



C. K. COOPER & COMPANY

Our Insight, Your Growth

# Energy Capital Markets Q1 2010 Quarterly Review

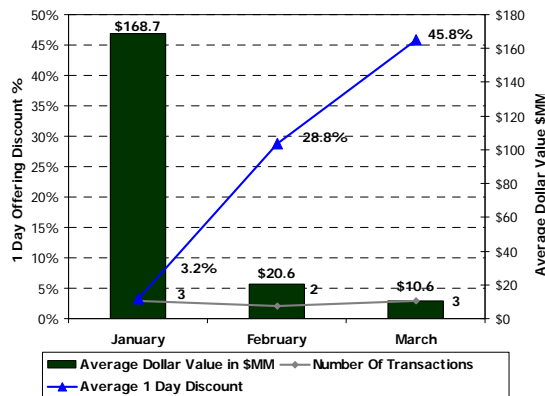
-Status of the Micro/Small Cap Energy Capital Markets

Economic Environment		
Measurement	Current	90 Day Change
Crude Oil	\$83.76	5.5%
Natural Gas	\$3.87	-30.1%
12 Month Future Oil	\$85.90	2.1%
12 Month Future Gas	\$5.08	-22.4%
Dow Jones	10,857	4.1%
NASDAQ	2,398	5.7%

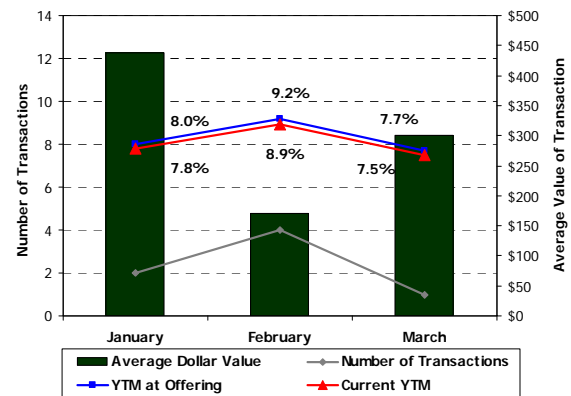
As of March 31, 2010

## Q1 2010 SUMMARY

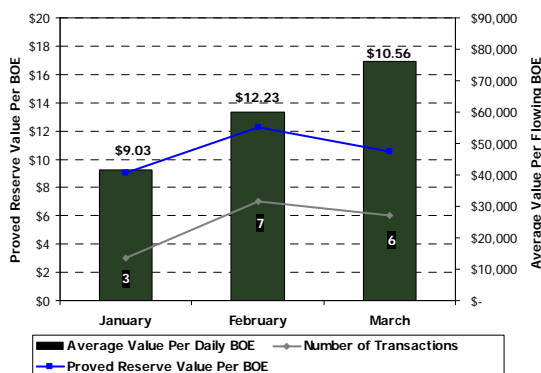
### FOLLOW-ON EQUITY OFFERINGS Q1 2010



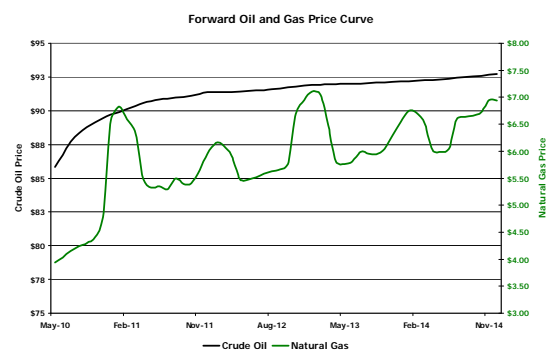
### BOND OFFERINGS Q1 2010



### M&A ACTIVITY Q1 2010



### NYMEX OIL & GAS FORWARD STRIP



---

**Q1 2010 SUMMARY**

---

**Equity Market Q1 2010 Commentary**

The first quarter of 2010 saw a growing market acceptance for smaller and riskier issuers accessing the capital markets, coupled with raises by larger, established companies. The first quarter of 2010 may also be an indication of the return PIPEs. Of the eight equity offerings in the first quarter, two were PIPEs and five of the eight were for offerings of \$25 million or less. This is significant as 2009 saw only one PIPE (BPZ Resources) the entire year. As we mentioned in January, it appears the equity market is open and a growing number of issuers are utilizing the window to access the market.

**Debt Market Q1 2010 Commentary**

The debt yields have continued to come down in 2010 from 2009 and even yields from issues in the first quarter of 2010 have declined, indicating a growing appetite for debt and risk tolerance. We expect this to lead to strong activity in the debt market as the cost of capital decreases and boost refinancing activity for the remainder of 2010.

**M&A Q1 2010 Commentary**

M&A activity was exceptionally strong for the first quarter of 2010 with transactions closing across various regions. Valuations were in line with 2009 figures with the first quarter of 2010 averaging \$11.05 per BOE and \$62,584 per BOEPD. For 2010 we expect activity to remain strong in areas with emerging shale plays and oily production. We would have expected valuations in the first quarter of 2010 to improve over 2009 levels, but maintain the position that we will see valuations improve with a more stable outlook for oil and gas. We also believe the easing of credit will help drive additionally M&A activity in 2010.

**Forward Outlook Commentary**

Overall the first quarter of 2010 points to another positive quarter and outlook for E&P companies as many companies have fully recovered from the fall of commodity prices in 2008. Investors of E&P companies have been well rewarded as oil has continued upward. We expect pricing for oil to remain strong and gas to regain strength with the seasonal return of colder weather in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2010.

## EQUITY MARKET ACTIVITY

## FOLLOW-ON OFFERINGS

Issuer	Symbol	Exchange	Date	\$ Raised	Offering Px	% Discount to Market				
						1 Day	10 Day	15 Day	20 Day	30 Day
Berry Petroleum**	BRY	NYSE	1/11/2010	\$ 234,000,000	\$ 29.25	5.3%	3.7%	3.0%	1.0%	-1.6%
Rex Energy Corp**	REXX	NASDAQ	1/12/2010	\$ 73,500,000	\$ 12.25	1.2%	4.8%	3.3%	0.6%	-6.8%
Concho Resources**	CXO	NYSE	1/25/2010	\$ 198,787,500	\$ 42.75	3.0%	3.9%	5.3%	5.5%	4.6%
Endeavour International*	END	NYSE-AMEX	2/4/2010	\$ 21,112,001	\$ 0.90	0.0%	3.7%	8.0%	10.7%	11.8%
<sup>1</sup> Pacific Asia Petroleum**	PAP	NYSE-AMEX	2/10/2010	\$ 20,000,000	\$ 1.89	57.5%	57.5%	56.3%	56.3%	57.4%
<sup>1</sup> Pacific Asia Petroleum**	PAP	NYSE-AMEX	3/2/2010	\$ 17,500,000	\$ 1.42	68.1%	65.6%	65.4%	66.0%	66.2%
<sup>1</sup> Far East Energy Corp**	FEEC	OTCBB	3/9/2010	\$ 5,011,700	\$ 0.26	48.0%	45.4%	46.0%	45.7%	46.6%
Triangle Petroleum Corp*	TPLM	OTCBB	3/11/2010	\$ 9,238,000	\$ 0.33	21.4%	25.1%	25.3%	25.7%	21.3%
<b>Mean</b>				<b>\$ 72,393,650</b>		<b>25.6%</b>	<b>26.2%</b>	<b>26.6%</b>	<b>26.4%</b>	<b>24.9%</b>
<b>Median</b>				<b>\$ 20,556,001</b>		<b>13.4%</b>	<b>14.9%</b>	<b>16.6%</b>	<b>18.2%</b>	<b>16.5%</b>

\*PIPE

\*\*Public Offering

<sup>1</sup> Inferred Offering Price Based on Warrant Coverage

## POST-TRANSACTION PERFORMANCE

April 20, 2010						Post Transaction Performance		
Issuer	Symbol	Exchange	Date	\$ Raised	Offering Px	Current Market Price	Days Since Transaction	Percentage Difference
Berry Petroleum**	BRY	NYSE	1/11/2010	\$ 234,000,000	\$ 29.25	\$ 30.94	99	5.8%
Rex Energy Corp**	REXX	NASDAQ	1/12/2010	\$ 73,500,000	\$ 12.25	\$ 12.92	98	5.5%
Concho Resources**	CXO	NYSE	1/25/2010	\$ 198,787,500	\$ 42.75	\$ 54.45	85	27.4%
Endeavour International*	END	NYSE-AMEX	2/4/2010	\$ 21,112,001	\$ 0.90	\$ 1.50	75	66.7%
<sup>1</sup> Pacific Asia Petroleum**	PAP	NYSE-AMEX	2/10/2010	\$ 20,000,000	\$ 1.89	\$ 4.34	69	129.6%
<sup>1</sup> Pacific Asia Petroleum**	PAP	NYSE-AMEX	3/2/2010	\$ 17,500,000	\$ 1.42	\$ 4.34	49	205.6%
<sup>1</sup> Far East Energy Corp**	FEEC	OTCBB	3/9/2010	\$ 5,011,700	\$ 0.26	\$ 0.42	42	61.9%
Triangle Petroleum Corp*	TPLM	OTCBB	3/11/2010	\$ 9,238,000	\$ 0.33	\$ 0.87	40	163.6%
<b>Mean</b>				<b>\$ 72,393,650</b>			<b>70</b>	<b>83.3%</b>
<b>Median</b>				<b>\$ 20,556,001</b>			<b>72</b>	<b>64.3%</b>

\*PIPE

\*\*Public Offering

<sup>1</sup> Inferred Offering Price Based on Warrant Coverage

## DEBT MARKET ACTIVITY

## BOND OFFERINGS

Issuer	Symbol	Exchange	Issue Date	\$ Raised	Type	Coupon	YTM At Offering	YTM Current	Maturity Date	Conversion Premium
Forest Oil Corp.	FST	NYSE	1/21/2010	\$ 600,000,000	Senior	8.5%	7.1%	6.7%	2/15/2014	
Stone Energy Corp.	SGY	NYSE	1/26/2010	\$ 275,000,000	Senior	8.6%	8.9%	9.0%	2/01/2017	
Venoco, Inc.	VQ	NYSE	2/03/2010	\$ 149,000,000	Senior	11.5%	10.7%	10.1%	10/01/2017	
Continental Resources, Inc.	CLR	NYSE	2/09/2010	\$ 300,000,000	Senior	8.3%	8.0%	7.1%	10/01/2019	
NFR Energy LLC	Private Co	NA	2/12/2010	\$ 200,000,000	Senior	9.8%	10.0%	10.0%	2/15/2017	
Harvest Natural Resources, Inc.	HNR	NYSE	2/17/2010	\$ 32,000,000	Senior Convertible	8.3%	8.3%	8.3%	3/01/2013	30%
Plains Exploration & Production Co.	PXP	NYSE	3/29/2010	\$ 300,000,000	Senior	7.6%	7.7%	7.5%	4/01/2020	
<b>Mean</b>				<b>\$ 265,142,857</b>		<b>8.9%</b>	<b>8.7%</b>	<b>8.4%</b>		<b>30%</b>
<b>Median</b>				<b>\$ 275,000,000</b>		<b>8.5%</b>	<b>8.3%</b>	<b>8.3%</b>		<b>30%</b>

## M&amp;A ACTIVITY

## M&amp;A TRANSACTIONS

Close Date	Buyers	Sellers	Deal Type	Location	Total Transaction Value US \$MM	Proved Reserve Value US \$MM	Proved Reserves Total MMBOE	% Gas Of Proved Reserves	Implied Proved Reserve Value US\$/BOE	Daily BOE/D Production	Implied Value Per Daily BOE Produced
1/7/2010	Ironwood Oil & Gas LLC	Undisclosed private company	Asset	United States-Gulf Coast Onshore	\$ 34.0	\$ 34.0	NM	NM	NM	667	\$ 51,000
1/7/2010	Concho Resources Inc	Terrace Petroleum & Undisclosed	Asset	United States-Mid-Continent	\$ 260.0	\$ 260.0	20.0	NM	\$ 13.00	4,500	\$ 57,778
1/11/2010	Undisclosed private company	Crimson Exploration Inc	Asset	United States-Gulf Coast Onshore	\$ 7.8	\$ 7.8	1.5	73%	\$ 5.07	483	\$ 16,138
2/1/2010	Penn Virginia Corporation	Hilcorp Energy Company	Asset	United States-Gulf Coast Onshore	\$ 6.0	\$ 6.0	0.6	NM	\$ 10.59	167	\$ 36,000
2/1/2010	Hilcorp Energy Company	Penn Virginia Corporation	Asset	United States-Gulf Coast Onshore	\$ 38.0	\$ 31.0	5.2	NM	\$ 6.00	2,278	\$ 13,611
2/2/2010	Undisclosed (three deals or parties)	Abraxas Petroleum Corp	Asset	United States-Diversified	\$ 11.2	\$ 11.2	0.6	NM	\$ 18.48	142	\$ 78,873
2/2/2010	Undisclosed	Ellora Energy Inc	Asset	United States-Mid-Continent	\$ 247.0	\$ 247.0	14.5	52%	\$ 17.03	5,100	\$ 48,431
2/3/2010	Chesapeake Energy Corporation	Epsilon Energy Limited	Asset	United States-Appalachia	\$ 100.0	\$ 100.0	NM	NM	NM	833	\$ 120,000
2/16/2010	Magnum Hunter Resources Corp	Triad Energy Corporation (Ohio)	Asset	United States-Appalachia	\$ 81.0	\$ 34.0	5.2	31%	\$ 6.49	1,000	\$ 34,000
2/17/2010	Legacy Reserves LP	St Mary Land & Exploration Company	Asset	United States-Rocky Mountains	\$ 130.0	\$ 130.0	8.8	7%	\$ 14.77	1,478	\$ 87,957
3/1/2010	Undisclosed	Petrohawk Energy Corporation	Asset	United States-Mid-Continent	\$ 20.0	\$ 20.0	1.2	NM	\$ 17.14	500	\$ 40,000
3/2/2010	Noble Energy Incorporated	Suncor Energy Incorporated	Asset	United States-Rocky Mountains	\$ 494.0	\$ 389.0	53.0	55%	\$ 7.34	10,167	\$ 38,262
3/19/2010	3 Forks Energy Partners LLC	St Mary Land & Exploration Company	Asset	United States-Rocky Mountains	\$ 137.0	\$ 137.0	11.2	7%	\$ 12.23	1,522	\$ 90,013
1/29/2010 (Est)	Linn Energy LLC	Undisclosed	Asset	United States-Mid-Continent	\$ 154.5	\$ 154.5	12.0	20%	\$ 12.88	1,700	\$ 90,882
1/31/2010 (Est)	Resaca Exploitation LP	Cano Petroleum Inc	Corporate	United States-Mid-Continent	\$ 133.1	\$ 122.7	49.1	21%	\$ 2.50	1,209	\$ 101,471
3/31/2010 (Est)	Berry Petroleum Company	Undisclosed private company	Asset	United States-Mid-Continent	\$ 126.0	\$ 126.0	11.2	15%	\$ 11.25	1,300	\$ 96,923
<b>Mean</b>					<b>\$ 123.7</b>	<b>\$ 113.1</b>	<b>13.9</b>	<b>31%</b>	<b>\$ 11.05</b>	<b>2,065</b>	<b>\$ 62,584</b>
<b>Median</b>					<b>\$ 113.0</b>	<b>\$ 111.3</b>	<b>10.0</b>	<b>21%</b>	<b>\$ 11.74</b>	<b>1,255</b>	<b>\$ 54,389</b>