

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.

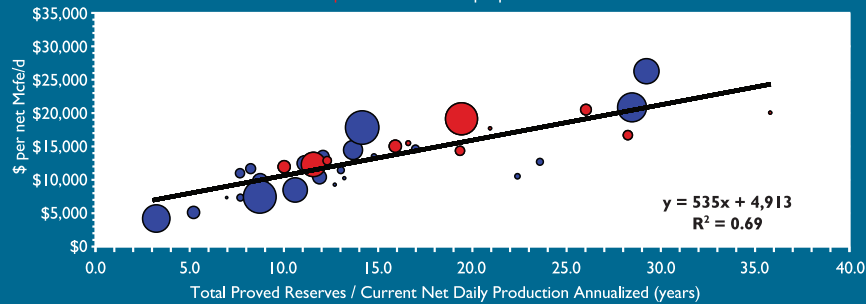
R is defined as Total Proved Reserves. **P** is defined as Current Net Daily Production Annualized. As indicated in the data table, most reserves information is taken from buyers' press releases.

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 \$12,938 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 shown in the graphs below, the gas coefficient was better than the oil 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.

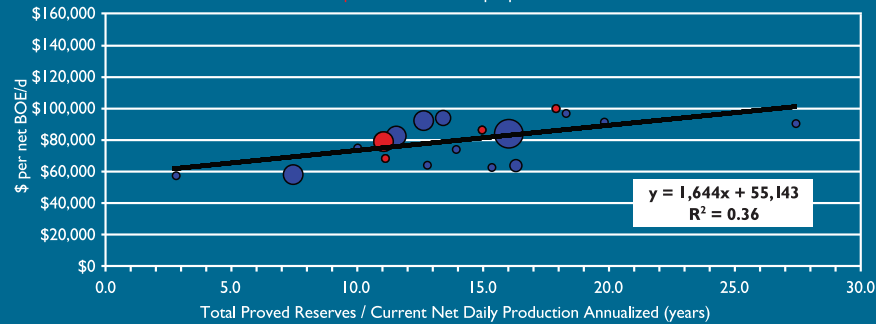
Majority Gas: Net Production Rate Multiple (\$ per Mcfe/d) vs. Proved R/P ONLY R/P LESS THAN 40 YEARS

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

 Sale of Oklahoma and Kansas properties Bids under evaluation Exclusive Divestiture Agent	 Sale of Barnett Shale properties Preparing sale materials Exclusive Divestiture Agent	 Sale of Fayetteville Shale properties Preparing sale materials Exclusive Divestiture Agent
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Energy Spectrum Advisors' Recently Closed Advisory Transactions

 Sale of Barnett Shale properties June 2007 Exclusive Divestiture Agent	 Sale of Barnett Shale properties May 2007 Exclusive Divestiture Agent	 Sale of corporate stock and Mid-Continent properties April 2007 Exclusive Divestiture Agent	 Sale of corporate assets to SandRidge Energy, Inc. November 2006 Exclusive Financial Advisor
 Recapitalization of debt and equity interests November 2006 Exclusive Financial Advisor	 Sale of East Texas properties October 2006 Exclusive Divestiture Agent	 Sale of Fort Worth Basin properties September 2006 Exclusive Divestiture Agent	 Mezzanine debt and equity financing July 2006 Exclusive Financial Advisor



ENERGY SPECTRUM ADVISORS INC.

U.S. Upstream M&A Activity Report

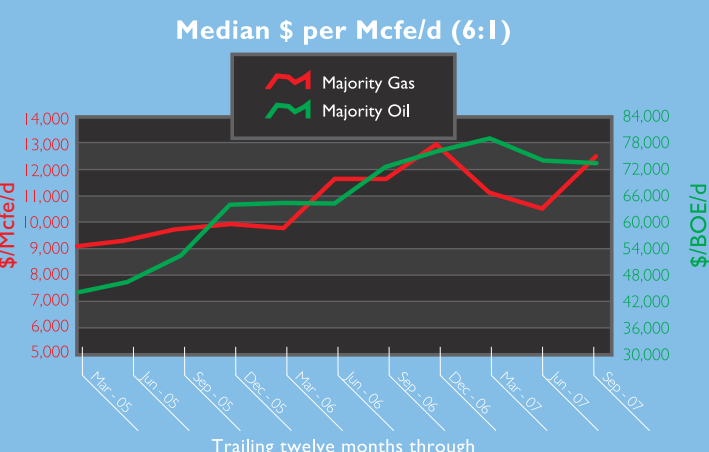
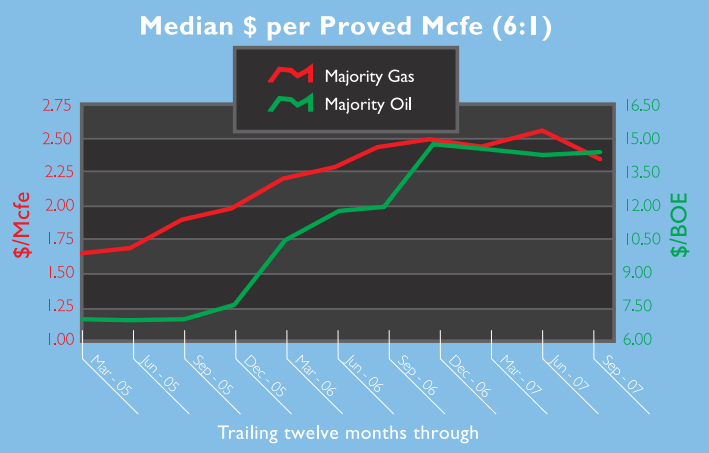
Trailing Twelve Months through September 2007

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 (\$/Mcf/d)	Value* (\$/Mcf/d)	Region	% Gas	Source	Proved RP
	9/28/07	undisclosed	Brigham Exploration Co	\$36	\$36	24	\$1.53	1.8	\$20,000	MC	>50%	Seller PR	35.8	
	9/25/07	undisclosed	Newfield Exploration Co.	\$56	\$56	NA	NA	5.0	\$11,200	MC	>50%	Seller PR		
	9/19/07	Equitable Resources, Inc.	Penn Virginia Corp.	\$30	\$30	13	\$2.31	1.7	\$17,647	APP	>50%	Buyer PR	21.0	
	9/12/07	BreitBurn Energy Partners LP	Quicksilver Resources Inc.	\$1,454	\$1,454	539	\$2.70	76.0	\$19,132	APP, MI (Antrim)	96%	Buyer PR	19.4	
	9/10/07	Swift Energy Co.	Escondido Resources, LP	\$79	\$79	68	\$1.16	NA	NA	ETX	90%	Buyer PR		
	9/5/07	Swift Energy Co.	Escondido Resources, LP	\$250	\$250	77	\$3.24	21.0	\$11,881	STX	85%	Buyer PR	10.0	
	9/4/07	Atlas Energy Resources, LLC	undisclosed	\$11	\$11	5	\$2.06	NA	NA	MI (Antrim)	>50%	Buyer PR		
	8/30/07	Penn Virginia Corp.	undisclosed	\$48	\$48	19	\$2.55	3.1	\$15,452	MI	>50%	Buyer PR	16.6	
	8/17/07	El Paso Corp.	Peoples Energy Production Co.	\$879	\$879	305	\$2.88	72.0	\$12,208	MC, GC, RM (San Jaun)	94%	Buyer PR	11.6	
	8/16/07	Baseline Oil & Gas Corp.	DSX Energy Ltd., LLP	\$97	\$97	42	\$2.29	NA	NA	STX	77%	Buyer PR		
	8/3/07	St. Mary Land and Exploration Co.	Rockford Energy Partners II, LLC	\$153	\$153	95	\$1.61	9.2	\$16,641	STX	>50%	Buyer PR	28.2	
	8/3/07	Constellation Energy Partners LLC	Newfield Exploration Co.	\$128	\$128	45	\$2.84	10.0	\$12,800	MC	>50%	Buyer PR	12.3	
	8/2/07	Linn Energy, LLC	undisclosed	\$23	\$23	11	\$2.05	NA	NA	Panhandle	>50%	Buyer PR		
	7/30/07	Pioneer Natural Resources Co.	Petrogulf Corp.	\$205	\$205	95	\$2.16	10.0	\$20,500	RM (Raton)	>50%	Buyer PR	26.0	
	7/18/07	EV Energy Partners, LP.	Plantation Petroleum Holdings III, LLC	\$160	\$160	79	\$2.02	11.2	\$14,286	PER	93%	Buyer PR	19.3	
	7/13/07	Constellation Energy Partners LLC	Amvest Osage, Inc.	\$240	\$240	93	\$2.58	16.0	\$15,000	MC	>50%	Buyer PR	15.9	
	7/2/07	Penn Virginia Corp.	undisclosed	\$33	\$33	31	\$1.06	1.6	\$20,313	ETX, GC	>50%	Buyer PR	52.6	
	6/21/07	McMoran Exploration Co.	Newfield Exploration Co.	\$1,100	\$1,100	323	\$3.41	270.0	\$4,074	GOM	70%	Buyer PR	3.3	
	6/14/07	St. Mary Land and Exploration Co.	undisclosed	\$30	\$30	14	\$2.11	2.9	\$10,172	STX	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	\$290	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, LP.	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, L.P.	\$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, LP.	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	Venoco 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	8.6	
	1/9/07	EV Energy Partners, LP.	EnerVest Management Partners, Ltd.	\$72	\$72	56	\$1.28	6.9	\$10,453	MI	100%	Buyer PR	22.4	
	1/7/07	Forest Oil Corp.	The Houston Exploration Co.	\$1,500	\$1,500	655	\$2.29	205.0	\$7,317	STX, ETX, MC	>50%	Buyer PR	8.8	
	1/3/07	Energen 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	14.2	
	12/19/06	Edge Petroleum Corp.	undisclosed	\$385	\$385	126	\$3.06	31.0	\$12,419	STX	86%	Buyer PR	11.1	
	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	7.0	
	12/12/06	Petroleum Development Corp.	EXCO Resources, Inc.	\$133	\$133	49	\$2.70	7.0	\$18,929	RM (DJ)	>50%	Buyer PR	19.2	
	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, LP.	Five States Energy Co., LLC	\$29	\$29	14	\$1.98	3.1	\$9,194	MC, ETX, PER, NLA	62%	Buyer PR	12.7	
	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	12.1	
	10/2/06	Unit Corp.	Brighton Energy, LLC	\$67	\$67	27	\$2.48	5.0	\$13,400	MC, GC	>50%	Buyer PR	14.8	
		Per Mcfe	Median				\$2.37		\$12,525					
			Simple Average				\$2.34		\$13,218					

*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 RP
	9/4/07	Legacy Reserves LP	various	\$61	\$61	4	\$15.32	0.6	\$99,835	Panhandle	>50%	Buyer PR	17.9	
	8/30/07	Legacy Reserves LP	various	\$21	\$21	1	\$15.78	0.2	\$85,944	PER	>50%	Buyer PR	14.9	
	8/6/07	RTF Realty, Inc.	Toreador Resources Corp.	\$19	\$19	1	\$13.64	NA	NA	PER, MC	51%	Buyer PR		
	7/12/07	Eagle Rock Energy Partners, LP	various	\$400	\$400	21	\$19.51	5.1	\$78,278	GC, ETX, STX	>50%	Buyer PR	11.0	
	7/11/07	Legacy Reserves LP	undisclosed	\$20	\$20	1	\$16.64	0.3	\$67,219	PER	>50%	Buyer PR	11.1	
	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	>50%	Buyer PR		
	5/7/07	Legacy Reserves LP	undisclosed	\$14	\$14	1	\$13.50	0.2	\$62,791	PER	70%	Buyer PR	12.7	
	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	\$21	\$21	1	\$14.44	0.3	\$73,239	PER	>50%	Buyer PR	13.9	
	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, LP.	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, RM	>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.	Venoco, 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	
		Per BOE	Median				\$14.47		\$73,711					
			Simple Average				\$16.59		\$71,540					

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