



R/P Ratio Predicts Net Production Rate Multiple

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 Advisors 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 Net Daily Production Annualized. 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 \$8,522 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

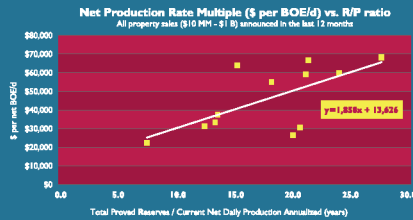
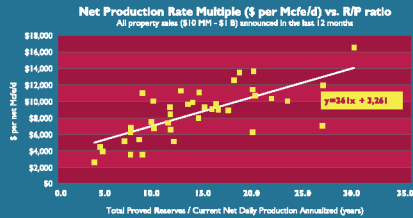
Energy Spectrum's Recent Closed Advisory Transactions

| | | |
|---|--|---|
| AOL Energy, LLC Merger of AOL Energy reserves \$50,000,000 June 2005 Exclusive Financial Advisor | MIDLINE EXPLORATION Funding of O&M development drilling \$50,000,000 April 2005 Exclusive Financial Advisor | THEOREM PETROLEUM Sale of South Texas properties February 2005 Exclusive Divestiture Agent |
| WGC ENERGY Sale of the company \$83,000,000 December 2004 Exclusive Divestiture Agent | PROVIDENCE EXPLORATION & PRODUCTION, INC. et al Sale of Arkansas properties September 2004 Exclusive Divestiture Agent | BXP RESOURCES, INC. Sale of Mississippi properties September 2004 Exclusive Divestiture Agent |
| Mediation Royalty, L.P. Sale of oil and royalty interests September 2004 Exclusive Divestiture Agent | Qualifying Energy LLC Not required to provide equity investment from its last fiscal year \$30,000,000 June 2004 Exclusive Financial Advisor | AMERICAN LANDS & MINERALS, LLC Sale of oil and royalty interests June 2004 Exclusive Divestiture Agent |

Current Divestiture Engagements

| Client | Status | Size | Location |
|-------------------------------|--------------------------|-----------------------------|---------------------------------|
| Acala Operating, Inc. | Preparing sale materials | \$1.975Bchd oil | Midwest Texas |
| Wheat Petroleum Resources, LP | Preparing sale materials | 200 BBL/d oil | Lebanon, New Mexico, East Texas |
| Stovall Exploration Company | Preparing sale materials | 2.175Bchd oil | East Texas |
| Texas Western Minerals, Ltd. | In negotiations | 6,000 net acres | Barrett, Utah |
| W&H Royalty Company | Preparing sale materials | Monthly cash flow \$475,000 | Various U.S. |

Additional information available at energyspectrum.com. Energy Spectrum Advisors is working on additional engagements that are not disclosed.



U.S. Upstream M&A Activity Report



Second Quarter 2005





Trailing Twelve Months through June 2005

| Acquisition Date | Year | Company | Unit | Undisclosed | Total Proved (MMbbl) | Proved (MMbbl) | Reserves (MMbbl) | Proved + Reserves (MMbbl) | Proved + Reserves (MMbbl) | Region | Yield (Yield) | Asset |
|------------------|------|-----------------------------------|---|-------------|----------------------|----------------|------------------|---------------------------|---------------------------|-------------------|---------------|-----------|
| 4/23/05 | 2005 | St. Mary Land and Exploration Co. | undisclosed | \$39 | \$39 | 19 | \$2.09 | 6,400 | \$6,094 | RH | >50% | Buyer PR |
| 4/14/05 | 2005 | Dura Energy, Inc. | undisclosed | \$56 | \$56 | 27 | \$2.07 | N/A | N/A | Burnett | 100% | Buyer PR |
| 4/15/05 | 2005 | Energy Resources Technology Inc. | Murphy Exploration & Production Co. | \$200 | \$200 | 75 | \$2.67 | 20,000 | \$10,000 | CGM | >50% | Buyer PR |
| 4/6/05 | 2005 | Range Resources Corp. | Platt Exploration & Production Co. | \$117 | \$117 | 77 | \$1.51 | 7,000 | \$14,443 | PER | 82% | Buyer PR |
| 5/13/05 | 2005 | Unit Corp. | undisclosed | \$33 | \$33 | 14 | \$1.65 | 4,500 | \$9,240 | MC | >50% | Buyer PR |
| 4/23/05 | 2005 | PetroQuest Energy, Inc. | undisclosed | \$27 | \$27 | 7 | \$3.28 | 3,000 | \$11,000 | MC (Arizona) | 100% | Buyer PR |
| 4/14/05 | 2005 | Whittier Energy Corp. | RIMCO Production Co., Inc. | \$54 | \$54 | 25 | \$2.28 | 6,400 | \$6,447 | CC | >50% | Buyer PR |
| 4/13/05 | 2005 | NeroQuest Energy, Inc. | undisclosed | \$14 | \$14 | 11 | \$1.49 | 6,500 | \$2,400 | CGM | 80% | Buyer PR |
| 9/13/05 | 2005 | Chesapeake Energy Corp. | various | \$486 | \$486 | 289 | \$2.38 | 61,000 | \$11,252 | GC, ETK, PER | 89% | Buyer PR |
| 4/9/05 | 2005 | NeroQuest Energy Corp. | Hudson Resources Corp. | \$224 | \$224 | 238 | \$0.99 | 68,000 | \$3,321 | PER, GC | 60% | Buyer PR |
| 4/1/05 | 2005 | XTO Energy Inc. | Plains Exp. & Prod. Co. | \$336 | \$336 | 175 | \$1.93 | 35,000 | \$9,600 | ETX, NLA | 93% | Buyer PR |
| 3/28/05 | 2005 | ConocoPhillips, Inc. | Enlight Energy Partners, L.P. | \$193 | \$193 | 130 | \$1.46 | 29,000 | \$9,635 | ETX, LA, HSE | 57% | Buyer PR |
| 3/28/05 | 2005 | KCS Energy, Inc. | undisclosed | \$95 | \$95 | 48 | \$1.97 | 7,000 | \$13,529 | ETX, NLA | >50% | Buyer PR |
| 2/28/05 | 2005 | Forma Oil Corp. | undisclosed | \$230 | \$230 | 120 | \$1.92 | 22,500 | \$8,244 | MC | 71% | Buyer PR |
| 2/23/05 | 2005 | Enterra Energy Trust | Rocky Mountain Gas, Inc. | \$19 | \$19 | N/A | N/A | 1,995 | \$9,454 | RH | >50% | Buyer PR |
| 2/24/05 | 2005 | Whiting Petroleum Corp. | undisclosed | \$40 | \$40 | 31 | \$1.29 | 6,300 | \$10,117 | RH (WY) | >50% | Buyer PR |
| 2/2/05 | 2005 | Beacore Resources LP | undisclosed | \$14 | \$14 | N/A | N/A | 7,181 | \$4,178 | GC (ETX) | >50% | Buyer PR |
| 1/1/05 | 2005 | B Pace Corp. | undisclosed | \$11 | \$11 | 124 | \$1.70 | 29,000 | \$7,276 | ETX | >50% | Buyer PR |
| 12/1/05 | 2005 | Delta Petroleum Corp. | Mered Resources Inc. | \$60 | \$60 | 31 | \$1.84 | 12,000 | \$5,033 | ETX | >50% | Buyer PR |
| 1/1/1/05 | 2005 | XTO Energy Inc. | Antero Resources Corp. | \$645 | \$645 | 440 | \$1.56 | 60,000 | \$11,417 | Burnett | 100% | Buyer PR |
| 12/27/04 | 2004 | Chesapeake Energy Corp. | IMCO Energy Corp. | \$255 | \$255 | 223 | \$1.45 | 20,000 | \$10,667 | MC, ETK | 93% | Buyer PR |
| 12/14/04 | 2004 | Energy Partners, Ltd. | undisclosed | \$150 | \$150 | 84 | \$2.77 | N/A | N/A | GC | >50% | Buyer PR |
| 12/14/04 | 2004 | Berry Petroleum Co. | J-W Operating Co. | \$10 | \$10 | 87 | \$1.21 | 8,000 | \$11,732 | RH | >50% | Buyer PR |
| 11/20/04 | 2004 | Chesapeake Energy Corp. | Halsell Energy Corp. | \$293 | \$277 | 135 | \$2.55 | 25,000 | \$11,080 | RH | 100% | Buyer PR |
| 11/23/04 | 2004 | Range Resource Corp. | Pine Mountain Oil & Gas, Inc. | \$919 | \$219 | 205 | \$1.07 | 14,800 | \$14,797 | APP | 99% | Buyer PR |
| 11/11/04 | 2004 | Pogo Producing Co. | undisclosed | \$208 | \$208 | 90 | \$2.31 | 16,500 | \$12,606 | PER | >50% | Buyer PR |
| 11/8/04 | 2004 | Paroel Oil & Gas Inc. | undisclosed | \$10 | \$10 | 9 | \$1.14 | 3,000 | \$3,333 | MC | 100% | Buyer PR |
| 11/2/04 | 2004 | Megnum Hunter Resources Inc. | undisclosed | \$40 | \$40 | 51 | \$0.78 | 3,400 | \$11,765 | PER | 55% | Buyer PR |
| 10/29/04 | 2004 | St. Mary Land and Exploration Co. | undisclosed | \$27 | \$27 | 15 | \$2.01 | 4,982 | \$7,462 | ETX, NLA | 94% | Buyer PR |
| 10/23/04 | 2004 | St. Mary Land and Exploration Co. | Agate Petroleum, Inc. | \$37 | \$34 | 23 | \$1.48 | 3,278 | \$4,552 | MC, RH | 52% | Buyer PR |
| 10/19/04 | 2004 | Pogo Producing Co. | Dawell Oil and Gas Resources, LLC | \$54 | \$44 | 23 | \$1.90 | N/A | N/A | STX | >50% | Buyer PR |
| 10/19/04 | 2004 | Padua Oil & Gas Corp. | undisclosed | \$15 | \$15 | 17 | \$0.89 | N/A | N/A | MC | >50% | Buyer PR |
| 10/14/04 | 2004 | Petroquest Energy, Inc. | undisclosed | \$14 | \$14 | 9 | \$1.52 | 1,500 | \$9,000 | MC (Arizona) | 100% | Buyer PR |
| 10/13/04 | 2004 | NGAS Resources Inc. | Stone Mountain Energy Co. | \$27 | \$27 | 23 | \$1.16 | 2,700 | \$10,000 | APP | 74% | Buyer PR |
| 10/13/04 | 2004 | NeroQuest Energy Corp. | Wynn-Creech Energy Inc. | \$425 | \$425 | 200 | \$2.19 | 48,000 | \$9,239 | WY, WYTX, ETK, MC | 74% | Buyer PR |
| 10/7/04 | 2004 | Edge Petroleum Corp. | Coastal Oil & Gas Co. | \$50 | \$53 | 18 | \$2.36 | 10,000 | \$4,230 | ETX | 90% | Buyer PR |
| 9/22/04 | 2004 | The Houston Exploration Co. | BP Exp. & Prod. Int'l. Con Energy, L.P. | \$145 | \$139 | 79 | \$1.76 | 21,000 | \$6,419 | CGM | 80% | Buyer PR |
| 8/30/04 | 2004 | Megnum Hunter Resources Inc. | undisclosed | \$40 | \$40 | 53 | \$0.75 | 3,400 | \$11,765 | PER | 59% | Buyer PR |
| 8/27/04 | 2004 | Pogo Producing Co. | various | \$189 | \$189 | 100 | \$1.89 | 15,000 | \$12,600 | S | 100% | Buyer PR |
| 8/25/04 | 2004 | ConocoPhillips, Inc. | Chesapeake Energy LP | \$63 | \$63 | 43 | \$1.46 | 7,000 | \$6,750 | ETX, MC, S | 99% | Buyer PR |
| 8/20/04 | 2004 | Aradco Corp. | Calpha Corp. | \$223 | \$223 | 120 | \$1.86 | 16,300 | \$13,681 | RH, S | 100% | Seller PR |
| 8/5/04 | 2004 | BlackShah Energy, Inc. | Auriferous Petroleum Corp. | \$337 | \$337 | 364 | \$1.07 | 68,000 | \$7,897 | CGM | 51% | Seller PR |
| 8/5/04 | 2004 | Whiting Petroleum Corp. | Karna Oil & Gas, Inc. | \$50 | \$50 | 17 | \$0.70 | 7,200 | \$6,944 | GC | 97% | Buyer PR |
| 8/5/04 | 2004 | Whiting Petroleum Corp. | Delta Petroleum Corp. | \$19 | \$19 | 12 | \$1.61 | 3,700 | \$5,216 | GC | 91% | Buyer PR |
| 8/5/04 | 2004 | Megnum Hunter Resources Inc. | Tom Brown, Inc. | \$239 | \$339 | 115 | \$2.08 | N/A | N/A | PER | 74% | Buyer PR |
| 7/28/04 | 2004 | Whiting Petroleum Corp. | undisclosed | \$44 | \$44 | 40 | \$1.11 | 8,600 | \$4,999 | RH | 94% | Buyer PR |
| 7/26/04 | 2004 | Chesapeake Energy Corp. | undisclosed | \$90 | \$90 | 310 | \$1.90 | 60,000 | \$9,833 | MC, GC | 93% | Buyer PR |
| 7/23/04 | 2004 | Western Gas Resources Inc. | undisclosed | \$82 | \$82 | 60 | \$1.37 | 9,300 | \$8,839 | S | 100% | Buyer PR |
| 7/23/04 | 2004 | Newfield Exploration Co. | Devilery Resources Inc. | \$187 | \$187 | 96 | \$1.94 | 10,000 | \$3,760 | CGM | 97% | Buyer PR |
| 7/13/04 | 2004 | Furuna Energy, Inc. | Baldon & Blake Corp. | \$45 | \$45 | N/A | N/A | 5,000 | \$13,000 | APP | 100% | Buyer PR |
| | | Pair High | Weighted Average | | \$149 | | \$1.83 | | \$9,548 | | | |
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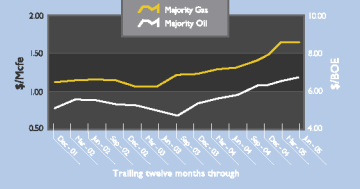
*Total Price may include and Value may exclude consideration for non-S&P assets such as gathering & processing assets and working capital. Includes all gas transactions from \$10 million to \$1 billion.

| Acquisition Date | Year | Company | Unit | Undisclosed | Total Proved (MMbbl) | Proved (MMbbl) | Reserves (MMbbl) | Proved + Reserves (MMbbl) | Proved + Reserves (MMbbl) | Region | Yield (Yield) | Asset |
|------------------|------|-------------------------------------|-------------------------------------|-------------|----------------------|----------------|------------------|---------------------------|---------------------------|------------------|---------------|----------|
| 4/28/05 | 2005 | Flower Natural Resources Co. | undisclosed | \$177 | \$177 | 70 | \$3.53 | 1,800 | \$98,333 | PER, ETK | >50% | Buyer PR |
| 4/23/05 | 2005 | Whiting Petroleum Corporation | Whiting Programs, Inc. | \$81 | \$81 | 3 | \$10.52 | 467 | \$45,727 | ARLA, TX, MC, RH | 62% | Buyer PR |
| 4/19/05 | 2005 | Coastal Petroleum Corp. | Stonefield Corp. | \$972 | \$972 | 130 | \$7.48 | 24,000 | \$57,265 | PER | >50% | Buyer PR |
| 3/15/05 | 2005 | Plains Exploration & Production Co. | undisclosed | \$119 | \$119 | 17 | \$6.84 | 3,000 | \$39,500 | CA | >50% | Buyer PR |
| 3/9/05 | 2005 | Energy Partners, Ltd. | Acadia Corp. | \$22 | \$22 | 4 | \$5.17 | N/A | N/A | CGM | >50% | Buyer PR |
| 3/9/05 | 2005 | ProQuest Energy Trust | Naska Resources, LLC | \$78 | \$72 | 11 | \$6.82 | 3,300 | \$31,485 | RH | 99% | Buyer PR |
| 2/7/05 | 2005 | Parhawk Energy Corp. | Proton Energy LLC | \$53 | \$53 | 5 | \$11.36 | 83 | \$43,600 | GC (TX, LA) | 57% | Buyer PR |
| 12/15/04 | 2004 | Venergy Energy, Inc. | Stonefield Corp. | \$76 | \$76 | N/A | N/A | 965 | \$39,792 | GC | >50% | Buyer PR |
| 12/14/04 | 2004 | Swift Energy Co. | undisclosed | \$26 | \$26 | 7 | \$3.62 | 1,000 | \$26,400 | GC | 77% | Buyer PR |
| 12/13/04 | 2004 | Clava Wilbur Energy Inc. | undisclosed | \$30 | \$30 | N/A | N/A | 965 | \$39,009 | PER, GC | 84% | Buyer PR |
| 12/7/04 | 2004 | Area Resources Inc. | undisclosed | \$11 | \$11 | 7 | \$1.62 | 250 | \$46,800 | PER | >50% | Buyer PR |
| 11/10/04 | 2004 | Chesapeake Oil & Gas Corp. | Aradco Petroleum Corp. | \$108 | \$108 | 9 | \$11.96 | N/A | N/A | RH | >50% | Buyer PR |
| 10/29/04 | 2004 | St. Mary Land and Exploration Co. | Goldmark Engineering Inc. | \$33 | \$25 | 5 | \$4.09 | 710 | \$30,704 | WY | 82% | Buyer PR |
| 9/29/04 | 2004 | Plains Exploration & Production Co. | Don Casarea Oilfield Resources, LLC | \$13 | \$13 | 36 | \$3.13 | N/A | N/A | CA, (COP) | >50% | Buyer PR |
| 9/28/04 | 2004 | Paroel Petroleum Corp. | Aradco USA, Inc. | \$15 | \$15 | 2 | \$7.60 | 300 | \$38,846 | PER | >50% | Buyer PR |
| 9/17/04 | 2004 | Paroel Petroleum Corp. | Coprock Oil & Gas, L.P. | \$14 | \$14 | 2 | \$6.80 | 200 | \$46,000 | PER | >50% | Buyer PR |
| 9/16/04 | 2004 | Whiting Petroleum Corp. | Aradco Petroleum Corp. | \$80 | \$80 | 108 | \$2.97 | 38,000 | \$22,348 | GC, MC, WY | >50% | Buyer PR |
| 9/14/04 | 2004 | Whiting Petroleum Corp. | undisclosed | \$248 | \$248 | 41 | \$8.24 | 6,300 | \$59,762 | PER | 82% | Buyer PR |
| 8/29/04 | 2004 | Whiting Petroleum Corp. | undisclosed | \$53 | \$53 | 5 | \$2.77 | 1,000 | \$33,333 | PER | 82% | Buyer PR |
| 8/24/04 | 2004 | Newfield Exploration Co. | Merid Resources Inc. | \$45 | \$45 | 54 | \$8.54 | 7,000 | \$44,429 | RH | >50% | Buyer PR |
| | | Pair BOE | Median | | \$4.83 | | \$2.29 | | \$39,793 | | | |
| | | Pair BOE | Weighted Average | | \$4.83 | | \$2.29 | | \$39,793 | | | |

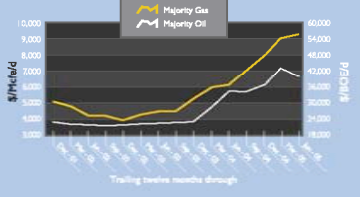
*Total Price may include and Value may exclude consideration for non-S&P assets such as gathering & processing assets and working capital. Includes all oil transactions from \$10 million to \$1 billion.



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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