



 **FIELDWOOD ENERGY**

***IPAA Private Capital Conference***

**January 29, 2015**

# Introduction to Fieldwood

- Pure start up in early 2013
  - 7 employees, \$5 MM invested capital, and no properties
- Portfolio company of New York-based private equity firm Riverstone Holdings LLC ("Riverstone")
- Fieldwood is second partnership between Riverstone and Fieldwood management
  - Successfully built Dynamic Offshore Resources, LLC into one of the largest GOM Shelf companies prior to sale in 2012 to SandRidge Energy Inc.
- Fieldwood is the largest operator on the Gulf of Mexico Shelf
- Successfully closed five transactions since inception in the past 12 months including:
  - \$3.75 billion acquisition of Apache Corp.'s GOM Shelf business
  - \$750 million acquisition of SandRidge Energy Inc.'s GOM and Gulf Coast business unit
- Fieldwood intends to be an active driller and acquirer with a long-term commitment to the GOM
  - Actively pursuing additional strategic acquisition and exploration opportunities
  - Significant cash flow, liquidity and undrawn capital for future growth

# Riverstone Overview

## Riverstone Holdings LLC

- Global energy-focused private equity investment firm founded in 2000
- 46 investment professionals in New York, London, Houston
- \$27 billion of equity capital managed in seven funds; \$7.7 billion Fund V closed in 2013
- Investments across four primary sectors of energy industry; ~50% of capital committed to upstream
- Strong record of investment success through partnership with management
- Riverstone Board of Directors: David Leuschen, Pierre Lapeyre, John Lancaster, Brett Staffieri
- *Fieldwood is Riverstone's largest equity investment to date*

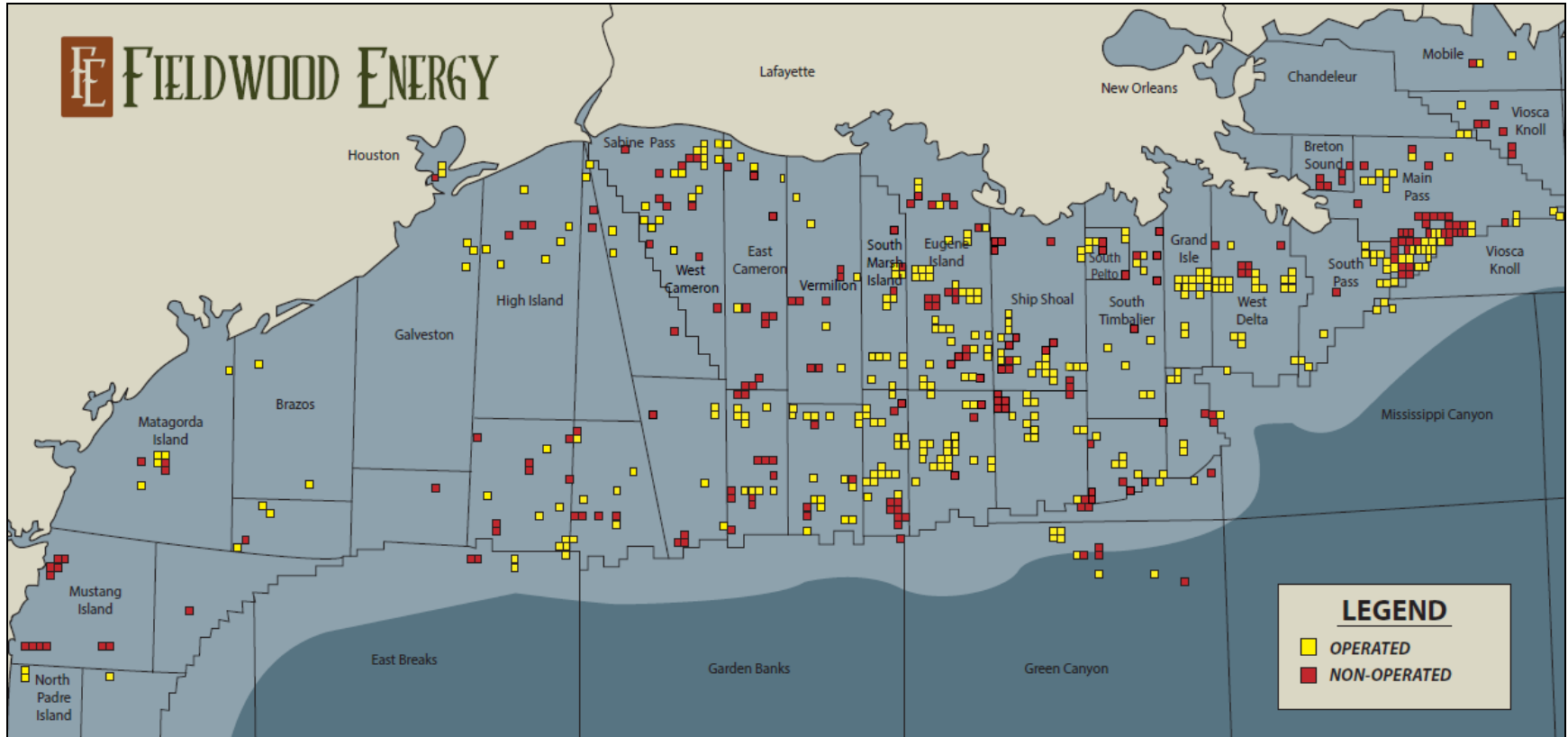
## Track Record in the Gulf of Mexico



## Select Global Energy Investments



# Fieldwood Overview



Fieldwood Overview	
Net Production	~100,000 boepd
Operated Platforms	658
GOM Blocks	~650
Employees	684

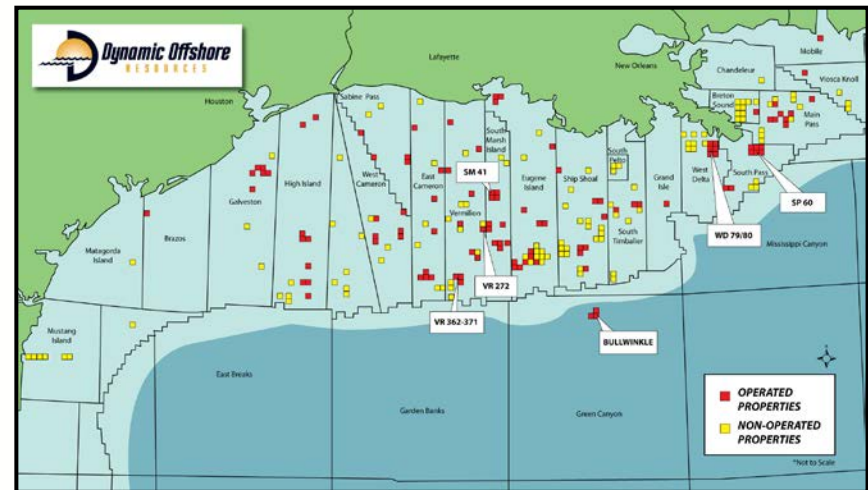
Current Activity	
Operated Rigs	4
P&A Spreads	4
Offshore Personnel	3,100

# Dynamic Offshore Resources History

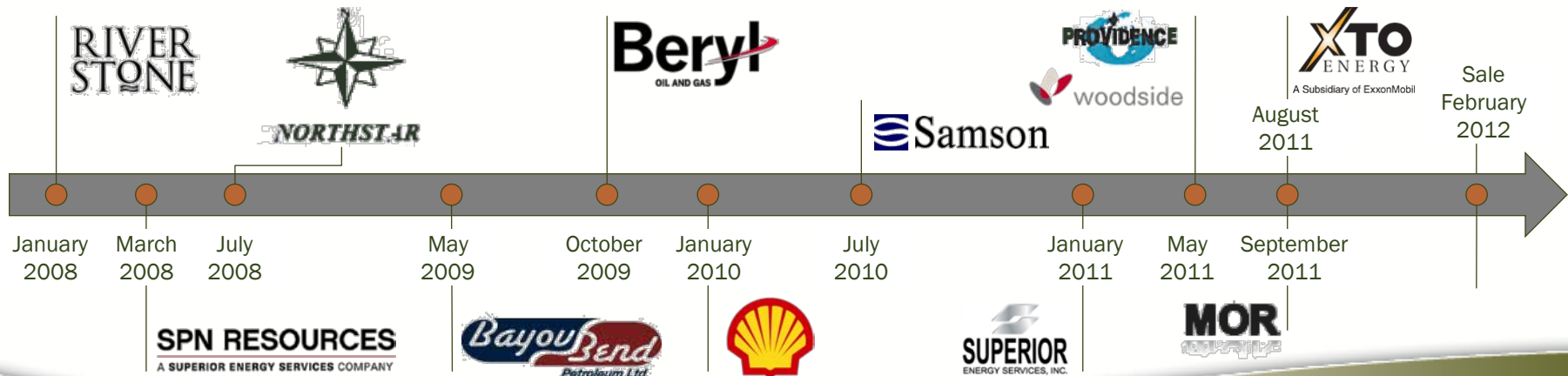
## Company Overview

- Founded in 2008 by Riverstone and Matt McCarroll to execute contrarian investment thesis
- Independent E&P focused on acquisition and development of GOM producing properties in water depths <300 feet and select deepwater operations
- Assembled talented, experienced, well-funded team to take advantage of “Buyer’s Market” in the GOM
- Completed ten material transactions in four years
- Exited as 5<sup>th</sup> largest operator on GOM Shelf
- Sold in February 2012 to SandRidge for ~\$1.3 billion after total equity investment of approximately \$225 million

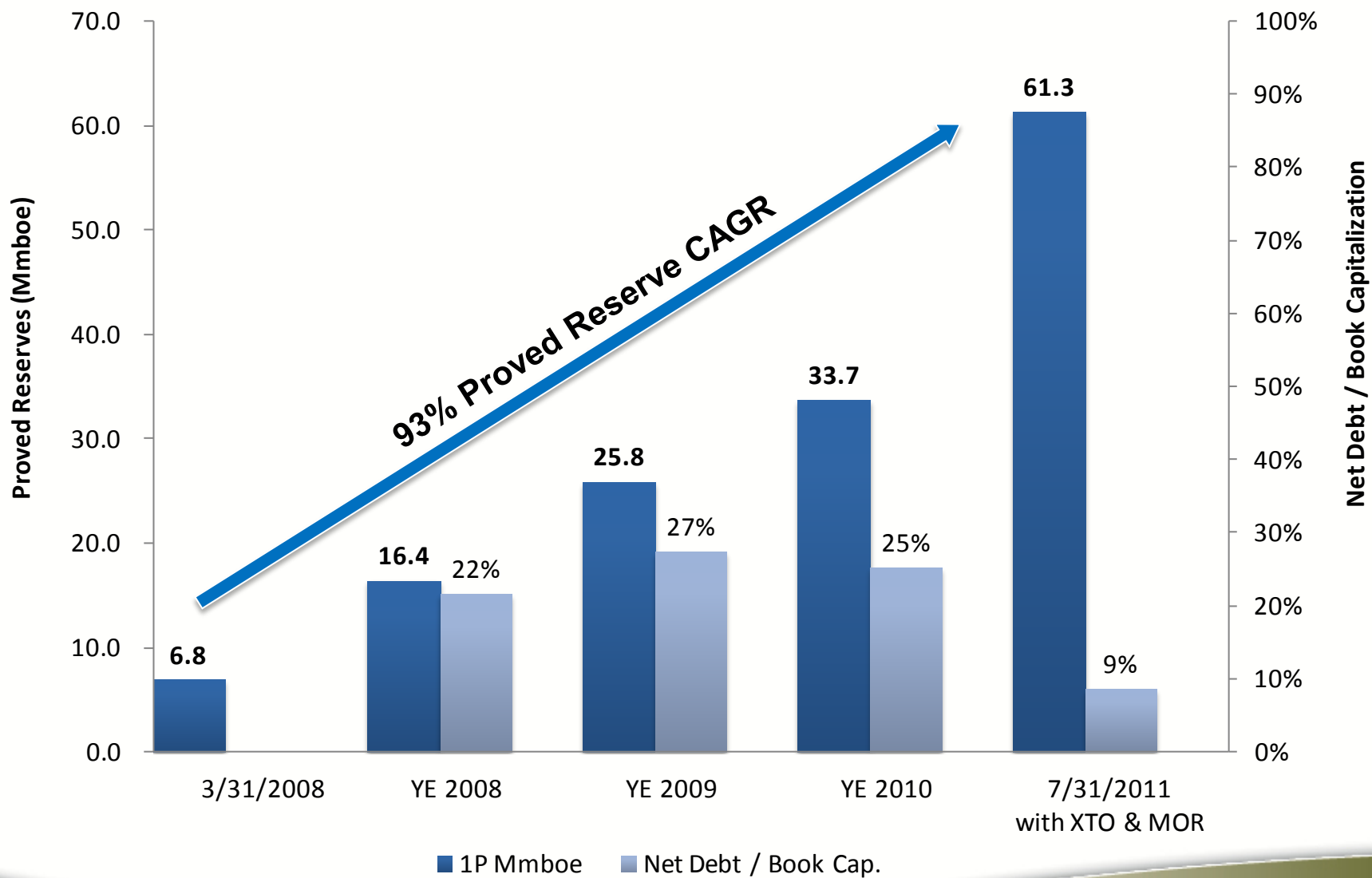
## Property Map



## Dynamic Milestones

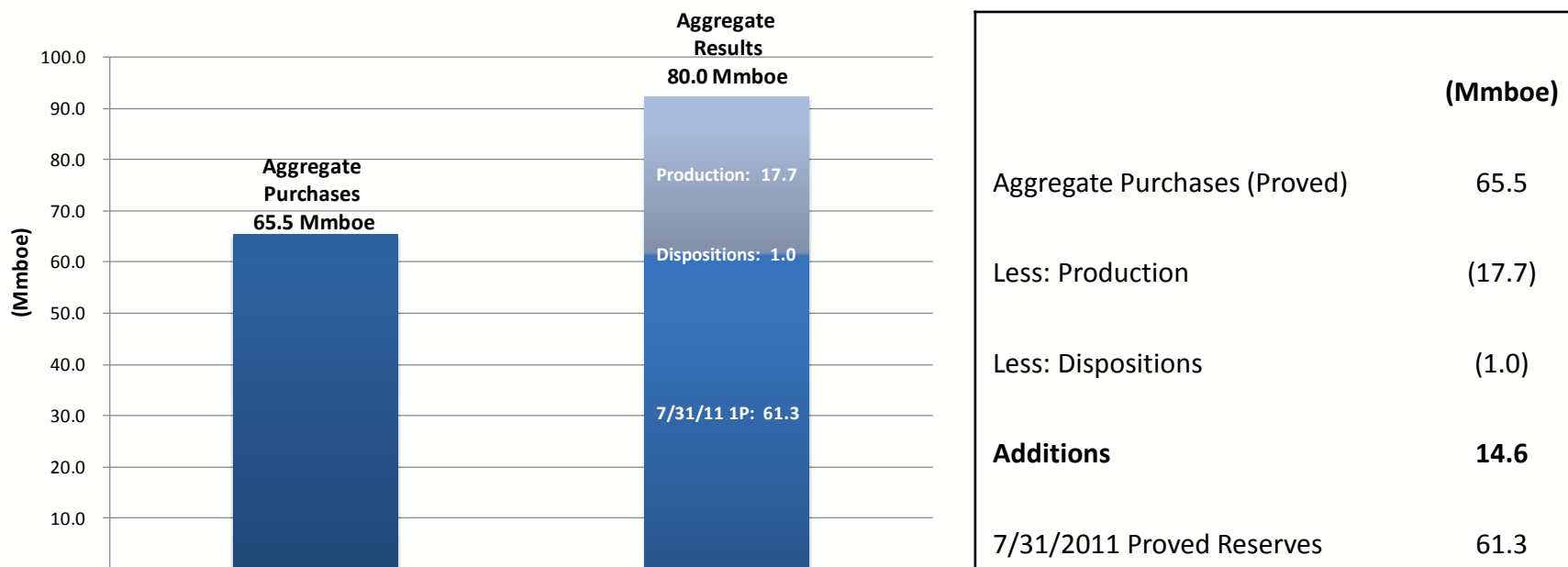


# Consistent Growth with Financial Discipline



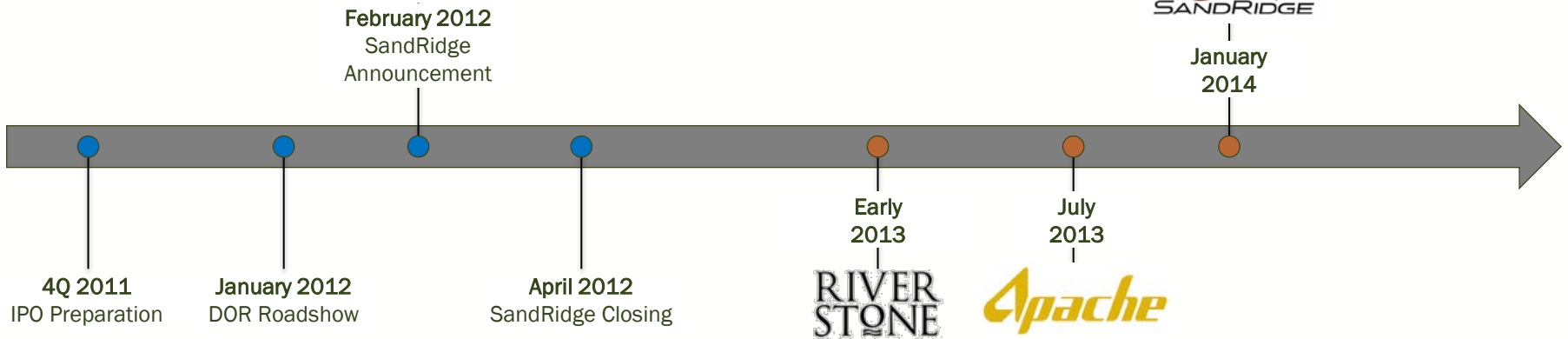
# Post-Acquisition Value Enhancement

- Invested ~\$250 MM in exploration and development CapEx
- Participated in drilling 14 gross (8 net) wells with 79% success rate
- Increased reserves ~15 Mmboe (>20%) post-acquisition



*Dynamic aggressively pursued lower risk, lower cost recompletion and workover activities with immediate production impact*

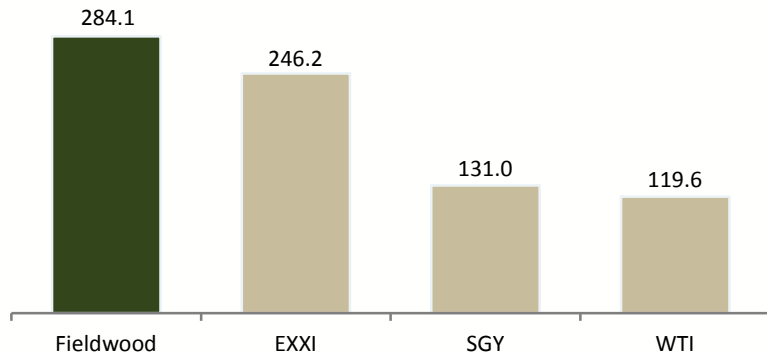
# Fieldwood: A Dynamic Opportunity





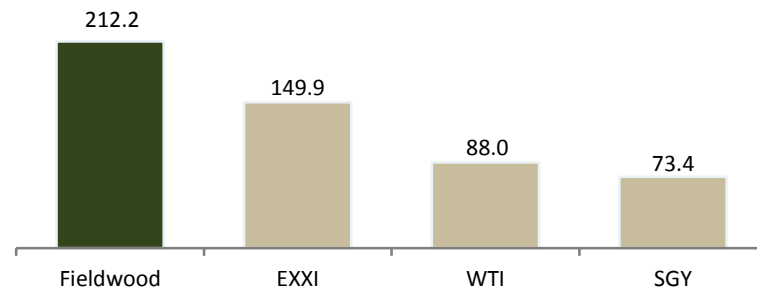
# Current Fieldwood GOM Peer Group Comparison

## Proved reserves (Mmboe)



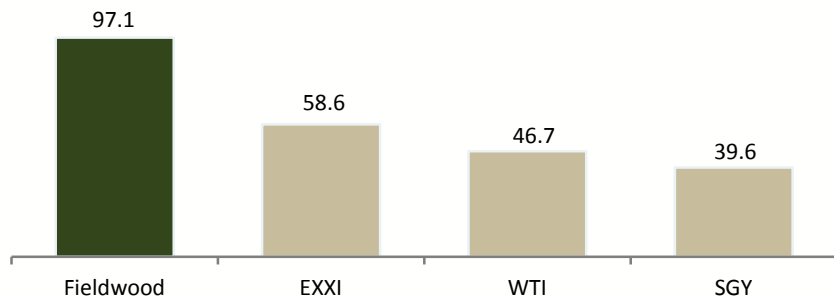
	Fieldwood	EXXI	SGY	WTI
% liquids	57%	75%	47%	64%

## Proved developed reserves (Mmboe)

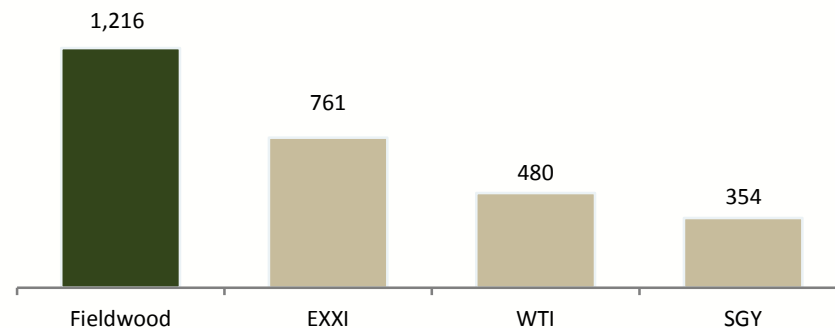


	Fieldwood	EXXI	WTI	SGY
% PD	75%	61%	74%	56%

## 3Q14 Production (Mboepd)



## YTD 9/30/2014 EBITDAX (\$million)



Source: Wall Street research and company filings  
Reserve data as of most recent company filings

# Attractive Fieldwood Acquisition Metrics

	FWE / APA	FWE / SD	FWE / Other	Recent GOM Transactions	Peer Group as of 6/30/14	Peer Group Current
Total Proved Reserve Multiple (\$/boe)	\$15.69	\$12.37	\$10.89	\$25.30	\$22.05	\$14.00
Proved Developed Reserve Multiple (\$/boe)	\$21.11	\$17.56	\$18.46	\$35.77	\$36.12	\$22.19
<i>% Developed</i>	<i>74%</i>	<i>70%</i>	<i>59%</i>	<i>71%</i>	<i>64%</i>	<i>64%</i>
LTM Production Multiple (\$/boepd)	\$40,795	\$25,443	\$25,158	\$80,867	\$72,553	\$45,528
PV-10 Multiple	0.6x	0.7x	0.5x	1.0x	1.2x	0.7x
EBITDA Multiple	2.8x	2.0x	1.8x	4.4x	4.9x	4.8x

Source: Company filings and management estimates

Production and EBITDA multiples for transactions reflect LTM figures; peer group average reflects 2015 consensus estimates

Other includes Black Elk, Northwestern Mutual and Davis Offshore

Recent GOM Transactions include EXXI/EPL and Talos/SGY; metrics are based on estimates at the time of the acquisition

Peers reflect WTI, EXXI and SGY as of 1/23/2015

# Focus on Cost Control and Profitability

- Total operating expense and 65% EBITDA margin better than peer average
- Focus on field-level profitability through emphasis on continual evaluation of operational efficiencies
- Able to maintain attractive cost structure while
  - Achieving better than industry-average safety and compliance record
  - Conducting aggressive repair and maintenance program to ensure compliance and high-quality facilities

	YTD 9/30/2014 (\$MM)	FWE \$/boe	Peers \$/boe <sup>1</sup>
<b>Total Revenue</b>	<b>1,859.3</b>	<b>\$66.53</b>	<b>\$70.48</b>
Lease Operating Expense	(498.8)	(\$17.85)	
Workover	(37.7)	(\$1.35)	
Insurance	(30.1)	(\$1.08)	
<b>Total Operating Expense</b>	<b>(566.5)</b>	<b>(\$20.27)</b>	<b>(\$23.86)</b>
General and Administrative	(76.5)	(\$2.74)	(\$4.09)
<b>EBITDA</b>	<b>1,216.2</b>	<b>\$43.52</b>	<b>\$42.53</b>
<i>EBITDA Margin</i>		<i>65%</i>	<i>60%</i>

(1) Peers reflect EXXI, WTI and private operator

# Fieldwood Business Strategy

## Operating Strategy

- Pursue balanced mix of lower risk development opportunities alongside exploration program
- Optimize production without lowering safety and compliance standards
- Control fixed operating costs → incremental production all profit
- Proactive approach to abandonment obligation

## Financial Strategy

- Operate within cash flow
- Focus on cash margin / returns → not production volumes
- Maintain strong, flexible capital structure
- Prudent management of risk through commodity price hedging and insurance

## Acquisition Strategy

- Identify underworked assets / motivated sellers / mitigate pricing risks
- Selectively acquire based on conservative valuation of proved reserves
- Acquire significant upside with minimal cost
- Preferred buyer reputation

## **Retain Flexibility**

**Be In A Position To Exit When You Want,  
Rather Than When You Have To**

**Always Keep Your Options Open**

The logo consists of a brown square containing the stylized white letters 'FE'.

# FIELDWOOD ENERGY



**Exploring Opportunities.  
Producing Results.**

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