

Saracen Energy Advisors LP

3033 West Alabama
Houston, Texas 77098
(713) 285-2900
www.saracenenergy.com

March 28, 2013

This brochure provides information about the qualifications and business practices of Saracen Energy Advisors LP. If you have any questions about the contents of this brochure, please contact us at (713) 285-2900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Saracen Energy Advisors LP also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Part 2 of Saracen Energy Advisors LP's Form ADV was last updated March 31, 2012.

Item 4—Advisory Business: We updated our assets under management, and with respect to investment vehicle clients, have included capital committed rather than only capital contributed. We have also updated the main products that we trade, electric power.

Item 5—Fees and Compensation; Item 5--Performance-Based Fees and Side-by-Side Management: we updated the language to reflect not what interests were last issued at, but rather the terms of the majority of the remaining interests.

Item 10—Other Financial Industry Activities and Affiliations: we updated our registration with the CFTC, note that we are transitioning from SEC registration to registration with the State of Texas and Mr. Neil Kelley's affiliation with another investment adviser.

Item 11--Code of Ethics: we made changes to reflect that the provisions that were previously included in a separate written "Code of Ethics" are now incorporated in our written Compliance Program.

ITEM 3: TABLE OF CONTENTS

ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS	2
ITEM 4: ADVISORY BUSINESS	2
ITEM 5: FEES AND COMPENSATION	3
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	4
ITEM 7: TYPES OF CLIENTS	4
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	5
ITEM 9: DISCIPLINARY INFORMATION	8
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	8
ITEM 11: CODE OF ETHICS	8
ITEM 12: BROKERAGE PRACTICES	9
ITEM 13: REVIEW OF ACCOUNTS	10
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION	10
ITEM 15: CUSTODY	10
ITEM 16: INVESTMENT DISCRETION	10
ITEM 17: VOTING CLIENT SECURITIES	11
ITEM 18: FINANCIAL INFORMATION	11

ITEM 4: ADVISORY BUSINESS

Saracen Energy Advisors LP, founded by Neil Kelley in 2005, is an investment manager which provides investment management services through investment vehicles and managed accounts. Neil Kelley is our firm's principal owner, through entities that he controls.

We provide investment management advice relating to energy commodities to investors through investment vehicles and managed accounts, which trade primarily in electric power in North America.

The advisory services provided through investment vehicles are not tailored to with respect to individual investors and are described more fully in the private placement memoranda of these investment vehicles. The trading strategies pursued in any managed accounts are governed by an investment management agreement with the client. A managed account may, for example, trade only in specified commodities or commodities futures.

We currently do not have any wrap fee programs in place.

As of March 30, 2013, we have approximately \$249.5 million in assets managed on a discretionary basis. We do not manage any client assets on a non-discretionary basis. This figure includes the assets of all of the pooled investment vehicles and managed accounts that we advise, rather than our regulatory assets under management that we list on our Form ADV Part 1A. Currently, only two of our fund clients (in a master-feeder structure) are invested in securities.

ITEM 5: FEES AND COMPENSATION

For our advisory services we typically charge our clients an asset-based management fee and a percentage of profits earned during the course of the year. Our two affiliated investment fund clients, Saracen Energy Offshore Ltd. and Saracen Energy Onshore LP, bear a management fee of 2% annually. The management fee charged to the funds is deducted monthly from the capital account of each investor in the funds at the beginning of the month. Accordingly, these management fees are paid monthly in advance. Investors are not permitted to withdraw their investments during the course of a month. Accordingly, management fees paid monthly in advance are not subject to any refund. Managed accounts and other investment vehicles may bear a similarly calculated management fee. Because the only investments in our affiliated client fund clients are side-pocketed (investments with restricted liquidity); performance based profit allocations are deducted from the capital account of each investor in our affiliated fund clients following a monetization of such investments (referred to as a recognition event), based on the performance of the capital accounts of the investors in the funds during the course of the applicable investments. Performance allocations are also deducted from investor capital accounts upon a withdrawal from a fund prior to the close of the fiscal year. The performance compensation on our managed accounts and other investment vehicles are charged quarterly, and thus are deducted from such accounts after the close of a quarter rather than the close of a fiscal year.

The management fees and performance allocations may be waived for certain investors in our affiliated funds, but typically such fees are not negotiable. Fees charged with respect to our managed accounts and other vehicles are negotiated with the investor and are governed by the investment management or similar agreement in place with respect to such account or vehicle.

In addition, each of our fund clients bear the expenses of its organization and the offering of interests (including legal and accounting fees, printing costs and "blue sky" filing fees and

expenses and out-of-pocket expenses), as well as its pro rata share of the expenses of the organization of any vehicle through which the fund trades.

Our fund clients also bear all costs and expenses directly related to their investment programs, including costs associated with specific investment transactions affected or positions held for the fund's account including all fees and costs of, and incidental to, or directly associated with the buying, selling, trading and exchanges of commodities and investments, expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on the fund. Each of our fund clients also bears all fees, costs and expenses of its administrator, along with all other fees, costs and expenses pertaining to its administration, whether internal or external, including consulting, accounting, audit, regulatory, compliance and legal expenses, research and research related expenses, costs of any litigation or investigation involving the fund's activities, and costs associated with reporting and providing information to existing and prospective investors. Certain administrative functions and services on behalf of the our fund clients are conducted, in whole or in part, by personnel of Saracen Energy Advisors LP and its affiliates, including for tax, accounting, regulatory, compliance, legal and investor relations functions and services. Our fund clients bear all or a portion of the fees, costs and expenses (including a portion of our salaries and other overhead, such as rent, electricity and telephone) associated with the provision of such services.

For more information on brokerage transactions and costs, please see "Brokerage Practices".

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We receive a performance-based profit allocation from each of our fund clients, which is borne by the funds' investors. The performance allocation on the remaining investments in our affiliated fund clients is equal to 30% of each investor's profits over the course of the investment, subject to a "loss carryforward" or "high water mark" limitation previously allocated to such investments. This means that we only receive performance compensation when an investor's account value for the year has recovered any losses from all prior years. Investors in a fund may be subject to a performance allocation which is lower than 30%, depending on the terms offered by the fund at the time the relevant investor made his or her investment. The performance compensation charged to our other vehicle clients may vary from the terms of the performance allocation charged to our affiliated fund clients.

Because we manage varying accounts with different fee structures, we face a potential conflict of interest in that we may have an incentive to favor those accounts which have the potential for generating the highest fees. However, this potential conflict is negated in large part due to the fact that all accounts bear a performance-based fee or allocation. In addition, the potential conflict is negated because the affiliated fund clients are not making new investments.

ITEM 7: TYPES OF CLIENTS

We provide investment advice to two affiliated investment funds, whose investors are typically other investing entities (funds of funds), institutions and, to a lesser degree, high net worth individuals. We are not currently offering interests in these funds. The minimum investment amount for each of our fund clients was \$5,000,000 (although at times investments in lesser amounts were accepted).

Our managed account clients and other investment vehicle clients are also typically other investing entities (funds of funds) and institutions. Minimum investment amounts for these clients vary based on the account's stated investment strategy. Typically, the minimum investment amount for a managed account is \$10,000,000.

We require that all U.S. investors in our vehicle clients qualify as both accredited investors and qualified clients. Accredited investors are generally (i) individuals with \$1,000,000 of net worth (excluding their primary residence) or who have made \$200,000 in each of the two previous years (or \$300,000 joint income with one's spouse) or (ii) entities with assets totaling over \$5,000,000. Qualified clients are individuals or entities with over \$1,500,000 of net worth. In addition, we require that all investors in our affiliated funds clients qualify as "qualified purchasers". Qualified purchasers are generally (i) individuals with not less than \$5,000,000 in qualifying investments and (ii) entities with not less than \$25,000,000 in qualifying investments.

This firm brochure is not an offer to invest in any of our clients.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our objective is to achieve significant capital appreciation through trading principally in electric power in North America. We employ a wide range of investment strategies, including fundamental, quantitative and technical-based relative-value strategies across time, quality, location and commodity classes within the energy complex. Investment strategies may include short-term, day-ahead positions, arbitrage, and speculative positioning. We are committed to continually developing new strategies, systems, policies and procedures, and to adapting and refining our existing ones. Unless specifically provided in the governing documents of a management account or other client (other than an affiliated fund), there is no material requirement or limitation on the types of strategies that we may employ at any one time.

Investing in commodities involves significant risk of loss that our investors should be prepared to bear. We encourage investors in a fund client to review the "Risk Factors" section of the private offering memorandum for such fund for a more detailed review of the specific risks investors may face with respect to an investment in the fund. Similarly, investors and prospective investors in managed accounts are encouraged to review the "Commodities Managed Account Risk Disclosure" attached to the applicable investment management agreement. Generally, however, the following are examples of the types of risks investors may face with respect to energy trading and the types of instruments we typically trade:

Energy Markets. Energy markets may be subject to short-term volatility due to a variety of factors, including weather, national and international regulatory, political and economic developments, breakdowns in the facilities for the production, storage or transport of energy and energy-related products, acts of terrorism, tariff, environmental, accounting and tax regulation, consumer advocacy, other changes in government regulation, and sudden changes in supply and demand of fuel prices and other factors such as market liquidity or disruption, the inability or refusal of a counterparty to perform or the insolvency or bankruptcy of a significant market participant. Our trading may be affected to a greater extent by any of these developments than would be the case with a more diversified portfolio of investments.

Market Risks and Lack of Liquidity. The success of our investment programs depends to a great extent upon our ability to correctly assess the future course of price movements of investments and markets. There can be no assurance that we will accurately predict such movements. In addition, certain markets and instruments in which we may invest will have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect our ability to execute trade orders and strategies at desired prices in rapidly moving markets.

Some United States exchanges limit fluctuations in certain prices during a single day by imposing what are known as “daily price fluctuation limits” or “daily limits.” The existence of “daily price limits” or “daily limits” may reduce liquidity or effectively curtail trading in particular markets. Once the price of a particular contract has increased or decreased by the daily limit, positions in the contract can effectively neither be taken nor liquidated. Contract prices in various investments have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent us from promptly liquidating unfavorable positions, potentially resulting in substantial losses, which could exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, we may not be able to execute trades at favorable prices if there is only light trading in the contracts involved.

As part of its emergency powers, an exchange or regulatory authority can suspend or limit trading in a particular investment or commodity interest, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The possibility also exists that governments may intervene to stabilize or fix exchange rates and/or prices (retroactively and/or prospectively) as well as restrict or substantially eliminate trading in the affected securities, commodities, products and/or currencies.

Futures and Commodity Trading. Contract prices for most commodities are highly volatile. Price movements for commodity contracts are influenced by, among other things, changing supply and demand relationships, weather, agricultural, trade, fiscal, monetary, exchange control programs and policies of governments, domestic and foreign political, and economic events, changes in domestic and foreign interest rates and rates of inflation, currency devaluations and revaluations, and emotions of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly. In addition to the price risk related to investments and trading, investors are subject to the risk of the failure of any of the exchanges on which we trade, their clearinghouses and its prime broker.

Derivatives. Derivative instruments, or “derivatives,” include futures, options, swaps, structured investments and other instruments and contracts, including weather derivatives, that are derived from, or the value of which is related to, one or more underlying investments, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price

movements of particular investments at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose an investor to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts and to counterparty risk.

Forward Contracts. We may trade forward contracts with counterparties. A forward contract is a contractual obligation to buy or sell a specified quantity of a commodity for future delivery at a specified price and is similar to a futures contract except that the other side of the transaction is a specific counterparty, as opposed to an exchange. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. Investors will bear the price, performance, market and counterparty credit risk associated with forward contracts.

Index Contracts. We utilize various instruments to seek to hedge against the risk of changes in the level of prices of broad market averages or indices, as well as narrower indices or baskets of investments. These hedging strategies may be executed through the use of exchange-traded equity index options or futures contracts or options thereon, standardized or individually negotiated over-the-counter contracts or other forms of derivative contracts (collectively, “Index Contracts”).

Index Contracts have risks associated with them including possible default by the other party to the transaction, illiquidity, inaccurate index data and the risk that the use of such Index Contracts could result in losses greater than if they had not been used. Moreover, the lack of complete correlation between price movements of Index Contracts and price movements in a portfolio position creates the possibility that losses in the value of the position may be greater than the gain on the hedging instrument (or that a gain in the portfolio position may be less than the loss on the hedging instrument). Although the successful use of Index Contracts for hedging should tend to reduce the risk of loss due to a decline in the value of the hedged position, at the same time such transactions would tend to limit any potential gain which might result from an increase in value of such position.

Spread Positions. A part of our investment operations may involve spread positions between two or more commodity interest positions, or a combination of the foregoing. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions,

however, do entail a substantial risk that the price differential could change unfavorably causing a loss to the spread position.

Counterparty Risk. Some of the markets in which we may effect transactions and investments are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same types of credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes an investor to the risk that a counterparty will not settle or perform a transaction in accordance with its terms and conditions thus causing it to suffer a loss. This counterparty risk is accentuated for contracts and investments with longer maturities where events may intervene to prevent settlement, or where transactions are concentrated with a single or small group of counterparties.

ITEM 9: DISCIPLINARY INFORMATION

There are no disciplinary disclosures to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Effective as of January 1, 2013, we are registered with the Commodities Futures Trading Commission as a commodity pool operator. In addition, we are in the process of transitioning to registration with the Texas State Securities Board as an investment adviser; once that registration is complete, we will withdraw from registration with the SEC.

Neil Kelley, directly or indirectly through assorted entities, owns a percentage of Gallant Capital LP, a Texas limited partnership that is registered with the Texas State Securities Board as an investment adviser. Neither Mr. Kelley nor any employee of Saracen Energy Advisors LP has any control over the investment advice rendered by such adviser. In addition, the investment opportunities pursued by such adviser are not in the energy space and thus there is limited potential for a conflict of interest with respect to investment opportunity allocation.

ITEM 11: CODE OF ETHICS

We have incorporated into our Compliance Program provisions that were previously in a written Code of Ethics and which set forth a standard of business conduct applicable to our employees. These provisions are intended to address and avoid potential conflicts of interest and to ensure that our securities transactions are consistent with our fiduciary duty to our clients and that the personal trading of our employees will not disadvantage our fund clients or investors in our fund clients. These provisions provide, for example, that we will act in the client's best interest at all times and will not at any time place our interests ahead of any client's interest.

These provisions, among other things, place certain restrictions on the personal securities trading of certain of our employees and require access persons to report personnel securities transactions on a quarterly basis and securities holdings annually. Because our investment strategy is focused on energy commodities, and we do not currently engage in any securities trading other than our management of one privately held, majority owned, portfolio company, the personal securities trading provisions are limited to very few access persons. Any client or prospective client may request a copy of these provisions which will be provided at no cost.

ITEM 12: BROKERAGE PRACTICES

We select the brokers to execute commodities transactions in our sole discretion. In placing portfolio transactions, we seek to obtain the best execution, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of commodities interests; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria. We do not consider referrals of investors in selecting brokers.

We may pay higher prices for the purchase of commodities from or accept lower prices for the sale of commodities to brokerage firms that provide investment and research information or to pay higher commissions to certain firms if it is determined that such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific commodities or derivative products; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. Information so received is in addition to and not in lieu of services we are required to perform, and our fee is not reduced as a consequence of the receipt of such supplemental research information. Accordingly, we may have an incentive to select brokers based on the services provided by such broker rather than the broker resulting in best execution based on price alone. Because our clients typically bear their own research costs, we should not benefit from the selection of a broker due to the desire to receive additional research services for our clients. Research services provided by broker-dealers may be utilized in connection with investment services provided for accounts other than the accounts which generated the transactions for the broker and such research benefits are not allocated to the account which generated the transactions. Since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. We do not currently receive any research or other benefits from the brokers executing transactions on our clients' behalf.

We also have the option to use "soft dollars" generated by the clients accounts we manage to pay for the research and research-related services described above. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the United States Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision-making responsibilities. While we do not currently have any soft dollar arrangements, in the event we elect to use soft dollars, we intend to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act or are reasonably related to the investment decision-making process.

We do not permit or request our fund clients or any investors in our fund clients to direct us to execute transactions through particular brokers. Our managed account clients may instruct us to execute transactions through specified brokers. Such investors acknowledge and agree that in such instances we may not be able to achieve best execution with respect to such transactions.

When the portfolios for our clients are transacting in the same commodity and in the same trade, where possible, we aggregate the transactions and allocate the positions and associated commissions to the applicable accounts based on the desired participation for each account. We maintain internal policies related to the allocation of investment opportunities among our clients. The funds and managed accounts generally invest pro-rata if the investment is appropriate for all accounts. However, the accounts may invest in a manner that is not pro-rata, depending on the circumstances. This includes instances where an investment opportunity is not suitable for all of our fund clients' investment strategies, concentration limits, capacity, risk profiles and other factors.

ITEM 13: REVIEW OF ACCOUNTS

The portfolio manager of a client portfolio reviews accounts regularly to evaluate the current construction of the portfolio as compared to the desired construction of the portfolio. In addition, our risk and research personnel review accounts regularly in order to evaluate risk and test the various accounts by account and sub-strategy in accordance with applicable risk metrics and parameters.

Through our administrator, investors in our affiliated fund clients receive written monthly statements regarding their investment as well as audited financials annually. Our managed account and other vehicle clients typically receive written monthly performance estimates as well as other written reports as requested in accordance with the governing agreement for the account.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We do not pay inside or outside parties for referring clients or investors.

ITEM 15: CUSTODY

While we do not accept or maintain physical possession of our clients' assets, we are deemed to have custody with respect to our investment vehicle clients because we have the authority to access our clients' funds and deduct fees and expenses from their accounts. We do not have such authority with respect to our managed accounts.

We utilize the services of one or more qualified custodians (as defined under Rule 206(4)-2) to hold all of our clients' assets. We also ensure that the qualified custodians maintain these funds in an account that contains only a client's funds and securities, under such client's name. We also (1) engage an outside auditor to audit each investment pool at the end of each fiscal year and (2) distribute the results of the audit in audited financial statements that are prepared in accordance with generally accepted accounting principles to all investors in such client within 120 days after the end of the fiscal year.

ITEM 16: INVESTMENT DISCRETION

We have sole discretion regarding which assets are to be bought or sold for our fund clients, the size amount of each asset to be bought or sold and the price of each. We also have sole discretion regarding the investment management of the managed accounts, subject only to those restrictions agreed to with the client and set forth in the investment management or governing documents with respect to such account. Trading authority for the clients is set forth in investment management agreements or other governing documents of the respective client. We do not manage any assets on a non-discretionary basis.

ITEM 17: VOTING CLIENT SECURITIES

Although we are not currently trading securities on behalf of any clients, it is our policy only to vote client securities when our position (on behalf of all clients) in an applicable security is in excess of 3% of the outstanding securities as of the records date with respect to the relevant proxy. This policy reflects our principal focus on commodities markets and that we do not intend to engage in any securities trading. Accordingly, we generally do not intend to hold positions for an extended period of time or undertake a buy and hold strategy. Investors may request information regarding how particular proxies were voted (or whether they were voted) by sending a written request for such information. Any client may also request a copy of our proxy voting policies and procedures which will be provided at no cost.

ITEM 18: FINANCIAL INFORMATION

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.