

**“...opportunity is a reflection  
of information.”**



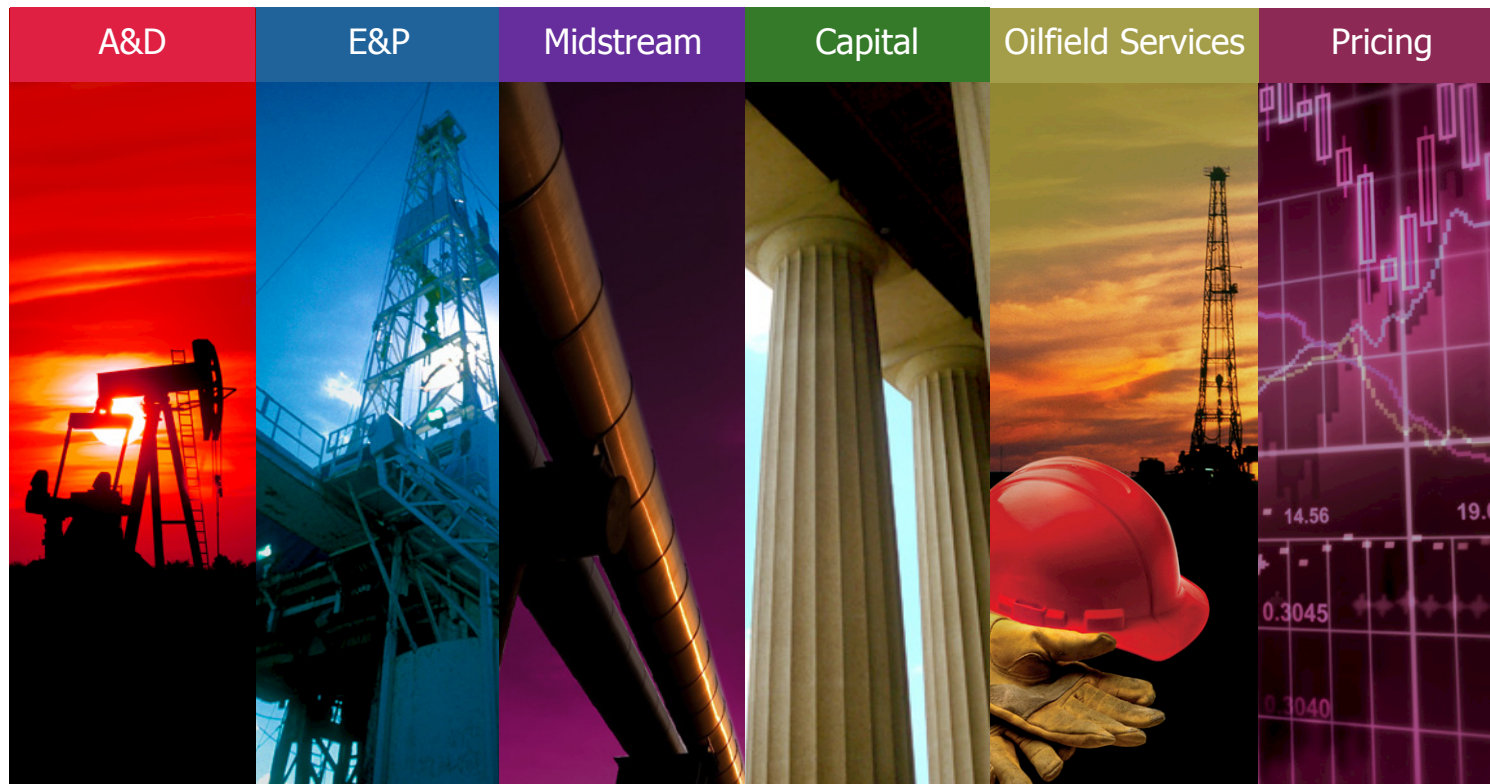
# Global O&G Transactions 2012 Review

Record deal values, deal count down 20%.

**Dallas Chapter  
Society of Petroleum  
Evaluation Engineers**  
January 17, 2013

Brian Lidsky  
Managing Director  
[blidsky@plsx.com](mailto:blidsky@plsx.com)

**Information. Transactions. Advisory.**



## Corporate Overview

Your information transaction & advisory firm.

- PLS is an acronym for Petroleum Listing Service.
- The firm serves buyers, sellers and capital providers with information, marketing and advisory services.
- PLS focuses on six critical sectors including A&D (asset market), E&P (prospects), midstream (includes downstream), capital (energy finance), oilfield services and commodity prices.



# 1 News, Research & Databases

- PLS covers the A&D, E&P, midstream, capital and pricing markets with research and market analysis.
- PLS manages multiple databases including oil & gas listings for sale, archive news, streaming news, company presentations, industry documents, market activities and premium M&A databases.
- PLS promotes unique conferences, expos and networking event for energy executives.

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# Research: Global M&A Database

High-end valuation tool for buyers, sellers, capital providers, and transaction specialists.



PLS' premium databases also include development projects, planned exploration and A&D opportunity identification tools.

## Providing clients with deal metrics and comparables

The PLS M&A Database is an invaluable tool for professionals engaged in oil and gas transactions including E&P executives, investment or commercial bankers, capital providers, private or public equity investors and/or consultants. The PLS M&A Database helps clients identify market values, partners, buyers and business opportunities.

The PLS database is highly competitive with other leading databases in the marketplace and is complimentary to PLS' other data platforms.

## Comprehensive Deal Coverage

PLS brings comprehensive deal coverage on asset, corporate, JV and acreage transactions in a concise format. Standard comparables and benchmarks are established for \$/BOE (reserves), \$/Daily BOE (production) and \$/acre metrics.

## U.S. and Canadian M&A Databases

The U.S. M&A Database includes analysis on individual deals, regional analytics, deals in play as well as the original source documents.

## Global M&A Database

The Global M&A Database is the perfect tool for active oil and gas operators working around the globe. PLS analysts take great care to present data on a comparable basis including 1P, 2P and 3P analyses, deals in play and more.

## Real Time, Web Access

All of PLS premium databases are updated on a daily basis by a dedicated team of U.S. and overseas analysts and are accessed through any standard web browser. The M&A data is easily exported for integration with spreadsheets for further client analyses.



# Research: docFinder Database

Search & Seek – thousands of documents and presentations at your fingertips.



Access thousands of individual slides by images and graphics instantly.

Clients find market information they need instantly.

PLS aggregated organized and indexed thousands of industry documents to simplify the search and seek of relevant information.

The PLS docFinder saves analyst and industry professionals significant time. Our classification categories have been selected to provide you with maximum control over your document searches with minimum hassle. Combine them with our unique image search capability and logic-enabled keyword entry and you have the most powerful industry presentation database available.

Searchable categories, graphics and images include:

- Peer & Data Comparisons
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- Wellbore designs; charts
- And dozens more.

**Saves executives and analyst valuable time in sourcing critical market information.**

# Networking: Dealmakers Expo – 2013 Schedule

The original forum for buying and selling prospects & properties.



PLS' Regional Expos include 80-120 booths and 800-1,200 viewers.

## 2013 DEALMAKERS CALENDAR

<b>DALLAS</b>	WED, JAN 16	<b>HILTON ANATOLE</b>
<b>DENVER</b>	TUE, APR 18	<b>SHERATON DWTN</b>
<b>CALGARY</b>	TUE, APR 30	<b>TELUS CENTER</b>
<b>HOUSTON</b>	WED, MAY 15	<b>HYATT REGENCY</b>
<b>DALLAS</b>	THUR, JUL 18	<b>HILTON ANATOLE</b>
<b>CALGARY</b>	THUR, SEP 19	<b>HYATT REGENCY</b>
<b>HOUSTON</b>	WED, OCT 02	<b>HYATT REGENCY</b>
<b>DENVER</b>	TUE, NOV 05	<b>HYATT REGENCY</b>

Dates subject to change.



## 2 Marketing & Transaction Services

- PLS marketing arms offer traditional divestments (properties, working interests, overrides, etc.), prospect brokerage and midstream asset sale services.
- PLS has handled >850 engagements worth ~\$5 billion.
- PLS marketing and transaction business is leveraged and supported by PLS' other service platforms including information and advisory services.

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### 3 Advisory & Consulting Services

- PLS offers business advise, technical support, engineering, geological and land services on an hourly or monthly basis.
- PLS' capital arm can help clients formulate the right strategy, construct a business plan, source financing and execute the right capital raise.
- PLS' buy-side arm can assist companies in originating a transaction

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# Latest Transactions

PLS has recently closed three (3) larger transactions for various clients.

**\$62,500,000**

Buyer



Delaware Basin

Seller



Seller Advisor

**PLS**

**October 2011**

**\$608,000,000**

Buyer



Wheatland Natural Gas Reserves

Seller



Buyer Advisor

**PLS**

**April 2012**

**\$65,800,000**

Buyer



Wolfberry Assets, Midland Co.

Seller

**Private Company**

Seller Advisor

**PLS**

**February 2012**

## Global O&G Transactions 2012 Review

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Record deal values, deal count down 20%.

January 14, 2013

## Current Market Observations

### Fundamentals are in place for a continued fast pace



#### Global Market

- The effort to secure global oil supplies, feedstock for LNG and low cost North American natural gas lead to a record year of deal making at \$254 billion (beating prior record of \$212 billion in 2010).
- The record year is due in large part to three mega deals for \$97 billion.
  - Rosneft/TNK-BP (\$62 billion), CNOOC/Nexen (\$18 billion) and Freeport McMoRan/Plains E&P (\$17 billion)
- Deal making encouraged by a highly stable oil price in 2012 and a bottoming in North American natural gas.



#### US Market

- Stable market with 2012 total deal value of \$83 billion, same number as in 2011.
- Gulf of Mexico sees a renaissance in deal making as activity returns back to normal.
- Unconventional pure acreage deals slow significantly as capital directed more to drilling.



#### Canada Market

- Canadian deal making surges 200% as foreign buyers (China, Asia and US) buy corporate deals.
- Landmark deals include CNOOC/Nexen (\$18 billion), Petronas/Progress (\$6 billion), ExxonMobil/Celtic (\$3 billion)
- Canadian officials approve 2012 foreign deals but signal to markets that this may be the end of a trend.

#### Outlook and drivers

- Buying by Asia and China NOCs expected to continue unabated.
- A bottoming of North American gas prices in 2012 should encourage more transactions going forward.
- The need to secure LNG feedstock to supply gas to growing markets in Europe and Asia will drive deal flow.
- Major exploratory discoveries in East Africa and Eastern Mediterranean will also drive deal flow.
- Unconventional land grab in US is slowing as several major basins are in full development mode.
- Currently the inventory of assets globally stands at \$85 billion — a number smaller than that experienced in the last two years.

## 2012 Global M&A Review

### Transaction marketplace – Quick Highlights

**Record \$254 billion in 2012 – up 50% from 2011.**

**But deal activity slows to levels last seen in 2010.**

**More large deals as in 2010, versus smaller deals in 2011.**

**In 2012, US markets stay even, Canada up 200%, North Sea down, Australia up.**

**Corporate deals account for 58%, up from 47% in 2011. US acreage deals slow.**

**Conventional deals increase to 69% of market, versus 57% in 2011.**

**Asian and Chinese NOCs buying sets a record at \$49 billion.**

**\$85 Billion Deals in Play.**

**Deal Value.** Global M&A deals totaled \$254 billion in 2012, up 50% from \$170 billion in 2011 and up 20% from prior record of \$212 billion in 2010.

**Deal Count.** Total deal count in 2012 down 20% to 679 vs. 842 deals in 2011. Deal counts on par with 684 in 2010, the year after the financial meltdown in the US markets.

**Deal Size.** 46 deals top the \$1 billion mark, 175 are between \$100 million and \$1 billion and 458 are less than \$100 million. Deal counts similar to 2010. More smaller deals done in 2011 (655 were less than \$100 million).

**Region.** US completes \$82.8 billion in 2012, remarkably stable compared to \$83 billion in 2011. Canada's large deals vault 2012 to \$50.2 billion, the highest since 2007's \$43.6 billion and up 200% from \$17 billion in 2011. Russia unusual year with TNK-BP. North Sea slightly down, Australia up.

**Deal Type.** More corporate deals in 2012 accounting for 58% of the market compared to 47% in 2011. In the US, corporate deals flat year over year at 42% and acreage deals down to 3% (or \$2.8 billion) versus 7% (or \$5.8 billion) in 2011

**Resource.** In 2012, deals for conventional assets increase to 69% of global market, versus 57% in 2011.

**Buyers.** Asian and Chinese NOCs buying continues strengthening to a record \$49 billion, versus \$24 billion in 2011 and \$39 billion in 2010 (prior record year). Other top buyers include private equity backed firms and select US major oil companies (ExxonMobil, Shell).

**Deals In Play.** Inventory of Deals in Play drops from \$127 billion in mid-October 2012 to \$85 billion at January 2012 as the high level of acquisitions in Q4 2012 took out a significant overhang of inventory.



## Global Deal Value and Count

2012 record year for deal value at \$254 Billion on 679 deals

Global Deal Values						
US\$ billion	2007	2008	2009	2010	2011	2012
United States	\$49.7	\$47.5	\$61.7	\$75.5	\$83.0	\$82.8
Canada	\$43.6	\$15.3	\$34.8	\$35.0	\$16.9	\$50.2
Former Soviet Union	\$35.7	\$8.7	\$19.9	\$32.1	\$13.1	\$75.5
South/Central America	\$5.2	\$4.1	\$3.3	\$29.0	\$12.6	\$4.9
Africa	\$7.7	\$6.5	\$15.5	\$10.0	\$9.5	\$10.0
North Sea/ Europe	\$9.4	\$9.0	\$7.0	\$7.2	\$14.7	\$11.6
Australia	\$0.8	\$20.6	\$3.6	\$9.4	\$5.4	\$12.9
Asia	\$2.5	\$2.9	\$3.1	\$11.8	\$11.5	\$3.7
Middle East	\$0.7	\$2.5	\$1.6	\$1.9	\$2.9	\$2.5
<b>Total:</b>	<b>\$155.3</b>	<b>\$117.1</b>	<b>\$150.4</b>	<b>\$211.8</b>	<b>\$169.6</b>	<b>\$254.1</b>

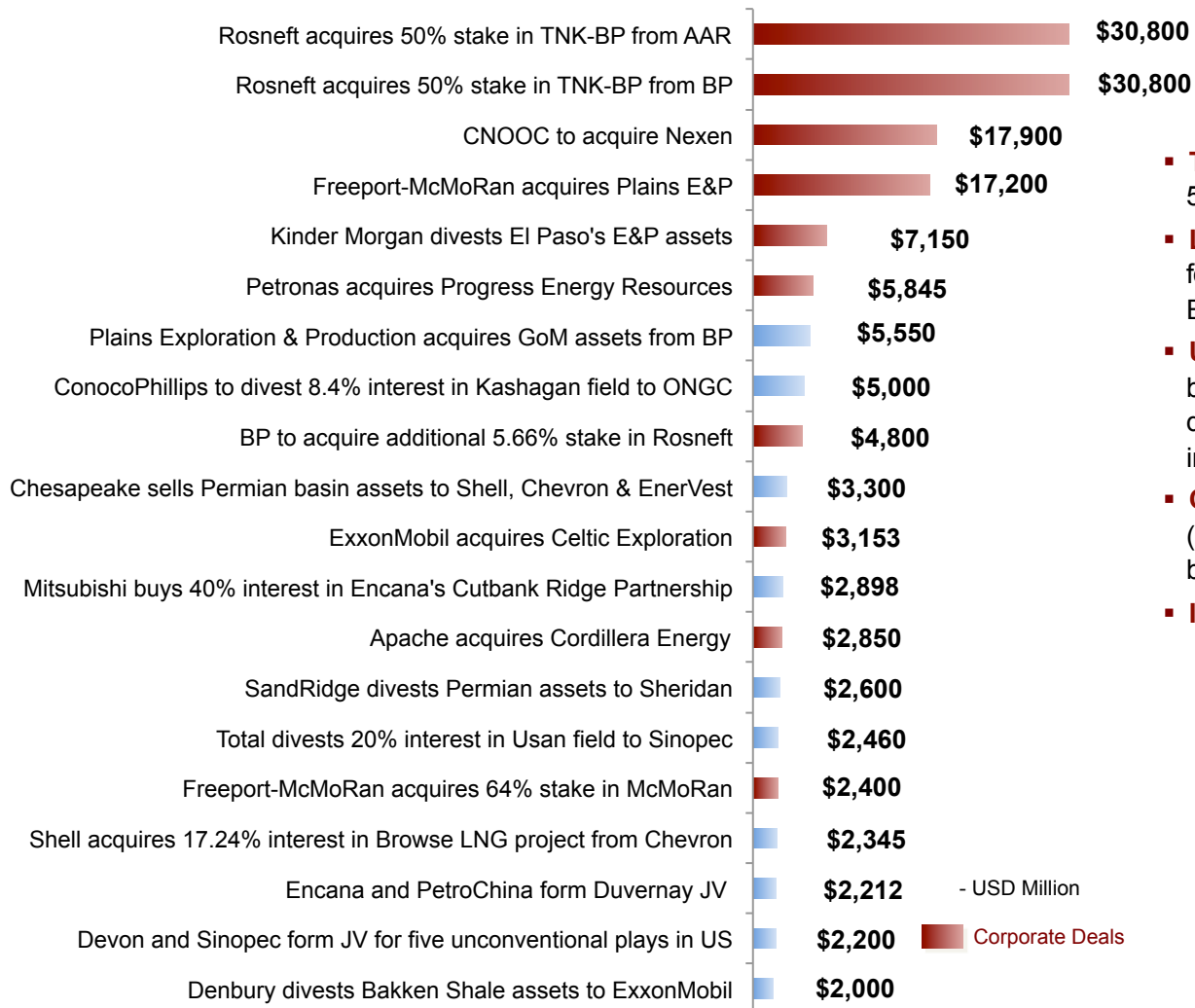
Global Deal Count						
	2007	2008	2009	2010	2011	2012
>\$100 million	172	164	131	231	187	221
<\$100 million	307	345	346	453	655	458
Undisclosed Value	331	320	271	322	486	391
<b>Total</b>	<b>810</b>	<b>829</b>	<b>748</b>	<b>1006</b>	<b>1328</b>	<b>1070</b>

### Comments:

- Backing out the \$61.6 billion Rosneft/TNK-BP puts 2012 deal value at \$192.5 billion.
- In 2012, deal count for large deals increased 18% over 2011 while deal count for small deals decreased 30%.
- Remarkably stable year for the US at \$83 billion while Canada and Former Soviet Union set new records.

## Top 20 Global E&P Transactions: 2012

### Large corporate takeovers drive record year for total deal value



- **Top 10** deal values total \$128 billion or 51% of the total market.
- **Largest Deal:** Rosneft's \$61.6 billion for TNK-BP, second largest deal since Exxon's \$81 billion buy of Mobil in 1998.
- **US deals:** Freeport McMoRan's \$17.2 billion buy of Plains E&P, largest US deal since Exxon's \$41 billion XTO buy in 2009.
- **Canadian deals:** CNOOC-Nexen (\$17.9 billion); Petronas-Progress (\$5.8 billion); ExxonMobil-Celtic (\$3.2 billion).
- **International deals:**
  - Russia: Rosneft buys TNK-BP from BP and AAR for \$61.6 billion
  - Kazakhstan: India's ONGC buys interest in Kashagan from ConocoPhillips for \$5 billion
  - Nigeria: Sinopec buys 20% interest in Usan field from Total

## Top 10 International Transactions: 2012

Rosneft buy of TNK-BP in Russia is top deal.



Date	Buyers	Sellers	Value (\$MM)	Country	Type	Comment
10/22/12	Rosneft	BP	\$30,800	Russia	Corporate M&A	Rosneft buys 50% stake in TNK-BP from BP
10/22/12	Rosneft	Alfa Group; Access Ind. Inc; Renova Group	\$30,800	Russia	Corporate M&A	Rosneft buys 50% stake in TNK-BP from AAR
11/26/12	ONGC (India)	ConocoPhillips	\$5,000	Kazakhstan	Development	ConocoPhillips to divest 8.4% interest in Kashagan field to ONGC
10/22/12	BP	Rosneft	\$4,800	Russia	Corporate M&A	BP to acquire additional 5.66% stake in Rosneft
11/19/12	Sinopec	Total	\$2,460	Nigeria	Producing fields	Total divests 20% interest in Usan field to Sinopec
8/20/12	Shell	Chevron	\$2,345	Australia	Development	Shell acquires 17.24% interest in Browse LNG project from Chevron
4/30/12	Mitsubishi; Mitsui	Woodside	\$2,000	Australia	Development	Mitsubishi and Mitsui acquire 14.7% interest in Browse LNG Project from Woodside
10/31/12	CNOOC (China)	BG	\$1,930	Australia	Development	CNOOC acquires additional interest in QCLNG from BG
8/20/12	Chevron	Shell	\$1,895	Australia	Development	Chevron acquires 33.3% interest in Clio-Acme fields from Shell
12/20/12	Oando Energy Resources	ConocoPhillips	\$1,790	Nigeria	Producing fields	ConocoPhillips divests assets in Nigeria to Oando Energy
Total:			<b>\$83,820</b>			


### Comments:

Note: Metrics are after Royalty or Government take.

- Rosneft's \$61.6 billion buy of Russia's TNK-BP is second largest deal recorded, behind Exxon's \$81 billion buy of Mobil in 1998.
- The drive to secure LNG feedstock fuels a high level of activity in Australia.
- Most large deals either corporate or development driven. Exceptions are in Nigeria with Sinopec buying into Usan field and Oando buying ConocoPhillips' assets.

## Top 10 US Transactions: 2012

Mix of buyers including new entrants and private equity




Date	Buyers	Sellers	Value (\$MM)	Region	Type	\$/BOE	\$/Daily BOE	\$/Acre	% Oil Prod.	Comment
12/5/12	Freeport-McMoRan Copper & Gold Inc	Plains E&P	\$17,200	Multiple	Corp.	\$17.93	\$60,288	\$2,705	69%	Freeport-McMoRan acquires Plains E&P
2/24/12	Apollo Global Management LLC; Riverstone Holdings LLC; Access Industries Inc; KNOG	Kinder Morgan Inc	\$7,150	Multiple	Corp.	\$8.83	\$40,000	\$757	15%	Kinder Morgan divests El Paso's E&P assets
9/4/12	Plains E&P	BP	\$5,550	Gulf of Mexico (Deep)	Prop.	\$24.90	\$47,525		84%	Plains Exploration & Production acquires GoM assets from BP
9/12/12	Shell; Chevron; EnerVest Management Partners	Chesapeake	\$3,300	Permian (Unconv.)	Prop.	\$14.91	\$58,375	\$1,000	58%	Chesapeake sells Permian basin assets to Shell, Chevron and EnerVest
1/23/12	Apache	Cordillera Energy Partners	\$2,850	Mid-Continent	Corp.	\$15.10	\$60,000	\$6,969	53%	Apache acquires Cordillera Energy
12/19/12	Sheridan Production Partners II	SandRidge Energy	\$2,600	Permian	Prop.	\$16.46	\$94,739	\$2,500	82%	SandRidge divests Permian assets to Sheridan
12/5/12	Freeport-McMoRan Copper & Gold Inc	McMoRan	\$2,400	Gulf of Mexico (Shallow)	Corp.	\$25.00	\$42,045		35%	Freeport-McMoRan buys remaining 64% stake in McMoRan Exploration
1/3/12	Sinopec	Devon Energy	\$2,200	Multiple	JV			\$5,388		Devon and Sinopec form JV for five unconventional plays in US
9/20/12	ExxonMobil	Denbury Resources Inc	\$2,000	Bakken Shale	Prop.	\$10.90	\$75,714	\$4,835	88%	Denbury divests Bakken Shale assets to ExxonMobil
10/22/12	Halcon Resources Corp	Petro-Hunt LLC; Undisclosed Seller	\$1,450	Bakken Shale	Prop.	\$18.62	\$75,230	\$9,000	88%	Halcon Resources acquires Bakken assets from Petro-Hunt
			<b>Total: \$46,700</b>			<b>Mean</b>	<b>\$16.46</b>	<b>\$61,546</b>		
						<b>Median</b>	<b>\$16.46</b>	<b>\$60,000</b>		

- The Top Ten Deals accounted for 57% of total deal value for 2012.
- Freeport-McMoRan's buy of both Plains E&P and McMoRan Exploration is the surprise large deal of the year and the largest since ExxonMobil's \$41billion buy of XTO in December 2009.
- Both SandRidge Energy and Chesapeake sell Permian basin oil-weighted proved assets.
- Top regions of activity are the Gulf of Mexico, Permian and Bakken.



## Top 10 Canada Transactions: 2012

### Asian and Chinese NOCs strong buyers



Date	Buyers	Sellers	Value (\$MM)	Region	Type	\$/2P BOE	\$/Daily BOE	\$/Acre	% Oil Prod.	Comment
7/23/12	CNOOC	Nexen	\$17,900	Oilsands	Corp.				84%	CNOOC acquires Nexen
6/28/12	Petronas	Progress Energy Resources Corp	\$5,845	Montney	Corp.	\$5.79	\$40,000	\$2,711	15%	Petronas acquires Progress Energy Resources
10/17/12	ExxonMobil	Celtic Exp. Ltd	\$3,153	Montney	Corp.	\$8.00	\$64,000	\$3,280	25%	ExxonMobil acquires Celtic Exploration
2/17/12	Mitsubishi	EnCana	\$2,898	Montney	JV	\$6.00		\$13,685	0%	Mitsubishi acquires 40% interest in Encana's Cutbank Ridge Partnership
12/13/12	Petro China	EnCana	\$2,212	Duvernay	JV			\$9,961		Encana & PetroChina form Duvernay JV
3/23/12	Pengrowth	NAL Energy Corp	\$1,909	Multiple	Corp.	\$15.02	\$52,311	\$318	49%	Pengrowth Energy acquires NAL Energy
11/28/12	Imperial Oil	ExxonMobil	\$1,550	Montney	Corp.	\$8.00	\$64,000	\$3,199	25%	Imperial Oil acquires 50% stake in Celtic from ExxonMobil
10/17/12	Undisclosed Buyer	Penn West Petroleum Ltd.	\$966	Saskatchewan	Prop.	\$21.47	\$97,034		93%	Penn West Petroleum sells non-core assets
1/3/12	CNPC (Petro-China)	Athabasca Oil Sands Corp	\$667	Oilsands	Prop.	\$4.35			100%	Athabasca Oil Sands divests 40% interest in MacKay River project to PetroChina
4/19/12	Toyota Tsusho Corp	EnCana	\$608	Coalbed Methane	Royalty					Toyota Tsusho buys 32.5% royalty interest in Canada CBM project from EnCana
			<b>Total: \$37,708</b>			<b>Mean</b>	<b>\$9.80</b>	<b>\$63,469</b>		
						<b>Median</b>	<b>\$8.00</b>	<b>\$64,000</b>		

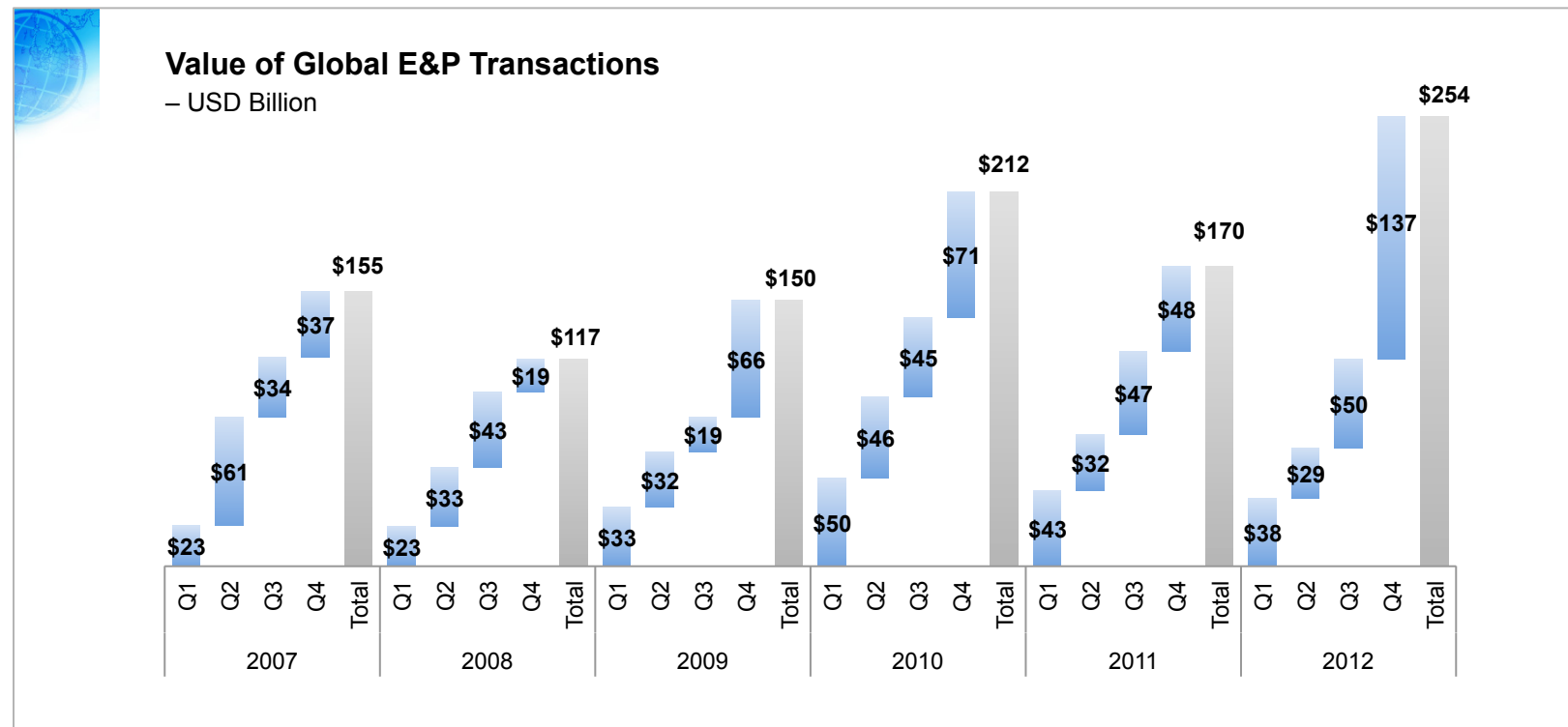
Note: Figures in U.S. Dollars.

#### Comments:

- The Top Ten Deals account for 75% of total deal value in 2012, versus 62% in 2011.
- CNOOC's \$17.9 billion buy of Nexen is Canada's landmark deal of the year.
- Corporate takeover activity running high – Nexen, Progress Energy, Celtic and NAL all sold in 2012.
- Encana is active as company embraces joint ventures as a capital efficient way to exploit its large land base.

## Global Quarterly Deal Value

Q4 2012 surge catapults full year to record year

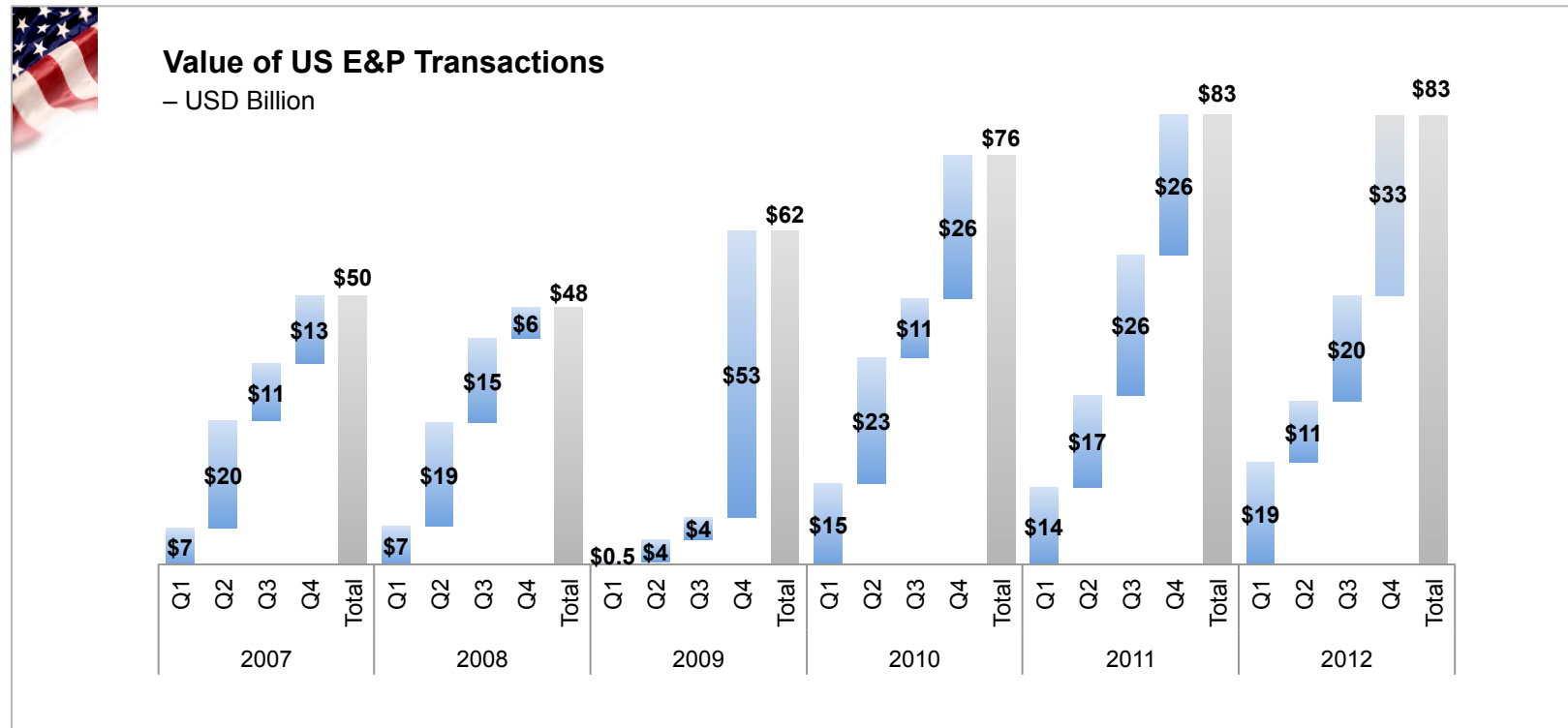


### Comments:

- Full year 2012 sets a record at \$254 billion, catapulted by record \$137 billion in Q4 2012.
- Q4 2012 includes \$62 billion Rosneft buy of TNK-BP and Freeport-McMoRan's \$20 billion buy of Plains E&P and McMoRan Exploration.

## US Quarterly Deal Value

2012 even with 2011 at \$83 billion

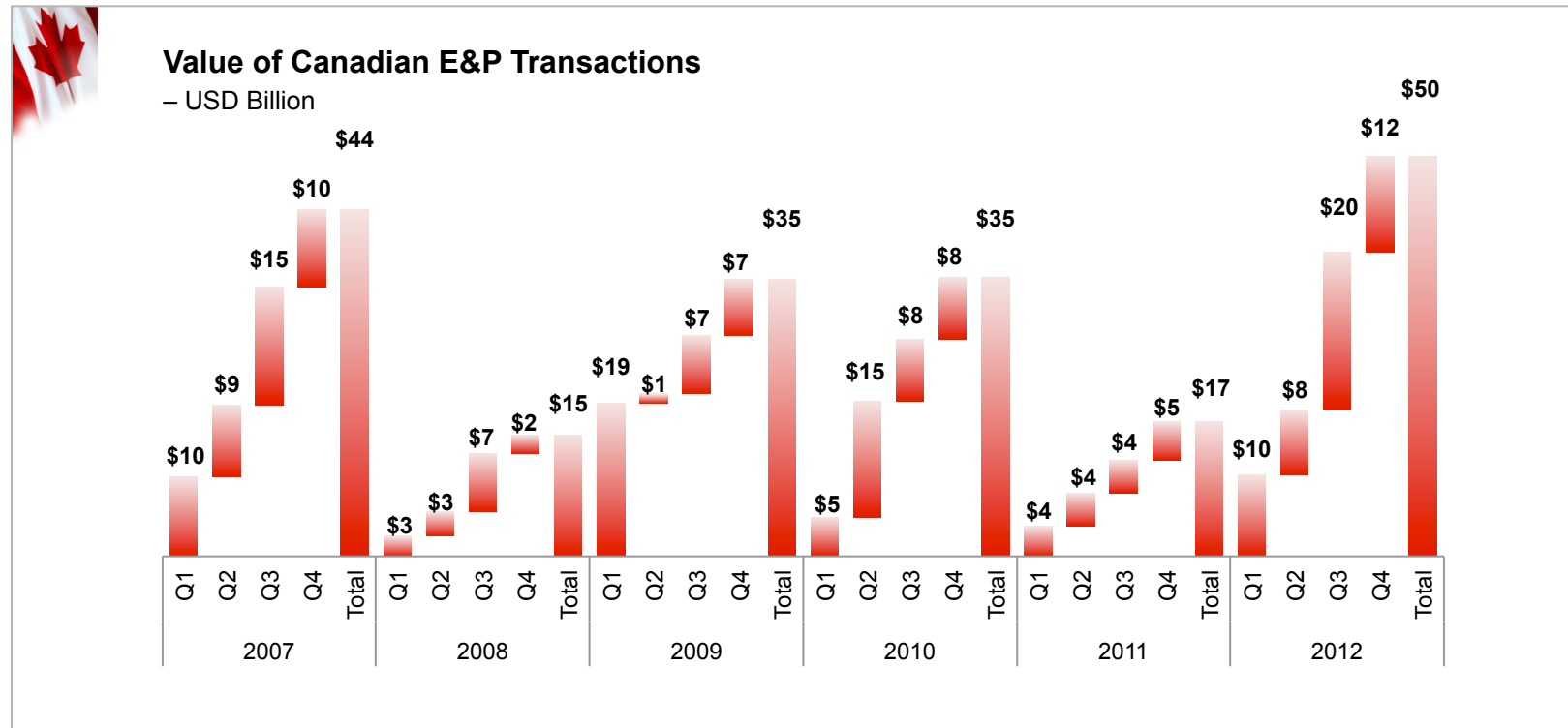


### Comments:

- Deal value in the US of \$83 billion in 2012 is even with 2011.
- Q4 2012 very active with sellers concerned about US fiscal cliff and President Obama's second term.
- Oil prices remarkably stable in 2012 (WTI averaged \$94.19/bbl) versus 2011 (WTI \$95.00/bbl).
- Henry Hub spot gas prices down to \$2.79/MMbtu in 2012 versus \$4.04/MMbtu in 2011.

## Canada Quarterly Deal Value

Annual deal values up 200% over 2011



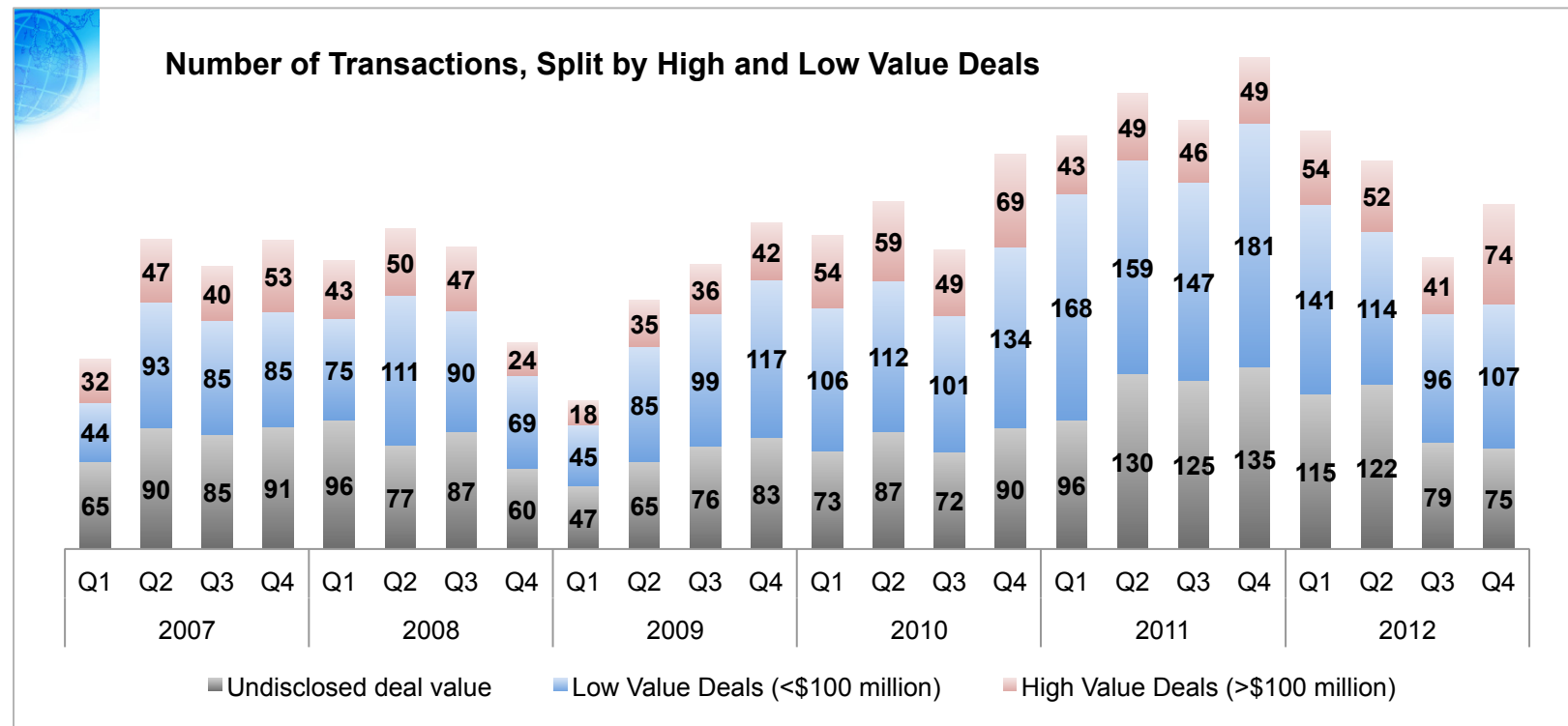
### Comments:

- Full year deal value of \$50 billion is up 200% over 2011 and strongest year since 2007.
- Deal activity heightened by large foreign buyers – CNOOC \$17.9 billion buy of Nexen, Petronas' \$5.8 billion buy of Progress Energy and ExxonMobil \$3.2 billion buy of Celtic Exploration.
- Buyers attracted to a combination of a large resource base, low point in gas prices and access to skilled workers and infrastructure. AECO-C prices averaged C\$2.43/MMbtu in 2012 versus C\$3.72/MMbtu in 2011.



## Global Quarterly Deal Count: By Deal Value

Overall deal count down 20% versus 2011, but large deals drive the market

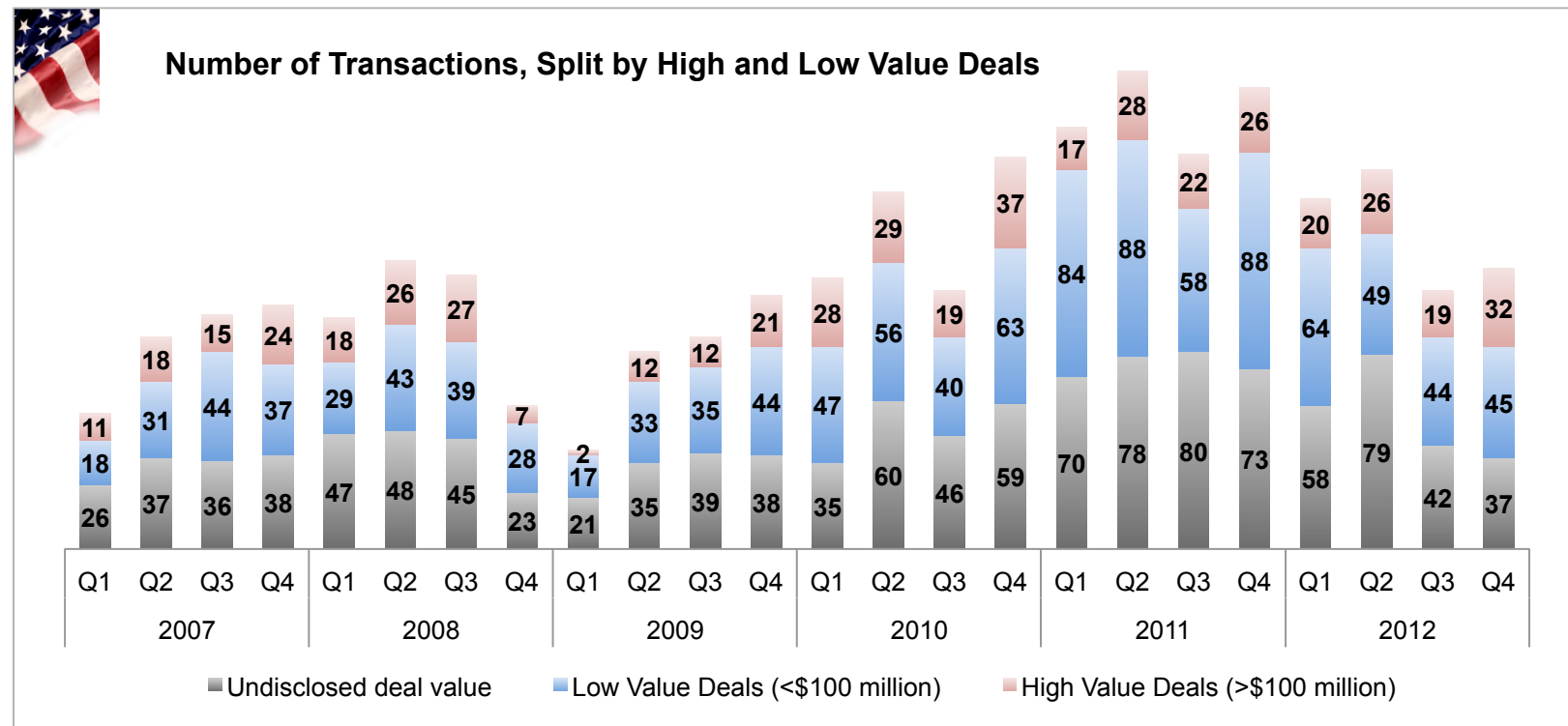


### Comments:

- Overall, 2012 market impacted by high value deals (up 18%) while low value deals declined by 30%.
- 1,070 total deals recorded in 2012 lower than 1,328 in 2011 and comparable to 1,006 in 2010
- 2012 high value deals (>\$100 million) total 221, up from 187 in 2011 and marginally below 231 in 2010.
- 2012 low value deals (<\$100 million) total 458, lower than 655 in 2011 and comparable 453 in 2010.

## US Quarterly Deal Count: By Deal Value

Deal counts down in 2012 by 28%

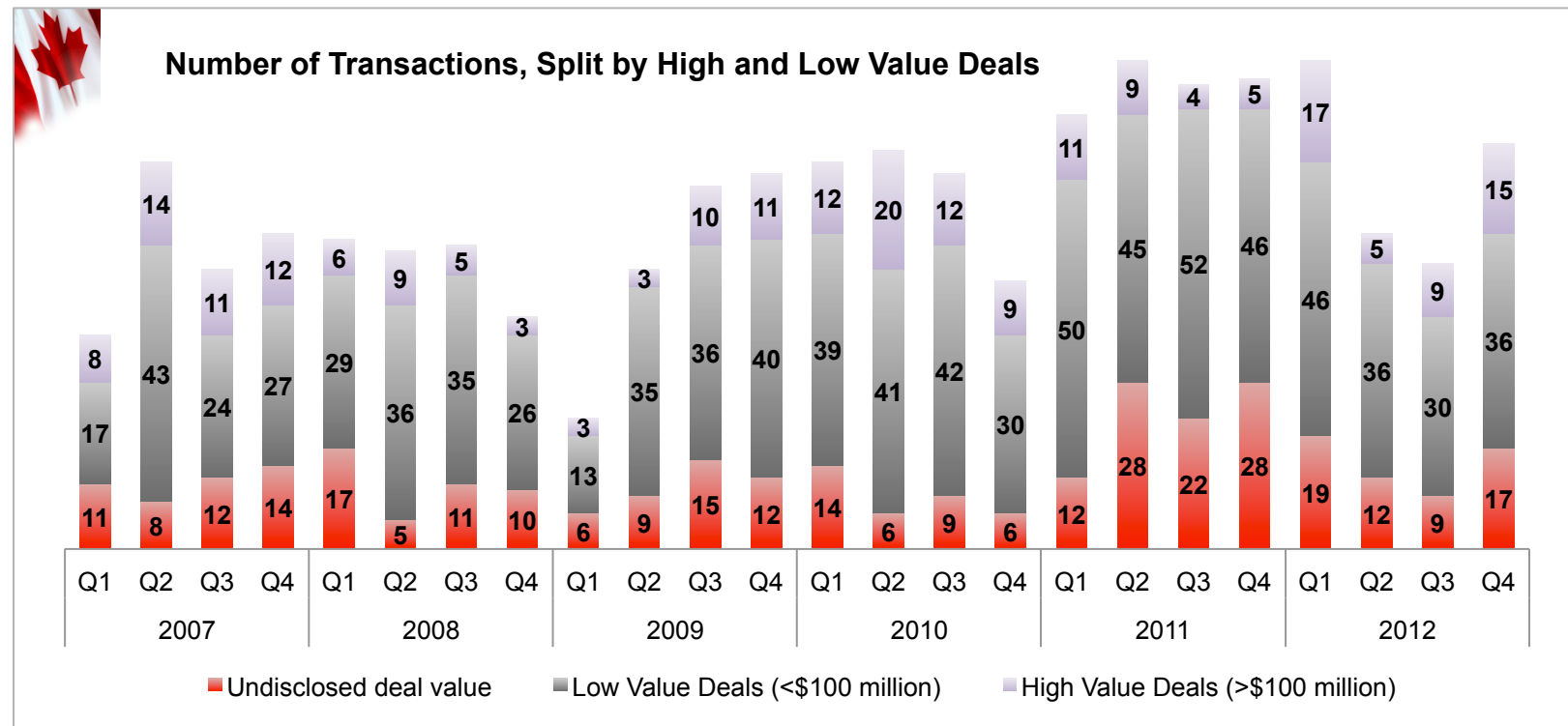


### Comments:

- While 2012 total deal value of \$83 billion matched 2011, overall deal count slowed by 28%.
- 2012 high value deals (>\$100 million) total 97, versus 93 in 2011 and 113 in 2010.
- 2012 low value deals (<\$100 million) total 202 down 36% from 318 in 2011 and in line with 206 in 2010.

## Canada Quarterly Deal Count: By Deal Value

Canada deal count down 20% versus 2011

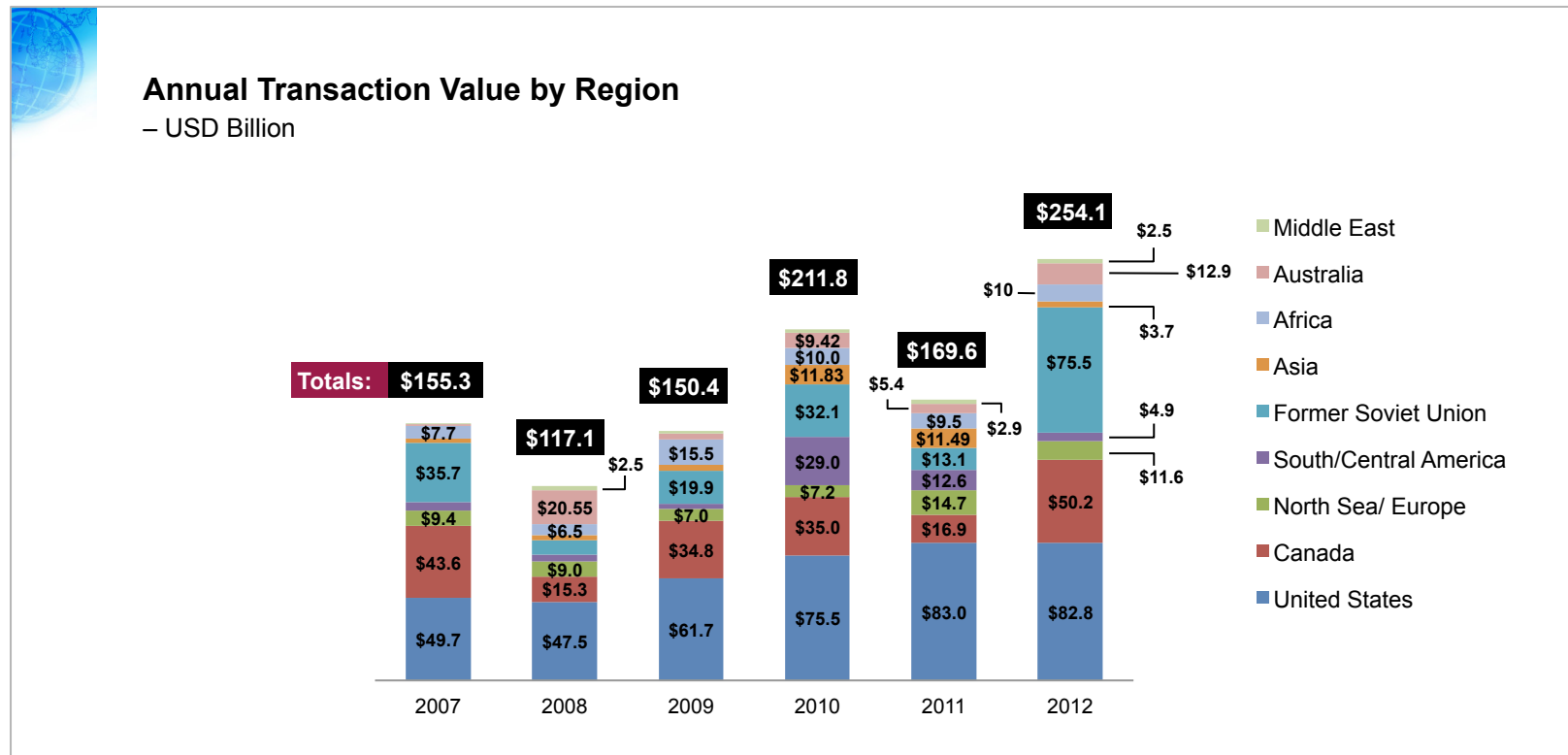


### Comments:

- While 2012 total deal value of \$50 billion was up 200% from 2011's \$17 billion, overall deal count slowed by 20%.
- 2012 high value deals (>\$100 million) total 46, versus 29 in 2011 and 53 in 2010.
- 2012 low value deals (<\$100 million) total 148 down 23% from 193 in 2011 and in line with 152 in 2010.

## Global Regional M&A Activity by Deal Value

US flat, Canada triples, Russia anomaly

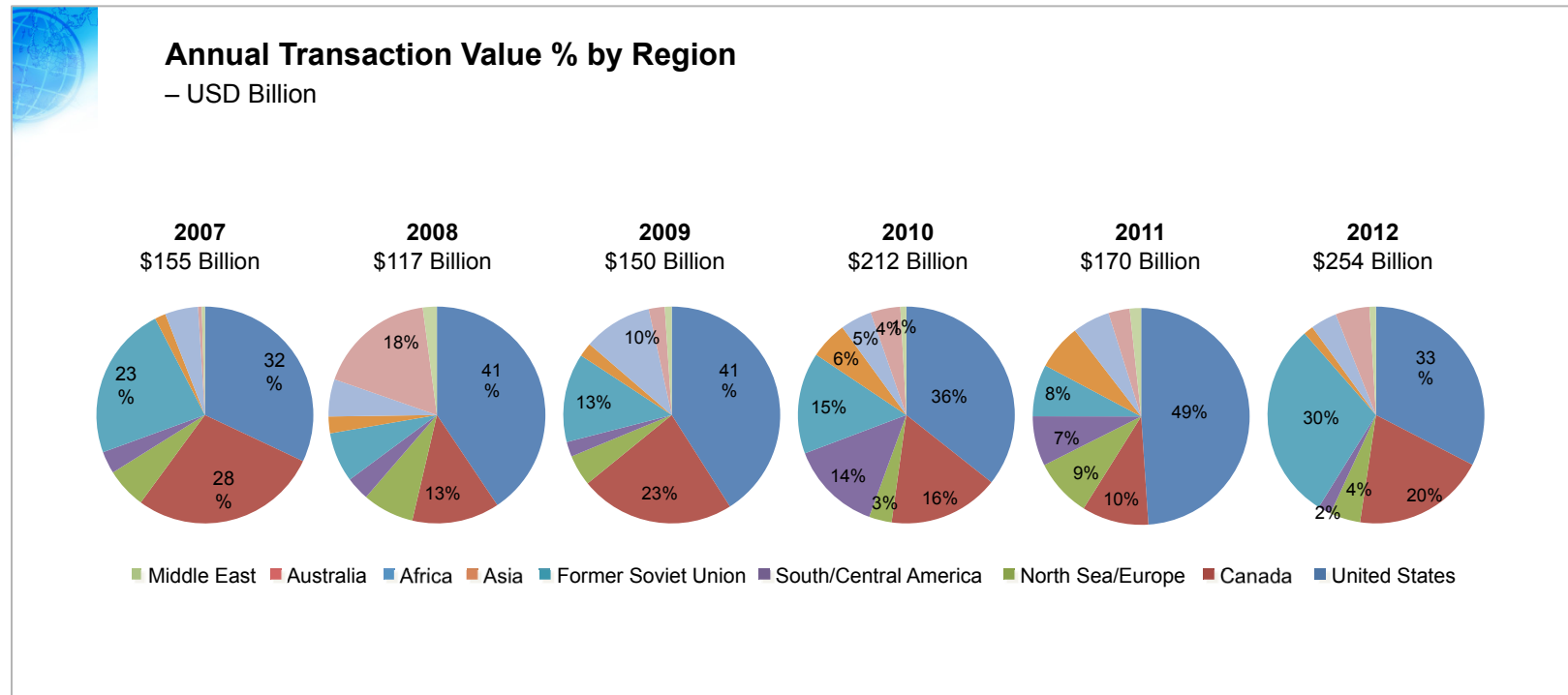


### Comments:

- US deal value stable at \$82.8 billion in 2012 versus \$83 billion in 2011.
- Canada deal value surges to \$50.2 billion versus \$16.9 billion in 2011.
- Former Soviet Union has an anomalous year impacted by Rosneft's \$61.2 billion mega deal for TNK-BP.
- Australia up 140% to \$12.9 billion, North Sea/Europe down 21% to \$11.6 billion and South/Central America down 61% to \$4.9 billion.

## Global Regional M&A Activity by Percentage

Rosneft's \$61.2 billion buy of TNK-BP skews 2012 results

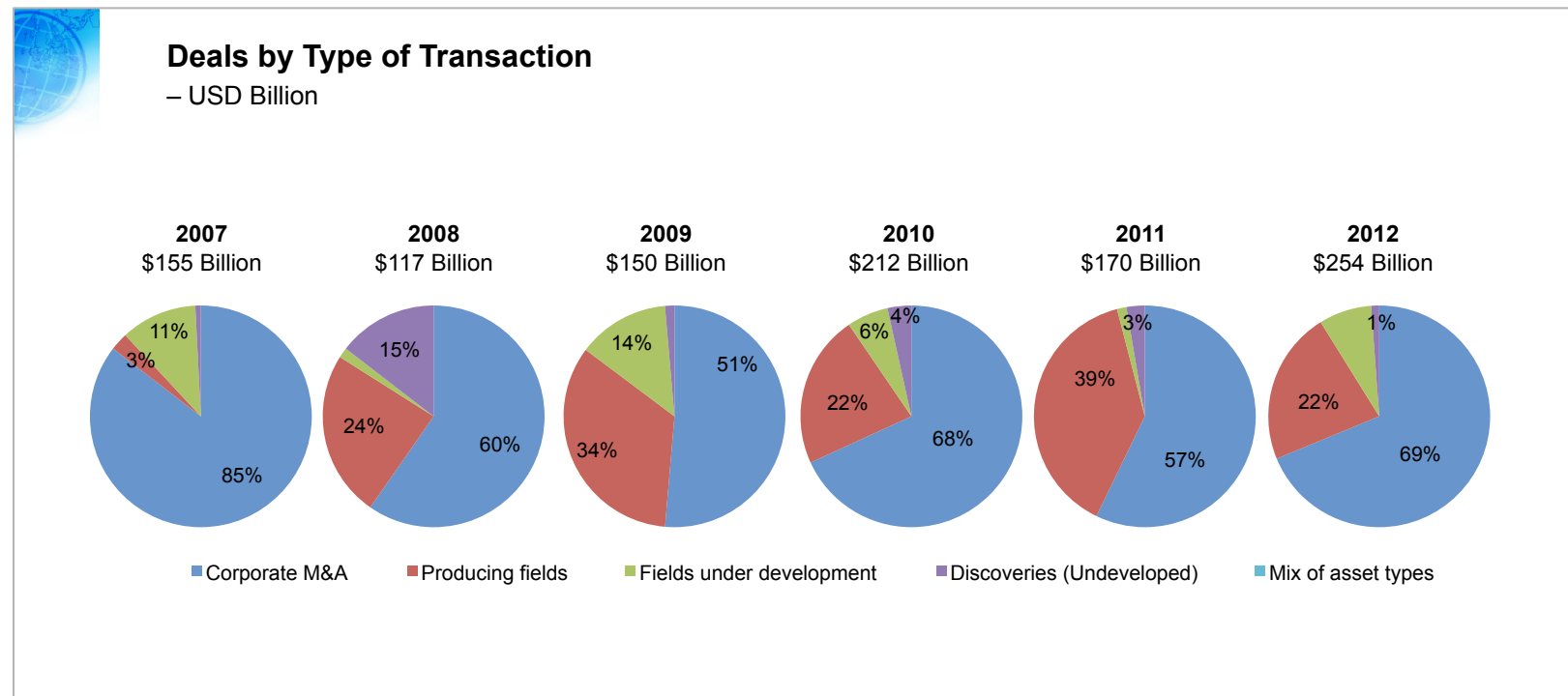


### Comments:

- Excluding Rosneft's \$61.2 billion buy of TNK-BP (Russia), deal value adjusts to \$192 billion.
- At \$192 billion, US share drops YOY to 43% and Canada's shares increases to 26%.
- At \$192 billion, the other top regions in 2012 are FSU (7.2%), Australia (6.7%), North Sea/Europe (6.0%).

## Global Transactions by Type

Excluding Rosneft/TNK-BP deal, corporate share is 44% in 2012



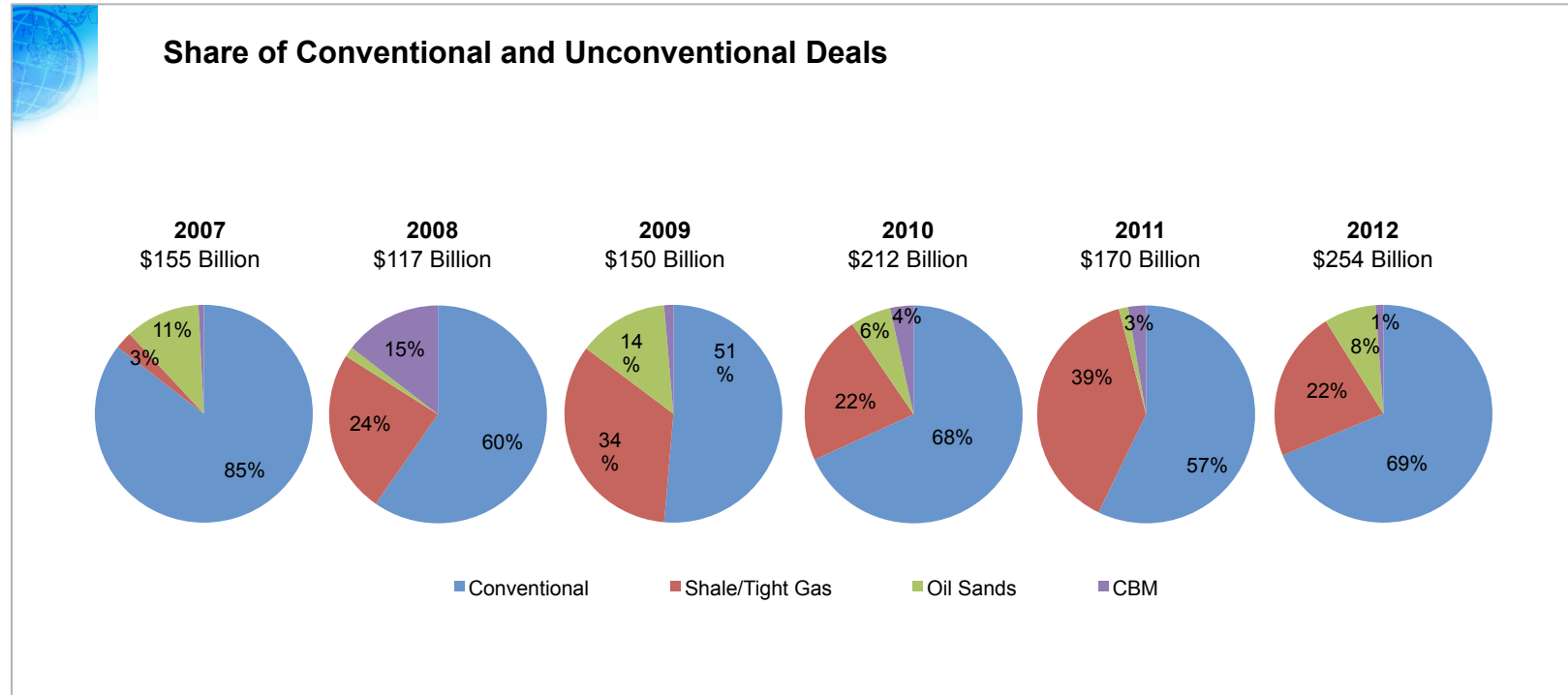
### Comments:

- Corporate deals account for 69% share in 2012; excluding the \$61.6 billion Rosneft/TNK-BP deal, corporate deals at 44% share in 2012.
- In 2012 there were 15 corporate transactions each over \$1.0 billion. These large deals total \$131 billion.
- In the US, corporate deals at 42% share of a \$83 billion market — same as in 2011.



## Conventional vs. Unconventional

Conventional assets still take nearly 70% of the global market

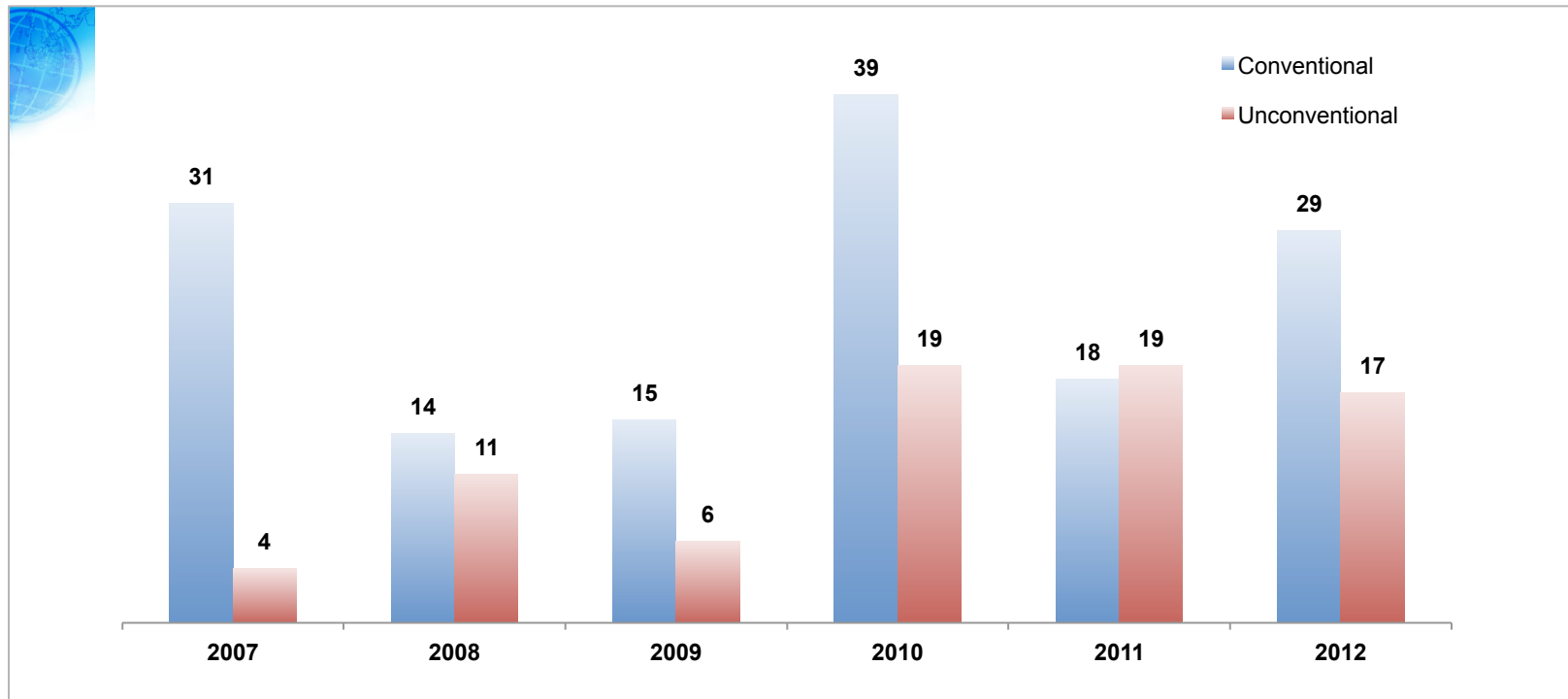


### Comments:

- Conventional deals account for \$174 billion, or 68%, of the market in 2012.
- Shale and tight gas transactions decreased to \$57 billion in 2012, vs. \$66 billion in 2011.
- Oil sands deals surge in 2012 to a record \$20 billion — buoyed by a stable and economic oil price.
  - We classified the \$17.9 billion CNOOC/Nexen transaction as an oil sands deal.

## Conventional vs. Unconventional Deals: >\$1 Billion

Large corporate conventional deals return



### Comments:

- For deals over \$1.0 billion, 29 are conventional and 17 are unconventional — a shift towards large conventional deals compared to 2011.
- The pace of deals over \$1.0 billion at 46 in 2012 is still down 20% from the record year of 2010.

## Conventional vs. Unconventional: United States

In 2012, conventional deals surpassed unconventional for the first time since 2008

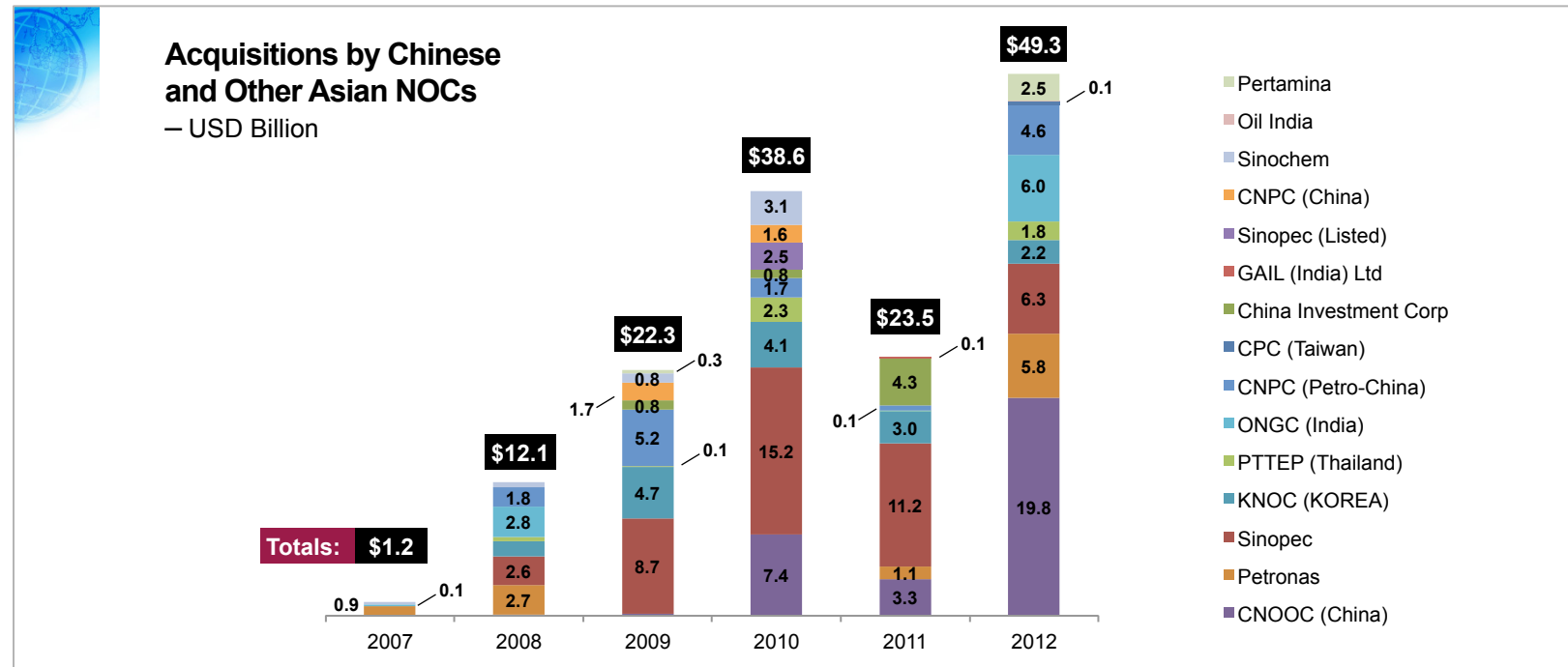
United States Unconventional Deals (US\$MM)						
	2007	2008	2009	2010	2011	2012
Bakken	\$118	\$2,072	\$50	\$4,762	\$7,162	\$6,876
Barnett	\$1,229	\$2,582	\$3,223	\$2,443	\$2,317	\$937
Coalbed Methane	\$1,117	\$830	\$10	\$1,496	\$151	\$126
Eagle Ford			\$46	\$9,501	\$7,265	\$1,949
Fayetteville	\$440	\$2,879	\$1	\$650	\$4,771	
Haynesville		\$5,224	\$1,786	\$2,062	\$870	
Marcellus		\$4,437	\$1,526	\$20,488	\$7,921	\$805
Mississippian					\$1,957	\$785
Niobrara				\$134	\$1,795	\$518
Permian (Unconventional)		\$565	\$16	\$2,086	\$4,048	\$6,557
Tuscaloosa Shale		\$8			\$168	\$20
Utica				\$5	\$3,964	\$2,065
Woodford	\$53	\$2,227		\$166	\$5	\$1,225
Other	\$1,238	\$23	\$11	\$528	\$1,537	\$5,674
Multiple	\$10	\$1,880	\$41,000	\$314	\$17,631	\$10,563
<b>Total:</b>	<b>\$4,206</b>	<b>\$22,726</b>	<b>\$47,668</b>	<b>\$44,636</b>	<b>\$61,562</b>	<b>\$38,098</b>

United States Conventional Deals (US\$MM)						
Alaska	\$453		\$1		\$50	\$375
Eastern	\$3,243	\$187	\$269	\$475	\$9	\$179
GC Onshore	\$4,390	\$1,823	\$1,508	\$2,852	\$1,528	\$1,264
Gulf of Mexico (Deep)	\$6,187	\$1,381	\$200	\$4,545	\$290	\$7,200
Gulf of Mexico (Shallow)	\$2,357	\$4,214	\$558	\$3,010	\$1,230	\$5,414
Mid-Continent	\$7,268	\$6,331	\$1,610	\$2,861	\$3,110	\$3,787
Permian	\$8,402	\$2,051	\$2,837	\$8,991	\$1,981	\$3,839
Rockies	\$6,058	\$2,579	\$6,432	\$1,833	\$2,299	\$3,326
West Coast	\$216	\$135	\$277	\$47	\$1,520	\$399
Multiple	\$6,924	\$6,107	\$297	\$6,259	\$9,409	\$18,924
<b>Total:</b>	<b>\$45,498</b>	<b>\$24,809</b>	<b>\$13,990</b>	<b>\$30,874</b>	<b>\$21,426</b>	<b>\$44,708</b>

## Chinese and Asian NOC Acquisitions

Buying continues unabated and sets a record

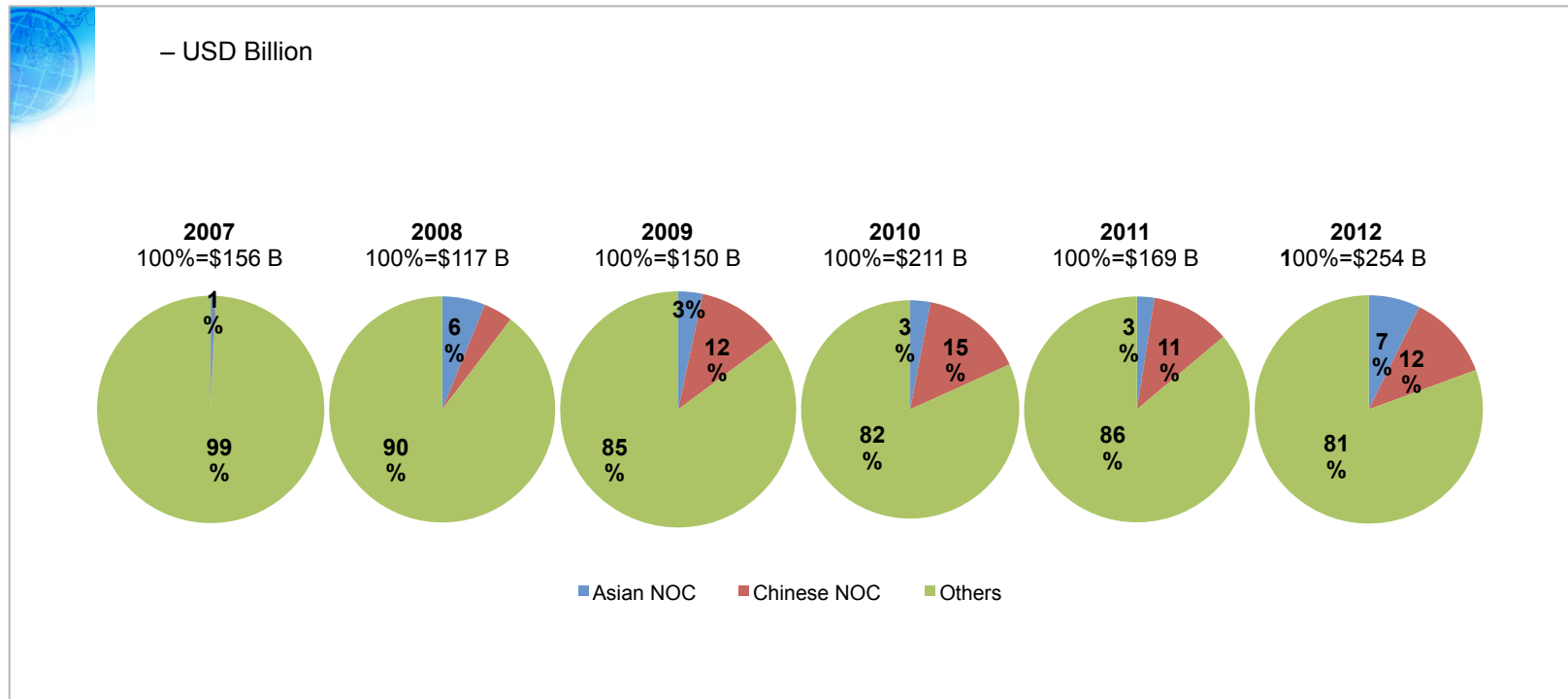


### Comments:

- Chinese and Asian NOC buyers set a record in 2012 at \$49 billion.
- CNOOC strikes largest deal to date with \$17.9 billion buy of Nexen.
- For the years 2007-2012, the biggest buyers have been Sinopec (\$44 billion), CNOOC (\$31 billion), KNOC (\$15 billion), CNPC (\$14 billion) and Petronas (\$10 billion).

## Chinese and Asian NOC share of Global Market

### Chinese share growing since 2007

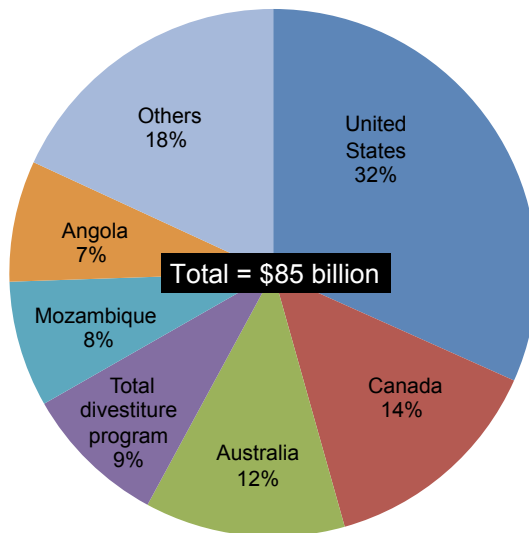


#### Comments:

- Since 2007, Asian NOCs have bought \$42 billion and Chinese NOCs have bought \$105 billion (Total \$147 billion).
- Chinese NOCs \$31 billion of buys in 2012 falls short of a recent record of \$32 billion in 2010.
- Asian NOCs \$19 billion of buys in 2012 easily surpassed its prior record of \$7 billion in 2008.
- Together this set of buyers are approaching 20% of the global market in 2012.

## Global Deals In Play: \$85 Billion

Inventory down from October 1, 2012 tally of \$127 billion



### North America

- See Slide 24 for United States and Canada.

### Australia

- PetroFrontier considering strategic alternatives
- Larus Energy to farm-out three offshore blocks
- Origin and ConocoPhillips selling additional stake in Queensland's APLNG

### Total S.A.

- Total seeking to divest \$15 - \$20 billion in non-core assets across its global portfolio, including R&M and Chemical assets

### Mozambique

- Videocon seeking buyer for 10% of Rovuma offshore Area-1

### Others

#### Europe

- BHP Billiton selling UK North Sea assets
- Tullow Oil selling UK and Dutch North Sea gas assets
- Talisman exiting Poland
- RWE selling nine blocks offshore Spain

#### Russia

- Hess to exit Russia

#### Iraq

- ExxonMobil selling West Qurna-1

#### Ivory Coast

- Rialto seeks to farm-out discovery

#### Equatorial Guinea

- Ophir Energy planning to farm out Block R

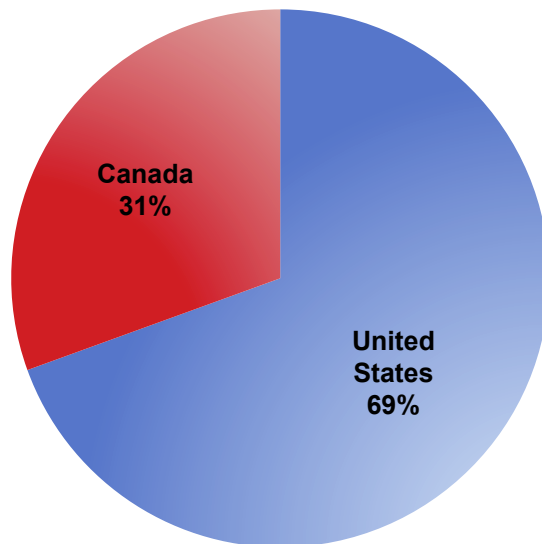
### Comments:

- The inventory of deals in play drops 33% to \$85 billion as of Jan 1, 2013 vs. \$127 billion as of Oct 1, 2012.
- The drop in inventory is largely due to many deals getting done in Q4 2012 and a lack of significant new announcements.
- We expect new asset sale announcements to hit the market as companies finalize their 2013 operational and investing plans.



## North American Deals In Play: \$39 Billion

Inventory down from October 1 tally of \$45 billion



### United States

- Petrobras selling deepwater GOM assets
- Range Resources selling select Permian basin assets
- J Cleo Thompson selling select Midland basin assets
- Chesapeake selling Woodford assets
- Statoil selling certain West Texas assets
- Pioneer Natural Resources selling Barnett assets
- Consol Energy selling non-core US assets
- ZaZa selling Eagle Ford prospects
- Southwestern seeking Brown Dense partner
- Quicksilver seeking Barnett JV partner
- Goodrich Petroleum selling Cotton Valley and seeking Tuscaloosa and Pearsall JV partners
- Beacon and partners selling Barnett

### Canada

- MFC Energy selling Alberta assets
- Sonde Resources looking for strategic alternatives
- Talisman seeking Montney and Duvernay JV partners
- Southwestern Energy selling New Brunswick acreage
- Novus Energy looking for strategic alternatives
- Alberta Oilsands Inc. looks for strategic alternatives for oilsands assets
- Chinook Energy selling non-core Alberta and BC assets
- Ravenwood seeking strategic alternatives
- Longview selling Duvernay acreage
- Murphy Oil selling interest in Syncrude and Montney assets

### Comments:

- The US tally is \$27 billion at January 1, 2012, same as October 1, 2012 tally.
- Canada's tally dropped to \$12 billion versus \$18 billion on October 1, 2012.
- The US market is well supplied with acreage deals and Canada has numerous corporate opportunities.



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### Contact:

Ronyld W. Wise  
Email: [rwise@plsx.com](mailto:rwise@plsx.com)  
+1-713-658-9421

Brian Lidsky  
Email: [blidsky@plsx.com](mailto:blidsky@plsx.com)  
+1-713-600-0140

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### Contact (Asia):

Yashodeep Deodhar  
Email: [yashodeep@derrickpetroleum.com](mailto:yashodeep@derrickpetroleum.com)  
+91-98456-55034

### Contact (Europe):

Danny Ghale  
Email: [danny.ghale@1Derrick.com](mailto:danny.ghale@1Derrick.com)  
+44-(0)-207-993-5652

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