

## MEET LANCE DARDIS

**T**imes may be tough in the oil and gas M&A market, but that hasn't dissuaded Lance Dardis from working his hardest to get deals closed.

A Texas native with Louisiana roots, Dardis received a bachelor's in accounting from Louisiana State University and an MBA from the University of Texas. Starting his career as an auditor at PricewaterhouseCoopers, he was offered a job at Ocean Energy Inc. just following its merger with United Meridian.

Dardis was familiar with Ocean and its predecessor, Flores & Rucks Inc., because of the company's ties to Louisiana and LSU. During his time at Ocean, the company merged with Seagull Energy Corp. He left Ocean before it was purchased by Devon Energy Corp. in 2003.

Then an opportunity arose at investment-banker Scotia Waterous. Scotia Capital had just acquired A&D specialist Waterous & Co., and was looking to expand its Houston corporate finance team. He joined Scotia Waterous in February 2006 as an associate and is now a director.

Dardis took a moment to speak with Oil and Gas Investor about commodity-price declines, the current M&A market and the quarterback situation at LSU.

**Investor** What are some of the deals you're currently working on?

**Dardis** I'm working on a few projects that are in various stages of progression. The past several months have forced some of our clients to change the timing and scope of several of our mandates. As a result, my role and level of involvement in these deals has been changing frequently.

The transactions that I spent a lot of time on last year were the sale of Taylor Energy to Korea National Oil Corp. and Samsung Corp., and the merger of Bois d'Arc Energy with Stone Energy.

**Investor** Have you noticed any shift in deal sizes due to the credit situation?

**Dardis** I wouldn't say that the credit situation alone has shifted deal prices downward, although the case could be made that buyers are now more reluctant to pay full value for nonproducing reserves because they cannot secure financing for these acquisitions.

A bigger factor in shrinking deal values is the recent plunge in commodity prices. We don't really have a lot of data points yet for transactions in this price environment, because there are not a large number of deals being closed. During the fourth quarter of last year, several companies postponed their planned

asset sales in hopes that commodity prices would rebound.

**Investor** Do you expect assignments involving distressed sellers?

**Dardis** Yes, selling assets may prove to be the best way to raise capital in this market, so management teams or their boards will look to divestments when they're in need of liquidity. Upcoming bank borrowing-base redeterminations are expected to drive a lot of companies to sell assets.

**Investor** What do you like most about your job?

**Dardis** I've been given a lot of responsibility and latitude since I joined the firm three years ago. More importantly, I enjoy the people I work with. We have a unique culture that has been developed from the top down by Adam Waterous and the managing directors in the Houston office.

**Investor** Who has been a professional mentor?

**Dardis** I've learned something from just about everyone I've worked with over the years,

none more so than Shaun Finnie, who runs the corporate finance group at Scotia Waterous. Shaun's experience and willingness to offer advice and constructive criticism make him a great mentor for all the younger bankers in our office.

**Investor** Where do you see yourself in five years?

**Dardis** I assume I will be at Scotia Waterous.

I believe the demand for oil and gas assets is going to continue to grow over the next five years, and being at Scotia Waterous will keep me at the center of the action. I expect to spend a lot more time doing business development and being on the road.

**Investor** What's on your plate outside the office?

**Dardis** Time with my two-year-old son Blake and my wife Kendle. I also try to hang out with my friends as much as possible. I'm a college football fan, so watching games with my friends takes up a lot of my time during football season. And, I try to play golf every now and then.

**Investor** What's your opinion on the quarterback situation at LSU for the 2009 season?

**Dardis** I think it's Jordan Jefferson's job to lose after the bowl game he had. Anything is an improvement over last year.

**Investor** Any advice for our readers given the current price environment?

**Dardis** I don't have anything enlightening to say, but I do feel it's important to keep life in perspective during this challenging time in our industry.

—Stephen Payne

