Haynes and Boone, LLP Borrowing Base Redeterminations Survey: Fall 2016

Summary of results

September 29, 2016

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OBJECTIVES OF THE SURVEY

Since April 2015, Haynes and Boone, LLP has conducted four borrowing base redetermination surveys, including one most recently in September 2016.

Survey respondents included executives at:

- Oil and gas producers
- Oilfield services companies
- Financial institutions
- Private equity firms
- Professional services providers

The objective was to get a better idea of what lenders, borrowers (producers) and others are expecting regarding upcoming borrowing base redeterminations in light of the price uncertainty in the commodity market.

The following is a summary of the September 2016 survey results and a comparison of some responses from prior surveys.

Question 1:

Which of these best describes you?
- Oil and gas lender
- Oil and gas producer – borrower
- Professional services provider
- Oilfield services company
- Other

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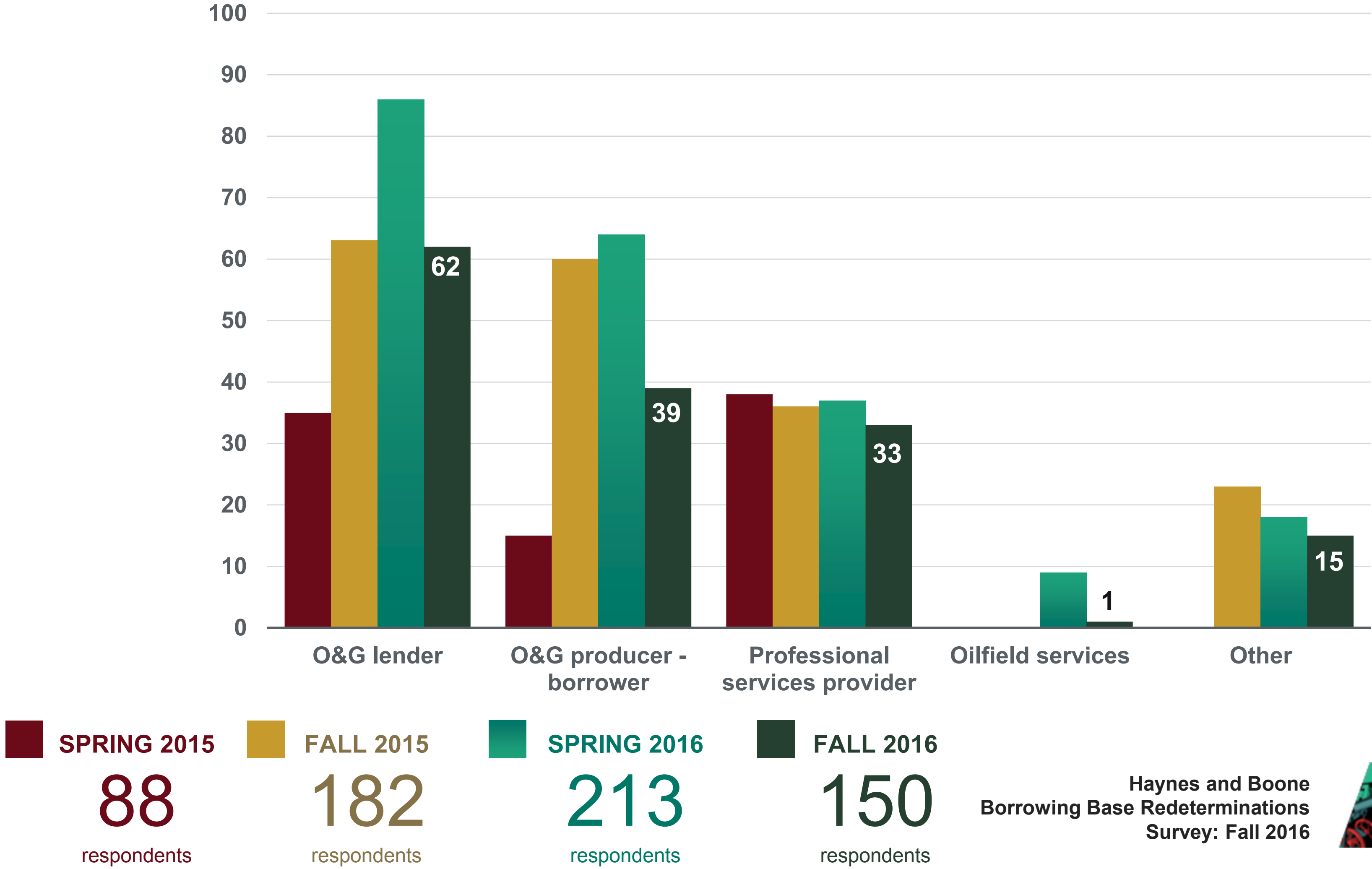

Question 2:
What percentage of E&P borrowers do you anticipate will see a <u>decrease</u> in their borrowing base redeterminations in fall 2016?

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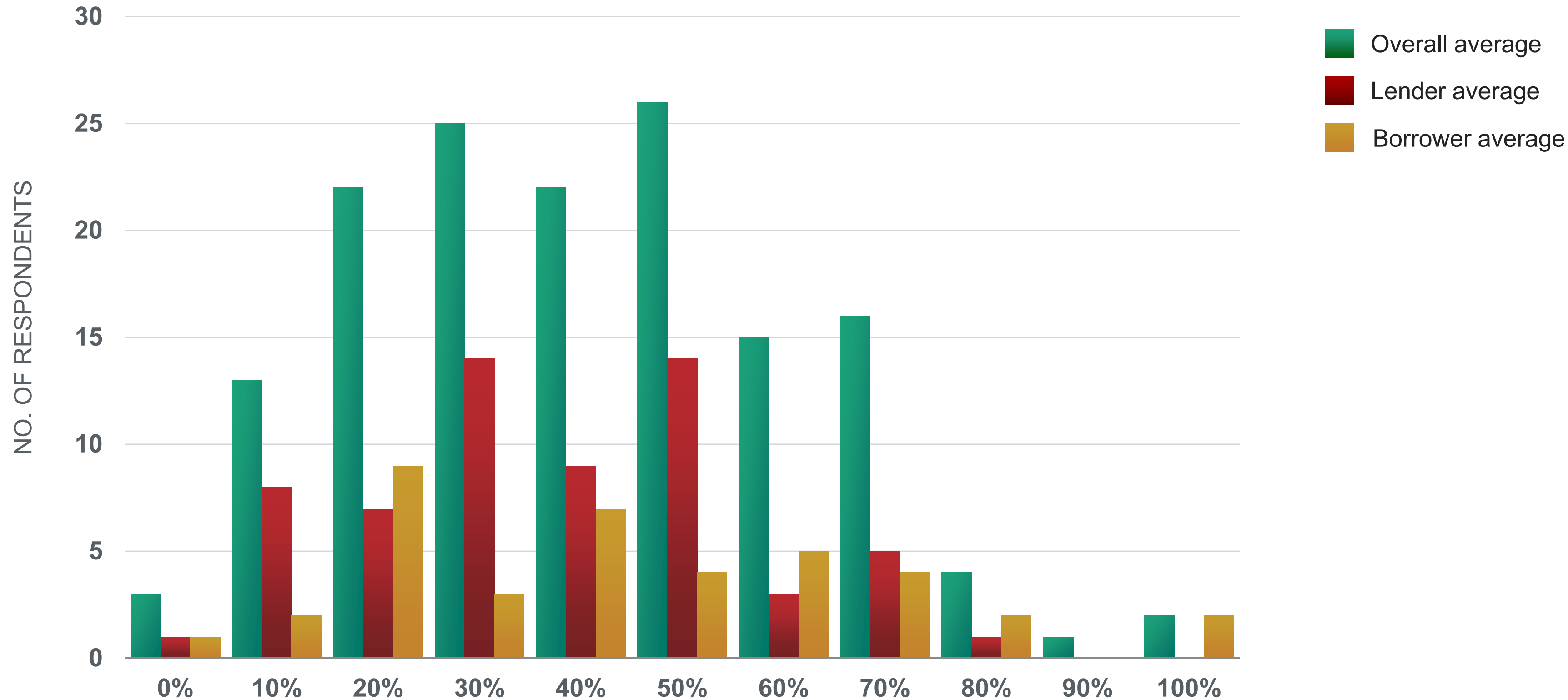
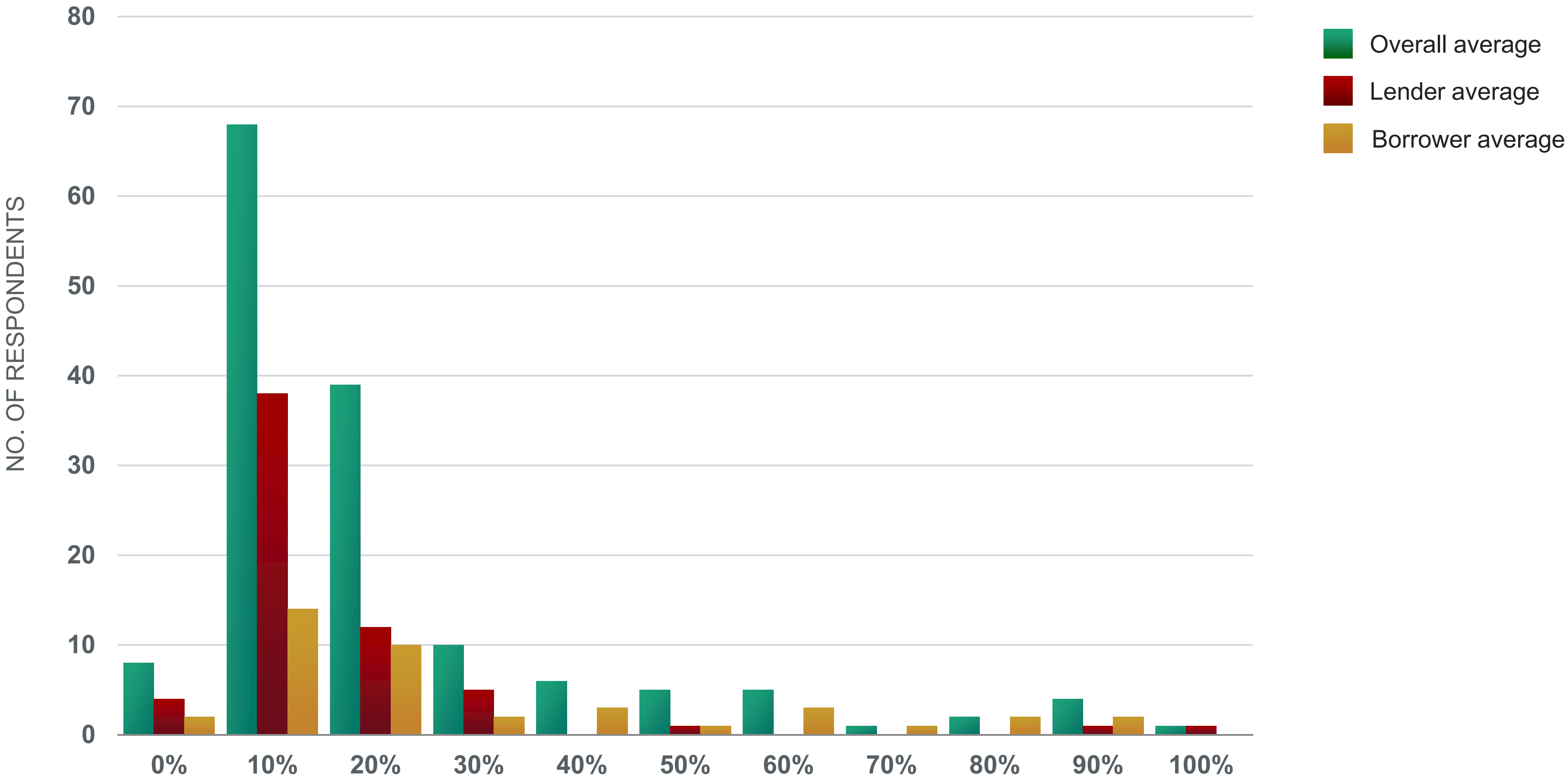


In this survey, respondents on average overall expect 41% of the borrowers to see a decrease. Lenders response was approx. 37% and borrowers was approx. 44%.

Question 3:

What percentage below spring 2016 borrowing bases do you expect fall 2016 borrowing bases to be?



For fall 2016, on average, overall respondents expect a 20% decrease, with lenders expecting a 16% decrease and borrowers expecting a 29% decrease.

Question 4:
Which one or two of the following options do you think will be the most likely path that lenders and borrowers will take if faced with a borrowing base deficiency in fall 2016?

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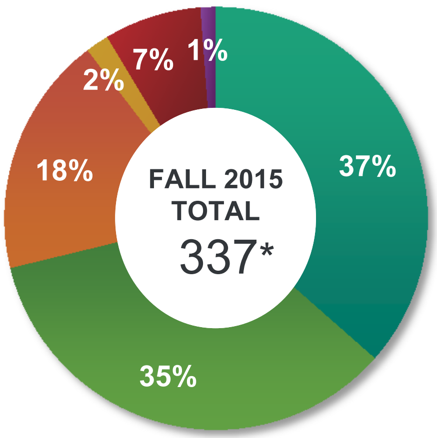
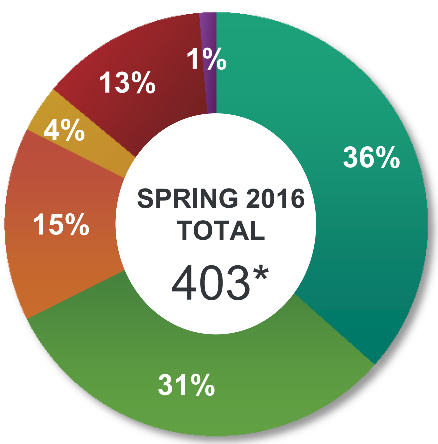
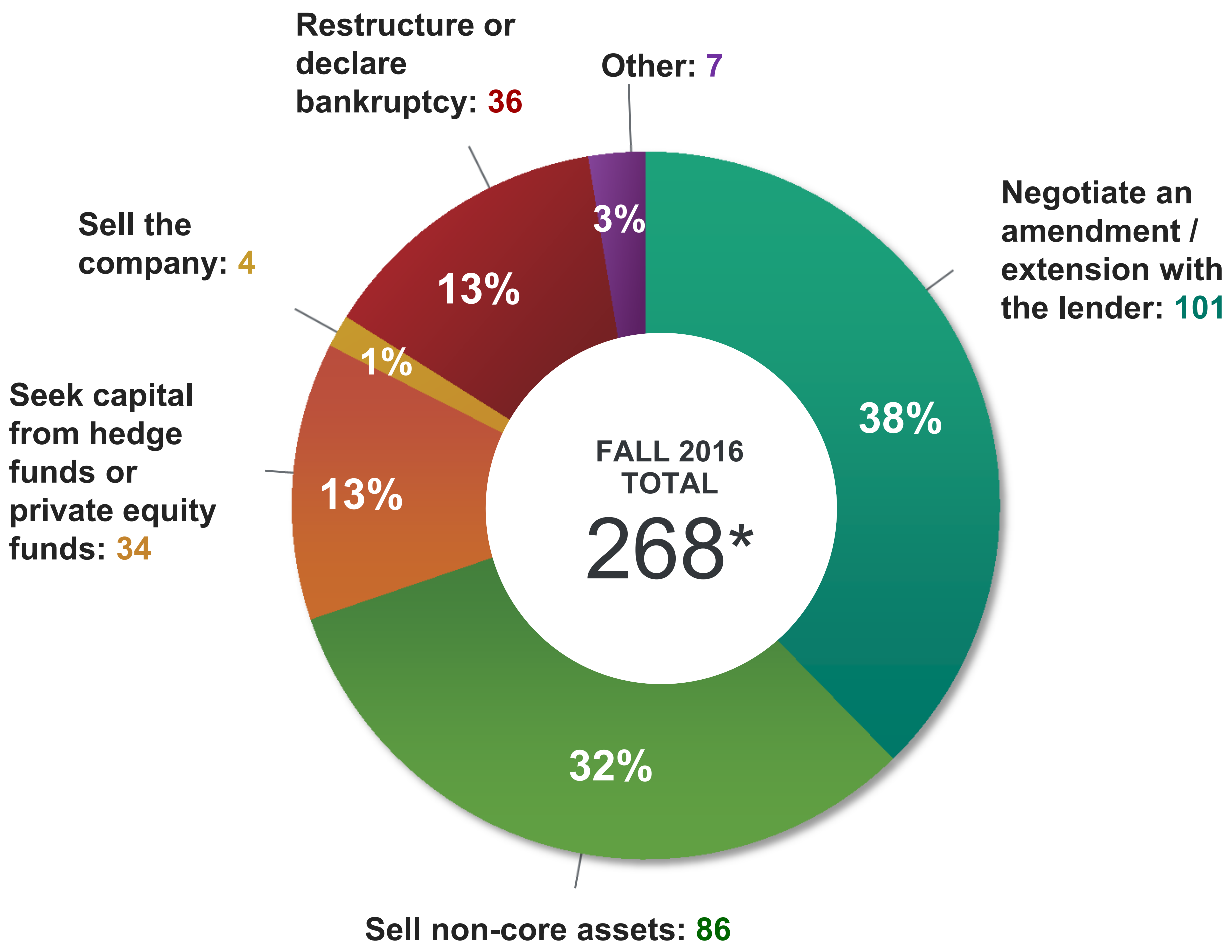


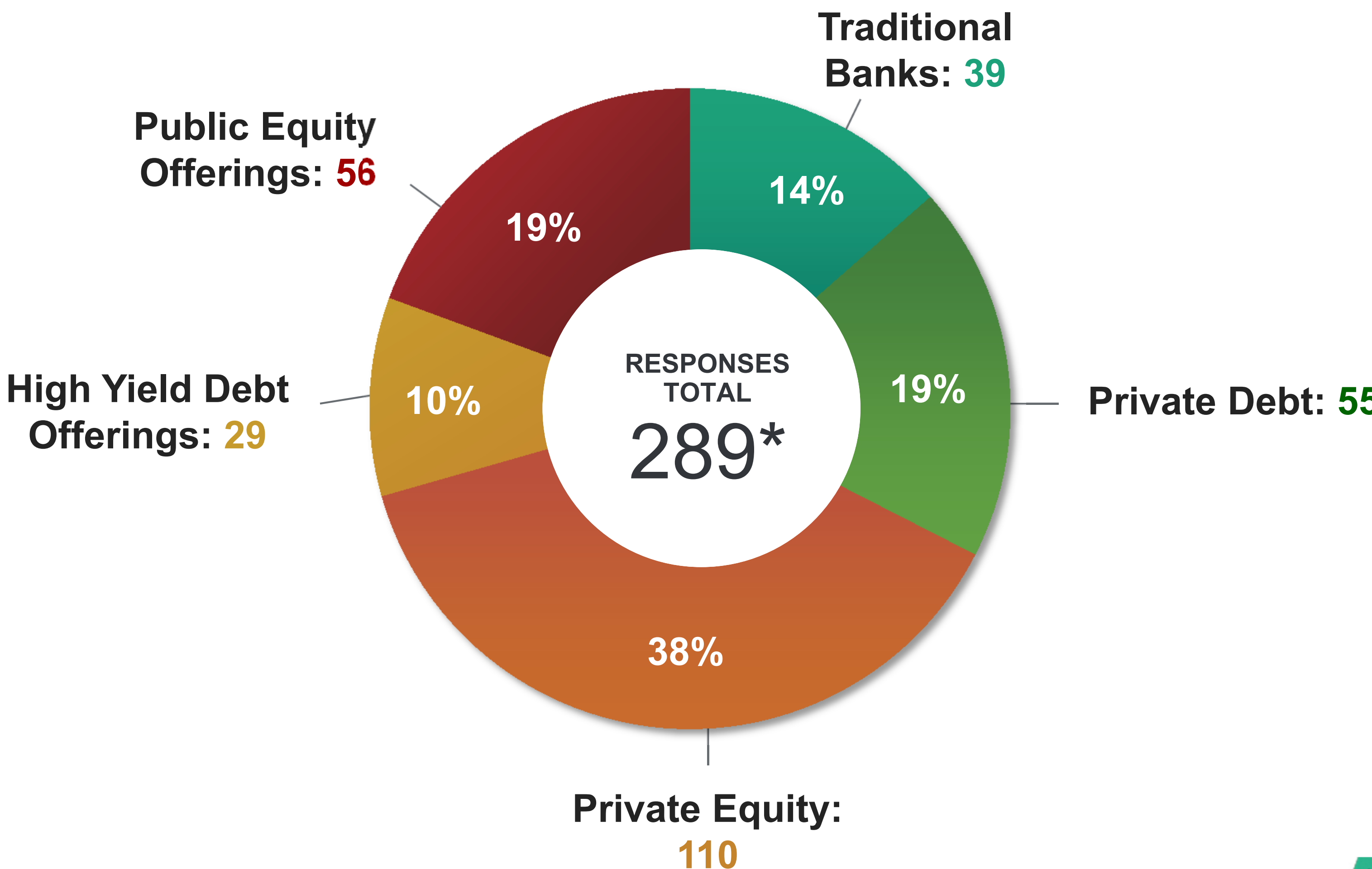




*Up to two options could be selected.

Question 5:

Based on recent market conditions, which will be the top two capital sources for E&P companies over the next 12 months?



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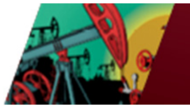

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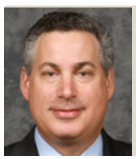

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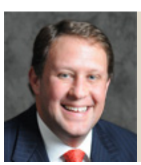

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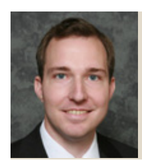

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