

Edgar Filing: BERRY PETROLEUM CO - Form 425

BERRY PETROLEUM CO

Form 425

December 10, 2013

Filed by LinnCo, LLC and Linn Energy, LLC

Commission File Nos. 001-35695 and 000-51719

Pursuant to Rule 425 Under the Securities Act of 1933

And Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Berry Petroleum Company

Commission File No. 001-09735

Merger Overview  
December 2013

Forward-Looking Statements  
and Risk Factors

Statements made in these presentation slides and by representatives of LINN Energy, LLC, LinnCo, LLC and Berry Petroleum Company (collectively, the Companies ) during the course of this presentation that are not historical facts are forward-looking statements. These statements are based on certain assumptions and expectations made by the Companies which reflect

management's experience, estimates and perception of historical trends, current conditions, anticipated future developments, potential for reserves and drilling, completion of current and future acquisitions, future distributions, future growth, benefits of acquisitions, future competitive position and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Companies, which may cause actual results to differ materially from those implied or anticipated in the forward-looking statements. These include risks relating to financial performance and results, the integration of Berry's business and operations with those of LINN Energy, indebtedness under the companies' credit facilities and Senior Notes, access to capital markets, availability of sufficient cash flow to pay distributions and execute our business plan, prices and demand for natural gas, oil and natural gas liquids, the Companies' ability to replace reserves and efficiently develop current reserves, LINN Energy's ability to make acquisitions on economically acceptable terms, the regulatory environment, availability of connections and equipment and other important factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. See "Risk Factors" in LINN Energy, LinnCo and Berry's 2012 Annual Report on Form 10-K, Forms 10-Q, Registration Statement on Form S-4, each as amended, and any other public filings. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information or future events. The market data in this presentation has been prepared as of November 29, 2013, except as otherwise noted.

Transaction Overview  
Mark E. Ellis  
LINN Energy Chairman, President and CEO

Transaction Overview

Consideration

LinnCo to acquire Berry for 1.68 common shares of LinnCo

Transaction Value

~\$4.9 billion (includes assumed debt)

Premium

~14% to Berry's closing price on November 1, 2013

~24% to Berry's 30-day average on November 1, 2013

~45% to Berry's closing price on February 20, 2013 (day prior to announcement)

Key Conditions

Subject to shareholder / unitholder approval of Berry, LINN Energy, and LinnCo

Timing

Shareholder / unitholder meetings December 16, 2013

Expected closing to be immediately after

4

ISS

(1)

Recommendation

LINN / LNCO

ISS recommends a vote FOR

all LINN Energy and LinnCo's proposals

Believe support for the merger is warranted

(1)

Institutional Shareholder Services Inc.

ISS Recommendation

BRY

ISS recommends Berry holders vote FOR

proposed merger with LINN Energy

Believe the deal is warranted given

the transaction's compelling strategic rationale

Expected Benefits to LINN

5

Expected to be accretive to cash available for distribution

Improves diversification, scale and growth potential

Increases LINN's production by ~30%

Increases LINN's liquids exposure

0



Berry's reserves are ~75% liquids

Significant California position

o

Upon closing, LINN will be the 5th largest producer in California

Significant operational and field synergies in the Permian Basin

Berry's long-life, low-decline, mature assets fit well

~15% decline rate

Reserve life of >18 years

Significant additional resources

Estimate Berry's probable and possible reserves total ~630 MMBoe

All stock consideration and greatly increased size result in significantly improved debt metrics

6  
LINN Energy IPO in 2006 with initial  
enterprise value of ~\$713 million  
Completed or announced 60 transactions  
for ~\$15 billion  
(1)  
Large, long-life diversified reserve base

LINN

Energy

And

Berry

Petroleum

(\$ in billions)

Current

(2)

PF Berry

(2)(3)

Equity market cap

\$7.1

\$10.3

Total net debt

7.1

8.8

Enterprise value

\$14.2

\$19.1

(\$ in billions)

Current

(4)

PF Berry

(3)(4)

Total proved reserves

~832 MMBoe

~1,107 MMBoe

% proved developed

64%

62%

% liquids

47%

54%

Reserve life-index

~17 years

~17 years

Gross productive wells

(5)

~16,000

~19,000

LINN Operations

Berry Operations

East Goldsmith

Field Acquisition

(1)

Includes pending Berry Petroleum ( Berry ) transaction and 15 acquisitions comprising the Appalachian Basin properties sold

(2)

Pro forma for the East Goldsmith Field acquisition and \$500 million term loan facility.

(3)

Pro forma for pending merger with Berry, with an implied value of ~\$4.9 billion as of the day prior to the updated exchange ra

conditions, including shareholder and unitholder approval.

(4)

Pro forma for the East Goldsmith Field acquisition and Panther divestiture.

(5)

Well count does not include ~2,500 royalty interest wells.

Note: Market data as of November 29, 2013 (LINE and LNCO closing prices of \$30.42 and \$31.18, respectively). Unless noted otherwise, market data of proved reserves for the East Goldsmith Field acquisition were calculated as of the effective date of the acquisition using forward-looking information in accordance with SEC rules and regulations. Estimates of proved reserves for the East Goldsmith Field acquisition based solely

MLP and Independent E&P

Size Rankings

LINN is one of the largest MLP and independent E&P companies

8

th

largest

public

MLP

/

LLC

(1)

12

th

largest

domestic

independent

oil

&

natural

gas

company

(1)

7

Note:

Market

data

as

of

November

29,

2013

(LINE

closing

price

of

\$30.42).

Source:

Bloomberg.

(1)

Pro forma for pending Berry transaction, which remains subject to closing conditions, including shareholder and unitholder approval.

Rank

Master Limited Partnership

Enterprise Value (\$MM)

Rank

Independent E&P

Enterprise Value (\$MM)

1.

Enterprise Products Partners

\$76,565

1.

ConocoPhillips

\$107,396

2.

Energy Transfer Equity

\$57,957

2.

Occidental Petroleum Corp.

\$80,511

3.

Kinder Morgan Energy Partners

\$56,697

3.

Anadarko Petroleum Corp.

\$56,278

4.

Energy Transfer Partners

\$43,583

4.

EOG Resources Inc.

\$50,035

5.

Williams Partners

\$30,856

5.

Apache Corp.

\$46,200

6.

Plains All American Pipeline

\$25,850

6.

Chesapeake Energy Corp.

\$34,834

7.

Plains GP Holdings LP

\$23,185

7.

Marathon Oil Corporation

\$31,454

8.

LINN Energy LLC

\$19,121

8.

Devon Energy Corporation

\$30,360

9.

ONEOK Partners

\$17,788

9.

Noble Energy Inc.

\$28,701

10.

Enbridge Energy Partners

\$17,151

10.

Pioneer Natural Resources Co.

\$26,937

11.

Magellan Midstream Partners  
\$16,558  
11.  
Continental Resources Inc.  
\$24,321  
12.  
Markwest Energy Partners  
\$15,138  
12.  
Linn Energy LLC (PF Berry)  
\$19,121  
13.  
Access Midstream Partners  
\$14,210  
13.  
Range Resources Corp.  
\$15,757  
14.  
Cheniere Energy Partners  
\$14,445  
14.  
EQT Corp.  
\$15,730  
15.  
El Paso Pipeline Partners  
\$13,345  
15.  
Cabot Oil & Gas Corp.  
\$15,671  
16.  
Western Gas Equity Partners  
\$12,379  
16.  
Southwestern Energy Co.  
\$15,492  
17.  
Buckeye Partners  
\$11,267  
17.  
Concho Resources Inc.  
\$14,577  
18.  
Boardwalk Pipeline Partners  
\$10,359  
18.  
Murphy Oil Corp.  
\$14,210  
19.  
Sunoco Logistics Partners  
\$9,779



19.  
Denbury Resources Inc.  
\$9,364  
20.  
Spectra Energy Partners  
\$9,451  
20.  
Cimarex Energy Co.  
\$9,109  
21.  
Western Gas Partners  
\$8,854  
21.  
Whiting Petroleum Corp.  
\$9,053  
22.  
Targa Resources Partners  
\$8,472  
22.  
QEP Resources Inc.  
\$8,999  
23.  
Regency Energy Partners  
\$8,382  
23.  
Cobalt International Energy  
\$8,899  
24.  
Atlas Energy LP  
\$7,657  
24.  
MDU Resources Group Inc.  
\$7,589  
25.  
Nustar Energy LP  
\$6,644  
25.  
SM Energy Co.  
\$7,532  
(1)

Strong, Diversified Reserve Base  
Oil Proved Reserves Increase ~185 MMBbls  
LINN Energy  
~832 MMBoe  
(~47% Liquids)  
LINN Energy + Berry PF  
~1,107 MMBoe

(~54% Liquids)

8

Mid-

Con

33%

Green River

20%

Hugoton

20%

Permian

12%

California

4%

Michigan

5%

Williston/

Powder River

4%

E. Texas

2%

Mid-

Con

25%

Green River

15%

Hugoton

15%

Permian

15%

California

14%

Rocky

Mountains

7%

Michigan

4%

Williston/

Powder River

3%

E. Texas

2%

Screened 189  
opportunities  
Bid 41 for  
~\$10.1 billion  
Closed 13 for  
~\$1.4 billion  
Screened 122

opportunities  
Bid 31 for  
~\$7.5 billion  
Closed 12 for  
~\$1.5 billion

Note:

Asset  
Acquisitions  
based  
on  
total  
consideration.

(1)  
Includes  
pending  
Berry  
transaction,  
which  
remains  
subject  
to  
closing  
conditions,  
including  
shareholder  
and  
unitholder  
approval.

(1)  
Historical Acquisitions and Joint Venture

9  
Screened 246  
opportunities  
Bid 20 for  
~\$9.2 billion  
Closed 7 for  
~\$2.9 billion

2010  
2011  
2012  
Total ~\$11.3 Billion  
Since 2010  
YTD 2013

(1)  
Screened 223  
opportunities  
Bid 10 for  
~\$7.9 billion  
Closed or announced  
3 for ~\$5.5 billion

Asset Acquisitions

Pending Berry Transaction

LINN Has Created an Acquisition

Machine

\$4.9

\$0.6

\$1.4

\$1.5

\$2.9

\$5.5

\$0.0

\$1.0

\$2.0

\$3.0

\$4.0

\$5.0

\$6.0

2010

2011

2012

2013TD

10  
~\$15 billion in acquisitions across 60 separate transactions  
(1)  
Strong record of:  
(2)  
Growth Through Accretive  
Acquisitions

Value of Acquisitions Per Year

(1)

Evaluating acquisitions

Integrating assets

Pursuing multiple acquisitions simultaneously

\$452

\$2,627

\$601

\$1,367

\$1,513

\$2,850

\$566

\$4,911

\$52

\$78

\$202

\$654

\$3,281

\$3,882

\$4,000

\$5,367

\$6,880

\$9,730

\$15,207

\$0

\$2,000

\$4,000

\$6,000

\$8,000

\$10,000

\$12,000

\$14,000

\$16,000

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013TD

Cumulative Acquisitions

Acquisitions Completed In Year

C-Corp Acquisition

(1)

Includes

pending



Berry  
transaction  
and  
15  
acquisitions  
comprising  
the  
Appalachian  
Basin  
properties  
sold  
in  
July  
2008.

Berry  
transaction  
subject  
to  
closing  
conditions,  
including  
shareholder  
and  
unitholder  
approval.

(2)  
Includes  
pending  
Berry  
transaction,  
which  
remains  
subject  
to  
closing  
conditions,  
including  
shareholder  
and  
unitholder  
approval.

Central  
Basin  
Platform  
Asset Overview  
Net production ~4,800 Boe/d  
Proved reserves of ~30 MMBoe (~70% oil)  
o

Large infill drilling inventory  
Reserves-to-production ratio of ~17 years  
~98% operated working interest  
124 producing wells on 6,250 net acres  
o  
Majority held by production  
Asset provides both short and long-term  
upside potential  
Expect to drill ~300 wells over the next 4-5 years  
o  
Proven downspacing from 40 acres to 10 acres  
Future horizontal Clearfork potential  
Future Clearfork waterflood  
o  
Additional reserve potential of ~24 MMBoe  
CO  
2  
flood potential in Glorieta, San Andres and Holt  
intervals  
11  
East Goldsmith Field  
\$525 million acquisition of  
properties located in the Central Basin Platform of  
the Permian Basin closed on October 31.  
Recent Permian Acquisition (Q3 13)  
East Goldsmith Field

12  
Efficiently integrated 60 separate transactions across multiple basins  
Currently operate:  
~70%  
of  
wells  
15

total  
operated  
rigs  
running  
o  
8  
rigs  
focusing  
on  
horizontal  
drilling  
7  
primary  
operated  
regions  
Strong  
track  
record  
of  
operational  
performance  
Operate  
~210  
horizontal  
wells  
in  
the  
Granite  
Wash  
o  
Reduced  
drilling  
costs  
by  
~14%  
year-to-date  
o  
Reduced  
cycle  
times  
in  
the  
Granite  
Wash  
from  
~54  
days  
in  
2011  
to

~35  
days  
currently  
Operate  
~370  
wells  
in  
the  
Permian  
Basin  
o  
Reduced  
drilling  
costs  
by  
~15%  
year-to-date  
o  
Reduced  
cycle  
times  
in  
the  
Wolfberry  
play  
from  
~89  
days  
in  
2011  
to  
~54  
days  
currently  
Implemented  
>320  
maintenance  
and  
optimization  
projects  
since  
assuming  
operations  
in  
the  
Hugoton  
Basin  
during  
July  
2012

Efficiency  
through  
economies  
of  
scale  
Ability  
to  
manage  
large,  
technically  
complex  
capital  
programs  
Pad  
drilling  
techniques  
Simultaneous-operations  
processes  
(SIM  
Ops)  
Efficient Integration and  
Operations  
Significant,  
strategic  
gas  
gathering  
systems  
Jayhawk  
Gas  
Plant  
Water  
handling  
infrastructure

13  
LINN Operational Update  
(1)  
Operational data as of LINN Energy's Third Quarter 2013 Earnings Press Release, filed on October 28, 2013.  
Granite Wash  
8 rigs drilling in the region  
12 Hogshooter wells producing in the Mayfield area with gross average IP rates of ~3,800 Boe/d



(~74% liquids)

(1)

Permian Basin

4 rigs drilling vertical Wolfberry wells

Drilled

68

wells

YTD

2013

and

have

reduced

costs

by

~15%

(1)

Potential for horizontal Wolfcamp and Spraberry

o

Spud 1 non-operated horizontal Wolfcamp well and expect to participate in another 3 during late 2013 or early 2014

o

Expect to spud 1 operated horizontal Wolfcamp well in 2014

Jonah Field

2

rigs

drilling

in

the

region;

participated

in

27

operated

and

non-operated

wells

in

2013

(1)

Expect

to

participate

in

an

additional

19

operated

and

non-operated

wells

by  
year-end  
2013,  
with  
an  
additional  
24  
wells  
expected  
to  
be  
drilling  
or  
awaiting  
completion  
at  
that  
time  
(1)

Hugoton Field

Commenced 1-rig drilling program in Q2 13

~400 potential drilling locations and plan to drill ~80 wells next year

Identified a significant number of locations to sustain program for the next ~5 years

o

2 rigs targeting the Hogshooter interval in the Mayfield area of western Oklahoma

o

6 rigs focused on developing high-return, liquids-rich opportunities in the Texas Panhandle

LINN  
Berry  
Pro Forma  
Energy  
(3)  
+  
Petroleum

=

LINN

Q3'13 PF Production (Boe/d)

~17,800

~8,355

~26,155

Proved Reserves (MMBoe)

97

63

160

Net Acreage

~104,000

~60,000

~164,000

Well Count (Gross)

~1,800

~325

~2,125

Significant operational and field synergies in the Permian Basin

80% liquids

~160 MMBoe proved reserves

Production of >26,000 Boe/d in Q3 '13

Currently running 7 combined rigs

(1)

Operational and reserve data as of December 31, 2012, pro forma for the East Goldsmith Field acquisition and pending Berry M

(2)

Includes LINN's New Mexico operations.

(3)

Pro forma for the East Goldsmith Field acquisition.

Permian Basin

Significant Improvement in Size and Scale

Overview

(1)(2)

14

Operations Map

Berry Acreage

Wolfberry Trend

LINN Acreage

DELAWARE

DELAWARE

BASIN

BASIN

CENTRAL

CENTRAL

BASIN

BASIN

PLATFORM

PLATFORM

MIDLAND

MIDLAND

BASIN

BASIN

Midland

Borden

Winkler

Upton

Permian Basin Operational Overview

NM

Eddy

Lea

Andrews

Ector

Ward

Crane

Pecos

Reagan

Crockett

Schieicher

Irion

Martin

Dawson

Howard

Garza

Stonewall

Shackleford

TX

Hockley

Combined position of >160,000 net  
acres adds size and operational  
scale

LINN  
Berry  
Energy  
Petroleum  
Net Acreage  
~27,600  
~32,000

Avg. Working Interest

94%

-

% Held by Production (HBP)

~100%

-

15

Permian Basin

Horizontal Wolfcamp Potential

(1)

Includes only current Wolfcamp operations.

Wolfcamp Operations Map

Overview

Wolfcamp Operational Overview

(1)

LINN Leases

Berry Leases

Currently active in non-operated horizontal

Wolfcamp (Diamondback operated) and

expect to begin operated activity in 2014

LINN's operational capabilities provide the

greatest opportunity to develop the

combined horizontal Wolfcamp acreage

Larger size and scope enhances combined

value

Experienced technical team

o

Operate ~210 horizontal Granite Wash

Better access to capital

Currently evaluating multiple strategies to

maximize value for its Permian position

Drilling the acreage ourselves

Joint-ventures

Asset-trades for producing assets

Strategic Highlights  
Robert F. Heinemann  
Berry Petroleum President and CEO



Expected Benefits to Berry

17

Berry

believes

that

LINN

is

offering

a

compelling

value

to

Berry

shareholders

Berry shareholders to receive 1.68 common shares of LinnCo

o

~14% premium to Berry's closing price on November 1, 2013

o

~24% premium to Berry's 30-day average on November 1, 2013

o

~45% premium to Berry's closing price on February 20, 2013 (day prior to announcement)

LINN's tax attributes and unique structure benefit Berry shareholders

Significant dividend increase

(1)

Represents an increase of ~9x

Berry's assets fit well in an MLP / yield structure

Meaningful increases to a more diverse set of reserves and production

Significantly increases size and scale with lower cost and greater access to capital

Berry believes that LINN is the most logical buyer; Berry did not receive a topping

bid after the initial announcement

(1)

Subject to the declaration by the Boards of Directors of LINN Energy and LinnCo.

Berry's Board and management believe negotiated terms are in the best interest of shareholders.

Key Statistics

2011

2012

2013E

Production (Boe/d)

35,687

36,402

40,500  
40,800

Oil  
24,771  
27,393  
32,400  
32,600

Oil Percentage  
70%  
75%  
~80%

Nat Gas  
10,916  
~9,000  
-5 to 10%

Total Capital (\$MM)  
\$527  
\$675  
~\$600

276 MMBoe Proved Reserves Year End 2012

2013 Capital Distribution

Overview

Berry Petroleum is a Denver-based independent E&P company focused on developing its oil assets in the:

San Joaquin Basin in California

Uinta Basin in Utah

Permian Basin in Texas

Berry's  
strategy

is  
to  
grow  
oil  
production

10%

-  
15%

per year while generating top quartile operating margins to increase its Cash Flow per Share at a double-digit pace

Berry Petroleum Overview

18

Invest only in the development of crude oil  
Increase oil production from five assets in three  
basins  
Improve margin from oil growth and improved  
marketing realizations  
Balance cash flow and capital investment to  
minimize issuing equity

Combine the four parts of the plan to drive cash  
flow per share growth  
Growth from Assets in Three Oil Basins  
Cash Flow Per Share  
Invest in Consistent Oil Growth  
Commentary  
19  
Berry's Business Plan

Highlights from Last 12 Months  
Production  
Growth  
of  
5  
Oily  
Assets

(Q3 12

Q3 13)

Oil production has grown 20% since Q3 12

with total production growing ~14%

Production mix increased to ~80% oil

Diatomite production increased from 3,500

Boe/d to 5,260 Boe/d and New Steam Floods

grew 71% to 3,300 Boe/d

Berry's 2013 total margin is ~\$49 / Boe

20

Berry's 2013 Performance

Top-Tier Operating Margins

Q3

2013

Margin

Per

BOE,

BRY

vs.

Peers

(1)

(1)

Peers

include:

BBG,

COG,

DNR,

FST,

KWK,

LPI,

NFX,

ROSE,

SD,

SFY,

SGY,

SM,

WLL,

XEC.

0

10,000

20,000

30,000

40,000

Q3 2012

Q3 2013

Uinta: +36%

Permian: +22%

NSF: +71%

Diatomite: +50%



SMWSS: -3%

Stable  
production  
from  
legacy  
assets  
in  
the

9  
th  
largest U.S. field  
Produced 12,275 Bo/d in Q3, 92% NRI  
Produce  
heavy  
crude  
(13°  
API)  
using  
steam  
injection with development focused on deeper pay  
zones and continuous injection in flanks  
South Midway expected to deliver ~\$250 MM of  
free cash flow in 2013  
Successfully maximizing cash flow and achieving  
more  
shallow  
decline  
than  
5%  
-  
8%  
forecast  
South Midway Production History  
Asset Highlights  
South Midway-Sunset Field Map  
Continuous Steam Injection at South Midway  
21  
South Midway-Sunset

22

Diatomite has 360 million barrels of oil in place on 540 acres, targeting ~1,000 wells on 5/8 acre spacing  
Focusing on consistently growing the completion count, integrating technology and operations to deliver production growth  
Accelerating conversion to steam flooding from cyclic

steaming at McKittrick 21Z should enhance performance, drive production growth and value  
Strategy is to pursue other smaller developments and bolt-on opportunities to leverage expertise

Asset Highlights

North Midway Assets

Diatomite Quarterly Production

Note: Data provided by seller. Source: Berry Petroleum.

McKittrick 21Z Quarterly Production

North Midway-Sunset

Compiled ~122,000 net acres with ~75 MMBoe of  
risky resource since entering basin in 2003  
Current production on 40-acre spacing;  
historically 60% crude oil and 40% gas  
Significant drilling inventory targeting the Green  
River and Wasatch reservoirs  
Improving margins through railing crude oil to

markets outside of Salt Lake City  
Reduced average drilling days from 12 days in  
2012 to fewer than 8 days in 2013

Asset Highlights

Uinta Resource Development

Drilling Days by Quarter

Risked Production Profile

23

Uinta Assets

0

5,000

10,000

15,000

20,000

2013

2014

2015

2016

2017

0

4

8

12

16

Q1 '12

Q2 '12

Q3 '12

Q4 '12

Q1 '13

Q2 '13

Q3 '13

14

6

Receiving Value for Heavy Oil Assets  
Berry Heavy Oil Assets Fit MLP Profile  
Observations  
Merger Benefits for Berry

24

Combined size and scale can fully maximize the value of Berry's assets  
Berry's long-lived reserves with shallow decline are an ideal fit for the Upstream MLP model



Merger  
is  
a  
tax-free  
event  
for  
Berry  
shareholders  
with  
an  
approximate  
9x  
increase  
in  
the  
dividend

(1)

The pro forma company has greater asset and geographic diversification

LINN's conservative hedging strategy protects cash flow for 4-6 years

Potential for further upside as LINN provides:

(1)

Subject to the declaration by the Boards of Directors of LINN Energy and LinnCo.

0

3,000

6,000

9,000

12,000

15,000

2009

2010

2011

2012

2013E

Shallow 1.5 % (CAGR) decline in  
production from S. Midway Asset Team

\$0

\$100

\$200

\$300

\$400

2009

2010

2011

2012

2013E

S. Midway Free Cash Flow

S. Midway Capital

Established acquisition and growth track record

Proven technical teams which are complimentary to Berry's

Financial Highlights  
Kolja Rockov  
LINN Energy Executive Vice President and CFO

26

First ever acquisition of a public C-Corp. by an upstream LLC  
or MLP

Transaction value of \$4.9 billion, including assumed debt of ~\$1.7 billion

Expected to be accretive to cash available for distribution

Accretion expected to increase in subsequent years

All stock consideration and greatly increased size result in

significantly improved debt metrics

Transaction provides additional liquidity and financial flexibility

Greater access to capital markets

Increases access to institutional market

Liquidity / float of LNCO increases ~3x

Financial Highlights

27

Reduces Tax

Reporting

Burdens

Shareholders receive Form 1099 rather than a Schedule K-1

No state income tax filing requirements

No UBTI

(1)

implications

Efficient Tax

Structure

Estimated tax at LinnCo

(2)

estimated to be \$0.00, \$0.01 and

\$0.07 per share for 2013, 2014 and 2015, respectively

Simple & Fair

Structure

1 LinnCo share = 1 vote of LINN unit

Similar economic interest

Expands Investor

Base and Access

to Capital

Institutions

Tax-exempt organizations

Incremental retail investors (including IRA accounts)

Tax-Efficient Way

to Acquire E&P

C-Corps.

Both private and public

(1)

Unrelated business taxable income.

(2)

Includes pending Berry merger and assumes current strip prices and estimated capital spending.

LinnCo Structure

Advantages

28  
LLC  
Units  
LinnCo  
Common  
Shares  
Current *distribution*

of \$2.90 / unit

(1)

Schedule K-1 (partnership)

Current *dividend*

of \$2.90 / share

(2)

Form 1099 (C-Corp.)

LLC

Units

Investors now have the ability to own LINN Energy two ways:

LINE (Partnership for tax purposes / K-1)

LNCO (C-Corp. for tax purposes / 1099)

Tax liability to LinnCo on LINN

Energy's distribution estimated to

be \$0.00, \$0.01 and \$0.07 per

share for 2013, 2014 and 2015,

respectively

(3)

\$2.90

Distribution

\$2.90

Distribution

\$2.90

Dividend

(1)

Represents

the

current

annualized

cash

distribution

of

\$2.90

per

unit.

(2)

Represents the current annualized cash dividend of \$2.90 per share.

(3)

Includes pending Berry merger and assumes current strip prices and estimated capital spending.

LinnCo Structure

Overview

LINE

LNCO

LINE

Unitholders

LNCO

Shareholders

LINN Energy, LLC



Natural Gas Positions

Percent Puts

(3)

Swaps

Puts

(2)

29

Oil Positions

Percent Puts

(3)

Swaps

(4)

Puts

Significant Hedge Position

(Graphs Do Not Include Pending Berry Transaction)

LINN is hedged ~100% on expected natural gas production through 2017;

~100% on expected oil production through 2016

LINN partnered with Berry to hedge a portion of the production from the transaction before closing

As a result, Berry is significantly hedged for 2014 (~90% hedged) on expected oil production

Note: Except as otherwise indicated, illustrations represent full-year hedge positions as of September 30, 2013.

(1)

Represents the period October-December 2013.

(2)

Excludes natural gas puts used to indirectly hedge NGL revenues.

(3)

Calculated as percentage of hedged volume in the form of puts.

(4)

Includes certain outstanding fixed price oil swaps of approximately 5,384 MBbls which may be extended annually at prices of and December 31, 2018, and \$90.00 per Bbl for the year ending December 31, 2019, if the counterparties determine that the str respective preceding year. The extension for each year is exercisable without respect to the other years.

C-Corp. Peers

% Hedged

(1)

Note: LINN's hedge percentages based on internal estimates. Excludes NGL production and natural gas puts used to hedge N

Source: Production estimates based on Bloomberg consensus, and hedge information based on publicly available sources.

(1)

Represents simple average and peer group includes: CLR, FST, XEC, KWK, NFX, PXD, PXP, RRC, SWN and WLL.

(2)

Represents simple average and peer group includes: BBEP, EVEP, LGCY, LRE, MEMP, MCEP, PSE, QRE and VNR. LINN's cash flow is notably more protected from oil and natural gas price uncertainty than its C-Corp. and Upstream MLP / LLC peers

Significant Hedge Position (Equivalent Basis)

(Does Not Include Pending Berry Transaction)

% Swaps

% Puts

30

Upstream MLP / LLC

Peers % Hedged

(2)

63%

65%

70%

69%

54%

37%

35%

30%

31%

25%

100%

100%

100%

100%

79%

47%

20%

4%

1%

1%

71%

49%

29%

16%

9%

0%

20%

40%

60%

80%

100%

2013

2014

2015

2016

2017

2006  
2007  
2008  
2009  
2010  
2011  
2012

2013

LINN's Distribution Stability  
and Growth

31

Distribution History

(2)

Stability During Credit Crisis

LINN has performed well through all kinds of commodity price cycles

Distribution

stability

maintained

throughout

the

Credit

Crisis

(i.e.

2008

2009)

16

out

of

74

MLPs

(23%)

were

forced

to

reduce

or

suspend

distributions

(1)

WTI Crude Oil

Henry Hub Natural Gas

Quarterly Distributions

Source for commodity prices: Bloomberg.

(1)

Source:

Wells

Fargo

Securities,

LLC

research

note

entitled

MLP

Primer

-

-

Fourth  
Edition  
published  
on  
November 19, 2010.

(2)

The Q1 2006 distribution, adjusted for the partial period from the Company's closing of the IPO on January 19, 2006 through M  
NGLs (Mont Belvieu)

\$0.40

\$0.40

\$0.43

\$0.52

\$0.52

\$0.57

\$0.57

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.63

\$0.66

\$0.66

\$0.66

\$0.69

\$0.69

\$0.69

\$0.73

\$0.73

\$0.73

\$0.73

\$0.73

\$0.73

\$0.73

\$0.73

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Q1

Q2

Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
\$0  
\$2  
\$4  
\$6  
\$8  
\$10  
\$12  
\$14  
\$16  
\$18  
\$0  
\$20  
\$40  
\$60  
\$80  
\$100  
\$120  
\$140  
\$160  
\$180



\$20.20  
0.40  
0.43  
0.52  
0.52  
0.57  
0.57

0.63  
0.63  
0.63  
0.63  
0.63  
0.63  
0.63  
0.63  
0.63  
0.63  
0.66  
0.66  
0.66  
0.69  
0.69  
0.69  
0.73  
0.73  
0.73  
0.73  
0.73  
0.73  
0.73  
0.73  
\$0.40  
\$0.80  
\$1.23  
\$1.75  
\$2.27  
\$2.84  
\$3.41  
\$4.04  
\$4.67  
\$5.30  
\$5.93  
\$6.56  
\$7.19  
\$7.82  
\$8.45  
\$9.08  
\$9.71  
\$10.34  
\$11.00  
\$11.66  
\$12.32  
\$13.01  
\$13.70  
\$14.39  
\$15.12

\$15.84  
\$16.57  
\$17.29  
\$18.02  
\$18.74  
\$19.47  
\$-  
\$2.00  
\$4.00  
\$6.00  
\$8.00  
\$10.00  
\$12.00  
\$14.00  
\$16.00  
\$18.00  
\$20.00

Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4

Distribution History

Distribution History

32

Quarterly Distribution

Cumulative Distribution

Consistently paid distribution for 32 quarters

81% increase in quarterly distribution since January 2006 IPO

(1)

(1)

The Q1 2006 distribution, adjusted for the partial period from the Company's closing of the IPO on January 19, 2006 through M

(2)

Includes December s distribution / dividend to be paid December 17, 2013 (LINE) and December 18, 2013 (LNCO), respective

2006

2007

2008

2009

2010

2011

(1)

2012

2013

(2)

Note:  
Market  
data  
as  
of  
November  
29,

2013  
(LINE  
and  
BRY  
closing  
price  
of  
\$30.42  
and  
\$50.32,  
respectively).

Source:  
Bloomberg.  
LINN  
Total  
Return  
and  
Unit  
Price  
Appreciation  
(LINE  
IPO

Present of ~190%)  
LINN Historical Return

33  
(125%)  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
(75%)  
(25%)  
25%  
75%  
125%  
175%  
225%  
275%  
~66%  
~67%  
~64%  
~207%  
~190%

LINE Total Return (TR)  
BRY Total Return (TR)

Alerian MLP TR Index  
S&P Mid-Cap E&P TR Index  
S&P 500 TR Index

Vanguard  
Breitburn  
EV Energy  
Legacy  
QR Energy  
Atlas Resource  
Pioneer



Memorial

LRR Energy

Mid-Con Energy

\$14.2 Billion

\$0.0

\$5.0

\$10.0

\$15.0

\$20.0

LINN Energy

All Others

(11 MLPs)

34

Current Landscape for E&P MLPs

LINN has a significant size advantage in

the E&P MLP / LLC market

E&P market presents significantly more  
acquisition opportunities than rest of MLP  
market

E&P sector has room to grow; \$40 billion  
versus \$739 billion for all other sectors

LINE vs. Other Upstream MLPs

MLP / LLC Total EV: \$779 Billion

Note:

Market

data

as

of

November

29,

2013

(LINE

and

LNCO

closing

price

of

\$30.42

and

\$31.18,

respectively).

Source:

Bloomberg

and

FactSet.

(1)

Pro forma for pending Berry transaction, which remains subject to closing conditions, including shareholder and unitholder approval.

LINN

(PF

Berry)

(1)  
\$19.1 Billion  
\$21.3 Billion  
\$40  
Billion  
\$739  
Billion  
E&P MLP /  
LLC  
5%  
All Others  
95%  
Greater access to capital markets  
Ability to complete larger transactions

35  
(1)  
Does  
not  
include  
pending  
Berry

transaction  
due  
to  
the  
fractional  
impact  
to  
the  
Company's  
quarterly  
guidance  
as  
a  
result  
of  
the  
potential  
December  
16,  
2013  
closing.

(2)  
Percentage growth estimate calculated by removing production volumes associated with the Panther assets.

(3)  
Excess (shortfall) of net cash provided by (used in) operating activities after distributions to unitholders and discretionary adjustments.  
Updated Q4 2013 Guidance

(1)  
LINN  
reiterates  
Q4  
estimated  
production  
guidance  
of  
~840  
-  
860  
MMcfe/d  
2013E  
organic  
production  
growth  
of  
8  
-  
10%  
remains  
on-track  
(in  
spite

of  
severe  
winter  
weather  
in  
the  
Permian  
and  
Mid-Continent  
regions)  
(2)  
LINN s  
updated  
Q4  
excess  
of  
net  
cash  
(3)

is  
expected  
to  
be  
~5  
-  
10%  
above  
the  
Company s  
current  
distribution  
amount  
compared  
to  
previous  
guidance  
of  
0%  
(1)

Production on-track  
NGL prices continue to increase  
Continuing to realize lower operating expenses  
Berry s  
2013  
estimated  
production  
is  
expected  
to

be  
~40,800  
Boe/d,  
representing  
the  
high  
end  
of  
its  
previously  
updated  
guidance  
Q4 production expected to be ~44,000 Boe/d  
Improving LINN's distribution stability  
Generated excess of net cash  
(3)  
in Q3 (~1% above the distribution amount)  
Expect  
to  
generate  
excess  
of  
net  
cash  
(3)  
in  
Q4  
(~5  
-  
10%  
above  
the  
Company's  
distribution amount)  
(1)  
Pending Berry merger expected to be accretive to cash available for distribution

Combined company will be one of the largest independent oil and natural gas companies in North America

Combined company has a geographically diverse, long lived asset base with strong and stable cash flow

Potential for production optimization and cost savings

Substantial size can be a benefit in the MLP market

Accretive to LINN's cash available for distribution

Berry  
shareholders

have

the

opportunity

to

participate

in

future

upside

LINN and LinnCo are currently trading at historically high yields (~10% & ~9% for  
LINN & LinnCo, respectively)

Summary

36

Pro forma production of ~180,000 Boe/d

Proved reserves of approximately >1.1 billion Boe (54 percent liquids)

LINN

targets

hedging

~100%

of

expected

production

for

4

-

6

years

Identified ~\$20 million of synergies in G&A

Greater access to capital markets

Ability to complete larger transactions

Accretion expected to increase in subsequent years

Proven acquisition track record

Potential to revert to historically lower yields





38

Berry Bonds and Revolver Post-Closing

Berry Bonds

Transaction triggers Change of Control and investor option to put bonds at 101% of par;

LINN plans to make a Change of Control offer pursuant to the indenture

If bonds are put, LINN has sufficient liquidity to redeem any tendered Berry bonds

~\$2.7 billion of pro forma capacity

~\$1.1 billion of Berry bonds outstanding

Berry will be an unrestricted LINN subsidiary with ~\$435 million of initial restricted payments capacity

Berry bond coupons and maturities fit well within existing LINN bond complex

Berry Revolver

LINN has received lender commitments for the following:

Maintain Berry's existing \$1.2 billion revolver post-closing (\$1.4 billion borrowing base)

Conform material terms and covenants of the Berry revolver to match LINN revolver

At closing, Berry revolver will be fully drawn with proceeds available to LINN

LINN intends to use any cash distributed from Berry, up to the initial restricted payments capacity of

~\$435 million, to reduce borrowings under its own revolver

Excess cash of ~\$100 million would remain on Berry's balance sheet to fund capex or to be distributed to LINN in the future if Berry generates additional restricted payments capacity

Significantly enhances LINN's liquidity and positions balance sheet for future growth

39  
Capital Structure (9/30/13)  
(1)  
Pro forma  
for  
the  
financing

of  
 LINN s  
 \$525  
 million  
 East  
 Goldsmith  
 Field  
 acquisition,  
 which  
 closed  
 on  
 October 31.

(2)

Berry s initial restricted payments capacity allows up to ~\$435 million to be distributed to LINN. At closing, Berry s revolver to reduce borrowings under its own revolver. Excess cash would remain on Berry s balance sheet to fund capex or to be distributed

(3)  
 LINN and Berry had outstanding letters of credit of ~\$5 million and ~\$27 million, respectively, at September 30, 2013, which (\$ in millions)

LINN  
 Pro Forma Capital Structure at 9/30/13  
 Summary Balance Sheet  
 Before Merger

(1)

Adjustments

(2)

After Merger  
 Cash and cash equivalents  
 \$27  
 \$

---

\$27

Credit facility

(1)

\$1,730

\$(435)

\$1,295

Term loan due 2018

(1)

500

---

500

Senior notes:

6.50% Senior notes due 2019

750

---

750

6.25% Senior notes due 2019

1,800

---

1,800

8.625% Senior notes due 2020  
 1,300  
 ---  
 1,300  
 7.75% Senior notes due 2021  
 1,000  
 ---  
 1,000  
 4,850  
 ---  
 4,850  
 Total debt  
 \$7,080  
 \$(435)  
 \$6,645  
 Availability  
 Credit facility note amount  
 \$4,000  
 \$  
 ---  
 \$4,000  
 Less: outstanding borrowings + LCs  
 (3)  
 (1,735)  
 435  
 (1,300)  
 Undrawn capacity  
 \$2,265  
 \$435  
 \$2,700  
 Berry  
 Pro Forma Capital Structure at 9/30/13  
 Summary Balance Sheet  
 Before Merger  
 Adjustments  
 (2)  
 After Merger  
 Cash and cash equivalents  
 \$24  
 \$102  
 \$126  
 Credit facility  
 \$636  
 \$537  
 \$1,173  
 Senior notes:  
 10.25% Senior notes due 2014  
 205  
 ---  
 205

6.75% Senior notes due 2020

300

---

300

6.375% Senior notes due 2022

600

---

600

1,105

---

1,105

Total debt

\$1,741

\$537

\$2,278

Availability

Credit facility note amount

\$1,200

\$

---

\$1,200

Less: outstanding borrowings + LCs

(3)

(663)

(537)

(1,200)

Undrawn capacity

\$537

\$(537)

\$

---

Appendix

Substantial Institutional Yield Market

40

LinnCo structure allows LINN to access the much larger institutional market

MLP sector has grown tremendously but still remains primarily retail

Note: Market data as of November 29, 2013. Source for MLP Enterprise Value chart: R.W. Baird Equity Research and FactSet

Source for table: Wells Fargo Securities, LLC.



MLP Sector's Enterprise Value Growth

Top-10 Equity Income Mutual Funds

Average MLP

Average MLP

Time Period

Follow-Ons (\$MM)

Issuances / Year

2003 - 2009

\$150.9

42

2010 - 2013TD

\$251.8

60

% Increase

67%

43%

The Alerian MLP Index

yields ~5.9%

The top-10 equity income mutual funds have an aggregate of ~\$348 billion of assets and an average portfolio yield of ~1.6%.

American Funds

Washington

\$68B

Dodge & Cox

Stock

\$52B

Vanguard

Windsor Funds

\$46B

American

Funds

American

Mutual

\$31B

Blackrock Equity

Dividend

\$31B

T. Rowe Price

Equity Income

\$31B

MFS Value

\$29B

Vanguard

Value Index

\$27B

T. Rowe Price

Value

\$17B

Mutual

Shares  
\$16B  
\$0  
\$100  
\$200  
\$300  
\$400  
\$500  
\$600  
\$700  
\$800  
\$900

### **Additional Information about the Proposed Transactions and Where to Find It**

In connection with the proposed transactions, LinnCo and LINN have filed with the U.S. Securities and Exchange Commission (the SEC), and the SEC has declared effective on November 14, 2013, a registration statement on Form S-4 (Registration No. 333-187484) that includes a joint proxy statement of LinnCo, LINN and Berry that also constitutes a prospectus of LINN and LinnCo. LinnCo and LINN filed a definitive proxy statement/prospectus with the SEC on November 14, 2013. LinnCo and LINN also plan to file other relevant documents with the SEC regarding the proposed transactions. **INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** You may obtain a free copy of the joint proxy statement/prospectus and other relevant documents filed by LinnCo, LINN and Berry with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also obtain these documents by contacting LINN's and LinnCo's Investor Relations department at (281) 840-4193 or via e-mail at [ir@linnenergy.com](mailto:ir@linnenergy.com) or by contacting Berry's Investor Relations department at (866) 472-8279 or via e-mail at [ir@bry.com](mailto:ir@bry.com).

### **Participants in the Solicitation**

LinnCo, LINN and Berry and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transactions. Information about LinnCo and LINN's directors and executive officers is available in the Registration Statement on Form S-4 relating to the merger. Information about Berry's directors and executive officers is available in Berry's Form 10-K/A for the year ended December 31, 2012, dated April 30, 2013. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transactions when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Berry, LINN or LinnCo using the sources indicated above.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

### **Cautionary Note Regarding Forward-Looking Statements**

*This document contains forward-looking statements, which are all statements other than statements of historical facts. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those anticipated. Important economic, political, regulatory, legal, technological, competitive and other uncertainties are identified in the documents filed with the SEC by LINN and LinnCo from time to time, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The forward-looking statements including in this press release are made only as of the date hereof. None of LINN nor LinnCo undertakes any obligation to update the forward-looking statements included in this press release to reflect subsequent events or circumstances.*