

Overview of Imperial Capital, LLC – Energy Group

March 2010

Firm Overview

Imperial Capital, LLC Overview

Firm Overview

- **Full-Service Investment Bank**

- Founded in 1997 to offer a wide range of sophisticated, value-added services to institutional investors and middle market companies

- **National Presence**

- Imperial has over 170 employees providing services nationally from our Los Angeles, New York, Houston, San Francisco, Boston and Minneapolis offices

- **Leading Advisory Firm**

- Creative, value-added advisor to middle market companies in financing, merger & acquisition and restructuring & recapitalization transactions
- Deep sector knowledge with significant research effort covering a wide range of industries and companies

- **Comprehensive Sales & Trading Capabilities**

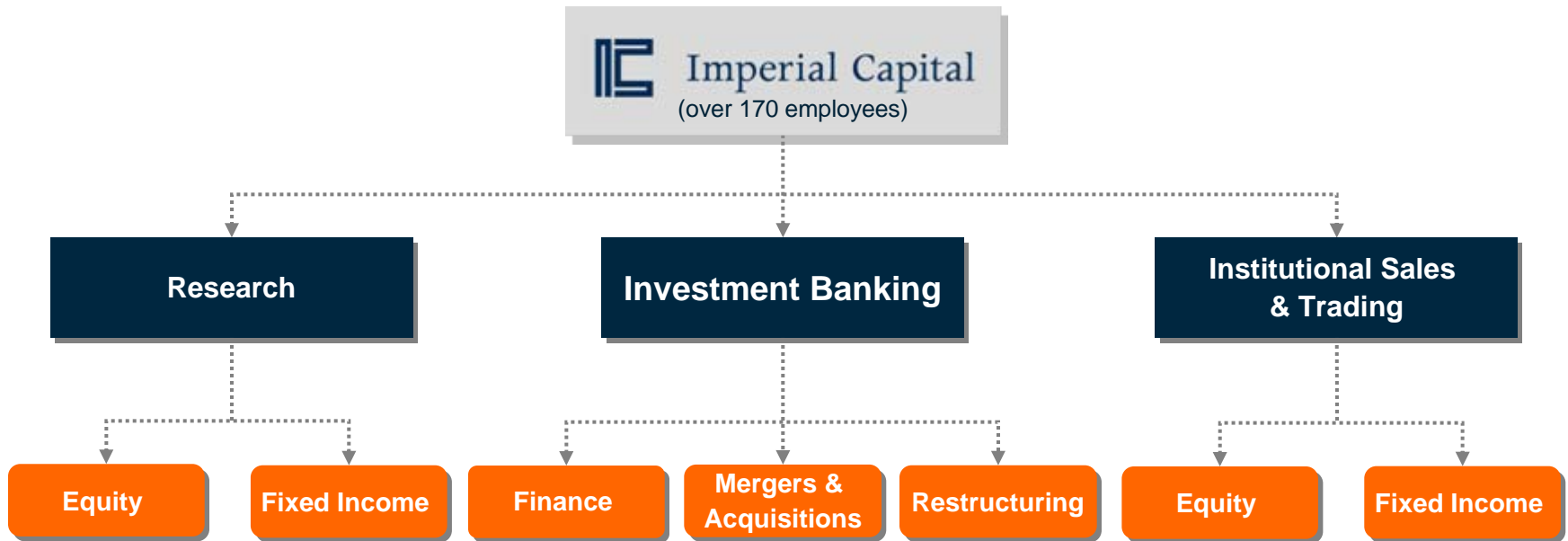
- National reputation as a leader in providing sales and trading services in the secondary trading of secured, high-yield and illiquid equity and debt securities

- **Integrated Platform**

- Unique capital markets strength combined with leading middle market advisory services significantly differentiates Imperial from other middle market focused investment banks

Firm Overview

Imperial Capital is a nationally recognized full service investment bank with an integrated platform

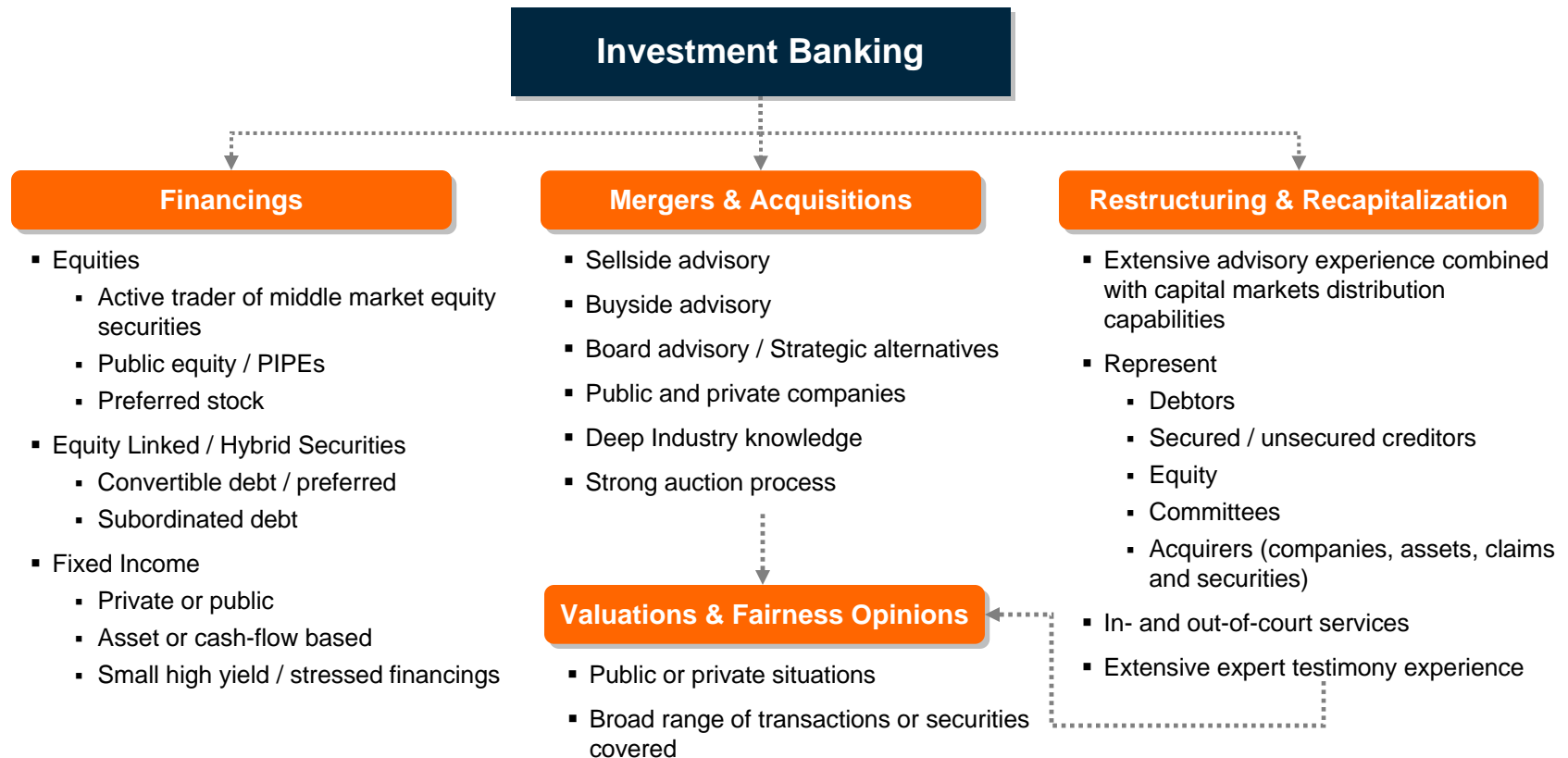


- Full Service Investment Bank
- National Presence

- Leading Advisory Firm
- Comprehensive Sales & Trading Capabilities

- **Boston**
- **Houston**
- **Los Angeles**
- **Minneapolis**
- **New York**
- **San Francisco**

Investment Banking



Vertical Industry Groups

- Aerospace, Defense & Government Services
- Airlines & Transportation
- Business Services
- Consumer
- Clean Energy
- Financial Services
- Gaming & Leisure
- General Industrial
- Healthcare
- Homebuilding & Real Estate
- Media & Telecommunications
- Security & Homeland Security
- Traditional Energy
- Technology

Institutional Sales and Trading

Institutional Sales and Trading

Bank Debt

- Focus on illiquid and larger credits
- Experienced team sourcing and placing bank debt
- Experienced settlement group with legal and accounting background
- Capital structure arbitrage
- Second lien debt

High Yield

- Primarily \$2 billion and below issue size
- Comprehensive institutional coverage
- Significant capabilities in illiquid issues
- Public and private convertible debt / preferred equity
- Corporate Repurchase advisory services

Equity

- 555 million shares of stock traded in 2008
- Expertise in:
 - Identifying and trading undervalued securities supported by in-depth research
 - Block execution of thinly-traded public and private equities
 - Discrete transactions for high-profile counterparties
 - Trading special situations, small-cap and orphaned securities
- Strong sales platform to market research ideas

- Imperial Capital traded over \$15.6 billion in face of debt and 555 million shares of stock in 2008
- Cover 1,200 institutional counterparties including Mutual Funds, Private Equity and Hedge Funds

Institutional Research

Institutional Research

Capital Structure Analysis

- Provides coverage of entire capital structure of the issuer to aid institutional clients
- Emphasis on inefficiently priced and under-covered situations
- Publishes research across the quality spectrum, from high grade to cross-over, high yield, fallen-angel and distressed

Special Situations Coverage Desk Analysis

- Focus on timely, trading-oriented analysis of event-driven and/or capital structure opportunities
- Expertise in bankruptcy and legal-process driven situations
- Targeted research on special-situations from trade claims to post-reorganization equities

Industry Analysis

Company Specific Coverage

- Team of dedicated industry analysts providing coverage of more than 70 companies
- Emphasis on relative value opportunities within and across industry sectors
- Focus on middle-market equities, typically ranging from \$50 million to \$1.5 billion in market capitalization

Industry Coverage

- Aerospace, Defense & Government Services
- Airlines & Transportation
- Business Services
- Consumer
- Clean Energy
- Financial Services
- Gaming & Leisure
- General Industrial
- Healthcare
- Homebuilding & Real Estate
- Media & Telecommunications
- Security & Homeland Security
- Traditional Energy
- Technology

Financing

- Ability to raise all parts of the capital structure, including
 - Common equity
 - Preferred equity
 - Senior secured debt
 - Second lien debt
 - High-yield debt / senior notes
 - Mezzanine and subordinated debt
 - Convertible debt and equity
 - Hybrid securities
- Targeted transaction size of \$10 million to \$500 million
- Demonstrated success in complex transactions
- 29 salespeople covering 1,200 institutional accounts
- Financing capability seamlessly integrated with services provided by the firm's advisory professionals
- Ability to raise liquidity for bridge financings, debt or equity "buy-in" or "tender offers"
- Specialty focus in buy-out transactions
- Creation of liquidity through sales and trading efforts
- Provides support and credibility to potential clients

Energy Investment Banking Group

Imperial Capital Energy Group

Imperial Capital has acquired Petrobridge to form a unique partnership with capital markets expertise and deep energy experience

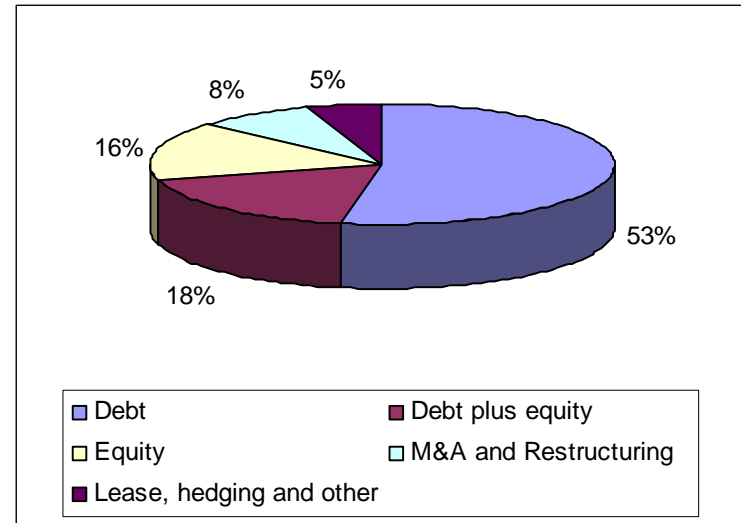
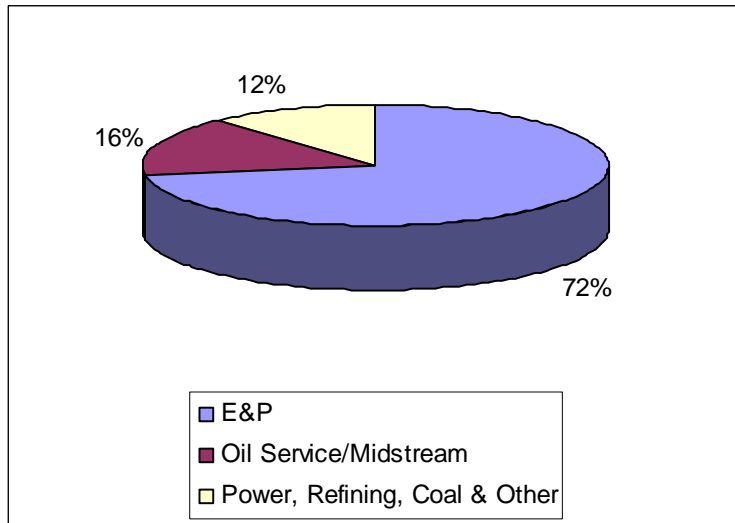
- **Petrobridge, now Imperial Capital's Houston-based energy team, was a privately held financial boutique focused on public and private capital placements for middle market, upstream and oilfield service companies**
- **Staffed by a large team of energy professionals with investing, operating, and engineering experience**
 - Specialized in energy financing
 - Substantial sell side capital placement, M&A advisory and restructuring experience
- **Imperial Capital Energy Group professionals have recently completed:**
 - 69 principal investing transactions with capital commitments totaling \$1.5 billion
 - 21 energy merger and acquisition transactions totaling \$1.8 billion
 - 25 energy restructuring transactions
 - Numerous capital placements, consent solicitations and exchange and tender offers
- **Private and public executive and board level experience**

Broad Industry Coverage

We have significant transactional experience across all major energy sub-sectors

- Exploration and production
- Oil services, onshore and offshore
- Midstream, including marketing, MLPs, gathering, processing and transportation
- Refining, marketing, chemicals and petrochemicals
- Other, including power, utilities, mining and coal

170 Transactions totaling \$18.7 Billion:



Imperial's Relevant Industry Experience

Imperial's professionals have significant experience in the oil and gas sector

Selected Sector Transaction Experience



Note: Includes assignments completed by Imperial Capital and Petrobridge professionals at previous firms

Recent Principal Transactions

E&P Transactions

Page Resources, LLC <hr/> \$25,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> October 2007	DB Barnett LP <hr/> Undisclosed Royalty Acquisition Project <hr/> LEAD INVESTOR <hr/> June 2007	Baseline Oil & Gas Company <hr/> \$75,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> April 2007	E&P Company <hr/> \$15,000,000 Revolver <hr/> AGENT & SOLE LENDER <hr/> April 2007	E&P Company <hr/> \$50,000,000 Series AA Preferred Stock <hr/> INVESTOR <hr/> April 2007	PRC Williston, LLC <hr/> \$75,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> February 2007	Dune Energy Inc. <hr/> \$50,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> September 2006
E&P Company <hr/> \$325,000,000 Term Loan <hr/> LENDER <hr/> September 2006	Newco Devonian LLC <hr/> \$25,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> August 2006	Dorado Beckville Partners I, LP <hr/> \$25,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> August 2006	Forum Exploration Co. <hr/> \$25,000,000 Senior Secured Credit Facility <hr/> AGENT & SOLE LENDER <hr/> April 2006	E&P Company <hr/> \$95,000,000 Term Loan & Equity <hr/> LENDER & INVESTOR <hr/> April 2006	Enterra US Acquisitions Inc. <hr/> \$200,000,000 Senior Secured Credit Facility Bridge Loan <hr/> LENDER <hr/> March 2006	Dune Energy, Inc. <hr/> \$50,000,000 Senior Secured Credit Facility Co-Investment <hr/> LENDER <hr/> March 2006

Note: Includes assignments completed by Imperial Capital and Petrobridge professionals at previous firms

Recent Principal Transactions (Cont'd)

E&P Transactions

<p>Sledge Drilling Corp.</p> <hr/> <p>\$20,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>LENDER</p> <hr/> <p>March 2006</p>	<p>Crossover Resources I LP</p> <hr/> <p>\$25,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>December 2005</p>	<p>South Barnett Resources, LLC</p> <hr/> <p>\$25,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>December 2005</p>	<p>Crosspoint Energy LLC</p> <hr/> <p>\$40,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>September 2005</p>	<p>Llano Royalty, LLC</p> <hr/> <p>\$40,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>July 2005</p>
<p>Fort Scott Methane Partners LLC</p> <hr/> <p>\$25,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>July 2005</p>	<p>Booher Minerals</p> <hr/> <p>\$10,000,000</p> <hr/> <p>Royalty Acquisition Project</p> <hr/> <p>INVESTOR</p> <hr/> <p>June 2005</p>	<p>PetroEdge Resources LLC</p> <hr/> <p>\$40,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>February 2005</p>	<p>PPC Energy, LLC</p> <hr/> <p>\$40,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>January 2005</p>	<p>Elk Petroleum LLC</p> <hr/> <p>\$40,000,000</p> <hr/> <p>Senior Secured Credit Facility</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>July 2004</p>

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Recent Principal Transactions (Cont'd)

Oilfield Service Transactions

<p>Drilling Rig Co.</p> <hr/> <p>\$51,500,000</p> <p>Sale-Leaseback Facility</p> <hr/> <p>LEAD INVESTOR</p> <hr/> <p>May 2007</p>	<p>Drilling Rig Co.</p> <hr/> <p>\$45,000,000</p> <p>Revolver, Sale-Leaseback Facility & Equity</p> <hr/> <p>SOLE LENDER & INVESTOR</p> <hr/> <p>February 2007 & November 2006</p>	<p>Drilling Rig Co.</p> <hr/> <p>\$32,200,000</p> <p>Sale-Leaseback Facility</p> <hr/> <p>LEAD INVESTOR</p> <hr/> <p>May 2006</p>	<p>Drilling Rig Co.</p> <hr/> <p>\$24,100,000</p> <p>Sale-Leaseback Facility</p> <hr/> <p>LEAD INVESTOR</p> <hr/> <p>May 2006</p>
<p>Drilling Rig Co.</p> <hr/> <p>\$30,000,000</p> <p>Revolver, Term Loan A, Term Loan B & Equity</p> <hr/> <p>AGENT & LEAD ARRANGER</p> <hr/> <p>March 2006</p>	<p>Diversified Oil Service Co.</p> <hr/> <p>\$24,000,000</p> <p>Term Loan</p> <hr/> <p>AGENT & SOLE LENDER</p> <hr/> <p>September 2005</p>	<p>Diversified Oil Service Co.</p> <hr/> <p>\$169,000,000</p> <p>Term Loan A, Term Loan B, Delayed Draw Facility & Equity</p> <hr/> <p>AGENT & LEAD ARRANGER</p> <hr/> <p>May 2007</p>	<p>Offshore Equipment Rental Co.</p> <hr/> <p>\$56,500,000</p> <p>Revolver, Term Loan A & Term Loan B</p> <hr/> <p>LENDER</p> <hr/> <p>December 2006</p>

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Completed Intermediary Financing Transactions

Company	Role	Transaction
KCS Energy	Lead Bookrunner	\$48MM Common Stock Offering
Swift Energy	Co-Manager	\$200MM Senior Sub Notes Offering
Remington Oil and Gas	Sole Manager	\$55.5MM Equity Block Trade
Evergreen Resources	Co-Manager	\$100MM Convertible Senior Notes Offering
Tri-Union Development	Sole Manager	\$130MM Senior Secured Notes Offering
Goodrich Petroleum	Lead Placement Agent	\$15MM Common Stock Offering
Goodrich Petroleum	Advisor	\$5MM Private Equity Placement
Basic Energy Services	Sole Placement Agent	\$25MM Private Equity Sale
Spinnaker Exploration Company	Co-Manager	\$145MM Common Stock Offering
Cabot Oil and Gas	Sole Manager	\$75MM Equity Block Trade
Abraxas Petroleum	Advisor	\$275MM Exchange Offer and Sec. Notes Offering
Abraxas Petroleum	Sole Manager	\$63.5MM Senior Secured Notes
Kelley Oil and Gas	Co-Manager	\$30MM Senior Sub Notes Tack-On
Enron Corporation	Co-Manager	\$750MM Common Stock Offering
Michael Petroleum	Co-Manager	\$135MM Senior Notes Offering
RAM Energy	Sole Manager	\$115MM Senior Notes Offering
Newfield Exploration	Co-Manager	\$125MM Senior Notes Offering
Southwest Royalties	Lead Manager	\$200MM Senior Notes Offering
Giant Industries	Co-Manager	\$125MM Senior Subordinated Notes Offering
Domain Energy	Lead Manager	\$85MM Initial Public Offering
Lomak Petroleum	Co-Lead Manager	\$85MM Common Stock Offering
Domain Energy	Placement Agent	\$65MM Bank Debt Placement
Domain Energy	Sole Placement Agent	\$30MM Private Equity Placement
Genesis Energy	Co-Manager	\$155MM MLP Initial Public Offering
Nuevo Energy	Co-Manager	\$92MM Common Stock Offering

Note: Includes assignments completed by Imperial Capital and Petrobridge professionals at previous firms

Select M&A Transactions

Company	Role	Transaction
Newco Buyer	Advisor	\$260 MM Purchase of Mirant Loan Portfolio
Abraxas Petroleum	Advisor, Fairness Opinion	Grey Wolf Roll-up
Basic Energy	Advisor	\$60 MM Restructuring & Acquisition
American Resources	Advisor	Merger with Fidelity Oil
Coho Energy	Advisor, Fairness Opinion	\$250 MM Sale to Hicks Muse
Domain Energy	Advisor	\$135 MM Acquisition/MBO
RBS	Seller	\$200 MM Loan Portfolio Divestiture
Northstar	Principal Investor	\$35 MM Offshore E&P Acquisition
DB Barnett	Principal Investor, Advisor	\$75 MM Mineral Acquisition
PRC Williston Commitment	Principal Investor	\$40 MM E&P Acquisition and Drilling

Note: Includes assignments completed by Imperial Capital and Petrobridge professionals at previous firms

Select Property Acquisitions & Divestitures (A&D)

Company	Locations	Transaction Size
Anadarko Petroleum	Southeast La.	\$40 MM Sale
Exxon Mobil	Offshore Gulf of Mexico	\$100 MM Sale
Exxon Mobil	Anahuac Field, TX	\$50 MM Sale
Exxon Mobil	West Texas	\$225 MM Sale
Anadarko Petroleum	Southeast Colorado	\$135 MM Sale
Abraxas Petroleum	South Texas	\$65 MM Sale
ASIC	Ventura Field, CO	\$11 MM Sale
Kerr McGee	Offshore Gulf of Mexico	\$80 MM Sale
Starlight	Rocky Mountains	\$32 MM Sale
Rippy Energy	Texas & La. Fields	\$10 MM Sale
Kerr McGee	Offshore Gulf of Mexico	\$20 MM Sale

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Recent Restructuring Transactions

Company	Date	Description
Energy Investment Fund	June 2009	Workout of 2 oil service loans
Llano Royalties – Barnett Shale E&P	November 2008	Deed in lieu, daily operations
Ft. Scott – Cherokee Basin E&P	June 2008	Amendment and new capital raise
Dorado Exploration – E. Texas E&P	April 2008	In court workout and 363 bid
Crosspoint – Texas E&P	November 2007	Forbearance and asset sale
Drilling Company - Texas	November 2007	Deed in lieu and Newco formation
E&P Company - Louisiana	April 2007	Forbearance, amendment/new loan
Drilling Company - Texas	November 2006	In court workout and 363 bid
Drilling Company - Texas	May 2006	Lease restructuring and new loan

Note: Includes assignments completed by Imperial Capital and Petrobridge professionals at previous firms

Team Biographies

Select Energy Team Biographies

Todd Dittmann Managing Director Houston

- Todd Dittmann is a Managing Director at Imperial Capital focused on the energy sector.
- Prior to joining Imperial Capital, was a Managing Director at Petrobridge Investment Management. Prior to that, Mr. Dittmann was Managing Director of D.B. Zwirn & Co., L.P., a private investment firm, from April 2004 to November 2008. From April 1997 to April 2004, he worked for Jefferies & Co., where he most recently served as Managing Director in the Energy Investment Banking Group. From 1996 to April 1997, he served as Vice President in the Energy Investment Banking Group of Paine Webber. From 1990 until 1996, he held various positions in commercial and investment banking at Chase Manhattan Bank and its predecessors.
- Mr. Dittmann received an M.B.A. and a B.B.A. in Finance from the University of Texas at Austin. He is a Chartered Financial Analyst.

Michael Keener Managing Director Houston

- Michael R. Keener is a Managing Director at Imperial Capital focused on the energy sector.
- Prior to joining Imperial Capital, Mr. Keener was a Managing Director and co-founder of Petrobridge Investment Management. Prior to forming Petrobridge, Mr. Keener was Director for Shell Capital's U.S. Producer Finance Business. He had 21 years of finance experience with Shell. Most of Mike's experience prior to Shell Capital was E&P related with several years in M&A for Shell's E&P affiliates.
- Mr. Keener has an M.B.A. from Loyola University in New Orleans and a B.S. in Business Administration from Bloomsburg University in Pennsylvania.

Rob Lindermanis Managing Director Houston

- Rob Lindermanis is a Managing Director at Imperial Capital focused on the energy sector.
- Prior to joining Imperial Capital, Mr. Lindermanis was a Managing Director and co-founder of Petrobridge Investment Management. Previously, Mr. Lindermanis was the Managing Director of Mirant Americas Energy Capital, LP/Mirant Canada Energy Capital Ltd. which was the exploration and production financing group for Mirant Corporation, formerly, Southern Energy, Inc., the unregulated subsidiary of Southern Company. Prior to that from 1996 to 1997, he was Vice President and Portfolio Manager of AEM, Inc., an institutional fund manager which had approximately \$250 million under management. From 1990 to 1995, he was President/Principal of Bay Capital Corporation, Inc. which was a financial advisory firm. From 1981 to 1989 he was Vice President of Special Projects for Mission Resource Partners, L.P., a \$60 million publicly-traded company on the American Stock Exchange.
- Mr. Lindermanis has a B.S. in Business Administration from the University of Northern Colorado.

Richard Parrish Vice President Houston

- Richard Parrish is a Vice Principal in the Houston office at Imperial Capital focused on the energy sector.
- Prior to Imperial Capital, Mr. Parrish was a Vice President at Petrobridge Investment Management. Mr. Parrish has worked for Texaco, Inc. in Louisiana where he held increasing levels of responsibility from reservoir/production engineering to Assistant District Engineer for Texaco's Harvey District. Most recently, Mr. Parrish had been actively involved in managing and packaging oil and gas properties for sale in data rooms for Madison Energy Advisors.
- Mr. Parrish graduated from the University of Houston with a B.S. degree in Chemical Engineering with a Petroleum Option.

Justin Teltschik Vice President Houston

- Justin Teltschik is a Vice President at Imperial Capital focused on the energy sector.
- Previously, Mr. Teltschik was a Vice President at Petrobridge Investment Management. Mr. Teltschik had been with Petrobridge since its inception in April 2003. Prior to Petrobridge, he worked in Shell Capital's Producer Finance group as a finance associate for three years. He has also held finance positions with El Paso Energy and Fidelity Investments.
- Mr. Teltschik received an M.B.A. from Southern Methodist University and earned a Bachelor's degree in Geology with honors from Washington and Lee University.

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