



Unit Corporation

UBS Global Oil & Gas Conference

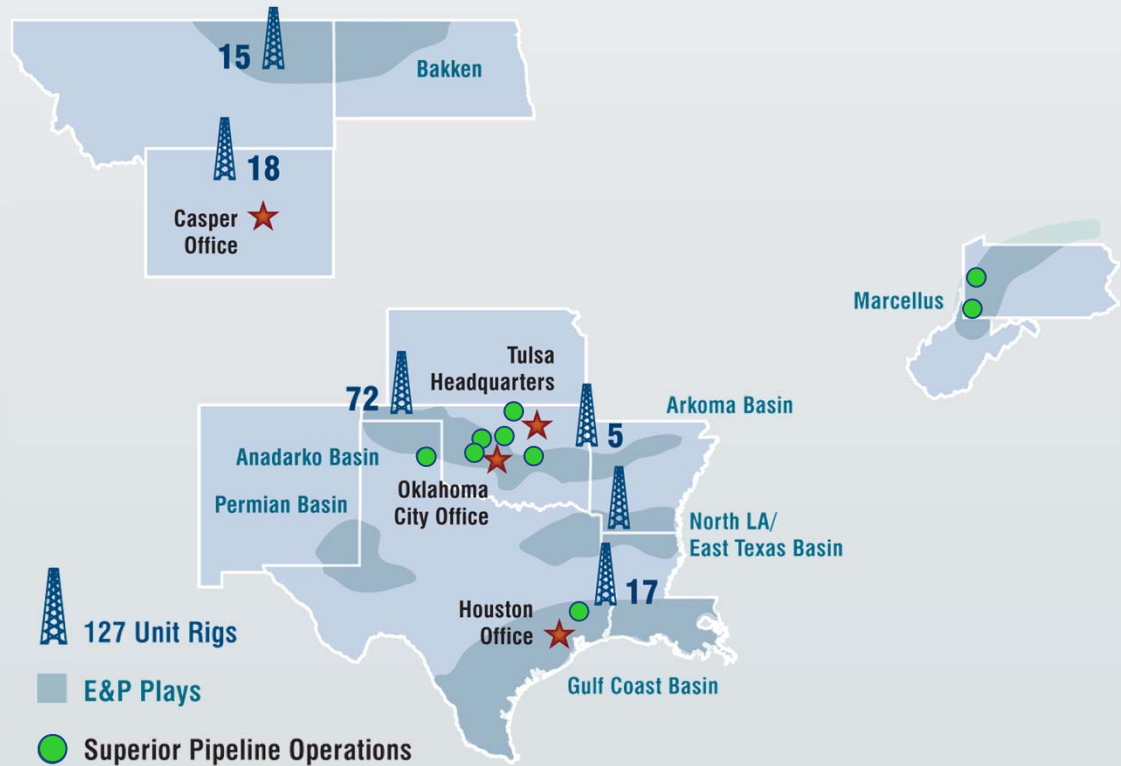
Thursday, May 24, 2012

12:30 p.m.

Overview of Operations



- ✓ **Tulsa based company founded in 1963 with long history of operations in the Mid-Continent**
 - Ticker: UNT / NYSE
 - Market Cap: \$2.0 billion⁽¹⁾
 - Enterprise Value: \$2.3 billion⁽¹⁾
- ✓ **Proved Reserves: 116 MMBoe**
- ✓ **Percent Proved Developed: 81%**
- ✓ **Drilling Rigs: 127**
- ✓ **Miles of Midstream Pipeline: 934**



Integrated Business Approach

⁽¹⁾ Market data as of 5/21/2012.

Summary of Business Strengths



Integrated Approach Enhances Stability and Flexibility

- ✓ **Integrated approach to business allows Unit to balance its capital deployment through the various stages of the energy cycle**
- ✓ **Vertical integration offers key advantages and provides industry intelligence on industry dynamics / trends**

Leading drilling services provider with highly capable fleet

- ✓ **Average 1,200 HP for 127 rig fleet**
- ✓ **98% of contracted rigs drilling horizontal wells**
- ✓ **69% increase in rig count since 2002**

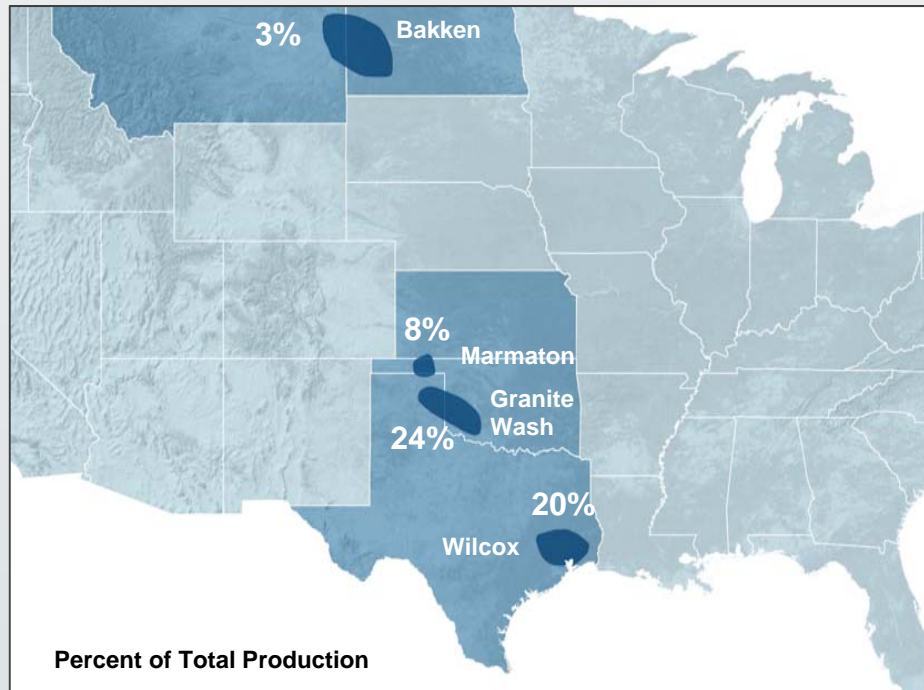
Quality upstream asset base with significant growth potential

- ✓ **Large development drilling inventory with attractive economics in current price environment, with significant horizontal drilling upside potential**
- ✓ **195% average production replacement since 2002**

Midstream business generating incremental margin opportunities

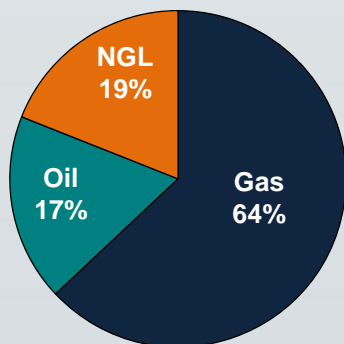
- ✓ **Focus in emerging plays of Granite Wash and Marcellus shale**
- ✓ **263% increase in per day natural gas processed volumes since 2004**
- ✓ **661% increase in per day liquids sold volumes since 2004**

Core Upstream Producing Areas



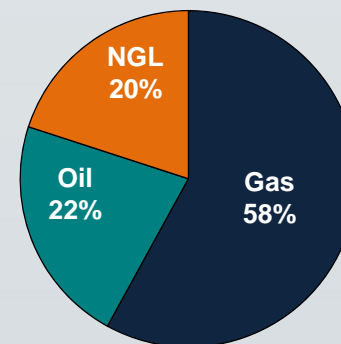
- ✓ **2011 reserves of 116 MMBoe were 64% natural gas and 81% proved developed**
 - Reserve life of approximately 10 years
- ✓ **Beginning in late 2008, implemented strategy of increasing focus on liquids-rich and oil prospects**
 - Forecast to end 2012 with 42% liquids production
- ✓ **Key focus areas include:**
 - Granite Wash (Texas Panhandle)
 - Marmaton (Oklahoma Panhandle oil play)
 - Wilcox (Gulf Coast)

2011 Proved Reserves



Proved Reserves: 116 MMBoe

Q1 2012 Daily Production

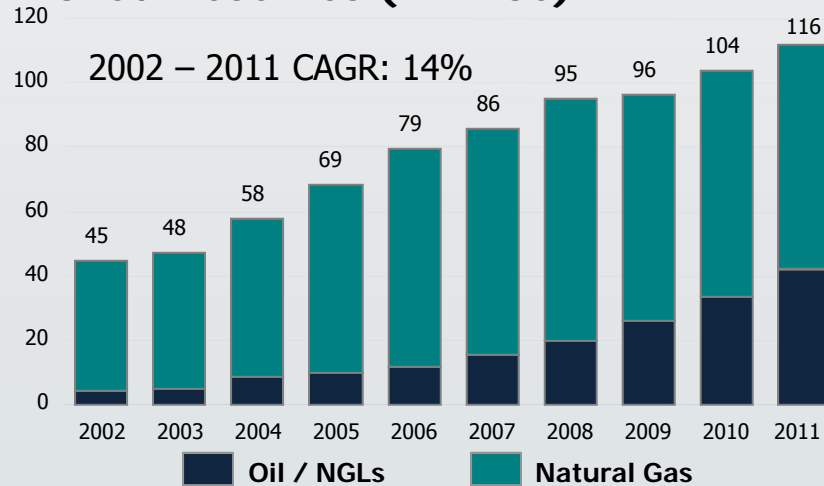


Daily Production: 36.0 MBoe/d

Track Record of Reserve Growth



Proved Reserves (MMBoe)



- ✓ Stable and consistent economic growth of oil and natural gas reserves of at least 150% of each year's production
- ✓ 218% average annual reserve replacement over last 28 years
- ✓ Reserve growth driven by Oklahoma and Texas activity and a shift from vertical to horizontal / liquids-rich drilling

Annual Reserve Replacement⁽¹⁾



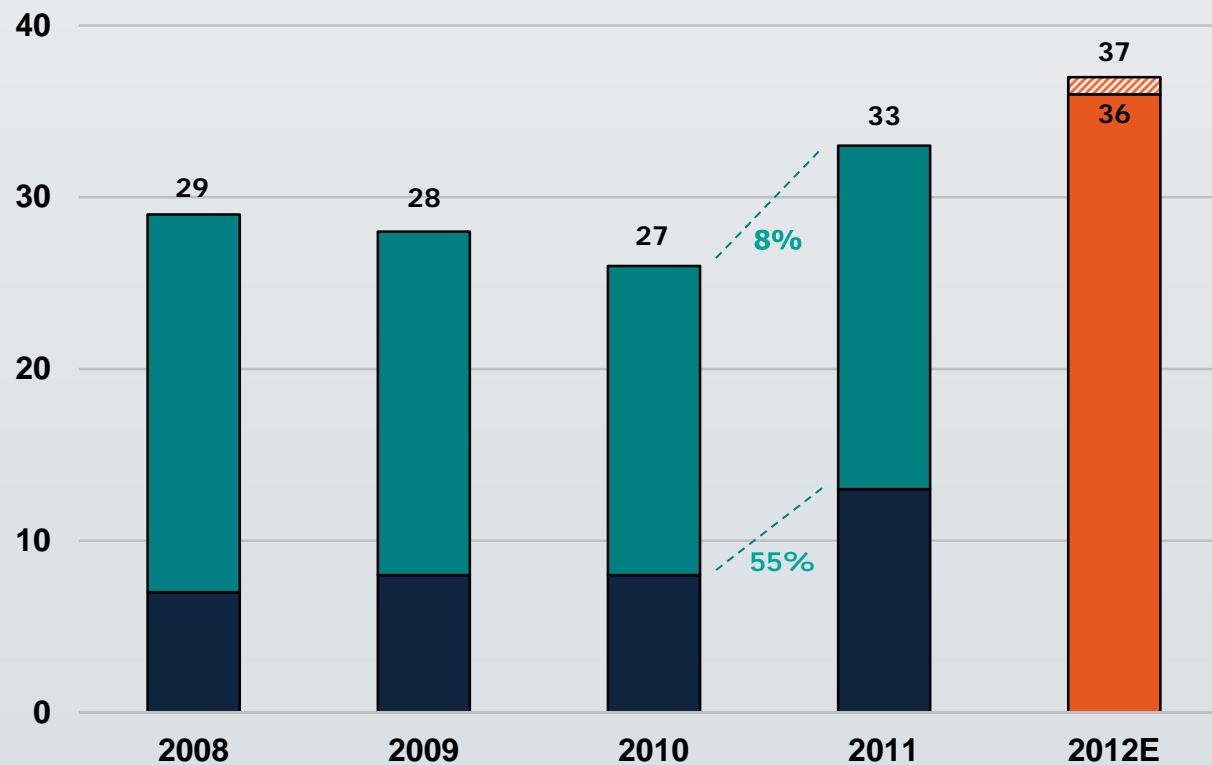
⁽¹⁾ The Company uses the reserve replacement ratio as an indicator of the Company's ability to replenish annual production volumes and grow its proved reserves, including by acquisition, thereby providing some information on the sources of future production. It should be noted that the reserve replacement ratio is a statistical indicator that has limitations. The ratio is limited because it typically varies widely based on the extent and timing of discoveries and property acquisitions. Its predictive and comparative value is also limited for the same reasons. In addition, since the ratio does not imbed the cost or timing of future production of new reserves, it cannot be used as a measure of value creation.

⁽²⁾ 164% based on previous SEC reporting standards.

Increasing Production while Improving Commodity Mix



Annual Production (MBoe/d)



Net Wells
Drilled:

134

43

88

82

Oil / NGLs

Natural Gas

Low End Projected Production

High End Projected Production

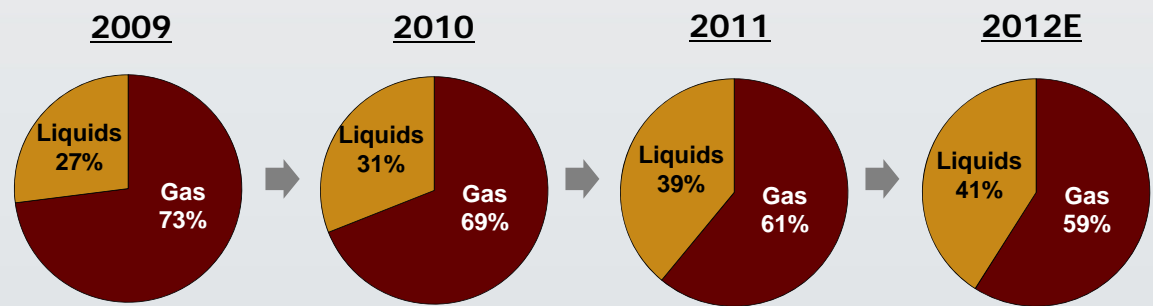
Increasing Liquids Focus



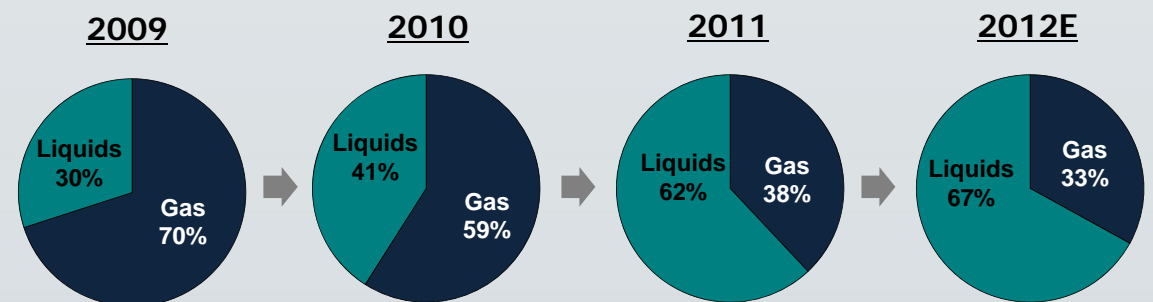
- ✓ In the current commodity price environment, Unit continues to allocate capital towards higher rate of return liquids-rich production

- Liquids-rich focus strategy initiated in late 2008

Annual Production Mix

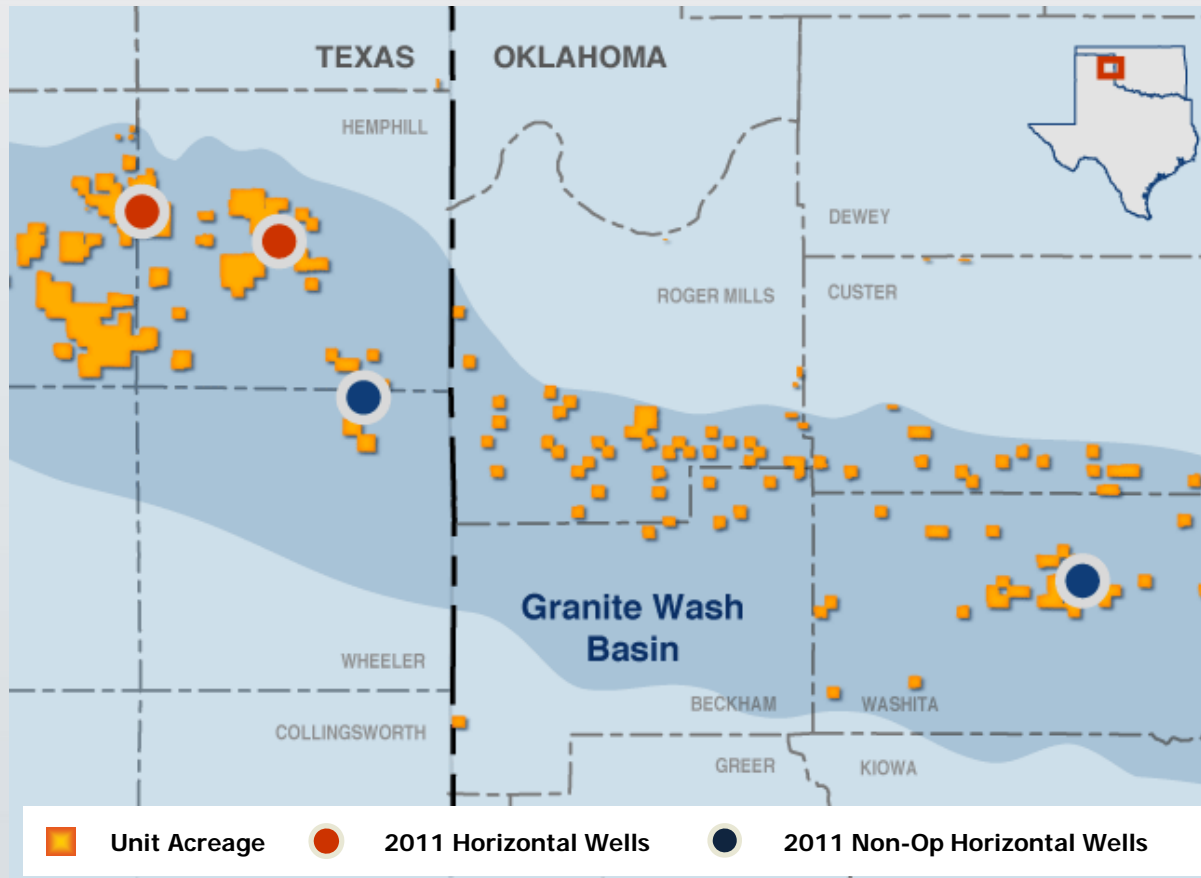


Revenue Mix



Unit Continues to Execute on Its Strategy to Increase Its Liquids Portfolio and Drilling Economics

Granite Wash Play



✓ 2011 Results

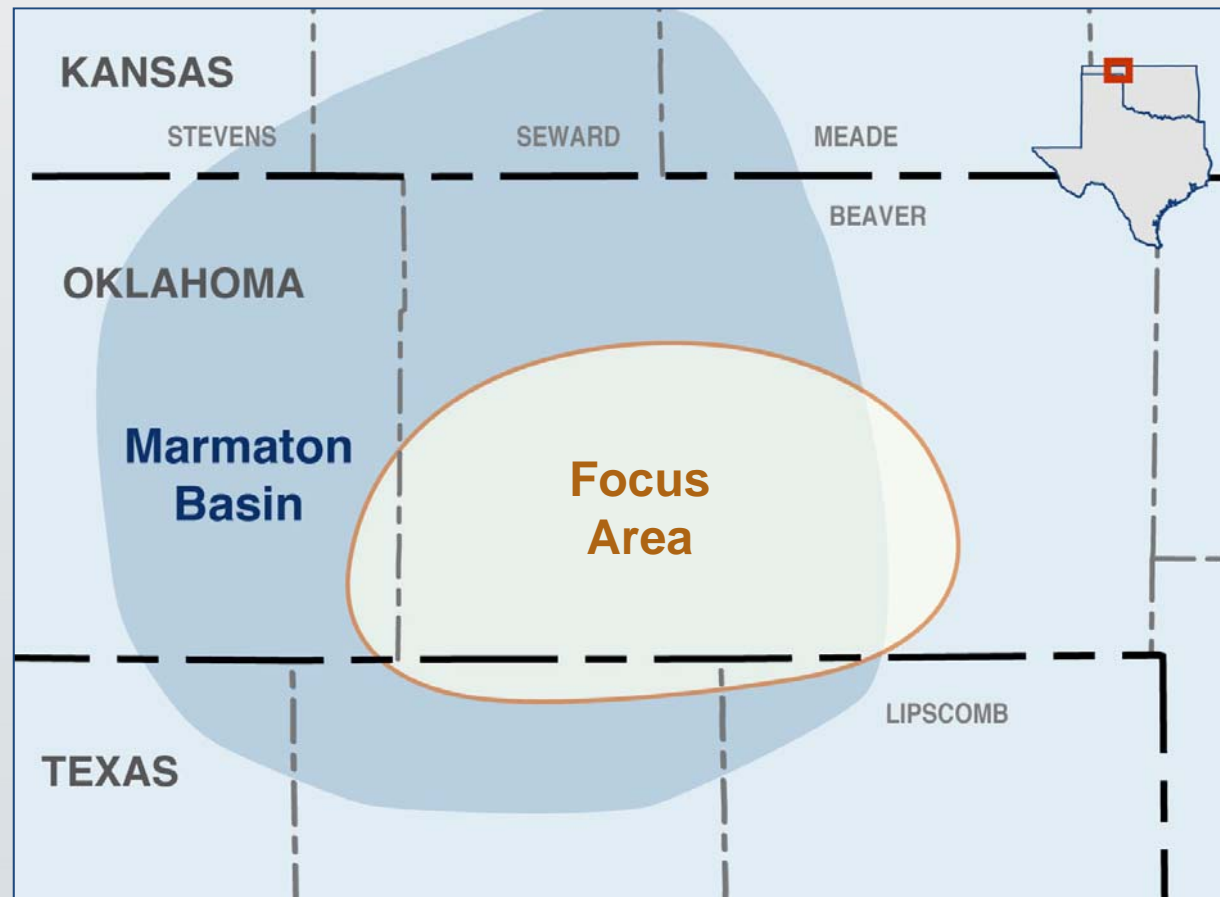
- First sales on 16 operated Granite Wash horizontal wells
- Average 30-day IP = 6.8 MMcfe/day
- Average reserves: 4.6 Bcfe (50% oil & liquids)
- Current CWC: \$5.5 MM (4,000' lateral, 11 stage frac)
- Average working interest: 76%

✓ 2012 Projected

- 3-4 rigs drilling = 20 operated horizontal wells
- Cap Ex: \$90 MM

- ✓ **21,156 net acres, 64,575 gross acres**

Marmaton Oil Play



✓ 2011 Results

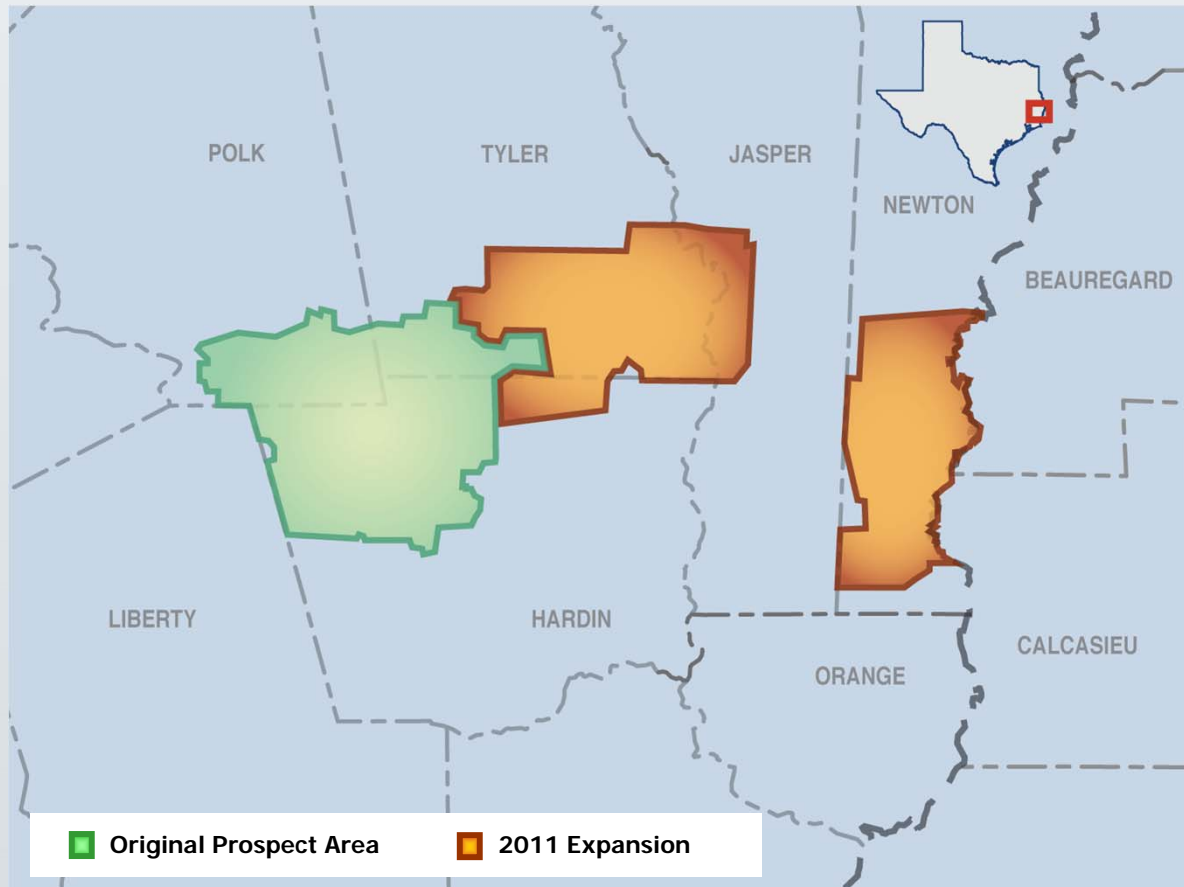
- First sales on 34 operated Marmaton horizontal wells
- Average 30-day IP = 308 Boe/day
- Average reserves: 130 MBoe (92% oil & liquids)
- Current CWC: \$2.7 MM (4,000' lateral, 16 stage frac)
- Average working interest: 87%

✓ 2012 Projected

- 2 rigs drilling = 30-35 operated horizontal wells
- Cap Ex: \$71 MM

✓ **102,822 net acres located primarily in Beaver County, OK**

Wilcox Liquids Play



✓ 2003 - 2011

- Completed 109 wells at 72% success rate

✓ 2011 Results

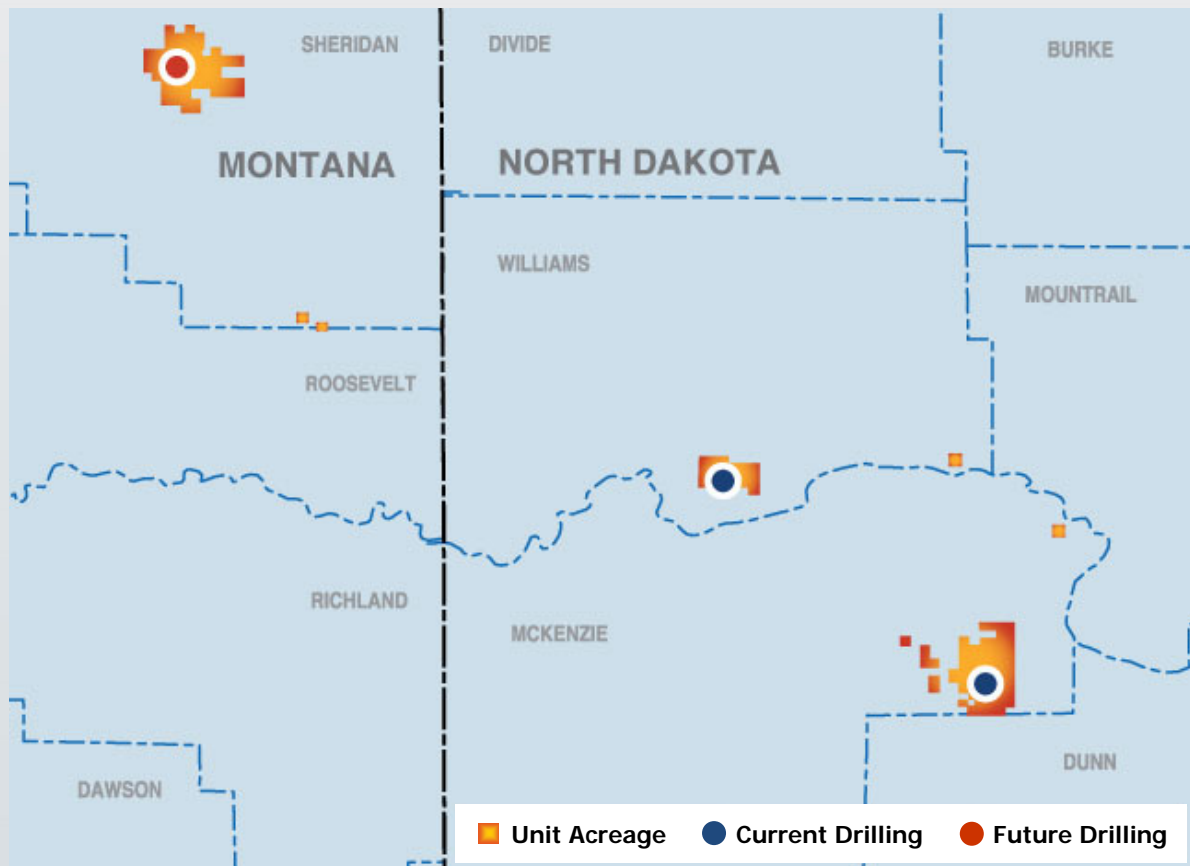
- Completed 17 wells at 59% success rate
- Average 30-day IP rate = 248 Boe/day
- Average reserves: 230 MBoe (50% oil & liquids)
- Average CWC: \$3.1 MM
- Average working interest: 97%

✓ 2012 Projected

- 1 rig drilling = 15 operated vertical wells
- Cap Ex: \$41 MM

- ✓ **27,000 net acres**
129,000 net options

Bakken Shale



✓ 2011 Results

- First sales – 17 wells
- Average 30-day IP rate = 1,098 Boe/day
- Average reserves: 662 MBoe
86% oil

✓ 2012 Projected

- 2 third party rigs drilling =
20 non-op horizontal wells
- Average CWC: \$11.0 MM
(9,000' lateral, 28 stage frac)
- Average working interest: 15%
- Cap Ex: \$30 MM

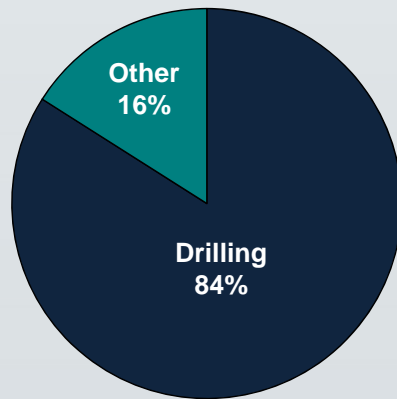
✓ 13,400 net acres

2012 Upstream Capital Program



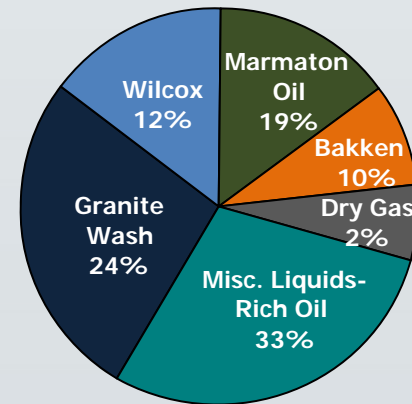
- ✓ **\$385 million drilling capital budget allocated principally to the liquids-rich Granite Wash, Marmaton, and Wilcox plays**
 - Approximately \$212 million allocated to Granite Wash, Oklahoma Marmaton oil play, and Texas Wilcox field operations (~55% of overall drilling budget)
- ✓ **Current plan will provide Unit with 9% - 12% annual growth in production**

Total CapEx by Category



2012 CapEx Budget: \$457 Million

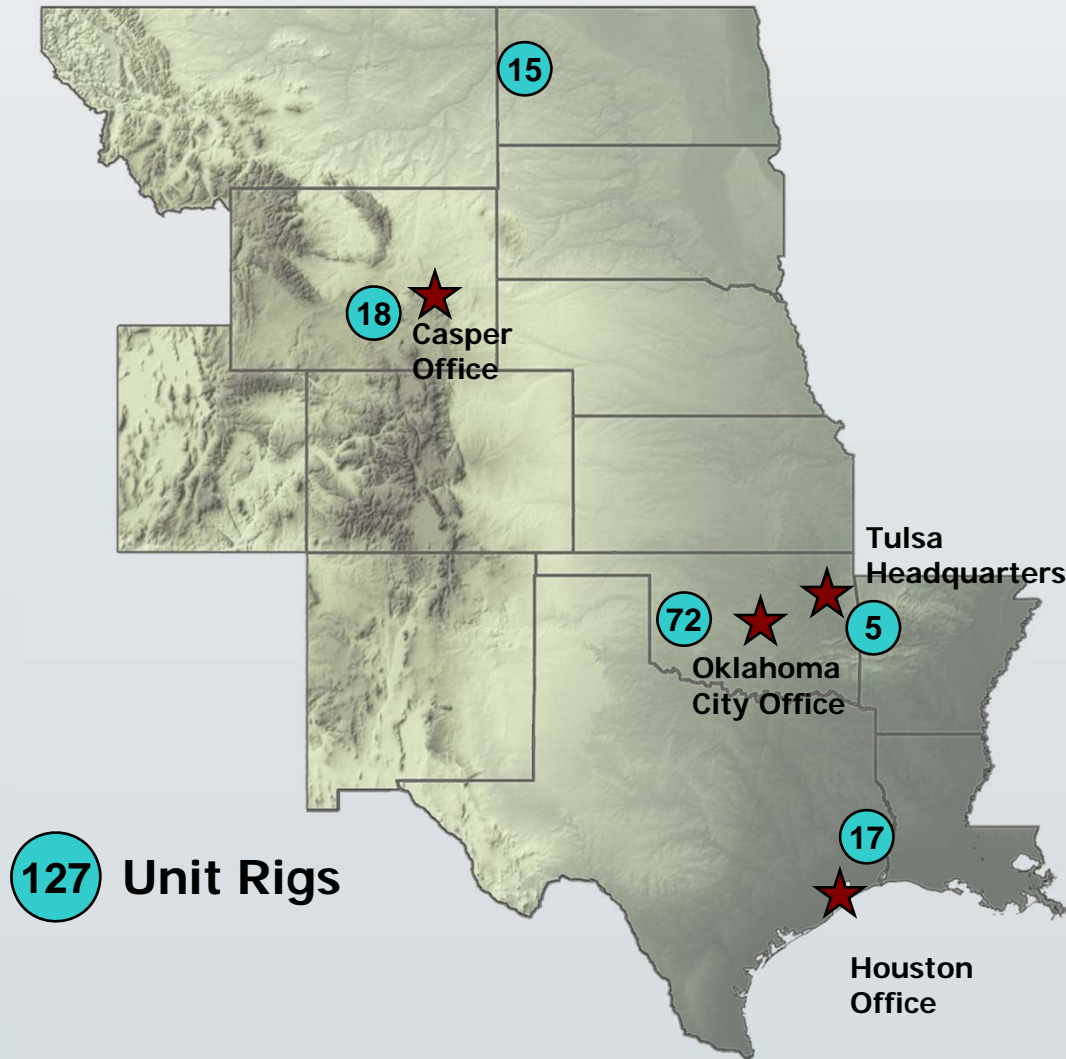
Drilling CapEx by Region



2012 Capital Budget: \$385 Million

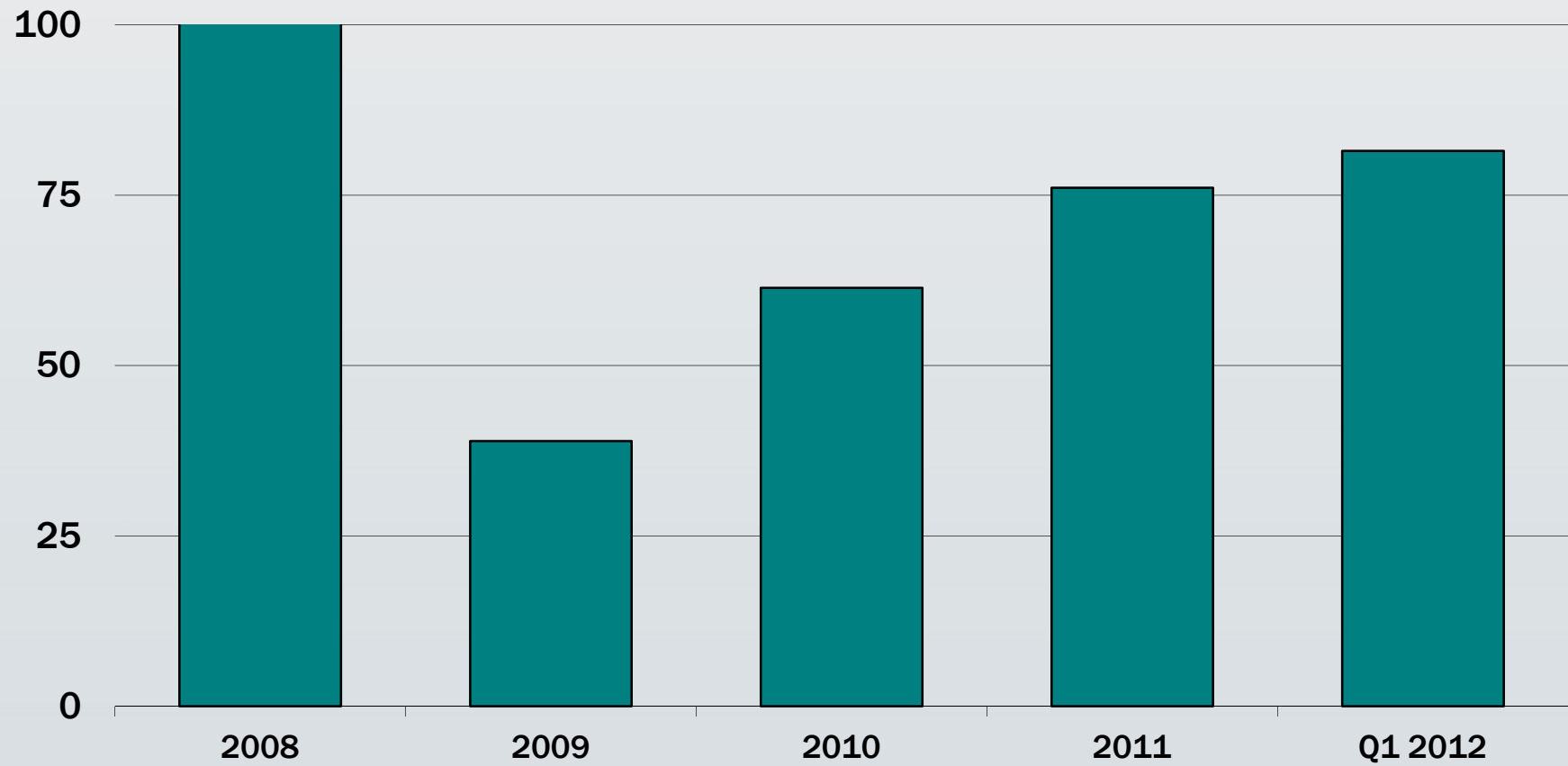
Focused Capital Program Emphasizes Higher Return Liquids-Rich Drilling Plays

Significant Drilling Presence in Attractive Producing Regions

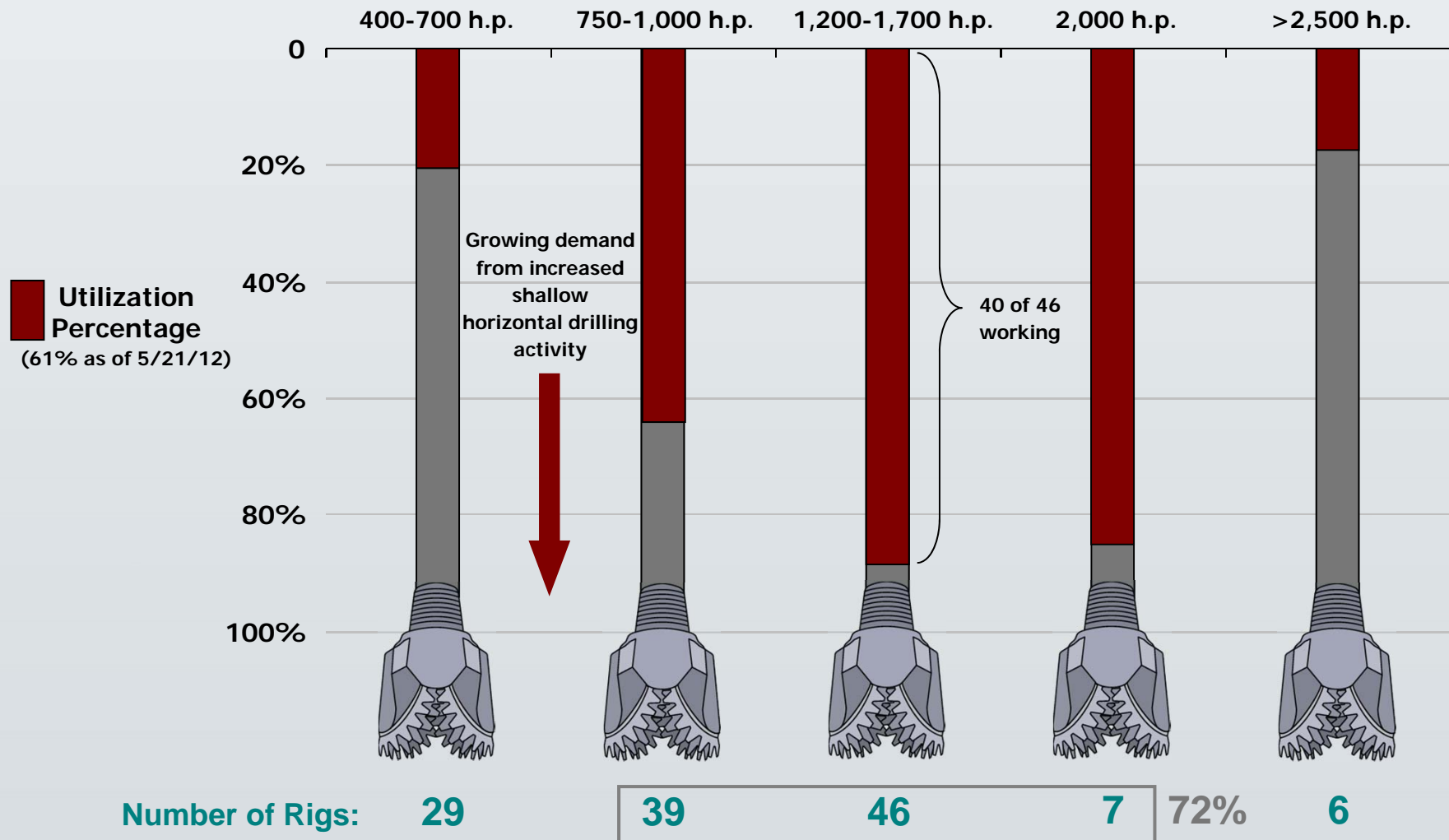


- ✓ **127 rig fleet**
 - Fleet average ~1,200 HP rating;
~16,724 ft depth capacity
- ✓ **64% utilization rate for Q1 2012**
 - 87% of 46 1,200-1,700 HP rigs under contract
- ✓ **Refurbished / upgraded 19 rigs in 2011**
 - 98% of contracted rigs drilling horizontal wells
- ✓ **2012 – 1 new build rig (1,500 HP)**
 - 3 year contract, to be deployed to North Dakota

Average Number of Rigs Utilized



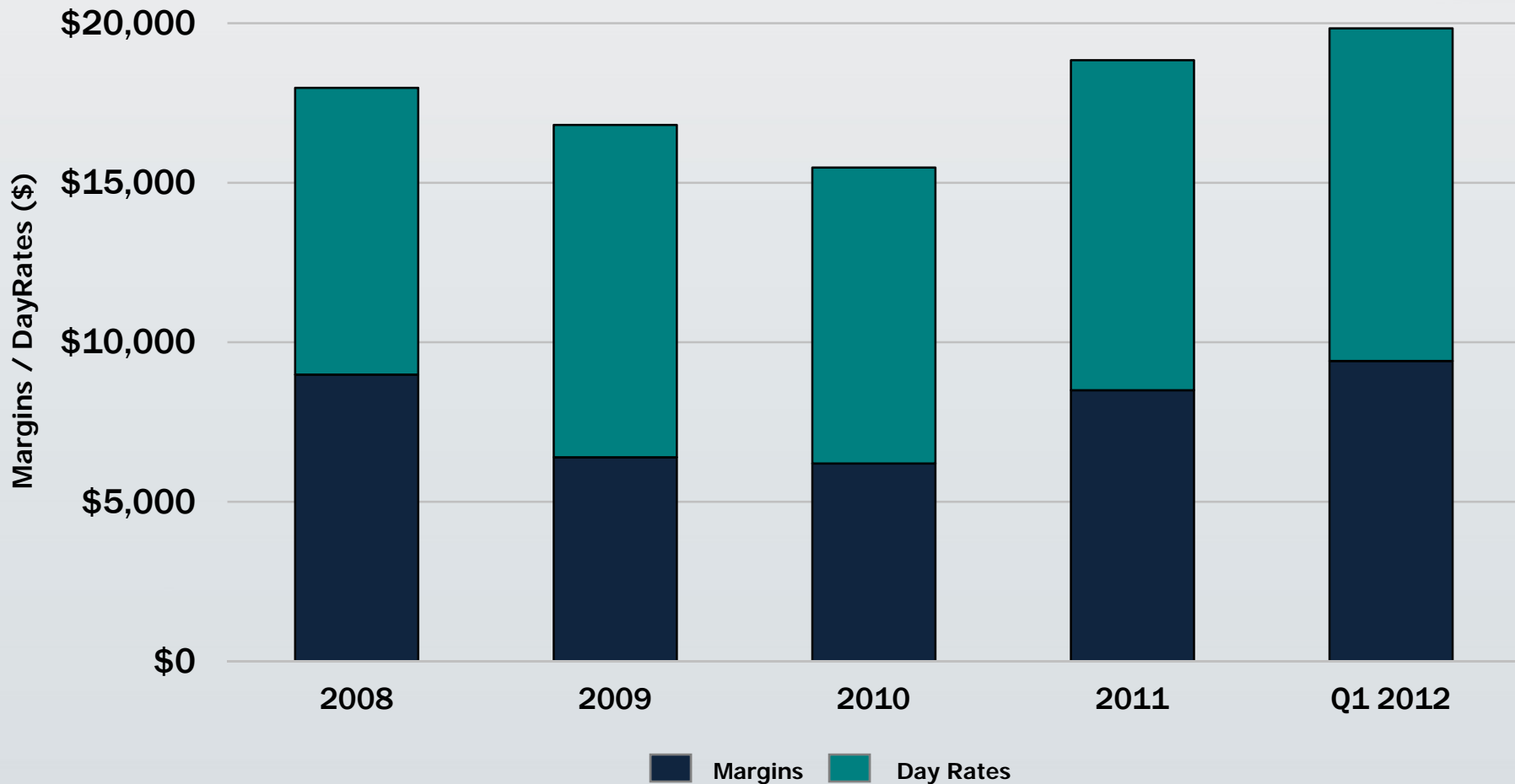
Diverse and Versatile Rig Fleet



79 rigs equipped with integrated top drives

Average Depth Capacity: 16,724 feet

Average Dayrates and Margins⁽¹⁾



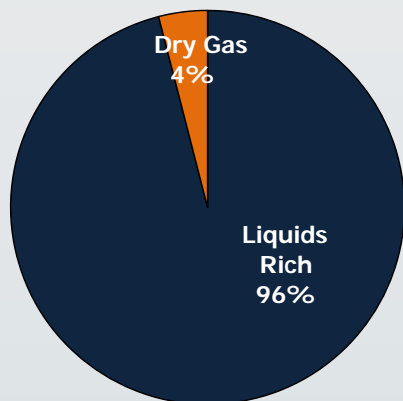
Eight Consecutive Quarters of Improving Day Rates and Margins

⁽¹⁾ Margins are before elimination of intercompany rig profit.

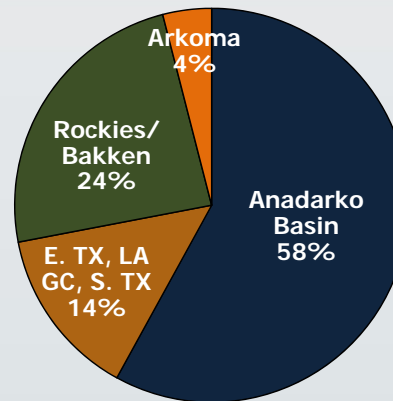
Overview of Drilling Fleet



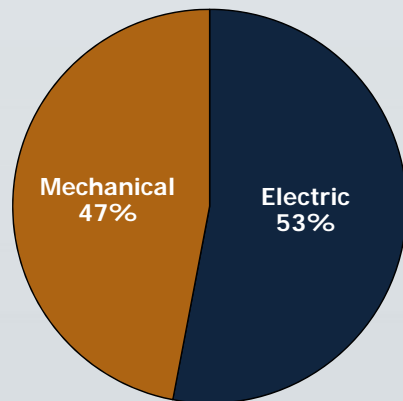
Contracted Rig Commodity Mix



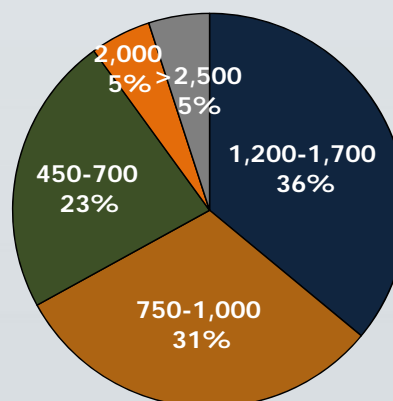
Geographical Location



Rig Type



HP Rating

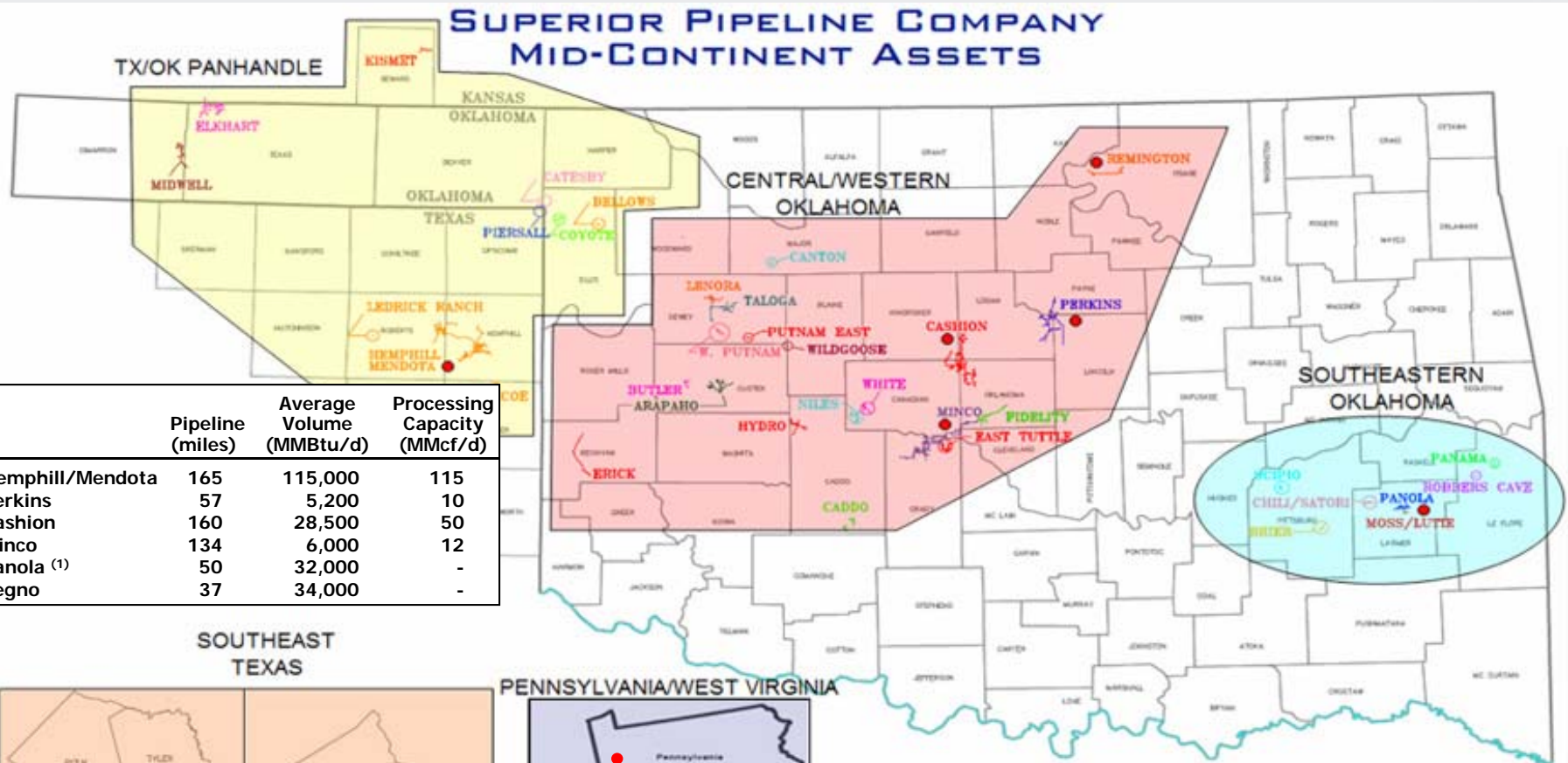


Note: Based on 77 contracted rigs. All charts represent total 127 rig fleet.

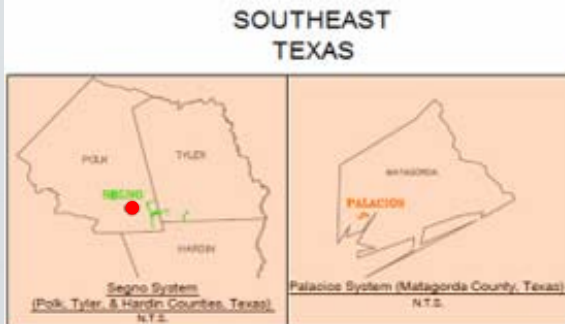
Superior Pipeline's Core Operations



SUPERIOR PIPELINE COMPANY MID-CONTINENT ASSETS



Pipeline (miles)	Average Volume (MMBtu/d)	Processing Capacity (MMcf/d)
Hemphill/Mendota	165	115,000
Perkins	57	5,200
Cashion	160	28,500
Minco	134	6,000
Panola ⁽¹⁾	50	32,000
Segno	37	34,000



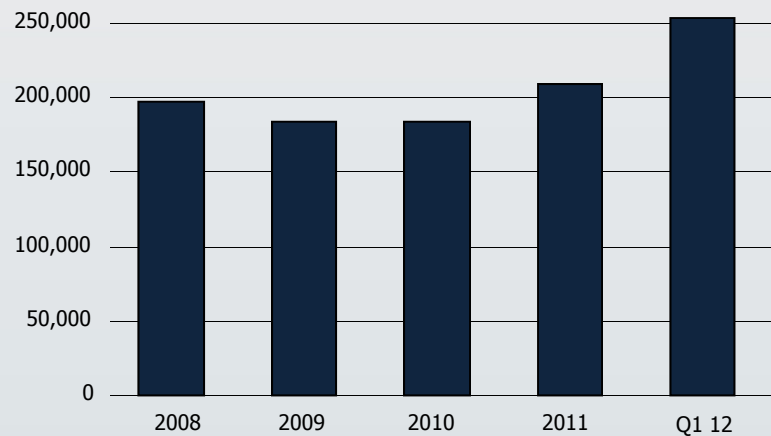
- ✓ Three natural gas treatment plants
- ✓ 11 natural gas processing plants
- ✓ 35 active gathering systems
- ✓ 934 miles of pipeline

⁽¹⁾ Includes two treatment plants.

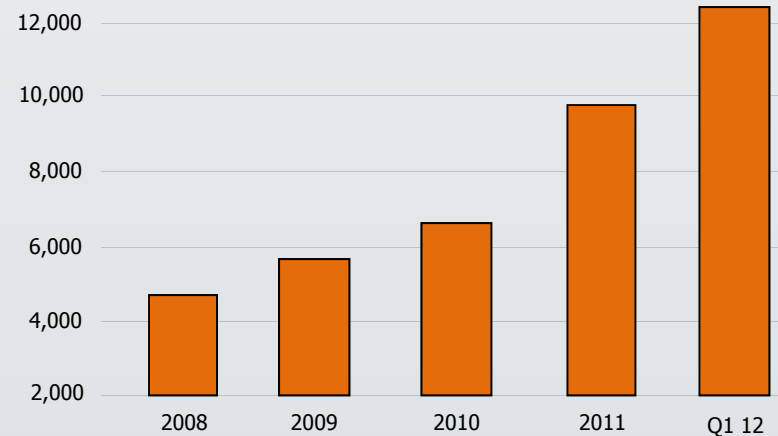
Historical Performance



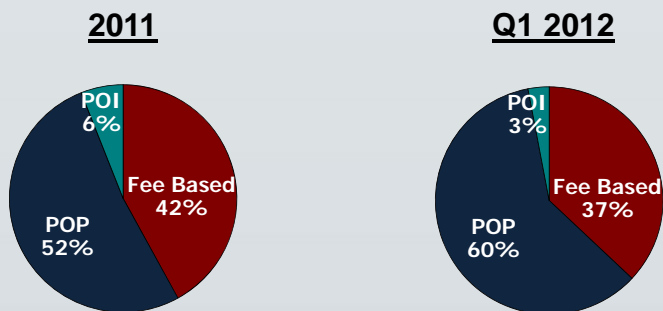
Historical Daily Gathering Volumes (MMBtu / d)



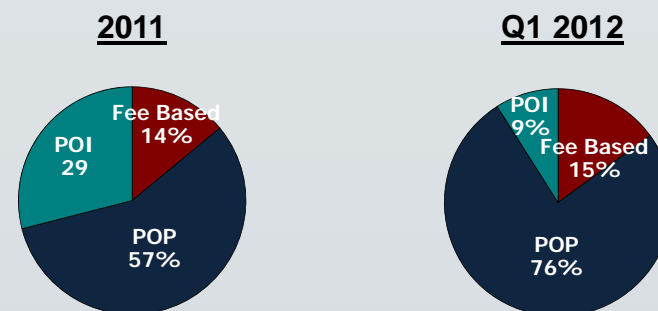
NGLs Volumes (Bbl / d)



Contract Mix (Based on Volume)⁽¹⁾



Contract Mix (Based on Operating Margin)⁽¹⁾



⁽¹⁾ POP represents percent of proceeds. POI represents percent of index.

Balance Sheet Summary



	<u>3/31/12</u>	<u>12/31/11</u>
	(In Millions)	
Working Capital	\$37.9	\$15.7
Total Assets	3,328.1	3,256.7
Long-Term Debt		
Senior Subordinated Notes	250.0	250.0
Bank Facility	65.8	50.0
Total Long-Term Debt	315.8	300.0
Shareholders' Equity	1,999.1	1,947.0
Credit Line Undrawn	184.2	200.0
Long-Term Debt to Total Capitalization	14%	13%

Debt Structure (1)



Senior Subordinated Notes

- \$250 million, 6.625%
- First-time issuer
- Issued in May 2011
- 10-year, NC5

Unsecured Bank Facility

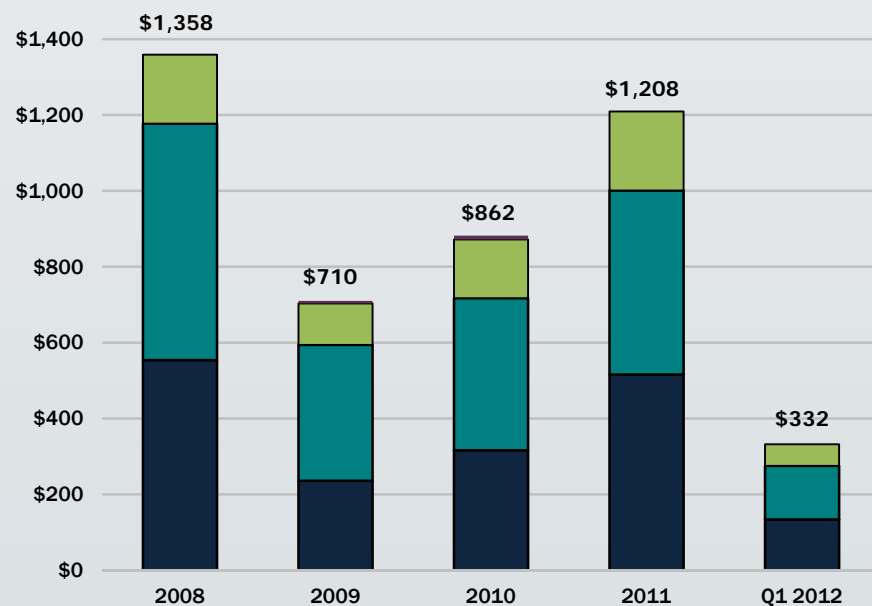
- | | |
|----------------------|----------------|
| ▪ Borrowing Base | \$600 million |
| ▪ Elected Commitment | \$250 million |
| ▪ Outstanding | \$65.8 million |
| ▪ Maturity | September 2016 |

(1) As of March 31, 2012

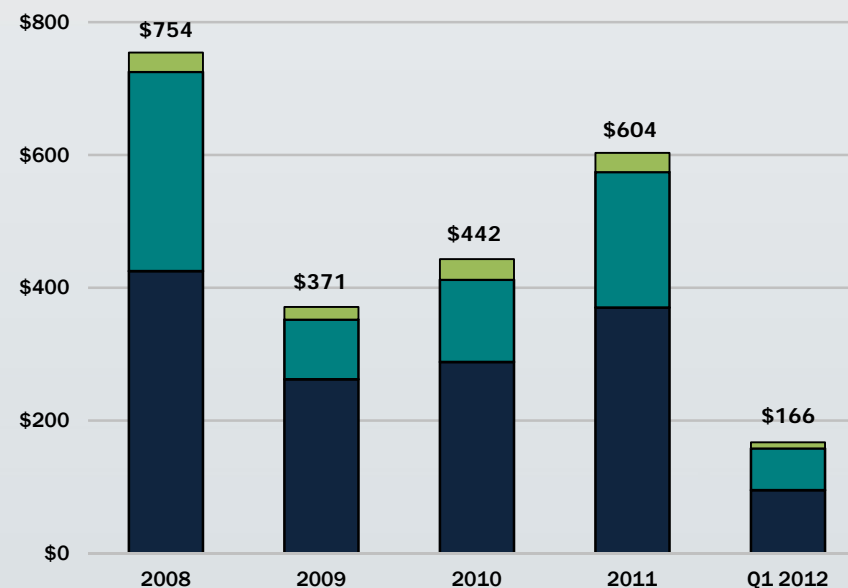
Segment Contribution



Revenues (\$ millions)



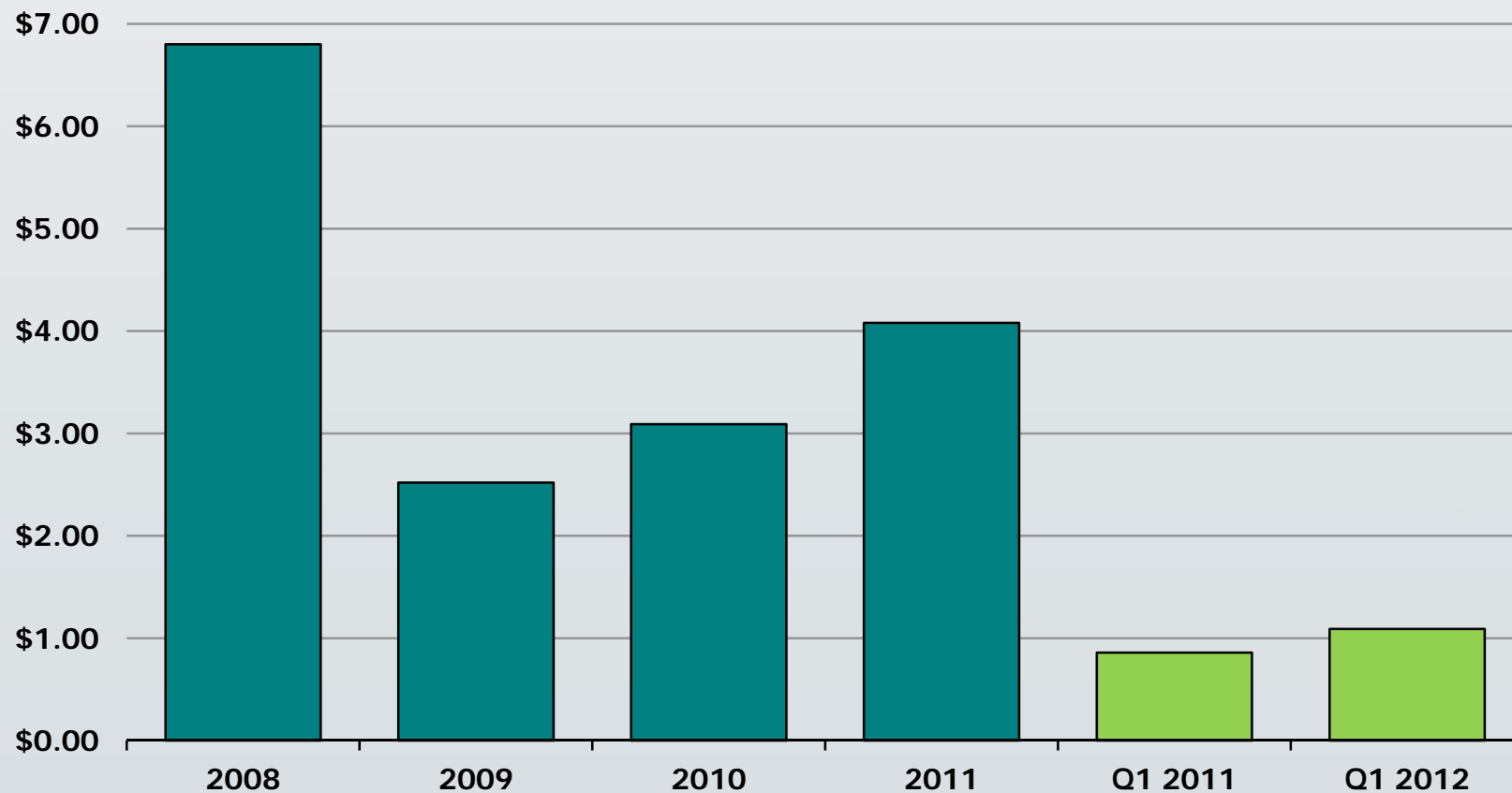
EBITDA (\$ millions)⁽¹⁾



Unit Petroleum
 Unit Drilling
 Superior Pipeline
 Other

⁽¹⁾ See EBITDA reconciliation.

Adjusted Earnings per Share⁽¹⁾

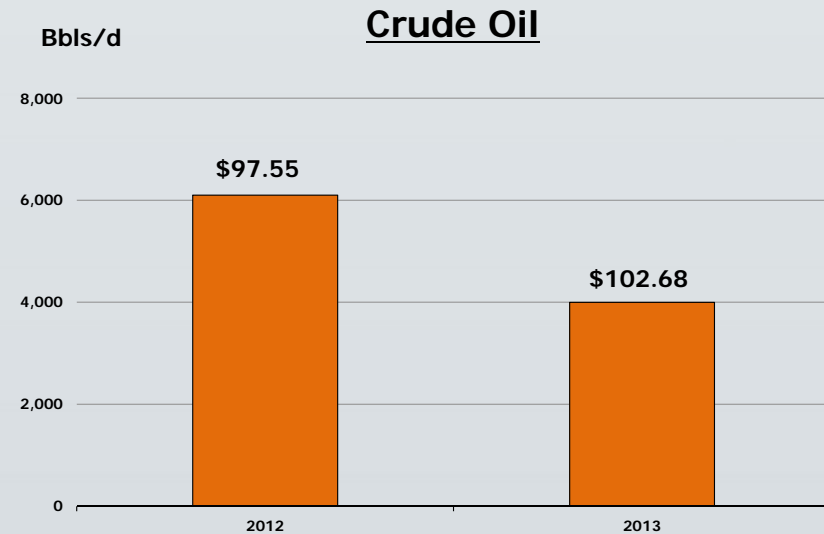
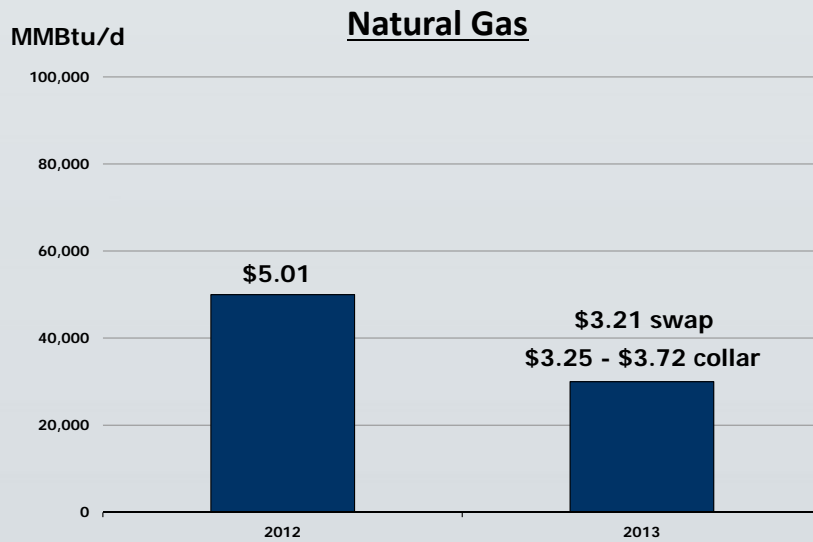


⁽¹⁾ See Adjusted EPS reconciliation to EPS.

Hedges



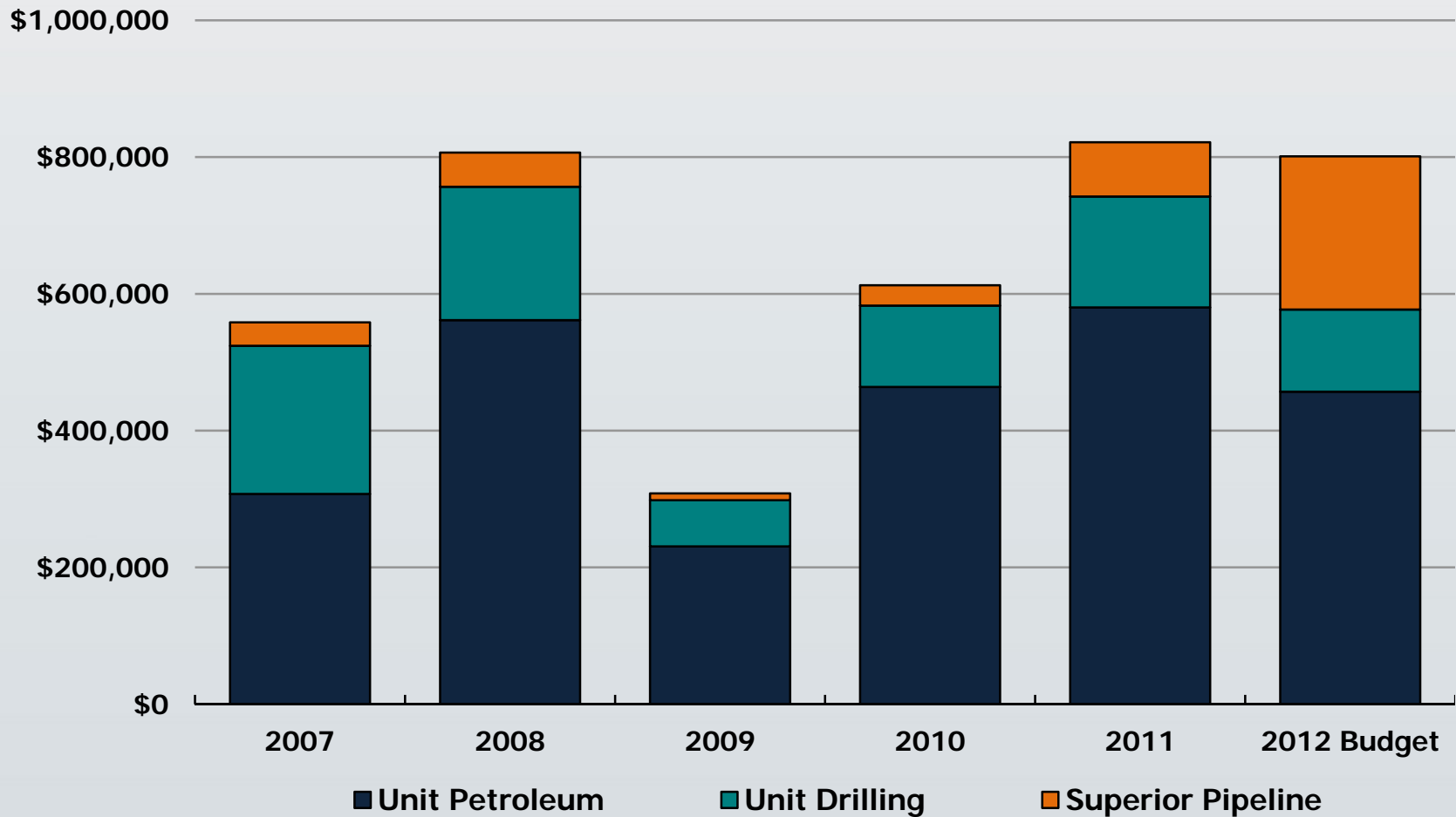
- ✓ Target 50–70% of current year projected oil and natural gas production
 - Crude oil – 77% in 2012
 - Natural gas – 40% in 2012
- ✓ Primarily utilize swaps and collars
 - Current hedge portfolio consists of swaps & costless collars
- ✓ Natural Gas Liquids
 - Hedged 1,966 Bbls/day for 1st quarter of 2012
 - Hedged 926 Bbls/day for 2nd quarter of 2012



Capital Expenditures



(In Thousands)



Forward-Looking Statement



This presentation contains 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, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. The words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could," or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including as to the Company's drilling program, production, hedging activities, capital expenditure levels and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management's expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include the factors discussed or referenced in the "Risk Factors" section of the Company's Prospectus Supplement filed with the Securities and Exchange Commission ("SEC") pursuant to Rule 424 (b), risks relating to financial performance and results, current economic conditions and resulting capital restraints, prices and demand for oil and natural gas, availability of drilling equipment and personnel, availability of sufficient capital to execute the Company's business plan, the Company's ability to replace reserves and efficiently develop and exploit its current reserves and other important factors that could cause actual results to differ materially from those projected. Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. The SEC generally permits oil and gas companies, in filings made with the SEC, to disclose 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 communication, the Company uses the term "unproved reserves" which the SEC guidelines prohibit from being included in filings with the SEC. "Unproved reserves" refers to the Company's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. Unproved reserves may not constitute reserves within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or proposed SEC rules and does not include any proved reserves. Actual quantities that may be ultimately recovered from the Company's interests will differ substantially. Factors affecting ultimate recovery include the scope of the Company's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors; and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of unproved reserves may change significantly as development of the Company's core assets provide additional data. In addition, our production forecasts and expectations for future periods are dependent 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 cost increases.



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