



Annual
Report
2004



The Company

Cimarex Energy Co. (NYSE: XEC) is an independent oil and gas exploration and production company with operations focused in Oklahoma, Kansas, Texas and Louisiana. Our business approach is centered on achieving consistent profitable growth in proved reserves and production by continually expanding our drilling program and optimizing production rates. Acquisitions may be made from time to time, but our principal strategy is growth through the drill-bit.

The Cover

We've had a long history of oil and gas exploration in western Oklahoma, a part of which was once known as Cimarron Territory and from which the name of our company is derived. The "spirit of the Cimarron" was embodied by the early explorers, farmers and ranchers that tamed this wild land and benefited from its resources. Courage and determination also defines the Cimarex culture and underpins our orderly pursuit of consistent profitable growth.



CIMARRON RIVER, CIMARRON COUNTY, OKLAHOMA

2004 Highlights

- > **Oil and gas sales increased 46% to \$472 million**
- > **Net income increased 62% to \$154 million**
- > **Earnings per share increased 62% to \$3.59**
- > **Production increased 21%**
- > **Proved reserves increased 6%**
- > **Stock price increased 42%**

Magnum Hunter Merger

On January 26, 2005, Cimarex announced that it was acquiring Irving, Texas-based Magnum Hunter Resources, Inc. Subject to stockholder approval, the agreement and plan of merger provides that Cimarex will issue 0.415 common shares for each outstanding share of Magnum Hunter common stock, or approximately 36.3 million new shares. Including the assumption by Cimarex of Magnum Hunter's \$645 million of debt, the total transaction value approximates \$2.0 billion. After closing, the combined company will have 78 million common shares outstanding with Cimarex shareholders holding 53% and Magnum Hunter shareholders owning 47%.

Performance Highlights

(IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA) YEARS ENDED DECEMBER 31,

	2004	2003
FINANCIAL HIGHLIGHTS		
Oil and gas sales	\$ 472.4	\$ 324.1
Net income	153.6	94.6
Earnings per share – diluted	3.59	2.22
Cash flow from operating activities	360.7	206.3
Exploration and development expenditures	296.0	160.6
Acquisitions	0.3	2.0
Total assets	1,105.4	805.5
Debt	—	—
Stockholders' equity	700.7	534.7
OPERATIONAL HIGHLIGHTS		
Proved reserves:		
Oil (MMBbls)	14.1	14.1
Gas (Bcf)	364.6	337.3
Total (Bcfe)	449.0	422.2
Proved developed (Bcfe)	444.8	419.5
Production:		
Oil (Bbls/d)	7,215	6,859
Gas (MMcf/d)	173.8	138.5
Total (MMcfe/d)	217.1	179.7
Prices:		
Oil (\$/Bbl)	\$ 40.19	\$ 29.30
Gas (\$/Mcf)	\$ 5.76	\$ 4.96

ABBREVIATIONS

Mcf	Thousand cubic feet	Bbls	Barrels
MMcf	Million cubic feet	Bbls/d	Barrels per day
MMcf/d	Million cubic feet per day	MMbbls	Million barrels
Bcf	Billion cubic feet	/d	Per day
Mcfe	Thousand cubic feet equivalent	<i>One barrel of oil is the energy equivalent of six Mcf of natural gas.</i>	
MMcfe	Million cubic feet equivalent		
Bcfe	Billion cubic feet equivalent		

Important information regarding forward-looking statements and certain risk factors is included in the accompanying Form 10-K and on page 12 of this report.

Fellow Stockholders

Drilling is our focus and has been since the Cimarex management team had its beginnings at tiny Key Production Co., Inc. in 1992. Many things have changed over the subsequent years, but our dedication to growing an organization that finds and controls drilling opportunities remains constant.

You may recall that Cimarex was created in September 2002 as the result of the combination of Helmerich & Payne's exploration and production division with Key Production. Completing our second full year of operations in 2004, we made significant progress. Benefiting from the legacy of our past drilling programs and with some help from oil and gas prices, Cimarex had another good year in 2004 and the results speak for themselves:

- Production increased 21%, averaging 217 MMcfe per day
- Proved reserves were up 6%, totaling 449 Bcfe
- Oil and gas sales of \$472 million, a 46% increase over 2003
- Net income of \$154 million, or \$3.59 per diluted share, a 62% increase
- Net cash provided by operating activities of \$361 million versus \$206 million in 2003
- We exited the year with \$116 million in cash and no debt
- Our drilling program invested \$296 million, up from \$161 million in 2003
- The organization grew by 15%, further increasing our ability to execute our business plan

In summary, production was up, we increased proved reserves, and revenue, cash flow and net income were all higher. We had no debt, and cash in the bank went from \$40 million at the beginning of the year to \$116 million at the end of the year. We entered 2005 with a drilling program that was expanding in each of our core areas, expecting more growth and good financial performance.

Cimarex Acquires Magnum Hunter

On January 26, 2005, we announced the signing of a merger agreement providing for the acquisition by Cimarex of Magnum Hunter Resources, Inc. The transaction involves issuing about 36.3 million new shares and assuming \$645 million of debt, making the total value of the deal nearly \$2.0 billion.

Approval by stockholders of both companies will be required prior to the closing, which we expect to happen in the second quarter of 2005. Assuming all goes as planned, we'll issue 0.415 Cimarex shares for each share of Magnum Hunter currently outstanding. At the end of the day, Cimarex stockholders will own about 53% of the combined company.

You may be wondering...if everything was going so well (as I discussed above) why take such a big step? The simple answer is that we really like what Magnum Hunter brings us. There are many reasons why this combination makes sense, both in the near term and for the long run.

It diversifies our asset base. Before the deal, 66% of our assets were located in the Mid-Continent area. After the deal, 44% of our proved reserves will be in the Permian Basin, 40% in the Mid-Continent and 13% on the

Texas/Louisiana Gulf Coast and in the Gulf of Mexico. Our inventory of drilling opportunities expands and our pro forma combined 2005 drilling budget increases to \$600 million. The merger gives us an entrée into the Gulf of Mexico with proven reserves, growing production and an inventory of prospects for us to sift through.

25% and the debt represents only about one times pro forma combined cash flow. If oil and gas prices remain high relative to their historical range, the debt will probably decrease. On the other hand, significantly lower prices might influence us to consider modestly increasing our debt to take advantage of additional investment opportunities.



Total proved reserves will about triple to 1.3 Tcfe. Our pro forma 2005 production will expand to something near 500 MMcfe per day. Our ratio of reserves to production (R/P ratio) increases from 5.7 to 7.7. Since we generate better rates of return on capital invested when our R/P ratio is lower, we will strive to reduce this figure over time.

We'll take on \$645 million of debt, but our debt-to-capital ratio will be a relatively low

We are a drill-bit driven company and therefore need a large inventory of projects from which to select the ones that meet our risked geologic and economic parameters. We will continue to use the same drilling decision analysis we have used over the years on this expanded inventory. We've completed about 80% of all the wells we've drilled since 1992 and expect to maintain a comparable level of success in the future.

A Legacy of Growth

Post-merger, Cimarex is larger but still small relative to others in our industry. When you focus on growth through the drill bit, you want to add good rate-of-return projects whenever you can. That will always be our focus. That's why we did this transaction. We believe we can continue to grow through drilling.

Since the September 2002 Helmerich & Payne / Key transaction, we've increased production nearly 30% and proved reserves by 15%. We plan to continue that type of trend.

Our board of directors and employees are committed to the values that have defined Cimarex and our long-term direction remains unchanged. Our owners, old and new, can be assured that we look forward to the opportunities and challenges facing the newly combined company. We will still be financially conservative and rate-of-return focused. Our commitment to consistent profitable growth is intact.



F.H. Merelli

February 25, 2005

OIL AND GAS SALES — UP 46% (Millions of Dollars)

2003	\$324
2004	\$472

NET INCOME — UP 62% (Millions of Dollars)

2003	\$95
2004	\$154

OIL & GAS PRODUCTION — UP 21% (Million Cubic Feet Equivalent per Day)

2003	180
2004	217

OIL PRICES — UP 37% (Dollars per Barrel)

2003	\$29.30
2004	\$40.19

GAS PRICES — UP 16% (Dollars per Thousand Cubic Feet)

2003	\$4.96
2004	\$5.76

PROVED RESERVES — UP 6% (Billion Cubic Feet Equivalent)

2003	422
2004	449

Board of Directors



F. H. MERELLI
CHAIRMAN & CEO



GLENN A. COX
AUDIT COMMITTEE



CORTLANDT S. DIETLER
AUDIT COMMITTEE



HANS HELMERICH



DAVID A. HENTSCHEL
GOVERNANCE COMMITTEE



PAUL D. HOLLEMAN
AUDIT COMMITTEE



L. F. ROONEY, III
GOVERNANCE COMMITTEE



MICHAEL J. SULLIVAN
AUDIT COMMITTEE

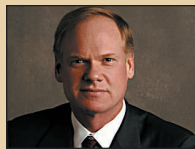


L. PAUL TEAGUE
GOVERNANCE COMMITTEE

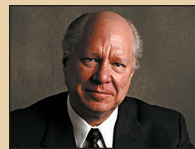
Senior Management



JOSEPH R. ALBI
EXECUTIVE VICE PRESIDENT
OPERATIONS



STEPHEN P. BELL
SENIOR VICE PRESIDENT
BUSINESS DEVELOPMENT & LAND



RICHARD S. DINKINS
VICE PRESIDENT
HUMAN RESOURCES



THOMAS E. JORDEN
EXECUTIVE VICE PRESIDENT
EXPLORATION



PAUL KORUS
VICE PRESIDENT &
CHIEF FINANCIAL OFFICER

Exploration Overview

Achieving consistent profitable growth through the drill bit requires that we generate our own prospects and carefully manage risk. We have certain exploration principles that help us accomplish these tasks.

We are strongly committed to building a top-notch exploration organization. Our geologists and geophysicists use subsurface and seismic analysis to identify new drilling opportunities. Our land men are tasked with

We mitigate geologic risk by arming our explorationists with sophisticated computer-based subsurface, seismic and reservoir modeling tools. They also have access to extensive libraries of down-hole well information.

We take a portfolio approach to manage economic risk and have information systems that monitor results and provide feedback. Our annual drilling programs are comprised of a blend of projects ranging from low to high



capturing the acreage needed to control the ideas. Reservoir engineers estimate the potential ultimate reserve recoveries, rates of production, and costs of drilling and producing. Working together, these groups perform statistical-based economic decision analysis for each well. Safe and efficient drilling operations are the responsibility of our drilling engineers and operations supervisors.

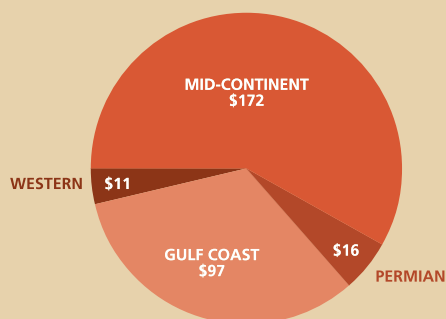
We believe that our exploration teams need to be specialists in the geologic and geographic provinces in which they work. We have a decentralized organization built on local expertise with the flexibility to move fast.

risk, but largely consist of projects with predictable outcomes. We drill all types of wells, including new field wildcats, step-outs and increased density projects, in multiple states and in multiple basins. Our drilling decisions are based on risked geologic and economic parameters that when factored together are designed to generate high rates of return on capital invested.

During 2004, Cimarex drilled 221 wells and completed 189 of them as new producers. We invested \$296 million, of which 75% was spent on development projects.



2004 CAPITAL PROGRAM
(Millions of Dollars)



Exploration	\$ 74.5
Development	221.5
Total	\$ 296.0

Proved Oil Reserves (MBbls)

Oklahoma/N. Texas	2,583
Hugoton	2,635
Permian Basin	3,684
Gulf Coast Area	2,126
Other	3,035
	14,063

Proved Gas Reserves (MMcf)

Oklahoma/N. Texas	194,350
Hugoton	73,811
Permian Basin	39,939
Gulf Coast Area	40,269
Other	16,272
	364,641

Total Proved Reserves (MMcfe)

Oklahoma/N. Texas	209,848
Hugoton	89,621
Permian Basin	62,045
Gulf Coast Area	53,022
Other	34,484
	449,020

Consolidated Statements of Operations

(IN THOUSANDS, EXCEPT PER SHARE DATA)

FOR THE YEARS ENDED DECEMBER 31,

	2004	2003	2002
REVENUES:			
Gas sales	\$ 366,260	\$ 250,764	\$ 128,060
Oil sales	106,129	73,355	29,239
Marketing sales	195,816	130,156	52,350
Other, net	6,724	(63)	(5)
	674,929	454,212	209,644
COSTS AND EXPENSES:			
Depreciation, depletion and amortization	124,251	88,774	49,231
Asset retirement obligation accretion	1,241	1,009	—
Transportation	10,003	7,472	7,918
Production	37,476	31,801	19,427
Taxes other than income	37,761	27,485	13,154
Marketing purchases	193,325	129,503	49,671
General and administrative	22,483	17,526	8,568
Stock compensation	1,957	1,824	125
Financing costs:			
Interest expense	1,075	1,285	620
Capitalized interest	—	(304)	(206)
Interest income	(961)	(332)	(243)
	428,611	306,043	148,265
INCOME BEFORE INCOME TAXES	246,318	148,169	61,379
Income tax expense	92,726	55,141	21,560
INCOME BEFORE CHANGE IN ACCOUNTING PRINCIPLE	153,592	93,028	39,819
Cumulative effect of a change in accounting principle, net of tax	—	1,605	—
NET INCOME	\$ 153,592	\$ 94,633	\$ 39,819
BASIC NET INCOME PER SHARE:			
Before change in accounting principle	\$ 3.70	\$ 2.24	\$ 1.32
Cumulative effect of a change in accounting principle	—	0.04	—
	\$ 3.70	\$ 2.28	\$ 1.32
DILUTED NET INCOME PER SHARE:			
Before change in accounting principle	\$ 3.59	\$ 2.18	\$ 1.31
Cumulative effect of a change in accounting principle	—	0.04	—
	\$ 3.59	\$ 2.22	\$ 1.31
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic	41,466	41,521	30,239
Diluted	42,763	42,640	30,317

The accompanying Form 10-K is an integral part of these summary consolidated financial statements.

Consolidated Statements of Cash Flows

(IN THOUSANDS)

FOR THE YEARS ENDED DECEMBER 31,

	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$153,592	\$94,633	\$39,819
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	124,251	88,774	49,231
Amortization of restricted stock compensation	1,957	1,914	125
Cumulative effect of a change in accounting principle, net of taxes	—	(1,605)	—
Deferred income taxes	66,849	30,590	21,428
Asset retirement obligation accretion	1,241	1,009	—
Income tax benefit related to stock options exercised	4,805	1,203	—
Other	798	433	58
Change in operating assets and liabilities:			
(Increase) in receivables	(35,696)	(10,123)	(15,996)
(Increase) decrease in inventories	(3,042)	(2,714)	1,770
(Increase) decrease in other current assets	1,339	(3,242)	(934)
Increase (decrease) in accounts payable	28,470	(9,310)	17,010
Increase (decrease) in accrued liabilities	14,448	15,626	(8,321)
Increase (decrease) in other noncurrent liabilities	1,646	(875)	265
NET CASH PROVIDED BY OPERATING ACTIVITIES	360,658	206,313	104,455
CASH FLOWS FROM INVESTING ACTIVITIES:			
Oil and gas expenditures	(281,407)	(150,501)	(66,458)
Acquisition of oil and gas properties	(324)	(2,032)	—
Merger costs	—	—	(5,079)
Cash received in connection with acquisition	—	—	2,135
Proceeds from sale of assets	926	1,041	313
Other expenditures	(12,296)	(8,149)	(2,596)
NET CASH USED IN INVESTING ACTIVITIES	(293,101)	(159,641)	(71,685)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Long-term borrowings	—	—	41,016
Payments on long-term debt	—	(32,000)	(45,016)
Financing costs incurred	—	—	(927)
Common stock reacquired and retired	(1,254)	(8)	—
Change in amount due to Helmerich & Payne, Inc.	—	—	(13,089)
Proceeds from issuance of common stock	9,023	3,429	403
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	7,769	(28,579)	(17,613)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 75,326	\$ 18,093	\$ 15,157
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	40,420	22,327	7,170
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 115,746	\$ 40,420	\$ 22,327

The accompanying Form 10-K is an integral part of these summary consolidated financial statements.

Consolidated Balance Sheets

(IN THOUSANDS)		DECEMBER 31,	
		2004	2003
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		\$115,746	\$40,420
Accounts receivable:			
Trade, net of allowance		22,465	15,847
Oil and gas sales, net of allowance		29,127	21,350
Marketing, net of allowance		52,397	31,096
Inventories		9,742	6,700
Deferred income taxes		2,149	1,631
Other current assets		4,821	6,160
		236,447	123,204
OIL AND GAS PROPERTIES (on the basis of full cost accounting):			
Proved properties		1,596,704	1,331,095
Unproved properties and properties under development, not being amortized		72,249	39,370
		1,668,953	1,370,465
Less: Accumulated depreciation, depletion and amortization		(866,660)	(746,161)
		802,293	624,304
OTHER ASSETS:			
Fixed assets, less accumulated depreciation of \$8,795 and \$6,422		16,109	12,092
Goodwill		44,967	44,967
Other assets, net		5,630	941
TOTAL ASSETS		\$ 1,105,446	\$ 805,508
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable:			
Trade		\$ 12,430	\$ 11,146
Marketing		14,081	7,248
Accrued liabilities:			
Exploration and development		31,604	16,964
Taxes other than income		12,702	6,362
Other		33,056	25,013
Revenue payable		39,129	18,776
		143,002	85,509
NONCURRENT LIABILITIES:			
Deferred income taxes		225,285	155,293
Asset retirement obligation		17,202	16,463
Deferred compensation		14,683	11,724
Other liabilities		4,562	1,779
TOTAL LIABILITIES		404,734	270,768
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY:			
Preferred stock, \$0.01 par value, 15,000,000 shares authorized, no shares issued		—	—
Common stock, \$0.01 par value, 100,000,000 shares authorized, 41,729,280 and 41,063,653 shares issued and outstanding, respectively		417	411
Paid-in capital		250,248	237,430
Unearned compensation		(10,072)	(9,540)
Retained earnings		460,031	306,439
Accumulated other comprehensive income		88	—
		700,712	534,740
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$1,105,446	\$805,508

The accompanying Form 10-K is an integral part of these summary consolidated financial statements.

Consolidated Statements of Stockholders' Equity

(IN THOUSANDS)

	Common Shares	Stock Amount	Paid-in Capital	Unearned Compensation	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
BALANCE AT DECEMBER 31, 2001	26,591	\$ 266	\$ —	\$ —	\$ 174,816	\$ —	\$ 175,082
Net income	—	—	—	—	39,819	—	39,819
Issuance of restricted stock awards in conjunction with the Cimarex spinoff	38	—	—	(156)	156	—	—
Common stock issued for the acquisition of Key Production Company, Inc.	14,079	141	232,212	(159)	—	—	232,194
Net distributions to Helmerich & Payne, Inc.	—	—	—	—	(2,931)	—	(2,931)
Issuance of restricted stock awards	644	6	10,721	(10,727)	—	—	—
Common stock reacquired and retired	(13)	—	(197)	—	—	—	(197)
Amortization of unearned compensation	—	—	—	228	—	—	228
Exercise of stock options, net of tax benefit of \$282 recorded in paid-in capital	71	1	684	—	—	—	685
BALANCE AT DECEMBER 31, 2002	41,410	414	243,420	(10,814)	211,860	—	444,880
Net income	—	—	—	—	94,633	—	94,633
Issuance of restricted stock awards	65	1	1,348	(1,349)	—	—	—
Common stock reacquired and retired	—	—	(8)	—	—	—	(8)
Amortization of unearned compensation	—	—	—	2,394	—	—	2,394
Exercise of stock options, net of tax benefit of \$1,203 recorded in paid-in capital	295	3	4,695	—	—	—	4,698
Net distribution to Helmerich & Payne, Inc.	—	—	—	—	(54)	—	(54)
Restricted stock forfeited and retired	(17)	—	(308)	229	—	—	(79)
Shares of restricted stock exchanged for restricted stock units	(689)	(7)	(11,717)	—	—	—	(11,724)
BALANCE AT DECEMBER 31, 2003	41,064	411	237,430	(9,540)	306,439	—	534,740
Net income	—	—	—	—	153,592	—	153,592
Issuance of restricted stock awards	15	—	400	(400)	—	—	—
Issuance of restricted stock units awards	—	—	—	(2,809)	—	—	(2,809)
Common stock reacquired and retired	(35)	—	(1,254)	—	—	—	(1,254)
Amortization of unearned compensation	—	—	—	2,677	—	—	2,677
Exercise of stock options, net of tax benefit of \$4,805 recorded in paid-in capital	691	6	13,822	—	—	—	13,828
Shares of restricted stock exchanged for restricted stock units	(6)	—	(150)	—	—	—	(150)
Net unrealized gains/losses on market value of investments	—	—	—	—	—	88	88
BALANCE AT DECEMBER 31, 2004	41,729	\$ 417	\$ 250,248	\$ (10,072)	\$ 460,031	\$ 88	\$ 700,712

The accompanying Form 10-K is an integral part of these summary consolidated financial statements.

About Magnum Hunter Resources, Inc.

Magnum Hunter Resources, Inc., located in Irving, TX, is an independent oil and gas exploration and production company engaged in three principal activities: (1) the exploration, development and production of crude oil, condensate and natural gas; (2) the gathering, transmission and marketing of natural gas; and (3) the managing and operating of producing oil and natural gas properties for interest owners. Its operations are concentrated in the Permian Basin of West Texas and New Mexico, the Gulf of Mexico and in the Mid-Continent and Gulf Coast areas of the U.S.

Forward-Looking Statements

This communication contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on Cimarex Energy Co. and Magnum Hunter Resources, Inc. current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. Risks, uncertainties and assumptions include 1) the possibility that the companies may be unable to obtain stockholder or regulatory approvals required for the acquisition; 2) the possibility that problems may arise in successfully integrating the businesses of the two companies; 3) the possibility that the acquisition may involve unexpected costs; 4) the possibility that the combined company may be unable to achieve cost-cutting synergies; 5) the possibility that the businesses may suffer as a result of uncertainty surrounding the acquisition; 6) the possibility that the industry may be subject to future regulatory or legislative actions; 7) the volatility in commodity prices for oil and gas; 8) the presence or recoverability of estimated reserves; 9) the ability to replace reserves; 10) environmental risks; 11) drilling and operating risks; 12) exploration and development risks; 13) competition; 14) the ability of management to execute its plans to meet its goals and other risks that are described in SEC reports filed by Cimarex and Magnum Hunter. Because forward-looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Cimarex and Magnum Hunter. Cimarex and Magnum Hunter assume no obligation and expressly disclaim any duty to update the information contained herein except as required by law.

Additional Information About the Acquisition and Where to Find It:

In connection with the proposed acquisition, Cimarex and Magnum Hunter will file relevant materials with the SEC, including one or more registration statement(s) that contain a prospectus and a joint proxy statement. **Investors and security holders of Cimarex and Magnum Hunter are urged to read these documents (if and when they become available) and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information about Cimarex, Magnum Hunter and the merger.** Investors and security holders may obtain these documents (and any other documents filed by Cimarex and Magnum Hunter with the SEC) free of charge at the SEC's website at www.sec.gov. In addition, the documents filed with the SEC may be obtained free of charge (i) at www.cimarex.com or www.magnumhunter.com or (ii) by directing a request to Mary Kay Rohrer, Assistant Corporate Secretary, Cimarex Energy Co., phone: 303-295-3995, fax: 303-295-3494; or Morgan F. Johnston, Corporate Secretary, Magnum Hunter Resources, Inc., phone: 972-401-0752, fax: 972-443-6487. Investors and security holders are urged to read the joint proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed acquisition.

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.

Corporate Information

Cimarex Energy Co. common stock trades on The New York Stock Exchange under the symbol XEC.

Corporate Headquarters

1700 Lincoln Street, Suite 1800
Denver, Colorado 80203-4518
Tel: (303) 295-3995 Fax: (303) 295-3494

Tulsa Office

15 East 5th Street, Suite 1000
Tulsa, Oklahoma 74103-4367
Tel: (918) 585-1100 Fax: (918) 749-8059

Communications regarding transfers, lost certificates, duplicate mailings or changes of address should be directed to our transfer agent.

Stock Transfer Agent

Continental Stock Transfer & Trust Company
17 Battery Place, 8th Floor
New York, New York 10004
Tel: (888) 509-5580

Independent Registered Public Accounting Firm

KPMG LLP
707 Seventeenth Street, Suite 2700
Denver, Colorado 80202

Independent Reservoir Engineers

Ryder Scott Company, L.P.
600 Seventeenth Street, Suite 1610N
Denver, Colorado 80202

Corporate Counsel

Holme Roberts & Owen LLP
1700 Lincoln Street, Suite 4100
Denver, Colorado 80203

Web Site

<http://www.cimarex.com>

For More Information

For additional information concerning Cimarex, please contact:
Paul Korus, Vice President and Chief Financial Officer, at (303) 295-3995.





1700 LINCOLN STREET
SUITE 1800
DENVER, COLORADO 80203-4518