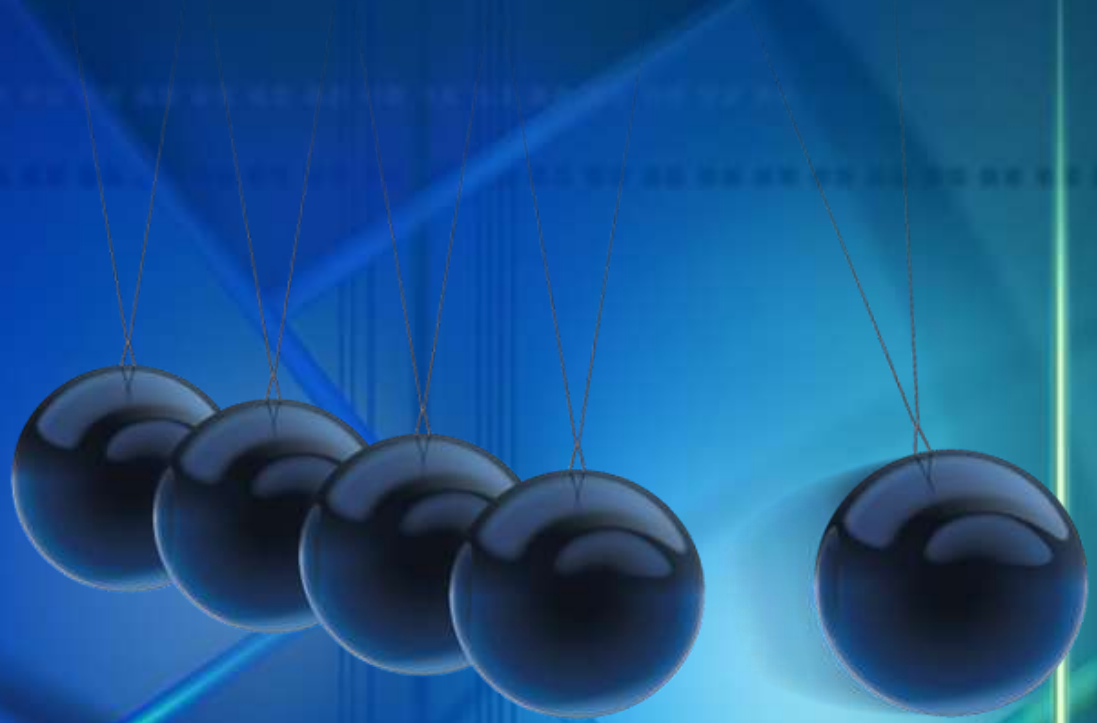


Forward Momentum

Stone Energy

Analyst Meeting – New Orleans

May 2012

Disclosure

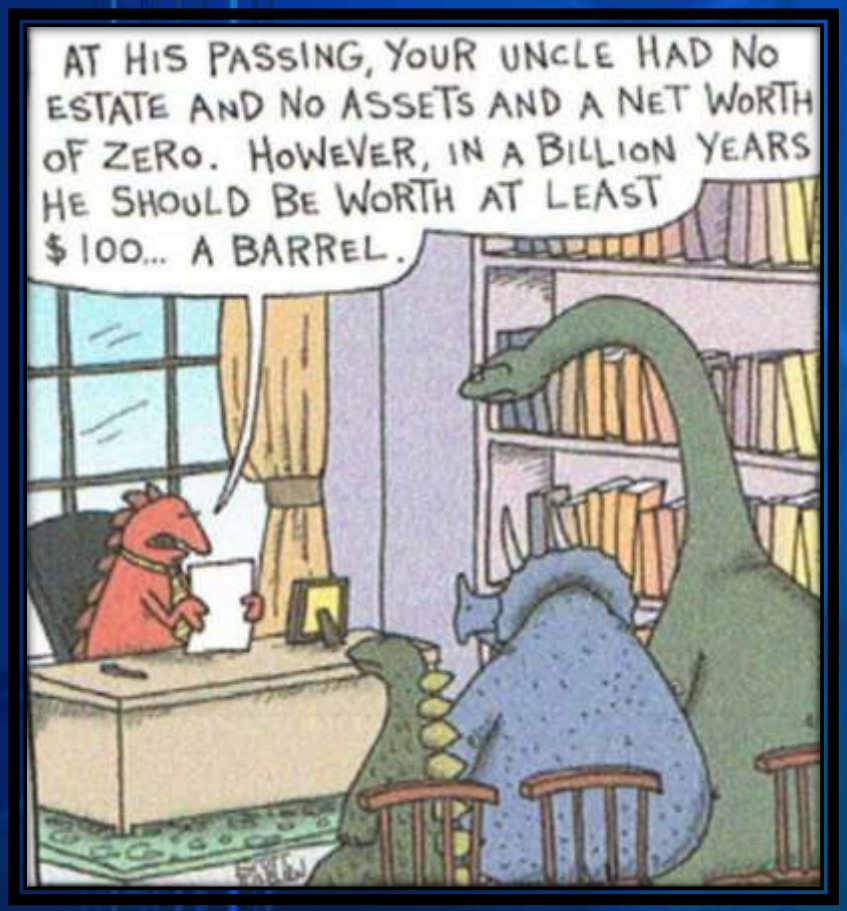
Forward-Looking Statements. This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Certain statements in this presentation are forward-looking and are based upon the current belief of Stone Energy Corporation ("Stone") as to the outcome and timing of future events. All statements, other than statements of historical facts, that address activities that Stone plans, expects, believes, projects, estimates or anticipates will, should or may occur in the future, including future production of oil and gas, future capital expenditures and drilling of wells and future financial or operating results are forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include the timing and extent of changes in commodity prices for oil and gas, operating risks, liquidity, legislative, political and regulatory developments, and other risk factors as described in Stone's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission ("SEC"). Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, Stone's actual results and plans could differ materially from those expressed in the forward-looking statements.

Reserves
The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions of such terms. Stone discloses only estimated proved reserves in its filings with the SEC. Stone's estimated proved, probable and possible reserves as of December 31, 2010 contained in this presentation were prepared by Netherland, Sewell & Associates, Inc., a nationally recognized engineering firm, and comply with recently revised rules and definitions promulgated by the SEC. Additional information on Stone's estimated proved reserves is contained in Stone's Annual Report on Form 10-K.

In this presentation, Stone also uses internal estimates of "prospective resources" or other descriptions of volumes of resources potentially recoverable through additional exploratory drilling or recovery techniques, which volumes the SEC's guidelines strictly prohibit Stone from including in filings with the SEC. These estimates, as well as estimates of probable and possible reserves, are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by Stone. Prospective resources refers to Stone's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. Prospective resources does not constitute reserves within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System. Actual quantities that may be ultimately recovered from Stone's interests might differ substantially. Factors affecting ultimate recovery include the scope of Stone's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals, changes in law and other factors; and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of prospective resources may change significantly as development of our resource plays provides additional data.

Investors are urged to consider closely the disclosures in Stone's Annual Report on Form 10-K and Stone's Quarterly Reports on Form 10-Q, available free of charge on our internet site (http://www.stoneenergy.com). You can also obtain this form from the SEC on the SEC's internet site (http://www.sec.gov) or by calling 1-800-SEC-0330.

Welcome



STONE ENERGY

Stone Energy Analyst/Investor Day

Tuesday (PM) May 22, 2012
New Orleans at The Westin Hotel

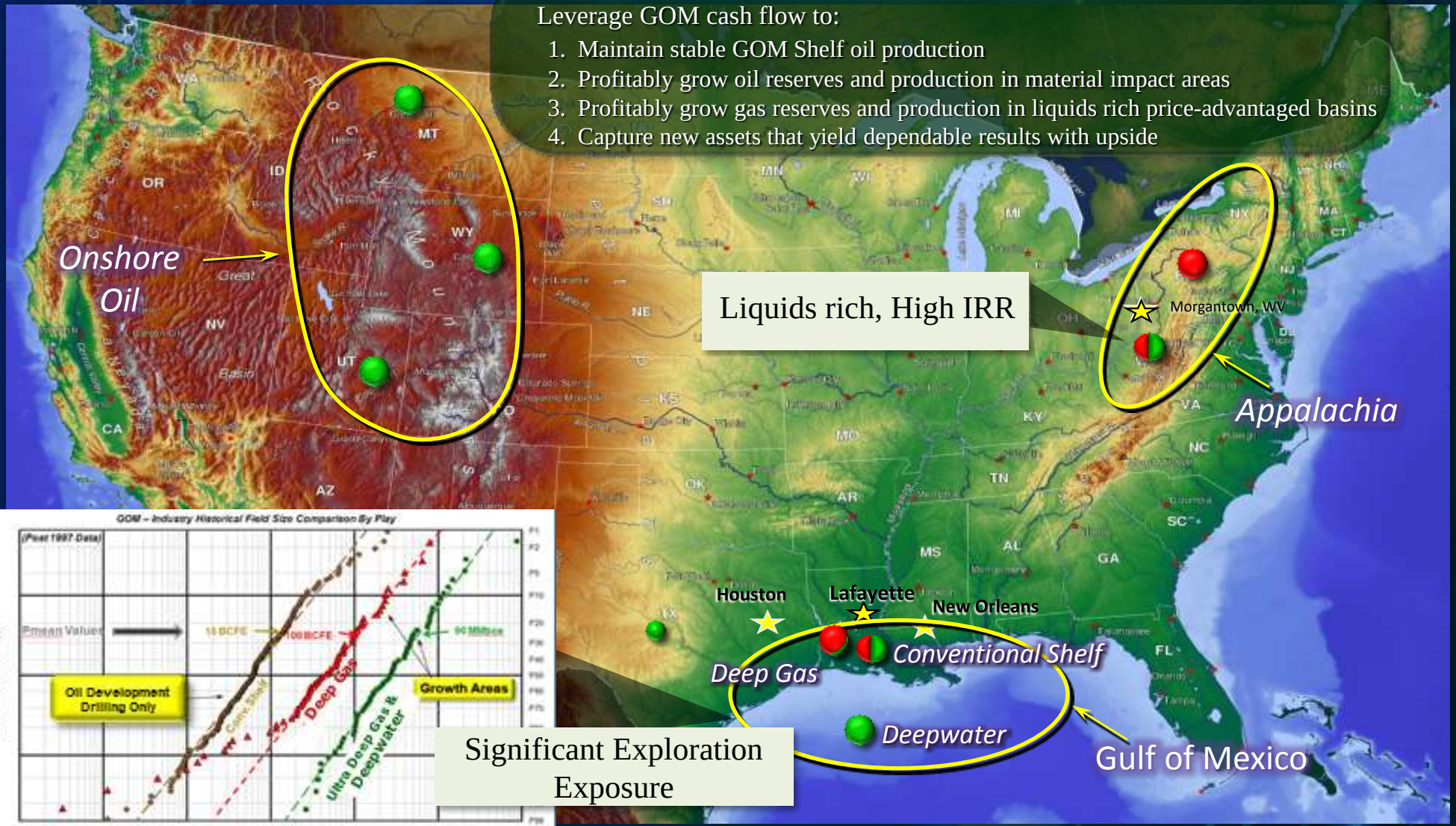
1:00-1:10	Introduction/Overview	- David Welch
1:10-1:40	Conventional Shelf	- Jerry Wenzel - John Pantaleo - John Leonard
1:40-2:20	Deep Water	- Rich Smith - Kevin Hurst - John Leonard - Paul Wieg
2:20-2:35	Break (fill out survey)	
2:35-2:50	Deep Gas	- Rich Smith
2:50-3:20	Appalachia	- Jerry Wenzel - Rick Toothman
3:20-3:40	Onshore Oil	- Rich Smith
3:40-3:50	3 Year Plan/Financials	- Tom Messonnier - Ken Beer
4:00	Wrap-up / Q&A	- David Welch
6:00	Cocktails at August Restaurant	
6:30/6:45	Dinner	

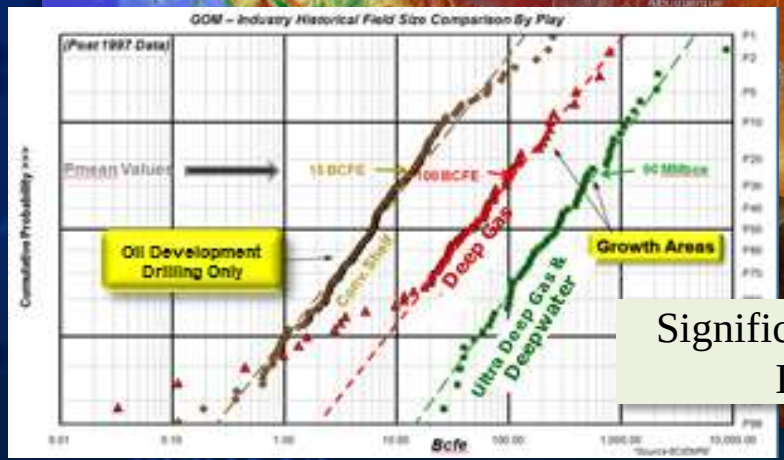
Stone Energy Strategy

Strategy:

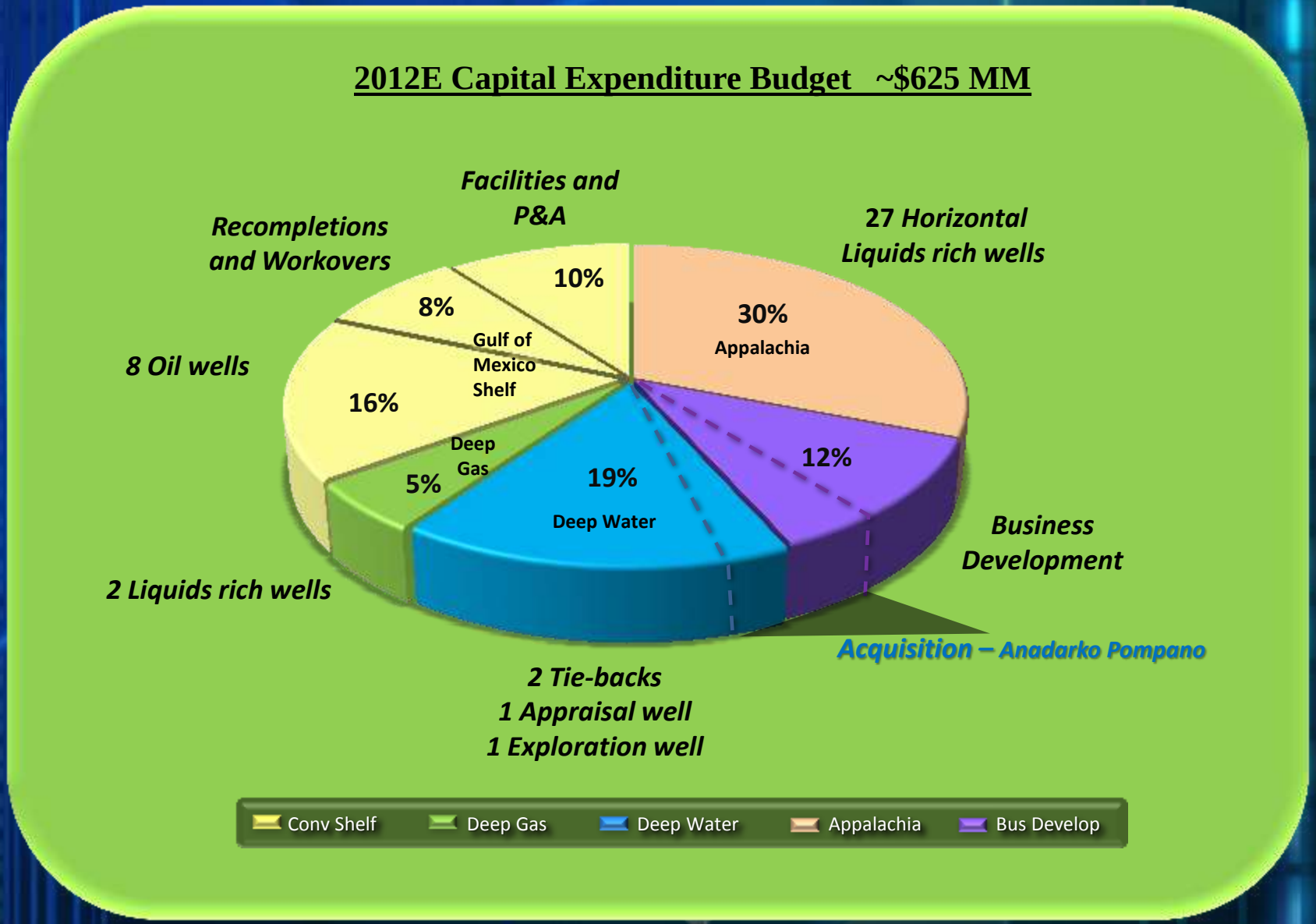
Leverage GOM cash flow to:

1. Maintain stable GOM Shelf oil production
2. Profitably grow oil reserves and production in material impact areas
3. Profitably grow gas reserves and production in liquids rich price-advantaged basins
4. Capture new assets that yield dependable results with upside





2012 Capital Expenditure Budget



Introduction of Presenters

Rich Smith – *Executive VP Exploration & Business Development.* Rich joined Stone Energy in 2007 after serving as General Manager of Deepwater Exploration and Development for Dominion E&P in New Orleans. Rich was with Dominion and its predecessor, CNG, for ten years. Before joining CNG/Dominion, Rich worked for Exxon for 13 years in many capacities and in several areas, including onshore and offshore Gulf of Mexico, Deepwater Brazil, the Sub-Andean play of Bolivia, and offshore Venezuela. Rich has a Bachelors Degree in Oceanography and a Masters Degree in Geology, both from Texas A&M University. He is originally from Houston, Texas.

Jerry Wenzel – *Executive VP Operations.* Jerry joined Stone in 2004 after an extensive career with Amoco and BP spanning 29 years, where he held various management positions in areas including Onshore, Offshore, and Corporate. He served in various functional groups leading to the General Manager of the Deepwater Production Division involving subsurface assessment, drilling, project planning, and construction and then VP of Deepwater Transportation. Subsequent to his long career with BP/Amoco. Jerry joined INTEC Engineering in Houston as VP & Business Unit Leader to initiate and build a new business focusing on the LNG arena. Jerry holds a BS in Mechanical Engineering from Louisiana State University and is originally from New Orleans.

John Pantaleo - *VP Gulf of Mexico.* John was promoted to Vice President of Gulf Of Mexico Operations for Stone Energy after serving as Manager of Drilling and Completions for the last five years. Prior to joining Stone, John held various management positions with ENI, BP and Amoco giving him a total of thirty-one years of drilling and completions management and engineering experience. John has a Bachelor's degree in Petroleum Engineering from Louisiana Technical University and is originally from Lafayette, Louisiana.

Introduction of Presenters

Richard L. Toothman, Jr. – VP Appalachia Operations. Graduated Cum Laude from West Virginia University in 1986 with Bachelor of Science in Petroleum Engineering. Started professional career with Conoco in Ventura, California. Moved to Hobbs, NM and then Oklahoma City to help Conoco develop CBM in the San Juan Basin. Transferred to Consol Energy, a sister company to Conoco at the time, to develop coal-mine methane and CBM in Appalachia. His primary engineering functions included well design, completion design, production and reservoir assessment and reporting. Promoted through management ranks and became VP of Engineering. Most notable achievements were helping take CNX Gas public, designing muti-lateral horizontal drilling patters for Northern App. Development designing vertical well completions that would not interfere with mining operations in Southern Appalachia, and managing CNX Gas first horizontal completions in Marcellus, Huron, and Chattanooga shales. Finally, assumed role as VP International Business to focus on unconventional reservoirs worldwide. Left CNX Gas to work for Triana Energy for brief period before joining Stone Energy in May, 2010 as the VP of Appalachia Operations. Rick has presented at several technical forums in US and abroad, is author of several technical papers and holds a US patent.

Kevin Hurst – Director, Operations. Kevin joined Stone Energy in 2008 as Offshore Production Operations Manager responsible for Gulf of Mexico Operations. Most recently, Mr. Hurst was promoted to General Manager – Gulf of Mexico Production. Prior to Stone, Mr. Hurst was employed by MODEC, Inc . a floating offshore facility EP&C company , where he served as General Manager, Atlantic Operations for the companies South American and West African facilities. Before joining MODEC in 2004, Mr. Hurst served as Managing Director for Project Consulting Services, Area Operations Manager for Southern Natural Gas Pipeline, and spent over 16 years with Atlantic Richfield Company (ARCO) in a variety of engineering, operations, and management roles in both Domestic and International Operations. Mr. Hurst is active in industry organizations and is currently serving as Vice Chairman for the OOC (Offshore Operators Committee).
Mr. Hurst has a Degree in Petroleum Engineering from Louisiana State University, Class of 1982.

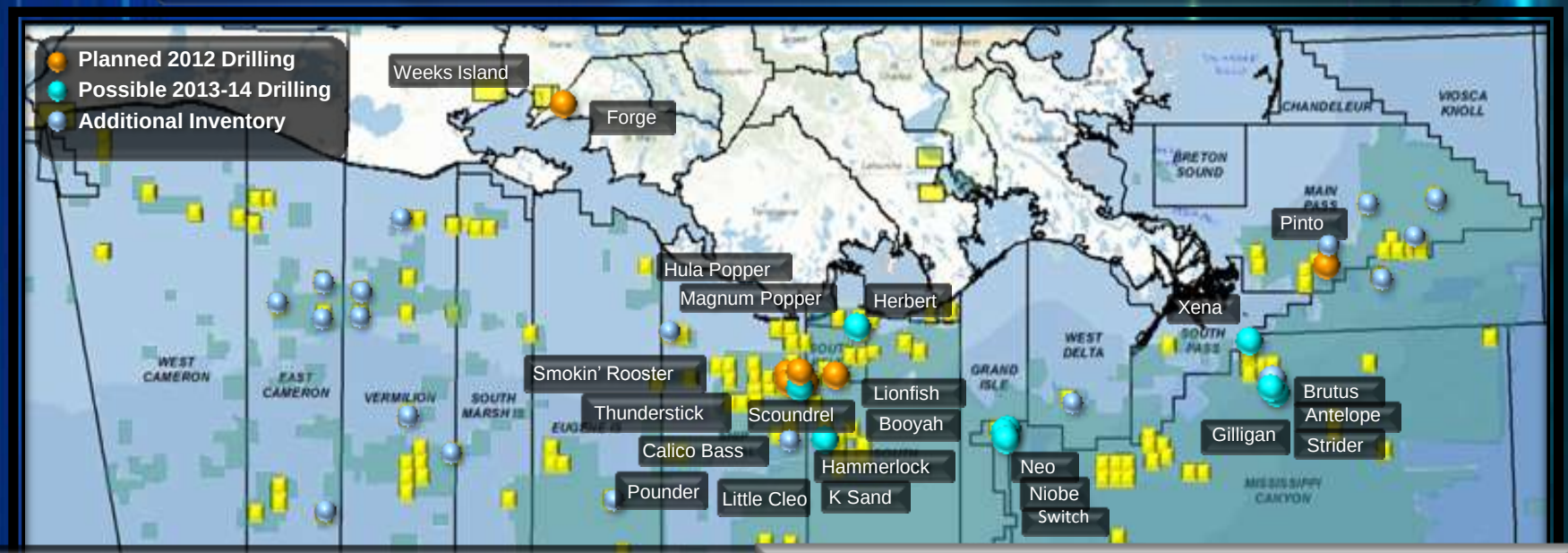
Paul Wieg - *Director, Exploration and Geoscience Technology .* Paul is in Stone's newly opened New Orleans, Louisiana office. Prior to joining Stone, Paul was Deepwater Exploration Manager for Eni Petroleum's Gulf of Mexico business unit. Paul also served as Chief Geophysicist for Dominion E&P preceding the purchase of Dominion assets by Eni. Prior to this, he worked in various capacities as an explorationist in both domestic and international ventures for Dominion and its predecessor CNG, Shell Offshore Inc., Pecten International, and Exxon USA. Paul has Masters Degree in Geology from Duke University, and a Bachelors Degree in Geology from New Mexico School of Mines. He is originally from Eugene, Oregon.

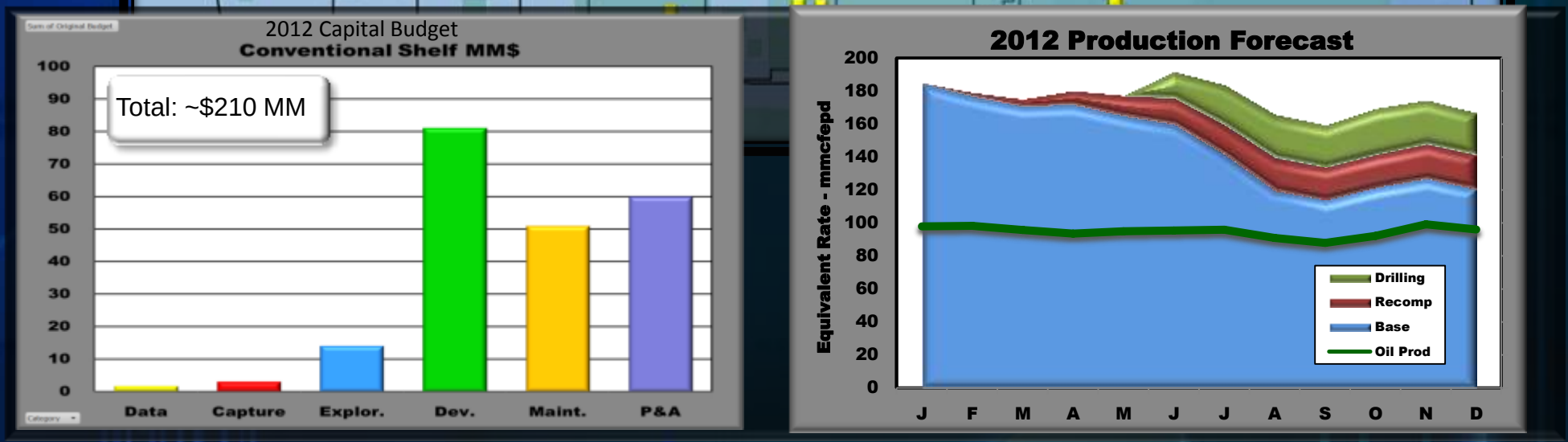
John Leonard –Director of Reservoir Engineering and Manager of Offshore Development. Prior to joining Stone, Mr. Leonard held various positions with various service companies in both technical and managerial roles. His major roles were in reservoir characterization and simulation, as well as production optimization. He has held several positions since joining Stone Energy in 2005 including Reservoir Engineer, Chief Reservoir Engineer and Reserves Manager. He is a member of Society of Petroleum Engineers, American Association of Drilling Engineers and American Association of Petroleum Geologists.

Tom Messonnier- *Director of Strategic Planning.* Tom served as Stone's Exploitation Manager and Reserves Manager before moving to his current position. Prior to joining Stone, Tome was the President of an oilfield construction company headquartered in Lafayette. Tom worked for Vastar and Arco Oil and Gas Company in various roles in reservoir, facilities and production engineering. Tom has a Masters degree and a Bachelors degree in Petroleum Engineering from Louisiana State University. Tom will receive a Masters of Business Administration in August 2012 from Tulane University.

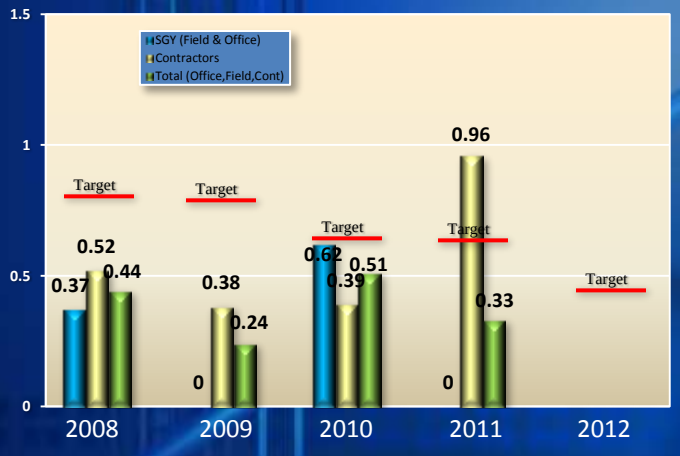
Conventional Shelf

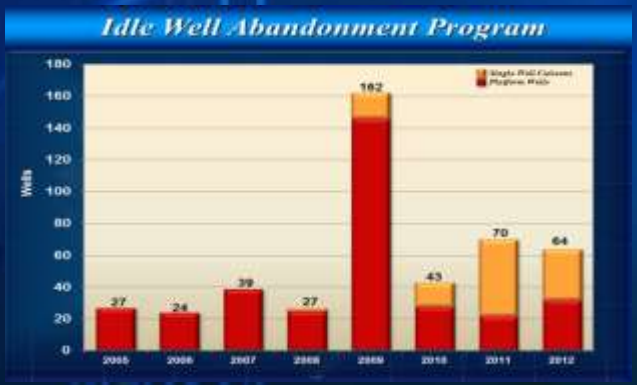
Strategy: Maintain stable shelf oil production and generate free cash flow





Conventional Shelf Highlights

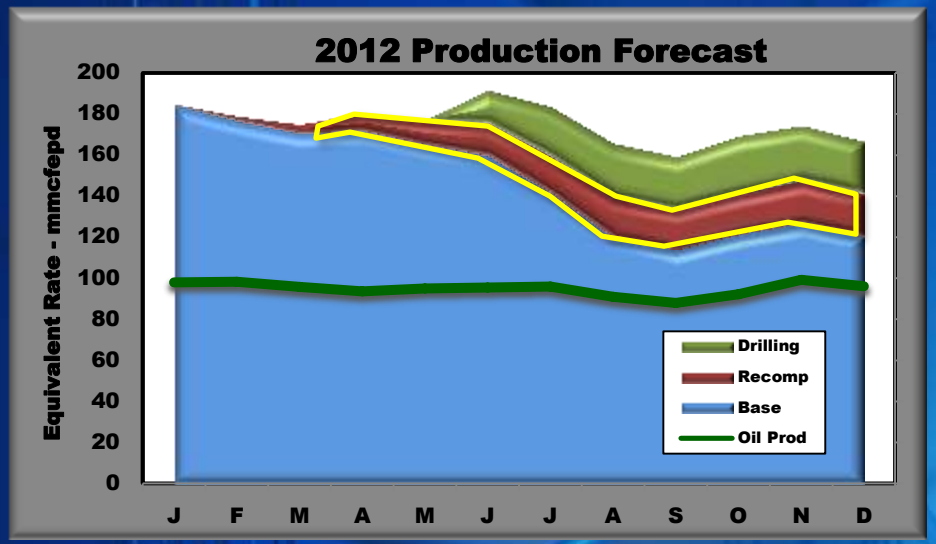




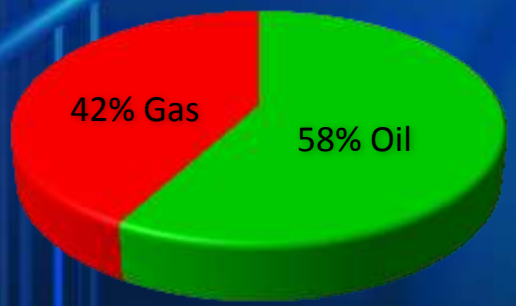
Program Highlights

- SGY holds 110 leases and is 5th largest leaseholder in GOM
- 80% company operated
- 1Q12 Production was 45% gas, 55% liquids
- Relatively stable production – Cash flow
- Continuous workover campaign each year - $35-45 MM
- Competitive LOE
- Best in Class Safety Performance
- SEMS compliant
- Hurricane Risk Mitigation Program

2012 Conventional Shelf Production Outlook



Est. PDP Reserves



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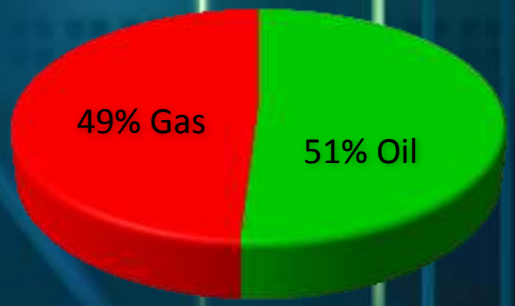
Est. PDNP Reserves



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** Proved reserves as of 12/31/11*

Regulatory Update / Safety & Compliance

- ***Permitting Progressing to New Normal***
  - *Shelf: 1-3 months prep; 4-6 months approval*
  - *Deep Water: 3-6 months prep; 8-12 months approval*
- ***2012 permits secured for all planned activity***
- ***Safety and Environmental Management Systems (SEMS)***
  - *Satisfied Nov 2011 implementation deadline*

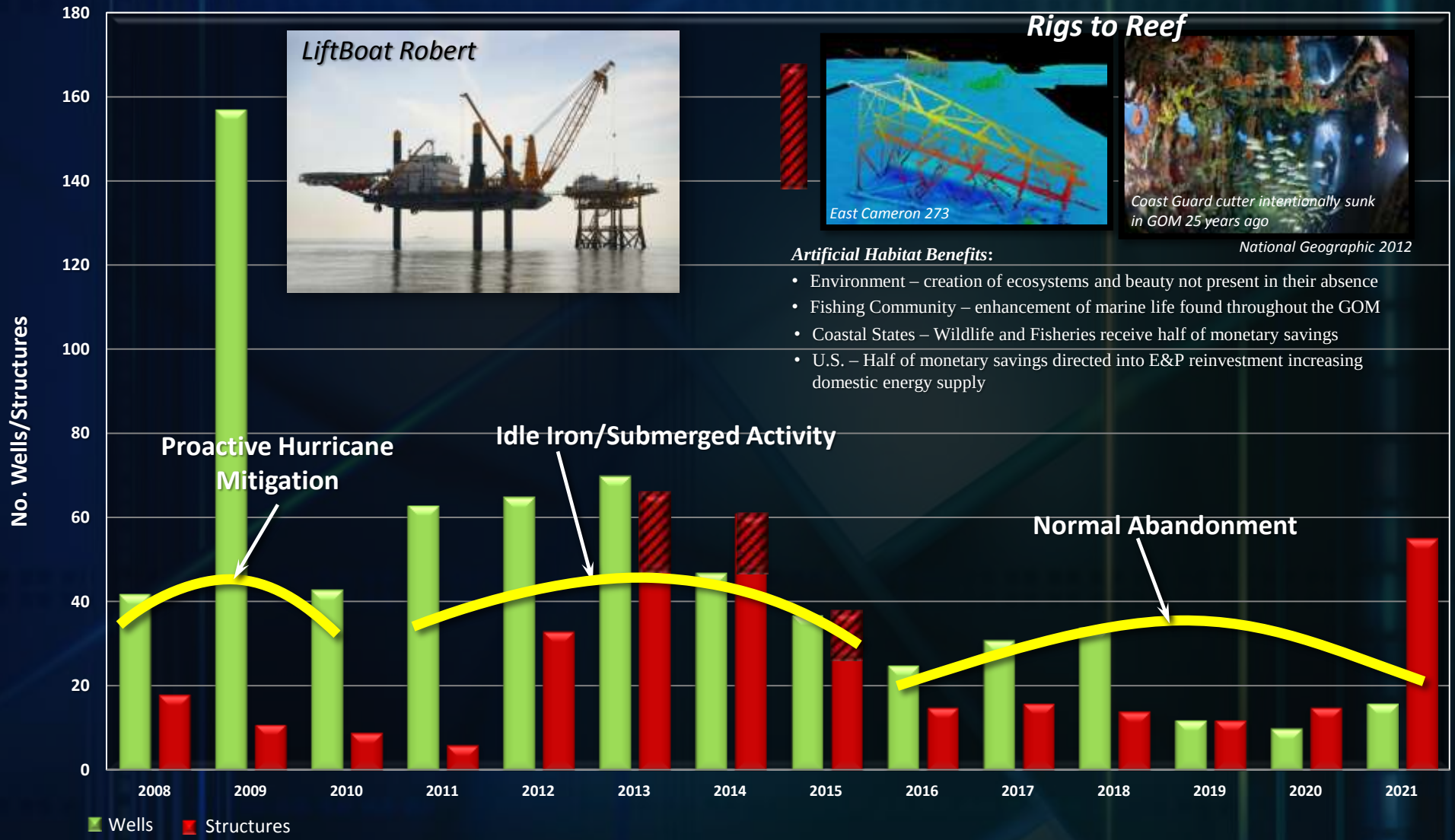
Decommissioning Offshore Assets

Rigs to Reef

National Geographic 2012

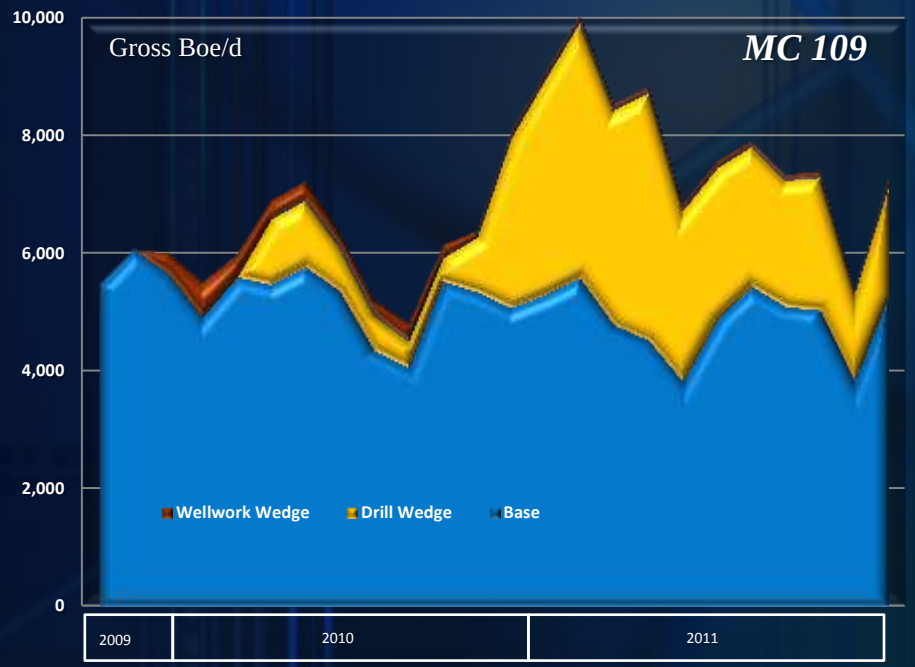
***Artificial Habitat Benefits*:**

- Environment – creation of ecosystems and beauty not present in their absence
- Fishing Community – enhancement of marine life found throughout the GOM
- Coastal States – Wildlife and Fisheries receive half of monetary savings
- U.S. – Half of monetary savings directed into E&P reinvestment increasing domestic energy supply

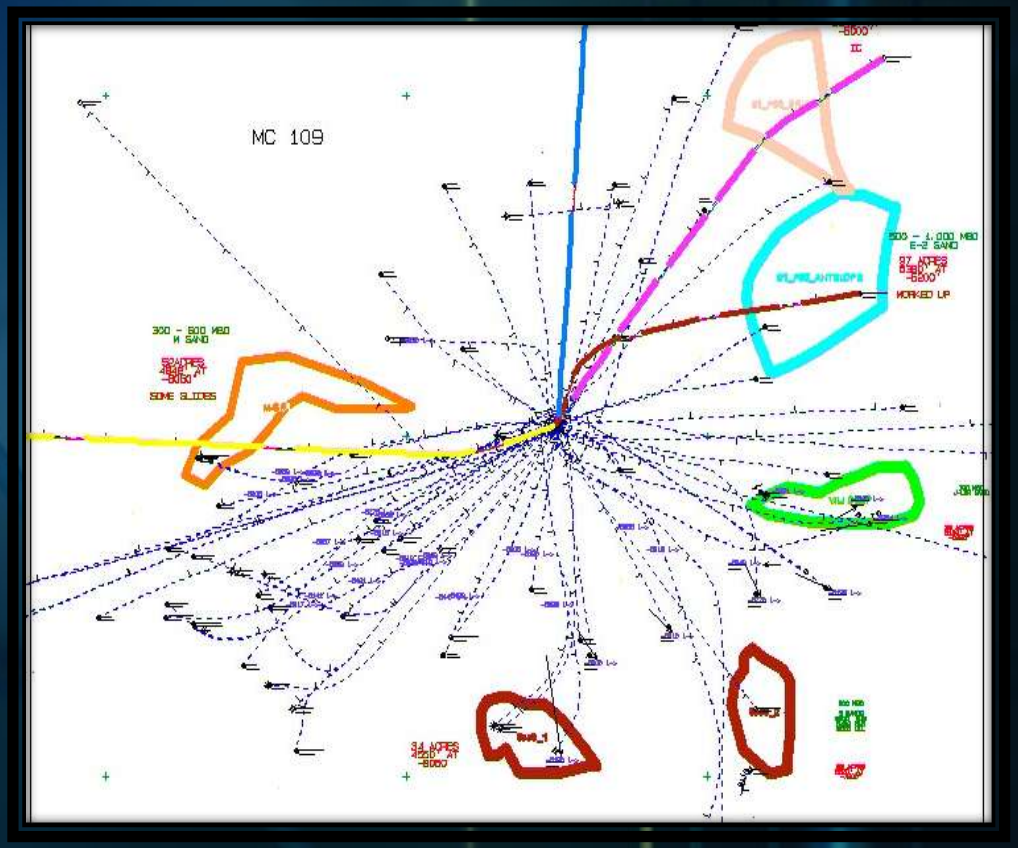


Mississippi Canyon 109 Results

- 7 well successful program 2009-2010
- Expecting new rig program 2013-2014



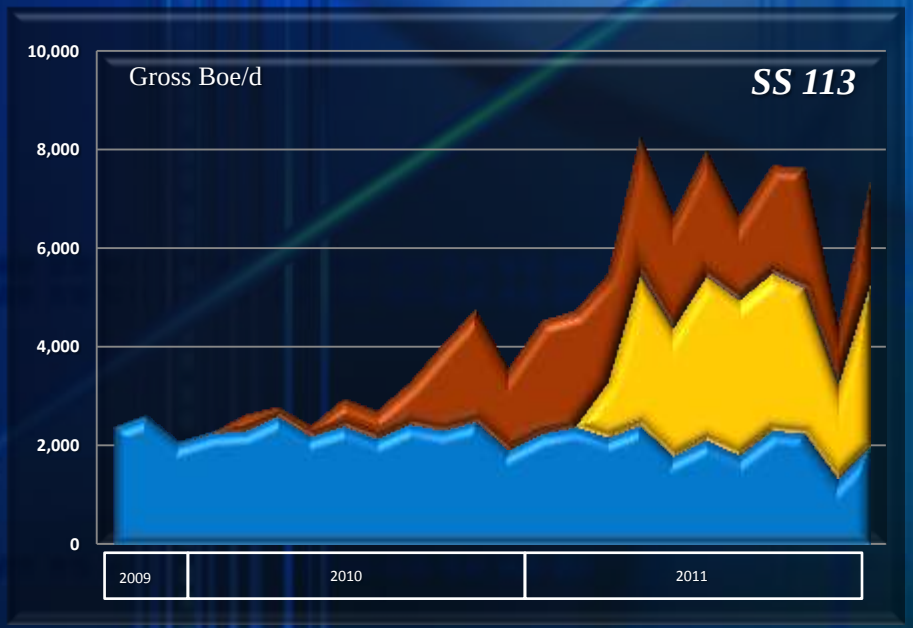
Future Potential Targets

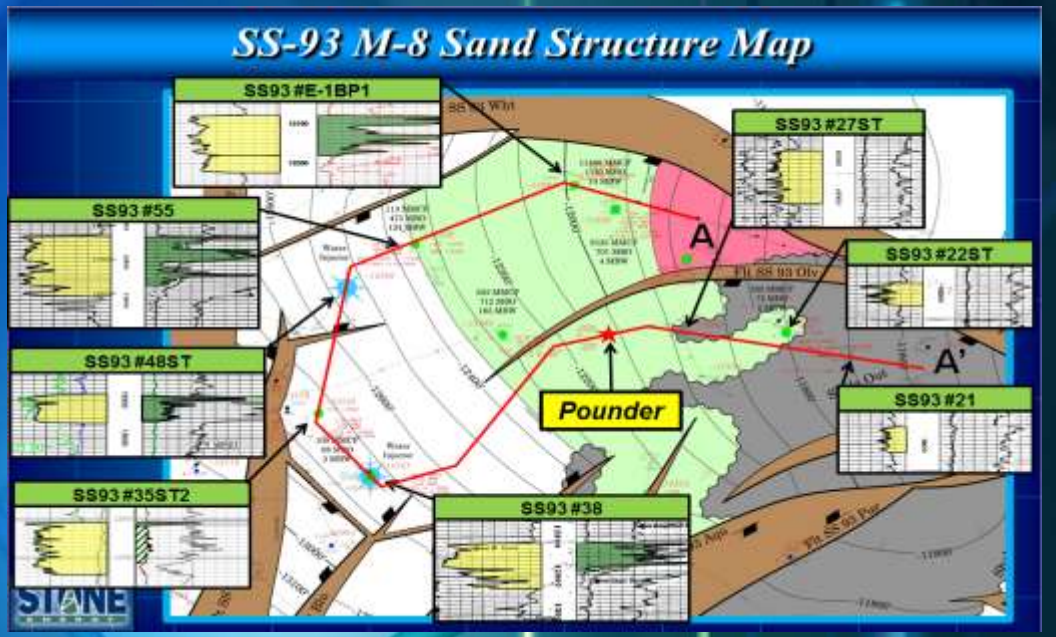


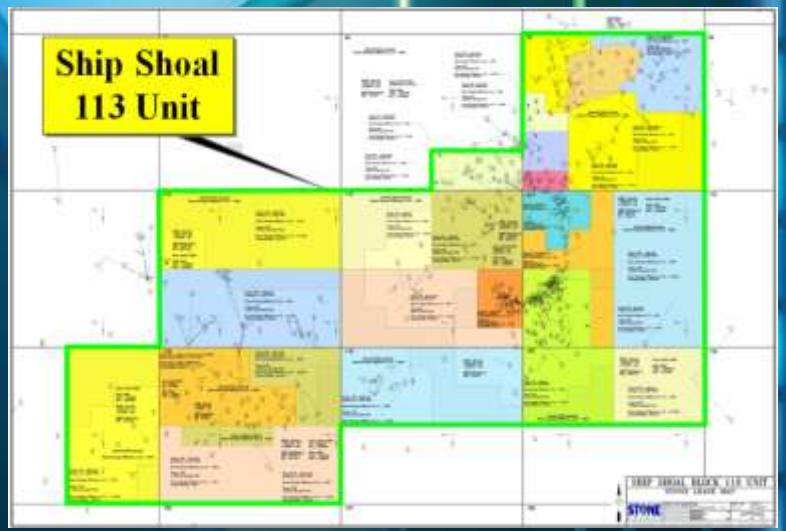
- **Prospective resources target ~500,000 Boe**

Ship Shoal 113 Results

- Successfully increased production rate 2000 Boe/d to 7000 Boe/d
- 3 wells remaining to drill in 2012
- 20 project leads in the SS 113 area
- Prospective resources of 250,000-500,000 boe per prospect

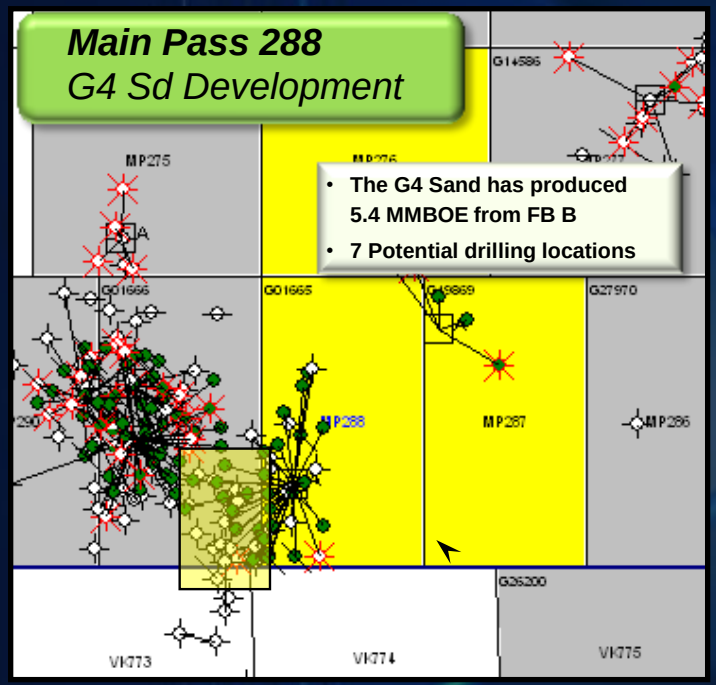






Sustainable Conventional Shelf Projects

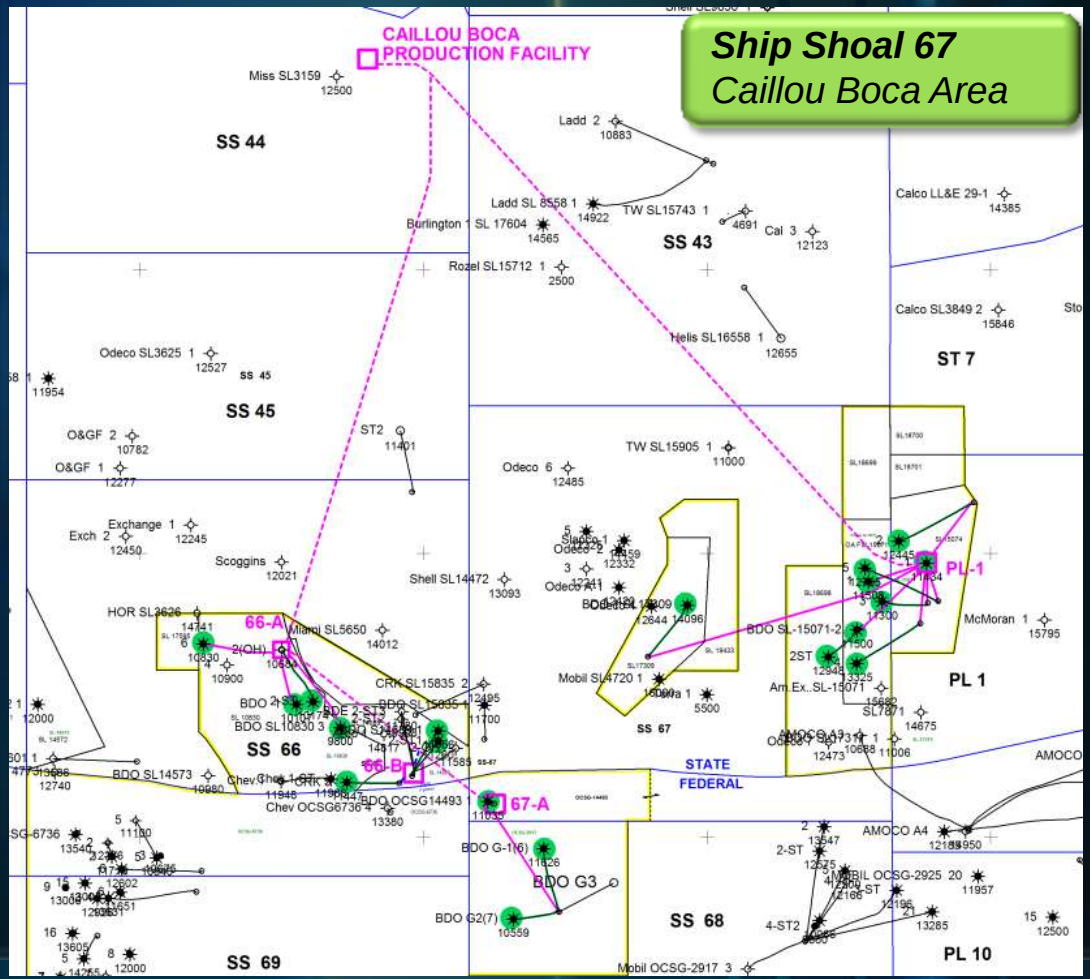
Main Pass 288
G4 Sd Development

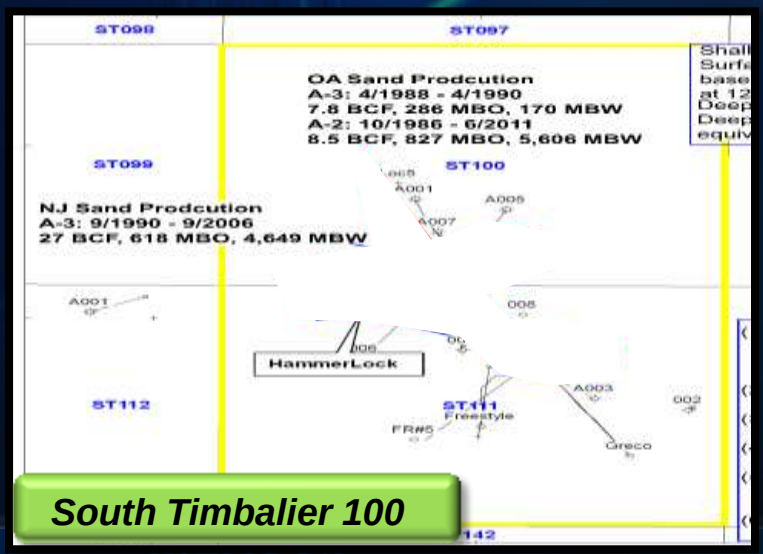


- The G4 Sand has produced 5.4 MMBOE from FB B
- 7 Potential drilling locations

- ***Oil development targets***
- ***Expect high probability of success***
- ***Existing infrastructure***

Ship Shoal 67
Caillou Boca Area

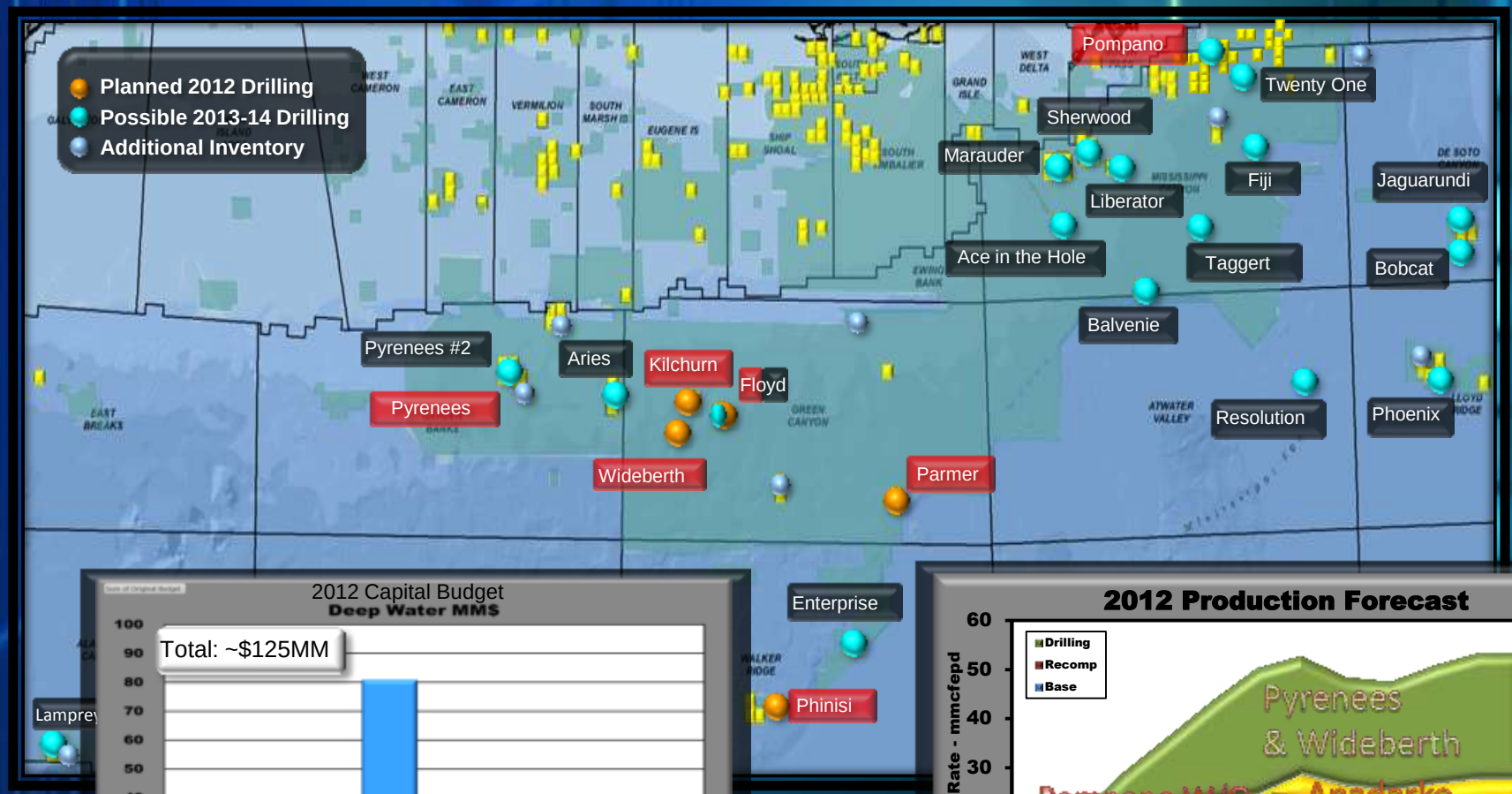




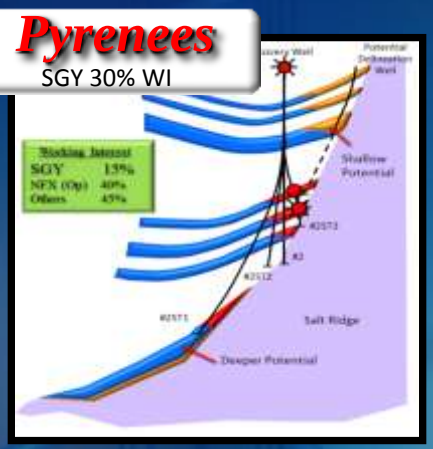
South Timbalier 100

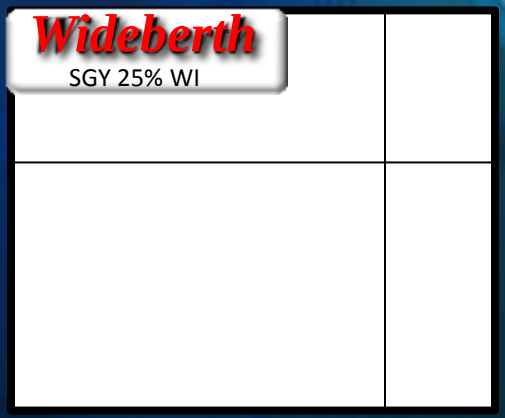
Deep Water

Strategy: Acquire projects with near-term production, appraise discoveries and participate in large scale exploration prospects



Deep Water Highlights





Highlights

- Took over operations at Pompano March 1, 2012
- Signed PSA with Anadarko on their 25% interest in Pompano (~$ 50 MM for ~5.6 MMboe)
- Achieved initial production at Pyrenees(30%WI)
  - 31MMcf/d, 2200Bc/d
- Achieved initial production at Wideberth(25%WI)
  - 35MMcf/d, 3200Bc/d
- Marketed 15% WI at Parmer
- Spud Parmer in mid May

Outlook

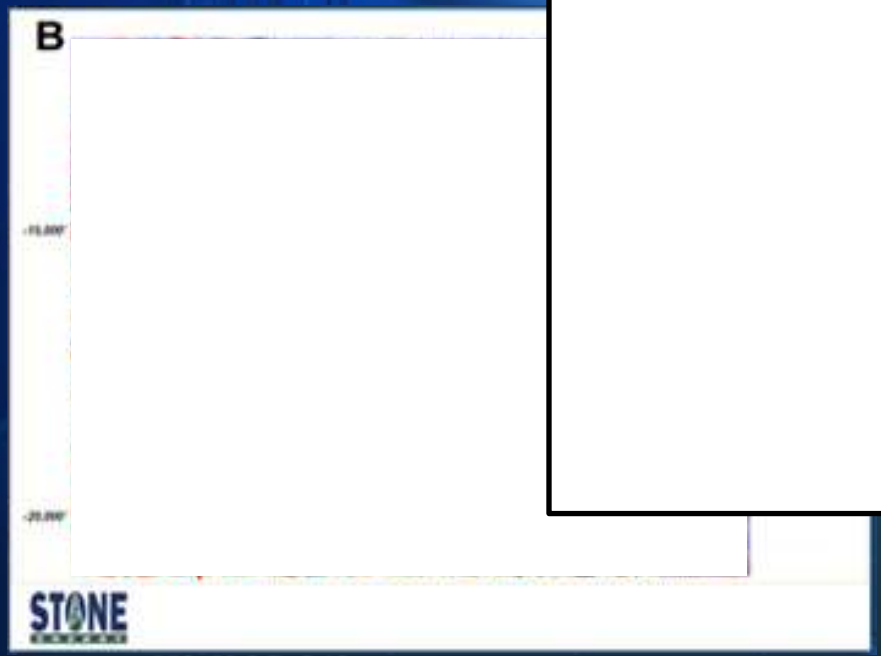
- Finish drilling Parmer well and ST
- Mature 2013 platform drilling program at Pompano
  - Sign Rig Contract mid year
- Mature 2014 floater drilling program at Pompano
  - Sign Rig Contract by year end

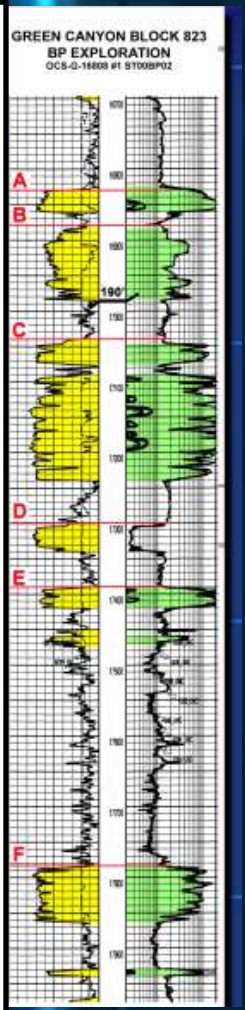
Parmer Prospect

Project Plans

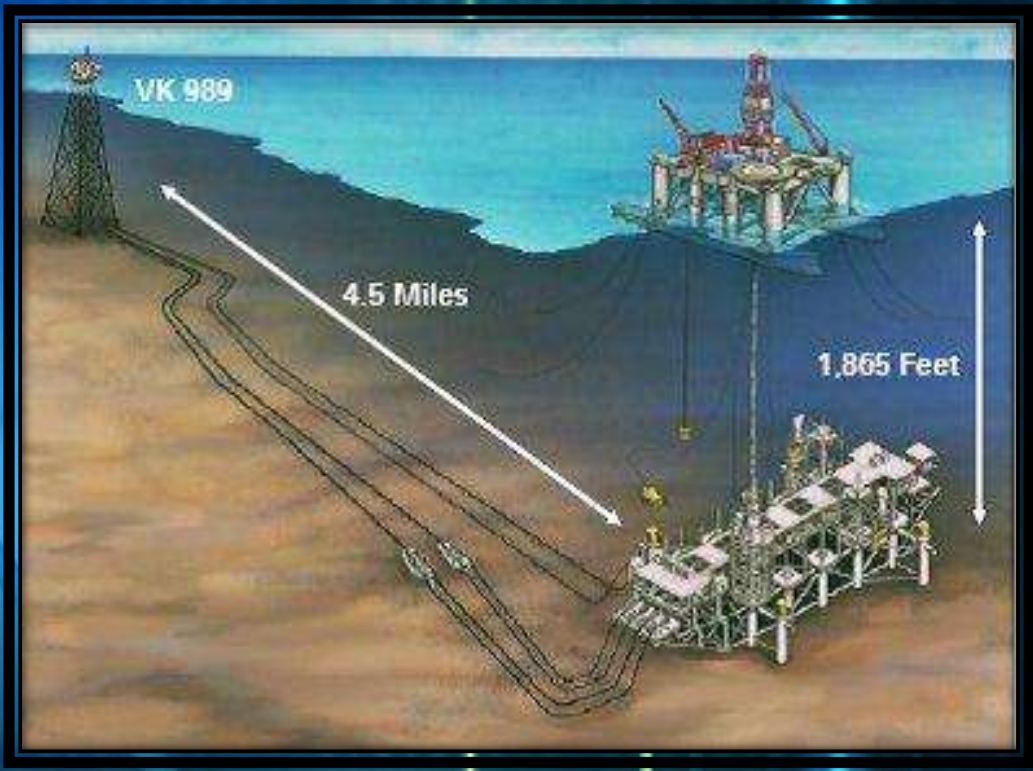
- 3 penetrations already on leases (8 pay zones encountered)
- One new well and a sidetrack
- Possible subsea tieback
- Up to 4-8 producing wells

Prospective Resource Potential
10 – 210 MMboe



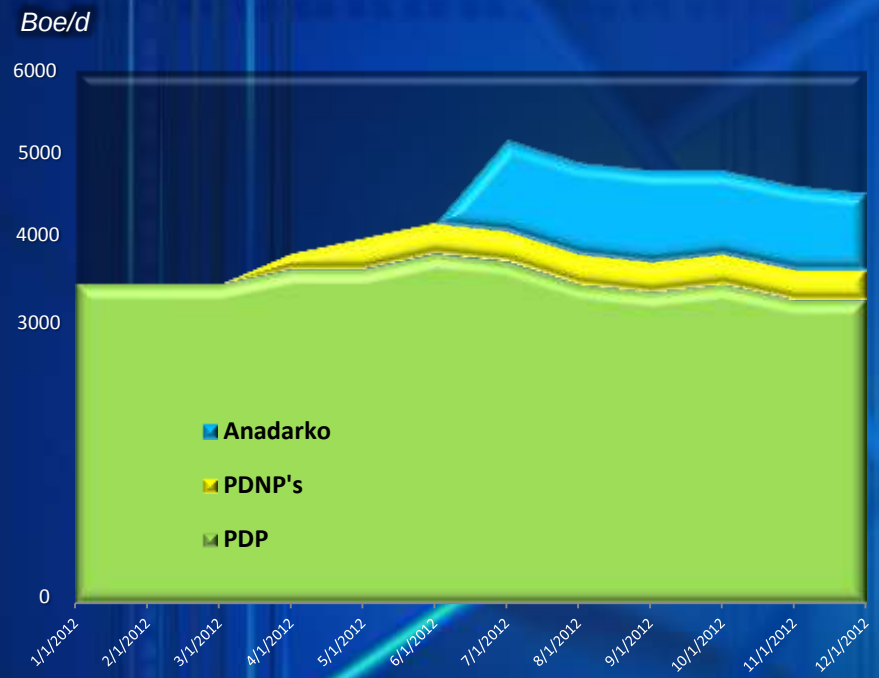


Pompano Facility



	Pompano (VK989)	Amberjack (MC109)
Processing Capacity	**60,000 BOPD /150 MMCFD**	22,000 BOPD / 30 MMCFD
# of Compressors (Total HP)	**4 Units (18,080 HP)**	3 Units (3,830 HP)
Generator Capacity	**8300 KW's**	3200 KW's

Pompano 2012 Production Forecast

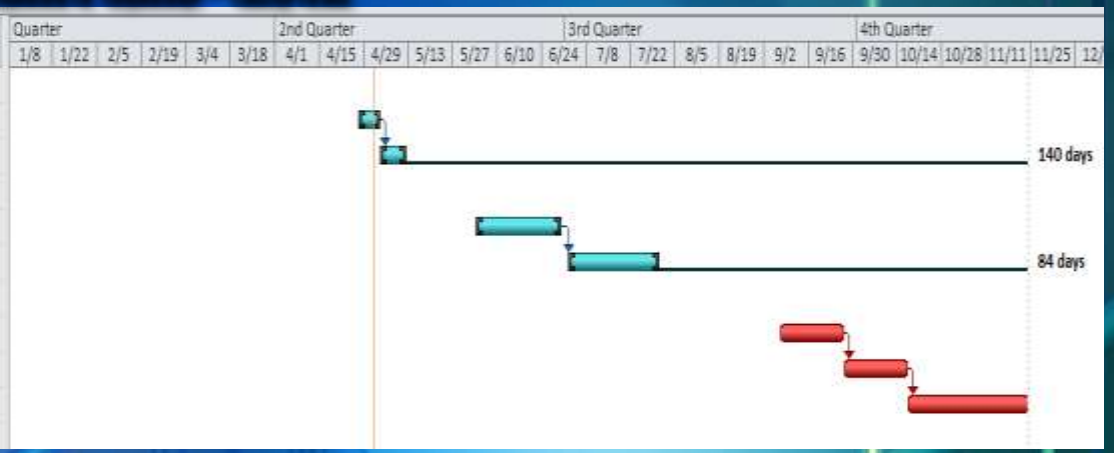


- **Completed operatorship transition 3/1/2012** (one month early)
- **Signed-up acquisition of Anadarko working interest**
  - Adds additional 1000 BOPD
- **LOE opportunities**

Pompano Update

Pompano Wellwork Plans - 2012

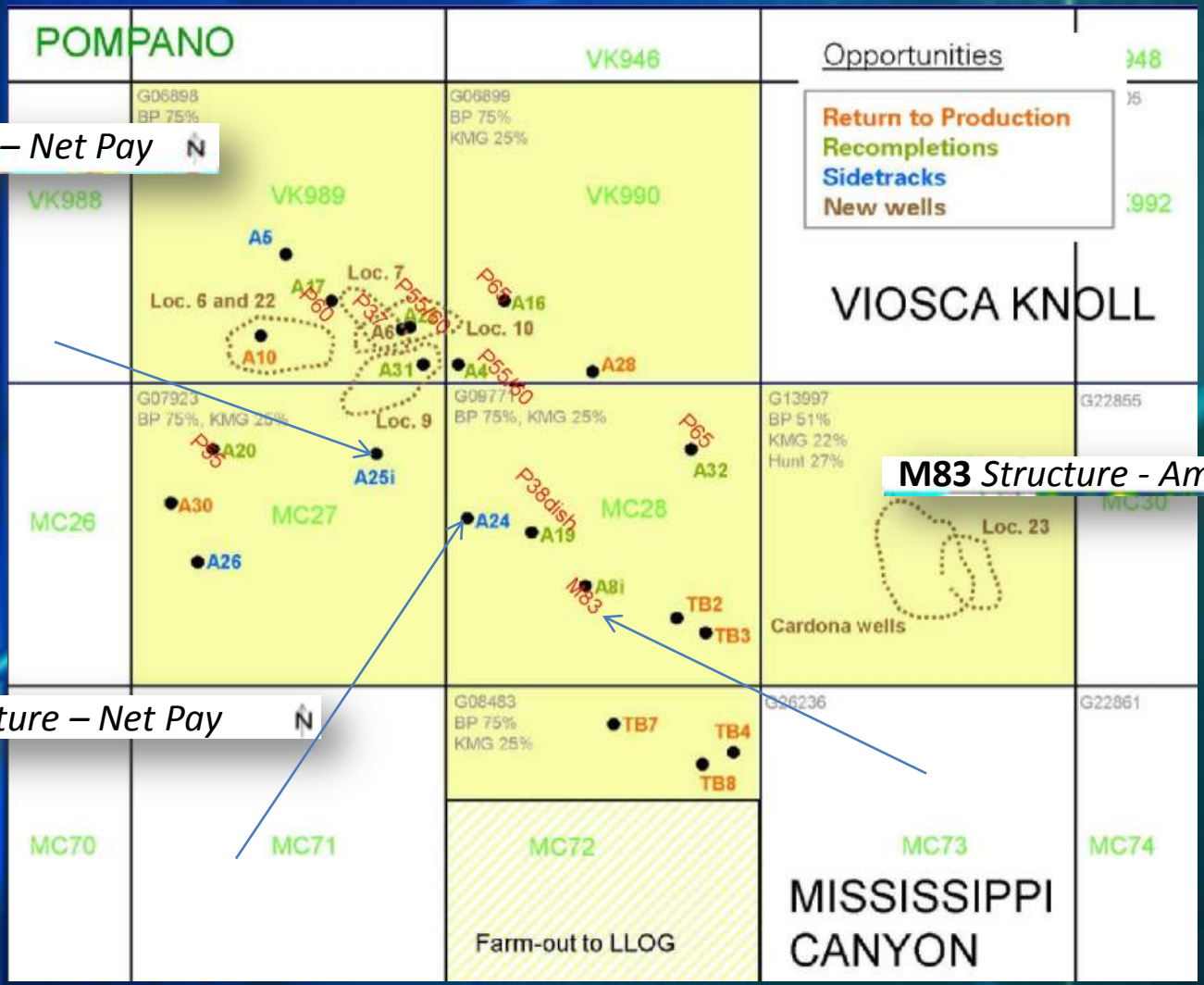
Name	Duration	Start
Dive Support Vessel		
TB-03 choke change	5 days	Fri 4/27/12
TB-05 choke change	6 days	Fri 5/4/12
HWO Unit		
A-17 HWO recomplete	21 days	Sun 6/3/12
A-19 HWO recomplete	21 days	Mon 7/2/12
Coil Tubing Unit		
A-5 CTCO	14 days	Fri 9/7/12
A-28 CTCO	14 days	Thu 9/27/12
A-10 HWO / CTCO *	28 days	ed 10/17/12



- **Commenced Sub Sea Intervention work on 3 wells**
  - 2 Successful with 300 BOPD add
  - 1 in progress
- **Hydraulic rig workover (HRWO) expected commencing in June**
- **Completed Major Maintenance work on compressor**
- **Reviewing Gas Lift Optimization Rate increases**
- **Coil tubing work planned after HRWO program**
- **Evaluating third party tie-ins for increased PHA fees**

Pompano Platform Prospects

P38A UTP *Structure – Net Pay*

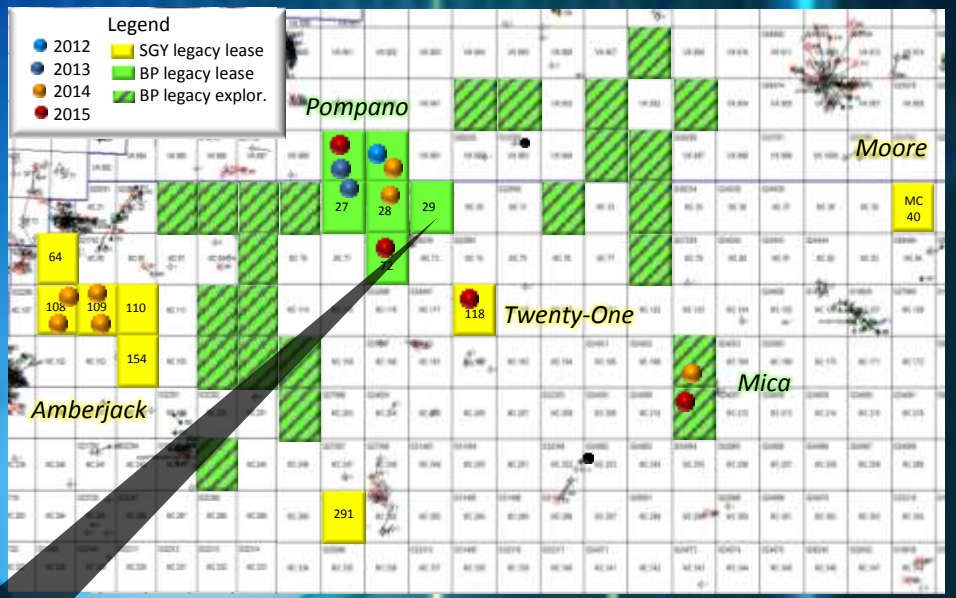


M83 *Structure - Amplitudes* **#15 ST**

P38C UTP *Structure – Net Pay*

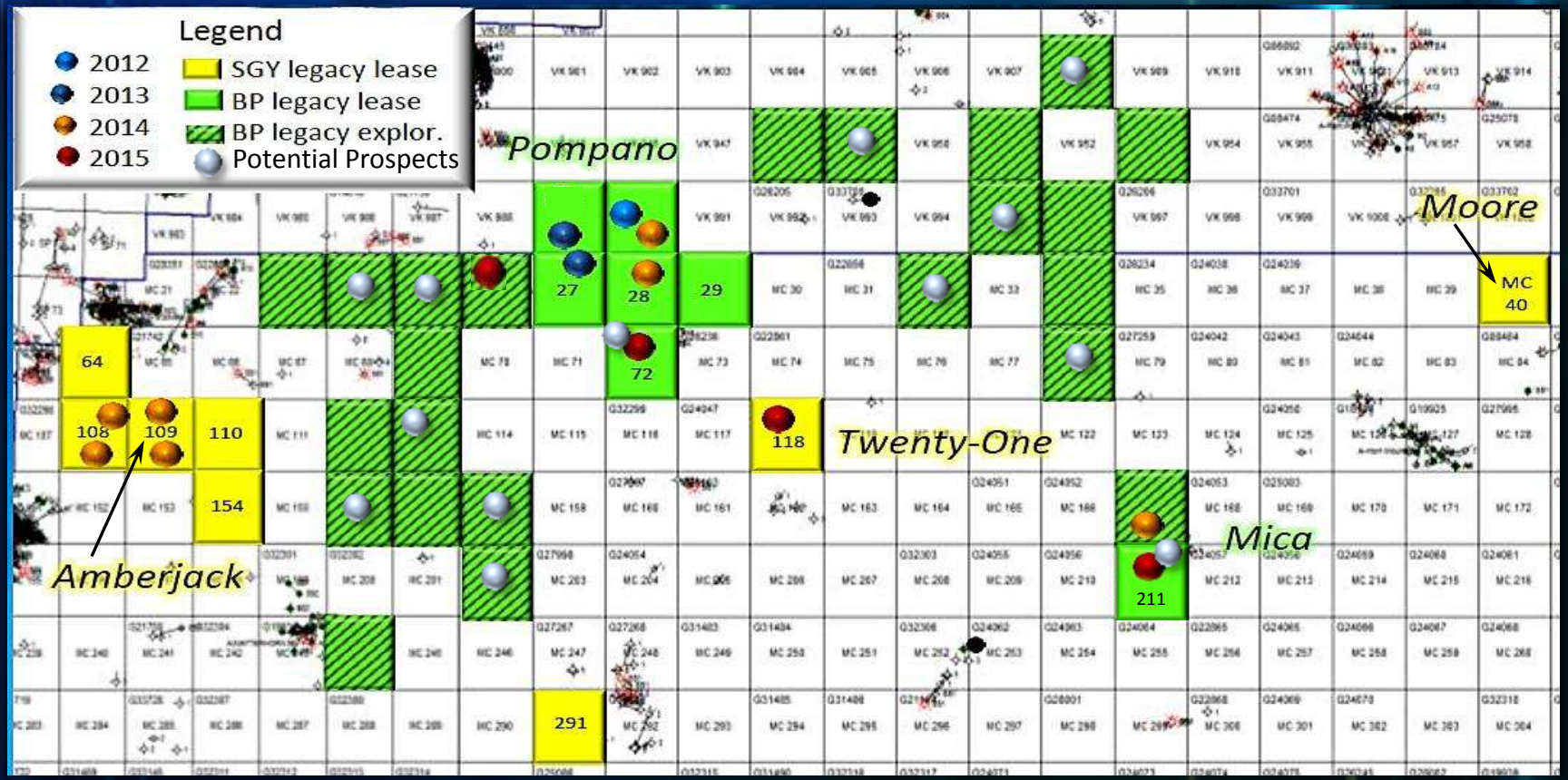
- **Prospective resource potential: 1-1.5 MMboe**

Floating Rig PUD's



- **Mississippi Canyon 29- Open water locations**
- **Expect 2014 spud**
- **Prospective resource potential 2-5 MMboe**

Pompano Exploration Prospects

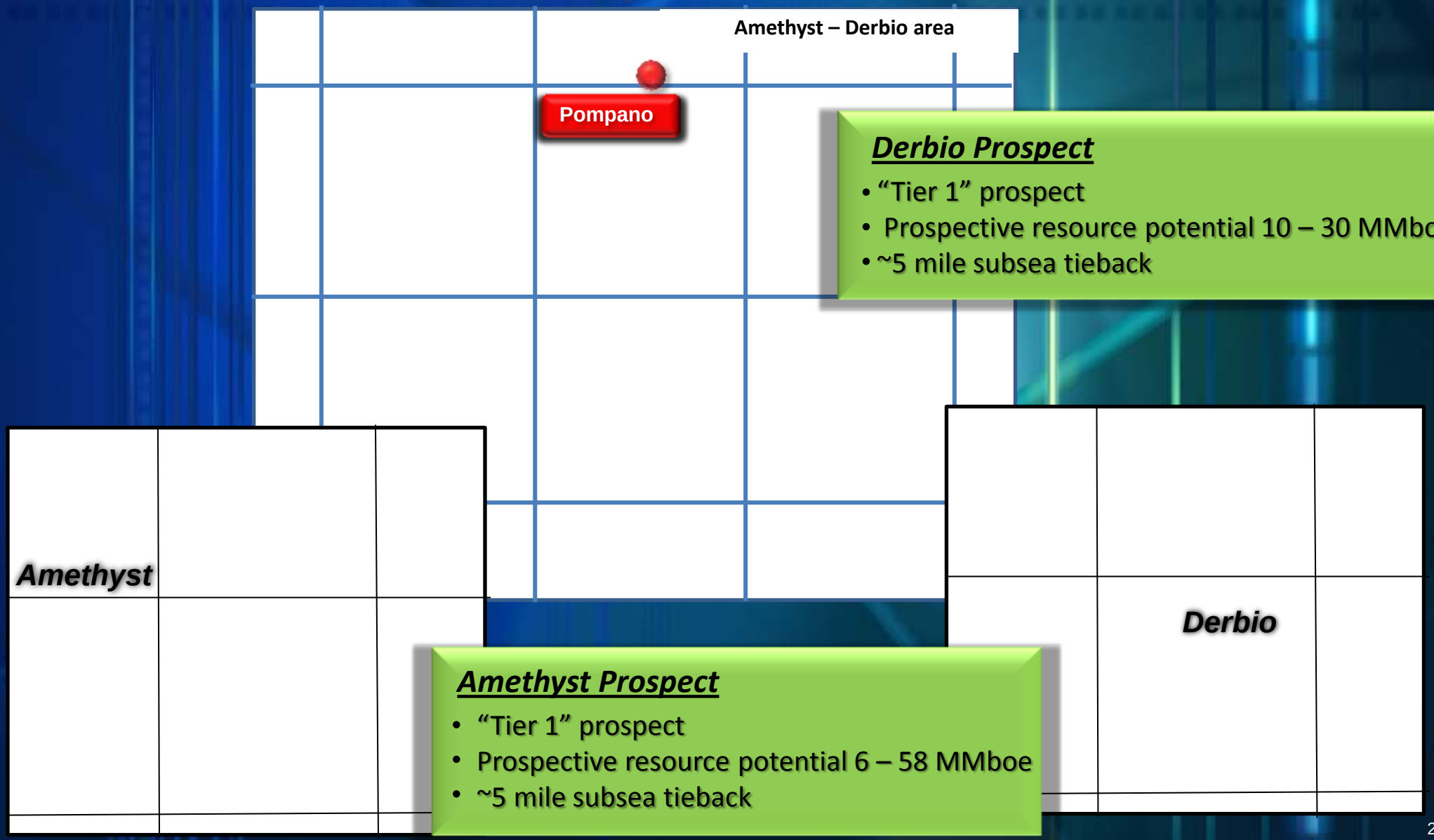


Pompano Area Exploration Assets

- 23 undeveloped exploration blocks w/ Pompano purchase
- SGY 75%, BP 25% current ownership
- Defined prospects (varying maturity)
- Multiple play types
- 2 proprietary 3D reprocessing projects (multiple volumes)

Pompano Area Prospects

Amethyst and Derbio



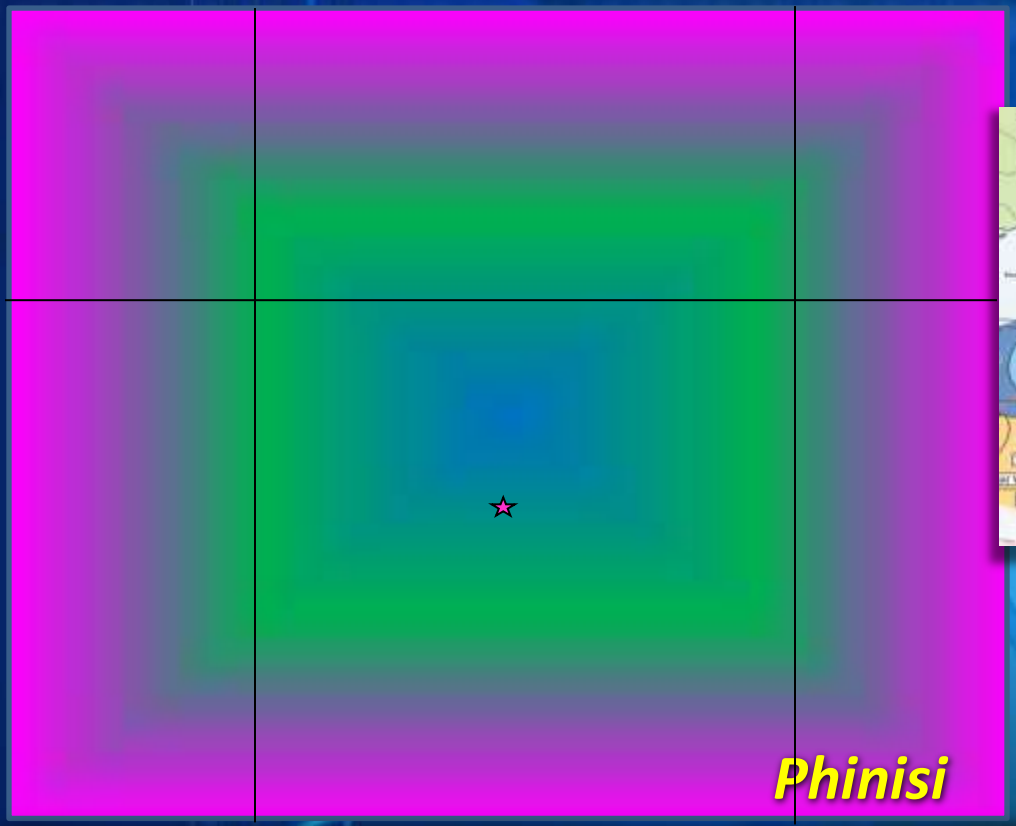
Derbio Prospect

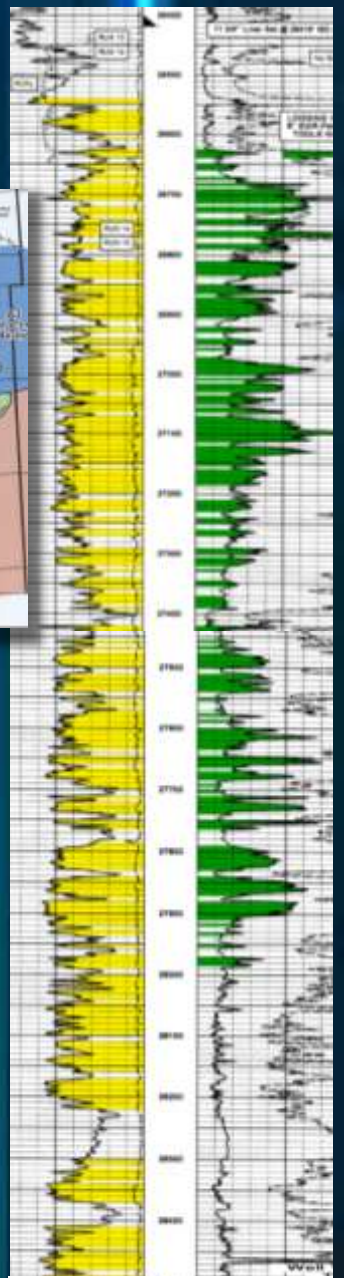
- "Tier 1" prospect
- Prospective resource potential 10 – 30 MMboe
- ~5 mile subsea tieback

Amethyst Prospect

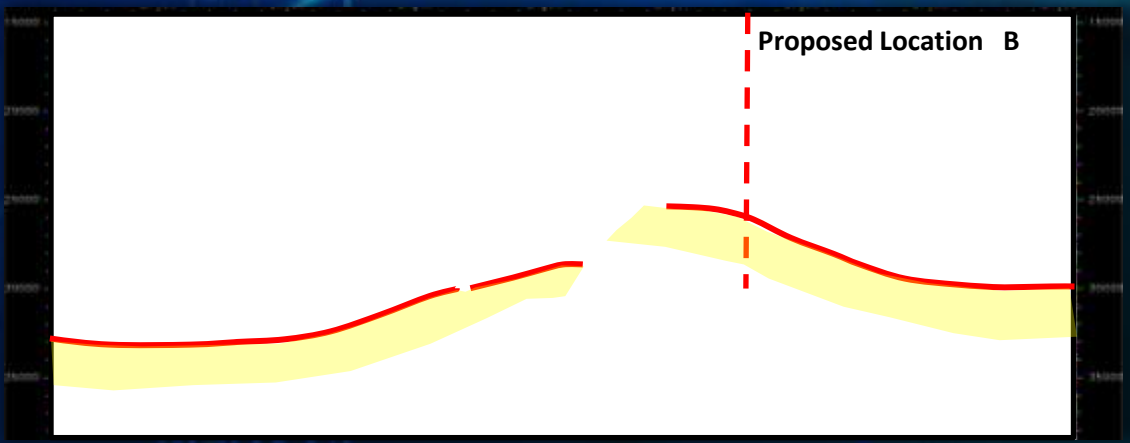
- "Tier 1" prospect
- Prospective resource potential 6 – 58 MMboe
- ~5 mile subsea tieback

Phinisi Prospect





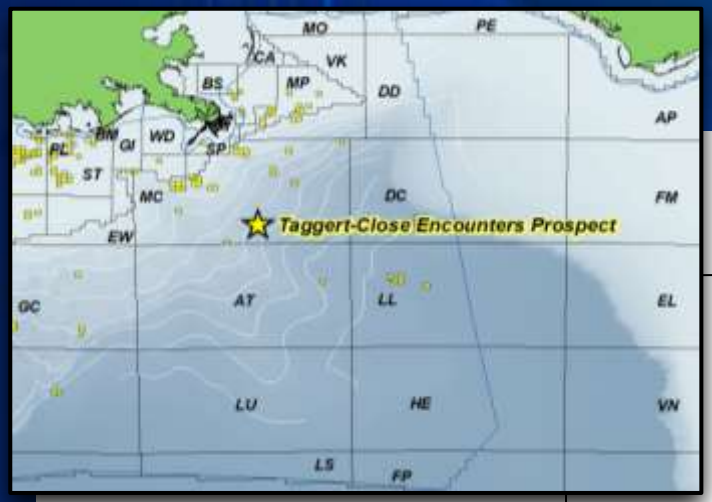
Analog well: WR 678 #2



Phinisi Prospect

- On successful trend
- Late 2012 drill plan
- Adjacent to JSM semi
- SGY WI = 20%

Taggert Prospect



MC728

MC729

Triton

Devils Tower

Goldfinger

MC771

MC773

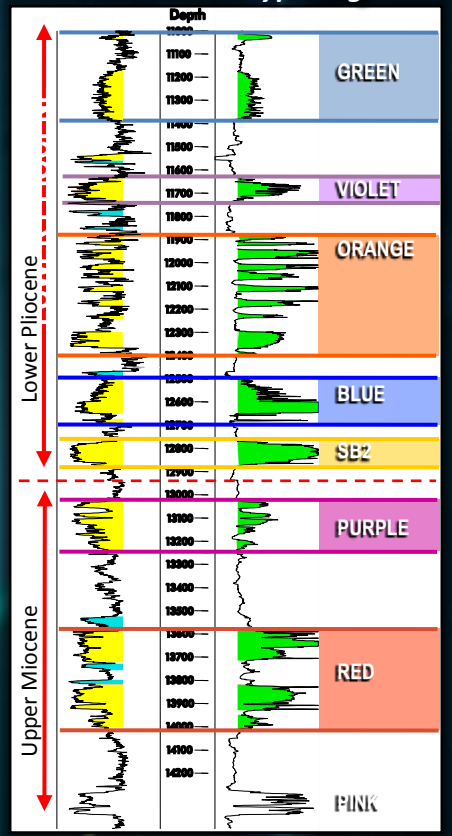
MC815

MC816

Anvil

Taggert

Devils Tower Type Log

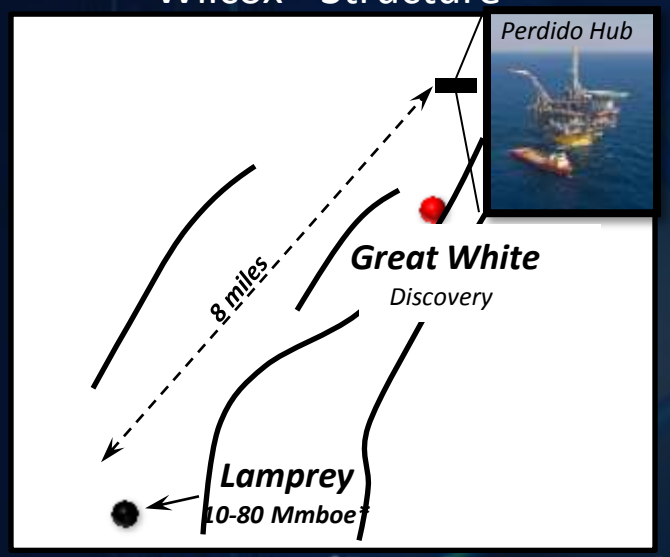


Taggert Prospect

- High Ps, AA-supported
- 2013 drill plan
- Subsea tieback to DT
- SGY WI = 23%

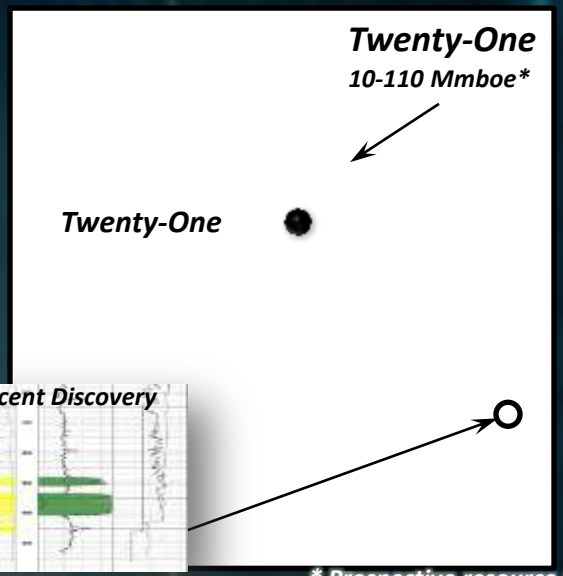
Other Deep Water Prospects

Lamprey
Wilcox - Structure



* Prospective resource potential

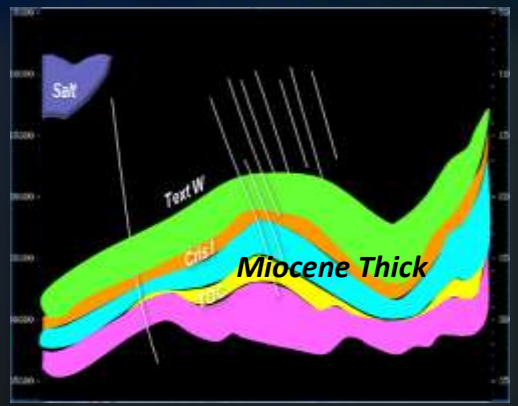
Twenty-One
Cris I - Structure



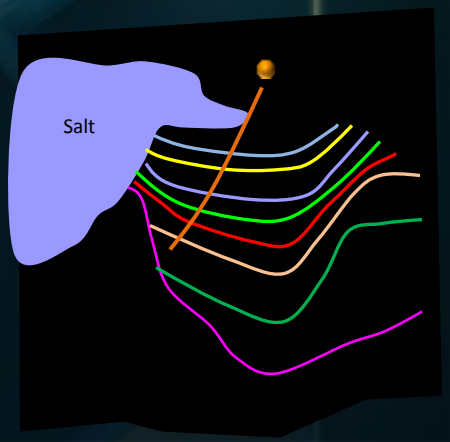
* Prospective resource potential

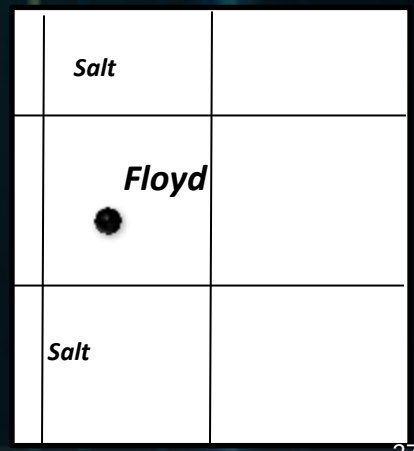
Marauder
Cross Section

Thunder Horse
Cross Section



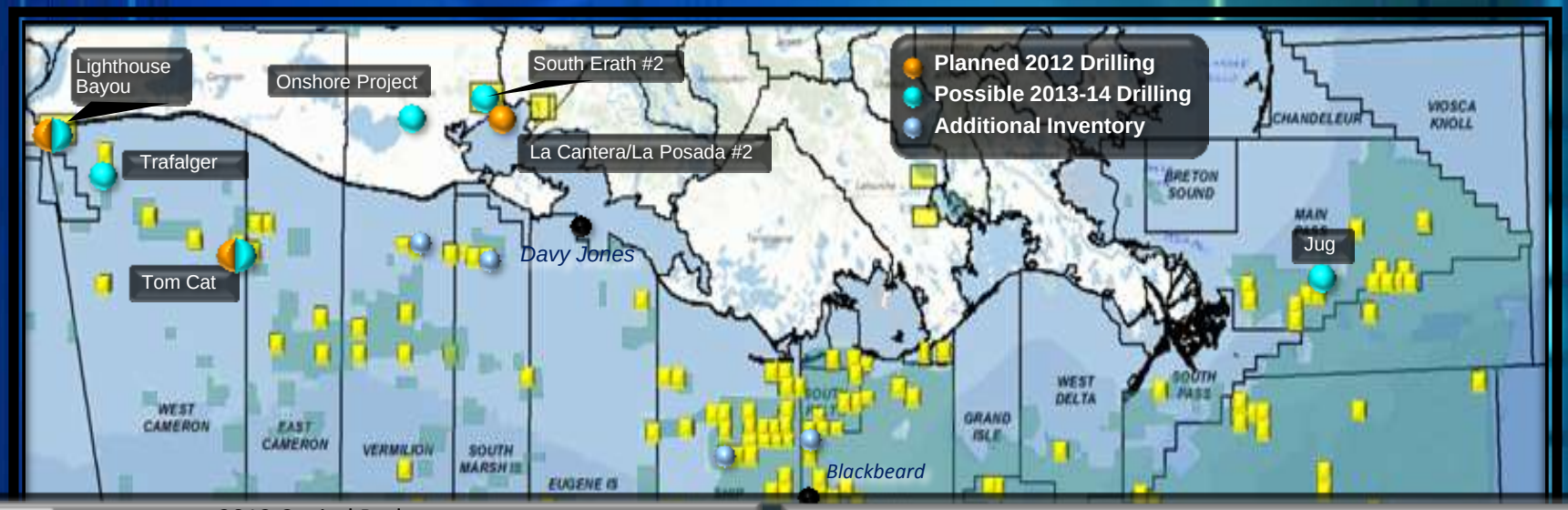
Floyd
Miocene – Cross Section/Structure

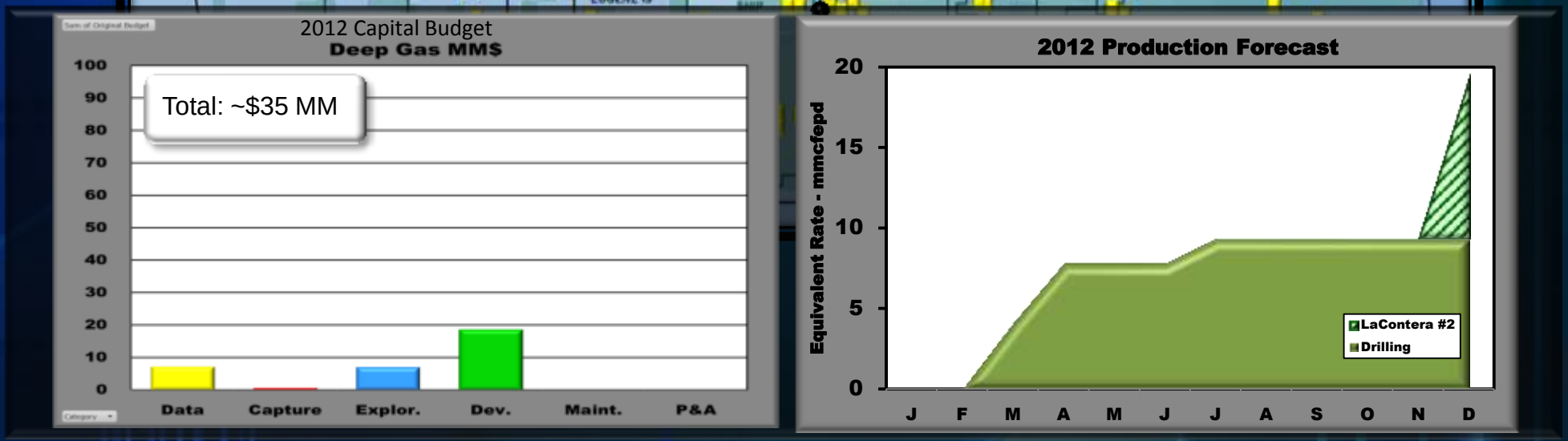




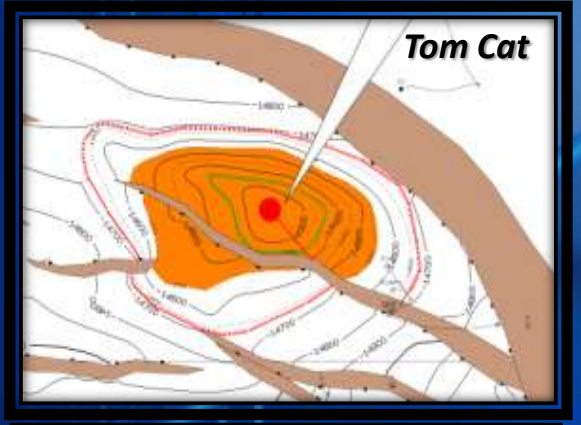
Deep Gas

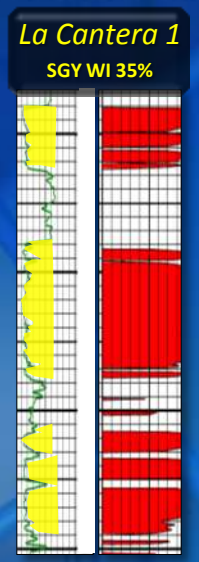
Strategy: Grow liquids rich gas reserves and production through exploration





Deep Gas Highlights





Highlights

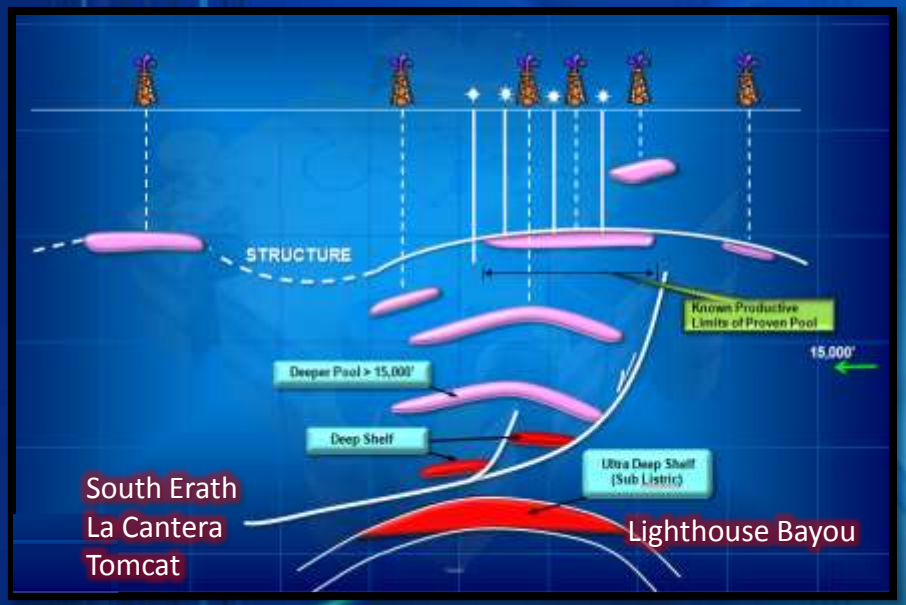
- La Cantera/LaPosada:(34.5%WI)
  - First well producing; 27MMcf/d, 1500Bc/d
  - Spud second well March 2012; possible 4Q12 production
- South Erath Discovery:
  - First well producing: 4.2 MMcf/d, 42 Bc/d
  - Joined partners in 3D seismic shoot (Delineation & Deeper Exploration)
- Expects to join two more exploration wells (2013)

Outlook

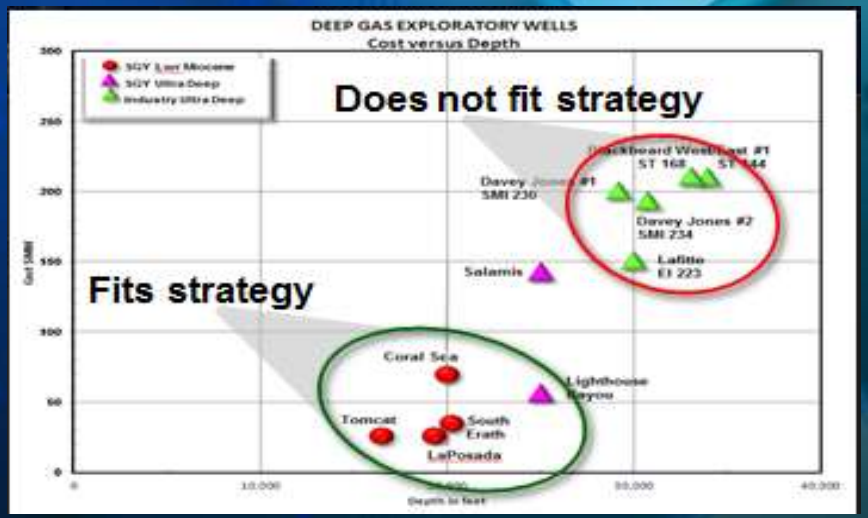
- Interpret South Erath data
- Permit & contract rig for 2013
- Explore for more prospects on SGY's 3D seismic database
- Assess farm-in opportunities
- Lighthouse Bayou deepening deferred

Deep Gas Strategy

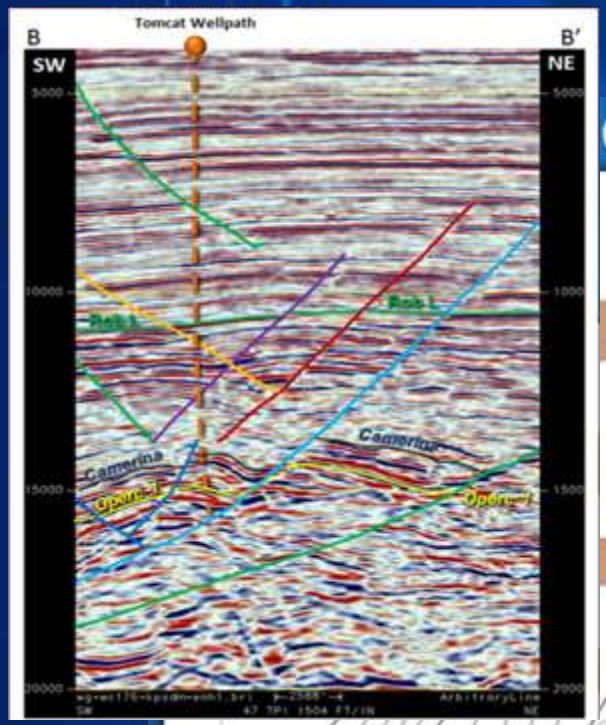
Shelf Drillwell Categories



GOM Opportunity Base

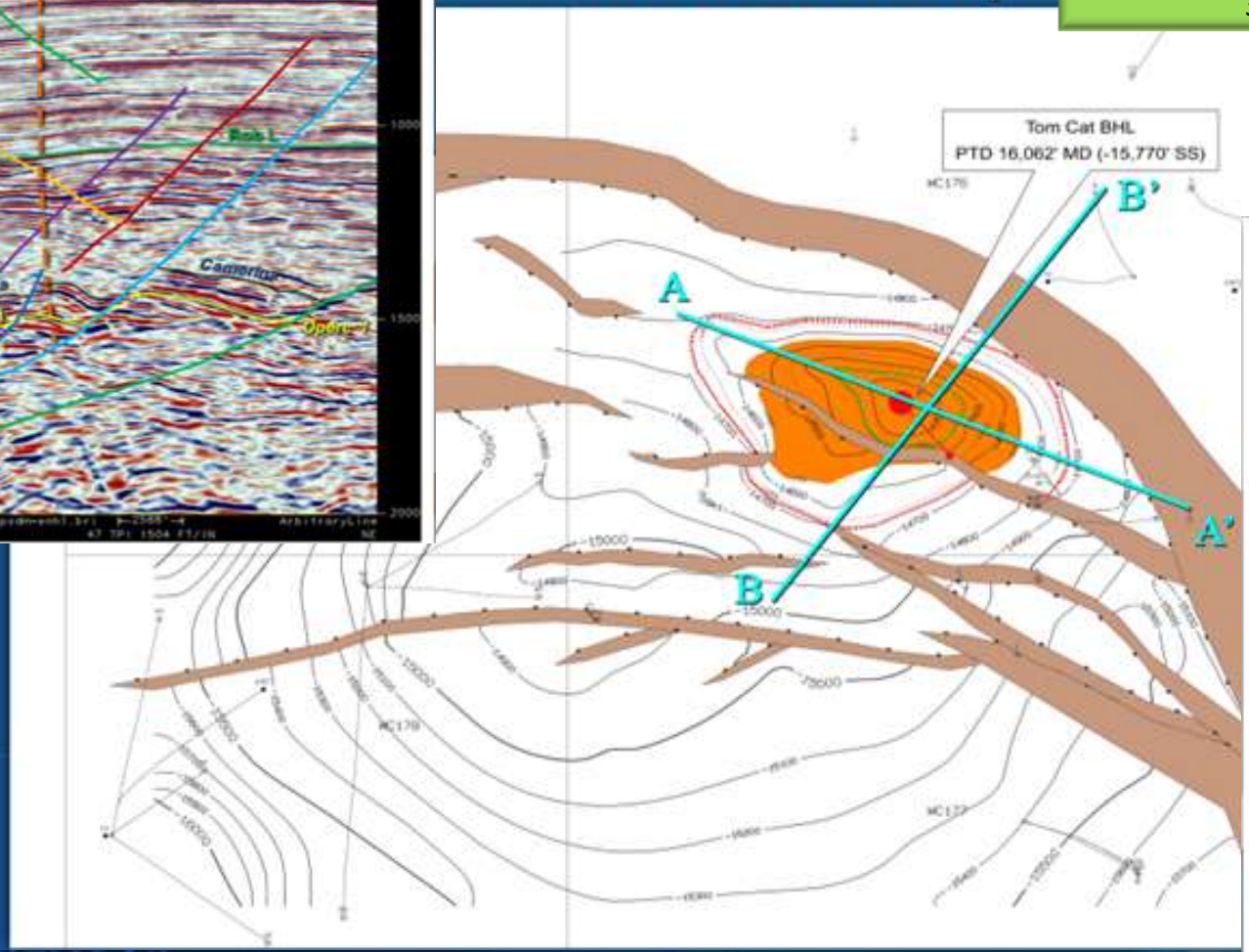


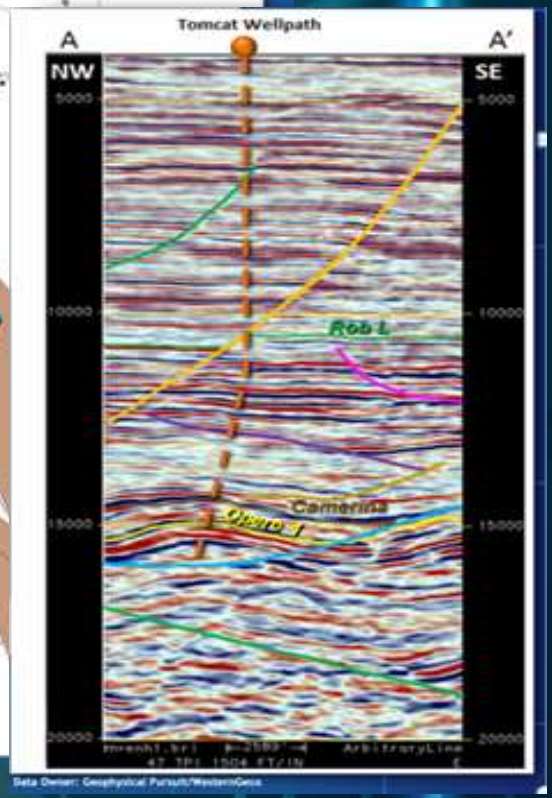
Tom Cat Prospect



Camerina Structure Map

Prospective Resource Potential
30 – 260 Bcfe





Appalachian Basin – Marcellus Shale Play

Strategy: Profitably grow liquids rich gas reserves and rate

Appalachian Overview

80,000 +/- Net Acres Leasehold
YE 2011 Est. Proved Reserves = 170 BCFE
Current Net Production Rate 35 MMcfe/d
- (28 MMcf gas/7 MMcfe liquids)
Drilled 50 Marcellus Horizontals to date
17 wells currently producing

2012 Planned Activity:

- Focus on Mary, Heather Prospects
- Capital Budget $199 MM
- Drill 25 horizontal wells
- Frac 25 well laterals
- 2012 Forecast:
  - 45 MMcfde Annualized Production
  - Exit rate ~60 MMcfe/d net
  - Maximize production
- Optimize reserve growth

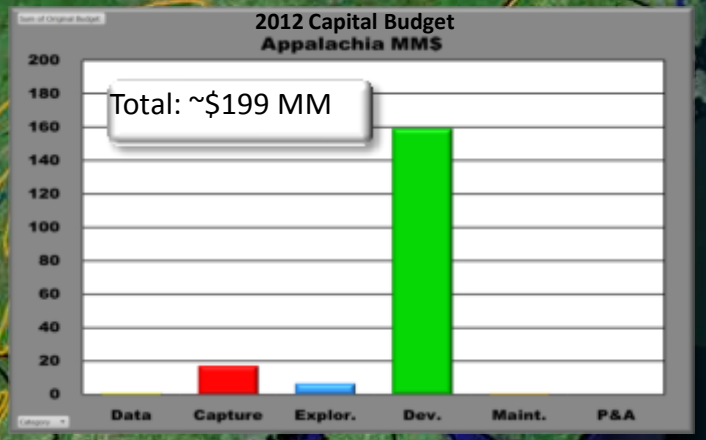
• ~ 12,000 net acres
Katie
Andie/Josie

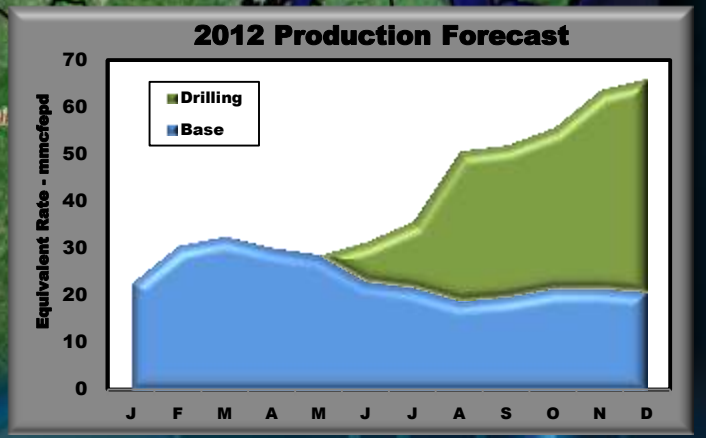
• ~ 31,000 net acres
Christine

Mary
• ~ 24,000 net acres
14H
11H

Buddy/Tanner
• ~ 10,000 net acres

Heather
• ~ 6,000 net acres





Mary Field

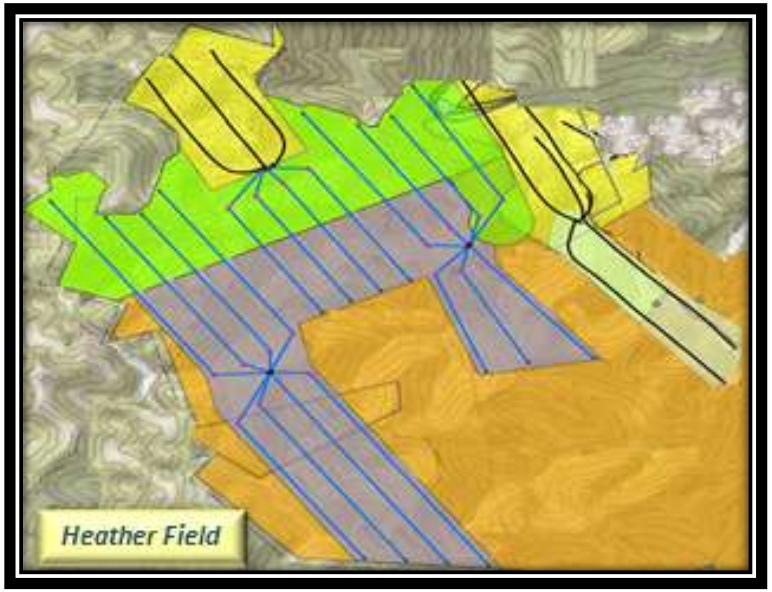
Mary Prospect Area Highlights:

- Condensate and NGL yields higher than forecasted and holding steady at ~70 Bbl and ~50 Bbl per MMcf gas, respectively

- Integrated Fresh Water/Produced Water Piping System and Gas/Condensate Handling Facilities throughout operating area

- Caiman (Williams) Pipeline dedication :
  - Gas: firm capacity for “all gas produced from the Dedicated Area”
  - Condensate: (short-term) blow cases – operational 4000 BPD
    (mid-term) pumps/boosters 8000 BPD
    (long-term) increase line size

Heather Field



Heather Prospect Area Highlights:

- Executed 50/50 JV with Triad Hunter in 2011 to allow efficient development of ~2000 acres:
  - SGY named operator of JDA
  - Increased SGY net reserves
  - Secured takeaway capacity on Eureka Hunter Pipeline and NGL processing from MarkWest (Mobley Plant)
  - Currently drilling MW Pad 1 and MW Pad 2 (11 wells)

- JV enhanced value for both parties. SGY has executed or is negotiating other such JV's in Mary, Buddy, Katie and Christine Prospects

Christine Prospect Area Highlights:

- SGY holds 31K net acres, long term leases
- SGY drilled 2 Marcellus Shale wells:
  - liquids rich gas (1225 Btu content)
- Geologic assessment currently underway:
  - Structurally complex
- Pipeline and NGL Processing - EQT, Williams installing facilities to increase takeaway capacity

Katie Prospect Area Highlights:

- All company operated, SGY has 70% WI
- Current production rate @ 3 Mcf/d net from 2 Marcellus wells – short laterals, curtailed production
- SGY owns 6.5-mile, 8” pipeline to TGP
- Recent acreage trades with Talisman and Cabot consolidated leasehold

Appalachia 2012 Focus

- Increase Operational Efficiencies while maximizing production rate and optimizing reserves in liquids rich areas
- Pad Drilling – 8 to 10 laterals from same pad, where possible
- Drilling longer laterals and decreasing frac stage spacing, while reducing D&C capital
- Implemented fresh water/produced water handling and recycling facilities to reduce water transport costs and minimize truck traffic
- Reduce cycle time from spud to turn-in line date
- Lessons Learned on Nice pad resulted in “ventless” simultaneous operations during flowback to allow multiple operations in a safe work environment
- Testing XE Shale Fluid – a “cleaner”, non-damaging frac fluid that allows for larger mesh sand to achieve higher near wellbore fracture conductivity

Appalachia 2012 Efficiencies

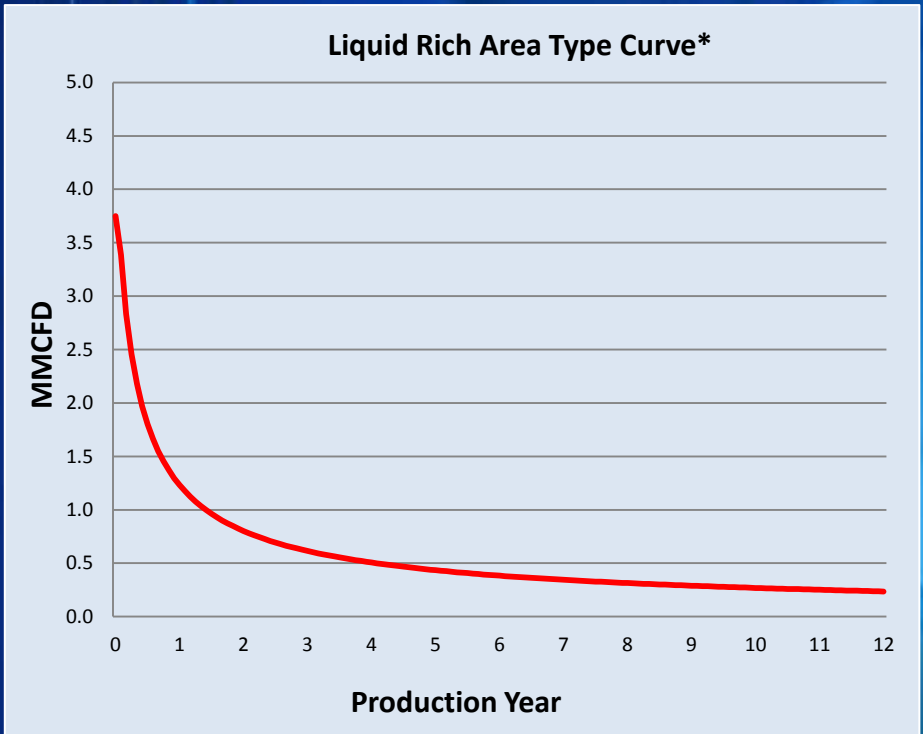
Operational Efficiency Metrics:

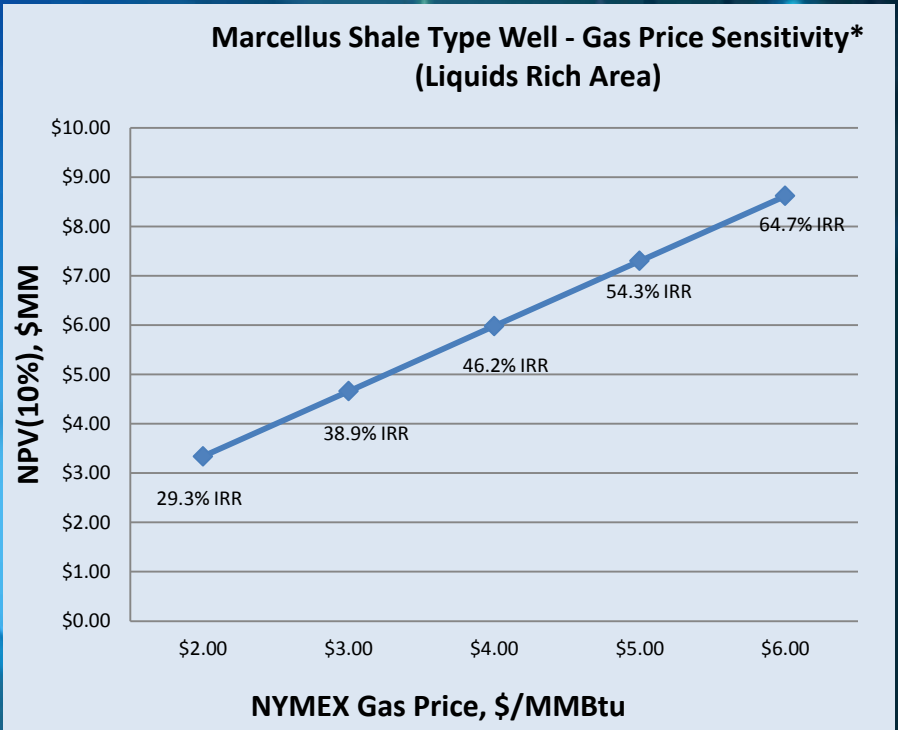
		2010	2011	2012Est
Drilling	Avg. Well Lateral Length, ft	3640	4460	5123
Drilling	Avg. Spacing b/n Laterals, ft	1000	750	750
Completions	Avg. Stages Pumped per day	1.4	2.1	2.8
Completions	Avg. Stage Interval, ft	400-450	300-350	250-300
Completions	Avg. # Stages per Well	10	12.5	16
Facilities	Facilities Installation Time, days	52	42	15
Operations	Pad, Drill & Complete Costs, MM$	$6.7	$6.5	$6.3


Pre-fab Wilson Facilities in Louisiana


Sim-Ops on Wilson Pad

Economic Sensitivities (Liquids Rich Marcellus)



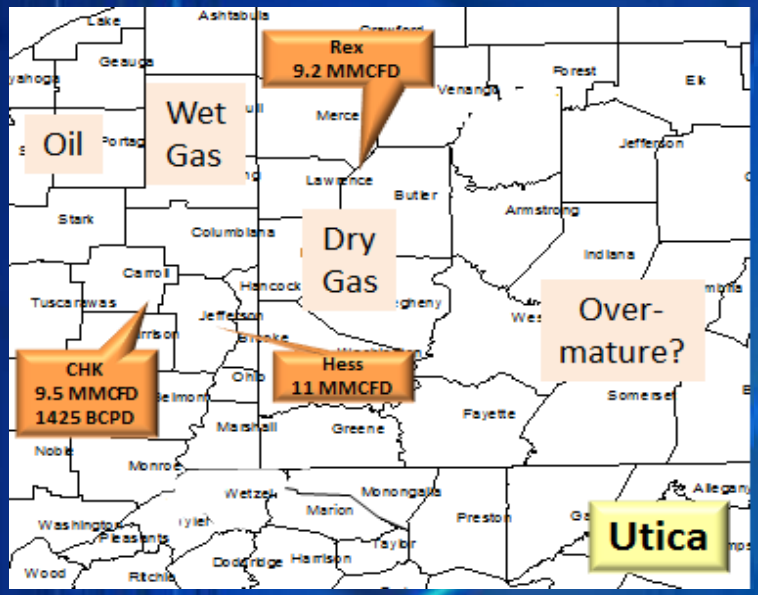


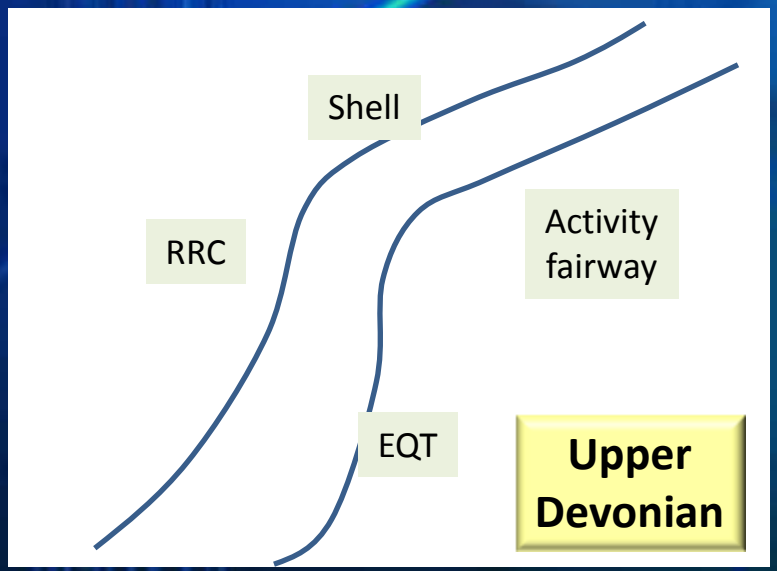
Assumptions:

- Type Well IP = 3.8 MMcf/d, 1260 Btu Factor at wellhead
- Type Well EUR = 3.6 BCF gas, 5.8 BCFe
- Condensate Price = $70.25/BBl, NGL Price = $45.02/BBl
- All product Prices held constant for life of well (40 yrs)
- CAPEX = $6.3 MM for pad build, drilling and completion
- Net gas volumes include NGL shrink
- W.I. - 100%, NRI = 85.0%

** Based on production to date for Mary Field*

Stacked Resource Potential





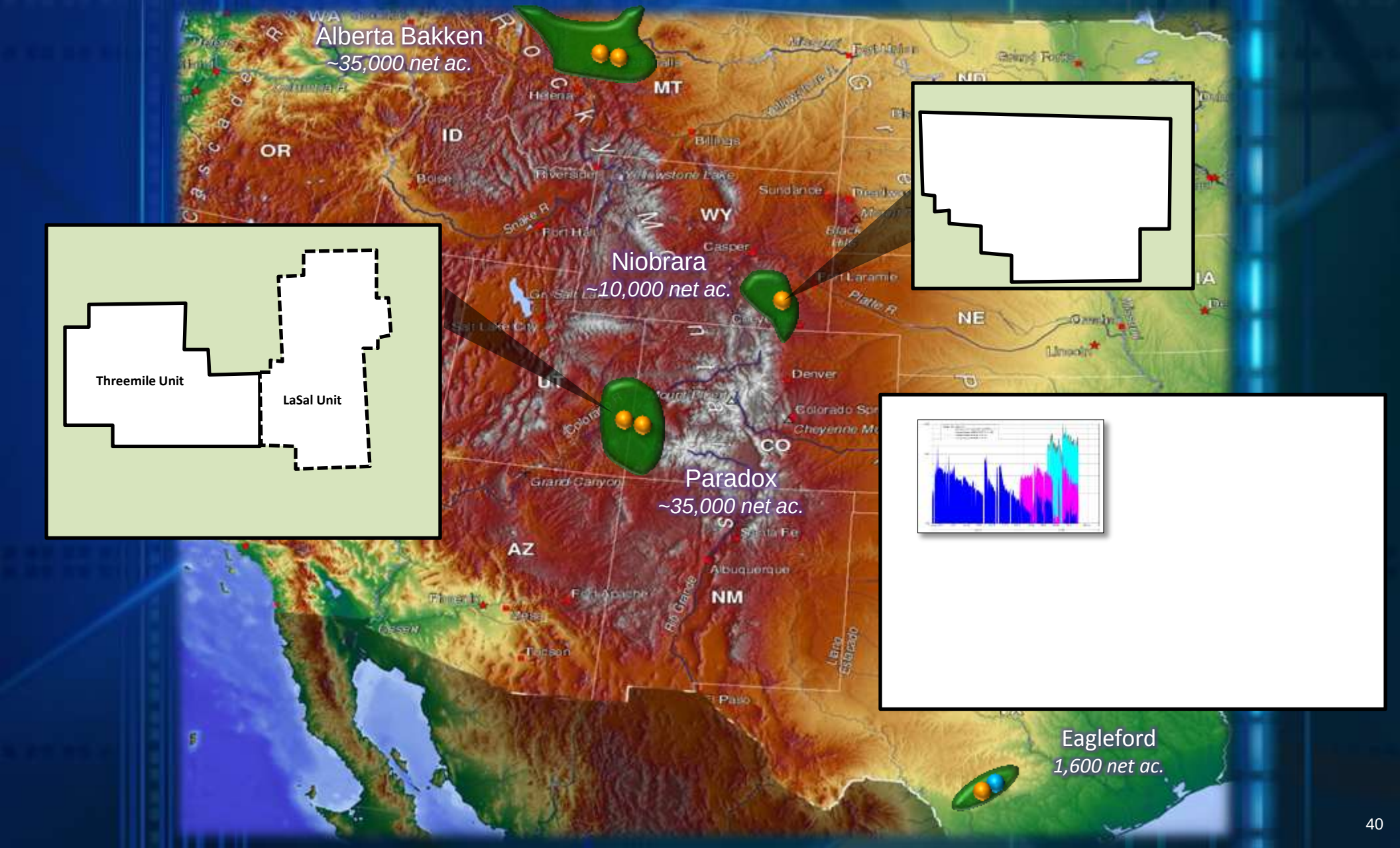
Utica Shale:

- Consists of 3 distinct regions
- All of Stone's leasehold within dry gas window
- Lies ~4000' deeper than Marcellus

Upper Devonian:

- Consists of 3 distinct shale zones
  - Geneseo, Middlesex and Rhinestreet
  - Lies just above the Marcellus
  - Thermal maturities believed to be similar
- Range Resources reported 2 Upper Devonian test
  - IP 3.8, 4.7 BCFE EUR
  - Plans to drill 2 wells in 2012
- Other operators reporting plans to test during 2012
  - Shell, EQT, Anterro Resources
- Reviewing Ownership Rights of Utica Shale and Upper Devonian Shale in each Prospect Area

Business Development / Onshore Oil



3-Year Plan– Perspectives Linear Program

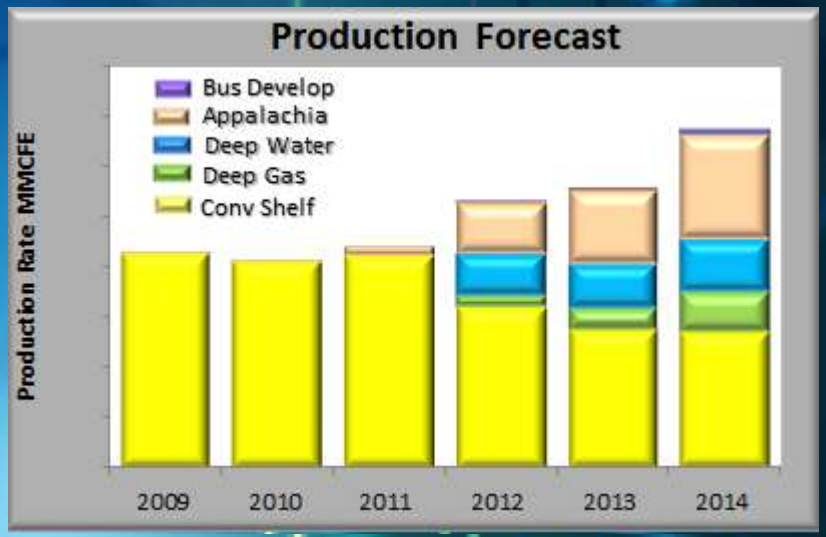
Base Assets with Geologic Opportunity Set

Imposed Constraints & Optimization Parameters

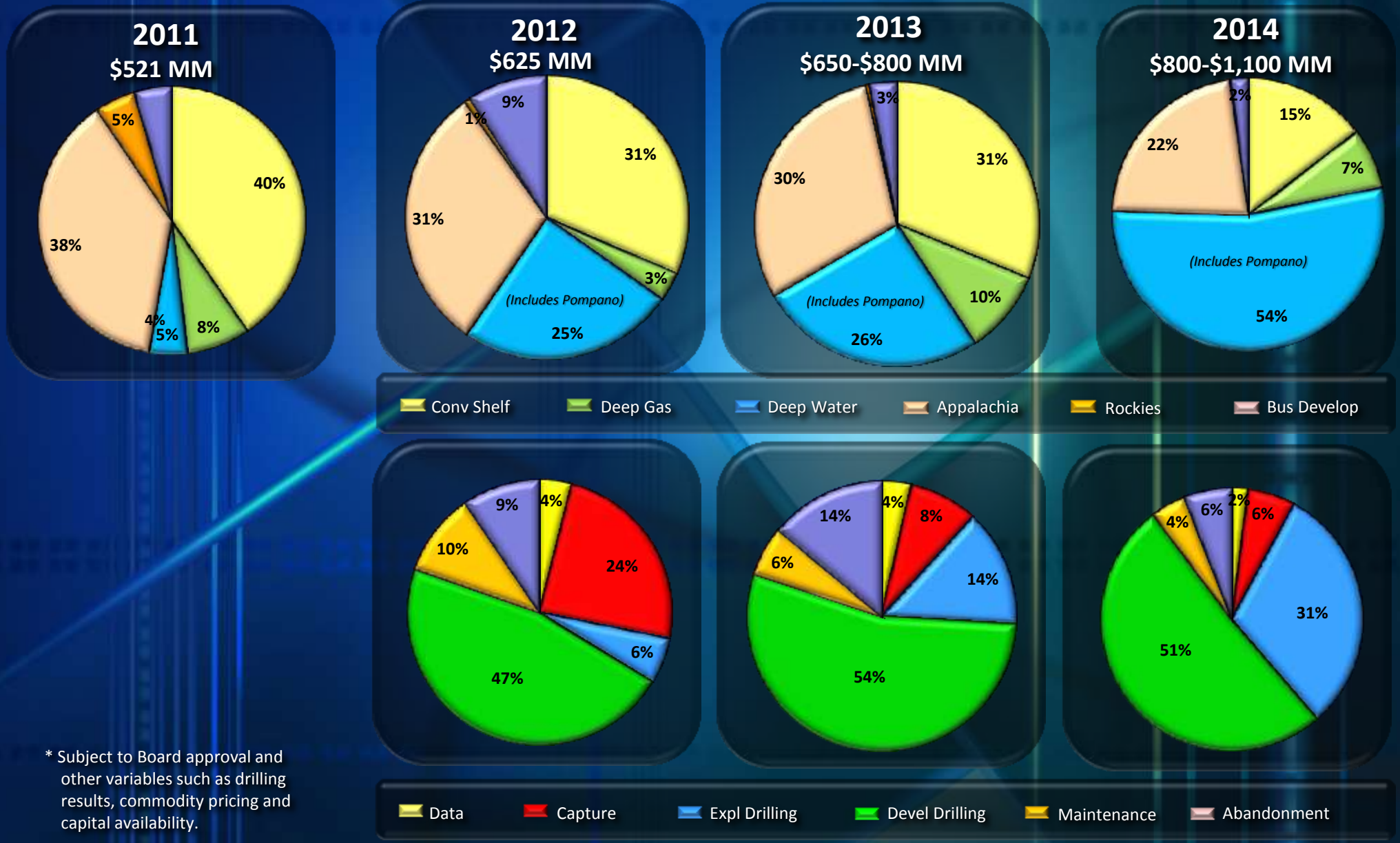
Model Optimization Results

Remove Surrogates & Insert Available Projects

3-Year Plan

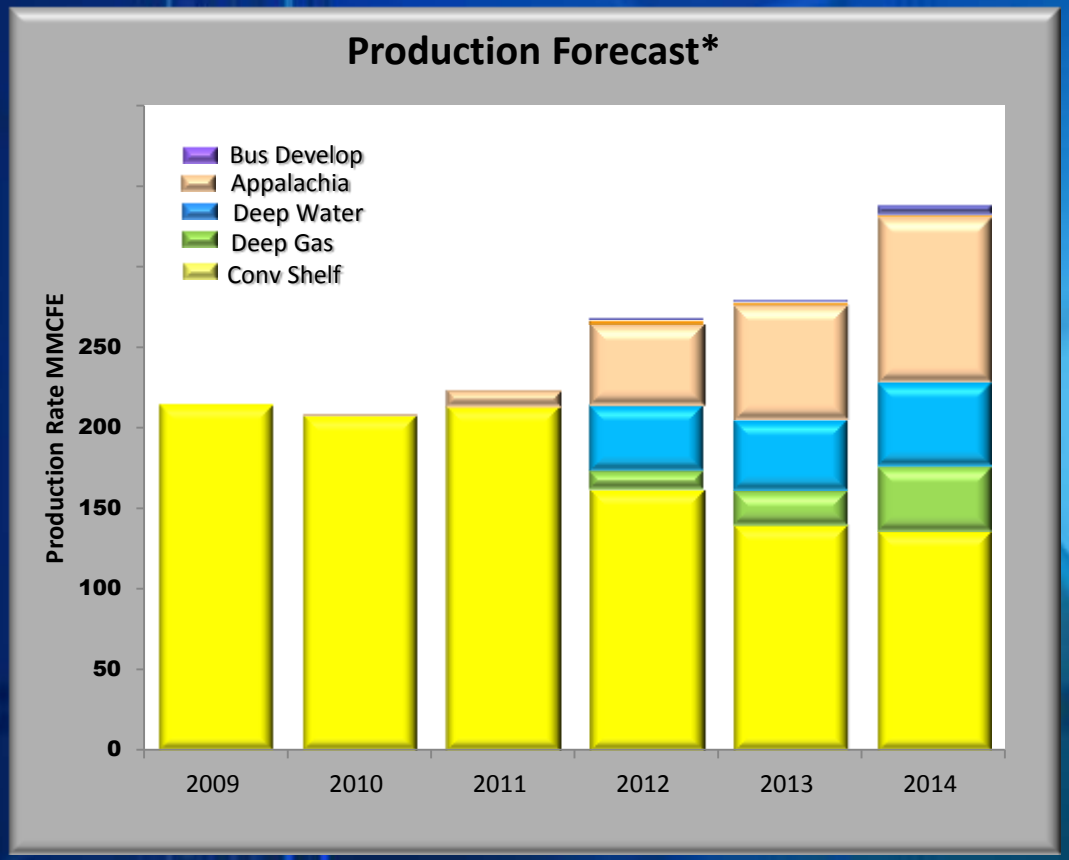


Projected Capital Allocation*



* Subject to Board approval and other variables such as drilling results, commodity pricing and capital availability.

3-Year Plan Forecast



* Subject to variables such as drilling results, commodity pricing and capital availability.

- Grow Est. Proved Reserves
- Grow Production Rate
- Diversify asset base
- Maintain Oil/Gas balance

Finance - Liquidity Update

- **Have $200+ million in cash**
- **Anadarko acquisition ~ $50 million – expect close before 6/30/12**
  (effective date of July 1, 2011)
- **Undrawn $400 million Borrowing Base**
  - Could have pushed for higher amount
- **Can re-visit Borrowing Base figure in September if there is a need**
  - Will have additional Anadarko Pompano reserves
- **Next Public Notes Maturity in December 2014 ($200 million)**

Finance - Modeling Issues

- **NGL volumes/pricing/revenues**
  - Volumes expected to incline; however, NGL pricing is weak
- **Transportation, Processing, Gathering expense**
  - Should increase with Appalachian volumes
- **Imputed non-cash Interest Expense**
  - ~ $3.5 million per quarter
- **Share Count (Unvested Restricted Shares)**
  - Add ~ 1.0 million shares
- **Share Count (Convertible Notes)**
  - No dilution until stock price over $55.61/share

Convertible Notes– Net Share Settlement

Convertible + Bond Hedge & Warrants (1)

	5-Year Stock Price	Conversion Value	Convertible Bond Principal Amount	Net Shares Issued to Investors Under Convertible	Separate Contracts: Shares Received Under Bond Hedge	Separate Contracts: Shares Issued Under Warrant	Net Shares Issued
	$31.95	$224.7	$300.0	0.000	0.000	0.000	0.000
	$35.00	$246.2	$300.0	0.000	0.000	0.000	0.000
	$42.65	$300.0	$300.0	0.000	0.000	0.000	0.000
Lower Strike	$47.00	$330.6	$300.0	0.650	(0.650)	0.000	0.000
	$52.00	$365.7	$300.0	1.264	(1.264)	0.000	0.000
	$55.91	$393.3	$300.0	1.668	(1.668)	0.000	0.000
Upper Strike	$65.00	$457.2	$300.0	2.418	(2.418)	0.983	0.983
	$85.00	$597.8	$300.0	3.504	(3.504)	2.407	2.407
	$100.00	**$703.3**	**$300.0**	**4.033**	**(4.033)**	**3.101**	**3.101**

Sample Calculations:

7.033mm shares x $100.00 = $703.3mm

7.033mm shares x $42.65 = $300.0mm

$\frac{(\$703.3\text{mm} - \$300.0\text{mm})}{\$100.00} = 4.033\text{mm shares}$

$\frac{(\$100.00 - \$55.91) \times 7.033\text{mm}}{\$100.00} = 3.101\text{mm shares}$

Net Shares Issued = 3.101mm

In all circumstances, SGY settles principal amount of Convertible in cash

These shares are dilutive under the Treasury Stock Method during the 5-year term of the Convertible

These shares provide an offset to the shares issued under the Convertible at year 5, but they do not provide "anti-dilution" for accounting purposes during the 5-year term

These shares are dilutive under the Treasury Stock Method during the 5-year term of the Convertible

The aggregate net shares issued at year 5 reflect the benefits to SGY of the Bond Hedge

Note: Initial SGY stock price of $31.95.

(1) Assumes $300mm 5-year Convertible with 1.75% coupon and 33.5% conversion premium plus 33.5% / 75% Bond Hedge + Warrants overlay

*Current Valuation Metrics**

EV / Ebitda	~	only 3.0x
Reserves per share	~	only 2.1 boe per share
Debt per Boe	~	only $8 per boe
Production (1Q12)	~	55% liquids
Reserve Life	~	7 years

Valuation Multiple poised for expansion?

**As of 3/31/12, except reserves as of 12/31/11*

Summary

- ✓ **Projects and Prospects in place**
  - Conventional shelf
  - Deep water
  - Deep shelf
  - Appalachia
- ✓ **People in place**
- ✓ **Finances in place**
- ✓ **3-year Plan in place**