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# 2015 OIL AND GAS VALUATION COMPETITION

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4<sup>TH</sup> ANNUAL OIL AND GAS CASE COMPETITION



# COMPETITION OVERVIEW

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Thank you for participating in the 2015 UH IBSC Case Competition. For 2015, the competition will be focused on Halcon Resources (Ticker: HK), an oil and gas exploration and production company focused on onshore U.S. basins.

Each team will act as investment bankers engaged by HK to deliver specific advice which will then be presented to a professional industry panel and met with questions. Teams need to submit the complete excel model and a PowerPoint presentation covering the deliverables. Selected teams will be invited to the presentation round where the team will be tasked to develop a 20 minute presentation followed by 10 minutes of Q&A

HK is looking for the following deliverables.



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## Deliverables

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Company Valuation

Current Strategy and  
Business Plan

Strategic/Financial  
Transaction  
Recommendation

# COMPANY VALUATION

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In order to determine a range of value for HK, participants will use the three different approaches: discounted cash flow (Net Asset Valuation in this case), comparable companies, and precedent transactions.

## Deliverables

## Pre-set Assumptions

### Net Asset Valuation

- Production Profile (including production and decline rate)
- Fiscal terms
- Commodity strip price

### Comparable Company Analysis

- Universe of guideline companies
- Financial and production information
- Multiples presented in the final deliverable

### Precedent Transaction Analysis

- Universe of guideline transactions
- Financial and production information
- Multiples presented in the final deliverable

# CURRENT STRATEGY AND BUSINESS PLAN

For this deliverable, the teams will give an update on the company's current strategy and position in the market. This piece may have varying levels of detail, depending on the portion of the total time that your team wishes to allot to this portion of the presentation.

## HK Overview

- General overview of HK
- Financial performance of the company
- Historical strategic and/or financial transactions

## Industry Overview

- Current upstream energy environment
- Key trends affecting upstream oil and gas
- Key projections that may occur

## Bakken Overview

- General overview of the Bakken Formation
- General energy economics applicable in the Bakken
- Current trends in the Bakken formation

## HK's Strategic Plan

- Team's projections of HK in the future
- The company's future strategic goals and positioning

# STRATEGIC AND/OR FINANCIAL TRANSACTIONS

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For the final deliverable, the teams will actually pitch a transaction for the company to undertake. This may include acquisitions, divestitures, recapitalization, or restructuring. For this piece, you may use and alter the model template provided to you to illustrate the implications of the execution of the recommended transaction. Please be prepared to discuss your rationale and assumptions in detail when presenting your recommendation.

## Strategic Transactions

Mergers and Acquisitions

Acquisitions and Divestitures

Restructuring

Private Placement

## Financial Transactions

Seasonal Equity Offering

Debt Offering

Reserve Base Lending

# COMPETITION DEADLINES

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All teams are required to submit their deliverables by 11:59 PM on Monday, October 26, 2015 to [secretary@uhibsc.org](mailto:secretary@uhibsc.org). The expected deliverables are: a PowerPoint presentation aligned with the structure discussed in previous slides, a valuation model of standalone company, and a model showing the implications of the recommended transaction.

Thanks again for your participation, and good luck! Should you have any questions, please feel free to email Adil Rajabali at [secretary@uhibsc.org](mailto:secretary@uhibsc.org).

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## Key Dates

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### **Case Dissemination**

- September 30<sup>th</sup>, 2015

### **Submission Deadline**

- 11:59PM on October 26th, 2015

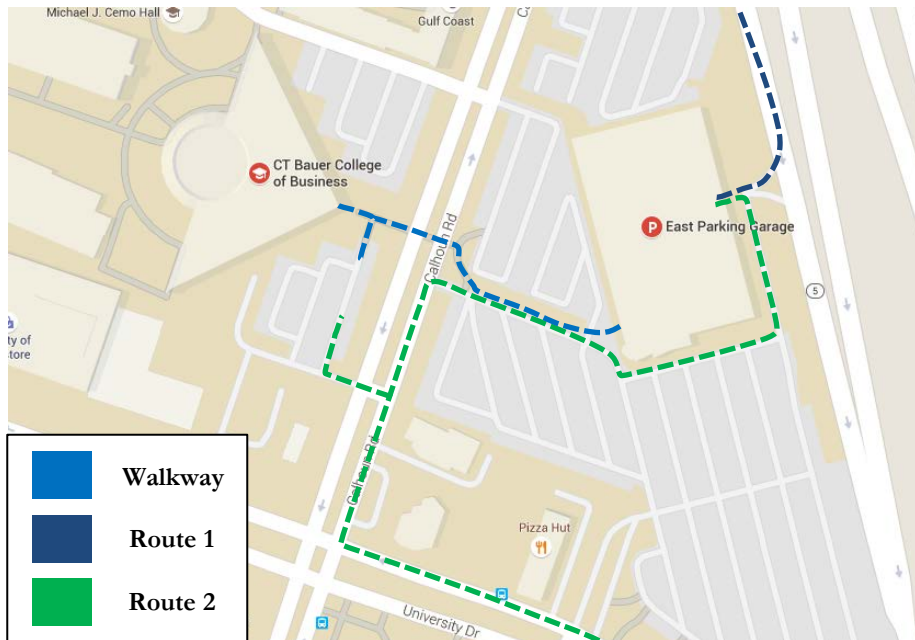
### **Final Round Announced**

- September 28<sup>th</sup>, 2015

### **Final Presentation Round**

- 9:00AM on October 31th, 2015
- Develop 20 minutes presentation with 10 minutes of Q&A
- Location: Melcher Hall, C.T. Bauer College of Business

### Location



### Provisional Schedule

#### Conference Schedule

Time	Event	Location	Persons Involved
12:00 - 1:45pm	1st round judging	Melcher Hall	Junior judges (Analysts, Associates, and Vice Presidents)
1:45 - 2:30pm	Opening remarks and first speaker	Melcher Hall	Russell Johnson
2:30 - 3:30pm	Fireside chat	Melcher Hall	Tim Duncan
3:30 - 3:45pm	Networking Break @ Hilton	Melcher Hall	Professionals, students
3:45 - 5:00pm	3 final cases	Melcher Hall	Tim Duncan, Mark Mize, and four other senior judges
5:00 - 5:20pm	Closing remarks and awards	Melcher Hall	Mark Mize
5:20 - 6pm	Networking	Hilton Bar	Professionals, students

### Directions

**4800 Calhoun Rd, Houston, TX 77004**

#### **Route One - Interstate 45 Route to Bauer**

- Exit Towards Spur 5
- Enter Parking Garage on Spur 5

#### **Route Two – Alternate Directions**

- Right on University Drive
- Right on Calhoun Road
- First right into East Parking Garage

Park and walk across Calhoun Road to LeRoy and Lucile Melcher Hall (the large triangular black building directly across from the garage). The conference is on the first floor directly beneath the Melcher Hall Ticker.