



BRINGING OUT THE BEST



ENERVEST, LTD.
IPAA Private Capital Conference

January 29, 2015

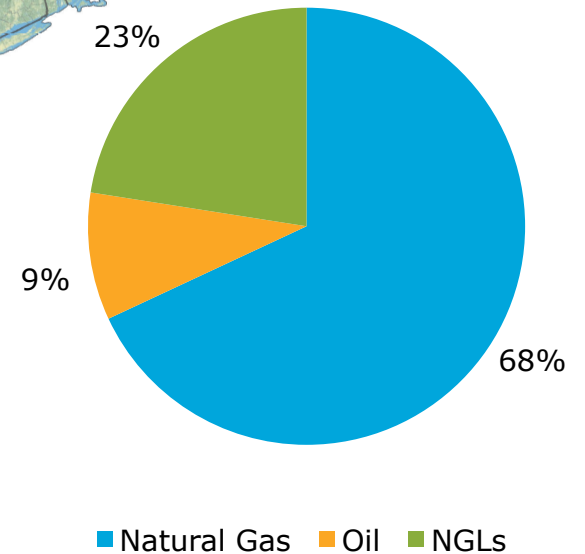
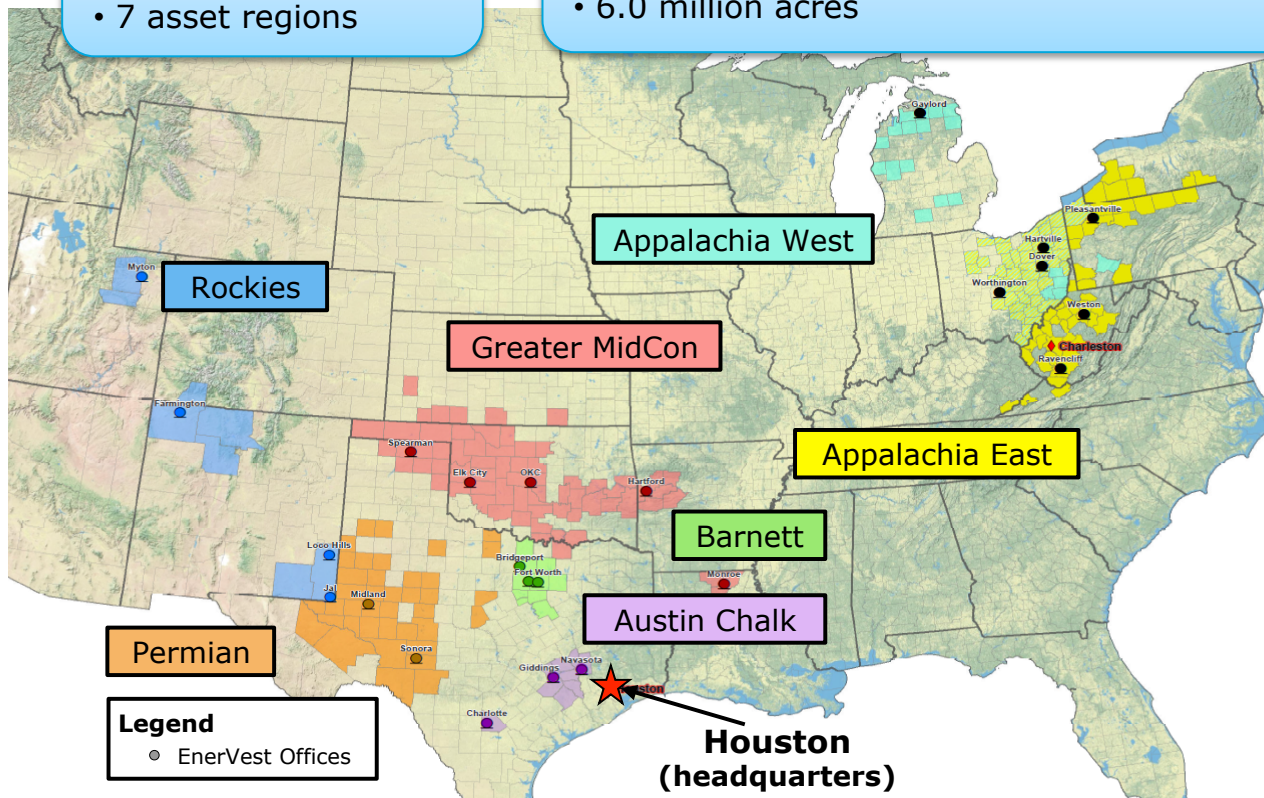
AUM – Oil & Gas Reserves



- 1,280 employees
- 2 Corporate Offices
- 24 District Offices
- 7 asset regions

- 36,000 wells in 15 states (78% operated)
- 6.2 Tcfe 2P Reserves (67% gas)
- 6.0 million acres

Production Mix
~950 Mmcfe/d
(90% Unconventional)



EnerVest's operating footprint continues to expand!

A&D Market Observations



A&D Market Picking Up

- Market activity light in 2013 at \$42 billion, but robust at \$62 billion in 2014
- Activity led primarily by oil/liquids resource plays (Bakken, Permian, & Eagle Ford), but 2015 could see distressed sales throughout U.S.
- U.S. Publics and large independents selling non-core assets to develop their unconventional resource plays

Oil Price Environment Impacting A&D

- Oil prices are ~\$50-55/Bbl; industry comfort level between \$80-\$100/bbl
- Short-term outlook for oil is volatile based on U.S. supply situation and geopolitical risks
- Long-term outlook for oil is strong due to worldwide demand increases in Asia and Latin America
- Record valuations for both conventional and unconventional oil assets due to strong demand for limited opportunities

Natural Gas Price Environment Impacting A&D

- Publics shedding dry gas assets despite low valuations to fund oil/liquids resource play development, or to pay down debt
- Gas leveraged operators are outspending cash flow despite declining capex budgets
- Gassy Publics aggressively seeking to grow oil/liquids production, primarily via acquisitions
- Gas transactions still receiving primarily PV10 for PDP, with some value given to upside at current strip

Capital Markets Constructive For A&D – *Closed for now*

- 2015 capital programs have decreased with the fall in commodity prices, but E&Ps typically outspend cash flow to fund development
- Previously, debt capital markets were flourishing with \$36 billion in 2013 and \$18 billion in 1H'2014 (mainly HY \$25 billion in 2013 and \$13 billion during 1H'2014)
- Equity capital markets were open alongside broader market rally (total activity of \$13 billion in 2013 and \$10 billion during 1H'2014)
- JV market has slowed as counterparties digest commitments, limited counterparties remain (single basin, core assets most likely)

Unprecedented Buyer Demand

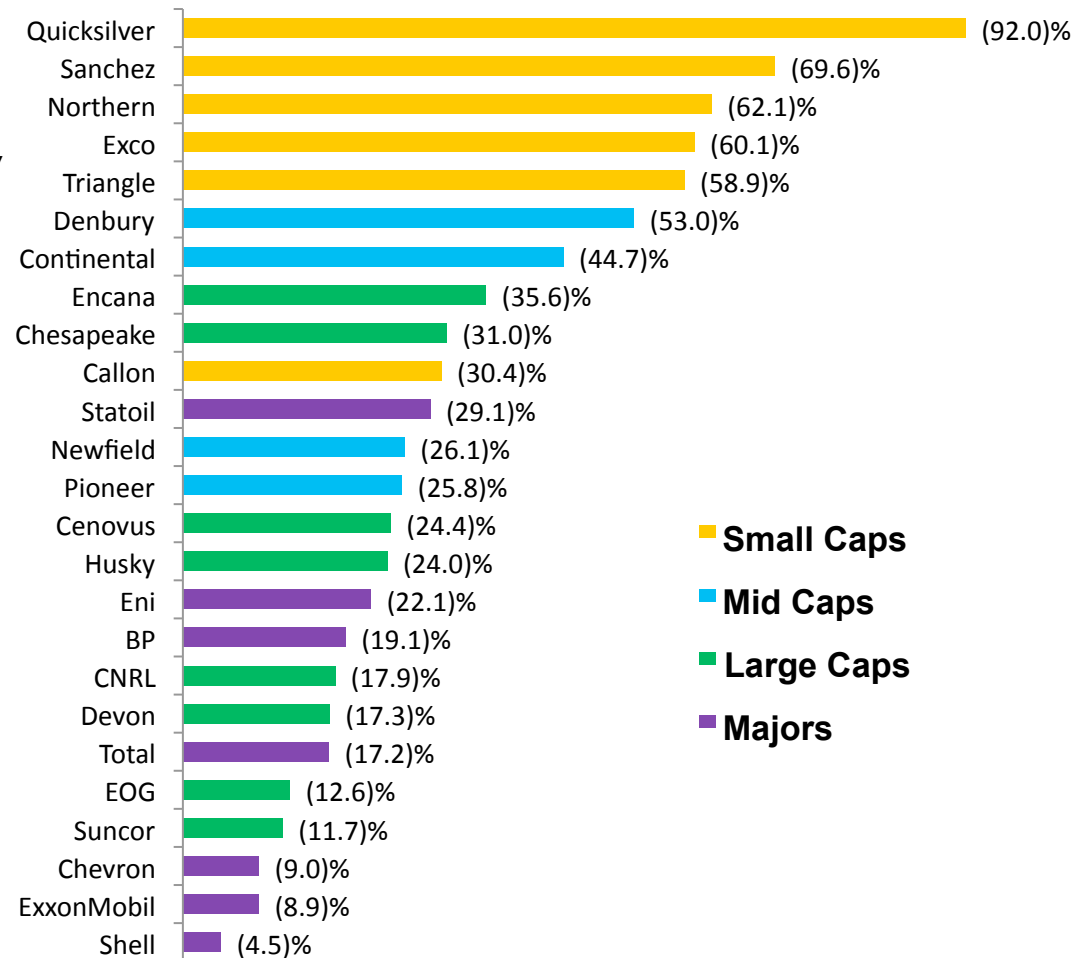
- Very strong demand for conventional oil & gas assets from MLPs & Private Equity buyers (~80% of demand in 2013)
- Publics cautious as a result of recent share price volatility, balance sheets, economic/political uncertainty, etc.

Collapsing Oil Prices Have Triggered an Equity Sell-Off



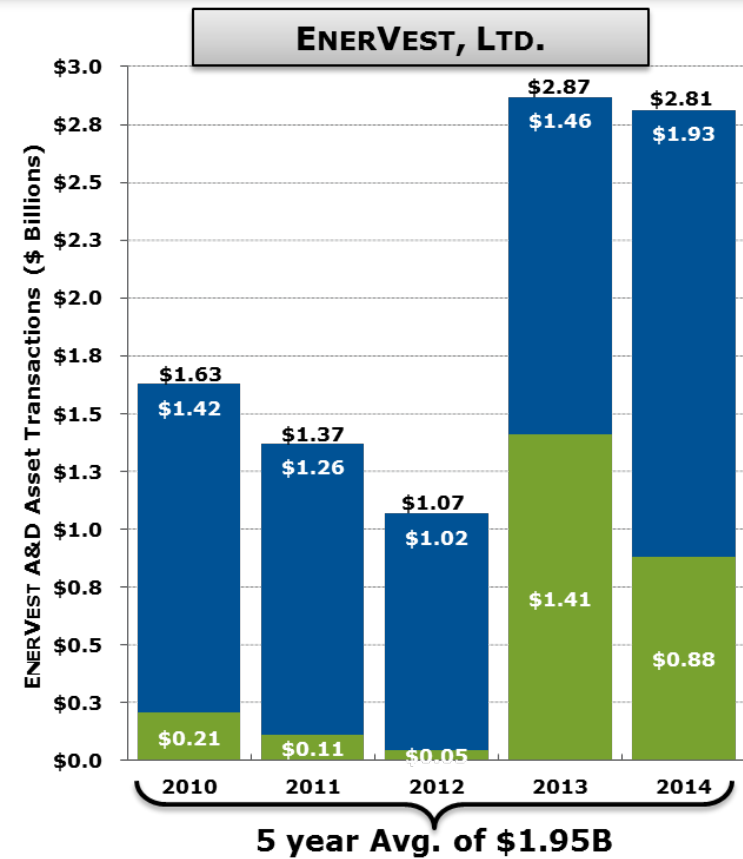
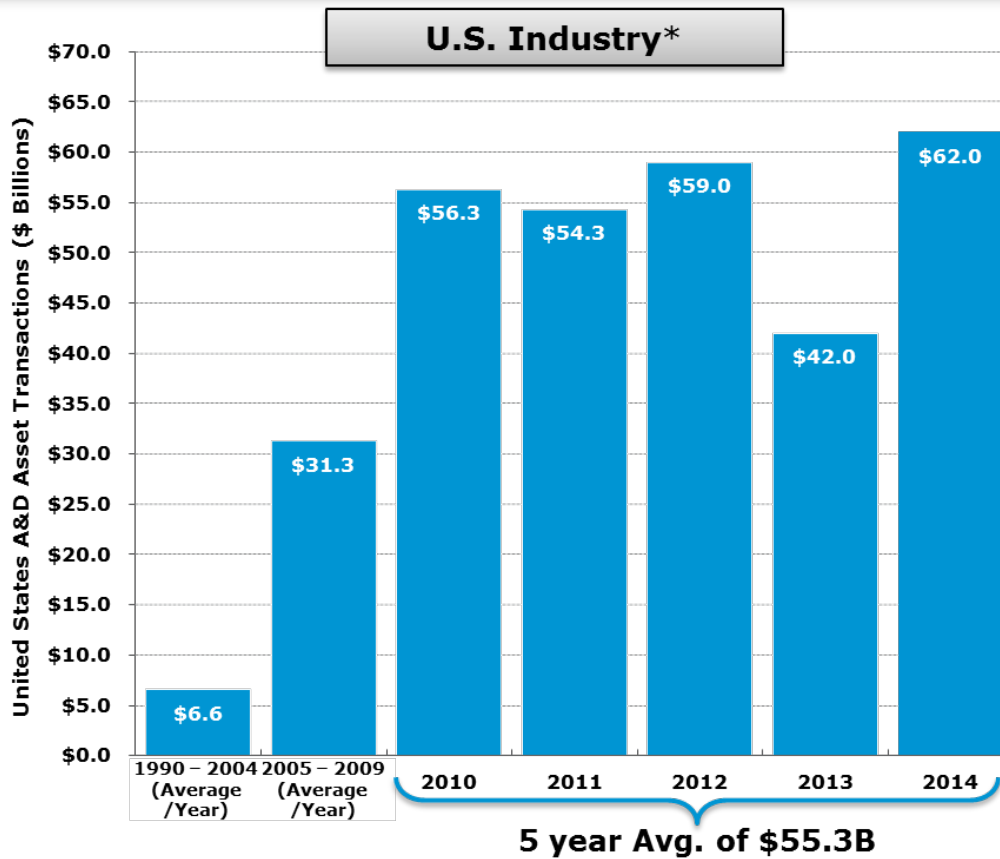
- WTI has fallen 50% since June 1, resulting in:
 - Budgets reduced in 2015, focus shift to mature, lower-risk plays
 - Project deferrals, JVs with cost carriers, opex cuts
 - Service contracts revisited
 - Significant increase in restructuring activity; distressed sellers / countercyclical buyers

Market Capitalization Changes since June 1, 2014



Source: Jefferies, Bloomberg Financial, as of 1/2/2015.

Historical United States Asset Supply & ENERVEST Participation

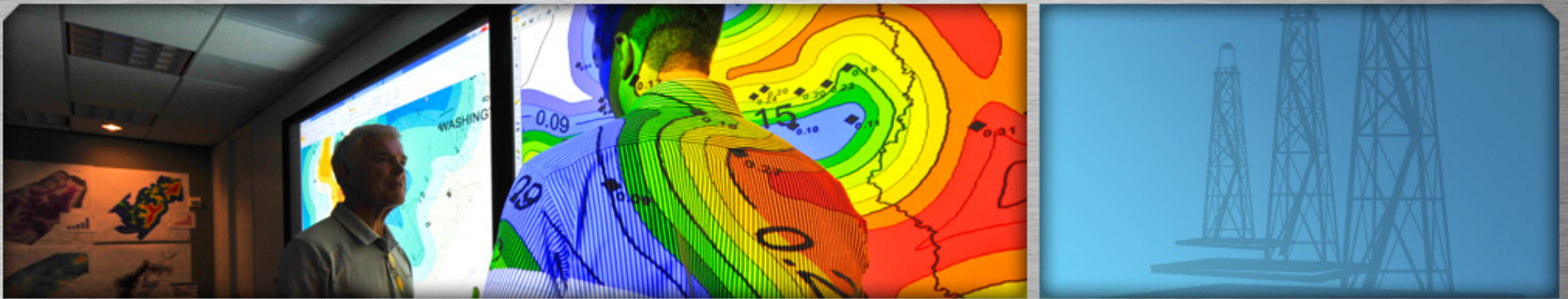


■ Acquisitions
■ Divestitures

Energy assets have become very liquid through a large brokerage infrastructure and transaction levels have significantly increased over the last decade. ENERVEST has been a meaningful participant.

* Source: RBC Richardson Barr

Questions & Answers



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