

Edgar Filing: BERRY PETROLEUM CO - Form 425

BERRY PETROLEUM CO

Form 425

December 04, 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  
ISS  
recommends  
a  
vote  
FOR  
all  
LINN  
Energy  
and  
LinnCo s  
proposals  
Believe  
support  
for  
this  
merger  
is  
warranted  
(1)  
Institutional Shareholder Services Inc..

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

o

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



(\$ 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

6

LINN Operations

Berry Operations

Corporate

Headquarters

(Houston)

NM

TX

KS

IL

LA

MI

ND

OK

CA

East Texas

WY

UT

CO

California

Uinta Basin

Piceance

Basin

Permian Basin

East Goldsmith

Field Acquisition

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

Note:

Market

data

as

of

November

29,

2013

(LINE

and

LNCO

closing  
prices  
of  
\$30.42  
and  
\$31.18,  
respectively).

Unless  
noted  
otherwise,  
all  
operational  
and  
reserve  
data  
as  
of  
December  
31,  
2012.

Estimates  
of  
proved  
reserves  
for  
the  
East  
Goldsmith  
Field  
acquisition  
were  
calculated  
as  
of  
the  
effective  
date  
of  
the  
acquisition  
using  
forward  
strip  
oil  
and  
natural  
gas  
prices,  
which  
differ

from  
estimates  
calculated  
in  
accordance  
with  
SEC  
rules  
and  
regulations.

Estimates  
of  
proved  
reserves  
for  
the  
East  
Goldsmith  
Field  
acquisition  
based  
solely  
on  
data  
provided  
by  
seller.

(1)  
Includes  
pending  
Berry  
Petroleum  
( Berry )  
transaction  
and  
15  
acquisitions  
comprising  
the  
Appalachian  
Basin  
properties  
sold  
in  
July  
2008.

(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  
ratio,  
or  
November  
1,  
2013,  
which  
remains  
subject  
to  
closing  
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.

LINN Energy And Berry Petroleum

(\$ 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

MLP and Independent E&P

Size Rankings

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

8

largest

public

MLP

/  
LLC  
(1)  
12  
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  
approvals.

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)

(1)

\$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

th

th

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

Historical Acquisitions and Joint Venture

9

Screened 246

opportunities

Bid 20 for

~\$9.2 billion

Closed 7 for

~\$2.9 billion

2010

2011

2012

YTD 2013

(1)

Screened 223

opportunities

Bid 10 for

~\$7.9 billion

Closed or announced

3 for ~\$5.5 billion

LINN Has Created an Acquisition

Machine



10  
~\$15 billion in acquisitions across 60 separate transactions  
(1)  
Strong record of:  
(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.

Growth Through Accretive  
Acquisitions  
Value of Acquisitions Per Year

(1)  
Evaluating acquisitions  
Integrating assets  
Pursuing multiple acquisitions simultaneously





Ector County

0

5,000

FEET

Acquisition Acreage

Proved Location Area

PROB Location Area

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

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  
Granite Wash  
8 rigs drilling in the region  
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  
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

LINN Operational Update

(1)

Operational data as of LINN Energy's Third Quarter 2013 Earnings Press Release, filed on October 28, 2013.

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

Combined position of >160,000 net

acres adds size and operational

scale

(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

Permian Basin Operational Overview

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

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

(1)

Includes only current Wolfcamp operations.

Wolfcamp Operations Map

Overview

Wolfcamp Operational Overview

(1)

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

Berry's

Board

and

management

believe

negotiated

terms

are

in

the

best

interest

of

shareholders.

(1)

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

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

Berry's 2013 Performance

Top-Tier Operating Margins

Q3 2013 Margin Per BOE, BRY vs. Peers

(1)





35  
36  
31  
32  
33  
28  
29  
30  
26  
29  
28  
27  
26  
32  
33  
34  
35  
36

25  
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34  
27  
1  
0  
Ethel D  
S. Midway  
Stable  
production  
from  
legacy  
assets  
in  
the  
9  
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

Continuous

Vertical

Steam

Injectors

Wet Zone

Depletion

21

South Midway-Sunset

th

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.

Chevron acreage

Berry acreage

McKittrick 21Z Quarterly Production

McKittrick 21Z

Diatomite

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



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.

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

Expected to be accretive to cash available for distribution

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

Greater access to capital markets

Increases access to institutional market

Financial Highlights

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

Accretion expected to increase in subsequent years

Transaction provides additional liquidity and financial flexibility

Liquidity / float of LNCO increases ~3x

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  
LINE  
Unitholders  
LLC  
Units  
LNCO  
Shareholders



LinnCo  
Common  
Shares

Current *distribution*  
of \$2.90 / unit

(1)  
Schedule K-1 (partnership)

LINE  
LNCO

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

LINN Energy, LLC

Natural Gas Positions

29

Oil Positions

(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 2018, and \$90.00 per Bbl for the year ending December 31, 2019, if the counterparties determine that the strike prices are in-the-money each year is exercisable without respect to the other years.

**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.

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)  
30

LINN's Distribution Stability  
and Growth

31

Distribution History

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)  
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

\$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

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)

(125%)  
(75%)  
(25%)  
25%  
75%  
125%  
175%

225%

275%

2006

2007

2008

2009

2010

2011

2012

2013

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

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

~66%

~67%

~64%

~207%

~190%

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

Greater access to capital markets

Ability to complete larger transactions

35  
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,

representin

g 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

(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  
considered  
by  
the  
Board  
of  
Directors.  
Updated Q4 2013 Guidance  
(1)

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

LINN Energy's mission is to **acquire**, develop and maximize cash flow from a growing portfolio of long-life oil and natural gas assets.

38

**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

Berry Bonds and Revolver Post-Closing



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 revolving

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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%

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

In connection with the proposed transactions, LINN and LinnCo have filed with the SEC 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. Each of Berry, LINN and LinnCo 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 Berry, LINN and LinnCo 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@lennenergy.com](mailto:ir@lennenergy.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 included 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.*