

Edgar Filing: MARINER ENERGY INC - Form 425

MARINER ENERGY INC
Form 425
November 29, 2005

Filed by Forest Oil Corporation

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Mariner Energy, Inc.

File No. 333-129096

These materials are not a substitute for the registration statement that was filed with the Securities and Exchange Commission in connection with the transaction, or the proxy statement/prospectus-information statement to be mailed to stockholders. The registration statement has not yet been declared effective. Investors are urged to read the proxy statement/prospectus-information statement which will contain important information, including detailed risk factors, when it becomes available. The proxy statement/prospectus-information statement and other documents that will be filed by Forest and Mariner with the Securities and Exchange Commission will be available free of charge at the SEC's website, www.sec.gov, or by directing a request when such a filing is made to Forest Oil Corporation, 707 17th Street, Suite 3600, Denver, CO 80202, Attention: Investor Relations; or by directing a request when such a filing is made to Mariner Energy, Inc., 2101 CityWest Blvd., Bldg. 4, Ste. 900, Houston, TX 77042-2831, Attention: Investor Relations.

Mariner, Forest and their respective directors, and executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the participants in the solicitation will be set forth in the proxy statement/prospectus-information statement when it becomes available.

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[GRAPHIC]

THE NEW FST

*Same Leadership. Same Strategies. Same Discipline. **Improved Focus.***

[LOGO]

GROWTH

PROGRESS

MOMENTUM

UBS Denver Investor Tour

November 29, 2005

THE NEW FST Operations Spin-Off Drives Value

Innovative transaction provides new optionality and returns value directly to Forest's shareholders

Opportunistic tax-free spin / merge of offshore Gulf operations creates two highly focused and valuable enterprises

Investment in Mariner Energy creates high quality, well positioned GOM independent with excellent track record and growth outlook

Remaining Forest creates highly-focused onshore resource company to execute a more focused acquire and exploit strategy

Forest's portfolio of long-life, concentrated assets in high quality basins provides a foundation for sustainable organic growth

STREAMLINED ASSET BASE, IMPROVED FOCUS AND BETTER POSITIONED FOR GROWTH

[LOGO]

KEY TRANSACTION TERMS

Asset Contribution

344 Bcfe of Forest offshore proved reserves (12/31/04)

Liability Contribution

\$200 Million of debt

\$50 Million of derivatives at 6/30/2005

\$157 Million of ARO

Structure

Tax-free Reverse Morris Trust transaction

Spin-off of offshore Gulf of Mexico operations

Stock-for-stock merger of SpinCo and Mariner

Mariner Equity Ownership

58.2% Forest shareholders

41.8% Mariner shareholders

Mariner Management & Governance

Scott D. Josey, Chairman & CEO

7 member board

2 members to be mutually agreed by Forest and Mariner

Expected Close

Q1 2006 (economic effective date of July 1, 2005)*

Forest and Mariner shareholders will each own freely tradable registered stock in Mariner upon closing

* Subject to Mariner shareholder vote and SEC registration requirements and Forest bondholder consent

Combination

[LOGO]

Mariner Contribution

[LOGO]

Management

Deepwater, shelf, West Texas assets

Exploration track record

Prospect inventory

Forest Contribution

[LOGO]

Development expertise/personnel

Underexploited shelf assets

Identified exploitation opportunities

Cash flow

42% Equity ownership

[GRAPHIC]

58% Equity ownership

Dynamic GOM player with scale and expertise to effectively compete in the shelf, deep shelf, and deepwater

Strong cash flow

Modest debt level

Shareholders benefit from the diversity and upside potential intrinsic in these complementary asset bases

Blend of exploration and exploitation opportunities

Mariner SpinCo Trend Map

[GRAPHIC]

Shelf and Deepwater (470,000+ net undeveloped acres)

Creates a leading Gulf of Mexico focused independent

Balances deepwater exploration with low risk shelf production

Adds high impact deep shelf and ultra-deep shelf opportunities

Extensive prospects in inventory

Synergies achieved through property overlap and operating efficiencies

Combined Reserves as of 12/31/04 615 Bcfe*

[CHART]

*Reserves are pro-forma acquisition of Bass Lite

GOM Lease Expirations 2004-2005: 563 Leases

[GRAPHIC]

GOM Lease Expirations 2006-07: 2,411 Leases

[GRAPHIC]

GOM Lease Expirations

[GRAPHIC]

Mariner Organization

Chairman
CEO
Scott Josey
(25 years)

COO

Dalton Polasek
(30 years)

VP
General Counsel
Teresa Bushman
(20 years)

VP
Corporate Development
Jesus Melendrez
(25 years)

VP
CFO
Rick Lester
(31 years)

VP
CXO
Mike van den Bold
(19 years)

VP
Shelf & Onshore
Judd Hansen
(27 years)

VP
Deepwater
Cory Loegering
(28 years)

Exploration Track Record

[GRAPHIC]

Significant Discoveries .over 80% Internally Generated

Deepwater Operations Expertise

[GRAPHIC]

Historical Performance

Proved Reserves

[CHART]

*Reserves are pro-forma acquisition of Bass Lite

Daily Production

[CHART]

EBITDA

[CHART]

*Includes \$10MM for non-cash stock compensation

Reserves Replacement Rate

[CHART]

Rolling 3-Year F&D Costs

[CHART]

*Excludes future development capital of \$255MM

CAPEX

[CHART]

Strong Competitive Positioning and Value

2004 Proved Reserves

[CHART]

2005 EV/Proved Reserves

[CHART]

2005 Production

[CHART]

2005 EV/Production

[CHART]

*Reserves are pro-forma for acquisition of Bass Lite

Note: Enterprise values as of November 22, 2005

FOREST OIL S REMAINING ASSETS

[GRAPHIC]

Alaska	
12/31/04 Reserves (Bcfe)	117
YTD 2005 Production (MMcfe/d)	41
12/31/04 Net Acreage (M)	1,182
Reserve Life	7.9
Canada	
12/31/04 Reserves (Bcfe)	152
YTD 2005 Production (MMcfe/d)	71
12/31/04 Net Acreage (M)	930
Reserve Life	5.9
Western	
12/31/04 Reserves (Bcfe)*	643
YTD 2005 Production (MMcfe/d)	112
12/31/04 Net Acreage (M)*	254
Reserve Life*	15.8
Southern	
12/31/04 Reserves (Bcfe)*	198
YTD 2005 Production (MMcfe/d)	45
12/31/04 Net Acreage (M)*	147
Reserve Life	12.1
Consolidated	
12/31/04 Reserves (Bcfe)*	1,110
YTD 2005 Production (MMcfe/d)	269
12/31/04 Net Acreage (M)*	7,698
Reserve Life	11.3

* Pro Forma for the Buffalo Wallow Acquisition and offshore spin-off

[LOGO]

REALIGNING ASSET BASE The Perfect Pie

Old Forest Oil

[CHART]

2004 Reserves: 1,454 Bcfe *

61% Gas

75% PD

[CHART]

YTD 2005 Production: 475 MMcfe/d

2005 R/P: 8.0

New Forest Oil

[CHART]

2004 Reserves: 1,110 Bcfe *

55% Gas

74% PD

[CHART]

YTD 2005 Production: 269 MMcfe/d

2005 R/P: 11.3

* Pro-Forma for the Buffalo Wallow acquisition and offshore spin-off

FOCUSED STRATEGY

4 Point Philosophy

1. Leadership

Superb technical talent pool

Deep managerial bench

Proven acquiror

2. Strategies

Sustainable growth at high returns

Intense focus on costs

3. Discipline

Rigorous evaluation criteria

Capital budget adherence

4. Focus

Focused onshore portfolio

Critical mass in core areas

Revised 4 Point Strategy

1. Grow organically

12% prod. growth in 2006 (10% organic)

Exploit new portfolio and resource plays

2. Identify attractive acquisition opportunities

Strong track record and momentum

Target prospect rich opportunities supported by land

Tax-efficient acquiror (\$706 MM NOLs)

3. Reduce costs

Cost control in all areas

4. Preserve financial flexibility

Strong free cash flow profile

Remain in targeted Net Debt / Book Cap range of 30% - 40%

AND COMPELLING INVESTOR APPEAL

Uniquely positioned mid-cap with critical mass in multiple high quality basins

Extensive drilling inventory in Texas Panhandle / Mid-Continent area

Large scale Permian footprint and Haley Atoka exposure

High quality Alberta Plains and Canadian Foothills inventory

Significant Rockies acreage position

High impact Onshore Louisiana and Texas exploration

Significant acreage in developing Alaska gas

Well-balanced resource play with visible organic growth profile

Extensive exploitation inventory; over 2,350 projects

Attractive exploration upside; 7.1 million net undeveloped acres

Successful acquisition and exploitation track record fueling steady replenishment of drilling opportunities

In excess of \$1 billion in strategic acquisitions over last 2 years adding 681 Bcfe at an all-in cost of \$1.51 / Mcfe

Demonstrated ability to be disciplined with capital spending

Excellent tax loss carryforward position (US \$466 MM and Canada \$240 MM)

SUSTAINABLE GROWTH PROFILE

[CHART]

* Adjusted for 7 MMcfe/d announced deferrals due to Hurricanes

EXTENSIVE PROSPECT INVENTORY

Key Growth Platforms	Project Inventory	Net Reserve Potential (Bcfe)
Buffalo Wallow (Texas Panhandle)	346	377
From 40 to 20-acre spacing		
Permian Basin	679	565
30,000 net acres in Haley Atoka		
Wild River	120	54
From 640 to 160 acre spacing		
Southern	419	513
Frio, Yegua, Wilcox, Vicksburg trend		
Onshore Cook Inlet Gas	35	1,875
Total	1,599	3,384

[GRAPHIC]

WESTERN BUSINESS UNIT

[LOGO]

GROWTH

PROGRESS

MOMENTUM

WESTERN BUSINESS UNIT

[GRAPHIC]

Existing Portfolio / Highlights

Panhandle Buffalo Wallow

Permian Basin - Vermejo, Haley, Apollo, Fullerton, Tex-Mex, Martin

Washakie & Green River Basins Wyoming

Williston Basin

Anadarko Basin

San Juan Basin

Resource Upside

Panhandle development drilling

Waterfloods, downspacing and development drilling in Permian

Excellent undeveloped acreage position in Rockies, Greater Haley Area and Panhandle

Downspacing in Rockies, San Juan and Oklahoma

Other Assets

Gas plants at Whitney Canyon, Anschutz Ranch and Altamont Bluebell

[LOGO]

WESTERN BUSINESS UNIT - *Buffalo Wallow*

Very active resource play in Texas Panhandle focused Granite Wash interval

Multiple zones commingled utilizing slick water frac technology

Offset operators already downspacing to 20 acres

Deep potential in Atoka and Morrow

Active operators include Chesapeake, Patina/Noble, Samson and Newfield

[GRAPHIC]

120 Bcfe of estimated proved reserves and production of 32 MMcfe/d

370 drillsites identified (40 identified as PUD)

Field approved for 20 acre downspacing

Production increased 60% since acquisition (100% success rate)

Production expected to increase to 40 to 45 MMcfe/d in 2006

33,000+ gross acres in trend

Deep pay found in the Atoka

BUFFALO WALLOW *Typical Well Type Curve*

[CHART]

24

BUFFALO WALLOW 20 Acre Spacing

Buffalo Wallow Drainage Area Histogram

89 of 100 wells drain < 20 acres

[CHART]

TRRC approves 20-acre spacing Nov 2004

Wells drain less than 20-acres

No interference to date in 20-acre wells

Patina Oil & Gas Corporation
Docket No. 10-0238004
Date: October 8, 2004
EXHIBIT

BUFFALO WALLOW *Panhandle Area*

Field	Producing Wells			Future Locations			Total		
	40-acre	20-acre	Total	40-acre	20-acre	Total	40-acre	20-acre	Total
Buffalo Wallow (13 sections)	64	6	70	144	202	346	208	208	416

Field	Producing Wells			Future Locations			Total		
	160-acre	80-acre	Total	160-acre	80-acre	Total	160-acre	80-acre	Total
Frye (3 sections)	6	0	6	6	12	18	12	12	24
Austin (5.75 sections)	1	0	1	22	23	45	23	23	46
Other (3 sections)	0	0	0	12	12	24	12	12	24
Total	7	0	7	40	47	87	47	47	94

A SIGNIFICANT INVENTORY OF LOCATIONS AND DOWNSPACING OPPORTUNITIES

WESTERN BUSINESS UNIT *Permian Basin*

[GRAPHIC]

Very active area for FST; tripled in size

Vermejo / Slash Ranch / Dimmit / Apollo

Deep Atoka / Morrow and Fusselman potential

High industry activity area

Active shallow Delaware recompletion program

Central Midland Basin

Tex-Mex

New waterfloods

High exploitation activity

Step-out drilling successful at Tex-Mex

Martin

Development drilling

Multiple pay intervals with recompletion opportunities

Forest owned drilling rigs operating in the basin

WESTERN BUSINESS UNIT *Greater Haley Deep Gas Play*

[GRAPHIC]

Greater Haley Area

Rejuvenated by Anadarko in 2003

Forest is actively leasing in the play; currently 30,000 net acres

Slash Ranch/Demmit

Fusselman/Atoka/Morrow stacked pay potential

Bell Canyon and Cherry Canyon Recompletion program

Apollo

Active recompletion and re-entry program

Vermejo Field

Active 2 rig drilling program

Active recompletion and re-entry program

Atoka sidetrack opportunities may exist

WESTERN BUSINESS UNIT *Tex Mex*

[GRAPHIC]

San Andres, Clearfork, Wichita Albany multipay field

Pilot Clearfork Wichita Albany Waterflood Project installed November 2003

Active 2 rig drilling program (Forest owned rigs)

Active acreage acquisition program

Multiple wells have bypassed pay recompletion opportunities

20 acre infill potential

WESTERN BUSINESS UNIT *Martin*

Increased production 50% since acquisition

Shallow San Andres and Clearfork objectives

IP range from 84 BOEPD to 263 BOEPD

Offset operators have applied for 10 acre downspacing

[GRAPHIC]

CANADIAN BUSINESS UNIT

[LOGO]

GROWTH

PROGRESS

MOMENTUM

CANADIAN BUSINESS UNIT *Overview*

[GRAPHIC]

Existing Portfolio / Highlights/ Resource Upside

Wild River exploration (deep) and development (downspacing)

Foothills exploration at Palliser, Copton, Narraway, Ojay and Waterton

Evi: Slave Point Oil Resource Play

Existing Portfolio / Highlights/ Resource Upside (cont.)

Large acreage position in Plains and Foothills

Beaufort Sea / MacKenzie Delta unbooked discoveries of 242 Bcfe

Drilled 22 discoveries in MacKenzie Delta with Gulf Canada (Conoco)

Other Assets

930,000 net acres (89% undeveloped)

Plant and pipeline infrastructure

Marketing joint venture with Cinergy

Tax pools

[LOGO]

CANADIAN BUSINESS UNIT *Wild River*

[GRAPHIC]

Very active area for shallow and deep gas exploration on 21,000 acres

Gross production increased from 17 to 49 MMcfe/d

Well costs reduced

Four wells awaiting pipeline connection

Two drilling rigs in the field

160 acre down-spacing and commingling recently approved

Over 100 down-spacing locations identified

CANADIAN BUSINESS UNIT *Palliser Block*

[GRAPHIC]

Five major Cretaceous structures have been identified on CFOL lands

Up to 15 potential drill locations for Cretaceous are available

Two Paleozoic structures with 4 drill locations are possible

Working interest: 50 - 57%

25,000 gross acres

Deep sour gas potential

CANADIAN BUSINESS UNIT *Narraway Block*

[GRAPHIC]

Three major Cretaceous structures have been identified on CFOL lands

A further 8 potential drilling locations for Cretaceous are available

One Paleozoic structure with two drill locations are possible

Working interest: 50 100%

20,000 gross acres

Deep sour gas potential

CANADIAN BUSINESS UNIT *Evi Slave Point Project*

[GRAPHIC]

2005 drilling

2 vertical wells

1 horizontal

2006 drilling

11 vertical wells

41 potential development locations

Reserve potential

50,000 to > 100,000 Bbls/well

Initial production rate

45 - 75 Bopd/well

Working interest: 25 - 100%

9,000 gross acres

[GRAPHIC]

SOUTHERN BUSINESS UNIT

[LOGO]

GROWTH

PROGRESS

MOMENTUM

soUTHERN BUSINESS UNIT

[GRAPHIC]

Acquired 3-D seismic at Bonus, Katy, Liberty & Sabine

Large contiguous 3-D seismic coverage from West White Lake to Sweet Lake

Net undeveloped acreage increased from 3,000 to 110,000 acres

Took over drilling operations at Katy with infill opportunities

Took over operations at Mercy

[LOGO]

SOUTHERN BUSINESS UNIT - *Sabine*

[GRAPHIC]

Approximately 157,000 acres leased or optioned in this prolific Yegua and Wilcox trend (45% WI)

260 square miles of 3-D and 2,000 linear miles of 2-D data available to map

Five wells in the field completed at an average of 3.7 MMcfe/d

One well completing

soUTHERN BUSINESS UNIT *Sabine Seismic*

[GRAPHIC]

Hurricane Creek **Proposed 3 D**

North of current Forest drilling activity

Forest and partners control approximately 50% of acreage to be shot

Multiple Cockfield and Wilcox leads based on 2 D subsurface

SOUTHERN BUSINESS UNIT *Katy*

Katy Field

Took over drilling operations

Drilled 2 Frio discoveries in 2005

Combined IP s < 1 MMcf/d for total investment of \$585M

Sparks recompletion tested at 2 MMcf/d

Virgin pressure discovered on Wilcox recompletion

Yegua has produced 6 Tcf from this field

122 square miles of 3D seismic coverage

SOUTHERN BUSINESS UNIT *Cameron Parish*

SEI Cameron Prairie 3D; 462 sq. mi. 3-D for Field Evaluation and Exploration

[GRAPHIC]

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[GRAPHIC]

ALASKA BUSINESS UNIT

[LOGO]

GROWTH

PROGRESS

MOMENTUM

ALASKA BUSINESS UNIT - *Overview*

[GRAPHIC]

Existing Portfolio / Highlights

Gas fields W. Foreland & Three Mile Creek

Oil fields Redoubt Shoal, Trading Bay, West McArthur River & Prudhoe Bay

Resource Upside

Onshore exploratory gas prospects

Offshore exploratory oil prospects

Higher waterflood recovery

Other Assets

Cook Inlet Pipeline and Drift River Oil Terminal

46.8% ownership in 6 platform rigs

Kustatan onshore facility

1,182,000 net acres (97% undeveloped)

[LOGO]

ALASKA BUSINESS UNIT - *Onshore Alaska Gas*

[GRAPHIC]

Undeveloped onshore net acreage in excess of 1,100,000 acres

West Foreland #2 (100% WI) tested 15 MMcfe/d

Three Mile Creek Unit #1 (30% WI) tested 5 MMcfe/d from shallow zone

Net undeveloped acreage of approximately 106,000 acres surrounding the three discoveries (recently added 18,000 acres)

New supply contract commences in Q4 2005

2 additional tests planned in 2005

[GRAPHIC]

INTERNATIONAL BUSINESS UNIT

[LOGO]

GROWTH

PROGRESS

MOMENTUM

INTERNATIONAL BUSINESS UNIT

[GRAPHIC]

International	12/31/04 Total Acreage (Net)
South Africa	2,927,066
Gabon	963,710
Italy	756,857

Existing Portfolio / Highlights

South Africa gas tested over 220 MMcfe/d from 5 wells

Gabon offshore oil block with full carry on costs

Italy shallow gas Po Valley and Bomba

Resource Upside

Undeveloped acreage portion with large blocks

Unbooked reserves in South Africa, Italy and Australia

South Africa deep water play

Future Strategy

High grade to three best areas

Explore using promoted or carried working interest

Potential monetization or trade opportunities

[LOGO]

[GRAPHIC]

ACQUISITIONS/HEDGING

[LOGO]

GROWTH

PROGRESS

MOMENTUM

TARGETED ACQUISITION PROGRAM

Acquisition	Purchase Price (\$MM)	Initial Production (MMcfe/d)	Reserves (Bcfe)	\$ Amount Per Mcfe / Res.	Net Acreage	Undevel. Acreage	Other Assets	Amount Per Mcfe / Res.
Unocal	224.0	66	138	1.62	252,000	93,000	15.9	1.51
New Permian	112.9	25	109	1.04	32,000	5,000		1.04
Wiser Oil	330.0	64	191	1.73	388,000	288,000	57.6	1.43
Buffalo Wallow	235.0	25	120	1.96	22,000	11,000	2.2	1.94
Others	129.1	27	123	1.05	100,000	45,000	19.3	.89
Total	1,031.0	207	681	1.51	794,000	442,000	95.0	1.37

Total F&D cost of \$1.51 on 681 Bcfe of reserves w/o allocation, \$1.37 w/ allocation

Production per Mcfe/d acquired at \$4,981 with R/P of 9 years

Primarily proved developed reserves, FST retained upside

[LOGO]

ACQUISITION LOOKBACK SUMMARY 6/30/2005

Unocal, New Permian, Wiser, S. Bonus, Minihan, McAllen & Oxy

	Investment (\$MM)	Reserves (Bcfe)	\$ / Mcfe
Original Acquisition	775	517	1.50
Cash Flow / Production	(346)	(91)	3.80
Subtotal	429	426	1.01
Capital Projects	188	133	1.41
Total Investment	617	559	1.10

45% of original investment paid out with 82% of reserves remaining

36% of total investment paid out with 108% of reserves remaining

RISK MANAGEMENT *Favorably Positioned*

	Pre-Spin	2006 Spin	Post-Spin	
Natural Gas Swaps				
Contract Volumes (<i>BBtu/d</i>)	50.0	40.0	10.0	
Weighted Average Price (<i>per MMBtu</i>)	\$ 6.02	\$ 6.15	\$ 5.51	
Natural Gas Collars				
Contract Volumes (<i>BBtu/d</i>)	50.0		50.0	
Weighted Average Ceiling Price (<i>per MMBtu</i>)	\$ 11.88	\$	\$ 11.88	
Weighted Average Floor Price (<i>per MMBtu</i>)	\$ 7.43	\$	\$ 7.43	
Estimated Price Floor/Ceiling	37-39%	\$6.72-\$8.95	35-38%	\$7.11-\$10.82
Oil Swaps				
Contract Volumes (<i>MBbl/d</i>)	4.0		4.0	
Weighted Average Price (<i>per Bbl</i>)	\$ 31.58	\$	\$ 31.58	
Oil Collars				
Contract Volumes (<i>MBbl/d</i>)	5.5		5.5	
Weighted Average Ceiling Price (<i>per Bbl</i>)	\$ 65.87	\$	\$ 65.87	
Weighted Average Floor Price (<i>per Bbl</i>)	\$ 46.73	\$	\$ 46.73	
Estimated Price Floor/Ceiling	23-24%	\$40.35-\$51.43	41-44%	\$40.35-\$51.43

Approximately 39% hedged in 2006 with a weighted average ceiling price of \$10.82 per MMBtu and \$51.43 per Bbl

Completely unhedged in 2007

ADDITIONAL REMAINING VALUE

Unbooked discoveries

S. Africa (tested 220 MMcfe/d)

Mackenzie Delta (approximately 200 Bcfe of unbooked reserves)

Carried interest on frontier acreage

Gabon (100% carry on seismic and well to be spud in Q1 2006)

S. Africa deepwater

Cook Inlet Pipeline Company

Lantern Drilling Company

8 company-owned drilling rigs operating in the Permian Basin

Tax attributes

\$706 Million NOL (including Canadian tax pools of \$240 MM)

Extensive undeveloped acreage and seismic database worldwide

VALUE PROPOSITION *Peer Group Comparison*

2004 Proved Reserves

[CHART]

2005 Production

[CHART]

2005 EV/Proved Reserves

[CHART]

2005 EV/Production

[CHART]

Note: Enterprise values as of November 22, 2005.

* Pro forma for Buffalo Wallow acquisition

THE NEW FST *Summary of Opportunity*

Unlocks intrinsic shareholder value in a tax efficient manner and clarifies the value proposition

Intensifies focus on two discreet asset bases, each with critical mass and competitive advantage

Integrates offshore portfolio into high growth vehicle with deepwater exploration potential

Unleashes Forest's management to aggressively execute the onshore resource-focused growth strategy

Value Proposition

Public valuations and M&A transactions support values of \$2.97 per proved reserve and \$13,629 per flowing Mcfe/d for remaining Forest

Public valuations and M&A transactions support values of \$3.58 per proved reserve and \$10,336 per flowing Mcfe/d for Mariner/Spinco

EBITDA Reconciliation

[LOGO]

	1H05
EBITDA	77.5
Changes in working capital	(14.9)
Non-cash hedge gain	(2.5)
Amortization/other	0.6
Stock compensation exp.	9.5
Net interest expense	(3.0)
Income tax benefit	5.5
Net cash provided by operating activities	72.7

CAUTIONARY STATEMENTS

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only 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. We use the terms probable and possible reserves, reserve potential or upside or other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC's guidelines strictly prohibit Forest from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by us. Investors are urged to consider closely the disclosure in Forest's Form 10-K for fiscal year ended December 31, 2004, available from Forest at 707 17th Street, Suite 3600, Denver, CO 80202, Attention: Investor Relations. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities that Forest and Mariner assumes, plans, expects, believes, projects, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements provided in this presentation are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Forest and Mariner cautions that their future natural gas and liquids production, revenues and expenses and other forward-looking statements are subject to all of the risks and uncertainties normally incident to the exploration for and development and production and sale of oil and gas. These risks include, but are not limited to, price volatility, inflation or lack of availability of goods and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating future oil and gas production or reserves, and other risks as described in Forest's 2004 Annual Report on Form 10-K as filed with the Securities and Exchange Commission. Also, the financial results of Forest's foreign operations are subject to currency exchange rate risks. Any of these factors could cause Forest's or Mariner's actual results and plans to differ materially from those in the forward-looking statements.

These materials are not a substitute for the registration statement that was filed with the Securities and Exchange Commission in connection with the spin-off transaction, or the proxy statement/prospectus-information statement to be mailed to shareholders. The registration statement has not yet been declared effective. Investors are urged to read the proxy statement/prospectus-information statement which will contain important information, including detailed risk factors, when it becomes available. The proxy statement/prospectus-information statement and other documents that will be filed by Forest and Mariner with the Securities and Exchange Commission will be available free of charge at the SEC's website, www.sec.gov, or by directing a request when such a filing is made to Forest Oil Corporation, 707 17th Street, Suite 3600, Denver, CO 80202, Attention: Investor Relations; or by directing a request when such a filing is made to Mariner Energy, Inc., 2101 CityWest Blvd., Bldg. 4, Suite 900, Houston, TX 77042-2831, Attention: Investor Relations.

Mariner, Forest and their respective directors, and executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the participants in the solicitation will be set forth in the proxy statement/prospectus-information statement when it becomes available.

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