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BERRY PETROLEUM CO

Form 425

February 26, 2013

Filed by LinnCo, LLC and Linn Energy, LLC

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Pursuant to Rule 425 Under the Securities Act of 1933

And Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Berry Petroleum Company

Commission File No. 001-09735

Merger Overview  
February 21, 2013

Forward-Looking Statements  
and Risk Factors

This presentation contains forward-looking statements concerning the proposed transactions, its financial and business impact, management's beliefs and objectives with respect thereto, and management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements are all statements other than statements of historical facts. The words

anticipates,  
may,  
can,  
plans,  
believes,  
estimates,  
expects,  
projects,  
intends,  
likely,  
will,  
should,  
to be,

and any similar expressions or other words of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of LINN, LinnCo, Berry or of the combined company. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those anticipated, including but not limited to the ability of the parties to satisfy the conditions precedent and consummate

the  
proposed  
transactions,  
the  
timing  
of  
consummation  
of  
the  
proposed

transactions, the ability of the parties to secure regulatory approvals in a timely manner or on the terms desired or anticipated, the ability of LINN to integrate the acquired operations, the ability to implement the anticipated business plans following closing and achieve anticipated benefits and savings, and the ability to realize opportunities for growth. Other important

economic,  
political,  
regulatory,  
legal,  
technological,  
competitive

and  
other  
uncertainties are identified in the documents filed with the Securities and Exchange Commission (the "SEC") by LINN and LinnCo from time to time, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on

Form  
8-K.  
The

forward-looking  
statements  
including  
in  
this  
press  
release  
are  
made  
only  
as

of the date hereof. Neither LINN nor LinnCo undertakes any obligation to update the forward-looking statements included in this press release to reflect subsequent events or circumstances. The market data in this presentation has been prepared as of February 20, 2013, except otherwise noted.

LINN Energy's mission is to **acquire**, develop and maximize cash flow from a growing portfolio of long-life oil and natural gas assets.

Transaction Overview

Consideration

LinnCo to acquire Berry for 1.25 common shares of LinnCo  
(equivalent to total consideration of \$46.24 per Berry shares  
based on LinnCo closing price on February 20, 2013)

Transaction

Value

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~\$4.3 billion (includes assumed debt)

Premium

~20% to Berry's closing price on February 20, 2013

Key Conditions

Subject to shareholder / unitholder approval of Berry, LINN

Energy, and LinnCo

Customary regulatory approvals and conditions

Timing

Closing expected by the end of Q2 '13

4



5

LinnCo, LLC (Nasdaq:LNCO) and LINN Energy, LLC (Nasdaq:LINE) announced the signing of a definitive merger agreement to acquire all of Berry Petroleum Company's (NYSE:BRY) shares outstanding. Total enterprise value of approximately \$4.3 billion including \$1.7 billion of assumed debt. LinnCo has agreed to issue 1.25 common shares for each common share of Berry. Consideration to be received by Berry shareholders is valued at \$46.24 per Berry share based on LinnCo's closing price as of February 20, 2013.

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Represents a premium of approximately 20% to Berry's closing price on February 20, 2013 and approximately 23% to its one-month average price at that date

Represents the first ever acquisition of a public C-Corp by an upstream LLC or MLP and the first acquisition by LinnCo since its October 2012 initial public offering

Acquisition will increase LINN's estimated proved reserves and production by approximately 34% and 30%, respectively

Expected to be immediately accretive to distributable cash flow per unit of approximately \$0.40 at LINN (first twelve months)

Immediately after the merger, LinnCo will contribute Berry assets to LINN Energy in exchange for LINN Energy units

Will maintain one LinnCo share to one LINN Energy unit ratio

Transaction expected to close end of the second quarter 2013

Transaction Details

Strategic Rationale

6

Excellent MLP

Assets

Low decline rate of ~15% and reserve life of >18 years

Proved reserves of ~1.65 Tcfe

Current production of ~40,000 Boe/d

Significantly

Improves Credit

Metrics

100% stock-for-stock transaction significantly improves leverage

Meaningful step to investment grade credit rating

Geographic

Synergies

California, Permian and East Texas assets compliment LINN's existing positions in these areas

o

Following

closing,

LINN

will

be

the

5

th

largest

producer

in

California

Attractive entry into new core area in the Uinta Basin

Liquids

Focused

(1)

~75% liquids, high-margin assets with excellent operating margins

Increases liquids exposure to 54% of proved reserves from 46%, as of December 31, 2012

o

Decreases LINN's NGL exposure (as a % of total production)

Strategic-Fit With

LINN Energy

Expected to be immediately accretive to distributable cash flow per unit by

~\$0.40 per unit (first twelve months)

o

Potential

for

additional

operational

synergies

not

factored

into

deal

Tax efficient for both LinnCo and Berry shareholders

(1)

As of December 31, 2012, pro forma for announced merger.

MLP and Independent E&P Rankings  
Note:  
Market  
data  
as  
of  
February

20,  
2013  
(LINE  
and  
LNCO  
closing  
price  
of  
\$36.65  
and  
\$36.99,  
respectively).

Source:  
Bloomberg.

(1)  
Pro forma for merger.  
LINN is one of the largest MLP and independent E&P companies

7  
th  
largest  
public  
MLP/LLC  
11  
largest  
domestic  
independent  
oil  
&  
natural  
gas  
company

7  
Rank  
Master Limited Partnership  
Enterprise Value (\$MM)  
Rank  
Independent E&P  
Enterprise Value (\$MM)

1.  
Enterprise Products Partners  
\$60,375

1.  
ConocoPhillips  
\$89,597

2.  
Kinder Morgan Energy Partners  
\$46,756

2.  
Occidental Petroleum Corp.  
\$64,934

3.  
Energy Transfer Equity  
\$38,964

3.  
Anadarko Petroleum Corp.  
\$52,281

4.  
Williams Partners  
\$26,732

4.  
Apache Corp.  
\$41,773

5.  
Plains All American Pipeline  
\$24,767

5.  
EOG Resources Inc.  
\$39,943

6.  
Energy Transfer Partners  
\$22,574

6.  
Chesapeake Energy Corp.  
\$34,955

7.  
LINN Energy LLC (Pro Forma)  
\$18,943

7.  
Marathon Oil Corporation  
\$26,927

8.  
ONEOK Partners  
\$17,173

8.  
Devon Energy Corporation  
\$24,449

9.  
Enbridge Energy Partners  
\$14,874

9.  
Noble Energy Inc.  
\$22,575

10.  
El Paso Pipeline Partners  
\$13,363

10.  
Pioneer Natural Resources Co.  
\$19,920

11.  
Magellan Midstream Partners

\$11,658

11.

LINN Energy LLC (Pro Forma)

\$18,943

12.

Markwest Energy Partners

\$9,470

12.

Continental Resources Inc.

\$17,937

13.

Boardwalk Pipeline Partners

\$8,848

13.

Range Resources Corp.

\$14,274

14.

Buckeye Partners

\$7,234

14.

Southwestern Energy Co.

\$13,163

15.

Sunoco Logistics Partners

\$6,851

15.

Cabot Oil & Gas Corp.

\$12,312

16.

Access Midstream Partners

\$6,667

16.

Concho Resources Inc.

\$11,890

17.

Western Gas Partners

\$6,569

17.

Murphy Oil Corp.

\$11,241

18.

Amerigas Partners

\$6,448

18.

EQT Corp.

\$11,066

19.

Cheniere Energy Partners

\$5,770

19.



Plains Exploration & Production

\$10,094

20.

Regency Energy Partners

\$5,655

20.

Denbury Resources Inc.

\$10,033

21.

Targa Resources Partners

\$5,404

21.

Cobalt International Energy

\$9,155

22.

Nustar Energy LP

\$5,228

22.

Sandridge Energy Inc.

\$8,803

23.

Teekay LNG Partners

\$5,159

23.

QEP Resources Inc.

\$8,595

24.

Copano Energy LLC

\$4,521

24.

Whiting Petroleum Corp.

\$7,298

25.

Genesis Energy LP

\$4,435

25.

Newfield Exploration Co.

\$6,546

th

LINN Energy  
A Premier U.S.  
Independent E&P Company  
8  
Daily Production of E&P Peers  
(1)  
Proved Reserves of E&P Peers

(1)

Increases LINN's size and scale among leading, independent E&P companies

Now one of the largest producers of hydrocarbons in the United States

Source: Company press releases and SEC filings.

(1)

Reserves and production data includes most recent information released by listed companies.

Overview of Berry Petroleum

High Quality Oil Portfolio

Proved Reserves (MMBoe)

Q4'12 Production (MBoe/d)

Berry Asset Map

9

Source: Berry Petroleum's Q4 '12 press release.

Uinta Basin  
Piceance  
Basin  
California  
Permian  
East Texas  
Corporate  
Headquarters  
(Denver)  
TX  
CA  
CO  
UT  
~40 Mboe/d  
~75% Liquids  
Berry Operations  
Oil  
Natural Gas  
Permian

LINN Energy Operational Overview

Note: All operational and reserve data as of December 31, 2012, pro forma for merger.

Uinta Basin

Piceance Basin

East Texas

California

Permian Basin

Corporate  
Headquarters  
(Houston)

NM

TX

KS

ND

OK

CA

WY

UT

CO

LINN Operations

Recently Acquired Assets

IL

LA

MI

10

Meaningful Increase to Reserves  
and Production

Note: Reserve data as of December 31, 2012, and production data represents the quarter ending December 31, 2012.

11

Proved Reserves (Bcfe)

Q4 12 Production (MMcfe/d)



Permian Basin Operational Synergies

12

Significant operational and field synergies

Almost doubles LINN's Wolfberry inventory

~725 proved drilling locations

(pro forma for transaction

(1)

)

Overview of Berry's Permian  
assets

(2)

Total of ~61,000 net acres in the  
Permian

o

75% NRI

Wolfberry drilling inventory of  
~325 proved locations on 40's  
and over 600 potential locations  
on 20's

Upside potential from de-risking  
deeper formations and 20-acre  
downspacing

Permian Asset Map

Recently Acquired Areas

Wolfberry Trend

LINN Fields

(1)

Includes LINE and BRY's Wolfberry drilling inventory of approximately 400 and 325, respectively.

(2)

Source: Berry Petroleum Company's February 2013 Company Update .

TX

NM

Eddy

Lea

Hockley

Dawson

Andrews

Howard

Ector

Winkler

Upton

Schieicher

Pecos

Crane

Ward

Crockett

Midland

Martin

Garza

Shackleford

Stonewall

Irion

Borden

Note: Data reflects continuing operations only. The results of the Company's Appalachian Basin and Mid Atlantic operations

(1)

As of December 31, 2012, pro forma ( PF ) for announced 2013 merger.

(2)

Pro forma estimate based on Q4 '12 average daily production for LINN Energy and Berry Petroleum.

(3)

Historical

LINE  
distributions  
based  
on  
date  
payable  
for  
years  
2006

-  
2012.  
(4)

Based on LINE s estimated Q3 13 distribution of \$0.77 per unit on an annualized basis (subject to Board approval).

History of Strong Performance  
and Growth

13  
Reserves (Bcfe)  
Production (MMcfe/d)  
Annual Distributions (\$ per unit)

(3)  
Total Return

The U.S. Securities and Exchange Commission ( SEC ) permits oil and gas companies, in their filings with the SEC, to disclose only resources that qualify as "reserves" as defined by SEC rules. We use terms describing hydrocarbon quantities in this presentation

including  
inventory  
and  
resource  
potential  
that  
the  
SEC's  
guidelines

prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of reserves prepared in accordance with SEC definitions and guidelines and accordingly are substantially less certain. Investors are urged to consider closely the reserves disclosures in LINN Energy's Annual Report on Form 10-K for the year ended December 31, 2011, available from LINN Energy at 600 Travis, Suite 5100, Houston, Texas 77002 (Attn: Investor Relations).

You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at [www.sec.gov](http://www.sec.gov).

In this communication, the terms other than proved reserves refer to the Company's internal estimates of

hydrocarbon volumes that may be potentially discovered through exploratory drilling or recovered with additional drilling

or  
recovery  
techniques.  
Those  
estimates  
may  
be  
based  
on  
economic  
assumptions  
with  
regard  
to  
commodity  
prices  
that  
may  
differ  
from  
the  
prices  
required  
by  
the  
SEC  
to  
be  
used  
in  
calculating  
proved  
reserves.

In addition, these hydrocarbon volumes may not constitute reserves within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or the SEC's oil and gas disclosure rules. Unless otherwise stated, hydrocarbon volume estimates have not been risked by Company management. Factors affecting ultimate recovery include the scope of our ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, commodity prices, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors, and actual drilling results, including geological and mechanical factors affecting recovery

rates.

Accordingly,

actual quantities that may be ultimately recovered from the Company's interests may differ substantially from the

Company's

estimates

of

potential

resources.

In

addition,

our

estimates

of

reserves

may

change

significantly

as

development of the Company's resource plays and prospects provide additional data.

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### **Additional Information about the Proposed Transactions and Where to Find It**

In connection with the proposed transactions, LinnCo intends to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of LinnCo, LINN and Berry that also constitutes a prospectus of LinnCo. Each of Berry, LINN and LinnCo also plan to file other relevant documents with the SEC regarding the proposed transactions. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You may obtain a free copy of the joint proxy statement/prospectus (if and when it becomes available) and other relevant documents filed by Berry, LINN and LinnCo with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also obtain these documents by contacting LINN's and LinnCo's Investor Relations department at (281) 840-4193 or via e-mail at [ir@linnenergy.com](mailto:ir@linnenergy.com) or by contacting Berry's Investor Relations department at (866) 472-8279 or via email at [ir@bry.com](mailto:ir@bry.com).

### **Participants in the Solicitation**

Berry, LINN and LinnCo and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transactions. Information about LINN's directors and executive officers is available in LINN's proxy statement dated March 12, 2012, for its 2012 Annual Meeting of Unitholders. Information about LinnCo's directors and executive officers is available in LinnCo's Registration Statement on Form S-1 dated June 25, 2012, as amended, with respect to its initial public offering of common shares. Information about Berry's directors and executive officers is available in Berry's proxy statement dated April 6, 2012, for its 2012 Annual Meeting of Stockholders. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transactions when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Berry, LINN or LinnCo using the sources indicated above.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

### **Cautionary Note Regarding Forward-Looking Statements**

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on the terms desired or anticipated, the ability of LINN to integrate the acquired operations, the ability to implement the anticipated business plans following closing and achieve anticipated benefits and savings, and the ability to realize opportunities for growth. Other important economic, political, regulatory, legal, technological, competitive and other uncertainties are identified in the documents filed with the SEC by Berry, LINN and LinnCo from time to time, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The forward-looking statements included in this document are made only as of the date hereof. None of Berry, LINN nor LinnCo undertakes any obligation to update the forward-looking statements included in this document to reflect subsequent events or circumstances.