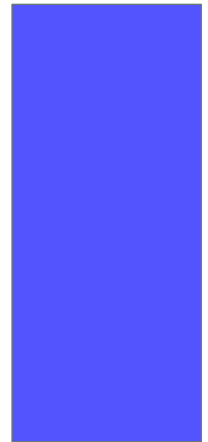


TAYLOR ENERGY COMPANY LLC



MISSISSIPPI CANYON 20



SALE OF TAYLOR ENERGY ASSETS

- Concept for Well Decommissioning Identified
- MC20 Decommissioning Costs estimated
- TEC Assets listed for Sale (less MC20)
- TEC accepts bid by KNOC, USA and Samsung
- MMS demand for financial security prior to approving transfer of leases to KNOC, USA and Samsung

TRUST

- March 19, 2008: TEC & MMS executes Trust Agreement
 - TEC to deposit \$666.3 million over 18 months
 - From proceeds of asset sale & existing decommissioning bonds
- TEC to recoup limited-amount of funds from Trust after successfully performing Decommissioning operations
- Hold Back of \$50 million for 7 years
 - ½ distributed after 3 ½ year term
 - Remaining portion distributed after another 3 ½ years
- Funds to be held in specific low-risk investment vehicles; TEC credited with any interest
- TEC covers bank fees for the Trust out of its operating cash
- March 20, 2008: TEC executes sale to KNOC, USA and Samsung