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BERRY PETROLEUM CO

Form 425

November 22, 2013

Filed by LinnCo, LLC and Linn Energy, LLC

Commission File Nos. 001-35695 and 000-51719

Pursuant to Rule 425 Under the Securities Act of 1933

And Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Berry Petroleum Company

Commission File No. 001-09735

RBC MLP Conference Panel  
Banking Outside the Box: A Look at  
Non-Traditional Financing Strategies

Forward-Looking Statements  
and Risk Factors  
Statements  
made  
in  
these  
presentation

slides  
and  
by  
representatives  
of  
LINN  
Energy,  
LLC  
and  
LinnCo,  
LLC  
(collectively  
the  
Company )  
during  
the  
course  
of  
this  
presentation  
that  
are  
not  
historical  
facts  
are  
forward-looking  
statements.  
These  
statements  
are  
based  
on  
certain  
assumptions  
and  
expectations  
made  
by  
the  
Company  
which  
reflect  
management's  
experience,  
estimates  
and  
perception  
of  
historical

trends,  
current  
conditions,  
anticipated  
future  
developments,  
potential  
for  
reserves  
and  
drilling,  
completion  
of  
current  
and  
future  
acquisitions,  
future  
distributions,  
future  
growth,  
benefits  
of  
acquisitions,  
future  
competitive  
position  
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  
anticipated  
in  
the forward-  
looking  
statements.  
These  
include  
risks  
relating  
to  
financial  
performance  
and  
results,  
indebtedness  
under  
LINN  
Energy's  
credit  
facility  
and  
Senior  
Notes,  
access  
to  
capital  
markets,  
availability  
of  
sufficient  
cash  
flow

to  
pay  
distributions  
and  
execute  
our  
business  
plan,  
prices  
and  
demand  
for  
natural  
gas,  
oil  
and  
natural  
gas  
liquids,  
LINN  
Energy's  
ability  
to  
replace  
reserves  
and  
efficiently  
develop  
LINN  
Energy's  
current  
reserves,  
LINN  
Energy's  
ability  
to  
make  
acquisitions  
on  
economically  
acceptable  
terms,  
regulation,  
availability  
of  
connections  
and  
equipment  
and  
other

important factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

See Risk Factors in LINN Energy's 2012 Annual Report on Form 10-K, Forms 10-Q, Registration Statement on Form S-4, each as amended, and any other public filings. We undertake no obligation



to  
publicly  
update  
any  
forward-looking  
statements,  
whether  
as  
a  
result  
of  
new  
information  
or  
future  
events.  
The  
market  
data  
in  
this  
presentation  
has  
been  
prepared  
as  
of  
November  
4,  
2013,  
except  
as  
otherwise  
noted.

3  
LINN Operations  
Berry Operations  
LINN Overview  
Corporate  
Headquarters  
(Houston)

NM  
TX  
KS  
IL  
LA  
MI  
ND  
OK  
CA  
East Texas  
WY  
UT  
CO  
California  
Uinta Basin  
Piceance  
Basin  
Permian Basin  
East Goldsmith  
Field Acquisition  
LINN Energy IPO in 2006 with initial  
enterprise value of ~\$713 million  
Completed or announced 60 transactions  
for ~\$15 billion  
(1)  
Large, long-life diversified reserve base  
Note:  
Market  
data  
as  
of  
November  
4,  
2013  
(LINE  
and  
LNCO  
closing  
prices  
of  
\$31.80  
and  
\$33.36  
respectively).  
Unless  
noted  
otherwise,  
all  
operational  
and

reserve  
data  
as  
of  
December  
31,  
2012.  
Estimates  
of  
proved  
reserves  
for  
the  
East  
Goldsmith  
Field  
acquisition  
were  
calculated  
as  
of  
the  
effective  
date  
of  
the  
acquisition  
using  
forward  
strip  
oil  
and  
natural  
gas  
prices,  
which  
differ  
from  
estimates  
calculated  
in  
accordance  
with  
SEC  
rules  
and  
regulations.  
Estimates  
of  
proved

reserves  
for  
the  
East  
Goldsmith  
Field  
acquisition  
based  
solely  
on  
data  
provided  
by  
seller.

(1)  
Includes  
pending  
Berry  
transaction  
and  
15  
acquisitions  
comprising  
the  
Appalachian  
Basin  
properties  
sold  
in  
July  
2008.

(2)  
Pro  
forma  
for  
the  
East  
Goldsmith  
Field  
acquisition  
and  
\$500  
million  
term  
loan  
facility.

(3)  
Pro  
forma  
for

pending  
merger  
with  
Berry  
Petroleum  
( Berry ),  
which  
remains  
subject  
to  
closing  
conditions,  
including  
shareholder  
and  
unitholder  
approval.

(4)  
Pro  
forma  
for  
the  
East  
Goldsmith  
Field  
acquisition  
and  
Panther  
divestiture.

(5)  
Well  
count  
does  
not  
include  
~2,500  
royalty  
interest  
wells.  
(\$ in billions)

Current  
(2)

PF Berry  
(2)(3)

Equity market cap

\$7.5

\$10.7

Total net debt

7.0

8.8

Enterprise value

\$14.5

\$19.5

(\$ in billions)

Current

(4)

PF Berry

(3)(4)

Total proved reserves

~5.0 Tcfe

~6.6 Tcfe

% proved developed

64%

62%

% liquids

47%

54%

Reserve life-index

~17 years

~17 years

Gross productive wells

(5)

~16,000

~19,000

4  
Reduces Tax  
Reporting  
Burdens  
Shareholders receive Form 1099 rather than a Schedule K-1  
No state income tax filing requirements  
No UBTI



(1)

implications

Efficient Tax

Structure

Estimated tax at LinnCo

(2)

estimated to be \$0.00, \$0.01 and

\$0.07 per share for 2013, 2014 and 2015, respectively

Simple & Fair

Structure

1 LinnCo share = 1 vote of LINN unit

Similar economic interest

Expands Investor

Base and Access

to Capital

Institutions

Tax-exempt organizations

Incremental retail investors (including IRA accounts)

Tax-Efficient Way

to Acquire E&P

C-Corps.

Both private and public

LinnCo Structure

Strategic Rational and Advantages

(1)

Unrelated business taxable income.

(2)

Includes pending Berry merger and assumes current strip prices and estimated capital spending.

LinnCo Structure

5

LINE

Unitholders

LLC

Units

LNCO

Shareholders

LinnCo

Common

Shares

Current *distribution*

of \$2.90 / unit

(1)

Schedule K-1 (partnership)

LINE

LNCO

Current *dividend*

of \$2.90 / share

(2)

Form 1099 (C-Corp.)

LLC

Units

Investors now have the ability to own LINN Energy two ways:

LINE (Partnership for tax purposes / K-1)

LNCO (C-Corp. for tax purposes / 1099)

Tax

liability

to

LinnCo

on

LINN

Energy's

distribution

estimated

to

be

\$0.00,

\$0.01

and

\$0.07

per

share

for

2013,

2014

and

2015,

respectively

(3)

\$2.90

Distribution

\$2.90

Distribution

\$2.90

Dividend

(1)

Represents  
the  
current  
annualized  
cash  
distribution  
of  
\$2.90  
per  
unit.

(2)  
Represents  
the  
current  
annualized  
cash  
dividend  
of  
\$2.90  
per  
share.

(3)  
Includes  
pending  
Berry  
merger  
and  
assumes  
current  
strip  
prices  
and  
estimated  
capital  
spending.  
LINN  
Energy,  
LLC

Size of Institutional Yield Market is  
Substantial

6

LinnCo structure allows LINN to access the much larger  
institutional market

Note:

Market

data  
as  
of  
November  
4,  
2013.

Source  
for  
MLP  
Enterprise  
Value  
chart:  
R.W.  
Baird  
Equity  
Research  
and  
FactSet.  
Source

for  
Income  
Mutual  
Funds  
chart:  
Morningstar.  
Source

for  
table:  
Wells  
Fargo  
Securities,  
LLC.

Historical MLP Enterprise Value  
Top-10 Equity Income Mutual Funds  
The top-10 equity income mutual funds have an  
aggregate of ~\$338 billion of assets and an  
average portfolio yield of ~1.6%.

Average MLP  
Average MLP  
Time Period  
Secondary (\$MM)  
Issuances / Year

2003 - 2009  
\$150.9  
42

2010 - 2013TD  
\$251.8

60  
% Increase  
67%

43%

The  
U.S.  
Securities  
and  
Exchange  
Commission  
( SEC )



permits  
oil  
and  
gas  
companies,  
in  
their  
filings  
with  
the  
SEC,  
to  
disclose  
only  
resources  
that  
qualify  
as  
"reserves"  
as  
defined  
by  
SEC  
rules.  
We  
use  
terms  
describing  
hydrocarbon  
quantities  
in  
this  
presentation  
including  
inventory  
and  
resource  
potential  
that  
the  
SEC's  
guidelines  
prohibit  
us  
from  
including  
in  
filings  
with  
the

SEC.

These estimates are by their nature more speculative than estimates of reserves prepared in accordance with SEC definitions and guidelines and accordingly are substantially less certain.

Investors are urged to consider closely the reserves disclosures in LINN Energy's Annual Report on Form 10-K for the year ended December 31,

2012,  
available  
from  
LINN  
Energy  
at  
600  
Travis,  
Suite  
5100,  
Houston,  
Texas  
77002  
(Attn:  
Investor  
Relations).  
You  
can  
also  
obtain  
this  
report  
from  
the  
SEC  
by  
calling  
1-800-SEC-0330  
or  
from  
the  
SEC's  
website  
at  
[www.sec.gov](http://www.sec.gov).  
In  
this  
communication,  
the  
terms  
other  
than  
proved  
reserves  
refer  
to  
the  
Company's  
internal  
estimates

of  
hydrocarbon  
volumes  
that  
may  
be  
potentially  
discovered  
through  
exploratory  
drilling  
or  
recovered  
with  
additional  
drilling  
or  
recovery  
techniques.  
Those  
estimates  
may  
be  
based  
on  
economic  
assumptions  
with  
regard  
to  
commodity  
prices  
that  
may  
differ  
from  
the  
prices  
required  
by  
the  
SEC  
to  
be  
used  
in  
calculating  
proved  
reserves.  
In

addition,  
these  
hydrocarbon  
volumes  
may  
not  
constitute  
reserves  
within  
the  
meaning  
of  
the  
Society  
of  
Petroleum  
Engineer's  
Petroleum  
Resource  
Management  
System  
or  
the  
SEC's  
oil  
and  
gas  
disclosure  
rules.  
Unless  
otherwise  
stated,  
hydrocarbon  
volume  
estimates  
have  
not  
been  
risked  
by  
Company  
management.  
Factors  
affecting  
ultimate  
recovery  
include  
the  
scope  
of

our ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, commodity prices, 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. Accordingly,

actual quantities that may be ultimately recovered from the Company's interests may differ substantially from the Company's estimates of potential resources. In addition, our estimates of reserves may change significantly as development of the Company's resource plays and prospects provide additional data.

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### **Additional Information about the Proposed Transactions and Where to Find It**

In connection with the proposed transactions, LINN and LinnCo have filed with the SEC a registration statement on Form S-4 (Registration No. 333-187484) that includes a joint proxy statement of LinnCo, LINN and Berry that also constitutes a prospectus of LINN and LinnCo. Each of Berry, LINN and LinnCo also plan to file other relevant documents with the SEC regarding the proposed transactions. **INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** You may obtain a free copy of the joint proxy statement/prospectus and other relevant documents filed by Berry, LINN and LinnCo with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also obtain these documents by contacting LINN's and LinnCo's Investor Relations department at (281) 840-4193 or via e-mail at [ir@lennenergy.com](mailto:ir@lennenergy.com).

### **Participants in the Solicitation**

LinnCo, LINN and Berry and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transactions. Information about LinnCo and LINN's directors and executive officers is available in the Registration Statement on Form S-4 relating to the merger. Information about Berry's directors and executive officers is available in Berry's Form 10-K/A for the year ended December 31, 2012, dated April 30, 2013. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transactions when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Berry, LINN or LinnCo using the sources indicated above.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

### **Cautionary Note Regarding Forward-Looking Statements**

*This document contains forward-looking statements, which are all statements other than statements of historical facts. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those anticipated. Important economic, political, regulatory, legal, technological, competitive and other uncertainties are identified in the documents filed with the SEC by LINN and LinnCo from time to time, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The forward-looking statements included in this press release are made only as of the date hereof. None of LINN nor LinnCo undertakes any obligation to update the forward-looking statements included in this press release to reflect subsequent events or circumstances.*