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## Edge Petroleum Corporation Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator instructions) And we'll take a question from Mike Sullivan [ph] with Energy Capital Advisors [ph]. Please go ahead.

**Mike Sullivan – Energy Capital Advisor**

Good morning, gentlemen, just a question related to the upcoming merger with Chaparral. What is the breakup fee and then secondly, with the hedges that you described and that are in the press release are any of those hedges new hedges that have been put in position in anticipation of the transaction closing given that I believe Chaparral's strategy was to hedge a significant amount of the production going forward.

**C. W. MacLeod**

To the hedges, Edge has entered into no new hedges. These are the same hedges that we've had in place for some time in our outline in our financial press release. And the break fee, there are two break fees. There is a \$15 million break fee that will be paid if the Chaparral financing is not completed as contemplated, and then there is a \$25 million cap on the break fee for all the other reasons that one might break. We don't anticipate any kind of non-event or we anticipate that the transaction will be completed as envisioned. This will be fully outlined in the S-4 filing as soon as it becomes public.

**Mike Sullivan – Energy Capital Advisor**

Okay. And so just I guess the drop in commodity prices since the deal was announced (inaudible) hasn't really changed any of the parameters?

**C. W. MacLeod**

We are moving ahead as planned and nothing has changed.

**Mike Sullivan – Energy Capital Advisor**

Thank you.

**Operator**

Thank you. (Operator instructions) And we'll take a question from Charlie Cheever with Corsair Partners. Please go ahead.

**Charlie Cheever – Corsair Partners**

Yes, I wanted to know were there any other offers made for the Company when you guys put it up for sale?

**John Elias**

Yes, and those will be fully covered and available to all shareholder in the S-4 filing that we expect to make here in mid-August.

**Charlie Cheever – Corsair Partners**

Okay. And none of those participants or the people that made offers have indicated they are willing to come back and make a higher offer now?

**John Elias**

No, they have not.

**Charlie Cheever – Corsair Partners**

Okay. And then the next question is since the hedges are sure [ph] to burn off that was one of the problems with the business. I am not sure why we would support a transaction that is merging in a company or with a company that's got basically a triple-C rating by S&P. That is not sound like a good business deal from a shareholder standpoint.

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