

HOMEWORK PROBLEM 1

This announcement is under no circumstances to be construed as an offer to sell or as a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus and the related Prospectus Supplement.

New Issue

August 15, 2011

\$200,000,000

Mattingly



Oil Company

Mattingly Oil Company

7 1/8 % Series due August 15, 2041

First and Refunding Mortgage Bonds

Price 98.425%

(Plus accrued interest from August 15, 2011)

Copies of the Prospectus and the related Prospectus Supplement may be obtained in any State from the undersigned where it may lawfully offer these securities in such State.

Citicorp Securities, Inc.

1. What is the maturity date of the bonds?
2. What is the stated rate of interest on the bonds?
3. Are the bonds term or serial bonds?
4. Are the bonds being issued at a premium or a discount? Explain.
5. Is the effective rate of interest to be paid by the issuer more or less than the stated rate of interest?
6. What type of assurance, if any, is the issuer offering to purchasers regarding the issuer's capability of retiring the bonds at maturity?