

# ANNOUNCEMENT ASSET DIVESTMENT

JANUARY 2010

## VENOCO, INC. - TEXAS ASSET DIVESTMENT



Venoco, Inc. ("Venoco") is offering for sale all of its Texas assets (the "Properties") in three Packages: Gulf Coast, Manvel and Hastings. Macquarie Tristone has been retained to provide financial advisory services for this transaction. The preference is to sell the Properties as one transaction; however, Venoco will consider separate offers for each Package. Offering materials will include a DeGolyer and MacNaughton ("D&M") Reserve Report on the Properties.

### Gulf Coast Package – 878 BOEPD net (30% oil)

- High-quality assets with a stable production base, low overall decline rate and high average working interest
- Highlighted field areas include South Liberty/Barbers Hill, AWP, Word, Kurten/Madisonville West and Constitution
- Low-risk upside includes development drilling, behind-pipe opportunities and reactivations
- Exposure to developing Eagle Ford Shale and Bossier Shale plays

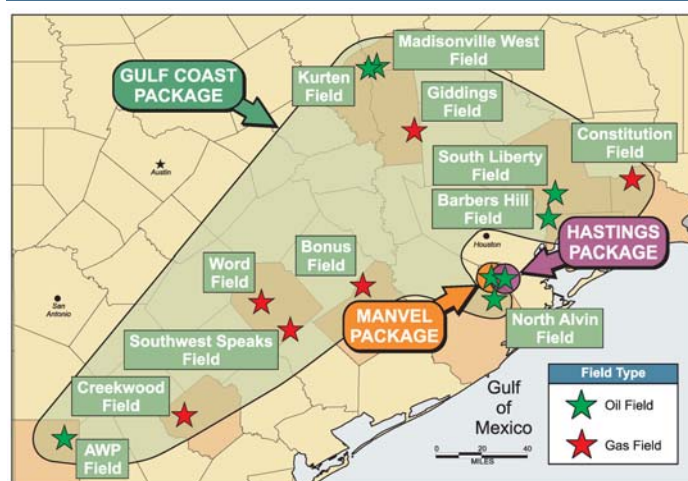
### Manvel Package – 690 BOEPD net (96% oil)

- Classic Gulf Coast domal structure with moderate depth production from high-quality Miocene and Frio Reservoirs
- Stable operated production history with low decline rates and 100% working interest
- Upside includes infill drilling, recompletions, reactivations, operational enhancements and CO<sub>2</sub> potential
- Close proximity to Hastings and similar reservoir characteristics make the field an attractive candidate for a CO<sub>2</sub> flood

### Hastings Package – Probable net reserves of approximately 24 MMBOE (100% oil)

- Legacy Gulf Coast field with 1.3 billion barrels of original oil-in-place in stacked Frio sands
- Venoco sold these assets to Denbury in February 2009 and retained a 2% overriding royalty interest with 22.3% working interest back-in after payout
- Denbury currently undertaking a CO<sub>2</sub> flood with first injection expected in fourth quarter of 2010
- 55 BOEPD net ORRI prior to working interest back-in

Location Map – Three Packages



### Net Financials – January 2009 to October 2009

	Gulf Coast Package	Manvel Package	Hastings Package	Total
Total Producing Wells	91	49	132	272
<u>Net Sales</u>				
Oil (BOPD)	263	660	55	978
Gas (MCFPD)	3,692	183	0	3,876
<b>Total (BOEPD)</b>	<b>878</b>	<b>690</b>	<b>55</b>	<b>1,623</b>
Net Cash Flow (\$M/Month)	\$660	\$597	\$242	1,499
% Oil	30%	96%	100%	60%
Average WI / NRI (%)	86.3% / 69.3%	100.0% / 84.8%	0.0% / 2.0%*	46.9% / 39.4%
Gross Acres / Net Acres	37,075/ 13,393	1,830 / 1,830	4,819 / 1,015*	43,724 / 16,238

\* 22.3% WI reversion after payout at Hastings

## FOR FURTHER INFORMATION

### Acquisitions & Divestments

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## ADDITIONAL TRANSACTION INFORMATION

### Confidentiality Agreement

- Download at [www.macquarietristone.com](http://www.macquarietristone.com)

### Evaluation Materials

- Available early February 2010
- Including D&M Reserve Report

### Data Rooms (Houston, TX)

- Open early February 2010
- Kristen Bednarz (713-651-4254) will contact you to schedule a Data Room appointment after receipt of a signed Confidentiality Agreement

### Final Offers

- Due early March 2010

### Additional Questions and Inquiries

- Submit to [Venoco@Macquarie.com](mailto:Venoco@Macquarie.com)

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With a sophisticated suite of asset divestment processes, coupled with superior senior-level industry relationships, Macquarie Tristone brings together an unparalleled combination of disciplines in engineering, geoscience and economics. Macquarie Tristone's expertise extends across all phases of the divestment process, including, deal strategy, financial and value analysis, technical evaluations, buyer identification and qualification, and other deal-related logistics.

Combined with Macquarie's global resources activities, the result is a seamless, integrated offering, providing top-tier financial and execution experience with superior, specialized technical expertise.

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