



C. K. COOPER & COMPANY
Our Insight, Your Growth

Energy Capital Markets Q4 2011 Quarterly Review

-Status of the Micro/Small Cap Energy Capital Markets

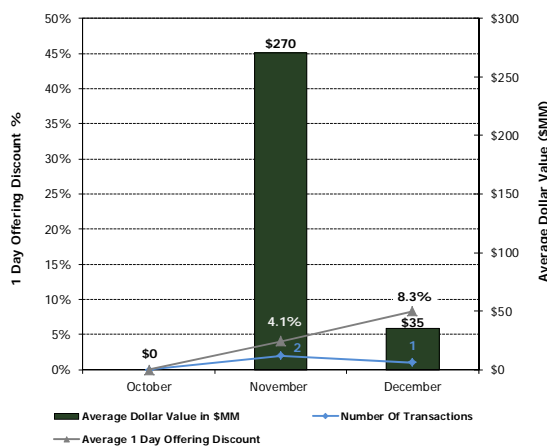
Economic Environment		
Measurement	12/31/2011	90 Day Change
NYMEX Crude Oil	\$98.83	24.8%
NYMEX Natural Gas	\$3.02	-17.7%
12 Month Future Oil	\$98.33	20.0%
12 Month Future Gas	\$3.76	-15.3%
Dow Jones	12,218	12.0%
S&P 500	1,258	11.2%
S&P E&P Index	52.69	22.9%

As of December 31, 2011

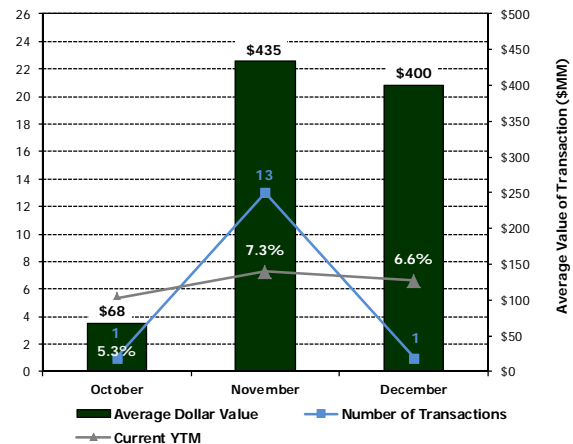
The Energy Capital Markets Quarterly Review is designed to provide a brief overview of the equity and debt capital markets transactions over the past quarter as well as a review of corporate and asset mergers & acquisitions activity in the small and micro-cap exploration & production space.

Q4 2011 SUMMARY

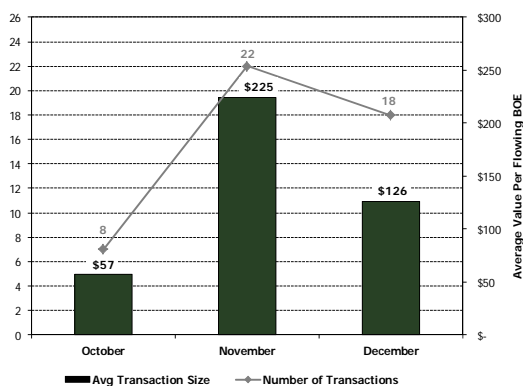
FOLLOW-ON EQUITY OFFERINGS



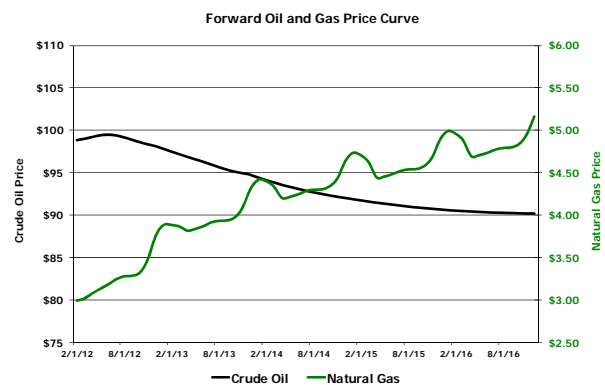
BOND OFFERINGS



M&A ACTIVITY



NYMEX OIL & GAS FORWARD STRIP



Q4 2011 SUMMARY

EQUITY MARKET Q4 2011 COMMENTARY

Uncertainty in the market during the fourth quarter caused investors to hunker down and forgo new investments. There were just three transactions in the micro and small-cap E&P space in Q4, compared to seven transactions in the previous quarter and eleven in Q4 2010. However, the size of the offerings has increased, with an average transaction size of \$192 million in the fourth quarter, compared to \$42 million in the third quarter and \$109 million in the fourth quarter of 2010. With the average discount to the prior day's price being 5.5%, compared to 12% in the prior quarter, it suggests that the quality of the issuer took precedence this quarter. However, the sampling size was relatively small which makes averages less relevant.

DEBT MARKET Q4 2011 COMMENTARY

With domestic oil and gas production continuing to increase, companies have more operating income to service debt, and are less afraid to issue more. Companies continued to raise more money in the bond market than they did in the equity market due to its lower cost. There were the same number of issuances as in the third quarter, with 15 in total; however, the average size of the issuances decreased to \$408 million this quarter, down from \$636 million last quarter and \$538 million in the fourth quarter of 2010. This quarter's 6.0% average coupon is slightly higher than the third quarter's 5.7% average, while the average term of the bond shortened 0.8 years, quarter over quarter.

M&A Q4 2011 COMMENTARY

After the dip in oil prices in the third quarter, oil has been steady in the \$90 to \$100 range, helping M&A activity pick up. The number of transactions increased from 30 to 47 quarter over quarter and the average size of the transactions increased from \$59.7 million to \$161.8 million. The Bakken and Permian continue to be popular plays, but now we're seeing large transactions in the Utica Shale play, mainly in Ohio. Chesapeake has been actively selling off stakes in its Utica acreage in the billions of dollars, which are too large to be included in our small and micro-cap breakdown, but are nonetheless importantly driving interest in the area. It will be the play to watch in 2012.

FORWARD OUTLOOK COMMENTARY

With 2012 being an election year, it is unlikely that the uncertainty in the market will dissipate. Partisan politics and grandstanding will be the norm, and turmoil in the Middle East will keep oil prices high. Until investors feel safer in the market, it will be a stock picker's game. Selecting companies with quality assets and proven management will be important. Further quantitative easing is likely coming from the Fed, but not at the level seen in 2011, so this should not affect the market or commodity prices much. However, with oil prices likely above \$80 for most of the year, energy stocks should outperform the market. Small-cap E&Ps continue to have depressed prices from March of last year when oil prices were at similar levels, so those companies with solid growth plans look very attractive.

CORPORATE FINANCE

January 6, 2012

EQUITY MARKET ACTIVITY

FOLLOW-ON OFFERINGS

Issuer	Symbol	Exchange	Date	Deal Type	\$ Raised	Offering Px	% Discount to Market				
							1 Day	10 Day	15 Day	20 Day	30 Day
Kodiak Oil & Gas	KOG	NYSE	11/14/2011	Public	\$ 374,325,000	\$7.75	-0.5%	-7.3%	-9.0%	-12.9%	-25.4%
Gulfport Energy	GPOR	NASDAQ	11/29/2011	Public	\$ 166,750,000	\$29.00	8.6%	12.4%	13.9%	13.6%	11.3%
Synergy Resources	SYRG	NYSE-AMEX	12/16/2011	Public	\$ 35,000,000	\$2.75	8.3%	16.9%	17.3%	18.2%	15.2%
Mean					\$ 192,025,000		5.5%	7.3%	7.4%	6.3%	0.4%
Median					\$ 166,750,000		8.3%	12.4%	13.9%	13.6%	11.3%

POST-TRANSACTION PERFORMANCE

December 31, 2011

Issuer	Symbol	Exchange	Date	Deal Type	\$ Raised	Offering Px	Post Transaction Performance		
							Market Price on 12/31/2011	Days Since Transaction	Percentage Difference
Kodiak Oil & Gas	KOG	NYSE	11/14/2011	Public	\$ 374,325,000	\$ 7.75	\$ 9.50	47	22.6%
Gulfport Energy	GPOR	NASDAQ	11/29/2011	Public	\$ 166,750,000	\$ 29.00	\$ 29.45	32	1.6%
Synergy Resources	SYRG	NYSE-AMEX	12/16/2011	Public	\$ 35,000,000	\$ 2.75	\$ 2.85	15	3.6%
Mean					\$ 192,025,000			31	9.3%
Median					\$ 166,750,000			32	3.6%

DEBT MARKET ACTIVITY

BOND OFFERINGS

Issuer	Symbol	Exchange	Issue Date	\$ Raised (mm)	Coupon	YTM Current	Maturity Date
McMoRan Exploration Co.	MMR	NYSE	10/06/2011	\$ 68	5.3%	5.3%	10/6/2012
MarkWest Energy Partners LP	MWE	NYSE	11/03/2011	\$ 700	6.3%	5.7%	6/15/2022
SM Energy Co.	SM	NYSE	11/08/2011	\$ 350	6.5%	6.1%	11/15/2021
SM Energy Co.	SM	NYSE	11/08/2011	\$ 350	6.5%	6.1%	11/15/2021
Forbes Energy Services LLC	FES	NASDAQ	11/09/2011	\$ 280	9.0%	10.3%	6/15/2019
Oasis Petroleum, Inc.	OAS	NYSE	11/10/2011	\$ 400	6.5%	6.6%	11/1/2021
WPX Energy, Inc.	WPX	NYSE	11/14/2011	\$ 400	5.3%	5.1%	1/15/2017
WPX Energy, Inc.	WPX	NYSE	11/14/2011	\$ 1,100	6.0%	5.7%	1/15/2022
EV Energy Partners LP	EVEP	NASDAQ	11/15/2011	\$ 300	8.0%	7.7%	4/15/2019
Carrizo Oil & Gas, Inc.	CRZO	NASDAQ	11/17/2011	\$ 200	8.6%	8.5%	10/15/2018
SandRidge Energy, Inc.	SD	NYSE	11/17/2011	\$ 898	7.5%	7.6%	3/15/2021
Pioneer Drilling Co.	PDC	NYSE	11/21/2011	\$ 175	9.9%	8.9%	3/15/2018
Swift Energy Co.	SFY	NYSE	11/30/2011	\$ 250	7.9%	8.1%	3/1/2022
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Oasis Petroleum, Inc.	OAS	NYSE	12/22/2011	\$ 400	7.3%	6.6%	2/1/2019
Mean				\$ 408	7.2%	7.2%	8.1 Years
Median				\$ 350	7.3%	7.1%	9.3 Years

M&A ACTIVITY

M&A TRANSACTIONS

Close Date	Buyer	Seller	Deal Type	Region	Deal Value (\$MM)	Production (Boe/d)	Reserves (MMBoe)	Acres of Land	Production (\$/Boe/d)	Reserves (\$/Boe)
10/4/2011	Panhandle	(Undisclosed)	Asset	Fayetteville Shale	\$ 17.5	450	1.5		\$ 38,889	\$ 11.4
10/12/2011	Ultra Petroleum; Keybank	(Undisclosed)	Asset	Rockies	\$ 22.7			20,400		
10/13/2011	GE Energy Financial Services; PRE Resources Inc	(Undisclosed)	Asset	Rockies	\$ 51.0					
10/17/2011	Geomet	(Undisclosed)	Asset	Coalbed Methane	\$ 90.2	3,667	8.3	70,000	\$ 24,598	\$ 10.8
10/25/2011	Paxton Energy Inc	Black Sands Energy	Asset	Mid-Continent	\$ 3.4	58	1.4		\$ 58,276	\$ 2.4
10/31/2011	North American Energy Resources Inc	(Undisclosed)	Asset	GC Onshore	\$ 175.0	2,900	14.5		\$ 60,345	\$ 12.1
10/31/2011	Energy Partners	Stone Energy	Asset	Gulf of Mexico	\$ 38.4	410	1.3		\$ 93,659	\$ 29.5
11/1/2011	Marathon	(Undisclosed)	Asset	Eagle Ford Shale	\$ 118.0			14,000		
11/1/2011	Legacy Reserves LP	EnCana	Asset	Rockies	\$ 45.0	2,165	6.9		\$ 20,785	\$ 6.5
11/1/2011	Legacy Reserves LP	(Undisclosed)	Asset	Permian	\$ 27.5	320	1.6		\$ 85,938	\$ 16.8
11/1/2011	Underground Energy Corp	(Undisclosed)	Asset	West Coast	\$ 5.5	60			\$ 91,667	
11/2/2011	Concho Resources Inc	Lone Star Oil & Gas Inc; (Undisclosed)	Asset	Permian	\$ 330.0	1,500	6.0	114,000	\$ 220,000	\$ 55.0
11/3/2011	EnerVest Management Partners; EV Energy Partners	EnCana; Braden Exploration LLC; Red Oak Wise County LP	Asset	Barnett Shale	\$ 1,208.0	23,118	217.7		\$ 52,254	\$ 5.5
11/3/2011	EIG Global Energy Partners	Chesapeake	Corporate	Utica Shale	\$ 500.0					
11/3/2011	(Undisclosed)	Plains E&P	Asset	GC Onshore	\$ 185.0	6,500	20.0		\$ 28,462	\$ 9.3
11/3/2011	EV Energy Partners	(Undisclosed)	Asset	Mid-Continent	\$ 116.0	1,333	10.3		\$ 87,022	\$ 11.2
11/3/2011	PDC	(Undisclosed)	Asset	Utica Shale	\$ 20.0			10,000		
11/4/2011	Linn Energy LLC	Plains E&P	Asset	Mid-Continent	\$ 600.0	14,000	43.8	20,000	\$ 42,857	\$ 13.7
11/7/2011	Eagle Ford Oil & Gas Corp	(Undisclosed)	Asset	GC Onshore	\$ 21.0	350			\$ 60,000	
11/8/2011	Sanchez Energy Corp	Marquis LLC	Corporate	Eagle Ford Shale	\$ 109.0			54,868		
11/11/2011	Torch Energy; Strike	(Undisclosed)	Asset	Permian	\$ 14.0	120	1.0	6,000	\$ 116,667	\$ 14.1
11/14/2011	Kodiak Oil & Gas	North Plains Energy LLC; Mercuria Bakken LLC	Asset	Bakken Shale	\$ 590.0	3,500	19.7	50,000	\$ 168,571	\$ 29.9
11/14/2011	Paxton Energy Inc	Black Cat Exploration & Production LLC	Asset	Gulf of Mexico	\$ 5.8					
11/15/2011	Legacy Reserves LP	(Undisclosed)	Asset	Permian	\$ 3.9	57	0.2		\$ 68,421	\$ 16.4
11/17/2011	Apache	Stone Energy	Asset	Gulf of Mexico	\$ 38.4	410	1.3		\$ 93,659	\$ 29.5
11/18/2011	Stone Energy	BP	Asset	Gulf of Mexico	\$ 204.0	4,352			\$ 46,875	
11/21/2011	(Undisclosed)	Earthstone Energy Inc	Asset	Rockies	\$ 6.3					
11/22/2011	Texas Petroleum Investment Co Int'l LLC	HKN Inc	Asset	Gulf of Mexico	\$ 19.8	286			\$ 69,056	
11/30/2011	Samsung; Korea National Oil Corporation (KNOC)	Parallel Petroleum	Corporate	Permian	\$ 772.0	8,400			\$ 91,905	
12/1/2011	(Undisclosed)	American Eagle Energy Inc; Eternal Energy Corp	Asset	Bakken Shale	\$ 13.8			7,891		
12/5/2011	EIG Global Energy Partners; Blackstone Group	Chesapeake	Corporate	Utica Shale	\$ 750.0					
12/5/2011	Comstock	Eagle Oil & Gas Co; (Undisclosed)	Asset	Permian	\$ 332.7	1,400	23.2	44,000	\$ 237,643	\$ 14.3
12/5/2011	Comstock	(Undisclosed)	Asset	Permian	\$ 5.0			12,000		
12/6/2011	Faulconer Resources	Melrose Resources	Asset	GC Onshore	\$ 5.8	200			\$ 29,000	
12/8/2011	Korea Development Bank; SK (S.Korea); Patara Oil & Gas LLC	Apache	Asset	Mid-Continent	\$ 200.0	5,167	38.8		\$ 38,707	\$ 5.2
12/12/2011	Northern Oil and Gas	(Undisclosed)	Asset	Bakken Shale	\$ 19.0			7,600		
12/14/2011	(Undisclosed)	Nabors Industries Ltd	Asset	West Coast	\$ 72.0					
12/14/2011	Paradigm Oil & Gas	(Undisclosed)	Asset	Mid-Continent	\$ 8.5					
12/15/2011	Blugrass Energy Inc	(Undisclosed)	Asset	Mississippian Play	\$ 10.3	106		1,420	\$ 96,792	
12/20/2011	Concho Resources Inc	PDC	Asset	Permian	\$ 175.0	1,100	13.0	6,400	\$ 159,091	\$ 13.5
12/20/2011	Brigham	U.S. Energy Corp	Asset	Bakken Shale	\$ 13.7					
12/20/2011	(Undisclosed)	PDC	Asset	Permian	\$ 13.0	200			\$ 65,000	
12/21/2011	(Undisclosed)	EnerJex Resources Inc	Asset	Mid-Continent	\$ 4.0					
12/22/2011	Halcon Resources LLC	Ram Energy Resources Inc	Corporate	Multiple	\$ 427.6	2,900	18.1	44,157	\$ 147,459	\$ 23.7
12/22/2011	Entek Energy Limited	(Undisclosed)	Asset	Niobrara Shale	\$ 2.5			19,000		
12/28/2011	Nighthawk Energy plc	Running Foxes Petroleum	Asset	Other	\$ 12.5					
12/29/2011	Korea National Oil Corporation (KNOC); Samsung	Northstar Offshore Energy	Asset	Gulf of Mexico	\$ 201.0	4,700	10.8		\$ 42,766	\$ 18.6
Mean					\$ 161.8	3,094	21.9	29,514	\$ 84,012	\$ 16.6
Median					\$ 38.4	1,333	10.3	19,000	\$ 68,421	\$ 13.7