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Natural Gas and Oil Development Partnership

MDS 2023-SHALE DEVELOPMENT LP



Securities are being offered on a best-efforts basis through Cabin Securities, Inc., member FINRA/SIPC. Neither the Securities and Exchange Commission nor any state securities agency has approved or disapproved of these securities or determined if the Private Placement Memorandum is truthful or complete. Any representation to the contrary is a criminal offense. This presentation must be preceded or accompanied by the Private Placement Memorandum.

Fueling American Energy Independence

In 2005, the US was running short of domestic natural gas supply. Since then, through technology, the nation has become a net exporter of natural gas. Abundant domestic natural gas is bringing jobs back home and reducing our dependence on foreign natural gas. Plus, it's helped cut CO2 emissions to levels not seen since the early 1980s.⁽¹⁾⁽²⁾

We're proud to be part of the American energy revolution, sparked by American ingenuity and powered by American investors, companies and workers.

Potential Tax Benefits of Natural Gas and Oil Limited Partnerships

The IRS provides significant tax deductions for companies that invest in drilling natural gas and oil wells. Our partnership captures these benefits and passes them along to our investor general partners, making this a potentially valuable tax planning tool for high net worth individuals that are accredited investors. These apply to those electing to participate as an investor general partner, which carries potentially unlimited liability.⁽³⁾⁽⁴⁾ See the Private Placement Memorandum for more information about general partner liability.

(1) President Biden has issued several executive orders addressing climate change. Although the full impact of these orders is uncertain at this time, the adoption and implementation of these or other initiatives may result in the restriction or cancellation of oil and natural gas activities, greater costs of compliance or consumption (thereby reducing demand for natural gas) or an impairment in the Partnership's ability to continue its operations in an economic manner.

(2) Climate change and regulatory and other effort to reduce climate change, including restrictions on emissions of greenhouse gases could adversely affect the Partnership's business. Also, the Partnership will use hydraulic fracturing in completing its wells, which is subject to federal and state legislation and regulations that could result in increased costs and operating restrictions.

(3) You will have unlimited joint and several liability for Partnership obligations if you choose to invest as an investor general partner until you are converted to a limited partner. See "Risk Factors" later in this brochure for more details.

(4) If you invest as a limited partner, your interest in the Partnership generally will be treated as a passive activity for U.S. federal income tax purposes and your share of Partnership losses will be limited to offsetting your passive income (if any).

The equipment pictured herein is not owned by, and shall not be owned by, any MDS investment partnership.



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INTANGIBLE DRILLING COST (IDC) DEDUCTION

IDC deductions create an immediate, current year, above-the-line tax deduction that can reduce any income type and can help reduce your taxes due on 2023 income from any source.

An investment in the Partnership is anticipated to create a deduction in an amount equal to approximately \$0.70-\$0.75 for each dollar invested, making it a potential tax-planning tool for accredited investors who invest as investor general partners, but not who invest as limited partners.

Our partnership structure passes through all tax losses to the investors individual tax return.

Basic Example of the IDC Deduction

\$100,000 Investment

	No MDS Investment	With an MDS Investment
Gross Income	\$500,000	\$500,000
MDS Investment	\$0	\$100,000
Tax Loss Generated	\$0	\$75,000
Adjusted Gross Income	\$500,000	\$425,000
Taxes Due	\$246,500	\$209,525

Taxes Eliminated \$0 \$36,975

Assumes 37% and 12.3% federal and state marginal tax rates, respectively.

2

DEPRECIATION DEDUCTION

You could receive another deduction for depreciation for tax year 2024 for approximately 12% of your investment.

The above noted benefits are not guaranteed. Changes in federal tax law could limit or eliminate these benefits. An investment in the partnership involves a high degree of risk. An investor should only invest if he or she can afford the total loss of the investment. You should consult your personal tax advisor regarding the impact to you of an investment in the Partnership. Attainment of the investment objective by the Partnership and tax benefits will depend on many factors including the ability of the Managing General Partner to select suitable wells that will be productive and produce enough revenue to return the investment made. The success of the Partnership depends largely on future economic conditions, especially the future price of natural gas and oil, which is volatile and may be low or decrease during a well's most productive period. There can be no guarantee that the foregoing objective or tax benefits will be attained.

DEPLETION ALLOWANCE

Depending on your personal circumstances, you may be entitled to a deduction of up to 15% your share of the Partnership's gross production income.

GROWTH ON TAX SAVINGS

Taxes eliminated by your investment in the Partnership are now free to be reinvested. Potential growth on your tax savings is often overlooked, but could be a benefit to the overall return on your MDS Energy Development investment in the Partnership.

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Neither MDS Energy, Cabin Securities, Inc., nor any of their affiliates are licensed to provide tax advice. This material is for informational purposes only, and it is not intended to provide and should not be relied on for tax advice. You should consult your personal tax advisor regarding the impact to you of an investment in the Partnership.

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How This Works

Each year we raise investor capital to primarily deploy alongside our primary operator in western Pennsylvania and joint venture drilling partner, Snyder Brothers Inc. (of which MDS owner Michael D. Snyder is a third-generation family member of the ownership family group).⁽¹⁾ We primarily drill into the Marcellus Shale formation, in western Pennsylvania and then maybe in other areas depending on the amount of funds raised. If \$400 million is received in subscriptions, then approximately one-half of the drilling activities will be in areas other than western Pennsylvania where the Managing General Partner has little or no experience and the wells are more likely to produce oil. Notwithstanding, if subscription proceeds of \$200 million are received, then it is anticipated that a substantial portion, if not all, of the wells will be drilled in western Pennsylvania.

After the wells are drilled, the net revenues they generate are distributed to our investor partners monthly, potentially creating a long-term, income stream.⁽²⁾

(1) Snyder Brothers, Inc. is a related party to the Managing General Partner as described in the Private Placement Memorandum.

(2) Distributions are not guaranteed. They can be less or more than expected depending on the productivity of the well. Anticipated start date of distributions is not guaranteed.

Our Story

MDS HAS RAISED AND DEPLOYED
OVER \$700 MILLION DOLLARS
FROM OVER 6,500+ INDIVIDUAL
INVESTMENTS.

THE BACKYARD ADVANTAGE

The Managing General Partner's primary operator in western Pennsylvania and joint venture drilling partner, Snyder Brothers Inc., has been operating in its own backyard in western Pennsylvania, since 1991 starting as a coal mining company that expanded into aggregate mining, cement manufacturing, oil and gas development, banking, and agriculture industries, employing more than 1,000 people in western Pennsylvania. The Managing General Partner believes the local infrastructure, a land position of more than 150,000 acres of oil and gas drilling rights, and a level of legacy efficiencies enable the Marcellus Shale horizontal well costs in western Pennsylvania to be at a lower cost structure than other operators in the area. The ability to pump water from the Allegheny River has saved millions of dollars in trucking fees and reduced the impact of our operations on those who live in the vicinity of our projects.

Notwithstanding the above, depending on the amount of funds raised by the Partnership, up to half of the funds raised will be invested in areas outside of western Pennsylvania where the Managing General Partner has little or no experience.

MDS 2023-Shale Development, LP

INVESTMENT SUMMARY

Partnership: MDS 2023-Shale Development LP

Sponsor: MDS Energy Development LLC

Third-Party Due Diligence: Mick Law/Snyder Kearney

Due Diligence Materials: Available Online via OneHub

Managing Broker/Dealer: Cabin Securities, Inc.

Subscription Agreement Submission:
Electronically via MDS Website

Offering Structure: SEC Regulation D, Rule 506(c)

Critical Documents:
Online via Secure MDS Accounting Portal

Offering Size: \$300 Million Maximum (\$400 million if Greenshoe is exercised), No Minimum, No Escrow⁽¹⁾

Distribution Schedule: Monthly, after wells are fully developed and are producing revenue⁽²⁾

Minimum Investment: \$100,000
(\$1,000 Increments Thereafter)

Drilling Area/Formation: Western Pennsylvania/Marcellus Shale. A few wells may be drilled to the Utica Shale. If \$400 million is raised, then approximately one-half of the wells will be drilled outside of western Pennsylvania.

First Year IDC Write-Off:
Approximately 70-75% (for GP Investors)

Primary Operator in Western Pennsylvania and Joint Venture Partner: Snyder Brothers, Inc., which is a related party to the Managing General Partner as described in the Private Placement Memorandum.

(1) If subscription proceeds of \$400 million are received, then approximately one-half of the wells will be drilled outside of western Pennsylvania in areas where the Managing General Partner has little or no experience. Snyder Brothers will not be the operator of any of the wells outside of western Pennsylvania.

(2) Distributions are not guaranteed. They can be less or more than expected depending on the productivity of the well. Anticipated start date of distributions is not guaranteed.

RISK FACTORS

An investment in the partnership is speculative and involves a high degree of risk. Because of this, you must be an Accredited Investor. These securities have not been approved or disapproved by the SEC or any state securities administrator. You should invest in the partnership only if you can afford a complete loss of your investment.

The partnership's drilling operations involve the possibility of a total or partial loss of your investment because the partnership may drill nonproductive wells or wells that are productive but do not produce enough revenue to return the investment made. Even if the well is productive, if the prices of natural gas and oil do not achieve and/or maintain a certain price level during a well's most productive period, then you will not receive a return of your investment. Natural gas and oil prices have been volatile over the last ten years.

Most, if not all, of the partnership's wells, will be drilled to the Marcellus Shale geological formation in western Pennsylvania, and possibly a few wells may be drilled horizontally to the Utica Shale geological formation in western Pennsylvania, which will provide little or no geological diversification of risk and will be classified as dry natural gas wells.

If subscription proceeds of \$400 million are received, then approximately one-half of the wells will be drilled outside of western Pennsylvania in areas where the Managing General Partner has little or no experience. With respect to the blind pool portion of the Offering where the wells are not specified, you will not be able to evaluate the prospects to be drilled and must rely on the Managing General Partner's ability to select suitable properties.

Although the Managing General Partner is the partnership operator for all of the wells, when the Managing General Partner is not the actual operator of a well, which will be the case in western Pennsylvania and some of the wells outside of western Pennsylvania, there is a risk that the Managing General Partner may not be able to supervise the Related Party Operator or Third-Party Operator closely enough. Cash distributions are not guaranteed and in certain circumstances may be reduced or delayed.

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You must rely totally on the Managing General Partner to manage the Partnership and its business.

There is a lack of conflict of interest resolution procedures between the Managing General Partner and you and the other investors, and such conflicts may not necessarily be resolved in favor of you and the other investors.

You will have unlimited joint and several liability for the Partnership obligations if you choose to invest as an investor general partner until you are converted to a limited partner. This means that if the partnership's insurance proceeds, the Managing General Partner's indemnification of you and the other investor general partners, and the partnership's assets were not sufficient to satisfy the partnership liability, then the Managing General Partner would require you and the other investor general partners to make additional capital contributions to the Partnership to satisfy the liability. In addition, you and the other investor general partners have joint and several liability which generally means that a person with a claim against the Partnership may sue all or any one or more of the investor general partners, including you, for the entire amount of the liability.

If you invest as a limited partner, your interest in the Partnership generally will be treated as a passive activity for U.S. federal income tax purposes and your share of Partnership losses will be limited to offsetting your passive income (if any).

A lack of liquidity or a public market for the units, and limited transferability, makes it extremely difficult for you to sell your units.

Substantial fees will be paid by the Partnership to the Managing General Partner, its Related Parties and their Affiliates for their services in drilling, completing, and operating the wells regardless of the success of the wells. The Managing General Partner and its Affiliates will receive an overriding royalty interest as described in the Private Placement Memorandum (including the Gross ORRI), which does not pay any of the costs of drilling, completing, and operating the well but gives the Managing General Partner and its Affiliates a portion

of the well revenues in exchange for the transfer of the leases. The Partnership faces a risk that the Partnership gives too much of the well revenues in exchange for the leases. The Managing General Partner has determined in its discretion the terms of this transaction for the leases without an appraisal by an independent expert of the leases or the Gross ORRI.

You and the Managing General Partner will share in costs disproportionately to the sharing of revenues.

If there is a change of control of the Managing General Partner, then the Related Party Operator has a call option on wells joint ventured with the Related Party Operator in western Pennsylvania, which represents approximately one half of the wells if \$400 million is raised.

Changes in the federal income tax laws may adversely affect the taxation of your interest in the Partnership, including the elimination or reduction of tax benefits attributable to your investment in the Partnership.

If the Partnership were to become subject to entity-level taxation for federal or state income tax purposes, taxes paid would reduce the amount of cash available for distribution.

If the Partnership is audited, then there is a risk that the IRS may challenge your deductions, including the amount of your share of the Partnership's deductions for intangible drilling costs, and the taxable year in which the deductions were claimed.

Your deduction for intangible drilling costs may be limited for the purposes of determining your alternative minimum taxable income for U.S. federal income tax purposes. Your tax benefits from an investment in the Partnership are not contractually protected.

Participation with third parties in drilling wells may require the Partnership to pay additional costs and face additional risks and conflicts related to joint venture investments.

Future hedging activities may adversely affect the Partnership's financial condition and results of operations.

You will have difficulty exercising any voting rights you may have under the Limited Partnership Agreement because of the negative consent and notice provisions contained therein.

Major public health issues, including the novel coronavirus pandemic, and related disruptions in the U.S. and global economy and financial markets may adversely impact the Partnership's business.

Disclaimer: This is a summary of some of the information relating to the offering and is intended for convenient reference only. It is qualified in its entirety by reference to the Private Placement Memorandum. You and your professional advisors should carefully read the Private Placement Memorandum, including the "Risk Factors," "Conflicts of Interest," and "Federal Income Tax Consequences" sections, and you should consult with your tax advisor regarding the tax consequences to you of an investment in the partnership.

This brochure must be read in conjunction with the private placement memorandum to understand fully all of the implications and risks of the offering of securities to which it relates. This brochure is neither an offer to sell nor a solicitation of an offer to buy units in the partnership. The offering may be made only by means of the private placement memorandum.

Securities are being offered on a best-efforts basis through Cabin Securities, Inc., member FINRA/SIPC.



We know our
investors by
their names,
not a number.

Contact us to learn more about MDS Energy Development or the potential tax advantages of limited natural gas and oil limited partnerships.



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