



# Credit Suisse Energy Summit

February 2012

# Disclaimer



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Bonanza Creek Energy, Inc. (the “Company”) expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including the Company’s projected earnings; capital expenditure levels; capitalization and liquidity; timing and results of its drilling program; horizontal drilling and fracture stimulation operations; oil and gas prices; development, type curve and economic assumptions; hedging activities and use of derivative instruments; expansion of processing facilities; and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management’s experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate under the circumstances.

Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include, but are not limited to economic conditions in the United States and globally; changes in domestic and global demand for oil and natural gas; changes in oil and natural gas prices; the Company’s ability to acquire or discover additional reserves on economic terms; the Company’s ability to economically develop its acreage and to achieve anticipated production levels, including in emerging shale plays; operational factors affecting the commencement or maintenance of producing wells; the timing of planned capital expenditures; weather and environmental conditions; the successful and economic use of horizontal drilling and fracture stimulation techniques; uncertainties in estimating proved reserves and forecasting production results; expiration of leased acreage and title deficiencies; the condition of credit and capital markets generally, as well as the Company’s ability to obtain financing on acceptable terms; the availability and costs of gathering, processing and transportation; uncertainties regarding environmental regulations; litigation and other legal or regulatory developments affecting the Company’s business, including regulation relating to fracture stimulation; and other important factors that could cause actual results to differ materially from those projected in this presentation and in the Company’s filings with the SEC. For further detail on these and other risks and uncertainties, we refer you to the information under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s prospectus, dated as of December 15, 2011, filed with the SEC. All of the forward-looking statements made in this presentation are qualified by these cautionary statements and are made only as of the date hereof. The Company does not undertake, and specifically declines, any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments.

In this presentation the terms “EUR” (estimated ultimate recovery) and “resource potential” are used to provide estimates. Resource potential in particular refers to the Company’s internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques and have not been reviewed by independent engineers. Area wide unproven, unrisks resource potential has not been fully risked by Bonanza Creek’s management. Actual quantities that may be ultimately recovered will likely differ substantially from these estimates. Estimates of resource potential may change significantly as development of our resource plays provide additional data. Factors affecting ultimate recovery include the scope of the Company’s actual drilling program, which will be directly affected by the availability of capital, drilling and production costs, commodity prices, availability of drilling services and equipment, lease expirations, transportation constraints, regulatory approvals, field spacing rules, actual recoveries of gas in place, length of horizontal laterals, actual drilling results, including geological and mechanical factors affecting recovery rates and other factors. These estimates are by their nature more speculative than estimates of proved reserves and, accordingly, are subject to substantially greater risk of not being actually realized by the Company. For a further discussion of the Company’s proved reserves, as calculated under current SEC rules, we refer you to the Company’s prospectus, referenced above, which is available on the Company’s website at [www.bonanzacrk.com](http://www.bonanzacrk.com) and at the SEC’s website at [www.sec.gov](http://www.sec.gov).

By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

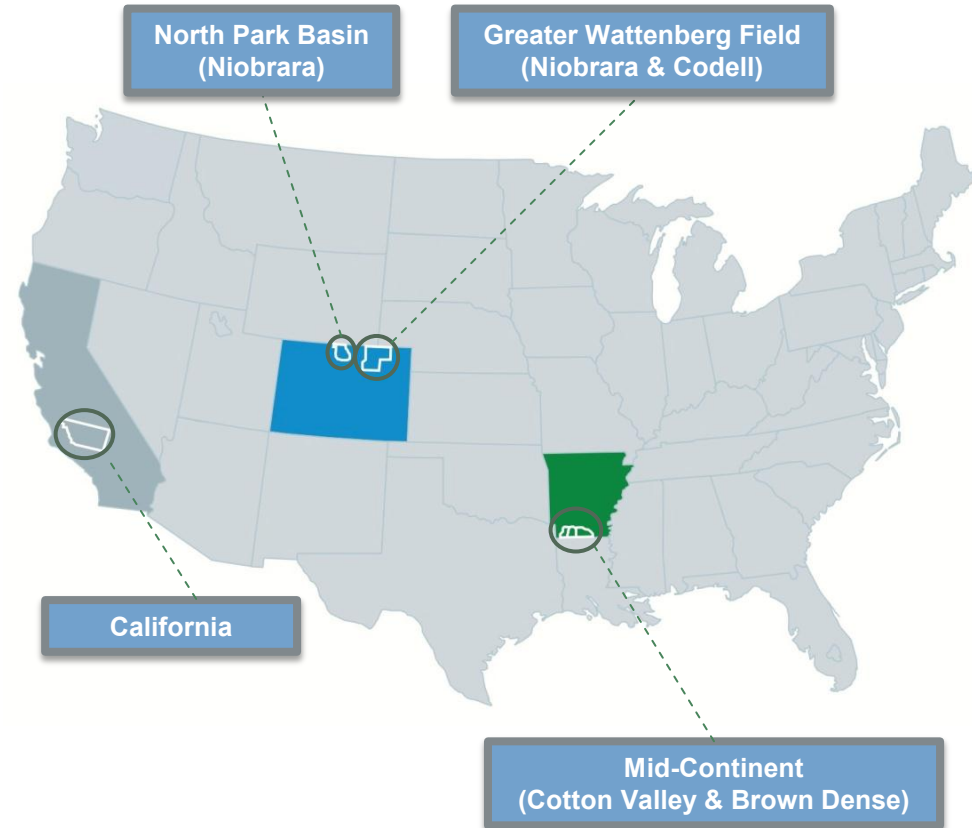
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# Bonanza Creek Overview



<b>BCEI</b>	Market Cap <sup>(1)</sup> :	\$664 million
<b>LISTED</b>	Share Price <sup>(1)</sup> :	\$16.80
<b>NYSE</b>	Shares Outstanding <sup>(2)</sup> :	39.56 million

- ✓ **Greater Wattenberg Niobrara shale development backed by stable, long-life, oily reserves in Mid-Continent**
- ✓ **100+% Year-Over-Year Production Growth Forecasted for 2012<sup>(3)</sup>**
- ✓ **Extensive and Attractive Development Inventory: 250 MMBoe of total resource potential<sup>(4)</sup>**
- ✓ **Proven Management**



(1) Market capitalization and share price based on 2/6/2012 closing price

(2) Common shares outstanding as of 12/15/2011, per the offering prospectus

(3) Production growth based on internal forecast

(4) Total resource potential includes 32.9 MMBoe of Proved reserves; the remainder based on internal estimates

# Why Invest in Bonanza Creek?



Key Considerations	Comment
<b>Greater Wattenberg Horizontal Niobrara</b>	<ul style="list-style-type: none"><li>■ 29,292 net acres; offset operators include Noble Energy and Anadarko Petroleum</li><li>■ 215 horizontal drilling locations in the Greater Wattenberg at 80 acre spacing; 67 MMBoe recoverable resource<sup>(1)</sup></li></ul>
<b>Extensive drilling inventory</b>	<ul style="list-style-type: none"><li>■ Over 1,000 drilling locations; 33% low risk PUDs</li><li>■ High control: 99% operated, 86% WI / 70% NRI of proved reserves</li></ul>
<b>Outstanding track record</b>	<ul style="list-style-type: none"><li>■ Three-year F&amp;D (all sources) = \$9.29 / Boe</li><li>■ Three-year Acquisition costs = \$9.52 / Boe</li><li>■ Three-year Reserve Replacement = 1,236%</li></ul>
<b>Strong balance sheet</b>	<ul style="list-style-type: none"><li>■ \$232MM of liquidity<sup>(2)</sup></li><li>■ Four-year revolving credit facility; \$220MM borrowing base</li></ul>

(1) Horizontal drilling locations and recoverable resource based on internal estimates

(2) Liquidity as of October 31, 2011 adjusted for proceeds from initial public offering

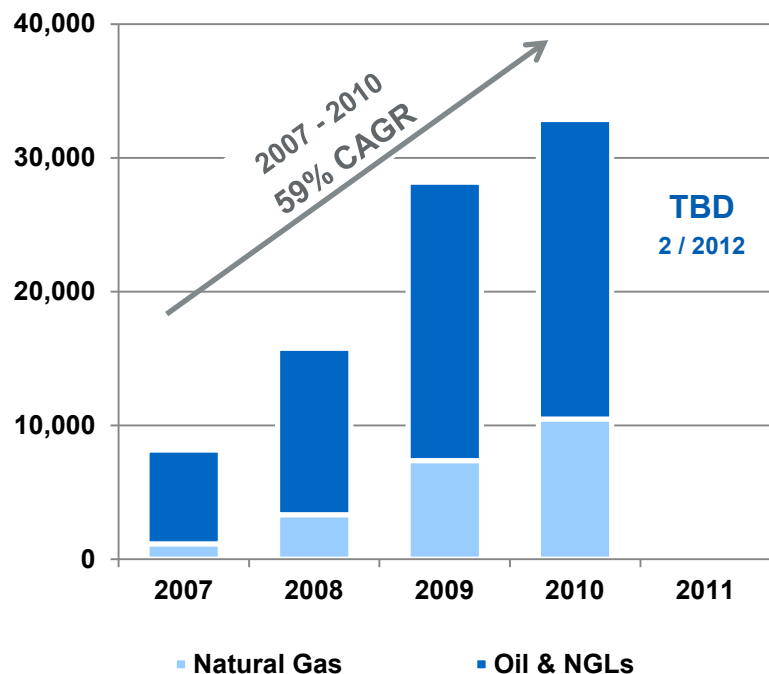


Category	Metric	
<b>Production</b>	■ Total:	3,175 – 3,650 Mboe
	■ Average Net Daily Production:	8,700 - 10,000 Boe/d
	■ Percent Oil & NGLs:	69%
<b>Operating Costs and Expenses (per Boe)</b>	■ Lease Operating:	\$7.20 - \$8.20
	■ Severance and Ad Valorem:	\$3.60 - \$4.00
	■ General and Administrative:	\$5.75 - \$6.25
<b>Capital Expenditures</b>	■ \$250 million	
<b>Rocky Mountain</b> (Greater Wattenberg)	■ \$146 million	
<b>Mid-Continent</b> (Upstream)	■ \$56 million	
<b>Mid-Continent</b> (Gas Processing Facilities)	■ \$20 million	
<b>Other</b> (North Park Basin, Recompletions, Leasing)	■ \$28 million	

# Impressive Growth Track Record

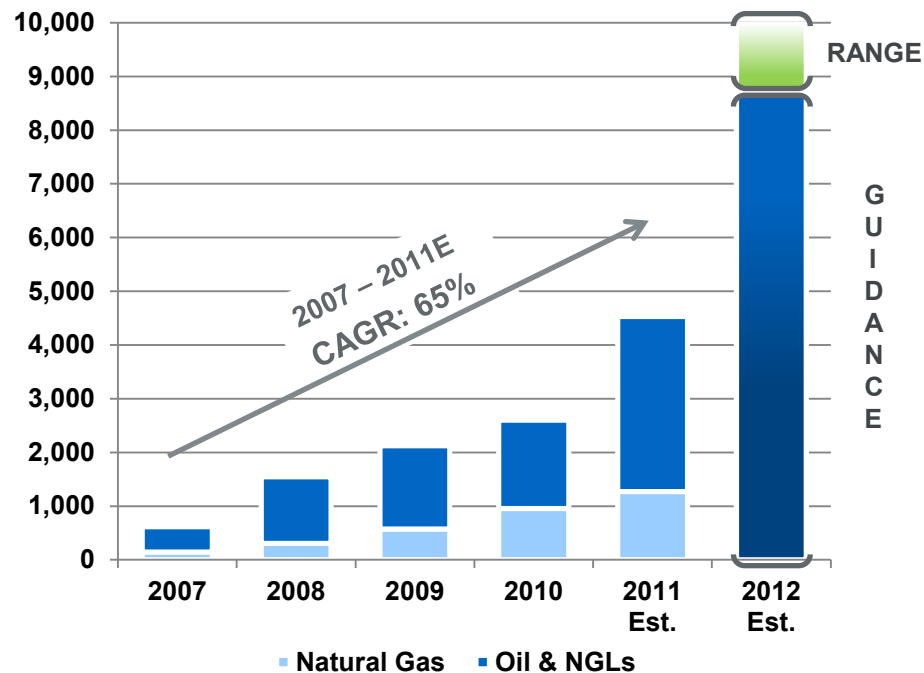


## Proved Reserves (MBoe)



- Substantial future proved reserve adds to come from horizontal Niobrara

## Average Daily Production (Boe/d)



- 71% oil and liquids produced YTD Nov 2011
- Average realized price of \$70.25 / Boe YTD Nov 2011

# YE 2010 Proved Reserves & Resource Potential



Category	Net Proved Reserves as of December 31, 2010				PV <sub>10</sub> 1/1/2012 Strip Pricing (\$M)
	Oil (MBbls)	Gas (MMcf)	NGL (MBbls)	Total (MBoe)	
PDP	4,840	12,699	521	7,478	\$ 166,681
PDNP	2,594	7,375	224	4,047	\$ 107,366
PUD	11,117	42,810	3,033	21,285	\$ 432,666
<b>Total Proved Reserves</b>	<b>18,601</b>	<b>62,884</b>	<b>3,778</b>	<b>32,860</b>	<b>\$ 706,713</b>

YE 2011 Proved Reserves to be determined February 2012 by CGA

Unconventional Shale	Resource Potential <sup>(1)</sup>	
	Net Acres	MBoe
• Horizontal Niobrara		
Greater Wattenberg	29,262	67,000
North Park Basin	33,426	30,000 – 60,000
• Deep Smackover / Brown Dense	5,672	30,000

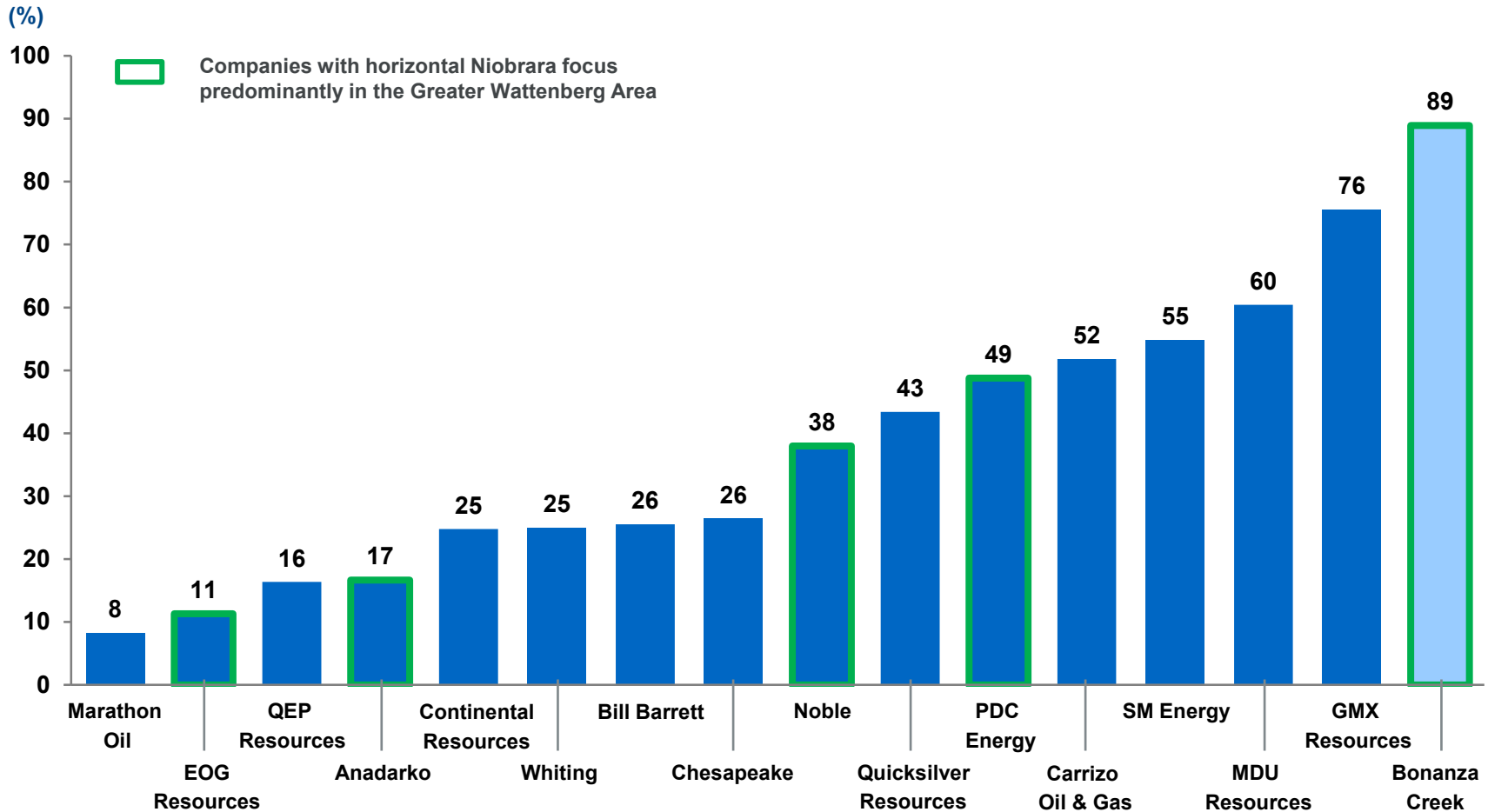
- YE 2010 proved reserves are 68% oil and liquids; 35% developed
- Currently evaluating Deep Smackover / Brown Dense potential in Arkansas, Greenhorn Oil Shale in Wattenberg and Frontier Sand in North Park Basin

(1) Based on internal estimates. Does not include all resource potential in the Company. Please see the disclaimer at the beginning of this presentation regarding the assumptions and uncertainties inherent in such estimates

# Highest Leverage to Horizontal Niobrara



Net Acres (000s) / Total Proved Reserves (MMBoe) <sup>(1)</sup>



(1) Bonanza Creek leverage includes only its 29,262 net acres in the Greater Wattenberg Area and excludes 33,426 net acres in North Park Basin. Based on 2010 YE Proved Reserves (pro forma for acquisitions and divestitures); Niobrara acreage for all companies based on company disclosure

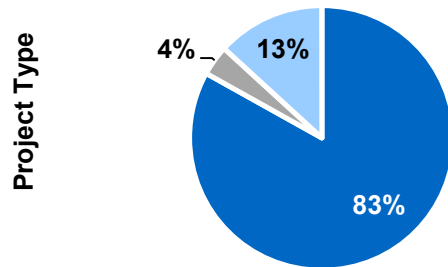
# 2012 Capital Plan



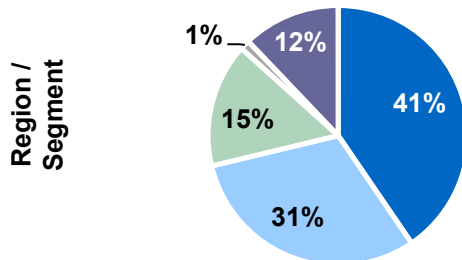
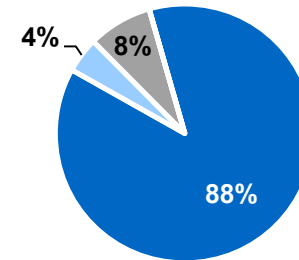
## Six Rig Program:

- 2 horizontal rigs in Greater Wattenberg to drill 24 horizontal Niobrara wells
- 2 vertical rigs in Greater Wattenberg to drill 92 vertical wells
- 2 vertical rigs in Mid-Continent to drill 38 Cotton Valley wells
- Gas plant expansion in Mid-Continent

**Total 2011 CAPEX Program**  
\$162 MM

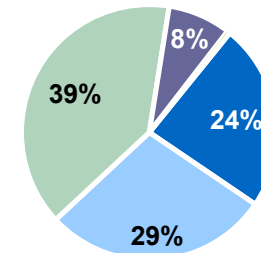


**Planned 2012 CAPEX Budget**  
\$250 MM



- Drill
- Workover
- Facilities / Other

- Mid-Con
- Rockies - Vertical
- Rockies - Niobrara
- Facilities / Other
- Western

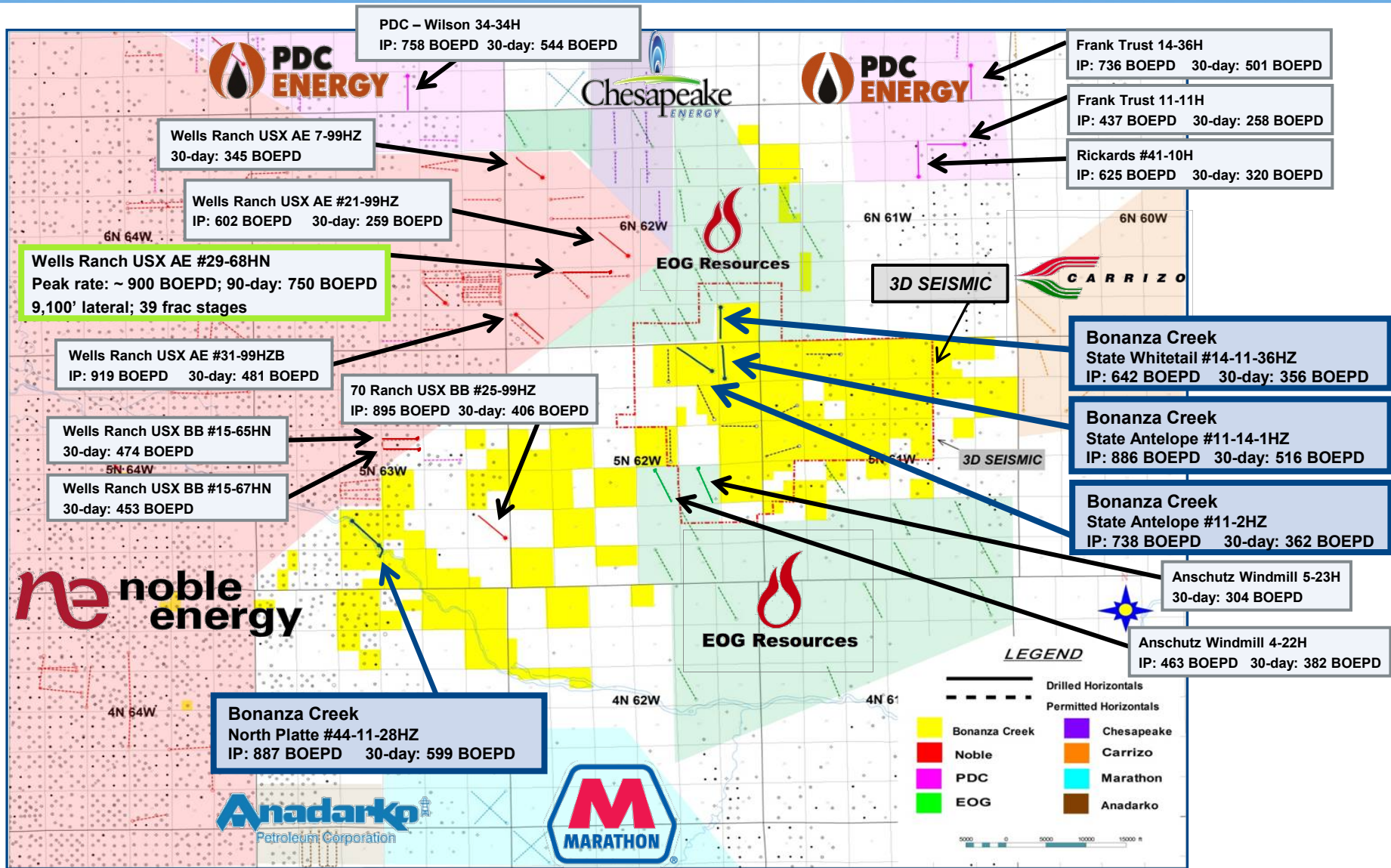




# Operational Overview

# Greater Wattenberg Hz Niobrara Operator Activity<sup>(1)</sup>

## Positive and Consistent Results



(1) Offset operators' IP results taken from publicly reported data. Noble Wells Ranch USX AE #29-68HN data from Company presentation. Offset operators shaded acreage not representative of actual acreage positions

# Greater Wattenberg Hz Niobrara Results



Company	Well Name	Completion Date	IP 24hr Test (Boe/d)	Rate per Frac Stage (Boe/d)	IP 30-day Rate (Boe/d)	% Crude Oil	Notes
Bonanza Creek	State Antelope #11-2HZ	7/24/11	738	46	362	72%	4,672 ft. lateral; 16 stage frac
Bonanza Creek	North Platte #44-11-28HZ	8/9/11	887	55	599	60%	3,994 ft. lateral; 16 stage frac
Bonanza Creek	State Antelope #11-14-1HZ	10/20/11	886	55	516	78%	3,772 ft. lateral; 16 stage frac
Bonanza Creek	State Whitetail #14-11-36HZ	11/1/11	642	53	356	76%	3,501 ft. lateral; 12 stage frac adding remaining four stages
<b>BCEI Average</b>			<b>788</b>	<b>52</b>	<b>458</b>	<b>72%</b>	<b>Operational improvements applied after first well drilled (#11-2 HZ)</b>
Noble Energy	Wells Ranch USX AE 7-99HZ	8/13/10	480		345	81%	No gas reported in 24-hr IP
Noble Energy	Wells Ranch USX AE #21-99HZ	5/24/10	602		259	57%	
Noble Energy	Wells Ranch USX AE #31-99HZB	11/8/10	919		481	67%	
Noble Energy	Wells Ranch USX BB #15-65HN	6/6/11	626		474	77%	
Noble Energy	Wells Ranch USX BB #15-67HN				453	71%	No 24-hr IP reported
Noble Energy	70 Ranch USX BB #25-99HZ	10/11/10	895		410	61%	
PDC Energy	Wilson 34-34H	4/21/11	758		544	80%	
PDC Energy	Frank Trust 14-36H	5/24/11	736		501	72%	
PDC Energy	Frank Trust 11-11H	5/5/11	437		258	69%	
PDC Energy	Rickards #41-10H	11/16/10	625		320	58%	
EOG Resources	Anschutz Windmill 5-23H	6/2011			304	85%	
EOG Resources	Anschutz Windmill 4-22H	7/2011	463		382	78%	
<b>Total Average</b>			<b>654</b>		<b>394</b>	<b>71%</b>	
Noble Energy	Wells Ranch USX AE #29-68HN	8/2011	900		837	87%	9,100 ft. lateral; 39 stage frac

# Greater Wattenberg Horizontal Niobrara Economics



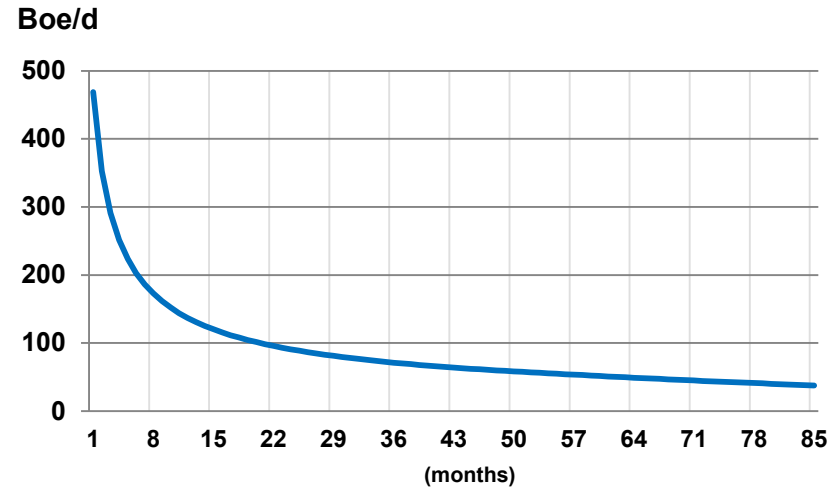
## Individual Well Profile

30-day IP (gross)	469 Boe/d
<b>EUR (gross)<sup>(1)</sup></b>	<b>312,000 Boe</b>
% Oil	65%
<b>Cost per Well</b>	<b>\$4.0 MM</b>
NPV-10 at \$80/BO	\$4.1 MM
NPV-10 at \$100/BO	\$6.1 MM

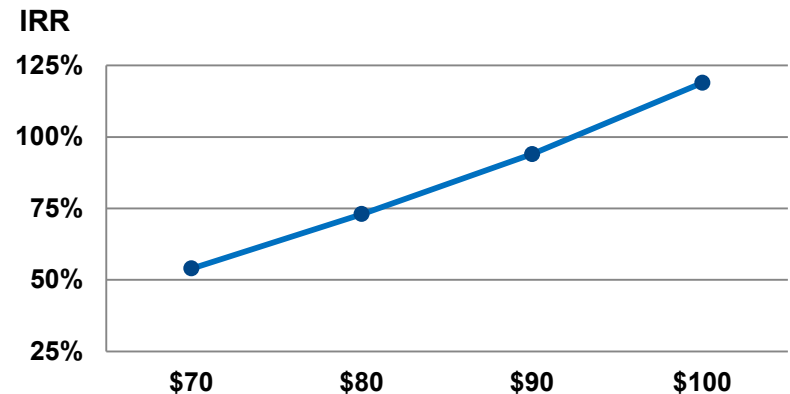
## Field Development Assumptions

Acreage	42,218 gross (29,262 net)
Locations at 80 acre spacing	215
Average WI / NRI	85.6% / 69.1%
% Operated:	100%

## Individual Well Type Curve<sup>(2)</sup>



## Oil Price Sensitivity<sup>(2)</sup> (\$ / BO WTI)



(1) EUR estimates do not represent reserves as defined under SEC rules and by their nature are more speculative and substantially less certain of recovery  
 (2) Natural gas reflected at 18:1 to crude oil for price; 6:1 for rate

# Greater Wattenberg Horizontal Upside

## Technology Driven



*Technological innovations continue to drive both lease-level returns higher and expand regional resource potential*

### 1) Down-spacing

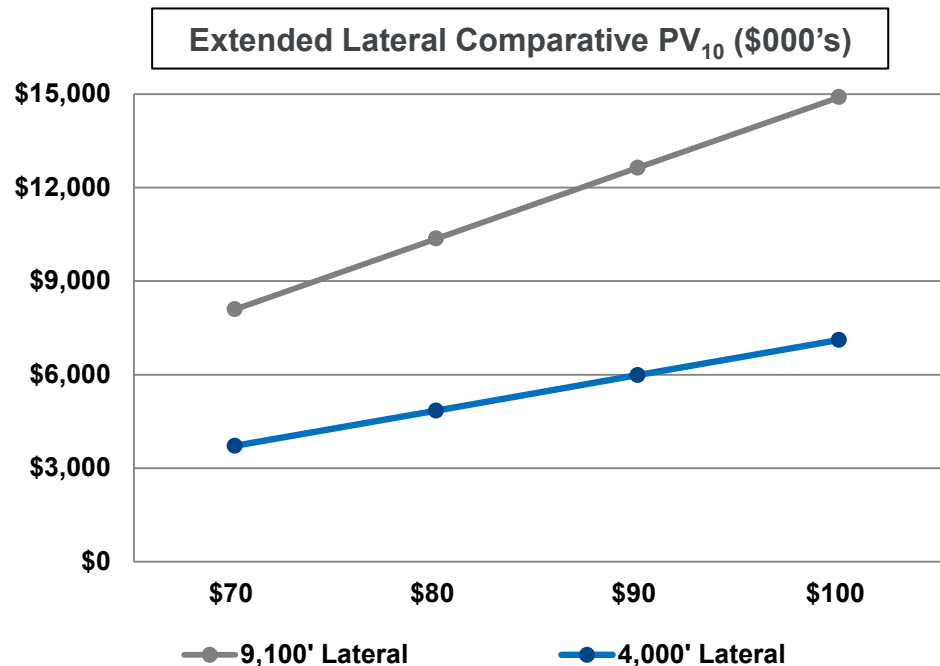
- Horizontal well spacing less than 80-acres
- Horizontal locations within vertical well development
  - BCEI's best well to date drilled in between vertical wells
  - Vertical well control decreases risk
  - Seismic provides additional information decreasing risk

### 2) Codell Horizontal Development

- Anadarko Results (30-day rate)
  - PSC 12C-13HZ: 508 BOEPD
  - PSC 13C-13HZ: 461 BOEPD
- BCEI Locations Identified: >18
  - Similar economics to Niobrara horizontals

### 3) Extended Reach Laterals (9,100 +/- ft.)

- Noble drilled 9,100' lateral (Wells Ranch USX AE #29-68HN)
- Early success shows EURs of 600+ Mboe (Noble disclosure)
- Substantially reduces F&D cost and improves returns



# DJ Basin Verticals

## Predictable Development Inventory (Codell & Niobrara)



### Development Assumptions

- 65 Boe/d 30-day IP (gross)
- 78,000 Boe EUR (gross)<sup>(1)</sup>
- 93 gross PUD locations<sup>(2)</sup>
- Average 78.8% WI; 64.3% NRI; 99.0% operated

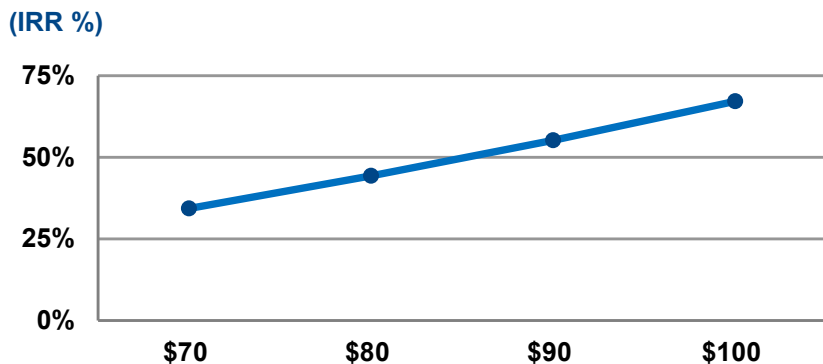
### Type Curve assumptions

- Re-frac after five years with peak rate ~70% of IP rate

### Economic Assumptions

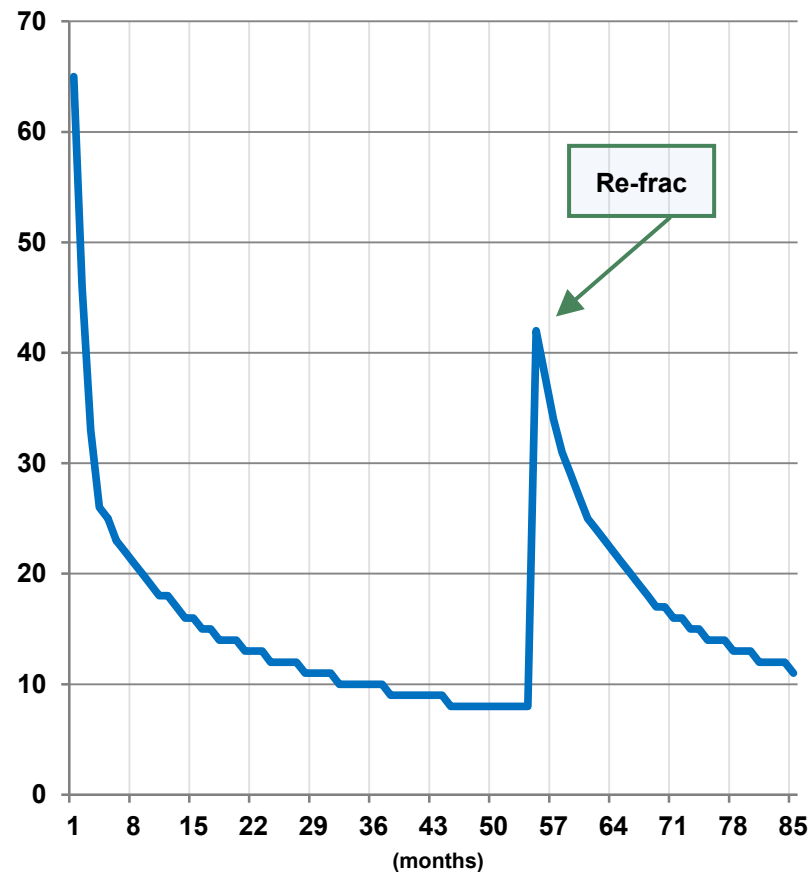
- Capex of \$955 M
  - \$725 M initial well cost
  - \$230 M for re-frac five years after initial completion
- Less than five days to drill; one day to complete
- NPV-10 at \$80 / Bbl: \$0.9 MM
- NPV-10 at \$100 / Bbl: \$1.4 MM

### Oil Price Sensitivity<sup>(3)</sup> (\$ / BO WTI)



### Individual Well Type Curve<sup>(3)</sup>

(Boe/d)



(1) EUR estimates do not represent reserves as defined under SEC rules and by their nature are more speculative and substantially less certain of recovery

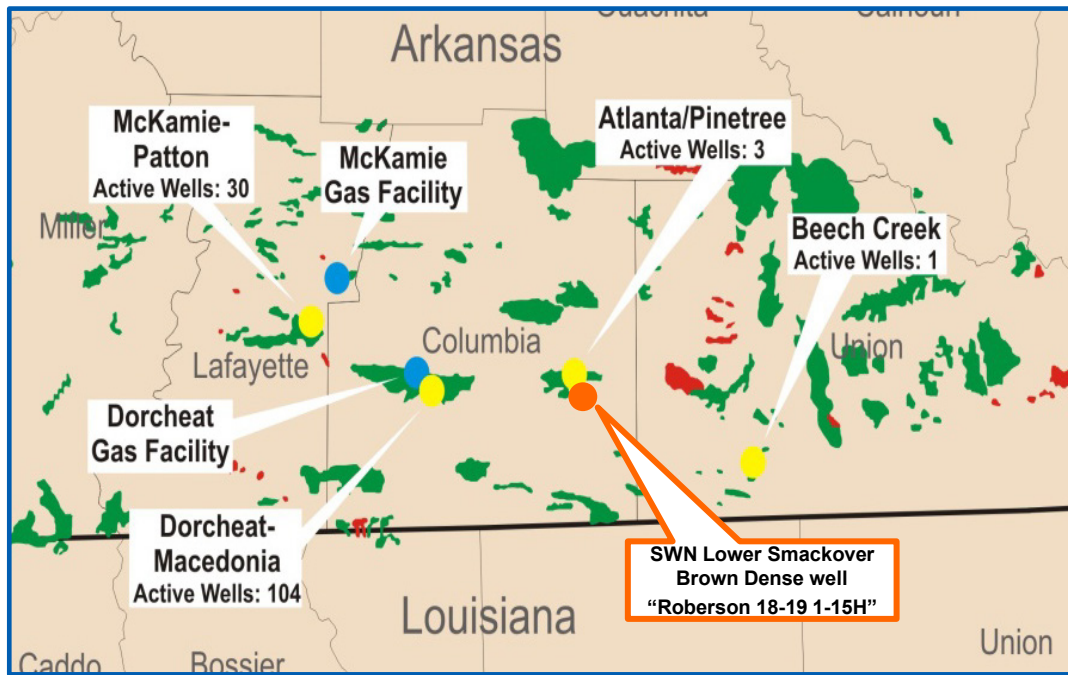
(2) PUD locations as of December 31, 2010

(3) Natural gas reflected at 18:1 to crude oil for price; 6:1 for rate

# Mid-Continent: Southern Arkansas



- Operate 138 producing wells; 188 gross PUD locations<sup>(1)</sup>
- Multiple reservoir targets, primarily Cotton Valley; 4,000 – 7,000' TD
  - 5,672 net acres prospective for Lower Smackover / Brown Dense
- Two 100% owned gas processing facilities, expanding during 2012
- Realized prices to NYMEX<sup>(2)</sup>: 97% WTI, 103% HH, 66% NGLs (WTI)



ERA	SYSTEM	SERIES	GROUP	FORMATION	
CENOZOIC		EOCENE	Claiborne		
		PALEOCENE	Wilcox		
	TERTIARY		Midway		
MESOZOIC	CRETACEOUS	GULFIAN (Upper Cretaceous)	Navarro		
			Taylor		
			Austin	Austin Chalk	
			Eagle Ford	Eagle Ford Shale	
			Woodbine	Woodbine	
		COMMANCHEAN (Lower Cretaceous)	Washita	Buda	Maness Shale
				Del Rio Shale	
				Georgetown	
				Kiamichi	
				Fredericksburg	Goodland Lime
	TRINITY	Glen Rose	Paluxy Walnut		
			Upper Glen Rose		
			Massive Anhydrite		
			Rodessa		
			Bexar		
			James		
			Pine Island		
			Pettet Sligo		
			Travis Peak	Hosston	
			Cotton Valley	Cotton V. Sa	
UPPER JURASSIC	Cotton Valley	Bossier			
		Haynesville			
		Buckner			
		Smackover			
		Norphlet			
MIDDLE JUR.	Louark	Louann Salt			
		Werner			
PALEOZOIC	TRIASSIC (?)		Eagle Mills		

● Bonanza Creek Productive Formations

(1) Producing wells as October 31, 2011. PUD locations as of December 31, 2010  
 (2) For the trailing twelve month period

# Dorcheat–Macedonia Field

## Stable and Growing Production Base



### Development Assumptions

- Initial 30-day IP: 67 Boe/d; Peak 30-day IP: 103 Boe/d
- 152,000 Boe EUR (gross)<sup>(1)</sup>
- 179 gross PUD locations<sup>(2)</sup>
- Average 79.7% WI; 66.2% NRI; 94.0% operated

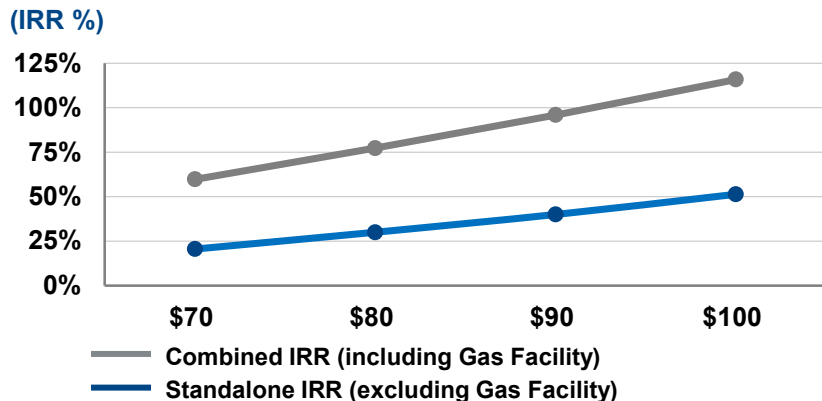
### Type Curve assumptions

- PUD economics include subsequent recompletions
- Strong performance history based on 60 wells drilled and completed

### Economic Assumptions

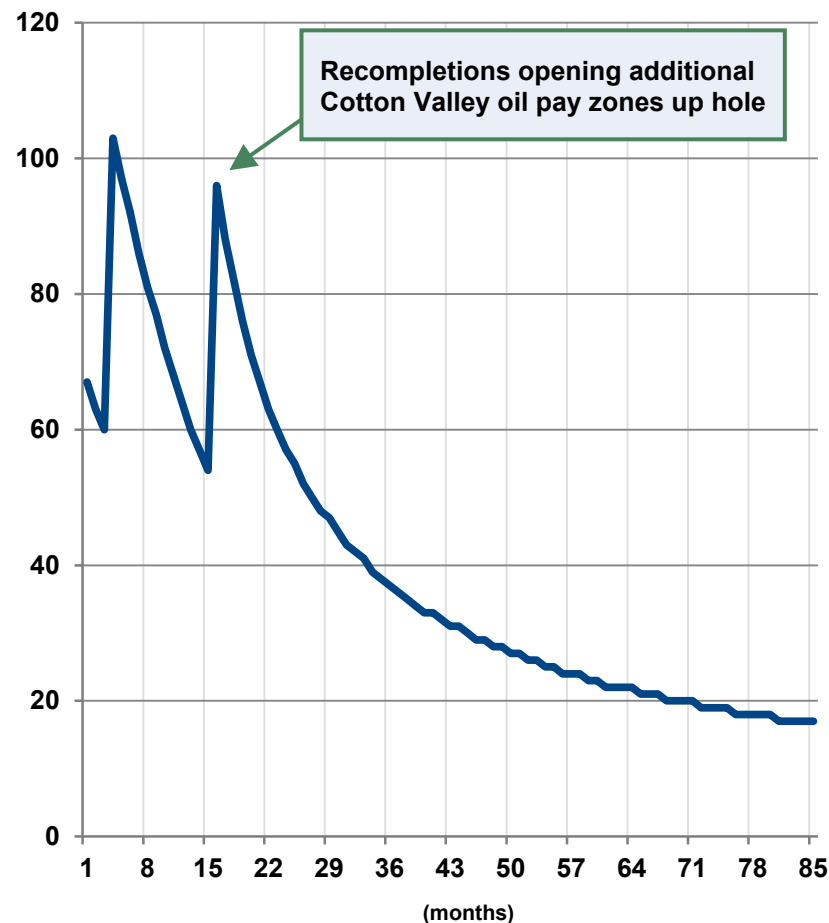
- Capex of \$1.7 MM (\$0.1MM for next two recompletions)
- 12 days to drill and 3 days to complete
- NPV-10 at \$80 / Bbl: \$1.9 MM
- NPV-10 at \$100 / Bbl: \$2.8 MM

### Oil Price Sensitivity<sup>(3)</sup> (\$ / BO WTI)



### Type Curve<sup>(3)</sup>

(Boe/d)



(1) EUR estimates do not represent reserves as defined under SEC rules and by their nature are more speculative and substantially less certain of recovery

(2) PUD locations as of December 31, 2010

(3) Natural gas reflected at 18:1 to crude oil for price; 6:1 for rate



# Financial Overview

# Capitalization & Liquidity

## Well Positioned for Continued Growth



Capitalization (\$000's)	As of September 30, 2011	
	Actual	As Adjusted (post offering)
Cash and Equivalents	153	24,003
Long-Term Debt:		
Credit Facility <sup>(1)</sup>	132,100	-
Total Long-Term Debt	132,100	-
Total Stockholders' Equity	369,317	525,267
<b>Total Capitalization</b>	<b>501,417</b>	<b>525,267</b>
Liquidity (\$000's)	As of October 31, 2011	
	Actual	As Adjusted (post offering)
Cash and Equivalents	5,100	12,000
Credit Resources <sup>(2)</sup> :	30,900	220,000 <sup>(2)</sup>
<b>Total Liquidity</b>	<b>36,000</b>	<b>232,000</b>

(1) On March 29, 2011, Bonanza Creek entered into a 4-year \$300MM credit agreement, with a borrowing base of \$180MM, with a syndicate of banks led by BNP Paribas

(2) As of October 31, 2011 Bonanza Creek has \$149.1MM of debt outstanding with a borrowing base of \$180MM. Borrowing base under our revolving credit facility as of December 2, 2011 is \$220MM

# Recap – Investment Highlights



- ✓ Niobrara horizontal development with substantial upside in multiple horizons
- ✓ Stable long life, oil weighted infill development with extensive vertical well inventory
- ✓ Proven management team
- ✓ Post IPO liquidity – considerable cash flow and credit resources

*Bonanza Creek is Well Positioned for Continued Growth and Delivering Exceptional Returns*

# Corporate Information



## Company Headquarters

410 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
(720) 440-6100 Main  
(720) 305-0804 Fax

## Houston Office

1331 Lamar Street, Suite 1135  
Houston, Texas 77010  
(713) 337-1250 Main  
(713) 337-1255 Fax

## Bakersfield Office

5601 Truxtun Avenue, Suite 210  
P.O. Box 21974  
Bakersfield, California 93309  
(661) 638-2730 Main  
(661) 638-2733 Fax

## Investor Relations

James M. Masters  
Investor Relations Manager  
(720) 440-6121  
[jmasters@bonanzacrk.com](mailto:jmasters@bonanzacrk.com)

## Corporate Data

Symbol / Exchange: BCEI / NYSE  
Market Capitalization: \$664 MM  
Share Price High / Low: \$17.12 / \$12.39  
Shares Outstanding: 39.56 MM

## Financial Auditor

Hein & Associates LLP

## Reserve Auditor

Cawley, Gillespie and Associates, Inc.

[www.bonanzacrk.com](http://www.bonanzacrk.com)



# Appendix

# Experienced Management Team



**Mike Starzer**  
*President & CEO*  
27 Years

- Founder of predecessor companies
- Prior: Executive and Engineering roles at Unocal and Berry Petroleum
- B.S. in Petroleum Engineering, Colorado School of Mines; M.S. in Engineering Management, University of Alaska; Registered Petroleum Engineer

**Gary Grove**  
*EVP – Engineering & Planning*  
*Interim COO*  
29 Years

- Joined in 2003 and founder of predecessor company
- Prior: Managerial and Engineering roles at Unocal and Nuevo Energy
- B.S. in Petroleum Engineering, Marietta College

**Jim Casperson**  
*EVP & CFO*  
30+ Years

- Joined the Company in April 2011 as an independent Board member and Chairman of the Audit and Reserves Committees. CFO since October 2011
- Prior: CFO at Whiting Petroleum Corp (NYSE: WLL)
- BBA in Accounting, Texas Tech University

**Pat Graham**  
*EVP – Corporate Development*  
25 Years

- Joined in 2001 and founder of predecessor company
- Prior: Managerial and Engineering roles at Dowell Schlumberger and Berry Petroleum
- B.S. in Petroleum Engineering, Texas A&M University

# Cotton Valley Lenticular Oil Sands

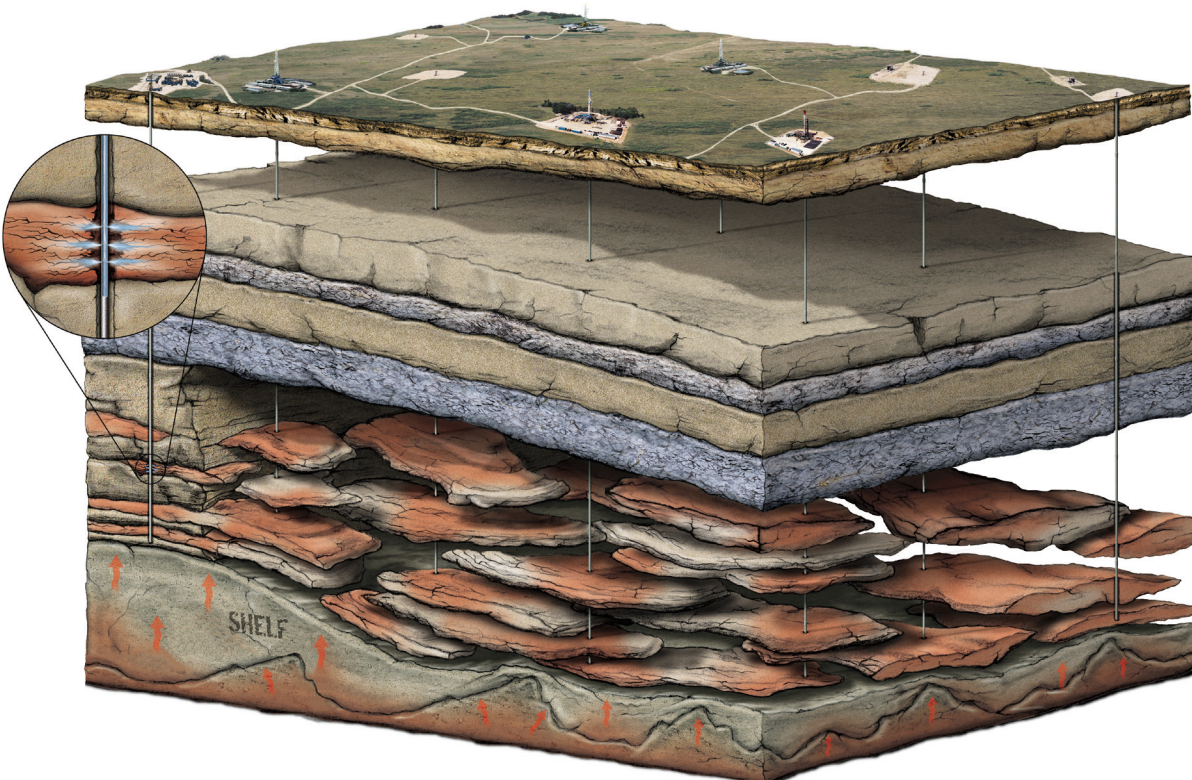
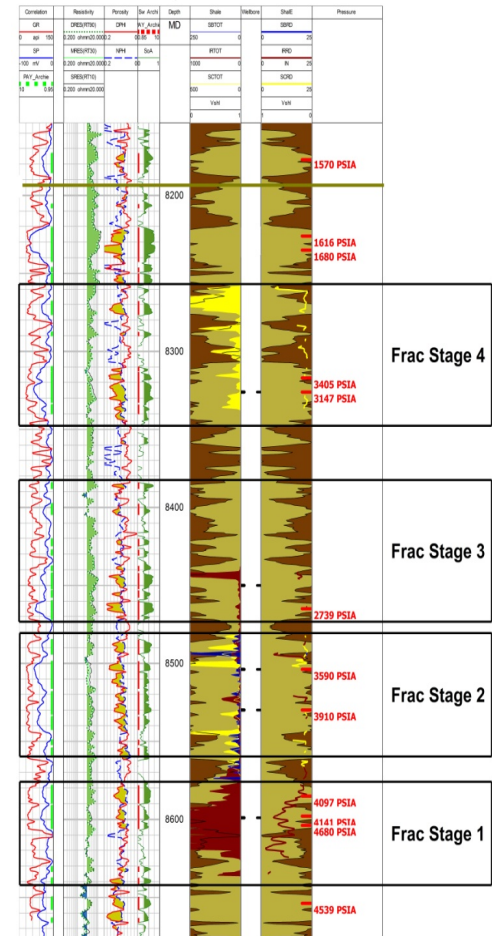


- Focused completion technology improves recovery
- Highly repeatable
- Consistent historical results
- Improved recovery of OOIP

Dorcheat Unit 37	Bbl/d	Mcf/d	Boe/d
<b>30-day IP</b>	93	1,326	<b>314</b>
<b>1 Year Exit Rate</b>	27	574	<b>123</b>

## DORCHEAT UNIT 37

### Pin-Point Frac



# Mid-Continent Gas Processing Facilities



## General Overview

- Approximately 150 miles of gathering lines
- Processes minor quantities of third party natural gas
- Facilities interconnect into the CenterPoint Energy pipeline system
- NGL pricing historically averages approximately 66% of WTI (ethane sold in gas stream)

## Dorcheat Gas Processing Facility

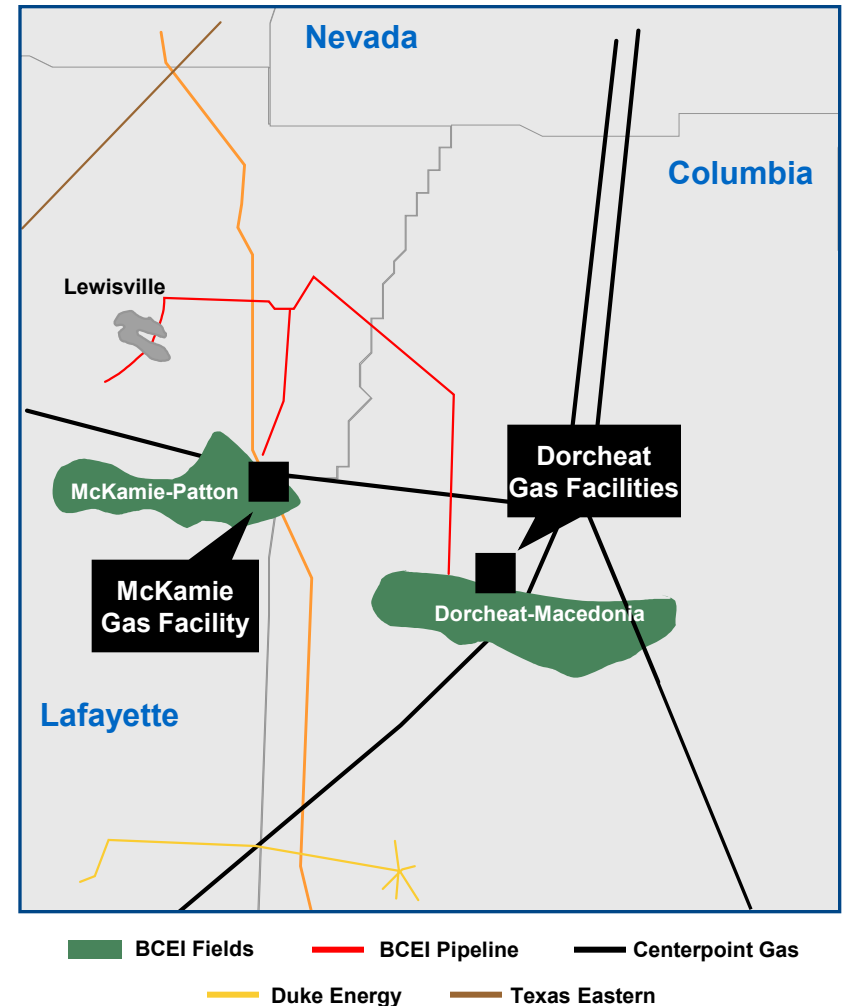
- 12.5 MMcf/d of natural gas (28,000 gallons per day of natural gas liquids) processing capacity
- Additional 12.5 MMcf/d of capacity to be on line in January 2013. Expansion at current Dorcheat site

## McKamie Gas Processing Facility

- 15 MMcf/d of natural gas (30,000 gallons per day of natural gas liquids) processing capacity

## Gas Facilities Enhance Total Returns

- The facility significantly increases EBITDAX margins for the asset over the life of the well
- Sole ownership and control of facilities allows Company to capture the additional high margin liquids value of the assets, not a third party



# North Park Basin Hz Niobrara Economic Sensitivities



## Development Assumptions

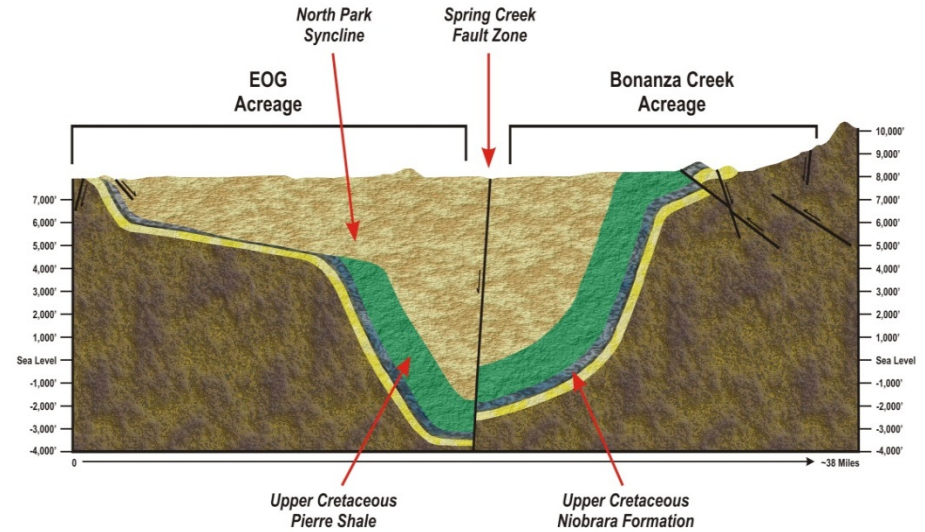
- 304 Boe/d 30-day IP (gross)
- 211,000 Boe EUR (gross)<sup>(1)</sup>
- 33,426 net acres; assume 320 acre spacing
- Average 78.8% WI; 65.8% NRI; 75% operated

## Type Curve Assumptions

- 90% oil

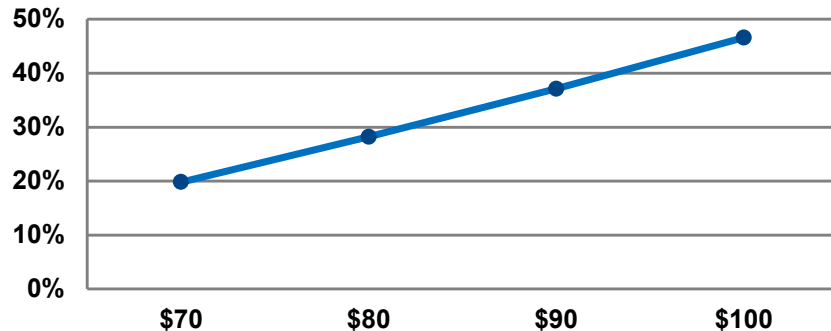
## Economic Assumptions

- Capex: \$5.1 MM
- NPV-10 at \$80 / Bbl: \$2.1 MM
- NPV-10 at \$100 / Bbl: \$3.9 MM



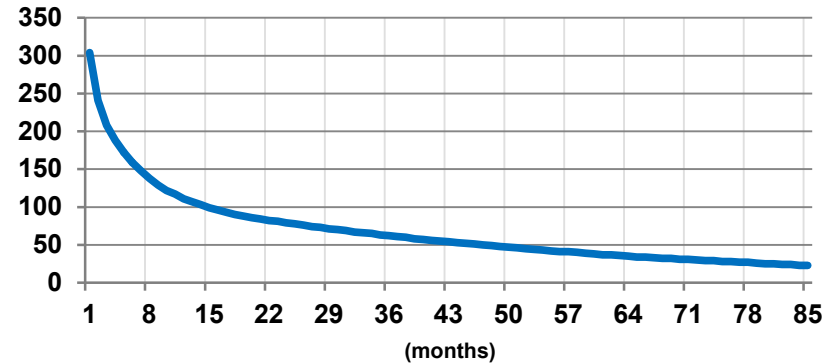
## Oil Price Sensitivity<sup>(2)</sup> (\$ / BO WTI)

(IRR %)



## Type Curve<sup>(2)</sup>

(Boe/d)

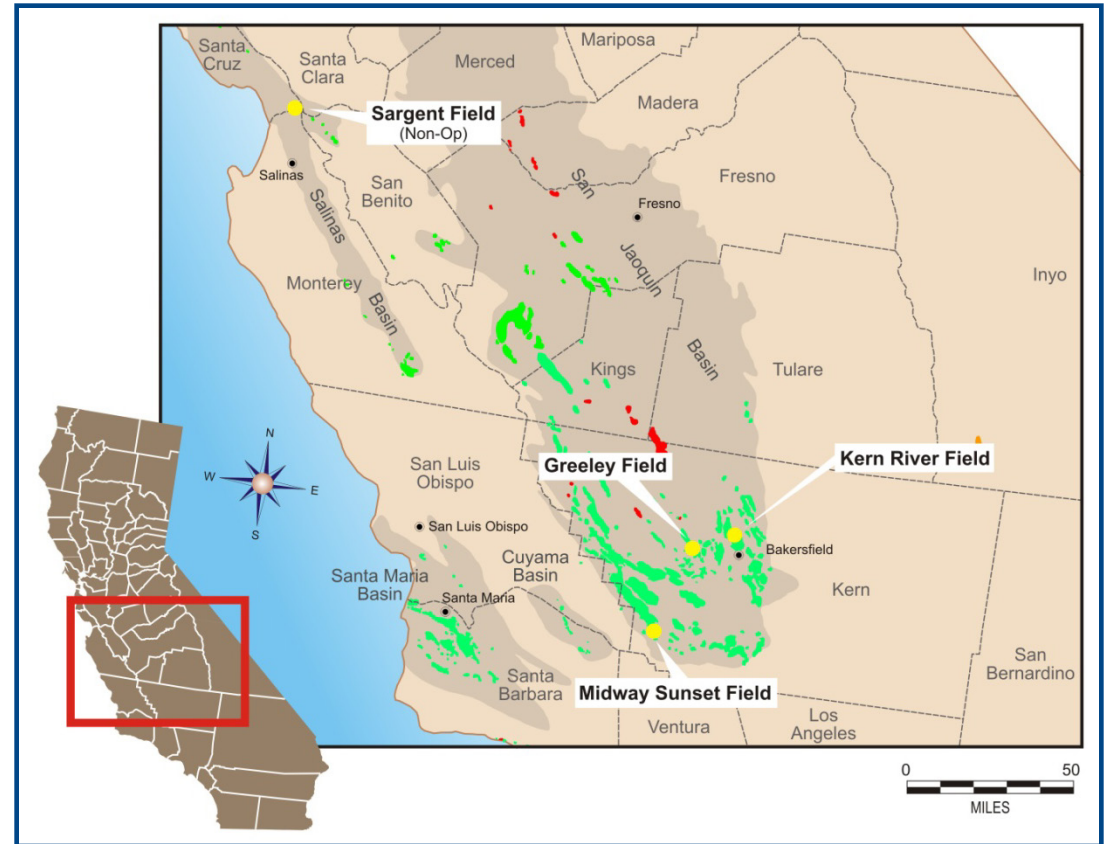


26 (1) EUR estimates do not represent reserves as defined under SEC rules and by their nature are more speculative and substantially less certain of recovery  
 (2) Natural gas reflected at 18:1 to crude oil for price; 6:1 for rate

# California Region



- Acreage: 8,940 gross (5,012 net)
  - 100% HBP
- Thermal development opportunity in Kern River and Midway Sunset
  - 16.5 MMBoe original oil in place<sup>(1)</sup>
- November 2011 Production: 176 Boe/d
- Proved Reserves: 1MMBoe
  - 99% liquids
  - 38% Proved Developed
- Operate 41 gross producing wells
  - 13 gross non-operated



(1) Original oil in place is not an indication of the quantity of oil that is likely to be produced, but is an indication of the estimated size of the reservoir

# Company Hedge Positions<sup>(1)</sup>



Contract Term	Type	Volume	Floor	Ceiling	Price	Commodity
January 1 - December 31, 2012	collar	13,956 Bbl./Month	\$90.00	\$123.00	\$ -	WTI Crude NYMEX
January 1 - December 31, 2012	collar	30,000 Bbl./Month	\$90.00	\$102.00	\$ -	WTI Crude NYMEX
January 1 - December 31, 2012	collar	24,000 Bbl./Month	\$90.00	\$102.40	\$ -	WTI Crude NYMEX
January 1 - April 30, 2013	collar	12,654 Bbl./Month	\$90.00	\$123.00	\$ -	WTI Crude NYMEX
January 1 - December 31, 2013	collar	20,000 Bbl./Month	\$92.00	\$106.75	\$ -	WTI Crude NYMEX
January 1 - December 31, 2012	swap	8,206 Bbl./Month	\$ -	\$ -	\$62.95	WTI Crude NYMEX
January 1 - December 31, 2012	swap	1,520 Bbl./Month	\$ -	\$ -	\$63.47	WTI Crude NYMEX
January 1 - October 31, 2013	swap	7,542 Bbl./Month	\$ -	\$ -	\$61.50	WTI Crude NYMEX
January 1 - December 31, 2012	swap	16,860 MMBTU/Month	\$ -	\$ -	\$ 6.75	NYMEX Henry Hub
January 1 - October 31, 2013	swap	15,481 MMBTU/Month	\$ -	\$ -	\$ 6.40	NYMEX Henry Hub