporation, its cash available for distribution to its unitholders would be substantially reduced. Therefore, treatment of Vanguard as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to its unitholders likely causing a substantial reduction in the value of its units.

At the state level, because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of any such tax on Vanguard by any such state will reduce the cash available for distribution to its unitholders.

The tax treatment of publicly traded partnerships or an investment in Vanguard s common units could be subject to potential legislative, judicial or administrative changes or differing interpretations, possibly applied on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including Vanguard, or an investment in Vanguard s common units may be modified by administrative, legislative or judicial changes or differing interpretations at any time. For example, the Obama Administration s budget proposal for fiscal year 2016 recommends that publicly traded partnerships earning income from activities related to fossil fuels be taxed as corporations beginning in 2021. From time to time, members of Congress propose and consider substantive changes to the existing U.S. federal income tax laws that affect publicly traded partnerships. One such legislative proposal would eliminate the qualifying income exception to the treatment of all publicly traded partnerships as corporations upon which Vanguard relies for its treatment as a partnership for U.S. federal income tax purposes. Vanguard is unable to predict whether any of these changes or other proposals will be reintroduced or will ultimately be enacted. Any such changes could negatively impact the value of an investment in Vanguard s common units. Any modification to the U.S. federal income tax laws may be applied retroactively and could make it more difficult or impossible to meet the exception for certain publicly traded partnerships to be treated as partnerships for U.S. federal income tax purposes.

TABLE OF CONTENTS

If the IRS contests the federal income tax positions Vanguard takes, the market for Vanguard s common units may be adversely impacted, and the cost of any IRS contest will reduce Vanguard s cash available for distribution.

Vanguard has not requested a ruling from the IRS with respect to its treatment as a partnership for federal income tax purposes. The IRS may adopt positions that differ from the positions it takes. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions Vanguard takes. A court may not agree with some or all of the positions it takes. Any contest with the IRS may materially and adversely impact the market for Vanguard s common units and the price at which they trade. In addition, the costs of any contest with the IRS will be borne indirectly by Vanguard s unitholders because the costs will reduce its cash available for distribution.

Vanguard unitholders may be required to pay taxes on their share of income even if they do not receive any cash distributions from Vanguard.

Because Vanguard s unitholders will be treated as partners to whom Vanguard will allocate taxable income that could be different in amount than the cash Vanguard distributes, they will be required to pay any federal income taxes and, in some cases, state and local income taxes on their share of Vanguard s taxable income even if they receive no cash distributions from Vanguard. Vanguard s unitholders may not receive cash distributions from Vanguard equal to their share of Vanguard s taxable income or even equal to the tax liability that results from that income.

Tax gain or loss on the disposition of Vanguard common units could be more or less than expected.

If a unitholder sells his Vanguard common units, he will recognize gain or loss equal to the difference between the amount realized and his tax basis in those common units. Prior distributions to a Vanguard unitholder in excess of the total net taxable income he was allocated for a Vanguard common unit, which decreased his tax basis in that common unit, will, in effect, become taxable income to him to the extent the common unit is sold at a price greater than his tax basis in that common unit, even if the price is less than his original cost. A substantial portion of the amount realized, whether or not representing gain, may be ordinary income. In addition, because the amount realized includes a unitholder s share of Vanguard s nonrecourse liabilities, if a unitholder sells his Vanguard common units, he may incur a tax liability in excess of the amount of cash he receives from the sale.

Tax-exempt entities and non-U.S. persons face unique tax issues from owning Vanguard common units that may result in adverse tax consequences to them.

Investment in Vanguard common units by tax-exempt entities, such as individual retirement accounts (IRAs), other retirement plans and non-U.S. persons raises issues unique to them. For example, virtually all of Vanguard s income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file United States federal tax returns and pay tax on their share of Vanguard s taxable income. If a Vanguard unitholder is a tax-exempt entity or a non-U.S. person, he should consult his tax advisor before investing in Vanguard common units.

Vanguard will treat each purchaser of Vanguard common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Due to a number of factors, including its inability to match transferors and transferees of its common units, Vanguard will adopt depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to its unitholders. It also could affect the timing of these tax benefits or the amount of gain from the sale of Vanguard s common units and could have a negative impact on the value of Vanguard s common units or result in audit adjustments to a unitholders tax returns.

TABLE OF CONTENTS

Vanguard prorates its items of income, gain, loss and deduction between transferors and transferees of its units each month based upon the ownership of its units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among Vanguard s unitholders.

Vanguard prorates its items of income, gain, loss and deduction between transferors and transferees of its units each month based upon the ownership of its units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The use of this proration method may not be permitted under existing Treasury Regulations. Recently, the U.S. Treasury Department issued proposed Treasury Regulations that provide a safe harbor pursuant to which a publicly traded partnership may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders. The proposed regulations do not, however, specifically authorize the use of the proration method Vanguard has adopted. If the IRS were to challenge its proration method or new Treasury Regulations were issued, Vanguard may be required to change the allocation of items of income, gain, loss and deduction among unitholders.

A Vanguard unitholder whose units are the subject of a securities loan (e.g., a loan to a short seller to cover a short sale of units) may be considered to have disposed of those units. If so, he would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition.

Because there are no specific rules governing the federal income tax consequences of loaning a partnership interest, a unitholder whose units are the subject of a securities loan may be considered to have disposed of the loaned units. In that case, he may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of Vanguard s income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan of their units are urged to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

The sale or exchange of 50% or more of Vanguard s capital and profits interests during any twelve-month period will result in the termination of Vanguard for federal income tax purposes.

Vanguard will be considered to have constructively terminated its partnership for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in its capital and profits within a twelve-month period. For purposes of determining whether the 50% threshold has been met, multiple sales of the same interest are counted only once. Vanguard s termination would, among other things, result in the closing of its taxable year for all unitholders, which would result in Vanguard filing two tax returns (and its unitholders receiving two Schedule K-1s) for one calendar year and could result in a deferral of depreciation deductions allowable in computing its taxable income. In the case of a unitholder reporting on a taxable year other than a calendar year, the closing of Vanguard s taxable year may also result in more than twelve months of its taxable income or loss being includable in such unitholder s taxable

income for the year of termination. Vanguard s termination currently would not affect its classification as a partnership for federal income tax purposes, but instead, it would be treated as a new partnership for federal income tax purposes. If treated as a new partnership, Vanguard must make new tax elections and could be subject to penalties if it is unable to determine in a timely manner that a termination occurred. The IRS has announced a relief procedure whereby if a publicly traded partnership that has technically terminated requests and the IRS grants special relief, the partnership may be permitted to provide only a single Schedule K-1 to its unitholders for the tax year in which the termination occurs.

Vanguard unitholders may be subject to state and local taxes and return filing requirements in jurisdictions where they do not live as a result of investing in Vanguard common units.

In addition to federal income taxes, Vanguard unitholders may be subject to return filing requirements and other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which Vanguard conducts business or owns property now or in the future, even if you do not live in any of those jurisdictions. Further, Vanguard

The sale or exchange of 50% or more of Vanguard s capital and profitsinterests during any twelve-month period wi

TABLE OF CONTENTS

unitholders may be subject to penalties for failure to comply with those return filing requirements. Vanguard currently conducts business and owns assets in many states. Several of these states currently impose a personal income tax on individuals, and all of these states impose an income tax on corporations and other entities. As Vanguard makes acquisitions or expands its business, it may conduct business or own assets in additional states that impose a personal income tax. It is the responsibility of each unitholder to file all U.S. federal, state and local tax returns.

Vanguard unitholders may be subject to state and local taxes and return filingrequirements in jurisdictions where th

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated herein by reference include forward-looking statements as defined by the SEC. All statements other than historical facts, including, without limitation, statements regarding the expected benefits of the proposed transaction to Vanguard and LRE and their respective unitholders, the anticipated completion of the proposed transaction or the timing thereof, the expected future reserves, production, financial position, business strategy, revenues, earnings, costs, capital expenditures and debt levels of the combined company, and plans and objectives of management for future operations, are forward-looking statements. When used in this proxy statement/prospectus, words such as we may, can, expect, intend, plan, estimate, anticipate, project, foresee, believe, will or should, would, could, or the negative thereof or variations thereon or terminology are generally intended to identify forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of Vanguard, LRE, Eagle Rock or of the combined company. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. These risks and uncertainties include, but are not limited to:

the ability to obtain unitholder approval of the proposed transaction;
the ability to complete the proposed transaction on anticipated terms and timetable;
Vanguard s, LRE s and Eagle Rock s ability to integrate successfully after the transaction and achieve anticipated benefits from the proposed transaction;
the possibility that various closing conditions for the transaction may not be satisfied or waived;
risks relating to any unforeseen liabilities of Vanguard, LRE or Eagle Rock;
declines in oil, NGLs or natural gas prices;
the level of success in exploitation, development and production activities;
adverse weather conditions that may negatively impact development or production activities;
the timing of exploitation and development expenditures;
inaccuracies of reserve estimates or assumptions underlying them;
revisions to reserve estimates as a result of changes in commodity prices;
impacts to financial statements as a result of impairment write-downs;
risks related to level of indebtedness and periodic redeterminations of the borrowing base under Vanguard s, LRE s and Eagle Rock s credit agreements;
the ability of Vanguard, LRE and Eagle Rock to comply with covenants contained in the agreements governing their indebtedness;
ability to generate sufficient cash flows from operations to meet the internally funded portion of any capital expenditures budget;
ability to obtain external capital to finance exploitation and development operations and acquisitions;
federal, state and local initiatives and efforts relating to the regulation of hydraulic fracturing; failure of properties to yield oil or gas in commercially viable quantities;
uninsured or underinsured losses resulting from oil and gas operations;
inability to access oil and gas markets due to market conditions or operational impediments;
the impact and costs of compliance with laws and regulations governing oil and gas operations;
ability to replace oil and natural gas reserves;
any loss of senior management or technical personnel;

TABLE OF CONTENTS

competition in the oil and gas industry;
risks arising out of hedging transactions; and
other risks described under the caption Risk Factors in Vanguard s and LRE s respective Annual Reports on Form 10-K for the year ended December 31, 2014.

Unless expressly stated otherwise, forward-looking statements are based on the expectations and beliefs of the respective managements of Vanguard and LRE, based on information currently available, concerning future events affecting Vanguard and LRE. Although Vanguard and LRE believe that these forward-looking statements are based on reasonable assumptions, they are subject to uncertainties and factors related to Vanguard s and LRE s operations and business environments, all of which are difficult to predict and many of which are beyond Vanguard s and LRE s control. Any or all of the forward-looking statements in this proxy statement/prospectus may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. The foregoing list of factors should not be construed to be exhaustive. Many factors mentioned in this proxy statement/prospectus, including the risks outlined under the caption Risk Factors contained in Vanguard s or LRE s Exchange Act reports incorporated herein by reference will be important in determining future results, and actual future results may vary materially. There is no assurance that the actions, events or results of the forward-looking statements will occur, or, if any of them do, when they will occur or what effect they will have on Vanguard s or LRE s results of operations, financial condition, cash flows or distributions. In view of these uncertainties, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of their dates. Except as required by law, neither Vanguard nor LRE intends to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

TABLE OF CONTENTS

THE PARTIES

Vanguard Natural Resources, LLC

Vanguard Natural Resources, LLC is a limited liability company formed in Delaware in 2006 with common units listed and traded on the NASDAQ under the symbol VNR. Vanguard is an independent energy company focused on the acquisition, exploitation and development of mature, long-lived oil and natural gas properties in the United States. Vanguard s properties and oil and natural gas reserves are located in nine operating basins:

the Green River Basin in Wyoming;
the Piceance Basin in Colorado;
the Permian Basin in West Texas and New Mexico;
the Gulf Coast Basin in Texas and Mississippi;
the Big Horn Basin in Wyoming and Montana;
the Arkoma Basin in Arkansas and Oklahoma;
the Williston Basin in North Dakota and Montana;
the Wind River Basin in Wyoming; and
the Powder River Basin in Wyoming.

As of December 31, 2014, Vanguard s total estimated proved reserves were 2,031.3 Bcfe, of which approximately 15% were oil reserves, 73% were natural gas reserves and 12% were NGLs reserves. Of these reserves, 68% were classified as proved developed.

As of December 31, 2014, Vanguard owned working interests in 9,759 gross (3,664 net) productive wells, which accounted for approximately 53% of Vanguard s total estimated proved reserves at December 31, 2014. Vanguard s average net daily production for the year ended December 31, 2014 was 327,109 Mcfe/day.

In addition, as of December 31, 2014, Vanguard owned approximately 870,140 gross undeveloped leasehold acres surrounding its existing wells. As of December 31, 2014, Vanguard had identified 1,254 proved undeveloped drilling locations and over 3,931 other drilling locations on its leasehold acreage.

The address of Vanguard s principal executive offices is 5847 San Felipe, Suite 3000, Houston, Texas 77057. Additional information about Vanguard and its subsidiaries is included in the documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

LRR Energy, L.P.

LRR Energy, L.P. is a Delaware limited partnership formed in April 2011 by Lime Rock Management LP, an affiliate of Lime Rock Resources A, L.P., Lime Rock Resources B, L.P. and Lime Rock Resources C, L.P., with common units listed and traded on the NYSE under the symbol LRE. LRE is an independent energy company focused on the operation, acquisition, exploitation and development of producing oil and natural gas properties in North America with long-lived, predictable production profiles. LRE s properties consist of mature, low-risk onshore oil and natural gas reservoirs with long-lived, predictable production profiles located across three diverse producing regions:

the Permian Basin region in West Texas and Southeast New Mexico;
the Mid-Continent region in Oklahoma and East Texas; and
the Gulf Coast region in Texas.

61

TABLE OF CONTENTS

As of December 31, 2014, LRE s total estimated proved reserves were 33.8 MMBoe, of which approximately 88% were proved developed reserves (approximately 73% proved developed producing and approximately 15% proved developed non-producing). As of December 31, 2014, LRE operated 87% of its proved reserves. LRE s proved reserves had a standardized measure of $441.7 million as of December 31, 2014. For the year ended December 31, 2014, LRE s average net production was 6,433 Boe/d.

The address of LRE s principal executive offices is Heritage Plaza, 1111 Bagby Street, Suite 4600, Houston, Texas 77002. Additional information about LRE and its subsidiaries is included in the documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

Eagle Rock Energy Partners, L.P.

Eagle Rock Energy Partners, L.P. is a Delaware limited partnership formed in May 2006, with common units listed and traded on the NASDAQ under the symbol EROC. Eagle Rock is engaged in (a) the exploitation, development, and production of oil and natural gas properties and (b) ancillary gathering, compressing, treating, processing and marketing services with respect to its production of natural gas, natural gas liquids, condensate and crude oil. Eagle Rocks interests include long-lived, high working interest properties with extensive production histories and development opportunities located in the following four regions of the United States:

the Mid-Continent, which includes areas in Oklahoma, Arkansas and the Texas Panhandle;
Alabama, which includes associated gathering and processing assets;
Permian, which includes areas in West Texas; and
East Texas, South Texas and Mississippi.

As of December 31, 2014, Eagle Rock s working interest properties included 561 gross operated productive wells and 1,217 gross non-operated wells with net production of approximately 73.5 MMcfe/d and proved reserves of approximately 169.1 Bcf of natural gas, 11.0 MMBbls of crude oil, and 13.8 MMBbls of natural gas liquids, of which 78.5% were proved developed. The reserve life index of Eagle Rock s properties is approximately 11.8 years based on Eagle Rock s average daily production for the year ended 2014.

The address of Eagle Rock s principal executive offices is 1415 Louisiana Street, Suite 2700, Houston, Texas 77002. Additional information about Eagle Rock and its subsidiaries is included in the documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

The Eagle Rock merger is a transaction separate and apart from the merger. The completion of the Eagle Rock merger is not a condition to the completion of the merger, and the completion of the merger is not a condition to the completion of the Eagle Rock merger.

TABLE OF CONTENTS

THE LRE SPECIAL MEETING

LRE is providing this proxy statement/prospectus to its unitholders in connection with the solicitation of proxies to be voted at the special meeting of unitholders that LRE has called for, among other things, the purpose of holding a vote upon a proposal to approve the merger agreement and the transactions contemplated thereby and at any adjournment or postponement thereof. This proxy statement/prospectus constitutes a prospectus for Vanguard in connection with the issuance by Vanguard of its common units in connection with the merger and the purchase of the limited liability company interests in LRE GP. This proxy statement/prospectus is first being mailed to LRE s unitholders on or about September 4, 2015, and provides LRE unitholders with the information they need to know to be able to vote or instruct their vote to be cast at the LRE special meeting.

Date, Time and Place

The special meeting will be held at Two Allen Center, 1200 Smith Street, the Forum Assembly Room on the 12th Floor, Houston, TX 77002 on October 5, 2015 at 10:00 a.m., local time.

Purpose

At the LRE special meeting, LRE unitholders will be asked to vote solely on the following proposals:

Proposal 1: to approve the merger agreement, as such agreement may be amended from time to time, and the transactions contemplated thereby;
Proposal 2: to approve, on an advisory, non-binding basis, the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and
Proposal 3: to approve the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

LRE GP s Board Recommendation

The board of directors of LRE GP recommends that unitholders of LRE vote:

Proposal 1: **FOR** the approval of the merger agreement and the transactions contemplated thereby;
Proposal 2: **FOR** the approval, on an advisory, non-binding basis, of the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and
Proposal 3: **FOR** the approval of any adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

Among other things, the LRE GP conflicts committee has determined that the merger agreement is advisable to and in the best interests of, LRE and its unitholders who are not affiliates of LRE GP and has approved the merger agreement and recommended that the board of directors of LRE GP approve the merger agreement. Based upon, among other things, the recommendation of the LRE GP conflicts committee, the board of directors of LRE GP unanimously (i) determined that the merger agreement and the merger are in the best interests of LRE and its unitholders, (ii) approved the merger and the merger agreement and (iii) resolved to recommend approval of the merger agreement and the transactions contemplated thereby to the LRE unitholders. See Proposal 1: The Merger Recommendation of LRE GP s Board of Directors and Its Reasons for the Merger.

In considering the recommendation of the board of directors of LRE GP with respect to the merger agreement and the transactions contemplated thereby, you should be aware that some of LRE GP s directors and executive officers may have interests that are different from, or in addition to, the interests of LRE unitholders more generally. See Proposal 1: The Merger Interests of Directors and Executive Officers of LRE GP in the Merger.

TABLE OF CONTENTS

LRE Record Date; Outstanding Units; Units Entitled to be Voted

The record date for the LRE special meeting is August 28, 2015. Only LRE unitholders of record at the close of business on the record date will be entitled to receive notice of and to vote at the LRE special meeting or any adjournment or postponement of the meeting.

As of the close of business on August 28, 2015, there were 28,074,433 LRE common units outstanding and entitled to be voted at the meeting. Each holder of LRE common units is entitled to one vote for each LRE common unit held by it.

If at any time any person or group (other than LRE GP or its affiliates) beneficially owns 20% or more of any class of LRE units then outstanding, then such person or group loses voting rights on all of its units and such units will not be considered outstanding. This loss of voting rights does not apply to (i) any person or group who acquired 20% or more of any class of LRE units directly from LRE GP or its affiliates (other than directly from LRE), (ii) any person or group who directly or indirectly acquired 20% or more of any class of LRE units from that person or group described in clause (i) provided that LRE GP notified such transferee in writing that such loss of voting rights did not apply, or (iii) any person or group who acquired 20% or more of any class of LRE units if LRE GP notified such person or group in writing that such loss of voting rights did not apply. As of August 27, 2015, no person or group (other than LRE GP and its affiliates) beneficially owns 20% or more of any class of LRE units.

A complete list of LRE unitholders entitled to vote at the LRE special meeting will be available for inspection at the principal place of business of LRE during regular business hours for a period of no less than ten days before the LRE special meeting and at the place of the LRE special meeting during the meeting.

Quorum

A quorum of unitholders is required to vote on the approval of the merger agreement at the LRE special meeting, but not to approve any adjournment of the meeting. The holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units must be represented in person or by proxy at the meeting in order to constitute a quorum. Any abstentions made by a unitholder pursuant to a valid proxy or at the meeting and broker non-votes (if any) will be counted in determining whether a quorum is present at the LRE special meeting.

Required Vote

To approve the merger agreement and the transactions contemplated thereby, the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units, voting together as a single class, must affirmatively vote in favor of approval of the merger agreement and the transactions contemplated thereby. To approve (on an advisory, non-binding basis) the proposal regarding merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger, the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units, voting together as a single class, must vote in favor of such proposal.

Because approval is based on the affirmative vote of the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units, voting together as a single class, an LRE unitholder s failure to submit a proxy card or to vote in person at the LRE special meeting or an abstention from voting, or the failure of an LRE unitholder who holds his or her units in street name through a broker or other nominee to give voting instructions to such broker or other nominee, will have the same effect as a vote cast AGAINST approval of the merger agreement,

the transactions contemplated thereby and the merger-related compensation payments that may become payable as a result of the merger.

To approve the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting and if a quorum is present at, and if a limited partner vote is solicited on adjournment of, the meeting, holders of a majority of the outstanding LRE common units, voting together as a single class, must vote in favor of the proposal. If a quorum is not present at the meeting, the affirmative vote of the holders of a majority of the outstanding LRE common units present and entitled to be voted at such meeting represented either in person or by proxy, voting together as a single class, is required to adjourn. Because approval of this proposal is based on the

TABLE OF CONTENTS

affirmative vote of the holders, as of the record date of the special meeting, of a majority of the outstanding LRE common units, voting together as a single class, an LRE unitholder s failure to vote, an abstention from voting or the failure of an LRE unitholder who holds his or her units in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote cast AGAINST approval of this proposal.

Common Unit Ownership of and Voting by LRE GP s Directors and Executive Officers

At the close of business on the record date for the LRE special meeting, LRE GP s directors and executive officers and their affiliates beneficially owned and had the right to vote 8,962,552 LRE common units at the LRE special meeting, which represents approximately 32% of the LRE common units entitled to be voted at the LRE special meeting. It is expected that LRE GP s directors and executive officers will vote their LRE common units FOR the approval of the merger agreement and the transactions contemplated thereby, although none of them has entered into any agreement requiring them to do so.

Voting of Common Units by Holders of Record

If you are entitled to vote at the LRE special meeting and hold your LRE common units in your own name, you can submit a proxy or vote in person by completing a ballot at the LRE special meeting. However, LRE encourages you to submit a proxy before the LRE special meeting even if you plan to attend the LRE special meeting in order to ensure that your LRE common units are voted. A proxy is a legal designation of another person to vote your LRE common units on your behalf. If you hold common units in your own name, you may submit a proxy for your common units by:

calling the toll-free number specified on the enclosed proxy card and following the instructions when prompted;
accessing the Internet website specified on the enclosed proxy card and following the instructions provided to you; or
filling out, signing and dating the enclosed proxy card and mailing it in the prepaid envelope included with these proxy materials.

When a unitholder submits a proxy by telephone or through the Internet, his or her proxy is recorded immediately. LRE encourages its unitholders to submit their proxies using these methods whenever possible. If you submit a proxy by telephone or the Internet website, please do not return your proxy card by mail.

All LRE common units represented by each properly executed and valid proxy received before the LRE special meeting will be voted in accordance with the instructions given on the proxy. If an LRE unitholder executes a proxy card without giving instructions, the LRE common units represented by that proxy card will be voted as the board of directors of LRE GP recommends, which is:

Proposal 1: FOR the approval of the merger agreement and the transactions contemplated thereby;
Proposal 2: FOR the approval, on an advisory, non-binding basis, of the merger-related compensation payments that may become payable to certain of LRE s named executive officers in connection with the merger; and
Proposal 3: FOR the approval of the adjournment of the LRE special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

Your vote is important. Accordingly, please submit your proxy by telephone, through the Internet or by mail, regardless of whether you plan to attend the meeting in person. Proxies must be received by 11:59 p.m., Eastern Time, on October 4, 2015.

Voting of Common Units Held in Street Name

If your LRE common units are held in an account at a broker or through another nominee, you must instruct the broker or other nominee on how to vote your LRE common units by following the instructions

TABLE OF CONTENTS

that the broker or other nominee provides to you with these proxy materials. Most brokers offer the ability for unitholders to submit voting instructions by mail by completing a voting instruction card, by telephone and via the Internet.

If you do not provide voting instructions to your broker, your LRE common units will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is referred to in this proxy statement/prospectus and in general as a broker non-vote. Because the only proposals for consideration at the LRE special meeting are non-discretionary proposals, it is not expected that there will be any broker non-votes at the LRE special meeting. If there are any broker non-votes, they will be counted as LRE common units that are present and entitled to be voted for purposes of determining the presence of a quorum, but the broker or other nominee will not be able to vote your LRE common units on those matters for which specific authorization is required. Under the current rules of the NYSE, brokers do not have discretionary authority to vote on any of the proposals. Therefore, a broker non-vote (if any) will have the same effect as a vote cast AGAINST (i) approval of the merger agreement and the transactions contemplated thereby, (ii) approval of the merger-related compensation proposal and (iii) approval of the adjournment proposal.

If you hold common units through a broker or other nominee and wish to vote your LRE common units in person at the LRE special meeting, you must obtain a proxy from your broker or other nominee and present it to the inspector of election with your ballot when you vote at the LRE special meeting.

Revocability of Proxies; Changing Your Vote

You may revoke your proxy and/or change your vote at any time before your proxy is voted at the LRE special meeting. If you are a unitholder of record, you can do this by:

sending a written notice, no later than the Telephone/Internet deadline, to LRE at Heritage Plaza, 1111 Bagby Street, Suite 4600, Houston, Texas 77002, Attn: Secretary, that bears a date later than the date of the proxy and is received prior to the LRE special meeting and states that you revoke your proxy;
submitting a valid, later-dated proxy by mail, telephone or Internet that is received prior to the LRE special meeting; or
attending the LRE special meeting and voting by ballot in person (your attendance at the LRE special meeting will not, by itself, revoke any proxy that you have previously given).

If you hold your LRE common units through a broker or other nominee, you must follow the directions you receive from your broker or other nominee in order to revoke your proxy or change your voting instructions.

Solicitation of Proxies

This proxy statement/prospectus is furnished in connection with the solicitation of proxies by the board of directors of LRE GP to be voted at the LRE special meeting. Under the merger agreement, Vanguard and LRE agreed to each pay one-half of the expenses incurred in connection with the filing, printing and mailing of this proxy statement/prospectus. LRE will bear all other costs and expenses in connection with the solicitation of proxies. LRE has engaged Morrow & Co., LLC (Morrow) to assist in the solicitation of proxies for the meeting and LRE estimates it will pay Morrow a fee of approximately $7,500 for these services. LRE has also agreed to reimburse Morrow for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify Morrow against certain losses, costs and expenses. In addition, LRE may reimburse brokerage firms and other persons representing beneficial owners of LRE common units for their reasonable expenses in forwarding solicitation materials to such beneficial owners. Proxies may also be solicited by certain of LRE GP s directors, officers and employees by telephone, electronic mail, letter, facsimile or in person, but no additional compensation

will be paid to them.

LRE unitholders should not send unit certificates with their proxies. A letter of transmittal and instructions for the surrender of LRE common unit certificates will be mailed to LRE unitholders shortly after the completion of the merger.

TABLE OF CONTENTS

No Other Business

Under the LRE partnership agreement and the rules of conduct expected to be adopted for the LRE special meeting by LRE GP, the business to be conducted at the LRE special meeting will be limited to the purposes stated in the notice to LRE unitholders provided with this proxy statement/prospectus.

Adjournments

Adjournments may be made for the purpose of, among other things, soliciting additional proxies. To approve an adjournment if a quorum is present, holders of a majority of the outstanding LRE common units, voting together as a single class, must vote in favor of the proposal if the chairman of the meeting solicits a vote of the limited partners for adjournment of the meeting. If a quorum is not present, the affirmative vote of the holders of a majority of the outstanding LRE common units entitled to be voted at such meeting represented either in person or by proxy, voting together as a single class, is required to adjourn. LRE is not required to notify unitholders of any adjournment of 45 days or less if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At any adjourned meeting, LRE may transact any business that it might have transacted at the original meeting, provided that a quorum is present at such adjourned meeting. Proxies submitted by LRE unitholders for use at the LRE special meeting will be used at any adjournment or postponement of the meeting. References to the LRE special meeting in this proxy statement/prospectus are to such special meeting as adjourned or postponed.

LRE Unitholder Proposals

Ownership of LRE common units does not entitle LRE common unitholders to make proposals at the LRE special meeting. The LRE partnership agreement gives LRE GP the right to make rules regarding the conduct of such meetings and only permits the limited partners of LRE to have the right to vote on matters they are entitled to vote on under the LRE partnership agreement or with respect to matters that LRE GP determines to submit to a vote of the limited partners of LRE. As a result, LRE GP may adopt a rule for such meetings that only LRE GP may make proposals at such meetings, and it is expected that LRE GP will adopt such a rule of conduct for the LRE special meeting.

Assistance

If you need assistance in completing your proxy card or have questions regarding the LRE special meeting, please contact call Morrow, LRE s proxy solicitor, toll-free at (855) 264-1296 (banks and brokers can call collect at (203) 658-9400).

TABLE OF CONTENTS

PROPOSAL 1: THE MERGER

This section of the proxy statement/prospectus describes the material aspects of the proposed merger. This section may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the documents incorporated herein by reference, including the full text of the merger agreement (which is attached as Annex A), for a more complete understanding of the merger. In addition, important business and financial information about each of Vanguard, LRE and Eagle Rock is contained in or incorporated into this proxy statement/prospectus by reference. See Where You Can Find More Information.

Effect of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, the merger agreement provides for the merger of Merger Sub with and into LRE, with LRE continuing as the surviving entity, and, at the same time, the acquisition by Vanguard of LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard. LRE will cease to be a publicly traded limited partnership following completion of the merger. After the completion of the merger, the certificate of limited partnership of LRE in effect immediately prior to the effective time will be the certificate of limited partnership of the surviving entity, until amended in accordance with its terms and applicable law.

Each LRE common unit issued and outstanding or deemed issued and outstanding as of immediately prior to the effective time will be converted into the right to receive 0.550 Vanguard common units. Any LRE common units that are owned by LRE or Vanguard or any of their respective subsidiaries at the effective time will be cancelled without any conversion or payment of consideration in respect thereof.

Vanguard s common units had a value of $16.23 per unit, based on the closing price of Vanguard common units as of April 20, 2015. Because the exchange ratio was fixed at the time the merger agreement was executed and because the market value of Vanguard common units and LRE common units will fluctuate prior to the consummation of the merger, LRE unitholders cannot be sure of the value of the merger consideration they will receive relative to the value of LRE common units that they are exchanging. For example, decreases in the market value of Vanguard common units will negatively affect the value of the merger consideration that they receive, and increases in the market value of LRE common units may mean that the merger consideration that they receive will be less than anticipated on the date Vanguard and LRE entered into the merger agreement. See Risk Factors Risk Factors Relating to the Merger. Because the exchange ratio is fixed and because the market price of Vanguard common units will fluctuate prior to the consummation of the merger, LRE unitholders cannot be sure of the market value of the Vanguard common units they receive as merger consideration relative to the value of LRE common units they exchange.

Vanguard will not issue any fractional units in the merger. Instead, each holder of LRE common units to whom fractional units would have otherwise been issued will be entitled to receive from the exchange agent appointed by Vanguard pursuant to the merger agreement, subject to applicable withholding, a cash payment in lieu of such fractional interest based on the average trading prices of the Vanguard common units over the ten-day period prior to the closing date of the merger.

Under the merger agreement, each LRE restricted unit that is outstanding and unvested immediately prior to the effective time will, automatically and without any action on the part of the holder of such LRE restricted unit, vest in full and the restrictions with respect thereto will lapse and such LRE restricted unit shall be deemed to be LRE common units for purposes of the merger.

See the section entitled The Merger Agreement for further information.

Background of the Merger

The Vanguard Merger

LRE management and the board of directors of LRE GP regularly review operational and strategic opportunities to enhance unitholder value. From time to time, other master limited partnerships (MLPs) operating in the upstream oil and gas industry have approached LRE regarding strategic opportunities.

TABLE OF CONTENTS

In early May 2013, Scott W. Smith, President and Chief Executive Officer of Vanguard, approached Eric Mullins, Chairman of the board of directors of LRE GP and Co-Chief Executive Officer of LRE, on an unsolicited basis regarding a potential strategic combination of LRE with Vanguard. At such time, LRE was not actively seeking to engage in a strategic combination. On May 10, 2013, Mr. Smith and Mr. Mullins met to discuss the potential benefits of a merger transaction between LRE and Vanguard. Mr. Mullins advised LRE management and Jonathan Farber and Townes Pressler, Jr., both members of the board of directors of LRE GP, that LRE should enter into a confidentiality agreement with Vanguard so that LRE could provide Vanguard with the necessary information and other data to obtain a written proposal from Vanguard.

On May 24, 2013, LRE and Vanguard executed a confidentiality agreement in anticipation of a possible merger proposal. Over the course of the next five weeks, LRE and Vanguard exchanged business information with one another regarding their respective operations.

On July 2, 2013, members of Vanguard management made a presentation to LRE management outlining a proposed acquisition pursuant to which Vanguard would acquire all of LRE s outstanding common units in exchange for Vanguard common units at a fixed exchange ratio of 0.58x. The offer implied a 5% premium to the closing price of LRE s common units on the New York Stock Exchange on July 1, 2013. After analyzing the proposal, LRE management concluded that the proposed exchange ratio and implied valuation did not adequately take into account LRE s future growth potential. Based on an analysis of the merits of the proposed transaction, the board of directors of LRE GP and LRE management decided that this proposed acquisition by Vanguard was not in the best interests of LRE s unitholders at that time.

LRE management and the board of directors of LRE GP continued to review strategic opportunities to enhance unitholder value during the remainder of 2013 and 2014. In November 2014, oil and natural gas prices began to decline significantly, which materially impaired LRE s ability to access the capital markets. As a result of the depressed commodity prices, challenging capital markets and future liquidity concerns, LRE management believed it was in the best interests of LRE to consider engaging a firm to assist LRE in identifying potential strategic alternatives. LRE management s objectives in engaging in the strategic alternatives process were to identify potential business combinations or acquisitions that would create unitholder value and increase LRE s scale of operations, expand LRE s liquidity position and access to capital markets, and put LRE in the best position to benefit if and when commodity prices increased. LRE management contacted Tudor, Pickering, Holt & Co. Advisors, LLC, or TPH, in late December 2014 to discuss the potential engagement of TPH.

On January 6, 2015, LRE management met with representatives of TPH to discuss LRE s engagement of TPH to help identify and facilitate potential strategic alternatives, including potential asset acquisitions, joint venture transactions and strategic merger transactions between LRE and other public or private companies. TPH had previously acted as financial advisor to the LRE GP conflicts committee on transactions during 2012 and 2013 and was familiar with both LRE and the upstream oil and gas industry. During the initial phase of this strategic alternatives process, or Phase 1, which began in early 2015, LRE management directed TPH to focus its efforts on identifying potential strategic transactions with upstream companies other than public MLPs. LRE management s initial focus on upstream companies other than public MLPs was based on the belief that a transaction with an upstream company other than a public MLP would likely require more time to consummate than a transaction with a public upstream MLP. LRE management planned to consider the results of Phase 1 efforts prior to seeking a strategic transaction with a public upstream MLP, or Phase 2. On January 12, 2015, LRE and TPH agreed on a preliminary list of companies to contact in Phase 1. LRE management and TPH formulated the list largely based on the profiles of the oil and gas assets of these companies, which they believed to be well-suited for an MLP structure and thus complementary to LRE s existing assets. Throughout the process, LRE management periodically updated the board of directors of LRE GP and individual board members on the status and material developments of the process.

TPH began contacting companies on behalf of LRE in the middle of January 2015 and continued contacting companies over the next two months. A private exploration and production company, which we refer to as Company A, was contacted during this period. At the direction of LRE management, TPH did not begin Phase 2 until March 2015, as described below. Throughout Phase 1 and Phase 2, TPH contacted a total of 52

TABLE OF CONTENTS

companies, ten of which were upstream MLPs including Vanguard. Of the 52 companies contacted, 31 companies expressed initial interest in pursuing a transaction with LRE. Accordingly, LRE provided these 31 companies with a summary overview of LRE s business and operations, prepared using only LRE s publicly available information. Following delivery of the summary overview, 21 companies requested confidentiality agreements, and ultimately LRE executed confidentiality agreements with 13 companies. At the request of LRE management, TPH evaluated several of these potential bidders. All of the parties that signed confidentiality agreements were granted access to a virtual data room, or VDR, created by LRE and TPH to provide relevant non-public data necessary for their evaluation of LRE.

As a result of this strategic alternatives process, from late January 2015 through the middle of April 2015, LRE management engaged in extensive discussions with Company A. Company A had proved developed reserves that LRE management believed would complement LRE s existing asset base. LRE management and representatives from Company A, with the assistance of their respective financial advisors, conducted due diligence investigations of Company A s and LRE s assets and operations, respectively. LRE and Company A engaged in negotiations regarding a contemplated transaction pursuant to which LRE would acquire assets from Company A in exchange for LRE common units, an interest in LRE GP and LRE s assumption of Company A s outstanding debt. Both LRE and Company A made several non-binding proposals with respect to various forms of this proposed transaction.

Following the February 28, 2015 bid date for the companies contacted during Phase 1, on March 3, 2015, LRE management met with the board of directors of LRE GP during a regularly scheduled board meeting. LRE management provided the board of directors of LRE GP with an update on various strategic options and efforts, the status of negotiations regarding a potential transaction with Company A and the possibility of pursuing a merger of LRE with an upstream MLP. After considering the feedback from companies contacted during Phase 1, and having discussed the impact of current and projected commodity prices, expiring commodity hedges, liquidity and future debt repayment obligations on LRE s business and prospects, the board of directors of LRE GP decided to expand the strategic alternatives process to Phase 2 and include a potential merger with an upstream MLP. Additionally, in connection with this decision, the board of directors of LRE GP took into consideration, among other things, (i) an increasing risk that LRE s borrowing base under its revolving credit facility would be redetermined to a much lower level based on the current commodity price environment, which would then require a repayment (possibly with a term loan with much higher interest rates and fees) and/or a reduction or elimination of LRE s distributions to its unitholders, which could have materially adversely affected the trading price of the LRE common units, (ii) an increasing risk that LRE would need to further reduce or eliminate its quarterly cash distributions as a result of difficulties in the business caused by the prevailing commodity price environment and (iii) the potential for improved liquidity of the combined entity following a merger with an upstream MLP in comparison to LRE as a standalone entity.

On March 4, 2015, LRE management and TPH took part in a call in which LRE management instructed TPH to canvas interest among upstream MLPs for a potential merger transaction. TPH contacted ten upstream MLPs and discussed LRE s strategic alternatives process with them, informing them of an April 1, 2015 bid date. Five upstream MLPs that signed confidentiality agreements were given access to LRE s VDR for the purpose of evaluating a potential merger transaction with LRE. In response, LRE management received a written merger proposal only from Vanguard.

TPH began contacting upstream MLPs on March 5, 2015, and continued its initial contacts through the week of March 9, 2015. On March 5, 2015, representatives of TPH called Mr. Smith at Vanguard and informed him that TPH had been authorized to run a strategic alternatives process for LRE, including seeking a potential merger with another upstream MLP. On March 6, 2015, representatives of TPH called Mark S. Carnes, Director Acquisitions of Vanguard, to discuss the timing on data sharing and an expected bid date. Later that day, LRE and Vanguard signed a

confidentiality agreement, and Vanguard was granted access to LRE s VDR.

During the month of March 2015, LRE and Vanguard representatives exchanged data necessary for their detailed evaluation of their respective businesses. TPH and LRE collaborated to answer questions and respond

TABLE OF CONTENTS

to information requests from Vanguard management. On March 26, 2015, LRE management held a conference call with representatives from Vanguard to discuss and clarify certain information in the VDR.

On April 1, 2015, TPH received a written non-binding indication of interest from Vanguard to acquire LRE in a tax-free, unit-for-unit equity exchange with a proposed 0.535x exchange ratio. The non-binding proposal stated, among other things, that Vanguard needed to complete its due diligence review and obtain approval from its board of directors prior to signing a definitive merger agreement. As of March 31, 2015, the implied equity value of Vanguard s proposal was $210 million, which constituted a 17% premium to the closing price of LRE s common units on the New York Stock Exchange as of March 31, 2015.

On April 2, 2015, members of Vanguard management and representatives of TPH participated in a call with Mr. Smith and Mr. Carnes. During the call, representatives of TPH sought to clarify certain items mentioned in Vanguard s non-binding proposal letter and to indicate that Vanguard was involved in a competitive process and would have to increase the value of the consideration in its proposal.

On April 6, 2015, LRE engaged Andrews Kurth LLP, or Andrews Kurth, as its special counsel for legal matters related to the strategic alternatives process.

On April 7, 2015, an initial draft of a purchase agreement and plan of merger prepared by Paul Hastings LLP, or Paul Hastings, special counsel to Vanguard, was delivered to TPH and Andrews Kurth.

On April 8, 2015, Paul Hastings delivered initial drafts of a voting and support agreement, or the voting agreement, and a registration rights agreement to TPH. On that same day, Mr. Mullins spoke telephonically with Mr. Smith at Vanguard. Mr. Mullins mentioned to Mr. Smith that he was aware that both organizations were working to complete their respective diligence reviews and that he was interested in resolving Vanguard s outstanding inquiries or questions regarding LRE and the proposed merger transaction. Mr. Mullins mentioned that it was important to resolve all such questions so that any future acquisition proposals from Vanguard would not be contingent upon completion of its due diligence review with respect to LRE. Also on April 8, 2015, LRE, through Andrews Kurth, engaged Richards, Layton & Finger, P.A., or Richards Layton, as its special Delaware Counsel for legal matters.

On April 10, 2015, LRE management gave John Bailey, Chairman of the LRE GP conflicts committee, a verbal report regarding the TPH strategic alternatives process relating to a potential transaction with Vanguard or Company A and the status of negotiations with Vanguard, and asked Mr. Bailey to have the LRE GP conflicts committee review strategic alternatives and the proposed terms of the potential merger with Vanguard in light of all relevant circumstances. LRE management asked the LRE GP conflicts committee to review the potential merger to guard against potential conflicts of interests between LRE s general partner and its affiliates, on the one hand, and the Partnership and the other holders of its common units, on the other hand. During the evening of April 10, 2015, the LRE GP conflicts committee contacted Latham & Watkins LLP, or Latham, its special counsel, about the potential merger.

On April 11, 2015, an Andrews Kurth attorney delivered to a Paul Hastings attorney a revised draft of the proposed purchase agreement and plan of merger containing several changes to the terms and conditions of the proposed merger as compared to the initial draft prepared by Paul Hastings. Among other things, the revised draft prepared by Andrews Kurth expanded the ability of the board of directors of LRE GP to terminate the merger agreement in light of a superior proposal, modified the termination events that could give rise to obligations of LRE to pay Vanguard a termination fee or reimburse Vanguard for transaction expenses and balanced the representations and warranties to be made by each party.

On April 13, 2015, representatives from LRE, Vanguard, TPH and Citigroup, financial advisor to Vanguard, met in person at TPH s office in Houston. LRE and Vanguard presented a company and asset overview, and discussed outstanding due diligence items. Representatives of LRE and Vanguard agreed to provide each other with a financial forecast model for their diligence efforts. Immediately following the meeting, Mr. Mullins and Charles W. Adcock, Co-Chief Executive Officer of LRE and a member of the board of directors of LRE GP, met privately with Mr. Smith and Richard A. Robert, Executive Vice President, Chief Financial Officer and Secretary of Vanguard. The individuals discussed the potential timing of completing their respective due diligence investigations and negotiations. Mr. Mullins asked Mr. Smith and Mr. Robert to update Vanguard s proposal letter by removing the due diligence contingency and increasing the exchange ratio.

TABLE OF CONTENTS

On April 14, 2015, LRE management provided Mr. Bailey with Vanguard s non-binding proposal letter dated April 1, 2015. Also on that day, LRE management and Vanguard management exchanged financial forecast models regarding their respective companies. That same day, an Andrews Kurth attorney delivered a revised draft of the voting agreement to Paul Hastings. The revised draft of the voting agreement prepared by Andrews Kurth included several proposed changes to the initial draft prepared by Paul Hasting, including the insertion of an employee non-solicitation covenant and the removal of a lock-up provision that would restrict transfers of Vanguard units by certain LRE affiliates. Later in the day on April 14, 2015, a Paul Hastings attorney delivered to Andrews Kurth revised drafts of the merger agreement and the voting agreement as well as an initial draft of a termination and continuing obligations agreement, or the termination agreement. The revised draft of the merger agreement prepared by Paul Hastings, included a proposed termination fee of 3% of LRE s equity value and a provision that would require LRE to reimburse Vanguard s out-of-pocket expenses, up to a cap equal to 1% of LRE s equity value, upon a termination of the merger agreement, subject to certain conditions. In the revised draft of the voting agreement prepared by Paul Hastings, Vanguard reasserted its desire to include a 120-day lock-up provision applicable to LRE affiliates. Andrews Kurth provided Latham with the latest drafts of the agreements related to the proposed merger with Vanguard. Also on that day, LRE management received summary reserve report information and an updated corporate model from Vanguard management.

On April 15, 2015, TPH reviewed for LRE management preliminary financial analyses for the proposed transactions with Vanguard and Company A. LRE management provided this information to the board of directors of LRE GP. Also on that day, LRE management provided Mr. Bailey with the current drafts of the agreements that would govern the potential merger between LRE and Vanguard.

On April 15, 2015, the LRE GP conflicts committee engaged Simmons & Company International, or Simmons, as its financial advisor.

On April 16, 2015, Andrews Kurth provided revised drafts of the merger agreement, the voting agreement, the registration rights agreement and the termination and continuing obligations agreement to Paul Hastings. In the revised draft of the merger agreement, LRE proposed, among other things, a termination fee equal to 2% of LRE s equity value and that LRE reimburse Vanguard s out-of-pocket expenses in certain termination events of up to a cap equal to 0.5% of LRE s equity value. On that same day, LRE management provided the LRE GP conflicts committee and its advisors with the current drafts of the agreements that would govern the potential merger between LRE and Vanguard.

On April 17, 2015, the board of directors of LRE GP held a special meeting. Representatives from LRE management, TPH, Andrews Kurth and Richards Layton attended the meeting as invited guests. Mr. Mullins provided the board of directors of LRE GP with an update of the negotiation process with Vanguard and mentioned that he expected to receive a revised written proposal from Vanguard without a due diligence contingency soon. The board of directors of LRE GP also discussed and considered the latest proposal from Company A. Representatives of TPH reviewed for the board of directors of LRE GP preliminary financial analyses for the proposed transactions with Vanguard and Company A. Mr. Adcock noted that LRE management considered upstream MLPs as potential merger parties. Of the upstream MLPs, LRE management felt that Vanguard and one other upstream MLP were potentially the best fit for a merger with LRE and discussed various issues with the board of directors of LRE GP. Richards Layton provided the board of directors of LRE GP with a presentation summarizing fiduciary duties and responsibilities of the board of directors of LRE GP under Delaware law and discussed the contractual standards under LRE s limited partnership agreement. Andrews Kurth then discussed the terms of the merger agreement and related documents with the board of directors of LRE GP, highlighting the key terms, conditions and provisions of such agreements. The board of directors of LRE GP unanimously approved a resolution authorizing the LRE GP conflicts committee to review Vanguard s current proposal.

Later in the morning on April 17, 2015, the LRE GP conflicts committee met telephonically with its financial and legal advisors. The LRE GP conflicts committee discussed the qualifications and independence of Simmons and the process undertaken by LRE, with the assistance of TPH, to evaluate possible business combination transactions. The LRE GP conflicts committee also discussed the impact of falling commodity prices, expiring commodity hedges and future debt repayment obligations on LRE s business and prospects.

TABLE OF CONTENTS

Simmons provided an overview of the process to be undertaken by Simmons to evaluate the fairness, from a financial point of view, of the terms of the transaction being proposed by Vanguard to holders of common units of LRE other than LRM or affiliate entities (the unaffiliated LRE unitholders) and the scope of Simmons financial due diligence efforts.

Later in the day on April 17, 2015, representatives of Simmons spoke with LRE and Vanguard on separate calls regarding their financial projections and key assumptions, and other diligence questions. In the evening on April 17, 2015, Mr. Mullins received a revised non-binding proposal letter from Mr. Smith at Vanguard that removed the due diligence contingency but left the exchange ratio unchanged at 0.535x. On that same day, Mr. Mullins called Mr. Smith and Mr. Robert to discuss key outstanding items in the merger agreement and related documents, including the termination fee, lock-up period and LRE s permitted actions between signing of the merger agreement and the merger closing.

On the evening of April 17, 2015, a representative of Paul Hastings provided revised drafts of the merger agreement and related documents to Andrews Kurth. In the revised draft of the merger agreement, Vanguard proposed a termination fee equal to 3% of LRE s equity value and the potential reimbursement of transaction expenses upon a termination of the merger agreement up to a maximum amount equal to 0.5% of LRE s equity value. In the revised draft of the voting agreement, Vanguard proposed to reduce the lock-up period from 120 days to 90 days.

On April 18, 2015, the LRE GP conflicts committee met to discuss the proposed business combination transaction with Vanguard. Latham provided an overview of the fiduciary duties and responsibilities of the LRE GP conflicts committee under Delaware law and discussed the contractual standards under LRE s limited partnership agreement. Latham then commented on the draft transaction documents with respect to the proposed transaction, including a draft merger agreement, a draft voting and support agreement, a draft termination and continuing obligations agreement and a draft registration rights agreement. Simmons then described the activities being undertaken by Simmons, including various valuation methodologies being used to assess the fairness, from a financial point of view, of the terms of the proposed transaction to the unaffiliated LRE unitholders and the scope of its financial due diligence on Vanguard.

On April 18, 2015, a representative of Andrews Kurth provided revised drafts of the merger agreement, the voting agreement, the registration rights agreement and the termination and continuation of obligations agreement, along with a draft of LRE s disclosure schedules to Paul Hastings. In the revised draft of the merger agreement, LRE highlighted that both the termination fee and expenses cap required further review and discussion.

As of April 19, 2015, LRE s negotiations with Company A had not resulted in a proposal by Company A reflecting a valuation of Company A s business that LRE s management believed was compelling or in the best interests of LRE unitholders.

On April 19, 2015, Mr. Mullins spoke individually with each LRE GP board member about his plans to send Vanguard a counter-proposal. Mr. Mullins e-mailed Mr. Smith to inform him that he had spoken with all of the members of the board of directors of LRE GP and that he should expect a counter proposal letter to be sent to him within a few hours. Later that evening, Mr. Mullins sent Mr. Smith a non-binding written counter-proposal by email asking for a 0.567x exchange ratio, which was based on a 20% premium to LRE s 10-day volume-weighted average price, or VWAP, as of April 17, 2015, which was the same 10-day VWAP premium as Vanguard s initial proposal on April 1, 2015. As of April 17, 2015, the implied equity value of the LRE counter-proposal was $250 million, a 14% premium to the closing price of LRE s common units on the New York Stock Exchange as of April 17, 2015. Mr. Smith responded to Mr. Mullins by email that Vanguard s board would consider the counter-proposal and respond by 10:00 a.m. (Central Time) the following morning.

Also on April 19, 2015, the LRE GP conflicts committee met with its legal and financial advisors. Simmons provided the LRE GP conflicts committee with an analysis of the proposal from Vanguard and the methodologies undertaken by Simmons in connection with its evaluation of the fairness, from a financial point

TABLE OF CONTENTS

of view, of the proposed terms of the merger with Vanguard to the unaffiliated LRE unitholders. The LRE GP conflicts committee discussed the Partnership s business and prospects as a stand-alone entity and the merits of the Vanguard proposal.

On the morning of April 20, 2015, Mr. Smith called Mr. Mullins to inform him that Vanguard s board had agreed to increase the exchange ratio to 0.550x and that Mr. Smith would e-mail a revised written proposal letter to Mr. Mullins. Mr. Mullins promptly informed Mr. Bailey of the revised proposal. Later that morning, Mr. Smith emailed a revised non-binding proposal letter to Mr. Mullins. LRE management then circulated the revised Vanguard proposal to the board of directors of LRE GP, TPH, Andrews Kurth, the LRE GP conflicts committee, Simmons and Latham. As of April 17, 2015, the implied equity value of Vanguard s counter-proposal was $243 million, an 11% premium to the closing price of LRE s common units on the New York Stock Exchange on April 17, 2015.

Later on April 20, 2015, the LRE GP conflicts committee met telephonically with its financial and legal advisors. Simmons provided the LRE GP conflicts committee with an in-depth analysis of the proposal from Vanguard and the methodologies undertaken by Simmons in connection with its evaluation of the fairness, from a financial point of view, of the terms of the merger with Vanguard. After such discussion, Simmons delivered its oral opinion, which opinion was later confirmed by delivery of its written opinion dated as of such date that, based on and subject to the assumptions and limitations set forth therein, the terms of the merger contemplated by the merger agreement were fair, from a financial point of view, to the unaffiliated LRE unitholders. Representatives of Latham summarized the material terms of the merger agreement and related agreements. After hearing from their advisors and review and discussion by the LRE GP conflicts committee, the LRE GP conflicts committee unanimously determined that the merger agreement and related documents to be entered into by LRE in connection therewith were advisable to and in the best interests of LRE and the unaffiliated LRE unitholders, approved the merger agreement and the merger and recommended approval of the merger agreement and the merger by the board of directors of LRE GP. In providing its approval, the LRE GP conflicts committee intended such approval to constitute special approval for purposes of the LRE partnership agreement.

On the afternoon of April 20, 2015, Paul Hastings provided to LRE management and Andrews Kurth execution versions of the transaction documents, which were then distributed to the board of directors of LRE GP, the LRE GP conflicts committee, TPH, Simmons, Richards Layton and Latham. Later that day, a special meeting of the board of directors of LRE GP was held. Representatives from LRE, TPH and Andrews Kurth attended the meeting as invited guests. Mr. Mullins updated the board of directors of LRE GP on Vanguard s revised non-binding proposal, which increased the exchange ratio to 0.550x. Representatives of TPH provided the board of directors of LRE GP with an analysis of the revised proposal from Vanguard, after which TPH opined orally (subsequently confirmed in a written opinion dated April 20, 2015) that the merger consideration to be received in the merger by the holders of LRE common units pursuant to the merger agreement was, based upon and subject to the assumptions, qualifications and limitations described in its written opinion, fair, from a financial point of view, to such unitholders. Andrews Kurth then discussed the significant changes to the purchase agreement and plan of merger. Mr. Bailey presented a summary of the due diligence review work done by the LRE GP conflicts committee and its advisors. He noted that the LRE GP conflicts committee received a fairness opinion from Simmons that the terms of the merger contemplated by the merger agreement were fair, from a financial point of view, to the unaffiliated LRE unitholders. Mr. Mullins requested that Mr. Bailey provide a summary of the process that the LRE GP conflicts committee undertook with respect to the proposed merger, including the receipt of the Simmons fairness opinion. He explained that Simmons had access to the VDR and the management teams of LRE and Vanguard. He noted that Latham provided legal assistance to the LRE GP conflicts committee. Mr. Bailey mentioned that the LRE GP conflicts committee and its advisors conducted a thorough review of the advisability of the proposed merger, with careful consideration of any potential conflicts of interest. He then indicated that the LRE GP conflicts committee had unanimously determined that the merger agreement and related documents to be entered into by LRE in connection therewith were advisable to, and in the best

interests of, LRE and the unaffiliated LRE unitholders, approved the merger agreement and the merger and recommended approval by the board of directors of LRE GP of the merger agreement and the merger.

TABLE OF CONTENTS

There being no further questions, Mr. Mullins then provided a brief summary of each resolution that required approval. The resolutions related to the approval and authorization to enter into the purchase agreement and plan of merger, the voting and support agreement, the termination and continuing obligations agreement, as well as approval and authorization of other ancillary matters. All members of the board of directors of LRE GP approved the resolutions noted above.

Promptly following the meeting, Mr. Mullins called Mr. Smith and informed him that the board of directors of LRE GP had approved the merger with Vanguard. LRE management and Vanguard management executed the transaction documents on the afternoon of April 20, 2015. Later that afternoon, the parties issued a joint press release announcing the merger.

LRE s Consent to the Eagle Rock Merger

On May 4, 2015, Mr. Smith and Mr. Robert informed Mr. Adcock that Vanguard was in discussions with a third party regarding a potential merger of Vanguard and such third party. Mr. Smith mentioned that pursuant to the terms of the Vanguard and LRE merger agreement, Vanguard would need the consent of the board of directors of LRE GP before Vanguard could enter into a merger agreement with such third party.

On May 11, 2015, Mr. Robert informed Mr. Adcock that Vanguard made a formal offer to acquire Eagle Rock. Mr. Robert provided a background of the historical merger discussions between Vanguard and Eagle Rock. Mr. Robert sent Mr. Adcock a financial analysis of the potential Vanguard and Eagle Rock merger and a form of proposed consent of LRE pursuant to which LRE would consent to Vanguard entering into a merger agreement with Eagle Rock.

On May 12, 2015, Mr. Mullins individually updated each of the members of the board of directors of LRE GP and the LRE GP conflicts committee on the potential merger between Vanguard and Eagle Rock, and the requested consent.

Later on May 12, 2015, Mr. Mullins advised Andrews Kurth and TPH, and Mr. Bailey advised Latham and Simmons of a proposed business combination transaction between Vanguard and Eagle Rock. The advisors of the board of directors of LRE GP and of the LRE GP conflicts committee then began an evaluation of the proposed transaction.

On May 13, 2015, LRE and TPH delivered a list of due diligence requests to Vanguard regarding Vanguard s potential transaction with Eagle Rock. On that same day, LRE and Eagle Rock signed an acknowledgment to their existing confidentiality agreement to confirm that it covered information regarding the potential merger between LRE and Vanguard. Later that evening, LRE, TPH and Simmons were granted access to a VDR created by Eagle Rock to provide relevant non-public data necessary for the evaluation of Eagle Rock. Eagle Rock was granted access to the VDR that Vanguard used in its analysis of the transaction with LRE.

On May 14, 2015, Mr. Robert informed LRE management that Vanguard and Eagle Rock had agreed to a fixed exchange ratio of 0.185x but the form of consideration was still being negotiated. Later that afternoon, representatives from LRE, Eagle Rock, Vanguard, TPH and Simmons met telephonically. Eagle Rock presented a company and asset overview, and discussed current expectations for the timing of the potential transaction. LRE agreed to provide a management presentation to Eagle Rock at a later date. Vanguard delivered detailed support for its expected general and administrative expense savings pro forma for the potential combination with both LRE and subsequently, Eagle Rock.

On May 15, 2015, LRE signed a confidentiality agreement with NGP Energy Capital Management, L.L.C., or NGP, who owned a significant portion of Eagle Rock s outstanding common units and was currently evaluating the proposed

transaction. That evening, Vanguard distributed a draft of the Eagle Rock merger agreement to LRE who circulated it to TPH, Simmons and Andrews Kurth.

On May 16, 2015, members of LRE management met telephonically with representatives of Eagle Rock, NGP, Evercore Group, L.L.C., financial advisor to Eagle Rock, and Wells Fargo and provided a company and asset overview of LRE.

On May 18, 2015, the board of directors of LRE GP held a special meeting. Representatives from LRE management, TPH, Andrews Kurth and Richards Layton attended the meeting as invited guests. Mr. Mullins

TABLE OF CONTENTS

provided the board of directors of LRE GP with an update regarding the proposed Vanguard and Eagle Rock merger. Representatives of TPH reviewed for the board of directors of LRE GP TPH s preliminary financial analyses of the proposed combination of Vanguard, pro forma for Vanguard s transaction with LRE, with Eagle Rock. Andrews Kurth then discussed the consent process. Later that day, Andrews Kurth received a revised draft of the Eagle Rock merger agreement from Paul Hastings and distributed it to LRE, TPH and Simmons.

Also on May 18, 2015, the LRE GP conflicts committee met telephonically with its financial and legal advisors to discuss the proposed business combination transaction between Vanguard and Eagle Rock. Latham described the consent requirements under the LRE merger agreement with respect to the proposed Eagle Rock merger, the duties applicable to members of the LRE GP conflicts committee in connection therewith and related matters. Simmons provided the LRE GP conflicts committee with its preliminary analysis of the impact of the proposed Eagle Rock merger with Vanguard on the pro forma combined company of LRE and Vanguard. Simmons described, among other things, the diligence undertaken, the valuation methodologies being used and the other analyses being performed by Simmons with respect to the fairness, from a financial point of view, of the terms of the proposed Eagle Rock merger to the unaffiliated LRE unitholders.

On May 19, 2015, an attorney from Paul Hastings delivered a revised draft of the Eagle Rock merger agreement to Andrews Kurth.

On May 20, 2015, a representative from Andrews Kurth delivered a revised consent to Paul Hastings. During that day, representatives of Andrews Kurth and Paul Hastings negotiated the terms of the consent, the amended and restated voting agreement and the amended and restated registration rights agreement.

Also on May 20, 2015, the board of directors of LRE GP held a special meeting. Representatives from LRE management, Andrews Kurth and Richards Layton attended the meeting as invited guests. Mr. Mullins provided the board of directors of LRE GP with an update of the Vanguard and Eagle Rock merger process. Andrews Kurth and Mr. Casas provided an update on the status of the related merger documents. The meeting was adjourned as final merger documents were not available. Late that day, Paul Hastings delivered to Mr. Casas and Andrews Kurth the final versions of all the documents necessary for the proposed transaction including the Eagle Rock merger agreement, registration rights agreement, voting agreement and disclosure schedules, and the board of directors of LRE GP consent to the Eagle Rock merger, the amended and restated voting and support agreement, and the amended and restated registration rights agreement. Mr. Casas delivered these materials to the board of directors of LRE GP, TPH, and Simmons.

Also on May 20, 2015, the LRE GP conflicts committee met telephonically with its financial and legal advisors. Simmons provided the LRE GP conflicts committee with its final analysis of the impact of the proposed Eagle Rock merger on the pro forma combined company of LRE and Vanguard. Simmons described the valuation methodologies being employed and the other analyses being performed by Simmons, and the results thereof, in connection with its evaluation of the fairness, from a financial point of view, of the terms of the Eagle Rock merger to the unaffiliated LRE unitholders. After discussion, Simmons delivered its oral opinion, which opinion was later confirmed by delivery of its written opinion dated as of such date, that, based on and subject to the assumptions and limitations set forth therein, the terms of the Eagle Rock merger contemplated by the Eagle Rock merger agreement were fair, from a financial point of view, to the unaffiliated LRE unitholders. Representatives of Latham summarized the material terms of the Eagle Rock merger agreement and the related consent. After hearing from its advisors and further review and discussion, the LRE GP conflicts committee unanimously determined to provide its consent under the LRE merger agreement to the proposed Eagle Rock merger and recommended that the full LRE Board provide its consent to the Eagle Rock merger. In providing its approval, the LRE GP conflicts committee intended such approval to constitute special approval for purposes of the LRE partnership agreement.

On May 21, 2015, the board of directors of LRE GP held a special meeting. Representatives from LRE management, TPH, Andrews Kurth and Richards Layton attended the meeting as invited guests. Mr. Mullins provided the board of directors of LRE GP with a status update of the Vanguard and Eagle Rock merger process. Representatives of TPH provided the board of directors of LRE GP with an analysis of the proposed combination of New Vanguard with Eagle Rock, after which TPH opined orally (subsequently confirmed in a written opinion dated May 21, 2015) that the consideration to be paid by New Vanguard

TABLE OF CONTENTS

pursuant to the Eagle Rock merger agreement was, based upon and subject to the assumptions, qualifications and limitations described in its written opinion, fair, from a financial point of view, to New Vanguard. Andrews Kurth then provided an update of the transaction related documents. There being no further questions, Mr. Mullins then provided a brief summary of each resolution that required approval. The resolutions related to the approval and authorization to provide a consent allowing Vanguard to enter in the agreement and plan of merger with Eagle Rock, and to enter into amended and restated voting and support and registration rights agreements with Vanguard. All members of the board of directors of LRE GP approved the resolutions noted above.

Recommendation of LRE GP s Board of Directors and Its Reasons for the Merger

On April 20, 2015, the board of directors of LRE GP unanimously determined that the merger agreement and the transactions contemplated by the merger agreement were in the best interests of LRE and its unitholders, declared it advisable to enter into the merger agreement and approved the execution, delivery and performance of the merger agreement and the transactions contemplated thereby.

The board of directors of LRE GP unanimously recommends that the LRE unitholders vote **FOR** the proposal to adopt the merger agreement and the transactions contemplated thereby at the LRE special meeting.

The board of directors of LRE GP considered many factors in making its determination and approving the merger agreement and the transactions contemplated thereby. The board of directors of LRE GP consulted with LRE s management, financial advisors and outside legal counsel regarding its obligations, legal due diligence matters and the terms of the merger agreement, and viewed the following factors as being generally positive or favorable in coming to its determination and related recommendation:

The aggregate value and composition of the consideration to be received in the merger by holders of LRE common units;
The exchange ratio of 0.550 of a Vanguard common unit for each LRE common unit in the merger represents a premium of approximately 13% above the $7.93 closing price of LRE common units on April 20, 2015 (the last trading date before the execution of the merger agreement), and a premium of approximately 19% based on the volume weighted average price of LRE s common units for the last 10 trading days ended April 20, 2015;
The equity exchange ratio is fixed and therefore the value of the consideration payable to LRE unitholders will increase in the event that the market price of Vanguard common units increases prior to the closing of the merger;
Following the merger, LRE unitholders will have the opportunity as equity holders to participate in the future growth and expected synergies of the combined entity;
The merger is expected to create some operating efficiencies given overlapping operating areas and cost savings in general and administrative expenses, as well as other combined benefits such as greater critical mass for negotiating with vendors and service companies;
The merger provides LRE unitholders equity ownership in an entity with a larger, more diversified asset base and a lower cost of capital, which is expected to provide greater ability to pursue accretive capital projects and acquisitions that would provide for greater distribution stability and higher distribution growth;
The belief that the merger should result in an improved potential total return to LRE unitholders, based on the potential future value of the combined entity and potential greater distribution growth;
Vanguard s assets, financial condition, prospects and access to capital markets, including the size and scale of the combined entity and the expected pro forma effect of the proposed transactions on the combined entity;
The merger provides LRE unitholders with increased trading liquidity, as Vanguard s common units have a larger average daily trading volume and public float than LRE common units;

77

TABLE OF CONTENTS

Uncertainties regarding LRE unitholder value that might result from other alternatives available to LRE, including the alternative of entering into a transaction with another third party or remaining an independent public limited partnership, in each case, considering the potential for LRE unitholders to share in any future earnings growth of LRE s businesses and continued costs, as well as the risks and uncertainties associated with its business plans or any alternative thereto and the ability to achieve a higher valuation than the proposed transactions;

The fact that LRE management, with the assistance of the financial advisor to the board of directors of LRE GP, conducted a comprehensive strategic alternatives process, including solicitation of interests from 52 companies, 31 of which expressed initial interest in pursuing a transaction with LRE for a potential asset acquisition, joint venture transaction or strategic merger transaction;

The belief of the board of directors of LRE GP, following consultation with its financial advisor, and a comprehensive strategic alternatives process, that a merger with Vanguard was the best option of all strategic alternatives considered and that it was unlikely that an alternative bidder would offer LRE unitholders better terms and consideration than offered by Vanguard in the merger;

The support of the merger by LRR A, LRR B, LRR C, LRR II-A, LRR II-C and LRM as evidenced by their execution of the voting and support agreement;

The unanimous approval of the merger agreement and the related agreements, and recommendation of the merger and the related transactions, by the LRE GP conflicts committee, and the granting by the LRE GP conflicts committee of Special Approval of the merger agreement and the merger for purposes of the LRE partnership agreement;

The financial presentation and analysis of TPH presented to the board of directors of LRE GP at the meeting held on April 20, 2015 and the oral opinion of that firm delivered to the board of directors of LRE GP on that date, subsequently confirmed in writing, that, as of the date of the opinion and based upon and subject to the limitations and assumptions stated in its opinion, the unit consideration to be received in the merger by the holders of LRE common units pursuant to the merger agreement is fair, from a financial point of view, to such unitholders as more fully described in the section entitled Opinions of the Financial Advisor to the LRE GP Board of Directors ;

The review by the board of directors of LRE GP with its legal and financial advisors of the structure of the proposed merger and the financial and other terms of the merger agreement, including Vanguard s representations, warranties and covenants, the conditions to its obligations and the termination provisions, as well as the likelihood of consummation of the proposed merger and the board of directors of LRE GP s evaluation of the likely time period necessary to close the merger;

The fact that the merger consideration generally will not be taxable for U.S. federal income tax purposes to LRE s common unitholders (except to the extent of cash received in lieu of fractional Vanguard units pursuant to Section 752 of the Internal Revenue Code);

That LRE and Vanguard undertook extensive negotiations, resulting in increased merger consideration for LRE unitholders and the revision of terms in the merger agreement more favorable to LRE and its unitholders than initially proposed by Vanguard; and

The nature of the closing conditions included in the merger agreement, including the exceptions to the events that would constitute a material adverse effect on LRE or Vanguard for purposes of the merger agreement.

The board of directors of LRE GP considered the following terms of the merger agreement:

LRE s ability to terminate the merger agreement under certain conditions;

The right of the board of directors of LRE GP to withdraw or change its recommendation of the merger agreement in the event of a superior proposal or intervening events, subject to certain conditions (including considering any adjustments to the merger agreement proposed by Vanguard and payment to Vanguard of an approximately $7.3 million termination fee);

TABLE OF CONTENTS

LRE s right to engage in negotiations with, and provide information to, a third party making an unsolicited alternative proposal, which may, in certain circumstances, result in a transaction that is superior to the proposed transactions with Vanguard;

The right of the board of directors of LRE GP to change its recommendation in favor of the adoption of the merger agreement, subject to certain conditions, if, in response to a material event that arises after the date of the merger agreement, the board of directors of LRE GP determines in good faith after consultation with outside counsel, that the failure to take such action would be inconsistent with its duties under applicable Delaware law, the LRE partnership agreement or the LRE GP company agreement;

That the termination fee of approximately $7.3 million, or the expense reimbursement up to approximately $1.2 million, in each case payable by LRE to Vanguard under the circumstances specified in the merger agreement, were not unreasonable in the judgment of the board of directors of LRE GP after consultation with its legal and financial advisors;

That the restrictions contemplated by the merger agreement on LRE s actions between the date of the merger agreement and the effective time of the merger are not, in the judgment of the board of directors of LRE GP, unreasonable;

The restrictions contemplated by the merger agreement on Vanguard s actions between the date of the merger agreement and the effective time of the merger;

That LRE unitholder approval is a condition to consummation of the transactions;

The limited conditions and exceptions to the material adverse effect closing condition and other closing conditions; and

The consummation of the merger is not conditioned on financing or on a vote of Vanguard unitholders.

The board of directors of LRE GP considered the following factors to be generally negative or unfavorable in making its determinations and recommendation with respect to the merger:

That the exchange ratio is fixed and therefore the value of the consideration payable to LRE common unitholders will decrease in the event that the market price of Vanguard common units decreases relative to any change in the market price of LRE common units prior to the closing of the merger;

That, while the transactions are expected to be completed, there is no assurance that all conditions to the parties obligations to complete the transactions will be satisfied or waived, and as a result, it is possible that the transactions might not be completed even if approved by LRE s unitholders;

That the merger agreement contains restrictions (subject to specific exceptions) on the conduct of LRE s business prior to completion of the proposed transactions, including requiring LRE to conduct its business only in the ordinary course, which could delay or prevent LRE from undertaking business opportunities that may arise pending completion of the transactions and could negatively affect LRE s ability to attract and retain employees, customers and vendors;

That the merger agreement imposes limitations on LRE s ability to solicit alternative transactions or terminate the merger agreement;

That, if the merger agreement is terminated under certain circumstances, LRE would be required to pay a termination fee of approximately $7.3 million and reimburse Vanguard for its expenses incurred in connection with the merger up to approximately $1.2 million;

That the merger may be delayed or not be completed in a timely manner, or at all, which could result in significant costs and disruption to LRE s normal business;

That Vanguard may not be able to repay or refinance LRE s credit agreement or term loan indebtedness upon consummation of the merger, as required by the existing terms of such indebtedness;

TABLE OF CONTENTS

The possibility that the affirmative vote of LRE unitholders might not be obtained for the merger agreement;
That litigation could occur in connection with the proposed transaction and that such litigation could increase costs and result in a diversion of management focus;
That the potential benefits sought in the merger might not be fully realized;
The transaction costs to be incurred in connection with the proposed transaction; and
Risks of the type and nature described under the section titled Risk Factors.

The board of directors of LRE GP considered all of these factors as a whole and, on balance, concluded that the factors supported a determination to adopt the merger agreement. In view of the wide variety and complexity of factors considered in connection with its evaluation of these matters, the board of directors of LRE GP did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. The board of directors of LRE GP did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to their ultimate determinations. Rather, such recommendations were based on the totality of the information presented and the investigations conducted. In considering the factors described above and any other factors, individual members of the board of directors of LRE GP may have given different weight to different factors. The board of directors of LRE GP evaluated the factors described above, among others, and reached a consensus that the proposed transactions were advisable to and in the best interests of LRE and its unitholders. The foregoing discussion of the information and factors considered by the board of directors of LRE GP is not exhaustive. In considering the recommendation of the board of directors of LRE GP that the LRE unitholders vote to adopt the merger agreement, LRE unitholders should be aware that the executive officers and directors of LRE may have certain interests in the proposed transactions that may be different from, or in addition to, the interests of LRE unitholders generally. Other than as described in Interests of Directors and Executive Officers of LRE GP in the Merger, the board of directors of LRE GP was aware of these interests and considered them when approving the merger agreement and recommending that LRE unitholders vote to adopt the merger agreement. See Interests of Directors and Executive Officers of LRE GP in the Merger.

Reasons of LRE GP s Board of Directors for Consenting to the Eagle Rock Merger

On May 21, 2015, the board of directors of LRE GP executed a written consent pursuant to which the board of directors of LRE GP consented to Vanguard entering into the Eagle Rock merger agreement, performing its obligations thereunder and consummating the Eagle Rock merger in accordance with the terms of the Eagle Rock merger agreement. The board of directors of LRE GP reviewed the proposed terms and conditions of the Eagle Rock merger agreement and evaluated the financial aspects of the Eagle Rock merger with its advisors, and authorized the execution of the written consent to the Eagle Rock merger.

The board of directors of LRE GP considered many factors in making its determination to consent to the Eagle Rock merger. The board of directors of LRE GP consulted with LRE s management, financial advisors and outside legal counsel regarding its obligations and the terms of the Eagle Rock merger agreement, and viewed the following factors as being generally positive or favorable in coming to its determination to consent:

The equity exchange ratio offered in the merger agreement is fixed and therefore the value of the consideration payable to LRE unitholders will increase in the event that the market price of Vanguard common units increases as a result of the Eagle Rock merger prior to the closing of the merger;
Following the Eagle Rock merger, Vanguard unitholders (including former LRE unitholders who receive Vanguard common units in the merger) will have the opportunity as equity holders to participate in the future growth and expected synergies of the combined pro forma entity;

As a result of the Eagle Rock merger, Vanguard s leverage and liquidity metrics are expected to improve;

TABLE OF CONTENTS

The Eagle Rock merger adds scale in Vanguard s existing Arkoma, Permian and Gulf Coast basins and establishes a new operating area in Alabama;

Eagle Rock has a meaningful position in Mid-Continent plays, which will provide the combined entity attractive drilling opportunities for the next several years;

The benefit from the growth in production and reserves from the drilling of new wells in unconventional plays in the Mid-Continent outweighed the resulting higher production decline rate for the combined entity;

The Eagle Rock merger is expected to create some operating efficiencies given overlapping operating areas in the Arkoma, Permian and Gulf Coast basins and cost savings in general and administrative expenses, as well as other combined benefits such as greater critical mass for negotiating with vendors and service companies;

The Eagle Rock merger provides Vanguard unitholders (including former LRE unitholders who receive Vanguard common units in the merger) equity ownership in a pro forma entity with a larger, more diversified asset base and a lower cost of capital, which is expected to provide greater ability to pursue accretive capital projects and acquisitions that would provide for greater distribution stability and higher distribution growth;

The combined assets, financial condition and prospects of the pro forma entity as a result of the Eagle Rock merger, including the size and scale of the combined pro forma entity;

The opportunity to attract and retain experienced personnel from Eagle Rock to expand the combined pro forma entity s employee base;

The unanimous approval of the consent to the Eagle Rock merger and the recommendation of the consent by the LRE GP conflicts committee, and the granting by the LRE GP conflicts committee of Special Approval of the consent to the Eagle Rock merger for purposes of the LRE partnership agreement;

The financial presentation and analysis of TPH presented to the board of directors of LRE GP at the meeting held on May 21, 2015 and the oral opinion of that firm delivered to the board of directors of LRE GP on that date, subsequently confirmed in writing, that, as of the date of the opinion and based upon and subject to the limitations and assumptions stated in its opinion, merger consideration to be paid by New Vanguard pursuant to the Eagle Rock merger agreement is fair, from a financial point of view, to New Vanguard as more fully described in the section entitled Opinions of the Financial Advisor to the LRE GP Board of Directors ;

The review by the board of directors of LRE GP with its legal and financial advisors of the Eagle Rock merger and the financial and other terms of the Eagle Rock merger agreement as it relates to Vanguard, including Eagle Rock s representations, warranties and covenants, the conditions to its obligations and the termination provisions, as well as the likelihood of consummation of the Eagle Rock merger and the board of directors of LRE GP s evaluation of the likely time period necessary for Vanguard to close the Eagle Rock merger;

The nature of the closing conditions included in the Eagle Rock merger agreement, including the exceptions to the events that would constitute a material adverse effect on Vanguard or Eagle Rock for purposes of the Eagle Rock merger agreement; and

The Eagle Rock merger is a transaction separate and apart from the merger and the completion of the Eagle Rock merger is not a condition to the completion of the merger, and the completion of the merger is not a condition to the completion of the Eagle Rock merger.

The board of directors of LRE GP considered the following terms of the Eagle Rock merger agreement:

Vanguard s ability to terminate the Eagle Rock merger agreement under certain conditions;

TABLE OF CONTENTS

That the reverse termination fee of $20.0 million, or the expense reimbursement up to approximately $2.3 million, in each case payable by Vanguard to Eagle Rock under the circumstances specified in the Eagle Rock merger agreement, were not unreasonable in the judgment of the board of directors of LRE GP after consultation with its legal and financial advisors and would affect LRE unitholders if the merger is consummated;

That the termination fee of $20.0 million (or in certain circumstances, $10.0 million), or the expense reimbursement up to approximately $2.3 million, in each case payable by Eagle Rock to Vanguard under the circumstances specified in the Eagle Rock merger agreement, were reasonable in the judgment of the board of directors of LRE GP after consultation with its legal and financial advisors and would benefit LRE unitholders if the merger is consummated;

That the restrictions contemplated by the Eagle Rock merger agreement on Vanguard s actions between the date of the Eagle Rock merger agreement and the effective time of the Eagle Rock merger are not, in the judgment of the board of directors of LRE GP, unreasonable;

The restrictions contemplated by the Eagle Rock merger agreement on Eagle Rock s actions between the date of the Eagle Rock merger agreement and the effective time of the Eagle Rock merger are, in the judgment of the LRE Board of Directors, reasonable;

That Vanguard unitholder approval for the issuance of common units of Vanguard in the Eagle Rock merger is a condition to consummation of the Eagle Rock merger; and

The Eagle Rock merger agreement s limited conditions and exceptions to the material adverse effect closing condition and other closing conditions.

The board of directors of LRE GP considered the following factors to be generally negative or unfavorable in making its determination to consent of the Eagle Rock merger:

The equity exchange ratio offered in the merger agreement is fixed and therefore the value of the consideration payable to LRE unitholders will decrease in the event that the market price of Vanguard common units decreases as a result of the Eagle Rock merger prior to the closing of the merger;

That as a result of the Eagle Rock merger, Vanguard management s focus could be diverted, causing the progress towards and ultimate consummation of the merger with LRE to be delayed or impaired;

That litigation could occur as a result of the Eagle Rock merger and that such litigation could increase costs and result in a diversion of Vanguard management s focus;

That, while the Eagle Rock merger is expected to be completed, there is no assurance that all conditions to the parties obligations to complete the transaction will be satisfied or waived, and as a result, it is possible that the Eagle Rock merger might not be completed even if approved by Vanguard and Eagle Rock unitholders;

That the Eagle Rock merger agreement contains restrictions (subject to specific exceptions) on the conduct of Vanguard s business prior to completion of the Eagle Rock merger, including requiring Vanguard to conduct its business only in the ordinary course, which could delay or prevent Vanguard from undertaking business opportunities that may arise pending completion of the Eagle Rock merger and could negatively affect Vanguard s ability to attract and retain employees, customers and vendors;

That, if the Eagle Rock merger agreement is terminated under certain circumstances, Vanguard would be required to pay to Eagle Rock a reverse termination fee of $20.0 million and reimburse Eagle Rock for its expenses incurred in connection with the Eagle Rock merger up to approximately $2.3 million;

That the Eagle Rock merger may be delayed or not be completed in a timely manner, or at all, which could result in significant costs and disruption to Vanguard s normal business;

TABLE OF CONTENTS

That Vanguard may not be able to repay or refinance Eagle Rock s credit agreement indebtedness upon consummation of the Eagle Rock merger, as required by the existing terms of such indebtedness;

The possibility that the affirmative vote of Vanguard and Eagle Rock unitholders might not be obtained;

That the potential benefits sought in the Eagle Rock merger might not be fully realized;

The transaction costs to be incurred in connection with the Eagle Rock merger; and

Risks of the type and nature described under the section titled Risk Factors.

The board of directors of LRE GP considered all of these factors as a whole and, on balance, concluded that the factors supported a determination to approve the consent. In view of the wide variety and complexity of factors considered in connection with its evaluation of these matters, the board of directors of LRE GP did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. The board of directors of LRE GP did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to their ultimate determinations. Rather, its determination was based on the totality of the information presented and the investigations conducted. In considering the factors described above and any other factors, individual members of the board of directors of LRE GP may have given different weight to different factors. The board of directors of LRE GP evaluated the factors described above, among others, and reached a consensus that consenting to the Eagle Rock merger was advisable to and in the best interests of LRE and its unitholders. The foregoing discussion of the information and factors considered by the board of directors of LRE GP is not exhaustive.

Recommendation of the LRE GP Conflicts Committee and its Reasons for the Merger

The LRE GP conflicts committee considered many factors in making its determination and approving the merger. The LRE GP committee consulted with its financial and legal advisors and viewed the following factors as being generally positive or favorable in coming to its determination and related recommendation to the board of directors of LRE GP:

The exchange ratio of 0.550 of a Vanguard common unit for each LRE common unit in the merger represents a premium of approximately 11% above the $7.79 closing price of LRE common units on April 17, 2015, based on the $15.72 closing price of Vanguard common units on April 17, 2015 (the last trading day before the execution and announcement of the merger agreement), and a premium of approximately 26% based on the average of the closing prices of LRE common units over the 30 trading days ended April 17, 2015;

The financial analysis presented on April 20, 2015 by Simmons, as financial advisor to the LRE GP conflicts committee, and the oral opinion of Simmons delivered to the LRE GP conflicts committee on April 20, 2015 and subsequently confirmed in writing, that, as of such date, and based upon and subject to factors, procedures, qualifications and limitations set forth in its written opinion, the terms of the merger contemplated by the merger agreement were fair, from a financial point of view, to the unaffiliated LRE unitholders;

That, in receiving Vanguard common units in the merger, the unaffiliated LRE unitholders will be provided an opportunity to participate in the upside of a combined entity that, among other things, will be capable of pursuing larger and more meaningful growth opportunities than could have been pursued by LRE alone, and will participate in the increased scale, quality and diversification of the assets and operations of the combined entity compared to LRE as a standalone entity;

The exchange ratio is fixed and, therefore, the value of the consideration payable to LRE unitholders will increase in the event that the market price of Vanguard common units increases prior to the closing of the merger;

The mitigation of an increasing risk that LRE s borrowing base under its revolving credit facility would be redetermined to a much lower level based on the current commodity price environment,

TABLE OF CONTENTS

which would then require a repayment (possibly with a term loan with much higher interest rates and fees) and/or a reduction or elimination of LRE s distribution to its unitholders, which could have materially adversely affected the trading price of the LRE common units but that would be repaid by Vanguard in connection with the merger;

The mitigation of an increasing risk that LRE would need to further reduce or eliminate its quarterly cash distribution as a result of difficulties in the business caused by the prevailing commodity price environment;

The improved liquidity of the combined entity in comparison to LRE as a standalone entity;

The potential interest savings resulting from the repayment of LRE s revolving credit facility and second lien term loan, which the LRE GP conflicts committee expects Vanguard to repay in connection with the merger;

The potential synergies from combining the operations of LRE and Vanguard, including decreased general and administrative expenses, according to estimates provided by management, as well as the elimination of the fees LRE currently pays LRM and Lime Rock Resources Operating Company, Inc., offset by incremental corporate hires of the combined entity;

The LRE GP conflict committee s belief that the combined entity offered better prospects for distribution growth than did LRE;

The LRE GP conflicts committee s belief that the combined entity s common units would trade at a lower yield than LRE s, contributing to a lower cost of capital than for LRE on a standalone basis;

In the merger, LRE unitholders will receive Vanguard common units, which have more trading liquidity than LRE common units because of the expected larger average daily trading volume and public float of Vanguard common units;

The LRE GP conflicts committee s awareness that a significant portion of LRE s commodity hedges, which were entered into at times of higher commodity prices and would have a positive impact on LRE s cash flows in 2015, would be expiring in 2016 and would not able to be replaced with similar favorable commodity hedges, resulting in potential decreases in cash flows in 2016 that could further impair LRE s ability to maintain its current level of distributions to unitholders;

The LRE GP conflicts committee s belief that the aggregate interest of LRE s unitholders in the combined entity would be greater than the portion of the combined entity s distributable cash flow in 2016 brought to the combined entity by LRE;

Through negotiation, LRE was able to increase the merger consideration for LRE unitholders from 0.535 of a Vanguard common unit for each LRE common unit to 0.550 of a Vanguard common unit for each LRE common units;

The LRE GP conflicts committee s belief that the merger consideration represented the highest consideration that could be obtained from a potential business combination transaction with Vanguard, that the merger was more favorable to the unaffiliated LRE unitholders than continuing to hold their common units, and that the merger presents the best available opportunity to maximize value for the unaffiliated LRE unitholders;

The LRE GP conflicts committee s belief that no potential buyers for LRE would pay more than Vanguard, based in part on the fact that LRE conducted a comprehensive strategic alternatives process, soliciting indications of interest from more than 50 counterparties, signing confidentiality agreements with 13 counterparties and ultimately receiving only written proposals from two companies, with only Vanguard s proposal being viewed as high enough and reasonably certain enough to justify further meaningful discussion;

TABLE OF CONTENTS

The terms and conditions of the merger agreement allow LRE to continue to pay a regular quarterly distribution of up to $0.1875 per unit prior to the consummation of the merger and provide that if the record date of an unpaid LRE quarterly distribution is prior to the closing, such distribution will nevertheless be paid to former LRE unitholders on the scheduled payment date;

The merger consideration to be received by unaffiliated LRE unitholders would be tax-free, except to the extent of any cash received in lieu of fractional units;

The fact that Vanguard s obligation to consummate the merger is not subject to any financing condition;

The support of the merger by LRR A, LRR B, LRR C, LRR II-A, LRR II-C and LRM in their capacity as holders of approximately 30.5% of the LRE common units (collectively, the Fund Unitholders), as evidenced by their execution of the original support agreement, makes the consummation of the merger more likely;

That the approval of a meaningful percentage of unaffiliated LRE unitholders is required to consummate the merger; and

The LRE GP conflicts committee s belief that it was fully informed of the extent to which interests of management and other members of the board of directors of LRE GP and the Fund Unitholders in the merger differed from those of the unaffiliated LRE unitholders.

In the course of reaching the determinations and decisions and making the recommendation to the board of directors of LRE GP described above, the LRE GP conflicts committee also considered the following factors related to procedural safeguards that the LRE GP conflicts committee believes were and are present to help assure the fairness of the merger agreement and the merger and to permit the LRE GP conflicts committee to represent the unaffiliated LRE unitholders, each of which factors the LRE GP conflicts committee believed supported its decision and provided assurance that the merger was in the best interests of the unaffiliated LRE unitholders:

That the LRE GP conflicts committee consists solely of directors who are not officers, employees or controlling unitholders of LRE, or otherwise affiliated with the Fund Unitholders or members of their management;

That the compensation of the LRE GP conflicts committee members was in no way contingent on their approving the merger agreement and taking other actions described in this proxy statement/prospectus;

That the members of the LRE GP conflicts committee would not personally benefit from completion of the merger in a manner different from the unaffiliated LRE unitholders, other than through the vesting of units awarded under the LTIP;

The LRE GP conflicts committee retained its own financial and legal advisors with knowledge and experience with respect to MLPs, public merger and acquisition transactions, and with respect to Vanguard s and LRE s industry;

That the LRE GP conflicts committee had no obligation to recommend any transaction;

That any actions to be taken and decisions to be made by LRE and the board of directors of LRE GP under the merger agreement that might pose conflicts of interest between the interests of LRE GP and its affiliates, on the one hand, and the unaffiliated LRE unitholders, on the other hand, would be determined by the LRE GP conflicts committee;

The merger agreement affords LRE GP s board of directors flexibility to consider, evaluate and accept superior proposals prior to approval of the merger agreement by LRE unitholders as follows:

- the board of directors of LRE GP is permitted, subject to certain limitations, to participate in discussions or negotiations with, or provide non-public information to, any person in response to an unsolicited written acquisition proposal for LRE, if the board of directors of LRE GP

TABLE OF CONTENTS

determines, after consultation with outside legal counsel and financial advisors, that such acquisition proposal constitutes, or could reasonably be expected to lead to or result in, a superior proposal;

- the board of directors of LRE GP is permitted, subject to certain limitations, to terminate the merger agreement to enter into an alternative transaction that is a superior proposal, subject to the payment to Vanguard of a termination fee of $7,288,000, less any Vanguard expenses that have been reimbursed by LRE up to a maximum of $1,215,000;
- the board of directors of LRE GP is permitted, subject to certain limitations, to change its recommendation to unitholders with respect to the merger in response to an intervening event (as that term is defined in the merger agreement), subject to the payment to Vanguard of a termination fee of $7,288,000 if Vanguard terminates the merger agreement because of the change in recommendation;
- the board of directors of LRE GP is permitted, subject to certain limitations, to take, and disclose to unitholders, a position with respect to any tender or exchange offer by a third party;
- the LRE GP conflicts committee s belief that the payment of the termination fee of $7,288,000 in specified circumstances is reasonable and would not be likely to preclude another party that is so inclined from making a superior proposal; and

That the support agreement provides that the Fund Unitholders obligation to vote in favor of the merger proposal terminates automatically upon the board of directors of LRE GP changing its recommendation.

The LRE GP conflicts committee considered the following factors to be generally negative or unfavorable in making its determination and approval:

The exchange ratio is fixed and, therefore, the value of the consideration payable to LRE unitholders will decrease in the event that the market price of Vanguard common units decreases prior to the closing of the merger;

That the merger agreement limited LRE s ability to refinance the debt incurred under LRE s credit agreement by limiting the total amount of indebtedness that LRE could incur and the total amount of fees that could be paid in connection with such refinancing;

- That Vanguard may not be able to repay or refinance LRE s credit agreement or second lien term loan indebtedness upon consummation of the merger, as required by the existing terms of such indebtedness.

Certain members of LRE management and LRE GP s board members, including those affiliated with the Fund Unitholders, may have interests that are different from or in addition to those of the unaffiliated LRE unitholders;

The merger agreement s limitations on LRE s ability to solicit or knowingly encourage other offers, and the conditions it places on LRE s ability to negotiate or discuss alternative proposals with third parties, to change the recommendation of the board of directors of LRE GP that LRE unitholders vote to approve the merger agreement or to terminate the merger agreement to accept a superior proposal;

That LRE is generally required to give Vanguard notice of any third party acquisition proposal, and provide Vanguard with three business days notice and negotiate in good faith with Vanguard (to the extent Vanguard desire to negotiate) before the board of directors of LRE GP changes its recommendation that LRE unitholders vote to approve the merger agreement and/or to terminate the merger agreement to accept a superior proposal;

The merger agreement restricts the conduct of LRE s business prior to the completion of the merger, which may delay or prevent LRE from pursuing business opportunities that may arise pending completion of the merger;

TABLE OF CONTENTS

The risks and costs to LRE if the merger does not close, including the diversion of management and employee attention, the impact on employee morale and potential employee attrition and the potential effect on business relationships, as well as the possibility that failure to close the merger could negatively impact the trading price of LRE common units;

The risk that the potential benefits sought in the merger might not be fully realized;

Vanguard s obligation to consummate the merger is subject to some conditions that are outside of LRE s control;

The risk that the merger might not be completed in a timely manner, or that the merger might not be consummated at all as a result of a failure to satisfy the conditions contained in the merger agreement, and a failure to complete the merger could negatively affect the trading price of the LRE common units;

LRE has incurred and will continue to incur significant transaction costs and expenses in connection with the proposed merger, whether or not the merger is completed;

That litigation could occur as a result of the merger and that such litigation could increase costs and result in a diversion of management s focus;

The possibility that, under certain circumstances, LRE will be obligated to pay Vanguard a termination fee of $7,288,000 or reimburse up to $1,215,000 of Vanguard s expenses;

The risks of the type and nature described under the heading Risk Factors in the LRE Annual Report on Form 10-K for the year ended December 31, 2014. See Where You Can Find More Information ; and

Risks of the type and nature described under the section titled Risk Factors.

The LRE GP conflicts committee considered all of these factors as a whole and, on balance, concluded that it supported the determination to approve the merger agreement. The foregoing discussion of the information and factors considered by the LRE GP conflicts committee includes the material factors considered, but is not exhaustive. In view of the wide variety of factors considered by the LRE GP conflicts committee in connection with its evaluation of the proposed merger and the complexity of these matters, the LRE GP conflicts committee did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The LRE GP conflicts committee evaluated the factors described above, among others, and reached a consensus that the proposed transaction is advisable to and in the best interests of LRE and the unaffiliated LRE unitholders. Accordingly, the LRE GP conflicts committee unanimously approved the merger agreement and recommended to the full board of directors of LRE GP that it approve the merger agreement. In considering the factors described above and any other factors, individual members of the LRE GP conflicts committee may have viewed factors differently or given different weight or merit to different factors. The LRE GP conflicts committee approved and recommended the merger to the board of directors of LRE GP based on the totality of the information presented to and considered by it.

In considering the approval of the merger agreement by the LRE GP conflicts committee and its recommendation to the board of directors of LRE GP, you should be aware that certain of LRE GP s executive officers and directors may have had interests in the proposed transaction that may be different from, or in addition to, the interests of LRE unitholders generally. The LRE GP conflicts committee was aware of these interests and considered them when approving the merger agreement. See Interests of Directors and Executive Officers of LRE GP in the Merger.

TABLE OF CONTENTS

Reasons of the LRE GP Conflicts Committee for Consenting to the Eagle Rock Merger

The LRE GP conflicts committee considered many factors in making its determination to provide consent to the Eagle Rock merger under the merger agreement. The LRE GP conflicts committee consulted with its financial and legal advisors and viewed the following factors as being generally positive or favorable in coming to its determination to provide consent to the Eagle Rock merger and related recommendation to the board of directors of LRE GP:

The current and historical financial condition, results of operations, business and prospects of Eagle Rock and the future prospects of the combined entity consisting of Vanguard, LRE and Eagle Rock;
The financial analysis presented on May 20, 2015 by Simmons, as financial advisor to the LRE GP conflicts committee, and the oral opinion of Simmons delivered to the LRE GP conflicts committee on May 20, 2015 and subsequently confirmed in writing, that, as of such date, and based upon and subject to factors, procedures, qualifications and limitations set forth in its written opinion, the terms of the Eagle Rock merger contemplated by the Eagle Rock merger agreement were fair, from a financial point of view, to the unaffiliated LRE unitholders;
The unaffiliated LRE unitholders will be provided an opportunity to participate in the upside of a combined entity with a lower cost of capital that, among other things, should be capable of pursuing larger and more meaningful growth opportunities;
The Eagle Rock merger will further increase the scale, quality and diversification of the assets and operations of the combined entity;
Eagle Rock has a meaningful position in Mid-Continent plays, which will provide the combined entity attractive drilling opportunities for the next several years;
The benefit from the growth in production and reserves from the drilling of new wells in unconventional plays in the Mid-Continent outweighed the resulting higher production decline rate for the combined entity;
The exchange ratio in the merger is fixed and, therefore, the value of the consideration payable to LRE unitholders in the merger will increase in the event that the Eagle Rock merger causes the market price of Vanguard common units to increase;
The improved leverage metrics of the combined entity (including Eagle Rock) as compared to LRE on a stand-alone basis and to the Vanguard-LRE business on a combined basis;
The Eagle Rock merger is expected to create operating efficiencies given overlapping operating areas in the Mid-Continent and Permian Basin and cost savings in general and administrative expenses, as well as other benefits such as greater critical mass for negotiating with vendors and service companies;
The opportunity to attract and retain experienced personnel from Eagle Rock to enhance the combined entity s employee base;
That the approval of Vanguard unitholders is required to consummate the Eagle Rock merger, which would give the LRE unitholders a voice in the future direction of Vanguard if LRE s merger with Vanguard is completed prior to the record date of the Vanguard meeting for the Eagle Rock merger;
In the Eagle Rock merger, Eagle Rock unitholders will receive Vanguard common units, which, when combined with the currently outstanding Vanguard common units and the additional Vanguard common units issuable in the merger, should have more trading liquidity than LRE common units because of the expected larger average daily trading volume and public float of the combined entity;
The fact that the LRE unitholders would be able to participate in the combined entity s future earnings and growth and possible future increases in its value following the consummation of the transactions contemplated by the merger agreement and the Eagle Rock merger agreement;
The fact that Vanguard s obligation to consummate the Eagle Rock merger is not subject to any financing condition;

TABLE OF CONTENTS

Under certain circumstances, if the Eagle Rock merger is not consummated, Eagle Rock will have to pay Vanguard a termination fee of $20,000,000;

Under certain circumstances, if the Eagle Rock merger is not consummated, Eagle Rock will have to reimburse up to $2,317,700 of Vanguard s expenses; and

The LRE GP conflicts committee s belief that it was fully informed of the extent to which interests of management and other members of the board of directors of the LRE GP and the Fund Unitholders in the Eagle Rock merger differed from the interests of the unaffiliated LRE unitholders.

In the course of reaching the determinations and decisions and making the recommendation described above, the LRE GP conflicts committee also considered the following factors related to procedural safeguards that the LRE GP conflicts committee believes were and are present to permit the LRE GP conflicts committee to represent the unaffiliated LRE unitholders, each of which factors the LRE GP conflicts committee believed supported its decision and provided assurance that the Eagle Rock merger was in the best interests of the unaffiliated LRE unitholders:

That the LRE GP conflicts committee consists solely of directors who are not officers, employees or controlled unitholders of LRE, or otherwise affiliated with the Fund Unitholders, Vanguard, Eagle Rock or members of their management teams;

That the compensation of the LRE GP conflicts committee members was in no way contingent on their consenting to the Eagle Rock merger and taking other actions described in this proxy statement/prospectus;

That the members of the LRE GP conflicts committee would not personally benefit from completion of the Eagle Rock merger in a manner different from the unaffiliated LRE unitholders;

The LRE GP conflicts committee retained its own financial and legal advisors with knowledge and experience with respect to MLPs, public merger and acquisition transactions, and with respect to Vanguard s, LRE s and Eagle Rock s industry;

That the LRE GP conflicts committee had no obligation to consent to the Eagle Rock merger; and

That the consent requested for the Eagle Rock merger did not otherwise change the terms or conditions of the merger agreement.

The LRE GP conflicts committee considered the following factors to be generally negative or unfavorable in making its determination and approval:

The exchange ratio in the merger is fixed and, therefore, the value of the consideration payable to LRE unitholders in the merger will decrease in the event that the Eagle Rock merger causes the market price of Vanguard common units to decrease;

That Vanguard may not be able to repay or refinance Eagle Rock s credit agreement upon consummation of the Eagle Rock merger, as required by the existing terms of such indebtedness;

The Eagle Rock merger agreement restricts the conduct of Vanguard s business prior to the completion of the Eagle Rock merger, which may delay or prevent Vanguard (or the combined entity if the merger is completed prior to the Eagle Rock merger) from pursuing business opportunities that may arise pending completion of the Eagle Rock merger;

The risks and costs to Vanguard if the Eagle Rock merger does not close, including the diversion of management and employee attention and the potential effect on business relationships, as well as the possibility that failure to close the Eagle Rock merger could negatively impact the trading price of Vanguard common units;

There is risk that the potential benefits sought in the Eagle Rock merger might not be fully realized;

Eagle Rock s obligation to consummate the Eagle Rock merger is subject to some conditions that are outside of Vanguard s control;

TABLE OF CONTENTS

There is risk that the Eagle Rock merger might not be completed in a timely manner, or that the Eagle Rock merger might not be consummated at all as a result of a failure to satisfy the conditions contained in the Eagle Rock merger agreement, and a failure to complete the Eagle Rock merger could negatively affect the trading price of the Vanguard common units;

There is a risk that the Eagle Rock merger might occur prior to the merger or otherwise delay the consummation of the merger;

The fact that Vanguard must obtain the consent of its unitholders before proceeding with the issuance of its common units in connection with the Eagle Rock merger, which could result in delay and significant expense;

Vanguard has incurred and will continue to incur significant transaction costs and expenses in connection with the proposed Eagle Rock merger, whether or not the Eagle Rock merger is completed;

That litigation could occur as a result of the Eagle Rock merger and that such litigation could increase costs and result in a diversion of management s focus;

The fact that the LRE unitholders will own a lower overall percentage of the combined entity than would be the case in the absence of the Eagle Rock merger;

If the Vanguard unitholders do not approve the issuance of common units of Vanguard in connection with the Eagle Rock merger, Vanguard will have to pay Eagle Rock a termination fee of $20,000,000;

Under certain circumstances, if the Eagle Rock merger is not consummated, Vanguard will have to reimburse up to $2,317,700 of Eagle Rock s expenses; and

Risks of the type and nature described under the section titled Risk Factors.

The LRE GP conflicts committee considered all of these factors as a whole and, on balance, concluded that they supported the determination to consent to the Eagle Rock merger agreement and the transactions contemplated thereby. The foregoing discussion of the information and factors considered by the LRE GP conflicts committee includes the material factors considered, but is not exhaustive. In view of the wide variety of factors considered by the LRE GP conflicts committee in connection with its evaluation of the proposed Eagle Rock merger and the complexity of these matters, the LRE GP conflicts committee did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The LRE GP conflicts committee evaluated the factors described above, among others, and reached a consensus that the proposed Eagle Rock merger is advisable to and in the best interest of LRE and the unaffiliated LRE unitholders. Accordingly, the LRE GP conflicts committee unanimously consented to Vanguard (a) entering into the Eagle Rock merger agreement, (b) performing its obligations thereunder and (c) consummating the Eagle Rock merger in accordance with the terms of the Eagle Rock merger agreement. In that connection, the LRE GP conflicts committee recommended that the full board of directors of LRE GP consent to such actions by Vanguard. In considering the factors described above and any other factors, individual members of the LRE GP conflicts committee may have viewed factors differently or given different weight or merit to different factors. The LRE GP conflicts committee approved and recommended the Eagle Rock merger to the board of directors of LRE based on the totality of the information presented to and considered by it.

Opinions of the Financial Advisor to the LRE GP Board of Directors

The board of directors of LRE GP retained TPH as its exclusive financial advisor to provide financial advice and assistance to the board and to provide an opinion to the board in connection with the merger. TPH evaluated the fairness, from a financial point of view, of the merger consideration to be received in the merger by the holders of LRE common units. At a meeting of the board of directors of LRE GP held on April 20, 2015, at the request of the board, TPH orally rendered its opinion to the board that, as of April 20, 2015, based upon and subject to the assumptions, qualifications, limitations and other matters considered by TPH in connection with the preparation of its opinion, the merger consideration to be received in the merger by the

TABLE OF CONTENTS

holders of LRE common units pursuant to the merger agreement was fair, from a financial point of view, to such unitholders. TPH subsequently confirmed its opinion in writing to the board of directors of LRE GP (the LRE Opinion).

Pursuant to the merger agreement, Vanguard s entering into and performing the Eagle Rock merger agreement and consummating the Eagle Rock Transactions, including the Eagle Rock merger, required the prior consent of the board of directors of LRE GP. Accordingly, in connection with its negotiation of the Eagle Rock merger agreement, Vanguard sought the Consent of the board of directors of LRE GP. The board of directors of LRE GP retained TPH as its exclusive financial advisor to provide financial advice and assistance to the board and to provide an opinion to the board in connection with the board s consideration of the Consent. TPH evaluated the fairness, from a financial point of view, to New Vanguard, of the Eagle Rock merger consideration to be paid by New Vanguard pursuant to the Eagle Rock merger agreement. At a meeting of the board of directors of LRE GP held on May 21, 2015, at the request of the board, TPH orally rendered its opinion to the board that, as of May 21, 2015, based upon and subject to the assumptions, qualifications, limitations and other matters considered by TPH in connection with the preparation of its opinion, the Eagle Rock merger consideration to be paid by New Vanguard pursuant to the Eagle Rock merger agreement was fair, from a financial point of view, to New Vanguard. TPH subsequently confirmed its opinion in writing to the board of directors of LRE GP (the Eagle Rock Opinion).

Each opinion speaks only as of the date it was delivered and not as of the time the merger or the Eagle Rock merger will be consummated or any other time. Neither opinion reflects changes that may occur or may have occurred after the date it was rendered, which could alter facts or elements on which the opinions were based.

The full text of the LRE Opinion, dated April 20, 2015, and the Eagle Rock Opinion, dated May 21, 2015, each of which sets forth, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken by TPH in rendering such opinions, is attached as Annex C and Annex D to this proxy statement/prospectus. The summary of the TPH opinions set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinions. LRE unitholders are urged to read each TPH opinion carefully and in its entirety. TPH provided its opinions for the information and assistance of the board of directors of LRE GP (in its capacity as such) in connection with (i) its consideration of the merger and (ii) its consideration of the Consent. Neither TPH opinion nor the summaries thereof, nor the related analyses disclosed in this proxy statement/prospectus, constitutes a recommendation as to how the board of directors of LRE GP, any holder of securities in LRE, Vanguard or Eagle Rock or any other person should act or vote with respect to the LRE Transactions, the Eagle Rock Transactions, the Consent or any other matter.

TPH s opinions to the board of directors of LRE GP were among many factors taken into consideration by the board (i) in approving the merger agreement and making its recommendation to the holders of LRE common units regarding the merger and (ii) in granting the Consent.

The LRE Opinion

In connection with rendering the LRE Opinion and performing its related financial analysis, TPH reviewed, among other things:

1. a draft of the merger agreement dated April 20, 2015, circulated the morning thereof;
2. Annual Reports on Form 10-K for each of LRE and Vanguard for each of the three years ended December 31, 2014;
3. certain Quarterly Reports on Form 10-Q for each of LRE and Vanguard;
4. certain other communications from LRE and Vanguard to their respective equity holders;

5. estimated proved oil, gas, and natural gas liquids reserves and projected future net revenues as of December 31, 2014, attributable to LRE s net interests in certain properties, leasehold and royalty interests, prepared by Miller and Lents, Ltd., Netherland, Sewell & Associates and Ryder Scott

91

TABLE OF CONTENTS

Company (LRE 2014 SEC Reserve Report), and estimated proved, probable and possible oil, gas, and natural gas liquids reserves and projected future net revenues as of March 31, 2015, attributable to LRE s net interests in such properties, prepared by the management of LRE GP (LRE Management 3P Reserve Estimates);

6. estimated proved oil, gas, and natural gas liquids reserves and projected future net revenues as of December 31, 2014, attributable to Vanguard s net interests in certain properties, prepared by the management of Vanguard and audited by DeGolyer and MacNaughton (Vanguard 2014 SEC Reserve Report), and estimated proved oil, gas, and natural gas liquids reserves and projected future net revenues as of March 31, 2015, attributable to Vanguard s net interests in such properties, prepared by the management of Vanguard (Vanguard Management 1P Reserve Estimates);

7. certain publicly available research analyst reports for LRE and Vanguard; and

8. certain internal financial, production and pricing information and forecasts for LRE and Vanguard prepared by the managements of LRE and Vanguard, respectively, as approved for TPH s use by the management of LRE GP (the LRE Forecasts), including certain cost savings synergies projected by the management of LRE GP to result from the LRE Transactions, as approved for TPH s use by the management of LRE GP (the LRE Synergies).

TPH also held discussions with members of the senior managements of LRE and Vanguard regarding their assessment of the strategic rationale for, and the potential benefits of, the LRE Transactions and the past and current business operations, financial condition and future prospects of LRE and Vanguard, as applicable. In addition, TPH reviewed the reported price and trading activity for the LRE common units and Vanguard common units, compared certain financial and stock market information for LRE and Vanguard with similar financial and stock market information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the upstream energy sector specifically and in the energy industry generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

For purposes of the LRE Opinion, TPH assumed and relied upon, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, accounting, legal, tax and other information provided to, discussed with or reviewed by or for it, or publicly available. In that regard, TPH assumed with the consent of the board of directors of LRE GP that the LRE Forecasts and LRE Synergies described above were reasonably prepared on a basis reflecting the best currently available estimates and judgments of management of LRE GP and Vanguard, and that such LRE Forecasts and LRE Synergies will be realized in the amounts and time periods contemplated thereby. TPH expressed no view or opinion with respect to such LRE Forecasts or LRE Synergies or the assumptions on which they were based. Further, TPH assumed that the final form of the merger agreement conformed to the last draft reviewed by it in all respects material to its analysis and that the LRE Transactions will be consummated on the terms set forth in the merger agreement without any waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis. TPH also assumed that all governmental, regulatory or other consents or approvals necessary for the consummation of the LRE Transactions will be obtained without any material adverse effect on LRE, Vanguard, Merger Sub, the other parties to the merger agreement, the unitholders of LRE or the unitholders of Vanguard or the expected benefits of the LRE Transactions in any way meaningful to its analysis. In addition, TPH did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of LRE or any of its subsidiaries or Vanguard or any of its subsidiaries, and TPH was not furnished with any such evaluation or appraisal. TPH did not express any opinion as to any tax or other consequences that might result from the LRE Transactions, nor does its opinion address any legal, regulatory or accounting matters.

The LRE Opinion is necessarily based upon economic, monetary, market and other conditions as in effect on, and the information made available to it as of, April 20, 2015. TPH has assumed no obligation to update, revise or reaffirm the LRE Opinion and expressly disclaimed any responsibility to do so based on circumstances, developments or events occurring after the date of the LRE Opinion.

TABLE OF CONTENTS

The estimates contained in TPH s analysis and the results from any particular analysis are not necessarily indicative of future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses or assets neither purport to be appraisals nor do they necessarily reflect the prices at which businesses or assets may actually be sold. Accordingly, TPH s analysis and estimates are inherently subject to substantial uncertainty.

In arriving at its opinion, TPH did not attribute any particular weight to any particular analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Several analytical methodologies were employed by TPH in its analyses, and no one single method of analysis should be regarded as critical to the overall conclusion reached by TPH. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the significance or utility of particular techniques. Accordingly, TPH believes that its analyses must be considered as a whole, and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors in their entirety, could create a misleading or incomplete view of the evaluation process underlying its opinion. The conclusion reached by TPH, therefore, is based on the application of TPH s own experience and judgment to all analyses and factors considered by TPH, taken as a whole. TPH s opinion was reviewed and approved by its fairness opinion committee.

The LRE Opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the merger consideration to be received in the merger by the LRE common unitholders pursuant to the merger agreement. TPH s opinion did not address the relative merits of the merger or any of the other LRE Transactions as compared to any alternative transaction that may be available to LRE or Vanguard, nor did it address the underlying business decision of LRE or Vanguard to engage in the merger or any of the other LRE Transactions. TPH did not express any view on, and the LRE Opinion did not address, any other term or aspect of the merger agreement or the LRE Transactions, including, without limitation, (a) the sale of the limited liability company interests in LRE GP, (b) the consideration to be received for the limited liability company interests in LRE GP, (c) the fairness of the merger to, or any consideration paid or received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of LRE or Vanguard, whether relative to the merger consideration pursuant to the merger agreement, the consideration to be received for the limited liability company interests in LRE GP or otherwise, (d) the allocation of any consideration to be paid by Vanguard or its affiliates in the LRE Transactions, (e) the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of LRE GP, Vanguard or any other party, or any class of such persons, in connection with the merger and the LRE Transactions, whether relative to the merger consideration to be paid to the LRE common unitholders pursuant to the merger agreement or otherwise, (f) any equity issuances after the date of the LRE Opinion by Vanguard or (g) any voting or other agreement, arrangement or understanding to be entered into in connection with or contemplated by the LRE Transactions, any related transactions or otherwise. TPH did not express any opinion as to the price at which Vanguard common units or LRE common units will trade at any time or as to the impact of the LRE Transactions on the solvency or viability of LRE or Vanguard or the ability of each of LRE or Vanguard to pay its obligations when they become due.

The following is a summary of the material financial analyses performed by TPH in connection with the preparation of the LRE Opinion and reviewed with the board of directors of LRE GP on April 20, 2015. Unless the context indicates otherwise, enterprise values and equity values used in the selected companies analysis described below were calculated using the closing price of the LRE common units, Vanguard common units and the equity securities of the selected companies listed below as of April 17, 2015, and transaction values for the selected transactions analysis described below were calculated on an enterprise value basis based on the value of the equity consideration and other public information available at the time of the relevant transaction s announcement. The analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed, the tables must be considered together with the textual summary of the analyses.

For purposes of its analysis, TPH reviewed a number of financial metrics, including:

TABLE OF CONTENTS

Enterprise Value generally the value as of a specified date of the relevant company s outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock, minority interest and capital lease obligations less the amount of cash and short-term investments on its balance sheet, as applicable);

EBITDA generally the amount of the relevant company s earnings before interest, income taxes, depreciation and amortization for a specified time period; and

Distributable cash flow generally the amount of after-tax cash flow for a specified time period available to be distributed by the relevant company, calculated as EBITDA less maintenance capital expenditures and interest expense.

The LRE Forecasts prepared by the management of LRE GP included a base case of financial projections for 2015 through 2019 as well as a supplemental capital case for 2015 and 2016, which projected reduced capital spending and associated lower results for 2016 than the base case. TPH performed its analyses using the base case.

Summary of TPH s Analysis

Commodity Price Assumptions

The commodity price assumptions used by TPH in certain of its analyses are summarized below:

New York Mercantile Exchange (NYMEX) Strip Pricing as of April 17, 2015 (Strip 1):

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015 (April to December)	$ 58.05	$ 2.77
2016	$ 62.13	$ 3.11
2017	$ 63.90	$ 3.36
2018	$ 64.83	$ 3.48
2019 and thereafter	$ 65.49	$ 3.58

Research Consensus per Bloomberg (Research Consensus 1):

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015 (April to December)	$ 57.92	$ 3.05
2016	$ 69.00	$ 3.75
2017	$ 72.50	$ 4.25
2018	$ 73.75	$ 4.47
2019 and thereafter	$ 73.75	$ 4.47

10-Year Historical Monthly Average (Ten-Year Average 1):

	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)

Average (rounded)	$ 81.57	$ 5.35

Net Asset Value Analysis

TPH performed an illustrative Net Asset Value analysis of LRE. TPH calculated the present value of the pre-tax future cash flows that LRE could be expected to generate from its existing base of estimated proved, probable and possible (3P) reserves, in each case, to the end of their economic life, as of March 31, 2015, contained in the LRE Management 3P Reserve Estimates. In performing this analysis, TPH applied discount rates ranging from 8% to 10% to the projected cash flows. TPH estimated Net Asset Value as the sum of (i) the present value of the cash flows generated by these estimated 3P reserves plus (ii) the present value of the future estimated effects of hedging less (iii) net debt (total debt less cash). The commodity prices utilized to derive the cash flows through 2019 were based on (i) Strip 1, (ii) Research Consensus 1 and (iii) Ten-Year

TABLE OF CONTENTS

Average 1 prices. The commodity prices utilized to derive cash flows in 2019 and beyond were based on 2019 commodity prices. Taken together, the foregoing sensitivities applied to the Net Asset Value calculation for 3P reserves resulted in an implied LRE valuation range of $2.27 to $11.24 per unit.

Discounted Cash Flow Analysis

TPH performed a discounted cash flow analysis of LRE using the LRE Forecasts through 2019. The commodity prices utilized to derive the cash flows were based on (i) Strip 1, (ii) Research Consensus 1 and (iii) Ten-Year Average 1 prices. Terminal values were calculated at December 31, 2018 using a multiple range of 5.0x to 8.0x 2019 estimated EBITDA. In performing this analysis, TPH applied discount rates ranging from 8% to 10% to the pre-tax free cash flows and the terminal value. TPH estimated the common equity value as (i) the present value of the cash flows and terminal value plus (ii) the present value of the future estimated effects of hedging less (iii) net debt (total debt less cash). Taken together, the foregoing sensitivities resulted in an implied LRE valuation range of $(1.14) to $8.22 per unit.

Additionally, TPH performed a discounted cash flow analysis of Vanguard using a methodology generally consistent with that used to calculate the discounted cash flow of LRE using the LRE Forecasts through 2019. TPH estimated the common equity value as the (i) present value of the cash flows and terminal value plus (ii) the present value of the future estimated effects of hedging less (iii) net debt (total debt less cash) and (iv) preferred equity. Terminal values were calculated at December 31, 2018 using a multiple range of 6.0x to 9.0x 2019 estimated EBITDA. Taken together, the foregoing sensitivities resulted in an implied Vanguard valuation range of $(2.24) to $29.05 per unit.

Relative Contribution Analysis

TPH performed an analysis of the relative contributions of LRE and Vanguard to the combined entity resulting from the merger, without giving effect to any synergies, of select business metrics, including:

2015 first quarter daily production and full-year 2015 and 2016 estimated daily production based on the LRE Forecasts;

proved reserves based on the LRE 2014 SEC Reserve Report and the Vanguard 2014 SEC Reserve Report;

2014 distributable cash flow and 2015 and 2016 estimated distributable cash flow based on the LRE Forecasts;

2014 EBITDA and 2015 and 2016 estimated EBITDA based on the LRE Forecasts;

2014 unhedged EBITDA and 2015 and 2016 estimated unhedged EBITDA based on the LRE Forecasts;

SEC PV-10 of proved reserves;

discounted cash flows; and

1P Net Asset Value based on the estimated 1P reserves in the LRE Management 3P Reserve Estimates and the Vanguard Management 1P Reserve Estimates.

For commodity price sensitivities, TPH applied (i) Strip 1, (ii) Research Consensus 1 and (iii) Ten-Year Average 1 prices. This contribution analysis implied a range of exchange ratios from 0.173x to 1.178x.

Selected Companies Analysis

TPH reviewed and compared certain financial, operating and stock market information of LRE and Vanguard to corresponding information of selected publicly traded MLPs focused in the upstream oil and gas industry: Atlas Resource Partners, L.P., Breitburn Energy Partners LP, Eagle Rock Energy Partners, L.P., EV Energy Partners, L.P., Legacy Reserves LP, Linn Energy, LLC, Memorial Production Partners LP and Mid-Con Energy Partners, LP.

For the public trading analysis, select trading multiples were analyzed, including:

enterprise value over 2015 estimated and 2016 estimated EBITDA;
enterprise value over proved reserves;

95

TABLE OF CONTENTS

enterprise value over first quarter 2015 estimated daily production;
enterprise value over 2015 estimated daily production;
enterprise value over 2016 estimated daily production; and
price over 2015 estimated and 2016 estimated distributable cash flow per unit.

Using Wall Street median estimates, the observed multiple ranges from the public trading analysis as compared to the resulting implied transaction multiples resulting from the proposed merger consideration are summarized below:

	Range	Median	Merger Consideration
Ratio of Enterprise Value Over:			
2015 Estimated EBITDA	5.5x to 9.2x	7.7x	6.7x
2016 Estimated EBITDA	5.1x to 9.2x	7.8x	7.5x
Proved Reserves ($/Mcfe)	$1.28 to $2.74	$1.95	$ 2.61
First Quarter 2015 Estimated Daily Production ($/Mcfe/d)	$7,494 to $14,707	$11,412	$ 13,470
2015 Estimated Daily Production ($/Mcfe/d)	$7,018 to $15,138	$11,462	$ 13,609
2016 Estimated Daily Production ($/Mcfe/d)	$5,150 to $14,742	$11,191	$ 13,594
Ratio of Unit Price Over:			
2015 Estimated DCF/Unit	5.3x to 8.3x	6.8x	5.4x
2016 Estimated DCF/Unit	5.5x to 8.7x	6.9x	7.6x

Selected Transactions Analysis

TPH reviewed certain corporate-level transactions in the upstream energy industry with greater than 90% equity consideration announced since 2010. TPH conducted a comparable transactions analysis to assess how similar transactions were valued.

QR Energy, LP/Breitburn Energy Partners LP (2014)
Kodiak Oil & Gas Corp./Whiting Petroleum Corporation (2014)
Pioneer Southwest Energy Partners L.P./Pioneer Natural Resources Company (2013)
Crimson Exploration Inc./Contango Oil & Gas Company (2013)
Berry Petroleum Company/Linn Energy, LLC (2013)
Encore Energy Partners LP/Vanguard Natural Resources, LLC (2011)
American Oil & Gas Inc./Hess Corporation (2010)
Arena Resources, Inc./SandRidge Energy, Inc. (2010)

For the selected transactions analysis, select transaction multiples were analyzed including:

the transaction value (defined as the equity purchase price plus assumed net debt, preferred equity and minority interest obligations, if any) over proved reserves;
the transaction value over daily production; and
the transaction value over last 12 months , forward year 1 and forward year 2 EBITDA.

The observed multiple ranges from the comparable transaction analysis as compared to the resulting implied transaction multiples resulting from the proposed merger consideration are summarized below:

	Range	Median	Merger Consideration
Proved Reserves ($/Mcfe)	$3.03 to $5.98	$4.18	$ 2.61

Daily Production ($/Mcfe/d)	$8,779 to $29,505	$25,897	$ 13,470
LTM EBITDA	5.6x to 11.9x	9.0x	6.5x
Forward Year 1 EBITDA	4.6x to 10.1x	7.2x	6.7x
Forward Year 2 EBITDA	4.6x to 10.0x	6.7x	7.5x

TABLE OF CONTENTS

The Eagle Rock Opinion

In connection with rendering the Eagle Rock Opinion and performing its related financial analysis, TPH reviewed, among other things:

1. a draft of the Eagle Rock merger agreement dated May 21, 2015 and the form of consent of the board of directors of LRE GP with respect thereto, in each case circulated the morning thereof;
2. the merger agreement;
3. Annual Reports on Form 10-K for each of LRE, Vanguard and Eagle Rock for each of the three years ended December 31, 2014;
4. certain Quarterly Reports on Form 10-Q for each of LRE, Vanguard and Eagle Rock;
5. certain other communications from LRE, Vanguard and Eagle Rock to their respective equity holders;
6. estimated proved oil, gas, and natural gas liquids reserves and projected future net revenues as of December 31, 2014, attributable to Eagle Rock s net interests in certain properties, prepared by Cawley, Gillespie & Associates, Inc. (Eagle Rock 2014 SEC Reserve Report), and estimated proved, probable and possible oil, gas, and natural gas liquids reserves and projected future net revenues as of March 31, 2015, attributable to Eagle Rock s net interests in such properties, prepared by the management of Eagle Rock GP (Eagle Rock Management 3P Reserve Estimates);
7. the Vanguard 2014 SEC Reserve Report and the Vanguard Management 1P Reserve Estimates;
8. the LRE 2014 SEC Reserve Report and the LRE Management 3P Reserve Estimates;
9. certain publicly available research analyst reports for LRE, Vanguard and Eagle Rock; and
10. certain internal financial, production and pricing information and forecasts for Eagle Rock and New Vanguard (including Vanguard management s most recent projections for New Vanguard, which give pro forma effect to the LRE Transactions as of August 1, 2015), prepared by the managements of Eagle Rock and Vanguard, respectively, as approved for TPH s use by the management of LRE GP (the Eagle Rock Forecasts), including certain cost savings synergies projected by the management of Vanguard to result from the LRE Transactions and the Eagle Rock Transactions, as approved for TPH s use by the management of LRE GP (the Eagle Rock Synergies).

TPH also held discussions with members of the senior managements of Vanguard and LRE regarding their assessment of the strategic rationale for, and the potential benefits of, the Eagle Rock Transactions and the Consent and with members of the senior management of Eagle Rock and Vanguard regarding the past and current business operations, financial condition and future prospects of Eagle Rock and New Vanguard, as applicable. In addition, TPH reviewed the reported price and trading activity for the Eagle Rock common units and Vanguard common units, compared certain financial and stock market information for Eagle Rock and Vanguard with similar financial and stock market information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the upstream energy sector specifically and in the energy industry generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

For purposes of the Eagle Rock Opinion, TPH assumed and relied upon, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, accounting, legal, tax and other information provided to, discussed with or reviewed by or for it, or publicly available. In that regard, TPH assumed with the consent of the board of directors of LRE GP that the Eagle Rock Forecasts and Eagle Rock Synergies described above were reasonably prepared on a basis reflecting the best currently available estimates and judgments of management of Vanguard and Eagle Rock, and that such Eagle Rock Forecasts and Eagle Rock Synergies will be realized in the amounts and time periods contemplated thereby. TPH expressed no view or opinion with respect to such Eagle Rock Forecasts or Eagle Rock Synergies or the assumptions on which they were based. Further, TPH assumed that the final form of the Eagle Rock merger agreement conformed to the last draft reviewed by it in all respects material to its analysis and that the Eagle

TABLE OF CONTENTS

Rock Transactions and the LRE Transactions will be consummated on the terms set forth in the Eagle Rock merger agreement and the merger agreement, respectively, in each case without any waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis. TPH also assumed that all governmental, regulatory or other consents or approvals necessary for the consummation of the Eagle Rock Transactions and the LRE Transactions will be obtained without any material adverse effect on Eagle Rock, Vanguard or its affiliates, LRE, LRE GP, the unitholders of Eagle Rock, Vanguard or LRE or the expected benefits of the Eagle Rock Transactions and the LRE Transactions in any way meaningful to its analysis. In addition, TPH did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Eagle Rock, Vanguard, LRE or any of their respective subsidiaries, and TPH was not furnished with any such evaluation or appraisal. TPH did not express any opinion as to any tax or other consequences that might result from the Eagle Rock Transactions or the LRE Transactions, nor does its opinion address any legal, regulatory or accounting matters.

The Eagle Rock Opinion is necessarily based upon economic, monetary, market and other conditions as in effect on, and the information made available to it as of, May 21, 2015. TPH has assumed no obligation to update, revise or reaffirm the Eagle Rock Opinion and expressly disclaimed any responsibility to do so based on circumstances, developments or events occurring after the date of the Eagle Rock Opinion.

The estimates contained in TPH s analysis and the results from any particular analysis are not necessarily indicative of future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses or assets neither purport to be appraisals nor do they necessarily reflect the prices at which businesses or assets may actually be sold. Accordingly, TPH s analysis and estimates are inherently subject to substantial uncertainty.

In arriving at its opinion, TPH did not attribute any particular weight to any particular analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Several analytical methodologies were employed by TPH in its analyses, and no one single method of analysis should be regarded as critical to the overall conclusion reached by TPH. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the significance or utility of particular techniques. Accordingly, TPH believes that its analyses must be considered as a whole, and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors in their entirety, could create a misleading or incomplete view of the evaluation process underlying its opinion. The conclusion reached by TPH, therefore, is based on the application of TPH s own experience and judgment to all analyses and factors considered by TPH, taken as a whole. TPH s opinion was reviewed and approved by its fairness opinion committee.

The Eagle Rock Opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the Eagle Rock merger consideration to be paid by New Vanguard pursuant to the Eagle Rock merger agreement. TPH s opinion did not address the relative merits of the Eagle Rock Transactions or the LRE Transactions as compared to any alternative transaction that may be available to Vanguard, nor did it address the underlying business decision of (i) Vanguard to engage in the Eagle Rock Transactions or the LRE Transactions, (ii) LRE to provide the Consent or (iii) LRE to engage in the LRE Transactions. TPH did not express any view on, and the Eagle Rock Opinion did not address, any other term or aspect of the Eagle Rock merger agreement or the Eagle Rock Transactions, including, without limitation, (a) the fairness of the Eagle Rock Transactions to, or any consideration paid or received in connection therewith by, the holders of any class of securities, creditors or other constituencies of Eagle Rock or Vanguard, whether relative to the Eagle Rock merger consideration pursuant to the Eagle Rock merger agreement or otherwise, (b) the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Eagle Rock or Vanguard or any other party, or any class of such persons, in connection with the Eagle Rock Transactions, whether relative to the Eagle Rock merger consideration pursuant to the Eagle Rock

merger agreement or otherwise, or (c) any voting or similar agreement, arrangement or understanding to be entered into in connection with or contemplated by the Eagle Rock Transactions, any other transactions or otherwise. TPH did not express any view on, and the Eagle Rock Opinion did not address, any term or aspect of the merger agreement or the LRE Transactions. TPH did not express any opinion as to the price at which Vanguard common units or Eagle Rock common units will trade at any time or as to the impact of the Eagle

TABLE OF CONTENTS

Rock Transactions and the LRE Transactions on the solvency or viability of Eagle Rock or Vanguard or the ability of each of Eagle Rock or Vanguard to pay its obligations when they become due.

The following is a summary of the material financial analyses performed by TPH in connection with the preparation of the Eagle Rock Opinion and reviewed with the board of directors of LRE GP on May 21, 2015. Unless the context indicates otherwise, enterprise values and equity values used in the selected companies analysis described below were calculated using the closing price of the Eagle Rock common units, Vanguard common units and the equity securities of the selected companies listed below as of May 20, 2015, and transaction values for the selected transactions analysis described below were calculated on an enterprise value basis based on the value of the equity consideration and other public information available at the time of the relevant transaction s announcement. The analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed, the tables must be considered together with the textual summary of the analyses.

For purposes of its analysis, TPH reviewed a number of financial metrics, including enterprise value, EBITDA, and distributable cash flow, each as defined above with respect to the description of the LRE Opinion.

Summary of TPH s Analysis

Commodity Price Assumptions

The commodity price assumptions used by TPH in certain of its analyses are summarized below:

NYMEX Strip Pricing as of May 20, 2015 (Strip 2):

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015 (June to December)	$ 59.53	$ 3.03
2016	$ 62.32	$ 3.24
2017	$ 64.37	$ 3.36
2018	$ 66.02	$ 3.46
2019 and thereafter	$ 67.25	$ 3.55

Research Consensus per Bloomberg (Research Consensus 2):

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015 (June to December)	$ 60.57	$ 3.11
2016	$ 70.00	$ 3.60
2017	$ 73.25	$ 4.13
2018	$ 75.00	$ 4.36
2019 and thereafter	$ 75.00	$ 4.36

10-Year Historical Monthly Average (Ten-Year Average 2):

	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
Average (rounded)	$ 81.64	$ 5.32

Net Asset Value Analysis

TPH performed an illustrative Net Asset Value analysis of Eagle Rock. TPH calculated the present value of the pre-tax future cash flows that Eagle Rock could be expected to generate from its existing base of estimated 3P reserves, in each case, to the end of their economic life, as of March 31, 2015, contained in the Eagle Rock Management 3P Reserve Estimates. In performing this analysis, TPH applied discount rates ranging from 8% to 10% to the projected cash flows. TPH estimated Net Asset Value as the sum of (i) the present value of the cash flows generated by these estimated 3P reserves plus (ii) the present value of the future estimated effects of hedging less (iii) net debt (total debt less cash and short-term investments). The commodity prices utilized to derive the cash flows through 2019 were based on (i) Strip 2, (ii) Research

TABLE OF CONTENTS

Consensus 2 and (iii) Ten-Year Average 2 prices. The commodity prices utilized to derive cash flows in 2019 and beyond were based on 2019 commodity prices. Taken together, the foregoing sensitivities applied to the Net Asset Value calculation for 3P reserves resulted in an implied Eagle Rock valuation range of $2.71 to $5.21 per unit.

Discounted Cash Flow Analysis

TPH performed a discounted cash flow analysis of Eagle Rock using the Eagle Rock Forecasts through 2019. The commodity prices utilized to derive the cash flows were based on (i) Strip 2, (ii) Research Consensus 2 and (iii) Ten-Year Average 2 prices. Terminal values were calculated at December 31, 2018 using a multiple range of 4.5x to 6.5x 2019 estimated EBITDA. In performing this analysis, TPH applied discount rates ranging from 8% to 10% to the pre-tax free cash flows and the terminal value. TPH estimated the common equity value as (i) the present value of the cash flows and terminal value plus (ii) the present value of the future estimated effects of hedging less (iii) net debt (total debt less cash and short-term investments). Taken together, the foregoing sensitivities resulted in an implied Eagle Rock valuation range of $1.74 to $6.42 per unit.

Additionally, TPH performed a discounted cash flow analysis of New Vanguard using a methodology generally consistent with that used to calculate the discounted cash flow of Eagle Rock using the Eagle Rock Forecasts through 2019. TPH estimated the common equity value as the (i) present value of the cash flows and terminal value plus (ii) the present value of the future estimated effects of hedging less (iii) net debt (total debt less cash) and (iv) preferred equity. Terminal values were calculated at December 31, 2018 using a multiple range of 6.0x to 9.0x 2019 estimated EBITDA. Taken together, the foregoing sensitivities resulted in an implied Vanguard valuation range of $(2.16) to $26.13 per unit.

Relative Contribution Analysis

TPH performed an analysis of the relative contributions of Eagle Rock and New Vanguard to the combined entity resulting from the Eagle Rock merger, without giving effect to any synergies, of select business metrics, including:

2015 first quarter daily production and 2015 (August December), 2016 and 2017 estimated daily production based on the Eagle Rock Forecasts;
proved reserves based on the Eagle Rock 2014 SEC Reserve Report, for Eagle Rock s contribution, and the Vanguard 2014 SEC Reserve Report and the LRE 2014 SEC Reserve Report, for New Vanguard s contribution;
2014 distributable cash flow and 2015 (August December), 2016 and 2017 estimated distributable cash flow based on the Eagle Rock Forecasts;
2014 EBITDA and 2015 (August December), 2016 and 2017 estimated EBITDA based on the Eagle Rock Forecasts;
2014 unhedged EBITDA and 2015 (August December), 2016 and 2017 estimated unhedged EBITDA based on the Eagle Rock Forecasts;
SEC PV-10 of proved reserves;
discounted cash flows; and
1P Net Asset Value based on the estimated 1P reserves in the Eagle Rock Management 3P Reserve Estimates, for Eagle Rock s contribution, and the estimated 1P reserves in the LRE Management 3P Reserve Estimates and the Vanguard Management 1P Reserve Estimates, for New Vanguard s contribution.

For commodity price sensitivities, TPH applied (i) Strip 2, (ii) Research Consensus 2 and (iii) Ten-Year Average 2 prices. This contribution analysis implied a range of exchange ratios from 0.117x to 1.076x.

TABLE OF CONTENTS

Selected Companies Analysis

TPH reviewed and compared certain financial, operating and stock market information of Eagle Rock and New Vanguard to corresponding information of selected publicly traded MLPs focused in the upstream oil and gas industry: Atlas Resource Partners, L.P., Breitburn Energy Partners LP, EV Energy Partners, L.P., Legacy Reserves LP, Linn Energy, LLC, Memorial Production Partners LP and Mid-Con Energy Partners, LP.

For the public trading analysis, select trading multiples were analyzed, including:

enterprise value over fourth quarter annualized 2015 estimated and full-year 2016 estimated EBITDA;
enterprise value over proved reserves;
enterprise value over first quarter 2015 daily production;
enterprise value over 2015 estimated daily production;
enterprise value over 2016 estimated daily production; and
price over fourth quarter 2015 estimated and 2016 estimated distributable cash flow per unit.

Using Wall Street median estimates, the observed multiple ranges from the public trading analysis as compared to the resulting implied transaction multiples resulting from the proposed Eagle Rock merger consideration are summarized below:

	Range	Median	Eagle Rock Merger Consideration
Ratio of Enterprise Value Over:			
Fourth Quarter Annualized 2015 Estimated EBITDA	4.9x to 8.5x	7.4x	5.1x
2016 Estimated EBITDA	5.4x to 8.6x	7.6x	5.0x
Proved Reserves ($/Mcfe)	$1.20 to $2.69	$1.95	$ 1.87
First Quarter 2015 Daily Production ($/Mcfe/d)	$6,900 to $14,393	$11,841	$ 7,484
2015 Estimated Daily Production ($/Mcfe/d)	$6,502 to $14,536	$11,571	$ 7,730
2016 Estimated Daily Production ($/Mcfe/d)	$4,842 to $14,205	$10,857	$ 7,843
Ratio of Unit Price Over:			
Fourth Quarter 2015 Estimated DCF/Unit	3.5x to 6.0x	5.3x	8.2x
2016 Estimated DCF/Unit	4.9x to 7.9x	6.5x	7.8x

Selected Transactions Analysis

TPH reviewed certain corporate-level transactions in the upstream energy industry with greater than 90% equity consideration announced since 2010. TPH conducted a comparable transactions analysis to assess how similar transactions were valued.

Rosetta Resources Inc./Noble Energy, Inc. (2015)
LRR Energy, L.P./Vanguard Natural Resources, LLC (2015)
QR Energy, LP/Breitburn Energy Partners LP (2014)
Kodiak Oil & Gas Corp./Whiting Petroleum Corporation (2014)
Pioneer Southwest Energy Partners L.P./Pioneer Natural Resources Company (2013)
Crimson Exploration Inc./Contango Oil & Gas Company (2013)

Berry Petroleum Company/Linn Energy, LLC (2013)
Encore Energy Partners LP/Vanguard Natural Resources, LLC (2011)
American Oil & Gas Inc./Hess Corporation (2010)

101

TABLE OF CONTENTS

Arena Resources, Inc./SandRidge Energy, Inc. (2010)

For the selected transactions analysis, select transaction multiples were analyzed including:

the transaction value (defined as the equity purchase price plus assumed net debt, preferred equity and minority interest obligations, if any) over proved reserves;

the transaction value over daily production; and

the transaction value over last 12 months , forward year 1 and forward year 2 EBITDA.

The observed multiple ranges from the comparable transaction analysis as compared to the resulting implied transaction multiples resulting from the proposed Eagle Rock merger consideration are summarized below:

	Range	Median	Eagle Rock Merger Consideration
Proved Reserves ($/Mcfe)	$2.30 to $5.98	$3.32	$ 1.87
Daily Production ($/Mcfe/d)	$8,779 to $29,505	$20,432	$ 7,484
LTM EBITDA	5.6x to 11.9x	8.8x	5.0x
Forward Year 1 EBITDA	4.6x to 10.1x	7.3x	5.8x
Forward Year 2 EBITDA	4.6x to 10.2x	7.2x	5.0x

General

TPH, as part of its investment banking business, is continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions, as well as for estate, corporate and other purposes.

TPH and its affiliates also engage in securities trading and brokerage, private equity and investment management activities, equity research and other financial services, and in the ordinary course of these activities, TPH and its affiliates may from time to time acquire, hold or sell, for their own accounts and for the accounts of their customers, (i) equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of any of the companies that may be involved in the LRE Transactions or the Eagle Rock Transactions, including the parties to the merger agreement and the Eagle Rock merger agreement, and any of their respective affiliates, and (ii) any currency or commodity that may be involved in the LRE Transactions or the Eagle Rock Transactions and the other matters contemplated by the merger agreement and the Eagle Rock merger agreement, respectively.

In addition, TPH, its affiliates and certain of their employees, including members of the team performing services in connection with the LRE Transactions and the Eagle Rock Transactions, as well as certain private equity and investment management funds associated or affiliated with TPH or its affiliates in which they may have financial interests, may from time to time acquire, hold or make direct or indirect investments in or otherwise finance a wide variety of companies, including LRE, Vanguard, any of the other companies that may be involved in the LRE Transactions or the Eagle Rock Transactions, including the parties to the merger agreement and the Eagle Rock merger agreement, other prospective counterparties and any of their respective affiliates.

The board of directors of LRE GP selected TPH to provide financial advice and assistance to the board and to provide a fairness opinion in connection with the merger and the Consent because of TPH s expertise, reputation and familiarity with the oil and gas industry generally and the upstream oil and gas industry specifically and because its investment banking professionals have substantial experience in transactions comparable to the merger and are

regularly engaged in the analysis of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and for corporate and other purposes.

TPH has previously performed various investment banking and financial services for the LRE GP conflicts committee and for portfolio companies of certain affiliates of LRE GP for which it has received or may

TABLE OF CONTENTS

receive compensation. In the past two years, these services included advising Lime Rock Management LP and its portfolio companies in various transactions, including PDC Mountaineer, LLC in a sale transaction with a third party. TPH was also previously engaged by Vanguard in 2014 with respect to a potential acquisition of assets from a third party, for which TPH received compensation. In addition, TPH has previously performed various investment banking and financial services, and is currently providing certain of such services, for affiliates of NGP Energy Capital Management, a private equity firm that indirectly owns a significant minority equity interest in Eagle Rock (NGP), for which TPH has received or may receive compensation. In the past two years, these services included (i) acting as a financial advisor to certain NGP portfolio companies in connection with sales of upstream and midstream assets; (ii) acting as a financial advisor to a public company in which NGP had an interest in connection with an acquisition of upstream assets; (iii) acting as an underwriter for an NGP portfolio company in connection with its initial public offering; and (iv) acting as a financial advisor to an NGP portfolio company in connection with its investigation of strategic alternatives. TPH was also previously engaged by Eagle Rock with respect to an acquisition, for which it received compensation. TPH or its affiliates may in the future provide investment banking or other financial services to parties to the merger agreement, the Eagle Rock merger agreement or any of the other companies involved in the LRE Transactions, the Eagle Rock Transactions or their respective unitholders, members, affiliates or portfolio companies. In connection with such investment banking or other financial services, TPH or its affiliates may receive compensation.

The description set forth above constitutes a summary of the analyses employed and factors considered by TPH in rendering the LRE Opinion and the Eagle Rock Opinion to the board of directors of LRE GP. TPH believes that its analyses in connection with each of the LRE Opinion and the Eagle Rock Opinion must be considered as a whole and that selecting portions of its analyses, without considering all analyses and factors, could create an incomplete view of the process underlying each opinion. The preparation of a fairness opinion is a complex, analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and is not necessarily susceptible to partial analysis or summary description.

No company or transaction used in the analyses of comparable transactions summarized above is identical or directly comparable to LRE, Vanguard, Eagle Rock or the merger or the Eagle Rock merger. Accordingly, these analyses must take into account differences in the financial and operating characteristics of the selected publicly traded companies and differences in the structure and timing of the selected transactions and other factors that would affect the public trading value and acquisition value of the companies considered.

Pursuant to the terms of the engagement of TPH, TPH received a total of $1.6 million for the rendering of its fairness opinions described above. TPH is entitled to receive additional fees of $3.425 million, contingent upon closing of the LRE Transactions. In addition, LRE has agreed to reimburse TPH for its reasonable out-of-pocket, reasonably documented expenses incurred in connection with the engagement, including fees and disbursements of its legal counsel. LRE has also agreed to indemnify TPH, its affiliates and their respective officers, directors, partners, agents, employees and controlling persons for liabilities arising in connection with or as a result of its rendering of services under its engagement, including liabilities under the federal securities laws or to contribute to payments TPH may be required to make in respect of these liabilities.

TPH s opinions will be made available for inspection and copying at the principal executive offices of LRE during regular business hours by any interested LRE unitholder or such unitholder s representative who has been so designated in writing

Opinions of the Financial Advisor to the LRE GP Conflicts Committee

Opinion Dated April 20, 2015

In connection with Vanguard s merger proposal to LRE, the LRE GP conflicts committee retained Simmons & Company International (Simmons) to provide financial advisory services and render an opinion, if requested, as to the fairness from a financial point of view of the consideration to be received by the unaffiliated LRE unitholders in the merger. On April 20, 2015, Simmons rendered its oral opinion, which was subsequently confirmed in writing, to the LRE GP conflicts committee to the effect that, as of that date, and

TABLE OF CONTENTS

based upon and subject to the assumptions, limitations and qualifications set forth in its opinion, that the terms of the merger contemplated by the merger agreement were fair from a financial point of view to the unaffiliated LRE unitholders.

Pursuant to the merger agreement, the merger consideration consists of the right to receive 0.550 Vanguard common units per LRE common unit. Based on Vanguard s closing unit price of $15.72 per unit on April 17, 2015, Simmons calculated the implied value of the unit consideration to be $8.65 per LRE common unit as of that date. In the analyses described below, the term implied exchange ratio means an exchange ratio derived by dividing the unit price of LRE common units implied by the various analyses outlined below by Vanguard s common unit price implied by the same analyses as of or for a period ending on the close of business on April 17, 2015.

The full text of Simmons written opinion, dated April 20, 2015, which sets forth, among other things, certain assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken by Simmons in rendering its opinion, is attached as Annex E to this proxy statement/prospectus and is incorporated herein by reference. The summary of the Simmons opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion. LRE unitholders are urged to read the Simmons opinion carefully and in its entirety. Simmons delivered its opinion to the LRE GP conflicts committee for the benefit and use of the LRE GP conflicts committee in connection with and for purposes of its evaluation of the merger consideration from a financial point of view to the unaffiliated LRE unitholders. Simmons opinion does not constitute a recommendation as to how any holder of interests in LRE should vote or act with respect to the merger or any other matter.

Simmons opinion and its presentation to the LRE GP conflicts committee were among many factors taken into consideration by the LRE GP conflicts committee in approving the merger agreement and making its recommendation to the board of directors of LRE GP regarding the merger agreement.

In connection with rendering its opinion, Simmons, among other things:

i. reviewed a draft of the Purchase Agreement and Plan of Merger dated as of April 18, 2015;
ii. reviewed a draft of the Voting and Support Agreement dated as of April 18, 2015;
iii. reviewed certain publicly available financial statements of each of LRE and Vanguard that Simmons deemed relevant;
iv. reviewed certain other publicly available business, operating and financial information relating to each of LRE and Vanguard that Simmons deemed relevant;
v. reviewed certain internal information, including financial and production forecasts and other financial and operating data concerning each of LRE and Vanguard, prepared by the management of each of LRE and Vanguard, respectively;
vi. reviewed certain estimates of LRE s and Vanguard s oil and gas production and reserves prepared and provided by the management of LRE and Vanguard, respectively, and contained in provided economic databases;
vii. reviewed certain other information and presentations prepared by the management of LRE and its advisors;
viii. reviewed publicly available information concerning the trading of, and the trading market for, the securities of LRE and Vanguard;
ix. reviewed the historical exchange ratio based upon the closing trading prices of the units for both LRE and Vanguard over several time periods, which were then compared to the exchange ratio;
x. derived a relevant premium range from a list of historical transactions to compute an exchange ratio range which was then compared to the exchange ratio;

TABLE OF CONTENTS

xi. compared LRE s ownership in the pro forma combined company with the relative contribution of LRE to the pro forma combined company based upon certain metrics that Simmons deemed relevant, which were then used to derive an implied exchange ratio range which was compared to the exchange ratio;

xii. derived a net asset value range for both LRE and Vanguard by discounting future cash flows derived from LRE and Vanguard economic databases at discount rates which Simmons deemed appropriate, and used the net asset value ranges to derive an implied exchange ratio range which was compared to the exchange ratio;

xiii. derived a unit value range based on the trading valuations of certain publicly traded partnerships in the oil and gas exploration and production sector for both LRE and Vanguard, and used these unit value ranges to derive an implied exchange ratio range which was compared to the exchange ratio;

xiv. reviewed the range of Wall Street analyst price targets for both LRE and Vanguard, and used such price targets to derive an implied exchange ratio range which was compared to the exchange ratio; and

xv. reviewed the financial metrics of certain historical corporate transactions in the oil and gas exploration and production sector, and applied such financial metrics to LRE s projected results to compute an exchange ratio which was then compared to the exchange ratio.

In addition, Simmons held discussions with certain officers and employees of LRE and Vanguard to discuss the foregoing, as well as other matters believed to be relevant to its analysis, and considered such other information, financial studies, analyses and investigations, and financial, economic, and market criteria which it deemed relevant.

In connection with its review, Simmons did not independently verify any of the foregoing information and relied on it being complete and accurate in all material respects. With respect to production and financial forecasts, Simmons assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of LRE s and Vanguard s management as to the future financial and operational performance of LRE and Vanguard, respectively. In rendering its opinion, Simmons assumed that the execution version of the merger agreement was substantially the same as the draft dated April 18, 2015 that Simmons reviewed and that the merger would be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any material terms or conditions. Simmons assumed that in connection with the receipt of all necessary governmental, regulatory or other approvals and consents required for the merger, no delays, limitations, conditions or restrictions would be imposed that would have a material adverse effect on the receipt of the merger consideration by the unitholders of LRE. Simmons is not a legal, tax or regulatory advisor and has relied upon, without independent verification, the assessment of LRE and its legal, tax and regulatory advisors with respect to such matters. Simmons did not conduct any tax analysis, and Simmons assumed, with the conflict committee s consent, that the merger will be treated as a tax-free reorganization for federal income tax purposes. Simmons expressed no opinion as to the price at which LRE common units or Vanguard common units will trade at any time. In addition, Simmons was not requested to make, and did not make, an independent evaluation or appraisal of the assets of LRE or Vanguard. Simmons was not requested to, and did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of LRE or any alternative transaction.

The opinion speaks only as of the date and the time it was delivered and not as of the time the merger may be consummated. The opinion does not reflect changes that may occur or may have occurred after April 20, 2015, which could significantly alter the value of LRE or Vanguard or the respective trading prices of their common units, which are factors on which Simmons opinion was based. Simmons opinion was necessarily based upon conditions as they existed and could be evaluated on, and on the information made available at April 20, 2015. Events occurring after April 20, 2015 may affect Simmons opinion and the assumptions used in preparing it, and Simmons has disclaimed and does not assume any obligation to update, revise or reaffirm its opinion, including with respect to circumstances, developments or events that occur after the rendering of its opinion.

TABLE OF CONTENTS

Simmons opinion was provided for the information and assistance of the LRE GP conflicts committee in connection with its consideration of the merger. Simmons opinion did not address LRE s underlying business decision to pursue the merger or the relative merits of the merger as compared to any alternative business strategies or transactions that might be available for LRE. Simmons opinion did not address the fairness of the amount or nature of the compensation to any of LRE s or Vanguard s officers, directors or employees, or class of such persons, relative to the compensation to the public unitholders of LRE. Simmons opinion does not constitute a recommendation to any unitholder as to how such unitholder should vote on the merger.

The following represents a summary of the material financial analyses presented by Simmons to the LRE GP conflicts committee in connection with its opinion. The following summary, however, does not purport to be a complete description of the financial analyses performed by Simmons. The order of analyses described does not represent relative importance or weight given to those analyses by Simmons. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Simmons financial analyses. Considering the summary data and tables alone without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Simmons.

Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before April 17, 2015 and is not necessarily indicative of current market conditions. For purposes of its analysis, Simmons defined (i) EBITDA as net income plus or minus income taxes, interest expense (less interest income), depreciation, depletion and amortization expense, impairment of oil and natural gas properties, net loss (gain) on commodity derivative instruments, and commodity derivative net cash settlements, and (ii) EBITDAX as net income plus or minus income taxes, interest expense (less interest income), depreciation, depletion, amortization and exploration expense, impairment of oil and natural gas properties, net loss (gain) on commodity derivative instruments, and commodity derivative net cash settlements. Based on these definitions, the difference between EBITDA and EBITDAX is the addition of exploration expense for those companies that record it. For those companies that record little or no exploration expense, such as LRR, Vanguard, Eagle Rock and many of their MLP peers, EBITDA and EBITDAX result in the same figures and Simmons believes the definitions can be used interchangeably. The financial forecasts prepared by LRE and provided to Simmons included both a base capital case for the years 2015 through 2019, and a reduced capital case for the years 2015 and 2016, which projected reduced capital spending for LRE in 2016 and a reduction in LRE s 2016 revenue and EBITDA. In conducting the financial analysis described below, Simmons used the reduced capital case provided by LRE. Simmons opinion was reviewed and approved by its fairness opinion committee.

Commodity Price Assumptions

Simmons utilized two commodity price assumptions in certain of its analyses: (1) NYMEX calendar strip prices as of April 17, 2015 (and utilizing historical actual commodity prices for the period prior to April 17, 2015), and (2) research analyst consensus commodity pricing per Bloomberg as of April 17, 2015. The commodity price assumptions utilized in Simmons analyses were as follow:

NYMEX Strip Prices:

Year	WTI Crude (per Bbl)	Henry Hub Gas

		(per MMBtu)
2015	$ 56.02	$ 2.80
2016	$ 62.30	$ 3.11
2017	$ 63.92	$ 3.36
2018	$ 64.90	$ 3.48
2019 and Thereafter	$ 65.50	$ 3.58

TABLE OF CONTENTS

Research Consensus Prices per Bloomberg:

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015	$ 55.00	$ 3.09
2016	$ 69.00	$ 3.75
2017	$ 72.50	$ 4.25
2018 and Thereafter	$ 73.75	$ 4.47

Historical Unit Price Exchange Ratio Analysis

Simmons reviewed the historical daily ratio of the closing price of LRE common units to the closing price of Vanguard common units over several time periods, and compared those ratios to the exchange ratio in the merger consideration to be received by LRE unitholders. The following table sets forth the results of this analysis:

Time Period	Implied Exchange Ratio
Spot (April 17, 2015)	0.496x
10-Day Average	0.486x
30-Day Average	0.469x
90-Day Average	0.463x

These results provide an implied exchange ratio range of 0.463x to 0.496x, which was compared to the exchange ratio of 0.550x.

Premiums Paid Analyses

MLP-to-MLP Transactions Premiums Analysis

Simmons performed an analysis of the premiums paid in precedent MLP-to-MLP business combinations since January 1, 2010, which included MLPs in both the midstream sector and in the upstream oil & gas sector. Although Simmons analyzed the premiums implied by the selected transactions, none of these transactions or associated companies is identical to the merger or to LRE or Vanguard.

Using publicly available information at the time of the announcement of the relevant transaction, including company filings and third-party transaction databases, Simmons reviewed the consideration paid in the transactions and analyzed the premium of each such transaction over the trading price on the last trading day and the average trading price over the 30 days and 60 days before the announcement of the applicable transaction.

The following table identifies the twelve MLP-to-MLP transactions reviewed by Simmons in this analysis:

Announcement Date	Target	Acquiror
11/12/2014	Oiltanking Partners, L.P.	Enterprise Products Partners L.P.

10/26/2014	Williams Partners L.P.	Access Midstream Partners, L.P.
7/24/2014	QR Energy, LP	Breitburn Energy Partners L.P.
10/10/2013	PVR Partners, L.P.	Regency Energy Partners LP
8/27/2013	PAA Natural Gas Storage, L.P.	Plains All American Pipeline, L.P.
5/7/2013	Pioneer Southwest Energy Partners L.P.	Pioneer Natural Resources USA, Inc.
5/6/2013	Crestwood Midstream Partners LP	Inergy Midstream, L.P.
3/25/2011	Encore Energy Partners LP	Vanguard Natural Resources, LLC
2/23/2011	Duncan Energy Partners L.P.	Enterprise Products Partners L.P.
9/21/2010	Penn Virginia GP Holdings, L.P.	Penn Virginia Resource Partners, L.P.
8/6/2010	Inergy Holdings, L.P.	Inergy, L.P.
6/11/2010	Buckeye GP Holdings L.P.	Buckeye Partners, L.P.

TABLE OF CONTENTS

The implied premiums derived from the MLP-to-MLP transactions listed above are summarized below, and were compared to the premiums over the same applicable time periods that were implied by the value of the merger consideration to be received by LRE unitholders:

	1-Day Premium	30-Day Premium	60-Day Premium
High	35 %	34 %	35 %
Median	10 %	16 %	21 %
Low	4 %	3 %	1 %
Merger Consideration	11 %	25 %	20 %

U.S. Upstream Oil & Gas Corporate Transactions Premiums Analysis

Simmons reviewed publicly available data from nineteen transactions involving U.S. listed target companies since 2010 in the upstream oil & gas sector, which transactions included both MLP targets and C-corporation targets. Within this set of transactions, Simmons focused its analysis on the eight transactions where the merger consideration consisted entirely of equity in the acquirer due to Simmons deeming those to be most comparable to the merger. For those transactions, Simmons analyzed the premium of each such transaction over the trading price on the last trading day and the average trading price over the 30 days and 60 days before the announcement of the applicable transaction.

The following table identifies the eight U.S. upstream oil & gas corporate transactions reviewed by Simmons in this analysis:

Announcement Date	Target	Acquiror
7/24/2014	QR Energy, LP	Breitburn Energy Partners L.P.
7/13/2014	Kodiak Oil & Gas Corp.	Whiting Petroleum Corporation
4/30/2013	Crimson Exploration Inc.	Contango Oil & Gas Co.
5/7/2013	Pioneer Southwest Energy Partners L.P.	Pioneer Natural Resources USA, Inc.
2/21/2013	Berry Petroleum Co., LLC	Linn Energy, LLC
3/25/2011	Encore Energy Partners LP	Vanguard Natural Resources, LLC
1/19/2011	Nuloch Resources, Inc.	Magnum Hunter Resources Corporation
7/27/2010	American Oil & Gas Inc.	Hess Corporation

The implied premiums derived from the U.S. oil & gas upstream corporate transactions listed above are summarized below, and were compared to the premiums over the same applicable time periods that were implied by the value of the merger consideration to be received by LRE unitholders:

	1-Day Premium	30-Day Premium	60-Day Premium
High	23 %	28 %	34 %
Median	14 %	18 %	18 %
Low	(2)%	(2)%	3 %
Merger Consideration	11 %	25 %	20 %

Based upon the analysis of MLP-to-MLP transactions and U.S. upstream oil & gas corporate transactions above, Simmons used a range of a 10% to 25% premium to LRE s 30-day average price to derive an implied value range of $7.64 to $8.68 per LRE unit. Simmons then compared the implied value range to Vanguard s unit price of $15.72 as of April 17, 2015 to derive an implied exchange ratio range of 0.486x to 0.552x. These metrics were compared to the exchange ratio of 0.550x.

Contribution Analysis

Simmons examined the implied contribution of each of LRE and Vanguard to the combined entity s financial and operating statistics, including: (1) distributable cash flow and EBITDAX for the years 2015 and 2016, in each case using projections derived from LRE s and Vanguard s management forecasts and adjusted for NYMEX Strip Prices and Bloomberg Consensus Prices as of April 17, 2015; (2) fourth quarter 2014 actual production and 2015 and 2016 estimated production derived from LRE s and Vanguard s management forecasts (assuming 6:1 oil-to-gas energy equivalent ratio); (3) proved and proved developed reserves as of

TABLE OF CONTENTS

year-end 2014 estimated by LRE and Vanguard management and contained in provided economic databases (assuming 6:1 oil-to-gas energy equivalent ratio); and (4) proved and proved developed PV-10 derived from the LRE and Vanguard management estimates per the provided economic databases and assuming NYMEX Strip Prices as of April 17, 2015. For the analyses utilizing 2015 and 2016 EBITDAX estimates, Simmons examined the relative contribution both including LRE s and Vanguard s hedge positions and adjusted to exclude LRE s and Vanguard s hedge positions.

Simmons derived the implied exchange ratio for unitholders of LRE and Vanguard for each metric based on their relative contributions of LRE and Vanguard to each metric for the combined company, and then made appropriate adjustments for each of LRE s and Vanguard s net debt and units outstanding. The following table sets forth the results of this analysis:

	Contribution from LRE	Contribution from Vanguard	Implied Exchange Ratio
EBITDAX including Hedges (Strip Prices)			
2015P	18 %	82 %	1.152x
2016P	13 %	87 %	0.576x
EBITDAX excluding Hedges (Strip Prices)			
2015P	13 %	87 %	0.650x
2016P	11 %	89 %	0.518x
EBITDAX including Hedges (Consensus Prices)			
2015P	17 %	83 %	1.132x
2016P	12 %	88 %	0.490x
EBITDAX excluding Hedges (Consensus Prices)			
2015P	12 %	88 %	0.595x
2016P	11 %	89 %	0.483x
Production			
Fourth Quarter 2014	9 %	91 %	0.164x
2015P	9 %	91 %	0.195x
2016P	9 %	91 %	0.145x
Proved Reserves (Bcfe)			
Proved	9 %	91 %	0.164x
Proved Developed	11 %	89 %	0.367x
Proved PV-10			
Proved	11 %	89 %	0.389x
Proved Developed	13 %	87 %	0.568x
Distributable Cash Flow			
2015P	24 %	76 %	0.950x
2016P	15 %	85 %	0.526x

Simmons calculated the summary statistics for the implied exchange ratio for the above ratios excluding those ratios derived from production and proved reserves operational metrics, which were deemed less relevant than financial metrics such as EBITDAX, PV-10 and distributable cash flow due to the differences in LRE and Vanguard s relative weighting of their asset bases to natural gas versus oil and natural gas liquids. Excluding the production and proved reserve metrics, the above analysis resulted in a minimum exchange ratio of 0.389x, a maximum of 1.152x and a median of 0.572x. From this total range, Simmons used a range of 0.389x to 0.650x, which excludes those results that are based on 2015E EBITDAX and Distributable Cash Flow when including LRE and Vanguard s hedge positions due

to the large non-recurring impact of those hedge positions in 2015. This range was compared to the exchange ratio of 0.550x.

TABLE OF CONTENTS

Proved Net Asset Value Analysis

Simmons performed an illustrative proved net asset value analysis for LRE and Vanguard. Simmons calculated the present value of the future cash flows that LRE and Vanguard could be expected to generate from their existing estimated proved reserves as of year-end 2014, as estimated by the management of LRE and Vanguard and contained in provided economic databases. Simmons estimated Net Asset Value by adding (i) the present value of the cash flows generated by these estimated proved reserves, plus (ii) the present value of existing hedges, less (iii) the present value of projected general & administrative expenses, less (iv) other corporate adjustments including net debt (total debt less cash) and preferred equity. All cash flows were discounted at rates of 8% and 10%. The proved net asset value analysis was performed assuming both NYMEX Strip Pricing and Bloomberg Consensus Pricing as of April 17, 2015.

The ratio of proved net asset value per unit for both LRE and Vanguard resulted in an implied exchange ratio range of 0.317x to 0.374x. These metrics were compared to the exchange ratio of 0.550x.

Comparable Company Analyses

Simmons examined the trading valuations of certain publicly traded partnerships in the upstream oil & gas exploration and production sector and derived a unit value range for each of LRE and Vanguard. The upstream MLP companies included in the analysis are as follows:

Atlas Resource Partners, LP
Breitburn Energy Partners L.P.
EV Energy Partners, L.P.
Legacy Reserves LP
Linn Energy, LLC
Mid-Con Energy Partners, LP
Memorial Production Partners LP

For each of the companies selected, Simmons reviewed the ratio of unit price to distributable cash flow per unit (DCFPU) and enterprise value, which was calculated as equity value based on closing unit prices on April 17, 2015, plus book value of debt and liquidation value of preferred equity, less cash and cash equivalents, as a multiple of estimated EBITDAX in calendar years 2015 and 2016, and as a multiple of 2014 SEC PV-10. The EBITDAX projections for this analysis were derived from Wall Street consensus forecast estimates as well as LRE s and Vanguard s management forecasts adjusted for Bloomberg Consensus Commodity Prices. The 2014 SEC PV-10 estimates utilized were those included in year-end 2014 SEC filings. The following table sets forth the results of this analysis:

	Range		Median
Ratio of Unit Price To:			
2015P DCFPU	5.1x	8.6x	6.9x
2016P DCFPU	5.0x	13.8x	8.1x
Ratio of Enterprise Value To:			
2015P EBITDAX	5.2x	9.2x	7.8x
2016P EBITDAX	6.5x	8.9x	7.5x
2014 SEC PV-10	0.6x	1.4x	1.2x

Following these analyses, Simmons applied certain forward-looking comparable company trading multiples to Wall Street consensus DCF per unit, and both Wall Street consensus forecast estimates and

TABLE OF CONTENTS

management forecasts applying Bloomberg Consensus Commodity Pricing for LRE s and Vanguard s estimated 2015 and 2016 EBITDAX, as well as to 2014 SEC PV-10 estimates utilized in LRE s and Vanguard s year-end 2014 SEC filings. A summary of this analysis is set forth below.

	Reference Range		Implied Exchange Ratio	
Ratio of Equity Value To:				
2015P DCFPU	6.0x	8.0x	0.976x	0.976x
2016P DCFPU	7.0x	9.0x	0.724x	0.724x
Ratio of Enterprise Value To:				
Wall Street Consensus				
2015P EBITDAX	7.0x	9.0x	1.596x	0.990x
2016P EBITDAX	6.5x	8.5x	1.430x	0.831x
Management with Consensus Pricing				
2015P EBITDAX	7.0x	9.0x	1.863x	1.092x
2016P EBITDAX	6.5x	8.5x	0.542x	0.468x
2014 SEC PV-10	1.1x	1.4x	0.559x	0.511x

Based on the comparable company analyses above, Simmons derived a total range of implied exchange ratios of 0.468x to 1.863x, with a median of 0.903x. From this total range, Simmons used a range of 0.511x to 0.831x, which excludes results based on 2015E estimates due to the non-recurring hedge component. This range was compared to the exchange ratio of 0.550x.

Analyst Price Target Analysis

Simmons determined a range of Wall Street price targets for each of LRE and Vanguard based on the mean, median, low and high targets of the analysts considered. A summary of this analysis is set forth below.

Price Target	LRE	Vanguard	Implied Exchange Ratio
High	$ 10.00	$ 25.00	0.400x
Median	$ 8.00	$ 17.50	0.457x
Mean	$ 7.80	$ 17.58	0.444x
Low	$ 5.00	$ 13.00	0.385x

These results provide an implied exchange ratio range of 0.385x to 0.457x, which was compared to the exchange ratio of 0.550x.

Comparable Transactions Analysis

Simmons reviewed publicly available data from thirteen transactions involving U.S. listed target companies since 2010 in the upstream oil & gas sector where a significant component of the consideration consisted of stock of the acquiror. For these transactions, Simmons analyzed the transaction value at the time of the announcement as a ratio of estimated EBITDA for the current year in which the transaction was announced and the future year after the transaction was announced. EBITDA estimates were based on Wall Street analyst consensus estimates for the target companies as of the time of the transaction announcements.

Announcement Date	Target	Acquiror
7/24/2014	QR Energy, LP	Breitburn Energy Partners L.P.
7/13/2014	Kodiak Oil & Gas Corp.	Whiting Petroleum Corporation
3/12/2014	EPL Oil & Gas, Inc.	Energy XXI Ltd.
4/30/2013	Crimson Exploration Inc.	Contango Oil & Gas Co.
5/7/2013	Pioneer Southwest Energy Partners L.P.	Pioneer Natural Resources USA, Inc.
2/21/2013	Berry Petroleum Co.	Linn Energy, LLC/LinnCo
12/5/2012	Plains Exploration & Production Company	Freeport-McMoRan Inc.

TABLE OF CONTENTS

Announcement Date	Target	Acquiror
4/25/2012	GeoResources Inc.	Halcon Resources Corp.
3/25/2011	Encore Energy Partners LP	Vanguard Natural Resources LLC
1/19/2011	Nuloch Resources, Inc.	Magnum Hunter Resources Corporation
7/27/2010	American Oil & Gas Inc.	Hess Corporation
4/15/2010	Mariner Energy, Inc.	Apache Corp.
4/4/2010	Arena Resources Inc.	Sandridge Energy, Inc.

Based on the transactions listed above, Simmons derived a transaction value to EBITDA ratio range of 4.8x to 10.1x with a median value of 7.5x for the current year EBITDA estimates, and 4.4x to 8.5x with a median value of 5.7x for the future year EBITDA estimates. Simmons applied a selected range of EBITDA multiples to LRE s EBITDA for the years 2015 and 2016 using projections derived from LRE s management forecasts and adjusted for NYMEX Strip Prices, and to LRE s 2015 and 2016 EBITDA estimates using Wall Street consensus estimates. Simmons then made adjustments for LRE s net debt and units outstanding to derive an implied equity value per unit:

	Reference Range		Implied LRE Equity Value Per Unit	
Ratio of Enterprise Value To:				
Management with NYMEX Pricing				
2015P EBITDA	6.0x	9.0x	$ 6.94	$15.52
2016P EBITDA	5.0x	7.0x	N/A	$3.96
Wall Street Consensus				
2015P EBITDA	6.0x	9.0x	$ 6.22	$14.44
2016P EBITDA	5.0x	7.0x	$ 2.59	$7.71

Simmons divided the implied LRE equity values per unit calculated above by Vanguard s closing price on April 17, 2015 of $15.72 per unit to derive a range of implied exchange ratios of 0.165x to 0.987x, with a median of 0.441x. From this total range, Simmons used a range of 0.252x to 0.491x, which excludes results based on 2015E estimates due to the non-recurring hedge component. This range was compared to the exchange ratio of 0.550x.

Other Factors

Simmons analyzed the pro forma impact of the merger on the distributable cash flow per unit attributable to LRE common unitholders for 2015 and 2016 assuming a January 1, 2015 close date and using projections for each year derived from LRE and Vanguard s management forecast adjusted for NYMEX strip pricing and Bloomberg Consensus pricing and incorporating estimated interest expense savings and LRE management s estimate of general and administrative expense savings to be realized from the merger. That analysis indicated that, under both NYMEX strip and Bloomberg Consensus pricing, the transaction would be dilutive on a pro forma basis to the distributable cash flow per unit attributable to LRE common unitholders in 2015 and accretive in 2016.

General

The summary set forth above does not purport to be a complete description of the analyses performed by Simmons, but simply describes, in summary form, the material analyses that Simmons conducted in connection with rendering

its opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Simmons s opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Simmons arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Simmons believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

TABLE OF CONTENTS

Simmons based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Analyses based on forecasts or projections of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties or their advisors. Accordingly, Simmons analyses are not necessarily indicative of actual values or actual future results that might be achieved, which values may be higher or lower than those indicated or implied. The implied exchange ratio reference ranges indicated by Simmons analyses are illustrative and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. Moreover, Simmons analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. In addition, no company or transaction used in Simmons analysis as a comparison is directly comparable to LRE or Vanguard or the contemplated merger. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of LRE or Simmons or any other person assumes responsibility if future results are materially different from those forecasts or projections.

Simmons opinion was one of many factors taken into consideration by the LRE GP conflicts committee in making its determination to recommend the merger and should not be considered determinative of the views of the LRE GP conflicts committee or management with respect to the merger or the merger consideration.

No company or transaction used in the analyses of comparable transactions summarized above is identical or directly comparable to LRE, Vanguard, or the merger. Accordingly, these analyses must take into account differences in the financial and operating characteristics of the selected publicly traded companies and differences in the structure and timing of the selected transactions and other factors that would affect the public trading value and acquisition value of the companies considered.

The financial terms of the merger were determined through arms-length negotiations between LRE and Vanguard and were approved by each of them, and Simmons did not recommend any specific financial terms for the merger consideration to the LRE GP conflicts committee or assert that any specific financial terms of the merger constituted the only appropriate financial terms of the merger consideration.

Simmons was selected by the LRE GP conflicts committee based on Simmons qualifications, expertise and reputation. Simmons is an internationally recognized investment banking firm that specializes in the energy industry and is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements. In the ordinary course of its business, Simmons may trade the securities of LRE and Vanguard for its own account and for the accounts of customers and may at any time hold a long or short position in such securities.

Pursuant to the terms of the LRE GP conflicts committee s engagement of Simmons, LRE agreed to pay Simmons an initial advisory fee of $450,000 payable on the date of engagement, and an additional fee of $450,000 payable upon Simmons delivery of its fairness opinion to the LRE GP conflicts committee. In addition, LRE agreed to reimburse Simmons for its reasonably incurred out-of-pocket expenses incurred in connection with the engagement, including fees and disbursements of its legal counsel. LRE also agreed to indemnify Simmons, its affiliates and their respective directors, officers, shareholders, agents, employees and controlling persons for liabilities related to or arising out of Simmons engagement or its role in connection therewith, including liabilities under the federal securities laws, or to contribute to payments Simmons may be required to make in respect of these liabilities.

In the past two years, (i) Simmons oil field services and equipment group has advised a portfolio company of Lime Rock Partners, an affiliate of Lime Rock Management LP, in connection with a previous, unrelated transaction for which Simmons received aggregate compensation of approximately $0.9 million, and (ii) Simmons, through the oil

field services and equipment group of its subsidiary Simmons & Company International Limited, also advised on a separate, unrelated transaction for a portfolio company of Lime Rock Partners for which Simmons received aggregate compensation of approximately $1.8 million. The aggregate compensation received by Simmons in connection with these transactions was not material to Simmons. Simmons is currently advising a portfolio company of Lime Rock Partners in connection with an unrelated

TABLE OF CONTENTS

transaction, for which it has received approximately $75,000 in compensation to date and will be entitled to receive additional customary compensation if a transaction is ultimately consummated. Simmons and its affiliates may provide investment banking or other financial services to LRE, Vanguard, Lime Rock Management or their respective shareholders, affiliates or portfolio companies in the future. In connection with such investment banking or other financial services, Simmons or its affiliates, as applicable, may receive compensation.

Opinion Dated May 20, 2015

In connection with Vanguard s proposal to Eagle Rock with respect to the Eagle Rock merger, the LRE GP conflicts committee retained Simmons to provide financial advisory services and render an opinion, if requested, as to the fairness from a financial point of view of the terms of the Eagle Rock merger to the unaffiliated LRE unitholders. On May 20, 2015, Simmons rendered its oral opinion, which was subsequently confirmed in writing, to the LRE GP conflicts committee to the effect that, as of that date, and based upon and subject to the assumptions, limitations and qualifications set forth in its opinion, that the terms of the Eagle Rock merger contemplated by the Eagle Rock merger agreement were fair from a financial point of view to the unaffiliated LRE unitholders.

Pursuant to the Eagle Rock merger agreement, the consideration to be received by Eagle Rock common unitholders consists of the right to receive 0.185 Vanguard common units per Eagle Rock common unit (the Eagle Rock merger consideration , and such ratio, the Eagle Rock exchange ratio). Based on Vanguard s closing unit price of $15.79 per unit on May 19, 2015, Simmons calculated the implied value of the unit consideration to be $2.92 per Eagle Rock common unit as of that date. In the analyses described below, the term Eagle Rock implied exchange ratio means an exchange ratio derived by dividing the unit price of Eagle Rock common units implied by the various analyses outlined below by Vanguard s common unit price implied by the same analyses as of or for a period ending on the close of business on May 19, 2015.

The full text of Simmons written opinion, dated May 20, 2015, which sets forth, among other things, certain assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken by Simmons in rendering its opinion, is attached as Annex F to this proxy statement/prospectus and is incorporated herein by reference. The summary of the Simmons opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion. LRE unitholders are urged to read the Simmons opinion carefully and in its entirety. Simmons delivered its opinion to the LRE GP conflicts committee for the benefit and use of the LRE GP conflicts committee in connection with and for purposes of its evaluation of the Eagle Rock merger consideration from a financial point of view to the unaffiliated LRE unitholders in connection with its determination of whether to consent to the Eagle Rock merger. Simmons opinion does not constitute a recommendation as to how any holder of interests in LRE should vote or act with respect to the merger or any other matter.

Simmons opinion and its presentation to the LRE GP conflicts committee were among many factors taken into consideration by the LRE GP conflicts committee in consenting to the Eagle Rock merger agreement and making its recommendation to the Board of Directors of the general partner of LRE regarding the Eagle Rock merger.

In connection with rendering its opinion, Simmons, among other things:

i. reviewed a draft of the Agreement and Plan of Merger dated as of May 19, 2015;

ii. reviewed a draft of the Letter Agreement regarding Written Consent to the Proposed Merger Transaction as of May 19, 2015;

iii. reviewed certain publicly available financial statements of each of LRE, Vanguard and Eagle Rock that Simmons

deemed relevant;

iv. reviewed certain other publicly available business, operating and financial information relating to each of LRE, Vanguard and Eagle Rock that Simmons deemed relevant;

TABLE OF CONTENTS

v. reviewed certain internal information, including financial and production forecasts and other financial and operating data concerning each of LRE, Vanguard and Eagle Rock, prepared by the management of each of LRE, Vanguard and Eagle Rock, respectively;

vi. reviewed certain estimates of LRE s, Vanguard s and Eagle Rock s oil and gas production and reserves prepared and provided by the management of LRE, Vanguard and Eagle Rock, respectively, and contained in provided economic databases;

vii. reviewed certain other information and presentations prepared by the management of LRE, Vanguard and Eagle Rock and certain of their advisors;

viii. reviewed publicly available information concerning the trading of, and the trading market for, the securities of LRE, Vanguard and Eagle Rock;

ix. reviewed the historical exchange ratio based upon the closing trading prices of the units for both Vanguard and Eagle Rock over several time periods, which were then compared to the Eagle Rock exchange ratio;

x. derived a relevant premium range from a list of historical transactions to compute an exchange ratio range which was then compared to the Eagle Rock exchange ratio;

xi. compared the ownership of Vanguard, pro forma for its merger with LRE (Pro Forma Vanguard), in the combined company pro forma for the subsequent Eagle Rock merger (the Pro Forma Combined Entity) with the relative contribution of Pro Forma Vanguard to the Pro Forma Combined Entity based upon certain metrics that Simmons deemed relevant, which were then used to derive an Eagle Rock implied exchange ratio range which was compared to the Eagle Rock exchange ratio;

xii. derived a net asset value range for both Pro Forma Vanguard and Eagle Rock by discounting future cash flows derived from the LRE, Vanguard and Eagle Rock economic databases at discount rates which Simmons deemed appropriate, and used the net asset value ranges to derive an Eagle Rock implied exchange ratio range which was compared to the Eagle Rock exchange ratio;

xiii. derived a unit value range based on the trading valuations of certain publicly traded partnerships in the oil and gas exploration and production sector for both Pro Forma Vanguard and Eagle Rock, and used these unit value ranges to derive an Eagle Rock implied exchange ratio range which was compared to the Eagle Rock exchange ratio;

xiv. reviewed the range of Wall Street analyst price targets for both Vanguard and Eagle Rock, and used such price targets to derive an Eagle Rock implied exchange ratio range which was compared to the Eagle Rock exchange ratio; and

xv. reviewed the financial metrics of certain historical corporate transactions in the oil and gas exploration and production sector, and applied such financial metrics to Eagle Rock s projected results to compute an exchange ratio which was then compared to the Eagle Rock exchange ratio.

In addition, Simmons held discussions with certain officers and employees of LRE, Vanguard and Eagle Rock to discuss the foregoing, as well as other matters believed to be relevant to its analysis and considered such other information, financial studies, analyses and investigations, and financial, economic, and market criteria which it deemed relevant.

In connection with its review, Simmons did not independently verify any of the foregoing information and relied on its being complete and accurate in all material respects. With respect to production and financial forecasts, Simmons assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of LRE s, Vanguard s and Eagle Rock s management as to the future financial and operational performance of LRE, Vanguard and Eagle Rock, respectively. In rendering its opinion, Simmons assumed that the execution version of the Agreement and Plan of Merger was substantially the same as the draft dated May 19, 2015 that Simmons reviewed and that the Eagle Rock merger would be consummated in accordance with the terms set forth in the Agreement and Plan of Merger without any waiver, amendment or delay of any material terms or conditions. Simmons assumed that in connection with the receipt of all

TABLE OF CONTENTS

necessary governmental, regulatory or other approvals and consents required for the Eagle Rock merger, no delays, limitations, conditions or restrictions would be imposed that would have a material adverse effect on the closing of either the LRE merger with Vanguard or the Vanguard merger with Eagle Rock. Simmons is not a legal, tax or regulatory advisor and has relied upon, without independent verification, the assessment of LRE and its legal, tax and regulatory advisors with respect to such matters. Simmons did not conduct any tax analysis, and Simmons assumed, with the LRE GP conflicts committees consent, that the Eagle Rock merger will be treated as a tax-free reorganization for federal income tax purposes. Simmons expressed no opinion as to the price at which LRE common units, Vanguard common units or Eagle Rock common units will trade at any time. In addition, Simmons was not requested to make, and did not make, an independent evaluation or appraisal of the assets of LRE, Vanguard or Eagle Rock. Simmons was not requested to, and did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of LRE or any alternative transaction.

The opinion speaks only as of the date and the time it was delivered and not as of the time the Eagle Rock merger may be consummated. The opinion does not reflect changes that may occur or may have occurred after May 20, 2015, which could significantly alter the value of LRE, Vanguard or Eagle Rock or the respective trading prices of their common units, which are factors on which Simmons opinion was based. Simmons opinion was necessarily based upon conditions as they existed and could be evaluated on, and on the information made available at May 20, 2015. Events occurring after May 20, 2015 may affect Simmons opinion and the assumptions used in preparing it, and Simmons has disclaimed and does not assume any obligation to update, revise or reaffirm its opinion, including with respect to circumstances, developments or events that occur after the rendering of its opinion.

Simmons opinion was provided for the information and assistance of the LRE GP conflicts committee in connection with its consideration of whether to consent to the Eagle Rock merger. Simmons opinion did not address LRE s underlying business decision to consent to the Eagle Rock merger or the relative merits of the Eagle Rock merger as compared to any alternative business strategies or transactions that might be available for LRE. Simmons opinion did not address the fairness of the amount or nature of the compensation to any of LRE s, Vanguard s or Eagle Rock s officers, directors or employees, or class of such persons, relative to the compensation to the public unitholders of LRE. Simmons opinion does not constitute a recommendation to any unitholder as to how such unitholder should vote on the merger or the Eagle Rock merger.

The following represents a summary of the material financial analyses presented by Simmons to the LRE GP conflicts committee in connection with its opinion. The following summary, however, does not purport to be a complete description of the financial analyses performed by Simmons. The order of analyses described does not represent relative importance or weight given to those analyses by Simmons. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Simmons financial analyses. Considering the summary data and tables alone without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Simmons.

Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before May 19, 2015 and is not necessarily indicative of current market conditions. For purposes of its analysis, Simmons defined (i) EBITDA as net income plus or minus income taxes, interest expense (less interest income), depreciation, depletion and amortization expense, impairment of oil and natural gas properties, net loss (gain) on commodity derivative instruments, and commodity derivative net cash settlements, and (ii) EBITDAX as net income plus or minus income taxes, interest expense (less interest income), depreciation, depletion, amortization and exploration expense, impairment of oil and natural gas properties, net loss (gain) on commodity derivative instruments, and commodity derivative net cash settlements. Based on these

definitions, the difference between EBITDA and EBITDAX is the addition of exploration expense for those companies that record it. For those companies that record little or no exploration expense, such as LRR, Vanguard, Eagle Rock and many of their MLP peers, EBITDA and EBITDAX result in the same figures and Simmons believes the definitions can be used interchangeably. Simmons opinion was reviewed and approved by its fairness opinion committee.

TABLE OF CONTENTS

Commodity Price Assumptions

Simmons utilized two commodity price assumptions in certain of its analyses: (1) NYMEX calendar strip prices as of May 18, 2015 (and utilizing historical actual commodity prices for the period prior to May 18, 2015), and (2) research analyst consensus commodity pricing per Bloomberg as of May 18, 2015. The commodity price assumptions utilized in Simmons analyses were as follow:

NYMEX Strip Prices:

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015	$ 59.97	$ 3.03
2016	$ 63.20	$ 3.27
2017	$ 65.16	$ 3.37
2018	$ 66.68	$ 3.47
2019 and Thereafter	$ 67.65	$ 3.56

Research Consensus Prices per Bloomberg:

Year	WTI Crude (per Bbl)	Henry Hub Gas (per MMBtu)
2015	$ 59.00	$ 3.01
2016	$ 70.00	$ 3.60
2017	$ 73.25	$ 4.13
2018 and Thereafter	$ 75.00	$ 4.36

Historical Unit Price Exchange Ratio Analysis

Simmons reviewed the historical daily ratio of the closing price of Eagle Rock common units to the closing price of Vanguard common units over several time periods, and compared those ratios to the Eagle Rock exchange ratio in the Eagle Rock merger consideration to be received by Eagle Rock unitholders. The following table sets forth the results of this analysis:

Time Period	Implied Exchange Ratio
Spot (May 19, 2015)	0.153x
10-Day Average	0.150x
30-Day Average	0.151x
90-Day Average	0.157x

These results provide an implied exchange ratio range of 0.150x to 0.157x, which was compared to the Eagle Rock exchange ratio of 0.185x.

Premiums Paid Analyses

MLP-to-MLP Transactions Premiums Analysis

Simmons performed an analysis of the premiums paid in precedent MLP-to-MLP business combinations since January 1, 2010, which included MLPs in both the midstream sector and in the upstream oil & gas sector. Although Simmons analyzed the premiums implied by the selected transactions, none of these transactions or associated companies is identical to the Eagle Rock merger or to Eagle Rock or Vanguard.

Using publicly available information at the time of the announcement of the relevant transaction, including company filings and third-party transaction databases, Simmons reviewed the consideration paid in the transactions and analyzed the premium of each such transaction over the trading price on the last trading day and the average trading price over the 30 days and 60 days before the announcement of the applicable transaction.

TABLE OF CONTENTS

The following table identifies the fourteen MLP-to-MLP transactions reviewed by Simmons in this analysis:

Announcement Date	Target	Acquiror
5/13/2015	Williams Partners L.P.	Williams Companies, Inc.
4/20/2015	LRR Energy, L.P.	Vanguard Natural Resources, LLC
11/12/2014	Oiltanking Partners, L.P.	Enterprise Products Partners L.P.
10/26/2014	Williams Partners L.P.	Access Midstream Partners, L.P.
7/24/2014	QR Energy, LP	Breitburn Energy Partners L.P.
10/10/2013	PVR Partners, L.P.	Regency Energy Partners LP
8/27/2013	PAA Natural Gas Storage, L.P.	Plains All American Pipeline, L.P.
5/7/2013	Pioneer Southwest Energy Partners L.P.	Pioneer Natural Resources USA, Inc.
5/6/2013	Crestwood Midstream Partners LP	Inergy Midstream, L.P.
3/25/2011	Encore Energy Partners LP	Vanguard Natural Resources, LLC
2/23/2011	Duncan Energy Partners L.P.	Enterprise Products Partners L.P.
9/21/2010	Penn Virginia GP Holdings, L.P.	Penn Virginia Resource Partners, L.P.
8/6/2010	Inergy Holdings, L.P.	Inergy, L.P.
6/11/2010	Buckeye GP Holdings L.P.	Buckeye Partners, L.P.

The implied premiums derived from the MLP-to-MLP transactions listed above are summarized below, and were compared to the premiums over the same applicable time periods that were implied by the value of the Eagle Rock merger consideration to be received by Eagle Rock unitholders:

	1-Day Premium	30-Day Premium	60-Day Premium
High	35 %	34 %	35 %
Median	12 %	16 %	21 %
Low	4 %	3 %	1 %
Eagle Rock Merger Consideration	21 %	18 %	19 %

U.S. Upstream Oil & Gas Corporate Transactions Premiums Analysis

Simmons reviewed publicly available data from twenty-one transactions involving U.S. listed target companies since 2010 in the upstream oil & gas sector, which transactions included both MLP targets and C-corporation targets. Within this set of transactions, Simmons focused its analysis on the ten transactions where the merger consideration consisted entirely of equity in the acquirer due to Simmons deeming those to be most comparable to the Eagle Rock merger. For those transactions, Simmons analyzed the premium of each such transaction over the trading price on the last trading day and the average trading price over the 30 days and 60 days before the announcement of the applicable transaction.

The following table identifies the ten U.S. Upstream Oil & Gas Corporate transactions reviewed by Simmons in this analysis:

Announcement Date	Target	Acquiror

5/11/2015	Rosetta Resources, Inc.	Noble Energy, Inc.
4/20/2015	LRR Energy, L.P.	Vanguard Natural Resources, LLC
7/24/2014	QR Energy, LP	Breitburn Energy Partners L.P.
7/13/2014	Kodiak Oil & Gas Corp.	Whiting Petroleum Corporation
4/30/2013	Crimson Exploration Inc.	Contango Oil & Gas Co.
5/7/2013	Pioneer Southwest Energy Partners L.P.	Pioneer Natural Resources USA, Inc.
2/21/2013	Berry Petroleum Co., LLC	Linn Energy, LLC
3/25/2011	Encore Energy Partners LP	Vanguard Natural Resources, LLC
1/19/2011	Nuloch Resources, Inc.	Magnum Hunter Resources Corporation
7/27/2010	American Oil & Gas Inc.	Hess Corporation

TABLE OF CONTENTS

The implied premiums derived from the U.S. Oil & Gas Upstream Corporate transactions listed above are summarized below, and were compared to the premiums over the same applicable time periods that were implied by the value of the Eagle Rock merger consideration to be received by Eagle Rock unitholders:

	1-Day Premium	30-Day Premium	60-Day Premium
High	38 %	30 %	35 %
Median	15 %	21 %	23 %
Low	(2 %)	(2 %)	3 %
Eagle Rock Merger Consideration	21 %	18 %	19 %

Based upon the analysis of MLP-to-MLP transactions and U.S. Upstream Oil & Gas Corporate transactions above, Simmons used a range of a 10% to 25% premium to Eagle Rock s 30-day average price to derive an implied value range of $2.71 to $3.08 per Eagle Rock unit. Simmons then compared the implied value range to Vanguard s unit price of $15.79 as of May 19, 2015 to derive an Eagle Rock implied exchange ratio range of 0.172x to 0.195x. These metrics were compared to the Eagle Rock exchange ratio of 0.185x.

Contribution Analysis

Simmons examined the implied contribution of each of Pro Forma Vanguard and Eagle Rock to the Pro Forma Combined Entity s financial and operating statistics, including: (1) distributable cash flow and EBITDA for the years 2015 and 2016, in each case using projections derived from LRE s, Vanguard s and Eagle Rock s management forecasts and adjusted for NYMEX Strip Prices and Bloomberg Consensus Prices as of May 18, 2015; (2) first quarter 2015 actual production and full year 2015 and 2016 estimated production derived from LRE s, Vanguard s and Eagle Rock s management forecasts (assuming 6:1 oil-to-gas energy equivalent ratio); (3) proved and proved developed reserves as of March 31, 2015 estimated by LRE, Vanguard and Eagle Rock management and contained in provided economic databases (assuming 6:1 oil-to-gas energy equivalent ratio); and (4) proved and proved developed PV-10 derived from the LRE, Vanguard and Eagle Rock management estimates per the provided economic databases and assuming NYMEX Strip Prices as of May 18, 2015. For 2015 distributable cash flow, EBITDA and production, statistics for Pro Forma Vanguard assume the LRE and Vanguard merger was completed as of January 1, 2015. For the analyses utilizing 2015 and 2016 EBITDA estimates, Simmons examined the relative contribution both including Pro Forma Vanguard s and Eagle Rock s hedge positions and adjusted to exclude Pro Forma Vanguard s and Eagle Rock s hedge positions.

Simmons derived the Eagle Rock implied exchange ratio for unitholders of Eagle Rock and Pro Forma Vanguard for each metric based on their relative contributions of Eagle Rock and Pro Forma Vanguard to each metric for the Pro Forma Combined Entity, and then made appropriate adjustments for each of Eagle Rock s and Pro Forma Vanguard s net debt and units outstanding. The following table sets forth the results of this analysis:

	Contribution from Eagle Rock	Contribution from Pro Forma Vanguard	Implied Exchange Ratio
EBITDA including Hedges (Strip Prices)			
2015P	18 %	82 %	0.351x
2016P	17 %	83 %	0.321x

EBITDA excluding Hedges (Strip Prices)					
2015P	16	%	84	%	0.302x
2016P	16	%	84	%	0.299x
EBITDA including Hedges (Consensus Prices)					
2015P	18	%	82	%	0.353x
2016P	16	%	84	%	0.306x
EBITDA excluding Hedges (Consensus Prices)					
2015P	16	%	84	%	0.302x
2016P	16	%	84	%	0.304x

TABLE OF CONTENTS

	Contribution from Eagle Rock	Contribution from Pro Forma Vanguard	Implied Exchange Ratio
Production			
First Quarter 2015	15 %	85 %	0.278x
2015P	16 %	84 %	0.294x
2016P	17 %	83 %	0.323x
Q1 2015 Proved Reserves (Bcfe)			
Proved	13 %	87 %	0.207x
Proved Developed	14 %	86 %	0.246x
Q1 2015 Proved PV-10			
Proved	15 %	85 %	0.265x
Proved Developed	15 %	85 %	0.276x
Distributable Cash Flow			
2015P	18 %	82 %	0.146x
2016P	16 %	84 %	0.124x

Simmons calculated the summary statistics for the Eagle Rock implied exchange ratio for the above ratios excluding those ratios derived from production and proved reserves operational metrics, which were deemed less relevant than financial metrics such as EBITDA, PV-10 and distributable cash flow due to the differences in Eagle Rock and Pro Forma Vanguard s relative weighting of their asset bases to natural gas versus oil and natural gas liquids. Excluding the production and proved reserve metrics, the above analysis resulted in a minimum exchange ratio of 0.124x, a maximum of 0.353x and a median of 0.302x. From this total range, Simmons used a range of 0.124x to 0.321x, which excludes those results that are based on 2015E EBITDA and Distributable Cash Flow when including Eagle Rock and Pro Forma Vanguard s hedge positions due to the large non-recurring impact of those hedge positions in 2015. This range was compared to the Eagle Rock exchange ratio of 0.185x.

Proved NAV Analysis

Simmons performed an illustrative Proved Net Asset Value analysis for Eagle Rock and Pro Forma Vanguard. Simmons calculated the present value of the future cash flows that Eagle Rock and Pro Forma Vanguard could be expected to generate from their existing estimated proved reserves as of March 31, 2015, as estimated by the management of LRE, Vanguard and Eagle Rock and contained in provided economic databases. Simmons estimated Net Asset Value by adding (i) the present value of the cash flows generated by these estimated proved reserves, plus (ii) the present value of existing hedges, less (iii) the present value of projected general & administrative expenses, less (v) other corporate adjustments including net debt (total debt less cash) and preferred equity. All cash flows were discounted at rates of 8% and 10%. The Proved Net Asset Value Analysis was performed assuming both NYMEX Strip Pricing and Bloomberg Consensus Pricing as of May 18, 2015.

The ratio of proved net asset value per unit for both Eagle Rock and Pro Forma Vanguard resulted in an Eagle Rock implied exchange ratio range of 0.214x to 0.474x. These metrics were compared to the Eagle Rock exchange ratio of 0.185x.

Comparable Company Analyses

Simmons examined the trading valuations of certain publicly traded partnerships in the upstream oil & gas exploration and production sector and derived a unit value range for each of Eagle Rock and Pro Forma Vanguard. The upstream MLP companies included in the analysis are as follows:

Atlas Resource Partners, LP
Breitburn Energy Partners L.P.
EV Energy Partners, L.P.

TABLE OF CONTENTS

Legacy Reserves LP
Linn Energy, LLC
Mid-Con Energy Partners, LP
Memorial Production Partners LP

For each of the companies selected, Simmons reviewed the ratio of unit price to distributable cash flow per unit (DCFPU) and enterprise value, which was calculated as equity value based on closing unit prices on May 19, 2015, plus book value of debt and liquidation value of preferred equity, less cash and cash equivalents, as a multiple of estimated EBITDA in calendar years 2015 and 2016, and as a multiple of 2014 SEC PV-10. The EBITDA projections for this analysis were derived from Wall Street consensus forecast estimates as well as LRE s, Vanguard s and Eagle Rock s management forecasts adjusted for Bloomberg Consensus Commodity Prices. The 2014 SEC PV-10 estimates utilized were those included in year-end 2014 SEC filings. The following table sets forth the results of this analysis:

	Range		Median
Ratio of Unit Price To:			
2015P DCFPU	5.3x	8.6x	6.5x
2016P DCFPU	5.5x	9.1x	7.1x
Ratio of Enterprise Value To:			
2015P EBITDA	7.8x	8.9x	7.9x
2016P EBITDA	7.5x	8.7x	8.2x
2014 SEC PV-10	0.6x	1.6x	1.1x

Following these analyses, Simmons applied certain forward-looking comparable company trading multiples to Wall Street consensus DCF per unit, and both Wall Street consensus forecast estimates and management forecasts applying Bloomberg Consensus Commodity Pricing for Eagle Rock s and Pro Forma Vanguard s estimated 2015 and 2016 EBITDA, as well as to 2014 SEC PV-10 estimates utilized in Eagle Rock s and Pro Forma Vanguard s year-end 2014 SEC filings. A summary of this analysis is set forth below.

	Reference Range		Implied Exchange Ratio	
Ratio of Equity Value To:				
2015P DCFPU	5.5x	7.5x	0.165x	0.165x
2016P DCFPU	6.0x	8.0x	0.169x	0.169x
Ratio of Enterprise Value To:				
Wall Street Consensus				
2015P EBITDA	7.0x	9.0x	0.552x	0.322x
2016P EBITDA	7.0x	9.0x	0.593x	0.349x
Management with Consensus Pricing				
2015P EBITDA	7.0x	9.0x	0.539x	0.313x
2016P EBITDA	7.0x	9.0x	0.449x	0.272x
2014 SEC PV-10	1.0x	1.3x	0.347x	0.223x

Based on the comparable company analyses above, Simmons derived a total range of Eagle Rock implied exchange ratios of 0.165x to 0.593x, with a median of 0.317x. From this total range, Simmons used a range of 0.223x to 0.449x, which excludes results based on 2015E estimates due to the non-recurring hedge component. This range was compared to the Eagle Rock exchange ratio of 0.185x.

TABLE OF CONTENTS

Analyst Price Target Analysis

Simmons determined a range of Wall Street price targets for each of Eagle Rock and Vanguard based on the mean, median, low and high targets of the analysts considered. A summary of this analysis is set forth below.

Price Target	Eagle Rock	Vanguard	Implied Exchange Ratio
High	$ 3.00	$ 25.00	0.120x
Median	$ 3.00	$ 18.00	0.167x
Mean	$ 3.00	$ 18.00	0.167x
Low	$ 3.00	$ 15.00	0.200x

These results provide an implied exchange ratio range of 0.120x to 0.200x, which was compared to the Eagle Rock exchange ratio of 0.185x.

Comparable Transactions Analysis

Simmons reviewed publicly available data from fifteen transactions involving U.S. listed target companies since 2010 in the upstream oil & gas sector where a significant component of the consideration consisted of stock of the acquiror. For these transactions, Simmons analyzed the transaction value at the time of the announcement as a ratio of estimated EBITDA for the current year in which the transaction was announced and the future year after the transaction was announced. EBITDA estimates were based on Wall Street analyst consensus estimates for the target companies as of the time of the transaction announcements.

Announcement Date	Target	Acquiror
5/11/2015	Rosetta Resources, Inc.	Noble Energy, Inc.
4/20/2015	LRR Energy, L.P.	Vanguard Natural Resources, LLC
7/24/2014	QR Energy, LP	Breitburn Energy Partners L.P.
7/13/2014	Kodiak Oil & Gas Corp.	Whiting Petroleum Corporation
3/12/2014	EPL Oil & Gas, Inc.	Energy XXI Ltd.
4/30/2013	Crimson Exploration Inc.	Contango Oil & Gas Co.
5/7/2013	Pioneer Southwest Energy Partners L.P.	Pioneer Natural Resources USA, Inc.
2/21/2013	Berry Petroleum Co.	Linn Energy, LLC/LinnCo
12/5/2012	Plains Exploration & Production Company	Freeport-McMoRan Inc.
4/25/2012	GeoResources Inc.	Halcon Resources Corp.
3/25/2011	Encore Energy Partners LP	Vanguard Natural Resources LLC
1/19/2011	Nuloch Resources, Inc.	Magnum Hunter Resources Corporation
7/27/2010	American Oil & Gas Inc.	Hess Corporation
4/15/2010	Mariner Energy, Inc.	Apache Corp.
4/4/2010	Arena Resources Inc.	Sandridge Energy, Inc.

TABLE OF CONTENTS

Based on the transactions listed above, Simmons derived a transaction value to EBITDA ratio range of 4.8x to 10.1x with a median value 7.5x for the current year EBITDA estimates, and 4.4x to 9.3x with a median value of 6.0x for the future year EBITDA estimates. Simmons applied a selected range of EBITDA multiples to Eagle Rock s EBITDA for the years 2015 and 2016 using projections derived from Eagle Rock s management forecasts and adjusted for NYMEX Strip Prices, and to Eagle Rock s 2015 and 2016 EBITDA estimates using Wall Street consensus estimates. Simmons then made adjustments for Eagle Rock s net debt and units outstanding to derive an implied equity value per unit:

	Reference Range		Implied Eagle Rock Equity Value Per Unit	
Ratio of Enterprise Value To:				
Management with NYMEX Pricing				
2015P EBITDA	6.0x	9.0x	$2.98	$4.93
2016P EBITDA	5.0x	7.0x	$2.01	$3.18
Wall Street Consensus				
2015P EBITDA	6.0x	9.0x	$3.12	$5.14
2016P EBITDA	5.0x	7.0x	$2.73	$4.18

Simmons divided the implied Eagle Rock equity values per unit calculated above by Vanguard s closing price on May 19, 2015 of $15.79 per unit to derive a range of Eagle Rock implied exchange ratios of 0.127x to 0.325x, with a median of 0.200x. From this total range, Simmons used a range of 0.127x to 0.265x, which excludes results based on 2015E estimates due to the non-recurring hedge component. This range was compared to the Eagle Rock exchange ratio of 0.185x.

Other Factors

Simmons analyzed the pro forma impact of the Eagle Rock merger on the distributable cash flow per unit attributable to Pro Forma Vanguard common unitholders for 2015 and 2016 assuming a January 1, 2015 close date and using projections for each year derived from LRE, Vanguard and Eagle Rock s management forecasts adjusted for NYMEX strip pricing and Bloomberg Consensus pricing and incorporating Vanguard management s estimate of general and administrative expense savings to be realized from the Eagle Rock merger. That analysis indicated that the impact of the transaction on a pro forma basis to the distributable cash flow per unit attributable to Pro Forma Vanguard common unitholders was slightly accretive in both 2015 and 2016 assuming NYMEX strip pricing, and was slightly accretive in 2015 and neutral in 2016 assuming Bloomberg Consensus pricing.

General

The summary set forth above does not purport to be a complete description of the analyses performed by Simmons, but simply describes, in summary form, the material analyses that Simmons conducted in connection with rendering its opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Simmons opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Simmons arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Simmons believes that its analyses must be considered as a whole and that selecting portions of

its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

Simmons based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Analyses based on forecasts or projections of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties or their advisors. Accordingly, Simmons analyses are not necessarily indicative of actual values or actual future results that might be achieved, which values may be higher or lower than those indicated or implied. The implied exchange ratio reference ranges indicated by Simmons analyses are illustrative

TABLE OF CONTENTS

and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. Moreover, Simmons analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. In addition, no company or transaction used in Simmons analysis as a comparison is directly comparable to LRE, Vanguard or Eagle Rock or the contemplated Eagle Rock merger. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of LRE or Simmons or any other person assumes responsibility if future results are materially different from those forecasts or projections.

Simmons opinion was one of many factors taken into consideration by the LRE GP conflicts committee in making its determination to consent to the Eagle Rock merger and should not be considered determinative of the views of the LRE GP conflicts committee or management with respect to the Eagle Rock merger or the Eagle Rock merger consideration.

No company or transaction used in the analyses of comparable transactions summarized above is identical or directly comparable to LRE, Vanguard, Eagle Rock or the Eagle Rock merger. Accordingly, these analyses must take into account differences in the financial and operating characteristics of the selected publicly traded companies and differences in the structure and timing of the selected transactions and other factors that would affect the public trading value and acquisition value of the companies considered.

The financial terms of the Eagle Rock merger were determined through arms-length negotiations between Vanguard and Eagle Rock and were approved by each of them, and Simmons did not recommend any specific financial terms for the Eagle Rock merger consideration to the LRE GP conflicts committee or assert that any specific financial terms of the Eagle Rock merger constituted the only appropriate financial terms of the Eagle Rock merger consideration.

Simmons was selected by the LRE GP conflicts committee based on Simmons qualifications, expertise and reputation. Simmons is an internationally recognized investment banking firm that specializes in the energy industry and is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements. In the ordinary course of its business, Simmons may trade the securities of LRE, Vanguard and Eagle Rock for its own account and for the accounts of customers and may at any time hold a long or short position in such securities.

Pursuant to the terms of the LRE GP conflicts committee s engagement of Simmons, LRE agreed to pay Simmons an initial advisory fee of $225,000 payable on the date of engagement, and an additional fee of $225,000 payable upon Simmons delivery of its fairness opinion to the LRE GP conflicts committee. In addition, LRE agreed to reimburse Simmons for its reasonably incurred out-of-pocket expenses incurred in connection with the engagement, including fees and disbursements of its legal counsel. LRE also agreed to indemnify Simmons, its affiliates and their respective directors, officers, shareholders, agents, employees and controlling persons for liabilities related to or arising out of Simmons engagement or its role in connection therewith, including liabilities under the federal securities laws, or to contribute to payments Simmons may be required to make in respect of these liabilities.

In the past two years, Simmons has advised and has acted as an underwriter on public equity offerings for certain portfolio companies controlled by NGP Energy Capital Management, whose certain affiliated funds have a substantial ownership interest in Eagle Rock s common units. Simmons earned aggregate consideration of approximately $2.8 million in connection with these assignments over the past two years, which aggregate compensation was not material to Simmons. Simmons and its affiliates may provide investment banking or other financial services to LRE, Vanguard, NGP Energy Capital Management, Eagle Rock or their respective shareholders, affiliates or portfolio

companies in the future. In connection with such investment banking or other financial services, Simmons or its affiliates, as applicable, may receive compensation.

Voting and Support Agreement

Simultaneous with the execution of the merger agreement, Vanguard entered into a Voting and Support Agreement (the original support agreement) with each of LRR A, LRR B and LRR C, as holders of certain of the issued and outstanding LRE common units (collectively, the Holders), LRE, LRE GP, and, solely for

TABLE OF CONTENTS

certain restrictions on the sale of Vanguard common units, LRM, LRR II-A and LRR II-C (the Non-Fund I GP Sellers). On May 21, 2015, in connection with the execution of the Eagle Rock merger agreement, the parties to the original support agreement entered into an Amended and Restated Voting and Support Agreement (the amended and restated support agreement). Collectively, the Holders hold LRE common units representing approximately 30.5% of the votes of LRE s outstanding common units as of August 27, 2015.

Covenants of Supporting Unitholders

Under the amended and restated support agreement, each of the Holders agreed, among other things, to the following covenants:

Voting. Each Holder has agreed to vote or cause to be voted, subject to the terms of the amended and restated support agreement, all units of LRE that such Holder owns, either beneficially or of record (the covered units) (i) in favor of the merger and any other matter presented or proposed as to approval of the merger and any other matter necessary or desirable to the consummation of the transactions contemplated by the merger agreement, and (ii) against the approval or adoption of (A) any alternative proposal or any other transaction, proposal, agreement or action made in opposition to adoption of the merger, (B) any action, agreement or transaction that is intended, that could reasonably be expected, or the effect of which could reasonably be expected, to materially impede, interfere with, delay, postpone, discourage or adversely affect the merger or any of the other transactions contemplated by the merger agreement or the performance by such Holder of its obligations under the amended and restated support agreement, including certain specified categories of actions specified therein and (C) any action, proposal, transaction or agreement that would reasonably be expected to result in a breach in any respect of any covenant, representation or warranty or other obligation or agreement of LRE, LRE GP or any Holder contained in the merger agreement or of any Holder contained in the amended and restated support agreement.

Irrevocable Proxy. Each Holder irrevocably granted to, and appointed, Vanguard and any of its designees as such Holder s proxy and attorney-in-fact (with full power of substitution) to vote or cause to be voted such Holder s covered units in accordance with the voting provisions summarized above.

Restrictions on Transfer. Each Holder has agreed not to (i) sell, transfer, assign, tender, pledge, encumber, hypothecate or otherwise dispose of such covered units (except in connection with the merger), provided that prior to the earlier of the completion of the merger and the termination of the merger agreement, each Holder may sell up to 15% of the covered units it held as of May 21, 2015, or (ii) enter into a voting agreement or arrangement or grant any proxy, consent or power of attorney with respect to such covered units that is inconsistent with the amended and restated support agreement.

No Solicitation. Each Holder has agreed not to (i) initiate, solicit, knowingly encourage or knowingly facilitate any inquiry, proposal or offer that would reasonably be expected to lead to an alternative proposal; (ii) enter into or participate in any discussions or negotiations regarding, or furnish to any third party any non-public information with respect to, or that could reasonably be expected to lead to, any alternative proposal; (iii) take any action to release or permit the release of any person from, or amend, waive or permit the amendment or waiver of any provision of, any standstill or similar agreement or provision to which LRE is or becomes a party or under which LRE has any rights; or (iv) resolve or agree to do any of the foregoing.

Notification of Alternative Proposal. Each Holder has agreed to (i) immediately cease and cause to be terminated any discussions or negotiations with any third party conducted heretofore with respect to an alternative proposal, (ii) promptly advise Vanguard in writing of any alternative proposal it receives and provide Vanguard with copies of all related written proposals or draft agreements and (iii) keep Vanguard reasonably informed of all material developments with respect to the status and terms of any such alternative proposal, offers, inquiries or requests.

Employee Non-Solicitation. Each Holder has agreed that, during the two-year period following the effective time, it will not (and will cause its controlled affiliates not to) hire, engage or solicit,

125

TABLE OF CONTENTS

anywhere in North America, certain persons who commence employment with Vanguard or one of its affiliates. Vanguard also agreed to (and agreed to cause its controlled affiliates to) refrain from soliciting or hiring, anywhere in North America, any person employed, as of immediately following the closing of the merger, by or on behalf of the Holders or their respective affiliates.

Partnership Change in Recommendation

Upon a partnership change in recommendation, the voting and irrevocable proxy covenants described above will have no further effect. The other covenants described above shall continue in full force and effect until the amended and restated support agreement is validly terminated.

Volume Limitation

Subject to certain exceptions in the amended and restated support agreement, each Holder and Non-Fund I GP Seller has agreed not to, without Vanguard s prior consent, for a period commencing on the closing date of the merger and continuing for 90 days thereafter (the Limitation Period), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Vanguard common units or any securities convertible into or exercisable or exchangeable for Vanguard common units (including without limitation, Vanguard common units or such other securities which may be deemed to be beneficially owned by such Holders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of an option or warrant) (collectively, the Restricted Securities) or publicly disclose the intention to make any offer, sale, pledge or disposition, (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Vanguard common units or such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Vanguard common units or such other securities, in cash or otherwise, (iii) make any demand for or exercise any right with respect to the registration of any of the Restricted Securities except in accordance with the registration rights agreement or (iv) sell or dispose of any Restricted Securities in an underwritten offering except in accordance with the amended and restated support agreement or the registration rights agreement.

Notwithstanding the foregoing, on each trading day during the Limitation Period, the Holders and Non-Fund I GP Sellers may offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, an aggregate number of Restricted Securities, on a daily basis, not to exceed 10% of the average daily trading volume of Vanguard common units during the four weeks immediately prior to the first day of the calendar month in which such transaction occurs.

Termination of Support Agreement

The amended and restated support agreement will terminate upon the earlier to occur of (i) the consummation of the merger or (ii) the valid termination of the merger agreement in accordance with its terms.

Consent Required for Amendment of Eagle Rock Support Agreement

Pursuant to the amended and restated support agreement, Vanguard also agrees not to amend, without the consent of the Holders, the Voting and Support Agreement, dated May 21, 2015, by and among Vanguard, Montierra Minerals & Production, L.P., Montierra Management LLC, Natural Gas Partners VII, L.P., Natural Gas Partners VIII, L.P., NGP Income Management L.L.C., Eagle Rock Holdings NGP 7, LLC, Eagle Rock Holdings NGP 8, LLC, ERH NGP 7 SPV, LLC, ERH NGP 8 SPV, LLC, NGP Income Co-Investment Opportunities Fund II, L.P. and NGP Energy Capital

Management, L.L.C., as holders of certain of the issued and outstanding Eagle Rock common units, and, solely for the waiver of an existing voting agreement and termination and other miscellaneous provisions, Eagle Rock and Eagle Rock GP.

TABLE OF CONTENTS

Registration Rights Agreement

Simultaneous with the execution of the merger agreement, Vanguard entered into a Registration Rights Agreement (the original registration rights agreement) with the Holders and Non-Fund I GP Sellers. On May 21, 2015, in connection with the execution of the Eagle Rock merger agreement, the parties to the original registration rights agreement entered into an Amended and Restated Registration Rights Agreement (the amended and restated registration rights agreement). The registration rights agreement will become effective automatically upon, and only upon, the closing of the merger. Pursuant to the amended and restated registration rights agreement, Vanguard will, in its sole discretion, prepare and file with the SEC either (i) a shelf registration statement under Rule 415 of the Securities Act providing for the public resale and distribution of the Vanguard common units received by the Holders and Non-Fund I GP Sellers as consideration in the merger and the acquisition of LRE GP or (ii) a post-effective amendment to Vanguard s existing automatic shelf registration statement on Form S-3. Vanguard is required to file or cause to be filed such shelf registration statement within 14 days following the closing of the merger and is required to cause the registration statement to become effective as soon as reasonably practicable thereafter but in no event later than 120 days after the closing of the merger. Subject to certain conditions, at the election of the Holders, Vanguard will initiate an underwritten offering under the shelf registration statement to dispose of the Holders Vanguard common units. The Holders will also receive piggyback rights under the registration rights agreement to participate in future underwritten public offerings of Vanguard common units effected under a registration statement other than the registration statement required under the registration rights agreement.

Pursuant to the registration rights agreement, Vanguard also agrees not to amend, without the consent of the Holders, the Registration Rights Agreement, dated May 21, 2015, by and among Vanguard, Montierra Minerals & Production, L.P., Montierra Management LLC, Natural Gas Partners VII, L.P., Natural Gas Partners VIII, L.P., NGP Income Management L.L.C., Eagle Rock Holdings NGP 7, LLC, Eagle Rock Holdings NGP 8, LLC, ERH NGP 7 SPV, LLC, ERH NGP 8 SPV, LLC, NGP Income Co-Investment Opportunities Fund II, L.P. and NGP Energy Capital Management, L.L.C.

Termination and Continuing Obligations Agreement

As a condition to closing of transactions contemplated under the merger agreement, the parties have agreed to execute and deliver a Termination and Continuing Obligations Agreement (the termination agreement) substantially in the form attached as an exhibit to the merger agreement. Pursuant to the termination agreement, (i) that certain Omnibus Agreement, entered into, and effective as of, November 16, 2011 (the Omnibus Agreement), by and among LRE, LRE GP, OLLC, the Holders, LRR GP, LLC, a Delaware limited liability company and the ultimate general partner of each of the Holders, and LRM, will be terminated and (ii) the Holders, severally and in proportion to each entity s Property Contributor Percentage (as defined in the Omnibus Agreement), will agree to indemnify LRE, LRE GP, OLLC and all of their respective subsidiaries from and against any losses arising out of any federal, state or local income tax liabilities attributable to the ownership or operation of the oil and natural gas properties owned or leased by any of LRE, LRE GP, OLLC or their respective subsidiaries prior to the closing of the LRE s initial public offering. The indemnification obligations of the Holders under the termination agreement will survive until the first anniversary of the closing date of the merger.

Unaudited Prospective Financial and Operating Information of LRE, Vanguard and Eagle Rock

None of Vanguard, LRE or Eagle Rock as a matter of course makes public long-term projections as to its future revenues, production, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, LRE is including the following summaries of the unaudited prospective financial and operating information solely because such information was made available to the board of directors of LRE GP, the LRE GP conflicts committee, TPH and Simmons in connection with their respective evaluations of the merger and the Eagle Rock merger, and each of TPH and Simmons were authorized by LRE to rely upon such information for purposes of its analyses and opinions. The inclusion of this information should not be regarded as an indication that any of the board of directors of LRE GP, the LRE GP conflicts committee, TPH, Simmons or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results.

TABLE OF CONTENTS

The unaudited prospective financial and operating information prepared by the respective managements of LRE, Vanguard and Eagle Rock was, in general, prepared solely for LRE s, Vanguard s and Eagle Rock s internal use and is subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited prospective financial and operating information covers multiple years, such information by its nature becomes less predictive with each successive year. LRE unitholders are urged to review LRE s, Vanguard s and Eagle Rock s SEC filings for a description of risk factors with respect to LRE s, Vanguard s and Eagle Rock s business, respectively, as well as the section of this proxy statement/prospectus entitled Risk Factors. See also Cautionary Statement Regarding Forward-Looking Statements and Where You Can Find More Information. The unaudited prospective financial and operating information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial and operating information. In addition, the unaudited prospective financial and operating information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in the historical GAAP financial statements of LRE, Vanguard or Eagle Rock. The prospective financial information of LRE included in this proxy statement/prospectus has been prepared by, and is the responsibility of, LRE s management, and the prospective financial information of Vanguard included in this proxy statement/prospectus has been prepared by, and is the responsibility of, Vanguard s management. The prospective financial information of New Vanguard (as defined below), has been prepared by, and is the responsibility of, Vanguard management and the prospective financial information of Eagle Rock included in this proxy statement/prospectus has been prepared by, and is the responsibility of, Eagle Rock s management. None of Vanguard s independent registered public accounting firm, LRE s independent registered public accounting firm, Eagle Rock s independent registered public accounting firm, or any other independent accountants has compiled, examined or performed any procedures with respect to the unaudited prospective financial and operating information contained herein; accordingly they have not expressed any opinion or any other form of assurance on such information. The report of the independent registered public accounting firm of LRE in its Annual Report on Form 10-K for the year ended December 31, 2014 relates to LRE s historical financial information. The report of the independent registered public accounting firm of Vanguard in its Annual Report on Form 10-K for the year ended December 31, 2014 relates to Vanguard s historical financial information. The report of the independent registered public accounting firm of Eagle Rock in its Annual Report on Form 10-K for the year ended December 31, 2014 relates to Eagle Rock s historical financial information. None of these reports extends to the unaudited prospective financial and operating information presented below and should not be read to do so. Furthermore, the following unaudited prospective financial and operating information does not take into account any circumstances or events occurring after the date such information was prepared.

The following tables reflect the material unaudited prospective financial and operating data regarding LRE s operations provided to the board of directors of LRE GP, the LRE GP conflicts committee, TPH and Simmons in connection with their evaluations of the merger. The data reflects certain oil and gas pricing assumptions of LRE. The Base Capital and Reduced Capital Cases were based on LRE s internal estimates of reserves, production, costs and capital expenditures. The Reduced Capital Case had less capital expenditures in 2016 compared to the Base Capital Case due to the assumption of capital constraints in the Reduced Capital Case.

Base Capital Case

	2015	2016	2017	2018	2019
Average daily production (Mcfe/d)	39,461	38,519	38,687	37,998	38,024
Total revenue ($in millions)	124	104	101	97	88
EBITDA ($in millions)	80	60	56	52	42
Total Capital Expenditures ($in millions)	21	35	26	27	20

Key Assumption					
Oil Price ($/Bbl)	55.69	62.13	63.90	64.83	65.49
Gas Price ($/Mcf)	2.82	3.11	3.36	3.48	3.58

128

TABLE OF CONTENTS

Reduced Capital Case		
	2015	2016
Average daily production (Mcfe/d)	39,470	36,208
Total revenue ($in millions)	124	100
EBITDA ($in millions)	80	57
Total Capital Expenditures ($in millions)	21	22
Key Assumption		
Oil Price ($/Bbl)	55.69	62.13
Gas Price ($/Mcf)	2.82	3.11

For purposes of the tables set forth above, EBITDA, which LRE refers to as Adjusted EBITDA, is defined as net income from which LRE adds or subtracts the following:

income tax expense;
interest expense-net, including loss (gain) on interest rate derivative instruments, net;
depletion and depreciation;
accretion of asset retirement obligations;
amortization of equity awards;
loss (gain) on settlement of asset retirement obligations;
loss (gain) on commodity derivative instruments, net;
commodity derivative instrument net cash settlements;
impairment of oil and natural gas properties; and
other non-recurring items that LRE deems appropriate.

The following table reflects the material unaudited prospective financial and operating data regarding Vanguard s operations provided to the board of directors of LRE GP, the LRE GP conflicts committee, TPH and Simmons in connection with their evaluations of the merger. The data reflects certain oil and gas pricing assumptions of Vanguard.

	2015	2016	2017	2018	2019
Average daily production (Mcfe/d)	380,258	375,965	374,959	376,178	378,828
Total revenue ($in millions)	564	573	550	540	556
EBITDA ($in millions)	373	372	326	309	319
Distributable cash flow ($in millions)	147	136	83	60	65
Key Assumption					
Oil Price ($/Bbl)	55.69	62.13	63.90	64.83	65.49
Gas Price ($/Mcf)	2.82	3.11	3.36	3.48	3.58

TABLE OF CONTENTS

The following table reflects the material unaudited prospective financial and operating data regarding the operations of New Vanguard, provided to the board of directors of LRE GP, the LRE GP conflicts committee, TPH and Simmons in connection with their evaluations of the Eagle Rock merger. The data reflects certain oil and gas pricing assumptions of Vanguard.

	August 1 to December 31, 2015	2016	2017	2018	2019
Average daily production (Mcfe/d)	416,135	407,372	402,841	400,024	401,617
Total revenue ($in millions)	278	670	631	594	610
EBITDA ($in millions)	197	437	379	341	351
Distributable cash flow ($in millions)	101	184	120	75	81
Key Assumption					
Oil Price ($/Bbl)	60.01	62.32	64.37	66.02	67.25
Gas Price ($/Mcf)	3.05	3.24	3.36	3.46	3.55

For purposes of the tables set forth above, EBITDA, which Vanguard refers to as Adjusted EBITDA, is defined as net income (loss) plus the following adjustments:

net interest expense;
depreciation, depletion, amortization and accretion;
impairment of oil and natural gas properties;
net gains or losses on commodity derivative contracts;
cash settlements on matured commodity derivative contracts;
net gains or losses on interest rate derivative contracts;
gain on acquisition of oil and natural gas properties;
Texas margin taxes; and

compensation related items, which include unit-based compensation expense and unrealized fair value of phantom units granted to Vanguard s officers.

The following table reflects the material unaudited prospective financial and operating data regarding Eagle Rock s operations provided to the board of directors of LRE GP, the LRE GP conflicts committee, TPH and Simmons in connection with their evaluations of the Eagle Rock merger. The data reflects certain oil and gas pricing assumptions of Vanguard.

	August 1 to December 31, 2015	2016	2017	2018	2019
Average daily production (Mcfe/d)	78,915	82,280	102,703	99,990	107,942
Total revenue ($in millions)	74	172	187	188	212
EBITDA ($in millions)	40	89	101	100	122
Distributable cash flow ($in millions)	18	35	41	44	64
Key Assumption					
Oil Price ($/Bbl)	60.01	62.32	64.37	66.02	67.25
Gas Price ($/Mcf)	3.05	3.24	3.36	3.46	3.55

For purposes of the table set forth above, EBITDA, which Eagle Rock refers to as Adjusted EBITDA, is defined as net income from which Eagle Rock adds or subtracts:

income tax provision (benefit);

interest-net, including gains and losses from interest rate risk management instruments that settled during the period and other expense;

130

TABLE OF CONTENTS

depreciation, depletion and amortization expense;
impairment expense;
other operating expense, non-recurring;
other non-cash operating and general and administrative expenses, including non-cash compensation related to Eagle Rock s equity-based compensation program;
mark-to-market (gains) losses on commodity and interest rate risk management related instruments; and
gains (losses) on discontinued operations and other (income) expense.

No assurances can be given that the assumptions made in preparing the above unaudited prospective financial and operating information will accurately reflect future conditions. The estimates and assumptions underlying the unaudited prospective financial and operating information involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under Risk Factors and Cautionary Statement Regarding Forward-Looking Statements, all of which are difficult to predict and many of which are beyond the control of Vanguard, LRE and Eagle Rock and will be beyond the control of the combined entity resulting from the merger. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ, and may differ materially, from those reflected in the unaudited prospective financial and operating information, regardless of whether the merger is completed.

In addition, although presented with numerical specificity, the above unaudited prospective financial and operating information reflects numerous assumptions and estimates as to future events made by LRE management, Vanguard management and Eagle Rock management that each believed were reasonable at the time the respective unaudited prospective financial and operating information was prepared. Except for information relating to New Vanguard, the above unaudited prospective financial and operating information does not give effect to the merger or related transactions. LRE unitholders are urged to review LRE s, Vanguard s and Eagle Rock s most recent SEC filings for a description of LRE s, Vanguard s and Eagle Rock s reported results of operations and financial condition and capital resources, respectively, during 2014 and 2015, including Management s Discussion and Analysis of Financial Condition and Results of Operations in LRE s Annual Report on Form 10-K, Vanguard s Annual Report on Form 10-K and Eagle Rock s Annual Report on Form 10-K, each for the year ended December 31, 2014, and LRE s Quarterly Report on Form 10-Q, Vanguard s Quarterly Report on Form 10-Q and Eagle Rock s Quarterly Report on Form 10-Q, each for the quarterly periods ended March 31, 2015 and June 30, 2015.

Readers of this proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial and operating information set forth above. No representation is made by Vanguard, LRE, Eagle Rock, their respective financial advisors, auditors or any other person to any LRE unitholder regarding the ultimate performance of LRE, Vanguard or Eagle Rock compared to the information included in the above unaudited prospective financial and operating information. The inclusion of unaudited prospective financial and operating information in this proxy statement/prospectus should not be regarded as an indication that such prospective financial and operating information will be an accurate prediction of future events, and such information should not be relied on as such.

VANGUARD, LRE AND EAGLE ROCK DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THE ABOVE UNAUDITED PROSPECTIVE FINANCIAL AND OPERATING INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OR NON-OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH PROSPECTIVE FINANCIAL AND OPERATING INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

TABLE OF CONTENTS

Vanguard s Reasons for the Merger

Vanguard believes the merger, with or without the Eagle Rock merger, will create enhanced long-term value for its unitholders. Key strategic benefits include the following:

Long-Lived Assets. LRE s assets represent a portfolio of long-life, low-decline, mature oil and natural gas exploration and production assets that are well-suited for Vanguard s upstream MLP model and its stated corporate strategy to grow via accretive acquisitions. Vanguard believes these assets will provide consistent and predictable cash flow volumes that will enable Vanguard to continue to make consistent monthly cash distributions to its unitholders and, over time, improve equity valuation.

Additional Scale and Efficiencies in Permian and Arkoma Basins. LRE s assets add additional scale in two prolific oil and gas producing regions where Vanguard currently operates the Permian Basin in West Texas and Southeast New Mexico and the Arkoma Basin in the Mid-Continent region. As a result, upon the completion of the merger, Vanguard and its subsidiaries will have a larger asset base in these regions that Vanguard believes will permit more efficient operations and reduce per unit field expenses.

Scale of Operations. Vanguard believes that the combined business (with or without the completion of the Eagle Rock merger) will permit it to compete more effectively and facilitate future development projects and acquisitions through increased cash flow and lower cost of capital investment in the current reduced commodity price environment. As a result of this larger size, Vanguard should be able to consider and more effectively pursue additional types of opportunities, including acquisitions and financing alternatives. In addition, Vanguard expects the combined business (with or without the completion of the Eagle Rock merger) to realize substantial operating and administrative synergies.

Balanced Product Mix. LRE s assets represent a balanced production and reserves product mix of 39% oil; 48% natural gas and 13% NGLs that Vanguard believes provides an advantage in light of the better expected profit margins for oil and NGLs production than natural gas production as reflected in the short-term and long-term market prices for oil versus natural gas.

Financial Ratios and Credit Rating. Vanguard expects to improve a number of its financial ratios commonly used to assess its credit rating. The predominantly unit-for-unit nature of the transaction is expected to allow Vanguard to reduce leverage and strengthen its balance sheet. In addition, because size is a key contributor to credit ratings for oil and natural gas exploration and production companies, increased scale could result in improved credit ratings for the combined entity, in particular if both the merger and the Eagle Rock merger are consummated.

The explanation of the reasoning of Vanguard and certain information presented in this section are forward-looking in nature and, therefore, this section should be read in light of the factors discussed in the section titled Cautionary Statement Regarding Forward-Looking Statements.

Interests of Directors and Executive Officers of LRE GP in the Merger

In considering the recommendation of the board of directors of LRE GP that you vote to approve the merger agreement, you should be aware that aside from their interests as unitholders of LRE, LRE GP s directors and executive officers have interests in the merger that are different from, or in addition to, those of other unitholders of LRE generally. Except as noted below, the members of the board of directors of LRE GP were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to the unitholders of LRE that the merger agreement be approved. See Background of the Merger and Recommendation of the LRE GP Board of Directors and Its Reasons for the Merger. LRE unitholders should take these interests into account in deciding whether to vote FOR the approval of the merger agreement. These

interests are described in more detail below, and certain of them are quantified in the narrative and the tables below.

TABLE OF CONTENTS

Treatment of LTIP Restricted Unit Awards

Under the merger agreement, each LRE restricted unit that is outstanding and unvested immediately prior to the effective time will, automatically and without any action on the part of the holder of such LRE restricted unit, vest in full and the restrictions with respect thereto will lapse, and such LRE restricted unit shall be deemed to be LRE common units for purposes of the merger. For an estimate of the amounts that would be payable to the Vice President and Chief Financial Officer and the independent directors of LRE GP upon the settlement of their unvested LRE restricted units, see the table below entitled Quantification of Payments for LTIP Restricted Unit Awards .

Quantification of Payments for LTIP Restricted Unit Awards.

The following table sets forth, as of April 20, 2015, for each of LRE GP s directors and executive officers, the aggregate number of LRE restricted units held by such individuals and the estimated value payable in the merger with respect to such awards. For purposes of this table, the per unit value of the Merger Consideration was estimated to be equal to $8.95, determined by multiplying the exchange ratio by $16.28, the average closing price of Vanguard common units over the first five business days following the first public announcement of the transaction.

Name	Position	Number of Restricted Units	Value ($)
Eric Mullins	Co-Chief Executive Officer and Chairman		$
Charles W. Adcock	Co-Chief Executive Officer and Director		$
Christopher A. Butta	Senior Vice President of Engineering and Chief Engineer		$
Jaime R. Casas	Vice President and Chief Financial Officer	100,892	$903,387
C. Timothy Miller	Executive Vice President and Chief Operating Officer		$
John A. Bailey	Director	20,863	$186,807
Jonathan Carroll	Director	16,956	$151,824
Jonathan C. Farber	Director		$
Robert T. O Connell[1]	Director	20,863	$186,807
Townes G. Pressler Jr.	Director		$

(1) Robert T. O Connell passed away on May 9, 2015; as a result, all of his restricted units vested upon his death.

Other Equity Interests

Currently, Eric Mullins and Charles W. Adcock, LRE GP s Co-Chief Executive Officers, own 5,840 and 2,250 Vanguard common units, respectively. These ownership interests are equal to $95,075 and $36,630, respectively, based on a per unit price of $16.28, the average closing price of Vanguard common units over the first five business days following the first public announcement of the transaction. The board of directors of LRE GP did not consider this ownership of Vanguard common units when it evaluated and negotiated the merger agreement and the merger or when it recommended to LRE s unitholders that the merger agreement be approved.

Severance Arrangements

None of LRE GP s executive officers or directors is currently party to any plan or contractual arrangement that would provide for severance benefits upon such officer or director s termination of employment or service with LRE or its affiliates in connection with the merger.

However, it is currently anticipated that the employment of LRE GP s Chief Financial Officer, Jaime R. Casas, will be terminated in connection with the merger, and he will receive a severance payment of $750,000 immediately prior to the closing of the merger, as well as other cash bonuses in an aggregate amount equal to the sum of $250,000 plus a pro rated portion of a $250,000 annual cash bonus.

No other executive officer or director of LRE GP is entitled to or expected to receive any severance payments in connection with the merger.

TABLE OF CONTENTS

Indemnification and Insurance

The LRE partnership agreement requires LRE, among other things, to indemnify the directors and executive officers of LRE GP against certain liabilities that may arise by reason of their service as directors or officers; *provided,* that such director or officer shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the director or officer is seeking indemnification, the director or officer acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the director s or officer s conduct was unlawful.

In addition, the merger agreement provides that, for a period of six years from the effective time, Vanguard shall indemnify, defend and hold harmless an officer, director or employee of LRE GP, LRE or any of its subsidiaries and also with respect to any such person, in his capacity as a director, officer, employee, member, trustee or fiduciary of another corporation, foundation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise (whether or not such other entity or enterprise is affiliated with LRE) serving at the request of or on behalf of LRE GP, LRE or any of its subsidiaries and together with such person s heirs, executors or administrators against any cost or expenses (including attorneys fees), judgments, fines, losses, claims, damages or liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative, investigative or otherwise and whether or not such claim, action, suit, proceeding or investigation results in a formal civil or criminal litigation or regulatory action.

In addition, pursuant to the terms of the merger agreement, LRE GP s directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors and officers liability insurance policies from the surviving entity. Such indemnification and insurance coverage is further described in the section entitled The Merger Agreement Indemnification and Insurance.

Quantification of Payments and Benefits to LRE s Named Executive Officers

The table set forth below details the amount of payments and benefits that each of LRE s named executive officers would receive in connection with the merger. These payments are comprised of the payments described above, are not in addition to those described in previous sections, but are specifically identified in this fashion to allow for a non-binding advisory vote of LRE s unitholders regarding these payments and benefits. For purposes of this table, the per unit value of the merger consideration was estimated to be equal to $8.95, determined by multiplying the exchange ratio by $16.28, the closing price of Vanguard s common units over the first five business days following the first public announcement of the transaction.

Golden Parachute Compensation

Name	Cash ($)[1]	Equity ($)[2]	Total ($)
Eric Mullins	$	$	$
Charles W. Adcock	$	$	$
Jaime R. Casas	$ 1,187,500	$ 903,387	$ 2,090,887
Christopher A. Butta	$	$	$
C. Timothy Miller	$	$	$

(1)

(1) Represents estimated lump sum cash severance payments Mr. Casas is expected to receive immediately prior to the closing of the merger based on an assumed closing date of October 1, 2015. This aggregate amount is comprised of a $750,000 cash severance payment, as well as cash bonuses in an aggregate amount equal to the sum of $250,000 plus a pro rated portion of a $250,000 annual cash bonus. This benefit is single trigger in nature, because it will be paid immediately prior to the effective time of the merger without regard to whether the named executive officer experiences a termination of employment.

(2) Represents the value of unvested LRE restricted units held by LRE s named executive officers that will be converted into the merger consideration immediately prior to the effective time of the merger. These amounts are single trigger because they will be paid upon or following the effective time of the merger without regard to whether the named executive officer experiences a termination of employment.

TABLE OF CONTENTS

No Appraisal Rights

Appraisal rights are not available in connection with the merger under the Delaware LP Act or under the LRE partnership agreement.

Accounting Treatment of the Merger

In accordance with GAAP and in accordance with the Financial Accounting Standards Board s Accounting Standards Codification Topic 805 Business Combinations, Vanguard will account for the merger as an acquisition of a business.

Regulatory Approvals and Clearances Required for the Merger

Vanguard and LRE are not required to file notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice or observe a mandatory pre-merger waiting period before completing the merger under the HSR Act. Vanguard and LRE cannot assure you, however, that other government agencies or private parties will not initiate actions to challenge the merger before or after it is completed. Any such challenge to the merger could result in a court order enjoining the merger or in restrictions or conditions that would have a material adverse effect on the combined company following the merger if the merger is completed.

Listing of Vanguard Common Units

It is a condition to closing that the common units to be issued in the merger to LRE unitholders be approved for listing on the NASDAQ, subject to official notice of issuance.

Delisting and Deregistration of LRE Common Units

If the merger is completed, LRE common units will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

Vanguard Unitholder Approval is Not Required

Vanguard unitholders are not required to approve the merger agreement or approve the merger or the issuance of Vanguard common units in connection with the transactions contemplated by the merger agreement.

Ownership of Vanguard After the Merger

Vanguard will issue approximately 15.44 million Vanguard common units to former LRE unitholders (which does not include the 12,320 Vanguard common units to be issued to the former members of LRE GP) pursuant to the transactions contemplated by the merger agreement. Additionally, if the Eagle Rock merger is consummated, Vanguard will issue approximately 28.75 million Vanguard units to former Eagle Rock unitholders pursuant to the transactions contemplated by the Eagle Rock merger agreement. Further, the number of Vanguard common units outstanding will increase after the date of this proxy statement/prospectus if Vanguard sells additional common units to the public.

If the Eagle Rock merger is consummated pursuant to the terms and conditions of the Eagle Rock merger agreement, based on the number of Vanguard common units outstanding as of August 27, 2015, immediately following the later to occur of the transactions contemplated by the merger agreement and the Eagle Rock merger agreement, Vanguard expects to have approximately 130.80 million common units outstanding (including the 12,320 Vanguard common units issued to members of LRE GP). Under this scenario, LRE unitholders would be expected to hold approximately 11.8% of the aggregate number of Vanguard common units outstanding immediately after the merger and the Eagle Rock merger. Holders of Vanguard common units have only limited voting rights on matters affecting Vanguard s business.

If, however, the Eagle Rock merger is not consummated, based on the number of Vanguard common units outstanding as of August 27, 2015, immediately following completion of the transactions contemplated by the merger agreement, Vanguard expects to have approximately 102.05 million common units outstanding (including the 12,320 Vanguard common units issued to members of LRE GP). Under this scenario, LRE unitholders would be expected to hold approximately 15.1% of the aggregate number of Vanguard common units outstanding immediately after the completion of the merger.

TABLE OF CONTENTS

Restrictions on Sales of Vanguard Common Units Received in the Merger

Vanguard common units issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act or the Exchange Act, except for Vanguard common units issued to any LRE unitholder who may be deemed to be an affiliate of Vanguard after the completion of the merger. This proxy statement/prospectus does not cover resales of Vanguard common units received by any person upon the completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any resale.

Board of Directors and Executive Officers Following the Merger

The directors and executive officers of Vanguard prior to the merger will continue as the directors and executive officers of Vanguard immediately after the merger. The following table sets forth certain information with respect to the members of the board of directors and the executive officers of Vanguard. Executive officers and directors of Vanguard will serve until their successors are duly appointed or elected.

Name	Age	Position with Vanguard Natural Resources, LLC
Scott W. Smith	57	President, Chief Executive Officer and Director
Richard A. Robert	49	Executive Vice President, Chief Financial Officer, Secretary and Director
W. Richard Anderson	61	Independent Director and Chairman
Loren Singletary	67	Independent Director
Bruce W. McCullough	66	Independent Director
Britt Pence	54	Executive Vice President of Operations

Litigation Relating to the Merger

A putative class action was filed on June 3, 2015 in connection with the merger by a purported LRE unitholder (the Delaware State Plaintiff) against LRE, LRE GP, the members of the LRE GP board of directors, Vanguard, Merger Sub and the other parties to the merger agreement (the Original Defendants). The lawsuit was styled *Barry Miller v. LRR Energy, L.P. et al.*, Case No. 11087-VCG, in the Court of Chancery of the State of Delaware (the Delaware State Lawsuit). On July 23, 2015, the Delaware State Plaintiff voluntarily dismissed the Delaware State Lawsuit without prejudice.

On July 10, 2015 and July 13, 2015, two additional purported LRE unitholders (the Texas State Plaintiffs) filed putative class action lawsuits against the Original Defendants. These lawsuits were styled (a) *Christopher Tiberio v. Eric Mullins et al.*, Cause No. 2015-39864, in the District Court of Harris County, Texas, 334th Judicial District; and (b) Eddie Hammond v. Eric Mullins et al., Cause No. 2015-40154, in the District Court of Harris County, Texas, 295th Judicial District (the Texas State Lawsuits). On July 28, 2015, the Texas State Lawsuits were nonsuited without prejudice.

On July 14, 2015, another purported LRE unitholder (the Texas Federal Plaintiff) filed a putative class action lawsuit against the Original Defendants. This lawsuit was styled *Ronald Krieger v. LRR Energy, L.P. et al.*, Civil Action No. 4:15-cv-2017, in the United States District Court for the Southern District of Texas, Houston Division (the Texas Federal Lawsuit). On July 17, 2015, the Texas Federal Plaintiff voluntarily dismissed the Texas Federal Lawsuit without prejudice.

On August 18, 2015, another purported LRE unitholder (the Plaintiff) filed a putative class action lawsuit against the members of the LRE GP board of directors, Vanguard, and Merger Sub (the Defendants). This lawsuit is styled *Robert Hurwitz v. Eric Mullins et al.*, Civil Action No. 1:15-cv-00711-UNA, in the United States District Court for the District of Delaware (the Lawsuit).

The Lawsuit alleges that the Defendants violated Sections 14(a) and/or 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder. In general, the Plaintiff alleges that the proxy statement/prospectus fails, among other things, to disclose allegedly material details concerning (i) the background of the merger, (ii) Simmons and TPH s analysis of the merger, (iii) LRE s and Vanguard s financial and operational projections, and (iv) certain alleged conflicts of interest.

The Plaintiff seeks, among other relief, to enjoin the merger, or rescind the merger in the event it is consummated, and an award of attorneys fees and costs.

136

TABLE OF CONTENTS

The Plaintiff has not yet served the Defendants, and the Defendants date to answer, move to dismiss, or otherwise respond to the Lawsuit has not yet been set.

Vanguard and LRE cannot predict the outcome of the Lawsuit or any others that might be filed subsequent to the date of the filing of this proxy statement/prospectus; nor can Vanguard and LRE predict the amount of time and expense that will be required to resolve the Lawsuit. The Defendants believe the Lawsuit is without merit and intend to vigorously defend against it.

TABLE OF CONTENTS

THE MERGER AGREEMENT

The following describes the material provisions of the merger agreement, which is attached as Annex A to this proxy statement/prospectus and incorporated by reference herein. The description in this section and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. Vanguard and LRE encourage you to read carefully the merger agreement in its entirety before making any decisions regarding the merger as it is the legal document governing the merger.

The merger agreement and this summary of its terms have been included to provide you with information regarding the terms of the merger agreement. Factual disclosures about Vanguard, LRE or any of their respective subsidiaries or affiliates contained in this proxy statement/prospectus or their respective public reports filed with the SEC may supplement, update or modify the factual disclosures about Vanguard, LRE or their respective subsidiaries or affiliates contained in the merger agreement and described in this summary. The representations, warranties and covenants made in the merger agreement by Vanguard and LRE were qualified and subject to important limitations agreed to by Vanguard and LRE in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purposes of allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to unitholders and reports and documents filed with the SEC and in some cases were qualified by confidential disclosures that were made by each party to the other, which disclosures are not reflected in the merger agreement or otherwise publicly disclosed. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement and subsequent developments or new information qualifying a representation or warranty may have been included in this proxy statement/prospectus. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone.

The Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, the merger agreement provides for the merger of Merger Sub with and into LRE, with LRE continuing as the surviving entity, and, at the same time, the acquisition by Vanguard of LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard. LRE will cease to be a publicly traded limited partnership following completion of the merger. After the effective time of the merger, the certificate of limited partnership of LRE in effect immediately prior to the effective time will be the certificate of limited partnership of the surviving entity, until amended in accordance with applicable law, and the LRE partnership agreement in effect immediately prior to the effective time will be the agreement of limited partnership of the surviving entity, until amended in accordance with its terms and applicable law. The general partner interest in LRE issued and outstanding immediately prior to the effective time will remain outstanding in the surviving entity, and LRE GP, as the holder of such general partner interest, will continue as the sole general partner of the surviving entity.

Effective Time; Closing

The effective time will be at such time that LRE files with the Secretary of State of the State of Delaware a certificate of merger, executed in accordance with the relevant provisions of Delaware law, or at such other date or time as is

agreed to by LRE and Vanguard and specified in the certificate of merger in accordance with Delaware law.

The closing of the transactions contemplated by the merger agreement, including the merger, will occur at 10:00 a.m. (central time), on the third business day after the satisfaction or waiver of the conditions to the merger provided in the merger agreement (other than conditions that by their nature are to be satisfied at the closing of the transactions contemplated by the merger agreement, but subject to the satisfaction or waiver of

TABLE OF CONTENTS

those conditions), or at such other date or time as Vanguard and LRE agree in writing. For further discussion of the conditions to the merger, see Conditions to Consummation of the Transactions Contemplated by the Merger Agreement.

Vanguard and LRE currently expect to complete the merger in October 2015, subject to receipt of required unitholder approval and to the satisfaction or waiver of the other conditions to the transactions contemplated by the merger agreement described below.

Merger Consideration

The merger agreement provides that, at the effective time of the merger, each LRE common unit issued and outstanding immediately prior to the effective time will be converted into the right to receive 0.550 Vanguard common units. Any LRE common units that are owned by LRE or Vanguard or any of their respective wholly owned subsidiaries immediately prior to the effective time will be cancelled and cease to exist without any conversion or payment of consideration in respect thereof.

Vanguard will not issue any fractional units in the merger. Instead, each holder of LRE common units that are converted pursuant to the merger agreement who otherwise would have received a fraction of a Vanguard common unit will be entitled to receive, from the exchange agent appointed by Vanguard pursuant to the merger agreement, a cash payment in lieu of such fractional units in an amount equal to the product of (i) the average trading prices of the Vanguard common units for the ten consecutive full trading days ending on the full trading day immediately preceding the closing date of the transactions and (ii) the fraction of the Vanguard unit that such holder would otherwise be entitled to receive based on the exchange ratio discussed above.

Consideration to Be Paid to Members of LRE GP

The merger agreement provides that Vanguard will issue and deliver 12,320 Vanguard common units to the members of LRE GP in exchange for all of the limited liability company interests in LRE GP. The number of Vanguard common units to be issued to the members of LRE GP was determined based upon the 0.550 exchange ratio for the merger consideration.

Treatment of LRE Restricted Units

Under the merger agreement, each LRE restricted unit that is outstanding and unvested immediately prior to the effective time of the merger will, at the effective time, vest in full and the restrictions with respect thereto will lapse and such LRE restricted unit shall be deemed to be an LRE common unit for purposes of the merger.

Adjustments to Prevent Dilution

In the event the outstanding LRE common units or Vanguard common units are changed into a different number of units or a different class after the date of the merger agreement by reason of any subdivisions, reclassifications, splits, unit distributions, combinations or exchanges of LRE common units or Vanguard common units, the exchange ratio will be correspondingly adjusted to provide to the holders of LRE common units the same economic effect as contemplated by the merger agreement prior to such event.

Withholding

Vanguard and the exchange agent are entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any holder of LRE common units such amounts as Vanguard or the exchange agent reasonably deems to be required to deduct and withhold under the Code or any provision of state, local, or foreign tax law, with respect to the making of such payment; provided, however, that Vanguard or the exchange agent, as applicable, will provide reasonable notice to the applicable holders of LRE common units prior to deducting and withholding any amounts. To the extent that amounts are so deducted and withheld such amounts will be treated for all purposes of the merger agreement as having been paid to the holder of LRE common units in respect of whom such deduction and withholding was made by Vanguard or the exchange agent. LRE intends to deliver to Vanguard a valid certificate of non-foreign status such that no withholding will be required pursuant to Section 1445 of the Code.

TABLE OF CONTENTS

Distributions

No distributions declared or made with respect to Vanguard common units with a record date after the effective time of the merger will be paid to the holder of any LRE common units with respect to the Vanguard common units that such holder would be entitled to receive in accordance with the merger agreement and no cash payment in lieu of fractional Vanguard common units will be paid to any such holder until such holder has delivered the required documentation and surrendered any certificates or book-entry units as contemplated by the merger agreement. Subject to applicable law, each such holder, following compliance with the requirement to deliver the required documentation and surrender any certificates or book-entry units as contemplated by the exchange procedures set forth in the merger agreement, there will be paid to such holder, without interest, promptly after the time of such compliance, the amount of any cash payable in lieu of fractional Vanguard common units to which such holder is entitled and the amount of distributions with a record date after the effective time theretofore paid with respect to Vanguard common units and payable with respect to such Vanguard common units, and promptly after such compliance, or, if later, at the appropriate payment date, the amount of distributions with a record date after the effective time but prior to such delivery and surrender and a payment date subsequent to such compliance payable with respect to such Vanguard common units.

Conditions to Consummation of the Transactions Contemplated by the Merger Agreement

The obligations of each of Vanguard and LRE to effect the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following conditions:

the merger agreement and the transactions contemplated thereby must have been approved by the affirmative vote or consent of the holders, as of the record date for the LRE special meeting, of a majority of the outstanding LRE common units;

all waiting periods applicable to the merger under the HSR Act must have been terminated or expired;

no law, order, judgment or injunction (whether preliminary or permanent) issued, enacted, promulgated, entered or enforced by any a court of competent jurisdiction or other governmental authority restraining, prohibiting or rendering illegal the consummation of the transactions contemplated by the merger agreement (brought by a third party) is in effect;

the registration statement of which this proxy statement/prospectus forms a part must have become effective and must not be subject to any stop order suspending its effectiveness or proceedings for that purpose initiated or threatened by the SEC; and

the Vanguard common units to be issued in the transactions contemplated by the merger agreement must have been approved for listing on the NASDAQ, subject to official notice of issuance.

The obligations of Vanguard to effect the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of LRE, LRE GP and the sellers of LRE GP in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date of the merger (except to the extent expressly made as of an earlier date, in which case as of such date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to material adverse effect or materiality contained in any individual representation or warranty) would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on LRE; provided that: (i) the representation and warranty of LRE and the sellers of LRE GP with respect to the capitalization of LRE and LRE GP must be true and correct in

all respects except any de minimis inaccuracies as of the date of the merger agreement and as of the closing date of the merger (except to the extent expressly made as of an earlier date, in which case as of such date) and (ii) the representation and warranty of LRE, LRE GP and the sellers

TABLE OF CONTENTS

of LRE GP that there has not been any change, event, development, circumstance, condition, occurrence or effect that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on LRE must be true and correct in all respects as of the date of the merger agreement and as of the closing date of the merger.

LRE, LRE GP and the sellers of LRE GP having performed and complied with, in all material respects, all agreements and covenants required to be performed by them under the merger agreement;

the receipt of an officer s certificate executed by the Chief Executive Officer of LRE GP certifying that the two preceding conditions (the Additional Vanguard Conditions) have been satisfied;

the receipt from Paul Hastings LLP, tax counsel to Vanguard, of a written opinion dated as of the closing date of the merger to the effect that for U.S. federal income tax purposes (i) neither Vanguard nor Merger Sub will recognize any income or gain as a result of the transactions contemplated by the merger agreement other than any gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Code; (ii) a holder of Vanguard common units will not recognize gain or loss as a result of the transactions contemplated by the merger agreement other than any gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Code; and (iii) at least 90% of the combined gross income of each of Vanguard and LRE for the most recent four complete calendar quarters ending before the closing date of the transactions for which the necessary financial information is available is from sources treated as qualifying income within the meaning of Section 7704(d) of the Code;

the receipt of the written resignation of each member of the board of directors and each officer of LRE GP, dated to be effective as of the effective time;

the receipt of an assignment of the membership interests in LRE GP; and

the receipt of a counterpart of the termination and continuing obligations agreement, which terminates the provisions of LRE s existing omnibus agreement with the exception of certain tax indemnification, from LRE, LRE GP and the sellers of LRE GP.

The obligations of the sellers of LRE GP and LRE to effect the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Vanguard in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date of the merger (except to the extent expressly made as of an earlier date, in which case as of such date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to material adverse effect or materiality contained in any individual representation or warranty) would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Vanguard; provided that: (i) the representation and warranty of Vanguard with respect to its capitalization must be true and correct in all respects except any de minimis inaccuracies as of the date of the merger agreement and as of the closing date of the merger (except to the extent expressly made as of an earlier date, in which case as of such date) and (ii) the representation and warranty of Vanguard that there has not been any change, event, development, circumstance, condition, occurrence or effect that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Vanguard must be true and correct in all respects as of the date of the merger agreement and as of the closing date of the merger.

Vanguard and Merger Sub having performed and complied with, in all material respects, all agreements and covenants required to be performed by them under the merger agreement;

the receipt of an officer s certificate executed by the Chief Executive Officer of Vanguard certifying that the two preceding conditions (the Additional LRE Conditions) have been satisfied;

the receipt from Andrews Kurth LLP, tax counsel to LRE, of a written opinion dated as of the closing date of the merger to the effect that for U.S. federal income tax purposes, (i) except to the

TABLE OF CONTENTS

extent any cash received in lieu of fractional Vanguard common units is treated as proceeds from a disguised sale transaction described in Section 707(a)(2)(B) (a Disguised Sale), or is otherwise taxable, LRE will not recognize any income or gain as a result of the merger (other than any gain resulting from any actual or constructive distribution of cash, including as a result of any decrease in partnership liabilities pursuant to Section 752 of the Code); (ii) except to the extent any cash received in lieu of fractional Vanguard common units is treated as a Disguised Sale, holders of LRE common units will not recognize any income or gain as a result of the merger (other than any gain resulting from any actual or constructive distribution of cash, including as a result of any decrease in partnership liabilities pursuant to Section 752 of the Code); provided that such opinion shall not extend to any holder who acquired common units from LRE in exchange for property other than cash; and (iii) at least 90% of the gross income of LRE for the most recent four complete calendar quarters ending before the closing date of the merger for which the necessary financial information is available is from sources treated as qualifying income within the meaning of Section 7704(d) of the Code; and

the receipt of a counterpart of the termination and continuing obligations agreement, which terminates the provisions of LRE s existing omnibus agreement with the exception of certain tax indemnification, from Vanguard.

For purposes of the merger agreement, the term material adverse effect means, when used with respect to a party to the merger agreement, any change, event, development, circumstance, condition (financial or otherwise), occurrence or effect that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business assets, liabilities, condition (financial or otherwise) or results of operations of such party and its subsidiaries taken as a whole, but none of the following changes, events, developments, conditions, occurrences or effects (either alone or in combination) will be taken into account for purposes of determining whether a material adverse effect has occurred:

(i) changes in the general economic, financial, credit or securities markets, including prevailing interest rates or currency rates, or regulatory or political conditions and changes in oil, natural gas, condensate or NGL prices or the prices of other commodities, including changes in price differentials;

(ii) changes in general economic conditions in the:

(a) oil and gas exploration and production industry;

(b) the natural gas gathering, compressing, treating, processing and transportation industry generally;

(c) the NGL fractionating and transportation industry generally;

(d) the crude oil and condensate logistics and marketing industry generally; and

(e) the natural gas marketing and trading industry generally (including in each case changes in the laws affecting such industries);

(iii) the outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war or the occurrence of any other calamity or crisis, including acts of terrorism;

(iv) any hurricane, tornado, flood, earthquake or other natural disaster;

(v) with respect to LRE only, the identity of, or actions or omissions of Vanguard, or its affiliates, or any action taken pursuant to or in accordance with this Agreement or at the request of or with the consent of Vanguard;

(vi) the announcement or pendency of the merger agreement (including, for the avoidance of doubt, performance of the merger agreement);

(vii) any change in the market price or trading volume of the common units of such person or any securities owned by such person (it being understood and agreed that the exception in this clause (vii) will not preclude any party from asserting that the facts, circumstances, changes, events,

TABLE OF CONTENTS

developments, conditions, occurrences or effects giving rise to such change should be deemed to constitute, or be taken into account in determining whether there has been a material adverse effect);

(viii) any failure to meet any internal or published budgets, predictions, financial projections or estimates or forecasts of revenues, earnings or other financial metrics for any period (it being understood and agreed that the exception in this clause (viii) will not preclude any party from asserting that the facts, circumstances, changes, events, developments, conditions, occurrences or effects giving rise to such failure should be deemed to constitute, or be taken into account in determining whether there has been, a material adverse effect);

(ix) any changes in GAAP (or authoritative interpretation of GAAP);

(x) changes in any laws or regulations applicable to such party or the industries in which such person operates or applicable accounting regulations or the interpretations thereof; and

(xi) any legal proceedings commenced by or involving any current or former member, partner or equityholder of such party (on their own behalf or on behalf of such party) arising out of or related to the merger agreement or the transactions contemplated thereby;

provided, however, that any change, event, development, circumstance, condition, occurrence or effect referred to in clauses (i), (ii), (iii) or (iv) will be taken into account for purposes of determining whether a material adverse effect has occurred if and to the extent that such change, event, development, circumstance, condition, occurrence or effect disproportionately affects such party, as compared to other similarly situated companies operating in the industries in which such party operates.

LRE Unitholder Approval

LRE has agreed to hold a special meeting of LRE unitholders within 45 days after the mailing of the proxy statement (if reasonably practicable) for the purpose of such unitholders voting on the approval of the merger agreement and the transactions contemplated thereby. Unless the merger agreement is terminated, the merger agreement requires LRE to call, give notice of and hold the LRE special meeting (i) irrespective of the making, commencement, disclosure, announcement or submission of any superior proposal (as defined below) or alternative proposal (as defined below) and (ii) even if the board of directors of LRE GP no longer recommends approval of the merger agreement. In addition, unless the merger agreement is validly terminated as described in Termination of the Merger Agreement, LRE will not submit any superior proposal to a vote of the LRE unitholders or (without Vanguard s prior written consent) adjourn, postpone or cancel (or propose, publicly or otherwise, or resolve to, to adjourn, postpone or cancel) the LRE special meeting except for such postponements or adjournments made (i) in the absence of proxies sufficient to obtain approval of a majority of LRE unitholders, to solicit additional proxies for the purpose of obtaining approval of a majority of LRE unitholders, (ii) in the absence of a quorum, or (iii) to allow reasonable additional time for the filing and/or mailing of any supplemental or amended disclosure that LRE has determined after consultation with outside legal counsel is necessary under applicable law and for such supplemental or amended disclosure to be disseminated and reviewed by LRE unitholders prior to the LRE special meeting.

For purposes of the merger agreement, the term alternative proposal means any proposal or offer from any person (as defined in the merger agreement) or group (as defined in Section 13(d) of the Exchange Act), other than Vanguard and its subsidiaries, relating to any (i) direct or indirect acquisition (whether in a single transaction or a series of related transactions) of assets of LRE equal to 20% or more of the consolidated assets of LRE or to which 20% or more of LRE s revenues or earnings are attributable, (ii) direct or indirect acquisition (whether in a single transaction or a series of related transactions) of beneficial ownership (within the meaning of Section 13(d) of the Exchange Act) of 20% or more of LRE s equity securities, (iii) tender offer or exchange offer that if consummated would result in any person or group beneficially owning 20% or more of LRE s equity securities, or (iv) merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving LRE that is structured to permit such person or group to acquire beneficial ownership of at least 20% of LRE s consolidated assets or equity

interests; in each case, other than the transactions contemplated by the merger agreement.

TABLE OF CONTENTS

For purposes of the merger agreement, the term superior proposal means a written offer that was not solicited after the date of the merger agreement and that was obtained after the date of the merger agreement, (i) to acquire, directly or indirectly, (A) more than 50% of the outstanding equity securities of LRE or (B) more than 50% of the assets of LRE and its subsidiaries or (ii) related to a merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transactions involving LRE, in each case made by a third party, which did not result from a material breach of the no solicitation provisions of the merger agreement (as described below in No Solicitation by LRE of Alternative Proposals) and is on terms and conditions that the board of directors of LRE GP determines in good faith, after consultation with its financial advisors and outside legal counsel, to be more favorable to LRE unitholders than the merger, taking into account at the time of determination relevant financial considerations, the identity of the person making such offer, the anticipated timing, conditions and prospects for completion of the transactions contemplated by such offer, the other terms and conditions of such offer and the implications thereof on LRE, including relevant legal, regulatory and other aspects of such offer and any changes to the terms of the merger agreement that as of that time had been committed to by Vanguard in writing.

No Solicitation by LRE of Alternative Proposals

The merger agreement contains detailed provisions prohibiting LRE from seeking an alternative proposal to the merger. Under these no solicitation provisions, LRE has agreed that it will not, and will cause its subsidiaries and its and their respective directors, officers and employees not to, and will use its reasonable best efforts to cause their respective other representatives not to, directly or indirectly:

initiate, solicit, knowingly encourage or knowingly facilitate any inquiry, proposal or offer that would reasonably be expected to lead to the submission of any alternative proposal; or

enter into or participate in any discussions or negotiations regarding, or furnish to any person any non-public information with respect to, or that would reasonably be expected to lead to, any alternative proposal.

In addition, the merger agreement requires LRE to, and to cause its subsidiaries and its and their respective directors, officers and employees to, and to use its reasonable best efforts to cause their respective other representatives to, immediately cease and cause to be terminated any discussions or negotiations with any persons conducted prior to the execution of the merger agreement regarding an alternative proposal.

Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances at any time prior to a majority of LRE unitholders voting in favor of approving the merger agreement, LRE may furnish information, including non-public information, with respect to it and its subsidiaries to, and participate in discussions or negotiations with, any third party that makes a written alternative proposal that was not solicited after the execution of the merger agreement and that did not result from a material breach of the no solicitation restrictions described above and that the board of directors of LRE GP believes is *bona fide,* and (after consultation with its financial advisors and outside legal counsel) that the board of directors of LRE GP determines in good faith constitutes or would reasonably be likely to lead to or result in a superior proposal, provided that:

- substantially concurrently with furnishing any such non-public information to, or entering into discussions or negotiations with, such person, LRE gives Vanguard written notice of the identity of such person and LRE s intention to furnish non-public information to, or enter into discussions or negotiations with, such person;

LRE receives from such person an executed confidentiality agreement between LRE and such person with confidentiality provisions that are not less restrictive to such person than the provisions of the confidentiality agreement in effect between LRE and Vanguard; and

LRE provides Vanguard with any non-public information about LRE and its subsidiaries that was not previously provided or made available to Vanguard prior to or substantially concurrently with providing or making available

such non-public information to such other person.

LRE has also agreed in the merger agreement that it will promptly (and in no event later than 24 hours after receipt), (i) advise Vanguard in writing of any alternative proposal (and any changes thereto) and the

TABLE OF CONTENTS

material terms and conditions of any such alternative proposal, including the identity of such person making such alternative proposal and (ii) provide Vanguard with copies of all written proposals or draft agreements received by LRE or its representatives setting forth the terms and conditions of, or otherwise relating to, such alternative proposal. In addition, LRE will keep Vanguard reasonably informed of material developments with respect to any such alternative proposals, offers, inquiries or requests (and promptly (and in no event later than 24 hours after receipt) provide Vanguard with copies of any additional written proposals received by it or that LRE has delivered to any third party making an alternative proposal that relate to such alternative proposal) and of the status of any such discussions or negotiations.

LRE, LRE GP and the LRE GP sellers have also agreed in the merger agreement that none of LRE, LRE GP, any LRE GP seller or any subsidiary of LRE will enter into any agreement with any person subsequent to the date of the merger agreement that prohibits LRE from providing any information to Vanguard in accordance with the no solicitation provisions (including those described above).

Change in LRE GP Board Recommendation

The merger agreement provides that the board of directors of LRE GP will not (i) withdraw, modify or qualify, in a manner adverse to Vanguard, the recommendation of the board of directors of LRE GP that LRE s unitholders approve the merger agreement and the transactions contemplated thereby, including the merger, (ii) fail to include such recommendation in this proxy statement/prospectus or (iii) publicly approve or recommend, or publicly propose to approve or recommend, any alternative proposal. LRE taking or failing to take, as applicable, any of the actions described above is referred to as a partnership change in recommendation. The merger agreement also provides that the board of directors of LRE GP will not: (i) approve, adopt or recommend, or publicly propose to approve, adopt or recommend, or allow LRE or any of its subsidiaries to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar contract or any tender or exchange offer providing for, with respect to, or in connection with any alternative proposal; (ii) fail to announce publicly within ten business days after a tender offer or exchange offer relating to the LRE common units has been commenced that the board of directors of LRE GP recommends rejection of such tender offer or exchange offer and reaffirming the recommendation of the board of directors of LRE GP that LRE s unitholders approve the merger agreement and the transactions contemplated thereby, including the merger; or (iii) resolve, agree or publicly propose to, or permit LRE or any of its representatives to agree or publicly propose to, take any of the actions referred to in this paragraph.

Notwithstanding the terms described above, if (i) LRE receives a written alternative proposal (and such proposal is not withdrawn) that the board of directors of LRE GP believes is *bona fide*, (ii) such alternative proposal did not result from a breach of the no solicitation provisions described above and (iii) the board of directors of LRE GP determines, after consultation with its financial advisors and outside legal counsel, that such alternative proposal constitutes a superior proposal, then the board of directors of LRE GP may at any time prior to a majority of LRE unitholders voting in favor of approving the merger agreement, terminate the merger agreement and pay Vanguard the termination fee (described below in Termination Fee) or effect a partnership change in recommendation; provided, however, that the board of directors of LRE GP may not take such action pursuant to the foregoing unless:

LRE has provided prior written notice to Vanguard, generally at least two business days in advance, specifying in reasonable detail the reasons for such action (including a description of the material terms of such superior proposal and delivering Vanguard a copy of any current draft proposed definitive agreement providing for the alternative proposal for such superior proposal in the form to be entered into and any other relevant proposed transaction agreements); and

during the two-business day period, LRE has negotiated with Vanguard in good faith (to the extent Vanguard desires to negotiate) regarding any revisions to or adjustments in the terms and conditions of the merger agreement proposed by Vanguard.

TABLE OF CONTENTS

Other than in connection with an alternative proposal, the merger agreement also permits the board of directors of LRE GP to make a partnership change in recommendation in response to an intervening event (as described below) at any time prior to obtaining the approval of the LRE unitholders of the merger agreement, but only if:

prior to making such partnership change in recommendation, the board of directors of LRE GP determines in good faith, after consultation with and considering the advice of LRE s outside legal counsel, that failure to take such action would be inconsistent with its duties under applicable Delaware law, LRE s partnership agreement or LRE GP s limited liability company agreement;
LRE has given at least three business days advance written notice to Vanguard that the board of directors of LRE GP intends to take such action (which notice shall specify in reasonable detail the reasons for such action); and
during the aforementioned period, LRE has negotiated with Vanguard in good faith (to the extent Vanguard desires to negotiate) regarding any revisions to or adjustments in the terms and conditions of the merger agreement proposed by Vanguard.

After compliance with the foregoing procedures, if the board of directors of LRE GP still determines in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to make a partnership change in recommendation would be inconsistent with its duties under applicable Delaware law, LRE s partnership agreement or LRE GP s limited liability company agreement, then the board of directors of LRE GP may, at any time prior to a majority of LRE unitholders voting in favor of approving the merger agreement, effect a partnership change in recommendation.

As used in the merger agreement, subject to certain exceptions set forth therein, an intervening event means a material event, circumstance, state of facts, occurrence, development or change that did not exist or was not known to the board of directors of LRE GP on the date of the merger agreement (or if known, the consequences of which were not known or reasonably foreseeable by the board of directors of LRE GP as of such date) that becomes known to the board of directors of LRE GP prior to a majority of LRE unitholders voting in favor of approving the merger agreement (subject to certain customary exceptions as further set forth in the merger agreement, including the receipt, existence, potential for or terms of an alternative proposal or any matter relating thereto or consequence thereof).

Notwithstanding the restrictions discussed above, LRE and the board of directors of LRE GP may disclose information to LRE s unitholders as contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act or as otherwise required by law. Any stop-look-and-listen communication by LRE of the board of directors of LRE GP to LRE s unitholders pursuant to Rule 14d-9(f) will not be considered a failure to make, or a withdrawal, modification or change in any manner adverse to Vanguard of, the recommendation of the board of directors of LRE GP that LRE s unitholders approve the merger agreement.

Regulatory Matters

See Proposal 1: The Merger Regulatory Approvals and Clearances Required for the Merger for a description of the material regulatory requirements for the completion of the transactions contemplated by the merger agreement.

Vanguard and LRE have determined that they are not required to file notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice or observe a mandatory pre-merger waiting period before completing the merger under the HSR Act.

Vanguard and LRE have agreed to (including to cause their respective subsidiaries to) cooperate with each other and use their reasonable best effort to: (i) take all actions necessary to cause the closing conditions of the merger agreement to be satisfied as promptly as practicable and to consummate the merger (including preparing all necessary

documentation to effect all necessary filings, reports, and other documentation), (ii) obtain promptly (and in any event no later than December 31, 2015) all approvals, consents, clearances, expirations or terminations of waiting periods, registrations, permits (including environmental permits), authorizations and other confirmations from any governmental authority or third party necessary, proper or advisable to consummate the transactions contemplated by the merger agreement; (iii) defend any lawsuits or

TABLE OF CONTENTS

other legal proceedings challenging the merger agreement or the consummation of the transactions contemplated by the merger agreement; (iv) to cooperate with each other to determine if the transactions contemplated by the merger agreement require a filing and observation of the waiting period under the HSR Act and, if required, make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by the merger agreement as promptly as practicable and in any event within 15 business days after the date of the merger agreement and to supply as promptly as practicable any additional information and documentary material that may be requested by any governmental authority pursuant to the HSR Act or any other antitrust law; (v) use reasonable best efforts to cooperate with any filing or submission with a governmental authority in connection with the transactions contemplated by the merger agreement and in connection with any investigation or other inquiries by or before a governmental authority relating to the transactions contemplated by the merger agreement; (vi) promptly inform the other party (and supply the other party with) any communication received by such party from, or given by such party to, the Federal Trade Commission, the Antitrust Division of the Department of Justice, or any other governmental authority and any material communication received or given in connection with any proceeding by a private person, in each case regarding the transactions contemplated by the merger agreement; (vii) permit the other party to review in advance and incorporate their reasonable comments in any communication to be given by it to any governmental authority with respect to obtaining any clearances required under any antitrust law in connection with the transactions contemplated in the merger agreement; and (viii) consult with the other party in advance of any meeting or teleconference with any governmental authority or, in connection with any proceeding by a private person, with any other person, and, to the extent not prohibited by the governmental authority or other person, give the other party the opportunity to attend and participate in such meetings and teleconferences.

In addition, Vanguard agreed to take, or cause to be taken, any and all steps and to make, or cause to be made, any and all undertakings necessary to resolve any objections that a governmental authority or any other person may assert under any antitrust law with respect to the transactions contemplated hereby, and to avoid or eliminate each and every impediment under any antitrust law that may be asserted by any governmental authority with respect to the transactions contemplated by the merger agreement, in each case, so as to enable the closing to occur as promptly as practicable and in any event no later than December 31, 2015; provided that nothing in the merger agreement requires, or will be construed to require, any party to sell or otherwise dispose of, hold separate (through the establishment of a trust or otherwise), divest itself of or limit the ownership or operations of all or any portion of their respective businesses, assets or operations.

In furtherance of the above, Vanguard and LRE agreed to use reasonable best efforts to contest and resist any administrative or judicial actions or proceedings challenging the transactions contemplated by the merger agreement.

Termination of the Merger Agreement

Vanguard and LRE may terminate the merger agreement at any time prior to the closing by mutual written consent.

In addition, either Vanguard or LRE may terminate the merger agreement at any time prior to the effective time of the merger by written notice to the other party:

if the closing of the merger has not occurred on or before December 31, 2015 (unless such failure of the closing to occur is due to the failure of the terminating party to perform and comply in all material respects with the covenants and agreements to be performed or complied with by such party prior to the closing);
if there is in effect a final and nonappealable order of a governmental authority restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by the merger agreement (unless such right to terminate is primarily due to the failure of the terminating party to perform any of its obligations under the merger

agreement); or
if after the final adjournment of the LRE special meeting at which a vote of the LRE unitholders has been taken in accordance with the merger agreement, the approval of a majority of LRE unitholders has not been obtained.
147

TABLE OF CONTENTS

In addition, Vanguard may terminate the merger agreement:

if, prior to final adjournment of the LRE special meeting, a partnership change in recommendation has occurred; or
if LRE, LRE GP or any LRE GP seller has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, or any representation or warranty of LRE, LRE GP or any LRE GP seller becomes untrue, which breach, failure to perform or untruth if it was continuing as of the closing date of the transactions would result in the failure of the Additional Vanguard Conditions to be satisfied, and such breach, failure to perform or untruth is incapable of being cured (or becoming true) or, if capable of being cured (or becoming true), is not cured (or does not become true) by the earlier of (i) December 31, 2015 or (ii) within 30 days following receipt by LRE of notice of such breach, failure or untruth from Vanguard.

In addition, LRE may terminate the merger agreement:

if Vanguard has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, or any representation or warranty of Vanguard becomes untrue, which breach, failure to perform or untruth if it was continuing as of the closing date of the transactions would result in the failure of the Additional LRE Conditions to be satisfied, and such breach, failure to perform or untruth is incapable of being cured (or becoming true) or, if capable of being cured (or becoming true), is not cured (or does not become true) by the earlier of (i) December 31, 2015 or (ii) within 30 days following receipt by Vanguard of notice of such breach, failure or untruth from LRE (such a breach, whether committed by LRE (providing Vanguard a right of termination as described in the above discussion of Vanguard s termination rights under the merger agreement) or Vanguard (providing LRE a right of termination as described in this paragraph) being referred to herein as a terminable breach); or
in order to enter into a definitive agreement relating to a superior proposal, provided that LRE must concurrently with such termination pay to Vanguard the termination fee (as described below).

In some cases, termination of the merger agreement will require (i) LRE or Vanguard, as the case may be, to reimburse up to $1,215,000 of the other party s expenses as described below under Expenses and (ii) LRE to pay a termination fee of $7,288,000 to Vanguard, as described below under Termination Fee.

Termination Fee

The merger agreement provides that LRE is required to pay a termination fee of $7,288,000, which is referred to as the termination fee, reduced by the expenses previously paid or reimbursed by LRE (as described below under Expenses), to Vanguard if:

prior to the adjournment of the LRE special meeting Vanguard terminates the merger agreement due to a partnership change in recommendation having occurred;
LRE terminates the merger agreement in order to enter into a definitive agreement relating to a superior proposal; or
each of the following occurs:
an alternative proposal is publicly submitted, publicly proposed or publicly disclosed prior to, and not withdrawn at the time of, the date of the LRE special meeting (or, if such special meeting has not occurred, prior to the termination of the merger agreement as a result of the failure to consummate the merger prior to December 31, 2015);
the merger agreement is terminated:
by either LRE or Vanguard as a result of the failure to consummate the merger prior to December 31, 2015;
by either LRE or Vanguard because the merger agreement was not approved at the LRE special meeting; or

TABLE OF CONTENTS

by Vanguard because LRE has committed a terminable breach (as described above); and
LRE enters into a definitive agreement with respect to, or consummates, an alternative proposal within 12 months after the date the merger agreement is terminated (provided that for purposes of the payment of the termination fee described above, the term alternative proposal has the meaning provided under LRE Unitholder Approval, except that the references to 20% or more will be deemed to be references to 50% or more).

In no event will LRE be obligated to make more than one payment of the termination fee and, if LRE has previously paid any of Vanguard s expenses in accordance with the merger agreement (as described below under Expenses), the termination fee will be reduced by the amount of such expenses paid.

Expenses

Generally, all fees and expenses incurred in connection with the transactions contemplated by the merger agreement will be the obligation of the respective party incurring such fees and expenses, except that Vanguard and LRE will each pay one-half of the expenses incurred in connection with any HSR Act filing and the filing, printing and mailing of this proxy statement/prospectus.

In addition, in the event that the merger agreement is terminated by either party because the other party has committed a terminable breach (as described above), then the non-terminating party will pay the terminating party, within two business days, the reasonable and documented out-of-pocket expenses of the terminating party incurred in connection with the negotiation, execution and delivery of the merger agreement and the performance of the transactions contemplated thereby up to an aggregate amount equal to $1,215,000.

Conduct of Business Pending the Consummation of the Transactions Contemplated by the Merger Agreement

Under the merger agreement, LRE has agreed that, until the earlier of the effective time and the termination of the merger agreement, and except (i) as expressly contemplated or permitted by the merger agreement, (ii) as may be required by applicable law or the terms of any LRE employee benefit plan, (iii) as set forth in the disclosure letter delivered by LRE to Vanguard or (iv) with the prior written consent of Vanguard (which consent cannot be unreasonably withheld, conditioned or delayed), neither LRE nor LRE GP will (and no LRE GP seller nor LRE GP will take any such action on its own behalf or on behalf of LRE or LRE GP), and will cause each of LRE s subsidiaries not to:

conduct its business and the business of its subsidiaries in all material respects other than in the ordinary course, fail to use commercially reasonable efforts to preserve intact its business organizations, goodwill and assets and maintain its rights, franchises and existing relations with customers, suppliers, employees and business associates, or take any action that adversely affects the ability of any party to obtain any approvals required under the HSR Act for the transactions contemplated by the merger agreement;
issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional equity or any additional equity-related rights or enter into any agreement with respect to the foregoing;
split, combine or reclassify any of its equity interests or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for its equity interests, or repurchase, redeem or otherwise acquire, or permit any of its subsidiaries to purchase, redeem or otherwise acquire any membership, partnership or other equity interests or rights, subject to certain exceptions;
(i) sell, lease, transfer, farmout, exchange, dispose of, license, convey or discontinue all or any portion of its assets, business or properties, other than (A) in the ordinary course of business, (B) any individual sales, leases, dispositions

or discontinuances for consideration not in excess of $5,000,000, or (C) any distributions otherwise permitted under the merger agreement, (ii) acquire, by merger or otherwise, or lease any assets or all or any portion of the business or property of any

TABLE OF CONTENTS

other entity other than in the ordinary course of business, (iii) merge, consolidate or enter into any other business combination transaction with any person or (iv) convert from a limited partnership, limited liability company or corporation, as the case may be, to any other business entity;

make or declare dividends or distributions (i) to the holders of LRE common units that are special or extraordinary distributions or that are in a cash amount in excess of $0.1875 per LRE common unit per quarter, or (ii) to the holders of any other units or interests in LRE, other than distributions required under the LRE partnership agreement by reason of regular quarterly cash distributions to the holders of LRE common units;

amend LRE s certificate of limited partnership or its partnership agreement, the certificate of formation of LRE GP, the LRE GP limited liability company agreement, or the organizational documents of any subsidiary of LRE;

enter into any material contract, agreement or arrangement;

modify, amend, terminate or assign, or waive or assign any rights under any material agreement, in a manner that is materially adverse to LRE GP, LRE and its subsidiaries, taken as a whole, or that would reasonably be expected to prevent or materially delay the consummation of the merger or the other transactions contemplated by the merger agreement;

waive, release, assign, settle or compromise any material claim, action or proceeding, including any state or federal regulatory proceeding seeking damages or injunction or other equitable relief;

implement or adopt any change in its GAAP accounting principles, practices or methods, other than as may be required by GAAP;

fail to use commercially reasonable efforts to maintain, with financially responsible insurance companies, insurance in such amounts and against such risks and losses as is maintained by it at present;

change in any material respect any of its express or deemed elections relating to taxes, including elections for any and all joint ventures, partnerships, limited liability companies or other investments where it has the capacity to make such binding election, settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes, amend in any material respect any tax return, or change in any material respect any of its methods of reporting income or deductions for federal income tax purposes from those employed in the preparation of its federal income tax return for the most recent taxable year for which a return has been filed, except as may be required by applicable law;

except with respect to certain employee benefit plans maintained by a third party, increase in any respect the compensation of its officers or employees whose annual base compensation exceeds $200,000 (provided that LRE will provide prompt written notice to Vanguard of any increase in compensation to any officers or employees), take any action to increase, or accelerate the payment or vesting of the amounts, benefits or rights payable or accrued or to become payable or accrued under, any employee benefit plan, grant any severance or termination pay to any officer or director of LRE GP or any employee, or establish, adopt, enter into or materially amend any plan, policy, program or arrangement for the benefit of any current or former directors or officers of LRE or any of its subsidiaries or any of their beneficiaries;

(i) incur, assume, guarantee or otherwise become liable for any indebtedness, other than (A) borrowings under LRE s existing revolving credit facility or any one or more refinancings of all or any portion of the indebtedness thereunder entered into on commercially reasonable and customary terms; provided that the aggregate amount of indebtedness described in clause (A) shall not exceed $300.0 million and provided that LRE and LRE GP shall consult with Vanguard prior to paying or agreeing to pay any fees with respect to the indebtedness described in this clause (A), and in no event shall such fees exceed $1,000,000, or (B) trade credit in the ordinary course of business, (ii) redeem, repurchase, cancel or otherwise acquire any indebtedness, (iii) enter into any material lease, (iv) create any lien on its property or the property of its subsidiaries in connection with any

TABLE OF CONTENTS

pre-existing indebtedness, new indebtedness or lease (except with respect to refinancings described in clause (i)), or (v) make or commit to make any capital expenditures other than as contemplated in LRE s 2015 capital budget or to satisfy LRE s plugging and abandonment obligations;

authorize, recommend, propose or announce an intention to adopt a plan of complete or partial dissolution or liquidation;

take any action or fail to take any action that would reasonably be expected to cause it or any of its subsidiaries that is not a corporation to be treated, for U.S. federal income tax purposes, as a corporation;

enter into any partnership related party transaction (as such term is defined in the merger agreement); and

agree or commit to do anything prohibited in the list above.

Under the merger agreement, the foregoing does not limit or restrict the ability of LRE or its subsidiaries to take otherwise prohibited actions in response to emergency situations to the extent required in order to ensure the protection of individuals or assets or compliance with environmental laws, including the release or threatened release of hazardous materials, provided that prompt notice is given to Vanguard.

Under the merger agreement, Vanguard has agreed that, until the earlier of the effective time and the termination of the merger agreement, and except (i) as expressly contemplated or permitted by the merger agreement, (ii) as may be required by applicable law, (iii) as set forth in the disclosure letter delivered by Vanguard to LRE and the LRE GP sellers or (iv) with the prior written consent of LRE (which consent cannot be unreasonably withheld, conditioned or delayed), Vanguard will not, and will cause each of its subsidiaries not to:

conduct its business and the business of its subsidiaries in all material respects other than in the ordinary course, fail to use commercially reasonable efforts to preserve intact its business organizations, goodwill and assets and maintain its rights, franchises and existing relations with customers, suppliers, employees and business associates, or take any action that adversely affects the ability of any party to obtain any approvals required under the HSR Act for the transactions contemplated by the merger agreement;

issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional equity or any additional rights or enter into any agreement with respect to the foregoing; provided that Vanguard may issue and sell units in the ordinary course of business pursuant to its existing equity distribution agreement;

split, combine or reclassify any of its equity interests or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for its equity interests, or repurchase, redeem or otherwise acquire, or permit any of its subsidiaries to purchase, redeem or otherwise acquire any membership, partnership or other equity interests or rights, subject to certain exceptions;

(i) sell, lease, transfer, farmout, exchange, dispose of, license, convey or discontinue all or any portion of its assets, business or properties other than (A) in the ordinary course of business, (B) any individual sales, leases, dispositions or discontinuances for consideration not in excess of $20,000,000, (C) any distributions expressly permitted under the merger agreement, (ii) merge, consolidate or enter into any other business combination transaction with any person or (iii) convert from a limited partnership or limited liability company, as the case may be, to any other business entity;

make or declare dividends or distributions to the holders of Vanguard common units or other Vanguard securities, other than distributions under the Vanguard limited liability company agreement by reason of regular monthly or quarterly cash distributions to Vanguard unitholders;

amend the Vanguard certificate of formation, the Vanguard limited liability company agreement or any organizational document of Vanguard s subsidiaries;

TABLE OF CONTENTS

modify, amend, terminate or assign, or waive or assign any rights under any material agreement, in a manner that is materially adverse to Vanguard and its subsidiaries, taken as a whole, or that would reasonably be expected to prevent or materially delay the consummation of the merger or the other transactions contemplated by the merger agreement;
implement or adopt any material change in its GAAP accounting principles, practices or methods, other than as may be required by GAAP;
change in any material respect any of its express or deemed elections relating to taxes, including elections for any and all joint ventures, partnerships, limited liability companies or other investments where it has the capacity to make such binding election, settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes, amend in any material respect any tax return, or change in any material respect any of its methods of reporting income or deductions for federal income tax purposes from those employed in the preparation of its federal income tax return for the most recent taxable year for which a return has been filed, except as may be required by applicable law;
authorize, recommend, propose or announce an intention to adopt a plan of complete or partial dissolution or liquidation;
take any action or fail to take any action that would reasonably be expected to cause Vanguard or any of its subsidiaries that is not a corporation to be treated, for U.S. federal income tax purposes, as a corporation; and
agree or commit to do anything prohibited in the list above.

Under the merger agreement, the foregoing does not limit or restrict the ability of Vanguard or its subsidiaries to take otherwise prohibited actions (x) to the extent that any such action is implemented to rationalize the corporate structure of Vanguard and its subsidiaries and does not result in the relevant assets being ultimately controlled, directly or indirectly, by a person other than Vanguard or (y) in response to emergency situations to the extent required in order to ensure the protection of individuals or assets or compliance with environmental laws, including the release or threatened release of hazardous materials, provided that prompt notice is given to LRE.

On May 21, 2015, Vanguard executed and delivered a consent letter in respect of the merger agreement, which was acknowledged and agreed by the board of directors of LRE GP and LRE. Pursuant to the terms and conditions of the consent letter, the board of directors of LRE GP and LRE consented to the entry by Vanguard into the Eagle Rock merger agreement.

Indemnification; Directors and Officers Insurance

The merger agreement provides that, from and after the effective time of the merger, to the fullest extent permitted by law, Vanguard and the surviving entity in the merger will indemnify and hold harmless each person who is now, or has been or becomes at any time prior to the effective time, an officer, director or employee of LRE GP, LRE or any of its subsidiaries and also with respect to any such person, in such person s capacity as a director, officer, employee, member, trustee or fiduciary of another corporation, foundation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise (regardless of whether affiliated with LRE) serving at the request of or on behalf of LRE GP, LRE or any of its subsidiaries and together with such person s heirs, executors or administrators against any losses, claims, damages, liabilities, costs, indemnification expenses, judgments, fines, penalties and amounts paid in settlement resulting therefrom. Additionally, Vanguard will advance to any indemnified party any indemnification expenses incurred in defending, serving as a witness with respect to or otherwise participating with respect to any claim or action in advance of the final disposition of such claim or action without the requirement of any bond or other security.

The indemnification and advancement obligations of Vanguard and the surviving entity in the merger pursuant to the merger agreement extend to acts or omissions occurring at or before the effective time and any claim or action relating thereto (including with respect to any acts or omissions occurring in connection with the approval of the merger

agreement and the consummation of the merger and the transactions contemplated

TABLE OF CONTENTS

by the merger agreement, including the consideration and approval thereof and the process undertaken in connection therewith and any claim or action relating thereto), and all rights to indemnification and advancement conferred hereunder continue as to each indemnified party who has ceased to be a director or officer of LRE or any of its subsidiaries after the date of the merger agreement and inure to the benefit of such person s heirs, executors and personal and legal representatives.

For a period of six years from the effective time, as required by the merger agreement, Vanguard will maintain in effect the current directors and officers liability and fiduciary liability insurance policies covering the indemnified parties (but may substitute therefor other policies of at least the same coverage and amounts containing terms and conditions that are no less advantageous to the indemnified parties so long as that substitution does not result in gaps or lapses in coverage or are alleged to have occurred) with respect to matters occurring on or before the effective time, but Vanguard is not required to pay annual premiums in excess of 300% of the last annual premiums paid therefor prior to the date of the merger agreement and will purchase the maximum amount of coverage that can be obtained for that amount if the coverage would cost in excess of that amount. Vanguard may, in its sole discretion, on or prior to the effective time, purchase a tail policy with respect to acts or omissions occurring or alleged to have occurred prior to the effective time that were committed or alleged to have been committed by such indemnified parties in their capacity as such; provided that in no event shall the cost of such policy, if purchased by Vanguard, exceed six times an amount equal to 300% of the last annual premiums paid thereof prior to the date of the merger agreement by LRE for directors and officers liability insurance policies and, if such a tail policy is purchased, neither Vanguard nor the surviving entity in the merger shall have any further obligations with respect to maintaining directors and officers liability insurance.

Financing Matters

Pursuant to the merger agreement, prior to the effective time of the merger, LRE and LRE GP have agreed, at Vanguard s sole cost and expense, to cooperate, and to cause their respective subsidiaries and representatives to cooperate, as is reasonably necessary with Vanguard in connection with any financing by Vanguard or Vanguard s subsidiaries in connection with the transactions contemplated by the merger agreement as may be reasonably requested by Vanguard or its representatives.

Amendment of Merger Agreement

At any time prior to the effective time, whether before or after approval of the merger agreement by LRE unitholders, the parties may, by written agreement, amend the merger agreement; provided, however, that following approval of the merger and the other transactions contemplated by the merger agreement by LRE unitholders, no amendment or change to the provisions of the merger agreement will be made which by law would require further approval by LRE unitholders without such approval. The merger agreement also provides that, in addition to any approvals required by LRE s partnership documents or LRE GP s limited liability company documents or pursuant to the merger agreement, any waivers by LRE or LRE GP of, or any amendment or modification of any provisions in the merger agreement other than relating to the conduct of business covenants (except relating to equity issuances) must be approved by the LRE GP conflicts committee.

Remedies; Specific Performance

Under the merger agreement, each of the parties agrees that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of the merger agreement were not

performed in accordance with their specific terms, and each agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided in the merger agreement on the basis that (x) each party has an adequate remedy at law or (y) an award of specific performance is not an appropriate remedy for any reason at law or equity.

TABLE OF CONTENTS

Representations and Warranties

The merger agreement contains representations and warranties made by Vanguard, on the one hand, and LRE, LRE GP and the LRE GP sellers, on the other hand. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

may be intended not as statements of fact or of the condition of the parties to the merger agreement or their respective subsidiaries, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
have been qualified by disclosures that were made to the other party in connection with the negotiation of the merger agreement, which disclosures may not be reflected in the merger agreement;
may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
were made only as of the date of the merger agreement or such other date or dates as may be specified in the merger agreement and are subject to more recent developments.

The representations and warranties made by both Vanguard and LRE relate to:

organization, general authority, standing and similar matters;
capitalization;
equity interests in other entities;
approval and authorization of the merger agreement and the transactions contemplated by the merger agreement and any conflicts created by such transactions;
no violations or defaults resulting from the consummation of the transactions contemplated by the merger agreement;
required consents and approvals of governmental authorities in connection with the transactions contemplated by the merger agreement;
documents filed with the SEC and financial statements included in those documents;
internal controls and procedures;
absence of undisclosed liabilities since December 31, 2014;
absence of certain changes or events from December 31, 2014 through the date of the merger agreement and from the date of the merger agreement through the closing date;
compliance with applicable laws and permits;
material contracts;
environmental matters;
reserve reports;
title to properties;
litigation;
information supplied in connection with this proxy statement/prospectus;
tax matters;
employee benefits and employment matters;
intellectual property;
related party transactions;
insurance;

TABLE OF CONTENTS

regulatory matters;
derivatives;
financial advisors; and
absence of additional representations and warranties.

Additional representations and warranties made only by Vanguard relate to the operations of Merger Sub and the financing of the transactions contemplated by the merger agreement.

Additional representations and warranties made only by LRE, LRE GP and the LRE GP sellers relate to state takeover statutes and unitholder approval of the merger.

Additional Agreements

The merger agreement also contains covenants relating to cooperation in the preparation of this proxy statement/prospectus and additional agreements relating to, among other things, access to information, notice of specified matters and public announcements. The merger agreement also obligates Vanguard to have Vanguard common units to be issued in connection with the transactions contemplated by the merger agreement approved for listing on the NASDAQ, subject to official notice of issuance, prior to the date of the consummation of the transactions contemplated by the merger agreement.

TABLE OF CONTENTS

VANGUARD NATURAL RESOURCES, LLC UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Vanguard as adjusted for the Merger and as further adjusted for the Eagle Rock Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, the merger agreement provides for the merger of Merger Sub with and into LRE, with LRE continuing as the surviving entity, and, at the same time, the purchase by Vanguard of all of the outstanding limited liability company interests in LRE GP, resulting in both LRE and LRE GP becoming wholly owned subsidiaries of Vanguard. Further, subject to the terms and conditions of the Eagle Rock merger agreement and in accordance with Delaware law, the Eagle Rock merger agreement provides for the merger of Talon Merger Sub with and into Eagle Rock, with Eagle Rock continuing as the surviving entity and a wholly owned subsidiary Vanguard.

The pro forma financial statements presented in this subsection have been prepared using the acquisition method of accounting for business combinations under U.S. GAAP. Under the acquisition method of accounting, the assets acquired and liabilities assumed from LRE and Eagle Rock will be recorded as of the acquisition date at their respective fair values.

The historical financial information included in the columns entitled Vanguard presented in this subsection was derived from the unaudited financial statements included in Vanguard s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and its Annual Report on Form 10-K for the year ended December 31, 2014 which are incorporated by reference into this proxy statement/prospectus. The historical financial information included in the columns entitled LRE was derived from LRE s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and its Annual Report on Form 10-K for the year ended December 31, 2014 which are incorporated by reference into this proxy statement/prospectus. The historical financial information included in the columns entitled Eagle Rock was derived from Eagle Rock s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and its Annual Report on Form 10-K for the year ended December 31, 2014 which are incorporated by reference into this proxy statement/prospectus.

On January 31, 2014, Vanguard and its wholly owned subsidiary, Encore Energy Partners Operating, LLC, completed the acquisition of certain natural gas and oil assets in the Pinedale and Jonah fields located in Southwestern Wyoming for approximately $555.6 million in cash (the Pinedale Acquisition).

On September 30, 2014, Vanguard and its wholly owned subsidiary, Vanguard Operating, LLC, completed the acquisition of natural gas, oil and NGL assets in the Piceance Basin located in Colorado for approximately $496.4 million (the Piceance Acquisition).

The unaudited pro forma combined balance sheet at June 30, 2015 presented in this subsection has been presented to show the effect as if the merger, the Eagle Rock merger and the pro forma adjustments had occurred on June 30, 2015. The Pinedale Acquisition and the Piceance Acquisition were included in Vanguard s historical balance sheet at June 30, 2015, and, as such, there are no pro forma adjustments related to the Pinedale Acquisition and the Piceance Acquisition.

The unaudited pro forma combined statements of operations for the six months ended June 30, 2015 and for the year ended December 31, 2014 presented in this subsection have been presented based on Vanguard s individual statements of operations, and reflect the pro forma operating results attributable to the merger, the Eagle Rock merger, the Pinedale Acquisition and the Piceance Acquisition as if the merger, the Eagle Rock merger and acquisitions and the related transactions had occurred on January 1, 2014. Vanguard s historical statements of operations include operating results from the Pinedale Acquisition and the Piceance Acquisition for the six months ended June 30, 2015 and, as such, there are no pro forma adjustments related to the Pinedale Acquisition and the Piceance Acquisition for this period.

Pro forma data is based on currently available information and certain estimates and assumptions as explained in the notes to the unaudited pro forma combined financial statements presented in this subsection. Pro forma data is not necessarily indicative of the financial results that would have been attained had the merger, the Eagle Rock merger and the Pinedale Acquisition and the Piceance Acquisition occurred on January 1, 2014. As actual adjustments may differ from the pro forma adjustments, the pro forma amounts presented should not be viewed as indicative of operations in future periods.

TABLE OF CONTENTS

The unaudited pro forma combined financial information presented in this subsection is based on assumptions that Vanguard believes are reasonable under the circumstances and are intended for informational purposes only. Actual results may differ from the estimates and assumptions used. The unaudited pro forma combined financial information presented in this subsection is not necessarily indicative of the financial results that would have occurred if these transactions had taken place on the dates indicated, nor is it indicative of future consolidated results.

The completion of the Eagle Rock merger is not a condition to the completion of the merger and there can be no assurance that the transactions contemplated by the Eagle Rock merger agreement will be completed.

TABLE OF CONTENTS

Vanguard Natural Resources, LLC and Subsidiaries
Unaudited Pro Forma Combined Balance Sheet
As of June 30, 2015

(in thousands)	Historical Vanguard	LRE	Pro Forma Adjustments (Note 2)	Vanguard/ LRE Pro Forma Combined	Historical Eagle Rock	Pro Forma Adjustments (Note 2)	Vanguard/ LRE/Eagle Rock Pro Forma Combined
Assets							
Current assets							
Cash and cash equivalents	$4,132	$7,681	$(3,612)[e]	$8,201	$20	$	$8,221
Trade accounts receivable, net	85,754	8,659		94,413	27,087		121,500
Derivative assets	114,415	32,087		146,502	36,169		182,671
Due from affiliates		1,456		1,456			1,456
Prepaid expenses		1,240	(142)[a]	1,098			1,098
Other currents assets	6,146			6,146	11,594		17,740
Total current assets	210,447	51,123	(3,754)	257,816	74,870		332,686
Oil and natural gas properties, at cost	4,194,888	972,120	(559,640)[a]	4,385,858	891,788	(458,534)[g]	4,801,604
			(221,510)[a]			(17,508)[g]	
Accumulated depletion, amortization and impairment	(2,154,462)	(559,640)	559,640 [a]	(2,154,462)	(458,534)	458,534 [g]	(2,154,462)
Oil and natural gas properties evaluated, net full cost method	2,040,426	412,480	(221,510)	2,231,396	433,254	(17,508)	2,647,142
Other assets							
Goodwill	420,955		209,389	630,344		29,609	659,953
Derivative assets	68,942	37,159		106,101	38,469		144,570
Deferred financing costs, net of accumulated amortization and other assets		1,646	(1,646)[a]				
Other assets	27,272	455	(10)[a]	27,717	15,585	(4,788)[g]	38,514
Total assets	$2,768,042	$502,863	$(17,531)	$3,253,374	$562,178	$7,313	$3,822,865

TABLE OF CONTENTS

Vanguard Natural Resources, LLC and Subsidiaries Unaudited Pro Forma Combined Balance Sheet (continued) As of June 30, 2015

See the accompanying notes to the unaudited pro forma combined financial statements.

TABLE OF CONTENTS

Vanguard Natural Resources, LLC and Subsidiaries Unaudited Pro Forma Combined Statement of Operations For the Six Months Ended June 30, 2015

TABLE OF CONTENTS

Vanguard Natural Resources, LLC and Subsidiaries Unaudited Pro Forma Combined Statement of Operations (continued) For the Six Months Ended June 30, 2015