

Acquire and Exploit Business Strategy Gains Momentum in West Texas Oilfields

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BARON ENERGY, INC., a Texas based independent oil and gas company, accelerating growth

Company Highlights

- **Potential for significant share price appreciation over the next 12-18 months**
- **Veteran management team with proven track record; have worked together 18 years; former private owner/operators in the Permian Basin of West Texas**
- **High growth business model focusing on existing oil production in North Central and West Texas; no exploration risk**
- **Hedging program to mitigate oil price decline and stabilize revenue stream**
- **Increasing market awareness programs just beginning to take shape**

Baron Continues to Ramp Up Production

In December 2010, Baron divested of most of its non-operated oil and gas properties in order to focus solely on operated properties. This "new plan" calls for a continuous production increase program over the next 12-18 months via an "acquire and exploit" strategy.

In January 2011, Baron began this production increase program and by May production was up 200%. Keeping this pace will require making accretive acquisitions and performing in the field. Management knows this and has outlined a work program and budget for the remainder of the year.

A rolling inventory of acquisition candidates, careful selection and execution of field work programs, and continuing to creatively structure funding for acquisitions will allow this pace to continue

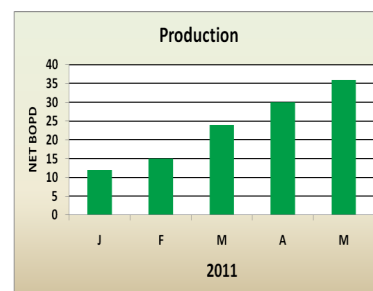
for at least the next 12-18 months.

"We can almost always find a way to increase our production stream," noted Baron's CEO.

"We plan to continually increase production over the next 12-18 months and build a substantial production and revenue base. If we can stay on pace we should be in the 300-500 BOPD range. This will allow a number of options for significantly enhancing shareholder value, including a merger or sale of the company."



Pumping unit in Taylor County, Texas



Production continues to increase as field work is completed and shut-in wells are brought on line.

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Baron to Accelerate Bolt On Acquisitions

A large part of the Baron Energy growth model is based on an "acquire and exploit" strategy.

The Company focuses on acquiring properties in its core area of North Central and West Texas that have the potential to become more valuable by enhancing production using good operating and engineering practices.

With production up 200% since the beginning of the year, Baron is now

positioned to begin accelerating its bolt on acquisition plans. A goal of making on average at least one acquisition per month for the remainder of the year has been set by management.

"We generally have an inventory of 3-5 acquisition candidates from which to choose. This rolling inventory is updated continuously and we are comfortable that this will be the case for the remainder of the year," said the CEO.

"Our goal is to make on average at least one acquisition per month for the remainder of the year."

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OTC Markets: BROE

Company Overview

HQ in New Braunfels, Texas

OTC Markets: **BROE**

Shares outstanding: 47.5MM

Float: 15.2MM

Management owns: 15%

Price (5/16/11): \$0.085/share

90 day average volume: 24,657 shares

52 week price range: \$0.03 to \$0.38/share

Market Cap: \$4.0 million

Debt: \$2.7 million

www.baronenergy.com

Acquisition/Exploitation Business Model Based on 10 Years Operating Experience in the Permian Basin of West Texas

Combining a highly experienced management team, geographical focus on North Central and West Texas, low-risk conventional oil production, and strong oil prices creates the Baron business model.

Further add a sense of urgency around hitting production targets, building substantial value over a 12-18 month time period, and seeking creative ways to fund and structure acquisitions, yields an impressive equation for enhancing shareholder value.

"The nature of our business model is to utilize management's vast experience in a core area of one of the largest oil producing areas in North America. By design it is a

simple business model, yet capable of creating substantial value over a relatively short time period."

Baron acquires mature oil properties and then enhances the production from these properties to create value.

This process may include simple workovers, reactivation of shut-in wells, recompletions into non-tapped reservoirs, or even infill drilling.

"We evaluate each property on its own merits. We almost always find a way to enhance the production," said the CEO.

Management Team

Ronnie L. Steinocher, Chairman, President and CEO

Lisa P. Hamilton, Executive Vice President and CFO

Investor Relations

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Core Area of Operations

- North Central & West Texas
- 55 counties
- 52,000 square miles
- 34 million acres
- 650,000 BOPD
- 88,000 producing wells
- 36,000 shut-in wells

"Our core area was chosen because (1) management has extensive experience in the area and (2) it is large enough to have almost unlimited opportunities for enhanced oil production," noted the CEO.

All statements, other than statements of historical facts, included in this presentation that address activities, events, or developments that the Company expects, believes, or anticipates will or may occur in the future are forward-looking statements. These statements include but are not limited to forward-looking statements about acquisitions and the expectations of plans, strategies, objectives, and anticipated financial and operating results of the Company, including the Company's drilling program, production, hedging activities, expenditure levels, and other information included in this presentation. These statements are based on certain assumptions made by the Company based on management's experience and perception of historical trends, current conditions, anticipated future developments, and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks relating to the Company's financial performance and results, availability of sufficient cash flow to execute its business plan, ability to secure funding for acquisitions, prices, and demand for oil, gas, and natural gas liquids, the ability to replace reserves and efficiently develop current reserves and other important factors that could cause actual results to differ materially from those projected in this presentation. Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise.