Ultra Petroleum

UPL : NYSE : US$21.36

HOLD

Target: US$22.00

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COMPANY STATISTICS:

Forecast Return %:	2.4%
Shares Out (M):	155
Ent Value (M):	US$5,174
Market Cap (M):	US$3,300
NAV /shr:	US$26
52-week Range:	US$15.26 - 24.52
Debt/Capitalization %:	130%

EARNINGS SUMMARY:

FYE Dec		2012A	2013E	2014E
% Natural Gas:		97%	97%	97%
Production (MMcfe/d):		702	640	623
EPS:	Q1	0.32	0.38A	0.49
	Q2	0.36	0.47A	0.49
	Q3	0.64	0.40	0.50
	Q4	0.51	0.45	0.49
Total		1.83	1.70	1.96
EBITDA (M):	Q1	106	197A	176
	Q2	265	137A	176
	Q3	220	150	177
	Q4	208	158	175
Total		799	642	704

SHARE PRICE PERFORMANCE:

Source: Interactive Data Corporation

COMPANY DESCRIPTION:

Ultra Petroleum is a natural gas focused E&P company with core operating areas in the Pinedale Anticline of Wyoming and the Marcellus Shale of Pennsylvania. The company is headquartered in Houston, TX.

All amounts in US$ unless otherwise noted.
Priced at the close on August 16, 2013

Energy -- Oil and Gas, Exploration and Production

UNCERTAINTY STILL SURROUNDS DRILLING PLAN; INITIATING AT HOLD

Investment recommendation

UPL is a very low-cost producer of natural gas with potential upside in a rising price environment. However, its financial leverage makes it rather risky. The high debt load has led UPL to curtail much of its drilling to preserve its assets until prices recover. With high decline rates in both areas of operation, production and cash flow will fall. Therefore, UPL is in a bit of a "vicious circle" until gas prices rise enough to allow it to drill more and resume production growth.

Reasons for HOLD rating

- **Forced to live within cash flow, UPL has no growth:** UPL is running just two rigs this year and could run as many as four in 2014 but that is still not clear. We model a 9% production decline in '13 and a 3% decline in '14 assuming a four-rig program.
- **Needs natural gas above $4.50/Mcf to resume growth:** While we are constructive on gas prices, we expect NYMEX to average $4.25/Mcf in 2014 and $4.50/Mcf in 2015. The latter is more uncertain, so there remains a lack of visibility on when UPL could increase its drilling program enough to grow production again.
- **Significant low-cost assets to preserve:** UPL has 17 Tcfe of 3P reserves concentrated in two very low-cost plays, the Pinedale (WY) and the Marcellus (PA). Low F&D costs allow for very solid rates of return assuming $4.50/Mcf gas prices.
- **Debt level and unhedged '14 volumes keep us cautious:** UPL has net debt of $1.9B. The debt is long dated, so it can afford to wait for natural gas prices to improve. We feel the free cash it generates will likely be held out of caution.

Valuation

We value UPL using two methodologies – NAV and EV/EBITDA. By discounting our $26/share NAV by 20% and averaging that with a 7.5x multiple on our 2014E EBITDA of $704M, we arrive at our $22 price target.

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INVESTMENT THESIS

UPL has moved aggressively to preserve its low-cost positions in the Pinedale Anticline of Wyoming and Marcellus Shale, but it remains unclear as to when it will resume growing production.

The company has a high debt load and is unhedged in 2014 and 2015, so it is in a somewhat risky position if US natural gas prices do not come back to $4.50/Mcf on a sustained basis. We forecast $4.25/Mcf in 2014 and $4.50/Mcf in 2015, but there is obviously more uncertainty in the out year, hence our caution.

UPL has taken a very cautious approach in a low price environment by cutting its drilling to live within its cash flow. However, the low level of drilling has a corrosive effect over time, as falling production can start to negatively impact cash flows.

Beyond what US natural gas prices will be, the principal uncertainty from our vantage point is how sharply UPL's production will decline depending upon how many rigs it runs in 2014. The company has guided to an average of between 2.5-4 rigs running next year.

We model a 9% decline and a 3% decline in total production in 2013 and 2014 respectively, but 2014 could be more pronounced given the steep initial decline rates in its two areas of operation. It could also be worse as the true starting point for estimating UPL's production decline is unknown. Through 2012, and to lesser extent 2013, UPL had an inventory of uncompleted wells that bolstered its annual production and likely masked its underlying decline rates. Now that UPL has worked through much of its backlog inventory, its production decline rates later this year and next year could be worse than the -3% we anticipate. This raises the concern of production declines continuing into 2015, making it even more difficult for UPL to resume growth.

That said, when sustained $4.50/Mcf natural gas prices finally return, UPL looks very capable of bringing forward the NAV on the estimated 17.0 Tcfe of 3P reserves that it has preserved. In the interim, UPL is likely to be a trading stock highly correlated to short-term swings in the gas price. We remain cautious for the time being and initiate with a HOLD rating.

VALUATION

We value UPL using two methodologies, NAV and EV/EBITDA. By discounting our NAV estimate of $26/share by 20% and averaging that with a 7.5x multiple on 2014E EBITDA of $704M, we arrive at our $22 price target.

Figure 1: UPL valuation methodology

($MM, except per share)	
EV/EBITDA	
2014E EBITDA	704
EV/EBITDA multiple	7.5x
Target EV	5,284
less: Net debt	(1,873)
Equity valuation	3,410
per share	$22
NAV	
Estimated net asset value	$26
Discounted 20%	($5)
Discounted NAV	$21
Price Target	**$22**

Source: Company reports, Canaccord Genuity estimates

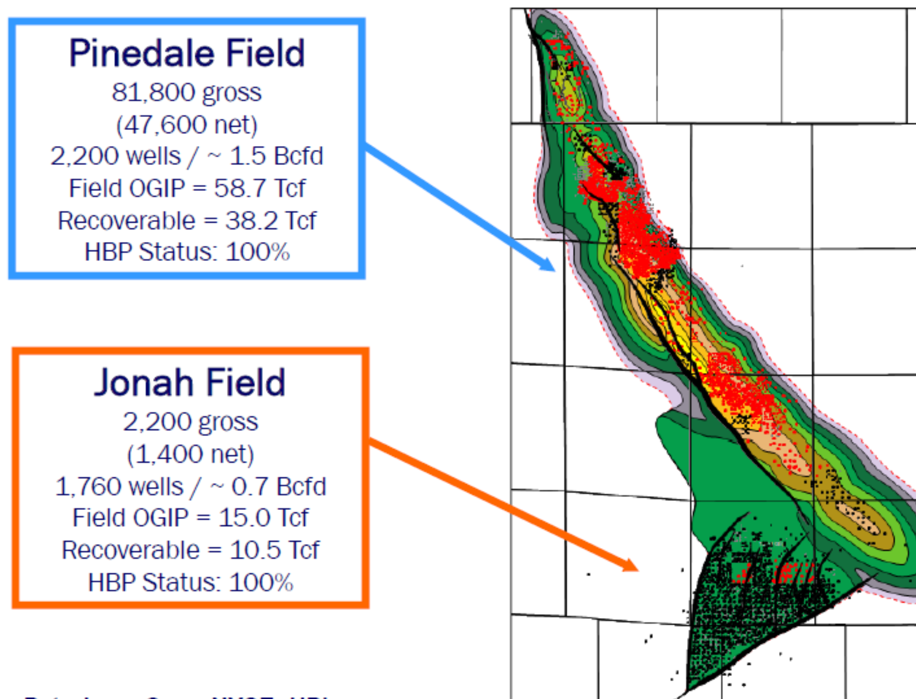
COMPANY OVERVIEW

UPL is a pure US natural gas producer that has operations in two of the lowest cost producing areas of the country, the Pinedale Anticline (Wyoming) and the Marcellus Shale (Pennsylvania). The areas offer 17.0 Tcfe of resource potential which is about 5.5x UPL's year-end 2012 proved reserves.

Wyoming

UPL is one of three dominant producers in the Pinedale having entered in 2000. The Pinedale is a mature play from an exploration standpoint, but is far from being fully developed. Wyoming currently accounts for 70% of production volumes and 85% of proved reserves. UPL has over 49,000 net acres and has 1,850 net wells on production. Its acreage is 100% held by production and it has the potential to drill over 5,000 future wells.

Figure 2: UPL Jonah-Pinedale Field, Wyoming



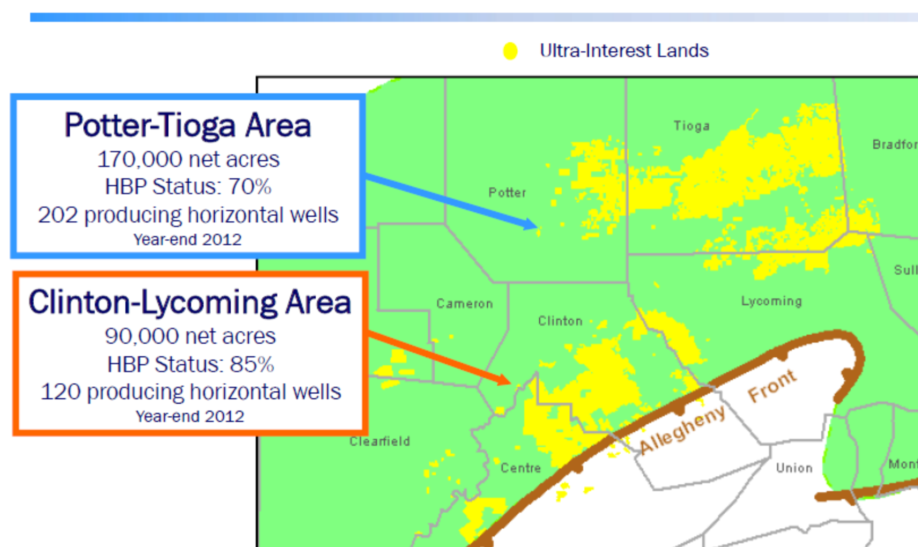
Source: UPL investor presentation

Having operated in the play for over a decade, UPL now drills its wells there very cheaply with average well costs now just $4.4M. Latest EURs have 5.0 Bcf per well on 10-acre spacing. Finding & development costs are $1.08/Mcf for these types of wells and rates of return run 44% with $4.00/Mcf realized wellhead pricing.

Pennsylvania

UPL has 260,000 net acres in the Marcellus shale and 1,700 future well locations. Only 60,000 acres in the Marcellus are operated by UPL. 110,000 acres in the north are operated by Shell and 90,000 in the south are operated by Anadarko. Currently, UPL is not running any rigs on its operated acreage and neither is Anadarko. Shell is currently running just one rig. UPL's operated acreage is in the Tioga and Potter counties along with the Shell AMI (area of mutual interest) acreage. This acreage is 70% held by production (HBP) and UPL has interest in 202 wells. The Anadarko AMI acreage is to the south in Clinton and Lycoming counties. This acreage is 85% HBP and UPL has interest in 120 producing wells. UPL has the freedom to choose whether or not to participate in Shell's or Anadarko's drilling on a well-by-well basis.

Figure 3: UPL Marcellus acreage



Source: UPL investor presentation

UPL's Marcellus activity remains very low. Only Shell is operating a rig at the moment and both UPL and APC are running none as they opt to wait until gas prices rise.

We do not believe that UPL will operate any rigs of its own nor participate in Shell wells. It will likely go non-consent, losing working interest in any wells Shell does drill. We do not think Anadarko will drill any wells in 2014. Therefore, we expect 2014 Marcellus capex to fall to almost nothing down from roughly $100M planned for 2013.

The Pinedale is favored because rates of return are higher than in the Marcellus. At the moment, the IRR achieved by drilling a 5 Bcf well in the Pinedale is 44%, while only 12% in the Marcellus for the same EUR. That is largely a function of well costs running almost $3M higher than in the Pinedale.

DRILLING ACTIVITY LIKELY UP IN '14, BUT VOLUMES STILL FALL… AND THERE ARE RISKS TO OUR VIEW

Under our current price assumption of $4.25/Mcf in 2014, we reckon that UPL should generate $554M in operating cash flow next year. Although UPL could potentially end up spending up to that amount in capex, we feel that it will keep its capex budget essentially flat with 2013. Assuming UPL spends $400M that would be enough to run an average of 4 rigs in the Pinedale while spending close to nothing in the Marcellus. We expect a modest amount of free cash flow, with cash likely held on the balance sheet to meet debt obligations later ($100M due in 2015 and $380M due in 2016).

We anticipate that a 4-rig Pinedale drilling program (up from two rigs in 2013) will be enough to keep its production there flat in 2014 after declining 10% in 2013. Much of this production is lagged however, and we expect it will be back loaded. We predict Marcellus production will be down 10% in 2014 as the result of no drilling activity.

Figure 4: UPL production and cash flow, 2011-2014E

Natural Gas Price ($/Mcf)	2011	2012	2013E	2014E	% '12	% '13	% '14
Average NYMEX price	$3.95	$2.80	$4.00	$4.25	-29%	43%	6%
Production (Mmcfe/d)	**2011**	**2012**	**2013E**	**2014E**	**% '12**	**% '13**	**% '14**
Pinedale	553.3	506.0	455.1	456.8	-9%	-10%	0%
Marcellus	118.4	196.4	185.3	166.4	66%	-6%	-10%
Total production	**671.7**	**702.4**	**640.4**	**623.2**	5%	-9%	-3%
($MM, except per share)	**2011**	**2012**	**2013E**	**2014E**	**% '12**	**% '13**	**% '14**
EBITDA	1,020	799	642	704	-22%	-20%	10%
Operating cash flow	937	719	508	554	-23%	-29%	9%
less: Capital expenditures	(1,467)	(835)	(410)	(400)	-43%	-51%	-2%
Free cash flow	(530)	(116)	98	154	-78%	-185%	56%
FCF/share	($3.43)	($0.76)	$0.64	$0.99			

Source: Company reports, Canaccord Genuity

Risks to our decline rate assumptions

We see three key downside risks to our decline rate assumptions. The next four quarters will be telling in this regard.

1. **Steep initial production decline rates in the Pinedale and Marcellus:** These two areas have initial annual decline rates of 60% and 50% respectively in the first year and 40% and 30% in their second years before levelling off.
2. **Inventory of wells waiting on completion (WOC) complicates matters:** Through 2012 and to lesser extent 2013, UPL had an inventory of uncompleted wells that augmented its production when they were brought online.
3. **WOC inventory likely made up of very strong wells:** UPL, like so many other producers, was drilling only its best wells at the time because of ~$2.00/Mcf gas prices in 2012. Therefore, its WOC wells when brought on, may have buoyed production even more so, further masking the underlying decline rates.

Figure 5 tallies the wells UPL drilled and the wells it placed on production by year. It then takes their difference to calculate wells waiting on completion (WOC). Importantly, the last line shows how many WOC wells it brought on each year. The WOC inventory has augmented wells drilled by 9 wells in 2011, 8 wells in 2012 and 15 wells YTD 2013 (4%, 10% and 44% respectively). There is no doubt this has worked to elevate UPLs' production and cash flow over this period. How much we cannot be sure, but we reckon that the backlog of WOC wells will likely be exhausted by year-end 2013. We believe sometime in 2014 we will see a truer picture of its overall decline rate.

Figure 5: UPL wells drilled and WOC inventory, 2008-2013

Wells drilled	2008	2009	2010	2011	2012	2013 YTD
Pinedale	80	108	134	136	55	28
Marcellus	10	23	72	72	28	6
Total	90	131	206	208	83	34
Wells placed on production	**2008**	**2009**	**2010**	**2011**	**2012**	**2013 YTD**
Pinedale	62	76	137	159	44	37
Marcellus	0	21	51	58	47	12
Total	62	97	188	217	91	49
WOC inventory	**2008**	**2009**	**2010**	**2011**	**2012**	**2013 YTD**
Pinedale	18	50	47	24	35	26
Marcellus	10	12	33	47	28	22
Total	28	62	80	71	63	48
Change in WOC inventory	**2008**	**2009**	**2010**	**2011**	**2012**	**2013 YTD**
Pinedale	N/A	32	-3	-23	11	-9
Marcellus	N/A	2	21	14	-19	-6
Total	N/A	34	18	-9	-8	-15
Added impact from WOCs	-	-	-	*4%*	*10%*	*44%*

Source: Company reports, Canaccord Genuity

UPL'S "VICIOUS CIRCLE" – WHEN WILL IT BE BROKEN?

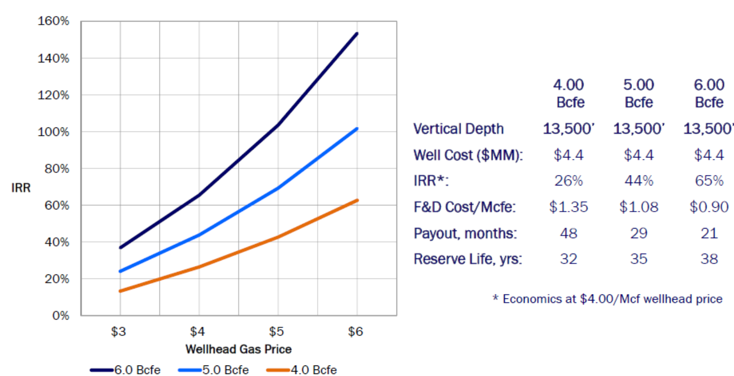
If UPL's decline rates turn out to be higher than we expect, then the company may have less cash flow than the $554M we project in 2014. Therefore, it may not be able to run four rigs in the Pinedale, making production and cash flow likely to decline into 2015. This would pose a real problem, which could become particularly acute if natural gas prices do not achieve our 2015 forecast of $4.50/Mcf.

VERY LOW-COST PLAYS GIVE UPL POTENTIAL UPSIDE

Assuming gas prices do rebound to $4.50/Mcf, which we still believe will happen in 2015, UPL has significant upside since it is such a low-cost producer. The Pinedale and the Marcellus are two of the lowest cost natural gas plays in North America, which puts UPL at an advantage as prices recover.

In the Pinedale, UPL can drill wells with 5 Bcf EURs for just $4.4M apiece. Even at a $4/Mcf gas price that yields a 44% rate of return. The Pinedale is also completely HBP, so UPL does have the luxury of not needing to drill to hold its acreage.

Figure 6: UPL Pinedale well economics

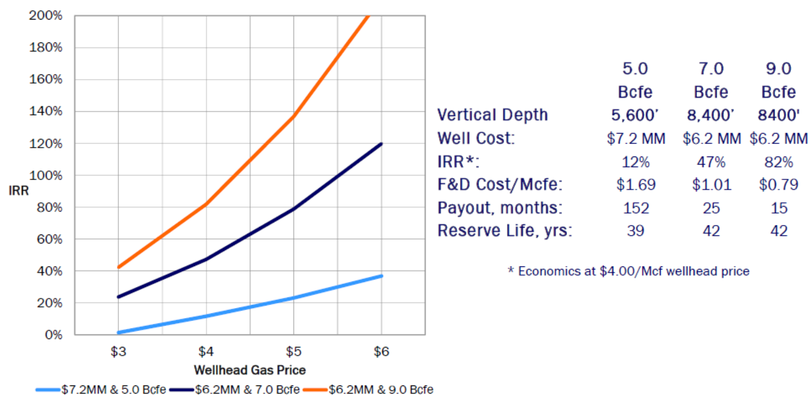


Source: UPL investor presentation

Basis differentials have also improved in the Rockies as the gas supply there has declined. We also believe that longer term, UPL can benefit from the Pinedale's proximity to the California natural gas market.

There is also lots of running room for UPL in Pennsylvania. The company has gathered a large amount of seismic data for its Marcellus acreage and has developed just 10% of its acreage thus far. As UPL and its partners drive their Marcellus well costs down from the $7.2M range closer to ~$6M, the well economics will rival those in the Pinedale. UPL's Pennsylvania acreage is also prospective for horizontal drilling in the Geneseo formation which lies above the Marcellus.

Figure 7: UPL Marcellus well economics



Source: UPL investor presentation

DEBT LOAD IS HIGH, BUT LONG DATED

UPL has $1.9B of net debt as of Q2/13. That debt consists of $320M drawn on its $1.0B unsecured bank credit agreement and $1.5B of senior notes. The first series of notes, totaling $100M, is due in 2015. In 2016, $62M of senior notes come due plus the balance drawn on its credit facility putting the total bill likely in the range of $380M. The credit facility could be extended for two successive years at UPL's request and with consent of its bank group.

The company's current net debt to cap ratio is 130% due to last year's $2.9B of ceiling test write-downs from low natural gas prices. Generally, however, bank credit agreements ignore the impact of these ceiling test write-downs.

UPL's current net debt to EBITDA ratio stands at 2.3x. UPL must maintain a 3.5x debt to trailing 12-month EBITDA as one of its bank debt covenants. While we do not foresee it approaching that level, we believe it will stay well above 2.0x through 2014.

Figure 8: UPL debt and credit metrics

($MM)	2Q13
Long-term debt	1,880
less: Cash	(7)
Net LT debt	1,873
Net debt/capital	130%
Net debt/EBITDA	2.5x
Interest coverage	7.5x

Source: Company reports, Canaccord Genuity

Figure 9: UPL net asset value

Ultra Petroleum: Estimated Net Asset Value				
Proved Reserves	**Bcfe**	**($/Mcfe)**	**Value ($MM)**	**per share**
Wyoming	1,620	$1.75	$2,836	$18.35
Pennsylvania	264	$1.75	$462	$2.99
Proved Developed	1,884	$1.75	$3,297	$21.34
Wyoming	1,024	$0.75	$768	$4.97
Pennsylvania	167	$0.75	$125	$0.81
Proved Undeveloped	1,191	$0.75	$893	$5.78
Total Proved Reserves	**3,075**	**$1.36**	**$4,191**	**$27.12**
Probable Reserves				
Wyoming	5,000	$0.25	$1,250	$8.09
Pennsylvania	2,000	$0.25	$500	$3.24
Total Probable	7,000	$0.25	$1,750	$11.33
Possible Reserves				
Wyoming	5,000	$0.00	$0	$0.00
Pennsylvania	2,000	$0.00	$0	$0.00
Total Possible	7,000	$0.00	$0	$0.00
Total 3P Reserves	**17,075**	**$0.35**	**$5,941**	**$38.45**
Less: Net Debt			($1,873)	-$12.12
Net Asset Value			$4,067	
per share			**$26**	
Shares Outstanding (millions)			154.5	

Source: Company reports, Canaccord Genuity

Note: We do not assign any value for UPL possible reserves due to the company's current low level of drilling activity.

Figure 10: UPL production, pricing and costs, 2011-2014E

Production, Pricing & Costs	2011	2012	2013E	2014E	2011	2012	2013E	2014E
Natural Gas (Bcf)	236.8	249.3	226.7	220.2	15%	5%	-9%	-3%
Oil & Condensate (MBbl)	1,407.9	1,282.4	1,172.1	1,199.8	6%	-9%	-9%	2%
Natural Gas (MMcfd)	646.8	681.3	621.2	598.3	15%	5%	-9%	-4%
Oil & Condensate (Bpd)	3,844.0	3,505.6	3,210.3	3,287.1	5%	-9%	-8%	2%
PA Production (Mmcfe/d)	118.4	196.4	185.3	166.4	N/A	66%	-6%	-10%
WY Production (Mmcfe/d)	553.3	506.0	455.1	456.8	N/A	-9%	-10%	0%
Total (Mmcfe/d)	671.7	702.4	640.4	623.2	15%	5%	-9%	-3%
Production Mix								
Natural Gas	97%	97%	97%	97%				
Oil & Condensate	3%	3%	3%	3%				
Realized Prices (incl. hedges)								
Natural Gas ($/mcf)	$5.12	$3.96	$3.68	$4.17	5%	-23%	-7%	13%
Oil & Condensate ($/Bbl)	$87.00	$91.35	$85.37	$87.00	24%	5%	-7%	2%
Per-Unit Costs ($/Mcfe)								
Lease operating	$0.21	$0.25	$0.37	$0.40	-2%	19%	49%	7%
Production taxes	0.40	0.24	0.30	0.30	0%	-40%	29%	-2%
Gathering	0.23	0.23	0.24	0.29	-2%	-1%	3%	21%
Transportation	0.26	0.33	0.35	0.35	5%	0%	5%	-1%
DD&A	1.41	1.51	1.04	1.10	25%	7%	-31%	6%
G&A	0.05	0.07	0.11	0.15	-8%	49%	47%	36%
Total	$2.56	$2.63	$2.41	$2.58	32%	2%	-8%	7%

Source: Company reports, Canaccord Genuity estimates

Figure 11: UPL income statement, 2011-2014E

Income Statement ($000)	2011	2012	2013E	2014E	2011	2012	2013E	2014E
Natural Gas Revenue	1,027,493	695,734	861,826	909,576	2%	-32%	24%	6%
Oil Revenue	119,382	114,240	100,217	104,381	28%	-4%	-12%	4%
Total Revenue	1,146,875	809,974	962,043	1,013,957	5%	-29%	19%	5%
Expenses								
Lease Operating	51,758	64,468	87,716	90,980	13%	25%	36%	4%
Production Taxes	97,094	60,756	73,409	81,117	1%	-37%	21%	10%
Gathering	56,510	59,005	54,709	64,808	13%	4%	-7%	18%
Transportation	64,245	84,470	81,545	78,455	-1%	31%	-3%	-4%
DD&A	346,394	388,985	243,352	250,195	43%	12%	-37%	3%
Ceiling Test Impairment	-	2,972,465	-	-	N/A	N/A	N/A	N/A
General & Administrative	12,113	16,804	19,692	34,118	6%	39%	17%	73%
Stock compensation	13,920	13,146	6,061	-	8%	-6%	-54%	-100%
Interest	63,157	88,180	103,185	104,960	29%	40%	17%	2%
Total Operating Expenses	705,191	3,706,387	669,669	704,633	23%	426%	-82%	5%
Operating Income	609,956	(2,896,413)	292,374	309,325	16%	-575%	-110%	6%
Unrealized Hedging Gain (Loss)	-	(245,854)	(2,860)	(40,000)	N/A	N/A	N/A	N/A
EBITDA	1,019,507	799,071	641,772	704,480	25%	-22%	-20%	10%
Interest Income	5	(1,738)	23	20	N/A	N/A	N/A	N/A
Other Income (Loss)	36	21,039	(19,768)	-	N/A	N/A	N/A	N/A
Income Before Taxes	609,997	(2,877,112)	272,629	309,345	16%	-572%	-109%	13%
Income Taxes	219,190	(700,213)	5,547	6,187	18%	-419%	-101%	12%
Tax Rate	35.9%	24.3%	2.0%	2.0%				
Net Income	390,807	(2,176,899)	267,083	303,158	15%	-657%	112%	14%
Adjustments for impairments	-	2,456,910	(5,276)	-	N/A	N/A	N/A	N/A
Adjusted Net Income	390,807	280,011	261,807	303,158	15%	-28%	-7%	16%
Earnings Per Share	$2.52	$1.83	$1.70	$1.96	15%	-27%	-7%	16%
Diluted Shares Outstanding (MM)	154.3	153.3	154.1	154.5				

Source: Company reports, Canaccord Genuity

Figure 12: UPL cash flow and balance sheet, 2011-2014E

Cash Flow Statement ($000)	2011	2012	2013E	2014E	2011	2012	2013E	2014E
Net Income	$390,807	$280,011	$261,807	$303,158	15%	-28%	-7%	16%
DD&A	346,394	388,985	243,352	250,195	43%	12%	-37%	3%
Deferred Taxes	200,252	45,930	134	309	-26%	-77%	-100%	130%
Other	-	4,000	3,055	-	N/A	N/A	N/A	N/A
Operating Cash Flow	937,453	718,926	508,348	553,662	10%	-23%	-29%	9%
Cash Flow Per Share	$6.07	$4.69	$3.30	$3.58	10%	-23%	-30%	9%
Capital Expenditures	1,467,090	834,800	410,150	400,000	42%	-43%	-51%	-2%
Free Cash Flow	(529,637)	(115,874)	98,198	153,662	196%	-78%	-185%	56%
FCF per share	($3.43)	($0.76)	$0.64	$0.99				
Balance Sheet ($000)	**2011**	**2012**	**2013E**	**2014E**	**2011**	**2012**	**2013E**	**2014E**
Cash	12,309	12,291	6,557	6,557	-83%	0%	-47%	0%
Long-Term Debt	1,903,000	1,837,000	1,824,412	1,670,750	22%	-3%	-1%	-8%
Net LT Debt	1,890,691	1,824,709	1,817,855	1,664,193	22%	-3%	0%	-8%
Equity	1,553,738	(577,867)	(309,420)	(76,368)	36%	-137%	-46%	-75%
Net Debt/ Cap	55%	145%	120%	104%				
Debt/EBITDA (Trailing 12m)	2.0x	2.3x	2.8x	2.4x				
BVPS	$10.08	($3.78)	($2.00)	($0.49)	36%	-137%	47%	75%
Annualized ROE	25.0%	N/A	N/A	N/A				
ROIC	11.3%	22.2%	17.6%	19.0%				
EBITDA/Interest Exp (Trailing 12m)	16.1x	9.1x	6.2x	6.7x				

Source: Company reports, Canaccord Genuity estimates

Investment risks

UPL is highly sensitive to volatile natural gas prices. Lower commodity prices can adversely affect its revenues, earnings and cash flow. The company's production is unhedged thus far for 2014. It also has a high level of financial leverage.

APPENDIX: IMPORTANT DISCLOSURES

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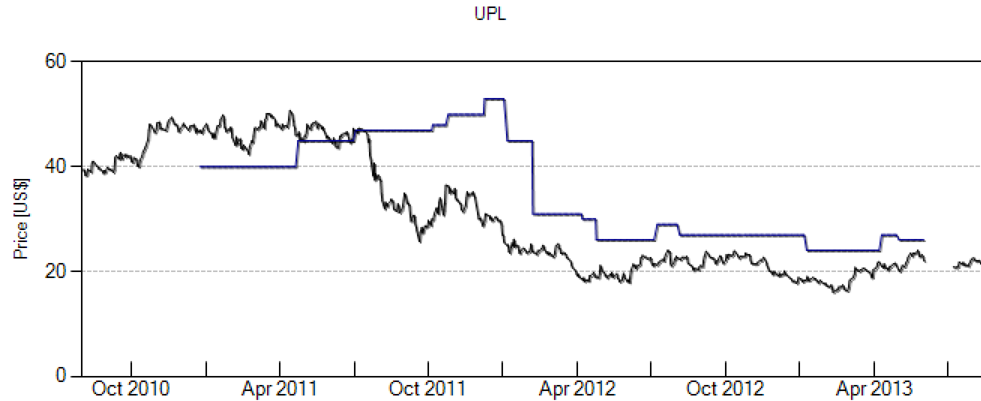
Site Visit: An analyst has visited the issuer's material operations in Houston, Texas. No payment or reimbursement was received from the issuer for the related travel costs.

Price Chart:*



— Market Price
— Target Price

	Date	Analyst	Rating	Target Price		Date	Analyst	Rating	Target Price
1)	01/10/2011	Gerdes	Sell	40.00	9)	04/17/2012	Gerdes	Buy	30.00
2)	05/09/2011	Gerdes	Hold	45.00	10)	05/04/2012	Gerdes	Buy	26.00
3)	07/18/2011	Gerdes	Hold	47.00	11)	07/17/2012	Gerdes	Buy	29.00
4)	10/19/2011	Gerdes	Hold	48.00	12)	08/12/2012	Gerdes	Buy	27.00
5)	11/07/2011	Gerdes	Hold	50.00	13)	01/14/2013	Gerdes	Buy	24.00
6)	12/21/2011	Gerdes	Buy	53.00	14)	04/15/2013	Gerdes	Buy	27.00
7)	01/17/2012	Gerdes	Buy	45.00	15)	05/06/2013	Gerdes	Buy	26.00
8)	02/17/2012	Gerdes	Buy	31.00	16)	06/06/2013		Suspended	

*Price charts assume event 1 indicates initiation of coverage or the beginning of the measurement period.

Distribution of Ratings:
Global Stock Ratings
(as of 28 June 2013)

	Coverage Universe		IB Clients
Rating	#	%	%
Buy	568	59.1%	36.6%
Speculative Buy	58	6.0%	60.3%
Hold	288	30.0%	11.1%
Sell	47	4.9%	6.4%
	964*	100.0%	

*Total includes stocks that are Under Review

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Canaccord Genuity Research Disclosures as of 19 August 2013

Company	Disclosure
Ultra Petroleum	5, 7

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