

August 2012

# Energy Perspectives

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## Energy Market Outlook

Now that we are well beyond mid-year 2012, we thought it would be interesting to take a look back at the large financial institutions' commodity pricing forecasts from our

February issue of Energy Perspectives and compare the information to the updated forecasts for the year.

### Energy Market Outlook

As of	Bank/Firm	WTI Crude Oil				Henry Hub Natural Gas			
		2012	% Change from Feb-12	2013E	% Change YoY	2012	% Change from Feb-12	2013E	% Change YoY
Feb-12	BofA/ML	\$103.0		-		\$3.18		-	
Jun-12		98.0	(4.9%)	100.0	2.0%	3.00	(5.7%)	3.50	16.7%
Feb-12	Bank of Montreal	\$95.0		-		\$2.90		-	
Jun-12		100.0	5.3%	90.0	(10.0%)	2.50	(13.8%)	3.25	30.0%
Feb-12	BBVA Compass	\$99.0		-		-		-	
Jun-12		94.0	(5.1%)	96.4	2.6%	2.90	NA	4.00	37.9%
Feb-12	Citi	\$101.0		-		\$4.10		-	
Jul-12		85.0	(15.8%)	85.0	0.0%	2.30	(43.9%)	3.60	56.5%
Feb-12	Deutsche Bank	\$105.0		-		\$3.50		-	
Jul-12		101.0	(3.8%)	110.0	8.9%	3.10	(11.4%)	3.80	22.6%
Feb-12	Goldman Sachs	\$123.5		-		-		-	
Jun-12		96.0	(22.3%)	112.0	16.7%	2.90	NA	4.00	37.9%
Feb-12	J.P. Morgan	\$107.0		-		\$4.10		-	
Jun-12		95.0	(11.2%)	90.0	(5.3%)	2.80	(31.7%)	3.00	7.1%
Feb-12	Morgan Stanley	-		-		\$3.85		-	
Jul-12		95.0	NA	105.0	10.5%	3.20	(16.9%)	3.70	15.6%
Feb-12	Scotiabank	\$100.0		-		\$4.00		-	
Jul-12		88.0	(12.0%)	90.0	2.3%	3.00	(25.0%)	3.70	23.3%
Feb-12	UBS	\$100.0		-		\$3.90		-	
Jul-12		92.0	(8.0%)	86.0	(6.5%)	3.10	(20.5%)	3.60	16.1%
Feb-12	Wells Fargo	\$102.5		-		-		-	
Jul-12		92.5	(9.8%)	91.3	(1.3%)	2.50	NA	3.30	32.0%
<b>Average</b>	Previous Est.	\$103.6				\$3.69			
	Revised Est.	94.2	(8.8%)	96.0	1.8%	2.85	(21.1%)	3.59	26.9%

Source: Bloomberg, ThompsonOne

# Energy Market Outlook

Outside of one institution, all have adjusted their oil prices downward. Overall, oil price expectations were revised downward approximately 9% to \$94.20 per barrel. The current 2013 oil price outlook for the group averages a modest price improvement to \$96.00 per barrel, representing less than a 2% increase.

This group forecasts an average improvement of close to 27% for natural gas in 2013 (\$3.60 per thousand cubic feet or mcf). However, this forecasted improvement may be the direct result of a 21% reduction, to \$2.80 per mcf, in their forecast for 2012 since our February report. The general outlook among this group is that natural gas prices will rebound in 2013 to close to their original 2012 forecasted natural gas price of \$3.70 per mcf.

## Thoughts on Crude Oil

Oil prices have increased over the past month, approximately 12%, to a little over \$94.00 per barrel. Fear of war with Iran may be creating a pricing premium in the 10% to 20% range. However, the International Energy Agency has recently reported that crude inventories for the first half of 2012 are more than double the five-year average, the Eurozone economies have not improved and Asia appears to be growing more slowly than expected. With a national election in the U.S. approaching, are current crude oil prices

sustainable? All of the above is creating uncertainty that is expected to have an impact on the energy markets throughout 2013. If oil remains above \$80, OFS activity is likely to remain strong as the majority of onshore oil shale plays are believed to be economic at those levels.

## Thoughts on Natural Gas

Natural gas continues to hover around \$3.00 per mcf, with no appreciable increase in demand. As discussed previously, the outlook for 2013 pricing among analysts illustrates forecasted improvement. 2013 pricing improvement will likely be driven by short-term reductions in supply as the largest natural gas producers in the U.S. have announced dramatic reductions in natural gas-focused capital spending. As a result of the abundance of proven natural gas reserves in North America, and until a dramatic increase in demand is identified (additional LNG licenses etc.), no return to the 2007 (or pre-2007) pricing environment is expected, as evidenced by the 2017 NYMEX gas futures remaining below \$5.00 per mcf. Even though the gas forecast is in the \$3 to \$4 range, there is optimism that at those levels operators that have focused on reducing expenses to become the low-cost producer (through efficiencies and reduced service costs), will be able to operate and be profitable.

# Public Markets Update as of August 20, 2012<sup>1</sup>

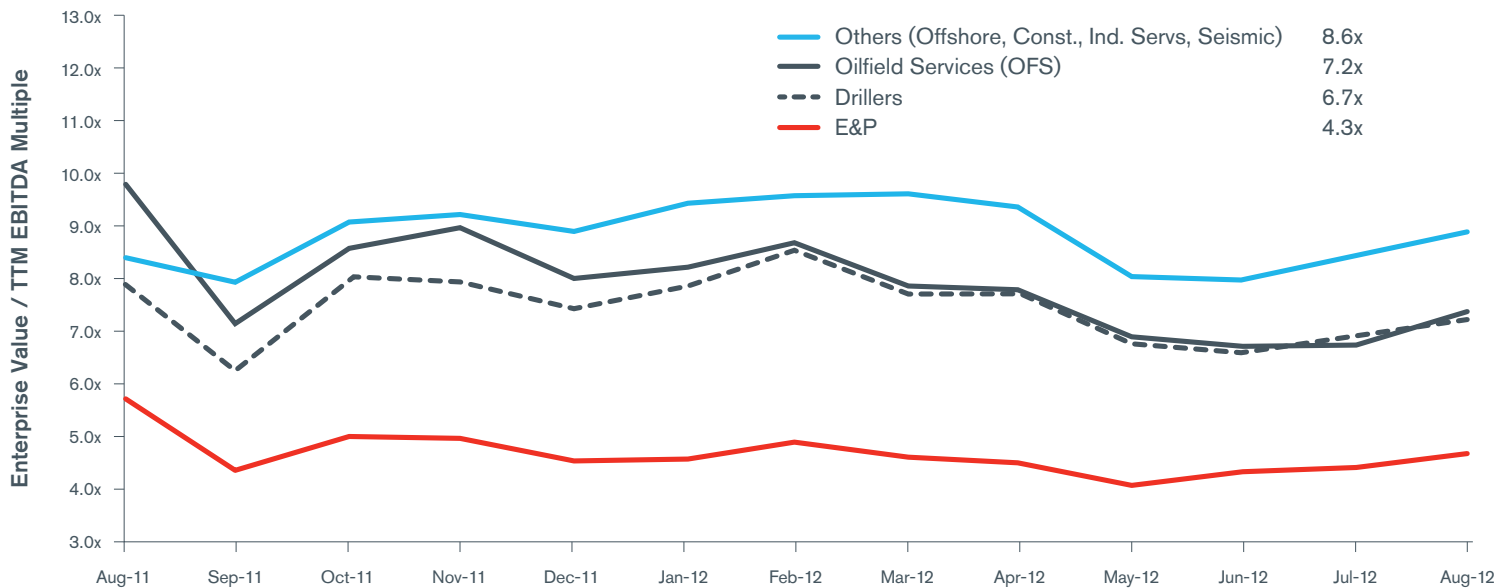
## Energy Sub-Sector Summary<sup>2</sup>

	Average LTM EBITDA Margin	Average EV/EBITDA		Average % of 52-Week High
		LTM	2012E	
<b>Oilfield Service (OFS)</b>				
Diversified	21.9%	6.2x	5.7x	76.7%
Service Focused	25.4	5.7	5.0	67.1
Equipment Focused	22.6	9.7	8.5	79.6
<b>E&amp;P</b>				
Integrated Majors	14.1%	4.2x	4.1x	91.5%
Large Independents	60.7	5.0	5.7	78.5
<b>Drillers</b>				
Land	33.0%	4.1x	4.0x	66.4%
Offshore	42.9	10.4	8.9	88.5
<b>Others</b>				
Offshore Transportation	24.0%	9.4x	8.8x	88.3%
Construction	8.0	8.9	6.7	77.9
Industrial Services	8.6	9.1	7.7	85.0
Seismic Related	27.6	6.0	4.6	74.3
<b>Average<sup>3</sup></b>	<b>24.5%</b>	<b>7.1x</b>	<b>6.3x</b>	<b>79.5%</b>
<b>Median</b>	<b>24.0%</b>	<b>6.2x</b>	<b>5.7x</b>	<b>78.5%</b>

- (1) For definitions, refer to page 6.
- (2) For more data around the constituents of each sub-sector, refer to pages 6-11.
- (3) Excludes the highest and lowest values.

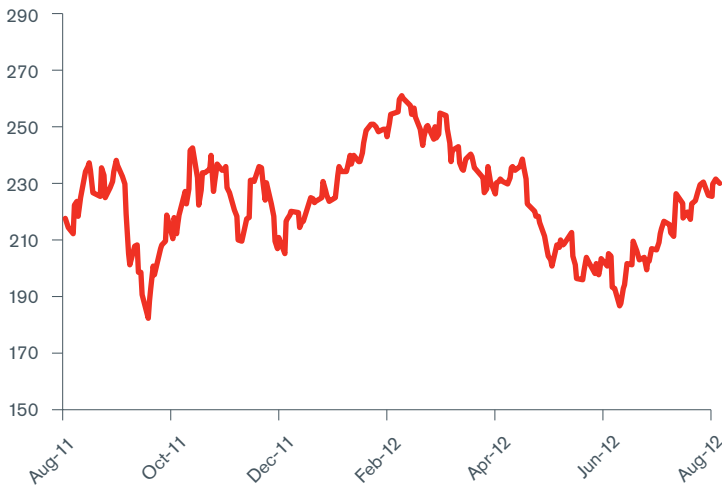
Source: Capital IQ

## Average Major Energy Sectors' Trading Multiples for the Last 12 Months



# Market Review

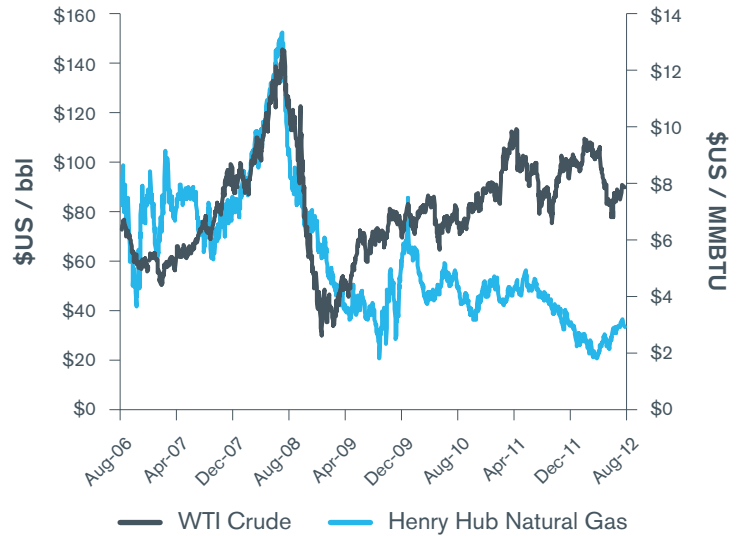
OSX Index — Last 12 Months through 08/20/2012



Year Over Year Change = 6.8%

Source: Capital IQ

Crude Oil & Natural Gas Spot Prices — 2006 to 08/20/2012



Current Oil & Gas Prices as of 08/20/2012

Oil	Gas	Oil 12 Mo Strip	Gas 12 Mo Strip
\$93.68	\$2.99	\$97.05	\$3.30

Sources: EIA, Bloomberg

North American Rig Count as of 08/20/2012

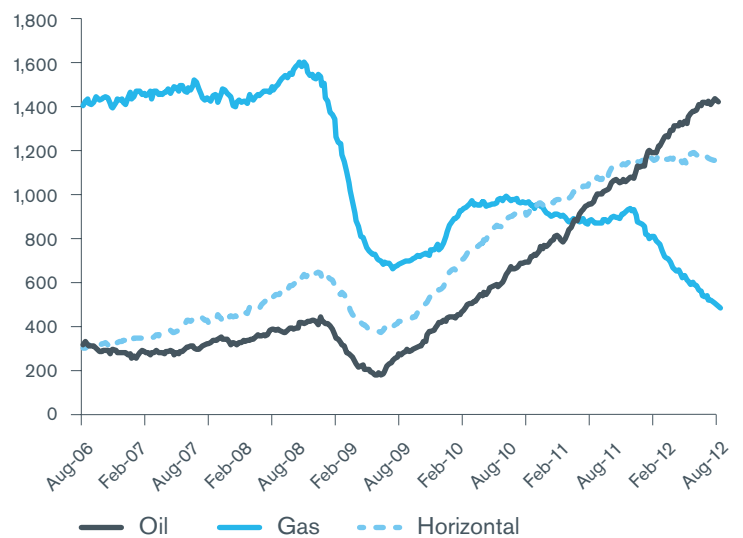
Location	This Week	+/-	Last Week	+/-	Year Ago
Land	1,843	(18)	1,861	(78)	1,921
Inland Waters	20	0	20	1	19
Offshore	51	1	50	17	34
<b>United States Total</b>	<b>1,914</b>	<b>(17)</b>	<b>1,931</b>	<b>(60)</b>	<b>1,974</b>

Gulf of Mexico	48	0	48	14	34
Canada	326	27	299	(160)	486
North America	2,240	10	2,230	(220)	2,460

U.S. Breakout	This Week	+/-	Last Week	+/-	Year Ago
Oil	1,425	(7)	1,432	359	1,066
Gas	484	(11)	495	(416)	900
Miscellaneous	5	1	4	(3)	8
Directional	229	2	227	2	227
Horizontal	1,153	(8)	1,161	15	1,138
Vertical	532	(11)	543	(77)	609

Source: Baker Hughes

U.S. Historical Rig Count — 2006 to 08/20/2012



Source: Baker Hughes

% of Total U.S. Rig Count

	Gas	Oil	Land	Horizontal
August 20, 2012	25.4%	74.6%	96.3%	60.4%
Year Ago	60.1%	39.9%	97.3%	54.6%

Source: Baker Hughes

## Upcoming Events

### A&D Conference

September 5-6, 2012 | Dallas, Texas

Largest gathering of exploration & production dealmakers discussing market drivers in upstream acquisitions and divestitures.

### Floating LNG 2012

September 17-20, 2012 | Houston, Texas

Top operators in the industry gather to learn about the latest developments and debate key challenges facing FLNG.

### The World Shale Conference & Exhibition

September 17-21, 2012 | Houston, Texas

Experts and industry leaders meet to discuss new technologies and methods shaping the ever-changing shale industry.

### South Texas Oilfield Expo

September 19-20, 2012 | Corpus Christi, Texas

The newest technology and equipment from the industry on display with technical presentations from industry experts.

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## Featured Articles

### High Oil Prices Benefit Offshore but Hurts Onshore Service Companies

Oil services companies will benefit from high oil prices and low natural gas prices as they tap deep-water and international areas, but it may come at the expense of onshore services.

<http://fuelfix.com/blog/2012/08/15/high-oil-prices-benefit-offshore-but-hurts-onshore-service-companies/>

*FuelFix*, August 15, 2012

### Gas to Remain 'Backbone Rather Than Back-Up' of Global Energy Mix: Shell

Shell International Chief Energy Adviser Wim Thomas discusses the continued importance of natural gas as a future energy source despite low market prices and the expansion of renewable energies.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/NaturalGas/8605209>

*Platts*, August 7, 2012

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## Industry Remarks

“The impact on the global petroleum market and the natural gas markets is really palpable and wildly underestimated. The economic activity that comes with higher energy production will boost incomes, increase consumption and create wealth.”

Ed Morse  
*Head of Commodities Research at Citigroup  
Global Markets Inc.*

“Companies have been incredibly profitable in this sector (Oilfield Equipment & Services), and rates are high. Some buyers may feel that service company rates have peaked, and might be waiting for them to come back down. Companies continue to look at strategic acquisitions to fill out their service lines. Larger companies are looking for companies that serve specific geographies or offer niche services.”

Jim Dillavou  
*Deloitte & Touche LLP*

# Appendix

## Selected Public Company Trading Statistics

### OILFIELD SERVICE (OFS)<sup>(1) (3)</sup>

	Ticker	Price as of 8/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Diversified</b>													
Baker Hughes Incorporated	BHI	\$47.81	\$37.08	\$62.48	\$21,015.3	\$25,449.3	\$21,246.0	\$4,342.0	\$4,254.2	20.4%	5.9x	6.0x	76.5%
Halliburton Company	HAL	35.00	26.28	45.48	32,471.3	35,090.3	27,714.0	6,485.0	6,577.0	23.4	5.4	5.3	77.0
Schlumberger Limited	SLB	74.34	54.79	80.78	98,651.3	105,782.3	42,794.0	10,869.0	11,349.8	25.4	9.7	9.3	92.0
Weatherford International Ltd.	WFT	12.82	10.85	18.33	9,737.7	17,310.7	13,733.0	2,662.0	3,197.7	19.4	6.5	5.4	69.9
				<b>Average<sup>2</sup></b>	<b>\$26,743.3</b>	<b>\$30,269.76</b>	<b>\$24,480.0</b>	<b>\$5,413.5</b>	<b>\$5,415.6</b>	<b>21.9%</b>	<b>6.2x</b>	<b>5.7x</b>	<b>76.7%</b>
				<b>Median</b>	<b>\$26,743.3</b>	<b>\$30,269.8</b>	<b>\$24,480.0</b>	<b>\$5,413.5</b>	<b>\$5,415.6</b>	<b>21.9%</b>	<b>6.2x</b>	<b>5.7x</b>	<b>76.7%</b>
<b>Service Focused</b>													
Archer Limited	ARCHER	\$2.14	\$1.33	\$5.27	\$783.3	\$1,895.4	\$1,980.1	\$309.3	\$321.9	15.6%	6.1x	5.9x	40.5%
Basic Energy Services, Inc.	BAS	12.08	8.52	23.41	492.0	1,178.3	1,432.8	375.1	332.0	26.2	3.1	3.5	51.6
Calfrac Well Services Ltd.	CFW	25.71	20.44	35.70	1,148.5	1,433.8	1,706.3	411.8	317.8	24.1	3.5	4.5	72.0
C&J Energy Services, Inc.	CJES	20.46	12.65	28.09	1,079.4	1,297.9	966.5	344.1	354.2	35.6	3.8	3.7	72.8
Core Laboratories NV	CLB	121.31	82.74	143.21	5,738.8	5,925.8	956.3	304.2	335.0	31.8	19.5	17.7	84.7
Key Energy Services Inc.	KEG	8.73	6.52	18.18	1,318.7	2,193.6	2,070.7	470.3	486.3	22.7	4.7	4.5	48.0
Natural Gas Services Group Inc.	NGS	14.13	10.92	15.68	174.0	144.6	87.2	33.6	35.6	38.5	4.3	4.1	90.1
Newpark Resources Inc.	NR	7.04	5.19	10.62	620.5	831.3	1,032.8	156.3	146.8	15.1	5.3	5.7	66.3
Oil States International Inc.	OIS	79.97	44.77	87.65	4,377.6	5,427.3	4,088.5	875.1	916.7	21.4	6.2	5.9	91.2
RPC Inc.	RES	13.16	8.75	17.58	2,890.0	3,042.7	1,987.7	716.8	672.5	36.1	4.2	4.5	74.9
Superior Energy Services, Inc.	SPN	22.89	17.54	36.37	3,597.0	5,475.3	3,415.4	996.3	1,322.6	29.2	5.5	4.1	62.9
TETRA Technologies, Inc.	TTI	6.60	6.09	10.97	515.0	812.2	803.3	56.3	160.9	7.0	14.4	5.0	60.2
Trican Well Service Ltd.	TCW	12.76	10.41	23.33	1,867.3	2,281.4	2,438.8	515.1	342.1	21.1	4.4	6.7	54.7
				<b>Average<sup>2</sup></b>	<b>\$1,699.0</b>	<b>\$2,351.7</b>	<b>\$1,708.2</b>	<b>\$412.2</b>	<b>\$398.7</b>	<b>25.4%</b>	<b>5.7x</b>	<b>5.0x</b>	<b>67.1%</b>
				<b>Median</b>	<b>\$1,148.5</b>	<b>\$1,895.4</b>	<b>\$1,706.3</b>	<b>\$375.1</b>	<b>\$335.0</b>	<b>24.1%</b>	<b>4.7x</b>	<b>4.5x</b>	<b>66.3%</b>

#### Enterprise Value

Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short Term Investments

#### EBITDA

Earnings Before Interest, Taxes, Depreciation, and Amortization

#### LTM

Last Twelve Months

- (1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.  
(3) EBITDA does not reflect adjustments for extraordinary items.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

### OILFIELD SERVICE (OFS)<sup>(1) (3)</sup>

Company	Ticker	Price as of 8/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Equipment Focused</b>													
Cameron International Corporation	CAM	\$53.65	\$38.38	\$57.65	\$13,212.8	\$14,001.9	\$7,574.7	\$1,199.4	\$1,363.4	15.8%	11.7x	10.3x	93.1%
CARBO Ceramics Inc.	CRR	71.59	63.00	163.27	1,652.6	1,617.7	666.0	240.4	216.6	36.1	6.7	7.5	43.8
Compressco Partners, L.P.	GSJK	15.15	11.25	20.16	235.4	232.9	98.4	29.0	28.5	29.5	8.0	8.2	75.1
Dover Corp.	DOV	57.80	43.64	67.20	10,566.2	11,975.4	8,363.0	1,603.4	1,669.4	19.2	7.5	7.2	86.0
Dresser-Rand Group Inc.	DRC	50.96	35.46	55.27	3,855.9	4,829.9	2,666.1	425.1	463.0	15.9	11.4	10.4	92.2
Dril-Quip, Inc.	DRQ	71.23	47.49	77.12	2,879.3	2,631.1	680.4	179.6	189.8	26.4	14.7	13.9	92.4
Exterran Holdings, Inc.	EXH	18.86	8.07	19.18	1,182.3	3,215.2	2,678.5	396.6	437.0	14.8	8.1	7.4	98.3
Exterran Partners, L.P.	EXLP	21.91	18.30	25.00	926.0	1,593.2	353.6	133.1	175.9	37.6	12.0	9.1	87.6
Flotek Industries Inc.	FTK	12.35	3.89	14.73	613.6	658.1	307.5	74.7	72.6	24.3	8.8	9.1	83.8
FMC Technologies, Inc.	FTI	47.02	34.46	55.19	11,208.8	12,164.2	5,679.2	716.8	837.6	12.6	17.0	14.5	85.2
Forbes Energy Services Ltd.	FES	3.60	2.92	10.25	76.1	378.2	491.6	109.4	104.9	22.3	3.5	3.6	35.1
Forum Energy Technologies, Inc.	FET	22.80	18.60	23.86	1,954.9	2,308.6	1,404.6	306.3	322.9	21.8	7.5	7.1	95.6
General Electric Company	GE	20.93	14.02	21.19	220,996.6	579,255.6	145,026.0	27,905.0	28,339.0	19.2	20.8	20.4	98.8
Global Geophysical Services, Inc.	GGGS	5.26	4.21	12.25	196.4	491.1	416.7	197.5	238.7	47.4	2.5	2.1	42.9
Heckmann Corporation	HEK	2.83	2.60	7.05	429.3	694.4	245.2	35.4	76.0	14.4	19.6	9.1	40.1
Lufkin Industries Inc.	LUFK	50.82	42.10	85.68	1,708.3	1,989.4	1,096.2	168.3	211.7	15.4	11.8	9.4	59.3
National Oilwell Varco, Inc.	NOV	77.80	47.97	87.72	33,175.6	32,817.6	17,036.0	3,963.0	4,383.0	23.3	8.3	7.5	88.7
RigNet, Inc.	RNET	17.73	13.67	19.49	277.4	244.7	123.1	34.9	41.6	28.4	7.0	5.9	91.0
Robbins & Myers Inc.	RBN	60.11	31.54	60.19	2,533.1	2,401.3	1,018.6	258.4	262.7	25.4	9.3	9.1	99.9
Tenaris SA	TEN	20.73	10.90	20.99	24,469.1	25,188.0	10,664.2	2,743.7	3,020.8	25.7	9.2	8.3	98.8
Tesco Corporation	TESO	10.75	10.00	17.54	415.7	375.7	579.2	98.3	107.8	17.0	3.8	3.5	61.3
The Weir Group PLC	WEIR	27.48	20.92	35.22	5,835.1	7,159.9	4,056.3	793.5	852.1	19.6	9.0	8.4	78.0
			<b>Average<sup>2</sup></b>		<b>\$5,866.4</b>	<b>\$6,336.8</b>	<b>\$3,305.0</b>	<b>\$683.9</b>	<b>\$752.4</b>	<b>22.6%</b>	<b>9.7x</b>	<b>8.5x</b>	<b>79.6%</b>
			<b>Median</b>		<b>\$1,831.6</b>	<b>\$2,354.9</b>	<b>\$1,057.4</b>	<b>\$249.4</b>	<b>\$250.7</b>	<b>22.0%</b>	<b>8.9x</b>	<b>8.4x</b>	<b>86.8%</b>

- (1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.  
(3) EBITDA does not reflect adjustments for extraordinary items.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

E&P<sup>(1)</sup> (3)

Ticker	Price as of 8/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High		
		Low	High				LTM	2012E		LTM	2012E			
<b>Integrated Majors</b>														
BP plc	BP.	\$7.10	\$5.65	\$8.70	\$134,909.8	\$168,477.8	\$376,605.0	\$36,130.0	\$39,755.6	9.6%	4.7x	4.2x	81.6%	
Chevron Corporation	CVX	112.52	86.68	113.87	220,780.0	210,840.0	230,561.0	50,980.0	57,364.4	22.1	4.1	3.7	98.8	
ConocoPhillips	COP	57.03	50.62	78.29	69,265.8	95,654.8	231,555.0	29,933.0	22,384.4	12.9	3.2	4.3	72.8	
Exxon Mobil Corporation	XOM	87.95	67.93	88.91	405,971.8	408,924.8	434,824.0	65,402.0	87,500.5	15.0	6.3	4.7	98.9	
Royal Dutch Shell plc	RDSA	35.32	29.25	38.58	224,198.1	241,335.1	475,975.0	52,403.0	62,234.6	11.0	4.6	3.9	91.6	
Total SA	FP	49.94	36.29	53.05	112,543.5	135,915.4	222,899.2	39,121.5	43,476.2	17.6	3.5	3.1	94.1	
					<b>Average<sup>2</sup></b>	<b>\$173,107.8</b>	<b>\$189,142.1</b>	<b>\$318,386.3</b>	<b>\$44,658.6</b>	<b>\$50,707.7</b>	<b>14.1%</b>	<b>4.2x</b>	<b>4.0x</b>	<b>91.5%</b>
					<b>Median</b>	<b>\$177,844.9</b>	<b>\$189,658.9</b>	<b>\$304,080.0</b>	<b>\$45,050.8</b>	<b>\$50,420.3</b>	<b>14.0%</b>	<b>4.4x</b>	<b>4.1x</b>	<b>92.8%</b>
<b>Large Independents</b>														
Anadarko Petroleum Corporation	APC	\$69.60	\$56.42	\$88.70	\$34,777.7	\$47,857.7	\$13,536.0	\$7,950.0	\$8,752.5	58.7%	6.0x	5.5x	78.5%	
Apache Corp.	APA	89.06	73.04	112.09	34,841.6	45,945.6	16,915.0	12,711.0	12,097.0	75.1	3.6	3.8	79.5	
Chesapeake Energy Corporation	CHK	19.40	13.32	33.87	12,459.2	31,427.2	12,512.0	5,138.0	4,301.0	41.1	6.1	7.3	57.3	
Devon Energy Corporation	DVN	59.26	50.74	76.34	23,970.7	27,500.7	9,700.0	6,628.0	5,334.0	68.3	4.1	5.2	77.6	
Encana Corporation	ECA	22.35	17.44	25.41	16,455.5	22,238.5	7,344.0	4,238.0	3,812.2	57.7	5.2	5.8	87.9	
EOG Resources, Inc.	EOG	109.57	66.81	119.97	29,586.5	34,322.0	10,110.7	5,469.3	5,745.0	54.1	6.3	6.0	91.3	
Marathon Oil Corporation	MRO	27.16	19.13	35.49	19,147.8	23,814.8	14,878.0	7,423.0	8,052.4	49.9	3.2	3.0	76.5	
SandRidge Energy, Inc.	SD	6.44	4.55	9.04	2,566.8	7,281.7	1,597.7	1,456.4	1,119.0	91.2	5.0	6.5	71.2	
					<b>Average<sup>2</sup></b>	<b>\$22,732.9</b>	<b>\$30,874.8</b>	<b>\$11,346.8</b>	<b>\$6,141.0</b>	<b>\$5,999.5</b>	<b>60.7%</b>	<b>5.0x</b>	<b>5.5x</b>	<b>78.5%</b>
					<b>Median</b>	<b>21,559.2</b>	<b>\$29,463.9</b>	<b>\$11,311.4</b>	<b>\$6,048.6</b>	<b>\$5,539.5</b>	<b>58.2%</b>	<b>5.1x</b>	<b>5.7x</b>	<b>78.0%</b>

- (1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.  
(3) EBITDA does not reflect adjustments for extraordinary items.

Source: Capital IQ



# Appendix

## Selected Public Company Trading Statistics

### DRILLERS<sup>(1) (3)</sup>

	Ticker	Price as of 8/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Land</b>													
Helmerich & Payne Inc.	HP	\$49.22	\$35.58	\$68.60	\$5,202.2	\$5,403.3	\$3,023.1	\$1,204.7	\$1,252.5	39.9%	4.5x	4.3x	71.7%
Nabors Industries Ltd.	NBR	16.29	11.05	22.73	4,730.4	9,029.0	6,970.7	2,061.6	2,085.0	29.6	4.4	4.3	71.7
Patterson-UTI Energy Inc.	PTEN	16.30	12.81	25.24	2,450.7	2,975.4	2,825.5	1,041.4	992.8	36.9	2.9	3.0	64.6
Pioneer Energy Services Corp.	PES	8.01	5.83	12.93	492.6	926.4	853.1	240.7	267.6	28.2	3.8	3.5	61.9
Precision Drilling Corporation	PD	8.77	6.03	14.13	2,424.3	3,252.4	2,061.1	629.7	753.1	30.6	5.2	4.3	62.1
Union Drilling, Inc.	UDRL	4.46	3.39	8.95	95.4	200.0	267.7	49.4	44.9	18.5	4.0	4.5	49.8
Unit Corp.	UNT	42.45	32.08	53.35	2,062.6	2,394.4	1,331.8	667.4	666.7	50.1	3.6	3.6	79.6
				<b>Average<sup>2</sup></b>	<b>\$2,432.1</b>	<b>\$2,990.37</b>	<b>\$2,018.9</b>	<b>\$756.8</b>	<b>\$786.5</b>	<b>33.0%</b>	<b>4.1x</b>	<b>4.0x</b>	<b>66.4%</b>
				<b>Median</b>	<b>\$2,424.3</b>	<b>\$2,975.4</b>	<b>\$2,061.1</b>	<b>\$667.4</b>	<b>\$753.1</b>	<b>30.6%</b>	<b>4.0x</b>	<b>4.3x</b>	<b>64.6%</b>
<b>Offshore</b>													
Atwood Oceanics, Inc.	ATW	\$45.89	\$30.64	\$48.91	\$2,999.6	\$3,578.3	\$712.5	\$357.1	\$370.0	50.1%	10.0x	9.7x	93.8%
Diamond Offshore Drilling, Inc.	DO	68.62	51.16	72.80	9,540.2	9,683.9	3,077.2	1,408.3	1,270.4	45.8	6.9	7.6	94.3
Ensco plc	ESV	57.27	37.39	59.90	13,289.0	17,976.7	4,015.4	1,806.7	2,080.1	45.0	10.0	8.6	95.6
Hercules Offshore, Inc.	HERO	4.11	2.25	5.57	651.7	1,333.6	648.0	119.6	166.6	18.4	11.2	8.0	73.8
Noble Corp.	NE	38.58	27.33	41.71	9,745.5	14,656.3	3,086.8	1,279.5	1,755.2	41.5	11.5	8.4	92.5
Ocean Rig UDW Inc.	ORIG	16.34	11.70	18.73	2,151.9	4,603.2	890.2	425.2	411.3	47.8	10.8	11.2	87.2
Parker Drilling Co.	PKD	4.62	3.60	7.62	545.4	948.5	713.1	278.1	270.7	39.0	3.4	3.5	60.6
Rowan Companies plc	RDC	35.85	28.13	39.40	4,452.4	5,278.5	1,194.3	431.3	553.0	36.1	12.2	9.5	91.0
SeaDrill Limited	SDRL	41.35	24.68	42.34	19,350.6	29,962.6	4,039.0	2,344.0	2,591.1	58.0	12.8	11.6	97.7
Transocean Ltd.	RIG	49.22	38.21	60.09	17,689.1	26,554.1	9,576.0	3,126.0	3,561.0	32.6	8.5	7.5	81.9
Vantage Drilling Company	VTG	1.53	1.01	1.78	447.3	2,406.3	396.5	191.6	244.5	48.3	12.6	9.8	86.0
				<b>Average<sup>2</sup></b>	<b>\$6,785.0</b>	<b>\$9,563.4</b>	<b>\$2,041.8</b>	<b>\$946.9</b>	<b>\$1,060.7</b>	<b>42.9%</b>	<b>10.4x</b>	<b>8.9x</b>	<b>88.5%</b>
				<b>Median</b>	<b>\$4,452.4</b>	<b>\$5,278.5</b>	<b>\$1,194.3</b>	<b>\$431.3</b>	<b>\$553.0</b>	<b>45.0%</b>	<b>10.8x</b>	<b>8.6x</b>	<b>91.0%</b>

- (1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.  
(3) EBITDA does not reflect adjustments for extraordinary items.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

OTHERS<sup>(1) (3)</sup>

Company	Ticker	Price as of 8/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Offshore Transportation</b>													
Bristow Group, Inc.	BRS	\$46.97	\$37.92	\$52.26	\$1,679.2	\$2,197.1	\$1,233.1	\$247.9	\$263.5	20.1%	8.9x	8.3x	89.9%
Gulfmark Offshore, Inc.	GLF	37.65	30.03	56.41	1,003.4	1,205.5	396.0	140.1	137.6	35.4	8.6	8.8	66.7
Hornbeck Offshore Services, Inc.	HOS	41.95	19.80	43.83	1,484.4	1,945.2	480.2	196.1	223.6	40.8	9.9	8.7	95.7
PHI Inc.	PHI	26.90	16.95	27.92	411.9	661.6	582.6	85.9	NA	14.7	7.7	NA	96.3
Seacor Holdings Inc.	CKH	89.76	75.04	100.00	1,881.1	2,548.4	2,187.0	250.3	283.9	11.4	10.2	9.0	89.8
Tidewater Inc.	TDW	49.20	38.80	63.27	2,451.2	3,160.6	1,106.8	286.1	266.5	25.9	11.0	11.9	77.8
				<b>Average<sup>2</sup></b>	<b>\$1,512.0</b>	<b>\$1,974.1</b>	<b>\$850.7</b>	<b>\$208.6</b>	<b>\$251.2</b>	<b>24.0%</b>	<b>9.4x</b>	<b>8.8x</b>	<b>88.3%</b>
				<b>Median</b>	<b>\$1,581.8</b>	<b>\$2,071.2</b>	<b>\$844.7</b>	<b>\$222.0</b>	<b>\$263.5</b>	<b>23.0%</b>	<b>9.4x</b>	<b>8.8x</b>	<b>89.8%</b>
<b>Construction</b>													
Cal Dive International, Inc.	DVR	\$1.77	\$1.50	\$4.00	\$170.1	\$316.5	\$440.7	\$8.8	\$32.6	2.0%	35.9x	9.7x	44.3%
Chicago Bridge & Iron Company N.V.	CBI	37.93	23.88	47.74	3,668.7	3,173.5	5,011.4	452.5	503.0	9.0	7.0	6.3	79.5
ENGlobal Corp.	ENG	1.10	0.80	3.40	29.7	59.5	316.4	(0.8)	8.3	NM	NM	7.2	32.4
Fluor Corporation	FLR	54.31	44.16	64.67	9,068.0	7,454.2	25,708.1	1,204.8	1,277.6	4.7	6.2	5.8	84.0
Foster Wheeler AG	FWLT	20.27	15.26	26.08	2,186.5	1,611.3	4,136.7	247.8	295.2	6.0	6.5	5.5	77.7
Gulf Island Fabrication Inc.	GIFI	26.95	19.55	35.48	388.3	357.7	424.5	48.4	71.7	11.4	7.4	5.0	76.0
Helix Energy Solutions Group, Inc.	HLX	19.09	11.57	21.09	2,008.9	2,571.4	1,524.0	719.2	648.3	47.2	3.6	4.0	90.5
Jacobs Engineering Group Inc.	JEC	40.95	30.74	48.17	5,312.9	4,968.9	10,830.8	693.0	690.2	6.4	7.2	7.2	85.0
KBR, Inc.	KBR	27.47	20.86	38.00	4,047.0	3,272.0	8,403.0	438.0	611.8	5.2	7.5	5.3	72.3
McDermott International Inc.	MDR	11.83	9.04	15.35	2,789.6	2,268.7	3,313.0	324.3	417.9	9.8	7.0	5.4	77.1
Oceaneering International, Inc.	OII	54.71	31.77	57.16	5,903.4	5,942.8	2,443.8	538.4	591.3	22.0	11.0	10.1	95.7
Shaw Group Inc.	SHAW	41.87	18.98	43.70	2,763.3	2,918.9	6,032.8	143.7	273.2	2.4	20.3	10.7	95.8
Willbros Group Inc.	WG	5.51	3.13	7.36	270.4	462.8	1,766.9	51.0	80.4	2.9	9.1	5.8	74.9
				<b>Average<sup>2</sup></b>	<b>\$2,682.6</b>	<b>\$2,533.1</b>	<b>\$4,029.8</b>	<b>\$333.2</b>	<b>\$383.2</b>	<b>8.0%</b>	<b>8.9x</b>	<b>6.7x</b>	<b>77.9%</b>
				<b>Median</b>	<b>\$2,763.3</b>	<b>\$2,571.4</b>	<b>\$3,313.0</b>	<b>\$324.3</b>	<b>\$417.9</b>	<b>6.2%</b>	<b>7.3x</b>	<b>5.8x</b>	<b>77.7%</b>

- (1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.  
(3) EBITDA does not reflect adjustments for extraordinary items.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

### OTHERS<sup>(1) (3)</sup>

	Ticker	Price as of 8/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Industrial Services</b>													
Chart Industries Inc.	GTLS	\$73.33	\$35.75	\$79.29	\$2,193.2	\$2,199.0	\$887.0	\$145.4	\$170.5	16.4%	15.1x	12.9x	92.5%
CIRCOR International, Inc.	CIR	34.81	26.61	42.79	605.9	660.2	861.2	82.4	83.4	9.6	8.0	7.9	81.4
Edgen Group Inc.	EDG	7.70	7.10	10.44	326.4	915.8	1,171.8	74.6	155.9	6.4	12.3	6.0	73.8
Matrix Service Co.	MTRX	11.38	7.34	15.06	292.8	251.4	717.8	46.5	45.3	6.5	5.4	5.6	75.6
MRC Global Inc.	MRC	22.09	19.04	24.38	2,241.9	3,557.0	5,485.6	364.8	468.4	6.6	9.8	7.6	90.6
Team Inc.	TISI	31.70	19.98	33.50	632.6	701.1	623.7	73.6	73.4	11.8	9.5	9.6	94.6
				<b>Average<sup>2</sup></b>	<b>\$939.5</b>	<b>\$1,119.1</b>	<b>\$822.0</b>	<b>\$100.5</b>	<b>\$119.8</b>	<b>9.3%</b>	<b>9.1x</b>	<b>7.8x</b>	<b>85.0%</b>
				<b>Median</b>	<b>\$619.2</b>	<b>\$808.5</b>	<b>\$861.2</b>	<b>\$82.4</b>	<b>\$117.6</b>	<b>9.6%</b>	<b>9.5x</b>	<b>7.8x</b>	<b>86.0%</b>
<b>Seismic Related</b>													
Bolt Technology Corp.	BOLT	\$14.35	\$9.56	\$16.09	\$121.5	\$100.7	\$48.0	\$9.9	NA	20.6%	10.2x	NA	89.2%
Compagnie Générale de Géophysique-Veritas	GA	29.04	14.11	30.36	4,389.3	6,079.8	3,013.0	854.7	1,190.6	28.4	7.1	5.1	95.6
Dawson Geophysical Co.	DWSN	22.07	20.20	40.76	172.8	134.2	330.5	55.3	52.0	16.7	2.4	2.6	54.1
Geokinetics Inc.	GOK	0.21	0.20	4.98	4.0	467.6	728.8	97.2	77.4	13.3	4.8	6.0	4.2
ION Geophysical Corporation	IO	6.83	4.20	8.79	1,064.5	1,115.8	492.5	172.2	214.7	35.0	6.5	5.2	77.7
Mitcham Industries Inc.	MIND	17.45	9.52	26.76	222.0	224.1	121.0	38.3	59.6	31.7	5.8	3.8	65.2
OYO Geospace Corp.	OYOG	96.85	51.74	117.83	617.4	549.8	187.5	59.8	69.3	31.9	9.2	7.9	82.2
Petroleum Geo Services ASA	PGS	14.86	8.67	15.71	3,218.4	3,772.3	1,454.4	693.8	802.7	47.7	5.4	4.7	94.6
TGC Industries Inc.	TGE	6.72	3.70	11.85	137.4	141.6	168.0	48.4	50.6	28.8	2.9	2.8	56.7
				<b>Average<sup>2</sup></b>	<b>\$793.4</b>	<b>\$915.1</b>	<b>\$497.5</b>	<b>\$166.4</b>	<b>\$212.6</b>	<b>27.6%</b>	<b>6.0x</b>	<b>4.6x</b>	<b>74.3%</b>
				<b>Median</b>	<b>\$222.0</b>	<b>\$467.6</b>	<b>\$330.5</b>	<b>\$59.8</b>	<b>\$73.4</b>	<b>28.8%</b>	<b>5.8x</b>	<b>4.9x</b>	<b>77.7%</b>

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Source: Capital IQ

# Appendix

## Relevant M&A Transactions

Date	Target	Description	Seller	Buyer	Transaction Value (\$ in millions)
8/14/12	Ulterra Drilling Technologies, L.P.	Ulterra Drilling Technologies, L.P. designs and manufactures polycrystalline diamond compact drill bits and related downhole tools used to dig oil and gas wells.	Intervale Capital	ESCO Corporation	\$325.0
8/13/12	Old School Services LLC	Old School Services LLC provides coil tubing tools and services to companies operating in the Eagle Ford, Permian, Barnett and Haynesville shale plays.	NA	Boots & Coots, Inc., a subsidiary of Halliburton Co.	NA
8/9/12	Robbins & Myers Inc.	Robbins & Myers Inc. engages in the design and manufacture of engineered equipment and systems for the energy markets.	NA	National Oilwell Varco, Inc.	\$2,558.9
8/9/12	Integrated Subsea Services Ltd.	Integrated Subsea Services Ltd. provides remotely operated vehicles and survey services for oil and gas operators.	Lloyds Banking Group plc	Oaktree Capital Management, L.P.	\$109.5
8/6/12	Beckman Production Services Inc.	Beckman Production Services, Inc. owns and operates oilfield brine disposal and mineral brine wells.	Dart Energy Corporation	SCF Partners	NA
8/6/12	Duval Lease Services and Freer Iron Works	These two companies provide maintenance, installation and fabrication services to the onshore oil and gas market.	NA	John Wood Group plc	NA
8/2/12	Petris Technology, Inc.	Petris Technology, Inc. provides data management and integration solutions for oil and gas companies internationally.	NA	Landmark Graphics Corp. (Halliburton)	NA
8/1/12	Presens AS	Presens AS develops and supplies pressure sensor solutions for the offshore oil and gas industry.	Skagerak Venture Capital AS	GE Oil & Gas	NA
7/30/12	Shaw Group Inc.	The Shaw Group Inc. provides engineering, construction, maintenance, and fabrication for the energy industry.	NA	Chicago Bridge & Iron Company N.V.	\$3,040.0
7/24/12	Scomi Oiltools Bermuda Limited	Scomi Oiltools Bermuda Limited provides drilling fluids, and drilling waste management equipment and services.	Scomi Oilfield Limited	Standard Chartered Private Equity Limited	\$103.9
7/24/12	Oil and Natural Gas Properties in Permian Basin	The properties include interests in 250 wells on 11,000 net acres with production of 1,500 barrels per day.	Noble Energy, Inc.	Sheridan Holding Company II, LLC	\$320.0
7/23/12	Talisman Energy (U.K.) Ltd.	Talisman Energy (U.K.) Ltd. provides oil and gas exploration, production, and marketing services.	Talisman Energy Inc.	Sinopec International Petroleum Exploration	\$1,500.0

Dates in red are publicly-announced transactions that have not closed.

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