



U.S. Upstream **M&A Activity Report**
Second Quarter 2016

 **E-SPECTRUM ADVISORS**



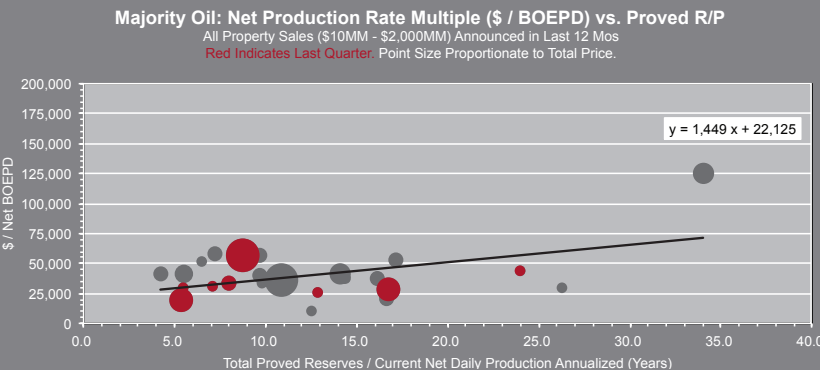
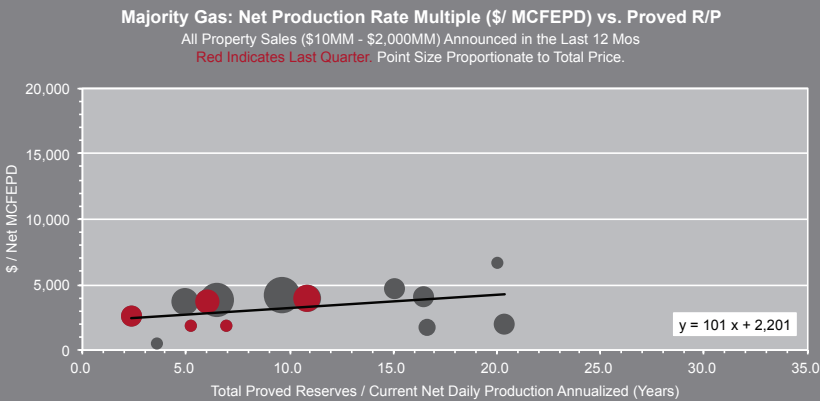
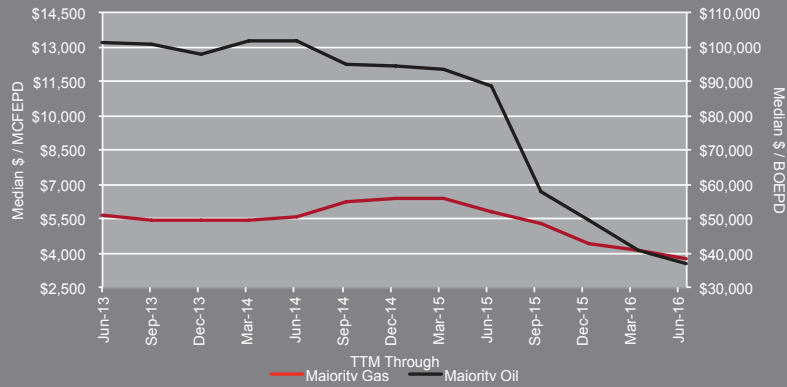
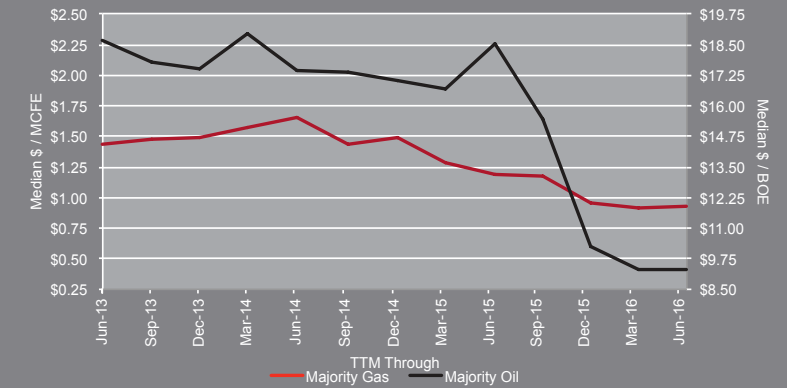
Select Current and Recent Transactions

CONDOR <i>PETROLEUM, Inc.</i> Sale of Non-Op Bakken Shale/Three Forks Properties Marketing	UNDISCLOSED South Texas Joint Venture Financial Advisor Marketing	UNDISCLOSED East Texas Financial Advisor for Equity Capital Commitment Marketing	GORLENA Sale of Operated Granite Wash Properties (Roberts County, TX) Pending
 PETROLEUM LLC Sale of Operated Delaware Basin Properties (Pecos County, TX) July 2016	 Ridgewood Energy , Financial Advisor for Working Interest in the Gulf of Mexico January 2016	UNDISCLOSED Financial Advisor for Equity Capital Commitment ~\$100MM January 2016	UNDISCLOSED Financial Advisor for Refinancing of Operated Permian Basin Properties (Garza, Lynn and Howard Counties, TX) ~\$40MM September 2015
RIVER STONE Financial Advisor for Working Interest in the Gulf of Mexico August 2015	 ROYALTY CLEARINGHOUSE OIL & GAS ACQUISITIONS Sale of Multi-Basin Royalty/Overriding Royalty Interests July 2015	 HAYDEN HARPER L L P Sale of Appalachia Properties and Midstream Assets May 2015	

Proved R/P as Estimate of Asset Sale Price

Why does one property sell for \$40,000 per net BOEPD and another for \$140,000 per net BOEPD? Using statistical analysis, E-Spectrum Advisors has identified a positive correlation between Proved R/P and dollar paid per daily unit of net production.

R is defined as Total Net Proved Reserves. P is defined as Current Net Daily Production Annualized. As indicated in the data table, most reserve information is taken from buyers' press releases. For example, using the oil chart and formula above, one can see that a majority-oil transaction with an R/P of 15 years could sell on average for \$43,860 per net BOEPD.



MAJORITY GAS ALL U.S. FROM \$10 MILLION TO \$2 BILLION

	Announced	Date	Buyer	Seller	Total Price* (\$MM)	Reserve Price (\$MM)	Proved Reserves (BCFE)	Value* (\$/MCFE)	Production (MMCFEPD)	Net (\$/MCFEPD)	Value* (\$/MCFEPD)	Region	Proved R/P		Oil**	Gas**
													% Gas			
		6/20/16	Undisclosed	Memorial Production Partners LP	19	19	26	0.75	10.0		1,910	RM (WY & CO)	76%	7.0	50.03	2.93
		6/6/16	Tecolote Energy LLC	Devon Energy Corp.	525	525	522	1.01	132.0		3,977	ETX (Haynesville)	70%	10.8	51.30	2.84
		6/6/16	Sheridan Production Partners	Devon Energy Corp.	310	310	186	1.67	84.0		3,690	MC (Anadarko)	>50%	6.1	51.30	2.84
		5/3/16	Undisclosed	Synergy Resources Corp.	27	6	NA	NA	1		4,841	RM (Niobrara)	64%	NA	45.82	2.66
		5/2/16	EQT Corporation	Statoil	407	187	NA	NA	50.0		3,751	APP (Marcellus)	100%	NA	46.68	2.64
		4/28/16	Triumph Energy Partners LLC¹	Range Resources Corp.	75	21	NA	NA	5.0		4,229	MC (SCOOP/STACK)	83%	NA	48.06	2.68
		4/20/16	White Star Petroleum LLC	Devon Energy Corp.	200	200	66	3.03	76.8		2,604	MC	70%	2.4	45.77	2.57
		4/20/16	GR Woodford Properties LLC	PetroQuest Energy	18	18	19	0.95	10.0		1,800	MC (Woodford)	>50%	5.2	45.77	2.57
		3/18/16	Covey Park Energy LLC	EP Energy LLC	420	420	205	2.05	113.0		3,717	ETX (Haynesville)	100%	5.0	43.08	2.38
		2/22/16	Tug Hill Inc	Gastar Exploration Inc	80	80	89	0.90	NA		NA	APP (Marcellus)	100%	NA	37.35	2.16
		2/15/16	Undisclosed	Range Resources Corp	112	112	NA	NA	22.0		5,090	APP (Marcellus)	100%	NA	36.52	2.31
		2/8/16	Terra Energy Partners LLC	WPX Energy Inc	910	820	NA	NA	500.0		1,640	RM (Niobrara)	100%	NA	36.46	2.44
		1/22/16	BlueStone Natural Resources II LLC	Quicksilver	245	245	949	0.26	127.5		1,922	Barnett	75%	20.4	36.72	2.41
		12/31/15	Undisclosed	ConocoPhillips	770	770	471	1.63	198.0		3,889	Multiple	86%	6.5	41.24	2.53
		12/30/15	Lilis Energy Inc	Brushy Resources Inc	16	16	NA	NA	2.8		5,804	PER	53%	NA	40.46	2.44
		12/17/15	Laramie Energy II LLC	Oxy	158	158	541	0.29	89.0		1,770	RM (Piceance)	100%	16.6	40.25	2.18
		9/3/15	EV Energy Partners, L.P.	EnerVest Management Partners Ltd.	259	259	302	0.86	55.0		4,709	Multiple	69%	15.0	49.64	2.91
		8/25/15	GeoSouthern; GSO Capital Partners LP	EnCana Oil & Gas (USA) Inc.	850	850	720	1.18	204.0		4,167	ETX (Haynesville)	100%	9.7	42.73	2.86
		8/6/15	Moriah Powder River LLC	WPX Energy Inc.	80	80	200	0.40	150.8		531	CBM	100%	3.6	48.05	3.01
		7/16/15	Vanguard Natural Resources LLC	Escalera Resources Co.	12	12	NA	NA	3.8		3,139	RM (WY)	100%	NA	53.23	3.06
		7/15/15	Covey Park Energy LLC	Penn Virginia Corp.	75	75	82	0.91	11.2		6,684	ETX (Haynesville / CVS)	100%	20.1	53.76	3.10
		7/3/15	Legacy Reserves LP	Anadarko Petroleum Corp.	286	286	420	0.68	70.0		4,086	GC Onshore	100%	16.4	54.42	3.04
			Per MCFE	Median				\$0.93			\$3,751					
				Simple Average				\$1.15			\$3,553					

MAJORITY OIL ALL U.S. FROM \$10 MILLION TO \$2 BILLION

Announced	Date	Buyer	Seller	Total Price* (\$MM)	Reserve Price (\$MM)	Proved Reserves (MMBOE)	Value* (\$/BOE)	Production (MBOEPD)	Net (\$/BOEPD)	Value* (\$/BOEPD)	Region	Proved R/P		Oil**	Gas**
												% Oil	% Gas		
	6/30/16	Angelus Private Equity Group LLC	Samson Oil & Gas Limited	15	15	1	11.42		0.7	22,866	Bakken	88%	5.5	\$52.29	\$3.10
	6/21/16	QEP Resources, Inc. ¹	RK Petroleum Corp.; Undisclosed	600	52	76	0.68		1.4	37,029	PER	75%	NA	\$51.43	\$3.03
	6/20/16	Marathon Oil Corp. ¹	PayRock Energy LLC	888	168	NA	NA		8.6	19,558	MC (SCOOP/STACK)	60%	NA	\$50.03	\$2.93
	6/20/16	Undisclosed	Energen	552	256	55	4.66		9.0	28,450	PER	61%	16.7	\$50.03	\$2.93
	6/20/16	Undisclosed	Memorial Production Partners LP	37	37	3	12.06		1.2	31,167	PER	99%	7.1	\$50.03	\$2.93
	6/15/16	Pioneer Natural Resources Co. ¹	Devon Energy Corp.	435	35	NA	NA		1.0	34,750	PER	70%	NA	\$49.84	\$2.91
	6/15/16	Undisclosed	Devon Energy Corp.	423	423	43	9.84		22.0	19,227	PER	65%	5.4	\$49.84	\$2.91
	6/14/16	Lime Rock Resources	Natural Resource Partners LP	116	116	10	11.54		3.5	33,647	Bakken	88%	8.0	\$50.47	\$2.93
	6/14/16	Campbell Development Group LLC	Rex Energy Corp.	40	40	3	11.76		1.7	23,529	East Region (IL, IN, KY)	100%	5.5	\$50.47	\$2.93
	5/27/16	Undisclosed	Arsenal Energy Inc.	34	34	7	5.05		0.8	44,194	Bakken	95%	24.0	\$50.86	\$2.70
	5/26/16	Undisclosed	Mid-Con Energy Partners LP	18	18	3	5.60		0.7	26,399	MC (Hugoton)	99%	12.9	\$50.91	\$2.62
	5/25/16	New Emerald Holdings LLC	Emerald Oil Inc.	73	73	NA	NA		5.7	12,837	Bakken	95%	NA	\$50.92	\$2.62
	5/5/16	Newfield Exploration Co. ¹	Chesapeake Energy Corp.	470	50	NA	NA		3.8	13,158	MC (SCOOP/STACK)	55%	NA	\$46.15	\$2.67
	5/2/16	Synergy Resources Corp. ¹	Noble Energy, Inc.	505	76	NA	NA		2.4	31,596	RM (Niobrara)	52%	NA	\$46.68	\$2.64
	5/2/16	Undisclosed	Bill Barrett Corp.	30	30	2	15.00		1.0	30,000	RM (Uinta)	63%	5.5	\$46.68	\$2.64
	4/29/16	EnerVest Management Partners Ltd.	GulfTex Energy LLC; BlackBrush Oil & Gas LP	1,175	781	44	17.83		13.7	56,820	STX (Eagle Ford)	85%	8.7	\$48.06	\$2.68
	4/25/16	Centennial Resources Development LLC ¹	Caird Energy LLC; Undisclosed	44	9	NA	NA		0.3	35,210	PER	73%	NA	\$45.12	\$2.62
	4/19/16	Callon Petroleum Co. ¹	BSM Energy LP, Crux Energy LP, Zaniah Energy LP	301	58	NA	NA		1.9	29,878	PER	82%	NA	\$44.20	\$2.57
	4/11/16	Merit Energy	Marathon	870	768	NA	NA		16.5	46,546	RM (WV)	96%	NA	\$43.56	\$2.42
	4/4/16	Argent Energy Inc.	BXP Partners IV LP	46	46	NA	NA		3.0	15,193	Multiple	65%	NA	\$39.28	\$2.45
	4/1/16	Parsley Energy LP ¹	Riverbend Permian LLC; Undisclosed	215	39	NA	NA		1.1	35,455	PER	84%	NA	\$40.46	\$2.43
	3/29/16	Titanium Exploration Partners LLC	Vanguard Natural Resources LLC	280	280	NA	NA		8.0	35,000	MC (Woodford)	>50%	NA	41.54	2.42
	3/11/16	Parsley Energy LP	Anadarko; Undisclosed	144	56	NA	NA		1.2	46,750	PER	87%	NA	42.38	2.32
	2/10/16	Zarvona Energy LLC	Anadarko	105	105	NA	NA		4.4	23,772	GC Onshore	53%	NA	34.36	2.37
	1/27/16	Carrier Energy Partners II LLC	AWE	199	153	24	6.29		4.1	37,093	STX (Eagle Ford)	69%	16.1	37.28	2.41
	1/18/16	Silver Hill Energy Partners II LLC	Concho Resources Inc	290	103	5	20.62		2.5	41,248	PER	>50%	5.5	33.68	2.38
	1/18/16	Carrier Energy Partners II LLC	Empyrean Energy Plc	62	46	7	7.05		1.3	37,088	STX (Eagle Ford)	69%	14.4	33.68	2.38
	1/14/16	Concho Resources Inc.	Jetta Operating Co. Inc.	360	149	19	8.03		3.6	41,250	PER	>50%	14.1	35.50	2.42
	1/5/16	Samson Oil & Gas Limited	Oasis Petroleum Inc	17	17	10	1.73		0.7	22,917	Bakken	89%	36.2	40.47	2.52
	12/31/15	Texegy LLC	Swift Energy	49	49	NA	NA		1.1	43,959	GC Onshore	57%	NA	41.24	2.53
	12/15/15	Talara Capital Management LLC	Caza Oil & Gas Inc	46	46	8	5.77		0.6	78,856	PER	75%	37.4	41.65	2.16
	12/9/15	Parsley Energy LP ¹	PCORE Exploration & Production LLC	149	51	NA	NA		1.0	51,400	PER	84%	NA	42.09	2.34
	12/7/15	Devon Energy ¹	RKI Exploration and Production LLC	600	210	NA	NA		7.0	30,000	RM (Niobrara)	85%	NA	42.60	2.34
	12/6/15	Devon Energy ¹	Felix Energy LLC	1,900	300	NA	NA		9.0	33,333	Multiple	70%	NA	44.54	2.41
	11/9/15	Scout Energy Group II LP	Parallel Energy Trust	110	110	33	3.33		5.4	20,243	MC	67%	16.6	47.75	2.52
	11/3/15	Memorial Production Partners LP	SP Beta Holdings LLC	101	101	12	8.47		1.9	53,053	CA	100%	17.1	51.11	2.51
	10/15/15	Lime Rock Resources	Oxy	600	600	NA	NA		17.0	35,294	Bakken	91%	NA	49.28	2.73
	10/8/15	Canada Pension Plan; The Broe Group	EnCana	900	900	97	9.30		24.5	36,784	RM (Niobrara)	60%	10.8	51.90	2.76
	10/6/15	RSP Permian Inc	Wolfberry Partners Resources LLC	137	137	NA	NA		1.9	72,105	PER	76%	NA	51.14	2.73
	10/6/15	Undisclosed	Penn Virginia	13	13	1	21.85		0.3	52,000	STX (Eagle Ford)	90%	6.5	51.14	2.73
	9/28/15	Undisclosed ¹	Bill Barrett Corp.	27	27	11	2.45		0.5	57,447	RM (Uinta)	85%	64.1	47.17	2.82
	9/16/15	EnerVest Management Partners Ltd.	Alta Mesa Holdings LP	125	125	8	16.03		2.2	56,818	STX (Eagle Ford)	90%	9.7	49.57	2.87
	9/15/15	Energy 11 LP	Kaiser-Francis Oil Company	162	138	6	21.93		2.4	58,002	Bakken	90%	7.2	47.41	2.92
	9/15/15	Massif Oil & Gas LLC	Resolute Energy Corporation	55	55	6	9.32		1.7	33,233	RM (WV)	52%	9.8	47.41	2.92
	9/14/15	Synergy Resources Corp. ¹	KP Kauffman Co Inc.	78	78	NA	NA		1.2	65,000	RM (Niobrara)	>50%	NA	46.75	2.94
	8/31/15	Ajax Resources LLC	W&T Offshore	376	376	37	10.08		3.0	125,367	PER	89%	34.0	52.69	2.88
	8/3/15	RSP Permian Inc ¹	Undisclosed	274	107	NA	NA		1.6	68,502	PER	70%	NA	50.38	2.98
	7/24/15	EP Energy Corp.	Goodrich Petroleum	118	118	10	11.35		3.0	40,000	STX (Eagle Ford)	75%	9.7	51.08	3.00
	7/10/15	White Marlin Oil and Gas Co LLC	Dune Energy	19	19	6	3.17		0.6	30,351	GC Onshore	>50%	26.2	55.20	3.04
	7/2/15	Rock Oil Company LLC ¹	Linn Energy LLC	281	118	NA	NA		2.0	59,150	PER	53%	NA	58.78	3.04
	7/1/15	FourPoint Energy LLC	Chesapeake Energy Corp.	840	840	NA	NA		21.5	39,070	MC (Panhandle)	56%	NA	58.87	3.03
	7/1/15	Undisclosed	Comstock Resources, Inc.	115	115	4	26.44		2.8	40,824	STX (Eagle Ford)	85%	4.2	58.87	3.03
	7/1/15	Undisclosed	Energy XXI	21	21	9	2.23		2.1	10,244	GOM	94%	12.6	58.87	3.03
Per BOE			Median				\$9.32			\$37,088					
			Simple Average				\$10.35			\$39,991					

*Total Price may include and Value may exclude consideration for non-E&P assets, such as gathering & processing assets and working capital. **12-month NYMEX Strip as of the transaction announcement date.
¹Considered to be an acreage transaction and / or is not included in the R/P correlation.

E-SPECTRUM ADVISORS

E-Spectrum Advisors provides advisory services to upstream companies in the oil and gas industry. With a team of specialized advisors and engineers, we know every situation is unique, especially during challenging times, which is why we provide creative solutions that are best for you and your business and can help in every aspect of the transaction process.

- Raising capital
- Asset divestiture
- Acquisitions (buyside advisory)
- Financial advisory
- Restructuring consultation
- Evaluation services and fairness opinions

To learn more about E-Spectrum Advisors, visit www.energyspectrumadvisors.com

E-Spectrum Advisors
5956 Sherry Lane, Ste. 900
Dallas, TX 75225