

MERCER CAPITAL

Oil & Gas Qualifications



BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

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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.

Oil & Gas Experience

Mercer Capital has over 20 years of experience valuing assets and companies in the oil & gas industry. Our experience and expertise span the entirety of the energy value chain, including upstream (E&P), midstream, refining & marketing, and oilfield services.

A key component of upstream valuations is the underlying reserve base. Mercer Capital understands how market participants view various reserve categories, including proved developed producing (PDP), proved developed non-producing (PDNP), proved undeveloped (PUD), as well as probable and possible reserves. The nature of the ownership interest is important as well, as working interests and royalty interest have fundamentally different economics which must be incorporated in any valuation analysis. We have valued billions of dollars of reserves over our careers and have one of the most active valuation practices in America.

On the downstream side, Mercer Capital has experience valuing refining & marketing companies. Refining is a capital-intensive business, and profitability is largely driven by the crack spread (which measures the prices of refined products compared to the cost of crude oil). Understanding these market dynamics is critical in preparing a credible valuation.

We also value oilfield services (OFS) companies supporting the E&P sector, including companies providing casing & tubing, wireline, intervention, seismic, and drilling & completion services, as well as tool and equipment manufacturers. While OFS companies are economically much closer to standard operating companies than their E&P counterparts, they are particularly exposed the cyclicity of the oil patch, requiring thoughtful analysis when preparing a valuation.

Purposes & Supportability

Purposes

Mercer Capital's oil & gas-related valuations have been utilized to support:

- Estate and gift tax compliance
- Financial statement reporting
- Transaction opinions
- Litigation

We have performed oil & gas valuations for assets and entities located domestically and internationally.

Supportability

Our oil & gas valuations have been reviewed and relied on by buyers and sellers and Big 4 accounting firms. Our valuation analyses have been scrutinized and upheld by the IRS, PCAOB, and State & Federal Courts.

Senior Oil & Gas Professionals

Donald Erickson, ASA
Managing Director

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Don Erickson is a Managing Director at Mercer Capital. Prior to Mercer Capital, Don was the owner of Erickson Partners, a valuation and advisory firm in Dallas, Texas. He was also a former Senior Partner with Ernst & Young LLP's Corporate Finance Practice. He has managed over 1,500 valuation engagements since his entry into the valuation profession in 1972. These engagements have been conducted for the purposes of litigation, mergers & acquisitions, financing, purchase price allocations, estate & gift taxes, employee stock ownership plans, and business planning.

Court Testimony

His testimony has been in support of valuation opinions of business enterprises and intangible assets. He has also testified as to the fair value of stockholder interests as well as economic and financial damages to business interests. His testimony experience has been in deposition and trial in both state and federal cases.

Energy Experience

His experience includes the valuation of companies for transactional analysis, purchase price allocations, and estate and income tax, and litigation support purposes. He has developed specialized expertise in the energy industry and has performed valuations in the oil & gas exploration, hydrocarbon refining, oil & gas service, power marketing & trading, and oil & gas transportation, pipeline, and storage industries

Education

Don received his Bachelor of Science degree from the University of Santa Clara and his Master of Business Administration degree from the University of Oregon. He has taken additional courses in investment analysis from the American Institute of Real Estate Appraisers and real estate appraisal courses from UCLA Extension. Don is a Senior Member of the American Society of Appraisers (ASA), certified in the discipline of Business Valuation, and he was formerly National Chairman of the ASA Business Valuation Committee. Is "Past National Chairman" an actual title, or would it be better to say "previously served as"?

Senior Oil & Gas Professionals

Bryce Erickson, ASA, MRICS
Managing Director

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Bryce Erickson is a Senior Vice President at Mercer Capital. He has been involved with numerous valuation engagements since his entry into the valuation profession in 1998. These engagements have been conducted for the purposes of financial reporting, estate & gift taxes, purchase price allocations, litigation support, financing, and business planning. **Court Testimony**

His testimony has been in support of valuation opinions of business enterprises and intangible assets. He has also testified as to the fair value of stockholder interests as well as economic and financial damages to business interests. His testimony experience has been in deposition and trial in both state and federal cases.

Bryce has managed and been involved in valuations and litigation support work in a diverse range of industries on both a national and international level. He has performed both enterprise and minority stock valuations. Prior to Mercer Capital, he was the Managing Director of Erickson Partners, a valuation and advisory firm. Bryce was also a Senior Financial Analyst for Prudential Capital Group, a leading provider of private capital with a \$34 billion portfolio, in their Dallas office. During his tenure he was an integral member of deal teams that underwrote, structured, and closed over a dozen transactions totaling more than \$550 million in committed capital including senior debt, subordinated debt, mezzanine, and equity. He also monitored, reviewed, and annually performed credit analysis of a \$3 billion portfolio. Before his term at the Prudential Capital Group, he worked at KPMG LLP in their Global Financial Strategies practice in Dallas, Texas.

Energy Experience

Bryce has developed specialized expertise in the energy industry and has performed numerous valuations and capital underwriting in the oil and gas exploration, hydrocarbon refining, oil and gas service, power marketing and trading, and oil and gas transportation, pipeline and storage industries.

Accreditation

Bryce holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers in Business Valuation. He also holds the MRICS designation from the Royal Institute of Chartered Surveyors.

Education

Bryce received his Bachelor of Business Administration in Economics from Baylor University.

Senior Oil & Gas Professionals

J. David Smith, ASA, CFA

Senior Vice President

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David Smith, Senior Vice President, has over 20 years of business valuation experience and has been involved with hundreds of valuation and related engagements. He values businesses, business interests, and intangible assets for financial reporting, corporate tax, corporate M&A, employee stock ownership plans, and gift & estate tax purposes. He also provides public and private clients with fair value opinions and related assistance pertaining to goodwill and other intangible assets, stock-based compensation, and illiquid financial assets. Noteworthy industry experience includes financial services, oil & gas, and biotechnology.

Prior to joining Mercer Capital, David was a partner at HSSK, LLC, a business valuation, litigation consulting, and financial restructuring firm in Houston, Texas. David began his valuation career in the 1990s with Howard Frazier Barker Elliott, Inc

Energy Experience

David has developed specialized expertise in the energy industry and has performed numerous valuations in the oil & gas exploration, oil & gas field services, oil & gas equipment, and gathering system and pipeline industries.

Accreditation

David holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers in Business Valuation. He also holds the Chartered Financial Analyst (CFA) designation from The CFA Institute.

Education

David received his MBA from The University of Houston and his Bachelor of Business Administration from Texas A&M University.

Senior Oil & Gas Professionals

Andrew B. Frew, ASA, ABV
Vice President

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Andy Frew, Vice President, has over 20 years of business valuation experience. He has been involved with hundreds of valuation and related engagements in numerous industries. He values businesses and business interests for financial reporting, gift and estate tax, corporate tax, corporate M&A, and employee stock ownership plan purposes. As part of his financial reporting practice, he provides public and private clients with fair value opinions and related assistance pertaining to goodwill and other intangible assets, stock-based compensation, and illiquid financial assets.

Noteworthy industry experience includes the oil and gas (specifically upstream/E&P), oilfield services, and auto dealership industries. As a member of the firm's Energy Industry Team, Andy is a regular contributor to Mercer Capital's *Energy Valuation Insights Blog*. Prior to joining Mercer Capital, Andy was a senior valuation manager in the Houston, Texas office of Forvis (formerly BKD). Andy began his valuation career in the early 2000s with HFBE, Inc.

Accreditation

Andy holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers in Business Valuation. He also holds the Accredited in Business Valuation (ABV) designation from The American Institute of Certified Public Accountants.

Education

Andy received his BBA with a concentration in Finance from The Texas A&M University.

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

Mercer Capital's Energy Team



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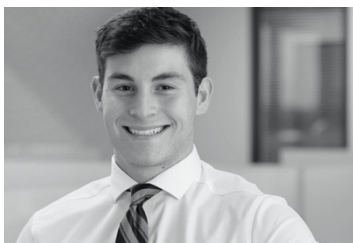
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