



# HANNA OIL AND GAS COMPANY

P.O. BOX 1356 / HANNA BUILDING • FORT SMITH, ARKANSAS 72902  
479-782-8808 • FAX 479-782-1343

Dear Royalty Owner:

To offer additional value to our owners and reduce our operating expenses, we are pleased to offer efficient and prompt receipt of your revenue interest payments by Direct Deposit via the Automated Clearing House (ACH) electronic transfer. Many owners will appreciate this service because it's faster, more convenient and more secure than receiving a check in the mail.

We have partnered with Red Dog Systems to provide an Owner Relations Online System where you may obtain your check detail and other owner information, free of charge, via a secure internet website 24 hours a day, 7 days a week. The system will enable you to view and print your check detail in the same format as the paper check stub you currently receive.

- **Direct Deposit is your option.** You may choose to continue to receive your royalty payment in the mail as you currently do or to enroll in Direct Deposit; the choice is yours.
- **There is no additional cost to you.** As an owner, you will have access to your check detail by logging on to the Hanna Oil and Gas website at [www.hannaoilandgas.com](http://www.hannaoilandgas.com). Click the Owner Relations tab on the website at the top and follow the online instructions from there. You may view and print the statements and also elect to have the information automatically e-mailed to you each month as new detail is available. We will no longer send a paper check detail each month if you choose Direct Deposit.
- **To enroll, simply complete the attached form** and mail, fax, or email it using the information on the bottom of the form. Once electronic transfer is setup with the institution you have selected, a test will be sent with a zero dollar amount prior to the initial transmitting of funds. This ensures the funds properly reach the institution, and will also confirm the account number and account holder before sending your first payment electronically.

We encourage you to take advantage of this ACH process. Direct Deposit is reliable, safe, convenient, and free.

Best regards,

Mark Alder  
Revenue Accounting  
Hanna Oil and Gas

**See Reverse for FAQ's**

## **Direct Deposit: Payment Processing**

### **What if I want to continue to receive my check through the mail?**

If you choose to not enroll in direct deposit, there is nothing you need to do on your end. Changes will only be made if you choose to enroll in direct deposit.

### **What will happen to the detail that normally comes with my check?**

If you elect to enroll in the ACH program, you will automatically stop receiving your paper check detail. You will then have the option to view your detail by going to [www.hannaoilandgas.com](http://www.hannaoilandgas.com). After logging on, you will have the option to view, print, or download your detail. You may also elect to have an email notification sent to you each month notifying you of new check detail availability. Both of these options are provided at no cost to you. Your revenue payment and check details are immediately available at the time of the deposit into your account.

### **When will funds be deposited?**

Funds will be deposited on the 20<sup>th</sup> of each month via Automated Clearing House (ACH) electronic transfer. This will provide more immediate access to your funds and result in more convenient and secure transaction.

\*\*If the 20<sup>th</sup> is a non-banking day, the funds will be deposited on the first day prior to the non-banking day.

### **Can I direct funds to more than one account?**

No, deposits can only be sent to one account.

### **Can I direct funds to be deposited in the account of another person or into a joint account?**

Yes. You may direct funds to be deposited into any account. It can be an account owned solely by you, an account owned jointly with others, or an account in which you do not have ownership.

### **What type of accounts can be used for Direct Deposits?**

Any account that accepts ACH transfers can be used (this includes money market accounts). If we encounter difficulty during the setup and testing process, you will be notified using the contact information provided.

\*\*International accounts are currently not eligible for Direct Deposit.

### **What happens if I need to change the deposit account at a later date?**

You may change the bank account at any time, but please remember to notify us before closing an account that you are using for direct deposits. If changes are not communicated, this will cause a delay in the receipt of your funds.

### **How soon will the electronic deposits start after you receive my enrollment form?**

The first direct deposits will be September 20<sup>th</sup>, 2011.

If your enrollment form is received by September 2<sup>nd</sup>, you will receive your first direct deposit on September 20<sup>th</sup>, 2011. Any forms received after that will be processed with the next monthly revenue run.

### **Will I still receive my check when the amount reaches \$50.00?**

No. The Arkansas state statute only requires payments be made when the amount reaches \$100.00. We have kept our minimum amount at \$50.00 but have chosen to change our amount to follow the state statute at this time.

### **Who should I contact for questions regarding Direct Deposit?**

For further information, please contact Mark Alder or Sarah Harris by phone at 479-782-8808 or by email at [malder@hannaoilandgas.com](mailto:malder@hannaoilandgas.com) or [sharris@hannaoilandgas.com](mailto:sharris@hannaoilandgas.com).