

First Quarter 2016

# Energy Perspectives



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## 8th Annual Private Capital Conference

On March 23, Duff & Phelps, in partnership with Amegy Bank, will host its 8th Annual Private Capital Conference on the current energy industry environment as well as the broader merger, acquisition and financing environment for middle-market companies. More than 200 middle-market companies attended last year. We hope you will join us. To register, visit [www.duffandphelps.com/capitalconference/register](http://www.duffandphelps.com/capitalconference/register).

### Agenda

<b>11:30 a.m.</b>	<b>Registration</b>	<b>3:30 p.m.</b>	<b>M&amp;A and Private Equity Market Overview</b> Caroline Young, Partner of Hammond, Kennedy, Whitney and Company Peter Calamari, Managing Director of Platte River Equity Jared Wien, Principal of Sun Capital Partners <i>Introduction by John Grimes, Managing Director of Duff &amp; Phelps</i>
<b>12:00 p.m.</b>	<b>Ken Hersh</b> Chief Executive Officer of NGP Energy Capital Management <i>Introduction by John McNabb Senior Advisor of Duff &amp; Phelps</i>	<b>4:15 p.m.</b>	<b>Break</b>
<b>1:15 p.m.</b>	<b>Break</b>	<b>4:30 p.m.</b>	<b>The Karbach Craft Beer Story – Successful Long-Term Partnerships</b> Ken Goodman, Founder of Karbach Brewing Company Chuck Robertson, Founder of Karbach Brewing Company <i>Introduction by David Sargent, Managing Director of Duff &amp; Phelps</i>
<b>1:25 p.m.</b>	<b>Introduction</b> David Sargent, Managing Director of Duff & Phelps	<b>5:00 p.m.</b>	<b>Closing Remarks</b> <i>Jim Rebello, Managing Director of Duff &amp; Phelps</i>
<b>1:30 p.m.</b>	<b>Economic Market Overview</b> Ellen Zentner, Managing Director and Chief U.S. Economist for Morgan Stanley	<b>5:05 p.m.</b>	<b>Reception</b>
<b>2:30 p.m.</b>	<b>Where are Oil Prices Headed?</b> Jed DiPaolo, Senior Advisor of Duff & Phelps <i>Introduction by Jim Rebello Managing Director of Duff &amp; Phelps</i>		
<b>3:00 p.m.</b>	<b>Current Acquisition Appetite and Integration</b> Gilberto Ordonez, Vice President of Business Improvement, Wood Group PSN Chris Perfect, Global M&A Manager of Wood Group Mustang <i>Introduction by Jim Rebello, Managing Director of Duff &amp; Phelps</i>		

## Energy Market Transaction

### Sell Side Advisor



a portfolio company of



has been acquired by



## Duff & Phelps Advised Hammond, Kennedy, Whitney & Company, Inc. on the Divestiture of Contract Land Staff, LLC

Contract Land Staff, LLC (“CLS”), a portfolio company of Hammond, Kennedy, Whitney & Company, Inc. (“HKW”), was acquired by GFI Energy Group of Oaktree Capital Management, L.P.

Duff & Phelps acted as the exclusive financial advisor to HKW on the divestiture of Contract Land Staff.

### About Contract Land Staff, LLC

Contract Land Staff, LLC (the “Company” or “CLS”) is a leading independent full-service provider of Right of Way (ROW), land management services, and land records management in the U.S. and Canada. The Company provides integral ROW services on complex pipeline, integrity, electric transmission, and other infrastructure projects. Prior to the transaction, CLS had been a portfolio company of Hammond, Kennedy, Whitney & Company, Inc. Duff & Phelps acted as the exclusive financial advisor to CLS on the initial recapitalization in 2008.

### About Hammond, Kennedy, Whitney & Company, Inc.

Hammond, Kennedy, Whitney & Company, Inc. is a private equity firm founded in 1903 with offices in Indianapolis and New York. Since 1982, HKW has sponsored 50 platform transactions of lower middle-market companies throughout North America as well as 55 add-on acquisitions. Taft Stettinius & Hollister acted as legal counsel to HKW.

### About GFI Energy Group of Oaktree Capital Management, L.P.

Oaktree is a leading global investment management firm focused on alternative investments, with approximately \$100 billion in assets under management as of September 30, 2015. Oaktree’s GFI Energy Group invests in profitable, growing companies with innovative products and services used in the energy and power industries. The firm emphasizes a value-oriented and risk-controlled approach to investments. Headquartered in Los Angeles, the firm has over 900 employees and offices in 17 cities worldwide.

## Industry Update

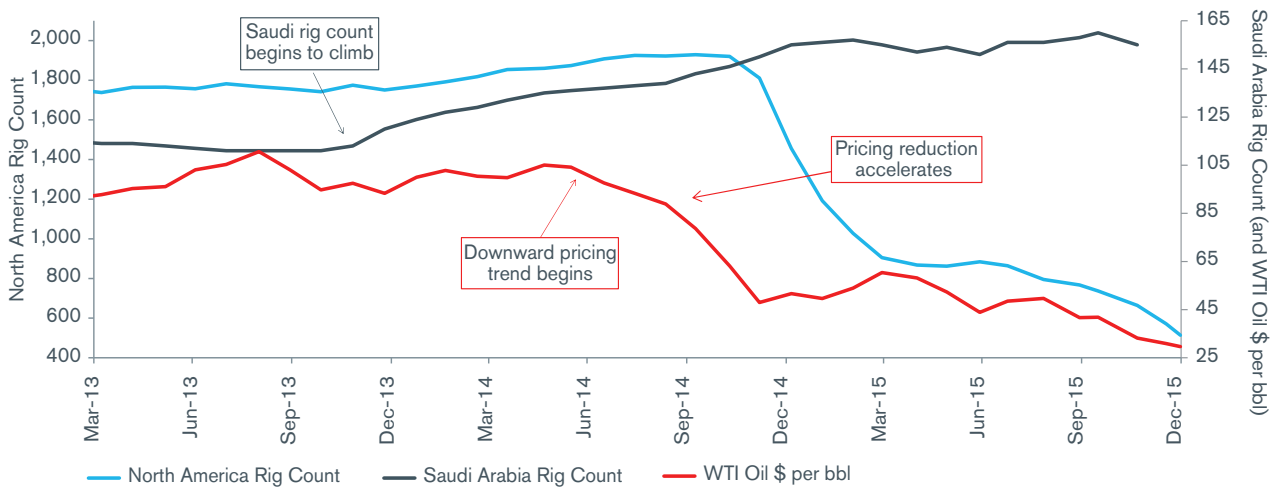
There has been a lot of debate about the current oil and gas industry downturn. One side of the debate believes Saudi (the former OPEC swing producer) has targeted U.S. shale producers and is maximizing Saudi production (thus driving crude prices down) as a means to permanently impair U.S. production. The other side of the debate focuses on potential Saudi geopolitical concerns and believes the Saudi government is utilizing low oil prices as a way to slow down Iran's increasing influence in the Middle East.

### When It All Started

If you take a step back and look at the timing of the downturn (see chart below), some interesting trends appear.

As you may recall, a consistent downward trend in crude oil prices began in June of 2014 and, following the November 2014 OPEC meeting, an accelerated decline in crude oil prices occurred.

However, when you simultaneously evaluate the Saudi rig count, it appears a decision was made at the very beginning of 2014 by the Saudi Oil Minister to start the process of increasing production. It took about six months for crude pricing to begin to understand the supply coming to market and in November of 2014, it became abundantly clear to the markets we were oversupplied with no forthcoming production cuts from OPEC.



## Industry Update

### Where Do We Go From Here?

As exploration and production companies (as well as their service counterparts) prepare for a challenging 2016, the large financial institutions have issued their commodity price forecasts, listed below.

On average, the above institutions are projecting crude prices approximately 25% lower for 2016 than the prior year. On the bright side, the average WTI crude price forecast of \$42.18 for 2016 represents a 33% increase above the February 22, 2016 closing price of \$31.48.

Bank / Firm	WTI Crude Oil (\$/bbl)			Henry Hub Natural Gas (\$/MMBtu)		
	Previous 2015 Est. <sup>(1)</sup>	Current 2016 Est. <sup>(2)</sup>	% Change	Previous 2015 Est. <sup>(1)</sup>	Current 2016 Est. <sup>(2)</sup>	% Change
Bank of America Merrill Lynch	\$57.00	\$45.00	(21.1%)	\$3.90	\$2.60	(33.3%)
Barclays PLC	42.00	37.00	(11.9%)	3.00	2.84	(5.3%)
BNP Paribas	55.00	44.00	(20.0%)	3.60	2.25	(37.5%)
Citigroup	55.00	40.00	(27.3%)	2.70	2.50	(7.4%)
Commerzbank AG	57.00	42.00	(26.3%)	3.75	2.50	(33.3%)
Deutsche bank	55.40	48.75	(12.0%)	3.75	2.35	(37.3%)
Goldman Sachs	47.15	45.00	(4.6%)	3.10	2.85	(8.1%)
RBC Capital Markets	65.00	40.00	(38.5%)	3.75	2.50	(33.3%)
UBS Securities	49.00	40.00	(18.4%)	3.25	2.45	(24.6%)
Wells Fargo	75.00	40.00	(46.7%)	NA	NA	NA
<b>Average</b>	<b>\$55.76</b>	<b>\$42.18</b>	<b>(24.4%)</b>	<b>\$3.42</b>	<b>\$2.54</b>	<b>(25.8%)</b>

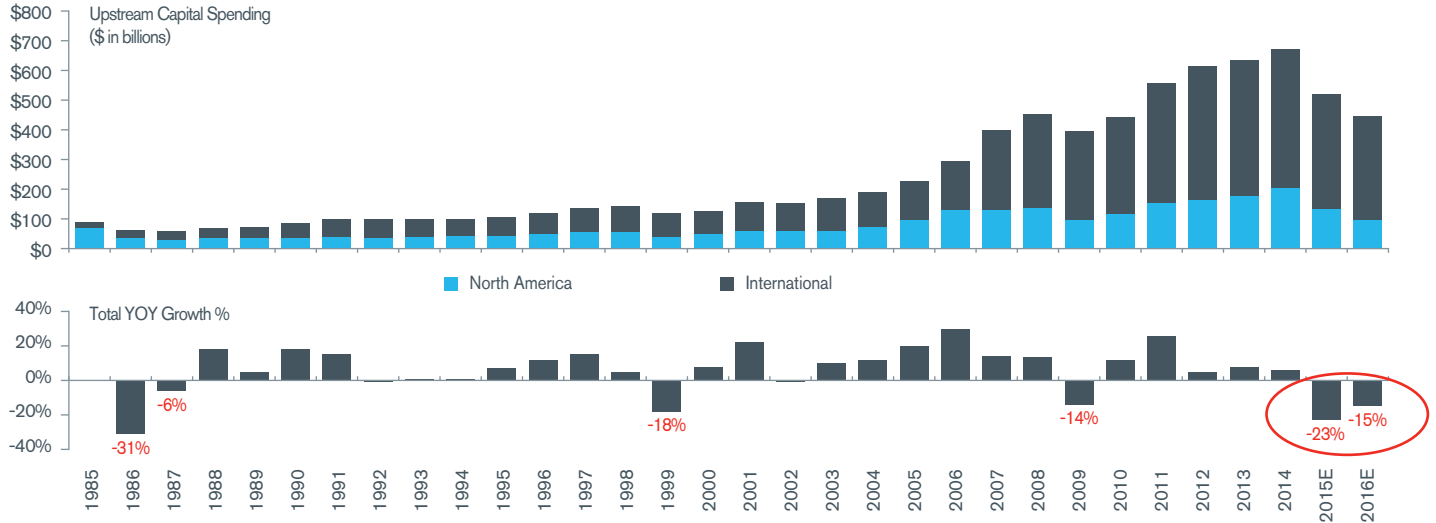
Source: Bloomberg

(1) Recorded as of Jan 2015

(2) Recorded as of Jan 2016

## Industry Update

According to Barclay's E&P Spending Outlook, global exploration and production spending is expected to decline by 15% this year. That is in addition to a 23% decline last year. There has not been a consecutive decline since 1986 - 1987. North American E&P companies are expected to cut into their budgets more significantly, expecting a 27% decline in spending for 2016.



Bear in mind, WTI was greater than \$40 per barrel when The Barclay's survey was conducted. Thus E&P spending could be cut even further given WTI is currently trading at around \$30 per barrel.

2016 is shaping up to be as challenging an environment for energy industry participants as any other downturn the industry has experienced. Regardless of current commodity prices experienced this year, the contraction in capital spending/activity will dictate company performance.

The current focus of the industry has been internal, targeting cost-cutting and balance sheet restructurings in an effort to ensure survival. M&A activity, early on, may be led by distressed opportunities, while bankruptcies are expected to accelerate. Once the industry reaches equilibrium and hits bottom, consolidation is expected as a means to capitalize on the "New Normal."

We wish everyone the best as we continue to navigate the upstream energy industry and hope to see everyone at our [conference](#) on March 23, 2016!

## Public Markets Update as of February 19, 2016<sup>(1)</sup>

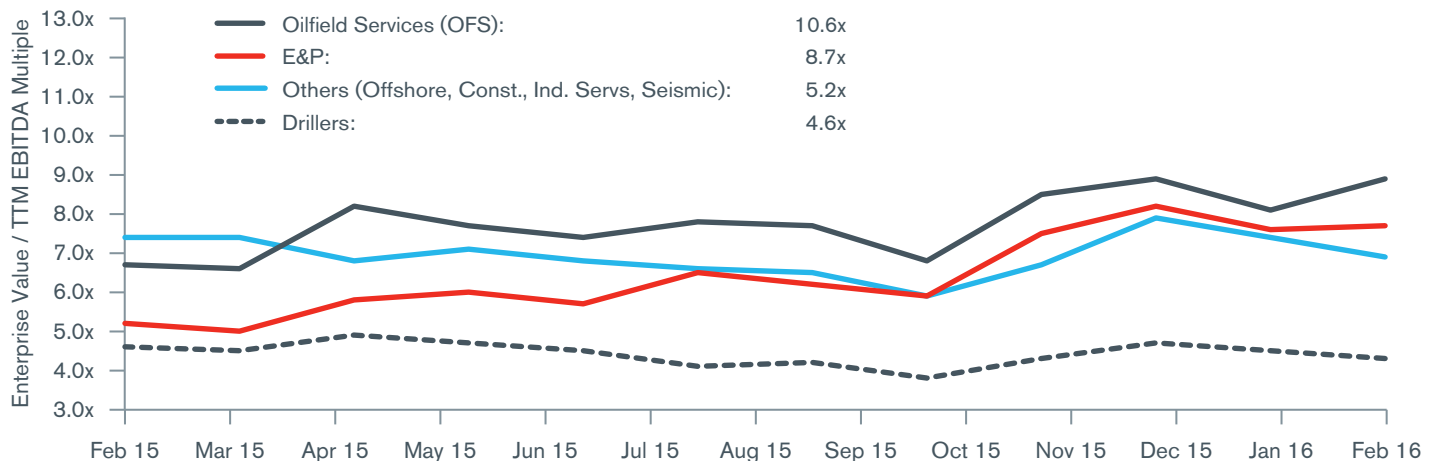
### Energy Sub-Sector Summary<sup>(2)</sup>

Oilfield Service (OFS)	Average LTM EBITDA Margin	Average EV/EBITDA		Average % of 52-Week High
		LTM	2016E	
Diversified	13.8%	11.3x	12.8x	61.2%
Service Focused	12.1	12.4	22.8	33.5
Equipment Focused	17.8	8.3	11.7	47.6
<b>E&amp;P</b>				
Integrated Majors	12.8%	9.7x	6.5x	75.0%
Large Independents	41.8	7.6	10.0	41.6
<b>Drillers</b>				
Land	30.2%	4.8x	9.8x	41.9%
Offshore	42.5	4.4	6.0	29.9
<b>Others</b>				
Offshore Transportation	19.5%	6.4x	7.6x	27.7%
Construction	10.0	4.5	4.6	49.8
Industrial Services	8.4	8.0	8.2	54.6
Seismic Related	43.3	2.9	3.6	36.2
<b>Average<sup>(3)</sup></b>	<b>22.3%</b>	<b>7.2x</b>	<b>8.6x</b>	<b>44.0%</b>
<b>Median</b>	<b>17.8%</b>	<b>7.6x</b>	<b>8.2x</b>	<b>41.9%</b>

- (1) For definitions, refer to page 16.
- (2) For more data around the constituents of each sub-sector, refer to pages 11-16.
- (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 02/19/2016



Source: Capital IQ

### North American Rig Count as of 02/19/2015

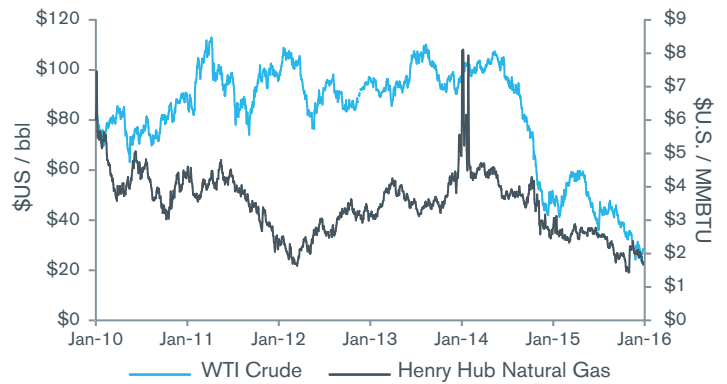
Location	This Week	+/-	Last Week	+/-	Year Ago
Land	487	(27)	514	(763)	1,250
Inland Waters	2	0	2	(4)	6
Offshore	25	0	25	(29)	54
<b>United States Total</b>	<b>514</b>	<b>(27)</b>	<b>541</b>	<b>(796)</b>	<b>1,310</b>
Gulf of Mexico	25	0	25	(27)	52
Canada	206	(16)	222	(154)	360
<b>North America</b>	<b>720</b>	<b>(43)</b>	<b>763</b>	<b>(950)</b>	<b>1,670</b>

Source: Baker Hughes

U.S. Breakout	This Week	+/-	Last Week	+/-	Year Ago
Oil	413	(26)	439	(606)	1,019
Gas	101	(1)	102	(188)	289
Miscellaneous	0	0	0	(2)	2
Directional	48	(1)	49	(80)	128
Horizontal	416	(17)	433	(563)	979
Vertical	50	(9)	59	(153)	203

Source: Baker Hughes

### Crude Oil & Natural Gas Spot Prices – 2010 to 02/19/2016



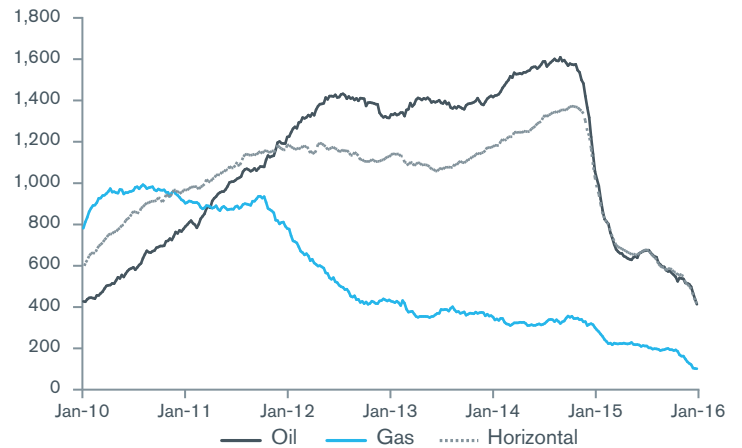
Sources: EIA, Bloomberg

### Current Oil & Gas Prices as of 02/19/2016

WTI Crude Oil	HH - Natural Gas	Oil 12 Mo Strip	Gas 12 Mo Strip
\$30.77	\$1.85	\$41.12	\$2.57

Sources: EIA, Bloomberg

### U.S. Historical Rig Count – 2010 to 02/19/2016



Source: Baker Hughes

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

	Gas	Oil	Land	Horizontal
February 19, 2015	19.6%	80.4%	94.7%	80.9%
Year Ago	22.1%	77.9%	95.4%	74.8%

Source: Baker Hughes



## Upcoming Events

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### **Duff & Phelps: 8th Annual Private Capital Conference**

**March 23, 2016 | Houston, TX**

On March 23, Duff & Phelps, in partnership with Amegy Bank, will host its 8th Annual Private Capital Conference on the merger, acquisition, and financing environment for middle-market companies, current economic environment, and discuss the current environment of oil and gas prices. The conference will be held at Houston Hilton North.

### **IPAA: OGIS New York**

**April 11-12 2016 | New York, NY**

For over 20 years, IPAA's Oil and Gas Investment Symposia (OGIS) in New York has served as an annual energy investors' conference that attracts over 2,400 investors as well as industry and financial representatives, featuring up to 100 of IPAA's public member companies, ranging from \$9 million to \$230 billion in assets. The event will be held at the Sheraton NY Times Square Hotel.

### **SPE / IADC: Managed Pressure Drilling & Underbalanced Operations Conference & Exhibition**

**April 12-13, 2016 | Galveston, TX**

The conference is a world-recognized forum to help the energy industry better understand the technology and the effective, safe utilization of the various applications of underbalanced drilling, managed pressure drilling, and dual gradient drilling. The conference will be held at Moody Gardens Hotel.

### **Offshore Technology Conference**

**May 2-5, 2016 | Houston, TX**

Held at NRG Park, the Offshore Technology Conference (OTC) is where energy professionals meet to exchange ideas and opinions to advance scientific and technical knowledge for offshore resources and environmental matters.

### **IADC: Drilling Onshore Conference & Exhibition**

**May 19, 2016 | Houston, TX**

The conference will explore issues affecting the onshore drilling industry, including technology, management, perspectives on future onshore activity and regulation. The conference will be held at Omni Houston Hotel Westside.

### **DUG: Permian Basin**

**May 23-25, 2016 | Fort Worth, TX**

The DUG Permian Basin conference brings thousands of oil and gas industry professionals together to discuss exploration, drilling, completions, and production trends in the Permian Basin. The event will be held at the Fort Worth Convention Center.

## Featured Articles

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### **OPEC Unsure How It Can 'Live Together' With Shale Oil**

Bloomberg examines if OPEC and U.S. shale oil can coexist.

<http://www.bloomberg.com/news/articles/2016-02-22/opec-s-el-badri-doesn-t-know-how-to-live-together-with-shale-oil>

*Rigzone*, February 22, 2016

### **Russia, Saudi Arabia Empty Gestures Won't Save Oil Prices**

Rigzone analyzes the economic impact if Russia and Saudi Arabia do not freeze production.

[http://www.rigzone.com/news/oil\\_gas/a/143164/COLUMN\\_Russia\\_Saudi\\_Arabia\\_Empty\\_Gestures\\_Wont\\_Save\\_Oil\\_Prices](http://www.rigzone.com/news/oil_gas/a/143164/COLUMN_Russia_Saudi_Arabia_Empty_Gestures_Wont_Save_Oil_Prices)

*Rigzone*, February 22, 2016

### **The IPO Aimed at Iran**

An examination into the IPO proposed by Saudi Aramco.

<http://www.bloomberg.com/news/articles/2016-01-14/saudi-aramco-the-ipo-aimed-at-iran>

*Bloomberg*, January 14, 2016

## Industry Remarks

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The success of a proposed oil production freeze first floated by Russia and Saudi Arabia depends on whether all other oil-producing nations will get onboard, OPEC Secretary General Abdalla Salem El-Badri said following a discussion Monday at IHS CERAWEEK. "If all the countries, OPEC and non-OPEC, will agree to freeze, then we will know the production of each country and from there, we will watch how it will develop in the next three, four months," he told reporters. "But it's not [only] OPEC. It is OPEC and non-OPEC." In recent days, Russia and Saudi Arabia announced an agreement with Venezuela and Qatar to freeze production at January levels – if Iraq and Iran would participate. El-Badri said he has discussed the freeze with most oil producing nations – but not the United States – and Iraq and Iran will decide "later" whether they will engage. "We have to find a solution to this. But this will not be done by OPEC. It must be a cooperation between OPEC and non-OPEC, and OPEC is ready to cooperate," he said. "I look at the result. Either we have a freeze or we have a decline. For me, it is the same to the market."

**Abdalla Salem El-Badri,**  
*Secretary General for OPEC*

Mexico President Enrique Pena Nieto said his nation's energy reform stemmed from an intense, collective effort early in his administration. Mexico's energy reform legislation was passed in 2014 and will continue to be implemented on a timely basis, he told IHS CERAWEEK attendees Feb. 22 in Houston. "With this reform, the Mexican state retains ownership of the underground hydrocarbons," and opens up the hydrocarbon value chain to outside investors, Pena Nieto said. "It is being implemented with success and faster than expected." He said, "It is not the time to stop. It is the time to move forward," speaking about the nation's energy reform schedule despite low oil prices. "We will maintain a stable and competitive tax framework."

**Enrique Pena Nieto,**  
*President of Mexico*

There's a chance that the reason the other shoe hasn't dropped for energy mergers and acquisitions quite yet is the industry's incredible debt. The largest oil and gas companies in the U.S. accrued \$50 billion in debt between 2009 and 2014, said Stephen Chazen, the president and CEO of Houston-based Occidental Petroleum Corp. "What's different this time, among other things, is the amount of debt in the industry," said Chazen. "What the debt does is it has change-of-control puts – all the debt is due and payable when the companies change in control, and because there's so much debt, you're not seeing the kind of change you would expect where people put their businesses together to realize some savings. I think it's a tough environment for acquisitions." And while upstream oil and gas businesses would seem the likely debt culprits, and they certainly are huge debt holders according to Chazen, the midstream energy segment actually outshines the upstream segment. "If you think the debt is bad in the production business, the midstream business has a lot more debt, relatively," said Chazen. "They're going to have to do something, they're going to have to sell assets, re-equitize – do something."

**Stephen Chazen,**  
*CEO of Occidental Petroleum Corp.*

## Appendix – Selected Public Company Trading Statistics

E&P <sup>(1)</sup>													
Ticker	Price as of 02/19/2016	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High	
		Low	High				LTM	2016E		LTM	2016E		
<b>Integrated Majors</b>													
BP p.l.c.	BP.	\$4.92	\$3.62	\$7.16	\$90,584.6	\$118,315.6	\$222,894.0	\$7,645.0	\$22,053.4	3.4%	15.5x	5.4x	68.8%
Chevron Corporation	CVX	86.50	69.58	112.20	162,796.2	186,459.2	122,566.0	17,139.3	24,780.5	14.0	10.9	7.5	77.1
Exxon Mobil Corporation	XOM	82.50	66.55	90.09	342,870.0	379,002.0	246,204.0	39,690.0	35,447.8	16.1	9.5	10.7	91.6
Royal Dutch Shell plc	RDSA	22.49	18.38	32.82	177,192.1	205,064.1	264,960.0	23,453.0	36,375.9	8.9	8.7	5.6	68.5
TOTAL S.A.	FP	44.21	39.17	55.95	103,446.2	133,982.2	143,421.0	22,425.0	20,989.9	15.6	6.0	6.4	79.0
				<b>Average<sup>(2)</sup></b>	<b>\$147,811.5</b>	<b>\$175,168.5</b>	<b>\$204,173.0</b>	<b>\$21,005.8</b>	<b>\$27,427.2</b>	<b>12.8%</b>	<b>9.7x</b>	<b>6.5x</b>	<b>75.0%</b>
				<b>Median</b>	<b>\$162,796.2</b>	<b>\$186,459.2</b>	<b>\$222,894.0</b>	<b>\$22,425.0</b>	<b>\$24,780.5</b>	<b>14.0%</b>	<b>9.5x</b>	<b>6.4x</b>	<b>77.1%</b>
<b>Large Independents</b>													
Anadarko Petroleum Corporation	APC	\$35.35	\$28.16	\$95.94	\$17,973.3	\$36,963.3	\$9,486.0	\$3,128.0	\$3,851.6	33.0%	11.8x	9.6x	36.8%
Apache Corp.	APA	37.33	32.20	71.87	14,111.3	23,396.3	8,646.0	5,776.0	2,947.0	66.8	4.1	7.9	51.9
Chesapeake Energy Corporation	CHK	2.00	1.50	20.65	1,327.0	14,490.0	13,736.0	3,626.0	1,320.0	26.4	4.0	11.0	9.7
ConocoPhillips	COP	32.87	31.05	69.72	40,880.4	63,703.4	30,344.0	6,297.0	6,581.6	20.8	10.1	9.7	47.1
Devon Energy Corporation	DVN	18.65	18.07	70.48	8,230.1	22,994.1	12,642.0	3,375.0	2,325.7	26.7	6.8	9.9	26.5
Encana Corporation	ECA	3.13	3.11	12.86	2,659.6	8,813.6	5,645.0	2,640.0	1,100.6	46.8	3.3	8.0	24.3
EOG Resources, Inc.	EOG	69.71	57.15	101.36	38,321.9	44,009.4	10,372.3	4,982.7	2,805.5	48.0	8.8	15.7	68.8
Marathon Oil Corporation	MRO	6.73	6.52	31.53	4,558.0	10,536.0	5,596.0	3,310.0	1,437.9	59.1	3.2	7.3	21.3
Noble Energy, Inc.	NBL	29.85	23.77	53.68	12,889.0	19,890.0	3,043.0	1,644.0	2,089.0	54.0	12.1	9.5	55.6
Occidental Petroleum Corporation	OXY	70.26	58.24	82.06	53,660.1	58,792.1	12,480.0	5,027.0	3,982.6	40.3	11.7	14.8	85.6
				<b>Average<sup>(2)</sup></b>	<b>\$17,453.0</b>	<b>\$28,883.9</b>	<b>\$9,825.4</b>	<b>\$3,983.1</b>	<b>\$2,594.9</b>	<b>41.8%</b>	<b>7.6x</b>	<b>10.0x</b>	<b>41.6%</b>
				<b>Median</b>	<b>\$13,500.1</b>	<b>\$23,195.2</b>	<b>\$9,929.2</b>	<b>\$3,500.5</b>	<b>\$2,565.6</b>	<b>43.5%</b>	<b>7.8x</b>	<b>9.6x</b>	<b>42.0%</b>

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

(2) Excludes the highest and lowest values

(3) EBITDA does not reflect adjustments for extraordinary items

For definitions see page 16

Source: Capital IQ, as of 2/19/16

## Appendix – Selected Public Company Trading Statistics

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

Ticker	Price as of 02/19/2016	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High	
		Low	High				LTM	2016E		LTM	2016E		
<b>Diversified</b>													
Baker Hughes Incorporated	BHI	\$42.14	\$37.58	\$70.45	\$18,451.2	\$20,252.2	\$15,742.0	\$1,621.0	\$1,464.6	10.3%	12.5x	13.8x	59.8%
Halliburton Company	HAL	31.37	27.64	50.20	26,926.2	32,165.2	23,633.0	4,067.0	2,962.3	17.2	7.9	10.9	62.5
Schlumberger Limited	SLB	72.87	59.60	95.13	91,440.4	97,699.4	35,475.0	9,644.0	7,601.0	27.2	10.1	12.9	76.6
Weatherford International plc	WFT	6.20	4.95	14.91	4,832.8	11,887.8	9,433.0	801.0	933.9	8.5	14.8	12.7	41.6
				<b>Average<sup>(2)</sup></b>	<b>\$22,688.7</b>	<b>\$26,208.7</b>	<b>\$19,687.5</b>	<b>\$2,844.0</b>	<b>\$2,213.4</b>	<b>13.8%</b>	<b>11.3x</b>	<b>12.8x</b>	<b>61.2%</b>
				<b>Median</b>	<b>\$22,688.7</b>	<b>\$26,208.7</b>	<b>\$19,687.5</b>	<b>\$2,844.0</b>	<b>\$2,213.4</b>	<b>13.8%</b>	<b>11.3x</b>	<b>12.8x</b>	<b>61.2%</b>
<b>Service Focused</b>													
Archer Limited	ARCHER	\$0.42	\$0.39	\$3.85	\$24.3	\$818.9	\$1,775.9	\$149.0	\$87.0	8.4%	5.5x	9.4x	10.9%
Basic Energy Services, Inc.	BAS	1.86	1.52	10.50	79.3	912.6	805.6	19.9	(6.5)	2.5	45.8	NM	17.7
Calfrac Well Services Ltd.	CFW	0.90	0.77	8.09	103.8	714.7	1,461.6	108.8	25.5	7.4	6.6	28.0	11.1
C&J Energy Services, Ltd.	CJES	2.20	1.50	18.45	257.7	1,364.5	1,823.4	86.6	52.8	4.7	15.8	25.8	11.9
Core Laboratories NV	CLB	107.29	84.50	134.87	4,546.6	4,962.0	797.5	215.1	145.8	27.0	23.1	34.0	79.6
Key Energy Services Inc.	KEG	0.23	0.20	2.79	37.0	797.5	792.3	(124.9)	18.9	NM	NM	42.2	8.4
Natural Gas Services Group Inc.	NGS	17.29	15.96	26.10	220.4	190.8	97.3	44.4	35.0	45.6	4.3	5.5	66.3
Newpark Resources Inc.	NR	3.54	3.46	10.85	297.9	369.3	676.9	20.3	9.3	3.0	18.2	39.7	32.6
Oil States International Inc.	OIS	24.38	21.79	48.16	1,242.2	1,335.4	1,100.0	186.3	80.7	16.9	7.2	16.5	50.6
RPC Inc.	RES	12.90	8.45	16.66	2,799.4	2,734.2	1,263.8	123.2	47.1	9.8	22.2	58.0	77.4
Seventy Seven Energy Inc.	SSE	0.46	0.25	6.30	27.3	1,466.2	1,131.2	163.2	114.9	14.4	9.0	12.8	7.3
Superior Energy Services, Inc.	SPN	9.13	8.32	26.95	1,376.2	2,485.2	3,408.0	657.9	220.4	19.3	3.8	11.3	33.9
TETRA Technologies, Inc.	TTI	5.15	4.62	9.44	413.2	1,678.7	1,188.4	226.1	228.0	19.0	7.4	7.4	54.6
Trican Well Service Ltd.	TCW	1.10	0.24	4.08	164.0	673.4	1,434.3	38.6	28.0	2.7	17.4	24.1	27.0
				<b>Average<sup>(2)</sup></b>	<b>\$584.9</b>	<b>\$1,279.2</b>	<b>\$1,187.6</b>	<b>\$115.1</b>	<b>\$72.1</b>	<b>12.1%</b>	<b>12.4x</b>	<b>22.8x</b>	<b>33.5%</b>
				<b>Median</b>	<b>\$239.0</b>	<b>\$1,124.0</b>	<b>\$1,159.8</b>	<b>\$116.0</b>	<b>\$50.0</b>	<b>9.8%</b>	<b>9.0x</b>	<b>24.1x</b>	<b>29.8%</b>

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

(2) Excludes the highest and lowest values

(3) EBITDA does not reflect adjustments for extraordinary items

For definitions see page 16

Source: Capital IQ, as of 2/19/16

## Appendix – Selected Public Company Trading Statistics

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

Company	Ticker	Price as of 02/19/2016	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2016E		LTM	2016E	
<b>Equipment Focused</b>													
Archrock Partners, L.P.	APLP	\$6.60	\$5.36	\$27.93	\$394.1	\$1,821.1	\$656.5	\$304.1	\$303.9	46.3%	6.0x	6.0x	23.6%
Archrock, Inc.	AROC	3.95	3.88	37.71	274.3	2,413.0	2,856.0	683.6	364.0	23.9	3.5	6.6	10.5
Cameron International Corporation	CAM	66.33	40.50	71.22	12,708.8	14,011.8	8,782.0	1,574.0	1,112.0	17.9	8.9	12.6	93.1
CARBO Ceramics Inc.	CRR	18.15	13.21	47.04	422.6	431.8	279.6	(64.6)	(44.9)	NM	NM	NM	38.6
CSI Compressco LP	CCLP	3.98	3.74	22.15	132.1	712.7	483.1	130.6	115.3	27.0	5.5	6.2	18.0
Dover Corporation	DOV	60.62	50.91	78.21	9,396.7	11,802.9	6,956.3	1,303.1	1,279.0	18.7	9.1	9.2	77.5
Danang Rubber Joint Stock Company	DRC	1.89	1.74	2.61	172.6	208.1	147.7	34.2	37.6	23.2	6.1	5.5	72.4
Dril-Quip, Inc.	DRQ	52.38	48.88	81.78	2,009.1	1,612.1	897.5	295.6	167.0	32.9	5.5	9.7	64.0
Flotek Industries Inc.	FTK	6.89	4.90	21.72	369.3	418.0	334.4	18.4	0.0	5.5	22.7	NA	31.7
FMC Technologies, Inc.	FTI	25.17	22.30	44.43	5,738.3	5,997.2	6,362.7	786.5	707.9	12.4	7.6	8.5	56.7
Forbes Energy Services Ltd.	FES	0.27	0.18	2.59	6.0	238.4	314.4	39.9	23.7	12.7	6.0	10.1	10.4
Forum Energy Technologies, Inc.	FET	9.39	8.34	25.44	849.0	1,136.5	1,073.7	84.5	15.4	7.9	13.4	73.9	36.9
General Electric Company	GE	29.02	19.37	31.49	273,887.1	466,587.1	117,386.0	15,878.7	21,993.5	13.5	29.4	21.2	92.2
National Oilwell Varco, Inc.	NOV	29.30	25.74	56.64	11,011.0	12,938.0	14,757.0	2,046.0	775.1	13.9	6.3	16.7	51.7
RigNet, Inc.	RNET	13.17	11.43	40.27	233.9	248.9	305.7	65.0	48.8	21.2	3.8	5.1	32.7
Tenaris S.A.	TEN	10.42	9.49	17.06	12,305.1	10,622.1	8,357.3	1,702.9	1,213.0	20.4	6.2	8.8	61.1
Tesco Corporation	TESO	6.51	5.13	13.28	253.9	190.3	362.1	19.2	5.6	5.3	9.9	34.3	49.0
The Weir Group PLC	WEIR	13.01	10.96	29.31	2,780.3	4,062.3	3,573.0	581.1	444.0	16.3	7.0	9.1	44.4
				<b>Average<sup>(2)</sup></b>	<b>\$3,690.7</b>	<b>\$4,292.2</b>	<b>\$3,522.0</b>	<b>\$604.3</b>	<b>\$413.3</b>	<b>17.8%</b>	<b>8.3x</b>	<b>11.7x</b>	<b>47.6%</b>
				<b>Median</b>	<b>\$635.8</b>	<b>\$1,716.6</b>	<b>\$985.6</b>	<b>\$299.9</b>	<b>\$235.4</b>	<b>17.9%</b>	<b>6.3x</b>	<b>9.2x</b>	<b>46.7%</b>

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

(2) Excludes the highest and lowest values

(3) EBITDA does not reflect adjustments for extraordinary items

For definitions see page 16

Source: Capital IQ, as of 2/19/16

## Appendix – Selected Public Company Trading Statistics

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

Ticker	Price as of 02/19/2016	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High	
		Low	High				LTM	2016E		LTM	2016E		
<b>Land</b>													
Helmerich & Payne, Inc.	HP	\$51.58	\$40.02	\$79.90	\$5,571.2	\$5,204.9	\$2,592.5	\$1,020.3	\$481.0	39.4%	5.1x	10.8x	64.6%
Nabors Industries Ltd.	NBR	6.88	4.93	16.99	2,274.3	5,672.6	3,864.4	1,146.2	701.7	29.7	4.9	8.1	40.5
Patterson-UTI Energy Inc.	PTEN	15.00	10.94	23.11	2,207.5	2,949.2	1,891.3	584.0	212.7	30.9	5.0	13.9	64.9
Pioneer Energy Services Corp.	PES	1.18	0.95	8.69	76.1	456.9	540.8	111.0	43.0	20.5	4.1	10.6	13.6
Precision Drilling Corporation	PD	3.14	2.47	6.83	921.0	2,172.0	1,121.2	236.4	221.5	21.1	9.2	9.8	46.0
Unit Corporation	UNT	5.95	5.66	36.23	300.0	1,230.6	1,060.5	421.6	248.0	39.8	2.9	5.0	16.4
				<b>Average<sup>(2)</sup></b>	<b>\$1,425.7</b>	<b>\$2,889.2</b>	<b>\$1,666.4</b>	<b>\$565.6</b>	<b>\$290.8</b>	<b>30.2%</b>	<b>4.8x</b>	<b>9.8x</b>	<b>41.9%</b>
				<b>Median</b>	<b>\$1,564.2</b>	<b>\$2,560.6</b>	<b>\$1,506.2</b>	<b>\$502.8</b>	<b>\$234.8</b>	<b>30.3%</b>	<b>5.0x</b>	<b>10.2x</b>	<b>43.3%</b>
<b>Offshore</b>													
Atwood Oceanics, Inc.	ATW	\$6.63	\$4.82	\$35.66	\$429.4	\$1,923.2	\$1,299.9	\$740.6	\$546.7	57.0%	2.6x	3.5x	18.6%
Diamond Offshore Drilling, Inc.	DO	19.62	14.18	35.95	2,691.1	4,841.9	2,360.2	1,078.8	674.0	45.7	4.5	7.2	54.6
Ensco plc	ESV	8.22	7.65	30.28	1,936.0	6,759.6	4,394.9	2,310.9	1,419.9	52.6	2.9	4.8	27.1
Hercules Offshore, Inc.	HERO	1.25	0.73	14.50	25.0	1,153.5	454.3	6.9	0.0	1.5	167.0	NA	8.6
Noble Corporation plc	NE	7.58	6.66	19.62	1,834.1	6,533.8	3,261.6	1,972.6	1,209.0	60.5	3.3	5.4	38.6
Ocean Rig UDW Inc.	ORIG	0.71	0.70	9.52	98.5	3,904.3	1,771.8	1,034.4	834.0	58.4	3.8	4.7	7.5
Parker Drilling Co.	PKD	1.20	0.98	4.55	147.8	598.5	712.2	151.5	73.4	21.3	4.0	8.2	26.4
Rowan Companies plc	RDC	11.45	10.67	24.95	1,429.1	3,945.3	2,157.4	999.3	897.0	46.3	3.9	4.4	45.9
SeaDrill Limited	SDRL	1.71	1.57	15.44	842.6	12,073.6	4,414.0	2,289.0	1,785.5	51.9	5.3	6.8	11.1
Transocean Ltd.	RIG	8.33	8.08	21.90	3,029.9	9,869.9	7,772.0	3,283.0	1,539.0	42.2	3.0	6.4	38.0
Vita Group Ltd.	VTG	1.91	1.03	1.97	289.2	287.6	462.8	31.2	35.1	6.7	9.2	8.2	97.1
				<b>Average<sup>(2)</sup></b>	<b>\$1,077.5</b>	<b>\$4,392.2</b>	<b>\$2,315.0</b>	<b>\$1,178.7</b>	<b>\$803.1</b>	<b>42.5%</b>	<b>4.4x</b>	<b>6.0x</b>	<b>29.9%</b>
				<b>Median</b>	<b>\$842.6</b>	<b>\$3,945.3</b>	<b>\$2,157.4</b>	<b>\$1,034.4</b>	<b>\$834.0</b>	<b>46.3%</b>	<b>3.9x</b>	<b>5.9x</b>	<b>27.1%</b>

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(2) Excludes the highest and lowest values

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For definitions see page 16

Source: Capital IQ, as of 2/19/16

## Appendix – Selected Public Company Trading Statistics

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

Company	Ticker	Price as of 02/19/2016	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2016E		LTM	2016E	
<b>Offshore Transportation</b>													
Bristow Group, Inc.	BRS	\$14.07	\$11.02	\$64.64	\$491.8	\$1,615.7	\$1,673.2	\$254.7	\$230.0	15.2%	6.3x	7.0x	21.8%
Gulfmark Offshore, Inc.	GLF	3.06	2.50	17.68	78.7	571.2	340.3	69.1	23.7	20.3	8.3	24.1	17.3
Hornbeck Offshore Services, Inc.	HOS	6.53	5.58	25.22	234.1	1,012.3	476.1	207.9	120.5	43.7	4.9	8.4	25.9
PHI Inc.	PHI	16.54	15.01	36.00	257.7	545.6	828.2	166.3	166.3	20.1	3.3	3.3	45.9
SEACOR Holdings Inc.	CKH	45.20	41.24	78.95	784.4	1,371.5	1,146.3	179.5	199.2	15.7	7.6	6.9	57.3
Tidewater Inc.	TDW	5.10	4.24	31.80	239.5	1,642.1	1,119.7	244.6	206.5	21.8	6.7	8.0	16.0
				<b>Average<sup>(2)</sup></b>	<b>\$305.8</b>	<b>\$1,142.7</b>	<b>\$892.6</b>	<b>\$199.6</b>	<b>\$173.1</b>	<b>19.5%</b>	<b>6.4x</b>	<b>7.6x</b>	<b>27.7%</b>
				<b>Median</b>	<b>\$248.6</b>	<b>\$1,191.9</b>	<b>\$973.9</b>	<b>\$193.7</b>	<b>\$182.7</b>	<b>20.2%</b>	<b>6.5x</b>	<b>7.5x</b>	<b>23.8%</b>
<b>Construction</b>													
Chicago Bridge & Iron Company N.V.	CBI	33.20	31.30	59.45	3,481.5	5,737.8	13,026.2	1,250.5	1,235.0	9.6	4.6	4.6	55.8
Fluor Corporation	FLR	45.38	39.48	62.26	6,304.1	5,265.9	18,114.0	1,116.1	1,148.1	6.2	4.7	4.6	72.9
Gulf Island Fabrication Inc.	GIFI	9.06	7.80	17.33	131.9	86.6	375.9	21.0	32.1	5.6	4.1	2.7	52.3
Helix Energy Solutions Group, Inc.	HLX	2.82	2.60	19.33	299.3	609.7	745.3	157.3	166.1	21.1	3.9	3.7	14.6
Jacobs Engineering Group Inc.	JEC	37.99	34.76	48.25	4,655.2	4,900.9	11,775.8	557.8	729.4	4.7	8.8	6.7	78.7
KBR, Inc.	KBR	12.19	11.61	20.77	1,758.6	1,048.6	5,433.0	(65.0)	342.6	NM	NM	3.1	58.7
McDermott International Inc.	MDR	2.43	2.13	6.00	580.7	859.8	3,209.3	273.3	186.6	8.5	3.1	4.6	40.5
Oceaneering International, Inc.	OII	28.11	25.33	59.65	2,750.4	3,161.0	3,062.8	618.5	669.5	20.2	5.1	4.7	47.1
Willbros Group Inc.	WG	1.42	0.68	6.77	88.1	256.3	1,351.3	(5.8)	0.7	NM	NM	366.1	21.0
				<b>Average<sup>(2)</sup></b>	<b>\$1,951.1</b>	<b>\$2,300.3</b>	<b>\$5,514.8</b>	<b>\$391.2</b>	<b>\$467.8</b>	<b>10.0%</b>	<b>4.5x</b>	<b>4.6x</b>	<b>49.8%</b>
				<b>Median</b>	<b>\$1,758.6</b>	<b>\$1,048.6</b>	<b>\$3,209.3</b>	<b>\$273.3</b>	<b>\$342.6</b>	<b>8.5%</b>	<b>4.6x</b>	<b>4.6x</b>	<b>52.3%</b>

(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 16

Source: Capital IQ, as of 2/19/16

## Appendix – Selected Public Company Trading Statistics

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

Company	Ticker	Price as of 02/19/2016	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2016E		LTM	2016E	
<b>Industrial Services</b>													
Chart Industries Inc.	GTLS	\$16.80	\$13.27	\$45.62	\$513.2	\$655.9	\$1,105.5	\$145.9	\$103.2	13.2%	4.5x	6.4x	36.8%
CIRCOR International, Inc.	CIR	37.21	32.79	59.17	613.4	649.4	656.3	67.0	78.2	10.2	9.7	8.3	62.9
NOW Inc.	DNOW	13.71	12.03	25.86	1,469.8	1,463.8	3,372.0	(12.0)	(60.0)	NM	NM	NM	53.0
Matrix Service Company	MTRX	17.08	15.02	26.22	459.9	381.8	1,321.4	46.6	26.1	3.5	8.2	14.6	65.1
MRC Global Inc.	MRC	9.12	8.50	17.62	932.1	1,918.4	5,073.6	314.9	258.0	6.2	6.1	7.4	51.8
Team, Inc.	TISI	24.04	21.61	47.55	525.0	849.5	916.9	80.5	97.0	8.8	10.6	8.8	50.6
				<b>Average<sup>(2)</sup></b>	<b>\$645.9</b>	<b>\$904.6</b>	<b>\$1,678.9</b>	<b>\$85.0</b>	<b>\$76.1</b>	<b>8.4%</b>	<b>8.0x</b>	<b>8.2x</b>	<b>54.6%</b>
				<b>Median</b>	<b>\$569.2</b>	<b>\$752.7</b>	<b>\$1,213.4</b>	<b>\$73.7</b>	<b>\$87.6</b>	<b>8.8%</b>	<b>8.2x</b>	<b>8.3x</b>	<b>52.4%</b>
<b>Seismic Related</b>													
CGG	CGG	\$0.53	\$0.48	\$7.86	\$377.8	\$2,960.1	\$2,418.1	\$1,660.3	\$594.2	68.7%	1.8x	5.0x	6.8%
Dawson Geophysical Company	DWSN	3.21	2.90	6.11	69.1	23.0	189.3	0.8	0.0	0.4	30.1	NA	52.5
Fugro NV	FUR	12.05	11.17	30.80	975.7	1,796.3	2,921.7	524.0	372.5	17.9	3.4	4.8	39.1
ION Geophysical Corporation	IO	3.31	2.55	37.20	35.0	136.4	221.5	(30.6)	(72.8)	NM	NM	NM	8.9
Mitcham Industries Inc.	MIND	2.96	2.24	6.69	35.8	43.6	55.3	(18.5)	32.4	NM	NM	1.3	44.2
TGS Nopec Geophysical Co. ASA	TGS	13.44	11.70	23.84	1,364.1	1,201.4	612.3	498.9	507.6	81.5	2.4	2.4	56.4
				<b>Average<sup>(2)</sup></b>	<b>\$364.6</b>	<b>\$794.4</b>	<b>\$860.3</b>	<b>\$251.3</b>	<b>\$228.1</b>	<b>43.3%</b>	<b>2.9x</b>	<b>3.6x</b>	<b>36.2%</b>
				<b>Median</b>	<b>\$223.4</b>	<b>\$668.9</b>	<b>\$416.9</b>	<b>\$249.8</b>	<b>\$202.4</b>	<b>43.3%</b>	<b>2.9x</b>	<b>3.6x</b>	<b>41.7%</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, as of 2/19/16

**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



## Duff & Phelps Select Energy Restructuring Transactions

### Energy Services and Supply

Restructuring



Advised the 1st Lien Lenders

### Alternative Energy

Restructuring



Advised the Ad Hoc Note Holders

### Power Generation

Restructuring



Advised the Pass Through Trust Certificate Holders

### Exploration and Production

Restructuring



Financial Advisor to the Company

Restructuring



Advised the Committee of Equity Holders

Restructuring



Advised the Ad-hoc Committee of Unsecured Note holders

Restructuring



Advised the Ad Hoc Committee of Note Holders

Restructuring



Advised the Official Committee of Unsecured Creditors

Restructuring



Advised the Official Committee of Unsecured Creditors

Restructuring



Advised the Senior Secured Convertible Note Holders

Restructuring



Advised the California Public Utilities Commission

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### About Duff & Phelps

Duff & Phelps is the premier global valuation and corporate finance advisor with expertise in complex valuation, dispute and legal management consulting, M&A, restructuring, and compliance and regulatory consulting. The firm's more than 2,000 employees serve a diverse range of clients from offices around the world.

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