



Hilcorp

A Company Built on Energy

Integrity ★ Urgency ★ Ownership ★ Alignment ★ Innovation

Alaska Resources Conference
November 14, 2012



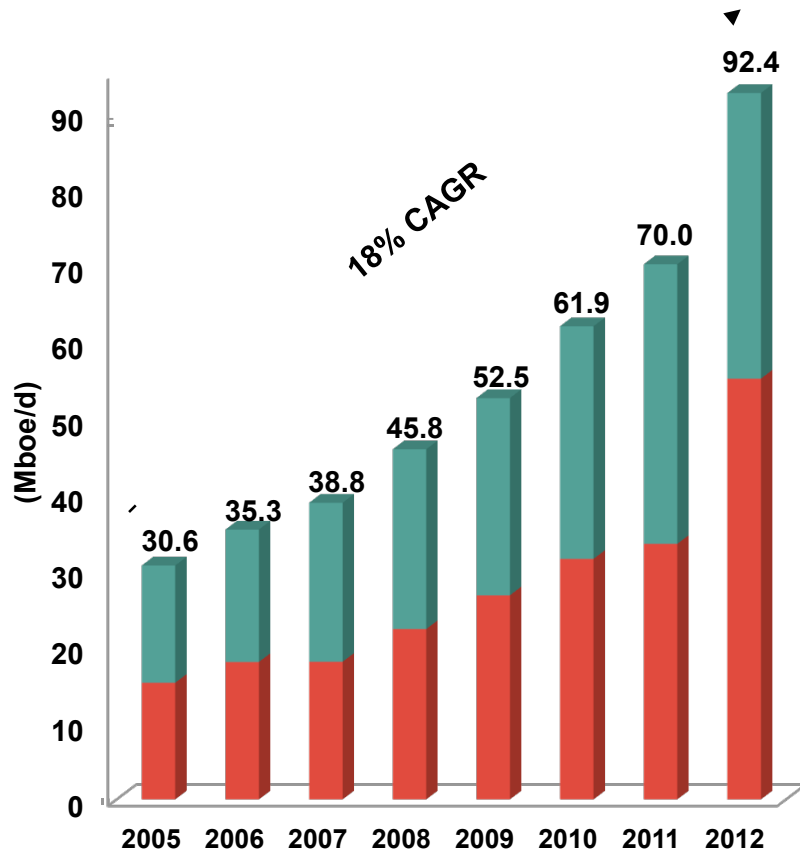
Hilcorp Overview

- **Who are we?**
 - Private E&P company founded in 1988
 - Size and scale:
 - One of the largest US based private E&P companies, based on production
 - Ranked #3 for 2011 by Oil & Gas Financial Journal
 - ~90 Mboe/d production
 - 339 MMboe proved reserves, \$6.2 billion PV-10 (SEC parameters)
 - \$727 million LTM EBITDA
- **What do we do?**
 - Core focus is acquiring and developing conventional assets
 - Expanding into resource plays and EOR opportunities
- **Where are we going?**
 - Vision: to be the premier private energy company in the industry
 - In the midst of a 5-year plan to double the size of the company

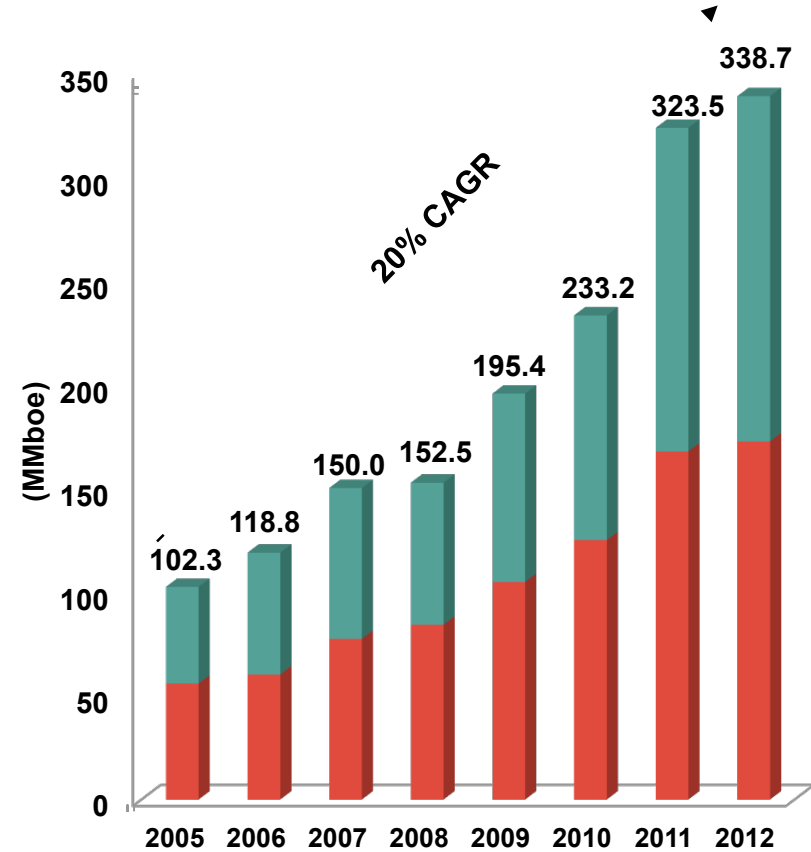
Production and Reserve History



Production

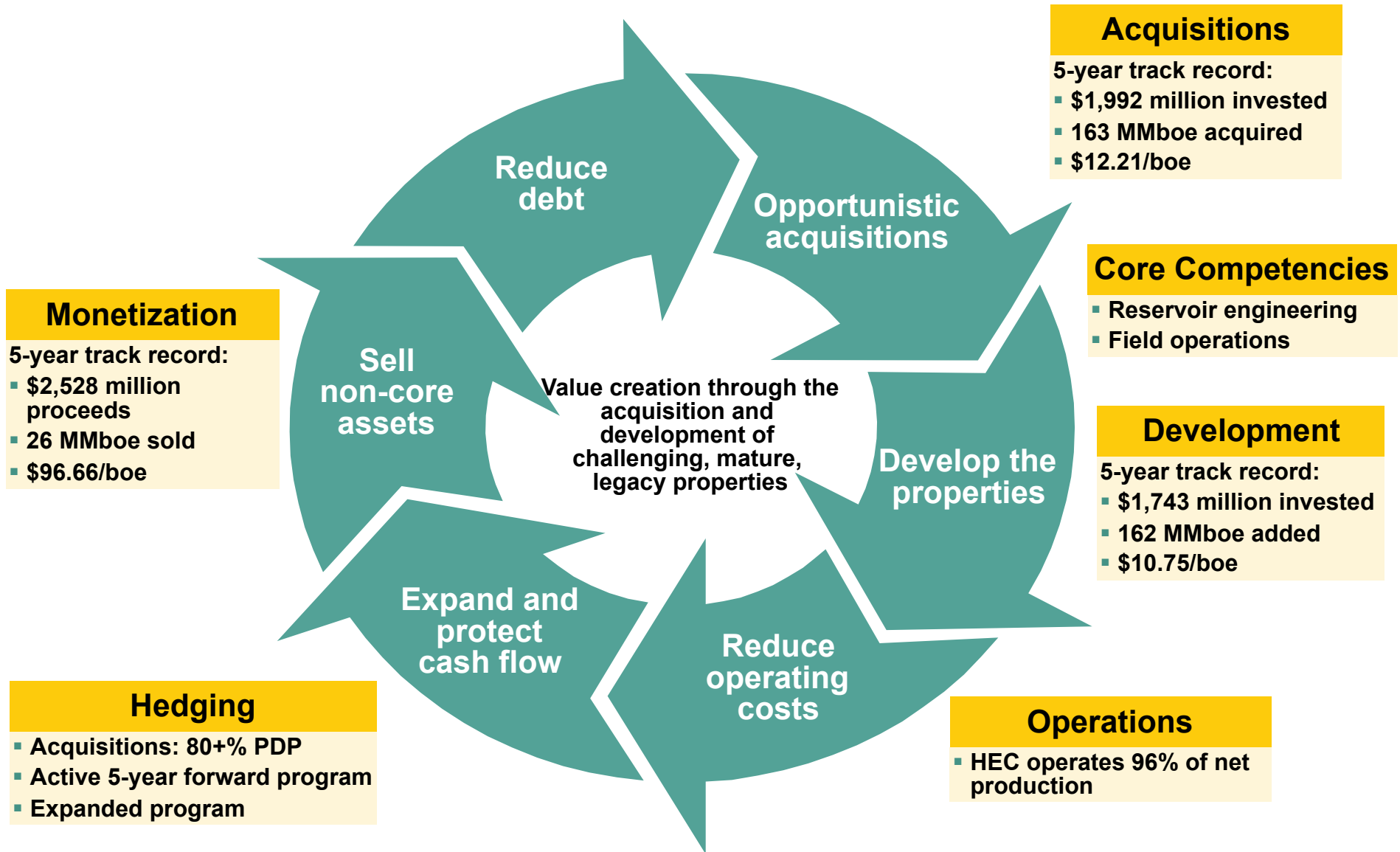


Proved Reserves



■ Gas ■ Oil

Acquire & Develop Strategy (2007 – 2011)





Dream 2015

**Goal: Double the size of Hilcorp again
over 5 years (2011 to 2015)**

- **5-year plan termed “Dream 2015” well underway**
 - Metrics: (1) production, (2) reserves, and (3) equity value
- **HEILP growth plan:**
 - Doubling over 5 years assumes a 15% CAGR
 - To achieve that, we project the following:
 - Continued exploitation of existing properties
 - Acquisitions in existing core areas
 - Acquisitions in new core areas
 - Resource plays
 - EOR projects
- **We plan to achieve that growth while maintaining prudent leverage targets**
 - Debt / proved reserves of less than \$4.00/boe
 - Debt / adjusted EBITDA of less than 2.0x



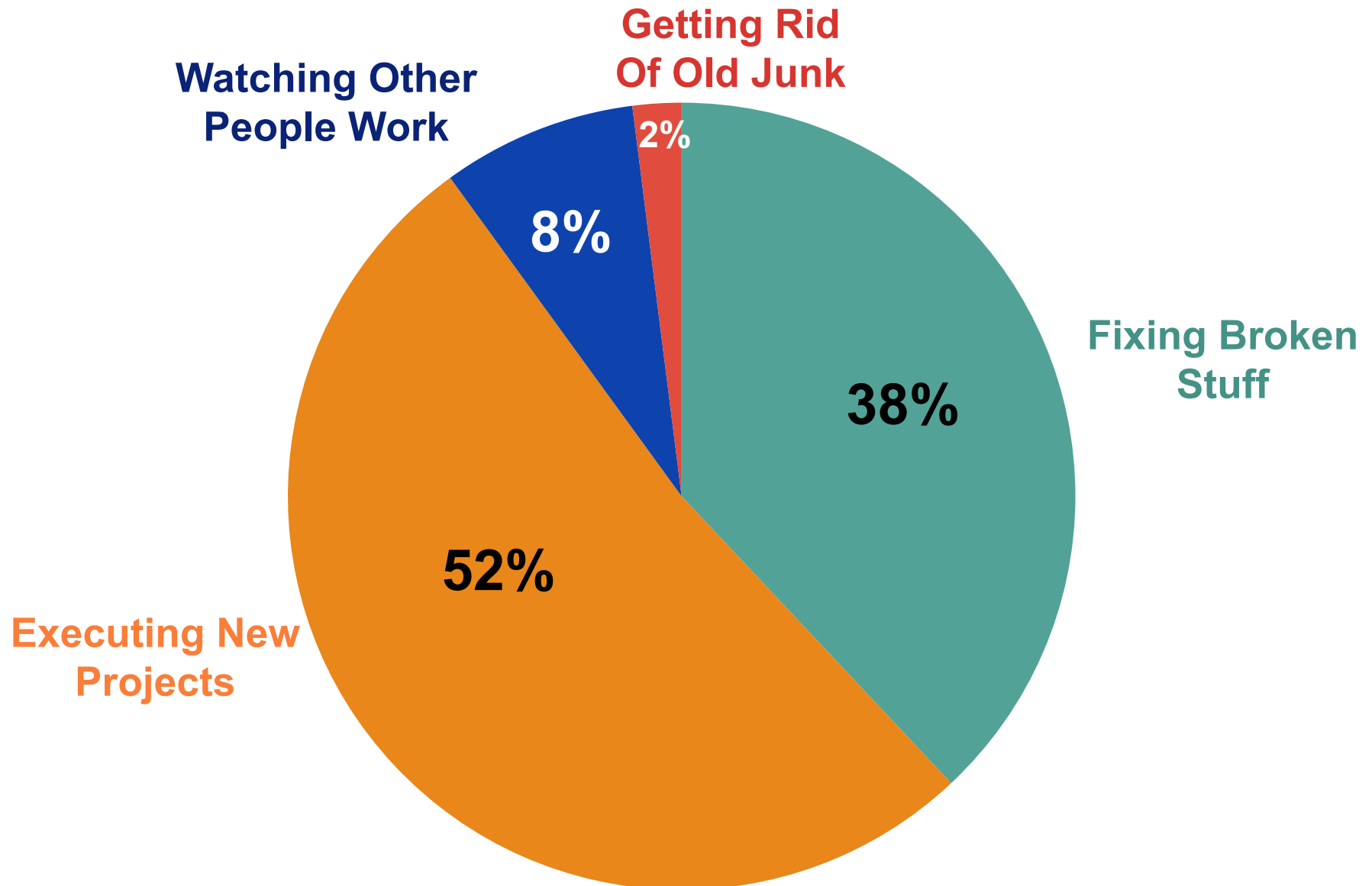


Hilcorp in Alaska

- Normal Operations at Drift River Terminal
- Offshore Drilling Solution & Workover Rig
- Swanson River Field
- Happy Valley



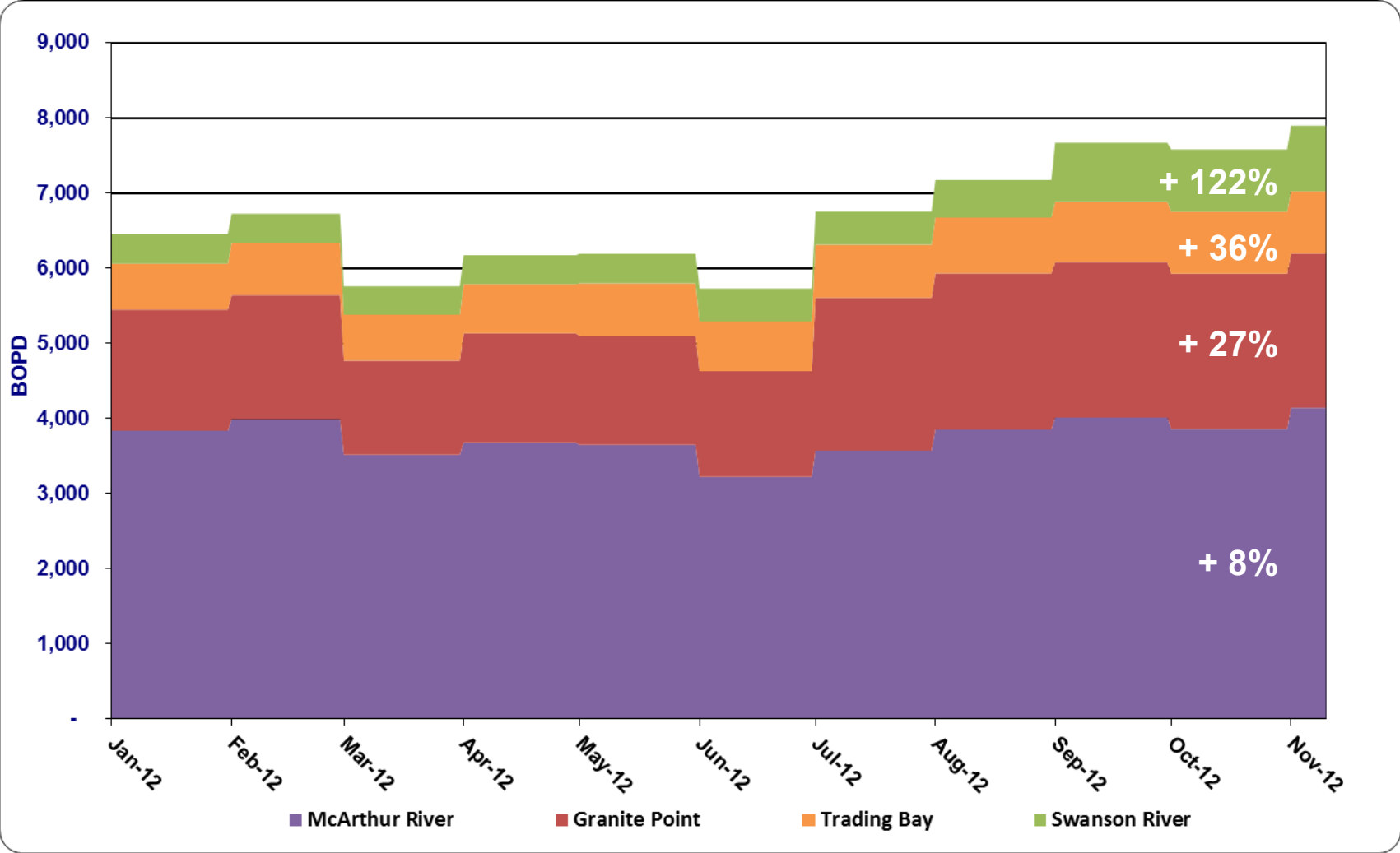
2012 AK Investment Spend - \$230MM





Results so far

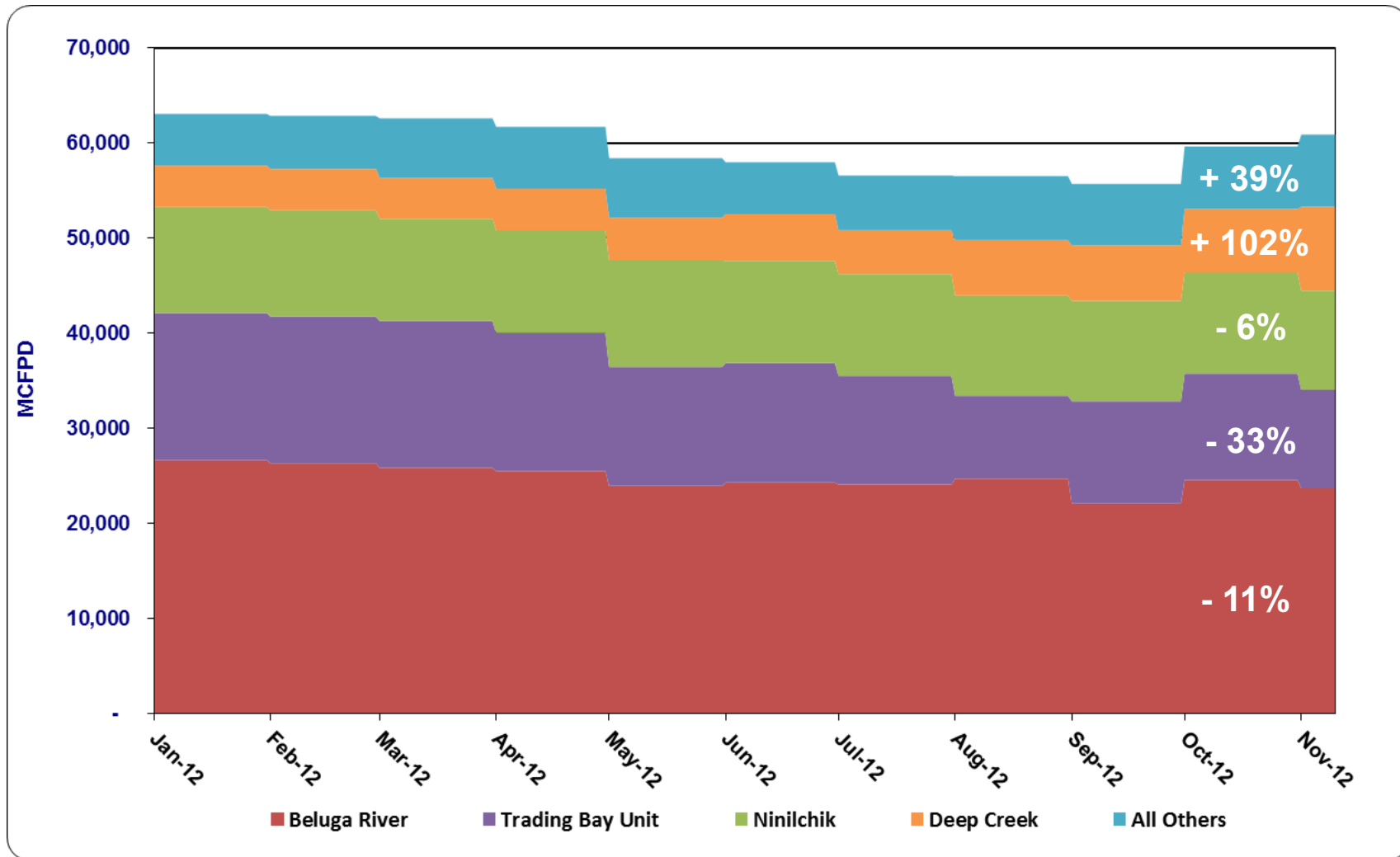
Hilcorp Alaska Net Oil Production



Results so far



Hilcorp Alaska Net Gas Production



Looking ahead



2013 Plans

- **Marathon acquisition**
 - \$375 million purchase price
 - Signed PSA in April 2012
 - Expect to close late 2012/early 2013, subject to all regulatory approvals
- **2013 Investment program**
 - Invest \$150-200MM in projects
 - Additional \$50MM on Marathon properties
- **2013 Focus**
 - Oil Production: Offshore & Swanson River
 - Gas Projects: Onshore

