

An offshore oil rig is shown at sunset, with the sun low on the horizon behind the rig's structure. The rig is illuminated with lights, and its reflection is visible on the water. The sky is a mix of orange and blue.

**EPL**

**Brean Murray, Carret & Co.**

**2012 Global Resources & Infrastructure Conference**

**March 2012**



## **Forward Looking Statements:**

This presentation contains forward-looking statements within the meaning of, and the Company intends that such forward-looking statements be subject to the safe harbor provisions of, the U.S. federal securities laws. These forward looking statements are included throughout this presentation, and related matters such as the Company's industry, business strategy, goals, expectations concerning the Company's market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. Forward-looking statements are, by definition, statements that are not historical in nature and relate to possible future events. Such statements include, without limitation, all statements as to the production of oil and gas, product prices, oil and gas reserves, drilling and completion results, capital expenditures and other such matters. They may be, but are not necessarily, identified by words such as "will," "would," "should," "likely," "estimates," "thinks," "strives," "may," "anticipates," "expects," "believes," "intends," "goals," "plans," or "projects" and similar expressions.

These forward-looking statements reflect the Company's current views with respect to possible future events, are based on various assumptions and are subject to risks and uncertainties. These forward-looking statements are not guarantees or predictions of the Company's future performance, and actual results and future developments may differ materially from those projected in, and contemplated by, the forward-looking statements. As a result, you should not place undue reliance on these forward-looking statements. The Company's actual results could differ materially from those anticipated in these forward looking statements.

# Agenda



## ▪ Company Profile

### ▪ Asset Overview

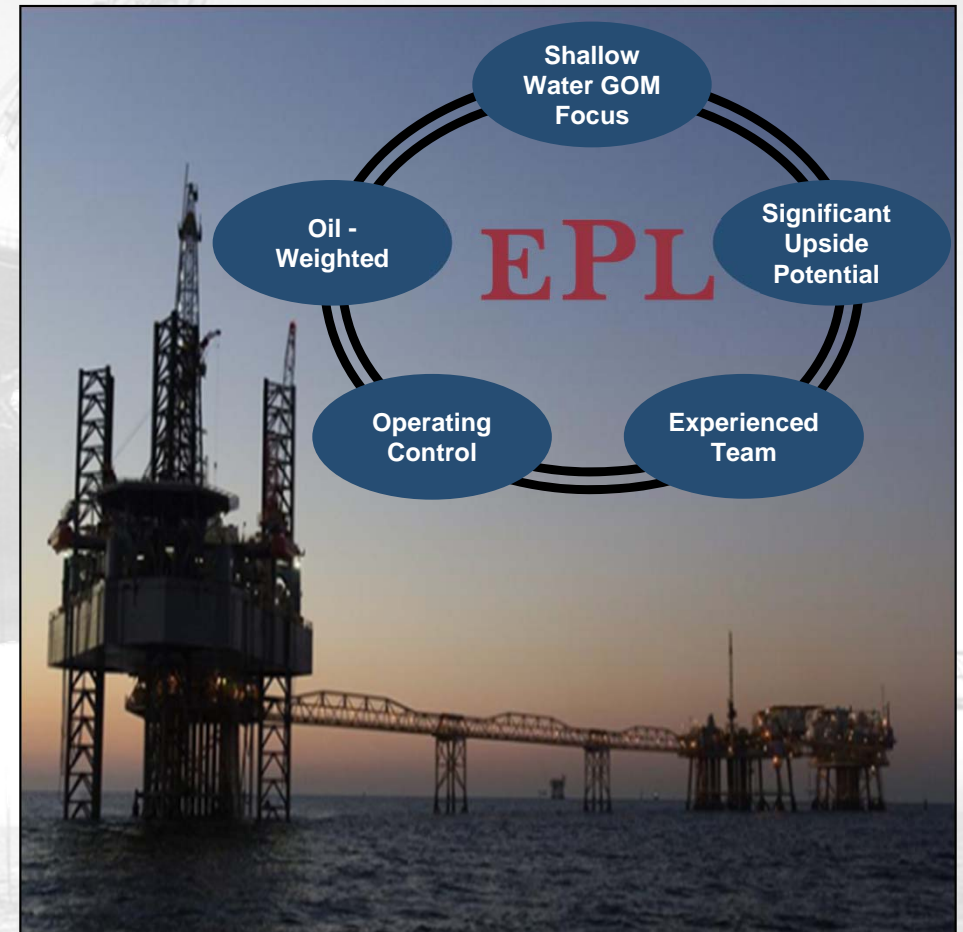
- Oily pro forma asset base
- Prolific areas with upside potential
- Extensive 3-D Seismic Library, new reprocessed data & enhancements
- Exploration inventory with Deep Potential

### ▪ Progress report on our recent acquisitions

- Completed two acquisitions in 2011
- Integration is complete
- Current focus is on maximizing the properties potential

### ▪ Attractive valuation and poised for growth

- Continuing acquisition strategy to grow
- Conservative balance sheet and ample liquidity
- Efficient spending well under cash flow

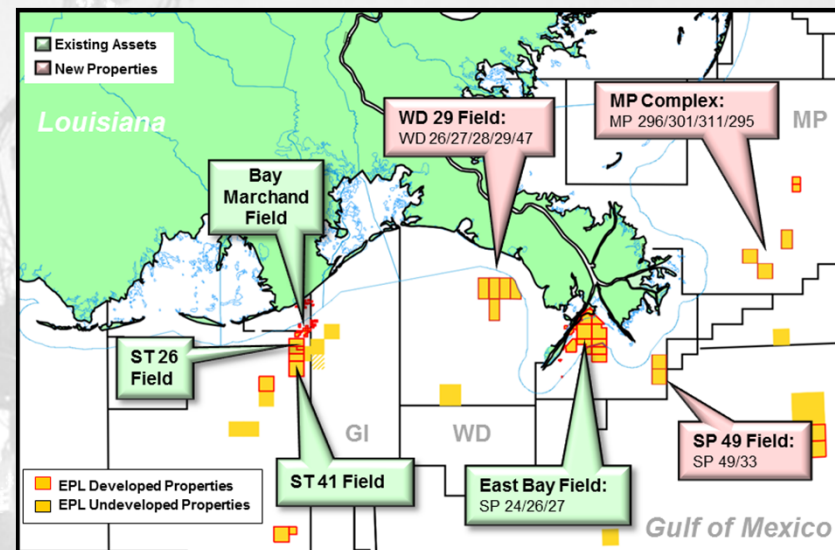


# Company Profile



- **A leading E&P company focused on the GOM shelf**
  - Assets concentrated in shallow water offshore Louisiana
  - Poised to maximize organic growth and opportunistically consolidate Gulf of Mexico shelf assets; completed two acquisitions in 2011
  - Continued focus on cost-efficient operations and disciplined capital spending
  - Significant management and technical expertise

## Pro Forma Asset Base: Focus Areas



## Financial Profile

▪ Ticker	NYSE: EPL
▪ Market Cap. (02/24/2012)	\$699 MM
▪ Cash (12/31/11)	~\$80 MM
▪ 2011 Est. EBITDAX	\$220+ MM
▪ 2011 Est. Expenditures	
CAPITAL BUDGET	\$101 MM

## Asset Profile

- Reserves (YE'11) 1P: 37.1 MMBoe (74% Oil)  
(35% increase over YE'10)
- Oil Focused Production (currently 79% of total)
  - 2011 8,089 Bo/d
  - 4Q11 9,440 Bo/d
- R/P Ratio<sup>(1)</sup> ~9 years
- Offices New Orleans & Houston

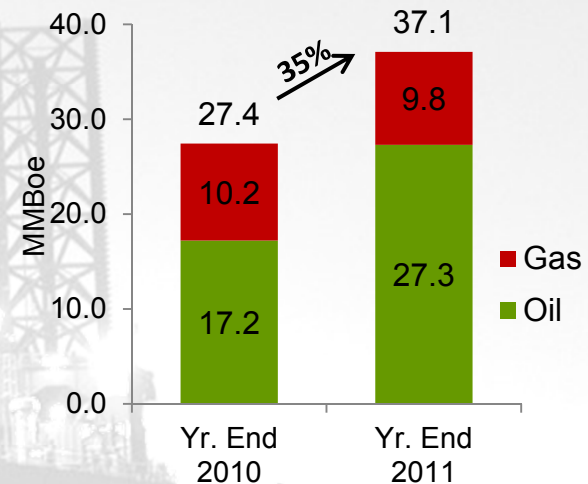
(1) Average net daily production for full year 2011 taken from mid point of guidance range

# Oily EPL Assets



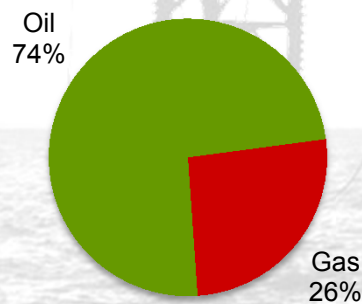
- Reserves of 37.1 MMBoe at 12/31/11**
  - 74% oil, 91% proved developed
  - Repeatable, low-risk behind pipe & sidetrack opportunities
- Pre-tax PV-10 of \$1.1 billion using SEC pricing<sup>(1)</sup>**
- Oil reserves increased year over year 59% to 27.3 Mmbbls**
  - Driven by a combination of acquisitions and organic growth

## Expanded Proved Asset Base

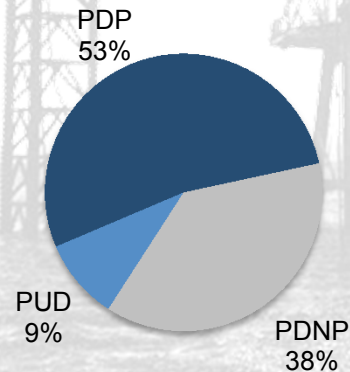


## EPL Proved Reserves Composition:

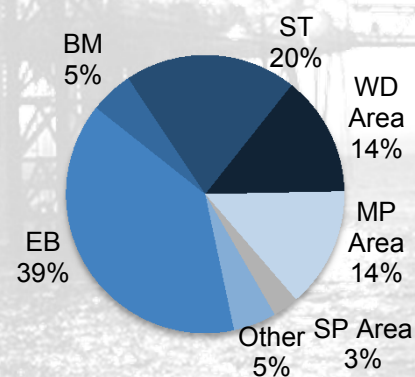
Reserves by Commodity



Reserves by Category



Reserves by Area



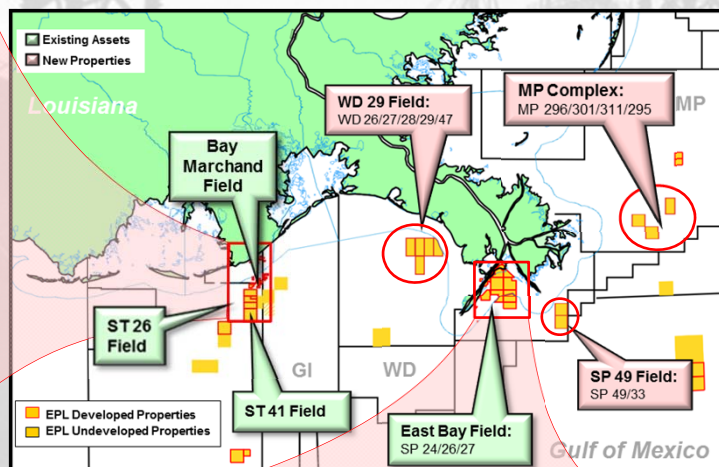
(1) Pre-tax PV-10 based on SEC reserves as of 12/31/2011 and \$108.48 per barrel of oil and \$4.16 per Mcf of natural gas adjusted for quality and transportation.

# Prolific Focus Areas with Upside Potential

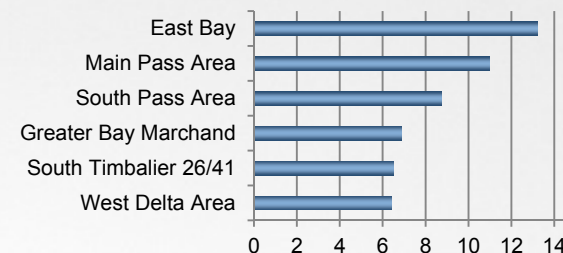


## Greater Bay Marchand Area

- ST 26: Prolific core legacy field and numerous opportunities remaining
- ST 41: Large EPL 2003 discovery to the south of ST 26
- Bay Marchand: Top five field in the GOM shelf; Chevron operated; EPL has base working interest and drill-to-earn interests



## Focus Areas - Proved R/P (yrs)



## MP, WD & SP Complexes

### Acquisitions Added 3 New Focus Areas

- Assets are a strategic fit with existing operations and bring additional scale to core operating area
- Purchased in 2011: heavily weighted to oil and producing reserves (9.4 MMBoe, 86% oil)
- Large legacy fields, with significant upside potential leveraging the Company's technical expertise

## East Bay Field

- Sixth largest field in the GOM shelf
- Very shallow water with significant activity in state waters, currently producing 98+% oil
- Unique asset due to huge structures with stacked pay, with shallow, deep and ultra-deep potential
- Largely untested deep potential below 14,000'

- East Bay Field & Greater Bay Marchand Area
- MP, WD, & SP Complexes

# Extensive Reprocessed 3-D to Unlock Potential



## ■ Extensive library of seismic and well data

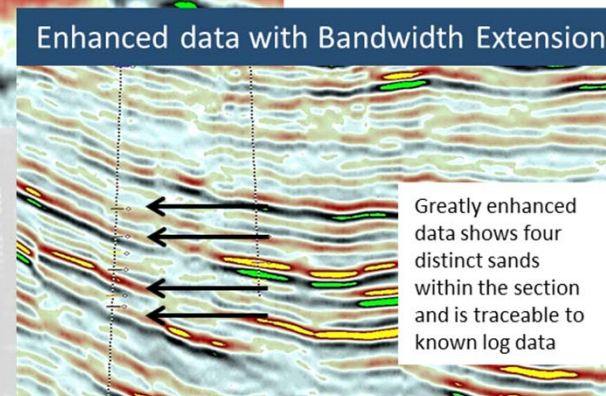
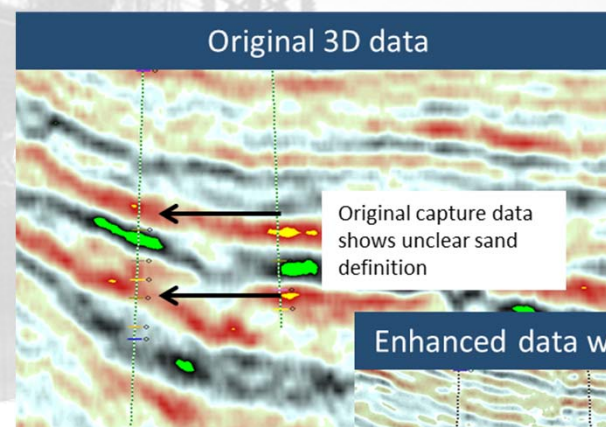
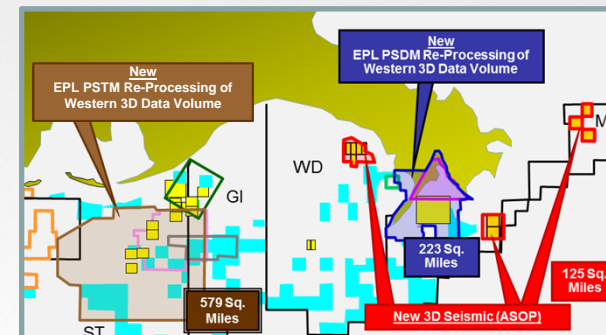
- Valuable for evaluating exploitation, exploration and acquisition opportunities
- 11,825 sq. miles (1,516 blocks) of 3-D and 100,000 line miles of 2-D

## ■ Focusing on taking our 3-D seismic covering our focus areas and greatly enhancing the imaging through reprocessing techniques

- 1,000 sq. miles of reprocessed 3-D data to date
- Adding additional clarity of the data through the use of Bandwidth Extension (BE) enhancements<sup>(1)</sup>

## ■ The results from using these newer techniques represent an evolutionary step forward for exploitation of our fields

- Allows us to use seismic based prospecting vs subsurface based in the known pay horizons of our fields
- Depth data enhances deeper section due to increased resolution leading to more prospectivity



(1) A registered trademark Geotrace algorithm

Warning: Seismic data Belongs to FairfieldNodal. See License for Restriction. This data disclosed or contained herein is a valuable asset and trade secret of FairfieldNodal and is subject to the terms of a license agreement which, among other things, restricts the use and disclosure of any of the data.

# Continuing Acquisition Strategy to Grow

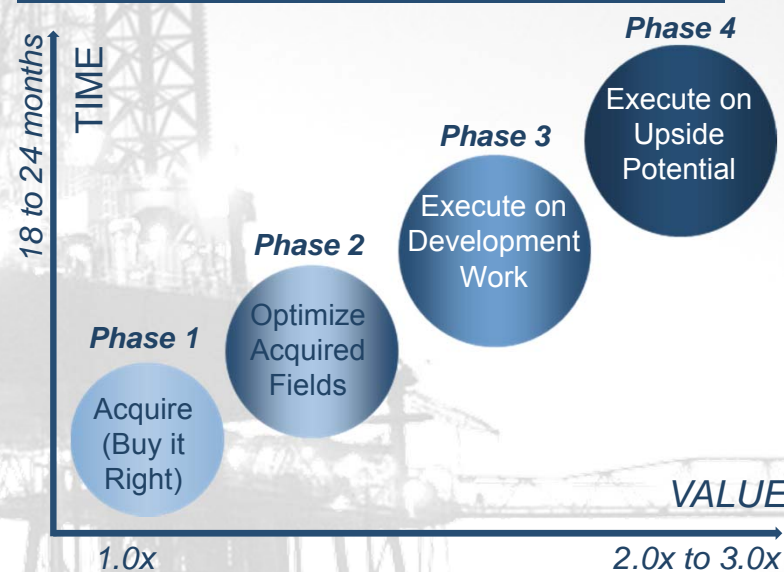


- The EPL team's skill set of low cost operations, geologic knowledge and P&A expertise provide an ideal platform for growth

- **EPL's 4 Phase Acquire and Exploit Strategy**

- Rapid value creation with goal of at least doubling purchased reserves
- A key component is executing on identified near-in exploration in acquired areas

## 4 Phase Acquire and Exploit Strategy



### Acquisition Check List

- ✓ In focus area within GOM shelf
- ✓ Production-weighted reserves
- ✓ Seismic coverage
- ✓ Operated positions
- ✓ Maintain conservative capital structure
- ✓ Upside potential

# Progress Report on 2011 Oil-Weighted Acquisitions



## Phase 1 Buy It Right

- ✓ Acquired oily, high potential WD, MP, SP complexes in our GOM focus area
- ✓ PV10 of assets has gone from ~\$220 million to ~\$450 million (1P) at YE 2011

## Phase 2 Optimize Fields

- ✓ 15% LOE savings in the operated assets (logistics, personnel, and contract services)
- ✓ Production is up ~29%

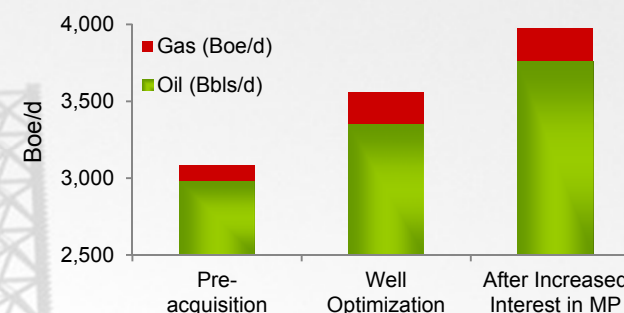
## Phase 3 Execute Proved

- ✓ Developed work plans to execute behind pipe & PUD locations
- ✓ Major rig programs underway

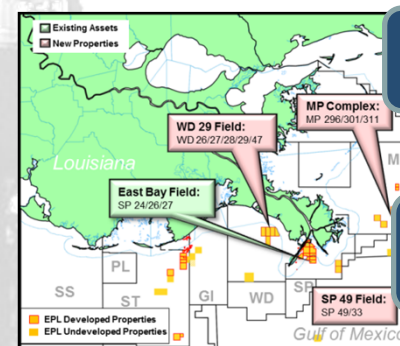
## Phase 4 Execute Upside

- ✓ Reprocessed seismic over acquired areas
- ✓ Developed new oil targets in the prolific WD& MP Areas
- ✓ MP drilling program underway; WD expected to start 1Q12

## Increased Production Since Ownership <sup>(1)</sup>



## Newly Identified Resource Potential

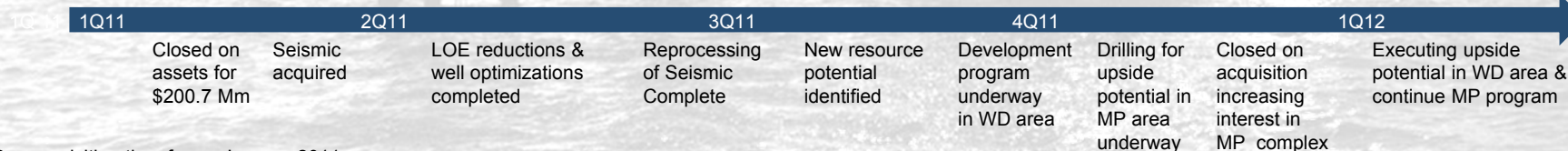


**Reserves Pre Acquisition**  
Proved: 9.4 MMBoe  
Probable: 3.4 MMBoe

**Additional Resources Post Acquisition**

**Identified Upside**  
15 identified sand targets post acquisition

## Execution Timeline is Ahead of Schedule



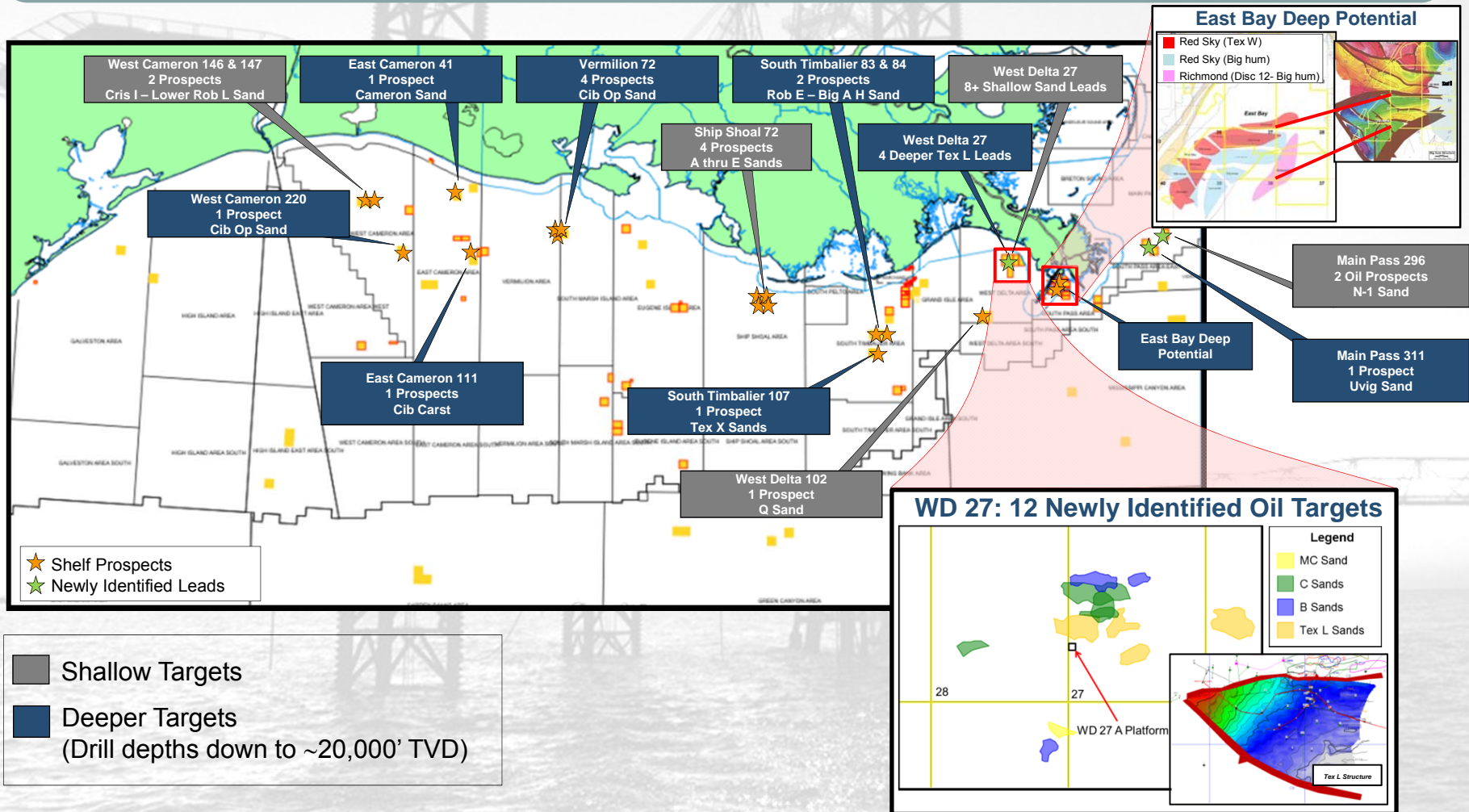
(1) Pre-acquisition time frame January 2011

# Substantial Organic Growth Opportunities



## GOM Shelf Prospect Inventory with Multiple Targets

- ✓ 15 Newly Identified Targets in West Delta and Main Pass Areas
- ✓ 19 Gas & Oil Prospects on Developed and Undeveloped Acreage



# Conservative Balance Sheet and Ample Liquidity **EPL**

## ▪ Dedicated to maintaining financial discipline

- Fund development and exploration program out of free cash flow
- Supplement organic growth with accretive acquisitions with strategic fit
- Maintain conservative leverage metrics
- Protective of the balance sheet

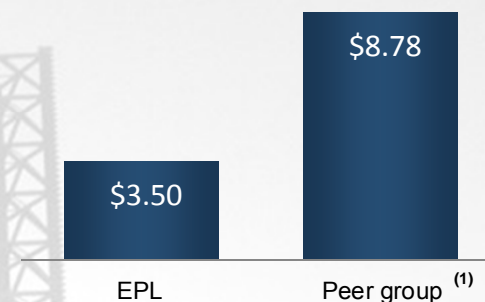
## ▪ Debt metrics well below peer group

- \$210 million of unsecured 8.25% Senior Notes due 2018
- Net debt/Boe of ~\$3.50 (end of 4Q 2011)

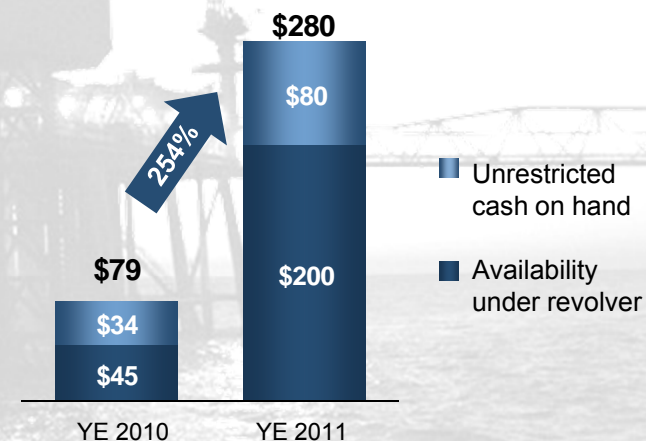
## ▪ Liquidity expanding and growing

- Senior Secured \$250 million credit facility
- Greatly expanded and undrawn borrowing base set at \$200 million
- Low cost of capital: Libor + 2% to 3%

### Low Net Debt / Proved Boe



### Growing Liquidity (\$mm)



(1) Peer group includes (in alphabetical order), ATP Oil & Gas, Energy XXI, Stone Energy, and W&T Offshore.

# Efficient Spending Well Under Cash Flow



## Prudent capital allocation

- Diversified program of exploitation, exploration and acquisitions to address cash flow and growth
- All projects compete for capital
- Seeking minimum project return of 20% IRR
- Limit dry hole exposure per project through promoting interest to third parties

## Large inventory of low-risk exploitation opportunities with modest capital requirements in shallow water

- Generates significant free cash flow
- Expanded budget in 2011 to include modest exploration capital to begin unlocking upside potential

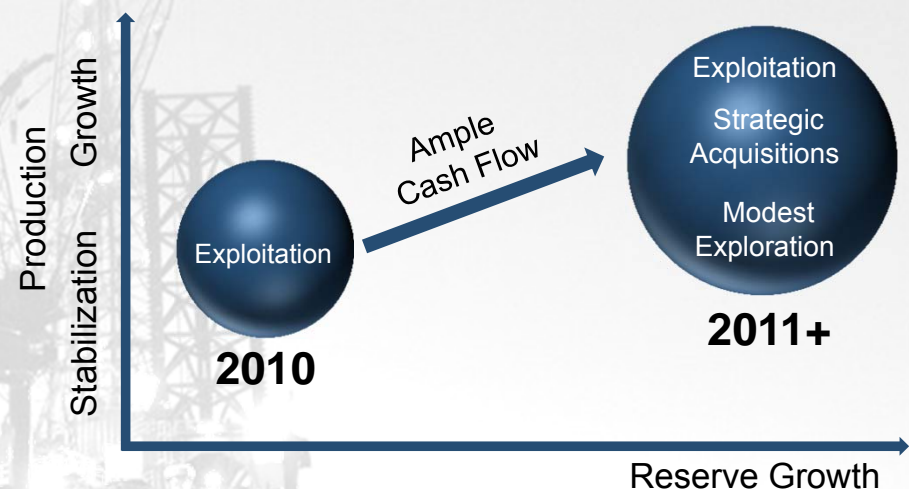
## 2011 CAPEX Budget: \$101 mm

- Development: ~\$84 mm
- Exploration: ~\$17 mm

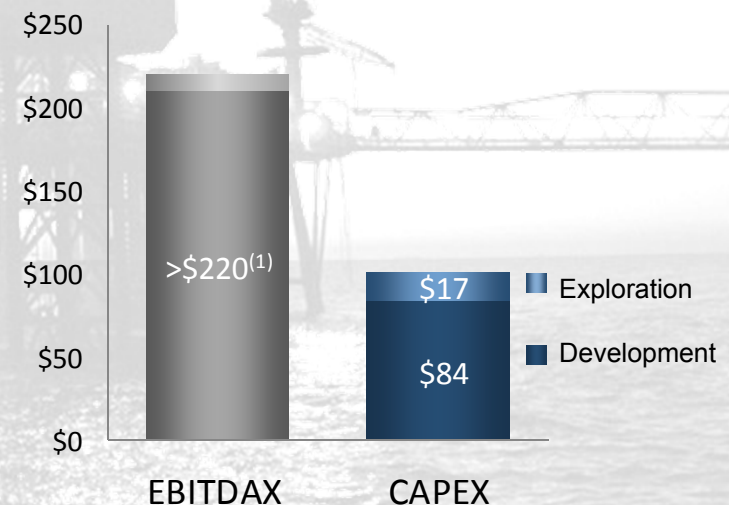
## 2011 P&A Budget - \$~27 mm

- Includes largely discretionary spending at East Bay

## Reserve and Production Growth



## 2011 EBITDAX vs Capital Budget (\$mm)



(1) Uses the production guidance and price ranges (see appendix)

# Attractive Valuation and Poised to Grow



## Peer leading economics

- High margins due to oily asset base
- Crude oil receives LLS/HLS advantage
- Aided by cost efficient operations

## Exploitation and Upside Potential

- Low risk, low cost exploitation opportunities
- Deep potential at low per reserve costs
- New seismic adds significant amount of potential drilling locations

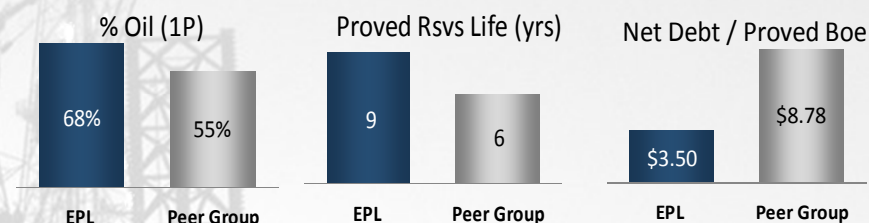
## Liquidity and financial discipline provides dry powder for future potential acquisitions

- Conservative balance sheet
- Capital efficient development
- Ample cash flow to pursue exploration and development opportunities

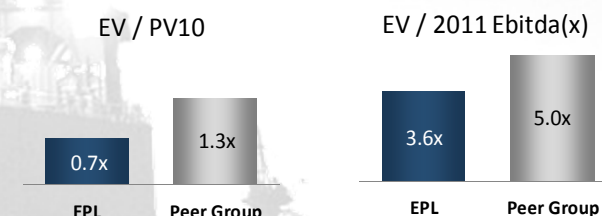
## \$20 MM Stock Repurchase Program

- Authorized end of August 2011
- Funded out of cash on hand
- Purchased thru 3Q11 590,000 shares for ~\$7 million

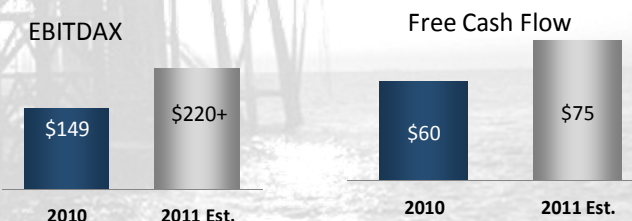
### Peer Group Comparisons <sup>(1)</sup>



### Current Trade Multiples <sup>(1)</sup>



### EBITDAX & Free Cash Flow



(1) Peer group includes (in alphabetical order), ATP Oil & Gas, Energy XXI, McMoRan, Stone Energy, and W&T Offshore as of 02/13/12. (Proved Reserve life excludes ATPG; Net Debt/Boe excludes McMoRan with positive net cash position)

Shallow  
Water GOM Focus

Oil-Weighted  
Assets

Significant Upside  
Potential

Operating  
Control

Experienced  
Team

# EPL



# Appendix

# Company Information



**Gary Hanna**  
President & CEO,  
Director

**T.J. Thom**  
Senior Vice President,  
CFO

**Investor  
Relations/Business  
Development Contact:**

**T.J. Thom**  
Phone: (504) 799-1902  
Email: [tthom@eplweb.com](mailto:tthom@eplweb.com)

Website: [eplweb.com](http://eplweb.com)  
NYSE: EPL  
~40 Million shares outstanding

**Principal Corporate Office**  
201 St. Charles Ave.  
Suite 3400  
New Orleans, LA 70170

Phone: (504) 569-1875

**Houston Office**  
919 Milam, Suite 2020  
Houston, TX 77002

Phone: (713) 228-0711

# Definitions



<b>Boe</b>	Barrels of oil equivalent
<b>MMBoe</b>	Million barrels of oil equivalent
<b>MBoe</b>	Thousand barrels of oil equivalent
<b>Mmcf</b>	Million cubic feet
<b>P&amp;A</b>	Plug & Abandonment
<b>GOM</b>	Gulf of Mexico
<b>PF</b>	Pro Forma
<b>PDP</b>	Proved Developed Producing
<b>PUD</b>	Proved undeveloped
<b>PDNP</b>	Proved undeveloped non-producing
<b>PSA</b>	Purchase and Sale Agreement
<b>LOE</b>	Lease operating expenses
<b>G&amp;A</b>	General and Administrative
<b>BE</b>	Bandwidth Extension
<b>WI</b>	Working interest
<b>Rsvs</b>	Reserves
<b>Pre-tax PV-10</b>	The discounted future net cash flows attributable to our proved reserves before taking into account future corporate income taxes and our current tax structure. PV-10 may be considered a non-GAAP financial measure as defined by the SEC. We believe that the presentation of PV-10 is relevant and useful to our investors as supplemental disclosure to the standardized measure, or after-tax amount because the standardized measure is dependent on the unique tax situation of each company, our calculation may not be comparable to those of our competitors. Because of this, PV-10 can be used within the industry and by creditors and securities analysts to evaluate estimated net cash flows from proved reserves on a more comparable basis.
<b>EBITDAX</b>	Net income (loss) before income taxes, interest expense, depreciation, depletion, amortization and accretion, impairments, exploration expenditures and dry hole costs, loss on abandonment activities and cumulative effect of change in accounting principle, and further deducts reorganization items, loss on discharge of debt, fresh-start adjustments and the unrealized gain or loss on our derivative contracts.
<b>Free Cash Flow</b>	EBITDAX minus Capex and Abandonment

# 2011 Guidance



## ESTIMATED EBITDAX RANGES

2011 EBITDAX Estimates Using the Midpoint of Production Guidance and Various Realized Prices <sup>(1)</sup>

Full Year 2011 Production Rate (midpoint of guidance)  
8065 Bopd/17.3 Mmcf/d

Realized Prices(\$Bbl/\$Mcf)

\$100/\$4.00

\$210

\$110/\$4.00

\$220

(1) All EBITDAX figures are approximate using production and expense guidance and estimated realized hedging impacts

## ESTIMATED PRODUCTION & SWAP HEDGE VOLUMES

Net Production (per day)	4Q 2011			Full Year 2011		
Oil, including NGLs (Bbls)	9,200	-	9,500	8,030	-	8,100
Natural gas (Mcf)	10,000	-	15,000	16,600	-	18,000
% Oil, including NGLs (using midpoint of guidance)	82%			74%		
WTI Swap Contracted Volume						
Oil (barrels)	2,630			3,561		
% of Oil swap contracted	29%	-	28%	44%	-	44%
% of Boe swap contracted	24%	-	22%	33%	-	32%
Average Swap Price Level	\$90.80			\$84.41		

## ESTIMATED EXPENSES (in Millions, unless otherwise noted)

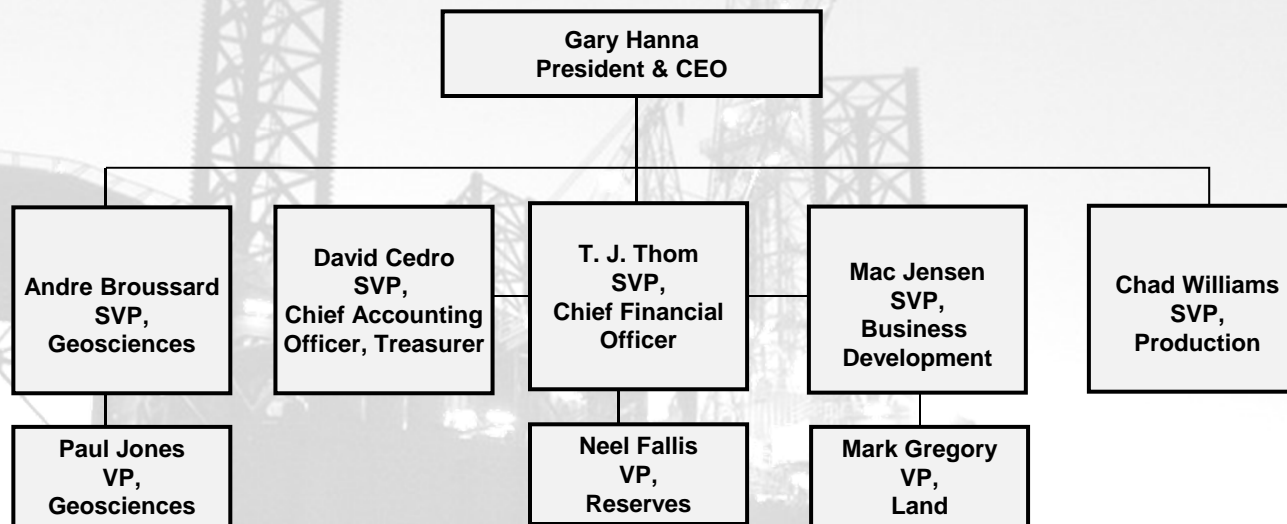
Lease Operating (including energy insurance)	\$	17.0	-	\$	18.0	\$	69.5	-	\$	70.5
General & Administrative (cash and non-cash)	\$	4.5	-	\$	5.5	\$	19.0	-	\$	20.0
Taxes, other than on earnings (% of revenue)		3%	-		5%		3%	-		5%
Exploration Expense	\$	1.0	-	\$	7.0	\$	3.3	-	\$	9.3
DD&A (\$/Boe)	\$	24.00	-	\$	26.00	\$	24.00	-	\$	26.00
Interest Expense (including amortization of discount and deferred financing costs)	\$	4.6	-	\$	5.6	\$	17.0	-	\$	18.0

- See Definition page in this appendix for explanations of EBITDAX. We believe EBITDAX is a measure commonly reported and widely used in our industry as an indicator of a company's ability to internally fund exploration and development activities and incur and service debt. EBITDAX is not a calculation based on generally accepted accounting principles (GAAP) in the United States and should not be considered in isolation from or as a substitute for net income, as an indication of operating performance or cash flows from operating activities or as a measure of liquidity. Investors should carefully consider the specific items included in our computation of EBITDAX. Investors should be cautioned that EBITDAX as reported by us may not be comparable in all instances to EBITDAX as reported by other companies. In addition, EBITDAX does not represent funds available for discretionary use.

# Strong Management Team



Flat & Nimble Organization with a Highly Experienced Professional Team



*Over 237 Years of Combined Experience*

## Strong Technical Employee Base

- Deep bench of geoscientists and engineers with technical expertise in shallow GOM
- Employee careers span years with major oil companies and strong independents
- Long history with the current assets and extensive knowledge of the region

# Prudent Risk Mitigation



- Oil hedging covering 2012 thru 2013

- EPL's hedging program

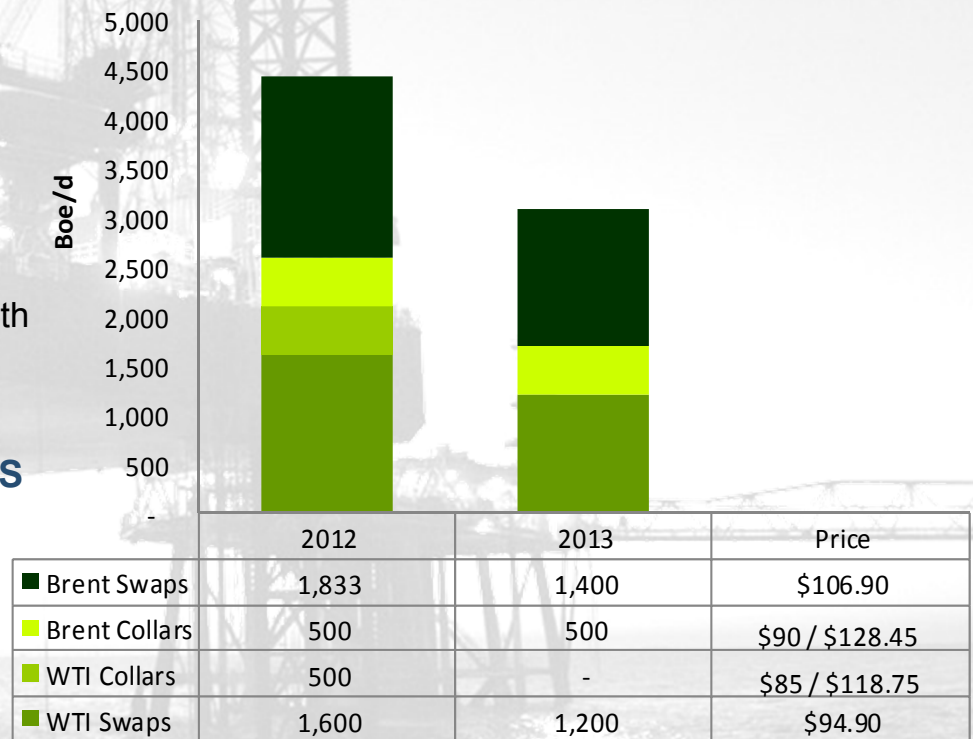
- Provides protection against downward commodity price movements
- Maintains upside participation in both oil and gas
- Monitored through quarterly review processes

- Going forward

- Implementing plan to hedge production associated with Main Pass acquisition

- Recently placed Brent hedges to protect HLS/LLS advantage

## EPL Hedged Volumes as of February 2012

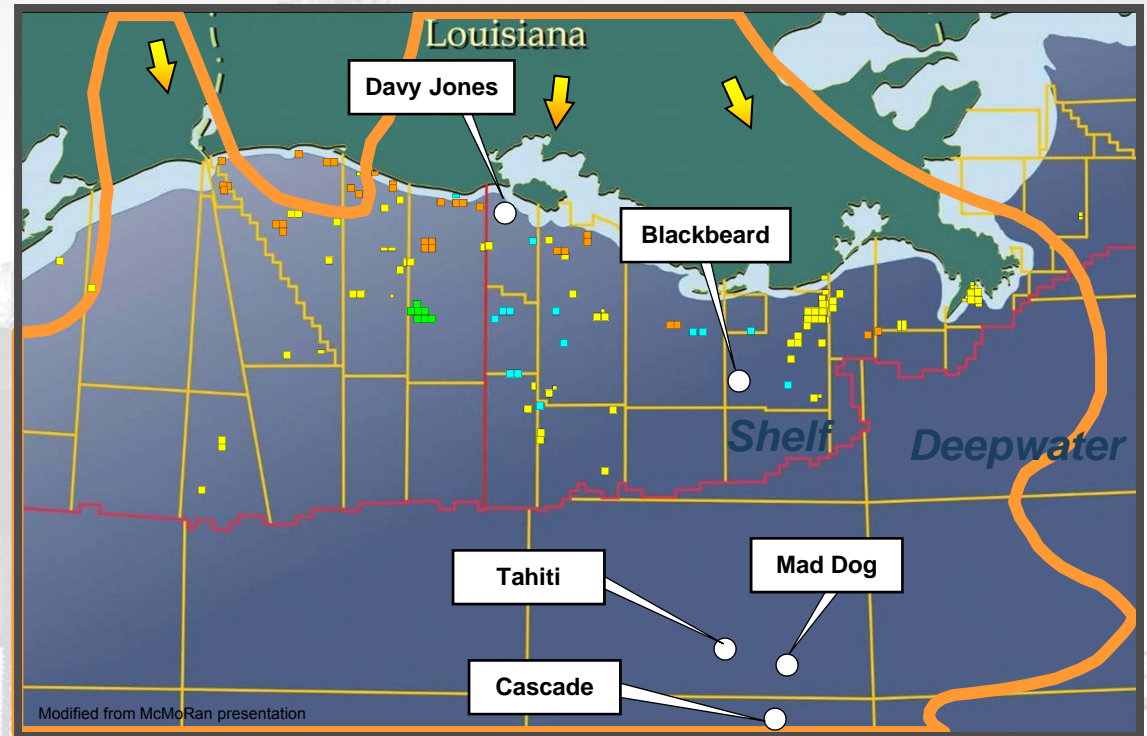


# Ultra-Deep Shelf Fairway



- The Ultra-Deep play concept is to test the Miocene and older sections (e.g. Wilcox) on the Shelf as seen in deepwater discoveries by other industry participants
  - Well depths range from 20,000' to 35,000'
- EPL's Shelf leasehold is on trend with the Ultra-Deep Shelf play
  - Encompasses 182,000 net acres of EPL's Shelf position
  - Exciting conceptually:
    - Endeavor to understand our leasehold potential in relation to the play
    - Continue to monitor this evolving play
    - Take advantage of exploration ventures to spread risk and capture value of our acreage position

Ultra-Deep Conceptual Depositional Fairway



■ EPL Shelf Leasehold

○ Outline of Conceptual Yegua/Wilcox depositional fairway

Recent MMS Lease Sale 213 Bids

■ McMoRan  
■ Chevron  
■ Exxon

A grayscale photograph of an offshore oil rig in the ocean. The rig features a large derrick on the left and a central tower with a crane. The structure is supported by several legs extending into the water. The sky is overcast, and the water shows some ripples and reflections.

# EPL

**ENERGY PARTNERS, LTD.**

**201 St. Charles Avenue, Suite 3400**

**New Orleans, Louisiana 70170**

**(504) 569-1875**

**[www.eplweb.com](http://www.eplweb.com)**