



# **Double Eagle Petroleum Co**

**Sidoti & Company  
Semi – Annual New York  
Microcap Conference  
January 9, 2012**

# Corporate Information & Disclaimer

This presentation may contain projections and other forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Any such projections or statements reflect the Company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that such projections will be achieved and actual results could differ materially from those projected. A discussion of important factors that could cause actual results to differ materially from those projected, such as decreases in oil and gas prices and/or unexpected decreases in oil and gas production, is included in the Company's periodic reports filed with the Securities and Exchange Commission.

Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Effective for the Company's December 31, 2010 Form 10-K, SEC guidelines were changed to also allow for disclosure of "probable" and "possible" reserves. We have used these terms in this presentation. Investors are urged to consider closely the disclosure in our 2010 Form 10-K, File No. 1-33571, available from us at Double Eagle Petroleum, 1675 Broadway, Suite 2200, Denver, Colorado 80202, attention Investor Relations. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

NASDAQ: DBLE

Shares Outstanding: 11.2 million

52 Week Price Range: \$4.95 - \$12.00

60 Day Average Volume: 108,000

\*information quoted above as of 1/03/2012

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# Double Eagle Petroleum Co. Overview

## HIGHLIGHTS

|  |                  |
|--|------------------|
| Proved Reserves (a)                    | 115.1 Bcfe       |
| Proved Developed                       | 74.5 Bcfe        |
| Proved Undeveloped                     | 40.6 Bcfe        |
| Total Proved PV-10 (\$ in Millions)    | \$143.7          |
| Total Probable and Poss. Reserves (b)  | 137.0 Bcfe       |
| Current Production                     | ~23 Mmcfe/d      |
| Cash Flow from Operations (12/31/2010) | \$25.0M          |
| Three Year Avg Prod Costs/Mcfe (c)     | \$1.48           |
| Reserve Replacement (12/31/2010)       | 351%             |
| <b>Undeveloped Acreage--net</b>        | <b>~ 160,000</b> |
| <b>Total Niobrara Acreage-net</b>      | <b>74,419</b>    |



 Double Eagle significant plays

- a) Per Internal Mid Year Reserves, 9/30/11
- b) Per NSAI 12/31/10 reserve report
- c) Includes Production Taxes

# Financial Summary

## Stong Financial Performance

| \$'s in millions            | Income Statement Summary |   |            | Balance Sheet Summary |               |
|-----------------------------|--------------------------|---|------------|-----------------------|---------------|
|                             | Nine Months<br>9/30/2011 | Year ended December 31,<br>2010      2009 |            | \$'s in millions      | As of 9/30/11 |
| Total Revenue               | \$ 44.0                  | \$ 55.0                                   | \$ 44.8    | Cash                  | \$ 6.0        |
| EBITDA                      | \$ 21.9                  | \$ 25.1                                   | \$ 18.7    | Total Assets          | \$ 152.5      |
| <i>% Margin</i>             | <i>50%</i>               | <i>46%</i>                                | <i>42%</i> | Total Bank Debt       | \$ 32.0       |
| Clean Earnings (1)          | \$ 16.6                  | \$ 19.6                                   | \$ 26.2    | Preferred Stock       | \$ 38.0       |
| Net Income-common stock     | \$ 2,906                 | \$ 1,780                                  | \$ (2,514) | Shareholders Equity   | \$ 52.6       |
| Cash flow from Operations   | \$ 18,782                | \$ 25,044                                 | \$ 22,062  | Total Shares OS       | 11,204,020    |
| Avg. Daily Production (Mcf) | 25,536                   | 25,093                                    | 25,578     | Working Capital       | \$ 10.4       |
| Avg Realized Price (\$/Mcf) | \$ 4.83                  | \$ 4.25                                   | \$ 4.92    |                       |               |

(1) Clean Earnings adds back to US GAAP net income, income taxes, dda, non-cash g/l on price risk management, share-based compensation expense, impairments, other non-cash items.

# Double Eagle's Value Proposition

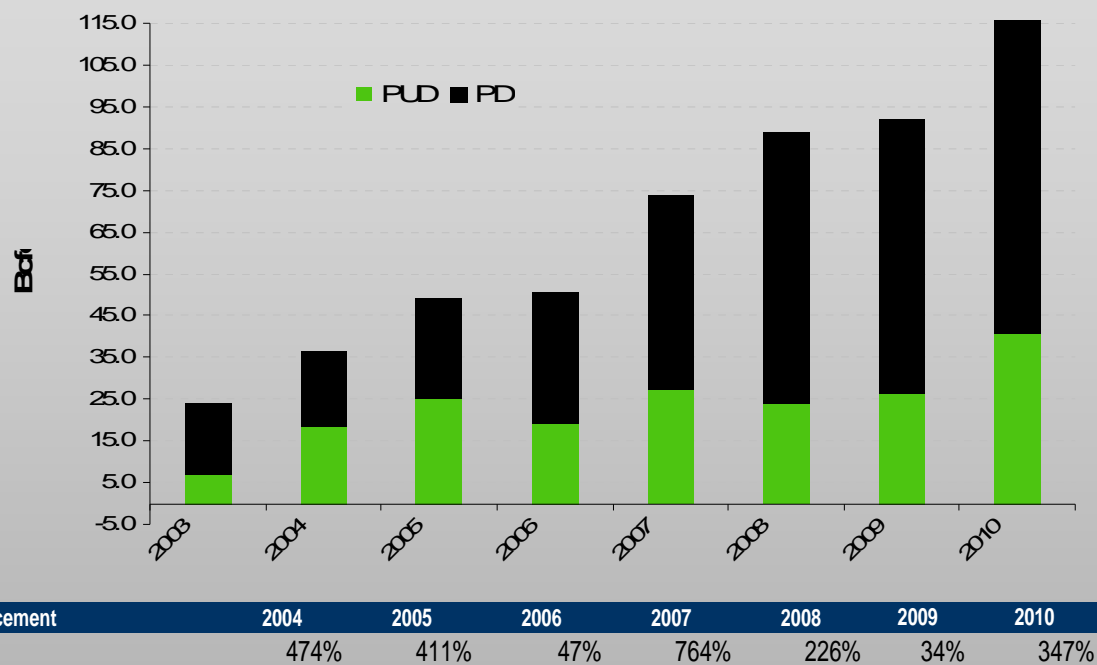
| Value Component   | Valuation Range (\$ in millions) |                         | Assumptions  |
|---|----------------------------------|-------------------------|--|
| <b>Proved Reserves</b> <sup>(1)</sup><br>115.1 Bcfe Proved<br>-65% Proved Developed                             | \$ 143.9                         | - \$ 230.2              | \$1.25 per Mcfe - \$2.00 per Mcfe  |
| <b>Probable Reserves</b> <sup>(1)</sup><br>-30.2 Bcfe   | 7.6                              | - 15.1                  | \$0.25 per Mcfe - \$0.50 per Mcfe  |
| <b>Possible Reserves</b> <sup>(1)</sup><br>-104.8 Bcfe  | 10.5                             | - 26.2                  | \$0.10 per Mcfe - \$0.25 per Mcfe  |
| <b>Current Pipeline</b><br>-12-inch, 12.5-mile pipeline connecting to Southern Star<br>-Transports Catalina Gas | 24.4                             | - 40.7                  | 6x EBITDA – 10x EBITDA   |
| <b>Niobrara Acreage</b>   | 37.2                             | - 148.8                 | 74,419 Acres; Range \$500-\$2,000 per acre   |
| <b>Preferred Stock</b>  | (40.0)                           | (40.0)                  |  |
| <b>Bank Debt (9/30/2011)</b>  | (32.0)                           | (32.0)                  |  |
| <b>Implied Net Asset Value (NAV)</b>  | <b>\$ 151.5 Million</b>          | <b>\$ 389.0 Million</b> |  |
| <b>Implied Net Asset Value Per Share</b>  | <b>\$ 13.53</b>                  | <b>\$ 34.73</b>         |  |
| <b>Acreage Not Included in 3P Reserve Value</b>   |                                  |                         |  |
| Atlantic Rim  | TBD                              |                         | 23,000 Net Acres Developmental Acreage   |
| Table Top Unit  | TBD                              |                         | 2-3 TCF target   |
| Expanded Pipeline Utilization   | TBD                              |                         | Currently at 20% utilization; have 3rd party transportation agreement signed in 2011 |

(1) 12/31/2010 NSAI SEC Pricing Reserves

# Proven Execution

With a large inventory of drilling locations, we have been able to consistently grow proved developed reserves by converting our probable reserves to proved reserves

*Reserve Growth—SEC Pricing*



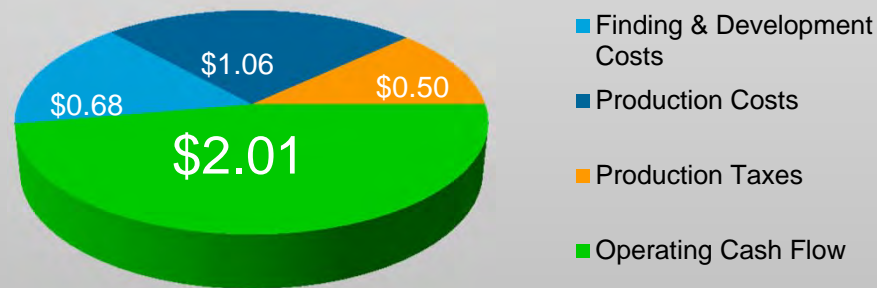
1. 2003-2010 SEC Reserves Prepared by Netherland, Sewell & Associates, Inc. as of December 31 for each respective year.

# Proven Execution

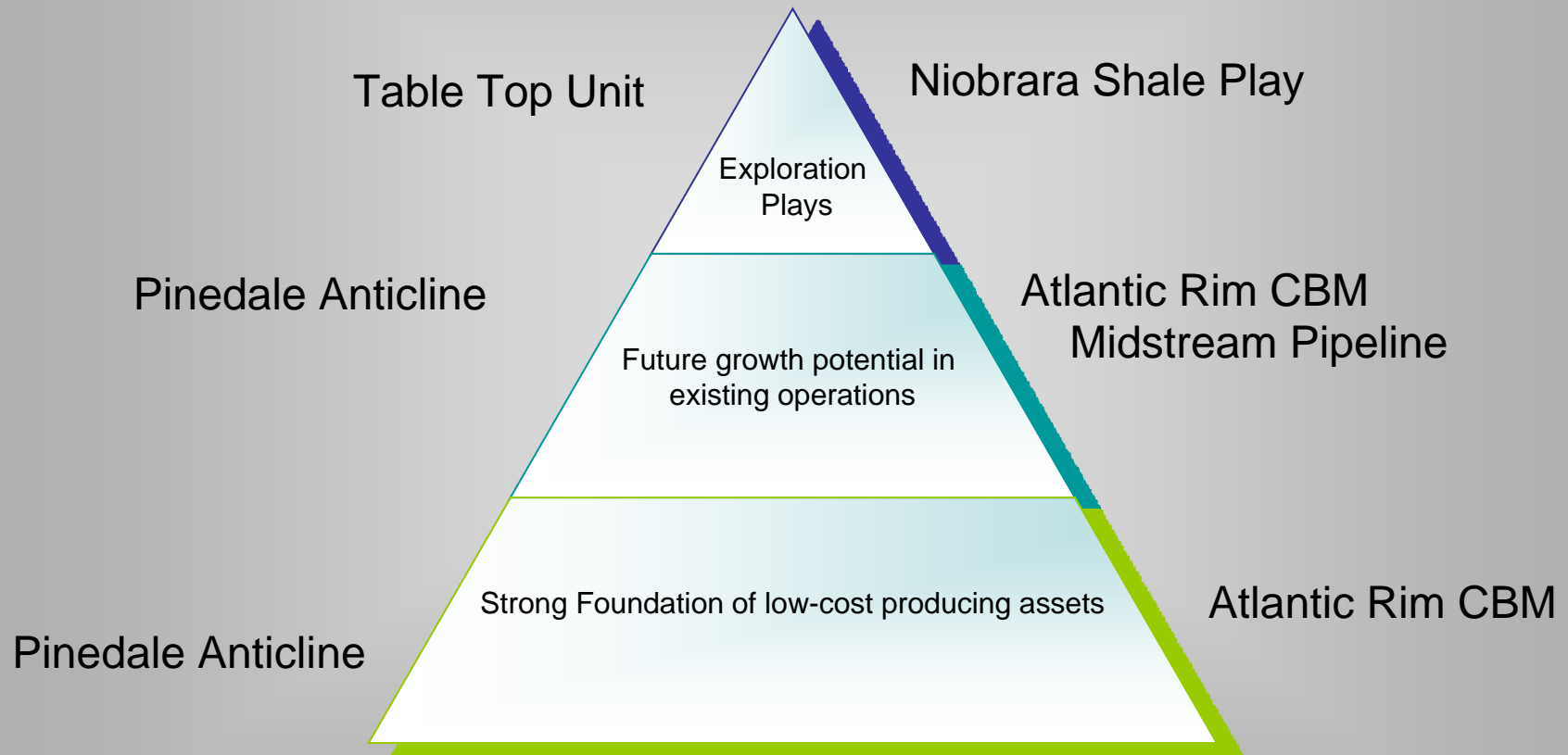
- **Low cost growth through the drill bit**

- F&D Costs three year average of \$1.00/ Mcfe;
- Production Costs, including taxes--\$1.22 to \$1.74 per Mcfe
- G&A Costs equals 10.9% of revenues; among lowest of peer group with revenues < \$140 million

**At the 2010 Realized Price of  
\$4.25 per Mcfe**



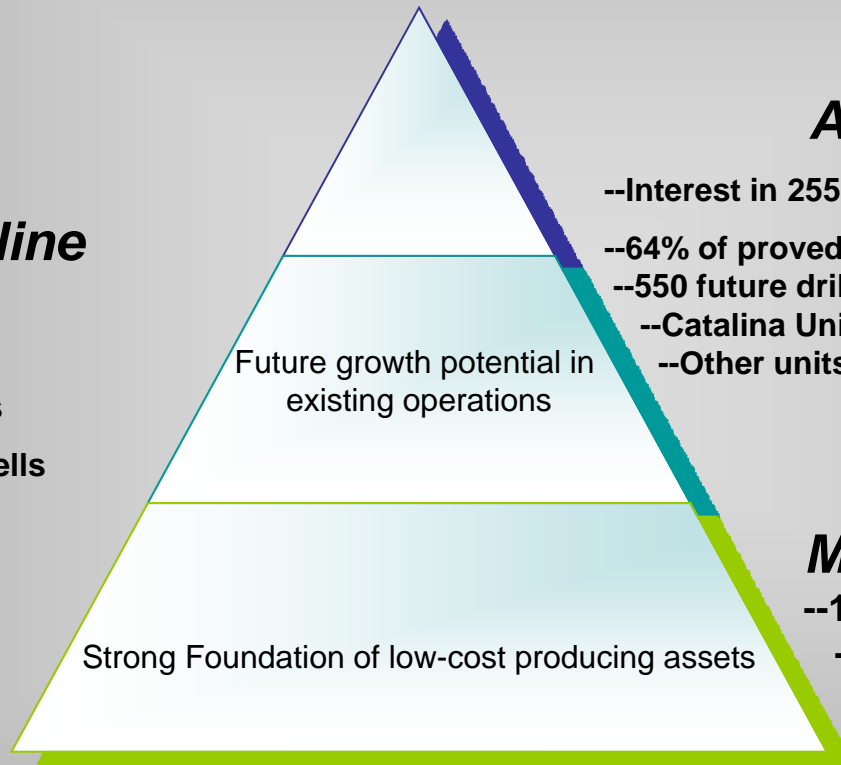
# Building Blocks for Shareholder Value



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## ***Pinedale Anticline***

- Interest in over 150 producing wells
- 26% of proved reserves
- 350+ future potential wells
- Operated by QEP



## ***Atlantic Rim CBM***

- Interest in 255 producing CBM wells
- 64% of proved reserves
- 550 future drilling locations in 3 producing units
- Catalina Unit Company operated
- Other units operated by Anadarko

## ***Midstream Pipeline***

- 12.5 miles of transportation assets
- 20% utilized
- Ability to expand north to WIC

# The Atlantic Rim

## Historical drilling activity

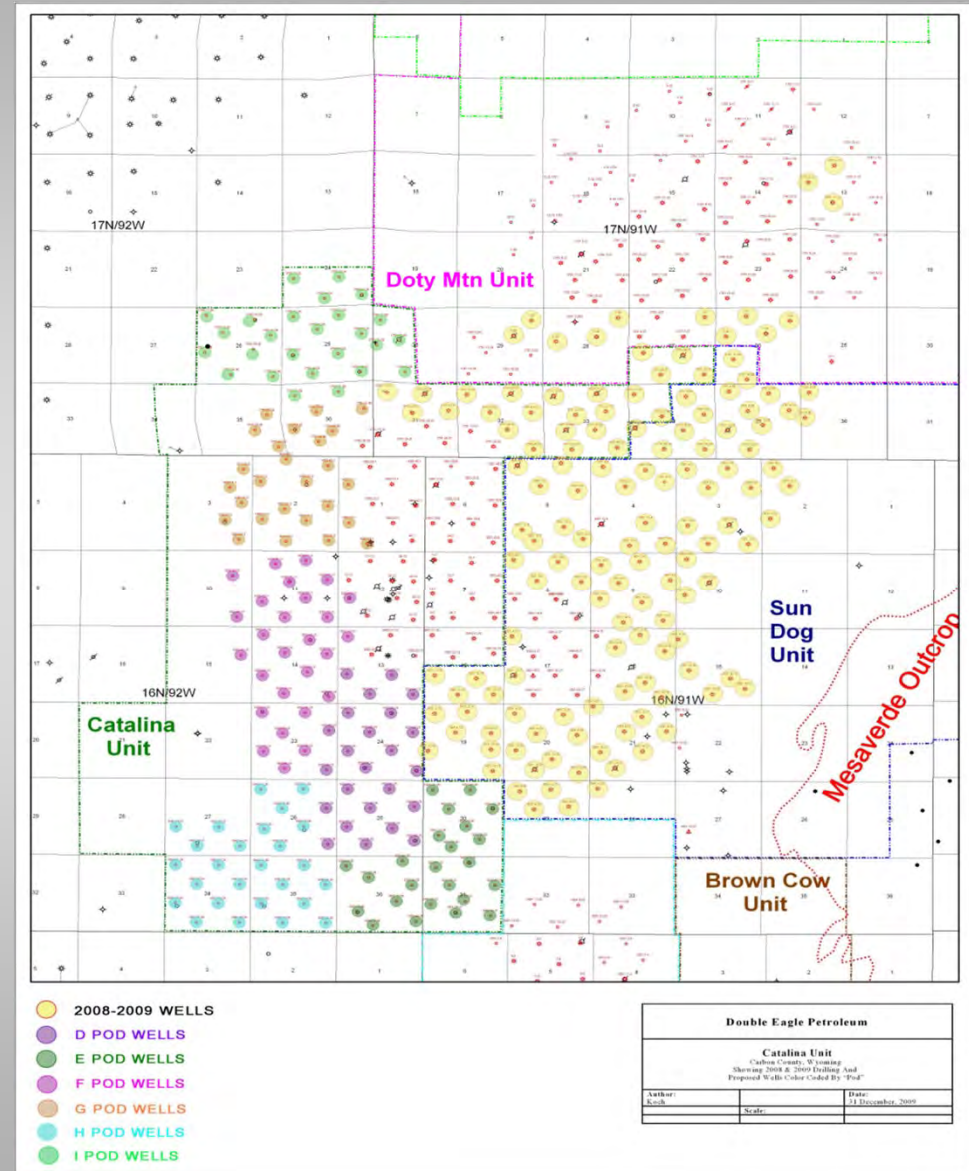
- **Catalina Unit**
  - 71 gross (51 net) wells
  - 124 future drilling permits approved
  - ~200 total potential future drilling locations
  - 34.6 Bcfe net proved reserves (Internal mid year , 6/30/11)
  
- **Sun Dog / Doty Mnt Units**
  - 172 gross (37 net wells)
  - ~350 total potential future drilling locations
  - 35.5 Bcfe net proved reserves (Internal mid year, 6/30/11)

## 2011 Current Activity

- Drilled of 13 gross (12.73 net) new CBM wells in Atlantic Rim on 160 acre spacing
- Drilling 1 Niobrara appraisal well

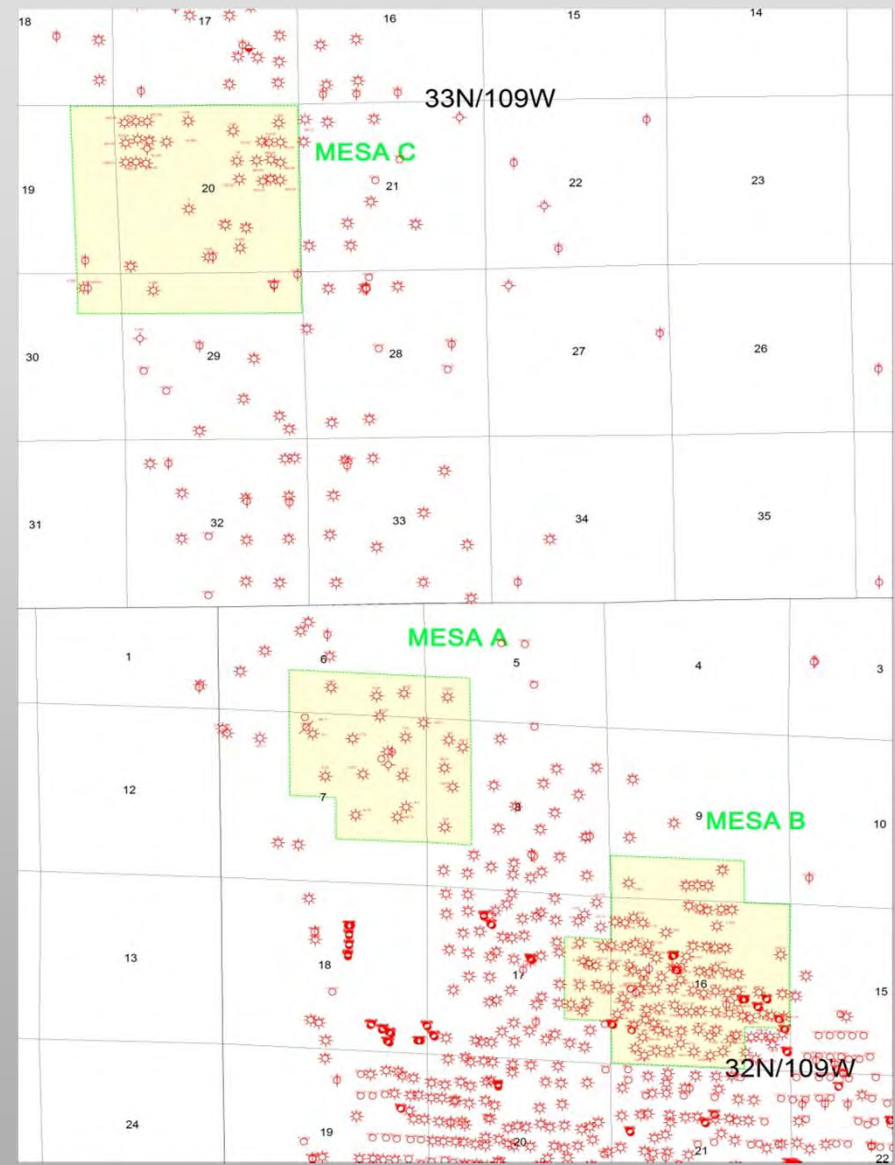
## 2012 Planned Activity

- Drilling of 10-20 gross new CBM wells in Catalina
- Potential drilling additional Niobrara wells
- Participation in Anadarko's drilling of 25 gross (5 net) Doty Mountain wells



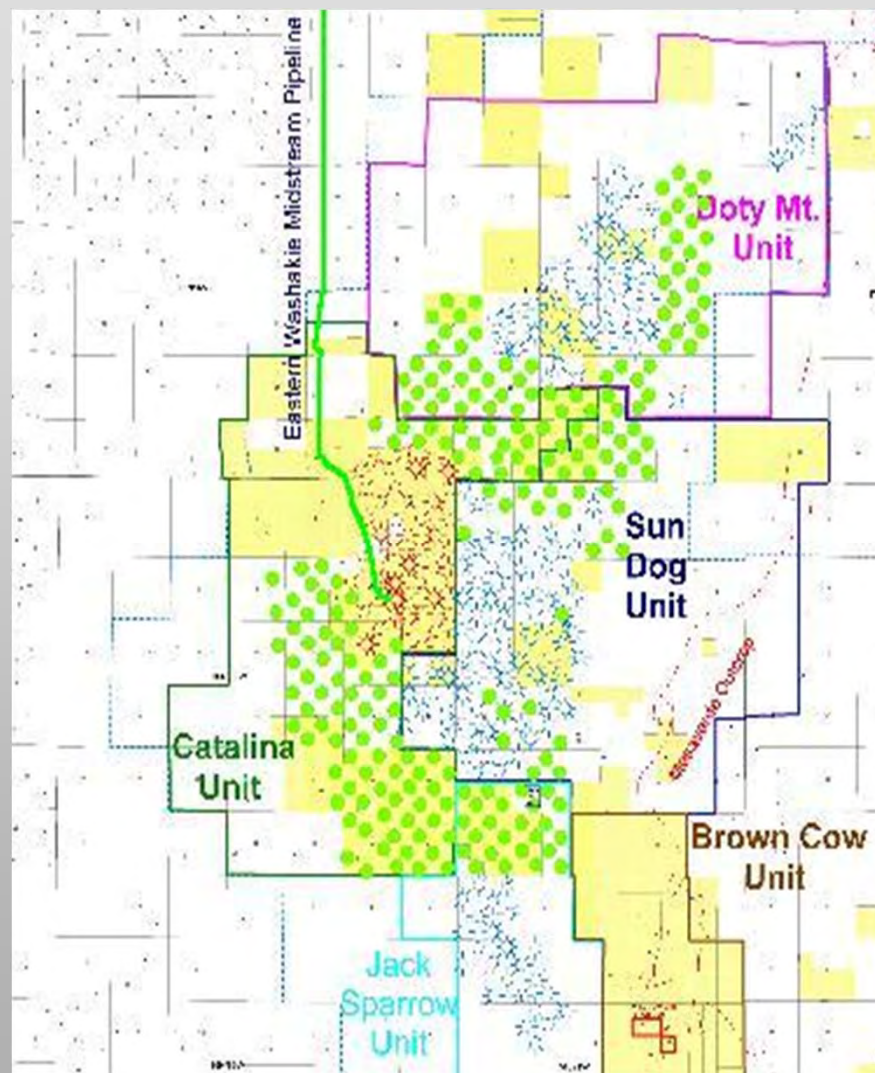
# Pinedale Anticline

- QEP Operated Properties
- Interests in over 150 wells through 2011;
- Participated in ~16 new wells in 2011
- Anticipate participating in 16 new wells in 2012
- 350+ Potential future locations
- Double Eagle Working Interests: 6-12.5% WI
- Well Economics
  - EUR per well of ~230 Mmcf (net)
  - Lifting costs < \$1.00 per Mcfe
  - Estimated drilling and completion--\$3.38M gross \$300k net )

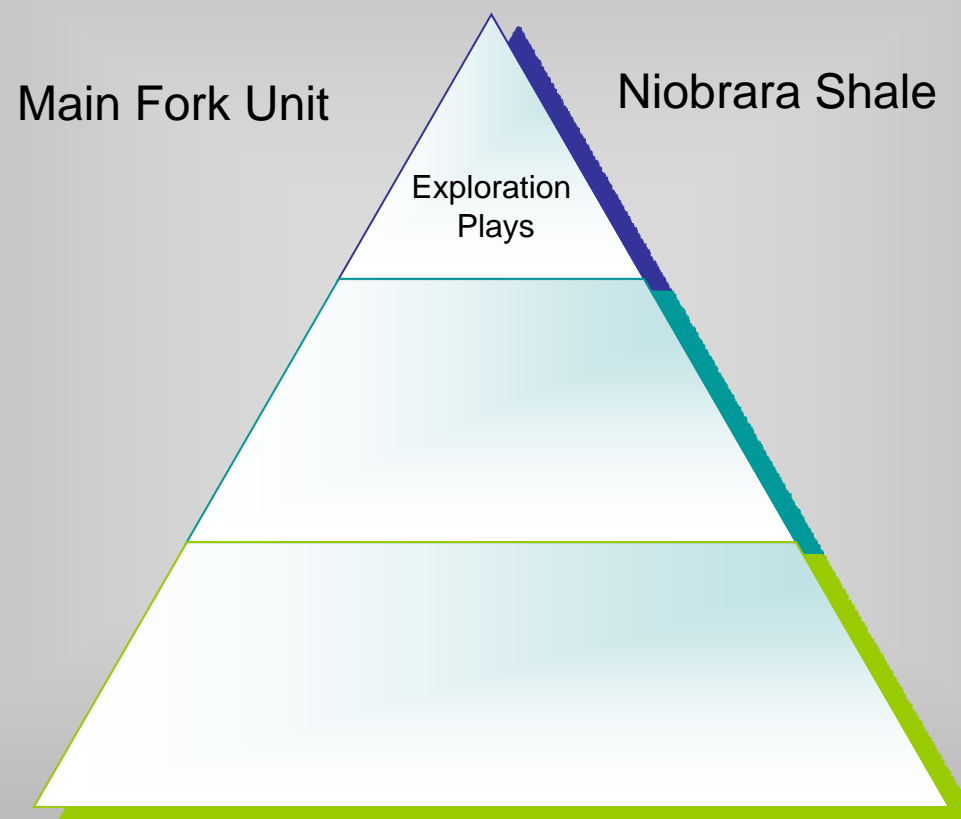


# Midstream Infrastructure

- Growing source of fee-based revenue that is independent of gas prices
- Connects Catalina Unit to interstate pipeline
- 100% owned by Double Eagle
- 125 MMcf/d capacity; currently at ~28 MMcf/d
- Tie-in to third party production and transportation agreement in place
- Own permits to extend north to additional distribution pipelines
- Low cost of operations
- Assures transportation out of Catalina Unit for future development volumes

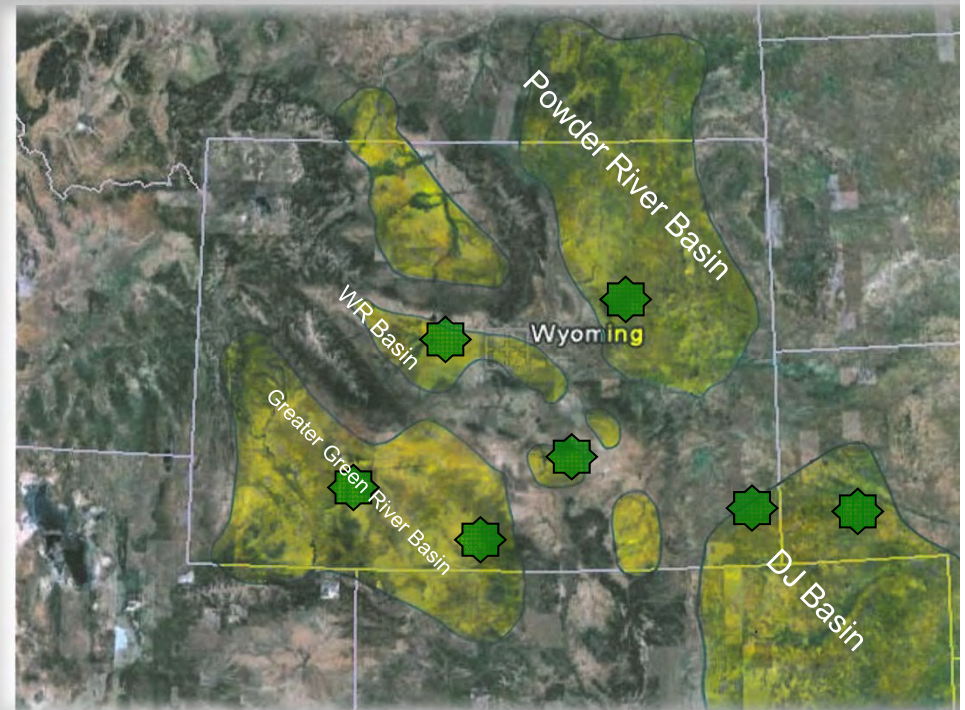


# Building Blocks for Shareholder Value



# Exploration Play-Niobrara Shale

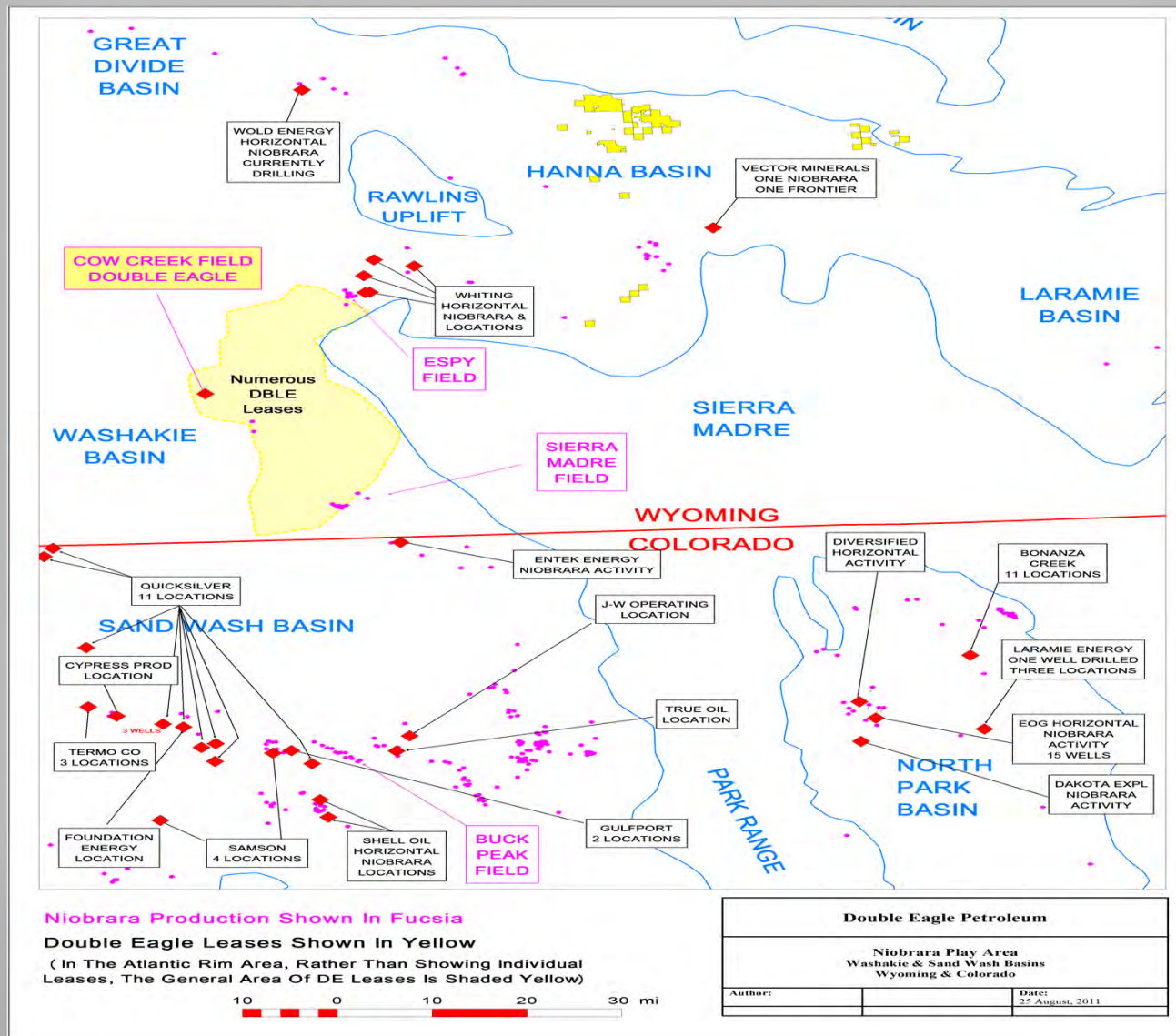
| <u>Location</u>                 | <u>TOTAL GROSS</u> | <u>TOTAL NET</u> |
|---------------------------------|--------------------|------------------|
| Atlantic Rim--Greater Green Rvr | 61,310             | 37,955           |
| DJ Basin-Wyoming                | 6,674              | 6,674            |
| DJ Basin- Nebraska              | 4,198              | 4,198            |
| Powder River Basin              | 16,283             | 16,283           |
| Laramie/Hanna Basin             | 8,669              | 8,669            |
| Wind River Basin                | 640                | 640              |
| <b>Totals</b>                   | <b>97,774</b>      | <b>74,419</b>    |



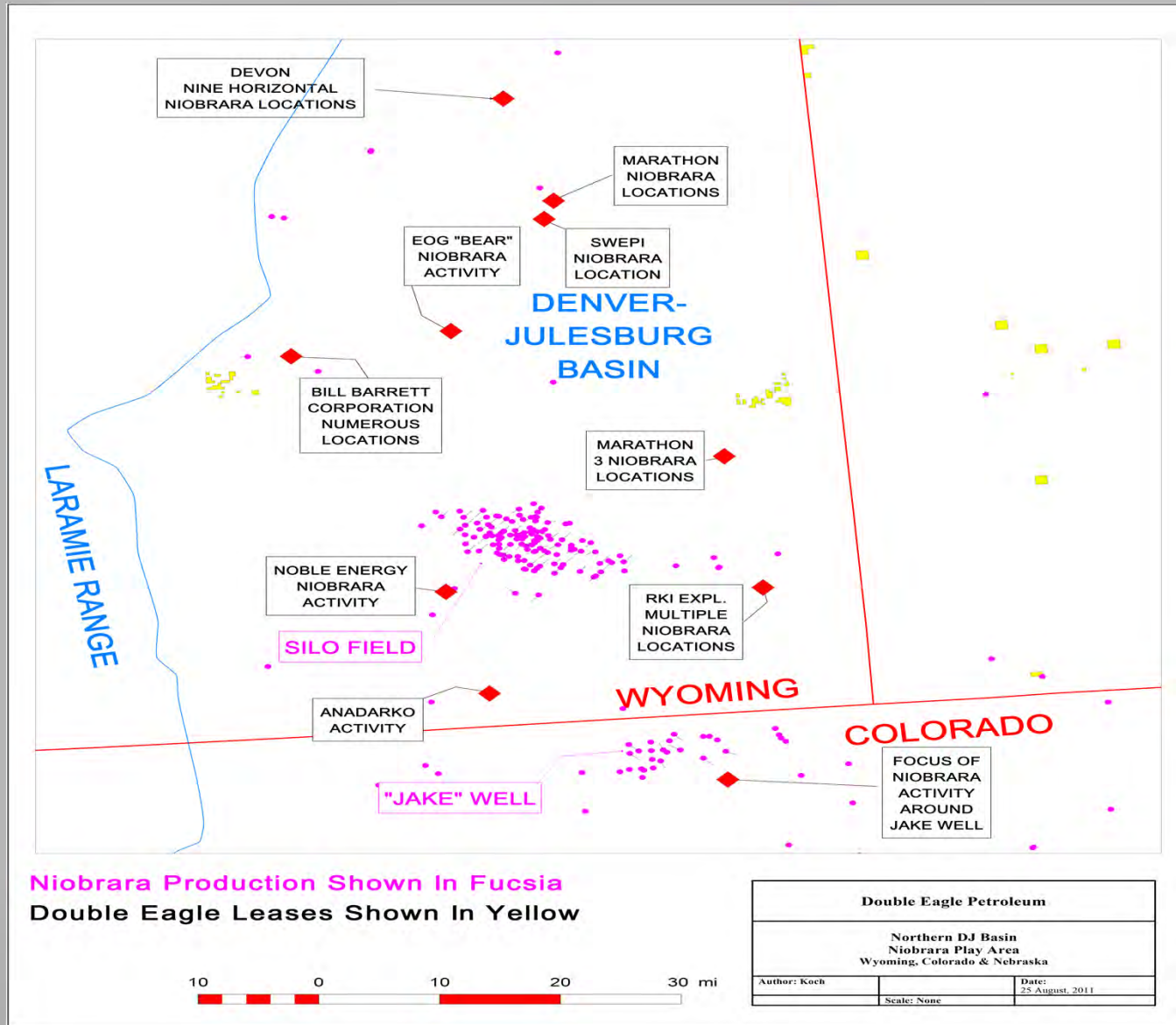
- Shale thickness up to 1,500' in the Atlantic Rim
- Heavy natural fracturing based upon prior penetrations
- 20+ miles of 3D Seismic reprocessed
- Existing Niobrara production adjacent to Atlantic Rim

- Niobrara Basins
- ★ Double Eagle Acreage

# Exploration Play-Niobrara Shale Central Wyoming & Colorado



# Exploration Play-Niobrara Shale DJ Basin



# Exploration Play--Main Fork Unit

## **Main Fork Unit Project (formerly known as Christmas Meadows/Table Top Unit)**

A Company-estimated 2-3 TCF target project comprised of 44,000 acres and a well previously drilled but not completed in 2007

- Working with a major integrated oil and gas company that has option farm-in rights where they fund forward costs through first well including:
  - Reprocessing prior seismic
  - Identified preliminary development wells, pipelines and roads and initiated full field development environment impact study in 2011
  - Surveys and studies are being conducted in preparation for a potential 2D seismic acquisition program in 2012
- Assuming the farm-in right is exercised, Double Eagle will have a 12%-16% carried working interest after payout for a Company estimated 2-3 TCF target project

# Growth Strategy

## Mergers and Acquisitions

- Merge with companies to provide diversity in location and commodity
- Acquire additional exploration acreage
- Create economics of scale and take advantage of operational synergies

## Development and Exploration

- Develop low cost fields to increase production and reserves
- Exploit Niobrara holdings and Table Top Unit holdings
- Explore new opportunities

## Cost Controls and Execution

- Focus on continued operational efficiencies to minimize development, production and G&A costs
- Maximize return for shareholders
- Enhance institutional awareness and broaden shareholder base

# Hedge Contracts

## Double Eagle Petroleum Current Hedging Positions-- 9/30/11

|                            | Volume/day<br>(Mcf) | Price  |        | Beginning Date | End Date   |
|----------------------------|---------------------|--------|--------|----------------|------------|
| <b>2012 Expirations</b>    |                     |        |        |                |            |
| Natural Gas Swap - NYMEX   | 10,000              | \$5.05 |        | 1/1/2012       | 12/31/2012 |
| Natural Gas Swap - NYMEX   | 5,000               | \$5.10 |        | 1/1/2012       | 12/31/2012 |
| <b>2013 Expirations</b>    |                     |        |        |                |            |
| Natural Gas Collar - NYMEX | 6,000               | \$5.00 | \$5.35 | 1/1/2013       | 12/31/2013 |
| Natural Gas Swap - NYMEX   | 6,000               | \$5.16 |        | 1/1/2013       | 12/31/2013 |