



## Investor Presentation

East Coast Non Deal Roadshow  
Hosted by Credit Suisse  
February 9-12, 2010



# Forward Looking Statement

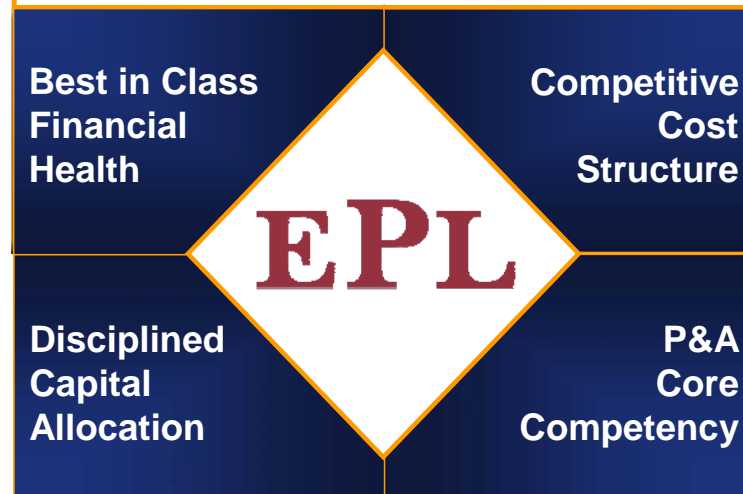
*This presentation may contain forward-looking information and statements regarding EPL. Any statements included in this press release that address activities, events or developments that EPL expects, believes, plans, projects, estimates or anticipates will or may occur in the future are forward-looking statements. We believe these judgments are reasonable, but actual results may differ materially due to a variety of important factors. Among other items, such factors might include: changes in general economic conditions; uncertainties in reserve and production estimates; unanticipated recovery or production problems; hurricane and other weather-related interference with business operations; the effects of delays in completion of, or shut-ins of, gas gathering systems, pipelines and processing facilities; oil and natural gas prices and competition; the impact of derivative positions; production expenses and expense estimates; cash flow and cash flow estimates; future financial performance; planned and unplanned capital expenditures; and other matters that are discussed in EPL's filings with the Securities and Exchange Commission.*

# EPL Value Drivers & 2010 Strategy

## Agenda

- **Recap of our restructuring & liquidity**
  - Cost of capital improvement plan
- **Controlling cash costs**
  - 3Q09 results & 4Q09/2010 guidance
- **Update on 4Q09 drilling activity**
- **2010 Initial Capital Plans**
  - Disciplined deployment of capital
  - Prudent P&A spending
- **2010 Production Guidance, Revenue, & DCF ranges**
  - Increased from previous ranges
- **Focus on next steps to fuel longer term growth**
  - Dry powder for reserve & production growth
  - GOM Shelf & Deepwater portfolio strategy

## The New Direction and Focus



# Best in Class Financial Health

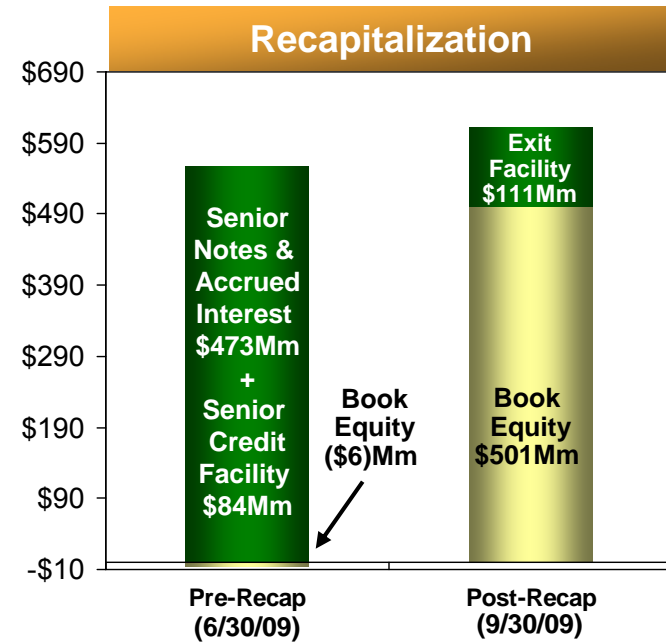
- Debt for equity exchange has transformed the balance sheet

- ~\$473 Mm of debt & accrued interest <sup>(1)</sup> swapped for ~95% of New Equity
- Old Equity received ~5% of New Equity
- GE & certain former Noteholders provided exit facility
- Restored trading on NYSE (NYSE: EPL)

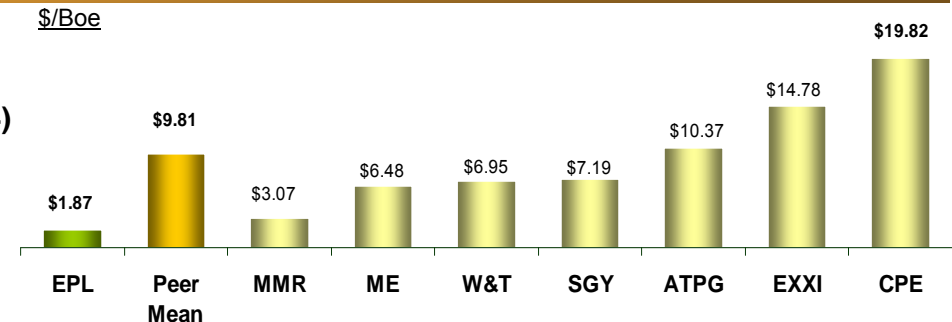
- New debt structure surpasses GOM peers<sup>(2)</sup>

- Net Debt/Capitalization = 11%
- EPL <\$2 net debt/Boe

- Net debt has decreased to ~\$51 million<sup>(4)</sup>



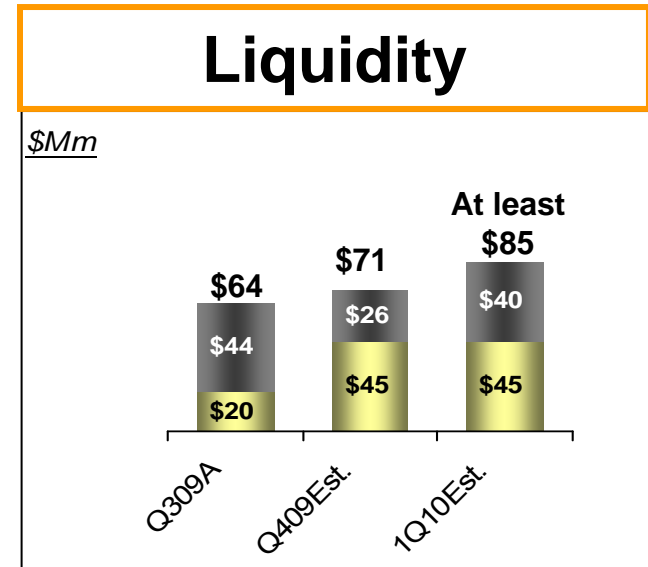
### Net Debt per Boe Measured Against Peers<sup>(3)</sup>



- As of 5/1/2009
- As of 9/30/2009
- EPL and peer group figures from recent 9/30/2009 public filings and Boe reserves uses fiscal year-end reported reserves minus reported production through 9/30/2009 from same filings; CPE excludes ~\$84 million currently disputed Entrada Non-Recourse Credit Facility and reflects the results of a 4Q09 private exchange offer for their 9.75% Senior Notes Due 2010
- As of 12/31/2009, and includes approximately \$6 million of Original Issue Discount associated with the Second Lien Note at issue

# Financially Healthy and Getting Stronger

- **Liquidity is projected to grow**
  - Fully repaid our revolver in December 2009
  - Ample cash on hand and growing quarterly
  - Assets, vendor & partner relationships intact
  - Hedging program in place
  - Cost reduction plan continuing to evolve



- **Focused on lowering cost of capital & improving flexibility**

- 20% PIK (1), \$61.1 Mm principal
  - Manageable but expensive
- Pursue global refinancing

1. Pay in Kind  
2. Absent any changes to revolver due to borrowing base redeterminations

# Controlling Cash Costs

## Competitive cost structure

- Key driver to being a viable player in the GOM Shelf
- Objective to sustain best in class
- Off to a good start

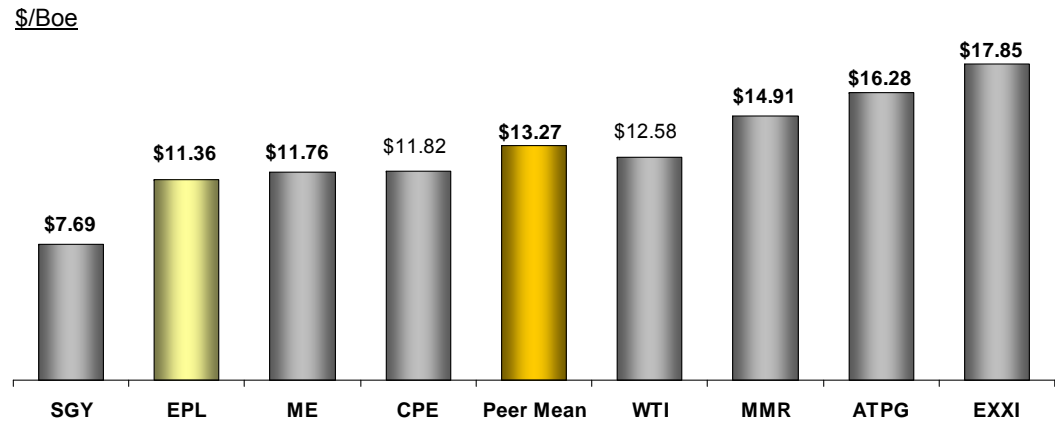
## EPL has shifted to the upper quartile of GOM peers

- Will continue efforts underway since emergence in 9/09

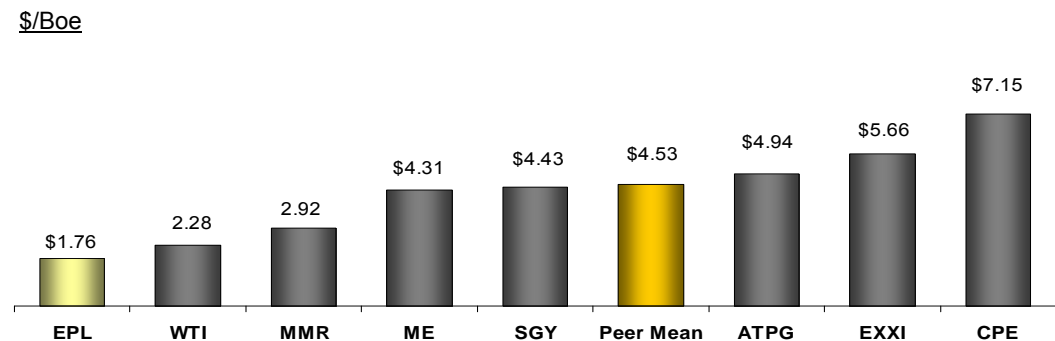
## EPL Projected LOE & G&A (1):

- **LOE:**
  - 4Q09E: at or below \$11.30/Boe
  - 2010E: ~\$10.60/Boe
- **G&A:**
  - 4Q09E: at or below \$3.60/Boe
  - 2010E: ~\$3.00/Boe

## 3Q09 LOE (2)



## 3Q09 G&A (2)

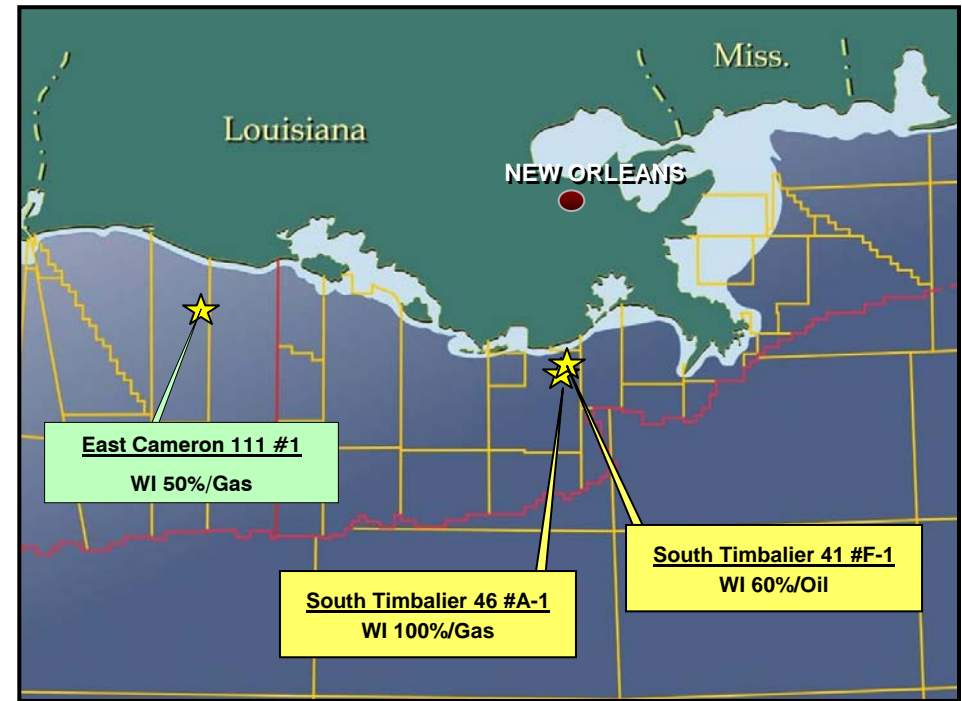


1. EPL LOE & G&A cash cost estimates for 4Q09 uses estimated 13,700 Boe/d production avg. and the midpoint of the range given for costs & 2010 use the midpoint of the production/cost guidance ranges. All G&A estimates exclude non-cash compensation; EPL energy insurance to be reported as a part of LOE versus G&A beginning in the 4Q09

2. Publicly reported figures for the period ended 9/30/2009; EPL figures adjusted for the reallocation of energy insurance of \$1.94 into LOE from G&A as reported

# Update on 4Q09 Well Activity

- Began executing on workover and drill well projects in South Timbalier and East Cameron areas
- Results:
  - Successful gas test in EC111 #1
  - 2 successful ST workovers
  - All 3 wells exceeding production expectations
- December 2009 activity boosted 4Q2009 production averages and has provided good production momentum into 2010
  - 4Q09 Average: ~13,700 Boe/d
  - Exceeds the 4Q09 guidance range of 12,500 – 13,500 Boe/d



2010 PROJECTS UNDERWAY/SCHEDULED			
Well	WI	Type	1 <sup>st</sup> Prod
ST 46 #A-1	100%	Completed	12/4/09
ST 41 #F-1	60%	Completed	1/1/2010
EC 111 #1	50%	Completed	1/11/2010

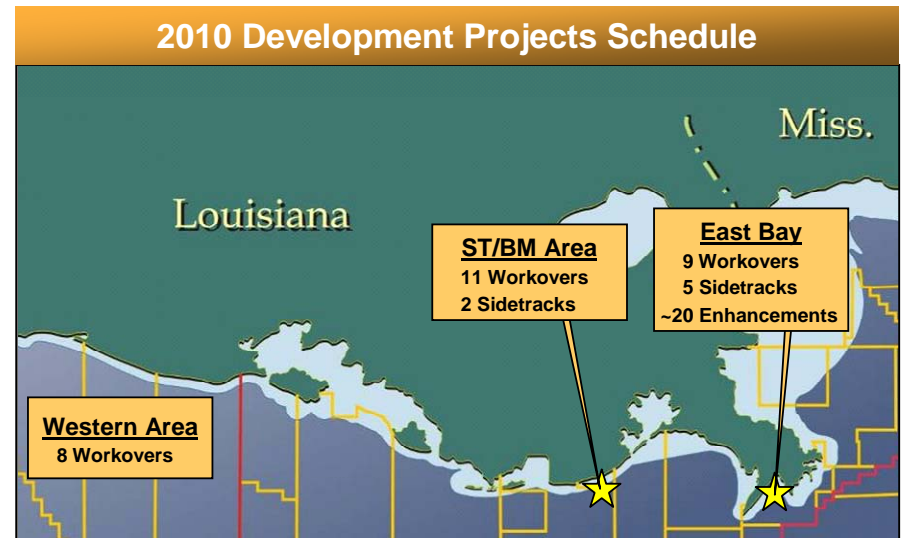


# Disciplined Capital Allocation

## 2010 Initial Budget

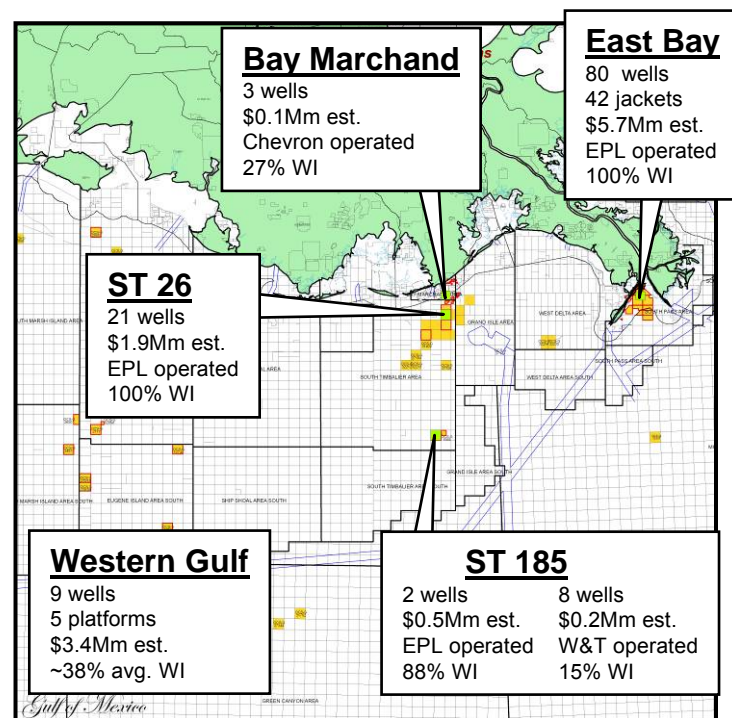
- ~\$45 Mm CAPEX
  - Development focused (87% development)
    - Low risk program
    - Ready to execute opportunities
- ~\$12 Mm proactive P&A & Decommissioning
  - Prudent spending to address ARO liability & reduce LOE costs to maintain idle infrastructure

- **Our development opportunities are repeatable into the foreseeable future**



# 2010 P&A & Decommissioning Plan

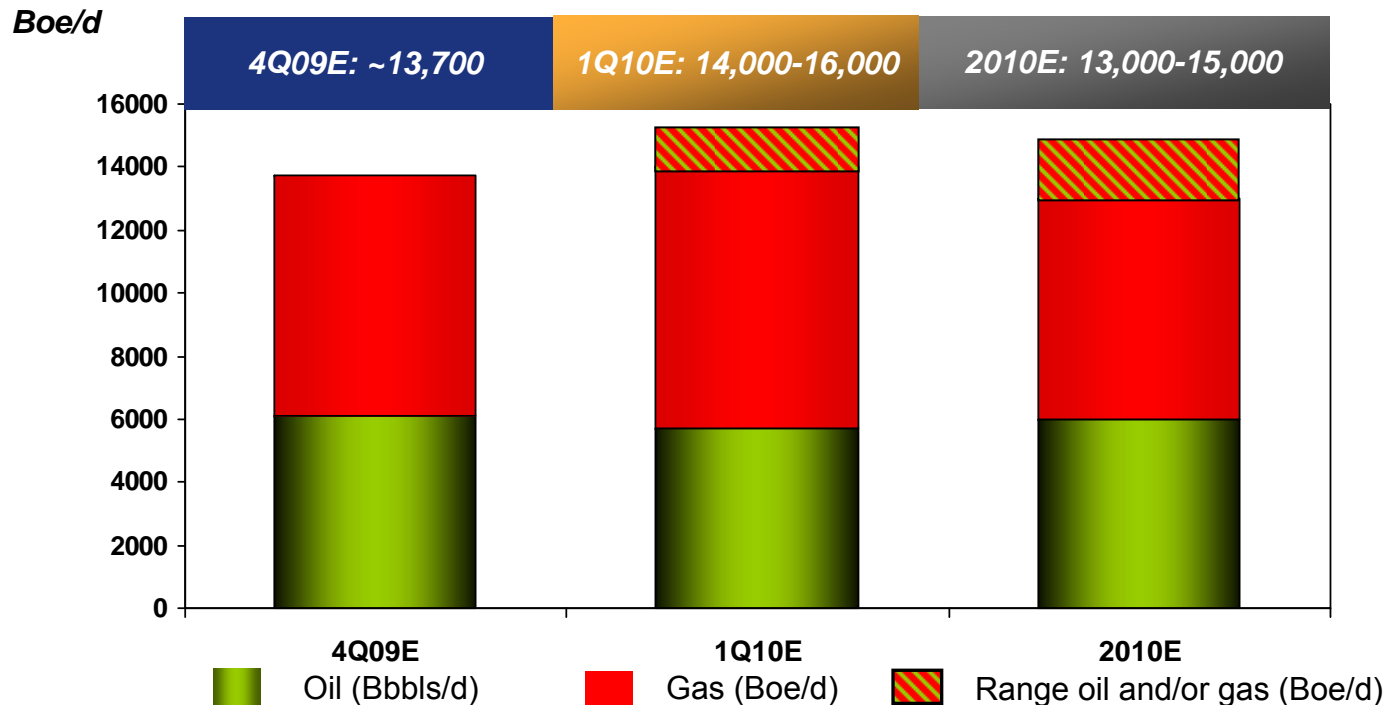
- **Discretionary P&A Drivers**
  - LOE savings
  - Addresses MMS idle iron initiatives
  - Hazard mitigation & damage
  
- **Continue similar spend levels beyond 2010**
  - Develop core competency & efficiency through systematic removal of idle infrastructure
  - Focus efforts in East Bay field



<u>2010 P&amp;A Program</u>	<u>Wells</u>	<u>Platforms/Jackets</u>	<u>Est. Net Cost (\$Mm)</u>
Mandatory P&A (Expired Leases)	9	5 platforms	~\$ 3.5
Expected Outside Operated	11	0	~\$ 0.3
Discretionary EPL Operated	<u>103</u>	<u>42 jackets</u>	<u>~\$ 8.2</u>
<b>Total</b>	<b>123</b>	<b>47</b>	<b>~\$12</b>

# Production Profile : 2010 Forecast

- Initial CAPEX will focus on stabilizing/growing production over 4Q09
  - 1Q10 production projected to grow over 4Q09
    - ✓ Enhanced by the successful 4Q09 drilling program
  - Full year 2010 production could be significantly above 4Q09 averages



# 2010 Revenue & Cash Flow Estimates

- 2010 initial plan supports strong discretionary cash flow

Using the mid point of the 2010 Est. Production Range: ~14,000 Boe/d

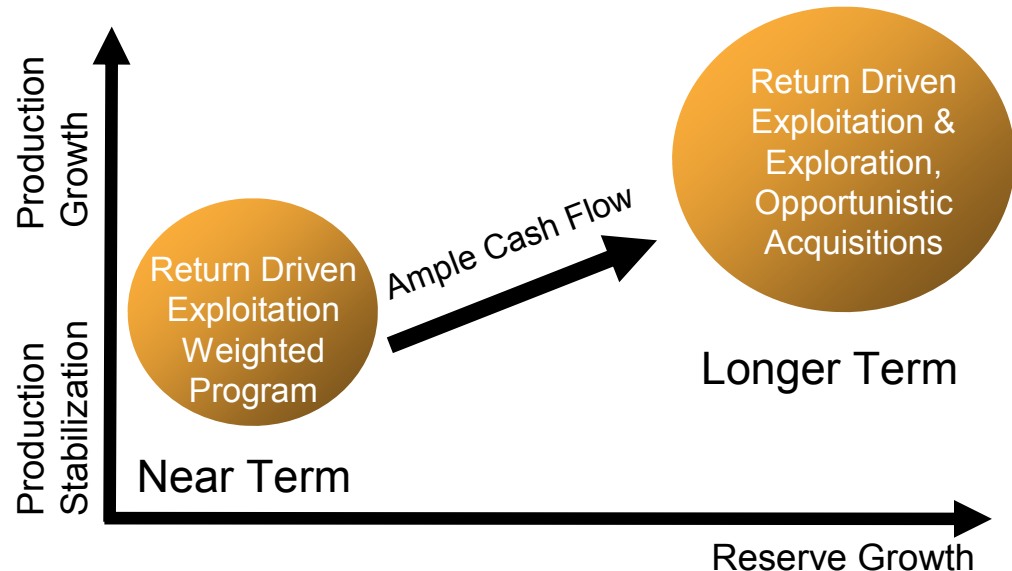
Assuming 2010 Average Pricing Range:

Oil price (\$/Bbl)	\$60	\$80
Gas price (\$/Mmbtu)	\$5	\$6
Est. Revenue range <sup>(1)</sup>	\$225 Mm	\$275 Mm
Est. DCF range <sup>(1)</sup>	\$110 Mm	\$160 Mm

- (1) **Discretionary cash flow (DCF) is defined as cash flow from operations before changes in working capital and exploration expenditures.** Revenue & DCF includes projected realized hedging gain (losses) & gains based on price assumptions & midpoint of the 2010 guidance range, and excludes non-realized hedging gains/losses with hedging instruments in place as of 12/4/09.

# Longer Term Production and Reserve Options

- **2010 Initial Budget is a front-loaded program to maximize production/ cash flow impact in 2010**
- **The initial budget preserves ample discretionary cash for longer term production and reserve growth options**
  - Actively evaluating internal portfolio and external opportunities to drive towards growth
  - Dry powder to execute strategy



# Shelf Portfolio & Strategy

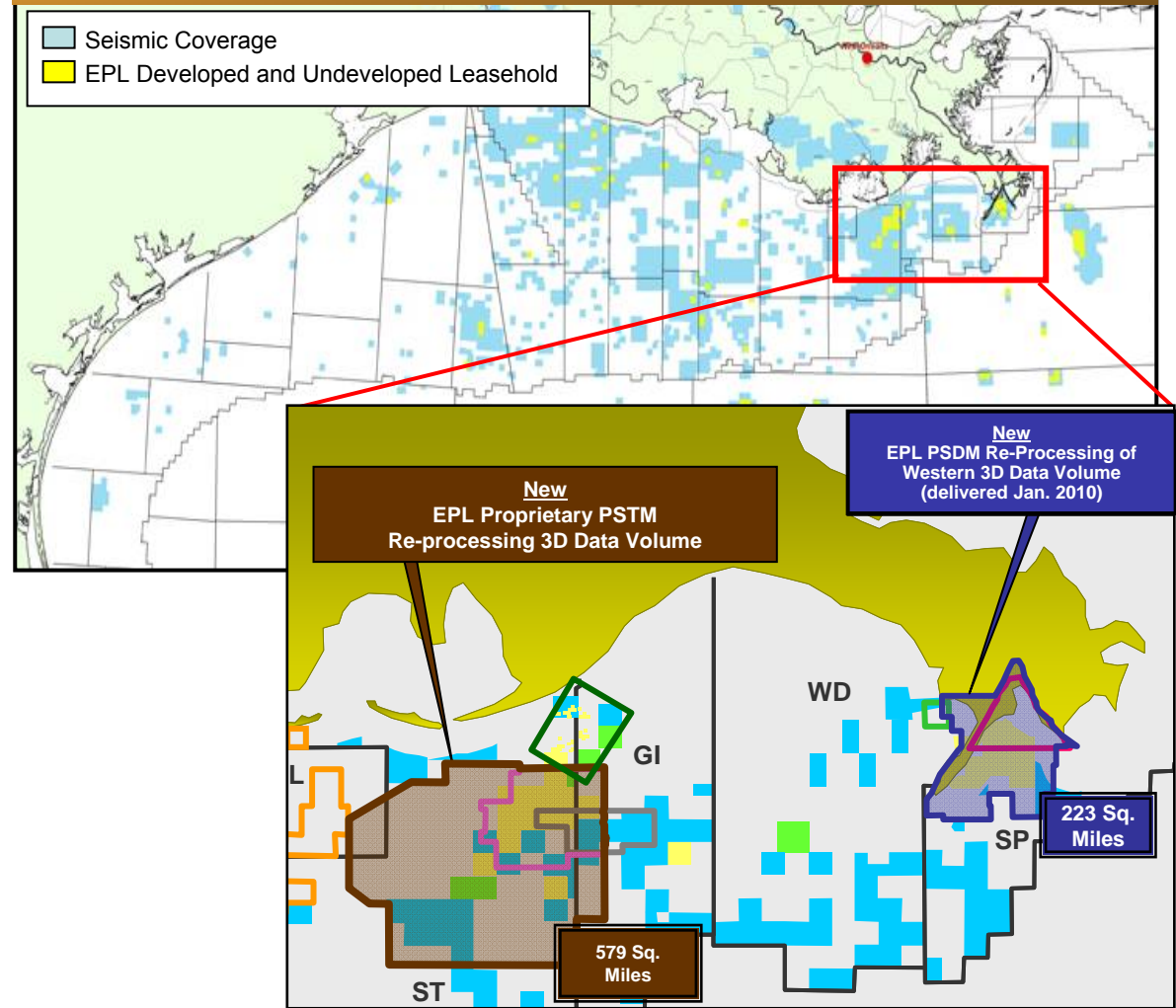
## ■ Near term:

- Conducting in depth review of current inventory
- Actively working reprocessed 3-D seismic data in South Timbalier area and East Bay area

## ■ Longer term:

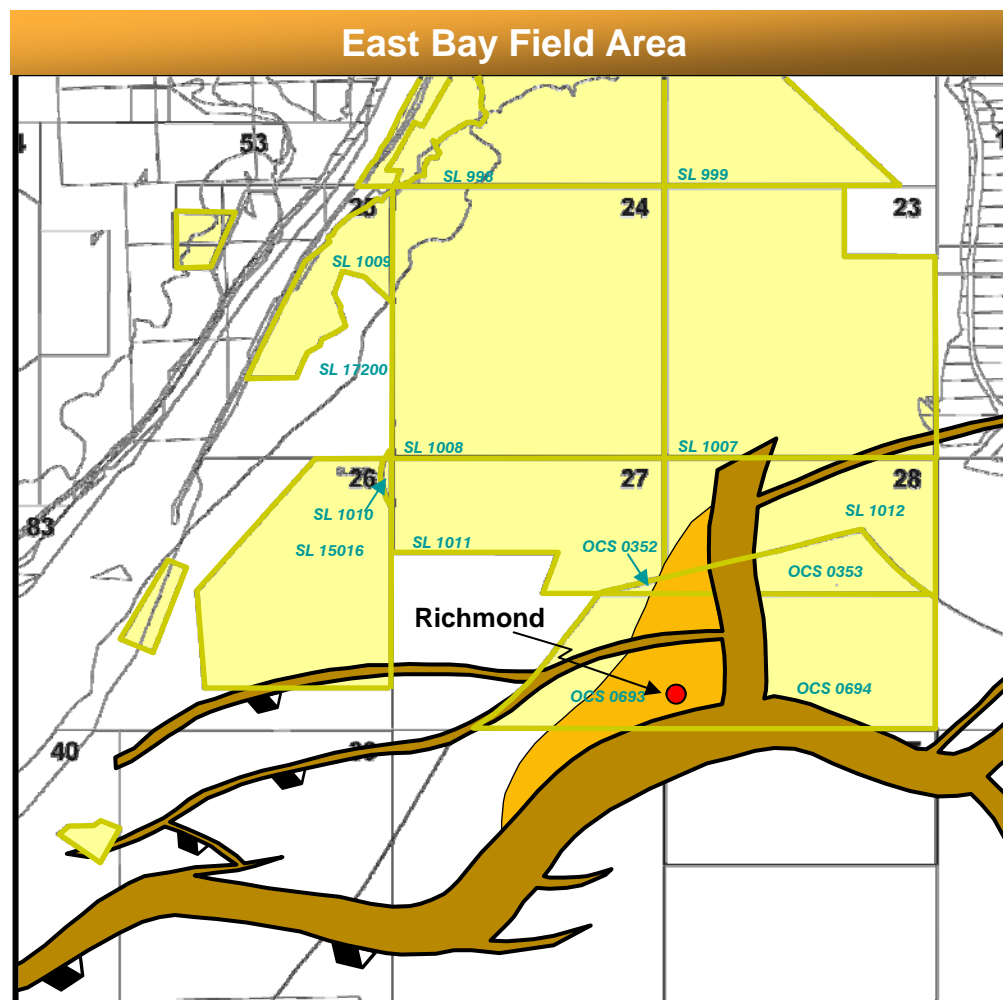
- Expand portfolio with focus on plays strategic to core fields or building new focus areas through drilling and/or acquisitions
- Review external prospects to bring into inventory

## Extensive 3-D Seismic Inventory Estimated at 8.2 million acres



# East Bay Area – Deeper Potential

- The East Bay field is largely untested in depths below 14,000 feet
- Actively seeking to understand the deeper potential in this field area
  - Reprocessed existing 3-D seismic in East Bay area (delivered Jan 2010)
  - Intended to greatly enhance imaging the field's deeper depths
- Richmond Prospect
  - 14,500' TVD
  - Tex W/Big Hum sand target
  - Structural, upthrown 3-way, salt overhang play
  - Reasonable drill well cost to test deeper play



# Deepwater Portfolio & Strategy

## Attributes:

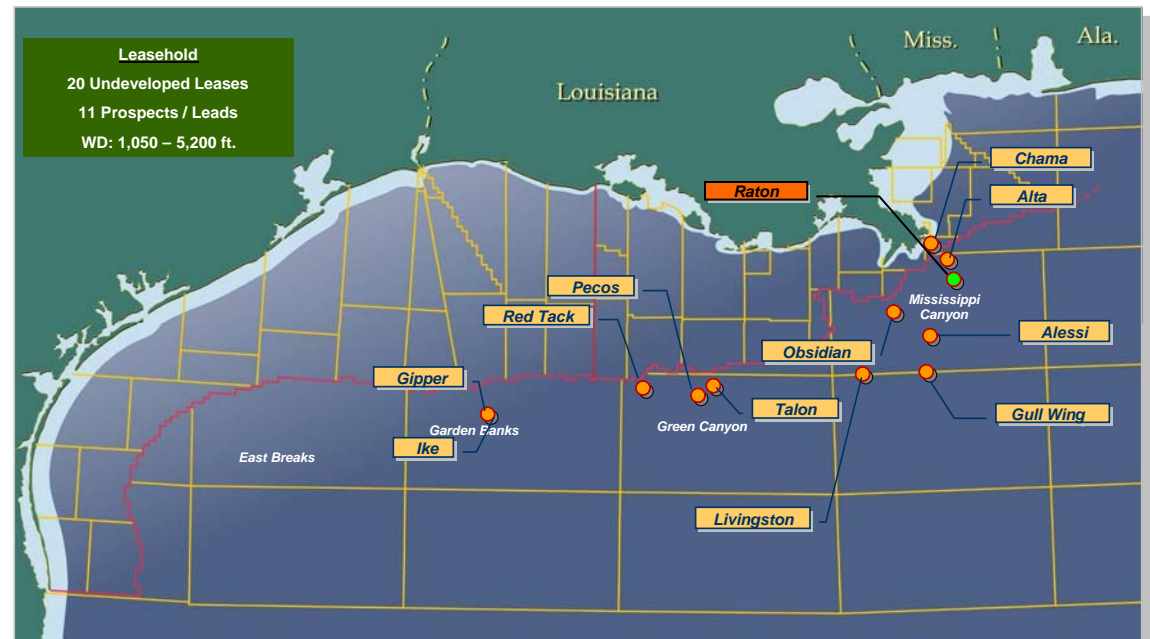
- 20 undeveloped leases
- 11 prospects/leads
- Partners in place
- Plenty of time before lease expiration
- Talon (GC198) and Obsidian (MC 499) are attractive prospects

## 2 to 4 yr project cycle times & significant capital requirements

## Strategy for Deepwater GOM portfolio:

- Consider marketing all or a portion
- Options:
  - Sell
  - Trade inventory for Shelf GOM assets or prospects

## Deepwater Leasehold & Exploratory Inventory



# EPL Value Drivers

## Disciplined Capital Allocation

- ◆ Return Driven & Protective of Balance Sheet
- ◆ Initial Budget Stabilizes Production
- ◆ Dry Powder to Address Growth

## P&A Core Competency

- ◆ The Right Expertise
- ◆ An Executable Plan
- ◆ Both Drive Savings Over Time

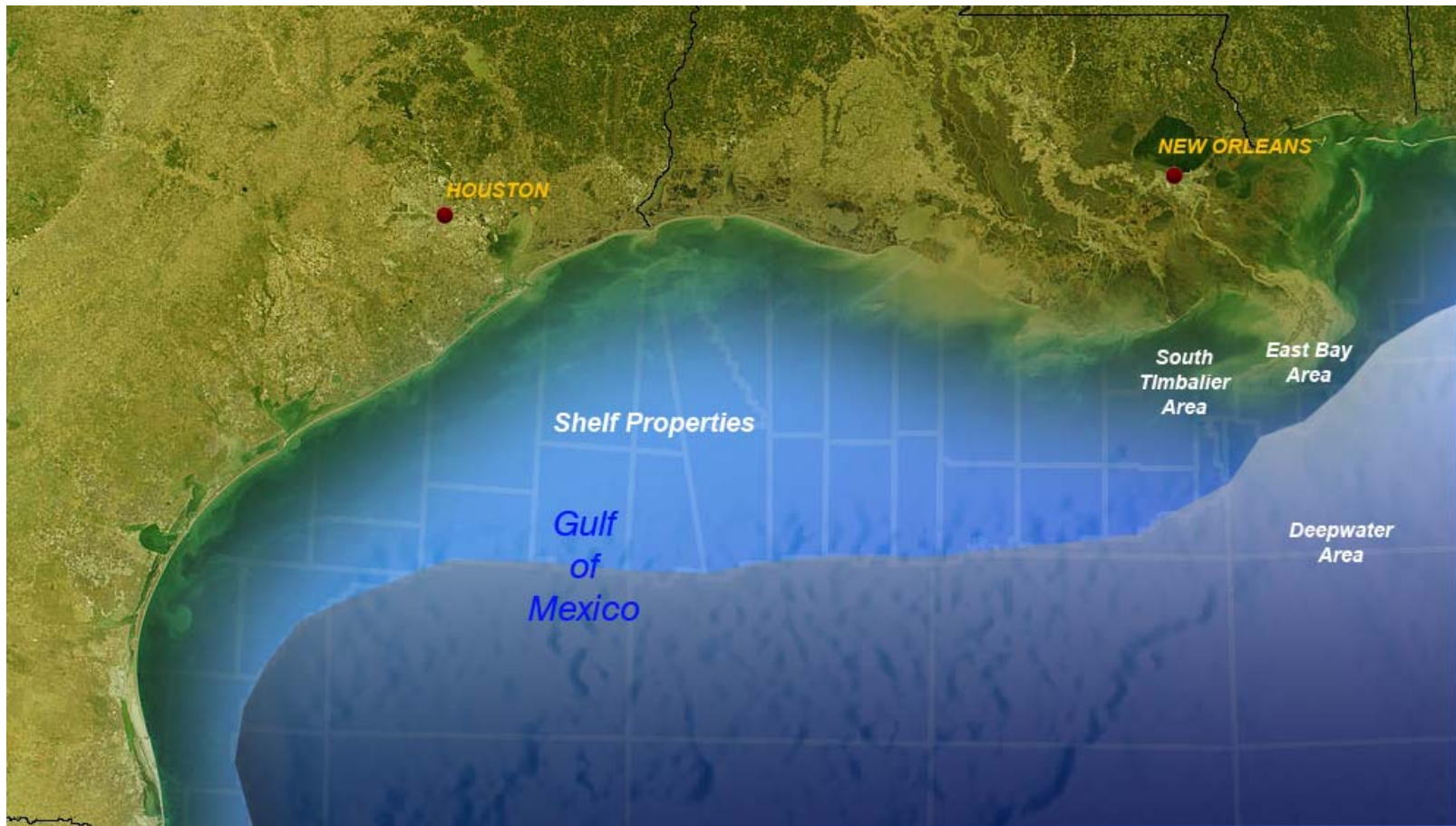
## Competitive Cost Structure

- ◆ Continuous Cost Review Process
- ◆ Currently in Upper Quartile of GOM Peer Group
- ◆ Strive to Be Best in Class

## Best in Class Financial Health

- ◆ Transformed Balance Sheet
- ◆ Strong Liquidity
- ◆ Ample Cash Flow

# Appendix



# Corporate Information

## **Gary Hanna**

**Chief Executive Officer**

**Investor Relations/Business  
Development Contact:**

## **T.J. Thom**

**Senior Vice President**

**Treasurer**

**and Principal Financial Officer**

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**NYSE:** EPL

**~40 Million shares outstanding**

## **Principal Corporate Office**

**201 St. Charles Ave.**

**Suite 3400**

**New Orleans, LA 70170**

**Phone:** (504) 569-1875

## **Houston Office**

**919 Milam, Suite 2020**

**Houston, TX 77002**

**Phone:** (713) 228-0711

# Hedging Program in Place to Protect Downside

- Oil swaps and floors covering 4Q09 through 2011 put in place in late 3Q09
- Gas floors for 1H2010 recently added
- The Program:
  - Provides protection against downward commodity price movements
  - Maintains upside participation in both oil and gas
  - Quarterly review process in place

## Pricing Risk Management Program

### Oil Swaps:

	Daily Volume (Bbls/day)	Swap Level (\$/Bbl)	% of Oil Forecast <sup>(1)</sup> Swap Contracted
Jan-Dec 2010 Avg.	2,084	\$ 68.42	38%

### Oil Floors (Puts):

	Daily Volume (Bbls/day)	Floor (\$/Bbl)	% of Oil Forecast <sup>(1)</sup> Put Contracted
Jan-Dec 2010 Avg.	962	\$ 60.00	17%

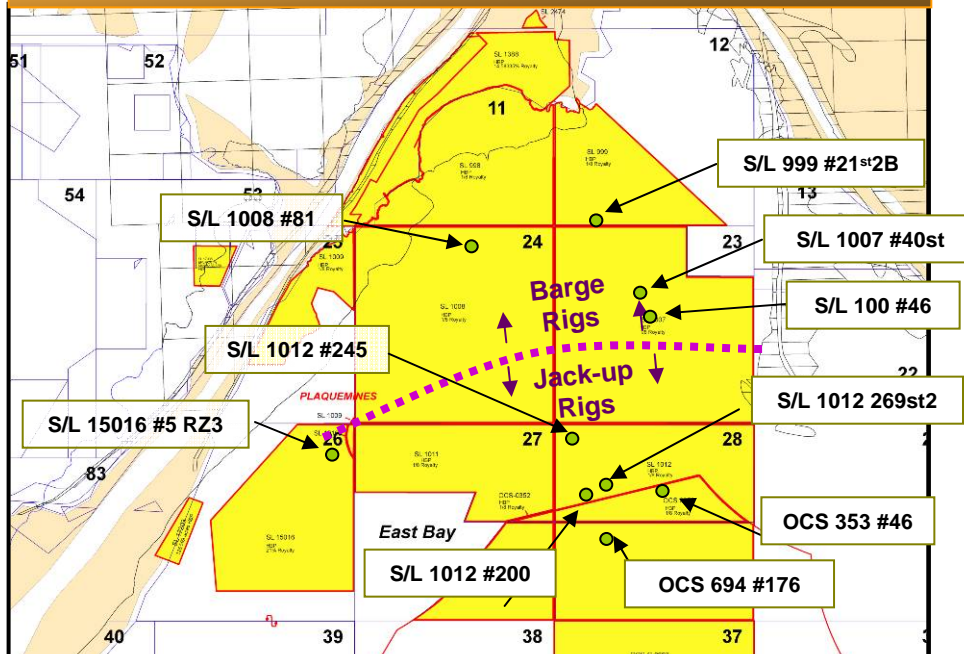
### Gas Floors (Puts):

	Daily Volume (Mmcf/day)	Floor (\$/Mmbtu)	% of Gas Forecast <sup>(1)</sup> Put Contracted
Jan-Jun 2010 Avg.	23,989	\$ 4.00	50%

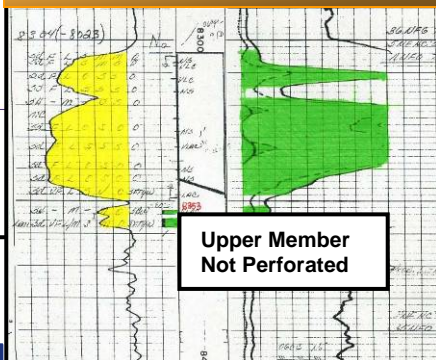
1. Uses the midpoint of oil and gas production guidance range for the specified periods

# 2010 East Bay Development Program

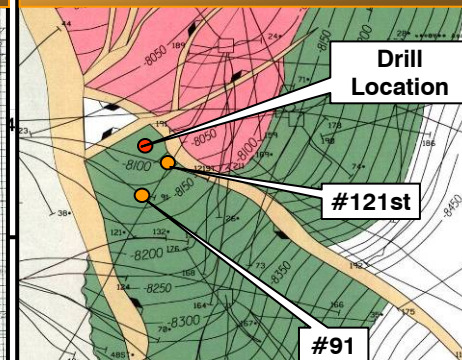
## Current Bypassed Oil Opportunities



## Typical Target Log Section



## Typical Target Structure Map



- Developing multiple sidetrack & workover locations targeting bypassed oil
  - Field study underway
  - Numerous locations identified to high-grade program & support production
  - Quick production cycle time
  - Potential for some reserve adds
- Numerous capital enhancements to maximize field runtime & production levels
- Expect 2010 average production to be up 20-40% over 2009:
  - 2009E: ~2,500 Net Boe/d
  - 2010E: ~3,000 – 3,500 Net Boe/d
  - 98% oil
- Field Proved Reserve Life 12+ yrs

# Leadership

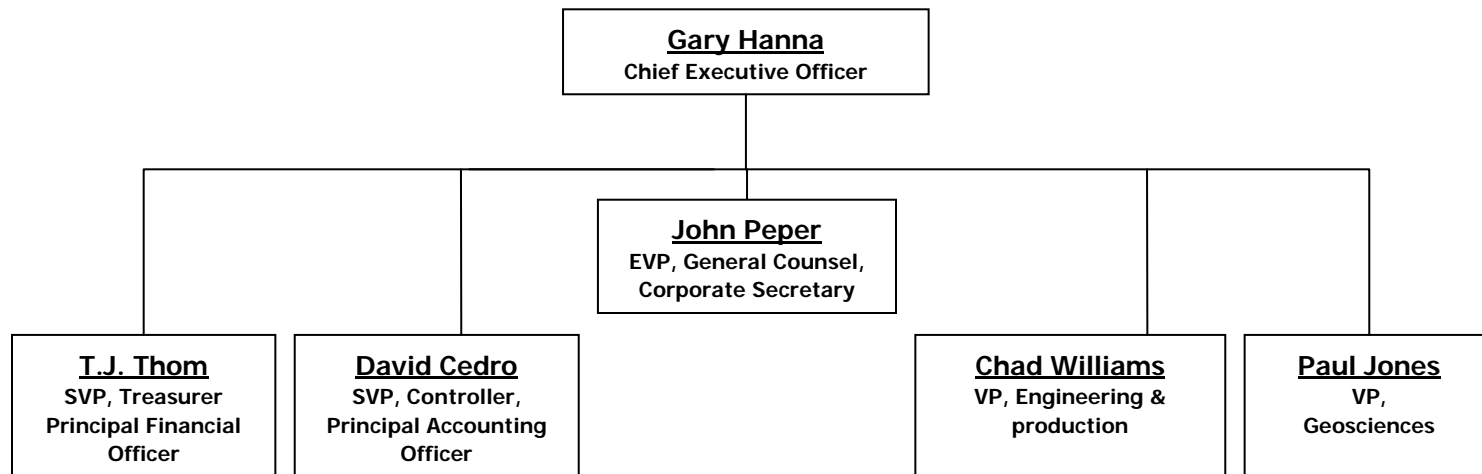
## Board of Directors

- Strong complement of strengths
  - Technical expertise
  - Asset management/ investment banking
  - E&P management
  - Offshore service knowledge
  - Audit expertise
  - Risk management

## Chief Executive Officer

- Strong E&P background
  - Experience in building/restructuring companies
  - P&A and decommissioning expertise

## Leadership Appropriate for the New Direction & Asset Base



# **EPL**

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