

Proved R/P as Predictor of Sale Price

Why does one property trade for \$4,000 per net Mcfe/d and another for \$26,000 per net Mcfe/d? Using statistical analysis, Energy Spectrum Advisors has identified a positive correlation between Proved R/P and dollar paid per daily unit of production.

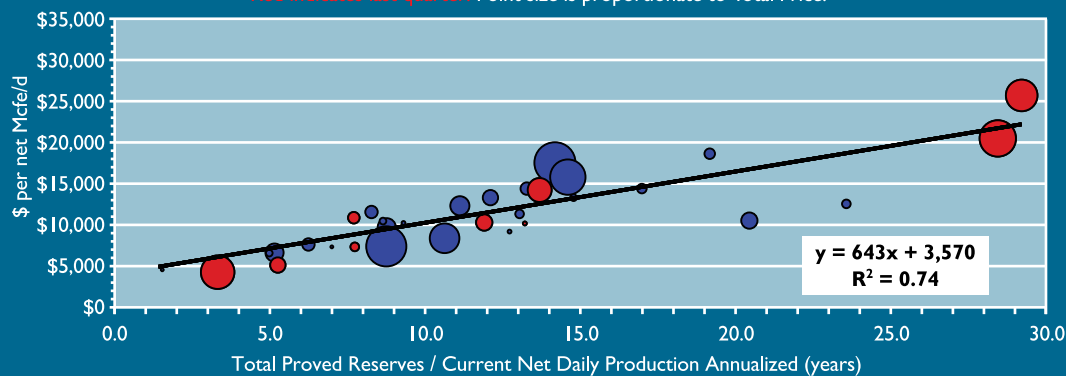
R is defined as Total Proved Reserves. **P** is defined as Current Net Daily Production Annualized. As indicated in the data table, most reserves information is taken from buyers' press releases.

For example, using the gas chart and formula below, one can see that a majority-gas transaction with an R/P of 15 years would trade **on average** for \$13,215 per net Mcfe/d.

R² is the statistical measure of how well a regression line approximates real data points. An **R²** of 1.0 indicates a perfect fit. As show in the graphs below, the oil coefficient was better than the gas coefficient for the trailing twelve months. From quarter to quarter, the coefficient is affected by a variety of factors, including premiums paid for non-producing reserve categories and changes in commodity price assumptions.

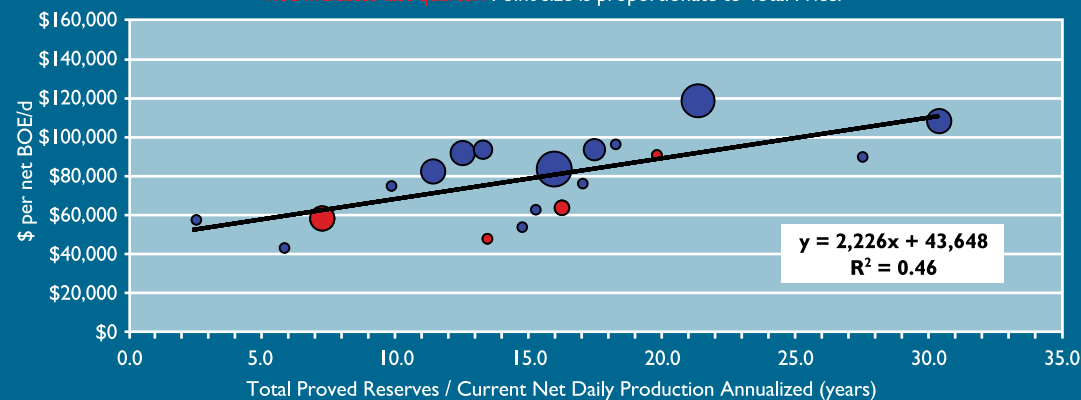
Majority Gas: Net Production Rate Multiple (\$ per Mcfe/d) vs. Proved R/P ONLY R/P LESS THAN 45 YEARS

All property sales (\$10 MM - \$2B) announced in the last 12 months
Red indicates last quarter. Point size is proportionate to Total Price.



Majority Oil: Net Production Rate Multiple (\$ per BOE/d) vs. R/P ratio

All property sales (\$10 MM - \$1B) announced in the last 12 months
Red indicates last quarter. Point size is proportionate to Total Price.



ENERGY SPECTRUM ADVISORS INC.

- Focused on upstream
- Investment banking services include sales, financings & monetizations
- Staff of nine energy professionals includes three engineers

Energy Spectrum Advisors' Current Advisory Transactions

Cordillera
ENERGY PARTNERS

Sale of Oklahoma and Kansas properties

Actively marketing
Exclusive Divestiture Agent

OSYKA
CORPORATION

Sale of Mississippi, South Texas, and South Louisiana properties

Actively marketing
Exclusive Divestiture Agent

Aspect | **Abundant**
ENERGY PARTNERS

Sale of Barnett Shale properties

Preparing sale materials
Exclusive Divestiture Agent

Energy Spectrum Advisors' Recently Closed Advisory Transactions

JOINT RESOURCES COMPANY

Sale of Barnett Shale properties

June 2007
Exclusive Divestiture Agent

PRIMEXX
Energy Partners

Sale of Barnett Shale properties

May 2007
Exclusive Divestiture Agent

JOC Operating, Inc. and D.B. Lenhart, Inc.

Sale of corporate stock and Mid-Continent properties

April 2007
Exclusive Divestiture Agent

NATIONAL ENERGY GROUP, INC.

Sale of corporate assets to SandRidge Energy, Inc.

November 2006
Exclusive Financial Advisor

SABER
RESOURCES

Recapitalization of debt and equity interests

November 2006
Exclusive Financial Advisor

BOCI
Browning
Oil Company, Inc.

Sale of East Texas properties

October 2006
Exclusive Divestiture Agent

ALPINE
CLASS COMPANY, LLC

Sale of Fort Worth Basin properties

September 2006
Exclusive Divestiture Agent

Rubicon Energy Partners, LLC

Mezzanine debt and equity financing

July 2006
Exclusive Financial Advisor



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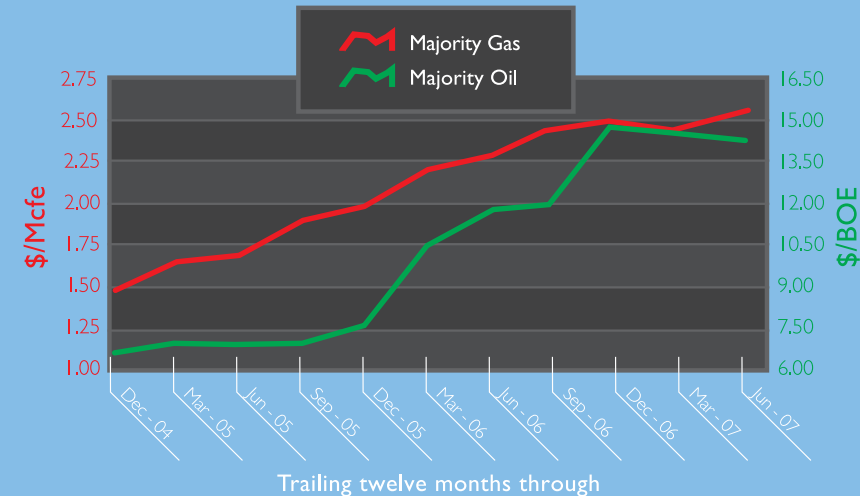
U.S. Upstream M&A Activity Report



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

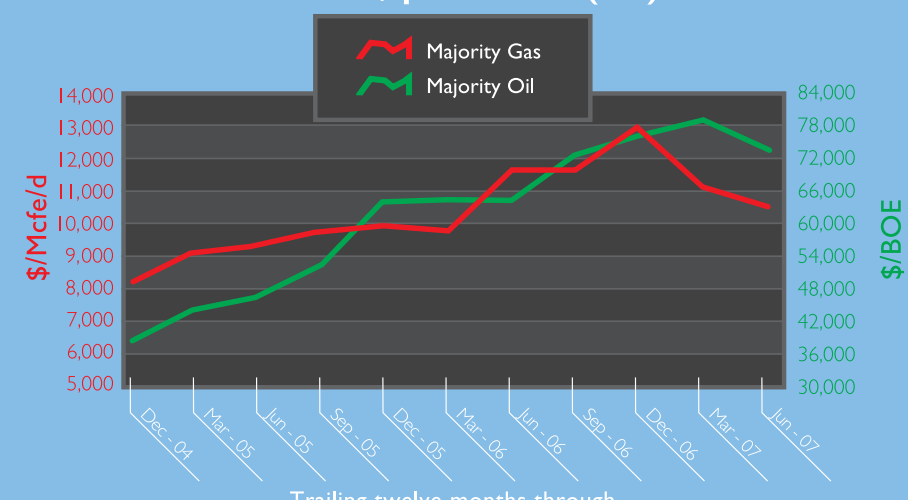
Announced	Date	Buyer	Seller	Total Price* (\$MM)	Reserves Price (\$/MM)	Proved Reserves (Bcf)	Value* (\$/Mcf)	Production (MMcf/d)	Net (\$/BOE/d)	Value* (\$/Mcf)	Region	% Gas	Source	Proved R/P
	6/21/07	McMoRan Exploration Co.	Newfield Exploration Co.	\$1,100	\$1,100	327	\$3.36	270.0	\$4,074	GOM	>50%	Buyer PR	3.3	
	6/14/07	St. Mary Land and Exploration Co.	undisclosed	\$30	\$30	14	\$2.11	2.9	\$10,172	GC	98%	Buyer PR	13.2	
	6/4/07	Comstock Resources, Inc.	undisclosed	\$33	\$33	11	\$3.07	NA	NA	GC	>50%	Buyer PR		
	5/21/07	Atlas Energy Resources, LLC	DTE Gas & Oil Co.	\$1,230	\$1,230	613	\$2.01	59.0	\$20,847	APP	100%	Buyer PR	28.5	
	5/16/07	Crow Creek Energy II, LLC	Encore Acquisition Co.	\$300	\$300	127	\$2.37	29.1	\$10,309	MC	82%	Seller PR	11.9	
	5/14/07	Newfield Exploration Co.	Stone Energy Corp	\$575	\$575	200	\$2.88	40.0	\$14,375	RM (Williston)	72%	Buyer PR	13.7	
	5/8/07	Crimson Exploration Inc.	EXCO Resources, Inc.	\$290	\$250	96	\$2.60	50.0	\$4,990	GC	>50%	Buyer PR	5.3	
	4/18/07	Dune Energy, Inc.	Goldking Energy Corp.	\$321	\$321	112	\$2.86	NA	NA	GC	63%	Buyer PR		
	4/18/07	Plains Exploration & Production Co.	Laramie Energy, LLC	\$946	\$946	384	\$2.46	36.0	\$26,278	RM (Piceance)	97%	Buyer PR	29.2	
	4/16/07	EV Energy Partners, L.P.	Anadarko Petroleum Corp.	\$100	\$100	39	\$2.56	13.8	\$7,246	ETX	52%	Buyer PR	7.7	
	4/5/07	various	American Real Estate Partners, LP.	\$243	\$243	318	\$0.76	NA	NA	PER, RM (Piceance)	81%	Seller PR		
	4/2/07	undisclosed	Range Resources Corp.	\$155	\$155	40	\$3.88	14.2	\$10,915	GOM	>50%	Seller PR	7.7	
	3/9/07	Constellation Energy Partners LLC	EnergyQuest Resources, LP	\$115	\$115	49	\$2.35	7.9	\$14,557	MC	>50%	Buyer PR	17.0	
	3/8/07	EV Energy Partners, L.P.	EnerVest Management Partners, Ltd.	\$96	\$96	65	\$1.47	7.6	\$12,632	NLA	>50%	Buyer PR	23.6	
	2/21/07	The Exploration Co.	Output Exploration, LLC	\$96	\$96	40	\$2.39	8.4	\$11,381	GC, MC	62%	Buyer PR	13.0	
	2/14/07	Yenoco Inc.	undisclosed	\$24	\$24	19	\$1.26	NA	NA	CA	>50%	Buyer PR		
	2/6/07	Edge Petroleum Corp.	Smith Production, Inc.	\$369	\$369	122	\$3.02	38.1	\$9,680	GC	86%	Buyer PR	8.8	
	2/2/07	EXCO Resources, Inc.	Anadarko Petroleum Corp.	\$860	\$860	400	\$2.15	103.0	\$8,350	MC, STX, GC	87%	Buyer PR	10.6	
	1/19/07	Sterling Energy plc	Whittier Energy Corp.	\$188	\$188	49	\$3.84	16.2	\$11,605	GC, PER	>50%	Buyer PR	8.3	
	1/16/07	undisclosed	Goodrich Petroleum Corp.	\$100	\$100	41	\$2.44	13.0	\$7,692	GC	>50%	Seller PR	8.64	
	1/7/07	Forest Oil Corp.	The Houston Exploration Co.	\$1,500	\$1,500	655	\$2.29	205.0	\$7,317	STX, ETX, MC (Arkoma)	>50%	Buyer PR	8.75	
	1/3/07	Energren Resources Corp.	Dominion Resources, Inc.	\$30	\$30	22	\$1.37	NA	NA	RM (San Juan)	>50%	Buyer PR		
	12/26/06	EXCO Resources, Inc.	Anadarko Petroleum Corp.	\$1,600	\$1,600	466	\$3.43	90.0	\$17,778	NLA	>50%	Buyer PR	14.19	
	12/19/06	Edge Petroleum Corp.	undisclosed	\$385	\$385	126	\$3.06	31.0	\$12,419	STX	86%	Buyer PR	11.14	
	12/14/06	Linn Energy, LLC	various	\$39	\$39	26	\$1.50	NA	NA	APP	99%	Buyer PR		
	12/13/06	Edge Petroleum Corp.	Anadarko Petroleum Corp.	\$26	\$26	9	\$2.83	3.6	\$7,222	GC	90%	Buyer PR	7.00	
	12/12/06	Petroleum Development Corp.	EXCO Resources, Inc.	\$133	\$133	49	\$2.70	7.0	\$18,929	RM (DJ)	>50%	Buyer PR	19.18	
	11/17/06	Isramco Inc.	Five States Energy Co., LLC	\$100	\$100	50	\$2.02	NA	NA	MC	>50%	Buyer PR		
	11/14/06	undisclosed	PetroQuest Energy Inc.	\$17	\$17	9	\$1.95	NA	NA	GOM	>50%	Seller PR		
	11/13/06	EV Energy Partners, L.P.	Five States Energy Co., LLC	\$29	\$29	14	\$1.98	3.1	\$9,194	MC, ETX, PER, NLA	62%	Buyer PR	12.73	
	11/10/06	El Paso E & P Co.	Laredo Energy III LP.	\$255	\$255	84	\$3.04	19.0	\$13,421	GC	>50%	Buyer PR	12.11	
	10/2/06	Unit Corp.	Brighton Energy, LLC	\$67	\$67	27	\$2.48	5.0	\$13,400	MC, GC	>50%	Buyer PR	14.79	
	9/20/06	Gasco Energy, Inc.	Brek Energy Corp.	\$30	\$30	6	\$5.17	0.2	\$176,471	RM (Green River)	>50%	Buyer PR	93.47	
	9/11/06	Chesapeake Energy Corp.	Chaparral Energy, Inc.	\$280	\$280	198	\$1.42	26.5	\$10,570	MC	>50%	Buyer PR	20.45	
	9/5/06	The Meridian Resource Corp.	various	\$21	\$21	3	\$7.78	4.8	\$4,375	GC, GOM	85%	Buyer PR	1.54	
	8/30/06	Black Hills Corp.	undisclosed	\$24	\$24	22	\$1.08	1.4	\$17,593	RM (Piceance)	>50%	Buyer PR	44.80	
	8/30/06	Phoenix Exploration Company LP	Cabot Oil & Gas Corp.	\$340	\$340	98	\$3.47	52.0	\$6,538	GC	70%	Buyer PR	5.16	
	8/28/06	Bois d'Arc Energy, Inc.	undisclosed	\$19	\$19	9	\$2.16	NA	NA	GOM	52%	Buyer PR		
	8/28/06	Swift Energy Co.	BP America Inc.	\$175	\$175	58	\$3.01	12.0	\$14,583	GC	>50%	Buyer PR	13.29	
	8/22/06	undisclosed	Delta Petroleum Corp.	\$31	\$31	NA	NA	2.0	\$15,650	ETX, APP	>50%	Buyer PR		
	8/21/06	Comstock Resources Inc.	various	\$67	\$67	20	\$3.33	6.4	\$10,500	GC	>50%	Buyer PR	8.65	
	8/8/06	Mariner Energy Resources Inc.	BP America Inc.	\$71	\$71	20	\$3.55	11.0	\$6,445	GOM	>50%	Buyer PR	4.98	
	7/31/06	Escondido Resources LP	undisclosed	\$13	\$13	NA	NA	1.2	\$11,000	GC	>50%	Buyer PR		
	7/24/06	EXCO Resources, Inc.	various	\$1,200	\$1,200	400	\$3.00	75.0	\$16,000	ETX, NLA	>50%	Buyer PR	14.61	
	7/24/06	Linn Energy LLC	Kaiser-Francis Oil Company	\$125	\$125	55	\$2.29	NA	NA	MC	84%	Buyer PR		
	7/21/06	Marathon Oil Corp.	Petroleum Development Corp.	\$354	\$354	900	\$0.39	NA	NA	RM (Piceance)	>50%	Buyer PR		
	7/18/06	Storm Cat Energy Corp.	Bill Barrett Corp.	\$31	\$31	10	\$3.01	3.0	\$10,233	RM (Powder)	>50%	Buyer PR	9.32	
	7/18/06	Stone Energy Corp.	undisclosed	\$189	\$189	57	\$3.32	25.0	\$7,572	GC (MS)	>50%	Buyer PR	6.25	
		Per Mcfe	Median				\$2.56		\$10,570					
			Simple Average				\$2.65		\$15,647					

Median \$ per Proved Mcfe (6:1)



Trailing twelve months through

Median \$ per Mcfe/d (6:1)



Trailing twelve months through

*Total Price may include and Value may exclude consideration for non-E&P assets, such as gathering & processing assets and working capital.

MAJORITY OIL
ALL U.S. FROM \$10 MILLION TO \$1 BILLION

Announced	Date	Buyer	Seller	Total Price* (\$MM)	Reserves Price (\$/MM)	Proved Reserves (MMBOE)	Value* (\$/BOE)	Production (MMBOE/d)	Net (\$/BOE/d)	Value* (\$/BOE/d)	Region	% Oil	Source	Proved R/P
	5/25/07	BreitBurn Energy Partners LP.	BreitBurn Energy Company LP.	\$82	\$82	7	\$12.62	0.9	\$91,111	CA	99%	Buyer PR	19.8	
	5/18/07	Pyramid Petroleum, Inc.	undisclosed	\$11	\$11	NA	NA	0.5	\$20,588	GC	>50%	Buyer PR		
	5/17/07	BreitBurn Energy Partners LP.	Calumet Florida, LLC	\$100	\$100	10	\$10.53	1.6	\$62,500	GC	100%	Buyer PR	16.3	
	5/14/07	RAM Energy Resources, Inc.	undisclosed	\$19	\$19	NA	NA	0.3	\$66,071	PER	70%	Buyer PR		
	5/7/07	Linn Energy, LLC	undisclosed	\$91	\$91	7	\$12.93	NA	NA	MC	>50%	Buyer PR		
	4/24/07	Energy XXI Gulf Coast, Inc.	Pogo Producing Co.	\$420	\$420	20	\$20.98	7.4	\$56,689	GC	70%	Buyer PR	7.4	
	4/11/07	Legacy Reserves LP	undisclosed	\$13	\$13	1	\$9.29	0.3	\$45,775	PER, MC	>50%	Buyer PR	13.5	
	3/21/07	Legacy Reserves LP	Nielson & Associates, Inc.	\$45	\$45	4	\$10.98	0.7	\$61,308	MC	>50%	Buyer PR	15.3	
	3/19/07	undisclosed	Berry Petroleum Co.	\$63	\$63	7	\$9.00	0.7	\$90,000	CA	>50%	Seller PR	27.4	
	3/8/07	Callon Petroleum Co.	BP Exploration and Production Co.	\$190	\$190	25	\$7.58	NA	NA	GOM	>50%	Buyer PR		
	2/22/07	Denbury Resources Inc.	Anadarko Petroleum Corp.	\$42	\$42	1	\$56.00	0.8	\$56,000	GC	>50%	Buyer PR	2.7	
	1/26/07	Encore Acquisition Co.	Anadarko Petroleum Corp.	\$410	\$410	21	\$19.52	5.0	\$82,000	RM (Williston)	90%	Buyer PR	11.5	
	1/22/07	BreitBurn Energy Partners, L.P.	Voyager Gas Corp.	\$29	\$29	2	\$14.50	0.3	\$96,667	PER	98%	Buyer PR	18.3	
	1/18/07	Apache Corp.	Anadarko Petroleum Corp.	\$1,000	\$1,000	70	\$14.29	12.0	\$83,333	PER	75%	Buyer PR	16.0	
	1/17/07	Encore Acquisition Co.	Anadarko Petroleum Corp.	\$400	\$400	20	\$20.00	4.4	\$91,954	RM (Big Horn)	97%	Buyer PR	12.6	
	12/19/06	undisclosed	Whiting Petroleum Corp.	\$25	\$25	NA	NA	0.4	\$59,564	PER	>50%	Seller PR		
	12/14/06	Linn Energy, LLC	Stallion Energy LLC	\$415	\$415	55	\$7.55	NA	NA	MC	>50%	Buyer PR		
	11/8/06	Denbury Resources, Inc.	Yenoco, Inc.	\$50	\$50	NA	NA	2.4	\$20,833	GC	>50%	Buyer PR		
	11/8/06	Swift Energy Co.	undisclosed	\$20	\$20	1	\$20.40	0.3	\$74,182	GC	86%	Buyer PR	10.0	
	11/7/06	St. Mary Land & Exploration Co.	various	\$250	\$250	13	\$19.23	2.7	\$93,773	PER	78%	Buyer PR	13.4	
	9/29/06	Ignis Petroleum Group, Inc.	W. B. Osborn Oil & Gas Operations, Ltd.	\$18	\$18	1	\$13.18	NA	NA	Barnett	50%	Buyer PR		
	9/19/06	Chaparral Energy Inc.	Calumet Oil Co.	\$510	\$510	52	\$9.90	4.7	\$109,301	MC	93%	Buyer PR	30.2	
	9/14/06	GeoResources, Inc.	various	\$78	\$78	8	\$9.63	1.5	\$52,000	RM (Williston), GC	>50%	Buyer PR	14.8	
	8/15/06	Clayton Williams Energy, Inc.	undisclosed	\$58	\$58	6	\$10.51	NA	NA	CA, PER	87%	Buyer PR		
	8/15/06	Whiting Petroleum Corp.	undisclosed	\$26	\$26	1	\$18.57	0.6	\$40,752	APP	>50%	Buyer PR	6.0	
	8/7/06	Occidental Petroleum Corp.	Plains Exploration & Production Co.	\$865	\$865	56	\$15.45	7.2	\$120,139	CA, PER	>50%	Buyer PR	21.3	
	7/24/06	Linn Energy, LLC	Blacksand Energy, LLC	\$291	\$291	31	\$9.30	NA	NA	CA	90%	Buyer PR		
	6/29/06	Rex Energy Operating Corp.	Team Energy, LLC	\$23	\$23	3	\$7.90	NA	NA	IN, IL	>50%	Buyer PR		
	6/24/06	PrimeWest Energy	undisclosed	\$300	\$300	20	\$14.71	3.2	\$93,750	RM (Williston)	94%	Buyer PR	17.5	
	6/22/06	Foothills Resources, Inc.	TARH E&P Holdings, L.P.	\$62	\$62	5	\$12.16	0.8	\$75,610	GC	>50%	Buyer PR	17.0	
	6/6/06	Lime Rock Resources	undisclosed	\$28	\$28	2	\$16.47	NA	NA	PER	>50%	Buyer PR		
		Per BOE	Median				\$14.39		\$74,182					
			Simple Average				\$15.89		\$72,334					

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