

Energy Opportunities Capital Management, LLC

Form ADV: Part II

Uniform Application for Investment Advisor Registration
Updated March 1, 2011

Item 1: Cover Page

Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of Energy Opportunities Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 512-477-0900. 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 Energy Opportunities Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There are no material changes to the content of the brochure relative to the last annual update.

Item 3: Table of Contents

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Item 4: Advisory Business

Business Description. Energy Opportunities Capital Management, LLC (EOCM) manages investment advisory accounts not involving investment supervisory services. EOCM was formed on May 9, 2008 and became an SEC registered investment adviser on October 6, 2008. EOCM was formed to act as successor to the Energy Opportunities *Original* investment strategy and the Energy Opportunities *Alternatives* investment strategy developed by Orleans Capital Management Corporation (OCM) in conjunction with Simmons & Company International (SCI). Inception of the *Original* strategy was October 25, 2000. Inception of the *Alternatives* strategy was October 3, 2007. OCM is a privately held, SEC registered investment adviser formed in 1991 and provides primarily fixed income and equity asset management services to public pensions and retirement systems, foundations and endowments, corporations, and high net worth individuals. SCI is the oldest independent investment bank specializing in the entire spectrum of the energy industry. Founded in 1974, SCI has acted as financial advisor in over \$152 billion of transactions, including 590 merger and acquisitions worth over \$106 billion.

In October 2000, OCM launched its Energy Opportunities *Original* equity investment strategy designed to capitalize on the developing global energy supply and demand fundamentals. Pursuant to a Research and Sub-Advisory Agreement, SCI provided OCM with energy research and sub-advisory services used by OCM in the execution of the Energy Opportunities strategy.

During 2008, OCM and SCI formed EOCM as a separate entity to manage the Energy Opportunities *Original* as well as the Energy Opportunities *Alternatives* investment strategies and to develop a broader platform to further these and other energy related investment strategies. EOCM is owned 50% / 50% by OCM / SCI.

Types of Services. EOCM offers investment advisory services through three investment strategies focused on the energy industry. These are long-only, separately managed accounts and invest solely in publically traded equities. These strategies include the Energy Opportunities *Original* strategy, the Energy Opportunities *Alternatives* strategy, and the Energy Opportunities *Customized* strategy. These services are offered on a percentage of assets under management basis and, to a lesser extent, on a performance basis.

Tailored Client Advisory Services. Not applicable.

Wrap Fee Programs. Not applicable.

Client Assets under Management. As of December 31, 2010, EOCM managed \$503.6 million in assets on a discretionary basis and nothing on a non-discretionary basis.

Item 5: Fees and Compensation

Compensation. In general, an annual fee of 1.00% (100 basis points) of the market value of the Account is calculated and paid quarterly. The fee is calculated at the rate of 0.25% of the Account's market value as of the close of business on the last business day of the calendar quarter for which the fee is due.

Certain Clients have entered into performance fee arrangements based on portfolio performance. These are determined on a client-specific basis and the size of the Account to be managed.

Fees and Billing Information. Clients are billed quarterly as described in the Compensation sub-item above.

Other Fees and Expenses. Not applicable.

Item 6: Performance-Based Fees and Side-By-Side Management

As mentioned in Item 5, EOCM has entered into performance-based fee structures with certain Clients. In general, however, fees are determined on a fixed rate (100 basis points per annum paid quarterly) on the market value of the Account at the end of the quarter.

Item 7: Types of Clients

Types of clients include state and local pension systems; endowments, trusts, and foundations; investment companies; and high net worth individuals.

Effective January 1, 2011, the minimum requirement to open an account is \$3 million.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

The Energy Opportunities strategies are designed to capitalize on existing and developing energy supply and demand fundamentals and their impact on various companies within the universe of publicly traded equity securities. Investment decisions are the product of the combined investment experience and expertise of EOCM's portfolio managers and its internal research efforts coupled with input from OCM and the energy industry insight and knowledge of SCI. Sources of information include inspections of corporate activities, company press releases, annual reports, prospectuses, filings with the Securities and Exchange Commission, financial newspapers and magazines, industry journals, and research materials prepared by others.

The primary thrust of the strategies is to capitalize on the ongoing positive supply and demand fundamentals that exist in energy markets. Among other things, we emphasize those sectors and companies that are beneficiaries of the increasing capital expenditures that will be necessary to generate the supply required to maintain and support increasing global energy demand and global economic growth. Accordingly, the long-only purchases of equities in these strategies tend to be long-term in nature, i.e., held for at least one year. That being said, purchases can also be held for less than one year and sometimes less than 30 days.

Given that the strategies involve long only purchase and sale of publicly traded securities, the strategy is not exposed to risks associated with hedging, short sales, leverage, or illiquidity. As a rule, risk management focuses primarily on insuring compliance with applicable guidelines associated with allowable securities and concentration. We provide portfolio diversification by limiting single positions to no more than 10% of the portfolio, as a general rule. Historically, the portfolio has also been diversified in terms of market capitalization and geographic exposure.

Item 9: Disciplinary Information

There have not been and presently are not any legal or disciplinary events associated with EOCM.

Item 10: Other Financial Industry Activities and Affiliations

EOCM is not involved in any other financial industry activities. As mentioned in Item 4, EOCM is owned by Orleans Capital Management, which is a registered investment advisor, and Simmons & Company International which is a registered broker-dealer. It should be noted that EOCM does not use the broker-dealer services of Simmons & Company International to buy or sell equities except as directed by Clients.

Item 11: Code of Ethics

Code of Ethics Summary. EOCM maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the Securities and Exchange Commission. EOCM's Code of Business Conduct and Ethics (as per its written Supervisory Procedures Manual, Updated December 21, 2010) applies to each employee of the Company. It is designed to ensure compliance with legal requirements and the EOCM's standards of business conduct.

While this Code does not address every possible situation that may arise, every Employee is responsible for exercising good judgment, applying ethical principles, and bringing potential violations of the Policy to the attention of the Chief Compliance Officer of EOCM. To this end, Employees shall read and understand this Code and uphold the standards in the Code in their day-to-day activities at the Company.

A copy of EOCM's Code of Business Conduct and Ethics is available to any Client or prospective Client upon request.

Potential for Conflicts of Interests. The employee has the responsibility at all times to place the interests of Clients first, not to take advantage of Client transactions, and to avoid any conflicts, or the appearance of conflicts, with the interests of Clients.

Personal Trading. The Policy on Personal Securities Transactions (reference Section 17 of said Supervisory Procedures Manual) provides rules concerning personal transactions in Securities that must be followed in carrying out these responsibilities. The employee will also have a responsibility to act ethically, legally, and in the best interests of Energy Opportunities Capital Management and its Clients at

all times. The Code of Business Conduct and Ethics sets forth rules regarding these obligations. Employees are expected not only to follow the specific rules, but also the spirit of them.

EOCM's policy on personal securities transactions is that no Employee of the Company shall trade in equities owned or is likely to be owned within the portfolios managed by the Company, without the prior written consent of the CCO. Accordingly, any energy related equity security and its derivatives (such as options) should be considered as needing pre-approval. General exclusions to this provision include energy-related exchange traded funds, energy mutual funds and commodity related securities. It is the responsibility of the Employee to seek clarification on this policy and potential transactions from the COO prior to making any transaction.

Item 12: Brokerage Practices

Brokerage Selection. The Company has a fiduciary duty to achieve best execution when it places trades with broker-dealers. The Company will attempt to achieve best execution for a given client so that the client's total costs or proceeds in a transaction are the most favorable under the circumstances. Where multiple competing markets exist for listed stocks, the Company should make sure that the security is executed on the best market or best market maker. Factors considered when placing a trade for a client with a particular broker-dealer include:

- Quality of overall execution services provided by the broker-dealer;
- Promptness of execution;
- Provide dedicated telephone lines;
- Creditworthiness and business reputation of the broker-dealer;
- Research (if any) provided by the broker-dealer;
- Promptness and accuracy of oral, hard copy or electronic reports of execution;
- Ability and willingness to correct trade errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market centers;
- The broker-dealer's facilities, including any software or hardware provided to the adviser;
- The market where the security trades;
- Any expertise the broker-dealer may have in executing trades for the particular type of security;
- Commission charged by the broker-dealer;
- Historical commission rates of the broker-dealer;
- Reliability of the broker-dealer;
- Whether the broker-dealer gives Company clients access to IPOs; Client referrals made by the broker-dealer to the Company;
- Ability of the broker-dealer to use ECNs (electronic communication network to gain liquidity, price improvement, lower commission rates and anonymity);
- Reputation of the broker-dealer;
- Soft dollar program of the broker-dealer;
- Execution and operational capabilities of the broker-dealer and its clearing firm;
- Financial condition of the broker-dealer; and
- Ability of the Broker Dealer provide for "step-out" transactions.

With respect to soft dollars, the Company, on behalf of its discretionary clients, directs an amount of portfolio brokerage commissions to a broker-dealer in return for services or research used in making investment decisions. These services include research information tools such as Bloomberg, FactSet, and Axyx, which are used to manage the portfolios. In addition, certain clients have instructed the

Company to direct a portion of their brokerage transactions to a particular dealer. In return, the broker-dealer provides services to the Client rather than the Company.

The Company does not select, suggest, or recommend broker-dealers for its clients.

Aggregation of Transactions. The Company does aggregate orders when possible and when dealing with the same broker-dealer, in order to achieve best execution with sales and purchases of equity securities.

Item 13: Review of Accounts

In that the assets of the Client are held in custody, the Company relies on the Client's qualified custodian to send quarterly account statements directly to the Client. The Company will instruct the Client to request that a copy of the quarterly accounting statements be sent to the Company.

Item 14: Client Referrals and Other Compensation

The Company does not have any compensation or fee arrangements for client referrals and does not use third party marketing arrangements.

Item 15: Custody

The Company does not have custody of Client funds or securities. The Company, at the request of its Clients, will send periodic statements of the Client's account. In these instances, the Company recommends that its Client compare these statements with those of its Custodian.

Item 16: Investment Discretion

The Company has the discretionary authority to make sales and purchases of equity securities on the behalf of its Clients. Terms and conditions for this authority are set forth in Client contracts with the Company.

Item 17: Voting Client Securities

The Company shall vote proxies to the extent requested by Client related to securities held by any Client in a manner solely in the interest of the Client. The Company shall consider only those factors that relate to the Client's investment, including how its vote will economically impact and affect the value of the Client's investment. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect.

Item 18: Financial Information

The Company does require prepayment of fees. The Company has not been the subject of a bankruptcy petition at any time during the past ten years.