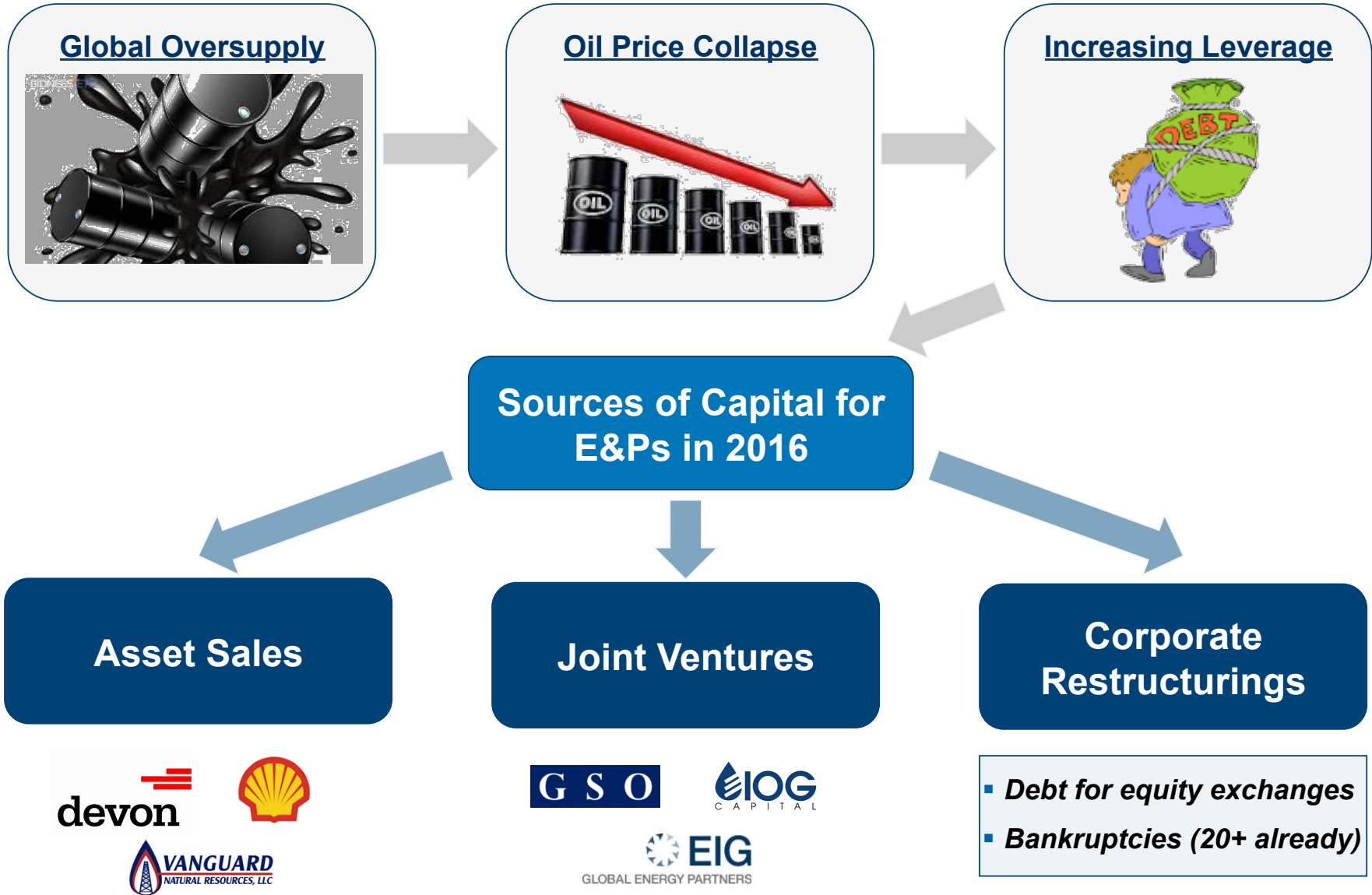


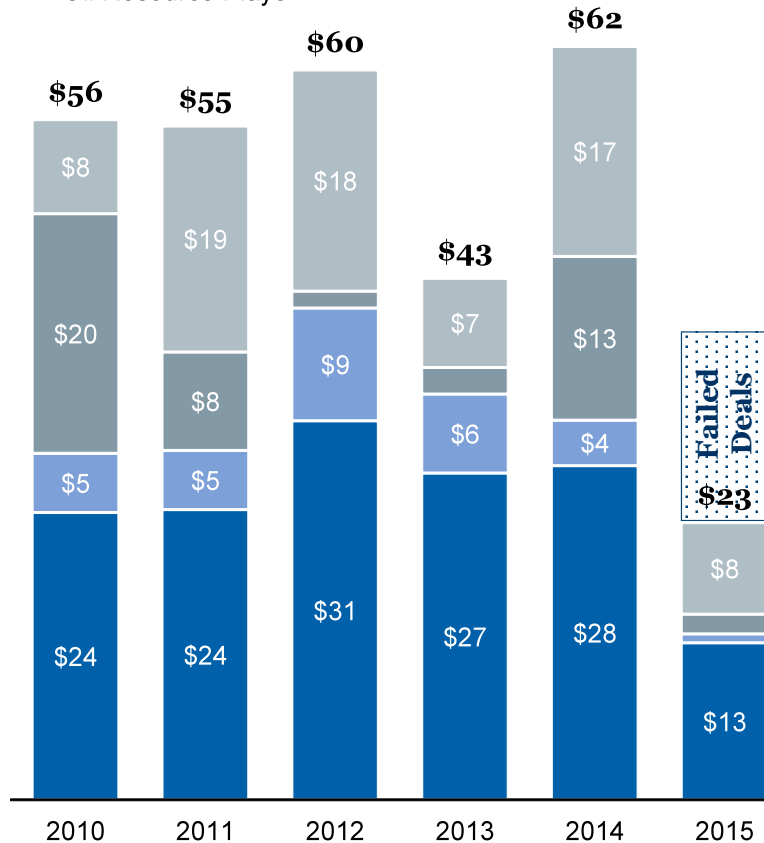
How Do You Survive In 2016?



Quiet A&D Market In 2015; 2016 Expected To Be Much Busier

Annual U.S. E&P Onshore A&D Supply (\$B) ⁽¹⁾

- Conventional Gas
- Gas Resource Plays
- Conventional Oil
- Oil Resource Plays



Key Drivers to 2016 Supply

- 1 Borrowing base redeterminations
- 2 Capital markets largely closed
- 3 Lack of hedging
- 4 2015 failed deals coming back around

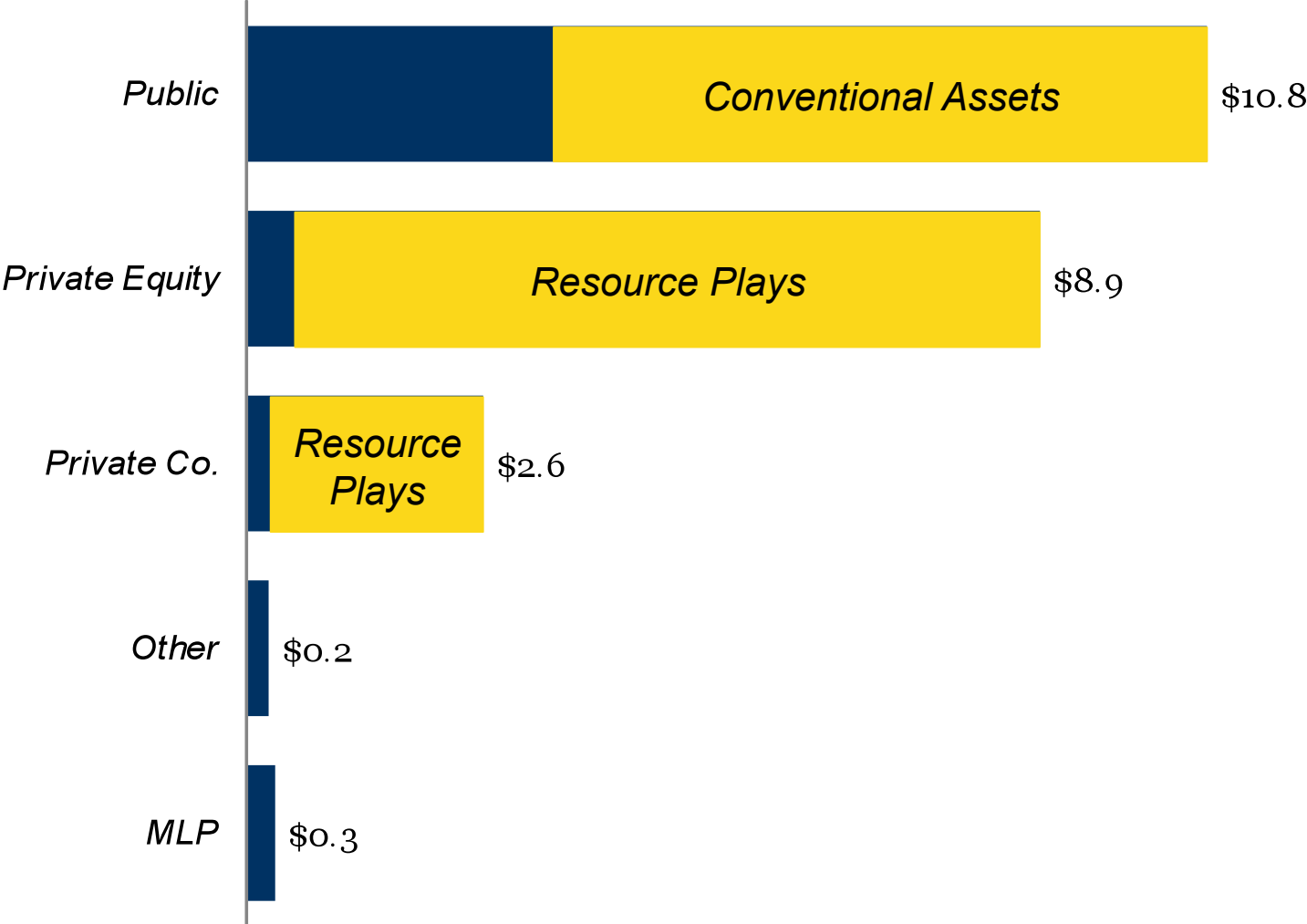
Annual Deal Count (\$100 MM+) ⁽²⁾

Region	2014	2015
Conventional	39	23
Delaware Basin	4	7
Midland Basin	21	9
Bakken	8	2
Eagle Ford	9	2
Niobrara	6	3
SCOOP / STACK	1	2
Marcellus / Utica	13	5
Other	21	4
Total	122	57

(1) Includes onshore U.S. asset transactions greater than \$20 million. (2) Includes onshore U.S. resource and conventional asset transactions greater than \$100 million in select regions. Source: RBC Richardson Barr internal database, public filings, company press releases.

Who is Selling?

2015 Asset Supply by Seller Type (\$ MM)



Most Interesting Transactions Over The Last 12 Months



Commodity Supply/Demand Fundamentals Trumping Geopolitics

WTI Oil Price – 1997 to 2015

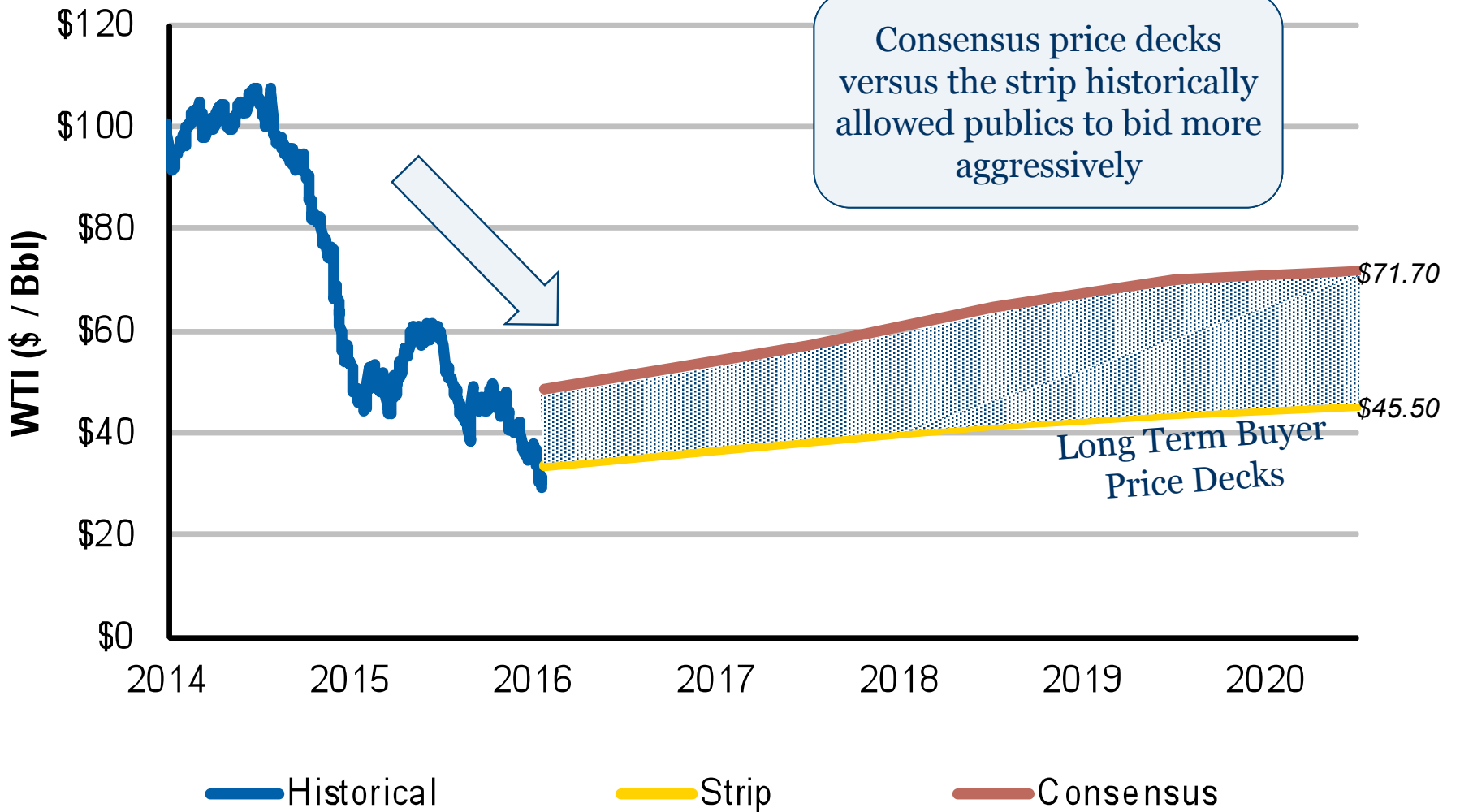


Event	1 Asian Financial Crisis	2 9/11 Attacks	3 Reduced Demand	4 Global Financial Crisis	5 Economic Slowdown	6 Oversupply
Oil price decline	41%	38%	32%	69%	29%	75%
Decline Period	5-7 months	~2 months	5-6 months	5-6 months	2-4 months	18 months +
Recovery	2-3 years	~1 year	~6 months	3-4 years	~2 months	?

5 Source: Bloomberg as of January 20, 2016. EIA historical data.

How Are Oil Prices Affecting Deal Making?

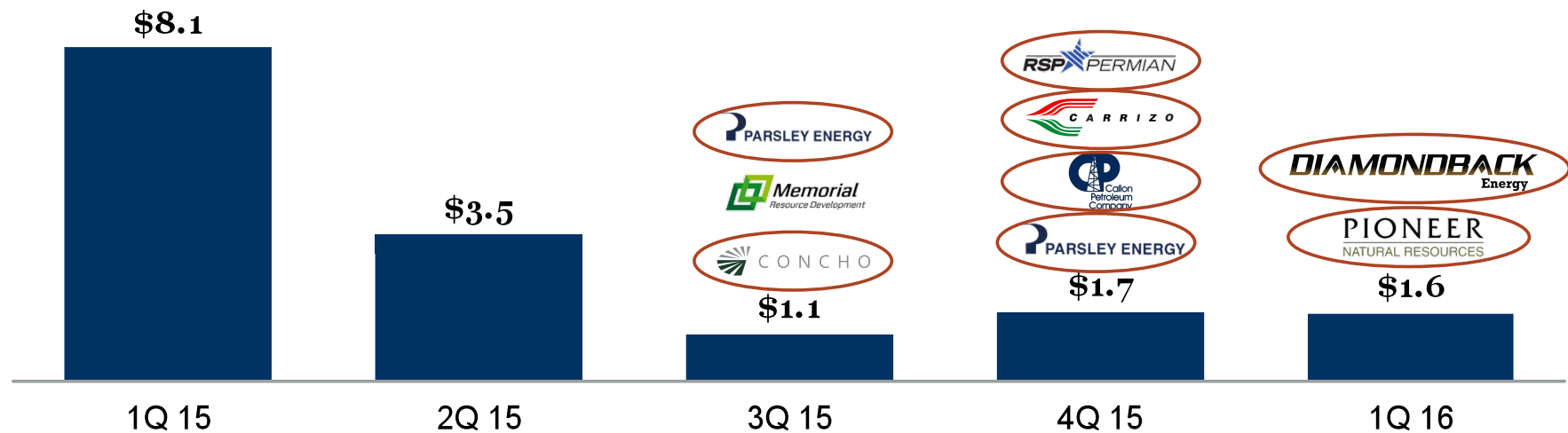
WTI Oil Price



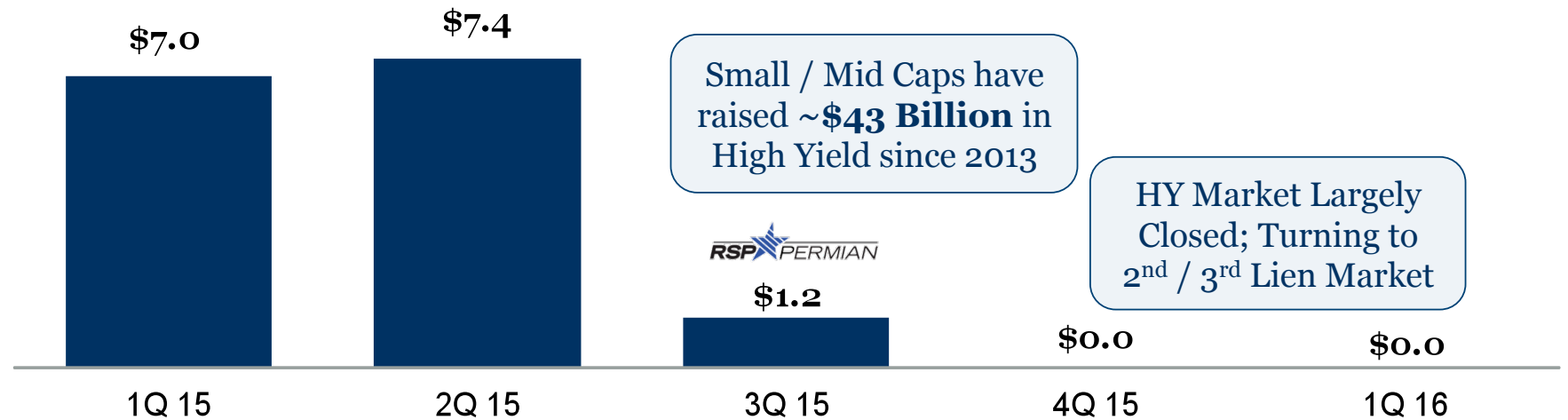
Source: RBC Research, Bloomberg and Factset as of January 20, 2016.

Capital Markets Have Shut Down...Except For The Permian

E&P Equity Capital Markets



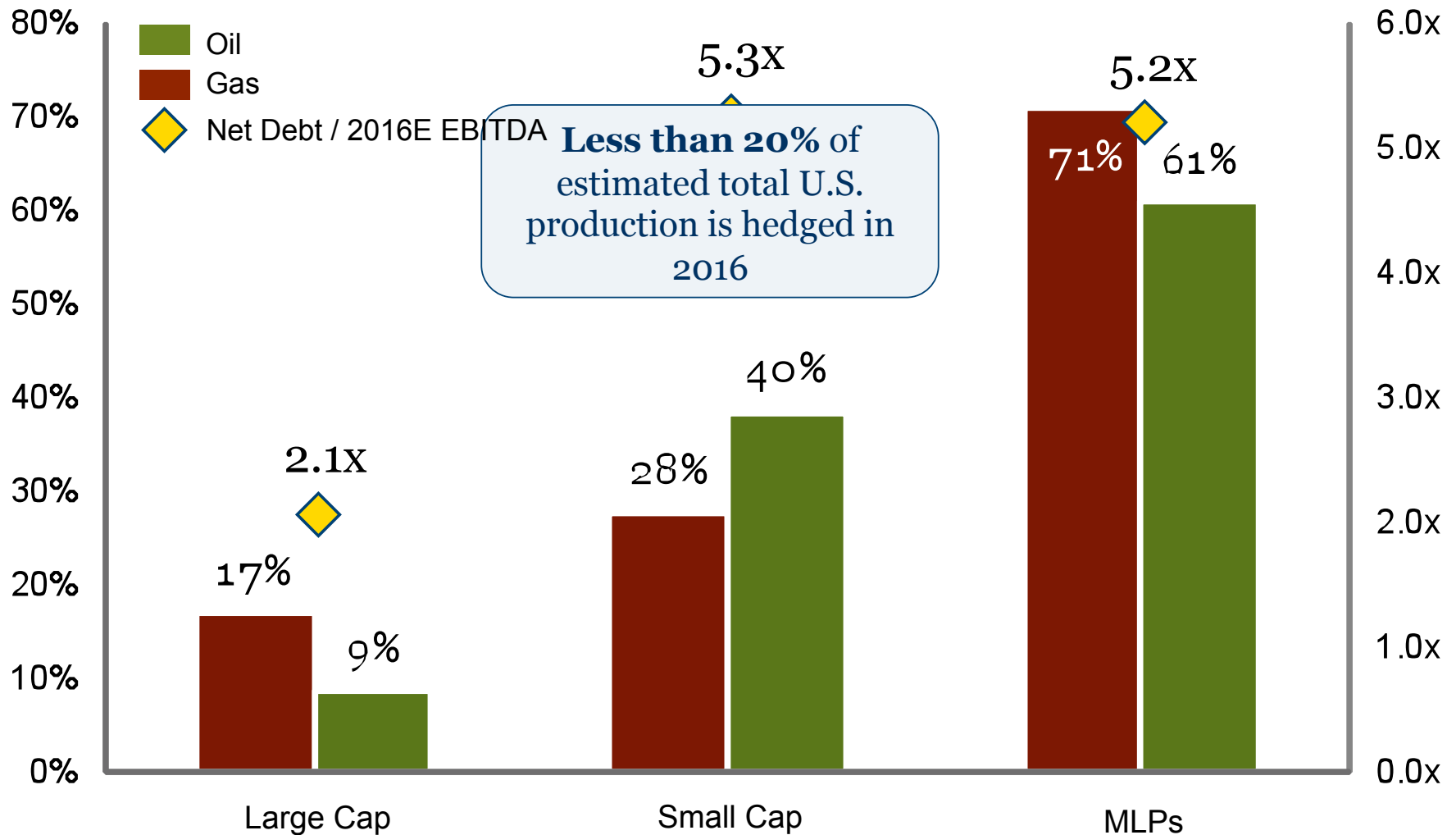
E&P Debt Capital Markets



Source: Dealogic, FactSet as of January 20, 2016.

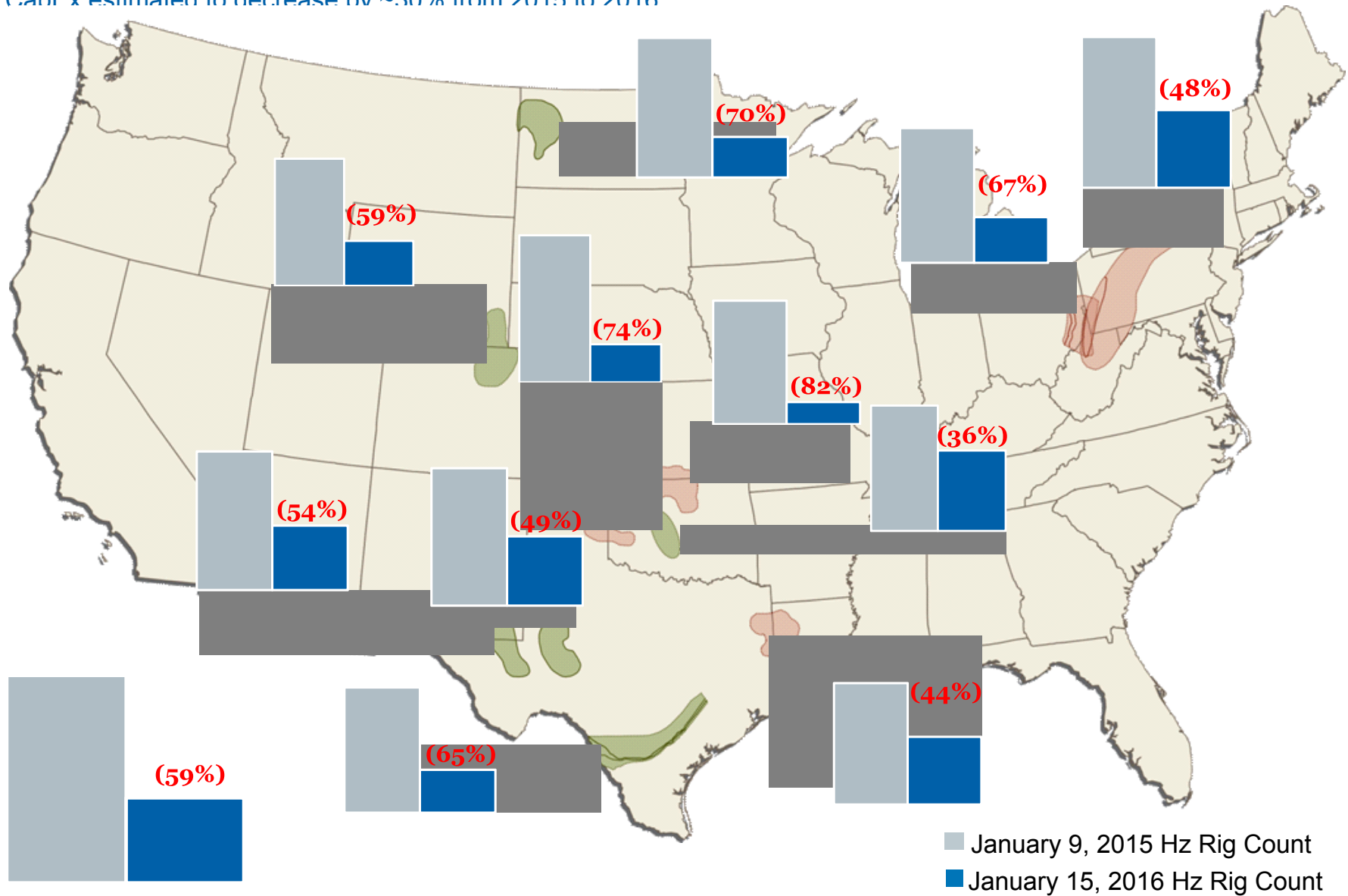
Lack of Hedging Will Lead To Increased Asset Supply

2016 Total Prod. Hedged & Leverage by Market Cap



Decrease in Rig Activity & CapEx Across U.S. Resource Plays...

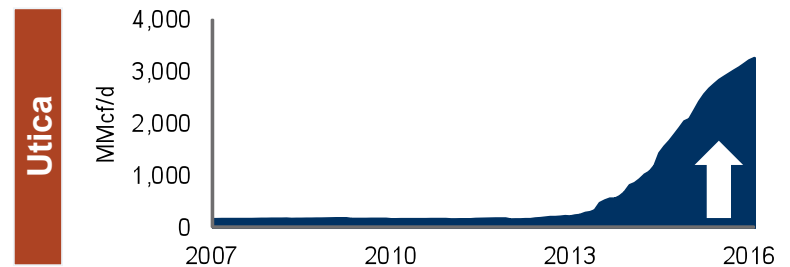
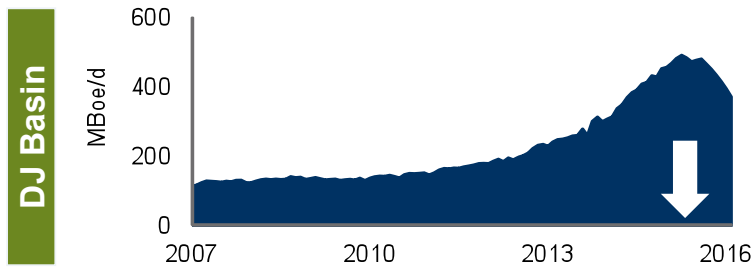
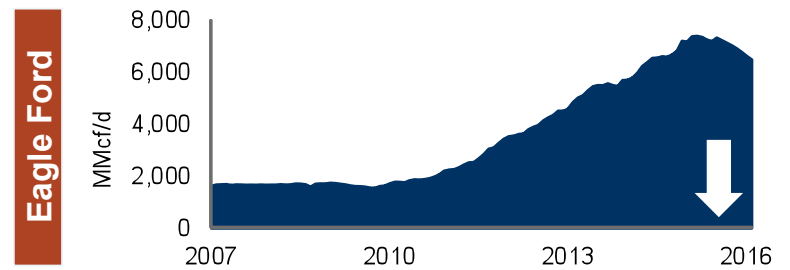
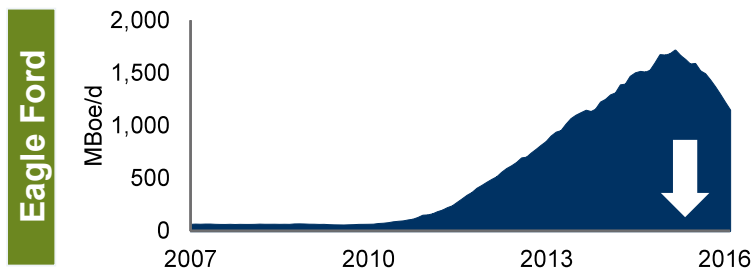
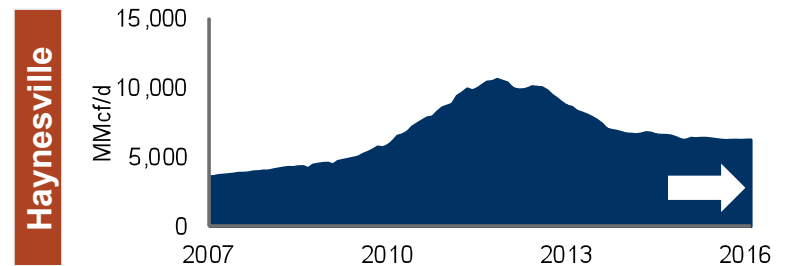
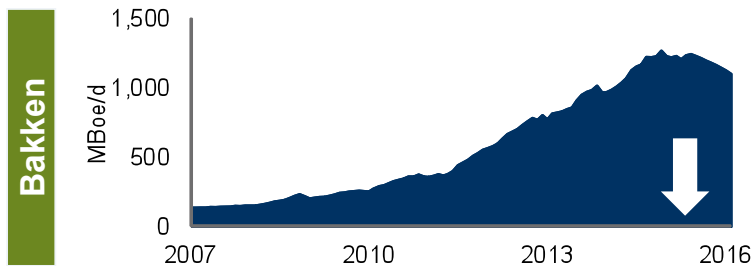
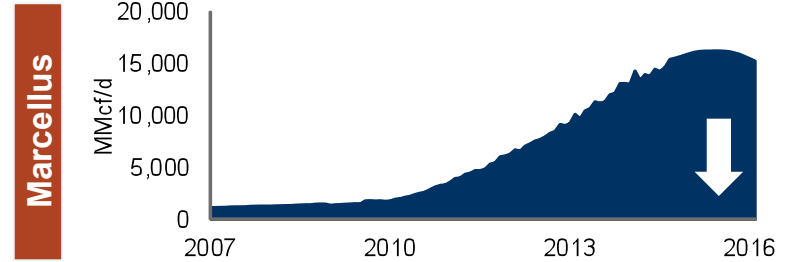
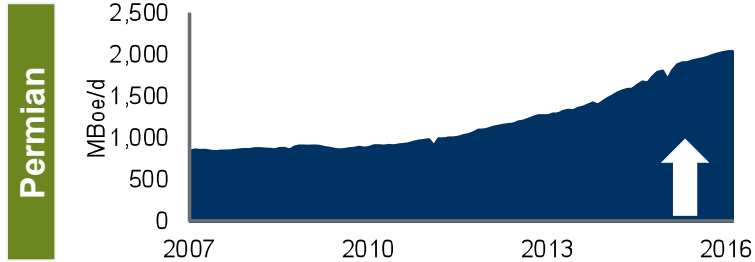
CapEx estimated to decrease by ~30% from 2015 to 2016



9 Sources: Baker Hughes Rig Count. Regions per Baker Hughes – SCOOP / STACK, Midland Basin, Delaware Basin per RBC Richardson Barr, OPEC, IEA, EIA, RBC Research.

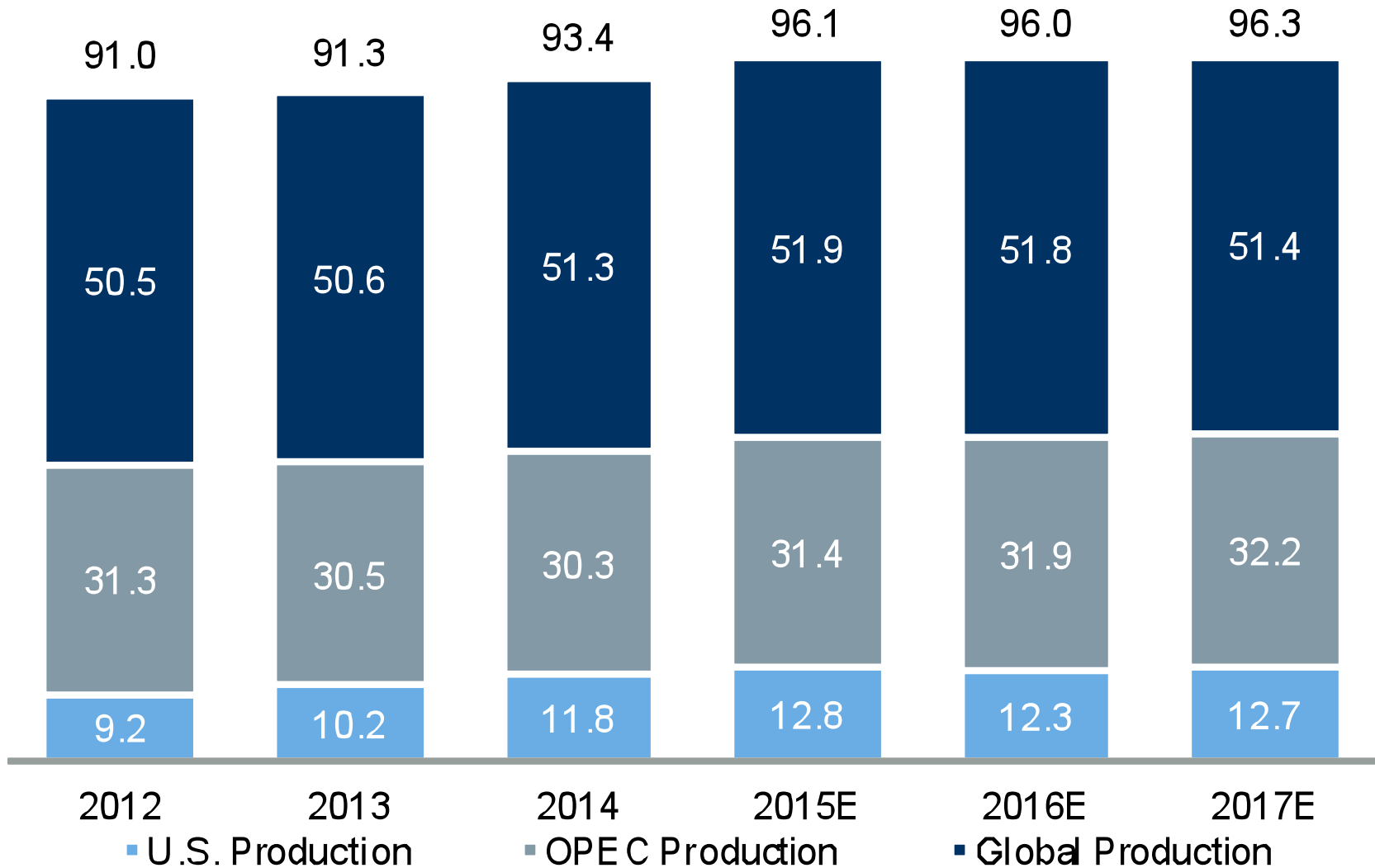
...Causing Production Declines In Most U.S. Basins...

Deepwater GOM (oil growth est. +19% 2015-2017) and Permian production growth offsetting production declines



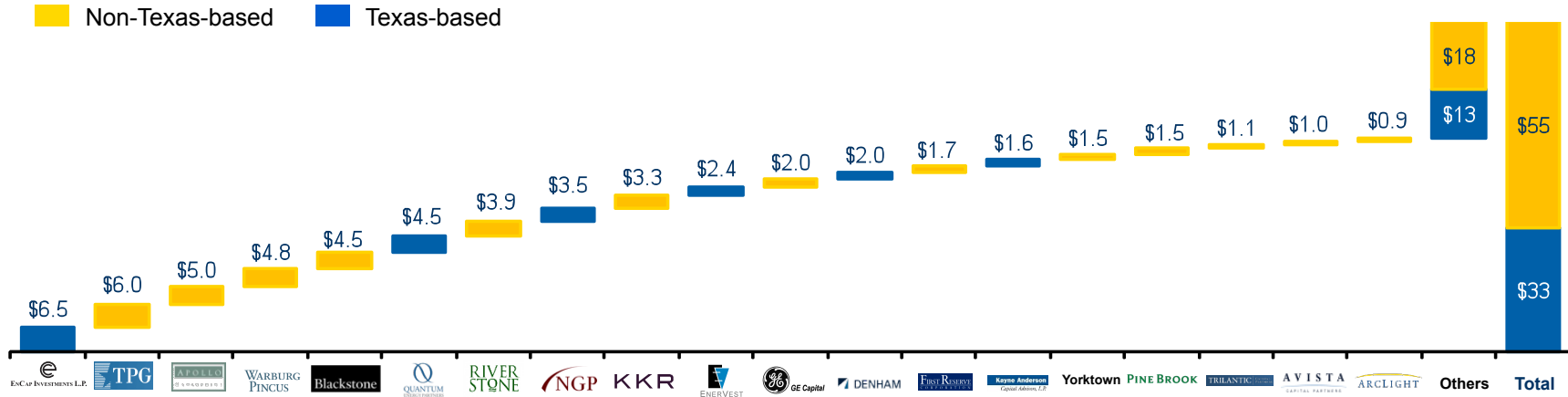
...However, Global Supply Expected To Increase

Global Liquids Production (MMBopd)

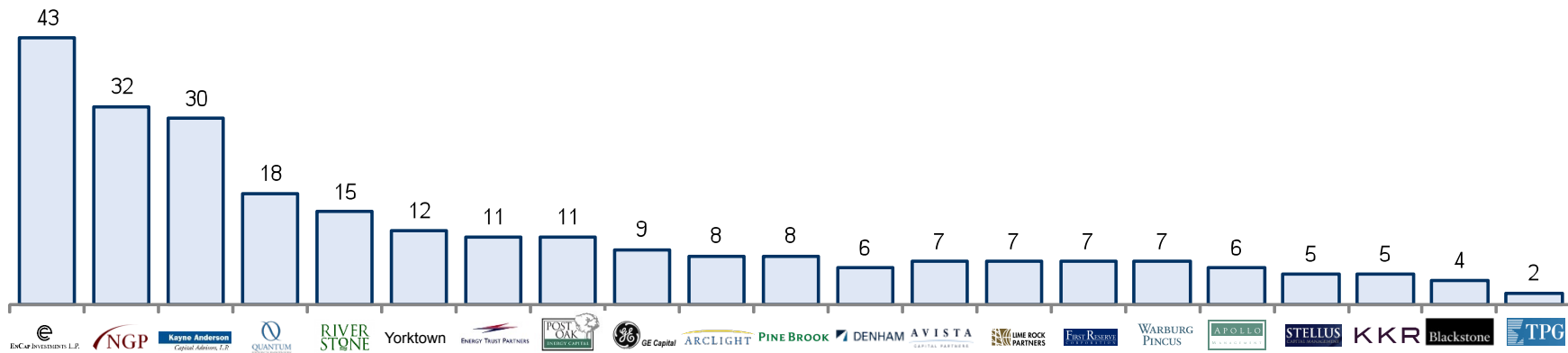


Private Equity Armed With \$85+ Billion

Financial Sponsors Increasingly Active In The E&P Space – ~\$85+ B In E&P Focused Capital

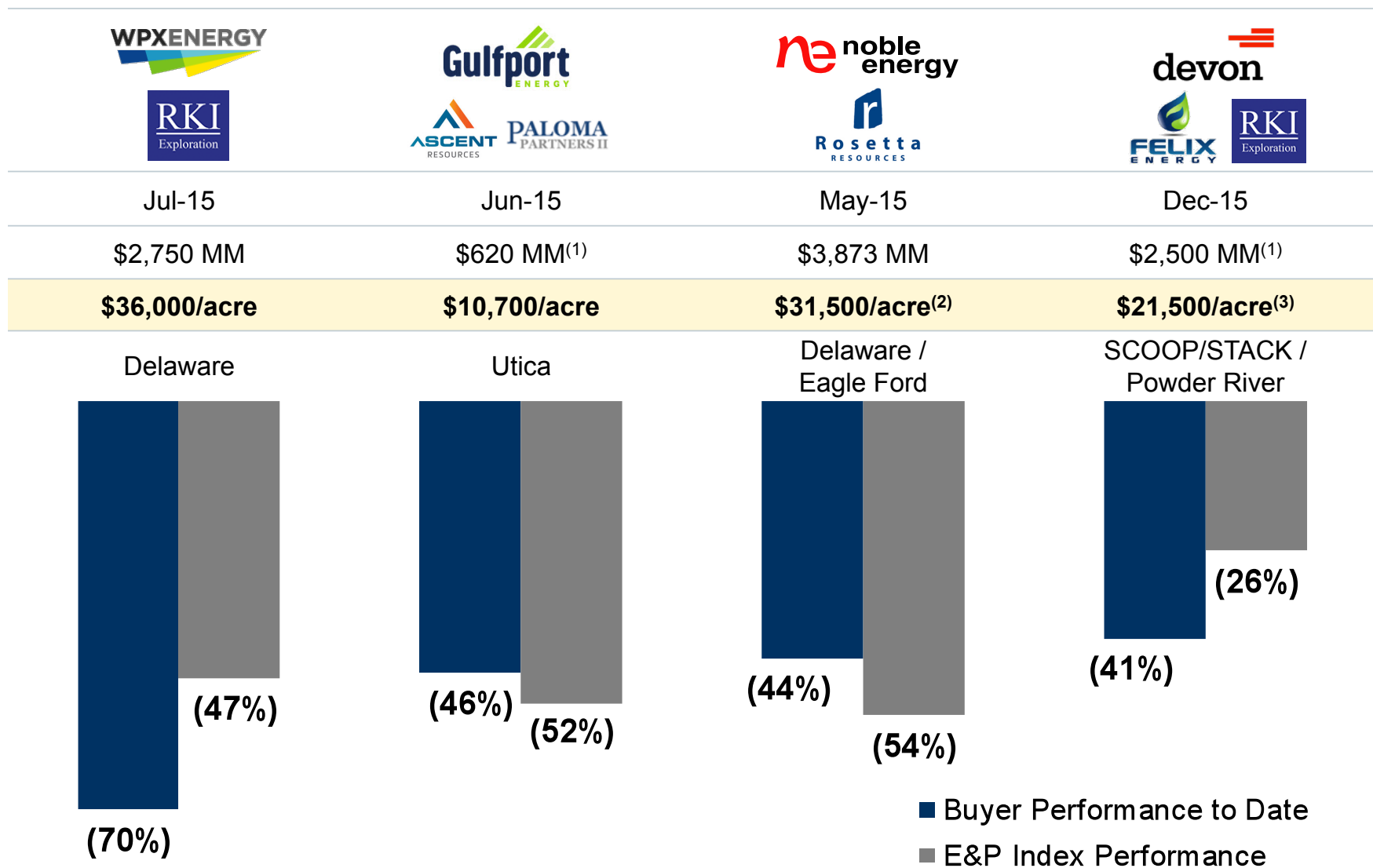


Financial Sponsor Universe – 250+ Total U.S.-Focused E&P Management Teams



Source: RBC Richardson Barr internal database.

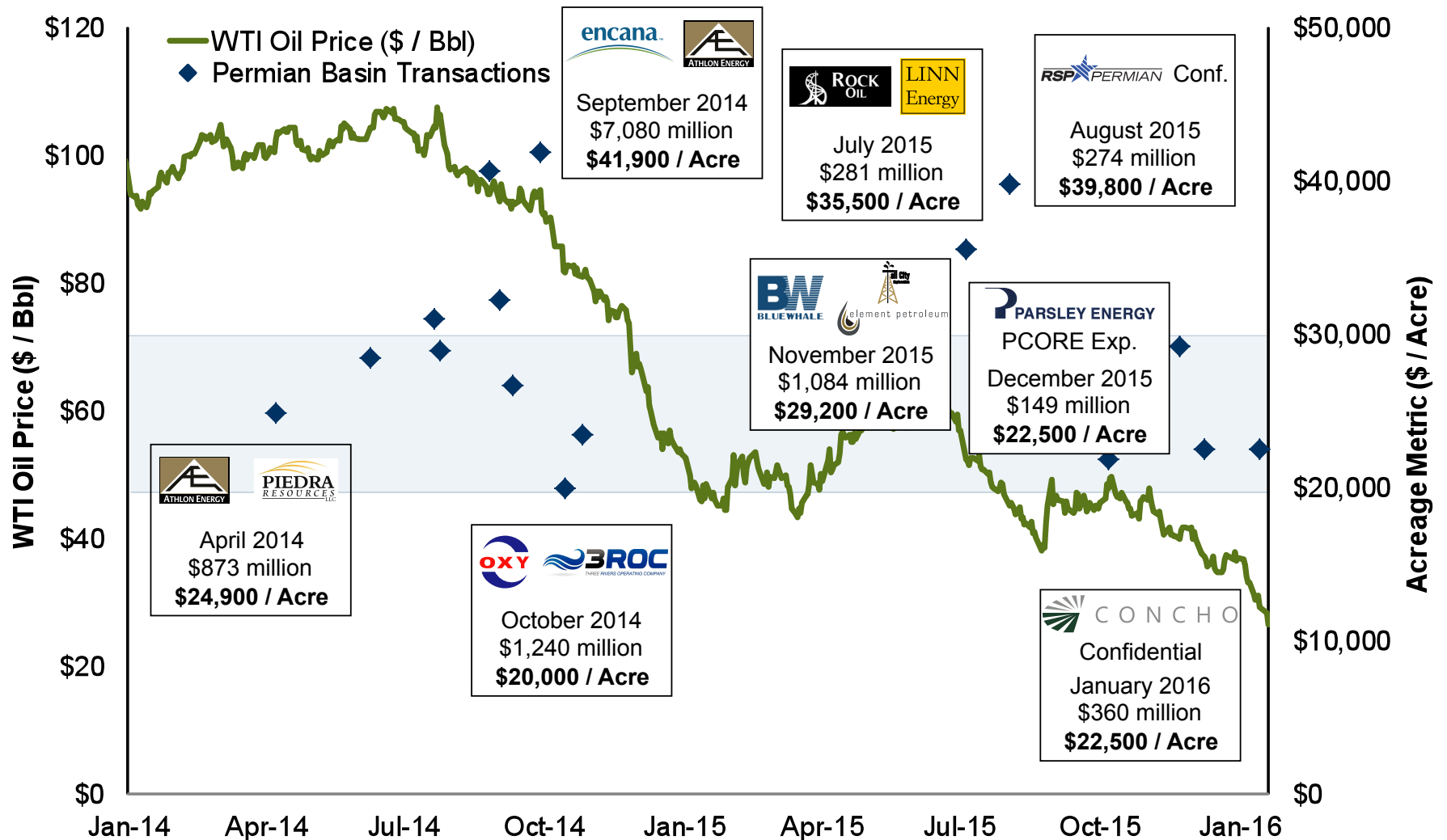
Publics' Cautious Acquisition Posture Creating Opportunity for Private Equity



⁽¹⁾ Amount includes two separate transactions.
⁽²⁾ Represents Delaware undeveloped acreage value only.
⁽³⁾ Represents Felix undeveloped acreage only.
 Source: Factset data as of 1/14/2016.









When Will Core-of-Core Valuations Start To Be Impacted?

Permian Basin Valuations Versus Oil Price



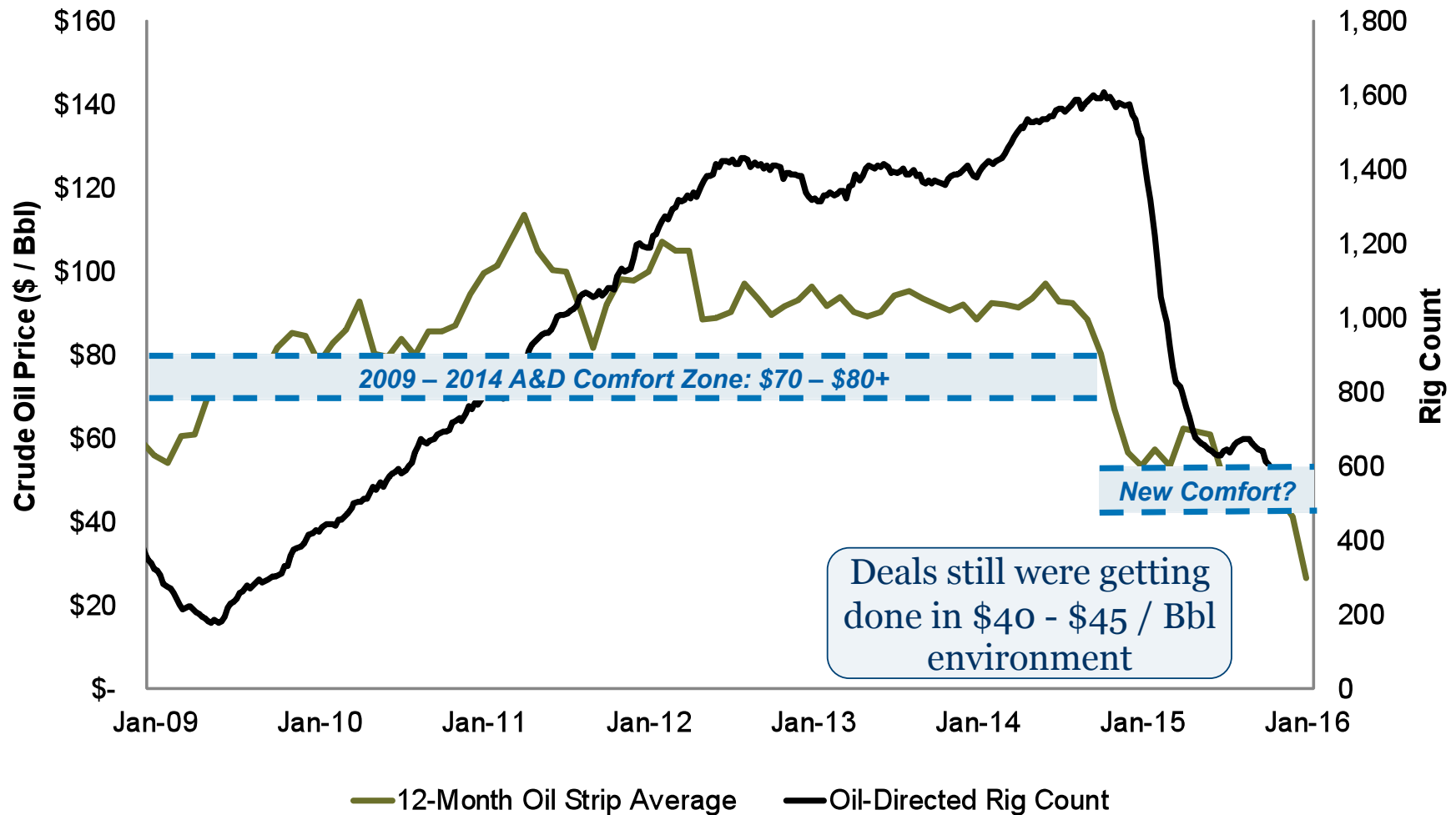
14 Source: RBC Richardson Barr, public filings. Some figures above may represent RBC estimates.
 Note: Acreege metric calculated after allocating PDP PV-10 for existing production.

RBC Insights On Current Buyer Methodology

Reserve Category	Present Value (\$MM) At Varying Discount Rates								
	PV ₀	PV ₈	PV ₁₀	PV ₁₂	PV ₁₅	PV ₂₀	PV ₂₅	PV ₃₀	PV ₄₀
PDP			✓						
PDNP				✓					
Bench 1 (Core)									
Bench 2 (Core)									
Bench 3 (Emerging Core)									

A&D Adjusts As It Needs To – Just Need Stability

Oil Price vs. Rig Activity



Source: Bloomberg and Baker Hughes data as of January 14, 2016.

How Do You Get A Deal Done In The Current Environment?

- 1** Sellers acceptance of bid valuations
- 2** Market for bigger deals is very efficient (you're not going to "steal" anything)
- 3** Marry technical valuation with market metrics
- 4** Creativity to narrow bid / ask spread (e.g. price kickers)
- 5** Pre-empt – "bird-in-hand" for a seller more valuable in this kind of market

RBC Deal In The Market: Vanguard SCOOP / STACK

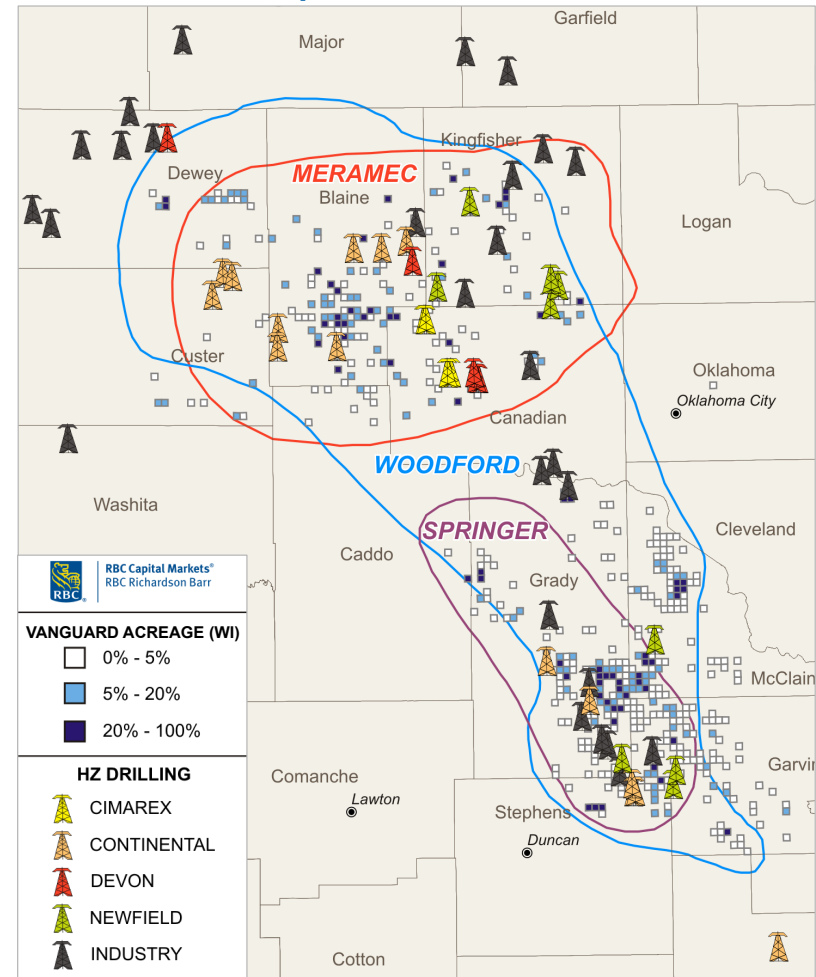
Opportunity Highlights

Asset Overview	<ul style="list-style-type: none"> ▪ 20,000+ net acres across the SCOOP / STACK <ul style="list-style-type: none"> – Acreage is predominantly held by production ▪ Current net production of ~8,000 Boepd <ul style="list-style-type: none"> – 50% liquids / 50% gas ▪ Exposure to multiple high-return zones including Woodford, Meramec and Springer ▪ Single-well economics providing attractive, industry leading returns in current environment
Tremendous Horizontal Upside from Multiple Stacked Pays	<ul style="list-style-type: none"> ▪ SCOOP / STACK has emerged as a premier U.S. resource play ▪ Low breakeven development costs with commodity diversification ▪ Operators testing and optimizing development through downspacing and staggered lateral tests

Key Dates

Executive Summary	In The Market
Data Room Presentations	January 26 th – February 19 th
Bid Date	February 22 nd
PSA Signed	Early March

Asset Locator Map



RBC Deal In The Market: EnerVest Barnett

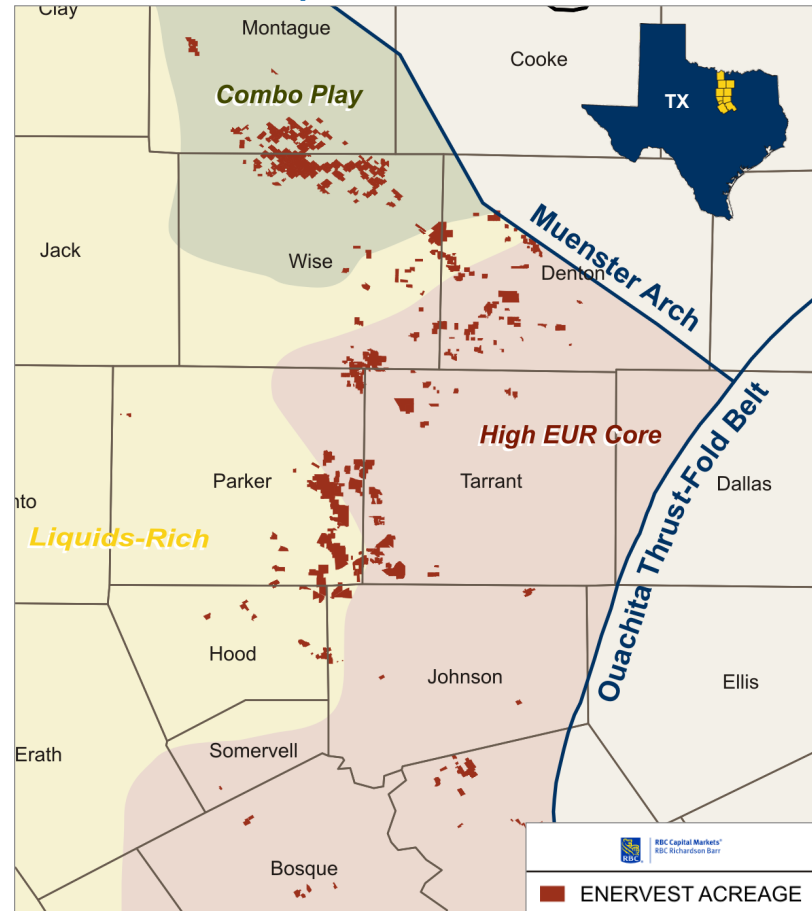
Opportunity Highlights

Asset Overview	<ul style="list-style-type: none"> ▪ 116,444 gross / 72,601 net acres spanning all major phase windows of the Barnett (93% HBP) <ul style="list-style-type: none"> – Avg. 56% WI / 44% NRI ▪ Upside includes low-risk development drilling, downspacing opportunities (250' spacing successfully tested), re-fracs and uphole recompletions
Substantial Production Base With Deep Inventory	<ul style="list-style-type: none"> ▪ Recent net production of ~160 MMcfpd (64% gas) ▪ Shallow base decline of ~14% forecast in 2016 ▪ ~1,400 producing wells, ~87% EnerVest operated ▪ Over 1,300 quantified horizontal drilling locations ▪ ~400 identified behind pipe and refrac opportunities

Key Dates

Executive Summary	February 4 th
Data Room Presentations	February 15 th – March 11 th
Bid Date	March 15 th
PSA Signed	Early April

Asset Locator Map



Recent U.S. RBC Richardson Barr Transactions

\$500+ Million

 <p>has divested certain oil and gas properties and undeveloped acreage located in the Permian Basin to</p>  <p>\$1,084,000,000</p> <p>RBC Richardson Barr served as financial advisor to Tail City and Element</p> <p>November 2015</p>	 <p>has divested certain oil and gas properties and undeveloped acreage located in the Permian Basin to</p>  <p>~\$1,300,000,000</p> <p>RBC Richardson Barr served as financial advisor to Three Rivers</p> <p>December 2014</p>	 <p>has divested its oil and natural gas producing properties and related assets in the South Louisiana Gulf Coast Region to a Confidential Buyer</p> <p>Confidential</p> <p>RBC Richardson Barr served as financial advisor to Apache Corporation</p> <p>December 2014</p>	 <p>has divested oil and gas properties and related assets in the Western Anadarko Basin to</p>  <p>\$1,950,000,000</p> <p>RBC Richardson Barr served as financial advisor to LINN Energy, LLC</p> <p>December 2014</p>
 <p>has traded certain oil and gas properties in the Permian Basin to</p>  <p>Confidential</p> <p>RBC Richardson Barr served as financial advisor to LINN Energy, LLC</p> <p>November 2014</p>	 <p>has agreed to merge with</p>  <p>\$3,000,000,000</p> <p>RBC Capital Markets served as financial advisor to QR Energy, LP</p> <p>November 2014</p>	 <p>has divested certain oil and gas properties and related assets in the Permian and Mid-Continent regions to</p>  <p>\$805,000,000</p> <p>RBC Richardson Barr served as financial advisor to HighMount Exploration & Production, LLC</p> <p>October 2014</p>	 <p>have merged the existing assets held by KKR Natural Resources Funds with the assets of Legend Production Holdings to form</p>  <p>Confidential</p> <p>RBC Richardson Barr served as financial advisor to Riverstone Holdings, LLC</p> <p>September 2014</p>
 <p>has traded certain oil and gas properties in the Permian Basin to</p>  <p>Confidential</p> <p>RBC Richardson Barr served as financial advisor to LINN Energy, LLC</p> <p>August 2014</p>	 <p>has divested its offshore Gulf of Mexico and onshore Gulf Coast properties and related assets to</p>  <p>\$750,000,000</p> <p>RBC Richardson Barr served as financial advisor to SandRidge Energy, Inc.</p> <p>February 2014</p>	 <p>has divested certain oil and gas properties and undeveloped acreage in the Permian Basin to</p>  <p>Confidential</p> <p>RBC Richardson Barr served as financial advisor to Merit Energy Company, LLC</p> <p>December 2013</p>	 <p>has divested certain oil and gas properties and related assets in the Uinta basin to</p>  <p>\$652,000,000</p> <p>RBC Richardson Barr acted as financial advisor to Axia Energy, LLC</p> <p>December 2013</p>

\$100 – \$500 Million

 <p>has divested certain oil and gas properties located in the Appalachian Basin, San Juan Basin, Michigan and Austin Chalk to</p>  <p>\$259,000,000</p> <p>RBC Richardson Barr provided a Fair Market Valuation of the assets to EnerVest, Ltd.</p> <p>September 2015</p>	 <p>has divested its natural gas producing properties and related assets in the Arkoma Basin and Ark-La-Tex area to a Confidential Buyer</p> <p>\$102,000,000</p> <p>RBC Richardson Barr served as financial advisor to Marathon Oil Company</p> <p>September 2015</p>	 <p>has divested certain oil and gas producing properties and undeveloped acreage located in the Permian Basin to</p>  <p>\$281,000,000</p> <p>RBC Richardson Barr served as financial advisor to LINN Energy, LLC</p> <p>August 2015</p>	 <p>has divested certain oil and gas properties and related assets in Appalachia to</p>  <p>\$126,000,000</p> <p>RBC Richardson Barr served as financial advisor to EDF</p> <p>July 2015</p>
 <p>has divested all of its oil and gas properties in the Mid-Continent and Ark-La-Tex regions to two Confidential Buyers</p> <p>\$324,000,000</p> <p>RBC Richardson Barr is served as a financial advisor to SM Energy</p> <p>June 2015</p>	 <p>has divested its natural gas producing properties and related assets in East Texas and the Arkoma Basin to a Confidential Buyer</p> <p>\$218,000,000</p> <p>RBC Richardson Barr served as financial advisor to Southwestern Energy Company</p> <p>March 2015</p>	 <p>has divested its natural gas producing properties and related assets in the Arkoma Basin to</p>  <p>\$185,100,000</p> <p>RBC Richardson Barr served as financial advisor to Forest Oil Corporation</p> <p>December 2014</p>	 <p>has divested certain oil and gas properties and related assets located in North Central Texas on the Eastern Shelf of the Permian Basin to</p>  <p>\$120,000,000</p> <p>RBC Richardson Barr served as financial advisor to LCS Production Company</p> <p>November 2014</p>
 <p>has divested certain oil and gas properties and related assets located in the Permian Basin to</p>  <p>\$350,000,000</p> <p>RBC Richardson Barr served as financial advisor to LINN Energy, LLC</p> <p>November 2014</p>	 <p>has divested certain non-operated producing oil and gas properties and leasehold interests in the Eagle Ford Shale to</p>  <p>\$250,000,000</p> <p>RBC Richardson Barr served as financial advisor to Eagle Ford Minerals, LLC</p> <p>October 2014</p>	 <p>has divested certain oil and gas properties and related assets in the Permian Basin to</p>  <p>\$242,000,000</p> <p>RBC Richardson Barr served as financial advisor to Cimarex Energy Company</p> <p>October 2014</p>	 <p>has divested certain conventional oil and gas properties in the Permian Basin to a Confidential buyer</p> <p>Confidential</p> <p>RBC Richardson Barr served as financial advisor to Capstone Natural Resource Partners, L.P.</p> <p>September 2014</p>

Note: Represents select RBC Richardson Barr advised transactions.

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