

HELMERICH & PAYNE EXPLORATION & PRODUCTION CO

Form 425

April 09, 2002

Filed by Helmerich & Payne Exploration and Production Co.
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934

Subject Company: Helmerich & Payne Exploration and Production Co.
Commission File No.: 132-02238

#1

[H&P LOGO
OMITTED]

Howard Weil
Energy Conference
April 9, 2002

Hans C. Helmerich
President and Chief Executive Officer

George S. Dotson
President, Helmerich & Payne IDC

#2

[H&P LOGO
OMITTED]

Helmerich & Payne Inc.

The information contained within this presentation is forward looking and involves risks and uncertainties that could significantly impact expected results. A discussion of these risks and uncertainties is contained in the Company's Form 10-K filed with the Securities and Exchange Commission on December 27, 2001.

#3

[H&P LOGO
OMITTED]

A New Look For An 82 Year Old Company

>> H&P to Become a "Pure Play" [PIE CHART GRAPHIC OMITTED]

>> H&P's Total Rig Fleet to Increase by 33%
from 2001 & 2003

[BAR CHART GRAPHIC OMITTED]

#4

[H&P LOGO
OMITTED]

HELMERICH & PAYNE, INC.
(pre-transaction)

[PIE CHART GRAPHIC OMITTED]

Contract Drilling	E&P	Portfolio
----- 101 rigs	----- 245 Bcfe	----- \$310MM

- > ~ \$2.0 billion market cap
- > ~ 50 million shares outstanding

#5

[H&P LOGO
OMITTED]

Exploration & Production Division
Spun Off As Cimarex Energy Co.

[PIE CHART GRAPHIC OMITTED]

H&P	Cimarex
----- Contract Drilling Portfolio	----- Cimarex to H&P Shareholders

#6

[H&P LOGO
OMITTED]

HELMERICH & PAYNE, INC.

E&P

[PIE CHART GRAPHIC OMITTED]

- > Implied value of E&P division \$475 million, (\$9.50 per H&P share) based on recent KP stock price (\$18)
- > Portfolio market value at 4-1-02 of \$310 million (\$6.22 per H&P share)

#7

[H&P LOGO
OMITTED]

SPIN/MERGE GOALS

- > Increase focus and visibility
- > Use financial strength to enhance shareholder value

Edgar Filing: HELMERICH & PAYNE EXPLORATION & PRODUCTION CO - Form 425

- > Strengthen E&P division's position
- > Capture tax efficiency

#8

[H&P LOGO
OMITTED]

WHY KEY PRODUCTION?

- > Impressive people and organization
- > Complementary and overlapping asset base
- > Strong balance sheet
- > Similar philosophies and cultures

#9

[H&P LOGO
OMITTED]

KEY PRODUCTION RECORD OF GROWTH

(\$ in millions)	1992	2001
	----	----
Market Cap	\$ 25	\$ 240
Debt	\$ 3	\$ 34
Stock price (\$/share)	\$ 3	\$ 17
Reserves (Bcfe)	38	147
Reserves (Mcfe/share)	3.6	10.5
Production (Bcfe)	8.3	26.0

#10

[H&P LOGO
OMITTED]

COMBINED PROPERTIES

	Helmerich & Payne, Inc.	

	Proved reserves (Bcfe)	245
	% Natural gas	87%
	Production (MMcfe/d)	116
[MAP GRAPHIC OMITTED]	Net undeveloped acres	150,401
	Key Production Company	

Denver Tulsa District Operating Offices	Proved reserves (Bcfe)	147

Edgar Filing: HELMERICH & PAYNE EXPLORATION & PRODUCTION CO - Form 425

% Natural gas	62%
Production (MMcfe/d)	74
Net undeveloped acres	119,251

#11

[H&P LOGO
OMITTED]

CIMAREX ENERGY

	Key	H&P	Combined
YE01 Proved reserves (Bcfe)	147	245	392
2002E Production, MMcfe/d	74	116	190
% Gas Production	65%	90%	80%
2001 EBITDAX	\$80	\$146	\$226
Employees	95	150	245

#12

[H&P LOGO
OMITTED]

EQUITY MARKET CAP

[BAR GRAPH graphic omitted]

(\$ in millions)

KP	NEV	MHR	PRZ	KWK	DNR	ROIL	EAC	POG	MARY	Cimarex	COG
---	---	---	---	---	---	---	---	---	---	-----	---
222	242	257	271	336	355	359	396	559	566	600	631

#13

[H&P LOGO
OMITTED]

CIMAREX ENERGY RECAP

- > New independent with critical mass of people and assets
- > \$700MM equity market cap
- > Limited debt and substantial financial capacity
- > Predominantly Mid-Continent production base
- > Gulf Coast and Mid-Continent oriented exploration programs
- > Strong management team with proven track record

#14

[H&P LOGO

Helmerich & Payne, Inc.

Edgar Filing: HELMERICH & PAYNE EXPLORATION & PRODUCTION CO - Form 425

OMITTED]

Balance Sheet as of 12/31/01

	Consolidated	H&P E&P	H&P, Inc.
Current Assets	\$ 268.1	\$ 39.2	\$ 228.9
Investments	230.1	0	230.1
PP&E (net)	860.7	162.1	698.6
Other	13.4	.2	13.2
Total Assets	\$1,372.3	\$ 201.5	\$1,170.8
Current Liabilities	\$ 79.8	\$ 40.2	\$ 39.6
Long-Term Debt	50.0	0	50.0
Deferred Taxes / Other	186.4	21.8	164.6
Shareholders' Equity	1,056.1	139.5	916.6
Total Liabilities and Shareholders' Equity	\$1,372.3	\$ 201.5	\$1,170.8

#15

[H&P LOGO Helmerich & Payne, Inc.
OMITTED]

What makes H&P attractive as a "pure play" contract drilling company?

- > Unique Strategy
- > Expanding Rig Fleet
- > Strong balance sheet
- > Additional analyst coverage and ownership interest

#16

[H&P LOGO Helmerich & Payne, Inc.
OMITTED]

[BAR GRAPH GRAPHIC OMITTED]

Total Rigs					
1998	1999	2000	2001	2002E	2003E
90	90	88	96	113	128

#17

[H&P LOGO Helmerich & Payne, Inc.
OMITTED]

Edgar Filing: HELMERICH & PAYNE EXPLORATION & PRODUCTION CO - Form 425

H&P RIG LOCATIONS

[NORTH AMERICA/SOUTH AMERICA MAP GRAPHICS OMITTED]

```

> 70 U.S. rigs
      U.S.                58
      Gulf of Mexico      12

> 33 International rigs
      Offshore Colombia   3
      Ecuador              8
      Venezuela           14
      Bolivia              6
      Argentina           2
      ---
> 103 Total rigs          103

      4 Management Contracts
    
```

#18

[H&P LOGO
OMITTED]

Helmerich & Payne, Inc.

	Rigs Available	Working / Contracted
	-----	-----
U.S. Land, Mobile & FlexRigs(TM)	29	100%
U.S. Land, Conventional	29	69%
U.S. Platform	12	83%
International Land	33	48%
	---	---
Total	103	73%

FlexRig(TM) hereinafter referred to as FlexRig

#19

[H&P LOGO
OMITTED]

U.S. Land Rigs

Rig Utilization

This slide contains a chart that indicates rig utilization for US land rigs of Helmerich & Payne compared with the industry during the period from July 2001 until April 2002. Helmerich & Payne had greater percentage of rig utilization in that period. As of April 2002, Helmerich & Payne's rig utilization is 84% compared to the industry rig utilization of 53%.

#20

[H&P LOGO
OMITTED]

Safety

Total H&P vs. IADC safety performance 2001*

	H&P	IADC	Difference
Incidence Rate			
Total recordable	1.83	4.72	61% lower
Lost Time Incident (LTI)	0.12	1.26	90% lower

Edgar Filing: HELMERICH & PAYNE EXPLORATION & PRODUCTION CO - Form 425

Sustained LTI-free Operations

	Shell U.S.	PdVSA	BP	Conoco
Man-hours (MM)	5.0	2.9	2.5	1.5
Rig years	39	24	20	25
Consecutive	8.0	3.7	1.5	3.7

#21

[H&P LOGO
OMITTED] Helmerich & Payne, Inc.

#22

[H&P LOGO
OMITTED] Helmerich & Payne, Inc.

[Pictures omitted]

#23

[H&P LOGO
OMITTED]

FlexRig

The BEST VALUE rig for a wide range of wells

25 new FlexRigs delivered May 2002 - June 2003

#24

[H&P LOGO
OMITTED] U.S. Rigs Drilling 1982

This slide contains a graphic depicting the total percentage of Helmerich & Payne's U.S. rigs drilling at various well depths from 1982-2001. In 1982, 1% were drilling at greater than 20,000 feet, 3% at 17,501 feet to 20,000 feet, 5% at 15,001 feet to 17,500 feet, 29% at 10,001 to 15,000 feet and 62% at 0 to 10,000 feet. In 2001, 2% were drilling at greater than 20,000 feet, 4% at 17,501 feet to 20,000 feet, 7% at 15,001 feet to 17,500 feet, 43% at 10,001 to 15,000 feet and 44% at 0 to 10,000 feet.

#25

[H&P LOGO
OMITTED] Strengths of FlexRigs

1. Safety: During 1998-2001, 36% fewer injuries (TRIR) vs H&P conventional rigs
2. Activity: 96% activity for all Mobile & FlexRigs since July 1994

#26

[H&P LOGO
OMITTED] Strengths of FlexRigs

3. Fast move times - 1500 HP Rigs

Average days per 40 mile move

FlexRigs (257 moves)	2.4 days
Conventional Rigs (49 moves)	6.7 days

#27

[H&P LOGO Strengths of FlexRigs
OMITTED]

4. Flexible Depth Range Wells

R168 Nov '99 - March '02

Depth	# of Wells
8-9,000	5
9-11,000	2
11-14,000	6
14-18,000	6

#28

[H&P LOGO Total Rigs
OMITTED]

This slide graphically depicts the number of total rigs for years 1998 - 2003 (estimated), as well as the number of mobile and flex rigs in each year. In 1998, the total number of rigs was 90, 16 of which were mobile and flex rigs. In 1999, the total number of rigs was 89, 17 of which were mobile and flex rigs. In 2000, the total number of rigs was 88, 17 of which were mobile and flex rigs. In 2001, the total number of rigs was 96, 25 of which were mobile and flex rigs. In 2002, it is estimated that the total number of rigs will be 113, 39 of which are estimated to be mobile and flex rigs. In 2003, it is estimated that the total number of rigs will be 128, 54 of which are estimated to be mobile and flex rigs.

[Pictures omitted]

#29

[H&P LOGO EBITDA (\$MM)
OMITTED]

EBITDA is represented graphically for the years 1992, in which it was under \$50 million, through 2001, in which it was approximately \$190 million. It is estimated that EBITDA for 2002 will be approximately \$150 million. The peak run rate for 2003 would result in EBITDA of over \$350 million.

#30

[H&P LOGO
OMITTED]

Invitation to visit a FlexRig during OTC, May 7 & 8

- Tour new FlexRig 210
- Visit the H&P fabrication & training facilities
- View new platform Rig 206 (self-moving)

#31

[H&P LOGO
OMITTED]

