

Edgar Filing: BERRY PETROLEUM CO - Form 425

BERRY PETROLEUM CO

Form 425

February 26, 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

Berry Petroleum Town Hall Meetings
Berry Petroleum Town Hall Meetings
February 22, 2013
February 22, 2013

Mark Ellis
Mark Ellis
Chairman, President and Chief
Chairman, President and Chief
Executive Officer
Executive Officer

Embrace & Drive Change
Pursue Growth
Take Action
Respect Others
Be Passionate
Connect

Our Values

Our Values

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Embrace and Drive Change

Pursue Growth

Take Action

Respect Others

Be Passionate
Connect

Who We Are

Who We Are

Connected to our employees, families and communities

A top-10 MLP/LLC

A top-15 independent oil and natural gas E&P

Passionate about leading the business sector we started

Embrace new employees and provide all employees with opportunities

to grow personally and professionally

Grow through acquisitions and organic activities

Maintain our financial stability

Operate in a manner that protects employees, contractors, the public
and environment

Dedicated employees with ownership in the company driving our
growth

A company that takes action

Investors who are confident in our business model

A sustainable asset inventory

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LINN Energy is

LINN Energy has

LINN Energy will

Our Strategy

Our Strategy

Focus on U.S. onshore basins
providing significant opportunities for
future growth and consolidation

Target acquisitions providing long-life,
high-quality production with

predictable decline curves and low-risk development opportunities

Organically grow reserves and production

Reduce cash flow volatility through hedging

LINN's primary business objective is to provide stability and growth of distributions to our unitholders (LINE) and shareholders (LNCO)

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MLP
MLP
and
and
Independent
Independent
E&P

E&P
Rankings
Rankings
Note:
Market
data
as
of
February
20,
2013
(LINE
and
LNCO
closing
price
of
\$36.65
and
\$36.99,
respectively).

Source:
Bloomberg.

(1)
Pro forma for merger.
LINN is one of the largest MLP and independent E&P companies

7
largest public MLP/LLC
11
largest domestic independent oil & natural gas company

7

Rank
Master Limited Partnership
Enterprise Value (\$MM)
Rank
Independent E&P
Enterprise Value (\$MM)

1.
Enterprise Products Partners
\$60,375

1.
ConocoPhillips
\$89,597

2.
Kinder Morgan Energy Partners
\$46,756

2.
Occidental Petroleum Corp.
\$64,934

3.

Energy Transfer Equity
\$38,964
3.
Anadarko Petroleum Corp.
\$52,281
4.
Williams Partners
\$26,732
4.
Apache Corp.
\$41,773
5.
Plains All American Pipeline
\$24,767
5.
EOG Resources Inc.
\$39,943
6.
Energy Transfer Partners
\$22,574
6.
Chesapeake Energy Corp.
\$34,955
7.
LINN Energy LLC (Pro Forma)
\$18,943
7.
Marathon Oil Corporation
\$26,927
8.
ONEOK Partners
\$17,173
8.
Devon Energy Corporation
\$24,449
9.
Enbridge Energy Partners
\$14,874
9.
Noble Energy Inc.
\$22,575
10.
El Paso Pipeline Partners
\$13,363
10.
Pioneer Natural Resources Co.
\$19,920
11.
Magellan Midstream Partners
\$11,658

11.
LINN Energy LLC (Pro Forma)
\$18,943

12.
Markwest Energy Partners
\$9,470

12.
Continental Resources Inc.
\$17,937

13.
Boardwalk Pipeline Partners
\$8,848

13.
Range Resources Corp.
\$14,274

14.
Buckeye Partners
\$7,234

14.
Southwestern Energy Co.
\$13,163

15.
Sunoco Logistics Partners
\$6,851

15.
Cabot Oil & Gas Corp.
\$12,312

16.
Access Midstream Partners
\$6,667

16.
Concho Resources Inc.
\$11,890

17.
Western Gas Partners
\$6,569

17.
Murphy Oil Corp.
\$11,241

18.
Amerigas Partners
\$6,448

18.
EQT Corp.
\$11,066

19.
Cheniere Energy Partners
\$5,770

19.
Plains Exploration & Production

\$10,094

20.

Regency Energy Partners

\$5,655

20.

Denbury Resources Inc.

\$10,033

21.

Targa Resources Partners

\$5,404

21.

Cobalt International Energy

\$9,155

22.

Nustar Energy LP

\$5,228

22.

Sandridge Energy Inc.

\$8,803

23.

Teekay LNG Partners

\$5,159

23.

QEP Resources Inc.

\$8,595

24.

Copano Energy LLC

\$4,521

24.

Whiting Petroleum Corp.

\$7,298

25.

Genesis Energy LP

\$4,435

25.

Newfield Exploration Co.

\$6,546

th

th

LINN Energy
LINN Energy
A Premier U.S.
A Premier U.S.
Independent E&P Company
Independent E&P Company
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Daily Production of E&P Peers

(1)

Proved Reserves of E&P Peers

(1)

Increases LINN's size and scale among leading, independent E&P companies

Now one of the largest producers of hydrocarbons in the United States

Source: Company press releases and SEC filings.

(1)

Reserves and production data includes most recent information released by listed companies.

Growth Through Acquisitions

Growth Through Acquisitions

~\$10 billion in acquisitions completed since the Company's
inception in 2003

Includes 54 separate transactions

(1)

Proven track record of successful acquisitions and integrations

(1)

Includes 15 acquisitions comprising the Appalachian Basin properties sold in July 2008.

(2)

Based on total consideration.

(3)

Plains Exploration acquisitions based on total consideration. Closed 2012 acquisitions and \$400 million of Anadarko's development

Historical Acquisitions and Joint Venture

Total

~\$5.9

Billion

Since

2009

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LINN and Berry Transaction
LINN and Berry Transaction
Terms
Terms
Strategic Benefits
Strategic Benefits
Timing

Timing

Stock-for-stock transaction for total consideration of \$4.3 billion, including the assumption of debt

First strategic use of newly formed LinnCo shares as consideration in a corporate acquisition

Clear path to completion

Subject to approval by shareholders of Berry Petroleum and LinnCo and unitholders of LINN Energy, as well as customary closing conditions, including certain regulatory approvals

Expected to close June 30, 2013

Operational: Increase in size and scale with significant geographic expansion, long-lived, mature asset portfolio, increase in liquids exposure, proved reserves and production

Financial: Immediately accretive, improved leverage metrics, tax efficient

transaction to LINN Energy

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Why Berry? A Strong Combination

Why Berry? A Strong Combination

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Excellent MLP Asset

Strategic Fit With Our Business Model

Platform for Growth

Large acquisition of low-decline assets with attractive inventory

Production is 75% liquids with excellent operating margins

Liquids reserves to increase 55%

Gas reserves to increase 17%

More than half of our revenues will be driven by crude oil

Talented workforce and technical team familiar with operating areas and assets

Complementary operating areas to existing LINN operations

Increased geographic presence in California, Permian Basin, East Texas, Rockies

Immediately accretive

Total production to increase 30%

Proved reserves to increase 34%

Proved
reserves

to

total

6.5

Tcf

equivalent

(1.1

billion

barrels

of

oil

equivalent), with 54% oil and NGLs and 46% natural gas

All-stock deal allows LINN to improve debt metrics with potential access to high-grade capital programs

Arden Walker
Arden Walker
Executive Vice President and Chief
Executive Vice President and Chief
Operating Officer
Operating Officer

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Note: All operational and reserve data as of December 31, 2012.

Williston / Powder River Basins

31 MMBoe proved reserves

4% of total reserves

92% liquids
California

30 MMBoe proved reserves

4% of total reserves

92% liquids
Permian Basin

67 MMBoe proved reserves

8% of total reserves

81% liquids
Michigan / Illinois

266 Bcfe proved reserves

6% of total reserves

97% natural gas
LINN Overview
LINN Overview
Mid-Continent

1,648 Bcfe proved reserves

34% of total reserves

51% natural gas
Hugoton Basin

1,010 Bcfe proved reserves

21% of total reserves

56% natural gas
East Texas

82 Bcfe proved reserves

2% of total reserves

82% natural gas
Green River Basin

1,017 Bcfe proved reserves

21% of total reserves

72% natural gas

Where We Will Operate

Where We Will Operate

Expanded presence in California, Permian Basin, East Texas and
Rockies and addition of attractive new core area in the Uinta Basin

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Corporate

Headquarters

(Houston)

NM

TX

KS

IL

LA

MI

ND

OK

CA

WY

LINN Operations

Recently Acquired Assets

UT

CO

Note: All operational and reserve data as of December 31, 2012, pro forma for merger.

Permian Basin

California

Uinta Basin

Piceance Basin

East Texas

Tom Emmons
Tom Emmons
Vice President, Corporate Services
Vice President, Corporate Services
(Human Resources, EH&S, Supply Chain Management,
(Human Resources, EH&S, Supply Chain Management,
Facilities, Admin. Services, Community Relations and

Facilities, Admin. Services, Community Relations and
Internal Communications)
Internal Communications)
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What Happens Next?

What Happens Next?

Combined company will retain LINN Energy name

Headquarters to remain in Houston and will maintain an operating presence in Denver

LINN/Berry integration team to develop a detailed and thoughtful plan to ensure a seamless combination

Compensation and benefits philosophy

We will make every effort to keep you informed as
things develop and progress

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What Happens Next?
What Happens Next?
17
Today through Closing
February 25
March 11
March 12

April 12

Mid to Late June

June 30

and other closing conditions

LINN and Berry will operate as two independent companies

Leadership team discussions and organizational decisions

Berry

and

LinnCo

shareholder

meetings

and

LINN

Energy

unitholder

meeting

for

approval

Expected close of transaction, following all customary regulatory requirements

All employee discussions and organizational decisions

Embrace & Drive Change
Pursue Growth
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Additional Information about the Proposed Transactions and Where to Find It

In connection with the proposed transactions, LinnCo intends to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of LinnCo, LINN and Berry that also constitutes a prospectus of 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 (if and when it becomes available) and other relevant documents filed by Berry, LINN and LinnCo 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 email at ir@bry.com.

Participants in the Solicitation

Berry, LINN and LinnCo 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 LINN's directors and executive officers is available in LINN's proxy statement dated March 12, 2012, for its 2012 Annual Meeting of Unitholders. Information about LinnCo's directors and executive officers is available in LinnCo's Registration Statement on Form S-1 dated June 25, 2012, as amended, with respect to its initial public offering of common shares. Information about Berry's directors and executive officers is available in Berry's proxy statement dated April 6, 2012, for its 2012 Annual Meeting of Stockholders. 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 concerning the proposed transactions, its financial and business impact, management's beliefs and objectives with respect thereto, and management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements are all statements other than statements of historical facts. The words anticipates, may, can, plans, believes, estimates, expects, projects, intends, likely, will, should, to be, and any similar words or phrases of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of LINN, LinnCo, Berry or of the combined company. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those anticipated, including but not limited to the ability of the parties to satisfy the conditions precedent and consummate the proposed transactions, the timing of consummation of the proposed transactions, the ability of the parties to secure regulatory approvals in a timely manner or

on the terms desired or anticipated, the ability of LINN to integrate the acquired operations, the ability to implement the anticipated business plans following closing and achieve anticipated benefits and savings, and the ability to realize opportunities for growth. Other important economic, political, regulatory, legal, technological, competitive and other uncertainties are identified in the documents filed with the SEC by Berry, 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 document are made only as of the date hereof. None of Berry, LINN nor LinnCo undertakes any obligation to update the forward-looking statements included in this document to reflect subsequent events or circumstances.