



Acquisition and Sale of Oil & Gas Properties

SIPES

**June 19, 2008
Houston, Texas**

**Mark Roach
Vice President, Technical Resources
The Oil & Gas Asset Clearinghouse**

[Company Services]

The Oil & Gas Asset
CLEARINGHOUSE

A & D Marketing Services

Hybrid Live/Internet Auction
Exclusively Online Auctions
Mid-Value Negotiated Transactions
Negotiated Transactions

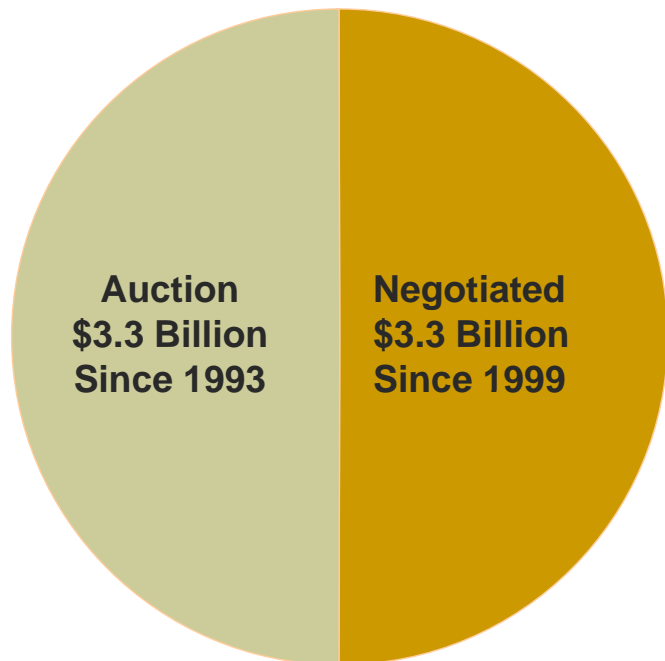
P ENERGY
SOLUTIONS

Software, Data & Services

Excalibur
Enterprise Upstream
Tobin
Qbyte
Entelligent
Petroleum Financial, Inc.

The Perfect Venue for Every Property

The Oil & Gas Asset Clearinghouse



**The Oil & Gas Asset
CLEARINGHOUSE**

\$3.3 Billion in Auction Sales since 1993

The Perfect Venue for Every Property

Only one company in the world offers every available option for the sale of producing oil and gas properties of any size or type. Whether it's auction, internet, mid-value negotiated, or a fully-engineered custom negotiated process, only The Clearinghouse does it all.

\$3.3 Billion in Negotiated Transactions since 1999

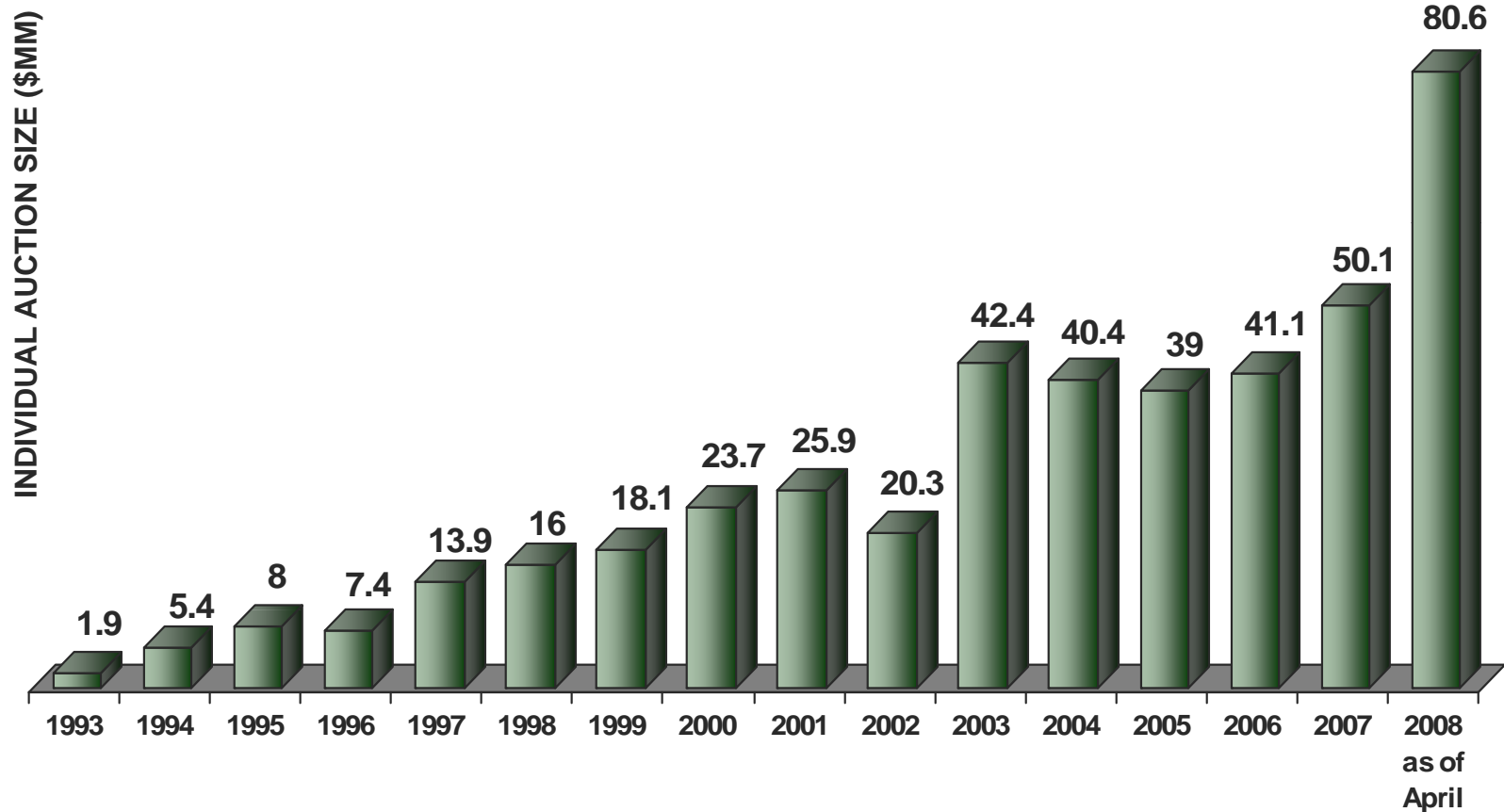
Houston **Calgary** **Dallas** **Denver** **Oklahoma City**
 (281) 873-4000 (403) 779-1800 (214) 698-8400 (303) 744-8220 (405) 728-2353

The Clearinghouse - Unique to the Industry

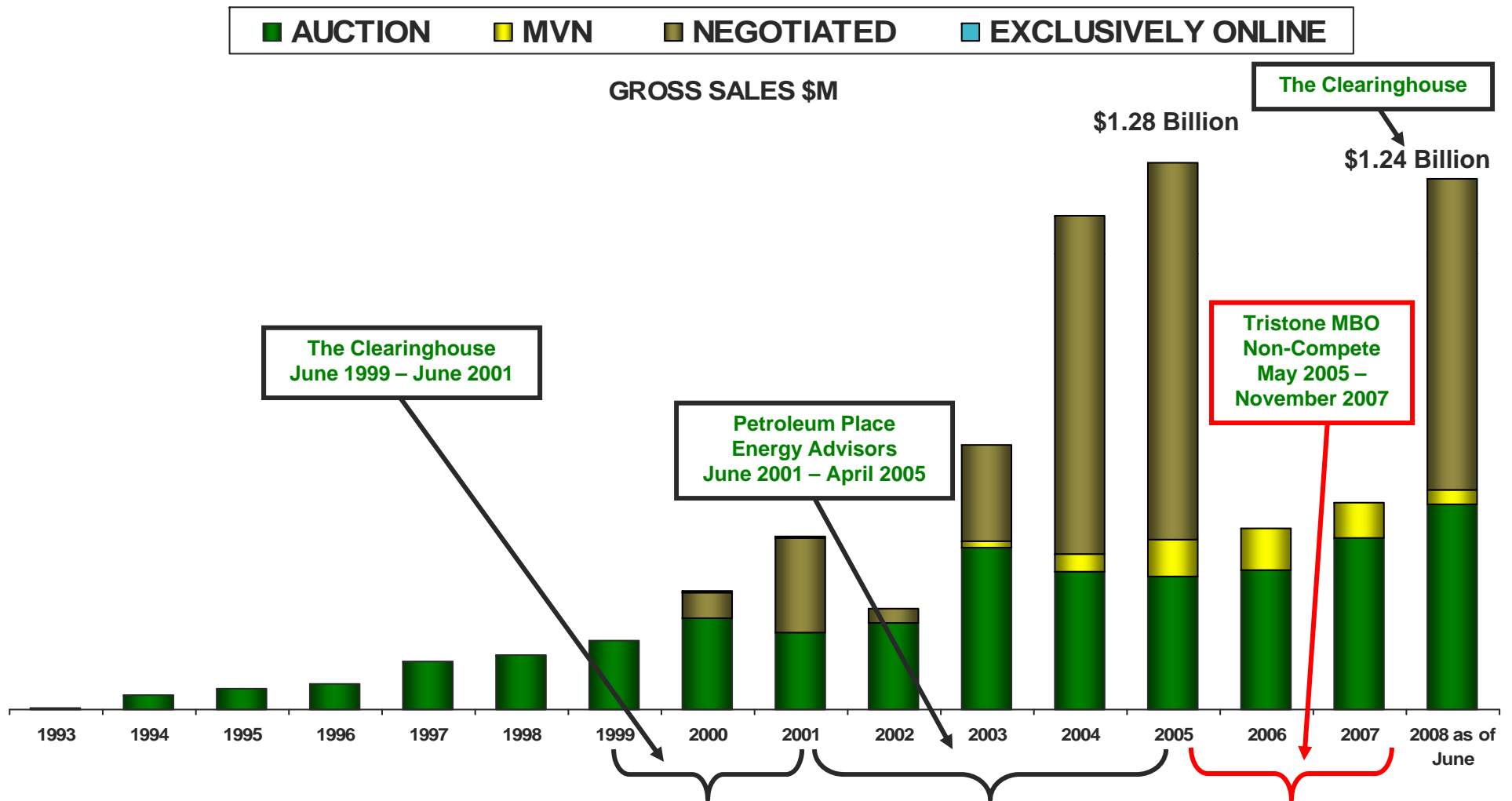
- **Multiple A&D Service Lines**
- **Unmatched Engineering/Geological/Land Support Staff**
 - Commitment to technical excellence and credible, ethical presentation of reserve potential
 - 68 full-time staff in every discipline related to property sales and support
 - 12 evaluation engineers, 4 geologists, 6 techs – all employees or full-time contract
- **Regional Marketing Team**
 - Business development representatives in Houston, Calgary, Dallas, Denver & Oklahoma City
- **Extensive Personal Contacts**
 - Relationships built through the years at every level
- **Unmatched Marketing Database – Continuously Updated**
 - Over 16,500 on mailing list
 - Over 6,000 Acquisition/Buyer Profiles
- **SEC Registered Broker/Dealer and Member of NASD**

Average Hybrid Auction

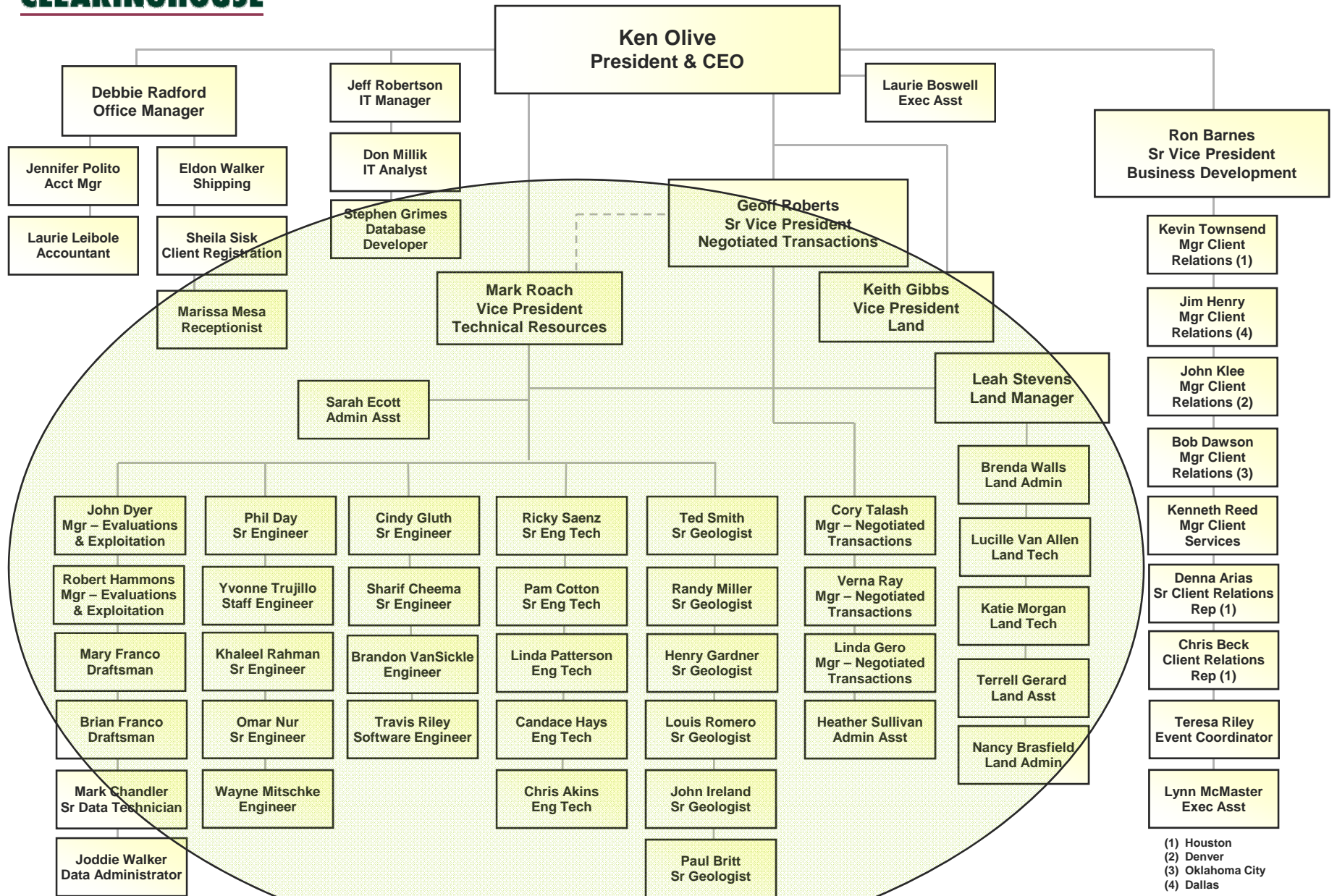
Fiscal Year Ending September 30



Clearinghouse Negotiated Transaction History (under current management)



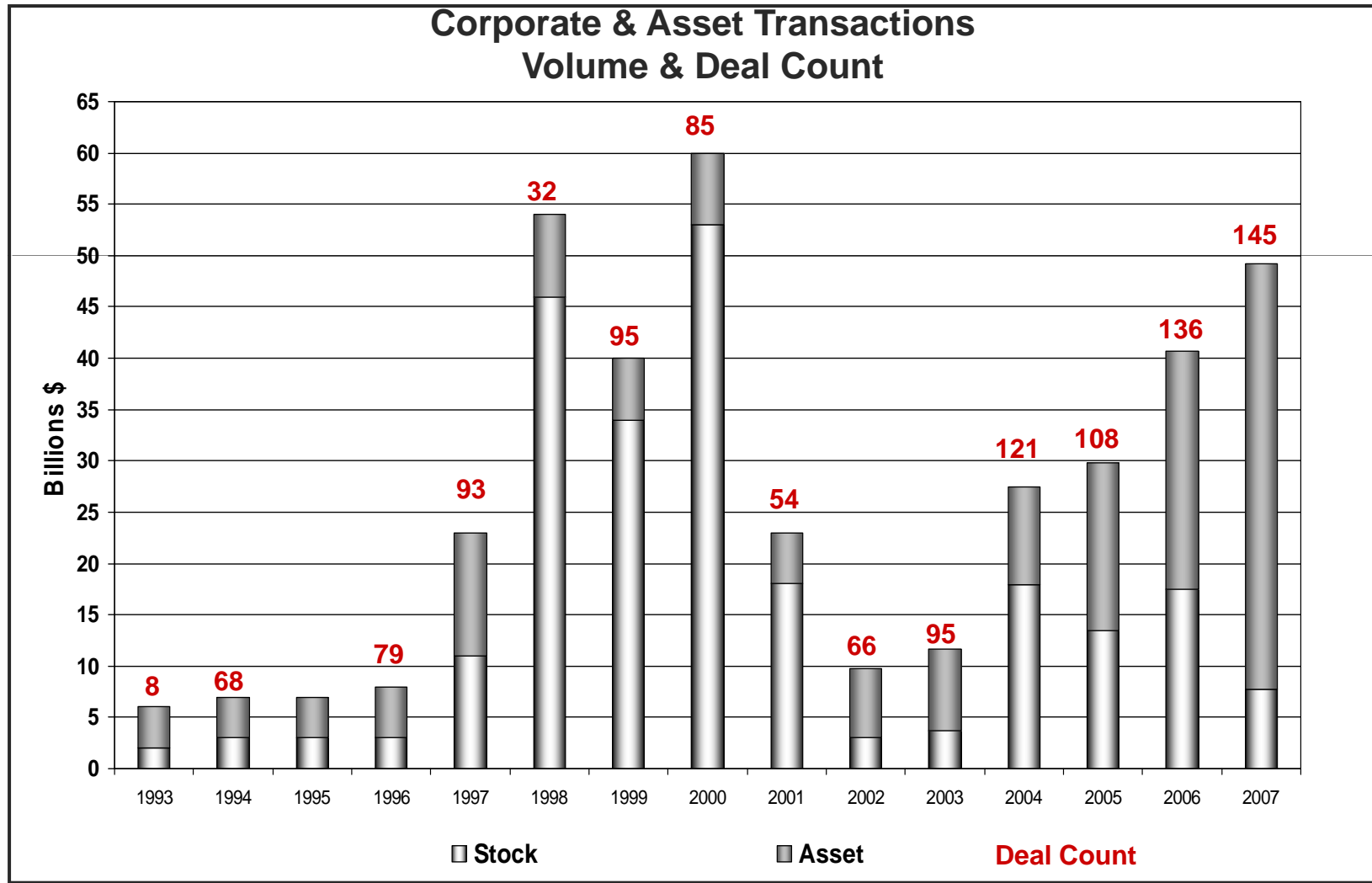
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(1) Houston
(2) Denver
(3) Oklahoma City
(4) Dallas

[U.S. MA&D Overview]

U.S. Upstream Activity

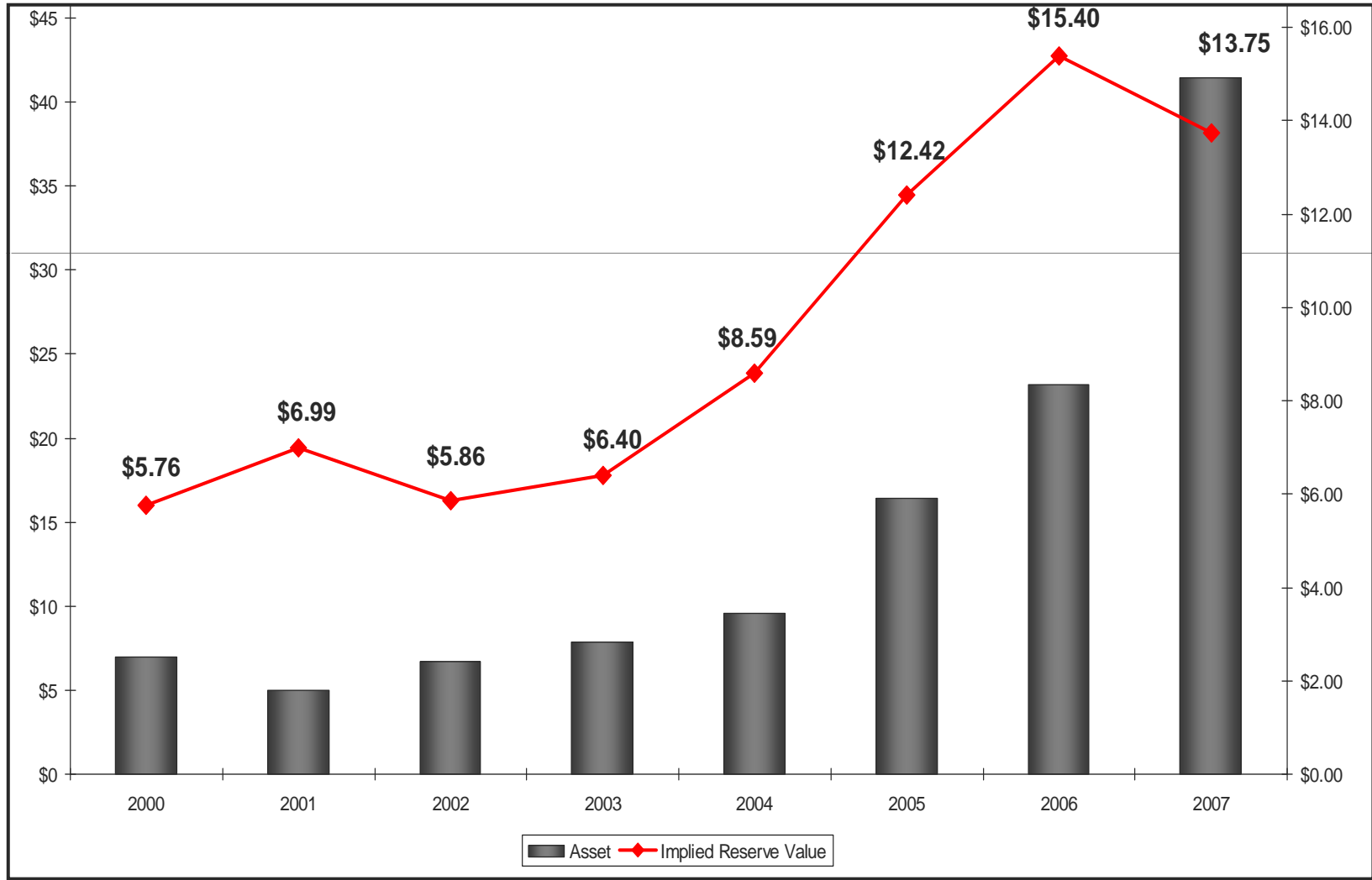


Source: JS Herold

Historical Transaction Values

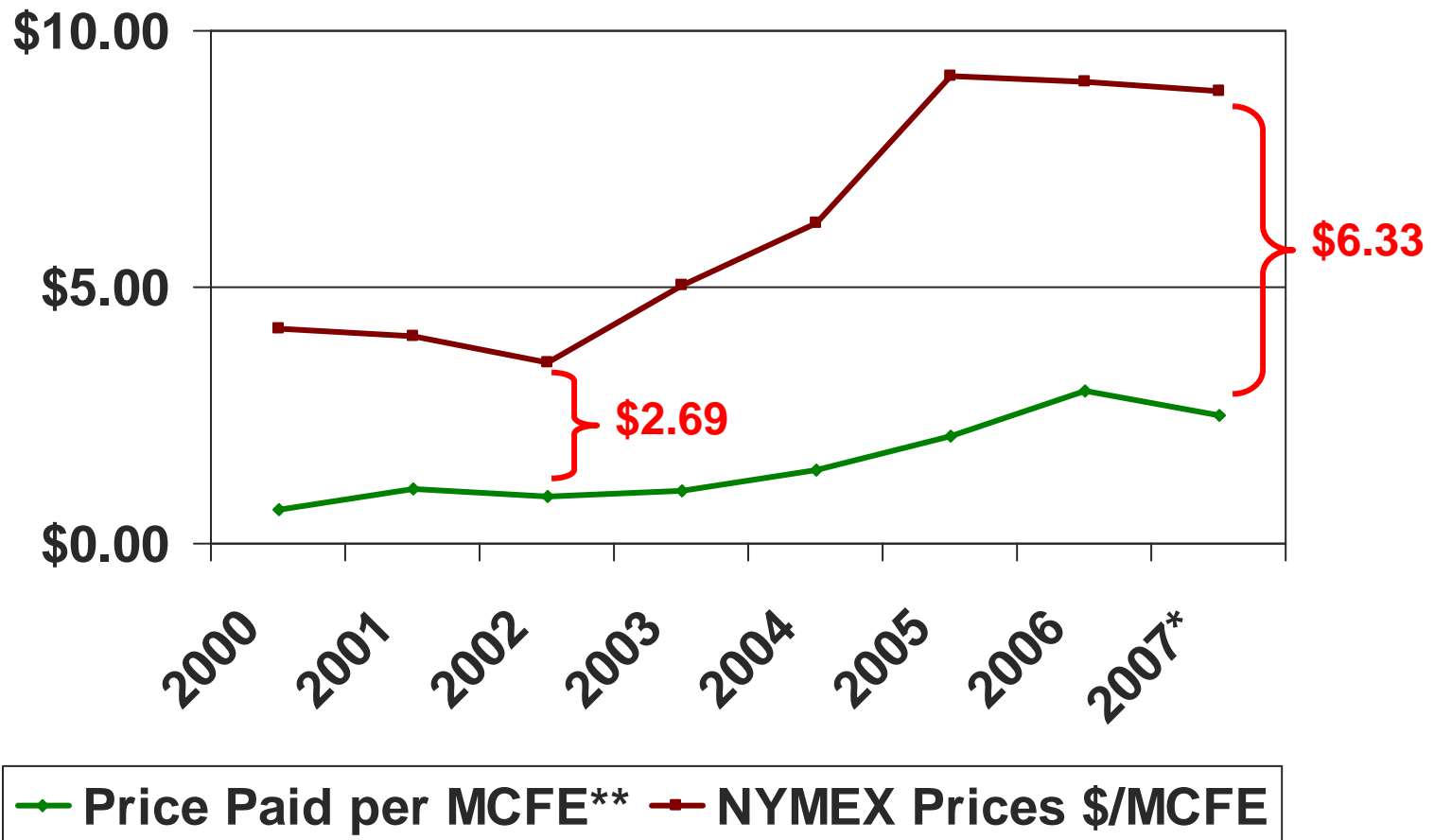
(U.S. Asset Deals – Proved Only)

Transaction Reserve Value (\$B) vs. Implied Reserve Value (\$/BOE)



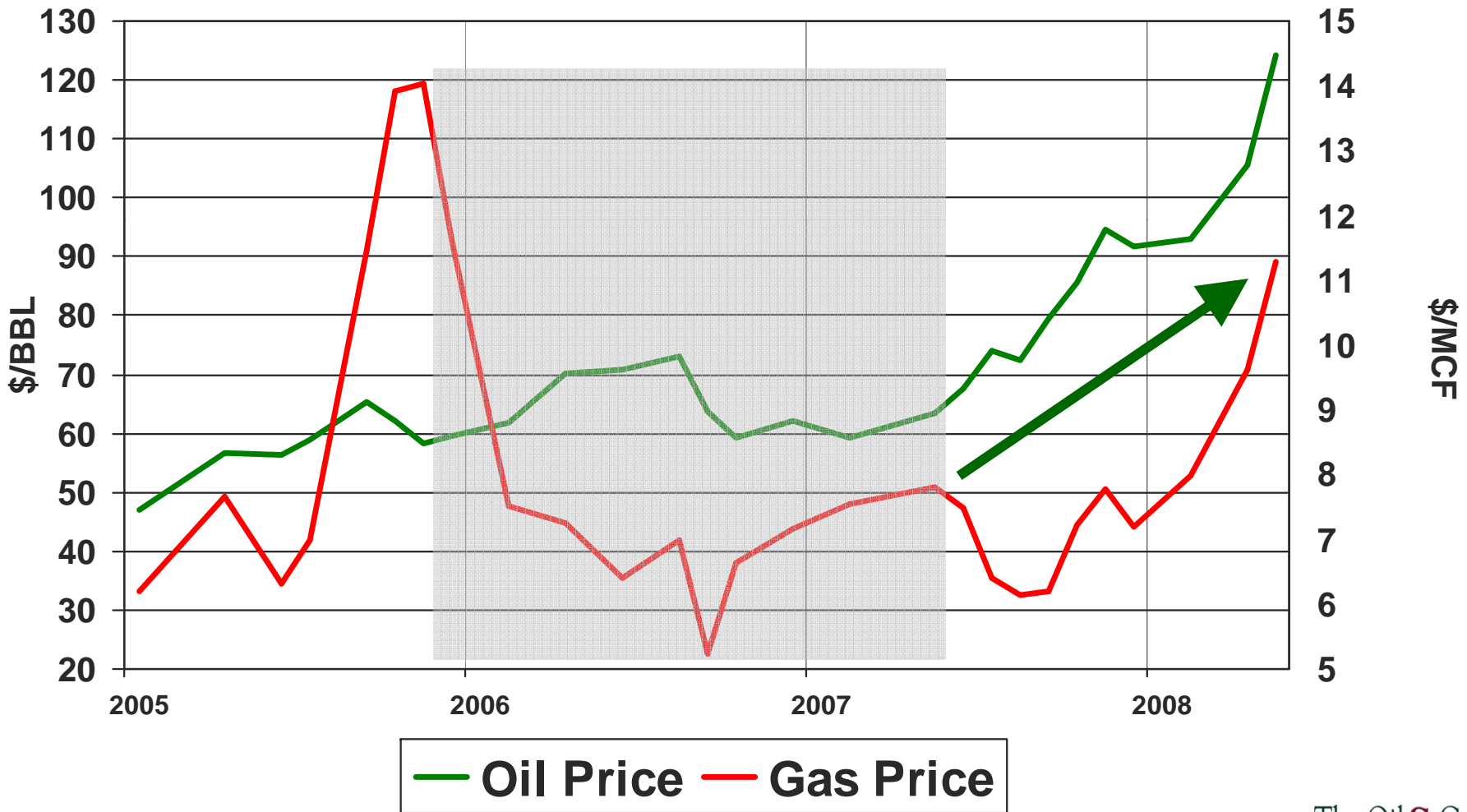
Source: JS Herold

Product Prices vs. Acquisition Metrics (Asset Transactions Only)



(MCFE @ 6:1)

Price Trends



[Overview

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A&D Industry Overview

- **Impact of High Prices on A&D Activity**
 - Selling less for more
 - Buyers are more selective – Less buying for sake of aggregation
 - Expect valuation metrics to move upward again with price improvement
 - Close ratios have not diminished

- **High Levels of Divestiture Activity**
 - Stratospheric price movement has not slowed A&D activity
 - Companies have adjusted to higher price environment
 - Price comfort + Tax Uncertainty = A&D activity
 - Increased supply due to “Obama Factor”
 - NYMEX futures continue to be strong – Provide good safety net for many

- **Asset Type is Driving Factor**
 - High rate/short lived reserves are out of favor – Gulf Coast, GOM
 - May represent excellent buying opportunities
 - Resource plays will continue to be favored by capital markets long as prices hold

[A&D Industry Overview]

- **Portfolio Management Experiencing a Renewal**
 - Realign asset base with future focus on resource plays
 - Helps capitalize development intensive plays
 - Some of the most active historical buyers are now “digesting”
- **New Development Model Emerging**
 - Shortage of technical staffing is ongoing issue
 - Advisory role in developing development plan
 - Gain Advice - Drill - Develop - Sell

A&D Industry Overview

■ **Abundance of Capital**

- Most E&P companies have ample cash reserves
- Private equity available (\$25 B?) in record amounts
- Debt availability exceeds demand by several multiples
- Sub-prime market has impacted secondary financing

■ **Prognosis – It's a Whole New World**

- Institutional capital moving into any commodity – particularly oil and gas
- Foreign investment looking for US investment opportunities
- Industry has proven to be very adaptable – adjust to what comes our way

Contact Information

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