



8 May 2008

Goodrich Petroleum

Reuters: **GDP.N** Bloomberg: **GDP UN** Exchange: **NYS** Ticker: **GDP**

Beats estimates on strong production, lower costs

Shannon Nome

Research Analyst
 (+1) 832 239-3144
 shannon.nome@db.com

Scott Arndt, CFA

Research Associate
 (+1) 832 239-3103
 scott.arndt@db.com

Solid quarterly results; maintain Hold

GDP reported CFPS of \$0.91, easily beating consensus of \$0.71 and our \$0.77 estimate. GDP beat on higher production and lower operating costs. Operational details were a bit light this quarter, but we expect newsflow to pick up as the year progresses. While we like GDP's gas exposure and attractive 3P reserve potential, we maintain concerns relating to high asset intensity, cost challenges, and capital constraints. We maintain our Hold rating.

Strong fundamentals boost Q1 results

Production came in 3% above our estimate, driven by infill drilling at Minden and continued higher activity in the Angelina River Trend. Production was up 15% sequentially, and guidance is calling for 5-9% sequential growth in Q2. Cost containment was also impressive, as GDP succeeded in driving all-in unit LOE lower by 10% as compared to Q4 levels. GDP expects the Q1 base rate to hold flat through Q3 before ticking down even further. DD&A was 22% higher than we expected, which helped drive up the cash flow comp. We adjusted up our production ramp and reduced LOE per management's commentary, boosting our 2008 CFPS by 8%. Higher CF also added \$1 to our NAV, taking our TP to \$35.

Operational update light; catalysts ahead

Relative to prior quarters, GDP provided little in the way of drilling results. However, key horizontal wells are underway or planned over the near-term, along with a vertical pilot to test for the Haynesville Shale (one well already encountered 220 ft of pay). Much of today's call focused on GDP's Haynesville plans and acreage. Management is confident that 25,000 net acres in North Louisiana are prospective and 44,000 acres in E. Texas may also be prospective. GDP will drill a horizontal test following its 5-6 vertical tests later this year.

Valuation and risks

Our \$35 TP is supported by our NAV analysis, which assumes a long-term gas price of \$9.50/MMBtu and values proved reserves according to the SEC-PV-10 methodology. Our TP also accords value for 2.5 Tcfe of risked P2 and P3 reserves. Downside risks: drilling disappointments, production setbacks, exposure to gas prices. Upside risks: positive drilling results, higher gas prices.

Forecasts and ratios

Year End Dec 31	2007A	2008E	2009E
1Q EPS ¹	-0.11	-0.29	-
2Q EPS	-0.23	-0.03	-
3Q EPS	-0.47	0.05	-
4Q EPS	-0.52	0.12	-
FY EPS (USD)	-1.34	-0.14	0.68

Source: Deutsche Bank estimates, company data

¹ Includes the impact of FAS123R requiring the expensing of stock options.

Results Review

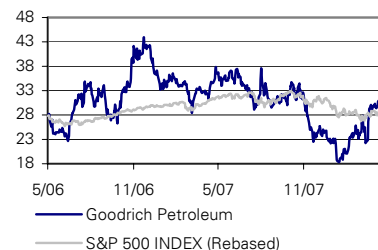
Hold

Price at 7 May 2008 (USD)	35.00
Price Target	35.00
52-week range	37.60 - 18.32

Key changes

Price Target	34.00 to 35.00	↑	2.9%
EPS (USD)	-0.27 to -0.14	↑	-46.3%
Revenue (USDm)	200 to 207	↑	3.5%

Price/price relative

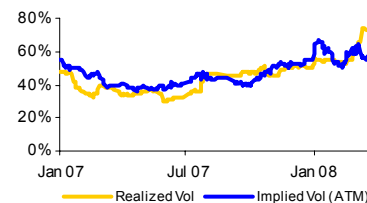


Performance (%)	1m	3m	12m
Absolute	18.1	76.3	-2.6
S&P 500 INDEX	1.5	4.2	-7.7

Stock & option liquidity data

Market Cap (USD)	1,106.6
Shares outstanding (m)	31.6
Free float (%)	100
Volume (7 May 2008)	299,700
Option volume (und. shrs., 1M avg.)	63,730

Implied & Realized Volatility (3M)



Deutsche Bank Securities Inc.

All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.

Investors should consider this report as only a single factor in making their investment decision.

Independent, third-party research (IR) on certain companies covered by DBSI's research is available to customers of DBSI in the United States at no cost. Customers can access this IR at <http://gm.db.com>, or call 1-877-208-6300 to request that a copy of the IR be sent to them.

DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1

Model updated:08 May 2008

Running the numbers**North America****United States****Oil & Gas Exploration & Production****Goodrich Petroleum**

Reuters: GDP.N

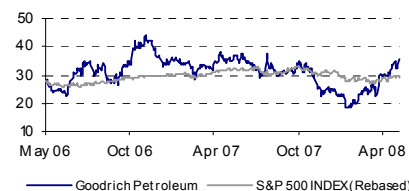
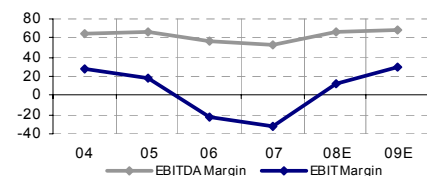
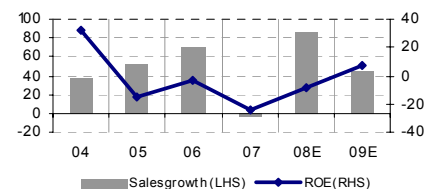
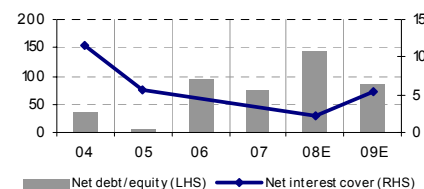
Bloomberg: GDP US

Hold

Price (7 May 08)	USD 35.00
Target price	USD 35.00
52-week Range	USD 18.32 - 37.60
Market Cap (m)	EURm 719 USDm 1,107

Company Profile

Goodrich Petroleum is an independent E&P company entirely focused on development of the Cotton Valley Trend in East Texas and North Louisiana. The Cotton Valley formation is characterized as a natural gas basin, with repeatable, low risk drilling opportunities, often containing additional upside with the presence of the Travis Peak formation. Goodrich is currently experimenting with the application of horizontal drilling techniques in the Cotton Valley in order to more efficiently develop the asset.

Price Performance**Margin Trends****Growth & Profitability****Solvency****Shannon Nome**

+1 832 239-3144

shannon.nome@db.com

Fiscal year end 31-Dec	2004	2005	2006	2007	2008E	2009E
Financial Summary						
DB EPS (USD)	0.81	-0.04	-1.26	-1.34	-0.14	0.68
Reported EPS (USD)	0.88	-0.78	-0.23	-2.32	-0.68	0.68
DPS (USD)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (USD)	3.34	7.78	8.22	11.14	8.31	11.88
Valuation Metrics						
Price/Sales (x)	4.3	7.1	6.5	7.4	5.3	4.3
P/E (DB) (x)	12.4	nm	nm	nm	nm	51.6
P/E (Reported) (x)	11.3	nm	nm	nm	nm	51.6
P/BV (x)	4.9	3.2	4.4	2.0	4.2	2.9
FCF yield (%)	nm	nm	nm	nm	nm	nm
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	4.8	7.2	8.2	9.3	7.2	5.5
EV/EBITDA	7.6	10.8	14.5	17.3	10.9	8.0
EV/EBIT	17.2	38.3	nm	nm	57.8	18.7

Income Statement (USDm)

Sales	45	68	116	111	207	301
EBITDA	29	46	65	60	136	207
EBIT	13	13	-27	-35	26	89
Pre-tax profit	16	-27	3	-51	-11	48
Net income	18	-18	-6	-60	-22	25

Cash Flow (USDm)

Cash flow from operations	29	33	52	75	137	160
Net Capex	-48	-166	-271	-224	-275	-301
Free cash flow	-19	-133	-219	-149	-138	-141
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	0	0	0	0	0	0
Other investing/financing cash flows	21	150	205	232	153	135
Net cash flow	2	16	-14	83	15	-6
Change in working capital	0	0	0	0	0	0

Balance Sheet (USDm)

Cash and cash equivalents	3	20	6	4	4	4
Property, plant & equipment	109	243	421	557	730	921
Goodwill	0	0	0	0	0	0
Other assets	15	34	52	29	1	-16
Total assets	128	297	479	590	735	909
Debt	27	30	202	216	381	371
Other liabilities	36	85	73	91	91	101
Total liabilities	63	115	274	307	472	471
Total shareholders' equity	65	182	205	284	263	438
Net debt	24	10	195	211	376	366

Key Company Metrics

Sales growth (%)	37.7	51.8	70.0	-4.2	86.1	45.4
DB EPS growth (%)	434.9	na	-2,818.1	-6.5	89.4	na
Payout ratio (%)	0.0	nm	nm	nm	nm	0.0
EBITDA Margin (%)	63.7	66.8	56.3	53.6	65.6	68.8
EBIT Margin (%)	28.2	18.8	-23.4	-31.6	12.4	29.5
ROE (%)	31.6	-14.7	-3.1	-24.4	-7.9	7.2
Net debt/equity (%)	36.1	5.6	95.2	74.4	143.2	83.6
Net interest cover (x)	11.4	5.7	nm	nm	2.2	5.4

DuPont Analysis

EBIT margin (%)	28.2	18.8	-23.4	-31.6	12.4	29.5
x Asset turnover (x)	0.4	0.3	0.3	0.2	0.3	0.4
x Financial cost ratio (x)	0.9	0.8	1.3	1.3	0.5	0.8
x Tax and other effects (x)	1.5	-1.7	0.2	1.3	-1.6	0.3
= ROA (post tax) (%)	16.5	-8.6	-1.5	-11.1	-3.3	3.1
x Financial leverage (x)	1.9	1.7	2.0	2.2	2.4	2.3
= ROE (%)	31.6	-14.7	-3.1	-24.4	-7.9	7.2
annual growth (%)	385.5	na	79.2	-696.1	67.5	na
x NTA/share (avg) (x)	2.8	5.3	7.6	9.5	8.6	9.5
= Reported EPS	0.88	-0.78	-0.23	-2.32	-0.68	0.68
annual growth (%)	484.1	na	70.1	-895.6	70.6	na

Source: Company data, Deutsche Bank estimates

Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Goodrich Petroleum	GDP.N	35.50 (USD) 7 May 08	6,8

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

Important Disclosures Required by U.S. Regulators

Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See "Important Disclosures Required by Non-US Regulators" and Explanatory Notes.

- Deutsche Bank and/or its affiliate(s) owns one percent or more of any class of common equity securities of this company calculated under computational methods required by US law.
- Deutsche Bank and/or its affiliate(s) expects to receive, or intends to seek, compensation for investment banking services from this company in the next three months.

Important Disclosures Required by Non-U.S. Regulators

Please also refer to disclosures in the "Important Disclosures Required by US Regulators" and the Explanatory Notes.

- Deutsche Bank and/or its affiliate(s) owns one percent or more of any class of common equity securities of this company calculated under computational methods required by US law.

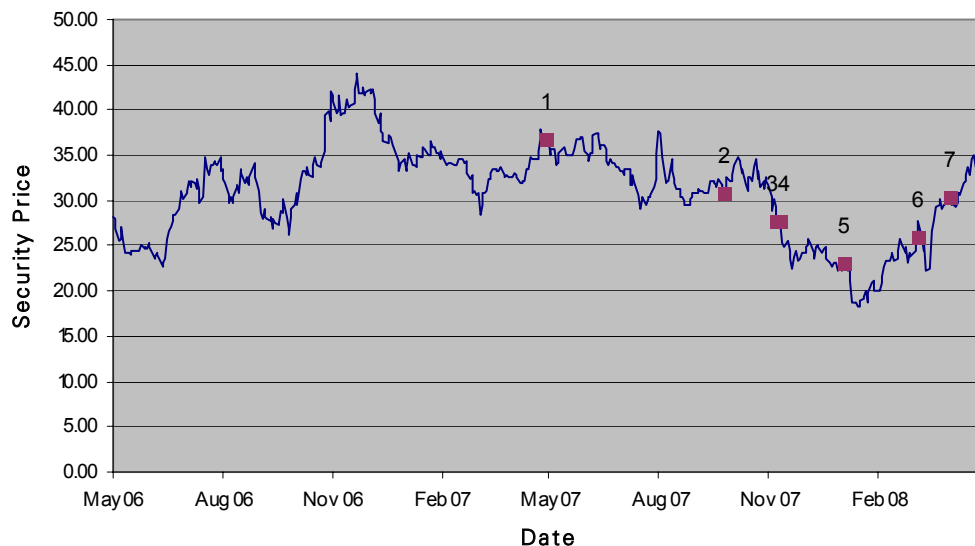
For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com>.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Shannon Nome

Historical recommendations and target price: Goodrich Petroleum (GDP.N)

(as of 5/7/2008)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	5/7/2007:	Hold, Target Price Change USD42.00	5.	1/11/2008:	Hold, Target Price Change USD29.00
2.	10/3/2007:	Hold, Target Price Change USD40.00	6.	3/13/2008:	Hold, Target Price Change USD31.00
3.	11/16/2007:	Hold, Target Price Change USD41.00	7.	4/9/2008:	Hold, Target Price Change USD34.00
4.	11/19/2007:	Hold, Target Price Change USD40.00			

Equity rating key **Equity rating dispersion and banking relationships**

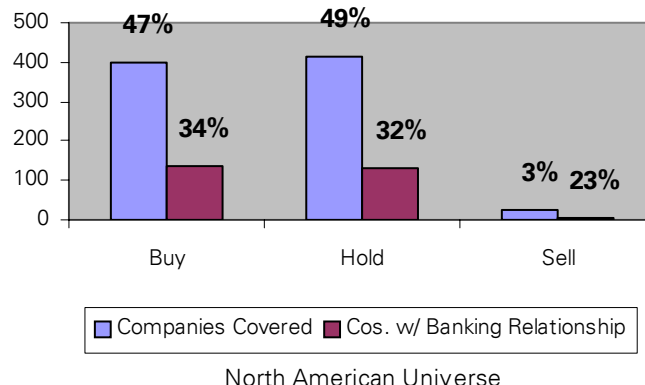
Buy: Based on a current 12- month view of total shareholder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Notes:

1. Newly issued research recommendations and target prices always supersede previously published research.
2. Ratings definitions prior to 27 January, 2007 were:
 - Buy: Expected total return (including dividends) of 10% or more over a 12-month period
 - Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period
 - Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



Regulatory Disclosures

SOLAR Disclosure

For select companies, Deutsche Bank equity research analysts may identify shorter-term trade opportunities that are consistent or inconsistent with Deutsche Bank's existing longer term ratings. This information is made available only to Deutsche Bank clients, who may access it through the SOLAR stock list, which can be found at <http://gm.db.com>

Disclosures required by United States laws and regulations

See company-specific disclosures above for any of the following disclosures required for covered companies referred to in this report: acting as a financial advisor, manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/comanaged public offerings in prior periods; directorships; market making and/or specialist role.

The following are additional required disclosures:

Ownership and Material Conflicts of Interest: DBSI prohibits its analysts, persons reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage.

Analyst compensation: Analysts are paid in part based on the profitability of DBSI, which includes investment banking revenues.

Analyst as Officer or Director: DBSI policy prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director, advisory board member or employee of any company in the analyst's area of coverage.

Distribution of ratings: See the distribution of ratings disclosure above.

Price Chart: See the price chart, with changes of ratings and price targets in prior periods, above, or, if electronic format or if with respect to multiple companies which are the subject of this report, on the DBSI website at <http://gm.db.com>.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, in addition to those already made pursuant to United States laws and regulations.

Analyst compensation: Analysts are paid in part based on the profitability of Deutsche Bank AG and its affiliates, which includes investment banking revenues

Australia: This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

EU: A general description of how Deutsche Bank AG identifies and manages conflicts of interest in Europe is contained in our public facing policy for managing conflicts of interest in connection with investment research. Disclosures relating to the firm's obligations under MiFID can be found at <http://globalmarkets.db.com/riskdisclosures>.

Germany: See company-specific disclosures above for holdings of five percent or more of the share capital. In order to prevent or deal with conflicts of interests Deutsche Bank AG has implemented the necessary organisational procedures to comply with legal requirements and regulatory decrees. Adherence to these procedures is monitored by the Compliance-Department.

Hong Kong: See <http://gm.db.com> for company-specific disclosures required under Hong Kong regulations in connection with this research report. Disclosure #5 includes an associate of the research analyst. Disclosure #6, satisfies the disclosure of financial interests for the purposes of paragraph 16.5(a) of the SFC's Code of Conduct (the "Code"). The 1% or more interests is calculated as of the previous month end. Disclosures #7 and #8 combined satisfy the SFC requirement under paragraph 16.5(d) of the Code to disclose an investment banking relationship.

Japan: See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

New Zealand: This research is not intended for, and should not be given to, "members of the public" within the meaning of the New Zealand Securities Markets Act 1988.

Russia: The information, interpretation and opinions submitted herein are not in the context of, and do not constitute, any appraisal or evaluation activity requiring a licence in the Russian Federation.

South Africa: Publisher: Deutsche Securities (Pty) Ltd, 3 Exchange Square, 87 Maude Street, Sandton, 2196, South Africa. Author: As referred to on the front cover. All rights reserved. When quoting, please cite Deutsche Securities Research as the source.

Turkey: The information, interpretation and advice submitted herein are not in the context of an investment consultancy service. Investment consultancy services are provided by brokerage firms, portfolio management companies and banks that are not authorized to accept deposits through an investment consultancy agreement to be entered into such corporations and their clients. The interpretation and advices herein are submitted on the basis of personal opinion of the relevant interpreters and consultants. Such opinion may not fit your financial situation and your profit/risk preferences. Accordingly, investment decisions solely based on the information herein may not result in expected outcomes.

United Kingdom: Persons who would be categorized as private customers in the United Kingdom, as such term is defined in the rules of the Financial Services Authority, should read this research in conjunction with prior Deutsche Bank AG research on the companies which are the subject of this research. Disclosures relating to the firm's obligations under MiFiD can be found at <http://globalmarkets.db.com/riskdisclosures>.

Deutsche Bank Securities Inc.

North American locations

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
Tel: (212) 250 2500

Deutsche Bank Securities Inc.

225 Franklin Street
25th Floor
Boston, MA 02110
Tel: (617) 988 8600

Deutsche Bank Securities Inc.

222 South Riverside Plaza
30th Floor
Chicago, IL 60606
Tel: (312) 537-3758

Deutsche Bank Securities Inc.

3033 East First Avenue
Suite 303, Third Floor
Denver, CO 80206
Tel: (303) 394 6800

Deutsche Bank Securities Inc.

1735 Market Street
24th Floor
Philadelphia, PA 19103
Tel: (215) 854 1546

Deutsche Bank Securities Inc.

101 California Street
46th Floor
San Francisco, CA 94111
Tel: (415) 617 2800

Deutsche Bank Securities Inc.

700 Louisiana Street
Houston, Texas 77002

International locations

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250 2500

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank AG

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 0

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Level 55
Cheung Kong Center
2 Queen's Road Central
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6701

Global Disclaimer

The information and opinions in this report were prepared by Deutsche Bank AG or one of its affiliates (collectively "Deutsche Bank") for its clients. The information herein is believed by Deutsche Bank to be reliable and has been obtained from public sources believed to be reliable. With the exception of information about Deutsche Bank, Deutsche Bank makes no representation as to the accuracy or completeness of such information.

This published research report may be considered by Deutsche Bank when Deutsche Bank is deciding to buy or sell proprietary positions in the securities mentioned in this report.

For select companies, Deutsche Bank equity research analysts may identify shorter-term opportunities that are consistent or inconsistent with Deutsche Bank's existing, longer-term Buy or Sell recommendations. This information is made available on the SOLAR stock list, which can be found at <http://gm.db.com>.

Deutsche Bank may trade for its own account as a result of the short term trading suggestions of analysts and may also engage in securities transactions in a manner inconsistent with this research report and with respect to securities covered by this report, will sell to or buy from customers on a principal basis. Disclosures of conflicts of interest, if any, are discussed at the end of the text of this report or on the Deutsche Bank website at <http://gm.db.com>.

Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Deutsche Bank and are subject to change without notice. Deutsche Bank has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, except if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction or as an advertisement of any financial instruments.

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results.

Derivative transactions involve numerous risks including, among others, market, counterparty default and illiquidity risk. The appropriateness or otherwise of these products for use by investors is dependent on the investors' own circumstances including their tax position, their regulatory environment and the nature of their other assets and liabilities and as such investors should take expert legal and financial advice before entering into any transaction similar to or inspired by the contents of this publication. Trading in options involves risk and is not suitable for all investors. Prior to buying or selling an option investors must review the "Characteristics and Risks of Standardized Options," at <http://www.optionsclearing.com/publications/risks/riskchap1.jsp>. If you are unable to access the website please contact Deutsche Bank AG at +1 (212) 250-7994, for a copy of this important document. Furthermore, past performance is not necessarily indicative of future results. Please note that multi-leg options strategies will incur multiple commissions.

Unless governing law provides otherwise, all transactions should be executed through the Deutsche Bank entity in the investor's home jurisdiction. In the U.S. this report is approved and/or distributed by Deutsche Bank Securities Inc., a member of the NYSE, the NASD, NFA and SIPC. In Germany this report is approved and/or communicated by Deutsche Bank AG Frankfurt authorised by Bundesanstalt für Finanzdienstleistungsaufsicht. In the United Kingdom this report is approved and/or communicated by Deutsche Bank AG London, a member of the London Stock Exchange and regulated by the Financial Services Authority for the conduct of investment business in the UK and authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). This report is distributed in Hong Kong by Deutsche Bank AG, Hong Kong Branch, in Korea by Deutsche Securities Korea Co. and in Singapore by Deutsche Bank AG, Singapore Branch. In Japan this report is approved and/or distributed by Deutsche Securities Inc. The information contained in this report does not constitute the provision of investment advice. In Australia, retail clients should obtain a copy of a Product Disclosure Statement (PDS) relating to any financial product referred to in this report and consider the PDS before making any decision about whether to acquire the product. Deutsche Bank AG Johannesburg is incorporated in the Federal Republic of Germany (Branch Register Number in South Africa: 1998/003298/10) Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Deutsche Bank's prior written consent. Please cite source when quoting.