

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, proved reserves for the East Goldsmith Field acquisition were calculated as of the effective date of the acquisition using forward-looking estimates 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

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. 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 or by contacting Berry's Investor Relations department at (866) 472-8279 or via e-mail at 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.