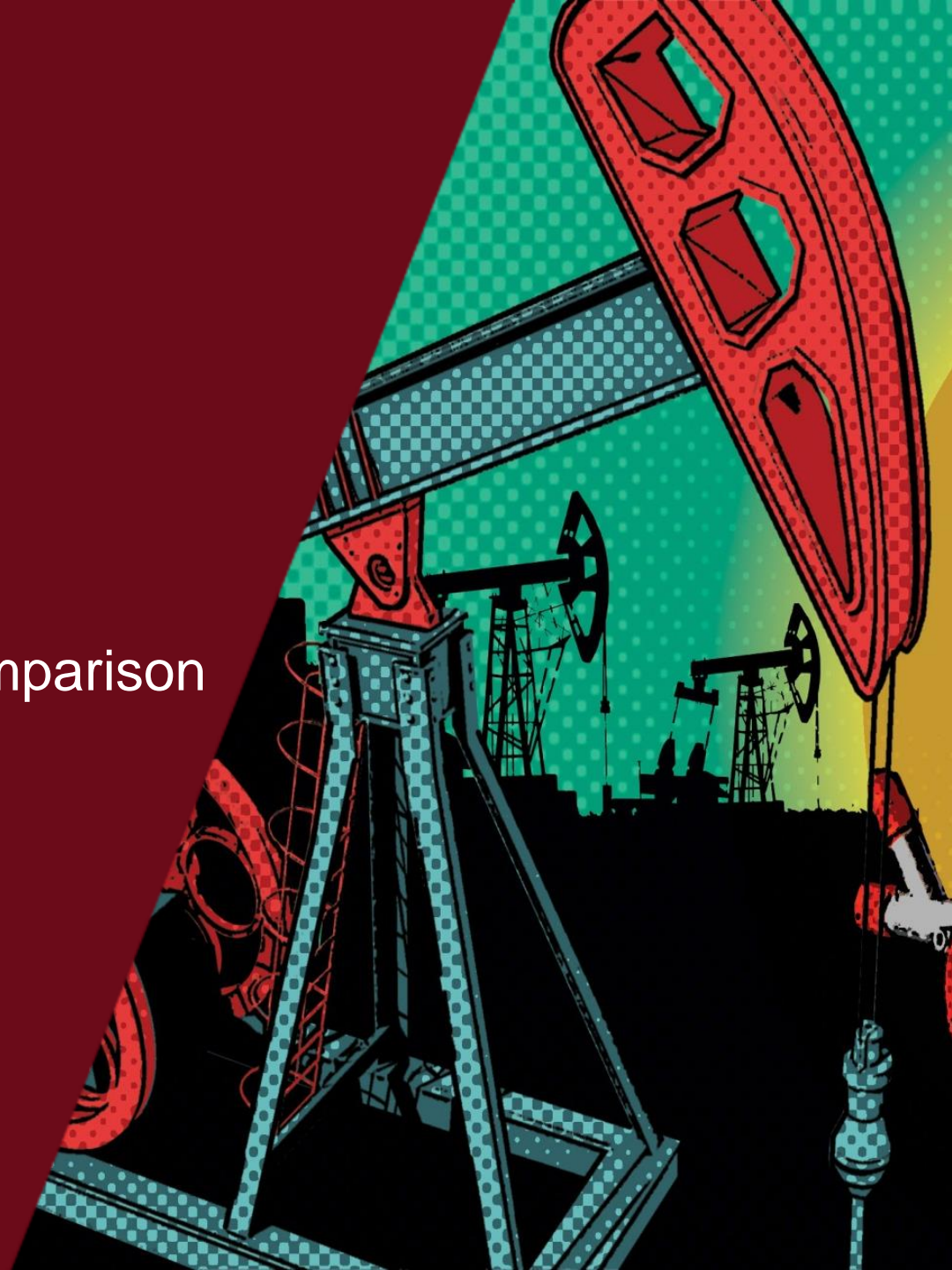


# Haynes and Boone Borrowing Base Redeterminations Survey: Fall 2015

Summary of results and comparison  
with our spring 2015 survey

September 2015



# OBJECTIVES OF THE SURVEY

- **Haynes and Boone, LLP conducted surveys in April and September 2015 that included executives at:**
  - **Financial institutions**
  - **Private equity firms**
  - **Independent Producers**
  - **Professional services providers**
- **The objective was to get a clear sense of what lenders, borrowers and others were expecting regarding the spring and fall 2015 borrowing base redeterminations in light of the price uncertainty in the commodity market**
- **The results that follow include a comparison of responses from the spring and fall surveys**

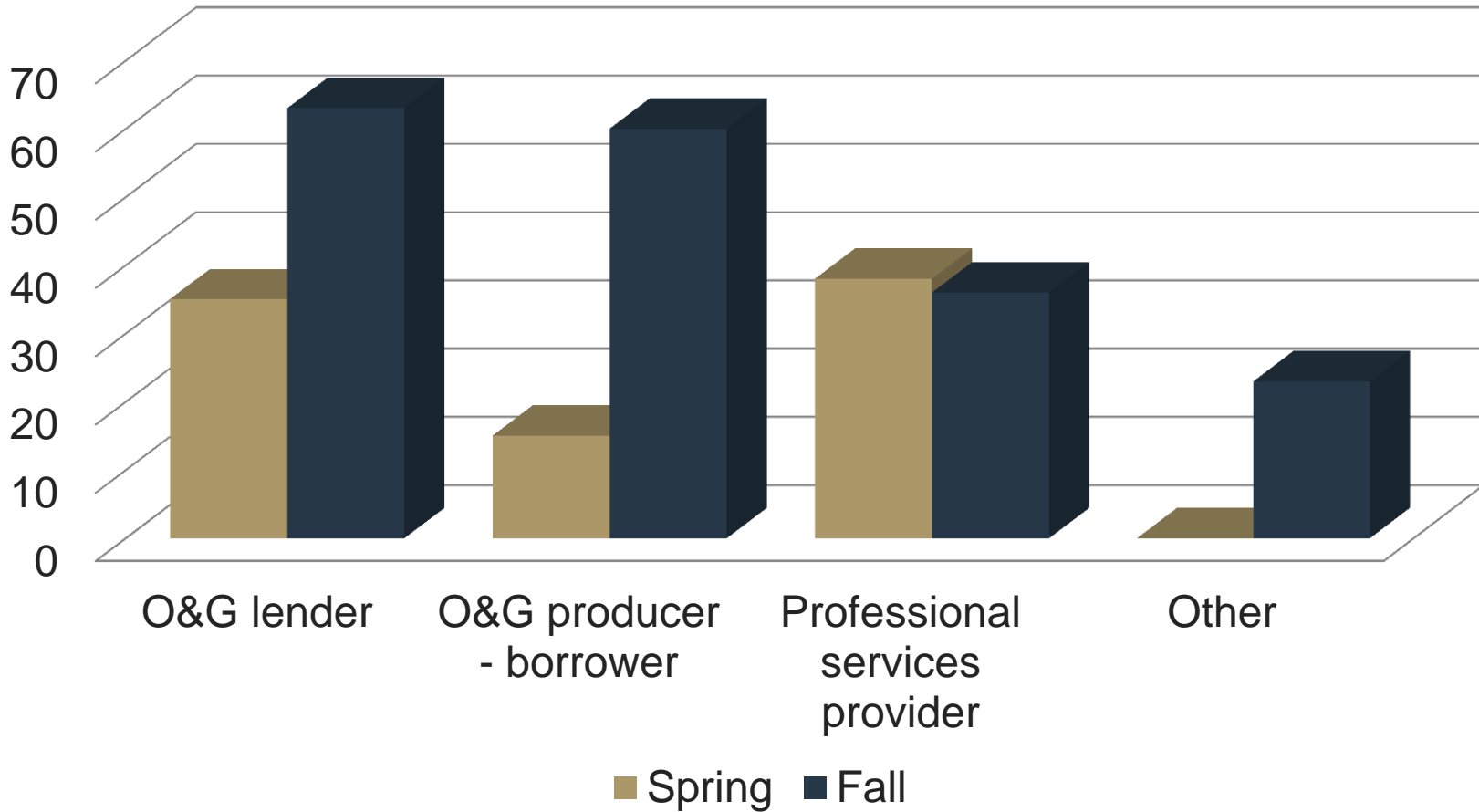
# 1. QUESTION:

Which of these best describes you?

- Oil and gas lender
- Oil and gas producer – borrower
- Professional services provider
- None of the above



# 1. RESPONSES:



Spring: 88 respondents

Fall: 182 respondents

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## 2. QUESTION:

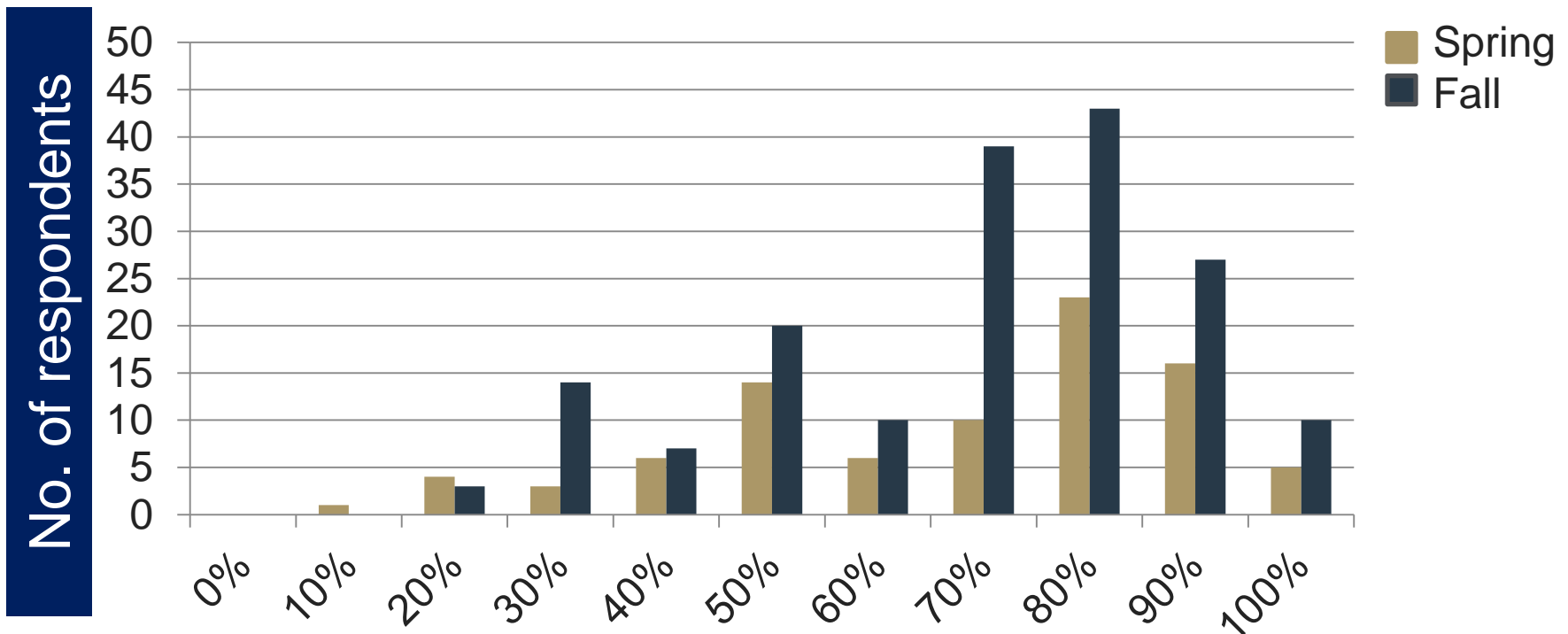


**What percentage of borrowers do you anticipate will see a decrease in their borrowing base redeterminations this spring/fall?**

## 2. RESPONSES:



On average **68%** of respondents expected a decrease in the spring and **79%** in the fall.



### 3. QUESTION:

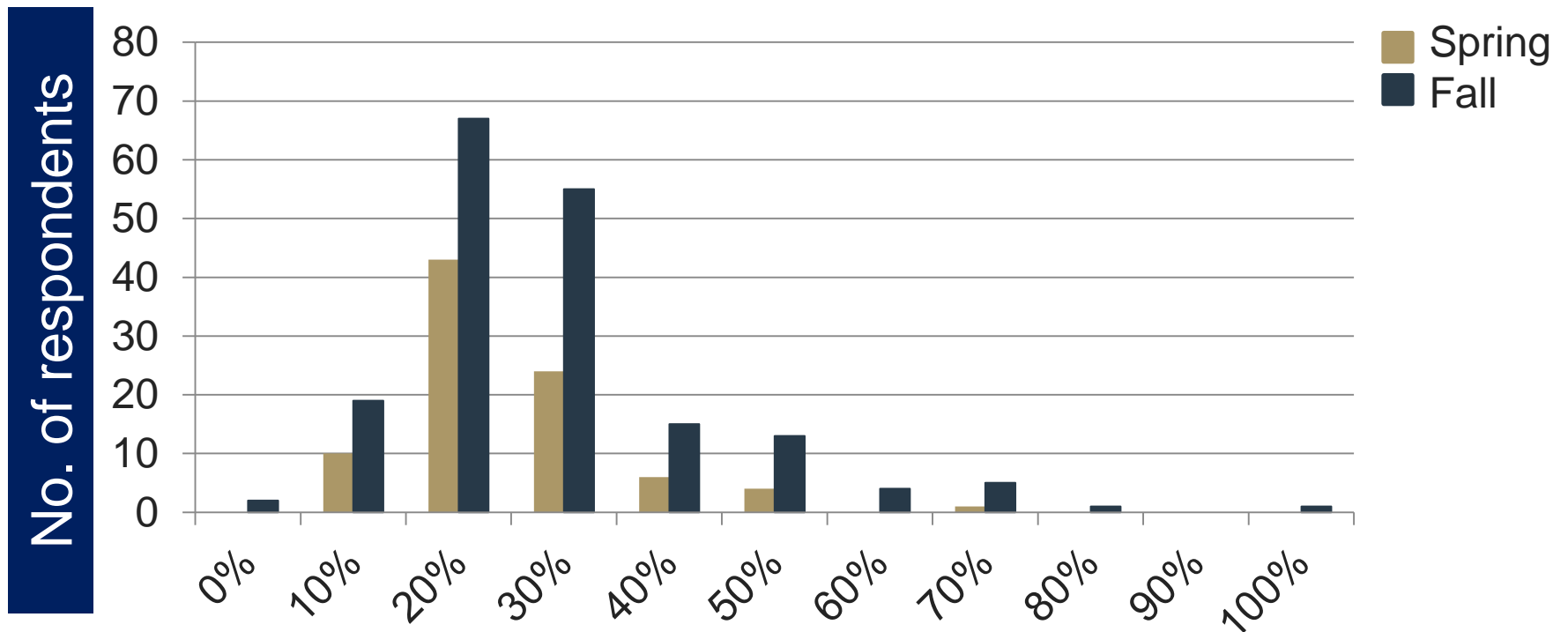


**What is the average amount that you anticipate borrowing bases will be decreased this spring/fall?**

### 3. RESPONSES:



Last spring, respondents expected on average a **25%** decrease and this fall an average of **39%** decrease.



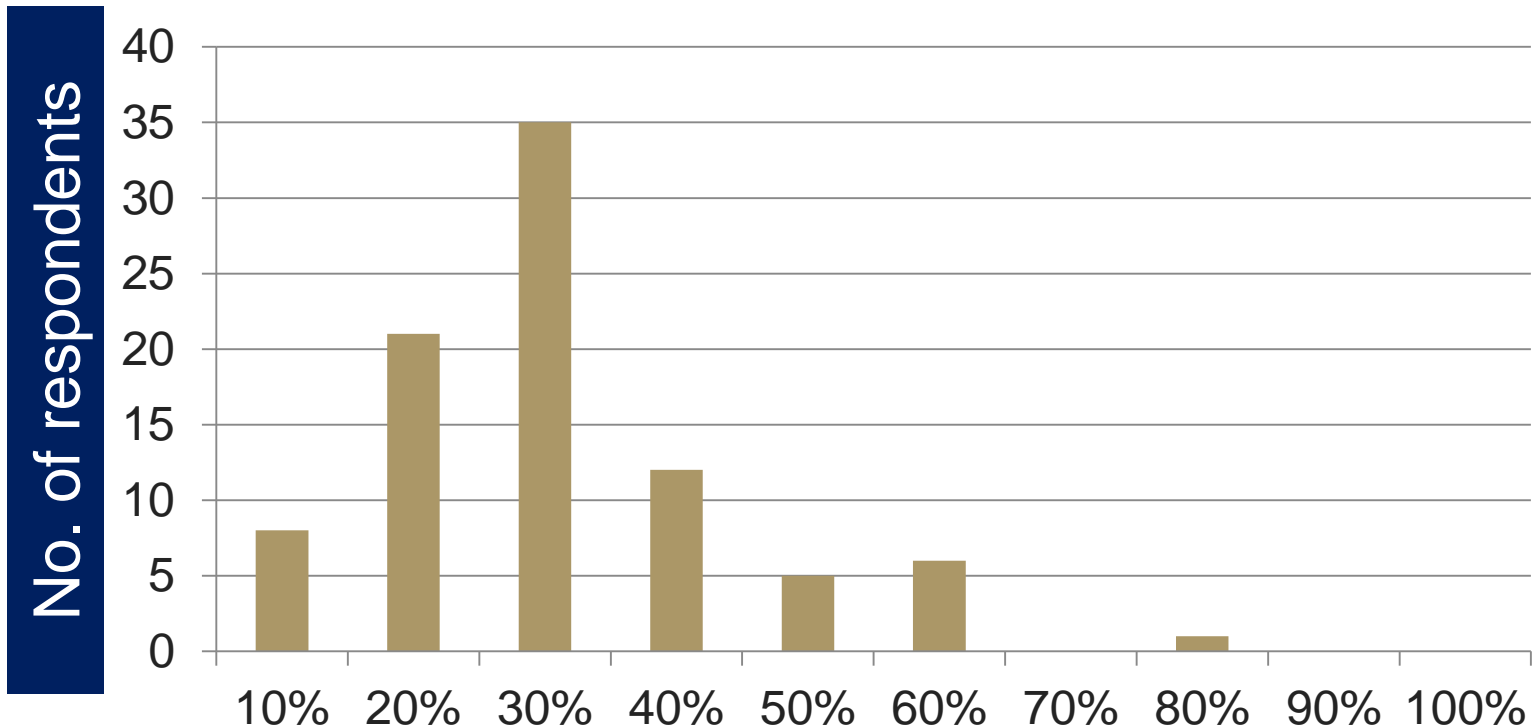


## 4. QUESTION (SPRING SURVEY ONLY):

**How much below last spring did respondents expect borrowing bases in the fall to be?**

## 4. RESPONSES (SPRING SURVEY ONLY):

Last spring, respondents expected that this fall's borrowing bases would be **31%** lower.



## 5. QUESTION (FALL SURVEY ONLY):

Which one or two of the following options below do you think will be the most likely path that lenders and borrowers will take when faced with a borrowing base deficiency?

## 5. RESPONSES (FALL SURVEY ONLY):

		Responses	Response ratio
Negotiate an amendment / extension with the lender		123	37%
Sell non-core assets		117	35%
Seek capital from hedge funds or private equity funds		62	18%
Sell the company		6	2%
Restructure or declare bankruptcy		25	7%
Other		4	1%
	<b>Total</b>	<b>337*</b>	<b>100%</b>

\*Although there were 182 respondents, up to two options could be selected.

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