

WHITING PETROLEUM CORP  
Form DEFM14A  
October 29, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant                       Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Whiting Petroleum Corporation**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

- .. No fee required.
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  - (1) Amount Previously Paid:
  
  
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**ARRANGEMENT PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders of Whiting and Securityholders of Kodiak:

Whiting Petroleum Corporation and Kodiak Oil & Gas Corp. entered into an arrangement agreement on July 13, 2014, pursuant to which a wholly-owned subsidiary of Whiting will acquire all of the outstanding common stock of Kodiak, and Kodiak will become a wholly-owned subsidiary of Whiting (the arrangement). Because Kodiak is incorporated in the Yukon Territory, Canada, the acquisition is being effected through an arrangement instead of a merger.

If the arrangement is completed, Kodiak shareholders will receive 0.177 of a share (the exchange ratio) of Whiting common stock for each share of Kodiak common stock. Additionally, each holder of an outstanding Kodiak equity award (together with Kodiak shareholders, the Kodiak securityholders) will receive a substantially identical Whiting equity award based on the exchange ratio. Whiting stockholders will continue to own their existing shares, and the Whiting common stock will not be affected by the arrangement. Upon completion of the arrangement, it is expected Kodiak shareholders will own approximately 29% of the outstanding Whiting common stock, on a fully diluted basis, as of October 24, 2014.

The common stock of each of Whiting and Kodiak is listed on the New York Stock Exchange under the symbols WLL and KOG, respectively. Based on the closing sale price for Whiting common stock on July 11, 2014, the last trading day before the public announcement of the arrangement, the 0.177 exchange ratio represented approximately \$13.90 in value for each share of Kodiak. Based on the closing sale price of Whiting common stock on October 24, 2014, the latest practicable date before the date of this joint proxy statement/circular, the 0.177 exchange ratio represented approximately \$10.91 in value for each share of Kodiak common stock.

Whiting and Kodiak are holding special meetings on December 3, 2014 to obtain your vote on the proposals necessary to complete the arrangement. The arrangement cannot be completed unless Whiting stockholders approve the issuance of Whiting common stock in the arrangement and Kodiak shareholders approve the continuance of Kodiak into British Columbia, Canada and Kodiak securityholders approve the arrangement.

**The Whiting board of directors recommends that Whiting stockholders vote FOR approval of the issuance of Whiting common stock in the arrangement.**

**The Kodiak board of directors recommends that Kodiak shareholders vote FOR approval of the continuance of Kodiak into British Columbia and that Kodiak securityholders vote FOR approval of the arrangement.**

Your vote is very important. Whether or not you plan to attend your company's special meeting, please submit your proxy as soon as possible through one of the delivery methods described in the accompanying joint proxy statement/circular to make sure that your shares are represented at that meeting.

In addition, you should read carefully the accompanying joint proxy statement/circular (and the documents incorporated by reference into the accompanying joint proxy statement/circular), which includes important information about the arrangement agreement, the proposed arrangement, Whiting, Kodiak and the special meetings. **Please pay particular attention to the section titled Risk Factors in the accompanying joint proxy statement/circular.**

On behalf of the Whiting and Kodiak boards of directors, thank you for your continued support.

James J. Volker  
*Chairman, President and Chief Executive Officer*

Lynn A. Peterson  
*President and Chief Executive Officer*

*Whiting Petroleum Corporation*

*Kodiak Oil & Gas Corp.*

**Neither the U.S. Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the transactions described in this document or determined if the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/circular is dated October 29, 2014, and is first being given or sent to shareholders on or about October 29, 2014.

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON WEDNESDAY, DECEMBER 3, 2014**

To the Stockholders of Whiting Petroleum Corporation:

A special meeting of stockholders of Whiting Petroleum Corporation ( Whiting ) will be held in the Grand Hyatt Denver Capitol B Ballroom, located on the 38th floor at 555 17th Street, Denver, Colorado 80202 on December 3, 2014, at 8:30 a.m., Mountain Time, for the following purposes:

1. To approve the issuance of Whiting common stock, par value \$0.001 per share, pursuant to the Arrangement Agreement, dated as of July 13, 2014 (the arrangement agreement ), by and among Whiting, 1007695 B.C. Ltd. and Kodiak Oil & Gas Corp., as the same may be amended from time to time, a copy of which is attached as Annex C to the joint proxy statement/circular accompanying this notice (the share issuance proposal ); and
2. To approve any motion to adjourn the Whiting special meeting, if necessary or appropriate, to solicit additional proxies (the Whiting adjournment proposal ).

Approval of the share issuance proposal is required to complete the arrangement.

Whiting will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The accompanying joint proxy statement/circular further describes the matters to be considered at the Whiting special meeting.

The Whiting board of directors has set October 14, 2014 as the record date for the Whiting special meeting. Only holders of record of Whiting common stock at the close of business on October 14, 2014 will be entitled to notice of and to vote at the Whiting special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the Whiting special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of Whiting common stock.

**Your vote is very important. To ensure your representation at the Whiting special meeting, please complete, execute and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the Whiting special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Whiting special meeting.

**The Whiting board of directors has unanimously approved the arrangement agreement and the transactions contemplated thereby and recommends that you vote FOR the share issuance proposal and FOR the Whiting adjournment proposal.**

By Order of the Board of Directors

WHITING PETROLEUM CORPORATION

Bruce R. DeBoer

*Corporate Secretary*

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**NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS**

**TO BE HELD ON WEDNESDAY, DECEMBER 3, 2014**

To the Securityholders of Kodiak Oil & Gas Corp.:

A special meeting of securityholders of Kodiak Oil & Gas Corp. ( Kodiak ) will be held at Sheraton Denver Downtown Hotel, 1550 Court Place, Denver, Colorado 80202 on December 3, 2014, at 8:00 a.m., Mountain Time, for the following purposes:

1. To approve a special resolution in respect of the continuance of Kodiak from the jurisdiction of the Yukon Territory to the jurisdiction of the Province of British Columbia, a copy of which is attached as Annex A to this joint proxy statement/circular (the continuance resolution );
2. To approve a special resolution in respect of the arrangement, a copy of which is attached as Annex B to this joint proxy statement/circular (the arrangement resolution );
3. To approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Kodiak s named executive officers in connection with the arrangement (the arrangement-related compensation proposal ); and
4. To approve any motion to adjourn the Kodiak special meeting, if necessary or appropriate, to solicit additional proxies (the Kodiak adjournment proposal ).

Approval of the continuance resolution and arrangement resolution are required to complete the arrangement.

Kodiak will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The accompanying joint proxy statement/circular further describes the matters to be considered at the Kodiak special meeting.

The Kodiak board of directors has set October 24, 2014 as the record date for the Kodiak special meeting. Only holders of record of Kodiak securities entitled to vote at such meeting at the close of business on October 24, 2014 will be entitled to notice of and to vote at the Kodiak special meeting and any adjournments or postponements thereof. Any securityholder entitled to attend and vote at the Kodiak special meeting is entitled to appoint a proxy to attend and vote on such securityholder s behalf. Such proxy need not be a holder of Kodiak common stock.

**Each registered Kodiak shareholder is entitled to the dissent rights set out in Section 193 of the *Business Corporations Act (Yukon Territory)* (the YBCA ) in respect of the continuance resolution and to be paid the fair value of his, her or its common stock if such shareholder dissents to the continuance resolution in compliance with the provisions of the YBCA and the continuance becomes effective. The text of Section 193 of the YBCA is set out in Annex K of the accompanying joint proxy statement/circular. In order to dissent to the continuance resolution, a registered Kodiak shareholder must (a) send to Kodiak, at or before the special meeting, a written notice of objection to the continuance resolution, which notice, unless it is delivered to Kodiak at the special meeting, must be given by registered mail or by delivery addressed to Kodiak at 1625 Broadway, Suite 250, Denver, Colorado 80202, to the attention of the Secretary, and (b) have otherwise complied with the dissent procedures under the YBCA. Failure to strictly comply with the requirements set forth in Section 193 of the**



**YBCA may result in the loss of any right to dissent.**

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Each registered Kodiak shareholder has been granted the right to dissent in respect of the arrangement resolution and, if the arrangement becomes effective, to be paid the fair value of the shares of Kodiak common stock in respect of which such registered Kodiak shareholder dissents by 1007695 B.C. Ltd., a wholly-owned subsidiary of Whiting Petroleum Corporation, under the arrangement, in accordance with the provisions of Division 2 of Part 8 of the *Business Corporations Act* (British Columbia) (the BCBCA), as modified by the interim order and the final order of the Supreme Court of British Columbia relating to the arrangement, as provided for in the plan of arrangement, the full text of which is set out in Annex D to the accompanying joint proxy statement/circular. The text of Division 2 of Part 8 of the BCBCA is set out in Annex J of the accompanying joint proxy statement/circular. To exercise a right of dissent, (a) a written notice of dissent with respect to the arrangement resolution from the registered Kodiak shareholder must be received by Kodiak at 1625 Broadway, Suite 250, Denver, Colorado 80202, to the attention of the Secretary, by not later than 5:00 p.m. on November 26, 2014 or the business day (as defined in the plan of arrangement) that is five business days before any adjournment or postponement of the Kodiak special meeting, and (b) the registered Kodiak shareholder must have otherwise complied with the dissent procedures. Failure to strictly comply with the requirements set forth in Division 2 of Part 8 of the BCBCA, as modified by the interim order, as provided for in the plan of arrangement, may result in the loss of any right to dissent.

**Your vote is very important. To ensure your representation at the Kodiak special meeting, please complete, execute and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the Kodiak special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Kodiak special meeting.

**The Kodiak board of directors has unanimously approved the arrangement agreement and the transactions contemplated thereby and recommends that you vote FOR the continuance resolution, FOR the arrangement resolution, FOR the arrangement-related compensation proposal and FOR the Kodiak adjournment proposal.**

By Order of the Board of Directors

KODIAK OIL & GAS CORP.

James P. Henderson

*Secretary*

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**ADDITIONAL INFORMATION**

This joint proxy statement/circular incorporates important business and financial information about Whiting and Kodiak from other documents that are not included in or delivered with this joint proxy statement/circular. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/circular by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**Whiting Petroleum Corporation**

1700 Broadway, Suite 2300

Denver, Colorado 80290-2300

Attention: Corporate Secretary

(303) 837-1661

**Kodiak Oil & Gas Corp.**

1625 Broadway, Suite 250

Denver, Colorado 80202

Attention: Secretary

(303) 592-8075

OR

OR

**Innisfree M&A Incorporated**

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders Toll-Free: 1 (877) 825-8964

Banks and Brokers Collect: 1 (212) 750-5833

**MacKenzie Partners, Inc.**

105 Madison Avenue

New York, New York 10016

proxy@mackenziepartners.com

Call Collect: 1 (212) 929-5500

Toll-Free: 1 (800) 322-2885

**If you would like to request any documents, please do so by November 25, 2014 in order to receive them before the respective special meetings.**

A free copy of this joint proxy statement/circular and other filings containing information about Whiting and Kodiak may be obtained from the Securities and Exchange Commission (the "SEC") through the SEC's website (<http://www.sec.gov>) and, in the case of documents filed by Kodiak with applicable Canadian securities regulatory authorities, from the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com). You will also be able to obtain these documents, free of charge, from Whiting at [www.whiting.com](http://www.whiting.com) under the heading "Kodiak Acquisition" or from Kodiak at [www.kodiakog.com](http://www.kodiakog.com) under the heading "Kodiak & Whiting Combination Information."

Whiting and Kodiak are not incorporating the contents of the websites of the SEC, SEDAR, Whiting, Kodiak or any other entity into this joint proxy statement/circular. Whiting and Kodiak are providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/circular at these websites only for your convenience.

### **ABOUT THIS JOINT PROXY STATEMENT/CIRCULAR**

This joint proxy statement/circular constitutes a joint proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act ) and an information circular under National Instrument 51-102 Continuous Disclosure Obligations ( NI 51-102 ). It also constitutes a notice of meeting with respect to the special meeting of Whiting stockholders and a notice of meeting with respect to the special meeting of Kodiak securityholders.

You should rely only on the information contained or incorporated by reference into this joint proxy statement/circular. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/circular. This joint proxy statement/circular is dated October 29, 2014. You should not assume that the information contained in, or incorporated by reference into, this joint proxy statement/circular is accurate as of any date other than that date. Neither Whiting's and Kodiak's mailing of this joint proxy statement/circular to Whiting stockholders or Kodiak securityholders, nor the issuance by Whiting of common stock in connection with the arrangement will create any implication to the contrary.

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This joint proxy statement/circular does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/circular regarding Whiting has been provided by Whiting and information contained in this joint proxy statement/circular regarding Kodiak has been provided by Kodiak.

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**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE WHITING OR KODIAK SPECIAL MEETING IN PERSON, WHITING AND KODIAK URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE, (2) VIA THE INTERNET OR (3) BY SIGNING AND RETURNING THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED.** You may revoke your proxy or change your vote at any time before your respective company's special meeting. If your shares are held in the name of a broker, bank or other nominee, please follow the instructions provided by that institution to vote your shares.

Whiting and Kodiak urge you to read the joint proxy statement/circular, including all documents incorporated by reference into the joint proxy statement/circular, and its annexes carefully and in their entirety.

If you are a Whiting stockholder and have any questions concerning the arrangement or the joint proxy statement/circular, would like additional copies of the joint proxy statement/circular or need help voting, please contact Whiting's proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders Toll-Free: 1 (877) 825-8964

Banks and Brokers Collect: 1 (212) 750-5833

If you are a Kodiak shareholder and have any questions concerning the arrangement or the joint proxy statement/circular, would like additional copies of the joint proxy statement/circular or need help voting, please contact Kodiak's proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

[proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

Call Collect: 1 (212) 929-5500

Toll-Free: 1 (800) 322-2885

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**QUESTIONS AND ANSWERS**

*The following questions and answers briefly address some commonly asked questions about the Whiting and Kodiak special meetings. They may not include all the information that is important to Whiting stockholders and Kodiak securityholders. You should carefully read this entire joint proxy statement/circular, including the annexes and the other documents referred to or incorporated by reference herein. All references to \$ or U.S. dollars in this joint proxy statement/circular are to the currency of the United States. On October 24, 2014, the noon rate of exchange as reported by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was U.S.\$1.0000 equals Cdn\$1.1213 (Cdn\$1.0000 equals U.S.\$0.8918).*

**Q: What is the arrangement?**

A: Whiting Petroleum Corporation ( Whiting ), 1007695 B.C. Ltd. ( Whiting Canadian Sub ) and Kodiak Oil & Gas Corp. ( Kodiak ) have entered into an arrangement agreement, dated as of July 13, 2014 (the arrangement agreement ). A copy of the arrangement agreement is attached as Annex C to this joint proxy statement/circular. The arrangement agreement contains the terms and conditions of the proposed business combination of Whiting and Kodiak. Under the arrangement agreement, Whiting Canadian Sub, a wholly-owned subsidiary of Whiting, will acquire all of the outstanding shares of Kodiak, and Whiting Canadian Sub and Kodiak will amalgamate with Kodiak surviving the amalgamation as a wholly-owned subsidiary of Whiting as part of a plan of arrangement (the arrangement ).

**Q: Why am I receiving these materials?**

A: Whiting and Kodiak are sending these materials to their respective stockholders and securityholders to help them decide how to vote their shares of Whiting common stock or Kodiak securities, as the case may be, with respect to the arrangement and other matters to be considered at their respective special meetings.

The arrangement cannot be completed unless Whiting stockholders approve the issuance of Whiting common stock, Kodiak shareholders approve the continuance resolution and Kodiak securityholders approve the arrangement resolution. Each of Whiting and Kodiak is holding a special meeting to vote on the proposals necessary to complete the arrangement. Information about these special meetings, the arrangement and the other business to be considered at each of the special meetings is contained in this joint proxy statement/circular.

This joint proxy statement/circular constitutes a joint proxy statement of Whiting and Kodiak. It is a joint proxy statement because each of the boards of directors of Whiting and Kodiak is soliciting proxies from its stockholders and securityholders, respectively.

**Q: What will Kodiak shareholders receive in the arrangement?**

A: In the arrangement, Kodiak shareholders will receive 0.177 of a share of Whiting common stock for each share of Kodiak common stock (the exchange ratio ). No fractional shares of Whiting common stock will be issued as part

of the arrangement. Instead, where the aggregate number of Whiting common stock to be issued to a Kodiak shareholder as consideration would result in a fraction of securities of Whiting being issuable, the number of shares of Whiting common stock to be received by such Kodiak shareholder shall be rounded down to the nearest whole share of Whiting common stock. The exchange ratio is fixed and will not be adjusted to reflect changes in the stock price of either company before the arrangement is completed. Whiting stockholders will continue to own their existing shares of Whiting common stock, and the Whiting common stock will not be affected by the arrangement.

**Q: When do Kodiak and Whiting expect to complete the arrangement?**

A: Whiting and Kodiak are working to complete the arrangement as soon as practicable. Whiting and Kodiak currently expect that the arrangement will be completed in the fourth quarter of 2014. Neither Whiting nor Kodiak can predict, however, the actual date on which the arrangement will be completed because it is

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subject to conditions beyond each company's control, including Canadian court and U.S. federal regulatory approvals. See The Arrangement Agreement Conditions beginning on page 114.

**Q: What am I being asked to vote on, and why is this approval necessary?**

A: Whiting is asking its stockholders to vote on the following proposals:

1. to approve the issuance of Whiting common stock, par value \$0.001 per share, pursuant to the arrangement agreement (the share issuance proposal ); and
2. to approve any motion to adjourn the Whiting special meeting, if necessary or appropriate, to solicit additional proxies (the Whiting adjournment proposal ).

Approval of the share issuance proposal is required to complete the arrangement.

Kodiak is asking its shareholders and securityholders to vote on the following proposals:

1. for its shareholders to approve a special resolution in respect of the continuance of Kodiak from the Yukon Territory to the Province of British Columbia, a copy of which is attached as Annex A to this joint proxy statement/circular (the continuance resolution );
2. for its securityholders to approve a special resolution in respect of the arrangement, a copy of which is attached as Annex B to this joint proxy statement/circular (the arrangement resolution );
3. for its shareholders to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Kodiak's named executive officers in connection with the arrangement (the arrangement-related compensation proposal ); and
4. for its shareholders to approve any motion to adjourn the Kodiak special meeting, if necessary or appropriate, to solicit additional proxies (the Kodiak adjournment proposal ).

Approval of the continuance resolution and arrangement resolution are required to complete the arrangement.

**Q: What vote is required to approve each proposal at the Whiting special meeting?**

A: *The share issuance proposal:* Approval of the share issuance proposal requires the affirmative vote of the holders of a majority of the voting power of the shares of Whiting common stock represented in person or by proxy.

*The Whiting adjournment proposal:* Approval of the Whiting adjournment proposal requires the affirmative vote of the holders of a majority of the voting power of the shares of Whiting common stock represented in person or by proxy.

**Q: What vote is required to approve each proposal at the Kodiak special meeting?**

A: *The continuance resolution:* Approval of the continuance resolution requires the affirmative vote of at least two-thirds of the votes cast on the continuance resolution by those holders of Kodiak common stock present in person or represented by proxy.

*The arrangement resolution:* Approval of the arrangement resolution requires the (i) affirmative vote of at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock present in person or represented by proxy, voting as one class, and (ii) affirmative vote of at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock and holders of Kodiak restricted stock units (each, an RSU ), stock option awards (each, an option ) and restricted stock awards (each, a restricted stock award ) present in person or represented by proxy together voting as another class, with each Kodiak RSU, option or restricted stock award entitling the holder thereof to that number of votes equal to the number of shares of Kodiak common stock issuable upon the valid exercise of an option, or the valid settlement of an RSU or restricted stock award, as applicable.

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*The arrangement-related compensation proposal:* Approval of the arrangement-related compensation proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal. Because the vote on the arrangement-related compensation proposal is advisory only, it will not be binding on either Kodiak or Whiting. Accordingly, if the arrangement is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of Kodiak's shareholders.

*The Kodiak adjournment proposal:* Approval of the Kodiak adjournment proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal.

### **Q: What constitutes a quorum?**

A: The presence at the Whiting special meeting, in person or by proxy, of the holders of a majority of the shares of Whiting common stock issued and outstanding on the record date for the Whiting special meeting will constitute a quorum for the transaction of business at the Whiting special meeting.

The presence at the Kodiak special meeting, in person or by proxy, of two persons, each being a securityholder entitled to vote or a duly appointed proxy for an absent securityholder so entitled and together holding or representing by proxy not less than 5% of the outstanding shares of Kodiak entitled to vote at the special meeting will constitute a quorum for the transaction of business at the Kodiak special meeting.

Abstentions (which are described below) will count for the purpose of determining the presence of a quorum for the transaction of business at each special meeting. Shares held in street name by brokers, banks or other nominees who indicate on their proxies that they do not have discretionary authority to vote the shares as to a particular matter and have not received voting instructions from their clients (broker non-votes) will not count for the purpose of determining the presence of a quorum for the transaction of business.

### **Q: How do the boards of directors of Whiting and Kodiak recommend that I vote?**

A: The board of directors of Whiting recommends that Whiting stockholders vote **FOR** the share issuance proposal and **FOR** the Whiting adjournment proposal.

The board of directors of Kodiak recommends that Kodiak shareholders vote **FOR** the continuance resolution, Kodiak securityholders vote **FOR** the arrangement resolution, Kodiak shareholders vote **FOR** the arrangement-related compensation proposal and Kodiak shareholders vote **FOR** the Kodiak adjournment proposal.

### **Q: What other approvals are required for the arrangement?**

A: The arrangement must be approved by the Supreme Court of British Columbia (the court). The court will be asked to grant a final order (the final order) approving the arrangement and to determine that the arrangement is fair to the Kodiak securityholders. Kodiak will apply to the court for the final order if the Kodiak shareholders approve the continuance resolution and the Kodiak securityholders approve the arrangement resolution at the



Kodiak special meeting. See The Arrangement Court Approval of the Arrangement and Completion of the Arrangement beginning on page 104.

The arrangement is also subject to the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the related rules and regulations (the HSR Act ). Early termination of the waiting period under the HSR Act was granted on August 5, 2014. See The Arrangement Regulatory Approvals Required for the Arrangement beginning on page 105.

The court approval and HSR Act clearance are conditions precedent to the closing of the arrangement.

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**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this joint proxy statement/circular, please vote your securities as soon as possible so that your securities will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

**Q: If I am a Whiting stockholder, how do I vote?**

A: A Whiting stockholder may vote by proxy or in person at the Whiting special meeting. To vote by proxy, a Whiting stockholder may use one of the following methods if it is a registered holder (that is, it holds its stock in its own name):

telephone voting, by dialing the toll-free number and following the instructions on the proxy card;

via the Internet, by going to the web address shown on the proxy card and following the instructions on the proxy card; or

mail, by completing, signing and returning the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Proxies submitted by telephone or via the Internet must be received by 11:59 p.m. Eastern Time on December 2, 2014.

If you hold your shares of Whiting common stock in street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name Whiting stockholders who wish to vote at the Whiting special meeting will need to obtain a legal proxy form from their broker, bank or other nominee.

**Q: If I am a Kodiak securityholder, how do I vote?**

A: A Kodiak securityholder may vote by proxy or in person at the Kodiak special meeting. To vote by proxy, a Kodiak securityholder may use one of the following methods if it is a registered holder (that is, it holds its security in its own name):

telephone voting, by dialing the toll-free number and following the instructions on the proxy card;

via the Internet, by going to the web address shown on the proxy card and following the instructions on the proxy card; or

mail, by completing, signing and returning the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Proxies submitted by telephone or via the Internet must be received by 11:59 p.m. Eastern Time on December 2, 2014.

If you hold your shares of Kodiak common stock in street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name Kodiak shareholders who wish to vote at the Kodiak special meeting will need to obtain a legal proxy form from their broker, bank or other nominee.

**Q: When and where are the Whiting and Kodiak special meetings? What must I bring to attend the special meeting?**

A: The special meeting of Whiting stockholders will be held in the Grand Hyatt Denver Capitol B Ballroom, located on the 38th floor at 555 17th Street, Denver, Colorado 80202 at 8:30 a.m., Mountain Time, on December 3, 2014. Subject to space availability, all Whiting stockholders as of the Whiting record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:00 a.m. Mountain Time.

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The special meeting of Kodiak securityholders will be held at Sheraton Denver Downtown Hotel, 1550 Court Place, Denver, Colorado 80202 at 8:00 a.m., Mountain Time, on December 3, 2014. Subject to space availability, all Kodiak securityholders as of the Kodiak record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 7:30 a.m., Mountain Time.

If you wish to attend your respective company's special meeting, you must bring photo identification. If you hold your shares through a broker, bank or other nominee, you must also bring proof of ownership such as the voting instruction form from your broker, bank or other nominee or an account statement.

### **Q: If I hold my shares in street name by a broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?**

A: If you hold your shares in street name through a broker, bank or other nominee, you should have received access to this proxy material from your bank, broker or other holder of record with instructions on how to instruct the holder of record to vote your shares. If you do not submit voting instructions to your broker, your broker may generally vote your shares in its discretion on matters designated as routine under the rules of the New York Stock Exchange. However, a broker cannot vote shares held in street name on matters designated as non-routine by the New York Stock Exchange, unless the broker receives voting instructions from the street name holder. It is expected that all proposals to be voted on at the Whiting special meeting and the Kodiak special meeting are non-routine matters. Thus, if you do not submit voting instructions to your broker with respect to any of the proposals, your shares will not be voted on such proposals. This is called a broker non-vote.

If you are a street name Whiting stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares (assuming a quorum is present), your broker, bank or other nominee may not vote your shares on the share issuance proposal or the Whiting adjournment proposal, which broker non-votes will have no effect on the vote count for such proposals.

If you are a street name Kodiak shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares (assuming a quorum is present), your broker, bank or other nominee may not vote your shares on the continuance resolution, the arrangement resolution, the arrangement-related compensation proposal or the Kodiak adjournment proposal, which broker non-votes will have no effect on the vote count for such proposals.

### **Q: What if I fail to vote or abstain?**

A: For purposes of each of the Whiting special meeting and the Kodiak special meeting, an abstention occurs when a shareholder or securityholder attends the applicable special meeting in person and does not vote or returns a proxy with an abstain vote.

#### ***Whiting***

*Share issuance proposal:* An abstention will have the same effect as a vote cast AGAINST the share issuance proposal.

*Whiting adjournment proposal:* An abstention will have the same effect as a vote cast AGAINST the Whiting adjournment proposal.

***Kodiak***

*Continuance resolution:* An abstention will be deemed a vote not cast and have no effect on the continuance resolution.

*Arrangement resolution:* An abstention will be deemed a vote not cast and have no effect on the arrangement resolution.

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*Arrangement-related compensation proposal:* An abstention will be deemed a vote not cast and have no effect on the arrangement-related compensation proposal.

*Kodiak adjournment proposal:* An abstention will be deemed a vote not cast and have no effect on the Kodiak adjournment proposal.

**Q: What will happen if I sign and return my proxy or voting instruction card without indicating how to vote?**

A: If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the Whiting common stock represented by your proxy will be voted as recommended by the Whiting board of directors with respect to that proposal, or the Kodiak securities represented by your proxy will be voted as recommended by the Kodiak board of directors with respect to that proposal.

**Q: What if I hold shares of both Whiting common stock and Kodiak common stock?**

A: If you hold shares of both Whiting and Kodiak, you will receive two separate packages of proxy materials. A vote as a Kodiak shareholder will not constitute a vote as a Whiting stockholder and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Whiting or Kodiak, or vote as both a Whiting stockholder and as a Kodiak shareholder by Internet or telephone or by attending their respective special meetings.

**Q: May I change my vote after I have delivered my proxy or voting instruction card?**

A: Yes. You have the power to revoke a proxy after giving it at any time before it is exercised. Whiting stockholders of record may revoke their proxy by filing an instrument of revocation or submitting a duly executed proxy bearing a later date (including by means of a telephone or Internet vote) with Whiting's Corporate Secretary at 1700 Broadway, Suite 2300, Denver, Colorado 80290-2300. Kodiak securityholders of record may revoke their proxy by filing an instrument of revocation or submitting a duly executed proxy bearing a later date (including by means of a telephone or Internet vote) with Kodiak's Secretary at 1625 Broadway, Suite 250, Denver, Colorado 80202. If you hold your shares of record, you may also revoke a proxy by attending the Whiting special meeting or Kodiak special meeting, as applicable, and voting in person. If not revoked, the proxy will be voted at the Whiting special meeting or Kodiak special meeting, as applicable, in accordance with your instructions.

If your shares are held in an account at a broker, bank or other nominee and you have delivered your voting instruction card to your broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

**Q: What are the material U.S. federal income tax consequences?**

A: It is a condition to the obligation of both Whiting and Kodiak to complete the arrangement that Whiting receive a written opinion from Foley & Lardner LLP, counsel to Whiting, dated as of the closing date, to the effect that, for U.S. federal income tax purposes, the transactions described in subsections 3.2(a) through 3.2(g) of the plan of arrangement, attached hereto as Annex D (the Arrangement Transactions ), should (i) be treated as a single integrated transaction for U.S. federal income tax purposes and (ii) qualify as a reorganization within the meaning of Section 368(a)(1)(A) and 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended (the Code ). Kodiak agreed to use commercially reasonable efforts to cause Dorsey & Whitney LLP, counsel to Kodiak, to deliver a written opinion to Kodiak dated as of the closing date, to the effect that for U.S. federal income tax purposes the Arrangement Transactions should (i) be treated as a single integrated transaction for U.S.

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federal income tax purposes and (ii) qualify as a reorganization within the meaning of Section 368(a)(1)(A) and 368(a)(2)(E) of the Code. The delivery of this opinion is not a condition to the closing of the arrangement.

Provided that the Arrangement Transactions so qualify, a holder of Kodiak common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Kodiak common stock for shares of Whiting common stock in the arrangement. Notwithstanding the foregoing, although the matter is subject to uncertainty, the passive foreign investment company (PFIC) rules may require a U.S. PFIC Holder (as that term is defined in Certain Income Tax Consequences Material U.S. Federal Income Tax Consequences) to recognize taxable gain (but not loss) under Section 1291 of the Code as a result of the arrangement (even if the Arrangement Transactions qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the Code), unless the U.S. PFIC Holder has made certain elections in prior taxable years.

The material U.S. federal income tax consequences are described in Certain Income Tax Consequences Material U.S. Federal Income Tax Consequences beginning on page 174.

**Q: What are the material Canadian federal income tax consequences?**

A: Holders of Kodiak common stock who are residents of Canada for purposes of the *Income Tax Act* (Canada) (the ITA) and hold their Kodiak common stock as capital property will be subject to tax under the ITA on any capital gain realized on the disposition of their shares of Kodiak common stock under the arrangement.

Holders of Kodiak common stock who are not residents of Canada for purposes of the ITA and hold their Kodiak common stock as capital property will not be subject to tax under the ITA on any capital gain realized on the disposition of their shares of Kodiak common stock under the arrangement.

The material Canadian federal income tax consequences are described in Certain Income Tax Consequences Material Canadian Federal Income Tax Consequences beginning on page 184.

**Q: Do I have appraisal or dissenters' rights in connection with the arrangement and the continuance?**

A: Under Delaware law, Whiting stockholders will not be entitled to exercise any appraisal rights in connection with the arrangement or the other transactions contemplated by the arrangement agreement.

Kodiak securityholders and shareholders will vote in respect of the arrangement resolution and the continuance resolution, respectively. Registered Kodiak shareholders are entitled to the dissent rights set out in Section 193 of the *Business Corporations Act* (Yukon Territory) (the YBCA) and to be paid the fair value of their common stock if such shareholder dissents to the continuance resolution in compliance with the YBCA and the continuance becomes effective. Registered Kodiak shareholders also have the right to dissent in respect of the arrangement resolution and to be paid the fair value, in cash, of the shares of Kodiak common stock in respect of which such registered Kodiak shareholder dissents in compliance with Division 2 of Part 8 of the *Business Corporations Act* (British Columbia) (the BCBCA), as modified by Article 4.1 of the plan of arrangement, the interim order and the final order.

For a more complete discussion of rights of dissenting Kodiak shareholders, see The Arrangement Appraisal / Dissenters' Rights beginning on page 106 and The Arrangement Agreement Dissenting Shares beginning on page 113.





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**Q: What if I hold Kodiak RSUs, options or restricted stock awards?**

A: Each Kodiak RSU, option or restricted stock award that is outstanding immediately prior to the completion of the arrangement (whether vested or unvested) will be assumed by Whiting and converted automatically at the effective time of the arrangement into an RSU, option, or restricted stock award, as applicable (an assumed award), denominated in shares of Whiting common stock based on the exchange ratio and subject to terms and conditions substantially identical to those in effect at the effective time of the arrangement, except that:

the number of shares of Whiting common stock that will be subject to each assumed award will be determined by multiplying the number of shares of Kodiak common stock subject to such assumed award by the exchange ratio (rounded down to the nearest whole share); and

if applicable, the exercise or purchase price per share of each assumed award will equal the per share exercise or purchase price of each assumed award divided by the exchange ratio (rounded upwards to the nearest whole cent).

**Q: Whom should I contact if I have any questions about the proxy materials or voting?**

A: If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this joint proxy statement/circular or the enclosed proxy card, you should contact the proxy solicitor for the company in which you hold shares.

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**SUMMARY**

*This summary highlights selected information contained in this joint proxy statement/circular and does not contain all the information that may be important to you. Whiting and Kodiak urge you to read carefully this joint proxy statement/circular in its entirety, including the annexes. Additional, important information, which Whiting and Kodiak also urge you to read, is contained in the documents incorporated by reference into this joint proxy statement/circular. See *Where You Can Find More Information* beginning on page 192. Unless stated otherwise, all references in this joint proxy statement/circular to Whiting are to Whiting Petroleum Corporation, all references to Kodiak are to Kodiak Oil & Gas Corp. and all references to the arrangement agreement are to the arrangement agreement, dated as of July 13, 2014, by and among Whiting, 1007695 B.C. Ltd. and Kodiak, a copy of which is attached as Annex C to this joint proxy statement/circular. In addition, definitions for certain terms relating to the oil and gas business can be found in *Glossary of Certain Oil and Natural Gas Definitions*.*

**The Parties**

***Whiting***

Whiting is an independent oil and gas company engaged in exploration, development, acquisition and production activities primarily in the Rocky Mountains and Permian Basin regions of the United States. Whiting's largest projects are in the Bakken and Three Forks plays in North Dakota, the Niobrara play in northeast Colorado and its Enhanced Oil Recovery field in Texas. Since Whiting's inception in 1980, it has built a strong asset base and achieved steady growth through property acquisitions, development and exploration activities. Whiting believes the combination of acquisitions, subsequent development and organic drilling provides it with a broad set of growth alternatives and allows it to direct its capital resources to what Whiting believes to be the most advantageous investments.

As of December 31, 2013, Whiting's estimated proved reserves totaled 438.5 MMBOE. Whiting's second quarter 2014 average daily production was 109.8 MBOE/d. For the six months ended June 30, 2014 and year ended December 31, 2013, Whiting had total revenues of approximately \$1.6 billion and \$2.8 billion and net income available to common shareholders of approximately \$260.5 million and \$365.5 million, respectively.

Whiting's principal offices are located at 1700 Broadway, Suite 2300, Denver, Colorado 80290, and its telephone number is (303) 837-1661. Whiting common stock is listed on the NYSE, trading under the symbol WLL.

***Kodiak***

Kodiak is an independent energy company focused on the exploration, exploitation, acquisition and production of crude oil and natural gas in the United States. Kodiak has developed an oil and natural gas asset base of proved reserves, as well as a portfolio of development and exploratory drilling opportunities within a high-potential resource play. Kodiak's oil and natural gas reserves and operations are concentrated in the Williston Basin of North Dakota.

As of December 31, 2013, Kodiak's estimated proved reserves totaled 167.3 MMBOE. Kodiak's second quarter 2014 average daily production was 38.3 MBOE/d. For the six months ended June 30, 2014 and year ended December 31, 2013, Kodiak had total revenues of approximately \$557.1 million and \$904.6 million and net income of approximately \$50.3 million and \$141.4 million, respectively.

Kodiak's principal offices are located at 1625 Broadway, Suite 250, Denver, Colorado 80202, and its telephone number is (303) 592-8075. Kodiak common stock is listed on the NYSE, trading under the symbol KOG.



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### ***Whiting Canadian Sub***

Whiting Canadian Sub, a wholly-owned subsidiary of Whiting, is a company organized and existing under the laws of British Columbia, Canada. Whiting Canadian Sub was incorporated for the purpose of effecting the arrangement and has not conducted any activities other than those incidental to its formation and the matters contemplated by the arrangement agreement.

### **The Arrangement**

On July 13, 2014, Whiting, Whiting Canadian Sub and Kodiak entered into the arrangement agreement, which provides that, subject to the terms and conditions of the arrangement agreement and in accordance with the approval by the court under Division 5 of Part 9 of the BCBCA, Whiting Canadian Sub will acquire all of the outstanding shares of Kodiak and amalgamate with Kodiak to form one corporate entity with Kodiak surviving the amalgamation as a direct wholly-owned subsidiary of Whiting. The arrangement agreement also provides that prior to the completion of the arrangement and assuming the continuance resolution is approved by Kodiak shareholders, Kodiak will continue from the Yukon Territory to the Province of British Columbia.

### **Consideration to be Received in the Arrangement by Kodiak Shareholders**

At the effective time of the arrangement, Kodiak shareholders will receive 0.177 shares of Whiting common stock for each share of Kodiak common stock. No fractional shares of Whiting common stock will be issued as part of the arrangement. Instead, where the aggregate number of Whiting common stock to be issued to a Kodiak shareholder as consideration would result in a fraction of securities of Whiting being issuable, the number of shares of Whiting common stock to be received by such Kodiak shareholder shall be rounded down to the nearest whole share of Whiting common stock. The exchange ratio is fixed and will not be adjusted to reflect changes in the stock price of either company before the arrangement is completed. Whiting stockholders will continue to own their existing shares of Whiting common stock, and the Whiting common stock will not be affected by the arrangement.

### **Treatment of Equity Awards**

#### ***Kodiak***

In connection with the arrangement, each RSU, option and restricted stock award relating to Kodiak common stock that is outstanding immediately prior to the completion of the arrangement (whether vested or unvested) will be assumed by Whiting and converted automatically at the effective time of the arrangement into an RSU, option, or restricted stock award, as applicable (an assumed award), denominated in shares of Whiting common stock based on the exchange ratio and subject to terms and conditions substantially identical to those in effect at the effective time of the arrangement, except that:

the number of shares of Whiting common stock that will be subject to each assumed award will be determined by multiplying the number of shares of Kodiak common stock subject to such assumed award by the exchange ratio (rounded down to the nearest whole share); and

if applicable, the exercise or purchase price per share of each assumed award will equal the per share exercise or purchase price of each assumed award divided by the exchange ratio (rounded upwards to the

nearest whole cent).

***Whiting***

The arrangement will not affect Whiting's outstanding equity awards. All such awards will remain outstanding subject to the same terms and conditions that are applicable prior to the arrangement.

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### **Recommendations of the Whiting Board of Directors**

After careful consideration, the Whiting board of directors recommends that holders of Whiting common stock vote **FOR** the share issuance proposal and **FOR** the Whiting adjournment proposal.

For a more complete description of Whiting's reasons for the arrangement and the recommendations of the Whiting board of directors, see *The Arrangement Whiting Recommendation and Reasons for the Arrangement* beginning on page 51.

### **Recommendations of the Kodiak Board of Directors**

After careful consideration, the Kodiak board of directors recommends that Kodiak shareholders vote **FOR** the continuance resolution, Kodiak securityholders vote **FOR** the arrangement resolution, Kodiak shareholders vote **FOR** the arrangement-related compensation proposal and Kodiak shareholders vote **FOR** the Kodiak adjournment proposal.

For a more complete description of Kodiak's reasons for the arrangement and the recommendation of the Kodiak board of directors, see *The Arrangement Kodiak Recommendation and Reasons for the Arrangement* beginning on page 53.

### **Opinion of J.P. Morgan Securities LLC to the Whiting Board**

In connection with the arrangement, J.P. Morgan Securities LLC ( *J.P. Morgan* ), rendered an opinion, dated July 13, 2014, to the Whiting board of directors as to the fairness, from a financial point of view and as of such date and based upon and subject to the factors, assumptions, limitations and qualifications set forth in such opinion (which are also summarized in this joint proxy statement/circular), to Whiting of the exchange ratio. The full text of J.P. Morgan's written opinion is attached to this joint proxy statement/circular as Annex G. J.P. Morgan's written opinion is addressed to the Whiting board of directors (in its capacity as such), is directed only to the exchange ratio and does not constitute a recommendation to any Whiting stockholder as to how such stockholder should vote with respect to the transactions contemplated by the arrangement agreement. For a more complete description of J.P. Morgan's opinion, see *The Arrangement Opinion of J.P. Morgan Securities LLC to the Whiting Board* beginning on page 57.

### **Opinion of Petrie Partners Securities, LLC to the Kodiak Board**

On July 13, 2014, at a meeting of the Kodiak board of directors, Petrie Partners Securities, LLC ( *Petrie Partners* ) rendered its oral opinion, subsequently confirmed by delivery of a written opinion, that, as of July 13, 2014, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the exchange ratio was fair, from a financial point of view, to the shareholders of Kodiak.

**The full text of the written opinion of Petrie Partners, dated as of July 13, 2014, is attached as Annex H to this joint proxy statement/circular and sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion (which are also summarized in this joint proxy statement/circular). Petrie Partners' opinion was addressed to, and provided for the information and benefit of, the Kodiak board of directors in connection with its evaluation of whether the exchange ratio was fair, from a financial point of view, to the shareholders of Kodiak. Petrie Partners' opinion does not address the fairness of the proposed arrangement (for purposes of this joint proxy statement/circular, as defined in the arrangement agreement), or any consideration received in connection with the proposed arrangement, to the creditors or other constituencies of Kodiak, nor does it address the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Kodiak, or any**





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class of such persons, whether relative to the exchange ratio or otherwise. Petrie Partners assumed that any modification to the structure of the arrangement would not vary in any respect material to its analysis. Petrie Partners' opinion does not address the relative merits of the arrangement as compared to any other alternative business transaction or strategic alternative that might be available to Kodiak, nor does it address the underlying business decision of Kodiak to engage in the arrangement. Petrie Partners' opinion does not constitute a recommendation to the Kodiak board of directors or to any other persons in respect of the arrangement, including as to how any holder of shares of voting common stock of Kodiak should act or vote in respect of any of the transactions contemplated by the arrangement agreement. Finally, Petrie Partners did not express any opinion as to the price at which shares of Kodiak or Whiting common stock will trade at any time. For a more complete description of Petrie Partners' opinion, see **The Arrangement Opinion of Petrie Partners Securities, LLC to the Kodiak Board** beginning on page 69.

### **Opinion of Credit Suisse Securities (USA) LLC to the Kodiak Board**

On July 13, 2014, Credit Suisse Securities (USA) LLC (Credit Suisse) rendered its oral opinion to the Kodiak board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Kodiak board of directors dated the same date) as to, as of July 13, 2014, the fairness, from a financial point of view, to the holders of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement.

**Credit Suisse's opinion was directed to the Kodiak board of directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to the holders of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement and did not address any other aspect or implication (financial or otherwise) of the arrangement. The full text of Credit Suisse's written opinion is included as Annex I to this joint proxy statement/circular and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion (which are also summarized in this joint proxy statement/circular). However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/circular are intended to be, and they do not constitute, advice or a recommendation to any holder of Kodiak common stock as to how such holder should vote or act on any matter relating to the arrangement. See **The Arrangement Opinion of Credit Suisse Securities (USA) LLC to the Kodiak Board** beginning on page 84.**

### **Governance Following Completion of the Arrangement**

The Whiting senior management team will lead the combined company after the completion of the arrangement. Lynn A. Peterson, the President and Chief Executive Officer and a director of Kodiak, and James E. Catlin, the Executive Vice President of Business Development and a director of Kodiak, will be appointed to the board of directors of Whiting at the completion of the arrangement for terms to expire at Whiting's annual meetings in 2017 and 2016, respectively, and until their successors are duly elected and qualified.

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### **Interests of Directors and Executive Officers of Kodiak in the Arrangement**

You should be aware that some of the directors and executive officers of Kodiak have interests in the arrangement that are different from, or are in addition to, the interests of securityholders generally, including without limitation the following:

treatment of Kodiak equity awards held by directors and executive officers;

employment agreements that provide rights upon a change of control of Kodiak;

the anticipated appointment of Lynn Peterson and James Catlin as directors of Whiting following the arrangement; and

the indemnification of Kodiak's directors and executive officers by Whiting.

Except as disclosed herein, no informed person of Kodiak (as defined in NI 51-102) or any associate or affiliate of any informed person has or had any material interest, direct or indirect, in any transaction since the commencement of Kodiak's most recently completed financial year or any proposed transaction that has materially affected or would materially affect Kodiak.

For a further discussion of the interests of Kodiak directors and executive officers in the arrangement, see *The Arrangement Interests of Directors and Executive Officers of Kodiak in the Arrangement* beginning on page 98.

### **Material U.S. Federal Income Tax Consequences**

It is a condition to the obligation of both Whiting and Kodiak to complete the arrangement that Whiting receive a written opinion from Foley & Lardner LLP, counsel to Whiting, dated as of the closing date, to the effect that for U.S. federal income tax purposes the Arrangement Transactions should (i) be treated as a single integrated transaction for U.S. federal income tax purposes and (ii) qualify as a reorganization within the meaning of Section 368(a)(1)(A) and 368(a)(2)(E) of the Code (the intended U.S. tax treatment). Kodiak agreed to use commercially reasonable efforts to cause Dorsey & Whitney LLP, counsel to Kodiak, to deliver a written opinion to Kodiak dated as of the closing date, to the effect that for U.S. federal income tax purposes the Arrangement Transactions should (i) be treated as a single integrated transaction for U.S. federal income tax purposes and (ii) qualify as a reorganization within the meaning of Section 368(a)(1)(A) and 368(a)(2)(E) of the Code. The delivery of this opinion is not a condition to the closing of the arrangement.

Provided that the Arrangement Transactions so qualify, a U.S. Holder of Kodiak common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Kodiak common stock for shares of Whiting common stock in the Arrangement Transactions.

The discussion of U.S. federal income tax consequences of the arrangement contained in this joint proxy statement/circular (see *Certain Income Tax Consequences Material U.S. Federal Income Tax Consequences* beginning on page 174) is intended to provide only a general summary and is not a complete analysis or description of all potential U.S. federal income tax consequences of the arrangement. The discussion does not address tax consequences

that may vary with, or are contingent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws.

**Kodiak shareholders are strongly urged to consult with their tax advisors regarding the tax consequences of the arrangement to them, including the effects of U.S. federal, state, local, foreign and other tax laws.**

For a further discussion of the U.S. federal income tax consequences, see [Certain Income Tax Consequences](#) [Material U.S. Federal Income Tax Consequences](#) beginning on page 174.

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### **Material Canadian Federal Income Tax Consequences**

Holders of Kodiak common stock who are residents of Canada for purposes of the ITA and hold their shares of Kodiak common stock as capital property will be subject to tax under the ITA on any capital gain realized on the disposition of their shares of Kodiak common stock under the arrangement.

Holders of Kodiak common stock who are not residents of Canada for purposes of the ITA and hold their shares of Kodiak common stock as capital property will not be subject to tax under the ITA on any capital gain realized on the disposition of their shares of Kodiak common stock under the arrangement.

The material Canadian federal income tax consequences are described in *Certain Income Tax Consequences* *Material Canadian Federal Income Tax Consequences* beginning on page 184. Tax matters are complicated and the tax consequences of the arrangement to you will depend upon the facts of your particular circumstances. Because particular circumstances may differ, Kodiak shareholders should consult with their tax advisors as to the specific Canadian tax consequences of the arrangement for them.

For a further discussion of the Canadian federal income tax consequences, see *Certain Income Tax Consequences* *Material Canadian Federal Income Tax Consequences* beginning on page 184.

### **Accounting Treatment of the Arrangement**

The arrangement will be accounted for as an acquisition of Kodiak by Whiting under the acquisition method of accounting in accordance with accounting principles generally accepted in the United States.

### **Court Approval Required for the Arrangement**

The arrangement requires approval by the court under Division 5 of Part 9 of the BCBCA. Prior to the mailing of this joint proxy statement/circular, Kodiak obtained the interim order providing for the calling and holding of a special meeting of Kodiak securityholders and other procedural matters (the *interim order* ). A copy of the interim order is attached hereto as Annex E.

Subject to the approval of the arrangement resolution by Kodiak securityholders at the Kodiak special meeting, the hearing in respect of the final order is expected to take place on or about December 5, 2014, or as soon thereafter as is reasonably practicable. A copy of the notice of hearing of petition for final order is attached hereto as Annex F.

Any Kodiak securityholder or other person who wishes to participate, to appear, or to be represented, and to present evidence or arguments at the hearing must serve and file a response to petition (a *response* ) no later than November 28, 2014 and satisfy the other requirements of the court, as directed in the interim order and the notice of hearing of petition for final order appended hereto as Annex E and Annex F, respectively, and as the court may direct in the future. The court will consider, among other things, the fairness and reasonableness of the arrangement and the rights of every person affected. The court may approve the arrangement in any manner the court may direct, subject to compliance with such terms and conditions, if any, as the court deems fit. The court has further been advised that the final order granted by the court will constitute the basis for the exemption from the registration requirements of the U.S. Securities Act of 1933 ( *Securities Act* ) provided by Section 3(a)(10) thereof with respect to the Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement.

Although Kodiak's objective is to complete the arrangement as soon as possible after the Kodiak special meeting, the completion could be delayed for a number of reasons, including, but not limited to, an objection before the court at the

hearing of the application for the final order or any delay in obtaining any required approvals. Whiting and Kodiak may determine not to complete the arrangement without prior notice to or action on the part of Kodiak securityholders. See The Arrangement Agreement Termination of Arrangement Agreement beginning on page 124.

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For a more complete discussion of court approval matters relating to the arrangement, see [The Arrangement Court Approval of the Arrangement and Completion of the Arrangement](#) beginning on page 104.

## **Regulatory Approvals Required for the Arrangement**

The arrangement is subject to the requirements of the HSR Act, which prevents Whiting and Kodiak from completing the arrangement until the waiting period under the HSR Act is terminated or expires. On July 25, 2014, Whiting and Kodiak filed the requisite notification and report forms under the HSR Act with the Antitrust Division of the Department of Justice (the DOJ) and the Federal Trade Commission (the FTC). Early termination of the waiting period under the HSR Act was granted on August 5, 2014.

For a more complete discussion of regulatory matters relating to the arrangement, see [The Arrangement Regulatory Approvals Required for the Arrangement](#) beginning on page 105.

## **Dissenters Rights**

Registered Kodiak shareholders are entitled to the dissent rights set out in Section 193 of the YBCA and to be paid the fair value of their common stock if such shareholder dissents to the continuance resolution in compliance with the YBCA and the continuance becomes effective.

Registered Kodiak shareholders also have the right to dissent in respect of the arrangement resolution and, if the arrangement becomes effective, to be paid the fair value, in cash, of the shares of Kodiak common stock in respect of which such registered Kodiak shareholder dissents in compliance with Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and the final order.

For a more complete discussion of rights of dissenting Kodiak shareholders, see [The Arrangement Appraisal / Dissenters Rights](#) beginning on page 106 and [The Arrangement Agreement Dissenting Shares](#) beginning on page 113.

## **Litigation Relating to the Arrangement**

In connection with the arrangement, seven purported class action lawsuits (four of which the plaintiffs voluntarily dismissed) have been filed on behalf of Kodiak shareholders in the United States District Court for the District of Colorado and one purported class action lawsuit has been filed on behalf of Kodiak shareholders in Denver District Court, State of Colorado, which was subsequently removed to United States District Court for the District of Colorado. It is possible that other related or amended suits could subsequently be filed. The defendants have filed motions to dismiss with prejudice in the all remaining cases other than one. The allegations in the four remaining lawsuits are similar. They purport to be brought as class actions on behalf of all shareholders of Kodiak. The complaints name as defendants the individual members of the Kodiak board of directors, Whiting and Whiting Canadian Sub and list Kodiak as a nominal party or a defendant. Additionally, one complaint lists James Henderson, Kodiak's Chief Financial Officer, as a defendant. The complaints allege that the Kodiak board of directors breached its fiduciary duties to Kodiak shareholders by, among other things, failing to engage in a fair sale process before approving the arrangement and to maximize shareholder value in connection with the arrangement. Additionally, one case alleges violations under Sections 14(a) and 20(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder. Specifically, the complaints allege that the Kodiak board of directors undervalued Kodiak in connection with the arrangement and that the Kodiak board of directors agreed to certain deal protection mechanisms that precluded Kodiak from obtaining competing offers. The complaints also allege that Whiting and Whiting Canadian Sub aided and abetted the alleged breaches of the fiduciary duties of the Kodiak board of directors. One case alleges

additionally that in issuing the preliminary joint proxy statement/circular the Kodiak board of directors violated the cited sections of, and rule promulgated under, the Exchange Act. The complaints seek, among other things, injunctive relief preventing the closing of the arrangement, rescission of the arrangement or an award of rescissory damages to the purported class in the event that the arrangement is consummated, and damages, including counsel fees and expenses. Whiting and Kodiak believe each lawsuit is without merit.

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For a more complete discussion of litigation relating to the arrangement, see *The Arrangement Litigation Relating to the Arrangement* beginning on page 110.

## **Conditions to Completion of the Arrangement**

The respective obligations of Kodiak and Whiting to complete the arrangement are subject to the satisfaction of the following conditions:

the Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement will be (i) either exempt from registration requirements under the Securities Act pursuant to Section 3(a)(10) or registered pursuant to an effective registration statement and (ii) exempt from prospectus and registration requirements of applicable Canadian securities laws;

the continuance resolution and the arrangement resolution have been approved by the Kodiak shareholders and securityholders, respectively;

the interim order and the final order have been received;

evidence that Kodiak effected the continuance from the Yukon Territory to British Columbia;

the share issuance proposal has been approved by the Whiting stockholders;

the shares of Whiting common stock to be issued pursuant to the arrangement have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

no law or order has been enacted, entered, promulgated, adopted, issued or enforced by any governmental entity that has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by the arrangement agreement;

Whiting has received an opinion of Foley & Lardner LLP to the effect that the Arrangement Transactions should qualify for the intended U.S. tax treatment;

the other party's representations and warranties regarding capitalization are correct and complete (other than *de minimis* inaccuracies) and the other party's other representations and warranties, when read without regard to materiality qualifications, are correct and complete, except where such failures of such representations and warranties to be true and correct in all respects, individually or in the aggregate, have not and would not reasonably be expected to have a material adverse effect (as defined in *The Arrangement Agreement Representations and Warranties* beginning on page 123) on such party;



the other party has performed in all material respects all obligations and complied in all material respects with all covenants required by the arrangement agreement to be performed or complied with at or prior to the closing of the arrangement;

no event, change, effect, condition, fact or circumstance has occurred after the date of the arrangement agreement that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the other party; and

the other party has delivered a certification stating that certain conditions are satisfied.

The obligation of Whiting to complete the arrangement is further subject to the satisfaction or waiver of the following conditions:

the total number of shares of Kodiak common stock with respect to which dissent rights have been properly exercised and not withdrawn have not exceeded 5% of the outstanding shares of Kodiak common stock as of the closing date; and

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no claim, action, suit, arbitration, proceeding, investigation or inquiry has been commenced by any governmental entity against Whiting, Kodiak or any of their respective subsidiaries with respect to the transactions contemplated by the arrangement agreement.

The obligation of Kodiak to complete the arrangement is further subject to the satisfaction or waiver of the following condition:

Lynn A. Peterson and James E. Catlin have been appointed to serve as directors of Whiting effective at the completion of the arrangement; provided if either is unable to serve as a director of Whiting, Kodiak's board of directors shall be able to designate a substitute individual reasonably acceptable to Whiting (and after giving effect to these appointments, the board of directors of Whiting shall consist of a total of not more than ten directors).

Other than the receipt of an opinion from Foley & Lardner LLP by Whiting noted above, the conditions set forth in the arrangement agreement may be waived by Whiting or Kodiak. For a more complete discussion of the conditions to the arrangement, see "The Arrangement Agreement Conditions" beginning on page 114.

## **Timing of the Arrangement**

The arrangement is expected to be completed in the fourth quarter of 2014. However, it is possible that factors outside of each company's control could require them to complete the arrangement at a later time or not to complete it at all.

## **No Solicitation of Other Offers**

In the arrangement agreement, subject to certain exceptions, each of Whiting and Kodiak has agreed that it will not, directly or indirectly:

solicit, initiate, cause, knowingly encourage, or knowingly facilitate, any inquiries or the making of any proposal that constitutes or is reasonably likely to lead to a takeover proposal (as described in the section entitled "The Arrangement Agreement Covenants No Solicitation of Other Offers" beginning on page 117);

participate in any discussion or negotiations regarding a takeover proposal; or

furnish any information in connection with or in furtherance of a takeover proposal.

The arrangement agreement includes customary exceptions such that, prior to obtaining shareholder approval, the parties may engage in negotiations regarding and, subject to complying with certain specified procedures and, in certain circumstances, a payment of a termination fee and/or reimbursement of expenses as described below, the applicable party's board of directors may change its recommendation of the transaction in light of, or terminate the arrangement agreement to enter into an agreement for, an unsolicited takeover proposal that is determined to be a superior proposal, in each case, to the extent necessary to do so to comply with applicable fiduciary duties.

For a discussion of the limitations on solicitation of takeover proposals from third parties, see "The Arrangement Agreement Covenants No Solicitation of Other Offers" beginning on page 117.

**Termination of the Arrangement Agreement and Termination Fees**

The arrangement agreement may be terminated in any of the following ways:

by mutual written consent of Whiting and Kodiak;

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by either Whiting or Kodiak if:

a law or order has been enacted, entered or promulgated prohibiting or permanently restraining the consummation of the transactions contemplated by the arrangement agreement;

the arrangement has not been consummated on or prior to the date that is 180 days after the date of the arrangement agreement, unless the failure to complete the arrangement is the result of breach of the arrangement agreement in any material respect by the party seeking to terminate the arrangement agreement;

the other party has breached or failed to perform in any material respect any of its representations, warranties or covenants contained in the arrangement agreement, such breach or failure to perform would result in any condition precedent not being satisfied and the breach is incapable of being cured within 30 days after receiving written notice of such breach or has not been cured within such 30-day time period;

the approval of the continuance resolution by the Kodiak shareholders or the arrangement resolution by the Kodiak securityholders is not obtained;

the interim order or the final order is not obtained from the court;

the approval of the share issuance proposal by the Whiting stockholders is not obtained;

the other party has materially breached its covenants set forth under The Arrangement Agreement Covenants No Solicitation of Other Offers beginning on page 117 and The Arrangement Agreement Covenants Change of Board Recommendations or Termination of Arrangement Agreement for Superior Proposal beginning on page 118;

the board of directors of a party has failed to make its recommendation to approve the arrangement or has changed its recommendation; and

the board of directors of a party has recommended to its shareholders any takeover proposal or superior proposal or has entered into an agreement relating to such.

The arrangement agreement provides that, upon a termination of the arrangement agreement under specified circumstances, Kodiak is required to pay a termination fee equal to \$130.0 million to Whiting plus reimbursement of up to \$10.0 million of Whiting's expenses and, alternatively, Whiting is required to pay a termination fee equal to \$130.0 million to Kodiak plus reimbursement of up to \$10.0 million of Kodiak's expenses. If the arrangement agreement is terminated due to the failure to obtain the Whiting stockholder approval of the share issuance proposal, Whiting would be required to reimburse up to \$10.0 million of Kodiak's expenses; and if the arrangement agreement is

terminated due to the failure to obtain the Kodiak shareholder approval of the continuation resolution or Kodiak securityholder approval of the arrangement resolution, Kodiak would be required to reimburse up to \$10.0 million of Whiting's expenses.

For a more detailed discussion of each party's termination rights and the related termination fee, see "The Arrangement Agreement - Termination of Arrangement Agreement" beginning on page 124.

### **Matters to be Considered at the Special Meetings**

#### ***Whiting***

At the Whiting special meeting, Whiting stockholders will be asked to consider and vote upon:

the share issuance proposal; and

the Whiting adjournment proposal.

Whiting stockholder approval of the share issuance proposal is required to complete the arrangement.

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Approval of the share issuance proposal requires the affirmative vote of the holders of a majority of the voting power of the shares of Whiting common stock represented in person or by proxy.

Approval of the Whiting adjournment proposal requires the affirmative vote of the holders of a majority of the voting power of the shares of Whiting common stock represented in person or by proxy.

The Whiting board of directors recommends that Whiting stockholders vote **FOR** all of the proposals set forth above, as more fully described under **Whiting Proposals** beginning on page 134.

***Kodiak***

At the Kodiak special meeting, Kodiak shareholders and securityholders will be asked to consider and vote upon:

for Kodiak shareholders, the continuance resolution;

for Kodiak securityholders, the arrangement resolution;

for Kodiak shareholders, the arrangement-related compensation proposal; and

for Kodiak shareholders, the Kodiak adjournment proposal.

Kodiak shareholder approval of the continuance resolution and Kodiak securityholder approval of the arrangement resolution is required to complete the arrangement.

Approval of the continuance resolution requires the affirmative vote of holders of at least two-thirds of the votes cast on the continuance resolution by those holders of Kodiak common stock present in person or represented by proxy.

Approval of the arrangement resolution requires the (i) affirmative vote of the holders of at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock present in person or represented by proxy, voting as one class, and (ii) affirmative vote of at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock and holders of Kodiak RSUs, options and restricted stock awards present in person or represented by proxy together voting as another class, with each Kodiak RSU, option and restricted stock award entitling the holder thereof to that number of votes equal to the number of shares of Kodiak common stock issuable upon the valid exercise of an option, or the valid settlement of an RSU or restricted stock award, as applicable.

Approval of the arrangement-related compensation proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal.

Approval of the Kodiak adjournment proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal.

The Kodiak board of directors recommends that Kodiak stockholders vote **FOR** all of the proposals set forth above and that the Kodiak securityholders vote **FOR** the arrangement resolution, as more fully described under **Kodiak**

Proposals beginning on page 141.

**Risk Factors**

You should also carefully consider the risks that are described in the section entitled Risk Factors beginning on page 30.

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Whiting's consolidated statements of income and statements of cash flows information for the years ended December 31, 2011, 2012 and 2013 and Whiting's consolidated balance sheet information at December 31, 2012 and 2013 are derived from Whiting's audited consolidated financial statements incorporated by reference into this joint proxy statement/circular. Whiting's consolidated statements of income and statements of cash flows information for the years ended December 31, 2009 and 2010 and Whiting's consolidated balance sheet information at December 31, 2009, 2010 and 2011 are derived from Whiting's audited consolidated financial statements that are not included or incorporated by reference into this joint proxy statement/circular. Whiting's consolidated statements of income and statements of cash flows information for the six months ended June 30, 2013 and 2014 and the consolidated balance sheet information at June 30, 2014 have been derived from Whiting's unaudited consolidated financial statements incorporated by reference into this joint proxy statement/circular. Whiting's historical results include the results from Whiting's proved property acquisitions beginning on the following dates: properties in North Dakota and Montana, September 20, 2013; properties in Colorado, September 1, 2010; and additional interests in properties in North Ward Estes, November 1, 2009 and October 1, 2009. In addition, Whiting's historical results also include the effects of Whiting's proved property divestitures beginning on the following dates: properties in the Postle field, April 1, 2013; and properties in Texas, October 1, 2013. This information is only a summary and you should read it in conjunction with Whiting's consolidated financial statements and related notes incorporated by reference in this joint proxy statement/circular. The consolidated financial data may not be indicative of future performance.

|   | 2009     | Year Ended December 31,              |            |            |            | Six Months Ended |            |
|---|----------|--------------------------------------|------------|------------|------------|------------------|------------|
|   |          | 2010                                 | 2011       | 2012       | 2013       | 2013             | 2014       |
|   |          | June 30,                             |            |            |            |                  |            |
|   |          | (in millions, except per share data) |            |            |            |                  |            |
| <b>Consolidated Statements of Income Information:</b> |          |                                      |            |            |            |                  |            |
| Revenues and other income:                            |          |                                      |            |            |            |                  |            |
| Oil, NGL and natural gas sales                        | \$ 917.5 | \$ 1,475.3                           | \$ 1,860.1 | \$ 2,137.7 | \$ 2,666.5 | \$ 1,257.0       | \$ 1,547.0 |
| Gain (loss) on hedging activities                     | 38.8     | 23.2                                 | 8.8        | 2.3        | (1.9)      | (0.6)            |            |
| Amortization of deferred gain on sale                 | 16.6     | 15.6                                 | 13.9       | 29.5       | 31.7       | 15.9             | 15.2       |
| Gain on sale of properties                            | 5.9      | 1.4                                  | 16.3       | 3.4        | 128.6      | 3.4              | 12.4       |
| Interest income and other                             | 0.6      | 0.6                                  | 0.5        | 0.5        | 3.4        | 1.2              | 1.3        |
| Total revenues and other income                       | 979.4    | 1,516.1                              | 1,899.6    | 2,173.4    | 2,828.3    | 1,276.9          | 1,575.9    |
| Costs and expenses:                                   |          |                                      |            |            |            |                  |            |
| Lease operating                                       | 237.3    | 268.3                                | 305.5      | 376.4      | 430.2      | 205.0            | 233.1      |
| Production taxes                                      | 64.7     | 103.9                                | 139.2      | 171.6      | 225.4      | 105.1            | 128.9      |
| Depreciation, depletion and amortization              | 394.8    | 393.9                                | 468.2      | 684.7      | 891.5      | 424.6            | 503.8      |
| Exploration and impairment                            | 73.0     | 59.4                                 | 84.6       | 167.0      | 453.2      | 80.7             | 73.6       |
| General and administrative                            | 42.3     | 64.7                                 | 85.0       | 108.6      | 138.0      | 58.1             | 67.9       |
| Interest expense                                      | 64.6     | 59.1                                 | 62.5       | 75.2       | 112.9      | 44.6             | 81.2       |
|   |          | 6.2                                  |            |            | 4.4        |                  |            |



Loss on early extinguishment of  
debt

|                              |         |       |         |         |         |       |         |
|------------------------------|---------|-------|---------|---------|---------|-------|---------|
| Change in Production         |         |       |         |         |         |       |         |
| Participation Plan liability | 3.3     | 12.1  | (0.9)   | 13.8    | (7.0)   | 12.1  |         |
| Commodity derivative (gain)  |         |       |         |         |         |       |         |
| loss, net                    | 262.2   | 7.1   | (24.8)  | (85.9)  | 7.8     | 1.1   | 50.6    |
| Total costs and expenses     | 1,142.2 | 974.7 | 1,119.3 | 1,511.4 | 2,256.4 | 931.2 | 1,139.1 |

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|  | Year Ended December 31,              |            |              |              |              | Six Months Ended |              |
|--|--------------------------------------|------------|--------------|--------------|--------------|------------------|--------------|
|  | 2009                                 | 2010       | 2011         | 2012         | 2013         | 2013             | 2014         |
|  | (in millions, except per share data) |            |              |              |              |                  |              |
| Income (loss) before taxes                             | (162.8)                              | 541.4      | 780.3        | 662.0        | 571.9        | 345.7            | 436.8        |
| Income tax expense<br>(benefit)                        | (55.9)                               | 204.8      | 288.7        | 247.9        | 205.9        | 124.5            | 176.3        |
| Net income (loss)                                      | (106.9)                              | 336.7      | 491.6        | 414.1        | 366.0        | 221.2            | 260.5        |
| Net loss attributable to<br>noncontrolling interest    |                                      |            | 0.1          | 0.1          | 0.1          |                  |              |
| Net income (loss) available<br>to shareholders         | (106.9)                              | 336.7      | 491.7        | 414.2        | 366.1        | 221.2            | 260.5        |
| Preferred stock dividends(1)                           | (10.3)                               | (64.0)     | (1.1)        | (1.1)        | (0.5)        | (0.5)            |              |
| Net income (loss) available<br>to common shareholders  | \$ (117.2)                           | \$ 272.7   | \$ 490.6     | \$ 413.1     | \$ 365.5     | \$ 220.7         | \$ 260.5     |
| Earnings (loss) per common<br>share, basic(2)          | \$ (1.18)                            | \$ 2.57    | \$ 4.18      | \$ 3.51      | \$ 3.09      | \$ 1.87          | \$ 2.19      |
| Earnings (loss) per common<br>share, diluted(2)        | \$ (1.18)                            | \$ 2.55    | \$ 4.14      | \$ 3.48      | \$ 3.06      | \$ 1.86          | \$ 2.17      |
| <b>Other Financial Information:</b>                    |                                      |            |              |              |              |                  |              |
| Net cash provided by<br>operating activities           | \$ 453.8                             | \$ 997.3   | \$ 1,192.1   | \$ 1,401.2   | \$ 1,744.7   | \$ 740.2         | \$ 891.7     |
| Net cash used in investing<br>activities               | \$ (523.5)                           | \$ (914.6) | \$ (1,760.0) | \$ (1,780.3) | \$ (1,902.5) | \$ (1,203.1)     | \$ (1,322.1) |
| Net cash provided by (used<br>in) financing activities | \$ 72.1                              | \$ (75.7)  | \$ 564.8     | \$ 408.1     | \$ 812.4     | \$ 441.4         | \$ (41.9)    |
| Capital expenditures                                   | \$ 585.8                             | \$ 923.8   | \$ 1,804.3   | \$ 2,171.5   | \$ 2,772.7   | \$ 1,370.6       | \$ 1,201.5   |
| <b>Consolidated Balance Sheet Information:</b>         |                                      |            |              |              |              |                  |              |
| Total assets   | \$ 4,029.5                           | \$ 4,648.8 | \$ 6,045.6   | \$ 7,272.4   | \$ 8,833.5   |                  | \$ 9,359.0   |
| Long-term debt   | \$ 779.6                             | \$ 800.0   | \$ 1,380.0   | \$ 1,800.0   | \$ 2,653.8   |                  | \$ 2,653.5   |
| Total equity(3)  | \$ 2,270.1                           | \$ 2,531.3 | \$ 3,029.1   | \$ 3,453.2   | \$ 3,836.7   |                  | \$ 4,097.1   |

- (1) The year ended December 31, 2010 includes a cash premium of \$47.5 million for the induced conversion of Whiting's 6.25% perpetual preferred stock.
- (2) On January 26, 2011, Whiting's board of directors approved a two-for-one split of Whiting's shares of common stock to be effected in the form of a stock dividend effective February 22, 2011. Earnings (loss) per common share, basic and diluted for periods prior to February 2011 have been retroactively adjusted to reflect the stock split.
- (3) No cash dividends were declared or paid on Whiting's common stock during the periods presented.



**Table of Contents****Whiting Historical Operating and Reserve Data**

The following table presents summary information regarding Whiting's historical operating data for the years ended December 31, 2009, 2010, 2011, 2012 and 2013 and the six month periods ended June 30, 2013 and 2014 and Whiting's estimated net proved oil and natural gas reserves as of December 31, 2009, 2010, 2011, 2012 and 2013. The reserve estimates presented in the table below are based on reports prepared by Cawley Gillespie & Associates, Inc., independent reserve engineers.

|   | Year Ended December 31, |            |            |            |            | Six Months Ended |            |
|---|-------------------------|------------|------------|------------|------------|------------------|------------|
|   | 2009                    | 2010       | 2011       | 2012       | 2013       | 2013             | 2014       |
|   |                         |            |            |            |            | June 30,         |            |
| <b>Operating Data:</b>                                  |                         |            |            |            |            |                  |            |
| Net production:   |                         |            |            |            |            |                  |            |
| Oil (MMBbl)   | 13.9                    | 17.5       | 18.3       | 23.1       | 27.0       | 13.0             | 15.3       |
| NGLs (MMBbl)  | 1.5                     | 1.5        | 2.1        | 2.8        | 2.8        | 1.4              | 1.4        |
| Natural gas (Bcf)                                       | 29.3                    | 27.4       | 26.4       | 25.8       | 26.9       | 13.0             | 13.9       |
| Total production (MMBOE)                                | 20.3                    | 23.6       | 24.8       | 30.2       | 34.3       | 16.5             | 19.0       |
| Net sales (in millions)                                 |                         |            |            |            |            |                  |            |
| Oil(1)  | \$ 761.4                | \$ 1,268.2 | \$ 1,621.5 | \$ 1,940.5 | \$ 2,443.7 | \$ 1,148.1       | \$ 1,388.5 |
| NGLs  | 46.2                    | 74.0       | 108.6      | 108.9      | 114.0      | 56.5             | 65.2       |
| Natural gas(1)  | 109.9                   | 133.1      | 130.0      | 88.3       | 108.8      | 52.4             | 93.3       |
| Total oil, NGL and natural gas sales                    |                         |            |            |            |            |                  |            |
|   | \$ 917.5                | \$ 1,475.3 | \$ 1,860.1 | \$ 2,137.7 | \$ 2,666.5 | \$ 1,257.0       | \$ 1,547.0 |
| Average sales prices:                                   |                         |            |            |            |            |                  |            |
| Oil (per Bbl)(1)  | \$ 54.80                | \$ 72.61   | \$ 88.61   | \$ 83.86   | \$ 90.39   | \$ 88.65         | \$ 91.04   |
| Effect of oil hedges on average price (per Bbl)         | (0.47)                  | (1.47)     | (1.67)     | (1.25)     | (1.13)     | (0.95)           | (0.38)     |
| Oil net of hedging (per Bbl)                            | \$ 54.33                | \$ 71.14   | \$ 86.94   | \$ 82.61   | \$ 89.26   | \$ 87.70         | \$ 90.66   |
| Average NYMEX price (per Bbl)                           |                         |            |            |            |            |                  |            |
|   | \$ 61.93                | \$ 79.55   | \$ 95.14   | \$ 94.19   | \$ 98.00   | \$ 94.28         | \$ 100.81  |
| NGLs (per Bbl)  | \$ 31.07                | \$ 47.33   | \$ 52.38   | \$ 39.36   | \$ 40.41   | \$ 40.20         | \$ 45.47   |
| Natural gas (per Mcf)(1)                                | \$ 3.75                 | \$ 4.86    | \$ 4.92    | \$ 3.42    | \$ 4.04    | \$ 4.04          | \$ 6.73    |
| Effect of natural gas hedges on average price (per Mcf) | 0.05                    | 0.04       | 0.04       | 0.06       |            |                  |            |
| Natural gas net of hedging (per Mcf)                    |                         |            |            |            |            |                  |            |
|   | \$ 3.80                 | \$ 4.90    | \$ 4.96    | \$ 3.48    | \$ 4.04    | \$ 4.04          | \$ 6.73    |
| Average NYMEX price (per Mcf)                           |                         |            |            |            |            |                  |            |
|   | \$ 3.99                 | \$ 4.39    | \$ 4.04    | \$ 2.79    | \$ 3.66    | \$ 3.72          | \$ 4.80    |

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Cost and expenses (per BOE):

|  |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|
| Lease operating expenses                         | \$ 11.71 | \$ 11.37 | \$ 12.33 | \$ 12.46 | \$ 12.53 | \$ 12.41 | \$ 12.27 |
| Production taxes                                 | \$ 3.19  | \$ 4.40  | \$ 5.62  | \$ 5.68  | \$ 6.56  | \$ 6.36  | \$ 6.79  |
| Depreciation, depletion and amortization expense | \$ 19.48 | \$ 16.69 | \$ 18.89 | \$ 22.67 | \$ 25.96 | \$ 25.70 | \$ 26.52 |
| General and administrative expenses              | \$ 2.09  | \$ 2.74  | \$ 3.43  | \$ 3.59  | \$ 4.02  | \$ 3.52  | \$ 3.57  |

(1) Before consideration of hedging transactions

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|  | <b>Year Ended December 31,</b> |             |             |             |             |
|--|--------------------------------|-------------|-------------|-------------|-------------|
|  | <b>2009</b>                    | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> |
| <b>Reserve Data:(1)</b>  |                                |             |             |             |             |
| Total estimated proved developed reserves:                             |                                |             |             |             |             |
| Oil (MBbl)   | 129,104                        | 160,088     | 180,975     | 190,845     | 198,204     |
| NGLs (MBbl)  | 15,709                         | 18,321      | 22,109      | 24,204      | 23,721      |
| Natural gas (MMcf)   | 178,782                        | 220,530     | 211,297     | 160,893     | 183,129     |
| Total (MBOE)   | 174,610                        | 215,164     | 238,300     | 241,864     | 252,446     |
| Total estimated proved reserves(2):                                    |                                |             |             |             |             |
| Oil (MBbl)   | 193,294                        | 224,196     | 260,144     | 301,285     | 347,421     |
| NGLs (MBbl)  | 30,502                         | 30,082      | 37,609      | 40,098      | 44,869      |
| Natural gas (MMcf)   | 307,393                        | 303,544     | 284,975     | 224,264     | 277,514     |
| Total (MBOE)   | 275,029                        | 304,869     | 345,249     | 378,760     | 438,542     |
| Standardized measure of discounted future net cash flows (in millions) |                                |             |             |             |             |
|  | \$ 2,343.5                     | \$ 3,667.6  | \$ 5,272.5  | \$ 5,407.0  | \$ 6,593.9  |
| Total estimated probable reserves(2):                                  |                                |             |             |             |             |
| Oil (MBbl)   | 45,274                         | 49,638      | 57,128      | 84,982      | 109,268     |
| NGLs (MBbl)  | 13,549                         | 15,068      | 13,706      | 11,922      | 22,330      |
| Natural gas (MMcf)   | 181,889                        | 212,201     | 210,874     | 109,582     | 267,555     |
| Total (MBOE)   | 89,138                         | 100,073     | 105,979     | 115,168     | 176,191     |
| Total estimated possible reserves(2):                                  |                                |             |             |             |             |
| Oil (MBbl)   | 134,653                        | 146,313     | 129,066     | 123,179     | 137,223     |
| NGLs (MBbl)  | 31,987                         | 36,702      | 34,987      | 21,936      | 24,607      |
| Natural gas (MMcf)   | 184,910                        | 204,765     | 187,212     | 156,382     | 163,780     |
| Total (MBOE)   | 197,458                        | 217,142     | 195,255     | 171,178     | 189,127     |

- (1) Oil and gas reserve quantities and related discounted future net cash flows have been derived from oil and gas prices calculated using an average of the first-day-of-the month price for each month within the 12 months ended December 31, 2009, 2010, 2011, 2012 and 2013, respectively, pursuant to current U.S. Securities and Exchange Commission and Financial Accounting Standards Board guidelines.
- (2) Proved, probable and possible reserves are defined under the heading Glossary of Certain Oil and Natural Gas Definitions beginning on page 194.

**Table of Contents****Kodiak Selected Historical Financial Data**

Kodiak's consolidated statements of income and statements of cash flows information for the years ended December 31, 2011, 2012 and 2013 and Kodiak's consolidated balance sheet information at December 31, 2012 and 2013 are derived from Kodiak's audited consolidated financial statements incorporated by reference into this joint proxy statement/circular. Kodiak's consolidated statements of income and statements of cash flows information for the years ended December 31, 2009 and 2010 and Kodiak's consolidated balance sheet information at December 31, 2009, 2010 and 2011 are derived from Kodiak's audited consolidated financial statements that are not included or incorporated by reference into this joint proxy statement/circular. Kodiak's consolidated statements of income and statements of cash flows information for the six months ended June 30, 2013 and 2014 and the consolidated balance sheet information at June 30, 2014 have been derived from Kodiak's unaudited consolidated financial statements incorporated by reference into this joint proxy statement/circular. This information is only a summary and you should read it in conjunction with Kodiak's consolidated financial statements and related notes incorporated by reference in this joint proxy statement/circular. The consolidated financial data may not be indicative of future performance.

|  | Year Ended December 31,              |           |          |          |          | Six Months Ended<br>June 30, |          |
|--|--------------------------------------|-----------|----------|----------|----------|------------------------------|----------|
|  | 2009                                 | 2010      | 2011     | 2012     | 2013     | 2013                         | 2014     |
|  | (in millions, except per share data) |           |          |          |          |                              |          |
| <b>Consolidated Statements of Income Information:</b>          |                                      |           |          |          |          |                              |          |
| Revenues and other income:                                     |                                      |           |          |          |          |                              |          |
| Oil sales  | \$ 10.7                              | \$ 30.2   | \$ 115.7 | \$ 390.4 | \$ 858.2 | \$ 319.2                     | \$ 515.1 |
| Gas sales  | 0.6                                  | 0.7       | 4.3      | 18.3     | 46.4     | 19.3                         | 41.9     |
| Gain (loss) on commodity price risk management activities, net |                                      | (6.1)     | (20.1)   | 44.6     | (45.0)   | 6.9                          | (81.1)   |
| Interest expense, net  |                                      |           | (18.9)   | (22.9)   | (74.2)   | (29.6)                       | (50.1)   |
| Other income   |                                      |           | 1.3      | 3.7      | 3.5      | 0.7                          | 0.1      |
| Total revenues and other income                                | 11.3                                 | 24.8      | 82.3     | 434.1    | 788.9    | 316.5                        | 425.9    |
| Operating expenses:  |                                      |           |          |          |          |                              |          |
| Oil and gas production   | 2.2                                  | 6.8       | 26.9     | 85.5     | 190.4    | 73.5                         | 129.2    |
| Depletion, depreciation, amortization and accretion            | 3.2                                  | 8.2       | 32.0     | 155.7    | 317.2    | 119.8                        | 188.7    |
| General and administrative                                     | 8.5                                  | 12.2      | 19.5     | 34.5     | 47.3     | 20.6                         | 26.7     |
| Total operating expenses                                       | 13.9                                 | 27.2      | 78.4     | 275.7    | 554.9    | 213.9                        | 344.6    |
| Income (loss) before income taxes                              | (2.6)                                | (2.4)     | 3.9      | 158.4    | 234.0    | 102.6                        | 81.3     |
| Income tax expense   |                                      |           |          | 26.8     | 92.6     | 38.9                         | 31.0     |
| Net income (loss)  | \$ (2.6)                             | \$ (2.4)  | \$ 3.9   | \$ 131.6 | \$ 141.4 | \$ 63.7                      | \$ 50.3  |
| Earnings (loss) per common share, basic                        | \$ (0.02)                            | \$ (0.02) | \$ 0.02  | \$ 0.50  | \$ 0.53  | \$ 0.24                      | \$ 0.19  |

|   |           |           |         |         |         |         |         |
|---|-----------|-----------|---------|---------|---------|---------|---------|
| Earnings (loss) per common share, diluted | \$ (0.02) | \$ (0.02) | \$ 0.02 | \$ 0.49 | \$ 0.53 | \$ 0.24 | \$ 0.19 |
|---|-----------|-----------|---------|---------|---------|---------|---------|

**Other Financial Information:**

|   |           |            |            |              |              |            |            |
|---|-----------|------------|------------|--------------|--------------|------------|------------|
| Net cash provided by operating activities | \$ 9.4    | \$ 10.3    | \$ 53.9    | \$ 272.7     | \$ 553.6     | \$ 232.9   | \$ 346.6   |
| Net cash used in investing activities     | \$ (28.2) | \$ (200.0) | \$ (590.7) | \$ (1,348.1) | \$ (1,719.1) | \$ (580.6) | \$ (403.6) |
| Net cash provided by financing activities | \$ 36.1   | \$ 266.0   | \$ 517.2   | \$ 1,017.9   | \$ 1,141.6   | \$ 337.7   | \$ 68.1    |
| Total capital expenditures                | \$ 27.2   | \$ 85.3    | \$ 275.5   | \$ 838.5     | \$ 1,020.0   | \$ 504.8   | \$ 441.1   |

**Consolidated Balance Sheet****Information:**

|                           |         |          |            |            |            |            |
|---------------------------|---------|----------|------------|------------|------------|------------|
| Total assets              | \$ 79.7 | \$ 369.9 | \$ 1,699.5 | \$ 2,373.6 | \$ 3,923.8 | \$ 4,125.1 |
| Long-term debt            | \$      | \$ 40.0  | \$ 750.0   | \$ 1,100.6 | \$ 2,263.0 | \$ 2,329.6 |
| Total stockholders equity | \$ 69.9 | \$ 299.0 | \$ 839.7   | \$ 1,035.9 | \$ 1,193.1 | \$ 1,255.4 |



**Table of Contents****Kodiak Historical Operating and Reserve Data**

The following table presents summary information regarding Kodiak's historical operating data for the years ended December 31, 2009, 2010, 2011, 2012 and 2013 and the six month periods ended June 30, 2013 and 2014 and Kodiak's estimated net proved oil and natural gas reserves as of December 31, 2009, 2010, 2011, 2012 and 2013. The reserve estimates presented in the table below are based on reports prepared by Netherland, Sewell & Associates, Inc., independent reserve engineers.

|   | Year Ended December 31, |          |          |            |            | Six Months Ended June 30, |          |
|---|-------------------------|----------|----------|------------|------------|---------------------------|----------|
|   | 2009                    | 2010     | 2011     | 2012       | 2013       | 2013                      | 2014     |
| <b>Operating Data:</b>  |                         |          |          |            |            |                           |          |
| Sales volume:   |                         |          |          |            |            |                           |          |
| Oil (MMBbl)   | 0.2                     | 0.4      | 1.3      | 4.7        | 9.4        | 3.6                       | 5.7      |
| Gas (Bcf)   | 0.2                     | 0.2      | 0.5      | 3.3        | 7.2        | 3.1                       | 5.0      |
| Sales volumes (MMBOE)(2)  | 0.2                     | 0.5      | 1.4      | 5.3        | 10.6       | 4.1                       | 6.5      |
| Sales price:  |                         |          |          |            |            |                           |          |
| Oil (\$/Bbl)  | \$ 58.35                | \$ 69.89 | \$ 86.05 | \$ 83.00   | \$ 90.92   | \$ 89.81                  | \$ 90.26 |
| Gas (\$/Mcf)(1)   | \$ 2.84                 | \$ 4.81  | \$ 8.22  | \$ 5.53    | \$ 6.40    | \$ 6.31                   | \$ 8.34  |
| Production costs (\$/Sales BOE):  |                         |          |          |            |            |                           |          |
| Lease operating expenses  | \$ 4.25                 | \$ 7.03  | \$ 8.67  | \$ 6.04    | \$ 6.48    | \$ 6.61                   | \$ 8.42  |
| Production and property taxes   | \$ 5.50                 | \$ 7.49  | \$ 9.04  | \$ 8.34    | \$ 9.17    | \$ 8.92                   | \$ 9.01  |
| Depletion, depreciation, amortization and abandonment liability accretion expense                     | \$ 14.40                | \$ 17.92 | \$ 22.40 | \$ 29.62   | \$ 29.80   | \$ 29.47                  | \$ 28.83 |
| General and administrative expense  | \$ 38.86                | \$ 26.53 | \$ 13.62 | \$ 6.57    | \$ 4.44    | \$ 5.08                   | \$ 4.08  |
| <b>Reserve Data:</b>  |                         |          |          |            |            |                           |          |
| Proved developed reserves:  |                         |          |          |            |            |                           |          |
| Oil (MBbl)  | 1,170                   | 3,756    | 13,179   | 36,158     | 63,934     |                           |          |
| Gas (MMcf)  | 1,455                   | 3,653    | 8,957    | 41,870     | 78,823     |                           |          |
| Total proved reserves:  |                         |          |          |            |            |                           |          |
| Oil (MBbl)  | 3,817                   | 10,010   | 35,576   | 80,930     | 138,257    |                           |          |
| Gas (MMcf)  | 3,849                   | 8,960    | 25,539   | 83,124     | 173,985    |                           |          |
| Total proved oil equivalents (MBOE)(2)  | 4,458                   | 11,504   | 39,832   | 94,784     | 167,255    |                           |          |
| Present value of estimated future net revenues after income taxes, discounted at 10% (in millions)(3) | \$ 39.1                 | \$ 154.6 | \$ 660.0 | \$ 1,608.5 | \$ 2,782.8 |                           |          |

(1) Average gas price received at the wellhead includes proceeds from natural gas liquids under percentage of proceeds contracts.

(2) Kodiak converts Mcf of gas equivalent to oil at a ratio of six Mcf of gas (includes gas liquids) to one Bbl of oil.

- (3) The Present Value of Estimated Future Net Revenues After Income Taxes, Discounted at 10%, is referred to as the Standardized Measure. There is a \$695.4 million tax effect in 2013, a \$310.6 million tax effect in 2012, a \$190.7 million tax effect in 2011, a \$6.6 million tax effect in 2010, and no tax effect in 2009 as the tax basis in properties and net operating loss exceeds the future net revenues in that period.

**Table of Contents****Selected Unaudited Pro Forma Combined Financial Information**

The following selected unaudited pro forma combined financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Whiting and Kodiak for the periods presented and the unaudited pro forma combined financial information and related notes provided under the section entitled **Unaudited Pro Forma Combined Financial Information** beginning on page 144 of this joint proxy statement/circular. The unaudited pro forma combined balance sheet information as of June 30, 2014 assumes the arrangement occurred on June 30, 2014. The unaudited pro forma combined statements of operations information for the six months ended June 30, 2014 and the year ended December 31, 2013 both give effect to the arrangement as if it had occurred on January 1, 2013. Additionally, Whiting's unaudited pro forma statement of operations information for the year ended December 31, 2013 gives effect to the sale on July 15, 2013 of its interests in certain oil and gas producing properties located in the Postle and Northeast Hardesty fields in Texas County, Oklahoma as well as certain related assets and liabilities as if the disposition had occurred on January 1, 2013.

The selected unaudited pro forma combined financial information does not purport to represent what Whiting's financial position or results of operations would have been had the arrangement been consummated on the assumed dates nor is it indicative of future financial position or results of operations. The unaudited pro forma combined financial information does not reflect future events that may occur after the arrangement, including, but not limited to, the anticipated realization of ongoing savings from operating efficiencies.

|  | <b>Year Ended<br/>December 31, 2013</b>      | <b>Six Months Ended<br/>June 30, 2014</b> |
|--|--|---|
|  | <b>(in thousands, except per share data)</b> |   |
| <b>Pro Forma Statements of Operations Information:</b> |  |   |
| Revenues and other income:                             |  |   |
| Oil, NGL and natural gas sales                         | \$ 3,450,293                                 | \$ 2,104,068                              |
| Loss on hedging activities                             | (1,958)                                      |   |
| Amortization of deferred gain on sale                  | 31,737                                       | 15,217                                    |
| Gain on sale of properties                             | 18,949                                       | 12,355                                    |
| Interest income and other                              | 44,549                                       | 29,725                                    |
| <b>Total revenues and other income</b>                 | <b>3,543,570</b>                             | <b>2,161,365</b>                          |
| Costs and expenses:                                    |  |   |
| Lease operating  | 495,395                                      | 303,339                                   |
| Production taxes                                       | 314,805                                      | 187,889                                   |
| Depreciation, depletion and amortization               | 1,029,699                                    | 618,664                                   |
| Exploration and impairment                             | 458,863                                      | 75,839                                    |
| General and administrative                             | 169,609                                      | 84,858                                    |
| Interest expense                                       | 158,376                                      | 121,300                                   |
| Loss on early extinguishment of debt                   | 4,412  |   |
| Change in Production Participation Plan liability      | (6,980)                                      |   |
| Commodity derivative loss, net                         | 51,027                                       | 131,706                                   |
| <b>Total costs and expenses</b>                        | <b>2,675,206</b>                             | <b>1,523,595</b>                          |

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|  |            |               |
|--|------------|---------------|
| Income before income taxes                       | 868,364    | 637,770       |
| Income tax expense                               | 320,657    | 252,709       |
| Net income                                       | 547,707    | 385,061       |
| Net loss attributable to noncontrolling interest | 52         | 36            |
| Net income available to shareholders             | 547,759    | 385,097       |
| Preferred stock dividends                        | (538)      |               |
| Net income available to common shareholders      | \$ 547,221 | \$ 385,097    |
| Earnings per common share, basic                 | \$ 3.30    | \$ 2.31       |
| Earnings per common share, diluted               | \$ 3.27    | \$ 2.29       |
| <b>Pro Forma Balance Sheet Information:</b>      |            |               |
| Total assets                                     |            | \$ 15,798,703 |
| Long-term debt                                   |            | \$ 5,096,512  |
| Total equity                                     |            | \$ 6,807,159  |

**Table of Contents****Comparative Historical and Unaudited Pro Forma Combined Per Share Information**

The following table sets forth certain historical, pro forma and pro forma-equivalent per share financial information for Whiting common stock and Kodiak common stock. The pro forma and pro forma-equivalent per share information give effect to the arrangement as if the arrangement had occurred on January 1, 2013, in the case of earnings per share for the six months ended June 30, 2014 and the year ended December 31, 2013, and on June 30, 2014, in the case of book value. The information in the table below has been derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Whiting and Kodiak contained in their respective Quarterly Reports on Form 10-Q for the six months ended June 30, 2014 and in their respective Annual Reports on Form 10-K for the year ended December 31, 2013, which are incorporated by reference into this joint proxy statement/circular. See [Where You Can Find More Information](#) beginning on page 192.

The Whiting pro forma earnings per share was calculated using the methodology described below under the heading [Unaudited Pro Forma Combined Financial Information](#) beginning on page 144 and is subject to all the assumptions, adjustments and limitations described thereunder. The pro forma information set forth below, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the possible impact on the combined company that may result as a consequence of the arrangement and, accordingly, does not attempt to predict or suggest future results.

|  | <b>Whiting<br/>Historical</b> | <b>Kodiak<br/>Historical</b> | <b>Pro<br/>Forma</b> | <b>Equivalent<br/>Kodiak(1)</b> |
|--|-------------------------------|------------------------------|----------------------|---------------------------------|
| Earnings per share for the six months ended June 30, 2014: |                               |                              |                      |                                 |
| Basic  | \$ 2.19                       | \$ 0.19                      | \$ 2.31              | \$ 0.41                         |
| Diluted  | \$ 2.17                       | \$ 0.19                      | \$ 2.29              | \$ 0.41                         |
| Earnings per share for the year ended December 31, 2013:   |                               |                              |                      |                                 |
| Basic  | \$ 3.09                       | \$ 0.53                      | \$ 3.30              | \$ 0.58                         |
| Diluted  | \$ 3.06                       | \$ 0.53                      | \$ 3.27              | \$ 0.58                         |
| Book value per share as of June 30, 2014(2)                | \$ 34.37                      | \$ 4.70                      | \$ 40.78             | \$ 7.22                         |

- (1) The equivalent Kodiak amounts are calculated by multiplying the pro forma amounts by the exchange ratio of 0.177.
- (2) Calculated as total shareholders' equity divided by total common shares outstanding.

**Table of Contents****Market Prices**

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share of Whiting common stock and Kodiak common stock, both of which trade on the NYSE under the symbols WLL and KOG, respectively.

|   | <b>Common Stock</b> |            |
|---|---------------------|------------|
|   | <b>High</b>         | <b>Low</b> |
| <b>WLL Common Stock</b>                   |                     |            |
| <b>2012</b>                               |                     |            |
| First Quarter                             | \$ 63.97            | \$ 46.55   |
| Second Quarter                            | 58.33               | 35.68      |
| Third Quarter                             | 54.86               | 38.29      |
| Fourth Quarter                            | 48.87               | 40.19      |
| <b>2013</b>                               |                     |            |
| First Quarter                             | \$ 52.02            | \$ 43.60   |
| Second Quarter                            | 50.96               | 42.44      |
| Third Quarter                             | 60.65               | 46.13      |
| Fourth Quarter                            | 70.57               | 56.40      |
| <b>2014</b>                               |                     |            |
| First Quarter                             | \$ 72.32            | \$ 54.93   |
| Second Quarter                            | 82.35               | 68.46      |
| Third Quarter                             | 92.92               | 76.28      |
| Fourth Quarter (through October 24, 2014) | 78.99               | 53.11      |
|   | <b>Common Stock</b> |            |
|   | <b>High</b>         | <b>Low</b> |
| <b>KOG Common Stock</b>                   |                     |            |
| <b>2012</b>                               |                     |            |
| First Quarter                             | \$ 10.90            | \$ 8.58    |
| Second Quarter                            | 10.15               | 6.92       |
| Third Quarter                             | 9.92                | 7.50       |
| Fourth Quarter                            | 9.97                | 8.03       |
| <b>2013</b>                               |                     |            |
| First Quarter                             | \$ 9.74             | \$ 8.56    |
| Second Quarter                            | 9.25                | 7.27       |
| Third Quarter                             | 12.21               | 8.34       |
| Fourth Quarter                            | 14.11               | 10.12      |
| <b>2014</b>                               |                     |            |
| First Quarter                             | \$ 12.62            | \$ 10.08   |
| Second Quarter                            | 14.83               | 11.78      |
| Third Quarter                             | 16.29               | 13.38      |
| Fourth Quarter (through October 24, 2014) | 13.83               | 9.28       |

On July 11, 2014, the last trading day before the public announcement of the signing of the arrangement agreement, the closing sale price per share of Whiting common stock was \$78.54 and the closing sale price per share of Kodiak common stock was \$14.23, in each case on the NYSE. On October 24, 2014, the latest practicable date before the date of this joint proxy statement/circular, the closing sale price per share of Whiting common stock was \$61.66 and the closing sale price per share of Kodiak common stock was \$10.78, in each case on the NYSE.

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The table below sets forth the equivalent market value per share of Kodiak common stock on July 11, 2014 and October 24, 2014, as determined by multiplying the closing prices of shares of Whiting common stock on those dates by the exchange ratio. Although the exchange ratio is fixed, the market prices of Whiting common stock and Kodiak common stock will fluctuate before the special meetings and before the arrangement is completed. The market value of the arrangement consideration ultimately received by Kodiak shareholders will depend on the closing price of Whiting common stock on the day such shareholders receive their shares of Whiting common stock.

|                  | <b>Whiting<br/>Common<br/>Stock</b> | <b>Kodiak<br/>Common<br/>Stock</b> | <b>Equivalent<br/>Per Share<br/>of Kodiak<br/>Common<br/>Stock</b> |
|------------------|-------------------------------------|------------------------------------|--|
| July 11, 2014    | \$ 78.54                            | \$ 14.23                           | \$ 13.90   |
| October 24, 2014 | \$ 61.66                            | \$ 10.78                           | \$ 10.91   |

**Dividend Data**

Whiting has never paid any cash dividends on its common stock, and Whiting does not anticipate paying any such dividends on its common stock in the foreseeable future.

Kodiak has never paid any cash dividends on its common stock, and Kodiak does not anticipate paying any such dividends on its common stock in the foreseeable future.



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**RISK FACTORS**

*In addition to the other information included and incorporated by reference into this joint proxy statement/circular, including the matters addressed in the section entitled "Forward-Looking Statements" beginning on page 38, you should carefully consider the following risks before deciding whether to vote for the continuance resolution and the arrangement-related compensation proposal, in the case of Kodiak shareholders, and the arrangement resolution, in the case of Kodiak securityholders, or for the share issuance proposal, in the case of Whiting stockholders. In addition, you should read and consider the risks associated with each of the businesses of Whiting and Kodiak because these risks will also affect the combined company. Descriptions of some of these risks can be found in Whiting's Annual Report on Form 10-K for the year ended December 31, 2013, and Kodiak's Annual Report on Form 10-K for the year ended December 31, 2013, as amended, as updated in each case by any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the Securities and Exchange Commission (SEC) and incorporated by reference into this joint proxy statement/circular. You should also read and consider the other information in this joint proxy statement/circular and the other documents incorporated by reference into this joint proxy statement/circular. See the section entitled "Where You Can Find More Information" beginning on page 192.*

**Risk Factors Relating to the Arrangement**

***The exchange ratio is fixed and will not be adjusted in the event of any change in either Whiting's or Kodiak's stock price.***

Upon completion of the arrangement, each share of Kodiak common stock will be converted into the right to receive 0.177 of a share of Whiting common stock. This exchange ratio was fixed in the arrangement agreement and will not be adjusted to reflect changes in the market price of either Whiting common stock or Kodiak common stock before the arrangement is completed. Changes in the price of Whiting common stock prior to the completion of the arrangement will affect the market value that Kodiak shareholders will receive on the date of the arrangement. Stock price changes may result from a variety of factors (many of which are beyond Whiting's and Kodiak's control), including the following:

changes in Whiting's and Kodiak's respective businesses, operations and prospects;

changes in market assessments of the business, operations and prospects of either company;

investor behavior and strategies, including market assessments of the likelihood that the arrangement will be completed, including related considerations regarding court approval and regulatory clearance of the arrangement;

interest rates, general market and economic conditions and other factors generally affecting the price of Whiting's and Kodiak's common stock; and

federal, state and local legislation, governmental regulation and legal developments in the businesses in which Whiting and Kodiak operate.

The price of Whiting common stock at the completion of the arrangement will vary from its price on the date the arrangement agreement was executed, on the date of this joint proxy statement/circular and on the date of the special meetings of Whiting and Kodiak. As a result, the market value represented by the exchange ratio will also vary. For example, based on the range of closing prices of Whiting common stock during the period from July 11, 2014, the last trading day before public announcement of the arrangement, through October 24, 2014, the latest practicable date before the date of this joint proxy statement/circular, the exchange ratio represented a market value ranging from a low of \$9.94 to a high of \$16.40 for each share of Kodiak common stock.

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***Whiting's stock price may be negatively impacted by risks and conditions that apply to Whiting, which are different from the risks and conditions applicable to Kodiak.***

Upon completion of the arrangement, Kodiak shareholders will become holders of Whiting common stock. The businesses and markets of Whiting and its subsidiaries and the other businesses it may acquire in the future are different from those of Kodiak. There is a risk that various factors, conditions and developments that would not affect the price of Kodiak common stock could negatively affect the price of Whiting common stock. Please see Whiting's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as updated by any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which are incorporated by reference in this joint proxy statement/circular, and the section entitled "Forward-Looking Statements" beginning on page 38 for a summary of some of the key factors that might affect Whiting and the prices at which Whiting's common stock may trade from time to time.

***Whiting and Kodiak may be unable to obtain the court approval required to complete the arrangement or, in order to do so, Whiting and Kodiak may be required to comply with material restrictions or conditions that may negatively affect the combined company after the arrangement is completed or cause them to abandon the arrangement. Failure to complete the arrangement could negatively affect the future business and financial results of Whiting and Kodiak.***

Completion of the arrangement is contingent upon, among other things, the receipt of the required court approval under Division 5 of Part 9 of the BCBCA. Whiting and Kodiak can provide no assurance that the required court approval will be obtained or that the approval will not contain terms, conditions or restrictions that would be detrimental to the combined company after completion of the arrangement. See "The Arrangement - Court Approval of the Arrangement and Completion of the Arrangement" beginning on page 104.

***Failure to complete the arrangement could negatively affect the share prices, future businesses and financial results of Whiting and Kodiak.***

Completion of the arrangement is not assured and is subject to risks, including the risks that approval of the arrangement by shareholders of Whiting and Kodiak, the court or governmental agencies will not be obtained or that certain other closing conditions will not be satisfied. If the arrangement is not completed, the ongoing businesses and financial results of Whiting or Kodiak may be adversely affected and Whiting and Kodiak will be subject to several risks, including:

having to pay certain significant transaction costs relating to the arrangement without receiving the benefits of the arrangement;

for Whiting, potentially having to reimburse up to \$10.0 million of Kodiak's expenses if Whiting stockholder approval is not obtained or a termination fee of \$130.0 million plus reimbursement of up to \$10.0 million of Kodiak's expenses in other specific circumstances, including without limitation, a change in the Whiting board of directors' recommendation to its stockholders or termination in respect of a takeover proposal or superior proposal;

for Kodiak, potentially having to reimburse up to \$10.0 million of Whiting's expenses if Kodiak shareholder approval of the continuance resolution or Kodiak securityholder approval of the arrangement resolution is not obtained or a termination fee of \$130.0 million plus reimbursement of up to \$10.0 million of Whiting's expenses in other specific circumstances, including without limitation, a change in the Kodiak board of directors' recommendation to its shareholders or termination in respect of a takeover proposal or superior proposal;

the potential loss of key personnel during the pendency of the arrangement as employees may experience uncertainty about their future roles with the combined company;

Whiting and Kodiak will have been subject to certain restrictions on the conduct of their businesses which may have prevented them from making certain acquisitions or dispositions or pursuing certain business opportunities while the arrangement was pending;

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the share price of Whiting and/or Kodiak may decline to the extent that the current market prices reflect an assumption by the market that the arrangement will be completed; and

each of Whiting and Kodiak may be subject to litigation related to any failure to complete the arrangement. ***Delays in completing the arrangement may substantially reduce the expected benefits of the arrangement.***

Satisfying the conditions to, and completion of, the arrangement may take longer than, and could cost more than, Whiting and Kodiak expect. Any delay in completing or any additional conditions imposed in order to complete the arrangement may materially adversely affect the synergies and other benefits that Whiting and Kodiak expect to achieve from the arrangement and the integration of their respective businesses. In addition, each of Whiting and Kodiak have the right to terminate the arrangement agreement if the arrangement is not completed by January 9, 2015.

***The arrangement agreement limits each of Whiting's and Kodiak's ability to pursue alternatives to the arrangement, which could discourage a potential acquirer of either Kodiak or Whiting from making an alternative takeover proposal and, in certain circumstances, could require Whiting or Kodiak to pay to the other a significant termination fee.***

Under the arrangement agreement, Whiting and Kodiak are restricted, subject to limited exceptions, from pursuing or entering into alternative transactions in lieu of the arrangement. In general, unless and until the arrangement agreement is terminated, both Whiting and Kodiak are restricted from soliciting alternative takeover proposals and providing information to or engaging in discussions with third parties, except in the limited circumstances as provided in the arrangement agreement. Each of the Whiting board of directors and the Kodiak board of directors is limited in its ability to change its recommendation with respect to the arrangement-related proposals. Whiting and Kodiak each has the right to terminate the arrangement agreement and enter into an agreement with respect to a superior proposal only if specified conditions have been satisfied, including compliance with the non-solicitation provisions of the arrangement agreement, the expiration of certain waiting periods that may give the other party an opportunity to amend the arrangement agreement so the superior proposal is no longer a superior proposal and the payment of the required termination fee. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Whiting or Kodiak from considering or proposing such an acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the consideration proposed to be received or realized in the arrangement, or might result in a potential acquirer proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable.

***Whiting and Kodiak will incur substantial transaction fees and costs in connection with the arrangement.***

Whiting and Kodiak expect to incur significant non-recurring expenses in connection with the arrangement. Additional unanticipated costs may be incurred, including, without limitation, unexpected transaction costs and other expenses in the course of the integration of the businesses of Whiting and Kodiak. The companies cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the two businesses will offset the transaction and integration costs in the near term, or at all.

***Stockholder litigation against Kodiak and/or Whiting could result in an injunction preventing completion of the arrangement, the payment of damages in the event the arrangement is completed and/or may adversely affect the combined company's business, financial condition or results of operations following the arrangement.***

Transactions such as the arrangement are often subject to lawsuits by stockholders. In connection with the arrangement, seven purported class action lawsuits have been filed on behalf of Kodiak shareholders in the



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United States District Court for the District of Colorado: Quigley and Koelling v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-02023, filed July 22, 2014 (the plaintiffs voluntarily dismissed this lawsuit on September 24, 2014); Fioravanti v. Krysiak, et al., Case No. 1:14-cv-02037, filed July 23, 2014 (the plaintiffs voluntarily dismissed this lawsuit on October 24, 2014); Wilkinson v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-2074, filed July 25, 2014 (the plaintiffs voluntarily dismissed this lawsuit on October 23, 2014); Goldsmith v. Krysiak, et al., Case No. 1:14-cv-2098, filed July 29, 2014; Rogowski v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-2136, filed July 31, 2014 (the plaintiffs voluntarily dismissed this lawsuit on October 20, 2014); Reiter v. Peterson, et al., Case No. 1:14-cv-02176, filed August 6, 2014; Sohler v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-02863, filed October 20, 2014 (the Sohler Case ); and one purported class action lawsuit has been filed on behalf of Kodiak shareholders in Denver District Court, State of Colorado: The Booth Family Trust v. Kodiak Oil & Gas Corp., et al., Case No. 14-cv-32947, filed July 25, 2014. This last case was removed to the United States District Court for the District of Colorado on September 4, 2014 and is pending in that court now as Case No. 1:14-cv-2457. It is possible that other related or amended suits could subsequently be filed. The defendants have filed motions to dismiss with prejudice in the all remaining cases other than the Sohler Case. The allegations in the four remaining lawsuits are similar. They purport to be brought as class actions on behalf of all shareholders of Kodiak. The complaints name as defendants the individual members of the Kodiak board of directors, Whiting and Whiting Canadian Sub and list Kodiak as a nominal party or a defendant. Additionally, one complaint lists James Henderson, Kodiak's Chief Financial Officer, as a defendant. The complaints allege that the Kodiak board of directors breached its fiduciary duties to Kodiak shareholders by, among other things, failing to engage in a fair sale process before approving the arrangement and to maximize shareholder value in connection with the arrangement. Additionally, the Sohler Case alleges violations under Sections 14(a) and 20(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder. Specifically, the complaints allege that the Kodiak board of directors undervalued Kodiak in connection with the arrangement and that the Kodiak board of directors agreed to certain deal protection mechanisms that precluded Kodiak from obtaining competing offers. The complaints also allege that Whiting and Whiting Canadian Sub aided and abetted the Kodiak board of directors' alleged breaches of fiduciary duties. The Sohler Case alleges additionally that in issuing the preliminary joint proxy statement/circular the Kodiak board of directors violated the cited sections of, and rule promulgated under, the Exchange Act. The complaints seek, among other things, injunctive relief preventing the closing of the arrangement, rescission of the arrangement or an award of rescissory damages to the purported class in the event that the arrangement is consummated, and damages, including counsel fees and expenses.

One of the conditions to the closing of the arrangement is that no law, order, injunction or judgment has been enacted or issued by any government entity that has the effect of prohibiting the consummation of the arrangement. Consequently, if any lawsuit is successful in obtaining an injunction prohibiting Whiting or Kodiak from consummating the arrangement on the agreed upon terms, the injunction may prevent the arrangement from being completed within the expected timeframe, or at all. Furthermore, if the arrangement is prevented or delayed, the lawsuits could result in substantial costs, including any costs associated with the indemnification of directors. The defense or settlement of any lawsuit or claim that remains unresolved at the time the arrangement is completed may adversely affect the combined company's business, financial condition or results of operations.

***Whiting and Kodiak will be subject to various uncertainties and contractual restrictions while the arrangement is pending that could adversely affect Whiting's and Kodiak's financial results.***

Uncertainty about the effect of the arrangement on employees, service providers, suppliers and customers may have an adverse effect on Whiting and Kodiak. These uncertainties may impair Whiting's and Kodiak's ability to attract, retain and motivate key personnel until the arrangement is completed and for a period of time thereafter, and could cause service providers, customers, suppliers and others who deal with Whiting and Kodiak to seek to change existing business relationships with the respective party. Employee retention and recruitment may be particularly challenging

prior to completion of the arrangement, as employees and prospective employees may experience uncertainty about their future roles with the combined company.



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The pursuit of the arrangement and the preparation for the integration of the two companies may place a significant burden on Whiting's and Kodiak's management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect Whiting's and Kodiak's financial results or the financial results of the combined company.

In addition, the arrangement agreement restricts Whiting and Kodiak from taking certain specified actions while the arrangement is pending without first obtaining the other party's prior written consent. These restrictions may limit Whiting and Kodiak from pursuing attractive business opportunities and making other changes to their respective businesses prior to completion of the arrangement or termination of the arrangement agreement.

***The executive officers and directors of Kodiak have interests in the arrangement that may be different from, or in addition to, the interests of Kodiak's shareholders generally.***

The Kodiak board of directors approved the arrangement agreement and determined that the arrangement agreement and the transactions contemplated thereby, including the arrangement, are advisable and in the best interests of Kodiak and its shareholders. In considering these facts and the other information contained in this joint proxy statement/circular, you should be aware that the executive officers and directors of Kodiak may have financial interests in the arrangement that may be different from, or in addition to, the interests of Kodiak's shareholders. These interests include, among others, the accelerated vesting of certain equity awards, severance payments pursuant to their employment agreements and the continuing service as a director of Whiting of Lynn Peterson and James Catlin. The Kodiak and Whiting boards of directors were aware of these interests at the time each approved the arrangement and the transactions contemplated by the arrangement agreement. These interests may cause the Kodiak board of directors to view the arrangement more favorably than other Kodiak shareholders may view it. See "The Arrangement - Interests of Directors and Executive Officers of Kodiak in the Arrangement" beginning on page 98.

***If the arrangement does not qualify as a reorganization within the meaning of Section 368(a) of the Code, the shareholders of Kodiak may be required to pay substantial U.S. federal income taxes.***

Although Whiting and Kodiak intend that the arrangement qualify as a reorganization within the meaning of Section 368(a) of the Code, it is possible that the IRS may assert that the arrangement fails to qualify as such. If the IRS were to be successful in any such contention, or if for any other reason the arrangement were to fail to qualify as a reorganization, each U.S. Holder of Kodiak common stock would recognize a gain or loss with respect to all such U.S. Holder's shares of Kodiak common stock based on the difference between (i) that U.S. Holder's tax basis in such shares and (ii) the fair market value of the Whiting common stock received. For additional information, see the section entitled "Certain Income Tax Consequences - Material U.S. Federal Income Tax Consequences" beginning on page 174.

***Canadian resident shareholders of Kodiak will be subject to tax under the ITA on any capital gain realized on the disposition of their shares of Kodiak common stock as a result of the arrangement.***

For Canadian federal income tax purposes, any capital gain realized on the disposition of shares of Kodiak common stock in consideration for shares of Whiting common stock pursuant to the arrangement will be subject to tax under the ITA for a Canadian Holder (as defined under "Certain Income Tax Consequences - Material Canadian Federal Income Tax Consequences - Holders Resident in Canada"). A Canadian Holder that holds its Kodiak common stock as capital property will realize a capital gain to the extent that the aggregate fair market value at the effective time of the arrangement of the shares of Whiting common stock acquired by such Canadian Holder on the disposition of its Kodiak common stock, net of any reasonable costs of the disposition, exceed the aggregate adjusted cost base immediately before such effective time to the Canadian Holder of its shares of Kodiak common stock disposed of under the arrangement. Depending on the Canadian Holder's particular circumstances, any such resulting tax liability

may represent a material amount. Each Canadian Holder should review the discussion in this joint proxy statement/circular found under Certain Income Tax Consequences Material Canadian Federal Income Tax Consequences beginning on page 184 and consult its own tax advisor.

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***In the event that the Kodiak continuance is completed but the arrangement is not completed, the rights of Kodiak shareholders will be governed by the BCBCA and the new notice of articles and articles of Kodiak.***

Kodiak is a Yukon Territory, Canada corporation. The rights of Kodiak shareholders are currently governed by the YBCA and Kodiak's articles and by-laws. In connection with the arrangement, it is proposed that Kodiak shareholders will approve the continuance of Kodiak from the jurisdiction of the Yukon Territory to the jurisdiction of the Province of British Columbia prior to the completion of the arrangement and that, upon completion of the arrangement, Kodiak shareholders will become Whiting stockholders and their rights as stockholders will be governed by Whiting's restated certificate of incorporation and amended and restated by-laws and the Delaware General Corporation Law. In the event that, subsequent to the completion of the Kodiak continuance, the arrangement is not completed, the rights of Kodiak shareholders will be governed by the BCBCA and the new notice of articles and articles of Kodiak. The rights of the shareholders of a BCBCA company are in certain circumstances different from the rights of the shareholders of a YBCA company. See "Comparison of Rights of Shareholders of Whiting and Kodiak" beginning on page 158.

**Risk Factors Relating to Whiting Following the Arrangement**

***Whiting and Kodiak may experience difficulties in integrating their businesses, which could cause the combined company to fail to realize many of the anticipated potential benefits of the transaction.***

Whiting and Kodiak entered into the arrangement agreement with the expectation that the arrangement will result in various benefits, including, among other things, operating efficiencies and cost savings. Achieving the anticipated benefits of the transaction will depend in part upon whether Whiting and Kodiak integrate their businesses in an efficient and effective manner. Whiting and Kodiak may not be able to accomplish this integration process successfully. The difficulties of combining the two companies' businesses potentially will include, among other things:

- the necessity of addressing possible differences incorporating cultures and management philosophies, and the integration of certain operations following the transaction will require the dedication of significant management resources, which may temporarily distract management's attention from the day-to-day business of the combined company; and

- any inability of Whiting's management to cause best practices to be applied to the combined company's businesses.

An inability to realize the full extent of the anticipated benefits of the transaction, as well as any delays encountered in the transition process, could have an adverse effect upon the revenues, level of expenses and operating results of the combined company, which may affect the value of the Whiting common stock after the closing of the arrangement.

***The market price of Whiting's common stock may decline in the future as a result of the arrangement.***

The market price of Whiting's common stock may decline in the future as a result of the arrangement for a number of reasons, including the unsuccessful integration of Whiting and Kodiak (including for the reasons set forth in the preceding risk factor) or the failure of Whiting to achieve the perceived benefits of the arrangement, including financial and operating results, as rapidly as or to the extent anticipated by financial or industry analysts. These factors are, to some extent, beyond the control of Whiting.

***Current Whiting stockholders and Kodiak shareholders will have a reduced ownership and voting interest after the arrangement.***

As a result of the stock Whiting expects to issue as part of the arrangement, current Whiting stockholders and Kodiak shareholders are expected to hold approximately 71% and 29%, respectively, of the combined company's outstanding common stock on a fully diluted basis immediately following completion of the

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arrangement. Whiting and Kodiak shareholders currently have the right to vote for their respective directors and on other matters affecting the applicable company. When the arrangement occurs, each Kodiak shareholder that receives shares of Whiting common stock will become a stockholder of Whiting with a percentage ownership of the combined company that will be smaller than the shareholder's percentage ownership of Kodiak. Correspondingly, each Whiting stockholder will remain a stockholder of Whiting with a percentage ownership of the combined company that will be smaller than the stockholder's percentage of Whiting prior to the arrangement. As a result of these reduced ownership percentages, Whiting stockholders will have less voting power in the combined company than they now have with respect to Whiting, and former Kodiak shareholders will have less voting power in the combined company than they now have with respect to Kodiak.

***The pro forma combined financial information included in this joint proxy statement/circular is presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the arrangement.***

The pro forma combined financial information contained in this joint proxy statement/circular is presented for illustrative purposes only, is based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the arrangement. See

Unaudited Pro Forma Combined Financial Information beginning on page 144. The actual financial condition and results of operations of the combined company following the arrangement may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the arrangement. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company.

***The internal financial forecasts for Whiting and Kodiak included in this joint proxy statement/circular reflect management estimates and Whiting's and Kodiak's actual performance may differ materially from the internal financial forecasts included in this joint proxy statement/circular.***

The internal financial forecasts for Whiting and Kodiak included in this joint proxy statement/circular are based on assumptions of, and information available to, Whiting and Kodiak at the time such internal financial forecasts were prepared. Whiting and Kodiak do not know whether the assumptions made will prove correct. Any or all of such information may turn out to be wrong. Such information can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond Whiting's or Kodiak's control. Further, internal financial forecasts of this type are based on estimates and assumptions that are inherently subject to factors such as company performance, industry performance, general business, economic, regulatory, market and financial conditions, as well as changes to the business, financial condition or results of operations of Whiting and Kodiak, respectively, including the factors described under Risk Factors beginning on page 30 and Forward-Looking Statements beginning on page 38, which factors and changes may cause the internal financial forecasts or the underlying assumptions to be inaccurate. As a result of these contingencies, there can be no assurance that the internal financial forecasts of Whiting or Kodiak will be realized or that actual results will not be significantly higher or lower than projected. In view of these uncertainties, the inclusion of the internal financial forecasts of Whiting and Kodiak in this joint proxy statement/circular should not be regarded as an indication that the board of directors of Kodiak or Whiting, Kodiak, Whiting, Whiting Canadian Sub, J.P. Morgan, Petrie Partners, Credit Suisse or any other recipient of some or all of this information considered, or now considers, it to be an assurance of the achievement of future results.

The internal financial forecasts were prepared for internal use and to assist Whiting and Kodiak with their due diligence investigations and to assist J.P. Morgan, Petrie Partners and Credit Suisse with their financial analyses. The internal financial forecasts were not prepared with a view toward public disclosure or with a view toward complying

with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Whiting's and Kodiak's management, were

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prepared on a reasonable basis, and reflect the best currently available estimates and judgments and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Company. However, this information is not fact, and should not be relied upon as being indicative of future results, and readers of this joint proxy statement/circular are cautioned not to place undue reliance on the prospective financial information. Neither Deloitte & Touche LLP, Whiting's independent registered public accounting firm, nor Ernst & Young LLP, Kodiak's independent registered public accounting firm, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance with respect to such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

In addition, the internal financial forecasts have not been updated or revised to reflect information or results after the date the internal financial forecasts were prepared or as of the date of this joint proxy statement/circular. Except as required by applicable securities laws, neither Whiting nor Kodiak intends to update or otherwise revise its internal financial forecasts or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error. For more information see the sections entitled "The Arrangement - Certain Unaudited Internal Financial and Operating Forecasts" beginning on page 95.

***The shares of Whiting common stock to be received by Kodiak shareholders as a result of the arrangement will have different rights from the shares of Kodiak common stock.***

Whiting is a Delaware corporation. Kodiak is a Yukon Territory, Canada corporation. Upon completion of the arrangement, Kodiak shareholders will become Whiting stockholders and their rights as stockholders will be governed by Whiting's restated certificate of incorporation and amended and restated by-laws and the Delaware General Corporation Law ( "DGCL" ). Certain of the rights associated with Whiting common stock under Delaware law are different from the rights associated with Kodiak common stock under Yukon Territory law. See "Comparison of Rights of Shareholders of Whiting and Kodiak" beginning on page 158 for a discussion of the different rights associated with Whiting common stock.

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**FORWARD-LOOKING STATEMENTS**

This document contains statements that Whiting and Kodiak believe to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 (the Exchange Act) and applicable Canadian securities laws. All statements other than historical facts, including, without limitation, statements regarding the expected benefits of the arrangement to Whiting and Kodiak and their shareholders, the anticipated completion of the arrangement or the timing thereof, the expected future reserves, production, financial position, business strategy, revenues, earnings, costs, capital expenditures and debt levels of the combined company, and plans and objectives of management for future operations, are forward-looking statements. When used in this document, words such as expect, intend, plan, estimate, anticipate, believe or should or the negative thereof or variations thereon or terminology are generally intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements.

These risks and uncertainties include, but are not limited to:

the ability to obtain shareholder or securityholder, as applicable, and court approvals of the arrangement;

the ability to complete the arrangement on anticipated terms and timetable;

Whiting's and Kodiak's ability to integrate successfully after the arrangement and achieve anticipated benefits from the arrangement;

the possibility that various closing conditions for the arrangement may not be satisfied or waived;

risks relating to any unforeseen liabilities of Whiting or Kodiak;

declines in oil, NGL or natural gas prices;

the level of success in exploration, development and production activities;

adverse weather conditions that may negatively impact development or production activities;

the timing of exploration and development expenditures;

the ability to obtain sufficient quantities of CO<sub>2</sub> necessary to carry out enhanced oil recovery projects;



inaccuracies of reserve estimates or assumptions underlying them;

revisions to reserve estimates as a result of changes in commodity prices;

impacts to financial statements as a result of impairment write-downs;

risks related to the level of indebtedness and periodic redeterminations of the borrowing base under Whiting's amended credit agreement;

ability to generate sufficient cash flows from operations to meet the internally funded portion of Whiting's and Kodiak's capital expenditures budgets;

ability to obtain external capital to finance exploration and development operations and acquisitions;

federal and state initiatives relating to the regulation of hydraulic fracturing;

the ability to successfully complete potential asset dispositions and the risks related thereto;

the impacts of hedging on results of operations;

failure of properties to yield oil or gas in commercially viable quantities;

availability of, and risks associated with, transport of oil and gas;

shortages of or delays in obtaining qualified personnel or equipment, including drilling rigs and completion services;

uninsured or underinsured losses resulting from oil and gas operations;

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inability to access oil and gas markets due to market conditions or operational impediments;

the impact and costs of compliance with laws and regulations governing oil and gas operations;

ability to replace oil and natural gas reserves;

any loss of senior management or technical personnel;

competition in the oil and gas industry; and

other risks described under the caption "Risk Factors" in Whiting's Annual Report on Form 10-K for the year ended December 31, 2013, Whiting's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, Kodiak's Annual Report on Form 10-K for the year ended December 31, 2013 and Kodiak's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014 and June 30, 2014.

Except as required by law, Whiting and Kodiak assume no obligation, and disclaim any duty, to update the forward-looking statements in this joint proxy statement/circular.

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**NOTICE TO CANADIAN SECURITYHOLDERS**

All references to \$ or U.S. dollars in this joint proxy statement/circular are to the currency of the United States. On October 24, 2014, the noon rate of exchange as reported by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was U.S.\$1.0000 equals Cdn\$1.1213 (Cdn\$1.0000 equals U.S.\$0.8918).

Unless otherwise indicated, the financial information of Whiting and Kodiak, including Whiting's and Kodiak's audited financial statements incorporated by reference into this joint proxy statement/circular, has been prepared in accordance with U.S. GAAP. Such financial information and financial statements have not been prepared in accordance with generally accepted accounting principles in Canada as set out in the CPA Canada Handbook Accounting under Part I, which incorporates International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and may not be comparable to financial information or statements prepared by Canadian issuers.

Canadian securityholders should be aware that the public disclosure documents of Whiting and Kodiak incorporated by reference into this joint proxy statement/circular have generally been prepared in accordance with the securities laws of the United States and those requirements may differ from those of the provinces and territories of Canada. In addition, this joint proxy statement/circular contains disclosure about Whiting's historical operating and reserve data, including reserve estimates based on reports prepared by Cawley Gillespie & Associates, Inc., independent reserve engineers, and Kodiak's historical operating and reserve data, including reserve estimates based on reports prepared by Netherland, Sewell & Associates, Inc., independent reserve engineers, all of which have been prepared in accordance with the rules and regulations of the SEC which are different from the evaluation and reporting requirements prescribed by applicable Canadian securities laws under National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101) and the forms related thereto. Differences in the estimates of the reserves between U.S. requirements and NI 51-101 methodology may be material. Accordingly, information contained in this joint proxy statement/circular and the documents incorporated by reference herein containing operating and oil and gas reserve data may not be comparable to similar information made public by Canadian issuers.

The enforcement by investors of civil liabilities under Canadian securities laws may be affected adversely by the fact that Whiting is incorporated under the laws of the State of Delaware, that some or all of Whiting's and Kodiak's officers and directors and the experts named herein may be residents of the United States or another foreign country, and that all or a substantial portion of the assets of Whiting and Kodiak are located outside Canada. As a result, it may be difficult or impossible for Canadian securityholders to effect service of process within Canada upon Whiting or Whiting's or Kodiak's officers or directors or the experts named herein, or to realize against them upon judgments of courts of Canada predicated upon civil liabilities under Canadian securities laws. Canadian securityholders should also not assume that the courts of the United States: (a) would enforce judgments of Canadian courts obtained in actions against such persons predicated upon civil liabilities under Canadian securities laws; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under Canadian securities laws. In addition, the shares of Whiting common stock to be received by Kodiak shareholders as a result of the arrangement will have different rights from the shares of Kodiak common stock. See Comparison of Rights of Shareholders of Whiting and Kodiak for a discussion of the different rights associated with Whiting common stock.

No securities commission or similar authority in Canada or the United States of America has in any way passed upon the merits of the securities to be issued under the arrangement and offered by this joint proxy statement/circular. Any representation to the contrary is a criminal offense.

The Whiting common stock to be issued in connection with the arrangement will be issued in reliance upon exemptions from the prospectus and registration requirements of applicable Canadian securities laws. Subject to

certain conditions and to customary restrictions applicable to distributions of shares that constitute control distributions, Whiting common stock issued pursuant to the arrangement will not be subject to any resale restrictions under applicable Canadian securities laws. See The Arrangement Canadian Securities Law Matters.

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Canadian Holders (as defined under Certain Income Tax Consequences Material Canadian Federal Income Tax Consequences Holders Resident in Canada ) of Kodiak common stock will be subject to tax under the ITA on any capital gain realized on the disposition of their Kodiak common stock under the arrangement. Canadian Holders are advised to consult their own tax advisors to determine the particular tax consequences to them of the arrangement. See Certain Income Tax Consequences Material Canadian Federal Income Tax Consequences.

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**Table of Contents****THE ARRANGEMENT****Background to the Arrangement**

Kodiak's strategic plan has focused on the enhancement of shareholder value through the acquisition and development of its properties in the Williston Basin. As part of Kodiak's ongoing strategic planning process, Kodiak's management and board of directors regularly reviewed and assessed its strategic plan in light of the company's performance, the competitive environment, trends in the oil and gas industry, capital requirements and the cost and availability of capital, and general economic conditions. In connection with this periodic review and analysis, management and the board of directors considered and evaluated potential strategic alternatives, including business combinations, acquisitions, dispositions and internal restructurings. From time to time, the foregoing also has included preliminary proposals and discussions between Kodiak and certain other companies in the oil and gas industry about a variety of possible strategic alternatives. Similarly, Whiting's management and board of directors regularly review and assess Whiting's prospects and strategy in light of the current business and economic environment, as well as developments in the oil and gas industry and opportunities and challenges facing participants in that industry. These reviews have included consideration, from time to time, of potential strategic alternatives, including business combinations, acquisitions and dispositions. From time to time, the foregoing also has included preliminary proposals and discussions between Whiting and certain other companies in the oil and gas industry about a variety of possible strategic alternatives.

During 2010 and 2011, Kodiak added significantly to its asset base in the Williston Basin through targeted acquisitions of properties within its core operating area, culminating with the acquisition of substantial acreage in November 2011. As a result of these acquisitions and the success of its development activities, Kodiak experienced significant growth in production and revenue. During this time period, Kodiak received and considered a number of unsolicited invitations to engage in discussions regarding potential business combinations.

In late 2011, an executive of a major international oil and gas company, referred to herein as Company A, approached Lynn A. Peterson, the President and Chief Executive Officer of Kodiak, informing Mr. Peterson of Company A's interest in acquiring assets in the Williston Basin, and inviting Kodiak to engage in discussions regarding Company A's potential acquisition of Kodiak. On December 2, 2011, a representative of Company A again contacted Mr. Peterson to discuss a potential transaction. On December 15, 2011, Mr. Peterson met with representatives of Company A. At that meeting, representatives of Company A made a presentation regarding Company A's interest in acquiring Kodiak.

On December 18, 2011, Mr. Peterson notified the Kodiak board of directors of Company A's interest in a potential acquisition of Kodiak. The board discussed Kodiak's long-term strategic goals, the strategic alternatives available to Kodiak, and the risks and costs associated with each alternative. The board noted that, while the successful implementation of Kodiak's strategic plan had substantially enhanced shareholder value, (i) the Company's growth and development would require significant additional capital investment, (ii) the Company's size and state of development placed it at a competitive disadvantage to larger companies with respect to the cost of capital, (iii) consolidation within the Williston Basin was expected to constrain the Company's ability to significantly grow through acquisitions within its core operating area, (iv) the Company's size and cost of capital would place it at a relative disadvantage with respect to acquisition opportunities versus larger, better capitalized competitors, and (v) growth outside the Williston Basin would entail significant risk and additional capital and human resource requirements (the Strategic Considerations). Kodiak's outside counsel, Dorsey & Whitney LLP (Dorsey), led a discussion of the board's fiduciary obligations. After a lengthy discussion, the Kodiak board concluded that the potential transaction with Company A merited further review. Accordingly, the board of directors directed management to engage in further discussions with Company A in order to evaluate whether an acquisition of Kodiak by Company A would be in the best interests of

Kodiak shareholders.

On December 19, 2011, Kodiak and Company A entered into a confidentiality agreement, after which Company A commenced its due diligence investigation of Kodiak. From December 19, 2011 through February 17, 2012, Kodiak management and its outside counsel, Dorsey, held a number of discussions with

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Company A and its legal counsel regarding Kodiak and its assets and operations, the likely terms of a potential acquisition and related matters. On February 17, 2012, Kodiak's board of directors met with members of management, Dorsey and Miller Thomson LLP, Kodiak's outside Canadian counsel ( Miller Thomson ), to discuss Kodiak's long-term strategic plan in light of the Strategic Considerations, the possibility of an acquisition by Company A, Kodiak's alternatives as an independent company, the possibility of an acquisition or strategic business combination with parties other than Company A and the fiduciary obligations of the board of directors.

On February 20, 2012, representatives of Company A discussed with Mr. Peterson its preliminary assessment that an appropriate all-cash offer would be approximately \$10 per share. At that time, Kodiak's common shares were trading within a range of between \$10 and \$11 per share. On February 24, 2012, Kodiak management discussed the likely terms of a proposal from Company A with the Kodiak board of directors. After a lengthy discussion, the board of directors determined that further discussions with Company A would likely lead to an unacceptable proposal and instructed Mr. Peterson to communicate to Company A that Kodiak was not interested in further acquisition discussions unless the proposal included a significant premium to the current market price. Mr. Peterson communicated this message to Company A on February 24, 2012. Company A did not make a proposal to Kodiak.

On March 3, 2012, Mr. Peterson received an unsolicited inquiry from the chief executive officer of an oil and gas company with operations in the Williston Basin, referred to herein as Company B, regarding Company B's interest in engaging in discussions with Kodiak regarding a potential acquisition of Kodiak.

In light of the termination of discussions with Company A and the inquiry from Company B, on March 9, 2012, the Kodiak board met with potential financial advisors, as well as Dorsey and Miller Thomson to discuss strategic alternatives. At the request of the Kodiak board, each of Credit Suisse and another nationally-known investment bank ( Former Advisor A ) attended the meeting. At the request of the Kodiak board, representatives of each of Credit Suisse and Former Advisor A separately reviewed and discussed with the Kodiak board certain potential strategic alternatives that might be available to Kodiak. After excusing the representatives of Credit Suisse and Former Advisor A from the meeting, the directors conducted a lengthy discussion of potential strategic alternatives available to Kodiak, and the risks and opportunities presented by each in light of the Strategic Considerations. The board also received a presentation from Miller Thomson regarding the board's fiduciary obligations under the laws of the Yukon Territory. Dorsey led a discussion of the board's fiduciary obligations in the context of potential business combinations.

On March 27, 2012, Kodiak and Company B entered into a confidentiality agreement, after which Company B commenced its due diligence investigation of Kodiak. From March 27, 2012 through April 30, 2012, Kodiak's management and Dorsey held a number of discussions with Company B and its legal counsel regarding Kodiak and its assets and operations, the U.S. and Canadian tax implications of a potential acquisition, the general terms of a potential acquisition and related matters. On April 30, 2012, Company B terminated discussions with Kodiak without making a proposal. In terminating discussions, Company B identified Kodiak's international structure as an impediment to further discussions.

On June 18, 2012, in the course of discussions about a joint development project, an executive at Company A informed Mr. Peterson about Company A's continuing interest in a possible acquisition of Kodiak. Between June 21, 2012 and August 17, 2012, Kodiak shared updated information with Company A, and Kodiak had multiple discussions with Company A regarding operational issues and Kodiak's views on the appropriate methodology for the valuation of Kodiak. Dorsey and Company A's outside counsel engaged in discussions regarding tax issues related to Company A's potential acquisition of Kodiak. On July 31, 2012, the Kodiak board met to discuss the potential acquisition as well as to discuss and review Kodiak's long-term strategic goals and certain other strategic alternatives in light of the Strategic Considerations. On August 17, 2012, an executive of Company A contacted Mr. Peterson and indicated that Company A would not be making a proposal to acquire Kodiak because of Company A's concerns



regarding long-term infrastructure development within the Williston Basin.

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On August 22, 2012, the Kodiak board of directors met to discuss strategic planning and the potential engagement of financial advisors. After a lengthy discussion, based on the then current economic and business environment and the perceived interest by other oil and gas companies in a potential transaction with Kodiak, the board determined that it would be prudent for Kodiak to undertake a formal process to assist the board in evaluating whether opportunities existed to enhance shareholder value. At the instruction of the board, Kodiak management invited four investment banks to submit a proposal for an engagement as financial advisor to assist Kodiak in evaluating its strategic alternatives. On August 30, 2012, Kodiak management interviewed representatives from those four investment banks, and, on September 1, 2012, Mr. Peterson updated the Kodiak board on the bank interview process and presented management's recommendations as to which investment banks should be engaged. The board met again on September 3, 2012, to discuss the engagement of financial advisors and to consider advice from Miller Thomson regarding fiduciary duty considerations.

On September 12, 2012, Kodiak selected Credit Suisse and Former Advisor A (together, the Former Financial Advisors) to act as its financial advisors in connection with Kodiak's evaluation of strategic alternatives.

The Former Financial Advisors identified approximately 16 large oil and gas companies that they believed would be likely to have an interest in acquiring Kodiak. In September 2012, at the request of the Kodiak board, the Former Financial Advisors began making confidential inquiries of certain of the identified candidates in an effort to obtain information upon which the Kodiak board could assess their potential interest in a potential transaction with Kodiak. Four companies expressed a high level of interest, and Kodiak signed confidentiality agreements with each of the four. In October 2012, Kodiak management provided information to each of the four companies and made a presentation to each company about Kodiak's business. The Kodiak board of directors met on October 30, 2012, and Mr. Peterson provided an update on the status of the discussions with each interested party. At the request of the Kodiak board, the Former Financial Advisors communicated a deadline for acquisition proposals from these companies of November 12, 2012. Each of the potential buyers informed Kodiak via the Former Financial Advisors that they were unable to submit proposals at or above the then current market price of approximately \$9 per share. None of these potential buyers submitted a proposal.

On November 5, 2012, Mr. Peterson emailed the Kodiak board with the results of the process undertaken by the Former Financial Advisors on behalf of Kodiak. On November 9, 2012, the board met to discuss results of the process undertaken by the Former Financial Advisors on behalf of Kodiak and the alternatives available to Kodiak in light of the Strategic Considerations. After extensive discussion, and with the assistance of its legal advisors and the Former Financial Advisors, the board concluded that shareholder value would be best enhanced by effective implementation of Kodiak's existing operational strategy. Accordingly, the board determined to focus on its strategic plan for growth through acquisitions and the development of its acreage, while opportunistically evaluating strategic combinations that would address the Strategic Considerations.

In early 2013, as part of discussions with other executives about industry issues in the Williston Basin, Mr. Peterson and an executive at a similarly-sized oil and gas company, referred to herein as Company C, engaged in discussions about a potential strategic combination. On January 17, 2013, Mr. Peterson met with representatives of Former Advisor A to discuss a strategic combination between Kodiak and Company C. Former Advisor A also discussed a strategic combination between Kodiak and another oil and gas company, referred to herein as Company D, which had contacted Former Advisor A and expressed an interest in a combination with Kodiak. Neither Company C nor Company D had been contacted during the Former Financial Advisors' confidential inquiries during September 2012.

On January 29, 2013, Mr. Peterson updated the Kodiak board by email regarding the discussions with Company C, and provided a presentation from Former Advisor A consisting of a market update and Former Advisor A's analysis of the potential strategic combination with Company C and other considerations. After extensive discussion of the issues

regarding the potential strategic combination with Company C, including the impact on the Strategic Considerations, as well as other strategic alternatives available to Kodiak, the board of directors instructed Kodiak management to continue its evaluation of a potential transaction with Company C.

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On February 4, 2013, Kodiak and Company C entered into a confidentiality agreement after which the parties commenced their respective due diligence investigations. On February 15, 2013, the Kodiak board of directors met by telephone to discuss a potential transaction with Company C, as well as a potential transaction with Company D. On February 20, 2013, Kodiak management met with representatives of Company C and reviewed business and operational information. On February 25, 2013, the Kodiak board of directors met in person and by telephone to discuss a potential transaction with Company C, as well as a potential transaction with Company D.

On February 4, 2013, an executive from Company D approached Mr. Peterson about Company D's interest in a potential transaction with Kodiak. On February 18, 2013, Kodiak management, with the assistance of representatives of Credit Suisse, met to discuss Company C and Company D and certain aspects of a potential business combination with each of them. On February 22, 2013, Kodiak and Company D entered into a confidentiality agreement. On February 26, 2013, Kodiak management, with the assistance of representatives of Credit Suisse, met to further discuss certain aspects of a potential business combination with Company D. Thereafter, Company D and Kodiak commenced their respective due diligence investigations.

On March 5, 2013, representatives from Kodiak met with representatives from Company D and discussed their respective companies' assets and operations. Following that date, Kodiak and Company D engaged in discussions regarding the likely terms of a potential combination involving Kodiak and Company D, including preliminary valuation discussions. During these discussions, Company D indicated its intention to suggest an all-stock transaction. On March 14, 2013, Former Advisor A made a presentation to the Kodiak board of directors regarding potential transaction structures with Company D, the likely capital structure of the combined entity and the risks and other considerations presented by the proposed structure relevant to Kodiak and its shareholders.

After conducting analysis and review of Company C, Kodiak management determined that a strategic combination with Company C was unlikely to be in the best interests of Kodiak and its shareholders, and, on April 30, 2013, Kodiak management informed the Kodiak board of its analysis regarding the potential strategic combination with Company C. Discussions between Kodiak and Company C subsequently ceased without either party making a proposal.

On June 2, 2013, the Kodiak board met to discuss the potential strategic combination with Company D. At that meeting, the board expressed concern regarding the potential benefits of the proposed transaction, after taking into consideration the capital requirements of the combined company and the probability that the transaction would address the Strategic Considerations. Mr. Peterson and an executive of Company D met again on June 12, 2013 and July 1, 2013 to discuss the potential transaction and the concerns expressed by the Kodiak board. Following those discussions, Kodiak did not pursue additional discussions, and Company D did not to make a formal proposal to Kodiak.

On August 14, 2013, a representative of Company A contacted Mr. Peterson to reiterate its interest in a possible transaction with Kodiak and requested that Kodiak provide it with updated business and operational information. From August to October 2013, Kodiak and Company A continued to exchange information regarding a potential transaction. During that time, Company A continued to express its interest in a potential transaction, but did not make a proposal.

On January 28, 2014, Mr. Peterson, with the support of the Kodiak board, approached James J. Volker, the Chairman, President and Chief Executive Officer of Whiting, about a potential strategic business combination between Kodiak and Whiting. On January 30, 2014, Mr. Peterson and Mr. Volker met to discuss the potential transaction.

On February 5, 2014, the Whiting board of directors met to review the potential acquisition of Kodiak by Whiting. Whiting management provided the board with an overview of the potential transaction and Kodiak's business and Whiting's outside counsel, Foley & Lardner LLP (Foley), led a discussion of certain legal matters relating to the potential transaction. After discussion, the Whiting board authorized Mr. Volker to explore the potential transaction, including providing preliminary terms for the transaction subject to due diligence and

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further board approval, enter into an appropriate confidentiality agreement, conduct due diligence and engage a financial advisor.

On February 6, 2014, Mr. Volker notified Mr. Peterson that Whiting was interested in a potential business combination with Kodiak.

On February 9, 2014, Mr. Peterson advised the Kodiak board of directors of Whiting's interest in a potential business combination. The board discussed the merits and considerations of various forms of a potential market check to assess the interest of potential alternative strategic combination partners or buyers. The Kodiak board expressed concern that any market check activity might cause Whiting to withdraw from discussions. The Kodiak board also considered the fact that, over the course of two years, the Former Financial Advisors had conducted a broad process designed to solicit proposals for strategic transactions, and Kodiak had entered into discussions with several other parties regarding potential strategic transactions, both before and after the formal process. The Kodiak board also took into account that, for various reasons, the board's view during that broad process had been that alternative strategic combination partners or buyers satisfying the Strategic Considerations were unlikely to emerge. Further, the Kodiak board understood that the definitive transaction documentation with Whiting was likely to contain a customary fiduciary out provision pursuant to which third parties would have a reasonable opportunity to make unsolicited competing proposals. The board discussed the advisability of establishing a special committee of the board to lead negotiations with Whiting. The board determined that Mr. Peterson was the most appropriate person to lead negotiations with Whiting based on his experience, knowledge of the industry and familiarity with the assets and operations of Kodiak and Whiting.

On February 10, 2014, Kodiak and Whiting entered into a confidentiality agreement. Thereafter, from February 10, 2014 until July 2014, Whiting and Kodiak conducted their respective due diligence investigations. On February 20, 2014, Whiting requested that, in consideration for the significant expense that Whiting would incur in evaluating a potential transaction while Kodiak was also involved in discussions with Company A, Kodiak enter into an exclusivity agreement pursuant to which Kodiak would agree to refrain from engaging in discussions with third parties with respect to a potential business combination for a period of 75 days. Mr. Peterson advised Mr. Volker that he would present the request to the Kodiak board of directors, and suggested that Mr. Volker should at least consider requesting a shorter exclusivity period.

While Kodiak was engaged in discussions with Whiting, on February 21, 2014, an executive of Company A communicated with Mr. Peterson by email and once again expressed an interest in a potential transaction.

On February 24, 2014, Mr. Volker advised Kodiak that Whiting would not proceed without a signed exclusivity agreement. On February 25, 2014, the Kodiak board met to discuss the potential strategic transaction with Whiting and Company A and, in particular, the proposed exclusivity agreement with Whiting. The board of directors discussed the potential transactions with Whiting and Company A in light of the Strategic Considerations, but concluded that an exclusivity agreement with Whiting would not be in the best interest of shareholders. The board discussed guidance received from Miller Thomson with respect to requirements under the laws of the Yukon Territory, including the approval of the proposed transactions by the independent directors of Kodiak given the interests of Mr. Peterson and Mr. Catlin in the potential transaction. Mr. Peterson and Mr. Catlin then left the meeting, and the independent Kodiak directors discussed the potential transactions in executive session. The board of directors authorized management to continue discussions with Company A and, subsequently, Kodiak and Company A executed a new confidentiality agreement. From February 2014 to April 2014, Kodiak and Company A shared information and engaged in discussions regarding a potential transaction.

During March and April 2014, Kodiak and its counsel responded to tax and operational questions from Company A.

On March 7, 2014, Mr. Volker contacted Mr. Peterson for an update on Whiting's request for an exclusivity agreement. The next day, Mr. Peterson met with representatives of Petrie Partners Securities, LLC ( Petrie Partners ) to discuss the potential transaction with Whiting and the status of discussions with Company A. On

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March 9, 2014, the Kodiak board met to discuss the engagement of Petrie Partners as its financial advisor and the potential strategic transaction with Whiting. The Kodiak board determined to engage Petrie Partners as its financial advisor in light of Petrie Partners' reputation, credentials and experience with transactions similar to the strategic transactions that were being considered by the Kodiak board. The Kodiak board considered the Whiting request for an exclusivity agreement, but concluded that in light of Company A's continued expression of interest in a transaction, such an agreement was not in the best interests of Kodiak shareholders. Thereafter, Mr. Peterson contacted Mr. Volker to inform him that the Kodiak board of directors was opposed to entering into an exclusivity agreement but welcomed further discussions regarding the potential strategic combination. On March 10, 2014, the Kodiak board of directors met with Petrie Partners to discuss the potential strategic transaction with Whiting and the status of discussions with Company A. Based on the status of discussions with Whiting, and in light of the absence of an exclusivity agreement, Kodiak agreed to reimburse Whiting for certain expenses up to \$500,000 in the event that Kodiak entered into a business combination with a third party. On March 11, 2014, Kodiak and Whiting executed a letter agreement providing for expense reimbursement.

On March 15, March 27, and April 17, 2014, Mr. Peterson and Mr. Volker engaged in discussions regarding the terms of a potential transaction, including potential exchange ratios, board representation and related terms of the potential transaction. In those discussions, Whiting proposed terms that included 80% stock consideration and 20% cash consideration to be paid by Whiting to Kodiak shareholders and the appointment of one Kodiak director to the Whiting board of directors. Over the next two months, Kodiak, Dorsey and Petrie Partners performed due diligence on Whiting, and Whiting and Whiting's advisors performed due diligence on Kodiak, and representatives of each party discussed potential transaction structure and tax issues.

On April 18, 2014, Company A informed Kodiak that it would not be submitting a proposal, indicating that it would not be willing to make a cash offer that exceeded Kodiak's then-current market capitalization.

On April 29, 2014, the Kodiak board met, and Mr. Peterson updated the board on the status of discussions with Company A and Whiting. The board held a lengthy discussion on the potential strategic transactions and reviewed the Kodiak's current long-term strategic plan in light of the Strategic Considerations. Mr. Peterson and Mr. Catlin then left the meeting, and the independent Kodiak directors discussed the potential transactions in executive session. The board held further discussions on May 9, 2014, during which Petrie Partners provided the board with a brief update on the current market environment, an overview of the positioning of a pro forma combined company and issues for consideration in connection with a potential transaction.

On May 10, 2014, the management teams of Kodiak and Whiting met to discuss the potential transaction. Kodiak management presented on Kodiak's production, rig locations, acreage, permitting, reserves, infrastructure, marketing and financial projections, and Whiting's management presented on Whiting's Williston Basin, North Ward Estes and Redtail operations, exploration projects, drilling, land department, marketing and financial projections. Also on May 10, 2014 Mr. Peterson and Mr. Volker discussed valuation considerations, including tax matters relating to Kodiak's structure with a Canadian holding company, and Mr. Volker requested that Kodiak enter into an exclusivity agreement for a period of 45 days. On May 10, 2014, Mr. Volker updated the Whiting board about the meeting with Kodiak and his discussions with Mr. Peterson. On May 12, 2014, Mr. Peterson updated the Kodiak board about the May 10, 2014 meeting with Whiting and his valuation discussions with Mr. Volker.

On May 12, 2014, Mr. Peterson communicated a proposal to Mr. Volker by email for a potential transaction involving 80% stock consideration and 20% cash consideration to be paid by Whiting to Kodiak shareholders, which Mr. Peterson and Mr. Volker discussed further by telephone on May 13, 2014. Mr. Peterson's proposal included an exchange ratio of 0.195. On May 13, 2014, Mr. Volker contacted representatives of J.P. Morgan Securities LLC ( J.P. Morgan ) regarding serving as financial advisor to Whiting in connection with the potential transaction, and pursuant



to an engagement letter effective as of May 30, 2014, Whiting retained J.P. Morgan as its financial advisor in connection with the potential transaction. In light of the termination of discussions with Company A and the presentation by Petrie Partners of the potential benefits and consequences of a transaction with Whiting including the impact on the Strategic Considerations, Kodiak entered into an

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exclusivity agreement on May 15, 2014 with Whiting providing for exclusive discussions through June 30, 2014. On May 17, 2014, Kodiak management discussed with counsel the fiduciary duties of the Kodiak board under the laws of the Yukon Territory. The Kodiak board met again on May 27, 2014 and discussed the potential transaction, including the structure of the proposed transaction and the status of valuation discussions.

On June 3, 2014, Mr. Volker communicated by telephone with Mr. Peterson regarding the potential Canadian and U.S. tax costs in respect of Kodiak's structure with a Canadian holding company and valuation considerations resulting from such costs. On June 4, 2014, Mr. Peterson provided the Kodiak board with an update of these discussions. Based on the preliminary valuation discussions, the Kodiak board concluded that an all-stock transaction would be more desirable to the Kodiak shareholders than a structure providing for 80% stock consideration plus 20% cash consideration, since an all-stock structure would permit Kodiak shareholders to have an increased ownership interest in the combined company. In evaluating the relative benefits of the alternative structures, the Kodiak board considered the enhanced financial and competitive position of the combined company, increased size and scale enhancing the relative positioning of the combined company against peers, diversity and depth in assets and geographic scope, earnings from a more diversified asset base, increased proved reserves and production capacity and increased financial capacity to develop existing assets. In addition, the all-stock structure would provide Kodiak shareholders increased exposure to the accelerated growth and development of the combined companies' properties in the Williston Basin. Also as part of that discussion, the Kodiak board concluded that an increase in the number of Whiting board seats would be appropriate in an all-stock transaction, given the relative sizes of the two companies. The Kodiak board also determined that Mr. Peterson would be an appropriate candidate to fill one Whiting board seat in light of his extensive experience, knowledge of the industry and familiarity with the assets and operations of Kodiak and Whiting and the fact that he is the largest individual shareholder of Kodiak. The Kodiak board concluded that the other candidate to fill a Whiting board seat should be determined after further discussion with Whiting.

On June 6, 2014, Mr. Peterson and Mr. Volker met by telephone to discuss Kodiak's valuation. Mr. Peterson informed Mr. Volker that Kodiak would be interested in continuing discussions to pursue an all-stock transaction, but Kodiak would require two Whiting board seats in an all-stock transaction. In connection with these discussions, Mr. Volker proposed an exchange ratio of 0.170 and Mr. Peterson proposed an exchange ratio of 0.185. Following the discussion between Mr. Peterson and Mr. Volker, Mr. Peterson updated the Kodiak board on the status of the structure and valuation discussions by email and Mr. Volker updated the Whiting board on the status of the structure and valuation discussions by email. On June 19, 2014, the Kodiak board met to discuss the status of the proposed transaction.

On June 20, 2014, Whiting provided by email to Kodiak a draft arrangement agreement reflecting an all-stock transaction and two Whiting board seats for Kodiak designees. The draft arrangement agreement also contemplated that prior to the completion of the arrangement, Kodiak will continue from the Yukon Territory to the Province of British Columbia. Whiting proposed this transaction structure so that it will have the ability after the completion of the arrangement to convert Kodiak into an unlimited liability company to provide for a more tax efficient structure because an unlimited liability company can be disregarded for U.S. federal income tax purposes. A Yukon Territory corporation cannot be converted into an unlimited liability company whereas a British Columbia corporation can be so converted.

Kodiak, Dorsey, Miller Thomson and Petrie Partners reviewed the draft arrangement agreement, and on June 26, 2014, the Kodiak board of directors met to discuss the draft arrangement agreement. Kodiak's counsel provided an overview of the proposed arrangement agreement, commented on the agreement's terms and answered questions from the board of directors regarding the proposed agreement and termination fee provisions. Miller Thomson confirmed its prior guidance regarding certain Yukon Territory law matters, including the advisability of the approval of the proposed transaction by the independent directors of Kodiak given the interests of Mr. Peterson and Mr. Catlin in the transaction. Kodiak sent Whiting a revised draft of the proposed arrangement agreement that evening. The revised

draft requested several changes for the benefit of Kodiak shareholders, including among other things, additional representations and warranties regarding Whiting and its business, certain assurances of the preferred tax treatment for Kodiak shareholders, the removal of the closing condition surrounding the successful completion of the Kodiak note

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holder consent solicitation, modifications of each party's ability to pursue a superior proposal, limitations on Whiting's ability to enter into another strategic transaction and changes to the termination fee provisions.

On June 28, 2014, the Kodiak board of directors met to discuss updates of the negotiations with Whiting. Mr. Peterson provided an update on the timing of negotiations with Whiting and answered questions from the Kodiak board of directors regarding updates of the negotiations. The Kodiak board of directors discussed the desirability of engaging another investment bank to render an opinion in addition to the opinion contemplated to be received from Petrie Partners in its role as Kodiak's financial advisor. After discussion, the board determined that Mr. Peterson would approach Credit Suisse regarding the possibility of engaging Credit Suisse to render such an opinion. At the meeting, Petrie Partners presented an overview of the transaction proposal and reviewed two new third-party inquiries regarding proposed strategic transactions received in the preceding week. Petrie Partners presented a summary comparison of the assets, recent trading history, relative positioning and pro forma analyses for a combination of Kodiak with each of the two new parties proposing strategic transactions and with Whiting. The board asked Petrie Partners questions about the alternatives, and a lengthy discussion of the board ensued. Based on this discussion, the board determined that Kodiak should continue negotiations with Whiting toward a potential transaction that would address the Strategic Considerations. The board concluded that the potential combination with Whiting was superior to a potential combination with either of the two new parties because of the board's view that the transaction with Whiting was most likely to address the Strategic Considerations. In particular, the board concluded that the combination with Whiting provided a superior opportunity based on the resulting combined company's oil-weighted asset portfolio, capital structure and market capitalization. On July 3, 2014, Kodiak and Whiting entered into an agreement extending the term of the original exclusivity agreement from June 30, 2014 to July 14, 2014.

On June 30, 2014, Dorsey and Foley held a telephone conference to discuss several issues in the draft arrangement agreement, including, among other things, the requirement for a closing condition surrounding the successful completion of the Kodiak note holder consent solicitation, desirability and nature of tax opinions, termination and termination fee provisions, restrictions on the activities of both parties between signing the arrangement agreement and closing of the arrangement and the treatment of Kodiak employees following completion of the arrangement. On July 2 and July 3, 2014, Dorsey and Foley exchanged drafts of the proposed arrangement agreement, and Whiting agreed to Kodiak's proposals regarding each party's ability to pursue a superior proposal and limiting Whiting's ability to enter into certain transactions during the period between signing the arrangement agreement and closing the arrangement. On July 5, 2014, Dorsey and Foley held a telephone conference to discuss open issues in the agreement, including, among other things, Kodiak employee and compensation matters, the standard for efforts to obtain regulatory approval, the closing condition for the Kodiak note holder consent solicitation and the termination fee. On July 7, 2014, Whiting circulated a revised draft of the proposed arrangement agreement, in which Whiting generally adopted Kodiak's positions with respect to employee and compensation matters, the tail period for the termination fee and certain other matters, but the parties remained in disagreement over the closing condition surrounding the successful completion of the Kodiak note holder consent solicitation and the exchange ratio.

On July 7, 2014, Kodiak executed an engagement letter pursuant to which, at the request of the Kodiak board, Credit Suisse would render an opinion to the Kodiak board with respect to the fairness, from a financial point of view, to the holders of Kodiak common shares of the exchange ratio in the potential transaction, and, on July 8, 2014, Kodiak executed an engagement letter formalizing the engagement of Petrie Partners as financial advisor to Kodiak and to render an opinion as to the fairness of the exchange ratio, from a financial point of view, to the Kodiak shareholders. Petrie Partners and Credit Suisse were each selected because of their qualifications, experience and reputation as internationally recognized investment banking and financial advisory firms.

On July 9, 2014, the Kodiak board met to discuss the current status of the Whiting transaction. Mr. Peterson updated the board on the status of the exchange ratio discussions. Kodiak's counsel presented a summary of the terms of the

current draft of the arrangement agreement and certain terms currently under negotiation and answered questions from the directors regarding the agreement. Representatives from Petrie Partners provided the board with copies of its analysis, which included an overview of the latest proposal from Whiting, recent market updates, observations of the current energy market environment, an overview of the current positioning of

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Kodiak and Whiting, and preliminary valuation and pro forma analyses of Kodiak, Whiting and the combined company. Petrie then presented its analysis, and the board asked questions of the representatives from Petrie Partners. Thereafter, at the request of the Kodiak board, representatives of Credit Suisse reviewed and discussed with the Kodiak board their preliminary financial analyses with respect to Kodiak, Whiting and the proposed transaction and responded to questions from members of the Kodiak board. The board discussed certain Yukon Territory law matters with Miller Thomson and confirmed the board's approach of having the independent Kodiak directors separately consider the proposed transaction in executive session. Thereafter, Mr. Peterson and Mr. Catlin left the meeting and the independent Kodiak directors discussed the proposed transaction. Following the Kodiak board meeting, on July 10, 2014, Dorsey and Foley discussed the proposed arrangement by telephone and exchanged drafts of the agreement in which Whiting agreed to remove the closing condition surrounding the successful completion of the Kodiak note holder consent solicitation.

Mr. Peterson and Mr. Volker met on July 11, 2014 to discuss the remaining open items and, in particular, an exchange ratio of 0.177 of a share of Whiting common stock per each share of Kodiak common stock, subject to approval by each of the Whiting and Kodiak boards. Mr. Volker informed Mr. Peterson that Whiting's preference was to have Mr. Catlin fill the second Whiting board seat. Subsequent to that meeting, the Kodiak board met to discuss the status of the transaction with Whiting and the development of the negotiations. Mr. Peterson discussed the final revisions to the arrangement agreement and the determination of the final exchange ratio. The Kodiak board discussed Whiting's request for Mr. Catlin to fill the second Whiting board seat and determined that Mr. Catlin was an appropriate candidate given his experience as a founder of Kodiak, industry knowledge and status as one of the largest individual Kodiak shareholders.

On July 11, 2014, the Whiting board met to review and discuss the acquisition of Kodiak. Mr. Volker updated the board on the status of negotiations regarding the arrangement agreement and the exchange ratio. Whiting management reviewed with the board its analyses of the transaction and Kodiak, including financial, due diligence and financing matters, and responded to questions from the board. Representatives of J.P. Morgan reviewed with the board its preliminary financial analyses with respect to Whiting, Kodiak and the combined company and the exchange ratio, and responded to questions from the board. Representatives of Foley then reviewed with the board certain legal matters relating to the transaction, including the board's fiduciary duties in connection with its consideration of the transaction and the principal terms of the draft arrangement agreement, and responded to questions from the board. Mr. Volker reviewed management's recommendations with respect to the proposed transaction, and the directors discussed various matters relating to the proposed transaction.

On July 12, 2014, Foley sent a final draft of the proposed arrangement agreement to Dorsey. Mr. Peterson and Kodiak's legal counsel and financial advisor met with Mr. Volker and Whiting's legal counsel and financial advisor throughout the day.

On July 13, 2014, the Kodiak board met to discuss the transaction. Petrie Partners presented and discussed its financial analysis with respect to the proposed arrangement. Following the presentation, at the request of the board, Petrie Partners rendered its oral opinion to the Kodiak board of directors (which was subsequently confirmed in writing by delivery of Petrie Partners' written opinion addressed to the Kodiak board of directors dated as of the same date) as to, as of July 13, 2014, the fairness of the exchange ratio, from a financial point of view, to the Kodiak shareholders. Credit Suisse then reviewed and discussed its financial analyses with respect to Kodiak, Whiting and the proposed transaction. Thereafter, at the request of the Kodiak board of directors, Credit Suisse rendered its oral opinion to the Kodiak board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Kodiak board of directors dated as of the same date) as to, as of July 13, 2014, the fairness, from a financial point of view, to the holders of Kodiak common shares of the exchange ratio in the arrangement pursuant to the arrangement agreement. Thereafter, the Kodiak board asked Mr. Peterson and James Catlin to leave the meeting in

light of their previously declared interests in the transaction, and the independent directors of Kodiak met in executive session. The independent directors discussed the proposed transaction, including the interests of Mr. Peterson and Mr. Catlin, and voted to approve the transaction and the arrangement agreement. Mr. Peterson and Mr. Catlin rejoined the meeting, and, after a further discussion, the board approved the transaction and the arrangement agreement.

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On July 13, 2014, the Whiting board met to discuss the transaction. Representatives of Foley reviewed the board's fiduciary duties in connection with its consideration of the transaction. J.P. Morgan then presented and discussed its financial analyses with respect to the proposed transaction. Following the presentation, at the request of the board, J.P. Morgan rendered its oral opinion to the Whiting board of directors (which was subsequently confirmed in writing by delivery of J.P. Morgan's written opinion addressed to the Whiting board of directors dated as of the same date) as to, as of July 13, 2014, the fairness of the exchange ratio, from a financial point of view, to Whiting. Representatives of Foley then reviewed the terms of the proposed final arrangement agreement. After discussion by the board, the board approved the transaction and the arrangement agreement.

Later on July 13, 2014, Kodiak and Whiting executed the arrangement agreement and issued a joint press release announcing the arrangement.

## **Whiting Recommendation and Reasons for the Arrangement**

After careful consideration at a meeting on July 13, 2014, the Whiting board of directors unanimously (i) determined that the arrangement agreement and the arrangement are fair to and in the best interests of Whiting and its stockholders, (ii) approved the arrangement agreement and the transactions contemplated thereby and (iii) recommended that the stockholders of Whiting approve the share issuance proposal and directed that the share issuance proposal be submitted to a vote by Whiting stockholders at a special meeting of Whiting stockholders.

In evaluating the arrangement agreement and the transactions contemplated thereby, including the share issuance proposal, the Whiting board of directors consulted with Whiting's management, as well as Whiting's legal and financial advisors. In reaching its decision, the Whiting board of directors considered the following material factors that the Whiting board of directors viewed as generally supporting its decision to approve and enter into the arrangement agreement and recommend that Whiting stockholders vote **FOR** the share issuance proposal and the Whiting adjournment proposal:

The combination will create the largest Bakken/Three Forks producer in the Williston Basin with over 107,000 BOE/d of production in the first quarter of 2014. The combined company will have 855,000 net acres, an inventory of approximately 3,460 net future drilling locations and 370 MMBOE of proved reserves in the Williston Basin.

Following the arrangement, accelerated development of Kodiak's resource base is expected to drive production and cash flow growth with an expected increase in the size of Kodiak's rig fleet.

The combined company will offer a leading oil-driven growth profile with the expectation of consistently strong margins from the oil focus.

The proximity of Whiting's and Kodiak's complementary acreage positions in the Williston Basin will enable for more efficient operations. Additionally, the application of Whiting's technological expertise to the Kodiak asset base is expected to enhance recoveries and reduce Kodiak's completed well costs by approximately \$700,000 per well.



The increased scale of the combined company should permit it to compete more effectively and facilitate future development projects, exploration and acquisitions through increased cash flow and lower cost of capital.

The all-stock transaction strengthens Whiting's financial flexibility and is credit enhancing.

The arrangement is expected to be accretive to Whiting discretionary cash flow per share, earnings per share and production per share in 2015 and thereafter.

The financial terms of the arrangement, including the value of the arrangement consideration based on the exchange ratio relative to the then-current market prices and historical trading prices of Whiting common stock and Kodiak common stock, and the relative contribution of Kodiak to the combined

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company; and the fact that Whiting stockholders will own approximately 71% of the common stock of the combined company on a fully diluted basis following the closing of the arrangement.

Even though the arrangement agreement provides for a fixed exchange ratio, the Whiting board of directors determined that the method for determining the exchange ratio was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of Whiting and Kodiak and the historic trading prices of Whiting and Kodiak common stock. Additionally, the arrangement agreement contains certain structural protections, such as Whiting's right to not complete the arrangement in the event of a material adverse change with respect to Kodiak.

The terms of the arrangement agreement, including the representations, obligations and rights of the parties under the arrangement agreement, the conditions to each party's obligation to complete the arrangement, the circumstances in which each party is permitted to terminate the arrangement agreement and the related termination fee payable by Kodiak in the event of termination of the arrangement agreement under specified circumstances.

The recommendation of Whiting management in favor of the arrangement and the share issuance proposal.

The opinion of J.P. Morgan, dated July 13, 2014, to the Whiting board of directors as to the fairness, from a financial point of view and as of the date of the opinion and based upon and subject to the factors, assumptions, limitations and qualifications set forth in its opinion, of the exchange ratio to Whiting, and the financial analyses related thereto prepared by J.P. Morgan, as more fully described below under the heading

Opinion of J.P. Morgan Securities LLC to the Whiting Board.

The Whiting board of directors also considered, and balanced against the potentially positive factors concerning the arrangement, the following material potential risks and other negative factors concerning the arrangement in connection with its deliberations of the proposed transaction:

The arrangement agreement provides for a fixed exchange ratio and thus the exchange ratio will not change based on changes in the trading prices of Whiting or Kodiak common stock or changes in the business performance or financial results of Whiting or Kodiak. Accordingly, if the value of Kodiak's business declines relative to the value of Whiting's business prior to completion of the arrangement, Kodiak shareholders' percentage ownership in the combined company may exceed Kodiak's relative contribution to the combined company.

The risks relating to the announcement and pendency of the arrangement and risks and costs to Whiting if the completion of the arrangement is not timely, or does not occur at all, which may be for reasons beyond the control of Whiting and/or Kodiak, including the potential impact on the relationships between Whiting and its employees, service providers, suppliers and other third parties, as well as the potential impact on the trading prices of Whiting common stock.

The potential Canadian and U.S. tax costs in respect of Kodiak's structure with a Canadian holding company that will continue to be present when Kodiak is a subsidiary of Whiting after completion of the arrangement, including the potential inability to claim full foreign tax credits in the U.S. for Canadian withholding tax at the rate of 5% on distributions by Kodiak to Whiting unless the Whiting group incurs Canadian federal income taxes in connection with a combination of Kodiak's and Whiting's U.S. operations, and the estimated approximately \$40 million U.S. federal income liability that the Whiting group expects to pay as a result of converting Kodiak to a more efficient tax structure for U.S. federal income tax purposes.

The provisions of the arrangement agreement restrict Whiting's ability to solicit possibly superior transactions and the required payment by Whiting of termination fees in the event of termination of the arrangement agreement under specified circumstances.

The provisions of the arrangement agreement impose certain restrictions on the operations of Whiting until completion of the arrangement.

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Substantial costs will be incurred by both Whiting and Kodiak in connection with the arrangement, including financial arrangement fees, financial advisory fees and legal and other advisor fees, as well as the costs of integrating the businesses of Whiting and Kodiak.

The risk that management focus, employee attention and resources for other strategic opportunities, as well as employee attention to operational matters, could be diverted for an extended period of time while the parties work to complete the arrangement and integration process.

The challenges inherent in the combination of two business enterprises of this size and complexity, including the attendant risks that the anticipated production and operational synergies and other benefits sought to be obtained from the arrangement might not be achieved in the time frame contemplated or at all.

The risks inherent in Kodiak's business and operations, including those identified in Kodiak's SEC filings and those associated with potential liabilities of Kodiak for environmental matters and related remediation costs. The types and nature of the risks described under the section entitled "Risk Factors" and the matters described under "Forward-Looking Statements."

This discussion of the information and factors considered by the Whiting board of directors in reaching its decision and recommendation includes the material factors considered by the Whiting board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Whiting board of directors. In view of the wide variety of factors considered in connection with its evaluation of the arrangement and the complexity of these matters, the Whiting board of directors did not consider it practical, nor did it attempt, to quantify, rank or otherwise assign relative weights to the different factors it considered in reaching its decision and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Rather, the Whiting board of directors viewed its decision as being based on the totality of the information presented to it and the factors it considered, including its discussion with, and questioning of, members of Whiting's management and outside legal and financial advisors. In addition, individual members of the Whiting board of directors may have given different weight to different factors.

## **Kodiak Recommendation and Reasons for the Arrangement**

On July 13, 2014, the Kodiak board of directors: (i) determined that the arrangement agreement was fair, advisable and in the best interests of Kodiak and its shareholders; (ii) adopted and approved the arrangement agreement; and (iii) recommended that the Kodiak shareholders approve and adopt the continuance resolution and the arrangement resolution.

In evaluating the arrangement agreement and the transactions contemplated thereby, the Kodiak board consulted with Kodiak management, a well-respected financial advisor, Petrie Partners, and experienced Canadian and U.S. legal counsel. In reaching its determinations, the Kodiak board of directors considered the following material factors that the Kodiak board viewed as generally supporting its decision to approve and enter into the arrangement agreement and recommend that Kodiak securityholders, as applicable, vote **FOR** the continuance resolution, the arrangement resolution, the arrangement-related compensation proposal and the adjournment proposal:

The Kodiak board's knowledge of Kodiak's business, including its financial condition, operations, business plans, management, asset quality, competitive position, challenges and prospects (including certain risks and uncertainties disclosed in Kodiak's SEC filings), as well as its financial plan and prospects if Kodiak were to remain an independent public company and the potential impact of those factors on the trading price of Kodiak's common shares (which cannot be quantified numerically), and of Whiting's business, including its financial condition, operations, business plans, management, asset quality, competitive position, challenges and prospects (including certain risks and uncertainties disclosed in Whiting's SEC filings), with the Kodiak board's knowledge being enhanced by the due diligence investigation of Whiting conducted by Kodiak;

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The Kodiak board's knowledge of possible candidates, including industry participants and business partners, for a strategic transaction or sale of the company that might have provided value to Kodiak and its shareholders;

The fact that, over the course of a two-year period leading up to the announcement of the arrangement, the Kodiak board evaluated numerous opportunities, both solicited and unsolicited, for a strategic transaction or sale of the company;

The Kodiak board's determination that the proposal from Whiting satisfied the Kodiak board's Strategic Considerations and the other strategic objectives established by the Kodiak board and management with respect to achieving improved financial strength, continued growth and improved diversity in assets and geographic scope relative to Kodiak's publicly traded peers and other operators, and that the proposed arrangement with Whiting would be superior both operationally and with respect to shareholder value, to the alternative of not engaging in the arrangement and instead continuing to operate Kodiak's business as an independent, standalone company;

The fact that the combined company would hold assets with approximately 88% of its reserves in oil, a heavy focus on the Williston Basin and exposure to the Niobrara trend;

The Kodiak shareholders' right to receive 0.177 of a share of Whiting common stock for each Kodiak common share, representing an implied value of \$13.90 per Kodiak common share based on the closing price of shares of Kodiak common stock on July 11, 2014. This represented an approximate 5.1% premium to the volume weighted average price of shares of Kodiak common stock for the 60 trading days before the execution of the arrangement agreement and an approximate 12.8% premium to the volume weighted average price of shares of Kodiak common stock in 2014;

The fact that the Kodiak shareholders have the right to participate as owners of approximately 29% of the combined company following the closing of the arrangement and would therefore benefit from any increases in the value of Whiting common stock;

The Kodiak board's view that the combined company will benefit from the combination of Whiting's and Kodiak's respective technical and operational expertise with respect to asset development;

The Kodiak board's expectation that the combined company will have an enhanced financial and competitive position, increased size and scale enhancing the relative positioning of the combined company against peers, diversity and depth in assets and geographic scope, earnings from a more diversified asset base, an increase in proved reserves and production capacity and an increased financial capacity to develop existing assets;

The Kodiak board's view that the transaction would result in meaningful growth to the combined company's asset portfolio in the core Williston Basin area resulting in one of the largest holdings in that basin and that

the combined company will be the largest operator, in terms of production, in the Bakken/Three Forks formation;

The expectation of significant operational and financial synergies to be realized following consummation of the arrangement, including the following:

Based on discussions with Whiting management, average well costs are expected to be reduced through (1) increased scale which should enable the combined entity to secure more cost effective contracts for oil field services and (2) altered completion techniques using lower cost hydraulic fracturing materials;

Because Whiting and Kodiak's acreage positions are proximate to each other, transfer of operatorship is expected to be efficient and orderly;

Whiting has demonstrated the ability to adopt advances in technologies particularly related to well completions that are expected to enhance future recoveries. These advances are anticipated to continue with the combined company's larger staff and the ability to apply new technologies on a larger population of wells;

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Whiting has extensive oil and gas gathering and marketing capabilities, which when applied to a larger entity should enhance product deliverability and pricing; and

Kodiak estimates general and administrative savings of approximately \$25 million per year due to elimination of overlapping or redundant positions between the two companies, reduction of third-party services and a decrease of combined office expenses;

The Kodiak board's view that the arrangement will improve the combined company's credit profile, including that the larger combined company will have improved liquidity due to a greater combined lending base, will have improved access to capital markets, will benefit from a lower cost of capital, and as a result, will be able to optimize Kodiak's asset base, compete more effectively and more readily assume risks inherent in Kodiak's business;

The board's expectation that Kodiak employees will have employment opportunities with the combined company on terms largely comparable to similarly situated Whiting employees.

The expectation that Kodiak's U.S. shareholders would receive Whiting common stock on a tax-free basis for U.S. federal income tax purposes with positive growth potential;

The terms of the arrangement agreement, including the representations, warranties, covenants, obligations and rights of the parties, the conditions to each party's obligations to complete the arrangement, the termination rights and Kodiak's right to appoint two directors to Whiting's board of directors;

The fact that Kodiak and Whiting undertook extensive negotiations resulting in revisions to the original draft arrangement agreement to make the terms more favorable to Kodiak and its shareholders;

The terms of the arrangement agreement permit Kodiak, prior to the time that Kodiak securityholders approve the arrangement, to discuss and negotiate, under specified circumstances, an unsolicited takeover proposal should one be made, if the Kodiak board determines in good faith (after receiving advice of its financial advisor and outside counsel) that the unsolicited proposal constitutes or is reasonably likely to lead to a superior proposal;

The fact that the arrangement agreement allows the Kodiak board, under specified circumstances, to change or withdraw its recommendation to the Kodiak securityholders with respect to the approval of the arrangement resolution and continuance resolution;

The terms of the arrangement agreement permit the Kodiak board, under specified circumstances, to terminate the arrangement agreement to enter into a superior proposal;



The fact that the arrangement is subject to the approval of (i) at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock present in person or represented by proxy and (ii) at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock and holders of Kodiak RSUs, options and restricted stock awards present in person or represented by proxy together voting as a class, with each Kodiak RSU, option and restricted stock award entitling the holder thereof to that number of votes equal to the number of shares of Kodiak common stock issuable upon the valid exercise of an option, or the valid settlement of an RSU or restricted stock award, as applicable;

The fact that Kodiak securityholders will have the opportunity for a hearing on the fairness of the terms and conditions of the arrangement with the Supreme Court of British Columbia, and, in order to consummate the arrangement, that the Court must determine that the terms and conditions of the arrangement are fair to the Kodiak securityholders;

The fact that, following declarations of interest in the transaction by Lynn Peterson and James Catlin, the independent members of the Kodiak board met in executive session, and, after discussion of the proposed transaction and the interests of Mr. Peterson and Mr. Catlin, the independent directors unanimously approved the arrangement and arrangement agreement;

The likelihood that the arrangement will be completed on a timely basis, including the likelihood that each of the arrangement-related proposals will receive the required shareholder approval and the

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likelihood that all necessary regulatory approvals will be obtained on the anticipated schedule without the imposition of unacceptable conditions;

The financial presentation and opinion of Petrie Partners, dated July 13, 2014, to the Kodiak board as to the fairness, from a financial point of view, of the exchange ratio to the Kodiak shareholders, as further described below under [Opinion of Petrie Partners Securities, LLC to the Kodiak Board](#) ;

The financial analyses reviewed and discussed with the Kodiak board of directors by representatives of Credit Suisse as well as the oral opinion of Credit Suisse rendered to the Kodiak board of directors on July 13, 2014 (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Kodiak board of directors dated the same date) as to, as of July 13, 2014, the fairness, from a financial point of view, to the holders of shares of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement, as more fully described below under [Opinion of Credit Suisse Securities \(USA\) LLC to the Kodiak Board](#) ; and

The Kodiak board's consideration of the continuing and prospective risks to Kodiak as an independent public company, including those risks described under the section entitled [Risk Factors](#) and the other risks described in Kodiak's annual report on Form 10-K for the year ended December 31, 2013 and quarterly report on Form 10-Q for the quarter ended June 30, 2014.

The Kodiak board also considered and balanced against the potentially positive factors concerning the arrangement the following material potential risks and other negative factors concerning the arrangement in connection with its deliberations of the proposed transaction:

The arrangement agreement provides for a fixed exchange ratio, and thus, the exchange ratio will not change based on changes in the trading prices of shares of Kodiak or Whiting common stock or changes in the business performance or financial results of Kodiak or Whiting. Accordingly, if the value of Whiting's business declines relative to the value of Kodiak's business prior to completion of the arrangement, Whiting shareholders' percentage ownership in the combined company may exceed Whiting's relative contribution to the combined company;

The limitations under the arrangement agreement, subject to certain exceptions, on Kodiak's ability to solicit, initiate or encourage alternative third-party takeover proposals and the related disincentives to do so, including the fact that if Kodiak accepted a superior proposal, changed its recommendation of the arrangement or, under certain circumstances, entered into an acquisition agreement within a certain time after the arrangement agreement was terminated, it would have to pay Whiting a termination fee of \$130.0 million and reimburse up to \$10.0 million in Whiting's expenses, which might discourage other parties potentially interested in an acquisition of, or combination with, Kodiak from pursuing that opportunity;

The fact that, based on the exchange ratio of 0.177 and the closing price of shares of Kodiak common stock on July 11, 2014, the implied value of \$13.90 per Kodiak common share represented a 2.3% discount to Kodiak's closing price per common share on that date;

Kodiak would no longer be an independent company with strategic direction being decided by a board of directors chosen entirely by the Kodiak shareholders;

Various regulatory and court approvals required to complete the arrangement, which present a risk that the applicable governmental authorities or courts may condition their grant of required approvals or consents on the imposition of unfavorable terms or conditions or that such approvals and consents will not be able to be obtained at all;

The risks and contingencies relating to the announcement and pendency of the arrangement and risks and costs to Kodiak if the closing of the arrangement is not timely, or if the arrangement does not close at all, including the potential impact on the relationships between Kodiak and its employees, customers, suppliers and other third parties, as well as the potential impact on the trading prices of shares of Kodiak common stock. Additionally, there is the possibility that the arrangement may not be completed, or that completion may be unduly delayed, for reasons beyond the control of Kodiak and/or Whiting;

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The risk that management focus, employee attention and resources for other strategic opportunities, as well as employee attention to operational matters, could be diverted for an extended period while the parties work to complete the arrangement and integration process. In addition, Kodiak may potentially lose key and other personnel as a result of the pending arrangement;

The challenges inherent in the combination of two business enterprises of this size, scope and complexity, including the loss of management having the most experience with the Kodiak assets and the attendant risks that the anticipated cost savings and synergies and other benefits sought to be obtained from the arrangement might not be achieved in the time frame contemplated or at all;

Under the arrangement agreement, Whiting is subject to very limited restrictions during the pendency of the arrangement on the conduct of its business, acquisitions it may pursue or entering into other strategic transactions, including an acquisition of Whiting to the extent it would not require an adverse recommendation change by Whiting's board, a termination of the arrangement agreement or prevent or materially impair Whiting's ability to consummate the arrangement prior to the termination date. As a result, there is a risk that Whiting's business may change before or after the completion of the arrangement, which may affect the value of Whiting common stock held by Kodiak shareholders following the completion of the arrangement and, if Whiting issues additional shares of its common stock in another acquisition, could reduce the Kodiak shareholders' percentage ownership in the combined company;

The restrictions on the conduct of Kodiak's business until completion of the arrangement, subjecting Kodiak to a variety of specified limitations absent Whiting's consent, which may delay or prevent Kodiak from undertaking business opportunities that may arise during such period, even if Kodiak management thinks they may be advisable;

Substantial costs will be incurred by both Whiting and Kodiak in connection with the arrangement, including legal and financial advisory fees, certain of which must be paid regardless of whether the arrangement is consummated, as well as the costs of integrating the businesses of Whiting and Kodiak;

The interests that certain executive officers and directors of Kodiak may have with respect to the arrangement in addition to their interests as shareholders of Kodiak. See [Interests of Directors and Executive Officers of Kodiak in the Arrangement](#) ; and

The Kodiak board considered certain risks inherent in Whiting's business and operations, including those identified in Whiting's SEC filings and also considered the types and nature of the risks described under the section entitled [Risk Factors](#) , the other risks described in Kodiak's and Whiting's annual reports on Form 10-K for the year ended December 31, 2013 and quarterly report on Form 10-Q for the quarter ended June 30, 2014 and the matters described under [Forward-Looking Statements](#).

This discussion of the factors considered by the Kodiak board is not, and is not intended to be, exhaustive. The Kodiak board also considered a variety of other risks and countervailing factors, including the risks of the type and nature described under [Forward-Looking Statements](#).

The Kodiak board concluded that the benefits of the arrangement to Kodiak and its shareholders outweighed the perceived risks. In view of the wide variety of factors considered, and the complexity of these matters, the Kodiak board did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors it considered. Rather, the Kodiak board viewed the decisions as being based on the totality of the information available to it. In addition, individual members of the Kodiak board may have given differing weights to different factors.

**Opinion of J.P. Morgan Securities LLC to the Whiting Board**

Pursuant to an engagement letter effective as of May 30, 2014, Whiting retained J.P. Morgan as its financial advisor in connection with the proposed arrangement.

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At the meeting of the Whiting board of directors on July 13, 2014, J.P. Morgan rendered its oral opinion to the Whiting board of directors that, as of such date and based upon and subject to the factors, assumptions, limitations and qualifications set forth in its opinion, the exchange ratio in the proposed arrangement was fair, from a financial point of view, to Whiting. J.P. Morgan has confirmed its July 13, 2014 oral opinion by delivering its written opinion to the Whiting board of directors, dated July 13, 2014, that, as of such date, the exchange ratio in the proposed arrangement was fair, from a financial point of view, to Whiting. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. Because this joint proxy statement/circular will be mailed to the stockholders of both Whiting and Kodiak, J.P. Morgan has given Whiting its written approval for the filing by Whiting and Kodiak of J.P. Morgan's opinion with the SEC, and the mailing of such opinion to the stockholders of Whiting and Kodiak, in each case as Annex G to this joint proxy statement/circular. No limitations were imposed by the Whiting board of directors upon J.P. Morgan with respect to the investigations made or procedures followed by it in rendering its opinions.

The full text of the written opinion of J.P. Morgan dated July 13, 2014, which sets forth the assumptions made, matters considered and limits on the review undertaken (which are also summarized herein), is attached as Annex G to this document. Whiting stockholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion is addressed to the Whiting board of directors (in its capacity as such), is directed only to the exchange ratio in the arrangement and does not constitute a recommendation to any Whiting stockholder as to how such stockholder should vote with respect to the transactions contemplated by the arrangement agreement. The summary of the opinion of J.P. Morgan set forth in this document is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinions, J.P. Morgan, among other things:

reviewed a draft dated July 12, 2014 of the arrangement agreement;

reviewed certain publicly available business and financial information concerning Whiting and Kodiak and the industries in which they operate;

compared the proposed financial terms of the arrangement with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration received for such companies;

compared the financial and operating performance of Whiting and Kodiak with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of Whiting common stock and Kodiak common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the management of Whiting relating to its and Kodiak's respective businesses and by the management of Kodiak relating to its businesses, as well as the estimated amount and timing of cost savings and related expenses and synergies expected to result from the arrangement (the "Synergies"); and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

In addition, J.P. Morgan also held discussions with certain members of the management of Whiting and Kodiak with respect to certain aspects of the arrangement, and the past and current business operations of Whiting and Kodiak, the financial condition and future prospects and operations of Whiting and Kodiak, the effects of the arrangement on the financial condition and future prospects of Whiting, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Whiting and Kodiak or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan did not independently verify, nor did J.P. Morgan assume responsibility for independently verifying, any such information or its accuracy or completeness.

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J.P. Morgan did not conduct nor was provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of Whiting or Kodiak under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to it, including the Synergies, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Whiting and Kodiak to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts (including the Synergies) or the assumptions on which they were based. J.P. Morgan also assumed that the arrangement and the other transactions contemplated by the arrangement agreement will qualify as a tax-free reorganization for United States federal income tax purposes and will be consummated as described in the arrangement agreement, and that the definitive arrangement agreement would not differ in any material respect from the draft thereof provided to J.P. Morgan. J.P. Morgan also assumed that the representations and warranties made by Whiting and Kodiak in the arrangement agreement and the related agreements were and will be true and correct in all respects material to J.P. Morgan's analysis. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to Whiting with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the arrangement will be obtained without any adverse effect on Whiting or Kodiak or on the contemplated benefits of the arrangement.

The projections furnished to J.P. Morgan for Whiting for the fiscal years ending December 31, 2014, December 31, 2015 and December 31, 2016 were prepared by the management of Whiting (the Whiting forecast, as further described in Certain Unaudited Internal Financial and Operating Forecasts ). The projections furnished to J.P. Morgan for Kodiak for the fiscal years ending December 31, 2014, December 31, 2015 and December 31, 2016 were prepared by the management of Kodiak and were adjusted by the management of Whiting to reflect consistent commodity prices (as adjusted, the Whiting adjusted Kodiak forecast, as further described in Certain Unaudited Internal Financial and Operating Forecasts ). Neither Whiting nor Kodiak publicly discloses internal management projections of the type provided to J.P. Morgan in connection with J.P. Morgan's analysis of the arrangement, and such projections were not prepared with a view toward public disclosure. These projections, and the adjustments made thereto by the management of Whiting, were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections. For more information regarding the use of projections, please refer to the section entitled Certain Unaudited Internal Financial and Operating Forecasts.

The Synergies furnished to J.P. Morgan were prepared by the management of Whiting and assumed \$24.5 million of run-rate general and administrative synergies phased-in 25% in 2014 and 100% in all years thereafter. The Synergies were not prepared with a view toward public disclosure and were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management. Accordingly, actual synergies could vary significantly.

J.P. Morgan's opinion is based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. Subsequent developments may affect J.P. Morgan's opinion, and J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, to Whiting of the exchange ratio in the proposed arrangement, and J.P. Morgan has expressed no opinion as to the fairness of the exchange ratio to the holders of any class of securities, creditors or other constituencies of Whiting or the underlying decision by Whiting to engage in the arrangement. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the arrangement, or any class of such persons relative to the exchange ratio in the arrangement or with respect to the fairness of any such compensation. J.P. Morgan also expressed no opinion as to the price at which Whiting common stock or Kodiak common stock will trade at any



future time, whether before or after the closing of the arrangement.

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The terms of the arrangement agreement, including the exchange ratio, were determined through arm's length negotiations between Whiting and Kodiak, and the decision to enter into the arrangement agreement was solely that of the Whiting board of directors and Kodiak board of directors. J.P. Morgan's opinion and financial analyses were only one of the many factors considered by the Whiting board of directors in its evaluation of the proposed arrangement and should not be viewed as determinative of the views of the Whiting board of directors or management with respect to the proposed arrangement or the exchange ratio.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses utilized by J.P. Morgan in connection with providing its opinion.

***Public Companies Analysis***

Using publicly available information, J.P. Morgan compared selected financial data of Whiting and Kodiak with similar data for selected publicly traded companies engaged in businesses which J.P. Morgan judged to be analogous to Whiting's or Kodiak's. For purposes of this analysis, J.P. Morgan selected the companies with operations and businesses that J.P. Morgan considered most relevant due to their similarity to the operations and businesses of Whiting and Kodiak and identified a number of such companies that were, in its judgment, sufficient to permit J.P. Morgan to conduct its analysis; J.P. Morgan did not however attempt to identify all publicly traded companies that may have operations and businesses that were similar to those of Whiting and Kodiak.

For Whiting, the companies selected by J.P. Morgan were as follows:

*Peer companies operating in the Bakken shale:*

Continental Resources, Inc.

Oasis Petroleum Inc.

Kodiak Oil & Gas Corp.

*Diversified peer companies:*

Hess Corporation

Marathon Oil Corporation

QEP Resources, Inc.

Newfield Exploration Company

For Kodiak, the companies selected by J.P. Morgan were as follows:

Continental Resources, Inc.

Oasis Petroleum Inc.

#### Whiting Petroleum Corporation

These companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for the purposes of J.P. Morgan's analysis, may be considered similar to those of Whiting and Kodiak based on the nature of their assets and operations and the form and geographic location of their operations. However, certain of these companies may have characteristics that are materially different from those of Whiting and Kodiak. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies differently than would affect Whiting or Kodiak.

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For each company listed above, J.P. Morgan calculated and compared various financial multiples and ratios based on publicly available information as of July 11, 2014. For each of the following analyses performed by J.P. Morgan, estimated financial data for the selected companies were based on the Whiting forecast and the Whiting adjusted Kodiak forecast (in the case of Whiting and Kodiak, respectively) and information obtained from FactSet Research Systems and selected equity research reports (in the case of the other selected companies). The information J.P. Morgan calculated for each of the selected companies included:

Multiple of equity value (calculated as the market value of the company's common stock on a fully diluted basis) to estimated cash flow (calculated as earnings before interest, taxes, depreciation, amortization and exploration expenses ( EBITDAX ), less cash interest expense, less cash taxes, plus non-cash G&A expenses) for the fiscal years ended December 31, 2014, December 31, 2015 and December 31, 2016;

Multiple of firm value (calculated as equity value plus debt and other adjustments, including minority interest and preferred stock, less cash) to estimated EBITDAX for the fiscal years ended December 31, 2014, December 31, 2015 and December 31, 2016;

Multiple of firm value to estimated production (in dollars per barrel of oil equivalent per day ( \$/BOE/d )) for the fiscal years ended December 31, 2014, December 31, 2015 and December 31, 2016; and

Multiple of firm value to proved reserves (in dollars per barrel of oil equivalent ( \$/BOE )). Results of the analysis for Whiting and Kodiak, respectively, are as follows:

*Whiting***Peer Companies Operating in the Bakken Shale**

|             | Equity value /<br>estimated<br>cash flow |       |       | Firm value /<br>estimated<br>EBITDAX |       |       | Firm value / production<br>(\$/BOE/d) |            |            | Firm value /<br>reserves<br>(\$/BOE) |
|-------------|--|-------|-------|--------------------------------------|-------|-------|---------------------------------------|------------|------------|--------------------------------------|
|             | 2014E                                    | 2015E | 2016E | 2014E                                | 2015E | 2016E | 2014E                                 | 2015E      | 2016E      |                                      |
| Continental | 8.4x                                     | 7.1x  | 5.6x  | 9.3x                                 | 7.7x  | 6.3x  | \$ 195,420                            | \$ 154,313 | \$ 122,763 | \$ 30.90                             |
| Oasis       | 5.9x                                     | 4.7x  | 3.6x  | 7.1x                                 | 5.8x  | 4.6x  | \$ 163,322                            | \$ 126,081 | \$ 106,030 | \$ 35.84                             |
| Kodiak      | 5.4x                                     | 4.0x  | 3.3x  | 7.4x                                 | 5.6x  | 4.8x  | \$ 156,401                            | \$ 115,661 | \$ 94,197  | \$ 36.53                             |

**Diversified Peer Companies**

|  | Equity value /<br>estimated<br>cash flow |       |       | Firm value /<br>estimated<br>EBITDAX |       |       | Firm value / production<br>(\$/BOE/d) |       |       | Firm value /<br>reserves<br>(\$/BOE) |
|--|--|-------|-------|--------------------------------------|-------|-------|---------------------------------------|-------|-------|--------------------------------------|
|  | 2014E                                    | 2015E | 2016E | 2014E                                | 2015E | 2016E | 2014E                                 | 2015E | 2016E |                                      |

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|          |      |      |      |      |      |      |            |           |           |          |
|----------|------|------|------|------|------|------|------------|-----------|-----------|----------|
| Hess     | 5.5x | 5.0x | 4.2x | 4.9x | 4.6x | 4.1x | \$ 100,203 | \$ 89,528 | \$ 88,470 | \$ 23.35 |
| Marathon | 4.7x | 4.4x | 4.1x | 3.7x | 3.8x | 3.5x | \$ 62,152  | \$ 60,605 | \$ 58,190 | \$ 14.34 |
| QEP      | 4.3x | 3.8x | 3.1x | 6.0x | 5.4x | 4.3x | \$ 72,837  | \$ 68,431 | \$ 59,064 | \$ 14.73 |
| Newfield | 4.3x | 3.6x | 3.3x | 6.0x | 5.1x | 4.2x | \$ 67,242  | \$ 59,855 | \$ 54,626 | \$ 15.02 |

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J.P. Morgan also calculated the same financial multiples and ratios for Whiting based on both the Whiting forecast and information from FactSet Research Systems (referred to as Street estimates in the below table).

|                                     | Equity value /<br>estimated<br>cash flow |       |       | Firm value /<br>estimated<br>EBITDAX |       |       | Firm value / production<br>(\$/BOE/d) |           |           | Firm value /<br>reserves<br>(\$/BOE) |
|-------------------------------------|--|-------|-------|--------------------------------------|-------|-------|---------------------------------------|-----------|-----------|--------------------------------------|
|                                     | 2014E                                    | 2015E | 2016E | 2014E                                | 2015E | 2016E | 2014E                                 | 2015E     | 2016E     |                                      |
| Whiting (based on Whiting forecast) | 4.1x                                     | 3.9x  | 3.7x  | 4.9x                                 | 4.5x  | 4.3x  | \$ 105,284                            | \$ 91,836 | \$ 81,271 | \$ 26.76                             |
| Whiting (based on Street estimates) | 4.5x                                     | 4.1x  | 3.7x  | 5.2x                                 | 4.8x  | 4.2x  | \$ 105,727                            | \$ 89,481 | \$ 77,566 | \$ 26.76                             |

J.P. Morgan did not rely solely on the quantitative results of the selected public company analysis, but also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Whiting and the selected companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, asset profiles and capital structures between Whiting and the companies included in the selected public company analysis. Based upon these judgments, J.P. Morgan selected multiple reference ranges for Whiting of 4.25x - 5.25x, 3.75x - 4.5x, and 3.25x - 4.25x for equity value to estimated 2014, 2015 and 2016 cash flow, respectively; ranges of 4.75x - 6.25x, 4.25x - 5.5x, and 4.0x - 5.0x for firm value to estimated 2014, 2015, and 2016 EBITDAX, respectively; ranges of \$100,000 - \$130,000, \$80,000 - \$110,000, and \$75,000 - \$100,000 for firm value to estimated 2014, 2015, and 2016 production, respectively; and a range of \$25.00 - \$35.00 for firm value to proved reserves.

After applying such ranges to the appropriate metrics for Whiting based on the Whiting forecast, the analysis indicated the following implied equity value per share ranges for Whiting common stock (resulting per share values were in all cases rounded to the nearest \$0.25 per share):

**Whiting Implied Equity Value Per Share Range**

|      | Equity value / estimated<br>cash flow |          |          | Firm value / estimated<br>EBITDAX |          |          | Firm value / production<br>(\$/BOE/d) |          |           | Firm value /<br>reserves<br>(\$/BOE) |
|------|---------------------------------------|----------|----------|-----------------------------------|----------|----------|---------------------------------------|----------|-----------|--------------------------------------|
|      | 2014E                                 | 2015E    | 2016E    | 2014E                             | 2015E    | 2016E    | 2014E                                 | 2015E    | 2016E     |                                      |
| Low  | \$ 80.50                              | \$ 76.00 | \$ 69.50 | \$ 76.25                          | \$ 73.00 | \$ 72.75 | \$ 73.75                              | \$ 66.00 | \$ 71.00  | \$ 72.25                             |
| High | \$ 99.50                              | \$ 91.25 | \$ 90.75 | \$ 106.25                         | \$ 99.75 | \$ 95.75 | \$ 101.25                             | \$ 97.75 | \$ 101.00 | \$ 108.50                            |

The ranges of implied equity values per share were compared to Whiting's closing share price of \$78.54 on July 11, 2014.

*Kodiak*

**Peer Companies**

|             | Equity value /<br>estimated<br>cash flow |       |       | Firm value /<br>estimated<br>EBITDAX |       |       | Firm value / production<br>(\$/BOE/d) |            |            | Firm value /<br>reserves<br>(\$/BOE) |
|-------------|--|-------|-------|--------------------------------------|-------|-------|---------------------------------------|------------|------------|--------------------------------------|
|             | 2014E                                    | 2015E | 2016E | 2014E                                | 2015E | 2016E | 2014E                                 | 2015E      | 2016E      |                                      |
| Continental | 8.4x                                     | 7.1x  | 5.6x  | 9.3x                                 | 7.7x  | 6.3x  | \$ 195,420                            | \$ 154,313 | \$ 122,763 | \$ 30.90                             |
| Whiting     | 4.1x                                     | 3.9x  | 3.7x  | 4.9x                                 | 4.5x  | 4.3x  | \$ 105,284                            | \$ 91,836  | \$ 81,271  | \$ 26.76                             |
| Oasis       | 5.9x                                     | 4.7x  | 3.6x  | 7.1x                                 | 5.8x  | 4.6x  | \$ 163,322                            | \$ 126,081 | \$ 106,030 | \$ 35.84                             |

J.P. Morgan also calculated the same financial multiples and ratios for Kodiak based on both the Whiting adjusted Kodiak forecast and Street estimates.

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|  | Equity value /<br>estimated cash flow |       |       | Firm value /<br>estimated<br>EBITDAX |       |       | Firm value / production<br>(\$/BOE/d) |            |           | Firm value /<br>reserves<br>(\$/BOE) |
|--|---------------------------------------|-------|-------|--------------------------------------|-------|-------|---------------------------------------|------------|-----------|--------------------------------------|
|  | 2014E                                 | 2015E | 2016E | 2014E                                | 2015E | 2016E | 2014E                                 | 2015E      | 2016E     |                                      |
| Kodiak (based on Whiting adjusted Kodiak forecast) | 5.4x                                  | 4.0x  | 3.3x  | 7.4x                                 | 5.6x  | 4.8x  | \$ 156,401                            | \$ 115,661 | \$ 94,197 | \$ 36.53                             |
| Kodiak (based on Street estimates)                 | 4.9x                                  | 3.8x  | 3.0x  | 7.0x                                 | 5.6x  | 4.6x  | \$ 152,754                            | \$ 119,685 | \$ 93,584 | \$ 36.53                             |

J.P. Morgan did not rely solely on the quantitative results of the selected public company analysis, but also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Kodiak and the selected companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, asset profiles and capital structures between Kodiak and the companies included in the selected public company analysis. Based upon these judgments, J.P. Morgan selected multiple reference ranges for Kodiak of 5.0x 6.0x, 3.75x 4.75x, and 3.0x 3.75x for equity value to estimated 2014, 2015 and 2016 cash flow, respectively; ranges of 6.5x 7.5x, 5.0x 6.0x, and 4.0x 5.0x for firm value to estimated 2014, 2015, and 2016 EBITDAX, respectively; ranges of \$150,000 \$160,000, \$100,000 \$125,000, and \$80,000 \$105,000 for firm value to estimated 2014, 2015, and 2016 production, respectively; and a range of \$32.00 \$37.00 for firm value to proved reserves.

After applying such ranges to the appropriate metrics for Kodiak based on the Whiting adjusted Kodiak forecast, the analysis indicated the following implied equity value per share ranges for Kodiak common stock (resulting per share values were in all cases rounded to the nearest \$0.25 per share):

**Kodiak Implied Equity Value Per Share Range**

|      | Equity value / estimated<br>cash flow |          |          | Firm value / estimated<br>EBITDAX |          |          | Firm value / production<br>(\$/BOE/d) |          |          | Firm value /<br>reserves<br>(\$/BOE) |
|------|---------------------------------------|----------|----------|-----------------------------------|----------|----------|---------------------------------------|----------|----------|--------------------------------------|
|      | 2014E                                 | 2015E    | 2016E    | 2014E                             | 2015E    | 2016E    | 2014E                                 | 2015E    | 2016E    |                                      |
| Low  | \$ 13.25                              | \$ 13.50 | \$ 12.75 | \$ 11.50                          | \$ 11.75 | \$ 10.50 | \$ 13.25                              | \$ 11.25 | \$ 11.00 | \$ 11.50                             |
| High | \$ 16.00                              | \$ 17.00 | \$ 16.00 | \$ 14.75                          | \$ 15.75 | \$ 15.00 | \$ 14.75                              | \$ 16.00 | \$ 16.75 | \$ 14.50                             |

The ranges of implied equity values per share were compared to Kodiak's closing share price of \$14.23 on July 11, 2014 and the implied consideration per share in the arrangement of \$13.90 based on the exchange ratio and the Whiting share price of \$78.54 on July 11, 2014.

**Precedent Transactions Analysis**

Using publicly available information, J.P. Morgan examined selected asset transactions in the Bakken and Three Forks shale as well as precedent corporate transactions in the exploration and production sector generally where the parties had similar operations to Whiting and Kodiak. For purposes of this analysis, J.P. Morgan selected the transactions that J.P. Morgan considered most relevant to its analysis due to the similarity of their participants, size and other factors to the arrangement and identified a number of transactions that were, in its judgment, sufficient to permit J.P. Morgan to conduct its analysis; J.P. Morgan did not however attempt to identify all transactions that may



be similar to the arrangement.

For each of the selected Bakken and Three Forks shale asset transactions for which the relevant information was publicly available, among other calculations, J.P. Morgan calculated the multiple of the transaction value to proved reserves and to production, both actual and index-adjusted to reflect the change in the 12-month NYMEX strip from one day prior to the deal announcement until July 11, 2014. Specifically, J.P. Morgan reviewed the following Bakken and Three Forks shale asset transactions (buyer / seller):

Oasis Petroleum Inc. / Zenergy Inc.

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Kodiak Oil &amp; Gas Corp. / Liberty Energy Corp.

Continental Resources, Inc. / Samson Resources Corporation

Halcon Resources Corporation / Petro-Hunt L.L.C.

ExxonMobil Corporation / Denbury Resources Inc.

QEP Resources, Inc. / Helis Oil &amp; Gas Co., LLC and others

Kodiak Oil &amp; Gas Corp. / Mercuria Energy Group Ltd. and others

Results of the analysis for the selected Bakken and Three Forks shale asset transactions are as follows (resulting per share values were in all cases rounded to the nearest \$0.25 per share):

**Precedent Bakken and Three Forks Asset Transactions**

|        | Transaction value /reserves <sup>1</sup><br>(\$/BOE) |          | Transaction value /production<br>(\$/BOE/d) |            |
|--------|--|----------|---|------------|
|        | Actual   | Adjusted | Actual                                      | Adjusted   |
| Median | \$ 29.95   | \$ 31.08 | \$ 131,429                                  | \$ 134,180 |
| Mean   | \$ 29.31   | \$ 30.20 | \$ 134,656                                  | \$ 139,140 |

For each of the selected precedent corporate transactions, among other calculations, the information J.P. Morgan calculated for each of the selected corporate transactions included:

Multiple of the purchase price to cash flow, both for the preceding 12 months ( LTM ) and for the one-year forward estimates as of the announcement date;

Multiple of the transaction value to EBITDAX, both for the LTM and for the one-year forward estimates as of the announcement date;

Multiple of the transaction value to proved reserves, both actual and index-adjusted to reflect the change in the 12-month NYMEX strip from one day prior to the deal announcement until July 11, 2014; and

Multiple of the transaction value to production, both actual and index-adjusted to reflect the change in the 12-month NYMEX strip from one day prior to the deal announcement until July 11, 2014. Specifically, J.P. Morgan reviewed the following corporate transactions (acquirer / target):

Baytex Energy Corp. / Aurora Oil & Gas Ltd. (revised)<sup>2</sup>

Baytex Energy Corp. / Aurora Oil & Gas Ltd.

Halcon Resources Corporation / Georesources, Inc.

Statoil ASA / Brigham Exploration Co.

BHP Billiton Ltd. / Petrohawk Energy Corporation

Sandridge Energy / Arena Resources Inc.

ExxonMobil Corporation / XTO Energy Inc.

Denbury Resources Inc. / Encore Acquisition Co.

Anadarko Petroleum Corp. / Kerr-McGee Corp.

<sup>1</sup> Excludes Continental Resources, Inc./Samson Resources Corporation and QEP Resources, Inc./Helis Oil & Gas Co., LLC due to the unavailability of public information regarding proved reserves.

<sup>2</sup> Original offer on February 6, 2014 was \$4.10 / share. Accepted offer was \$4.20 / share.

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ConocoPhillips Co. / Burlington Resources Inc.

Cimarex Energy Co. / Magnum Hunter Resources Inc.

Noble Energy Inc. / Patina Oil &amp; Gas Corp.

Results of the analysis for the selected corporate transactions are as follows:

**Precedent U.S. Exploration & Production Corporate Transactions**

|        | Purchase price / |      | Transaction value / |      | Transaction value |          | Transaction value / |            |
|--------|------------------|------|---------------------|------|-------------------|----------|---------------------|------------|
|        | cash flow        |      | EBITDAX             |      | /                 |          | production          |            |
|        | LTM              | 1-yr | LTM                 | 1-yr | Actual            | Adjusted | Actual              | Adjusted   |
| Median | 7.0x             | 7.3x | 8.5x                | 7.0x | \$ 20.31          | \$ 19.77 | \$ 89,739           | \$ 90,374  |
| Mean   | 9.3x             | 7.5x | 9.7x                | 7.9x | \$ 24.86          | \$ 25.50 | \$ 125,815          | \$ 130,786 |

Based on the results of this analysis, J.P. Morgan selected a multiple reference range for Kodiak of 6.0x 8.0x for purchase price to estimated one-year forward cash flow; a range of 6.0x 8.0x for transaction value to estimated one-year forward EBITDAX; a range of \$32.50 \$40.00 for transaction value to proved reserves; and a range of \$140,000 \$190,000 for transaction value to production.

After applying such ranges to the appropriate metrics for Kodiak based on the Whiting adjusted Kodiak forecast, the analysis indicated the following implied equity value per share ranges for Kodiak common stock (resulting per share values were in all cases rounded to the nearest \$0.25 per share):

**Kodiak Implied Equity Value Per Share Range**

|      | Purchase price / |       | Transaction value / |       | Transaction value / |       | Transaction value / |       |
|------|------------------|-------|---------------------|-------|---------------------|-------|---------------------|-------|
|      | cash flow        |       | EBITDAX             |       | reserves            |       | production          |       |
|      |                  |       |                     |       |                     |       |                     |       |
| Low  | \$               | 16.00 | \$                  | 10.00 | \$                  | 11.75 | \$                  | 9.25  |
| High | \$               | 21.00 | \$                  | 16.25 | \$                  | 16.25 | \$                  | 15.50 |

The ranges of implied equity values per share were compared to Kodiak's closing share price of \$14.23 on July 11, 2014 and the implied consideration per share in the arrangement of \$13.90 based on the exchange ratio and the Whiting share price of \$78.54 on July 11, 2014.

**Net Asset Value Analysis**

J.P. Morgan prepared a discounted cash flow analysis of the projected cash flow derived from production of Whiting's proved, probable and possible reserves and possible resource potential (the 3P+ assets) as of March 31, 2014, based upon estimates provided by Whiting's management and based upon spot pricing and NYMEX strip pricing through 2018 with prices held flat at \$110.00 per barrel of oil and \$5.00 per million British thermal units ( Mmbtu ) thereafter in the high case, and \$85.00 per barrel of oil and \$4.00 per Mmbtu thereafter in the low case, which pricing assumptions

were reviewed and approved by Whiting's management. The projected cash flows from Whiting's 3P+ assets were discounted to present values using a range of discount rates from 9% to 11%, which were chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of Whiting, and were then adjusted for Whiting's net present value of projected general and administrative expenses, net debt as of March 31, 2014 and present value of hedges to indicate a range of implied pre-tax net asset equity values for Whiting. The pre-tax net asset values of Whiting's 3P+ assets were then adjusted for Whiting's net present value of projected cash taxes (net of the present value of projected net operating loss utilization) to indicate a range of implied after-tax net asset equity values for Whiting. The implied pre- and after-tax net asset equity values for Whiting were divided by the number of fully diluted shares

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outstanding at Whiting to arrive at the following range of implied net asset values per share of Whiting common stock, based on spot pricing, high-case NYMEX strip pricing and low-case NYMEX strip pricing. Resulting per share values were in all cases rounded to the nearest \$0.25 per share.

|   | <b>Low</b> | <b>High</b> |
|---|------------|-------------|
| <b>Whiting Implied Pre-Tax Net Asset Value Per Share Spot Pricing</b>                 | \$ 89.75   | \$ 107.75   |
| <b>Whiting Implied Pre-Tax Net Asset Value Per Share NYMEX Strip Pricing (High)</b>   | \$ 95.00   | \$ 115.75   |
| <b>Whiting Implied Pre-Tax Net Asset Value Per Share NYMEX Strip Pricing (Low)</b>    | \$ 60.75   | \$ 73.75    |
| <b>Whiting Implied After-Tax Net Asset Value Per Share Spot Pricing</b>               | \$ 55.00   | \$ 67.00    |
| <b>Whiting Implied After-Tax Net Asset Value Per Share NYMEX Strip Pricing (High)</b> | \$ 58.50   | \$ 72.00    |
| <b>Whiting Implied After-Tax Net Asset Value Per Share NYMEX Strip Pricing (Low)</b>  | \$ 37.00   | \$ 45.50    |

This range of implied net asset values per share for Whiting was compared to Whiting's closing share price of \$78.54 on July 11, 2014.

J.P. Morgan also prepared a discounted cash flow analysis of the projected cash flow derived from production of Kodiak's 3P+ assets as of March 31, 2014, based upon estimates provided by Whiting's management and based upon spot pricing, high-case NYMEX strip pricing and low-case NYMEX strip pricing, which pricing assumptions were reviewed and approved by Whiting's management. The projected cash flows from Kodiak's 3P+ assets were discounted to present values using a range of discount rates from 8.5% to 10.5%, which were chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of Kodiak, and were then adjusted for Kodiak's net present value of projected general and administrative expenses, net debt as of March 31, 2014, present value of hedges and incremental costs of upgrading Kodiak's facilities to indicate a range of implied pre-tax net asset equity values for Kodiak. The pre-tax net asset values of Kodiak's 3P+ assets were then adjusted for Kodiak's net present value of projected cash taxes (net of the present value of projected net operating loss utilization) to indicate a range of implied after-tax net asset equity values for Kodiak. The implied pre- and after-tax net asset equity values for Kodiak were divided by the number of fully diluted shares outstanding at Kodiak and adjusted to account for the Synergies to arrive at the following range of implied net asset values per share of Kodiak common stock, based on spot pricing, high-case NYMEX strip pricing and low-case NYMEX strip pricing. Resulting per share values were in all cases rounded to the nearest \$0.25 per share.

|  | <b>Low</b> | <b>High</b> | <b>With<br/>Incremental<br/>Synergy Value</b> |
|--|------------|-------------|---|
| <b>Kodiak Implied Pre-Tax Net Asset Value Per Share Spot Pricing</b>                 | \$ 16.75   | \$ 20.00    | \$ 21.00                                      |
| <b>Kodiak Implied Pre-Tax Net Asset Value Per Share NYMEX Strip Pricing (High)</b>   | \$ 17.25   | \$ 20.75    | \$ 22.00                                      |
| <b>Kodiak Implied Pre-Tax Net Asset Value Per Share NYMEX Strip Pricing (Low)</b>    | \$ 11.25   | \$ 13.75    | \$ 15.00                                      |
| <b>Kodiak Implied After-Tax Net Asset Value Per Share Spot Pricing</b>               | \$ 10.50   | \$ 12.75    | \$ 13.50                                      |
| <b>Kodiak Implied After-Tax Net Asset Value Per Share NYMEX Strip Pricing (High)</b> | \$ 10.75   | \$ 13.25    | \$ 14.00                                      |
| <b>Kodiak Implied After-Tax Net Asset Value Per Share NYMEX Strip Pricing (Low)</b>  | \$ 7.00    | \$ 9.00     | \$ 9.50                                       |

This range of implied net asset values per share for Kodiak was compared to Kodiak's closing share price of \$14.23 on July 11, 2014 and the implied consideration per share in the arrangement of \$13.90 based on the exchange ratio and the Whiting share price of \$78.54 on July 11, 2014.

***Relative Valuation Analysis***

Based upon the implied equity values for Whiting and the implied equity values for Kodiak calculated in its Public Companies Analysis, and the implied equity values for Whiting and the implied equity values for Kodiak

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calculated in its Net Asset Value Analysis described above, J.P. Morgan calculated an implied range of exchange ratios. For each comparison, J.P. Morgan compared the highest equity value for Whiting to the lowest equity value for Kodiak to derive the lowest implied exchange ratio for the Kodiak securityholders implied by each set of reference ranges. J.P. Morgan also compared the lowest equity value for Whiting to the highest equity value for Kodiak to derive the highest implied exchange ratio for the Kodiak securityholders implied by each set of reference ranges. With respect to its Net Asset Value Analysis of Whiting and Kodiak, J.P. Morgan then also calculated implied exchange ratios by comparing the lowest equity value for Whiting to the highest equity value for Kodiak with incremental synergy value. The implied ranges of the exchange ratio resulting from this analysis were:

|   | Implied Exchange Ratio |        |                                |
|---|------------------------|--------|--------------------------------|
|   | Low                    | High   | With Incremental Synergy Value |
| <b>Public Companies Analysis</b>  |                        |        |                                |
| Equity value to 2014E cash flow   | 0.133x                 | 0.199x | N/A                            |
| Equity value to 2015E cash flow   | 0.148x                 | 0.224x | N/A                            |
| Equity value to 2016E cash flow   | 0.140x                 | 0.230x | N/A                            |
| Firm value to 2014E EBITDAX   | 0.108x                 | 0.193x | N/A                            |
| Firm value to 2015E EBITDAX   | 0.118x                 | 0.216x | N/A                            |
| Firm value to 2016E EBITDAX   | 0.110x                 | 0.206x | N/A                            |
| Firm value to 2014E production  | 0.131x                 | 0.200x | N/A                            |
| Firm value to 2015E production  | 0.115x                 | 0.242x | N/A                            |
| Firm value to 2016E production  | 0.109x                 | 0.236x | N/A                            |
| Firm value to proved reserves   | 0.106x                 | 0.201x | N/A                            |
| <b>Net Asset Value Analysis</b>   |                        |        |                                |
| Pre-tax spot pricing  | 0.155x                 | 0.223x | 0.234x                         |
| Pre-tax NYMEX strip pricing (high)  | 0.149x                 | 0.218x | 0.232x                         |
| Pre-tax NYMEX strip pricing (low)   | 0.153x                 | 0.226x | 0.247x                         |
| After-tax spot pricing  | 0.157x                 | 0.232x | 0.245x                         |
| After-tax NYMEX strip pricing (high)  | 0.149x                 | 0.226x | 0.239x                         |
| After-tax NYMEX strip pricing (low)   | 0.154x                 | 0.243x | 0.257x                         |
| The implied ranges of the exchange ratio for the Kodiak securityholders were compared to the proposed arrangement exchange ratio of 0.177x. |                        |        |                                |

**Illustrative Implied Value Creation Analysis**

For reference purposes only, J.P. Morgan conducted an illustrative analysis of the theoretical value creation to the Whiting stockholders that compared the estimated implied equity value of Whiting on a standalone basis (based on the midpoint value determined in J.P. Morgan's Net Asset Value Analysis based on spot pricing described above) to the implied equity value of Whiting's shares pro forma for the arrangement. J.P. Morgan calculated the pro forma implied after-tax equity value of Whiting shares based on spot pricing by (1) adding the sum of (a) the implied after-tax equity value of Whiting (based on spot pricing using the midpoint value determined in J.P. Morgan's Net Asset Value Analysis described above), (b) the implied after-tax equity value of Kodiak (based on spot pricing using the midpoint value determined in J.P. Morgan's Net Asset Value Analysis described above) and (c) the estimated present value of the Synergies, (2) subtracting the sum of (a) the estimated present value of transaction fees and expenses relating to



the arrangement and (b) the estimated impact of the arrangement on the tax attributes of Whiting and Kodiak and (3) multiplying such sum of the estimated valuations described above by a factor of 71.5%, representing the approximate pro forma equity ownership of the combined company by the Whiting stockholders. Based on the assumptions described above, this illustrative analysis implied value creation for the Whiting stockholders of approximately 2.8%.

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For reference purposes only, J.P. Morgan also conducted an illustrative analysis of theoretical value creation that compared the estimated implied equity value of Whiting on a standalone basis assuming NYMEX strip pricing through 2018 with prices held flat at \$97.50 per barrel of oil and \$4.50 per Mmbtu thereafter to the implied equity value of Whiting's shares pro forma for the arrangement. J.P. Morgan calculated the pro forma implied after-tax equity value of Whiting shares based on NYMEX strip pricing by (1) adding the sum of (a) the implied after-tax equity value of Whiting assuming NYMEX strip pricing as described above, (b) the implied after-tax equity value of Kodiak assuming NYMEX strip pricing as described above and (c) the estimated present value of the Synergies, (2) subtracting the sum of (a) the estimated present value of transaction fees and expenses relating to the arrangement and (b) the estimated impact of the arrangement on the tax attributes of Whiting and Kodiak and (3) multiplying such sum of the estimated valuations described above by a factor of 71.5%, representing the approximate pro forma equity ownership of the combined company by the Whiting stockholders. Based on the assumptions described above, this illustrative analysis implied value creation for the Whiting stockholders of approximately 2.4%.

For reference purposes only, J.P. Morgan conducted a further illustrative analysis of theoretical value creation that compared the estimated equity value of Whiting on a standalone basis based on market capitalization as of July 11, 2014 to the implied equity value of Whiting's shares pro forma for the arrangement. J.P. Morgan calculated the pro forma implied equity value of Whiting shares based on market capitalization by (1) adding the sum of (a) the implied equity value of Whiting based on market capitalization, (b) the implied equity value of Kodiak based on market capitalization and (c) the estimated present value of the Synergies, (2) subtracting the estimated present value of transaction fees and expenses relating to the arrangement and (3) multiplying such sum of the estimated valuations described above by a factor of 71.5%, representing the approximate pro forma equity ownership of the combined company by the Whiting stockholders. Based on the assumptions described above, this illustrative analysis implied value creation for the Whiting stockholders of approximately 1.4%.

There can be no assurance, however, that the Synergies, transaction-related expenses and other impacts referred to above will not be substantially greater or less than those estimated by Whiting's management as described above. J.P. Morgan noted that this illustrative value creation analysis was presented merely for reference purposes only, and was not relied upon for valuation purposes.

***Miscellaneous***

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. Except for Kodiak and Whiting, none of the selected companies reviewed as described in the above summary is identical to Whiting or Kodiak, and none of the selected transactions reviewed was identical to the arrangement. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered

similar to those of Whiting and Kodiak. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of J.P. Morgan's analysis, may be considered similar to the arrangement. The analyses necessarily involve complex

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considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Whiting and Kodiak and the transactions compared to the arrangement.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. J.P. Morgan was selected to advise Whiting with respect to the arrangement on the basis of such experience and its familiarity with Whiting.

For services rendered in connection with the arrangement, Whiting has agreed to pay J.P. Morgan a fee of \$18,000,000, \$3,600,000 of which was payable upon delivery of J.P. Morgan of its opinion and the remainder of which will become payable only if the arrangement is consummated. In addition, Whiting has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan against certain liabilities, including liabilities arising under the Federal securities laws.

During the two years preceding the date of its opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with Whiting and Kodiak for which J.P. Morgan and such affiliates have received customary compensation. Such services during such period have included acting as (i) joint bookrunner for Whiting's offerings of debt securities in September 2013; (ii) lead arranger and bookrunner for the revolving credit facility of a subsidiary of Whiting in October 2012, June 2013 and April 2014; and (iii) co-manager for Kodiak's offerings of debt securities in January 2013 and July 2013. J.P. Morgan and its affiliates have received approximately \$9 million of fees from Whiting during the two years preceding the delivery of J.P. Morgan's opinion in connection with commercial or investment banking relationships with Whiting (other than services rendered in connection with the arrangement). In addition, J.P. Morgan's affiliate is an agent bank and a lender under an outstanding revolving credit facility of a subsidiary of Whiting, for which it receives customary compensation or other financial benefits. J.P. Morgan anticipates that it and its affiliates will arrange and/or provide financing to Whiting related to the arrangement for customary compensation. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of Whiting or Kodiak for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities.

## **Opinion of Petrie Partners Securities, LLC to the Kodiak Board**

Petrie Partners has been assisting Kodiak since early 2014 in connection with various potential strategic options and alternatives, including the arrangement. On July 8, 2014, Kodiak and Petrie Partners formalized Petrie Partners engagement letter under which Petrie Partners is acting as financial advisor to Kodiak. On July 13, 2014, at a meeting of the Kodiak board of directors, Petrie Partners rendered its oral opinion, subsequently confirmed by delivery of a written opinion, that, as of July 13, 2014 and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the exchange ratio was fair, from a financial point of view, to the shareholders of Kodiak.

**The full text of the written opinion of Petrie Partners, dated as of July 13, 2014, is attached as Annex H to this joint proxy statement/circular and sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion (which are also summarized below). You are urged to read the opinion carefully and in its entirety. Petrie Partners' opinion was addressed to, and provided for the information and benefit of, the Kodiak board of directors in connection with its evaluation of whether the exchange ratio was fair, from a financial point of view, to the shareholders of Kodiak. Petrie Partners' opinion does not address the fairness of the proposed**

**arrangement, or any consideration received in connection with the**

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**proposed arrangement, to the creditors or other constituencies of Kodiak, nor does it address the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Kodiak, or any class of such persons, whether relative to the exchange ratio or otherwise. Petrie Partners assumed that any modification to the structure of the arrangement would not vary in any respect material to its analysis. Petrie Partners' opinion does not address the relative merits of the arrangement as compared to any other alternative business transaction or strategic alternative that might be available to Kodiak, nor does it address the underlying business decision of Kodiak to engage in the arrangement. Petrie Partners' opinion does not constitute a recommendation to the Kodiak board of directors or to any other persons in respect of the arrangement, including as to how any holder of shares of voting common stock of Kodiak should act or vote in respect of any of the transactions contemplated by the arrangement agreement. Finally, Petrie Partners did not express any opinion as to the price at which shares of Kodiak or Whiting common stock will trade at any time.**

In connection with rendering its opinion and performing its related financial analysis, Petrie Partners, among other things:

reviewed certain publicly available business and financial information relating to Kodiak and Whiting, including, without limitation, (i) Annual Reports on Form 10-K and related audited financial statements of Kodiak and Whiting for the fiscal year ended December 31, 2013 and (ii) the Quarterly Reports for Kodiak and Whiting on Form 10-Q and related unaudited financial statements for the fiscal quarter ended March 31, 2014;

reviewed published analyst reports by independent equity research analysts with respect to the future financial performance and price targets of Kodiak and Whiting;

reviewed certain non-public projected financial and operating data relating to Kodiak and Whiting prepared and furnished to Petrie Partners by the respective management teams and staffs of Kodiak and Whiting as further described in Certain Unaudited Internal Financial and Operating Forecasts ;

reviewed certain estimates of Kodiak's oil and gas reserves, including (i) estimates of proved reserves prepared by Netherland, Sewell & Associates, Inc. ( NSAI ), as of December 31, 2013, and (ii) estimates of proved developed producing and development reserves prepared by the management and staff of Kodiak as of July 1, 2014;

reviewed certain estimates of Whiting's oil and gas reserves, including (i) estimates of proved, probable and possible reserves prepared by Cawley, Gillespie & Associates, Inc. ( CGA ), as of December 31, 2013 and (ii) estimates of proved, probable and possible reserves and potential resources prepared by the management and staff of Whiting as of July 1, 2014;

discussed current operations, financial positioning and future prospects of Kodiak and Whiting with the respective management teams of Kodiak and Whiting;

reviewed historical market prices and trading histories of Kodiak common stock and Whiting common stock;

compared recent stock market capitalization indicators for Kodiak and Whiting with recent stock market capitalization indicators for certain similar publicly-traded independent energy companies;

compared the financial terms of the merger included in the arrangement (referred to herein as the merger ) with the financial terms of similar transactions that it deemed relevant;

participated in certain discussions and negotiations among the representatives of Kodiak and its legal advisors and Whiting and its financial and legal advisors;

reviewed the arrangement agreement; and

reviewed such other financial studies and analyses and performed such other investigations and took into account such other matters as it deemed necessary and appropriate.

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In rendering its opinion, upon the advice of Kodiak and Whiting, Petrie Partners assumed and relied upon, without assuming any responsibility or liability for or independently verifying the accuracy or completeness of, all of the information publicly available and all of the information supplied or otherwise made available to Petrie Partners by Kodiak and Whiting. Petrie Partners further relied upon the assurances of representatives of the respective managements of Kodiak and Whiting that they were unaware of any facts that would make the information provided to Petrie Partners incomplete or misleading in any material respect. With respect to projected financial and operating data, Petrie Partners assumed, upon the advice of Kodiak and Whiting, that such data have been prepared in a manner consistent with historical financial and operating data and reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the managements and staffs of Kodiak and Whiting relating to the future financial and operational performance of Kodiak and Whiting, respectively. Petrie Partners expressed no view as to any projected financial and operating data relating to Kodiak and Whiting or the assumptions on which they were based.

With respect to the estimates of oil and gas reserves and potential resources, Petrie Partners assumed, upon the advice of Kodiak and Whiting, that they were prepared in a manner consistent with historical estimates of oil and gas reserves and potential resources and reasonably prepared on bases reflecting the best available estimates and good faith judgments of the managements and staffs of Kodiak and Whiting (and NSAI and CGA, as applicable) relating to the oil and gas properties of Kodiak and Whiting, respectively. Petrie Partners expressed no view as to any reserve or potential resource data relating to Kodiak and Whiting or the assumptions on which they were based.

Petrie Partners did not make an independent evaluation or appraisal of the assets or liabilities of Kodiak or Whiting, nor, except for the estimates of oil and gas reserves, potential resources and prospects referred to above, was Petrie Partners furnished with any such evaluations or appraisals, nor did Petrie Partners evaluate the solvency or fair value of Kodiak or Whiting under any state, provincial, United States federal or Canadian laws relating to bankruptcy, insolvency or similar matters. In addition, Petrie Partners did not assume any obligation to conduct, nor did Petrie Partners conduct, any physical inspection of the properties or facilities of Kodiak or Whiting.

For purposes of rendering its opinion, Petrie Partners assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the arrangement agreement were true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the arrangement agreement and that all conditions to consummation of the arrangement will be satisfied without material waiver or modification of the arrangement agreement. Petrie Partners further assumed, upon the advice of Kodiak, that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the arrangement will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on Kodiak or Whiting or on the consummation of the arrangement or that would materially reduce the benefits of the arrangement to Kodiak.

Petrie Partners' opinion relates solely to the fairness, from a financial point of view, of the exchange ratio to the shareholders of Kodiak. Petrie Partners did not express any view on, and its opinion does not address, the fairness of the proposed arrangement to, or any consideration received in connection therewith by, any creditors or other constituencies of Kodiak, nor the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Kodiak, or any class of such persons, whether relative to the exchange ratio or otherwise. Petrie Partners assumed that any modification to the structure of the arrangement would not vary in any material respect from what was assumed in its analysis. Petrie Partners' advisory services and the opinion expressed herein were provided for the information and benefit of the board of directors of Kodiak in connection with its consideration of the transactions contemplated by the arrangement agreement, and Petrie Partners' opinion does not constitute a recommendation to any holder of Kodiak common stock as to how such holder should vote with respect to any of the transactions contemplated by the arrangement agreement. The issuance of this opinion was approved by the



Opinion Committee of Petrie Partners Securities, LLC. Petrie Partners opinion does not address the relative merits of the arrangement as compared to any alternative business

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transaction or strategic alternative that might be available to Kodiak, nor does it address the underlying business decision of Kodiak to engage in the arrangement. Petrie Partners was not asked to consider, and its opinion does not address, the tax consequences of the arrangement to any particular shareholder of Kodiak, or the prices at which Kodiak common stock or Whiting common stock will actually trade at any time, including following the announcement or consummation of the arrangement. Petrie Partners did not render any legal, accounting, tax or regulatory advice and understands that Kodiak is relying on other advisors as to legal, accounting, tax and regulatory matters in connection with the arrangement.

Petrie Partners acted as financial advisor to Kodiak, and Petrie Partners will receive a fee from Kodiak for its services related to the rendering of its opinion, regardless of the conclusions expressed in its opinion. Kodiak agreed to reimburse Petrie Partners' expenses, and Petrie Partners will be entitled to receive a success fee if the arrangement is consummated. In addition, Kodiak has agreed to indemnify Petrie Partners for certain liabilities possibly arising out of Petrie Partners' engagement. During the two-year period prior to the date of its opinion, no material relationship existed between Petrie Partners and its affiliates, on the one hand, and Kodiak or Whiting and their respective affiliates, on the other hand, pursuant to which Petrie Partners or any of Petrie Partners' affiliates received compensation as a result of such relationship. Petrie Partners may provide financial or other services to Kodiak and Whiting in the future and in connection with any such services may receive customary compensation for such services. Furthermore, in the ordinary course of business, Petrie Partners or its affiliates may trade in the debt or equity securities of Kodiak and Whiting for their own accounts and, accordingly, may at any time hold long or short positions in such securities.

Petrie Partners' opinion was rendered on the basis of conditions in the securities markets and the oil and gas markets as they existed and could be evaluated on July 13, 2014 and the conditions and prospects, financial and otherwise, of Kodiak and Whiting as they were represented to Petrie Partners as of July 13, 2014 or as they were reflected in the materials and discussions described above. Regardless of any subsequent developments, Petrie Partners does not have any obligation to update, revise or reaffirm its opinion.

Set forth below is a summary of the material financial analyses performed and reviewed by Petrie Partners with the Kodiak board of directors in connection with rendering its oral opinion on July 13, 2014 and the preparation of its written opinion letter dated July 13, 2014. Each analysis was provided to the Kodiak board of directors. In connection with arriving at its opinion, Petrie Partners considered all of its analyses as a whole, and the order of the analyses described and the results of these analyses do not represent any relative importance or particular weight given to these analyses by Petrie Partners. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data (including the closing prices for the common stock of Kodiak and Whiting) that existed on July 13, 2014, and is not necessarily indicative of current market conditions.

**The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to understand fully the financial analyses performed by Petrie Partners. The tables alone do not constitute a complete description of the financial analyses performed by Petrie Partners. Considering the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Petrie Partners' financial analyses.**

***Reference Value Analyses***

Petrie Partners performed a series of analyses to derive a range of implied exchange ratios by utilizing the following methodologies to arrive at per share equity value reference ranges for Kodiak and Whiting.



**Table of Contents****Discounted Cash Flow Analysis**

Petrie Partners performed a discounted cash flow analysis of Kodiak's and Whiting's respective projected future cash flows to determine indicative reference values of Kodiak's and Whiting's respective common stock based on the present value of the future after-tax cash flows expected to be generated from, for Kodiak, Kodiak's proved developed producing and development reserves based on the Kodiak's internal estimates and, for Whiting, Whiting's proved, probable and possible reserves, and potential resources based on Whiting's internal estimates.

Petrie Partners evaluated four scenarios in which the principal variable was oil and gas prices. The four price case scenarios represent long-term potential future benchmark prices per barrel of oil and MMBtu of natural gas. Adjustments were made to these prices to reflect location and quality differentials. One scenario was based on NYMEX 5-year strip pricing as of July 11, 2014 for the calendar years 2014 through 2018, escalated annually at the rate of 3% thereafter. Benchmark prices for the other three scenarios were based on \$80.00, \$90.00 and \$100.00 per barrel of oil, respectively, and \$3.50, \$4.00 and \$4.50 per MMBtu for gas, respectively, and were escalated annually starting in 2015 at the rate of 3%. Applying various after-tax discount rates ranging from 7.0% to 17.5%, depending on reserve category and geographic location, to the after-tax cash flows of the proved and non-proved reserve estimates, and adjusting for the present value of future estimated general and administrative expenses, commodity derivatives, other assets and liabilities, long-term debt and net working capital as of March 31, 2014, Petrie Partners determined the following implied equity value reference ranges per share of Kodiak and Whiting common stock. Using these implied equity value reference ranges, Petrie Partners calculated a range of implied exchange ratios by dividing the lowest implied per share equity value for Kodiak by the highest implied per share equity value for Whiting, and vice versa.

|   | NYMEX Strip<br>(July 11, 2014) |          | \$80.00 Oil & \$3.50<br>Gas |          | \$90.00 Oil & \$4.00<br>Gas |          | \$100.00 Oil &<br>\$4.50<br>Gas |           |
|---|--------------------------------|----------|-----------------------------|----------|-----------------------------|----------|---------------------------------|-----------|
|   | Low                            | High     | Low                         | High     | Low                         | High     | Low                             | High      |
| Kodiak Implied<br>Equity Value<br>\$/Share  | \$ 8.24                        | \$ 11.66 | \$ 6.62                     | \$ 9.91  | \$ 11.22                    | \$ 15.25 | \$ 15.74                        | \$ 20.56  |
| Whiting Implied<br>Equity Value<br>\$/Share | \$ 48.12                       | \$ 67.59 | \$ 40.61                    | \$ 58.72 | \$ 61.81                    | \$ 87.28 | \$ 85.30                        | \$ 117.16 |
| Implied Exchange<br>Ratio                   | 0.1219                         | 0.2423   | 0.1128                      | 0.2439   | 0.1285                      | 0.2468   | 0.1344                          | 0.2411    |

**Comparable Transaction Analysis**

Petrie Partners reviewed publicly-available information for 21 oil and gas transactions announced between November 2010 and July 2014 that included assets in the Williston Basin and had a value greater than \$100 million for which at least one of the following metrics was publicly disclosed: reserves, production or acreage. Petrie Partners reviewed all transactions with publicly-available information that it deemed to have certain characteristics that are similar to those of Kodiak, although Petrie Partners noted that none of the reviewed transactions or the companies that participated in the selected transactions, except for Kodiak and Whiting, were directly comparable to the merger or Kodiak.



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Set forth below is a summary table that analyzes the implied purchase metrics in these transactions. This summary was presented by Petrie Partners to the Kodiak board of directors:

| <b>Unadjusted Transaction Metrics<br/>2010-2014</b>             |                        |                   |
|---|------------------------|-------------------|
| Number of Transactions  | <b>10</b>              | <b>21</b>         |
| Transaction Value to  | <b>Proved Reserves</b> | <b>Production</b> |
|   | <i>(\$/Boe)</i>        | <i>(\$/Boepd)</i> |
| <i>Maximum</i>  | \$36.16                | \$280,303         |
| <i>Mean</i>   | \$26.40                | \$161,048         |
| <i>Median</i>   | \$27.07                | \$138,095         |
| <i>Minimum</i>  | \$15.20                | \$78,333          |
| <b>Adjusted Transaction Metrics<sup>(1)</sup><br/>2010-2014</b> |                        |                   |
| Number of Transactions  | <b>10</b>              | <b>21</b>         |
| Transaction Value to  | <b>Proved Reserves</b> | <b>Production</b> |
|   | <i>(\$/Boe)</i>        | <i>(\$/Boepd)</i> |
| <i>Maximum</i>  | \$37.03                | \$314,569         |
| <i>Mean</i>   | \$25.87                | \$165,808         |
| <i>Median</i>   | \$25.47                | \$133,635         |
| <i>Minimum</i>  | \$14.60                | \$92,132          |

- (1) Unadjusted transaction metrics represent the figures that were publicly disclosed by the parties. For the adjusted transaction metrics, Petrie Partners adjusted reserve and production metrics to reflect current NYMEX 12-month strip pricing of \$97.78 per Bbl and \$4.14 per MMBtu as of July 11, 2014. Furthermore, Petrie Partners assumed 90% oil / 10% gas weighting (on a Boe basis) on the eight Williston Basin transactions with undisclosed production hydrocarbon mix.

**Table of Contents*****Precedent Transactions for Kodiak***

The following table contains the list of the comparable transactions that are summarized and analyzed in the table above. This information is being presented supplementally in this joint proxy statement/circular, even though Petrie Partners did not provide the Kodiak board of directors with the list itself.

| <b>Date Announced</b> | <b>Buyer</b>                        | <b>Seller</b>                    |
|-----------------------|-------------------------------------|----------------------------------|
| 05/15/14              | Triangle Petroleum Corporation      | Undisclosed                      |
| 02/14/14              | Undisclosed                         | Oasis Petroleum Inc.             |
| 01/30/14              | Liberty Resources II, LLC           | Undisclosed                      |
| 09/05/13              | Oasis Petroleum Inc.                | Zenergy, Inc.                    |
| 08/27/13              | Whiting Petroleum Corporation       | Undisclosed                      |
| 06/03/13              | Kodiak Oil & Gas Corp.              | Liberty Resources II, LLC        |
| 11/07/12              | Continental Resources, Inc.         | Samson Oil & Gas Limited         |
| 10/22/12              | Halcón Resources Corporation        | Petro-Hunt, L.L.C.               |
| 09/20/12              | Exxon Mobil Corporation             | Denbury Resources Inc.           |
| 08/23/12              | QEP Resources, Inc.                 | Helis Oil & Gas Co., LLC         |
| 04/18/12              | Magnum Hunter Resources Corporation | Baytex Energy Corp.              |
| 03/28/12              | Continental Resources, Inc.         | Wheatland Enterprises Inc.       |
| 02/22/12              | Continental Resources, Inc.         | Undisclosed                      |
| 11/14/11              | Kodiak Oil & Gas Corp.              | North Plains Energy, LLC         |
| 09/28/11              | Kodiak Oil & Gas Corp.              | Undisclosed                      |
| 08/31/11              | Crescent Point Energy Corp.         | Undisclosed                      |
| 04/28/11              | LINN Energy, LLC                    | Undisclosed                      |
| 02/28/11              | LINN Energy, LLC                    | Concho Resources Inc.            |
| 12/10/10              | Occidental Petroleum Corporation    | Anschutz Exploration Corporation |
| 11/22/10              | Hess Corporation                    | TRZ Energy, LLC                  |
| 11/15/10              | Williams Companies Inc.             | Zenergy, Inc.                    |

In the table above, transaction party names shown as Undisclosed have not been disclosed in public announcements, press releases or otherwise, although certain of the financial terms and operational statistics of the transactions are publicly available. Despite involving certain Undisclosed parties, Petrie Partners included these relevant transactions because Petrie Partners considered the implied purchase price metrics in its review and believed they were relevant and beneficial to the comparable transaction analyses.

Based on the multiples implied by these transactions and Petrie Partners judgment on the comparability of each transaction versus the assets of Kodiak, Petrie Partners applied relevant transaction multiples to Kodiak's assets to calculate an implied equity value reference range per share of Kodiak common stock. With respect to Kodiak, Petrie Partners applied transaction multiples ranging from \$25.00 to \$35.00 per BOE of proved reserves and \$140,000 to \$170,000 per BOE/d. Based on the application of these transaction multiples, the estimated value of other assets and liabilities and adjusting for long-term debt and net working capital as of March 31, 2014, Petrie Partners determined an implied equity value reference range of \$8.34 to \$13.07 per share of Kodiak common stock.

***Precedent Transactions for Whiting***

Petrie Partners reviewed selected publicly-available information for 39 regional oil and gas transactions announced between August 2010 and July 2014 in the Williston and Niobrara plays, as well as enhanced oil recovery projects, all

of which had a value greater than \$20 million and at least one of the following metrics had been publicly disclosed: reserves, production or acreage. Petrie Partners also reviewed 9 transactions involving gas processing plants that had a value greater than \$50 million. Petrie Partners reviewed all transactions with publicly-available information that it deemed to have certain characteristics that are similar to those of Whiting, although Petrie Partners noted that none of the reviewed transactions or the selected companies that participated



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in the selected transactions, except for Kodiak and Whiting, were directly comparable to the merger or Whiting. Petrie Partners provided the following tabular information to the Kodiak board of directors, which summarizes and analyzes the information relating to these comparable asset transactions, but did not provide the Kodiak board of directors with the list itself.

|                        | Unadjusted Transaction Metrics |            |                 |            |                 |            |            |
|------------------------|--------------------------------|------------|-----------------|------------|-----------------|------------|------------|
|                        | Williston                      |            | Niobrara        |            | Permian EOR     |            | Gas Plants |
| Number of Transactions | 10                             | 21         | 2               | 8          | 9               | 9          | 9          |
| Transaction Value to   | Proved Reserves                | Production | Proved Reserves | Production | Proved Reserves | Production | EBITDA     |
|                        | (\$/Boe)                       | (\$/Boepd) | (\$/Boe)        | (\$/Boepd) | (\$/Boe)        | (\$/Boepd) | (x)        |
| <i>Maximum</i>         | \$ 36.16                       | \$ 280,303 | \$ 21.43        | \$ 322,780 | \$ 25.64        | \$ 163,636 | 18.3x      |
| <i>Mean</i>            | \$ 26.40                       | \$ 161,048 | \$ 16.38        | \$ 170,646 | \$ 16.41        | \$ 126,386 | 8.8x       |
| <i>Median</i>          | \$ 27.07                       | \$ 138,095 | \$ 16.38        | \$ 148,649 | \$ 13.39        | \$ 117,479 | 7.9x       |
| <i>Minimum</i>         | \$ 15.20                       | \$ 78,333  | \$ 11.32        | \$ 75,000  | \$ 5.42         | \$ 93,411  | 6.3x       |

  

|                        | Adjusted Transaction Metrics <sup>(1)</sup> |            |            |            |                 |            |            |
|------------------------|---|------------|------------|------------|-----------------|------------|------------|
|                        | Williston (Since 2010) <sup>(2)</sup>       |            | Niobrara   |            | Permian EOR     |            | Gas Plants |
| Number of Transactions | 10  | 21         | 2          | 6          | 7               | 7          | 9          |
| Transaction Value to   | Proved Reserves                             | Production | Production | Production | Proved Reserves | Production | EBITDA     |
|                        | (\$/Boe)                                    | (\$/Boepd) | (\$/Boepd) | (\$/Boepd) | (\$/Boe)        | (\$/Boepd) | (x)        |
| <i>Maximum</i>         | \$ 37.03                                    | \$ 314,569 | \$ 19.04   | \$ 319,977 | \$ 27.16        | \$ 163,097 | 18.3x      |
| <i>Mean</i>            | \$ 25.87                                    | \$ 165,808 | \$ 15.53   | \$ 178,690 | \$ 17.49        | \$ 123,014 | 8.8x       |
| <i>Median</i>          | \$ 25.47                                    | \$ 133,635 | \$ 15.53   | \$ 175,329 | \$ 13.96        | \$ 118,566 | 7.9x       |
| <i>Minimum</i>         | \$ 14.60                                    | \$ 92,132  | \$ 12.02   | \$ 71,120  | \$ 8.80         | \$ 97,403  | 6.3x       |

(1) Unadjusted transaction metrics represent the figures that were publicly disclosed by the parties. For the adjusted transaction metrics, Petrie Partners adjusted reserve and production metrics to reflect current NYMEX 12-month strip pricing of \$97.78 per Bbl and \$4.14 per MMBtu as of July 11, 2014.

(2) Petrie Partners assumed 90% oil / 10% gas weighting (on a Boe basis) on the eight Williston Basin transactions with undisclosed production hydrocarbon mix.

The following table contains the list of the comparable transactions that are summarized and analyzed in the table above. This information is being presented supplementally in this joint proxy statement/circular, even though Petrie Partners did not provide the Kodiak board of directors with the list itself.

**Date****Announced****Williston Basin**

05/15/14

Triangle Petroleum Corporation

Undisclosed

02/14/14

Undisclosed

Oasis Petroleum Inc.

01/30/14

Liberty Resources II, LLC

Undisclosed

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|          |                                     |                            |
|----------|-------------------------------------|----------------------------|
| 09/05/13 | Oasis Petroleum Inc.                | Zenergy, Inc.              |
| 08/27/13 | Whiting Petroleum Corporation       | Undisclosed                |
| 06/03/13 | Kodiak Oil & Gas Corp.              | Liberty Resources II, LLC  |
| 11/07/12 | Continental Resources, Inc.         | Samson Oil & Gas Limited   |
| 10/22/12 | Halcón Resources Corporation        | Petro-Hunt, L.L.C.         |
| 09/20/12 | Exxon Mobil Corporation             | Denbury Resources Inc.     |
| 08/23/12 | QEP Resources, Inc.                 | Helis Oil & Gas Co., LLC   |
| 04/18/12 | Magnum Hunter Resources Corporation | Baytex Energy Corp.        |
| 03/28/12 | Continental Resources, Inc.         | Wheatland Enterprises Inc. |
| 02/22/12 | Continental Resources, Inc.         | Undisclosed                |

**Table of Contents****Date****Announced**

|          | <b>Buyer</b>                     | <b>Seller</b>                    |
|----------|----------------------------------|----------------------------------|
| 11/14/11 | Kodiak Oil & Gas Corp.           | North Plains Energy, LLC         |
| 09/28/11 | Kodiak Oil & Gas Corp.           | Undisclosed                      |
| 08/31/11 | Crescent Point Energy Corp.      | Undisclosed                      |
| 04/28/11 | LINN Energy, LLC                 | Undisclosed                      |
| 02/28/11 | LINN Energy, LLC                 | Concho Resources Inc.            |
| 12/10/10 | Occidental Petroleum Corporation | Anschutz Exploration Corporation |
| 11/22/10 | Hess Corporation                 | TRZ Energy, LLC                  |
| 11/15/10 | Williams Companies Inc.          | Zenergy, Inc.                    |

**Niobrara**

|          |  |                                   |
|----------|--|-----------------------------------|
| 05/26/14 | Undisclosed                              | Sundance Energy Australia Limited |
| 05/22/14 | Bonanza Creek Energy, Inc.               | DJ Resources LLC                  |
| 01/22/14 | PEDEVCO Corp.                            | Undisclosed                       |
| 10/26/12 | Synergy Resources Corporation            | Orr Energy LLC                    |
| 10/25/12 | Haimo Oil & Gas LLC                      | Carrizo Oil & Gas, Inc.           |
| 10/04/12 | Indian Oil Corp. Ltd., Oil India Limited | Carrizo Oil & Gas, Inc.           |
| 05/14/12 | PDC Energy, Inc.                         | Merit Energy Company              |
| 07/13/11 | Bill Barrett Corporation                 | Texas American Resources, LLC     |

**Enhanced Oil Recovery**

|          |                                 |                               |
|----------|---------------------------------|-------------------------------|
| 05/07/14 | Atlas Resource Partners, L.P.   | Undisclosed                   |
| 05/05/14 | Memorial Production Partners LP | Merit Energy Company          |
| 03/03/14 | Mid-Con Energy Partners, LP     | Mid-Con Energy III, LLC       |
| 06/24/13 | BreitBurn Energy Partners L.P.  | Whiting Petroleum Corporation |
| 10/15/12 | Mid-Con Energy Partners, LP     | Samson Oil & Gas Limited      |
| 06/04/12 | Trinity CO <sub>2</sub> LLC     | SandRidge Energy, Inc.        |
| 05/01/12 | Denbury Resources Inc.          | Undisclosed                   |
| 04/11/12 | Resolute Energy Corporation     | Denbury Resources Inc.        |
| 02/25/11 | Linc Energy Ltd                 | Rancher Energy Corp.          |

**Gas Processing Plants**

|          |                                     |   |
|----------|-------------------------------------|---|
| 05/08/14 | MarkWest Energy Partners, L.P.      | Chesapeake Energy Corporation   |
| 04/16/13 | Atlas Pipeline Partners, L.P.       | TEAK Midstream LLC  |
| 08/01/12 | Western Gas Partners, LP            | Anadarko Petroleum Corporation  |
| 06/01/12 | American Midstream Partners, LP     | Quantum Resources Limited   |
| 05/07/12 | MarkWest Energy Partners, L.P.      | Rex Energy Corporation, Stonehenge Energy Resources, L.P., Sumitomo Corporation |
| 03/22/12 | Magnum Hunter Resources Corporation | TransTex Gas Services, LP   |
| 12/15/11 | Western Gas Partners, LP            | Anadarko Petroleum Corporation  |
| 07/05/11 | Western Gas Partners, LP            | Anadarko Petroleum Corporation  |
| 08/02/10 | Western Gas Partners, LP            | Anadarko Petroleum Corporation  |

In the table above, transaction party names shown as Undisclosed have not been disclosed in public announcements, press releases or otherwise, although certain of the financial terms and operational statistics of the transactions are publicly available. Despite involving certain Undisclosed parties, Petrie Partners included these relevant transactions because Petrie Partners considered the implied purchase price metrics in its review and believed they were relevant and beneficial to the comparable transaction analyses.

Based on the multiples implied by these transactions and Petrie Partners' judgment on the comparability of each transaction versus the assets of Whiting, Petrie Partners applied relevant transaction multiples to Whiting's assets to calculate an implied equity value reference range per share of Whiting common stock. With respect to Whiting's oil and gas assets, Petrie Partners applied transaction multiples ranging from \$15.00 to \$35.00 per BOE of proved reserves and \$100,000 to \$325,000 per BOE/d of production. With respect to Whiting's Robinson Lake gas processing plant, Petrie Partners applied transaction multiples ranging from 8.5x to 10.0x estimated

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normalized annual earnings before interest, taxes, depreciation and amortization ( EBITDA ). With respect to Whiting's other oil and gas assets, Petrie Partners utilized the values indicated by its discounted cash flow analysis methodology, assuming NYMEX Strip pricing and using after-tax discount rates ranging from 7.0% to 10.0%.

Based on the application of these transaction multiples, the estimated value of other assets and liabilities and adjusting for long-term debt and net working capital, as of March 31, 2014, Petrie Partners determined an implied equity value reference range of \$64.80 to \$89.06 per share of Whiting common stock. Finally, Petrie Partners divided the lowest Kodiak per share implied equity value by the highest Whiting per share implied equity value, and vice versa, to determine a range of implied exchange ratios of 0.0936 to 0.2016 shares of Whiting common stock per share of Kodiak common stock.

Petrie Partners also reviewed 39 selected transactions with publicly-available information for oil and gas corporate transactions announced between February 2004 and May 2014 in which the acquired or target company was an exploration and production company with oil and gas assets in the United States, although Petrie Partners noted that none of the selected transactions or the companies that participated in the selected transactions were directly comparable to the merger or Kodiak or Whiting.

***Precedent Transactions Oil & Gas Corporate Transactions*****Date**

| <b>Announced</b> | <b>Acquiring Company</b>                | <b>Target Company</b>                   |
|------------------|---|---|
| 05/06/14         | Forest Oil Corporation                  | Sabine Oil & Gas LLC                    |
| 03/12/14         | Energy XXI (Bermuda) Limited            | EPL Oil & Gas, Inc.                     |
| 04/30/13         | Contango Oil & Gas Company              | Crimson Exploration, Inc.               |
| 02/21/13         | LinnCo LLC                              | Berry Petroleum Company                 |
| 12/05/12         | Freeport-McMoRan, Inc.                  | McMoRan Exploration Company             |
| 12/05/12         | Freeport-McMoRan, Inc.                  | Plains Exploration & Production Company |
| 04/24/12         | Halcón Resources Corporation            | GeoResources, Inc.                      |
| 02/02/12         | SandRidge Energy, Inc.                  | Dynamic Offshore Resources, LLC         |
| 01/16/12         | Denver Parent Corporation               | Venoco, Inc.                            |
| 10/17/11         | Statoil ASA                             | Brigham Exploration Company             |
| 07/14/11         | BHP Billiton Limited                    | Petrohawk Energy Corporation            |
| 11/09/10         | Chevron Corporation                     | Atlas Energy, Inc.                      |
| 04/15/10         | Apache Corporation                      | Mariner Energy, Inc.                    |
| 04/04/10         | SandRidge Energy, Inc.                  | Arena Resources, Inc.                   |
| 12/13/09         | ExxonMobil Corporation                  | XTO Energy                              |
| 11/01/09         | Denbury Resources Inc.                  | Encore Acquisition Company              |
| 09/15/09         | Apollo Management, LP                   | Parallel Petroleum Corporation          |
| 04/27/09         | Atlas America, Inc.                     | Atlas Energy Resources, LLC             |
| 04/30/08         | Stone Energy Corporation                | Bois d'Arc Energy, Inc.                 |
| 07/17/07         | Plains Exploration & Production Company | Pogo Producing Company                  |
| 01/07/07         | Forest Oil Corporation                  | The Houston Exploration Company         |
| 06/23/06         | Anadarko Petroleum Corporation          | Western Gas Resources, Inc.             |
| 06/23/06         | Anadarko Petroleum Corporation          | Kerr-McGee Corporation                  |

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|          |                                  |                               |
|----------|----------------------------------|-------------------------------|
| 04/21/06 | Petrohawk Energy Corporation     | KCS Energy Inc.               |
| 01/23/06 | Cal Dive International, Inc.     | Remington Oil & Gas Corp.     |
| 12/12/05 | ConocoPhillips                   | Burlington Resources, Inc.    |
| 10/13/05 | Occidental Petroleum Corporation | Vintage Petroleum Inc.        |
| 09/19/05 | Norsk Hydro ASA                  | Spinnaker Exploration Company |

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| <b>Announced</b> | <b>Acquiring Company</b>                | <b>Target Company</b>               |
|------------------|---|-------------------------------------|
| 07/01/05         | Santos International Holdings Pty Ltd.  | Tipperary Corporation               |
| 04/04/05         | Chevron Corporation                     | Unocal Corporation                  |
| 04/04/05         | Petrohawk Energy Corporation            | Mission Resources Corp.             |
| 01/26/05         | Cimarex Energy Co.                      | Magnum Hunter Resources Corporation |
| 12/16/04         | Noble Energy, Inc.                      | Patina Oil & Gas Corporation        |
| 06/09/04         | Petro-Canada                            | Prima Energy Corporation            |
| 05/23/04         | Forest Oil Corporation                  | The Wiser Oil Company               |
| 05/04/04         | Pioneer Natural Resources Co.           | Evergreen Resources Inc.            |
| 04/15/04         | EnCana Corporation                      | Tom Brown Inc.                      |
| 04/07/04         | Kerr-McGee Corporation                  | Westport Resources Corp.            |
| 02/12/04         | Plains Exploration & Production Company | Nuevo Energy Company                |

For each of the precedent corporate transactions, Petrie Partners calculated the following:

Purchase Price/Current Year Discretionary Cash Flow, which is defined as the total purchase price paid by the acquiring company for the equity of the target ( purchase price ), divided by discretionary cash flow for the calendar year in which the transaction occurred ( current year discretionary cash flow );

Purchase Price/Forward Year Discretionary Cash Flow, which is defined as the purchase price, divided by an estimate of discretionary cash flow for the calendar year following the year in which the transaction occurred ( forward year discretionary cash flow );

Total Investment/Current Year EBITDA, which is defined as the total investment made by the acquiring company including purchase price of common equity plus the assumption of target company net indebtedness ( Total Investment ), divided by EBITDA, for the calendar year in which the transaction occurred ( current year EBITDA );

Total Investment/Forward Year EBITDA, which is defined as total investment divided by estimated EBITDA for the calendar year following the year in which the transaction occurred ( forward year EBITDA );

Total Investment/Proved Reserves, which is defined as total investment divided by proved reserves as of the latest published reserve report from the date of the transaction ( proved reserves ); and

Total Investment/Current Production, which is defined as total investment divided by the most recent publicly available average daily production figure before the date of the transaction ( current production ).

Petrie Partners applied the relevant multiples to Kodiak's and Whiting's respective estimated discretionary cash flow for calendar years 2014 and 2015, estimated EBITDA for calendar years 2014 and 2015, proved reserves as of December 31, 2013 and the latest current net production publicly disclosed prior to July 13, 2014.

The minimum, mean, median and maximum transaction multiples implied for each benchmark for the precedent transactions are set forth below.

| <b>Measure</b>   | <b>Minimum</b> | <b>Mean</b> | <b>Median</b> | <b>Maximum</b> |
|--|----------------|-------------|---------------|----------------|
| Purchase Price/Current Year Discretionary Cash Flow (\$MM) | 2.1x           | 6.7x        | 6.2x          | 17.7x          |
| Purchase Price/Forward Year Discretionary Cash Flow (\$MM) | 2.1x           | 5.6x        | 5.7x          | 11.0x          |
| Total Investment/Current Year EBITDA (\$MM)                | 3.5x           | 7.6x        | 7.3x          | 20.0x          |
| Total Investment/Forward Year EBITDA (\$MM)                | 3.3x           | 6.4x        | 6.3x          | 14.6x          |
| Total Investment/Proved Reserves (\$/BOE)                  | \$ 5.88        | \$ 23.29    | \$ 18.29      | \$ 112.07      |
| Total Investment/Current Production (\$/BOE/d)             | \$ 30,809      | \$ 95,001   | \$ 70,663     | \$ 327,896     |

Petrie Partners also evaluated the premiums paid in connection with the above corporate transactions based on the value of the per share consideration received in the transaction relative to the closing stock price of the



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target company one day, 30 days and 60 days prior to the announcement date of the relevant transaction. The mean and median premiums paid for the precedent transactions are set forth below.

| <b>Period</b> | <b>Minimum</b> | <b>Mean</b> | <b>Median</b> | <b>Maximum</b> |
|---------------|----------------|-------------|---------------|----------------|
| One day prior | (4%)           | 24%         | 21%           | 74%            |
| 30 days prior | (1%)           | 26%         | 23%           | 74%            |
| 60 days prior | (3%)           | 27%         | 26%           | 69%            |

Based upon its review of these transactions, Petrie Partners selected purchase price multiple ranges for Kodiak of 5.5x – 6.5x to estimated current year discretionary cash flow and 4.5x – 5.5x to estimated forward year discretionary cash flow, transaction value multiple ranges of 7.0x – 8.0x to estimated current year EBITDA, 6.0x – 7.0x to estimated forward year EBITDA, \$25.00 – \$35.00 per BOE of proved reserves and \$125,000 – \$150,000 per BOE/d of current production. Petrie Partners selected these multiples for Kodiak based in part on geographic location, historical and estimated operating margins, historical and estimated growth, and its overall judgment of the current transaction market. Petrie Partners also applied relevant premiums ranging from 20% to 35% to the one-day, 30-day and 60-day Kodiak closing prices prior to July 11, 2014. Based on the application of the above transaction multiples and taking into account the premiums paid analysis, Petrie Partners selected an enterprise value reference range of \$5.85 billion to \$7.0 billion. Petrie Partners then adjusted for long-term debt and net working capital as of March 31, 2014 to determine an implied equity value reference range of \$12.99 to \$17.17 per share of Kodiak common stock.

For Whiting, Petrie Partners selected purchase price multiple ranges of 5.0x – 6.0x to estimated current year discretionary cash flow and 4.0x – 5.0x to estimated forward year discretionary cash flow, transaction value multiple ranges of 6.5x – 7.5x to estimated current year EBITDA, 5.5x – 6.5x to estimated forward year EBITDA, \$25.000 – \$30.00 per BOE of proved reserves and \$115,000 – \$130,000 per BOE/d of current production. Petrie Partners selected these multiples for Whiting based in part on geographic location, historical and estimated operating margins, historical and estimated growth, and its overall judgment of the current transaction market. Petrie Partners applied relevant premiums ranging from 20% to 35% to the one-day, 30-day and 60-day Whiting closing prices prior to July 11, 2014. Based on the application of the above transaction multiples and taking into consideration the premiums paid analysis, Petrie Partners selected an enterprise value reference range of \$12 billion to \$15 billion for Whiting. Petrie Partners then adjusted for long-term debt and net working capital as of March 31, 2014 to determine an implied equity value reference range of \$78.22 to \$103.04 per share of Whiting common stock. Finally, Petrie Partners divided the lowest Kodiak per share implied equity value by the highest Whiting per share implied equity value, and vice versa, to determine a range of implied exchange ratios of 0.1236 to 0.2072 shares of Whiting common stock per share of Kodiak common stock.

**Capital Market Comparison Analysis**

Petrie Partners performed a capital market comparison analysis of Kodiak and Whiting by reviewing the market values and trading multiples of the following thirteen publicly-traded companies that Petrie Partners deemed comparable as peer groups for Kodiak and Whiting, as applicable. Petrie Partners identified a sufficient number of companies for purposes of its analysis but may not have included all companies that others might deem similar to Kodiak or Whiting.

**Kodiak Peer Group**  
Continental Resources, Inc.

**Whiting Peer Group**  
Continental Resources, Inc.

|                               |                              |
|-------------------------------|------------------------------|
| Whiting Petroleum Corporation | Cimarex Energy Co.           |
| Newfield Exploration Company  | Denbury Resources Inc.       |
| Oasis Petroleum Inc.          | Newfield Exploration Company |
| Halcón Resources Corporation  | Oasis Petroleum Inc.         |
| Laredo Petroleum, Inc.        | Halcón Resources Corporation |
|                               | Kodiak Oil & Gas Corp.       |

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Although the peer groups were compared to Kodiak and Whiting, as applicable, for purposes of this analysis, except for Kodiak and Whiting, no entity included in the capital market comparison analysis is identical to Kodiak or Whiting because of differences between the business mixes and other characteristics of the peer groups, on the one hand, and Kodiak and Whiting, as applicable, on the other hand. In evaluating the peer groups, Petrie Partners relied on publicly-available filings and equity research analyst estimates. These estimates are based in part on judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of Kodiak and Whiting, such as the impact of competition on the businesses of Kodiak and Whiting, as well as on the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Kodiak and Whiting or the industry or in the markets generally.

All peer group multiples were calculated using closing stock prices on July 11, 2014. Peer group estimates of discretionary cash flow, EBITDA and production were based on publicly available research analyst consensus estimates as of July 11, 2014. Peer group reserves are as of December 31, 2013 as disclosed in publicly-filed year-end annual reports on Form 10-K. For each of the peer group entities, Petrie Partners calculated the following:

Market Value/2014E Discretionary Cash Flow, which is defined as each company's current common stock share price divided by that company's estimated discretionary cash flow per share for the calendar year 2014 ( 2014E discretionary cash flow );

Market Value/2015E Discretionary Cash Flow, which is defined as each company's current common stock share price divided by that company's estimated discretionary cash flow per share for the calendar year 2015 ( 2015E discretionary cash flow );

Enterprise Value/2014E EBITDA, which is defined as market value of equity, plus debt and preferred stock, less cash ( enterprise value ), divided by estimated EBITDA for the calendar year 2014 ( 2014E EBITDA );

Enterprise Value/2015E EBITDA, which is defined as enterprise value divided by estimated EBITDA for the calendar year 2015 ( 2015E EBITDA );

Enterprise Value/Proved Reserves, which is defined as enterprise value divided by proved reserves;

Enterprise Value/2014E Production, which is defined as enterprise value divided by projected average daily production for calendar year 2014 ( 2014E production ); and

Enterprise Value/2015E Production, which is defined as enterprise value divided by projected average daily production for calendar year 2015 ( 2015E production ).

The minimum, mean, median and maximum trading multiples for the Kodiak peer group are set forth below.

**Kodiak Peer Group**

| <b>Measure</b>                               | <b>Minimum</b> | <b>Mean</b> | <b>Median</b> | <b>Maximum</b> |
|--|----------------|-------------|---------------|----------------|
| Market Value/2014E Discretionary Cash Flow   | 4.5x           | 6.1x        | 5.5x          | 8.5x           |
| Market Value/2015E Discretionary Cash Flow   | 3.7x           | 4.9x        | 4.4x          | 6.9x           |
| Enterprise Value/2014E EBITDA                | 5.3x           | 7.4x        | 7.6x          | 9.3x           |
| Enterprise Value/2015E EBITDA                | 4.8x           | 6.2x        | 6.2x          | 7.7x           |
| Enterprise Value/Proved Reserves (\$/BOE)    | \$ 15.10       | \$ 31.31    | \$ 29.23      | \$ 53.88       |
| Enterprise Value/2014E Production (\$/BOE/d) | \$ 71,533      | \$ 142,323  | \$ 156,768    | \$ 195,252     |
| Enterprise Value/2015E Production (\$/BOE/d) | \$ 61,834      | \$ 112,715  | \$ 119,531    | \$ 155,445     |

Based upon its review of the peer group, Petrie Partners selected market value multiple ranges for Kodiak of 5.0x to 5.5x to 2014E discretionary cash flow and 4.0x to 5.0x to 2015E discretionary cash flow, enterprise value multiple ranges of 6.0x to 7.0x to 2014E EBITDA, 5.0x to 6.0x to 2015E EBITDA, \$30.00 to \$35.00 per BOE of

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proved reserves, \$140,000 \$165,000 per BOE/d of 2014E production and \$110,000 \$130,000 per BOE/d of 2015E production.

The minimum, mean, median and maximum trading multiples for the Whiting peer group are set forth below.

| <b>Whiting Peer Group</b>                    |                |             |               |                |
|--|----------------|-------------|---------------|----------------|
| <b>Measure</b>                               | <b>Minimum</b> | <b>Mean</b> | <b>Median</b> | <b>Maximum</b> |
| Market Value/2014E Discretionary Cash Flow   | 4.5x           | 5.8x        | 5.2x          | 8.5x           |
| Market Value/2015E Discretionary Cash Flow   | 3.7x           | 4.9x        | 4.6x          | 6.9x           |
| Enterprise Value/2014E EBITDA                | 6.2x           | 7.5x        | 7.1x          | 9.3x           |
| Enterprise Value/2015E EBITDA                | 5.2x           | 6.3x        | 6.6x          | 7.7x           |
| Enterprise Value/Proved Reserves (\$/BOE)    | \$ 15.10       | \$ 32.06    | \$ 31.33      | \$ 53.88       |
| Enterprise Value/2014E Production (\$/BOE/d) | \$ 71,533      | \$ 138,585  | \$ 153,839    | \$ 195,252     |
| Enterprise Value/2015E Production (\$/BOE/d) | \$ 61,834      | \$ 113,733  | \$ 121,453    | \$ 155,445     |

Based upon its review of the peer group, Petrie Partners selected market value multiple ranges for Whiting of 4.5x 5.5x to 2014E discretionary cash flow and 4.0x 5.0x to 2015E discretionary cash flow, enterprise value multiple ranges of 6.0x 7.0x to 2014E EBITDA, 5.5x 6.5x to 2015E EBITDA, \$25.00 \$30.00 per BOE of proved reserves, \$100,000 \$140,000 per BOE/d of 2014E production and \$85,000 \$125,000 per BOE/d of 2015E production.

From the implied enterprise value reference range for each metric, Petrie Partners determined an implied enterprise value reference range of \$5.5 billion to \$6.5 billion for Kodiak and \$11.5 billion to \$14 billion for Whiting. Petrie Partners then adjusted for long-term debt and net working capital as of March 31, 2014, to determine an implied equity value reference range of \$11.72 to \$15.35 per share of Kodiak common stock and \$74.08 to \$94.77 per share of Whiting common stock. Finally, Petrie Partners divided the lowest Kodiak per share implied equity value by the highest Whiting per share implied equity value, and vice versa, to determine a range of implied exchange ratios of 0.1236 to 0.2072 shares of Whiting common stock per share of Kodiak common stock.

**Going Concern Analysis**

Petrie Partners analyzed the potential standalone financial performances of Kodiak and Whiting, without giving effect to the proposed arrangement, for the fiscal years 2014 2016. These projections were based upon the Case 2 Kodiak forecast and the Whiting forecast (as described in Certain Unaudited Internal Financial and Operating Forecasts ), as well as the reserve projections, in each case as provided by Kodiak s and Whiting s respective managements and staffs and certain assumptions based on discussions with the managements of Kodiak and Whiting regarding Kodiak s and Whiting s potential future operating and financial performance, respectively. The analysis was performed under four separate oil and gas pricing scenarios: NYMEX 5-year strip pricing and 2014 oil and gas prices of \$80.00, \$90.00 and \$100.00 per barrel of oil; and \$3.50, \$4.00 and \$4.50 per MMBtu of gas, respectively, escalated at 3% per year beginning in 2015. For Kodiak, Petrie Partners applied terminal discretionary cash flow multiples of 4.0x, 5.0x and 6.0x to estimated 2016 discretionary cash flow and assumed discount rates ranging from 8.0% to 10.0%. From the equity reference values implied by this analysis, Petrie Partners determined a composite equity value reference range of \$11.50 to \$16.50 per share of Kodiak common stock. For Whiting, Petrie Partners applied terminal discretionary cash flow multiples of 4.0x, 5.0x and 6.0x to estimated 2016 discretionary cash flow and assumed discount rates ranging from 7.0% to 9.0%. From the equity reference values implied by this analysis, Petrie Partners determined a composite equity value reference range of \$75.00 to \$105.00 per share of Whiting common stock. Finally, Petrie Partners divided the lowest Kodiak per share implied equity value by the highest Whiting per share implied equity value, and vice versa, to determine a range of implied exchange ratios of 0.1095 to 0.2200 shares of Whiting common

stock per share of Kodiak common stock.

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The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by Petrie Partners. In connection with the review of the arrangement by the Kodiak board of directors, Petrie Partners performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Petrie Partners opinion. In arriving at its fairness determination, Petrie Partners considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Petrie Partners made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Petrie Partners may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Petrie Partners with respect to the actual value of the common stock of Kodiak or Whiting. No company reviewed or considered in the above analyses for comparison purposes is directly comparable to Kodiak or Whiting, and no transaction reviewed or considered is directly comparable to the merger. Furthermore, Petrie Partners analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or transactions used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Kodiak and Whiting and their respective advisors.

Petrie Partners prepared these analyses solely for the purpose of providing an opinion to the Kodiak board of directors as to the fairness, from a financial point of view, of the exchange ratio to the shareholders of Kodiak. These analyses do not purport to be appraisals or to necessarily reflect the prices at which the business or securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Petrie Partners analyses are inherently subject to substantial uncertainty, and Petrie Partners assumes no responsibility if future results are materially different from those forecasted in such estimates.

The issuance of the fairness opinion was approved by Petrie Partners Opinion Committee. Petrie Partners has given Kodiak its written approval for the filing by Whiting and Kodiak of the fairness opinion with the SEC, as well as for providing the opinion to the stockholders of Whiting and Kodiak, in each case as Annex H to this joint proxy statement/circular.

The exchange ratio was determined through arm's-length negotiations between Kodiak and Whiting and was approved by the Kodiak board of directors. Petrie Partners provided advice to the Kodiak board of directors during these negotiations. Petrie Partners did not, however, recommend any specific exchange ratio to the Kodiak board of directors or Kodiak or that any specific exchange ratio constituted the only appropriate consideration for the arrangement. Petrie Partners opinion to the Kodiak board of directors was one of many factors taken into consideration by the Kodiak board of directors in deciding to approve the arrangement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Kodiak board of directors with respect to the exchange ratio or of whether the Kodiak board of directors would have been willing to agree to different consideration.

Under the terms of Petrie Partners engagement letter with Kodiak, Petrie Partners provided Kodiak financial advisory services and a fairness opinion in connection with the merger. Pursuant to the terms of its engagement letter, Kodiak

has agreed to pay Petrie Partners a success fee of 0.225% of the transaction value, payable to Petrie Partners if the arrangement is consummated and currently estimated to be approximately



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\$14,000,000. Petrie Partners earned a \$3,000,000 opinion fee upon delivery of its opinion to the Kodiak board, which is creditable against the success fee, as is the \$3,000,000 opinion fee that Credit Suisse earned upon delivery of its opinion to the Kodiak board. Petrie would have earned its opinion fee upon delivery of its opinion, regardless of the conclusion regarding fairness expressed in the opinion. For purposes of calculating the success fee, transaction value is equal to the aggregate value of the shares of Whiting common stock to be issued to Kodiak's shareholders in the arrangement, plus the aggregate value of any debt outstanding at the closing of the arrangement.

In addition, the Kodiak board of directors has agreed to reimburse Petrie Partners for its reasonable out-of-pocket expenses (including reasonable legal fees, expenses and disbursements) incurred in connection with its engagement and to indemnify Petrie Partners and its affiliates and their respective directors, officers, employees, agents and controlling persons from and against certain liabilities and expenses arising out of its engagement and any related transaction.

Kodiak engaged Petrie Partners to act as a financial advisor based on its qualifications, experience and reputation. Petrie Partners is a nationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive sales processes, private placements and other purposes.

### **Opinion of Credit Suisse Securities (USA) LLC to the Kodiak Board**

On July 13, 2014, Credit Suisse rendered its oral opinion to the Kodiak board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Kodiak board of directors dated the same date) as to, as of July 13, 2014, the fairness, from a financial point of view, to the holders of shares of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement.

**Credit Suisse's opinion was directed to the Kodiak board of directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to the holders of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement and did not address any other aspect or implication of the arrangement. The full text of Credit Suisse's written opinion is included as Annex I to this joint proxy statement/circular and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion (which are also summarized herein). However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/circular are intended to be, and they do not constitute, advice or a recommendation to any holder of shares of Kodiak common stock as to how such holder should vote or act on any matter relating to the arrangement.**

In arriving at its opinion, Credit Suisse:

reviewed the arrangement agreement, including the plan of arrangement attached as Exhibit C thereto, and certain publicly available business and financial information relating to Kodiak and Whiting;

reviewed certain other information relating to Kodiak and Whiting, including financial forecasts and projected operating and capital expenses relating to Kodiak prepared by and provided to Credit Suisse by Kodiak management (the Kodiak Projections) and financial forecasts and projected operating and capital expenses relating to Whiting prepared by and provided to Credit Suisse by Whiting management (the

Whiting Projections );

reviewed:

certain oil and gas reserve reports prepared by Kodiak's third-party oil and gas reserves consultants with respect to Kodiak's proved oil and gas reserves (the Kodiak Proved Reserve Reports );

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information regarding Kodiak's proved, probable and possible oil and gas reserves and Kodiak's other oil and gas resources prepared by Kodiak management (the Kodiak Reserves and Resource Information );

riskings for Kodiak's proved, probable and possible oil and gas reserves and Kodiak's other oil and gas resources prepared by Kodiak management (the Kodiak Riskings );

certain oil and gas reserve reports prepared by Whiting's third-party oil and gas reserves consultants with respect to Whiting's proved, probable and possible reserves (the Whiting Reserve Reports ) and adjustments to the reserves estimates set forth therein prepared and provided to Credit Suisse by Whiting management to reflect, among other things, updated information (such reserves estimates, as so adjusted by Whiting management, the Whiting Reserves Information );

information regarding Whiting's other oil and gas resources prepared by Whiting management (the Whiting Resource Information ); and

riskings for Whiting's proved, probable and possible oil and gas reserves and Whiting's other oil and gas resources prepared by management of Kodiak (the Kodiak Riskings for Whiting );

spoke with the management of Kodiak and Whiting and certain of their representatives regarding the business and prospects of Kodiak and Whiting, and Kodiak's and Whiting's proved, probable and possible oil and gas reserves and other oil and gas resources;

reviewed certain publicly available market data regarding future oil and gas commodity pricing (collectively, including information regarding pricing differentials applicable to Kodiak's proved, probable and possible oil and gas reserves and Kodiak's other oil and gas resources, as provided by Kodiak management and information regarding pricing differentials applicable to Whiting's proved, probable and possible oil and gas reserves and Whiting's other oil and gas resources, as provided by Whiting management, the Oil and Gas Pricing Data );

considered certain financial and stock market data of Kodiak and Whiting, and compared that data with similar data for other companies with publicly traded equity securities in businesses Credit Suisse deemed similar to those of Kodiak and Whiting, respectively;

considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which had been effected or announced; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information, and Credit Suisse assumed and relied upon such information being complete and accurate in all respects material to its analyses and opinion. With respect to the Kodiak Projections that Credit Suisse used in its analyses, management of Kodiak advised Credit Suisse and Credit Suisse assumed that such financial forecasts were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Kodiak as to the future financial performance of Kodiak. With respect to the Whiting Projections that Credit Suisse used in its analyses, management of Whiting advised Credit Suisse and Credit Suisse assumed that such financial forecasts were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Whiting as to the future financial performance of Whiting. With respect to the Kodiak Proved Reserve Reports that Credit Suisse reviewed, Credit Suisse assumed that such reports were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of Kodiak's third-party oil and gas reserves consultants as to Kodiak's proved oil and gas reserves. With respect to the Kodiak Reserves and Resource Information that Credit Suisse reviewed, Credit Suisse was advised and assumed that such information was reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Kodiak as to Kodiak's proved, probable and possible oil and gas reserves and Kodiak's other oil

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and gas resources. With respect to the Kodiak Riskings, Credit Suisse was advised and assumed that they were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Kodiak as to the appropriate riskings for Kodiak's proved, probable and possible oil and gas reserves and Kodiak's other oil and gas resources. With respect to the Whiting Reserve Reports that Credit Suisse reviewed, Credit Suisse assumed that such reports were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of Whiting's third-party oil and gas reserves consultants as to Whiting's proved, probable and possible oil and gas reserves. With respect to the Whiting Reserves Information and Whiting Resource Information that Credit Suisse reviewed, Credit Suisse was advised and assumed that such information was reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Whiting as to Whiting's proved, probable and possible oil and gas reserves and Whiting's other oil and gas resources. With respect to the Kodiak Riskings for Whiting, Credit Suisse was advised and assumed that they were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Kodiak as to the appropriate riskings for Whiting's proved, probable and possible oil and gas reserves and Whiting's other oil and gas resources.

Credit Suisse expressed no view or opinion with respect to the Kodiak Projections, the Whiting Projections, the Kodiak Proved Reserve Reports, the Kodiak Reserves and Resource Information, the Kodiak Riskings, the Whiting Reserve Reports, the Whiting Reserve Information, the Whiting Resource Information, the Kodiak Riskings for Whiting or the Oil and Gas Pricing Data, or the assumptions upon which any of them were based and at the direction of management of Kodiak assumed that the Kodiak Projections, the Whiting Projections, the Kodiak Reserves and Resource Information, the Kodiak Riskings, the Whiting Reserve Information, the Whiting Resource Information, the Kodiak Riskings for Whiting and the Oil and Gas Pricing Data were a reasonable basis on which to evaluate Kodiak, Whiting and the arrangement and Credit Suisse used and relied upon such information for purposes of its analyses and opinion.

In addition, Credit Suisse relied upon, without independent verification (i) the assessments of the managements of Kodiak and Whiting with respect to Whiting's ability to integrate the businesses of Kodiak and Whiting and (ii) the assessments of the management of Kodiak and Whiting as to Kodiak's and Whiting's existing technology and future capabilities with respect to the extraction of Kodiak's and Whiting's oil and gas reserves and other oil and gas resources and, with Kodiak's consent, assumed that there had been no developments that would adversely affect such management's views with respect to such technologies and capabilities. Kodiak advised Credit Suisse and for purposes of its analyses and its opinion Credit Suisse assumed that, for U.S. federal income tax purposes, the arrangement would qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Credit Suisse also assumed, with Kodiak's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the arrangement, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Kodiak, Whiting or the contemplated benefits of the arrangement, that the arrangement would be consummated in accordance with all applicable Canadian, United States, federal, provincial, state and local laws including, without limitation, Section 288 of the Business Corporations Act (British Columbia), and that the arrangement would be consummated in accordance with the terms of the arrangement agreement and the associated plan of arrangement, without waiver, modification or amendment of any term, condition or agreement thereof material to Credit Suisse's analyses or opinion. In addition, Credit Suisse was not requested to, and did not, make an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Kodiak or Whiting, nor was Credit Suisse furnished with any such evaluations or appraisals other than the Kodiak Proved Reserve Reports, the Kodiak Reserves and Resource Information, the Whiting Reserve Reports, the Whiting Reserve Information and the Whiting Resource Information.

Credit Suisse's opinion addressed only the fairness, from a financial point of view, to the holders of shares of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement and did not address

any other aspect or implication (financial or otherwise) of the arrangement or any agreement, arrangement or understanding entered into in connection therewith or otherwise, including, without limitation, the implications of any potential modifications or limitations, or the elimination of, any existing tax structures or

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benefits currently available to or being utilized by Kodiak or Whiting (it being understood that for purposes of its analyses and opinion, Credit Suisse assumed that no such modifications, limitations or elimination would occur), the continuance of Kodiak from the jurisdiction of the Yukon Territory to the jurisdiction of the Province of British Columbia, any related or unrelated refinancings of Kodiak's outstanding indebtedness or the fairness of the amount or nature of, or any other aspect relating to, any compensation or consideration to be received or otherwise payable to any officers, directors, employees, securityholders or affiliates of any party to the arrangement, or class of such persons, relative to the exchange ratio or otherwise. Furthermore, Credit Suisse did not express any advice or opinion regarding matters that require legal, regulatory, accounting, insurance, tax, environmental, executive compensation or other similar professional advice including, without limitation, any advice regarding the amounts of any company's oil and gas reserves or other oil and gas resources, the riskings of such reserves or other resources or any other aspects of any company's (including Kodiak's or Whiting's) oil and gas reserves or other oil and gas resources. Credit Suisse assumed that Kodiak had or would obtain such advice or opinions from the appropriate professional sources. The issuance of Credit Suisse's opinion was approved by an authorized internal committee of Credit Suisse.

Credit Suisse's opinion was necessarily based upon information made available to Credit Suisse as of the date of its opinion and financial, economic, market and other conditions as they existed and could be evaluated on the date of its opinion. Credit Suisse did not undertake, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring or coming to its attention after the date of its opinion. In addition, as Kodiak was aware, the financial projections and estimates that Credit Suisse reviewed relating to the future financial performance of Kodiak and Whiting reflected certain assumptions regarding the oil and gas industry and future commodity prices associated with that industry that were subject to significant uncertainty and volatility and that, if different than assumed, could have a material impact on its analyses and opinion. Credit Suisse's opinion did not address the relative merits of the arrangement as compared to alternative transactions or strategies that might have been available to Kodiak, nor did it address the underlying business decision of the Kodiak board of directors or Kodiak to proceed with or effect the arrangement. Credit Suisse did not express any opinion as to what the value of shares of Whiting common stock actually would be when issued pursuant to the arrangement or the price or range of prices at which shares of Kodiak common stock or Whiting common stock may be purchased or sold at any time. Credit Suisse assumed that the shares of Whiting common stock to be issued to the holders of shares of Kodiak common stock in the arrangement would be approved for listing on the New York Stock Exchange prior to the consummation of the arrangement. Credit Suisse was not requested to, and did not, initiate or participate in any discussions or negotiations with respect to the exchange ratio or any other aspect of the arrangement or, except in connection with its prior engagement by Kodiak in 2012 (as described below), solicit any indications of interest from, third parties with respect to the securities, assets, businesses or operations of Kodiak or any alternatives to the arrangement and, consequently, expressed no view or opinion with respect to whether other parties might have been interested in acquiring the securities, assets, businesses or operations of Kodiak or the prices such other parties might have been willing to pay for the securities, assets, businesses or operations of Kodiak.

In preparing its opinion to the Kodiak board of directors, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's financial analyses is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of such an opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Credit Suisse's opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the

processes underlying its analyses and opinion.



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In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. Except for Kodiak and Whiting, no company, business or transaction used in Credit Suisse's analyses for comparative purposes is identical to Kodiak, Whiting or the proposed arrangement. While the results of each analysis were taken into account in reaching its overall conclusion with respect to fairness, Credit Suisse did not make separate or quantifiable judgments regarding individual analyses. The reference ranges indicated by Credit Suisse's financial analyses are illustrative and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond Kodiak's control and the control of Credit Suisse. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse's opinion and analyses were provided to the Kodiak board of directors (in its capacity as such) in connection with its consideration of the proposed arrangement and were among many factors considered by the Kodiak board of directors in evaluating the proposed arrangement. Neither Credit Suisse's opinion nor its analyses were determinative of the exchange ratio or of the views of the Kodiak board of directors with respect to the proposed arrangement. Under the terms of its engagement by Kodiak, neither Credit Suisse's opinion nor any other advice or services rendered by it in connection with the proposed arrangement or otherwise, should be construed as creating, and Credit Suisse should not be deemed to have, any fiduciary duty to the Kodiak board of directors, Kodiak, Whiting, any security holder or creditor of Kodiak or Whiting or any other person, regardless of any prior or ongoing advice or relationships.

The following is a summary of certain financial analyses reviewed by Credit Suisse with the Kodiak board of directors in connection with the rendering of its opinion to the Kodiak board of directors on July 13, 2014. The summary does not contain all of the financial data holders of shares of Kodiak common stock may want or need for purposes of making an independent determination of fair value. Holders of shares of Kodiak common stock are encouraged to consult their own financial and other advisors before making any investment decision in connection with the proposed arrangement. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Credit Suisse's analyses.

For purposes of its analyses, Credit Suisse reviewed a number of financial metrics including:

***Enterprise Value*** generally the value as of a specified date of the relevant company's outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock and capital lease obligations less the amount of cash on its balance sheet).

***EBITDAX*** generally the amount of the relevant company's earnings before interest, taxes, depreciation and amortization and exploration expense for a specified time period.

Unless the context indicates otherwise, (1) share prices for the selected companies used in the selected companies analysis described below were as of July 11, 2014, (2) the relevant values for the selected transactions analysis described below were calculated on an enterprise value basis based on the consideration proposed to be paid in the

selected transactions as of the date of announcement, (3) estimates of future financial performance of Kodiak were based on the daily production forecast for Kodiak prepared by Kodiak management included in the Case 1 Kodiak forecast (as defined below under Certain Unaudited Internal Financial and Operating Forecasts ) and First Call crude oil and natural gas prices in the case of the Selected Companies Analysis described below, and NYMEX Oil and Gas pricing as of July 3, 2014 for the Net Asset Value Analysis and the Discounted Cash Flow Analysis described below, and (4) estimates of future financial performance of Whiting

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were based on the daily production forecast for Whiting prepared by Whiting management included in the Whiting forecast (as defined below under "Certain Unaudited Internal Financial and Operating Forecasts") and First Call crude oil and natural gas prices in the case of the Selected Companies Analysis described below, and NYMEX Oil and Gas pricing as of July 3, 2014 for the Net Asset Value Analysis and the Discounted Cash Flow Analysis described below. Estimates of financial performance for the selected companies listed below for the calendar years ending December 31, 2014, 2015 and 2016 were based on publicly available research analyst estimates for those companies. Unless the context indicates otherwise, for purposes of Credit Suisse's analyses, gas reserves were converted to oil reserves on a barrel of oil equivalent or "BOE" basis reflecting a 6:1 ratio.

**Selected Companies Analyses**

Credit Suisse considered certain financial data for Whiting, Kodiak and selected companies with publicly traded equity securities Credit Suisse deemed relevant. The selected companies were selected because they were deemed to be similar to Whiting or Kodiak in one or more respects. Credit Suisse identified a sufficient number of companies for purposes of its analysis but may not have included all companies others might deem similar to Kodiak or Whiting.

The financial data reviewed included:

Enterprise Value as a multiple of estimated EBITDAX for the calendar year ended December 31, 2014, or CY 2014E EBITDAX ;

Enterprise Value as a multiple of estimated EBITDAX for the calendar year ended December 31, 2015, or CY 2015E EBITDAX ;

Enterprise Value as a multiple of estimated EBITDAX for the calendar year ended December 31, 2016, or CY 2016E EBITDAX ;

Enterprise Value as a multiple of proved reserves as of December 31, 2013 on a BOE basis; and

Enterprise Value as a multiple of estimated daily production on a BOE/d basis for the calendar quarter ended March 31, 2014, or 1Q 2014A, and for calendar years 2014E, 2015E and 2016E.

The selected companies for Kodiak and corresponding financial data were:

|                       | Enterprise Value / |         |         | Proved Reserves (\$/BOE) | 1Q 2014A   | Enterprise Value /          |            |            |
|-----------------------|--------------------|---------|---------|--------------------------|------------|-----------------------------|------------|------------|
|                       | EBITDAX            |         |         |                          |            | Daily Production (\$/BOE/d) |            |            |
|                       | CY2014E            | CY2015E | CY2016E |                          |            | CY2014E                     | CY2015E    | CY2016E    |
| Continental Resources | 9.2x               | 7.6x    | 6.1x    | \$ 30.65                 | \$ 220,927 | \$ 193,897                  | \$ 153,520 | \$ 123,211 |
| Whiting*              | 5.2                | 4.7     | 4.1     | 26.76                    | 116,236    | 105,880                     | 89,770     | 76,723     |

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|                      |     |     |     |       |         |         |         |         |
|----------------------|-----|-----|-----|-------|---------|---------|---------|---------|
| Newfield Exploration | 6.0 | 5.0 | 4.4 | 15.07 | 75,734  | 67,498  | 59,482  | 55,747  |
| Oasis Petroleum      | 7.0 | 5.7 | 4.7 | 35.73 | 185,107 | 162,376 | 125,100 | 107,546 |
| SM Energy            | 4.0 | 3.7 | 3.1 | 15.51 | 48,635  | 45,956  | 40,281  | 37,409  |
| Halcon Resources     | 7.6 | 6.1 | 5.5 | 50.32 | 166,715 | 147,935 | 118,068 | 99,844  |
| Rosetta Resources    | 6.4 | 5.3 | 4.4 | 16.99 | 88,393  | 76,196  | 59,994  | 50,655  |
| Carrizo Oil & Gas    | 7.2 | 5.4 | 4.4 | 38.63 | 149,875 | 129,761 | 99,963  | 82,867  |
| Bonanza Creek Energy | 6.9 | 5.1 | 3.8 | 42.58 | 152,846 | 122,131 | 88,731  | 70,627  |

\* Based on publicly available research analyst estimates.

*Kodiak*. Taking into account the results of the selected companies analysis for Kodiak, Credit Suisse applied multiple ranges of 6.5x to 7.5x to Kodiak's CY 2014E EBITDAX, 5.0x to 6.0x to Kodiak's CY 2015E EBITDAX, 4.5x to 5.5x to Kodiak's CY 2016E EBITDAX, \$35.00 to \$40.00 per BOE to Kodiak's December 31, 2013 proved reserves, \$155,000 to \$187,500 per BOE/d to Kodiak's daily production for the

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calendar quarter ended March 31, 2014, \$135,000 to \$165,000 per BOE/d to Kodiak's estimated daily production for 2014, \$100,000 to \$127,500 per BOE/d to Kodiak's estimated daily production for 2015 and \$90,000 to \$115,000 per BOE/d to Kodiak's estimated daily production for 2016. The selected companies analysis indicated an implied reference range of \$11.29 to \$16.57 per Kodiak common share.

The selected companies for Whiting and corresponding financial data were:

|                       | Enterprise Value / |         |         | Proved<br>Reserves<br>(\$/BOE) | 1Q<br>2014A | Enterprise Value /          |            |            |
|-----------------------|--------------------|---------|---------|--------------------------------|-------------|-----------------------------|------------|------------|
|                       | EBITDAX            |         |         |                                |             | Daily Production (\$/BOE/d) |            |            |
|                       | CY2014E            | CY2015E | CY2016E |                                |             | CY2014E                     | CY2015E    | CY2016E    |
| Continental Resources | 9.2x               | 7.6x    | 6.1x    | \$ 30.65                       | \$ 220,927  | \$ 193,897                  | \$ 153,520 | \$ 123,211 |
| Concho Resources      | 9.4                | 7.4     | 5.6     | 38.30                          | 192,189     | 171,307                     | 133,242    | 107,748    |
| Cimarex Energy        | 7.4                | 6.8     | 6.0     | 32.33                          | 110,553     | 96,013                      | 81,495     | 69,286     |
| Denbury Resources     | 6.9                | 6.7     | 6.4     | 21.00                          | 135,269     | 128,561                     | 119,668    | 111,369    |
| QEP Resources         | 5.9                | 5.3     | 4.1     | 15.95                          | 70,883      | 72,318                      | 67,721     | 62,038     |
| Newfield Exploration  | 6.0                | 5.0     | 4.4     | 15.07                          | 75,734      | 67,498                      | 59,482     | 55,747     |
| Oasis Petroleum       | 7.0                | 5.7     | 4.7     | 35.73                          | 185,107     | 162,376                     | 125,100    | 107,546    |
| SM Energy             | 4.0                | 3.7     | 3.1     | 15.51                          | 48,635      | 45,956                      | 40,281     | 37,409     |
| Kodiak*               | 7.0                | 5.5     | 4.6     | 36.51                          | 179,501     | 152,739                     | 118,178    | 96,612     |
| Bonanza Creek Energy  | 6.9                | 5.1     | 3.8     | 42.58                          | 152,846     | 122,131                     | 88,731     | 70,627     |

\* Based on publicly available research analyst estimates.

*Whiting*. Taking into account the results of the selected companies analysis for Whiting, Credit Suisse applied multiple ranges of 5.0x to 6.5x to Whiting's CY 2014E EBITDAX, 4.5x to 6.0x to Whiting's CY 2015E EBITDAX, 4.0x to 5.5x to Whiting's CY 2016E EBITDAX, \$25.00 to \$32.50 per BOE to Whiting's December 31, 2013 proved reserves, \$120,000 to \$150,000 per BOE/d to Whiting's daily production for the calendar quarter ended March 31, 2014, \$110,000 to \$135,000 per BOE/d to Whiting's estimated daily production for 2014, \$90,000 to \$125,000 per BOE/d to Whiting's estimated daily production for 2015 and \$75,000 to \$110,000 per BOE/d to Whiting's estimated daily production for 2016. The selected companies analysis indicated an implied reference range of \$72.45 to \$109.68 per share of Whiting common stock.

The selected companies analysis indicated an implied exchange ratio reference range of 0.103x to 0.229x of a share of Whiting common stock for each Kodiak common share as compared to the exchange ratio in the arrangement of 0.177x of a share of Whiting common stock for each Kodiak common share.

**Table of Contents****Net Asset Value Analysis**

*Kodiak.* Credit Suisse calculated implied net asset values of Kodiak's unrisked proved oil and gas reserves (referred to as unrisked 1P reserves); risked proved, probable and possible oil and gas reserves and risked oil and gas resources (referred to as risked 3P reserves + risked resources); and unrisked proved, probable and possible oil and gas reserves and unrisked oil and gas resources (referred to as unrisked 3P reserves + unrisked resources) based on the Kodiak Reserves and Resource Information and, for the risked 3P reserves + risked resources, the Kodiak Riskings. For purposes of the Kodiak Net Asset Value analysis, Credit Suisse applied discount rates ranging from 9.0% to 11.0% to the projected unlevered after tax free cash flows, NYMEX forward curve oil and gas pricing as of July 3, 2014 with prices held flat after 2018 and pricing differentials provided by Kodiak management. Taking into account the results of the net asset value analysis for Kodiak, adjustments for general and administrative expenses, adjustments for certain hedging transactions by Kodiak and corporate adjustments based on Kodiak's net debt, the net asset value analysis indicated the implied reference ranges per Kodiak common share set forth below:

|   | Implied Per Kodiak<br>Common Share<br>Reference Range |
|---|---|
| Unrisked 1P Reserves                      | \$ 0.60-\$1.75  |
| Risked 3P Reserves + Risked Resources     | \$ 2.29-\$4.08  |
| Unrisked 3P Reserves + Unrisked Resources | \$ 5.70-\$8.59  |

*Whiting.* Credit Suisse calculated implied net asset values of Whiting's unrisked proved oil and gas reserves (referred to as unrisked 1P reserves); risked proved, probable and possible oil and gas reserves and risked oil and gas resources (referred to as risked 3P reserves + risked resources); and unrisked proved, probable and possible oil and gas reserves and unrisked oil and gas resources (referred to as unrisked 3P reserves + unrisked resources) based on the Whiting Reserve Information, the Whiting Resource Information and, for the risked 3P reserves + risked resources, the Kodiak Riskings for Whiting. For purposes of the Whiting Net Asset Value analysis, Credit Suisse applied discount rates ranging from 9.0% to 11.0% to the projected unlevered after tax free cash flows, NYMEX forward curve oil and gas pricing as of July 3, 2014 with prices held flat after 2018 and pricing differentials provided by Whiting management. Taking into account the results of the net asset value analysis for Whiting, certain information regarding the value of certain risked exploration acreage of Whiting prepared and provided to Credit Suisse by Kodiak management, a certain publicly available research analyst estimate with respect to the value of a natural gas processing plant owned by Whiting, adjustments for general and administrative expenses, adjustments for certain hedging transactions by Whiting and corporate adjustments based on Whiting's net debt, the net asset value analysis indicated the implied reference ranges per share of Whiting common stock set forth below:

|   | Implied Per Share of<br>Whiting Common<br>Stock Reference<br>Range |
|---|--|
| Unrisked 1P Reserves                      | \$ 29.34-\$33.98   |
| Risked 3P Reserves + Risked Resources     | \$ 32.81-\$43.61   |
| Unrisked 3P Reserves + Unrisked Resources | \$ 51.58-\$68.66   |

The net asset value analysis indicated an implied exchange ratio reference range of 0.018x to 0.060x of a share of Whiting common stock for each Kodiak common share based on unrisked 1P reserves, 0.053x to 0.124x of a share of

Whiting common stock for each Kodiak common share based on risked 3P reserves and risked resources, and 0.083x to 0.167x of a share of Whiting common stock for each Kodiak common share based on unrisked 3P reserves and unrisked resources, as compared to the exchange ratio in the arrangement of 0.177x of a share of Whiting common stock for each Kodiak common share.

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**Table of Contents*****Discounted Cash Flow Analysis***

*Kodiak.* Credit Suisse performed a discounted cash flow analysis of Kodiak by calculating the estimated net present value of the projected after-tax, unlevered, free cash flow of Kodiak based on the Kodiak Projections for the periods from June 30, 2014 through December 31, 2016 (referred to as the Kodiak 2.5 year analysis) and from June 30, 2014 through December 31, 2018 (referred to as the Kodiak 4.5 year analysis). Credit Suisse applied a range of terminal value EBITDAX multiples of 4.5x to 6.0x to Kodiak's estimated fiscal year 2016E EBITDAX for the Kodiak 2.5 year analysis and 2018E EBITDAX for the Kodiak 4.5 year analysis. The estimated net present value of the projected future cash flow and terminal values were then calculated using discount rates ranging from 9.0% to 11.0%. For purposes of the discounted cash flow analysis, Kodiak's projected future stock-based compensation was not treated as a cash expense. The discounted cash flow analysis for Kodiak indicated an implied reference range per Kodiak common share of approximately \$9.57 to \$16.29 for the Kodiak 2.5 year analysis and \$12.22 to \$20.01 for the Kodiak 4.5 year analysis.

*Whiting.* Credit Suisse performed a discounted cash flow analysis of Whiting by calculating the estimated net present value of the projected after-tax, unlevered, free cash flow of Whiting based on the Whiting Projections, which were provided only for the period from June 30, 2014 through December 31, 2016 (referred to as the Whiting 2.5 year analysis). Credit Suisse applied a range of terminal value EBITDAX multiples of 4.5x to 6.0x to Whiting's estimated fiscal year 2016E EBITDAX. The estimated net present value of the projected future cash flow and terminal values were then calculated using discount rates ranging from 9.0% to 11.0%. For purposes of the discounted cash flow analysis, Whiting's projected future stock-based compensation was not treated as a cash expense. The discounted cash flow analysis for Whiting indicated an implied reference range per share of Whiting common stock of approximately \$56.90 to \$89.03.

The discounted cash flow analysis indicated an implied exchange ratio reference range of 0.108x to 0.286x of a share of Whiting common stock for each Kodiak common share based on the Kodiak 2.5 year analysis and the Whiting 2.5 year analysis and 0.137x to 0.352x of a share of Whiting common stock for each Kodiak common share based on the Kodiak 4.5 year analysis and the Whiting 2.5 year analysis, as compared to the exchange ratio in the arrangement of 0.177x of a share of Whiting common stock for each Kodiak common share.

***Selected Transactions Analysis***

Credit Suisse also considered the financial terms of certain business combinations and other transactions that Credit Suisse deemed relevant. The selected transactions were selected because the target companies or assets were deemed to be similar to Kodiak and Whiting in one or more respects. Credit Suisse identified a sufficient number of transactions for purposes of its analysis but may not have included all transactions in which the target companies or assets might be deemed by others to be similar to Kodiak or Whiting. The financial data reviewed included the implied Enterprise Value (based on the purchase price paid in the arrangement) as a multiple of:

EBITDAX for last twelve months, or LTM EBITDAX,

Proved reserves; and

Daily production.





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The selected transactions and corresponding financial data were:

**Selected Exploration and Production Corporate Transactions**

| Date Announced                      | Acquiror                  | Target                | LTM EBITDAX | Enterprise Value /<br>Proved Reserves<br>(\$/BOE) | Daily<br>Production<br>(\$/BOE/d) |
|-------------------------------------|---------------------------|-----------------------|-------------|---|-----------------------------------|
| <i>Selected Bakken Transactions</i> |                           |                       |             |   |                                   |
| 04/12                               | Halcon Resources          | GeoResources          | 11.0x       | \$ 27.55  | \$ 126,850                        |
| 10/11                               | Statoil                   | Brigham Exploration   | 17.9x       | 72.14   | 287,024                           |
| 11/09                               | Denbury                   | Encore                | 11.8x       | 16.30   | 79,537                            |
| <i>Other Corporate Transactions</i> |                           |                       |             |   |                                   |
| 03/14                               | Energy XXI                | EPL Oil & Gas         | 4.8x        | \$ 28.87  | \$ 108,413                        |
| 02/14                               | Baytex Energy             | Aurora Oil & Gas      | NA*         | 20.54   | 118,393                           |
| 11/13                               | LinnCo                    | Berry Petroleum       | 7.4x        | 17.64   | 117,210                           |
| 12/12                               | Freeport-McMoRan          | Plains Exploration    | 5.3x        | 32.31   | 100,675                           |
| 07/12                               | CNOOC                     | Nexen                 | 4.1x        | 19.94   | 89,699                            |
| 01/12                               | Denver Parent Corporation | Venoco                | 6.9x        | 15.31   | 74,027                            |
| 10/11                               | Sinopec                   | Daylight Energy       | 9.4x        | 31.78   | 87,024                            |
| 07/11                               | CNOOC                     | OPTI Canada           | NM+         | 10.64   | 197,667                           |
| 07/11                               | BHP Billiton              | Petrohawk             | 12.4x       | 26.93   | 96,154                            |
| 11/10                               | Chevron                   | Atlas Energy          | 19.2x       | 30.46   | 323,648                           |
| 04/10                               | Sandridge Energy          | Arena Resources       | 9.9x        | 20.60   | 173,597                           |
| 03/10                               | CONSOL Energy             | CNX Gas               | 15.5x       | 12.08   | 84,567                            |
| 12/09                               | Exxon Mobil               | XTO Energy            | 6.0x        | 11.51   | 58,783                            |
| 07/08                               | Royal Dutch Shell         | Duvernay Oil          | 18.8x       | 60.88   | 218,766                           |
| 07/07                               | Plains Exploration        | Pogo Producing        | 7.1x        | 17.12   | 76,400                            |
| 01/07                               | Forest Oil                | Houston Exploration   | 4.6x        | 14.56   | 46,507                            |
| 06/06                               | Anadarko                  | Western Gas Resources | 10.2x       | 24.66   | 115,280                           |
| 04/06                               | Petrohawk                 | KCS Energy            | 5.7x        | 26.02   | 79,503                            |
| 12/05                               | ConocoPhillips            | Burlington Resources  | 6.3x        | 17.49   | 75,639                            |
| 10/05                               | Occidental Petroleum      | Vintage Petroleum     | 7.5x        | 8.88  | 52,204                            |
| 04/05                               | Chevron                   | Unocal                | 5.1x        | 10.17   | 41,569                            |
| 01/05                               | Cimarex Energy            | Magnum Hunter         | 6.6x        | 12.84   | 52,536                            |

\* Not available.

+ Not meaningful.

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| Date Announced | Acquiror                | Seller                   | Enterprise Value/<br>Daily Production<br>(\$/BOE/d) | Proved Reserves<br>(\$/BOE) |
|----------------|-------------------------|--------------------------|---|-----------------------------|
| 01/14          | Lime Rock Resources     | Oasis Petroleum Inc.     | \$ 123,746  | \$ 38.72                    |
| 09/13          | Oasis Petroleum         | Roda Drilling; Zeneco    | 162,903   | 33.17                       |
| 08/13          | Whiting Petroleum       | Petro-Hunt               | 107,438   | 15.20                       |
| 06/13          | Kodiak Oil & Gas        | Liberty Resources        | 115,789   | NA*                         |
| 01/13          | Denbury Resources       | ConocoPhillips           | NA*   | 24.96                       |
| 11/12          | Continental Resources   | Samson Resources         | 100,000   | NA*                         |
| 10/12          | Halcon Resources        | Petro-Hunt Group         | 138,095   | 34.19                       |
| 09/12          | ExxonMobil              | Denbury Resources        | 127,597   | 18.36                       |
| 08/12          | QEP Resources           | Helis; Unit; Black Hills | 131,429   | NA*                         |
| 04/12          | Magnum Hunter Resources | Baytex Energy            | 329,042   | 36.16                       |
| 03/12          | Continental Resources   | Wheatland Oil            | 136,000   | 20.00                       |
| 11/11          | Kodiak Oil & Gas        | North Plains Energy      | 168,499   | 29.91                       |
| 09/11          | Kodiak Oil & Gas        | BTA Oil Producers        | 78,333  | NA*                         |
| 12/10          | Occidental Petroleum    | Anschutz Exploration     | 254,545   | NA*                         |
| 11/10          | Hess                    | Tracker Resources        | 238,636   | NA*                         |

\* Not available.

Taking into account the results of the selected transactions analysis, Credit Suisse applied a multiple range of 10.0x to 12.0x to Kodiak's and Whiting's LTM EBITDAX, \$24.00 to \$38.00 per BOE to Kodiak's and Whiting's proved reserves as of December 31, 2013, and \$120,000 to \$160,000 per BOE/d to Kodiak's and Whiting's daily production for the calendar quarter ended June 30, 2014. The selected transactions analysis indicated an implied reference range per Kodiak common share of \$13.58 to \$21.15 and an implied reference range per share of Whiting common stock of \$79.18 to \$120.55 per share. The selected transactions analysis indicated an implied exchange ratio reference range of 0.113x to 0.267x of a share of Whiting common stock for each Kodiak common share as compared to the exchange ratio in the arrangement of 0.177x of a share of Whiting common stock for each Kodiak common share.

**Other Matters**

Kodiak retained Credit Suisse to render its opinion with respect to the fairness, from a financial point of view, to the holders of shares of Kodiak common stock of the exchange ratio in the arrangement pursuant to the arrangement agreement based on Credit Suisse's qualifications, experience and reputation as an internationally recognized investment banking and financial advisory firm. Pursuant to the engagement letter between Kodiak and Credit Suisse, Kodiak has agreed to pay Credit Suisse a fee of \$3,000,000 for its services which became payable to Credit Suisse upon the rendering of its opinion to the Kodiak board of directors. In addition, Kodiak has agreed to reimburse certain of Credit Suisse's expenses and to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement.

Credit Suisse and its affiliates have provided other financial advice and services, and may in the future provide financial advice and services, to Kodiak, Whiting and their respective affiliates for which Credit Suisse and its

affiliates have received, and would expect to receive, compensation including, during the past two years, having acted as a financial advisor to Kodiak in 2012 in connection with Kodiak's consideration of a potential sale or certain other strategic transactions involving Kodiak and having acted as representative of the initial purchasers in offerings of senior debt securities of Kodiak in July 2013 and January 2013 and a lender to Kodiak under certain loan and/or credit facilities for which financial advice and services Credit Suisse and its affiliates received aggregate fees of approximately \$8 million during the past two years. Credit Suisse is a full service

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securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates' own accounts and the accounts of customers, any currency or commodity that may be involved in the arrangement and equity, debt and other securities and financial instruments (including bank loans and other obligations) of Kodiak, Whiting and any other company that may be involved in the arrangement, as well as provide investment banking and other financial services to such companies and their affiliates.

**Certain Unaudited Internal Financial and Operating Forecasts**

Neither Whiting nor Kodiak as a matter of course makes public long-term projections as to its future revenues, production, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, Whiting and Kodiak are including summaries of certain unaudited internal financial and operating forecasts because, except as described below, they were made available to the Whiting board of directors and/or the Kodiak board of directors and/or were provided to J.P. Morgan in providing advice to the Whiting board of directors and to Petrie Partners and Credit Suisse in providing advice to the Kodiak board of directors. The inclusion of the internal financial and operating forecasts of Whiting and Kodiak in this joint proxy statement/circular should not be regarded as an indication that the board of directors of Kodiak or Whiting, Kodiak, Whiting, Whiting Canadian Sub, J.P. Morgan, Petrie Partners, Credit Suisse or any other recipient of this information considered, or now considers, it to be an assurance of the achievement of, or necessarily predictive of, actual future results.

The unaudited internal financial and operating forecasts prepared by the managements of Whiting and Kodiak, respectively, were, in general, prepared solely for their internal use and are subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited internal financial and operating forecasts cover multiple years, such information by its nature becomes less predictive with each successive year. Whiting stockholders and Kodiak shareholders are urged to review Whiting's and Kodiak's SEC filings for a description of risk factors with respect to Whiting's business and Kodiak's business, respectively, as well as the section of this joint proxy statement/circular entitled Risk Factors. See also Forward-Looking Statements and Where You Can Find More Information. The unaudited internal financial and operating forecasts were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants for the preparation and presentation of prospective financial and operating information. In addition, the unaudited prospective financial and operating information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled U.S. GAAP measures in the historical U.S. GAAP financial statements of Whiting and Kodiak. None of Whiting's independent registered public accounting firm, Kodiak's independent registered public accounting firm or any other independent accountants, has compiled, examined or performed any procedures with respect to the unaudited prospective financial and operating information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The report of the independent registered public accounting firm to each of Whiting and Kodiak contained in each such party's Annual Report on Form 10-K for the year ended December 31, 2013, each of which is incorporated by reference into this joint proxy statement/circular, each relates to the applicable party's historical financial information. Those reports do not extend to the unaudited prospective financial and operating forecasts and should not be read to do so. Furthermore, the following unaudited prospective financial and operating forecasts do not take into account any circumstances or events occurring after the date they were prepared. For the purposes of the tables set forth below, earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses ( EBITDAX ) is generally the amount of the relevant company's earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses for a specified time period. EBITDAX is not a GAAP measure of performance.

***Unaudited Prospective Financial and Operating Forecasts Regarding Kodiak***

The following table reflects material unaudited prospective financial and operating data regarding Kodiak that was prepared by Kodiak management. It includes a daily production forecast for Kodiak prepared by Kodiak

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management reflecting projected daily production resulting from planned additional rigs and unaudited prospective financial data regarding Kodiak that was prepared using the pricing assumptions set forth in the table below (the Case 1 Kodiak forecast ). The 2018 data in the Case 1 Kodiak forecast was not provided to Whiting or J.P. Morgan.

|   | 2014E    | 2015E    | 2016E    | 2017E    | 2018E    |
|---|----------|----------|----------|----------|----------|
| Kodiak daily production (MBOE/d)          | 39.1     | 52.8     | 64.7     | 74.4     | 82.6     |
| <u>Pricing Assumptions</u>                |          |          |          |          |          |
| Oil (\$/Bbl)                              | \$ 97.80 | \$ 95.00 | \$ 95.00 | \$ 95.00 | \$ 95.00 |
| Natural Gas (\$/Mcf)                      | \$ 4.64  | \$ 4.50  | \$ 4.50  | \$ 4.50  | \$ 4.50  |
| Resulting Kodiak EBITDAX (\$ in millions) | \$ 820   | \$ 1,123 | \$ 1,399 | \$ 1,613 | \$ 1,785 |

Kodiak prepared an additional forecast reflecting the continuation of existing levels of operations without the additional projected production resulting from the expected addition of the additional rigs described above (the Case 2 Kodiak forecast ). The following table reflects material unaudited prospective financial and operating data and pricing assumptions from the Case 2 Kodiak forecast.

|   | 2014E    | 2015E    | 2016E    |
|---|----------|----------|----------|
| Kodiak daily production (MBOE/d)          | 39.1     | 47.1     | 52.6     |
| <u>Pricing Assumptions</u>                |          |          |          |
| Oil (\$/Bbl)                              | \$ 95.11 | \$ 90.00 | \$ 90.00 |
| Natural Gas (\$/Mcf)                      | \$ 4.64  | \$ 4.50  | \$ 4.50  |
| Resulting Kodiak EBITDAX (\$ in millions) | \$ 814   | \$ 941   | \$ 1,050 |

For purposes of the analyses undertaken by J.P. Morgan, the management of Whiting adjusted the Case 1 Kodiak forecast to reflect commodity prices consistent with those used in the preparation of the Whiting forecast and to reflect estimates of certain non-cash charges relating to stock based compensation that were not reflected in the Case 1 Kodiak forecast. The following table reflects the Case 1 Kodiak forecast as so adjusted by the management of Whiting (the Whiting adjusted Kodiak forecast ) and provided to J.P. Morgan, which was authorized to rely upon such data for purposes of its analyses and opinion. The Whiting adjusted Kodiak forecast was not provided to Kodiak or to Petrie Partners or Credit Suisse.

|   | 2014E     | 2015E    | 2016E    |
|---|-----------|----------|----------|
| Kodiak daily production (MBOE/d)          | 39.1      | 52.8     | 64.7     |
| <u>Pricing Assumptions</u>                |           |          |          |
| Oil (\$/Bbl)                              | \$ 100.00 | \$ 95.00 | \$ 90.00 |
| Natural Gas (\$/Mcf)                      | \$ 4.50   | \$ 4.50  | \$ 4.50  |
| Resulting Kodiak EBITDAX (\$ in millions) | \$ 830    | \$ 1,087 | \$ 1,271 |

The following table reflects the material unaudited prospective financial and operating data regarding Kodiak that was prepared by Whiting management and reflects the assumption that the arrangement is completed in the fourth quarter of 2014 (the Whiting forecast for Kodiak ). The Whiting forecast for Kodiak was provided to the Whiting board of directors in connection with their evaluation of the arrangement, but was not provided to Kodiak or to Petrie Partners or Credit Suisse.

|   | <b>2014E</b> | <b>2015E</b> | <b>2016E</b> |
|---|--------------|--------------|--------------|
| Kodiak daily production (MBOE/d)          | 40.0         | 54.0         | 67.6         |
| <u>Pricing Assumptions</u>                |              |              |              |
| Oil (\$/Bbl)                              | \$ 100.00    | \$ 95.00     | \$ 90.00     |
| Natural Gas (\$/Mcf)                      | \$ 4.50      | \$ 4.50      | \$ 4.50      |
| Resulting Kodiak EBITDAX (\$ in millions) | \$ 844       | \$ 1,198     | \$ 1,436     |



**Table of Contents*****Unaudited Prospective Financial and Operating Forecasts Regarding Whiting***

The following table reflects the material unaudited prospective financial and operating data regarding Whiting that was prepared by Whiting management. It includes the daily production forecast for Whiting prepared by Whiting management and unaudited prospective financial data regarding Whiting that was prepared using the pricing assumptions set forth in the table below (the Whiting forecast). The Whiting forecast, together with the Case 1 Kodiak forecast, the Case 2 Kodiak forecast, the Whiting adjusted Kodiak forecast and the Whiting forecast for Kodiak, are referred to as the forecasts. The Whiting forecast was provided to the Whiting board of directors in connection with their evaluation of the arrangement and to J.P. Morgan, which was authorized to rely upon such data for purposes of their opinion.

|  | <b>2014E</b> | <b>2015E</b> | <b>2016E</b> |
|--|--------------|--------------|--------------|
| Whiting daily production (MBOE/d)          | 111.5        | 127.8        | 144.4        |
| <b><u>Pricing Assumptions</u></b>          |              |              |              |
| Oil (\$/Bbl)                               | \$ 100.40    | \$ 95.00     | \$ 90.00     |
| Natural Gas (\$/Mcf)                       | \$ 4.64      | \$ 4.50      | \$ 4.50      |
| Resulting Whiting EBITDAX (\$ in millions) | \$ 2,414     | \$ 2,600     | \$ 2,761     |

No assurances can be given that the assumptions made in preparing the above forecasts will accurately reflect future conditions. The estimates and assumptions underlying the forecasts involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under Risk Factors and Forward-Looking Statements, all of which are difficult to predict and many of which are beyond the control of Whiting or Kodiak and will be beyond the control of the combined company following the arrangement. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ, and may differ materially, from those reflected in the forecasts, whether or not the arrangement is completed.

In addition, although presented with numerical specificity, the above forecasts reflect numerous assumptions and estimates as to future events made by Kodiak and Whiting management that Kodiak and Whiting management believed were reasonable at the time the forecasts were prepared. The above forecasts do not give effect to the arrangement or the related transactions. Kodiak shareholders and Whiting stockholders are urged to review (i) Kodiak's most recent SEC filings for a description of Kodiak's reported results of operations and financial condition and capital resources during 2013, including Management's Discussion and Analysis of Financial Condition and Results of Operations in Kodiak's Annual Report on Form 10-K for the year ended December 31, 2013 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, which are incorporated by reference into this joint proxy statement/circular and (ii) Whiting's most recent SEC filings for a description of Whiting's reported results of operations and financial condition and capital resources during 2013, including Management's Discussion and Analysis of Financial Condition and Results of Operations in Whiting's Annual Report on Form 10-K for the year ended December 31, 2013 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, which are incorporated by reference into this joint proxy statement/circular.

Readers of this joint proxy statement/circular are cautioned not to place undue reliance on the forecasts set forth above. No representation is made by Whiting or Kodiak, their respective financial advisors or any other person to any Whiting stockholder or Kodiak shareholder regarding the ultimate performance of Whiting or Kodiak compared to the information included in the above forecasts. The inclusion of forecasts in this joint proxy statement/circular should not

be regarded as an indication that the forecasts will be an accurate prediction of future events, and such information should not be relied on as such.

WHITING AND KODIAK DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THE ABOVE FORECASTS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO

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REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH PROSPECTIVE FINANCIAL AND OPERATING INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

**Governance Following Completion of the Arrangement**

The Whiting senior management team will lead the combined company after the completion of the arrangement. Lynn A. Peterson, the President and Chief Executive Officer and a director of Kodiak, and James E. Catlin, the Executive Vice President of Business Development and a director of Kodiak, will be appointed to the board of directors of Whiting at the completion of the arrangement for terms to expire at Whiting's annual meetings on 2017 and 2016, respectively, and until their successors are duly elected and qualified.

For discussion of the material interests of directors and executive officers of Kodiak in the arrangement that may be in addition to, or different from, their interests as shareholders, see [Interests of Directors and Executive Officers of Kodiak in the Arrangement](#) below.

**Interests of Directors and Executive Officers of Kodiak in the Arrangement**

The Kodiak board of directors and the executive officers of Kodiak may be deemed to have interests in the arrangement that are in addition to, or different from, the interests of other Kodiak shareholders. The Kodiak board of directors was aware of these interests and considered them, among other matters, in approving the arrangement agreement and arrangement and in making the recommendation that the Kodiak shareholders and securityholders, as applicable, approve the continuance resolution, the arrangement resolution, the arrangement-related compensation proposal and the Kodiak adjournment proposal. For purposes of the Kodiak agreements and plans described below, to the extent applicable, the completion of the arrangement will constitute a change of control or term of similar meaning. These interests are described in further detail below.

***Kodiak Non-Employee Directors***

As part of their overall compensation for services on the board of directors, Kodiak's non-employee directors have received annual equity grants, either in the form of shares of restricted stock or options to purchase shares of Kodiak common stock.

Under the terms of the restricted stock award agreements, the unvested shares of restricted stock automatically vest upon a change of control and pursuant to the terms of the arrangement agreement, will be assumed by Whiting and converted automatically at the effective time of the arrangement into a number of shares of Whiting common stock based on the exchange ratio. The following table sets forth, for each non-employee director, as of the date of this joint proxy statement/circular, the aggregate number of shares of restricted stock that will vest upon completion of the arrangement.

| Name | Number of Unvested<br>Shares of<br>Restricted<br>Stock That Will Vest<br>Upon<br>Completion of | Resulting Value<br>from<br>Unvested<br>Shares of<br>Restricted<br>Stock |
|------|--|---|
|------|--|---|

|                          | <b>the<br/>Arrangement<br/>(#)</b> | <b>(\$)</b> |
|--------------------------|------------------------------------|-------------|
| Rodney D. Knutson        | 24,500                             | 377,055     |
| Herrick K. Lidstone, Jr. | 24,500                             | 377,055     |
| William J. Krysiak       | 24,500                             | 377,055     |

For consistency with the method of determining the value of consideration resulting from equity awards in connection with the arrangement as displayed in Quantification of Potential Payments to Kodiak's Named Executive Officers in Connection with Arrangement below, and since the value of the arrangement

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consideration is not a fixed dollar amount, the value of unvested restricted stock in the table above is based on a price per share of \$15.39, the average closing price of the shares of Kodiak common stock over the five days following the first public announcement of the arrangement. Accordingly, the actual value of the accelerated vesting may be greater or less than the value described above.

Each outstanding option to purchase shares of Kodiak common stock will be assumed by Whiting and converted automatically at the effective time of the arrangement into an option denominated in shares of Whiting common stock based on the share exchange ratio (rounded down to the nearest whole share) and subject to terms and conditions substantially identical to those in effect at the effective time of the arrangement. The exercise price of each outstanding option to purchase shares of Kodiak common stock will equal the per share exercise price of that option divided by the share exchange ratio (rounded upwards to the nearest whole cent). All outstanding options held by Kodiak's non-employee directors are currently vested and exercisable. The following table sets forth, as of the date of this joint proxy statement/circular, the aggregate number of outstanding options exercisable to purchase shares of Kodiak common stock, and the weighted average exercise price per share of such options, held by the non-employee directors.

| <b>Name</b>              | <b>Number of<br/>Outstanding<br/>Options to<br/>Purchase Shares<br/>of Kodiak<br/>Common Stock<br/>(#)</b> | <b>Weighted Average Option<br/>Exercise Price Per<br/>Share<br/>(\$)</b> |
|--------------------------|--|--|
| Herrick K. Lidstone, Jr. | 75,000   | \$ 3.49  |
| William J. Krysiak       | 100,000  | \$ 3.13  |

***Kodiak Executive Officers******Treatment of Equity-Based Awards***

Each of Messrs. Peterson, Catlin, Henderson, Branting and Cunningham, who are the only executive officers of Kodiak and are collectively referred to in this joint proxy statement/circular as the named executive officers of Kodiak, have received, from time to time, grants of RSUs representing the right to receive shares of Kodiak common stock, performance awards representing the right to receive an amount equal to the value, determined on the applicable vesting date, of shares of Kodiak common stock and options to purchase shares of Kodiak common stock.

All RSUs and performance awards held by the Kodiak named executive officers that are outstanding immediately prior to the completion of the arrangement will become fully vested upon completion of the arrangement pursuant to the terms of each such named executive officer's employment agreement.

The following table sets forth, for each Kodiak named executive officer, as of the date of this joint proxy statement/circular, the aggregate number of shares of Kodiak common stock subject to unvested RSUs and unearned performance awards that will vest upon completion of the arrangement.

|                     | <b>Number of Shares Subject to Unvested RSUs That Will Vest from Upon Completion of the Arrangement (#)(1)</b> | <b>Resulting Value of Unvested RSUs (\$)</b> | <b>Number of Shares Subject to Performance Awards That Will Vest Upon Completion of the Arrangement (#)(2)</b> | <b>Resulting Value of Unvested Shares Subject to Performance Awards (\$)</b> |
|---------------------|--|--|--|--|
| Lynn A. Peterson    | 1,046,885  | 16,111,560                                   | 9,375  | 144,281  |
| James E. Catlin     | 261,412  | 4,023,131                                    | 6,250  | 96,188   |
| James P. Henderson  | 392,876  | 6,046,362                                    | 6,250  | 96,188   |
| Russell A. Branting | 389,126  | 5,988,649                                    | 4,375  | 67,331   |
| Russ D. Cunningham  | 389,126  | 5,988,649                                    | 4,375  | 67,331   |

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- (1) Certain of the RSUs held by each executive officer are scheduled to vest on November 1, 2014 and November 15, 2014. If the arrangement has not been consummated prior to those dates, the respective RSUs will vest as scheduled with no acceleration of vesting.
- (2) The performance awards held by each named executive officers are scheduled to vest on November 15, 2014. If the arrangement has not been consummated prior to November 15, 2014, these performance awards will be paid as scheduled with no acceleration of vesting. These performance awards are payable in cash or, in the discretion of the compensation committee of the Kodiak board of directors, shares of Kodiak common stock.

For consistency with the method of determining the value of consideration resulting from equity awards in connection with the arrangement as displayed in *Quantification of Potential Payments to Kodiak's Named Executive Officers in Connection with Arrangement* below, and since the value of the arrangement consideration is not a fixed dollar amount, the value of RSUs and performance awards in the table above is based on a price per share of \$15.39, the average closing price of the shares of Kodiak common stock over the five days following the first public announcement of the arrangement. Accordingly, the actual value of the accelerated vesting may be greater or less than the value described above.

Each outstanding option to purchase shares of Kodiak common stock, including the options held by Kodiak's named executive officers, will be assumed by Whiting and converted automatically at the effective time of the arrangement into an option denominated in shares of Whiting common stock based on the share exchange ratio (rounded down to the nearest whole share) and subject to terms and conditions substantially identical to those in effect at the effective time of the arrangement. The exercise price of each outstanding option to purchase shares of Kodiak common stock will equal the per share exercise price of that option divided by the share exchange ratio (rounded upwards to the nearest whole cent). All outstanding options held by Kodiak's named executive officers are currently vested and exercisable. The following table sets forth, as of the date of this joint proxy statement/circular, the aggregate number of outstanding options exercisable to purchase shares of Kodiak common stock, and the weighted average exercise price per share of such options, held by the named executive officers.

| <b>Name</b>         | <b>Number of Outstanding Options to Purchase Kodiak Common Stock (#)</b> | <b>Weighted Average Option Exercise Price Per Share (\$)</b> |
|---------------------|--|--|
| Lynn A. Peterson    | 449,877  | \$ 3.49  |
| James E. Catlin     |  |  |
| James P. Henderson  |  |  |
| Russell A. Branting | 365,830  | \$ 2.60  |
| Russ D. Cunningham  | 137,000  | \$ 2.79  |

*Employment Agreements*

Kodiak is a party to employment agreements with Messrs. Peterson and Catlin that became effective on January 1, 2013. These agreements provide that if, within 12 months following a change of control, either of Messrs. Peterson or Catlin is terminated without cause or resigns for good reason, Kodiak will be obligated to pay the respective executive a lump sum payment equal to his then-current base salary for a period of 30 months plus an amount equal to the greater of his most recent annual cash bonus or the average cash bonus paid to him under his current employment agreement and prior employment agreements.

Kodiak is a party to employment agreements with Messrs. Branting, Cunningham and Henderson that were effective January 1, 2013 and subsequently amended. These agreements provide that if, within 12 months following a change of control, any of the executives is terminated without cause or resigns for good reason, Kodiak will be obligated to pay the respective executive a lump sum payment equal to his then-current



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base salary for a period of 24 months plus an amount equal to the greater of his most recent annual cash bonus or the average cash bonus paid to him under his current employment agreement and prior employment agreements.

In addition, each of these employment agreements provides limited health insurance benefits in connection with a termination upon a change of control. Specifically, in the event the executive elects continuance of applicable group health insurance within the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and state law on a timely basis, and makes the premium payments therefore, Kodiak (or the applicable successor or surviving entity in the change of control ) must reimburse the executive for such premiums for the executive and his immediate family and/or eligible dependents for a period of 24 months after such termination date.

Further, as described above, these employment agreements provide that immediately upon occurrence of a change of control, all of Messrs. Peterson, Catlin, Henderson, Branting and Cunningham s equity-based incentive compensation will immediately vest irrespective of whether his employment continues or is terminated, subject to limitations, if any, arising from Section 409A of the United States Internal Revenue Code of 1986, as amended.

Under the terms of these employment agreements:

Cause will be determined in the sole discretion of Kodiak, or in certain cases, the compensation committee, and means that the executive: (i) has materially failed or refused to satisfactorily perform his assigned duties and job responsibilities, (ii) has willfully engaged in conduct that he knew or should have known would be materially injurious to Kodiak, (iii) has committed an act of fraud, embezzlement or a willful and material breach of a fiduciary duty to Kodiak, (iv) has breached certain provisions of his employment agreement, (v) has been convicted of (or pleaded no contest to) any crime that (A) is a felony, (B) involves fraud or dishonesty or (C) impugns the character or reputation of the executive or Kodiak, or (vi) has violated or caused Kodiak to violate any law that is harmful to the business reputation of Kodiak.

The following conditions will constitute good reason : (i) Kodiak s material breach of the employment agreement or any other material written agreement between the executive and Kodiak; (ii) the assignment to the executive (without the executive s consent) of any duties that are substantially inconsistent with or materially diminish the executive s position, (iii) a requirement that the executive (without the executive s consent) be based at any office or location more than 50 miles from the executive s primary work location immediately prior to a change of control , not including reasonable travel by the executive consistent with the travel obligations of similar executives holding similar positions with similar responsibilities; or (iv) the executive s refusal to renew his employment agreement at the time it would otherwise expire, provided that at such time the executive was willing to renew the employment agreement and was able to continue providing services.

All of the termination benefits described above (except in the case of death of the executive) are subject to the timely execution and delivery of a release agreement in favor of employer, Kodiak and their respective affiliates.

These employment agreements do not provide for tax gross-ups for excise taxes imposed because of the golden parachute excise tax provisions of Code Sections 280G and 4999. Instead, the agreements provide that, if excise taxes would be imposed because of any payment or distribution under any agreement with the executive, the payments or distributions will be either reduced, to a level below the level that would trigger the imposition of the excise taxes, or paid in full and subjected to the excise taxes, whichever results in the better after-tax result to the executive. Kodiak does not expect that any payment made or to be made to any current or former Kodiak employee or director by reason

of the arrangement, the arrangement agreement or the transactions contemplated thereby will constitute an excess parachute payment within the meaning of Section 280G of the

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Code that could result in a payment in excise tax by impacted employees and directors or a loss of a compensation deduction by Kodiak.

*Appointment to Whiting Board of Directors*

Pursuant to the arrangement agreement, Whiting has agreed to take all necessary corporate action to appoint Mr. Peterson and Mr. Catlin to the Whiting board of directors effective as of the effective time of the arrangement.

**Quantification of Potential Payments to Kodiak's Named Executive Officers in Connection with Arrangement**

In accordance with Item 402(t) of Regulation S-K, the table below sets forth the estimated amounts of compensation that is based on or otherwise relates to the arrangement that may become payable to or realized by each of Kodiak's named executive officers (as identified in accordance with SEC regulations), based on their compensation levels and outstanding equity awards as of the date of this joint proxy statement/circular, and assuming solely for illustrative purposes that the employment of each named executive officer is terminated without cause on the date that the arrangement closes.

The estimated amounts below are based on multiple assumptions that may not actually occur, including assumptions described in this joint proxy statement/circular. In addition, certain amounts will vary depending on the actual date the arrangement is completed, which is presently expected to occur in the fourth quarter of 2014. As a result, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below.

|                     | Cash      | Equity     | Pension/Perquisites/<br>NQDC | Tax     | Other | Total      |
|---------------------|-----------|------------|------------------------------|---------|-------|------------|
|                     | (\$)(1)   | (\$)(2)    | (\$)                         | (\$)(3) | (\$)  | (\$)       |
| Lynn A. Peterson    | 3,055,000 | 16,255,841 |                              | 28,305  |       | 19,339,146 |
| James P. Henderson  | 1,335,000 | 6,142,549  |                              | 28,305  |       | 7,505,854  |
| James E. Catlin     | 970,000   | 4,119,318  |                              | 33,542  |       | 5,122,860  |
| Russell A. Branting | 1,335,000 | 6,055,980  |                              | 48,693  |       | 7,439,674  |
| Russ D. Cunningham  | 1,335,000 | 6,055,980  |                              | 33,372  |       | 7,424,352  |

- (1) Amounts reported in this column represent the cash termination payments to each of the named executive officers upon a change of control followed by a termination of employment without cause or for good reason pursuant to such named executive officer's executive employment agreement. See "The Arrangement Interests of Directors and Executive Officers of Kodiak in the Arrangement Kodiak Executive Officers Employment Agreements" for additional information.
- (2) Amounts reported in this column represent the value of unvested RSUs and performance awards that will become vested upon consummation of the arrangement pursuant to the employment agreement with each named executive officer. For the RSUs and performance awards, the amount is based on the product of (i) the number of shares subject to the RSUs or performance awards and (ii) a price per share of \$15.39, the average closing price of the Kodiak common stock over the five days following the first announcement of the arrangement. Pursuant to each named executive officer's employment agreement, these RSUs and performance awards will become fully vested on completion of the arrangement, as set forth above under "The Arrangement Interests of Directors and Executive Officers of Kodiak in the Arrangement Kodiak Executive Officers Treatment of Equity Based Awards."

The number of shares subject to the RSUs for each named executive officer are as follows: Mr. Peterson, 1,046,885 shares; Mr. Catlin, 261,412 shares; Mr. Henderson, 392,876 shares; Mr. Branting, 389,126 shares; and Mr. Cunningham, 389,126 shares. The amounts of performance awards, as denominated in Kodiak common stock, for each named executive officer are as follows: Mr. Peterson, 9,375 shares; Mr. Catlin, 6,250 shares; Mr. Henderson, 6,250 shares; Mr. Branting, 4,375 shares; and Mr. Cunningham, 4,375 shares.

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(3) Amounts reported in this column reflect the cost of reimbursing each named executive officer for the premiums required to continue applicable group health insurance within the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and state law for the named executive officer, his immediate family and/or eligible dependents for a period of 24 months after termination of employment pursuant to such named executive officer's executive employment agreement. See The Arrangement Interests of Kodiak Directors and Executive Officers of Kodiak in the Arrangement Kodiak Executive Officers Employment Agreements for additional information.

In accordance with Section 14A of the Exchange Act, Kodiak is providing its shareholders with the opportunity to cast a non-binding, advisory vote to approve the payment by Kodiak of the compensation disclosed in the table above that is based on or otherwise relates to the arrangement. Please see below under Kodiak Proposals Item 3 Arrangement-Related Compensation Proposal for the text of the resolution on which Kodiak is asking its shareholders to vote, and for additional information concerning the vote. The Kodiak board of directors recommends a vote **FOR** the arrangement-related compensation proposal.

**Director and Officer Indemnification**

Under the arrangement agreement, certain indemnification and insurance rights exist in favor of Kodiak and its subsidiaries' current and former directors and officers. Additionally, as permitted under the YBCA, Kodiak's by-laws provide that, subject to the limitations contained in the YBCA, and to the extent he or she is otherwise fairly and reasonably entitled thereto, Kodiak shall indemnify a director or officer, a former director or officer, or a person who acts or acted at Kodiak's request as a director or officer of a body corporate of which Kodiak is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of Kodiak or any such body corporate) and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of Kodiak or such body corporate, if: (i) he or she acted honestly and in good faith with a view to the best interests of Kodiak; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful. See The Arrangement Agreement Covenants Indemnification and Insurance for information about these rights.

**Interest of Informed Persons in Material Transactions**

To the knowledge of Kodiak, other than as disclosed elsewhere in this joint proxy statement/circular, as of October 24, 2014, no director or officer of Kodiak, any subsidiary or any insider, or any associate or affiliate of any of the foregoing, has had any interest in any transaction since the commencement of Kodiak's last financial year or in any proposed transaction which has materially affected or would materially affect Kodiak or any of its subsidiaries.

**Accounting Treatment of the Arrangement**

Whiting prepares its financial statements in accordance with U.S. GAAP. The arrangement will be accounted for by Whiting in accordance with Accounting Standards Codification Topic 805, Business Combinations (referred to as ASC 805). The purchase price will be determined based on the number of common stock issued and the Whiting stock price on the date of the arrangement. The purchase price will also include additional consideration related to converted Kodiak equity awards for amounts attributable to pre-combination services. The purchase price will be allocated to the fair values of assets acquired and liabilities assumed. Any excess purchase price after this allocation will be assigned to goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually, or more frequently if circumstances indicate potential impairment. The operating results of Kodiak will be part of the combined company beginning on the date of the arrangement.



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### **Court Approval of the Arrangement and Completion of the Arrangement**

The arrangement requires approval by the court under Division 5 of Part 9 of the BCBCA. Prior to the mailing of this joint proxy statement/circular, Kodiak obtained the interim order providing for the calling and holding of a special meeting of Kodiak securityholders and other procedural matters. A copy of the interim order is attached hereto as Annex E.

Subject to the approval of the arrangement resolution by Kodiak securityholders at the Kodiak special meeting and completion of the continuance of Kodiak into British Columbia, Canada, the hearing in respect of the final order is expected to take place on or about December 5, 2014, or as soon thereafter as is reasonably practicable. A copy of the notice of hearing of petition for final order is attached hereto as Annex F.

Any Kodiak securityholder or other person who wishes to participate, to appear, or to be represented, and to present evidence or arguments at the hearing must serve and file a response to petition (a response ) no later than November 28, 2014 and satisfy the other requirements of the court, as directed in the interim order and the notice of hearing of petition for final order appended hereto as Annex E and Annex F, respectively, and as the court may direct in the future. The court will consider, among other things, the fairness and reasonableness of the arrangement and the rights of every person affected. The court may approve the arrangement in any manner the court may direct, subject to compliance with such terms and conditions, if any, as the court deems fit. The court has further been advised that the final order granted by the court will constitute the basis for the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof with respect to the Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement.

Although Kodiak's objective is to complete the arrangement as soon as possible after the Kodiak special meeting, the completion could be delayed for a number of reasons, including, but not limited to, an objection before the court at the hearing of the application for the final order or any delay in obtaining any required approvals. Whiting and Kodiak may determine not to complete the arrangement without prior notice to or action on the part of Kodiak securityholders. See The Arrangement Agreement Termination of Arrangement Agreement.

### **U.S. Securities Law Matters**

#### ***Exemption from U.S. Registration***

The Whiting common stock, RSUs, options and restricted stock awards issuable in connection with the arrangement will not be registered under the Securities Act and will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the Securities Act. Section 3(a)(10) of the Securities Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. The final order of the court will, if granted, constitute a basis for the exemption from the registration requirements of the Securities Act with respect to the Whiting common stock, RSUs, options and restricted stock awards issued in connection with the arrangement.

#### ***Restrictions on Sales of Shares of Whiting Common Stock Received in the Arrangement***

All shares of Whiting common stock received by Kodiak shareholders in the arrangement will be freely tradable for purposes of the Securities Act and the Exchange Act, except for shares of Whiting common stock received by any Kodiak shareholder who becomes an affiliate of Whiting after completion of the arrangement (such as Kodiak

directors or executive officers who become directors or executive officers of Whiting after the arrangement). This joint proxy statement/circular does not cover resales of shares of Whiting common stock received by any person upon completion of the arrangement, and no person is authorized to make any use of this joint proxy statement/circular in connection with any resale.



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**Table of Contents****Canadian Securities Law Matters*****Qualification and Resale of Whiting Common Stock***

The Whiting common stock to be issued to Kodiak shareholders in connection with the arrangement will be issued in reliance upon exemptions from the prospectus and registration requirements of applicable Canadian securities laws and will generally not be subject to any resale restrictions under such securities laws if the following conditions are met: (i) the issuer of such shares is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade (pursuant to Section 2.9 of National Instrument 45-102 Resale Restrictions, upon completion of the arrangement Whiting will be deemed to have been a reporting issuer from the time that Kodiak became a reporting issuer); (ii) the trade is not a control distribution; (iii) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade; (iv) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (v) if the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation. Kodiak shareholders should consult with their own financial and legal advisors with respect to any restrictions on the resale of Whiting common stock received on completion of the arrangement.

***Ongoing Canadian Reporting Obligations***

Kodiak is currently a reporting issuer in the Canadian provinces of British Columbia and Alberta and will continue to be a reporting issuer in such jurisdictions upon completion of the arrangement. Whiting is not currently a reporting issuer in any jurisdiction in Canada. Upon completion of the arrangement, Whiting will become a reporting issuer in British Columbia and Alberta by virtue of the completion of the arrangement with Kodiak. Pursuant to National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, Whiting will, upon completion of the arrangement, be generally exempt from Canadian statutory financial and other continuous and timely reporting requirements, including the requirement for insiders of Whiting to file reports with respect to trades of Whiting securities, provided that Whiting complies with the requirements of U.S. securities laws and U.S. market requirements in respect of all financial and other continuous and timely reporting matters and Whiting files with the applicable Canadian securities regulatory authorities copies of its documents filed with or furnished to the SEC under the Exchange Act. To the extent available, Kodiak intends to apply to the applicable Canadian securities regulatory authorities to cease to be a reporting issuer upon completion of the arrangement or for exemptive relief after the completion of the arrangement from the continuous disclosure obligations imposed by NI 51-102 similar to that provided by Section 13.4 of NI 51-102 (credit support issuer exemption), which would entitle Kodiak to be generally exempt from Canadian statutory financial and other continuous and timely reporting requirements, including the requirement for insiders of Kodiak to file reports with respect to trades of Kodiak securities, so long as the conditions prescribed by Section 13.4 of NI 51-102 are satisfied.

**Regulatory Approvals Required for the Arrangement**

The arrangement is subject to the requirements of the HSR Act, which prevents Whiting and Kodiak from completing the arrangement until the waiting period under the HSR Act is terminated or expires. On July 25, 2014, Whiting and Kodiak filed the requisite notification and report forms under the HSR Act with the Antitrust Division of the DOJ and the FTC. Early termination of the waiting period under the HSR Act was granted on August 5, 2014.

**Treatment of Kodiak Equity Awards**

Each outstanding option to purchase shares of Kodiak common stock, RSU measured in relation to, or settleable in, shares of Kodiak common stock and each restricted stock award relating to shares of Kodiak common stock, whether

vested or unvested, will be assumed by Whiting and converted automatically at the effective time of the arrangement into an option, RSU or restricted stock award, as the case may be, denominated

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in shares of Whiting common stock based on the share exchange ratio (rounded down to the nearest whole share) and subject to terms and conditions substantially identical to those in effect at the effective time of the arrangement. The exercise price of each outstanding option to purchase shares of Kodiak common stock will equal the per share exercise price of that option divided by the share exchange ratio (rounded upwards to the nearest whole cent). At the effective time, Whiting will assume the Kodiak 2007 Stock Incentive Plan.

### **Appraisal / Dissenters Rights**

#### *Continuance Dissent Rights*

**Registered holders of Kodiak common stock ( registered Kodiak shareholders ) may exercise rights of dissent under Section 193 of the YBCA ( continuance dissent rights ) with respect to shares of Kodiak common stock in connection with the continuance resolution. Registered Kodiak shareholders who wish to exercise their continuance dissent rights should take note that strict compliance with the YBCA dissent procedures is required.**

**Kodiak shareholders holding their shares in street name through a broker, bank or other nominee who wish to dissent should be aware that ONLY A REGISTERED SHAREHOLDER IS ENTITLED TO DISSENT IN RESPECT IN THE CONTINUANCE RESOLUTION. A Kodiak shareholder who beneficially owns shares of Kodiak common stock but is not the registered holder thereof, should contact the registered holder for assistance regarding dissent in respect of the continuance resolution.**

**The following summary of the continuance dissent rights is not a comprehensive statement of the procedures to be followed by a continuance dissenting shareholder (defined below) and is qualified entirely by reference to the full text of Section 193 of the YBCA attached as Annex K to this joint proxy statement/circular.**

Registered Kodiak shareholders are entitled to the dissent rights set out in Section 193 of the YBCA and to be paid the fair value of their common stock if such shareholder dissents to the continuance resolution in compliance with the YBCA and the continuance becomes effective (a continuance dissenting shareholder ). Neither a vote against the continuance resolution, nor an abstention or the execution or exercise of a proxy vote against such resolution will constitute notice of dissent, but a shareholder need not vote against such resolution in order to object. A continuance dissenting shareholder must dissent with respect to all common stock either held personally by him or on behalf of any one beneficial owner and which are registered in one name.

In order to dissent to the continuance resolution, a continuance dissenting shareholder must send to Kodiak, at or before the Kodiak special meeting and in the manner set forth below, a written notice of objection to the continuance resolution (the continuance objection notice ). Upon the action approved by the continuance resolution becoming effective, the making of an agreement between Kodiak and the continuance dissenting shareholder as to the payment to be made for the continuance dissenting shareholder's shares or the pronouncement of an order by the Supreme Court of the Yukon Territory (the Yukon Court ), whichever first occurs, the continuance dissenting shareholder ceases to have any rights as a Kodiak shareholder other than the right to be paid the fair value of his, her or its shares in an amount agreed to by Kodiak and the continuance dissenting shareholder or in the amount of determined by the Yukon Court, as the case may be, which fair value shall be determined as of the close of business on the last business day before the day on which the resolution from which they dissent was adopted. Until any one of such events occurs, the continuance dissenting shareholder may withdraw his dissent or Kodiak may rescind the continuance resolution and in either event, the proceedings shall be discontinued.

If the continuance resolution is approved, the continuance dissenting shareholder who sent a continuance objection notice, or Kodiak, may apply to the Yukon Court to fix the fair value of the common stock held by the continuance dissenting shareholder and the Yukon Court shall make an order fixing the fair value of such

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common stock, giving judgment in that amount against Kodiak in favor of the continuance dissenting shareholders and fixing the time by which Kodiak must pay that amount to the continuance dissenting shareholder. A continuance dissenting shareholder is not required to give security for costs in respect of such application and, except in special circumstances, will not be required to pay the costs of application or appraisal. If an application is made to the Yukon Court by a continuance dissenting shareholder, Kodiak shall, unless the Yukon Court otherwise orders, send to each continuance dissenting shareholder a written offer (the offer to purchase ) to pay to the continuance dissenting shareholder, an amount considered by the directors of Kodiak to be the fair value of the subject common stock, together with a statement showing how the fair value of the subject common stock was determined. Every offer to purchase shall be on the same terms. At any time before the Yukon Court pronounces an order fixing the fair value of the continuance dissenting shareholder's common stock, a continuance dissenting shareholder may make an agreement with Kodiak for the purchase of his, her or its common stock, in the amount of the offer to purchase, or otherwise. The offer to purchase shall be sent to each continuance dissenting shareholder within 10 days of Kodiak being served with a copy of the originating notice. Any order of the Yukon Court may also contain directions in relation to the payment to the continuance dissenting shareholder of all or part of the sum offered by Kodiak for the common stock, the deposit of the share certificates representing the common stock, and other matters. The Yukon Court may in its discretion allow a reasonable rate of interest on the amount payable to a continuance dissenting shareholder, from the date such continuance dissenting shareholder ceased to have any rights as a Kodiak shareholder because of his, her or its dissent to the continuance resolution until the date of payment.

If Kodiak is not permitted to make a payment to a continuance dissenting shareholder due to there being reasonable grounds for believing that Kodiak is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of Kodiak's assets would thereby be less than the aggregate of its liabilities, then Kodiak shall, within 10 days after the pronouncement of an order, or the making of an agreement between the continuance dissenting shareholder and Kodiak as to the payment to be made for his, her or its common stock, notify each continuance dissenting shareholder that it is unable lawfully to pay such continuance dissenting shareholders for their shares.

Notwithstanding that a judgment has been given in favor of a continuance dissenting shareholder by the Yukon Court, if Kodiak is not permitted to make a payment to a continuance dissenting shareholder for the reasons stated in the previous paragraph, the continuance dissenting shareholder by written notice delivered to Kodiak within 30 days after receiving the notice, as set forth in the previous paragraph, may withdraw his, her or its notice of objection in which case Kodiak is deemed to consent to the withdrawal and the continuance dissenting shareholder is reinstated to his, her or its full rights as a Kodiak shareholder, failing which he, she or it retains status as a claimant against Kodiak to be paid as soon as it is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of Kodiak but in priority to its shareholders.

Unless the continuance objection notice is delivered to Kodiak at the special meeting, it must be given by registered mail or by delivery addressed to Kodiak at 1625 Broadway, Suite 250, Denver, Colorado 80202, to the attention of the Secretary.

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a continuance dissenting shareholder who seeks payment of the fair value of his, her or its common stock in connection with the continuance resolution. Section 193 of the YBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each Kodiak shareholder who might desire to exercise continuance dissent rights should carefully consider and comply with the provisions of the section and consult his, her or its own legal advisor.

***Arrangement Dissent Rights***

**Registered Kodiak shareholders may exercise rights of dissent under Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and the final order**

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**( arrangement dissent rights ), with respect to shares of Kodiak common stock in connection with the arrangement. Registered Kodiak shareholders who wish to dissent should take note that strict compliance with the provisions of Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and the final order, is required.**

**Registered Kodiak shareholders who have exercised dissent rights with respect to the continuance resolution shall not have the right to dissent from the arrangement resolution.**

In general, any registered Kodiak shareholder who validly and properly dissents from the arrangement resolution in compliance with the arrangement dissent rights (an arrangement dissenting shareholder ) will be entitled, in the event that the arrangement becomes effective, to be paid the fair value as of the close of business on the day before the date on which the arrangement becomes effective, in cash, of the Kodiak common stock in respect of which the shareholder has exercised arrangement dissent rights determined in accordance with the procedures applicable to the payout value set out in sections 244 and 245 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and the final order.

The plan of arrangement provides that each arrangement dissenting shareholder who validly exercises arrangement dissent rights and who is ultimately entitled to be paid the fair value of his, her or its Kodiak common stock will be deemed to have sold to Whiting Canadian Sub the Kodiak common stock in respect of which he, she or it dissented (free of any claims). The arrangement dissenting shareholder will cease to have any rights as a Kodiak shareholder and may not vote, or exercise or assert any rights of a Kodiak shareholder other than the entitlement to be paid fair value for such Kodiak common stock in accordance with the arrangement dissent rights. In no circumstances shall Kodiak, Whiting, Whiting Canadian Sub or any other person be required to recognize a person exercising arrangement dissent rights unless such person is a registered holder of those shares of Kodiak common stock in respect of which such rights are sought to be exercised. For greater certainty, in no case shall Kodiak, Whiting, Whiting Canadian Sub or any other person be required to recognize arrangement dissenting shareholders as holders of Kodiak common stock after the arrangement becomes effective, and the names of such arrangement dissenting shareholders shall be deleted from the register of Kodiak shareholders as of the effective time of the arrangement.

An arrangement dissenting shareholder who, for any reason, does not properly fulfill each of the dissent procedures in accordance with the requirements set out in Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and the final order, acts inconsistently with such dissent or who for any other reason is not entitled to be paid the fair value of his, her or its Kodiak common stock shall be treated as if he, she or it had participated in the arrangement on the same basis as a non-dissenting Kodiak shareholder. In no case shall Kodiak, Whiting or Whiting Canadian Sub be required to recognize such person as holding shares of Kodiak common stock after the effective time.

If the arrangement is not implemented for any reason, arrangement dissenting shareholders will not be entitled to be paid the fair value for their shares, and such shares of Kodiak common stock will not be deemed to be transferred to Whiting Canadian Sub.

Only registered Kodiak shareholders are entitled to exercise arrangement dissent rights. For greater certainty, none of the following shall be entitled to exercise arrangement dissent rights: (i) holders of Kodiak stock options, RSUs and restricted stock awards, (ii) registered Kodiak shareholders who voted, or have instructed a proxyholder to vote, in favor of the arrangement resolution, (iii) Kodiak shareholders who have exercised dissent rights in respect of the continuance resolution, and (iv) beneficial owners of Kodiak common stock whose Kodiak common stock are registered in the name of someone else (except by having the registered holder of such shares exercise the right of dissent on behalf of such beneficial owner).

In many cases, Kodiak common stock beneficially owned by a holder are registered either (a) in the names of an intermediary that the beneficial owner deals with in respect of such shares, such as among others, banks,



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trust companies, securities brokers, trustees and similar entities, or (b) in the name of a depository, such as CDS, of which the intermediary is a participant. Beneficial owners of Kodiak common stock whose Kodiak common stock are registered in the name of someone else will not be able to exercise dissent rights directly (unless the Kodiak common stock are re-registered in the beneficial shareholder's name). A beneficial owner of Kodiak common stock whose Kodiak common stock are registered in the name of someone else and who wishes to exercise arrangement dissent rights must arrange for the registered Kodiak shareholder(s) holding its Kodiak common stock to exercise arrangement dissent rights on behalf of the beneficial owner or to arrange for its Kodiak common stock to be re-registered in the name of the beneficial shareholder.

A brief summary of the procedures for exercising arrangement dissent rights is set out below.

**The following summary of the arrangement dissent rights is not a comprehensive statement of the procedures to be followed by an arrangement dissenting shareholder and is qualified entirely by reference to the full text of Division 2 of Part 8 of the BCBCA attached as Annex J to this joint proxy statement/circular, as modified by Article 4.1 of the plan of arrangement set out in Annex D to this joint proxy statement/circular and the interim order, the full text of which is attached as Annex E to this joint proxy statement/circular. In addition, the court hearing the application for the final order has the discretion to alter the arrangement dissent rights based on the evidence presented at such hearing.**

Registered Kodiak shareholders may, until no later than 5:00 p.m. on November 26, 2014 or the business day (as defined in the plan of arrangement) that is five business days before any adjournment or postponement of the Kodiak special meeting, give Kodiak a written notice of dissent with respect to the arrangement resolution (an arrangement dissent notice) in accordance with the provisions of Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement and the interim order, by delivery to Kodiak at 1625 Broadway, Suite 250, Denver, Colorado 80202, to the attention of the Secretary. The arrangement dissent notice must contain all of the information specified section 242 of the BCBCA, as modified by Article 4.1 of the plan of arrangement and the interim order. A vote against the arrangement resolution does not constitute an arrangement dissent notice.

If the arrangement resolution is passed at the Kodiak special meeting, Kodiak will promptly after the later of: (i) the date on which Kodiak forms the intention to proceed with the arrangement; and (ii) the date on which the arrangement dissent notice was received, notify each arrangement dissenting shareholder of its intention to act on the arrangement. Kodiak will do so by sending by mail to every arrangement dissenting shareholder a notice (the notice of intention) stating that, among other things, subject to receipt of the final order and satisfaction of the other conditions set out in the arrangement agreement, Kodiak intends to complete the arrangement.

Each arrangement dissenting shareholder is then required, if the arrangement dissenting shareholder wishes to proceed with the dissent, within one month after the date of the notice of intention, to send to Kodiak: (a) a written statement containing the information specified by the interim order; and (b) the certificates representing such shares of Kodiak common stock in respect of which the shareholder has exercised arrangement dissent rights. If the arrangement dissent right is being exercised by the arrangement dissenting shareholder on behalf of a beneficial owner who is not the registered owner, additional conditions apply. An arrangement dissenting shareholder who fails to send to Kodiak, within the required time frame, the written statements described above and the certificates representing the shares of Kodiak common stock in respect of which he, she or it dissents, or fails to otherwise strictly comply with the requirements relating to the arrangement dissent rights, forfeits the right to dissent.

Any arrangement dissenting shareholder who has duly complied with Division 2 of Part 8 of the BCBCA, or Kodiak, may apply to the court, and the court may determine the fair value of the shares of Kodiak common stock in respect of which the arrangement dissenting shareholder dissented and make consequential orders and give directions as the

court considers appropriate. There is no obligation on Kodiak to apply to the court.

**The discussion above is only a summary of the procedures for exercise of the arrangement dissent rights, which are technical and complex. A registered Kodiak shareholder who intends to exercise his or**

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her arrangement dissent rights should carefully consider and comply with the provisions of Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and, if applicable, the final order. Only the registered holders of Kodiak common stock are entitled to dissent in respect of the arrangement resolution. Kodiak shareholders who beneficially own Kodiak common stock but are not the registered holder thereof, should contact the registered holder for assistance.

It is suggested that any Kodiak shareholder wishing to avail himself or herself of the arrangement dissent rights seek his or her own legal advice, as failure to comply strictly with the applicable provisions of Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and, if applicable, the final order may prejudice the availability of such arrangement dissent rights. Arrangement dissenting shareholders should note that the exercise of arrangement dissent rights can be a complex, time consuming and expensive process.

**NYSE Listing of Whiting Common Stock; Delisting and Deregistration of Kodiak Common Stock**

Prior to the completion of the arrangement, Whiting has agreed to use its commercially reasonable efforts to cause the shares of Whiting common stock to be issued in the arrangement to be approved for listing on the New York Stock Exchange. The listing of the shares of Whiting common stock is also a condition to completion of the arrangement.

If the arrangement is completed, Kodiak common stock will cease to be listed on the New York Stock Exchange and Kodiak common stock will be deregistered under the Exchange Act.

**Litigation Relating to the Arrangement**

In connection with the arrangement, seven purported class action lawsuits have been filed on behalf of Kodiak shareholders in the United States District Court for the District of Colorado: Quigley and Koelling v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-02023, filed July 22, 2014 (the plaintiffs voluntarily dismissed this lawsuit on September 24, 2014); Fioravanti v. Krysiak, et al., Case No. 1:14-cv-02037, filed July 23, 2014 (the plaintiffs voluntarily dismissed this lawsuit on October 24, 2014); Wilkinson v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-2074, filed July 25, 2014 (the plaintiffs voluntarily dismissed this lawsuit on October 23, 2014); Goldsmith v. Krysiak, et al., Case No. 1:14-cv-2098, filed July 29, 2014; Rogowski v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-2136, filed July 31, 2014 (the plaintiffs voluntarily dismissed this lawsuit on October 20, 2014); Reiter v. Peterson, et al., Case No. 1:14-cv-02176, filed August 6, 2014; Sohler v. Whiting Petroleum Corporation, et al., Case No. 1:14-cv-02863, filed October 20, 2014 (the Sohler Case); and one purported class action lawsuit has been filed on behalf of Kodiak shareholders in Denver District Court, State of Colorado: The Booth Family Trust v. Kodiak Oil & Gas Corp., et al., Case No. 14-cv-32947, filed July 25, 2014. This last case was removed to the United States District Court for the District of Colorado on September 4, 2014 and is pending in that court now as Case No. 1:14-cv-2457. It is possible that other related or amended suits could subsequently be filed. The defendants have filed motions to dismiss with prejudice in the all remaining cases other than the Sohler Case. The allegations in the four remaining lawsuits are similar. They purport to be brought as class actions on behalf of all shareholders of Kodiak. The complaints name as defendants the individual members of the Kodiak board of directors, Whiting and Whiting Canadian Sub and list Kodiak as a nominal party or a defendant. Additionally, one complaint lists James Henderson, Kodiak's Chief Financial Officer, as a defendant. The complaints allege that the Kodiak board of directors breached its fiduciary duties to Kodiak shareholders by, among other things, failing to engage in a fair sale process before approving the arrangement and to maximize shareholder value in connection with the arrangement. Additionally, the Sohler Case alleges violations under Sections 14(a) and 20(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder. Specifically, the complaints allege that the Kodiak board of directors undervalued Kodiak in connection with the arrangement and that the Kodiak board of directors agreed to certain deal protection

mechanisms that precluded Kodiak from obtaining competing offers. The complaints also allege that Whiting and Whiting Canadian Sub aided and abetted the Kodiak board of directors' alleged breaches of fiduciary

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duties. The Sohler Case alleges additionally that in issuing the preliminary joint proxy statement/circular the Kodiak board of directors violated the cited sections of, and rule promulgated under, the Exchange Act. The complaints seek, among other things, injunctive relief preventing the closing of the arrangement, rescission of the arrangement or an award of rescissory damages to the purported class in the event that the arrangement is consummated, and damages, including counsel fees and expenses. Whiting and Kodiak believe each lawsuit is without merit.

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**THE ARRANGEMENT AGREEMENT**

The following summarizes material provisions of the arrangement agreement. This summary does not purport to be complete and may not contain all of the information about the arrangement agreement that is important to you. The rights and obligations of the parties are governed by the express terms and conditions of the arrangement agreement and not by this summary or any other information contained in this joint proxy statement/circular. Whiting stockholders and Kodiak securityholders are urged to read the arrangement agreement carefully and in its entirety, as well as this joint proxy statement/circular, before making any decisions regarding the arrangement. This summary is qualified in its entirety by reference to the arrangement agreement, a copy of which is attached as Annex C to this joint proxy statement/circular and is incorporated by reference herein.

In reviewing the arrangement agreement and this summary, please remember that they have been included to provide you with information regarding the terms of the arrangement agreement and are not intended to provide any other factual information about Whiting, Kodiak or any of their subsidiaries. The arrangement agreement contains representations and warranties and covenants by each of the parties to the arrangement agreement, which are summarized below. These representations and warranties have been made solely for the benefit of the other parties to the arrangement agreement and:

were not intended as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; and

may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Moreover, information concerning the subject matter of the representations and warranties in the arrangement agreement and described below may have changed since the date of the arrangement agreement and subsequent developments or new information qualifying a representation or warranty may have been included in this joint proxy statement/circular. Accordingly, the representations and warranties and other provisions of the arrangement agreement should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/circular and in the documents incorporated by reference into this joint proxy statement/circular. See [Where You Can Find More Information](#).

**General**

The arrangement agreement provides that Whiting, through Whiting Canadian Sub, will acquire all of the outstanding common shares of Kodiak and Whiting Canadian Sub and Kodiak will amalgamate to form one corporate entity with Kodiak surviving the amalgamation as part of a plan of arrangement. As part of the arrangement, all outstanding shares of Kodiak common stock, other than shares held by Whiting or with respect to which dissent rights in respect of the arrangement have been properly exercised and not withdrawn, will be exchanged for the number of shares of Whiting common stock equal to the exchange ratio. After giving effect to the arrangement, Whiting will own all of the outstanding common stock of Kodiak.

The arrangement agreement also provides that prior to the completion of the arrangement and assuming the continuance resolution is approved by Kodiak shareholders, Kodiak will continue from the jurisdiction of the Yukon Territory to the jurisdiction of the Province of British Columbia.

**Consideration to be Received Pursuant to Arrangement**

The arrangement agreement and the plan of arrangement provide that, at the completion of the arrangement, each share of Kodiak common stock outstanding immediately prior to the completion of the arrangement (excluding shares held by Whiting or by Kodiak shareholders who have properly exercised and not withdrawn their dissent rights) will be exchanged for the number of shares of Whiting common stock equal to the exchange ratio.

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Exchange ratio means 0.177 of a share of Whiting common stock per each share of Kodiak common stock.

No fractional shares of Whiting common stock will be issued as part of the arrangement. Instead, where the aggregate number of Whiting common stock to be issued to a Kodiak shareholder as consideration would result in a fraction of securities of Whiting being issuable, the number of shares of Whiting common stock to be received by such Kodiak shareholder will be rounded down to the nearest whole share of Whiting common stock.

In connection with the arrangement, each RSU, option and restricted stock award relating to Kodiak common stock that is outstanding immediately prior to the completion of the arrangement (whether vested or unvested) will be assumed by Whiting and converted automatically at the effective time of the arrangement into an RSU, option, or restricted stock award, as applicable (an assumed award), denominated in shares of Whiting common stock based on the exchange ratio and subject to terms and conditions substantially identical to those in effect at the effective time of the arrangement, except that:

the number of shares of Whiting common stock that will be subject to each assumed award will be determined by multiplying the number of shares of Kodiak common stock subject to such assumed award by the exchange ratio (rounded down to the nearest whole share); and

if applicable, the exercise or purchase price per share of each assumed award will equal the per share exercise or purchase price of each assumed award divided by the exchange ratio (rounded upwards to the nearest whole cent).

## **Dissenting Shares**

Registered Kodiak shareholders who have strictly complied with the procedures set forth under Section 193 of the YBCA or Division 2 of Part 8 of the BCBCA, as modified by Article 4.1 of the plan of arrangement, the interim order and the final order, will be entitled to exercise dissent rights in respect of the continuance resolution or the arrangement resolution, as applicable. For more information on dissenting shares, see *The Arrangement Appraisal / Dissenters' Rights*.

## **Exchange of Shares Pursuant to Arrangement**

Prior to the effective time of the arrangement, Whiting and Kodiak will appoint a depository to handle the exchange of Kodiak common stock for Whiting common stock. After the effective time of the arrangement, the depository will mail a letter of transmittal to each holder of record of Kodiak common stock contains instructions explaining the procedures for surrendering the shares of Kodiak common stock in exchange for the consideration payable under the arrangement.

After the effective date of the arrangement, the former Kodiak shareholders who surrender their shares, together with a properly completed letter of transmittal, will be entitled to the consideration payable under the arrangement in book-entry form representing that number of shares of Whiting common stock equal to the exchange ratio pursuant to the arrangement. The letter of transmittal will specify that delivery will be effected and risk of loss and title to any certificates representing Kodiak common stock shall pass only upon delivery of such certificate to the depository.

After completion of the arrangement, each certificate or book-entry that previously represented shares of Kodiak common stock will represent the right to receive only book-entries representing the shares of Whiting common stock



into which those shares of Kodiak common stock have been exchanged. The details for the surrender of share certificates to the depositary and the addresses of the depositary will be set out in the letter of transmittal. The letter of transmittal will contain procedural information relating to the arrangement and should be reviewed carefully.

Whiting stockholders need not take any action with respect to their shares of Whiting common stock.

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### **Lost Certificates**

A Kodiak shareholder who claims its share certificates have been lost, stolen or destroyed, should complete the applicable letter of transmittal as fully as possible and forward it, together with an affidavit claiming such certificate is lost, stolen or destroyed, to the depository. The depository will assist in making arrangements for the necessary affidavit (which will include a bonding requirement or an indemnity in favor of Whiting and the depository) for payment of the consideration in accordance with the arrangement.

### **Cancellation of Rights after Six Years**

Any holder of Kodiak common stock which has not complied with the provisions with respect to surrendering their shares on or before the sixth anniversary of the effective date of the arrangement will not receive any repayment of capital or other consideration in respect of such holder's shares. Accordingly, persons who tender certificates or agent's messages for shares of Whiting common stock after the sixth anniversary of the effective date of the arrangement will not receive any consideration and will not own any interest in either Kodiak or Whiting.

### **Closing Matters**

#### ***Closing***

Unless the parties agree otherwise, the closing of the arrangement will be effective three business days following the satisfaction or waiver of all conditions set forth in the arrangement agreement. See **Conditions** below for a more complete description of the conditions that must be satisfied or waived prior to closing.

#### ***Completion of the Arrangement***

Whiting and Kodiak are working to complete the arrangement in the fourth quarter of 2014. However, because completion of the arrangement is subject to the receipt of certain court approvals and the satisfaction or waiver of other conditions, the actual timing of the completion of the arrangement cannot be predicted.

### **Conditions**

The respective obligations of Kodiak and Whiting to complete the arrangement are subject to the satisfaction of the following conditions:

the Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement will be either (i) exempt from registration requirements under the Securities Act pursuant to Section 3(a)(10) or (ii) registered pursuant to an effective registration statement;

the Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement will be exempt from prospectus and registration requirements of applicable Canadian securities laws;

the receipt of approval of the continuance resolution and arrangement resolution by the Kodiak shareholders and securityholders, respectively, and the interim order and the final order has been received;

evidence that Kodiak has effected the continuance from the jurisdiction of the Yukon Territory to the jurisdiction of the Province of British Columbia;

the share issuance proposal has been approved by the Whiting stockholders;

the shares of Whiting common stock to be issued pursuant to the arrangement have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

no law or order has been enacted, entered, promulgated, adopted, issued or enforced by any governmental entity that has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by the arrangement agreement;

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all waiting periods applicable to the transactions contemplated by the arrangement agreement under applicable regulatory laws have expired or terminated;

Whiting has received an opinion of Foley & Lardner LLP to the effect that the Arrangement Transactions should qualify for the intended U.S. tax treatment;

the other party's representations and warranties regarding capitalization are correct and complete (other than *de minimis* inaccuracies) and the other party's other representations and warranties, when read without regard to materiality qualifications, are correct and complete in all respects, except where such failures of such representations and warranties to be true and correct in all respects, individually or in the aggregate, have not had and would not reasonably be expected to have a material adverse effect (as defined in Representations and Warranties ) on such party;

the other party has performed in all material respects all obligations and complied in all material respects with all covenants required by the arrangement agreement to be performed or complied with by it at or prior to the closing of the arrangement;

no event, change, effect, condition, fact or circumstance has occurred after the date of the arrangement agreement that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the other party; and

the other party has delivered a certification stating that certain conditions are satisfied.

The obligation of Whiting to complete the arrangement is further subject to the satisfaction or waiver of the following conditions:

the total number of shares of Kodiak common stock with respect to which dissent rights have been properly exercised and not withdrawn have not exceeded 5% of the outstanding shares of Kodiak common stock as of the closing date; and

no claim, action, suit, arbitration, proceeding, investigation or inquiry has been commenced by any governmental entity against Whiting, Kodiak or any of their respective subsidiaries with respect to the transactions contemplated by the arrangement agreement.

The obligation of Kodiak to complete the arrangement is further subject to the satisfaction or waiver of the following condition:

Lynn A. Peterson and James E. Catlin have been appointed to serve as directors of Whiting effective at the completion of the arrangement; provided that if either is unable to serve as a director of Whiting, Kodiak's board of directors shall be able to designate a substitute individual reasonably acceptable to Whiting and,

after giving effect to such election, Whiting's board of directors shall not have more than 10 directors. The conditions set forth in the arrangement agreement may be waived by Whiting or Kodiak. Receipt of an opinion from Foley & Lardner LLP by Whiting that the Arrangement Transactions should qualify for the intended U.S. tax treatment is a condition that cannot be waived prior to completion of the arrangement.

### **Implementation Steps Pursuant to the Arrangement**

#### ***Kodiak Implementation Steps***

Kodiak will apply to the court under 291 of the BCBCA, and in cooperation with Whiting, will prepare, file and diligently pursue an application for the interim order, which will provide, among other things:

for notice to Kodiak securityholders in respect of the proposed arrangement;

that the requisite approval by Kodiak securityholders of the arrangement resolution shall be:

at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock present in person or represented by proxy at the Kodiak special meeting, voting as one class, with each Kodiak common stock entitled to one vote; and

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at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock and holders of RSUs, options and restricted stock awards of Kodiak present in person or represented by proxy at the Kodiak special meeting, voting together as another class, with each Kodiak common stock entitled to one vote and each RSU, option and restricted stock award holder entitled to the number of votes equal to the number of shares of Kodiak common stock issuable upon the valid exercise of an option, or the valid settlement of an RSU or restricted stock award, as applicable.

that the Kodiak's articles of continuation and by-laws as in effect as of the date of the arrangement agreement shall apply in respect of the Kodiak special meeting;

for the grant of dissent rights under the arrangement;

for the notice requirements with respect to the application to the court for the final order;

that the Kodiak special meeting may be adjourned or postponed from time to time by Kodiak (subject to the terms of the arrangement agreement) without the need for additional approval of the court;

confirmation of the record date for the Kodiak special meeting;

that the plan of arrangement may be amended by the parties, after the interim order, without the need for additional approval of the court, to reflect any comments received by the SEC;

that it is Whiting's intention to rely on the exemption from registration provided by Section 3(a)(10) of the Securities Act with respect to the issuance of Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement; and

that it is Whiting's intention to rely on exemptions from the prospectus and registration requirements of applicable Canadian securities laws with respect to the issuance of Whiting common stock, RSUs, options and restricted stock awards to be issued pursuant to the arrangement.

As soon as reasonably practicable after the SEC indicates it has no further comments or will not review the joint proxy statement/circular, Kodiak will call and convene a special meeting of its securityholders for the purpose of voting upon the approval of:

the continuance resolution by the Kodiak shareholders;

the arrangement resolution by each of (A) the Kodiak shareholders, voting as one class, and (B) the Kodiak shareholders and the holders of Kodiak common stock and RSUs, options and restricted stock awards, voting

together as another class;

the arrangement-related compensation proposal by the Kodiak shareholders; and

the Kodiak adjournment proposal by the Kodiak shareholders.

If the interim order is obtained and the continuance resolution and the arrangement resolution are approved at the Kodiak special meeting, then Kodiak shall, no later than one business day thereafter, complete the continuance of Kodiak into the jurisdiction of British Columbia. No later than two business days after the completion of such continuance, Kodiak shall complete all actions necessary or desirable to submit the arrangement to the court to obtain the final order.

After obtaining the final order and subject to the satisfaction or waiver of the conditions set forth in the arrangement agreement, Kodiak shall, one business day prior to the effective date, send an amalgamation application, together with such other documents as may be required under the BCBCA, to the appointed registrar, for endorsement and filing to give effect to the arrangement.

### ***Whiting Implementation Steps***

Whiting, as soon as practical after the SEC indicates it has no further comments or will not review the joint proxy statement/circular, will call and convene a special stockholders meeting for the purpose of voting on the share issuance proposal and the Whiting adjournment proposal.

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### **Covenants**

Kodiak and Whiting have undertaken certain covenants concerning the conduct of their respective businesses between the date of the arrangement agreement and the completion of the arrangement. Set forth below is a brief summary of the more significant covenants:

#### *No Solicitation of Other Offers*

Subject to certain exceptions set forth in the arrangement agreement, each of Kodiak and Whiting has agreed that:

it will not, nor will it authorize or permit its subsidiaries or any of its or their respective directors, officers, employees or representatives to, directly or indirectly: (i) solicit, initiate, cause, knowingly encourage, or knowingly facilitate, any inquiries or the making of any proposal that constitutes or is reasonably likely to lead to a takeover proposal (as defined below); (ii) participate in any discussions or negotiations regarding a takeover proposal; or (iii) furnish any information in connection with or in furtherance of a takeover proposal; and

it will, and will cause its subsidiaries, and instruct its and their respective representatives to, (i) immediately cease and cause to be terminated all existing discussions or negotiations with respect to any takeover proposal and (ii) request the prompt return or destruction of all confidential information previously furnished and terminate access to any electronic dataroom.

A takeover proposal with respect to Kodiak or Whiting, as the case may be, which is referred to herein as the subject company, means any inquiry, proposal or offer whether or not conditional, and whether or not withdrawn, (i) for a merger, consolidation, arrangement, share exchange, dissolution, recapitalization, or other business combination involving the subject company, (ii) for the issuance of 15% or more of the equity securities of the subject company as consideration for the assets or securities of another person, (iii) to acquire, directly or indirectly, 15% or more of the equity securities of the subject company or assets that represent 15% or more of the total consolidated assets or revenues of the subject company, other than the transactions contemplated and certain transactions expressly permitted by the arrangement agreement, or (iv) any other transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or materially delay the transactions contemplated or which would reasonably be expected to dilute materially the aggregate benefits of the transactions contemplated by the arrangement agreement.

Notwithstanding the restrictions described above, prior to the subject company obtaining its shareholder approval, if the subject company receives an unsolicited bona fide, written takeover proposal made after the date of the arrangement agreement, the subject company may furnish information with respect to itself and its subsidiaries to the third party who made the takeover proposal and its representatives, and may participate in discussions and negotiations regarding the takeover proposal, if (i) its board of directors, after consultation with a financial advisor of nationally recognized reputation and its outside counsel, determines in good faith that the takeover proposal constitutes or is reasonably likely to lead to a superior proposal (as defined below), (ii) its board of directors, after receiving advice of its outside counsel, determines that such actions with respect to the takeover proposal are necessary in order to comply with the board of directors' fiduciary duties to the shareholders of the subject company under applicable law, (iii) the subject company promptly advises the other party both orally and in writing that the board of the subject company made the determination described above and (iv) prior to providing any information, it enters into a confidentiality agreement (a copy of which shall be provided to the other party promptly after execution)



with the third party that made the takeover proposal that contains confidentiality provisions that are no less restrictive than the terms of the confidentiality agreement between Kodiak and Whiting (the parties agreeing that the confidentiality agreement will include a standstill). All information that is provided or made available to the third party that made the takeover proposal must be made available to either Kodiak or Whiting, as the non-subject party, as the case may be, prior to or substantially concurrent with the time such information is provided or made available to the third party that made the takeover proposal.

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Notwithstanding the foregoing, the parties have agreed that nothing in the arrangement agreement precludes Whiting from considering, participating in any discussions or negotiations regarding, or furnishing to any person any of Whiting's information, or entering into any agreement with respect to any inquiry, proposal or offer that would otherwise constitute a takeover proposal (provided that the references to 15% in the definition of takeover proposal will be replaced with 50% under these circumstances), so long as (i) such inquiry, proposal or offer contemplates a transaction that would not require or be subject to an adverse recommendation change (as defined below) by Whiting or a termination of the arrangement agreement and (ii) the entry into any such agreement or the consummation of the transactions contemplated by such agreement would not reasonably be expected to prevent or materially impair Whiting's ability to consummate the arrangement prior to the termination date.

***Change of Board Recommendations or Termination of Arrangement Agreement for Superior Proposal***

Under the arrangement agreement, the Kodiak board of directors has agreed to recommend that Kodiak shareholders approve the continuance resolution and the arrangement resolution (the Kodiak recommendation), and the Whiting board of directors has agreed to recommend that Whiting stockholders approve the share issuance proposal (the Whiting recommendation). Subject to the provisions described below, the arrangement agreement provides that neither subject company board of directors nor any of their respective board committees will:

withdraw or propose to withdraw (or modify or propose to modify in a manner adverse to the other party) the Kodiak recommendation or the Whiting recommendation, as applicable, or recommend, adopt or approve (or propose publicly to recommend, adopt or approve) any takeover proposal (each of the foregoing actions, an adverse recommendation change); or

approve or recommend (or propose to approve or recommend), or allow the subject company or any of its subsidiaries to, execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, arrangement agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar agreement constituting or related to, any takeover proposal (other than a confidentiality agreement of the type described above in connection with an unsolicited takeover proposal).

Notwithstanding these restrictions, before the subject company obtains its shareholder approval, the subject company board may (subject to compliance with the procedures described below), if it determines in good faith (after receiving advice of its outside counsel) that it is necessary to do so in order to comply with its fiduciary duties to its shareholders under applicable law, (i) effect an adverse recommendation change in light of a superior proposal or terminate the arrangement agreement solely in order to concurrently enter into an agreement with respect to a superior proposal; or (ii) effect an adverse recommendation change solely in response to an intervening event (as defined below).

Prior to taking any of the actions described in the foregoing paragraph, the subject company shall, at least three business days prior to taking such action, provide the other party with written notice (an adverse notice) that, in the case of (i) in the paragraph above, the subject company board has determined that the takeover proposal is a superior proposal and the subject company board intends to effect an adverse recommendation change or terminate the arrangement agreement (and such notice shall include copies of the superior proposal), or, in the case of (ii) in the paragraph above, the subject company board intends to make an adverse recommendation change (and such notice shall include a description of the intervening event and the reasons for the adverse recommendation change). Any amendment to the financial terms of the superior proposal or changes in circumstances of the intervening event, will

require the delivery of a new adverse notice and a new three-day business period. During any such three-day period following the receipt of an adverse notice, the subject company shall, if requested by the other party, negotiate in good faith to make such adjustments to the arrangement agreement to enable the subject company to proceed with the arrangement and the other transactions contemplated by the arrangement agreement on such adjusted terms without effecting an adverse recommendation change or terminating the arrangement agreement (and in determining whether to make an adverse recommendation change or terminate the arrangement agreement, the subject company must take into account any such proposed changes to the terms of the arrangement agreement).

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A superior proposal means a bona fide written offer made by a third party that, if consummated, would result in such person (or its shareholders) owning, directly or indirectly, 50% or more of the shares of common stock of the subject company then outstanding (excluding transactions contemplated by the arrangement agreement) or all or substantially all of the total consolidated assets of the subject company (i) on terms which the subject company board determines in good faith (after receiving advice of a financial advisor of nationally recognized reputation and of its outside counsel and in light of all relevant circumstances) to be more favorable to the shareholders of the subject company from a financial point of view than the transactions contemplated by the arrangement agreement, (ii) which is reasonably likely to be completed, taking into account any financing and approval requirements and all other financial, legal, regulatory and other aspects of such proposal and (iii) for which financing, if a cash transaction (in whole or part), is then fully committed or reasonably determined to be available by the subject company board of directors.

An intervening event means a material event, circumstance, change or effect that was not known or reasonably foreseeable (or if known or reasonably foreseeable, the probability or magnitude of consequences of which were not known or reasonably foreseeable) to the subject company board on the date of the arrangement agreement, which event, circumstance, change or effect (including any change in probability or magnitude of consequences) becomes known to the subject company board before the subject company shareholder approval is obtained; provided that the following will not be intervening events of the subject company: (i) any action taken by either party in compliance with the affirmative covenants set forth in the arrangement agreement (See Commercially Reasonable Efforts Covenant ) and the consequences of any such action; (ii) the receipt, existence of or terms of a takeover proposal for the subject company or any inquiry relating thereto or the consequence thereof; (iii) any decline in the market price or trading volume of the securities of the other party; (iv) any change in general economic, political, business or other capital market conditions (including prevailing interest rates and any effects on the economy arising as a result of acts of terrorism); (v) any change or developments in the market price for oil, natural gas or other commodity prices or for raw material inputs and end products; (vi) any change affecting the oil and gas exploration and production industry generally; (vii) any change in accounting requirements or principles imposed by U.S. GAAP or any change in law after the effective date of the arrangement agreement; and (viii) earthquakes, any weather-related or other force majeure event or natural disasters or outbreak or escalation of hostilities or acts of war; except in each of cases (iv), (v), (vi), (vii) and (viii), where such event disproportionately affects the subject company, taken as a whole, relative to the other party, taken as a whole, constitute an intervening event of the subject company.

Notwithstanding the restrictions described above, the arrangement agreement does not prohibit the subject company or its board of directors from (i) complying with its obligations under Rules 14d-9 and 14e-2 promulgated under the Exchange Act or (ii) making any required disclosure to its shareholders if, in the good faith judgment of its board of directors (after consultation with outside counsel), failure to so disclose would constitute a violation of applicable law; provided that any such disclosure relating to a takeover proposal or intervening event (other than a stop, look and listen statement in compliance with Rule 14d-9 under the Exchange Act) shall be deemed an adverse recommendation change unless the subject company board reaffirms its recommendation and declaration of advisability of the arrangement agreement and the arrangement.

***Restrictions on the Parties Businesses Pending Closing***

Each of Kodiak and Whiting has undertaken customary covenants that place restrictions on it and its subsidiaries until the effective time of the arrangement (or, if earlier, the arrangement agreement's termination date). Each of Kodiak and Whiting has agreed to operate its business only in the ordinary course of business, and Kodiak has agreed to use commercially reasonable efforts to preserve intact its present lines of business, maintain its rights, franchises and permits and preserve its relationships with customers, suppliers and service providers. Kodiak has also agreed that, with certain exceptions as may be required by law or the arrangement agreement, and except with Whiting's prior written consent, Kodiak will not, and will not permit any of its subsidiaries to, among other things, undertake the

following actions:

adopt any amendments to its certificate of continuation or incorporation or by-laws or similar applicable organizational documents;

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split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, except for any such transaction by a wholly-owned subsidiary of Kodiak which remains a wholly-owned subsidiary after consummation of such transaction;

authorize or pay any dividends on or make any distribution with respect to its outstanding shares of capital stock (whether in cash, assets, stock or other securities of Kodiak or its subsidiaries), except dividends or distributions by any subsidiaries only to Kodiak or to any subsidiary of Kodiak in the ordinary course of business;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, other than the arrangement and other than any mergers, consolidations, restructurings or reorganizations solely among Kodiak and its subsidiaries or among Kodiak's subsidiaries, or take any action with respect to any of its securities that would reasonably be expected to prevent, materially impede or materially delay the consummation of the arrangement;

make any acquisition of any other person or business or make any loans, advances or capital contributions to, or investments in, any other person except as contemplated by Kodiak's fiscal 2014 budget and capital expenditure plan or in connection with any transaction among Kodiak and its wholly-owned subsidiaries;

sell, lease, license, transfer, exchange or swap, or otherwise dispose of or encumber any properties or non-cash assets, except for (i) sales, transfers and dispositions of obsolete or worthless equipment, (ii) sales, transfers and dispositions of inventory, commodities and produced hydrocarbons, crude oil and refined products in the ordinary course of business, or (iii) sales, leases, transfers or other dispositions made in connection with any transaction among Kodiak and its wholly-owned subsidiaries or among Kodiak's wholly-owned subsidiaries;

make any capital expenditures in excess of Kodiak's fiscal 2014 budget and capital expenditure plan or expenditures made in response to any emergency, whether caused by weather events, public health events, outages or otherwise;

enter into any new contract to sell hydrocarbons other than in the ordinary course of business consistent with past practice;

take specified actions relating to director and employee compensation and benefits including establishing, adopting, amending, modifying or terminating an employee benefit plan, and increasing compensation other than non-material compensation in the ordinary course of business, among other items;

make any material change to its financial accounting policies or procedures or any of its methods, except as required by applicable law, U.S. GAAP or SEC rules or policies;

issue, sell, pledge, dispose of or encumber any shares of its capital stock or other ownership interest in Kodiak or any of its subsidiaries other than with limited exceptions;

subject to certain exceptions, purchase its capital stock or incur any indebtedness for borrowed money or any guarantee indebtedness for borrowed money;

modify, amend or terminate, or waive any rights under any contract or permit, or enter into any new contract which would reasonably be expected to restrict or limit in any material respect Whiting or Kodiak from engaging in any business or competing in any geographic location with any person;

settle or compromise any claim or action, other settlements or compromises (i) equal to or lesser than the amounts reserved with respect thereto on Kodiak's balance sheet or (ii) that do not exceed \$2 million individually or \$10 million in the aggregate;

make, change or revoke any material tax election, change any material tax accounting method, file any material amended tax return, enter into any material closing agreement, request any material tax ruling, settle or compromise any material tax proceeding, or surrender any claim for a material refund of taxes; or

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agree to do any of the actions prohibited by the preceding bullet points.

Whiting has also agreed that, with certain exceptions as may be required by law or the arrangement agreement, and except with Kodiak's prior written consent, Whiting will not, and will not permit any of its subsidiaries to, among other things, undertake the following actions:

adopt any amendments to its certificate of incorporation or by-laws or similar applicable organizational documents;

except in each case as would not disproportionately adversely affect a Kodiak common shareholder relative to a Whiting stockholder or delay the arrangement, adjust, reclassify, split, combine, subdivide or redeem, any shares of capital stock or other equity interest of Whiting;

authorize or pay any dividends on or make any distribution with respect to its outstanding shares of capital stock (whether in cash, assets, stock or other securities of Whiting);

adopt or implement a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Whiting, other than the arrangement or pursuant to a permitted transaction;

acquire or permit its subsidiaries to acquire shares of Whiting common stock except for shares acquired pursuant to a net exercise of Whiting stock options or withholding of shares of Whiting common stock upon vesting of restricted stock;

make any acquisition of any other person or business or make any loans to any other person that would cause a material change in the nature of Whiting's business or business strategy or would reasonably be expected to prevent or materially delay the consummation of the arrangement;

make, change or revoke any material tax election, change any material tax accounting method, file any material amended tax return, enter into any material closing agreement, request any material tax ruling, settle or compromise any material tax proceeding, or surrender any claim for a material refund of taxes; or

agree to do any of the actions prohibited by the preceding bullet points.

Additionally, both Kodiak and Whiting agreed to use commercially reasonable efforts not to take any action that would prevent or impede the arrangement from qualifying as a reorganization under Section 368(a) of the Code.

***Commercially Reasonable Efforts Covenant***

Each of Kodiak and Whiting has agreed to cooperate with and assist the other party and use commercially reasonable efforts to promptly (i) take all actions necessary, proper or advisable to consummate the transactions contemplated by



the arrangement agreement as soon as reasonably practicable and (ii) obtain and maintain all approvals, consents and other confirmations required to be obtained from any person, including a governmental entity, that are necessary, proper or advisable to consummate the transactions contemplated by the arrangement agreement. Notwithstanding the foregoing, Whiting is not be required to dispose of or hold separate any portion of its assets or the assets of Whiting or Kodiak if it would be reasonably likely to have a material and negative effect on the business, operations or assets of Whiting or Kodiak or Whiting's anticipated benefits from the transactions contemplated by the arrangement agreement.

***Shareholder Meetings***

Both Whiting and Kodiak have agreed to use commercially reasonable efforts to cause the meeting of each parties shareholders to occur on the same date as soon as reasonably practicable after the procurement of the interim order and SEC clearance for the purpose of obtaining votes regarding the continuance resolution from the Kodiak shareholders, the arrangement resolution from Kodiak securityholders and votes regarding the Whiting

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share issuance proposal from Whiting stockholders. Except as required by law or its shareholders or for quorum purposes, neither Whiting nor Kodiak is permitted to adjourn, postpone or cancel its shareholders meeting without the prior written consent of the other party.

### ***Listing***

Whiting has agreed to use its commercially reasonable efforts to cause the shares of its common stock to be issued pursuant to the arrangement to be approved for listing on the New York Stock Exchange prior to the completion of the arrangement, subject to official notice of issuance.

### ***Kodiak Employee Matters***

Whiting has agreed to provide to Kodiak employees who continue employment after the consummation of the arrangement (i) base salary at a rate not less than the rate of base salary received prior to the closing for one year following the closing, (ii) bonuses for 2014 in an amount determined by Kodiak, (iii) bonus opportunities for 2015 that are substantially comparable in the aggregate to bonus opportunities provided to similarly situated Whiting employees, (iv) other benefits for 2014 at a level comparable in the aggregate to those provided to such employees prior to the closing and for 2015 at a level that is comparable in the aggregate provided to similarly situated Whiting employees, (v) full credit for service for purposes of eligibility to participate and vesting and (vi) to the extent permitted by Whiting's insurance policy, waive any pre-existing condition. Notwithstanding the foregoing, Whiting is not prohibited from terminating the employment of any Kodiak employee after the closing.

### ***Indemnification and Insurance***

After consummation of the arrangement, Whiting has agreed to, or has agreed to cause Kodiak to, indemnify and hold harmless all current and former officers and directors of Kodiak and its subsidiaries, to the same extent such persons are indemnified and held harmless as of the date of the arrangement agreement pursuant to Kodiak's articles of incorporation or by-laws, for acts or omissions occurring at or prior to the completion of the arrangement, including those in respect of the arrangement and the other transactions contemplated by the arrangement agreement. Additionally, Kodiak may purchase a tail insurance policy with respect to directors' and officers' liability insurance with an extended reporting period of at least six years.

### ***Expenses***

Kodiak and Whiting have generally agreed to pay their own costs and expenses incurred in connection with the arrangement and the arrangement agreement, with the exception that (i) each party will pay 50% of the filing fee in connection with any filing made under all applicable regulatory laws for the acquisition of Kodiak common stock, (ii) each party will pay 50% of the filing, printing and mailing costs in connection with this joint proxy statement/circular and (iii) a party may be required to provide the other party with reimbursement of expenses in connection with the termination of the arrangement agreement. See Termination of Arrangement Agreement for a description of the events that may result in one party being required to reimburse the other party for expenses in connection with the termination of the arrangement agreement.

### ***Election to Whiting Board of Directors***

In connection with the consummation of the arrangement, Whiting has agreed to take all necessary corporate action to appoint Lynn A. Peterson and James E. Catlin to the Whiting board of directors.

***Whiting's Financing and Consent Solicitations***

Subject to certain specified limitations, Kodiak has agreed, if reasonably requested, to cooperate with Whiting in connection with Whiting's efforts to obtain debt financing and with respect to consent solicitations of Kodiak noteholders. These efforts include, among other things, commercially reasonable efforts to provide

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financial and other information, participate in meetings, assist in the preparation of customary documents for the debt financing, cooperate in the marketing efforts for the debt financing and provide accounting comfort letters, legal opinions and other documents.

### ***Other Covenants***

The arrangement agreement contains certain other covenants, including covenants relating to Kodiak engaging in pre-closing reorganization transactions, access and information, public announcements, notification of certain matters, the defense and settlement of litigation related to the transactions contemplated by the arrangement agreement and tax matters.

### **Representations and Warranties**

The arrangement agreement contains customary representations and warranties, many of which are qualified by material adverse effect, made by each of Whiting and Kodiak. The statements embodied in those representations and warranties were made solely for purposes of the arrangement agreement among Whiting, Kodiak and Whiting Canadian Sub and are subject to important qualifications and limitations agreed to by Whiting and Kodiak in connection with negotiating its terms.

Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to shareholders or may have been used for the purpose of allocating risk between Whiting and Kodiak rather than establishing matters as facts.

The representations and warranties relate to:

organization and qualification;

subsidiaries;

capitalization;

corporate authority;

absence of conflicts or defaults under organizational documents, contracts and applicable laws as a result of the transactions contemplated by the arrangement agreement;

filing with the SEC; financial statements; no undisclosed liabilities; Sarbanes-Oxley Act;

tax matters;

absence of certain changes;

litigation; orders;

compliance with laws;

environmental matters;

certain contracts;

properties and assets;

reserve reports;

board approvals;

opinions of financial advisors;

this joint proxy statement/circular; and

brokers.

The arrangement agreement also contains certain representations and warranties made solely by Whiting with respect to continuing employee benefit plans and made solely by Kodiak with respect to (i) permits,

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(ii) labor and employment matters, (iii) intellectual property, (iv) derivative contracts, (v) insurance, (vi) interested party transactions, (vii) certain tax and securities law matters and (viii) foreign entity status.

As used in the arrangement agreement, the term "material adverse effect" means with respect to either Kodiak or Whiting, as applicable, any change, effect, condition, factor or circumstance that is or is reasonably likely to (i) be materially adverse to the business, results of operations, prospects, properties, condition (financial or otherwise), assets or liabilities of such party and its subsidiaries taken as a whole, or (ii) materially impede such party from consummating the transactions contemplated by the arrangement agreement. However, the following effects, either alone or in combination, will not be taken into account in determining whether there has been a material adverse effect:

except for any effect that has a materially disproportionate impact on the business, results of operations, prospects, properties, condition (financial or otherwise), assets or liabilities of Kodiak or Whiting (as applicable) relative to similarly situated companies to the extent engaged in the industries in which Kodiak or Whiting (as applicable) or any of its subsidiaries conducts its business:

any developments or occurrences relating to or affecting domestic or foreign economic or political conditions in general or the securities, commodities or financial markets in general;

any commencement, continuation or escalation of any act of terrorism or war (whether declared or undeclared);

any natural disasters;

any developments or occurrences relating to or affecting the industries in which the parties or any of its subsidiaries operate; or

any changes in or interpretations of any applicable law or generally accepted accounting practice;

any acts or omissions of Kodiak or Whiting, as applicable, or any of its subsidiaries prior to the closing contemplated by the arrangement agreement, the execution, delivery and performance of the arrangement agreement, or any acts or omissions taken at the request, or with the approval, of the other party;

any failure by Kodiak or Whiting to meet any financial projections, forecasts or estimates of revenues, earnings or other financial metrics for any period (although the facts and circumstances that give rise to such failure may be taken into account); or

any change in the trading price or trading volume of either parties' securities and any change to the parties' credit ratings.

The representations and warranties of the parties do not survive the completion of the transaction.

### **Termination of Arrangement Agreement**

#### ***Right to Terminate***

The arrangement agreement may be terminated in any of the following ways:

by mutual written consent of Whiting and Kodiak;

by either Whiting or Kodiak if:

a law or order has been enacted, entered or promulgated prohibiting or permanently restraining the consummation of the transactions contemplated by the arrangement agreement;

the arrangement has not been consummated on or prior to the date that is 180 days after the date of the arrangement agreement, unless the failure to complete the arrangement is the result of breach of the arrangement agreement in any material respect by the party seeking to terminate the arrangement agreement, provided that the termination date will automatically be extended for a period not to exceed 60 days if the only unsatisfied condition to the completion of the arrangement is the expiration or termination of the waiting period under the HSR Act;

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the other party has breached or failed to perform in any material respect any of its representations, warranties or covenants contained in the arrangement agreement, such breach or failure to perform would result in any condition precedent not being satisfied and the breach is incapable of being cured within 30 days after receiving written notice of such breach or has not been cured within such 30-day time period;

the approval of the continuance resolution by the Kodiak shareholders or the arrangement resolution by the Kodiak securityholders is not obtained;

the interim order or the final order is not obtained from the court;

the approval of the share issuance proposal by the Whiting stockholders is not obtained;

if any of the following actions has occurred:

the other party has materially breached its covenants set forth under Covenants No Solicitation of Other Offers and Covenants Change of Board Recommendations or Termination of Arrangement Agreement for Superior Proposal ;

the board of directors of the other party has failed to make its recommendation to approve the transaction or has effected an adverse recommendation change, whether or not permitted by the terms of the arrangement agreement;

the board of directors of the other party has failed to reconfirm its recommendation to shareholders to approve the arrangement within five business days after a written request to do so;

the other party has materially breached its obligations under the arrangement agreement by reason of a failure to call or conduct its shareholders meeting;

the board of directors of the other party has recommended to its shareholders any takeover proposal or superior proposal;

the other party has entered into any agreement, letter of intent, agreement-in-principle, acquisition agreement or other instrument contemplating or otherwise relating to any takeover proposal or superior proposal or requiring such other party to abandon, terminate or fail to consummate any of the transactions contemplated by the arrangement agreement; or



the board of directors of such party has approved or recommended, or such party has entered into a definitive agreement with respect to, a superior proposal.

Notwithstanding the above, neither Whiting nor Kodiak may terminate the arrangement agreement unless the terminating party has made all payments required to be made as outlined below.

***Termination Fees/Reimbursement of Expenses Payable by Kodiak***

Kodiak will be required to pay a termination fee of \$130 million to Whiting and reimburse Whiting and its subsidiaries up to \$10 million for all reasonable out-of-pocket expenses incurred in connection with the negotiation, preparation, execution and performance of the arrangement agreement in the event that:

Whiting terminates the arrangement agreement because (i) Kodiak materially breaches its non-solicitation covenants, (ii) the board of directors of Kodiak fails to make the Kodiak recommendation to its securityholders or effects an adverse recommendation change, (iii) the board of directors of Kodiak fails to reconfirm its recommendation within five business days after a written request to do so, (iv) Kodiak materially breaches its obligations under the arrangement agreement by reason of a failure to call or conduct its meeting of shareholders, (v) the Kodiak board of directors recommends to its shareholders a takeover proposal or a superior proposal; or (vi) Kodiak enters into any agreement, letter

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of intent, agreement-in-principle, acquisition agreement or other instrument contemplating or otherwise relating to any takeover proposal or superior proposal or requiring Kodiak to abandon, terminate or fail to consummate any of the transactions contemplated by the arrangement agreement;

Kodiak terminates because the Kodiak board of directors approves or recommends, or Kodiak enters into a definitive agreement with respect to, a superior proposal; or

the arrangement agreement is terminated for one of the following reasons and (i) a takeover proposal has been publicly announced or otherwise publicly communicated to the senior management, the board of directors or shareholders of Kodiak that is not publicly withdrawn without qualification prior to ten business days before termination and (ii) prior to the date that is 12 months after the effective date of such termination, Kodiak enters into a definitive agreement with respect to a takeover proposal or a takeover proposal is consummated:

Whiting or Kodiak terminates the arrangement agreement because the arrangement has not been consummated on or prior to the date that is 180 days after the date of the arrangement agreement, and provided the termination date has not been automatically extended for a period not to exceed 60 days to the extent necessary to obtain required regulatory approvals;

Whiting terminates the arrangement agreement because Kodiak has breached in any material respect any of its representations, warranties or covenants contained in the arrangement agreement and such breach is incapable of being cured within 30 days after receiving written notice of such breach or has not been cured within such 30-day time period;

Whiting or Kodiak terminates the arrangement agreement because Kodiak fails to obtain shareholder approval of the continuance resolution or securityholder approval of the arrangement resolution; or

Whiting or Kodiak terminates the arrangement agreement because the approval of the arrangement by the court is not obtained on terms consistent with the arrangement agreement; provided, any costs Whiting reimbursed subject to the following paragraph shall reduce the amount of the \$130 million termination fee due.

Kodiak will be required to reimburse Whiting and its subsidiaries for up to \$10 million for all reasonable out-of-pocket expenses incurred in connection with the negotiation, preparation, execution and performance of the arrangement agreement assuming no takeover proposal had been publicly announced and not withdrawn in the event that:

Whiting or Kodiak terminates the arrangement agreement because Kodiak fails to obtain shareholder approval of the continuance resolution or securityholder approval of the arrangement resolution;

Whiting terminates the arrangement agreement because Kodiak has breached in any material respect any of its representations, warranties or covenants contained in the arrangement agreement and such breach is incapable of being cured within 30 days after receiving written notice of such breach or has not been cured within such 30-day time period; or

Whiting or Kodiak terminates the arrangement agreement because the arrangement has not been consummated on or prior to the date that is 180 days after the date of the arrangement agreement (subject to the 60 day extension), the Kodiak special meeting has not occurred and a material adverse effect with respect to Kodiak has occurred.

***Termination Fees/Reimbursement of Expenses Payable by Whiting***

Whiting will be required to pay a termination fee of \$130 million to Kodiak and reimburse Kodiak and its subsidiaries up to \$10 million for all reasonable out-of-pocket expenses incurred in connection with the negotiation, preparation, execution and performance of the arrangement agreement in the event that:

Kodiak terminates the arrangement agreement because (i) Whiting materially breaches its non-solicitation covenants, (ii) the board of directors of Whiting fails to make the Whiting

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recommendation to its stockholders or effects an adverse recommendation change, (iii) the board of directors of Whiting fails to reconfirm its recommendation within five business days after a written request to do so, (iv) Whiting materially breaches its obligations under the arrangement agreement by reason of a failure to call or conduct its meeting of stockholders, (v) the Whiting board of directors recommends to its stockholders a takeover proposal or a superior proposal; or (vi) Whiting enters into any agreement, letter of intent, agreement-in-principle, acquisition agreement or other instrument contemplating or otherwise relating to any takeover proposal or superior proposal or requiring Whiting to abandon, terminate or fail to consummate any of the transactions contemplated by the arrangement agreement;

Whiting terminates because the Whiting board of directors approves or recommends, or Whiting enters into a definitive agreement with respect to, a superior proposal; or

the arrangement agreement is terminated for one of the following reasons and (i) a takeover proposal has been publicly announced or otherwise publicly communicated to the senior management, the board of directors or shareholders of Whiting that is not publicly withdrawn without qualification prior to ten business days before termination and (ii) prior to the date that is 12 months after the effective date of such termination, Whiting enters into a definitive agreement with respect to a takeover proposal or a takeover proposal is consummated:

Whiting or Kodiak terminates the arrangement agreement because the arrangement has not been consummated on or prior to the date that is 180 days after the date of the arrangement agreement (subject to the 60 day extension) and the Whiting special meeting has not occurred;

Kodiak terminates the arrangement agreement because Whiting has breached in any material respect any of its representations, warranties or covenants contained in the arrangement agreement and such breach is incapable of being cured within 30 days after receiving written notice of such breach or has not been cured within such 30-day time period; or

Whiting or Kodiak terminates the arrangement agreement because Whiting fails to obtain stockholder approval of the share issuance proposal; provided, any costs Whiting reimbursed subject to the following paragraph shall reduce the amount of the \$130 million termination fee due.

Whiting will be required to reimburse Kodiak and its subsidiaries for up to \$10 million for all reasonable out-of-pocket expenses incurred in connection with the negotiation, preparation, execution and performance of the arrangement agreement assuming no takeover proposal had been publicly announced and not withdrawn in the event that:

Whiting or Kodiak terminates the arrangement agreement because Whiting fails to obtain stockholder approval of share issuance proposal;

Kodiak terminates the arrangement agreement because Whiting has breached in any material respect any of its representations, warranties or covenants contained in the arrangement agreement and such breach is incapable of being cured within 30 days after receiving written notice of such breach or has not been cured within such 30-day time period; or

Whiting or Kodiak terminates the arrangement agreement because the arrangement has not been consummated on or prior to the date that is 180 days after the date of the arrangement agreement (subject to the 60 day extension), the Whiting special meeting has not occurred and a material adverse effect with respect to Whiting has occurred.

#### **Amendments, Extensions and Waivers**

##### ***Amendments***

The arrangement agreement may be amended by the parties. All such amendments must be in writing signed by each party.

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***Extensions and Waivers***

At any time prior to the completion of the arrangement, any party to the arrangement agreement may:

extend the time for the performance of any of the obligations or other acts of any other party;

waive any inaccuracies in the representations and warranties contained in the arrangement agreement or in any document delivered pursuant to the arrangement agreement; and

waive compliance by any other party with any of the covenants or conditions contained in the arrangement agreement.

All extensions and waivers must be in writing and signed on behalf of the applicable party.

**Governing Law**

The arrangement agreement is governed by Delaware law except for matters subject to or contemplated by the BCBCA, including the plan of arrangement set forth on Annex D, which is governed by the laws of the Province of British Columbia and federal laws applicable thereto.

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**INFORMATION ABOUT THE COMPANIES**

**Whiting**

Whiting is an independent oil and gas company engaged in exploration, development, acquisition and production activities primarily in the Rocky Mountains and Permian Basin regions of the United States. Whiting's largest projects are in the Bakken and Three Forks plays in North Dakota, the Niobrara play in northeast Colorado and its Enhanced Oil Recovery field in Texas. Since Whiting's inception in 1980, it has built a strong asset base and achieved steady growth through property acquisitions, development and exploration activities. Whiting believes the combination of acquisitions, subsequent development and organic drilling provides it with a broad set of growth alternatives and allows it to direct its capital resources to what Whiting believes to be the most advantageous investments.

As of December 31, 2013, Whiting's estimated proved reserves totaled 438.5 MMBOE. Whiting's second quarter 2014 average daily production was 109.8 MBOE/d. For the six months ended June 30, 2014 and year ended December 31, 2013, Whiting had total revenues of approximately \$1.6 billion and \$2.8 billion and net income available to common shareholders of approximately \$260.5 million and \$365.5 million, respectively.

Whiting's principal offices are located at 1700 Broadway, Suite 2300, Denver, Colorado 80290, and its telephone number is (303) 837-1661. Whiting common stock is listed on the NYSE, trading under the symbol WLL.

**Kodiak**

Kodiak is an independent energy company focused on the exploration, exploitation, acquisition and production of crude oil and natural gas in the United States. Kodiak has developed an oil and natural gas asset base of proved reserves, as well as a portfolio of development and exploratory drilling opportunities within a high-potential resource play. Kodiak's oil and natural gas reserves and operations are concentrated in the Williston Basin of North Dakota.

As of December 31, 2013, Kodiak's estimated proved reserves totaled 167.3 MMBOE. Kodiak's second quarter 2014 average daily production was 38.3 MBOE/d. For the six months ended June 30, 2014 and year ended December 31, 2013, Kodiak had total revenues of approximately \$557.0 million and \$904.6 million and net income of approximately \$50.3 million and \$141.4 million, respectively.

Kodiak's principal offices are located at 1625 Broadway, Suite 250, Denver, Colorado 80202, and its telephone number is (303) 592-8075. Kodiak common stock is listed on the NYSE, trading under the symbol KOG.

**Whiting Canadian Sub**

Whiting Canadian Sub, a wholly-owned subsidiary of Whiting, is a company organized and existing under the laws of British Columbia, Canada. Whiting Canadian Sub was incorporated for the purpose of effecting the arrangement and has not conducted any activities other than those incidental to its formation and the matters contemplated by the arrangement agreement.

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**WHITING SPECIAL MEETING**

**Date, Time and Place of the Special Meeting**

The special meeting of Whiting stockholders will be held in the Grand Hyatt Denver Capitol B Ballroom, located on the 38th floor at 555 17th Street, Denver, Colorado 80202 on December 3, 2014, at 8:30 a.m., Mountain Time (the Whiting special meeting ). On or about October 29, 2014, Whiting commenced mailing this joint proxy statement/circular and the enclosed form of proxy to its stockholders entitled to vote at the Whiting special meeting.

**Matters to be Considered at the Whiting Special Meeting**

At the Whiting special meeting, Whiting stockholders will be asked to:

consider and vote upon the proposal to approve the issuance of Whiting common stock, par value \$0.001 per share, pursuant to the arrangement agreement (the share issuance proposal ); and

consider and vote upon the proposal to approve any motion to adjourn the Whiting special meeting, if necessary or appropriate, to solicit additional proxies (the Whiting adjournment proposal ). Whiting stockholder approval of the share issuance proposal is required to complete the arrangement.

**Recommendations of the Whiting Board of Directors**

The Whiting board of directors has unanimously approved the arrangement agreement and the transactions contemplated thereby and recommends that you vote:

**FOR** the share issuance proposal; and

**FOR** the Whiting adjournment.

See The Arrangement Whiting Recommendation and Reasons for the Arrangement.

**Whiting Record Date; Shares Entitled to Vote**

Only Whiting stockholders of record at the close of business on October 14, 2014 (the Whiting record date ) will be entitled to notice of, and to vote at, the Whiting special meeting or any adjournments or postponements thereof.

As of the Whiting record date, there were 120,518,899 shares of Whiting common stock outstanding and entitled to vote at the Whiting special meeting. Each share of Whiting common stock outstanding on the Whiting record date entitles the holder thereof to one vote on each proposal to be considered at the Whiting special meeting, in person or by proxy through the Internet or by telephone or by a properly executed and delivered proxy with respect to the Whiting special meeting.



A complete list of stockholders entitled to vote at the Whiting special meeting will be available for examination by any Whiting stockholder at Whiting's principal executive offices, for purposes pertaining to the Whiting special meeting, during normal business hours for a period of ten days before the Whiting special meeting and at the Whiting special meeting.

### **Quorum**

The presence at the Whiting special meeting, in person or by proxy, of the holders of a majority of the shares of Whiting common stock issued and outstanding on the record date for the Whiting special meeting will constitute a quorum for the transaction of business. Abstentions will be treated as shares that are present for purposes of determining the presence of a quorum. Broker non-votes will not be treated as shares that are present for purposes of determining the presence of a quorum. If a quorum is not present, the Whiting special meeting may be adjourned by the vote of a majority of the shares of Whiting common stock present in person or represented by proxy at the Whiting special meeting until a quorum has been obtained.

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**Required Vote**

***Required Vote to Approve the Share Issuance Proposal***

The affirmative vote of the holders of a majority of the shares of Whiting common stock having voting power present in person or represented by proxy at the Whiting special meeting (assuming a quorum is present) is required to approve the share issuance proposal.

***Required Vote to Approve the Whiting Adjournment Proposal***

The affirmative vote of the holders of a majority of the shares of Whiting common stock having voting power present in person or represented by proxy at the Whiting special meeting (assuming a quorum is present) is required to approve the Whiting adjournment proposal.

**Treatment of Abstentions; Failure to Vote**

For purposes of the Whiting special meeting, an abstention occurs when a Whiting stockholder attends the Whiting special meeting, either in person or by proxy, but abstains from voting.

For the share issuance proposal, if a Whiting stockholder present in person at the Whiting special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote cast AGAINST such proposal. Assuming a quorum is present, if a Whiting stockholder is not present in person at the Whiting special meeting and does not respond by proxy, it will have no effect on the vote count for such proposal.

For the Whiting adjournment proposal, if a Whiting stockholder present in person at the Whiting special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote cast AGAINST this proposal. Assuming a quorum is present, if a Whiting stockholder is not present in person at the Whiting special meeting and does not respond by proxy, it will have no effect on the vote count for such proposal.

**Voting of Proxies; Incomplete Proxies**

Giving a proxy means that a Whiting stockholder authorizes the persons named in the enclosed proxy card to vote its shares at the Whiting special meeting in the manner it directs. A Whiting stockholder of record may vote by proxy or in person at the meeting. To vote by proxy, a Whiting stockholder may use one of the following methods if it is a registered holder (that is, it holds its stock in its own name):

*telephone voting*, by dialing the toll-free number and following the instructions on the proxy card;

*via the Internet*, by going to the web address shown on the proxy card and following the instructions on the proxy card; or

*mail*, by completing, signing and returning the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Whiting requests that Whiting stockholders vote by telephone, over the Internet or by completing and signing the accompanying proxy and returning it to Whiting as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of Whiting common stock represented by it will be voted at the Whiting special meeting in accordance with the instructions contained on the proxy card.

If any proxy is returned without indication as to how to vote, the shares of Whiting common stock represented by the proxy will be voted as recommended by the Whiting board of directors. Unless a Whiting stockholder checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on other matters relating to the Whiting special meeting.

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If a Whiting stockholder's shares are held in street name, through a broker, bank or other nominee, that institution will send the stockholder separate instructions describing the procedure for voting such stockholder's shares. Street name Whiting stockholders who wish to vote at the meeting will need to obtain a legal proxy form from their broker, bank or other nominee.

**Every Whiting stockholder's vote is important. Accordingly, each Whiting stockholder should sign, date and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the Whiting stockholder plans to attend the Whiting special meeting in person.**

### **Shares Held in Street Name**

If you are a Whiting stockholder and your shares of Whiting common stock are held in street name through a broker, bank or other nominee, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the broker, bank or other nominee. You may not vote shares of Whiting common stock held in street name by returning a proxy card directly to Whiting or by voting in person at the Whiting special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Whiting common stock on behalf of their customers may not give a proxy to Whiting to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Whiting stockholder whose shares of Whiting common stock are held in street name and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares of Whiting common stock on the share issuance proposal, which broker non-votes will have no effect on the vote count for such proposal; and

your broker, bank or other nominee may not vote your shares of Whiting common stock on the Whiting adjournment proposal, which broker non-votes will have no effect on the vote count for such proposal.

### **Revocability of Proxies and Changes to a Whiting Stockholder's Vote**

A Whiting stockholder of record has the power to change its vote at any time before its shares are voted at the Whiting special meeting by:

notifying Whiting's Corporate Secretary in writing at 1700 Broadway, Suite 2300, Denver, Colorado 80290-2300 that the stockholder is revoking its proxy;

executing and delivering a later dated proxy card or submitting a later dated vote by telephone or on the Internet; or

voting in person at the Whiting special meeting (although attendance at the Whiting special meeting will not in and of itself constitute a revocation of a proxy).

Proxies submitted by telephone or via the Internet must be received by 11:59 p.m. Eastern Time on December 2, 2014. If you are a Whiting stockholder of record, revocation of your proxy or voting instructions through the Internet, by telephone or by mail must be received prior to the start of the Whiting special meeting, although you may also revoke your proxy by attending the Whiting special meeting and voting in person. **However, if a Whiting stockholder has shares held through a broker, bank or other nominee, the stockholder may revoke its instructions only by informing the custodian in accordance with any procedures it has established.**

#### **Solicitation of Proxies**

The solicitation of proxies from Whiting stockholders is made on behalf of the Whiting board of directors. Whiting and Kodiak will generally share equally the cost and expenses of printing and mailing this joint proxy

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statement/circular and all fees paid to the SEC. Whiting will pay the costs of soliciting and obtaining proxies from Whiting stockholders, including the cost of reimbursing brokers, banks and other financial institutions for forwarding proxy materials to their customers. Proxies may be solicited, without extra compensation, by Whiting officers and employees by mail, telephone, fax, personal interviews or other methods of communication. Whiting has engaged the firm of Innisfree M&A Incorporated to assist Whiting in the distribution and solicitation of proxies for an estimated fee of \$30,000 plus certain disbursements and expenses.

## **Voting by Whiting Directors and Executive Officers**

On the Whiting record date, directors and executive officers of Whiting and their affiliates owned and were entitled to vote 1,594,524 shares of Whiting common stock, representing approximately 1% of the shares of Whiting common stock outstanding and entitled to vote on that date. Whiting currently expects that its directors and executive officers will vote their shares in favor of the share issuance proposal, although none of them has entered into any agreements obligating them to do so.

## **Attending the Whiting Special Meeting**

Subject to space availability, all Whiting stockholders as of the Whiting record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:00 a.m., Mountain Time.

If you hold shares of Whiting common stock in street name through a broker, bank or other nominee and you wish to attend the Whiting special meeting, you need to bring a copy of a brokerage or bank statement to the Whiting special meeting reflecting your stock ownership as of the Whiting record date. Street name shareholders who wish to vote at the meeting will need to obtain a legal proxy form from their broker, bank or other nominee.

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**WHITING PROPOSALS**

**Item 1. The Share Issuance Proposal**

It is a condition to completion of the arrangement that Whiting issue shares of Whiting common stock in the arrangement. When the arrangement becomes effective, each share of Kodiak common stock outstanding immediately before the arrangement will be exchanged for 0.177 of a share of Whiting common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes of either company prior to the completion of the arrangement.

Under the New York Stock Exchange Listed Company Manual, a company listed on the New York Stock Exchange is required to obtain stockholder approval prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, in any transaction or series of related transactions if the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock or of securities convertible into or exercisable for common stock. If the arrangement is completed, it is currently estimated that Whiting will issue approximately 48,729,343 shares of Whiting common stock in connection with the arrangement, including shares of Whiting common stock issuable in exchange for outstanding Kodiak equity awards. The aggregate number of shares of Whiting common stock to be issued in the arrangement will exceed 20% of the shares of Whiting common stock outstanding before such issuance, and for this reason, Whiting must obtain the approval of Whiting stockholders for the issuance of shares of Whiting common stock to Kodiak shareholders in connection with the arrangement.

The affirmative vote of the holders of a majority of the shares of Whiting common stock having voting power present in person or represented by proxy at the Whiting special meeting (assuming a quorum is present) is required to approve the share issuance proposal. The issuance of these shares of Whiting common stock to Kodiak shareholders is necessary to effect the arrangement, and the approval of the share issuance proposal is required for completion of the arrangement.

**The Whiting board of directors recommends a vote FOR the share issuance proposal.**

**Item 2. The Whiting Adjournment Proposal**

The Whiting special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies to obtain additional votes in favor of the share issuance proposal.

If, at the Whiting special meeting, the number of shares of Whiting common stock present or represented and voting in favor of the share issuance proposal is insufficient to approve such proposal, Whiting intends to move to adjourn the Whiting special meeting in order to enable the Whiting board of directors to solicit additional proxies for approval of the share issuance proposal.

In the Whiting adjournment proposal, Whiting is asking its stockholders to authorize the holder of any proxy solicited by the Whiting board of directors to vote in favor of granting discretionary authority to the proxyholders, and each of them individually, to adjourn the Whiting special meeting to another time and place for the purpose of soliciting additional proxies. If the Whiting stockholders approve the Whiting adjournment proposal, Whiting could adjourn the Whiting special meeting and any adjourned session of the Whiting special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Whiting stockholders who have previously voted. The affirmative vote of the holders of a majority of the shares of Whiting common stock having voting power present

in person or represented by proxy at the Whiting special meeting is required to approve the Whiting adjournment proposal.

**The Whiting board of directors recommends a vote FOR the Whiting adjournment proposal.**



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**Other Matters to Come Before the Meeting**

No other matters are intended to be brought before the special meeting by Whiting, and Whiting does not know of any matters to be brought before the Whiting special meeting by others. If, however, any other matters properly come before the Whiting special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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**KODIAK SPECIAL MEETING**

**Date, Time and Place of the Special Meeting**

The special meeting of Kodiak securityholders will be held on December 3, 2014 at Sheraton Denver Downtown Hotel, 1550 Court Place, Denver, Colorado 80202, at 8:00 a.m. Mountain Time. On or about October 29, 2014, Kodiak commenced mailing this joint proxy statement/circular and the enclosed form of proxy to its securityholders entitled to vote at the Kodiak special meeting.

**Matters to be Considered at the Kodiak Special Meeting**

At the Kodiak special meeting, Kodiak shareholders and securityholders, as applicable, will be asked to:

consider and vote upon the continuance resolution;

consider and vote upon the arrangement resolution;

consider and vote upon the arrangement-related compensation proposal; and

consider and vote upon the Kodiak adjournment proposal.

Kodiak shareholder approval of the continuance resolution and the shareholder and securityholder approval of the arrangement resolution are required to complete the arrangement.

**Recommendations of the Kodiak Board of Directors**

The Kodiak board has unanimously determined that the arrangement is advisable and in the best interests of Kodiak and its securityholders and unanimously recommends that Kodiak shareholders and securityholders, as applicable, vote:

**FOR** the continuance resolution;

**FOR** the arrangement resolution;

**FOR** the arrangement-related compensation proposal; and

**FOR** the Kodiak adjournment proposal.

See The Arrangement Kodiak Recommendation and Reasons for the Arrangement.

**Kodiak Record Date; Shares Entitled to Vote**

Only Kodiak securityholders of record at the close of business on October 24, 2014, which is referred to as the Kodiak record date, will be entitled to notice of, and to vote at, the Kodiak special meeting or any adjournments or postponements thereof.

As of the Kodiak record date, there were 267,864,101 shares of Kodiak common stock outstanding and entitled to vote at the Kodiak special meeting. Each share of Kodiak common stock outstanding on the Kodiak record date entitles the holder thereof to one vote on each proposal to be considered at the Kodiak special meeting, in person or by proxy through the Internet or by telephone or by a properly executed and delivered proxy with respect to the Kodiak special meeting.

As of the Kodiak record date, there were 6,220,956 Kodiak RSUs, options and restricted stock awards outstanding and entitled to vote on the arrangement resolution at the Kodiak special meeting. Each Kodiak RSU, option and restricted stock award entitles the holder thereof to one vote on the arrangement resolution, with such holders voting together as a class.

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A complete list of securityholders entitled to vote at the Kodiak special meeting will be available for examination by any Kodiak securityholder at Kodiak's principal executive offices, for purposes pertaining to the Kodiak special meeting, during normal business hours for a period of ten days before the Kodiak special meeting and at the Kodiak special meeting.

## **Quorum**

The presence at the Kodiak special meeting, in person or by proxy, of two persons, each being a securityholder entitled to vote or a duly appointed proxy for an absent securityholder so entitled and together holding or representing by proxy not less than 5% of the outstanding shares of Kodiak entitled to vote at the special meeting will constitute a quorum for the transaction of business at the Kodiak special meeting.

Abstentions will count for the purpose of determining the presence of a quorum for the transaction of business at each special meeting. Shares held in street name by brokers, banks or other nominees who indicate on their proxies that they do not have discretionary authority to vote the shares as to a particular matter and have not received voting instructions from their clients will not count for the purpose of determining the presence of a quorum for the transaction of business.

If a quorum is not present within one-half hour of the time appointed for convening the Kodiak special meeting, Kodiak shareholders present or represented by proxy may adjourn the special meeting to a fixed time and place but may not transact any other business; provided, however, that if no provision for adjournment is made at the special meeting, or any adjournment thereof, at which a quorum is not present, the special meeting shall be dissolved.

## **Required Vote**

### ***Required Vote to Approve the Continuance Resolution***

Approval of the continuance resolution requires the affirmative vote of at least two-thirds of the votes cast on the continuance resolution by those holders of shares of Kodiak common stock present in person or represented by proxy, each common share entitling the holder thereof to one vote on the continuance resolution.

### ***Required Vote to Approve the Arrangement Resolution***

Approval of the arrangement resolution requires the affirmative vote of at least two-thirds of the votes cast on the arrangement resolution by: (i) those holders of Kodiak common stock present in person or represented by proxy, each common share entitling the holder thereof to one vote on the arrangement resolution and (ii) those holders of shares of Kodiak common stock and holders of Kodiak RSUs, options and restricted stock awards present in person or represented by proxy voting together as a class, with each Kodiak RSU, option and restricted stock award entitling the holder thereof to that number of votes equal to the number of Kodiak common stock issuable upon the valid exercise of an option, or the valid settlement of an RSU or restricted stock award, as applicable.

### ***Required Vote to Approve the Arrangement-related Compensation Proposal***

Approval of the arrangement-related compensation proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal. Because the vote on the arrangement-related compensation proposal is advisory only, it will not be binding on either Kodiak or Whiting. Accordingly, if the continuance resolution and the arrangement resolution are approved and the arrangement is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of Kodiak's

shareholders.

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### *Required Vote to Approve the Kodiak Adjournment Proposal*

Approval of the Kodiak adjournment proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal.

### **Treatment of Abstentions; Failure to Vote**

For purposes of the Kodiak special meeting, an abstention occurs when a Kodiak securityholder attends the Kodiak special meeting, either in person or by proxy, but abstains from voting.

Abstentions are not counted as votes for or against the proposals and therefore have no effect on any proposal. If a Kodiak securityholder is not present in person at the Kodiak special meeting and does not respond by proxy, it will have no effect on such proposal (assuming a quorum is present).

### **Voting of Proxies; Incomplete Proxies**

Giving a proxy means that a Kodiak securityholder authorizes the persons named in the enclosed proxy card to vote its securities at the Kodiak special meeting in the manner it directs. A Kodiak securityholder of record may vote by proxy or in person at the meeting. To vote by proxy, a Kodiak securityholder may use one of the following methods if it is a registered holder (that is, it holds its stock in its own name):

*telephone voting*, by dialing the toll-free number and following the instructions on the proxy card;

*via the Internet*, by going to the web address shown on the proxy card and following the instructions on the proxy card; or

*mail*, by completing, signing and returning the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Kodiak requests that Kodiak securityholders vote by telephone, over the Internet or by completing and signing the accompanying proxy and returning it to Kodiak as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of Kodiak stock represented by it will be voted at the Kodiak special meeting in accordance with the instructions contained on the proxy card.

**If any proxy is returned without indication as to how to vote, the shares of Kodiak common stock represented by the proxy will be voted as recommended by the Kodiak Board. Unless a Kodiak securityholder checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on other matters relating to the Kodiak special meeting.**

**A Kodiak securityholder has the right to appoint a person (who need not be a Kodiak securityholder) to attend and act for him, her or it and on his, her or its behalf at the Kodiak special meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

If a Kodiak shareholder's shares are held in street name, through a broker, bank or other nominee, that institution will send the shareholder separate instructions describing the procedure for voting such shareholder's shares. Street name Kodiak shareholders who wish to vote at the meeting will need to obtain a legal proxy form from their broker, bank or other nominee.

**Every Kodiak securityholder's vote is important. Accordingly, each Kodiak securityholder should sign, date and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the Kodiak securityholder plans to attend the Kodiak special meeting in person.**

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**Table of Contents****Shares Held in Street Name**

If you are a Kodiak shareholder and your shares are held in street name through a broker, bank or other nominee, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the broker, bank or other nominee. You may not vote shares held in street name by returning a proxy card directly to Kodiak or by voting in person at the Kodiak special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Kodiak common stock on behalf of their customers may not give a proxy to Whiting to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Kodiak shareholder whose shares are held in street name and you do not instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on the proposals, which broker non-votes will have no effect on the vote count for such proposals.

Street name shareholders fall into two categories: (i) those who object to their name being made known to Kodiak ( objecting beneficial owners ), and (ii) those who do not object to Kodiak knowing their identity ( non-objecting beneficial owners ). If you are a street name shareholder, and Kodiak or its agents have sent the materials for the special meeting directly to you, your name and address and the information pertaining to the shares that you beneficially hold have been obtained in accordance with the applicable Canadian securities laws from the broker, bank or other nominee who holds the shares of Kodiak common stock on your behalf. By choosing to send these materials directly to you, Kodiak has assumed responsibility for (i) delivering these materials to you; and (ii) executing the instructions that you provide by means of the voting instruction form.

Canadian securities laws require brokers, banks and other nominees to seek voting instructions from street name shareholders. Each broker, bank or other nominee has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by street name shareholders to ensure that their shares of Kodiak common stock are voted at the special meeting. However, as permitted under applicable Canadian securities laws, Broadridge Financial Solutions, Inc. ( Broadridge ) will deliver the materials for the special meeting to Kodiak s non-objecting beneficial owners. Street name shareholders should note that they are not entitled to use a voting instruction form received from Broadridge to vote Kodiak common stock directly at the special meeting. Instead, the street name shareholders must complete the voting instruction form and return it by mail to Broadridge, as applicable, or follow the alternate telephone or internet voting procedures outlined therein. Street name shareholders must complete these steps well in advance of the special meeting in order to ensure such Kodiak common stock are voted.

**Revocability of Proxies and Changes to a Kodiak Securityholder s Vote**

A Kodiak securityholder of record has the power to change its vote at any time before its securities are voted at the Kodiak special meeting by:

notifying Kodiak s Secretary in writing at 1625 Broadway, Suite 250, Denver, Colorado 80202 that the securityholder is revoking its proxy;

executing and delivering a later dated proxy card or submitting a later dated vote by telephone or on the Internet; or



voting in person at the Kodiak special meeting (although attendance at the Kodiak special meeting will not in and of itself constitute a revocation of a proxy).

Proxies submitted by telephone or via the Internet must be received by 11:59 p.m. Eastern Time on December 2, 2014. If you are a Kodiak securityholder of record, revocation of your proxy or voting instructions through the Internet, by telephone or by mail must be received prior to the start of the Kodiak special meeting, although you may also revoke your proxy by attending the Kodiak special meeting and voting in person.

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**However, if a Kodiak shareholder has shares held through a broker, bank or other nominee, the shareholder may revoke its instructions only by informing the custodian in accordance with any procedures it has established.**

### **Solicitation of Proxies**

The solicitation of proxies from Kodiak securityholders is made on behalf of the Kodiak board. Kodiak and Whiting will generally share equally the cost and expenses of printing and mailing this joint proxy statement/circular and all fees paid to the SEC. Kodiak will pay the costs of soliciting and obtaining proxies from Kodiak securityholders, including the cost of reimbursing brokers, banks and other financial institutions for forwarding proxy materials to their customers. Proxies may be solicited, without extra compensation, by Kodiak officers and employees by mail, telephone, fax, personal interviews or other methods of communication. Kodiak has engaged the firm of MacKenzie Partners, Inc. to assist Kodiak in the distribution and solicitation of proxies for an estimated fee of \$20,000 plus reasonable out-of-pocket expenses for its services.

### **Voting by Kodiak Directors and Executive Officers**

On the Kodiak record date, directors and executive officers of Kodiak and their affiliates owned and were entitled to vote 5,188,235 shares of Kodiak common stock, representing approximately 1.9% of the shares of Kodiak common stock outstanding on that date and 2,458,666 Kodiak options, RSUs and restricted stock awards, representing approximately 39.5% of the Kodiak options, RSUs and restricted stock awards outstanding on that date. Kodiak currently expects that its directors and executive officers will vote their shares in favor of the continuance resolution and arrangement resolution, although none of them has entered into any agreements obligating them to do so.

### **Attending the Kodiak Special Meeting**

Subject to space availability, all Kodiak securityholders as of the Kodiak record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 7:30 a.m., Mountain Time.

If you hold shares of Kodiak common stock in street name through a broker, bank or other nominee and you wish to attend the Kodiak special meeting, you need to bring a copy of a brokerage or bank statement to the Kodiak special meeting reflecting your stock ownership as of the Kodiak record date. Street name shareholders who wish to vote at the meeting will need to obtain a legal proxy form from their broker, bank or other nominee.

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**KODIAK PROPOSALS**

**Item 1. Continuance Resolution**

As discussed throughout this joint proxy statement/circular, Kodiak is asking its shareholders to approve the continuance resolution. Holders of Kodiak common stock should read carefully this joint proxy statement/circular in its entirety, including the annexes, for more detailed information concerning the continuance. In particular, holders of Kodiak common stock are directed to the continuance resolution, a copy of which is attached as Annex A to this joint proxy statement/circular. Approval of the continuance resolution is required for completion of the arrangement. In the event that the continuance resolution is approved at the Kodiak special meeting and that, subsequent to the completion of Kodiak continuance, the arrangement is not completed, the rights of Kodiak shareholders will be governed by the BCBCA and the new notice of articles and articles of Kodiak. The rights of the shareholders of a BCBCA company are in certain circumstances different from the rights of the shareholders of a YBCA company. See Comparison of Rights of Shareholders of Whiting and Kodiak.

Approval of the continuance resolution requires the affirmative vote of at least two-thirds of the votes cast on the continuance resolution by those holders of Kodiak common stock present in person or represented by proxy, each common share entitling the holder thereof to one vote on the continuance resolution.

**The Kodiak board of directors recommends a vote FOR the continuance resolution (Item 1).**

**Item 2. Arrangement Resolution**

As discussed elsewhere in this joint proxy statement/circular, the Kodiak securityholders will consider and vote on a proposal to approve the arrangement resolution, which approval shall include the adoption of the plan of arrangement and the approval of the arrangement agreement. Holders of Kodiak securities should read carefully this joint proxy statement/circular in its entirety, including the annexes, for more detailed information concerning the arrangement. In particular, holders of Kodiak securities are directed to the arrangement resolution, a copy of which is attached as Annex B to this joint proxy statement/circular. Approval of the arrangement resolution is required for completion of the arrangement.

Approval of the arrangement resolution requires the (i) affirmative vote of at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock present in person or represented by proxy, voting as one class, each common share entitling the holder thereof to one vote on the arrangement resolution and (ii) affirmative vote of at least two-thirds of the votes cast on the arrangement resolution by those holders of Kodiak common stock and holders of Kodiak RSUs, options and restricted stock awards present in person or represented by proxy voting together as another class, with each Kodiak RSU, option and restricted stock award entitling the holder thereof to that number of votes equal to the number of Kodiak common stock issuable upon the valid exercise of an option, or the valid settlement of an RSU or restricted stock award, as applicable.

**The Kodiak board of directors recommends a vote FOR the arrangement resolution (Item 2).**

**Item 3. Arrangement-Related Compensation Proposal**

As required by Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, which were enacted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Kodiak is required to submit a proposal to Kodiak shareholders for a non-binding, advisory vote to approve the payment by Kodiak of certain compensation to the named executive officers of Kodiak that is based on or otherwise relates to the arrangement. This proposal, commonly known as the "say-on-golden parachute" proposal and which Kodiak refers to as the arrangement-related compensation proposal, gives Kodiak shareholders the opportunity to vote on a non-binding, advisory basis on the compensation that Kodiak's named executive officers may be entitled to receive from Kodiak that is based on or otherwise relates to the arrangement.

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The compensation and benefits that Kodiak's named executive officers may be entitled to receive from Kodiak that is based on or otherwise relates to the arrangement is summarized and included in the section entitled "The Arrangement - Quantification of Potential Payments to Kodiak's Named Executive Officers in Connection with the Arrangement."

The Kodiak board of directors encourages you to review carefully the named executive officer arrangement-related compensation information disclosed in this joint proxy statement/circular.

The Kodiak board of directors recommends that Kodiak's shareholders approve the following resolution:

RESOLVED, that the shareholders of Kodiak approve, on a non-binding, advisory basis, the compensation that will or may become payable to Kodiak's named executive officers that is based on or otherwise relates to the arrangement as disclosed pursuant to Item 402(t) of Regulation S-K in the section entitled "The Arrangement - Quantification of Potential Payments to Kodiak's Named Executive Officers in Connection with the Arrangement."

Approval of the arrangement-related compensation proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal. The vote on the arrangement-related compensation proposal is a vote separate and apart from the votes to approve the continuance resolution and the arrangement resolution. Accordingly, shareholders may vote to approve the continuance resolution and the arrangement resolution and vote not to approve the arrangement-related compensation proposal, and vice versa. Because the vote on the arrangement-related compensation proposal is advisory only, it will not be binding on either Kodiak or Whiting. Accordingly, if the continuance resolution and the arrangement resolution are approved and the arrangement is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of Kodiak's shareholders.

**The Kodiak board of directors recommends a vote FOR the arrangement-related compensation proposal (Item 3).**

### **Item 4. The Kodiak Adjournment Proposal**

The Kodiak special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies to obtain additional votes in favor of the arrangement resolution.

If, at the Kodiak special meeting, the number of shares of Kodiak common stock or Kodiak RSUs, options or restricted stock awards present or represented and voting in favor of the continuance resolution or arrangement resolution is insufficient to approve such proposal, Kodiak intends to move to adjourn the Kodiak special meeting in order to enable the Kodiak board to solicit additional proxies for approval of such resolutions.

In the Kodiak adjournment proposal, Kodiak is asking its shareholders to authorize the holder of any proxy solicited by the Kodiak board to vote in favor of granting discretionary authority to the proxyholders, and each of them individually, to adjourn the Kodiak special meeting to another time and place for the purpose of soliciting additional proxies. If Kodiak shareholders approve the Kodiak adjournment proposal, Kodiak could adjourn the Kodiak special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Kodiak shareholders who have previously voted.

Approval of the Kodiak adjournment proposal requires that the votes cast in favor of such proposal exceed the votes cast against such proposal.

**The Kodiak board of directors recommends a vote FOR the Kodiak adjournment proposal (Item 4).**

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**Other Matters to Come Before the Meeting**

No other matters are intended to be brought before the special meeting by Kodiak, and Kodiak does not know of any matters to be brought before the meeting by others. If, however, any other matters properly come before the Kodiak special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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**Table of Contents****UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma combined financial information is derived from the historical consolidated financial statements of Whiting and Kodiak, and has been adjusted to reflect the proposed acquisition of Kodiak by Whiting. Certain of Kodiak's historical amounts have been reclassified to conform to Whiting's financial statement presentation. The unaudited pro forma combined balance sheet as of June 30, 2014 gives effect to the arrangement as if it had occurred on June 30, 2014. The unaudited pro forma combined statements of operations for the six months ended June 30, 2014 and the year ended December 31, 2013 both give effect to the arrangement as if it had occurred on January 1, 2013. Additionally, Whiting's unaudited pro forma combined financial information is converted to our common stock at any time on or after the initial issue date, all discount was immediately recognized as a deemed dividend and a reduction to net income attributable to common shareholders in the period the preferred stock was issued.

According to ASC Topic 340 subtopic 10 section S99-1, "specific incremental costs directly attributable to a proposed or actual offering of securities may properly be deferred and charged against the gross proceeds of the offering". And in accordance with the SEC accounting and reporting manual "cost of issuing equity securities are charged directly to equity as deduction of the fair value assigned to share issued". Accordingly, we deducted the direct issuing cost paid in cash which were approximately US\$1,142,000 from the assigned fair value to the Series A preferred stock.

**Share-based Compensation**

We accounted for share-based compensation in accordance with ASC Topic 718, which requires that share-based payment transactions be measured based on the grant-date fair value of the equity instrument issued and recognized as compensation expense over the requisite service period, or vesting period.

**Earnings per share**

Earnings / (loss) per share are calculated in accordance with ASC Topic 260, "Earnings Per Share". Basic earnings per share is computed by dividing income attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Common shares issuable upon the conversion of the convertible preferred shares are included in the computation of diluted earnings per share on an "if-converted" basis when the impact is dilutive. The dilutive effect of outstanding common stock warrants is reflected in the diluted earnings per share by application of the treasury stock method when the impact is dilutive.

All share and per share data have been retroactively adjusted to reflect the reverse acquisition on June 26, 2009 whereby the 13,790,800 shares of common stock issued by us (nominal acquirer) to the shareholders of China Net BVI (nominal acquiree) are deemed to be the number of shares outstanding for the period prior to the reverse acquisition. For the period after the reverse acquisition, the number of shares considered to be outstanding is the actual number of shares outstanding during that period.



#### Recent accounting pronouncements

In July 2010, the FASB issued Accounting Standard Updates (“ASU”) 2010-20, “Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses”. This ASU amends Topic 310 to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to disaggregate by portfolio segment or class certain existing disclosures and provide certain new disclosures about its financing receivables and related allowance for credit losses. For public entities, the disclosures as of the end of a reporting period are effective for interim and annual reporting periods ending on or after December 15, 2010. The disclosures about activity that occurs during a reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. Except for the expanded disclosure requirements, the adoption of this ASU is not expected to have a material impact on our consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our Consolidated Financial Statements upon adoption.

## A. RESULTS OF OPERATIONS FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

The following table sets forth a summary, for the periods indicated, of our consolidated results of operations. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period. All amounts, except number of shares and per share data, in thousands of US dollars.

|  | Nine months<br>ended September 30, |             | Three months<br>ended September 30, |             |
|--|------------------------------------|-------------|-------------------------------------|-------------|
|  | 2010                               | 2009        | 2010                                | 2009        |
|  | (US \$)                            | (US \$)     | (US \$)                             | (US \$)     |
|  | (Unaudited)                        | (Unaudited) | (Unaudited)                         | (Unaudited) |
| <b>Sales</b>   |                                    |             |                                     |             |
| To unrelated parties   | \$ 30,304                          | \$ 25,320   | \$ 8,631                            | \$ 7,604    |
| To related parties   | 872                                | 1,985       | 265                                 | 522         |
|  | 31,176                             | 27,305      | 8,896                               | 8,126       |
| Cost of sales  | 15,791                             | 15,918      | 3,110                               | 4,029       |
| Gross margin   | 15,385                             | 11,387      | 5,786                               | 4,097       |
| <b>Operating expenses</b>  |                                    |             |                                     |             |
| Selling expenses   | 2,187                              | 3,253       | 851                                 | 624         |
| General and administrative expenses                              | 2,410                              | 1,530       | 815                                 | 614         |
| Research and development expenses                                | 605                                | 347         | 276                                 | 133         |
|  | 5,202                              | 5,130       | 1,942                               | 1,371       |
| Income from operations   | 10,183                             | 6,257       | 3,844                               | 2,726       |
| <b>Other income (expenses):</b>                                  |                                    |             |                                     |             |
| Changes in fair value of warrants                                | 1,861                              | (1,289)     | -                                   | (1,289)     |
| Interest income  | 8                                  | 9           | 4                                   | 4           |
| Other income   | 8                                  | 8           | 4                                   | 2           |
| Other expenses   | (1)                                | (100)       | 0                                   | (99)        |
|  | 1,876                              | (1,372)     | 8                                   | (1,382)     |
| Income before income tax expense                                 | 12,059                             | 4,885       | 3,852                               | 1,344       |
| Income tax expense   | 304                                | 1,653       | 25                                  | 696         |
| Net income   | 11,755                             | 3,232       | 3,827                               | 648         |
| Net loss attributable to noncontrolling interest                 | 127                                | -           | 50                                  | -           |
| Net income attributable to ChinaNet Online Holdings, Inc.        | 11,882                             | 3,232       | 3,877                               | 648         |
| <b>Other comprehensive income</b>                                |                                    |             |                                     |             |
| Foreign currency translation gain                                | 442                                | 13          | 365                                 | 8           |
| Comprehensive income   | \$ 12,197                          | \$ 3,245    | \$ 4,192                            | \$ 656      |
| <b>Net income attributable to ChinaNet Online Holdings, Inc.</b> |                                    |             |                                     |             |
|  | \$ 11,882                          | \$ 3,232    | \$ 3,877                            | \$ 648      |
|  | -                                  | (5,898)     | -                                   | (5,898)     |

## Beneficial conversion feature of Series A convertible preferred stock

|  |       |   |       |   |
|--|-------|---|-------|---|
| Dividend of Series A convertible preferred stock | (612) | - | (190) | - |
|--|-------|---|-------|---|

|  |           |            |          |            |
|--|-----------|------------|----------|------------|
| Net income attributable to common shareholders of ChinaNet Online Holdings, Inc. | \$ 11,270 | \$ (2,666) | \$ 3,687 | \$ (5,250) |
|--|-----------|------------|----------|------------|

## Earnings per share

## Earnings per common share

|         |         |           |         |           |
|---------|---------|-----------|---------|-----------|
| Basic   | \$ 0.68 | \$ (0.18) | \$ 0.22 | \$ (0.33) |
| Diluted | \$ 0.57 | \$ (0.18) | \$ 0.19 | \$ (0.33) |

## Weighted average number of common shares outstanding:

|         |            |            |            |            |
|---------|------------|------------|------------|------------|
| Basic   | 16,676,752 | 14,495,560 | 16,939,961 | 15,774,300 |
| Diluted | 20,905,796 | 14,495,560 | 20,916,463 | 15,774,300 |

## Non-GAAP Measures

To supplement the unaudited consolidated statement of income and comprehensive income presented in accordance with Accounting Principles Generally Accepted in the United States of America ("GAAP"), we also provided non-GAAP measures of income from operations, income before income tax expenses, net income for the nine and three months ended September 30, 2010, which are adjusted from results based on GAAP to exclude the non-cash charges recorded, which related to the issuing of Series A preferred stock and warrants in August 2009 financing. The non-GAAP financial measures are provided to enhance the investors' overall understanding of our current performance in on-going core operations as well as prospects for the future. These measures should be considered in addition to results prepared and presented in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We use both GAAP and non-GAAP information in evaluating and operating business internally and therefore deem it important to provide all of this information to investors.

The following table presents reconciliations of our non-GAAP financial measures to the unaudited consolidated statements of income and comprehensive income for the nine and three months ended September 30, 2010: (All amounts in thousands of US dollars)

|   | Nine months<br>ended September 30,         |  | Three months<br>ended September 30,        |  |
|---|--|--|--|--|
|   | 2010<br>(US \$)<br>(Unaudited)<br>NON GAAP | 2009<br>(US \$)<br>(Unaudited)<br>NON GAAP | 2010<br>(US \$)<br>(Unaudited)<br>NON GAAP | 2009<br>(US \$)<br>(Unaudited)<br>NON GAAP |
| Income from operations  | \$ 10,183                                  | \$ 6,257                                   | \$ 3,844                                   | \$ 2,726                                   |
| Other income (expenses):  |  |  |  |  |
| Changes in fair value of warrants (note1)                                     | -  | -  | -  | -  |
| Interest income   | 8  | 9  | 4  | 4  |
| Other income  | 8  | 8  | 4  | 2  |
| Other expenses  | (1)  | (100)                                      | 0  | (99)                                       |
|   | 15   | (83)                                       | 8  | (93)                                       |
| Income before income tax expense  | 10,198                                     | 6,174                                      | 3,852                                      | 2,633                                      |
| Income tax expense  | 304  | 1,653                                      | 25   | 696  |
| Net income  | 9,894                                      | 4,521                                      | 3,827                                      | 1,937                                      |
| Net loss attributable to noncontrolling interest                              | 127  | -  | 50   | -  |
| Net income attributable to ChinaNet Online Holdings, Inc.                     | 10,021                                     | 4,521                                      | 3,877                                      | 1,937                                      |
| Other comprehensive income  |  |  |  |  |
| Foreign currency translation gain   | 442  | 13   | 365  | 8  |
| Comprehensive income  | \$ 10,336                                  | \$ 4,534                                   | \$ 4,192                                   | \$ 1,945                                   |
| Net income attributable to ChinaNet Online Holdings, Inc.                     | 10,021                                     | 4,521                                      | 3,877                                      | 1,937                                      |
| Beneficial conversion feature of Series A convertible preferred stock (note2) | -  | -  | -  | -  |

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Dividend of Series A convertible preferred stock                                 | (612)      | -          | (190)      | -          |
| Net income attributable to common shareholders of ChinaNet Online Holdings, Inc. | \$ 9,409   | \$ 4,521   | \$ 3,687   | \$ 1,937   |
| <b>Earnings per share</b>  |            |            |            |            |
| Earnings per common share  |            |            |            |            |
| Basic  | \$ 0.56    | \$ 0.31    | \$ 0.22    | \$ 0.12    |
| Diluted  | \$ 0.48    | \$ 0.30    | \$ 0.19    | \$ 0.11    |
| <b>Weighted average number of common shares outstanding:</b>                     |            |            |            |            |
| Basic  | 16,676,752 | 14,495,560 | 16,939,961 | 15,774,300 |
| Diluted  | 20,905,796 | 15,126,526 | 20,916,463 | 17,646,624 |

Note1: Approximately US\$1,861,000 non-cash gain was excluded from the non-GAAP net income and earnings per share calculation for the nine months ended September 30, 2010, and approximately US\$1,289,000 non-cash loss was excluded from the non-GAAP net income and earnings per share calculation for the nine and three months ended September 30, 2009. These non-cash gain or loss were recorded in the earnings under US GAAP as changes in fair value of warrants which related to the warrants we issued in our August 2009 Financing ..

Note2: Approximately US\$5,898,000 beneficial conversion feature of series A convertible preferred stock was excluded from the non-GAAP net income and earnings per share calculation for the nine and three months ended September 30, 2009. The beneficial conversion feature of Series A convertible preferred stock was recorded in the earnings under US GAAP as a deemed dividend, (a deduction of retained earnings and a deduction of net income attributable to common shareholders) which related to the Series A convertible preferred stock we issued in our August 2009 Financing.

## REVENUE

The following tables set forth a breakdown of our total revenue, divided into five segments for the periods indicated, with inter-segment transactions eliminated:

| Revenue type                    | Nine months ended September 30,                                   |        |                     |        |
|---------------------------------|---|--------|---------------------|--------|
|                                 | 2010<br>(Unaudited)   |        | 2009<br>(Unaudited) |        |
|                                 | (Amount expressed in thousands of US dollars, except percentages) |        |                     |        |
| Internet advertisement          | \$ 19,478   | 62.48% | \$ 12,601           | 46.15% |
| TV advertisement                | 11,044  | 35.42% | 13,600              | 49.81% |
| Internet Ad. Resources resell   | 93  | 0.30%  | 1,045               | 3.83%  |
| Bank kiosks                     | 396   | 1.27%  | 21                  | 0.07%  |
| Internet information management | 165   | 0.53%  | 38                  | 0.14%  |
| Total                           | \$ 31,176   | 100%   | \$ 27,305           | 100%   |

| Revenue type                    | Three months ended September 30,                                  |        |                     |        |
|---------------------------------|---|--------|---------------------|--------|
|                                 | 2010<br>(Unaudited)   |        | 2009<br>(Unaudited) |        |
|                                 | (Amount expressed in thousands of US dollars, except percentages) |        |                     |        |
| Internet advertisement          | \$ 7,108  | 79.90% | \$ 4,730            | 58.21% |
| TV advertisement                | 1,603   | 18.02% | 3,114               | 38.32% |
| Internet Ad. resources resell   | -   | -      | 243                 | 2.99%  |
| Bank kiosks                     | 133   | 1.50%  | 1                   | 0.01%  |
| Internet information management | 52  | 0.58%  | 38                  | 0.47%  |
| Total                           | \$ 8,896  | 100%   | \$ 8,126            | 100%   |

| Revenue type                  | Nine months ended September 30,                                   |        |                     |        |
|-------------------------------|---|--------|---------------------|--------|
|                               | 2010<br>(Unaudited)   |        | 2009<br>(Unaudited) |        |
|                               | (Amount expressed in thousands of US dollars, except percentages) |        |                     |        |
| Internet advertisement        | \$ 19,478   | 100%   | \$ 12,601           | 100%   |
| —From unrelated parties       | 18,607  | 95.53% | 11,420              | 90.63% |
| —From related parties         | 871   | 4.47%  | 1,181               | 9.37%  |
| TV advertisement              | 11,044  | 100%   | 13,600              | 100%   |
| —From unrelated parties       | 11,043  | 99.99% | 12,796              | 94.09% |
| —From related parties         | 1   | 0.01%  | 804                 | 5.91%  |
| Internet Ad. resources resell | 93  | 100%   | 1,045               | 100%   |
| —From unrelated parties       | 93  | 100%   | 1,045               | 100%   |
| —From related parties         | -   | -      | -                   | -      |
| Bank kiosks                   | 396   | 100%   | 21                  | 100%   |

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|                                 |           |        |           |        |
|---------------------------------|-----------|--------|-----------|--------|
| —From unrelated parties         | 396       | 100%   | 21        | 100%   |
| —From related parties           | -         | -      | -         | -      |
| Internet information management | 165       | 100%   | 38        | 100%   |
| —From unrelated parties         | 165       | 100%   | 38        | 100%   |
| —From related parties           | -         | -      | -         | -      |
| Total                           | \$ 31,176 | 100%   | \$ 27,305 | 100%   |
| —From unrelated parties         | \$ 30,304 | 97.20% | \$ 25,320 | 92.73% |
| —From related parties           | \$ 872    | 2.80%  | \$ 1,985  | 7.27%  |

| Revenue type                    | Three months ended September 30,                                  |        |                     |        |
|---------------------------------|---|--------|---------------------|--------|
|                                 | 2010<br>(Unaudited)   |        | 2009<br>(Unaudited) |        |
|                                 | (Amount expressed in thousands of US dollars, except percentages) |        |                     |        |
| Internet advertisement          | \$ 7,108  | 100%   | \$ 4,730            | 100%   |
| —From unrelated parties         | 6,844   | 96.29% | 4,389               | 92.79% |
| —From related parties           | 264   | 3.71%  | 341                 | 7.21%  |
| TV advertisement                | 1,603   | 100%   | 3,114               | 100%   |
| —From unrelated parties         | 1,602   | 99.94% | 2,933               | 94.19% |
| —From related parties           | 1   | 0.06%  | 181                 | 5.81%  |
| Internet Ad. Resources resell   | -   | -      | 243                 | 100%   |
| —From unrelated parties         | -   | -      | 243                 | 100%   |
| —From related parties           | -   | -      | -                   | -      |
| Bank kiosks                     | 133   | 100%   | 1                   | 100%   |
| —From unrelated parties         | 133   | 100%   | 1                   | 100%   |
| —From related parties           | -   | -      | -                   | -      |
| Internet information management | 52  | 100%   | 38                  | 100%   |
| —From unrelated parties         | 52  | 100%   | 38                  | 100%   |
| —From related parties           | -   | -      | -                   | -      |
| Total                           | \$ 8,896  | 100%   | \$ 8,126            | 100%   |
| —From unrelated parties         | \$ 8,631  | 97%    | \$ 7,604            | 93.58% |
| —From related parties           | \$ 265  | 3%     | \$ 522              | 6.42%  |

Total Revenues: Our total revenues increased to US\$31.2 million for the nine months ended September 30, 2010 from US\$27.3 million for the same period in 2009, representing a 14% increase. For the three months ended September 30, 2010, our total revenue increased to US\$8.9 million from US\$8.1 million for the same period of 2009, representing a 9.5% increase.

We derive the majority of our advertising service revenues from the sale of advertising space and provision of the related technical support on our portal website [www.28.com](http://www.28.com); and from the sale of advertising time purchased from different TV programs to unrelated third parties and to some of our related parties. We report our advertising revenue between related and unrelated parties because historically about 5%-10% of our advertising service revenues came from clients related to some of the shareholders of our PRC operating entities. Our advertising services to related parties were provided in the ordinary course of business on the same terms as those provided to our unrelated advertising clients on an arm's-length basis. In fiscal year of 2010, we are continuing to execute our strategy of focusing on the internet advertising sales business, which has achieved gross margins of 75% for the first nine months of 2010, and other related value-added services, including search engine marketing, brand management, internet information management and others. We will concentrate resources and capital on our key portal website [www.28.com](http://www.28.com) and its related services as previously mentioned in order to yield more predictable and recurring revenue. Our advertising service revenues are recorded net of any sales discounts. These discounts include volume discounts and other customary incentives offered to our small and medium franchise and merchant clients, including additional advertising time for their advertisements if we have unused places available on our website and represent the difference between our official list price and the amount we charge our clients.

We typically sign service contracts with our small and medium franchise and merchant clients that require us to place the advertisements on our portal website for specified places and specified periods; and/or place the



advertisements onto our purchased advisement time during specific TV programs for specified periods. We recognize revenues as the advertisement airs over the contractual term based on the schedule agreed upon with our clients.

1We achieved a 55% increase in internet advertising revenues to US\$19.5 million for the nine months ended September 30, 2010 from US\$12.6 million for the same period in 2009. For the three months ended September 30, 2010, our internet advertising revenue increased to US\$7.1 million from US\$4.1 million for the same period in 2009. This is primarily a result of (1) the successful brand building effort for www.28.com made in prior years both on TV and at other well-known portal websites in China, as well as participating in government programs with respect to stimulating employment rates through entrepreneurship and launching of services to branded clients in China in the fiscal year of 2010; (2) more mature client service technologies; (3) launching of more value-added services; and (4) a more experienced sales team. During the nine and three months ended September 30, 2010, we engaged approximately 100 branded clients and achieved about 30 branded clients who use our portal and website to promote their chain stores (or franchise outlets) and other business opportunities. We also enhanced our search engine optimization function, which allows us to provide a more technologically advanced chargeable advertisement for generating sales leads, which was also one of the main reasons for the increases in internet advertisement revenue.

1We had a 19% decrease in TV advertising revenue to US\$11.0 million for the nine months ended September 30, 2010 from US\$13.6 million for the same period in 2009. For the three months ended September 30, 2010, our TV advertising revenue decreased to US\$1.6 million as compared to US\$3.1 million for the same period in 2009. We generated this US\$11.0 million of TV advertising revenue by selling approximately 13,650 minutes of advertising time that we purchased from approximately seven provincial TV stations as compared with approximately 17,400 minutes of advertising time that we sold in the same period in 2009. The decrease in revenue we generated from the TV advertisement segment for the nine months ended September 30, 2010 as compared to the same period of last year and was mainly due to the following reasons: (1) a decrease of approximately 3,750 minutes of advertising time sold; (2) increases in demand for TV advertising are relatively limited due to higher demand for internet advertising, which can be more cost effective; (3) in response to TV stations increasing their sales prices, we in turn increased the prices we charged to our customers which resulted in lower demand from our customers for this service; (4) Spring Festival was in the middle of the first quarter of fiscal 2010, which had a negative impact on the demand for our advertising services and as a result, we had to decrease our selling price which in turn led to a negative gross profit ratio in the first quarter of 2010. For the three months ended June 30, 2010 and September 30, 2010, we increased our selling prices as compared to that in the first quarter of 2010, and our gross profit ratio of this business segment improved to 7% and 9% for the second and third quarter of 2010, respectively, as compared with (2%) for the first quarter of 2010. We do not anticipate that this business segment will expand in the future. Rather, we expect that this business segment will be operated as part of multi-channel communication platform for www.28.com and its related services. Meanwhile, management will closely monitor this business segment for the rest of fiscal year 2010 in an effort to improve its performance.

1Our resale of internet advertising resources is our resale of a portion of the internet resources that we purchase from Baidu in bulk to our existing internet advertising clients, in order to promote their businesses through sponsored searches, search engine traffic generation techniques etc. We achieved approximately US\$0.1 million revenue in this business segment for the nine months ended September 30, 2010 as compared to approximately US\$1.0 million for the same period in 2009. We do not consider this segment to be a core business or revenue source, because it does not promote the www.28.com brand and the revenue generated by this segment is subjected to price fluctuation caused by the bidding system adopted by different search engines. In fiscal year 2010, as we intend to promote our direct service website of www.28.com, which has a much higher gross profit, we believe the revenue from this segment will decrease accordingly as compared to last year. We will continue monitor our clients' demands from this segment, and continue to negotiate the agency terms (i.e. discount rate, credit terms, etc) with major recourses providers, including Baidu, and adjust our strategy accordingly to maximize our earnings from this segment in the future.



As of September 30, 2010, we deployed 200 kiosks in China Construction Bank Henan Branch, and achieved approximately US\$0.4 million of revenue from this segment as compared to approximately US\$0.02 million for the same period in 2009. Since the bank kiosk advertising business is still in the initial development stage, it was not a significant contribution to revenue for the nine months ended September 30, 2010. We expanded the number of kiosks in fiscal year 2010 starting from Henan, Shanghai and plan to cover Beijing, Guangdong and Si Chuan based on the possible client sources we are targeting. As of September 30, 2010, we have placed orders to purchase and install an additional 408 kiosks and, as of September 30, 2010, we have finished the installation of 250 kiosks, including 150 kiosks in China Construction Bank Henan province and 100 kiosks in Shanghai Rural Commercial Bank. We will continue our efforts to develop this segment in fiscal year of 2010. Management believes that the increase in the number of the kiosks that have been and will be installed will enhance the related advertising coverage through bank kiosks and will help us to yield more clients in the future.

Internet information management is a business segment that we launched in August 2009, which offers our clients an intelligent software product based on our proprietary search engine optimization technology. The main objective of the product is to help our clients gain an early warning of potential negative exposure on the internet so that when necessary they can formulate an appropriate response. We charge a monthly fee to clients who utilize this service. For the nine months ended September 30, 2010, we generated US\$0.17 million of revenue from this business segment. We plan to expand our efforts to offer this service to more of our existing clients as well as a part of sales package to our branded clients in the future.

#### Cost of revenues

Our cost of revenues consists of costs directly related to the offering of our advertising services. The following table sets forth our cost of revenues, divided into five segments, by amount and gross profit ratio for the periods indicated, with inter-segment transactions eliminated:

|                                 | Nine months ended September 30,                                   |               |             |                     |               |             |
|---------------------------------|---|---------------|-------------|---------------------|---------------|-------------|
|                                 | 2010<br>(Unaudited)   |               |             | 2009<br>(Unaudited) |               |             |
|                                 | (Amount expressed in thousands of US dollars, except percentages) |               |             |                     |               |             |
|                                 | Revenue   | Cost          | GP<br>ratio | Revenue             | Cost          | GP<br>ratio |
| Internet advertisement          | \$ 19,478   | 4,907         | 75%         | \$ 12,601           | 3,352         | 73%         |
| TV advertisement                | 11,044  | 10,709        | 3%          | 13,600              | 11,520        | 15%         |
| Internet Ad. resources resell   | 93  | 84            | 10%         | 1,045               | 1,008         | 4%          |
| Bank kiosk                      | 396   | 34            | 91%         | 21                  | 2             | 90%         |
| Internet information management | 165   | 9             | 95%         | 38                  | 2             | 95%         |
| Others                          | -   | 48            | N/A         | -                   | 34            | N/A         |
| <b>Total</b>                    | <b>\$ 31,176</b>  | <b>15,791</b> | <b>49%</b>  | <b>\$ 27,305</b>    | <b>15,918</b> | <b>42%</b>  |

|  | Three months ended September 30,                                  |      |             |                     |      |             |
|--|---|------|-------------|---------------------|------|-------------|
|  | 2010<br>(Unaudited)   |      |             | 2009<br>(Unaudited) |      |             |
|  | (Amount expressed in thousands of US dollars, except percentages) |      |             |                     |      |             |
|  | Revenue   | Cost | GP<br>ratio | Revenue             | Cost | GP<br>Ratio |

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|                                 |          |       |     |          |       |        |
|---------------------------------|----------|-------|-----|----------|-------|--------|
| Internet advertisement          | \$ 7,108 | 1,643 | 77% | \$ 4,730 | 1,241 | 74%    |
| TV advertisement                | 1,603    | 1,453 | 9%  | 3,114    | 2,534 | 19%    |
| Internet Ad. resources resell   | -        | -     | N/A | 243      | 232   | 5%     |
| Bank kiosk                      | 133      | 11    | 92% | 1        | 2     | (100)% |
| Internet information management | 52       | 3     | 94% | 38       | 2     | 95%    |
| Others                          | -        | -     | N/A | -        | 18    | N/A    |
| Total                           | \$ 8,896 | 3,110 | 65% | \$ 8,126 | 4,029 | 50%    |

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Cost of revenues: Our total cost of revenues decreased slightly to US\$15.8 million for the nine months ended September 30, 2010 from US\$15.9 million for the same period in 2009. For the three months ended September 30, 2010, our total cost of revenue decreased to US\$ 3.1 million from US\$4.0 million for the same period in 2009. This was mainly due to the decrease in the cost of the relatively lower margin business segments, such as TV advertisement business and Internet Advertisement resources resell business, which was in line with the decrease of the revenue of these segments for the nine and three months ended September 30, 2010. Our cost of revenues related to the offering of our advertising services mainly consists of internet resources purchased from other portal websites and technical services providers related to lead generation, sponsored search, TV advertisement time costs purchased from TV stations, and business taxes and surcharges.

Internet resources cost is the largest component of our cost of revenue for internet advertisement revenue. We purchased these resources from other well-known portal websites in China, such as: Baidu, and Google to help our internet advertisement clients to get better exposure and to generate more visits for their advertisements placed on our portal website. We accomplish these objectives through sponsored search, advanced tracking, advanced traffic generation technologies, and search engine optimization technologies in connection with the well-known portal websites as indicated above. Our internet resources cost for internet advertising revenue was US\$4.9 million and US\$3.4 million for the nine months ended September 30, 2010 and 2009, respectively. Our average gross profit ratio for internet advertising services is about 70%-80%. For the nine months ended September 30, 2010 and 2009, the gross profit ratio for this segment was 75% and 73% respectively, which was considered stable and reasonable for this business segment.

1 TV advertisement time cost is the largest component of our cost of revenue for TV advertisement revenue. We purchase TV advertisement time from about seven different provincial TV stations and resell it to our TV advertisement clients through infomercials produced by us. Our TV advertisement time cost was US\$10.7 million and US\$11.5 million for the nine months ended September 30, 2010 and 2009, respectively. Our gross profit ratio for this segment decreased to 3% for the nine months ended September 30, 2010 as compared to 15% for the same period of 2009. This decrease was mainly due to the following reasons: (1) the increase of our selling price is relatively lower than the increase of the purchase cost per minute charged by the TV stations for fiscal year 2010 as compared to that in 2009 due to the limitation of TV advertisement demands in consideration of the better price performance ratio generated from internet advertisement; (2) because the Spring Festival was in the middle of the first quarter of 2010, we decreased our selling price accordingly to attract customers, which led a 2% negative gross profit ratio for this segment. However, this situation improved in the second and third quarter of 2010, in which we achieved approximately 7% and 9% gross profit ratio, respectively. Management believes that in the last quarter of year of 2010, the TV advertisement segment will continue to generate positive gross profit.

1 Our resale of internet advertising resources that we purchase from Baidu in large volumes, allows us to enjoy a more favorable discount on rates. We normally purchase these internet resources for providing value-added services to our internet advertising clients on our own portal website [www.28.com](http://www.28.com). However, besides placing advertisements on [www.28.com](http://www.28.com), some of our advertising clients also want to use other direct channels for their promotions, so they purchase internet resources from us because, through us, they have access to lower rates as compared to the current market price for such internet resources. The gross profit ratio for this business is not considered to be stable, because it is subject to price fluctuation caused by the bidding system adopted by different search engines. For the nine months ended September 30, 2010, we limited the supply of this segment, because we intend to promote direct advertisement services to our customers through our own portal website, [www.28.com](http://www.28.com).

## Gross Profit

As a result of the foregoing, our gross profit was US\$15.4 million for the nine months ended September 30, 2010 compared to US\$11.4 million for the same period in 2009. For the three months ended September, our gross revenue increased to US\$5.8 million from US\$4.1 million for the same period in 2009. Along with the increase of the proportion of the high margin internet advertisement revenue over the total revenue for the nine and three months ended September 30, 2010 as compared to the same period in 2009, our overall gross margin increased to 49% and 65% for the nine months ended September 30, 2010 as compared with 42% and 50% for the same period in 2009.

## Operating Expenses and Net Income

Our operating expenses consist of selling expenses, general and administrative expenses, and research and development expenses. The following tables set forth our operating expenses, divided into their major categories by amount and as a percentage of our total revenues for the periods indicated.

|                                     | Nine months ended September 30,<br>2010<br>(Unaudited) |                       | 2009<br>(Unaudited) |                       |
|-------------------------------------|--|-----------------------|---------------------|-----------------------|
|                                     | Amount   | % of total<br>revenue | Amount              | % of total<br>revenue |
| Total Revenue                       | \$ 31,176  | 100%                  | \$ 27,305           | 100%                  |
| Gross Profit                        | 15,385   | 49%                   | 11,387              | 42%                   |
| Selling expenses                    | 2,187  | 7%                    | 3,253               | 12%                   |
| General and administrative expenses | 2,410  | 8%                    | 1,530               | 6%                    |
| Research and development expenses   | 605  | 2%                    | 347                 | 1%                    |
| Total operating expenses            | \$ 5,202   | 17%                   | \$ 5,130            | 19%                   |

|                                     | Three months ended September 30,<br>2010<br>(Unaudited) |                       | 2009<br>(Unaudited) |                       |
|-------------------------------------|---|-----------------------|---------------------|-----------------------|
|                                     | Amount  | % of total<br>revenue | Amount              | % of total<br>revenue |
| Total Revenue                       | \$ 8,896  | 100%                  | \$ 8,126            | 100%                  |
| Gross Profit                        | 5,786   | 65%                   | 4,097               | 50%                   |
| Selling expenses                    | 851   | 10%                   | 624                 | 8%                    |
| General and administrative expenses | 815   | 9%                    | 614                 | 8%                    |
| Research and development expenses   | 276   | 3%                    | 133                 | 2%                    |
| Total operating expenses            | \$ 1,942  | 22%                   | \$ 1,371            | 17%                   |

Operating Expenses: Our operating expenses increased slightly to US\$5.2 million for the nine months ended September 30, 2010 from US\$5.1 million for the same period in 2009. For the three months ended September 30, 2010, our operating expenses increased to US\$1.9 million as compared to US\$1.4 million for the same period in 2009.





**Selling expenses:** Selling expenses decreased to US\$2.2 million for the nine months ended September 30, 2010 from US\$3.3 million for the same period in 2009. For the three months ended September 30, 2010, selling expenses increased to US\$0.9 million as compared to US\$0.6 million for the same period of 2009. Our selling expenses primarily consist of brand development advertising expenses that we pay to TV stations and other media outlets for the promotion of www.28.com, other advertising and promotional expenses, staff salaries, benefits and performance bonuses, website server hosting and broadband leasing expenses, and travel and communication expenses. For the nine months ended September 30, 2010, the decrease in our selling expenses was mainly due to the decrease of our brand development advertising expenses on TV for the nine months ended September 30, 2010 to approximately US\$1.2 million as compared to approximately US\$2.3 million for the same period in 2009. We do not expect that the decrease in brand building expenses on TV will have a significant adverse impact on our future revenue growth, because, through the investment we have made in brand building of www.28.com in the last two years, our website has been gradually recognized as one of the most popular portal providing advertising services and other internet services for SMEs, particularly for small and medium sized franchises, in China. With the increase of the cost for brand development through TV advertisement, we have changed our strategy to focus brand building activities more on our participation in related government support programs of raising employment rates to prolong our brand building effects to the next level. For the nine months ended September 30, 2010, we recorded approximately US\$0.34 million brand building expenses in relation to the co-funding of "Entrepreneurship Fund for Chinese College Students" in China, which is recognized by the six major central ministries, including, China Federation of Industry and Commerce, Ministry of Education, Central Committee of the Communist Young League, United Front Work Department of CPC Central Committee, Ministry of Human Resources and Social Security, and Ministry of Civil Affairs. Management believes that these activities will help to yield additional branded clients who will utilize the portal to promote their chain stores (so called franchises), related products and services, or business opportunities over the internet and other communication channels of the company. The increase of the selling expenses for the three months ended September 30, 2010 was mainly due to the increase of the website server hosting service charges of approximately US\$0.1 million and an approximately US\$0.2 million increase of advertisement charges for www.28.com in this quarter.

**General and administrative expenses:** General and administrative expenses increased to US\$2.4 million for the nine months ended September 30, 2010 as compared to US\$1.5 million for the same period in 2009. For the three months ended September 30, 2010, general and administrative expenses increased to US\$0.8 million as compared to US\$0.6 million for the same period in 2009. Our general and administrative expenses primarily consist of salaries and benefits for management, accounting and administrative personnel, office rentals, depreciation of office equipment, professional service fees, maintenance, utilities and other office expenses. The increase in our general and administrative expenses was mainly due to the following reasons: (1) the increase in professional services charges related to US public company, including but not limited to legal, accounting, and internal control enhancement, for about US\$0.5 million; (2) the increase of the start-up expenditures of our newly established subsidiary, Shenzhen Mingshan, for about US\$0.2 million; and (3) the increase of staff salary, travelling expenses and other general office supplies in relation to the expansion of our business, for about US\$0.2 million.

**Research and development expenses:** Research and development expenses increased to US\$0.60 million for the nine months ended September 30, 2010 from US\$0.35 million for the same period in 2009. For the three months ended September 30, 2010, research and development increased to US\$0.28 million as compared to US\$0.13 million for the same period in 2009. Our research and development expenses primarily consist of salaries and benefits for the research and development staff, equipment depreciation expenses, and office utilities and supplies allocated to our research and development department. The increase of the research and development expenses for the nine and three months ended September 30, 2010 was mainly due to the expansion of our R&D function which resulted in an increase of the salary expenses and other general administrative expense and suppliers. We expect that our research and development expenses will increase in future periods as we will continue expanding, optimizing and enhancing the stability of our portal website and upgrading our advertising and internet management software. In general, we

expect research and development expenses to remain relatively stable as a percentage (3%-5%) of our total revenues in the future.

**Operating Profit:** As a result of the foregoing, our operating profit increased to US\$10.2 million for the nine months ended September 30, 2010 from US\$6.3 million for the same period in 2009. For the three months ended September 30, 2010, our operating profit increased to US\$3.8 million as compared to 2.7 million for the same period in 2009.

**Changes in Fair Value of Warrants:** We originally accounted for our warrants issued to investors and placement agent in our August 2009 financing as derivative liabilities under ASC Topic 815 “Derivatives and Hedging”, because it contained a “Down-round” protection that was applicable if we were to issue new shares of common stock or common stock equivalents at a price per share less than the exercise price of the Warrants. the “Down-round protection” provision is not considered to be an input to the fair value of a fixed-for-fixed option on equity shares which lead to the Warrants to fail to be qualified as indexed to the Company’s own stock and then fail to meet the scope exceptions of ASC Topic 815. Therefore, we accounted for the Warrants as derivative liabilities under ASC Topic 815. Pursuant to ASC Topic 815, derivatives should be measured at fair value and re-measured at fair value with changes in fair value recorded in earnings at each reporting period.

On March 29, 2010, we and the holders of the Warrants entered into agreements to amend certain provisions of the Warrants. The amendment to the investor and placement agent warrants removes the “Down-round protection” rights. In addition, the amendment to the warrants added a provision to grant the holders of a majority of the warrants an approval right until December 31, 2010, over any new issuance of shares of common stock or common stock equivalents at a price per share less than the exercise price of the warrants.

As a result of this amendment, the Warrants issued in the August 2009 financing were qualified as indexed to our own stock and then met the scope exceptions of ASC Topic 815, and were eligible to be reclassified as equity. In accordance to ASC Topic 815, the classification of a contract should be reassessed at each balance sheet date. If the classification required under this ASC changes as a result of events during the period, the contract should be reclassified as of the date of the event that caused the reclassification. If a contract is reclassified from an asset or a liability to equity, gains or losses recorded to account for the contract at fair value during the period that the contract was classified as an asset or a liability should not be reversed. Therefore, we re-measured the fair value of the Warrants as of March 29, 2010, the date of the event that caused the classification, which was approximately US\$ 7,703,000 and reclassified the amount to equity as additional paid-in capital. The gain of the changes in fair value during the period that the Warrants were classified as a derivative liability for the nine months ended September 30, 2010, which was approximately US\$ 1,861,000 was recorded in earnings.

For the nine and three months ended September 30, 2009, as discussed above, we accounted for the warrants issued to our investors and placement agent in the “August 2009 Financing” as derivative liabilities as it contained the “Down-round protection” provision at that time, and approximately US\$1,289,000 loss of the changes in fair value of these warrants was recorded in earnings.

**Income Tax:** We recognized an income tax expense of US\$0.3 million for the nine months ended September 30, 2010. For the nine and three months ended September 30, 2009, we used an estimated income tax rate of 25% to calculate the income tax expense for Business Opportunity Online, one of our PRC operating entities who operates our internet advertising business through www.28.com, because at that time, Business Opportunity Online had not obtained the approval of its qualification as a “High and New Technology Enterprise” under the New EIT law. In January 2010, with an effective date of September 4, 2009, Business Opportunity Online obtained its qualification as a “High and New Technology Enterprise” under the New EIT law and was approved by the local tax authority to continue enjoy the 50% reduction of the applicable income tax rates which are 15% to 7.5% for the years ended December 31, 2009 and 2010. Therefore, the actual income tax rate for Business Opportunity Online for the year ended December 31, 2009 was 7.5%. The differences between the estimated income tax expenses and the actual income tax expenses for the nine and three months ended September 30, 2009 was approximately US\$1.14 million and US\$0.49 million respectively.



Net Income: As a result of the foregoing, our net income amounted to US\$11.8 million for the nine months ended September 30, 2010 as compared to US\$3.2 million for the same period in 2009. Excluding the approximately US\$1.9 million non-cash gain of changes in fair value of warrants recorded for the nine months ended September 30, 2010 and the approximately US\$1.3 million non-cash loss of changes in fair value of warrants recorded for the nine months ended September 30, 2009, respectively, we achieved net income amounted to US\$9.9 million and US\$4.5 million for the nine months ended September 30, 2010 and 2009, respectively.

For the three months ended September 30, 2010, we achieved approximately US\$3.8 million GAAP net income as compared to approximately US\$0.6 million GAAP net income for the same period in 2009. Excluding the approximately US\$1.3 million non-cash loss of changes in fair value of warrants recorded for the three months ended September 30, 2009, we achieved net income amounted to approximately US\$3.8 million and US\$1.9 million for the same period in 2009.

Loss attributable to noncontrolling interest: Our newly established consolidated majority-owned subsidiary Shenzhen Mingshan was still in the start-up period as of September 30, 2010, the net loss incurred for the nine months ended September 30, 2010 of Shenzhen Mingshan was allocated between the shareholders of Shenzhen Mingshan based on the percentage of the ownership in the entity. Based on the percentage ownership of Shenzhen Mingshan, we allocated approximately US\$0.13 million and US\$0.05 million of losses to the noncontrolling interest shareholders of Shenzhen Mingshan for the nine and three months ended September 30, 2010.

Net income attributable to ChinaNet Online Holdings, Inc.: Total net income we achieved for the nine and three months ended September 30, 2010 minus the net loss attributable to the noncontrolling interest shareholders as discussed above was the net income attributable to ChinaNet Online Holdings, Inc.

Beneficial conversion feature of Series A convertible preferred stock: Upon consummation of our August 2009 Financing, we evaluated whether a beneficial conversion feature exists by comparing the operable conversion price of Series A preferred stock with the fair value of the common stock at the commitment date. We concluded that the fair value of common stock was greater than the operable conversion price of Series A preferred stock at the commitment date and the intrinsic value of the beneficial conversion feature is greater than the proceeds allocated to the Series A preferred stock. In accordance to ASC Topic 470 subtopic 20, if the intrinsic value of beneficial conversion feature is greater than the proceeds allocated to the Series A preferred stock, the amount of the discount assigned to the beneficial conversion feature is limited to the amount of the proceeds allocated to the Series A preferred stock, which was approximately US\$5,898,000. Accordingly, the approximately US\$5,898,000 proceeds allocated to Series A preferred stock were all allocated to the beneficial conversion feature with a credit to additional paid-in capital upon the issuance of the Series A preferred stock. Since the Series A preferred stock may convert to our common stock at any time on or after the initial issuing date, all beneficial conversion feature should be immediately recognized as a deemed dividend, a reduction to net income attributable to common shareholders. Therefore, we recorded approximately US\$5,898,000 beneficial conversion feature of Series A convertible preferred stock for the nine and three months ended September 30, 2009, as deemed dividend, a deduction of net income attributable to common shareholders of ChinaNet Online Holdings, Inc.

Dividend for Series A convertible preferred stock: Cash dividend to Series A convertible stock holders was calculated at the per annum rate of 10% of the liquidation preference amount of the Series A preferred stock which was US\$2.5 per share and the actual number of days each share outstanding within the reporting period. The cash dividend we accrued for the Series A convertible preferred stock was approximately US\$0.61 million and US\$0.19 million for the nine and three months ended September 30, 2010.

Net income attributable to ChinaNet's common shareholders: Net income attributable to ChinaNet's common shareholders represents the net income after the allocation to the noncontrolling interest shareholders minus the

beneficial conversion feature of Series A convertible preferred stock, as deemed dividend to the holders of the preferred stock and the cash dividend accrued for Series A convertible preferred stock.

B. LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents represent cash on hand and deposits held with banks. We consider all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. As of September 30, 2010, we had cash and cash equivalents of US\$22.2 million.

Our liquidity needs include: (i) net cash used in operating activities that consists of (a) cash required to fund the initial build-out and continued expansion of our network and (b) our working capital needs, which include advance payments for advertising time purchased from TV stations and for internet resources providers, payment of our operating expenses and financing of our accounts receivable; and (ii) net cash used in investing activities that consists of investments in computers and other office equipment. To date, we have financed our liquidity needs primarily through proceeds from our operating activities.

The following table provides detailed information about our net cash flow for the periods indicated

|  | Nine months ended September 30,   |             |
|--|-----------------------------------|-------------|
|  | 2010                              | 2009        |
|  | (Unaudited)                       | (Unaudited) |
|  | Amount in thousands of US dollars |             |
| Net cash provided by operating activities                | 11,235                            | 4,734       |
| Net cash used in investing activities                    | (448)                             | (348)       |
| Net cash (used in)/provided by financing activities      | (2,718)                           | 6,825       |
| Effect of foreign currency exchange rate changes on cash | 255                               | 10          |
| Net increase in cash and cash equivalents                | 8,324                             | 11,221      |

Net cash provided by operating activities:

Our net cash provided by operating activities increased to US\$11.2 million for the nine months ended September 30, 2010 from US\$4.7 million for the same period of 2009. This increase is primarily attributable to the increase of our net income to US\$9.9 million for the nine months ended September 30, 2010 (excluding the US\$1.8 million non-cash gain related to changes in fair value of warrants) from US\$4.5 million for the same period in 2009 (excluding the US\$1.3 million non-cash loss related to changes in fair value of warrants) and our effective management of the collection of our outstanding receivables during the period. We achieved approximately US\$31.2 million net revenue with our outstanding receivable only increased by approximately US\$1.3 million for the nine months ended September 30, 2010. We also collected approximately US\$2 million advance deposits incurred for TV advertisement bidding during the period.

Net cash used in investing activities:

Our net cash used in investing activities was US\$0.45 million and US\$0.35 million for the nine months ended September 30, 2010 and 2009, respectively. For the nine and three months ended September 30, 2010, we replaced and updated our web servers and the related electronic devices as well as the software programs to enhance the security of our portal website.

Net cash used in financing activities:

Our net cash used in financing activities was US\$2.7 million for the nine months ended September 30, 2010, in September 2010, we temporarily loaned unaffiliated parties approximately US\$2.3 million, and approximately US\$1.5 million had been collected in October 2010. We also received approximately US\$0.14 million cash contributed by the noncontrolling interest shareholders of Shenzhen Mingshan in connection to the establishment of the company. We also paid approximately US\$0.61 million dividend to the holders of Series A convertible preferred stock during the period. For the nine months ended September 30, 2009, our net cash provided by financing activities was approximately US\$ 6.8 million. This was mainly because we completed our August 2009 financing and received net proceeds of approximately US\$ 9.2 million from this financing. We also used approximately US\$ 2 million for the third party loans and US\$ 0.3 million to cancel and retire 4,400,000 shares of our common stock immediately prior to the reverse merger transaction.

C. Off-Balance Sheet Arrangements

Our Company did not have any off-balance sheet arrangements as of September 30, 2010.



### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable to smaller reporting companies.

### Item 4(T). Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended September 30, 2010, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer have concluded that during the period covered by this report, the Company's disclosure controls and procedures were effective as of such date to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

#### Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the third fiscal quarter of 2010 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

We are currently not a party to any legal or administrative proceedings and are not aware of any pending or threatened legal or administrative proceedings against us in all material aspects. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

### Item 1A. Risk Factors

This information has been omitted based on the Company's status as a smaller reporting company.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Removed and Reserved

### Item 5. Other Information

None.

### Item 6. Exhibits

| Exhibit No. | Document Description  |
|-------------|---|
| 10.1        | Employment Agreement by and between Rise King Century Development (Beijing) Co., Ltd. and Hangdong Cheng  |
| 10.2        | Employment Agreement by and between Rise King Century Development (Beijing) Co., Ltd. and Zhige Zhang   |
| 10.3        | Employment Agreement by and between Rise King Century Development (Beijing) Co., Ltd. and George Kai Chu  |
| 10.4        | Employment Agreement by and between ChinaNet Online Holdings, Inc. and Min Hu   |
| 10.5        | Employment Agreement by and between Rise King Century Development (Beijing) Co., Ltd. and Hongli Xu   |
| 10.6        | Employment Agreement by and between Rise King Century Development (Beijing) Co., Ltd. and Li Wu   |
| 31.1        | Certification of the Principal Executive Officer pursuant to Rule 13A-14(A)/15D-14(A) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |

- 31.2 Certification of the Principal Accounting and Financial Officer pursuant to Rule 13A-14(A)/15D-14(A) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of the Principal Executive Officer and of the Principal Accounting and Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHINANET ONLINE HOLDINGS, INC.

Date: November 15, 2010

By:

/s/ Handong Cheng

Name: Handong Cheng  
Title: Chief Executive Officer  
(Principal Executive Officer)