The IHS Herold Global Upstream M&A Review is IHS Inc.’s annual study of global upstream merger, acquisition, and divestiture activity in the M&A marketplace. The study is organized by region, providing an overview of transaction activity (transaction value, deal count, transacted reserve volumes) and valuation metrics (implied reserve costs). M&A regional reviews for Worldwide, United States, Canada, Europe, Africa & Middle East, Asia-Pacific, Latin America, and Former Soviet Union are also provided.

The study provides a comprehensive analysis of more than 1,450 significant upstream reserve and resource transactions (i.e., greater than $10 million) valued at approximately $750 billion that were consummated over the five years through year-end 2011. The objectives of the analysis are to draw attention to emerging trends, market valuation measures, and shifts in regional and international transaction volumes, values, and activity in the upstream M&A&D arena.

The source of all data and charts is the IHS Herold M&A Database unless otherwise noted. All figures are in US dollars.

In North America, a market with a high degree of political and fiscal stability compared with many regions of the world, huge volumes of in-place unconventional resources that have been unlocked by advances in drilling technology are attracting cross-border buyers at an unprecedented rate. Acquisitions of unconventional resources, which represented over 70% of the North American total in 2011 versus 20% five years ago, have increasingly targeted liquids-rich basins. For those focused on natural gas, the potential for LNG export from North America will become a key strategic driver of acquisition activity, as will the growing desire to seek corporate acquisitions to control operatorship and the development timetable for acquired assets.

**North America Transaction Value for Unconventional Resources**

Note: Figures include Reserves/Resources and Acreage transactions. In transactions with multiple segments, IHS Herold allocated percentages to unconventional resources based on disclosure.
Regional Play: Bakken Shale

- With most prospective acreage already leased, acquisitions will be necessary to enter the Bakken/Three Forks. Private E&Ps own some of the best acreage and wells in the play. Publicly traded producers with significant exposure include Continental Resources, Hess Corp., and Whiting Petroleum.

- The Bakken oil play is generally maturing, so many current stakeholders will have to explore and move out of their core areas and test new acreage to consistently create shareholder value.

- Well performance between operators varies widely, with premier operators replacing reserves much more efficiently than others, which could lead to consolidation.

- One focus of M&A activity may be new sweet spots that are being discovered, with very impressive wells and deeper potential being tested in multiple Three Forks “Benches” that are not very much deeper than established producing formations.

- Statoil’s corporate takeover of Brigham Exploration demonstrates that publicly traded companies also will be targets, with buyers seeking operatorship and development control.

- M&A values for undeveloped acreage and resource potential continue to soar in this liquids-focused play, although buyers need to be selective, as well performance varies considerably even within subsectors of the play.

<table>
<thead>
<tr>
<th>Company</th>
<th>Net Acres (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continental</td>
<td>0.901</td>
</tr>
<tr>
<td>Hess</td>
<td>0.900</td>
</tr>
<tr>
<td>Statoil (including Brigham Exploration)</td>
<td>0.751</td>
</tr>
<tr>
<td>Whiting Petroleum</td>
<td>0.680</td>
</tr>
<tr>
<td>EOG</td>
<td>0.600</td>
</tr>
<tr>
<td>ExxonMobil</td>
<td>0.410</td>
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<tr>
<td>Marathon</td>
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<tr>
<td>SM Energy</td>
<td>0.293</td>
</tr>
<tr>
<td>Denbury</td>
<td>0.266</td>
</tr>
<tr>
<td>Occidental Petroleum Corp.</td>
<td>0.200</td>
</tr>
<tr>
<td>Northern Oil &amp; Gas, Inc.</td>
<td>0.158</td>
</tr>
<tr>
<td>Kodiak</td>
<td>0.155</td>
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<tr>
<td>Newfield Exploration</td>
<td>0.140</td>
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<tr>
<td>Baytex</td>
<td>0.130</td>
</tr>
<tr>
<td>Oasis Petroleum</td>
<td>0.112</td>
</tr>
</tbody>
</table>

Source: IHS Herold

For additional information on this Regional Play please see the following reports:

- IHS Herold Company Update: Statoil-Brigham Deal Shows Continental Resources and Hess Offer Much Cheaper Bakken Exposure
- IHS Herold Regional Play Assessment: Private E&Ps Hold the Key to the Bakken
IHS Herold Global Upstream M&A Review

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(www.ihsherold.com)

Founded in 1948, IHS Herold specializes in valuation, strategy, and performance measurement of the world’s leading oil and gas companies. IHS Herold closely monitors the world’s energy capital markets and the dynamic merger, acquisition, and divestiture marketplace for energy assets. IHS Herold is part of IHS Inc. (NYSE: IHS) and an investment adviser registered with the state of Connecticut.

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