

Why does one property trade for \$3,000 per net Mcfe/d and another for \$16,000 per net Mcfe/d? Using statistical analysis, Energy Spectrum has identified a positive correlation between R/P and dollar paid per daily unit of production.

R is defined as Total Proved Reserves. P is defined as Current Annual Net Production. As indicated, 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 \$8,622 per net Mcfe/d.



ENERGY SPECTRUM ADVISORS INC.

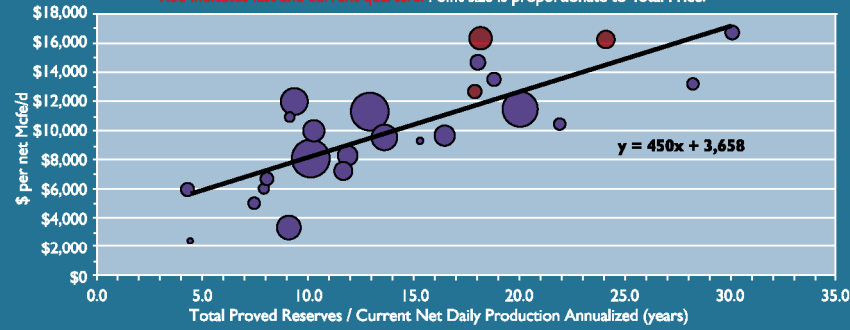
- Annual advisory deals in excess of \$500 million
- Staff of 17 energy professionals with both technical and financial backgrounds

Energy Spectrum's Recent Closed Advisory Transactions

Net Production Rate Multiple (\$ per Mcfe/d) vs. Proved R/P

All property sales (\$20 MM - \$1B) announced in the last 12 months

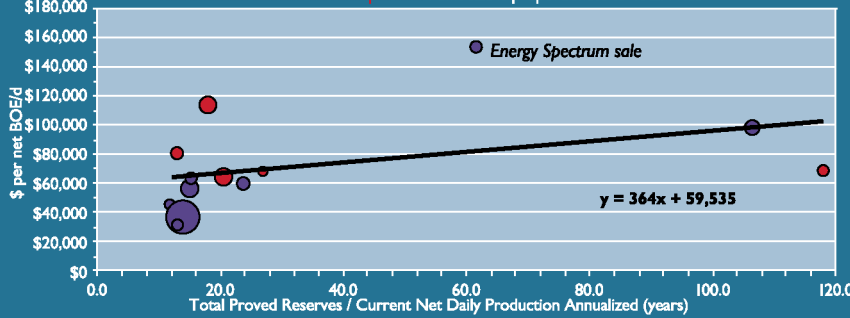
Red indicates last and current quarters. Point size is proportionate to Total Price.



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 and current quarters. Point size is proportionate to Total Price.



SALES AND M&A ADVISORY

 HSP PRODUCTION, INC. Sale of North Texas properties November 2005 Exclusive Divestiture Agent	Sale of mineral & royalty interests for a private royalty company November 2005 Exclusive Divestiture Agent	 PR Sale of Louisiana properties November 2005 Exclusive Divestiture Agent	 TEJAS WESTERN Sale of Barnett Shale assets November 2005 Exclusive Divestiture Agent
 PLATINUM Exploration, Inc. Sale of Permian properties November 2005 Exclusive Divestiture Agent	 GOLDKING Negotiated acquisition of South Louisiana properties October 2005 Exclusive Financial Advisor	 STROUD Exploration Co., LLC Sale of East Texas properties August 2005 Exclusive Divestiture Agent	 TRIUMPH PETROLEUM COMPANY, LLC Sale of South Texas properties February 2005 Exclusive Divestiture Agent

FINANCINGS AND MONETIZATIONS

 CENTRAL RESOURCES, INC. VPP monetization of California producing reserves November 2005 Exclusive Financial Advisor	 SND Operating, LLC Monetization of East Texas producing reserves June 2005 Exclusive Financial Advisor	 American Land & Minerals Funding of mineral and royalty acquisition company June 2005 Exclusive Financial Advisor	 MEDALLION EXPLORATION Funding of CBM development in the Powder River Basin April 2005 Exclusive Financial Advisor
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U.S. Upstream **M&A Activity Report**



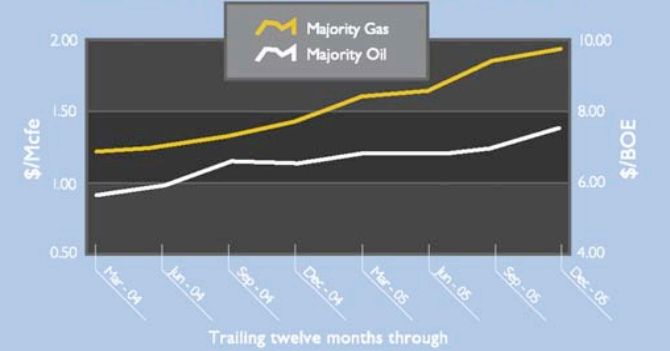
MAJORITY GAS ALL U.S. FROM \$10 MILLION TO \$1 BILLION			Total Price (\$/Mcf)	Reserves Price (\$/MM)	Proved Reserves (BoE)	Value (\$/Mcf)	Production (Mcf/d)	Net (\$/Mcf)	Value (\$/BOE)	Region	% Gas	Source	Proved R/P
Announced	Date	Buyer	Seller										
	12/21/05	KCS Energy, Inc.	undisclosed	\$25	\$25	12	\$2.02	NA	NA	STX	>50%	Buyer PR	
	12/15/05	Petrohawk Energy Corp.	undisclosed	\$262	\$262	106	\$2.47	16,000	\$16,354	LA	98%	Buyer PR	18.2
	11/4/05	ATP Oil & Gas Corp.	undisclosed	\$40	\$40	NA	NA	25,000	\$1,600	GOM	>50%	Buyer PR	
	10/31/05	The Houston Exploration Co.	Kerr McGee Corp.	\$163	\$163	88	\$1.85	10,000	\$16,300	STX	75%	Buyer PR	24.1
	10/10/05	Unit Petroleum Corp.	undisclosed	\$82	\$82	43	\$1.94	6,500	\$12,677	MC, Ark-La-Tex	>50%	Buyer PR	17.9
	9/27/05	Edge Petroleum Corp.	Cinco Energy Co. / Pearl Energy Partners, LTD	\$63	\$53	14	\$3.77	8,900	\$5,933	STX	>50%	Buyer PR	4.3
	8/22/05	Encore Acquisition Co.	Crusader Energy Corp.	\$123	\$123	48	\$2.56	10,500	\$11,714	MC, RM	65%	Buyer PR	12.5
	8/10/05	Vintage Petroleum, Inc.	various	\$67	\$67	52	\$1.29	5,070	\$13,294	MC, PER, GC	65%	Buyer PR	28.2
	8/4/05	Chesapeake Energy Corp.	various	\$410	\$395	113	\$3.50	33,000	\$11,970	Barnett, PER, ETX	>50%	Buyer PR	9.4
	7/26/05	Whiting Petroleum Corp.	Celero Energy, LP	\$802	\$802	NA	NA	58,800	\$13,639	MC, PER	56%	Buyer PR	
	7/19/05	El Paso Corp.	Medicine Bow Energy Corp.	\$834	\$834	383	\$2.18	103,000	\$8,097	RM, ETX	>50%	Buyer PR	10.2
	6/29/05	St. Mary Land and Exploration Co.	undisclosed	\$39	\$39	19	\$2.09	6,400	\$6,094	RM	>50%	Buyer PR	8.0
	6/14/05	Dune Energy, Inc.	Voyager Partners, Ltd.	\$56	\$56	27	\$2.07	NA	NA	Barnett	100%	Buyer PR	
	6/14/05	Energy Resource Technology Inc.	Murphy Exploration & Production Co.	\$200	\$200	75	\$2.67	20,000	\$10,000	GOM	>50%	Buyer PR	10.3
	6/6/05	Range Resources Corp.	Plantation Petroleum Holdings II, LLC	\$117	\$117	77	\$1.51	7,000	\$16,643	PER	82%	Buyer PR	30.1
	5/31/05	Locin Oil Corp. / GE Commercial	Equitable Resources	\$147	\$147	66	\$2.23	10,000	\$14,700	GC	>50%	Seller PR	18.1
	5/12/05	Unit Corp.	undisclosed	\$23	\$23	14	\$1.65	2,500	\$9,240	MC	>50%	Buyer PR	15.3
	4/22/05	PetroQuest Energy, Inc.	undisclosed	\$27	\$22	7	\$3.28	2,000	\$1,000	MC (Arkoma)	100%	Buyer PR	9.2
	4/21/05	Whittier Energy Corp.	RIMCO Production Co., Inc.	\$56	\$56	25	\$2.28	8,400	\$6,667	GC	>50%	Buyer PR	8.0
	4/13/05	PetroQuest Energy, Inc.	undisclosed	\$16	\$16	11	\$1.49	6,500	\$2,400	GOM	80%	Buyer PR	4.4
	4/12/05	Chesapeake Energy Corp.	various	\$686	\$686	289	\$2.38	61,000	\$11,252	GC, ETX, PER	89%	Buyer PR	13.0
	4/4/05	Petrohawk Energy Corp.	Mission Resources Corp.	\$226	\$226	228	\$0.99	68,000	\$3,321	PER, GC	60%	Buyer PR	9.2
	4/1/05	XTO Energy Inc.	Plains Expl. & Prod. Co.	\$336	\$336	175	\$1.92	35,000	\$9,600	ETX, NLA	95%	Buyer PR	13.7
	3/28/05	Comstock Resources, Inc.	Enlight Energy Partners, L.P.	\$193	\$193	120	\$1.60	20,000	\$9,625	ETX, LA, MS	57%	Buyer PR	16.5
	2/28/05	KCS Energy, Inc.	undisclosed	\$95	\$95	48	\$1.97	7,000	\$13,529	ETX, NLA	>50%	Buyer PR	18.8
	2/28/05	Forest Oil Corp.	undisclosed	\$230	\$230	120	\$1.92	27,500	\$8,364	MC	71%	Buyer PR	12.0
	2/25/05	Enterra Energy Trust	Rocky Mountain Gas, Inc.	\$19	\$19	NA	NA	1,995	\$9,424	RM	>50%	Buyer PR	
	2/24/05	Whiting Petroleum Corp.	undisclosed	\$65	\$65	51	\$1.29	6,300	\$10,317	RM (WY)	>50%	Buyer PR	22.0
	2/2/05	Escondido Resources LP	undisclosed	\$46	\$46	NA	NA	7,101	\$6,478	GC (STX)	>50%	Buyer PR	
	1/31/05	El Paso Corp.	undisclosed	\$211	\$211	124	\$1.70	29,000	\$7,276	ETX, STX	>50%	Buyer PR	11.7
	1/21/05	Delta Petroleum Corp.	Manti Resources Inc.	\$60	\$60	33	\$1.86	12,000	\$5,033	STX	>50%	Buyer PR	7.4
	1/11/05	XTO Energy Inc.	Antero Resources Corp.	\$685	\$685	440	\$1.56	60,000	\$11,417	Barnett	100%	Buyer PR	20.1
			Median				\$1.96		\$9,813				
			Simple Average				\$2.07		\$9,799				

*Total Price may include and Value may exclude consideration for non-E&P assets, such as gathering & processing assets and working capital. Includes all gas transactions from \$10 million to \$1 billion.

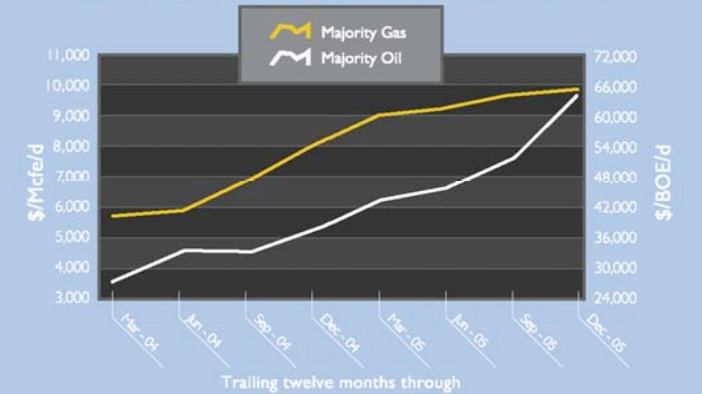
MAJORITY OIL ALL U.S. FROM \$10 MILLION TO \$1 BILLION			Total Price (\$/M)	Reserves Price (\$/MM)	Proved Reserves (MMBOE)	Value (\$/BOE)	Production (BOE/d)	Net (\$/BOE)	Value (\$/BOE)	Region	% Oil	Source	Proved R/P
Announced	Date	Buyer	Seller										
	12/15/05	Energen Resources Corp.	EnerVest Management Partners Ltd.	\$168	\$168	22	\$7.71	NA	NA	PER	>90%	Buyer PR	
	11/30/05	Cano Petroleum, Inc.	WVO Energy	\$55	\$55	35	\$1.59	800	\$68,750	PER	55%	Buyer PR	118.2
	11/22/05	Denbury Resources Inc.	undisclosed	\$250	\$250	14	\$17.48	2,200	\$113,636	MS, AL	>50%	Buyer PR	17.8
	10/19/05	Encore Acquisition Co.	Kerr-McGee Corp.	\$104	\$104	6	\$16.77	1,300	\$80,000	PER, MC	94%	Buyer PR	13.1
	10/17/05	Parallel Petroleum Corp.	undisclosed	\$45	\$45	6	\$6.95	650	\$68,462	PER	>50%	Buyer PR	27.0
	10/13/05	Apache Corp.	Amerada Hess Corp.	\$269	\$269	32	\$8.54	4,211	\$63,882	PER	76%	Buyer PR	20.5
	9/19/05	Swift Energy Co.	undisclosed	\$25	\$25	4	\$6.81	160	\$153,125	GC	90%	Buyer PR	61.6
	7/5/05	XTO Energy Inc.	ExxonMobil Corp.	\$215	\$215	21	\$10.19	3,800	\$56,579	PER	83%	Buyer PR	15.2
	7/5/05	XTO Energy Inc.	Mission Resources Corp.	\$57	\$57	NA	NA	1,000	\$56,500	PER	>50%	Seller PR	
	6/28/05	Pioneer Natural Resources Co.	undisclosed	\$177	\$177	70	\$2.53	1,800	\$98,333	PER, STX	>50%	Buyer PR	106.5
	6/23/05	Whiting Petroleum Corporation	Whiting Programs, Inc.	\$31	\$31	3	\$10.52	667	\$45,727	Ark-La-Tex, MC, RM	62%	Buyer PR	11.9
	5/19/05	Occidental Petroleum Corp.	ExxonMobil Corp.	\$972	\$972	130	\$7.48	26,000	\$37,385	PER	>50%	Buyer PR	13.7
	3/18/05	Alamo Resources, LLC / Palace Expl. Co.	Ridgelaque Energy, Inc.	\$70	\$70	NA	NA	2,600	\$26,731	GOM	>50%	Buyer PR	
	3/15/05	Plains Exploration & Production Co.	undisclosed	\$119	\$119	17	\$6.84	2,000	\$59,500	CA	>50%	Buyer PR	3.8
	3/9/05	Energy Partners, Ltd.	Apache Corp.	\$22	\$22	4	\$5.17	NA	NA	GOM	>50%	Buyer PR	
	2/9/05	Provident Energy Trust	Nautilus Resources, LLC	\$78	\$72	11	\$6.82	2,300	\$31,435	RM	99%	Buyer PR	12.6
	2/7/05	Petrohawk Energy Corp.	Proton Energy LLC	\$53	\$53	5	\$11.36	833	\$63,600	GC (STX, SLA)	57%	Buyer PR	15.3
			Median				\$7.48		\$63,600				
			Simple Average				\$8.45		\$68,243				

*Total Price may include and Value may exclude consideration for non-E&P assets, such as gathering & processing assets and working capital. Includes all oil transactions from \$10 million to \$1 billion.

Proved Reserves Multiple
Median \$ per Proved Mcfe and BOE (6:1)



Daily Production Multiple
Median \$ per Proved Mcfe/d and BOE/d (6:1)



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