SANDRIDGE ENERGY INC Form DEFA14A February 04, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

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

Check the appropriate box:

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

SandRidge Energy, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

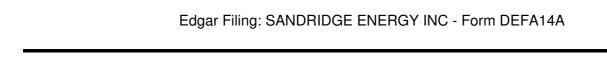
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(1) Title of each class of securities to which the transaction applies:	
C, Service Course of Service of Management appropriate	
(2) Aggregate number of securities to which the transaction applies:	
(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the an which the filing fee is calculated and state how it was determined):	ount on
(4) Proposed maximum aggregate value of the transaction:	
(5) Total fee paid:	
Fee paid previously with preliminary materials.	
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(1) Amount Previously Paid:	
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SandRidge Energy, Inc. used the following stockholder presentation beginning on February 4, 2013. The stockholder presentation was also posted to the Presentations section of www.supportsandridge.com.

Shareholder Presentation February 4, 2013



Disclaimer

This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as a Exchange Act of 1934, as amended. These statements express a belief, expectation or intention and are generally accompanied

outcomes. The forward-looking statements include statements about SandRidge Energy, Inc. s future operations, rig counts, d focus on conventional oil plays with a goal to achieve a self-funding capital program while growing production and reducing of the construction of infrastructure, capital raising activities and hedge transactions. We have based these forward-looking statemanalyses made by us in light of our experience and our perception of historical trends, current conditions and expected future d appropriate under the circumstances. However, whether actual results and developments will conform with our expectations are uncertainties, including the volatility of oil and natural gas prices, our success in discovering, estimating, and developing oil at the successful integration of recent acquisitions, our timely execution of hedge transactions, credit conditions of global capital changes, including those related to carbon dioxide and greenhouse gas emissions, and other factors, many of which are beyond in Part I, Item 1A - Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2011 and in compara Reports on Form 10-Q. All of the forward-looking statements made in this presentation are qualified by these cautionary stater not be realized or, even if substantially realized, they may not have the expected consequences to or effects on our company or guarantees of future performance and actual results or developments may differ materially from those projected in the forward or revise any forward-looking statements.

Regulation G Disclosure

This presentation includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those is available on our website at www.sandridgeenergy.com.

Additional Information and Where to Find It

On January 18, 2013 SandRidge Energy, Inc. (the Company) filed with the U.S. Securities and Exchange Commission (the connection with the consent solicitation by TPG-Axon Partners, LP, TPG-Axon Management LP, TPG-Axon Partners GP, L.F. Axon International GP, LLC, Dinakar Singh LLC, Dinakar Singh, Stephen C. Beasley, Edward W. Moneypenny, Fredric G. R Westbrook (the TPG-Axon Consent Solicitation), and has mailed the definitive consent revocation statement and a form of Company entitled to execute, withhold or revoke consents relating to the TPG-Axon Consent Solicitation. STOCKHOLDERS CONSENT REVOCATION STATEMENT, WHICH IS AVAILABLE NOW, AND OTHER DOCUMENTS FILED WITH TAVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Stockholders may obtain a free copy of available) filed with the SEC by the Company through the website maintained by the SEC at www.sec.gov.

Certain Information Regarding Participants

The Company and certain of its directors and executive officers are participants in the solicitation of consent revocations from Axon Consent Solicitation. Stockholders may obtain information regarding the names, affiliations and interests of the Companual Report on Form 10-K for the year ended December 31, 2011, which was filed with the SEC on February 27, 2012, its quarters of the fiscal year ending December 31, 2012, filed on May 7, 2012, August 6, 2012 and November 9, 2012, respective was filed with the SEC on January 18, 2013. These documents can be obtained free of charge through the website maintained

Overview

TPG-Axon s Bid for Control

Short-term focus disrupts the creation of long-term shareholder value

Campaign is based on false and misleading statements

Asking stockholders to turn over control of SandRidge to a new board nominated exclusively by TPG-Axon

Election of TPG-Axon s nominees would not provide stockholders with any control premium

SandRidge Creating Significant Value as the Premier Mississippian Operator

Most active and efficient driller in the play, which has among the highest returns in drilling in the US

Permian sale provides resources to fund Mississippian growth

SandRidge Repositioning Balance Sheet

Permian

sale

will

provide

SandRidge

with

total

liquidity

of

\$2.8

billion

(a)

Credit

measures

dramatically

improve

as

a

result

of

\$2.6

billion

reduction

in

net

debt

Resources to call or tender for bonds

SandRidge s Board and Management Team have Deep Oil and Gas Experience and are Highly Qualified to Lead the Company

TPG-Axon s nominees lack relevant experience to lead SandRidge Today s Agenda

a)

As

of

September

30,

2012,

adjusted

for

proceeds

from

the

Permian

divestiture,

related

deal

fees

and

\$1.1B

of

anticipated

debt

retirement

4

Oklahoma City

SandRidge at a Glance

Permian

Rig Count: 3

Mid-Continent

Mississippian

Rig Count: 32

W. Texas Overthrust

GOM

Rig Count: 2

Objectives

Continue to perform as the premier operator in the

Mississippian

Invest in high return growth projects while maintaining

funding visibility

Further improve credit metrics

Asset Map

a)

Non-GAAP financial measure. Refer to slide 2 for additional disclosure

b)

SandRidge consolidated reserves as of YE2011 with royalty trusts, Pro Forma Dynamic Offshore

c)

Weighted by PV-10 value as of YE2011

Rig counts as of year end 2012

Market

Value

(\$

in

millions) Market Cap (1/31/2013) \$3,473 Net Debt (a) 3,627 Preferred Stock 765 Enterprise Value \$7,864 **Asset Overview** 3Q12 Production (MBoe/d) 103.0 Proved Reserves (MMBoe) (b) 533 % Reserves as Oil (c) 91%

% Developed

53%

5 Overview

SandRidge was founded in 2006 with the goal of becoming a leader

in natural gas production

Subsequently, natural gas priced declined from a high of ~\$13.50/Mcf in 2008 to less than \$2.00/Mcf

SandRidge s Board and management team took strategic actions to transition the Company to an oil-

focused

producer

in

response

to

the

sharp

decline

in

natural

gas

prices

Consistent with these actions, the Board and management are aligned around a clear plan to deliver stockholder value by:

Continuing to perform as the premier operator in the Mississippian

Continuing to strengthen SandRidge s financial position

Funding capital expenditures within cash flows

SandRidge s strong and independent Board is highly qualified and has the expertise to lead the Company in the continued execution of its strategy Why We re Here

TPG-Axon, a hedge fund owning approximately 6.7% of SandRidge stock,

*

has engaged in

a false and misleading campaign to replace your Board

If successful, TPG-Axon s efforts would turn control of SandRidge over to a new board of directors nominated exclusively by TPG-Axon, who we believe will encourage and facilitate a sale or major restructuring designed to benefit short-term investors



Our Strategy is Delivering Results

Shifted from 65% of revenues from natural gas in 2009 to 86% from oil today

Over 80% of Mississippian cash flows result from oil production Transition to oil producer Leadership in Mississippian Mississippian drill bit growth Improve financial condition and liquidity Most active and most efficient driller in the play, which has among the highest returns in the US Operational expertise and infrastructure development make SandRidge the lowest cost producer 138% growth in production from Q3 2011 to Q3 2012 Grew production in the Mississippian 18x from Q3 2010 to Q3 2012 Announced sale of Permian for \$2.6 billion generating cash proceeds of \$1.4 billion over our net investment Over \$2 billion of cash and ~\$2.8 billion in liquidity pro forma for

Net debt

to

EBITDA

Permian sale (a)

decreased

from

4.6x

at

Sept. 30, 2011 to 3.2xat Sept. 30, 2012; less than 2.0xpro forma for Permian sale (a) Reduced 2013 capital expenditure budget by 19% Support SandRidge s Board and Management s plan to drive continued growth and value a) As of September 30, 2012, adjusted for proceeds from the Permian divestiture, related deal fees and \$1.1B of anticipated debt

retirement



TPG-Axon intends to force a sale or major restructuring benefitting short-term holders: They have yet to demonstrate the ability or to articulate a plan to actually run SandRidge s business for any

length of time

TPG-Axon is a short-term-focused hedge fund

TPG-Axon has actively sold shares of SandRidge (~5.3 million shares since initial investment in November 2011)

Sold five times in last year and three times since July 2, 2012 (including as recently as December 10, 2012)

3 other E&P investments in the past 3 years

Other E&P investments held on average only 2 fiscal quarters

TPG-Axon s nominees lack the relevant oil and gas exploration and production operating experience necessary to drive SandRidge s future growth

TPG-Axon is asking stockholders to turn over control of the Board and SandRidge.

The election of TPG-Axon s nominees would not provide stockholders with any control premium

If successful, TPG-Axon s proposals could trigger a change of control

the Company

forcing

to offer

buy back \$4.3 billion in Senior Notes, which could materially harm its financial position

If successful, TPG-Axon s proposals would also result in the accelerated vesting of a substantial number of

shares

of

restricted

stock

held

by

senior

management,

thereby

removing

a

key element of the Company s retention program and potentially depriving the Company of its experienced leadership

TPG-Axon s Efforts Would Disrupt Long-Term Value Creation

The
SandRidge
Board
has
reviewed
these
allegations
several
times
and
has
found
no
evidence
of
wrongdoing.
Important
facts
include:
SandRidge s interests are located in over 7,500 sections covering nearly five million acres in 30 counties throughout an area
that encompasses approximately 17 million acres; virtually all companies active in the play are likely to have some interests
that could be characterized as adjacent to the Company s holdings
go
Across SandRidge s vast acreage in the Mississippian, the Company competes with numerous
other companies
WCT Resources is just one of many
WCT Resources is an independent oil and gas company
Mr. Ward has no control over WCT Resources, and does not participate in its management,
operations or business
WCT
Resources
managers,
which
include
Mr.
Ward s
son,
have
no
access
to non-
non- public
information concerning SandRidge s land and mineral acquisition programs
mormation concerning sandicinge is fand and minicial acquisition programs
Transactions between SandRidge and WCT Resources have been thoroughly reviewed and
Transmitted Collision Sandrings and 11 CT 100001000 have been anotoughly 101101100 and

approved in advance by disinterested Board members in accordance with Company

policy

The Company has disclosed related party transactions in its public filings, as appropriate

9 TPG-Axon s Campaign is Based on False and Misleading Statements We are

determined to set the record straight regarding important facts: Clear Strategic Direction Financial Performance Financial Strength Management Alignment SandRidge has exceeded Analyst Consensus estimates for **EBITDA** in three of the last four quarters and for EPS in each of the last five quarters SandRidge s estimated returns for Mississippian wells have been consistent with competitors Tom Ward, SandRidge s CEO, personally invested over \$600MM in SandRidge between 2006 and 2007 and still owns ~5.0% of the company SandRidge s focus on improving its financial position has brought its cost of capital below its peers (a) (9.9% for SandRidge vs. 10.9% for peers) (b)

Net debt-to-EBITDA has declined to below 2.0x in 3Q12, Pro Forma for the
Permian sale
Clearly
articulated
and
successfully
shifted
from
natural
gas
to
oil
Thoughtful approach to managing asset base has resulted in the leading
position in the high-growth Mississippian with a balance sheet and
financial strength to support growth and deliver shareholder value
a)
Peers
include:
Berry
Petroleum
Co.,
Continental
Resources,
Inc.,
Concho
Resources,
Inc.,
Halcon
Resources
Co.,
Laredo
Petroleum
Holdings,
Inc.,
Newfield
Exploration
Co.,
Oasis
Petroleum
Inc.,
Pioneer Natural Resources Co., Plains Exploration & Production Company and Whiting Petroleum Corp
b)
WACC based on Bloomberg data as of 1/15/2013
miles successification of miles of mile

Leveraging Our Position to Create Value

(a) 18 year drilling inventory Rig Count: 32 (b) Industry Leader: Over 2x nearest peer Production: 30.2 MBoe/d (3Q12) **Industry Leader** Wells Drilled: 600 (b) Industry Leader: ~45% of total Miss wells Salt Water Disposal Wells: 113 (b) **Industry Leader** SandRidge: Leader in the Mississippian a)

Based on 4 wells per section

As of December 31, 2012

Mississippian drilling driving organic

growth

Production from the Mississippian has increased over 18x since 3Q10

2012 commodity mix of 46% oil and 54% natural gas

~80% of Mississippian cash flows come from oil production SD Wells Drilled

2010

37

2011

167

2012

396

2013E

581

significantly along the learning curve

-

Spud to spud times declined ~20% through 2012, with average spud to first sales over 10 days below peers

(a)

_

Completion costs declined ~30% in 2012 as a result of design optimizations and contract rebidding

Drill and complete costs are expected to continue to decline to a 2013 goal of less than \$3.0MM per well

SandRidge continues to be the leader of development costs and infrastructure in the Mississippian Low Cost Mississippian Developer a) Based on SD non-op wells

113 active disposal wells as of year end 2012

Over 700 miles of pipeline

Disposal rate of over 650 MBW/d

Over \$450MM gross invested capital Infrastructure Investments Secure Competitive Advantage and Maximize Value Electrical System

Produced

water

transfer

and

artificial

lift

systems

require

high

voltage

SandRidge proactively constructed infrastructure to access regional transmission network

~500 miles of power distribution lines

3 operated substations, 4 additional substations in 2013

Figures are as of year-end 2012

15 Low Cost Mississippian Operator

Proactively managing infrastructure needs

and capitalizing on scale allows SandRidge to be a low cost operator in the play

Trucked water volumes are less than 1.0%, down from over 8.0% in early 2012

Wells on generators have declined by over 20% as a result of SandRidge s expanding electrical infrastructure

As a result, LOE has declined over 15% since 1Q12
Excludes Production and Ad Valorem Taxes

Current production of over 30 MBoe/d

Low maintenance capital requirements, high cash flowing assets

SandRidge believes offshore assets are one of the few remaining attractively priced producing assets

As such, we will continue to look to opportunistically acquire small bolt-on properties with minimal development requirements Dynamic Acquisition Review

Prior to the acquisition, SandRidge was positioned as an asset rich company with a constrained development capacity due to financial limitations

The Dynamic acquisition provided attractively priced EBITDA and production and enhanced SD credit metrics

The transaction strengthened our ability to develop the Mississippian by improving financial flexibility and providing free cash flow for the development of our large and long-lived onshore asset base

a)

Leverage

Ratio

represents

Consolidated

Leverage

Ratio

calculated

pursuant

to

the

terms

of

the Senior Credit Facility

b)

3Q12 P.F. leverage is Pro Forma for an estimated LTM EBITDA related to the divested Permian properties and \$1.1B of anticipated debt retirement

proceeds from the Permian Sale and debt retirement
Pro Forma Net Debt reduced to ~\$1.0B (c)
Net Debt to LTM EBITDA less that 2.0x, the lowest level in corporate history a) Liquidity represents the quarter ending cash balance and revolver availability. 3Q12 P.F. liquidity includes proceeds from the retirement b)
Leverage Ratio represents Consolidated
Leverage Ratio calculated
pursuant to the terms
of the Senior Credit
Facility. 3Q12 P.F. leverage
is adjusted for an
estimated LTM EBITDA related
to the divested Permian properties and \$1.1B of anticipated debt retirement c) Contains non-GAAP financial measures. Reconciliations to the most comparable GAAP financial measures can found on our verse.
•

SandRidge s Board is Highly Qualified to Lead

Chairman and CEO Director since: 2006

Over 30 years

experience in oil and gas exploration and development

Recognized leader in the Mississippian Lime play

COO and Co-Founder of Chesapeake Energy

Degree in Petroleum Land Management Jim J. Brewer

Director since: 2011

Over 30 years

experience in the oil and gas industry

Co-Founder and President of J-Brex Company, a private oil and gas and real estate company

Degree in Geology Everett R. Dobson Director since: 2009

Owner of oil and gas properties and experience in the leasing of oil and gas interests

William A. Gilliland Director since: 2006

Managing partner of Gillco Energy, L.P., a private partnership with significant investments in oil and gas assets

Significant experience with oil and gas assets in the Austin Chalk, Woodbine, Woodford Shale, and Mississippian Lime formations

Daniel W. Jordan Director since: 2006

Over 30 years

experience in the oil & gas industry

Officer of Riata Energy, Inc., SandRidge s predecessor

Founder of Jordan Drilling Fluids, Inc. and Anchor Drilling Fluids USA Inc., the largest privately held North American drilling fluids firm

Roy T. Oliver, Jr. Director since: 2006

Long time investor in energy and energy services businesses

Founder and President of U.S. Rig and Equipment, Inc. for over 20 years Jeffrey S. Serota

Director since: 2007

Senior partner in the Private Equity Group of Ares Management LLC, and management of Ares investments in oil and gas industry

Director of EXCO Resources, Inc. an oil and gas exploration and production company

Senior

Management

Experience

Public Company

Financial

Management

Investing and

Capital Raising

Activities

Tom L. Ward

Jim J. Brewer

Everett R. Dobson

William A. Gilliland

Daniel W. Jordan

Roy T. Oliver, Jr.

Jeffrey S. Serota

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TPG-Axon s Nominees Lack Relevant Experience to Lead SandRidge

Dinakar

Singh, TPG-Axon s leader, has never served as a director of a public company and has no experience in running an operating business 5 of 7 nominees have no relevant oil and gas experience TPG-Axon Nominees Relevant Oil and Gas Experience Other Potentially Relevant Energy Experience Dinakar Singh None None Stephen C. Beasley Board member since 2010 of BPZ Resources Inc., an oil and gas company with a market capitalization of under \$350 million Management positions in natural gas pipeline, transportation and gathering system businesses Edward W. Moneypenny Prior to 2001, CFO and director of Oryx Energy Corporation, an oil and gas company None Frederic G. Reynolds None

None

Peter H. Rothschild

None

Prior to 1996, Investment Banking

Senior Managing

Director and Head of Natural Resources Group at Bear

Stearns & Co. Inc.

Alan J. Weber

None

None

Dan A. Westbrook

the United States

None

Member of the boards of Enbridge Energy Company, an energy distribution company since 2007; Synenco Energy, Inc. a developer of oil sands, from May 2007 to August 2008; and Dapeng LNG 8 China, a liquefied natural gas importer, from September 2001 to December 2005. Prior experience in management positions at BP plc and Amoco Corporation in liquefied natural gas and other energy businesses in China, Russia and other countries outside

11,000 drilling locations support growth over next 18 years

Capitalize on infrastructure investments to drive lower drilling costs and enhance future returns and stockholder value

Continue to improve financial stability and liquidity

Sale of Permian reduces net debt-to-EBITDA to less than 2.0x and provides resources to support growth in the Mississippian

A committed, highly qualified, management team and Board with the expertise necessary to generate long-term value across Company s asset base A Clear Plan for Creating Value

On February 4, 2013 SandRidge Energy, Inc. posted the following additional materials to www.supportsandridge.com.

Presentations

Date Title PDF

02/04/13 Stockholder Presentation

On February 4, 2013 SandRidge Energy, Inc. updated the Disclaimer and Important Information sections of www.supportsandridge.com as set forth below.

SandRidge Energy, Inc.

Disclaimer

FORWARD LOOKING STATEMENTS

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Agree I have read and agree to the terms of this website

Disagree I disagree with these terms, and will not gain access to the website

Important Information

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