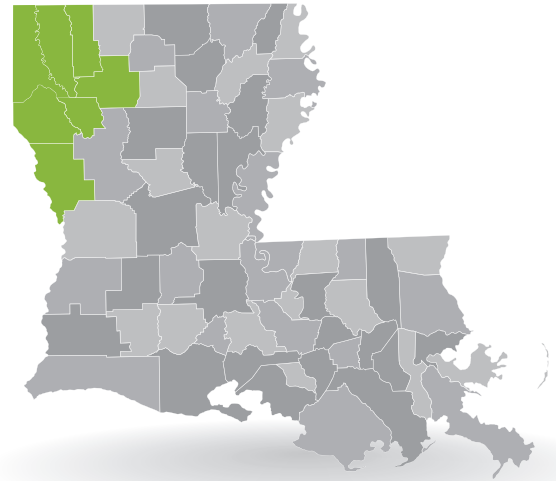


HAYNESVILLE SHALE

The Haynesville Shale is a geological rock formation that lies more than 10,000 feet below the surface of the Earth in the area of northwestern Louisiana, southwestern Arkansas and eastern Texas. The Haynesville Shale is located primarily in five parishes in Louisiana - Caddo, Bossier, DeSoto, Sabine and Red River.



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It has been estimated that the Haynesville Shale holds more than 245 trillion cubic feet of recoverable natural gas. At that volume, it contains the equivalency of over 30 billion barrels of oil, or nearly 18 years of current U.S. oil production.

The discovery and growth of the Haynesville Shale has created an overwhelming supply of domestic, clean-burning natural gas. Within just three years of its initial development, the Haynesville Shale has reached an average of 5.5 billion cubic feet of daily natural gas production, making it the largest producing onshore field in the entire United States.

As of December 16, 2011 there are currently 2,379 active Haynesville Shale wells. Of those 2,379 wells, 1,690 have been completed and are producing wells, 349 are permitted and waiting operations, and 96 are in the process of drilling.

The Haynesville Shale has also brought about an unprecedented influx of jobs and economic expansion in our state. Between 2008-2010, operations in the Haynesville Shale have generated approximately \$40 billion in direct and indirect economic growth. Over that time period, the Haynesville has supported over 100,000 jobs and provided Louisiana with over \$1.3 billion in local and state tax revenue.

In 2009 alone, the extraction activities in the Haynesville generated approximately \$10.6 billion in new business sales and nearly \$5.7 billion in household earnings within Louisiana.

From 2010 to 2014 companies operating in the Haynesville will spend nearly \$25.8 billion in drilling expenditures, \$57.5 million in estimated lease payments, and will allocate approximately \$672 million in royalty payments.

Over the next five years, activity in the shale will generate \$61 billion in new business sales and \$15.6 billion in new household earnings. Local governments will generate nearly \$844 million and \$195 million will be paid in severance taxes to the State.