

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re</p> <p>SAMSON RESOURCES CORPORATION, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 15-11934 (CSS)</p> <p>Jointly Administered</p>
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**DECLARATION OF MICHAEL P. O’HARA
IN SUPPORT OF CONFIRMATION OF THE GLOBAL
SETTLEMENT JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF SAMSON RESOURCES CORPORATION AND ITS DEBTOR AFFILIATES**

I, Michael O’Hara, declare under penalty of perjury as follows:

Introduction

1. I am a Partner in the Restructuring & Special Situations Group at PJT Partners LP (“PJT”). PJT is the investment banker advising Samson Resources Corporation, *et al.*, (collectively, the “Debtors,” the “Company,” or “Samson”) in these chapter 11 cases. PJT was retained by the Debtors *nunc pro tunc* to September 16, 2015 (the “Petition Date”).

2. Unless otherwise indicated herein, all facts set forth in this declaration are based on my review of relevant documents, related analyses, and/or information provided by PJT personnel working under my direct supervision. If I were called to testify, I would testify competently to the facts and related opinions set forth herein.

3. PJT was retained by the Debtors pursuant to an Engagement Letter, dated December 22, 2014, as amended August 14, 2015 (the “Engagement Letter”), between PJT and the Debtors. Pursuant to the Engagement Letter, PJT is to be paid the following fees: (a) a

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227).

monthly advisory fee in the amount of \$175,000, (b) a Restructuring Fee equal to \$9,500,000 upon the consummation of the Restructuring,² subject to reduction by 50 percent of all monthly fees up to the 16th monthly anniversary and 100 percent thereafter, and 25 percent of all Transaction Fees, and (c) DIP Financing, Capital Raising, and Transaction Fees, all as defined in the Engagement Letter.³

4. I am authorized to submit this declaration in support of the *Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1882] (as may be amended or modified, the “Plan”).

Qualifications

5. I am a Partner in PJT’s Restructuring and Special Situations Group (“RSSG”) and one of the Partners leading PJT’s engagement as the Debtors’ investment banker. PJT is an advisory-focused investment bank that provides a wide array of strategic advisory, restructuring, special situations, and fund placement and capital market services to corporations, financial sponsors, institutional investors, and governments around the world. I have more than 18 years’ experience in investment banking, focusing particularly in distressed and special situations. Prior to PJT’s spin out from Blackstone in 2015, from 2006 to 2015, I held several positions in the Restructuring & Reorganization Group of Blackstone, most recently as a Managing Director. Before that, I worked in the M&A groups of Wasserstein Perella & Co. and Stephens Inc. I hold a Bachelor of Science in business administration from Georgetown University and an MBA from Columbia Business School.

² Pursuant to the Engagement Letter, a Restructuring shall be deemed to have been consummated upon “*the execution, confirmation and consummation of a Plan of Reorganization pursuant to an order of the Bankruptcy Court, in the case of an in-court restructuring.*”

³ Defined terms used in this paragraph but not defined therein have the meanings contained in the Engagement Letter.

6. I have considerable experience advising financially distressed companies and their stakeholders in chapter 11 restructurings, out-of-court workouts, and other distressed transactions. I have maintained an active practice in the energy sector since the onset of the current downturn in commodity markets in late 2014 and am familiar with the valuation of oil and gas assets. My representative energy-related transactions, among others, include Atlas Resource Partners, L.P.; Chaparral Energy LLC; Energy Future Holdings Corporation; New Gulf Resources, LLC; Quicksilver Resources Inc.; Triangle USA Petroleum Corporation; and Ultra Petroleum Corporation. My representative non-energy-related transactions include, among others, AbitibiBowater Inc.; American International Group, Inc. (AIG); Delphi Corporation; Enron Corporation; the Hellenic Republic; Travelport Worldwide Ltd.; and Washington Mutual, Inc.

7. The core services of PJT's RSSG include advising companies, creditors, investors, and other parties on recapitalization, reorganizations, exchange offers, debt repurchases, capital raises, and distressed mergers and acquisitions.

Background

8. Since PJT's retention by the Debtors on December 22, 2014, PJT has, among other tasks:

- a. Met with the Debtors' management team to review and analyze the Debtors' business, operations and assets, reserve database, and financial projections;
- b. Assessed various strategic alternatives, both prior to and following the Petition Date;

- c. Collaborated with the Debtors in formulating various business plans during the engagement following shifts in commodity price environments and asset configurations;
- d. Conducted a marketing process for the Debtors' assets;
- e. Led complex negotiations—including mediation and multiple settlement discussions—among the various stakeholders in the cases; and
- f. Prepared valuation analyses utilized in formulating strategy, informing negotiations, and developing disclosure statements and plans of reorganizations.

9. By virtue of PJT's work on behalf of the Debtors, including the various tasks outlined above, PJT is familiar with the Debtors' assets, operations, business plan, and restructuring initiatives, including the terms of the global settlement set forth in the Plan that was reached among key stakeholders.

Disclosure Statement and Valuation Analysis

10. As part of the January 13, 2017, *Disclosure Statement For The Global Settlement Joint Chapter 11 Plan Of Reorganization Of Samson Resources Corporation And Its Debtor Affiliates* [Docket No. 1884] (the "Disclosure Statement") associated with the Plan, PJT prepared an estimation of the total enterprise value ("TEV") and equity value (the "Valuation Analysis") of reorganized Samson. The Valuation Analysis is set forth in Exhibit E of the Disclosure Statement.

11. I, along with PJT personnel working under my direct supervision, performed the following activities in order to reach my valuation conclusion set forth in the Valuation Analysis and herein: (a) reviewed the financial forecast prepared by management to support the Debtors'

emergence from chapter 11 and included within the Disclosure Statement; (b) reviewed the reserve report prepared by management to support the financial projections; (c) reviewed the land database maintained by management to support the value of the acreage not included within the reserve report; (d) reviewed supporting analysis prepared by management related to third party midstream fees, non-drilling and completion (“non-D&C”) capital expenditures, and asset retirement obligations; (e) reviewed other documents and analyses prepared by management that PJT deemed relevant; (f) participated in numerous discussions with Debtors’ management; (g) participated in numerous discussions with Alvarez & Marsal, the Debtors’ financial advisor; (h) reviewed data on publicly-traded comparable companies and recent transactions in the regions in which reorganized Samson will operate; and (i) reviewed valuation analyses prepared in other oil and gas exploration & production chapter 11 reorganizations.

12. In preparing the Valuation Analysis, I, along with PJT personnel working under my direct supervision, relied upon the methodologies described below.

A. NAV Analysis

13. PJT relied primarily upon the Net Asset Value (“NAV”) methodology in estimating the TEV of reorganized Samson. The NAV approach estimates the TEV by calculating the present value of cash flows from individual reserve categories and then applying appropriate downward adjustments called reserve adjustment factors (“RAFs”) by category in order to compensate for the risk associated with realizing actual future production and associated cash flows. In this case, general RAFs were applied per the 35th annual survey of the Society of Petroleum Evaluation Engineers (dated June 2016). PJT then adjusted the risked reserve values to account for undeveloped acreage, midstream fees, non-D&C capital expenditures, asset

retirement obligations, general and administrative costs, and other assets to calculate the estimated TEV.

B. Comparable Public Company Analysis

14. PJT also considered the comparable public company methodology in estimating the TEV of reorganized Samson. The comparable company analysis considers publicly-traded peer companies that are similar to the company being valued from the perspective of certain operating and financial characteristics. The peer companies selected by PJT for purposes of this analysis have both geographic overlap with reorganized Samson's asset profile and natural gas-levered production profiles. However, there are no publicly-traded peer companies that reflect reorganized Samson's exact characteristics such as its asset profile. While the selected peer companies do have geographic overlap with reorganized Samson's asset profile, many are also present in basins and areas outside of reorganized Samson's geographic footprint.

15. For each of the selected peer companies, trading prices of its debt and equity securities, as well as cash, preferred stock, and any minority interest are utilized to develop a market-implied enterprise value. The comparison of market-implied enterprise value to various projected operating and financial metrics (i.e. daily production and EBITDA) is utilized to calculate multiples; the range of multiples for each selected metric is then applied to the corresponding projected operating and financial metrics of the company being valued in determining a range of estimated TEV.

C. Precedent Transactions Analysis

16. PJT also performed an analysis using the precedent transactions methodology. The precedent transactions analysis considers relevant enterprise and asset-level transactions in both the public and private markets. In the case of reorganized Samson, as PJT did not deem any

recent enterprise precedent transactions relevant or comparable, only asset-level transactions within reorganized Samson's geographic footprint were considered.⁴ The transaction value is then expressed as a multiple of various operating metrics (i.e. daily production) and the range of multiples for each asset component is then applied to the corresponding operating metric of the asset being valued in determining a range of estimated TEV. Thus, the analysis of three separate sets of precedent transactions was required in order to develop individual multiples that were then applied to each of reorganized Samson's asset-level operating metrics prior to aggregating for purposes of calculating TEV.

17. Based upon my experience, including observations arising from the marketing process conducted by PJT on behalf of the Debtors, the values realized in precedent transactions do not always reflect the full underlying potential of the assets associated with: (a) the upside in commodity pricing and (b) the additional value that may be realized in reserves currently classified as proved undeveloped, probable, possible or acreage excluded from the Debtors' reserve reports.

D. Orderly Sale Value Analysis

18. PJT also performed an analysis using an orderly sale value. For the assets that the Debtors decided to retain rather than sell during the marketing process for certain of the Debtors' assets, PJT reviewed indicative bids received during the marketing process. Assuming the assets were in fact sold rather than retained, from the aggregate range developed based upon the indicative bids received, PJT deducted estimated purchase price adjustments and costs associated with winding down the remaining enterprise following the consummation of sales. The combination of the range of bids and adjustments is utilized in determining the distributable value if the assets of the reorganized company are sold.

⁴ The three regions of focus for reorganized Samson are East Texas, Green River, and Powder River.

19. Consistent with my observations related to the precedent transactions analysis, the orderly sale value analysis does not reflect the full underlying potential of the assets associated with: (a) the upside in commodity pricing and (b) the additional value that may be realized in reserves currently classified as proved undeveloped, probable, possible or acreage excluded from the Debtors' reserve reports.

Conclusions

20. Based upon the above, PJT estimated the TEV of reorganized Samson to be approximately \$550 million to \$650 million and the equity value of reorganized Samson to be \$275 to \$375 million, as of January 11, 2017, as summarized below.⁵

(\$ in millions)

	Low	Mid	High
Total Enterprise Value	\$550	\$600	\$650
Less: Pro Forma Debt	(240)	(240)	(240)
Less: Minimum Cash	(35)	(35)	(35)
Equity Value	\$275	\$325	\$375

21. Since I prepared the Valuation Analysis, and having reviewed more recent information, including commodity prices, recent trading performance, and transactions, as well as having reviewed the Debtors' most recent performance, I am not aware of any information that would result in a material modification to my estimate of TEV or equity value of reorganized Samson as of the date of this declaration. Further, it should be noted that I do not offer any opinion as to the trading value of the securities to be issued by reorganized Samson pursuant to the Plan or the prices at which they may be traded in the future. Trading prices of

⁵ Note that the results of the Valuation Analysis assumes that the rights offering, partial pay down of first lien secured claims, and funding of a cash payment to certain unsecured creditors, each of which is provided for in the Plan, will be effectuated.

newly issued securities are subject to substantial uncertainty and may materially vary from the valuation estimate included within the Disclosure Statement. The trading prices of securities to be issued by reorganized Samson will depend on, among other factors, commodity prices, operating performance of reorganized Samson, interest rates, and financial market conditions.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 10, 2017

/s/ Michael O'Hara

Michael O'Hara
Partner
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