



*PETROHAWK*

***ANALYST DAY 2008***



# Forward Looking Statements

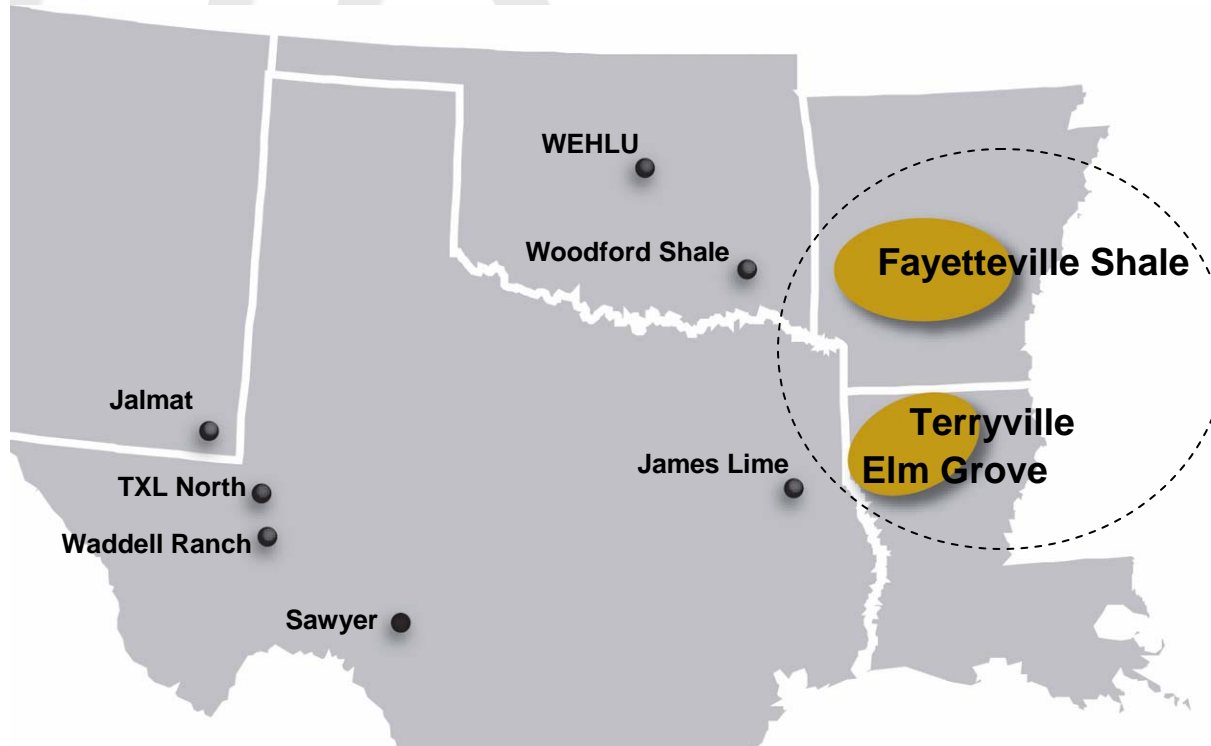
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This communication contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding planned capital expenditures (including the amount and nature thereof), estimates of future production, the number of wells we anticipate drilling in 2008 and beyond, availability and costs of drilling rigs and other oil field services, the number and nature of potential drilling locations, our growth strategies, anticipated trends in our business, our future results of operations, estimates regarding future net revenues from oil and natural gas reserves and the present value thereof, estimates, plans and projections relating to acquired properties, quality and nature of our asset base, our ability to successfully and economically explore for and develop oil and gas resources, market conditions in the oil and gas industry, the assumptions upon which estimates are based and other expectations, beliefs, plans, objectives, models, strategies, assumptions or statements about future events or performance often, but not always, using such words as “expects,” “anticipates,” “plans,” “estimates,” “seeks,” “believes,” “hopes,” “predicts,” “envisions,” “intends,” “potential,” “possible,” “probable,” “opportunities,” “confident,” or stating that certain actions “may,” “will,” “should,” or “could,” be taken, occur or be achieved (“forward looking qualifiers”). Statements concerning oil and gas reserves also may be deemed to be forward-looking statements in that they reflect estimates based on certain assumptions that the resources involved can be economically exploited and other assumptions.

All forward-looking statements contained in this communication (whether or not accompanied by a forward looking qualifier) are based on current expectations, plans, estimates and projections that involve a number of risks and certainties, which could cause actual results to differ materially from those reflected in the statements. These risks include, but are not limited to, the risks of the oil and gas industry (for example, operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to future production, costs and expenses; potential delays or changes in plans with respect to exploration, development projects or capital expenditures; and health, safety and environmental risks); uncertainties as to the availability and cost of financing; fluctuations in oil and gas prices; risks related to our hedging program; inability to realize expected value from acquisitions; inability of our management team to execute its plans to meet its goals; loss of services of our management team; inability to replace oil and gas reserves; shortage of drilling equipment, oil field personnel and services; and unavailability of gathering systems, pipelines and processing facilities. All forward-looking statements contained in this communication (whether or not accompanied by a forward looking qualifier) are based on the estimates, opinions and beliefs of our management at the time the statements are made and should be considered approximations unless specifically indicated otherwise. We assume no obligation to update forward-looking statements should circumstances or our management’s estimates or opinions change. Unless the context otherwise indicates, when we refer to “Petrohawk,” the “Company,” “us,” “we,” “our,” or “ours” in this presentation, we are describing Petrohawk Energy Corporation, together with its subsidiaries.

The SEC permits oil and gas companies to disclose in their filings with the SEC only proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. In this presentation, Petrohawk uses the term “resource potential” which could be equated with “probable” and “possible” reserves. SEC guidelines prohibit probable and possible reserves from being included in filings with the SEC. Probable reserves are unproved reserves which are more likely than not to be recoverable. Possible reserves are unproved reserves which are less likely to be recoverable than probable reserves. Resource potential includes both types of reserves. Estimates of probable and possible reserves which may potentially be recoverable through additional drilling or recovery techniques are by their nature much more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company. In addition, our production forecasts and expectations for future periods are dependant upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling costs increases.

# Petrohawk Today



## ***Core Resource Areas***

Elm Grove / Terryville / Fayetteville Shale

72% of Current Production

69% of Proved Reserves

87% of 2008 Capital Budget

90% of Future Drilling Locations

96% of Total Resource Potential

## ▶ **Resource-style tight gas focus: conventional and unconventional**

- 1.1 Tcfe of Proved Reserves, 90% Natural Gas, 57% Proved Developed
- 4.7 Tcfe Total Resource Potential
- Multi-year drilling inventory and significant upside in low-risk exploration and development
- 100% drilling success rate in Core Areas

# High Potential Core Assets

*Concentrated upside in three core resource areas*

	<u>Approx. Net Acres</u>	<u>Proved Reserves (Bcfe)</u>	<u>Future Risked Drilling Locations</u>	<u>Estimated Risked Resource Potential (Tcfe)</u>
<b>Fayetteville</b>	155,000	54	6,600	2.0
<b>Elm Grove</b>	34,000	542	1,500	1.5
<b>Terryville</b>	42,000	129	900	1.0
<b>Total Core</b>	231,000	725	9,000	4.5
<b>Western / Other</b>	292,000	337	1,000	0.2
<b>Total Company</b>	523,000	1,062	10,000	4.7

*Stable proved reserve base in Western Region*

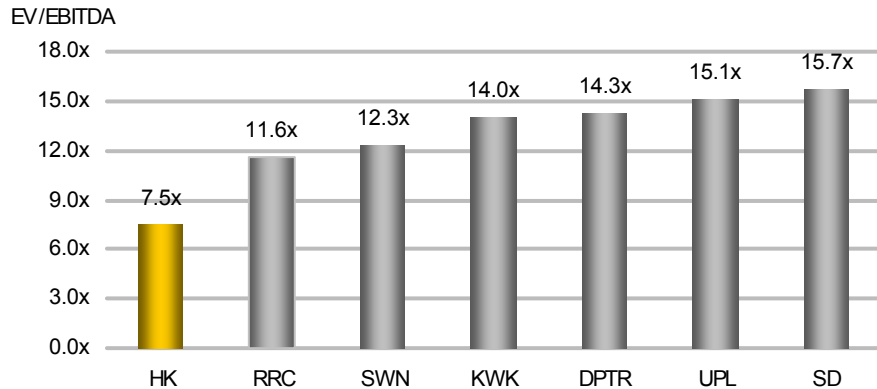
*Total upside significantly above current valuation*

(1) Based on Petrohawk estimates of risked potential including proved and non-proved locations and reserves.

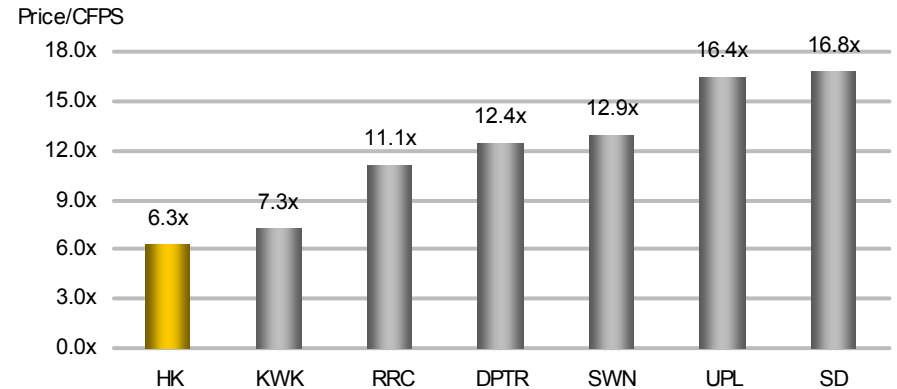


# Undervalued Resource Company

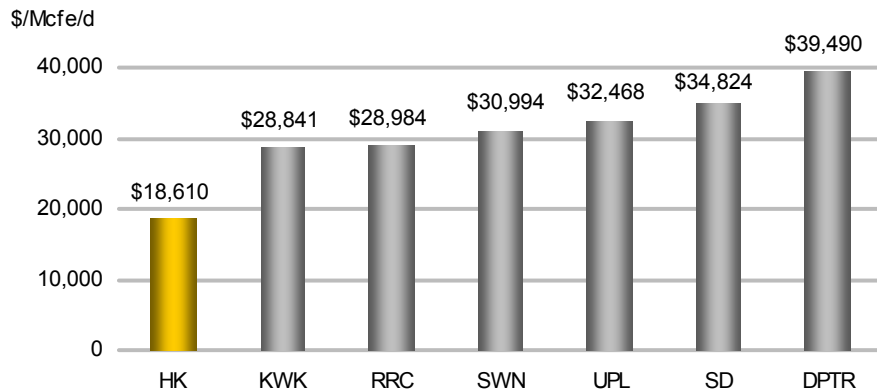
**EV / 2008E EBITDA<sup>(1)</sup>**



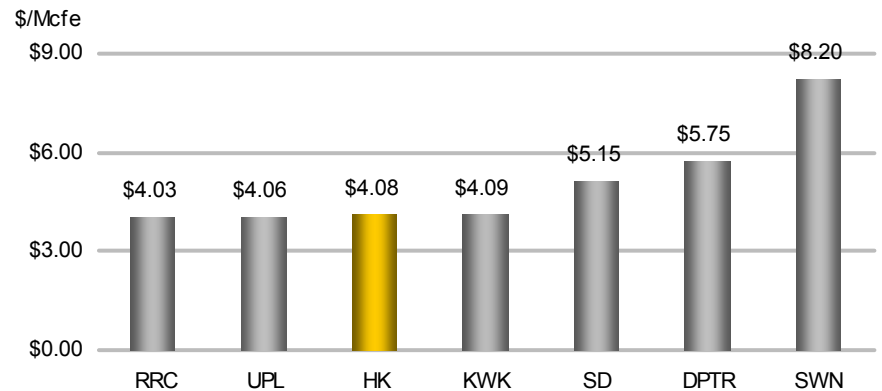
**Price / 2008E CFPS<sup>(1)</sup>**



**EV / Latest Daily Production (\$/Mcf/d)<sup>(2)</sup>**



**EV / Proved Reserves (\$/Mcf)<sup>(2)</sup>**



Source: Lehman Brothers

(1) Prices as of 3/10/08. EBITDA and CFPS estimates based on Wall Street research analyst estimates, adjusted to normalize price decks.

(2) Prices as of 3/10/08. Production and proved reserves based on most recent publicly released data.

# Natural Gas Companies are On the Move

THE WALL STREET JOURNAL.

## SHAREHOLDER SCOREBOARD

Companies Compared With Their Peers in 75 Industry Groups

COMPANY NAME	1-YR RETURN %	SURPLUS/DEFICIT RELATIVE TO INDUS	3-YR AVG RETURN %	SURPLUS/DEFICIT RELATIVE TO INDUS	5-YR AVG RETURN %	SURPLUS/DEFICIT RELATIVE TO INDUS	10-YR AVG RETURN %	SURPLUS/DEFICIT RELATIVE TO INDUS
<b>Oil &amp; Gas, Exploration &amp; Production</b>								
Tesoro	45.7	4.3	44.8	8.2	84.6	40.5	20.1	-1.0
Southwestern Energy	59.0	17.5	63.8	27.1	81.1	37.0	33.9	12.8
Range Resources	87.5	46.0	56.0	19.3	70.6	26.5	17.2	-3.9
Ultra Petroleum	49.8	8.3	43.8	7.1	70.6	26.5	NA	NA
Denbury Resources	114.1	72.6	63.1	26.4	60.1	16.0	20.4	-0.8
Petrohawk Energy	50.5	9.1	26.5	-10.2	58.7	14.6	NA	NA
Frontier Oil	41.6	0.2	84.8	48.1	58.5	14.4	36.3	15.2
Holly	-0.5	-41.9	55.0	18.3	57.9	13.8	34.1	12.9
Quicksilver Resources	62.9	21.4	34.4	-2.2	51.5	7.4	NA	NA
Valero Energy	37.9	-3.6	46.4	9.7	51.1	7.0	25.6	4.5
XTO Energy	37.6	-3.9	37.0	0.3	44.1	0.0	35.8	14.6
Occidental Petroleum	59.7	18.2	40.3	3.6	43.0	-1.1	21.8	0.7
Berry Petroleum Cl A	44.3	2.9	24.2	-12.5	41.1	-3.0	20.1	-1.1
Plains Explor. & Prod.	13.6	-27.9	27.6	-9.1	40.8	-3.3	NA	NA
Chesapeake Energy	35.7	-5.7	34.4	-2.3	39.6	-4.5	18.6	-2.5



Record-Breaking  
U.S. Gas Production

NATURAL GAS  
WILL CONTINUE TO BE  
A BARGAIN.

Start Date	End Date	Description	Last	Time	Change	Prev Close
04 / 08	06 / 08	Apr 08 to Jun 08	9.855	10:25	0.076	9.779
04 / 08	07 / 08	Apr 08 to Jul 08	9.880	10:25	0.075	9.805

Calculate



# Low-Cost Operator

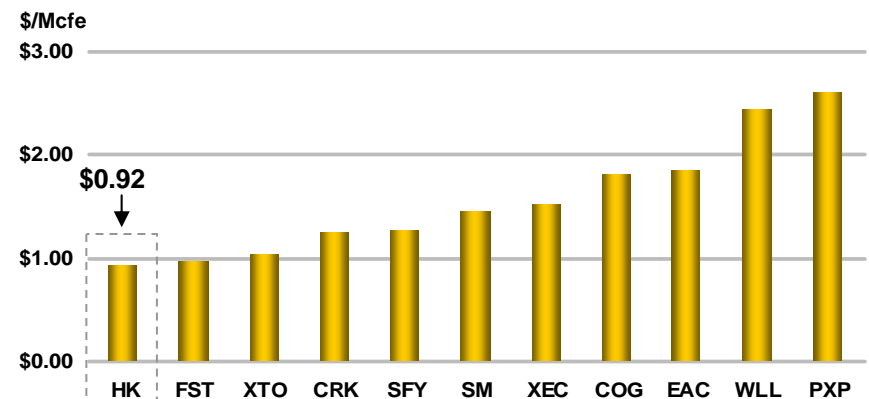
- ▶ **Our lease operating costs are among the lowest in the sector**
  - FY 2007 LOE = \$0.56 per Mcfe vs. \$0.73 per Mcfe in 2006

## Q4 2007 Operating Cost Comparison

### Resource Companies



### Non-Resource Companies



■ LOE, Workover, Gathering, and Transportation

### High Price Realizations<sup>(1)</sup>

**Gas: 103% NYMEX / Oil: 97% NYMEX**

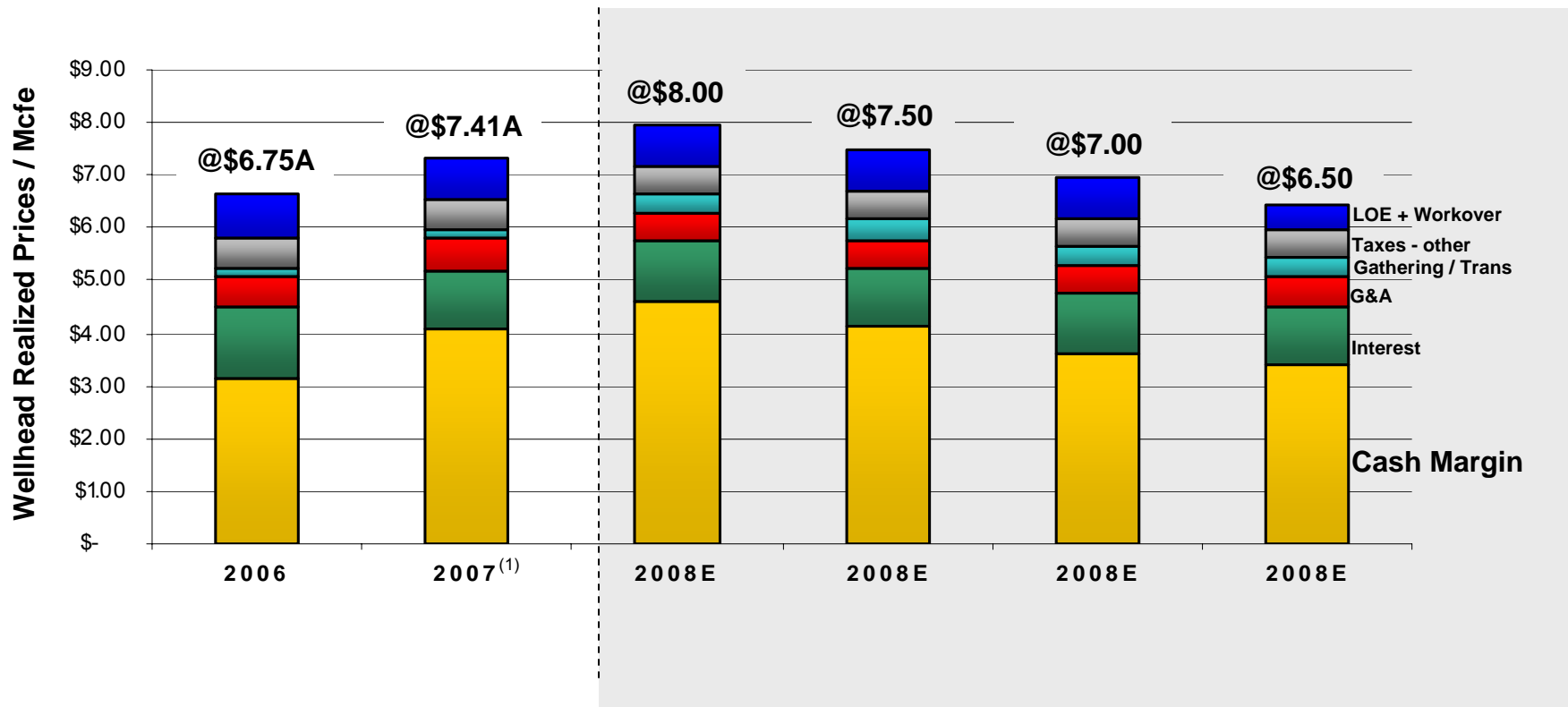
(1) Based on Q4 realized prices. Gas prices include NGLs.



# Focus on Margins

*Petrohawk has continually posted improved cash margins*

**In 2008, HK can achieve over 50% cash margins at under \$6.50 gas**

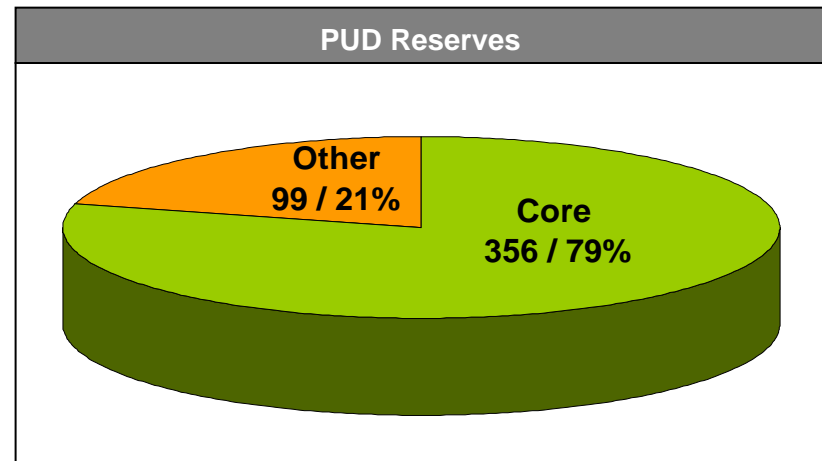
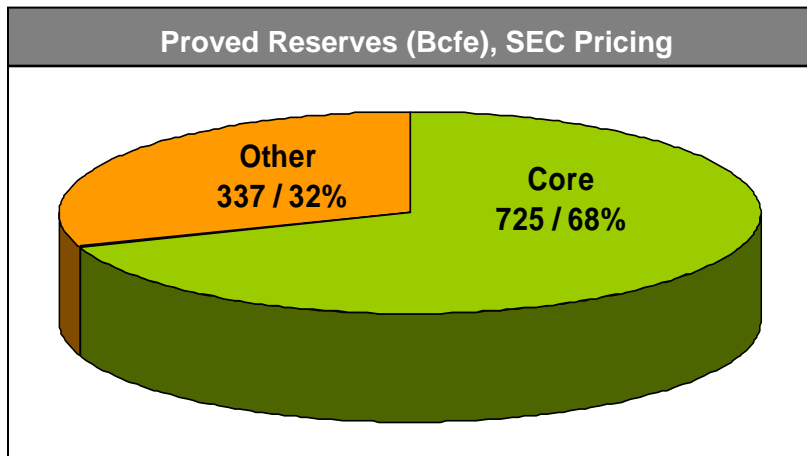
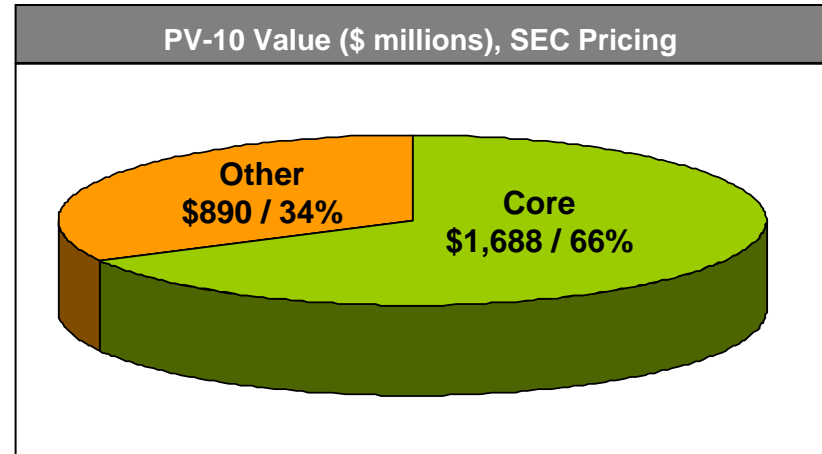


<sup>1</sup>Excludes one-time severance cost associated with the Gulf Coast divestiture.



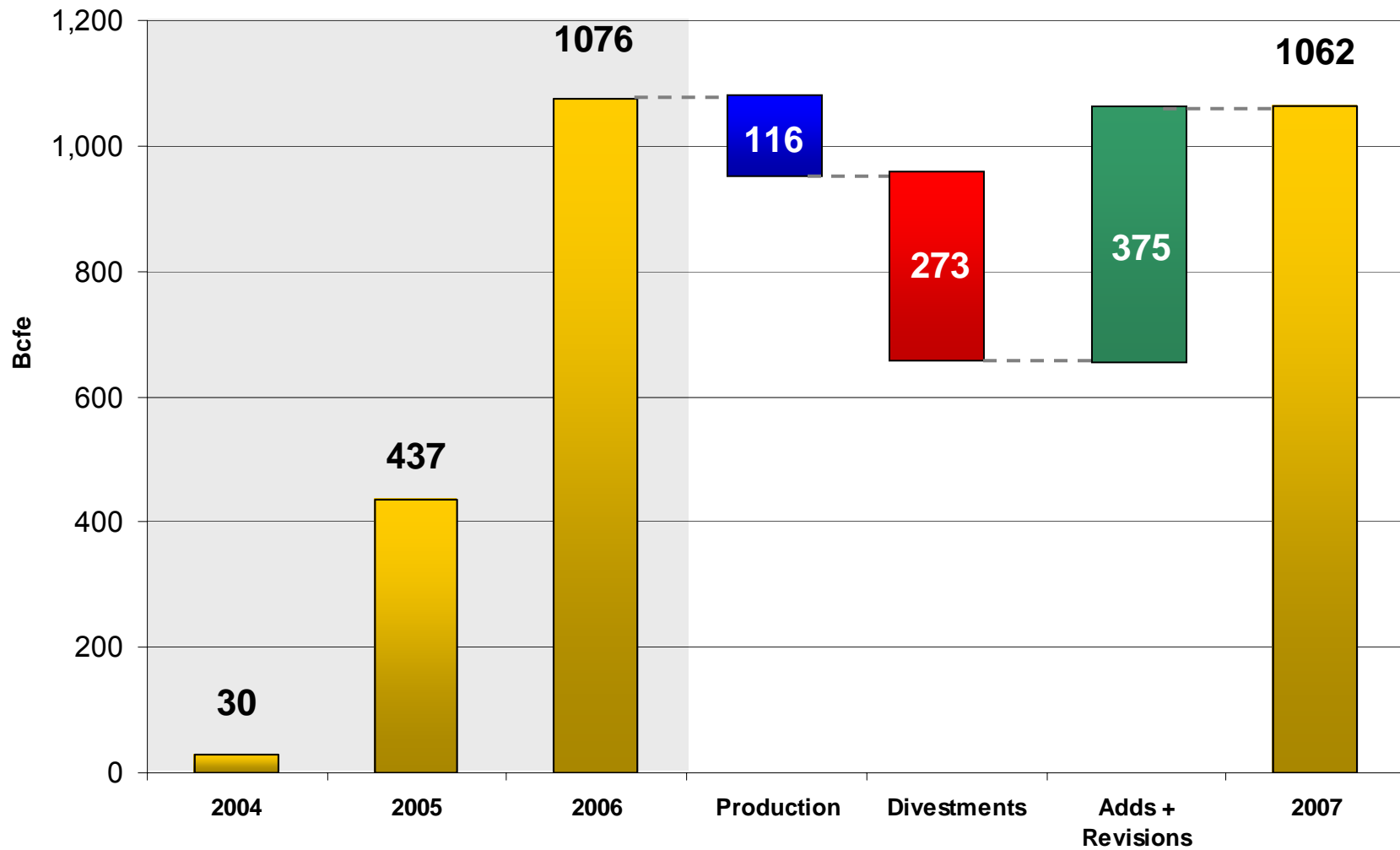
# 2007 Proved Reserves

- Reserve growth >30%, after adjusting for sales
- 90% Gas
- 57% Proved Developed
- 77% Operated
- 11.5 Year RPI
- SEC PV10 \$2.56 billion
- Organic F&D Cost \$2.38/Mcfe
- Organic Reserve Replacement 281%
- All Sources F&D Cost \$3.51/Mcfe
- All Sources Reserve Replacement 318%



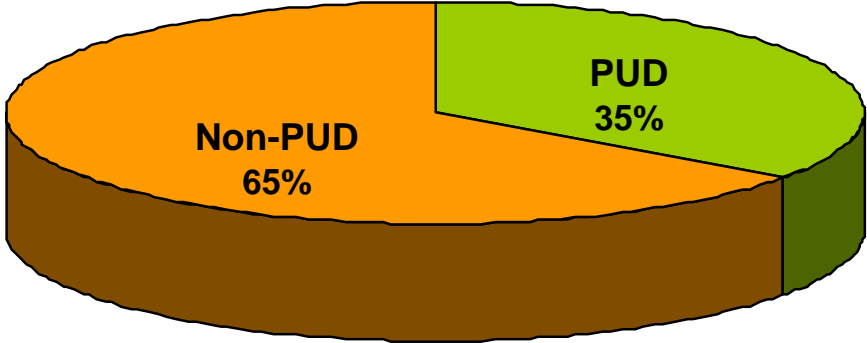
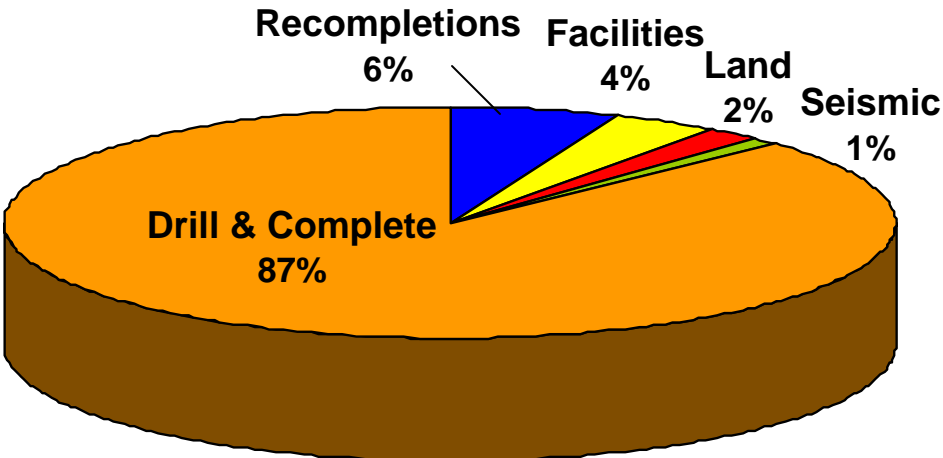
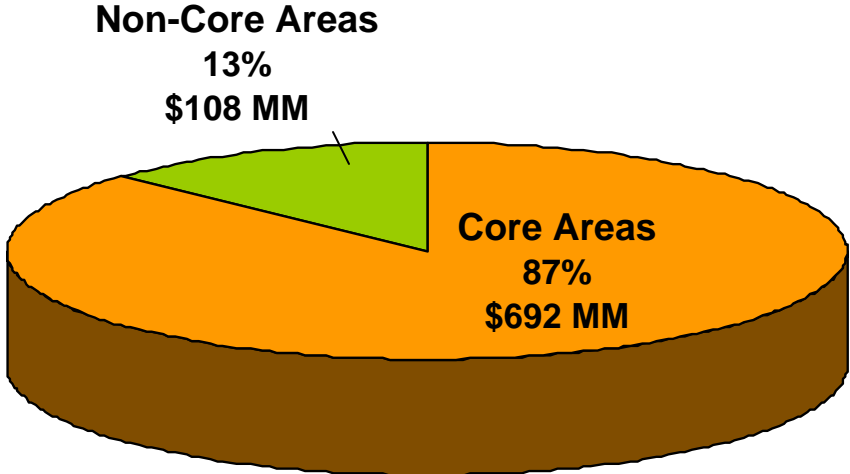
Note: Reserves per NSAI as of 12/31/07; PV10 is pre-tax  
 SEC Pricing (as of 12/31/07): Oil - \$95.98/bbl (\$92.50 Posted); Gas - \$6.80/MMbtu

# Proved Reserves: Growth and Improved Quality



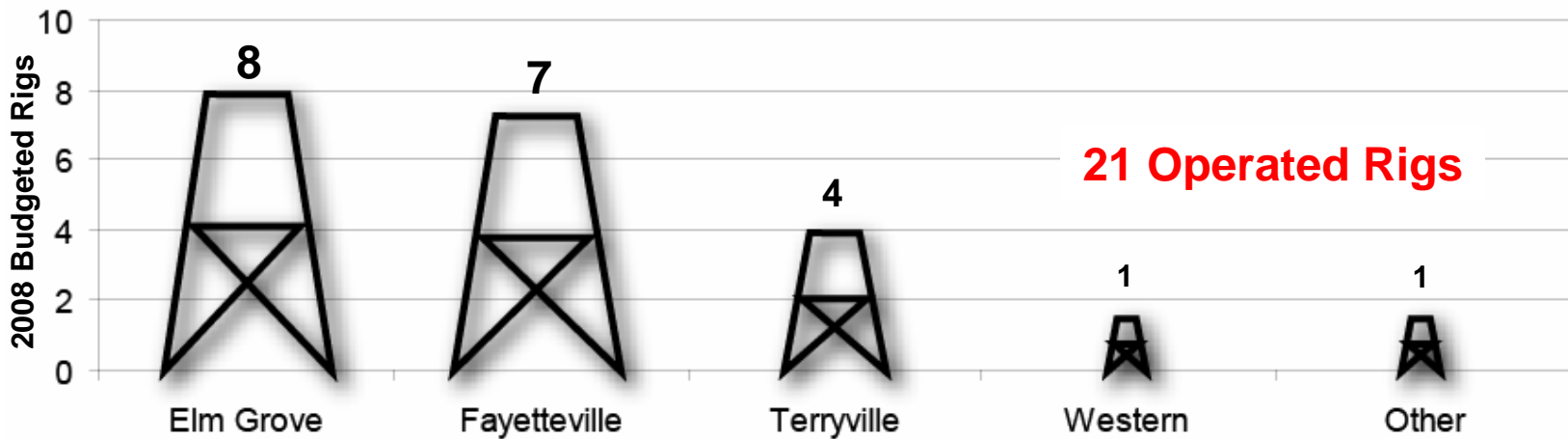
# 2008 Capital Budget

- ▶ **\$800 million**
- ▶ **Core Expansion**
  - 90% operated
  - ~650 total gross wells
  - 87% allocated to Core Resource Areas

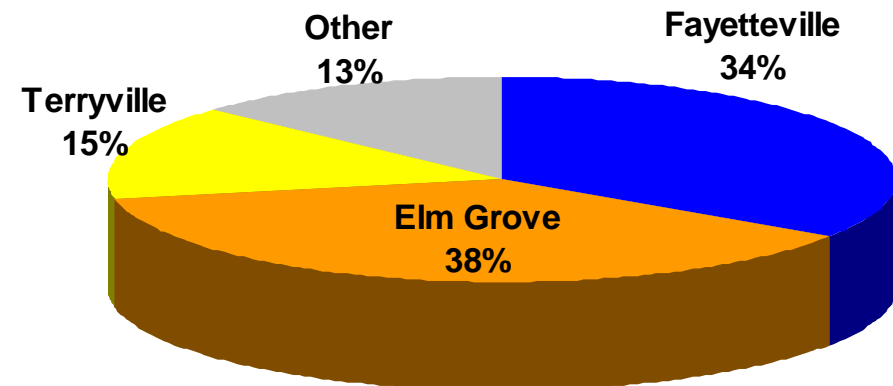




# 2008 Capital Budget



- Fayetteville ramping up to 7 rigs
  - Improvement based on drilling efficiencies
- Twelve-rig program planned for Elm Grove and Terryville
  - Horizontal program
  - Downspacing + expansion
  - Additional zone exploration



# Elm Grove Field Overview

<b>Net Acreage:</b>	<b>Approx. 34,000</b>
<b>Potential Locations:</b>	<b>1,500 on 20 acre spacing</b>
<b>Est. Resource Potential:</b>	<b>1.5 Tcfe<sup>(1)</sup></b>
<b>Est. Well Cost:</b>	<b>Drilling: \$1.8 – 4.5 MM / Well Recompletion: \$0.6 MM / Well</b>
<b>Est. EUR:</b>	<b>Drilling: 1.2 – 5.0 Bcfe / Well Recompletion: 0.5 Bcfe / Well</b>
<b>% Operated 2008 Budget:</b>	<b>90%</b>
<b>LOE:</b>	<b>\$0.30 / Mcfe</b>



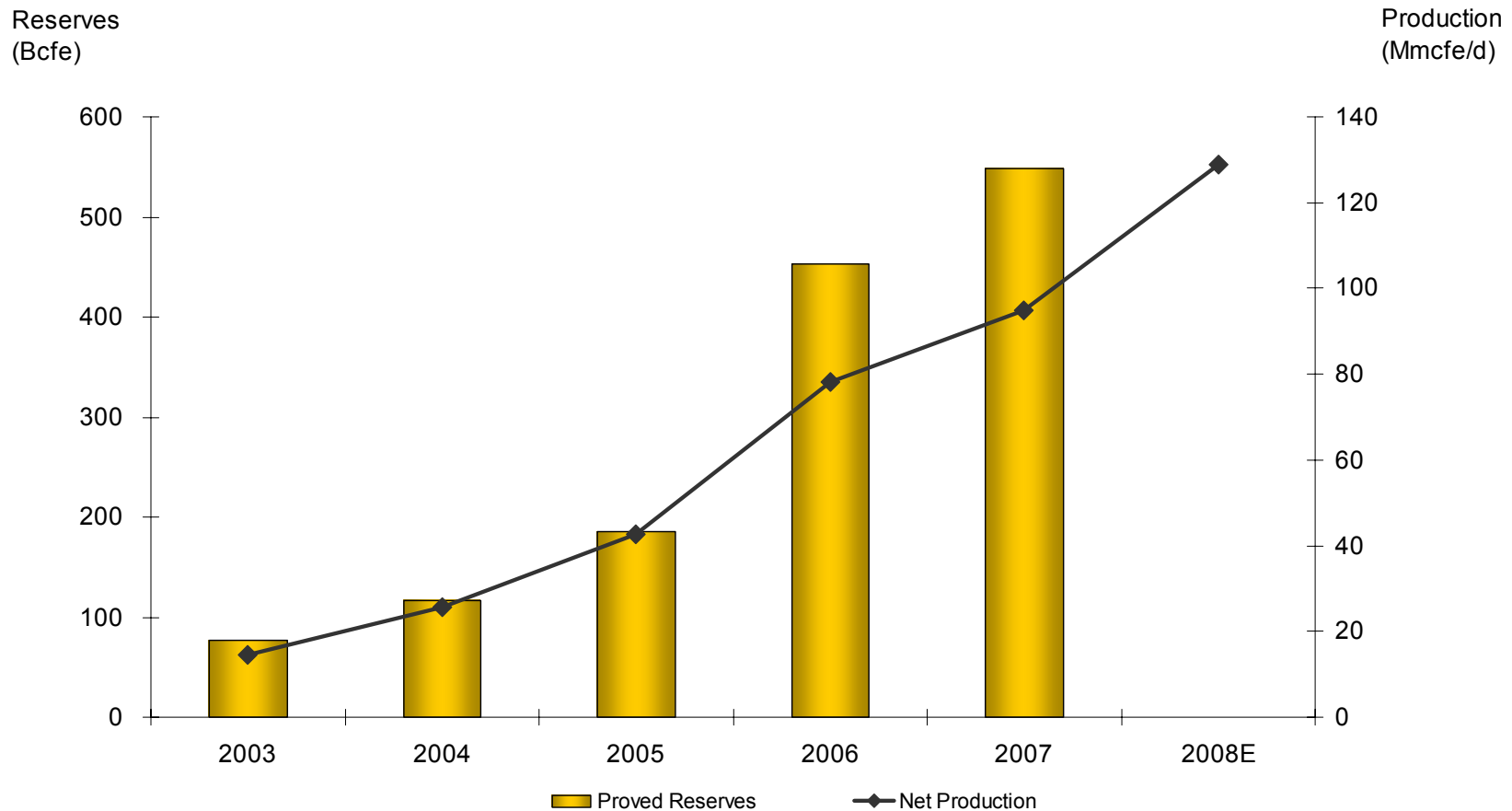
## 2008 Drilling Plan

- ▶ **\$293 million**
- ▶ **~140 operated wells**
- ▶ **~50 non-operated wells**
- ▶ **20 acre downspacing**
- ▶ **20 operated horizontal wells**
  - Build on recent Taylor Sand success
    - 10 horizontal wells in Taylor
    - 10 Davis Sand wells
  - Developing Haynesville Shale play

(1) Petrohawk estimates of risked potential.

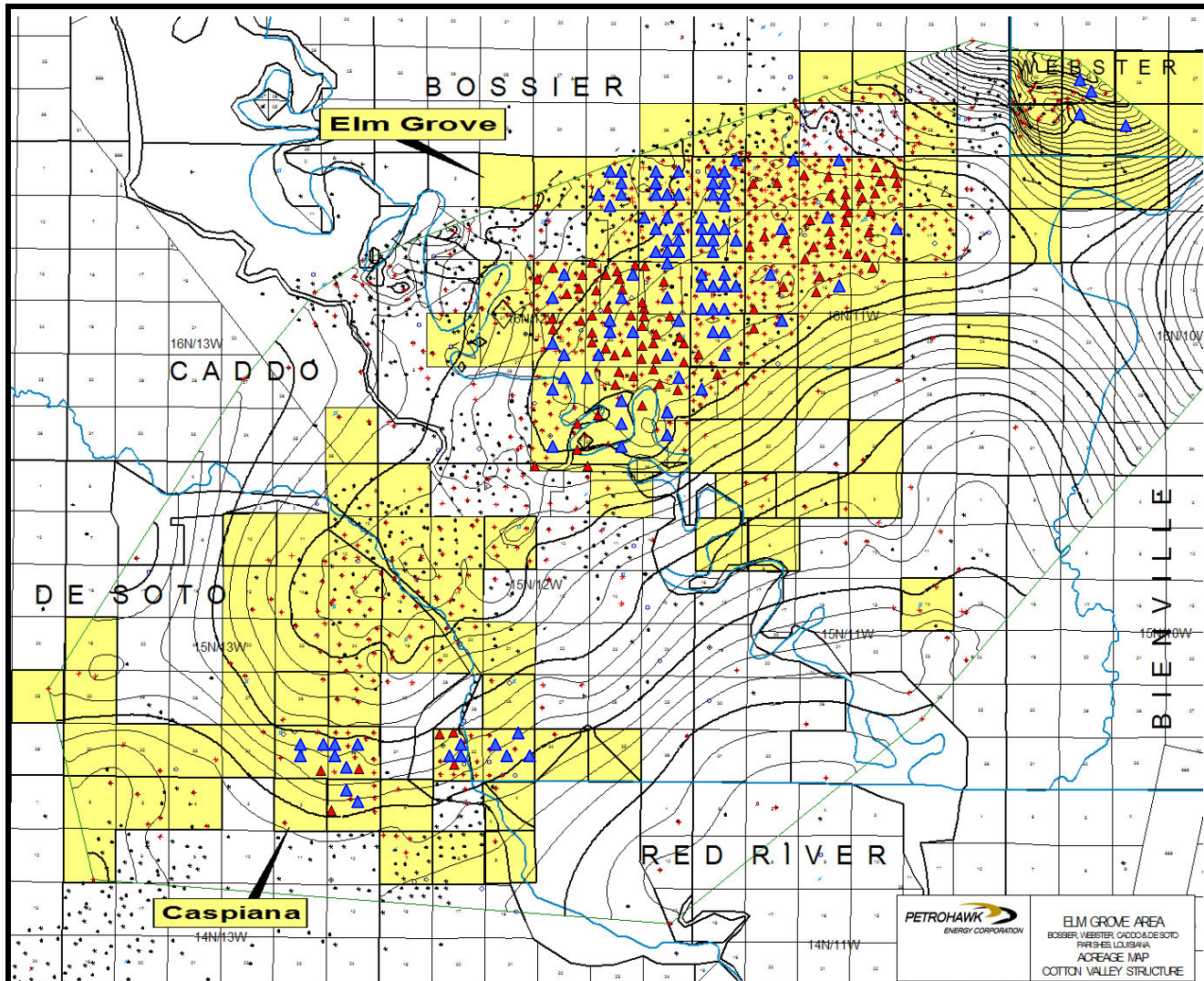
# Elm Grove: Reserve and Production Summary

- Reserves YE 2006 to YE 2007:
  - **Increased from 454 Bcfe to 549 Bcfe for 21% YOY Growth**
- Daily Production Full Year 2006 to Full Year 2007:
  - **Increased from 78 MMcfe/d to 95 MMcfe/d for 22% YOY Growth**



# Elm Grove: Cotton Valley Structure

## with 2007 & 2008 Drilling Program

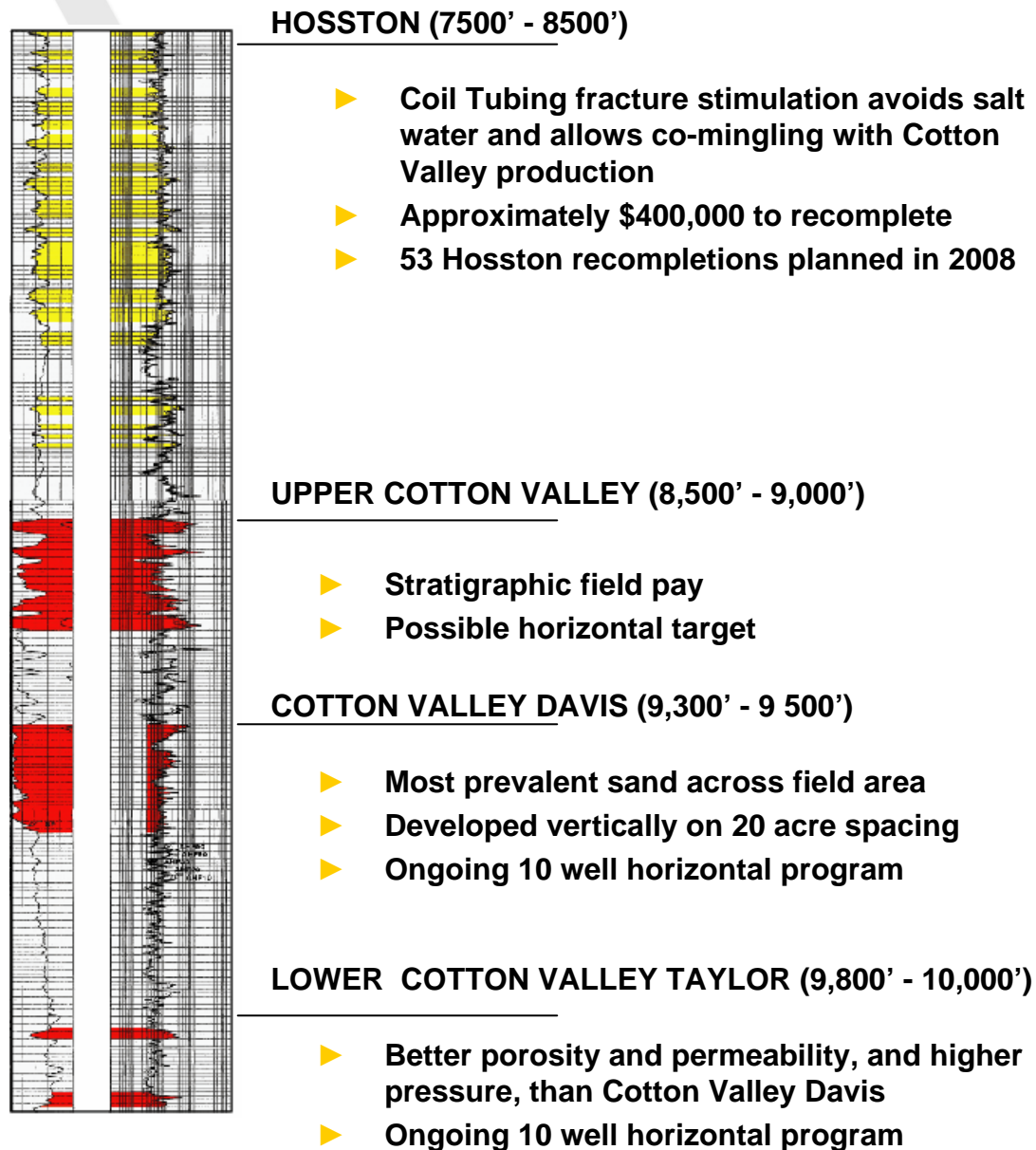


▲ 2007 Drilling Program

▲ 2008 Drilling Program



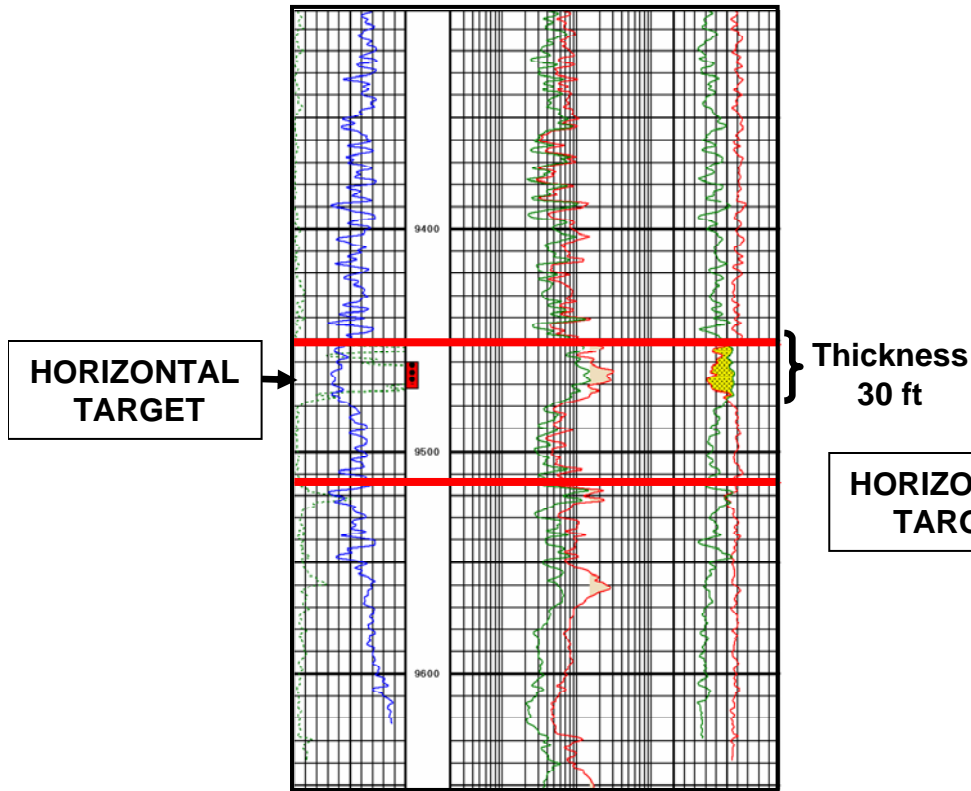
# Elm Grove: Type Log and Play Type



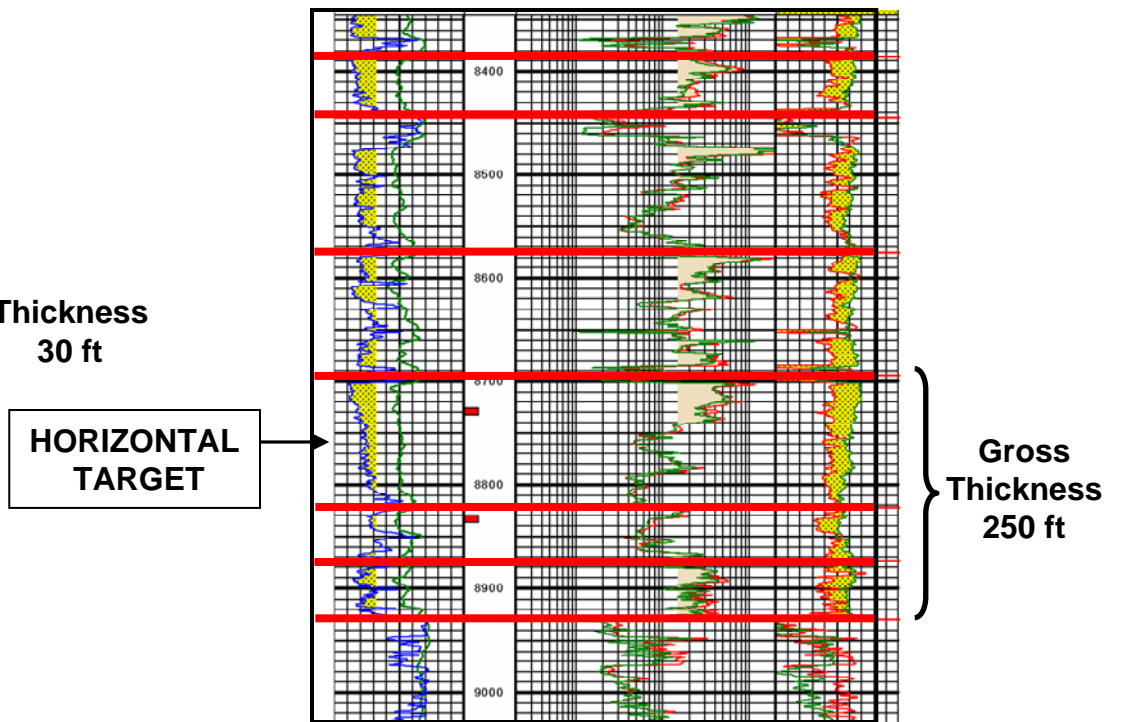


# Elm Grove: Horizontal Targets

## LCV Taylor Sand Type Log

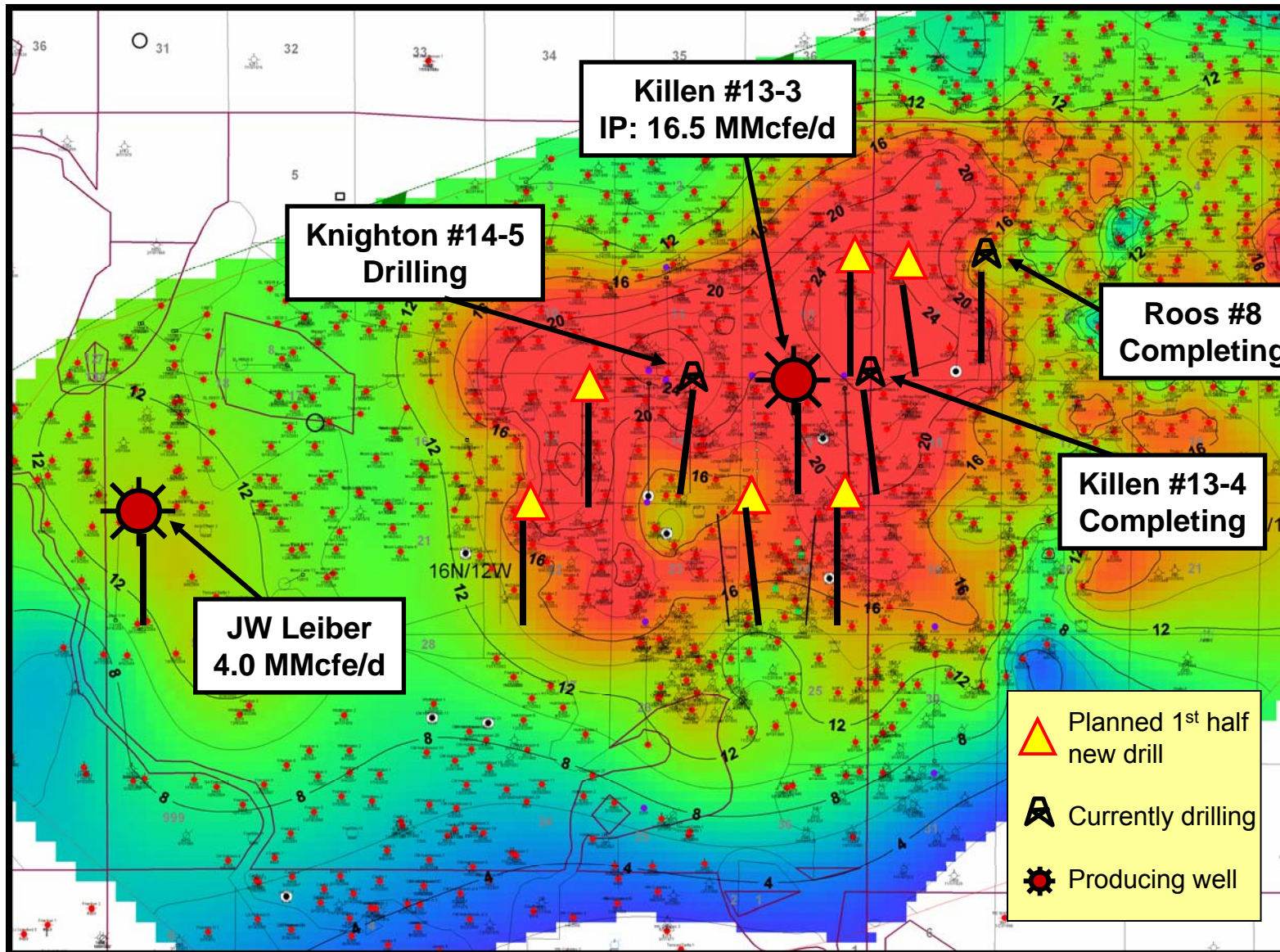


## Cotton Valley Davis Type Log



# Elm Grove: Isopach Lower Cotton Valley

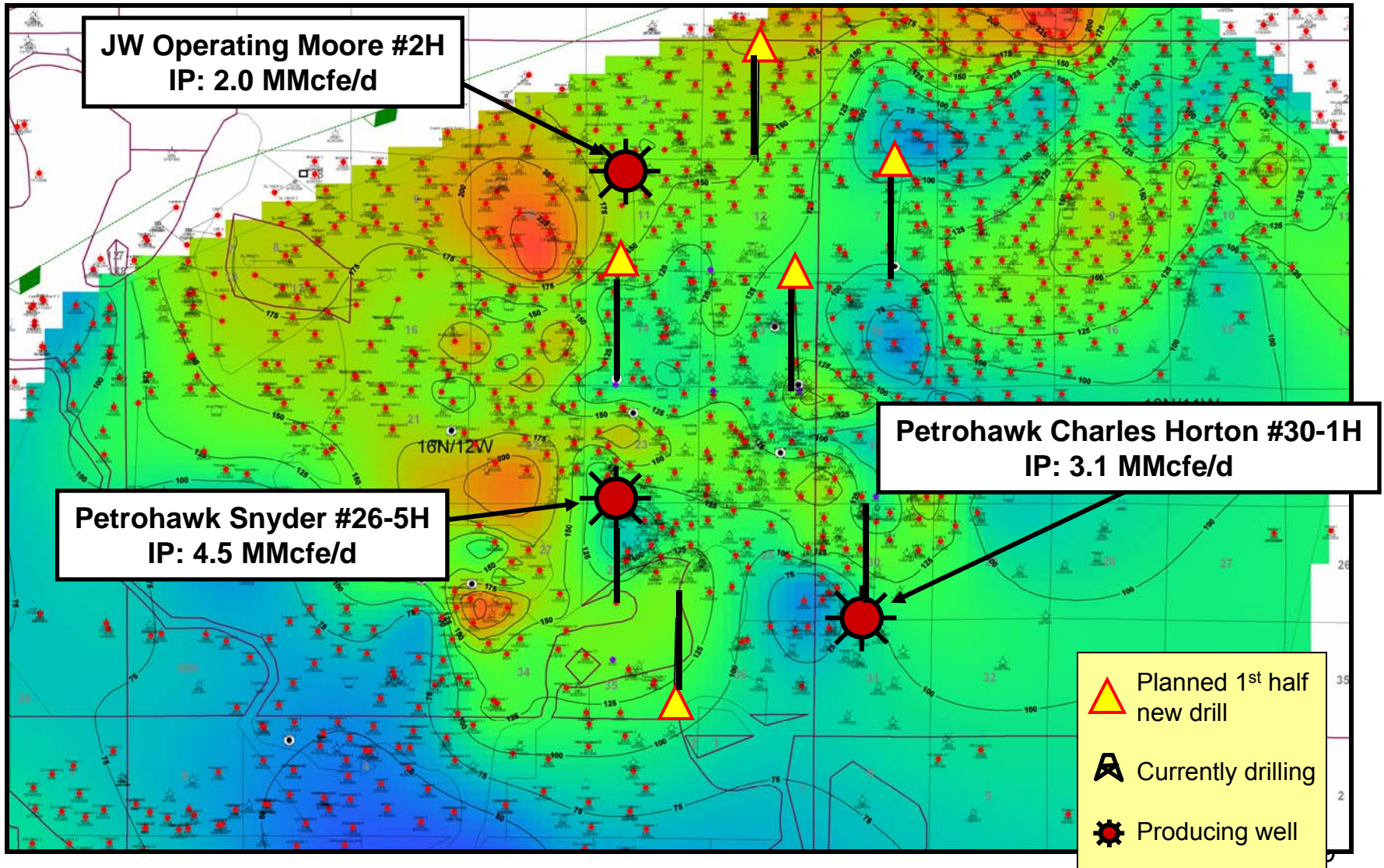
## Taylor Sand





# Elm Grove: Isopach Cotton Valley

## Davis Sand





## Haynesville Shale:

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### *New North Louisiana Resource Play*

- Rich organic Shale between Bossier and Smackover
- Ranges in depth between 10,500'-13,000'
- Highly overpressured in southern area of play
- Elm Grove area only marginally overpressured
- Over 200' thick underlying Elm Grove
- Encana J.W. Adcock core indicates favorable geochemical and petrophysical characteristics



# Haynesville Shale

**JW Operating:**

- Attempted to Frac
- Screened out

**Camterra, Questar and JW:**

- Permitted or AFE'd vertical wells

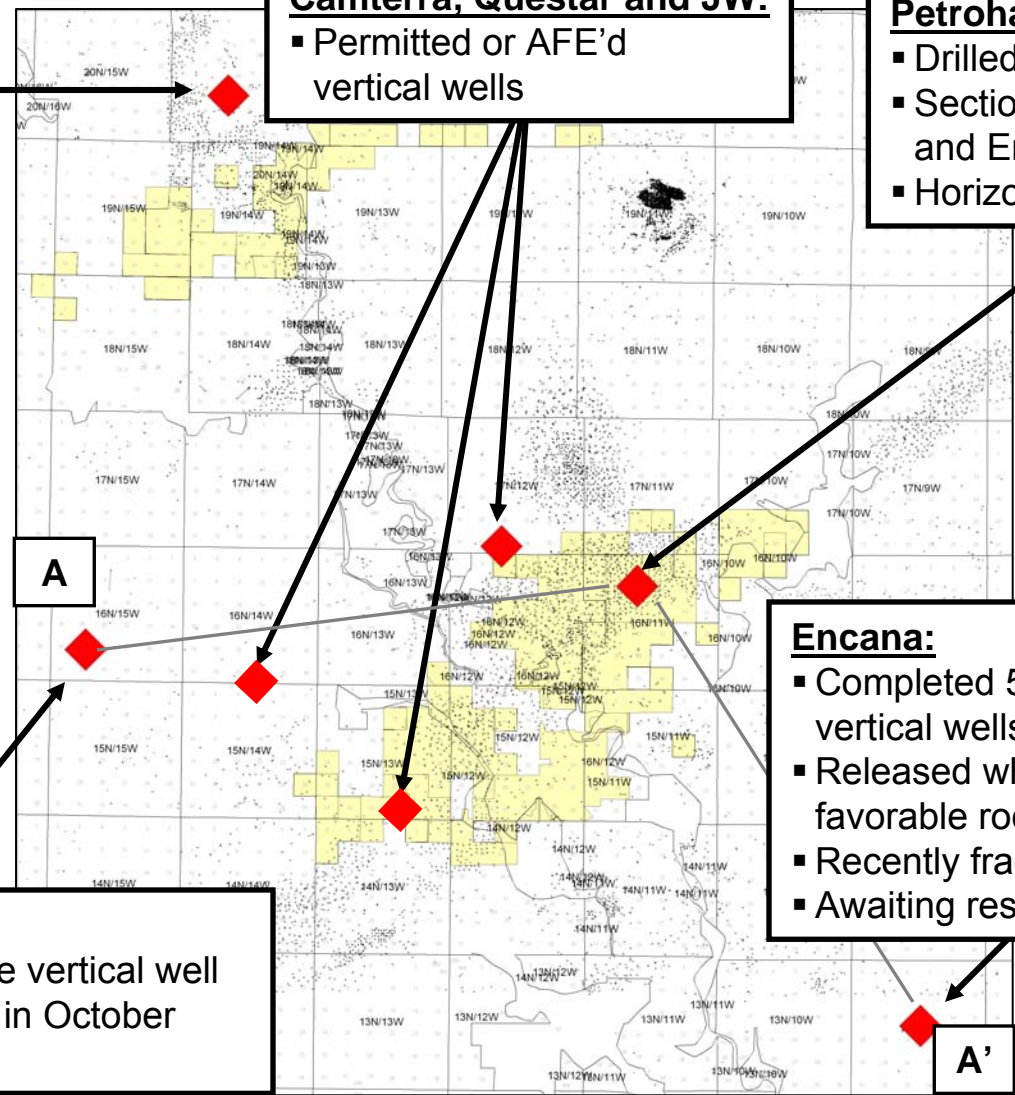
**Petrohawk:**

- Drilled deep vertical test
- Section comparable to CHK and Encana
- Horizontal well scheduled Q2

▲ Planned 1<sup>st</sup> half new drill

▲ Currently drilling

⚙️ Producing well



**Chesapeake:**

- Completed one low volume vertical well
- Completed horizontal well in October 2007 for 2.8 MMcfe/d

**Encana:**

- Completed 5 low volume vertical wells
- Released whole core data with favorable rock properties
- Recently fraced first horizontal well
- Awaiting results





# Haynesville Shale: Cross Section

A

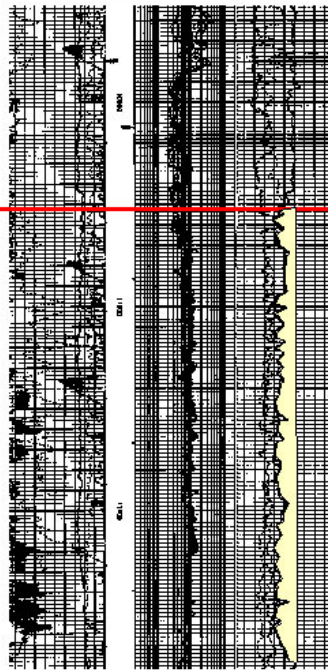
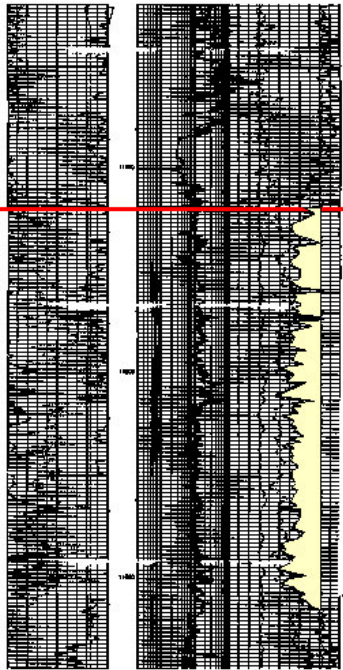
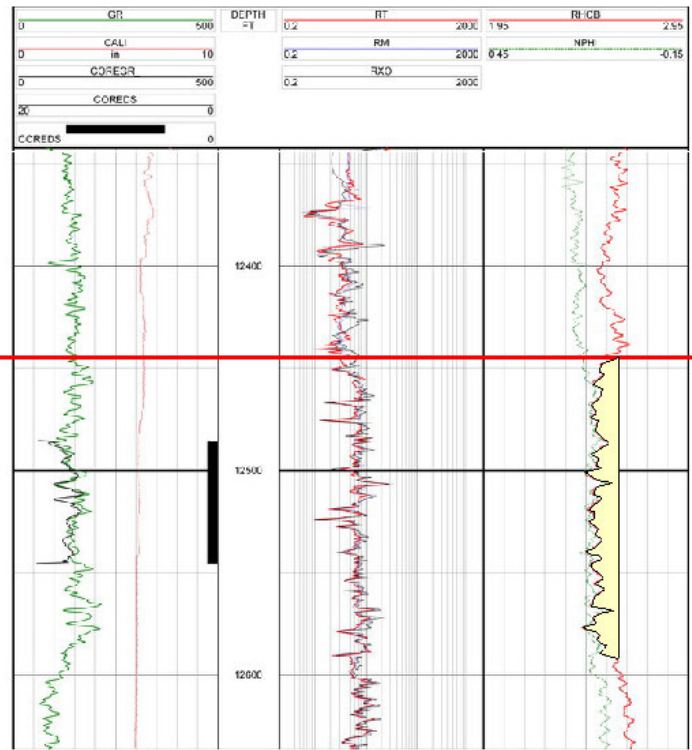
**Petrohawk  
EGP 9-15  
Elm Grove Deep Test**

**Encana  
J.W. Adcock  
Vertical Completion**

A'

**Chesapeake  
#1-29H SLRT  
2007 Horizontal Test**

DEPTH (ft)	GR (API)	RM (ft)	RI-CB (ft)	NPH (ft)
0	500	10	2000	255
0	500	10	2000	-0.75
0	500	10	2000	2000
0	500	10	2000	0



**IP: 2.7 MMcfe/d**

**>200' Net Shale**

**Test 4.0 MMcfe/d**



# Resource Potential

## Elm Grove

### *CV / Hosston*

- Undeveloped acres: 20,000
- Spacing: 20 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 1.3 Bcfe
- Net Revenue Interest: 80%

### *Haynesville*

- Undeveloped acres: 30,000
- Spacing: 60 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 3.0 Bcfe
- Net Revenue Interest: 80%

**Estimated Resource Potential: 1.5 Tcfe**

**+ Proved Reserves = 2.0 Tcfe**

## Terryville

## Fayetteville

## Total Company



# Terryville Field Overview

<b>Net Acreage:</b>	<b>Approx. 42,000</b>
<b>Potential Locations:</b>	<b>Over 900 on 20-acre spacing</b>
<b>Est. Resource Potential:</b>	<b>1.0 Tcfe <sup>(1)</sup></b>
<b>Est. Well Cost:</b>	<b>\$1.8 – 3.2 MM / Well</b>
<b>Est. EUR:</b>	<b>1.2 – 3.0 Bcfe / Well</b>
<b>% Operated</b>	<b>90%</b>
<b>2008 Budget:</b>	
<b>LOE:</b>	<b>\$0.15 / Mcfe</b>



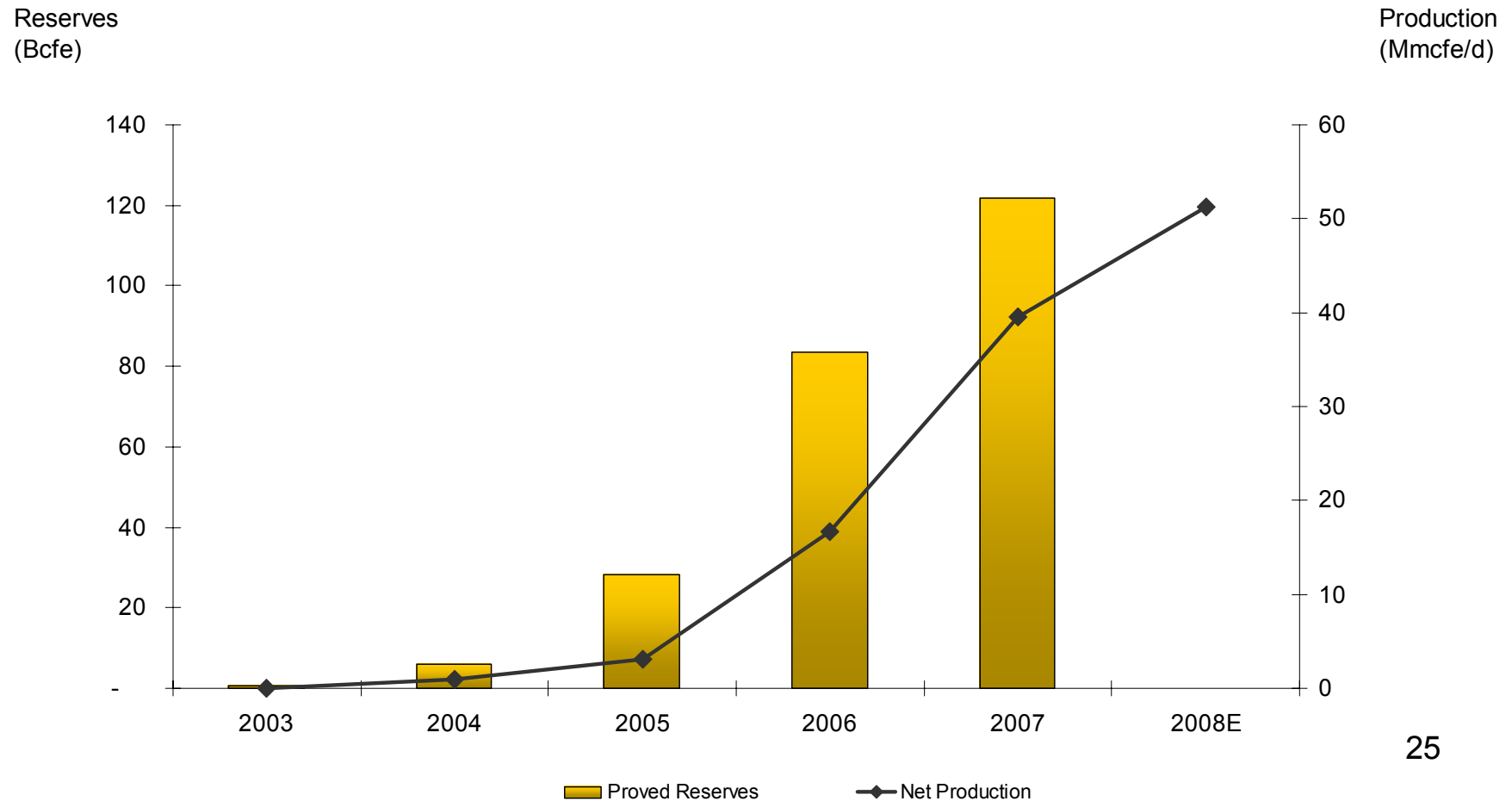
## 2008 Drilling Plan

- ▶ **\$121 Million**
- ▶ **~60 operated wells**
- ▶ **~15 non-operated wells**
- ▶ **50 sq. mile 3D survey completed**
- ▶ **Additional seismic planned**
- ▶ **Horizontal exploitation**
- ▶ **Gray Sand exploration**
- ▶ **Bossier exploration**

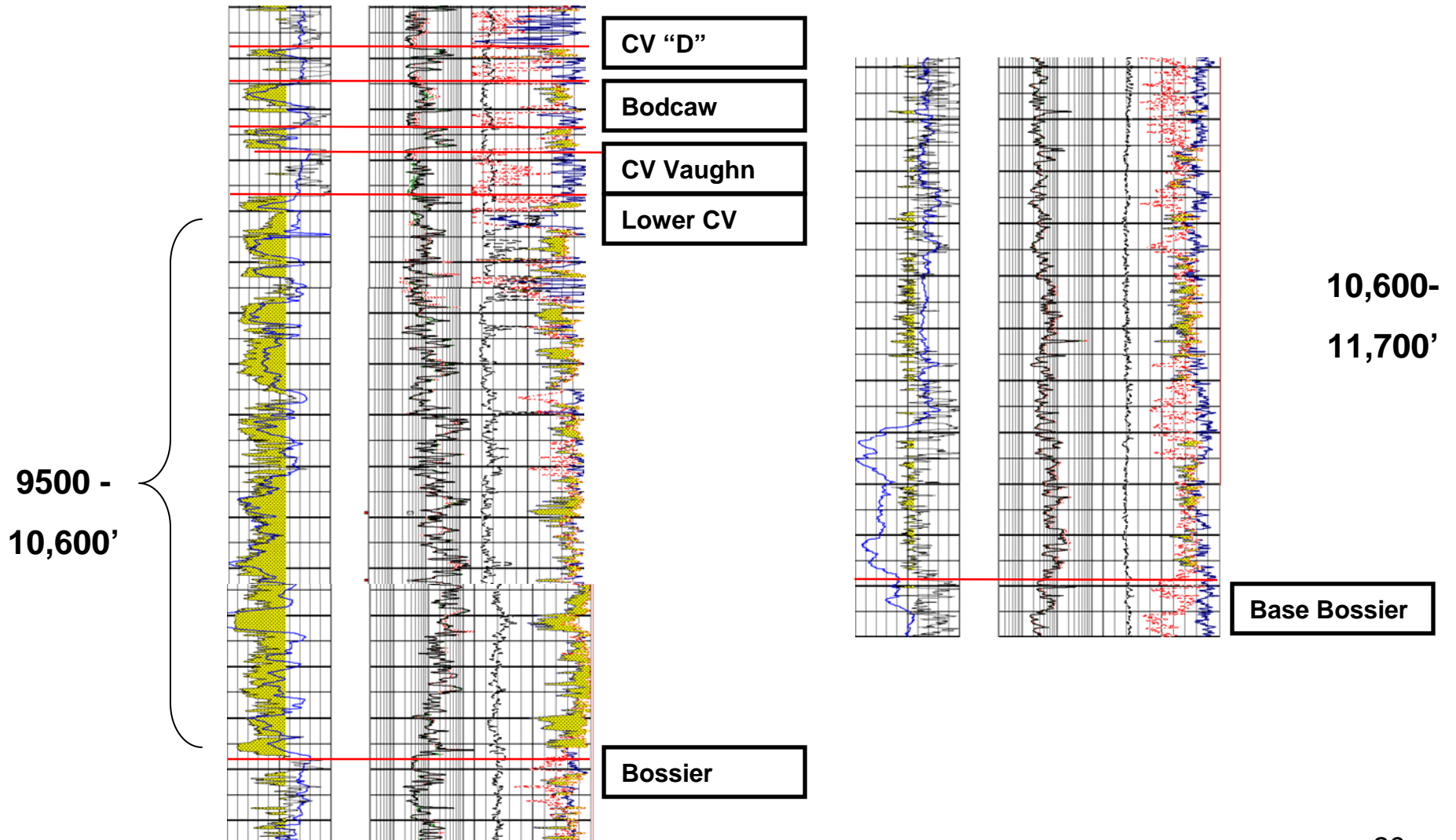
(1) Petrohawk estimates of risked potential.

# Terryville: Production and Reserves

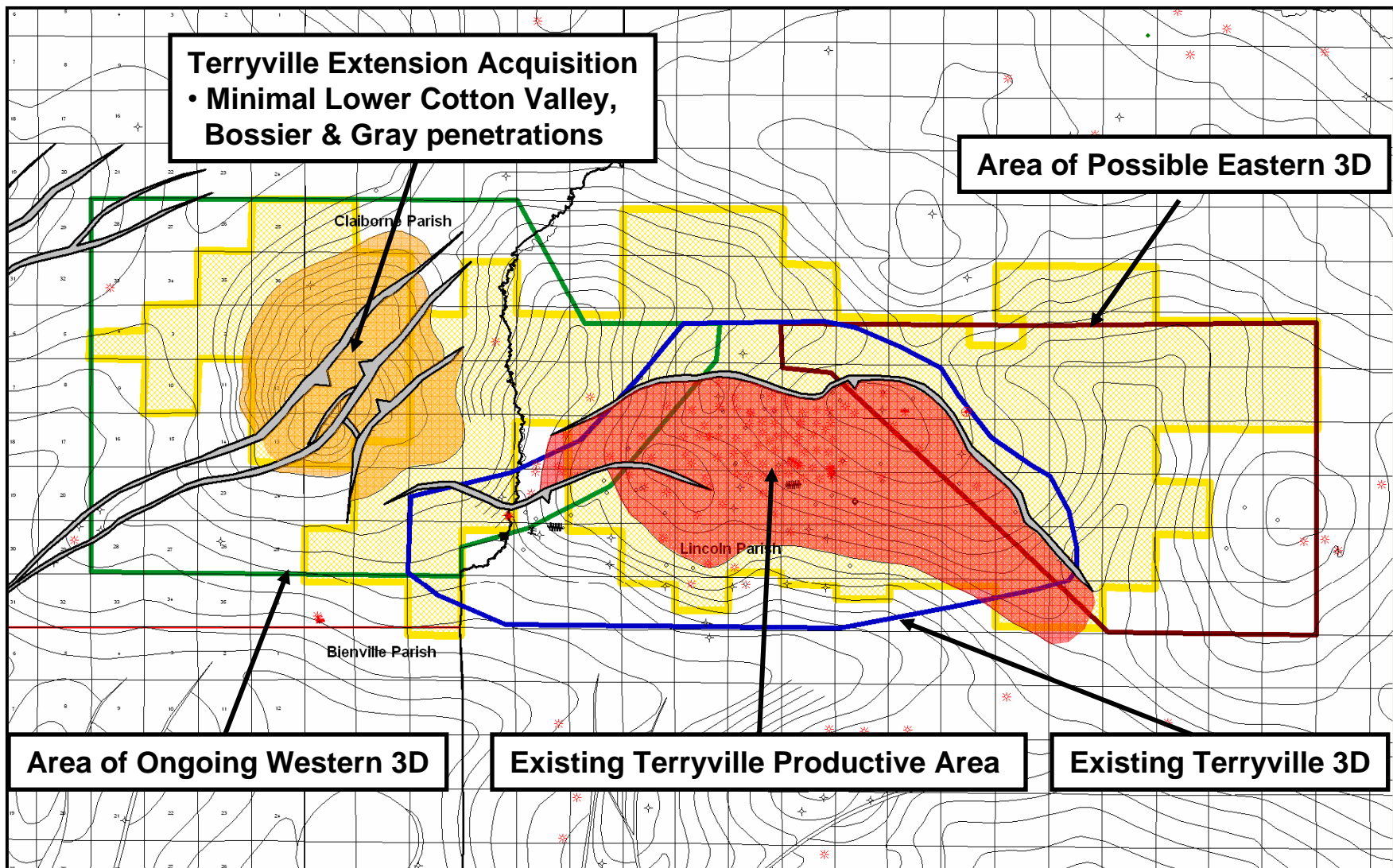
- Reserves YE 2006 to YE 2007:
  - *Increased from 84 BCFE to 122 BCFE for 45% YOY Growth*
- Daily Production Full Year 2006 to Full Year 2007:
  - *Increased from 17 MM/d to 40 MM/d for 135% YOY Growth*



# Terryville: Cotton Valley / Bossier Type Log

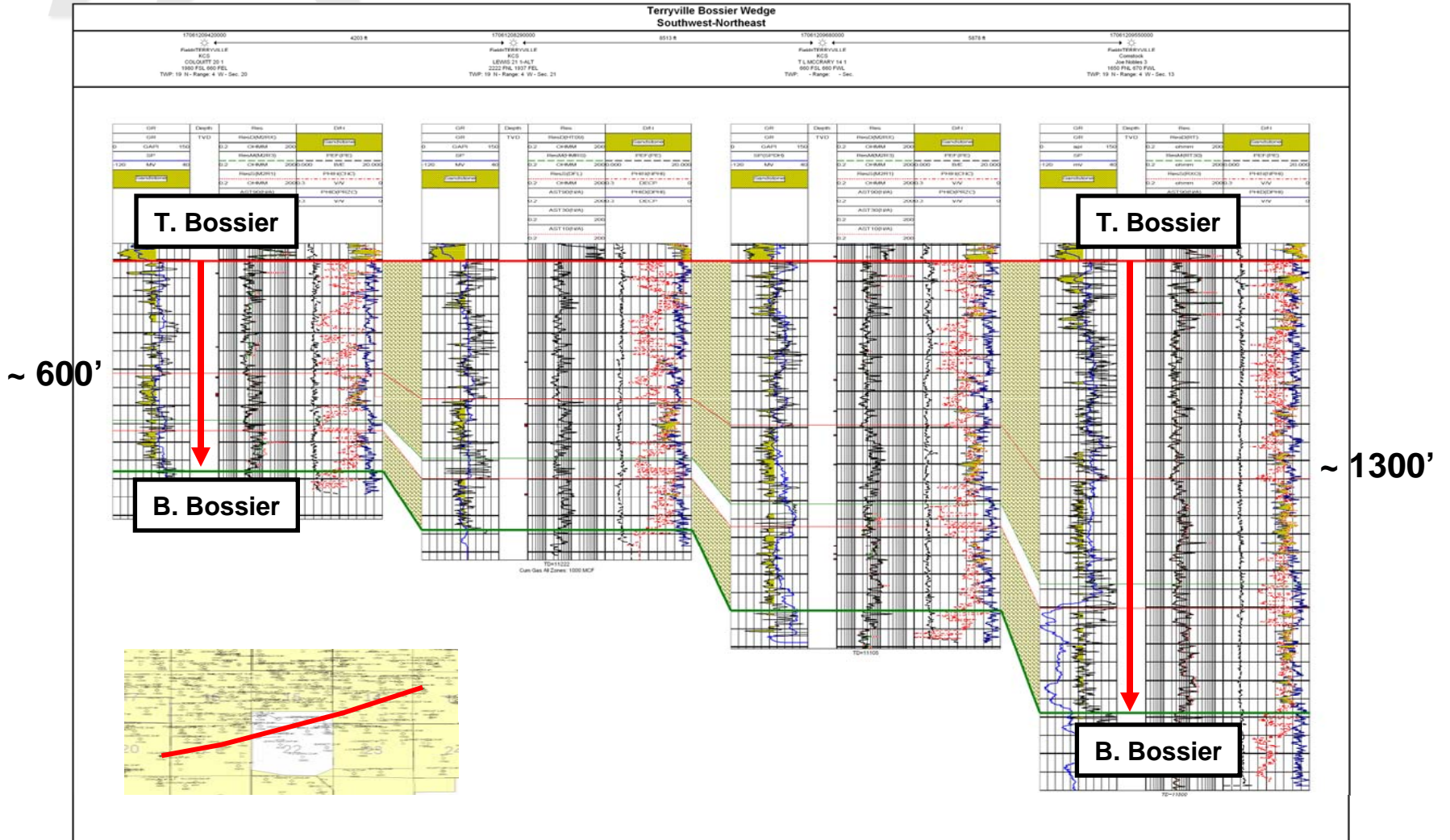


# Terryville: Lower Cotton Valley Structure

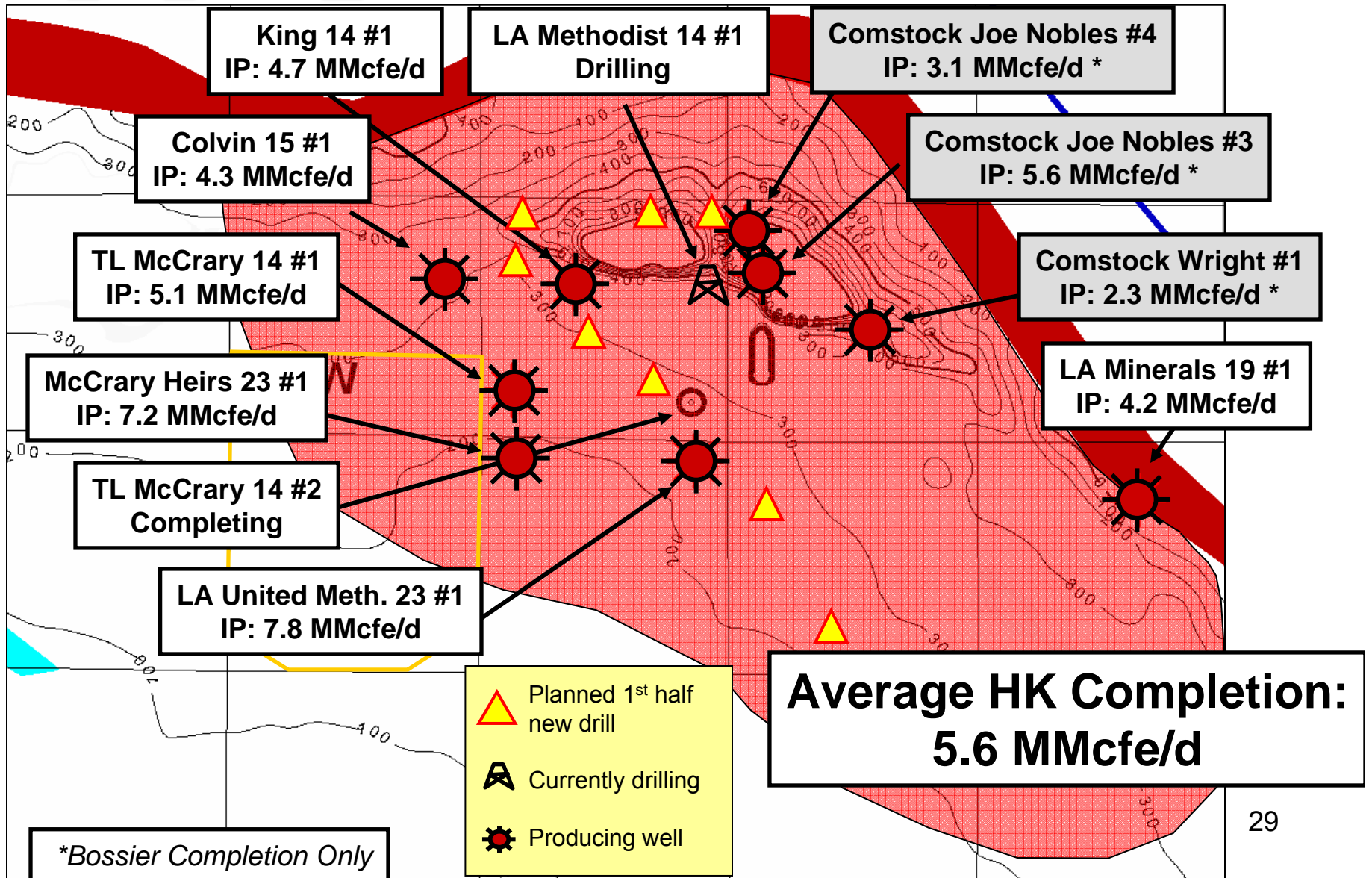




# Terryville: Bossier Wedge Cross Section

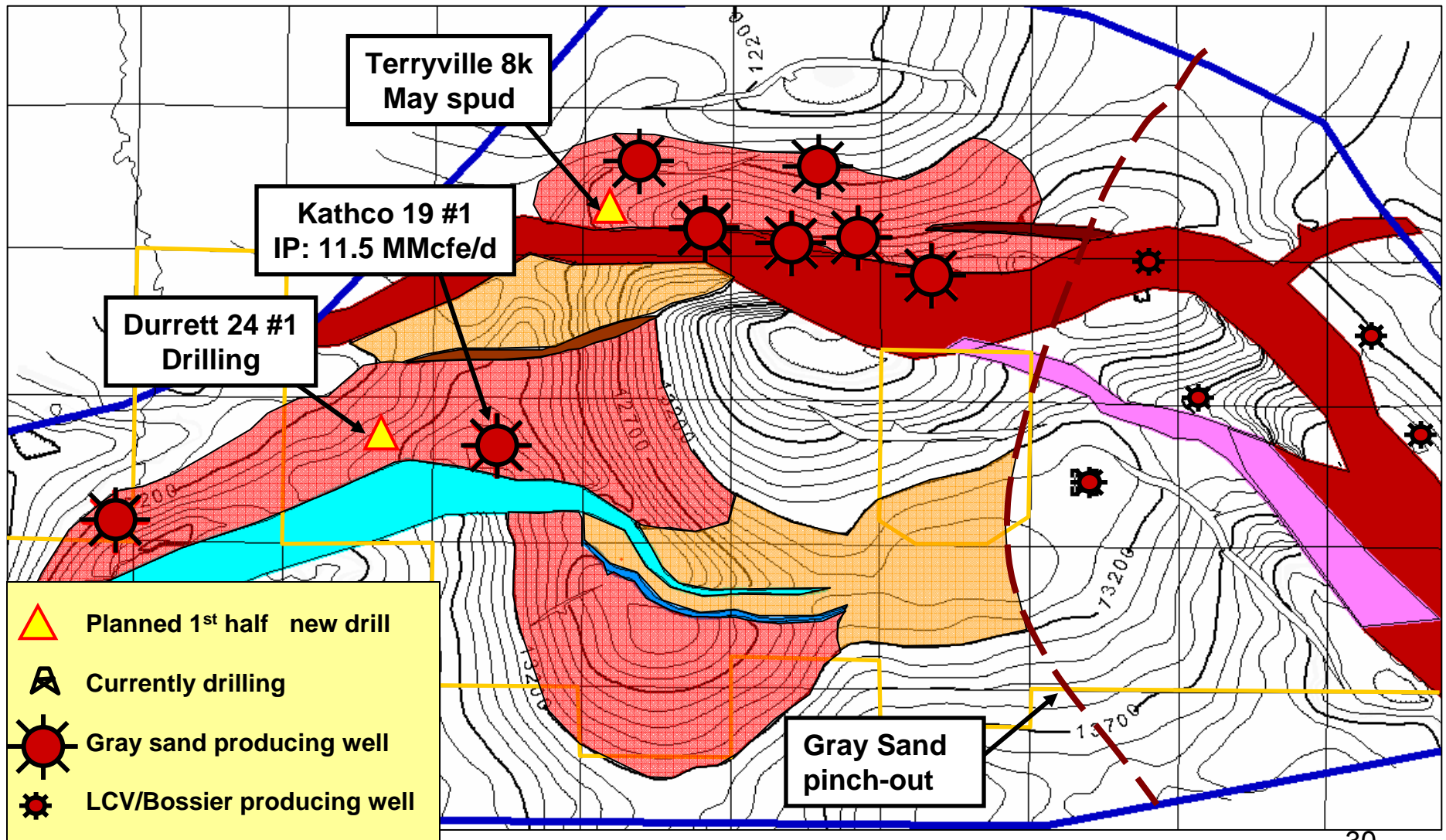


# Terryville: Seismic Isochron Bossier

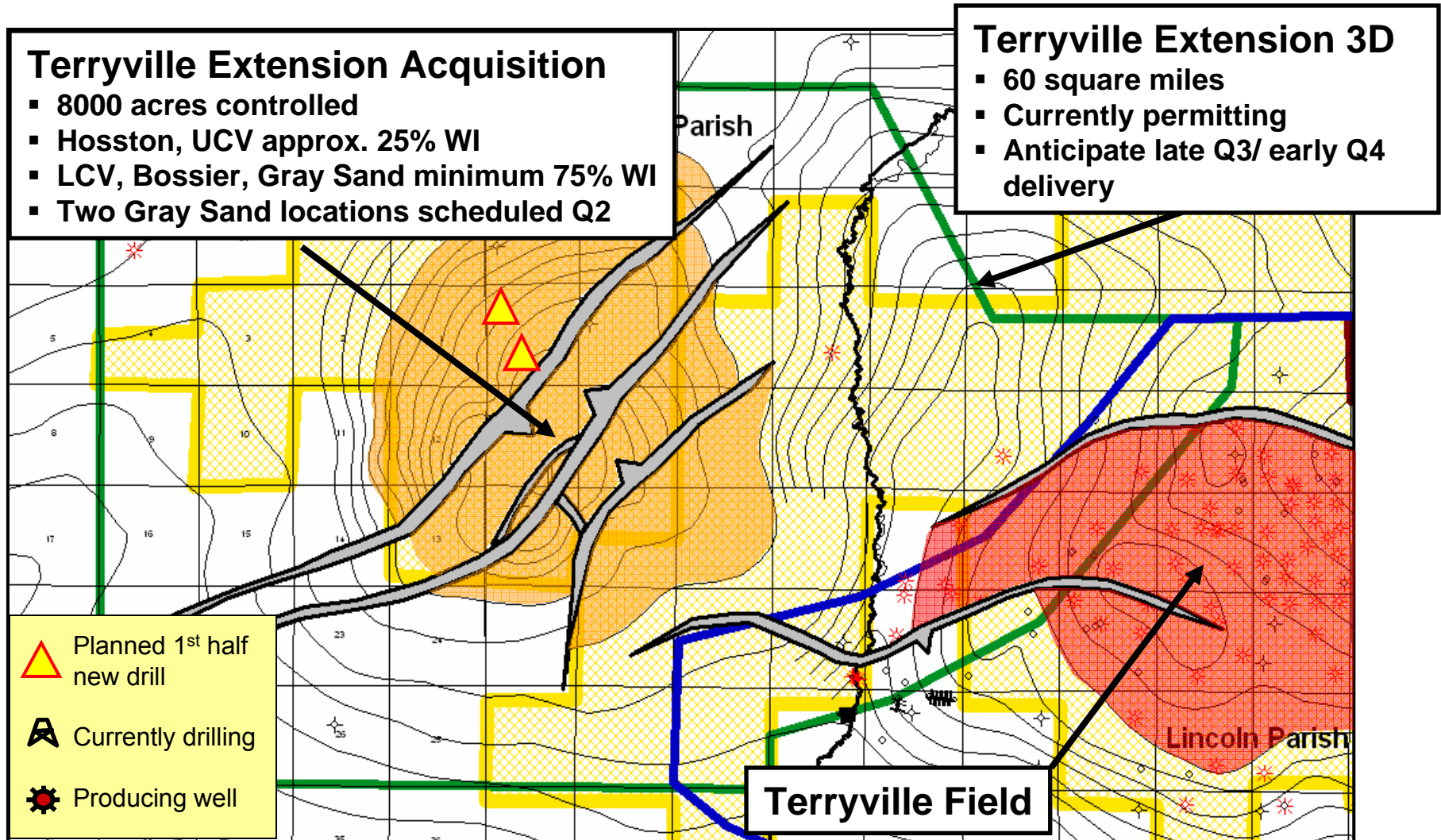




# Terryville: Seismic Structure Gray Sand



# Terryville Extension: Cotton Valley Structure





# Resource Potential

## Elm Grove

### *CV / Hosston*

- Undeveloped acres: 20,000
- Spacing: 20 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 1.3 Bcfe
- Net Revenue Interest: 80%

### *Haynesville*

- Undeveloped acres: 30,000
- Spacing: 60 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 3.0 Bcfe
- Net Revenue Interest: 80%

Estimated Resource Potential: 1.5 Tcfe

+ Proved Reserves = **2.0 Tcfe**

## Terryville

- Undeveloped acres: 37,000
- Spacing: 20 Acres
- Risked Potential: 50%
- Avg Gross Reserves: 1.4 Bcfe
- Net Revenue Interest: 80%

Estimated Resource Potential: 1.0 Tcfe

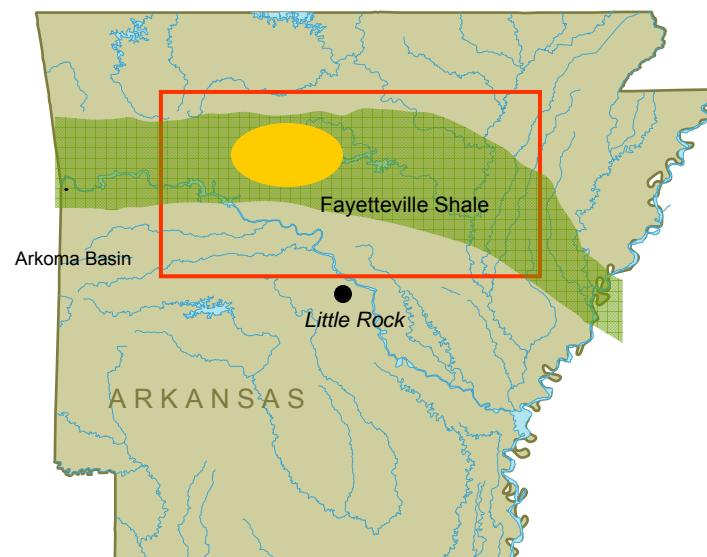
+ Proved Reserves = **1.2 Tcfe**

## Fayetteville

## Total Company

# Fayetteville Shale Overview

<b>Net Acreage:</b>	<b>Approx. 155,000</b>
<b>Potential Locations:</b>	<b>Over 6,600 on 60 acre spacing <sup>(1)</sup></b>
<b>Est. Resource Potential:</b>	<b>2.0 Tcfe <sup>(2)</sup></b>
<b>Est. Well Cost:</b>	<b>\$1.75 – 2.75 MM / Well</b>
<b>Est. EUR:</b>	<b>1 – 4 Bcfe / Well</b>
<b>% Operated</b>	<b>90%</b>
<b>2008 Budget:</b>	
<b>LOE:</b>	<b>\$0.35 / Mcfe</b>



## 2008 Drilling Plan

- ▶ **\$278 million**
- ▶ **Maximum 7 rig program**
  - ~150 operated wells
  - ~120 non-operated wells
- ▶ **Capitalize on tight-gas completion expertise**
- ▶ **Invest heavily in infrastructure**

(1) Based on internal risked estimate.

(2) Petrohawk estimates of risked potential.

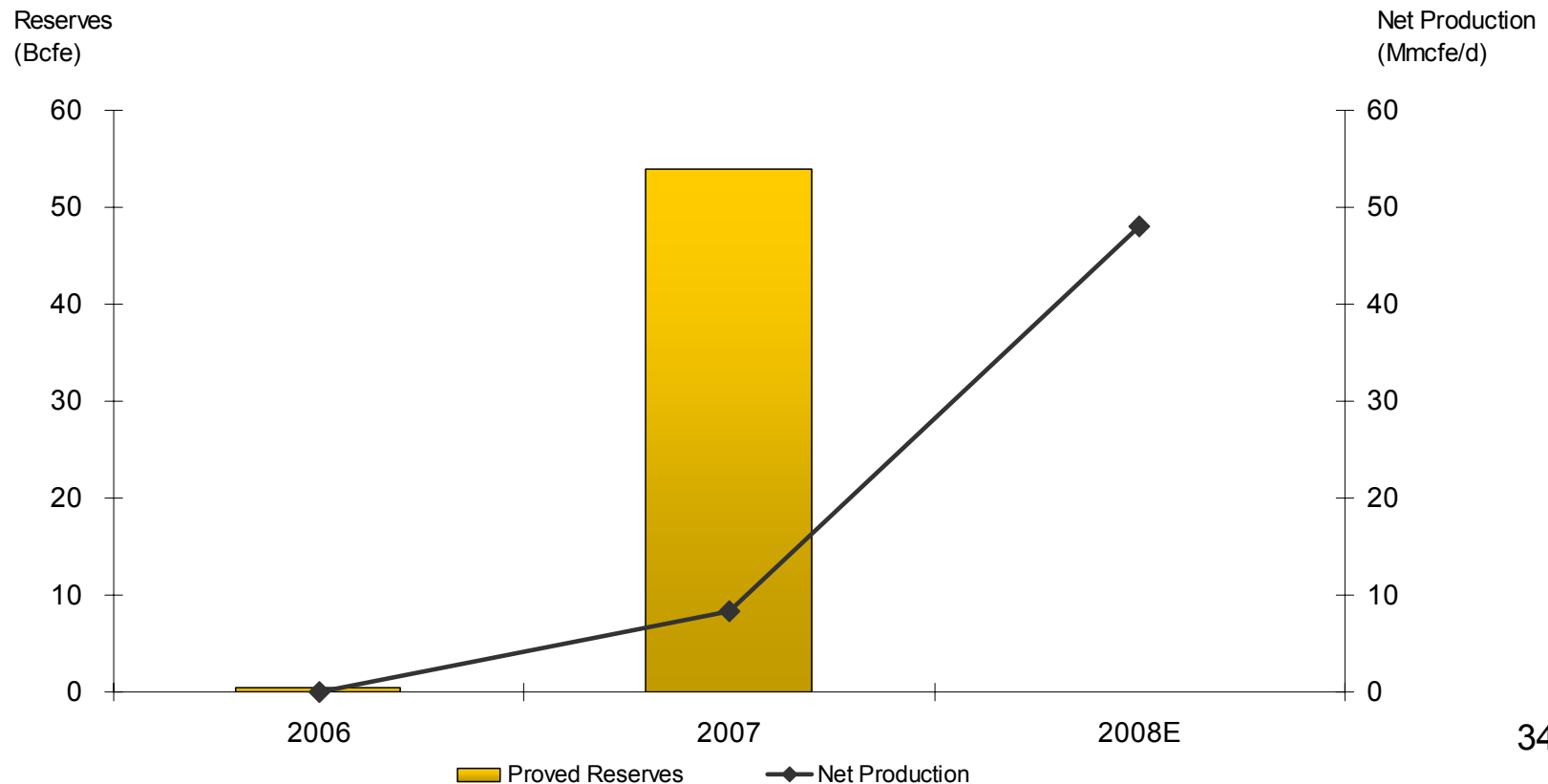
# Production / Reserve Summary

- **Reserves YE 2006 to YE 2007:**

- Increase from 0.5 to 54.4 Bcfe
- Included 250 total wells
  - 150 Proved Developed with average EUR of 1.8 Bcfe
  - 98 Proved Undeveloped locations with average EUR of 1.7 Bcfe

- **Production YE 2006 to YE 2007:**

- Increased Gross Operated Production from 0 to ~42 MMcfe/d
- Current Gross Operated ~ 70 MMcfe/d





# Fayetteville: Production Growth

Gross Operated Production

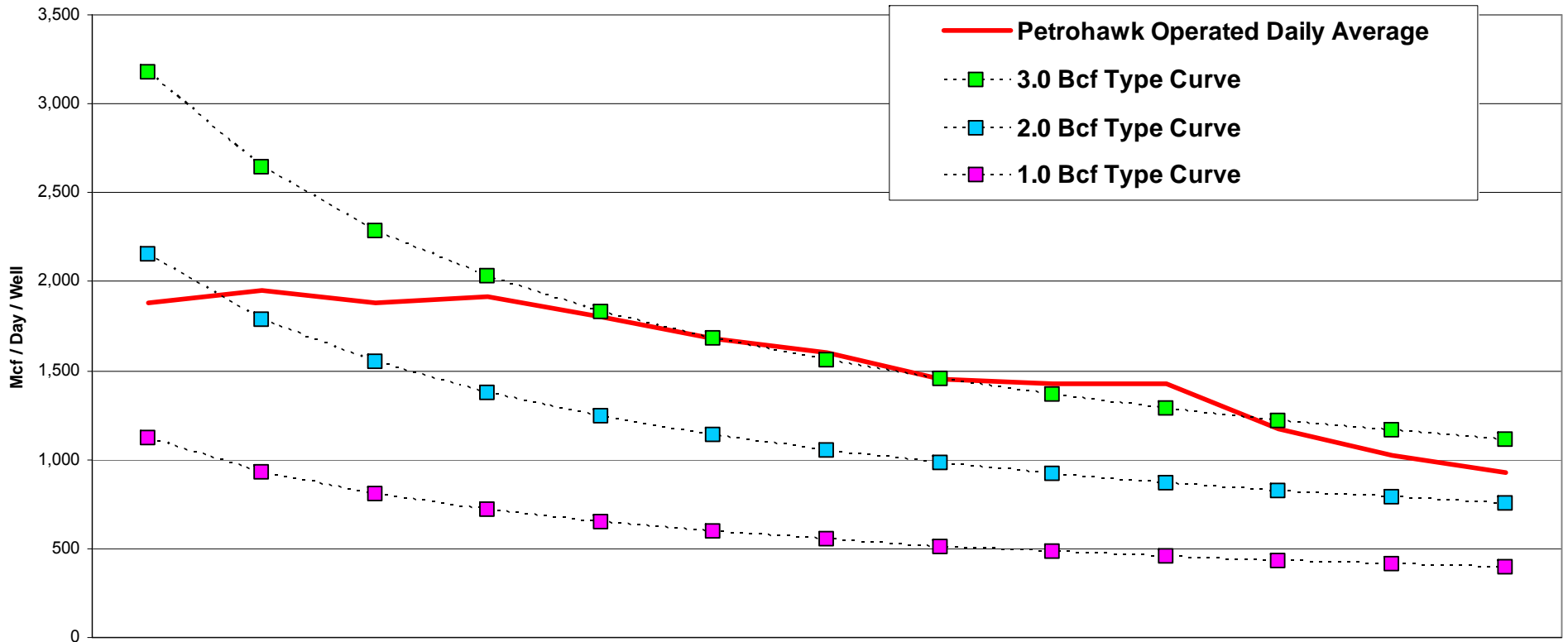






# Time Zero Production Plot

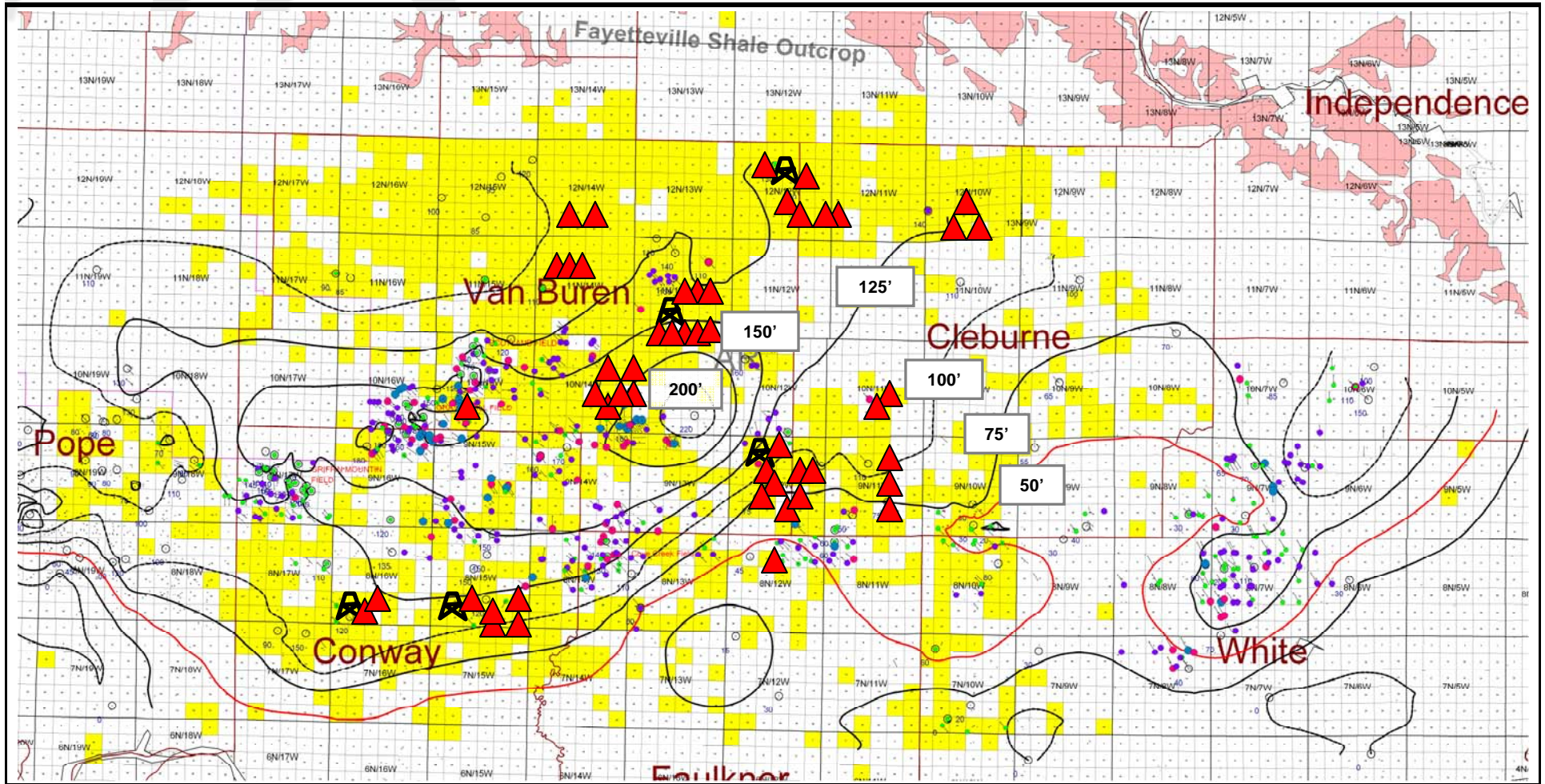
Petrohawk Operated Fayetteville Shale  
Average Daily Production Per Well



	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th
Sample Set	28	22	16	13	10	9	8	7	5	4	3	2	1
# Wells	28	22	16	13	10	9	8	7	5	4	3	2	1



# Fayetteville: Core Area with Net Isopach



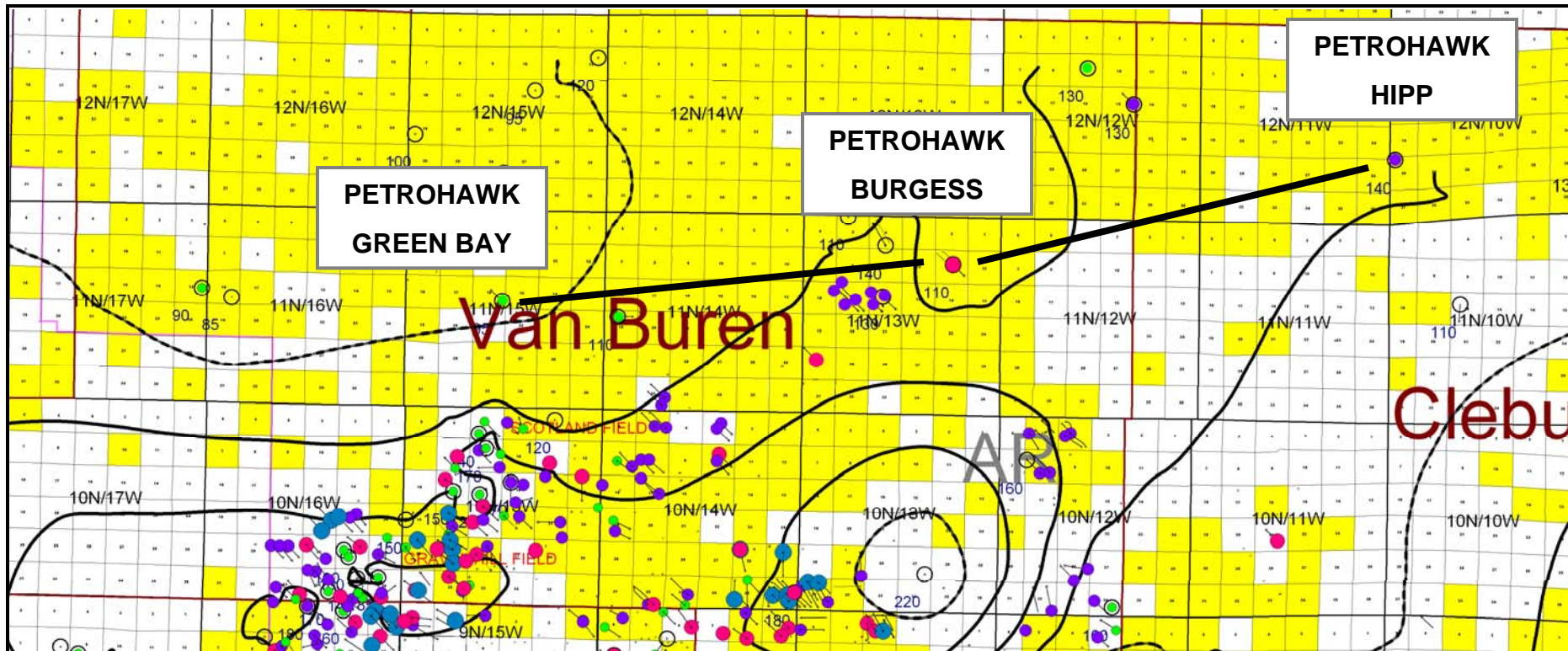
- > 1 MMcf/d
- 1 - 2 MMcf/d
- 2 - 3 MMcf/d
- > 3 MMcf/d
- ▲ Currently Drilling
- ▲ Scheduled 1H 2008

**PETROHAWK**  
ENERGY CORPORATION

FAYETTEVILLE SHALE PLAY  
THIRTY (30) ISOPACH  
25'



# Fayetteville – Northern Area

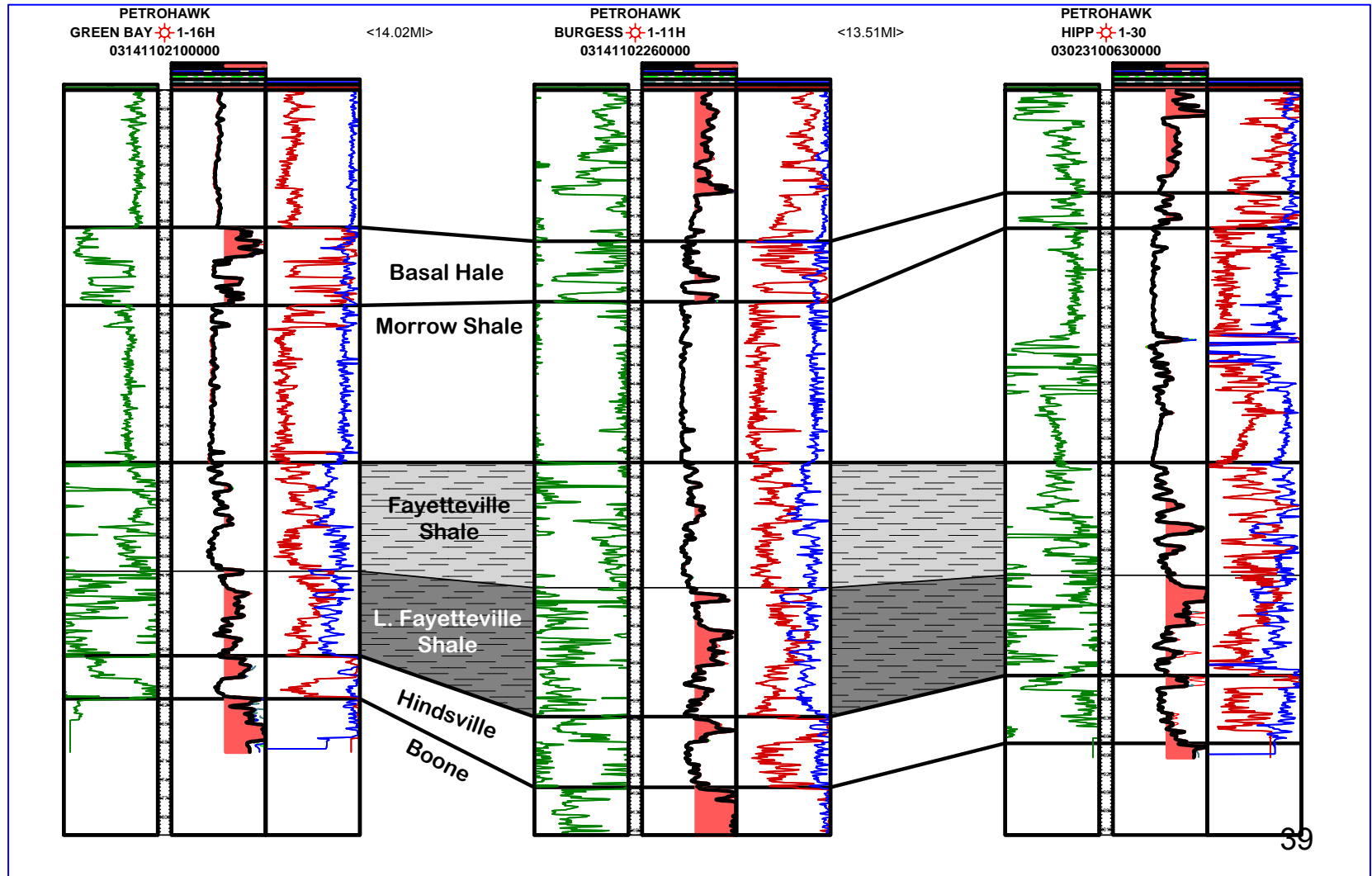


# Fayetteville: Northern Cross Section

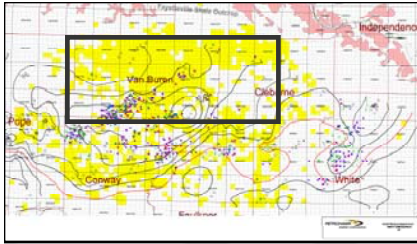
PETROHAWK  
GREEN BAY

PETROHAWK  
BURGESS

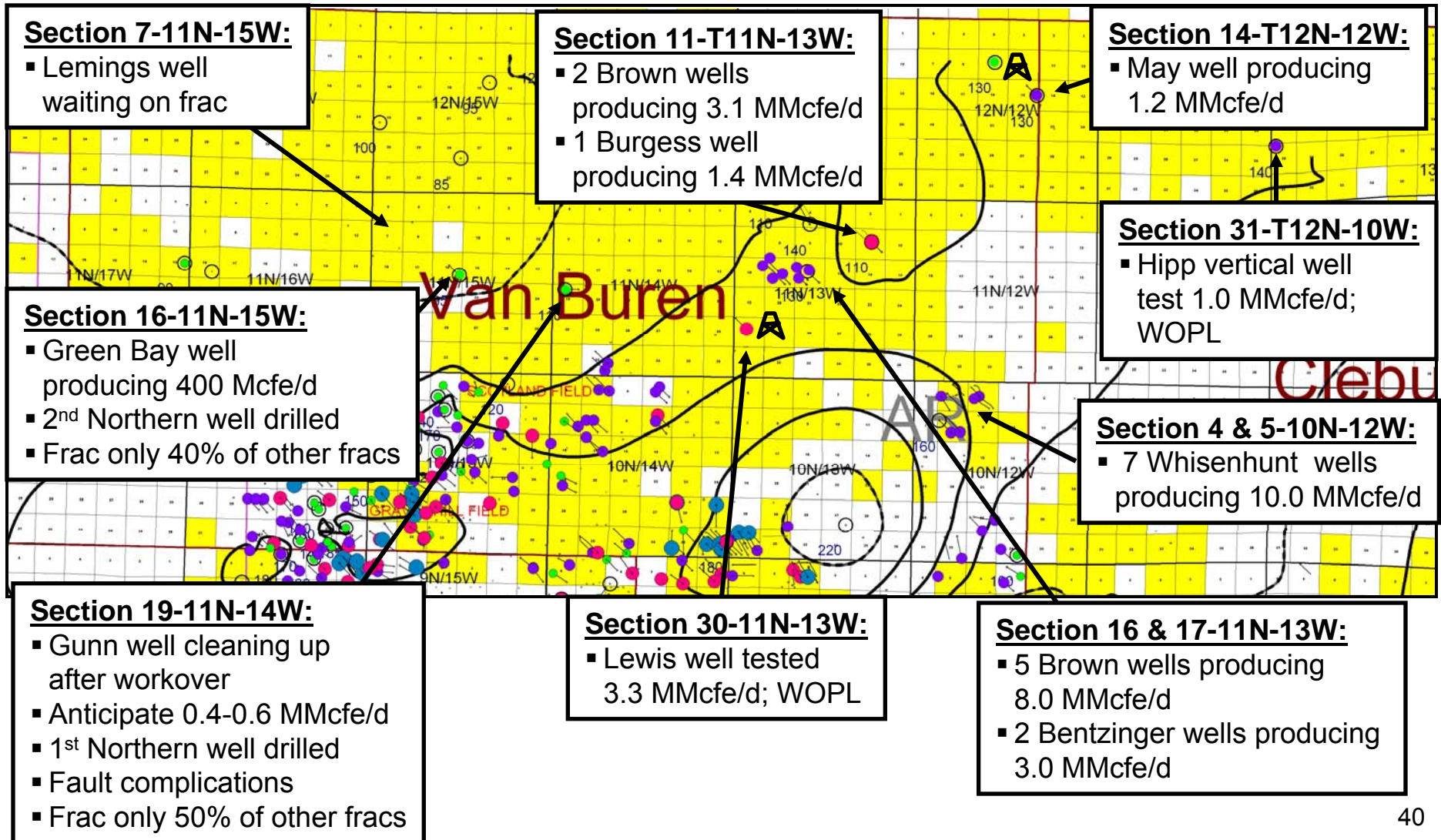
PETROHAWK  
HIPP



# Fayetteville – Northern Area

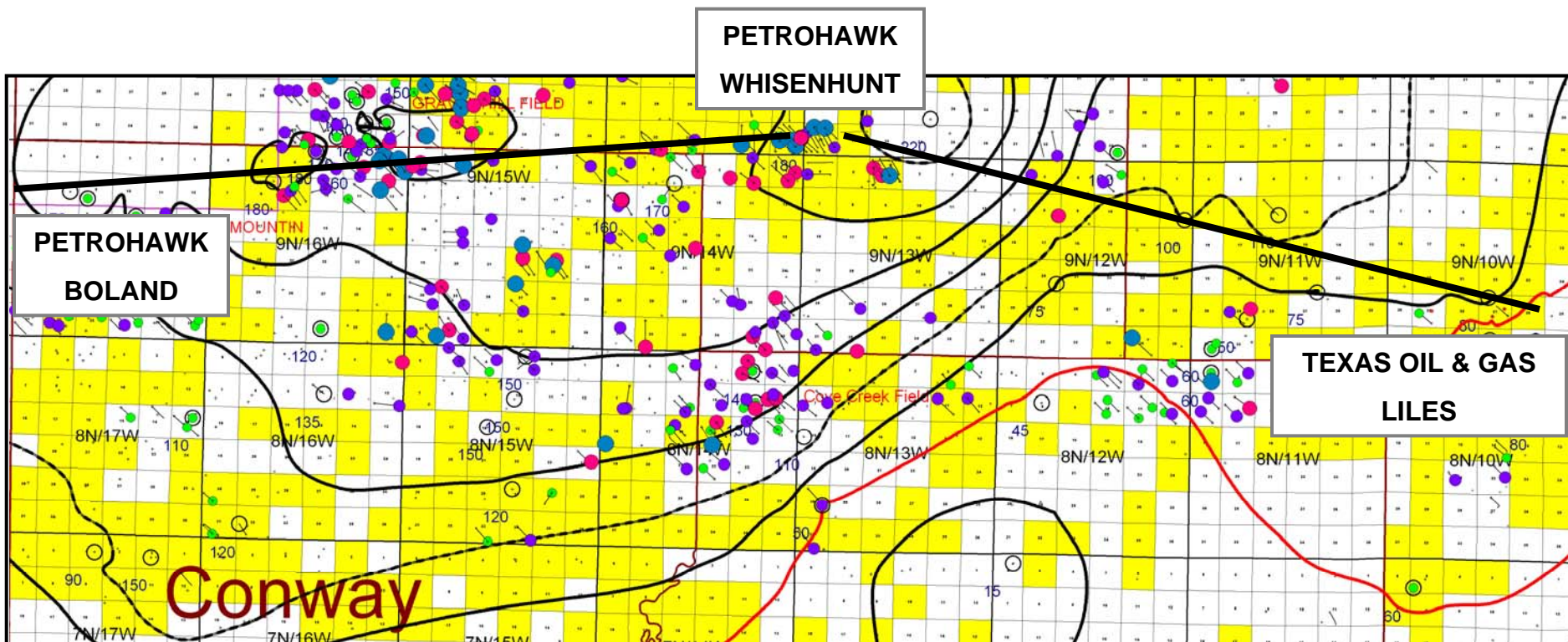
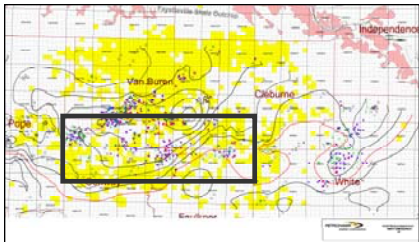


- 19 HK Operated Wells Producing 27 MMcfe/d
- Expected EUR 1.5 – 2.0 Bcfe per well





# Fayetteville – Southern Area

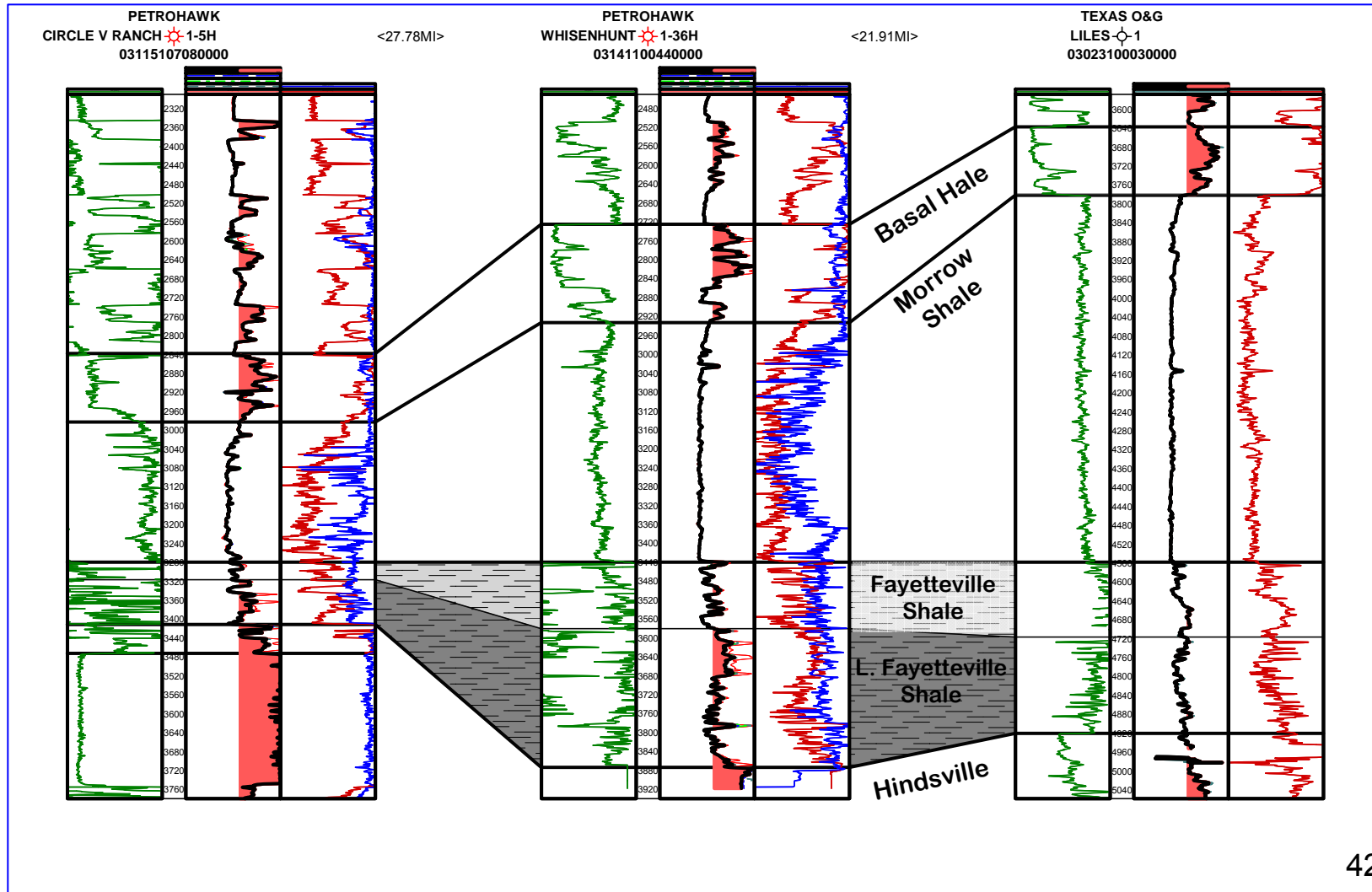


# Fayetteville: Southern Cross Section

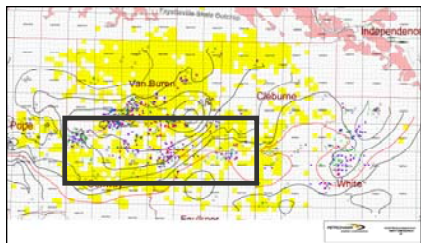
PETROHAWK  
BOLAND

PETROHAWK  
WHISENHUNT

TEXAS OIL & GAS  
LILES







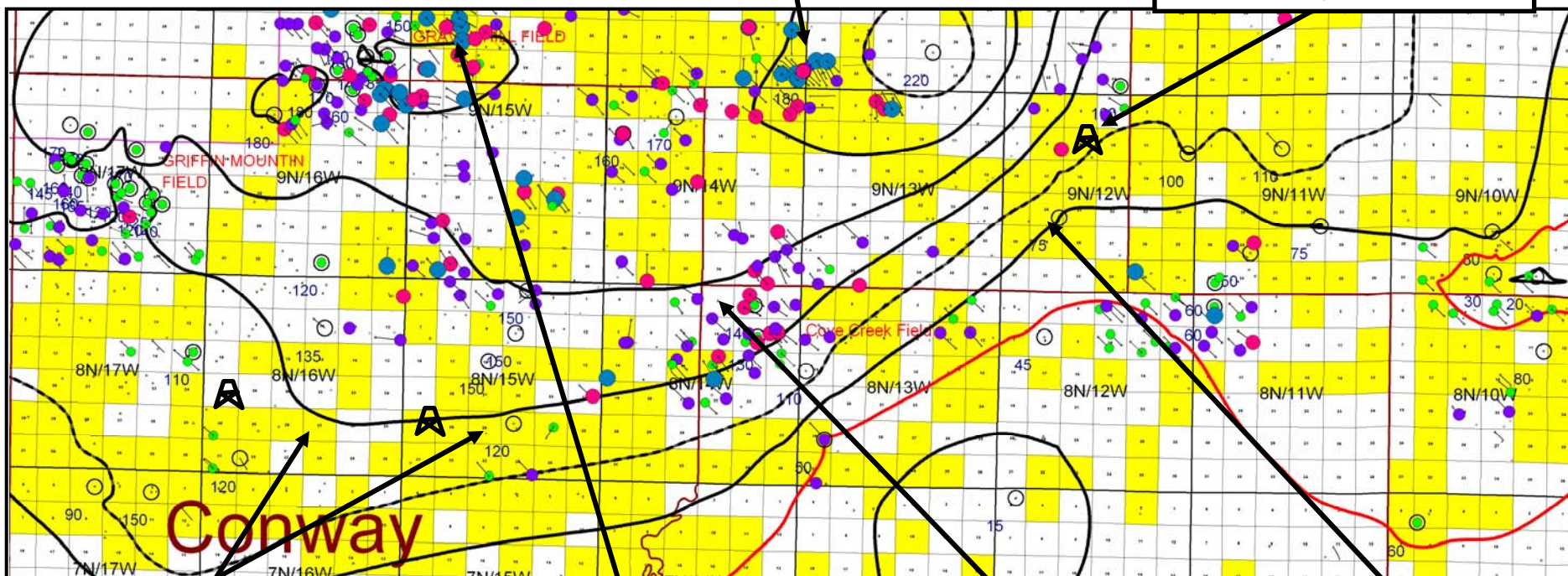
# Fayetteville – Southern Area

## Whisenhunt Development:

- 19 wells producing 30 MMcfe/d
- 1.6 MMcfe/d per well

## Section 9-9N-12W:

- Rothwell well
- State Test 4.6 MMcfe/d
- Producing 3.2 MMcfe/d



## 8N-15W & 16W:

- Underdeveloped townships
- Comparable net iospach to Cove Creek Field

## Section 29-10N-15W:

- Chwalinski, Huff & Jones wells
- 5 wells producing
- 6.1 MMcfe/d

## SWN Cove Creek Field:

- 8N-14W
- 35 wells with average
- State Test of 1.5 MMcfe/d

## Section 20-9N-12W:

- Sequoyah well
- State Test 3.8 MMcfe/d
- Producing 1.8 MMcfe/d

- **26 HK Operated Wells Producing 40 MMcfe/d**
- **EUR 2.0 Bcfe per well**



# Fayetteville Seismic: 2D and 3D

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## **Seismic Data Summary:**

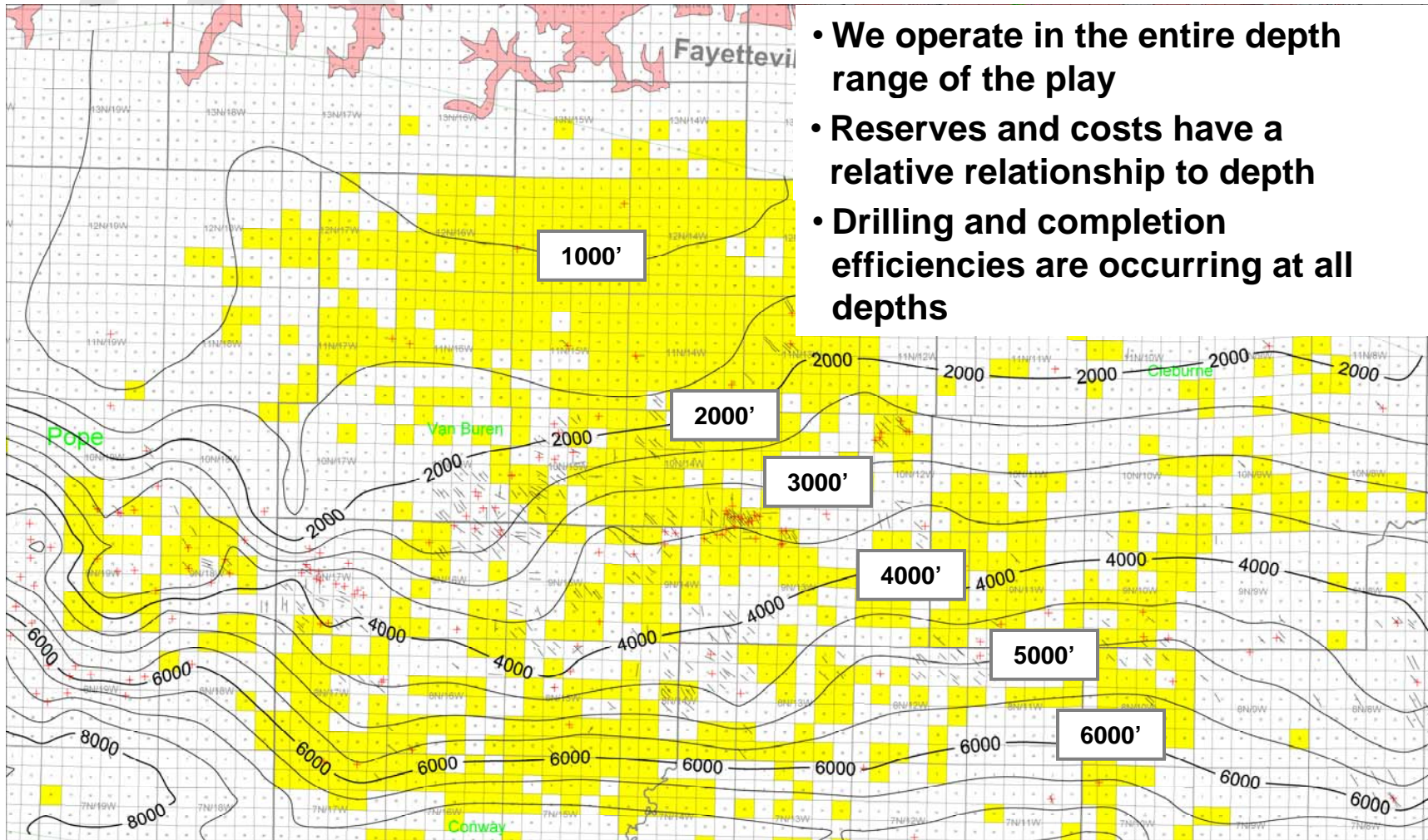
- 1,027 miles of existing 2D seismic
- 120 miles of new 2D to be shot in 2008
- 40 square miles of existing 3D seismic
- 43 square miles of new 3D to be shot or acquired in 2008 over operated sections
- 268 non-operated sections with existing or in-progress 3D surveys

## **Primary Benefit:**

- Identify macro structural features, specifically faults in excess of 50'
- 2D data can be effective in accomplishing this



# Regional Fayetteville Depth Map



- We operate in the entire depth range of the play
- Reserves and costs have a relative relationship to depth
- Drilling and completion efficiencies are occurring at all depths

# Comparative Well Cost and Reserves by Depth

	<u>1,500' TVD / 4,000' MD</u>	<u>3,500' TVD / 6,500' MD</u>	<u>5,500' TVD / 8,500' MD</u>
RIG	\$213M	\$267M	\$365M
TUBULARS	\$85M	\$123M	\$142M
MUD	\$45M	\$55M	\$65M
FRAC COST / STAGES	\$450M / 6	\$530M / 8	\$650M / 9
COMPLETION PACKERS	\$130M	\$160M	\$248M
FIXED COSTS	\$745M	\$1,105M	\$1,255M
<b>EST. TOTAL WELL COST</b>	<b>\$1,688M</b>	<b>\$2,240M</b>	<b>\$2,725M</b>
<b>EST. RESERVE RANGE (BCF)</b>	<b>1.0 - 2.0</b>	<b>1.0 - 3.0</b>	<b>1.0 - 4.0</b>
<b>DEV. COST PER MCFE @ 80% NRI</b>	<b>\$2.09 - \$1.05</b>	<b>\$2.80 - \$0.93</b>	<b>\$3.41 - \$0.85</b>

*Note: Assumes no intermediate casing. Major fixed costs include roads, location, directional tools and completion rig.*



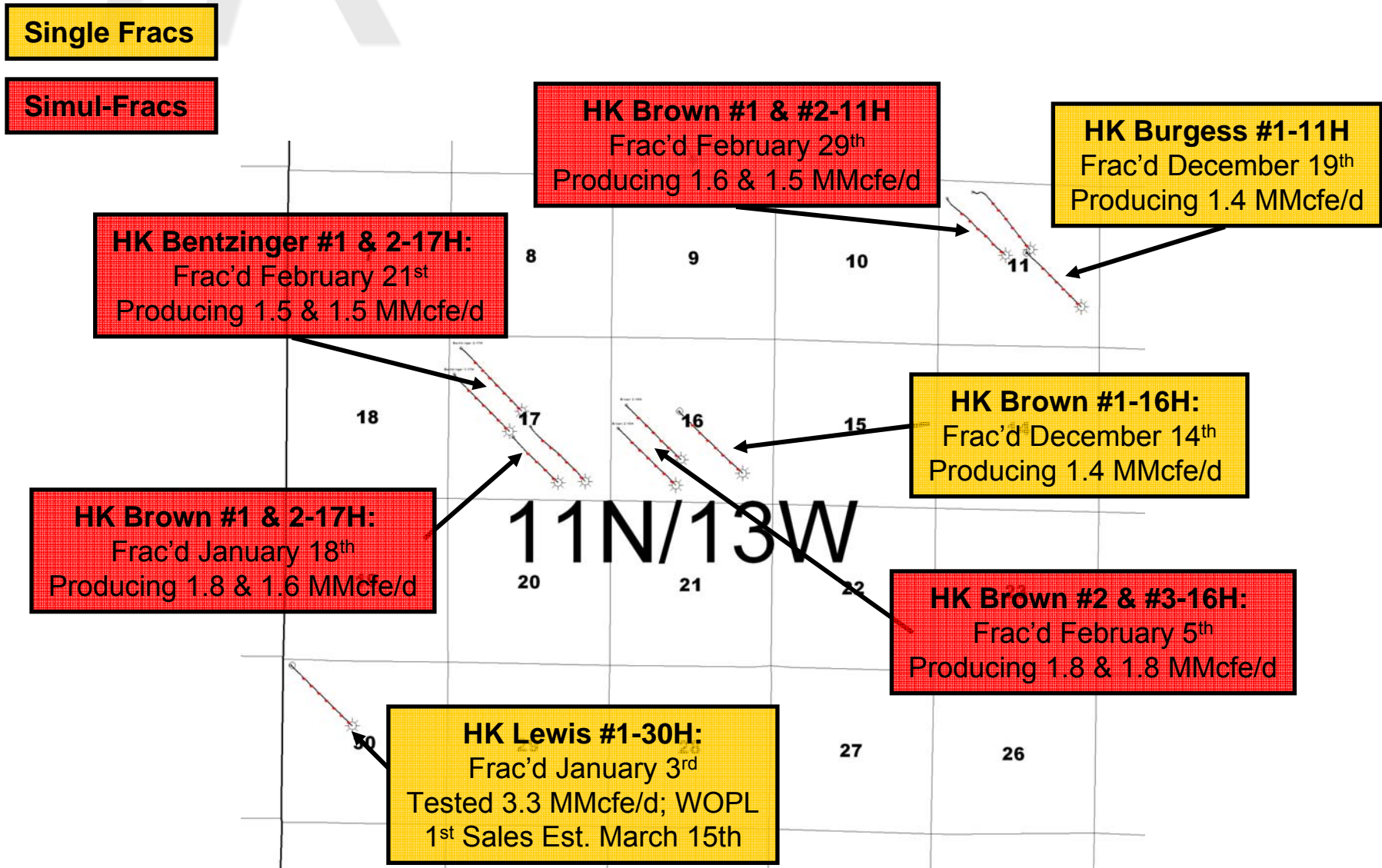
# Fayetteville: Simul-Frac Summary

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- Total of 8 have been pumped (7 Simul-Frac and 1 Tri-Frac)
- All have been drilled 560' apart, simulating 40 acre drainage
- Most have resulted in production comparable to, or in excess of, nearby single well completions
- Most recent wells were frac'd on February 29<sup>th</sup>
- We will monitor results to support 40 acre development



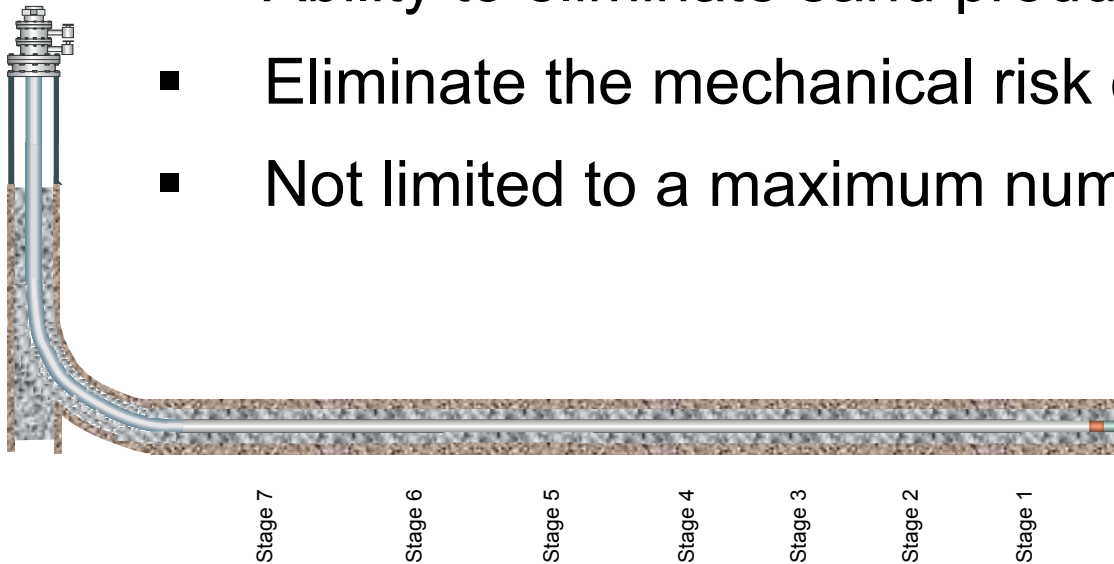
# Fayetteville: Northern Area Simul-Frac Results



# Cemented Liner Completion System

## Pros for Cemented Liner System

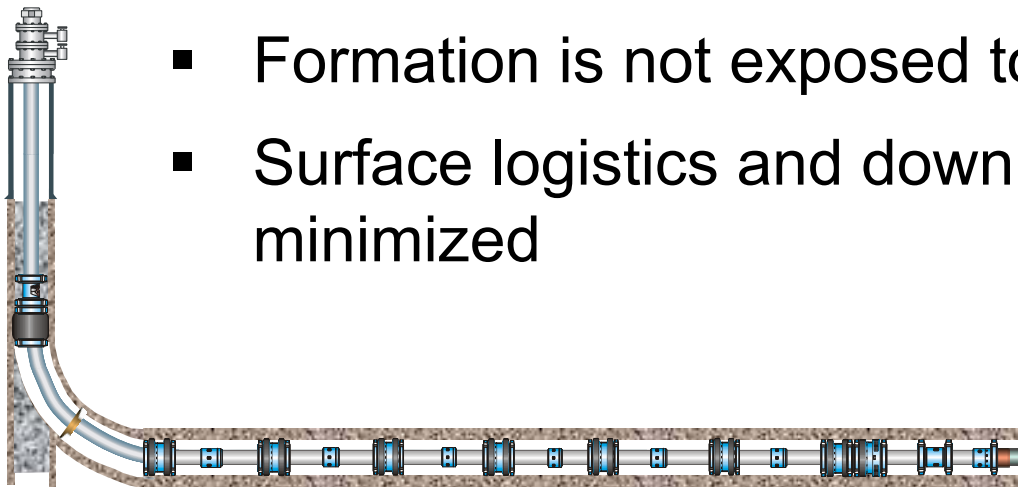
- Ability to specifically place perforations
- Ability to control the number of perforations
- Ability to eliminate sand production
- Eliminate the mechanical risk of the packer system
- Not limited to a maximum number of stages



# Open Hole Packer Completion System

## Pros for Open Hole Packer System

- Frac pumped 1 day, accelerating production
- Frac accesses entire formation face in the stage
- Formation is not exposed to damaging cement
- Surface logistics and down hole time with tools minimized



Stage 7

Stage 6

Stage 5

Stage 4

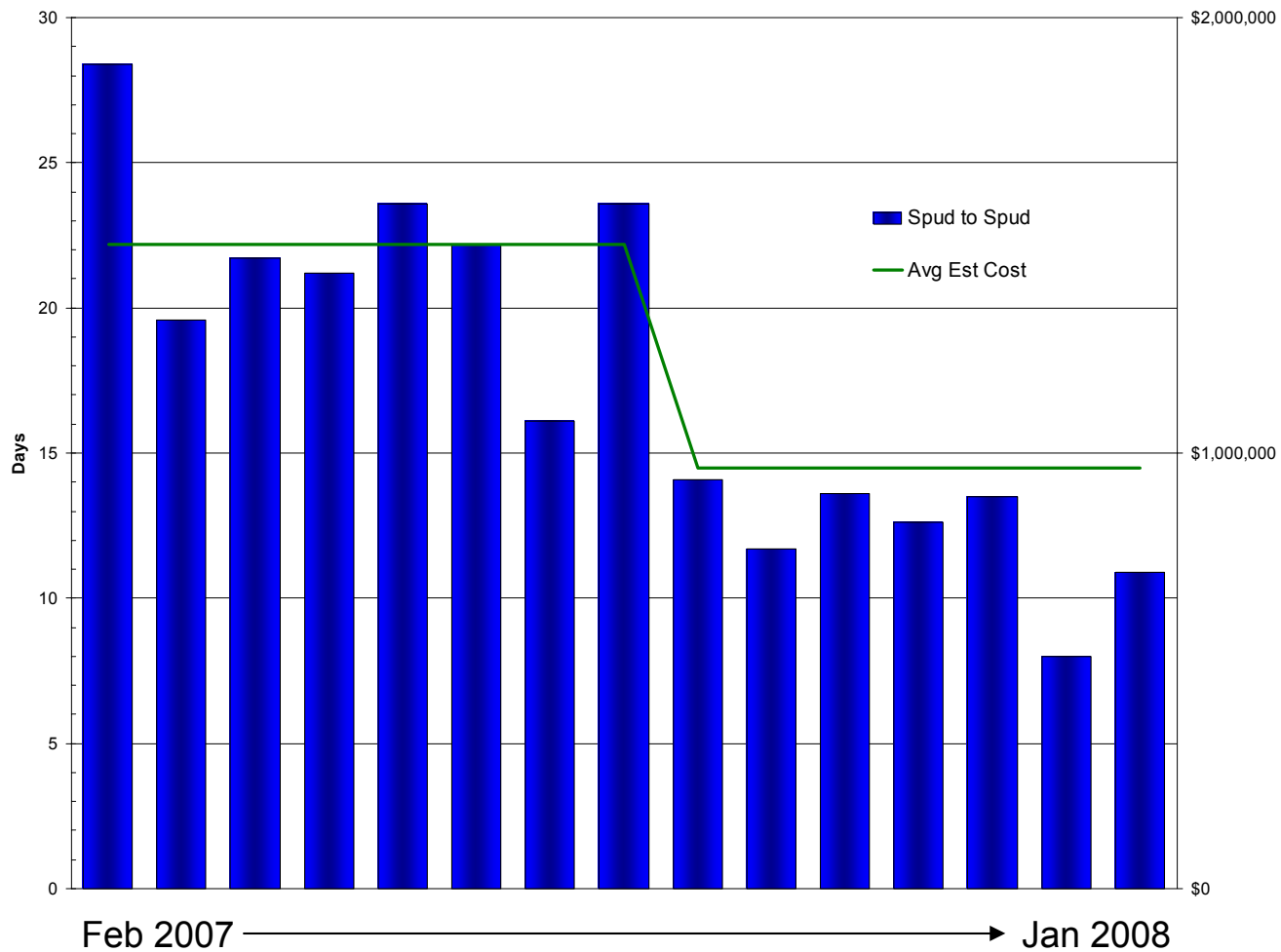
Stage 3

Stage 2

Stage 1

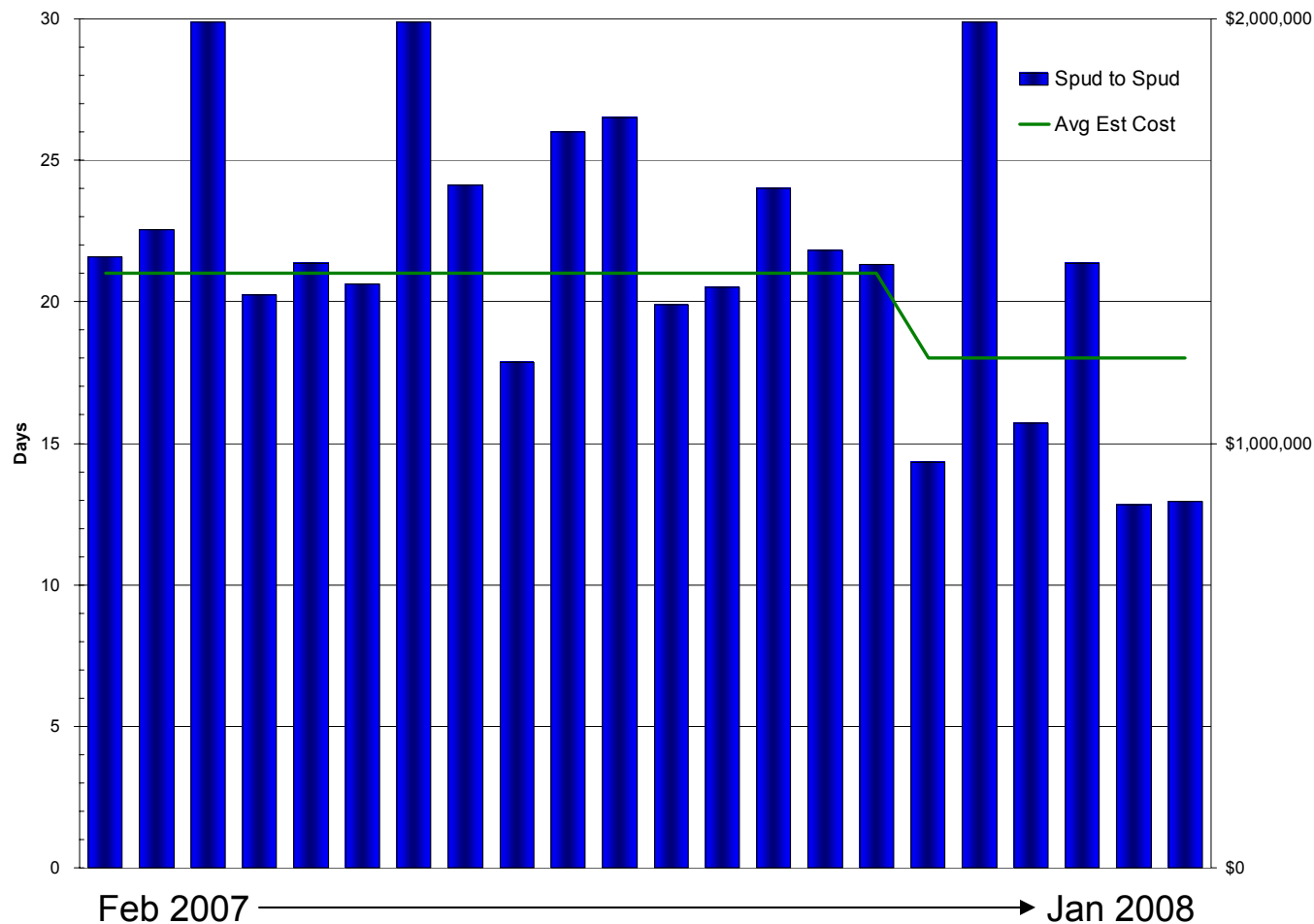
# Fayetteville Drilling Efficiencies (<5,000 ft MD)

- \$450,000 per well savings
  - Spud-to-spud reduced by 45%
- BHA optimization
- Drilling parameters
- Casing size reduction
- Spudder rig
- Continuous improvement



# Fayetteville Drilling Efficiencies (>5,000 ft MD)

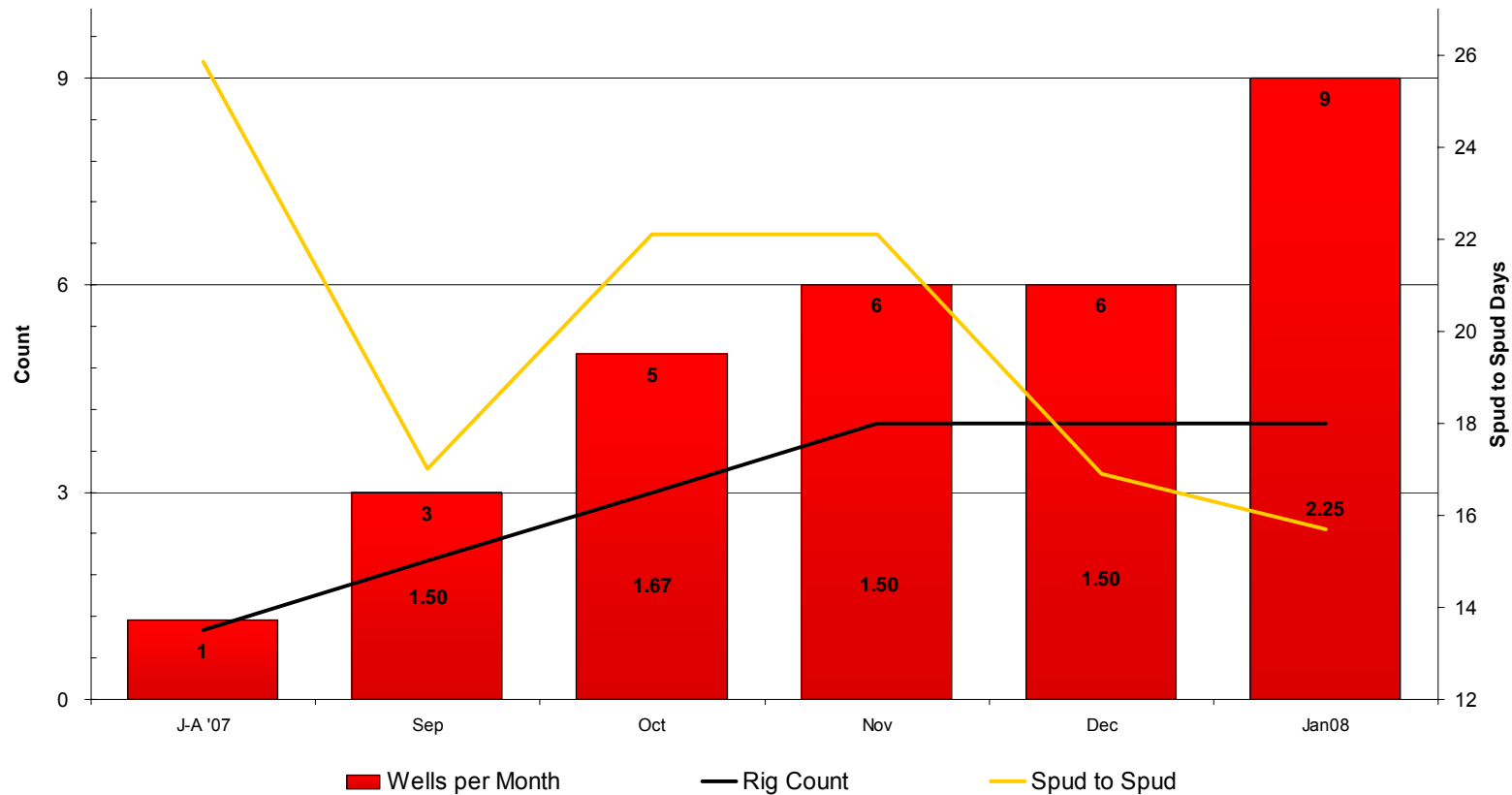
- \$200,000 per well savings
  - Spud-to-spud reduced by 35%
- No intermediate casing
- Spudder rig
- Optimized casing
- Upgraded rig fleet
- Continuous improvement





# Fayetteville: Drilling Performance

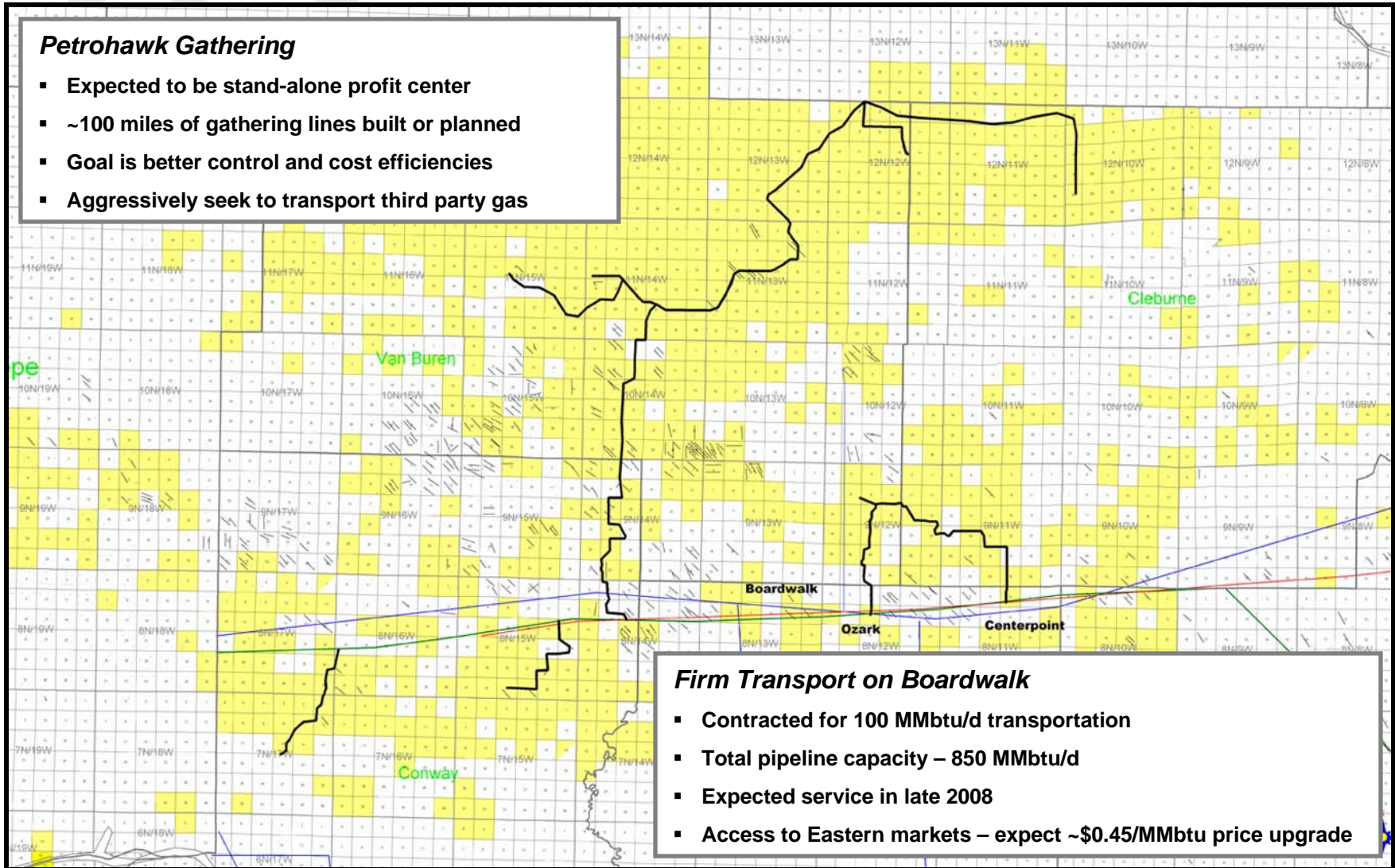
- Rig efficiency up 50%
- Spud-to-spud down 40%
- Drill more wells with fewer rigs
  - Budgeted 155 wells with 5 rigs
  - Drill 2.5 wells per rig per month



# Fayetteville Pipeline Plan

## ***Petrohawk Gathering***

- Expected to be stand-alone profit center
- ~100 miles of gathering lines built or planned
- Goal is better control and cost efficiencies
- Aggressively seek to transport third party gas



## ***Firm Transport on Boardwalk***

- Contracted for 100 MMbtu/d transportation
- Total pipeline capacity – 850 MMbtu/d
- Expected service in late 2008
- Access to Eastern markets – expect ~\$0.45/MMbtu price upgrade

# Resource Potential

## Elm Grove

### CV / Hosston

- Undeveloped acres: 20,000
- Spacing: 20 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 1.3 Bcfe
- Net Revenue Interest: 80%

### Haynesville

- Undeveloped acres: 30,000
- Spacing: 60 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 3.0 Bcfe
- Net Revenue Interest: 80%

Estimated Resource Potential: 1.5 Tcfe

+ Proved Reserves = **2.0 Tcfe**

## Terryville

- Undeveloped acres: 37,000
- Spacing: 20 Acres
- Risked Potential: 50%
- Avg Gross Reserves: 1.4 Bcfe
- Net Revenue Interest: 80%

Estimated Resource Potential: 1.0 Tcfe

+ Proved Reserves = **1.2 Tcfe**

## Fayetteville

- Undeveloped acres: 155,000
- Spacing: 60 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 1.6 Bcfe
- Net Revenue Interest: 78%

Estimated Resource Potential: 2.0 Tcfe

+ Proved Reserves = **2.1 Tcfe**

## Total Company



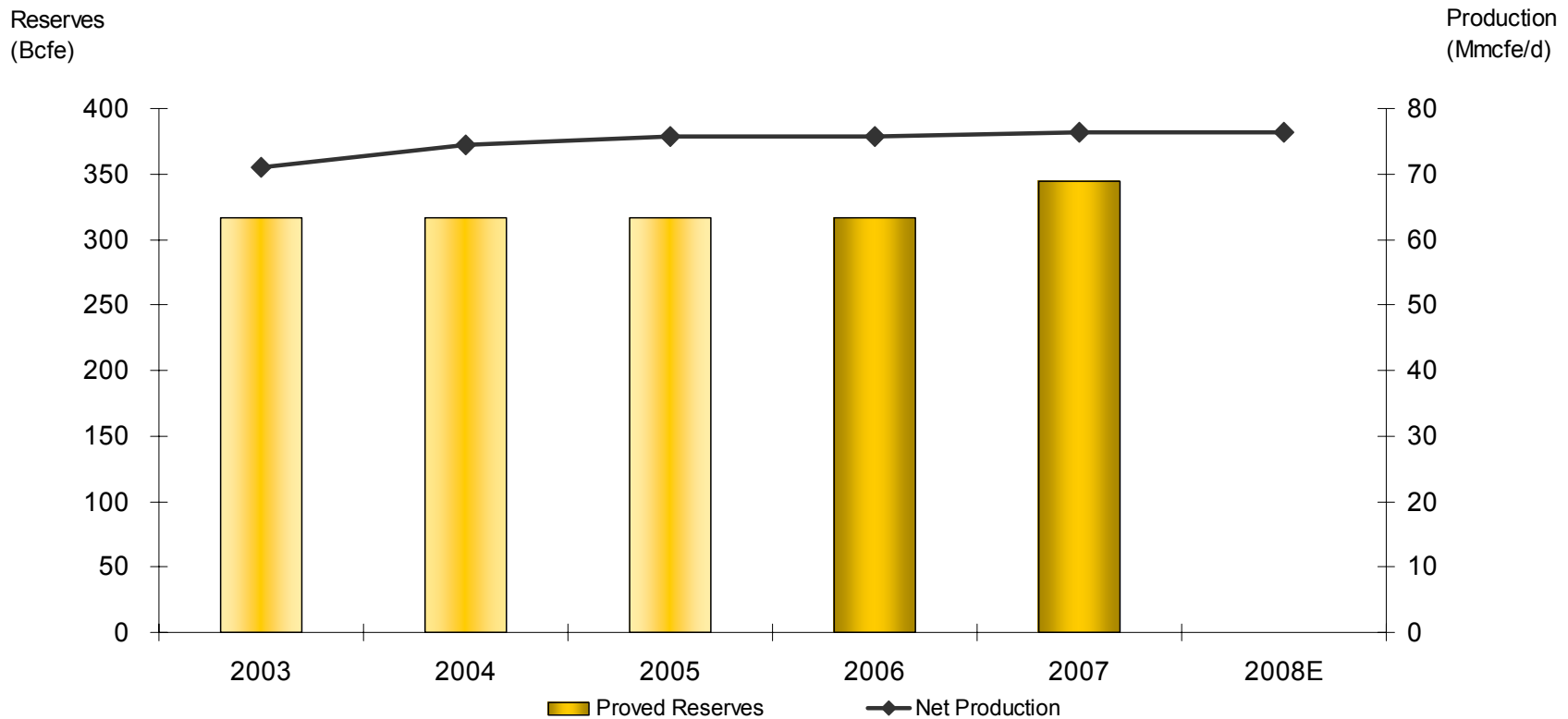
# Western Region: Locator Map

<b>Proved Reserves:</b>	<b>325 Bcfe</b>
<b>Daily Production:</b>	<b>~72 MMcfe/d</b>
<b>Est. Resource Potential:</b>	<b>0.2 Tcfe</b>
<b>2008 Budget:</b>	<b>\$87MM</b>
<b>% Operated 2008 Budget:</b>	<b>51%</b>
<b>LOE:</b>	<b>\$1.15 / Mcfe</b>
<b>% Gas:</b>	<b>74%</b>



# Production / Reserve Summary

- Steady state assets with low maintenance capital requirements
- Low decline, high cash generation
- Growth opportunities derived from special projects



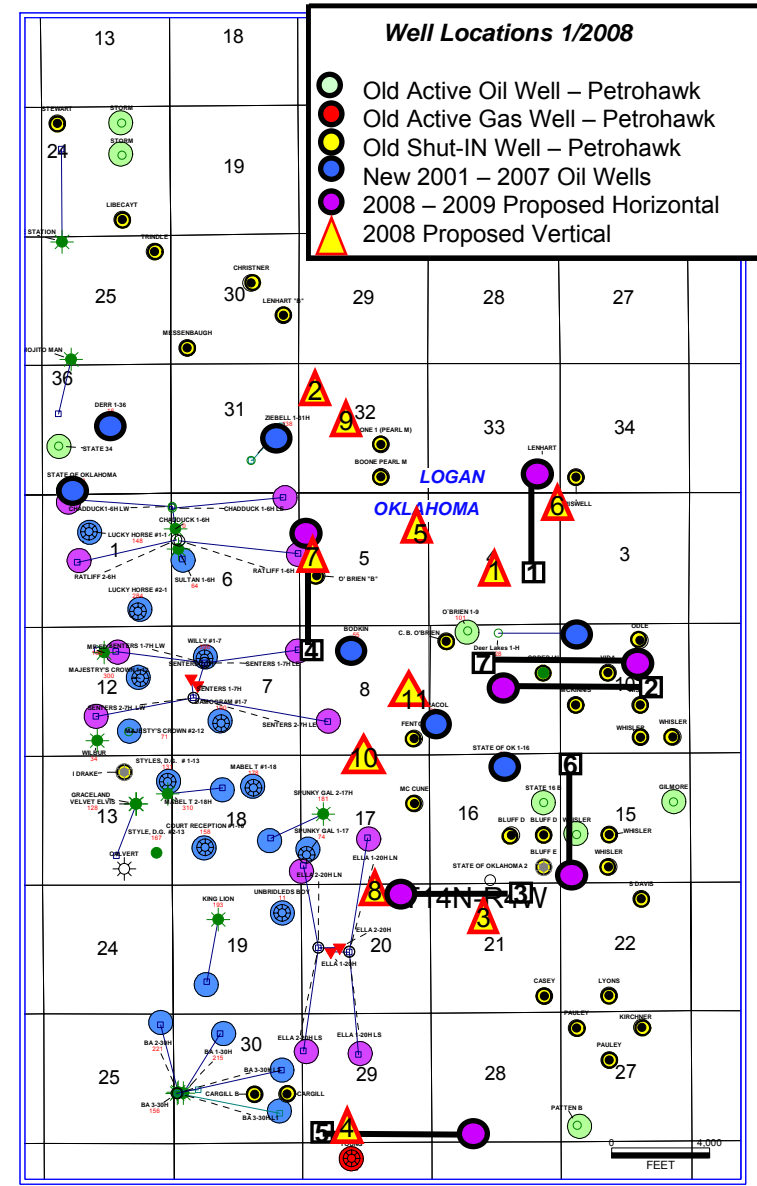
*Note: 2003 – 2005 proved reserves internally estimated*





# Western Region: WEHLU

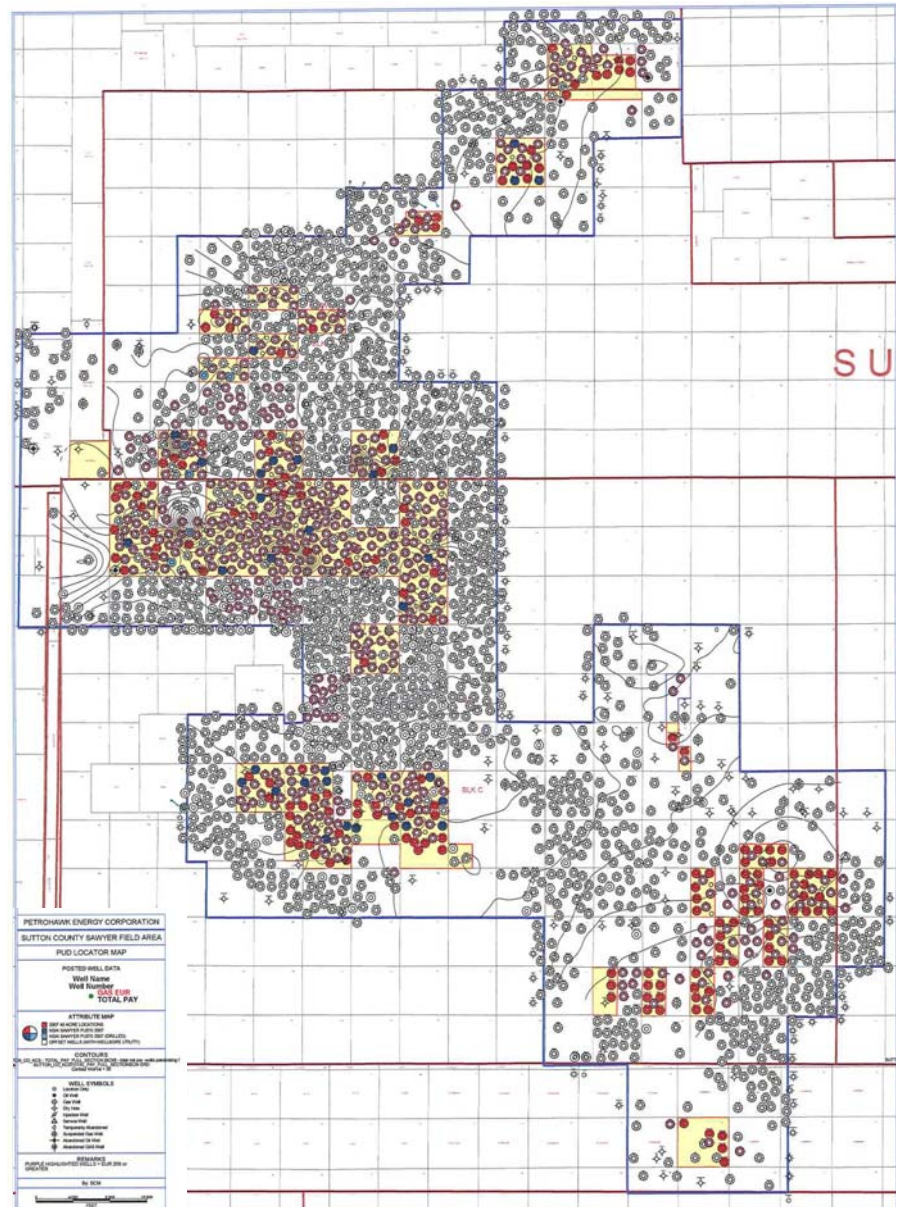
- West Edmond Hunton Lime Unit
- Hunton production @ ~ 8,000'
- Oklahoma & Logan Counties, Oklahoma
- 33,000 net acres
- ~8.0 MMcfe/d current net production w/  
~2.0 MMcfe/d shut-in
- \$18 million 2008 budget
- Combination of vertical and horizontal development
- AMI with Chesapeake on west side





# Western Region: Sawyer Field

- Petrohawk operated
- Sutton County, Texas
- Canyon Sand production @ ~ 5,000'
- 91-100% W. I.
- 10 MMcfe/d current net production
- \$18.6 million 2008 budget
- 30 Bcf PUD reserve add in 2007
- Expected proved reserve adds in 2008

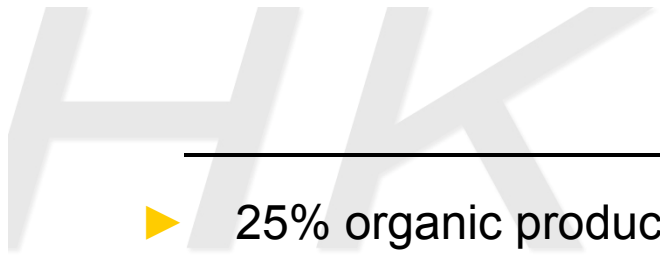


# Western Region: Additional 2008 Activity

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## Other significant areas of development:

- **Waddell Ranch/Crane County, Texas**
  - Ongoing development of shallow oil fields (3,000 - 5,000') within 76,000 acre ranch
  - Several deeper (8,000 - 10,000') exploratory wells budgeted in 2008
  
- **Jalmat/Lea County, New Mexico**
  - 2008 budget primarily lower-risk Seven Rivers and Yates re-completions
  - Initiation of Queen Sand Waterflood
  
- **East Texas**
  - Continued development of James Lime horizontal and Travis Peak vertical program in Nacogdoches County
  - Initiation of Tyler (Paluxy) Waterflood in Smith County

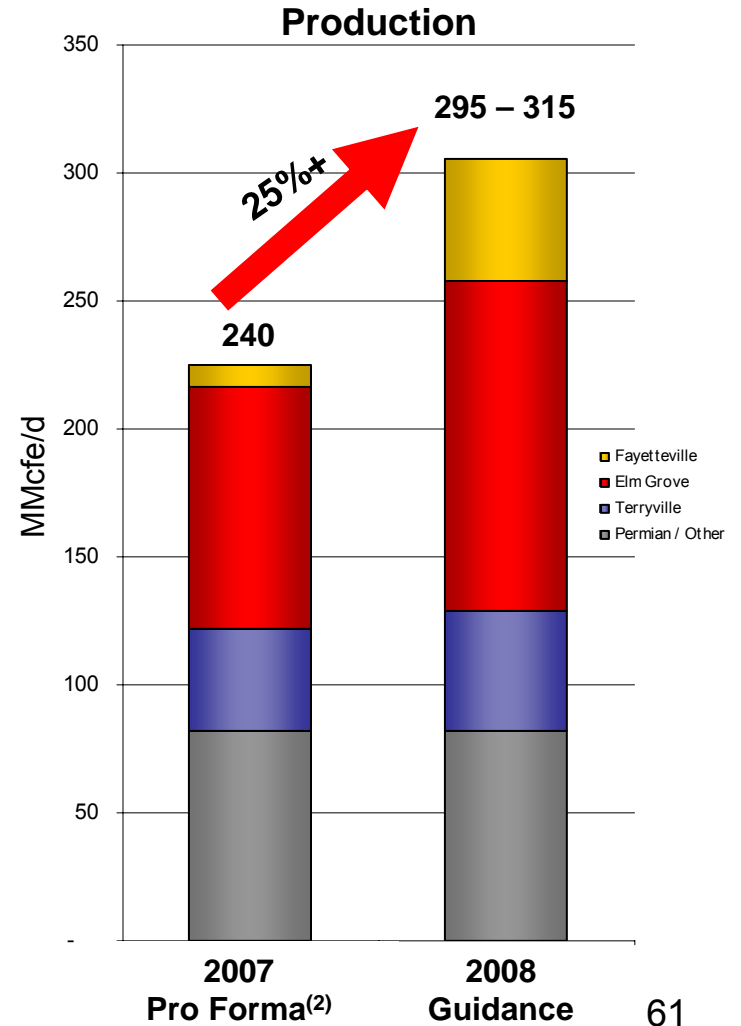


# 2008 Guidance

- ▶ 25% organic production growth from core areas
  - Avg. daily Q1 production expected to range between 250 and 260 MMcfe/d

*(\$ per Mcfe of production unless otherwise noted)*

Production (Mmcf/d)	295 - 315
Lease Operating Expense	\$0.50 - \$0.60
Workover Expense and Other	\$0.04 - \$0.08
Production Taxes (Ad Val and Severance, % of Rev)	6.00% - 7.00%
Gathering, Transportation and Other	\$0.30 - \$0.40
General and Administrative <sup>(1)</sup>	\$0.45 - \$0.55
Effective Income Tax Rate (90% deferred)	37% - 38%
Realized Prices (% of NYMEX, before effect of hedges)	
Natural Gas	97% - 99%
Oil	92% - 96%



(1) Includes non-cash stock based compensation charges of \$0.12 - \$0.16 / Mcfe.

(2) Pro forma production for Gulf Coast divestment and acquisitions.

# Debt and Liquidity Review

---

*(\$ in millions)*

**12/31/2007**

**Debt:**

Revolver	545
9.125% Senior Notes	775
7.125% Senior Notes	275
<b>Total Debt</b>	<b>1,595</b>

**Total Shareholder's Equity** 2,009

**Total Capitalization** 3,604

Revolver Borrowing Base 1,000

Revolver Availability 455

**Total Liquidity** 455

Debt / Total Capitalization 44%

EBITDA / Interest Expense 4.8x





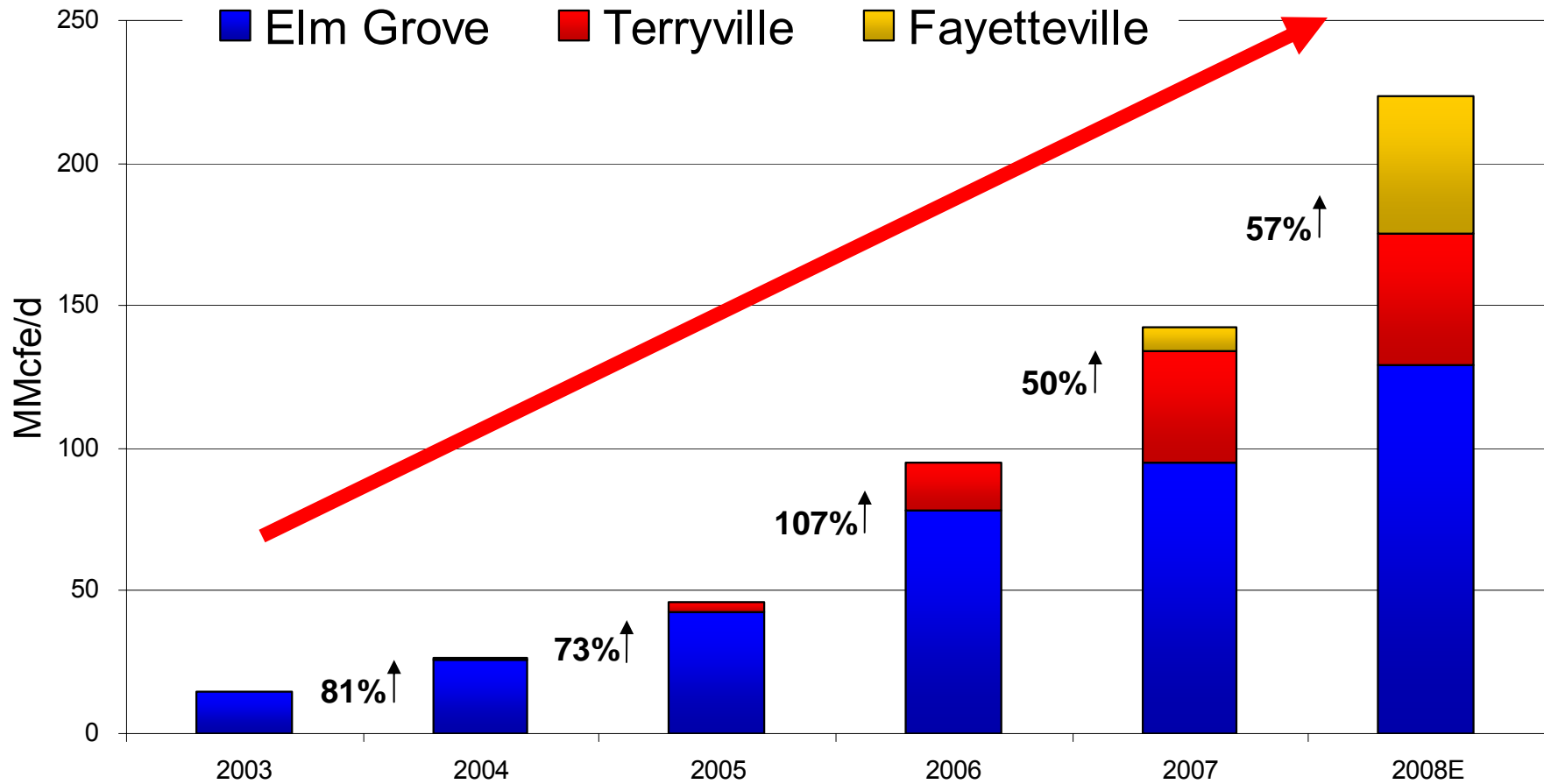
# Derivative Summary

	2008			2009			2010		
	GAS			GAS			GAS		
	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling
Collars	50,290	\$ 7.05	\$ 10.85	62,030	\$ 7.30	\$ 10.68			
Swaps	12,800	\$ 7.96		3,650	\$ 8.46		3,650	\$ 8.25	
Puts	5,480	\$ 7.00							
<b>Total Volume and Avg Price</b>	<b>68,570</b>	<b>\$ 7.21</b>	<b>\$ 10.85</b>	<b>65,680</b>	<b>\$ 7.37</b>	<b>\$ 10.68</b>	<b>3,650</b>	<b>\$ 8.25</b>	<b>\$ -</b>
	OIL			OIL			OIL		
	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling
	Collars	792	\$ 64.96	\$ 80.26	-	-	-		
Swaps	419	\$ 66.35		274	\$ 77.00		274	\$ 75.28	
<b>Total Volume and Avg Price</b>	<b>1,211</b>	<b>\$ 65.44</b>	<b>\$ 80.26</b>	<b>274</b>	<b>\$ 77.00</b>	<b>\$ -</b>	<b>274</b>	<b>\$ 75.28</b>	<b>\$ -</b>
<b>Total (Mmcfe)</b>	<b>75,833</b>			<b>67,323</b>			<b>5,293</b>		
<b>Total (Mmcfe/d)</b>	<b>207.2</b>			<b>184.0</b>			<b>14.5</b>		

	Q1 2008			Q2 2008			Q3 2008			Q4 2008			Q1 2009			Q2 2009			Q3 2009			Q4 2009		
	GAS			GAS			GAS			GAS			GAS			GAS			GAS			GAS		
	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling	Volume (Bbtu)	Floor	Ceiling
Collars	12,720	\$7.50	\$12.32	6,350	\$6.72	\$8.61	11,000	\$6.84	\$9.30	20,220	\$6.97	\$11.16	16,200	\$7.85	\$11.68	15,470	\$7.00	\$9.85	16,560	\$7.00	\$10.31	13,800	\$7.37	\$10.90
Swaps	910	\$8.25		6,370	\$7.85		4,600	\$8.00		920	\$8.25		900	\$8.46		910	\$8.46		920	\$8.46		920	\$8.46	
Puts				3,640	\$7.00		1,840	\$7.00																
<b>Total Volume and Avg Price</b>	<b>13,630</b>	<b>\$7.55</b>	<b>\$12.32</b>	<b>16,360</b>	<b>\$7.22</b>	<b>\$8.61</b>	<b>17,440</b>	<b>\$7.16</b>	<b>\$9.30</b>	<b>21,140</b>	<b>\$7.03</b>	<b>\$11.16</b>	<b>17,100</b>	<b>\$7.88</b>	<b>\$11.68</b>	<b>16,380</b>	<b>\$7.08</b>	<b>\$9.85</b>	<b>17,480</b>	<b>\$7.08</b>	<b>\$10.31</b>	<b>14,720</b>	<b>\$7.43</b>	<b>\$10.90</b>
	OIL			OIL			OIL			OIL			OIL			OIL			OIL			OIL		
	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling	Volume (Mbbbls)	Floor	Ceiling
Collars	197	\$64.95	\$80.24	197	\$64.95	\$80.24	199	\$64.97	\$80.27	199	\$64.97	\$80.27	-	-	-	-	-	-	-	-	-	-	-	-
Swaps	104	\$66.29		104	\$66.29		105	\$66.40		105	\$66.40		68	\$77.00		68	\$77.00		69	\$77.00		69	\$77.00	
<b>Total Volume and Avg Price</b>	<b>301</b>	<b>\$65.41</b>	<b>\$80.24</b>	<b>301</b>	<b>\$65.41</b>	<b>\$80.24</b>	<b>304</b>	<b>\$65.47</b>	<b>\$80.27</b>	<b>304</b>	<b>\$65.47</b>	<b>\$80.27</b>	<b>68</b>	<b>\$77.00</b>	<b>\$ -</b>	<b>68</b>	<b>\$77.00</b>	<b>\$ -</b>	<b>69</b>	<b>\$77.00</b>	<b>\$ -</b>	<b>69</b>	<b>\$77.00</b>	<b>\$ -</b>
<b>Total (Mmcfe)</b>	<b>15,438</b>			<b>18,168</b>			<b>19,264</b>			<b>22,964</b>			<b>17,505</b>			<b>16,790</b>			<b>17,894</b>			<b>15,134</b>		
<b>Total (Mmcfe/d)</b>	<b>171.5</b>			<b>199.6</b>			<b>209.4</b>			<b>249.6</b>			<b>194.5</b>			<b>184.5</b>			<b>194.5</b>			<b>164.5</b>		



# Production Growth in Core Areas



# Resource Potential

## Elm Grove

### CV / Hosston

- Undeveloped acres: 20,000
- Spacing: 20 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 1.3 Bcfe
- Net Revenue Interest: 80%

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Estimated Resource Potential: 1.5 Tcfe

+ Proved Reserves = **2.0 Tcfe**

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## Fayetteville

- Undeveloped acres: 155,000
- Spacing: 60 Acres
- Risked Potential: 65%
- Avg Gross Reserves: 1.6 Bcfe
- Net Revenue Interest: 78%

Estimated Resource Potential: 2.0 Tcfe

+ Proved Reserves = **2.1 Tcfe**

## Total Company

**Estimated Resource Potential:  
4.7 Tcfe**

**+ Proved Reserves = 5.8 Tcfe**



# Unlocking Value

---

- ▶ ***Petrohawk has a rich inventory of development and exploration opportunities***
- ▶ ***Petrohawk's implied NAV is over \$32 per share***
- ▶ ***We have only begun to realize the value of our 5.8 Tcfe of reserves and risked upside potential***
- ▶ ***We will continue to pursue the right strategies for growth, and will be active in the exploration and expansion of our current resource potential***

***Note: Net Asset Value calculated by allocating \$3.00 per Mcfe to estimated year end 2007 proved reserves and \$1.00 per Mcfe to estimated non-proved reserves.***



*PETROHAWK*

***ANALYST DAY 2008***