



Chambers Energy Management, LP

600 Travis Street
Suite 4700
Houston, TX 77002
(713) 554-6770
info@chambersenergy.com
www.chambersenergy.com

March 2015

This brochure provides information about the qualifications and business practices of Chambers Energy Management, LP. If you have any questions about the contents of this brochure, please contact Robert L. Finch, Chief Compliance Officer, at (713) 554-6770. 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 Chambers Energy Management, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

We are updating this Part 2A of Form ADV as part of an annual update to our registration as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended. There are two material changes to this brochure since the amended Part 2A filed in our annual update in March 2014: first, the amount of assets under management as set forth in Item 4 has been revised, and second, participation in Chambers Energy Management, LP and our advised investment funds by affiliates of Reservoir Capital Group, L.L.C. has been modified as described in Item 10.

In addition to the material changes described above, there are certain other revisions set forth in this Part 2A of Form ADV. Thus, we recommend that you review this brochure in its entirety.

Table of Contents

Item

4. Advisory Business	1
5. Fees and Compensation	2
6. Performance-Based Fees and Side-By-Side Management	4
7. Types of Clients.....	4
8. Methods of Analysis, Investment Strategies and Risk of Loss	5
9. Disciplinary Information	8
10. Other Financial Industry Activities and Affiliations	8
11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
12. Brokerage Practices	13
13. Review of Accounts	14
14. Client Referrals and Other Compensation.....	15
15. Custody.....	15
16. Investment Discretion.....	15
17. Voting Client Securities	16
18. Financial Information	17
19. Requirements for State-Registered Advisers.....	17

ITEM 4. ADVISORY BUSINESS

A. Advisory Firm Description

Chambers Energy Management, LP (“CEM” or the “Firm”) has been in business since March 27, 2009. The principal owner is J. Robert Chambers. As used in this brochure, “we,” “us” and “our” refer to CEM and its investment advisory business, including CEM’s affiliates that serve as general partners of CEM’s clients. CEM is a registered investment adviser and the affiliated general partners are each registered as an investment adviser in accordance with SEC guidance under the Advisers Act.

B. Types of Advisory Services

CEM provides portfolio management to affiliated private equity funds (collectively referred to herein as the “Funds” or the “CEM Funds”) making credit and related investments in the energy sector. CEM may in the future also provide (or agree to provide) certain investors or other persons the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside a Fund. Such co-invest vehicles would be expected to invest and dispose of their investments in the applicable portfolio company at substantially the same time and on substantially the same terms as the Fund making the investment.

The Funds are exempt from registration as “investment companies” under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and the regulations promulgated thereunder. Interests in the Funds are offered only to qualified investors satisfying the applicable eligibility and suitability requirements in private placement transactions globally. Investors in the CEM Funds are typically institutional investors and eligible high-net-worth individuals. The relationship between CEM and each CEM Fund is governed by the Investment Advisers Act of 1940, as amended (the “Advisers Act”) as well as the governing documents of each CEM Fund and the terms of investment advisory agreements concluded between CEM and each CEM Fund.

C. Tailored Advisory Services

CEM tailors its advisory services to the investment strategies, specific terms and conditions of the CEM Funds, as described in the private placement memoranda (“PPMs”), partnership agreements, and other governing agreements of each of the CEM Fund clients. Investors in the CEM Funds are generally expected to participate in the overall investment program for the applicable Fund, although they may be excused from a particular investment due to legal, regulatory or other applicable constraints.

These documents may include restrictions on investing in certain instruments or types of assets or debt, including concentration limits and geographical restrictions. Please refer to each specific CEM Fund’s PPM and/or other offering materials for specific information regarding such Fund.

D. Wrap Fee Programs

No wrap fee programs are currently in place.

E. Client Assets Under Management

As of December 31, 2014, CEM had approximately \$793 million of discretionary assets under management. As of December 31, 2014, the Firm did not manage any client assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

A. Fees

This brochure will be delivered only to “qualified purchasers” as defined in the Investment Company Act. CEM receives compensation generally through two sources: a management fee, payable regularly by the Funds as a fixed percentage fee, and “carried interest,” a performance allocation due to CEM from successful investments made by the Funds, as further described below.

B. How Fees are Billed

The Funds generally pay CEM a quarterly management fee (the “Management Fee”), in advance, at the annual rate of 1.5% of the value of each of each limited partner’s capital commitment to the CEM Funds (during the “investment period” of a given CEM Fund), or pro rata share of “assets under management” (lower of cost or fair market value) by such CEM Fund (subsequent to that period), provided that for purposes of the calculation of Management Fees, the “assets under management” will not be deemed to exceed the value of the capital commitments. All Management Fees are deducted directly from the capital accounts of the limited partners of the applicable CEM Fund. Generally fees are not negotiable – *See* Item 10C, Reservoir fee arrangement. Except as otherwise described in the applicable partnership agreement, expenses, investment advisory and other fees are expected to be paid over the term of the applicable CEM Fund and investors generally are not permitted to withdraw or redeem interests in such CEM Fund.

“Carried interest” or performance allocations are assessed periodically according to each CEM Fund’s governing documents, and in the discretion of the general partner or control vehicle of the applicable fund. The rate paid is typically 20 percent of profits of the Fund after meeting certain thresholds. These fees are paid out of cash otherwise distributable to investors, such as the receipt by the CEM Funds of proceeds from a portfolio investment.

Employees of CEM who are investors in Funds do not pay the management fee or carried interest allocations.

The information provided in this Item 5 is general in nature. Actual terms of a particular Fund may differ. Investors should refer to the applicable offering documents of each Fund for specific details.

C. Other Fees and Expenses

In addition to management fees and performance allocations (which are discussed in the section above), the client CEM Funds may pay additional amounts to CEM and/or its affiliates (e.g., each

CEM Fund's general partner), including as set forth in the offering documents of each of our client CEM Funds:

(i) organizational and offering expenses of the CEM Funds, which may be subject to maximum amounts stated in the applicable offering documents and particular terms as to the payment of expenses in excess of these maximums;

(ii) all out-of-pocket expenses that are not reimbursed by portfolio companies incurred in connection with the sourcing, investigation, identification, analysis, development, pursuit, negotiation, structuring, making, monitoring, holding, management, sale or proposed sale of any actual or proposed Fund investment (including, without limitation, due diligence expenses, fees and expenses of lawyers, accountants, consultants, administrators, custodians, advisors and other professionals, private placement fees, brokerage fees, commissions, custody expenses and other similar expenses), and including any such expenses associated with proposed investments that are ultimately not made by the Funds;

(iii) routine expenses of the Funds, including legal, auditing, consulting and financing fees, insurance, out-of-pocket expenses associated with preparing the Funds' financial statements, valuations, tax returns and Schedule K-1s (including the audit and certification fees and the costs of printing and distributing reports to investors), any taxes imposed on the Funds, fees or other governmental charges levied against the Funds, out-of-pocket and legal and other advisory expenses of the advisory committee members and expenses of holding annual meetings of limited partners;

(iv) all litigation-related and indemnification expenses; and

(v) fees and expenses of placement agents (which fees and expenses may be offset dollar-for-dollar against management fees).

Given the nature of the CEM Funds' investment program, we generally conduct transactions on an originated, negotiated basis, but CEM may periodically transact through broker-dealers or other intermediaries on behalf of the CEM Funds. In such instances, investors in CEM Funds generally bear brokerage costs indirectly through a security's trading price and not as a separate transaction fee. A discussion of our brokerage practices may be found at Item 12 of this brochure.

To the extent any expenses may be reasonably allocable to more than one Fund, CEM will generally allocate such expenses among the applicable Funds in a manner it believes is equitable as determined in its good faith and in accordance with the provisions of any applicable governing documents.

D. Refunds

Upon termination of the investment advisory agreement with a CEM Fund, CEM will return to such CEM Fund any paid but unearned portion of the management fee. In general, such fees are pro-rated from the date of termination to the end of the period to which the advance fee applied.

E. Compensation for Sale of Securities

Neither CEM nor its supervised persons accept compensation for the sale of securities or other investment products. However, CEM or its affiliates may receive certain fees from portfolio

companies in which the CEM Funds invest in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions, such as break-up, monitoring, directors', organizational, set-up, advisory, investment banking, underwriting, syndication and other similar fees. These fees may offset the Management Fees otherwise payable by investors in the CEM Funds, pursuant to the governing documents of the relevant CEM Fund.

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

In some situations, an affiliate of CEM will charge a performance allocation or similar compensation mechanism (e.g., "carried interest," which is subject to a clawback obligation under the operating agreement of the applicable CEM Fund). All such performance allocation arrangements are intended to comply with Rule 205-3 under the Investment Advisers Act of 1940. These fees are also deducted directly from the limited partners' capital accounts. *See* above, Item 5(B). "Carried interest" is negotiated separately for each CEM Fund at a market standard rate for the private equity industry.

Performance allocation arrangements create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. However, CEM follows procedures designed to procure that all Fund clients are treated fairly in the allocation of investment opportunities, and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among or between client CEM Funds. CEM is not currently managing portfolios paying performance allocations side-by-side with those not paying such allocations, although it has the right to do so. CEM generally expects that any co-investment vehicles formed to invest alongside a Fund may not be subject to carried interest. CEM believes these arrangements do not generally create conflicts because a co-investment vehicle's ability to invest in a transaction would be subject to the governing documents of the applicable Fund, and such vehicles would generally be required to acquire and dispose of securities on substantially the same terms and at substantially the same time as the applicable Fund.

Although CEM has a similar fee structure for all investment partnerships, certain strategic and/or affiliated limited partners are charged discounted fees. CEM does not favor higher paying investors over those paying lower or different fees.

CEM investment allocations are documented as part of our regular investment processes, and allocation decisions take into a variety of factors, including the size of the investment opportunity, the capital available for investment by each client, the sharing rules set forth in the applicable governing agreements and the terms of the governing documents of the applicable CEM Funds. Under no circumstances may we or any of our affiliates allocate investment opportunities based on anticipated compensation or profits to CEM or any of its affiliates or employees.

ITEM 7. TYPES OF CLIENTS

CEM provides investment management services solely for private investment funds it sponsors and raises in private placements validly conducted pursuant to applicable federal securities laws and regulations.

The CEM Funds have a minimum initial capital commitment of \$10,000,000, although investments of a lesser amount may be accepted in the discretion of the applicable CEM Fund's

general partner, all of which are affiliates of CEM. CEM offers interests in the Funds only to qualified purchasers, as defined under the Investment Company Act and guidance related thereto, with firm executives also participating in the Funds.

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

The Funds' primary investment objectives are to seek to achieve current income and long-term capital appreciation, while emphasizing credit protection and risk mitigation, by taking advantage of credit investment opportunities within the energy sector. Such opportunities are predominately debt instruments, but may also be private equity, distressed company securities, or other structured energy interests. Specifically, the Funds generally originate new loans to energy companies, or invest in existing bonds and loans of distressed energy companies where similarly attractive risk-adjusted returns can be generated.

CEM cannot guarantee the future performance of the client CEM Funds or any specific level of performance, or the performance of any investment decision or strategy that the Firm may use. Investing in complex financial instruments may entail the loss of an investor's entire investment, which the investor must be willing to bear.

Investment decisions CEM makes for the Funds are subject to various credit, market, currency, economic, political and business risks. Making large commitments to single companies exacerbates these risks. Additionally, purchasing investments with leverage increases the risk of losses to investors or clients. The Firm manages these risks by setting limits to leverage and concentration. These limits are monitored on an investment by investment basis. Specific risks of the Funds' investment strategy and types of investment generally include the following items. For more complete details, please refer to the appropriate Fund governing documents, including the private placement memoranda and partnership agreements.

Potential for Insufficient Investment Opportunities. The activity of identifying, completing and realizing attractive investments for the Funds is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. The Funds compete for investments with other investors, including companies, public equity markets, individuals, financial institutions and other investors. Over the past several years, an increasing number of private investment funds have been formed, particularly in the energy and mezzanine sector (and many such existing funds have grown in size), resulting in greater capital available for investment in this sector. Additional funds with similar objectives may be formed in the future by other unrelated parties. Competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. There can be no assurance that any of our Funds will be able to locate, consummate and exit investments that satisfy such Fund's return objectives or realize their values, or that the Funds will be able to invest fully their committed capital.

Concentration of Investments. The Funds generally seek to diversify their investment portfolios in a manner consistent with their investment objectives and strategy. However, each Fund may participate in a limited number of investments, and thus the aggregate return of such Fund may be substantially adversely affected by the unfavorable performance of even a single investment.

Investments with Terms Longer than the Fund. A Fund may make investments that may not be advantageously disposed of prior to the date such Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although CEM generally expects that investments will be disposed of prior to a Fund's dissolution, or be suitable for in-kind distribution at dissolution, and the general partner of the given Fund has a limited ability to extend the term of the Fund, the Fund may have to sell, distribute or otherwise dispose of investments at disadvantageous terms as a result of dissolution.

Global Economic Conditions; Market Dislocation. General economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Funds. Events of the past decade in significant sectors of the fixed income markets have caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high yield bond markets, as well as in the wider global financial markets. To the extent the Funds' portfolio companies participate in such markets, the results of their operations may suffer. In addition, to the extent that such marketplace events continue or worsen, this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of the Funds' portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, our Funds could lose both invested capital in and anticipated profits from such portfolio companies.

In addition, current economic conditions may materially and adversely affect (i) the ability or willingness of certain counterparties to do business with the CEM Funds or their investment affiliates; (ii) the Funds' exposure to the credit risk of others in their dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents); (iii) demand for the products and services offered by the Funds' portfolio companies; (iv) growth opportunities for the Funds' investments; (v) the Funds' ability to exit its investments at desired times, on favorable terms or at all; (vi) availability of reliable insurance on favorable terms or at all; and (vii) the ability of the Funds' investors to meet their obligations to the Funds in a timely manner or at all.

Risks of Investment in the Energy Industry. The companies of investment interest to CEM are sensitive to fluctuations in commodities supply and demand, interest rates, special risks of constructing and operating facilities, lack of control over pricing, merger and acquisition activity and regulation. Such fluctuations may, among other things, increase compliance costs and other costs of doing business. Furthermore, the energy markets may be subject to short-term volatility due to a variety of factors, including weather, international political and economic developments, breakdowns in the facilities for the production, storage or transport of energy and energy-related products, acts of terrorism, changes in government regulation and sudden changes in fuel prices. The Funds may be affected to a greater extent by any of these developments than would be the case with a more diversified portfolio of investments.

Volatility of Oil and Natural Gas Prices; Energy Price Trends. The performance of investments of the Funds may be substantially dependent upon prevailing prices of oil and natural gas, and such prices are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, speculation and a variety of additional factors that are beyond the control of CEM or the Funds. Oversupply in the oil and natural gas markets can cause a sharp decrease in the price of oil and natural gas, leading to pressure on

companies operating throughout the industry. Heightened volatility in oil or natural gas prices may have a material adverse effect on the Funds. There can be no assurance as to the duration of any market cycle or market dislocation.

Regulation of Greenhouse Gases. Both in the United States and globally, emissions of greenhouse gases (“GHGs”) are increasingly regarded as linked to global climate change; this may lead to more stringent regulation of GHGs in the future. Increased public concern and mounting political pressure may result in more federal, state or international requirements to reduce or mitigate the effects of GHGs. Any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, a portfolio company’s equipment and operations could require it to incur costs to reduce emissions of GHGs associated with its operations. Substantial limitations on GHG emissions could also adversely affect demand for oil and natural gas. Changes in the regulation of GHGs could impact a Fund’s portfolio company investment or make future investments undesirable.

Hydraulic Fracturing. Certain entities in which the Fund may invest may use hydraulic fracturing in their core programs, as a means of producing commercial quantities of oil and natural gas from reservoirs in which they operate. There have been a number of initiatives and proposed initiatives at the U.S. federal, state and local level to ban or regulate hydraulic fracturing and to study the environmental impacts of hydraulic fracturing and further regulation of the practice. Such initiatives at the federal, state or local levels to expand or implement regulation of hydraulic fracturing, together with the possible adoption of new laws or regulations that significantly restrict hydraulic fracturing, could result in delays, eliminate certain drilling and injection activities, make it more difficult or costly for a portfolio company to perform hydraulic fracturing, increase the portfolio company’s costs of compliance and doing business, and delay or prevent the development of unconventional hydrocarbon resources from shale and other formations that are not commercial without the use of hydraulic fracturing. These effects on a portfolio company’s operations could have a material adverse effect on the financial condition of the Fund and the value of the Interests.

Loan Participations and Assignments. Participations and assignments involve special types of risk, including credit risk, interest-rate risk, liquidity risk and the risks of being a lender. Participations in commercial loans may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. When purchasing loan participations, a CEM Fund assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary, and may only be able to enforce its rights through the lender, and may assume the credit risk of the lender in addition to the borrower. The participation interests in which the Funds invest may not be rated by any nationally recognized rating service.

Nature of Junior, Unsecured Investments. The CEM Funds invest in debt instruments that are unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. The ability of the Funds to influence a portfolio company’s affairs, especially during periods of financial distress or following insolvency, is frequently substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt securities held by a Fund, or other exercises by a Fund of its rights as a creditor. Accordingly, a Fund may not be able to take the steps

necessary to protect its portfolio investments in a timely manner, or at all. In addition, the debt instruments in which the Funds invest may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Funds' investments in any such company.

Lender Liability Considerations and Equitable Subordination. It is possible that lender liability or equitable subordination claims affecting the Fund's investments could arise without the direct involvement of the Funds.

Investments in Highly Leveraged Companies. The leveraged capital structure of highly leveraged companies will increase their exposure to certain factors such as rising interest rates, downturns in the economy, or deterioration in the financial condition of the company or the energy industry.

Illiquid Investments. There can be no assurances that private purchasers of the Funds' privately held investments will be found, or otherwise as to the timing and amount of the distributions, if any, made by the Funds.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although CEM is generally responsible for monitoring the performance of each investment of a Fund and the Funds generally invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate a given portfolio company in a successful manner.

Prepayment Risk. The value of the Funds' assets may be affected by prepayment rates on loans. Pre-payment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Funds' control. Therefore, the frequency at which prepayments (including voluntary prepayments by borrowers and liquidations due to defaults and insolvency) occur on the Funds' investments can adversely impact the Funds and prepayment rates cannot be predicted with certainty making it impossible to insulate the Funds from prepayment or other such risks. Early prepayments give rise to increased re-investment risk, including, for example, when the prevailing level of interest rates falls, the Fund may be unable to re-invest cash in a new investment with an expected rate of return at least equal to that of the Investment prepaid.

ITEM 9. DISCIPLINARY INFORMATION

There are no disciplinary disclosures to report.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer

Neither CEM nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker dealer.

B. Futures and Commodity Trading

Neither CEM nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

C. Material Relationships

Chambers Energy Management, LP is affiliated with CEM Fund general partners that are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to the Chambers Energy Management, LP registration. These general partners are: CEC Fund I GP, LLC and CEC Fund II GP, LLC.

These affiliated investment advisers operate as a single advisory business together with Chambers Energy Management, LP and serve as managers or general partners of private investment funds, and share common owners, officers, partners, employees, consultants or persons occupying similar positions. Chambers Energy Management, LP and the general partners are under common control and subject to Chambers Energy Management, LP's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

Reservoir Capital Group, L.L.C. (together with its affiliates, "Reservoir") is a privately held investment firm located in New York. Certain investment funds managed by Reservoir participate in the CEM Funds. The Interests owned by affiliates of Reservoir are generally subject to preferred terms, including, without limitation, a reduced rate of management fees and carried interest, the right to appoint a member of the advisory committee of the CEM Fund in which it invests, co-investment rights, and special reporting and informational rights.

Reservoir also has a minority interest in CEM and certain of its affiliates, including the entity which receives any allocations of "carried interest" (the "Minority Stake"), and participates on the investment committees of CEM Funds in which it invests, in the capacity of an observer. In prior years, Reservoir was considered to have a veto right with respect to certain material decisions relating to investments of CEM Funds established prior to 2012, and a more limited but still significant participation right for material investment decisions in respect of the CEM Funds established in 2012. However, in December 2014, Reservoir elected to become an observer to the investment committees of the CEM Funds, and currently does not exercise a right to vote on the investment committees.

While CEM expects Reservoir to maintain the Minority Stake for the foreseeable future, there is no assurance that Reservoir will retain this interest.

In connection with its investments in the CEM Funds and their affiliates and the Minority Stake, Reservoir has greater access to information than other investors about the Funds and is entitled to receive information regarding the Funds and CEM activities, including, without limitation, information about the performance of the Funds and the composition of their portfolios. Other investors generally do not have, and are not entitled to have, the same type, amount or timeliness of information about the Funds.

The current and future businesses of Reservoir may overlap with the business of CEM and/or the Funds, and Reservoir may engage in activities in the normal course of its businesses or establish new businesses that compete or conflict with the interests and activities of the Funds. Such

activities could adversely affect the Funds, for example, by affecting the prices or availability of financial instruments in which the Funds may invest and the transactions in which the Funds may engage. For example, Reservoir may be actively engaged in transactions in the same securities and instruments or with the same issuers in which the Funds, directly or indirectly, may be invested. Reservoir may compete with the Funds for investment opportunities, and is under no obligation to share any investment opportunity, idea or strategy with the Funds or CEM. Reservoir may also engage in trading activities -- for its own account or on behalf of its clients -- that are detrimental to the Funds.

Reservoir may have relationships with other investment vehicles and accounts that may give rise to potential conflicts. For example, Reservoir may sponsor, advise, underwrite, manage or invest in investment vehicles and accounts that pursue investment strategies similar to, or overlapping with, those of the Funds. Reservoir may also provide services or benefits to another investment vehicle, account or investment manager that competes with the Funds or CEM. In some cases, Reservoir may owe fiduciary duties to its clients that may result in actions on behalf of such clients that are materially adverse to the interests of the Funds, its portfolio companies or the limited partners. Other present and future activities of CEM, its affiliates and Reservoir may give rise to additional conflicts of interest.

D. Other Investment Advisers

CEM does not recommend or select other investment advisors for our clients.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

CEM adopted a Code of Ethics in 2012, consisting of policies and procedures reasonably designed to ensure compliance by CEM and its personnel with the Investment Advisers Act of 1940, and its rules and regulations, and to reflect CEM's fiduciary duties to its clients. The Code of Ethics describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect clients: misuse of confidential information; outside business activities; and personal securities trading. Failure to uphold the Code of Ethics may result in disciplinary sanctions against employees, including termination of employment with the Firm.

Clients and prospective clients and investors in the CEM Funds may request a copy of the Code of Ethics by contacting Robert Finch, Chief Financial Officer and Chief Compliance Officer, at 713-554-6770 or info@chambersenergy.com.

As a fiduciary, CEM must act in its clients' best interests. In other words, CEM employees may not benefit at the expense of clients. To that end, CEM employees must follow basic principles guiding all aspects of the Firm's business, as set forth in the Code of Ethics:

- Clients' interests come before employees' personal interests and before the Firm's interests.

- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its employees' interests on the one hand, and client interests on the other.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information. The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm, as well as in personal trading. The Firm and its employees may, from time to time, come into possession of material nonpublic or other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Firm and its employees are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Firm.

Accordingly, should the Firm or its employees come into possession of material nonpublic or other confidential information, the Firm and its employees are prohibited from communicating such information to clients or investors, and the Firm and its employees have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

The Code of Ethics sets forth extensive requirements regarding misuse of material inside information and personal trading.

Outside Business Activities. CEM employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease such activity. Holding board positions in a public company and/or any energy company that is not a portfolio company must be pre-approved by the CEO or CCO.

Personal Securities Trading. See discussion at Item 11(C) below.

B. Participation or Interest in Client Transactions

CEM complies with restrictions provided in the applicable governing agreements of the CEM Funds relating to principal transactions or other affiliated transactions, in which CEM or its personnel may have interests that are not aligned with the interests of one or more of its clients.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as broker for both the advisory client and for another person on the other side of the transaction. CEM is not a registered broker-dealer, and thus is not controlled by, under common control with, or otherwise affiliated with a registered broker-dealer, and thus the potential conflict of interest created by agency cross transactions is mitigated.

Client cross transactions occur where an adviser executes a securities transaction between two (or more) of its managed client accounts. These can create conflicts of interest because, by not exposing such buy and sell transactions to market forces, clients may not receive the benefits of best price, or an adviser might seek to prop up the performance of one fund by selling under-performing assets to another fund in order, for example, to earn higher fees in the aggregate.

It is CEM policy not to execute any principal transactions for client accounts unless the investor advisory committee of the particular CEM Fund deems the transaction to be in the best interest of the particular client fund, the CCO and the client CEM Fund itself give prior consent, and the transaction complies with SEC requirements. We also generally refrain from cross trading between client accounts unless the consent of both CEM Fund clients is obtained from the relevant advisory committees of the clients.

Principals and employees of CEM may serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio company and their respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of the Funds, and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual's duties as an employee of CEM and such individual's duties as a director of such portfolio company.

C. Personal Securities Trading; Investment Alongside Client Funds

CEM has adopted counter-insider trading policies in its Code of Ethics. CEM prohibits all employees from personal trading in individual securities or options on individual securities, including futures, forward contracts, and physical commodities, except for certain permitted transactions.

The following personal securities transactions are not subject to such prohibitions:

- Liquidating transactions of securities acquired prior to commencing employment with CEM, or received by inheritance or by marriage, subject in each case to prior written approval by the CEO or the CCO.
- Transactions in broad-based, index-like products (such as exchange traded funds), limited to no more than five trades per month.
- Transactions in government/municipal bonds, in open-ended mutual funds and foreign equivalent open-ended unit trusts (and similar instruments) (for clarification, transactions in closed-ended mutual funds are not permitted).

- Transactions in private securities that do not exceed a \$200,000 investment in any one private company or \$1,000,000 invested in the aggregate in all private companies, subject to prior written approval by the CEO or the CCO and after such transactions are first offered to CEM clients, if applicable.
- Transactions in private investment funds (i.e., hedge funds and private equity funds), subject to prior written approval by the CEO or the CCO.
- Transactions in separately managed accounts with an outside investment manager where the employee does not have trading discretion or otherwise have direct or indirect influence or control.

Employees are required to submit monthly statements of securities holdings directly from their broker or financial institution. These are reviewed by the CEO or the CCO monthly to ensure compliance with the Firm's policies, and, if reviewed by the CEO, the CEO must report any findings to the CCO. CEM reserves the right to cancel an employee's personal account order or transaction.

D. Personal Trading Contemporaneous with Client Transactions

See discussions above in Items 11(A)-(C).

ITEM 12. BROKERAGE PRACTICES

A. Selection of Broker-Dealers

The CEM Funds do not regularly or frequently trade public securities, instead they generally conduct transactions on an originated, negotiated basis. However, in CEM Fund investments in which public or institutional securities are purchased or sold, CEM anticipates trading such securities through a broker or other intermediary providing a supply of securities of interest to the relevant CEM Fund clients.

CEM's policy is to attempt to obtain the "best execution" for all such transactions by the Funds. CEM will use its best judgment to select a broker-dealer most capable of providing "best execution" on an overall basis in the purchase or sale of a publicly-traded security on behalf of a Fund. When evaluating broker-dealers for a transaction, CEM executives will note that "best execution" does not mean the lowest dollar cost. "Best execution" is the execution of a trade at the most favorable net price, taking into account all reasonably relevant circumstances, and with a view to the maximization of value, broadly, of the Fund on behalf of which the trade is made. In selecting a broker to execute client transactions, CEM will consider a variety of factors, including, among other things: (i) execution capabilities with respect to the relevant type of order, including the ability of the broker to provide an adequate supply of the security; (ii) transaction costs; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

In general, CEM strives to eliminate or minimize the possibility of any trading errors. Trade error means a mistake CEM has made that is directly related to a trade. Examples include: selling instead of buying; and buying or selling the wrong security (e.g., ABC rather than BAC). CEM's policies and procedures require an employee who believes a trade error has occurred to contact the CCO immediately (or a member of CEM management if the CCO is unavailable). CEM strives to resolve trade errors before the trade settles. If it is not possible to reverse the trade, the CCO will consult with the trader as to the proper resolution. The authorized CEM employee responsible for the transaction that leads to the trading error is required to prepare a written description of each error (that a broker cannot or will not "break") and its resolution and keep that description record in the CEM's annual compliance file.

1. *Soft Dollars.* CEM occasionally may receive research and information from brokers. This is a benefit to CEM, because CEM does not have to produce or pay for the research or related services. Thus, CEM could conceivably have an incentive to select a broker-dealer based on this interest, rather than on its clients' interest in receiving most favorable execution. However, CEM does not participate in any soft dollar arrangements, and, as a result, the receipt of research or related services does not influence CEM's brokerage selection. CEM selects brokers solely based on the factors described above.

2. *Brokerage for Client Referrals.* CEM does not receive referrals for clients from any broker-dealers.

3. *Directed Brokerage.* As CEM's clients are all private investment funds, CEM selects all broker-dealers. CEM's clients do not direct brokerage.

B. Aggregation of Orders of Securities for Client Accounts

Because the CEM Funds generally conduct transactions on an originated, negotiated basis, CEM is not frequently placing buy and sell orders on behalf of the CEM Funds with broker-dealers. CEM also does not typically have reason to aggregate the purchase or sale of securities for various client accounts other than investment vehicles that comprise a CEM Fund. However, when the CEM Funds conduct trading through a broker-dealer, orders are aggregated whenever practicable and cost-efficient. Such trades would be allocated separately to each participating CEM Fund.

ITEM 13. REVIEW OF ACCOUNTS

CEM's investment team professionals review the operations of the CEM Funds on a periodic basis. CEM regularly makes available to each investor in the CEM Funds, in accordance with the applicable partnership agreement of each client, reports containing (i) annual audited financial statements, (ii) quarterly unaudited estimates of the Funds' investment performance and (iii) quarterly unaudited estimates of the balance of each investor's capital account in the client Fund. CEM may provide investors with more frequent reports. There are no specific triggers to launch a portfolio review on a non-periodic basis.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

A. Non-Client Benefits

CEM does not receive economic benefits from persons who are not clients for providing investment advice or advisory services to our clients. CEM may, on occasion, receive management fees, monitoring fees or similar fees, or reimbursements of certain expenses, from portfolio companies in which a CEM Fund has invested. To address this potential conflict, a certain portion of these fees may offset the management fees otherwise payable by investors in the CEM Funds. These potential fee arrangements are disclosed in the private offering materials for each particular private offering and governed by the CEM Funds' governing documents. CEM employees, or other persons acting on CEM's behalf who serve on the board of directors or in a similar capacity of the Funds' portfolio companies, typically are required to transfer any compensation received from a portfolio company while acting in such capacity for the Fund having an ownership interest in such portfolio company, to such Fund.

B. Client Referrals and Compensation

CEM or its affiliates may, from time to time, enter into arrangements in which third-parties will assist in the capital raising efforts of one or more of the CEM Funds in exchange for a fee (such person, a "placement agent"). The fee paid to the placement agent may be calculated as a percentage of funds raised by the placement agent, as specifically negotiated between CEM and the placement agent and memorialized in a written agreement. These types of placement agent arrangements are disclosed in the relevant private offering materials of each CEM Fund.

ITEM 15. CUSTODY

Custody is defined as having access to clients' (or investors') securities or funds. Since the general partners of the CEM Funds are affiliated with CEM, the Firm is considered to have custody of all CEM Funds' assets.

CEM manages this risk by:

1. Requiring two-person approval process on investment-related wires;
2. Engaging a Public Company Accounts Oversight Board-registered and inspected accounting firm to audit the Funds' financial statements annually;
3. Sending each investor in a CEM Fund a copy of such CEM Fund's audited financial statements each year within 120 days such Fund's fiscal year end; and
4. Using a qualified custodian to hold client assets or securities.

ITEM 16. INVESTMENT DISCRETION

CEM has discretionary authority to manage the investment activity of the CEM Funds, through the investment committees comprised of CEM employees and a Reservoir representative as an observer.

The authority to deduct fees, performance allocations and/or make distributions from the accounts are granted in the Funds' governing documents, including the execution of a power of attorney by each Fund investor in order to participate in a Fund. The client Funds' governing documents limit the discretionary authority of CEM to manage the client Funds' investment portfolios, as negotiated with investors in each CEM Fund.

ITEM 17. VOTING CLIENT SECURITIES

Although CEM's investment program generally does not include holding and voting publicly-traded equity securities, CEM may be presented with the responsibility to vote proxies for certain securities held by the CEM Funds. Voting decisions may involve CEM personnel that are also active in the management of the Funds' investment portfolios. To the extent CEM exercises or is deemed to be exercising voting authority of client securities, it will vote those securities in accordance with its proxy voting policy.

It is the policy of CEM to vote proxy proposals, amendments, consents or resolutions in the best interests of its client Funds, taking into account relevant short-term and long-term factors, including (i) the impact on the value of the returns of the relevant CEM Fund; (ii) the alignment of portfolio company management's interest with such CEM Fund's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the relevant Fund and the portfolio companies in which it invests, including the continued or increased availability of portfolio information; and (iv) industry and business practice.

In all circumstances, CEM will seek to avoid material conflicts of interest between the interests of CEM and the interests of the Fund clients. If CEM determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, CEM will address matters involving such conflict of interest in the following manner: (i) If the proxy vote would be against CEM's own interest in the matter (i.e., against the perceived or actual conflict), then CEM may vote such proxy as it determines to be in the best interest of the Fund without taking any action described further herein, other than memorializing the rationale of such proxy vote in writing; (ii) If CEM believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then CEM must take action in accordance with the relevant Fund's governing documents or as otherwise determined by CEM to be in the best interest of the Fund in voting such proxy, which may include, but is not limited to, seeking approval from the Fund's investor advisory committee.

CEM's proxy guidelines require the CCO or his designee to review all proxies related to a CEM Fund's publicly-traded securities prior to submission, and thus CEM will ensure that it is the designed party to receive proxy voting materials from portfolio companies or intermediaries. The CCO coordinates the receipt of each proxy, the communication of the votes to third parties, and the maintenance of all supporting documentation. CEM's CCO will maintain written or electronic copies of each proxy statement received and of each executed proxy, including for at least two years in CEM's offices and an additional three years in an easily accessible off-site location, in the case of a publicly traded security. CEM Fund investors may receive a copy of CEM's proxy policies and procedures at any time upon request to (713) 554-6770 or info@chambersenergy.com.

ITEM 18. FINANCIAL INFORMATION

- A.** CEM is not required to include a balance sheet in this brochure, as it does not require or solicit prepayment of fees six months in advance.
- B.** There is no financial condition that is reasonably likely to impair CEM's ability to continue to meet its contractual commitments and provide services to its clients.
- C.** CEM has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This Item is inapplicable to CEM, as we are not registered with any state securities authority.