

July 2012

# Energy Perspectives

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## Energy Market Outlook

High volatility in the oil & gas futures markets tied to worldwide economic growth prospects and resolving the Euro debt contagion, amongst other things, has rippled through the oil & gas subsectors. The 2012 U.S. Presidential election has led to an effective “moratorium” on any meaningful regulatory changes to affect the oil & gas industry. The last 18 months in the oil patch have seen a distinct growth in liquids plays on the heels of dramatic oversupply of natural gas and surges in pricing for Natural Gas Liquids (NGLs). However, NGL prices have fallen recently due to a glut of supply, although continued production is still economic at the lower prices. Rigs have shifted from dry gas resource plays to liquids plays to take advantage of the distinct divide between prices on an energy-equivalent basis.

Major integrated oil and gas companies will soon set their capital spending plans for 2013, which typically signals to the rest of the industry the outlook for the coming year. U.S. rig counts have begun to decline over the last few months. Large service companies have recently announced strong second quarter earnings but are cautious regarding the second half of 2012 as margins are declining in key service lines such as fracing. For the onshore U.S., the outlook for 2013 suggests a challenging

environment, although it is not expected to be a prolonged downturn. In anticipation of additional liquids production coming online through 2014, much of the midstream space should hold up well as projects begun in late 2011 will require high levels of service and manufacturing support as the infrastructure is built out. Offshore U.S. represents a bright spot for the oil & gas industry, as regulatory changes have been effected, and the past year has seen a tremendous increase in permitting across the Gulf of Mexico in preparation for a heavy drilling year in 2013. Spending plans are being set, yielding multiple opportunities for new entrants in the rather fragmented deepwater service environment. Refineries in the Gulf Coast are investing additional capital in upgrades as pipelines connecting the Mid-Continent to the Gulf Coast come online in the next 18-24 months to transport increasing amounts of oil being produced in other parts of the U.S.

Although 2012 is only half over, 2013 is shaping up for a challenging year for U.S. onshore service firms as supply has caught up with demand, with deepwater, midstream, and downstream service sectors expecting continued growth.

# Public Markets Update as of July 20, 2012<sup>1</sup>

## Energy Sub-Sector Summary<sup>2</sup>

	Average LTM EBITDA Margin	Average EV/EBITDA		Average % of 52-Week High
		LTM	2012E	
<b>Oilfield Service (OFS)</b>				
Diversified	21.9%	6.1x	5.7x	57.1%
Service Focused	26.2	5.3	4.6	56.2
Equipment Focused	19.7	10.3	8.6	78.7
<b>E&amp;P</b>				
Integrated Majors	14.7%	3.8x	4.0x	87.7%
Large Independents	58.6	4.8	5.1	69.4
<b>Drillers</b>				
Land	33.2%	3.9x	3.6x	48.9%
Offshore	41.0	9.5	7.7	82.3
<b>Others</b>				
Offshore Transportation	23.4%	9.8x	8.0x	85.1%
Construction	7.5	9.3	5.5	68.6
Industrial Services	10.4	8.9	8.4	78.0
Seismic Related	27.4	6.4	5.1	75.4
<b>Average<sup>3</sup></b>	<b>24.2%</b>	<b>7.1x</b>	<b>6.0x</b>	<b>72.3%</b>
<b>Median</b>	<b>23.4%</b>	<b>6.4x</b>	<b>5.5x</b>	<b>75.4%</b>

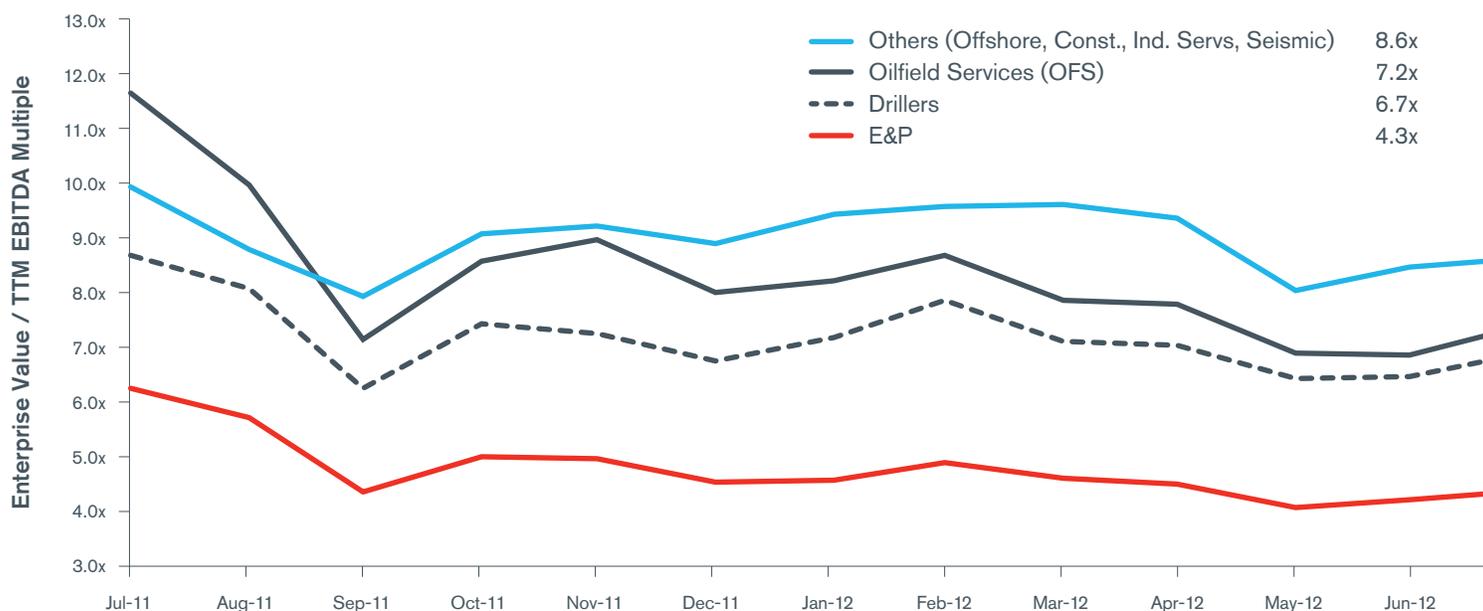
(1) For definitions, refer to page 5.

(2) For more data around the constituents of each sub-sector, refer to pages 5-10.

(3) Excludes the highest and lowest values.

Source: Capital IQ

## Average Major Energy Sectors' Trading Multiples for the Last 12 Months



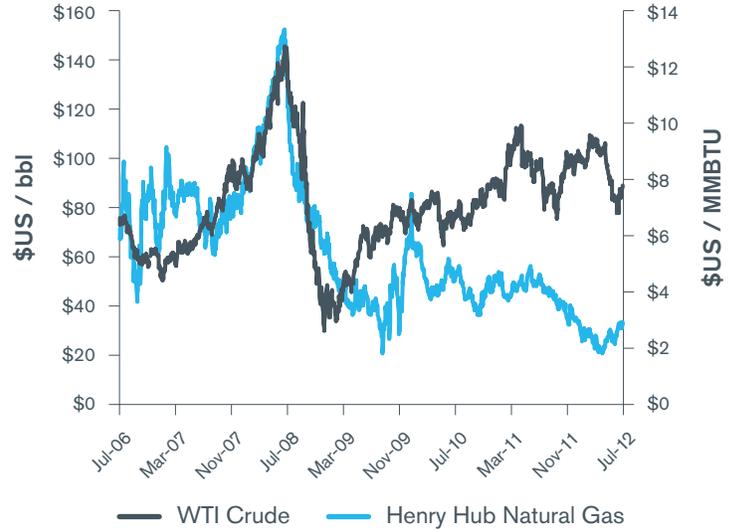
# Market Review

OSX Index — Last 12 Months through 07/20/2012



Source: Capital IQ

Crude Oil & Natural Gas Spot Prices — 2006 through 07/20/2012



Current Oil & Gas Prices as of 07/20/2012

Oil	Gas	Oil 12 Mo Strip	Gas 12 Mo Strip
\$89.07	\$2.83	\$90.24	\$3.41

Sources: EIA, Bloomberg

North American Rig Count as of 07/20/2012

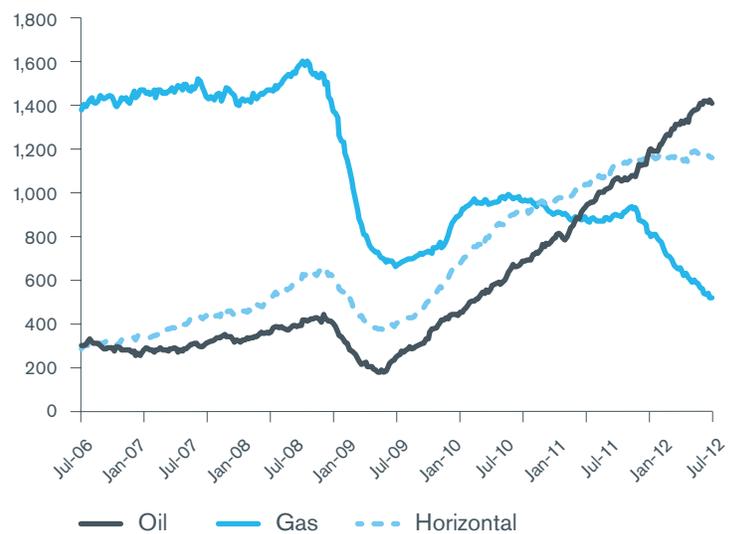
Location	This Week	+/-	Last Week	+/-	Year Ago
Land	1,866	(17)	1,883	5	1,861
Inland Waters	18	(1)	19	0	18
Offshore	51	0	51	14	37
<b>United States Total</b>	<b>1,935</b>	<b>(18)</b>	<b>1,953</b>	<b>19</b>	<b>1,916</b>

Gulf of Mexico	18	(1)	19	0	18
Canada	328	32	296	(48)	376
North America	2,263	14	2,249	(29)	2,292

U.S. Breakout	This Week	+/-	Last Week	+/-	Year Ago
Oil	1,414	(13)	1,427	393	1,021
Gas	518	(4)	522	(371)	889
Miscellaneous	3	(1)	4	(3)	6
Directional	230	(2)	232	(14)	244
Horizontal	1,164	(2)	1,166	62	1,102
Vertical	541	(14)	555	(29)	570

Source: Baker Hughes

U.S. Historical Rig Count — 2006 to 07/20/2012



Source: Baker Hughes

% of Total U.S. Rig Count

	Gas	Oil	Land	Horizontal
July 20, 2012	26.8%	73.2%	96.4%	60.2%
Year Ago	46.6%	53.4%	97.1%	57.5%

Source: Baker Hughes

## Upcoming Events

### Enercom Oil & Gas Conference

August 12-16, 2012 | Denver, Colorado

A terrific line-up of speakers and attendees to examine the great growth potential of the oil and gas business

### Deepwater Oil & Gas: Regulations & Risk Management

August 20-21, 2012 | Houston, Texas

In-depth policy update, insight into the new federal regulatory scheme, discuss compliance strategies, identify new approaches to risk management, and explore the latest practices in asset integrity management

### Houston Producers Forum Luncheon Meeting

August 21, 2012 | Houston, Texas

Featured speaker Robert C. Turnham, President & COO of Goodrich Petroleum Corporation

### Summer NAPE

August 22-24, 2012 | Houston, Texas

Marketplace for the buying, selling and trading of oil and gas prospects and producing properties

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## Featured Articles

### IEA: 2013 Oil Demand Growth Higher On Muted Recovery

Global oil demand is expected to rise by one million barrels a day next year, faster than growth this year, but “well below” the levels seen before the financial crisis.

[http://www.rigzone.com/news/article.asp?a\\_id=119285](http://www.rigzone.com/news/article.asp?a_id=119285)

*Rigzone*, July 12, 2012

### Domestic Energy Supplies Boost U.S. Economy

The economic benefits of far-reaching new finds of domestic oil and natural gas are fast approaching \$1 billion a day and may be keeping the U.S. out of another recession.

<http://www.usatoday.com/money/industries/energy/story/2012-07-11/natural-gas-finds-lower-energy-costs/56157080/1>

*USA Today*, July 12, 2012

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## Industry Remarks

“Natural gas has always been the cleanest-burning, most efficient primary energy source, and now, thanks to our ability to produce natural gas from shale in a safe and responsible manner, our domestic supply picture has never been brighter...”

Larry Borgard  
*Chairman, American Gas Association*

“[Energy Independence] comes from drilling wells. You have to go out there and poke holes in the ground. And basically the technology that we have today to go down two miles, turn right, and drill two miles farther and hit your target in there, we do that every day. I started talked about American energy independence two years ago and at that time, hardly anybody was on the bandwagon with me.”

Harold Hamm  
*CEO of Continental Resources*

# Appendix

## Selected Public Company Trading Statistics

### OILFIELD SERVICE (OFS)<sup>1</sup>

	Ticker	Price as of 7/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Diversified</b>													
Baker Hughes Incorporated	BHI	\$45.59	\$37.08	\$81.00	\$19,990.3	\$24,230.3	\$21,246.0	\$4,342.0	\$4,109.8	20.4%	5.6x	5.9x	56.3%
Halliburton Company	HAL	30.77	26.28	57.77	28,400.9	30,485.9	27,714.0	6,485.0	6,415.0	23.4	4.7	4.8	53.3
Schlumberger Limited	SLB	69.33	54.79	95.53	92,455.3	99,436.3	42,825.0	10,897.0	11,337.0	25.4	9.1	8.8	72.6
Weatherford International Ltd.	WFT	13.20	10.85	22.76	10,026.3	17,599.3	13,733.0	2,662.0	3,189.5	19.4	6.6	5.5	58.0
				<b>Average<sup>2</sup></b>	<b>\$24,195.6</b>	<b>\$27,358.1</b>	<b>\$24,480.0</b>	<b>\$5,413.5</b>	<b>\$5,262.4</b>	<b>21.9%</b>	<b>6.1x</b>	<b>5.7x</b>	<b>57.1%</b>
				<b>Median</b>	<b>\$24,195.6</b>	<b>\$27,358.1</b>	<b>\$24,480.0</b>	<b>\$5,413.5</b>	<b>\$5,262.4</b>	<b>21.9%</b>	<b>6.1x</b>	<b>5.7x</b>	<b>57.1%</b>
<b>Service Focused</b>													
Archer Limited	ARCHER	\$1.85	\$1.30	\$5.83	\$678.7	\$1,790.8	\$1,980.1	\$309.3	\$317.0	15.6%	5.8x	5.6x	31.8%
Basic Energy Services, Inc.	BAS	10.24	8.52	36.45	420.0	1,134.5	1,368.1	368.6	343.2	26.9	3.1	3.3	28.1
Calfrac Well Services Ltd.	CFW	22.29	20.00	38.23	988.8	1,286.0	1,677.5	439.1	338.4	26.2	2.9	3.8	58.3
C&J Energy Services, Inc.	CJES	17.71	12.65	32.94	920.1	841.9	870.3	317.4	346.0	36.5	2.7	2.4	53.8
Core Laboratories NV	CLB	108.43	82.74	143.21	5,129.5	5,316.5	956.3	304.2	334.6	31.8	17.5	15.9	75.7
Key Energy Services Inc.	KEG	7.61	6.52	20.77	1,149.2	2,015.0	1,969.3	464.1	477.0	23.6	4.3	4.2	36.6
Natural Gas Services Group Inc.	NGS	15.36	10.92	17.02	189.1	160.6	76.5	31.6	39.0	41.4	5.1	4.1	90.2
Newpark Resources Inc.	NR	6.29	5.19	10.62	565.5	762.5	1,017.9	162.5	149.0	16.0	4.7	5.1	59.2
Oil States International Inc.	OIS	74.15	44.77	87.65	3,829.6	4,962.0	3,817.7	813.1	901.5	21.3	6.1	5.5	84.6
RPC Inc.	RES	12.46	8.75	18.21	2,734.9	2,909.9	1,930.6	705.2	626.0	36.5	4.1	4.6	68.4
Superior Energy Services, Inc.	SPN	22.37	17.54	42.87	3,524.1	5,419.0	2,652.0	760.2	1,381.4	28.7	7.1	3.9	52.2
TETRA Technologies, Inc.	TTI	7.32	6.09	13.32	567.8	792.7	803.5	68.1	164.2	8.5	11.6	4.8	55.0
Trican Well Service Ltd.	TCW	11.39	10.19	26.44	1,669.3	2,024.2	2,496.4	633.6	380.5	25.4	3.2	5.3	43.1
				<b>Average<sup>2</sup></b>	<b>\$1,549.8</b>	<b>\$2,166.9</b>	<b>\$1,611.1</b>	<b>\$412.0</b>	<b>\$397.9</b>	<b>26.2%</b>	<b>5.3x</b>	<b>4.6x</b>	<b>56.2%</b>
				<b>Median</b>	<b>\$988.8</b>	<b>\$1,790.8</b>	<b>\$1,677.5</b>	<b>\$368.6</b>	<b>\$343.2</b>	<b>26.2%</b>	<b>4.7x</b>	<b>4.6x</b>	<b>55.0%</b>

#### Enterprise Value

Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short Term Investments

#### EBITDA

Earnings Before Interest, Taxes, Depreciation, and Amortization

#### LTM

Last Twelve Months

(1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.

Source: Capital IQ

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## Selected Public Company Trading Statistics

### OILFIELD SERVICE (OFS)<sup>1</sup>

	Ticker	Price as of 7/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Equipment Focused</b>													
Cameron International Corporation	CAM	\$45.66	\$38.38	\$58.50	\$11,245.7	\$11,846.2	\$7,262.0	\$1,157.9	\$1,351.6	15.9%	10.2x	8.8x	78.1%
Dover Corp.	DOV	53.42	43.64	67.58	9,765.5	11,174.7	8,363.0	1,603.4	1,676.0	19.2	7.0	6.7	79.0
Dresser-Rand Group Inc.	DRC	44.77	34.68	56.53	3,386.3	4,331.2	2,619.2	399.5	479.2	15.3	10.8	9.0	79.2
Dril-Quip, Inc.	DRQ	71.58	47.40	77.12	2,876.8	2,591.4	640.8	167.1	184.8	26.1	15.5	14.0	92.8
Flotek Industries Inc.	FTK	10.48	3.89	14.73	518.4	573.7	285.1	66.6	77.1	23.4	8.6	7.4	71.1
FMC Technologies, Inc.	FTI	42.09	34.46	55.19	10,064.1	10,459.5	5,413.7	696.4	825.0	12.9	15.0	12.7	76.3
General Electric Company	GE	19.87	14.02	21.00	210,528.8	520,928.8	141,326.0	24,214.0	28,661.5	17.1	21.5	18.2	94.6
Lufkin Industries Inc.	LUFK	58.10	42.10	85.68	1,951.9	2,204.1	1,017.3	157.1	249.0	15.4	14.0	8.9	67.8
National Oilwell Varco, Inc.	NOV	69.21	47.97	87.72	29,498.3	26,722.3	15,815.0	3,773.0	4,357.5	23.9	7.1	6.1	78.9
Robbins & Myers Inc.	RBN	45.11	31.54	54.60	1,920.6	1,788.8	1,018.6	258.4	263.3	25.4	6.9	6.8	82.6
Tenaris SA	TEN	18.44	10.75	20.06	21,772.6	22,203.1	10,265.9	2,534.7	3,019.0	24.7	8.8	7.4	91.9
Tesco Corporation	TESO	11.31	10.01	23.39	436.7	436.3	559.8	95.3	122.0	17.0	4.6	3.6	48.4
The Weir Group PLC	WEIR	23.92	20.81	35.22	5,079.1	6,130.2	3,567.6	690.8	851.7	19.4	8.9	7.2	67.9
				<b>Average<sup>2</sup></b>	<b>\$8,916.3</b>	<b>\$9,093.2</b>	<b>\$5,140.2</b>	<b>\$1,048.5</b>	<b>\$1,216.3</b>	<b>19.7%</b>	<b>10.3x</b>	<b>8.6x</b>	<b>78.7%</b>
				<b>Median</b>	<b>\$5,079.1</b>	<b>\$6,130.2</b>	<b>\$3,567.6</b>	<b>\$690.8</b>	<b>\$825.0</b>	<b>19.2%</b>	<b>8.9x</b>	<b>7.4x</b>	<b>78.9%</b>

(1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

E&P<sup>1</sup>

	Ticker	Price as of 7/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Integrated Majors</b>													
BP plc	BP	\$6.87	\$5.62	\$8.66	\$130,619.1	\$163,788.1	\$384,628.0	\$42,145.0	\$42,227.0	11.0%	3.9x	3.9x	79.4%
Chevron Corporation	CVX	109.19	86.68	112.28	215,396.3	205,722.3	237,117.0	52,356.0	57,150.9	22.1	3.9	3.6	97.2
ConocoPhillips	COP	55.99	50.62	78.29	70,802.5	99,591.5	235,107.0	31,071.0	22,265.0	13.2	3.2	4.5	71.5
Exxon Mobil Corporation	XOM	85.95	67.03	87.94	401,916.4	406,001.4	442,887.0	68,333.0	84,431.0	15.4	5.9	4.8	97.7
Royal Dutch Shell plc	RDSA	34.64	27.53	38.38	219,976.4	241,270.4	480,168.0	56,184.0	62,234.6	11.7	4.3	3.9	90.2
Total SA	FP	43.89	35.79	52.31	99,002.1	123,742.5	228,918.2	42,674.1	43,476.2	18.6	2.9	2.8	83.9
				<b>Average<sup>2</sup></b>	<b>\$166,248.5</b>	<b>\$183,630.8</b>	<b>\$324,934.8</b>	<b>\$48,339.8</b>	<b>\$51,272.2</b>	<b>14.7%</b>	<b>3.8x</b>	<b>4.0x</b>	<b>87.7%</b>
				<b>Median</b>	<b>\$173,007.7</b>	<b>\$184,755.2</b>	<b>\$310,872.5</b>	<b>\$47,515.1</b>	<b>\$50,313.6</b>	<b>14.3%</b>	<b>3.9x</b>	<b>3.9x</b>	<b>87.1%</b>
<b>Large Independents</b>													
Anadarko Petroleum Corporation	APC	\$72.06	\$56.42	\$88.70	\$35,998.8	\$49,312.8	\$14,070.0	\$8,370.0	\$8,864.0	59.5%	5.9x	5.6x	81.2%
Apache Corp.	APA	85.08	73.04	129.26	33,252.1	42,107.1	17,275.0	13,076.0	12,805.8	75.7	3.2	3.3	65.8
Chesapeake Energy Corporation	CHK	17.20	13.32	35.75	11,042.5	29,356.5	12,442.0	4,910.0	4,301.0	39.5	6.0	6.8	48.1
Devon Energy Corporation	DVN	58.99	50.74	84.52	23,855.6	27,555.6	10,610.0	7,118.0	5,784.6	67.1	3.9	4.8	69.8
Encana Corporation	ECA	20.54	17.06	29.41	15,102.9	20,381.9	8,599.0	5,348.0	3,812.2	62.2	3.8	5.3	69.8
EOG Resources, Inc.	EOG	99.23	66.81	119.97	26,751.8	31,472.3	9,720.0	5,399.9	5,633.0	55.6	5.8	5.6	82.7
Marathon Oil Corporation	MRO	26.54	19.13	35.49	18,719.2	22,827.2	14,826.0	7,008.0	8,431.5	47.3	3.3	2.7	74.8
SandRidge Energy, Inc.	SD	6.79	4.55	12.36	2,706.3	6,336.0	1,484.0	889.8	1,079.0	60.0	7.1	5.9	54.9
				<b>Average<sup>2</sup></b>	<b>\$21,454.0</b>	<b>\$28,950.1</b>	<b>\$11,711.2</b>	<b>\$6,359.0</b>	<b>\$6,137.7</b>	<b>58.6%</b>	<b>4.8x</b>	<b>5.1x</b>	<b>69.4%</b>
				<b>Median</b>	<b>\$21,287.4</b>	<b>\$28,456.0</b>	<b>\$11,526.0</b>	<b>\$6,203.9</b>	<b>\$5,708.8</b>	<b>59.7%</b>	<b>4.8x</b>	<b>5.5x</b>	<b>69.8%</b>

(1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

### DRILLERS<sup>1</sup>

Company	Ticker	Price as of 7/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Land</b>													
Helmerich & Payne Inc.	HP	\$45.59	\$35.58	\$73.40	\$4,897.1	\$4,922.7	\$2,847.4	\$1,128.8	\$1,215.9	39.6%	4.4x	4.0x	62.1%
Nabors Industries Ltd.	NBR	14.29	11.05	27.63	4,148.5	8,509.3	6,577.2	1,978.2	2,133.5	30.1	4.3	4.0	51.7
Patterson-UTI Energy Inc.	PTEN	15.26	12.81	34.07	2,360.2	2,840.9	2,744.5	1,023.9	996.1	37.3	2.8	2.9	44.8
Pioneer Drilling Co.	PDC	7.25	5.83	17.54	445.9	843.6	794.6	221.8	270.0	27.9	3.8	3.1	41.3
Precision Drilling Corporation	PD	7.56	5.91	17.01	2,088.3	2,941.7	2,069.9	639.0	782.1	30.9	4.6	3.8	44.4
Union Drilling, Inc.	UDRL	4.03	3.97	12.20	88.3	170.3	259.5	45.5	47.0	17.5	3.7	3.6	33.0
Unit Corp.	UNT	39.22	32.08	62.64	1,904.7	2,219.3	1,293.4	645.8	657.0	49.9	3.4	3.4	62.6
				<b>Average<sup>2</sup></b>	<b>\$2,189.5</b>	<b>\$2,753.7</b>	<b>\$1,950.0</b>	<b>\$731.9</b>	<b>\$784.2</b>	<b>33.2%</b>	<b>3.9x</b>	<b>3.6x</b>	<b>48.9%</b>
				<b>Median</b>	<b>\$2,088.3</b>	<b>\$2,840.9</b>	<b>\$2,069.9</b>	<b>\$645.8</b>	<b>\$782.1</b>	<b>30.9%</b>	<b>3.8x</b>	<b>3.6x</b>	<b>44.8%</b>
<b>Offshore</b>													
Atwood Oceanics, Inc.	ATW	\$43.83	\$30.64	\$48.91	\$2,864.8	\$3,335.3	\$696.0	\$377.4	\$368.9	54.2%	8.8x	9.0x	89.6%
Diamond Offshore Drilling, Inc.	DO	66.05	51.16	72.80	9,182.8	9,326.4	3,077.2	1,410.2	1,276.0	45.8	6.6	7.3	90.7
EnSCO plc	ESV	52.19	37.39	59.90	12,071.5	16,979.5	3,507.6	1,504.2	2,068.5	42.9	11.3	8.2	87.1
Hercules Offshore, Inc.	HERO	3.72	2.25	5.57	589.4	1,248.3	639.3	107.8	175.0	16.9	11.6	7.1	66.8
Noble Corp.	NE	36.96	27.33	41.71	9,328.2	14,239.1	3,086.8	1,279.5	1,737.0	41.5	11.1	8.2	88.6
Parker Drilling Co.	PKD	4.65	3.60	7.62	546.9	955.5	707.0	271.3	308.6	38.4	3.5	3.1	61.0
Rowan Companies plc	RDC	35.18	28.13	40.76	4,368.8	5,148.5	1,066.7	402.5	567.0	37.7	12.8	9.1	86.3
Transocean Ltd.	RIG	47.81	38.21	65.39	16,757.5	26,370.5	9,329.0	3,008.0	0.0	32.2	8.8	NA	73.1
Vantage Drilling Company	VTG	1.51	0.97	1.78	440.7	1,632.6	397.1	191.5	248.7	48.2	8.5	6.6	84.8
				<b>Average<sup>2</sup></b>	<b>\$5,564.6</b>	<b>\$7,415.7</b>	<b>\$1,825.8</b>	<b>\$776.7</b>	<b>\$668.7</b>	<b>41.0%</b>	<b>9.5x</b>	<b>7.7x</b>	<b>82.3%</b>
				<b>Median</b>	<b>\$4,368.8</b>	<b>\$5,148.5</b>	<b>\$1,066.7</b>	<b>\$402.5</b>	<b>\$368.9</b>	<b>41.5%</b>	<b>8.8x</b>	<b>7.8x</b>	<b>86.3%</b>

(1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

OTHERS<sup>1</sup>

	Ticker	Price as of 7/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Offshore Transportation</b>													
Bristow Group, Inc.	BRS	\$45.98	\$37.92	\$52.26	\$1,643.4	\$2,147.8	\$1,199.2	\$232.9	\$267.0	19.4%	9.2x	8.0x	88.0%
Gulfmark Offshore, Inc.	GLF	36.89	30.03	56.41	978.7	1,186.0	388.0	139.1	151.9	35.9	8.5	7.8	65.4
Hornbeck Offshore Services, Inc.	HOS	40.81	19.80	43.83	1,440.9	1,885.2	429.3	163.9	231.1	38.2	11.5	8.2	93.1
PHI Inc.	PHI	25.25	16.95	27.33	386.6	615.2	558.0	75.3	NA	13.5	8.2	NA	92.4
Seacor Holdings Inc.	CKH	91.74	75.04	109.50	1,937.8	2,629.1	2,201.8	263.2	359.7	12.0	10.0	7.3	83.8
Tidewater Inc.	TDW	48.24	38.80	63.27	2,448.7	3,078.0	1,067.0	265.2	265.9	24.9	11.6	11.6	76.2
				<b>Average<sup>2</sup></b>	<b>\$1,500.2</b>	<b>\$1,962.0</b>	<b>\$813.4</b>	<b>\$199.8</b>	<b>\$254.7</b>	<b>23.4%</b>	<b>9.8x</b>	<b>8.0x</b>	<b>85.1%</b>
				<b>Median</b>	<b>\$1,542.2</b>	<b>\$2,016.5</b>	<b>\$812.5</b>	<b>\$198.4</b>	<b>\$265.9</b>	<b>22.1%</b>	<b>9.6x</b>	<b>8.0x</b>	<b>85.9%</b>
<b>Construction</b>													
Cal Dive International Inc	DVR	\$1.85	\$1.50	\$6.04	\$177.8	\$338.3	\$444.4	\$10.1	\$62.0	2.3%	33.6x	5.5x	30.6%
Chicago Bridge & Iron Company N.V.	CBI	37.62	23.88	47.74	3,648.3	3,066.8	4,797.5	439.9	507.7	9.2	7.0	6.0	78.8
ENGlobal Corp.	ENG	1.48	1.39	4.24	39.7	57.6	319.1	2.4	8.3	0.8	23.7	6.9	34.9
Fluor Corporation	FLR	48.73	44.16	68.00	8,241.2	6,615.8	24,613.7	1,192.4	1,238.8	4.8	5.5	5.3	71.7
Foster Wheeler AG	FWLT	17.27	15.26	29.44	1,861.9	1,412.5	4,377.6	269.3	318.6	6.2	5.2	4.4	58.7
Gulf Island Fabrication Inc.	GIFI	30.40	19.55	36.00	437.3	394.6	374.6	39.2	78.2	10.5	10.1	5.0	84.4
Helix Energy Solutions Group, Inc.	HLX	17.49	11.57	21.65	1,847.7	2,438.0	1,514.9	732.1	678.0	48.3	3.3	3.6	80.8
Jacobs Engineering Group Inc.	JEC	37.89	30.74	48.17	4,888.9	4,525.5	10,802.1	679.5	684.8	6.3	6.7	6.6	78.7
KBR, Inc.	KBR	23.46	20.86	39.30	3,481.6	2,694.6	8,790.0	468.0	635.8	5.3	5.8	4.2	59.7
McDermott International Inc.	MDR	11.45	9.04	21.69	2,697.3	2,007.1	3,273.5	324.8	419.0	9.9	6.2	4.8	52.8
Oceaneering International, Inc.	OII	50.44	31.77	57.16	5,462.8	5,435.3	2,317.1	506.1	585.5	21.8	10.7	9.3	88.2
Shaw Group Inc.	SHAW	25.75	18.98	32.49	1,699.4	1,855.0	6,032.8	143.7	283.5	2.4	12.9	6.5	79.3
Willbros Group Inc.	WG	7.01	3.13	9.41	343.6	535.8	1,710.3	64.8	97.4	3.8	8.3	5.5	74.5
				<b>Average<sup>2</sup></b>	<b>\$2,413.3</b>	<b>\$2,245.8</b>	<b>\$4,039.5</b>	<b>\$334.3</b>	<b>\$395.5</b>	<b>7.5%</b>	<b>9.3x</b>	<b>5.5x</b>	<b>68.6%</b>
				<b>Median</b>	<b>\$1,861.9</b>	<b>\$2,007.1</b>	<b>\$3,273.5</b>	<b>\$324.8</b>	<b>\$419.0</b>	<b>6.2%</b>	<b>7.0x</b>	<b>5.5x</b>	<b>74.5%</b>

(1) \$ Millions, except for per share data

(2) Excludes the highest and lowest values.

Source: Capital IQ

# Appendix

## Selected Public Company Trading Statistics

OTHERS<sup>1</sup>

	Ticker	Price as of 7/20/12	52-Week		Market Cap	Enterprise Value	LTM Revenue	EBITDA		LTM EBITDA Margin	EV/EBITDA		% of 52-Week High
			Low	High				LTM	2012E		LTM	2012E	
<b>Industrial Services</b>													
Chart Industries Inc.	GTLS	\$65.09	\$35.75	\$79.29	\$1,946.3	\$1,941.4	\$847.8	\$133.0	\$167.9	15.7%	14.6x	11.6x	82.1%
CIRCOR International, Inc.	CIR	31.99	26.15	44.91	556.7	614.0	833.3	76.3	82.4	9.2	8.0	7.5	71.2
Matrix Service Co.	MTRX	11.12	7.34	15.06	286.1	244.8	717.8	46.5	45.5	6.5	5.3	5.4	73.8
Team Inc.	TISI	30.84	19.98	33.50	613.9	679.6	597.4	69.7	73.5	11.7	9.7	9.2	92.1
				<b>Average<sup>2</sup></b>	<b>\$585.3</b>	<b>\$646.8</b>	<b>\$775.5</b>	<b>\$73.0</b>	<b>\$77.9</b>	<b>10.4%</b>	<b>8.9x</b>	<b>8.4x</b>	<b>78.0%</b>
				<b>Median</b>	<b>\$585.3</b>	<b>\$646.8</b>	<b>\$775.5</b>	<b>\$73.0</b>	<b>\$77.9</b>	<b>10.4%</b>	<b>8.9x</b>	<b>8.4x</b>	<b>78.0%</b>
<b>Seismic Related</b>													
Bolt Technology Corp.	BOLT	\$14.66	\$9.56	\$16.09	\$124.1	\$103.4	\$48.0	\$9.9	\$6.2	20.6%	10.5x	16.7x	91.1%
Compagnie Générale de Géophysique-Veritas SA	GA	27.86	13.91	31.41	4,211.5	5,816.1	3,081.0	823.3	1,100.7	26.7	7.1	5.3	88.7
Dawson Geophysical Co.	DWSN	24.11	20.29	42.23	188.8	177.9	360.2	54.0	59.0	15.0	3.3	3.0	57.1
Geokinetics Inc.	GOK	0.36	0.24	6.58	6.8	457.1	739.6	85.1	80.0	11.5	5.4	5.7	5.4
ION Geophysical Corporation	IO	6.86	4.20	11.16	1,074.5	1,122.1	475.8	164.8	216.6	34.6	6.8	5.2	61.5
Mitcham Industries Inc.	MIND	16.82	9.52	26.76	214.0	216.1	121.0	38.3	59.7	31.7	5.6	3.6	62.9
OYO Geospace Corp.	OYOG	97.88	51.74	117.83	623.8	574.7	178.7	56.9	76.5	31.9	10.1	7.5	83.1
Petroleum Geo Services ASA	PGS	13.99	8.45	15.03	3,026.9	3,517.6	1,376.1	611.0	754.8	44.4	5.8	4.7	93.0
TGC Industries Inc.	TGE	9.86	3.70	11.85	191.7	201.4	167.8	52.2	55.2	31.1	3.9	3.6	83.2
				<b>Average<sup>2</sup></b>	<b>\$777.7</b>	<b>\$895.3</b>	<b>\$488.5</b>	<b>\$151.8</b>	<b>\$186.0</b>	<b>27.4%</b>	<b>6.4x</b>	<b>5.1x</b>	<b>75.4%</b>
				<b>Median</b>	<b>\$214.0</b>	<b>\$457.1</b>	<b>\$360.2</b>	<b>\$56.9</b>	<b>\$76.5</b>	<b>31.1%</b>	<b>5.8x</b>	<b>5.2x</b>	<b>83.1%</b>

(1) \$ Millions, except for per share data  
(2) Excludes the highest and lowest values.

Source: Capital IQ

# Appendix

## Relevant M&A Transactions

Date	Target	Description	Seller	Buyer	Transaction Value (\$ in millions)
7/23/12	Nexen Inc.	Nexen Inc. operates as an independent energy company that explores for, develops, and produces crude oil and natural gas from conventional sources.	Capital World Investors	CNOOC Ltd.	\$19,298.6
7/19/12	Greywolf Production Systems Inc	Greywolf Production Systems Inc. provides well testing, coil tubing services, and frac flow backs.	NA	TETRA Technologies, Inc.	\$55.5
7/18/12	Veolia ES Solid Waste, Inc., U.S. Operations	Veolia ES Solid Waste, Inc. provides waste utility services in the United States.	Veolia Environnement S.A.	Highstar Capital (Advanced Disposal Services, Inc.)	\$1,909.0
7/11/12	Coffman Tank Trucks, Inc.	Coffman Tank Trucks, Inc. provides water hauling and disposal services. It offers fresh/salt water transportation services.	NA	Frontier Oilfield Services, Inc.	\$19.9
7/9/12	Phoenix Services, LLC	Phoenix Services, LLC provides fluids management and wellsite services including water transport and frac tank rentals.	NA	Quantum Energy Partners	NA
7/8/12	Anton Oilfield Services Group	Anton Oilfield Services Group engages in the provision of oilfield technology services and manufacturing.	NA	Schlumberger Limited	NA
7/2/12	Tri-State Tools & Inspection, LLC	Tri-State Tools & Inspection, LLC provides stabilizers and non-destructive testing for drill pipe and bottomhole assembly components.	NA	Knight Oil Tools, Inc.	NA
7/2/12	Piper Valve Systems, Ltd.	Piper Valve Systems, Ltd. designs and manufactures high pressure valves and manifold components.	NA	Oil States Industries, Inc.	\$48.0
6/29/12	Blackwater Midstream Corp.	Blackwater Midstream Corp. engages in developing, managing, and leasing third party fuel, agricultural, and chemical liquid storage terminals.	NA	ArcLight Capital Partners, LLC	\$47.2
6/28/12	UNEV Pipeline, LLC	UNEV Pipeline, LLC develops, constructs, owns, and operates pipelines and equipment for the shipment of refined petroleum products.	HollyFrontier Corporation	Holly Energy Partners L.P	\$314.7
6/28/12	Progress Energy Resources Corp.	Progress Energy Resources Corp. engages in the acquisition, exploration, development, and production of oil and natural gas properties.	Caisse de Depot et Placement du Quebec	PETRONAS Carigali Canada Ltd	\$5,137.5
6/18/12	Doyle's Valves, Inc.	Doyle's Valves, Inc. manufactures pressure control equipment including valves, chokes, flanges, BOPs, and drilling equipment for the oil and gas industry.	NA	Axon Pressure Products Inc.	NA

Dates in red are publicly-announced transactions that have not closed as of July 20, 2012.

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