

2013 SPEE Annual Meeting

Coeur d'Alene, Idaho

A&D Market Update & Valuation Metrics for Oil & Gas Properties

June 11, 2013

Chris Simon

Managing Director and Co-Head of Acquisitions & Divestitures

Houston
5847 San Felipe Rd.
Suite 1800
713-278-5202

Dallas
2001 Ross Ave.
Suite 4550
214-720-1314

Calgary
707 8th Ave. S.W.
Suite 2500
403-509-0500

St. Petersburg
880 Carillon Pkwy.
Tower III
727-567-1000

TABLE OF CONTENTS

SECTION 1		Raymond James albrecht Introduction
SECTION 2		A&D Market Update
SECTION 3		A&D Transactions – 2012 Review <ul style="list-style-type: none">• By Basin• By Seller• By Buyer
SECTION 4		A&D Transactions – 2013 YTD
SECTION 5		Valuation Methodologies

SECTION 1



Raymond James | albrecht Introduction



THE LARGEST, MOST EXPERIENCED and MOST TECHNICALLY ORIENTED
ACQUISITION & DIVESTITURE TEAM

ACQUISITIONS & DIVESTITURES // ADVISORY PRACTICE



Bob Albrecht
President,
Co-Head of A&D
713.951.9586

Chris Simon
Managing Director,
Co-Head of A&D
713.278.5206

Harrison Williams
Executive Vice President,
Co-Head of A&D
713.951.9586

RAYMOND JAMES ENERGY GROUP

SINCE ITS FORMATION IN 1994, THE RJ ENERGY TEAM HAS BUILT A STRONG FRANCHISE ACROSS MULTIPLE ENERGY SUB-SECTORS

Energy Group

E&P

ES&E

Midstream

Coal

Energy Investment Banking

- 45 professionals in Houston and Dallas
- Senior energy bankers average over 25 years of investment banking experience
- Underwriter or advisor on over 500 energy transactions
- Respected financial advisor to small and middle market energy companies
- Dedicated acquisition and divestiture advisory practice, Raymond James | albrecht

Energy Research

- 23 professionals across all industry groups in Houston
- Analysts with multiple *StarMine* and *Wall Street Journal* “Best on the Street” awards
- Over 180 energy companies under research coverage
- Bullish on long-term energy fundamentals

A&D ADVISORY PRACTICE OVERVIEW

FULL SUITE OF TECHNICAL ABILITIES & TOOLS

- 22 technical and marketing professionals
- More than 500 years of cumulative experience
- Full suite of technical abilities:
 - Reservoir engineering
 - Geologic mapping
 - Graphics capabilities
 - Seismic workstations
- What sets us apart?
 - One of largest A&D firms: 11 engineers, 5 geoscientists
 - Ability to leverage E&P bankers C-level relationships
 - Extensive (reservoir engineering) experience
 - Repeat clients and buyers
 - Continued involvement from managing directors on all transactions

Recently Closed or Closing Transactions

<p>Pending</p> <p>SAN SABA RESOURCES</p> <p>Sell-side advisory mandate Sale of Horizontal Wolfbone assets</p> <p>Financial Advisor</p>	<p>Closing</p> <p>BLACK DIAMOND MINERALS, LLC</p> <p>Sell-side advisory mandate Sale of Rockies assets Sublette, Lincoln & Sweetwater Counties</p> <p>Financial Advisor</p>	<p>Closing</p> <p>Riverbend Riverbend Exploration & Production, L.L.C.</p> <p>Sell-side advisory mandate Sale of Permian, Fayetteville, and diversified assets</p> <p>Financial Advisor</p>	<p>Closing</p> <p>HVL HVL Energy, LLC</p> <p>Sell-side advisory mandate Sale of Permian Basin assets</p> <p>Financial Advisor</p>
<p>March 2013</p> <p>TEXOZ E&P 1611, INC.</p> <p>Has been acquired by</p> <p>SUNDANCE</p> <p>Financial Advisor</p>	<p>December 2012</p> <p>CEP Chalko Energy Partners III</p> <p>Sold Texas Panhandle assets to</p> <p>JONES</p> <p>Financial Advisor to Chalko Energy Partners</p>	<p>December 2012</p> <p>GRENADIER ENERGY PARTNERS, LLC</p> <p>Sold Marcellus assets to</p> <p>Statoil</p> <p>Financial Advisor to Grenadier</p>	<p>December 2012</p> <p>Windsor Windsor Ohio LLC</p> <p>Sold Non-Operated Utica Acreage Eastern Ohio</p> <p>\$300,000,000</p> <p>Financial Advisor to Windsor</p>
<p>December 2012</p> <p>HALLIBURTON</p> <p>Halliburton Energy Services, Inc. Sold Bakken & Three Forks assets MT, ND, WY</p> <p>Financial Advisor to Halliburton</p>	<p>November 2012</p> <p>EXL PETROLEUM</p> <p>ExL Petroleum, LP Sold Wolfbone assets Reeves County</p> <p>\$292,000,000</p> <p>Financial Advisor to ExL</p>	<p>July 2012</p> <p>ANTELOPE ENERGY COMPANY</p> <p>Antelope Permian, LLC Sold horizontal Wolfcamp assets Irtion County</p> <p>Financial Advisor to Antelope</p>	<p>July 2012</p> <p>G.A.W. OIL CO.</p> <p>G.A.W. Oil Co. Sold Mississippian Lime Acreage Oklahoma</p> <p>Financial Advisor to G.A.W.</p>
<p>May 2012</p> <p>ADDISON OIL, LLC</p> <p>Addison Oil, LLC Sold Gulf Coast Oil, Hardin, Newton & Tyler Counties, TX Beauregard Parish, LA</p> <p>Financial Advisor</p>	<p>May 2012</p> <p>COMSTOCK RESOURCES</p> <p>Comstock Resources Sold assets in Tyler & Polk Counties, TX and Lincoln Parish, LA</p> <p>\$118,000,000</p> <p>Financial Advisor to Comstock</p>	<p>May 2012</p> <p>EXL PETROLEUM</p> <p>ExL Petroleum, LP Sold Wolfbone assets Reeves County</p> <p>\$75,000,000</p> <p>Financial Advisor to ExL</p>	<p>May 2012</p> <p>NORSE ENERGY</p> <p>Norse Energy Corp Sold Harkimer Production New York</p> <p>Financial Advisor to Norse</p>

CURRENTLY MARKETED DEALS



FIDELITY E&P COMPANY

Data Room Open: June 6th - July 10th
Bids Due: July 17th
Big Horn Basin Asset Divestiture
Proved Reserves of 25 MMBOE
February 2013 Production of ~ 763 BOE/d



CAERUS OIL & GAS, LLC

Data Room Open: May 20th - June 21st
Bids Due: July 2nd
Kansas Oil Properties
Proved Reserves of 3.0 MMBOE
Current Net Production of ~ 480 BOE/d



PERFORMANCE ENERGY RESOURCES

Data Room Open: May 30th - July 2nd
Bids Due: July 10th
Osage Co., OK
~77,000 Gross Acres, 92% HBP
20.5 MMBoe Proved Reserves
May 2013 Net Production: 1,100 Boe/d



BLACK DIAMOND MINERALS

Closing!
Rockies
Sublette, Lincoln & Sweetwater Counties, WY
31,000 Gross Acres/~25,000 Net Acres
December 2012 average net sales of 2.4 MMCFPD,
24 BOPD and 280 BNGLPD
Proved Reserves of 25 BCF, 130 MBO and 3,100 MBNGL

SAN SABA RESOURCES, LLC

SAN SABA RESOURCES

Data Room Open: Mar 18th - Apr 26th
Bids Due: May 1st
Horizontal Wolfbone Play
Reeves County, TX
13,000 Gross Acres, 10,200 Net Acres



RIVERBEND E&P LLC

Closing!
Non-Operated Working Interest Divestiture
Permian, Fayetteville and Diversified Assets
Proved Reserves of 150.8 BCFe
Current Net Production of 18.8 MMCFPD

Banner Oil and Gas, LLC

BANNER OIL & GAS, LLC

Coming Soon!
Banner Oil and Gas, LLC
Oklahoma and Texas
8.3 MMboe proved reserves
Current net production of 547 Boe/d



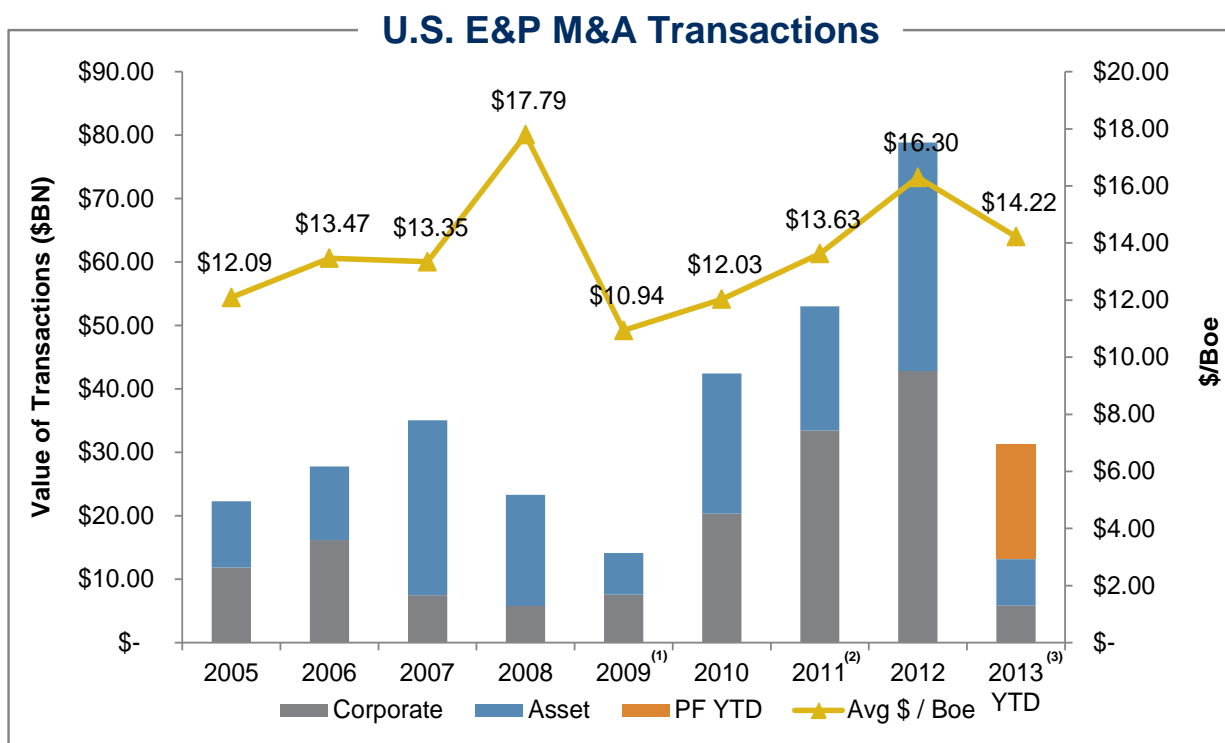
SECTION 2



A&D Market Update

2005 – 2013 YTD U.S. E&P M&A TRANSACTIONS

2012 TOTAL OF \$78.90 BN IN TRANSACTIONS EXCEEDED 2011 TOTAL OF \$53.05 BN



2012 Summary

- **Corporate Deals:**
\$42.83 BN
- **Asset Deals:**
\$36.07 BN
- **Total Deals Value:**
\$78.90 BN
- **Projected 2013 Value:**
\$31.22 BN

Source: IHS Herold & Raymond James. Deals represent domestic corporate and onshore asset transactions above \$20 million.

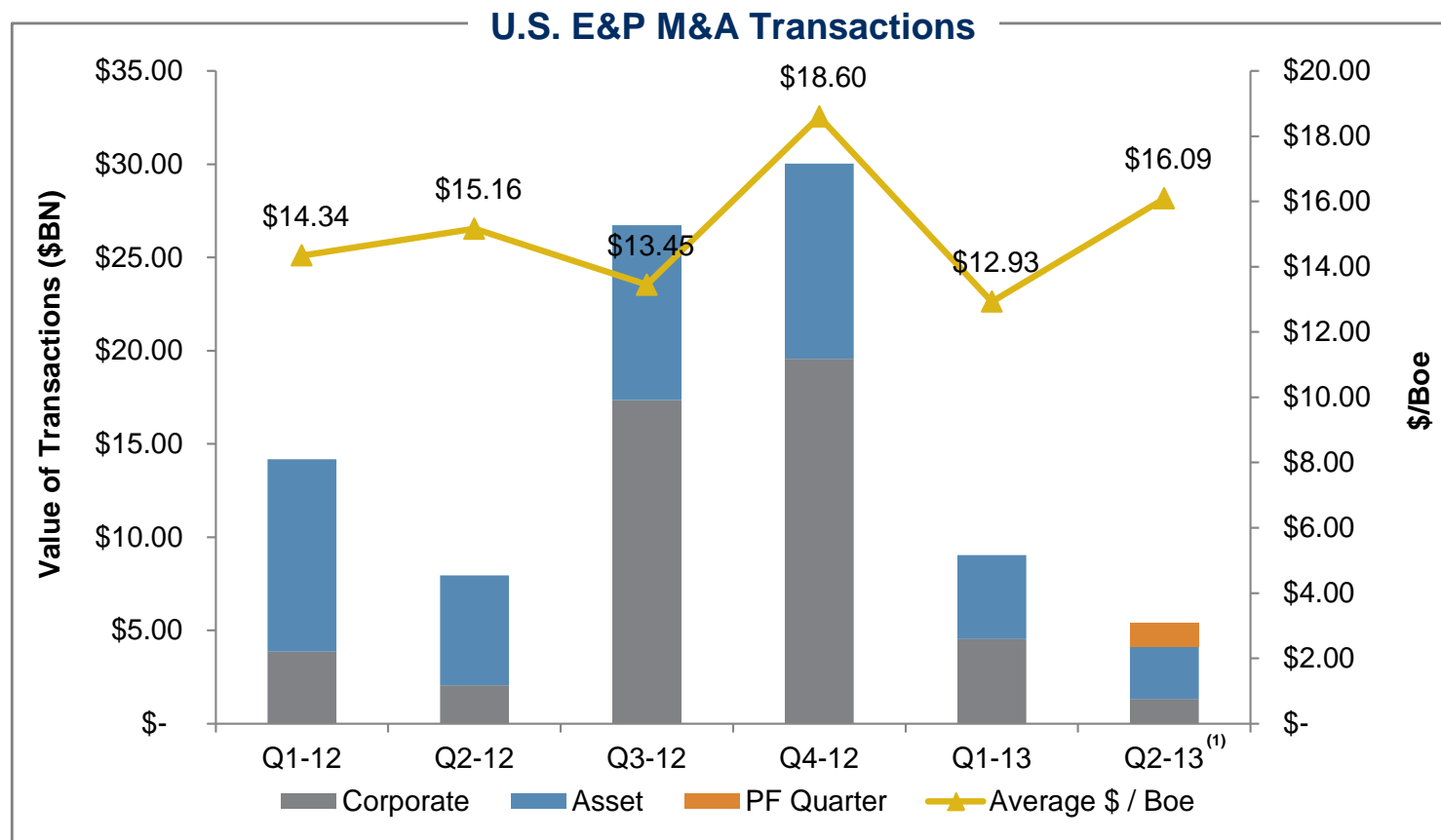
(1) Excludes \$41BN XOM/XTO transaction.

(2) Excludes \$38BN KMI/EP transaction.

(3) 2013 YTD as of 6/3/13.

2012 – 2013 YTD U.S. E&P M&A TRANSACTIONS BY QUARTER

2013 Q1 TOTAL OF \$9.04 BN IN TRANSACTIONS FALLS SHORT OF Q1 2012 TOTAL OF \$14.17 BN



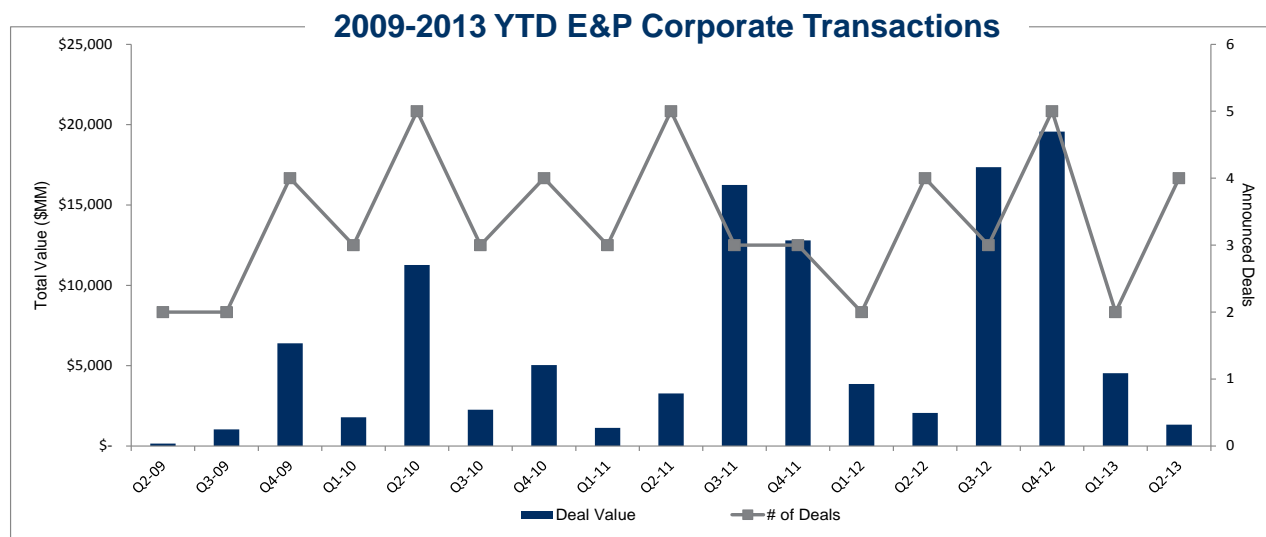
Source: IHS Herold & Raymond James. Deals represent domestic corporate and onshore asset transactions above \$20 million.

(1) Q2-13 as of 6/3/13.

E&P CORPORATE M&A TRENDS

YTD: 6 Transactions

Total Value:
\$5.9 billion



Recently Announced Corporate M&A Transactions

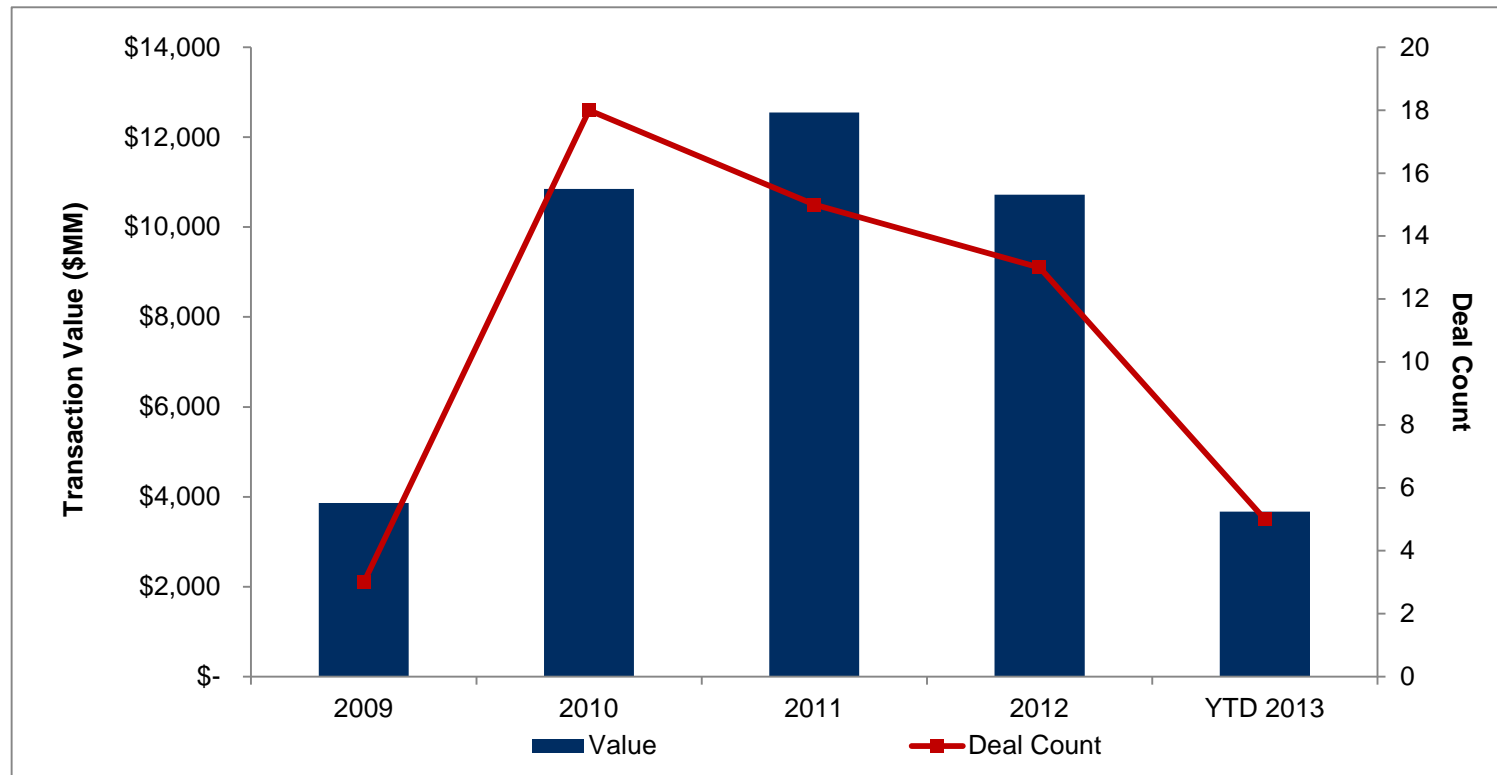
Announced Date	Acquiror	Target	Transaction Value (\$MM)	Valuation			% Oil
				\$/Boe	\$/Boe/d		
5/8/2013	Pioneer Natural Resources Company	Pioneer Southwest Energy Partners LP	\$ 606.9	\$ 25.80	\$ 161,535		86%
4/30/2013	Contango Oil & Gas Company	Crimson Exploration Inc.	428	\$ 16.88	\$ 54,995		47%
4/29/2013	Petro River Oil Corp.	Petro River Oil, LLC	22.0	NA	NA		NA
4/23/2013	Riverstone & Trilantic	Trail Ridge Energy Partners II	275.0	NA	NA		100%
3/27/2013	Post Oak Energy	Titan River Energy	100.0	NA	NA		NA
2/21/2013	Linn Energy	Berry Petroleum	4,427.4	14.22	99,057		74%
12/27/2012	Korea Investment Corporation	Parallel Petroleum LLC	301.6	11.21	92,078		NA
12/17/2012	First Reserve Corporation	TLP Energy LLC	655.0	16.38	100,769		55%
12/5/2012	Freeport-McMoRan Copper & Gold Inc.	Plains Exploration & Production Co.	17,712.4	28.16	87,826		64%
11/15/2012	Armada Oil, Inc.	Mesa Energy Holdings Inc.	35.4	5.70	35,513		62%
11/1/2012	Crescent Point Energy	Ute Energy	861.0	28.34	136,626		88%
9/27/2012	Riverstone Holdings	Kerogen Energy Holdings LLC	200.0	NA	NA		NA
9/17/2012	Natural Gas Partners	Atlantic Operating	150.0	NA	NA		NA
7/23/2012	CNOOC Limited	Nexen	16,998.2	13.02	56,639		91%
6/4/2012	Forestar Group	CREDO Petroleum	146.0	11.24	46,534		48%
5/17/2012	Atlas Resource Partners	Titan Operating	184.1	3.88	40,412		16%
Mean				\$ 15.89	\$ 82,908		66%
Median				14.22	87,826		64%

Source: J.S. Herold

Note: Only includes transactions for which a deal amount was announced and deals larger than \$20 million. As of 6/3/13.

SHALE JOINT VENTURES

- Slowdown in JV activity – Potential buyers are currently participating in existing shale play development
- Average 2013 \$/acre value: \$8,735



2013 average value is lower than 2012 (\$0.73 BN vs. \$0.83 BN)

Source: JS Herold & Raymond James Research.

Note: Deals represent domestic onshore asset transactions only. As of 6/3/13.

RECENT JOINT VENTURE ACTIVITY

Announced Date	Buyer	Seller	US Location	Transaction Value (\$MM)	\$ / Net Acre
4/12/2013			Gulf Coast Onshore	\$ 90.0	\$ 3,273
3/19/2013			Gulf of Mexico	N/A	N/A
3/5/2013	Undisclosed		Deepwater Gulf of Mexico	860.0	N/A
2/25/2013			Mississippian Play	1,020.0	2,400
1/30/2013			Permian Basin	1,700.0	20,531

Source: JS Herold & Raymond James Research. As of 6/3/13.

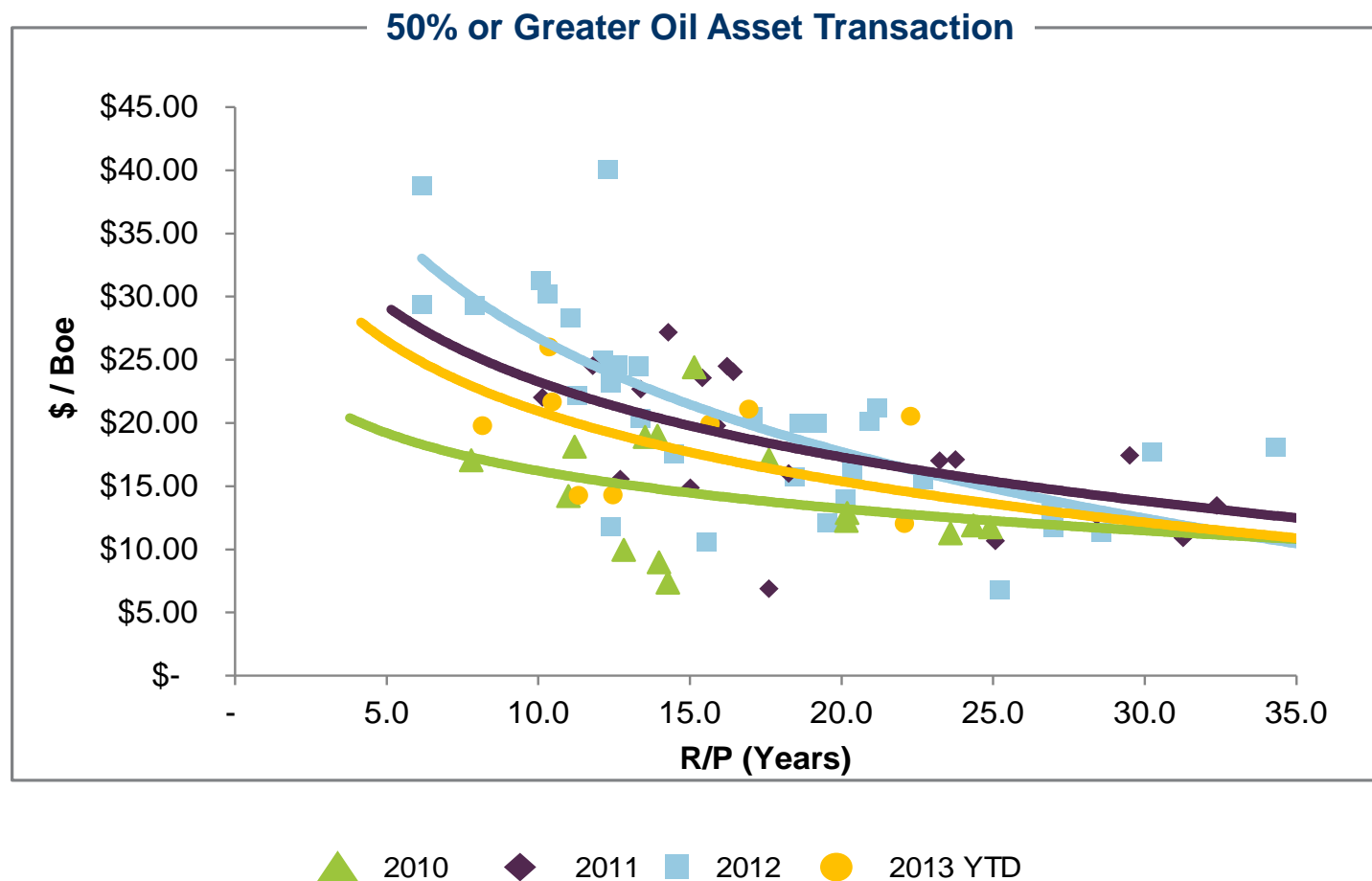
2012 JOINT VENTURE ACTIVITY

Announced Date	Buyer	Seller	US Location	Transaction Value (\$MM)	\$ / Net Acre
11/7/2012			Piceance Basin	\$ 3,640.0	N/A
10/25/2012			Niobrara Shale	27.5	\$ 4,583.3
10/4/2012	 Oil India Limited 		Niobrara Shale	82.5	4,271
8/1/2012			Permian Basin	1,365.0	7,000
7/31/2012			Eagle Ford Shale	216.7	25,000
7/2/2012			Deepwater Gulf of Mexico	556.0	N/A
6/22/2012			Eagle Ford Shale	250.0	14,286
4/9/2012			Green River Basin	380.0	N/A
4/4/2012			Mississippian Play	18.0	2,483
4/3/2012			Powder River Basin	400.0	N/A
3/6/2012			Diversified	250.0	N/A
1/6/2012			Eagle Ford Shale	1,300.0	N/A
1/3/2012			Diversified	2,200.0	5,388

Source: JS Herold & Raymond James Research.

2010 – 2013 YTD U.S. E&P ASSET DEALS: \$ PER PROVED RESERVES

2013 oil-weighted transaction metrics have fallen below prior two years



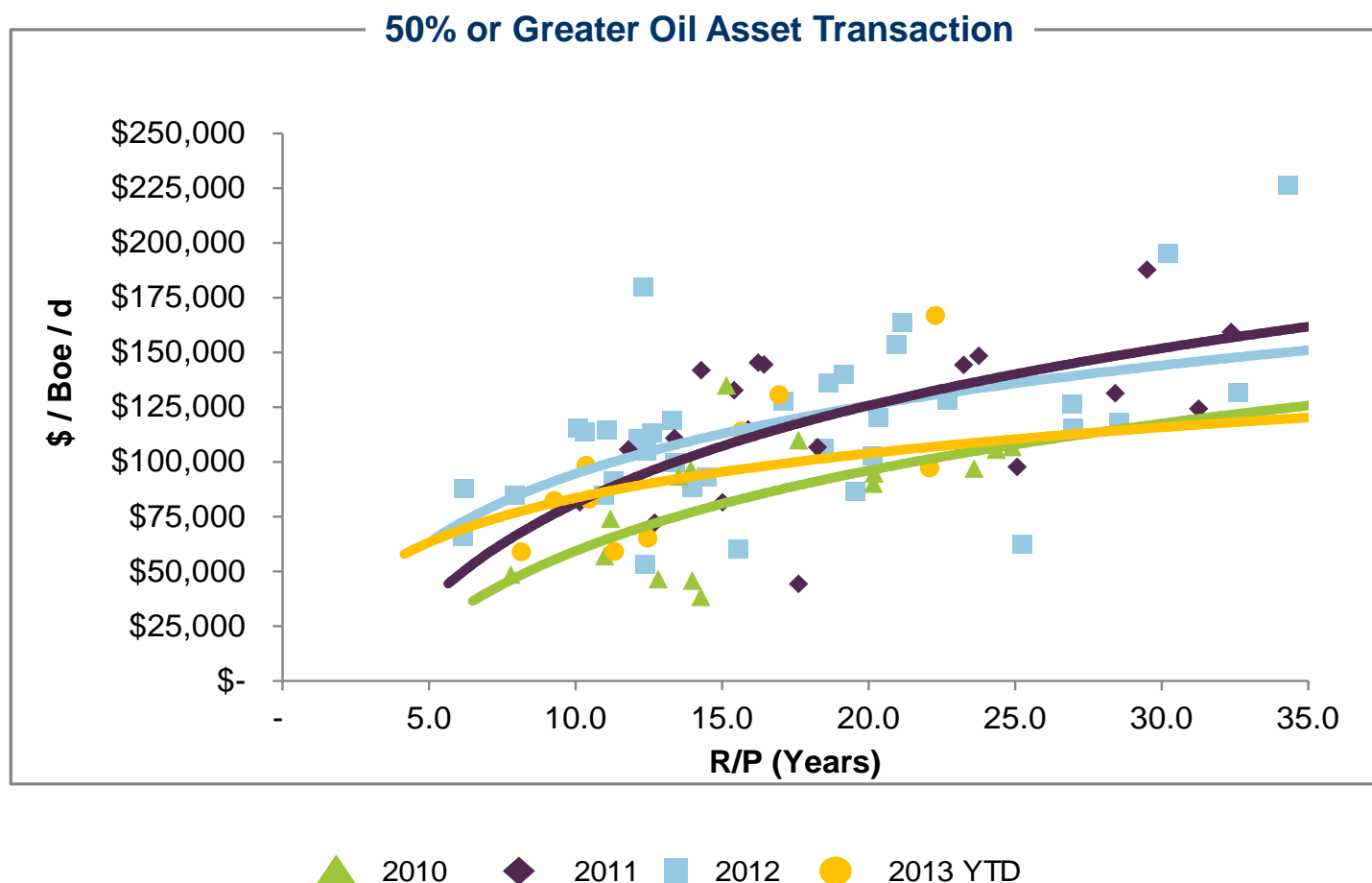
Source: JS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 6/3/13.

Outliers excluded from implied value curve.

Note: Deals represent domestic onshore asset transactions only.

2010 – 2013 YTD U.S. E&P ASSET DEALS: \$ PER PROVED RESERVES

2013 oil-weighted transaction metrics have fallen below prior two years



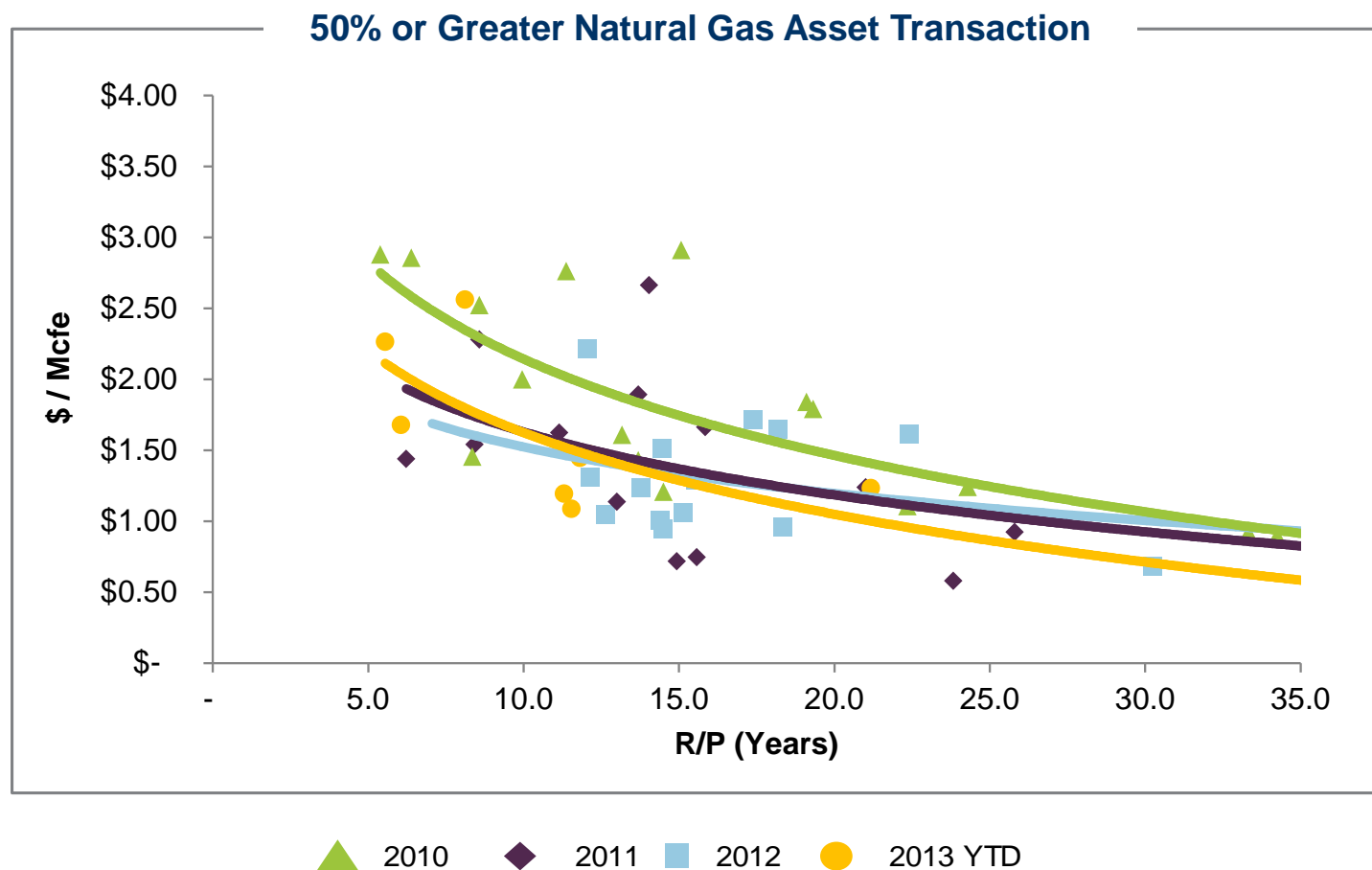
Source: JS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 6/3/13.

Outliers excluded from implied value curve.

Note: Deals represent domestic onshore asset transactions only.

2010 – 2013 YTD U.S. E&P ASSET DEALS: \$ PER PROVED RESERVES

Natural gas transaction metrics are among the lowest in recent years



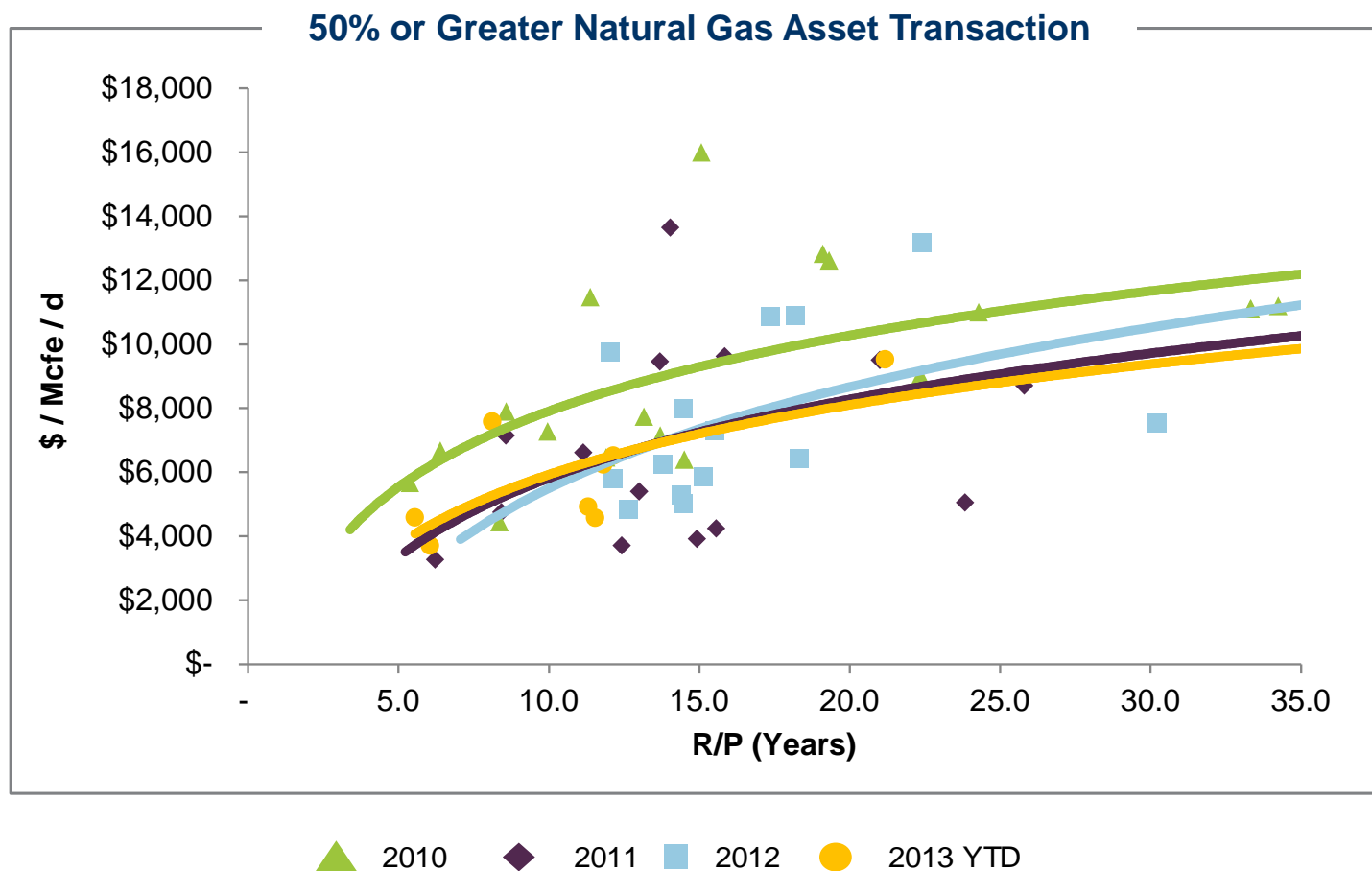
Source: JS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 6/3/13.

Outliers excluded from implied value curve.

Note: Deals represent domestic onshore asset transactions only.

2010 – 2013 YTD U.S. E&P ASSET DEALS: \$ PER PROVED RESERVES

Natural gas transaction metrics are among the lowest in recent years



Source: JS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 6/3/13.

Outliers excluded from implied value curve.

Note: Deals represent domestic onshore asset transactions only.

SECTION 3



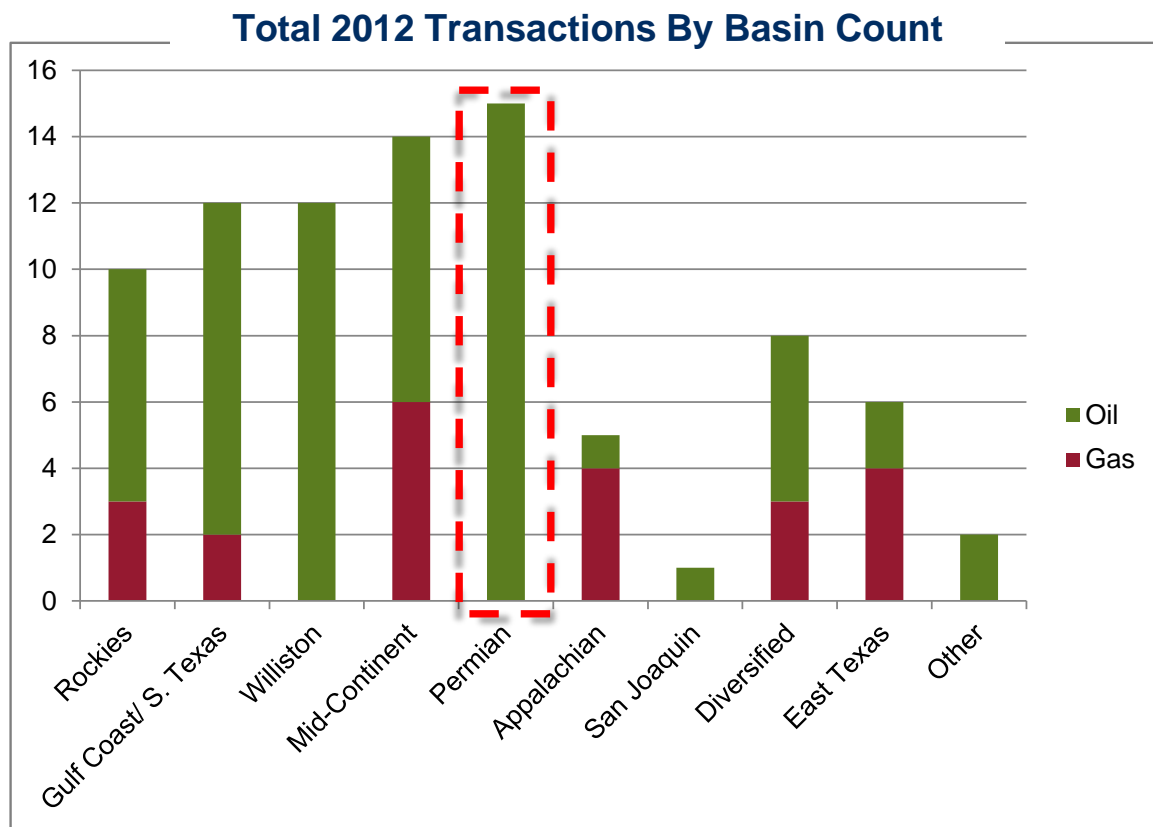
A&D Transactions – 2012 Review

A&D TRANSACTIONS – 2012 REVIEW



By Basin

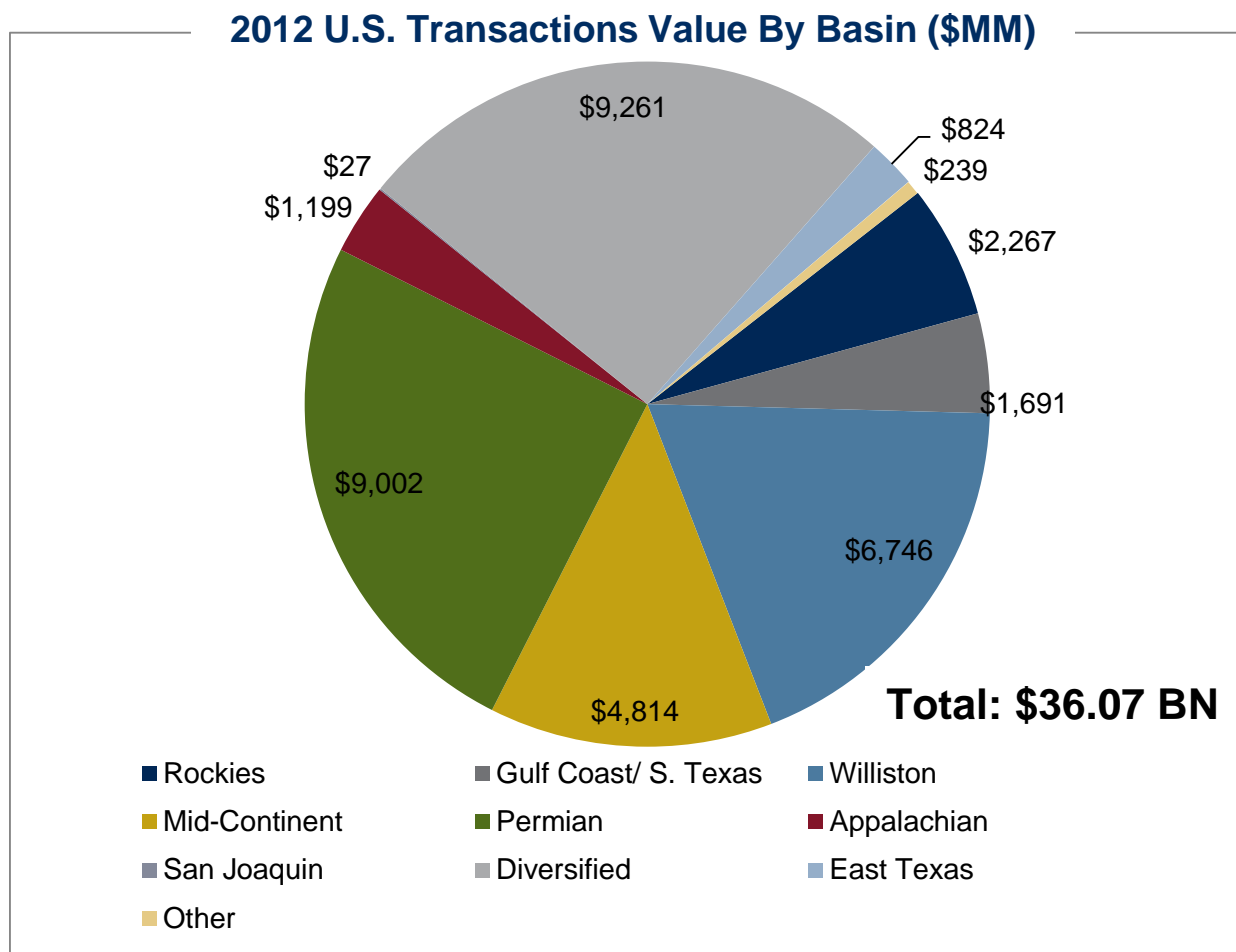
2012 U.S. ASSET TRANSACTIONS BY BASIN (COUNT)



- In 2012 there were 81 asset transactions; 62 oil weighted, 19 gas weighted
- The Permian has the highest deal count, with 15 transactions
- The Mid-Continent also was an active basin, with a combination of transactions for conventional and unconventional assets
- Permian and Williston Basins had only oil weighted transactions

Source: IHS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 12/31/12.

2012 U.S. ASSET TRANSACTIONS BY BASIN (VALUE)

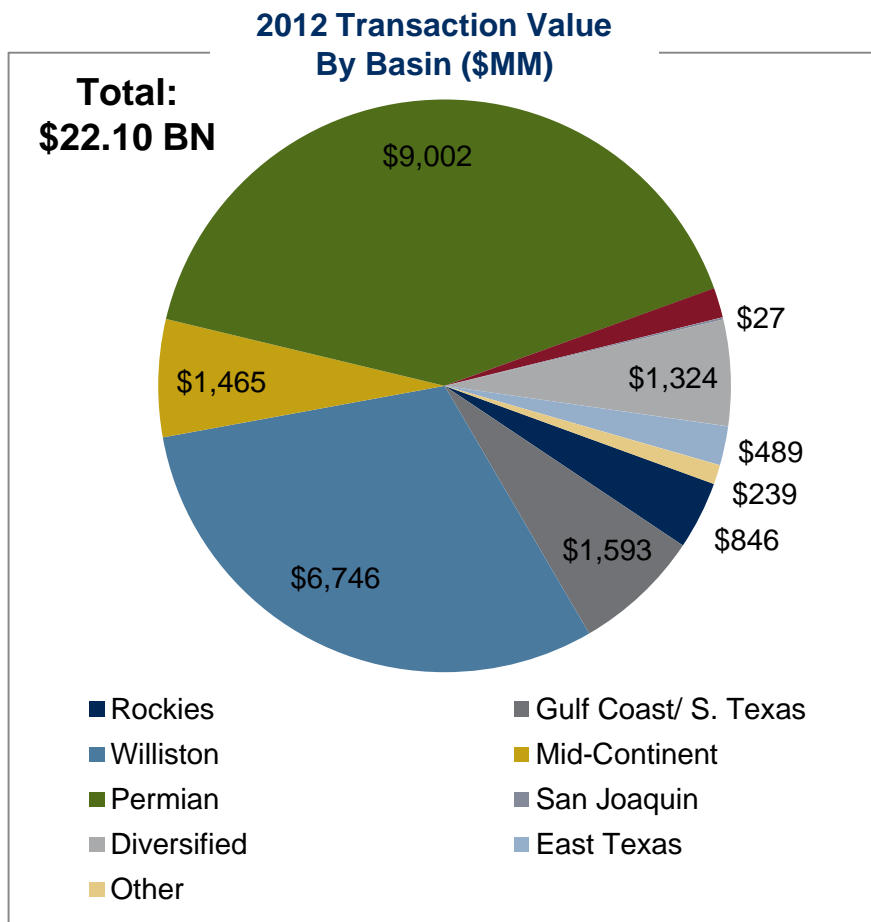


Large percent of 2012 Asset Transactions Focused on Liquid Plays

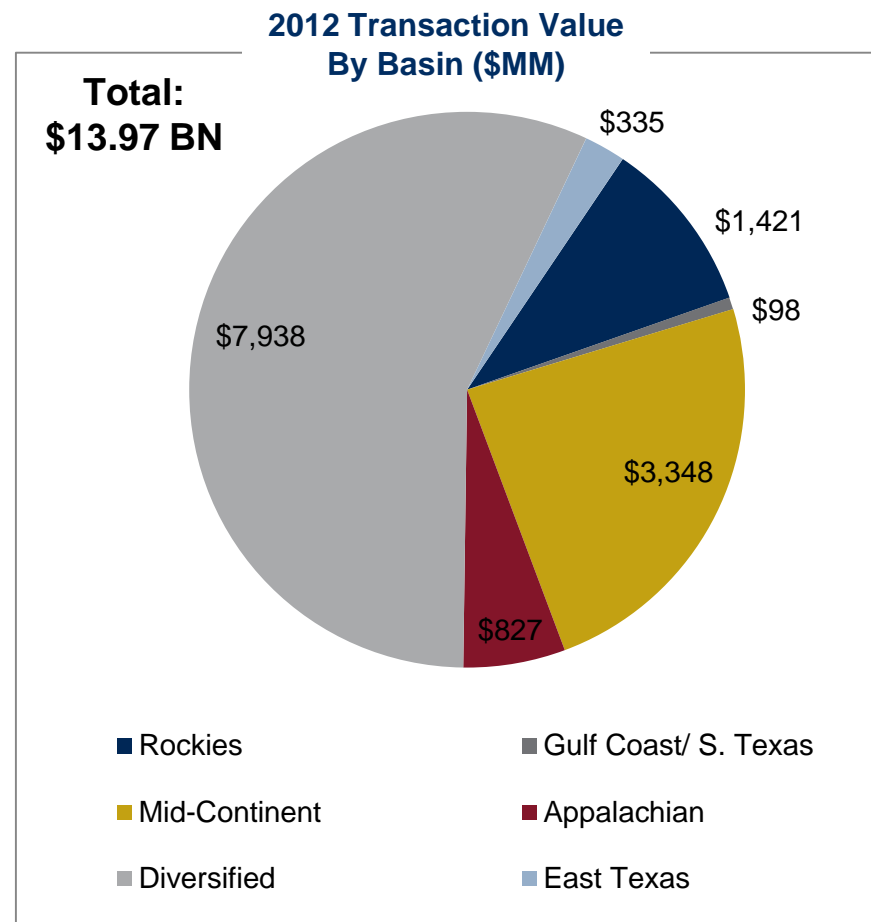
Source: IHS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 12/31/12.

2012 U.S. ASSET TRANSACTIONS BY BASIN (VALUE)

Oil Weighted



Gas Weighted



Source: IHS Herold & Raymond James. Deals below \$20 million, those without reserves and production numbers excluded. As of 12/31/12.

A&D TRANSACTIONS – 2012 REVIEW

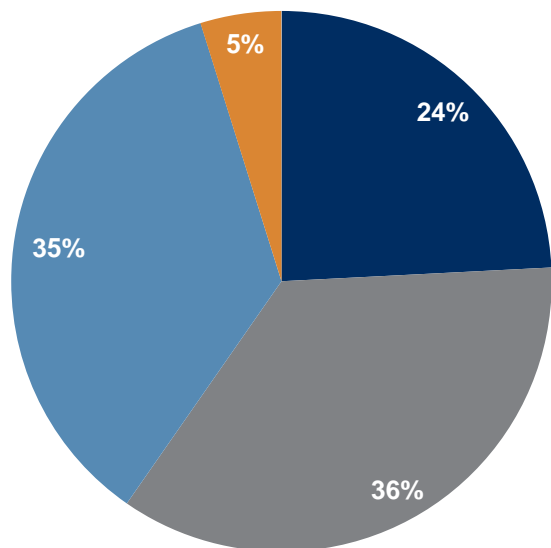


By Seller

2012 U.S. ASSET TRANSACTIONS BY SELLER (DEAL COUNT)

Oil Weighted

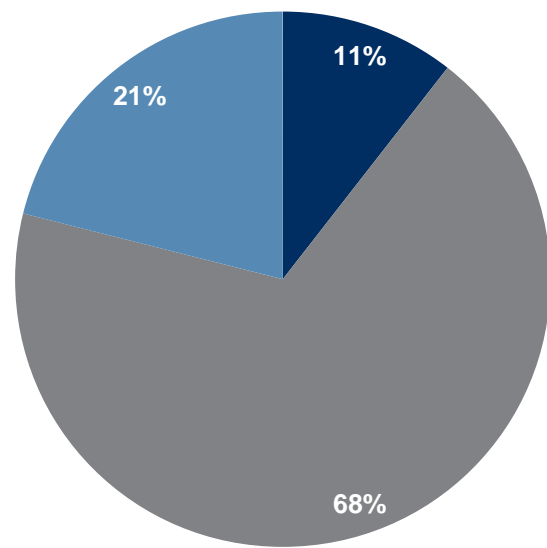
2012 Sellers By Deal Count⁽¹⁾



■ Private E&P ■ Public E&P ■ Undisclosed ■ PE - Drop down

Gas Weighted

2012 Sellers By Deal Count



■ Private E&P ■ Public E&P ■ Undisclosed

On a deal count basis, private E&Ps (including undisclosed sellers) are most active sellers of oil weighted assets, and public E&Ps are most active sellers of gas weighted assets

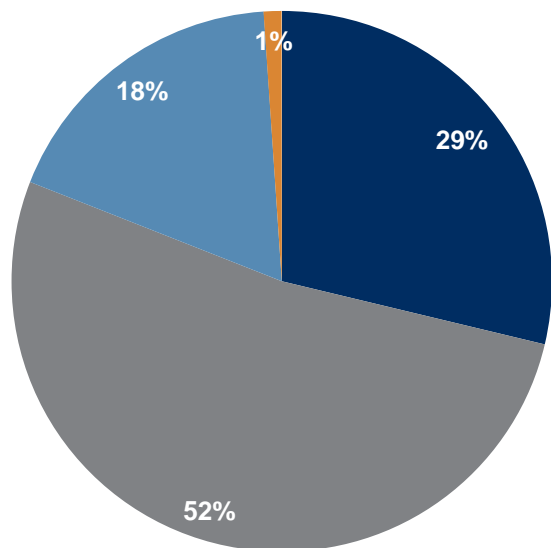
Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 12/31/12.

(1) PE – Drop Down transaction includes the \$67MM acquisition of Lime Rock Resources' Permian Basin and Texas Gulf Coast assets by LRR Energy.

2012 U.S. ASSET TRANSACTIONS BY SELLER (DEAL VALUE)

Oil Weighted

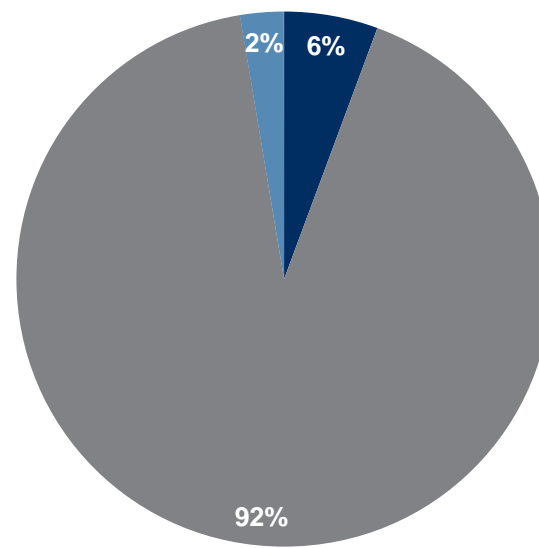
2012 Sellers By Deal Value⁽¹⁾



■ Private E&P ■ Public E&P ■ Undisclosed ■ PE - Drop down

Gas Weighted

2012 Sellers By Deal Value



■ Private E&P ■ Public E&P ■ Undisclosed

Due to 4 CHK sales in September 2012 (\$4 BN), largest sellers of oil weighted assets have shifted from private E&Ps to public E&Ps

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 12/31/12.

(1) PE – Drop Down transaction includes the \$67MM acquisition of Lime Rock Resources' Permian Basin and Texas Gulf Coast assets by LRR Energy.

2012 TOP 10 U.S. ASSET TRANSACTIONS BY SELLER

Seller	Gas Deal Count	Transaction Value (\$MM)
El Paso	1	\$ 7,150
BP	2	2,225
Noble Energy	1	617
EXCO Resources	1	598
Chesapeake	1	590
Antero Resources	1	445
Bill Barrett	1	335
WPX Energy	1	306
Carrizo Oil & Gas	1	190
Range Resources	1	190

Seller	Oil Deal Count	Transaction Value (\$MM)
Chesapeake	4	\$ 4,025
SandRidge Energy	1	2,600
Denbury Resources	3	2,195
Petro-Hunt	1	1,450
Helis Oil & Gas	1	1,380
Three Rivers Operating	1	1,000
Eagle Energy Company	1	650
Concho Resources	1	520
Noble Energy	2	460
Celero Energy II	2	386

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 12/31/12.

(1) PE transaction includes the \$7BN acquisition of El Paso Corporation's E&P assets by a consortium including Apollo Global Management and Riverstone Holdings.

A&D TRANSACTIONS – 2012 REVIEW

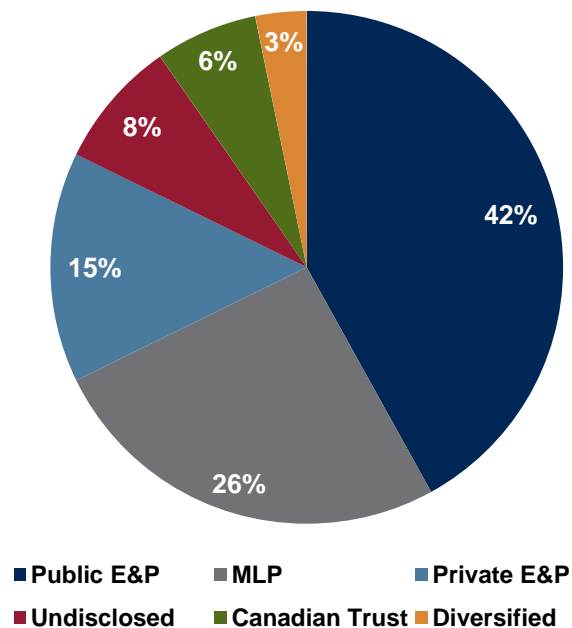


By Buyer

2012 U.S. ASSET TRANSACTIONS BY BUYER (DEAL COUNT)

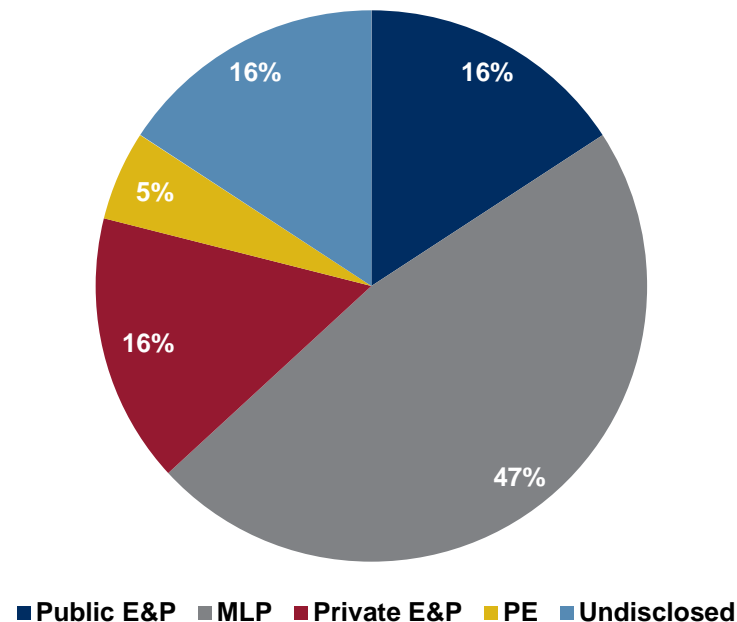
Oil Weighted

2012 Buyers By Deal Count



Gas Weighted

2012 Buyers By Deal Count⁽¹⁾



On a deal count basis, public E&Ps are largest buyer of oil weighted assets;
MLPs are largest buyer of gas weighted assets

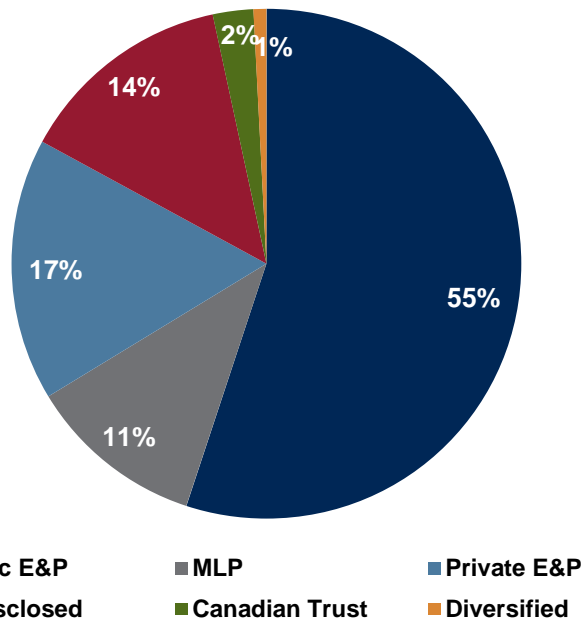
Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 12/31/12.

(1) PE transaction includes the \$7BN acquisition of El Paso Corporation's E&P assets by a consortium including Apollo Global Management and Riverstone Holdings.

2012 U.S. ASSET TRANSACTIONS BY BUYER (DEAL VALUE)

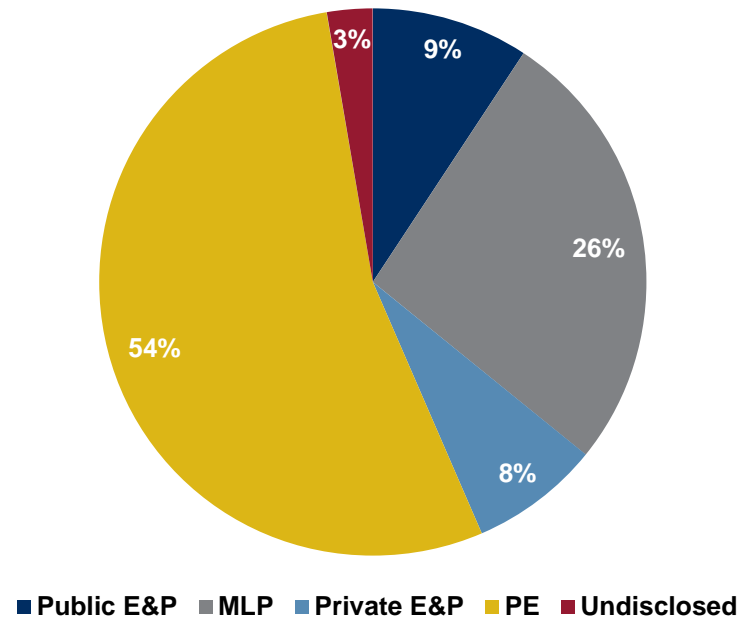
Oil Weighted

2012 Buyers By Deal Value



Gas Weighted

2012 Buyers By Deal Value⁽¹⁾



On a deal value basis, public E&Ps are still largest buyer of oil weighted assets; but PEs are largest buyer of gas weighted assets

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 12/31/12.

(1) PE transaction includes the \$7BN acquisition of El Paso Corporation's E&P assets by a consortium including Apollo Global Management and Riverstone Holdings.

2012 U.S. ASSET TRANSACTIONS BY BUYERS

Buyer	Gas Deal Count	Transaction Value (\$MM)
Apollo; Riverstone	1	\$ 7,150
Linn Energy	3	2,400
Vanguard Natural Resources	2	780
Unit Corporation	1	617
Harbinger Group	1	598
XTO Energy	1	590
Undisclosed	3	359
Premier Natural Resources	1	306
Atlas Resource Partners	1	190
Memorial Production Partners	3	160
Buyer	Oil Deal Count	Transaction Value (\$MM)
Sheridan Production Partners	1	\$ 2,600
Halcon Resources	3	2,013
Exxon Mobil; XTO Energy	1	1,965
Royal Dutch Shell	1	1,935
QEP Energy	1	1,380
Chevron Corporation; EnerVest	1	1,365
Continental Resources	3	1,266
Undisclosed	4	1,039
Concho Resources	1	1,000
Midstates Petroleum	1	650

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 12/31/12.

(1) PE transaction includes the \$7BN acquisition of El Paso Corporation's E&P assets by a consortium including Apollo Global Management and Riverstone Holdings.

SECTION 4



A&D Transactions – 2013 YTD

SELECT 2013 YTD ASSET TRANSACTIONS

- YTD, asset transactions have totaled \$7,303 million

Announced			Transaction			Basin	Oil/Gas
Date	Buyer(s)	Seller(s)	Value (\$MM)	\$ / Boe	\$ / Boe / d		
6/3/2013	Kodiak Oil & Gas	Liberty Resources	\$ 660	NA	\$ 115,789	Williston	Oil
5/21/2013	Undisclosed company(ies)	Prospect Capital Corp.	66	NA	NA	Permian	Oil
5/10/2013	Mid-Con Energy Partners, LP	Undisclosed company(ies)	28	21.09	130,488	Mid-Continent	Oil
5/8/2013	Undisclosed company(ies)	Surge Energy Inc.	43	NA	82,212	Williston	Oil
5/1/2013	Undisclosed company(ies)	QEP Energy Company	145	NA	NA	Rockies	Oil
4/4/2013	Midstates Petroleum	Panther Energy	620	14.29	65,000	Mid-Continent	Oil
4/3/2013	Penn Virginia	Magnum Hunter	401	25.99	98,298	Gulf Coast/ S. Texas	Oil
3/25/2013	Undisclosed	ZaZa Energy	53	NA	NA	East Texas	Oil
3/18/2013	LRR Energy	Lime Rock Resources	38	19.94	114,030	Mid-Continent	Oil
3/18/2013	Sanchez Energy Corporation	Hess Corporation	265	19.78	58,889	Gulf Coast/ S. Texas	Oil
3/18/2013	Exxon Mobil Corporation	BNK Petroleum Inc.	148	5.34	88,285	Mid-Continent	Oil
3/15/2013	Rosetta Resources, Inc.	Comstock Resources Incorporated	768	20.52	166,818	Permian	Oil
3/11/2013	Undisclosed	Range Resources	25	3.44	NA	Gulf Coast/ S. Texas	Oil
3/11/2013	Capstone Natural Resources	Undisclosed	50	NA	NA	Permian	Oil
3/1/2013	Aurora Oil and Gas	Undisclosed	118	14.27	59,012	Gulf Coast/ S. Texas	Oil
2/26/2013	Vanguard Natural Resources	Range Resources	275	12.04	97,059	Permian	Oil
2/19/2013	Shoreline Energy	Undisclosed	23	NA	NA	Rockies	Oil
2/15/2013	EXCO Resources, Inc.	BG Group plc	133	NA	NA	Gulf Coast/ S. Texas	Oil
2/11/2013	Gulfport Energy Corporation	Wexford Capital LP	220	NA	NA	Appalachian	Oil
1/15/2013	Denbury Resources Incorporated	ConocoPhillips	1,050	21.67	82,727	Williston	Oil
Mean			\$ 256.3	\$ 16.21	\$ 96,551		
Median			\$ 138.8	\$ 19.78	\$ 92,672		

Announced			Transaction			Basin	Oil/Gas
Date	Buyer(s)	Seller(s)	Value (\$MM)	\$ / Mcfe	\$ / Mcfe / d		
5/29/2013	NorthWestern Corporation	Devon Energy	\$ 70.2	\$ 1.09	\$ 4,576	Rockies	Gas
5/21/2013	EnerVest	Laredo Petroleum	438.0	2.56	7,584	Mid-Continent	Gas
5/7/2013	Undisclosed private company(ies)	GeoMet, Inc.	63.2	1.47	6,515	Gulf Coast Onshore	Gas
5/3/2013	EQT Corporation	Chesapeake Energy Corporation	113.0	NA	NA	Appalachia	Gas
4/29/2013	Southwestern Energy Company	Chesapeake Energy Corporation	93.0	NA	NA	Appalachia	Gas
4/22/2013	Cubic Energy Inc.	Gastar Exploration Ltd.	46.0	1.68	3,710	Gulf Coast Onshore	Gas
3/29/2013	Tokyo Gas Company	Quicksilver Resources	485.0	1.45	6,242	Mid-Continent	Gas
3/19/2013	Memorial Production Partners	Memorial Resource Development	200.0	1.23	9,524	Gulf Coast Onshore	Gas
2/5/2013	Caerus Oil and Gas LLC	PDC Energy	200.0	2.26	4,583	Rocky Mountains	Gas
1/18/2013	Energy XXI	McMoRan Exploration Company	80.0	NA	6,723	Gulf Coast Onshore	Gas
1/15/2013	Carrizo Oil & Gas Incorporated	Avista Capital Partners LLC	63.1	NA	NA	Appalachia	Gas
1/3/2013	Undisclosed	Forest Oil Corporation	325.0	1.19	4,924	Gulf Coast Onshore	Gas
Mean			\$ 181.4	\$ 1.62	\$ 6,042		
Median			\$ 103.0	\$ 1.46	\$ 6,242		

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 6/3/13.

SELECT 2013 YTD CORPORATE TRANSACTIONS

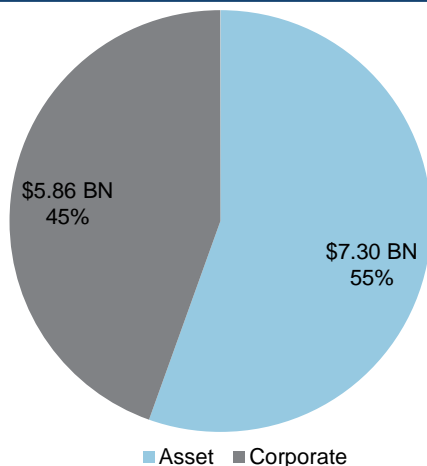
- YTD, corporate transactions have totaled \$5,859 million

Announced Date	Acquiror	Target	Transaction Value (\$MM)	\$ / Boe	\$ / Boe / d	Basin	Oil/Gas
5/8/2013	Pioneer Natural Resources Company	Pioneer Southwest Energy Partners LP	\$ 606.9	\$ 25.80	\$ 161,535	Permian	Oil
4/30/2013	Contango Oil & Gas Company	Crimson Exploration Inc.	428	\$ 16.88	\$ 54,995	Gulf Coast/ S. Texas	Oil
4/29/2013	Petro River Oil Corp.	Petro River Oil, LLC	22.0	NA	NA	Mid-Continent	Oil
4/23/2013	Riverstone & Trilantic	Trail Ridge Energy Partners II	275.0	NA	NA	Permian	Oil
3/27/2013	Post Oak Energy	Titan River Energy	100.0	NA	NA	Gulf Coast/ S. Texas	Oil
2/21/2013	Linn Energy	Berry Petroleum	4,427.4	14.22	99,057	Diversified	Oil
Mean			\$ 976	\$ 18.97	\$ 105,195		
Median			\$ 351	\$ 16.88	\$ 99,057		

Source: IHS Herold & Raymond James. Deals include U.S. onshore transactions above \$20 million. As of 6/3/13.

2013 YTD A&D TRANSACTIONS

2013 Transactions (\$13.16 BN)

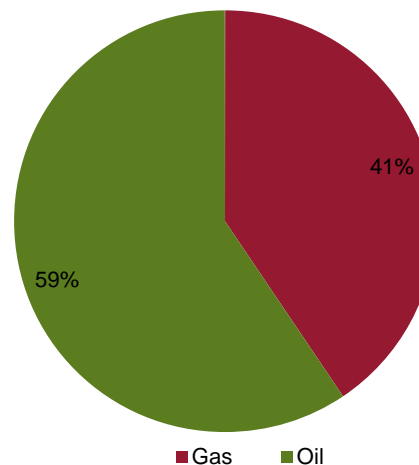


Asset Transactions Product Weighting

20 oil deals

Average:

- \$256 MM
- \$13.60/boe
- \$96,551/boe/d
- 54% PD
- R/P = 17 yrs.

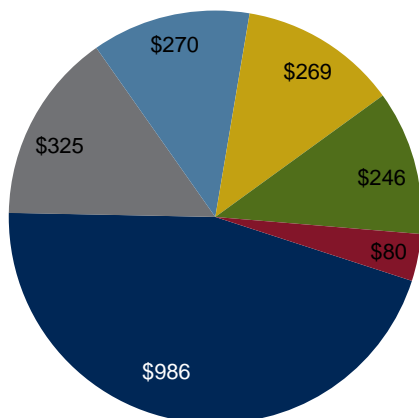


12 gas deals

Average:

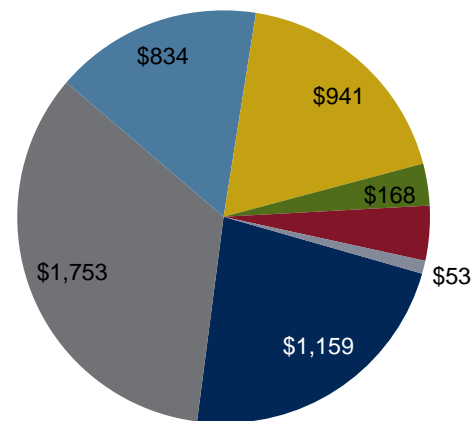
- \$181 MM
- \$1.62/Mcfe
- \$6,042/Mcfe/d
- 92% PD
- R/P = 11 yrs.

2013 Gas Weighted Asset Transactions



■ Mid-Continent ■ Gulf Coast/ S. Texas ■ Rockies ■ Appalachian ■ East Texas ■ Other

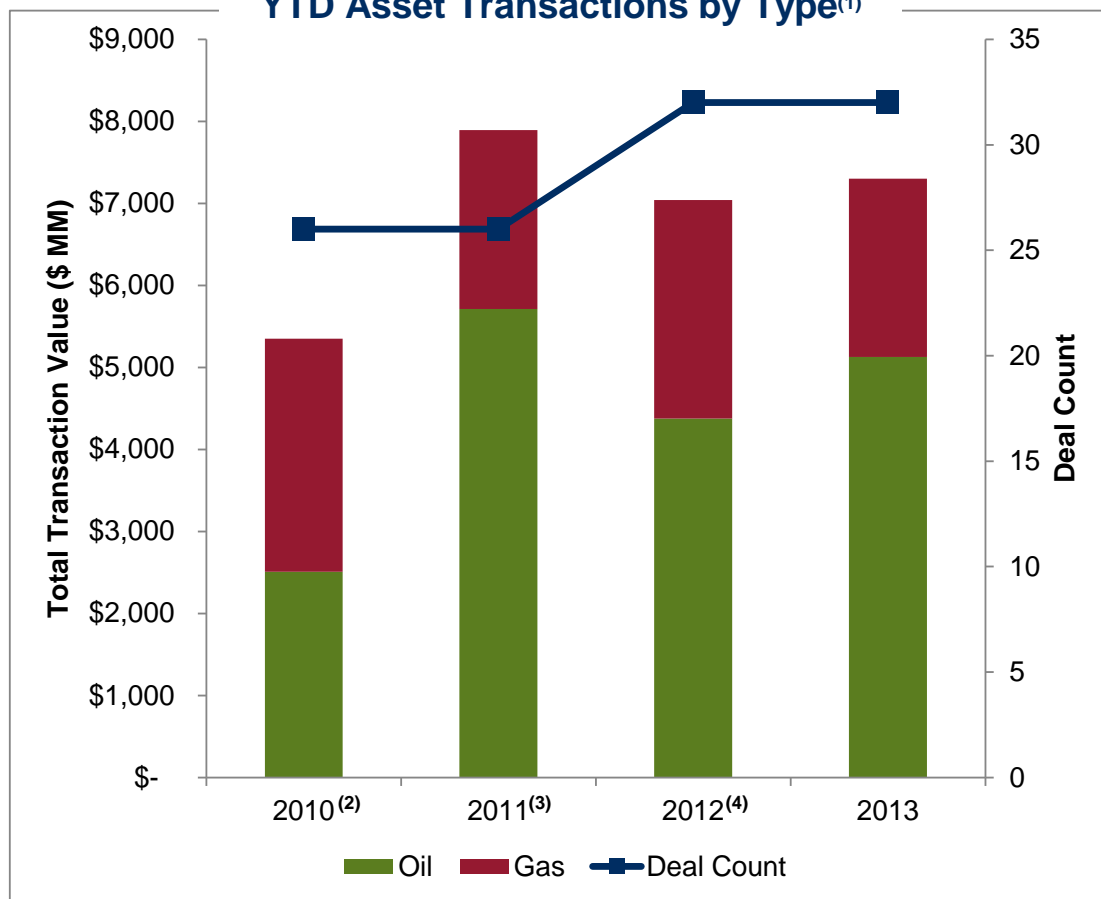
2013 Oil Weighted Asset Transactions



■ Permian ■ Williston ■ Mid-Continent ■ Gulf Coast/ S. Texas ■ Rockies ■ East Texas

2013 YTD A&D ASSET TRANSACTIONS OVERVIEW

YTD Asset Transactions by Type⁽¹⁾



- 2013 YTD has the same deal count and slightly higher deal value than 2012
- Higher percentage of oil weighted transactions by deal value
- Permian basin has already seen 3 transactions totaling over \$1 billion in value
 - Comstock Resources sold assets to Rosetta Resources (\$768 MM)
 - Capstone Natural Resources sold assets to Undisclosed Party (\$50 MM)
 - Range Resources sold assets to Vanguard Natural Resources (\$275 MM)

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million

(1) Period from January 1st to June 3rd for each year.

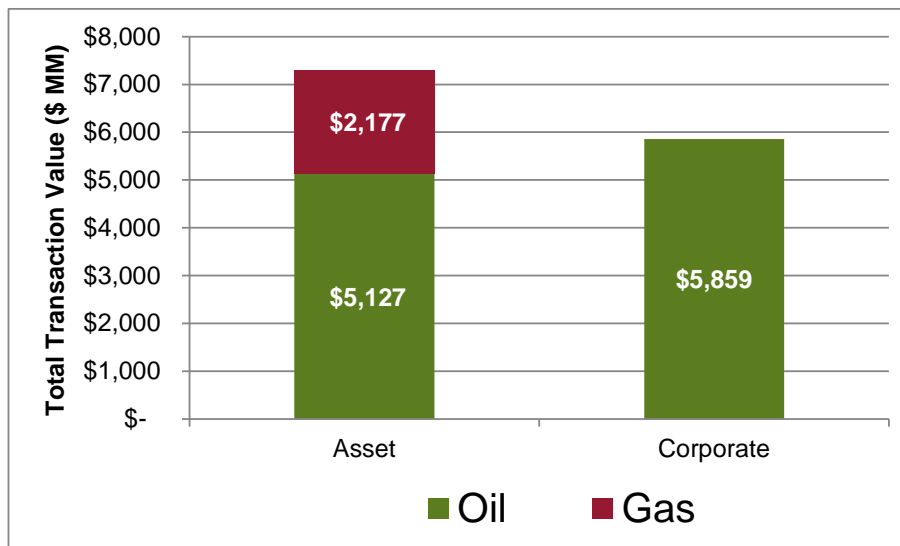
(2) Excludes 3/15/10 CONSOL Energy & Dominion Resources gas weighted \$3.5 billion transaction.

(3) Excludes 2/21/11 BHP Billiton & Chesapeake gas weighted \$4.8 billion transaction.

(4) Excludes 2/24/12 Apollo/Riverstone & El Paso gas weighted \$7.2 billion transaction.

2013 YTD SUMMARY AND OBSERVATIONS

- Asset transactions slightly exceed corporate transactions on a transaction value basis, but Linn Energy's acquisition of Berry Petroleum accounts for ~76% of the total corporate transaction value
- Total asset transaction value is more evenly distributed with no one deal accounting for greater than 14% of total transaction value
- Permian and Williston transactions account for ~57% of transaction value for oil weighted asset deals and account for ~62% of corporate transaction value⁽¹⁾
- Despite over 60% increase in natural gas prices year-over-year, gas weighted transaction deal value YTD 2013 is ~21% lower than YTD 2012⁽²⁾
 - Transaction market has yet to react to the recovery of natural gas prices



All corporate transactions
YTD have been oil weighted

No market for gas weighted
corporate deals

Source: IHS Herold & Raymond James. Deals include U.S. onshore asset transactions above \$20 million. As of 6/3/13.

(1) Excludes 2/21/13 Linn Energy & Berry Petroleum gas weighted \$4.4 billion transaction.

(2) Excludes 2/24/12 Apollo/Riverstone & El Paso gas weighted \$7.2 billion transaction.

A LOOK AHEAD – 2013 A&D OUTLOOK

- **Market Environment**

- Large amount of private capital looking to invest
- Improved gas prices increasing demand for dry gas assets
 - Buyers can't pay for PUDs at less than 30% IRR
- Oil metrics have fallen below prior two years

- **Buyers**

- Publics buying oil, Private Equity buying gas
- Desiring higher percentage of PDP to Total Proved
- Willing to be aggressive on high quality PDP
 - PV8-10% on strip pricing
- MLPs willing to buy mature gas resource assets

- **Sellers**

- Privates selling oil, Publics selling gas

A LOOK AHEAD – 2013 A&D OUTLOOK

- **Deal Flow**

- Picking up rapidly since beginning of year
- Numerous “acreage” deals on the market
 - Buyers require drilling performance and production history
 - Logical buyers have plenty of acreage to develop and won’t buy more at elevated prices
- Continued non-op sale packages in resource plays

- **E&P MLPs aggressive acquirers & multiplying**

- Currently 13 E&P MLPs publically traded
- 2012 - 25 deals totaling approximately \$6.0 billion
- YTD 2013 - 4 deals totaling approximately \$4.9 billion
- 3 E&P MLP IPOs since December 2011
- More expected this year

SECTION 5



Valuation Methodologies

VALUATION METHODOLOGIES

- Discounted cash flow method is the most accurate method
 - Based on a fundamental engineering analysis of the assets
 - Comparables can be helpful but can also be misleading
 - Buyers are using strip pricing
 - Typically 5 years then flat
 - NGL pricing tied to oil price curve
 - Assume 1-2% per year escalation of operating & capex expenses
 - Continuous discounting
 - Reserve Risking & Discount Rates
 - PDP as low as single digit discount rates for quality & predictable production, PV8-12%
 - PDNP discount rates range from PV12-15%
 - PUD discount rates vary depending on risk profile of PUD but generally PV20-PV25
 - Can equate to about 50% of the PV15 depending on decline profile

ILLUSTRATIVE MARKET VALUE ESTIMATE

Market Value Estimate

Example Co. Proved Reserves Valuation as of May 14, 2013

Reserve Category	PV-10 (\$M)	PV-12 (\$M)	PV-15 (\$M)	PV-20 (\$M)	Market Risk Factor ⁽¹⁾		Risky Valuation Range (\$M)		
					Low	High	Low	Mid	High
PDP	\$ 110,000	\$ 103,000	\$ 93,000	\$ 82,000	90%	- 100%	\$ 99,000.0 -	\$ 104,500.0 -	\$ 110,000.0
PDNP	5,800	5,400	4,800	4,500	70%	- 80%	3,780.0 -	4,050.0 -	4,320.0
PUD	370,000	320,000	246,000	166,000	40%	- 60%	98,400.0 -	123,000.0 -	147,600.0
Total Proved Reserves Valuation	\$ 485,800	\$ 428,400	\$ 343,800	\$ 252,500			\$ 201,180.0	\$ 231,550.0	\$ 261,920.0

- Example of discounted cash flow method
- Risked valuation is a function of the following variables
 - Reserve Category
 - PV applied to each Reserve Category
 - Market Risk Factor applied to each Reserve Category
 - Based on engineering experience, marketing experience and strength of the asset
- Market Value Estimate aims to create a range that reflects the price that the asset could reasonably be sold for in the current market

1. Market Risk Factors adjusted to reflect marketability.

RAYMOND JAMES[®]
& ASSOCIATES, INC.