

SIMPSON
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OIL AND GAS
PRACTICE

SIMPSON THACHER & BARTLETT LLP

SIMPSON
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Named a Transatlantic Elite law firm
setting the pace in the global energy market

THE LAWYER 2011

OUR OIL AND GAS PRACTICE

For decades, clients across the oil and gas value chain have turned to Simpson Thacher for advice on financings, investments, acquisitions and dispositions. The expansion of our oil and gas practice in 2011 with the opening of our Houston office was a natural outgrowth of our energy practice and has enhanced our ability to provide exceptional client service. Since 2010, we have advised on more than 160 oil and gas transactions with an aggregate value of over \$185 billion.



Simpson Thacher & Bartlett LLP is one of the world's leading law firms. Established in 1884, the Firm has more than 900 lawyers operating out of eleven offices worldwide. The Firm provides coordinated legal advice and transactional capability to clients around the globe.

Why Choose Simpson Thacher?



“[N]o firm has the same coverage as [Simpson Thacher] does when it comes to M&A work.”

CHAMBERS USA 2012 -
ENERGY & NATURAL RESOURCES
quoting a client

Cutting-Edge Mergers and Acquisitions Practice

When contemplating sophisticated oil and gas mergers and acquisitions, industry participants value Simpson Thacher for our internationally recognized M&A practice. Since 2010, the Firm has advised on more than 30 M&A transactions across the oil and gas value chain with an aggregate value in excess of \$60 billion. We advise not only on a great number of oil and gas M&A matters but also on some of the most important ones – such as a consortium led by **Kohlberg Kravis Roberts & Co. (KKR)** in the \$7.2 billion acquisition of **Samson Investment Company** and **Petrohawk Energy Corporation** in the \$15.1 billion sale to **BHP Billiton**.

Simpson Thacher’s unique blend of clients and depth of experience gives us unparalleled versatility in addressing the complex issues in the oil and gas sectors. For example, in 2012, the Firm advised **Blackstone Energy Partners** in the announced formation of a long-term strategic partnership with **LLOG Exploration Company L.L.C.** to invest over \$1.2 billion in offshore operations, the largest private equity financing executed in the Gulf of Mexico to date, and **The Blackstone Group** and **First Reserve Corporation** in the acquisition by **PBF Holding Company LLC** of certain refineries and related assets from **Sunoco, Inc.** and **Valero Energy Corporation**. The Firm also represented **KKR** in connection with a novel build-up platform of three parallel investment vehicles, each a unique partnership that KKR has developed with oil and gas operators and highly specialized management teams to pursue distinct investment strategies; its \$4.7 billion sale of **East Resources, Inc.** to **Shell US E&P Investments LLC**; and its \$3.5 billion sale of **Hilcorp Resources, LLC** to **Marathon Oil Corporation**.

KKR Consortium’s Acquisition of Samson

In 2011, Simpson Thacher represented an investor group consisting of affiliates of **KKR**, **Natural Gas Partners**, **Crestview Partners** and **ITOCHU Corporation** in their acquisition of **Samson Investment Company**, one of the largest private exploration and production companies in the United States, for \$7.2 billion. The transaction was the largest-ever buyout of an oil and gas producer, the largest U.S. leveraged buyout of 2011 and the third-largest exploration and production acquisition since 2008, as reported by *The Deal Pipeline*, which also named the transaction one of the 2011 “M&A Deals of the Year.”

Founded in 1971, Samson owns interests in over 10,000 wells in the United States, of which it operates over 4,000 wells, with key positions in oil and liquids rich plays such as the Bakken, Powder River, Green River, Granite Wash, Cana Woodford and Cotton Valley as well as in the Haynesville and Bossier gas shales.

Ranked in the Top 5
Texas M&A League Tables

(legal advisor, by value)

MERGERMARKET TEXAS
M&A ROUNDUP 2011

Preeminent Banking and Credit Practice

We advise on more and bigger financing transactions than any other firm. In 2011, Simpson Thacher ranked first as legal counsel in both its number of financings and its total financing volume, which exceeded \$324 billion, \$144 billion more than that of the Firm's nearest competitor, according to *Loan Pricing Corporation*. For the oil and gas sector alone, our banking practice has advised on over 70 oil and gas financings since 2010, having an aggregate value in excess of \$80 billion. Lenders and borrowers alike appreciate our comprehensive knowledge of financial instruments, used across a range of circumstances, and our ability to craft innovative solutions.

Examples include our representation of **GeoSouthern Energy Corp.** in connection with its \$1 billion reserve-based credit facility; **Forest Oil Corporation** in connection with a \$1.5 billion reserve-based revolving credit facility; the arrangers in connection with \$1.6 billion of acquisition and bridge financing for **Precision Drilling Trust's** acquisition of **Grey Wolf, Inc.**; **Tesoro Corporation** in connection with its \$1.85 billion credit facility; **BNP Paribas** in connection with a \$600 million reserve-based credit facility for **Three Rivers Operating Company LLC**; and the administrative agents in a \$100 million senior secured second lien term loan facility for **Magnum Hunter Resources Corporation**.

Serving Top Clients:

We have represented numerous oil and gas companies as well as sponsors and financial institutions involved in key oil and gas transactions, including:



One of the Top Five Energy Practice Groups of the Year for 2011

LAW360

Leading Capital Markets Practice

Our banking and credit practice is complemented by our world-renowned capital markets practice, which is also heavily involved in oil and gas transactions. Simpson Thacher’s capital markets practice is one of the most balanced of the major capital markets law firms. Our broad base of both issuer and underwriter clients gives us a breadth and diversity of work that ensures that we are on the cutting-edge of developments in securities laws and capital markets generally. Since 2010, we have advised on over 55 capital markets offerings in the oil and gas space, having an aggregate value in excess of \$45 billion.

Notable examples of our work include our representation of the underwriters in connection with six debt and equity offerings by **Concho Resources Inc.** aggregating nearly \$3 billion; the initial purchasers in three high yield debt offerings by **Antero Resources Finance Corporation** aggregating \$850 million; **OPTI Canada Inc.** in two high yield debt offerings aggregating \$400 million; the underwriters in the \$195 million initial public offering of **Lone Pine Resources Inc.** as well as in the \$200 million debt offering by **Lone Pine Resources Canada Ltd.**; the initial purchaser and placement agent in the approximately \$260 million offering of common stock by **C&J Energy Services, Inc.**; **Precision Drilling Corporation** in two debt offerings aggregating over \$1 billion; the underwriters in two high yield debt offerings by **Denbury Resources Inc.** aggregating \$1.4 billion; the underwriters in two debt offerings by **Halliburton Company** aggregating \$1 billion; the underwriters in connection with **Anadarko Petroleum Corporation’s** \$2 billion debt offering; and affiliates of **The Blackstone Group** in connection with **Kosmos Energy Ltd.’s** \$594 million initial public offering.

“great expertise, strong business
acumen and industry knowledge”
in the oil and gas sector

THE LEGAL 500 UNITED STATES 2012

quoting a client



M&A Deals of the Year 2011:
KKR Consortium's
Acquisition of Samson
and
Petrohawk Energy
Corporation's Sale
to BHP Billiton
THE DEAL PIPELINE

Marquee Deals

Companies across the oil and gas value chain count on Simpson Thacher for our experience across all components of complex, corporate deals. We are privileged to have been involved in two of the most significant oil and gas deals of 2011 – representing a consortium led by **KKR** in their \$7.2 billion acquisition of **Samson Investment Company** and representing **Petrohawk Energy Corporation** in its \$15.1 billion sale to **BHP Billiton**. We also assisted **Kinder Morgan, Inc.** in securing over \$13 billion of committed debt facilities to finance its acquisition of **El Paso Corporation**; **Blackstone Energy Partners** in the announced formation of a long-term strategic partnership with **LLOG Exploration Company L.L.C.** to invest over \$1.2 billion to expand and accelerate LLOG's offshore operations in the Gulf of Mexico, in 2012, the largest private equity financing executed in the Gulf of Mexico to date; **J.P. Morgan Securities, Barclays Capital** and the other underwriters in connection with **Anadarko Petroleum Corporation's** \$2 billion senior notes offering and **JPMorgan** in connection with **Anadarko's** \$5 billion senior secured credit facility; and **Credit Suisse Securities (USA) LLC** in arranging \$3.7 billion of committed financing for the \$9.4 billion acquisition of **Southern Union Company** by **Energy Transfer Equity** and **Energy Transfer Partners, L.P.**

Petrohawk's Sale to BHP Billiton

In 2011, the Firm represented **Petrohawk Energy Corporation** in its sale to **BHP Billiton** in a transaction with a total equity value of approximately \$12.1 billion and a total enterprise value of approximately \$15.1 billion, including the assumption of net debt. The transaction was named one of the 2011 "M&A Deals of the Year" by *The Deal Pipeline*.

Petrohawk is a Houston-based oil and natural gas company and a leader in the exploration and development of shale plays in the United States. The acquisition gave BHP Billiton access to Petrohawk's three world-class onshore natural gas and liquids rich shale assets covering approximately one million net acres in Texas and Louisiana, with estimated 2011 net production of approximately 950 million cubic feet equivalent per day (MMcfe/d), or 158 thousand barrels of oil equivalent per day (Mboe/d).

The offer price was \$38.75 per Petrohawk share in cash, a price that represented a premium of 62% over the closing price of Petrohawk's shares on the day prior to the announcement of the transaction. The deal's structure – a tender offer, for all of the issued and outstanding shares of Petrohawk, followed by a short-term merger – facilitated completion in just six weeks following the deal's announcement.

“Simpson Thacher & Bartlett LLP’s
‘top-notch’ team is a ‘clear favorite’
in energy transactions...”

THE LEGAL 500 UNITED STATES 2012

“a leading provider
of transactional services
to the US energy industry”

CHAMBERS USA 2012

Dedication to Client Service

Our focus on client needs is the hallmark of our practice. We value excellence in client service in all respects – in the thoughtfulness and thoroughness of our legal advice and work product, in our responsiveness to our clients and in the tone and manner in which we work with clients. Our lawyers understand not only the intricacies of the legal issues in any particular matter, but also how those issues impact each client’s overall business. We view ourselves as our clients’ partners in helping to achieve their goals and believe that a positive working relationship facilitates that objective.

Large Team to Support Your Deal

The Firm offers clients a dedicated Houston-based team and is one of a handful of top transactional firms with oil and gas expertise in Houston. Unlike many firms, we offer an in-house team of landmen to assist on title documentation issues, which we believe promotes efficiency. The legal matters we undertake require an increasingly intricate range of experience. We adeptly manage complex transactions by assembling strong teams across a range of legal disciplines and by tapping into the expansive practice and skills globally available within the Firm. The Firm integrates dedicated attorneys from all of our practice areas, including *M&A, Banking and Credit, Capital Markets and Securities, Project and Infrastructure Finance, Energy Regulatory, Investment Funds, Restructuring and Bankruptcy, Litigation, Tax, Environmental, Executive Compensation and Employee Benefits and Intellectual Property*, with significant experience advising in the oil and gas industry.

“A very fine firm
with a great focus on oil and gas.”

CHAMBERS USA 2012

quoting a client



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