



Figure 31: Relative Value – Mid Quality

| Mid Quality | CRZO | LPI | GEP | OAS | SM | WLL | WPX |
|--|---|--------------------|--|------------------------|--------------------------------|---------------------|--|
| Bond Details | | | | | | | |
| Rank | Senior | Senior | Senior | Senior | Senior | Senior | Senior |
| Maturity | 15-Apr-23 | 15-Mar-23 | 1-May-23 | 15-Jan-23 | 1-Jan-23 | 1-Apr-23 | 15-Sep-24 |
| Coupon | 6.25 | 6.25 | 5.25 | 6.88 | 6.50 | 6.25 | 5.25 |
| Am't Outstanding | 650 | 390 | 650 | 366 | 400 | 408 | 650 |
| S&P/Mdty | B3(Pos)/B+(Stable) | B2(Pos)/B+(Stable) | Ba3(Stable)/BB+(Stable) | B3(Stable)/BB-(Stable) | B2(Stable)/B+(Stable) | B3(Pos)/BB-(Stable) | B3(Stable)/B+(Stable) |
| Bond Pricing | | | | | | | |
| Bid Price | 103.0 | 103.3 | 101.0 | 102.3 | 102.3 | 100.8 | 99.0 |
| YTW (in %) | 5.25 | 5.14 | 5.03 | 5.91 | 5.53 | 6.07 | 5.43 |
| OAS (in bps) | 311 | 302 | 280 | 383 | 344 | 388 | 313 |
| Play/Basin exposure (based on Q3 17 prod) | Eagle Ford -71% Permian-13% Marcellus-11% | Permian -100% | Willston-30% Finedale -21% Haynesville -24% Permian - 17% | Willston -100% | Eagle Ford-63% Permian -28% | Willston -88% | Delaware-37% Willston-32% San Juan-31% |
| LTM Oper. and Credit Metrics ⁽¹⁾ | | | | | | | |
| Production (MMboe) | 18 | 20 | 55 | 22 | 47 | 42 | 36 |
| Production Growth YoY (%) | 20% | 21% | -2% | 22% | -16% | -17% | -8% |
| Liquid Mix in Production | 75% | 72% | 48% | 78% | 54% | 84% | 66% |
| EBITDA(\$M) | 478 | 488 | 567 | 607 | 593 | 748 | 654 |
| Unhedged EBITDA | 447 | 400 | 595 | 602 | 540 | 717 | 578 |
| Total Debt (\$M) | 1,415 | 788 | 2,079 | 2,323 | 2,905 | 2,931 | 2,574 |
| Cash (\$M) | 5 | 174 | 120 | 8 | 441 | 11 | 243 |
| Market Cap | 1,759 | 2,547 | 2,314 | 1,943 | 2,439 | 2,287 | 5,433 |
| Enterprise Value (\$M) | 3,382 | 3,159 | 4,273 | 4,373 | 4,903 | 5,187 | 7,998 |
| Borrowing Base (\$M) ⁽²⁾ | 838 | 1,000 | NA | 1,800 | 925 | 2,300 | 1,200 |
| Commitment (\$M) ⁽²⁾ | 800 | 1,000 | 1,250 | 1,350 | 925 | 2,300 | 1,200 |
| Revolver Available (\$M) ⁽²⁾ | 758 | 1,000 | 1,249 | 945 | 925 | 2,091 | 1,125 |
| Net Leverage | 3.0x | 1.3x | 3.3x | 3.8x | 4.2x | 3.9x | 3.7x |
| Unhedged Net Leverage | 3.2x | 1.5x | 3.3x | 3.8x | 4.6x | 4.1x | 4.0x |
| Interest Coverage | 4.7x | 5.0x | 5.7x | 4.0x | 3.8x | 4.8x | 3.4x |
| Liquidity Available (\$M) | 763 | 1,174 | 1,369 | 953 | 1,366 | 2,102 | 1,358 |
| Debt/Flowing Bbl (\$/Boe) | 28,766 | 13,097 | 17,207 | 32,307 | 25,050 | 26,851 | 25,859 |
| Debt/EV | 42% | 25% | 49% | 53% | 59% | 57% | 32% |
| LTM Cash Flow Bridge | | | | | | | |
| EBITDA ⁽¹⁾ | 499 | 488 | 735 | 603 | 681 | 808 | 637 |
| Current tax | 0 | (0) | (0) | 0 | 7 | 4 | (2) |
| Capex | (568) | (488) | (1,007) | (500) | (623) | (783) | (993) |
| Change in W/C | (26) | 9 | 31 | (60) | 58 | (88) | (118) |
| Cash Available for Debt Service | (139) | (13) | (242) | 14 | (79) | (38) | (476) |
| Interest (excl. capitalized interest) | (79) | (93) | (129) | (135) | (166) | (168) | (189) |
| FCF | (214) | (105) | (371) | (121) | (245) | (287) | (665) |
| Acquisition | (848) | (9) | (660) | (782) | (2,249) | (20) | (795) |
| Divestitures | 26 | 87 | 788 | 4 | 1,523 | 925 | 21 |
| FCF (incl. asset sale) | (1,035) | (47) | (244) | (698) | (972) | (699) | (1,442) |
| Reserve Metrics as of FY16 ⁽⁴⁾ | | | | | | | |
| 1P Reserve (MMbbl) | 200 | 167 | 731 | 305 | 320 | 615 | 347 |
| Proved Developed Mix (%) | 46% | 84% | 49% | 62% | 65% | 47% | 52% |
| Liquid Mix(%) | 70% | 68% | 42% | 78% | 66% | 81% | 65% |
| Reserve Life ⁽⁵⁾ | 10.2 | 7.8 | 13.8 | 12.8 | 7.1 | 14.3 | 8.6 |
| PV-10 ⁽⁶⁾ | 1,303 | 2,020 | 2,357 | 2,628 | 1,152 | 2,548 | 1,038 |
| Reserve Life (PD) ⁽⁷⁾ | 4.7 | 6.6 | 6.7 | 8.0 | 4.6 | 6.8 | 4.5 |
| Net Debt/1P (\$/Boe) | 7.0 | 3.7 | 2.7 | 7.6 | 7.7 | 4.7 | 6.7 |
| EV/1P (\$/Boe) | 16.9 | 18.9 | 5.8 | 14.3 | 16.3 | 8.4 | 23.1 |
| PV-10/debt | 0.92x | 2.57x | 1.13x | 1.13x | 0.40x | 0.87x | 0.40x |
| Senior Unsecured Debt coverage ⁽⁸⁾ | 0.91x | 2.80x | 1.16x | 1.28x | 0.55x | 0.81x | 0.47x |
| Hedge Ratio - FY18/19 ⁽⁹⁾ | | | | | | | |
| FY 18E Production Hedged | 46% | 54% | 66% | 54% | 64% | 26% | 57% |
| FY 18E Hedge Floor Price (\$/boe) | \$49.16 | \$37.88 | \$33.86 | \$48.26 | \$33.67 | \$46.67 | \$42.37 |
| FY 19E Production Hedged | 9% | 0% | 16% | 4% | 0% | 0% | 13% |
| FY 19E Hedge Floor Price (\$/boe) | \$47.80 | NA | \$34.08 | \$50.82 | NA | NA | \$50.88 |
| LTM Per unit metrics | | | | | | | |
| Unhedged Realization | 35.7 | 28.1 | 27.6 | 40.2 | 26.5 | 31.9 | 30.3 |
| Total Operating Cash Costs ⁽¹⁰⁾ | 11.9 | 8.3 | 14.3 | 16.8 | 13.5 | 13.6 | 14.5 |
| Operating Cash Margin (\$/Boe) | 23.8 | 19.8 | 13.29 | 23.6 | 13.0 | 18.4 | 15.8 |
| Interest (\$/Boe) | 5.5 | 4.5 | 2.4 | 8.7 | 3.7 | 4.0 | 5.2 |
| Net Cash Margin (\$/Boe) | 18.3 | 15.2 | 10.9 | 16.9 | 9.3 | 14.4 | 10.6 |
| Operating Cash Margin (in %) | 67% | 70% | 48% | 59% | 49% | 59% | 52% |
| Net Cash Margin (in %) | 51% | 54% | 40% | 42% | 35% | 45% | 35% |
| 3 Yr FD&A (excl. Price Revisions) | 14.9 | 30.5 | 11.1 | 13.0 | 13.0 | 13.4 | 15.3 |
| Full Cycle (\$/Boe) ⁽¹⁰⁾ | 32.3 | 43.3 | 27.8 | 36.3 | 30.2 | 30.9 | 35.0 |

(1) EBITDA, debt, cash, revolver and debt/flowing bbl numbers PF for post Q3 17 events and acquisitions & divestitures done during LTM period
 (2) For OAS includes \$200M of Oasis Midstream Partners facility
 (3) Reported LTM EBITDA and does not include PF impact
 (4) Reserve metrics numbers (incl. coverage ratios) may not be meaningful in cases like GEP, CRZO, SM and WPX since they have not been adjusted for A&D post FY 16
 (5) Reserve life based on FY 17 consensus production except for GEP, WPX, OAS and WLL
 (6) WLL PV-10 adjusted (\$150M impact) to factor the recently announced \$500M asset sale
 (7) Debt coverage is based on PV-10, cash, hedges MTM (@ \$55/3 in '18 and \$50/3 thereafter for oil/gas respectively) and midstream assets
 (8) Production numbers for FY 18 and FY 19 as per consensus except for GEP, WPX, OAS and WLL
 (9) Operating cash costs consists of upstream segment LOE, gathering & processing and cash G&A costs
 (10) 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