

# Global O&G Transactions 2012 Review

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Record deal values, deal count down 20%.

January 14, 2013

Opportunity is a reflection of information.



## Current Market Observations

### Fundamentals are in place for a continued fast pace



#### Global Market

- The effort to secure global oil supplies, feedstock for LNG and low cost North American natural gas lead to a record year of deal making at \$254 billion (beating prior record of \$212 billion in 2010).
- The record year is due in large part to three mega deals for \$97 billion.
  - Rosneft/TNK-BP (\$62 billion), CNOOC/Nexen (\$18 billion) and Freeport McMoRan/Plains E&P (\$17 billion)
- Deal making encouraged by a highly stable oil price in 2012 and a bottoming in North American natural gas.



#### US Market

- Stable market with 2012 total deal value of \$83 billion, same number as in 2011.
- Gulf of Mexico sees a renaissance in deal making as activity returns back to normal.
- Unconventional pure acreage deals slow significantly as capital directed more to drilling.



#### Canada Market

- Canadian deal making surges 200% as foreign buyers (China, Asia and US) buy corporate deals.
- Landmark deals include CNOOC/Nexen (\$18 billion), Petronas/Progress (\$6 billion), ExxonMobil/Celtic (\$3 billion)
- Canadian officials approve 2012 foreign deals but signal to markets that this may be the end of a trend.

#### Outlook and drivers

- Buying by Asia and China NOCs expected to continue unabated.
- A bottoming of North American gas prices in 2012 should encourage more transactions going forward.
- The need to secure LNG feedstock to supply gas to growing markets in Europe and Asia will drive deal flow.
- Major exploratory discoveries in East Africa and Eastern Mediterranean will also drive deal flow.
- Unconventional land grab in US is slowing as several major basins are in full development mode.
- Currently the inventory of assets globally stands at \$85 billion — a number smaller than that experienced in the last two years.

## 2012 Global M&A Review

### Transaction marketplace – Quick Highlights

**Record \$254 billion in 2012 – up 50% from 2011.**

**But deal activity slows to levels last seen in 2010.**

**More large deals as in 2010, versus smaller deals in 2011.**

**In 2012, US markets stay even, Canada up 200%, North Sea down, Australia up.**

**Corporate deals account for 58%, up from 47% in 2011. US acreage deals slow.**

**Conventional deals increase to 69% of market, versus 57% in 2011.**

**Asian and Chinese NOCs buying sets a record at \$49 billion.**

**\$85 Billion Deals in Play.**

**Deal Value.** Global M&A deals totaled \$254 billion in 2012, up 50% from \$170 billion in 2011 and up 20% from prior record of \$212 billion in 2010.

**Deal Count.** Total deal count in 2012 down 20% to 679 vs. 842 deals in 2011. Deal counts on par with 684 in 2010, the year after the financial meltdown in the US markets.

**Deal Size.** 46 deals top the \$1 billion mark, 175 are between \$100 million and \$1 billion and 458 are less than \$100 million. Deal counts similar to 2010. More smaller deals done in 2011 (655 were less than \$100 million).

**Region.** US completes \$82.8 billion in 2012, remarkably stable compared to \$83 billion in 2011. Canada's large deals vault 2012 to \$50.2 billion, the highest since 2007's \$43.6 billion and up 200% from \$17 billion in 2011. Russia unusual year with TNK-BP. North Sea slightly down, Australia up.

**Deal Type.** More corporate deals in 2012 accounting for 58% of the market compared to 47% in 2011. In the US, corporate deals flat year over year at 42% and acreage deals down to 3% (or \$2.8 billion) versus 7% (or \$5.8 billion) in 2011

**Resource.** In 2012, deals for conventional assets increase to 69% of global market, versus 57% in 2011.

**Buyers.** Asian and Chinese NOCs buying continues strengthening to a record \$49 billion, versus \$24 billion in 2011 and \$39 billion in 2010 (prior record year). Other top buyers include private equity backed firms and select US major oil companies (ExxonMobil, Shell).

**Deals In Play.** Inventory of Deals in Play drops from \$127 billion in mid-October 2012 to \$85 billion at January 2012 as the high level of acquisitions in Q4 2012 took out a significant overhang of inventory.

## Global Deal Value and Count

2012 record year for deal value at \$254 Billion on 679 deals

Global Deal Values						
US\$ billion	2007	2008	2009	2010	2011	2012
United States	\$49.7	\$47.5	\$61.7	\$75.5	\$83.0	\$82.8
Canada	\$43.6	\$15.3	\$34.8	\$35.0	\$16.9	\$50.2
Former Soviet Union	\$35.7	\$8.7	\$19.9	\$32.1	\$13.1	\$75.5
South/Central America	\$5.2	\$4.1	\$3.3	\$29.0	\$12.6	\$4.9
Africa	\$7.7	\$6.5	\$15.5	\$10.0	\$9.5	\$10.0
North Sea/ Europe	\$9.4	\$9.0	\$7.0	\$7.2	\$14.7	\$11.6
Australia	\$0.8	\$20.6	\$3.6	\$9.4	\$5.4	\$12.9
Asia	\$2.5	\$2.9	\$3.1	\$11.8	\$11.5	\$3.7
Middle East	\$0.7	\$2.5	\$1.6	\$1.9	\$2.9	\$2.5
<b>Total:</b>	<b>\$155.3</b>	<b>\$117.1</b>	<b>\$150.4</b>	<b>\$211.8</b>	<b>\$169.6</b>	<b>\$254.1</b>

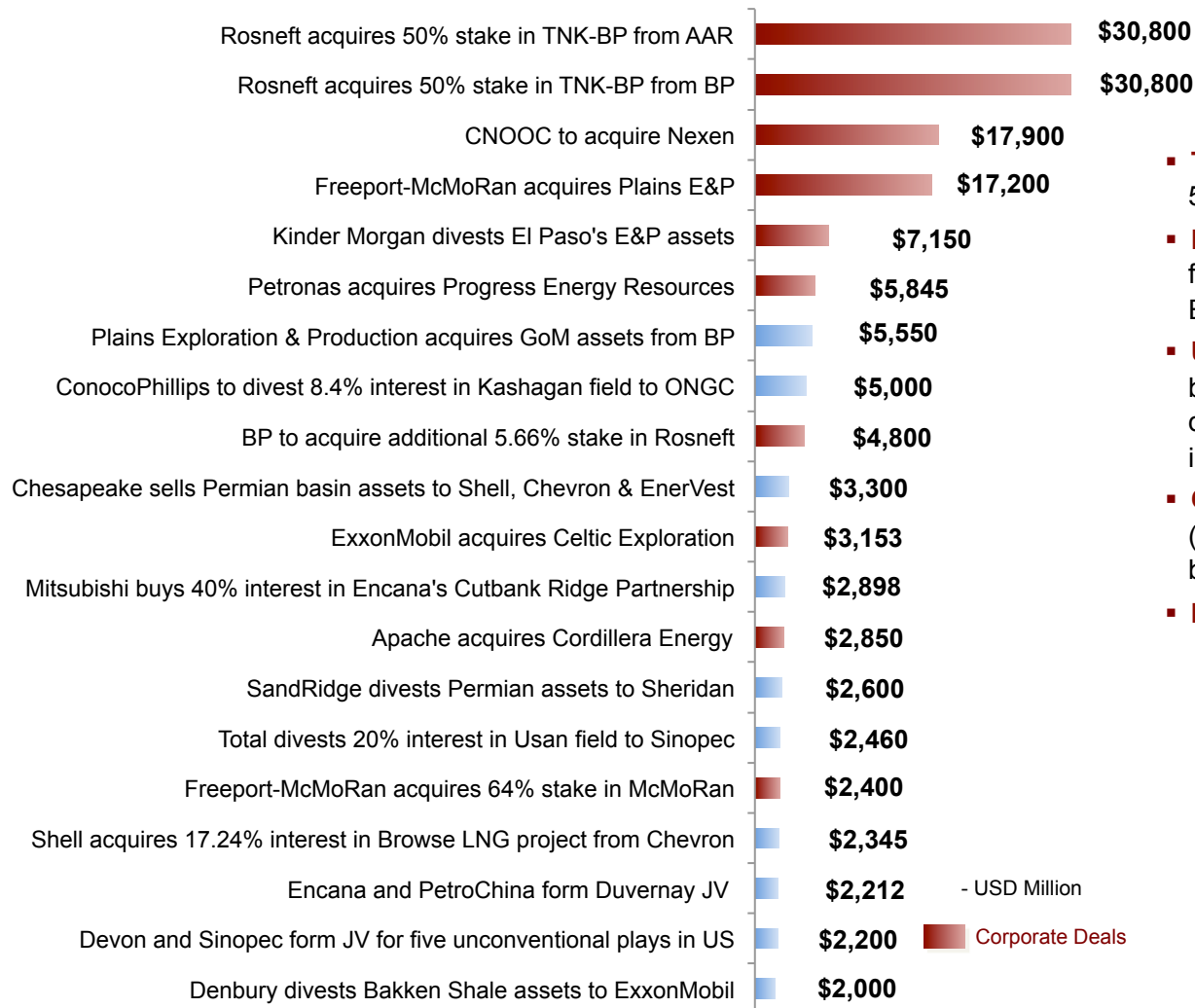
Global Deal Count						
	2007	2008	2009	2010	2011	2012
>\$100 million	172	164	131	231	187	221
<\$100 million	307	345	346	453	655	458
Undisclosed Value	331	320	271	322	486	391
<b>Total</b>	<b>810</b>	<b>829</b>	<b>748</b>	<b>1006</b>	<b>1328</b>	<b>1070</b>

### Comments:

- Backing out the \$61.6 billion Rosneft/TNK-BP puts 2012 deal value at \$192.5 billion.
- In 2012, deal count for large deals increased 18% over 2011 while deal count for small deals decreased 30%.
- Remarkably stable year for the US at \$83 billion while Canada and Former Soviet Union set new records.

## Top 20 Global E&P Transactions: 2012

### Large corporate takeovers drive record year for total deal value



- **Top 10** deal values total \$128 billion or 51% of the total market.
- **Largest Deal:** Rosneft's \$61.6 billion for TNK-BP, second largest deal since Exxon's \$81 billion buy of Mobil in 1998.
- **US deals:** Freeport McMoRan's \$17.2 billion buy of Plains E&P, largest US deal since Exxon's \$41 billion XTO buy in 2009.
- **Canadian deals:** CNOOC-Nexen (\$17.9 billion); Petronas-Progress (\$5.8 billion); ExxonMobil-Celtic (\$3.2 billion).
- **International deals:**
  - Russia: Rosneft buys TNK-BP from BP and AAR for \$61.6 billion
  - Kazakhstan: India's ONGC buys interest in Kashagan from ConocoPhillips for \$5 billion
  - Nigeria: Sinopec buys 20% interest in Usan field from Total

## Top 10 International Transactions: 2012

### Rosneft buy of TNK-BP in Russia is top deal.



Date	Buyers	Sellers	Value (\$MM)	Country	Type	Comment
10/22/12	Rosneft	BP	\$30,800	Russia	Corporate M&A	Rosneft buys 50% stake in TNK-BP from BP
10/22/12	Rosneft	Alfa Group; Access Ind. Inc; Renova Group	\$30,800	Russia	Corporate M&A	Rosneft buys 50% stake in TNK-BP from AAR
11/26/12	ONGC (India)	ConocoPhillips	\$5,000	Kazakhstan	Development	ConocoPhillips to divest 8.4% interest in Kashagan field to ONGC
10/22/12	BP	Rosneft	\$4,800	Russia	Corporate M&A	BP to acquire additional 5.66% stake in Rosneft
11/19/12	Sinopec	Total	\$2,460	Nigeria	Producing fields	Total divests 20% interest in Usan field to Sinopec
8/20/12	Shell	Chevron	\$2,345	Australia	Development	Shell acquires 17.24% interest in Browse LNG project from Chevron
4/30/12	Mitsubishi; Mitsui	Woodside	\$2,000	Australia	Development	Mitsubishi and Mitsui acquire 14.7% interest in Browse LNG Project from Woodside
10/31/12	CNOOC (China)	BG	\$1,930	Australia	Development	CNOOC acquires additional interest in QCLNG from BG
8/20/12	Chevron	Shell	\$1,895	Australia	Development	Chevron acquires 33.3% interest in Clio-Acme fields from Shell
12/20/12	Oando Energy Resources	ConocoPhillips	\$1,790	Nigeria	Producing fields	ConocoPhillips divests assets in Nigeria to Oando Energy
<b>Total:</b>			<b>\$83,820</b>			

#### Comments:

Note: Metrics are after Royalty or Government take.

- Rosneft's \$61.6 billion buy of Russia's TNK-BP is second largest deal recorded, behind Exxon's \$81 billion buy of Mobil in 1998.
- The drive to secure LNG feedstock fuels a high level of activity in Australia.
- Most large deals either corporate or development driven. Exceptions are in Nigeria with Sinopec buying into Usan field and Oando buying ConocoPhillips' assets.

## Top 10 US Transactions: 2012

Mix of buyers including new entrants and private equity



Date	Buyers	Sellers	Value (\$MM)	Region	Type	\$/BOE	\$/Daily BOE	\$/Acre	% Oil Prod.	Comment
12/5/12	Freeport-McMoRan Copper & Gold Inc	Plains E&P	\$17,200	Multiple	Corp.	\$17.93	\$60,288	\$2,705	69%	Freeport-McMoRan acquires Plains E&P
2/24/12	Apollo Global Management LLC; Riverstone Holdings LLC; Access Industries Inc; KNOG	Kinder Morgan Inc	\$7,150	Multiple	Corp.	\$8.83	\$40,000	\$757	15%	Kinder Morgan divests El Paso's E&P assets
9/4/12	Plains E&P	BP	\$5,550	Gulf of Mexico (Deep)	Prop.	\$24.90	\$47,525		84%	Plains Exploration & Production acquires GoM assets from BP
9/12/12	Shell; Chevron; EnerVest Management Partners	Chesapeake	\$3,300	Permian (Unconv.)	Prop.	\$14.91	\$58,375	\$1,000	58%	Chesapeake sells Permian basin assets to Shell, Chevron and EnerVest
1/23/12	Apache	Cordillera Energy Partners	\$2,850	Mid-Continent	Corp.	\$15.10	\$60,000	\$6,969	53%	Apache acquires Cordillera Energy
12/19/12	Sheridan Production Partners II	SandRidge Energy	\$2,600	Permian	Prop.	\$16.46	\$94,739	\$2,500	82%	SandRidge divests Permian assets to Sheridan
12/5/12	Freeport-McMoRan Copper & Gold Inc	McMoRan	\$2,400	Gulf of Mexico (Shallow)	Corp.	\$25.00	\$42,045		35%	Freeport-McMoRan buys remaining 64% stake in McMoRan Exploration
1/3/12	Sinopec	Devon Energy	\$2,200	Multiple	JV			\$5,388		Devon and Sinopec form JV for five unconventional plays in US
9/20/12	ExxonMobil	Denbury Resources Inc	\$2,000	Bakken Shale	Prop.	\$10.90	\$75,714	\$4,835	88%	Denbury divests Bakken Shale assets to ExxonMobil
10/22/12	Halcon Resources Corp	Petro-Hunt LLC; Undisclosed Seller	\$1,450	Bakken Shale	Prop.	\$18.62	\$75,230	\$9,000	88%	Halcon Resources acquires Bakken assets from Petro-Hunt
<b>Total: \$46,700</b>						<b>Mean</b>	<b>\$16.46</b>	<b>\$61,546</b>		
						<b>Median</b>	<b>\$16.46</b>	<b>\$60,000</b>		

- The Top Ten Deals accounted for 57% of total deal value for 2012.
- Freeport-McMoRan's buy of both Plains E&P and McMoRan Exploration is the surprise large deal of the year and the largest since ExxonMobil's \$41 billion buy of XTO in December 2009.
- Both SandRidge Energy and Chesapeake sell Permian basin oil-weighted proved assets.
- Top regions of activity are the Gulf of Mexico, Permian and Bakken.

## Top 10 Canada Transactions: 2012

### Asian and Chinese NOCs strong buyers



Date	Buyers	Sellers	Value (\$MM)	Region	Type	\$/2P BOE	\$/Daily BOE	\$/Acre	% Oil Prod.	Comment
7/23/12	CNOOC	Nexen	\$17,900	Oilsands	Corp.				84%	CNOOC acquires Nexen
6/28/12	Petronas	Progress Energy Resources Corp	\$5,845	Montney	Corp.	\$5.79	\$40,000	\$2,711	15%	Petronas acquires Progress Energy Resources
10/17/12	ExxonMobil	Celtic Exp. Ltd	\$3,153	Montney	Corp.	\$8.00	\$64,000	\$3,280	25%	ExxonMobil acquires Celtic Exploration
2/17/12	Mitsubishi	EnCana	\$2,898	Montney	JV	\$6.00		\$13,685	0%	Mitsubishi acquires 40% interest in Encana's Cutbank Ridge Partnership
12/13/12	Petro China	EnCana	\$2,212	Duvernay	JV			\$9,961		Encana & PetroChina form Duvernay JV
3/23/12	Pengrowth	NAL Energy Corp	\$1,909	Multiple	Corp.	\$15.02	\$52,311	\$318	49%	Pengrowth Energy acquires NAL Energy
11/28/12	Imperial Oil	ExxonMobil	\$1,550	Montney	Corp.	\$8.00	\$64,000	\$3,199	25%	Imperial Oil acquires 50% stake in Celtic from ExxonMobil
10/17/12	Undisclosed Buyer	Penn West Petroleum Ltd.	\$966	Saskatchewan	Prop.	\$21.47	\$97,034		93%	Penn West Petroleum sells non-core assets
1/3/12	CNPC (Petro-China)	Athabasca Oil Sands Corp	\$667	Oilsands	Prop.	\$4.35			100%	Athabasca Oil Sands divests 40% interest in MacKay River project to PetroChina
4/19/12	Toyota Tsusho Corp	EnCana	\$608	Coalbed Methane	Royalty					Toyota Tsusho buys 32.5% royalty interest in Canada CBM project from EnCana
<b>Total: \$37,708</b>					<b>Mean</b>	<b>\$9.80</b>	<b>\$63,469</b>			
					<b>Median</b>	<b>\$8.00</b>	<b>\$64,000</b>			

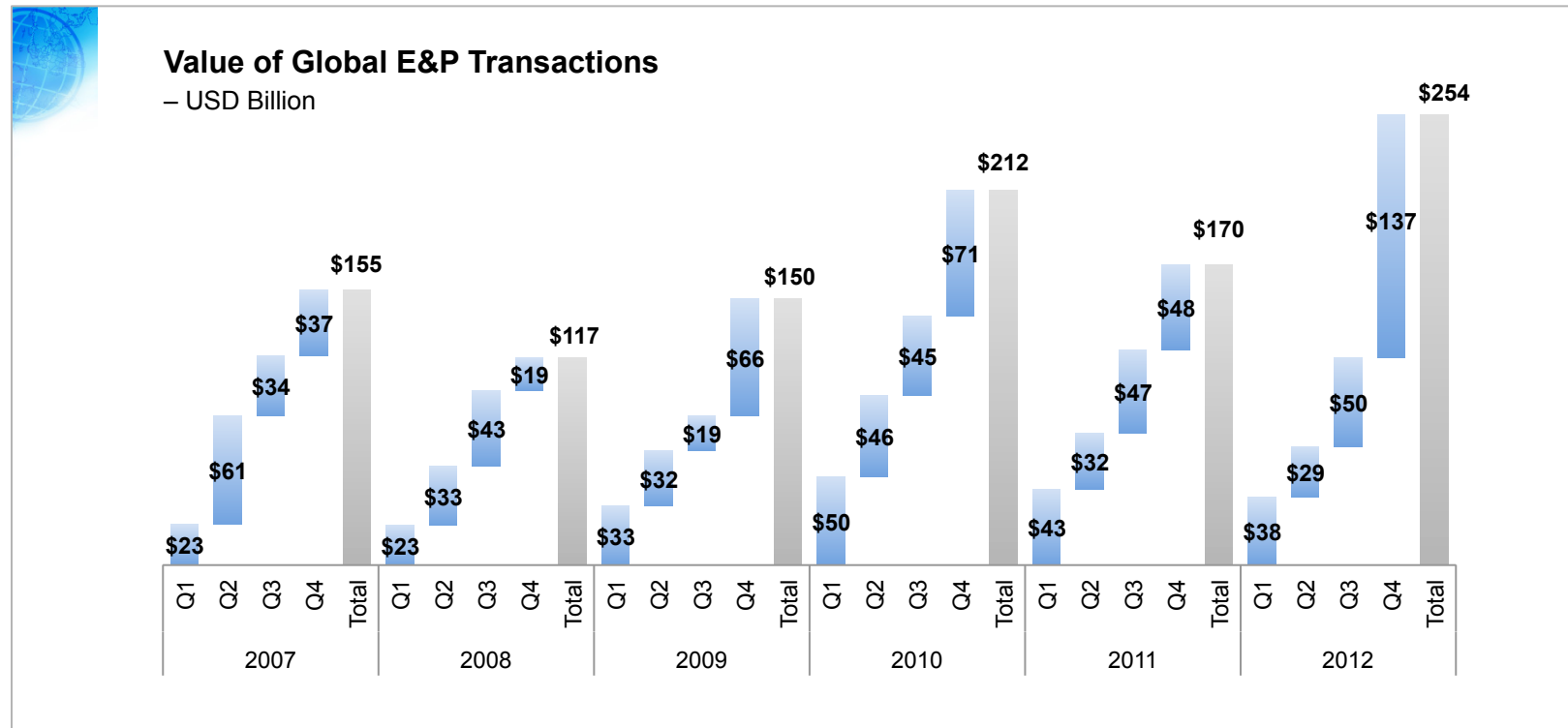
Note: Figures in U.S. Dollars.

#### Comments:

- The Top Ten Deals account for 75% of total deal value in 2012, versus 62% in 2011.
- CNOOC's \$17.9 billion buy of Nexen is Canada's landmark deal of the year.
- Corporate takeover activity running high – Nexen, Progress Energy, Celtic and NAL all sold in 2012.
- Encana is active as company embraces joint ventures as a capital efficient way to exploit its large land base.

## Global Quarterly Deal Value

Q4 2012 surge catapults full year to record year

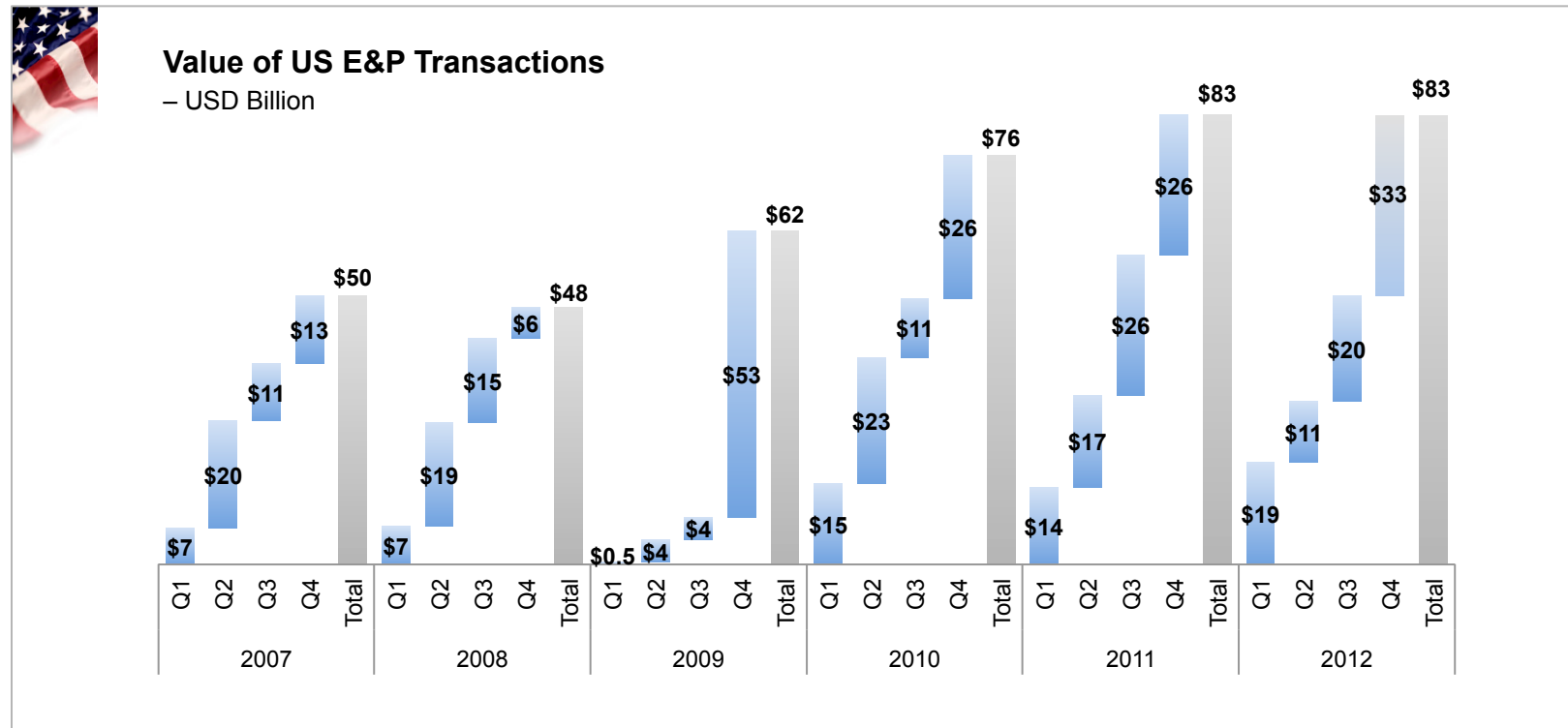


### Comments:

- Full year 2012 sets a record at \$254 billion, catapulted by record \$137 billion in Q4 2012.
- Q4 2012 includes \$62 billion Rosneft buy of TNK-BP and Freeport-McMoRan's \$20 billion buy of Plains E&P and McMoRan Exploration.

## US Quarterly Deal Value

2012 even with 2011 at \$83 billion

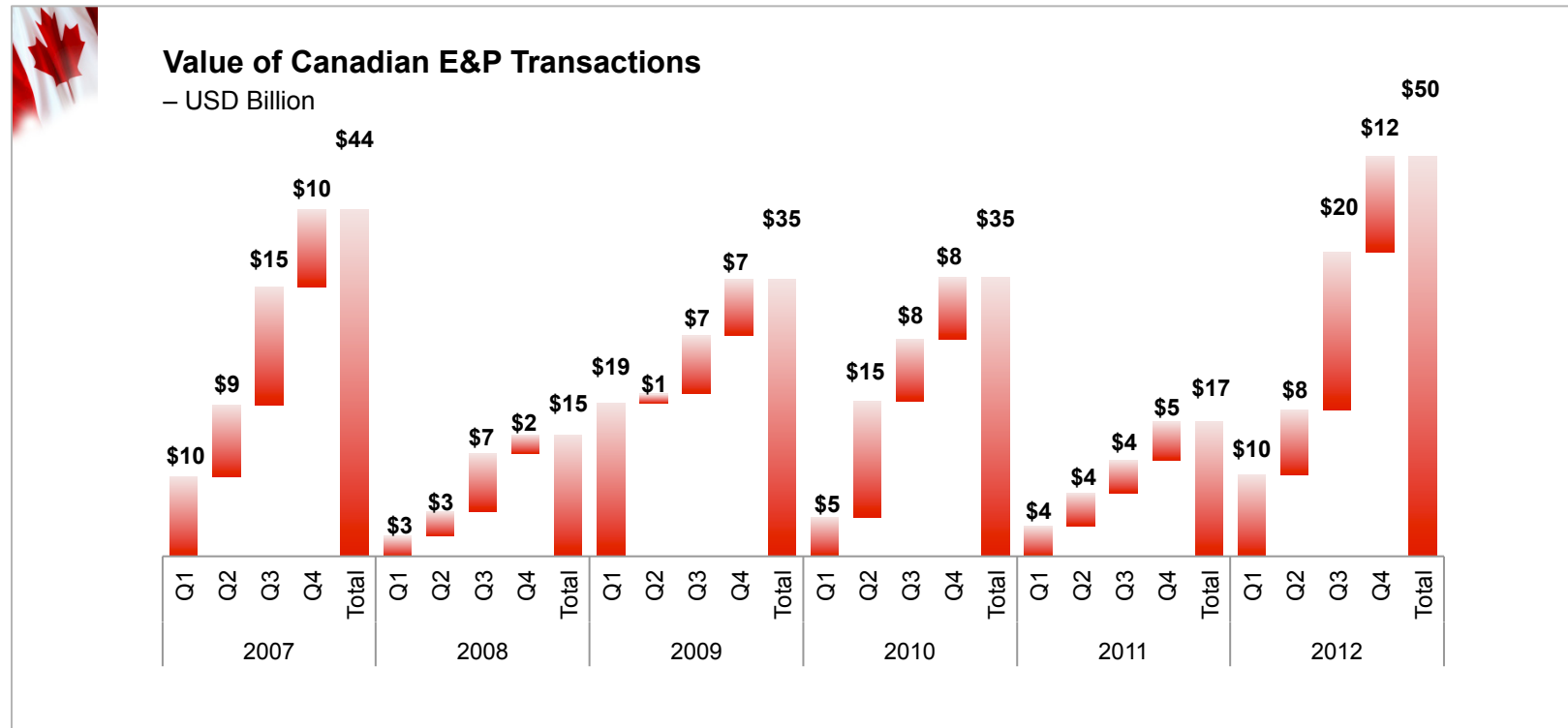


### Comments:

- Deal value in the US of \$83 billion in 2012 is even with 2011.
- Q4 2012 very active with sellers concerned about US fiscal cliff and President Obama's second term.
- Oil prices remarkably stable in 2012 (WTI averaged \$94.19/bbl) versus 2011 (WTI \$95.00/bbl).
- Henry Hub spot gas prices down to \$2.79/MMbtu in 2012 versus \$4.04/MMbtu in 2011.

## Canada Quarterly Deal Value

Annual deal values up 200% over 2011

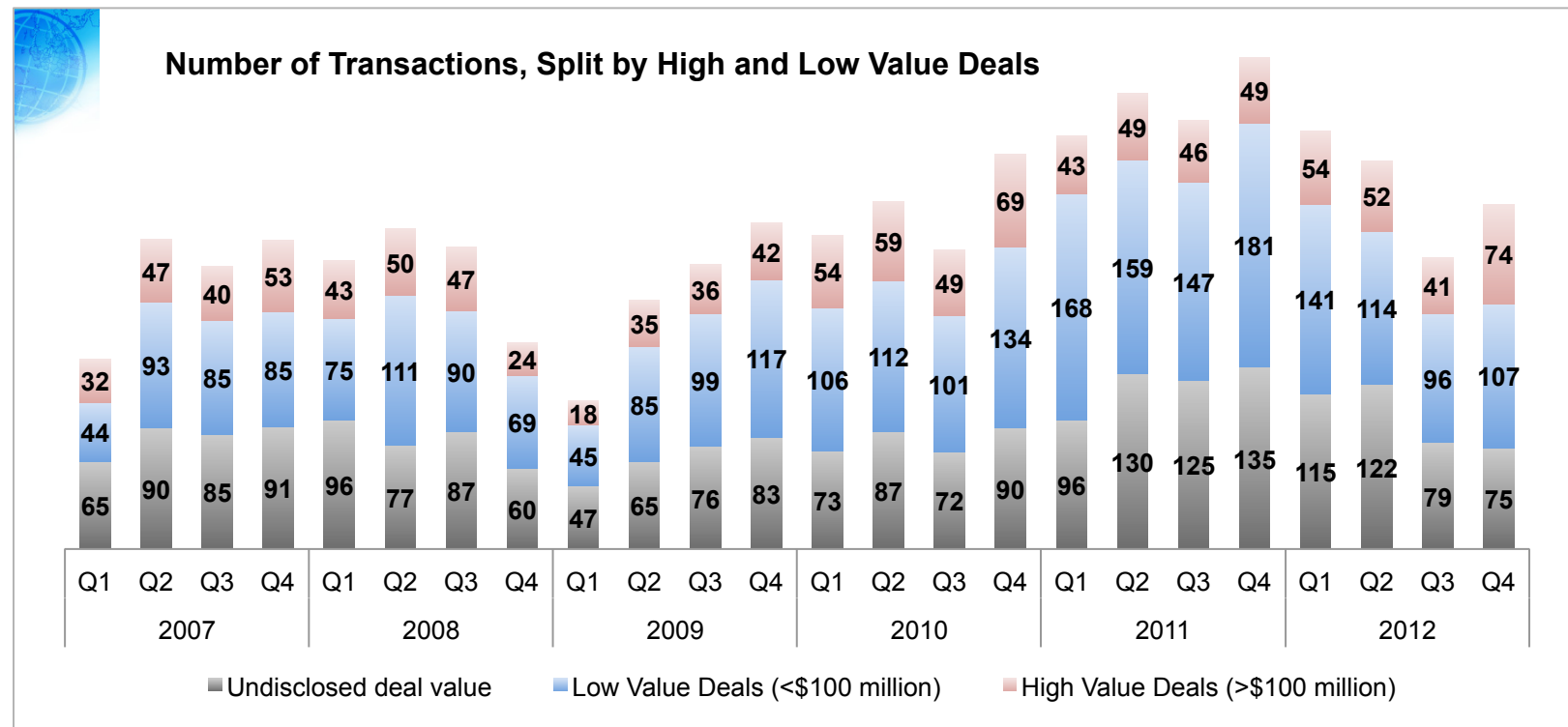


**Comments:**

- Full year deal value of \$50 billion is up 200% over 2011 and strongest year since 2007.
- Deal activity heightened by large foreign buyers – CNOOC \$17.9 billion buy of Nexen, Petronas’ \$5.8 billion buy of Progress Energy and ExxonMobil \$3.2 billion buy of Celtic Exploration.
- Buyers attracted to a combination of a large resource base, low point in gas prices and access to skilled workers and infrastructure. AECO-C prices averaged C\$2.43/MMbtu in 2012 versus C\$3.72/MMbtu in 2011.

## Global Quarterly Deal Count: By Deal Value

Overall deal count down 20% versus 2011, but large deals drive the market

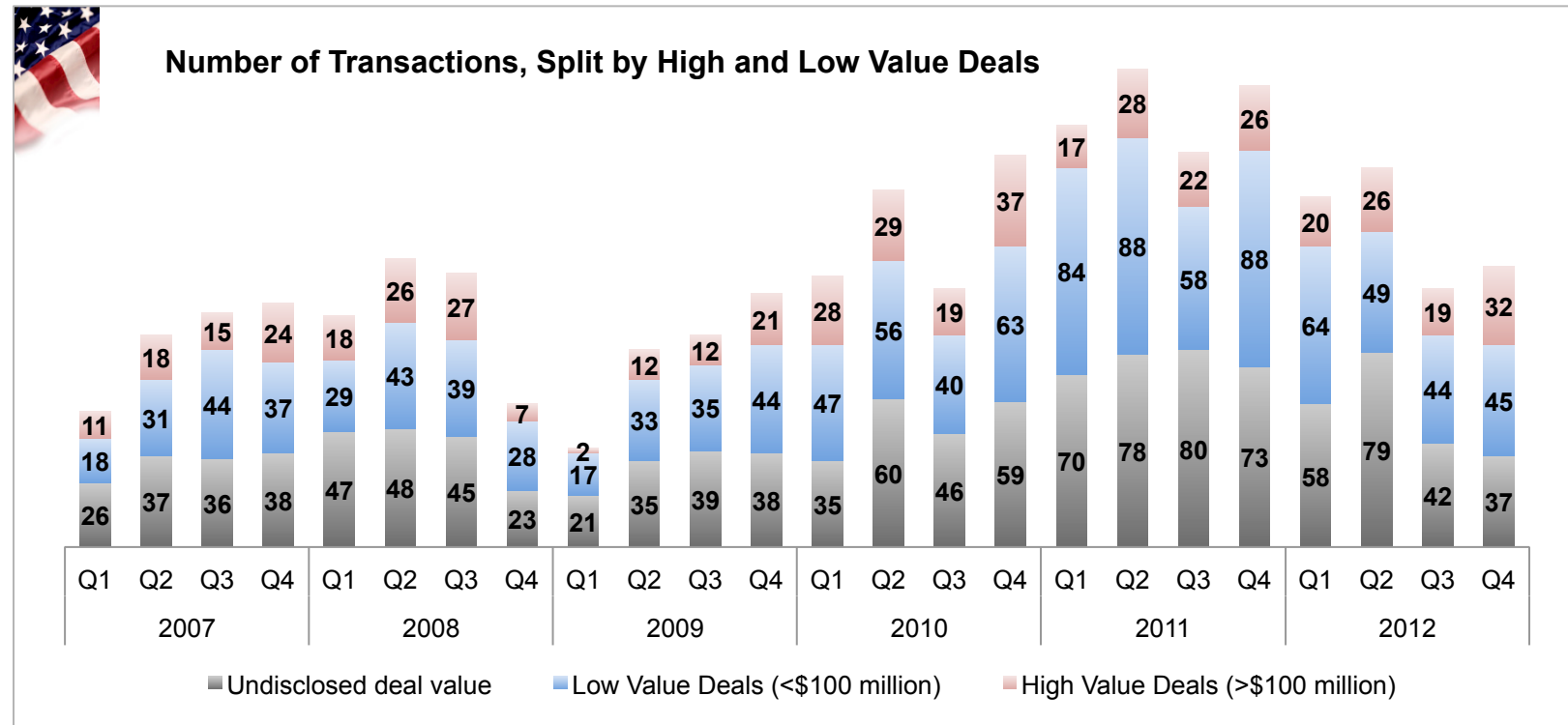


**Comments:**

- Overall, 2012 market impacted by high value deals (up 18%) while low value deals declined by 30%.
- 1,070 total deals recorded in 2012 lower than 1,328 in 2011 and comparable to 1,006 in 2010
- 2012 high value deals (>\$100 million) total 221, up from 187 in 2011 and marginally below 231 in 2010.
- 2012 low value deals (<\$100 million) total 458, lower than 655 in 2011 and comparable 453 in 2010.

## US Quarterly Deal Count: By Deal Value

Deal counts down in 2012 by 28%

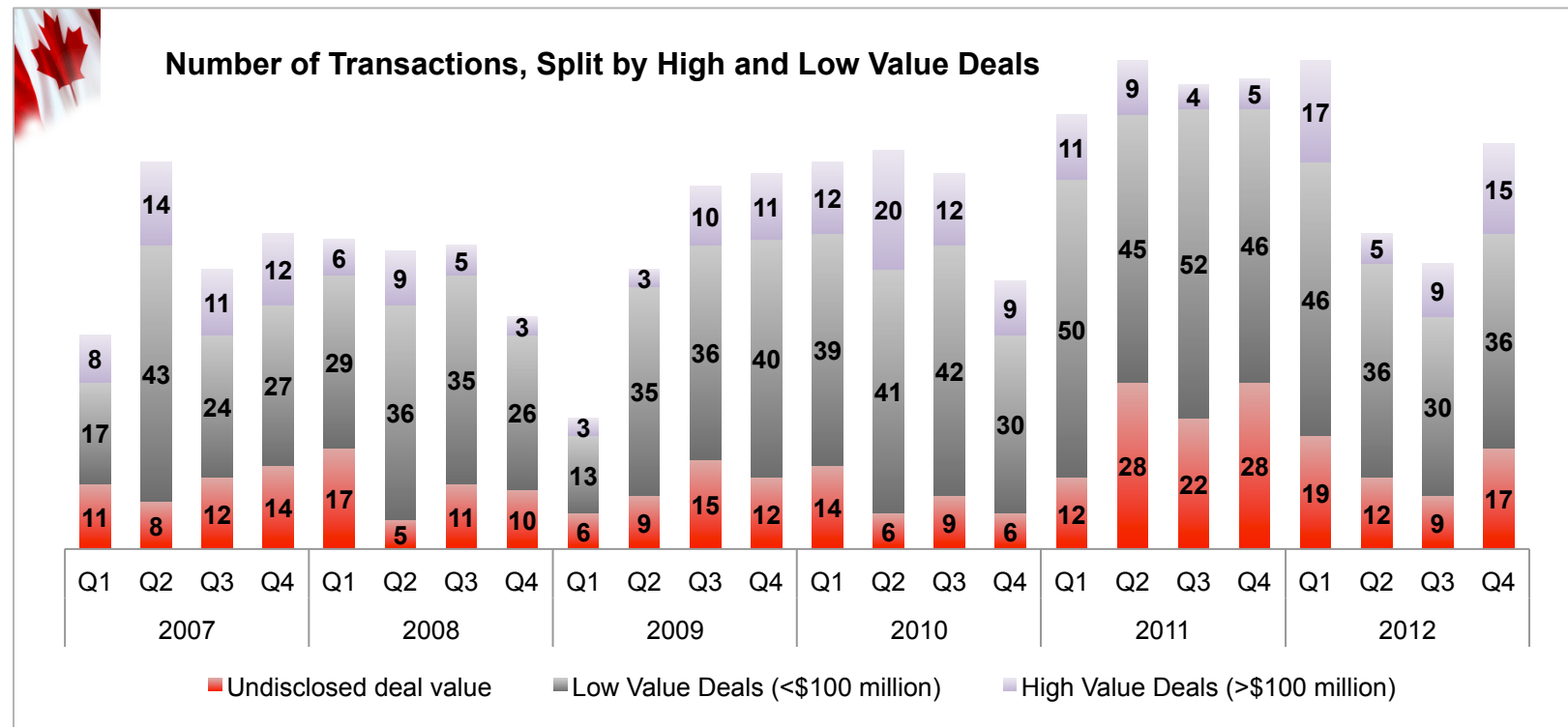


**Comments:**

- While 2012 total deal value of \$83 billion matched 2011, overall deal count slowed by 28%.
- 2012 high value deals (>\$100 million) total 97, versus 93 in 2011 and 113 in 2010.
- 2012 low value deals (<\$100 million) total 202 down 36% from 318 in 2011 and in line with 206 in 2010.

## Canada Quarterly Deal Count: By Deal Value

Canada deal count down 20% versus 2011

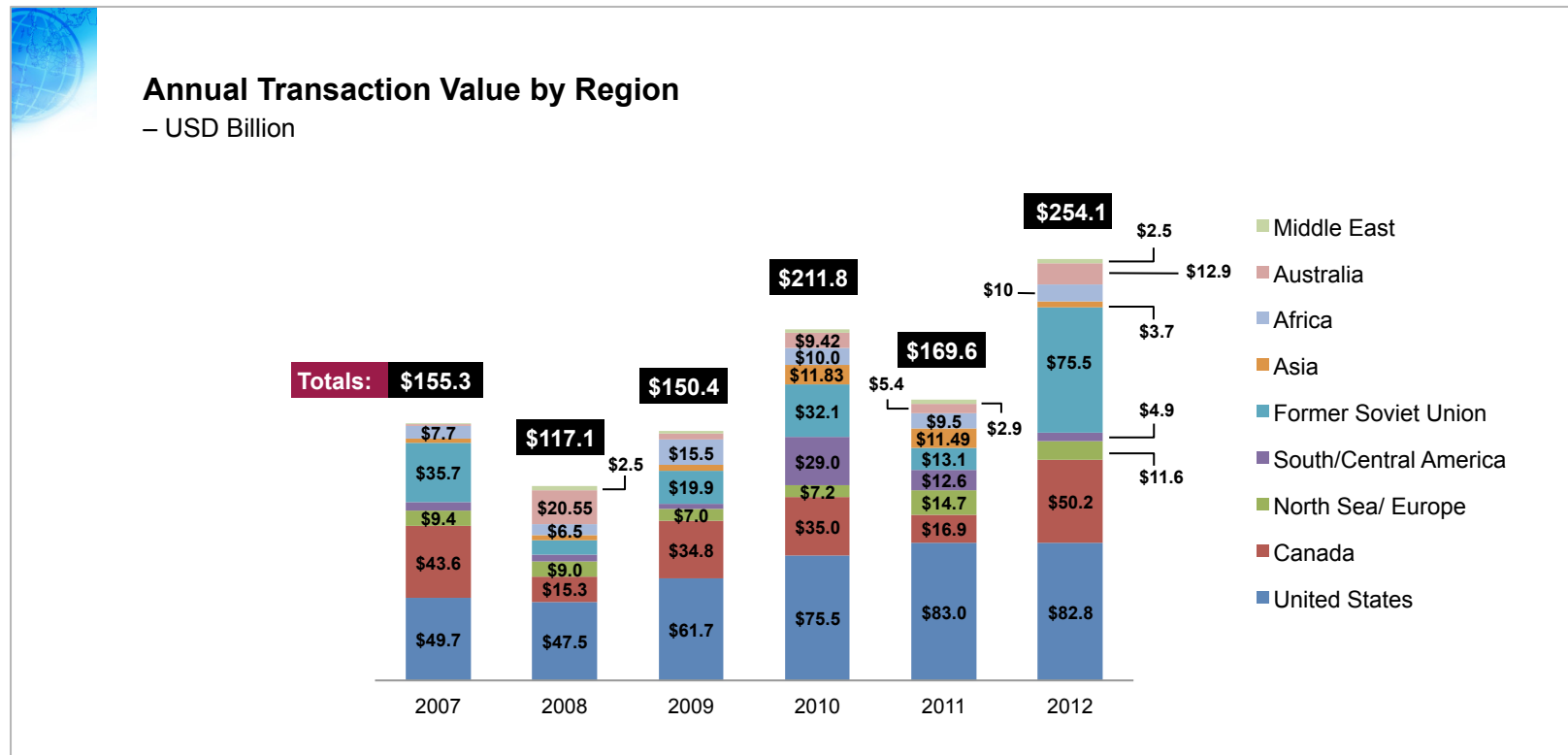


**Comments:**

- While 2012 total deal value of \$50 billion was up 200% from 2011's \$17 billion, overall deal count slowed by 20%.
- 2012 high value deals (>\$100 million) total 46, versus 29 in 2011 and 53 in 2010.
- 2012 low value deals (<\$100 million) total 148 down 23% from 193 in 2011 and in line with 152 in 2010.

## Global Regional M&A Activity by Deal Value

US flat, Canada triples, Russia anomaly

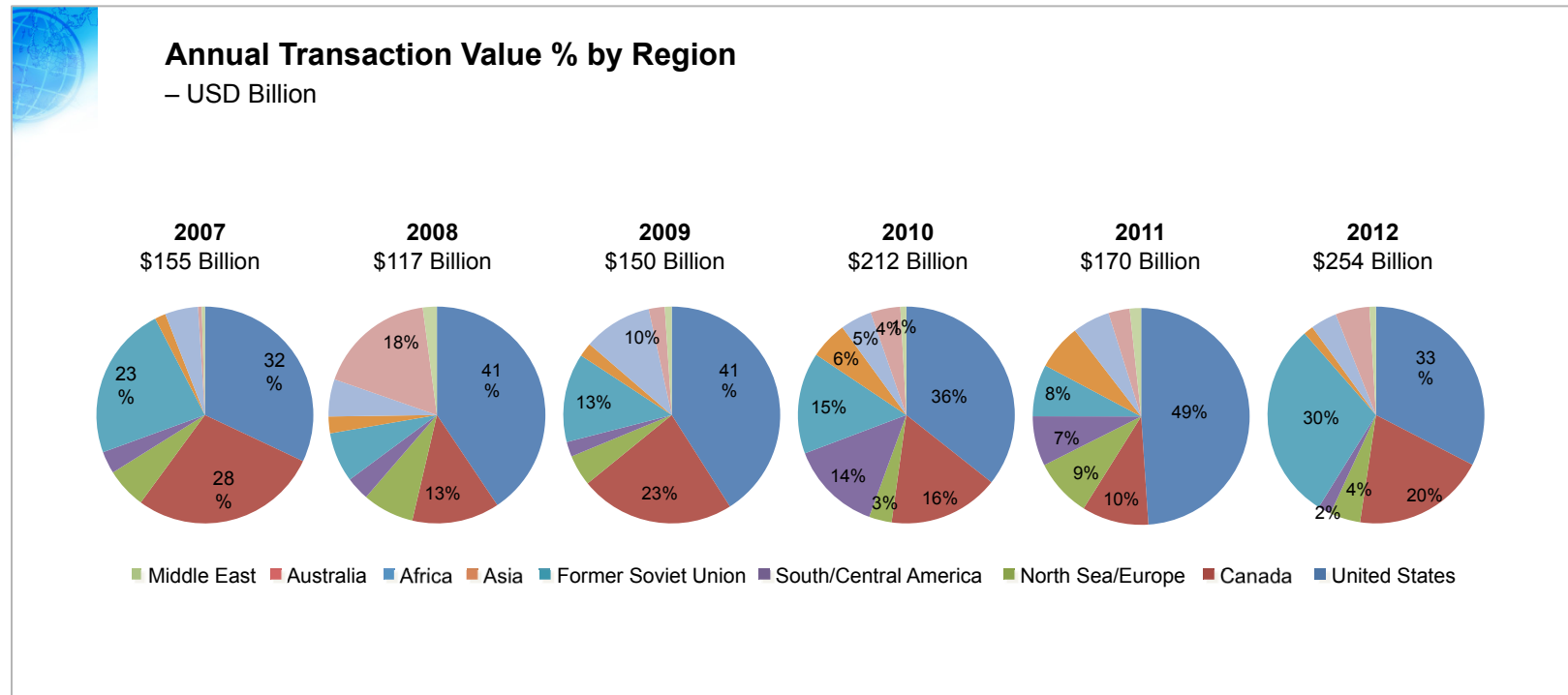


**Comments:**

- US deal value stable at \$82.8 billion in 2012 versus \$83 billion in 2011.
- Canada deal value surges to \$50.2 billion versus \$16.9 billion in 2011.
- Former Soviet Union has an anomalous year impacted by Rosneft’s \$61.2 billion mega deal for TNK-BP.
- Australia up 140% to \$12.9 billion, North Sea/Europe down 21% to \$11.6 billion and South/Central America down 61% to \$4.9 billion.

## Global Regional M&A Activity by Percentage

Rosneft's \$61.2 billion buy of TNK-BP skews 2012 results

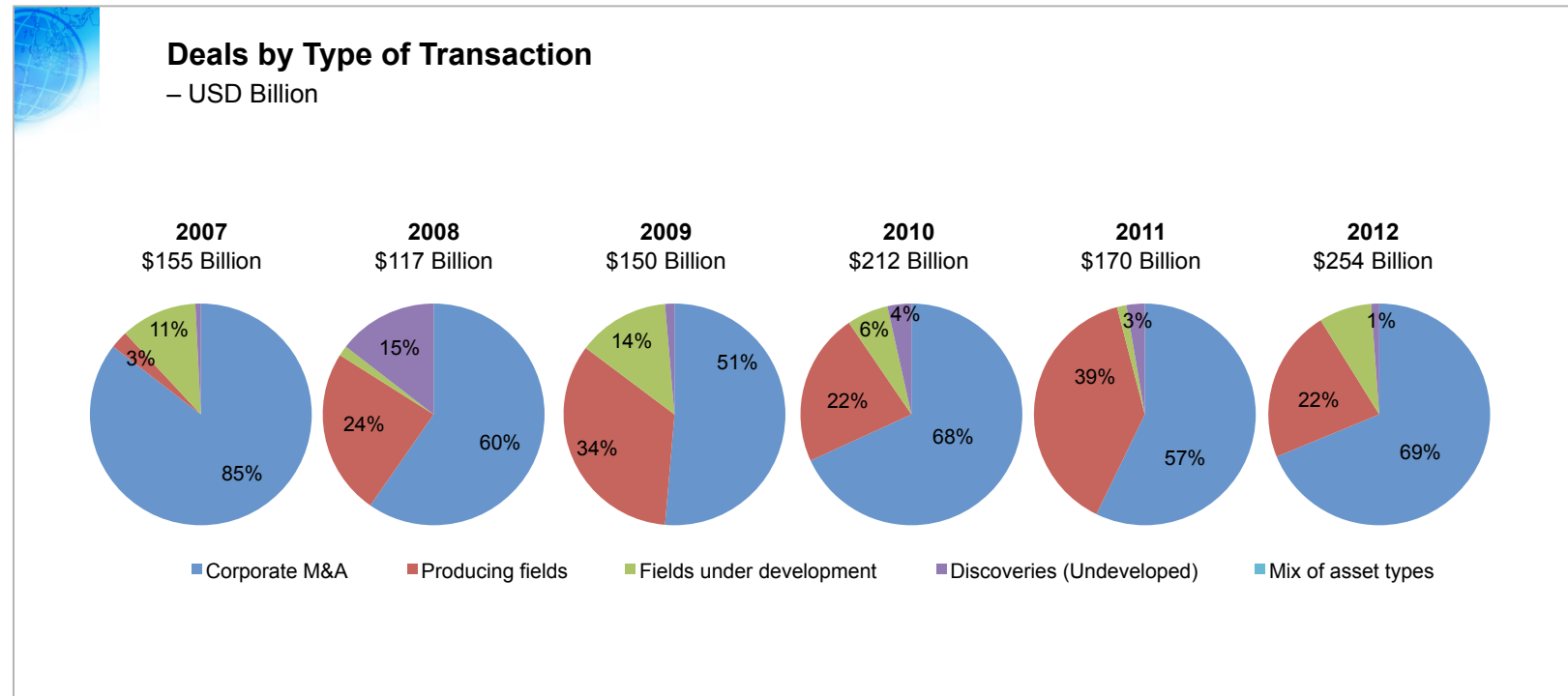


### Comments:

- Excluding Rosneft's \$61.2 billion buy of TNK-BP (Russia), deal value adjusts to \$192 billion.
- At \$192 billion, US share drops YOY to 43% and Canada's shares increases to 26%.
- At \$192 billion, the other top regions in 2012 are FSU (7.2%), Australia (6.7%), North Sea/Europe (6.0%).

## Global Transactions by Type

Excluding Rosneft/TNK-BP deal, corporate share is 44% in 2012

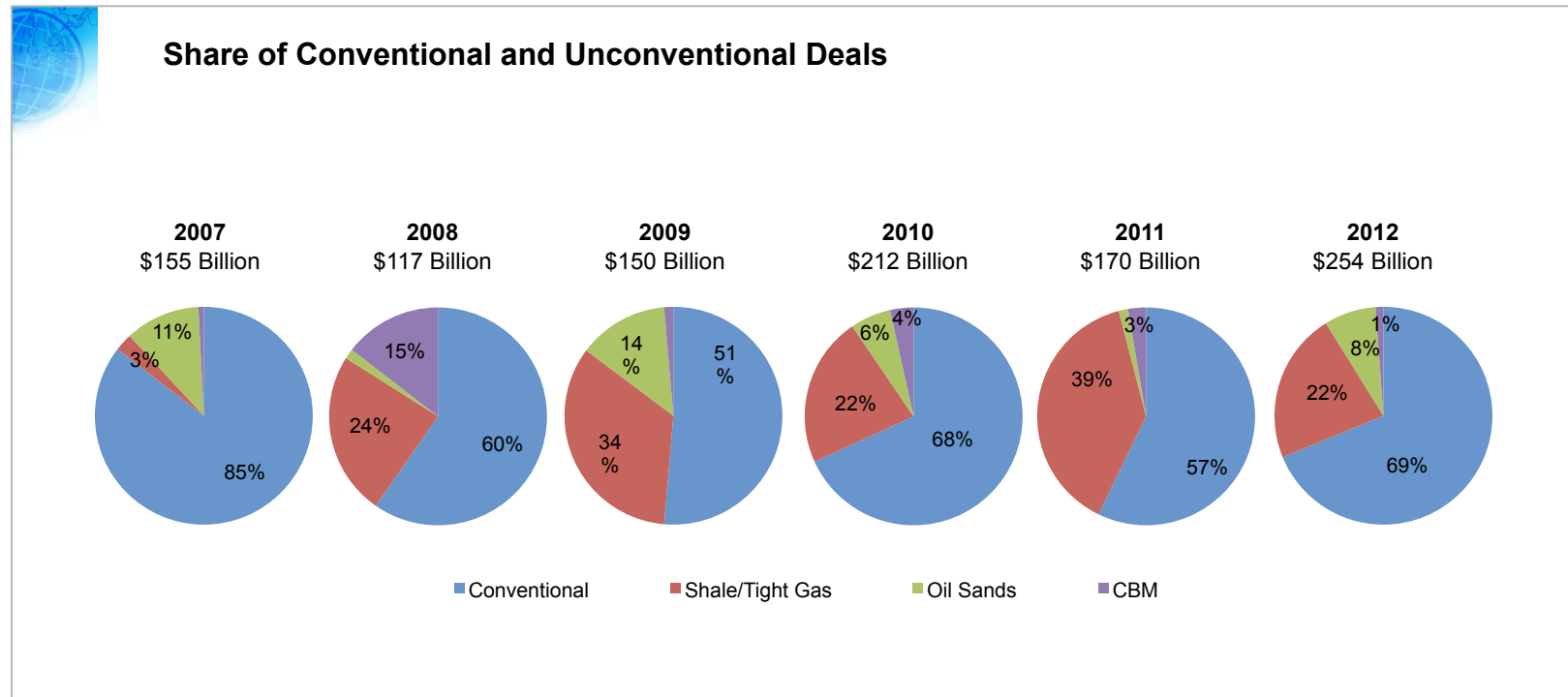


**Comments:**

- Corporate deals account for 69% share in 2012; excluding the \$61.6 billion Rosneft/TNK-BP deal, corporate deals at 44% share in 2012.
- In 2012 there were 15 corporate transactions each over \$1.0 billion. These large deals total \$131 billion.
- In the US, corporate deals at 42% share of a \$83 billion market — same as in 2011.

## Conventional vs. Unconventional

Conventional assets still take nearly 70% of the global market

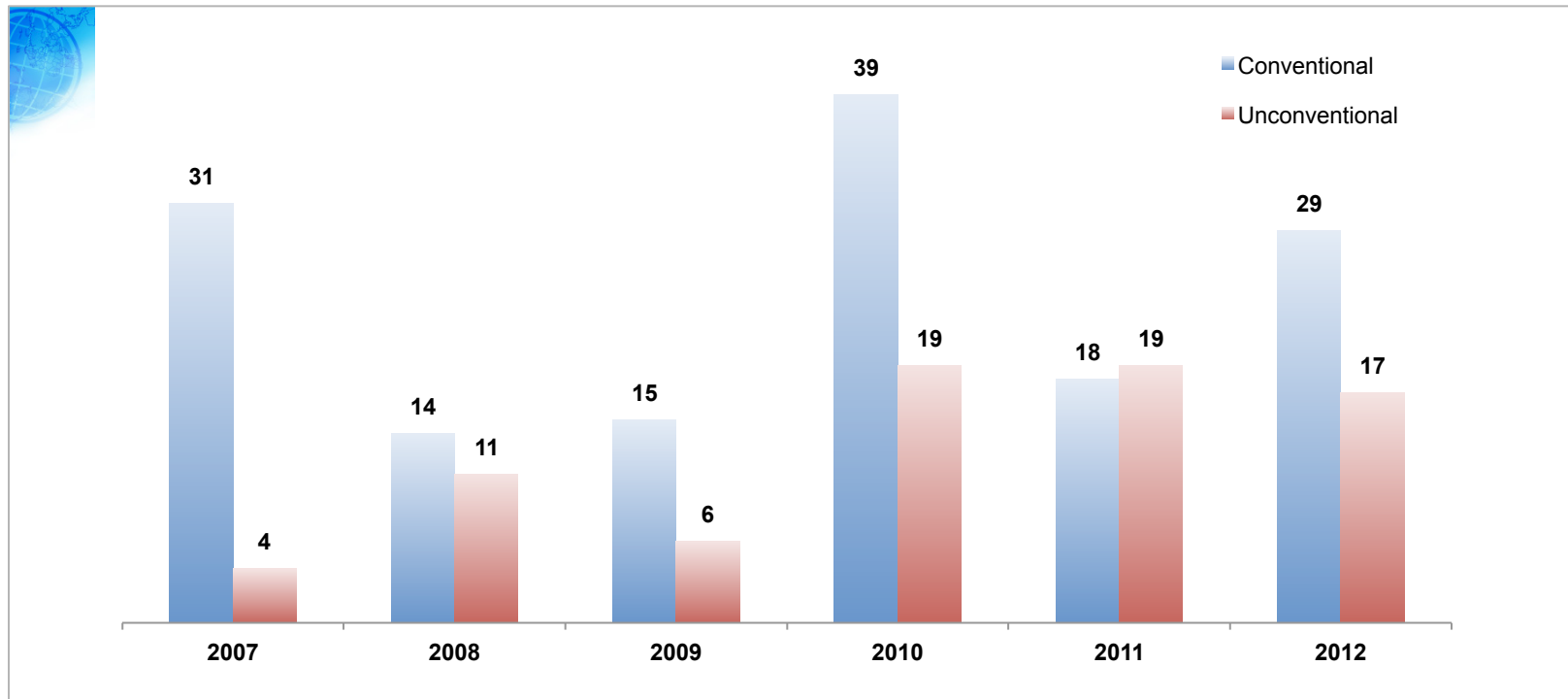


### Comments:

- Conventional deals account for \$174 billion, or 68%, of the market in 2012.
- Shale and tight gas transactions decreased to \$57 billion in 2012, vs. \$66 billion in 2011.
- Oil sands deals surge in 2012 to a record \$20 billion — buoyed by a stable and economic oil price.
  - We classified the \$17.9 billion CNOOC/Nexen transaction as an oil sands deal.

## Conventional vs. Unconventional Deals: >\$1 Billion

Large corporate conventional deals return



**Comments:**

- For deals over \$1.0 billion, 29 are conventional and 17 are unconventional — a shift towards large conventional deals compared to 2011.
- The pace of deals over \$1.0 billion at 46 in 2012 is still down 20% from the record year of 2010.

## Conventional vs. Unconventional: United States

In 2012, conventional deals surpassed unconventional for the first time since 2008

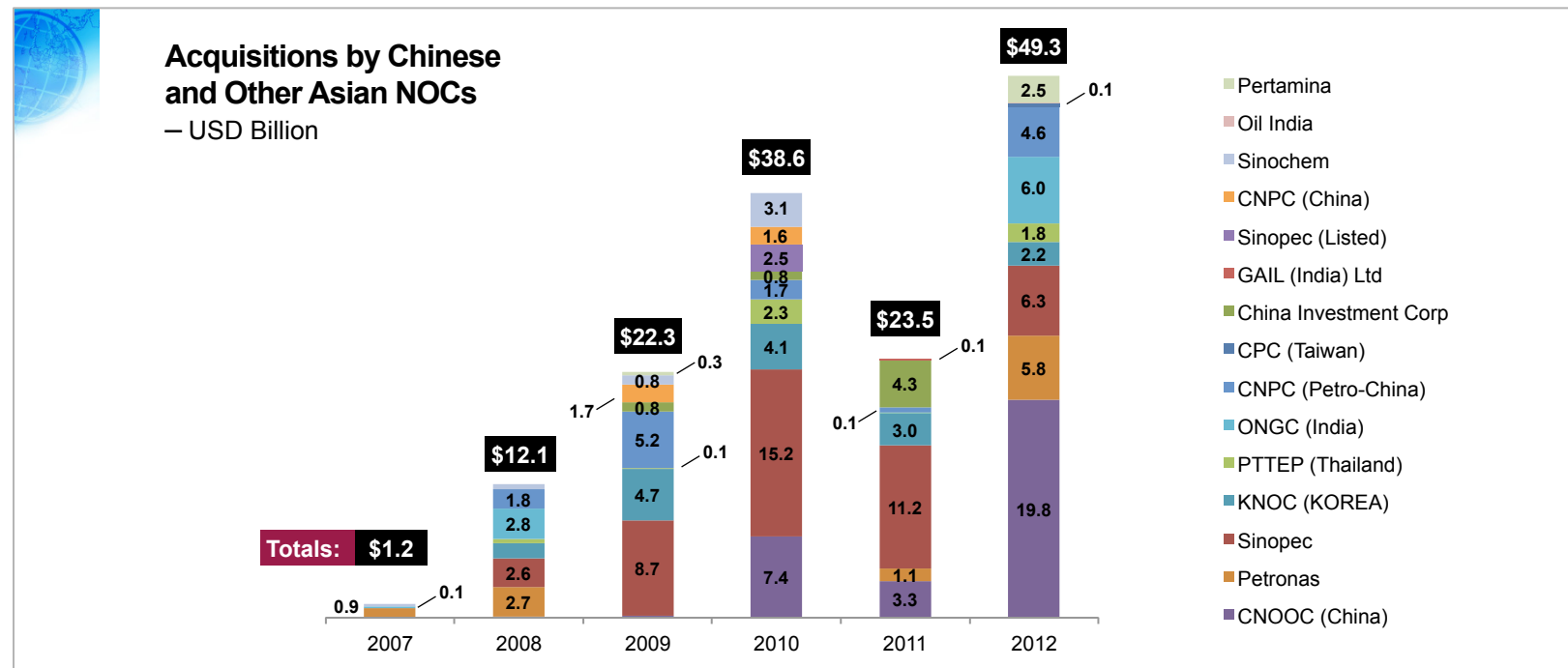
United States Unconventional Deals (US\$MM)						
	2007	2008	2009	2010	2011	2012
Bakken	\$118	\$2,072	\$50	\$4,762	\$7,162	\$6,876
Barnett	\$1,229	\$2,582	\$3,223	\$2,443	\$2,317	\$937
Coalbed Methane	\$1,117	\$830	\$10	\$1,496	\$151	\$126
Eagle Ford			\$46	\$9,501	\$7,265	\$1,949
Fayetteville	\$440	\$2,879	\$1	\$650	\$4,771	
Haynesville		\$5,224	\$1,786	\$2,062	\$870	
Marcellus		\$4,437	\$1,526	\$20,488	\$7,921	\$805
Mississippian					\$1,957	\$785
Niobrara				\$134	\$1,795	\$518
Permian (Unconventional)		\$565	\$16	\$2,086	\$4,048	\$6,557
Tuscaloosa Shale		\$8			\$168	\$20
Utica				\$5	\$3,964	\$2,065
Woodford	\$53	\$2,227		\$166	\$5	\$1,225
Other	\$1,238	\$23	\$11	\$528	\$1,537	\$5,674
Multiple	\$10	\$1,880	\$41,000	\$314	\$17,631	\$10,563
<b>Total:</b>	<b>\$4,206</b>	<b>\$22,726</b>	<b>\$47,668</b>	<b>\$44,636</b>	<b>\$61,562</b>	<b>\$38,098</b>

United States Conventional Deals (US\$MM)						
	2007	2008	2009	2010	2011	2012
Alaska	\$453		\$1		\$50	\$375
Eastern	\$3,243	\$187	\$269	\$475	\$9	\$179
GC Onshore	\$4,390	\$1,823	\$1,508	\$2,852	\$1,528	\$1,264
Gulf of Mexico (Deep)	\$6,187	\$1,381	\$200	\$4,545	\$290	\$7,200
Gulf of Mexico (Shallow)	\$2,357	\$4,214	\$558	\$3,010	\$1,230	\$5,414
Mid-Continent	\$7,268	\$6,331	\$1,610	\$2,861	\$3,110	\$3,787
Permian	\$8,402	\$2,051	\$2,837	\$8,991	\$1,981	\$3,839
Rockies	\$6,058	\$2,579	\$6,432	\$1,833	\$2,299	\$3,326
West Coast	\$216	\$135	\$277	\$47	\$1,520	\$399
Multiple	\$6,924	\$6,107	\$297	\$6,259	\$9,409	\$18,924
<b>Total:</b>	<b>\$45,498</b>	<b>\$24,809</b>	<b>\$13,990</b>	<b>\$30,874</b>	<b>\$21,426</b>	<b>\$44,708</b>

## Chinese and Asian NOC Acquisitions

Buying continues unabated and sets a record

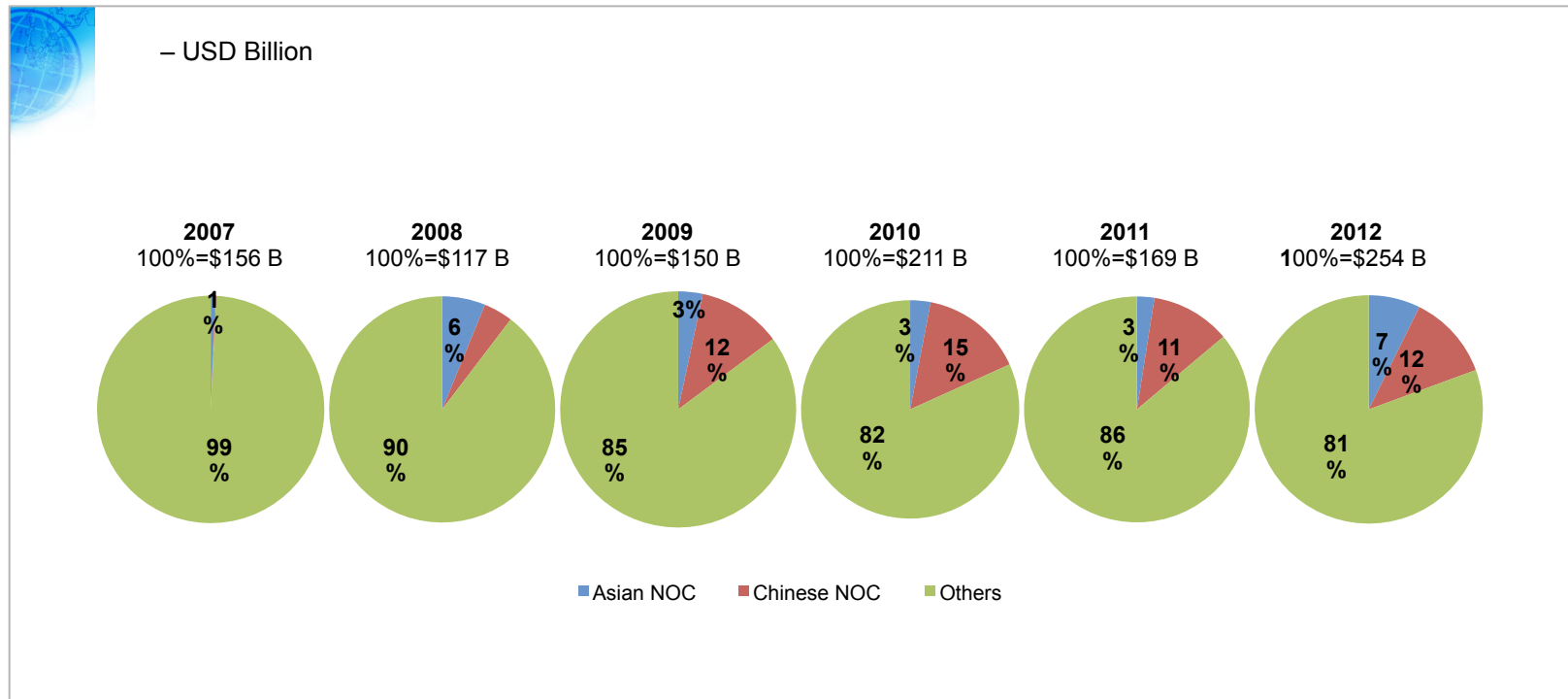


### Comments:

- Chinese and Asian NOC buyers set a record in 2012 at \$49 billion.
- CNOOC strikes largest deal to date with \$17.9 billion buy of Nexen.
- For the years 2007-2012, the biggest buyers have been Sinopec (\$44 billion), CNOOC (\$31 billion), KNOC (\$15 billion), CNPC (\$14 billion) and Petronas (\$10 billion).

## Chinese and Asian NOC share of Global Market

### Chinese share growing since 2007

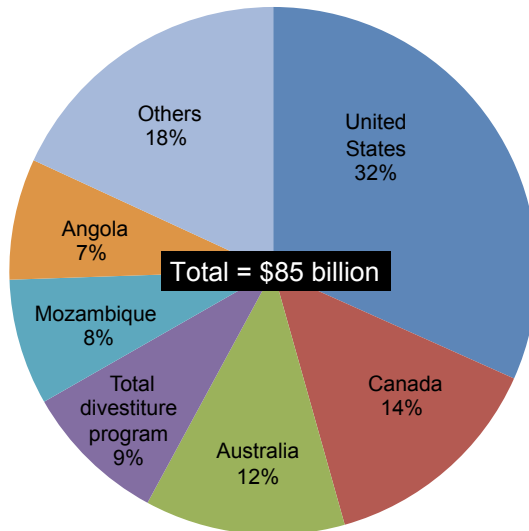


#### Comments:

- Since 2007, Asian NOCs have bought \$42 billion and Chinese NOCs have bought \$105 billion (Total \$147 billion).
- Chinese NOCs \$31 billion of buys in 2012 falls short of a recent record of \$32 billion in 2010.
- Asian NOCs \$19 billion of buys in 2012 easily surpassed its prior record of \$7 billion in 2008.
- Together this set of buyers are approaching 20% of the global market in 2012.

## Global Deals In Play: \$85 Billion

Inventory down from October 1, 2012 tally of \$127 billion



### North America

- See Slide 24 for United States and Canada.

### Australia

- PetroFrontier considering strategic alternatives
- Larus Energy to farm-out three offshore blocks
- Origin and ConocoPhillips selling additional stake in Queensland's APLNG

### Total S.A.

- Total seeking to divest \$15 - \$20 billion in non-core assets across its global portfolio, including R&M and Chemical assets

### Mozambique

- Videocon seeking buyer for 10% of Rovuma offshore Area-1

### Others

#### Europe

- BHP Billiton selling UK North Sea assets
- Tullow Oil selling UK and Dutch North Sea gas assets
- Talisman exiting Poland
- RWE selling nine blocks offshore Spain

#### Russia

- Hess to exit Russia

#### Iraq

- ExxonMobil selling West Qurna-1

#### Ivory Coast

- Rialto seeks to farm-out discovery

#### Equatorial Guinea

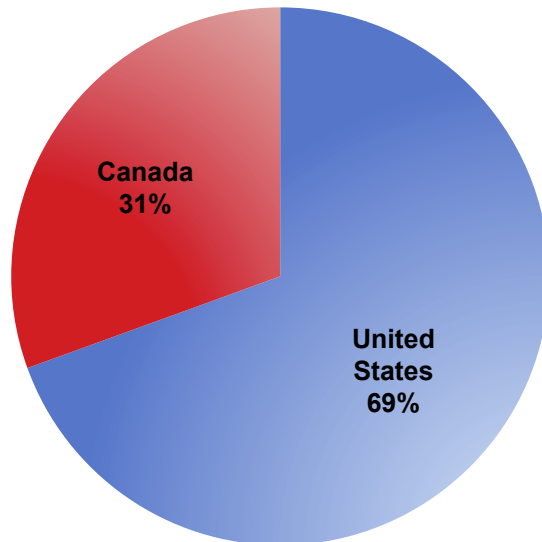
- Ophir Energy planning to farm out Block R

### Comments:

- The inventory of deals in play drops 33% to \$85 billion as of Jan 1, 2013 vs. \$127 billion as of Oct 1, 2012.
- The drop in inventory is largely due to many deals getting done in Q4 2012 and a lack of significant new announcements.
- We expect new asset sale announcements to hit the market as companies finalize their 2013 operational and investing plans.

## North American Deals In Play: \$39 Billion

Inventory down from October 1 tally of \$45 billion



### United States

- Petrobras selling deepwater GOM assets
- Range Resources selling select Permian basin assets
- J Cleo Thompson selling select Midland basin assets
- Chesapeake selling Woodford assets
- Statoil selling certain West Texas assets
- Pioneer Natural Resources selling Barnett assets
- Consol Energy selling non-core US assets
- ZaZa selling Eagle Ford prospects
- Southwestern seeking Brown Dense partner
- Quicksilver seeking Barnett JV partner
- Goodrich Petroleum selling Cotton Valley and seeking Tuscaloosa and Pearsall JV partners
- Beacon and partners selling Barnett

### Canada

- MFC Energy selling Alberta assets
- Sonde Resources looking for strategic alternatives
- Talisman seeking Montney and Duvernay JV partners
- Southwestern Energy selling New Brunswick acreage
- Novus Energy looking for strategic alternatives
- Alberta Oilsands Inc. looks for strategic alternatives for oilsands assets
- Chinook Energy selling non-core Alberta and BC assets
- Ravenwood seeking strategic alternatives
- Longview selling Duvernay acreage
- Murphy Oil selling interest in Syncrude and Montney assets

### Comments:

- The US tally is \$27 billion at January 1, 2012, same as October 1, 2012 tally.
- Canada's tally dropped to \$12 billion versus \$18 billion on October 1, 2012.
- The US market is well supplied with acreage deals and Canada has numerous corporate opportunities.



Opportunity is a reflection of information.



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