



Mineral & Royalty Valuation and 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 advisory services related to:

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

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
- 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
Managing Director
ericksonb@mercercapital.com
214.468.8411



Donald Erickson, ASA
Managing Director
ericksond@mercercapital.com
214.468.8404

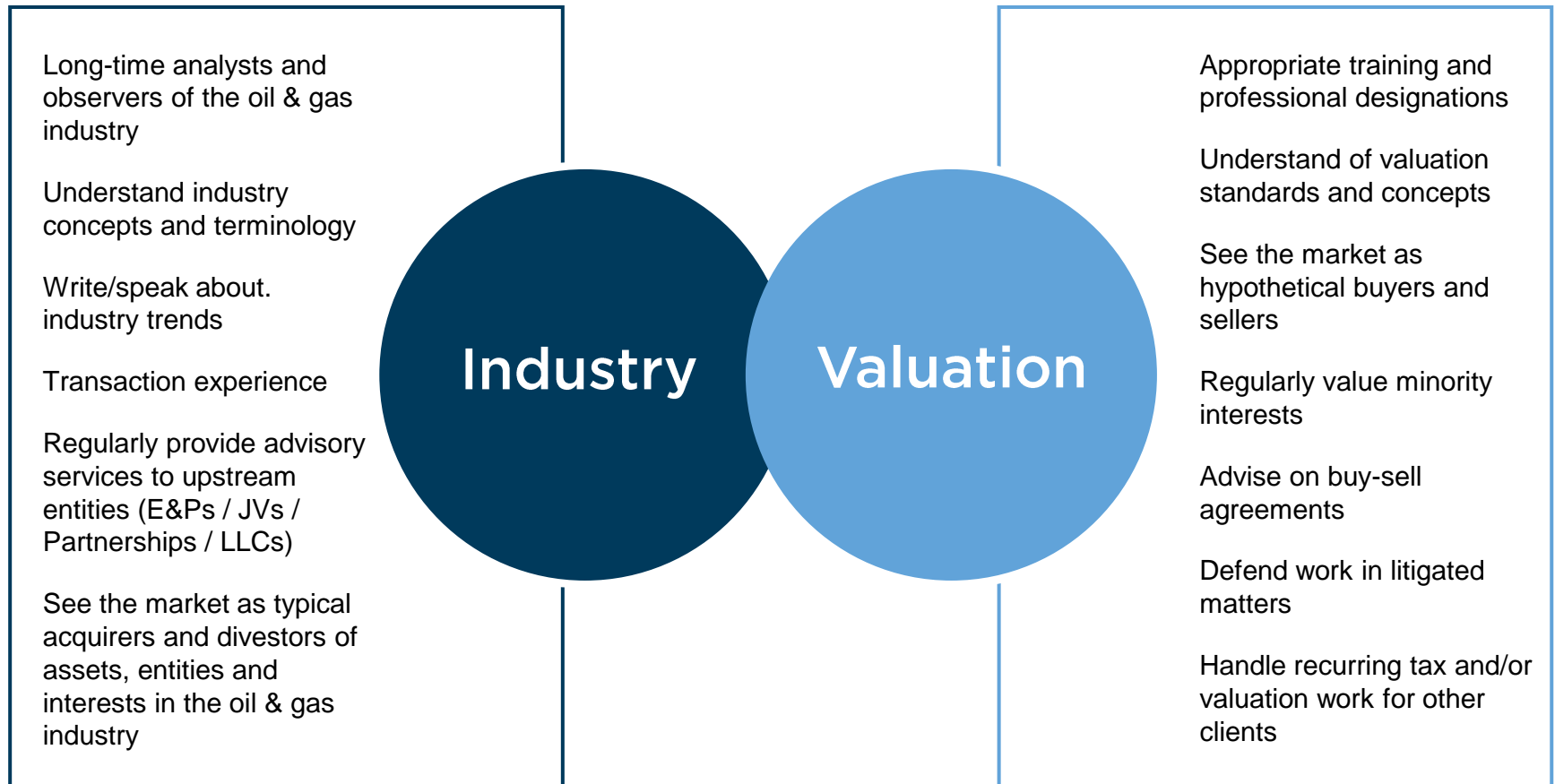


J. David Smith, ASA, CFA
Senior Vice President
smithd@mercercapital.com
832.432.1011



Andrew B. Frew, ASA, ABV
Vice President
frewa@mercercapital.com
832.966.0345

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 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

Industry

Valuation

We Are Valuation Specialists

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

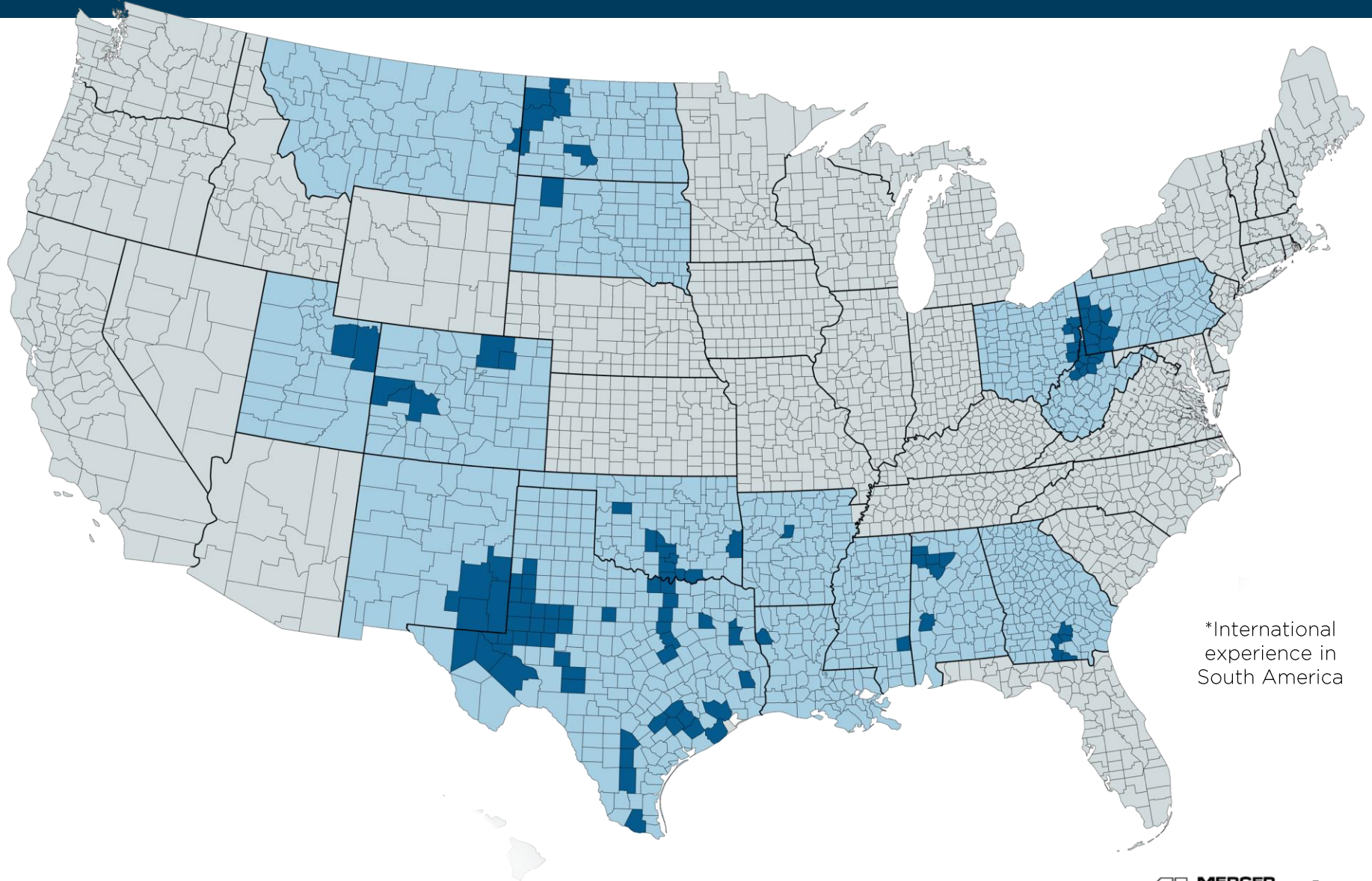
We also speak, write and train other professionals within the valuation, accounting, and legal communities

Since our founding in 1982, Mercer Capital has provided expert valuation opinions to over 16,000 clients throughout the U.S. and on six continents

We have had our opinions upheld by numerous court jurisdictions and regulatory bodies

We are active in leadership roles throughout the valuation profession

Engagements across 16 states and over 100 counties in U.S.



Representative Experience



Litigation Support Services

Producing and Developing Royalty and Mineral Interests in the Bakken & Oklahoma



Litigation Support Services

Royalty interests in numerous gas wells in Conway County, Arkansas



Litigation Support Services

Provided expert valuation services for mineral and royalty interests across multiple states and entities



Estate Tax Reporting

Valued mineral rights and royalty income in the Swanson River Oil and Gas Field



Gift Tax Reporting

Valued limited partnership interests related to mineral and royalty assets in the Midland Basin with over 280 wells and nearly 30 DUC's and permitted wells



Estate Tax Reporting

Valued non-producing mineral acreage in Coastal South Texas



Sell-Side Consulting

Valued producing and non-producing mineral interests in the Eagle Ford Shale



Pricing for Internal Transaction

Valued producing and non-producing royalty interests in Tyler County, Texas



Representative 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 & Privately Held E&P Companies
- Private Equity Firms
- C-level Executives
- 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
 - Option Modeling
 - 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 Compensation)
- 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

Valuation & Advisory Services

Mercer Capital, an employee-owned firm, is one of the largest independent valuation and advisory services firms in the nation. Founded in 1982, we serve a national and international client base.

We have provided thousands of valuation opinions for corporations and financial institutions of all sizes across virtually every industry vertical.

We offer a broad range of valuation services, including corporate valuation, gift, estate, and income tax valuation, buy-sell agreement valuation, financial reporting valuation, ESOP and ERISA valuation services, and litigation support services.

In addition, Mercer Capital provides investment banking, transaction advisory, and restructuring services to a broad range of public and private companies and financial institutions. Mercer Capital leverages our historical valuation and investment banking experience to help you navigate a critical transaction, providing timely, accurate and reliable results. We have significant experience advising boards of directors, management, trustees, and other fiduciaries of middle-market public and private companies in a wide range of industries.

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

Mercer Capital

List of Services

Valuation & Financial Opinions

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

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

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



BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

www.mercercapital.com



DALLAS OFFICE

12221 Merit Dr., Suite 975
Dallas, TX 75251
214.468.8400



HOUSTON OFFICE

20333 State Highway 249, Suite 200
Houston, TX 77070
832.740.1744



MEMPHIS OFFICE

5100 Poplar Ave., Suite 2600
Memphis, TN 38137
901.685.2120



NASHVILLE OFFICE

104 Woodmont Blvd. Suite 340
Nashville, TN 37205
615.535.3589



WINTER PARK OFFICE

222 West Comstock Ave., Suite 221
Winter Park, FL 32789
407.599.2825