



Figure 30: Relative Value – Higher Quality Oily

Higher Quality Oily	CLR	FANG	NFX	PE
<b>Bond Details</b>				
Rank	Senior	Senior	Senior	Senior
Maturity	15-Apr-23	1-Nov-24	1-Jul-24	1-Jun-24
Coupon	4.50	4.75	5.03	5.25
Am't Outstanding	1500	500	1000	400
S&P/Rty	Ba3(Pos)/BB+(Stable)	B1(Stable)/BB(Stable)	Ba2(Stable)/BB+(Stable)	B2/BB-(Stable)
<b>Bond Pricing</b>				
Bid Price	102.3	100.8	108.0	105.5
YTW (in %)	4.00	4.57	4.21	4.88
OAS (in bps)	179	213	193	248
Play/Basin exposure (based on Q3 17 prod)	Willston-58% SCOORICANA/STACK-38%	Permian-100%	STACK/ SCOOP-85% Willston-14% Uinta-11%	Permian-100%
<b>LTM Operational and Credit Metrics<sup>(1)</sup></b>				
Production (MMboe)	81	25	55	22
Production Growth YoY (%)	1%	74%	5%	77%
Liquid Mix in Production	56%	88%	63%	85%
EBITDA(\$M)	1,950	820	997	583
Unhedged EBITDA	1,929	812	935	597
Total Debt (\$M)	6,575	1,256	2,433	2,195
Cash (\$M)	11	30	428	547
Market Cap	19,294	11,839	8,180	9,109
Enterprise Value (\$M)	25,828	13,635	8,185	10,357
Borrowing Base (\$M)	2,750	2,115	NA	1,400
Commitment (\$M)	2,750	1,315	1,905	1,000
Revolver Available (\$M)	1,872	1,045	1,905	998
Net Leverage	3.4x	1.5x	2.0x	2.1x
Unhedged Net Leverage	3.4x	1.5x	2.1x	2.1x
Interest Coverage	6.6x	11.8x	6.5x	7.8x
Liquidity Available (\$M)	1,883	1,075	2,333	1,845
Debt/Flowing Bbl (\$/Boe)	27,080	14,777	16,638	34,293
Debt/EV	25%	9%	30%	21%
<b>LTM Cash Flow Bridge</b>				
EBITDA <sup>(2)</sup>	1,973	784	997	582
Current tax	0	0	24	0
Capex	(1,730)	(698)	(997)	(896)
Change in W/C	(93)	(15)	(70)	91
Cash Available for Debt Service	150	73	(46)	(246)
Interest (excl. capitalized interest)	(301)	(47)	(95)	(72)
FCF	(151)	26	(132)	(318)
Acquisition	(8)	(2,401)	1	(2,613)
Divestitures	382	7	80	13
FCF (incl. asset sale)	223	(2,369)	(51)	(2,917)
<b>Reserve Metrics as of FY16<sup>(3)</sup></b>				
1P Reserve (MMbbl)	1,275	205	513	222
Proved Developed Mix (%)	41%	58%	61%	48%
Liquid Mix(%)	50%	88%	59%	83%
Reserve Life <sup>(4)</sup>	14.6	7.2	9.0	8.9
PV-10	6,655	1,742	2,718	1,483
Reserve Life (PD) <sup>(5)</sup>	6.0	4.2	5.5	4.3
Net Debt/1P (\$/Boe)	5.1	6.0	3.9	5.6
EV/1P (\$/Boe)	20.3	66.4	16.0	46.6
PV-10/debt	1.01x	1.30x	1.12x	0.88x
Senior Unsecured Debt coverage <sup>(6)</sup>	1.02x	1.47x	1.29x	1.08x
<b>Hedge Ratio - FY18/19<sup>(7)</sup></b>				
FY 18E Production Hedged	1%	32%	41%	66%
FY 18E Hedge Floor Price (\$/boe)	\$19.68	\$48.46	\$35.53	\$48.25
FY 19E Production Hedged	0%	2%	10%	9%
FY 19E Hedge Floor Price (\$/boe)	NA	\$49.50	\$50.00	\$50.00
<b>LTM Per unit metrics</b>				
Unhedged Realization	31.4	39.1	30.4	37.5
Total Operating Cash Costs <sup>(8)</sup>	7.8	8.2	13.5	10.8
Operating Cash Margin (\$/Boe)	23.8	30.9	16.9	26.7
Interest (\$/boe)	3.7	2.6	2.8	3.3
Net Cash Margin (\$/Boe)	20.1	28.3	14.1	23.4
Operating Cash Margin (in %)	76%	79%	59%	71%
Net Cash Margin (in %)	64%	72%	49%	62%
3 Yr FD&A (excl. Price Revisions)	12.2	17.4	12.1	16.3
Full Cycle (\$/boe) <sup>(8)</sup>	23.6	28.2	28.4	30.4

(1) EBITDA, debt, cash, revolver and debt/flowing bbl numbers FF for post Q3 17 events and acquisitions & divestitures done during LTM period  
 (2) Reported LTM EBITDA and does not include FF impact  
 (3) Reserve metrics numbers (incl. coverage ratios) may not be meaningful in cases like PE and FANG since they have not been adjusted for acquisitions post FY 16  
 (4) Reserve life based on FY 17 consensus production  
 (5) Debt coverage is based on PV-10, cash, hedges MTM (@\$55/G in '18 and \$50/G thereafter for oil/gas respectively) and midstream assets  
 (6) Production numbers for FY 18 and FY 19 as per consensus  
 (7) Operating cash costs consists of upstream segment LOE, gathering & processing and cash G&A costs  
 (8) Full cycle costs consists of operating cash cost, interest and 3 Yr FD&A (excl. Price Revisions)  
 Source: Company data, Bloomberg Finance LP, Deutsche Bank