



LAREDO
PETROLEUM

Investor Meeting 2015
April 13, 2015
Houston, TX

Forward-Looking / Cautionary Statements

This presentation (which includes oral statements made in connection with this presentation) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that Laredo Petroleum, Inc. (the “Company”, “Laredo” or “LPI”) assumes, plans, expects, believes or anticipates will or may occur in the future are forward-looking statements. The words “believe,” “expect,” “may,” “estimates,” “will,” “anticipate,” “plan,” “project,” “intend,” “indicator,” “foresee,” “forecast,” “guidance,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including as to the Company’s drilling program, production, hedging activities, capital expenditure levels and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management’s expectations and perception of historical trends, current conditions, anticipated future developments and rate of return and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks relating to financial performance and results, current economic conditions and resulting capital restraints, prices and demand for oil and natural gas, availability and cost of drilling equipment and personnel, availability of sufficient capital to execute the Company’s business plan, impact of compliance with legislation and regulations, successful results from our identified drilling locations, the Company’s ability to replace reserves and efficiently develop and exploit its current reserves and other important factors that could cause actual results to differ materially from those projected as described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 and other reports filed with the Securities Exchange Commission (“SEC”).

Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

The SEC generally permits oil and gas companies, in filings made with the SEC, to disclose proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions and certain probable and possible reserves that meet the SEC’s definitions for such terms. In this presentation, the Company may use the terms “unproved reserves”, “resource potential”, “estimated ultimate recovery”, “EUR”, “development ready”, “horizontal commerciality confirmed”, “horizontal commerciality untested” or other descriptions of potential reserves or volumes of reserves which the SEC guidelines restrict from being included in filings with the SEC without strict compliance with SEC definitions. Unproved reserves refers to the Company’s internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. Resource potential is used by the Company to refer to the estimated quantities of hydrocarbons that may be added to proved reserves, largely from a specified resource play. A resource play is a term used by the Company to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section, which, when compared to a conventional play, typically has a lower geological and/or commercial development risk. The Company does not choose to include unproved reserve estimates in its filings with the SEC. Estimated ultimate recovery, or EUR, refers to the Company’s internal estimates of per-well hydrocarbon quantities that may be potentially recovered from a hypothetical and/or actual well completed in the area. Actual quantities that may be ultimately recovered from the Company’s interests are unknown. Factors affecting ultimate recovery include the scope of the Company’s ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability and cost of drilling services and equipment, lease expirations, transportation constraints, regulatory approvals and other factors, as well as actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of ultimate recovery from reserves may change significantly as development of the Company’s core assets provide additional data. In addition, the Company’s production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases.

This presentation includes preliminary guidance for the year ended December 31, 2015. The Company’s annual results will vary from these preliminary estimates and such variance may be material. Also, this presentation includes financial measures that are not in accordance with generally accepted accounting principals (“GAAP”), including Adjusted EBITDA. While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For a reconciliation of Adjusted EBITDA to the nearest comparable measure in accordance with GAAP, please see the Appendix.



Agenda

| | |
|---|------------------------|
| Introduction | Ron Hagood |
| Strategic Overview | Randy Foutch |
| Land Position | Mark King |
| Reserves & Resource | Gary Smallwood |
| Importance of Data Collection & Analysis to Value Creation | Patrick Curth |
| Drilling Inventory | |
| Value Creation | Mark Elliott |
| Earth Model | James Courtier |
| Development Overview | Jay Still |
| Laredo Midstream Services (LMS) | Dan Schooley |
| Financials | Rick Buterbaugh |
| Summary | Randy Foutch |

Question & Answer Session



Strategic Overview

Randy Foutch

Chairman & Chief Executive Officer



Do It Right From the Start

Focus on long-term value from the beginning

- Hire quality people, and support them with the tools they need to be successful
- Acquire contiguous acreage in the right basin
- Collect quality data at the right time and use the data to drive decisions
- Maximize NPV by increasing resource recovery and minimizing cost in development plans
- Maintain optionality in operations through ownership of infrastructure and logistical flexibility
- Maintain financial flexibility and cash flow certainty in an uncertain commodity price environment



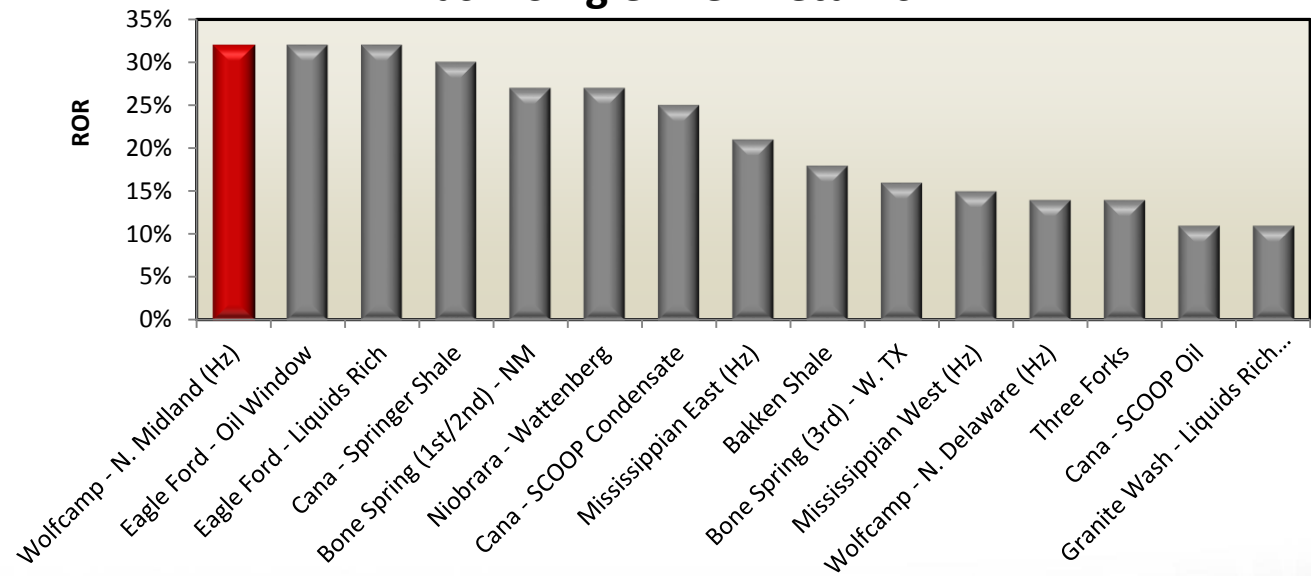
Targeted Acreage in the Best Basin



Permian Basin Attributes

- Tremendous oil in place
- Long history of oil production
- Multi-stack horizontal targets
- Infrastructure and takeaway capacity
- Industry knowledgeable State and mineral owners

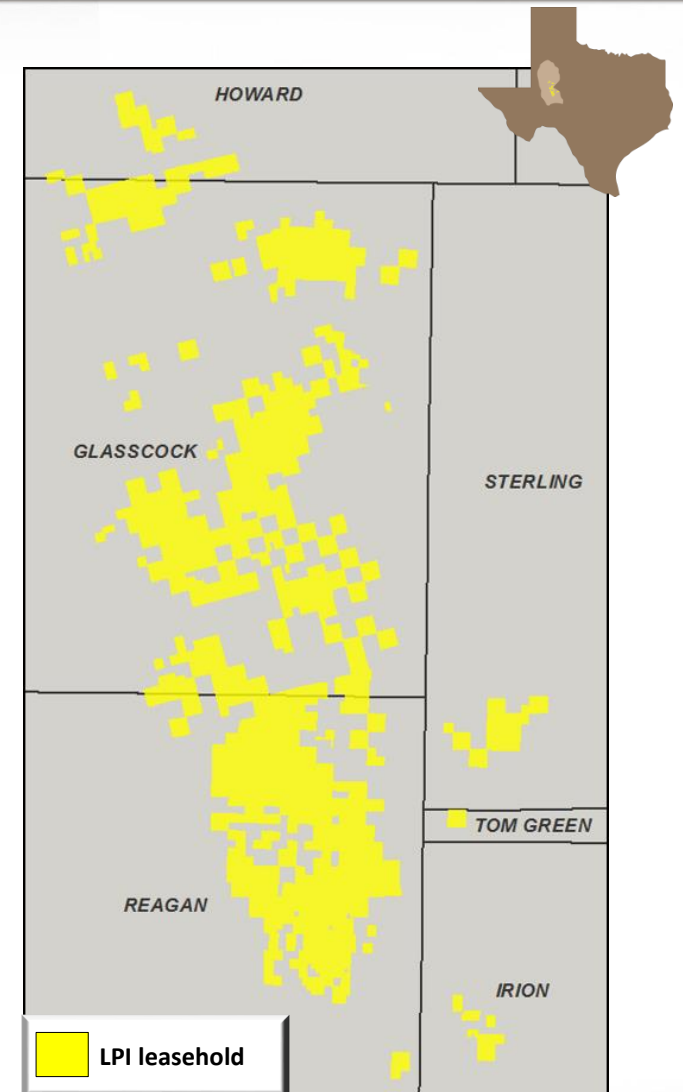
Basin Single-Well Returns¹



¹ Credit Suisse data based on strip pricing as of 2/19/15

Contiguous Acreage Position With Significant Potential

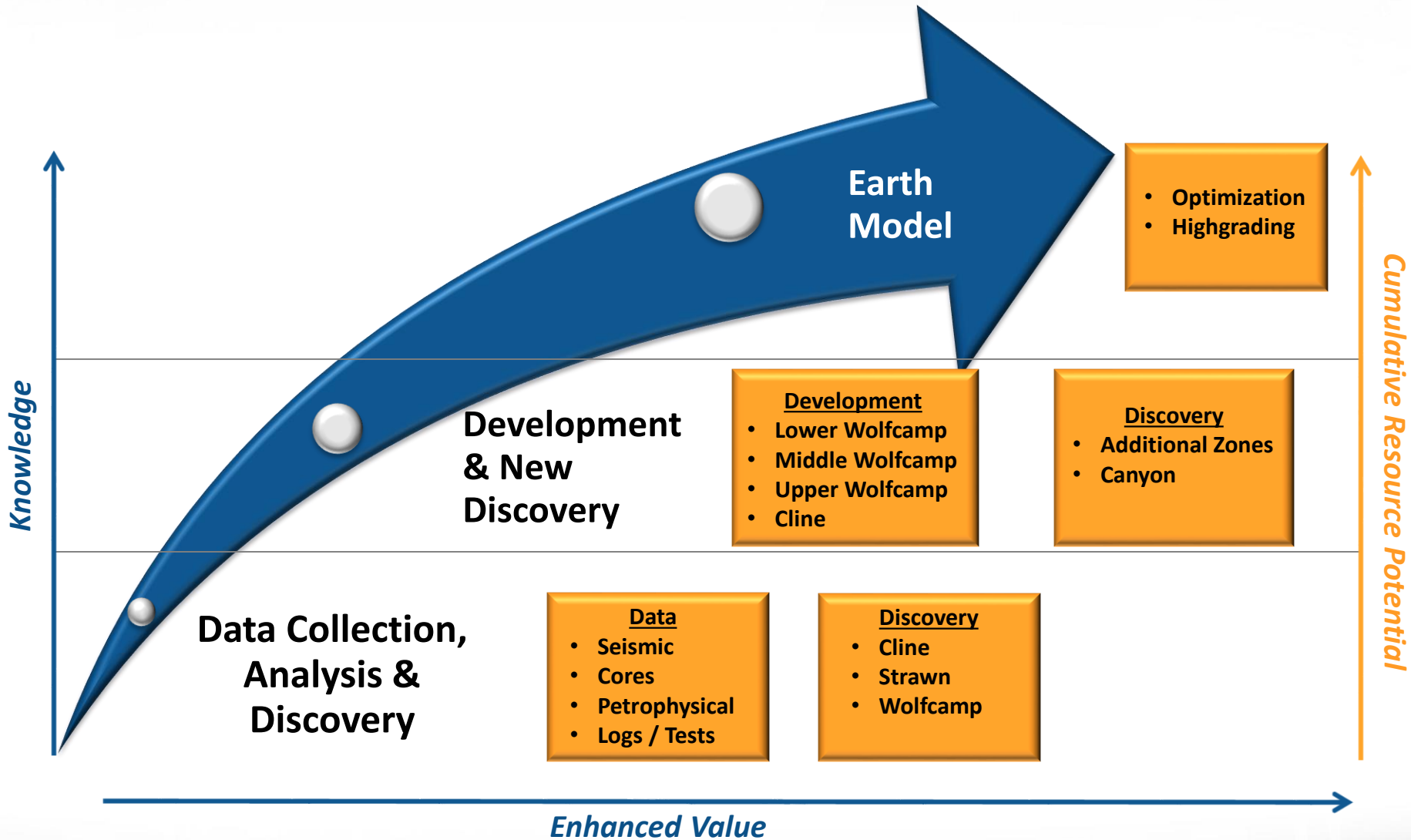
- **179,722 Gross/149,141 net acres¹**
- **~4.3 billion barrels of resource potential on >7,700 identified locations**
- **~3,200 operated Development Ready Hz locations with >90% average WI**
- **~96% average WI in operated wells**
- **>4,500 gross feet prospective interval**



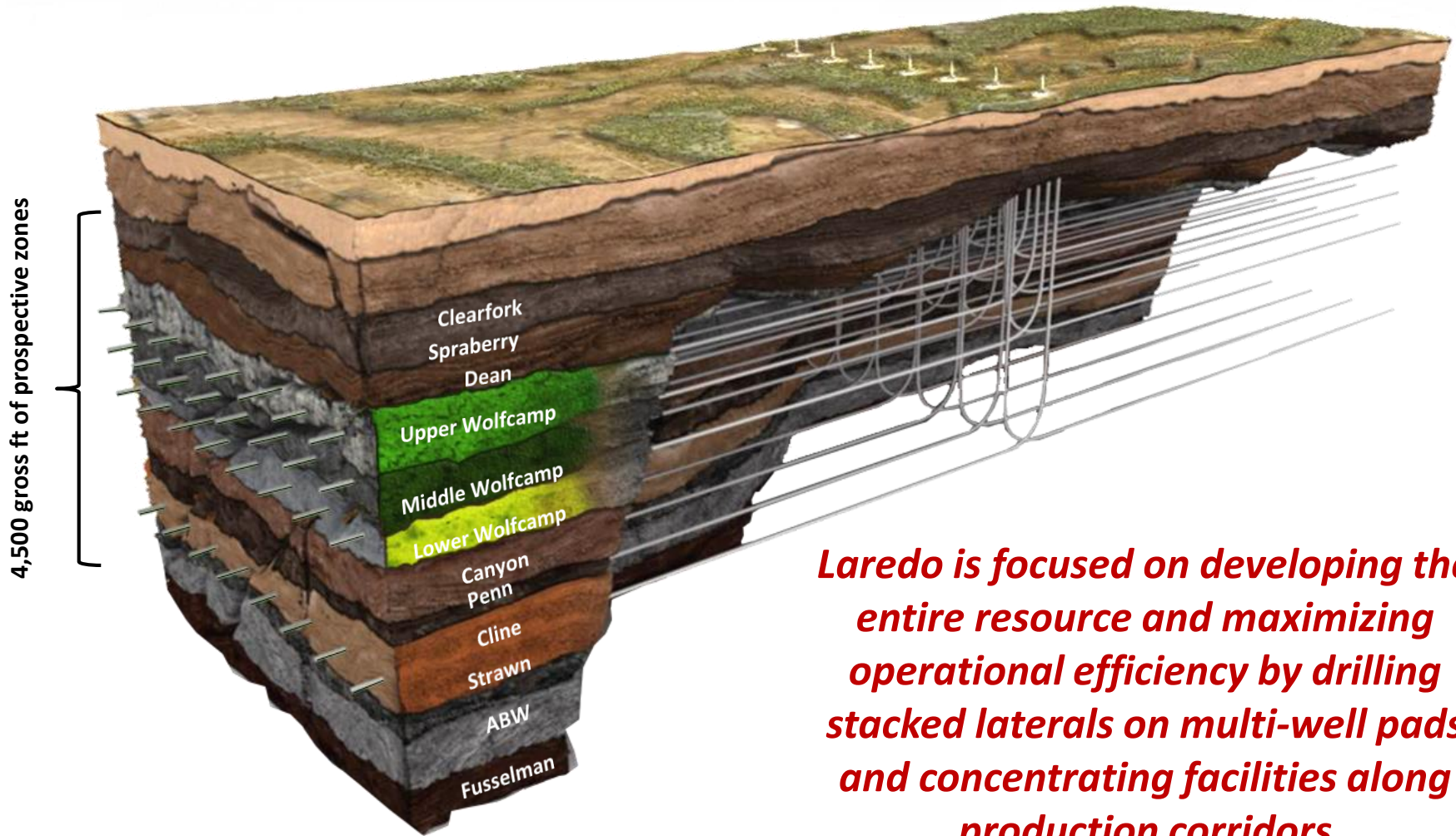
¹ As of 3/31/15



Adding Value Through Data Collection & Analysis

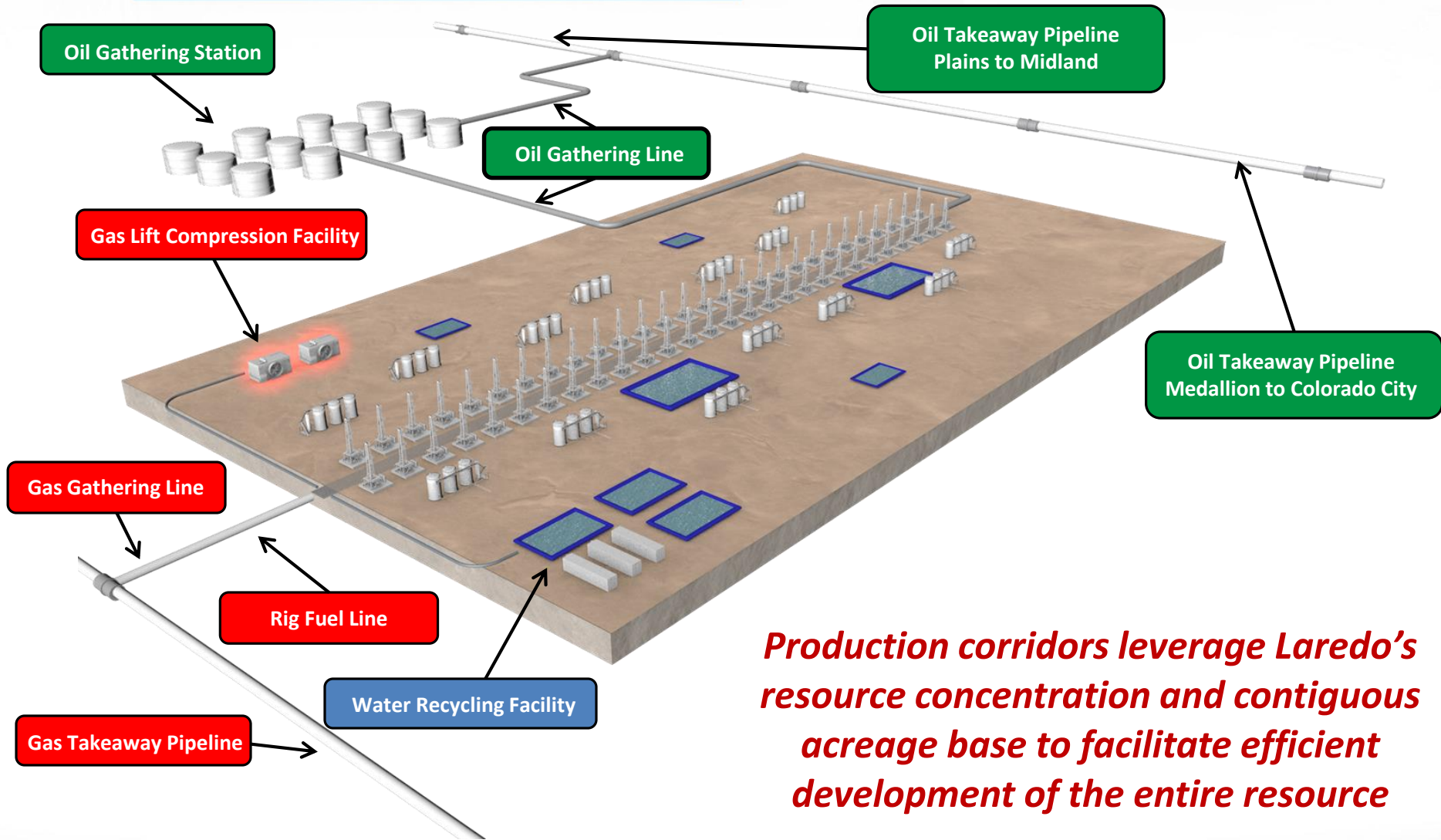


Developed to Maximize NPV



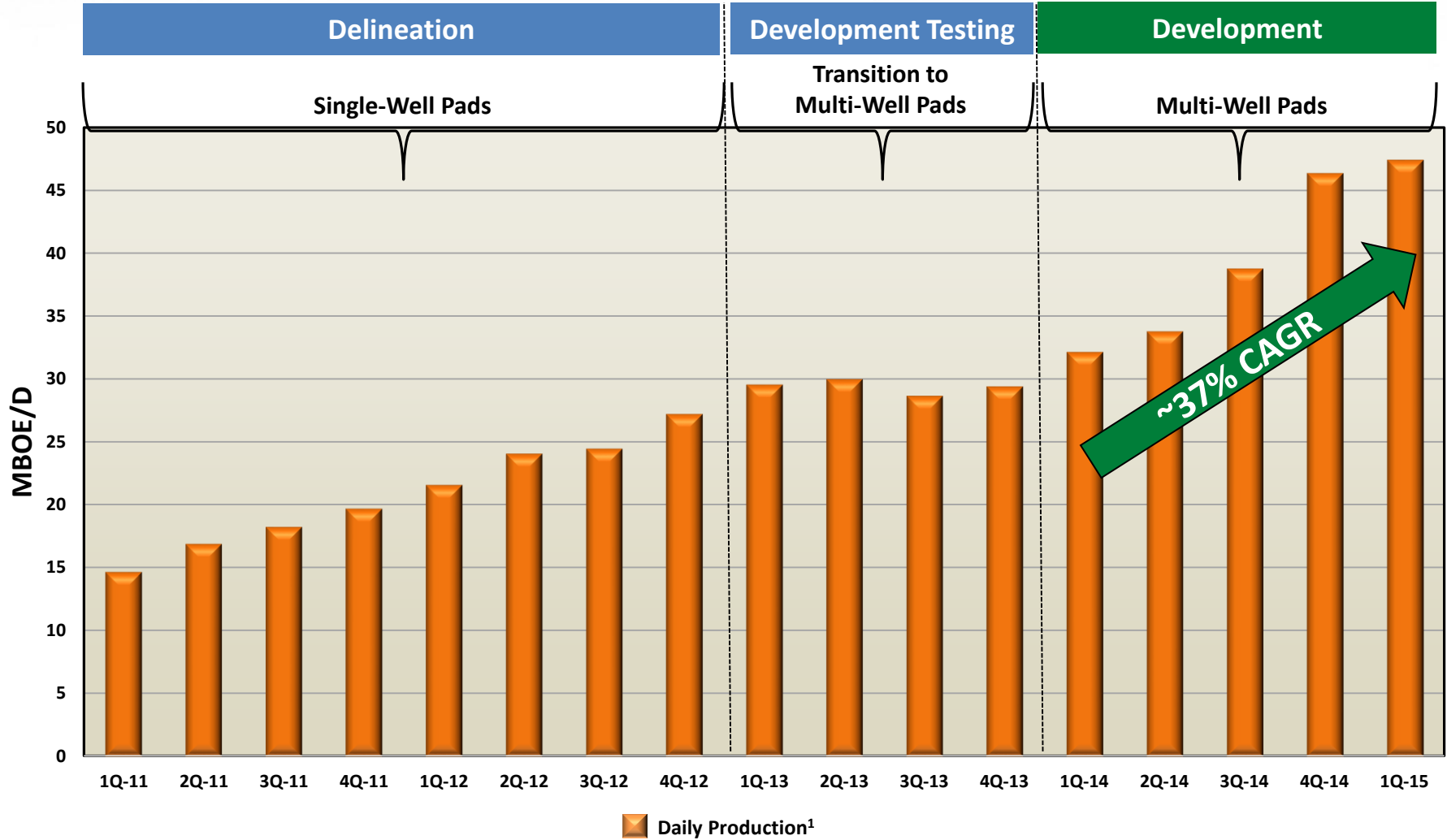
Laredo is focused on developing the entire resource and maximizing operational efficiency by drilling stacked laterals on multi-well pads and concentrating facilities along production corridors

Infrastructure Integrated with Complete Development Plan



Production corridors leverage Laredo's resource concentration and contiguous acreage base to facilitate efficient development of the entire resource

Growing Production with Greater Efficiencies



¹ Quarterly production numbers prior to 2014 have been converted to 3-stream using an 18% uplift. 2014 quarterly results have been converted to 3-stream using actual gas plant economics

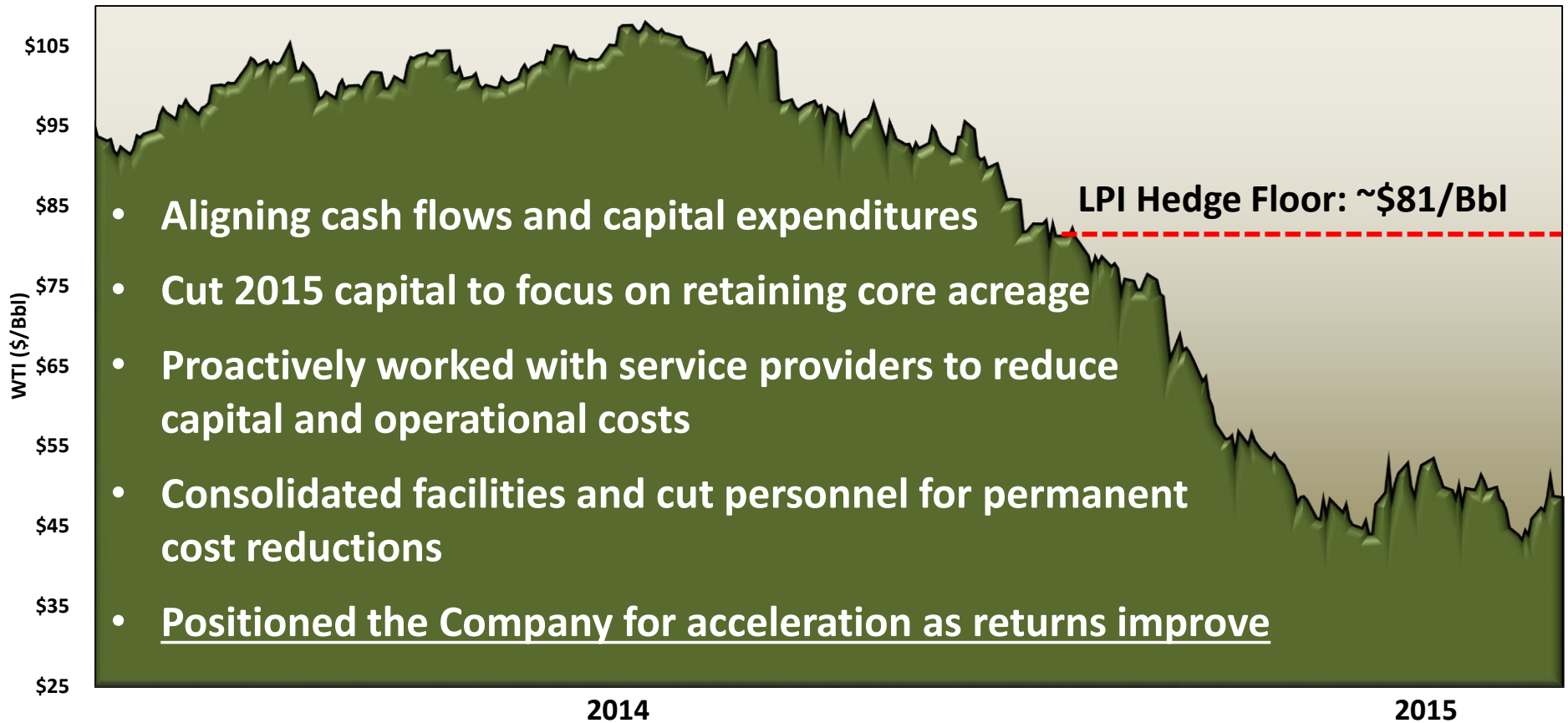
Recent Accomplishments

- **Proved the value of multi-well pads**
- **Expanded infrastructure including production corridors and Medallion pipeline**
- **Expanded well inventory**
- **Advanced Earth Model to support well planning**
- **Improved operating and capital efficiencies**
- **Maintained optionality in all aspect of the business**



Flexibility in Face of Commodity Price Decline

Laredo took immediate and decisive action to structure the Company for a low-price environment



Laredo has . . .

- **Strong Board and management team with highly experienced employee base**
- **High-quality, contiguous acreage across its large leasehold**
- **Deep inventory of data-supported locations in stacked zones**
- **Growing and valuable infrastructure to support a proven, efficient development plan**
- **Substantial hedge position coupled with financial flexibility**
- **Potential to realize a step-change in well performance and returns**



Land Position

Mark King

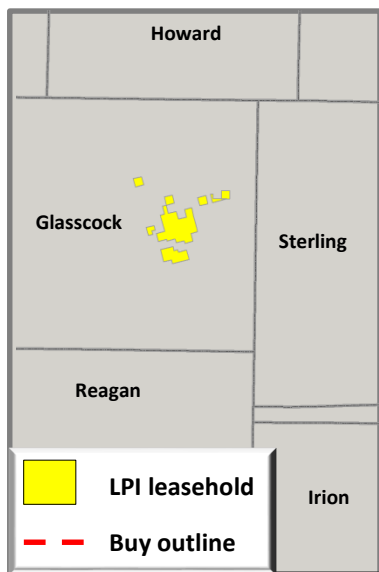
Vice President - Land



Land Position Chronology

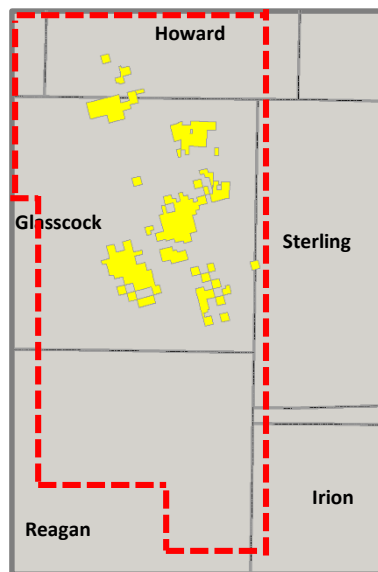


2008



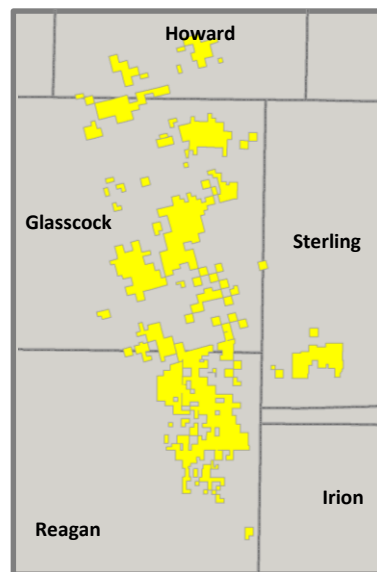
~15,000 Net Acres

2010



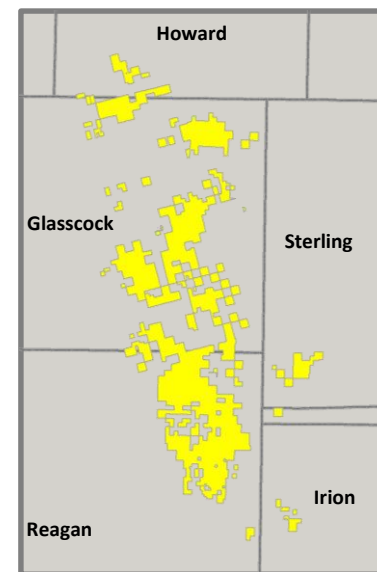
~50,000 Net Acres

2012



~140,000 Net Acres

2015



~149,000 Net Acres¹

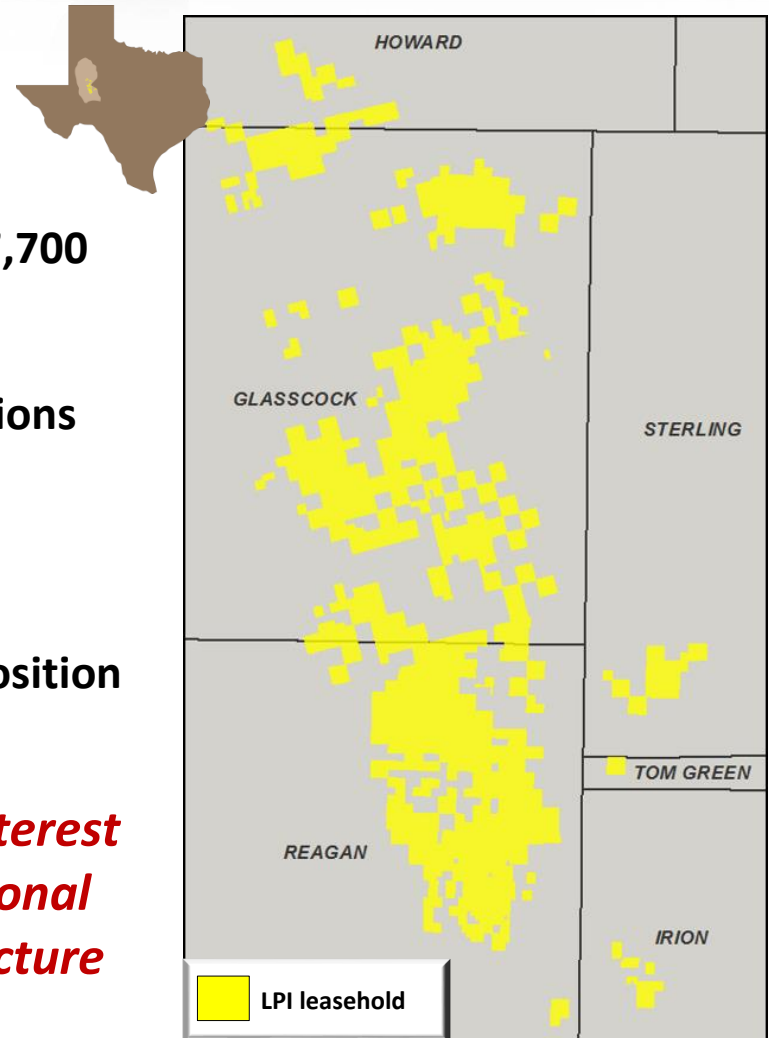
Primary objective has always been to build contiguous acreage positions in the best part of the basin

¹ As of 3/31/15

Concentrated Position With High Working Interest

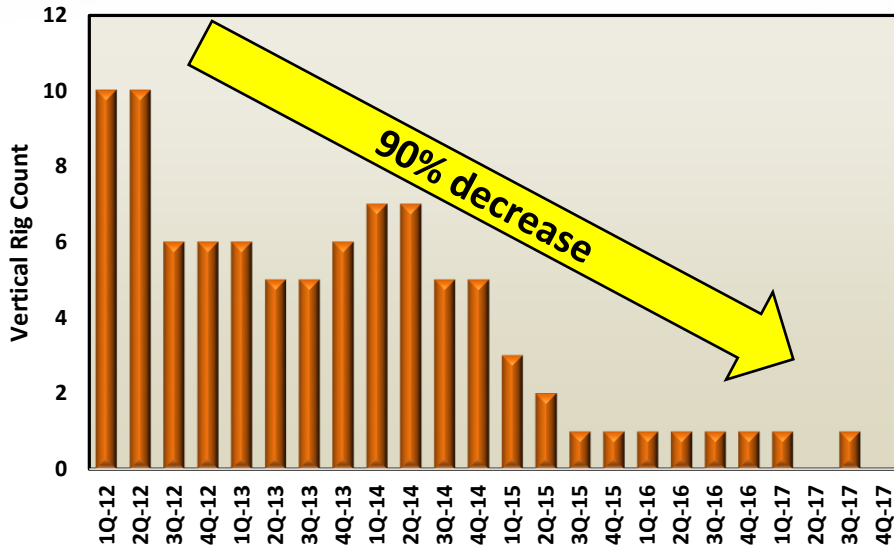
- 179,722 Gross/149,141 net acres¹
- ~4.3 billion barrels of resource potential on >7,700 identified locations
- ~3,200 operated Development Ready Hz locations with >90% average WI
- ~96% average WI in operated wells¹
- Current drilling plan preserves core acreage position

Contiguous acreage with high working interest enables the company to achieve operational efficiencies by leveraging data, infrastructure and maximizing resource recovery

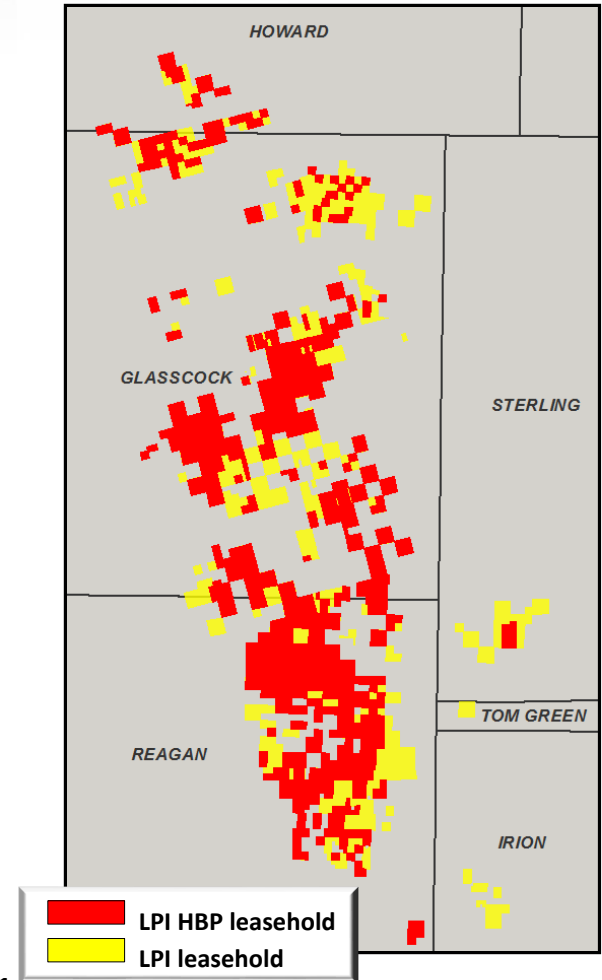


¹ As of 3/31/15

Decreasing Vertical Drilling Activities

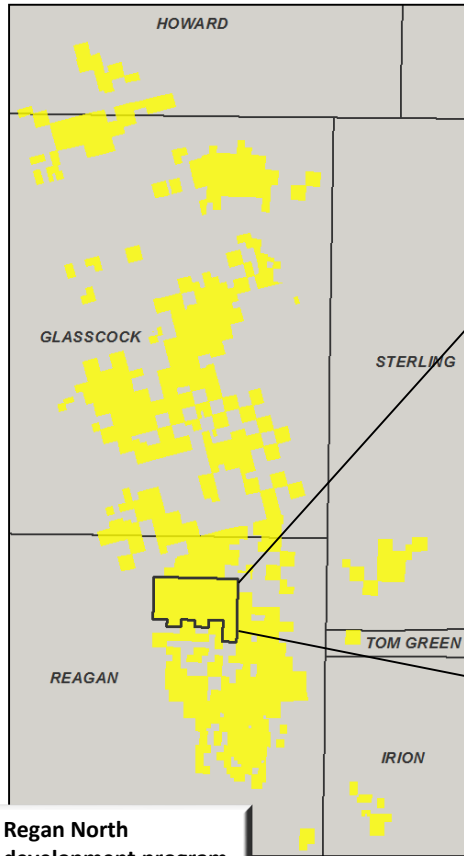


- Decreased reliance on vertical program to hold acreage position will enhance portfolio rate of return
- 2015 and future capital programs to concentrate on horizontal development drilling
- Blocked acreage position now ~71% held by production¹

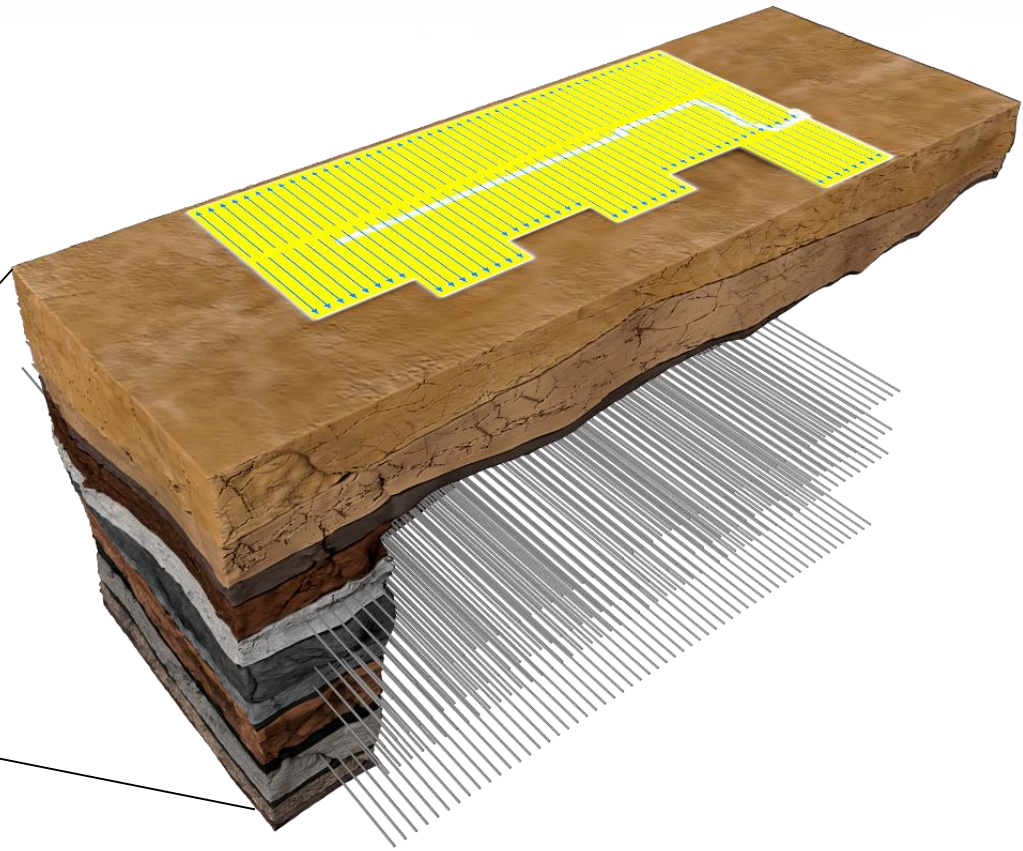


¹ As of 3/31/15

Contiguous Acreage Enables Efficient Development



□ Regan North development program
■ LPI leasehold



Example of a development ready corridor containing at least 450 future locations with an ~98% average working interest¹

¹ As of 3/31/15



Land Summary

Current

- ✓ **Build contiguous acreage block for efficient drilling:**
 - **In the best part of the Midland Basin**
 - **With high working interest**
 - **With numerous operated horizontal locations for long lateral drilling**

- ✓ **HBP the acreage in the most efficient manner to transition to higher economic horizontal drilling**

Going Forward

- **Continue to net-up and acquire bolt-on leasehold for long laterals**



Reserves & Resource

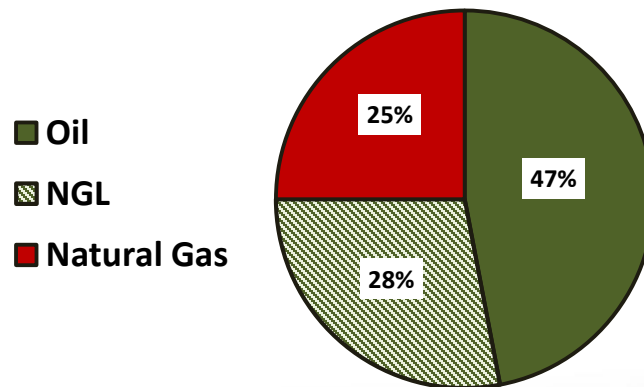
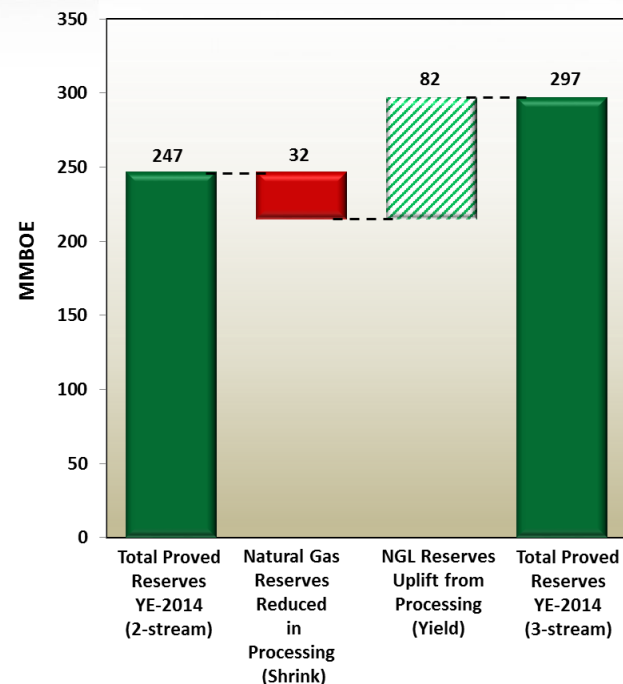
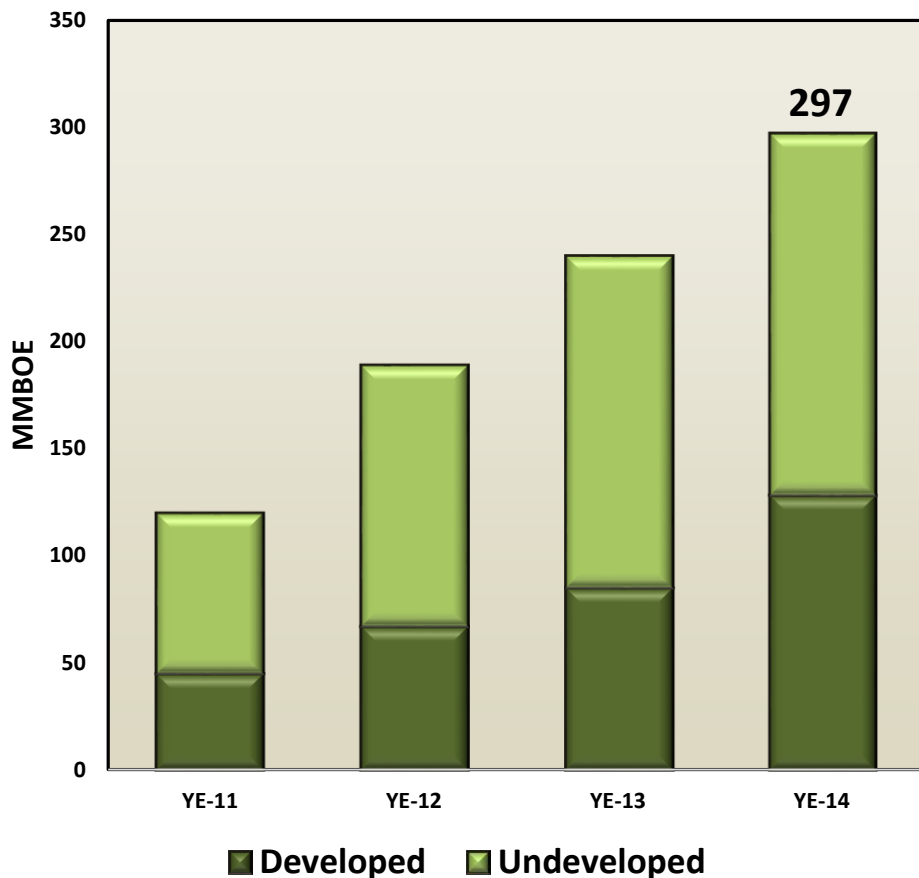
Gary Smallwood

**Vice President – Reservoir Modeling
& Field Development**



2014 Reserve Summary

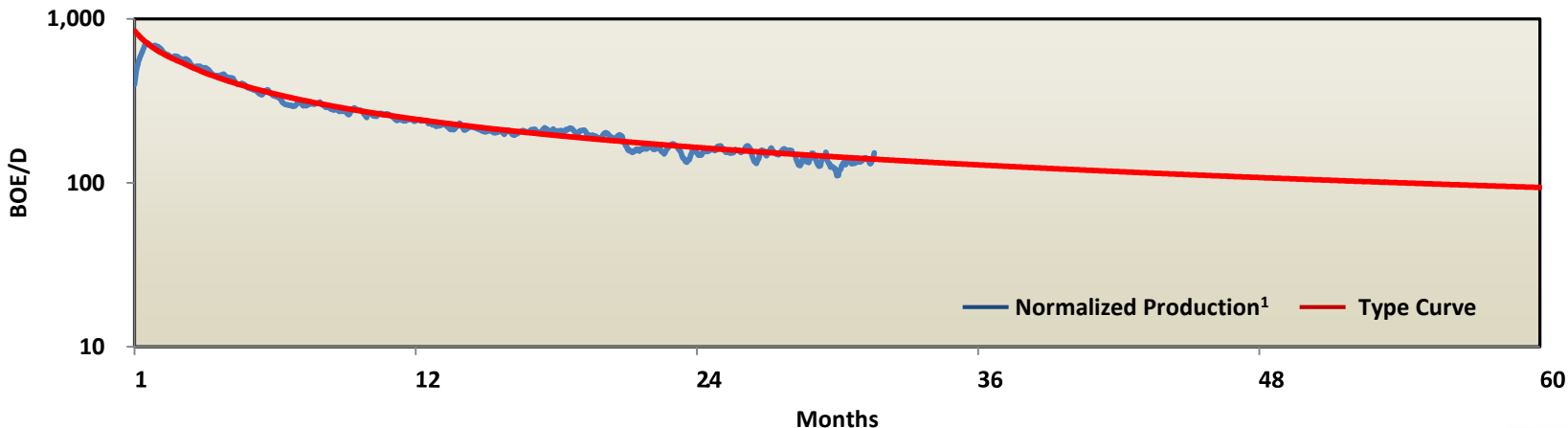
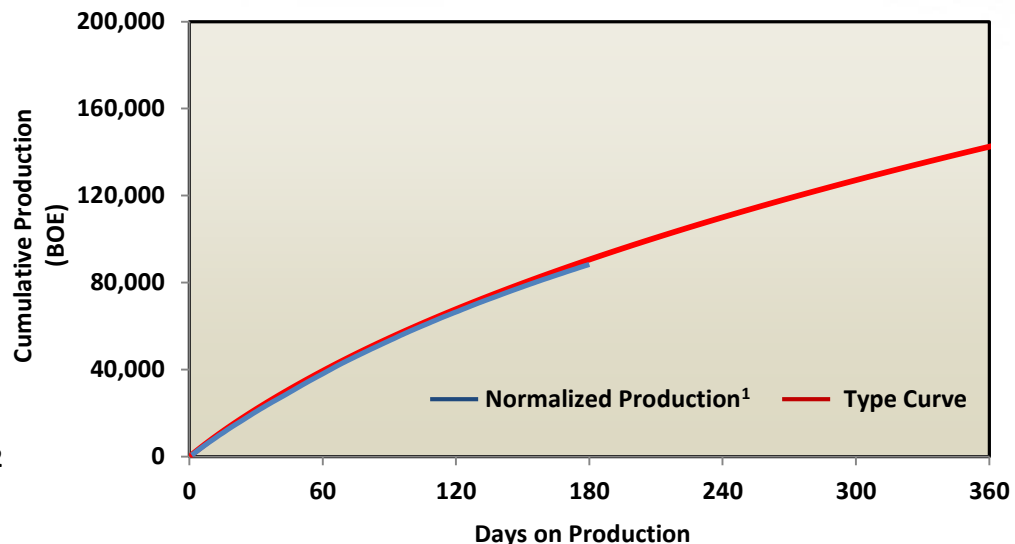
Permian Year-End Reserves¹



¹ Based on YE-2014 2-stream proved reserves, prepared by Ryder Scott. Internally converted to 3-stream based on actual gas plant economics of 30% shrink and a yield of 127 Bbl of NGL per MMcf. Annual reserve volumes prior to 2014 have been converted to 3-stream using an 18% uplift

Upper Wolfcamp 7,500' Type Curve

- EUR: 850 MBOE (45% oil)
- 180 cumulative: 55 MBO (60% oil)
- 80 UWC wells
 - 60 UWC wells operated by LPI included in 7,500' type curve normalized production
- PUDs booked: 153 locations
- Total Development Ready: 828 locations²

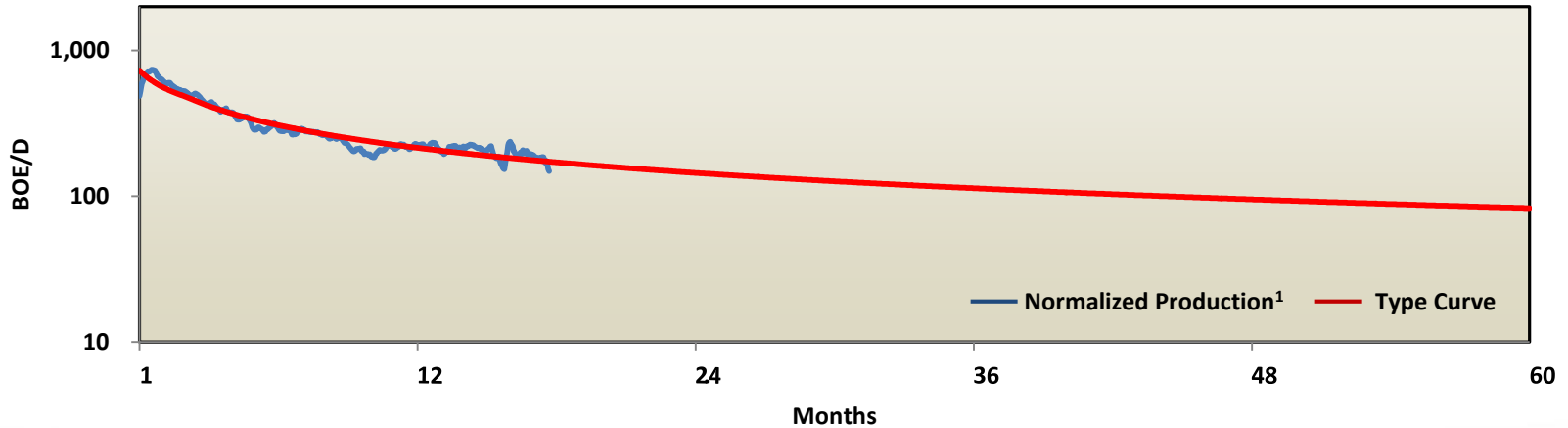
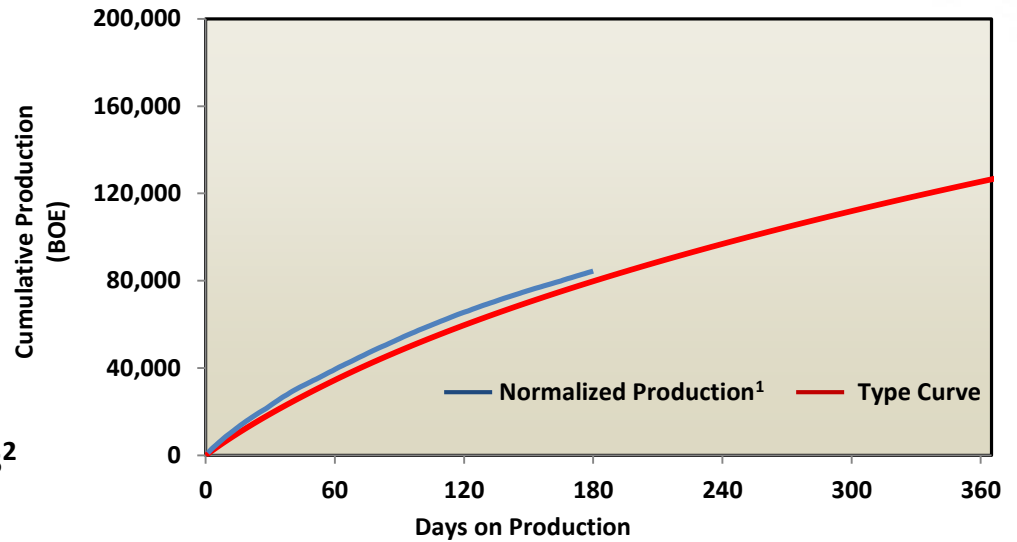


¹ Data includes horizontal wells with lateral lengths >6,000' and 24 stages. As of 3/31/15.

² Total Development Ready locations includes PUDs

Middle Wolfcamp 7,500' Type Curve

- EUR: 750 MBOE (50% oil)
- 180 cumulative: 49 MBO (61% oil)
- 28 MWC wells
 - 26 MWC wells operated by LPI included in 7,500' type curve normalized production
- PUDs booked: 34 locations
- Total Development Ready: 807 locations²

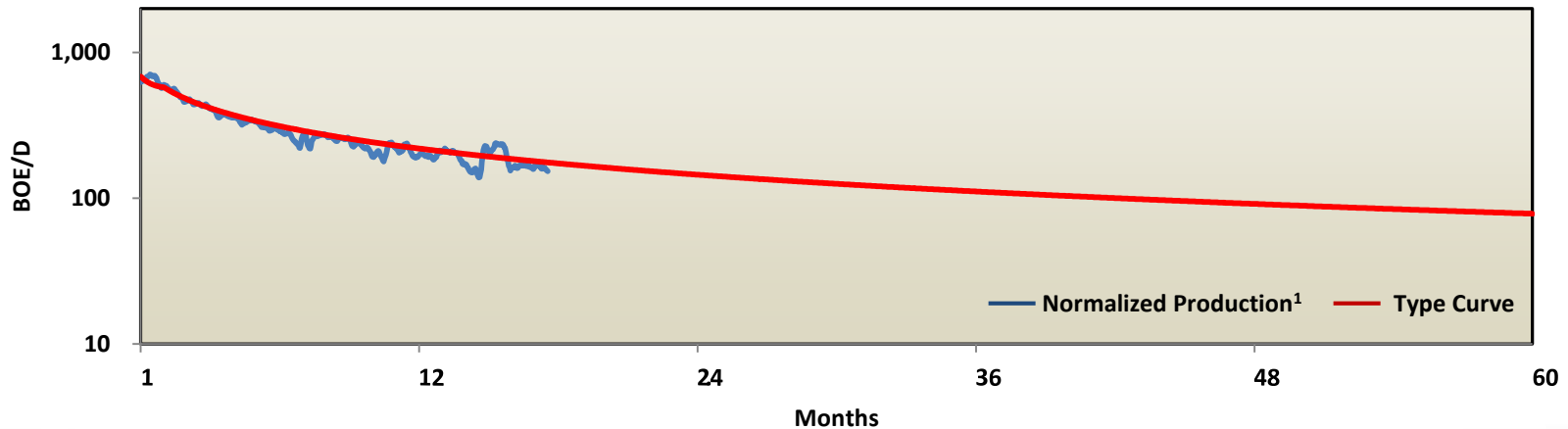
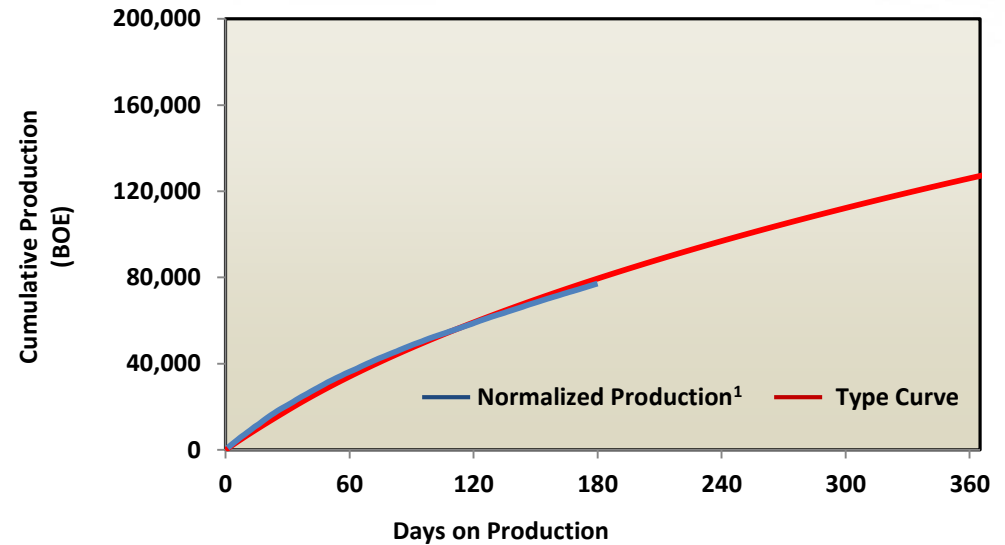


¹ Data includes horizontal wells with lateral lengths >6,000' and 24 stages. As of 3/31/15.

² Total Development Ready locations includes PUDs

Lower Wolfcamp 7,500' Type Curve

- EUR: 700 MBOE (45% oil)
- 180 cumulative: 44 MBO (55% oil)
- 20 LWC wells
 - 20 LWC wells operated by LPI included in 7,500' type curve normalized production
- PUDs booked: 45 locations
- Total Development Ready: 813 locations²

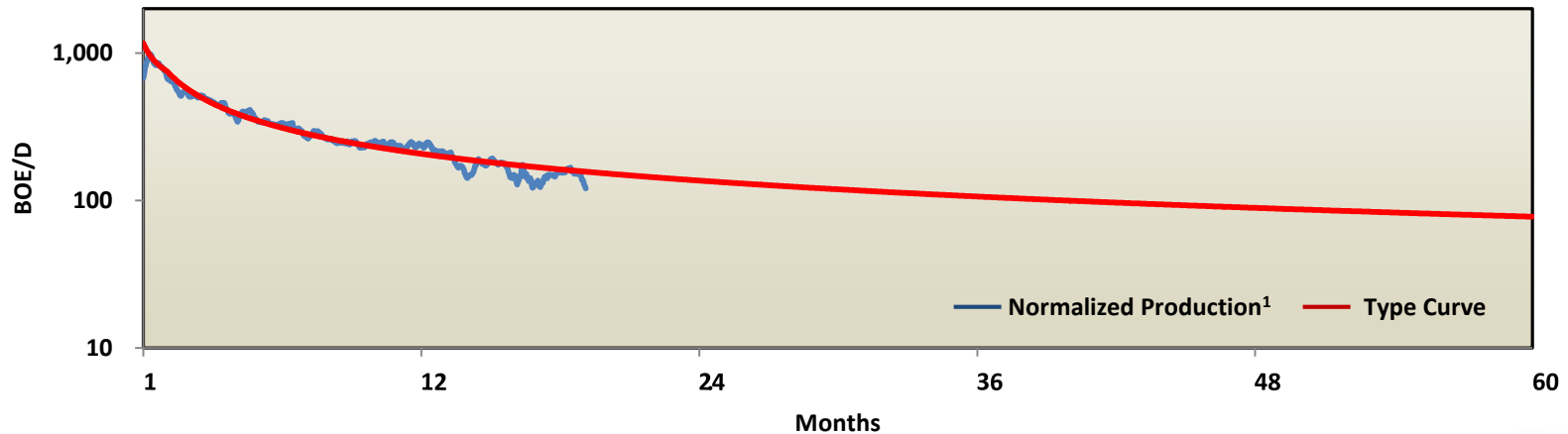
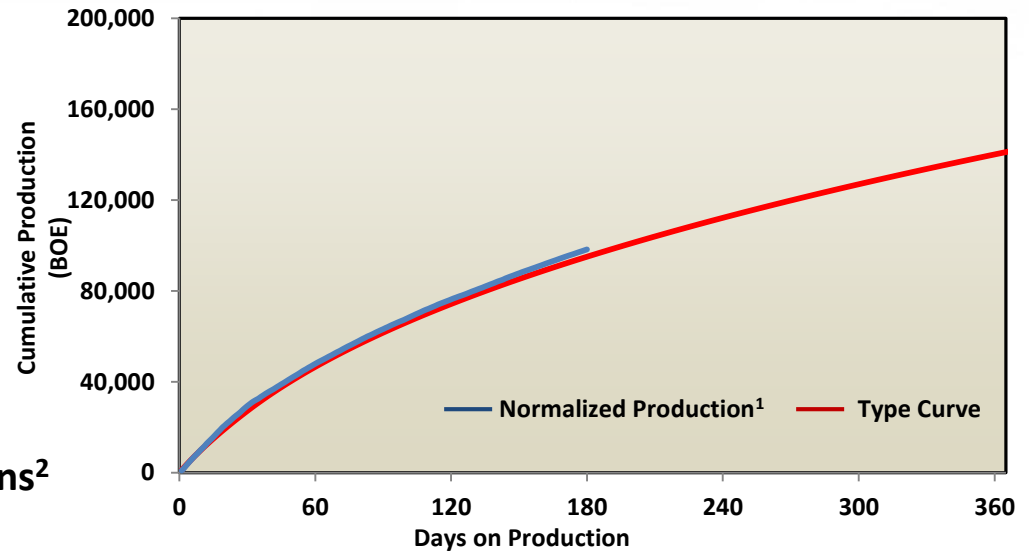


¹ Data includes horizontal wells with lateral lengths >6,000' and 24 stages. As of 3/31/15.

² Total Development Ready locations includes PUDs

Cline 7,500' Type Curve

- EUR: 725 MBOE (50% oil)
- 180 cumulative: 52 MBO (55% oil)
- 50 Cline wells
 - 12 Cline wells operated by LPI included in 7,500' type curve normalized production
- PUDs booked: 24 locations
- Total Development Ready: 1,223 locations²



¹ Data includes horizontal wells with lateral lengths > 6,000' and 24 stages. As of 3/31/15.

² Total Development Ready locations includes PUDs

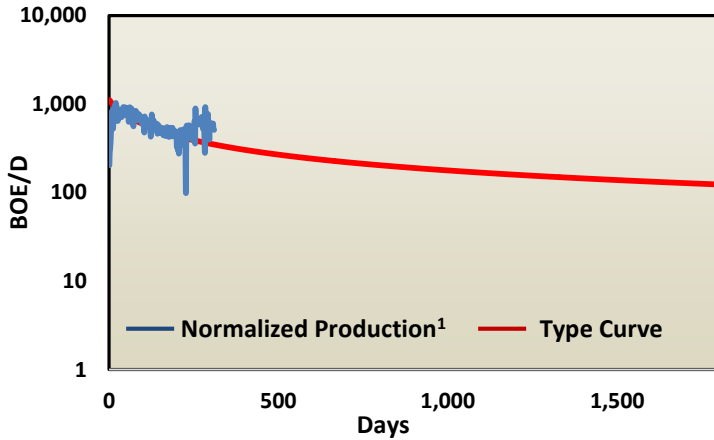
Introduction to 10,000' Type Curves

- **Initial 10,000' predictions based on a formulaic analysis of data relating to inventory of well results and lateral length**
 - **LPI used the same process to transition from 4,000' to 7,500' laterals**
 - **10,000' lateral wells drilled to-date: 18 wells**
 - **10,000' lateral wells in 2015 drilling plan: 30% - 40% of Hz activity**
- **10,000' lateral results to date fit predictions:**
 - **UWC: 1,110 MBOE**
 - **MWC: 1,000 MBOE**
 - **LWC: Still evaluating early data**
 - **Cline: 1,000 MBOE**

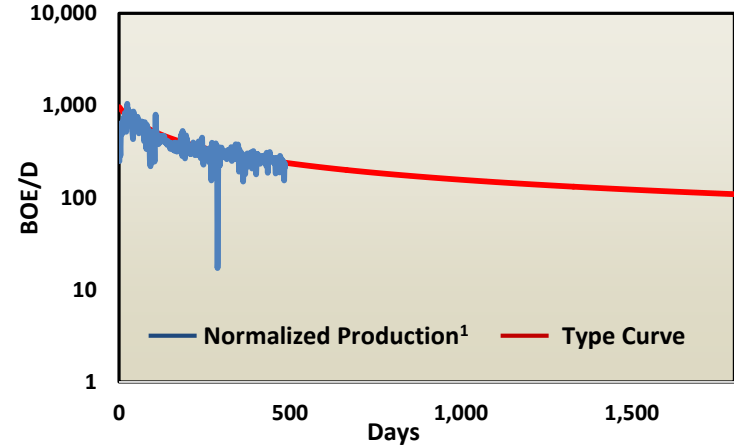


10,000' Lateral Type Curves

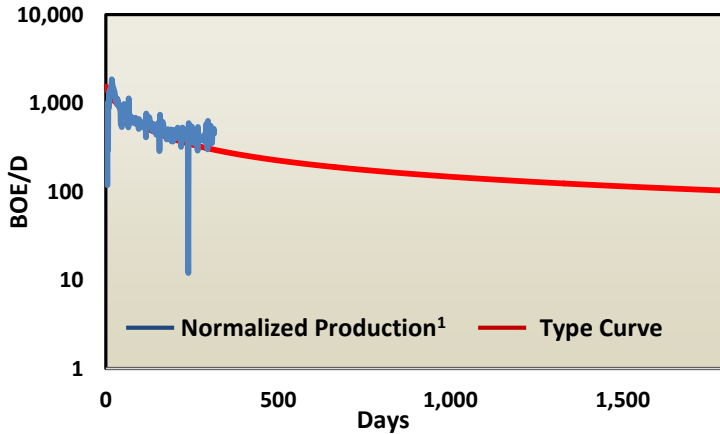
Upper Wolfcamp



Middle Wolfcamp



Cline

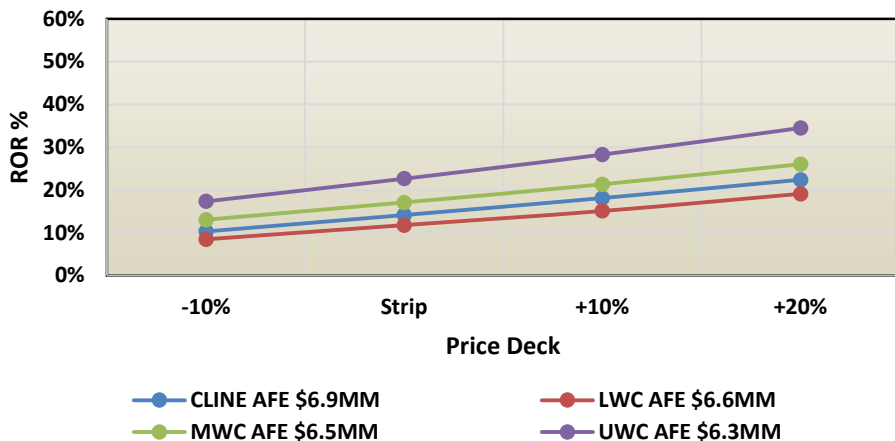


| | Upper Wolfcamp | Middle Wolfcamp | Cline |
|----------------|----------------|-----------------|----------|
| Lateral Length | ~10,000' | ~10,000' | ~10,000' |
| EUR (MBOE) | 1,110 | 1,000 | 1,000 |
| Well Count | 6 | 5 | 3 |
| Frac Stages | 33 | 32 | 33 |

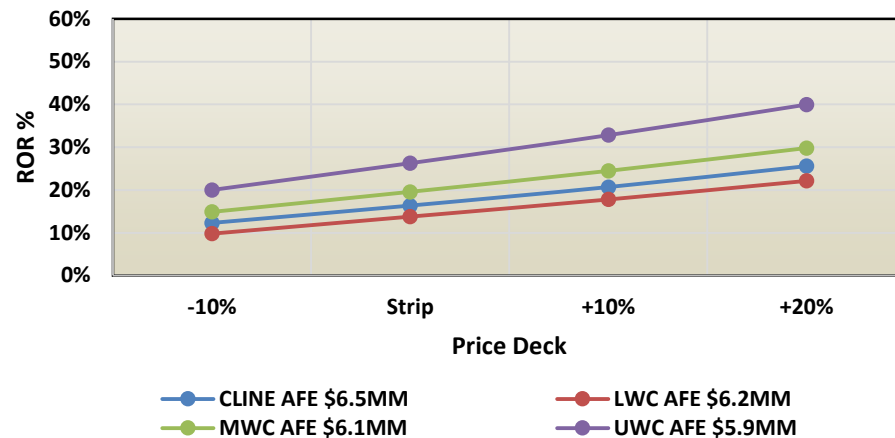


ROR Sensitivities vs Strip Pricing¹

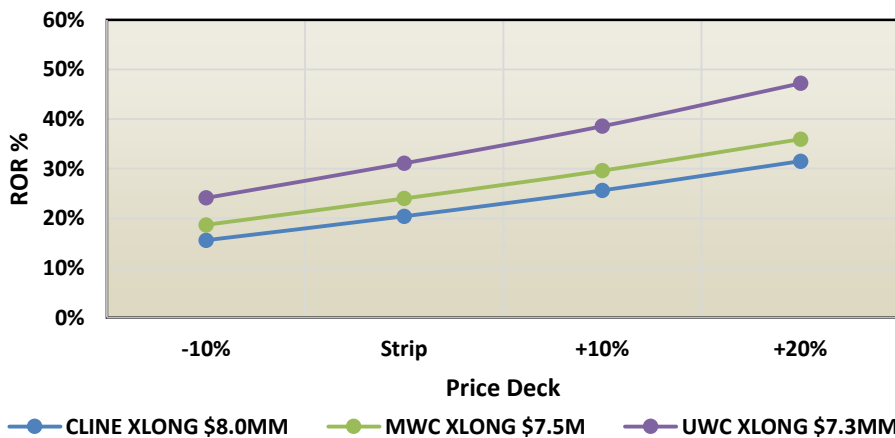
7,500' Single-Well Pad ROR Sensitivities



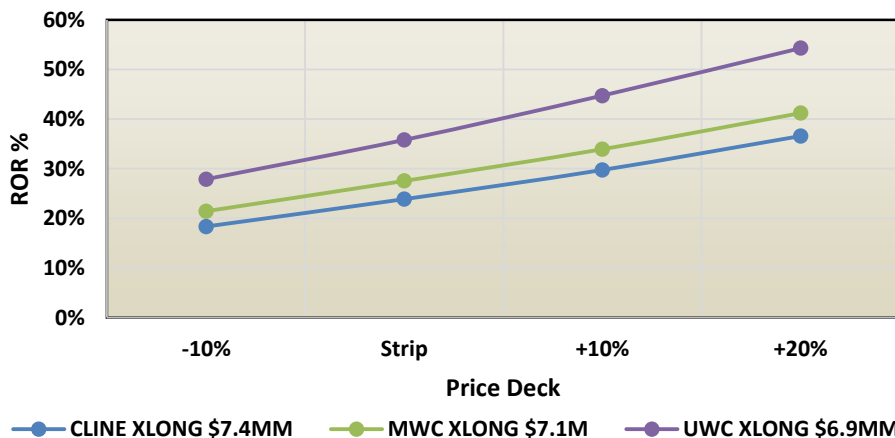
7,500' Multi-Well Pad ROR Sensitivities



10,000' Single-Well Pad ROR Sensitivities

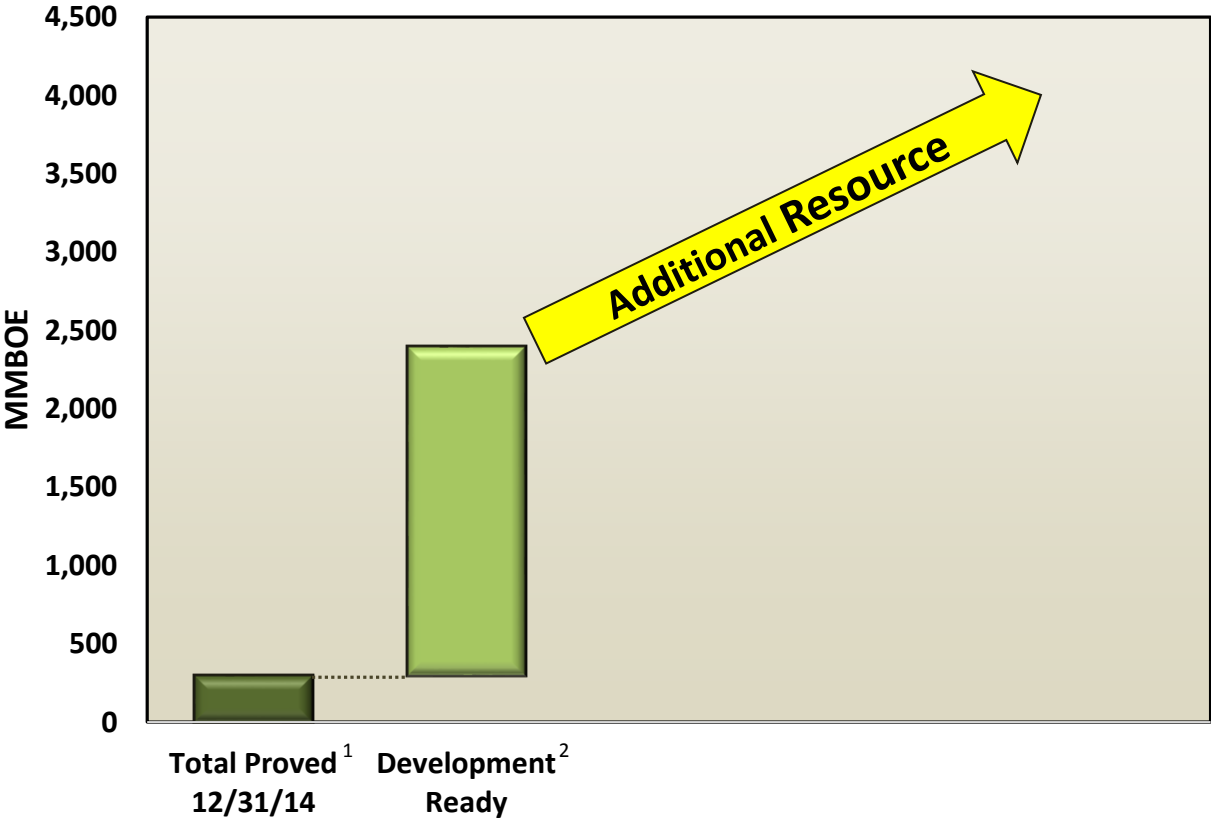


10,000' Multi-Well Pad ROR Sensitivities



¹ Forward strip price deck, as of 4/1/2015

Development Ready Resource Potential



¹ Based on YE-2014 2-stream proved reserves, prepared by Ryder Scott. Internally converted to 3-stream based on actual gas plant economics of 30% shrink and a yield of 127 Bbl of NGL per MMcf

² Additional Development Ready resource not already included in Total Proved reserves





Importance of Data Collection & Analysis to Value Creation

Patrick Curth

Senior Vice President – Exploration & Land

Good Data Drives Innovation

Better Data → Better Information → Better Results → Enhanced Value

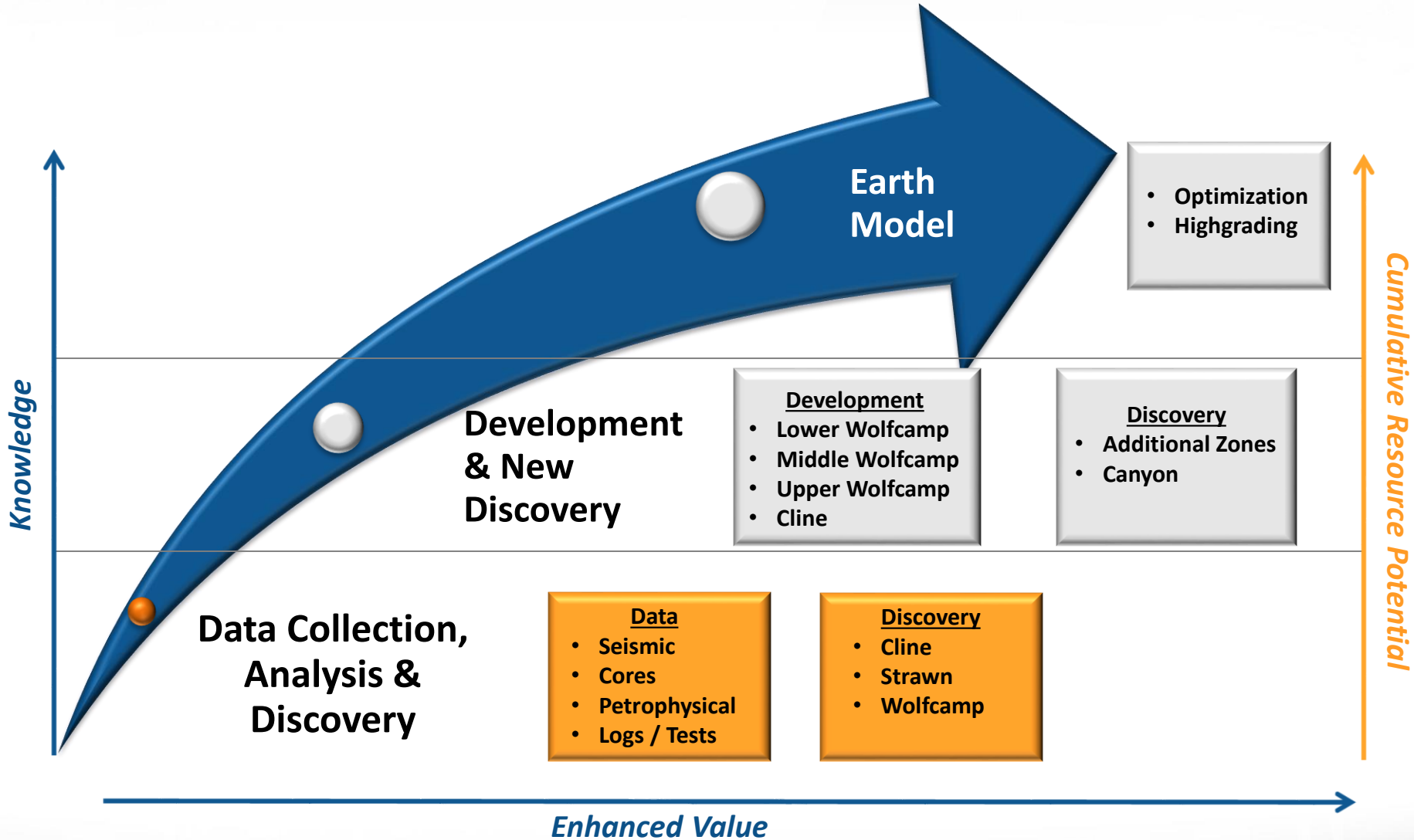
Step One: **Data Collection**, systematically obtain high-quality technical information over the whole asset, early in the learning cycle, to insure key data sets are acquired when obtainable.

Step Two: **Development & Discovery**, turning data into information, turning information into results, turning new data back into information, turning new information into results.....it's the technology circle of life!

Step Three: **Earth Model Creation & Optimization**, using the latest technology to develop an integrated multi-discipline workflow based on multivariate statistics that results in a predictive Earth Model.

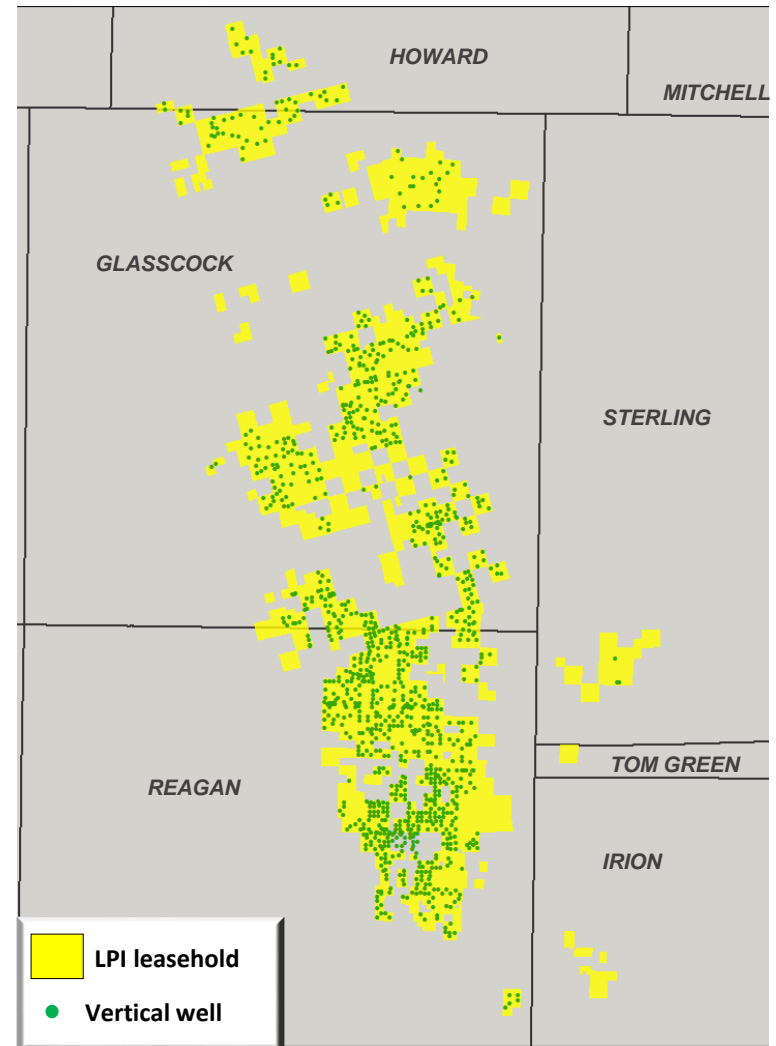


Adding Value Through Data Collection & Analysis



Vertical Wells Across Asset Enable Data Collection

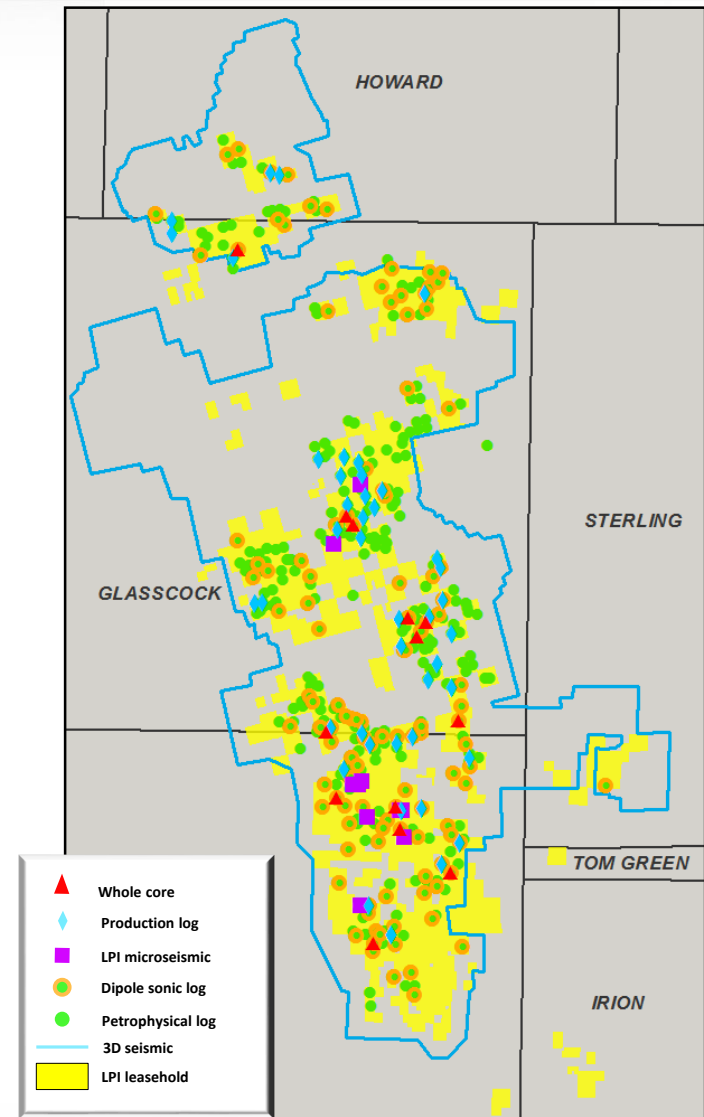
- Laredo Petroleum has taken advantage of its vertical well program to gather critical open-hole and petrophysical data
- >950 vertical wells across entire acreage position
 - ~50% of the vertical wells are considered “deep” or of sufficient depth to penetrate the Cline or below
- Production logs, single-zone tests and cores from vertical drilling provide confidence in resource potential in multiple formations
- On average, one vertical well per ~160 acres



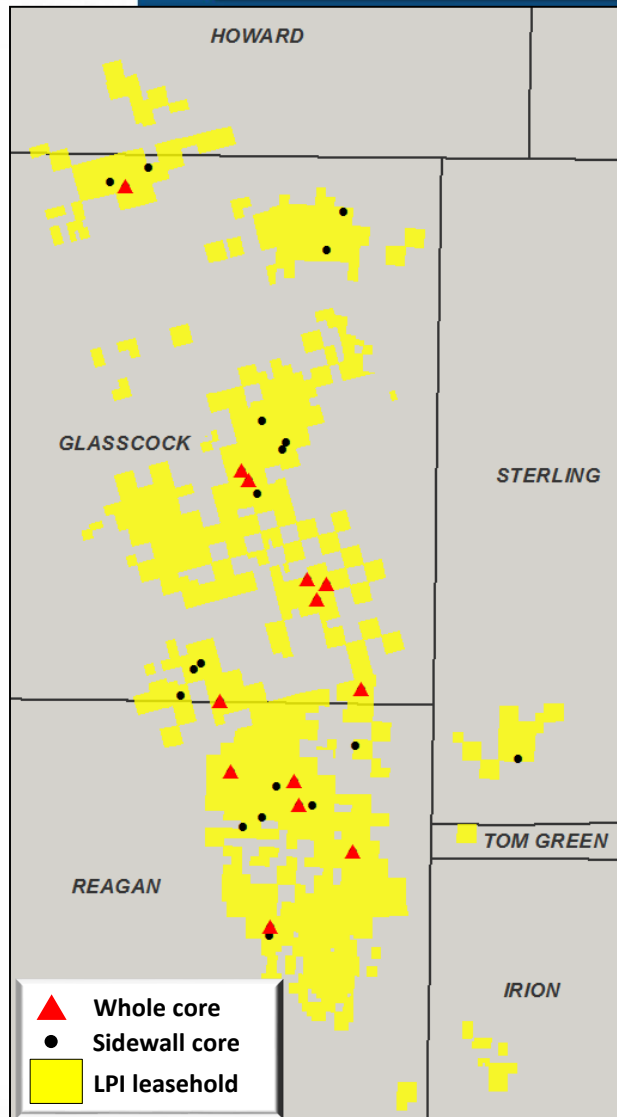
Permian Asset – Extensive Technical Database

- Technical database consisting of whole cores, sidewall cores, single-zone tests, open-hole logs, 3D seismic and production logs
- Provides the building blocks for identification of resource potential and horizontal locations
- Majority of technical database attributes are proprietary to Laredo's acreage
- Timing of data acquisition is integral to data quality

Comprehensive technical database integrated with 3D seismic enables Laredo to successfully identify where to locate and position wells across multiple horizons to maximize value



Core Data

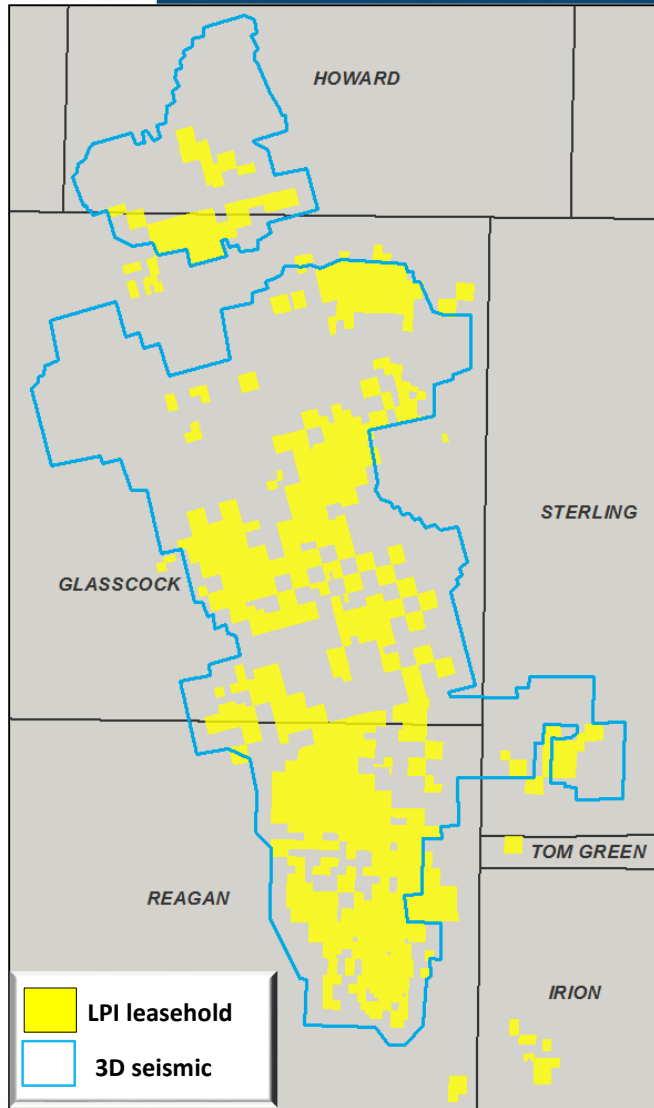


Cores provides the technical bridge between the actual reservoir rocks and the petrophysical analysis metrics

- ~3,700' of proprietary whole cores in objective section
 - 14 whole cores
 - >715 sidewall core samples
- In addition to our own core library Laredo has access to core data from 110 wells as a member of Core Lab's Tight Oil Reservoirs Midland Basin Core Consortium
- Whole and sidewall cores provides a source for lithologic, mineralogic, TOC content and geochemical properties
- **Timing:** Data must be obtained during drilling operations or prior to setting casing



Geophysical Data



High-quality 3D seismic is a key foundation of the Earth Model in that it gives the geoscientists insight as to how the area-wide reservoir, petrophysical and seismic properties correlate relative to each targeted interval

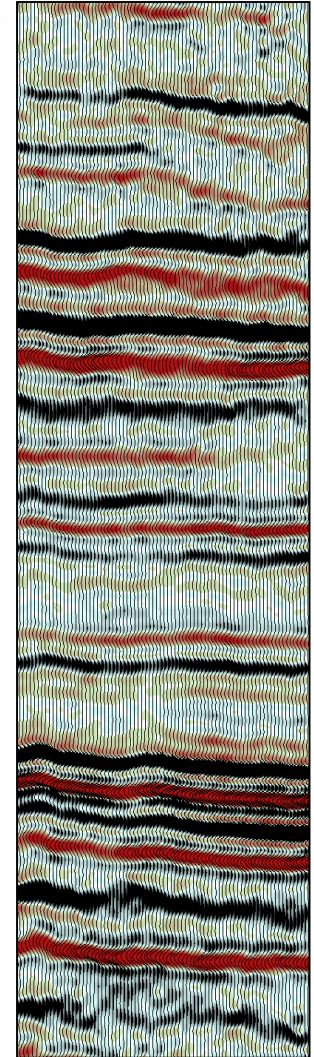
- 990 sq mi 3D seismic
 - 95% coverage of Garden City acreage
 - ~40% of seismic inventory is high-quality, proprietary 3D data
- 27 micro-seismic surveys (operated and trades) used to validate current well spacing
- **Timing:** 3D seismic data needs to be completed as early in the asset evaluations process to insure availability for processing and incorporation into the Earth Model



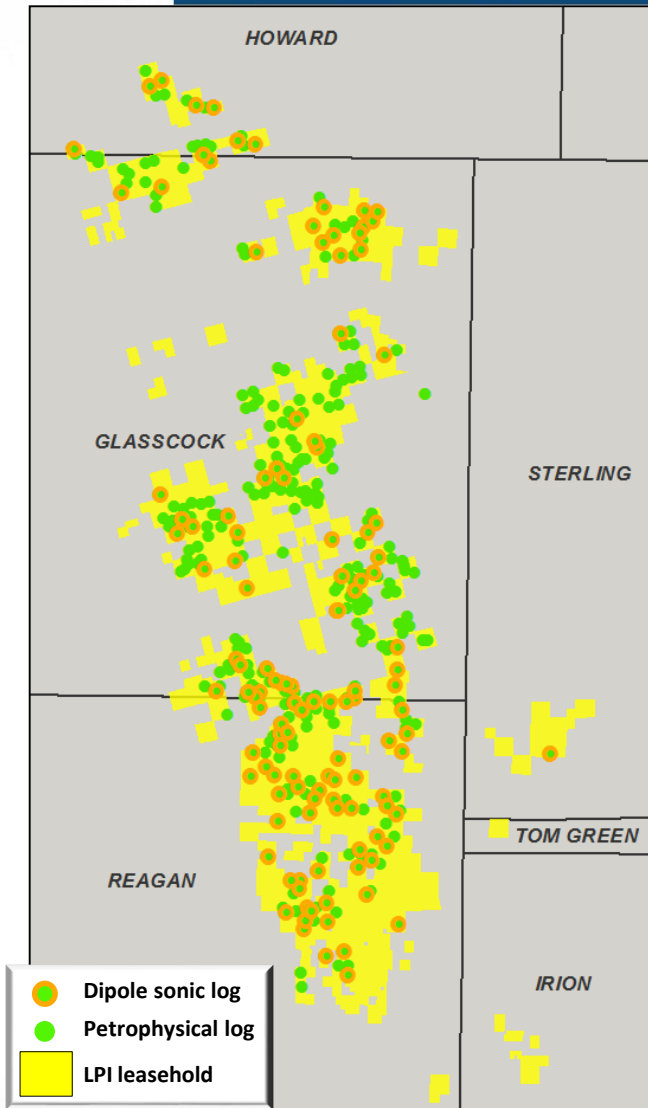
3D Seismic Program

A high-quality, “meaningful” data set

- High fold: 250 fold (historical data sets are 100 fold or less)
- High frequency sweeps: up to 120 hertz
- Tight bin spacing: 70 feet (normal is 110 feet or greater)
- Wide azimuth: farthest receiver is ~11,500 feet (equals full fold coverage at deepest target)
 - Used in modeling (pre-stack inversion)
 - Used in fracture analysis
- Acquisition positives
 - Reasonable cost
 - Lack of surface “cultural” obstacles
 - Quality crew
- Older spec (purchased) data: dramatically upgraded with latest processing techniques



Log Data



Logs provide the framework for building the Earth Model and tying in the available petrophysical database

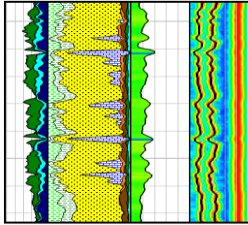
- **>8,000 conventional public and proprietary open-hole logs**
- **303 in-house proprietary petrophysical logs**
 - Extensive database fully calibrated by in-house petrophysicists to cores and used to calculate reservoir properties and original oil in place “OOIP” numbers
- **120 dipole sonic logs**
 - Used to calculate rock mechanical properties and to optimize frac design
- **Timing: Open-hole logs must be obtained prior to setting casing**

Dipole Sonic Importance & Integration

- Laredo was one of the first operators in the Midland Basin to acquire dipole enhanced geophysics for completion design
- Laredo now has 120 dipole sonic logs
- Dipole sonic is now the operator standard
- Key tool in determining brittleness (ductile vs brittle)
- Assist in drilling and completion design
 - Wellbore stability
 - Hydrofracture design
- Seismic calibration Earth Model
 - Horizontal wellbore placement

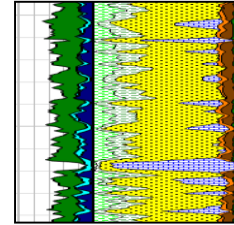


Integrated Petrophysics at Laredo



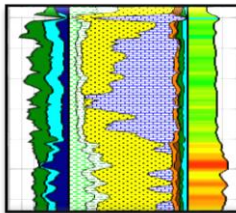
Reservoir Characterization

- Rock properties that define the reservoir
- Earth Model integration
- Utilizes lab analysis, core data and well logs



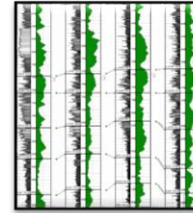
Fluid Characterization

- Oil, gas & water proportions
- Moveable vs. bound fluid
- Identification of high oil saturation



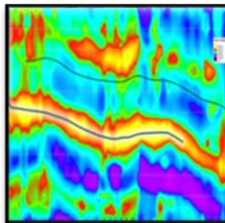
Brittleness

- Improving completion and frac design
- Enhanced production



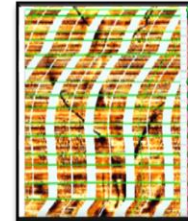
Hydrocarbon Storage

- Location
- Oil In place calculations
- Structural positioning



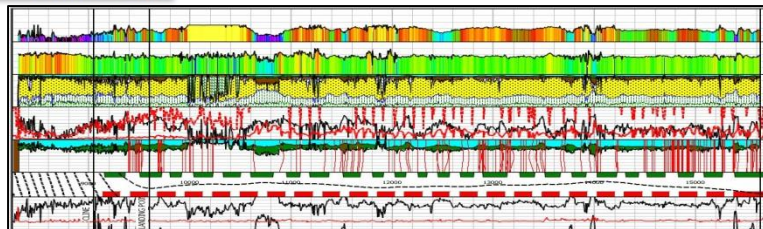
Highgrading

- Higher EUR's
- Lateral continuity
- Good areal extent



Reservoir Sweet Spots

- Fracture identification
- Fracture patterns & extent
- Rock mechanics
- Structural curvature



Completion Optimization

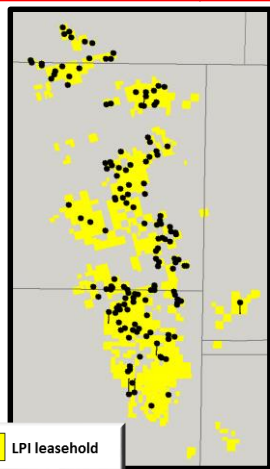
- Engineered completions vs. geometric completions
- Creates more efficient fracs



Multi-Stacked Targets With Significant Resource Potential

Utilization of our large technical dataset¹ has permitted the identification, evaluation and ability to estimate resource potential across primary and additional horizons

| | Upper Spraberry | Lower ² Spraberry | UWC | MWC | LWC | Canyon ³ | Cline | Strawn | ABW | Wolfcamp Combined | Total Combined |
|-------------------------------------|-----------------|------------------------------|-------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------------|----------------|
| Depth (ft) ⁴ | 5,308-5,916 | 5,916-6,951 | 6,951-7,440 | 7,440-7,960 | 7,960-8,453 | 8,453-9,078 | 9,078-9,412 | 9,412-9,530 | 9,530-9,874 | 6,951-8,453 | 5,308-9,874 |
| TOC (%) | 1.6-4.9 | 1.4-4.3 | 0.9-5.3 | 0.9-4.8 | 1.0-4.0 | 1.0-3.8 | 0.9-5.2 | 0.0-3.3 | 0.4-3.9 | 0.9-5.3 | 0.0-5.3 |
| Thermal maturity (% Ro) | 0.5-0.6 | 0.6-0.7 | 0.7-0.8 | 0.75-0.85 | 0.8-0.9 | 0.8-0.9 | 0.9-1.1 | 1.0-1.2 | 1.1-1.3 | 0.7-0.9 | 0.5-1.3 |
| Clay content (%) | 10.5-35.0 | 9.7-31.8 | 7.3-29.3 | 12.4-33.7 | 12.2-33.6 | 21.6-40.2 | 27.4-42.7 | 1.6-19.5 | 5.6-32.8 | 7.3-33.7 | 1.6-42.7 |
| Pressure gradient (psi/ft) | 0.30-0.40 | 0.30-0.40 | 0.40-0.50 | 0.40-0.50 | 0.40-0.50 | 0.40-0.50 | 0.55-0.65 | 0.40-0.50 | 0.40-0.50 | 0.40-0.50 | 0.30-0.65 |
| So (dec) | 0.367 | 0.439 | 0.470 | 0.370 | 0.433 | 0.307 | 0.379 | 0.463 | 0.523 | 0.423 | 0.408 |
| Porosity (dec) | 0.051 | 0.048 | 0.055 | 0.058 | 0.056 | 0.053 | 0.068 | 0.035 | 0.049 | 0.056 | 0.053 |
| Average thickness ⁴ (ft) | 608 | 1,035 | 489 | 520 | 493 | 625 | 334 | 118 | 334 | 1,502 | 4,556 |



Multiple stacked targets in the Garden City prospect represent >4,500 feet of vertical section

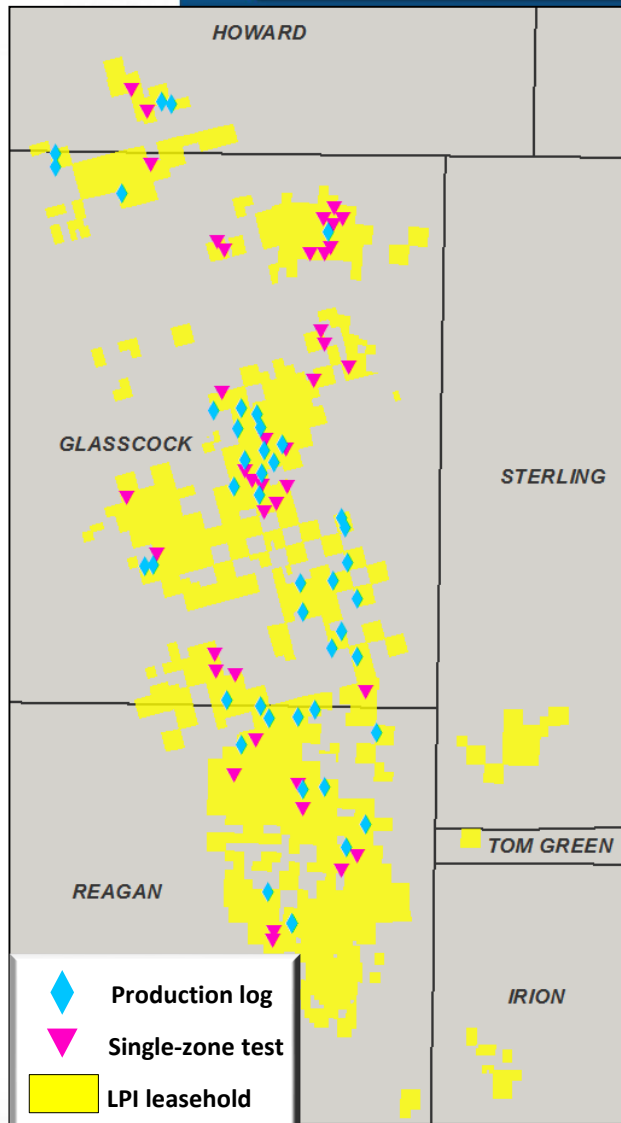
¹ 149 LPI wells with updated petrophysical model implemented 7/8/2014 (indicated on map)

² Lower Spraberry includes Dean

³ Canyon includes Penn Shale

⁴ Depths and tops subject to change pending completion of sequence stratigraphy review

Production Logs & Single-Zone Tests



Single-zone tests confirm the productivity of potential zones

- Provide a multi-phase analysis (oil, gas & water) of each stage completed
- Identify the source of hydrocarbon (oil & gas) and water production
- Could assist in determining lateral placement in prospective horizontal zones
- May offer correlations to reservoir rock quality and/or completion effectiveness
- 42 production logs
 - 36 vertical wells
 - 6 horizontal wells
- 39 single-zone tests
- **Timing:** For best results, production logs and single-zone tests should be acquired early in the completion

Drilling Inventory

Patrick Curth

Senior Vice President – Exploration & Land



Multi-Stacked Targets with Significant Resource Potential

| Primary Targets | Average Thickness (gross ft.) |
|------------------------|--|
| Upper Wolfcamp | 489 |
| Middle Wolfcamp | 520 |
| Lower Wolfcamp | 493 |
| Canyon ¹ | 625 |
| Cline | 334 |
| <i>Sub Total</i> | <i>2,461</i> |

| Secondary Targets | Average Thickness (gross ft.) |
|--------------------------|--|
| Spraberry ² | 1,643 |
| Strawn | 118 |
| ABW | 334 |
| <i>Sub Total</i> | <i>2,095</i> |

| | |
|--------------------------------|--------------|
| Grand Total³ | 4,556 |
|--------------------------------|--------------|

- **Midland Basin is unique among U.S. shale resource plays due to the multi-stacked horizontal targets available for development**
- **Primary targets represent ~2,460' of gross average thickness⁴**
- **186 Hz wells drilled to date in primary targets with >4,800 locations remaining**

Our large technical dataset has permitted the identification, evaluation and ability to estimate resource potential across both primary and secondary targets

¹ Canyon includes Penn Shale

² Lower Spraberry includes Dean

³ Depths and tops subject to change pending completion of sequence stratigraphy review

⁴ 149 LPI wells with updated petrophysical model implemented 7/8/2014 (indicated on page 42)

Location(s), Location(s), Location(s)

Concentrated multi-zone horizontal development

Laredo Petroleum has categorized its horizontal drilling inventory utilizing the following classifications:

De-Risked

- **Development Ready** – Locations that have been identified by technical analysis, trend horizontal drilling results and with available infrastructure or would support infrastructure investment. **Current location count: >3,980**
- **H2 Commerciality Confirmed** – Locations that have been identified by technical analysis and have been verified that they are capable of production. **Current location count: >850**

Additional Potential Upside

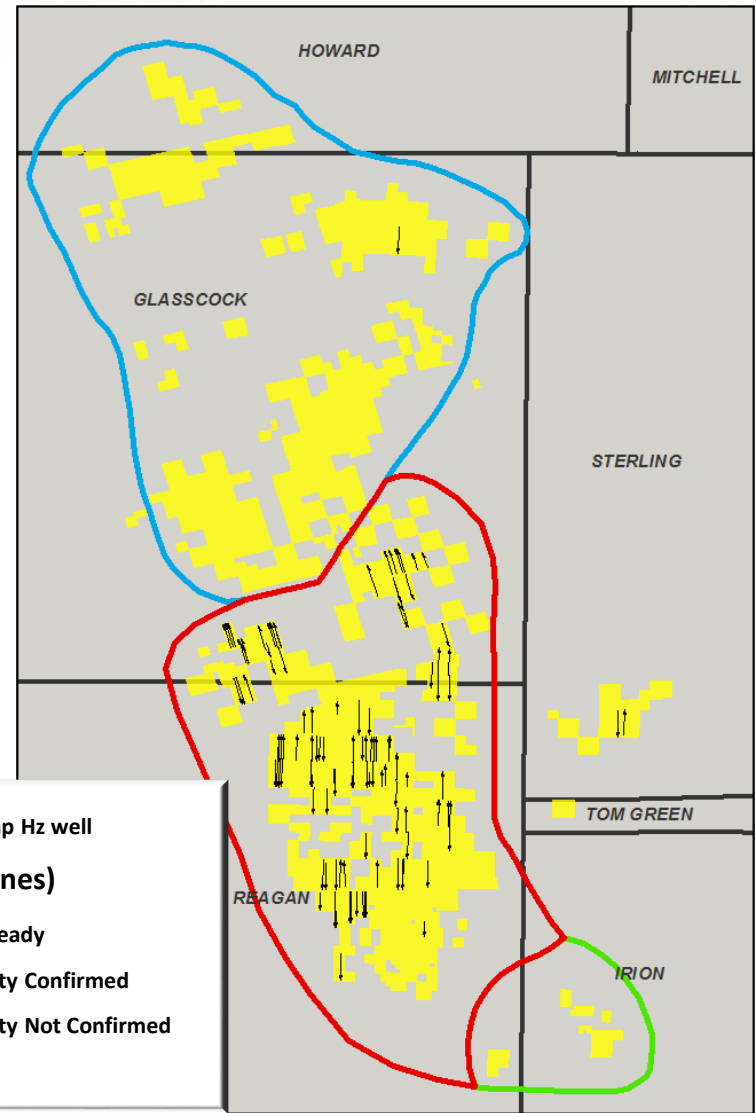
- **H2 Commerciality Not Confirmed** – Locations that have been identified by technical analysis but still early in the evaluation cycle. **Current location count: >2,900**

Total location count for all categories: >7,700

Wolfcamp Inventory

| Formation/Zone | Development Ready | Hz Commerciality Confirmed | Hz Commerciality Not Confirmed |
|-----------------|-------------------|----------------------------|--------------------------------|
| Upper Wolfcamp | 828 | 36 | 637 |
| Middle Wolfcamp | 807 | 36 | 721 |
| Lower Wolfcamp | 813 | 36 | 722 |
| Total | 2,448 | 108 | 2,080 |

| Formation/Zone | LPI Operated Hz Wells |
|-----------------|-----------------------|
| Upper Wolfcamp | 81 |
| Middle Wolfcamp | 33 |
| Lower Wolfcamp | 23 |
| Total | 137 |



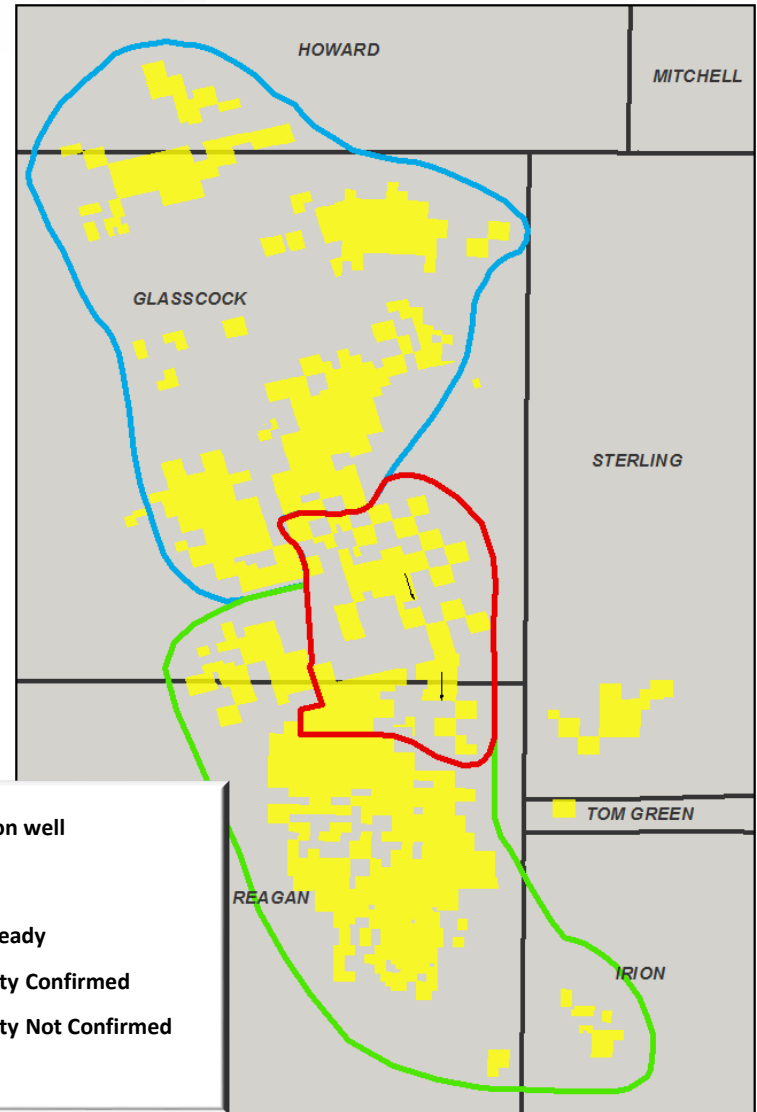
→ LPI Wolfcamp Hz well
Wolfcamp (all zones)
 Development Ready
 Hz Commerciality Confirmed
 Hz Commerciality Not Confirmed
 LPI leasehold



Canyon Inventory

| Formation/Zone | Development Ready | H2 Commerciality Confirmed | H2 Commerciality Not Confirmed |
|----------------|-------------------|----------------------------|--------------------------------|
| Canyon | 311 | 593 | 686 |

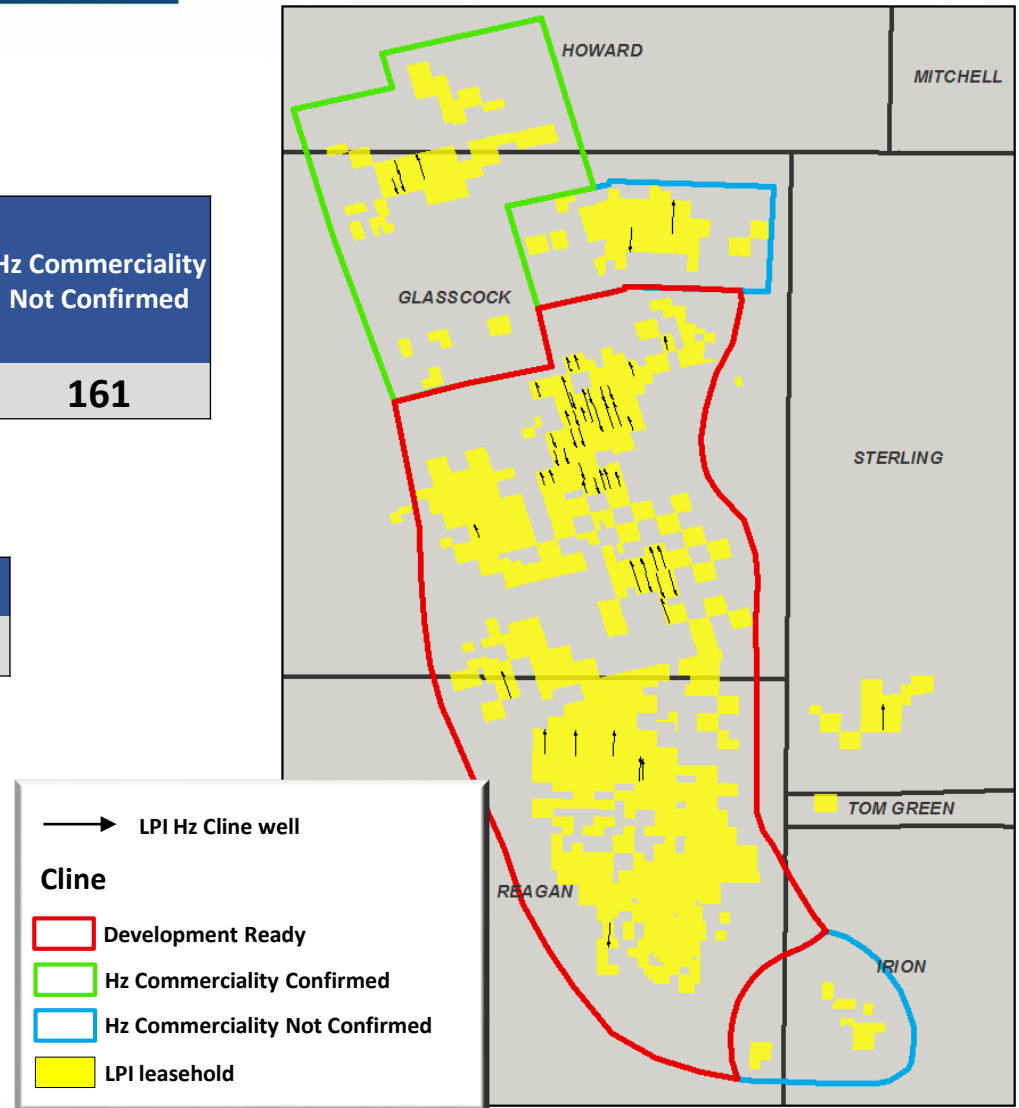
| Formation/Zone | LPI Operated H2 wells |
|----------------|-----------------------|
| Canyon | 2 |



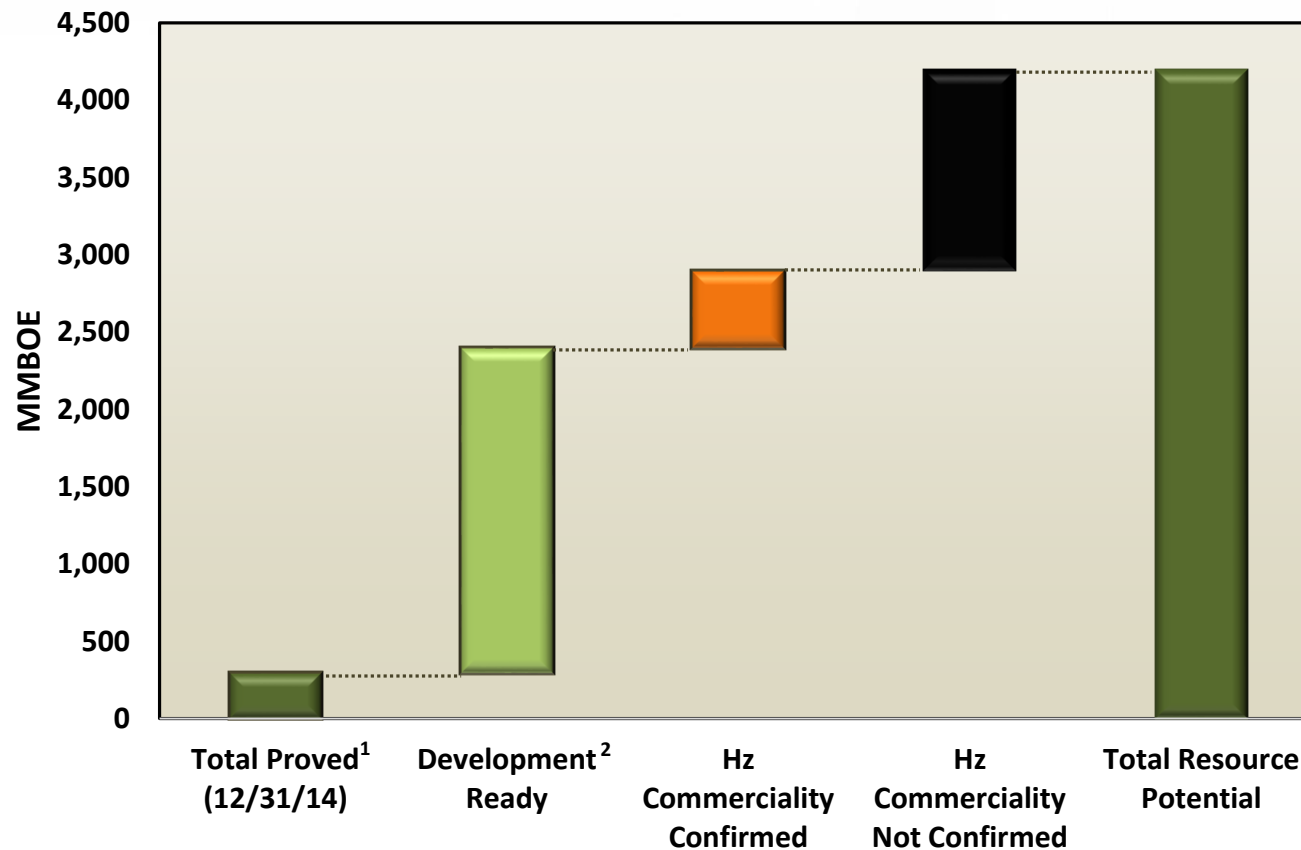
Cline Inventory

| Formation/Zone | Development Ready | Hz Commerciality Confirmed | Hz Commerciality Not Confirmed |
|----------------|-------------------|----------------------------|--------------------------------|
| Cline | 1,223 | 182 | 161 |

| Formation/Zone | LPI Operated Hz Wells |
|----------------|-----------------------|
| Cline | 52 |



Identified Resource Potential



Approximately 4.3 billion barrels of resource potential

¹ Based on YE-2014 2-stream proved reserves, prepared by Ryder Scott. Internally converted to 3-stream based on actual gas plant economics of 30% shrink and a yield of 127 Bbl of NGL per MMcf

² Additional development ready resource not already included in Total Proved reserves



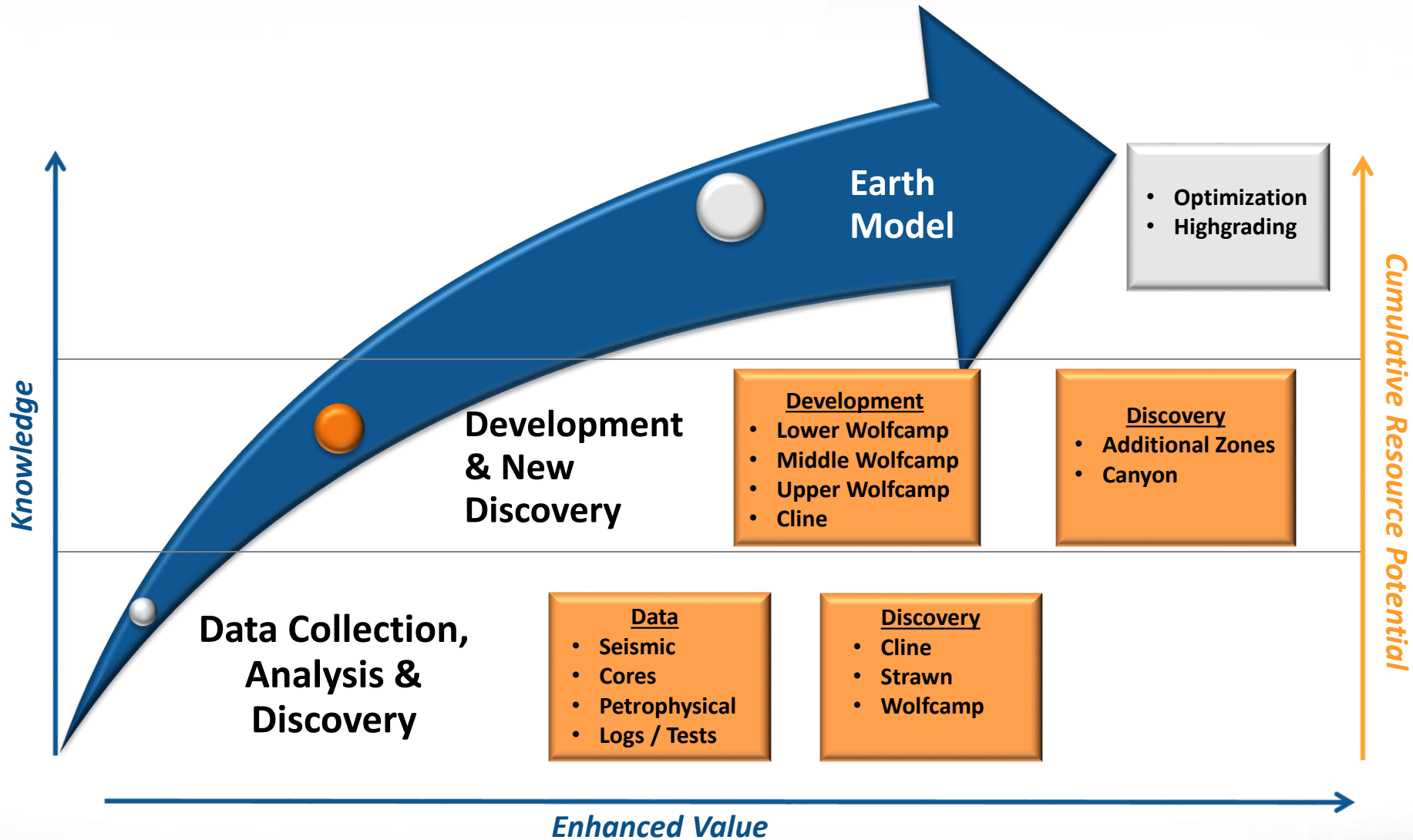


Value Creation Through Development & Discovery

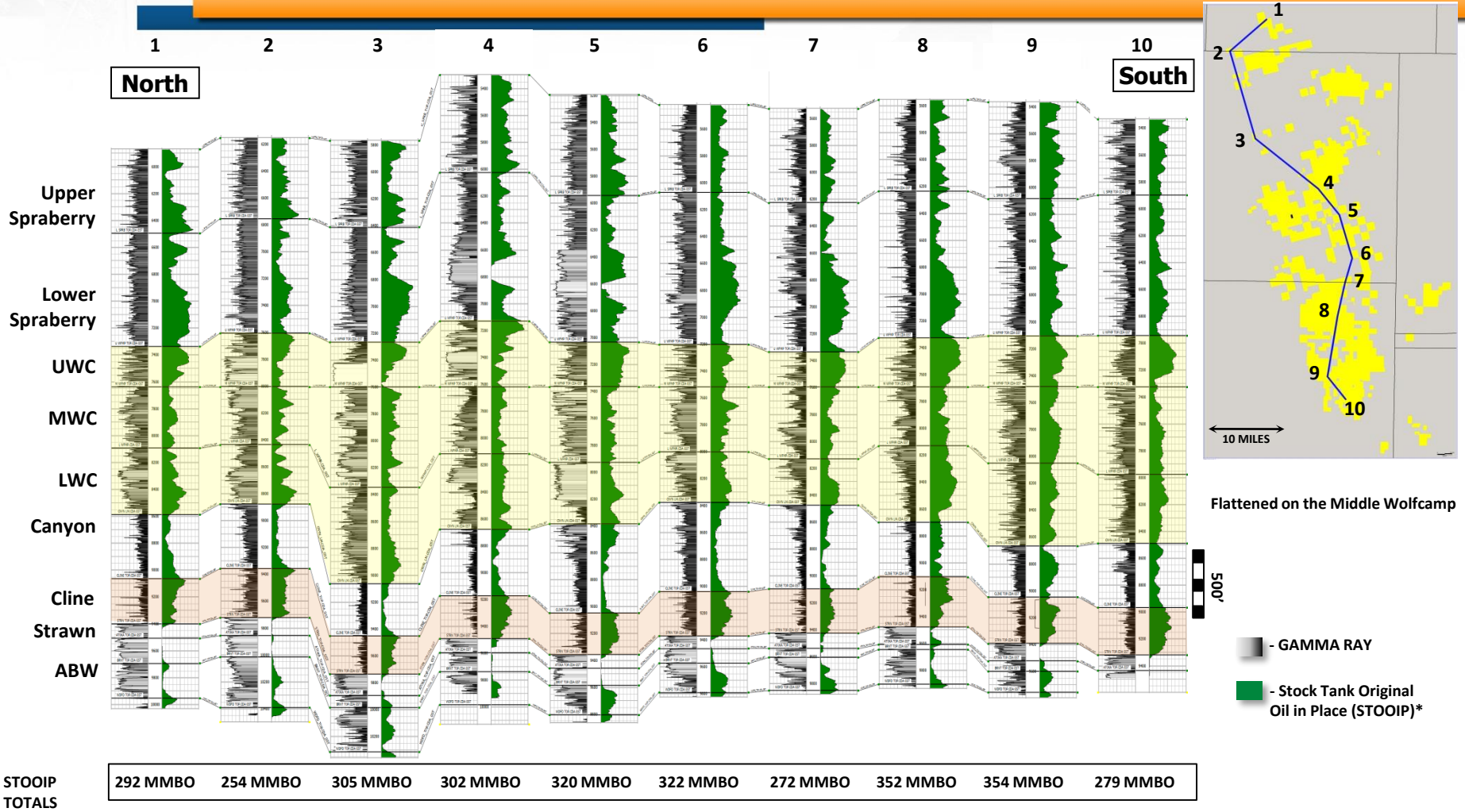
Mark Elliott

**Vice President – Geology & Development-
Permian**

Adding Value Through Development & New Discovery



Regional Cross-Section



Contiguous thick stratigraphic section from Spraberry through ABW interval indicated by geologic cross-section

ABW – Atoka, Barnett & Woodford
 *STOPIP CURVES CALCULATED WITH 50' HEIGHT

$$\text{MMSTOPIP} = \frac{7758 * \text{Phie} * (1 - \text{Sw}) * h * 640 \text{ ac}}{\text{Bo}} / 1,000,000$$



Canyon Formation: Data Driven Discovery



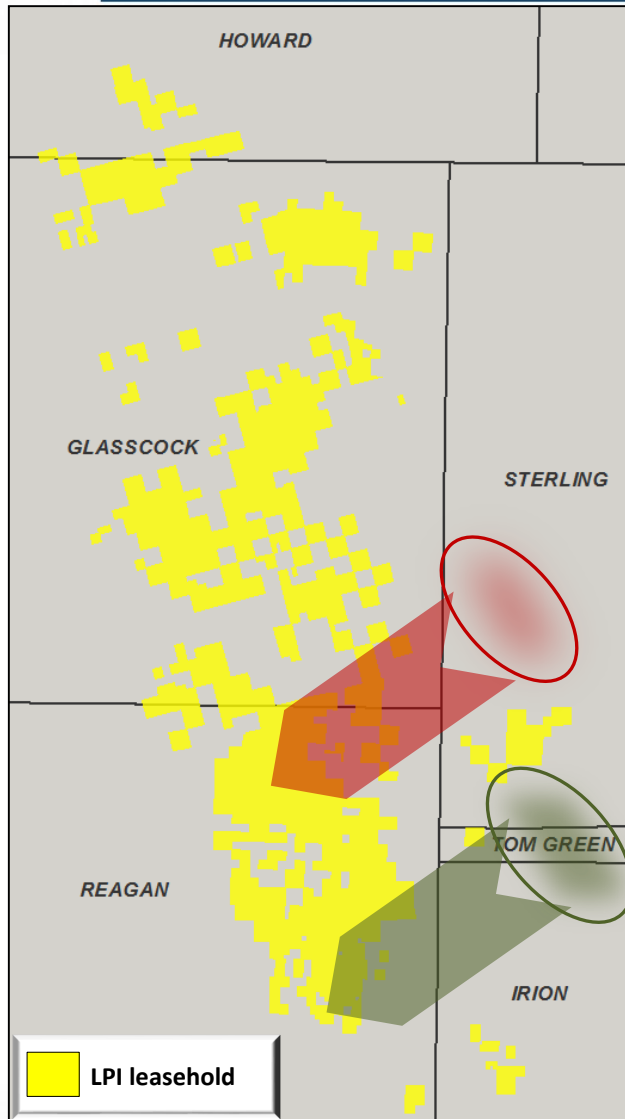
Continuous effort to enhance value



Midland Basin Strat Section



Canyon Formation: Geologic Concept



Conger Gas Field:

Cumulative Oil: 30.8 MMBbl

Cumulative Gas: 839.5 BCF



Sugg Ranch Gas Field:

Cumulative Oil: 43.9 MMBbl

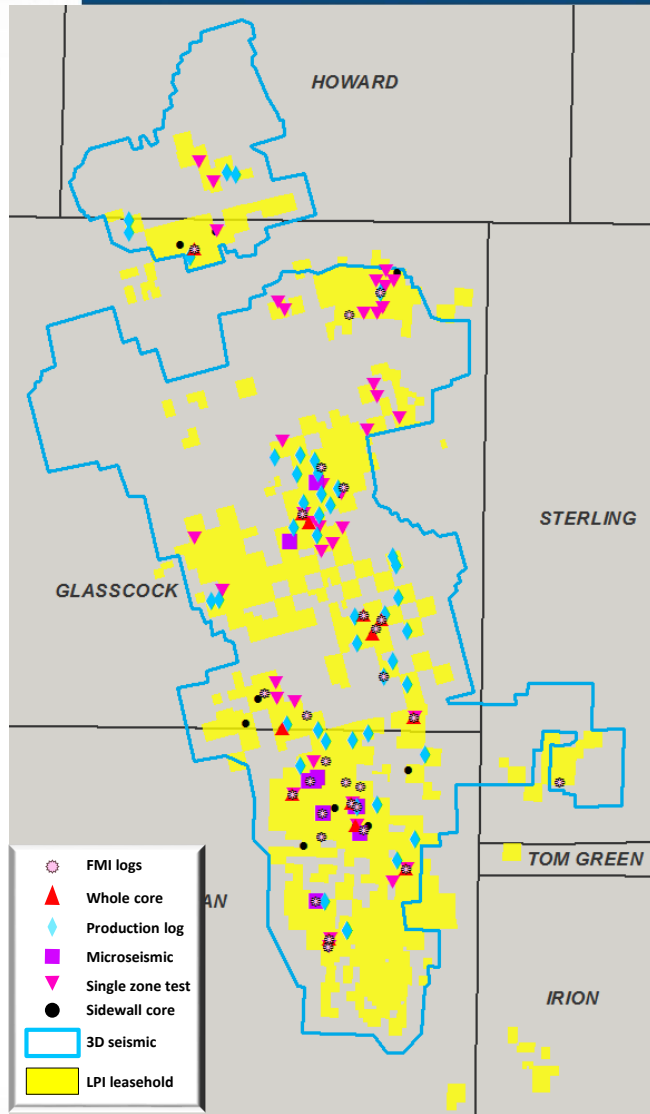
Cumulative Gas: 624.3 BCF



Structural Dip

Laredo acreage positioned basinward of highly-productive, legacy Canyon fields

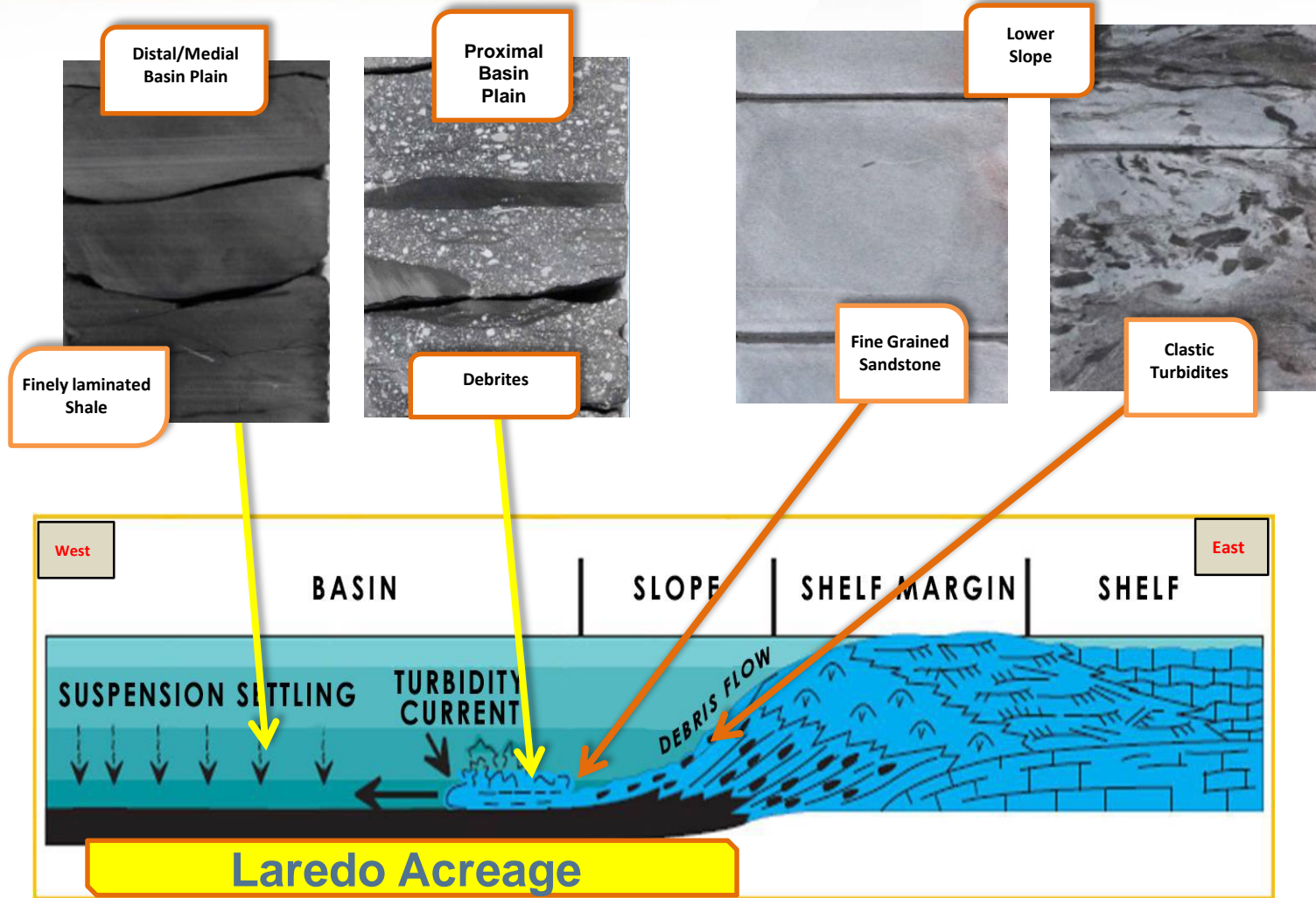
Canyon Formation: Data Collection, Analysis & Integration



Canyon Specific Database

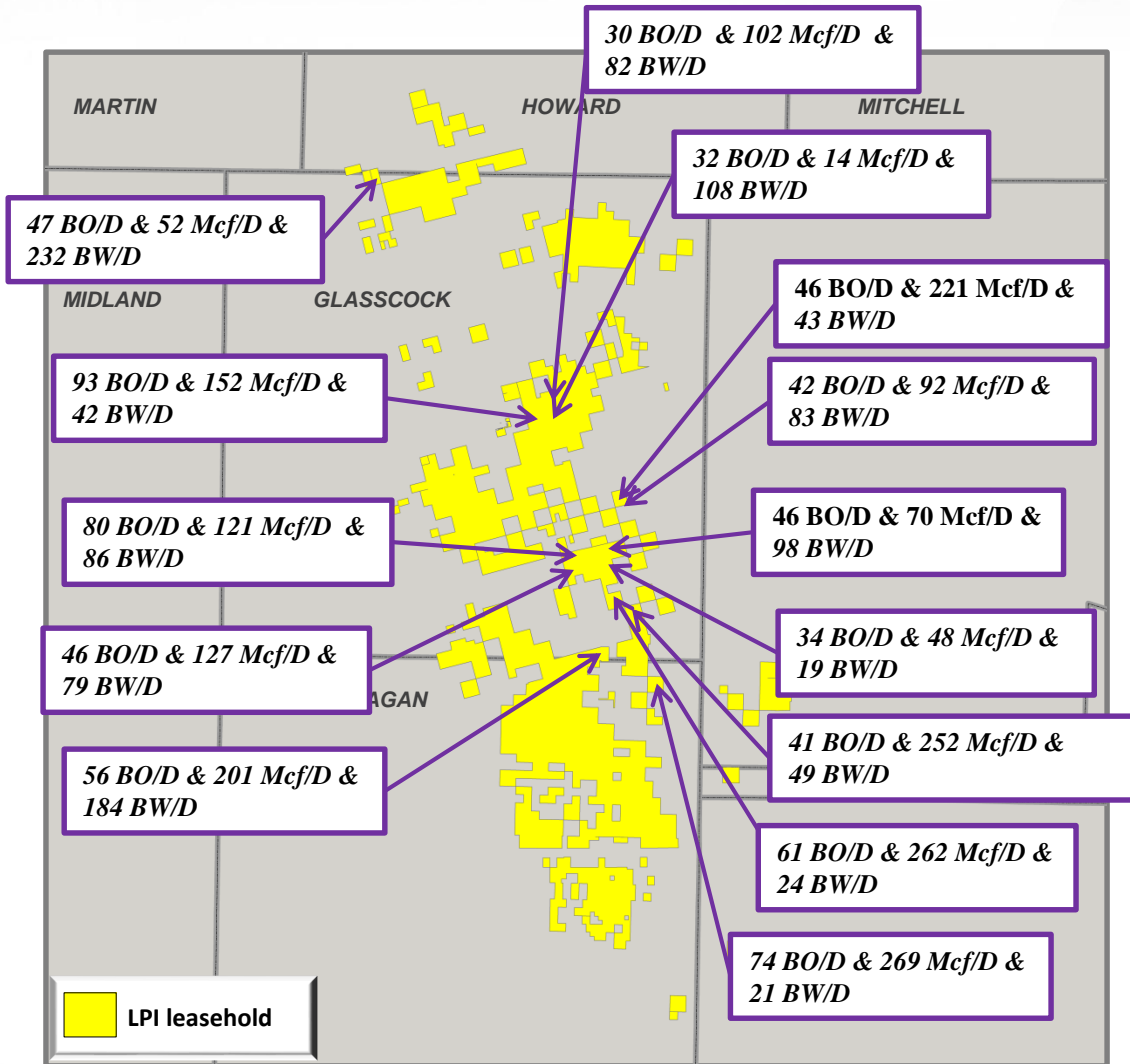
- **Production logs (17)**
 - Provide a quantitative production profile from multiple zones
 - One of several qualitative tools to confirm hydrocarbon potential for Hz wells
 - Good sampling across LPI acreage
 - Favorable and consistent results
- **FMI logs (16)**
 - Indicates highly fractured reservoir
- **Whole cores (1) & sidewall cores (from 2 vert. wells)**
 - Confirms hydrocarbon resource potential
 - Confirms favorable shale attributes (TOC, thermal maturity, clay content, porosity, OOIP, etc.)
- **3D seismic**
 - Covers 95% of acreage
 - Key foundation of the Earth Model
- **Microseismic surveys (1)**
 - Validates the Canyon being a separate producing zone

Canyon Formation: Geologic Concept



Depositional system supports Canyon development

Canyon Formation: Production Logs

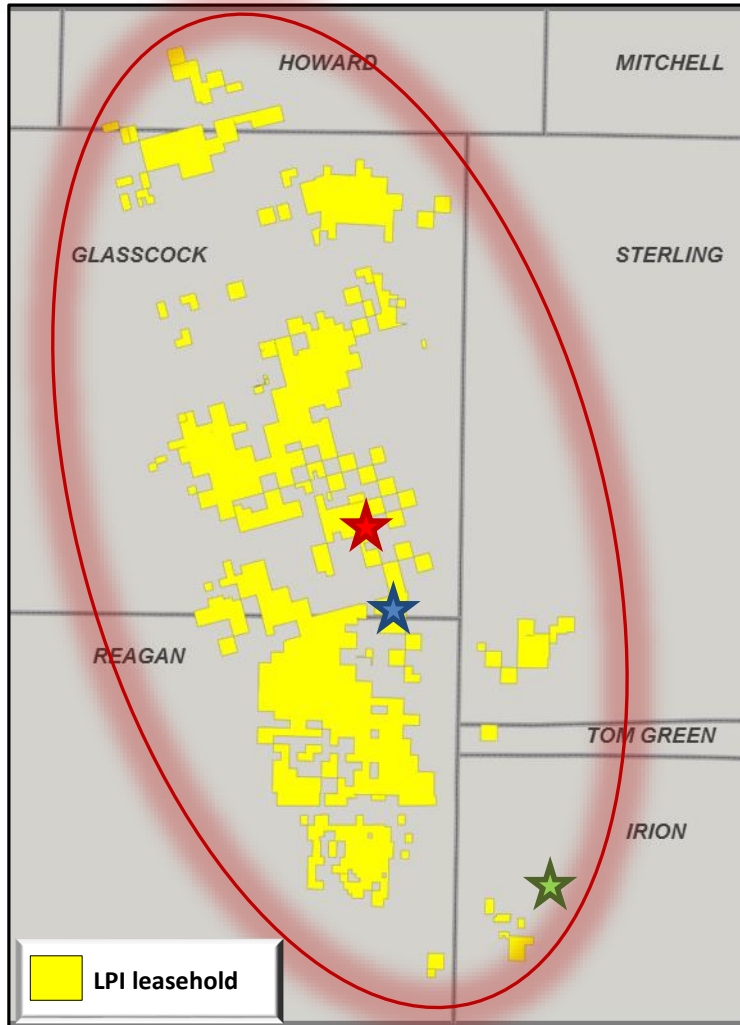


- Production logs from vertical wells
- Production rates from the Canyon interval only

Continuity of production log results over LPI acreage



Canyon Formation: Discovery & Delineation



-  LPI - Glass 22A-Aermotor #7SP
7,000' Lateral
30 Day IP: 1,151 BOED
EUR 650 MBOE
Normalized 7,500' lateral EUR: 696 MBOE
-  LPI - Barbee C-1-1B #2SP
8,300' Lateral
WOC
-  EOG - Rocker B "1949" #1H
2,750' Lateral
EUR 271 MBOE
Normalized 7,500' lateral EUR: 739 MBOE
-  Potential Canyon Fairway

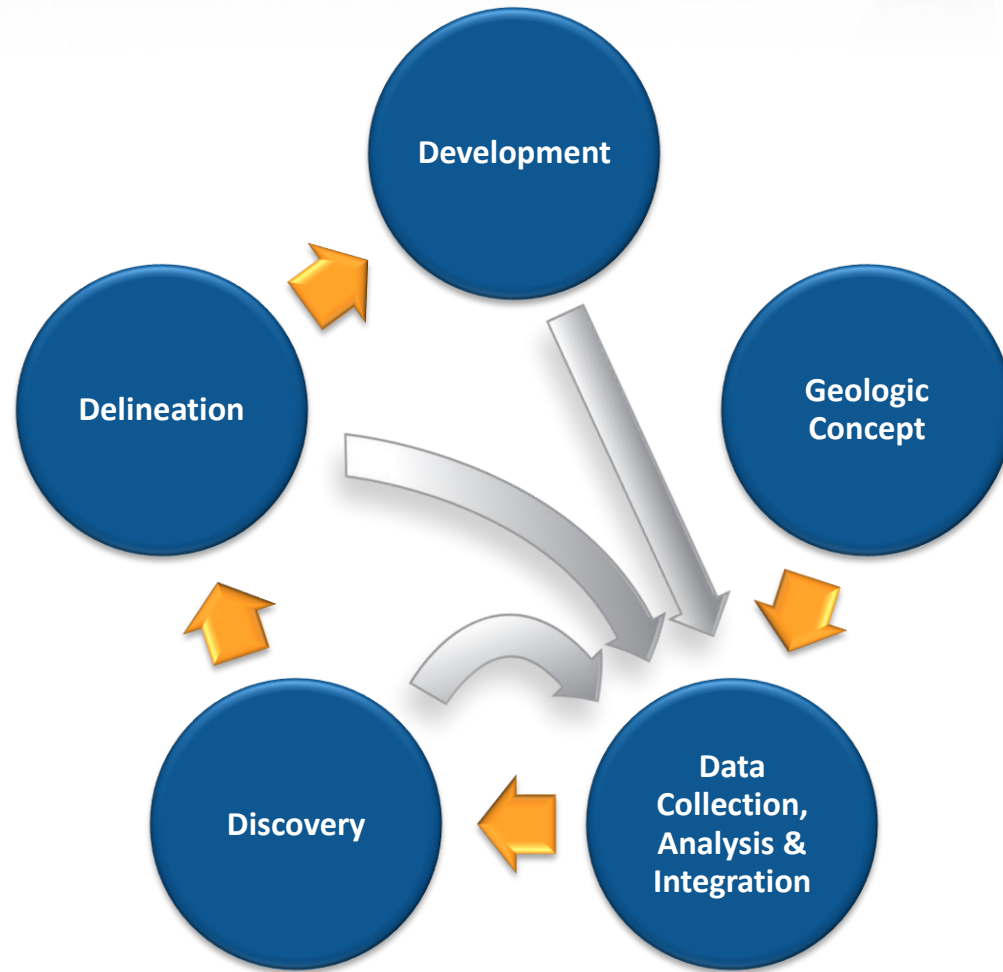
LPI anticipates adding additional Canyon locations to its development ready inventory

Canyon Formation: Summary

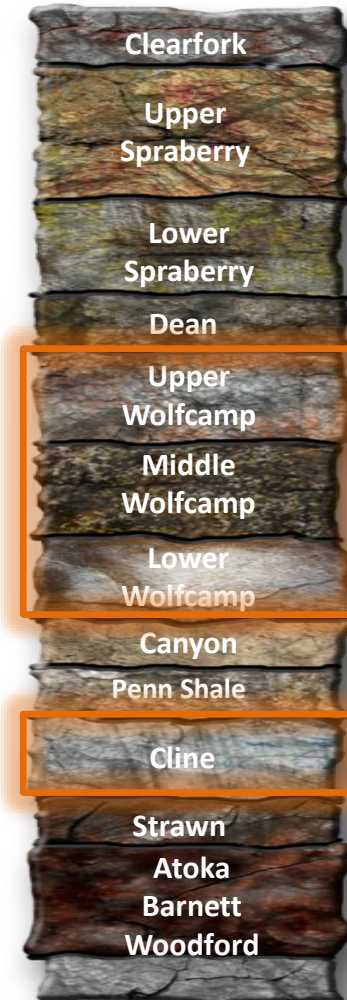
- **Data driven discovery**
- **Initial well results very encouraging**
 - **30-day IP: 1,151 BOE/D**
 - **90-day cumulative: 72,990 BOE**
- **Confirmation well drilled and waiting on completion**
 - **Good mud log shows throughout the lateral**
- **Subsequent Earth Model work, where available, shows Canyon areal extent**
- **Laredo anticipates adding additional Canyon locations to its development ready inventory**



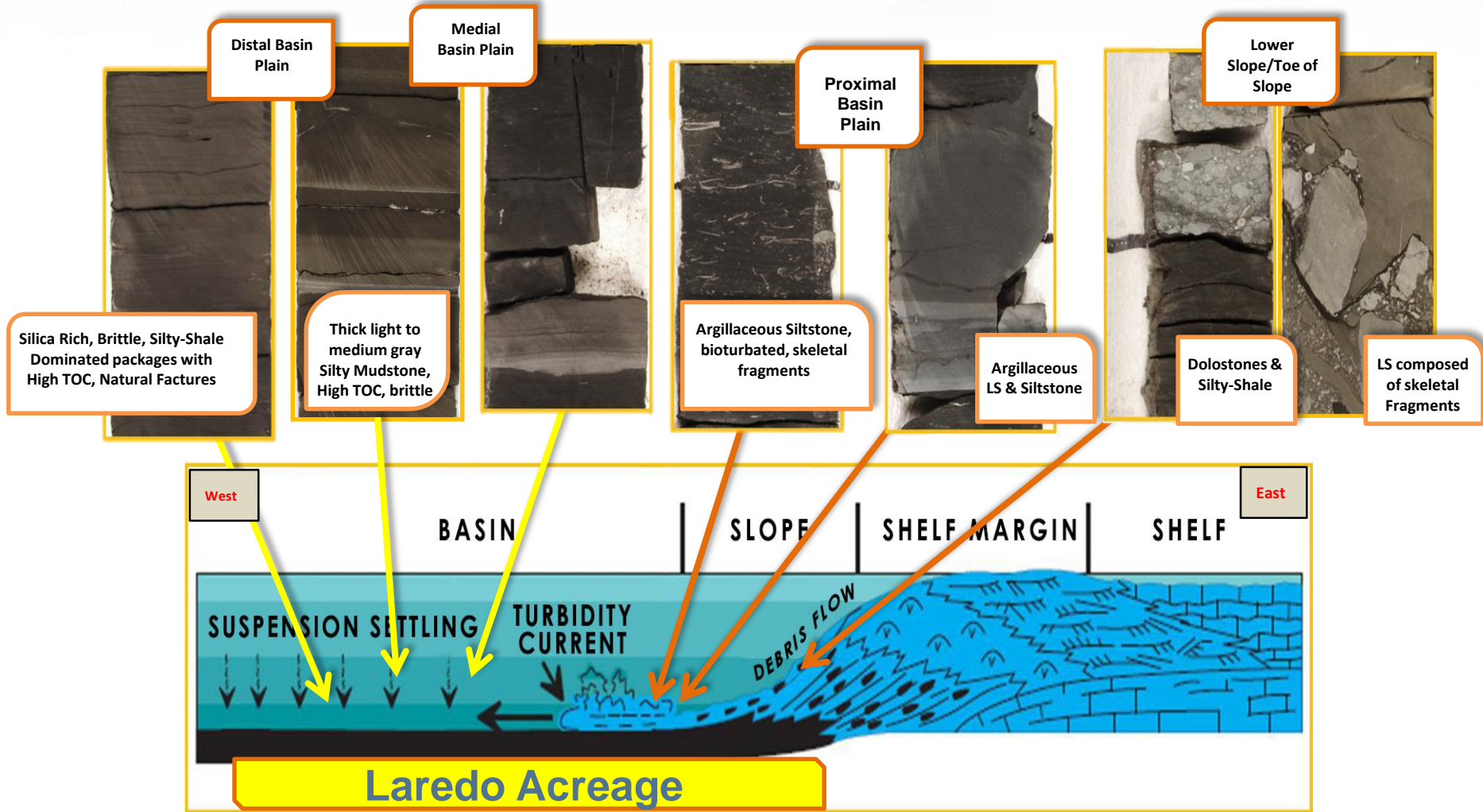
Wolfcamp & Cline Formations: Concept to Development



Continuous effort to enhance value

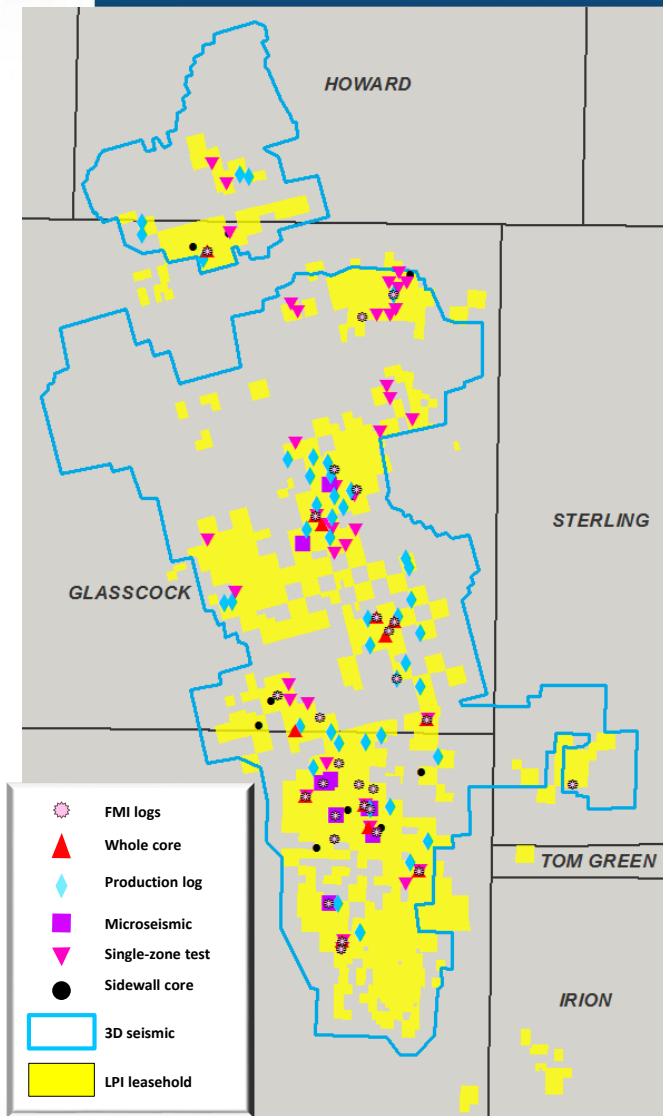


Wolfcamp and Cline Formation: Geologic Concept



Depositional system supports Wolfcamp and Cline development

Wolfcamp & Cline: Data Collection, Analysis & Integration



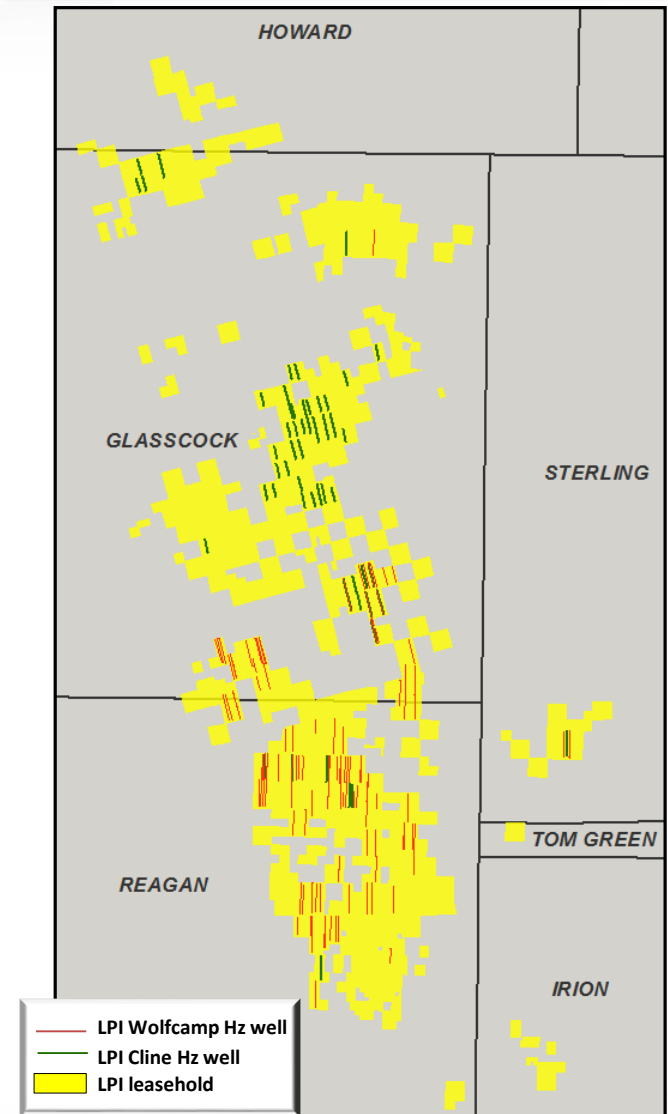
Wolfcamp & Cline Specific Database

- **Production logs (36)**
 - Provide a quantitative production profile from multiple zones
 - One of several qualitative tools to confirm hydrocarbon potential for Hz wells
 - Good sampling across LPI acreage
 - Favorable and consistent results
- **Single-zone tests (20)**
- **FMI logs (28)**
 - Indicates highly fractured reservoirs
- **Whole cores (11) & sidewall cores (from 27 vert. wells)**
 - Confirms hydrocarbon resource potential
 - Confirms favorable shale attributes (TOC, thermal maturity, clay content, porosity, STOOIP, etc.)
- **3D seismic**
 - Covers ~95% of acreage
 - Key foundation of the Earth Model
- **Microseismic surveys (15)**
 - Validates current well spacing

Wolfcamp & Cline: Discovery, Delineation & Discovery

- Data driven approach
- Proven geologic concept
- Data collection, analysis & integration ongoing
- Discovery & Delineation wells drilled and completed in Upper, Middle and Lower Wolfcamp and Cline
- >1,800 feet of combined vertical section
- Proven multi-zone/multi-stacked potential
- Development ready across significant portions of acreage
- Utilizing Earth Model, where available, to optimize resource potential

Multi-stacked targets with significant resource potential



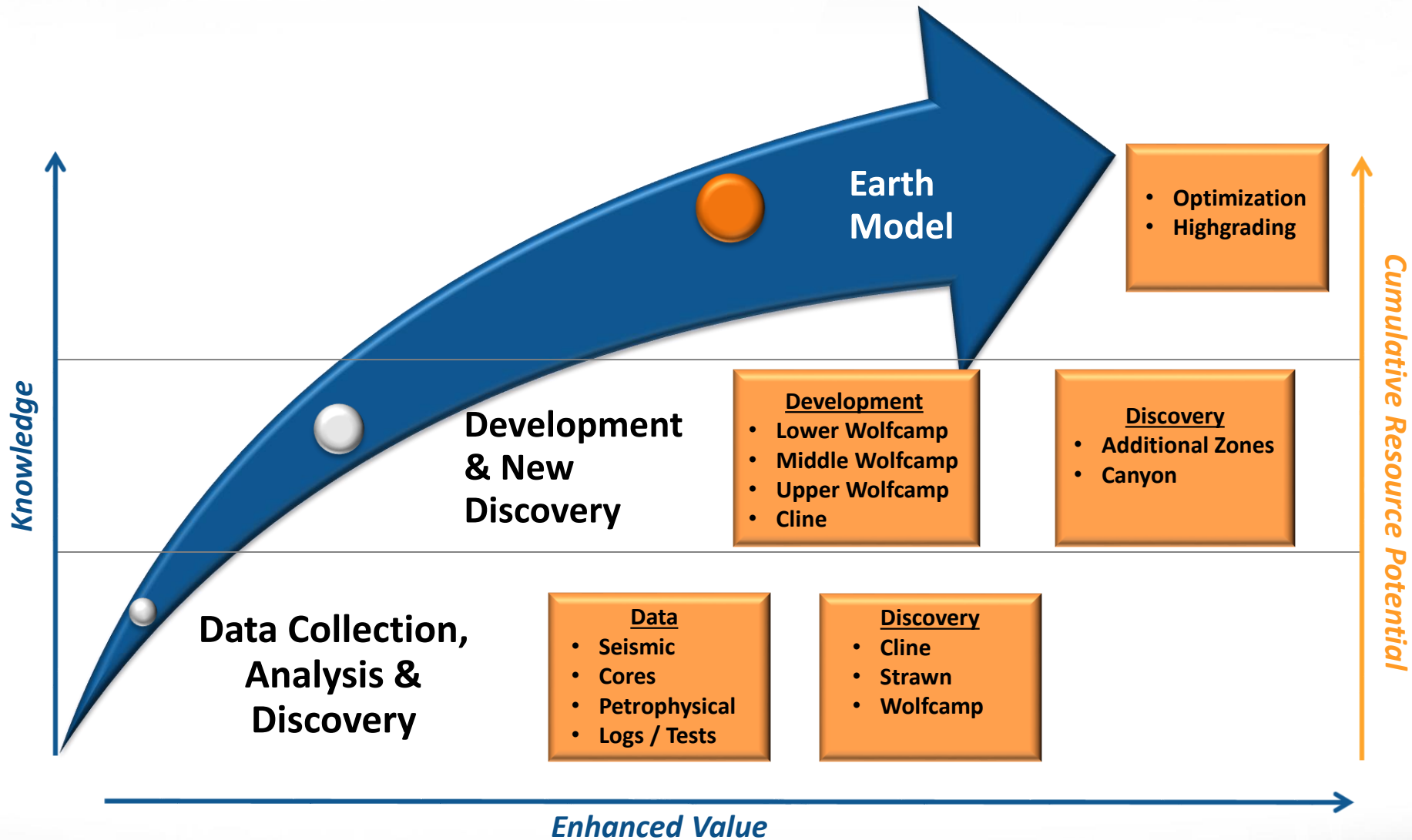
Earth Model

James Courtier

**Vice President – Exploration &
Geosciences Technology**



Adding Value Through Optimization: Earth Model



Earth Model Objectives

Standard Wellbore

1

Select Landing Point

2

Geosteering (stay in zone)

3

Frac Design & Spacing

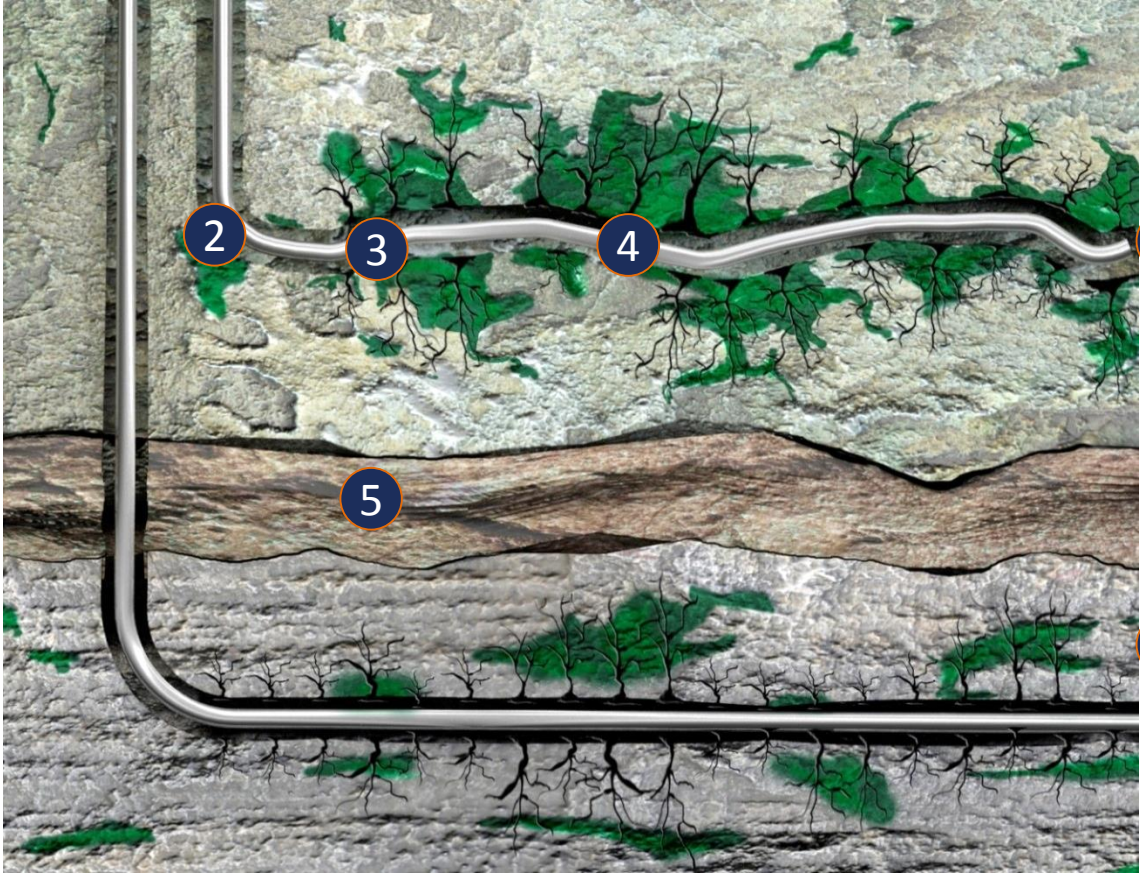
4

Frac Barrier

5

Lateral Length

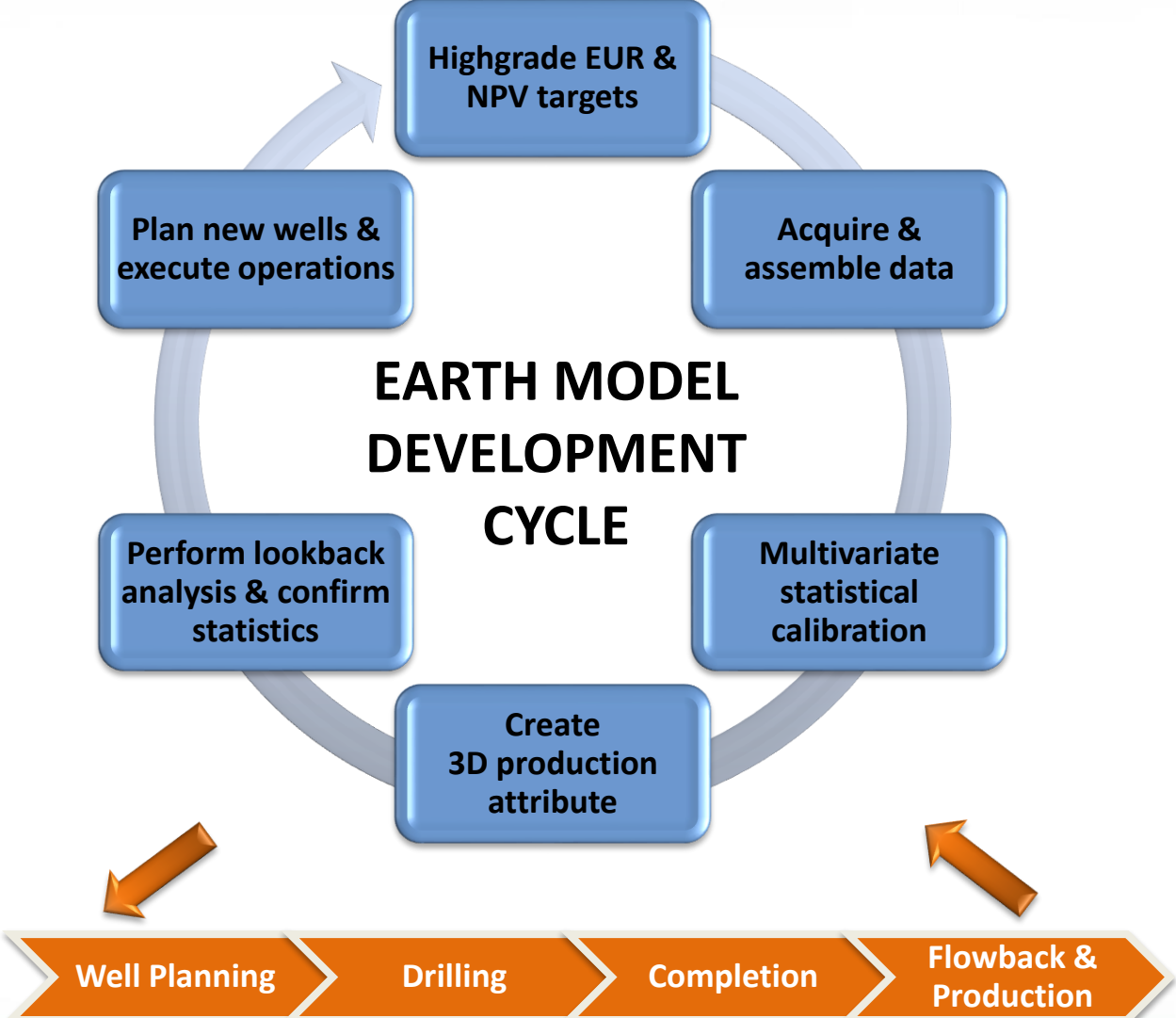
6



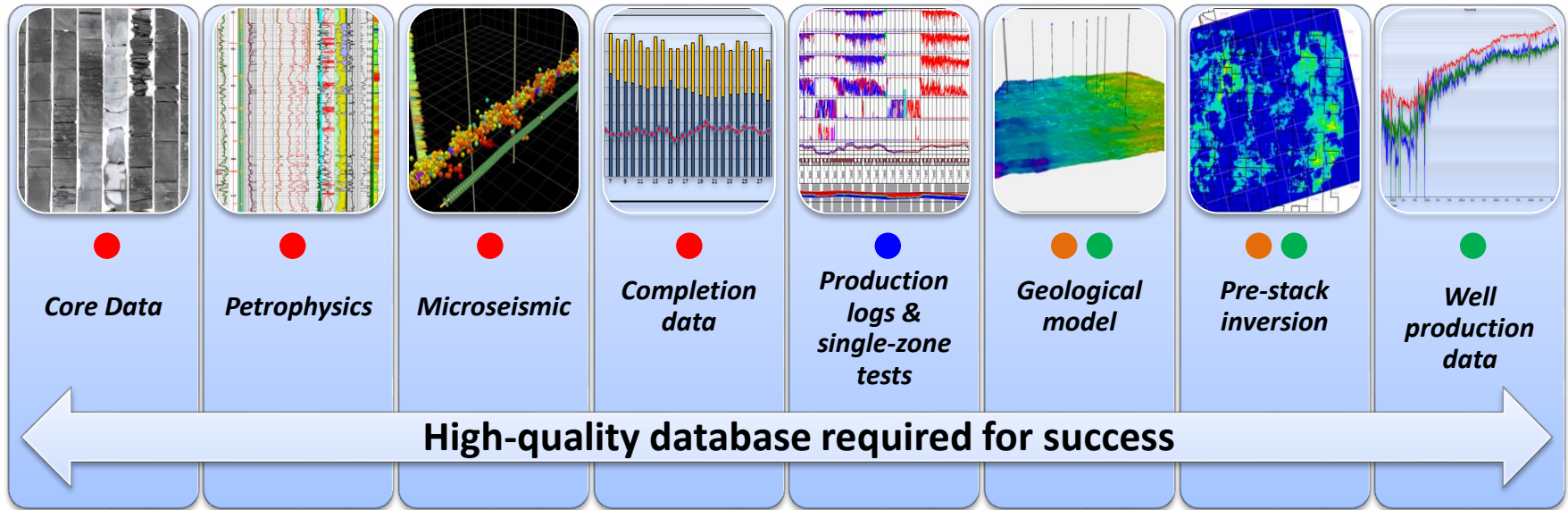
Earth Model potential to optimize development & increase value



Earth Model Workflow & Learning Process



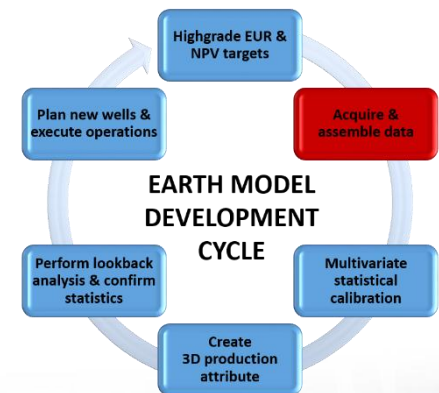
Step 1: Acquire & Assemble Data



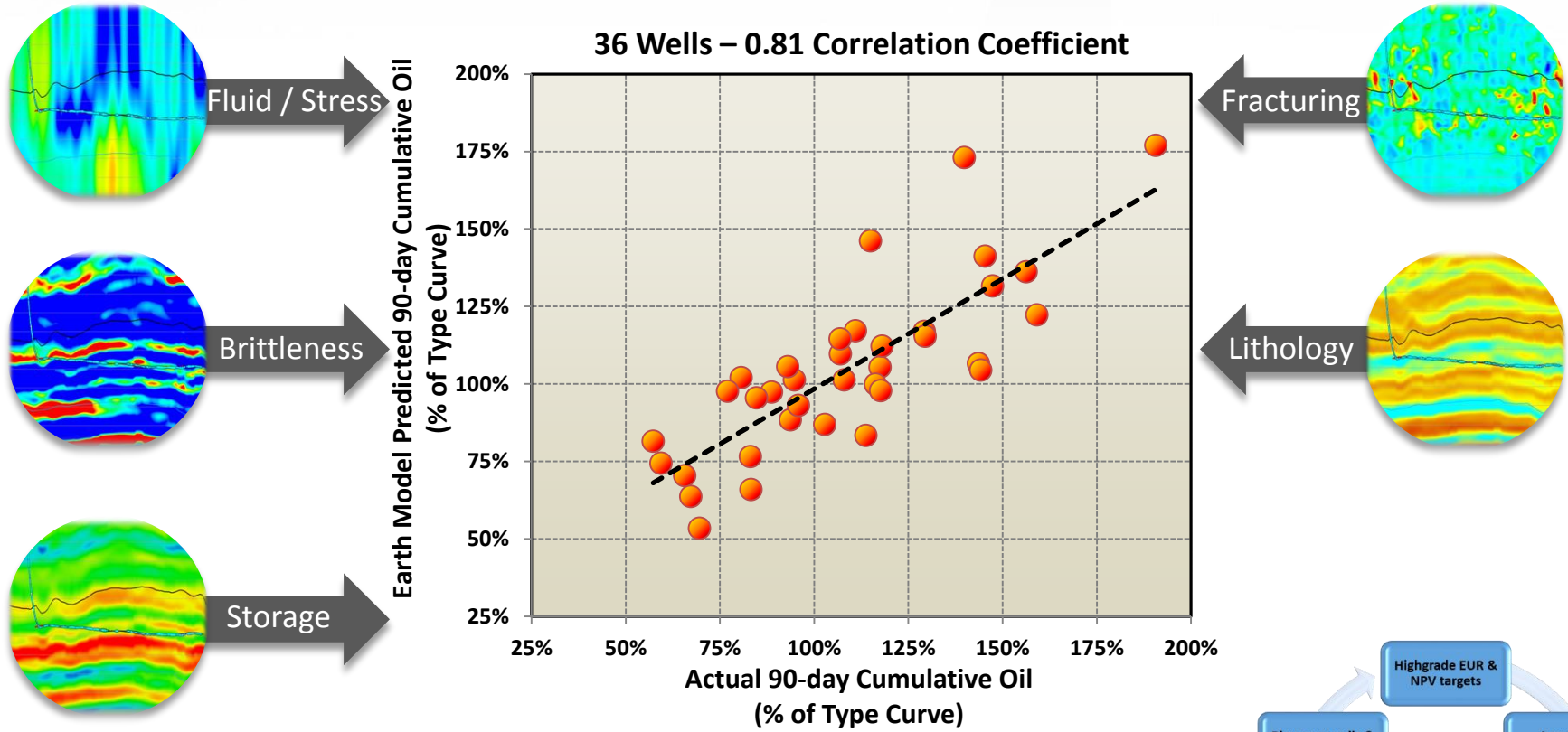
Data Acquisition Timing

- Pre-drill
- D&C operations
- Early well history
- Post-drill

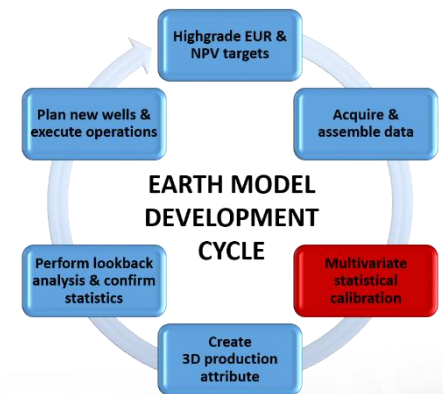
Acquiring the right data at the right time is critical to enabling quantitative subsurface analysis that adds value



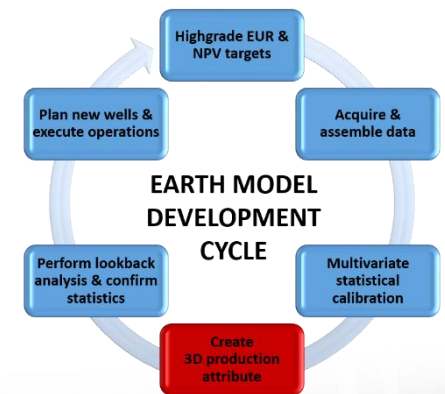
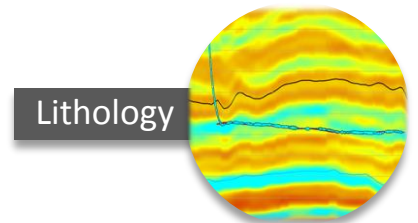
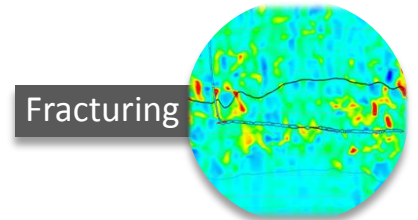
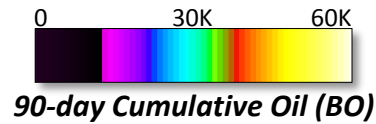
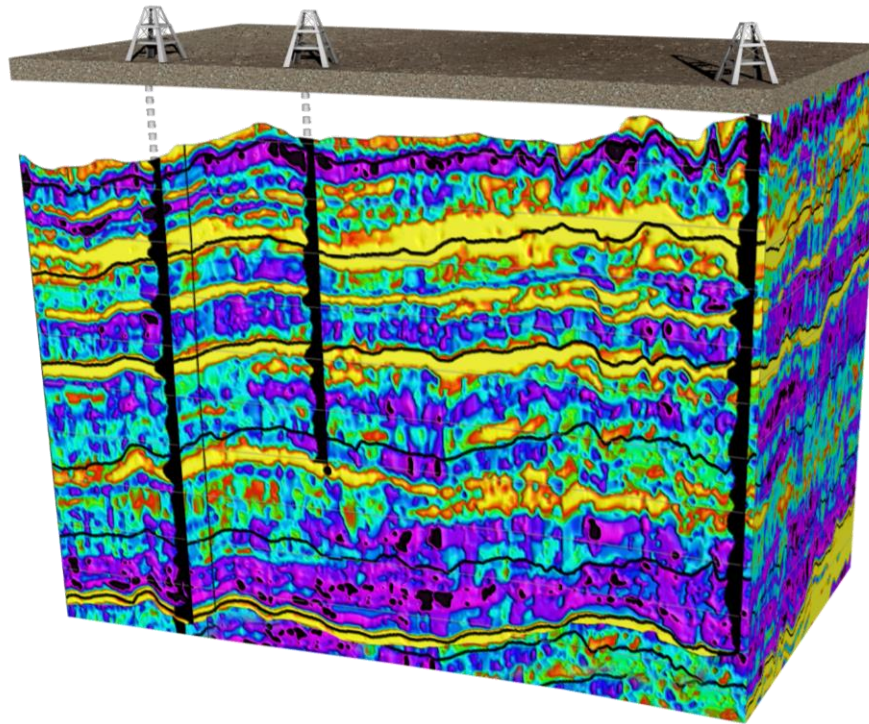
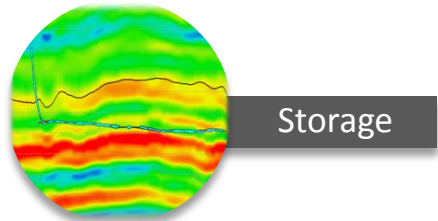
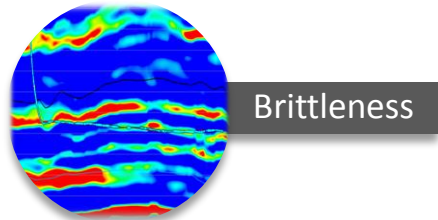
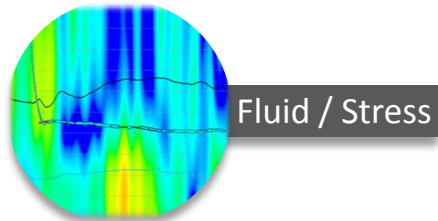
Step 2: Define Multivariate Relationships & Relate to IP



Earth Model achieves 0.81 correlation coefficient between 90-day cumulative oil and Earth Model attributes using multivariate statistics



Step 3: Create 3D Production Attribute

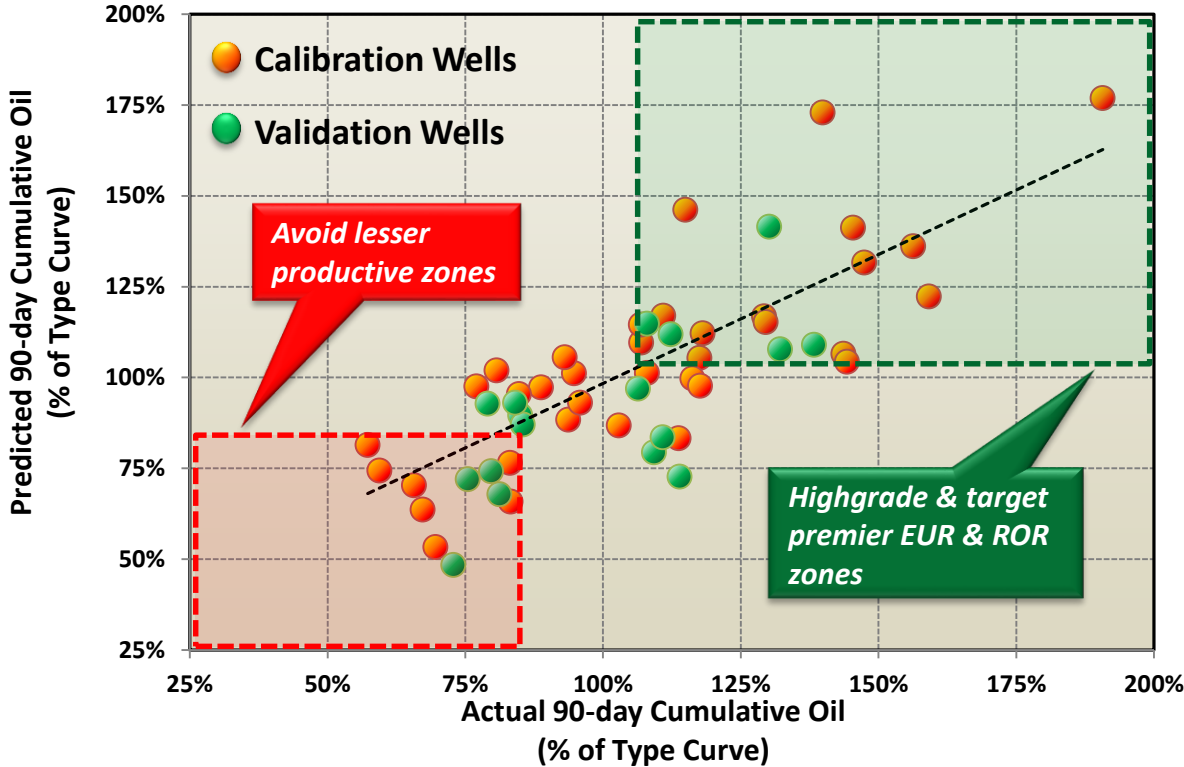


Landing, geosteering & staying in-zone fundamentally linked to highest 90-day cumulative oil production

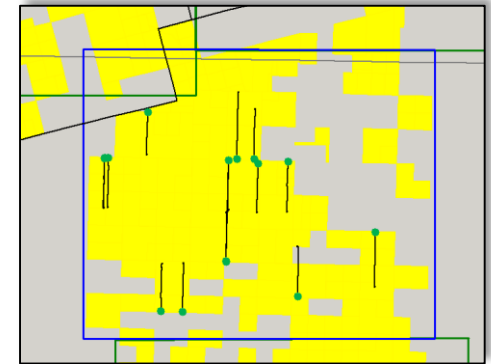


Step 4: Confirm Statistical Relationship

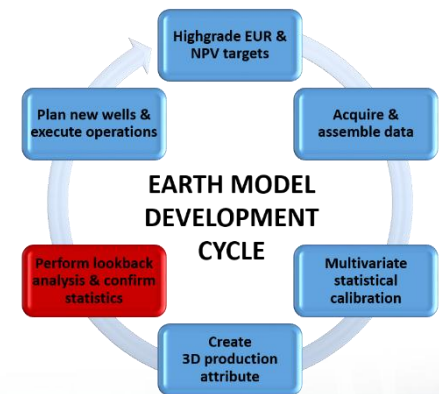
53 Wells – 0.79 Correlation Coefficient



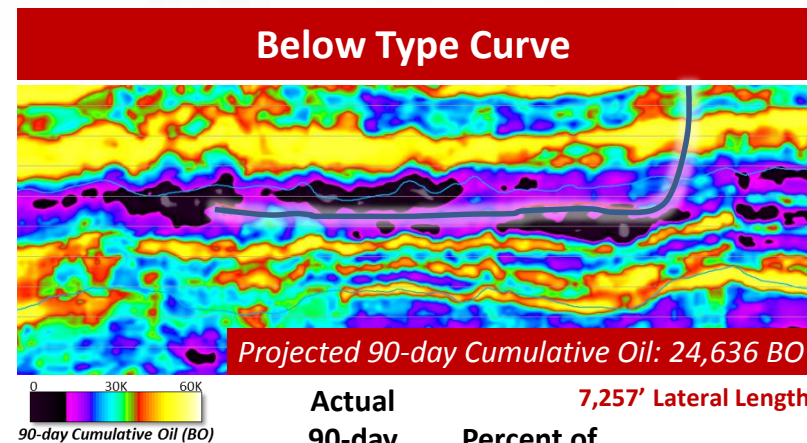
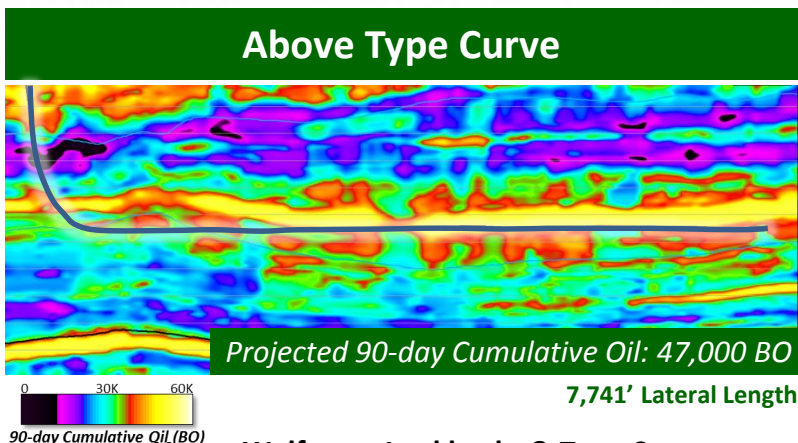
Northern Reagan validation wells with > 90-days production history



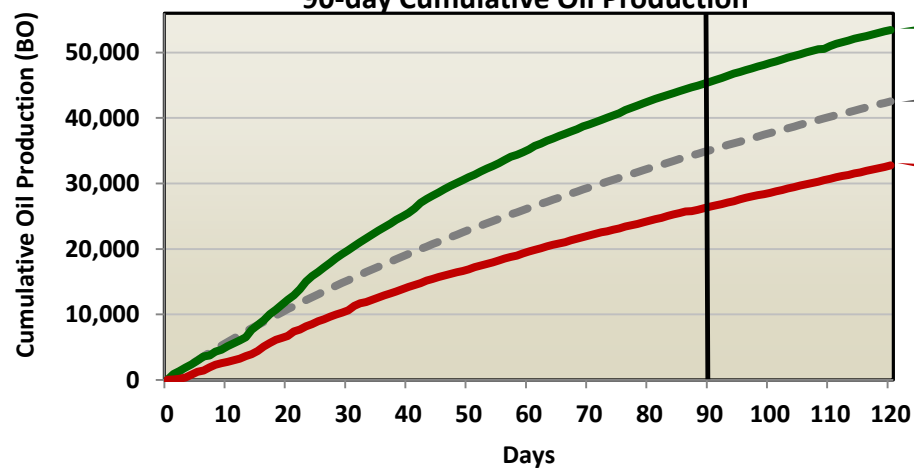
Integrating 17 new (blind test) wells further validates accuracy of the production attribute enabling 90% of 2015 wells to be planned using the Earth Model



Contrasting Upper Wolfcamp Lookback Examples

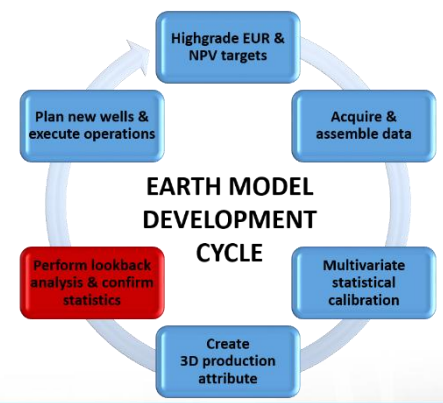


Upper Wolfcamp Lookbacks & Type Curve
90-day Cumulative Oil Production



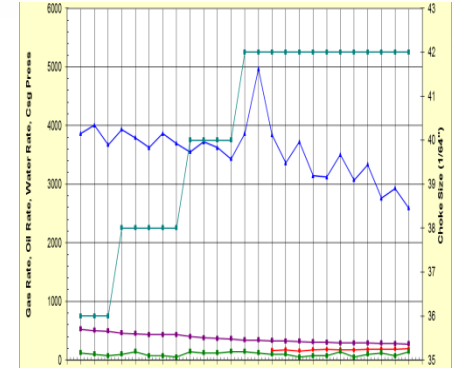
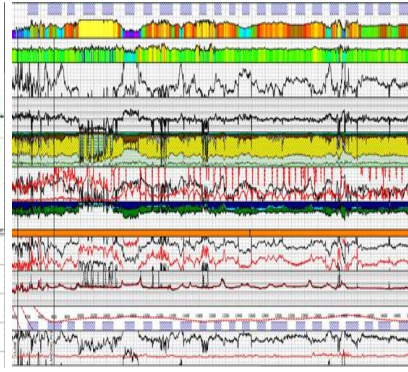
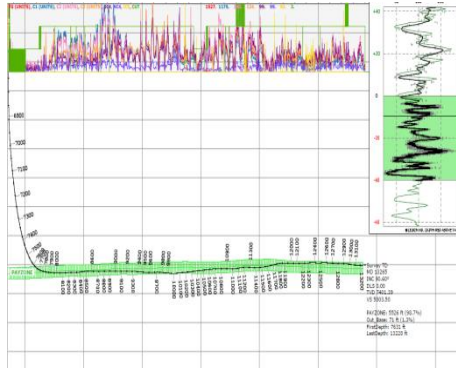
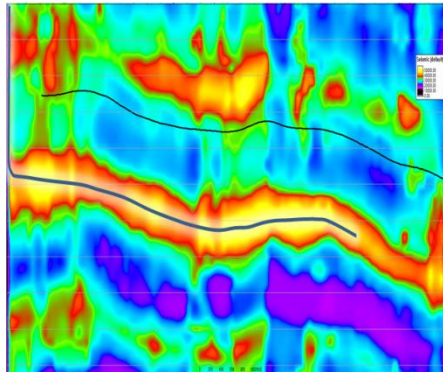
| Scenario | Actual 90-day Production ¹ | Percent of Type Curve |
|------------------|---------------------------------------|-----------------------|
| Above Type Curve | 45,517 BO | 130% |
| Type Curve | 35,075 BO | 100% |
| Below Type Curve | 26,233 BO | 75% |

Production attribute is a vibrant indicator of 90-day cumulative oil production



¹ Cumulative oil production from Upper Wolfcamp lookback examples normalized to 7,500' type curve

Step 5: New Well Planning & Execute Operations



Well Planning

- Pick landing point
- Define Hz trajectory

Drilling

- Land & geosteer well using Earth Model

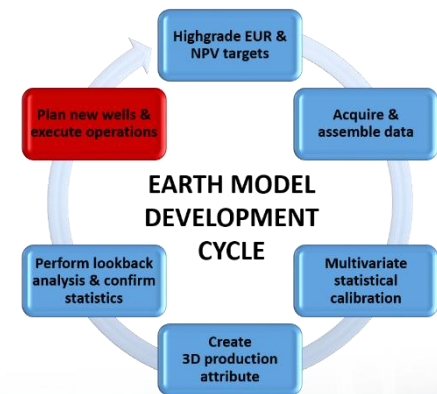
Completion

- Review Earth Model on engineered completions

Flowback & Production

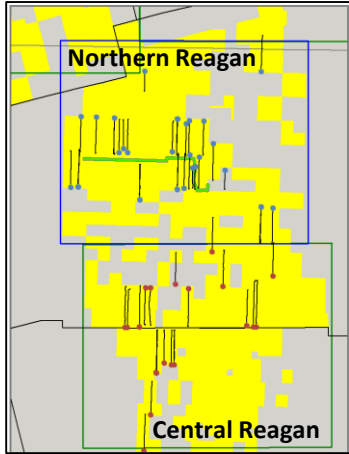
- Closely monitor production

Anticipate that the Earth Model will be utilized to select the landing points and geosteer for 90% of 2015 Hz wells

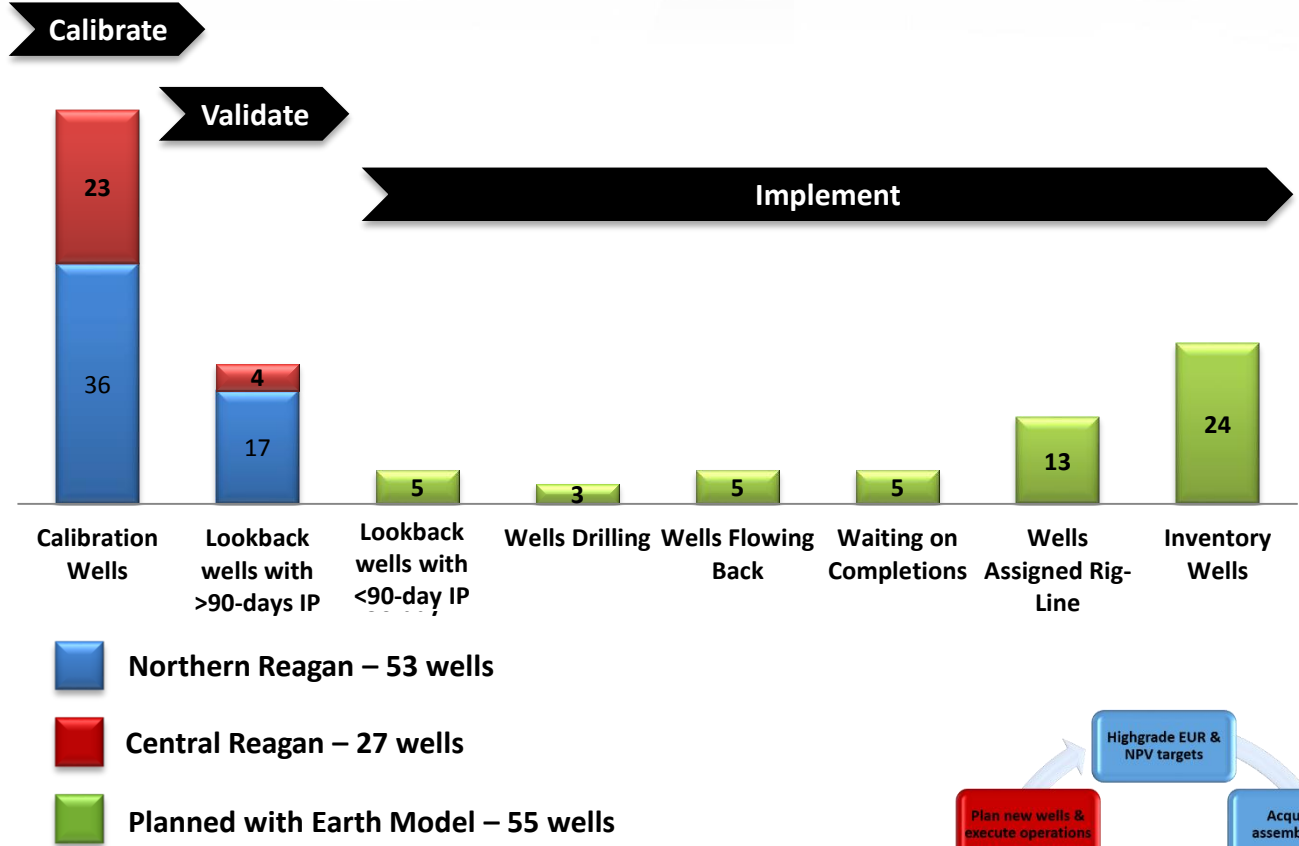
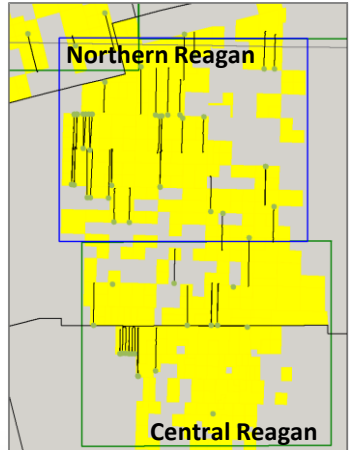


Earth Model Well Integration

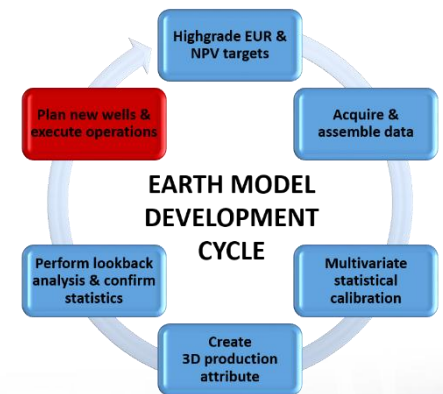
Calibration & Validation Wells



Implementation Wells

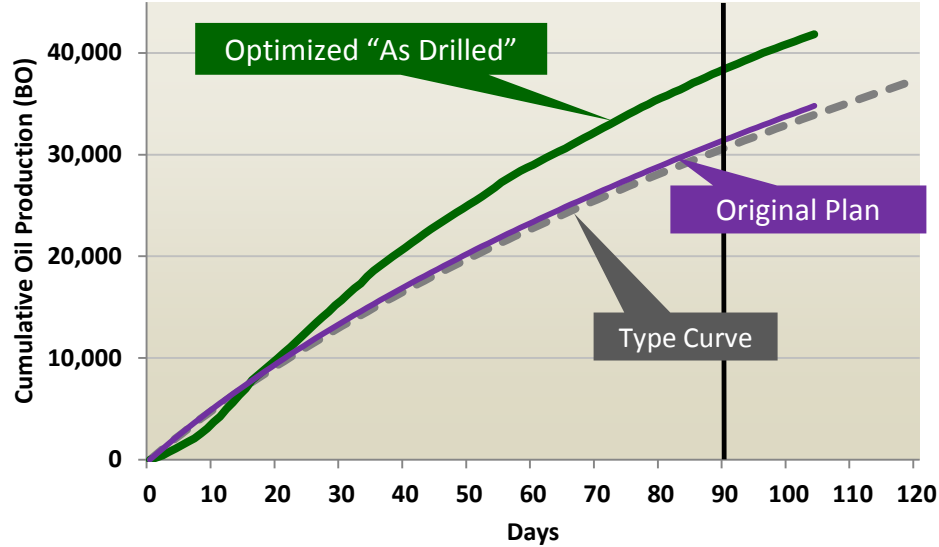


Extensive well calibration & validation provides basis for value creation during development planning



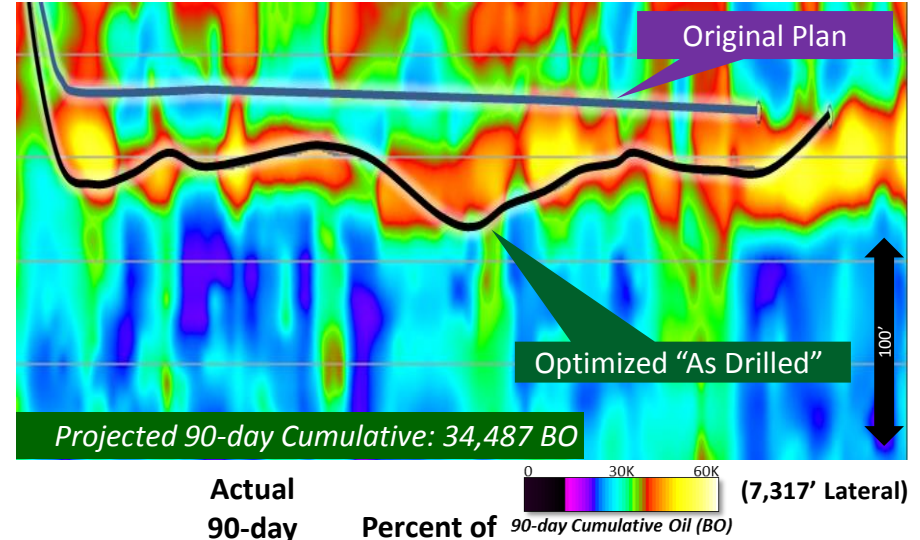
Middle Wolfcamp Targeting Uplift Example

Middle Wolfcamp Lookback & Type Curve
90-day Cumulative Oil Production



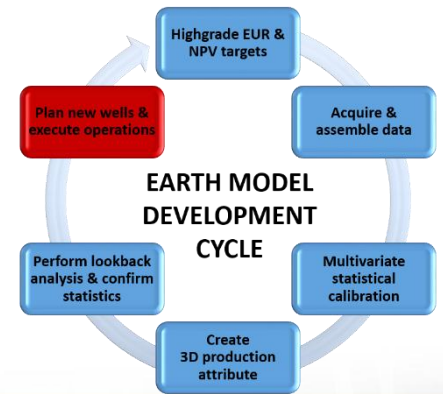
Optimized "as drilled" targeting results demonstrate 25% improvement in 90-day cumulative oil from type curve

Middle Wolfcamp Targeting Example



| Actual 90-day Production ¹ | Percent of Type Curve |
|---------------------------------------|-----------------------|
| Actual: 38,430 BO | 125% |
| Original: 31,453 BO | 103% |
| Type Curve: 30,655 BO | 100% |

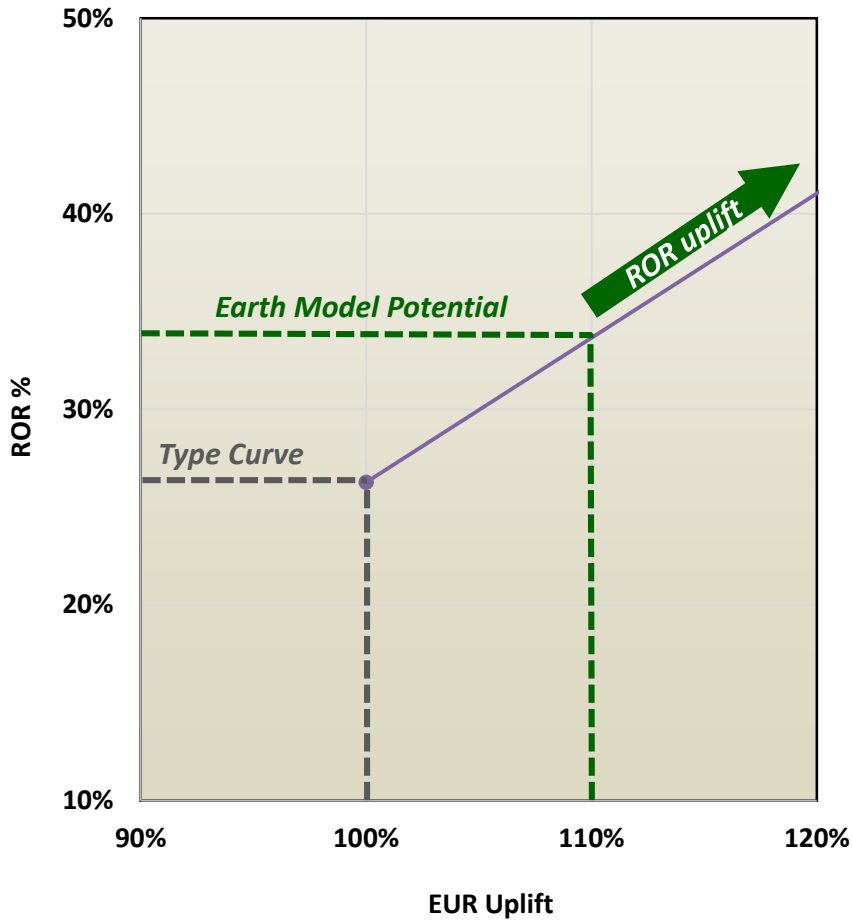
Projected 90-day Cumulative: 34,487 BO (7,317' Lateral)



¹ Cumulative oil production from Middle Wolfcamp lookback examples normalized to 7,500' type curve

Potential Upper Wolfcamp Economic “Uplift” Implications

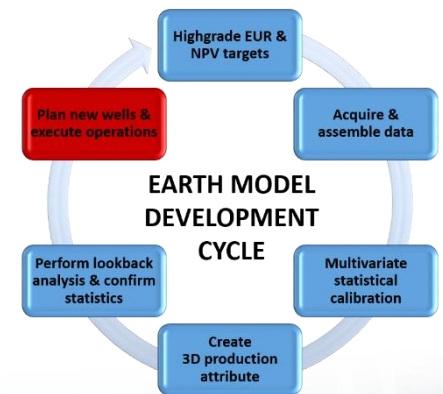
7,500’ Upper Wolfcamp Multi-Well Pad Type Curve



Earth Model demonstrates increases in 90-day cumulative oil production

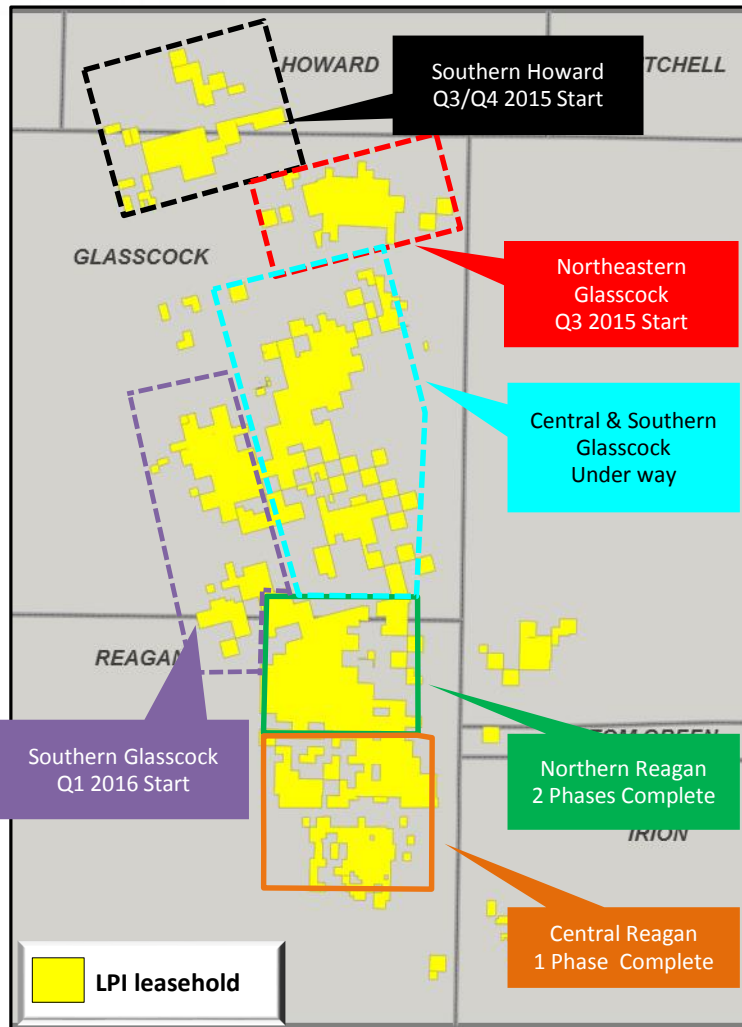
Upper Wolfcamp Type Curve ROR: 26%

10% EUR increase ~25% ROR uplift



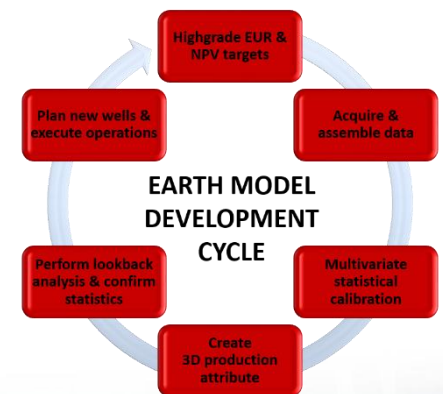
¹ Forward strip price deck, as of 4/1/2015

Earth Model Future Development ¹



Dashed polygon outlines provisional as of 2/2/15

- Central & Southern Glasscock Earth Model in progress
- Tie producing Southern Wolfcamp & Canyon zones into Northern acreage
- Update with new well results & data
- Continuously improve Earth Model workflow



¹ Model timeline subject to changes and modifications

Development Overview

Jay Still

President & Chief Operating Officer



Refining the Manufacturing Process

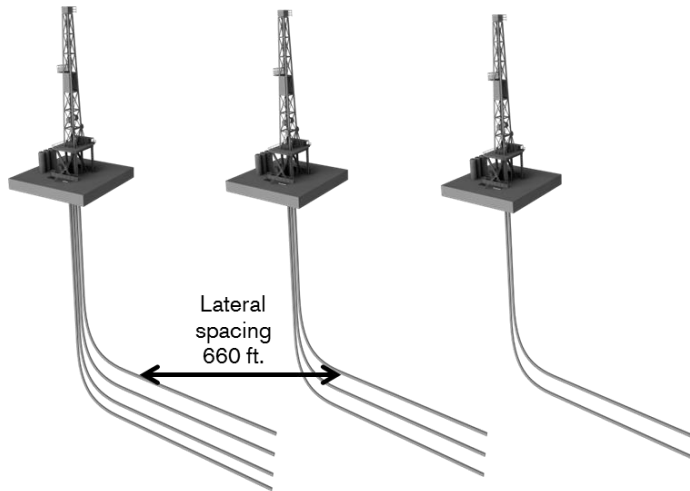
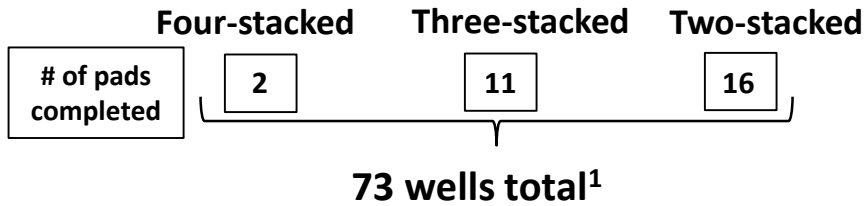
Laredo believes better data leads to better decisions

- **Since inception we have been testing concepts and analyzing data that has enabled us to move fully into the manufacturing process**
 - **Confirmed well spacing**
 - **Managing frac impacts**
 - **Conducting simultaneous operations**
 - **Integrating topside facilities into our subsurface development**
- **We are technically and operationally prepared to start marching across our contiguous acreage position**



Refining the Manufacturing Process: Multi-Well Pads

Stacked Lateral Multi-Well Pads



As of Q1 '15, Laredo has completed 73 wells on 29 multi-well pads

Laredo capitalizes on its large contiguous land position to be extremely efficient on surface footprint to develop all zones

| Horizontal Wells on Multi-Well Pads | |
|-------------------------------------|-----------|
| 2013 | 13 |
| 2014 | 56 |
| 2015 | 4 to date |

- Average cost savings on a multi-well pad ~\$400K / well
- Reduces cycle-time
- Reduces surface footprint

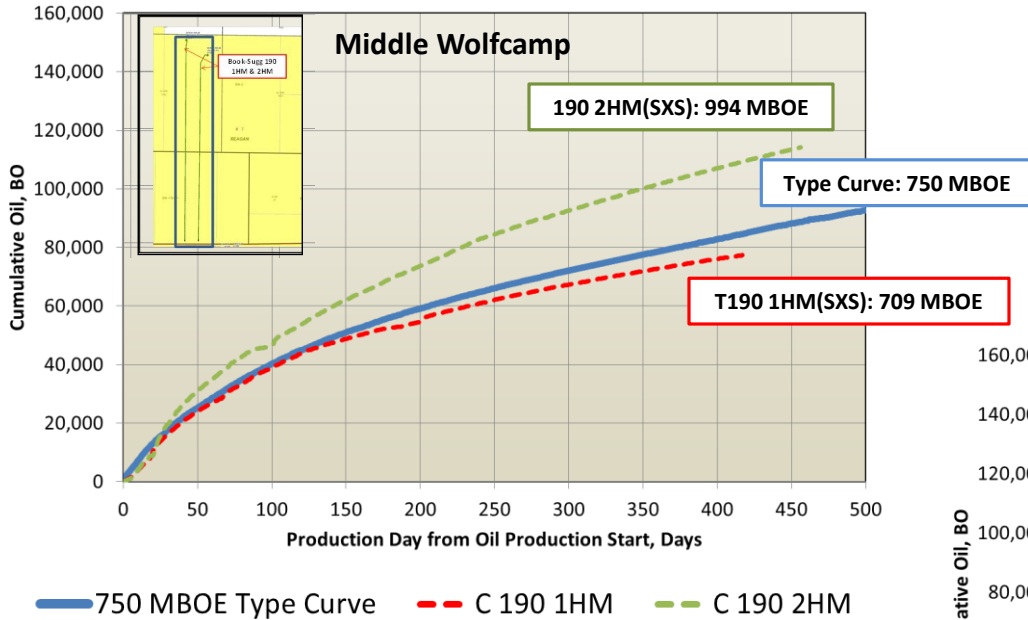
¹ Independent wellbores



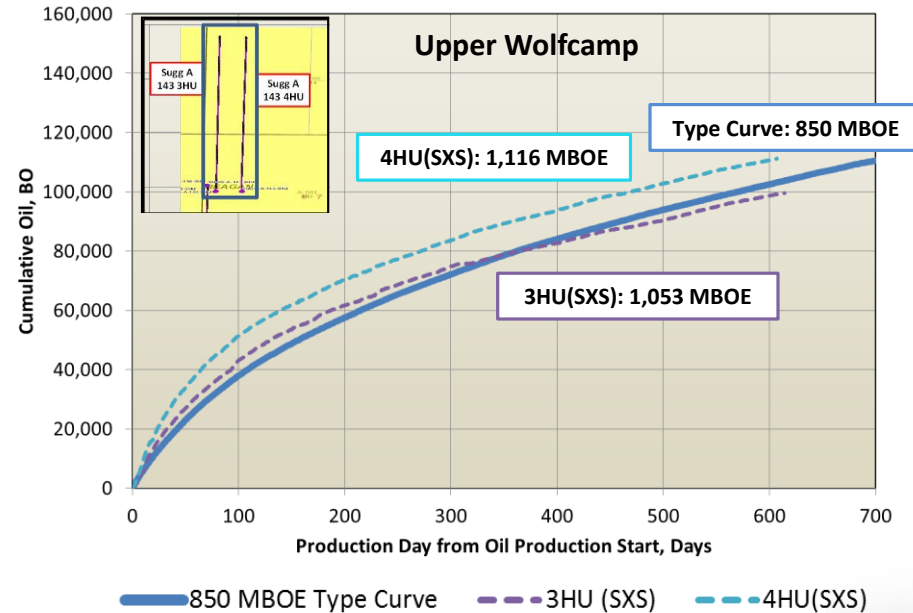
Refining the Manufacturing Process: Adjacent Well Spacing

Confirmed 660' Adjacent Well Spacing

Cumulative Oil Production Comparison

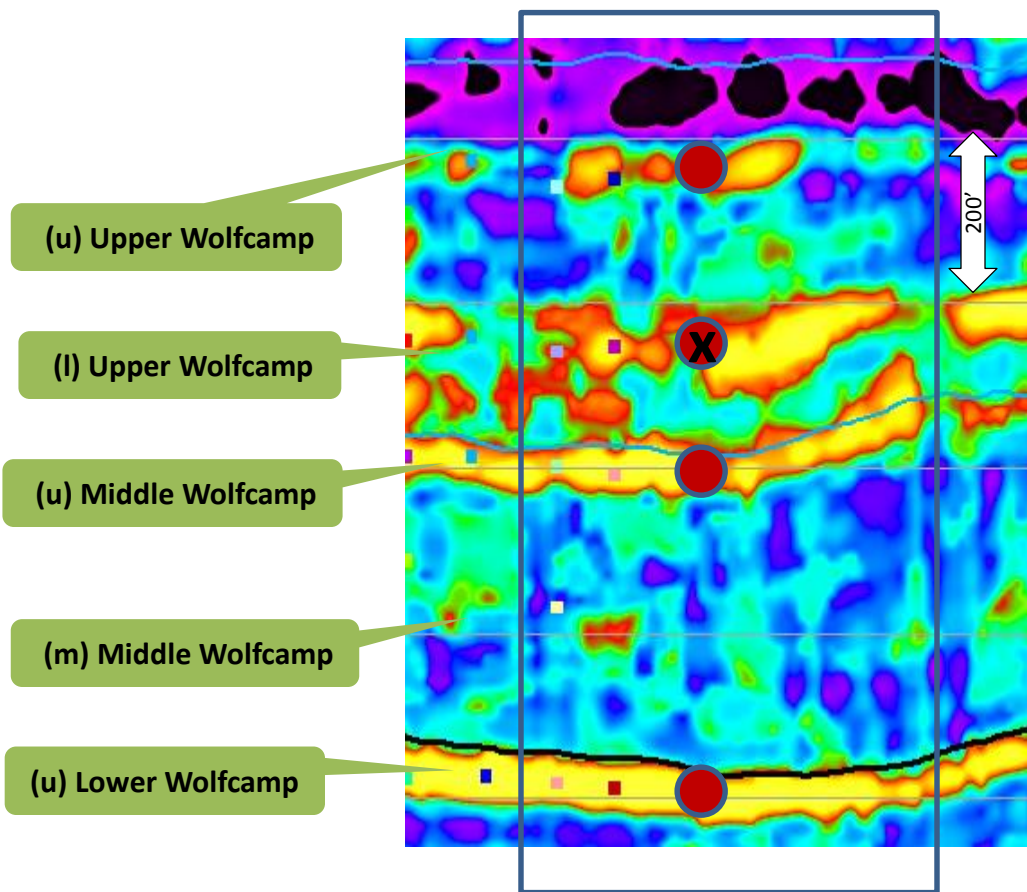


Cumulative Oil Production Comparison



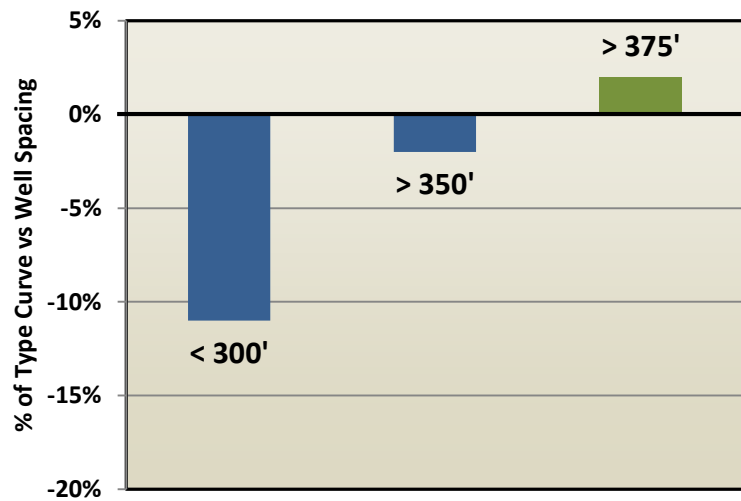
Refining the Manufacturing Process: Vertical Separation

Vertical spacing of horizontal wells needs to be $\geq 400'$



One lane extraction from Earth Model

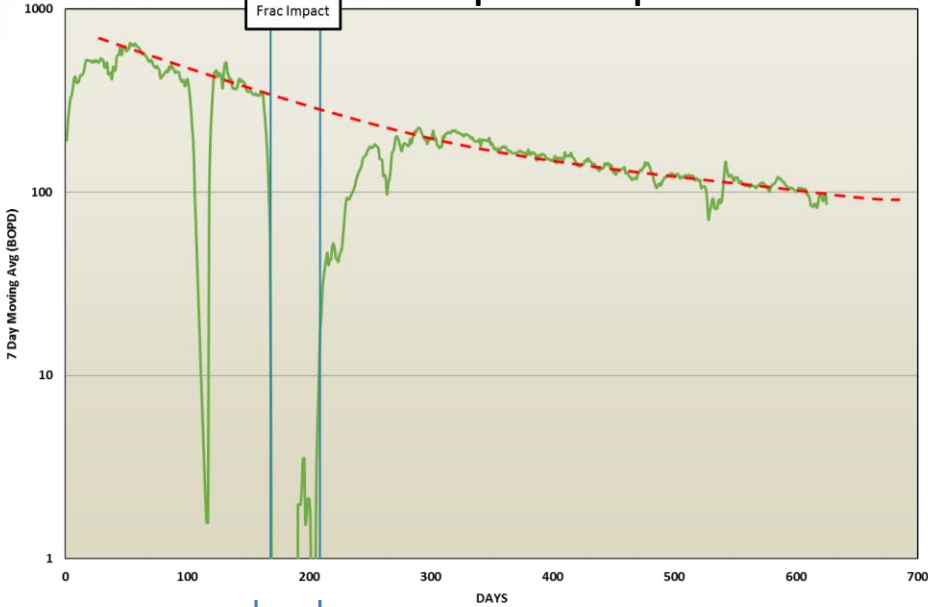
EUR % of Type Curve vs. Well Spacing



● Wellbores

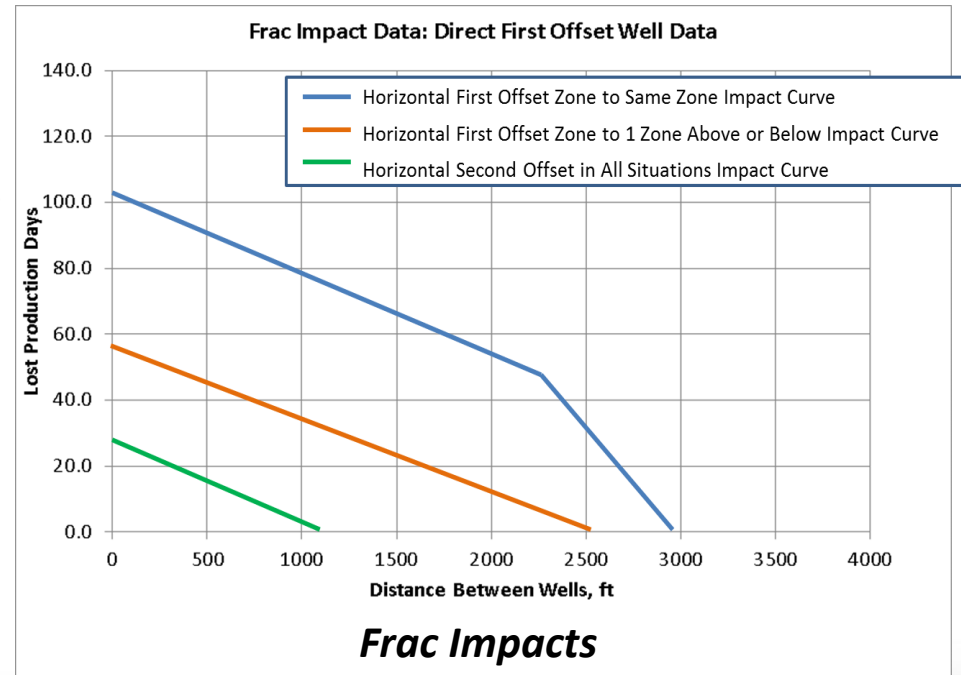
Refining the Manufacturing Process: Frac Impacts

Frac Impact Example



~40 days at 0 oil production

- Frac impacts affect production but not reserves
- Frac impacts must be anticipated and planned around



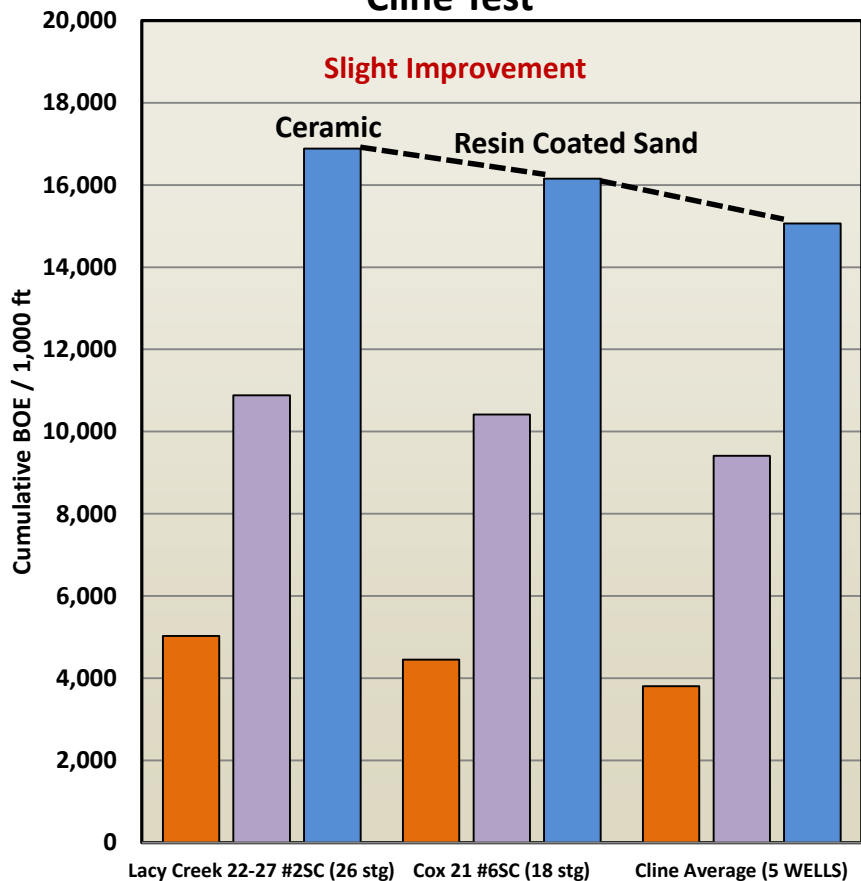
Frac Impacts



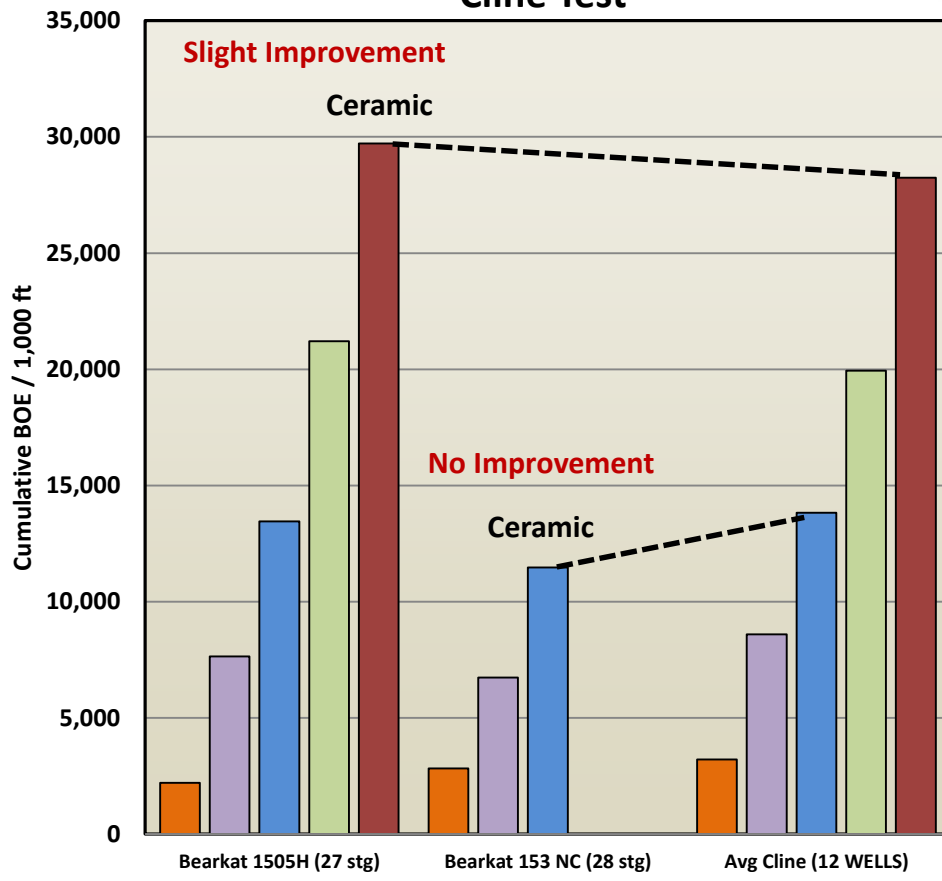
Refining the Manufacturing Process: Stimulation Design

Ceramic and resin coated sand proppant

Cline Test



Cline Test



■ BOE/1,000 ft 30-day Cumulative
 ■ BOE/1,000 ft 90-day Cumulative
 ■ BOE/1,000 ft 180-day Cumulative

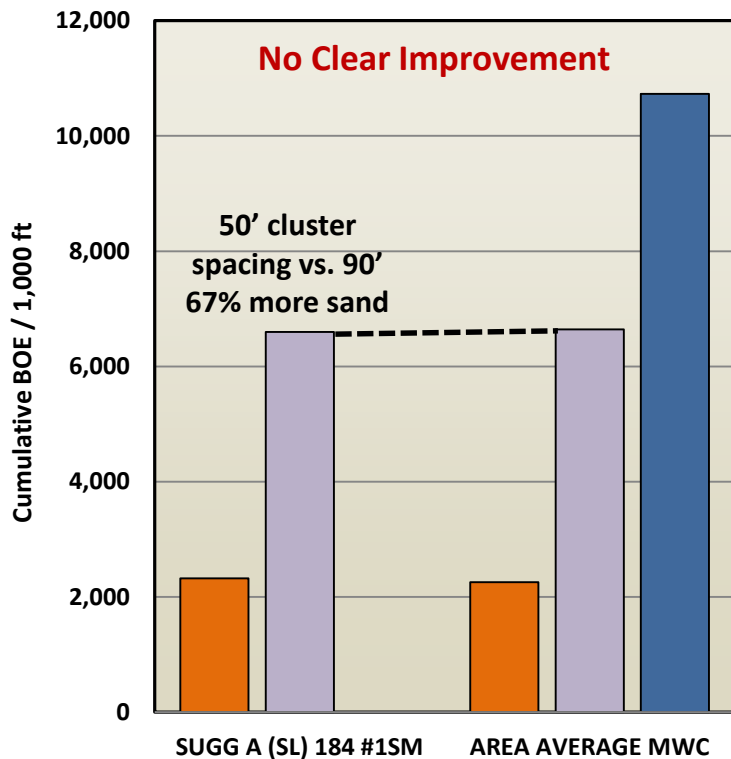
■ BOE/1,000 ft 1-yr Cumulative
 ■ BOE/1,000 ft 2-yr Cumulative



Refining the Manufacturing Process: Stimulation Design

More sand / more clusters

Middle Wolfcamp



Lower Wolfcamp



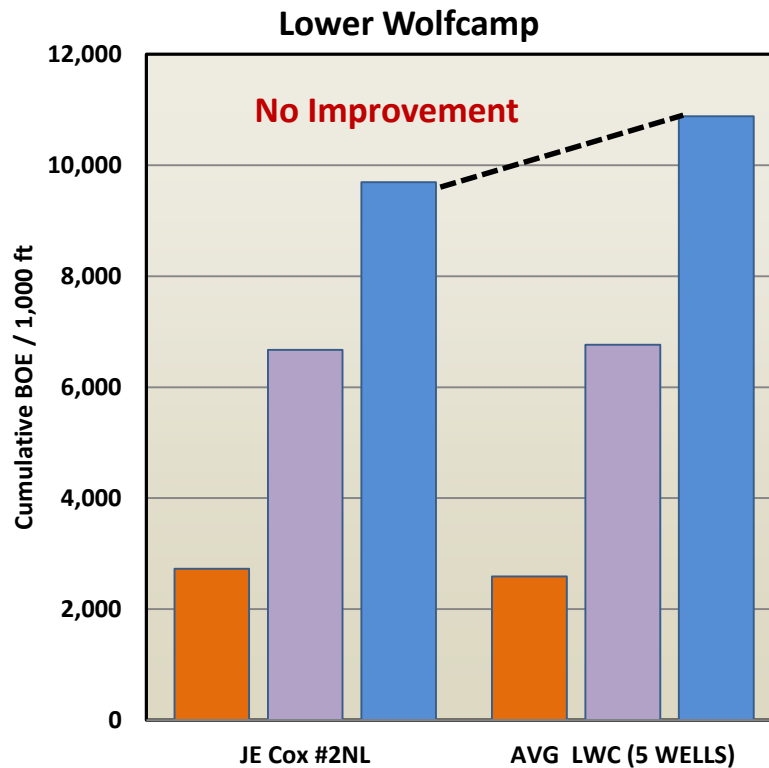
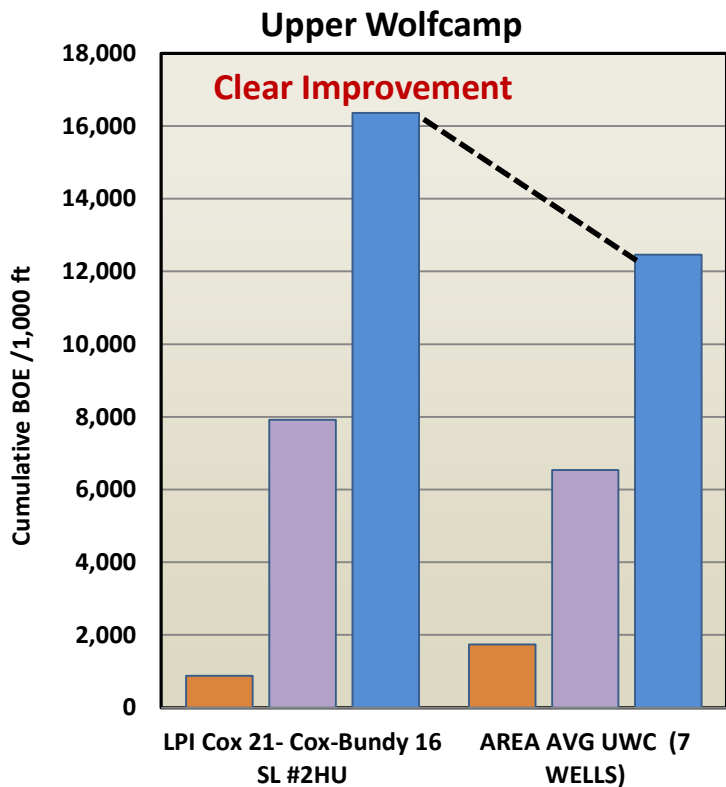
BOE/1,000 ft: 30-day cumulative

BOE/1,000 ft: 90-day cumulative

BOE/1,000 ft: 180-day cumulative

Refining the Manufacturing Process: Stimulation Design

Engineered perforations and clusters



BOE/1,000 ft – 30 Day Cumulative BOE/1,000 ft – 90 Day Cumulative BOE/1,000 ft – 180 Day Cumulative



Refining the Manufacturing Process: Development

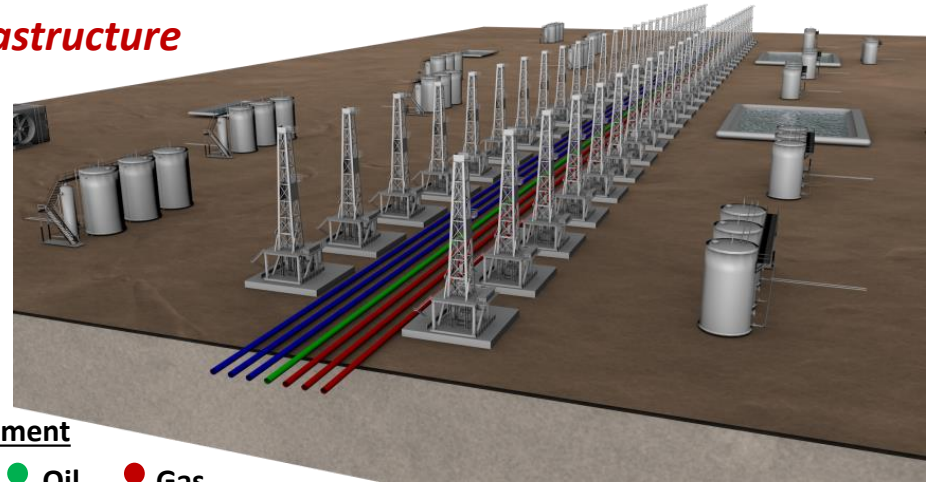


Simultaneous drilling, completion and production activity

- Successfully tested “heel-to-heel” drilling while completing wells going north and south
- Have successfully walked rigs from pad-to-pad

The Importance of Integrated Infrastructure

- High-volume fluid management is critical for success
- Development must be planned with “the end in mind”



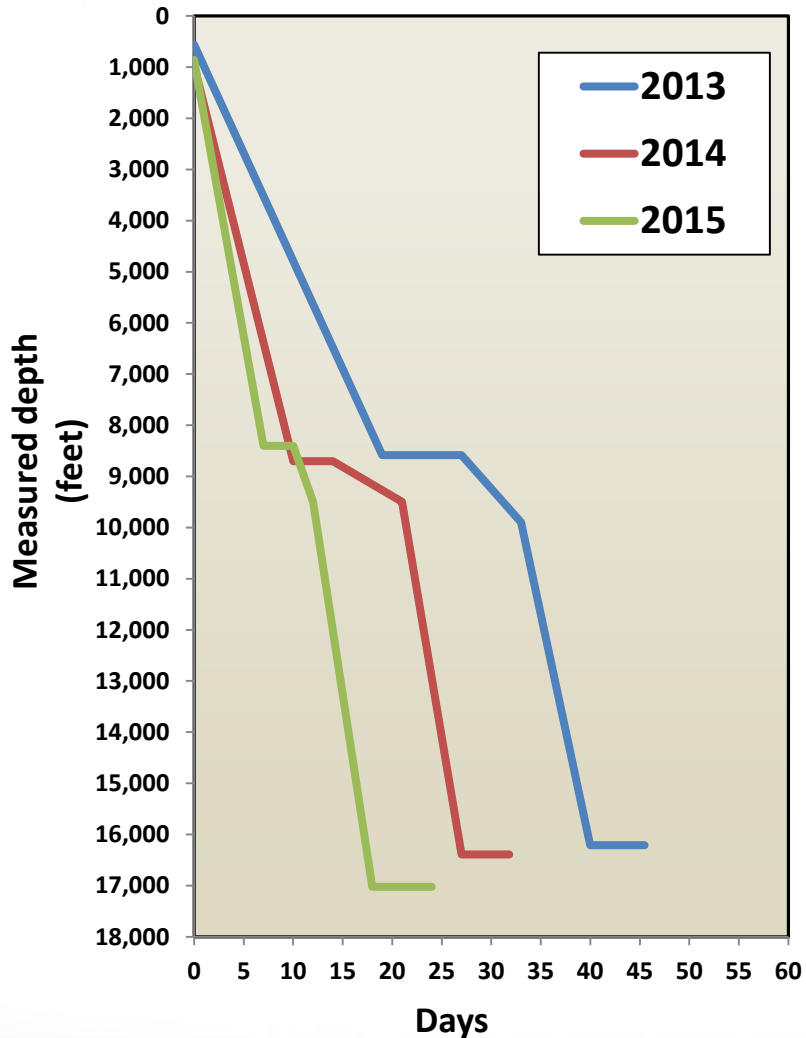
Fluid Management

- Water ● Oil ● Gas



Best Composite Well: Cline Example

Cline – Best Composite Well



Composite well goals

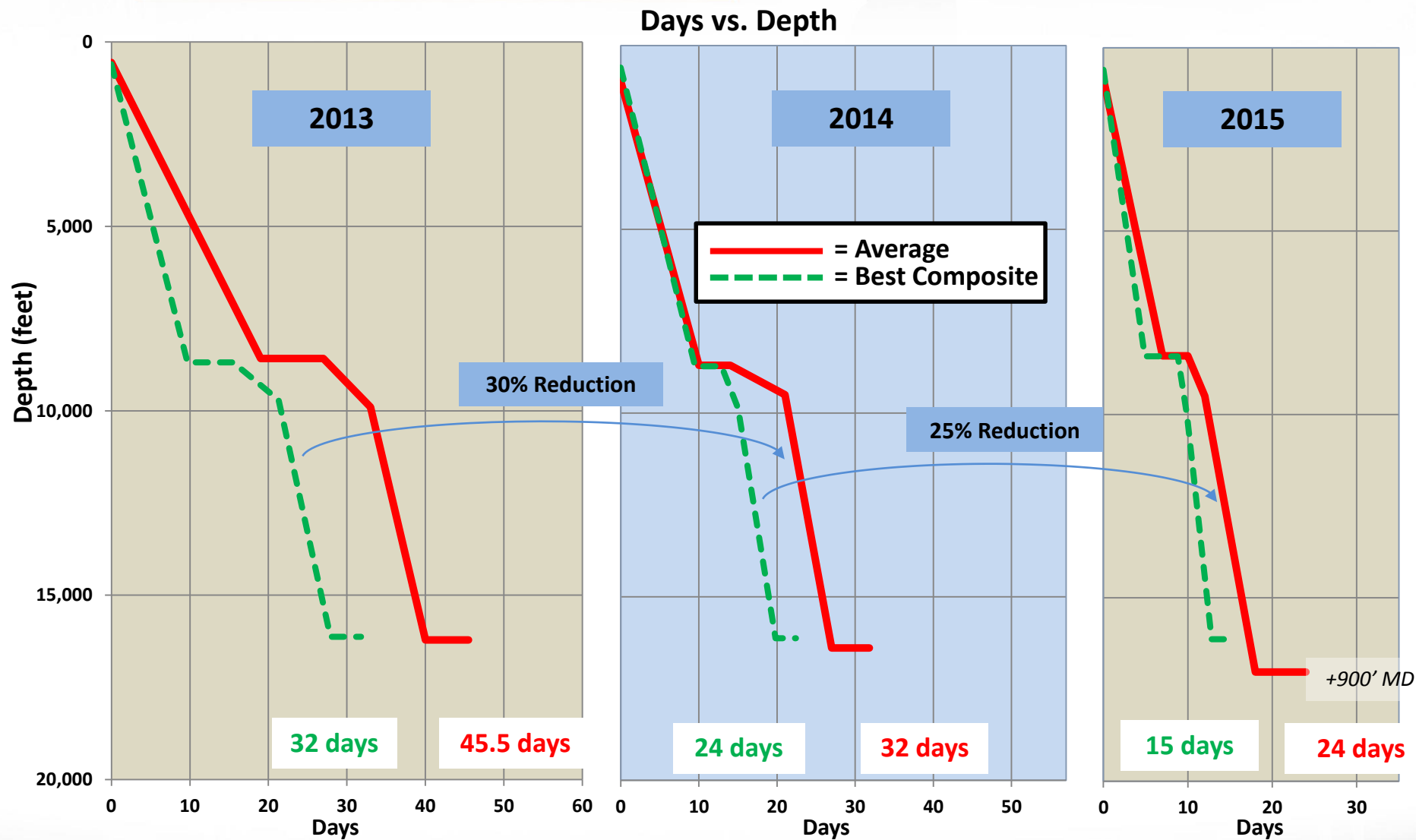
- Continuous improvement
- Identification of best practices
- Implementation of best practices

Composite well process

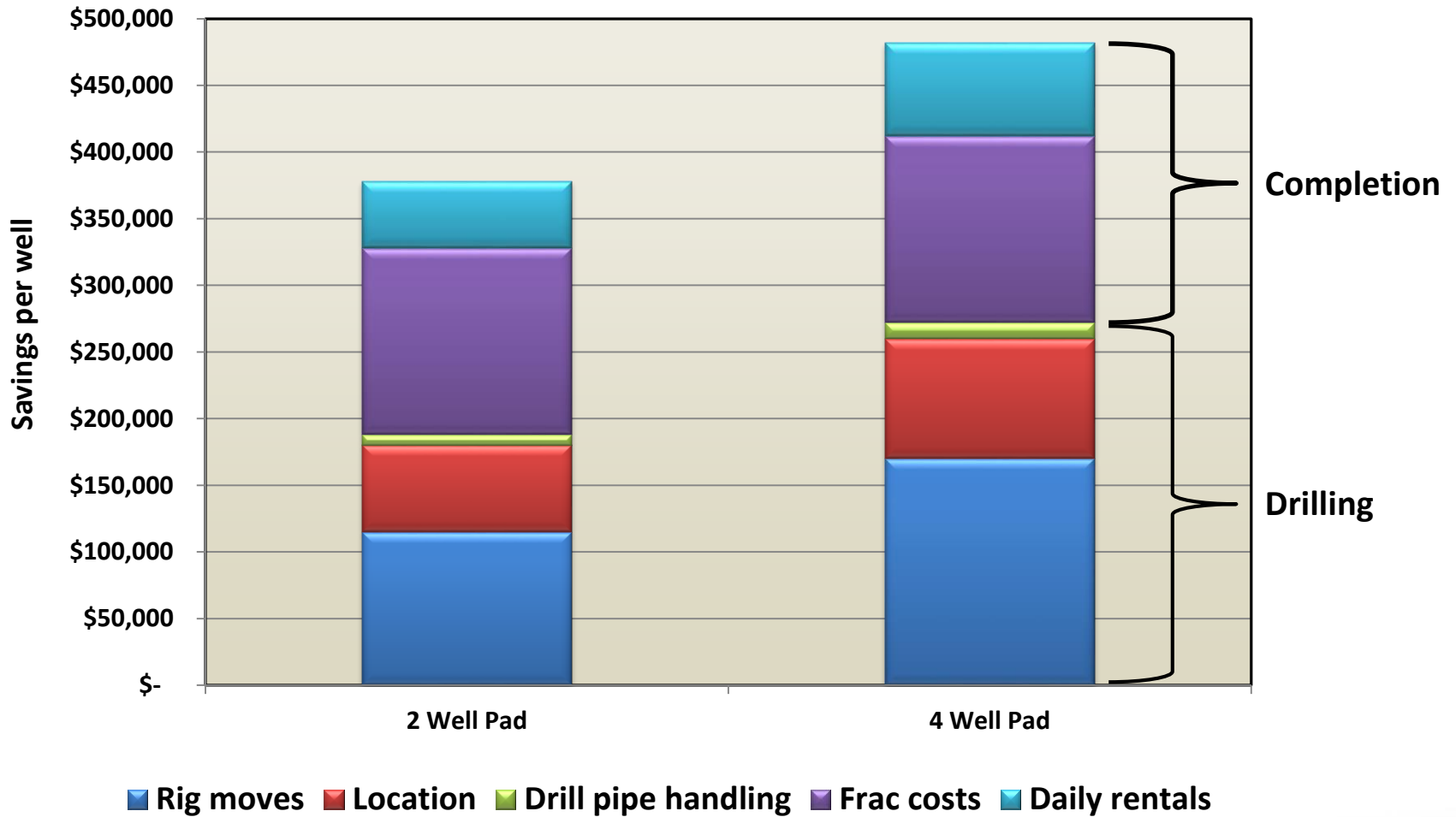
- Well divided into key sections
- Best performance key sections identified
- Best practices identified
 - Operational practices
 - Operating parameters
- Lessons learned applied to future wells
 - Incorporated in well plans
 - Weekly meetings/discussions
 - Operating parameter Monitoring



Composite – Average Wells Comparison (Cline Example)



Multi-Well Pad Savings

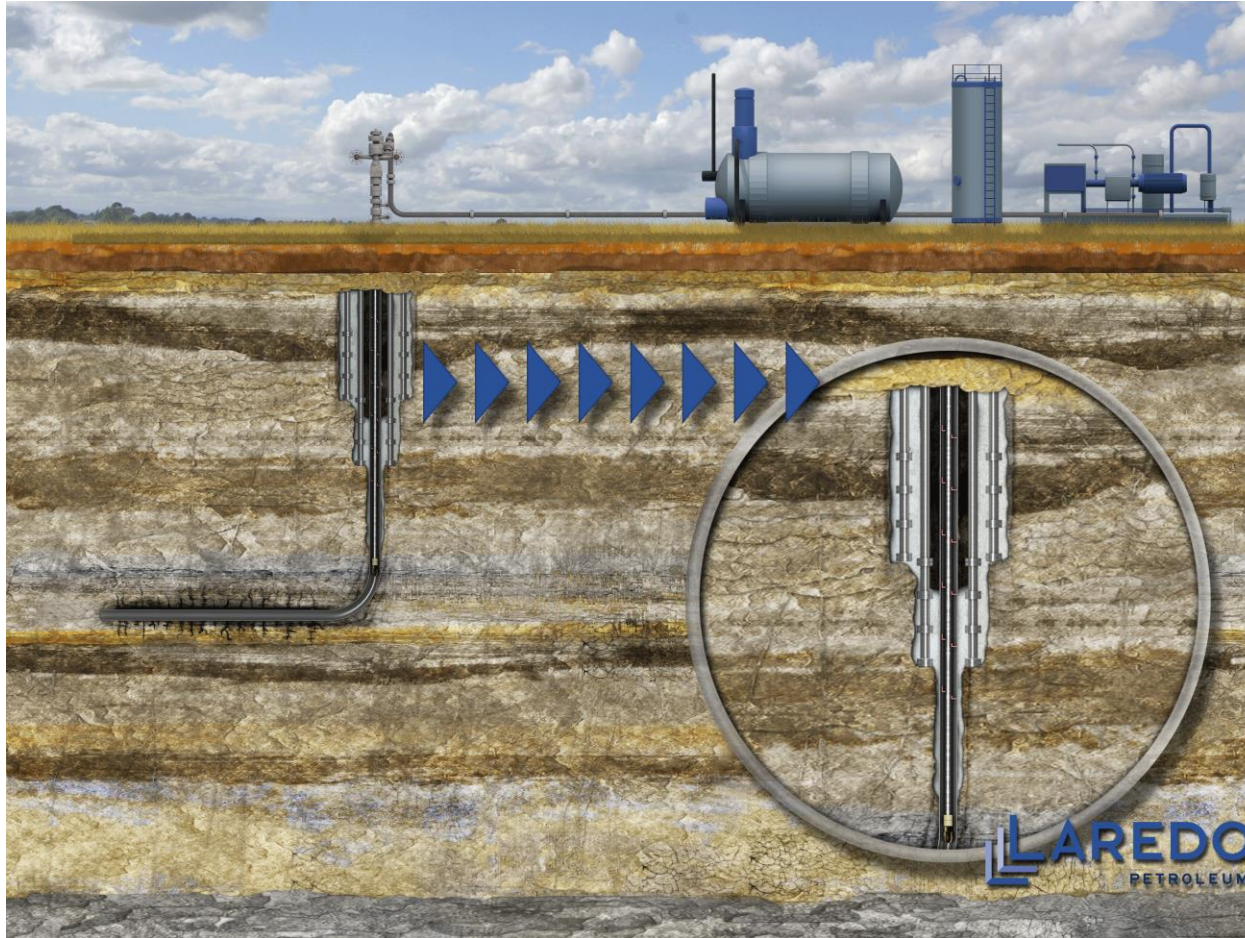


Drilling & Completion AFE Components

Drilling
45%

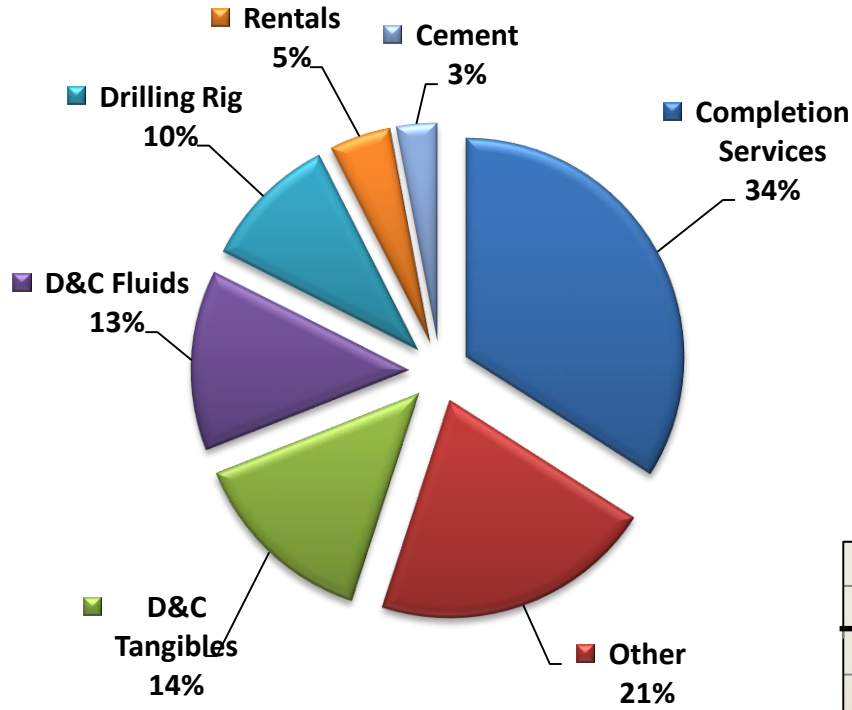
Completion
51%

Production Facilities
4%

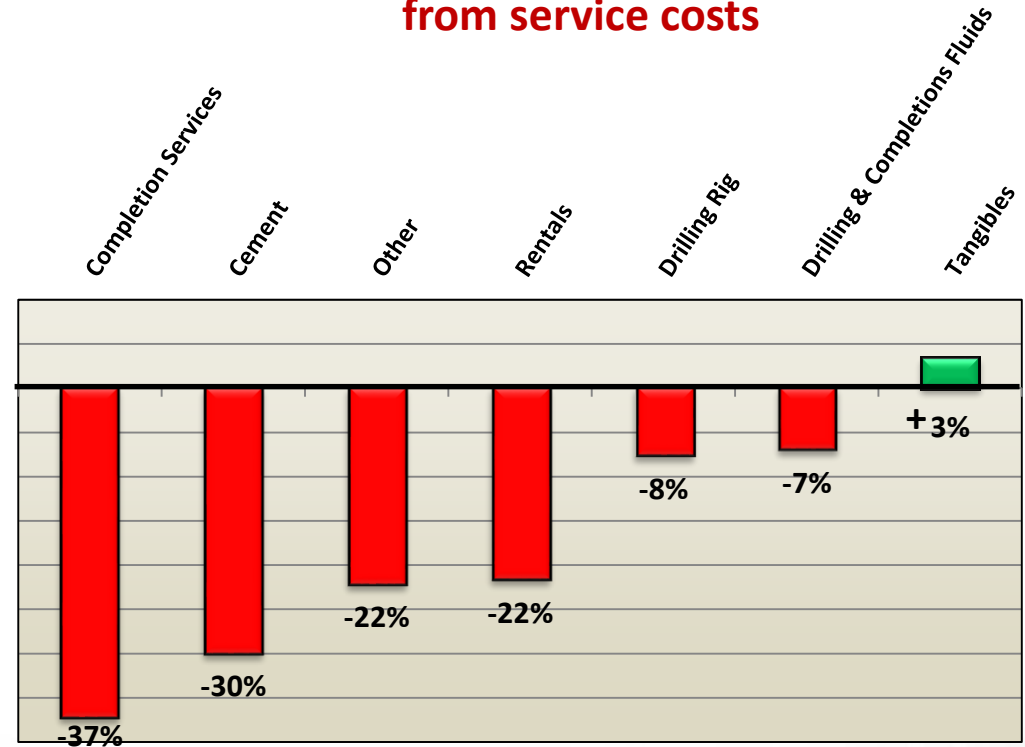


Drilling & Completion: Service Cost Reductions

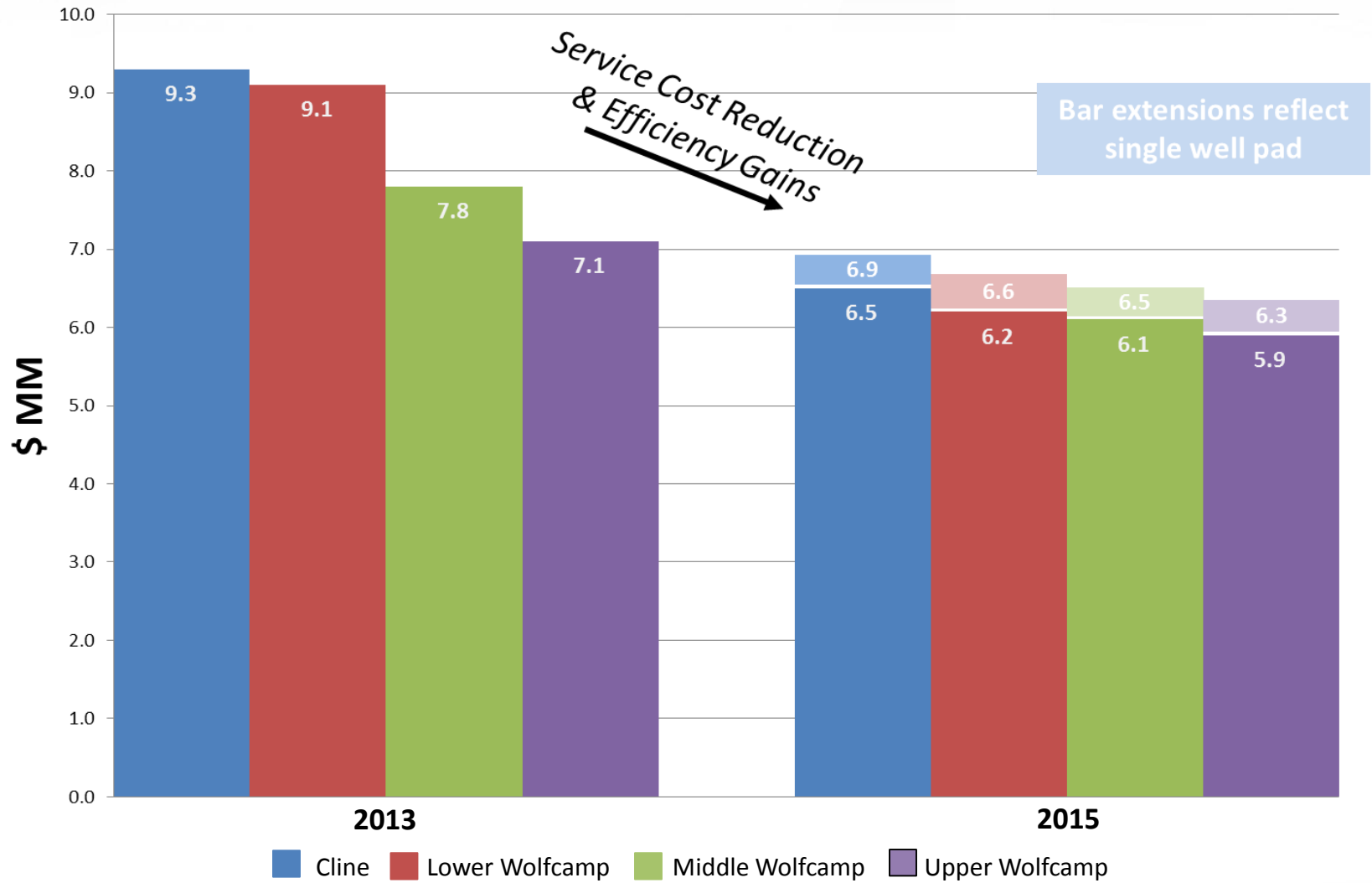
D&C AFE Components



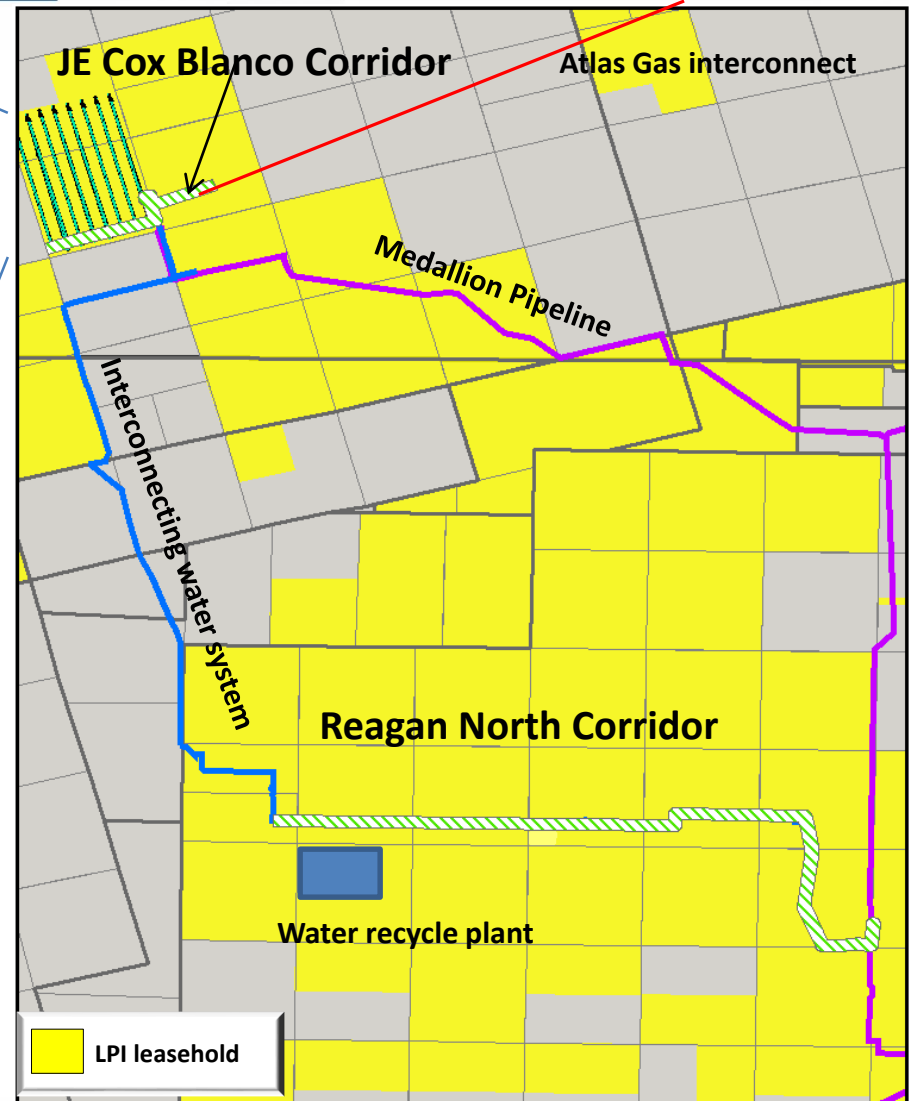
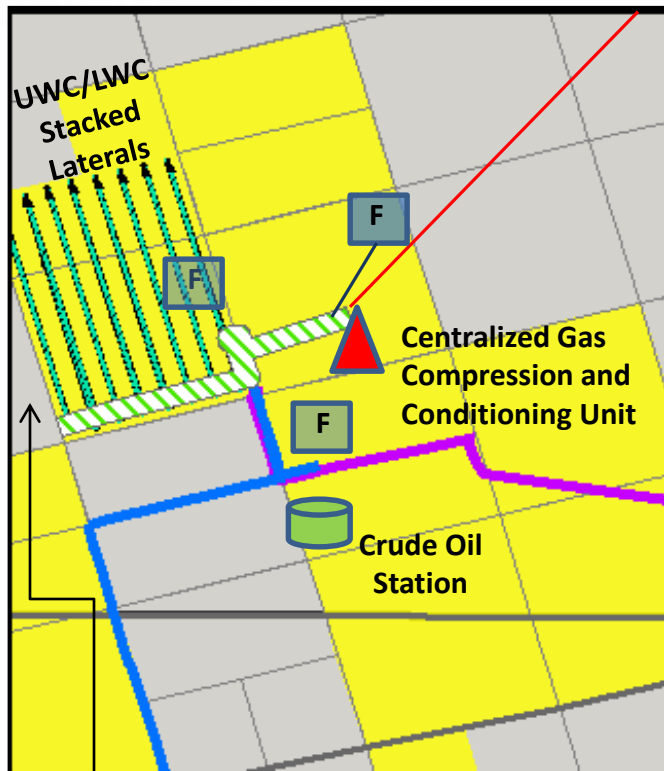
15% - 20% cost reductions to date from service costs



Well Cost Evolution (7,500' Laterals)



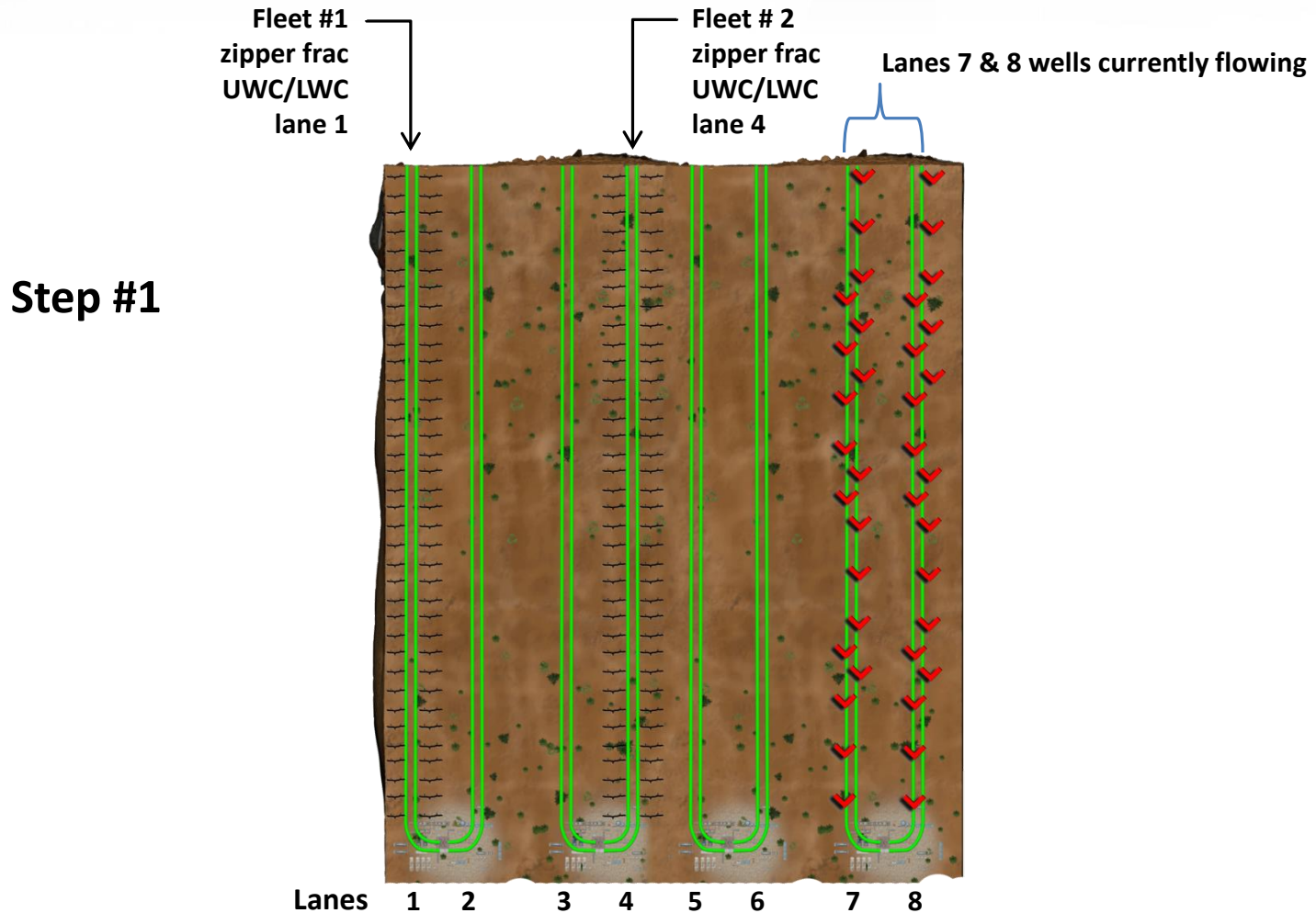
JE Cox Blanco Corridor Development



JE Cox Blanco Corridor

- Oil takeaway
- Gas takeaway
- Compressed and conditioned gas to wells
- Low-pressure conditioned gas return
- Produced water takeaway
- Recycled water return to wells

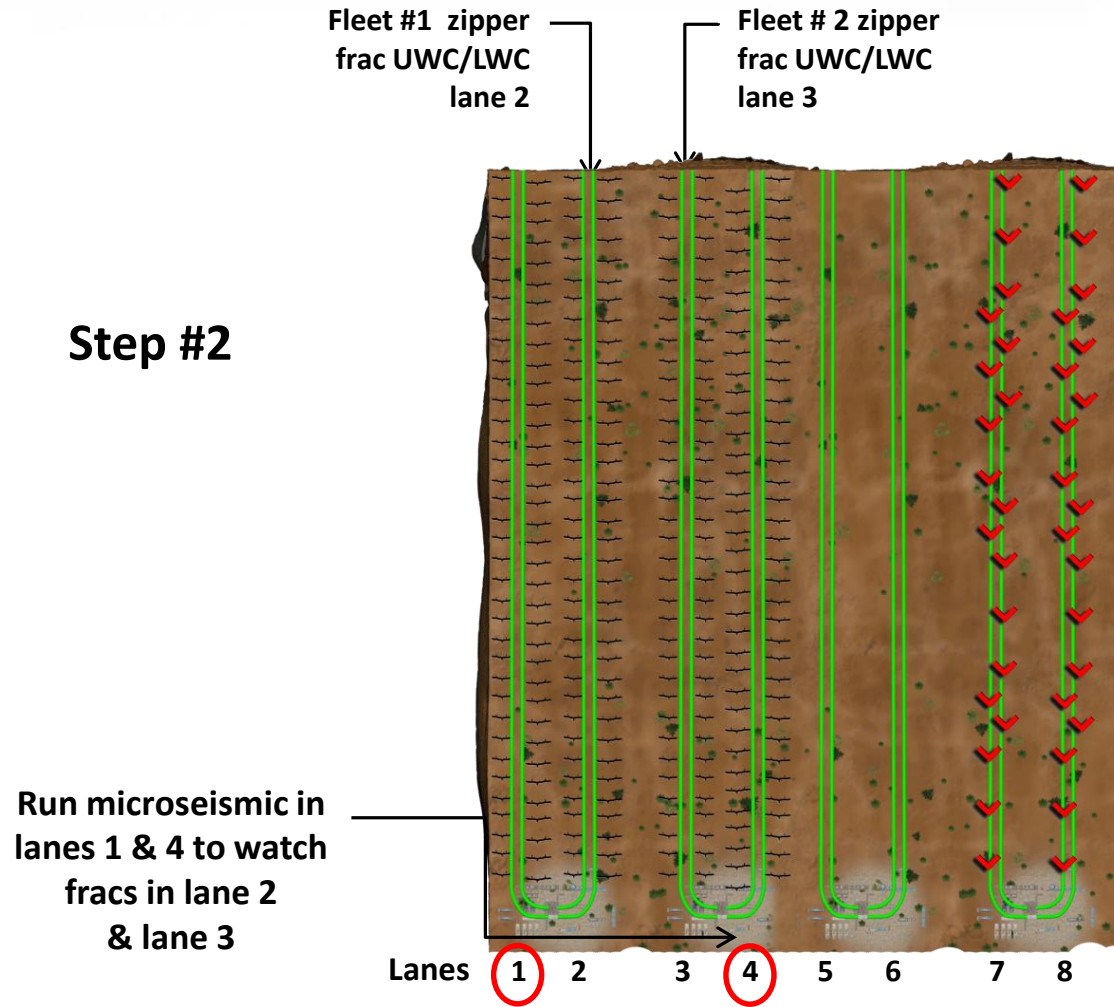
JE Cox Blanco Corridor Development (UWC/LWC Well Pairs)



1-1/2 sections / 16 wells / 2-stack – multi-well pad completion program



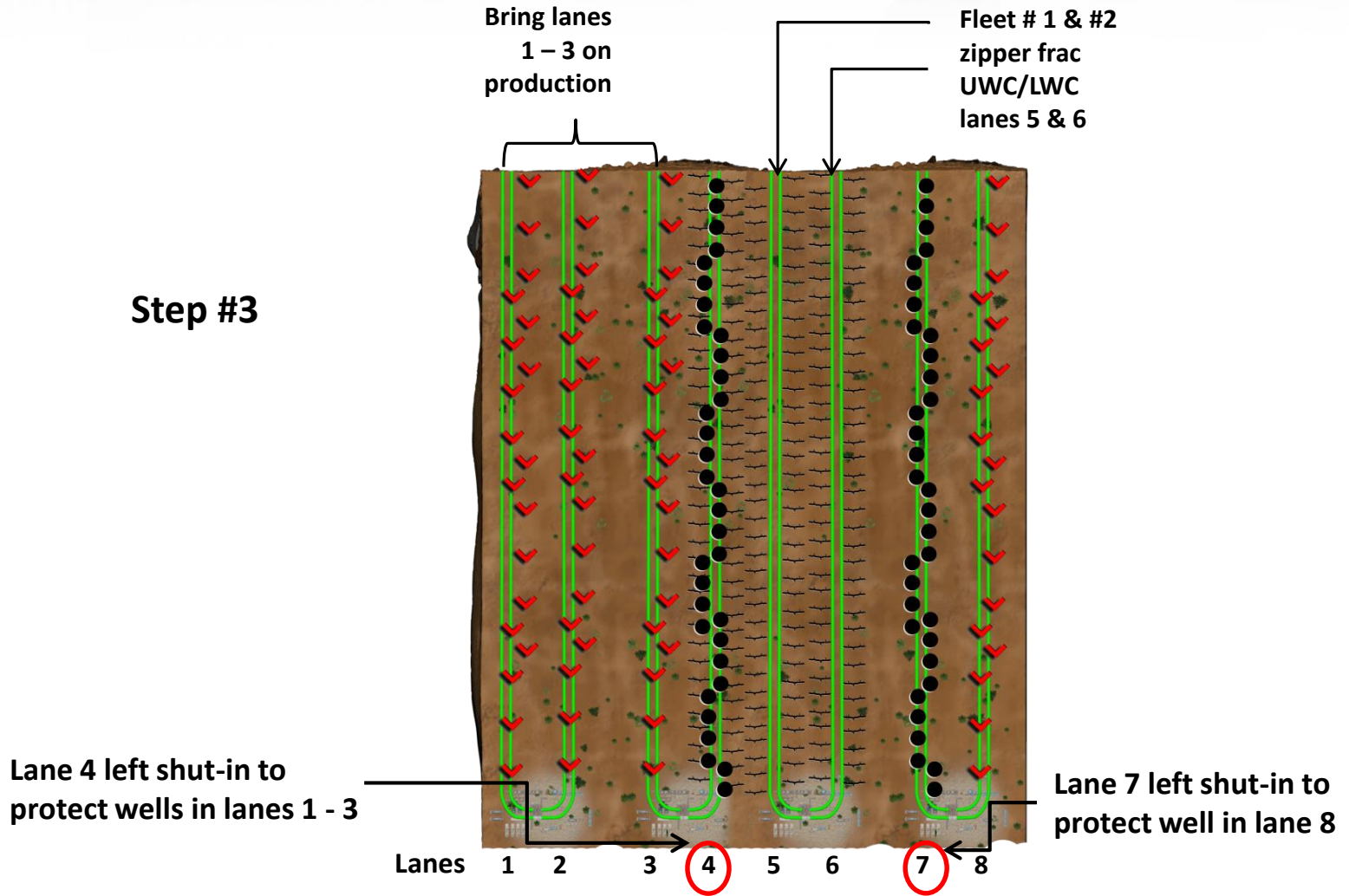
JE Cox Blanco Corridor Development (UWC/LWC Well Pairs)



1-1/2 sections / 16 wells / 2-stack – multi-well pad completion program



JE Cox Blanco Corridor Development (UWC/LWC Well Pairs)

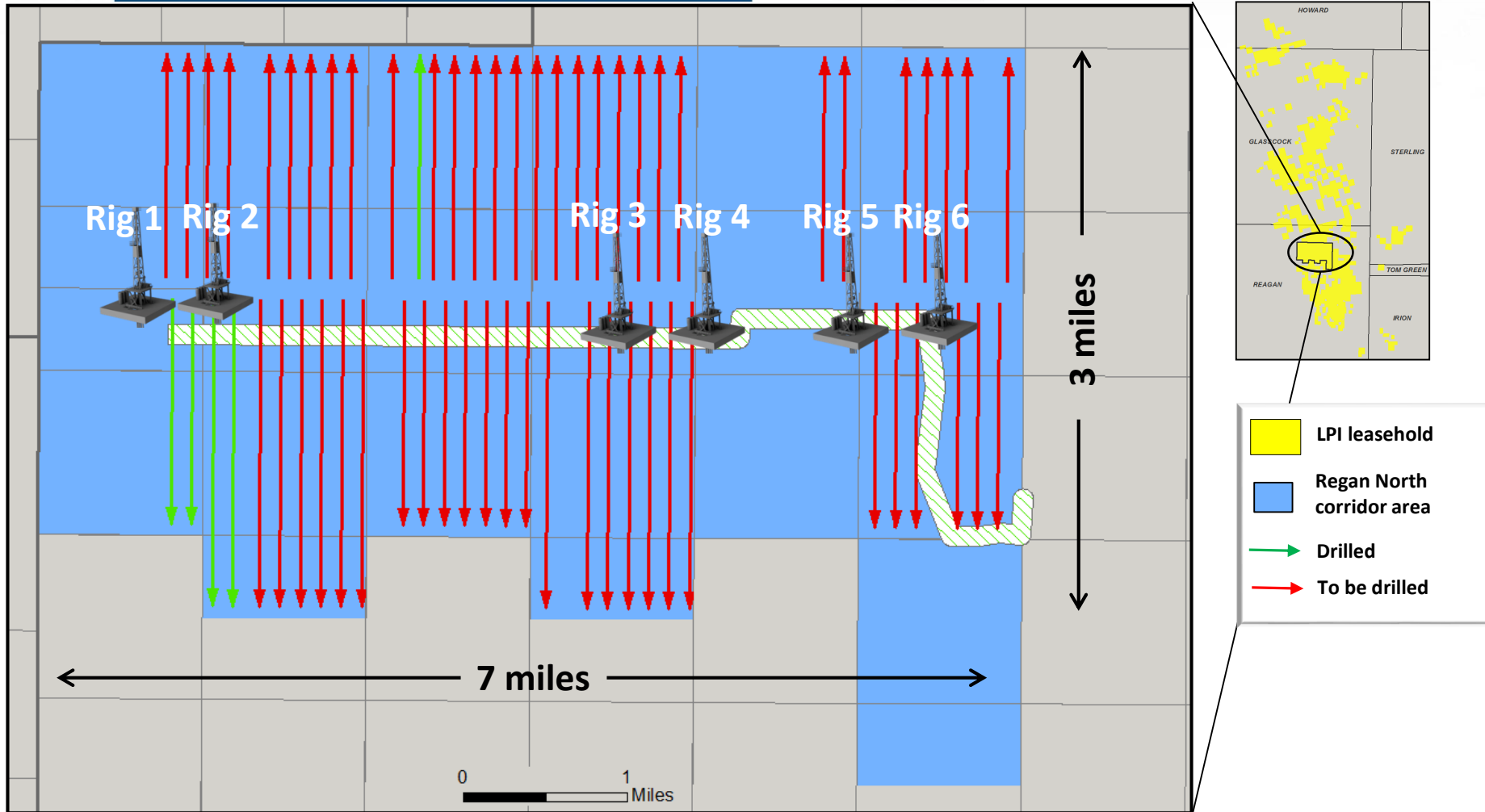


Step #3

1-1/2 sections / 16 wells / 2-stack – multi-well pad completion program



Reagan North Corridor

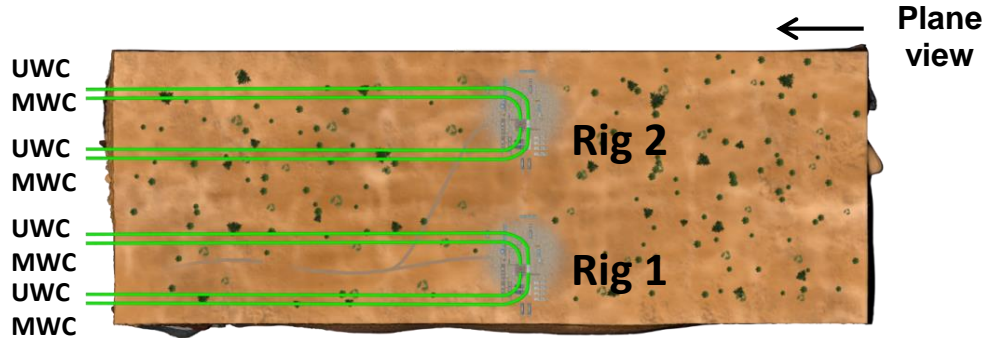


Two rigs on the west side of the corridor march to the east and the two rigs in the east march back to the west while alternating drilling north and south, upper sections

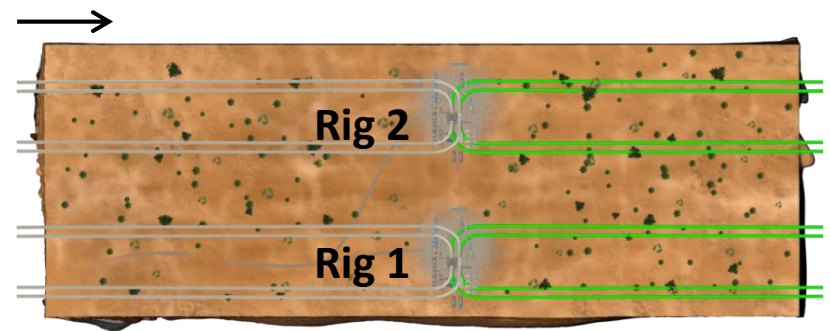


Reagan North Area: Development Plan

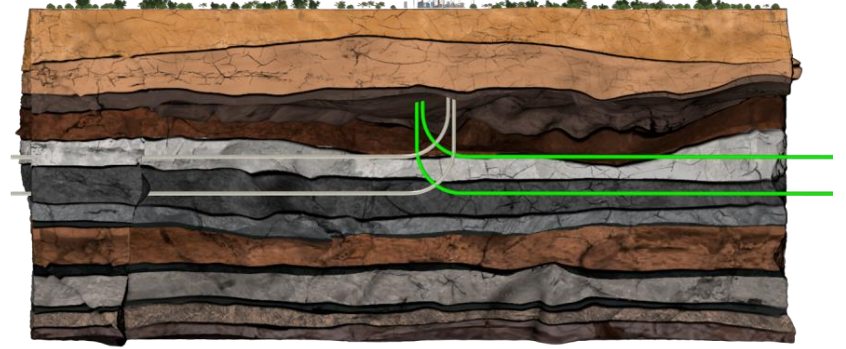
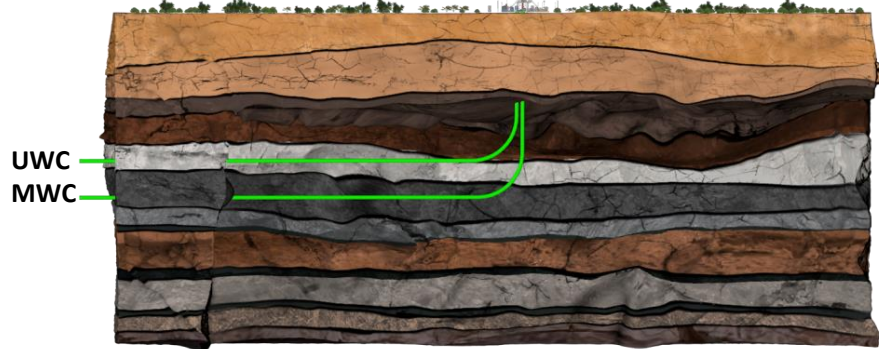
Step 1: UWC/MWC pairs in North direction



Step 2: UWC/MWC pairs in South direction



Cross-section view

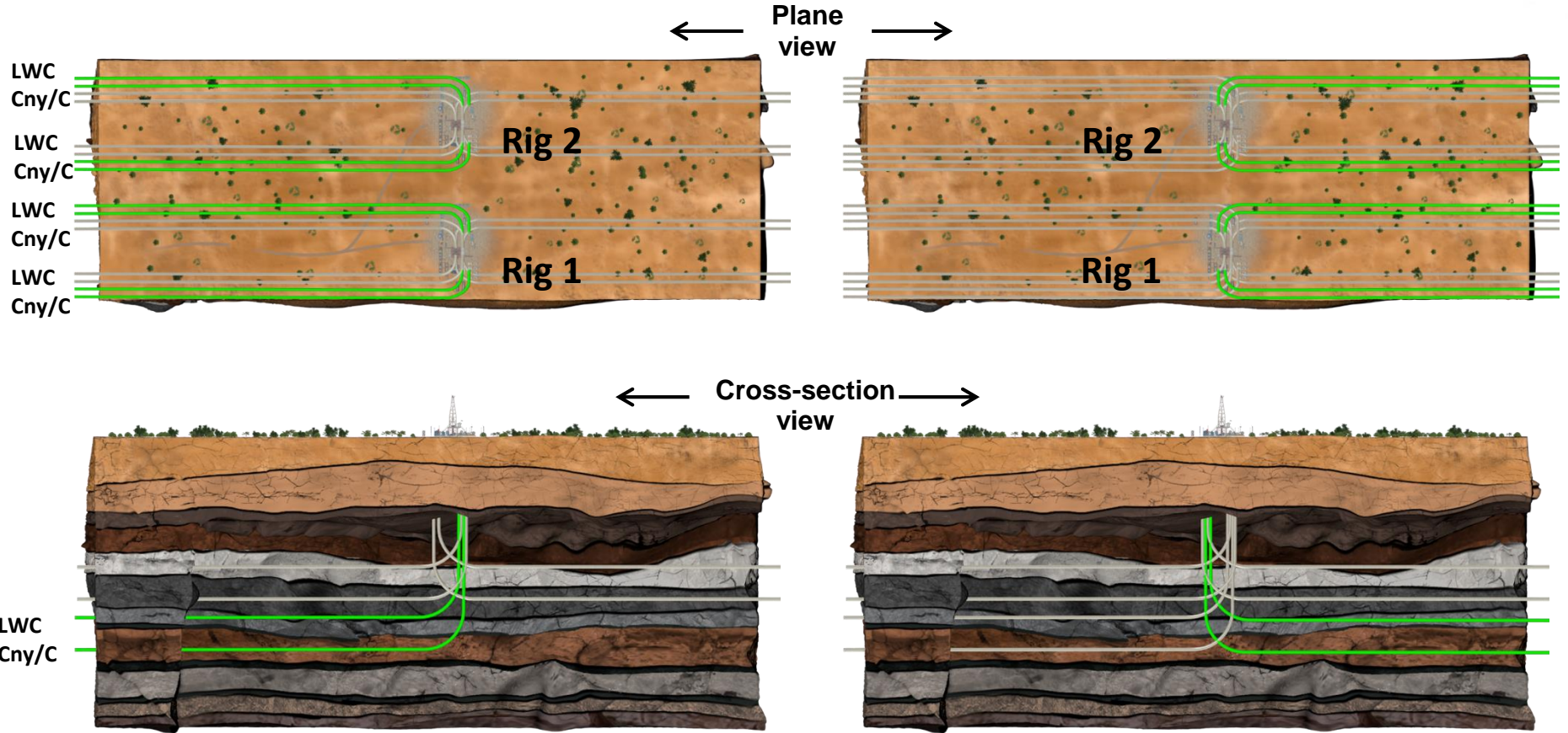


Eight horizontals will be drilled by two rigs before putting them on production

Reagan North Area: Development Plan

Future Drilling: LWC/Cny/C pairs in North direction

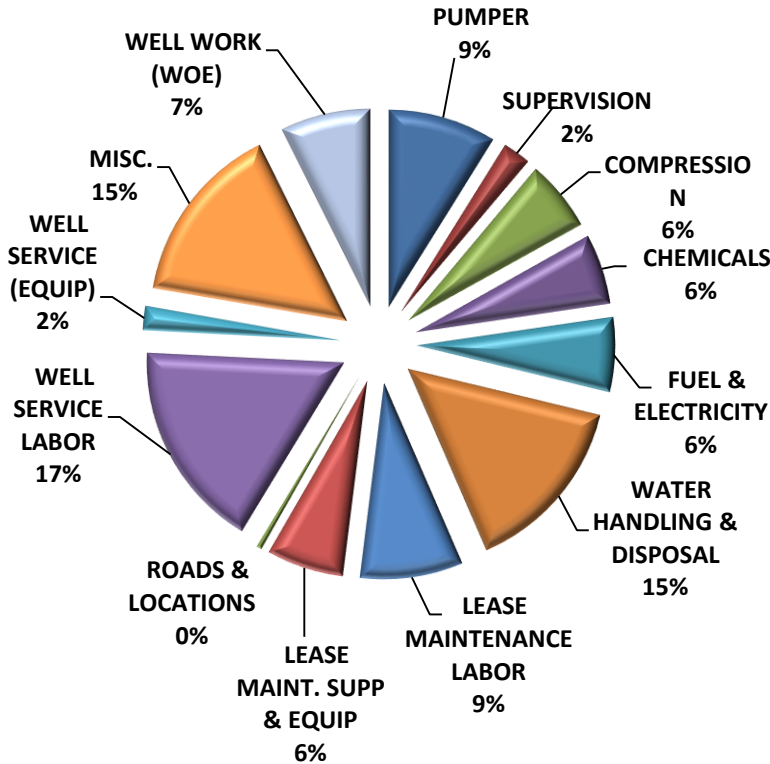
Future Drilling: LWC/Cny/C pairs in South direction



Eight horizontals will be drilled by two rigs before putting them on production



Lease Operating Expenses (LOE)



Current Expense Breakdown

Targeted LOE Annualized Savings

- Water:** Expanding water management infrastructure
- Power:** Replacing generators with the grid in new areas
- Compression:** Well pad compressors to centralized compression
- Automation:** Bringing SCADA management "in-house"

Lease Maintenance Labor:

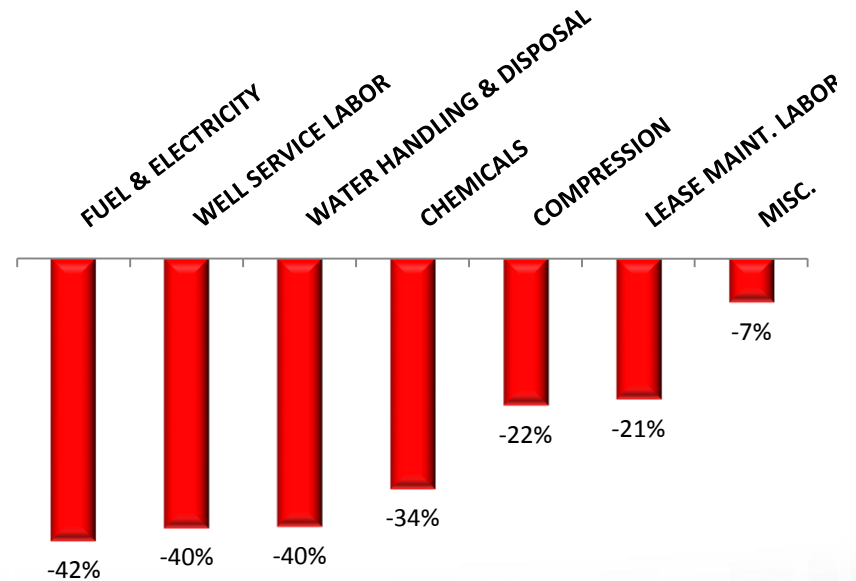
- Roustabout gang efficiency/management
- Per gang service cost reduction

Well Service:

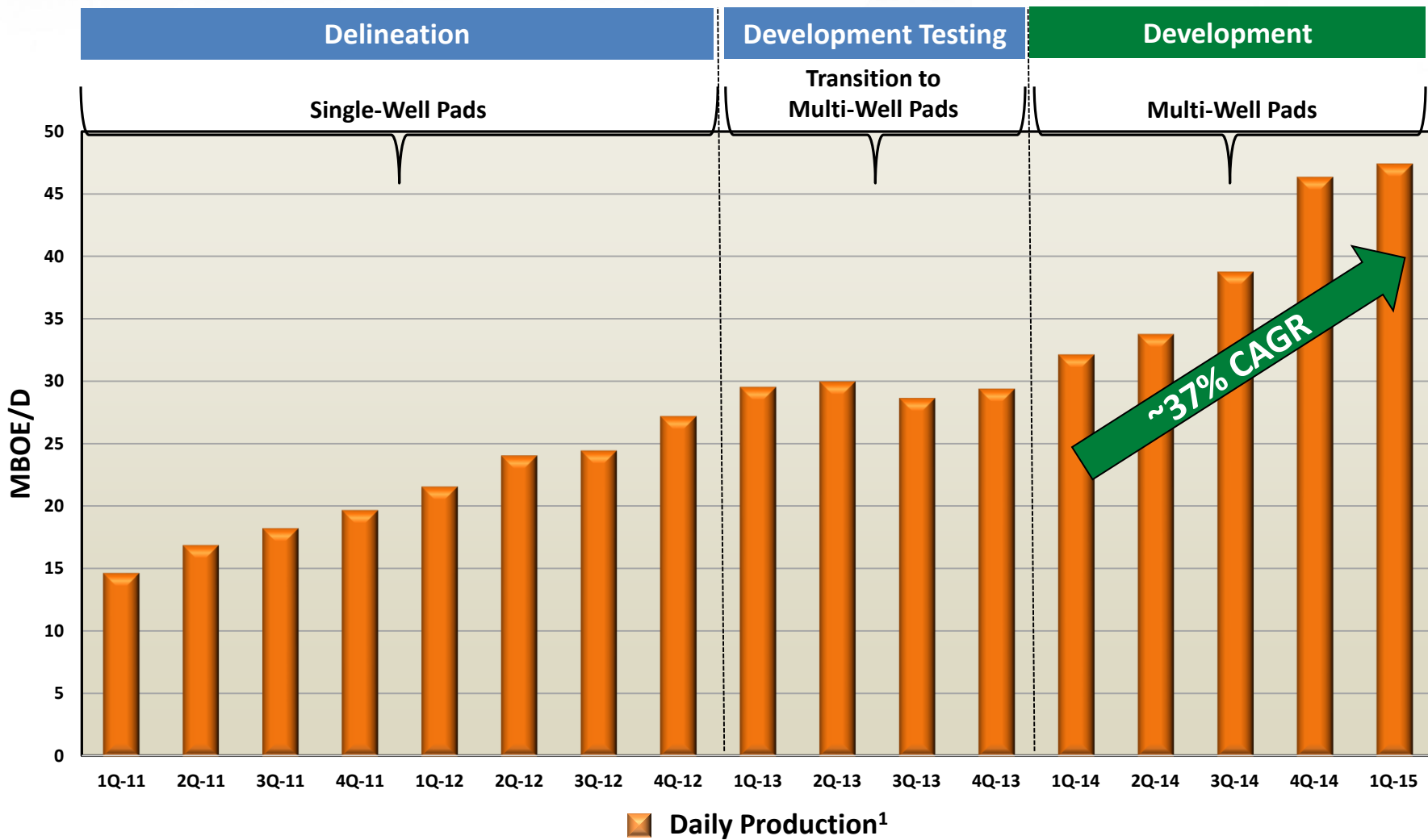
- Rig cost reduction

Chemicals:

- Bidding – expect significant cost reduction

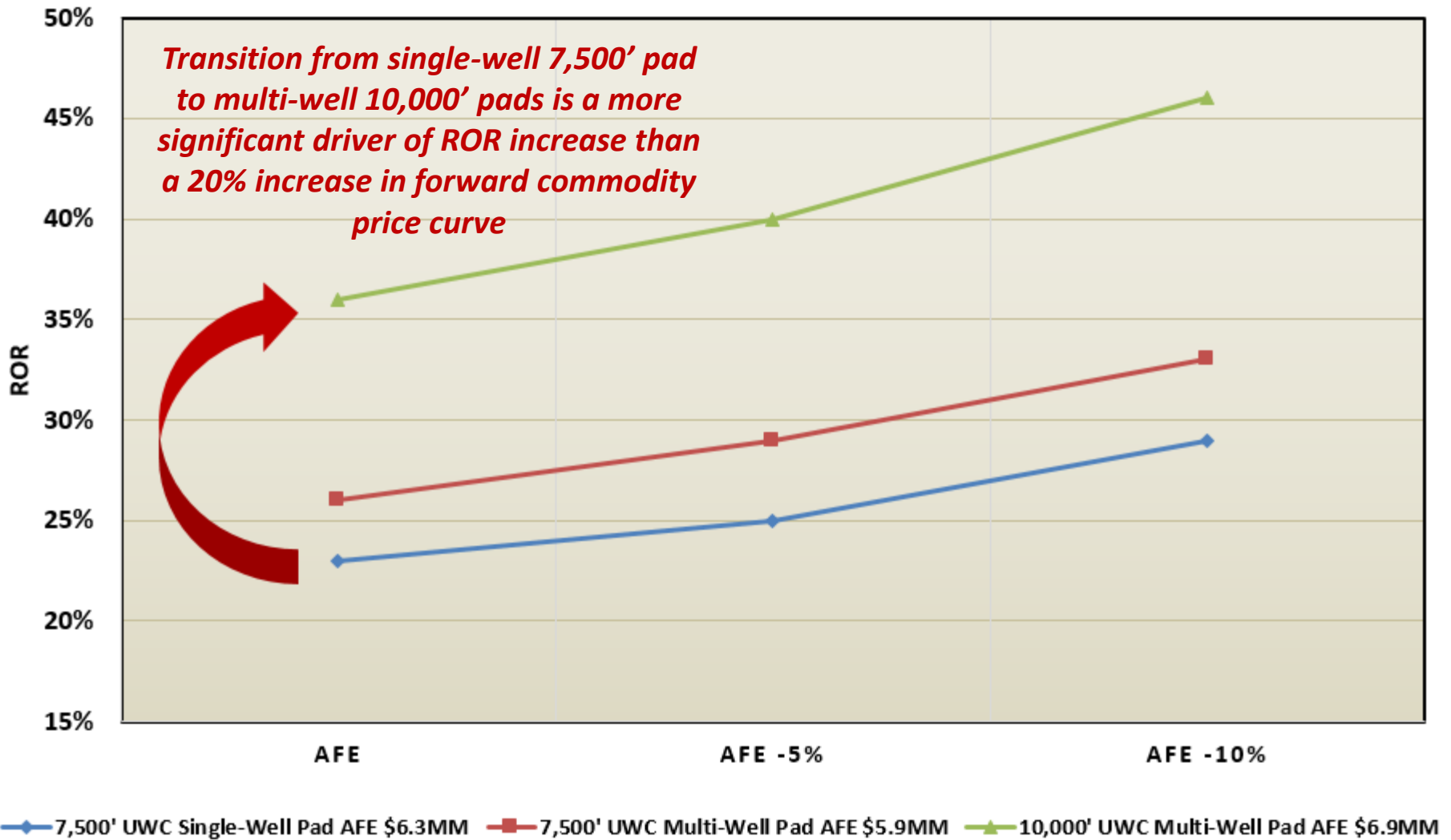


Production Growth from Multi-Well Pads

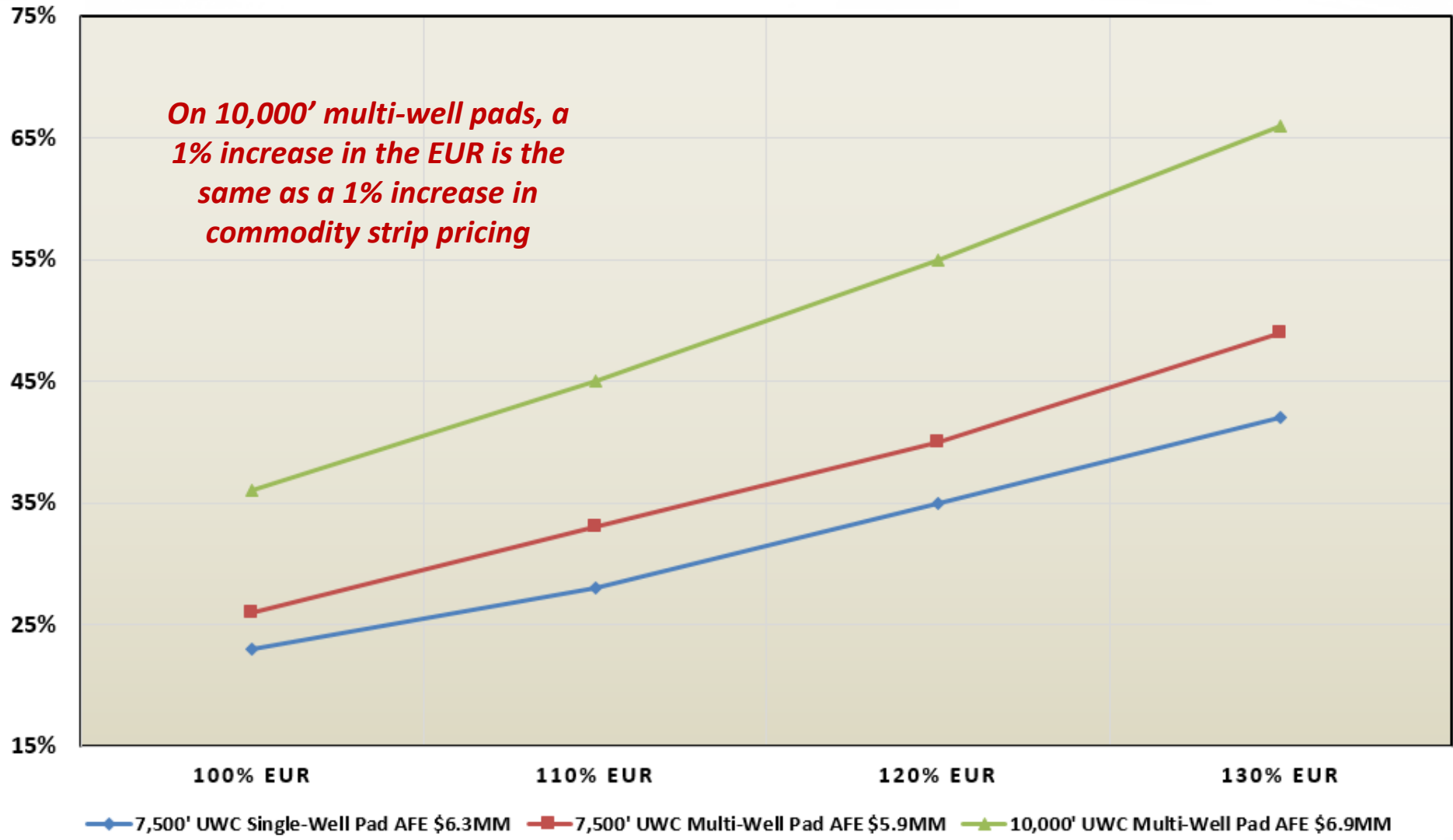


¹ Quarterly production numbers prior to 2014 have been converted to 3-stream using an 18% uplift. 2014 quarterly results have been converted to 3-stream using actual gas plant economics

ROR vs AFE Improvements



ROR vs EUR Improvements



Enhance Well Returns

| | 2013 UWC | 2015 UWC | | | |
|-------------------|----------|----------------|-------------|--------------|----------|
| | | Lateral Length | +10% on EUR | Pad Drilling | -10% D&C |
| Lateral Length | 7,500' | 10,000' | 10,000' | 10,000' | 10,000' |
| EUR | 758 | 1,110 | 1221 | 1,110 | 1,110 |
| D&C (\$MM) | \$7.8 | \$7.3 | \$7.3 | \$6.9 | \$6.21 |
| Crude Price | \$90.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| Natural Gas Price | \$3.75 | \$3.00 | \$3.00 | \$3.00 | \$3.00 |
| ROR | ~47% | ~31% | ~45% | ~36% | ~46% |

By optimizing well performance with the Earth Model, as well as D&C reductions from drilling longer laterals, pad drilling, efficiency gains and additional service cost savings, well economics in this commodity price environment can rival the returns presented just a year ago at \$90 crude oil



Laredo Midstream Services (LMS)

Dan Schooley

**Senior Vice President – Midstream &
Marketing**

What is Laredo Midstream Services (LMS)?

- **LMS is a wholly-owned subsidiary of Laredo Petroleum and is a force multiplier, leveraging the unique skill sets of operations and midstream personnel**
- **Provides LPI with any products and services that need to be delivered by infrastructure including:**
 - **Gas gathering service**
 - **Crude oil gathering service**
 - **Rig fuel in primary drilling corridors**
 - **Gas lift for horizontal wells drilled in primary drilling corridors**
 - **Fresh, recycled and produced water in the primary drilling corridors**
- **LMS treated as a stand-alone entity**
 - **Competitively priced vs third-party providers**
 - **Contracts for each service between LPI and LMS**
 - **Each service must have acceptable stand-alone economic returns on the capital invested**
 - **Segment reporting**
- **Each of these projects will create real, tangible savings for LPI through economies of scale, increased capital efficiency and lower operating costs**



LMS Oil, Gas & Water Infrastructure Summary

- **Two truck injection stations**
 - Both with dual connectivity to Plains and Medallion
 - Three 1,000 barrel floating roof tanks at each station
 - 95,000 BOPD total takeaway capacity to Plains and Medallion
- **Crude gathering infrastructure**
 - ~20 miles of gathering pipeline
 - Four 1,000 barrel gas blanket tanks (Reagan North & Reagan South Production Corridors)
 - Five 1,000 barrel floating roof tanks (JE Cox/Blanco Corridor)
 - 50,000 BOPD throughput capacity
- **49% ownership of Medallion Pipeline's Permian crude oil assets**
 - 65,000 BOPD Current throughput capacity
 - Expandable to 130,000 BOPD with pumps



Reagan Crude Station

LMS Oil, Gas & Water Infrastructure Summary

- **Low-pressure gas gathering infrastructure**
 - ~175 miles of low pressure gathering pipeline
 - Current throughput of 75,000 Mcf/d, ~45% of Laredo's gross operated gas production
- **Three centralized compressor stations & three high-pressure gas lift distribution systems**
 - ~16 miles of high pressure pipeline
 - 51,000 Mcf/d installed compression capacity
- **Two gas conditioning facilities & four lean gas distribution systems**
 - ~12 miles of mid-pressure pipeline



Reagan North Centralized Compressor Facility

LMS Oil, Gas & Water Infrastructure Summary

Water gathering & distribution infrastructure

- ~45 miles of recycled, fresh and produced water gathering & distribution pipelines
- 53 Frac Pits with 10.1 MM barrels capacity



Reagan North Corridor 800,000 Bbl of Water Pit

Water recycle facility

- 30,000 BWPD installed capacity
- Expandable to 75,000 BWPD



Water Recycle Facility (Under Construction)

Production Corridor Status

JE Cox/Blanco Corridor

- **Crude Gathering:**
 - In service
- **Water:**
 - In service and connected to water recycle facility
- **Gas:**
 - All lines (gathering, gas lift & rig fuel) and compression facility in service

Lacy Creek Corridor

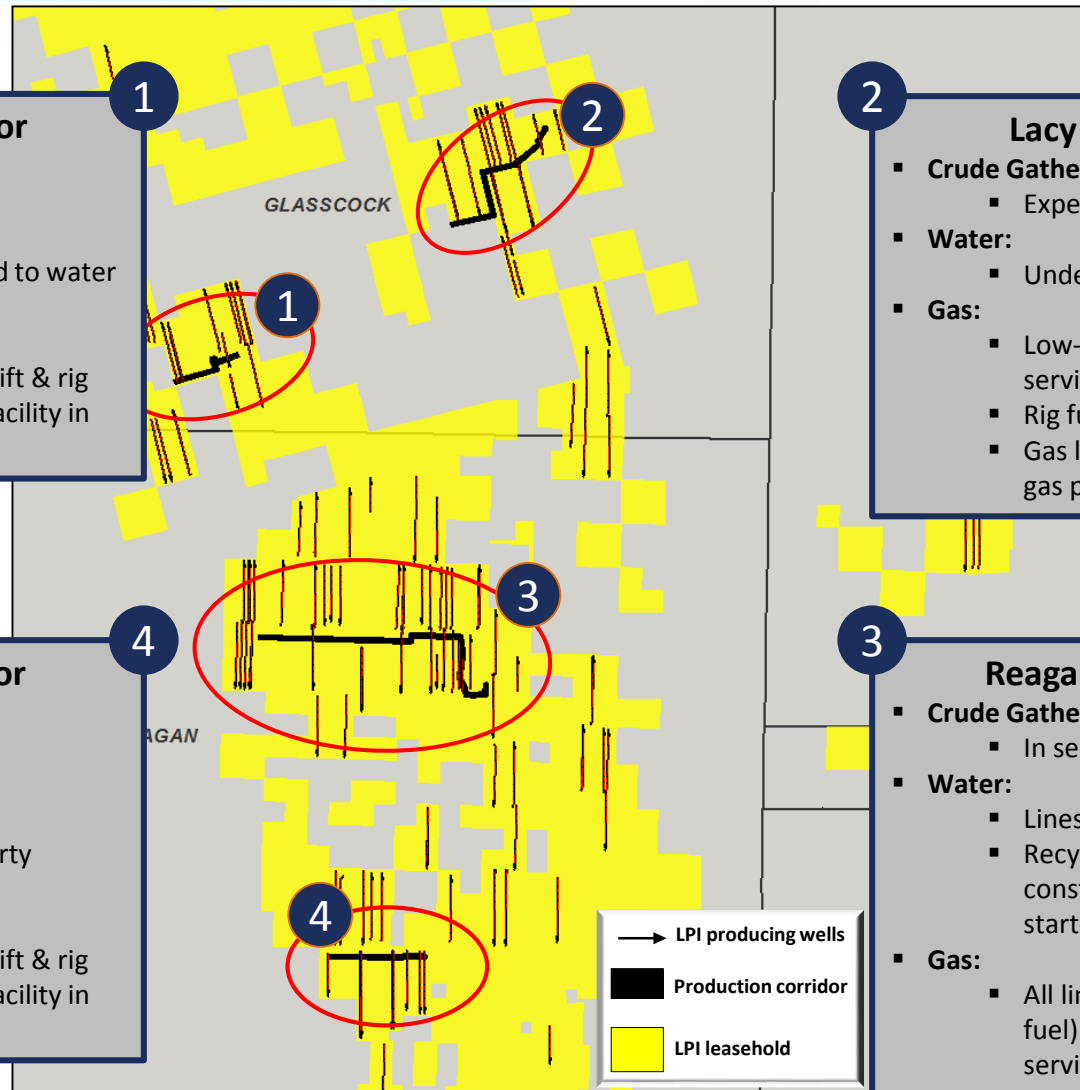
- **Crude Gathering:**
 - Expected in service date 3Q-15
- **Water:**
 - Under review
- **Gas:**
 - Low-pressure gas gathering in service
 - Rig fuel line in service
 - Gas lift supply from EnLink lean gas pipeline in service

Reagan South Corridor

- **Crude Gathering:**
 - In service
- **Water:**
 - Lines constructed
 - Plans to pipe to third-party disposal
- **Gas:**
 - All lines (gathering, gas lift & rig fuel) and compression facility in service

Reagan North Corridor

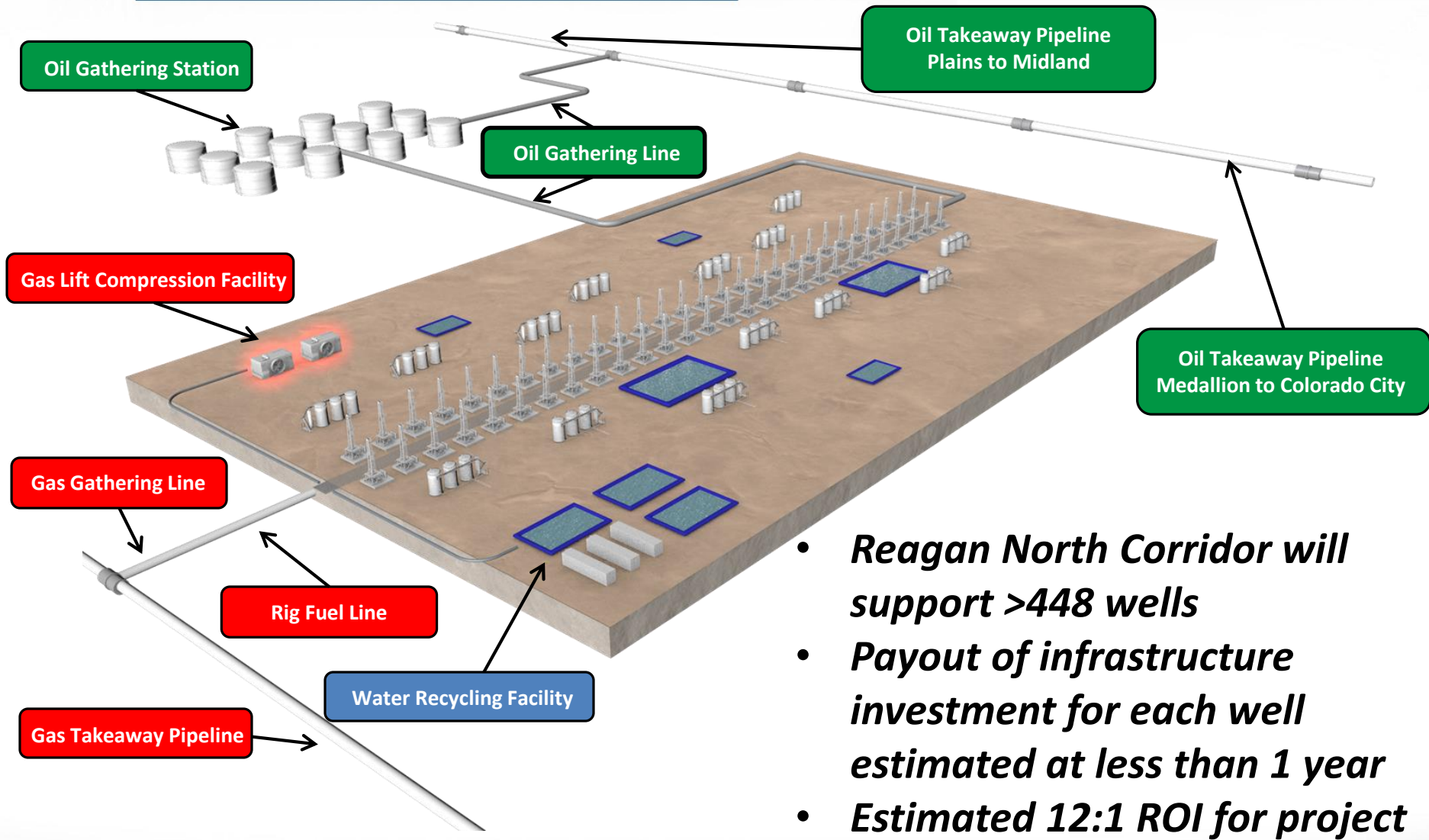
- **Crude Gathering:**
 - In service
- **Water:**
 - Lines constructed
 - Recycle facility under construction, 2Q-15 estimated start-up
- **Gas:**
 - All lines (gathering, gas lift & rig fuel) and compression facility in service



- LPI producing wells
- Production corridor
- LPI leasehold



Production Corridor Implementation: Reagan North



- *Reagan North Corridor will support >448 wells*
- *Payout of infrastructure investment for each well estimated at less than 1 year*
- *Estimated 12:1 ROI for project*

Reagan North Corridor

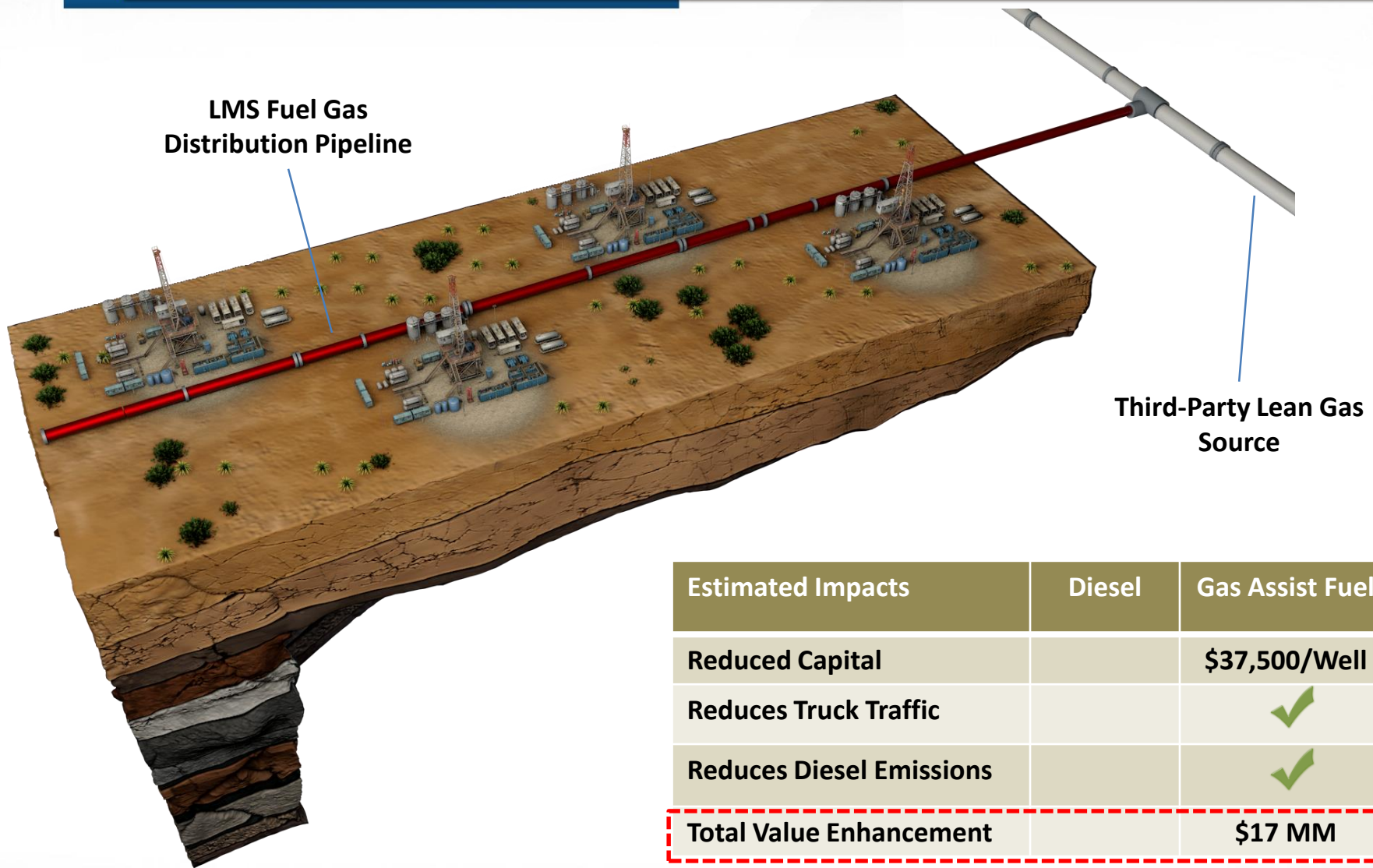
Per well estimated benefits of corridor investment (capital savings, LOE savings and price uplift)

| | |
|--|------------------|
| Natural gas for rig fuel, displaces higher cost diesel | \$37,500 |
| Approximately 40% total investment pays out before well is even producing | |
| Flowback and produced water savings over life of well | \$253,000 |
| 85% of savings in initial flowback of load water used in completion | |
| Per well payout occurs at <25% load recovery | |
| Natural gas for gas lift for first 3 years of well life | \$81,000 |
| Crude oil gathering price uplift to LPI over life of well | \$356,250 |
| Crude oil gathering revenue to LMS over life of well | \$281,250 |
| <u>Reduced gas gathering expense over life of well</u> | <u>\$225,000</u> |
| Total estimated benefit of Reagan North Production Corridor <i>for each well</i> | \$1,234,000 |

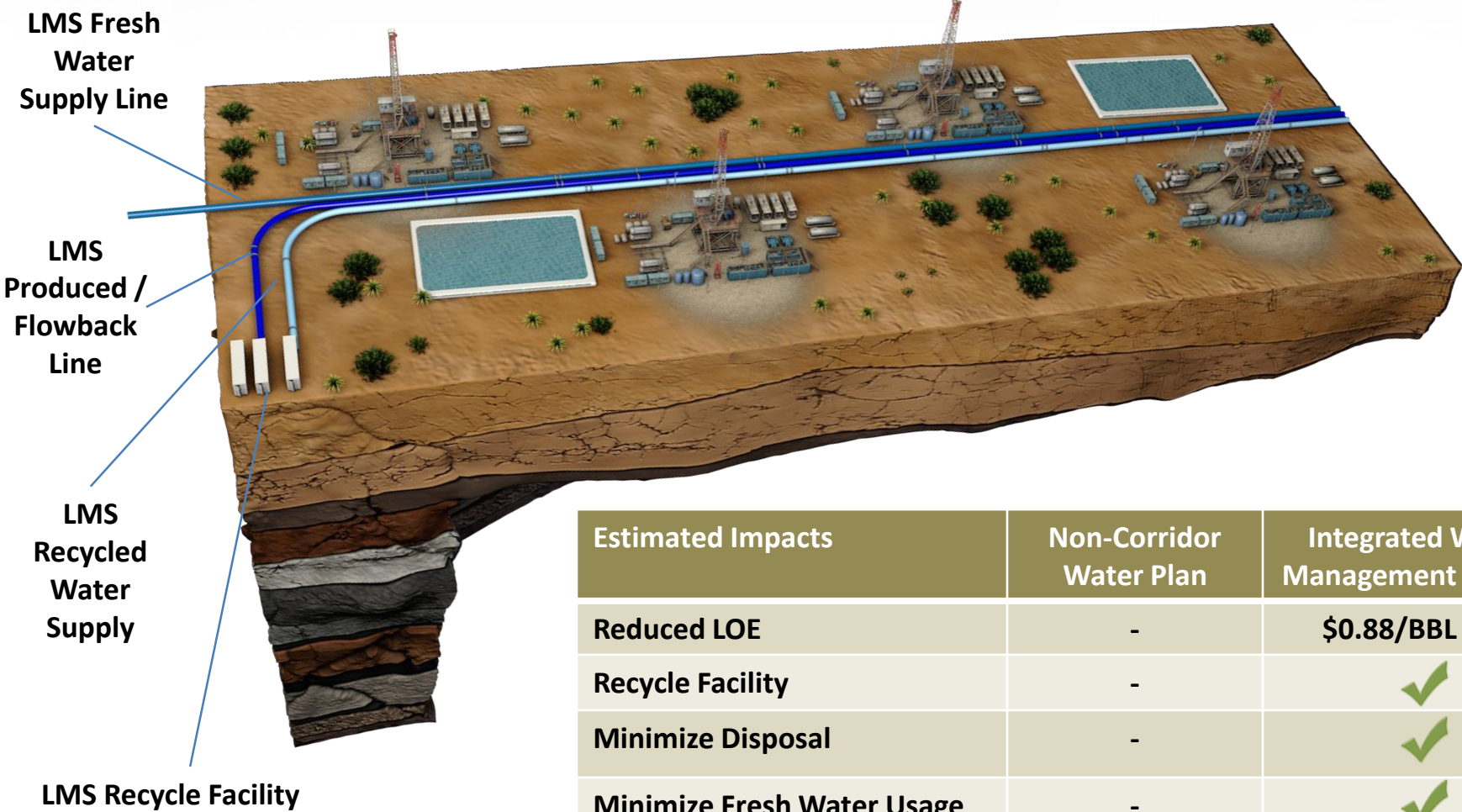
\$553 million in total estimated benefits from investment of \$44 million



Reagan North Corridor – Rig Fuel



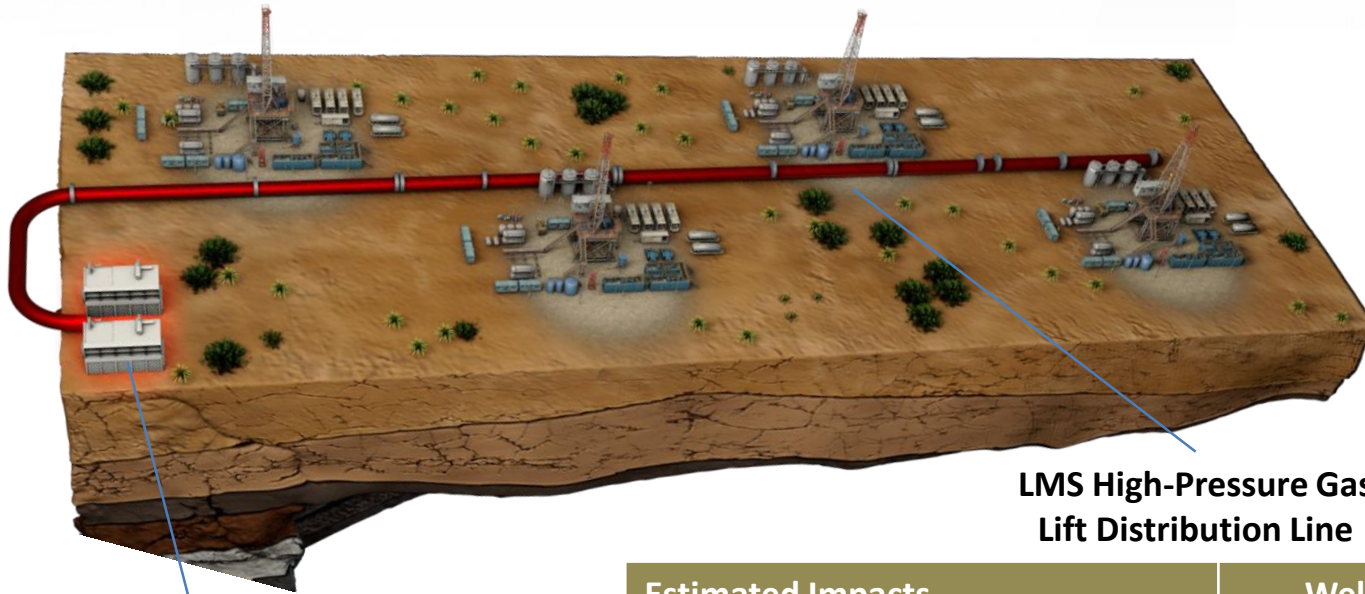
Reagan North Corridor – Water System



| Estimated Impacts | Non-Corridor Water Plan | Integrated Water Management System |
|--------------------------------|-------------------------|------------------------------------|
| Reduced LOE | - | \$0.88/BBL H ₂ O |
| Recycle Facility | - | ✓ |
| Minimize Disposal | - | ✓ |
| Minimize Fresh Water Usage | - | ✓ |
| Total Value Enhancement | - | \$113 MM |



Reagan North Corridor – Centralized Gas Lift

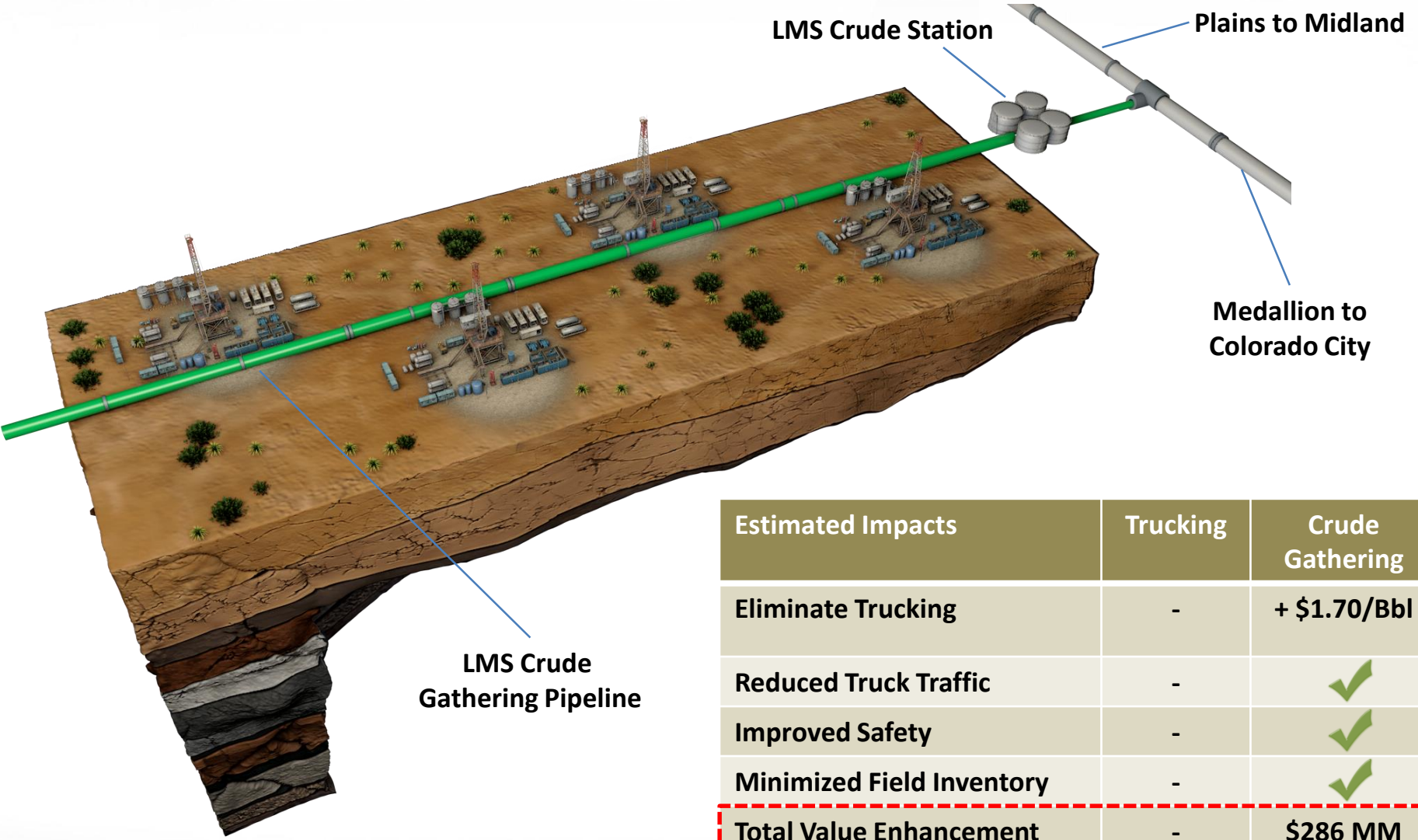


LMS Centralized Gas Lift Compressor Station

LMS High-Pressure Gas Lift Distribution Line

| Estimated Impacts | Wellhead Compression | Centralized Gas Lift Compression |
|------------------------------------|------------------------|----------------------------------|
| Construct/ Maintain | Multiple Installations | 1 Facility |
| Facility Uptime | ~93% | ~98% |
| LOE Savings (\$/well/month) | - | \$2,250 |
| Improved Well Performance | - | ✓ |
| Alternative Source of Gas Lift Gas | - | ✓ |
| Total Value Enhancement | - | \$36 MM |

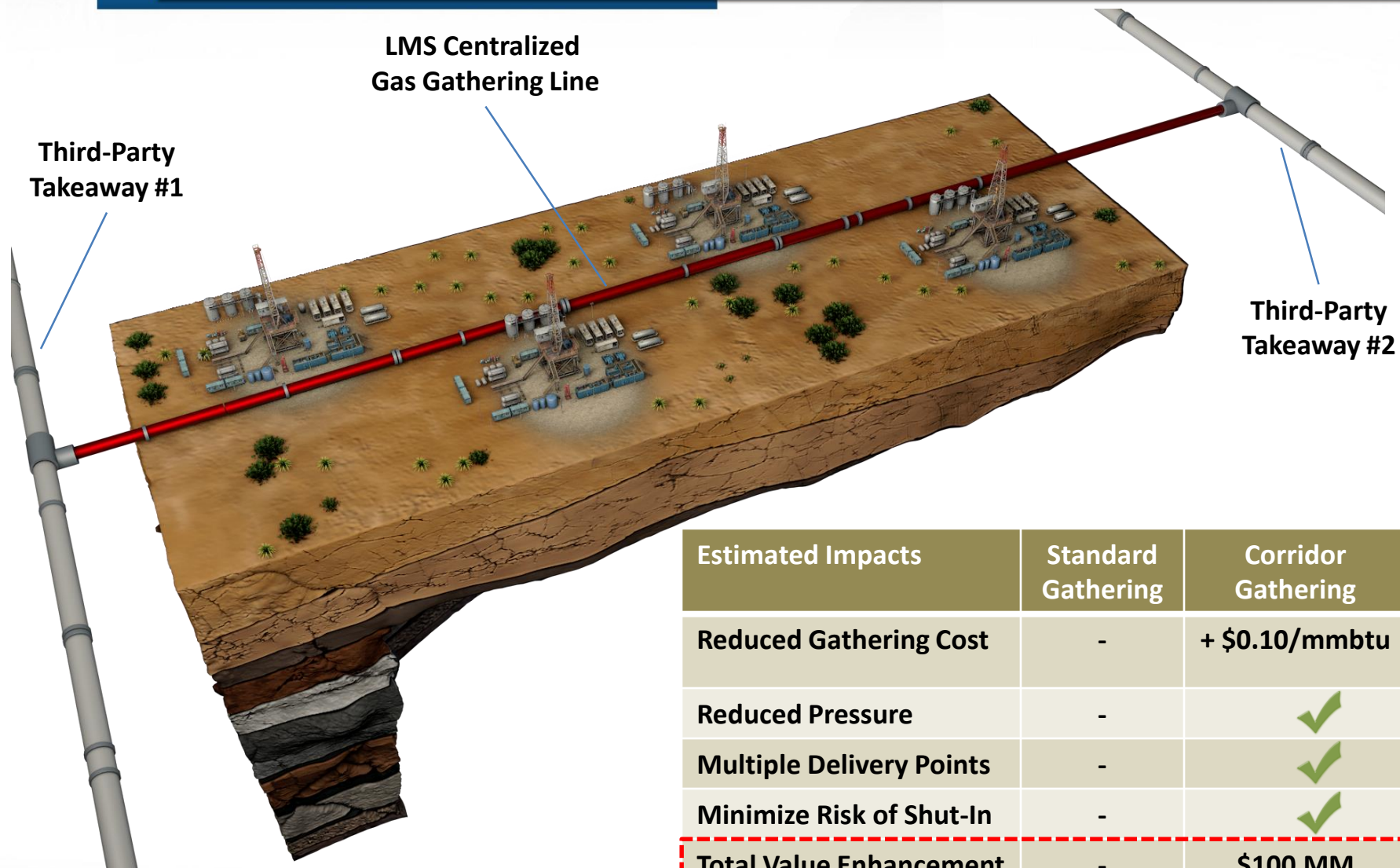
Reagan North Corridor – Crude Gathering



| Estimated Impacts | Trucking | Crude Gathering |
|--------------------------------|----------|-----------------|
| Eliminate Trucking | - | + \$1.70/Bbl |
| Reduced Truck Traffic | - | ✓ |
| Improved Safety | - | ✓ |
| Minimized Field Inventory | - | ✓ |
| Total Value Enhancement | - | \$286 MM |



Reagan North Corridor – Gas Gathering



| Estimated Impacts | Standard Gathering | Corridor Gathering |
|--------------------------------|--------------------|--------------------|
| Reduced Gathering Cost | - | + \$0.10/mmbtu |
| Reduced Pressure | - | ✓ |
| Multiple Delivery Points | - | ✓ |
| Minimize Risk of Shut-In | - | ✓ |
| Total Value Enhancement | - | \$100 MM |



The background of the slide is a grayscale photograph of an oil pumpjack in a field. The pumpjack is the central focus, shown in silhouette against a lighter, hazy background. It consists of a long horizontal beam supported by a vertical post, with a curved counterweight at the end. The overall scene is industrial and somewhat desaturated.

Marketing

Dan Schooley

**Senior Vice President – Midstream &
Marketing**

Laredo Marketing Strategy

- **Create takeaway optionality in the field**
- **Commit to firm service where advantageous to Laredo**
- **Maximize oil and natural gas revenues**



Marketing Infrastructure – Moving Oil Out of the Basin

Pipeline Capacity Available at Colorado City Hub

| Legacy Crude Oil Pipeline Capacity Out Of Permian Basin | | | | | |
|---|------------------|------------|----------|-------------|---|
| Pipeline | Capacity (mbopd) | | Startup | Status | Origin → Destination |
| | Incremental | Cumulative | | | |
| Plains Basin Pipeline | 450 | 450 | Existing | Operational | Midland > Colorado City > Cushing |
| Centurion Pipeline | 175 | 625 | Existing | Operational | SE New Mexico > Colorado City > Cushing |
| Sunoco West Texas Gulf Pipeline | 350 | 975 | Existing | Operational | Colorado City > Midwest |

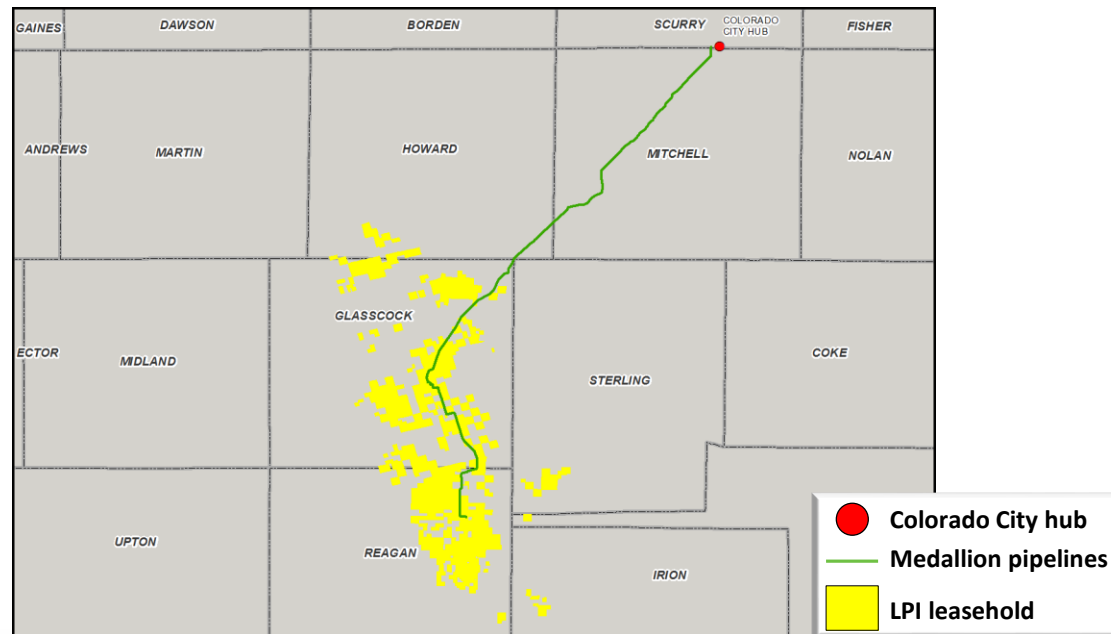
| New Crude Oil Pipeline Capacity Out Of Permian Basin Since 2013 | | | | | |
|---|------------------|------------|---------|--------------------|-----------------------------------|
| Pipeline | Capacity (mbopd) | | Startup | Status | Origin → Destination |
| | Incremental | Cumulative | | | |
| West Texas Gulf - Expansion to Longview | 30 | 30 | Q1 2013 | Operational | Colorado City > Midwest |
| West Texas Gulf - Wortham/Nederland | 80 | 110 | Q1 2013 | Operational | Colorado City > Beaumont |
| Permian Express I | 90 | 200 | Q2 2013 | Operational | Wichita Falls > Beaumont |
| Permian Express I Expansion | 60 | 260 | Q4 2013 | Operational | Wichita Falls > Beaumont |
| BridgeTex | 278 | 538 | Q1 2015 | Operational | Colorado City > Houston |
| Permian Express II | 200 | 738 | Q3 2015 | Under Construction | Midland > Colorado City > Cushing |

Pipeline capacity out of Colorado City is projected to nearly double from 975 MBOPD to 1,713 MBOPD by 3Q-15.

Colorado City is the preferred location for Laredo's Garden City crude oil. Colorado City provides ample liquidity, avoids the congested Midland-Colorado City corridor and provides access to Cushing, Upper Midwest and USGC markets.

Colorado City Hub – Enhanced Liquidity

- **Colorado City is an important trading hub for Permian crude oil**
 - Over 1.7 million BOPD capacity
 - Avoids the congestion between Midland and Colorado City
 - Provides access to both the Midwest and US Gulf Coast refinery markets
- **Partnered with Medallion to build 88-mile crude oil pipeline to Colorado City**
 - LMS is a 49% partner in the Medallion pipeline system
 - LMS is also a firm shipper for 30,000 BOPD* on the pipeline

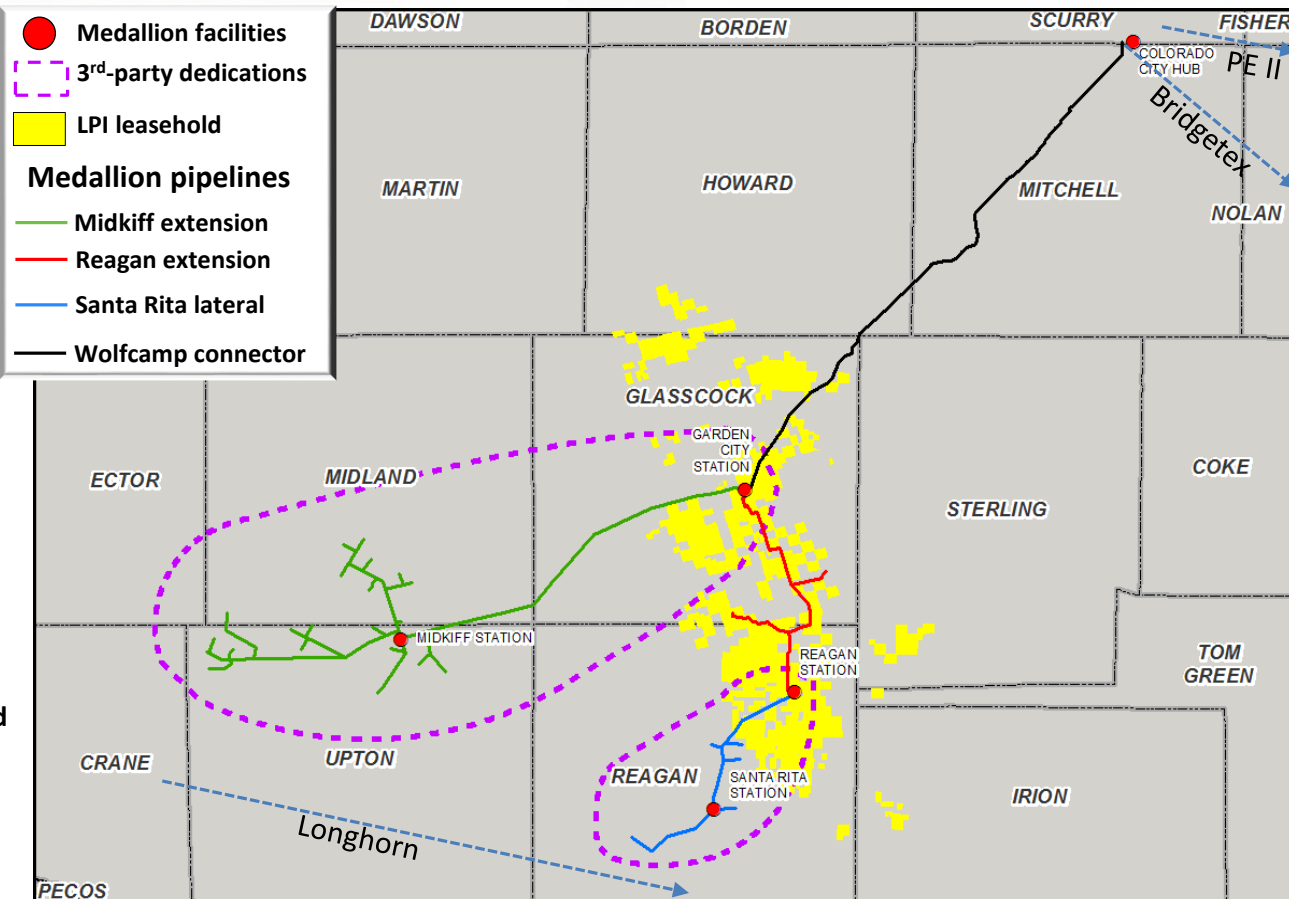


*10,000 BOPD in Yr 1, ramping up to 30,000 BOPD by Yr 3.



Medallion Crude Oil System Overview

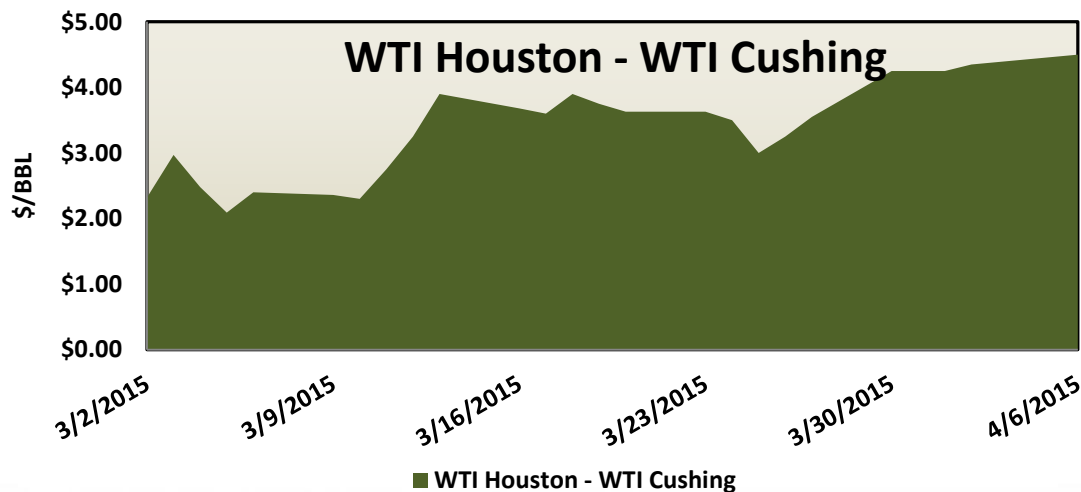
- **Wolfcamp Connector:**
 - 100% Active: ~60 miles of 12"
 - Capacity: ~140,000 BOPD
 - Active October 2014
- **Reagan Extension:**
 - 90% Active: ~53 miles of 4" – 10"
 - Capacity: up to ~90,000 BOPD
 - Active October 2014
- **Midkiff Lateral:**
 - Under Construction: ~95 miles of 4" – 12"
 - Capacity: up to ~150,000 BOPD
 - Partial in-service March 2015
- **Santa Rita Lateral:**
 - Under Construction: Initial build ~28 miles of 4" – 10"
 - Capacity: up to ~90,000 BOPD
 - Partial in-service March 2015



Medallion pipeline system now >230 miles with >111,000 net acres dedicated to system and >1.1 million acres either under AMI or supporting firm commitments on the pipeline

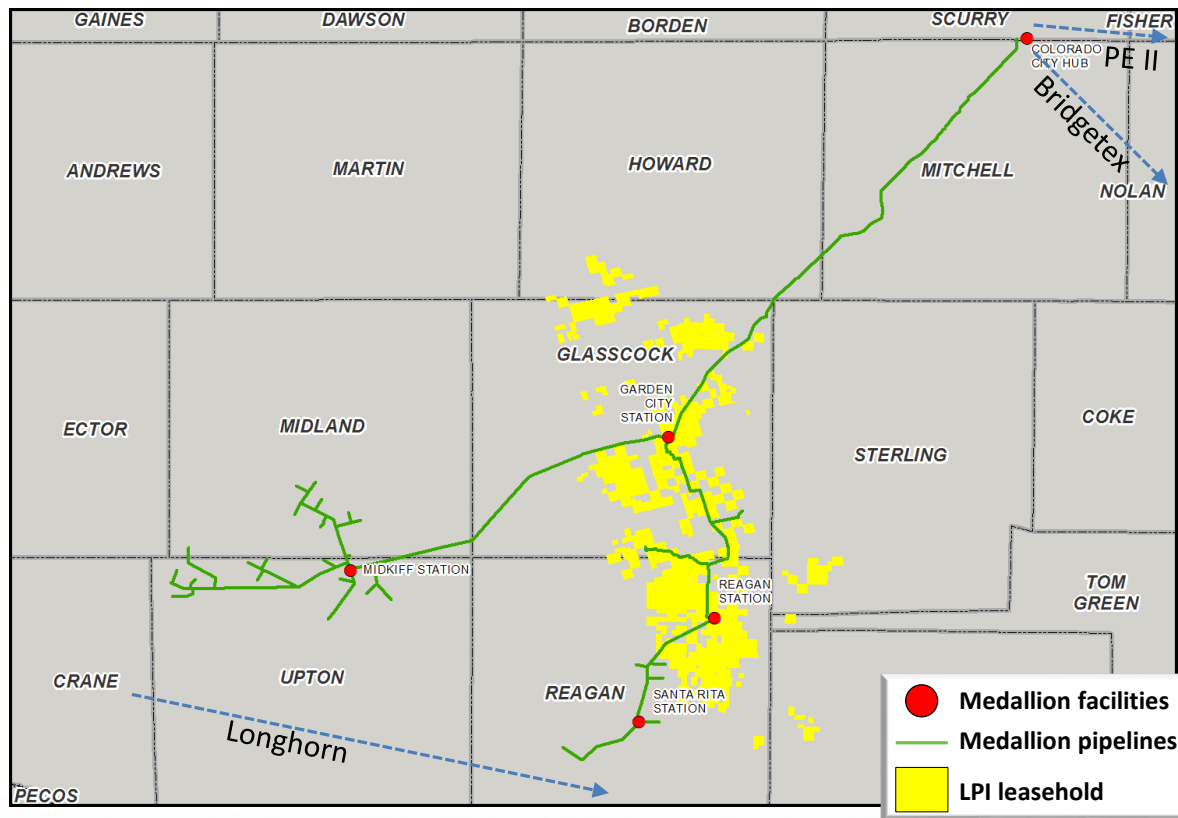
Medallion Infrastructure Value Creation

- **Bridgetex and Longhorn pipelines provide direct access to the US Gulf Coast refinery markets**
- **The new “WTI-Houston” Index published by Argus represents Permian crude oil f.o.b. Magellan East Houston**
- **Provides direct pricing exposure in the US Gulf Coast**
- **Unblended Permian sweet crude oil is preferred by refiners**
- **As of 4/6/15 the WTI-Houston Index is currently pricing Permian crude oil at a premium to WTI-Cushing of approximately \$4.50/Bbl**
- **Medallion pipeline provides direct access to Bridgetex and is in negotiations for a connection into Longhorn**



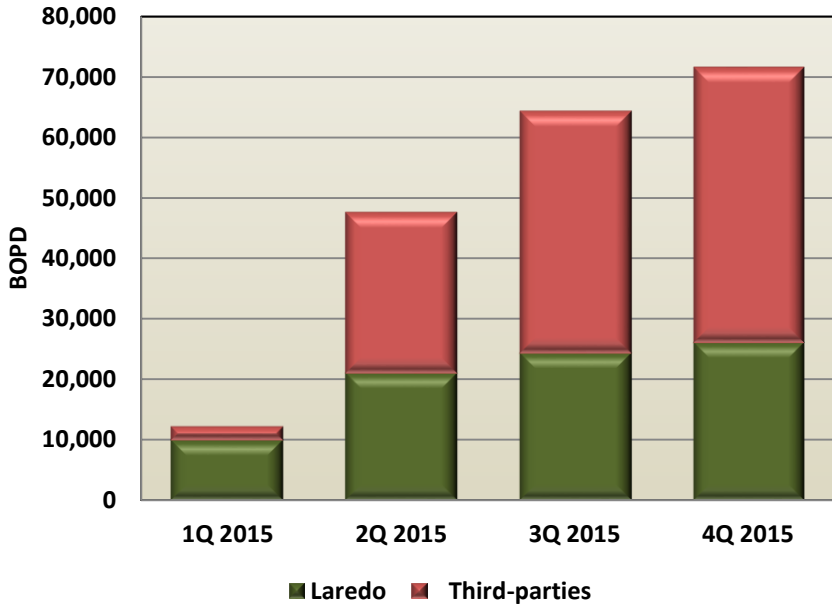
Laredo's Permian Crude Oil Trading in USGC

- Permian crude oil directly connected to USGC via Medallion pipeline
- Medallion pipeline is uniquely located to provide transportation to both Bridgetex and Longhorn, the two USGC pipelines that make up the WTI-Houston index

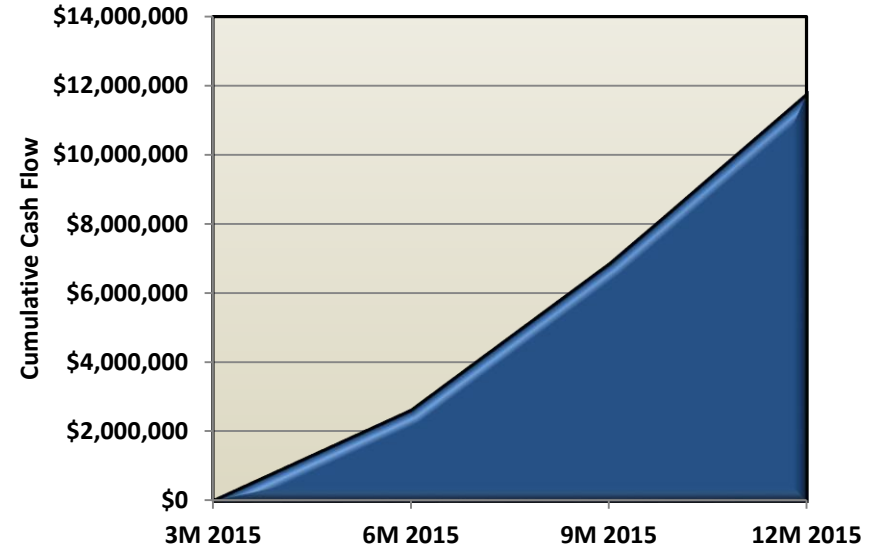


Medallion 2015 Forecast

Projected Volumes



Cumulative Estimated Net Cash Flow

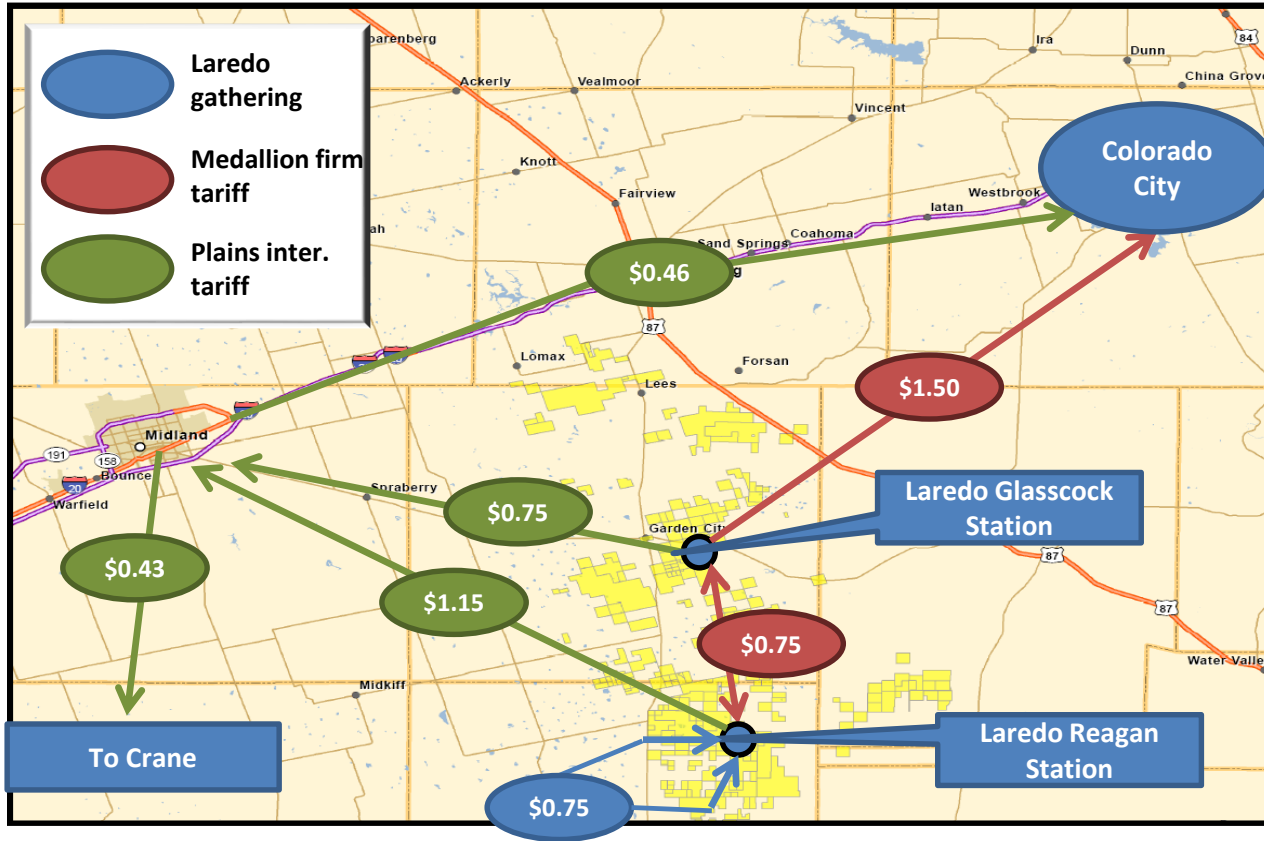


Third-party volume growth driven by continued expansions of the pipeline system and the optionality provided by the redelivery options on the system

Total estimate 2015 LMS net cash flow from the Medallion pipeline of \$11 MM



Marketing Infrastructure Matters



Infrastructure benefits to Laredo

- ✓ \$0.75/Bbl gathering revenue
- ✓ \$0.95/Bbl price uplift
- ✓ \$1.00/Bbl less Mid/Cush diff.
- ✓ WTI-Houston uplift: Undetermined

LMS crude oil infrastructure investment provides >\$2.70/Bbl increase in value to Laredo



Financials

Rick Buterbaugh

Executive Vice President &
Chief Financial Officer



Disciplined Financial Strategy

Laredo's commitment:

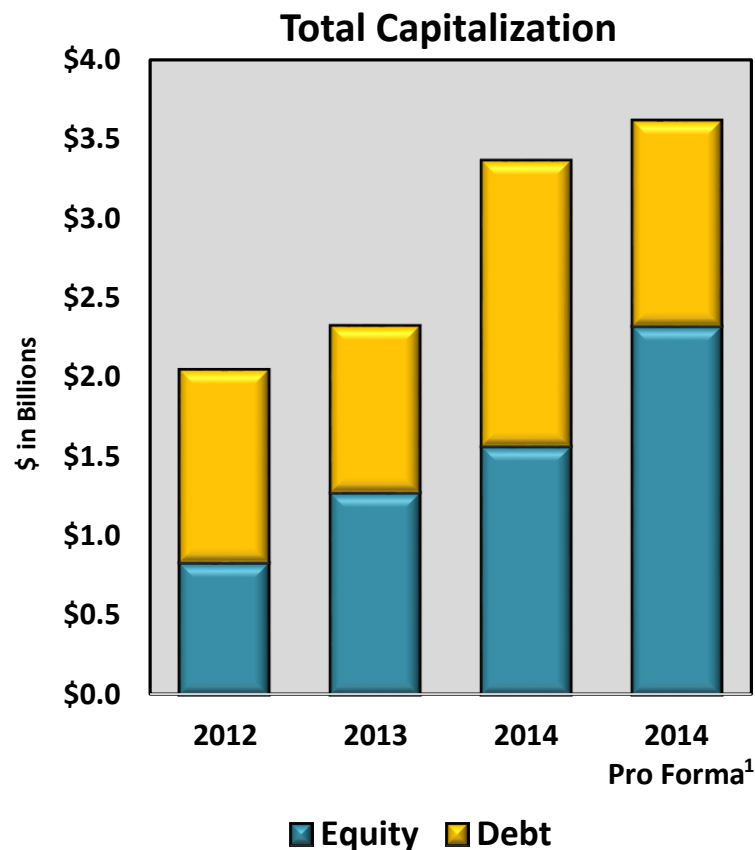
- **Maintain a strong balance sheet**
- **Maintain financial flexibility**
- **Self-fund a growing percent of capital expenditures**
- **Underpin cash flows with hedges**
- **Enhance returns**



Strengthened Balance Sheet

| \$ in Millions | 2012 | 2013 | 2014 | 2014 Pro Forma ¹ |
|----------------------|---------|---------|---------|-----------------------------|
| Cash | \$33 | \$198 | \$29 | \$250 |
| Total Debt | \$1,217 | \$1,052 | \$1,801 | \$1,300 |
| Total Equity | \$832 | \$1,272 | \$1,563 | \$2,318 |
| Total Capitalization | \$2,049 | \$2,324 | \$3,364 | \$3,618 |

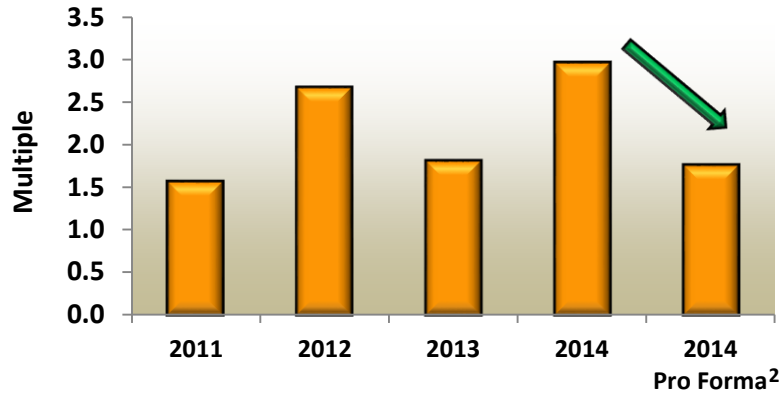
Laredo remains committed to maintaining a strong balance sheet with the financial flexibility to develop our asset efficiently



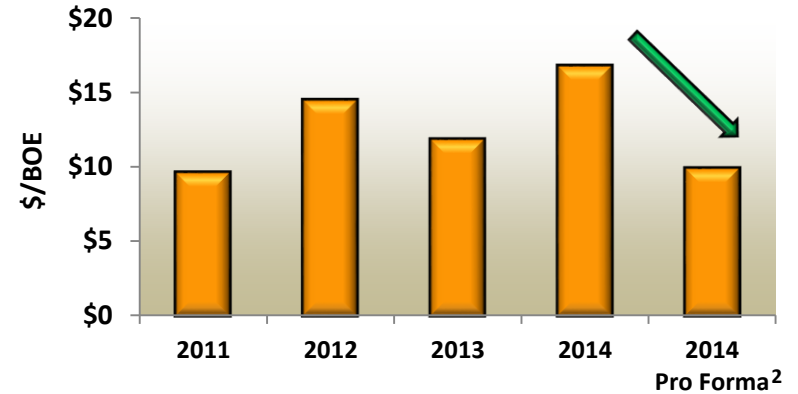
¹ Pro forma amounts reflect the repayment in full of the Company's Senior Secured Credit Facility and calling the 9-1/2% notes following the issuance of 69 MM shares of common stock and \$350 MM of 6-1/4% notes

Improved Debt Metrics

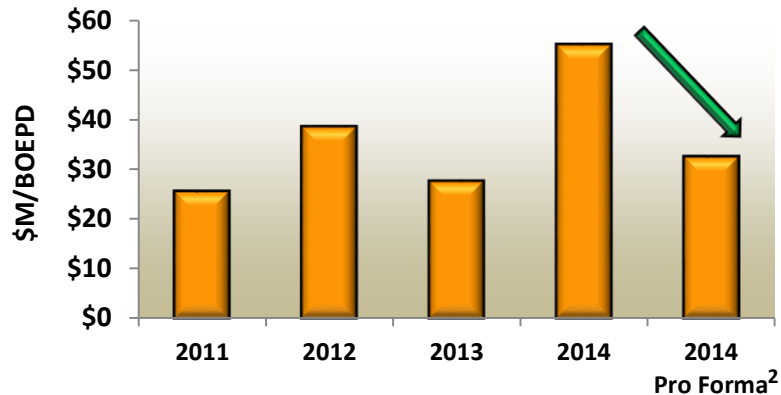
Debt¹ / Adjusted EBITDA



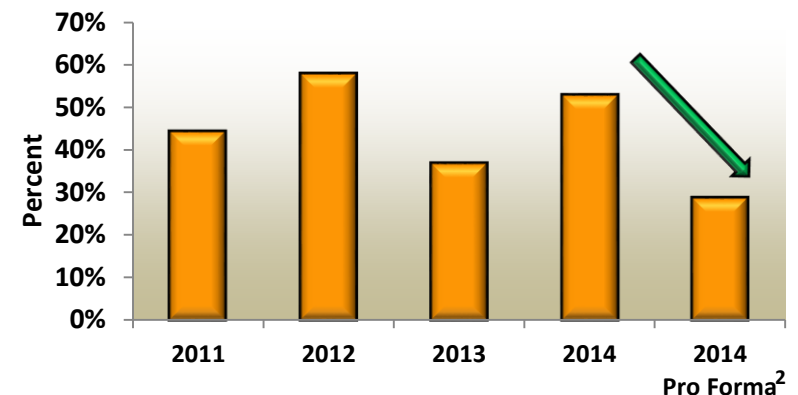
Debt¹ / Proved Developed Reserves



Debt¹ / Daily Production



Debt¹ / Total Capitalization



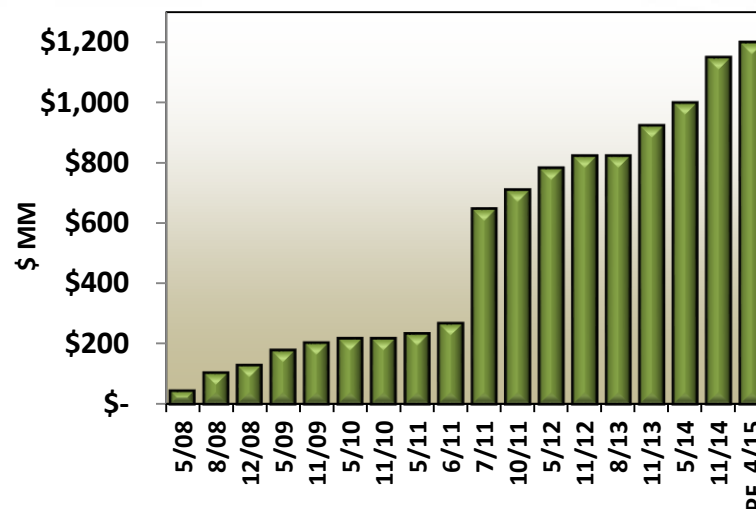
¹ Debt reflect Debt less cash and cash equivalents

² Pro forma ratios reflect the repayment in full of the Company's Senior Secured Credit Facility and calling the 9-1/2% notes following the issuance of 69 MM shares of common stock and \$350 MM of 6-1/4% notes

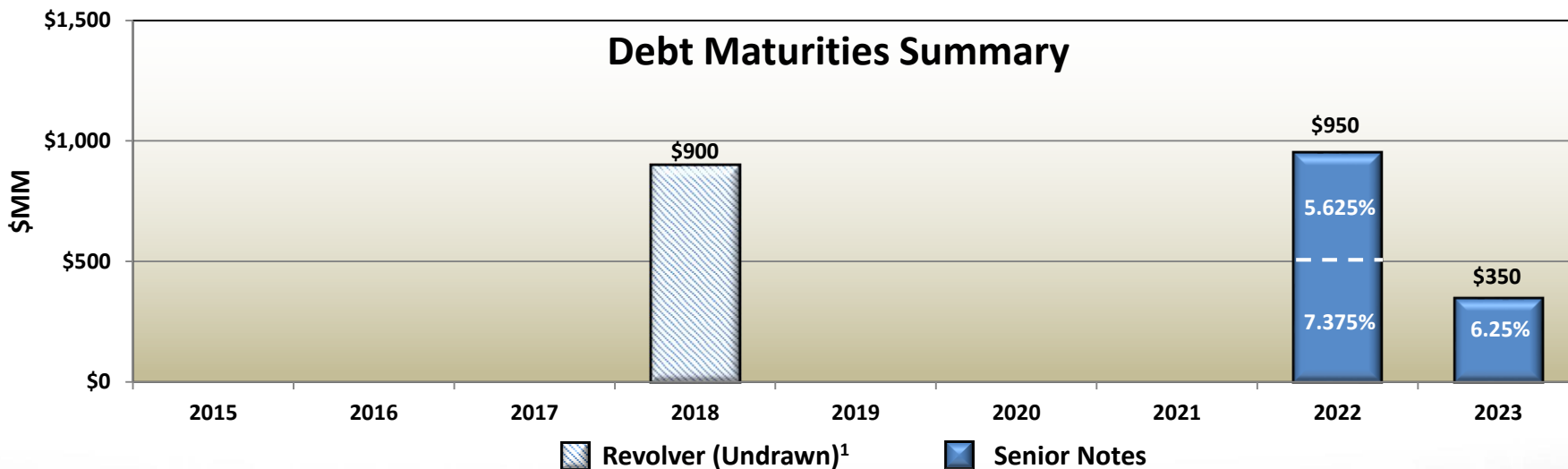
Increased Financial Flexibility

- Decreased total debt ~\$675 MM
- Reduced annual interest payment ~\$40 MM
- Extended first maturity to seven years
- Reduced weighted-average cost of long-term notes to 6.5%: ↓110 bps
- Enhanced borrowing base¹
- Increased liquidity to ~\$900 MM¹

Borrowing Base



Debt Maturities Summary

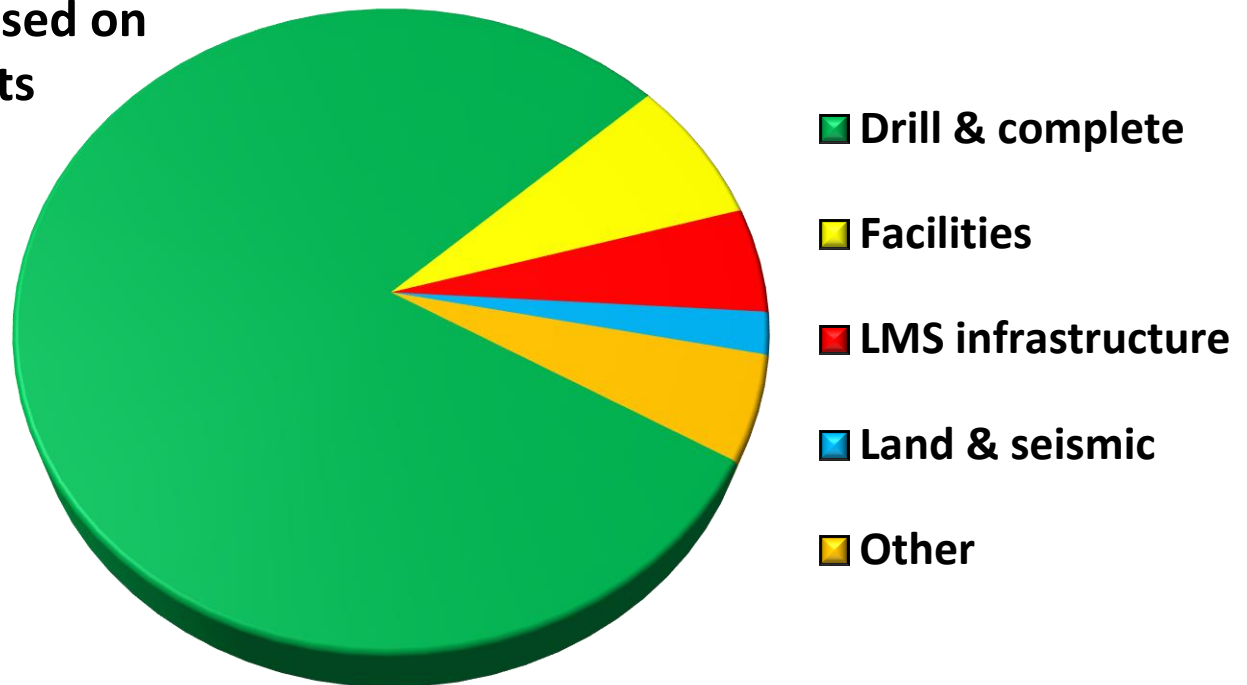


¹ Pro forma to reflect the repayment in full of the Company's Senior Secured Credit Facility and calling the 9-1/2% notes following the issuance of 69 MM shares of common stock and \$350 MM of 6-1/4% notes

2015 Capital Program

Bringing capital in balance to cash flows

- >50% reduction in capital budget
- ~80% of capital focused on drill & complete costs
- Additional service cost savings could reduce outspend

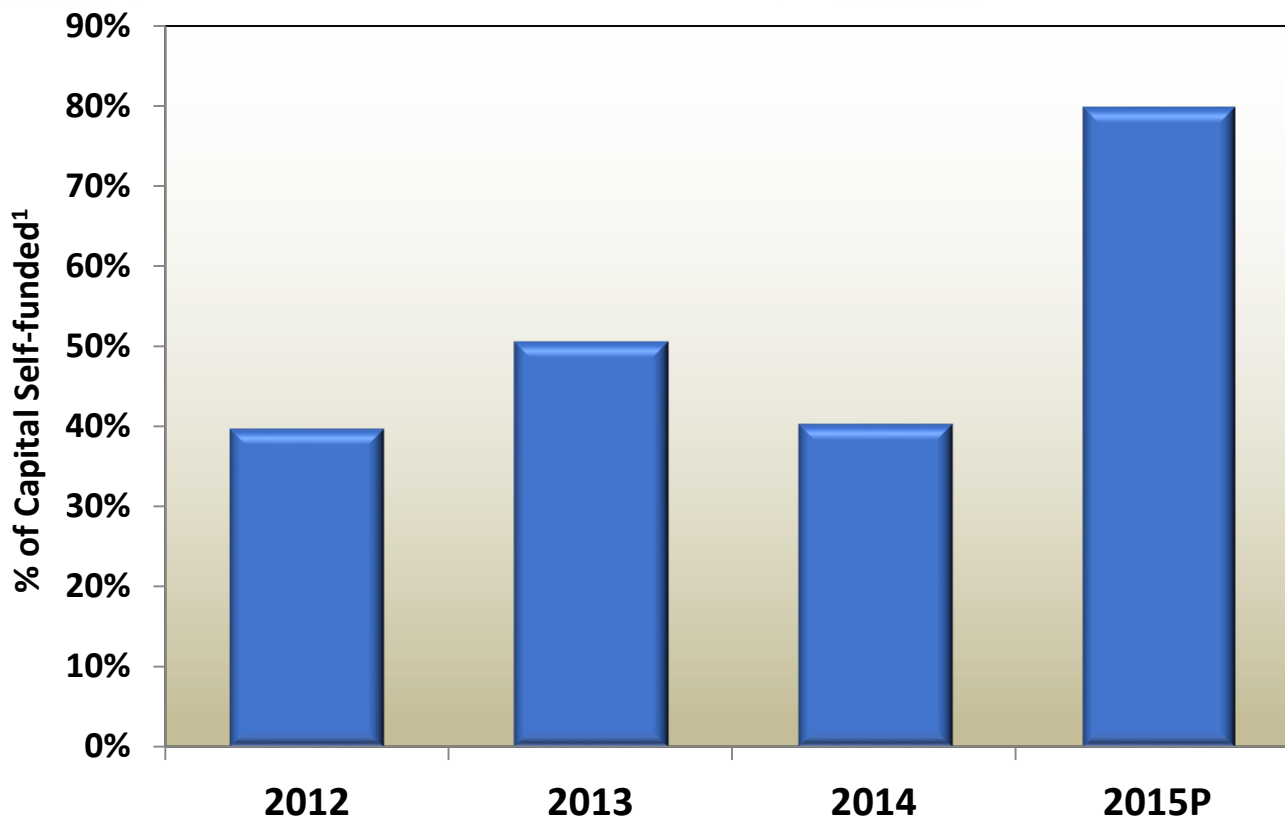


2015: \$475 MM¹

¹ As of 4/1/15



Self-Fund a Growing Percent of Capital Expenditures



Laredo remains committed to self-funding a growing percent of our capital program

¹ Calculated as cash flow from operations before working capital changes as a percent of capital excluding acquisitions

Laredo's Hedging Philosophy

Laredo takes a multi-year approach to hedging in order to underpin cash flows and be able to support:

- **Debt service**
- **Employee cost**
- **Reasonable capital levels to retain core development activities**

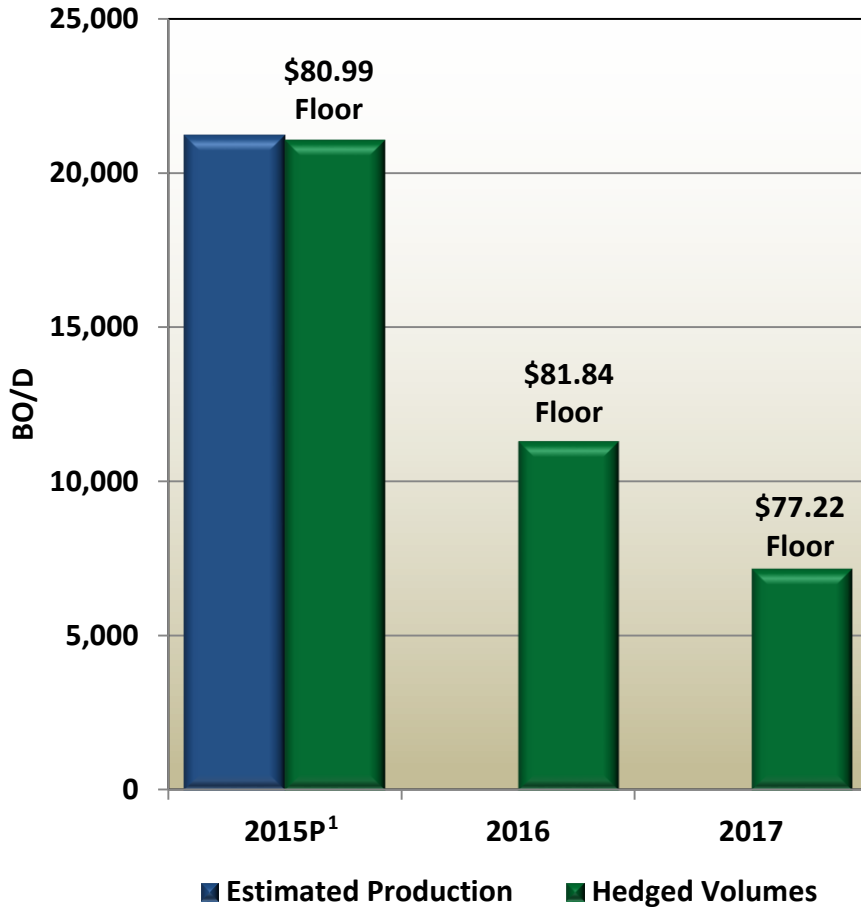
Laredo utilizes straight-forward derivatives:

- **Swaps**
- **Puts**
- **Collars (no three-way collars)**

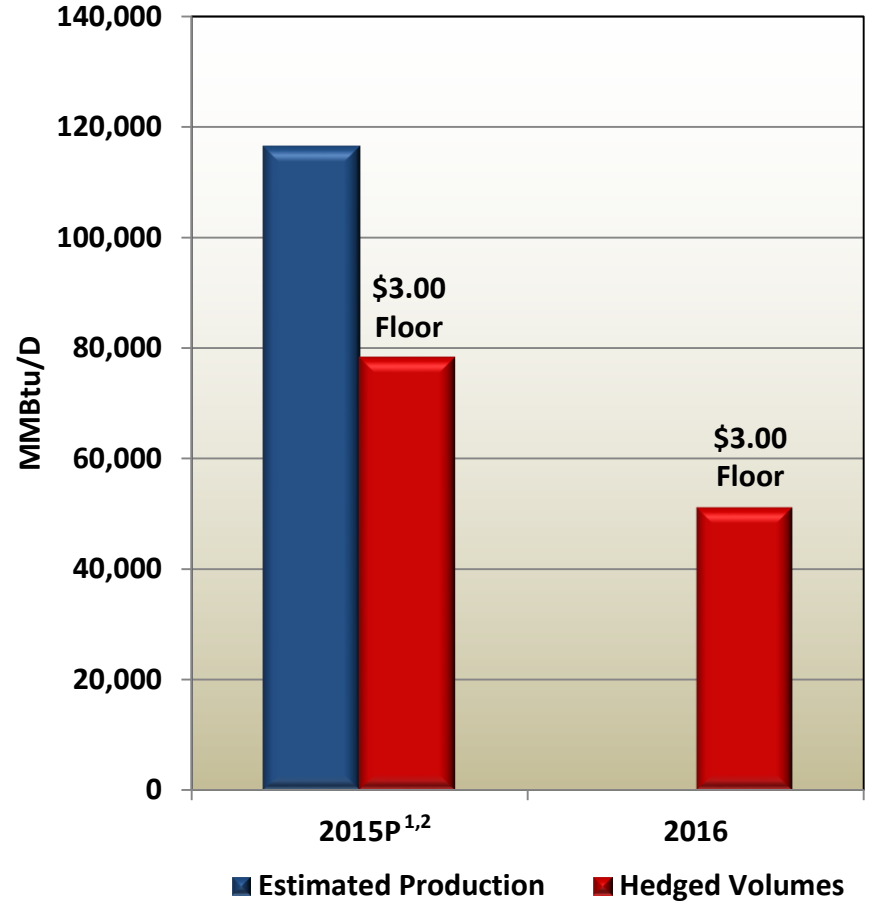


Underpin Cash Flow With Hedges

Oil



Natural Gas/NGL



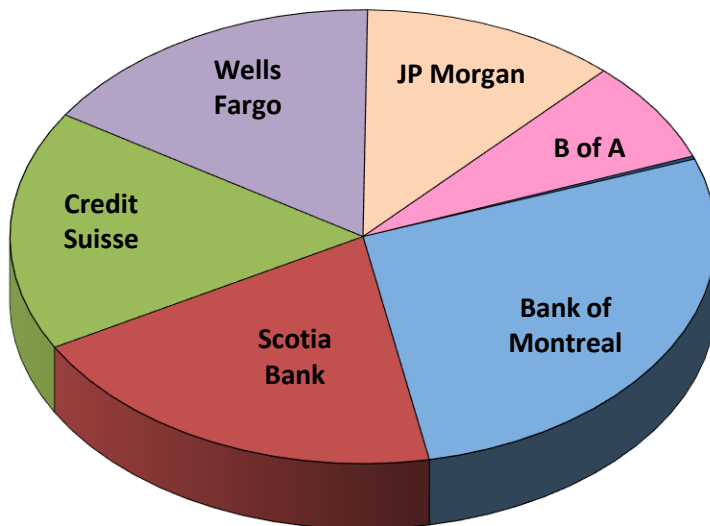
¹ Estimated production based on 2015 production growth guidance issued 12/16/2014, as of 4/1/15

² Heat content of estimated production based on 1311 Btu/cubic foot

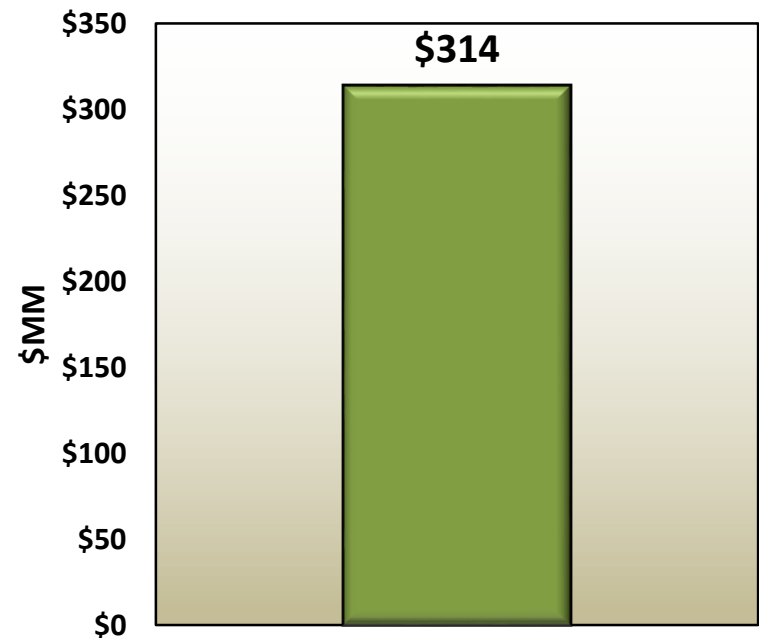
Hedge Book Value & Counterparties

***\$314 MM of value with all current counterparties participants
in the Company's credit facility***

Exposure by Counterparty¹



Current Value of Hedge Book¹



¹ Approximate value as of March 31 2015



Enhancements to Financial Presentation

- **Three-stream reporting:** Effective January 1, 2015 all financial and operating results are presented on a three-stream basis, breaking out crude oil, natural gas liquids and dry natural gas
- **Laredo Midstream Segment:** Laredo will voluntarily present its Laredo Midstream Services on an individual segment basis
 - Due to LPI's high working interest in leasehold, the majority of revenues are eliminated, in the near term, through the consolidation process
 - Highlights the growing value of LMS on a stand-alone basis as third-party volumes on Medallion increase



2015 Guidance

| | FY-2015 |
|--|--------------------------|
| Production (MBOE) | 15,600 - 16,000 |
| Price Realization¹ | |
| Crude Oil (% of WTI) | 85% |
| NGL (% of WTI) | 25% |
| Natural Gas (% of Henry Hub) | 70% |
| Costs | |
| LOE + WOE (\$/BOE) | \$6.75 - \$7.75 |
| G&A (\$/BOE) | \$6.00 - \$7.00 |
| Midstream (\$/BOE) | \$0.40 - \$0.50 |
| DD&A (\$/BOE) | \$18.75 - \$19.75 |
| Production Taxes (% of Revenue) | 7.75% |

¹Price realizations will be adjusted throughout the year to reflect alternative sales points and related differentials

Summary

Randy Foutch

Chairman & Chief Executive Officer



Potential Transaction

As previously disclosed, we have been in discussions with interested parties regarding potential joint drilling and development opportunities on our northern and a portion of our southern Permian-Garden City properties.

Objectives:

- **Accelerate value recognition of multi-decade drilling inventory**
- **Leverage capital to bring EBITDA forward sooner**
- **Maintain the pristine nature of Laredo's leasehold to maximize ultimate value**

The discussions continue to progress, however, there is no certainty that an acceptable transaction will occur.



Do It Right From the Start

Focus on long-term value from the beginning

- Hire quality people, and support them with the tools they need to be successful
- Acquire contiguous acreage in the right basin
- Collect quality data at the right time and use the data to drive decisions
- Maximize NPV by increasing resource recovery and minimizing cost in development plans
- Maintain optionality in operations through ownership of infrastructure and logistical flexibility
- Maintain financial flexibility and cash flow certainty in an uncertain commodity price environment



Appendix



| <i>Open Positions As of December 31, 2014</i> ¹ | 2015 | 2016 | 2017 | Total |
|--|------------------|------------------|------------------|-------------------|
| OIL ² | | | | |
| Puts: | | | | |
| Hedged volume (Bbls) | 456,000 | - | - | 456,000 |
| Weighted average price (\$/Bbl) | \$75.00 | \$- | \$- | \$75.00 |
| Swaps: | | | | |
| Hedged volume (Bbls) | 672,000 | 1,573,800 | - | 2,245,000 |
| Weighted average price (\$/Bbl) | \$96.56 | \$84.82 | \$- | \$88.33 |
| Collars: | | | | |
| Hedged volume (Bbls) | 6,557,020 | 2,556,000 | 2,628,000 | 11,741,020 |
| Weighted average floor price (\$/Bbl) | \$79.81 | \$80.00 | \$77.22 | \$79.27 |
| Weighted average ceiling price (\$/Bbl) | \$95.40 | \$93.77 | \$97.22 | \$95.45 |
| Total volume with a floor (Bbls) | 7,685,020 | 4,129,800 | 2,628,000 | 14,442,820 |
| Weighted average floor price (\$/Bbl) | \$80.99 | \$81.84 | \$77.22 | \$80.55 |
| NYMEX WTI to Midland Basis Swaps: | | | | |
| Hedged volume (Bbls) | 3,060,000 | - | - | 3,030,000 |
| Weighted average price (\$/Bbl) | \$1.95 | \$- | \$- | \$1.95 |

¹ Updated to reflect hedges placed through 4/13/15

² Oil derivatives are settled based on the month's average daily NYMEX price of WTI Light Sweet Crude Oil

| <i>Open Positions As of December 31, 2014</i> ⁽¹⁾ | 2015 | 2016 | 2017 | Total |
|--|-------------------|-------------------|-------------|-------------------|
| NATURAL GAS ⁽²⁾ | | | | |
| Collars: | | | | |
| Hedged volume (MMBtu) | 28,600,000 | 18,666,000 | - | 47,266,000 |
| Weighted average floor price (\$/MMBtu) | \$3.00 | \$ 3.00 | \$ - | \$3.00 |
| Weighted average ceiling price (\$/MMBtu) | \$5.96 | \$ 5.60 | \$ - | \$5.82 |
| Total volume with a floor (MMBtu) | 28,600,000 | 18,666,000 | - | 47,266,000 |
| Weighted average floor price (\$/MMBtu) | \$3.00 | \$3.00 | \$ - | \$3.00 |

¹ Updated to reflect hedges placed through 4/13/15

² Natural gas derivatives are settled based on Inside FERC index price for West Texas Waha for the calculation period.

EBITDA Reconciliation

| (\$ thousands, unaudited) | 2011 | 2012 | 2013 | 2014 |
|--|------------------|------------------|------------------|------------------|
| Net income | \$105,554 | \$61,654 | \$118,000 | \$265,573 |
| Plus: | | | | |
| Interest expense | 50,580 | 85,572 | 100,327 | 121,173 |
| Depletion, depreciation and amortization | 176,366 | 243,649 | 234,571 | 246,474 |
| Impairment expense | 243 | -- | -- | 3,904 |
| Write-off of debt issuance costs | 6,195 | -- | 1,502 | 124 |
| Bad debt expense | -- | -- | 653 | 342 |
| Loss on disposal of assets, net | 40 | 52 | 1,508 | 3,252 |
| Gain on derivatives, net | (19,736) | (8,388) | (79,878) | (327,920) |
| Cash settlements received for matured commodity derivatives, net | 3,719 | 27,025 | 4,046 | 28,241 |
| Cash settlements received for early terminations and modifications of commodity derivatives, net | -- | -- | 6,008 | 76,660 |
| Premiums paid for derivatives that matured during the period ⁽¹⁾ | (4,104) | (9,135) | (11,292) | (7,419) |
| Non-cash stock-based compensation, net of amount capitalized | 6,111 | 10,056 | 21,433 | 23,079 |
| Income tax expense | 59,374 | 32,949 | 75,288 | 164,286 |
| Adjusted EBITDA | \$384,342 | \$443,434 | \$472,166 | \$597,769 |

¹ Reflects premiums incurred previously or upon settlement that are attributable to instruments settled in the respective periods presented