

**AV Marketing Your Prospect at Prospect Expos:
A “How-to” Guide for Presenting Prospects to Potential Partners***

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Abstract

What is the best way to get the maximum amount of benefit from showing your potential investment at a prospect expo? This presentation will help you focus your presentation to reach your target audience and make sure that you provide the information to sell your project and idea. The presentation will provide an outline for knowing what information is critical, how to make sure you reach your audience, and offer points to make sure you don't misdirect your efforts.



Marketing Your Prospect at Prospect Expos

*A "How-to" Guide for
Presenting Prospects to
Potential Partners*

**Robert E. Pledger, President
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January 23, 2014

What Are You Selling?

- *Prospect*
- *Project*
- *Regional Study*
- *Workover*
- *Property Acquisition*
- *Joint Venture*
- *3-D Shoot*
- *Start-Up*



Who Are You Selling To?

**Investors
Financial Houses
Oil & Gas Companies**

***Each one looks for
something different!***

What This Course Will Cover



Part One

“The Prospect Package”

Part Two

“The Presentation”

**REMEMBER: Over 20,000
people attend Prospect
Expo's Annually!**

Why Expo?

A tall, metal drilling rig structure, likely for oil or gas extraction, stands against a clear blue sky with scattered white clouds. The rig is composed of a complex network of steel beams, ladders, and platforms, extending vertically from the bottom of the frame towards the top.

- **It Costs on an average \$75.00 for each showing of a prospect if you are "in-town" and \$165.00 or more if you are traveling.**
- **Make sure you get your "bang for the buck" at the Expo!**



Part One: The Prospect Package

*What Items Make a Complete Prospect Package
for
Investors? Financial Houses?*

Oil & Gas Companies?

*You will need to assemble the same
items - but not necessarily show the
same items*

PREPARE!

The Prospect Package



- 1. Executive Summary**
- 2. Prospect Report*
- 3. Land**
- 4. Risk / Reserves**
- 5. Economics and Financial Information**
- 6. AFE'S and Other Costs*
- 7. Trade**
- 8. Disclaimer*
- 9. Contact Information**
- 10. Figures or Plates*
- 11. Appendices*

** Items for Expo Presentation*

1. Executive Summary*

- *Summarize Everything From Your Package Into Bullet Points*
- *One Page Long*
- *Company Letterhead*
- *Make Sure The Land And Trade Terms Are Easy To Understand*
- *Include Contact Information*
- *Include Disclaimer*

Executive Summary: THE "HANDOUT"

West Vienna Field Prospect Lavaca County, Texas

Location: The West Vienna Field Prospect located in Lavaca County, Texas approximately 120 miles west of Houston.

Land: Benchmark has 577 acres leased with a 75.0% net revenue interest.

Cost: \$250,000 for Geology, Land and Geophysics

Terms: Benchmark will retain 25% working interest;
The prospect is being offered on a "1/3 for 1/4 basis."
Participants will pay 75% of the cost for 56.25% working interest.

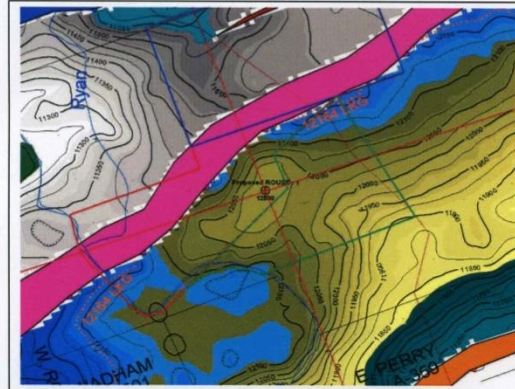
Proposed TD: 12,800'
Operations: Benchmark will use a Contract Operator through completion and hook-up

Drilling Cost: \$ 1,200,000 **Completion Cost:** \$ 435,000

Primary Objective: Kolar Sand **Secondary Objective:** 12,400' Wilcox

Potential Reserves: 2 BCFG + 110,000 BO (Kolar Sand) *** 1 BCFG + 60,000 BO (12,400' Wilcox)

Geology: The West Vienna Field Prospect develops existing Wilcox production found in Vienna Field located adjacent to the prospect to the east. Vienna Field has produced over 100 BCFG from Wilcox sands 11,300' deep to over 13,800' deep. These sands are locally called the Kolar Sand, 12,400' Wilcox and "P", "M" and "L" Sands. The prospect is a four way closure adjacent to Vienna Field and lies well within the "Lowest Known Gas" Limit of Vienna Field. The prospect is confirmed by 3-D seismic data and subsurface control.



Geology:
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Geophysics:
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2. Prospect Report

A tall, metal drilling rig structure, likely a derrick or masthead, is the central focus of the image. It is constructed from a complex network of steel beams and ladders, extending vertically from the bottom towards the top of the frame. The rig is set against a clear blue sky with a few wispy white clouds. The overall scene suggests an industrial or mining environment.

- **Location**
- **Prospect Description And Geological Discussion**
- **Geophysical Or Engineering Discussion**
- **Reserve And Economics Summary**

3. Land*

A tall, metal drilling rig structure, likely for oil or gas extraction, stands against a clear blue sky with scattered white clouds. The rig is composed of a complex network of steel beams, ladders, and platforms, extending vertically from the bottom of the frame towards the top. The background is a bright blue sky with a few wispy white clouds near the horizon.

- **Description Of**
 - *Lease Position*
 - *Lease Or Seismic Options*
 - *Farmouts / Farmins*
 - *Permits*
 - *Units And Unitization*
 - *Concessions*
- **Provided By Landman Or Land Department**

4. Risk / Reserves*



- *Internal*

- Quantitative Analysis

- *External*

- Reserve Summary Or Potential

5. Economics And Financial Information*

Does Our Prospect Make Money?

Does It Make Enough Money To Justify The Cost?

- **Items Needed To Run Economics:**
 - #4. *Reserve Potential*
 - #4. *Risk*
 - #3. *Land Cost*
 - #6. *AFE'S – Capital Costs*
 - #7. *Trade*

Despite Sound Technical Work:

*Economics Will Dictate Whether Or
Not Your Company Will Invest In
Your Prospect*

*Economics Will Dictate Whether Or
Not A Third Party Will Invest In Your
Prospect*

7. Trade "Sales Price"*

Costs For Third Party Participation

"How Much Does It Cost Another Company To Get In Our Deal?"

- **Promote**
 - **Pay More Than Their Share**
 - "Third For A Quarter" Or "Cost Plus 15%"
 - *Both Parties Share The Risk, But They Bear More Of The Burden*
 - **Carry - They Pay Your Share Until Certain Operations Hurdles Are Met**
 - "Carry To Casing Point"
 - *They Take The Drilling Risk, You Share The Completion Cost*
 - *To the Tanks*
 - **You Don't Pay Anything Until Third Party Receives A Certain Amount Of Revenue**
 - "Backin After Payout"
 - *They Take All Of The Risk, But Get To Recover Their Costs*
- **Cash Or Prospect Fee**

Trade Cont'd



- Interest Available

- Working Interest (*W.I.*) - What Percent They Pay
- Net Revenue Interest (*N.R.I.*) - What Percent They Receive
- ***N.R.I. = W.I. - (Royalties + Overrides)***
 - Royalty = What The Landowner Gets
 - Overrides = Extra Interest Reserved For Employees, Company, Or Third Parties
 - Royalty And Override Owners Do Not Pay Costs Associated With The Project

- Who Supplies This Information

- Landman
- Management
- Geologist

9. Contact Information*



- **Who To Call For Questions**
- **Add Everyone To Be Contacted**
 - *Geologist*
 - *Geophysicist*
 - *Manager*
 - *Landman*
- **Include Phone Numbers, Email, Fax and Addresses**
- **Add To Executive Summary**
- **Add To Cover Page Of Bound Report (For Third Party Presentations)**

10. Figures or Plates

A tall, metal derrick structure, likely part of an oil or gas well, stands against a clear blue sky with scattered white clouds. The structure is composed of a complex network of steel beams and ladders, with a platform near the top. The perspective is looking up at the structure, emphasizing its height.

- Location Map
- Regional Map with Production or Analogues
- Prospect Maps / Montages:
 - Structure
 - Isopach
 - Isochron
 - Amplitude
 - Bcf / Section
- Cross – Sections
- Seismic Sections / Time Slices – ***Make Sure You Have Permission To Use !!!***
- Land Plat / Acreage Position
- Aerial Photos
- Pipeline Maps / Facilities Maps or Diagrams



Part Two

**The
Presentation**

What Is A Presentation?

A Presentation Is
A
"Sales Pitch"





What Are You Selling?

1. Yourself

2. Your Prospect

Selling Your Prospect

What Is A Prospect?

- **A Prospect:**
 - *Is An Investment Vehicle Like Stocks Or Bonds*
 - *Has Present Value; Can Be Bought Or Sold*
 - *Has Potential Value; Can Provide Great Wealth To The Investor, If Successful*

A tall, slender metal tower structure, possibly a radio tower or antenna, stands against a clear blue sky with scattered white clouds. The tower is composed of a central vertical pole with various horizontal and diagonal supports, ladders, and platforms. It is secured with several thick cables extending downwards.

Different Types Of Presentations For Different Audiences

- 1. Who Is Your Audience?**
- 2. What Do You Want From Them?**



Your Job Is To Get Your Prospect Drilled!!!!!!

**A Prospect Is Not A Science
Project**

**If Your Prospect Has Technical
And Economic Merit, But Is Not
Drilled, You Are Not Doing Your
Job –**

Make it Easy!

Make it Memorable!

Displaying Your Prospect

A tall, metal drilling rig structure, likely an oil or gas wellhead, stands against a clear blue sky with scattered white clouds. The rig is composed of a complex lattice of steel beams and ladders, extending vertically from the bottom of the frame towards the top. The background is a bright blue sky with a few wispy white clouds.

- Paper Maps
- Montages
- Powerpoints
- Computer Hook-up
- Handouts
- Advertising
 - Pre-Expo
 - Post-Expo

Presentation Logistics



- **Main “Talking Map”**
 - Try To Put On Table In Front Of Audience, If Possible. Keep It In Front Of Your Audience For The Entire Presentation.
- **Cross-sections**
 - Put On Wall.
- **Location Map And Analogues**
 - Put On Wall, If Large Enough. If Not, Put On Table, Then Remove When “Talking Map” Is Presented.
- **Auxiliary Map(s)**
 - Put On Wall Or Table. Try Not To Remove Or Cover Your “Talking Map” After You Present It.
- **Seismic**
 - Put On Wall Or Table. If Table Is Used, Present Next To Your “Talking Map”, If Possible.

Your "Market"



Pre-Expo Preparation

A tall, complex metal tower structure, possibly a radio tower or antenna, is the central focus of the image. It is set against a clear blue sky with some light, wispy clouds. The tower has multiple levels, ladders, and various cables and wires attached to it. The overall scene is bright and clear.

- **Know Orientation of Booth**
- **Will you use Commercial Backdrops?**
- **Do you have sufficient "draws" to your Booth?**
- **Prepare Maps to fit Backdrops**
- **Where are you Located at Expo?**
- **Is the sufficient lighting? Electricity? Chairs?**
- **Can your Display be easily seen from isle?**
- **Do you have support-**
 - **Pointers**
 - **Cards**
 - **Handouts**

PowerPoint Presentations

DO'S

- Use Clearly Visible Slides / Images
- Flow Logically from One Topic to Another
- Repeat Slides to Avoid Scrolling Backward During Your Presentation
- Number Your Slides
- Bring and Attach a Mouse as a Backup Pointer
- Use Simple Animation – “Animation is Your Friend”

PowerPoint Presentations

DON'T'S

- Don't Read Your Slides
- Don't Talk to the Slides – Talk to Your Audience
- Don't Use Dual Screens – No Longer Necessary
- LASER POINTER –
“TOOL OF LAST RESORT”

Different Audiences- Different Presentations

- Your 30 Second Presentation
- Your 5 Minute Presentation
- Your 15 Minute Presentation

Balancing Act:

1. *Recognize Your Audience's Agenda*
2. *Satisfy Your Audience's Agenda*
3. *Get What You Want*



Third Parties

What Do They Want?

**They Want You To Convince Them To
Take A Chance On You And Your
Prospect.**

**You Accomplish This Through Your
Prospect's Technical And Economic
Merits.**

**You Convey Those Merits Through Your
Presentation.**

General Guidelines For All Presentations

- **You Have About 5 Minutes To Get To Your Prospect**
 - Get Your Location, Trend, And Analogues Out Of The Way In That Period Of Time
- **When You Do Get To Your Prospect, Have Your Main "Talking Map" Prominently Featured In Front Of Your Audience. Keep It There!**
- **Get To Your Point Quickly.**
 - What You Want To Do
 - Why You Want To Do It
- **Address Your Prospect Risk Promptly**
- **Proceed Logically From One Item To Another**
- **Conclude And Summarize When Possible**
- **Use Something Other Than Your Finger As A Pointer!!!**

Common Presentation Mistakes



- **Not Listening!**
- **Forcing Your Agenda Over The Desires Of Your Audience**
- **Not Getting To The Point**
- **PRESENTING YOUR PROSPECT AS A STORY "*Once Upon a Time...*"**
- **Getting Bogged Down In Inane Details**
- **Not Listening!**

Rules For Team Presentations



- **Prepare Your Roles - Who Will Cover What Topics**
- **Rehearse In Advance**
- **Do Not Interrupt Or Correct Another Member Of Your Team While They Are Presenting Or Answering A Question**
 - **If You Need To Correct For A Glaring Error, Wait Until After The Other Person Finishes Talking**
 - **If The Error Is Not Critical, Let It Go. The Appearance Of A Good Working Team Is More Impressive Than Precision, In Most Cases**

Signs That A Presentation Is Not Going Well

- **Your Audience:**
 - Yawns Repeatedly
 - Checks The Time Constantly
 - Walks Out One Or More Times
 - Answers Phone Calls
 - Falls Asleep
 - Starts To Argue With You
- **What To Do:**
 - Move On To The Next Part Of Your Presentation
 - Change Your Voice Level Or Cadence
 - Stand Up And Move Around While Presenting, Or Sit Down If Standing.
 - Suggest A Short Break

Cases Where You Think Things Are Going Badly, But They May Not Be

- **What Happens:**
 - No Reaction whatsoever: “Stone-face”
 - Writing Constantly
 - No Questions
 - Starts Talking About Issues With No Bearing On Your Prospect, Or Starts Telling Old War Stories
 - Asks Off-the-wall Questions Only Peripherally Related To Your Prospect
- **What To Do:**
 - Stay The Course! People React Differently To Different Situations.
 - Follow The Lead Of Your Audience. Talk About Whatever They Want To Talk About. Then *Carefully* Steer The Conversation Back To Your Prospect
 - Use Common Sense!

FOLLOW-UP



- ✓ **Get Cards**
- ✓ **Ask Questions**
- ✓ **Make Notes**
- ✓ **Ask Questions**
- ✓ **Call within one week**
- ✓ **Ask Questions**

SUMMARY

A tall, metal lattice tower structure, possibly a radio tower or antenna, is the central focus of the image. It is set against a clear blue sky with a few wispy white clouds. The tower is made of dark metal beams and has several horizontal platforms or ladders attached to it. The overall scene is bright and clear.

- ✓ **BE PREPARED**
- ✓ **BE ORGANIZED**
- ✓ **BE YOURSELF**
- ✓ **BE BRIEF**
- ✓ **UNDERSTAND YOUR AUDIENCE**
- ✓ **LISTEN**



The End

I wish to thank the AAPG, SIPES, Steve Brachman, and the many presenters and deal screeners I have encountered throughout the years in helping to prepare this presentation.