



Exploration and Production Industry 1Q08 Earnings Preview

Continued High Commodity Prices Should Drive EPS and CFPS Upward in 1Q08 and Beyond

Equity Research

Exploration and
Production

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Ticker	Price as of		Rating ¹	Price Target	Date of		Quarterly EPS		
	4/23/2008				Conference Call	Year Ago	Last Q	DRCO Est.	FC Cons.
AEZ	\$3.19		B	\$7.50	May 13th, 2008	(\$0.02)	(\$0.03)	\$0.00	(\$0.03)
ARD	\$46.10		B	\$45.00	May 7th, 2008	\$0.18	\$0.26	\$0.41	\$0.44
ATPG	\$28.53		B	\$60.00	May 9th, 2008	\$0.89	\$1.66	\$1.34	\$1.09
BDE	\$26.15		H	n/a	May 6th, 2008	\$0.18	\$0.42	\$0.46	\$0.47
BZP	\$20.15		B	\$25.00	May 11th, 2008	(\$0.06)	(\$0.07)	\$0.01	(\$0.01)
CPE	\$20.31		H	n/a	May 9th, 2008	\$0.27	\$0.21	(\$0.04)	\$0.12
CRZO	\$67.30		H	n/a	May 9th, 2008	\$0.13	\$0.20	\$0.31	\$0.39
DNE	\$1.56		B	\$3.00	May 16th, 2008	(\$0.10)	\$0.07	\$0.01	\$0.02
EPL	\$11.64		B	\$13.00	May 3rd, 2008	\$0.09	\$0.01	\$0.04	\$0.10
EXXI	\$4.93		B	\$10.00	May 1st, 2008	\$0.02	\$0.12	\$0.15	\$0.09
EPM	\$5.16		B	\$9.00	May 16th, 2008	(\$0.02)	(\$0.04)	(\$0.10)	(\$0.03)
GSX	\$3.12		B	\$4.00	May 7th, 2008	\$0.00	(\$0.02)	\$0.01	\$0.02
GST	\$1.31		H	n/a	May 13th, 2008	(\$0.03)	(\$0.01)	(\$0.01)	(\$0.01)
GTE	\$4.25		B	\$5.00	May 15th, 2008	(\$0.03)	\$0.02	\$0.04	\$0.04
GPOR	\$12.52		B	\$25.00	May 7th, 2008	\$0.21	\$0.21	\$0.21	\$0.20
ME	\$28.68		B	\$30.00	May 7th, 2008	\$0.45	\$0.58	\$0.68	\$0.72
MGWSF	\$0.63		B	\$2.50	May 16th, 2008	(\$0.02)	\$0.00	(\$0.01)	(\$0.01)
TMR	\$2.01		B	\$4.00	May 8th, 2008	\$0.02	\$0.02	\$0.02	\$0.04
NGAS	\$6.56		B	\$10.00	May 8th, 2008	(\$0.01)	\$0.01	\$0.04	\$0.03
RAME	\$5.04		B	\$7.50	May 14th, 2008	\$0.00	\$0.08	\$0.08	\$0.08
ROSE	\$21.82		B	\$30.00	May 14th, 2008	\$0.28	\$0.31	\$0.43	\$0.39
SFY	\$53.40		B	\$60.00	May 8th, 2008	\$0.92	\$1.71	\$1.30	\$1.56
TEC	\$5.55		B	\$6.50	May 8th, 2008	(\$0.11)	(\$0.28)	(\$0.06)	(\$0.08)
TXCO	\$13.69		B	\$17.50	May 6th, 2008	(\$0.06)	\$0.05	\$0.20	\$0.16
WTI	\$41.59		B	\$40.00	May 6th, 2008	\$0.17	\$0.65	\$0.68	\$0.84

¹ B = Buy, N = Neutral, S = Sell

² AMC = After Market Close, BMO = Before Market Open, TBD = To Be Determined

- ▶ **Higher commodity pricing should result in widened margins for both oil and gas producers.** We look for record gross, EBITDA and cash margins in 1Q08 due to the high oil and gas prices as well as continued pressure on services to keep prices relatively flat. While we believe the service companies may begin to adjust prices higher in order to capture some of the spread going forward, the E&P companies should enjoy robust returns on their production.
- ▶ **Increased pricing should trickle down to increased CAPEX as companies receive substantially more cash flow than expected during the year.** Most companies ran their CAPEX budgets on \$60-\$80 oil and \$6-\$8 gas, but since the market is currently paying considerably more for their production, the companies should become (if they are not already) flush with cash. We expect to see many companies expand their CAPEX budgets and ramp activity in the 2H08 in order to capitalize on the high pricing and healthy returns. We believe the 2H08 and all of 2009 could see a large emphasis on exploration drilling as well as continued developmental projects if commodity prices remain high.
- ▶ **Despite an increased focus on the industry, we still see many E&P company stock prices trading under their net asset values.** While commodity prices have risen greatly, we believe several names within the industry continue to trade at or below their NAV. We believe this discrepancy becomes more apparent everyday in multiple names and presents a solid buying opportunity.

Please read Required Disclosures and Analyst Certification on last pages of this report.

First Quarter 2008 CFPS is expected to be up significantly both year-over-year and sequentially due to strong crude oil and natural gas prices, production increases and pricing pressure on services.

First Quarter 2008 Cash Flow Per Share Estimates

Ticker	DRCO Est.	FC Cons.	1Q08E vs. 1Q07A		1Q08E vs. 4Q07A	
			Year Ago	% Change	Last Q	% Change
AEZ	\$0.01	\$0.00	(\$0.02)	150.0%	(\$0.01)	200.0%
ARD	\$0.81	\$0.91	\$0.39	107.7%	\$0.74	9.5%
ATPG	\$4.54	\$4.24	\$2.99	51.8%	\$3.11	46.0%
BDE	\$1.09	\$1.15	\$0.84	29.8%	\$1.08	0.9%
BZP	\$0.01	\$0.02	(\$0.06)	116.7%	(\$0.06)	116.7%
CPE	\$0.62	\$0.84	\$1.53	-59.5%	\$1.11	-44.1%
CRZO	\$1.20	\$1.03	\$0.23	421.7%	\$1.03	16.5%
DNE	\$0.16	\$0.21	(\$0.03)	633.3%	(\$0.03)	633.3%
EPL	\$1.58	\$1.64	\$1.88	-16.0%	\$2.17	-27.2%
EXXI	\$1.09	\$0.99	\$0.50	118.0%	\$0.99	10.1%
EPM	(\$0.01)	(\$0.01)	\$0.00	-5100.0%	\$0.01	-200.0%
GSX	\$0.04	\$0.04	\$0.03	33.3%	\$0.00	1011.1%
GST	\$0.01	\$0.01	(\$0.01)	200.0%	\$0.01	0.0%
GTE	\$0.10	\$0.09	(\$0.00)	5100.0%	\$0.06	66.7%
GPOR	\$0.46	\$0.49	\$0.39	17.9%	\$0.45	2.2%
ME	\$2.42	\$2.58	\$1.86	30.1%	\$2.06	17.5%
MGWSF	(\$0.00)	\$0.02	n/a	n/a	(\$0.01)	55.6%
TMR	\$0.27	\$0.25	\$0.25	8.0%	\$0.24	12.5%
NGAS	\$0.18	\$0.19	\$0.13	38.5%	\$0.18	0.0%
RAME	\$0.21	\$0.30	\$0.11	90.9%	\$0.18	16.7%
ROSE	\$1.54	\$1.53	\$1.05	46.7%	\$1.40	10.0%
SFY	\$3.80	\$4.10	\$2.99	27.1%	\$4.30	-11.6%
TEC	\$0.03	\$0.02	(\$0.06)	150.0%	(\$0.14)	121.4%
TXCO	\$0.67	\$0.62	\$0.12	458.3%	\$0.53	26.4%
WTI	\$2.62	\$2.83	\$1.88	39.4%	\$2.93	-10.6%
Average (Excluding Outliers)				122.4%		44.5%

Source: Company documents, FirstCall, Thompson Financial, Dahlman Rose & Co.

Excluding outliers, we expect to see our covered group of E&P stocks report a 120%+ increase in cash flow per share year over year and a nearly 45% increase sequentially. These ramps in cash flow should provide companies with additional cash that can be used to pay down debt/build cash reserves (such as EXXI, ATPG and EPL) or plowed back into the ground through additional CAPEX (CPE, GSX, GTE, ME and TEC) to facilitate additional drilling activity.

The substantial additional cash flow is primarily due to the rise in commodity prices during the quarter, which have continued to rise thus far in 2Q08. However, it is important to note that many companies in our coverage list are expected to report increases in production as well, allowing them to take advantage of current pricing and obtain additional returns in this favorable market. We look for ARD, CRZO and GTE to lead this group in the first quarter as these three companies have seen significant production adds during the quarter, and for the full year we look for AEZ, ARD, ATPG, CRZO, DNE, EXXI, EPM, GTE, RAME TEC and TXCO to all produce at substantially higher rates—thus increasing cash flows from

both the higher production and increased commodity pricing, which we expect to remain robust throughout 2008.

Expected Production Changes			
Ticker	1Q08E v 1Q07A	1Q08E v 4Q07A	2008E v 2007A
AEZ	-8.6%	1.0%	256.9%
ARD	48.6%	13.3%	55.1%
ATPG	32.9%	4.7%	31.0%
BDE	13.1%	5.0%	14.5%
BZP	n/a	74.0%	5832.0%
CPE	-32.8%	-12.9%	-18.8%
CRZO	96.4%	11.6%	56.3%
DNE	702.0%	1.5%	115.3%
EPL	-34.5%	-20.0%	-3.5%
EXXI	90.4%	4.0%	30.4%
EPM	21.2%	9.6%	29.1%
GSX	11.2%	5.2%	21.6%
GST	55.7%	5.0%	33.5%
GTE	113.6%	24.1%	163.8%
GPOR	14.9%	-2.3%	18.9%
ME	8.5%	2.9%	23.4%
MGWSF	n/a	n/a	n/a
TMR	-19.2%	3.6%	-5.1%
NGAS	19.5%	1.0%	14.5%
RAME	46.0%	5.0%	45.7%
ROSE	40.5%	0.3%	19.9%
SFY	-1.4%	-7.2%	0.2%
TEC	80.7%	4.4%	174.6%
TXCO	126.7%	7.5%	42.4%
WTI	-3.5%	-9.7%	-3.7%

Source: Company documents, FirstCall, Thompson Financial, Dahlman Rose & Co.

The sustained high prices for oil and gas we have seen since the beginning of the year provide the E&P companies with additional cash flows, but oilfield service companies generally have been able to raise their prices in accordance with the higher commodity prices in order to capture additional upside on their end. Surprisingly, we have not seen this take effect as of yet due to continued pressure on oilfield service companies to keep prices down. While we have seen slight increases in rig rates, completion and other services during the year, these increases have been very low in comparison with the rise in commodity prices—allowing the E&P companies to widen their gross, net, EBITDA and cash flow margins based on operations.

We expect the oilfield service companies to begin taking back their piece of the market as 2008 progresses due to increased activity in the oil and gas industry, which therefore should make oilfield services tighter/create additional demand in the market. We believe the oilfield services industry is currently playing a game of catch-up (and fully expect the catch-up to occur in the next 6-12 months) with the E&P industry. In our opinion, it is this gap until oilfield services begin raising prices that place the oil and gas producers in a position to generate record operating profits.

Another piece of the cash flow puzzle for the E&P industry is to determine the levels of hedging companies have taken on either due to debt covenants or risk management practices. Most of these hedges would have been put on in 2007 (if not earlier) and therefore are at prices that range between \$55-\$90/bbl of oil and \$6-\$8/mcf of natural gas, essentially removing the substantial upside on the hedged portion of a company's production. While we believe hedging a portion of production in order to lock in cash flows is smart and that generally hedges do not materially affect prices received for oil and gas production, the first quarter of 2008 (and in our opinion the rest of the year) could see significant discounts on realized oil and gas prices and unrealized (non-cash) losses on production for the hedges still outstanding as of March 31, 2008.

We believe, therefore, that there is a significant opportunity to enter stocks that have hedged little (or none) of their production for 1Q08 and beyond and that these stocks stand to generate the most cash from their production due to robust commodity prices. Below is a table of expected production hedges for our covered companies for 1Q08 and 2008, allowing us to determine which companies can capture the most upside from the elevated oil and gas prices. We believe BDE, CRZO, ME, TXCO and WTI all stand to see substantially higher realized natural gas prices due to lower hedging levels, while ARD, BDE, BZP, GTE, SFY and WTI should see upside from their unhedged realized oil pricing received in the market.

Ticker	Expected Production			
	% of Gas Hedged		% of Oil Hedged	
	1Q08E	2008E	1Q08E	2008E
AEZ	0%	0%	0%	0%
ARD	0%	0%	19%	16%
ATPG	98%	85%	68%	61%
BDE	0%	0%	0%	0%
BZP	0%	0%	0%	0%
CPE	23%	35%	55%	48%
CRZO	20%	13%	0%	0%
DNE	32%	27%	31%	25%
EPL	58%	28%	36%	23%
EXXI	85%	62%	89%	64%
EPM	0%	0%	0%	0%
GSX	61%	59%	0%	0%
GST	32%	29%	0%	0%
GTE	0%	0%	0%	0%
GPOR	0%	0%	83%	70%
ME	31%	28%	37%	26%
MGWSF	0%	0%	0%	0%
TMR	52%	43%	34%	31%
NGAS	49%	63%	0%	0%
RAME	39%	37%	44%	39%
ROSE	52%	52%	0%	0%
SFY	33%	18%	32%	8%
TEC	80%	55%	32%	44%
TXCO	13%	6%	12%	6%
WTI	7%	7%	12%	13%

Source: Company documents, FirstCall, Thompson Financial, Dahlman Rose & Co.

Companies that produce significant percentages of liquids in our space stand to make the greatest returns based on the prices as well, as the 6:1 ratio for natural gas to crude oil continues to be significantly skewed (about 11:1). Oily names in our coverage space include ARD, BZP, EXXI, GTE, GPOR, SFY and TEC (after acquisition, which should begin this quarter).

Despite the high commodity prices, we still see many names in the industry trading at or below their net asset value.

We have derived the net asset value for each of our covered companies based on the company's proven reserves, with additional value given to probable, possible and potential reserves or undeveloped acreage. We believe these values (less short and long term debt) give a good approximation of what the assets of the company are worth today. These values provide insight as to what the "take-out" price of a particular company could be. However, some companies do not paint the entire picture due to operational changes and other less quantitative issues going on during the year. Nonetheless, we believe these figures provide us with an approximation of the value of each stock, and therefore stocks trading below their NAV look to be undervalued to us due to previous operational issues, financial structure issues, or due to investors not being familiar with a particular story.

Ticker	Price as of 4/23/2008	DRCO NAV/Share	% of Current Price
AEZ	\$3.19	\$5.74	179.9%
ARD	\$46.10	\$37.73	81.8%
ATPG	\$28.53	\$61.21	214.5%
BDE	\$26.15	\$23.84	91.2%
BZP	\$20.15	\$19.73	97.9%
CPE	\$20.31	\$30.35	149.4%
CRZO	\$67.30	\$69.00	102.5%
DNE	\$1.56	\$1.65	105.8%
EPL	\$11.64	\$13.03	111.9%
EXXI	\$4.93	\$5.05	102.4%
EPM	\$5.16	\$9.00	174.4%
GSX	\$3.12	\$4.00	128.2%
GST	\$1.31	\$3.00	229.0%
GTE	\$4.25	\$4.20	98.8%
GPOR	\$12.52	\$26.36	210.5%
ME	\$28.68	\$28.52	99.4%
MGWSF	\$0.63	\$2.24	355.6%
TMR	\$2.01	\$3.67	182.6%
NGAS	\$6.56	\$10.00	152.4%
RAME	\$5.04	\$7.52	149.2%
ROSE	\$21.82	\$26.51	121.5%
SFY	\$53.40	\$69.41	130.0%
TEC	\$5.55	\$7.86	141.6%
TXCO	\$13.69	\$17.68	129.1%
WTI	\$41.59	\$39.02	93.8%

Source: Company documents, FirstCall, Thompson Financial, Dahlman Rose & Co.

Based on our net asset value calculations for covered companies, many of the stocks trade well below the value of their assets less the value of debt, providing substantial opportunity for investors to capitalize on

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these low market valuations and enter the names at a discount to asset value. We would highlight ATPG, CPE, EPM, GST, GPOR, TMR, NGAS, RAME and TEC specifically under this metric, as each are trading well below their asset values based on our calculations.

There is still good value in many E&P names considering the stock movements when compared to the commodity price movements over the last 8 months.

Industry wide we have seen the price of oil increase 66.3% and natural gas increase 95.7% since August 24th, 2007, yet many names in the E&P space have not followed these moves like one would predict. We decided to use the August 24-present period as August 24 is the 52-week low for natural gas prices (and very close to the low for oil), and by proxy this date is when the market for these products were at their lowest in terms of pricing. Since then we have obviously seen a huge spike in oil and gas prices.

We believe many of the E&P names have not yet captured the full value of \$110+ oil and \$10+ gas. In fact we anticipate it may take one to two reported quarters in order for investors to realize the substantial increases of cash to these companies. However, once the understanding of the profitability of these high commodity prices is understood, the names in this sector should fall closer in line with the higher commodity prices.

While we understand the industry has seen a nice run year-to-date, we still firmly believe there is additional room for the stocks to run before being fully valued. Names under our coverage are highlighted in the table on the following pages; with many gaining significantly less than the commodities have during our timeframe.

Stock or Commodity	Symbol	Price on 8/24/2007	Price on 4/23/2008	Period Return
Oil	CL1 comdty	\$71.09	\$118.22	66.3%
Natural Gas	NG1 comdty	\$5.52	\$10.81	95.7%
BANKERS PETROLEUM	BNK.CN	\$0.41	\$1.64	304.9%
BPZ ENERGY	BZP	\$5.60	\$20.17	260.2%
GRAN TIERRA ENERGY	GTE	\$1.50	\$4.25	183.3%
CONTINENTAL RESOURCES	CLR	\$15.28	\$42.22	176.3%
EVOLUTION PETROLEUM	EPM	\$2.35	\$5.16	119.6%
CLAYTON WILLIAMS ENERGY	CWEI	\$28.34	\$61.57	117.3%
CONTANGO OIL & GAS	MCF	\$36.55	\$77.94	113.2%
QUICKSILVER RESOURCES	KWK	\$19.73	\$40.88	107.2%
SOUTHWESTERN ENERGY	SWN	\$19.18	\$39.48	105.8%
MCMORAN EXPLORATION	MMR	\$13.50	\$27.75	105.6%
STONE ENERGY	SGY	\$32.68	\$66.80	104.4%
WHITING PETROLEUM	WLL	\$38.85	\$78.64	102.4%
EOG RESOURCES	EOG	\$67.89	\$137.25	102.2%
BRIGHAM EXPLORATION	BEXP	\$4.98	\$9.62	93.2%
RANGE RESOURCES	RRC	\$36.56	\$70.55	93.0%
HESS	HES	\$59.09	\$110.67	87.3%
W&T OFFSHORE	WTI	\$22.60	\$41.59	84.0%
APACHE CORP	APA	\$76.32	\$138.93	82.0%
CIMAREX ENERGY	XEC	\$35.15	\$63.15	79.7%
DELTA PETROLEUM	DPTR	\$15.29	\$26.95	76.3%
PLAINS EXPLORATION	PXP	\$37.52	\$65.54	74.7%
CARRIZO OIL & GAS	CRZO	\$38.97	\$67.30	72.7%
VAALCO ENERGY	EGY	\$3.75	\$6.47	72.5%
CABOT OIL & GAS	COG	\$33.65	\$57.55	71.0%
PETROQUEST ENERGY	PQ	\$11.69	\$19.97	70.8%
ENCORE ACQUISITION	EAC	\$28.01	\$46.77	67.0%
CALLON PETROLEUM	CPE	\$12.60	\$20.31	61.2%
CHESAPEAKE ENERGY	CHK	\$33.04	\$53.12	60.8%
DENBURY RESOURCES	DNR	\$20.13	\$32.24	60.2%
DEVON ENERGY	DVN	\$75.30	\$119.55	58.8%
BASIC EARTH SCIENCE SYS	BSIC	\$1.01	\$1.60	58.4%
PETROHAWK ENERGY	HK	\$15.12	\$23.63	56.3%
ARENA RESOURCES	ARD	\$29.57	\$46.10	55.9%
CANADIAN OIL SANDS TRUST	COS-U.CN	\$30.09	\$46.70	55.2%
CNX GAS	CXG	\$26.93	\$41.74	55.0%
XTO ENERGY	XTO	\$43.50	\$66.30	52.4%
ULTRA PETROLEUM	UPL	\$56.21	\$85.63	52.3%
COMSTOCK RESOURCES	CRK	\$29.57	\$44.72	51.2%
MURPHY OIL	MUR	\$60.38	\$91.31	51.2%
FOREST OIL	FST	\$40.25	\$60.53	50.4%
BILL BARRETT	BBG	\$35.70	\$53.60	50.1%
OCCIDENTAL PETROLEUM	OXY	\$56.73	\$84.49	48.9%
BERRY PETROLEUM	BRY	\$34.17	\$50.67	48.3%
BOIS D' ARC ENERGY	BDE	\$17.67	\$26.15	48.0%
NOBLE ENERGY	NBL	\$61.69	\$87.97	42.6%
PIONEER NATURAL RESOURCES	PXD	\$41.34	\$58.76	42.1%
GASCO ENERGY	GSX	\$2.19	\$3.10	41.6%

Stock or Commodity	Symbol	Price on 8/24/2007	Price on 4/23/2008	Period Return
Oil	CL1 comdty	\$71.09	\$118.22	66.3%
Natural Gas	NG1 comdty	\$5.52	\$10.81	95.7%
ENCANA	ECA	\$59.42	\$83.12	39.9%
ANADARKO PETROLEUM	APC	\$49.39	\$68.99	39.7%
NEWFIELD EXPLORATION	NFX	\$44.82	\$62.37	39.2%
TXCO RESOURCES	TXCO	\$9.95	\$13.69	37.6%
SWIFT ENERGY	SFY	\$39.02	\$53.40	36.9%
IMPERIAL OIL	IMO	\$43.90	\$59.10	34.6%
EXCO RESOURCES	XCO	\$16.77	\$22.53	34.3%
MARINER ENERGY	ME	\$21.48	\$28.68	33.5%
PARALLEL PETROLEUM	PLLL	\$17.20	\$22.91	33.2%
SUNCOR ENERGY	SU	\$87.26	\$115.02	31.8%
ADMIRAL BAY RESOURCES	ADB.CN	\$0.32	\$0.42	31.3%
ST MARY LAND & EXPLORATION	SM	\$33.46	\$43.71	30.6%
CHALLENGER ENERGY	CHQ.CN	\$2.50	\$3.25	30.0%
HUSKY ENERGY	HUSKF	\$35.91	\$46.45	29.3%
ROSETTA RESOURCES	ROSE	\$16.90	\$21.82	29.1%
WESTSIDE ENERGY	WHT	\$2.90	\$3.71	27.9%
PENN VIRGINIA	PVA	\$40.17	\$51.31	27.7%
UNIT CORP	UNT	\$50.12	\$63.70	27.1%
DOUBLE EAGLE PETROLEUM	DBLE	\$14.21	\$18.00	26.7%
ERHC ENERGY	ERHE	\$0.32	\$0.40	25.0%
CANADIAN NATURAL RESOURCES	CNQ.cn	\$69.79	\$87.13	24.8%
QUESTAR	STR	\$50.71	\$63.03	24.3%
NEXEN	NXY.cn	\$29.80	\$36.71	23.2%
GMX RESOURCES	GMXR	\$32.08	\$38.84	21.1%
STORM CAT ENERGY	SCU	\$0.80	\$0.96	20.0%
TALISMAN ENERGY	TLM	\$17.42	\$20.79	19.3%
TRANSGLOBE ENERGY	TGA	\$4.13	\$4.82	16.7%
ENI SPA	E	\$68.33	\$76.96	12.6%
ENDEAVOUR INTERNATIONAL	END	\$1.15	\$1.29	12.2%
EL PASO	EP	\$16.29	\$18.22	11.8%
ABRAXAS PETROLEUM	ABP	\$3.83	\$4.28	11.7%
TENGASCO	TGC	\$0.61	\$0.68	11.5%
RAM ENERGY	RAME	\$4.54	\$5.04	11.0%
EXXON MOBIL	XOM	\$85.69	\$94.22	10.0%
CHEVRON	CVX	\$87.22	\$94.48	8.3%
IVANHOE ENERGY	IVAN	\$1.83	\$1.98	8.2%
GOODRICH PETROLEUM	GDP	\$31.35	\$33.66	7.4%
TETON ENERGY	TEC	\$5.20	\$5.55	6.7%
WARREN RESOURCES	WRES	\$12.07	\$12.69	5.1%
CANADIAN SUPERIOR ENERGY	SNG.CN	\$3.06	\$3.21	4.9%
CONOCOPHILLIPS	COP	\$80.74	\$84.48	4.6%
BP PLC	BP	\$67.04	\$69.16	3.2%
CANO PETROLEUM	CFW	\$5.70	\$5.83	2.3%
HARKEN ENERGY	HKN	\$8.80	\$8.77	-0.3%
PETRO-CANADA	PCZ	\$50.63	\$50.35	-0.6%

Stock or Commodity	Symbol	Price on 8/24/2007	Price on 4/23/2008	Period Return
Oil	CL1 comdty	\$71.09	\$118.22	66.3%
Natural Gas	NG1 comdty	\$5.52	\$10.81	95.7%
QUEST RESOURCE	QRCP	\$9.07	\$8.95	-1.3%
OPTI CANADA	OPC.CN	\$20.58	\$20.13	-2.2%
CREDO PETROLEUM	CRED	\$10.98	\$10.50	-4.4%
ENERGY XXI	EXXI	\$5.20	\$4.93	-5.2%
NGAS RESOURCES	NGAS	\$7.12	\$6.56	-7.9%
MARATHON OIL	MRO	\$53.73	\$48.04	-10.6%
HARVEST NATURAL RESOURCES	HNR	\$11.33	\$9.92	-12.4%
ENERGY PARTNERS	EPL	\$13.84	\$11.64	-15.9%
KODIAK OIL & GAS	KOG	\$3.80	\$3.13	-17.5%
TOREADOR RESOURCES	TRGL	\$10.95	\$8.94	-18.4%
MERIDIAN RESOURCE	TMR	\$2.48	\$2.01	-19.0%
TRI-VALLEY	TIV	\$7.52	\$6.08	-19.2%
GASTAR EXPLORATION	GST	\$1.69	\$1.31	-22.5%
FX ENERGY	FXEN	\$6.81	\$5.21	-23.5%
ATP OIL & GAS	ATPG	\$41.26	\$28.53	-30.9%
DUNE ENERGY	DNE	\$2.27	\$1.56	-31.3%
GULFPORT ENERGY	GPOR	\$18.49	\$12.52	-32.3%
DAYBREAK OIL & GAS	DBRM	\$0.57	\$0.37	-35.1%
PETROL OIL & GAS	POIGE	\$0.07	\$0.05	-35.7%
AMERICAN OIL & GAS	AEZ	\$5.74	\$3.09	-46.2%
INTEROIL	IOC	\$36.08	\$18.00	-50.1%
FAR EAST ENERGY	FEEC	\$1.30	\$0.60	-53.8%
EDGE PETROLEUM	EPEX	\$13.08	\$5.22	-60.1%
MAVERICK OIL & GAS	MVOG	\$0.05	\$0.02	-64.0%
CANARGO ENERGY	CNR	\$0.80	\$0.27	-66.3%
AURORA OIL & GAS	AOG	\$1.87	\$0.59	-68.4%
MEGAWEST ENERGY	MGWSF	\$2.02	\$0.63	-68.8%
CHEETAH OIL & GAS	COGLE	\$0.22	\$0.06	-72.7%
TRANSMERIDIAN EXPLORATION	TMY	\$2.36	\$0.25	-89.4%
Avg				28.6%

Source: Company documents, FirstCall, Thompson Financial, Bloomberg, Dahlman Rose & Co.

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