



MERCER CAPITAL

Mineral & Royalty Valuation and Advisory Services



BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

WWW.MERCERCAPITAL.COM

Mercer Capital Mineral & Royalty Valuation and Advisory Services

Mercer Capital provides Mineral & Royalty owners and related entities with valuation and financial advisory services related to:

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

We have deep industry knowledge drawn from decades of experience in valuation and transactional assistance for minerals, royalties and ORRI's in 14 states and approaching 100 counties across the U.S. We have experience through commodity cycles and their corresponding impacts. This thought leadership allows us to:

- Serve clients at the highest level
- Have our opinions consistently upheld
- 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



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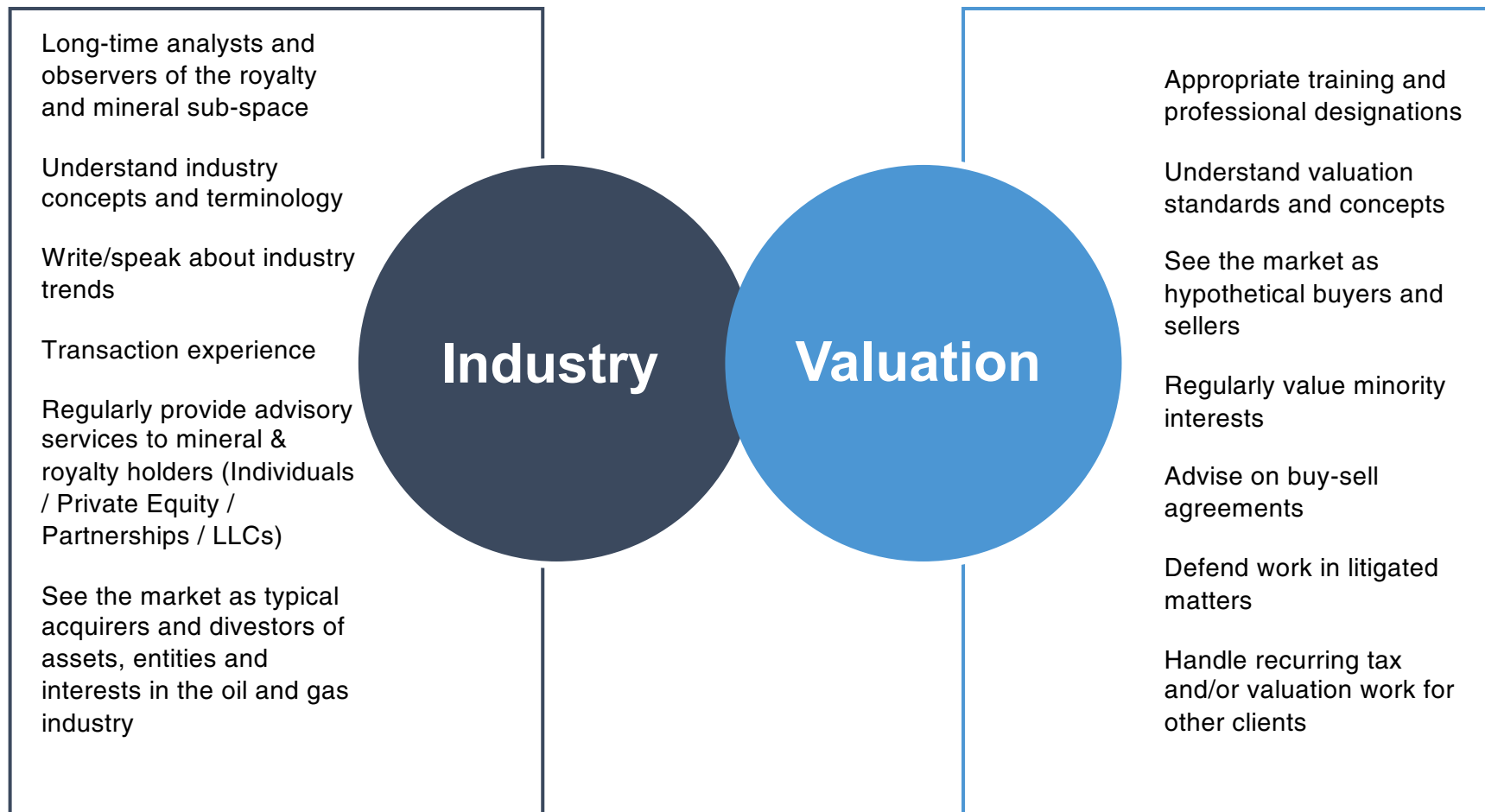


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There are Two Types of Experts



You Need Both

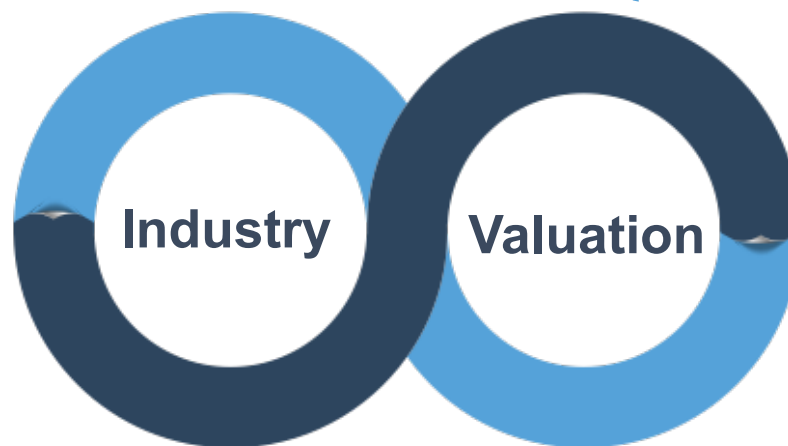
We Are Industry Specialists

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

Our energy team has extensive specialty mineral & royalty background, experience, and training

We have widespread experience with mineral and royalty entities, ORRI's, acreage, and leases 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

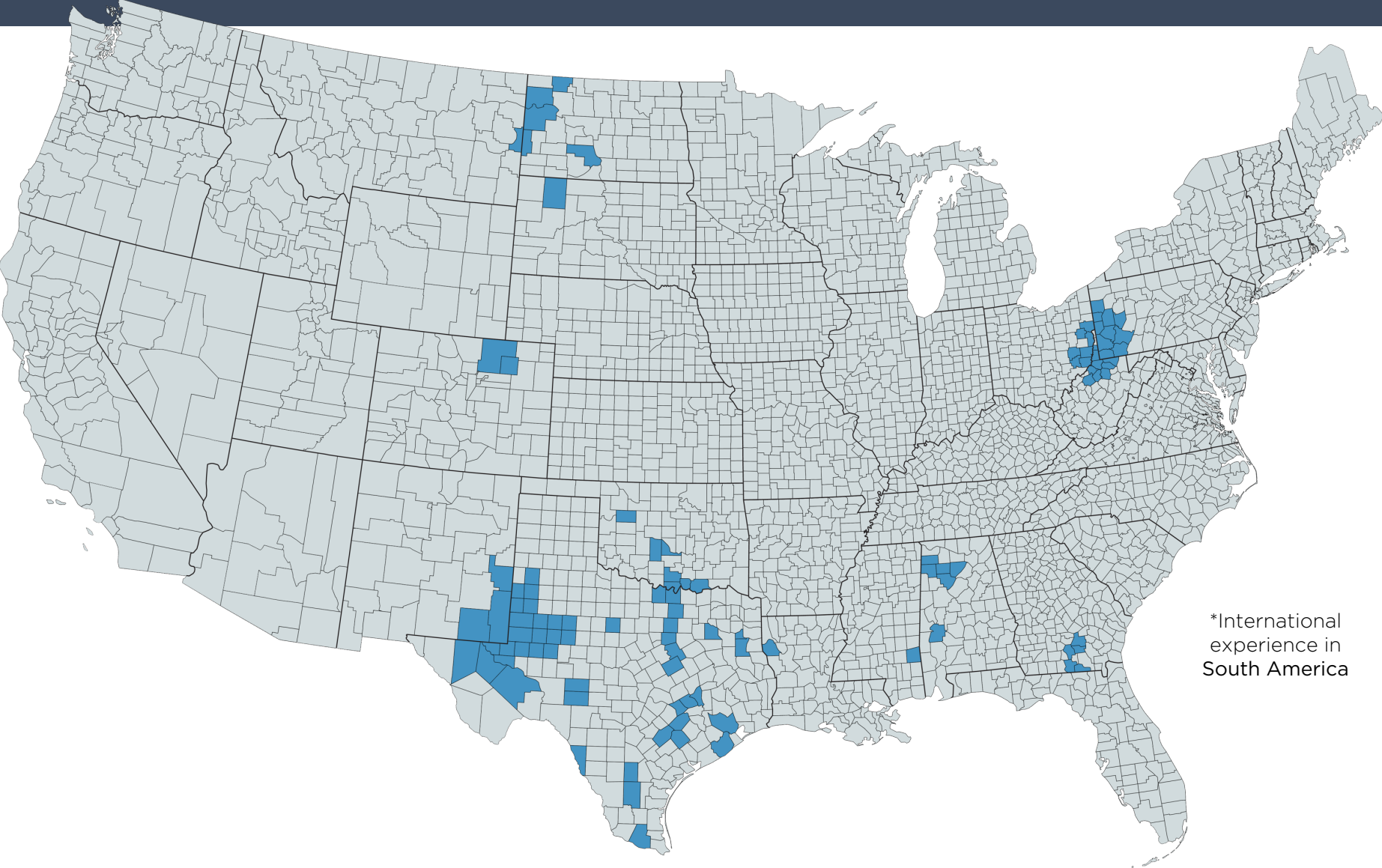
We also speak, write and train other professionals within the valuation, accounting, and legal communities

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 across 14 states and approaching 100 counties in U.S.



*International experience in South America

Representative Recent Experience

Loving County

Gift Tax Reporting

Provided valuation of royalty interests held across four counties in the Delaware Basin



Lea County

Sell-Side Services

Evaluated \$1+ million offer from prospective buyer for Delaware Basin royalty rights



Gaines County

Sell-Side Services

Provided valuation and sell-side advisory services for secondary recovery conventional royalties



Weld & Morgan County

Litigation Support Services

Provided valuation services of producing and non-producing royalties in the DJ Basin



Green County

Estate Tax Reporting

Provided valuation of multimillion-dollar dry gas royalty rights in the Marcellus Shale



Various Counties in Alabama

Charitable Tax Reporting

Provided valuation of undeveloped gas royalties in the Black Warrior Basin



McMullen County

Strategic Planning

Provided valuation of \$25+ million in royalty and additional lease rights in oil, wet gas, and dry gas windows of Eagle Ford Shale



Various Counties in North Texas

Gift Tax Reporting

Valued developed and undeveloped royalty rights across multiple counties in the Barnett Shale



Clients & Capabilities

Who We Serve

- Publicly/Private Held Mineral & Royalty Entities
- Private Equity Firms
- Individuals, Families, and Family Offices
- Accounting Firms
- Law Firms
- Wealth Management Firms

Solutions

- 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
 - Lease, ownership, and related due diligence
 - Production Metrics and Acreage Values

Services

- **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**
(Royalty Disputes, Damages & Lost Profits, Tax, Family Law)
- **Asset Valuation**
(Royalty & Working Interests, Undeveloped, Acreage, JVs)
- **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 and gas valuation and economic issues

Forbes



Our opinions have been reviewed and accepted by:

- State and Federal Courts
- Internal Revenue Service

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



Experience in 14 states and approaching 100 counties across domestic oil and gas basins. Have international experience including 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 and gas issues to industry and professional service audiences



Mercer Capital's Energy Team



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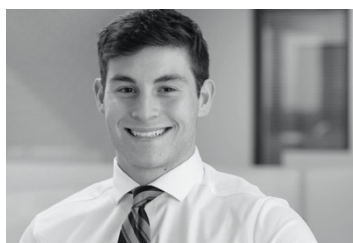
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About Mercer Capital

Mercer Capital is a national valuation and financial advisory firm. Clients include private and public companies, financial institutions, high-net worth families, and private equity/hedge funds.

Mercer Capital is an employee-owned business valuation and financial advisory firm serving a diverse client base across the globe. Business valuation and financial advisory services include ESOP and ERISA valuation services, gift and estate tax valuation, valuation for financial statement reporting purposes, M&A advisory, transaction fairness opinions, and litigation support.

Clients range from public to private, from smaller companies to large multi-nationals in a broad range of industries as well as numerous governmental agencies. In a typical year, we complete approximately 500 engagements, many of which include the valuation of multiple, complex entities.

Our analysts hold a variety of designations including:

- Accredited Senior Appraiser (ASA) from the American Society of Appraisers
- Chartered Financial Analyst (CFA) from the CFA Institute
- Accredited in Business Valuation (ABV) from the American Institute of Certified Public Accountants
- Certified Public Accountant (CPA) from the American Institute of Certified Public Accountants
- Certified Business Appraiser (CBA) from the Institute of Business Appraisers
- Certified in Financial Forensics (CFF) from the American Institute of Certified Public Accountants
- Member of the Royal Institution of Chartered Surveyors (MRICS)

Mercer Capital's is a thought-leader in the valuation profession. Our senior professionals have authored books and written extensively in a variety of publications and are frequent speakers at regional and national meetings of professional societies.

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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www.mercercapital.com