

Samson Resources to improve under new CEO Randy Limbacher, analyst says

ROD WALTON World Staff Writer | Posted: Thursday, June 6, 2013 12:00 am

Samson Resources Co., the Tulsa-based oil and gas producer that was family-owned for 40 years until a private equity firm bought it 18 months ago, is in better shape to handle its heavy debt load with deep pockets and experienced outside leadership coming in, a local analyst said Wednesday.

Former Rosetta Resources and ConocoPhillips executive Randy Limbacher is now steering the ship at Samson. Limbacher, who started work in April, is being honored by Tulsa energy and business leaders Thursday with an invitation-only welcome gathering downtown.

Wealth manager Fred Russell, principal of Fredric E. Russell Investment Management Co. in Tulsa, has been critical of Samson's multibillion-dollar debt load in the past. He wondered how it would survive the leveraged \$7.2 billion buyout by New York-based KKR & Co. in late 2011.

Now Russell believes that Limbacher's 30-plus years of experience, as well as rising oil and natural gas prices, can pave the way upward for Samson.

"I think it speaks to their sensitivity and street smarts and the importance of investment banking contacts," Russell said. "If they have to restructure their debt, having someone who has likely developed many relationships in the world of capital-raising is a good thing."

Limbacher was hired four months after Samson shed more than 100 jobs companywide, including 70 at its Tulsa headquarters. The layoffs corresponded with then-CEO David Adams' retirement at the end of 2012.

Adams took the helm after the founding Schusterman family sold Samson to KKR in December 2011.

Samson had began changing its drilling portfolio to a more oil-heavy mix, but low natural gas prices and debt cut cash flow and caused Moody's to downgrade the company's credit rating last September.

"That would be an especially formidable challenge for most companies," Russell said. "I believe the debt load is a significant challenge, but I believe Samson will meet it."

"Samson is in a very fortunate position," he added. "They have a lot of cash, they have a lot of operating history and they do have a lot of contacts."

Limbacher presumably has developed many contacts in his 32-year career. He came to Samson after nearly six years as CEO, chairman and president of Houston-based Rosetta Resources Inc. from 2007 until February of this year.

Before that he was president of exploration and production - Americas for ConocoPhillips. Limbacher headed up the then-integrated ConocoPhillips' E&P activities throughout the Western Hemisphere.

He joined Houston-based ConocoPhillips via its 2006 acquisition of Burlington Resources Inc., where he had worked for 20 years.

KKR & Co., also known as Kohlberg Kravis Roberts, was founded by former Tulsan Henry Kravis and his cousin, George Roberts.

Samson timeline

1971: Charles Schusterman starts Samson Resources Co.

1984: Samson moves headquarters to Williams Tower II downtown.

1999: Stacy Schusterman becomes co-CEO as her father's health declines.

2000: Charles Schusterman dies at age 65.

December 2011: Schusterman family sells Samson to KKR & Co. for \$7.2 billion.

September 2012: Moody's downgrades Samson's corporate, probability of default and senior unsecured ratings.

December 2012: KKR confirms Samson is laying off up to 10 percent of its workforce, and that CEO David Adams is retiring.

April 2013: Randy Limbacher is hired as Samson CEO.

Thursday: Private event scheduled to welcome Limbacher.

Rod Walton 918-581-8457

rod.walton@tulsaworld.com

SUBHEAD: A local wealth manager says the Tulsa-based oil and gas producer has made strides in financial health and leadership.

Original Print Headline: Samson improved, analyst says