

# Haynes and Boone, LLP Borrowing Base Redeterminations Survey: Spring 2016

Summary of results

January 19, 2016

*haynesboone*



# OBJECTIVES OF THE SURVEY

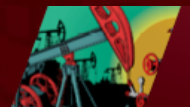
Haynes and Boone, LLP conducted surveys in April and September 2015, and most recently in January 2016.

Survey respondents included executives at:

- Financial institutions
- Oil and gas producers
- Oilfield services companies
- Private equity firms
- Professional services providers

The objective was to get a clear sense of what lenders, borrowers and others were expecting regarding the borrowing base redeterminations in light of the price uncertainty in the commodity market.

The results that follow include a summary of the January 2016 survey results and a comparison of some of the responses from the spring and fall 2015 surveys.

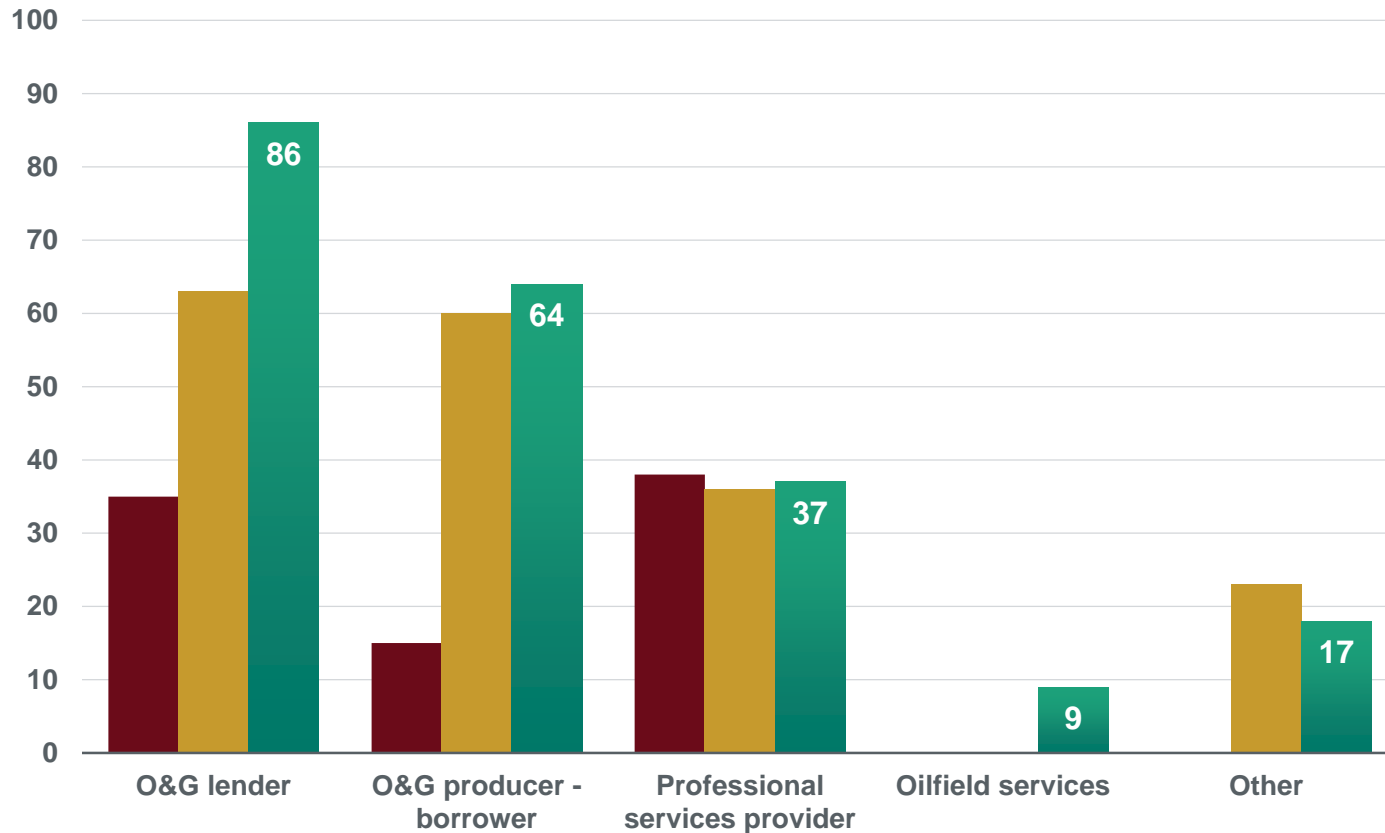


## Question 1:

Which of these best describes you?

- Oil and gas lender
- Oil and gas producer – borrower
- Professional services provider
- Oilfield services company
- Other

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SPRING 2015

88

respondents

FALL 2015

182

respondents

SPRING 2016

213

respondents

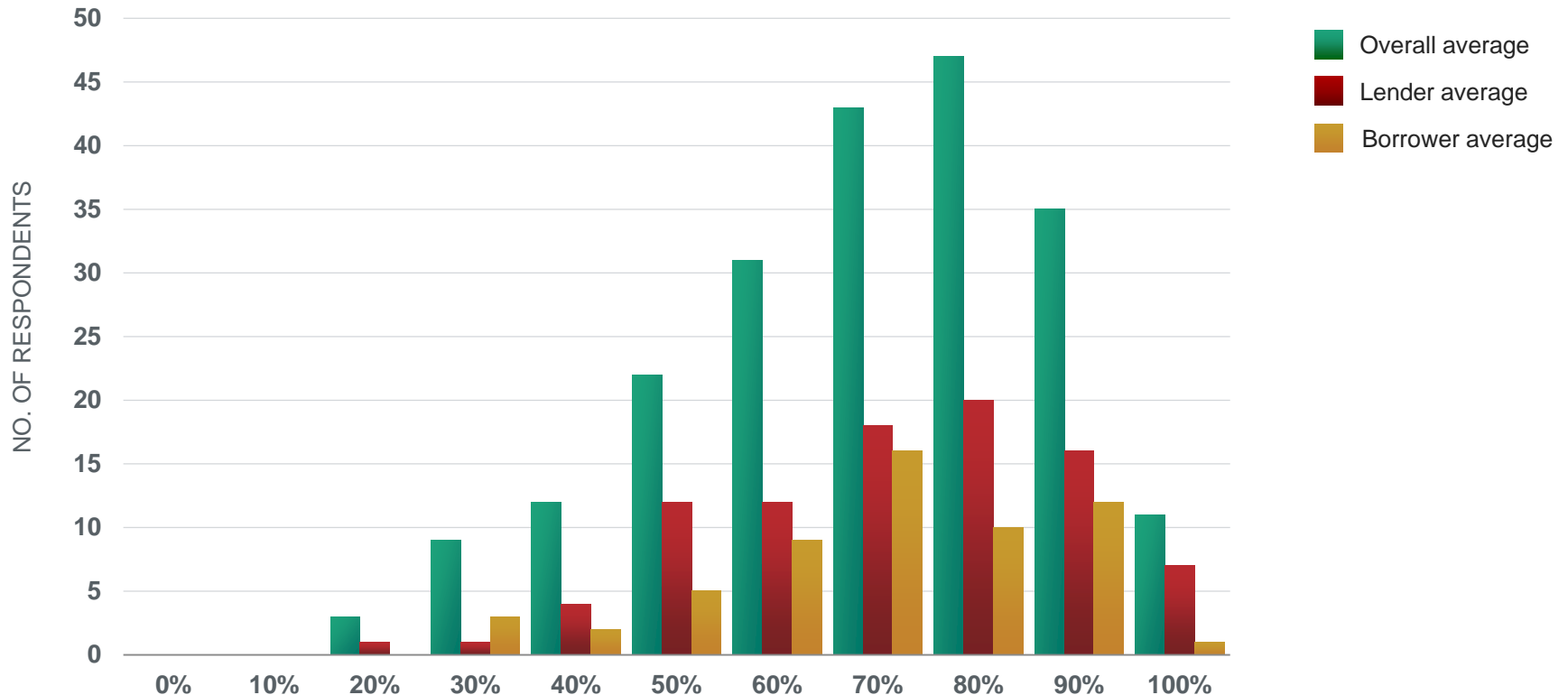
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## Question 2:

What percentage of E&P borrowers do you anticipate will see a decrease in their borrowing base redeterminations in spring 2016?

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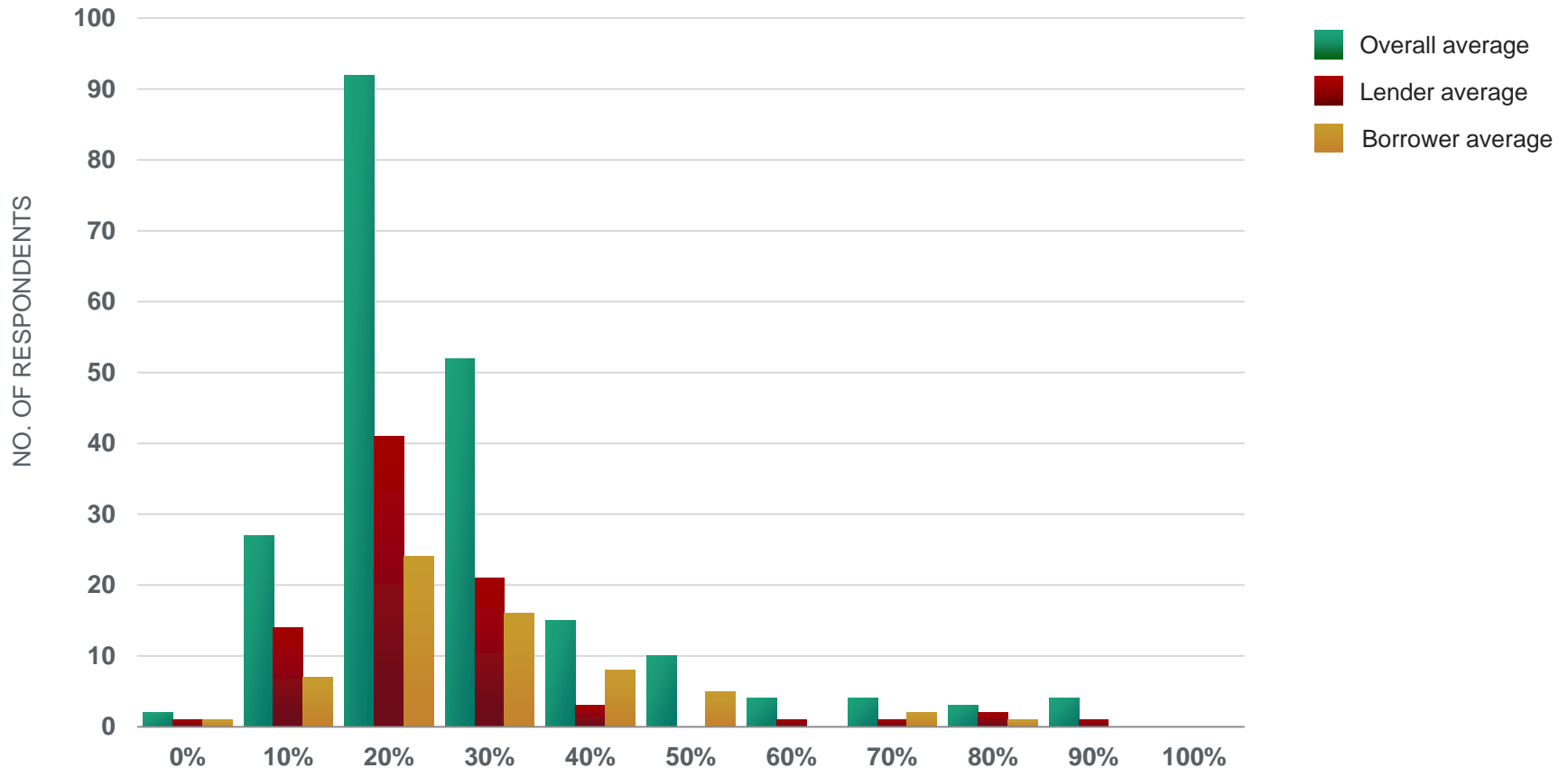


In this survey, respondents on average overall expect 79% of the borrowers to see a decrease. Lenders response was approx. 70% and borrowers was approx. 67%.

### Question 3:

What percentage below fall 2015 borrowing bases do you expect spring 2016 borrowing bases to be?

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In this survey, respondents on average overall expect a 38% decrease. Lenders expect a 25% decrease and borrowers expect a 28% decrease.

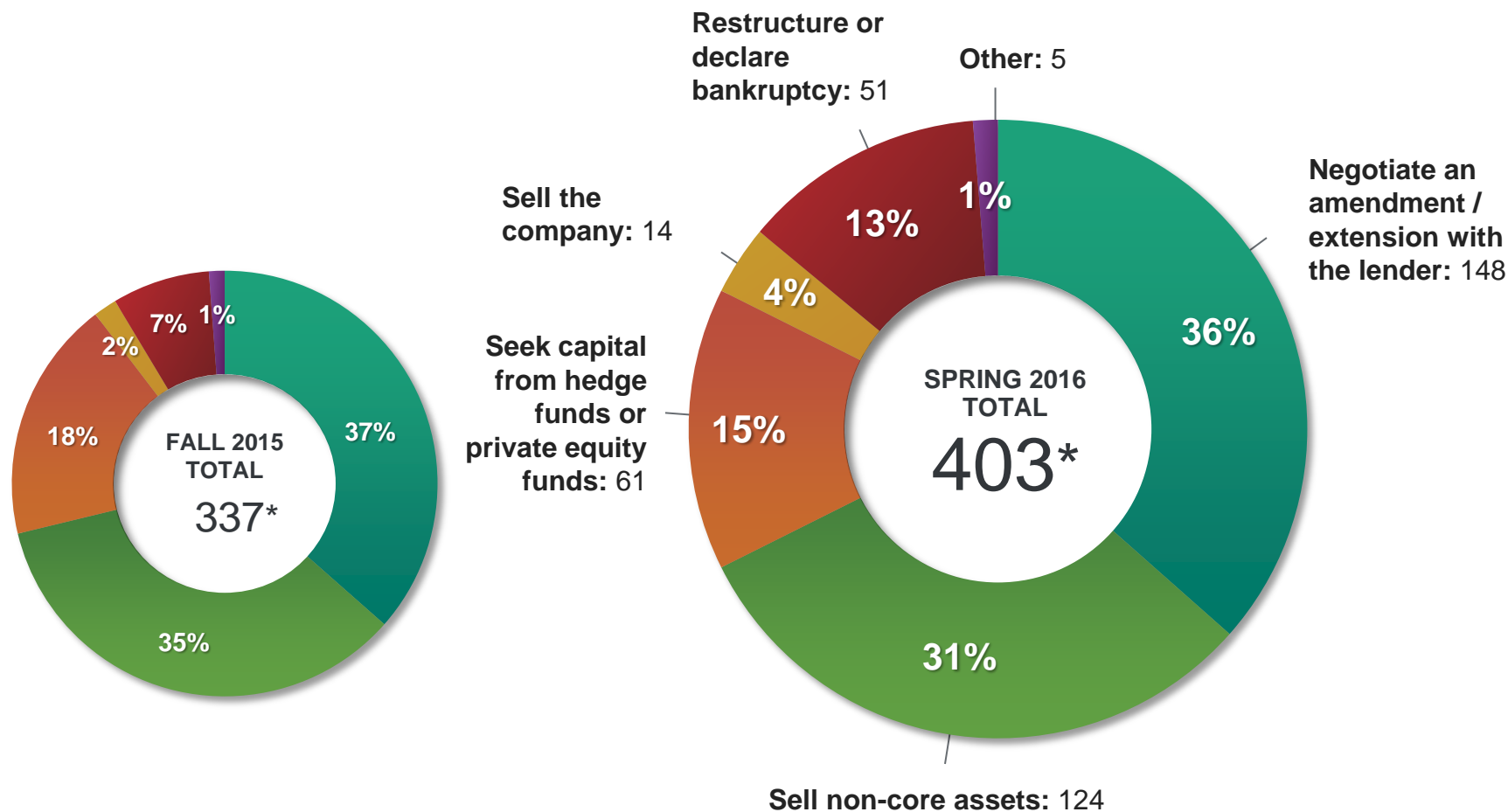
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#### Question 4:

Which one or two of the following options do you think will be the most likely path that lenders and borrowers will take if faced with a borrowing base deficiency in spring 2016?

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\*Up to two options could be selected.

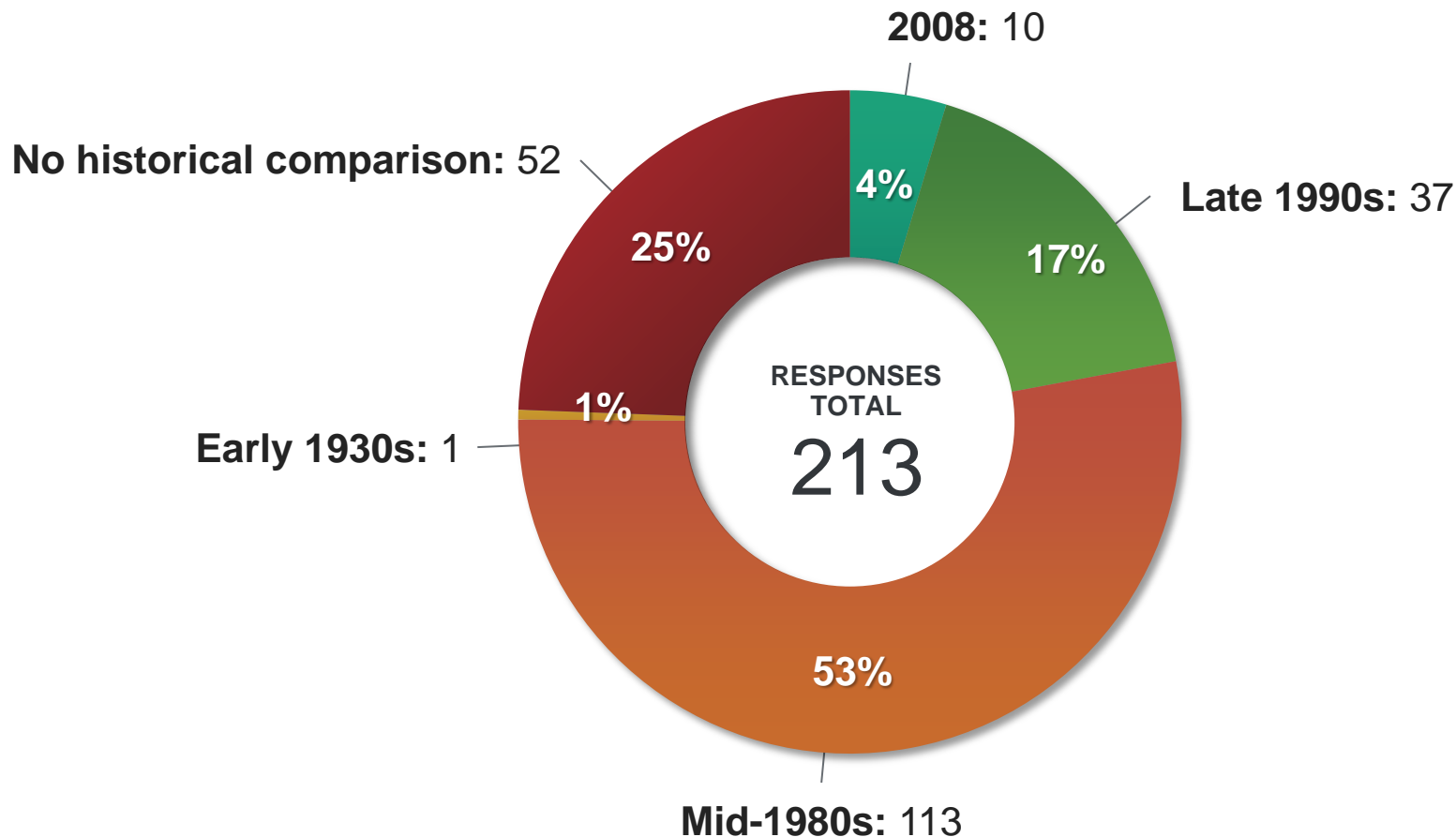
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**Question 5:**

If you compare this E&P cycle to other down cycles in terms of severity and how long it will take for prices to recover, which prior cycle will this cycle most closely resemble?

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\*Up to two options could be selected.

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