U.S. Energy Qualified Opportunity Zone III LP

Direct Investments in Energy

UNDERWRITING BROKER DEALER: WESTMORELAND CAPITAL CORPORATION

The oil & gas assets shown in this presentation are not owned by the USEDC Opportunity Zone Fund III LP, nor are they owned by U.S. Energy or any affiliated partnerships, unless otherwise noted. All assets pictured are representative of the types of assets the USEDC Opportunity Zone Fund III LP will target for ownership, unless otherwise noted.

Risk Considerations

You should always review the Private Placement Memorandum before investing in any oil & gas partnership sponsored by U.S. Energy Development Corporation. For Accredited Investors Only

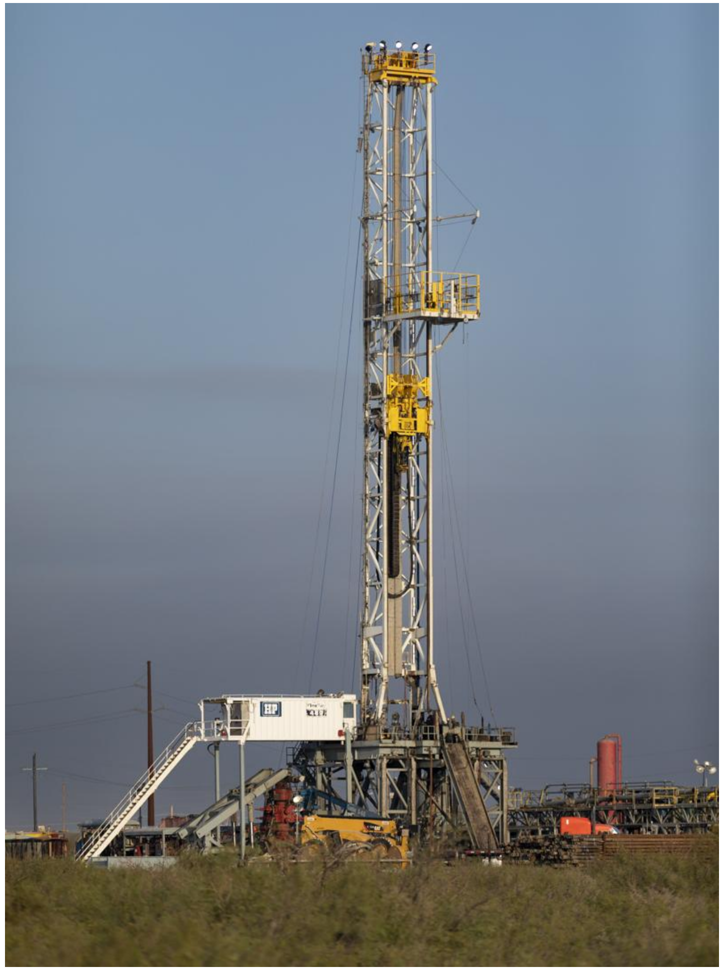
This document is for preliminary review purposes only and does not contain much of the information included in the private placement memorandum pursuant to which the offering will be conducted. This presentation does not constitute an offer to any person. Offers will be made only by the private placement memorandum, which should be carefully reviewed by a prospective purchaser prior to making an investment decision.

Oil and natural gas partnerships are an inherently speculative activity. An investment in the partnerships involves a high degree of risk and is suitable only if you have substantial financial means and no need of liquidity in your investment.

You should carefully consider the following factors and other information in the private placement memorandum before deciding to invest in the partnership:

- Attainment of the partnership's investment objectives will depend on many factors, including the ability of the managing general partner to select suitable assets which will be productive and produce enough revenue to return the investment made. The success of the partnership depends largely on future economic conditions, especially the future price of natural gas and oil which is volatile and may decrease. There can be no guarantee that the foregoing objectives will be attained.
- There is a risk that you will not recover all of your investment or, if you do recover your investment, that you will not receive a rate of return on your investment which is competitive with other types of investment. You will be able to recover your investment only through the partnership's distributions of the sales proceeds from the production of its oil and natural gas reserves from productive wells. Oil and natural gas reserves generally deplete over time until the wells are no longer economical to operate. All of these distributions to you may be considered a return of capital until you have received 100% of your investment.
- There is a risk that even if a well is drilled by the partnership and produces oil and natural gas in commercial quantities (that is, revenues from the sale of the oil and/or gas produced from a well exceed the cost of operating such well) it will not produce enough oil and natural gas to pay for the costs of acquiring the well, even if tax benefits are considered. Thus, even if all of the partnership's wells are capable of commercial production there is a risk that your investment will not be returned on a cash-on-cash basis.
- If you invest in the partnership, then you must assume the risks of an illiquid investment. The transferability of the units is limited by state and federal securities laws, tax laws and the partnership agreement. The units cannot be readily liquidated, and there is no market for the sale of the units. Also, a sale of your units could create adverse tax and economic consequences for you.
- An investor may experience a complete loss of their investment.
- Distributions may be reduced or delayed.
- Under certain circumstances as explained in the private placement memorandum, an investor may owe taxes in excess of the cash distributions received from the partnership.
- Borrowing by the managing general partner could reduce funds available for its presentment obligation.
- Substantial conflicts of interest exist between the managing general partner and investors.

Veteran E&P Operator



Leader in Investment Underwriting

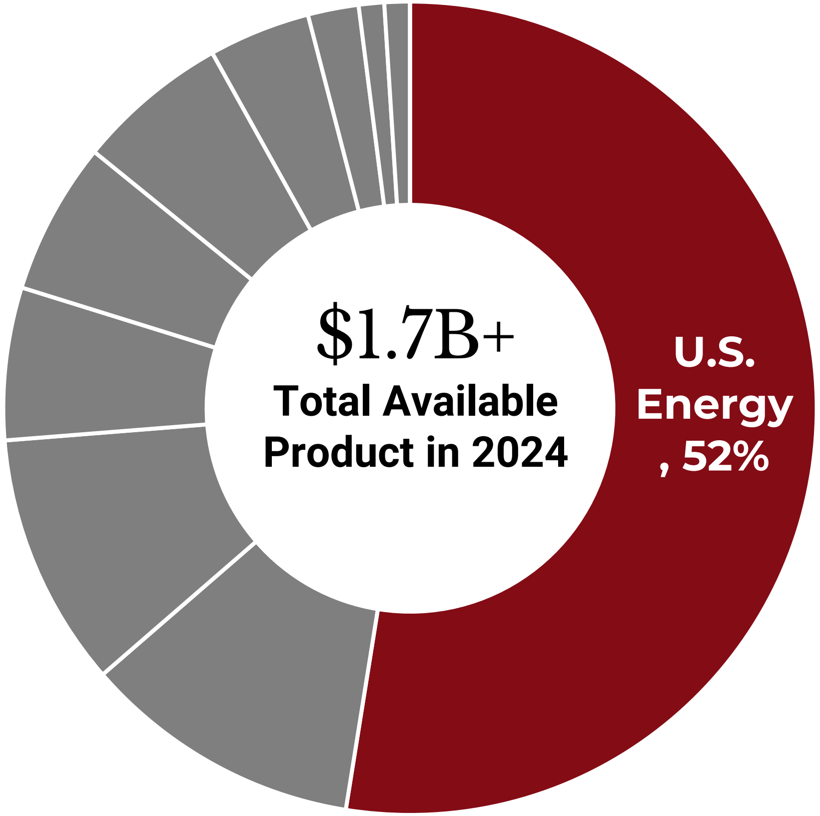
Ownership & Leadership:
- 45-Year History *(Established 1980)*
- Established Second-Generation Leadership

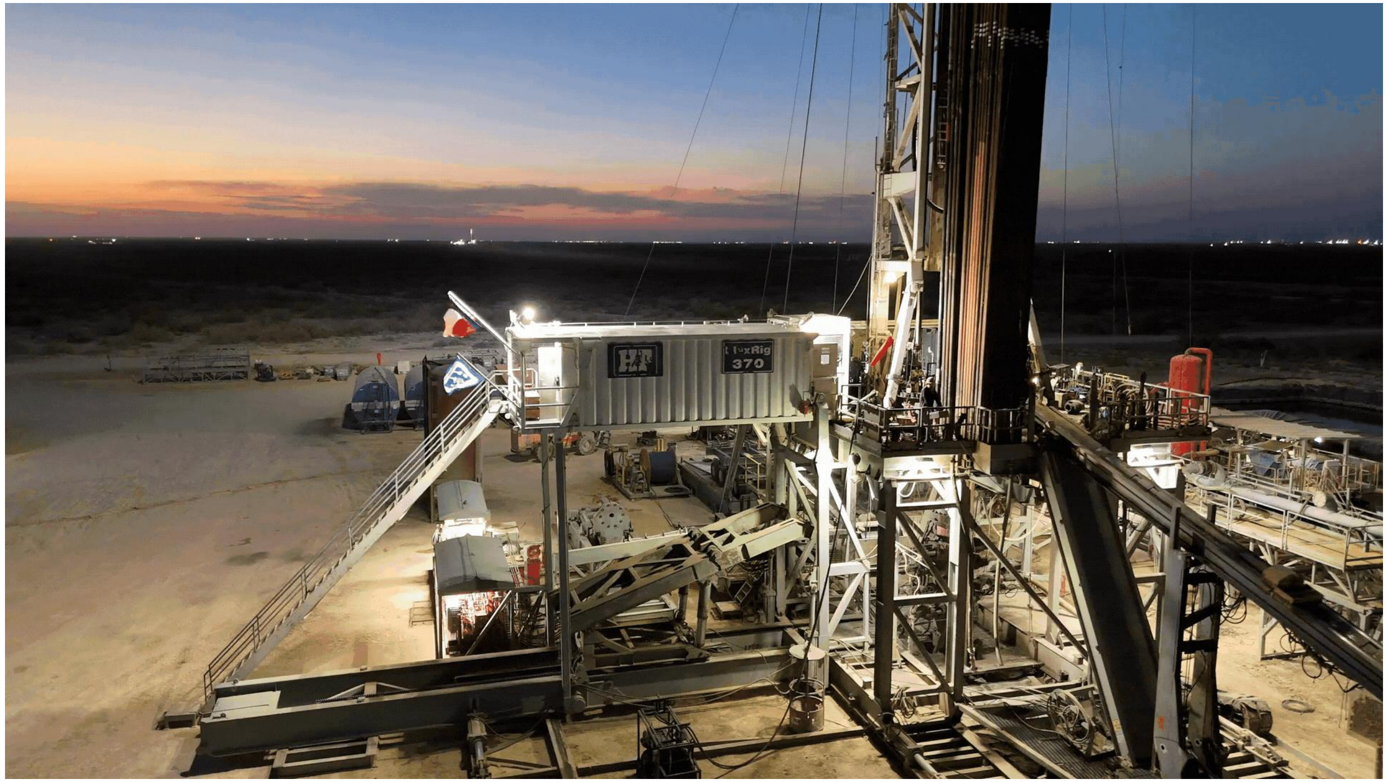
Corporate Governance:
- Majority Independent Board of Directors
- Environmental, Social and Governance (ESG) Committee

Operational Excellence:
- Over 35 Premier JV Partners Providing Access to High-Quality (Tier 1) Assets
- Proven Operations Team
- Diversified Areas of Operation: Own & Operate in 13 States & Canada

ABOUT U.S. ENERGY

Over $1.7B of Total Available Oil & Gas Product in 2024





ABOUT U.S. ENERGY

U.S. Energy's Financial Strength

$248 MM
FY 2025 Revenues
$77MM from FY 2024

$154.6 MM
FY 2025 EBITDA
$46MM from FY 2024

$117.3 MM
2024 Co-Investment

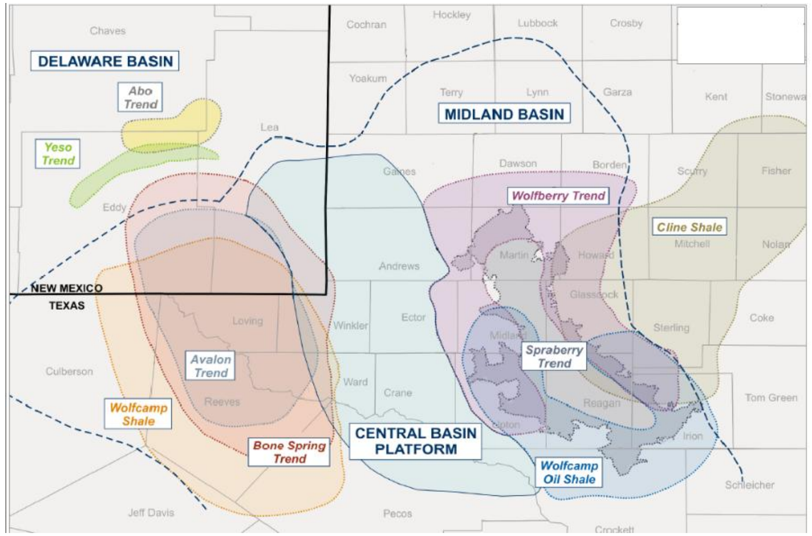
$700 MM +
Raised Across all USEDC Funds in 2024

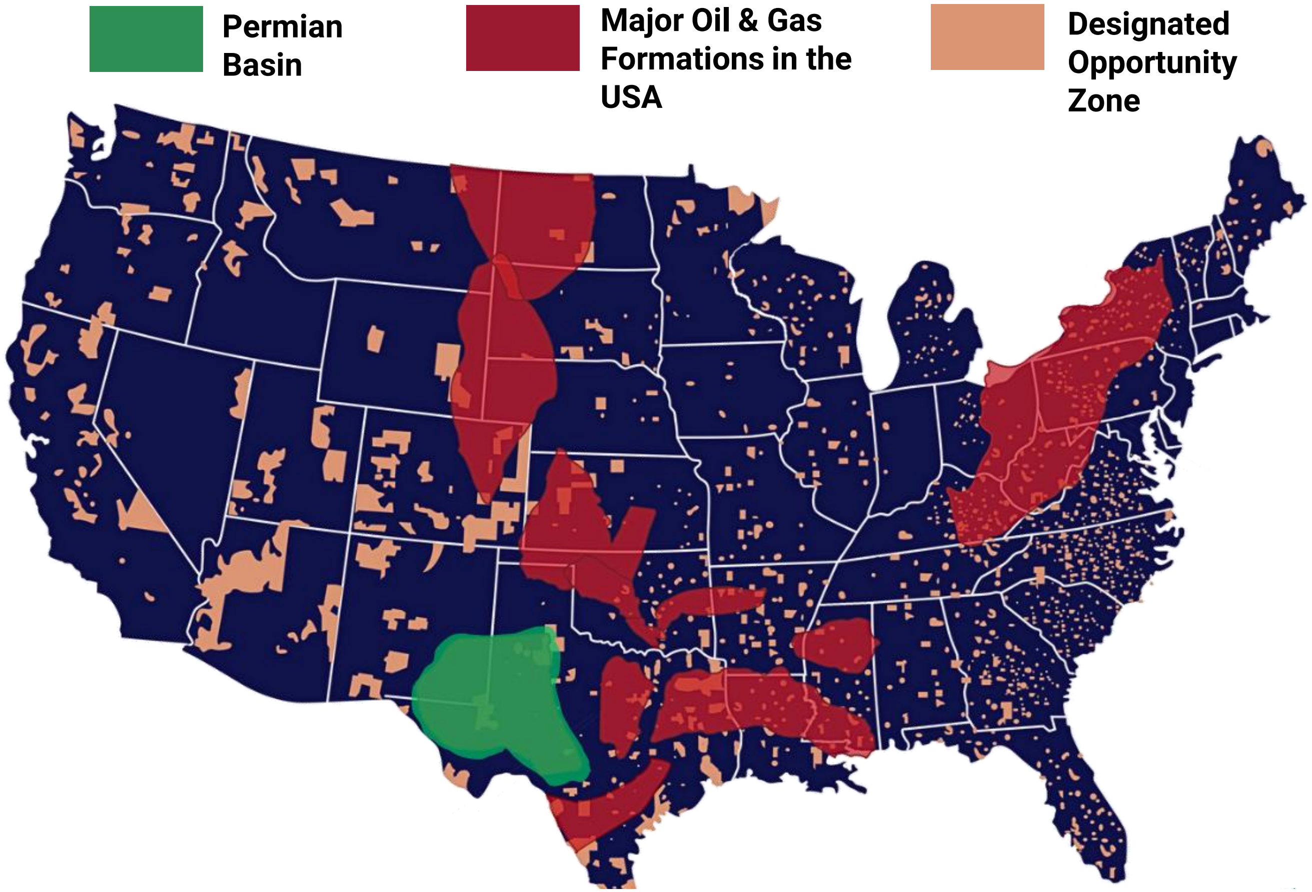
$375 MM
Partnership Distributions

~10,000+
Productions in Barrels of Oil Equivalent (BOE) per Day

The Permian Basin is One of the Most Prolific Oil Basins in the World

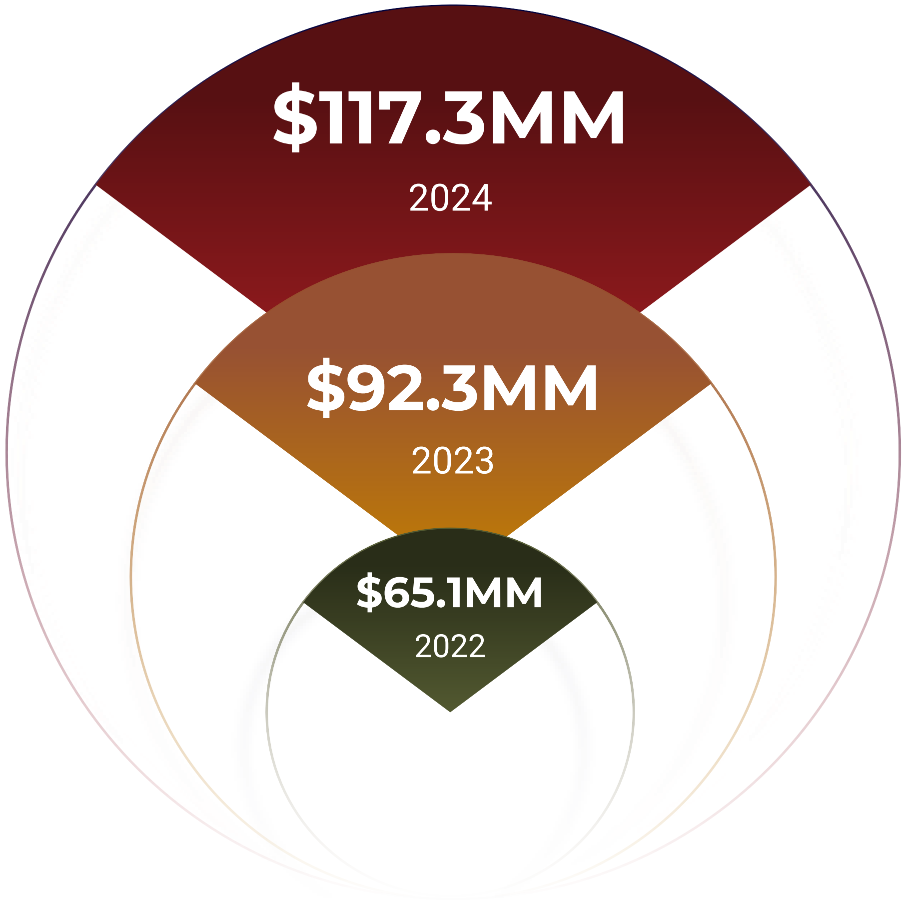
The Permian Basin covers 19 million acres and ~50% of the rigs in the U.S. are working in the Permian.





Investing Alongside Our Partners

U.S. Energy’s Co-Investment 2022-2024



$275.1MM	Co-Invested To Date
~15-30%	Pro-rata across projects

Executive Management also invests along side our partners in every single project since end of 2020.

OFFERING OVERVIEW

Qualified Opportunity Zone Funds

Problem?	Solution
➢ Lack of Cash Flow	➢ Up to 6% annual cash distributions
➢ Paying Taxes in 2026	➢ Discounted FMV plus potential special distribution
➢ Investing in Economically Distressed Areas is discerning	➢ Large number of development deals in the Permian Basin
➢ 10 Year Hold of Investment	➢ ?

Identify / Acquire **Operate / Value Creation / Reinvestment** **Liquidate**

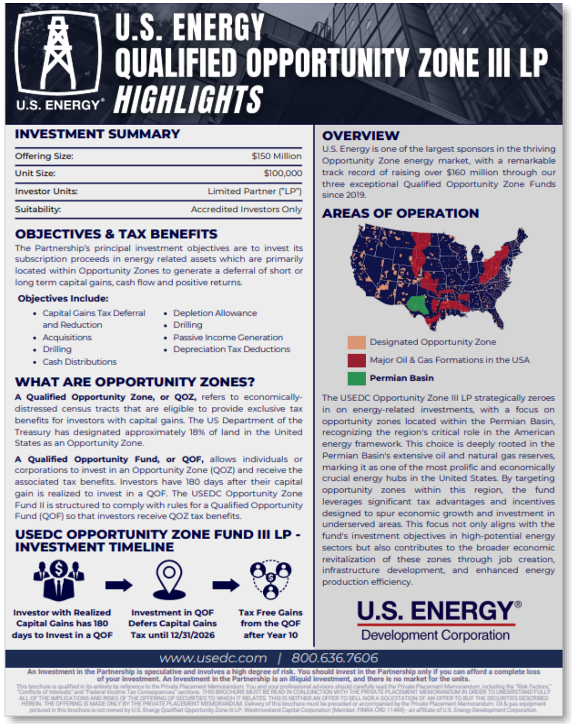
2024	2025	2026 [1]	2027	2028	2029	2030	2031	2032	2033	2034	2035

Distributions & Reinvestment

[1] **2026 = Tax Due**

OFFERING OVERVIEW

USEDC Opportunity Zone III LP



U.S. ENERGY
QUALIFIED OPPORTUNITY ZONE III LP
HIGHLIGHTS

U.S. ENERGY®

INVESTMENT SUMMARY

Offering Size:	$150 Million
Unit Size:	$100,000
Investor Units:	Limited Partner ("LP")
Suitability:	Accredited Investors Only

OBJECTIVES & TAX BENEFITS

The Partnership's principal investment objectives are to invest its subscription proceeds in energy related assets which are primarily located within Opportunity Zones to generate a deferral of short or long term capital gains, cash flow and positive returns.

Objectives Include:

- Capital Gains Tax Deferral and Reduction
- Acquisitions
- Drilling
- Cash Distributions
- Depletion Allowance
- Drilling
- Passive Income Generation
- Depreciation Tax Deductions

WHAT ARE OPPORTUNITY ZONES?

A Qualified Opportunity Zone, or QOZ, refers to economically-distressed census tracts that are eligible to provide exclusive tax benefits for investors with capital gains. The US Department of the Treasury has designated approximately 18% of land in the United States as an Opportunity Zone.

A Qualified Opportunity Fund, or QOF, allows individuals or corporations to invest in an Opportunity Zone (QOZ) and receive the associated tax benefits. Investors have 180 days after their capital gain is realized to invest in a QOF. The USEDC Opportunity Zone Fund II is structured to comply with rules for a Qualified Opportunity Fund (QOF) so that investors receive QOZ tax benefits.

USEDC OPPORTUNITY ZONE FUND III LP - INVESTMENT TIMELINE

Investor with Realized Capital Gains has 180 days to Invest in a QOF → **Investment in QOF Defers Capital Gains Tax until 12/31/2026** → **Tax Free Gains from the QOF after Year 10**

OVERVIEW

U.S. Energy is one of the largest sponsors in the thriving Opportunity Zone energy market, with a remarkable track record of raising over $160 million through our three exceptional Qualified Opportunity Zone Funds since 2019.

AREAS OF OPERATION

Designated Opportunity Zone
Major Oil & Gas Formations in the USA
Permian Basin

The USEDC Opportunity Zone III LP strategically zeroes in on energy-related investments, with a focus on opportunity zones located within the Permian Basin, recognizing the region's critical role in the American energy framework. This choice is deeply rooted in the Permian Basin's extensive oil and natural gas reserves, marking it as one of the most prolific and economically crucial energy hubs in the United States. By targeting opportunity zones within this region, the fund leverages significant tax advantages and incentives designed to spur economic growth and investment in underserved areas. This focus not only aligns with the fund's investment objectives in high-potential energy sectors but also contributes to the broader economic revitalization of these zones through job creation, infrastructure development, and enhanced energy production efficiency.

U.S. ENERGY® Development Corporation

www.usedc.com | 800.636.7606

An Investment in the Partnership is speculative and involves a high degree of risk. You should invest in the Partnership only if you can afford a complete loss of your investment. An Investment in the Partnership is an illiquid investment, and there is no market for the units.

This brochure is qualified in its entirety by reference to the Private Placement Memorandum. You and your professional advisors should carefully read the Private Placement Memorandum, including the "Risk Factors," "Conflicts of Interests" and "Federal Income Tax Consequences" sections. THIS BROCHURE MUST BE READ IN CONJUNCTION WITH THE PRIVATE PLACEMENT MEMORANDUM IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. THE OFFERING IS MADE ONLY BY THE PRIVATE PLACEMENT MEMORANDUM. Delivery of this brochure must be preceded or accompanied by the Private Placement Memorandum. Oil & gas equipment pictured in this brochure is not owned by U.S. Energy Qualified Opportunity Zone III LP. Westmoreland Capital Corporation (Member: FINRA CRD 11469) - an affiliate of U.S. Energy Development Corporation.

Opportunity Zone Tax Benefits:

- Direct Investment into oil & gas investments providing tax benefits of a QOZ (Deferral of ST or LT Capital Gains)
- Tax Free Income due to depletion & deprecation
- Tax Free Gains after Year-10

Pre-Set Investor Distributions of up to 6%, excess capital is reinvested in new projects for Tax Free Growth

Tax Free Capital Gains Over 10 Years

USEDC Opportunity Zone II LP closed on 12/31/2023 and Raised ~$95 Million

OFFERING OVERVIEW

Energy Opportunity Zones

Oil & Gas Investors Receive...

Oil & Gas Tax Benefits

1. **Depletion Allowance:** Offsets 15% of partnership income, per year, for the life of Investment (all investor units).

2. **Depreciation Deduction:** Deduct up to 92% of investment amount for Limited Partners.

Partnership Tax Benefits

3. **QBI (Qualified Business Income) Deduction:** Offsets 20% of partnership income, per year.

TAX EFFICIENCY

Yield Matters....After Taxes!

	Federal Income Tax Brackets 2023 Tax Rates			
Distribution Rate	37%	35%	32%	24%
3%	4.76%	4.62%	4.41%	3.95%
6%	9.52%	9.23%	8.82%	7.89%
9%	14.29%	13.85%	13.24%	11.84%

You should review all aspects of the private placement memorandum prior to investing. There is no certainty or guarantee that any or all of the investment objectives will be achieved. The tax benefits of an investment are not guaranteed, tax rates may change in the future which would impact the partnership and investors may be subject to income tax liability in excess of the cash received from the partnership. Distributions are not assured or guaranteed. Information herein is provided as of February 2024 and we undertake no responsibility to provide updated information after this date. See "Risk Factors," in the Private Placement Memorandum. See Private Placement Memorandum for definition of Special Distributions.

OFFERING OVERVIEW

Prior QOZ Fund Performance – as of 9/30/2025

Partnership Year	Initial Fund Capitalization	Investor Capital Expenditure	Reinvested Capital Expenditure	Initial Well Count	Current Well Count	Wells Contributing to Distributions	Average Number of Months Producing	Fund Return to Date	Distributions to Investor
USEDC 2019 A	$ 18,254,000	$25,997,697	$7,994,374	6	**122**	83	17	84.5%	50.3%
USEDC QOZ I	$93,038,000	$124,906,271	$47,804,889	69	**176**	144	19	69.4%	23.0%
USEDC QOZ II	$94,238,454	$117,417,477	$39,804,954	58	**131**	103	12	51.3%	12.5%
USEDC QOZ III	*$143,753,931*	*$89,267,059*	*$0*	*41*	***41***	*26*	*8*	*16.8%*	*2.5%*
Total	**$349,284,385**	**$357,588,504**	**$95,198,453**	**174**	**470**	**356**			

(1) Distributions to investor is calculated as follows: Total dollars paid to first investor divided by their investment amount as of the date of this report
(2) The tax rate includes the maximum federal rate plus the average state income tax rate of 6.57% based on the tax rate of those states that have state income tax.
(3) Fund Return is calculated as follows: Total dollars earned divided by the partnership capital spent as of the date of this report
(4) Capital expenditure for all wells, even if not producing. Cash-on-Cash return calculated only using wells that are producing (capital from wells not producing excluded)

Potential Investment Strategies

General Partners

High W-2 or Bonus Offset

Sale of Business

Roth Conversion Tax Offset

Maximize Qualified Business Income (QBI) Deduction

Required Minimum Distributions (RMDs) Offset

Reduced Valuations for Gifting

Offset Lost Deductions from the TCJA

Offset Self-Employment Taxes

Stock Options

Client in Alternative Minimum Tax (AMT)

Net Unrealized Appreciation (NUA)

Offset Medicare Surplus / Net Investment Income Tax

Limited Partners

Passive Losses / Passive Income Potential

LLC Members

Potential Dividends for Qualified Accounts

Discounting/Roth Conversion Opportunities

The information provided is not tax advice and you should consult your own advisor and/or CPA for specific information. As more fully described in the private placement memorandum, there are significant differences between the types of units that are available; including that owners of general partner units potentially have unlimited liability for events occurring during the drilling phase of the partnership's wells while limited partner unit owners have limited liability and that intangible drilling cost deductions attributable to limited partner unit owners may only be applied to passive income.

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Inventory Update – Qualified Opportunity Zone

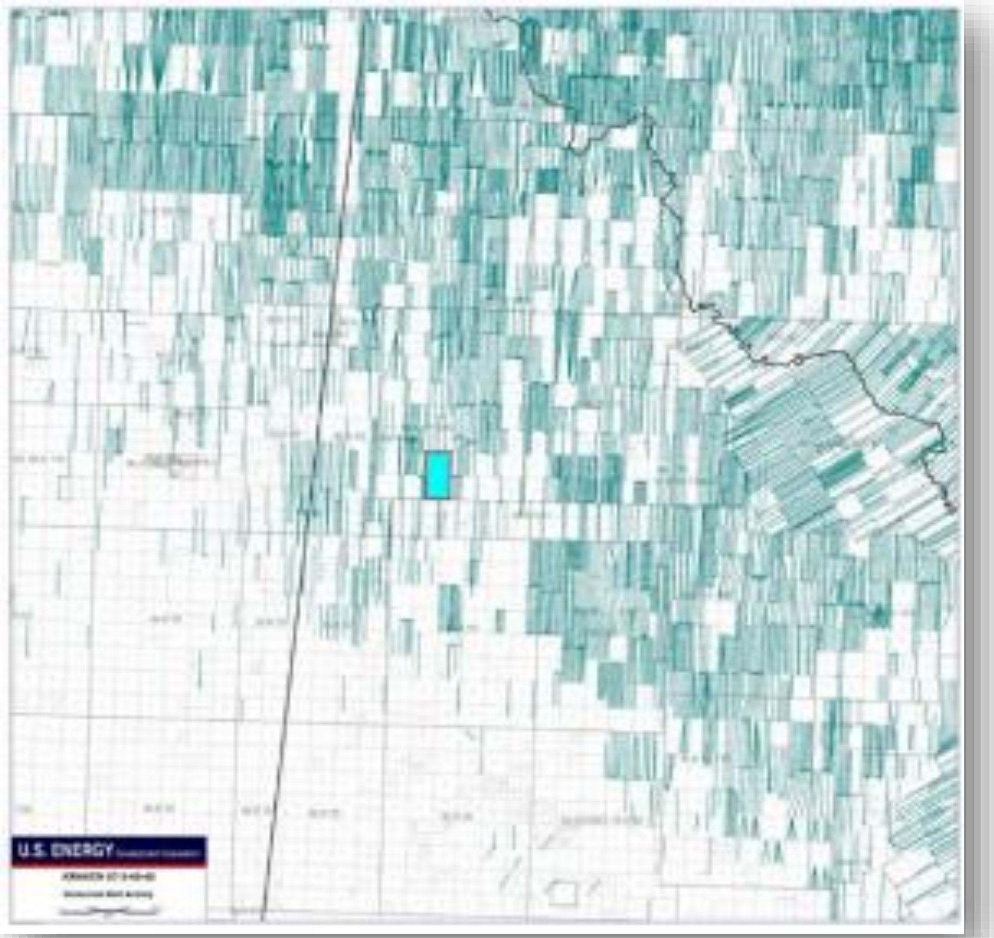
2025 Acquisitions To Date

Project Name	Basin	Deal Size	Operator	Gross Well Count
JT Morris West	Delaware Basin	$27,200,000	U.S. Energy Development Corporation	3
Kraken 57-3-40-45	Delaware Basin	$48,727,000	Oxy	9
Vector-Buzz Colley	Delaware Basin	$20,204,00	Up Curve	7
VJ Ranch Link 55-2	Delaware Basin	$21,178,000	Conoco Phillips	4
Ovation Fed Com 1318	Delaware Basin	$7,417,000	Permian Resources	2
Goodnight 10-11	Delaware Basin	$7,615,000	Mewbourne Oil Company	4
Goodnight 10-11	Delaware Basin	$3,875,000	Mewbourne Oil Company	4

2025 Inventory Update – Qualified Opportunity Zone

Kraken 57-3-40-45

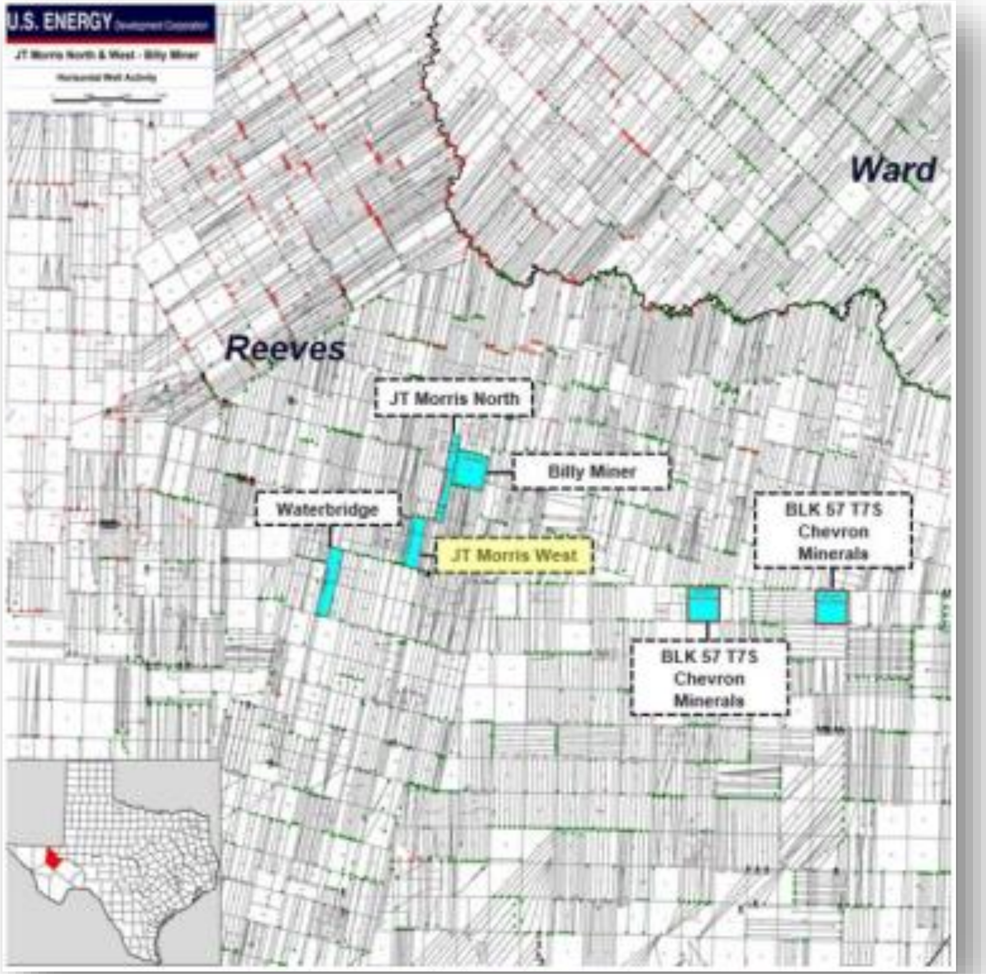
Project Details
Investment: $48.7MM
Location: Delaware Basin
Current Well Count: 9



2025 Inventory Update – Qualified Opportunity Zone

JT Morris West

Project Details
Investment: $27.2MM
Location: Delaware Basin
Current Well Count: 3



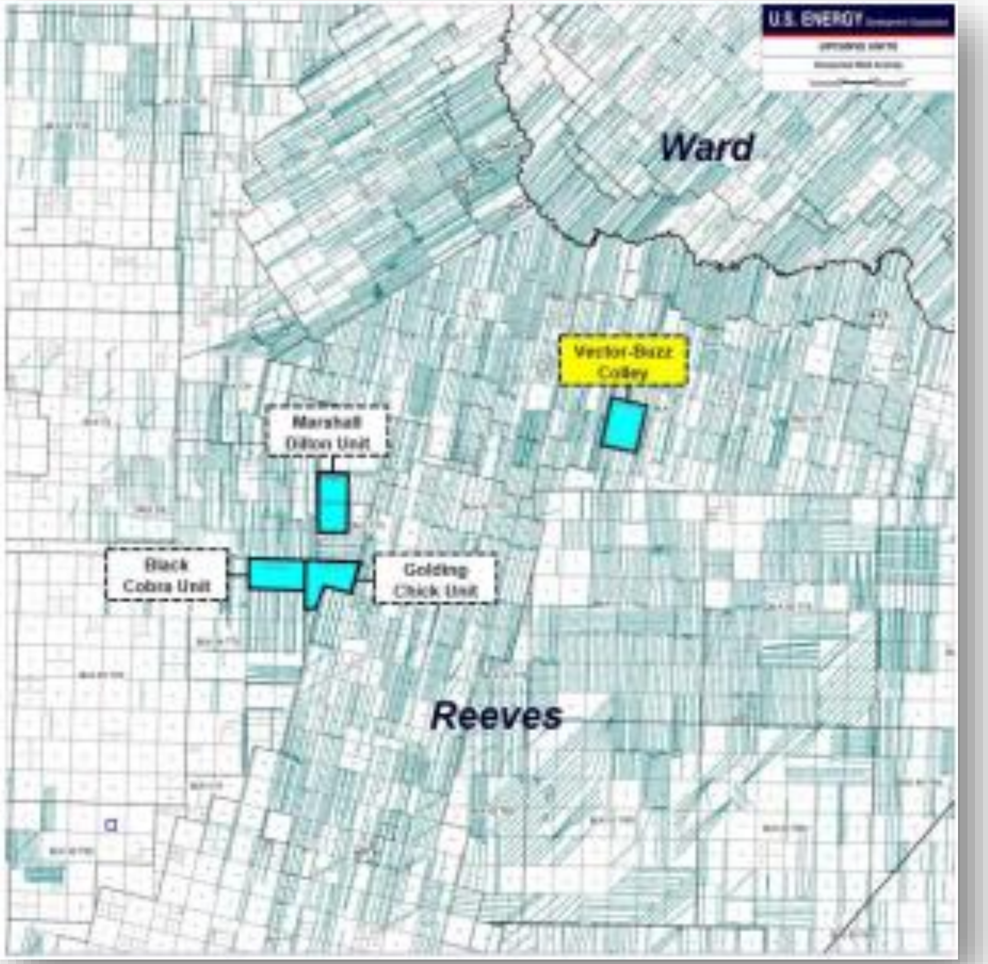
JT Morris west is located in Reeves County, Texas, a high activity area of the Delaware Basin and is close to a number of other USEDC projects, including, our North Harpoon wells.

2025 Inventory Update – Qualified Opportunity Zone

Vector-Buzz Colley

Project Details
Investment: $20.2MM
Location: Delaware Basin
Current Well Count: 7

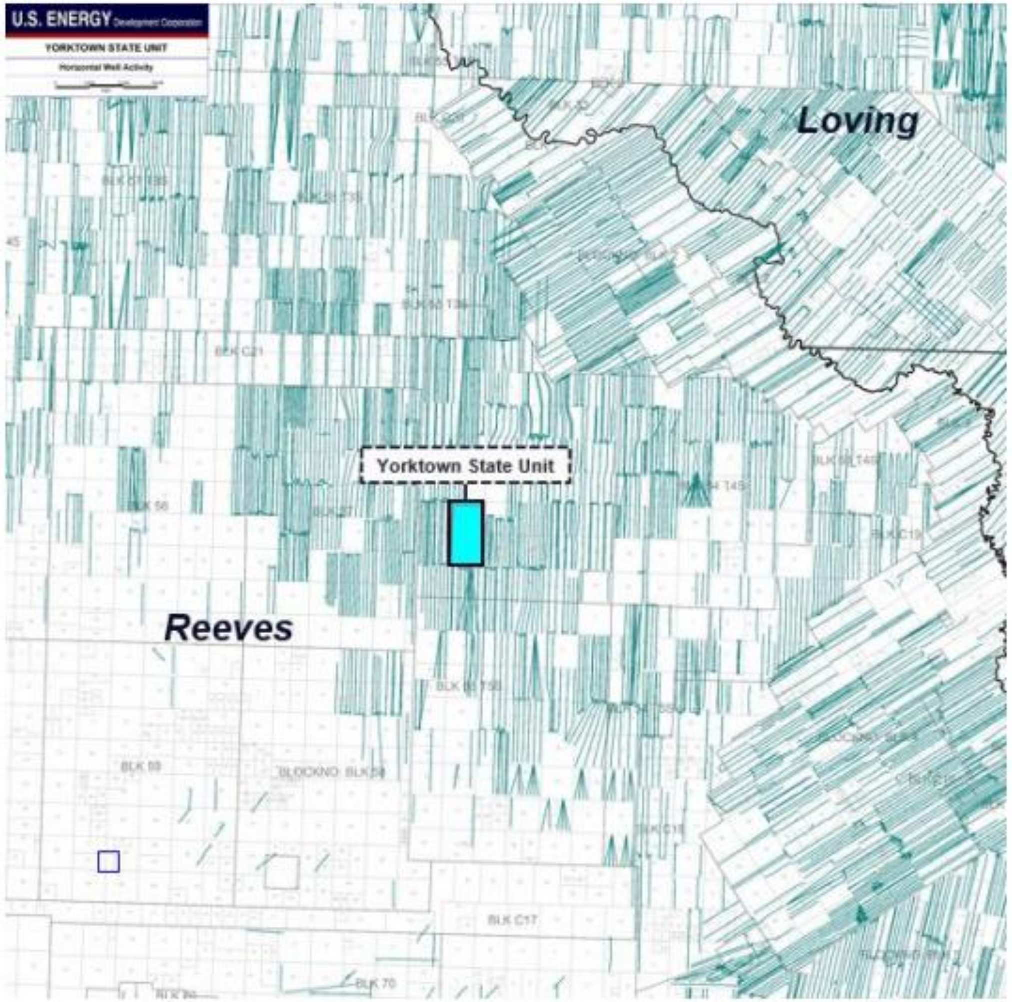
Vector- Buzz Colley is located in Reeves County, Texas, near other multiple other projects that USEDC has both evaluated and purchased recently.



2025 Inventory Update – Qualified Opportunity Zone

VJ Ranch Link 55-2

Project Details
Investment: $13.4MM
Location: Delaware Basin
Current Well Count: 2

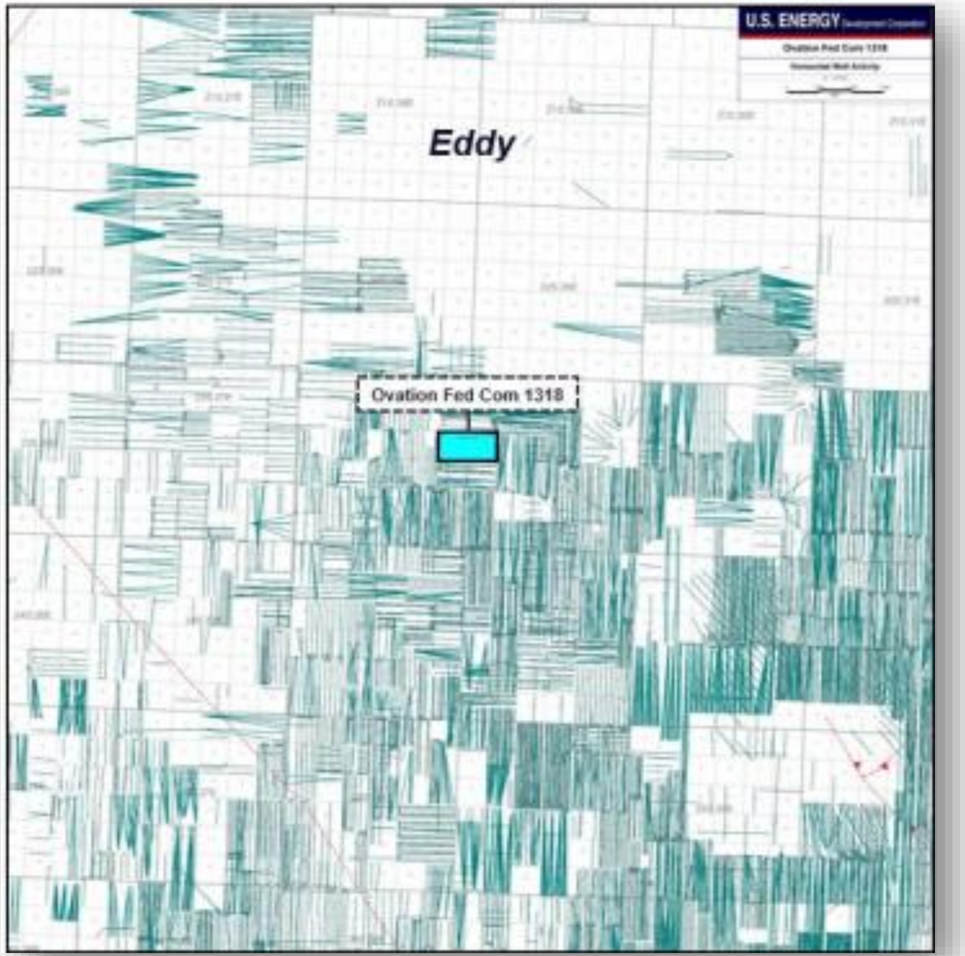


VJ Ranch Link 55-2 is located in Loving County, Texas in an opportunity zone, Yorktown State Unit wells are located in the Delaware Basin in Reeves County, Texas- to the northwest of our recent North Harpoon acquisition.

2025 Inventory Update – Qualified Opportunity Zone

Ovation Fed Com 1318

Project Details
Investment: $7.4MM
Location: Delaware Basin
Current Well Count: 2



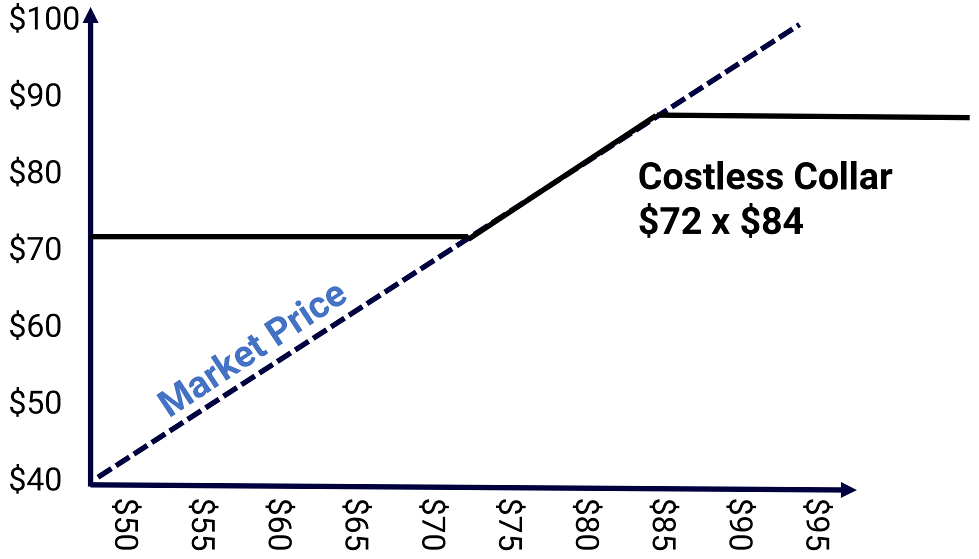
How Does U.S. Energy Hedge Price Risk?

Swaps – A swap is a contractual agreement whereby a floating price (market price) is exchanged for a fixed price or a fixed price is exchanged for a floating price

- Benefit – Price is locked in if prices decline
- Risk – Price is locked in if prices increase

Costless Collars– Buying a put option and selling a call option

- Benefit – Good, straightforward protection; can gain more upside by purchasing a higher cap or lowering the floor
- Risk – Very little if floor is set appropriately



USEDC Opportunity Zone Fund III LP

Offering Size	~~$150 Million~~ **$400 Million (extended)**
Unit Size	$100,000
Investor Units	Limited Partner
Opportunity Zone Tax Benefits	1. Defer capital gains realized within the last 180 days 2. Tax Free Gains After Year-10
Oil & Gas Tax Benefits	1. Intangible Drilling Costs 2. Depletion Allowance 3. Depreciation Deduction
Distributions	• Up to 6% per year; starting in the 3rd quarter following investment. • Partnership will reinvest cash flow in excess of the Distribution Schedule.
Fund Close Date	~~June 30, 2025~~ **December 31, 2025 (extended)**
Annual Tax Forms	Schedule K-1
Investor Reports	Updates released quarterly via Online Investor Portal
Suitability	Accredited Investors Only

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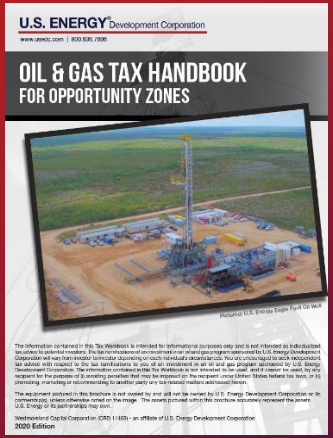
3rd Party Tax Analysis Available for Year-End Tax Planning

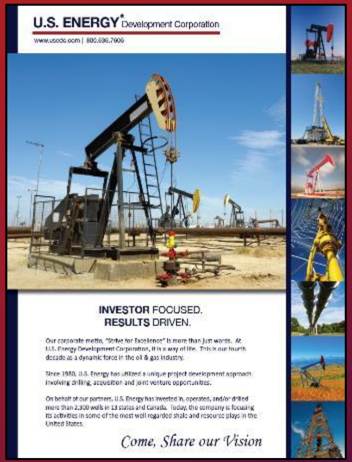
Summary Report

	No Invest	$100,000 Invest $80,000 IDC	$173,000 Invest $138,400 IDC
Income:			
Wages	346,074	346,074	346,074
Interest & Dividends	13,629	13,629	13,629
Self-employment Income	-120	-80,000	-138,400
Capital Gains & Losses	89,045	89,045	89,045
Other Income	-78,519	-78,519	-78,519
Total Income	370,109	290,229	231,829
Total Adjustments	0	0	0
Adjusted Gross Income	370,109	290,229	231,829
Personal Exemptions	3,276	7,800	7,800
Itemized Deductions:			
Taxes	24,325	24,325	24,325
Interest Expense	13,629	13,629	13,629
3% AGI Floor	-2,103	0	0
Total Itemized	35,851	37,954	37,954
Standard Deduction	12,200	12,200	12,200
Total Deductions from AGI	39,127	45,754	45,754
Taxable Income	330,982	244,475	186,075
Regular Tax:			
Schedule or Table Tax	85,537	56,990	39,567
Alternative Capital Gains Tax	69,509	44,343	29,471
Appropriate Regular Tax	69,509	44,343	29,471
Net Alternative Minimum Tax	6,696	4,746	638
High Income HI, Medicare & Other Tax	865	865	865
Total Federal Taxes	77,070	49,954	30,974
Net Federal Tax Due	77,070	49,954	30,974

Investment Resources



Oil & Gas Tax Handbook for Opportunity Zones



Request the Investor Materials

Thank you

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Underwriting Broker Dealer: Westmoreland Capital Corporation

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