






IPAA / TIPRO

Chris Atherton, EnergyNet – Chief Executive Officer

January 8th 2020

Upstream A&D's Long and Twisted Road in 2019, and Outlook for 2020 and Beyond

A photograph of a man wearing a green party hat, looking down at a table covered in confetti. Other people are visible in the background, also celebrating. The scene is festive and crowded.

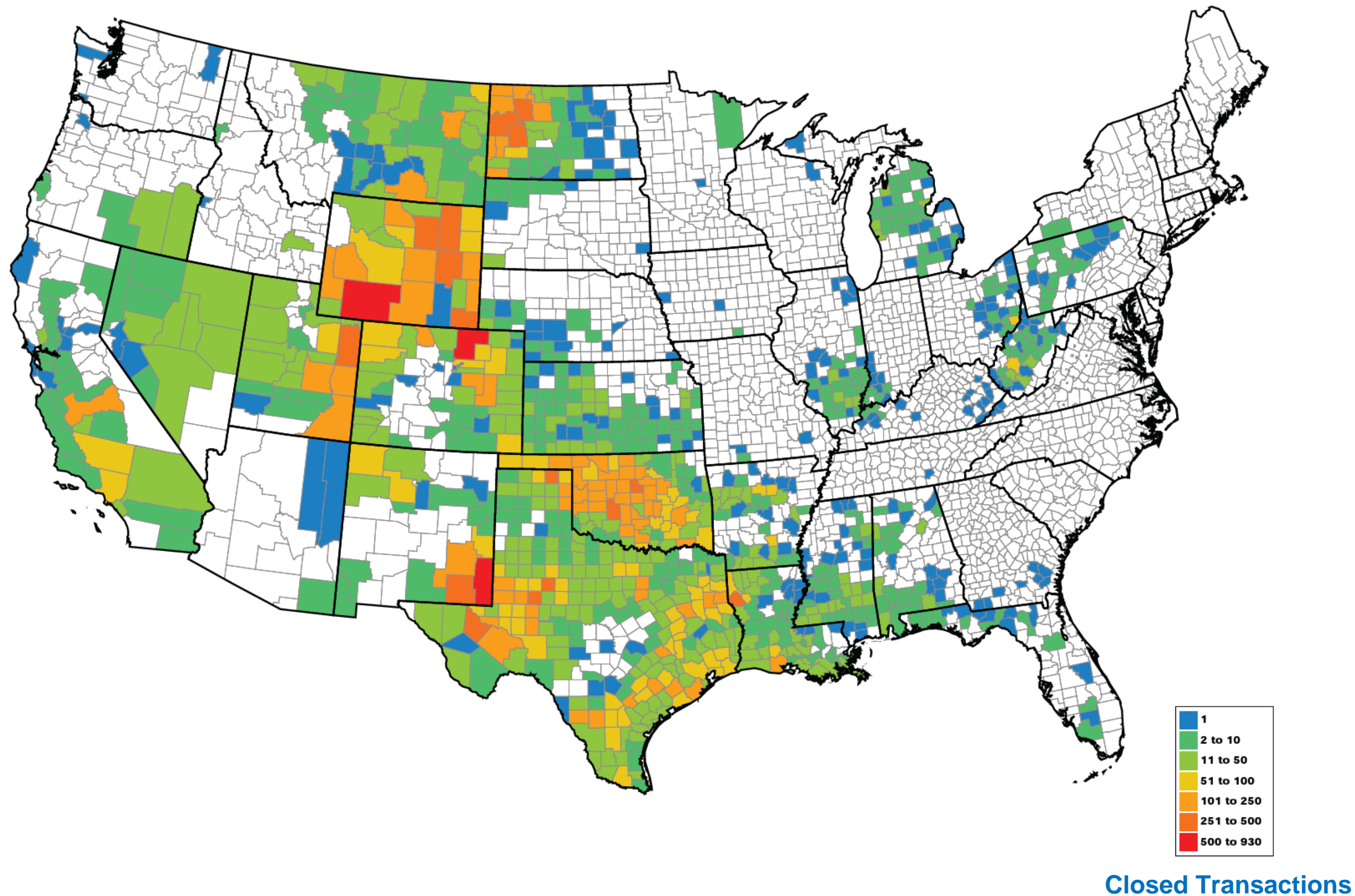
Happy New Year, Lieutenant Dan!



Upstream A&D in the Trenches

EnergyNet Successfully Closed Transactions - Consistent Execution

Over \$5.25B Successfully Closed in the last 48 months



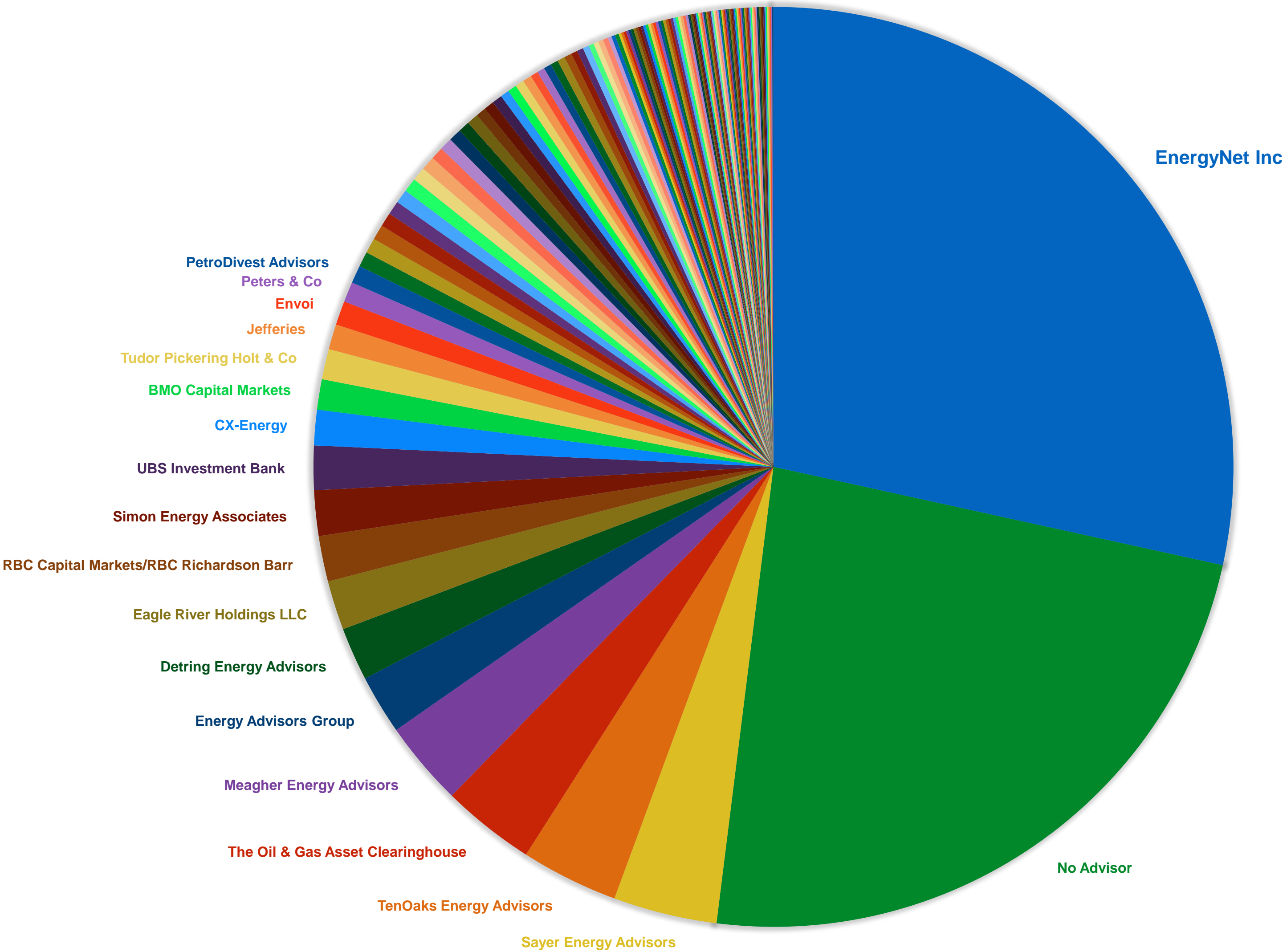
82% Sales Success Rate

2018 & 2019 EnergyNet Sell-Side Clients - Trusted by the Oil & Gas Industry



The EnergyNet Platform is a Mainstay in the US A&D Market

TOTAL NUMBER OF MARKETED DEALS ANNOUNCED - JANUARY 2016 - DECEMBER 2019



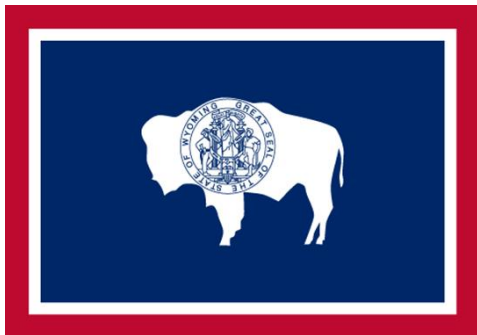
Government Lease Sales Facilitated on the EnergyNet Platform:



Bureau of Land Management
(Lower 48)



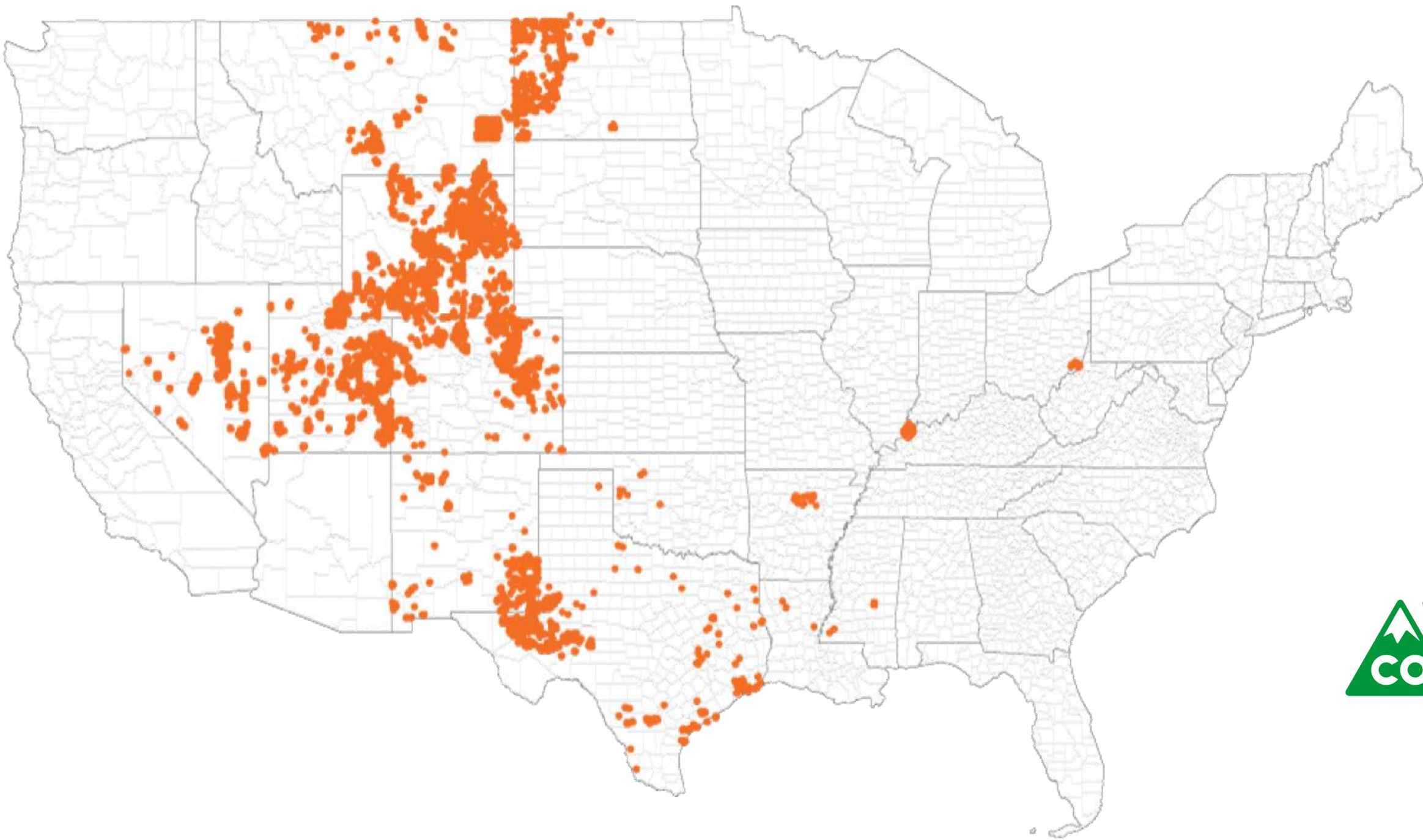
State of New Mexico



State of Wyoming



State of Texas



Texas University Lands



State of North Dakota



COLORADO
State Land Board
Department of Natural Resources

State of Colorado

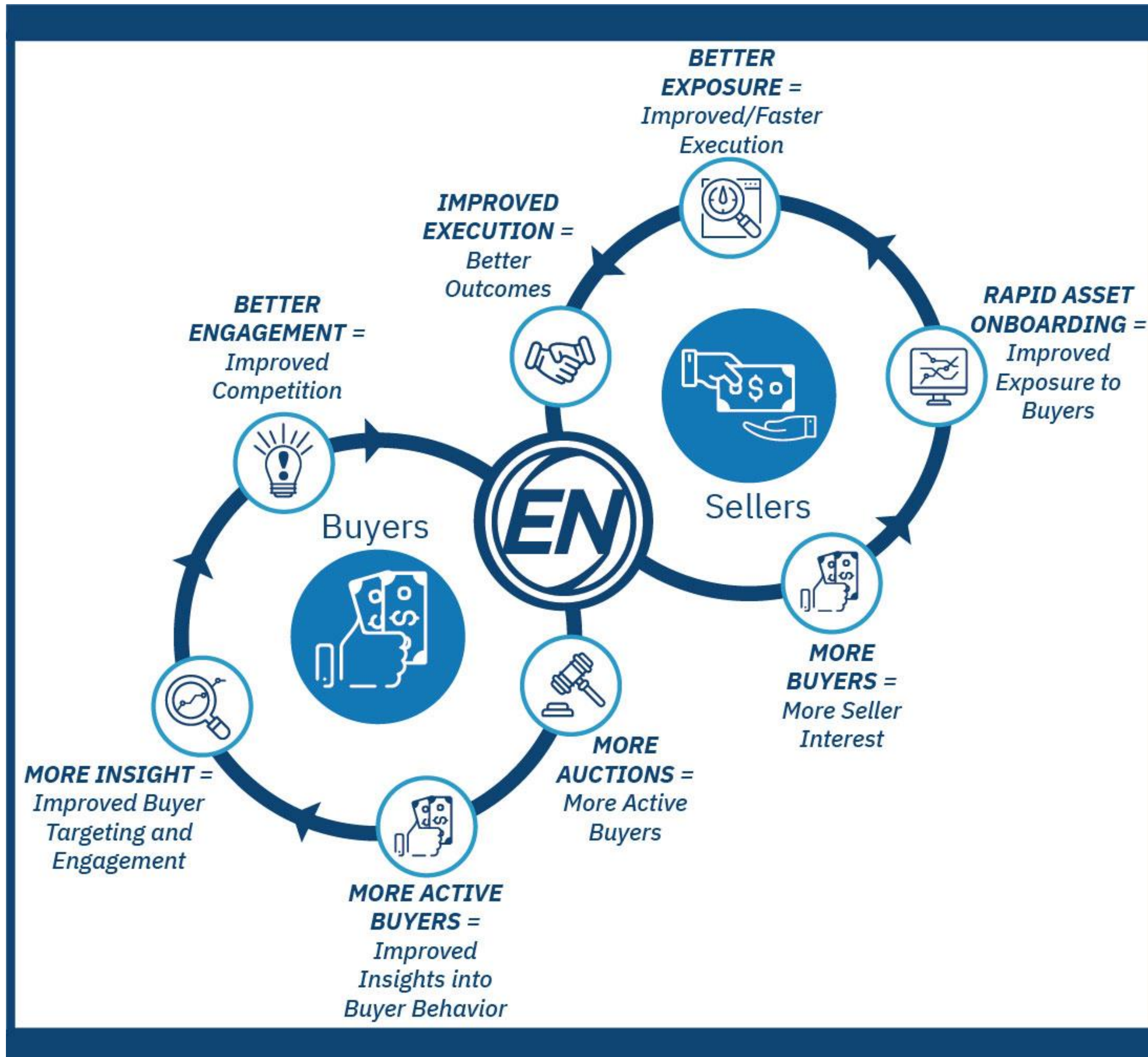


Trust Lands Administration
State of Utah School and Institutional Trust Lands Administration

State of Utah

Over 10 Million Acres Offered for Lease

Powerful Network Effects from the EnergyNet A&D Platform:





E&P Publicly-Traded Equities Decimated in 2019

Oil & gas public equities decimated in past 18 months

Generalists investors demanding capital discipline and free cash flow generation

Capital markets are generally closed to public E&Ps. No IPOs, no follow-on equity offerings, very little debt issuances

Public E&Ps are not being rewarded for adding inventory

Private equity sponsored portfolio companies are ready to exit but generally have no buyers

Publics are not buying assets; private equity portfolio companies are not buying assets because of a lack of foreseeable exit to publics

These factors reverberating to the sub \$150MM upstream A&D markets

Source: RBC Richardson Barr

			% Change					
MAJORS	Market Cap ▼▲	Price	1 Day ▼▲	1 Month ▼▲	6 Month ▼▲	1 Year ▼▲		
ExxonMobil	302.0B	71.38	↓ 1.49%	↓ 5.7%	↓ 6.0%	↓ 10.7%		
Shell-A	231.0B	58.55	↓ 0.38%	↓ 10.1%	↓ 6.8%	↓ 11.5%		
ChevronTexaco	229.8B	120.63	↓ 0.09%	↓ 1.9%	↑ 1.9%	↓ 2.5%		
BP P.L.C.	127.2B	38.55	↓ 1.15%	↓ 7.9%	↓ 6.7%	↓ 11.9%		
MAJORS Average:			↓ 0.78%	↓ 6.40%	↓ 4.40%	↓ 9.15%		
			% Change					
LARGE CAPS	Market Cap ▼▲	Price	1 Day ▼▲	1 Month ▼▲	6 Month ▼▲	1 Year ▼▲		
ConocoPhillips	64.1B	56.70	↓ 3.57%	↓ 5.7%	↓ 17.4%	↓ 20.8%		
EOG	48.3B	83.30	↑ 2.75%	↓ 4.9%	↓ 15.7%	↓ 33.9%		
Occidental	38.2B	51.05	↓ 3.99%	↑ 4.7%	↓ 25.0%	↓ 37.9%		
Anadarko	37.0B	73.73	↓ 0.78%	↑ 3.9%	↑ 52.2%	↑ 5.8%		
Pioneer	21.6B	128.28	↑ 0.56%	↓ 11.2%	↓ 10.3%	↓ 32.0%		
Hess	18.8B	61.90	↓ 2.77%	↓ 1.2%	↑ 11.2%	↓ 6.0%		
Diamondback	16.0B	97.58	↑ 0.18%	↓ 6.3%	↓ 5.2%	↓ 27.4%		
Concho	14.8B	73.74	↓ 2.94%	↓ 25.5%	↓ 38.6%	↓ 48.1%		
Continental	12.7B	33.80	↓ 1.37%	↓ 17.7%	↓ 26.8%	↓ 46.9%		
Marathon	10.8B	13.23	↓ 2.18%	↓ 2.4%	↓ 17.3%	↓ 36.5%		
Noble	10.5B	21.86	↑ 7.29%	↑ 0.3%	↓ 2.4%	↓ 39.0%		
Devon	10.4B	25.11	↓ 0.22%	↓ 8.8%	↓ 7.0%	↓ 42.9%		
Apache	9.1B	24.13	↑ 0.04%	↓ 11.9%	↓ 26.1%	↓ 45.7%		
Cabot	7.9B	18.58	↓ 0.80%	↓ 19.3%	↓ 25.9%	↓ 19.5%		
Encana	6.6B	4.46	↓ 0.34%	↓ 10.1%	↓ 35.2%	↓ 68.6%		
Cimarex	4.8B	46.84	↓ 0.80%	↓ 20.0%	↓ 38.5%	↓ 51.3%		
Parsley	4.7B	14.80	↓ 2.28%	↓ 19.3%	↓ 20.5%	↓ 53.2%		
Murphy	4.0B	22.86	↓ 1.32%	↓ 5.3%	↓ 18.3%	↓ 30.4%		
WPX	4.0B	9.39	↑ 0.37%	↓ 13.5%	↓ 24.9%	↓ 51.9%		
EQT	3.4B	13.28	↓ 3.21%	↓ 11.9%	↓ 32.5%	↓ 50.7%		
Chesapeake	2.7B	1.64	↓ 0.71%	↓ 11.4%	↓ 42.3%	↓ 62.8%		
Magnolia Oil & Gas	2.6B	10.36	0.0	↓ 8.9%	↓ 13.2%	↓ 19.7%		
Kosmos Energy	2.3B	5.71	↓ 2.73%	↓ 4.7%	↑ 9.8%	↓ 25.7%		
LARGE CAPS Average:			↓ 0.82%	↓ 9.18%	↓ 16.08%	↓ 36.74%		
			% Change					
SMALL CAPS	Market Cap ▼▲	Price	1 Day ▼▲	1 Month ▼▲	6 Month ▼▲	1 Year ▼▲		
Matador	2.0B	16.78	↓ 1.35%	↓ 10.2%	↓ 14.6%	↓ 48.8%		
PDC	1.8B	26.85	↓ 1.86%	↓ 22.1%	↓ 19.0%	↓ 58.1%		
Crescent Point	1.7B	3.12	↓ 2.66%	↑ 1.6%	↑ 5.8%	↓ 53.9%		
Antero	1.4B	4.64	↑ 2.88%	↓ 11.8%	↓ 54.6%	↓ 75.5%		
CNX Resources	1.4B	7.26	↑ 0.21%	↑ 5.7%	↓ 34.9%	↓ 53.9%		
Centennial	1.4B	5.37	↑ 0.09%	↓ 27.9%	↓ 59.7%	↓ 71.0%		
Enerplus	1.4B	6.12	↓ 0.08%	↓ 15.8%	↓ 28.9%	↓ 54.7%		
Jagged Peak Energy	1.4B	6.58	↑ 0.23%	↓ 22.1%	↓ 38.7%	↓ 53.8%		

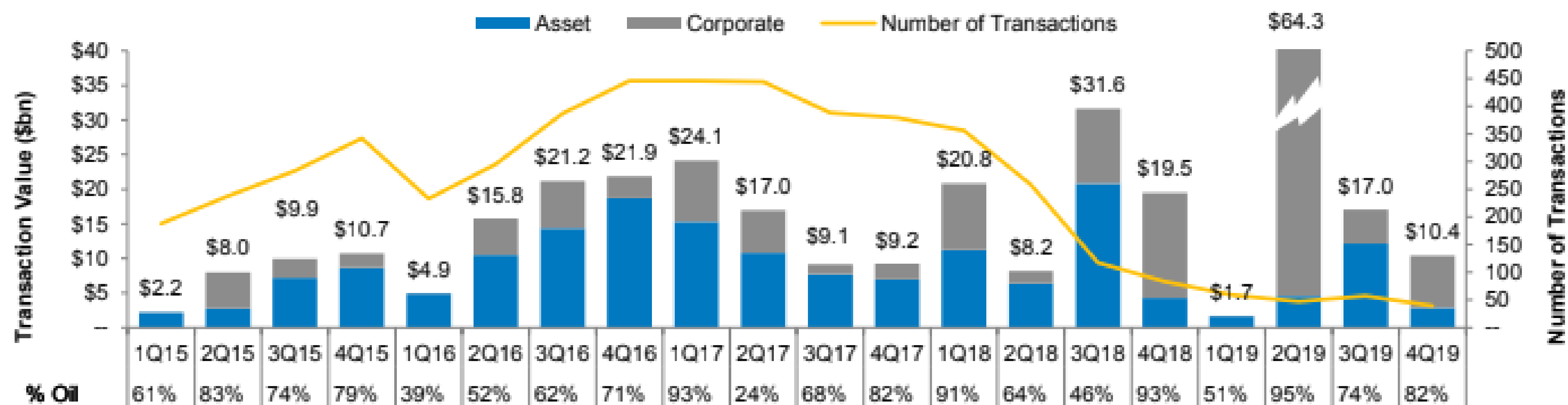
Oasis	1.4B	4.25	↑ 0.12%	↓ 18.0%	↓ 30.7%	↓ 65.6%
Range	1.3B	5.00	↓ 2.82%	↓ 19.1%	↓ 54.3%	↓ 67.2%
Southwestern	1.1B	2.06	↓ 3.05%	↓ 28.5%	↓ 53.0%	↓ 58.0%
SM	1.1B	9.93	↑ 9.60%	↓ 13.0%	↓ 49.7%	↓ 65.1%
QEP	1.1B	4.51	↓ 1.85%	↓ 36.7%	↓ 46.4%	↓ 56.4%
Talos Energy Inc	1.1B	19.73	↓ 0.95%	↓ 20.6%	↓ 0.3%	↓ 47.3%
Callon	1.0B	4.58	↑ 0.55%	↓ 26.6%	↓ 45.3%	↓ 58.1%
Src Energy Inc	1.0B	4.20	↑ 4.35%	↓ 11.9%	↓ 16.8%	↓ 63.8%
Whiting	996MM	10.91	↑ 0.65%	↓ 37.2%	↓ 62.8%	↓ 76.8%
Diversified Gas & Oil PLC (LSE EOD)	901MM	107.00	↑ 0.47%	↓ 2.7%	↓ 8.2%	↓ 4.9%
Riviera Resources	874MM	11.50	↑ 0.70%	↓ 8.6%	↓ 24.3%	↓ 53.1%
Carrizo	817MM	8.84	↑ 1.44%	↓ 9.0%	↓ 31.2%	↓ 68.2%
Baytex	796MM	1.43	↓ 2.06%	↓ 4.7%	↓ 14.4%	↓ 55.6%
Berry	733MM	8.95	↓ 1.00%	↓ 10.9%	↓ 26.2%	↓ 32.7%
Laredo	693MM	2.93	↓ 7.28%	↑ 3.2%	↓ 24.9%	↓ 66.3%
Comstock	661MM	6.24	↓ 1.96%	↑ 8.5%	↑ 3.0%	↓ 29.1%
W&T	611MM	4.34	↓ 2.36%	↓ 4.0%	↓ 14.2%	↓ 39.0%
California Resources	586MM	12.01	↓ 8.39%	↓ 35.8%	↓ 41.4%	↓ 65.8%
Northern	571MM	1.50	↓ 0.33%	↓ 24.2%	↓ 40.9%	↓ 58.4%
Gulfport	567MM	3.48	↓ 0.29%	↓ 23.0%	↓ 58.6%	↓ 68.9%
Extraction Oil & Gas	544MM	3.34	↓ 0.89%	↓ 20.9%	↓ 15.0%	↓ 78.4%
Penn Virginia	484MM	32.07	↓ 0.06%	↑ 12.9%	↓ 39.1%	↓ 62.2%
Denbury	477MM	1.03	↑ 0.48%	↓ 15.6%	↓ 50.2%	↓ 77.1%
Bonanza Creek	433MM	20.99	↑ 1.75%	↑ 5.0%	↓ 9.6%	↓ 44.8%
Unit	323MM	5.81	↓ 3.57%	↓ 30.4%	↓ 64.6%	↓ 75.7%
Earthstone	245MM	3.77	↓ 4.07%	↓ 41.6%	↓ 38.3%	↓ 62.0%
SandRidge	231MM	6.46	↓ 1.37%	↓ 2.4%	↓ 23.2%	↓ 60.2%
Panhandle	185MM	11.19	↓ 0.53%	↓ 11.7%	↓ 29.6%	↓ 44.2%
Roan Resources Inc Class A	174MM	1.13	↓ 2.59%	↓ 30.7%	↓ 89.8%	↓ 97.3%
Ring Energy	152MM	2.24	↓ 3.03%	↓ 30.0%	↓ 61.9%	↓ 81.3%
Chaparral Energy	148MM	3.19	↑ 2.08%	↓ 32.1%	↓ 58.8%	↓ 82.4%
Goodrich	134MM	11.00	↓ 0.09%	↓ 11.1%	↓ 23.6%	↓ 12.0%
Abraxas Petroleum	133MM	0.79	↑ 0.25%	↓ 25.5%	↓ 33.6%	↓ 68.1%
Rosehill Resources	120MM	2.71	↑ 5.04%	↓ 22.3%	↓ 21.0%	↓ 68.2%
HighPoint Resources	226MM	1.05	↓ 0.47%	↓ 36.4%	↓ 60.5%	↓ 83.9%
SilverBow Resources	110MM	9.34	↑ 0.11%	↓ 26.5%	↓ 62.0%	↓ 69.8%
Montage Resources	102MM	2.85	↓ 4.04%	↓ 48.1%	↓ 83.3%	↓ 88.6%
Amplify	93MM	4.19	↑ 1.95%	↓ 29.6%	↓ 51.8%	↓ 61.6%
Midstates	88MM	4.29	↑ 1.90%	↓ 24.7%	↓ 56.0%	↓ 67.3%
Lonestar Resources	57MM	2.30	↑ 5.99%	↑ 4.5%	↓ 56.3%	↓ 74.8%
Alta Mesa	53MM	0.14	↓ 1.41%	0.0	↓ 85.7%	↓ 97.7%
Contango	46MM	1.34	↑ 5.91%	↓ 16.8%	↓ 64.4%	↓ 75.2%
EP Energy	41MM	0.16	↓ 5.82%	↓ 30.4%	↓ 77.1%	↓ 92.2%
Ultra	35MM	0.18	↓ 6.46%	↑ 13.2%	↓ 74.9%	↓ 89.4%
Lilis Energy	29MM	0.32	↑ 2.03%	↓ 47.5%	↓ 85.2%	↓ 93.2%
Halcon	26MM	0.16	0.0	↓ 5.9%	↓ 90.5%	↓ 96.2%
Approach	25MM	0.27	↑ 0.23%	↑ 3.8%	↓ 71.9%	↓ 88.3%

Hide the Pain Harold:



2019 Upstream A&D Activity

Quarterly Deal Activity



Source: BMO Capital Markets

1st Half 2019 A&D Activity

- **QEP Resources Receives \$2.55 Billion Takeover Offer From Elliott Management**
- **Ring Energy Acquires Wishbone Energy in Central Basin Platform for \$300MM**
- **Diversified Gas & Oil Acquires Appalachia Wells from HG Energy II for \$400MM**
- **Callon Sells Non-Core Midland Basin Ranger Assets for \$260 Million to Sequitur**
- **Chevron to Acquire Anadarko for \$50 Billion in Sixth Largest Upstream Deal Ever**
- **Occidental Lobs in \$57 Billion Bid for Anadarko, Topping Chevron**
- **Northern Oil & Gas Acquires Bakken Non-Op Assets from Flywheel for \$310MM**
- **Brigham Minerals' Successful Initial Public Offering**

1st Half 2019 A&D Activity

- **Spur Energy Partners Buys Percussion Petroleum for ~\$400MM**
- **Halcon Resources files Chapter 11 Bankruptcy Filing**
- **Rice Brothers Take Control of EQT**
- **Japan-based Osaka Gas will acquire Houston-based Sabine Oil & Gas for \$610MM**
- **Comstock Resources To Acquire Haynesville Operator Covey Park For \$2.2B**
- **Callon Petroleum To Acquire Carrizo For \$3.2 Billion**
- **Range Narrows Appalachia Footprint With \$634MM ORRI Asset Sales**
- **Amplify Energy and Midstates Merge**
- **PDC, SRC Energy To Combine In \$1.7 Billion All-Stock Merger**

- **Spur Energy Strikes Again With \$925 Million Concho Deal**
- **Crescent Point selling its Uinta Basin asset in Utah and certain southeast Saskatchewan conventional assets for a total of approximately \$912MM**
- **Sheridan Holding Company II files Chapter 11 Bankruptcy Filing**
- **Hilcorp Acquires BP Alaska Assets for \$5.6 Billion**
- **Contango to Acquire Assets of White Star Petroleum LLC for \$230MM**
- **Citizen Buys Roan Resources for \$1B**
- **EP Energy files Chapter 11 Bankruptcy Filing**
- **Parsley Energy Buys Jagged Peak in all stock deal valued at \$2.3B**

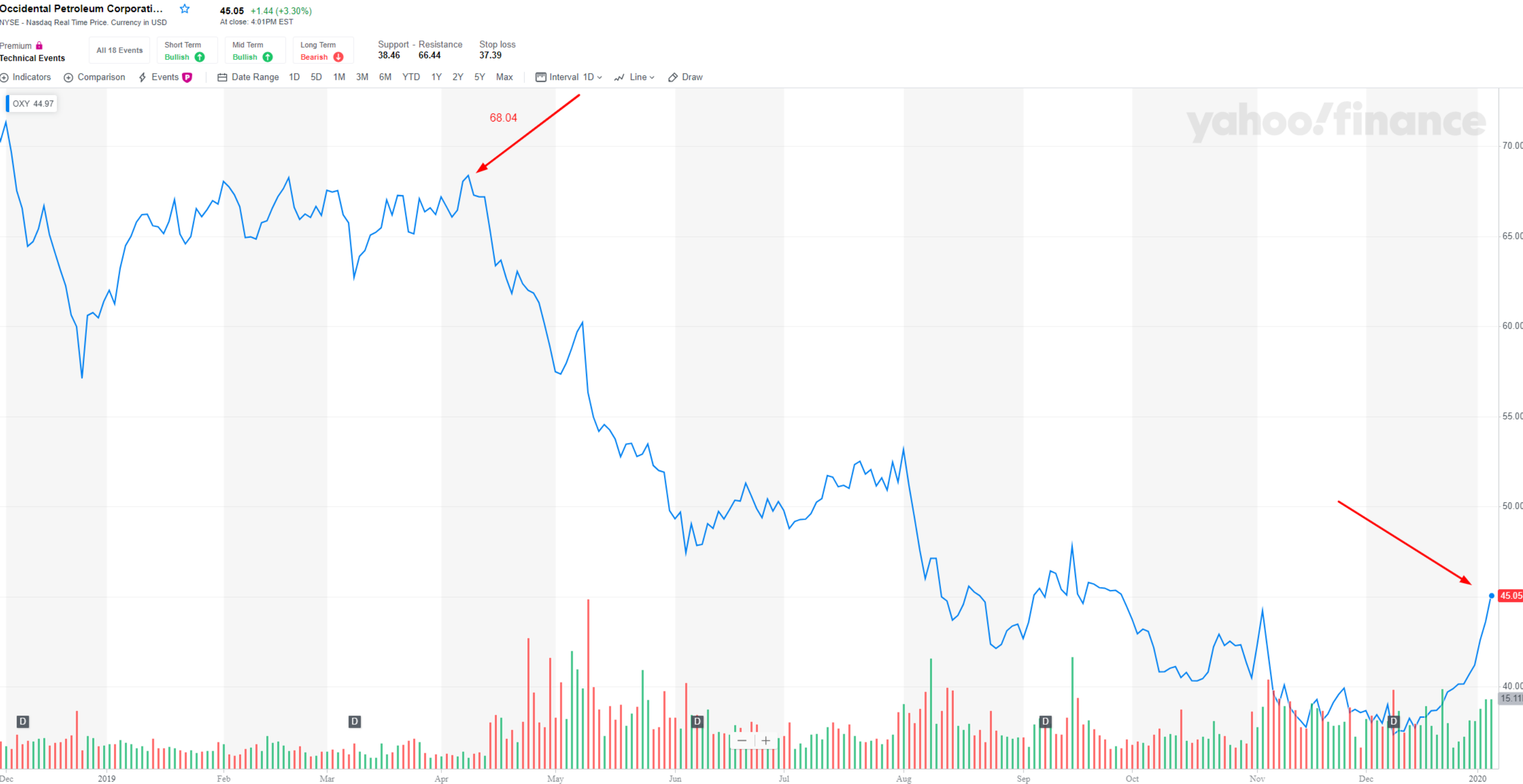
2nd Half 2019 A&D Activity

- **Ecopetrol forms Midland Basin JV w/ OXY valued at \$1.5B**
- **Marathon acquires Eagle Ford assets from Boomtown for \$185MM**
- **Pure Acquisition Corp (SPAC) acquires HighPeak Energy & Grenadier for \$1.575MM**
- **Contango to Acquire Assets of White Star Petroleum LLC for \$230MM**
- **Talos acquires GOM assets from Venari, ILX and Castex for \$640MM**
- **WPX Energy acquires Delaware Basin-focused Felix Energy for \$2.27B**
- **Devon divests legacy Barnett Assets to Banpu / Kalnin Ventures for \$770MM**
- **BCE-Mach III submits stalking horse offer on Alta Mesa at \$225MM**

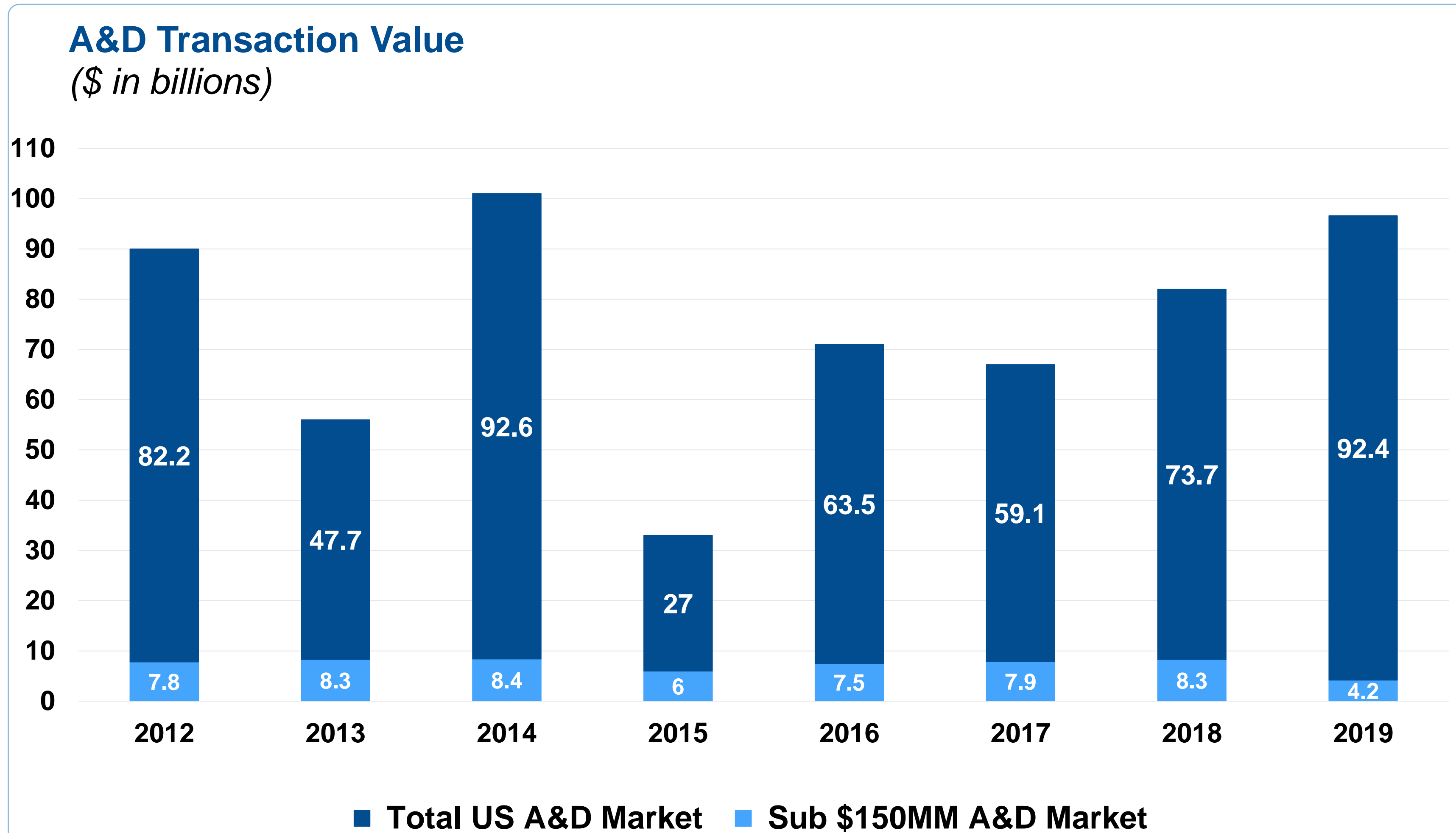
Top 20 2019 Deals by Value

Date Announced	Headline	Buyers	Sellers	Value (\$MM)
4/24/2019	Occidental acquires Anadarko in fourth-largest oil and gas deal ever	Occidental Petroleum	Anadarko	\$57,000
8/27/2019	Hilcorp acquires BP's Alaska business	Hilcorp Energy	BP	\$5,600
7/15/2019	Callon acquires Delaware and Eagle Ford producer Carrizo in all-stock deal	Callon Petroleum	Carrizo	\$2,740
12/16/2019	WPX Energy acquires Delaware Basin pure-play Felix Energy II	WPX Energy	Felix Energy Holdings II LLC	\$2,500
10/14/2019	Parsley Energy acquires Delaware Basin-focused Jagged Peak Energy	Parsley Energy	Jagged Peak Energy	\$2,270
6/10/2019	Comstock Resources increases Haynesville scale with acquisition of PE-backed Co	Comstock Resources	Covey Park Energy LLC	\$2,185
8/26/2019	PDC Energy acquires SRC Energy in an all-stock transaction	PDC Energy	SRC Energy Inc	\$1,700
11/27/2019	HighPeak Energy and Pure Acquisition Corp form new Midland E&P via combinati	Pure Acquisition Corp	HighPeak / Grenadier Energy	\$1,575
4/23/2019	Murphy Oil acquires deepwater Gulf of Mexico assets from LLOG	Murphy Oil	LLOG Bluewater LLC	\$1,375
10/1/2019	Citizen Energy acquires Roan Resources in all-cash transaction	Citizen Energy III LLC	Roan Resources LLC	\$1,014
9/3/2019	Concho divests New Mexico Shelf assets to Spur Energy Partners	Spur Energy Partners LLC	Concho Resources	\$925
12/17/2019	Devon divests Barnett Shale assets to Banpu	Banpu Public Co Ltd	Devon Energy	\$770
12/10/2019	Talos acquires GoM assets from ILX Holdings, Castex Energy and Venari Resources	Talos Energy	Castex / Venari	\$640
7/29/2019	Osaka Gas acquires Sabine Oil & Gas	Osaka Gas	Sabine Oil & Gas	\$610
7/19/2019	Range Resources sells ORRI in southwest Appalachia to Franco-Nevada, Lime Roc	Franco Nevada Corp, Lime Rock Resources	Range Resources	\$600
9/3/2019	Crescent Point sells Uinta Basin assets	Finley Resources Inc	Crescent Point	\$525
5/6/2019	Midstates Petroleum and Amplify Energy combine in merger of equals	Midstates Petroleum Company	Amplify Energy Operating LLC	\$512
6/28/2019	Oil Search acquires additional interest in Alaska North Slope assets	Oil Search (Alaska) LLC	Armstrong Oil / GMT Exploration	\$450
3/27/2019	Diversified Gas acquires Huckleberry assets in Appalachian Basin from HG Energy	Diversified Oil & Gas LLC	HG Energy LLC	\$400
7/2/2019	Apache divests Western Anadarko Basin assets in Oklahoma and Texas to Presidi	Presidio Petr. Co	Apache	\$367

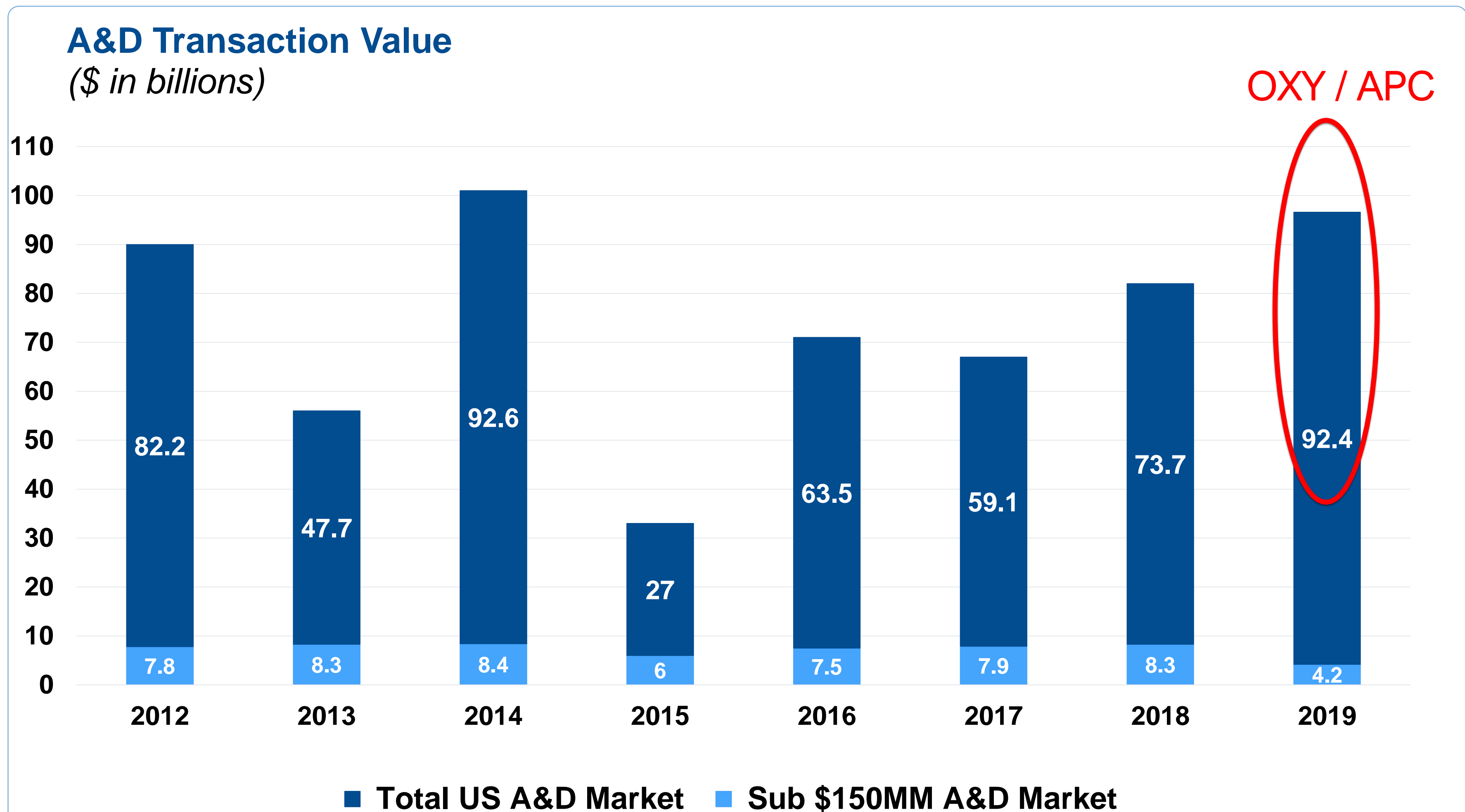
OXY Buys Anadarko



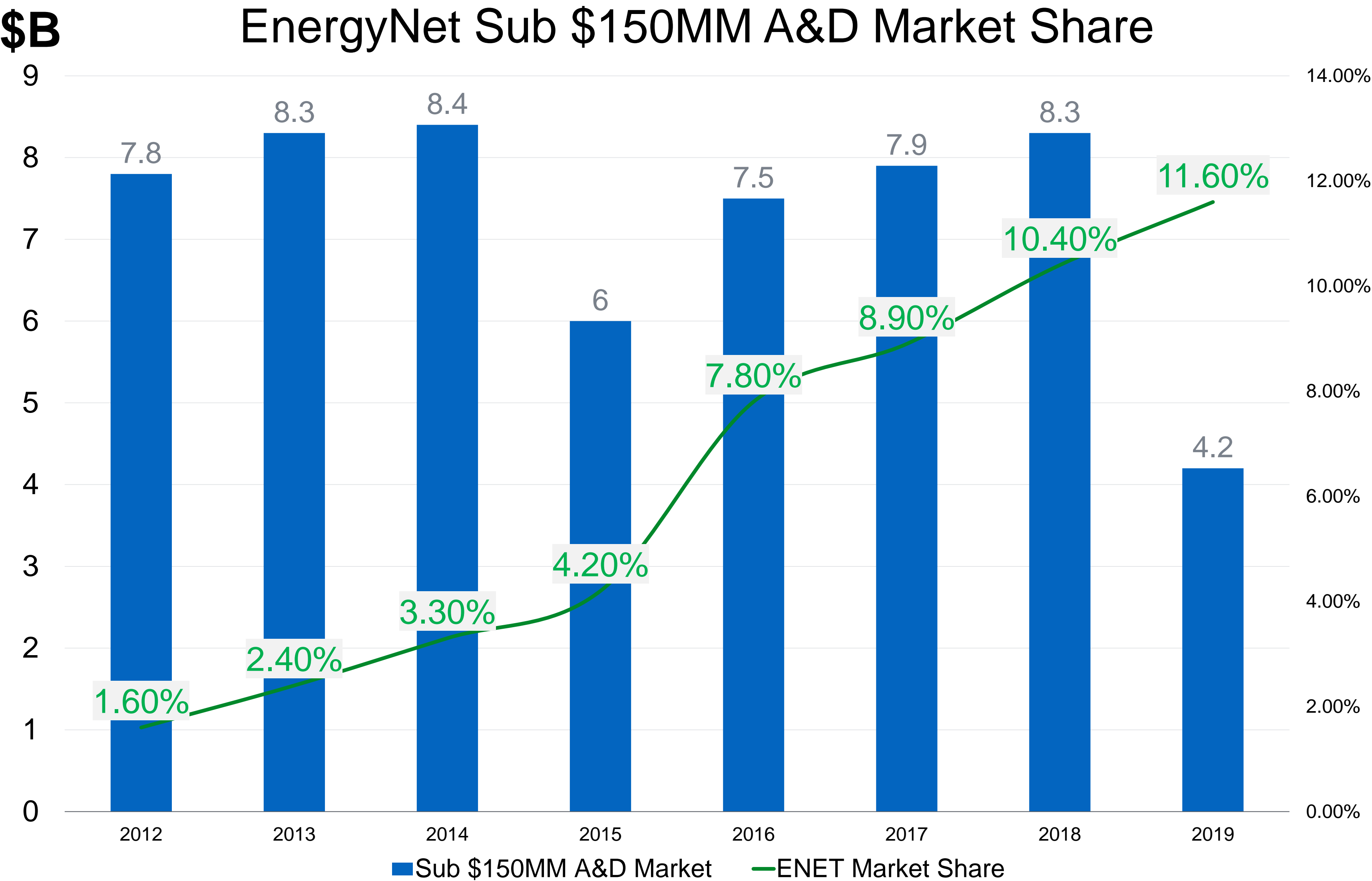
Historical Volume of Upstream A&D Market



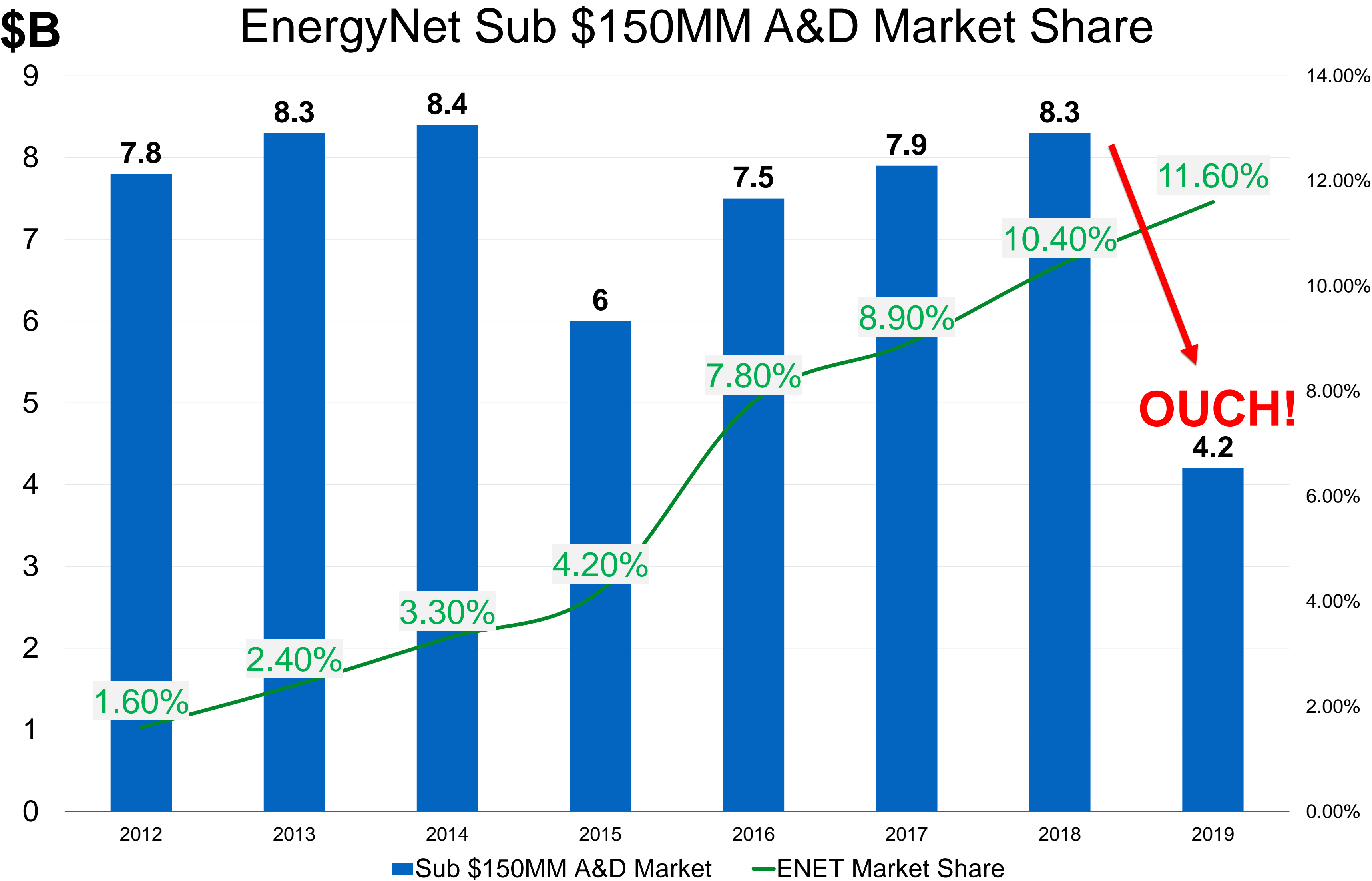
Historical Volume of Upstream A&D Market



Historical Average Volume of the Sub \$150MM Upstream A&D Market



Historical Average Volume of the Sub \$150MM Upstream A&D Market



This is mind boggling

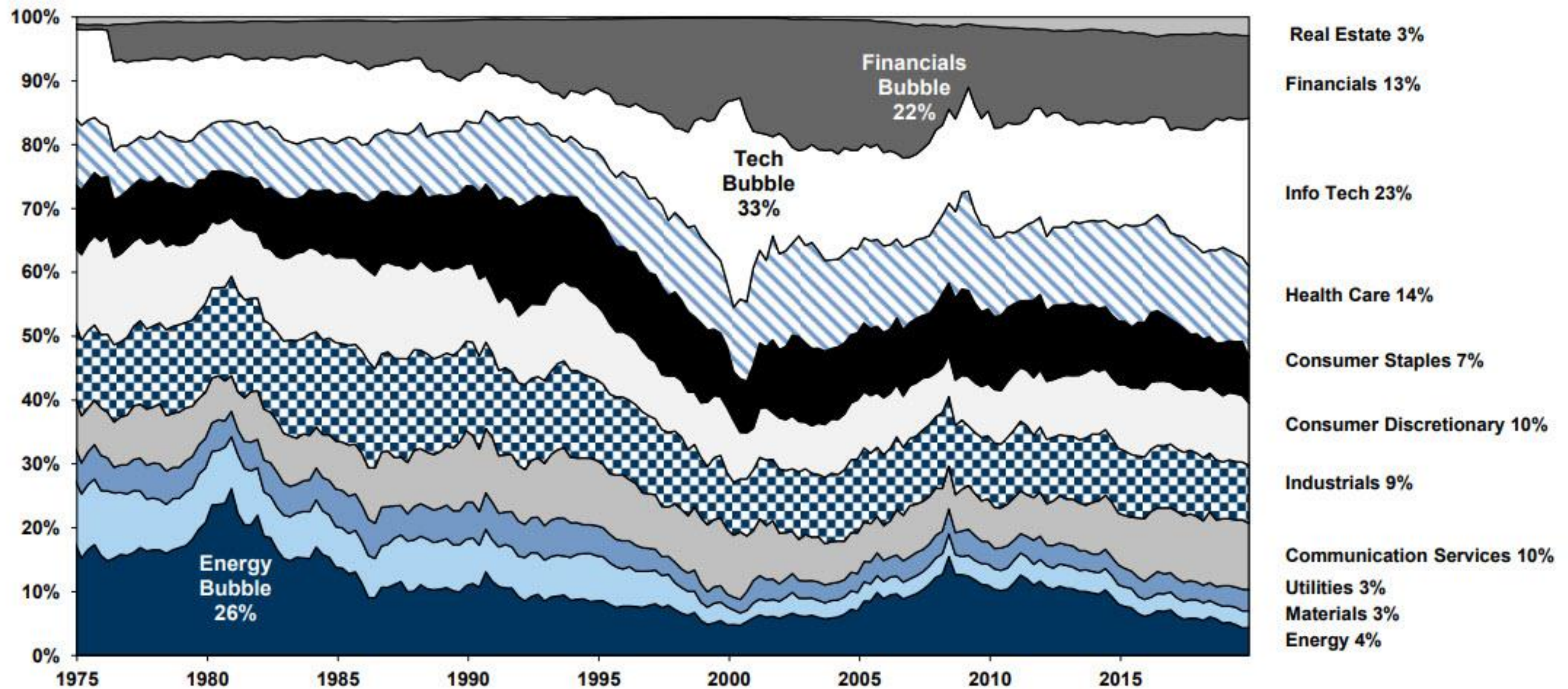
Apple now worth more than US energy sector



Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg

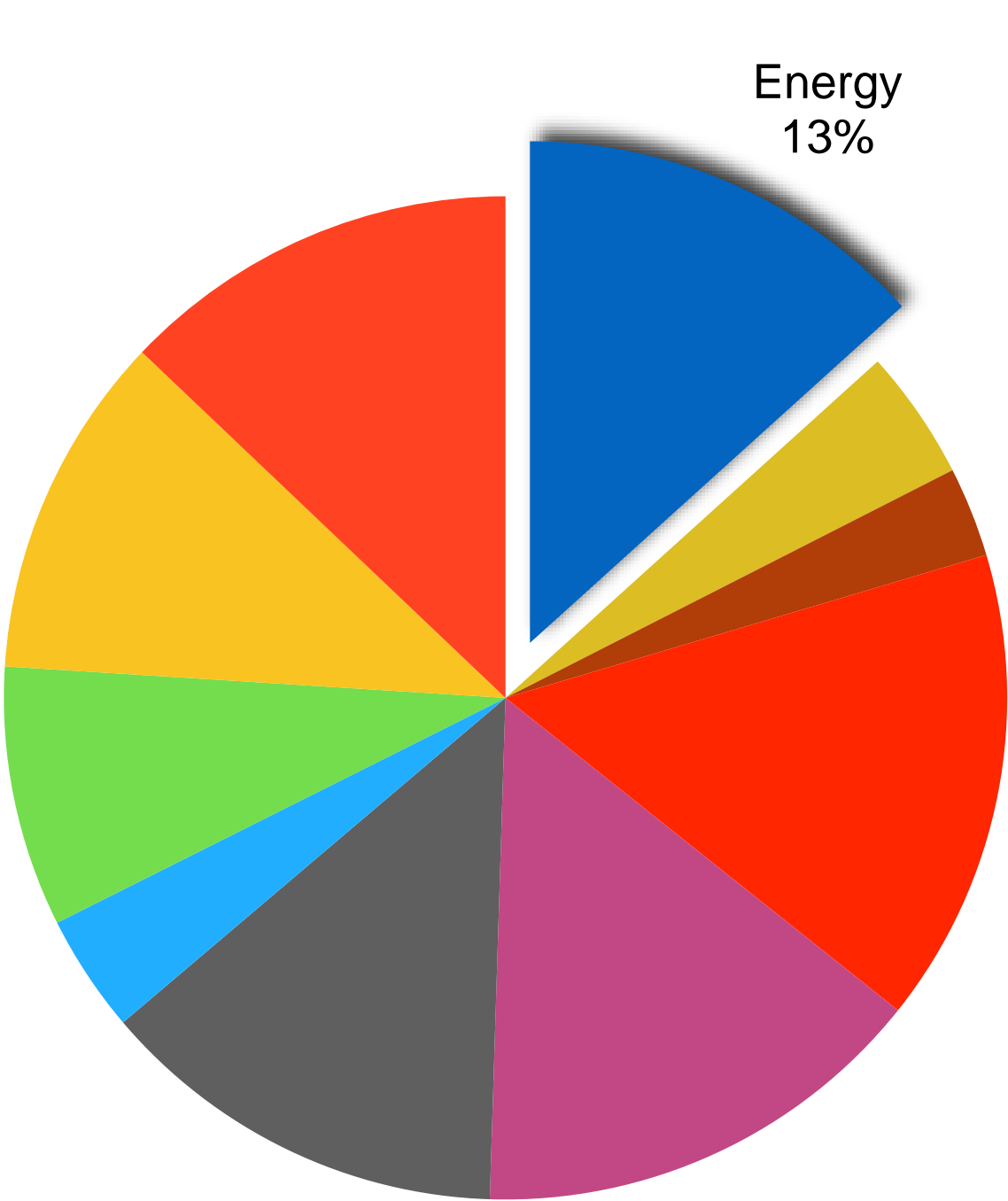
S&P 500 Energy Sector is Shrinking

Exhibit 11: Sector composition of the S&P 500 by equity capitalization, 1974-2019
as of December 31, 2019

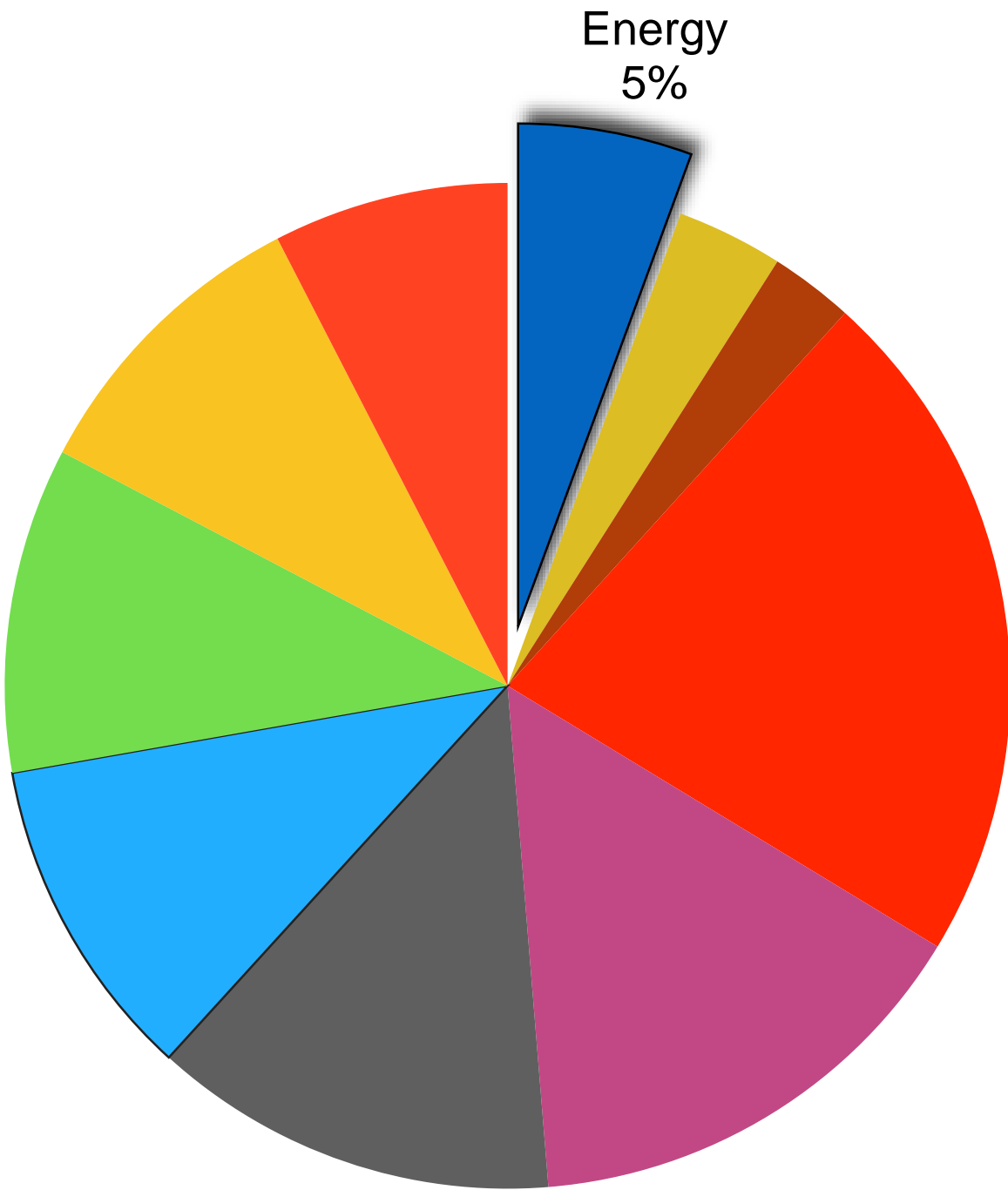


Source: Compustat, FactSet, Goldman Sachs Global Investment Research

S&P 500 Energy Sector has Shrunk Significantly in Ten Years



2009



2019

Skeptical Energy Investors Repeat 4 Words Frequently Nowadays

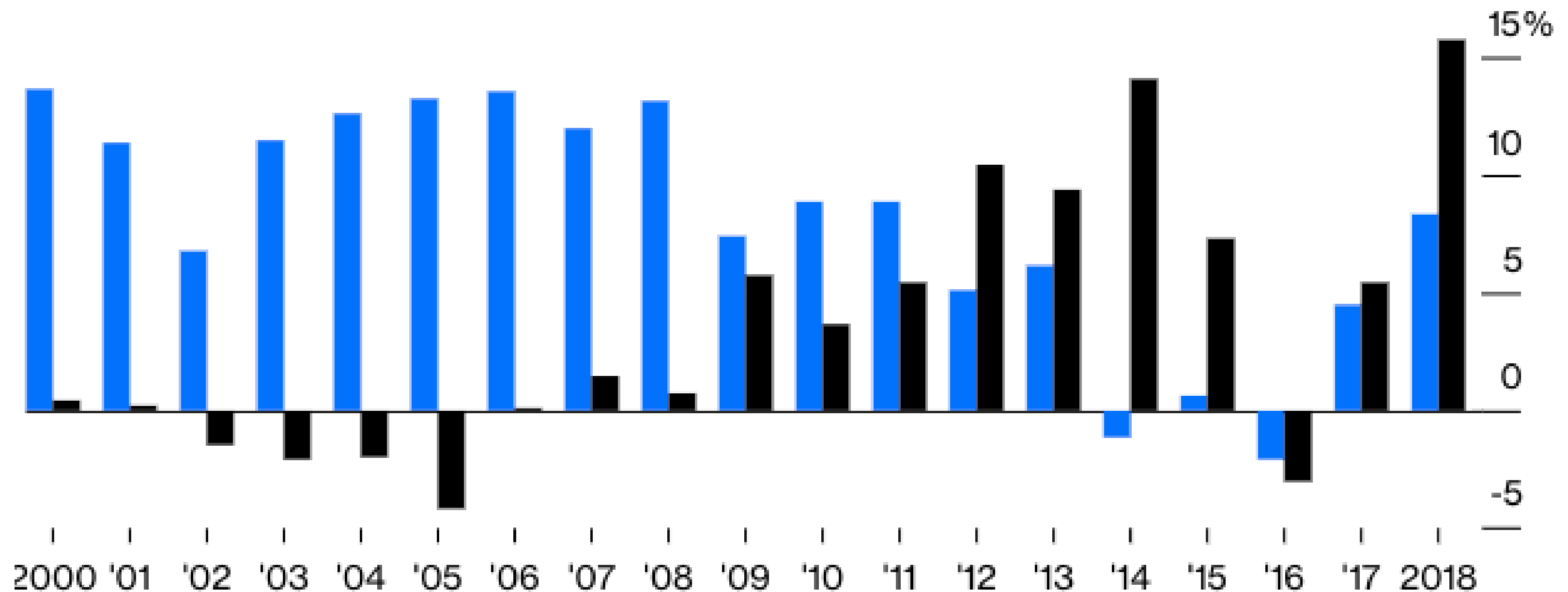


Why did capital dry up?

Growth At All Costs

The resurgence in U.S. oil and gas production over the past decade coincides with a collapse in the industry's financial performance

■ Return on average capital employed ■ U.S. production growth



Source: Kimmeridge Energy Management, Energy Information Administration

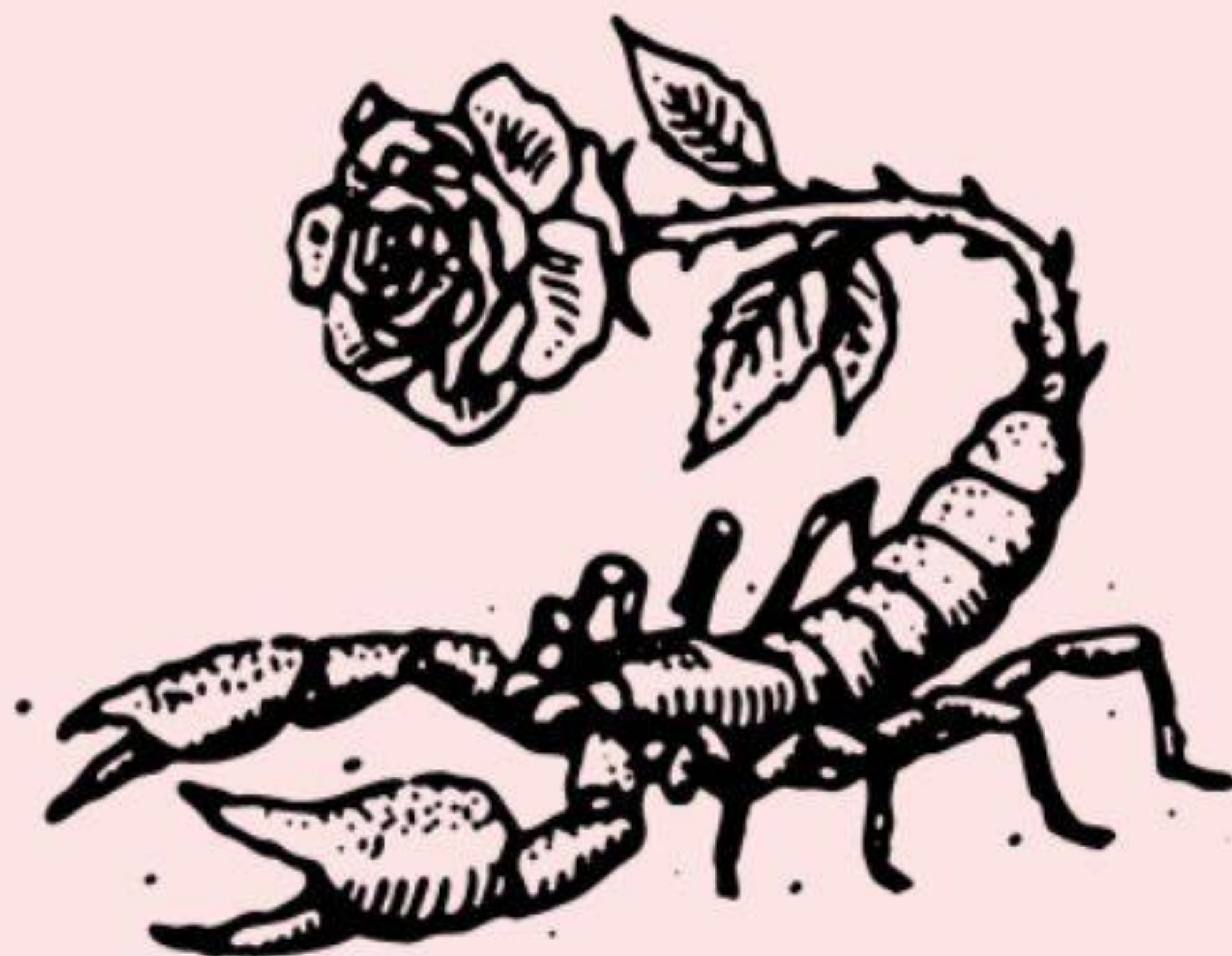
Note: Production data include crude oil, natural gas liquids and natural gas. ROACE data are averages for 73 E&P companies, adjusted for impairments.

Public Upstream Companies

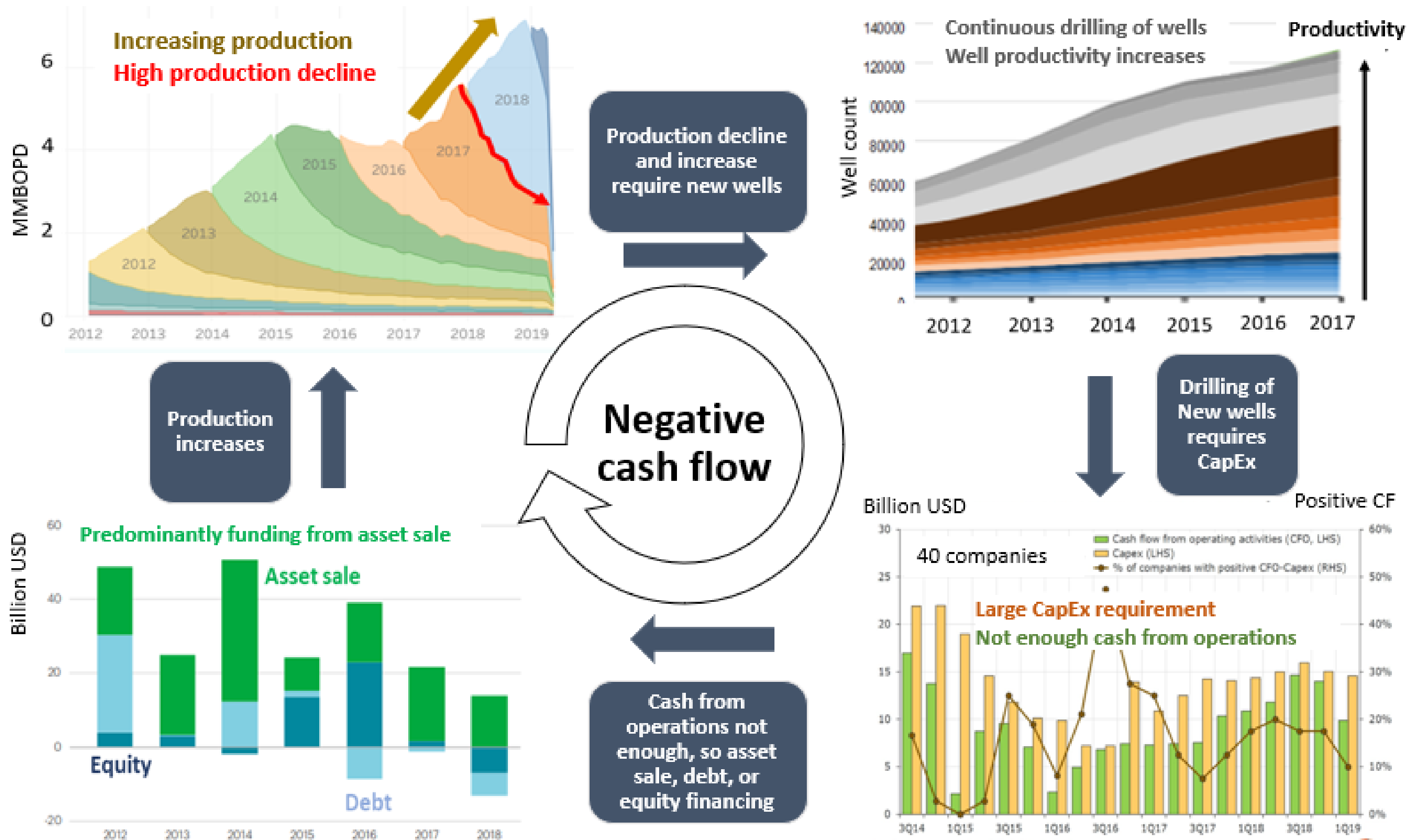
**Debt-Fueled Production
and Reserves Growth**

**Energy
Investors**



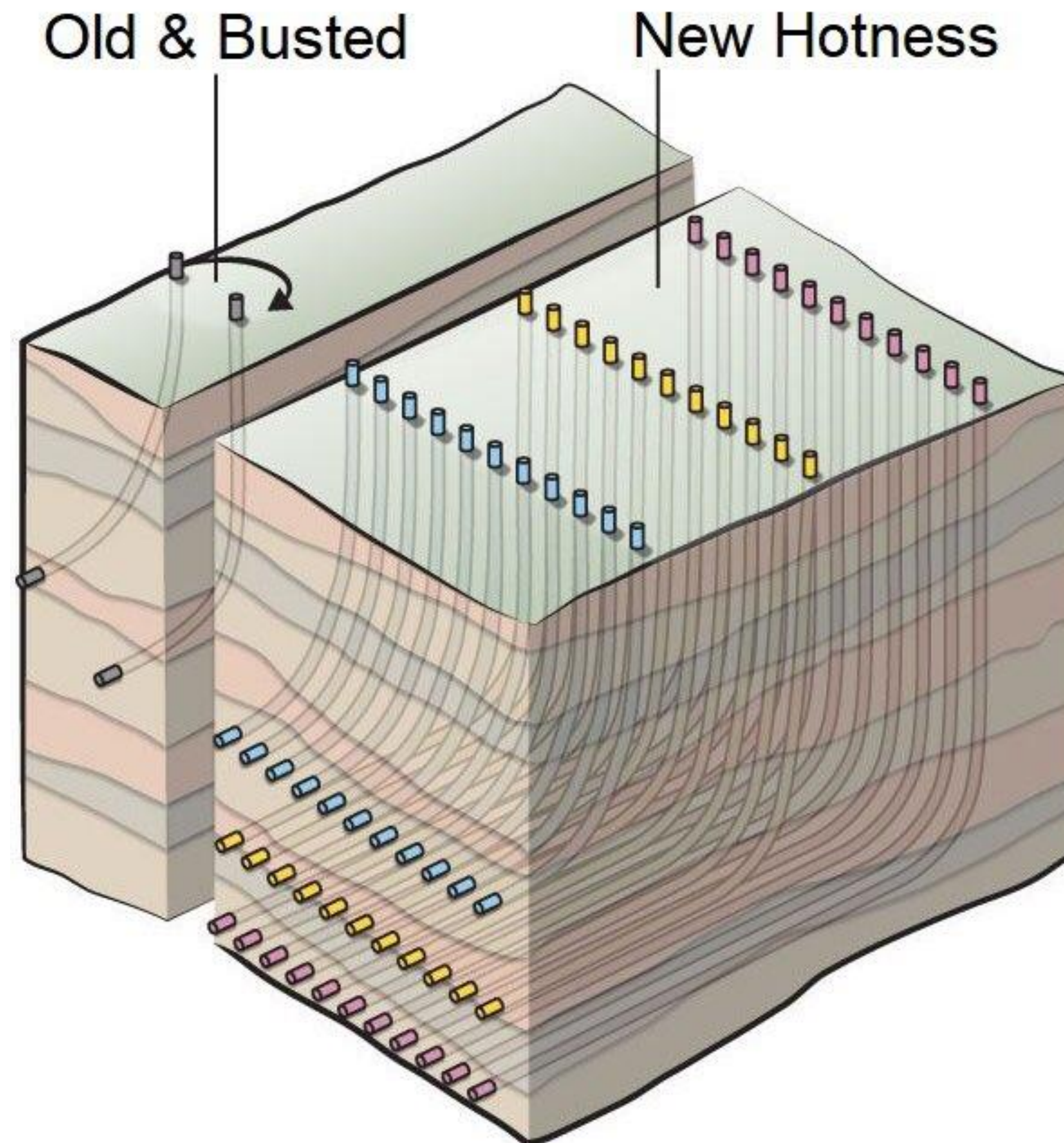


The Shale Treadmill can be Grueling



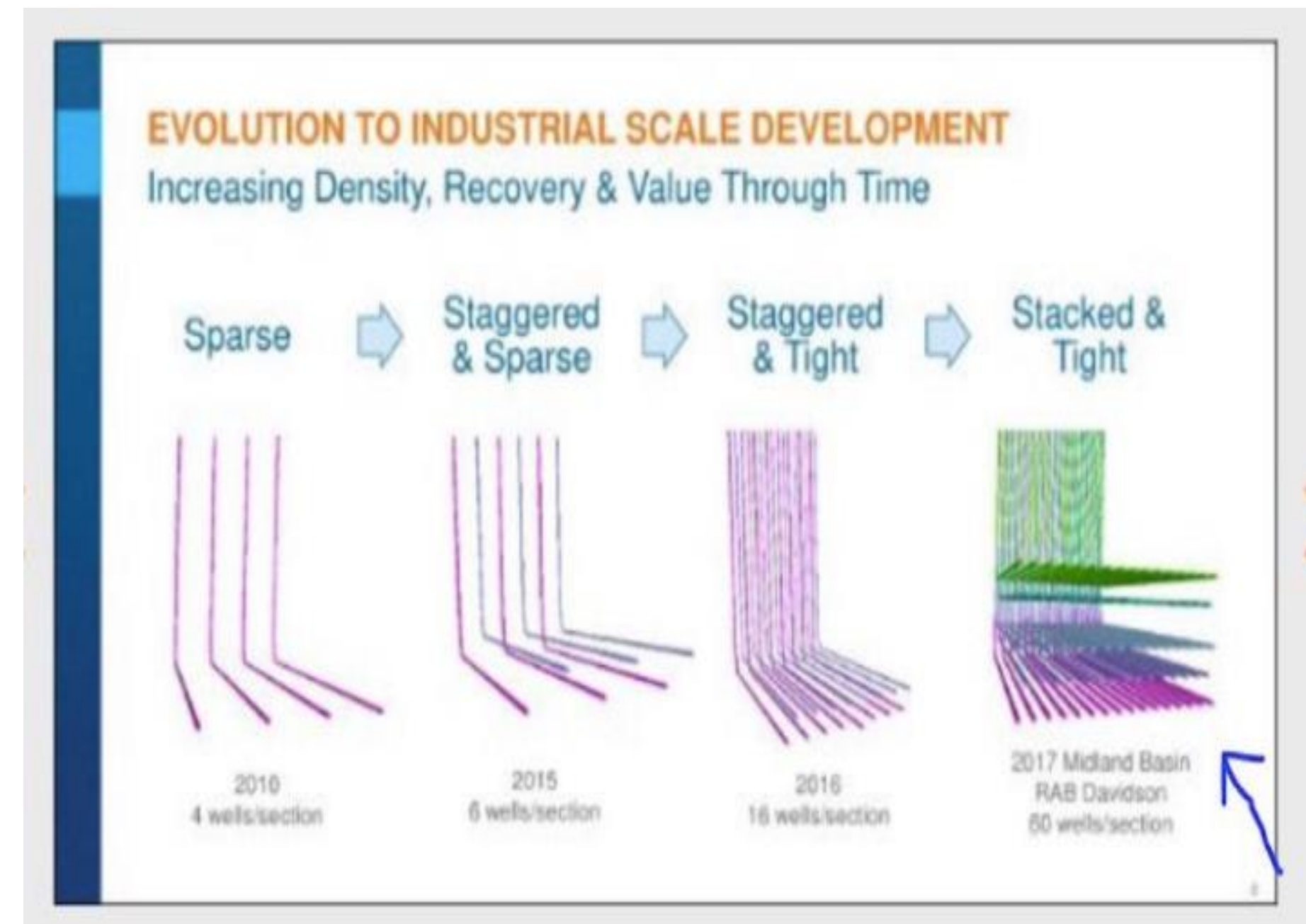
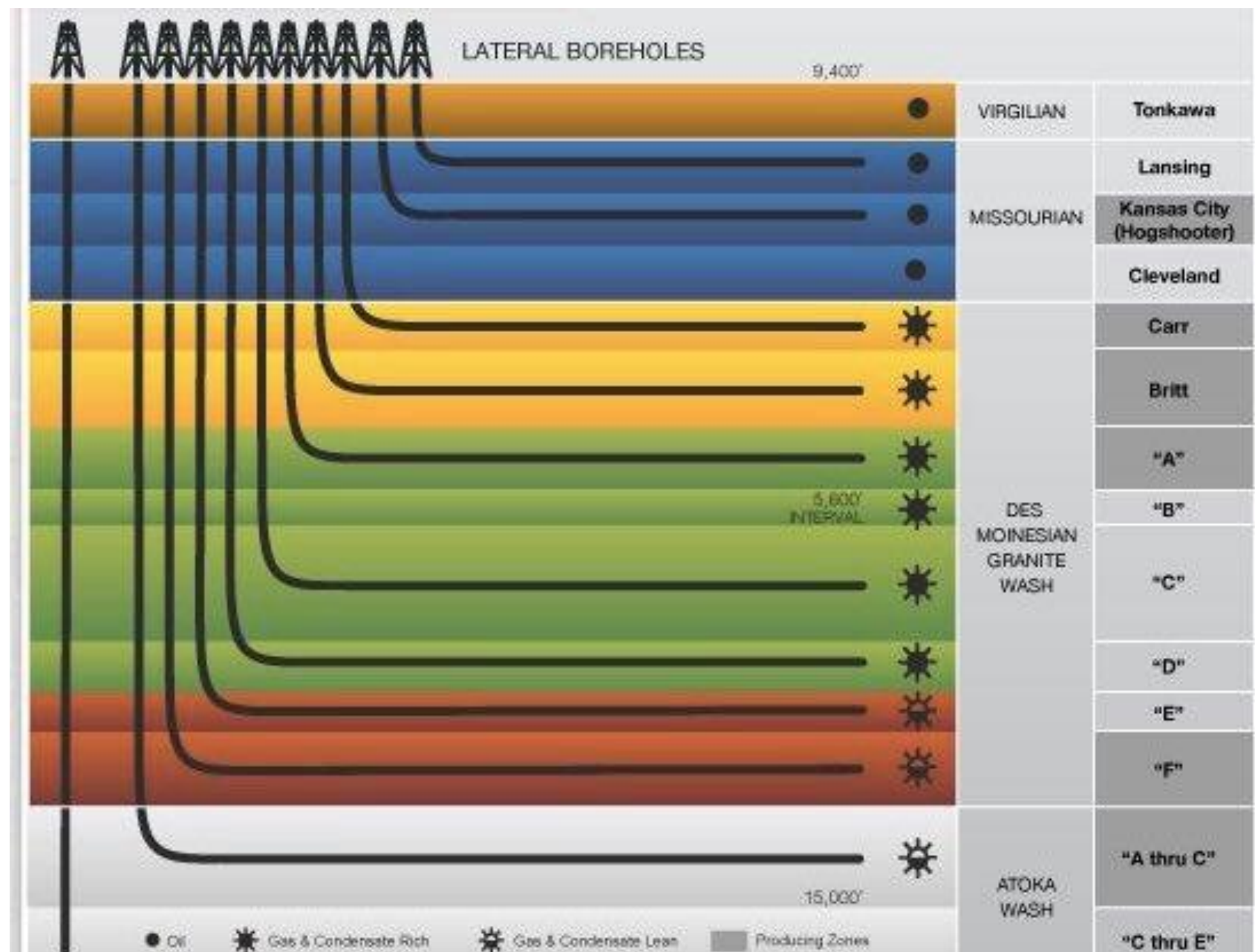
Chart/data Source: Shaleprofile, EIA, Bloomberg, Rystad Energy, and company filings

Well-Spacing & EUR Math Got Too Aggressive



Well-Spacing & EUR Math Got Too Aggressive

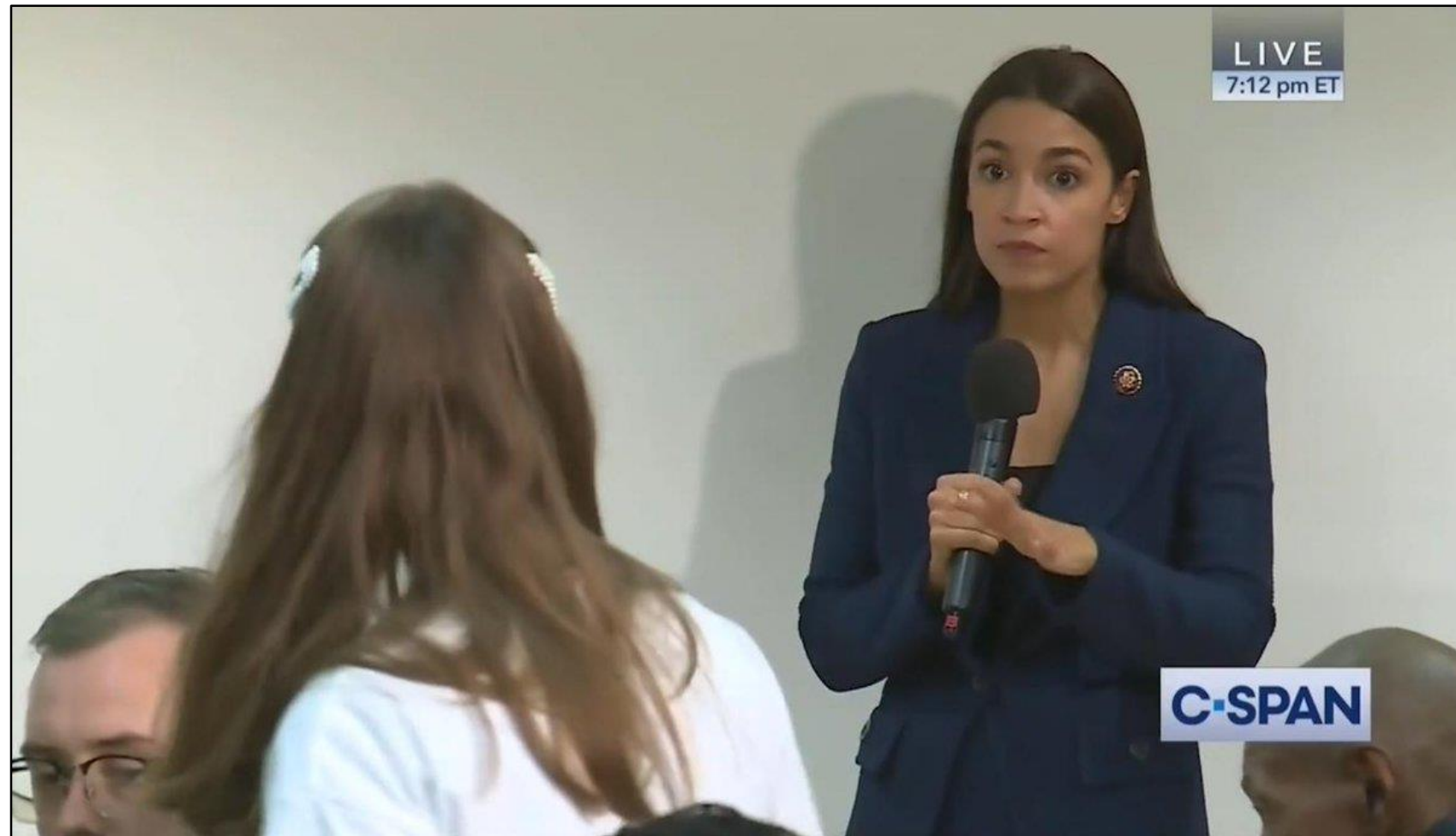
Thousands of shale wells are on track to produce less oil and gas than companies projected to investors



E&P Earnings Call BINGO

Parent / Child Relationship	Net Royalty Acre	Evaluating Strategic Alternatives	Capital Discipline	Industry Consolidation
Board Refreshment	Half-Cycle Returns	Paying Down Debt	Focus on Returns	Increasing the Dividend
Free Cash Flow	IP 24 Hour Rate	FREE SQUARE	Selling the Water Infrastructure	Plenty of DUCs
Barrel of Oil Equivalent?	Share Buybacks	Moderate Growth	Carving out an ORRI	Adjusted EBITDAx
Core of the Core	Selling the Midstream	Shale Upspacing	PDP PV20?	100% IRR Wells

Politics and Media Adding Stress to the Industry



Upstream Food Chain

Private Equity Sponsors and Management Teams

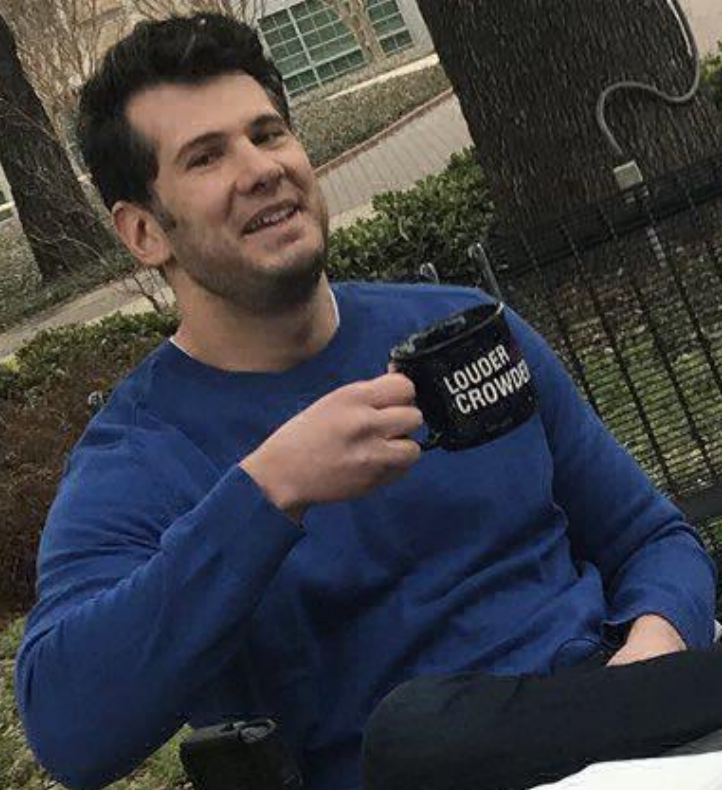
Key Private Equity Sponsored Companies Participating in A&D

UpCurve Energy	Rio Oil & Gas	Acacia Energy	Saxet Minerals	Veritas Permian
Three Rivers Operating	Cantera Energy	Blackbeard Operating	Exponential Resource	North Silo Resources
Black Mountain	EXL Energy	Tug Hill Operating	Crown Oil Partners	Massif Oil & Gas
Rover Petroleum	Tall City Exploration	PayRock Energy II	CP Exploration	Texas American
Rimrock Resource	Protege Energy	Altamont Energy	Battlecat Oil & Gas	Three Peaks
Red Bluff Holdings	Rockcliff Energy	Newark E&P	Capstone Natural Resources	Pine Wave Energy
Resource Energy Partners	Flat Creek Resources	LOGOS Resources	Titanium Exploration	Peachridge Energy
Element Petroleum III	Adventure Exploration	Camino Resources	Admiral Permian	Mission Creek
Balidor Oil and Gas	Invictus Energy	Grenadier Energy	Shot Hollow	W Energy Partners
Terra Energy Partners	HRM Resources III	Renaissance	Fortuna Resources	Starboard Permian
Luxe Energy	Endless Mountain	Kraken Oil & Gas	Guidon Energy	Affirmed Resources
Monadnock Resources	Oak Ridge Energy	Atlantic Resource Company	Ameredev II LLC	Flywheel Energy
Bison Oil and Gas	Riverbend Oil & Gas	Northwoods	Verdun Oil	ATX Energy
Colgate Energy Partners	Treadstone Energy	Sabinal Energy	Horizon Resources	Pegasus Resources
Birch Permian	XCL Resources LLC	Covey Park	Revolution Resources	Teton Range
Torrent Oil & Gas	OneEnergy Partners	Ursa Resource Group	Nickel Road Operating	Vitruvian Exploration
Scala Energy	Brigadier Oil & Gas	Wild Wind Petroleum	Catena Resources	Greylock Energy
Forge Energy	Advance Energy	Mesa Minerals	Recoil Resources	Panther Energy III
Rebellion Energy	Ridge Runner	Juniper Resources	Elephant Oil & Gas	Roundtable Energy
Laurel Mountain	Marlin Energy	Stanolind	Rio Grande E&P LLC	Fortis Minerals II
Channel Energy	QStar II	Boaz Energy	Presidio Petroleum	Hibernia Energy III
Tecolote Energy	Incline Energy	Windy Cove	Crossing Rocks Energy	Felix Energy II
Krewe Energy	Crump Energy	Bluestone	Franklin Mountain	Teal Natural Resources
	Tracker Resources	Alamo Resources	Piedra Energy	Selenite Energy Partners
	Stronghold Energy	PetroEdge		



No One Has an EXIT plan

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Key Energy Private Equity Sponsors



2014-2018 Private Equity Sponsoring New Teams



2019-2021 Private Equity Sponsoring New Teams



Small Cap Publicly-Traded Companies



Small Cap Publics



Large Cap Publicly-Traded Companies



Large Cap Publics



Super Independents



Super Independents



Occidental Petroleum Corporation





Majors

ExxonMobil



2020 Upstream A&D Outlook

Expect Public E&Ps to Launch Numerous Non-Core Asset Sales

Highly-Levered Mid-Caps / Small-Caps will find renewed pressure to fix their balance sheets by selling assets

Expect More Income Fund Vehicles to Acquire PDP Heavy Asset Packages

Volatility in Commodity Prices Leads to a Temporary Pause in A&D Markets

Mergers and Consolidations Sideline A&D Activity from the two companies getting married for 6 to 12 months

Higher Volume of sub \$100MM Deals Will Transact; Fewer \$250MM to \$1B+ Deals

Longer-Dated Private Equity Sponsored Portfolio Companies will high-grade their portfolios

Large Publics will high-grade acreage inventory by attempting to sell Tier 2 and Tier 3 that they can't realistically drill

Royalty and Mineral Market Space will become more liquid, active and transparent

Non-Op Working Interest Market Space becoming more institutionalized

Expect Advisors and Sellers to break up asset packages into multiple sub-parts allowing for optionality

Expect additional bankruptcy / restructuring announcements

Concluding Remarks:

Tightening credit will be a key theme in 2020; borrowing money will get a lot tougher

The concept of “manufacturing mode” isn’t holding up to reality; the shale business model is in question

Generalist investors will return when producers start running sustainable FCF businesses

Higher oil prices are required for capital markets to open again

Buyers and Bidders continue to bid aggressively. Sellers will begin to capitulate on bid prices

As shale growth and activity slows, oil prices will increase

PDP-heavy (conventional or unconventional) deals are transacting very well; legacy, mature fields attract a lot of buyers

Be happy and smile. Or don’t. Just try to have some feelings and express them accordingly

