

MERCER CAPITAL

# Exploration & Production Valuation and Advisory Services



BUSINESS VALUATION &  
FINANCIAL ADVISORY SERVICES

[WWW.MERCERCAPITAL.COM](http://WWW.MERCERCAPITAL.COM)

# Mercer Capital E&P Advisory Services

Mercer Capital provides Exploration & Production and Joint Venture entities with business valuation and financial advisory services related to:

- Corporate Valuation
- Transaction Advisory
- Financial Reporting
- Litigation Support
- Asset Valuation
- Tax Valuation Issues

We have deep and specific industry knowledge drawn from decades of experience valuing companies and assets in basins across the U.S. and the Globe. We have experience through multiple commodity price cycles and their corresponding impacts. This thought leadership allows us to:

- Serve clients at the highest level
- Have our opinions consistently upheld in regulatory and courtroom environments
- Speak frequently at industry conferences and other events
- Write regularly on oil & gas issues. The leader of our Energy team is a Contributing Editor to Forbes.com.

We are recognized as a leading independent advisor

 **Tested by Authorities • Trusted by Clients**

## Team Leaders



**Bryce Erickson, ASA, MRICS**  
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**Donald Erickson, ASA**  
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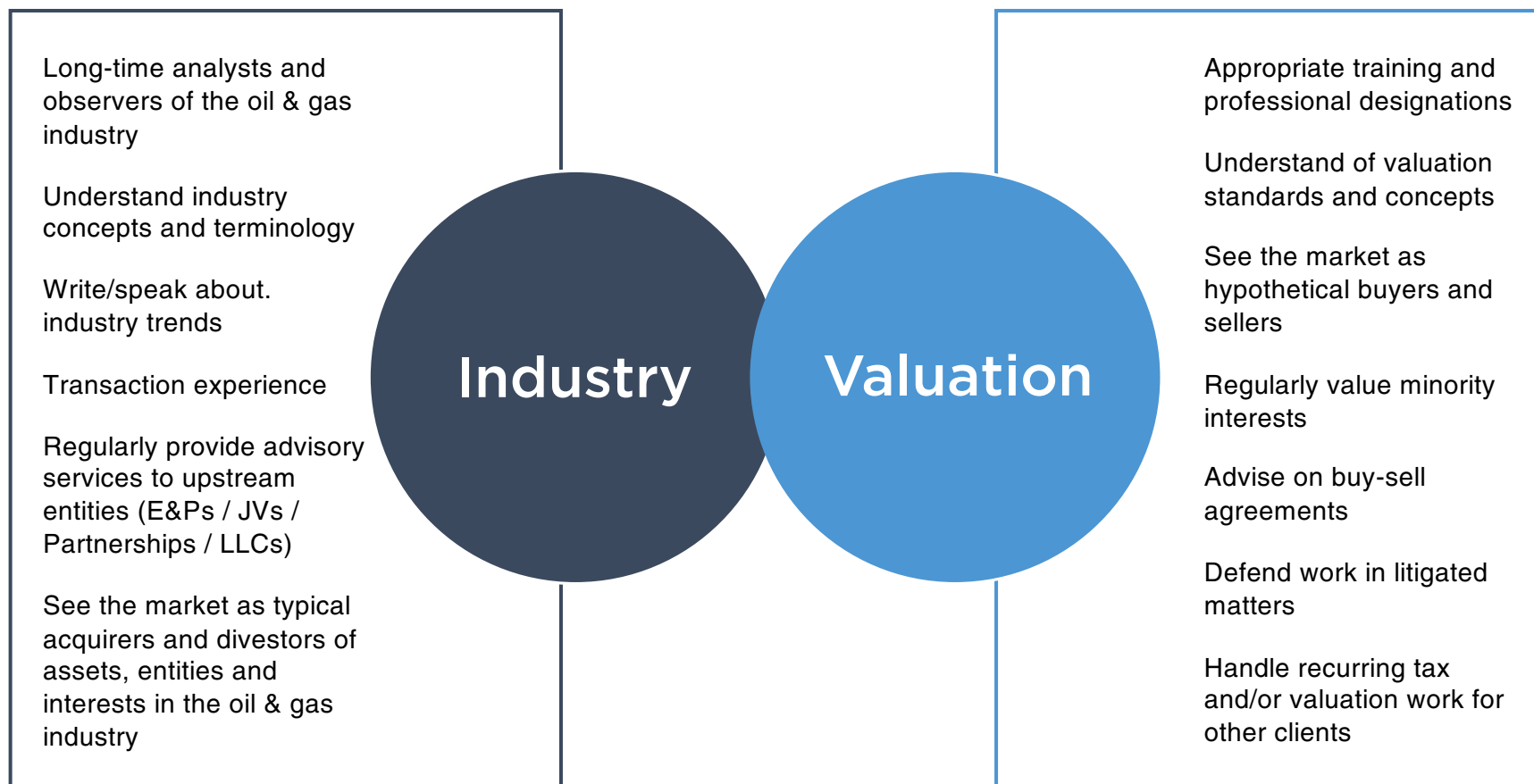


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# There are Two Types of Experts



# You Need Both

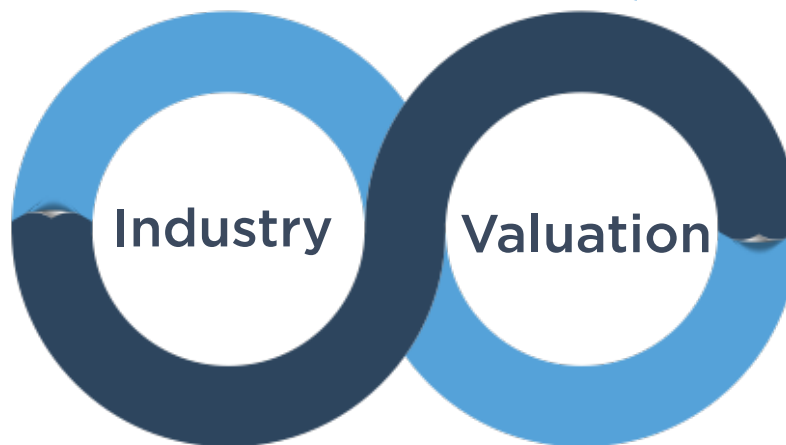
## We Are Industry Specialists

We are a valuation firm that is organized according to industry specialization

Our energy team has extensive specialty oil & gas background, experience and training

We have widespread experience with oil & gas entities, working interests, assets, and joint ventures during all phases of commodity price cycles

We write and speak regularly on industry topics through multiple respected industry channels including Forbes.com & Hart Energy



## We Are Valuation Specialists

We regularly provide valuations and other third-party opinions for a variety of purposes

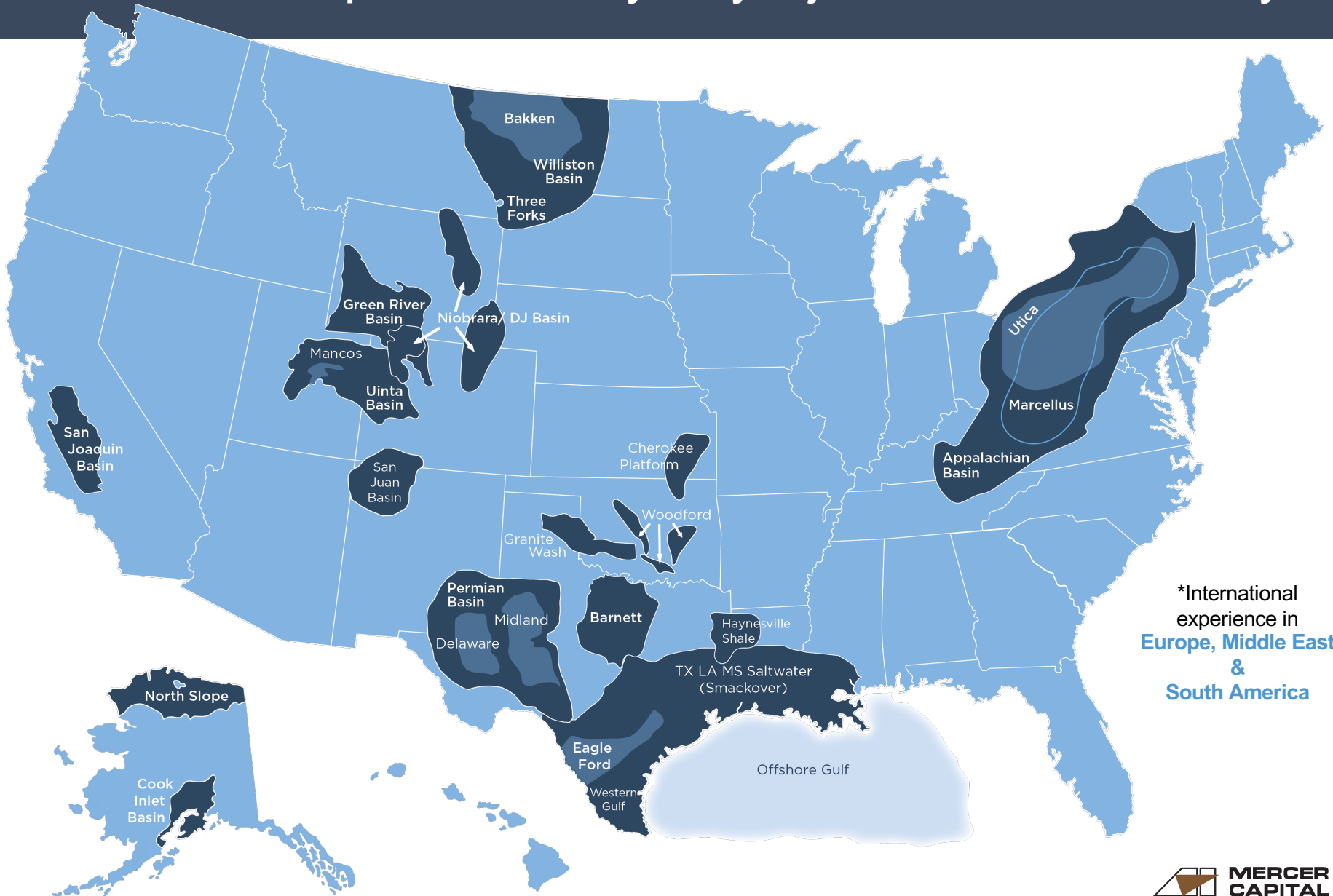
We also speak, write and train other professionals within the valuation, accounting, and legal communities

Since our founding in 1982, Mercer Capital has provided expert valuation opinions to over 15,000 clients throughout the U.S. and on six continents

We have had our opinions upheld by numerous court jurisdictions and regulatory bodies such as the IRS & PCAOB

We are active in leadership roles throughout the valuation profession

# Experience in Nearly Every Major Domestic Basin and Play



\*International experience in Europe, Middle East & South America

# Representative Recent Experience



## Permian

### Litigation Support Services

Provided valuation of minority interests held in a \$650 million partnership




## Permian

### Fairness Opinion

Prepared a fairness opinion for a publicly traded E&P company with reserves in the Permian Basin




## Permian

### Tax Reporting

Provided valuation services for oil weighted PDP and PUD reserves for gift tax purposes




## Offshore Gulf

### Litigation Support Services

Provided valuation services regarding a \$1.3 billion E&P company with offshore production




## Marcellus

### Transactional and Financial Reporting

Provided complex derivative valuation services (ASC 820) to a \$2.1 billion E&P client




## San Juan

### Bankruptcy and Restructuring

Provided valuation of undeveloped PUD assets for a dry gas E&P client




## Eagle Ford

### Financial Reporting

Provided reserve valuation and purchase price allocation (ASC 805) for a \$50 million E&P transaction




## Mid-Continent & Rockies

### Financial Reporting

Provided GAAP fair value analysis (ASC 820) to a Private Equity client with \$38 million in heavy oil & CBM assets



# Clients & Capabilities

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## Who We Serve

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- Publicly & Privately Held E&P Companies
- Private Equity Firms
- C-level Executives
- Accounting Firms
- Law Firms
- Wealth Management Firms

## Solutions

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- Services Across Regulatory Spectrum
  - Treasury Reg. 1.611-2
  - ASC 932; ASC 805; ASC 820; ASC 360
  - Ad Valorem Tax Valuations
  - Fair Value Statutes in Judicial Matters
  - Bankruptcy and Reorganizational Statutes
- Sophisticated Strategic & Advisory Capabilities
  - Acquisition Due Diligence
  - Option Modeling
  - Production Metrics and Acreage Values

## Services

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- Corporate Valuation  
(Buy-Sell, ESOP, Equity Compensation, Enterprise Value)
- Transaction Advisory  
(Fairness and Restructuring Opinions, Due Diligence, M&A Advisory)
- Financial Reporting  
(Purchase Allocation, Portfolio Valuation, Impairment Testing, Equity Comp.)
- Litigation Support  
(Shareholder Disputes, Damages & Lost Profits, Tax, Family Law)
- Asset Valuation  
(Working Interests, Undeveloped, JVs, Farm-In / Farm-Out)
- Tax Valuation Issues  
(Gift & Estate, Ad Valorem, Income Tax, Capital Gains, Reorganization / Recapitalization)

# Industry & Professional Leadership

Mercer Capital's *Energy Valuation Insights* is a weekly blog covering valuation issues in the Energy Industry



Bryce Erickson is a Contributing Editor to Forbes.com writing about oil & gas valuation and economic issues

**Forbes**

Our opinions have been reviewed and accepted by:  
State and Federal Courts  
PCAOB and Big 4 Audit Firms  
Internal Revenue Service



Our Energy Team members have been sought for commentary and insight by various publications



Experience in nearly every domestic oil & gas basin and have international experience across the globe including Europe, Middle East & South America

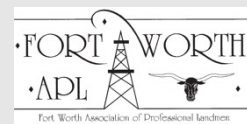


## Trusted by:

- Clients
- Boards of Directors
- Legal Community
- Accounting Firms
- Wealth Management Firms

Teachers and trainers for CLE and CPE approved courses

Speak frequently on oil & gas issues to industry and professional service audiences





# Mercer Capital's Energy Team



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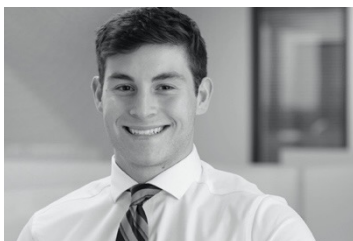
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# About Mercer Capital

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We offer a broad range of services, including corporate valuation, financial institution valuation, family business advisory services, financial reporting valuation, gift and estate tax valuation, M&A advisory, fairness opinions, ESOP and ERISA valuation services, and litigation and expert testimony consulting.

We have provided thousands of valuation opinions for corporations of all sizes in a wide variety of industries. Our valuation opinions are well-reasoned and thoroughly documented, providing critical support for any potential engagement.

Our work has been reviewed and accepted by the major agencies of the federal government charged with regulating business transactions, as well as the largest accounting and law firms in the nation in connection with engagements involving their clients.

For over 35 years, Mercer Capital has been bringing uncommon professionalism, intellectual rigor, technical expertise, and superior client service to a broad range of public and private companies and financial institutions located throughout the world. Feel confident in our experience and expertise

# Mercer Capital's Core Services

## Valuation & Financial Opinions

- Litigation-Related Expert Witness Opinions
- Succession & Shareholder Planning
- Valuations for Corporate Tax Planning
- Valuations for Gift & Estate Tax Planning
- Fairness Opinions
- ESOP & ERISA Advisory Services
- Bankruptcy-Related Valuation Services
- Valuations for Buy-Sell Agreements

## Transaction Advisory Services

- M&A and Investment Banking Services
- Bankruptcy/Restructuring Advisory
- Fairness Opinions
- Solvency Opinions
- Quality of Earnings

## Financial Reporting Valuation Services

- Purchase Price Allocation Services
- Impairment Testing Services
- Portfolio Valuation Services
- Equity-Based Compensation Valuation

## Family Business Advisory Services

- Customized Board Advisory Services
- Management Consulting
- Independent Valuation Opinions
- Transaction Advisory Services
- Confidential Shareholder Surveys
- Benchmarking/Business Intelligence
- Shareholder Engagement
- Shareholder Communication Support

## Litigation Support Services

- Business Damages & Lost Profits
- Corporate Restructuring & Dissolution
- Statutory Fair Value
- Valuation, Labor & Contract Disputes
- Family Law & Divorce
- Tax-Related Controversies
- Initial Consultation & Analysis
- Testimony & Trial Support



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