

Riviera Marketing Several Deals At NAPE

Advisory firm delivers complete marketing strategies.

By Jo Ann Davy, Editor, Custom Publishing, Hart Energy Publishing

Riviera Energy Corp., a Midland, Texas-based oil and gas transaction advisory and marketing firm, has been facilitating the acquisition and divestiture (A&D) of oil and gas properties since incorporating in 1997. With deep family roots in the oil and gas industry in West Texas, Riviera president and chief executive officer Jeffrey P. Longbotham says the company's in-depth knowledge of the oil and gas industry coupled with its strong financial background has resulted in an extensive qualified buyers' network.



Jeffrey P. Longbotham,
Riviera Energy Corp.

"Riviera has proven how a third party can play an important role in the successful completion of oil and gas transactions," he says.

2007 was an exciting year for his business, Longbotham says, as well as a different kind of year for property A&D.

"The year started with a limited number of deals available on the market, and, as product prices continued to increase, the flow of deals rapidly increased.

The year ended strong with numerous closings and a number of closings scheduled for January 2008," he says.

Noting that master limited partnerships (MLPs) made a large number of acquisitions in 2007, Longbotham says, "With the way MLPs are structured, they were able in some cases to pay more than traditional E&Ps were willing to pay. However, not every deal fits the MLPs or the E&Ps, and that's what makes our business very exciting. With the market strong, with the ability to hedge crude at a high level and with new technology in development and completion,

there are numerous good aggressive reserve buyers."

Riviera, which handles sales of producing properties in Texas, New Mexico, Louisiana, Oklahoma, Kansas, Colorado and Wyoming, currently has more than \$100 million in its portfolio and will have a number of "quality deals" to show at NAPE, including "several nice packages located in the Permian Basin of West Texas and New Mexico," Longbotham says.

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—Jeffrey P. Longbotham,

President and CEO, Riviera Energy Corp.

The Permian Basin is an area where most, if not all, companies want a foothold, he adds. "With its long-life reserves and multiple formations covering such a vast area, the Permian Basin offers many different opportunities and is an exciting place to be for the oil and gas

industry," Longbotham says. "Much of the recent interest not only has to do with high oil and gas prices, but also the advanced technology that is enhancing many older fields and streamlining frac and completion techniques."

Riviera is also expected to have a quality East Texas package available at NAPE. These packages will be operated properties, some of which also have drilling, exploration and waterflood potential.

Longbotham says NAPE provides the chance to see buyer and seller clients and network with new clients as well.

"We also use NAPE as an opportunity to gather data on the market and the perceived outlook for the coming year," he says.

2008 could be a very active year, says Longbotham, with some companies ready to divest and capitalize on high product prices, taking advantage of the current long-term capital gains tax laws.

"Many others will be very aggressive in acquiring and exploiting new and additional reserves," he says.

With the record commodity prices of late 2007, Longbotham adds, "We certainly would like to see some stabilization; however, there has been no recent stabilization with this commodity. But I feel we will see continued strong crude oil and gas prices, even as we appear to be faced with a possible recession. The oil and gas industry has always stood on its own regardless of [the position] of other industries in the economy."

As an established player in the industry, Riviera Energy will continue its strategy of providing quality properties to buyer clients as well as quality work for buyer and seller clients, Longbotham says.

"Riviera's success in locating the right buyer for our sellers and the ability to be able to jointly negotiate between our buyers and sellers has been a big part of our success," he says. ●



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| Jeffrey P. Longbotham |
President

Riviera Energy Corporation

200 N Loraine, Suite 1450 • Midland, Texas 79701

(432) 686-9400 Office • (432) 686-9494 Fax

www.RivieraEnergy.com