Merger, Acquisition & Divestment Trends in the International & U.S. Arena

Presented to

IPAA & TIPRO

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Managing Director & Co-Head U.S.

January 12, 2011
1. Global M&A&D Update
   - Cross Border Transactions

2. U.S. M&A Trends

3. Case Studies
Scotia Waterous Introduction

• A leading ‘technically focused’ upstream investment banking and M&A advisory firm
  ➢ Offices: Houston, Denver, Calgary, London, Buenos Aires, Singapore, Beijing

• Conducting 50+ mandates per year globally

• Averaging roughly $2 billion/month in oil and gas transactions

• Scotia Bank (Bank of Nova Scotia) quick facts:
  ➢ Founded in 1832, now has 69,000 employees in 50 countries with a balance sheet exceeding $525 billion
  ➢ Energy lending office (Scotia Capital) in Houston since 1962 with global energy commitments over $10 billion
Scotia Waterous Global Platform

Since January 2006, Scotia Waterous has conducted more than 150 mandates and executed more than US$100 billion of transactions for oil and gas companies.
Global Oil and Gas M&A Activity – 2010 by Region

... US$179 billion of Asset & Corporate deals

North America
Deals: 210
Value: $101.9 B
(57%)

Europe
Deals: 19
Value: $7.2 B
(4%)

Former Soviet Union
Deals: 10
Value: $13.2 B
(7%)

Africa/Middle East
Deals: 21
Value: $6.6 B
(4%)

Latin America
Deals: 16
Value: $32.2 B
(18%)

Asia - Pacific
Deal Volume: 18
Deal Value: $18.3 B
(10%)

Note: Excludes transactions less than $20 MM in value
Source: IHS Herold, Bloomberg, Scotia Waterous.
Global Oil & Gas M&A Trends – by Value & Number of Deals

Asset Value  Corporate Value  Deal Count

ExxonMobil/XTO & Suncor/Petro-Canada  $61B
NOC Transactions Outside Home Country

NOC’s have been actively securing resources outside their home country accounting for 21% of worldwide oil & gas M&A in 2010.

Note: Figure on top of each bar indicates the percent of world wide deal value in that year.
Source: IHS Herold, Bloomberg, Scotia Waterous.
Global Transactions by Buyer locations 2009 – 2010

Asians are the most active acquirer outside North America accounting for 52% of total transaction value.

Source: Scotia Waterous, IHS Herold
Note: Includes all transactions with disclosed deal value greater than $100 MM; “Other” category includes undisclosed buyers
Over the past few years, a marked increase in total cross border transactions has been occurring, with 2010 experiencing a record $101B in 44 completed deals.

Source: IHS Herold, Bloomberg, Scotia Waterous.
Unlike prior years, many OECD deals geared toward shale transactions in the U.S..

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Seller</th>
<th>Value (SMM)</th>
<th>Transaction</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shell</td>
<td>East Resources</td>
<td>$4,700</td>
<td>Private Company Acquisition - Marcellus Shale</td>
<td>USA</td>
</tr>
<tr>
<td>Sinopec</td>
<td>ConocoPhillips</td>
<td>$4,650</td>
<td>Syncrude Asset Acquisition</td>
<td>Canada</td>
</tr>
<tr>
<td>PetroChina / Shell</td>
<td>Arrow Energy</td>
<td>$3,901</td>
<td>Corporate Acquisition</td>
<td>Australia</td>
</tr>
<tr>
<td>KNOC</td>
<td>Dana Petroleum</td>
<td>$3,740</td>
<td>Hostile Takeover</td>
<td>United Kingdom</td>
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<tr>
<td>Apache</td>
<td>BP</td>
<td>$3,250</td>
<td>Asset Acquisition</td>
<td>Canada</td>
</tr>
<tr>
<td>Apache</td>
<td>BP</td>
<td>$3,100</td>
<td>Permian Basin Asset Acquisition</td>
<td>USA</td>
</tr>
<tr>
<td>Total</td>
<td>Suncor</td>
<td>$2,428</td>
<td>Oilsands JV / Asset Swap</td>
<td>Canada</td>
</tr>
<tr>
<td>PTT Exploration</td>
<td>Statoil</td>
<td>$2,280</td>
<td>Oilsands Asset Acquisition</td>
<td>Canada</td>
</tr>
<tr>
<td>CNOOC</td>
<td>Chesapeake</td>
<td>$2,160</td>
<td>Eagle Ford Shale JV</td>
<td>USA</td>
</tr>
<tr>
<td>BP</td>
<td>Devon</td>
<td>$1,800</td>
<td>Deepwater GOM Acquisition</td>
<td>USA</td>
</tr>
<tr>
<td>Occidental</td>
<td>Shell</td>
<td>$1,800</td>
<td>Asset Acquisition</td>
<td>USA</td>
</tr>
<tr>
<td>Reliance</td>
<td>Atlas Energy</td>
<td>$1,700</td>
<td>Marcellus Shale JV</td>
<td>USA</td>
</tr>
<tr>
<td>Mitsui</td>
<td>Anadarko</td>
<td>$1,400</td>
<td>Marcellus Shale JV</td>
<td>USA</td>
</tr>
<tr>
<td>Statoil / Talisman</td>
<td>Enduring</td>
<td>$1,325</td>
<td>Eagle Ford Shale JV</td>
<td>USA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$38,234</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Transactions highlighted in blue represent shale acquisitions or joint ventures.
Many non-OECD deals primarily geared toward conventional oil and gas

### Top 2010 Cross Border Transactions – Non-OECD

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Seller</th>
<th>Value (SMM)</th>
<th>Transaction</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vedanta</td>
<td>Cairn</td>
<td>$9,888</td>
<td>Acquisition of 51%-60% Stake in Cairn</td>
<td>India</td>
</tr>
<tr>
<td>Sinopec</td>
<td>Repsol</td>
<td>$7,109</td>
<td>Acquisition of 40% Stake in Repsol Brasil</td>
<td>Brazil</td>
</tr>
<tr>
<td>Bridas</td>
<td>BP</td>
<td>$7,060</td>
<td>Acquisition of 60% Stake in Pan American</td>
<td>Argentina</td>
</tr>
<tr>
<td>BP</td>
<td>Devon</td>
<td>$3,200</td>
<td>Offshore Asset Acquisition</td>
<td>Brazil</td>
</tr>
<tr>
<td>CNOOC</td>
<td>Pan American</td>
<td>$3,100</td>
<td>CNOOC acquired a 50% stake in Bridas / Pan American</td>
<td>Argentina</td>
</tr>
<tr>
<td>Sinochem</td>
<td>Statoil</td>
<td>$3,070</td>
<td>Offshore Asset Acquisition</td>
<td>Brazil</td>
</tr>
<tr>
<td>Sinopec</td>
<td>Occidental</td>
<td>$2,450</td>
<td>Corporate Acquisition of Occidental Argentina E&amp;P</td>
<td>Argentina</td>
</tr>
<tr>
<td>Maersk</td>
<td>SK Energy</td>
<td>$2,400</td>
<td>Corporate Acquisition of SK do Brasil</td>
<td>Brazil</td>
</tr>
<tr>
<td>CNOOC</td>
<td>Devon</td>
<td>$2,000</td>
<td>Offshore Asset Acquisition</td>
<td>Azerbaijan</td>
</tr>
<tr>
<td>Ecopetrol / Talisman</td>
<td>BP</td>
<td>$1,895</td>
<td>Asset Acquisition</td>
<td>Colombia</td>
</tr>
<tr>
<td>Tullow</td>
<td>Heritage</td>
<td>$1,450</td>
<td>Pre-Empt of Ugandan Blocks</td>
<td>Uganda</td>
</tr>
<tr>
<td>United Energy</td>
<td>BP</td>
<td>$775</td>
<td>Asset Acquisition</td>
<td>Pakistan</td>
</tr>
<tr>
<td>Apache</td>
<td>BP</td>
<td>$650</td>
<td>Asset acquisition in Western Desert</td>
<td>Egypt</td>
</tr>
<tr>
<td>CNOOC</td>
<td>Devon</td>
<td>$515</td>
<td>Deepwater Assets</td>
<td>Vietnam / China</td>
</tr>
</tbody>
</table>

**Total** $45,562
There are currently over 25 non-U.S. headquartered companies with operations in the U.S., and over 35 who are looking to do transactions here:

- Asian, European, Canadian, Australian, Latin American, Middle Eastern, Russian

Why are they interested in the U.S.?

- Access to large reserves; Rule of law exists; Very good fiscal regime; Technology transfer
U.S. M&A Trends
U.S. Transactions Overview – 2006 to 2010

Note: Includes all transactions with disclosed transaction values. Does not capture transaction < $5 MM
U.S. Corporate M&A Transactions - 2007 to 2010

Corporates M&A Transactions ($ Billions)

Shale-Driven Corporate Transactions ($ Billions)

- ExxonMobil / XTO Energy
- Denbury / Encore Acquisition
- Hess / American O&G
- Chevron / Atlas
- Sandridge / Arena
- Apache / Mariner
- Magnum Hunter / NGAS

Note: Acquisitions highlighted in blue represent Shale transactions.
Quarterly Asset & Private Company Transactions – 2007 to 2010

Source: Scotia Waterous, IHS Herold
Note: Includes all transactions with disclosed deal value
U.S. Shale Transaction Value

- After falling in 2009 on general M&A market weakness, Shale transaction value has exploded in 2010
  - 2008 shale transaction value: $17.9 billion
  - 2009 shale transaction value: $5.6 billion
  - 2010 shale transaction value: $36.7 billion

- 1H 2010 was dominated by the Marcellus, but the Eagle Ford and Bakken have been the focus of many recent transactions
U.S. Shale Acres Sold

• Spanning the better part of 3 states, the majority of shale acreage sold since 2008 has been in the Marcellus
  - 2008 Shale acreage sold: 2.0 million acres
  - 2009 Shale acreage sold: 0.6 million acres
  - 2010 Shale acreage sold: 4.9 million acres

• In addition to the Marcellus, Eagleford & Bakken sales were prominent in 2010
Shale Asset Buyer / Seller Trends - 2010

The majority of large shale transactions involved international buyers. Private companies largely sold to take advantage of premium acreage multiples and to avoid expected capital gain tax increases.

**Buyer Profile**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internationals</td>
<td>50.6%</td>
</tr>
<tr>
<td>Large Caps</td>
<td>33.4%</td>
</tr>
<tr>
<td>Mid Caps</td>
<td>6.2%</td>
</tr>
<tr>
<td>MLPs</td>
<td>3.4%</td>
</tr>
<tr>
<td>Privates</td>
<td>3.2%</td>
</tr>
<tr>
<td>Pipelines</td>
<td>1.6%</td>
</tr>
<tr>
<td>Small Caps</td>
<td>1.5%</td>
</tr>
<tr>
<td>US Majors</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**Seller Profile**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privates</td>
<td>53.3%</td>
</tr>
<tr>
<td>Large Caps</td>
<td>23.0%</td>
</tr>
<tr>
<td>Pipelines</td>
<td>11.2%</td>
</tr>
<tr>
<td>Mid Caps</td>
<td>8.6%</td>
</tr>
<tr>
<td>Small Caps</td>
<td>3.6%</td>
</tr>
<tr>
<td>Internationals</td>
<td>0.3%</td>
</tr>
<tr>
<td>Royalty Trusts/MLPs</td>
<td>0.0%</td>
</tr>
<tr>
<td>US Majors</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Scotia Waterous, IHS Herold.
Note: Market capitalization categories: Small Cap ($0-$1,000 MM); Mid Cap ($1,000-$5,000 MM); Large Cap (>$5,000 MM).
Transaction Activity by Basin – Conventional Opportunities

2009 Region as % of Total Value

Total Value: $24.0 B

- Appalachia / MI & IL: 13%
- SE US / Gulf Coast: 11%
- Ark-La-Tex: 11%
- South Texas: 3%
- Mid-Con: 6%
- Rockies / West Coast: 8%
- Williston: 2%
- GOM: 20%
- Lower 48: 11%
- Alaska: 16%

YTD 2010 Region as % of Total Value

Total Value: $11.5 B

- Appalachia / MI & IL: 7%
- SE US / Gulf Coast: 10%
- Ark-La-Tex: 6%
- South Texas: 3%
- Mid-Con: 3%
- Rockies / West Coast: 3%
- Williston: 11%
- GOM: 27%
- Lower 48: 5%
- Alaska: 1%

2009 Region as % of Number of Deals

- Appalachia / MI & IL: 19%
- SE US / Gulf Coast: 13%
- Ark-La-Tex: 13%
- South Texas: 3%
- Mid-Con: 15%
- Rockies / West Coast: 7%
- Williston: 3%
- GOM: 16%
- Lower 48: 11%

YTD 2010 Region as % of Number of Deals

- Appalachia / MI & IL: 18%
- SE US / Gulf Coast: 14%
- Ark-La-Tex: 11%
- South Texas: 8%
- Mid-Con: 8%
- Rockies / West Coast: 8%
- Williston: 11%
- GOM: 11%
- Lower 48: 14%
- Alaska: 2%

# of Deals: 95

# of Deals: 167
Conventional Asset Buyer / Seller Trends - 2010

The buyer and seller profiles are heavily influenced by a small number of large non-shale transactions in 2010, including Apache’s acquisition of assets from BP and Devon, Concho’s acquisition of Marbob Energy and Quantum’s acquisition of assets from Denbury.

Buyer Profile

Seller Profile

Source: Scotia Waterous, IHS Herold.
Note: Market capitalization categories: Small Cap ($0-$1,000 MM); Mid Cap ($1,000-$5,000 MM); Large Cap (> $5,000 MM).
Case Studies
ConocoPhillips Case Study

In April 2010, Scotia Waterous advised ConocoPhillips on the sale of assets in the Permian, Texas Panhandle and Rockies regions, with a total net production of 11.3 Mboepd.
Process and Results

Summary

- Scotia Waterous ran a broad, flexible process to maximize participation in the offering.
- Scotia Waterous and COP kicked off the process on April 1:
  - Ryder Scott Report Delivered – June 30
  - Data Room Open in July/August
  - Bid Date – August 26
- Bids were requested on – Whole Package, Panhandle, Rockies, Permian (Op and/or Non Op and Cimarex JV)

Marketing Summary

![Graph showing number of companies for CA's, Data Rooms, and Bids]

- International Buyers: 159
- Public Buyers: 13
- PE Backed Buyers: 33
- Private Buyers: 41
- CA's: 72
- Data Rooms: 46
- Bids: 38

Bids by Company Type

![Bar chart showing number of companies for PE Backed, Private, and Public]

- PE Backed: 17
- Private: 11
- Public: 10

Results and Comments

- Private equity-backed companies purchased the Panhandle and Rockies packages.
- A public company purchased part of the Permian package.
- Most CA’s and bids ever received on a Scotia Waterous divestment package.
- Several companies bid on the whole package and were significantly off the sum of the individual regions.
- In the Permian operated package, on average those companies that identified the Avalon Shale bid twice as much as those that did not recognize it.
Peak Energy Case Study

During 2010, Scotia Waterous advised Peak Energy Resources (Yorktown backed) on its $566MM sale of Bakken assets

• Fort Berthold Indian Reservation (FBIR) Project includes 46,469 net acres with 800 bopd
  ➢ Over 40,000 acres (91% undeveloped) are on 10-year trust leases or HBP
  ➢ Reserve potential of 200+ MMboe in the Middle Bakken and Three Forks
  ➢ Peak identified 216 Bakken and 230 Three Forks development locations on 320-acre spacing

• Grasslands Project is 14,519 net acres with 600 bopd
  ➢ 74% of net acres are undeveloped on Fee lands
  ➢ Peak identified 75 Bakken and 77 Three Forks development locations identified on 320-acre spacing

Source: Activity on map per equity research
Process and Results

Summary

- Scotia Waterous ran a targeted, flexible process with the goal of maximizing value.
- Scotia Waterous and Peak began the sales process on July 15, 2010.
  - Data Rooms Open – August.
- Enerplus pre-empted the FBIR assets September 21, while Kodiak pre-empted the Grassland assets October 19.

Marketing Summary

Results and Comments

- Enerplus bought the FBIR assets for $456MM, while Kodiak Oil and Gas purchased the Grassland assets for $110MM.
- Generally, existing Bakken Basin players bid much more aggressively than the new entrants:
  - Already up the learning curve on the viability of the play.
  - New entrant players were largely hang-up on the $/acre metric versus full cycle development plan economics.
- Advanced drilling and completion techniques continue to improve well IP’s and EUR’s in the Bakken.
  - Data Sharing arrangement on the reservation.
Bakken Acreage Metrics Analysis

Recent significant transactions in the Bakken have largely been by existing players and not new entrants.

<table>
<thead>
<tr>
<th></th>
<th>Occidental / Anschutz</th>
<th>Hess / Tracker</th>
<th>Williams / Zenergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Announced</td>
<td>12/10/2010</td>
<td>11/22/2010</td>
<td>11/15/2010</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>$1,400 million</td>
<td>$1,050 million</td>
<td>$925 million</td>
</tr>
<tr>
<td>Net Total Acreage</td>
<td>180,000 acres</td>
<td>167,000 acres</td>
<td>85,800 acres</td>
</tr>
<tr>
<td>Simple Acreage Multiple</td>
<td>$7,778/acre</td>
<td>$6,287/acre</td>
<td>$10,781/acre</td>
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<tr>
<td>Net Production</td>
<td>5,500 boe/d</td>
<td>4,400 boe/d</td>
<td>3,300 boe/d (Est.)</td>
</tr>
<tr>
<td>Value Attributed to Production</td>
<td>$468 MM - $550 MM</td>
<td>$374 MM - $440 MM</td>
<td>$281 MM - $330 MM</td>
</tr>
<tr>
<td>Value Attributable to Undeveloped Acreages</td>
<td>$850 MM - $933 MM</td>
<td>$610 MM - $676 MM</td>
<td>$595 MM - $645 MM</td>
</tr>
<tr>
<td>Adjusted Acreage Multiple</td>
<td>$5,090/acre - $5,584/acre</td>
<td>$3,653/acre - $4,048/acre</td>
<td>$6,935/acre - $7,512/acre</td>
</tr>
<tr>
<td>Net Undeveloped Acreage</td>
<td>151,840 acres (Est.)</td>
<td>146,520 acres (Est.)</td>
<td>70,440 acres (Est.)</td>
</tr>
<tr>
<td>Net Undeveloped Acreage Multiple</td>
<td>$5,898/acre - $6,141/acre</td>
<td>$4,163/acre - $4,614/acre</td>
<td>$8,447/acre - $9,150/acre</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Kodiak / Peak (Grasslands)</th>
<th>Enerplus / Peak (FBIR)</th>
<th>Hess / AEZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Announced</td>
<td>10/19/2010</td>
<td>9/22/2010</td>
<td>7/27/2010</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>$110 million</td>
<td>$456 million</td>
<td>$459 million</td>
</tr>
<tr>
<td>Net Total Acreage</td>
<td>14,519 acres</td>
<td>46,470 acres</td>
<td>85,000 acres</td>
</tr>
<tr>
<td>Simple Acreage Multiple</td>
<td>$7,576/acre</td>
<td>$9,813/acre</td>
<td>$5,399/acre</td>
</tr>
<tr>
<td>Net Production</td>
<td>400 boe/d</td>
<td>533 boe/d</td>
<td>620 boe/d</td>
</tr>
<tr>
<td>Value Attributed to Production</td>
<td>$34 MM - $40 MM</td>
<td>$45 MM - $53 MM</td>
<td>$53 MM - $62 MM</td>
</tr>
<tr>
<td>Value Attributable to Undeveloped Acreages</td>
<td>$70 MM - $76 MM</td>
<td>$403 MM - $411 MM</td>
<td>$397 MM - $406 MM</td>
</tr>
<tr>
<td>Adjusted Acreage Multiple</td>
<td>$4,821/acre - $5,235/acre</td>
<td>$8,665/acre - $8,837/acre</td>
<td>$4,669/acre - $4,779/acre</td>
</tr>
<tr>
<td>Net Undeveloped Acreage</td>
<td>11,460 acres</td>
<td>42,288 acres</td>
<td>81,160 acres (Est.)</td>
</tr>
<tr>
<td>Net Undeveloped Acreage Multiple</td>
<td>$6,108/acre - $6,632/acre</td>
<td>$9,522/acre - $9,711/acre</td>
<td>$4,890/acre - $5,005/acre</td>
</tr>
</tbody>
</table>

Source: Press releases, investor presentations and public filings
Sinopec Case Study

On October 1, 2010, Sinopec entered into a definitive agreement to purchase a 40% stake in Repsol Brasil for US$7.1 billion. Scotia Waterous was exclusive financial and technical advisor to Sinopec.

- The transaction represents the world's largest JV, and the second largest oil and gas deal in Latin American history
- Repsol Brazil has interest in 16 offshore blocks, including 14 within the Pre-Salt play, spanning the Santos, Campos, and Espirito Santo basins
  - 1.8 billion boe of resource potential per DeGolyer & MacNaughton estimate
- This transaction creates one of Latin America's largest energy companies, with an equity value of US$17.8 billion
  - The injection of funds generated by this transaction will allow Repsol Brasil to fully develop all of its current projects
The transaction was structured as a private placement, whereby Sinopec fully subscribes to newly issued shares of Repsol Brasil representing 40% of the outstanding equity of the company.

- Upon closing of the transaction, Sinopec will own a 40% interest in the assets and working capital of Repsol Brasil.
  - Repsol will own the remaining 60%.
- Of the $7.1 billion of cash contributed by Sinopec, $4.3 billion represents the value of a 40% W.I. in the assets of Repsol Brasil, and $2.8 billion represents 40% of the working capital of Repsol Brasil.

Note: Assumes a net zero working cap balance prior to closing.
• Sinopec submitted an expression of interest to pre-empt Repsol Brasil’s IPO process in late July

• The technical and commercial evaluation period lasted only four weeks

• Negotiations were substantially completed in a week, less than two weeks from the proposal submission date

• Less than two months transpired from the beginning of evaluation of confidential information to the signing and announcement of the agreement
Asian Observations and Comments

• Asian Companies have rapidly moved-up the learning curve in international deal making:
   Corporate takeovers of Harvest Energy Trust (Canada), Addax Petroleum (Nigeria and Gabon) and Arrow Energy (Australia)
   Hostile acquisition of Dana Petroleum by KNOC
   Creative JV’s – Sinopec/Repsol, CNOOC/Chesapeake, Mitsui/Anadarko, KOGAS/EnCana, Reliance/Atlas

• In the U.S. the following companies have completed two or more U.S. deals
   Japanese – Itochu, Mitsui, Mitsubishi, Nippon, Sojitz, Sumitomo
   Korean – Antinum, KNOC, Samsung
   Chinese – CNOOC
   Indian – Reliance

• Asian shopping list includes:
   GOM, Shales, Conventional
   Technology Transfer

• U.S. Outlook
   Asian companies are going to be the new XTO’s and Chesapeake
What to Expect in 2011

• The NOC’s, largely driven by Asians will continue to be the dominant buyers of hydrocarbons around the world

• Asian company’s will continue to become more significant players in the U.S. market

• Outside North America, expect to see more transactions in Latin America, Africa and Europe

• Continued demand for U.S. oil assets
  ➢ Strong sale metrics being achieved in long-life oil basins (e.g. Permian and Bakken) will likely prompt continued selling in those regions

• Continued migration to liquids-rich shales
  ➢ Further Eagle Ford consolidation in 2011 with a number of smaller players looking to cash out
  ➢ We expect to see considerable activity in 2011 in the Niobrara, the Avalon / Bone Spring, the Mississippian and other emerging plays involving horizontal recompletions of historically vertically developed oil-rich plays

• Limited market for conventional gas assets
  ➢ Demand from private equity portfolio companies kept multiples relatively stable in 2010, and this trend will continue into 2011

• Gulf of Mexico activity level will pick-up
Thank you for your time and attendance

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