



## **Indigo Minerals LLC Announces Planned Divestiture of a Portion of Its North Louisiana Fee Mineral Position to EnCana Oil & Gas (USA) Inc.**

HOUSTON, June 25, 2008 – Indigo Minerals LLC (“Indigo”) announced today that it has entered into a sale and purchase agreement to divest a portion of its North Louisiana fee mineral position to EnCana Oil & Gas (USA) Inc. (“EnCana”) for \$457 million. The all cash sale is subject to customary purchase price adjustments and is due to close July 31.

The properties to be sold are located in several parishes in Northwest Louisiana. The properties include approximately 89,500 acres consisting of fee minerals currently leased to either EnCana or others, unleased minerals and interests in 242 wellbores already drilled on the properties. Pro forma the subject transaction, Indigo remains one of the largest private mineral owners in Louisiana. Including its Alabama and Mississippi positions, the company will still own some 635,000 net fee mineral and royalty acres located primarily in the Upper Gulf Coast.

In addition to its mineral and royalty positions, Indigo will continue to own approximately 22,000 leasehold acres in North Louisiana and East Texas, including a largely contiguous 7,700 net acre position in the Haynesville Shale play in the Logansport Field area of northwest DeSoto Parish. Indigo’s estimated capital budget for the balance of 2008 is \$60 million. Year to date through June 1, 2008, Indigo has drilled or participated in drilling seven new wells with a 100% success rate and better than forecasted initial production volumes. Indigo expects to exit the year with five rigs active in the Ark-La-Tex region. Primary targets will be the Hosston/Travis Peak, Cotton Valley and Haynesville Shale formations.

Indigo Minerals LLC was originally formed in October 2006. The venture is backed by Yorktown Partners, the Martin Companies, Bank of America Capital Investors and Indigo management. Through its relationship with the Martin Companies, Indigo owns the existing oil and gas leases and minerals of two of the largest private landowners in the state of Louisiana - Roy O. Martin Lumber and Martin Timber Company. In addition to the 425,000 fee mineral acres originally acquired from the Martin Companies (a portion of which is being divested to EnCana), Indigo controls approximately 300,000 net mineral and royalty acres acquired from Callon Petroleum in December 2007. Through its minerals, Indigo has an interest in over 900 producing wells.

Further information regarding Indigo Minerals LLC can be obtained by visiting its website at [www.indigominerals.com](http://www.indigominerals.com).