

MAGNUM HUNTER RESOURCES INC

Form 425

January 27, 2005

Filed by Cimarex Energy 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 Corporation: Magnum Hunter Resources, Inc.

Commission File No.: 001-12508

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**Magnum Hunter Merger**  
**January 27 28, 2005**

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*Forward-Looking Statements*

This presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements regarding the consummation of the proposed distribution and merger, its effect on future earnings, cash flow or other operating results, any other effect or benefit of the proposed distribution and merger, market prospects, and any other statements that are not historical facts. Cimarex Energy (NYSE: XEC) and Magnum Hunter Resources (NYSE: MHR) strongly encourage readers to note that some or all of the assumptions upon which such forward-looking statements are based are beyond their ability to control or estimate precisely, and may in some cases be subject to rapid and material changes. More detailed information about the factors that could cause actual results to differ materially from those described in the forward-looking statements is set forth in XEC's and MHR's filings with the Securities and Exchange Commission, which are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). XEC and MHR undertake no obligation to publicly update any forward-looking statements discussed in this presentation, whether as a result of new information, future events or otherwise.

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***Additional Information***

In connection with the proposed merger, Cimarex Energy Company and Magnum Hunter Resources, Inc. will file a proxy statement/prospectus with the SEC. **Investors and security holders are urged to carefully read the proxy statement/prospectus regarding the proposed transaction when it becomes available, because it will contain important information.** Investors and security holders may obtain a free copy of the proxy statement/prospectus (when it is available) and other documents containing information about Cimarex Energy and Magnum Hunter Resources, without charge, at the SEC's web site at [www.sec.gov](http://www.sec.gov). Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus may also be obtained for free by directing a request to either: Cimarex Energy Company, Inc., 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203, Attention: Mary Kay Rohrer, Assistant Corporate Secretary; telephone 303-295-3995, fax: 303-295-3494, or Magnum Hunter Resources, Inc., 600 East Los Colinas Blvd., Suite 1100, Irving, Texas, 75039, Attention: Morgan F. Johnston, Corporate Secretary; telephone 972-401-0752, fax: 972-443-6487.

**Participants in Solicitation**

Cimarex, Magnum Hunter and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the stockholders of Cimarex and Magnum Hunter in favor of the merger. Information about the executive officers and directors of Cimarex and their ownership of Cimarex common stock is set forth in the proxy statement for its 2004 Annual Meeting of Stockholders, which was filed with the SEC in April 2004. Information about the executive officers and directors of Magnum Hunter and their ownership of Magnum Hunter common stock is set forth in the proxy statement for their 2004 Annual Meeting of Stockholders, which was filed with the SEC in August 2004. Investors and security holders may obtain more detailed information regarding the direct and indirect interests of Cimarex, Magnum Hunter and their respective executive officers and directors in the merger by reading the joint proxy statement/prospectus when it becomes available.

*Management Representatives*

**Cimarex Energy Company NYSE: XEC**

Mick Merelli, Chairman, President and CEO

Tom Jorden, Executive Vice President Exploration

Paul Korus, Vice President, CFO

**Magnum Hunter Resources, Inc. NYSE: MHR**

Gary Evans, President and CEO

Brad Davis, Senior Vice President and CFO

*Principal Terms*

Stock for stock

0.415 XEC for each MHR share

53.6% / 46.4% ownership split

Assumption of \$645MM of MHR debt

Debt : capitalization ~25%

MHR dividend of its ownership interest in Tel Offshore Trust (TELOZ) ~\$0.17 per share

MHR to designate one Board member

*Why We Like Magnum Hunter*

Substantial footprint in the Permian Basin

Stable production with extensive low-risk drilling inventory

Bolt-on Mid-Continent and Gulf Coast projects

Measured entrée into high rate-of-return GOM projects

Opportunity to accelerate drilling

*What We Like About The Combination*

Diversified asset base

40% Mid-Continent

44% Permian Basin

13% Gulf Coast / Gulf of Mexico

Significant drilling inventory

Lower risk: Mid-Continent and Permian Basin

Higher potential: Gulf Coast and Gulf of Mexico

Low debt

It's all about getting better, not just bigger



*Cimarex Strategy*

Continue to build a company for the long term

Growth through the drill bit

Consistent profitable growth

*Our History*

[CHART]

*Cimarex Strategy*

Build a company for the long run

Growth through the drill bit

Consistent profitable growth

*Drilling Capital Invested*

[CHART]

*Cimarex Strategy*

Build a company for the long run

Growth through the drill bit

Consistent profitable growth

No debt, no PUDs, short R/P, no hedges?

*Cimarex With Debt?*

\$	MM	XEC (1)	MHR (1)	Combined
Cash (09/30/04)		\$ 92	\$ 26	\$ 115
<b>Debt:</b>				
Senior Notes Due 2012			195	195
Convertible Note Due 2023			125	125
Bank Debt and Other			324	324
Debt : Capitalization		NA	51%	<b>25%</b>

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(1) Before transaction expenses and adjustments