



**MAGNUM  
HUNTER  
RESOURCES  
CORPORATION**

# MAGNUM HUNTER RESOURCES CORPORATION

Corporate Presentation

May 2012

# Forward Looking Statements



The statements and information contained in this presentation that are not statements of historical fact, including all estimates and assumptions contained herein, are “forward looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements include, among others, statements, estimates and assumptions relating to our business and growth strategies, our oil and gas reserve estimates, estimates of oil and natural gas resource potential, our ability to successfully and economically explore for and develop oil and gas resources, our exploration and development prospects, future inventories, projects and programs, expectations relating to availability and costs of drilling rigs and field services, anticipated trends in our business or industry, our future results of operations, our liquidity and ability to finance our exploration and development activities, market conditions in the oil and gas industry and the impact of environmental and other governmental regulation. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “could”, “should”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “project”, “pursue”, “plan” or “continue” or the negative thereof or variations thereon or similar terminology. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties. Factors that may cause our actual results, performance, or achievements to be materially different from those anticipated in forward-looking statements include, among other, the following: adverse economic conditions in the United States and globally; difficult and adverse conditions in the domestic and global capital and credit markets; changes in domestic and global demand for oil and natural gas; volatility in the prices we receive for our oil and natural gas; the effects of government regulation, permitting, and other legal requirements; future developments with respect to the quality of our properties, including, among other things, the existence of reserves in economic quantities; uncertainties about the estimates of our oil and natural gas reserves; our ability to increase our production and oil and natural gas income through exploration and development; our ability to successfully apply horizontal drilling techniques and tertiary recovery methods; the number of well locations to be drilled, the cost to drill, and the time frame within which they will be drilled; drilling and operating risks; the availability of equipment, such as drilling rigs and transportation pipelines; changes in our drilling plans and related budgets; and the adequacy of our capital resources and liquidity including, but not limited to, access to additional borrowing capacity. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such statements. Readers are cautioned not to place undue reliance on forward-looking statements, contained herein, which speak only as of the date of this document. Other unknown or unpredictable factors may cause actual results to differ materially from those projected by the forward-looking statements. Unless otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, including estimates, whether as a result of new information, future events, or otherwise. We urge readers to review and consider disclosures we make in our public filings made from time to time with the Securities and Exchange Commission that discuss factors germane to our business, including our Annual Report on Form 10-K, as amended, for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements.

The U.S. Securities and Exchange Commission (“SEC”) requires oil and natural gas companies, in filings made with the SEC, to disclose proved reserves, which are those quantities of oil and natural gas that by analysis of geoscience and engineering data can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. In this presentation, we disclose certain “possible reserves” (as defined by SEC regulations) and “contingent resources,” both of which represent the Company’s internal estimates of volumes of oil and natural gas that are not classified as proved reserves but are potentially recoverable through exploratory drilling or additional drilling or recovery techniques. The term “contingent resources” is a broader description of potentially recoverable volumes than probable and possible reserves, as defined by SEC regulations. In this presentation disclosure of “contingent resources” represents a high estimate scenario, rather than a middle or low estimate scenario. Estimates of unproved resources are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of actually being realized by the Company. We believe our estimates of unproved resources and future drillsites are reasonable, but such estimates have not been reviewed by independent engineers. Estimates of unproved resources may change significantly as development provides additional data, and actual quantities that are ultimately recovered may differ substantially from prior estimates.

Any Reference to reserves and future net revenue in this presentation have been determined in accordance with the SEC guidelines and the United States Financial Accounting Standards Board (“U.S. Rules”) and not in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“NI 51-101”). The practice of preparing production and reserve quantities data under NI 51-101 differs from the U.S. Rules. The primary differences between the two reporting requirements include: (i) NI 51-101 requires disclosure of proved and probable reserves; the U.S. Rules require disclosure of only proved reserves; (ii) NI 51-101 requires the use of forecast prices in the estimation of reserves; the U.S. Rules require the use of 12-month average prices which are held constant; (iii) NI 51-101 requires disclosure of reserves on a gross (before royalties) and net (after royalties) basis; the U.S. Rules require disclosure on a net (after royalties) basis; (iv) the Canadian standards require disclosure of production on a gross (before royalties) basis; the U.S. Rules require disclosure on a net (after royalties) basis; and (v) NI 51-101 requires that reserves and other data be reported on a more granular product type basis than required by the U.S. Rules.



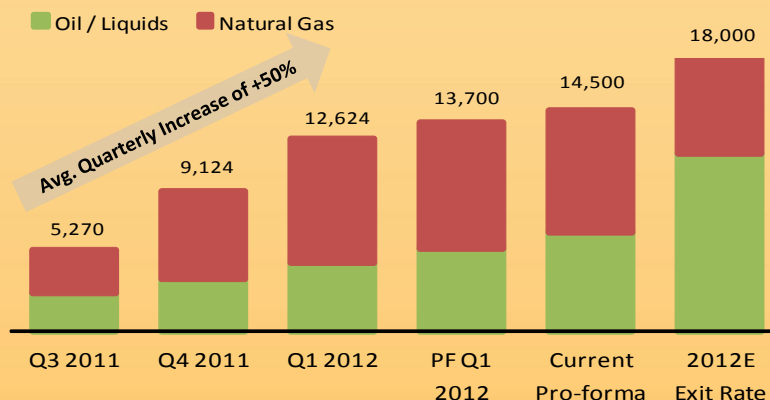
# Overview of Magnum Hunter



## Overview

- **Magnum Hunter Resources is an exploration and production company focused on three of the most prolific unconventional resource plays in the U.S.**
  - North Dakota – Bakken / TFS / Madison
  - South Texas – Eagle Ford Shale
  - Appalachia – Marcellus Shale / Utica / Huron / Weir
- **Current management team assumed leadership of Magnum Hunter in May 2009 (price per share was \$0.37 and market capitalization was ~\$10 million)**
- **Company's asset base completely repositioned through acquisitions and development into liquids rich unconventional resource plays**
- **Increased market capitalization from ~\$10 million in May 2009 to ~\$800 million currently**

## Production Growth (Boe/d)



## Key Metrics

Pro-forma Market Capitalization	~\$1,000 MM
Pro-forma Enterprise Value	~\$1,800 MM
Pro-forma Proved Reserves	59.3 MMBOE
2012 pro-forma Q1 average production	13,700 Boepd
Current pro-forma production	14,500 Boepd
2012 production exit rate	18,000 Boepd



# Transaction Overview



- **On April 18, 2012, MHR announced an agreement to acquire additional interests in a significant portion of its existing Williston Basin Bakken / Three Forks properties for \$311 million – Closing May 22, 2012**
- **Magnum Hunter Resources (“MHR”) recently priced:**
  - \$450 million senior unsecured notes at 9.75%
  - 35 million shares of common equity at \$4.50/share
- **Use of proceeds:**
  - Fund Baytex acquisition; Repay existing revolver and term loan; General corporate purposes (possible redemption of Series C Preferred)
- **Liquidity post offerings of ~\$210 million**
- **MHR is increasing upstream capex from \$150 million to ~\$325 million**
  - 92% of new upstream capex focused on Williston and Eagle Ford compared to 67% of prior budget
  - Transforms MHR into a majority oil producer; 2012 production exit oil / liquids mix ~65%
- **MHR’s focus is on Liquids Driven Unconventional Drilling Factory**



# Transactions Enhance Liquids Exposure



## Williston Basin Acquisition

- Increase working interest in Baytex properties to 47.5%
- Proved reserves of 8.7 MMMBoe (93% oil) with PV-10 of ~\$150 million
- 50,414 net acres of land, including ~44,000 undeveloped acres
- Net production of 934 Boe / d (increasing to 1,295 Boe / d with near term completions) <sup>(1)</sup>
- 800 gross drilling locations (500 TFS / 300 Bakken)

*Drives Williston Basin 2012 exit production to 7,000 – 8,000 Boe/d (~95% oil / liquids)*

## Capex transition to Liquids-Rich Basins

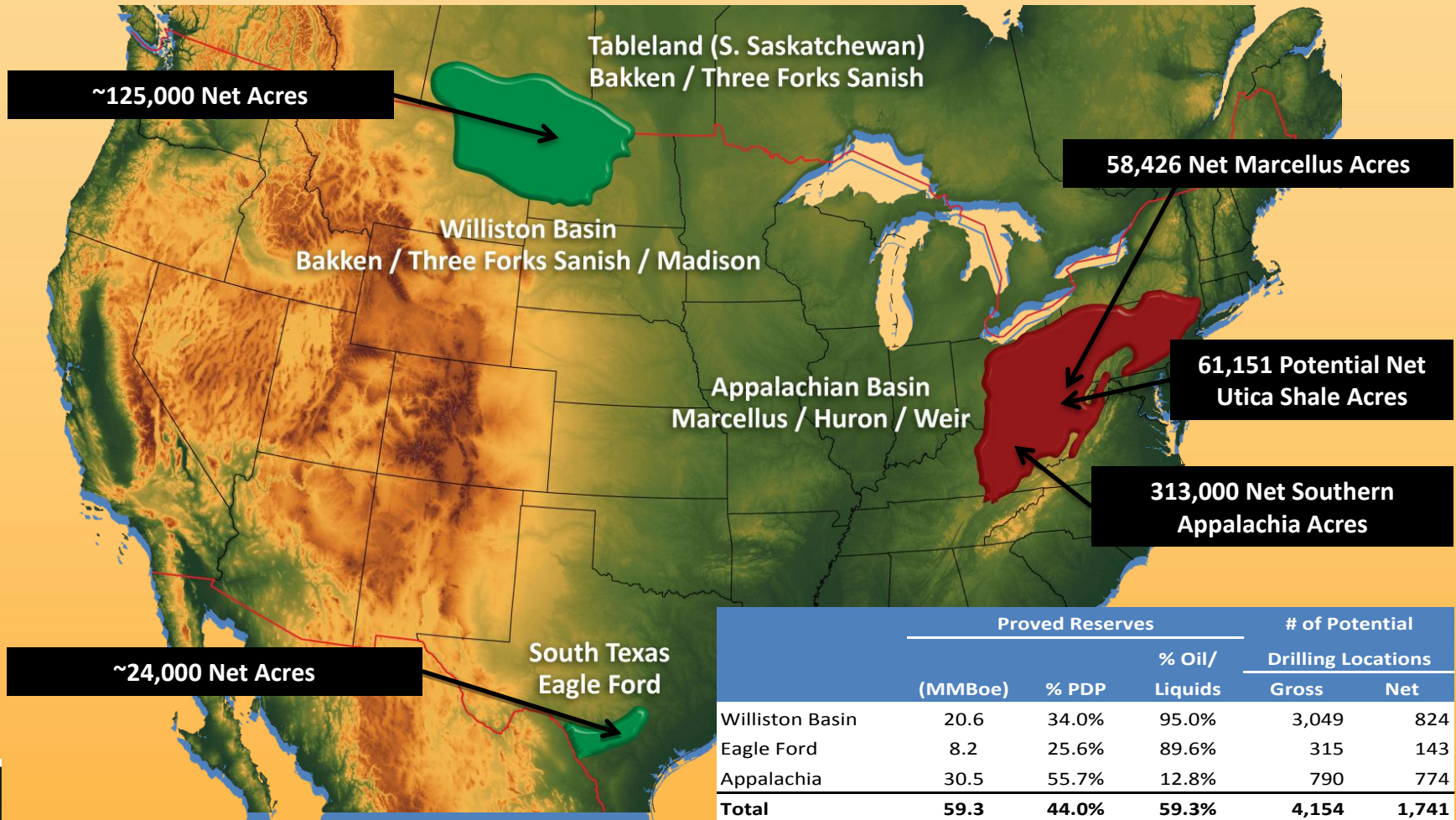
- 2012 Capex budget of ~\$325 million – 92% dedicated to oil / liquids
- Core focus on Eagle Ford and Williston Basins – inventory of nearly 1,000 oil / liquids net locations
- Flexibility to allocate capital to highest return plays since the majority of all areas are HBP
- Transformational results – significant increase in oil / liquids production mix over 2012

*2012 exit production rate projected to be 18,000 Boe/d (~65 % oil / liquids)*



(1) 184 bbl/d is frac'd waiting on drill out and equipping, and approximately 177 Bbl/d is behind pipe or drilling

# Large, Diversified Asset Base



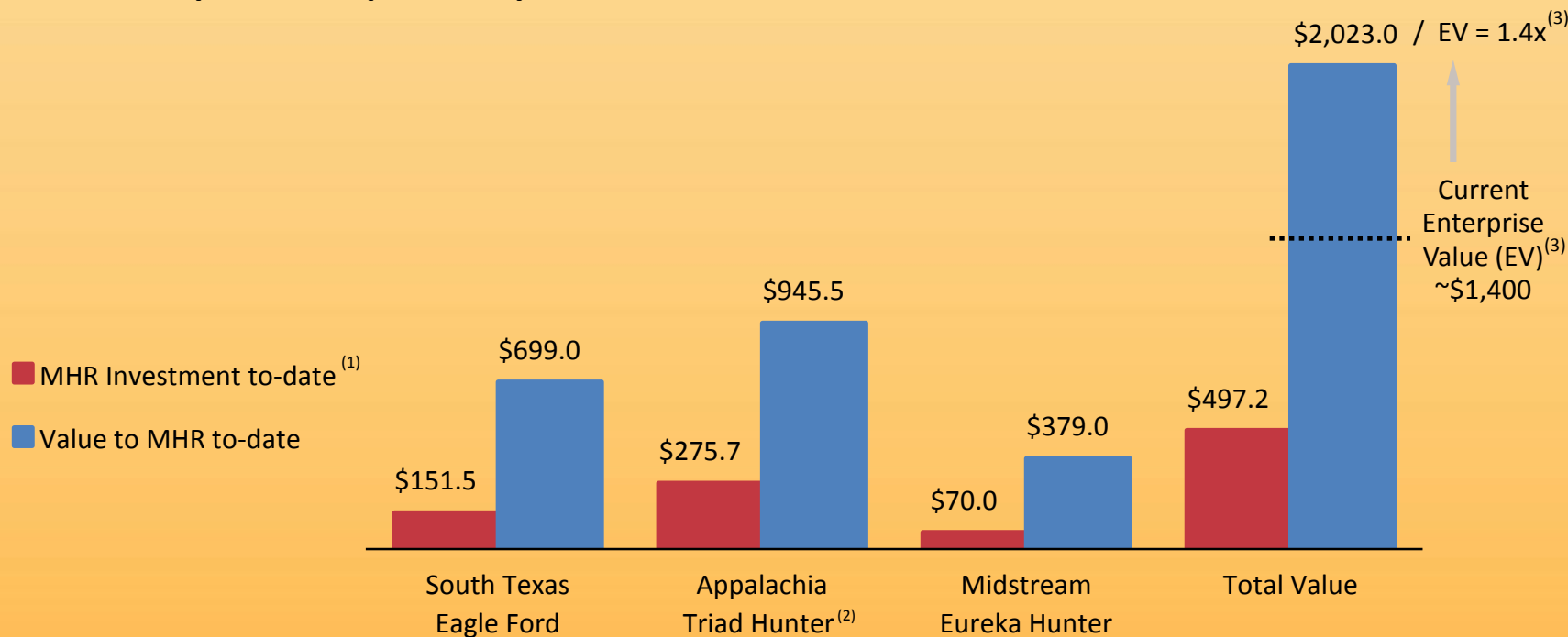
	Proved Reserves			# of Potential Drilling Locations	
	(MMBoe)	% PDP	% Oil/ Liquids	Gross	Net
Williston Basin	20.6	34.0%	95.0%	3,049	824
Eagle Ford	8.2	25.6%	89.6%	315	143
Appalachia	30.5	55.7%	12.8%	790	774
<b>Total</b>	<b>59.3</b>	<b>44.0%</b>	<b>59.3%</b>	<b>4,154</b>	<b>1,741</b>



# MHR Track Record of Value Creation



- Successful history of creating value for shareholders
- Bakken acquisition represents potential for additional value creation



<b>Return on Investment To-Date</b>	<b>4.6x</b>	<b>3.4x</b>	<b>5.4x</b>	<b>4.1x</b>
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Note: Refer to pages 48 for detailed calculations

(1) Includes acquisitions and capex

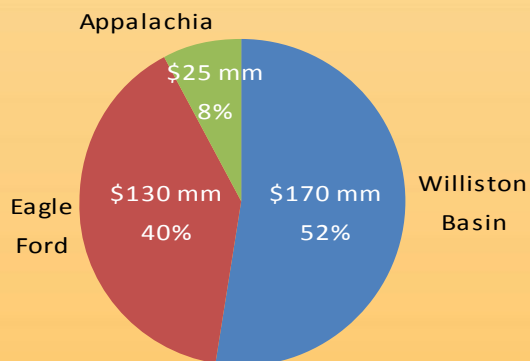
(2) Triad acquisition totaled \$81MM; \$10MM of value was allocated to Eureka Hunter

(3) Not pro-forma for the Baytex acquisition

# Liquids Driven Capital Plan



## Revised 2012 Drilling Budget – \$325 Million



➤ **2012 upstream capital budget heavily weighted to liquids targets**

- Williston Basin: ~34 net wells expected to be drilled in 2012
- Eagle Ford: from ~14 net wells expected to be drilled in 2012

➤ **Direct control of the operations and timing on ~69% of the projects identified**

(\$ in millions, unless otherwise specified)

	2012 Wells Planned		2012 Drilling Budget	
	Gross	Net	Total	% Operated
Williston Basin	80	34	\$170	42%
Eagle Ford	28	14	\$130	75%
Appalachia	5	4	\$25	73%
<b>Total Drilling</b>	<b>113</b>	<b>52</b>	<b>\$325</b>	<b>58%</b>

(\$ in millions, unless otherwise specified)

	Well Economics			
	Capex	EUR	NPV-10%	IRR (%)
Williston Basin - ND <sup>(1)</sup>	\$6.9	350 Mboe	\$7.5	43%
Williston Basin - SK <sup>(2)</sup>	\$3.4	185 Mboe	\$4.1	43%
Eagle Ford <sup>(3)</sup>	\$9.0	433 Mboe	\$7.0	54%
Marcellus <sup>(4)</sup>	\$6.5	8.2 Bcf	\$5.0	33%



(1) Based on North Dakota (2 mile lateral) type well and \$90.00/Bbl realized price.

(2) Based on Saskatchewan (1 mile lateral) type well and \$90.00/Bbl realized price.

(3) Based on mid-case for Gonzales County type well, \$10.00/Bbl positive differential to \$90/Bbl realized price.

(4) Based on mid-case Marcellus type curve, \$2.5/MMBtu natural gas, \$85.00/Bbl oil and \$53.29/bbl NGL pricing (63% of oil).

# Pro Forma Proved Reserve and Resource Summary

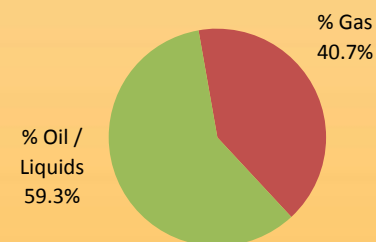
- Proved Reserves and PV-10% up 32% and 53%, respectively since year end 2011 <sup>(1)</sup> <sup>(2)</sup>
- Significant Un-risked Potential Resources

## Pro-Forma Proved Reserve Summary

(\$ in millions)

Category	Net Proved Reserves as of 3/31/12				PV-10%	
	Liquids (MMBbls)	Gas (Bcf)	Total (MMBoe)	%	SEC	NYMEX Strip
PDP	12.2	83.2	26.1	44.0%	\$497	\$504
PDNP	0.3	3.7	0.9	1.5%	12	13
PUD	22.7	58.0	32.3	54.5%	437	441
<b>Total Proved Reserves</b>	<b>35.2</b>	<b>144.9</b>	<b>59.3</b>	<b>100.0%</b>	<b>\$946</b>	<b>\$958</b>

## Proved Reserve Allocation

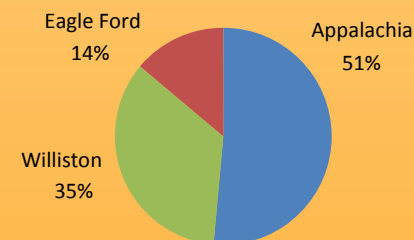


## Pro-Forma Un-risked Potential Resources

(\$ in millions)

Basin	# of Potential Drilling Loc.'s	EUR (Mboe)	Total (MMBoe)	%	NPV-10% / Well	Un-risked Potential Upside
Williston - ND <sup>(1)</sup>	708	350	247.8	34.1%	\$7.5	\$5,310
Williston - SK <sup>(2)</sup>	116	185	21.5	2.9%	4.1	476
Eagle Ford <sup>(3)</sup>	143	433	61.9	8.5%	7.0	1,001
Marcellus <sup>(4)</sup>	290	1,367	396.4	54.5%	5.0	1,450
<b>Total</b>	<b>1,257</b>		<b>727.6</b>	<b>100.0%</b>		<b>\$8,237</b>

## Proved Reserves by Region



(1) Based on North Dakota (2 mile lateral) type well and \$90.00/Bbl realized price.

(2) Based on Saskatchewan (1 mile lateral) type well and \$90.00/Bbl realized price.

(3) Based on mid-case for Gonzales County type well, \$10.00/Bbl positive differential to \$90/Bbl realized price.

(4) Based on mid-case Marcellus type curve, \$2.5/MMBtu natural gas, \$85.00/Bbl oil and \$53.29/bbl NGL pricing (63% of oil).

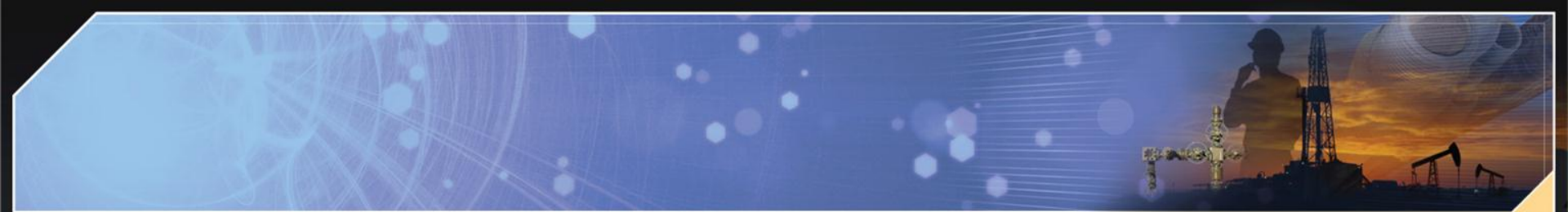
# Key Investment Highlights



<p><b>Large, Diversified Asset Base in Highest Return Resource Plays</b></p>	<ul style="list-style-type: none"> <li>➤ Large, contiguous operations in three of the highest return resource plays in the U.S.</li> <li>➤ Diversification and acreage in each core area provides investment flexibility</li> <li>➤ 59.3 MMBoe of proved reserves (59% oil / liquids; 44% PDP) across three areas</li> </ul>
<p><b>Strong Cash Flow Generation Focused on Liquids-Rich, Low-Risk Basins</b></p>	<ul style="list-style-type: none"> <li>➤ Approximately 92% of 2012 drilling capital allocated to liquids targets</li> <li>➤ Ability to generate robust IRRs across all plays</li> <li>➤ Projected 2012 exit rate of 18,000 Boe/d with ~65% oil / liquids mix</li> <li>➤ 100% focused on developing existing acreage</li> </ul>
<p><b>Increased Efficiency and Low Breakeven Economics</b></p>	<ul style="list-style-type: none"> <li>➤ LOE per Boe reduced ~55% from ~\$21.90/Boe in 2010 to \$9.78/Boe in Q1 2012 <sup>(1)</sup></li> <li>➤ Attractive 1Q 2012 cash margin of ~58% (\$25.87/Boe) <sup>(1)</sup></li> <li>➤ Breakeven economics significantly below current commodity price levels in core focus areas</li> </ul>
<p><b>Attractive Valuation / Asset Coverage</b></p>	<ul style="list-style-type: none"> <li>➤ MHR trades at only ~50% of pro-forma NAV</li> <li>➤ Un-risked resource potential in excess of \$8 billion</li> <li>➤ NAV and PV-10% asset coverage of 6.1x and 2.3x, respectively</li> <li>➤ Substantial liquidity pro-forma for offerings of ~\$210 million</li> </ul>
<p><b>Experienced Management and Operations Team</b></p>	<ul style="list-style-type: none"> <li>➤ 20+ years of individual industry experience</li> <li>➤ Old Magnum Hunter sold to Cimarex in 2005 for \$2.1 billion (average annual shareholder return of 38%)</li> <li>➤ Track record of value creation at New Magnum Hunter</li> </ul>



(1) Not pro-forma for Baytex acquisition



# ***Asset Overview***



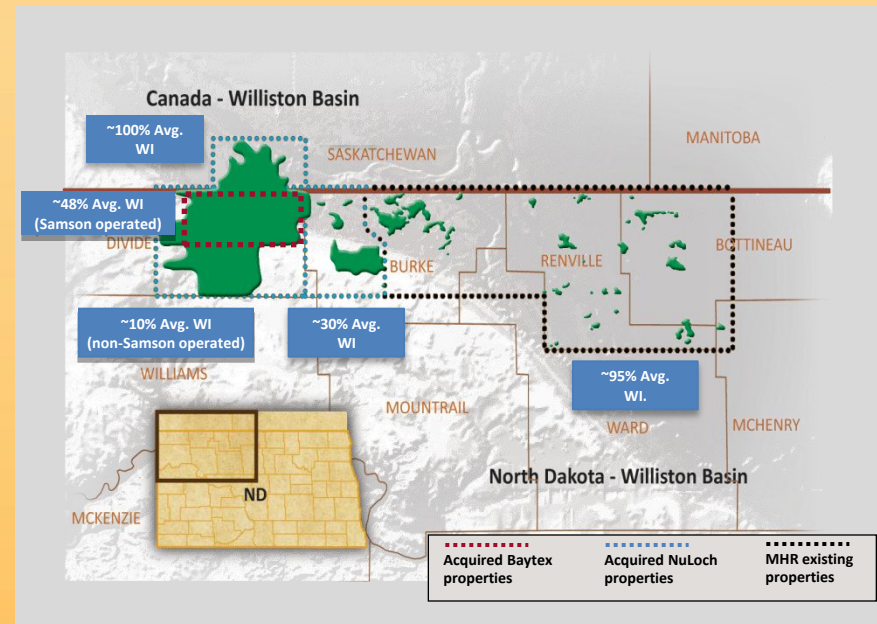
# Williston Hunter Overview



## Overview

- **Pro-forma Proved Reserves**
  - Total proved reserves of 20.6 MMBoe as of 3/31/12
  - Proved producing reserves of 7.1 MMBoe as of 3/31/12
- **Acreage**
  - ~125,000 net acres in the Williston Basin
    - 92,056 net acres in North Dakota
    - 32,944 net acres in Tableland
  - 46,749 net acres located in Alberta
- **Drilling Opportunities**
  - ~824 net locations identified in the Williston Basin
    - Drilling locations targeting the Middle Bakken/Three Forks Sanish
  - 6-7 gross (3-4 net) drilling rigs currently running in the Williston Basin
- **Oil Take-away capacity**
  - Access to multiple pipelines in close proximity to properties
  - Oil trucked to pipelines in area
- **Gas Contract**
  - Third-party midstream contract to gather and process natural gas and natural gas liquids in Divide County, North Dakota, expected to be online during Q1 2013

## Areas of Operation



# Williston Basin Acquisition – Overview



- **The Company is acquiring Baytex Energy’s assets out of the Samson operated area in Divide County, North Dakota for \$311 million**
  - Transaction expected to close on or about May 22, 2012, with an effective date of March 1, 2012
  - MHR currently owns a non-operated 10% working interest in these properties
    - Pro-forma for the acquisition, MHR will own 47.5% on a non-operated basis
  - Samson Resources Company (“Samson”) is the operator of the properties, and pursuant to the Joint Operating Agreement, has the option to participate in the acquisition
- **Baytex owns 50,414 net acres of land in the Samson operated area**
  - 17,745 net acres are unitized (34%)
  - 800 gross drilling locations (500 TFS / 300 Bakken)
- **Total proved reserves are 8.7 MMBoe (93% oil) with a PV-10% of ~\$150 million**
- **In addition, 43,788 undeveloped acres with no reserve bookings (implied price of ~\$3,663 / acre)**
- **Baytex’s current net production is 934 Bbl/d, increasing to 1,295 Bbl/d with near term completions**



# Williston Basin Acquisition – Bid Value



- The metrics for the \$311 million acquisition price for the Baytex Energy assets in the Samson operated area in Divide County, ND are:

<i>(\$ in MM)</i>	<b>Total Proved Reserves (MMBOE)</b>	<b>PV-10%</b>
PDP	1.39	\$57.4
PDNP	0.00	0.0
PUD	7.29	93.2
<b>Total Proved Reserve Value</b>	<b>8.68</b>	<b>\$150.6</b>

<i>(\$ in MM)</i>	<b>Net Undeveloped Acres</b>	<b>\$ / Acre</b>	<b>Acreage Value</b>
Undeveloped Acreage Value <sup>(1)</sup>	43,788	\$3,663	\$160.4
<b>Bid Value</b>			<b>\$311.0</b>



(1) Undeveloped acreage value not associated with proved reserves.

# *Williston Basin Acquisition – Highlights*



- **Attractive cost of ~\$3,663 per undeveloped acre for large contiguous block of acreage in a known producing area**
- **Well results continue to improve in acquired area**
  - Completion “code” cracked
- **Less than 15% of the acreage has any proved reserves booked**
- **Middle Bakken and 1<sup>st</sup> Torquay Bench emerging over lease acreage**
  - Currently only Three Forks Sanish reserves booked, no Middle Bakken
- **With increased working interest in the properties, the Joint Operating Agreement allows MHR the ability to propose wells and actively participate in the development**
- **High grades the Company’s North Dakota acreage position with a larger working interest**



# Williston Basin Economics – Sensitivity



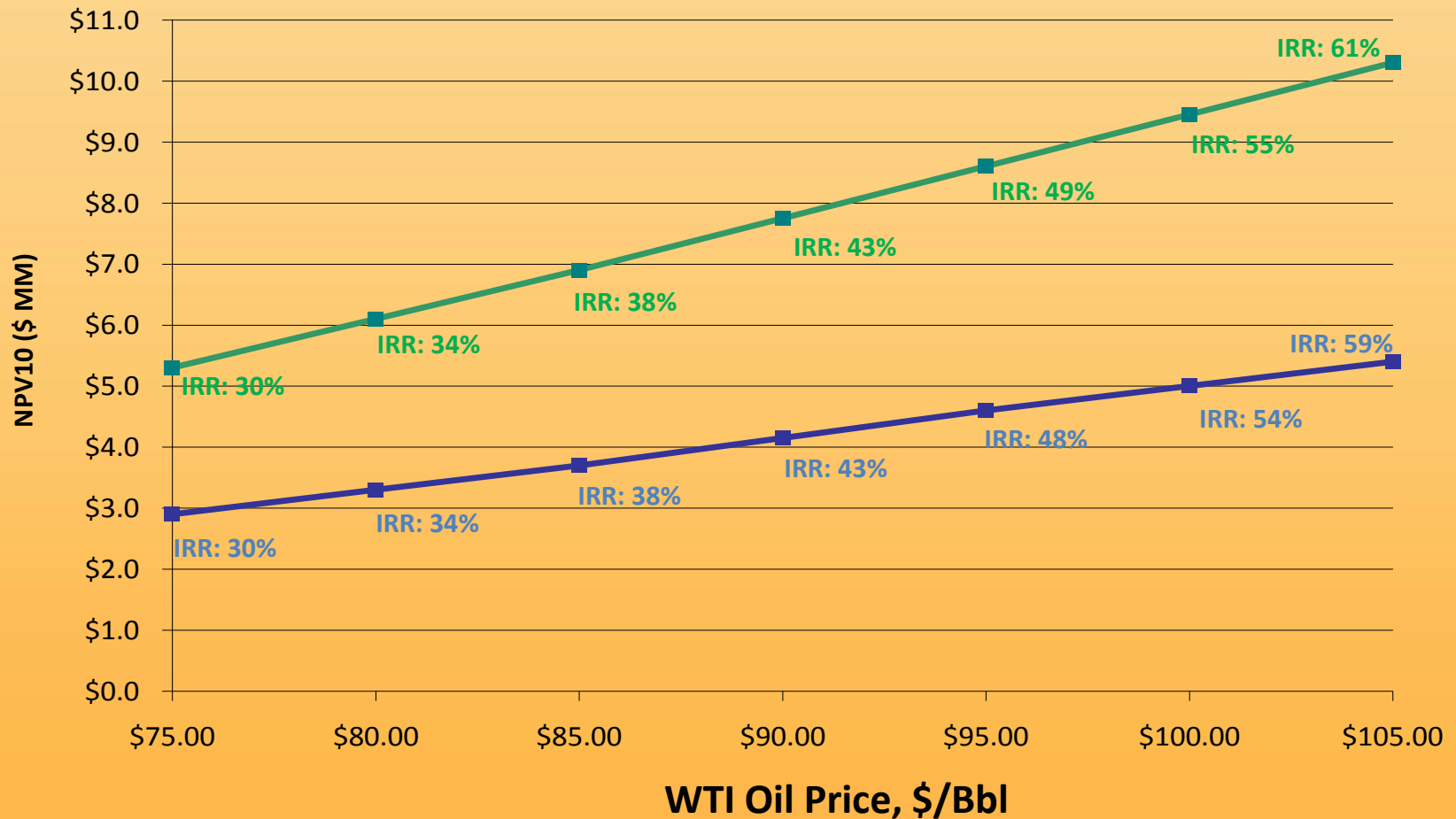
## North Dakota (2 mile lateral)

CAPEX: \$6.9 Million  
 IP-24 Hour: 550 Bbl/D  
 EUR: 350 MBoe

## Saskatchewan (1 mile lateral)

CAPEX: \$3.4 Million  
 IP-24 Hour: 250 Bbl/D  
 EUR: 185 MBoe

— North Dakota (2 mile lateral)  
 — Saskatchewan (1 mile lateral)



# Williston Basin Comparative Economics

- Lower drilling and completion costs per well result in “best-in-class” returns even with lower EUR/well



EUR/well  
(MBoe)

■ IRR (%)

◆ Well costs (\$MM)

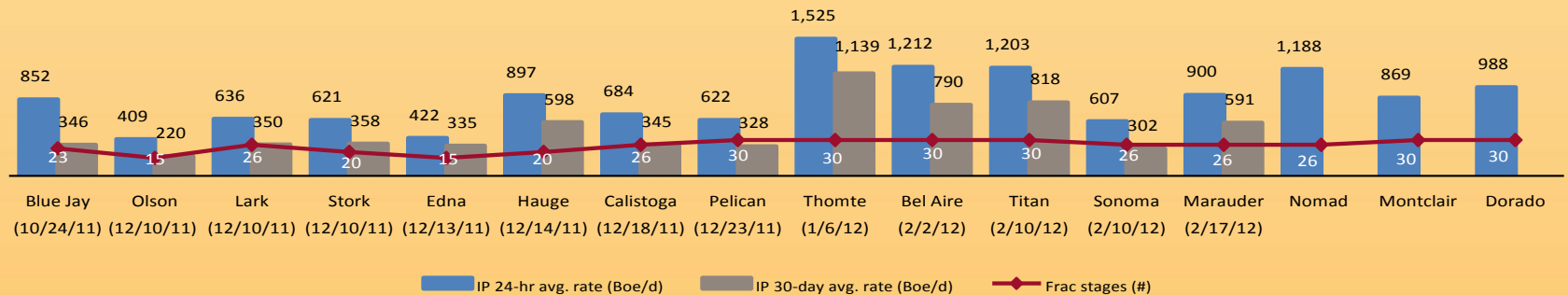


Note: Refer to page 49 for corresponding footnotes.  
 (\*) MHR's IRRs and EURs based only on oil component of production (gas and gas liquids not included).

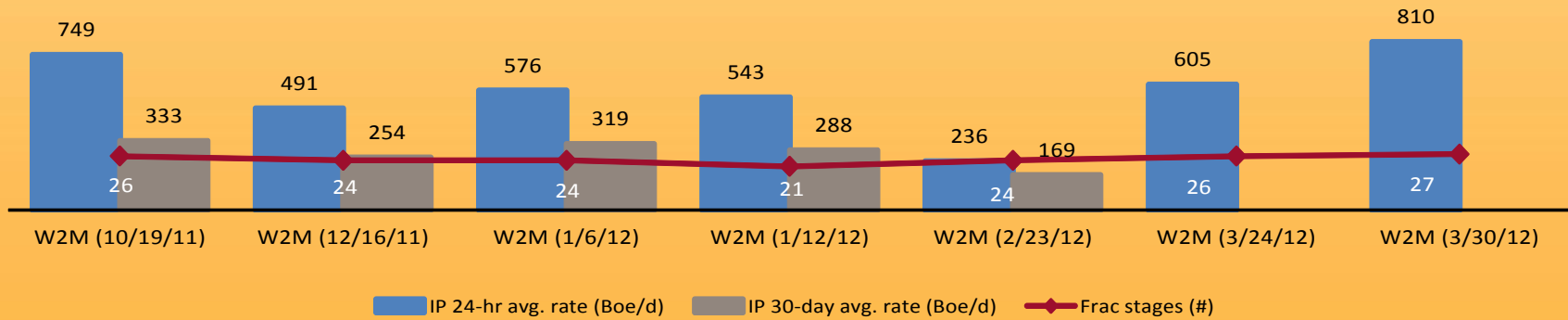
# Williston Hunter Recent Well Results



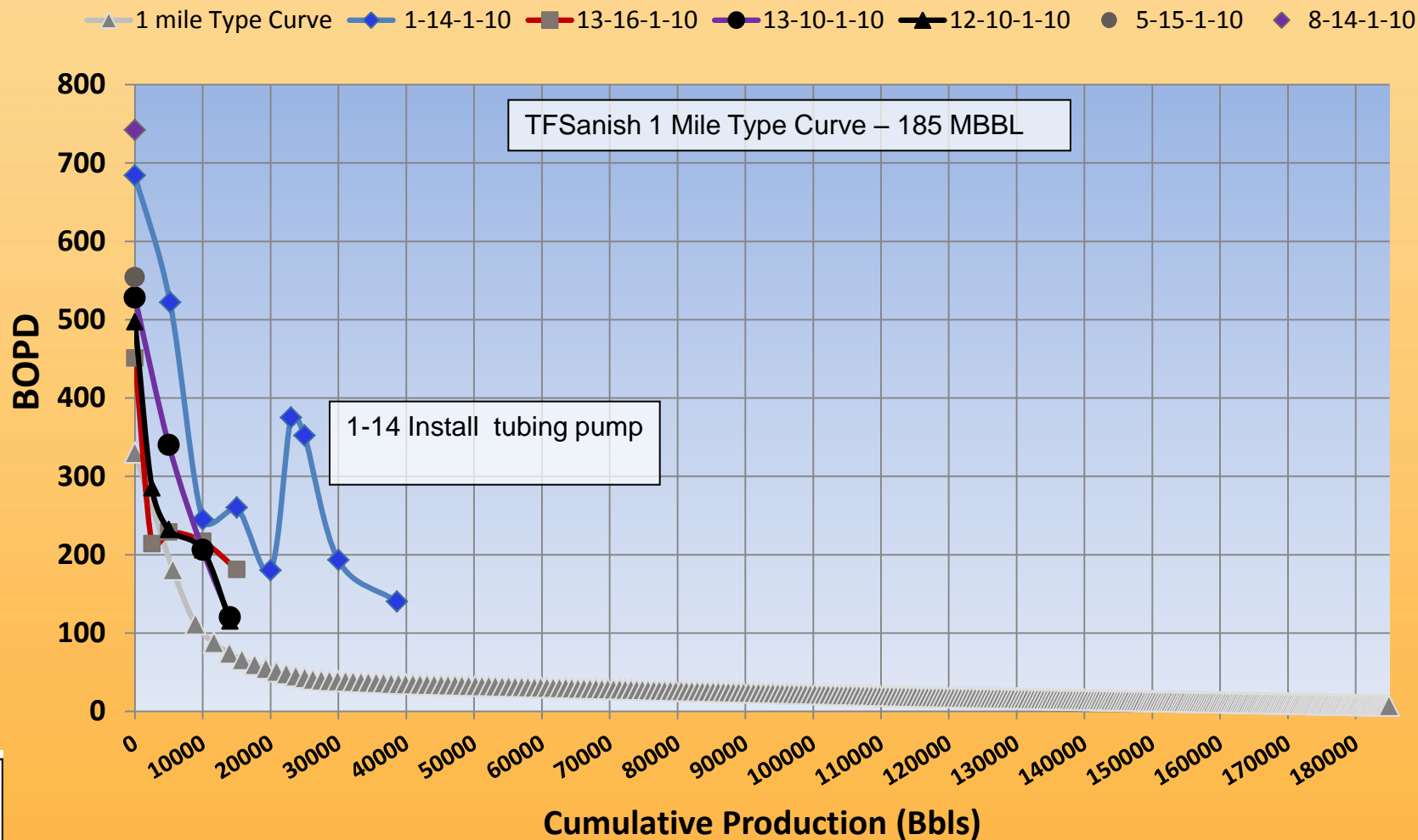
## Williston (North Dakota) MHR results



## Williston (Tableland) MHR results



# Williston Basin – Recent Tableland Results vs. Type Curve



\* Only includes recent wells which have enough production history (gas & gas liquids not included)

# Eagle Ford Hunter Overview



## Proved Reserves

- Total proved reserves of 8.2 MMBoe as of March 31, 2012
- Proved producing reserves of 2.1 MMBoe as of March 31, 2012

## Production

- ~ 85% crude oil, with high btu gas (+1350)
- 21 gross wells on production in the Eagle Ford Shale as of 4/3/2012

## Acreage

- ~24,000 net acres in the Eagle Ford Shale – 100% in the oil window
  - 18,712 net acres in Gonzales and Lavaca Counties
  - 2,065 net acres in Fayette and Lee Counties
  - 3,223 net acres in Atascosa County

## Drilling Opportunities

- 143 net (~315 gross) identified locations
- NPV-10% of \$7.0 million per well
- Net Unrisked Resource Potential of ~ 62 MMBoe

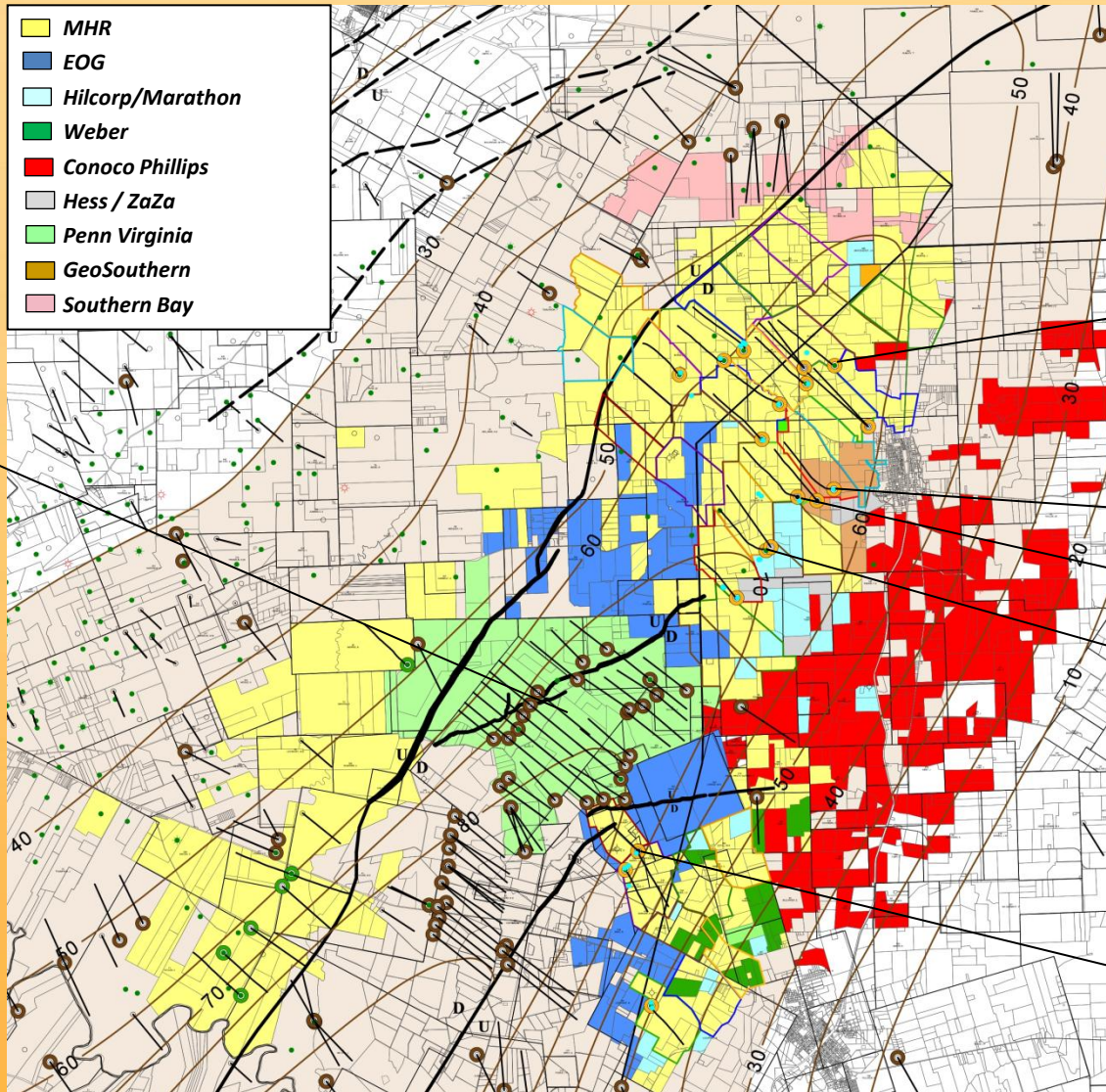


# Eagle Ford Map



- MHR
- EOG
- Hilcorp/Marathon
- Weber
- Conoco Phillips
- Hess / ZaZa
- Penn Virginia
- GeoSouthern
- Southern Bay

**Penn Virginia**  
 Gardner 1#H – IP 1,247 Boe/d  
 Hawn Holt #9H – IP 1,877 Boe/d  
 Hawn Holt #2H – IP 986 Boe/d



**Leopard Hunter #1H**  
 24hr IP – 1,333 Boe/d

**Hawg Hunter #1H**  
 24hr IP – 2,289 Boe/d

**Oryx Hunter #1H**  
 24hr IP – 2,044 Boe/d

**Kudu Hunter #1H**  
 24hr IP – 1,590 Boe/d

**Southern Hunter #1H**  
 24hr IP – 1,321 Boe/d



# Economic Sensitivity of Eagle Ford – Gonzales County



CAPEX: \$8.5MM + \$0.3MM (ESP) + \$.02MM PU  
IP-24 Hour: 1,250 Bbl/D  
EUR: 433 MBoe

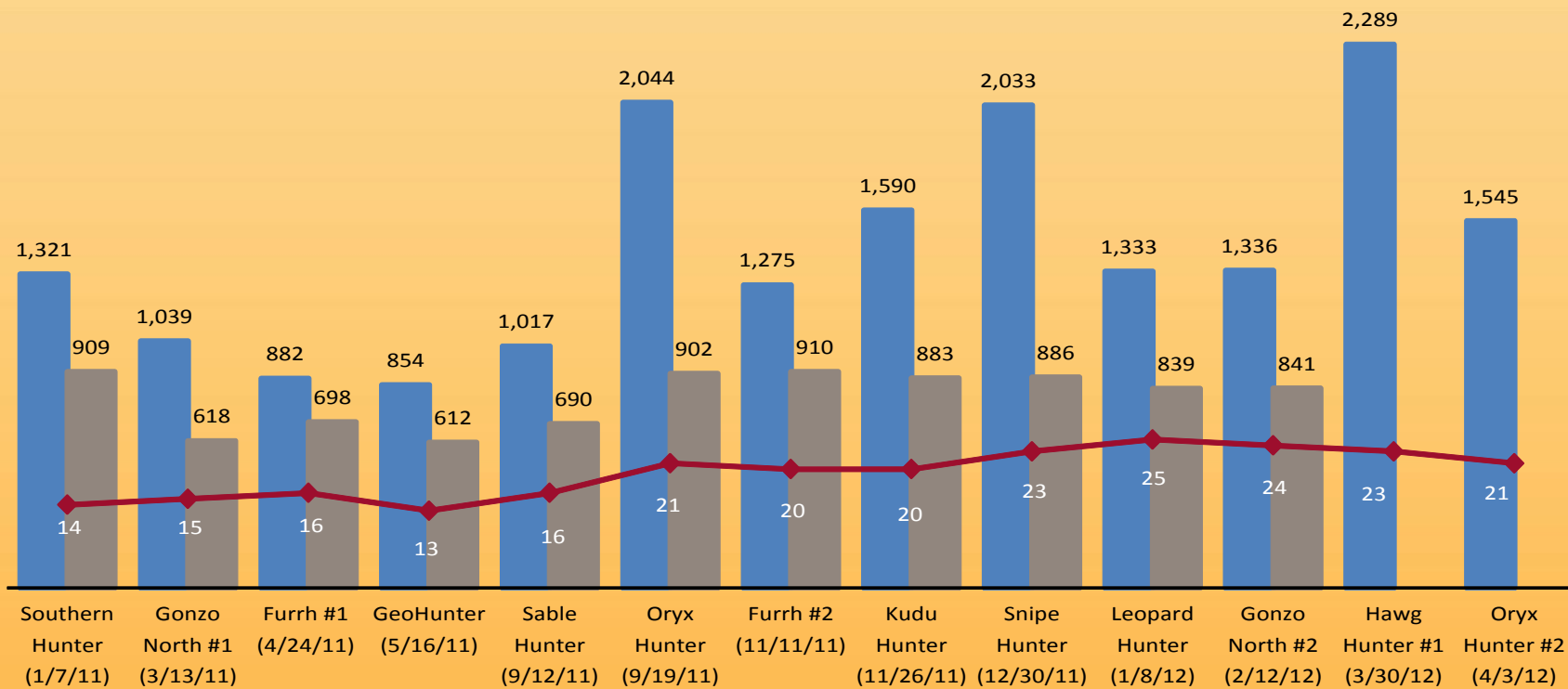


Note: MHR currently receives an approximate \$10 per barrel premium to WTI in the Eagle Ford.

# Eagle Ford Hunter – Operations



## Eagle Ford MHR results



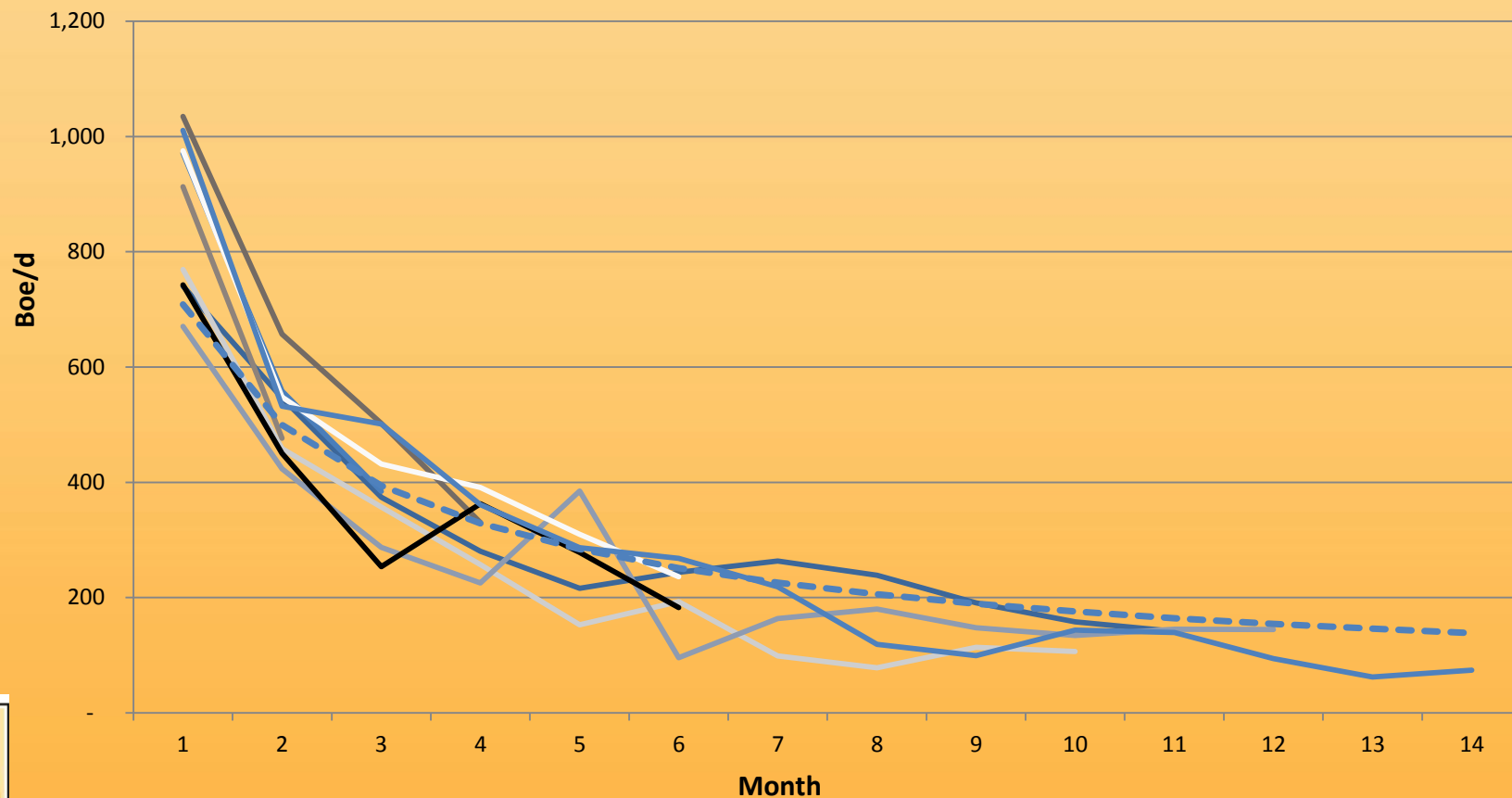
■ IP 24-hr avg. rate (Boe/d)   
 ■ IP 30-day avg. rate (Boe/d)   
 ◆ Stages frac (#)



# Eagle Ford – Historical Production vs. Type Curve



- Furrh 1H
- Furrh 2H
- Geo Hunter 1H
- Gonzo N 1H
- Gonzo N 2H
- Kudu Hunter 1H
- Leopard Hunter 1H
- Oryx Hunter 1H
- Sable Hunter 1H
- Southern Hunter 1H
- 433 MBOE Type Curve



\* Type Curve and historical production data includes NGLs

# Appalachia Overview



## Overview

### ➤ Proved Reserves

- Total proved reserves of 30.5 MMBoe as of 3/31/12
- Proved producing reserves of 17.0 MMBoe as of 3/31/12

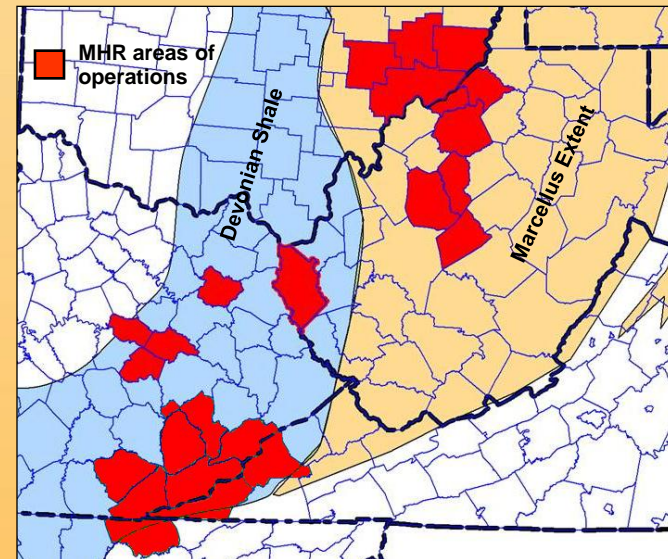
### ➤ Acreage

- ~400,000 net acres in the Appalachia Basin
  - 58,426 net acres located in the Marcellus Shale
  - 61,151 net acres prospective for the Utica Shale

### ➤ Drilling Opportunities

- ~774 net locations identified in the Appalachia region
  - Over 290 net locations identified in the Marcellus Shale with net Unrisked Potential Resources of ~400 MMBoe

## Areas of Operation



### ➤ Marcellus Shale Overview

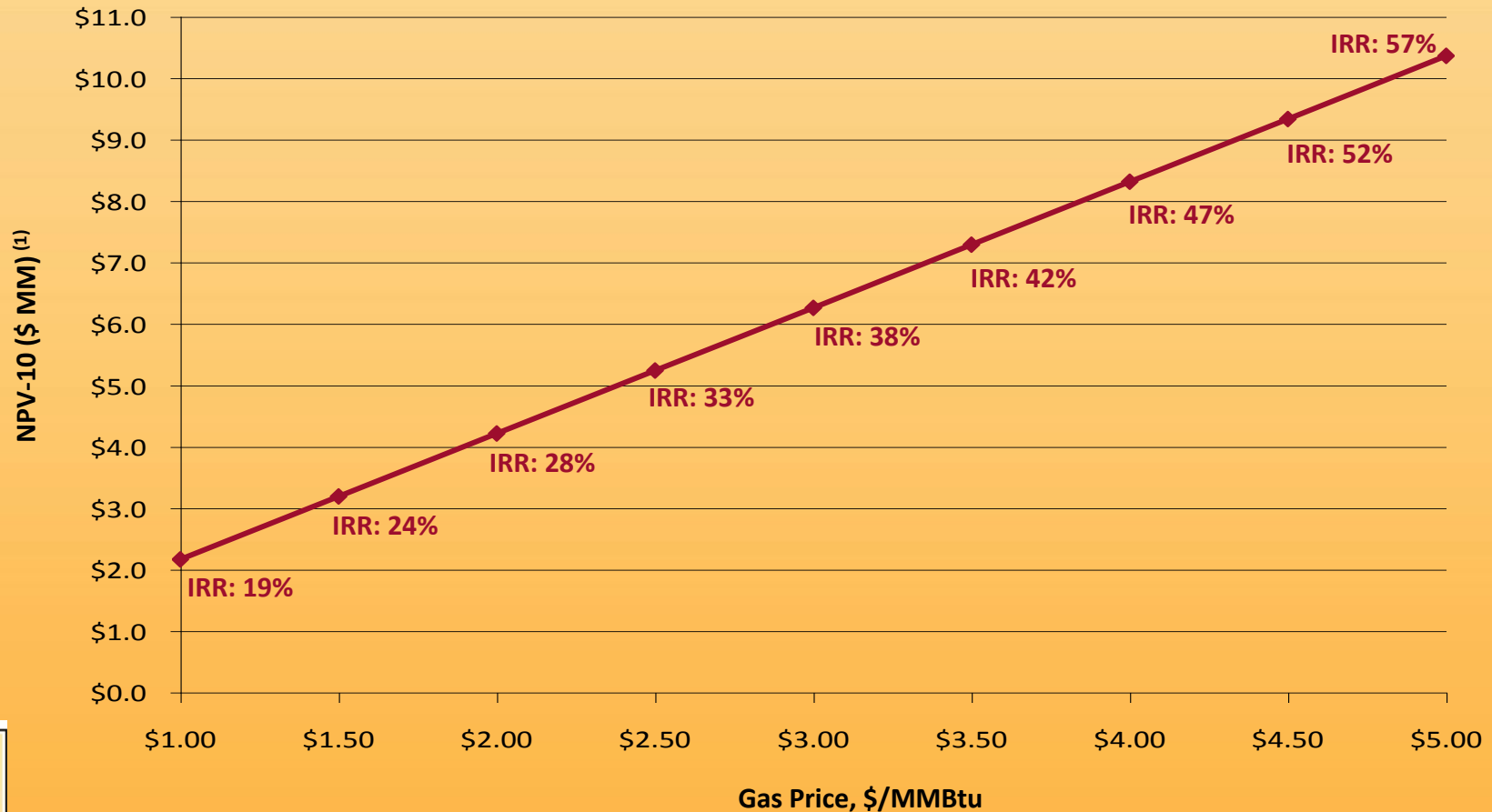
- To-date 14 wells have been drilled and completed
  - Seven wells in Tyler County, WV, five wells in Wetzel County, WV and one well in Monroe County, OH
- Current Drilling/Completing Operations:
  - Three wells drilled, awaiting completion till 4Q 2012



# Economic Sensitivity of Marcellus



CAPEX: \$6.5MM  
IP-24 Hour: 5 MMcf/D  
EUR: 8.2 Bcfe

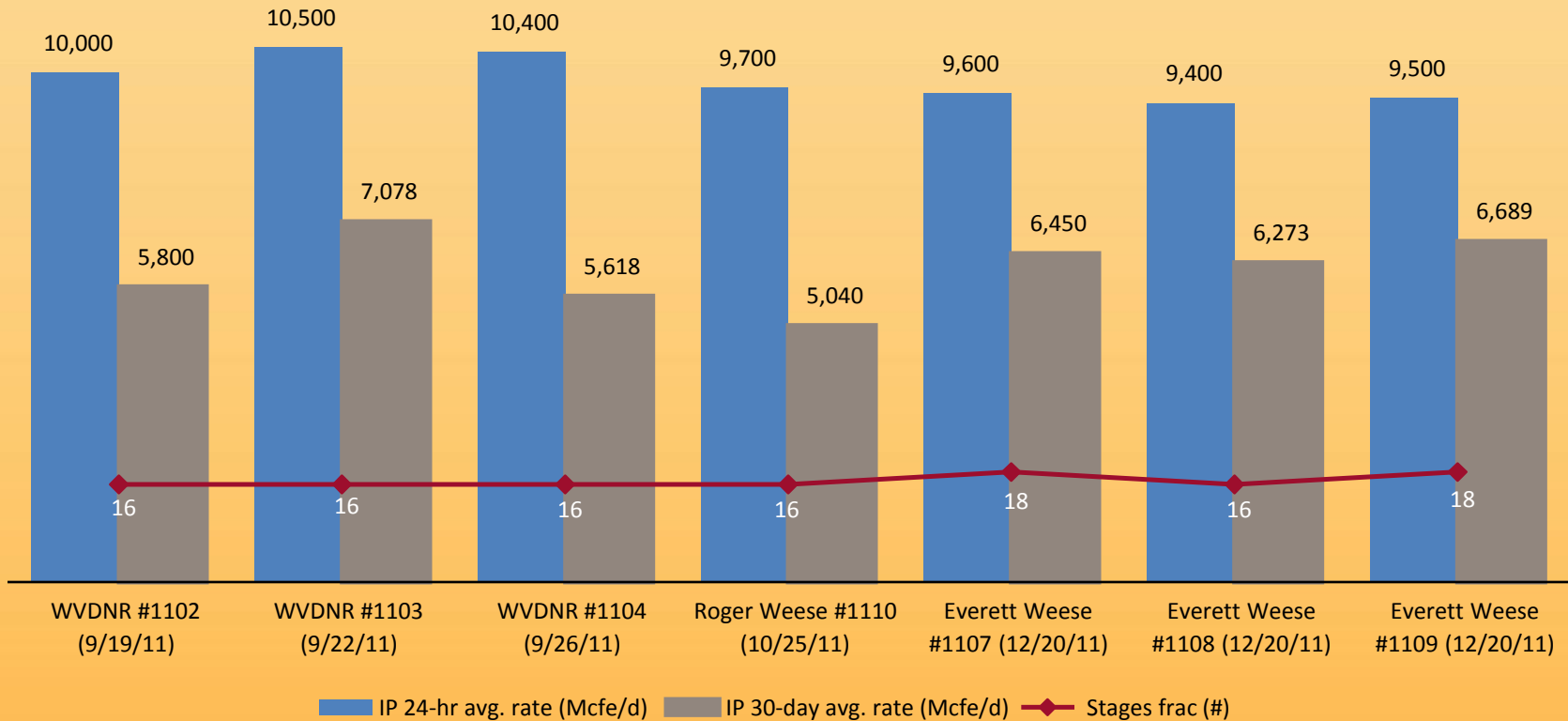


(1) Assumes \$85.00/Bbl for oil and NGL pricing of \$53.29/Bbl (63% of oil)

# Marcellus Operations



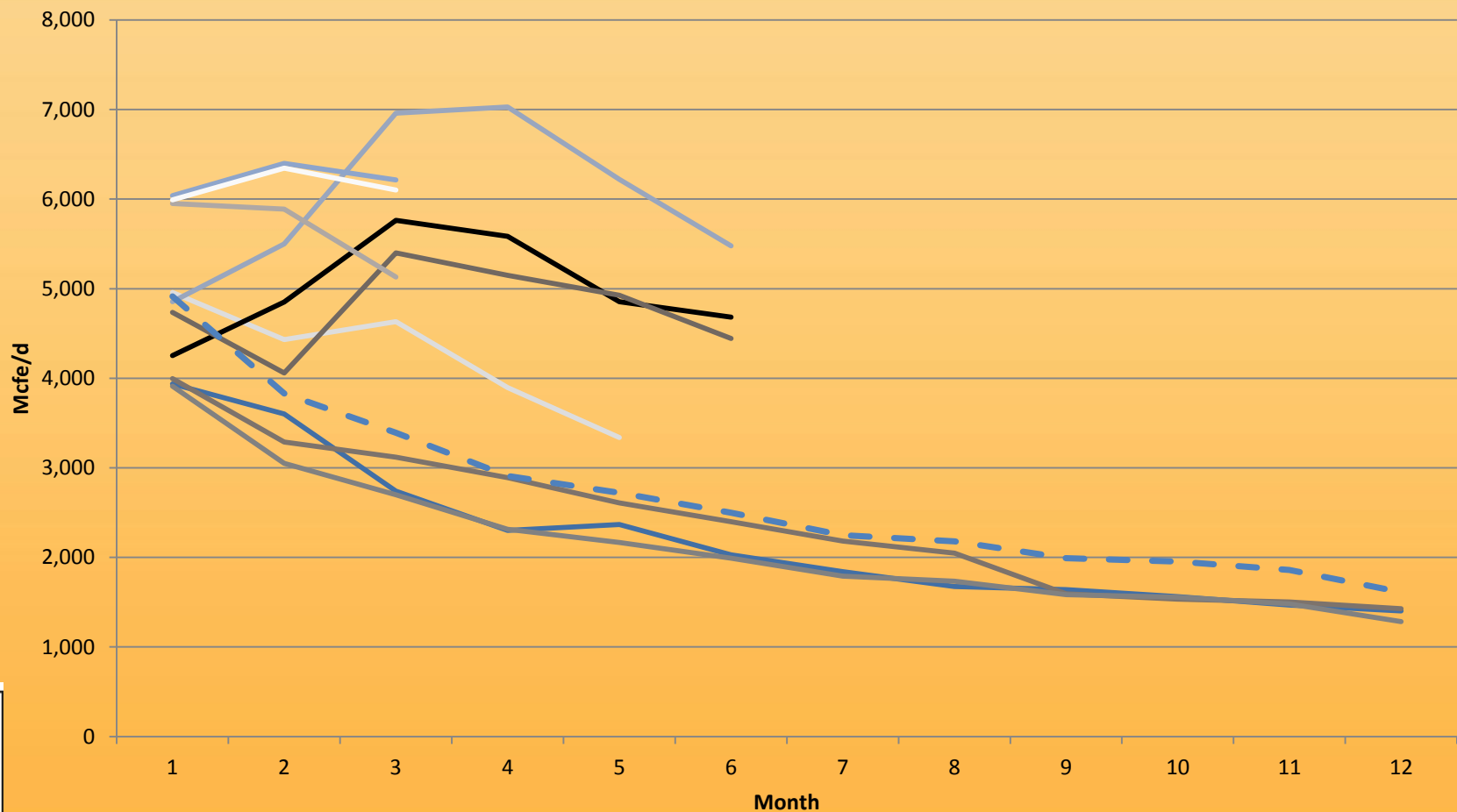
## Marcellus MHR results



# Marcellus – Historical Production vs. Type Curve

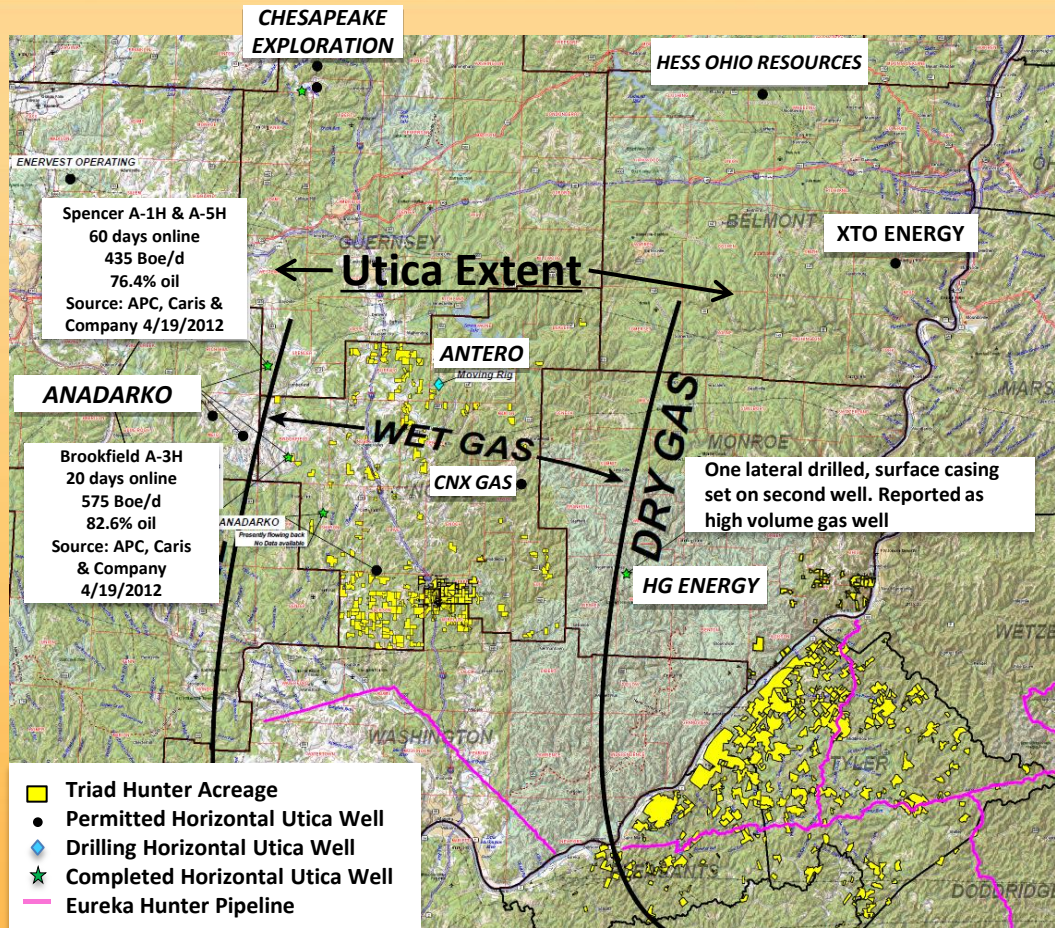


- Weese 1001
- Weese 1003
- Weese 1110
- WVDNR 1102
- WVDNR 1103
- WVDNR 1104
- WVDNR 1107
- WVDNR 1108
- WVDNR 1109
- Type Curve - 6.0 Bcfe



\* Type Curve and historical production data does not include NGLs

# Utica Shale Overview



- On February 17, 2012, MHR closed on the acquisition of 12,186 net Utica Shale acres for approximately \$25 million (\$2,037/acre)
  - The acreage is predominantly located in Noble County, OH
  - The majority of the leasehold acreage is held by shallower production (the purchase includes all depths of 300 feet below the top of the Queenston Formation down to all further depths – there is no associated shallow production included with the acquisition)
- With the acquisition, MHR now has 61,151 net acres that are prospective for the Utica Shale
- Utica Shale Characteristics:
  - 200' – 300' in thickness
  - 6% - 10% porosity
  - 6,000 – 9,000 TVD
  - TOC 2% - 6%
- MHR plans to drill 2 horizontal Utica wells in 2012



# Eureka Hunter Midstream Overview



## Assets and Business Strategy

### Strategically Positioned Assets

- Pipeline in strategic geographical location in heart of Marcellus “wet gas corridor” of WV
- 54 miles of 20” – 900# high pressure gathering system in the ground to-date
- 200 – 300 MMcf per day current design capacity – unlimited expansion possibilities

### Highly Visible Business Model

- Stable cash flow through demand based structure (reservation fees and commodity fees)
- Long term contracts – 10 year minimum
- Huge area reserve potential for continued pipeline expansion and long life throughput
- Structuring for an MLP rollout

## Operational and Growth Trajectory

- Building pipeline faster and more economically than competitors
- New processing plant(s) to realize NGL uplift to wellhead gas price
- Expansion potential for Utica Shale build out

## Q1 2012 Developments

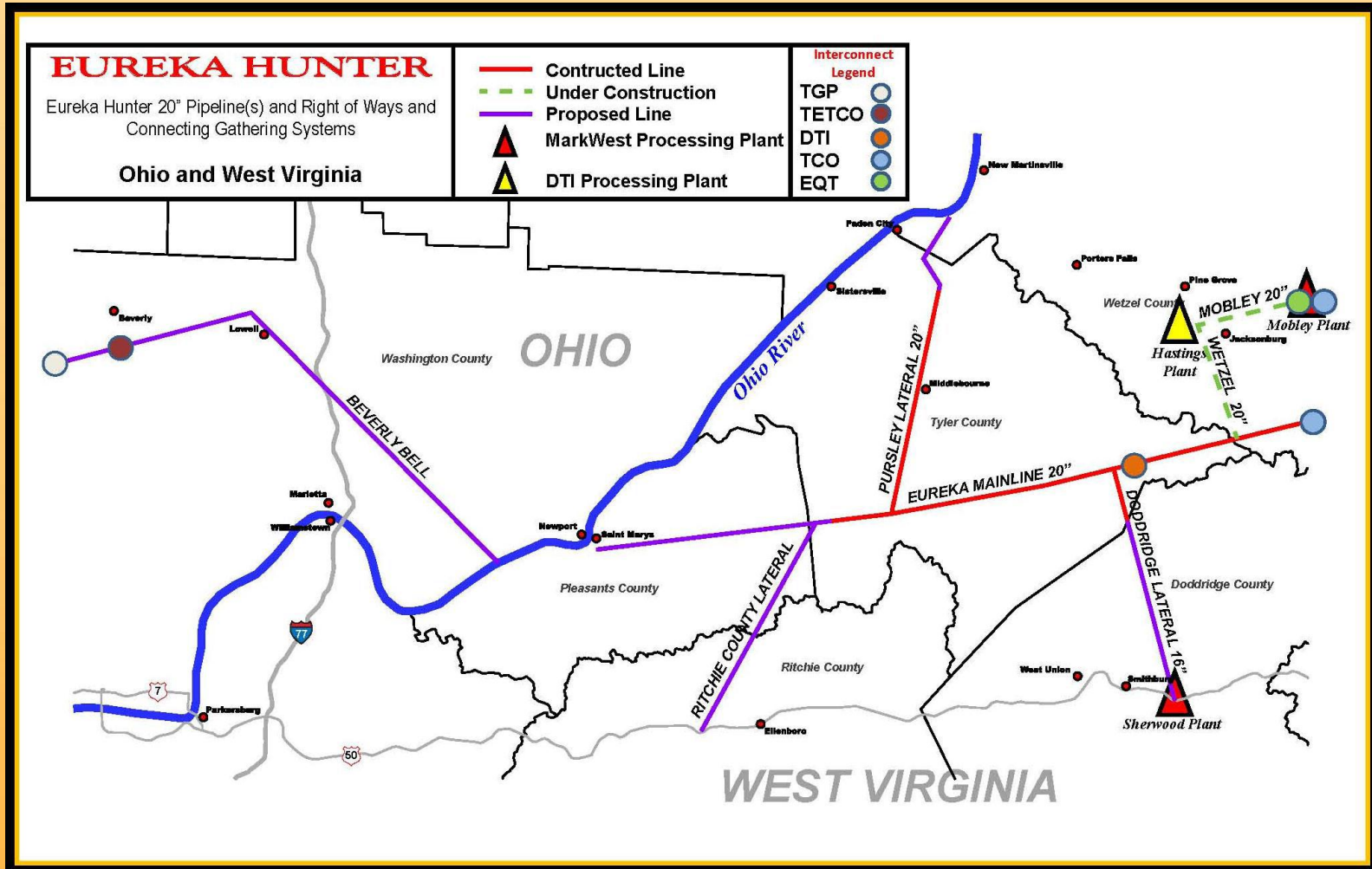
- Completed partial monetization of Eureka Hunter
  - Arclight Capital Partners, a leading midstream private equity investor, has agreed to invest up to \$200 million in the form of convertible preferred units in Eureka Hunter <sup>(1)</sup>
  - Arclight now owns on a pro-forma basis ~28% of Eureka Hunter
  - **Magnum Hunter’s retained equity value is equal to ~\$300 million**
- Completed acquisition of TransTex, a leading private gas treating company with a significant Eagle Ford presence and the potential for Marcellus / Utica expansion <sup>(2)</sup>

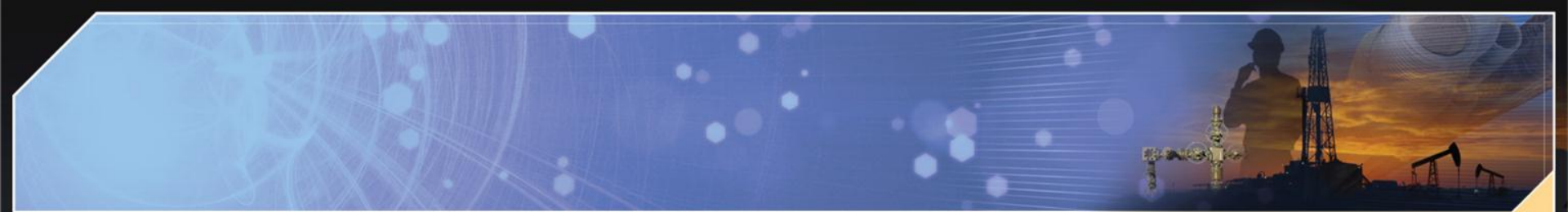


(1) Initial investment of \$106.8 million, ~\$60 million to the parent, MHR; remaining \$46.8 million to fund the cash portion of the TransTex acquisition.

(2) TransTex acquisition completed for \$58.5 million. \$46.8 million cash portion funded via Arclight investment.

# Eureka Hunter Pipeline Geographical Map





# ***Financial Overview***



# Financial Strategy



## ➤ **Capital spending driven by rates of return across all operating areas**

- Focus on development of exiting acreage
- Capital budget adjusted in Q2 2012 to focus on high return, oil / liquids areas
- Margins and EBITDAX projected to increase by year-end 2012 based on capital plan
- Limited overhead expansion required to meet growth objectives

## ➤ **Maintain conservative balance sheet**

- Continue to increase Senior Credit Facility borrowing base through reserves additions from organic growth to maximize liquidity
- Simplify balance sheet over time
- Target Net Debt / Last-Quarter-Annualized EBITDAX of ~2x by year-end 2012
- Utilize equity, both common and preferred, when appropriate to maintain conservative financial ratios
- Maintain liquidity to provide capital cushion and for opportunistic expansion

## ➤ **Maintain an active hedging program to support economic returns and ensure strong coverage metrics**

- Target rolling 50% hedging program one to two years forward – will hedge further opportunistically
- Hedges in place, up to the current maximum allowable volumes under the credit agreement for natural gas in 2012 and 2013, provide ~\$4/MMBtu on ~67% of estimated 2012 production



# Pro Forma Capitalization



(\$ in millions, except as indicated)

	Status quo 3/31/2012	Pro-forma adjustments	Pro-forma 3/31/12
Cash <sup>(1)</sup>	\$30.7	–	\$30.7
Debt:			
Revolving Credit Facility due 2016	\$205.0	(\$169.9)	\$35.1
Second Lien Term Loan	100.0	(100.0)	–
New Senior Unsecured Notes due 2020	–	450.0	450.0
Equipment and Real Estate Notes Payable <sup>(2)</sup>	18.5		18.5
<b>Total Debt <sup>(3)</sup></b>	<b>\$323.5</b>		<b>\$503.6</b>
Preferred Stock <sup>(4)</sup>	\$214.4		\$214.4
Series C	\$100.0		\$100.0
Series D	114.4		114.4
Common Stock <sup>(5)</sup>	407.8	139.8	547.6
<b>Total Capitalization</b>	<b>\$945.8</b>		<b>\$1,265.7</b>
Available Revolver + Cash	\$60.7	\$147.4	\$208.1
Borrowing Base	\$235.0	(22.5)	\$212.5
<i>Borrowing base % utilization</i>	<i>87.2%</i>		<i>16.5%</i>
Q1 2012 annualized EBITDA <sup>(6)</sup>	\$141.2	\$17.8	\$159.0
<b>Leverage statistics:</b>			
Net Debt /			
Q1 2012 annualized EBITDA <sup>(6)</sup>			3.0x
Proved Reserves (\$/Boe)			\$7.97
Pre-tax PV-10% / Net Debt			2.0x

Source: Company filings. Reserves and PV-10% based on SEC pricing (\$98.15/Bbl and \$3.71/Mmbtu) as of 3/31/2012.

(1) Excludes \$0.786 million of cash held by and only available to Eureka Hunter.

(2) Includes unrestricted subsidiaries notes payable.

(3) Excludes Eureka Hunter's \$46.0 million second lien term loan.

(4) Excludes Eureka Hunter's \$58.1 million preferred stock.

(5) Adjustment for net proceeds of equity offering based on 35 million shares at \$4.5 per share.

(6) Represents LQA MHR EBITDA (pro-forma for Eagle Operating and excluding TransTex Gas Services) for Status Quo and LQA MHR EBITDA plus LQA Baytex EBITDA for Pro-Forma.



# Operating and Credit Statistics



	2011 Actual	Q1 2012	Q4 2012E
(\$ in millions, except per unit data)			
<b>Pro Forma Production:</b>			
Average Daily Production <sup>(1)</sup>	5,510	13,700	~17,000
% oil / liquids <sup>(1)</sup>	43%	40%	65%
% change vs. PF Q1 2012			24%
2012E Exit Rate			~18,000
<b>EBITDAX LQA:</b>	\$160.0		\$240.0
<b>Illustrative Reserves:</b>			
Total Q2-Q4 2012 E&P Drilling Capex			\$279.5
Assumed Drillbit F&D cost (\$/Boe) <sup>(2)</sup>	\$10.90		\$11.00
Implied Reserve Additions (MMBoe)			25.4
Less: Q2-Q4 Production (MMBoe) <sup>(1)</sup>			(4.1)
Illustrative Proved Reserves (MMBoe) <sup>(3)</sup>	44.9	59.3	80.7
% change vs. PF Q1 2012			35%
Net Debt <sup>(4)</sup>	\$253.5	\$472.9	\$472.9
<b>Illustrative Leverage Statistics:</b>			
Illustrative Net Debt / Proved Reserves (\$/Boe)		\$7.97	\$5.86
% change vs. PF Q1 2012			(26%)



(1) Q2-Q4 production and % oil / liquids based on management estimates.

(2) F&D costs defined as total exploration and development costs divided by reserves additions from extensions, discoveries, revisions and other additions, excluding all acquisitions and assets retirement obligations.

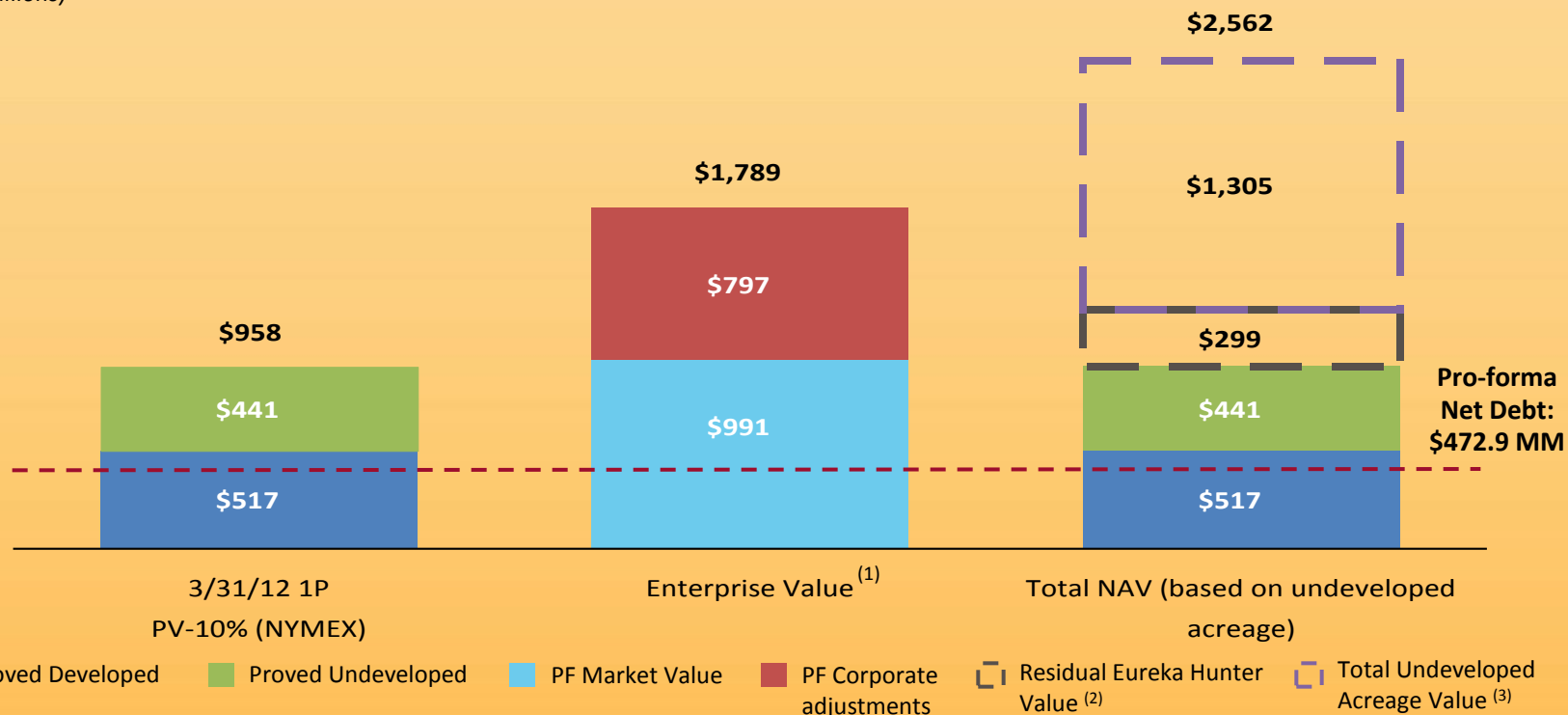
(3) Q4 2012E calculated based on 3/31/12 pro forma balance plus additional reserves determined by dividing drilling capex by assumed F&D cost minus Q2-Q4 2012E production.

(4) For illustrative purposes, assumes pro forma net debt at Q4 2012 is unchanged from Q1 2012 level. Not including Eureka Hunter non-recourse debt.

# Strong Pro Forma Collateral Coverage



(\$ in millions)



Coverage	2.0x	3.8x	5.4x
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## ➤ MHR's Market Value represents ~50% discount to its NAV estimate



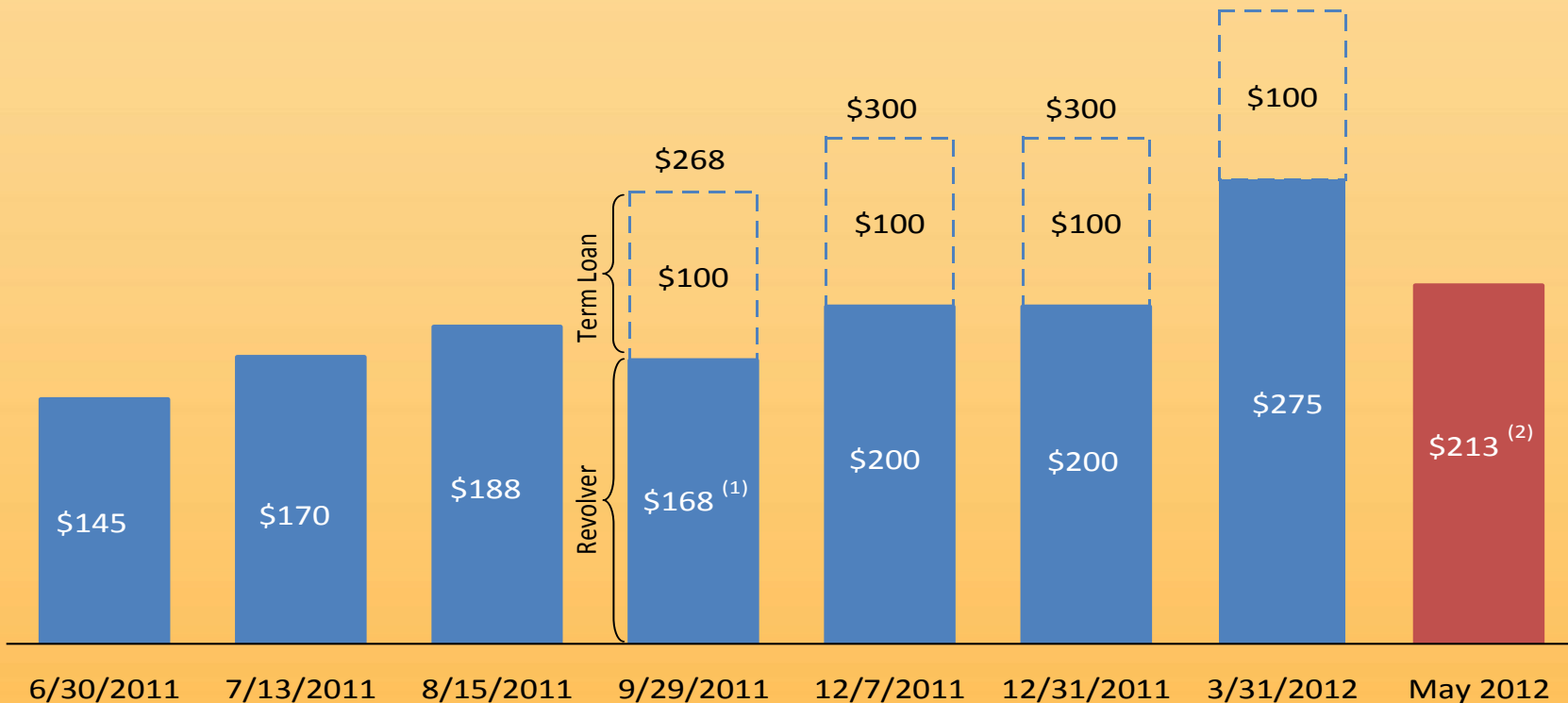
(1) Based on pro forma consolidated capitalization and implied equity value assuming 5/2/2012 closing price and pro forma shares outstanding.  
 (2) Based on residual equity value associated with MHR's 72% ownership of its unrestricted subsidiary Eureka Hunter, as implied by the recent ArcLight transaction.  
 (3) For Eagle Ford, based on 19,640 net undeveloped acres x \$25,000/acre. For Triad Hunter, based on 54,586 net undeveloped Marcellus acres x \$7,500/acre and 61,151 net undeveloped Utica acres x \$4,000/acre. For Williston, based on implied value of undeveloped acreage acquired with Baytex acquisition.

# Borrowing Base Growth



(\$ in millions)

Pre-HY \$375



➤ Seven Borrowing Base increases over last 12 months

MHR expects to continue to add proved reserves, primarily via oil and liquids barrels, and systematically grow the borrowing base over time



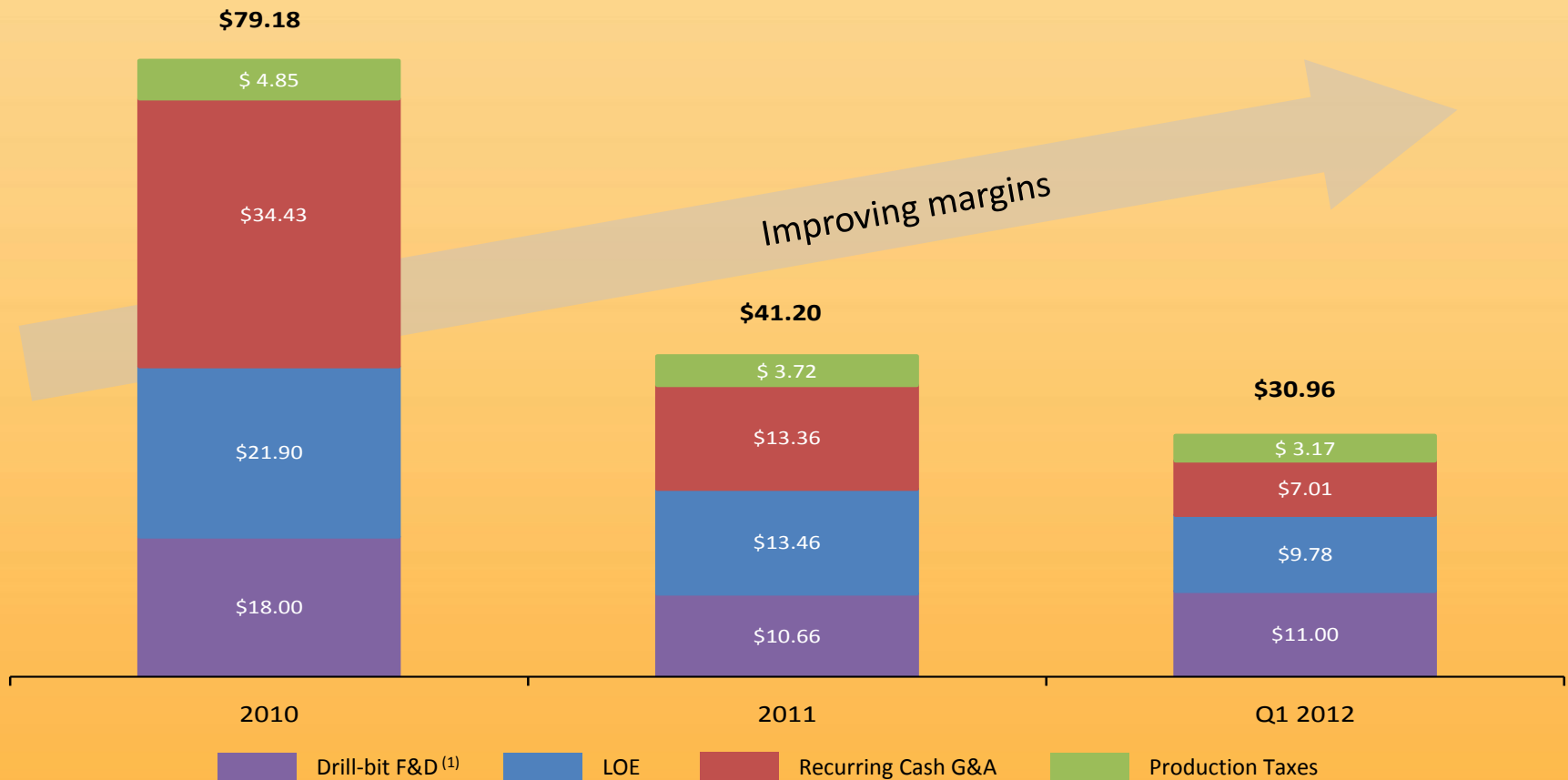
(1) Borrowing base decrease of \$0.30 per each \$1.00 of debt, related to the existing new \$100 million Term Loan Facility.  
 (2) Borrowing base decrease of \$0.25 per each \$1.00 of debt related to the new \$450 million of Unsecured Notes.

# Focus on Operational Efficiency



## All-in Costs

(\$/Boe)



(1) 2010 and 2011 based on total exploration and development costs divided by reserve additions from extensions, discoveries, revisions and other additions, excluding all acquisitions and asset retirement obligations; Q1 2012 assumed at \$11.00/Boe, in line with 2011.

# Summary of Commodity Hedges in Place



As of 3/31/2012

2012

2013

## NATURAL GAS HEDGES:

### Swaps

Volume (mmbtu/d)	16,100	16,000
Price - \$/mmbtu	\$3.53	\$3.51

### Collars

Volume (mmbtu/d)	11,910	12,500
Floor Price - \$/mmbtu	\$4.58	\$4.50
High Price - \$/mmbtu	\$6.42	\$5.96

<b>Total Gas Volume Hedged (mmbtu/d)</b>	<b>28,010</b>	<b>28,500</b>
<b>% of Estimated Production Hedged</b>	<b>67%</b>	<b>TBD</b>

## CRUDE HEDGES:

### Floors

Volume (Bbls/d)	1,553	0
Price - \$/Bbl	\$93.52	N/A

### Swaps

Volume (Bbls/d)	0	0
Price - \$/Bbl	N/A	N/A

### Collars

Volume (Bbls/d)	3,000	2,763
Floor Price - \$/Bbl	\$81.69	\$81.38
High Price - \$/Bbl	\$98.92	\$97.61

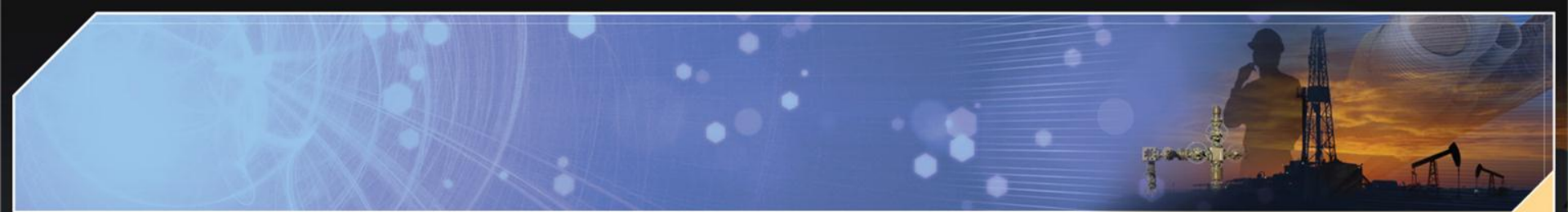
<b>Total Crude Volume Hedged (Bbls/d)</b>	<b>4,553</b>	<b>2,763</b>
<b>% of Estimated Production Hedged</b>	<b>72%</b>	<b>N/A</b>
<b>Total Volume Hedged - Boe/d</b>	<b>9,221</b>	<b>7,513</b>
<b>% of Estimated Production Hedged</b>	<b>69%</b>	<b>N/A</b>



# Summary of Key Investment Highlights

- **Focused Liquids Driven Drilling Factory to Generate Strong Cash Flow**
- **Large, Diversified Asset Base in Highest Return Resource Plays**
- **Increased Operational Efficiency and Margins**
- **Attractive Valuation**
- **Significant Asset Coverage**
- **World-Class Management Team**

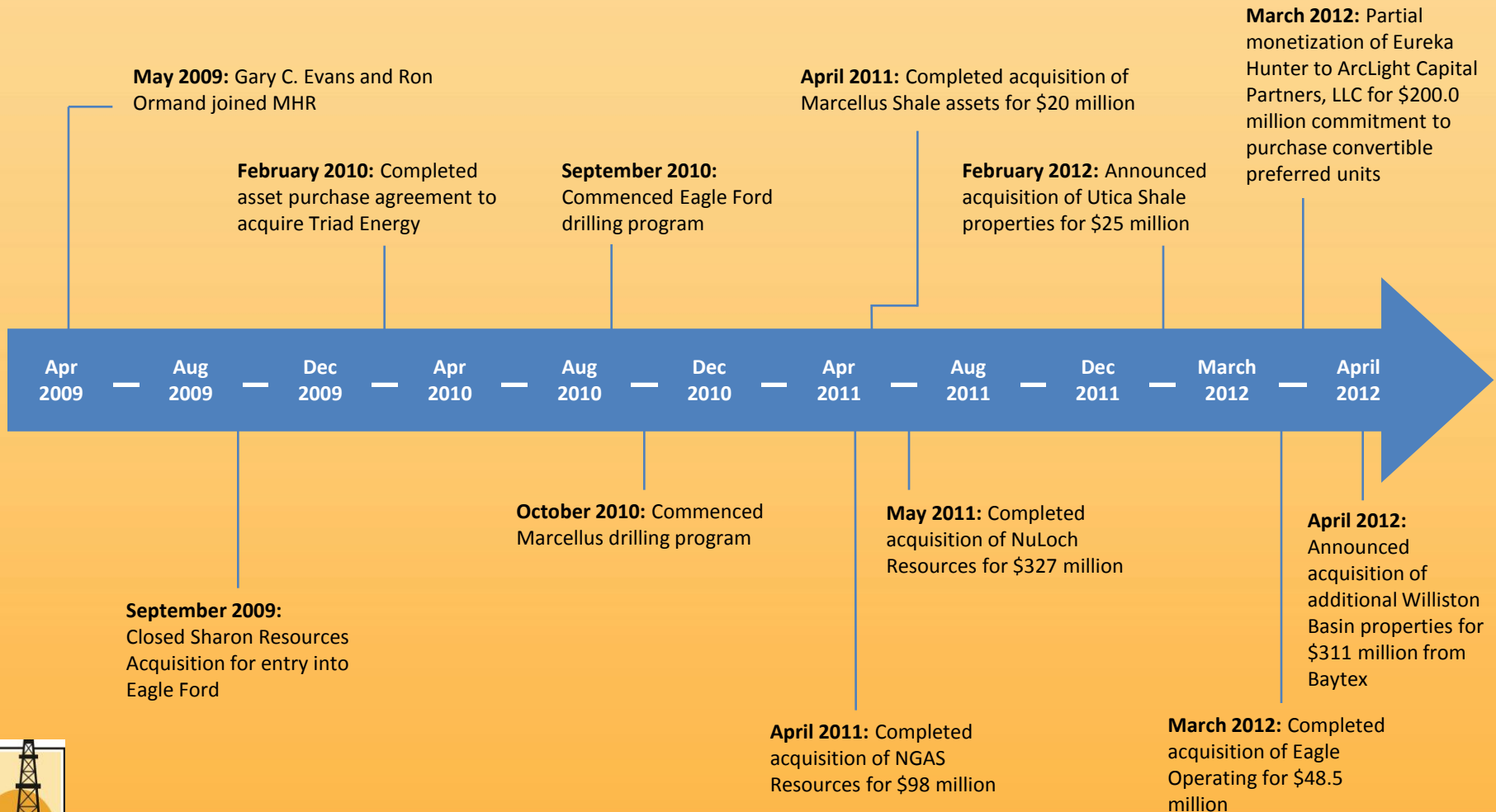




# ***Appendix***



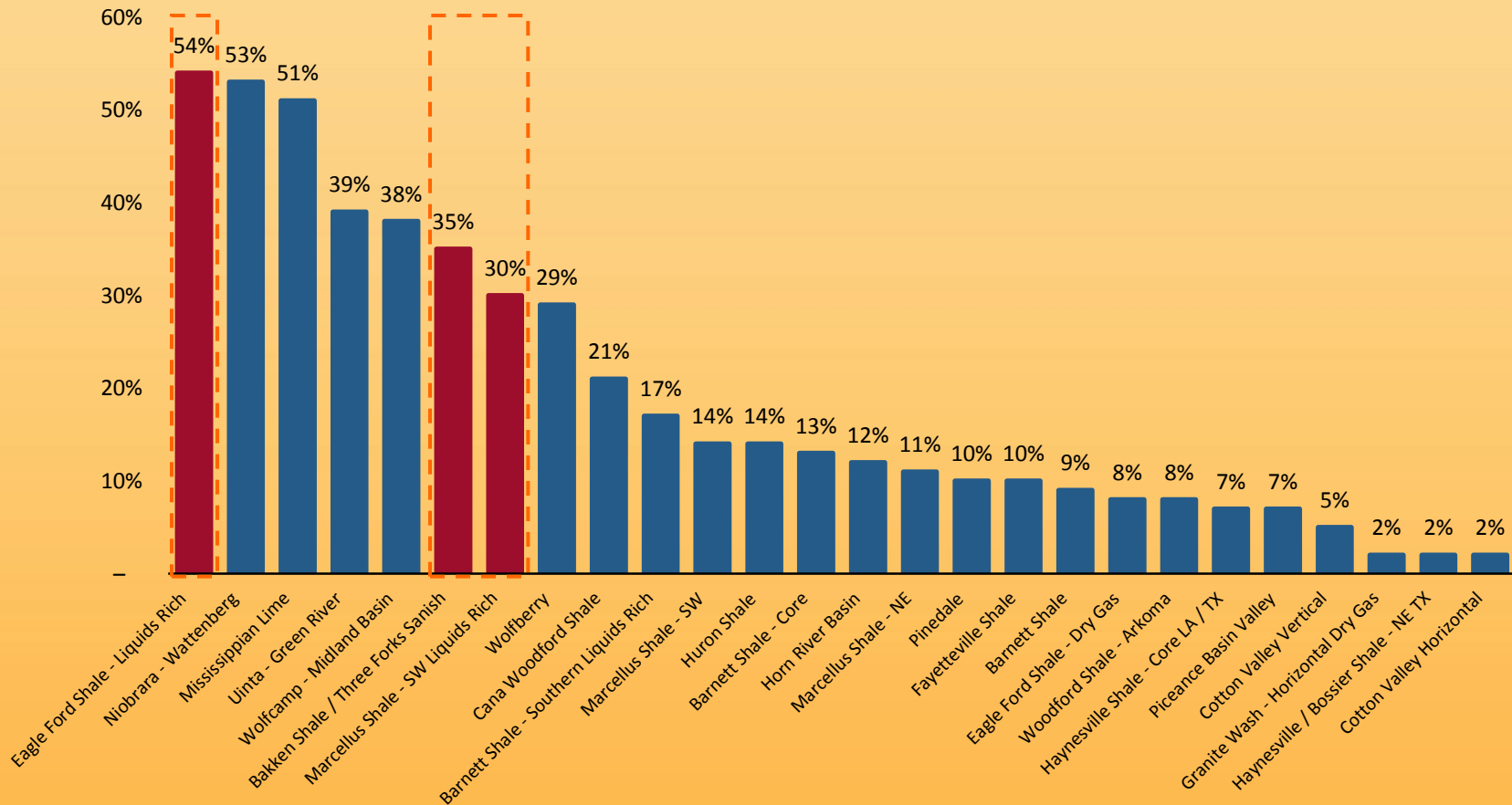
# Recent Company History



# MHR is Focused in the Highest IRR Plays



## MHR Active Resource Plays



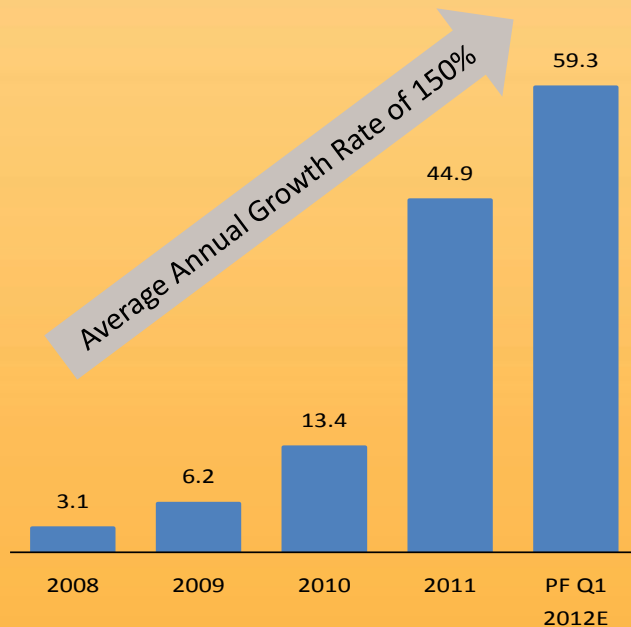
Source: Wall Street research, April 2012.  
 Note: Utilizes strip pricing as of 4/9/12.

# Track Record of Proved Reserve Growth

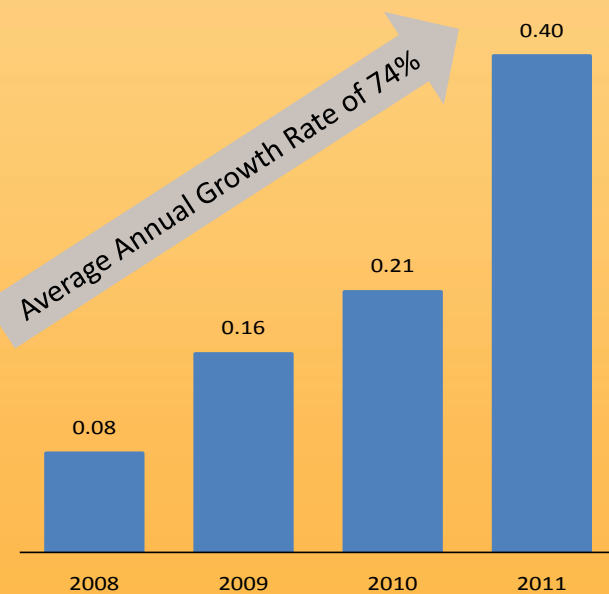
## ➤ Robust track record of proved reserve growth since inception

- Nearly 60 MMBoe pro-forma for Baytex acquisition
- Expect to continue to consistently add reserves with mix becoming more dominated by oil / liquids over time

Proved Reserves (MMBoe)

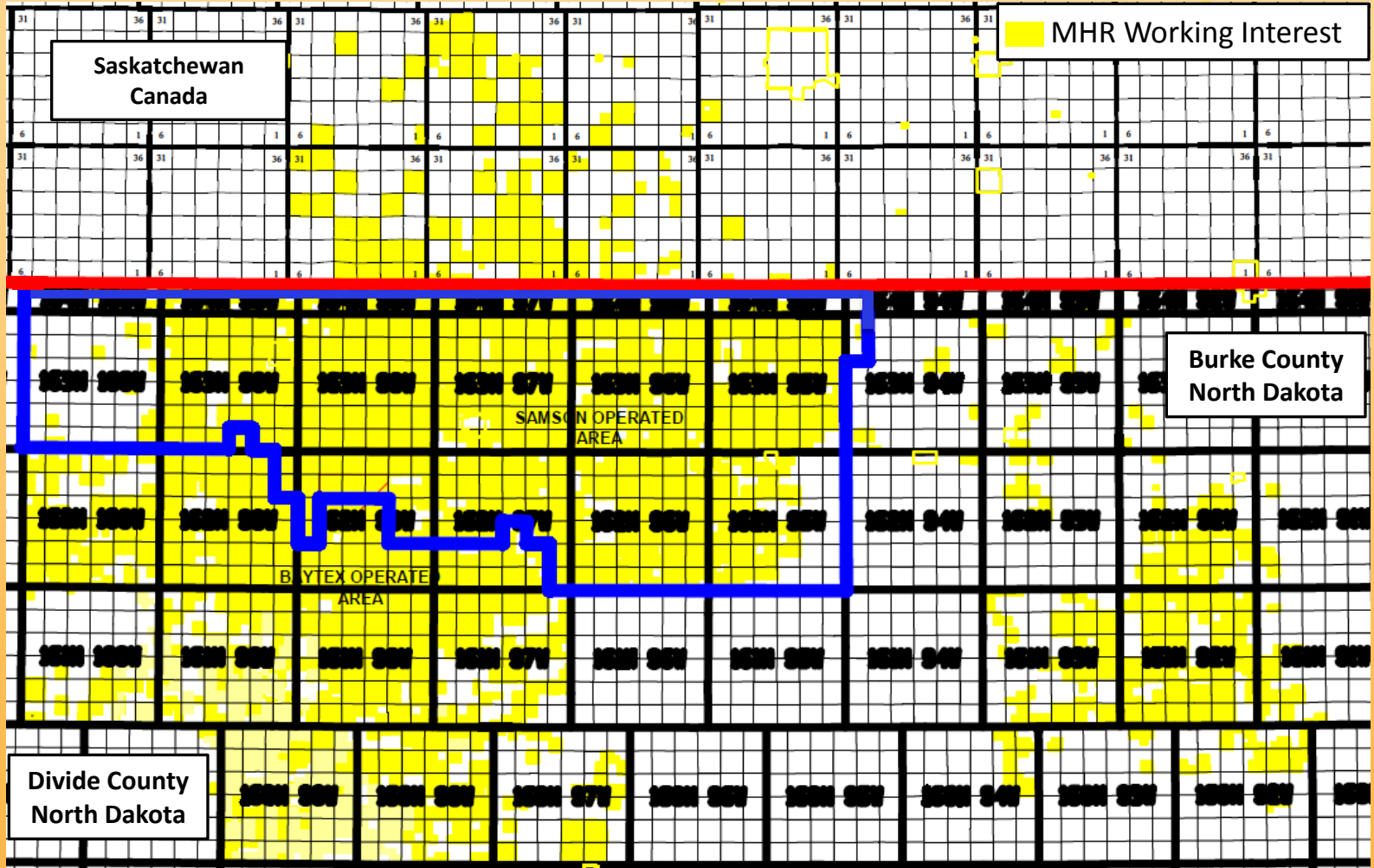


Annual Proved Reserves (Boe) / Share <sup>(1)</sup>



(1) Calculation based on weighted average shares outstanding on annual basis.

# Williston Basin Acquisition – Acreage Map



# Eagle Acquisition – Overview



- **MHR announced the closing of the Williston Basin acquisition on April 2, 2012**
  - Purchase price consisted \$48.5 million in cash and \$2 million in MHR's restricted stock at \$6.74 per share
  - Established MHR as an operator in North Dakota
  - Magnum Hunter increased its ~47% working interest in these oil and gas properties to a ~95% working interest
  - First Bakken / Three Forks test planned for 2012
  - Assets include:
    - ~15,500 gross acres located in the Williston Basin of North Dakota
    - ~2.1 MMBoe of proved reserves
    - ~350 Boe/d of net production (90% oil)
    - Significant Bakken / Three Forks potential on undeveloped acreage



# EBITDAX Reconciliation



(\$ in millions)

	Quarter ended				
	1Q11	2Q11	3Q11	4Q11	1Q12
Net income	(\$6,690)	(\$15,040)	\$2,000	(\$56,932)	(\$17,137)
Loss (gain) on sale of assets	4	(1,559)	908	501	274
Net Interest expense	787	3,925	2,272	5,017	5,384
DD&A	5,531	10,813	12,485	20,262	26,728
Exploration expense	315	423	403	530	345
Non-cash stock comp. expense	1,384	10,630	7,945	5,136	4,617
Non-recurring acquisition and other expense	1,895	6,819	1,760	2,045	2,533
Non-recurring LOE	–	–	316	488	781
Unrealized (gain) loss on derivatives	3,350	(3,184)	(17,386)	21,431	2,902
Income tax benefit	–	–	(272)	(226)	(810)
Impairment of oil and gas properties	–	–	–	22,900	8,671
<b>EBITDAX</b>	<b>\$6,576</b>	<b>\$12,827</b>	<b>\$10,430</b>	<b>\$21,153</b>	<b>\$34,288</b>
Eagle Operating Adjustments	–	–	–	–	1,016
Baytex Assets Acquisition Adjustments	–	–	–	–	4,455
TransTex Gas Services Acquisition Adjustments	–	–	–	–	316
<b>Adjusted EBITDAX</b>	<b>\$6,576</b>	<b>\$12,827</b>	<b>\$10,430</b>	<b>\$21,153</b>	<b>\$40,075</b>



# PV-10 Reconciliation



	As of 3/31/12	As of 12/31/11
Future cash inflows	\$2,893,358	\$2,409,249
Future production costs	(862,238)	(765,048)
Future development costs	(368,128)	(330,007)
Future income tax expense	(349,717)	(253,721)
<b>Future net cash flows</b>	<b>\$1,313,275</b>	<b>\$1,060,473</b>
10% annual discount for estimated timing of cash flows	(715,634)	(586,077)
<b>Standardized measure of discounted future net cash flows related to proved reserves</b>	<b>\$597,641</b>	<b>\$474,396</b>

## Reconciliation of Non-GAAP Measure

	As of 3/31/12	As of 12/31/11
PV-10	\$795,594	\$616,870
Less: Income taxes		
Undiscounted future income taxes	(349,717)	(253,721)
10% discount factor	151,764	111,247
<b>Future discounted income taxes</b>	<b>(\$197,953)</b>	<b>(\$142,474)</b>
<b>Standardized measure of discounted future net cash flows</b>	<b>\$597,641</b>	<b>\$474,396</b>



# MHR Track Record of Value Creation



	Eagle Ford	Triad Hunter <sup>(1)</sup> (Marcellus / Utica)	Eureka Hunter (Midstream)
<b>Initial Investment Date</b>	Sep-2009	Feb-2010	Feb-2010
Initial Investment	\$2.4	\$71.0	\$10.0
<b>Total MHR Investment To-Date <sup>(2)</sup></b>	<b>\$151.5</b>	<b>\$275.7</b>	<b>\$70.0</b>
<b>Value</b>			
Proved Reserve PV-10 <sup>(3)</sup>	\$173.5	\$235.4	-
Cash Flow / Distributions <sup>(4)</sup>	\$34.5	\$56.1	\$80.0
Undeveloped Acreage Value <sup>(5)</sup>	\$491.0	\$654.0	-
Retained Unit Value in Eureka Hunter <sup>(6)</sup>	-	-	\$299.0
<b>Total Value to MHR To-Date</b>	<b>\$699.0</b>	<b>\$945.5</b>	<b>\$379.0</b>
<b>Return on Investment To-Date</b>	<b>4.6x</b>	<b>3.4x</b>	<b>5.4x</b>
<b>Time Since Initial Investment (years)</b>	<b>2.7</b>	<b>2.2</b>	<b>2.2</b>



(1) Triad acquisition totaled \$81MM; \$10MM of value was allocated to Eureka Hunter.

(2) Includes acquisitions and capex.

(3) As of 3/31/2012; Based on SEC pricing.

(4) Eureka Hunter distributions of \$20MM from Eureka Credit Facility and \$60MM from ArcLight transaction.

(5) Eagle Ford: 19,640 net undeveloped acres x \$25,000/acre; Triad Hunter: 54,586 net undeveloped Marcellus acres x \$7,500/acre and 61,151 net undeveloped Utica acres x \$4,000/acre.

(6) Based on ArcLight transaction.

# Other footnotes



Source: Company information and Management estimates, unless stated otherwise.

Note: Unless otherwise stated, Proved Reserves and PV-10 figures based on SEC pricing (\$98.15/Bbl and \$3.71/MMBtu) as of 3/31/12; all numbers are pro-forma for Baytex acquisition, \$450 million debt financing and equity issue; Magnum Hunter is a successful efforts method of accounting company.

➤ **Page 16**

- (1) Based on \$85.00/Bbl WTI and \$10.00/Bbl positive differentials to WTI, as per KOG April 2012 IR presentation.
- (2) Based on North Dakota (2 mile lateral) type well and \$90.00/Bbl realized price, based only on oil content (gas and gas liquids not included), as per MHR's management estimates.
- (3) Based on Saskatchewan (1 mile lateral) type well and \$90.00/Bbl realized price, based only on oil content (gas and gas liquids not included), as per MHR's management estimates.
- (4) Based on single well, \$90.00/bbl oil net of differentials and \$4.50/MMBtu natural gas, as per CLR March 2012 presentation.
- (5) Based on 20% Royalty, \$21.00/well F&D, operating cost of \$8.00/Bbl, \$90.00/Bbl WTI and \$10.00/Bbl positive differentials to WTI, as per DNR May 2012 IR presentation.
- (6) Based on \$90.00/Bbl oil and \$4.50/Mcf natural gas, as per GEOI March 2012 IR presentation.
- (7) Based on \$100.00/Bbl oil and \$4.00/Mcf natural gas, as per PXD May 2012 IR presentation.
- (8) Based on 40-acre spacing, \$90.00/Bbl oil and \$4.00/Mcf natural gas, excluding interest, federal and state taxes, G&A, land cost and hedges, as per CXO May 2012 IR presentation.
- (9) Based on 40-acre spacing, \$90.00/Bbl oil and \$4.00/Mcf natural gas, as per LPI April 2012 IR presentation.
- (10) Based on mid-case for Gonzales County type well, \$90/Bbl WTI price and \$10.00/Bbl positive differential to WTI, as per MHR's management estimates.
- (11) Based on \$90/Bbl oil and \$4.5/Mcf natural gas, as per GEOI March 2012 IR presentation.



# Contact Information



## Magnum Hunter Resources (NYSE: MHR)

### Equity Research Analyst Coverage:

BMO Capital Markets  
Canaccord Genuity  
Capital One Southcoast, Inc.  
Caris & Company  
Jefferies & Company, Inc.  
Johnson Rice & Company  
KeyBanc Capital Markets

MLV Partners  
Pritchard Capital  
Robert W. Baird & Co.  
Stephens Inc.  
Stifel Nicolaus  
SunTrust Robinson Humphrey  
Wunderlich Securities, Inc.



**Weese #1H**  
**Tyler County, WV**

**Website:** [www.magnumhunterresources.com](http://www.magnumhunterresources.com)

**Headquarters:** 777 Post Oak Blvd, Suite 650  
Houston, TX 77056  
Office: (832) 369-6986  
Fax: (832) 369-6992

**Contact:** Gabe Scott  
Vice President – Capital Markets and  
Corporate Development  
(832) 203-4539  
[gscott@magnumhunterresources.com](mailto:gscott@magnumhunterresources.com)

