

IPAA / TIPRO “Leaders in Industry” Luncheon

State of U.S. A&D Market

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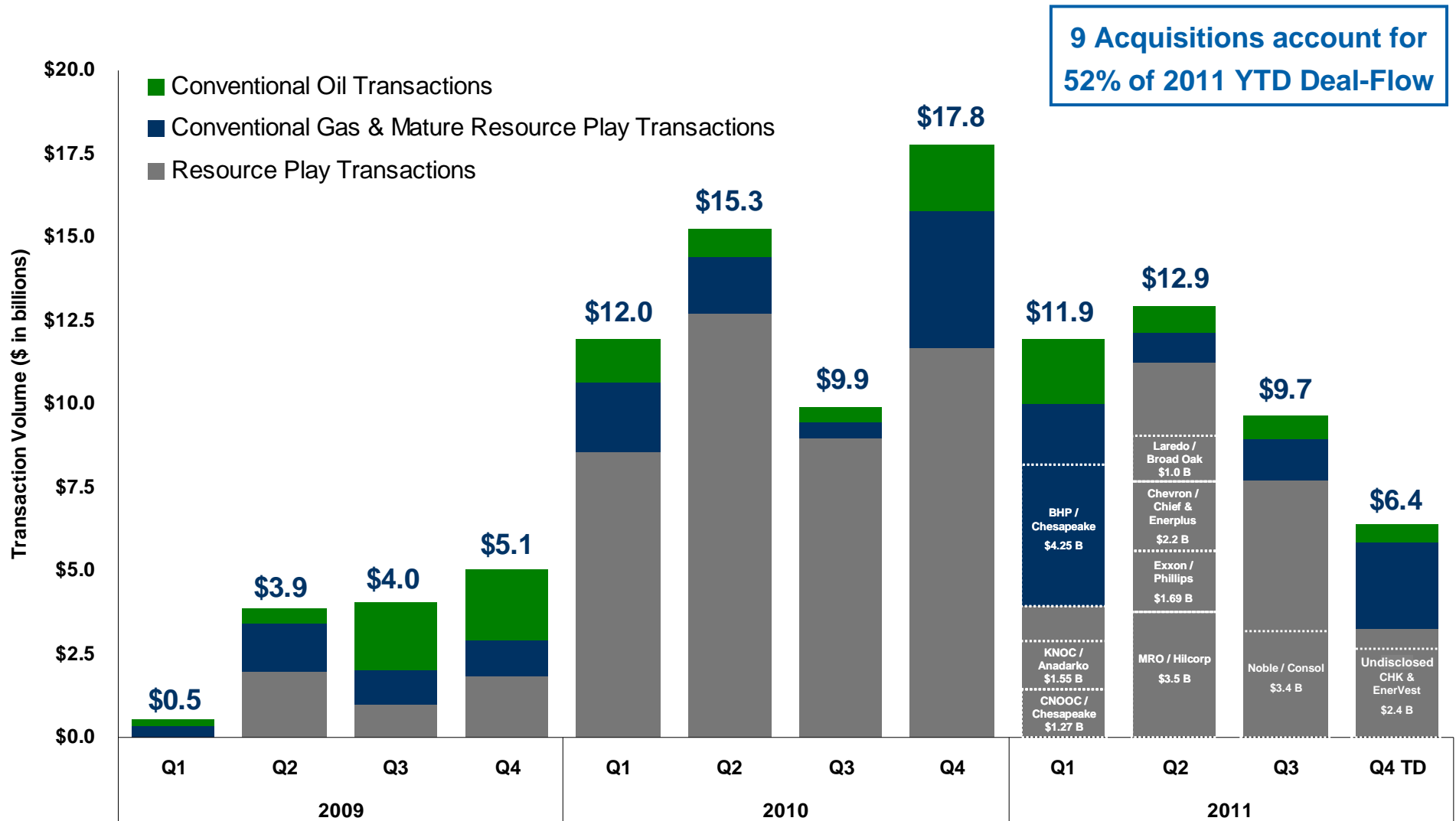
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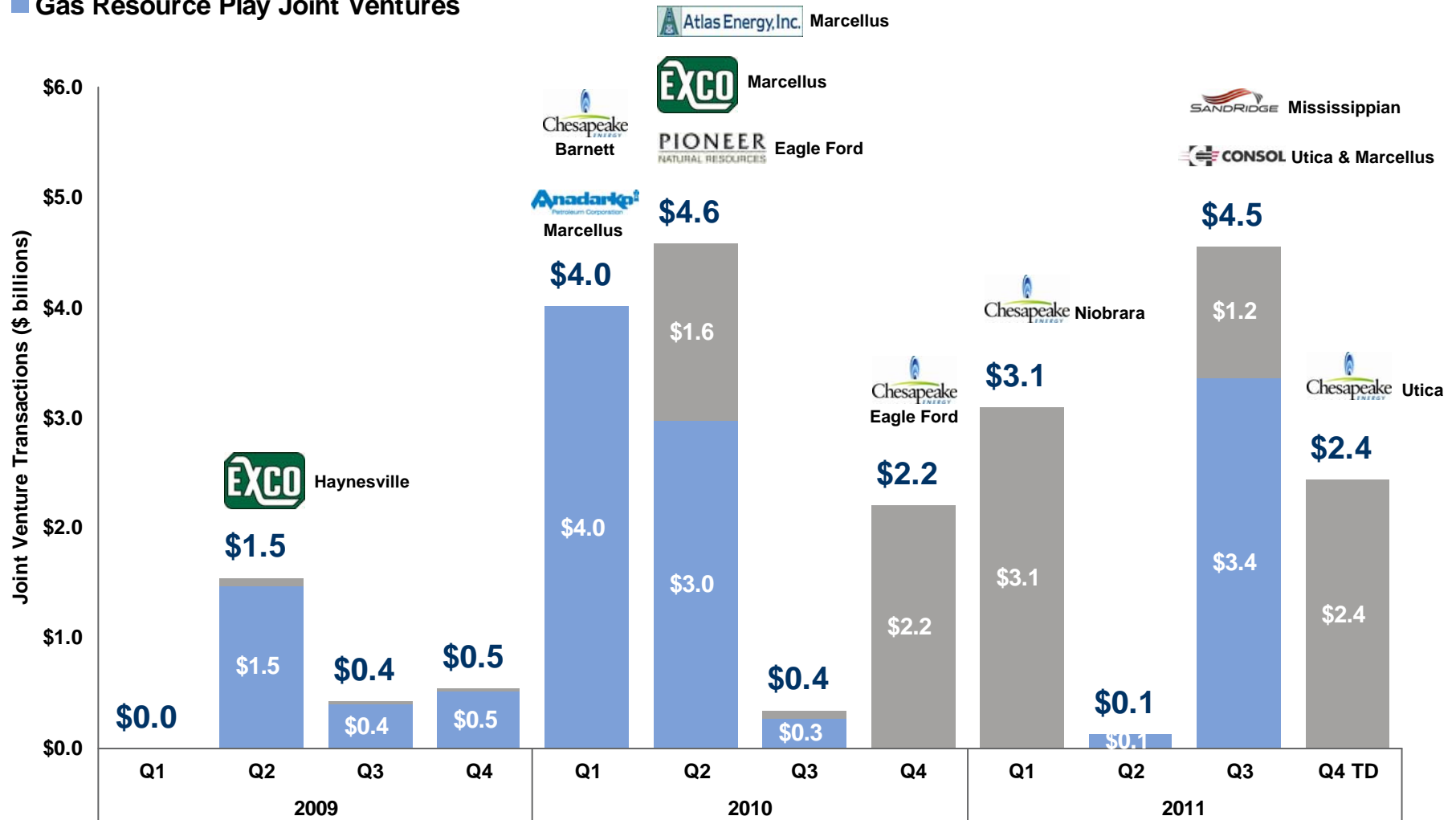
U.S. A&D Market Experiencing Quiet 4th Quarter



2 Note: Includes U.S. onshore transactions of at least \$20 MM.

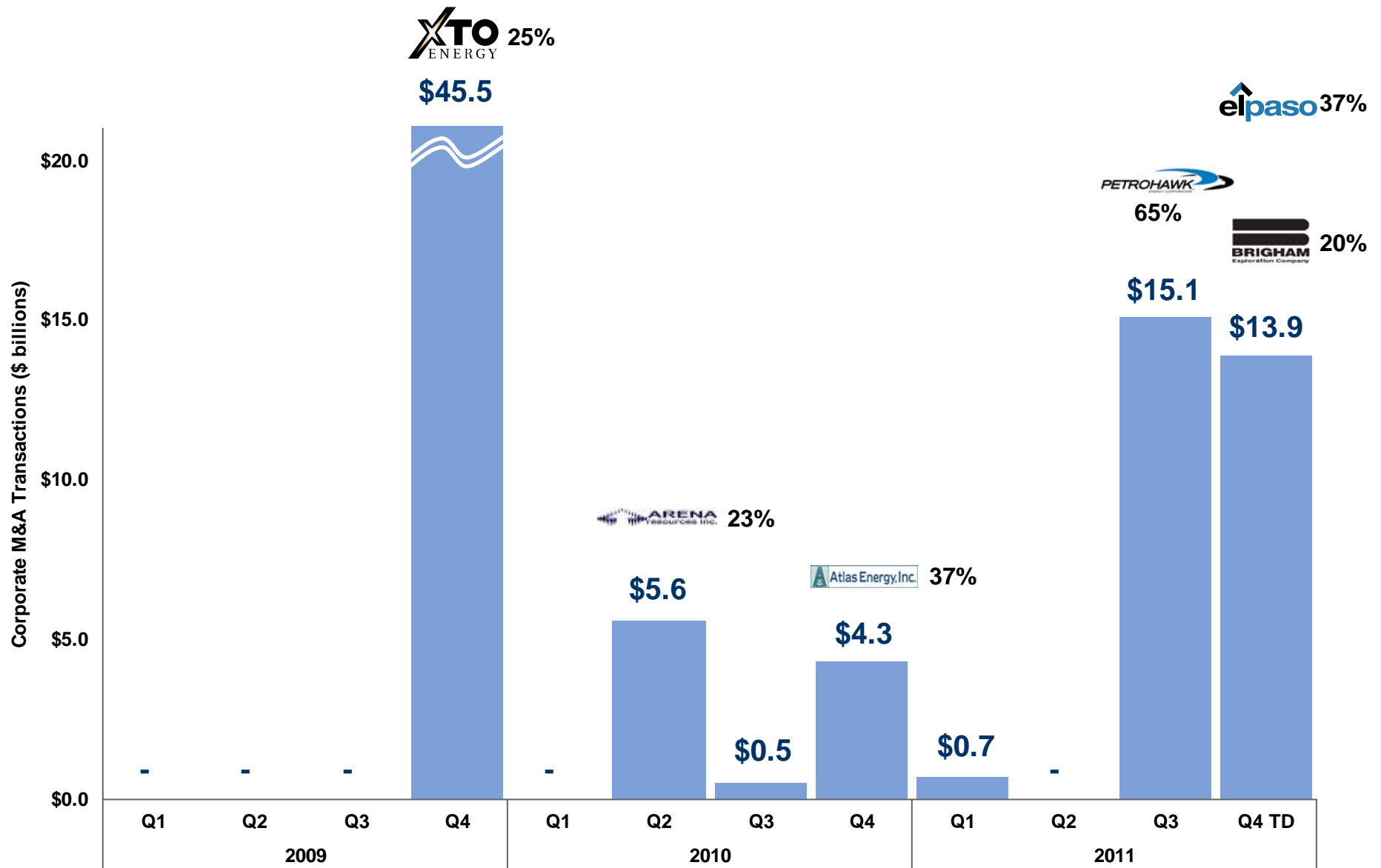
Joint Venture Market Showing Signs of Slow-Down?

- Oil / Liquids Resource Play Joint Ventures
- Gas Resource Play Joint Ventures



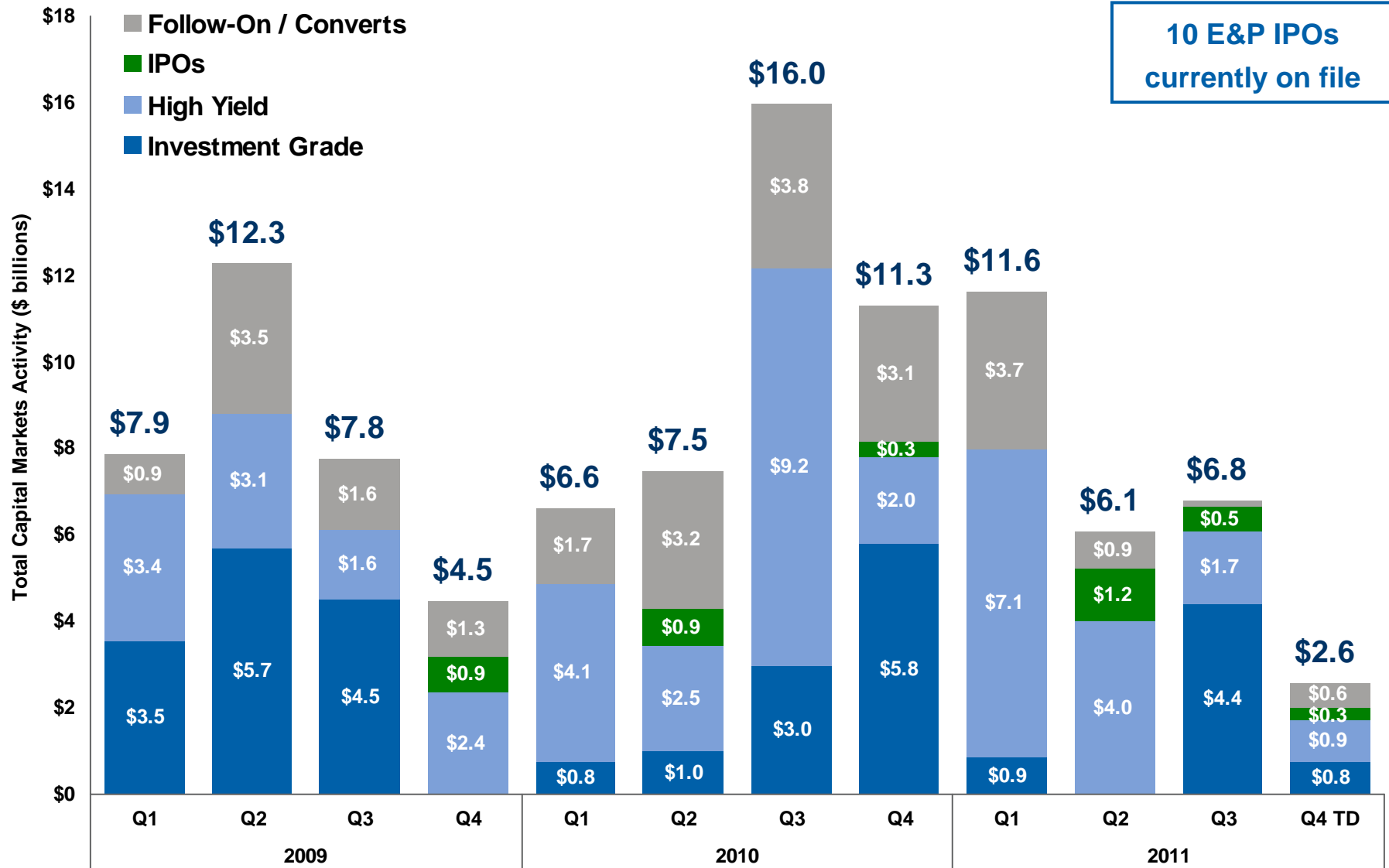
Total Resource Play JV's	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4 TD
	0	5	2	5	4	7	4	2	5	1	4	1

U.S. E&P M&A Market Is Picking Up



4 Note: Percentages represent 1-day stock price premium paid.
 Note: Kinder Morgan / El Paso transaction in Q4 2011 represents RBC-estimated value for E&P segment.

Capital Markets Have Re-Opened After Volatile Q3

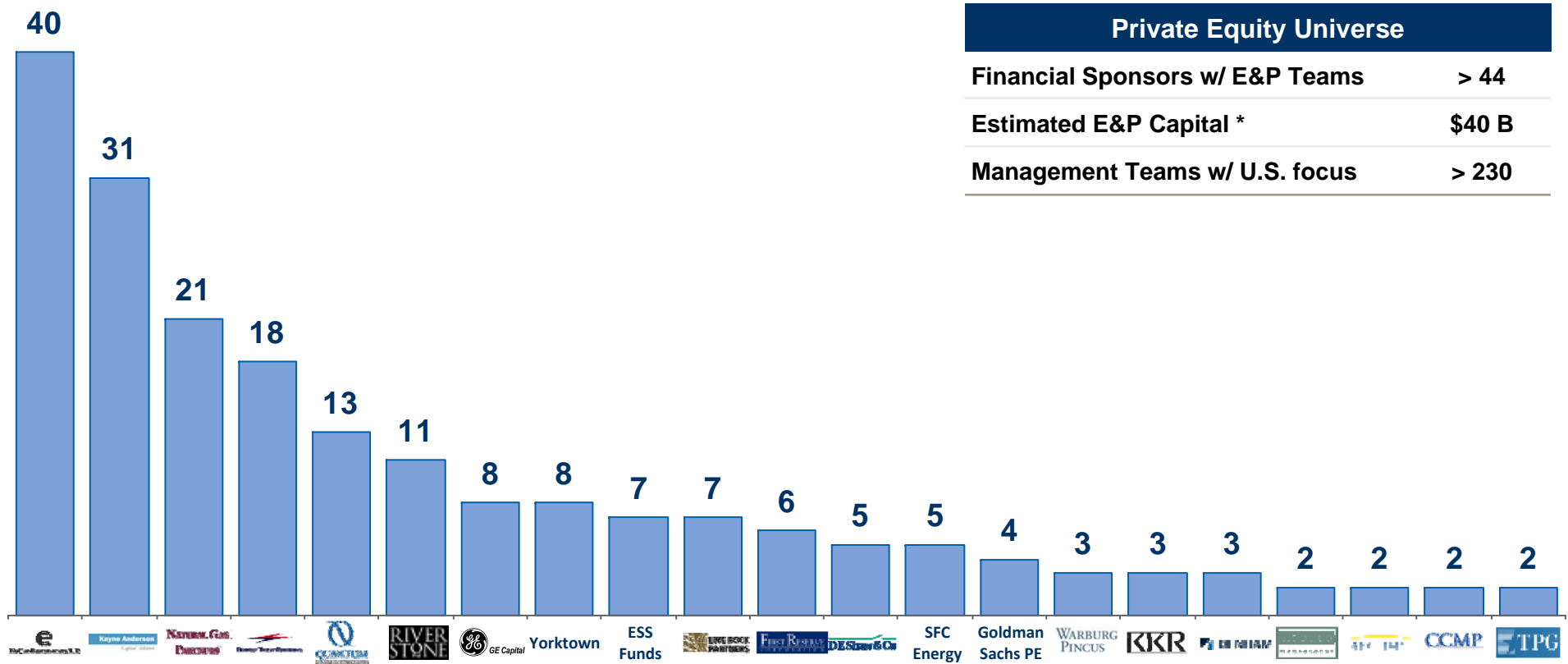


Potential E&P Initial Public Offerings

C-Corps	 <p>\$450 million Wolfberry Granite Wash</p>  <p>\$150 million Eagle Ford East TX / North LA</p>	 <p>\$300 million GOM Shelf</p>  <p>\$150 million Eagle Ford</p>	<p>BONANZA CREEK</p> <p>\$200 million Niobrara Mid-Continent</p>  <p>\$100 million East – Central Oklahoma</p>
MLPs	 <p>\$288 million South Texas East Texas</p>	 <p>\$282 million Permian Mid-Continent</p>	 <p>\$140 million Mid-Continent Hugoton</p>
Trusts	<p>Chesapeake Granite Wash</p> <p>\$584 million Granite Wash</p>		

Private Equity Market Increasingly Competitive

Financial Sponsor Overview – Number of U.S.-Focused E&P Management Teams



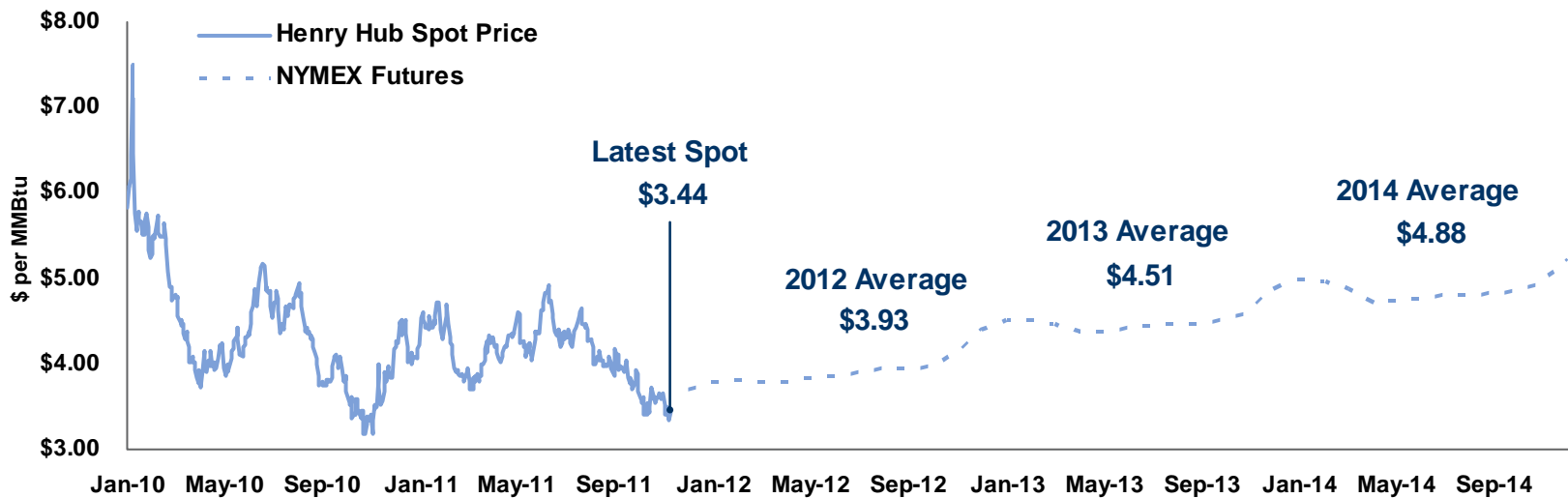
Private Equity Universe	
Financial Sponsors w/ E&P Teams	> 44
Estimated E&P Capital *	\$40 B
Management Teams w/ U.S. focus	> 230

Commodity Price Environment

Crude Oil (WTI)

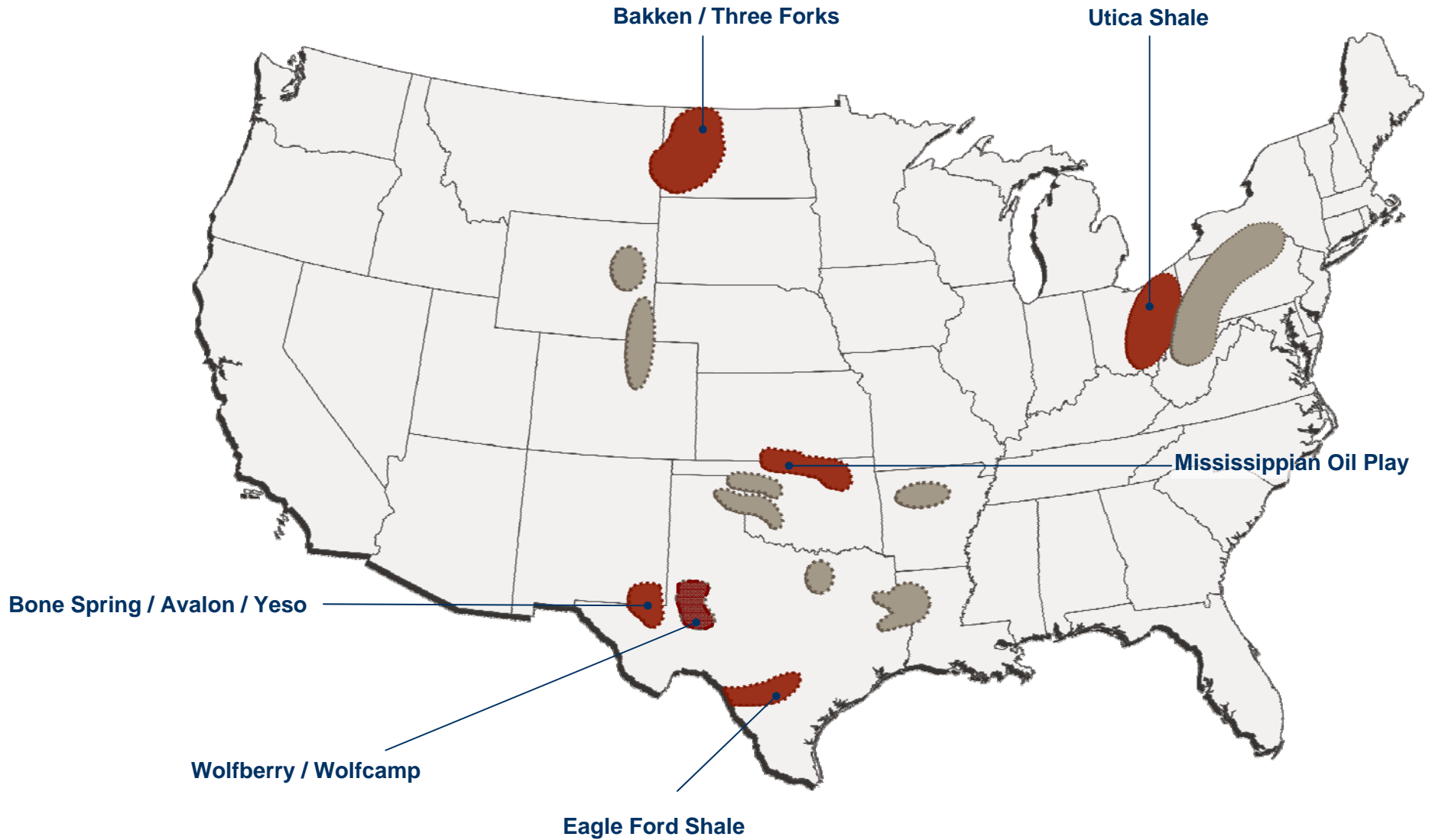


Natural Gas (Henry Hub)

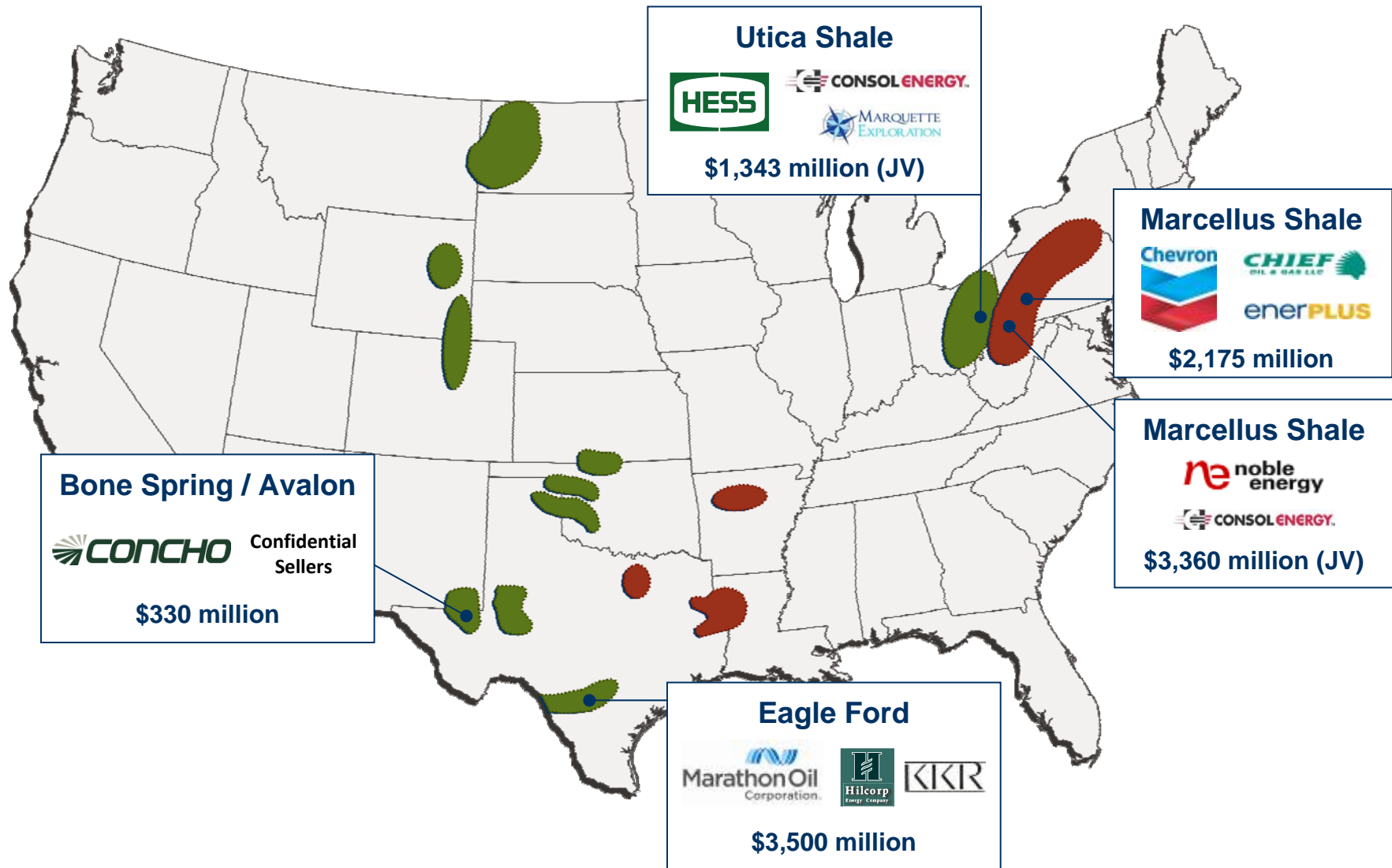


Most Coveted Resource Plays In U.S.

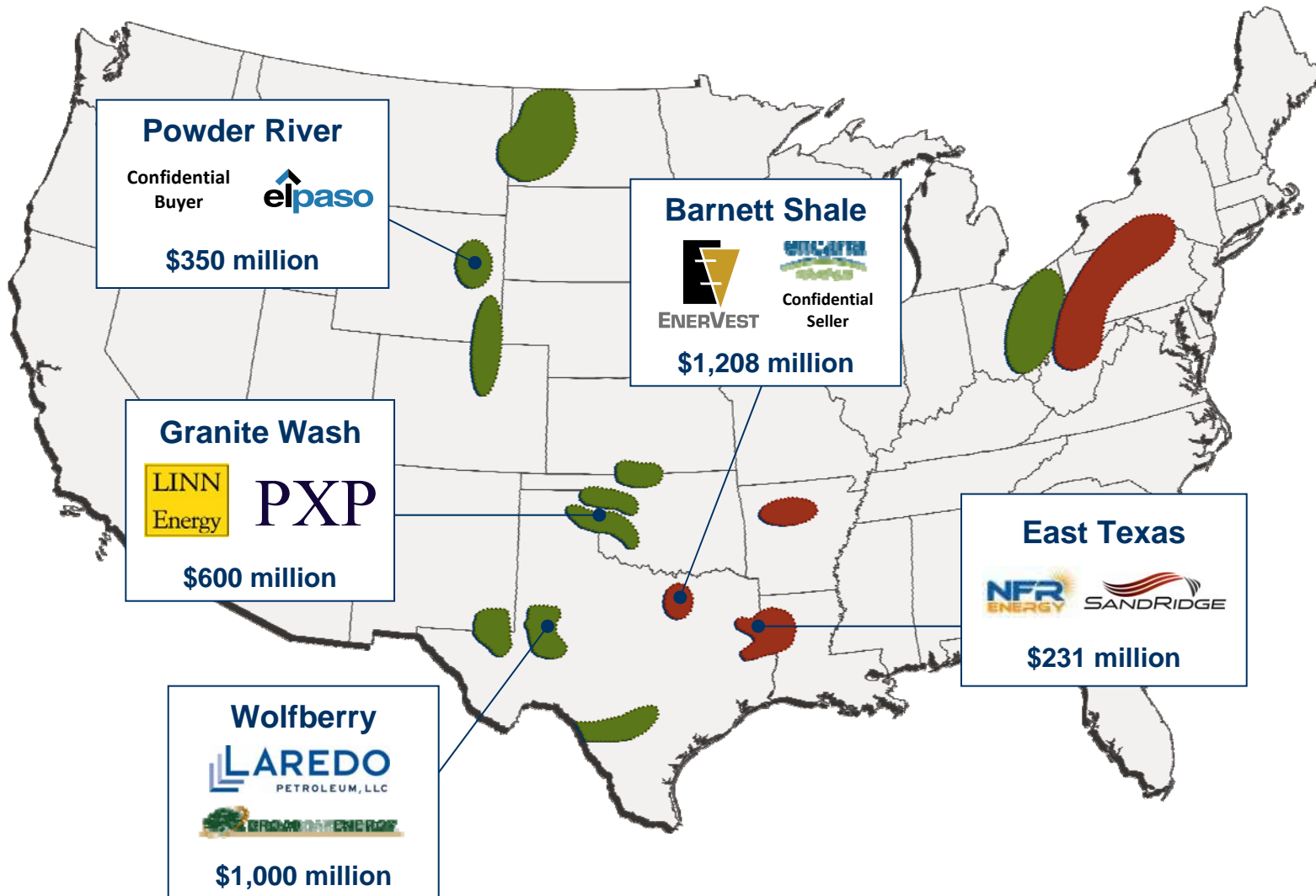
 MOST COVETED RESOURCE PLAYS



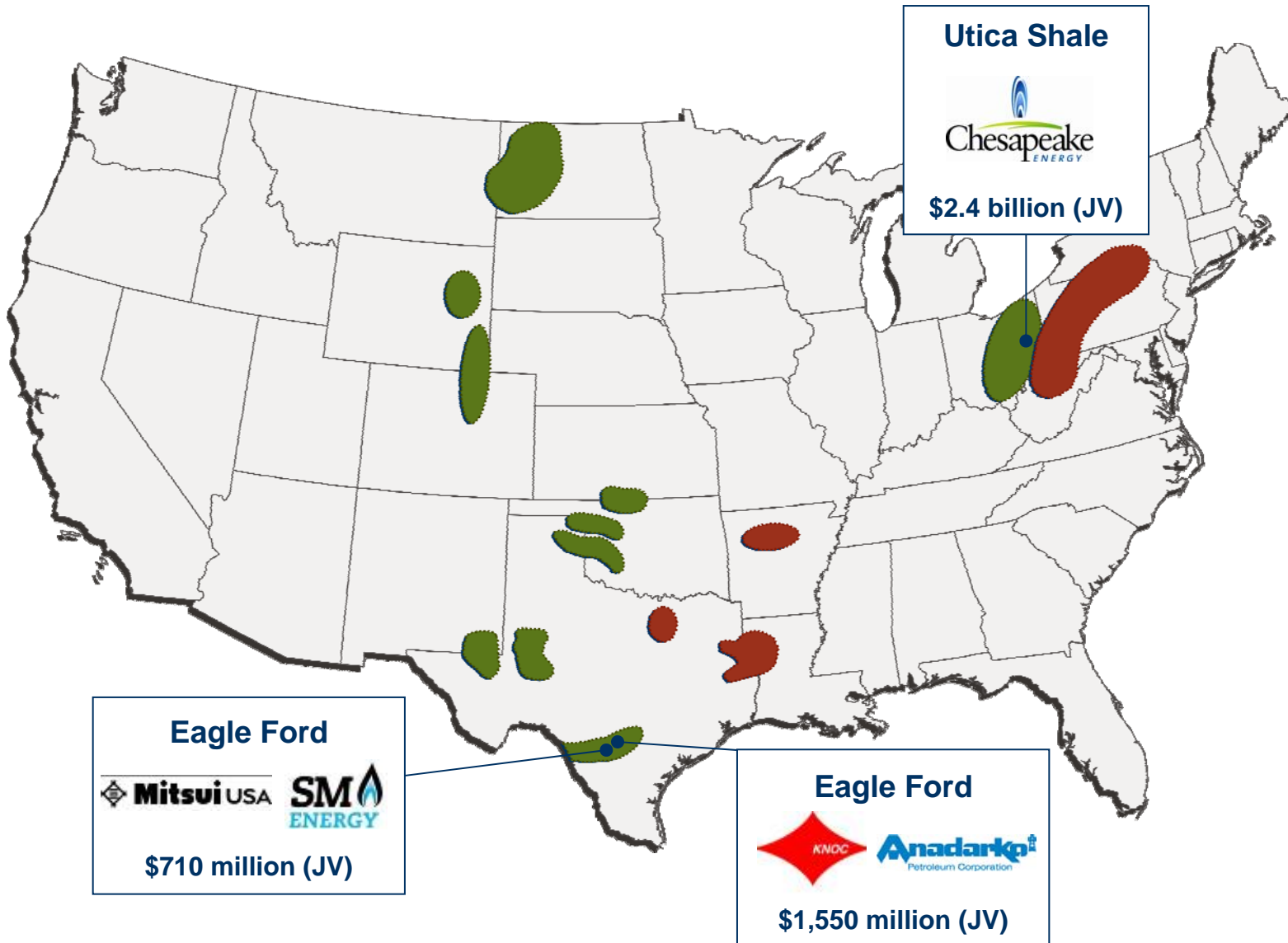
Majors / Large-Cap U.S. Publics



Private Equity / MLPs




Internationals



2012 A&D Expectations

- **Continued Global economic uncertainty to cause volatility in Commodity and Capital Markets**
 - Capital Markets windows of opportunity
 - U.S. Publics will turn to asset sales (mostly conventional gas) to fund resource play development
- **Public Companies will be discriminating in acquisition posture**
 - Focused in core areas of oil / liquids resource plays
- **International Buying to slow as fewer available JV opportunities**
- **Private Equity and MLPs increasingly competitive for conventional asset opportunities**
 - Most coveted conventional: oil, strong PDP component, low decline
- **Strong demand for Conventional Dry Gas from Private Equity sector**
 - Valuations in PDP PV_{10} range
- **Strong demand for Conventional Oil / Liquids from all sectors**
 - Valuations in PDP PV_8 range
- **Strong demand for Oil / Liquids Resource Plays**
 - Most Coveted Resource Plays: Utica, Eagle Ford, Bakken, Bone Spring / Avalon, Mississippian
 - Discount rates of PV_{25} – PV_{15} paid for drillable locations in resource play core areas
- **Corporate M&A activity will continue at slow but steady pace**

Recent RBC Richardson Barr Transactions




has agreed to acquire certain Mid-Continent oil and gas assets from




RBC Richardson Barr served as buy-side financial advisor to Linn Energy, LLC

\$600,000,000

November 2011



has agreed to acquire oil and gas assets in the Barnett Shale from




RBC Richardson Barr served as exclusive buy-side financial advisor to EnerVest, Ltd. and EV Energy Partners, L.P.

\$975,000,000

November 2011

Confidential Sellers

have divested their position in the Barnett Shale Combo play to




RBC Richardson Barr served as financial advisor to Confidential Sellers

\$233,000,000

November 2011

Confidential Seller


has divested certain Bakken / Three Forks assets in the Williston Basin to




RBC Richardson Barr served as financial advisor to a Confidential Seller

\$235,000,000

September 2011



has divested oil and gas assets in the Permian Basin and the Mid-Continent & Ark-La-Tex Regions to



RBC Richardson Barr provided a Fair Market Valuation on the assets to Quantum Resources Fund

\$577,000,000

September 2011