

The Oil Patch Report

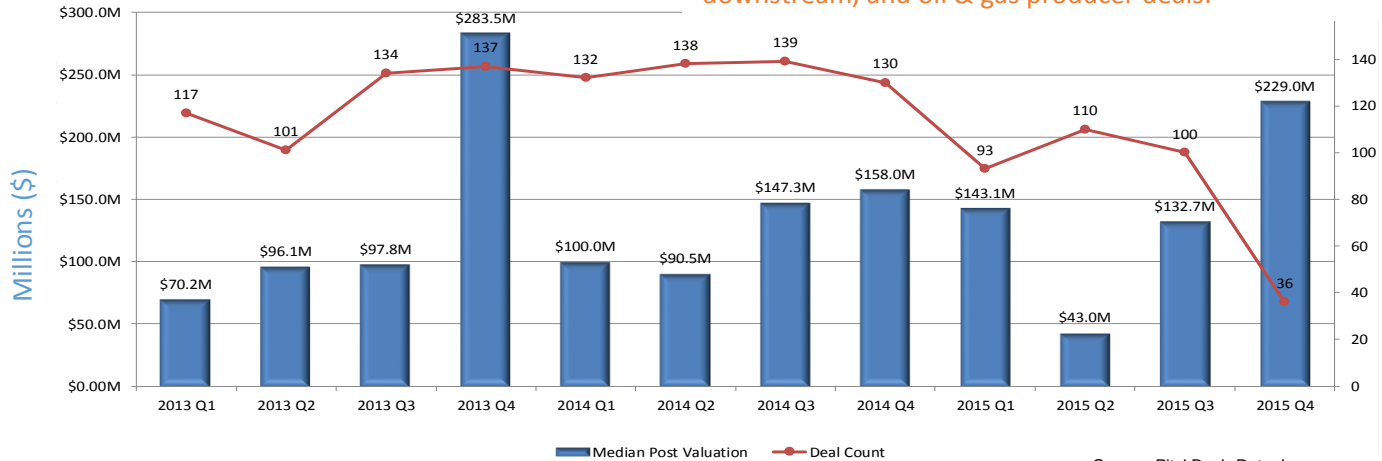
November 2015

FERGUSON | WHITE
MERGERS & ACQUISITIONS



Oil & Gas Quarterly Transaction Volume

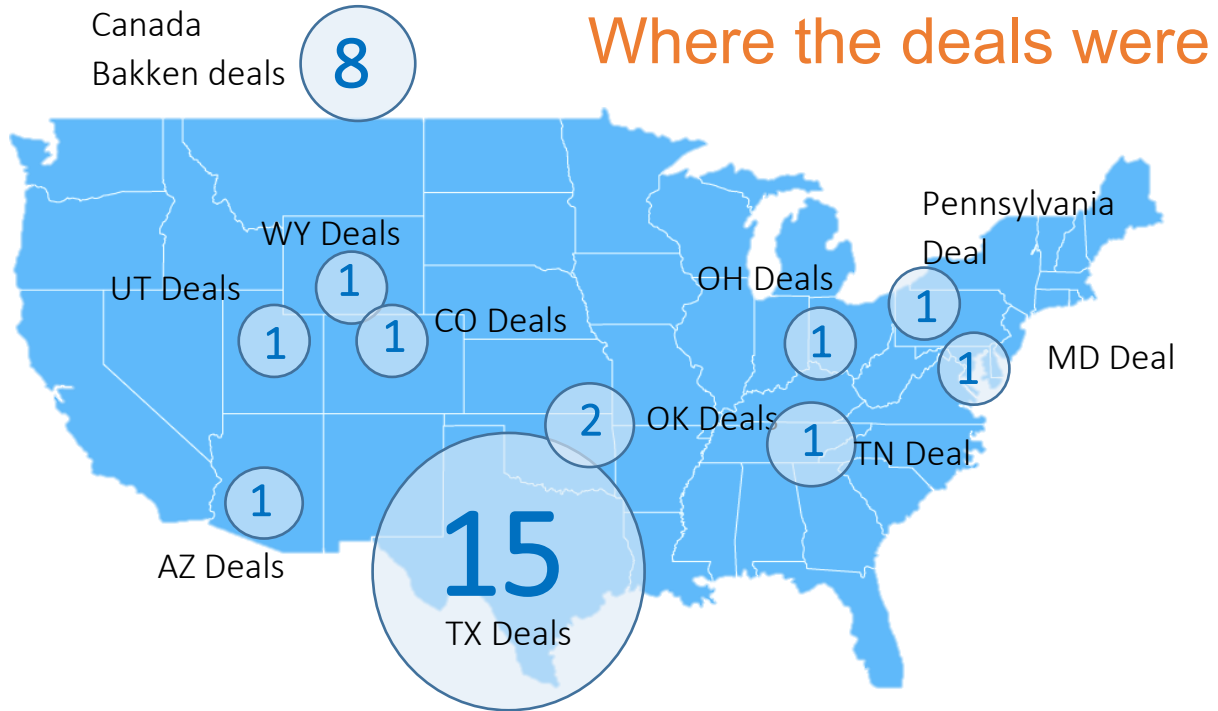
Volume of deals down and individual deal value up is an indication of less oilfield service deals and more, higher value mid-stream, downstream, and oil & gas producer deals.



Oil & Gas November Deals

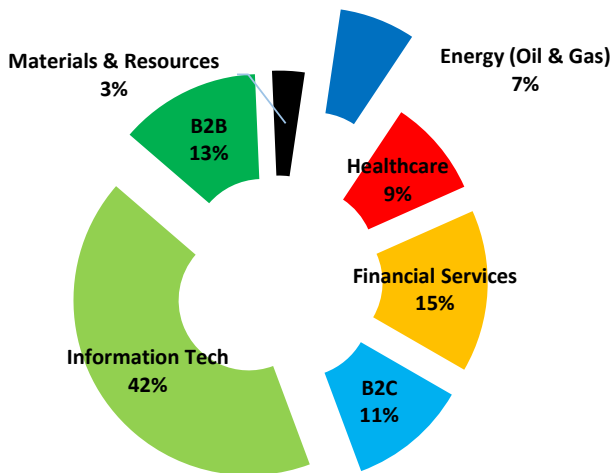
Company	Description	Active Investors	Value	Date	HQ Location	EBITDA
Electro-Petroleum	Patented technology to enhance the recovery of heavy oil.	Element Partners		26-Oct-2014	Villanova, PA	
Source Energy Partners	Explorer and producer of oil and gas properties.	Apollo Global Management		26-Oct-2015	CO	
Northern Tier Energy	Owner and operator of Minnesota downstream assets.		2,520.00	26-Oct-2015	Tempe, AZ	432.80
Juniper Resources	Producer and explorer of oil and gas assets.	Natural Gas Partners		26-Oct-2015	Dallas, TX	
ZaZa Energy (ZAZA)	Operator of exploration and production firm.	Quantum Energy Partners		23-Oct-2015	Houston, TX	(15.60)
Oklahoma's Mississippi Lime play	Explorer and producer of oil and natural gas.	Fairway Resources	195.00	22-Oct-2015	Tulsa, OK	
Ajax Resources	Operator of oil and gas company.	Kelso & Co.		22-Oct-2015	Houston, TX	
Exco Resources (XCO)	Producer of oil and natural gas.	Ares Private Equity		20-Oct-2015	Dallas, TX	(845.05)
Valor Energy	Producer and developer of crude oil and natural gas properties.			19-Oct-2015	Salmon Arm, Canada	0.14
Manta Biofuel	Provider of renewable crude oil.	Chesapeake Bay Seed Capital Fund		19-Oct-2015	Baltimore, MD	
SandRidge Energy (SD)	Provider of natural gas and oil + pulling units, mud logging, trucking	Ares Private Equity Group		16-Oct-2015	Oklahoma City, OK	(1,505.01)
Mart Resources	Provider of oil production services.		94.21	16-Oct-2015	Calgary, Canada	61.72
W&T Offshore (Permian Basin assets)	Provider of oil exploration services.	Ajax Resources	376.10	15-Oct-2015	Houston, TX	
Sanchez Production Partners (SPP)	Operator of oil and natural gas properties & midstream	PostRock Energy		15-Oct-2015	Houston, TX	(63.84)
Redwater Asset (Alberta)	Operating of oil and gas assets	Rifle Shot Oil		15-Oct-2015	Canada	
Occidental Petroleum (North Dakota Oil Assets)	Provider of oil production and exploration services.	Occidental Petroleum	500.00	15-Oct-2015	Bismarck, ND	
Riverside Petroleum Indiana	Provider of oil and gas exploration services.	Umbono		14-Oct-2015	The Woodlands, TX	
Kicking Horse Energy	Provider of oil and gas exploration services.		300.00	13-Oct-2015	Calgary, Canada	7.49
Fx Energy (FXEN)	Provider of oil and gas exploration services.	Apache	119.00	13-Oct-2015	Salt Lake City, UT	(28.41)
Casper Crude to Rail	Operator of a crude oil rail infrastructure terminal.	Cogent Energy Solutions	225.00	12-Oct-2015	Casper, WY	26.00
Milagro Exploration	Operator of an independent oil and gas company.	White Oak Resources	217.00	08-Oct-2015	Houston, TX	
Ev Energy Partners (EVEP)	Owner of oil and gas properties within the continental United States.	Encap Investments, EnerVest		08-Oct-2015	Houston, TX	(103.81)
Encana (Colorado Oil and Gas Assets)	A 51,000 acre oil and gas field in Colorado.	Encana	900.00	08-Oct-2015	CO	
Canadian Oil Sands (COS)	Holder of interest in a Canadian oil-extraction project.		4,977.45	07-Oct-2015	Calgary, Canada	489.84
Wild Wind Petroleum	Provider of oil and gas exploration services.	Natural Gas Partners		06-Oct-2015	Calgary, Canada	
Vaalco Energy (EGY)	Explorer and developer of crude oil and natural gas properties.	Group 42		06-Oct-2015	Houston, TX	(101.85)
Pinon Gathering	Provider of gas gathering services	EIG Global Energy Partners	126.00	05-Oct-2015	Houston, TX	
LRR Energy	Owner of oil and natural gas properties.	Vanguard Natural Resources	127.10	05-Oct-2015	Houston, TX	
Eagle Rock Energy Partners	Oil producer	Vanguard Natural Resources	232.90	05-Oct-2015	Houston, TX	
Alta Mesa Eagle	Provider of oil and gas exploration services.	EnerVest	118.00	02-Oct-2015	TX	
Valero Energy (Corpus Christi Terminal Services)	Provider of petroleum refining services.	Valero Energy Partners	465.00	01-Oct-2015	Amarillo, TX	
Miller Energy Resources (MILL)	Provider of energy exploration and production services.			01-Oct-2015	Huntsville, TN	(550.88)
Madison PetroGas	Provider of exploration services.			01-Oct-2015	Calgary, Canada	
Belden & Blake	Developer and producer of natural gas and oil properties.	Ev Energy Partners	259.00	01-Oct-2015	Canton, OH	64.96

Oil & Gas November Transaction Geography



Oil & Gas Deals as % All Deals

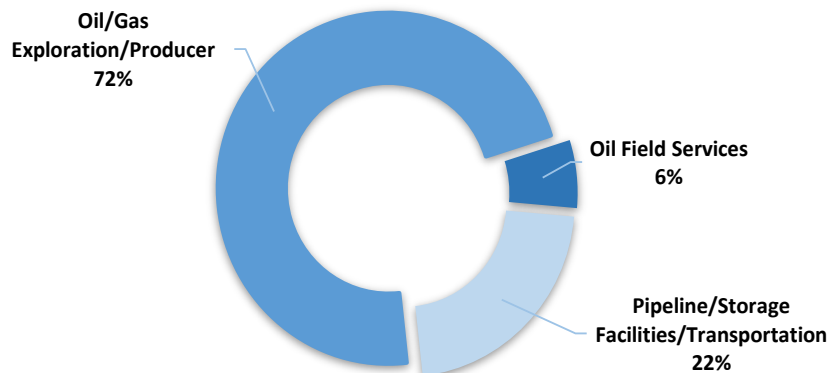
This graph computes oil & gas deals for the month as a percentage of all deals completed in the month.



Oil & Gas Transaction Type

This graph distinguishes between the types of oil & gas deals completed.

Very few upstream oilfield service deals as these companies are feeling the pain of low oil prices and their soft P&Ls make deals difficult.

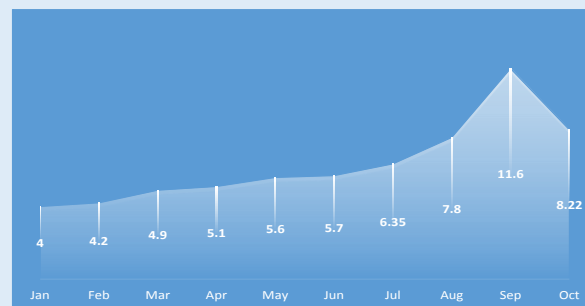


Public Company Valuation Multiples

Public comparable data is used to value private companies. Total public company value is divided by EBITDA to determine a multiple that can be similarly applied to the EBITDA of comparable private companies. This multiple must be discounted prior to applying it to valuing a private company to account for much less risk related to the public companies. Less risk is attributable to public companies because they are typically larger, more transparent, have audited financials and the like, when compared to private companies.

Company Name	Value	EBITDA	Value/EBITDA
Baker Hughes	24,880,510	1,787,000	13.92
Basic Energy	966,743	Neg	N/A
C&J Energy	2,074,412	139,511	14.87
Forbes Energy	261,863	55,182	4.75
Halliburton	35,792,000	3,056,000	11.71
National Oilwell Varco	17,352,000	2,919,000	5.94
Newpark Resources	511,290	76,779	6.66
Schlumberger	94,231,000	11,340,000	8.31
Superior Energy	3,015,000	neg	N/A
Weatherford	13,858,000	862,000	16.08
AVERAGE VALUE/EBITDA			8.22

Discount the public company multiple by 35% to facilitate application to private companies. The resulting discounted multiple is:



5.3x

Private Company Transaction Valuation Multiples

Private company transaction data is often used to value other private companies. Total transaction value is divided by EBITDA to determine a multiple. This multiple must often be discounted prior to applying it to valuing a private company to account for less risk related to the private company transaction data. Less risk is attributable to the private transaction data companies because they are typically larger, have audited financials and the like, when compared to smaller private companies to be valued. It is also extremely difficult to find accurate data pertaining to private transactions which is why the data below is not always updated.

Company Name	Acquirers	Description	Deal Value	EBITDA	Value Multiple	HQ Location	Deal Date	Deal Type
Kodiak Oil & Gas	Whiting Petroleum	Oil & Gas Exploration	3,800.00	721.05	5.27	Denver, CO	08-Dec-2014	Merger/Acquisition
Kinder Morgan Energy Partners	Kinder Morgan	Oil & Gas Pipeline Services	29,195.40	5,422.00	5.38	Houston, TX	26-Nov-2014	Merger/Acquisition
El Paso Pipeline Partners	Kinder Morgan	Natural Gas Pipeline Services	8,983.05	1,068.00	8.41	Houston, TX	21-Nov-2014	Merger/Acquisition
Bolt Technology	Teledyne Technologies	Mfr of offshore oil and gas equipment	171.00	13.20	12.95	Norwalk, CT	19-Nov-2014	Merger/Acquisition
Vision Oil Tools	OFS Energy Fund	Oil & Gas Fishing & Rental	145.00	12.00	12.08	Houston, TX	29-Apr-2014	Merger/Acquisition
LT Energy Services	BE Aerospace	Oil & Gas Housing Services	105.00	5.40	19.44	Houston, TX	06-Jan-2014	Merger/Acquisition
Chemlogics Group	Solvay	Oil & Gas Specialty Chemicals	1,350.00	126.00	10.71	Paso Robles, CA	07-Oct-2013	Merger/Acquisition
Gardner Denver (GDI)	KKR	Mfr of compressors, pumps, vacuums	3,900.00	415.91	9.38	Wayne, PA	31-Jul-2013	Buyout/LBO
Badlands Energy	Nuverra Environmental Solutions	Fuel Transportation	509.80	154.70	3.30	Watford City, ND	30-Nov-2012	Merger/Acquisition
Union Drilling	Sidewinder Drilling	Contract land drilling and equipment services	263.67	48.82	5.40	Fort Worth, TX	05-Nov-2012	Buyout/LBO
OMNI Energy Services (OMNI)	Gibson Energy	Oilfield Services	445.00	82.80	5.37	Carencro, LA	31-Oct-2012	Merger/Acquisition
Gulf Coast Machine & Supply	Altus Capital	Mfr of large forgings for oil and gas industry	72.00	12.00	6.00	Beaumont, TX	12-Oct-2012	Buyout/LBO
Francis Drilling Fluids	Prophet Equity, Gladstone	Drilling, completion and specialized chemicals	21.90	11.70	1.87	Crowley, LA	04-May-2012	Buyout/LBO
Novatech	The Weir Group	Mfr of oil and gas industry valves	180.00	25.20	7.14	Dallas, TX	24-Feb-2012	Merger/Acquisition
Complete Production Services (CPX)	Superior Energy Services	Oilfield Services	3,550.00	590.15	6.02	Houston, TX	07-Feb-2012	Merger/Acquisition
Average					7.92			

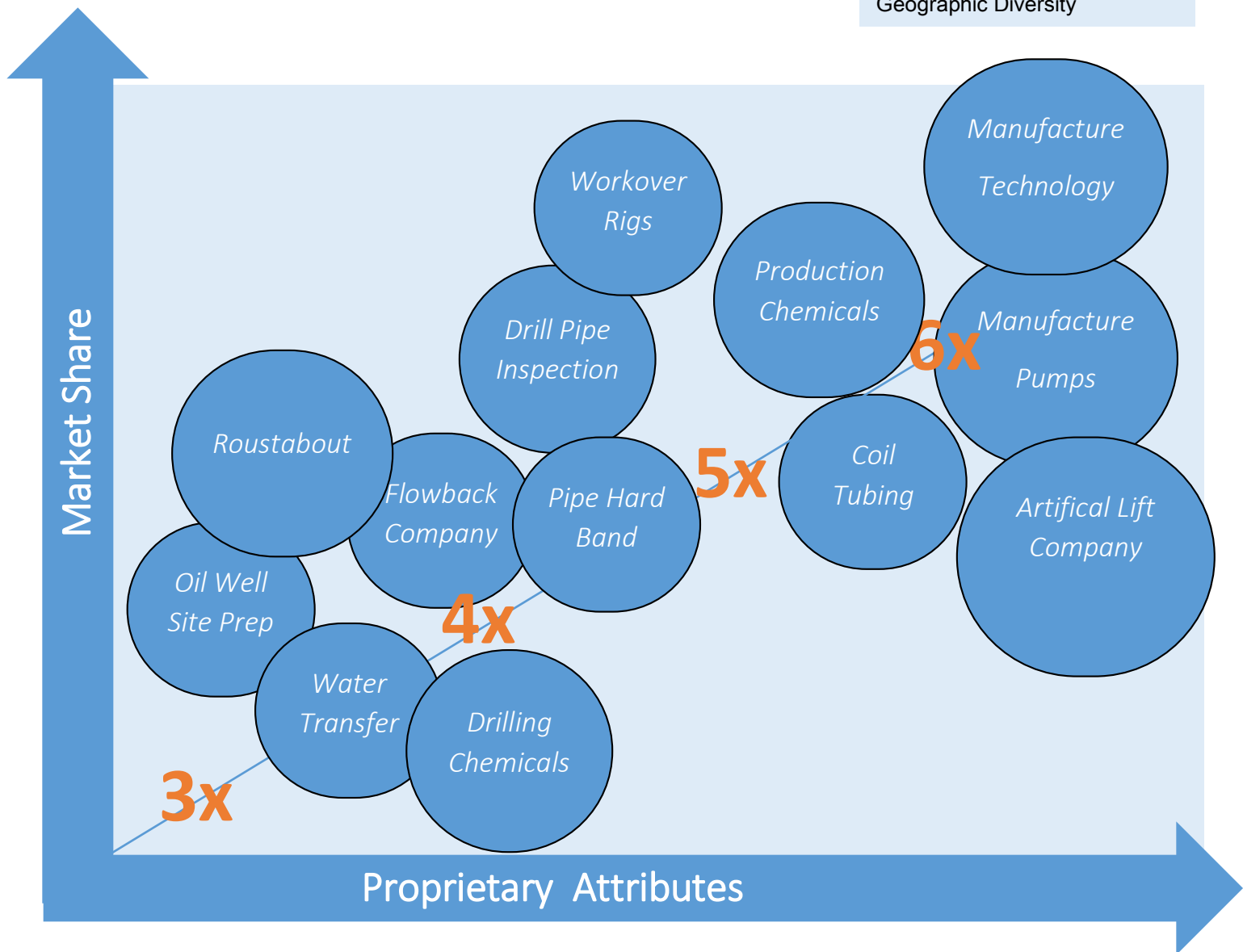
Discount the private company computed multiple by 35% to facilitate application to other private companies. The resulting discounted multiple is:

5.15x

Valuation Multiple Matrix – What Certain Types of Oilfield Service Companies Are Currently Worth (Multiple of EBITDA)

This valuation matrix indicates where the value of a variety of specific oilfield service and manufacturing companies would fall on a spectrum of multiples of EBITDA. The estimates of the relative value multiples included herein are a function of the public and private comparables analyses in this report and what Ferguson White is currently seeing in the market.

- VALUE ENHANCERS**
- Proprietary Attributes
 - Barriers to Entry
 - Customer Volume
 - Customer Diversity
 - Geographic Diversity



Oil & Gas Transaction Buyers & Funds

TOP 10 Private Equity Buyers

Rank	Investment Group	Historical Energy Investments	Active Energy Investments	HQ Location
1	Lime Rock Partners	37	15	Westport, CT
2	Riverstone Holdings	41	14	New York, NY
3	ArcLight Capital Partners	26	13	Boston, MA
4	Intervale Capital	28	12	Boston, MA
5	First Reserve	38	11	Greenwich, CT
6	Scottish Enterprise	16	10	Glasgow, UK
7	Energy Excelerator	9	9	Honolulu, HI
8	KKR	16	9	New York, NY
9	Natural Gas Partners	15	9	Irving, TX
10	OFS Energy Fund	15	9	Houston, TX

TOP 10 Corporate Buyers

Buyers

Rank	Corporate Buyer	Acquisitions	HQ Location
1	Complete Production Services	10	Houston, TX
2	Halliburton	9	Houston, TX
3	Stallion Oilfield Services	9	Houston, TX
4	Basic Energy Services	8	Fort Worth, TX
5	Forum Energy Technologies	8	Houston, TX
6	National Oilwell Varco	7	Houston, TX
7	Schlumberger	7	Houston, TX
8	Tuboscope	7	Houston, TX
9	Rockwater Energy	6	Houston, TX
10	Bronco Drilling	5	Edmond, OK

TOP 10 Energy Funds

Rank	Investment Group	Dry Powder	Fund Size	HQ Location
1	Energy Funds	\$ 6,189,000,000	\$ 6,500,000,000	Houston, TX
2	EnCap Investments	\$ 5,231,000,000	\$ 5,325,000,000	Irving, TX
3	Natural Gas Partners	\$ 4,500,000,000	\$ 4,500,000,000	New York, NY
4	The Blackstone Group	\$ 4,335,000,000	\$ 6,000,000,000	Washington, DC
5	EIG Global Energy Partners	\$ 3,109,910,000	\$ 3,502,550,000	Greenwich, CT
6	First Reserve	\$ 2,896,500,000	\$ 3,000,000,000	San Antonio, TX
7	EnCap Flatrock Midstream	\$ 2,686,720,000	\$ 5,056,870,000	Houston, TX
8	EnCap Investments	\$ 2,470,000,000	\$ 2,500,000,000	Houston, TX
9	Quantum Energy Partners	\$ 1,923,250,000	\$ 2,500,000,000	Washington, DC
10	The Carlyle Group	\$ 1,822,290,000	\$ 1,900,000,000	Stavanger, Norway

Select Industry Transactions

Ferguson White is a mergers & acquisitions advisor specializing in oilfield service companies.



Frac Tank Rentals, Inc.
Has Been Acquired By
VCP VENQUEST
CAPITAL PARTNERS
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions



Petroplex Acidizing, Inc.
Has Been Acquired By
VCP VENQUEST
CAPITAL PARTNERS
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions




Has Been Acquired By
PCC
Performance
CHEMICAL COMPANY
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions




PRODUCTION CHEMICAL CO.
Has Been Acquired By
PCC
Performance
CHEMICAL COMPANY
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions



Lone Star Pipe Inspection
Has Been Acquired By
LASALLE
CAPITAL GROUP
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions



Allied Pump & Equipment, LLC
Has Been Acquired By
Seidler
Equity Partners
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions



Hobbs Rental, Inc.
(Pipe Inspection)
Has Been Acquired By
C3 CAPITAL
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions



Has Been Acquired By
PCC
Performance
CHEMICAL COMPANY
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions



Lighthouse Energy Solutions.
Has Been Acquired By
QUANTUM
ENERGY PARTNERS
The Seller Was Advised By
FERGUSON WHITE
Mergers & Acquisitions

FERGUSON | WHITE
Mergers & Acquisitions