

## Energy Perspectives

First Quarter 2014

### North American Downstream Market Fundamentals

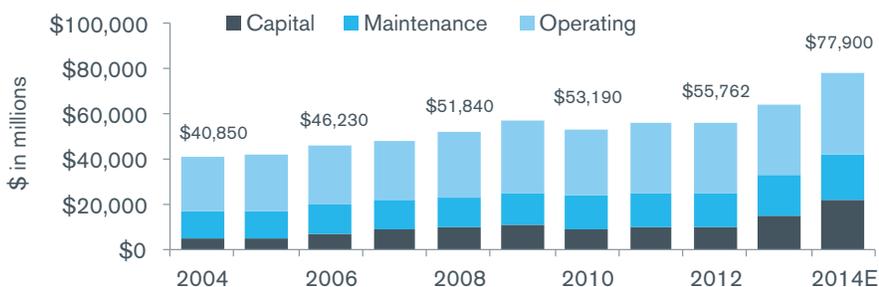
#### Overall Downstream Industry

The dramatic growth in U.S. shale and Canadian crude oil production has provided a competitive advantage to North American hydrocarbon-processing plants with access to high-quality, price-advantaged feedstocks. Spending is expected to increase across the downstream sector to expand processing capabilities, maintain reliability of existing assets, increase energy efficiency, and comply with environmental requirements.

According to HPI Market Data 2014, the downstream industry's total spending on capital, maintenance, and operating budgets

is expected to exceed \$77 billion in the U.S. and more than \$280 billion globally in FY 2014, a significant increase over the past several years<sup>(1)</sup>. Many foreign companies, either individually or through joint ventures with U.S. companies, are investing in U.S. production to take advantage of low feedstock costs. According to Boston Consulting Group, international companies will invest at least \$50 billion through the end of the decade on projects that take advantage of low-price natural gas.

#### Domestic Hydrocarbon Processing Spending by Type<sup>(1)</sup>



#### Domestic Hydrocarbon Processing Spending by Sector<sup>(1)</sup>



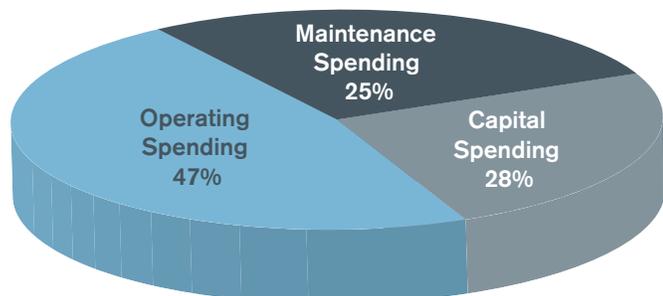
(1) HPI Market Data 2014

#### Inside

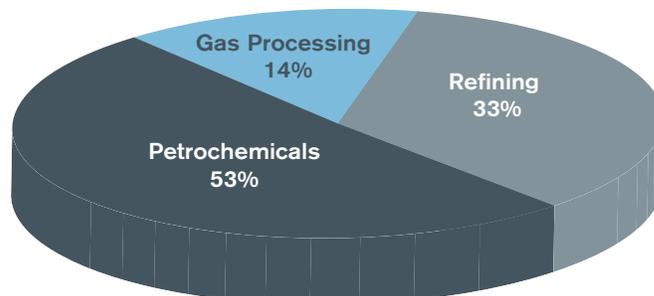
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## North American Downstream Market Fundamentals (cont.)

Domestic Hydrocarbon Processing Spending by Type<sup>(1)</sup>



Domestic Hydrocarbon Processing Spending by Sector<sup>(1)</sup>



### Refining

U.S. tight oil production has revived the domestic refining market, giving domestic producers a feedstock cost advantage and stronger refining margins. In Q4 2012, Gulf Coast 3-2-1 crack spreads (using Louisiana Light Sweet oil), traditionally a measure for refining profit margins, averaged \$5.75 per barrel. Since then, crack spreads have increased to a Q4 2013 average of approximately \$9.47 per barrel<sup>(2)</sup>. The industry is seeing a shift in export / import balance of crude oil and refined products as the U.S. has become a net exporter of petroleum products. The refining industry has announced a large volume of capital and maintenance projects over the next 3 to 5 years to expand capacity to meet demand drivers and maintain the extensive, aging infrastructure. Capacity additions are planned in particular for expected increased diesel

demand. Industrial Information Resources reports there are approximately 4,100 active projects worldwide that are valued at \$690 billion, including expansions, bottleneck fixes, revamps, compliance initiatives, and major turnarounds. There are also a total of approximately 1,200 planned turnarounds in the North American petroleum refining industry for 2013 and beyond, as compared to 257 planned turnarounds at the end of 2006<sup>(3)</sup>.

### Petrochemical

North American petrochemical producers have benefited from low-cost feedstocks. Natural gas-derived feedstocks are the source for most North American petrochemical production, as opposed to oil in the rest of the world. IHS reports the U.S. petrochemical industry plans to add 40 million metric tons of new capacity by 2018, with the possibility of adding another 45 million tons by 2030. Most

of that increase is likely to be in the ethylene chain. This added capacity would require an investment of \$120 billion. The clearest economic gain has been in Texas, where 576,000 jobs have been added as a result of the oil and gas boom and low feedstock prices. Consequently, more manufacturing has been steered toward Texas, with four international steel firms announcing \$3.3 billion in new plants over the coming years<sup>(4)</sup>. Foreign and domestic chemical companies invested \$4.8 billion in U.S. plants in 2012 and will spend an estimated \$12.8 billion in 2015. By 2025, total new chemical investments are forecasted to reach \$129.3 billion, primarily along the Gulf Coast<sup>(4)</sup>.

(1) HPI Market Data 2014

(2) U.S. Energy Information Administration

(3) Industrial Information Resources

(4) IHS – “America’s New Energy Future: The Unconventional Oil and Gas Revolution and the U.S. Economy”

#1 U.S. Fairness Opinion Provider

#4 Investment Bank for Number of  
U.S. Bankruptcy Cases

#5 U.S. Middle-Market M&A Advisor

## **Powering Sound Decisions for Companies, Boards and Investors Worldwide**

A leading global financial advisory and investment banking firm, Duff & Phelps balances analytical skills, deep market insight and independence to help clients make sound decisions. The firm provides expertise in the areas of financial restructuring, valuation, M&A advisory, transaction opinions, alternative assets, disputes and taxation. Duff & Phelps serves clients from more than 30 offices throughout North America, Europe and Asia, leveraging both local expertise and global industry experience. Find out more at [www.duffandphelps.com](http://www.duffandphelps.com)

**DUFF & PHELPS**

Source: Fairness opinion rankings as published in Thomson Reuters' "Full Year 2013 Mergers and Acquisitions Review."  
M&A rankings calculated by number of deals from Thomson Financial Securities full year 2013 data. Middle-market M&A deals < \$250 million. Global bankruptcy case ranking provided by The Deal Q3 2013 league table.

## Energy Market Transactions

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### Placement Agent

SageRider, Inc. has received equity financing from Energy Ventures AS



Exclusive financial advisor to SageRider, Inc.

## Duff & Phelps Advises SageRider, Inc. in Equity Financing with Energy Ventures AS

On September 20, 2013, SageRider, Inc., a leading provider of proprietary reservoir and completion optimization solutions to the oil and gas industry, completed an equity financing with Energy Ventures AS.

### About SageRider, Inc.

SageRider, Inc. was founded to capitalize on the emerging need by integrated and national oil companies to better understand reservoir characteristics as they continue to invest in shale plays. The Company provides real-time, continuous, isolated pressure and temperature data that helps monitor and visualize a variety of wellbore conditions to optimize reservoir, completion, and production performance in the form of sub-surface surveillance systems. The system can also be paired with fiber-optic technology to deliver distributed temperature sensing and distributed acoustic sensing. SageRider, Inc. also offers innovative completion optimization products, including

a perforating system that is designed to be more reliable than sliding frac sleeves and more cost-efficient than plug-n-perf. The multi-stage completion system is designed to perforate on the exterior of the casing, extending the perforation deeper into the formation. SageRider, Inc. is headquartered in Rosharon, TX.

### About Energy Ventures AS

Energy Ventures AS, investing out of Energy Ventures IV LP, is a venture capital and private equity firm specializing in investment in early to mid-stage energy and oilfield services technologies with a focus on companies delivering equipment and services. Energy Ventures AS is headquartered in Stavanger, Norway.

### Transaction Role

Duff & Phelps acted as the exclusive financial advisor to SageRider, Inc. in connection with the equity financing with Energy Ventures AS.

## Public Markets Update as of January 6, 2014<sup>(1)</sup>

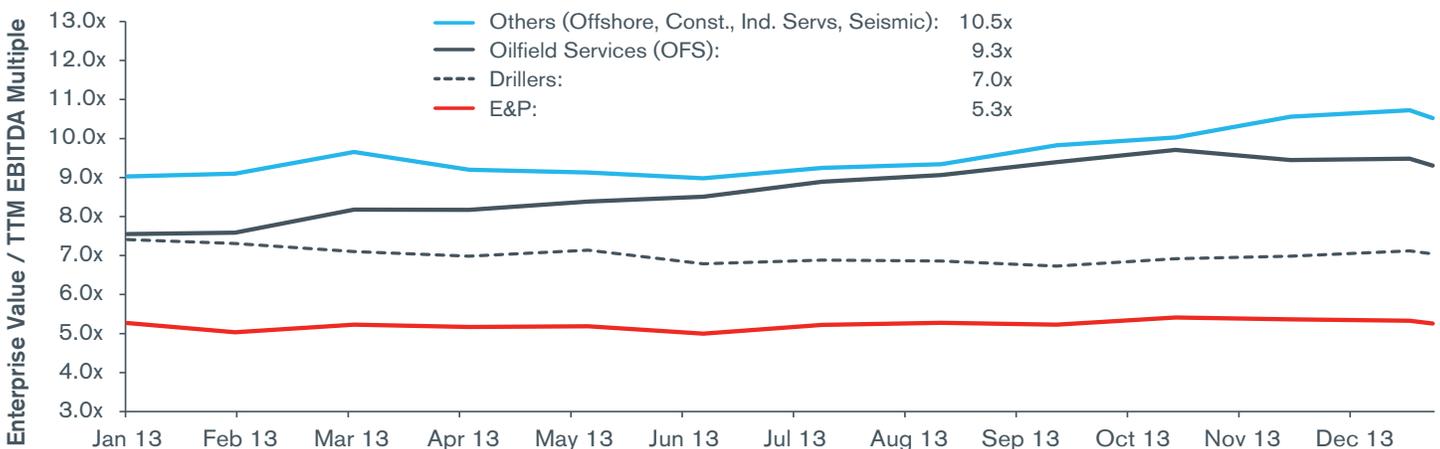
### Energy Sub-Sector Summary<sup>(2)</sup>

	Average LTM EBITDA Margin	Average EV/EBITDA		Average % of 52-Week High
		LTM	2014E	
<b>Oilfield Service (OFS)</b>				
Diversified	18.3%	8.5x	6.2x	89.9%
Service Focused	18.7	8.6	6.0	87.4
Equipment Focused	21.5	11.2	8.9	83.8
<b>E&amp;P</b>				
Integrated Majors	16.1%	5.0x	4.2x	96.1%
Large Independents	52.2	5.5	6.1	87.7
<b>Drillers</b>				
Land	31.9%	5.1x	4.4x	91.9%
Offshore	42.3	9.0	10.5	86.6
<b>Others</b>				
Offshore Transportation	24.3%	10.1x	11.0x	86.0%
Construction	6.8	17.6	10.3	88.0
Industrial Services	9.6	12.9	16.2	92.5
Seismic Related	20.0	6.6	3.2	71.1
<b>Average<sup>(3)</sup></b>	<b>22.5%</b>	<b>8.6x</b>	<b>7.5x</b>	<b>88.2%</b>
<b>Median</b>	<b>20.0%</b>	<b>8.6x</b>	<b>6.2x</b>	<b>87.7%</b>

- (1) For definitions, refer to page 14.
- (2) For more data around the constituents of each sub-sector, refer to pages 9-14.
- (3) Excludes the highest and lowest values.

Source: Capital IQ

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



Source: Capital IQ

## Market Review

### OSX Index — Last 12 Months through 1/6/2014



Source: Capital IQ

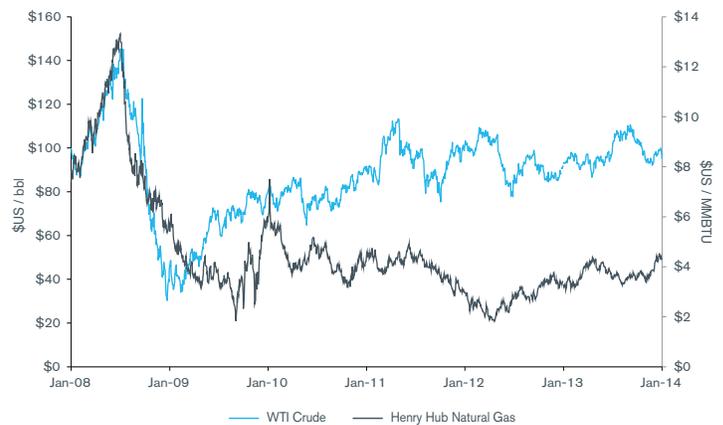
### North American Rig Count as of 1/6/2014

Location	This Week	+/-	Last Week	+/-	Year Ago
Land	1,670	(6)	1676	(21)	1691
Inland Waters	20	0	20	0	20
Offshore	61	0	61	10	51
<b>United States Total</b>	<b>1,751</b>	<b>(6)</b>	<b>1,757</b>	<b>(11)</b>	<b>1,762</b>
Gulf of Mexico	59	0	59	11	48
Canada	282	19	263	24	258
<b>North America</b>	<b>2,033</b>	<b>13</b>	<b>2,020</b>	<b>13</b>	<b>2,020</b>

U.S. Breakout	This Week	+/-	Last Week	+/-	Year Ago
Oil	1,378	(4)	1,382	60	1,318
Gas	372	(2)	374	(67)	439
Miscellaneous	1	0	1	(4)	5
Directional	226	2	224	56	170
Horizontal	1,148	2	1,146	36	1,112
Vertical	377	(10)	387	(103)	480

Source: Baker Hughes

### Crude Oil & Natural Gas Spot Prices — 2008 to 1/6/2014

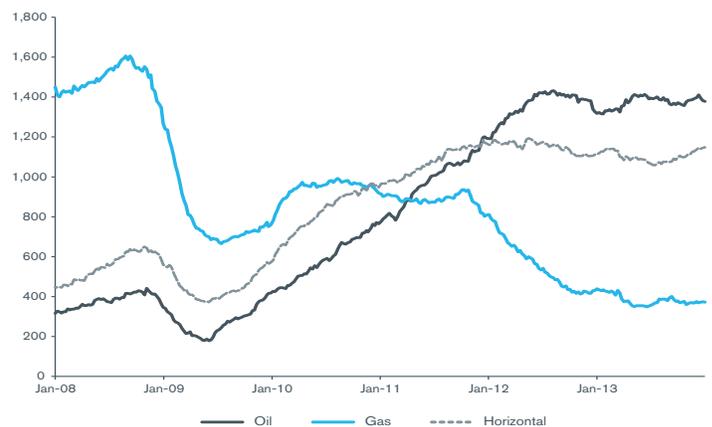


### Current Oil & Gas Prices as of 1/6/2014

WTI Crude Oil	HH - Natural Gas	Oil 12 Mo Strip	Gas 12 Mo Strip
\$94.04	\$4.37	\$88.30	\$4.45

Sources: EIA, Bloomberg

### U.S. Historical Rig Count — 2008 to 1/6/2014



Source: Baker Hughes

### % of Total U.S. Rig Count

	Gas	Oil	Land	Horizontal
January 6, 2014	21.3%	78.7%	95.4%	65.6%
Year Ago	25.0%	75.0%	96.0%	63.3%

Source: Baker Hughes

## Upcoming Events

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**Eagle Ford Artificial Lift & Choke Management Congress 2014**  
January 29-30, 2014 | Houston, Texas

Examining how Eagle Ford operators are selecting and optimizing artificial lift technologies, well spacing, and choke management strategies to manage sharp declines in production, increase EURs and extend the life of every well drilled.

**NAPE Expo**  
February 4-7, 2014 | Houston, Texas

Every winter thousands of attendees and hundreds of exhibitors meet in Houston for what is known as “THE” marketplace for buying, selling and trading of oil and gas prospects and producing properties.

**26th International Pipeline Pigging & Integrity Management Conference**  
February 10-13, 2014 | Houston, Texas

The industry’s only forum devoted exclusively to pigging for maintenance and inspection, as well as pipeline integrity evaluation and repair, this event will discuss engineering with improved operations and integrity management.

**IHS Energy CERAWeek 2014**  
March 3-7, 2014 | Houston, Texas

CERAWeek 2014, presented by IHS Energy, will focus on the accelerating pace of change in energy markets, technologies, and geopolitics—and the emerging competitive playing field.

**11th Annual Texas ACG Capital Connection**  
March 5, 2014 | Houston, Texas

The Texas ACG Capital Connection is one of the largest in the country and brings 100 of the nation’s leading private equity and mezzanine firms to Texas, representing more than \$100 billion of capital available for investment.

**Duff & Phelps Private Capital Conference**  
March 6, 2014 | Houston, Texas

Hosted annually, the Private Capital Conference brings together entrepreneurs and industry professionals to discuss activity in mergers, acquisitions, and the financing environment for middle-market companies.

## Featured Articles

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**Analysts predict more drilling in U.S. shale plays in 2014**

Analysts discuss the continued strength in onshore oil and gas drilling with predications of another “sizzling year for the drill bit in the U.S.”

<http://www.platts.com/latest-news/oil/houston/feature-analysts-predict-more-drilling-in-us-21004891>

*Platts, December 27, 2013*

**The Top Ten Energy Prognostications for 2014 – Year of the Horse**

A brief look back at major trends and events in the oil and gas industry over 2013, as well as an initial outlook for 2014.

<http://rbnenergy.com/top-ten-energy-prognostications-for-2014-year-of-the-horse>

*RBN Energy LLC, January 1, 2014*

## Industry Remarks

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“Opening the U.S. Atlantic Outer Continental Shelf to oil and gas activity could create 280,000 jobs, generate \$195 billion in private investment, and increase U.S. production by 1.3 million boe/d. The U.S. Atlantic OCS exploration and production could contribute up to \$23.5 billion/year to the U.S. economy, and generate \$51 billion in revenue for federal and state governments during 2017 - 2035. The key is getting Atlantic lease sales included in the federal government's 2017 - 2022 5-year program, which the administration will soon begin to prepare.”

**Randall B. Luthi,**  
*President of National Ocean  
Industries Association*

“Nearly two-thirds of oil and gas companies are planning to increase their capital spending in 2014, a quarter of them by 10% or more. Across industry segments, almost 70% of companies report increased capex spending for 2013 and 2014, with the exception of a decline to 55% of upstream companies in 2014 plans. This likely reflects companies' needs to focus their unconventional projects on improved production in 2014 following a period of intensive expansion and exploration investment, and to align with current market price trends.”

**Scott Barker,**  
*Energy Partner for UHY LLP*

## Appendix - Selected Public Company Trading Statistics

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

Company	Ticker	Price as of 1/6/2014	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2014E		LTM	2014E	
<b>Diversified</b>													
Baker Hughes Incorporated	BHI	\$53.40	\$41.64	\$58.83	\$23,668.3	\$27,072.3	\$21,829.0	\$3,625.0	\$4,828.0	16.6%	7.5x	5.6x	90.8%
Halliburton Company	HAL	50.32	35.71	56.52	42,682.7	48,897.7	29,053.0	5,809.0	7,528.5	20.0	8.4	6.5	89.0
Schlumberger Limited	SLB	88.02	69.08	94.91	115,918.4	122,043.4	44,861.0	11,944.0	14,292.3	26.6	10.2	8.5	92.7
Weatherford International Ltd.	WFT	14.65	11.11	17.38	11,271.6	20,291.6	15,583.0	2,345.0	3,434.0	15.0	8.7	5.9	84.3
				Average <sup>2</sup>	\$33,175.5	\$37,985.0	\$25,441.0	\$4,717.0	\$6,178.3	18.3%	8.5x	6.2x	89.9%
				Median	\$33,175.5	\$37,985.0	\$25,441.0	\$4,717.0	\$6,178.3	18.3%	8.5x	6.2x	89.9%
<b>Service Focused</b>													
Archer Limited	ARCHER	\$0.79	\$0.57	\$1.25	\$454.8	\$1,200.4	\$2,041.0	\$173.6	\$230.5	8.5%	6.9x	5.2x	63.0%
Basic Energy Services, Inc.	BAS	15.70	11.06	17.40	628.0	1,412.8	1,256.9	224.2	280.9	17.8	6.3	5.0	90.2
Calfrac Well Services Ltd.	CFW	29.62	21.96	33.68	1,371.1	1,767.0	1,427.2	169.0	306.6	11.8	10.5	5.8	88.0
C&J Energy Services, Inc.	CJES	22.08	17.45	25.35	1,204.8	1,303.3	1,091.2	223.8	229.6	20.5	5.8	5.7	87.1
Core Laboratories NV	CLB	183.87	108.16	200.00	8,341.3	8,581.1	1,051.7	347.1	411.7	33.0	24.7	20.8	91.9
Key Energy Services Inc.	KEG	7.83	5.61	9.55	1,192.7	1,960.8	1,696.0	297.1	371.0	17.5	6.6	5.3	82.0
Natural Gas Services Group Inc.	NGS	27.27	16.73	30.95	338.3	311.3	89.7	40.1	48.0	44.7	7.8	6.5	88.1
Newpark Resources Inc.	NR	12.24	7.70	13.64	1,069.4	1,232.0	1,115.2	153.4	196.3	13.8	8.0	6.3	89.7
Oil States International Inc.	OIS	99.05	71.36	113.64	5,463.0	5,695.9	4,463.9	865.3	849.8	19.4	6.6	6.7	87.2
RPC Inc.	RES	17.91	12.41	18.88	3,923.0	3,951.5	1,844.5	521.2	587.9	28.3	7.6	6.7	94.9
Superior Energy Services, Inc.	SPN	25.51	22.00	29.22	4,068.4	5,661.7	4,662.1	1,139.7	1,215.7	24.4	5.0	4.7	87.3
TETRA Technologies, Inc.	TTI	12.16	7.90	13.41	958.8	1,324.6	915.1	89.2	216.0	9.7	14.9	6.1	90.7
Trican Well Service Ltd.	TCW	12.07	11.23	15.23	1,797.9	2,382.1	1,991.9	178.4	331.2	9.0	13.4	7.2	79.3
				Average <sup>2</sup>	\$2,012.0	\$2,535.6	\$1,717.7	\$294.8	\$364.7	18.7%	8.6x	6.0x	87.4%
				Median	\$1,204.8	\$1,767.0	\$1,427.2	\$223.8	\$306.6	17.8%	7.6x	6.1x	88.0%

(1) \$ Millions, except for per share data

(2) Excludes the highest and lowest values.

(3) EBITDA does not reflect adjustments for extraordinary items.

For definitions see page 14

Source: Capital IQ

## Appendix - Selected Public Company Trading Statistics

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

Company	Ticker	Price as of 1/6/2014	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2014E		LTM	2014E	
<b>Equipment Focused</b>													
Cameron International Corporation	CAM	\$58.56	\$52.50	\$67.42	\$13,929.7	\$15,338.3	\$9,326.7	\$1,395.3	\$1,664.1	15.0%	11.0x	9.2x	86.9%
CARBO Ceramics Inc.	CRR	111.73	62.11	132.55	2,578.5	2,504.7	656.5	170.6	204.5	26.0	14.7	12.2	84.3
Compressco Partners, L.P.	GSJK	19.83	11.25	25.72	308.4	325.9	121.3	34.8	39.3	28.7	9.4	8.3	77.1
Dover Corporation	DOV	94.59	65.40	97.00	16,114.9	18,237.4	8,534.5	1,790.2	1,912.4	21.0	10.2	9.5	97.5
Dresser-Rand Group Inc.	DRC	58.32	52.75	67.38	4,449.2	5,620.5	3,050.0	465.0	549.2	15.2	12.1	10.2	86.6
Dril-Quip, Inc.	DRQ	106.45	74.94	121.07	4,331.8	3,950.8	828.4	230.5	329.1	27.8	17.1	12.0	87.9
Exterran Holdings, Inc.	EXH	34.41	22.13	34.53	2,203.4	3,896.7	3,263.6	594.5	580.8	18.2	6.6	6.7	99.7
Exterran Partners, L.P.	EXLP	29.29	21.77	32.39	1,447.2	2,188.1	449.6	198.1	243.2	44.1	11.0	9.0	90.4
Flotek Industries Inc.	FTK	18.90	12.47	23.90	976.1	1,048.4	346.9	68.3	99.0	19.7	15.3	10.6	79.1
FMC Technologies, Inc.	FTI	51.90	42.85	59.79	12,278.9	13,512.4	6,919.3	899.5	1,211.6	13.0	15.0	11.2	86.8
Forbes Energy Services Ltd.	FES	3.31	2.16	5.31	71.1	348.6	417.3	61.9	73.4	14.8	5.6	4.8	62.3
Forum Energy Technologies, Inc.	FET	27.82	24.02	32.52	2,577.2	3,080.7	1,461.2	248.8	369.5	17.0	12.4	8.3	85.5
General Electric Company	GE	27.26	20.68	28.09	275,799.5	660,045.5	144,912.0	28,893.0	30,997.0	19.9	22.8	21.3	97.0
Global Geophysical Services, Inc.	GGSS	1.63	1.33	4.96	62.1	390.6	272.1	107.7	183.0	39.6	3.6	2.1	32.9
National Oilwell Varco, Inc.	NOV	79.49	63.08	84.71	34,029.7	35,135.7	22,382.0	4,090.0	4,731.0	18.3	8.6	7.4	93.8
Nuverra Environmental Solutions, Inc.	NES	15.92	13.10	44.20	413.9	939.1	600.8	90.6	149.3	15.1	10.4	6.3	36.0
RigNet, Inc.	RNET	45.02	19.21	49.29	775.4	780.1	210.3	51.1	74.9	24.3	15.3	10.4	91.3
Tenaris SA	TEN	21.15	20.00	25.18	24,968.7	24,362.9	10,680.8	2,800.0	3,087.0	26.2	8.7	7.9	84.0
Tesco Corporation	TESO	19.54	11.05	20.12	764.2	694.6	525.9	104.3	120.4	19.8	6.7	5.8	97.1
The Weir Group PLC	WEIR	34.34	31.21	40.87	7,319.3	8,770.2	3,665.5	751.3	925.1	20.5	11.7	9.5	84.0
				Average <sup>2</sup>	\$7,196.5	\$7,822.2	\$4,088.4	\$784.3	\$917.1	21.5%	11.2x	8.9x	83.8%
				Median	\$2,577.8	\$3,488.7	\$1,144.8	\$239.6	\$349.3	19.9%	11.0x	9.1x	86.7%

(1) \$ Millions, except for per share data

(2) Excludes the highest and lowest values.

(3) EBITDA does not reflect adjustments for extraordinary items.

For definitions see page 14

Source: Capital IQ

## Appendix - Selected Public Company Trading Statistics

### EXPLORATION & PRODUCTION<sup>1,3</sup>

Ticker	Price as of 1/6/2014	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High	
		Low	High				LTM	2014E		LTM	2014E		
<b>Integrated Majors</b>													
BP plc	BP.	\$8.03	\$6.70	\$8.11	\$149,465.9	\$170,891.9	\$379,144.0	\$29,674.0	\$40,455.0	7.8%	5.8x	4.2x	98.9%
Chevron Corporation	CVX	124.02	109.10	127.83	238,511.9	239,806.9	213,965.0	43,006.0	55,866.1	20.1	5.6	4.3	97.0
ConocoPhillips	COP	70.26	56.38	74.59	86,075.4	107,290.4	59,241.0	21,902.0	23,738.1	37.0	4.9	4.5	94.2
Exxon Mobil Corporation	XOM	99.66	84.79	101.74	435,366.1	457,582.1	397,581.0	62,430.0	81,259.0	15.7	7.3	5.6	98.0
Royal Dutch Shell plc	RDSA	35.24	32.42	38.14	220,014.2	244,073.2	460,039.0	50,430.0	59,606.0	11.0	4.8	4.1	92.4
Total SA	FP	59.36	48.00	62.32	134,644.0	161,484.4	235,413.1	41,275.0	45,099.0	17.5	3.9	3.6	95.2
				Average <sup>2</sup>	\$185,659.0	\$204,064.1	\$306,525.8	\$41,096.2	\$50,256.5	16.1%	5.3x	4.3x	96.1%
				Median	\$184,740.1	\$205,349.4	\$307,278.6	\$42,140.5	\$50,482.6	16.6%	5.2x	4.3x	96.1%
<b>Large Independents</b>													
Anadarko Petroleum Corporation	APC	\$78.34	\$73.60	\$98.47	\$39,425.9	\$51,457.9	\$14,359.0	\$9,026.0	\$10,751.3	62.9%	5.7x	4.8x	79.6%
Apache Corporation	APA	86.31	67.91	94.84	34,458.1	44,132.1	16,873.0	11,963.0	10,190.6	70.9	3.7	4.3	91.0
Chesapeake Energy Corporation	CHK	26.20	16.37	29.06	16,982.3	34,131.3	16,503.0	5,443.0	5,947.4	33.0	6.3	5.7	90.2
Devon Energy Corporation	DVN	60.25	50.81	66.92	24,461.5	30,209.5	10,281.0	5,495.0	7,183.3	53.4	5.5	4.2	90.0
Encana Corporation	ECA	17.51	16.32	19.68	12,963.8	17,425.8	6,040.0	2,945.0	3,033.0	48.8	5.9	5.7	89.0
EOG Resources, Inc.	EOG	164.02	112.05	188.30	44,773.4	49,769.6	13,760.2	6,856.7	8,835.0	49.8	7.3	5.6	87.1
Marathon Oil Corporation	MRO	34.43	29.47	38.18	23,985.1	30,332.1	15,738.0	9,339.0	9,549.4	59.3	3.2	3.2	90.2
SandRidge Energy, Inc.	SD	5.82	4.52	7.47	2,764.7	6,410.9	2,856.4	1,105.3	1,110.0	38.7	5.8	5.8	77.9
				Average <sup>2</sup>	\$25,379.5	\$34,333.4	\$12,780.2	\$6,517.5	\$7,456.4	52.2%	5.5x	5.1x	87.7%
				Median	\$24,223.3	\$32,231.7	\$14,059.6	\$6,175.9	\$8,009.2	51.6%	5.8x	5.2x	89.5%

(1) \$ Millions, except for per share data

(2) Excludes the highest and lowest values.

(3) EBITDA does not reflect adjustments for extraordinary items.

For definitions see page 14

Source: Capital IQ

## Appendix - Selected Public Company Trading Statistics

### DRILLERS<sup>1,3</sup>

Ticker	Price as of 1/6/2014	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High	
		Low	High				LTM	2014E		LTM	2014E		
<b>Land</b>													
Helmerich & Payne, Inc.	HP	\$81.95	\$55.78	\$84.87	\$8,780.4	\$8,527.5	\$3,387.6	\$1,393.4	\$1,453.0	41.1%	6.1x	5.9x	96.6%
Nabors Industries Ltd.	NBR	16.95	14.34	18.33	5,003.1	8,639.2	6,261.3	1,680.8	1,760.8	26.8	5.1	4.9	92.5
Patterson-UTI Energy Inc.	PTEN	24.88	18.73	26.09	3,549.8	4,040.1	2,710.0	934.0	877.8	34.5	4.3	4.6	95.4
Pioneer Energy Services Corporation	PES	7.72	6.46	9.91	477.8	995.1	949.9	240.3	230.6	25.3	4.1	4.3	77.9
Precision Drilling Corporation	PD	9.24	7.01	10.82	2,559.2	3,715.1	1,941.2	412.1	705.3	21.2	9.0	5.3	85.4
Unit Corporation	UNT	49.92	40.51	52.81	2,451.4	3,095.2	1,324.3	633.8	716.3	47.9	4.9	4.3	94.5
				Average <sup>2</sup>	\$3,390.9	\$4,844.50	\$2,340.8	\$843.3	\$938.1	31.9%	5.1x	4.8x	91.9%
				Median	\$3,054.5	\$3,877.6	\$2,325.6	\$783.9	\$797.1	30.7%	5.0x	4.8x	93.5%
<b>Offshore</b>													
Atwood Oceanics, Inc.	ATW	\$52.36	\$43.91	\$59.49	\$3,354.3	\$4,538.4	\$1,017.9	\$547.0	\$651.1	53.7%	8.3x	7.0x	88.0%
Diamond Offshore Drilling, Inc.	DO	56.71	54.78	76.85	7,884.7	8,141.9	2,876.2	1,250.9	1,527.5	43.5	6.5	5.3	73.8
Ensco plc	ESV	56.75	51.01	65.82	13,256.2	17,731.4	4,749.7	2,266.3	2,714.4	47.7	7.8	6.5	86.2
Hercules Offshore, Inc.	HERO	6.47	5.82	7.96	1,033.6	1,892.7	889.3	271.1	483.0	30.5	7.0	3.9	81.3
Noble Corporation	NE	36.94	34.38	42.34	9,360.9	15,238.6	3,933.5	1,853.2	2,562.8	47.1	8.2	5.9	87.2
Ocean Rig UDW Inc.	ORIG	19.36	13.45	20.97	2,550.2	5,659.0	1,064.5	413.3	849.0	38.8	13.7	6.7	92.3
Parker Drilling Co.	PKD	8.38	3.75	8.67	1,007.2	1,500.5	788.1	206.2	348.1	26.2	7.3	4.3	96.7
Rowan Companies plc	RDC	34.39	30.21	38.65	4,272.5	5,272.5	1,540.1	596.9	824.7	38.8	8.8	6.4	89.0
Seadrill Limited	SDRL	40.31	34.57	48.09	18,909.1	32,603.1	4,725.0	2,560.0	3,500.0	54.2	12.7	9.3	83.8
Transocean Ltd.	RIG	48.76	44.19	59.50	17,582.4	24,736.4	9,478.0	2,821.0	4,205.8	29.8	8.8	5.9	81.9
Vantage Drilling Company	VTG	1.85	1.55	2.06	561.7	3,420.0	574.5	290.4	472.0	50.5	11.8	7.2	89.8
				Average <sup>2</sup>	\$6,700.2	\$9,625.7	\$2,398.3	\$1,116.6	\$1,509.4	42.3%	9.0x	6.1x	86.6%
				Median	\$4,272.5	\$5,659.0	\$1,540.1	\$596.9	\$849.0	43.5%	8.3x	6.4x	87.2%

(1) \$ Millions, except for per share data

(2) Excludes the highest and lowest values.

(3) EBITDA does not reflect adjustments for extraordinary items.

For definitions see page 14

Source: Capital IQ

## Appendix - Selected Public Company Trading Statistics

### OTHERS<sup>1,3</sup>

Company	Ticker	Price as of 1/6/2014	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2014E		LTM	2014E	
<b>Offshore Transportation</b>													
Bristow Group, Inc.	BRS	\$75.36	\$53.57	\$85.70	\$2,759.9	\$3,285.6	\$1,435.6	\$305.3	\$343.0	21.3%	10.8x	9.6x	87.9%
GulfMark Offshore, Inc.	GLF	46.34	33.74	53.89	1,229.8	1,692.5	425.1	124.2	233.4	29.2	13.6	7.3	86.0
Hornbeck Offshore Services, Inc.	HOS	48.01	34.93	59.93	1,730.9	2,243.8	571.3	254.8	393.6	44.6	8.8	5.7	80.1
PHI Inc.	PHII	36.54	23.43	40.57	565.4	874.5	752.5	143.6	NA	19.1	6.1	NA	90.1
SEACOR Holdings Inc.	CKH	89.24	67.76	99.00	1,814.4	2,181.6	1,554.7	243.9	288.9	15.7	8.9	7.6	90.1
Tidewater Inc.	TDW	59.83	45.05	63.22	2,942.0	4,342.1	1,339.8	371.0	457.0	27.7	11.7	9.5	94.6
				Average <sup>2</sup>	\$1,883.7	\$2,350.9	\$1,024.8	\$236.9	\$314.7	24.3%	10.1x	8.1x	88.5%
				Median	\$1,772.6	\$2,212.7	\$1,046.2	\$249.3	\$316.0	24.5%	9.9x	7.6x	89.0%
<b>Construction</b>													
Cal Dive International, Inc.	DVR	\$1.97	\$1.51	\$2.38	\$192.6	\$370.1	\$503.5	\$13.6	\$59.0	2.7%	27.3x	6.3x	82.8%
Chicago Bridge & Iron Company N.V.	CBI	80.40	46.36	83.17	8,643.6	10,167.8	9,631.7	815.1	1,135.9	8.5	12.5	9.0	96.7
Fluor Corporation	FLR	78.56	53.50	80.45	12,833.0	10,810.0	28,082.9	1,080.1	1,388.9	3.8	10.0	7.8	97.7
Foster Wheeler AG	FWLT	31.20	19.29	33.08	3,069.9	2,746.4	3,208.7	264.7	322.0	8.2	10.4	8.5	94.3
Gulf Island Fabrication Inc.	GIFI	22.33	18.76	26.82	323.1	301.3	602.4	29.6	47.2	4.9	10.2	6.4	83.3
Helix Energy Solutions Group, Inc.	HLX	22.66	20.33	27.58	2,397.5	2,511.9	851.4	202.6	351.3	23.8	12.4	7.2	82.2
Jacobs Engineering Group Inc.	JEC	62.37	43.55	64.27	8,218.0	7,434.7	11,818.4	766.3	891.4	6.5	9.7	8.3	97.0
KBR, Inc.	KBR	31.19	27.60	36.70	4,620.2	3,772.2	7,387.0	383.0	707.5	5.2	9.8	5.3	85.0
McDermott International Inc.	MDR	8.76	6.68	13.48	2,072.5	1,948.6	3,137.5	31.3	262.0	1.0	62.3	7.4	65.0
Oceaneering International, Inc.	OII	76.97	55.79	87.64	8,327.9	8,265.6	3,173.2	727.5	876.3	22.9	11.4	9.4	87.8
Willbros Group Inc.	WG	9.20	5.58	10.45	458.0	750.8	2,110.4	83.3	128.6	3.9	9.0	5.8	88.0
				Average <sup>2</sup>	\$4,236.7	\$4,218.7	\$4,657.9	\$367.0	\$526.0	7.4%	12.6x	7.4x	88.6%
				Median	\$3,069.9	\$2,746.4	\$3,173.2	\$264.7	\$351.3	5.2%	10.4x	7.4x	87.8%

(1) \$ Millions, except for per share data

(2) Excludes the highest and lowest values.

(3) EBITDA does not reflect adjustments for extraordinary items.

For definitions see page 14

Source: Capital IQ

## Appendix - Selected Public Company Trading Statistics

### OTHERS<sup>1,3</sup>

	Ticker	Price as of 1/6/2014	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2014E		LTM	2014E	
<b>Industrial Services</b>													
Chart Industries Inc.	GTLS	\$92.89	\$61.87	\$130.85	\$2,821.6	\$3,030.5	\$1,177.5	\$175.8	\$231.0	14.9%	17.2x	13.1x	71.0%
CIRCOR International, Inc.	CIR	79.92	39.01	83.37	1,405.9	1,369.4	845.4	91.0	123.9	10.8	15.1	11.1	95.9
Matrix Service Co.	MTRX	24.75	11.74	24.89	648.3	570.9	909.2	54.5	64.3	6.0	10.5	8.9	99.4
MRC Global Inc.	MRC	31.53	23.15	34.14	3,208.3	4,218.6	5,193.3	432.8	455.7	8.3	9.7	9.3	92.4
Team, Inc.	TISI	41.59	32.33	46.66	857.7	917.5	727.1	70.3	83.7	9.7	13.1	11.0	89.1
				Average <sup>2</sup>	\$1,695.1	\$1,772.5	\$977.4	\$112.4	\$146.2	9.6%	12.9x	10.4x	92.5%
				Median	\$1,405.9	\$1,369.4	\$909.2	\$91.0	\$123.9	9.7%	13.1x	11.0x	92.4%
<b>Seismic Related</b>													
Bolt Technology Corporation	BOLT	\$20.32	\$14.39	\$22.48	\$174.0	\$148.8	\$59.8	\$13.1	NA	21.9%	11.4x	NA	90.4%
Dawson Geophysical Company	DWSN	33.73	23.15	40.86	268.3	205.3	305.3	57.3	63.1	18.8	3.6	3.3	82.6
ION Geophysical Corporation	IO	3.28	2.81	7.70	535.6	635.0	503.6	104.4	175.3	20.7	6.1	3.6	42.6
Mitcham Industries Inc.	MIND	17.02	13.81	18.41	217.8	196.9	96.9	7.7	39.0	7.9	25.7	5.0	92.4
Petroleum Geo Services ASA	PGS	11.16	10.33	16.35	2,400.2	3,131.0	1,502.2	790.8	917.8	52.6	4.0	3.4	68.2
TGC Industries Inc.	TGE	7.18	6.31	10.01	157.6	157.0	172.9	32.5	42.6	18.8	4.8	3.7	71.7
				Average <sup>2</sup>	\$298.9	\$298.5	\$269.6	\$51.8	\$80.0	20.0%	6.6x	3.6x	78.2%
				Median	\$243.0	\$201.1	\$239.1	\$44.9	\$52.8	19.8%	5.5x	3.6x	77.1%

- (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

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

## Appendix - Relevant M&A Transactions

Date	Target	Description	Seller	Buyer	Transaction Value (\$ in millions)
1/6/13	LT Energy Services, LLC Wildcat Wireline LLC	LT Energy Services, LLC provides surface equipment rental and oilfield services and Wildcat Wireline LLC provides wireline services in the Eagleford shale.	Transition Capital Partners, Ltd.	B/E Aerospace Inc.	\$265.0
1/6/13	EMCOR Energy Services, Inc.	EMCOR Energy Services, Inc. provides a range of energy services to utilities, energy service companies, and facility owners.	EMCOR Group Inc.	TRC Companies Inc.	NA
1/6/13	CertifiedSafety Inc.	CertifiedSafety provides safety and productivity services for major plant events such as turnarounds, shutdowns, outages, ongoing maintenance and capital projects.	NA	HCI Equity Partners	NA
1/3/14	Stabiltec Downhole Tools, LLC	Stabiltec Downhole Tools, LLC manufactures specialty drilling equipment for the oil and gas industry including turnkey downhole tools using robotics.	NA	ESCO Corporation	NA
1/2/14	Texas Oilpatch Services Corporation	Texas Oilpatch Services Corporation distributes bearings, oil seals, power transmission products, and related replacement parts to the oilfield industry.	NA	Applied Industrial Technologies, Inc.	NA
12/23/13	Power Associates International	Power Associates International provides hydrostatic equipment to the pipeline market.	NA	Cross-Country Pipeline Supply Co. (Odyssey Investment Partners)	NA
12/20/13	Bulldog Frac Rentals, LLC	Bulldog Frac Rentals, LLC provides frac rental equipment to the oil and gas industry.	NA	B/E Aerospace Inc.	\$41.0
12/19/13	Dixie Electric, LLC	Dixie Electric, LLC provides electrical infrastructure materials and services to oil and gas producers in the areas of automation, artificial lift, and enhanced oil recovery technologies.	One Rock Capital Partners, LLC	First Reserve Corporation	NA
12/16/13	TestTex Inspection, LLC	TestTex Inspection, LLC performs inspections for oil and gas companies in the Gulf Coast area.	NA	Applus Servicios Tecnológicos, S.L. (The Carlyle Group LP)	NA
12/10/13	Bel-Ray Company, Inc.	Bel-Ray Company, Inc. creates and distributes high-performance lubricants for use in aerospace, automotive, energy, and mining applications.	NA	Calumet Specialty Products Partners LP	NA
12/9/13	Kvaerner North American Construction, Ltd.	Kvaerner North American Construction, Ltd. comprises the onshore construction business in North America.	Kværner ASA	Matrix Service Company	\$80.3
12/9/13	Extreme Plastics Plus	Extreme Plastics Plus is an oilfield environmental services company focused on protecting well sites, such as pads and pits, from liquids leaking into the soil and surrounding area.	NA	Hastings Equity Partners, LLC	NA

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

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