Nuveen Enhanced Municipal Value Fund
Form N-CSR
January 08, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM N-CSR

## CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22323

Nuveen Enhanced Municipal Value Fund
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: October 31

Date of reporting period: October 31, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

## NUVEEN INVESTMENTS ACQUIRED BY TIAA-CREF

On October 1, 2014, TIAA-CREF completed its previously announced acquisition of Nuveen Investments, Inc., the parent company of your fund's investment adviser, Nuveen Fund Advisors, LLC ("NFAL") and the Nuveen affiliates that act as sub-advisers to the majority of the Nuveen Funds. TIAA-CREF is a national financial services organization with approximately $840 billion in assets under management as of October 1, 2014 and is a leading provider of retirement services in the academic, research, medical and cultural fields. Nuveen expects to operate as a separate subsidiary within TIAA-CREF's asset management business. Nuveen's existing leadership and key investment teams have remained in place following the transaction.

NFAL and your fund's sub-adviser(s) continue to manage your fund according to the same objectives and policies as before, and there have been no changes to your fund's operations.

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Chairman's Letter to Shareholders

Dear Shareholders,

Over the past year, global financial markets were generally strong as stocks of many countries rose due to strengthening economies and abundant central bank support. A low and stable interest rate environment allowed the bond market to generate modest but positive returns.

More recently, markets have been less certain as economic growth is strengthening in some parts of the world, but in other areas recovery has been slow or uneven at best. Despite increasing market volatility, geopolitical turmoil and concerns over rising rates, better-than-expected earnings results and economic data have supported U.S. stocks. Europe continues to face challenges as disappointing growth and inflation measures led the European Central Bank to further cut interest rates. Japan is suffering from the burden of the recent consumption tax as the government's structural reforms continue to steadily progress. Flare-ups in hotspots, such as the ongoing Russia-Ukraine conflict and Middle East, have not yet been able to derail the markets, though that remains a possibility. With all the challenges facing the markets, accommodative monetary policy around the world has helped lessen the impact of these events.

It is in such changeable markets that professional investment management is most important. Investment teams who have experienced challenging markets in the past understand how their asset class can behave in rapidly changing times. Remaining committed to their investment disciplines during these times is a critical component to achieving long-term success. In fact, many strong investment track records are established during challenging periods because experienced investment teams understand that volatile markets place a premium on companies and investment ideas that can weather the short-term volatility. By maintaining appropriate time horizons, diversification and relying on practiced investment teams, we believe that investors can achieve their long-term investment objectives.

As always, I encourage you to communicate with your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

William J. Schneider
Chairman of the Board
December 22, 2014

Portfolio Managers' Comments

Nuveen Municipal Value Fund, Inc. (NUV)
Nuveen AMT-Free Municipal Value Fund (NUW)
Nuveen Municipal Income Fund, Inc. (NMI)
Nuveen Enhanced Municipal Value Fund (NEV)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio managers Thomas C. Spalding, CFA, Christopher L. Drahn, CFA, and Steven M. Hlavin discuss U.S. economic and municipal market conditions, key investment strategies and the twelve-month performance of these four national Funds. Tom has managed NUV since its inception in 1987, adding NUW at its inception in 2009. Chris assumed portfolio management responsibility for NMI in 2011. Steve has been involved in the management of NEV since its inception in 2009, taking on full portfolio management responsibility in 2010.

What factors affected the U.S. economy and the national municipal market during the twelve-month reporting period ended October 31, 2014?

During this reporting period, the U.S. economy continued to expand at a moderate pace. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. At its October 2014 meeting, the Fed announced that it would end its bond-buying stimulus program as of November 1, 2014, after tapering its monthly asset purchases of mortgage-backed and longer-term Treasury securities from the original $85 billion per month to $15 billion per month over the course of seven consecutive meetings (December 2013 through September 2014). In making the announcement, the Fed cited substantial improvement in the outlook for the labor market since the inception of the current asset purchase program as well as sufficient underlying strength in the broader economy to support ongoing progress toward maximum employment in a context of price stability. The Fed also reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions, saying that it would likely maintain the current target range for the fed funds rate for a considerable time after the end of the asset purchase program, especially if projected inflation continues to run below the Fed's 2% longer-run goal. However, if economic data shows faster progress toward the Fed's employment and inflation objectives than currently anticipated, the Fed indicated that the first increase in the fed funds rate since 2006 could occur sooner than expected.

In the third quarter of 2014, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at a 3.9% annual rate, compared with -2.1% in the first quarter of 2014 and 4.6% in the second quarter. Third-quarter growth was attributed in part to expanded business investment in equipment and a major increase in military spending. The Consumer Price Index (CPI) rose 1.7%

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Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) Credit ratings are subject to change. AAA, AA, A and

BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

Portfolio Managers' Comments (continued)

year-over-year as of October 2014, while the core CPI (which excludes food and energy) increased 1.8% during the same period, below the Fed's unofficial longer term inflation objective of 2.0%. As of October 2014, the national unemployment rate was 5.8%, the lowest level since July 2008, down from the 7.2% reported in October 2013, marking the ninth consecutive month in which the economy saw the addition of more than 200,000 new jobs. The housing market continued to post gains, although price growth has shown signs of deceleration in recent months. The average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 4.9% for the twelve months ended September 2014 (most recent data available at the time this report was prepared), putting home prices at fall 2004 levels, although they continued to be down 15%-17% from their mid-2006 peaks.

During the first two months of this reporting period, the financial markets remained unsettled in the aftermath of widespread uncertainty about the future of the Fed's quantitative easing program. Also contributing to investor concern was Congress's failure to reach an agreement on the Fiscal 2014 federal budget, which triggered sequestration, or automatic spending cuts and a 16-day federal government shutdown in October 2013. This sequence of events sparked increased volatility in the financial markets, with the Treasury market trading off, the municipal market following suit and spreads widening as investor concern grew, prompting selling by bondholders across the fixed income markets.

As we turned the page to calendar year 2014, the market environment stabilized, as the Fed's policies continued to be accommodative and some degree of political consensus was reached. The Treasury market rallied and municipal bonds rebounded, with flows into municipal bond funds increasing, while supply continued to drop. This supply/demand dynamic served as a key driver of municipal market performance for the period. The resultant rally in municipal bonds generally produced positive total returns for the reporting period as a whole. Overall, municipal credit fundamentals continued to improve, as state governments made good progress in dealing with budget issues. Due to strong growth in personal income tax and sales tax collections, year-over-year totals for state tax revenues had increased for 16 consecutive quarters as of the second quarter of 2014, while on the expense side, many states made headway in cutting and controlling costs, with the majority implementing some type of pension reform. The current level of municipal issuance reflects the more conservative approach to state budgeting. For the twelve months ended October 31, 2014, municipal bond issuance nationwide totaled $319.7 billion, down 4.6% from the issuance for the twelve-month reporting period ended October 31, 2013.

What key strategies were used to manage these Funds during the twelve-month reporting period ended October 31, 2014?

During this reporting period, we saw the municipal market environment shift from the volatility of late 2013 to a rally driven by strong demand and tight supply and reinforced by an environment of improving fundamentals in 2014. For the reporting period as a whole, municipal bond prices generally rose, as interest rates declined and the yield curve flattened. We continued to take a bottom-up approach to identifying sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term and helped us keep the Funds fully invested.

During the first two months of this reporting period, we primarily focused on strategies that enabled us to take advantage of the higher coupons and attractive prices resulting from a pattern of outflows, predominately from high yield funds. This presented us with opportunities to add lower rated credits and bonds with longer maturities to the Funds in the secondary market. In general, municipal supply nationally remained tight throughout this reporting period, although issuance improved during the second half of this twelve-month reporting period compared with the first half. However, much of this increase was attributable to refunding activity as bond issuers, prompted by low interest rates, sought to lower debt service costs by retiring older bonds from proceeds of lower cost new bond issues. During the third quarter of 2014, for example, we saw current refunding activity increase by more than 64%

nationwide and estimates are that these refundings accounted for 35% of issuance during the first nine months of 2014. These refunding bonds do not represent an actual net increase in issuance because they are mostly replacing outstanding issues that were called soon thereafter. As a result, it remained challenging to source attractive bonds that would enhance the Funds' holdings. Much of our investment activity focus during this reporting period was on reinvesting the cash generated by current calls into credit-sensitive sectors and longer maturity bonds that could help us offset the decline in rates and maintain investment performance potential. These Funds were well positioned coming into the reporting period, so we could be selective in looking for opportunities to purchase bonds that added value.

In general, NUV and NUW continued to find value in sectors that represent some of our larger exposures, including transportation (e.g., tollroads, highways, bridges) and health care. Among our additions in the transportation sector were tollroad revenue bonds issued for Route 460 in Virginia and a new issue from the San Joaquin Hills Transportation Corridor Agency in Orange County, California, the largest tollroad network in the western U.S. In October 2014, the agency announced that it would restructure its debt through a tender offer for existing tollroad bonds at above-market prices, followed by the issuance of new bonds at the lower interest rates available in the current market. This allowed the agency to reduce debt service costs, improve cashflows and increase financial flexibility. In our view, the agency's debt restructuring resulted in an improved credit outlook for these bonds and we participated in the tender offer and also added the new San Joaquin credits to our portfolios.

NMI also found value in the transportation and health care sectors, adding the San Joaquin issue described above as well as bonds issued for Lake Regional Health System in Missouri. Much of our focus was on reinvesting proceeds from bond calls into credits that would help us maintain NMI's duration within its target range.

In NEV, we believed the Fund was well positioned at the start of the reporting period in a way that would enable it to harvest the potential for excess return in an environment where yields declined, the yield curve flattened and credit spreads contracted. As this environment unfolded during 2014, NEV benefited significantly from the credits and positions already in place in the Fund when the reporting period began. As a result, activity was relatively light during this reporting period and purchases generally were opportunistic. To further benefit from the current market environment, we continued to purchase bonds with maturities of 20 years or longer that would extend NEV's duration and increase our exposure to the longer end of the curve. In addition, we emphasized lower rated, investment grade bonds that would perform well as credit spreads contracted. Overall, our focus was on consistent maintenance of the Fund's current positioning.

Also during this reporting period, S&P upgraded its credit rating on National Public Finance Guarantee Corp. (NPFG), the insurance subsidiary of MBIA, to AA- from A, citing NPFG's strong operating performance and competitive position in the financial guarantee market. As a result, the ratings on the Funds' holdings of bonds backed by insurance from NPFG, and not already rated at least AA-due to higher underlying borrower ratings, were similarly upgraded to AA- as of mid-March 2014. This action produced an increase in the percentage of our portfolios held in the AA credit quality category (and a corresponding decrease in the A category), improving the overall credit rating of the Funds. During this reporting period, S&P also upgraded its rating on Assured Guaranty Municipal (AGM) as well as AGM's municipal-only insurer Municipal Assurance Corp. to AA from AA-.

Cash for purchases was generated primarily by proceeds from called and matured bonds, which we worked to redeploy to keep the Funds fully invested and support their income streams. As previously mentioned, the decline in municipal yields and the flattening of the municipal yield curve relative to the Treasury curve helped to make refunding deals more attractive. The increase in this activity provided ample cash for purchases and drove much of our trading for the reporting period. In addition, the Funds continued to trim their holdings of Puerto Rico paper.

As of October 31, 2014, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement. As part of our duration management strategies, NEV also invested in forward interest rates swaps to help reduce price volatility risk to movements in U.S. interest rates relative to the Fund's benchmark. During the reporting period, NEV found it advantageous to add a new inverse floating rate trust as of January 2014 and to rebalance the Fund's position in forward interest rate swaps at the end of April 2014. These swaps had a mildly negative impact on performance.

How did the Funds perform during the twelve-month reporting period ended October 31, 2014?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the one-year, five-year, ten-year and since inception periods ended October 31, 2014. Each Fund's total returns at net asset value (NAV) are compared with the performance of a corresponding market index and Lipper classification average.

Portfolio Managers' Comments (continued)

For the twelve months ended October 31, 2014, the total returns at NAV for all four of these Funds exceeded the return for the national S&P Municipal Bond Index. NUV, NUW and NMI outperformed the average return for the Lipper General and Insured Unleveraged Municipal Debt Funds Classification Average, while NEV surpassed the Lipper General & Insured Leveraged Municipal Debt Funds Classification Average return.

Key management factors that influenced the Funds' returns included duration and yield curve positioning, the use of derivatives in NEV, credit exposure and sector allocation. Keeping the Funds fully invested throughout the reporting period also was beneficial for performance. In addition, NEV's use of leverage was an important positive factor in its performance during this reporting period. Leverage is discussed in more detail later in the Fund Leverage section of this report.

Given the combination of declining interest rates and a flattening yield curve during this reporting period, municipal bonds with longer maturities generally outperformed those with shorter maturities. Overall, credits with maturities of 15 years or more, especially those at the longest end of the municipal yield curve, outperformed the general municipal market, while bonds at the shortest end of the curve produced the weakest results. In general, the Funds' durations and yield curve positioning were positive for performance during this reporting period. Consistent with our long term strategy, these Funds tended to have longer durations than the municipal market in general, with overweightings in the longer parts of the yield curve that performed well and underweightings in the underperforming shorter end of the curve. This was especially true in NEV, where greater sensitivity to changes in interest rates benefited its performance. NUW had the shortest duration among these Funds, which slightly diminished its positive contribution from duration. Overall, duration and yield curve positioning was the major driver of performance and differences in positioning accounted for much of the differences in performance.

While NEV's performance was boosted by its longer duration, this Fund also used forward interest rate swaps to moderate interest rate risk, as previously described. Because the swaps limited NEV's duration, they detracted somewhat from the Fund's total return performance, but were offset to a large degree by NEV's overall duration and yield curve positioning.

During this reporting period, lower rated bonds, that is, bonds rated A or lower, generally outperformed higher quality bonds, as the municipal market rally continued and investors became more willing to accept risk in their search for yield in the current low rate environment. While their longer average durations provided an advantage for lower rated bonds, these bonds also generally had stronger duration-adjusted results. These Funds tended to have overweights in bonds rated A and BBB and underweights in the AAA and AA categories relative to their benchmarks and credit exposure was generally positive for their performance during this period. In particular, NMI benefited from having the largest overweight in bonds rated BBB, while NEV was helped by its heavier allocation to subinvestment grade bonds as credit spreads contracted. As with duration, differences in credit allocation accounted for some of the differences in performance.

Among the municipal market sectors, health care, industrial development revenue (IDR) and transportation (especially tollroads) bonds generally were the top performers, with water and sewer, education and housing credits also outperforming the general municipal market. The outperformance of the health care sector can be attributed in part to the recent scarcity of these bonds, with issuance in this sector declining 31% during the first nine months of 2014, while the performance of tollroad bonds was boosted by improved traffic and revenue from increased rates. Each of these Funds had strong or targeted exposures to the health care and transportation sectors, which benefited their performance. NEV also benefited from its overweights in IDRs and land-secured credits, including redevelopment agency (RDA) bonds in California and community development district (CDD) issues in Florida. During this reporting period, lower rated tobacco credits backed by the 1998 master tobacco settlement agreement experienced some volatility, but finished the reporting period ahead of the national municipal market as a whole. The performance of these bonds was helped by their longer effective durations, lower credit quality and the broader demand for higher yields. In addition, several tobacco bond issues were strengthened following the favorable resolution of a dispute over payments by tobacco companies. All of these Funds were overweighted in tobacco bonds.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, were among the poorest performing market segments. The underperformance of these bonds relative to the market can be attributed primarily to their shorter effective maturities and higher credit quality. All of these Funds had holdings of pre-refunded bonds, with NUV having the heaviest allocation of these bonds as of October 31, 2014. In addition, general obligation (GO) credits generally trailed the revenue sectors as well as the municipal market as a whole, although by a substantially smaller margin than the pre-refunded category. Some of the GOs' underperformance can be attributed to their higher quality. These Funds tended to be underweighted in GOs.

We continued to monitor two situations in the broader municipal market for any impact on the Funds' holdings and performance: the ongoing economic problems of Puerto Rico and the City of Detroit's bankruptcy case. In terms of Puerto Rico holdings, shareholders should note that the Funds in this report had very limited exposure to Puerto Rico debt, with NUW and NMI selling the last of their Puerto Rico holdings during this reporting period. These territorial bonds were originally added to our portfolios to keep assets fully invested and working for the Funds as well as to enhance diversity, duration and credit. The Puerto Rico credits offered higher yields, added diversification and triple exemption (i.e., exemption from most federal, state and local taxes). However, Puerto Rico's continued economic weakening, escalating debt service obligations and long-standing inability to deliver a balanced budget led to multiple downgrades on its debt over the past two years. Following the latest rating reduction by Moody's in July 2014, Puerto Rico general obligation debt was rated B2/BB+/BB (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks. In late June 2014, Puerto Rico approved new legislation creating a judicial framework and formal process that would allow several of the commonwealth's public corporations to restructure their public debt. As of October 2014, the Nuveen complex held $69.8 million in bonds backed by public corporations in Puerto Rico that could be restructured under this legislation, representing less than 0.1% of our municipal assets under management. In light of the evolving economic situation in Puerto Rico, Nuveen's credit analysis of the commonwealth had previously considered the possibility of a default and restructuring of public corporations and we adjusted our portfolios to prepare for such an outcome, although no such default or restructuring has occurred to date. The Nuveen complex's entire exposure to obligations of the government of Puerto Rico and other Puerto Rico issuers totaled 0.35% of assets under management as of October 31, 2014. As of October 31, 2014, NUV's and NEV's exposure to Puerto Rico generally was invested in bonds that were insured (which we believe adds value), pre-refunded (and therefore backed by securities such as U.S. Treasuries) or unrelated to the government of Puerto Rico. Due to credit selection, NEV's Puerto Rico holdings performed very well during this reporting period. However, the small size of our exposures meant that these holdings had a negligible impact on performance.

The second situation that we continued to monitor was the City of Detroit's filing for Chapter 9 in federal bankruptcy court in July 2013. Burdened by decades of population loss, changes in the auto manufacturing industry and significant tax base deterioration, Detroit had been under severe financial stress for an extended period prior to the filing. Before Detroit could exit bankruptcy, issues surrounding the city's complex debt portfolio, numerous union contracts, significant legal questions and more than 100,000 creditors had to be resolved. By October 2014, all of the major creditors had reached an agreement on the city's plan to restructure its $18.5 billion of debt and emerge from bankruptcy and on November 7, 2014 (subsequent to the close of this reporting period). The U.S. Bankruptcy Court approved the city's bankruptcy exit plan, thereby erasing approximately $7 billion in debt. The settlement plan also provided for $1.7 billion to be reinvested in the city for improved public safety, blight removal and upgraded basic services. All of these Funds had exposure to Detroit-related bonds, including Detroit water and sewer credits. In August 2014, Detroit announced a tender offer for the city's water and sewer bonds, aimed at replacing some of the $5.2 billion of existing debt with lower cost bonds. (Not all of the Detroit water and sewer bonds were eligible for the tender offer, e.g., NEV's holding of insured water and sewer bonds are callable at par in December 2014 and were not included in the offer.) Approximately $1.5 billion in existing water and sewer bonds were returned to the city by investors under the tender offer, which enabled Detroit to issue $1.8 billion in new water and sewer bonds, resulting in savings of $250 million over the life of the bonds. The city also raised about $150 million to finance sewer system improvements. As part of the deal, Detroit water and sewer bonds were permanently removed from the city's bankruptcy case. NUV and NUW participated in the tender offer for existing Detroit water and sewer bonds and also purchased the new water and sewer bonds. In general, Detroit water and sewer credits rallied following these positive developments.

Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of NEV relative to its comparative benchmark was the Fund's use of leverage through its investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. This was also a factor, although less significantly, for NUV, NUW and NMI because their use of leverage is more modest. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage. However, use of leverage also can expose the Fund to additional price volatility. When a Fund uses leverage, the Fund will experience a greater increase in its net asset value if the municipal bonds acquired through the use of leverage increase in value, but it will also experience a correspondingly larger decline in its net asset value if the bonds acquired through leverage decline in value, which will make the Fund's net asset value more volatile, and its total return performance more variable over time. In addition, income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Leverage made a modest positive contribution to the performance of NUV and a positive contribution to the performance of NUW, NMI and NEV over this reporting period.

As of October 31, 2014, the Funds' percentages of leverage are as shown in the accompanying table.

| | NUV | NUW | NMI | NEV |
|---|---|---|---|---|
| Effective Leverage* | 2.02% | 7.08% | 8.91% | 32.82% |

* Effective Leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values.

Share Information

DISTRIBUTION INFORMATION

The following information regarding the Funds' distributions is current as of October 31, 2014. Each Fund's distribution levels may vary over time based on each Fund's investment activity and portfolio investment value changes.

During the current reporting period, each Fund's monthly distributions to shareholders were as shown in the accompanying table.

| | Per Share Amounts | | | |
|---|---|---|---|---|
| Ex-Dividend Date | NUV | NUW | NMI | NEV |
| November 2013 | $ 0.0370 | $ 0.0670 | $ 0.0475 | $ 0.0800 |
| December | 0.0370 | 0.0670 | 0.0475 | 0.0800 |
| January | 0.0370 | 0.0670 | 0.0475 | 0.0800 |
| February | 0.0370 | 0.0670 | 0.0475 | 0.0800 |
| March | 0.0360 | 0.0670 | 0.0450 | 0.0800 |
| April | 0.0360 | 0.0670 | 0.0450 | 0.0800 |
| May | 0.0360 | 0.0670 | 0.0450 | 0.0800 |
| June | 0.0360 | 0.0670 | 0.0450 | 0.0800 |
| July | 0.0360 | 0.0670 | 0.0450 | 0.0800 |
| August | 0.0360 | 0.0670 | 0.0450 | 0.0800 |
| September | 0.0345 | 0.0670 | 0.0425 | 0.0800 |
| October 2014 | 0.0345 | 0.0670 | 0.0425 | 0.0800 |
| | | | | |
| Long-Term Capital Gain* | $ — | $ 0.0887 | $ — | $ — |
| Ordinary Income Distribution* | $ 0.0049 | $ 0.0034 | $ 0.0051 | $ 0.0010 |
| | | | | |
| Market Yield** | 4.30% | 4.76% | 4.51% | 6.44% |
| Taxable-Equivalent Yield** | 5.96% | 6.61% | 6.26% | 8.94% |

* Distribution paid in December 2013.

** Market Yield is based on the Fund's current annualized monthly dividend divided by the Fund's current market price as of the end of the reporting period. Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28.0%. When comparing a Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

Each Fund in this report seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its past and projected net income performance. To permit each Fund to maintain a more stable monthly dividend, the Fund may pay dividends at a rate that may be more or less than the amount of net income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it will hold the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if a Fund has cumulatively paid in dividends more than it has earned, the excess will constitute a negative UNII that will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders.

As of October 31, 2014, all the Funds in this report had positive UNII balances for both tax and financial reporting purposes.

All monthly dividends paid by the Funds during the fiscal year ended October 31, 2014 were paid from net investment income. If a portion of a Fund's monthly distributions was sourced from or comprised of elements other than net investment income, including

Share Information (continued)

capital gains and/or a return of capital, the Funds' shareholders would have received a notice to that effect. The composition and per share amounts of each Fund's monthly dividends for the reporting period are presented in the Statement of Changes in Net Assets and Financial Highlights, respectively (for reporting purposes) and in Note 6 – Income Tax Information within the accompany Notes to Financial Statements (for income tax purposes), later in this report.

EQUITY SHELF PROGRAMS

During the reporting period, the following Funds were authorized to issue additional shares through their ongoing equity shelf programs. Under these programs, each Fund, subject to market conditions, may raise additional capital from time to time in varying amounts and offering methods at a net price at or above each Fund's NAV per share. Under the equity shelf programs, the Funds are authorized to issue the following number of additional shares:

| | NUV | NUW | NEV |
|---|---|---|---|
| Additional Shares Authorized | 19,600,000 | 1,200,000 | 1,900,000 |

During the current reporting period the Funds did not sell shares through their equity shelf programs.

As of February 28, 2014, NUV's and NUW's shelf offering registration statements are no longer effective. Therefore, the Funds may not issue additional shares under their equity shelf programs until a new registration statement is effective.

SHARE REPURCHASES

During August 2014, the Funds' Board of Directors/Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of October 31, 2014, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their outstanding shares as shown in the accompanying table.

| | NUV | NUW | NMI | NEV |
|---|---|---|---|---|
| Shares Cumulatively Repurchased and Retired | 0 | 0 | 0 | 0 |
| Shares Authorized for Repurchase | 20,565,000 | 1,320,000 | 830,000 | 2,110,000 |

OTHER SHARE INFORMATION

As of October 31, 2014, and during the current reporting period, the Funds' share prices were trading at a premium/(discount) to their NAVs as shown in the accompanying table.

| | NUV | NUW | NMI | NEV |
|---|---|---|---|---|
| NAV | $ 10.21 | $ 17.19 | $ 11.52 | $ 15.69 |
| Share Price | $ 9.64 | $ 16.89 | $ 11.30 | $ 14.91 |
| Premium/(Discount) to NAV | (5.58)% | (1.75)% | (1.91)% | (4.97)% |
| 12-Month Average Premium/(Discount) to NAV | (4.99)% | (3.96)% | (1.76)% | (4.53)% |

Risk Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund shares are subject to a variety of risks, including:

Investment, Market and Price Risk. An investment in shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in shares represents an indirect investment in the municipal securities owned by the Funds, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like these Funds frequently trade at a discount to their net asset value (NAV). Your shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Leverage Risk. Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, distributions and returns. There is no assurance that a Fund's leveraging strategy will be successful. Certain aspects of the recently adopted Volcker Rule may limit the availability of tender option bonds, which are used by the Funds for leveraging and duration management purposes. The effects of this new Rule, expected to take effect in mid-2015, may make it more difficult for a Fund to maintain current or desired levels of leverage and may cause the Fund to incur additional expenses to maintain its leverage.

Inverse Floater Risk. The Funds may invest in inverse floaters. Due to their leveraged nature, these investments can greatly increase a Fund's exposure to interest rate risk and credit risk. In addition, investments in inverse floaters involve the risk that the Fund could lose more than its original principal investment.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Derivatives Strategy Risk: Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying investments.

Municipal Bond Market Liquidity Risk. Inventories of municipal bonds held by brokers and dealers have decreased in recent years, lessening their ability to make a market in these securities. This reduction in market making capacity has the potential to decrease a Fund's ability to buy or sell bonds, and increase bond price volatility and trading costs, particularly during periods of economic or market stress. In addition, recent federal banking regulations may cause certain dealers to reduce their inventories of municipal bonds, which may further decrease a Fund's ability to buy or sell bonds. As a result, the Fund may be forced to accept a lower price to sell a security, to sell other securities to raise cash, or to give up an investment opportunity, any of which could have a negative effect on performance. If the Fund needed to sell large blocks of bonds, those sales could further reduce the bonds' prices and hurt performance.

NUV

Nuveen Municipal Value Fund, Inc.
Performance Overview and Holding Summaries as of October 31, 2014

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of October 31, 2014

| | Average Annual | | |
|---|---|---|---|
| | 1-Year | 5-Year | 10-Year |
| NUV at NAV | 11.04% | 6.47% | 5.17% |
| NUV at Share Price | 11.54% | 4.46% | 5.50% |
| S&P Municipal Bond Index | 7.94% | 5.45% | 4.74% |
| Lipper General & Insured Unleveraged Municipal Debt Funds Classification Average | 10.77% | 6.13% | 4.89% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation
(% of net assets)

| | |
|---|---|
| Municipal Bonds | 98.9% |
| Common Stocks | 0.3% |
| Corporate Bonds | 0.0% |
| Floating Rate Obligations | (0.9)% |
| Other Assets Less Liabilities | 1.7% |

Credit Quality
(% of total investment exposure)

| | |
|---|---|
| AAA/U.S. Guaranteed | 14.1% |
| AA | 46.2% |
| A | 18.3% |
| BBB | 9.9% |
| BB or Lower | 8.6% |
| N/R (not rated) | 2.6% |
| N/A (not applicable) | 0.3% |

Portfolio Composition
(% of total investments)

| | |
|---|---|
| Tax Obligation/Limited | 20.5% |
| Health Care | 19.1% |
| Transportation | 15.5% |
| Tax Obligation/General | 13.7% |
| Consumer Staples | 7.0% |
| U.S. Guaranteed | 6.4% |
| Utilities | 5.6% |
| Other | 12.2% |

States and Territories
(% of total municipal bonds)

| | |
|---|---|
| Illinois | 15.0% |
| California | 13.9% |
| Texas | 12.8% |
| Florida | 5.7% |
| Colorado | 5.1% |
| New York | 4.5% |
| Michigan | 4.4% |
| Ohio | 3.8% |
| Virginia | 3.4% |

| | |
|---|---|
| Wisconsin | 3.0% |
| Indiana | 2.4% |
| Washington | 2.3% |
| New Jersey | 2.1% |
| Louisiana | 1.9% |
| Other | 19.7% |

NUW

Nuveen AMT-Free Municipal Value Fund
Performance Overview and Holding Summaries as of October 31, 2014

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of October 31, 2014

| | Average Annual | | |
|---|---|---|---|
| | 1-Year | 5-Year | Since Inception1 |
| NUW at NAV | 10.95% | 6.64% | 8.77% |
| NUW at Share Price | 17.27% | 6.83% | 7.65% |
| S&P Municipal Bond Index | 7.94% | 5.45% | 6.22% |
| Lipper General & Insured Unleveraged Municipal Debt Funds Classification Average | 10.77% | 6.13% | 8.33% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

1 Since inception returns are from 2/25/09.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

| Fund Allocation<br>(% of net assets) | |
|---|---|
| Municipal Bonds | 101.6% |
| Floating Rate Obligations | (3.1)% |
| Other Assets Less Liabilities | 1.5% |

| Credit Quality<br>(% of total investment exposure) | |
|---|---|
| AAA/U.S. Guaranteed | 8.0% |
| AA | 38.0% |
| A | 28.1% |
| BBB | 17.8% |
| BB or Lower | 6.8% |
| N/R (not rated) | 1.3% |

| Portfolio Composition<br>(% of total investments) | |
|---|---|
| Health Care | 22.0% |
| Tax Obligation/Limited | 18.4% |
| Transportation | 14.4% |
| Tax Obligation/General | 12.9% |
| Utilities | 9.3% |
| Consumer Staples | 7.2% |
| Water and Sewer | 4.2% |
| U.S. Guaranteed | 3.9% |
| Other | 7.7% |

| States and Territories<br>(% of total municipal bonds) | |
|---|---|
| Illinois | 12.2% |
| California | 9.9% |
| Florida | 8.8% |
| Indiana | 7.4% |
| Louisiana | 7.3% |
| Ohio | 6.2% |
| Colorado | 6.2% |
| Wisconsin | 5.9% |
| Texas | 5.8% |
| Michigan | 4.1% |
| Nevada | 3.7% |

| | |
|---|---|
| Arizona | 3.5% |
| Other | 19.0% |

NMI

Nuveen Municipal Income Fund, Inc.
Performance Overview and Holding Summaries as of October 31, 2014

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of October 31, 2014

| | Average Annual | | |
|---|---|---|---|
| | 1-Year | 5-Year | 10-Year |
| NMI at NAV | 12.06% | 7.50% | 5.87% |
| NMI at Share Price | 17.55% | 6.56% | 6.44% |
| S&P Municipal Bond Index | 7.94% | 5.45% | 4.74% |
| Lipper General & Insured Unleveraged Municipal Debt Funds Classification Average | 10.77% | 6.13% | 4.89% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund’s shares at NAV only. Indexes and Lipper averages are not available for direct investment.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation
(% of net assets)

| | |
|---|---|
| Long-Term Municipal Bonds | 101.3% |
| Short-Term Municipal Bonds | 1.1% |
| Floating Rate Obligations | (3.5)% |
| Other Assets Less Liabilities | 1.1% |

Credit Quality
(% of total investment exposure)

| | |
|---|---|
| AAA/U.S. Guaranteed | 6.5% |
| AA | 30.3% |
| A | 28.0% |
| BBB | 23.3% |
| BB or Lower | 6.0% |
| N/R (not rated) | 5.9% |

Portfolio Composition
(% of total investments)

| | |
|---|---|
| Health Care | 21.8% |
| Tax Obligation/Limited | 13.4% |
| Tax Obligation/General | 12.5% |
| Education and Civic Organizations | 12.1% |
| Utilities | 10.9% |
| Transportation | 6.9% |
| Consumer Staples | 5.4% |
| U.S. Guaranteed | 5.3% |
| Other | 11.7% |

States and Territories
(% of total municipal bonds)

| | |
|---|---|
| California | 17.5% |
| Illinois | 9.5% |
| Texas | 9.2% |
| Missouri | 8.7% |
| Colorado | 7.8% |
| Wisconsin | 6.0% |
| Florida | 5.6% |
| Ohio | 4.7% |
| New York | 3.9% |
| Pennsylvania | 2.7% |

| | |
|---|---|
| Tennessee | 2.5% |
| Kentucky | 2.4% |
| Other | 19.5% |

NEV

Nuveen Enhanced Municipal Value Fund
Performance Overview and Holding Summaries as of October 31, 2014

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of October 31, 2014

| | Average Annual | | |
|---|---|---|---|
| | 1-Year | 5-Year | Since Inception1 |
| NEV at NAV | 18.67% | 9.58% | 8.48% |
| NEV at Share Price | 14.58% | 6.71% | 6.57% |
| S&P Municipal Bond Index | 7.94% | 5.45% | 4.94% |
| Lipper General & Insured Leveraged Municipal Debt Funds Classification Average | 17.38% | 9.24% | 8.52% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

1 Since inception returns are from 9/25/09.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

| Fund Allocation<br>(% of net assets) | |
|---|---|
| Municipal Bonds | 102.1% |
| Common Stocks | 0.9% |
| Floating Rate Obligations | (5.4)% |
| Other Assets Less Liabilities | 2.4% |

| Credit Quality<br>(% of total investment exposure)2 | |
|---|---|
| AAA/U.S. Guaranteed | 0.3% |
| AA | 51.2% |
| A | 14.6% |
| BBB | 12.8% |
| BB or Lower | 11.5% |
| N/R (not rated) | 9.0% |
| N/A (not applicable) | 0.6% |

| Portfolio Composition<br>(% of total investments)2 | |
|---|---|
| Tax Obligation/Limited | 22.0% |
| Health Care | 17.4% |
| Transportation | 13.0% |
| Education and Civic Organizations | 10.6% |
| Tax Obligation/General | 9.9% |
| Consumer Staples | 5.4% |
| Long-Term Care | 4.4% |
| Water and Sewer | 4.1% |
| Other | 13.2% |

| States and Territories<br>(% of total municipal bonds) | |
|---|---|
| California | 16.3% |
| Illinois | 10.5% |
| Florida | 6.8% |
| Ohio | 6.2% |
| Georgia | 6.0% |
| Pennsylvania | 5.8% |
| Michigan | 5.5% |
| Wisconsin | 5.1% |
| Texas | 4.2% |

| | |
|---|---|
| Arizona | 3.8% |
| Colorado | 3.7% |
| New York | 3.3% |
| Kansas | 2.4% |
| Washington | 2.3% |
| Other | 18.1% |

2 Excluding investments in derivatives.

Shareholder Meeting Report

The annual meeting of shareholders was held in the offices of Nuveen Investments on August 5, 2014 for NUV, NUW, NMI and NEV; at this meeting the shareholders were asked to vote to approve a new investment management agreement, to approve a new sub-advisory agreement and to elect Board Members.

| | NUV Common shares | NUW Common shares | NMI Common shares | NEV Common shares |
|---|---|---|---|---|
| To approve a new investment management agreement | | | | |
| For | 90,253,159 | 5,455,034 | 3,701,427 | 8,558,294 |
| Against | 3,143,955 | 202,099 | 142,512 | 286,737 |
| Abstain | 3,040,199 | 180,416 | 162,088 | 252,272 |
| Broker Non-Votes | 31,115,910 | 1,725,774 | 951,219 | 2,766,795 |
| Total | 127,553,223 | 7,563,323 | 4,957,246 | 11,864,098 |
| To approve a new sub-advisory agreement | | | | |
| For | 89,790,566 | 5,430,179 | 3,678,513 | 8,515,615 |
| Against | 3,415,727 | 206,632 | 161,455 | 307,279 |
| Abstain | 3,231,020 | 200,738 | 166,059 | 274,409 |
| Broker Non-Votes | 31,115,910 | 1,725,774 | 951,219 | 2,766,795 |
| Total | 127,553,223 | 7,563,323 | 4,957,246 | 11,864,098 |
| Approval of the Board Members was reached as follows: | | | | |
| William Adams IV | | | | |
| For | 123,195,162 | 7,294,290 | 4,711,475 | 11,445,504 |
| Withhold | 4,358,061 | 269,033 | 245,771 | 418,594 |
| Total | 127,553,223 | 7,563,323 | 4,957,246 | 11,864,098 |
| David J. Kundert | | | | |
| For | 123,138,818 | 7,290,613 | 4,690,404 | 11,453,087 |
| Withhold | 4,414,405 | 272,710 | 266,842 | 411,011 |
| Total | 127,553,223 | 7,563,323 | 4,957,246 | 11,864,098 |
| John K. Nelson | | | | |
| For | 123,313,315 | 7,289,264 | 4,709,146 | 11,445,082 |
| Withhold | 4,239,908 | 274,059 | 248,100 | 419,016 |
| Total | 127,553,223 | 7,563,323 | 4,957,246 | 11,864,098 |
| Terence J. Toth | | | | |
| For | 123,180,673 | 7,289,465 | 4,702,275 | 11,443,262 |
| Withhold | 4,372,550 | 273,858 | 254,971 | 420,836 |
| Total | 127,553,223 | 7,563,323 | 4,957,246 | 11,864,098 |

Report of Independent Registered Public Accounting Firm

To the Board of Directors/Trustees and Shareholders of
Nuveen Municipal Value Fund, Inc.
Nuveen AMT-Free Municipal Value Fund
Nuveen Municipal Income Fund, Inc.
Nuveen Enhanced Municipal Value Fund:

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Municipal Value Fund, Inc., Nuveen AMT-Free Municipal Value Fund, Nuveen Municipal Income Fund, Inc. and Nuveen Enhanced Municipal Value Fund (the "Funds") as of October 31, 2014, and the related statements of operations, changes in net assets, and the financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The statements of changes in net assets and the financial highlights for the periods presented through October 31, 2013 were audited by other auditors whose report dated December 27, 2013 expressed an unqualified opinion on those statements and those financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2014, by correspondence with the custodian and brokers or other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Funds as of October 31, 2014, the results of their operations, the changes in their net assets and the financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP
Chicago, Illinois
December 26, 2014

NUV

Nuveen Municipal Value Fund, Inc.
Portfolio of Investments October 31, 2014

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | LONG-TERM INVESTMENTS – 99.2% | | | |
| | MUNICIPAL BONDS – 98.9% | | | |
| | Alaska – 0.8% | | | |
| $ 3,335 | Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A, 5.000%, 12/01/30 (Pre-refunded 12/01/14) – FGIC Insured | 12/14 at 100.00 | AA+ (4) | $ 3,348,540 |
| 5,000 | Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005B-2, 5.250%, 12/01/30 – NPFG Insured | 6/15 at 100.00 | AA+ | 5,197,500 |
| 5,405 | CivicVentures, Alaska, Revenue Bonds, Anchorage Convention Center Series 2006, 5.000%, 9/01/34 – NPFG Insured | 9/15 at 100.00 | AA– | 5,568,826 |
| 2,710 | Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32 | 12/14 at 100.00 | B2 | 2,168,596 |
| 16,450 | Total Alaska | | | 16,283,462 |
| | Arizona – 1.1% | | | |
| 2,630 | Arizona Board of Regents, Arizona State University System Revenue Bonds, Refunding Series 2012A, 4.000%, 7/01/15 | No Opt. Call | AA | 2,697,538 |
| 2,500 | Phoenix Civic Improvement Corporation, Arizona, Excise Tax Revenue Bonds, Civic Plaza Expansion Project, Subordinate Series 2005A, 5.000%, 7/01/35 – FGIC Insured | No Opt. Call | AA | 2,560,075 |
| 2,500 | Phoenix Civic Improvement Corporation, Arizona, Senior Lien Airport Revenue Bonds, Series 2008A, 5.000%, 7/01/38 | 7/18 at 100.00 | AA– | 2,769,950 |
| 2,575 | Quechan Indian Tribe of the Fort Yuma Reservation, Arizona, Government Project Bonds, Series 2008, 7.000%, 12/01/27 | 12/17 at 102.00 | B– | 2,450,138 |
| 5,600 | Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc. Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37 | No Opt. Call | A– | 6,347,376 |
| 4,240 | Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2006C. Re-offering, 5.000%, 9/01/35 – AGC Insured | 9/20 at 100.00 | AA | 4,628,850 |
| 1,000 | Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2008A, 5.250%, 9/01/30 | 3/15 at 100.00 | A2 | 1,011,990 |
| 21,045 | Total Arizona | | | 22,465,917 |

| | | | | |
|---|---|---|---|---|
| | Arkansas – 0.1% | | | |
| 1,150 | Benton Washington Regional Public Water Authority, Arkansas, Water Revenue Bonds, Refunding & Improvement Series 2007, 4.750%, 10/01/33 (Pre-refunded 10/01/17) – SYNCORA GTY Insured | 10/17 at 100.00 | A- (4) | 1,286,172 |
| | California – 13.8% | | | |
| 5,000 | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2013S-4, 5.000%, 4/01/38 | 4/23 at 100.00 | A+ | 5,637,700 |
| 5,195 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Gold Country Settlement Funding Corporation, Series 2006, 0.000%, 6/01/33 | 12/14 at 100.00 | CCC | 1,368,207 |
| 3,275 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.450%, 6/01/28 | 12/18 at 100.00 | B2 | 3,052,071 |
| 6,100 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2005AC, 5.000%, 12/01/27 (Pre-refunded 12/01/14) – NPFG Insured | 12/14 at 100.00 | AAA | 6,124,888 |
| | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanante System, Series 2006: | | | |
| 5,000 | 5.000%, 4/01/37 – BHAC Insured | 4/16 at 100.00 | AA+ | 5,254,800 |
| 6,000 | 5.000%, 4/01/37 (UB) (5) | 4/16 at 100.00 | A+ | 6,184,920 |
| 3,850 | California Health Facilities Financing Authority, Revenue Bonds, Saint Joseph Health System, Series 2013A, 5.000%, 7/01/33 | 7/23 at 100.00 | AA– | 4,432,082 |
| 2,335 | California Municipal Finance Authority, Revenue Bonds, Eisenhower Medical Center, Series 2010A, 5.750%, 7/01/40 | 7/20 at 100.00 | Baa2 | 2,593,928 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | California (continued) | | | |
| $ 2,130 | California Pollution Control Financing Authority, Revenue Bonds, Pacific Gas and Electric Company, Series 2004C, 4.750%, 12/01/23 – FGIC Insured (Alternative Minimum Tax) | 6/17 at 100.00 | A3 | $ 2,282,295 |
| 1,625 | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2013I, 5.000%, 11/01/38 | 11/23 at 100.00 | A1 | 1,827,150 |
| 1,400 | California State, General Obligation Bonds, Refunding Series 2007, 4.500%, 8/01/30 | 2/17 at 100.00 | Aa3 | 1,494,640 |
| 2,235 | California State, General Obligation Bonds, Series 2003, 5.000%, 2/01/33 | 8/15 at 100.00 | Aa3 | 2,242,845 |
| 16,000 | California State, General Obligation Bonds, Various Purpose Series 2007, 5.000%, 6/01/37 | 6/17 at 100.00 | Aa3 | 17,242,240 |
| 5,000 | California State, General Obligation Bonds, Various Purpose Series 2011, 5.000%, 10/01/41 | 10/21 at 100.00 | Aa3 | 5,618,650 |
| 2,530 | California Statewide Community Development Authority, Certificates of Participation, Internext Group, Series 1999, 5.375%, 4/01/17 | 4/15 at 100.00 | BBB+ | 2,540,955 |
| 3,125 | California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38 | 8/19 at 100.00 | Aa2 | 3,782,750 |
| 3,600 | California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 – FGIC Insured | 7/18 at 100.00 | AA– | 4,083,840 |
| 5,000 | Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 5.000%, 8/01/32 – AGM Insured | 8/18 at 100.00 | Aa1 | 5,547,150 |
| 4,505 | Covina-Valley Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003B, 0.000%, 6/01/28 – FGIC Insured | No Opt. Call | AA– | 2,520,953 |
| 16,045 | Desert Community College District, Riverside County, California, General Obligation Bonds, Election 2004 Series 2007C, 0.000%, 8/01/33 – AGM Insured | 8/17 at 42.63 | AA | 6,295,737 |
| 30,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 0.000%, 1/01/22 (ETM) | No Opt. Call | Aaa | 26,686,200 |
| 2,180 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 2013A, 0.000%, 1/15/42 | 1/31 at 100.00 | BBB– | 1,396,072 |
| | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A: | | | |
| 11,830 | 5.000%, 6/01/38 – FGIC Insured | | A1 | 12,142,075 |

| | | | | |
|---|---|---|---|---|
| | | 6/15 at 100.00 | | |
| 15,000 | 5.000%, 6/01/45 | 6/15 at 100.00 | A1 | 15,375,150 |
| 13,065 | 5.000%, 6/01/45 – AMBAC Insured | 6/15 at 100.00 | A1 | 13,391,756 |
| | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: | | | |
| 25,790 | 4.500%, 6/01/27 | 6/17 at 100.00 | B | 24,227,900 |
| 13,985 | 5.000%, 6/01/33 | 6/17 at 100.00 | B | 11,490,076 |
| 1,500 | 5.125%, 6/01/47 | 6/17 at 100.00 | B | 1,121,280 |
| 4,500 | Hemet Unified School District, Riverside County, California, General Obligation Bonds, Series 2008B, 5.125%, 8/01/37 – AGC Insured | 8/16 at 102.00 | AA | 4,876,920 |
| | Merced Union High School District, Merced County, California, General Obligation Bonds, Series 1999A: | | | |
| 2,500 | 0.000%, 8/01/23 – FGIC Insured | No Opt. Call | AA– | 1,929,075 |
| 2,555 | 0.000%, 8/01/24 – FGIC Insured | No Opt. Call | AA– | 1,873,198 |
| 2,365 | Montebello Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004, 0.000%, 8/01/27 – FGIC Insured | No Opt. Call | AA– | 1,453,766 |
| 4,405 | Moreland School District, Santa Clara County, California, General Obligation Bonds, Series 2004D, 0.000%, 8/01/32 – FGIC Insured | No Opt. Call | AA+ | 1,621,569 |
| | Mount San Antonio Community College District, Los Angeles County, California, General Obligation Bonds, Election of 2008, Series 2013A: | | | |
| 2,200 | 0.000%, 8/01/28 | 2/28 at 100.00 | AA | 1,753,268 |
| 2,315 | 0.000%, 8/01/43 | 8/35 at 100.00 | AA | 1,503,106 |
| 3,550 | M-S-R Energy Authority, California, Gas Revenue Bonds, Citigroup Prepay Contracts, Series 2009C, 6.500%, 11/01/39 | No Opt. Call | A | 4,833,503 |

NUV Nuveen Municipal Value Fund, Inc.
Portfolio of Investments (continued) October 31, 2014

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | California (continued) | | | |
| | Napa Valley Community College District, Napa and Sonoma Counties, California, General Obligation Bonds, Election 2002 Series 2007C: | | | |
| $ 7,200 | 0.000%, 8/01/29 – NPFG Insured | 8/17 at 54.45 | Aa2 | $ 3,625,992 |
| 11,575 | 0.000%, 8/01/31 – NPFG Insured | 8/17 at 49.07 | Aa2 | 5,168,701 |
| 2,620 | New Haven Unified School District, Alameda County, California, General Obligation Bonds, Series 2004A, 0.000%, 8/01/28 – NPFG Insured | No Opt. Call | AA– | 1,285,529 |
| 2,350 | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.750%, 11/01/39 | 11/19 at 100.00 | Ba1 | 2,543,546 |
| 10,150 | Placer Union High School District, Placer County, California, General Obligation Bonds, Series 2004C, 0.000%, 8/01/33 – AGM Insured | No Opt. Call | AA | 4,554,407 |
| 2,355 | Rancho Mirage Joint Powers Financing Authority, California, Certificates of Participation, Eisenhower Medical Center, Series 1997B, 4.875%, 7/01/22 – NPFG Insured | 7/15 at 102.00 | A3 | 2,436,954 |
| 4,000 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/47 | 7/17 at 100.00 | Baa2 | 4,107,800 |
| 15,505 | Riverside Public Financing Authority, California, Tax Allocation Bonds, University Corridor, Series 2007C, 5.000%, 8/01/37 – NPFG Insured | 8/17 at 100.00 | AA– | 15,944,722 |
| | San Bruno Park School District, San Mateo County, California, General Obligation Bonds, Series 2000B: | | | |
| 2,575 | 0.000%, 8/01/24 – FGIC Insured | No Opt. Call | AA | 1,950,511 |
| 2,660 | 0.000%, 8/01/25 – FGIC Insured | No Opt. Call | AA | 1,930,681 |
| 250 | San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D, 7.000%, 8/01/41 | 2/21 at 100.00 | BBB+ | 306,350 |
| 12,040 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Bonds, Refunding Series 1997A, 0.000%, 1/15/25 – NPFG Insured | No Opt. Call | AA– | 8,413,311 |
| 5,000 | | | A2 | 5,399,250 |

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|---|---|---|---|---|
| | San Jose, California, Airport Revenue Bonds, Series 2007A, 6.000%, 3/01/47 – AMBAC Insured (Alternative Minimum Tax) | 3/17 at 100.00 | | |
| 13,220 | San Mateo County Community College District, California, General Obligation Bonds, Series 2006A, 0.000%, 9/01/28 – NPFG Insured | No Opt. Call | AAA | 8,567,882 |
| 5,000 | San Mateo Union High School District, San Mateo County, California, General Obligation Bonds, Election of 2000, Series 2002B, 0.000%, 9/01/24 – FGIC Insured | No Opt. Call | AA+ | 3,850,850 |
| 2,000 | Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Refunding Series 2005A-2, 5.400%, 6/01/27 | 6/17 at 100.00 | B+ | 1,849,820 |
| 1,300 | University of California, General Revenue Bonds, Refunding Series 2009O, 5.250%, 5/15/39 | 5/19 at 100.00 | AA | 1,497,574 |
| 337,490 | Total California | | | 289,236,595 |
| | Colorado – 5.0% | | | |
| 5,000 | Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 – SYNCORA GTY Insured | 10/16 at 100.00 | BBB– | 5,059,250 |
| 5,000 | Colorado Health Facilities Authority, Colorado, Revenue Bonds, Catholic Health Initiatives, Series 2006A, 4.500%, 9/01/38 | 9/16 at 100.00 | A+ | 5,058,550 |
| 7,105 | Colorado Health Facilities Authority, Colorado, Revenue Bonds, Catholic Health Initiatives, Series 2013A, 5.250%, 1/01/45 | 1/23 at 100.00 | A+ | 8,035,116 |
| 1,700 | Colorado Health Facilities Authority, Colorado, Revenue Bonds, Poudre Valley Health System, Series 2005C, 5.250%, 3/01/40 – AGM Insured | 9/18 at 102.00 | AA | 1,871,377 |
| 15,925 | Colorado Health Facilities Authority, Colorado, Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Series 2010A, 5.000%, 1/01/40 | 1/20 at 100.00 | AA– | 17,346,784 |
| 750 | Colorado Health Facilities Authority, Revenue Bonds, Longmont United Hospital, Series 2006B, 5.000%, 12/01/23 – RAAI Insured | 12/16 at 100.00 | Baa2 | 765,398 |
| 2,000 | Colorado State Board of Governors, Colorado State University Auxiliary Enterprise System Revenue Bonds, Series 2012A, 5.000%, 3/01/41 | 3/22 at 100.00 | Aa2 | 2,237,040 |
| 1,000 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 2011A, 4.000%, 11/15/14 (Alternative Minimum Tax) | No Opt. Call | A+ | 1,001,550 |
| 2,200 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 2012B, 5.000%, 11/15/29 | 11/22 at 100.00 | A+ | 2,543,640 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Colorado (continued) | | | |
| $ 5,160 | Denver City and County, Colorado, Airport System Revenue Bonds, Subordinate Lien Series 2013B, 5.000%, 11/15/43 | 11/23 at 100.00 | A$ | 5,761,604 |
| 3,000 | Denver School District 1, Colorado, General Obligation Bonds, Series 2012B, 3.000%, 12/01/14 | No Opt. Call | AA+ | 3,007,350 |
| | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B: | | | |
| 24,200 | 0.000%, 9/01/31 – NPFG Insured | No Opt. Call | AA– | 12,527,372 |
| 17,000 | 0.000%, 9/01/32 – NPFG Insured | No Opt. Call | AA– | 8,129,230 |
| 7,600 | E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Refunding Series 2006B, 0.000%, 9/01/39 – NPFG Insured | 9/26 at 52.09 | AA– | 2,266,320 |
| | E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B: | | | |
| 7,700 | 0.000%, 9/01/27 – NPFG Insured | 9/20 at 67.94 | AA– | 4,190,879 |
| 10,075 | 0.000%, 3/01/36 – NPFG Insured | 9/20 at 41.72 | AA– | 3,207,376 |
| 5,000 | Ebert Metropolitan District, Colorado, Limited Tax General Obligation Bonds, Series 2007, 5.350%, 12/01/37 – RAAI Insured | 12/17 at 100.00 | N/R | 5,026,800 |
| 7,000 | Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001C, 5.700%, 6/15/21 (Pre-refunded 6/15/16) – AMBAC Insured | 6/16 at 100.00 | N/R (4) | 7,602,000 |
| 5,000 | Rangely Hospital District, Rio Blanco County, Colorado, General Obligation Bonds, Refunding Series 2011, 6.000%, 11/01/26 | 11/21 at 100.00 | Baa1 | 5,750,550 |
| 3,750 | Regional Transportation District, Colorado, Denver Transit Partners Eagle P3 Project Private Activity Bonds, Series 2010, 6.000%, 1/15/41 | 7/20 at 100.00 | Baa3 | 4,210,238 |
| 136,165 | Total Colorado | | | 105,598,424 |
| | Connecticut – 0.9% | | | |
| 1,500 | Connecticut Health and Educational Facilities Authority, Revenue Bonds, Hartford Healthcare, Series 2011A, 5.000%, 7/01/41 | 7/21 at 100.00 | A | 1,617,885 |
| 15,000 | Connecticut Health and Educational Facilities Authority, Revenue Bonds, Yale University, Series 2007Z-1, 5.000%, 7/01/42 | 7/16 at 100.00 | AAA | 15,943,950 |
| 7,872 | Mashantucket Western Pequot Tribe, Connecticut, Special Revenue Bonds, Subordinate Series 2013A, 6.050%, 7/01/31 (6) | No Opt. Call | N/R | 1,577,192 |

| | | | | |
|---|---|---|---|---|
| 24,372 | Total Connecticut | | | 19,139,027 |
| | District of Columbia – 0.5% | | | |
| 10,000 | Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Senior Lien Refunding Series 2007A, 4.500%, 10/01/30 – AMBAC Insured | 10/16 at 100.00 | A1 | 10,184,500 |
| | Florida – 5.6% | | | |
| 3,000 | Cape Coral, Florida, Water and Sewer Revenue Bonds, Refunding Series 2011, 5.000%, 10/01/41 – AGM Insured | 10/21 at 100.00 | AA | 3,267,510 |
| 4,725 | Florida Department of Transportation, State Infrastructure Bank Revenue Bonds, Series 2005A, 5.000%, 7/01/15 | No Opt. Call | AA+ | 4,879,082 |
| 10,000 | Florida State Board of Education, Public Education Capital Outlay Bonds, Series 2005E, 4.500%, 6/01/35 (UB) | 6/15 at 101.00 | AAA | 10,281,300 |
| 2,845 | Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds, Refunding Series 2009C, 5.000%, 10/01/34 | No Opt. Call | Aa3 | 3,219,914 |
| 2,650 | Hillsborough County Industrial Development Authority, Florida, Hospital Revenue Bonds, Tampa General Hospital, Series 2006, 5.250%, 10/01/41 | 10/16 at 100.00 | A3 | 2,792,385 |
| 3,000 | JEA, Florida, Electric System Revenue Bonds, Series Three 2006A, 5.000%, 10/01/41 – AGM Insured | 4/15 at 100.00 | AA | 3,049,560 |
| 4,555 | Lee County, Florida, Transportation Facilities Revenue Bonds, Sanibel Bridges & Causeway Project, Series 2005B, 5.000%, 10/01/30 (Pre-refunded 10/01/15) – CIFG Insured | 10/15 at 100.00 | AA (4) | 4,755,784 |
| 5,000 | Marion County Hospital District, Florida, Revenue Bonds, Munroe Regional Medical Center, Series 2007, 5.000%, 10/01/34 (Pre-refunded 10/01/17) | 10/17 at 100.00 | BBB+ (4) | 5,632,750 |
| 4,090 | Miami-Dade County Expressway Authority, Florida, Toll System Revenue Bonds, Series 2010A, 5.000%, 7/01/40 | 7/20 at 100.00 | A– | 4,410,329 |
| 9,500 | Miami-Dade County Health Facility Authority, Florida, Hospital Revenue Bonds, Miami Children's Hospital, Series 2010A, 6.000%, 8/01/46 | 8/21 at 100.00 | A | 10,812,235 |

NUV Nuveen Municipal Value Fund, Inc.
Portfolio of Investments (continued) October 31, 2014

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Florida (continued) | | | |
| $ 4,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2010B, 5.000%, 10/01/29 | 10/20 at 100.00 | A$ | 4,487,080 |
| 9,340 | Miami-Dade County, Florida, Water and Sewer System Revenue Bonds, Series 2010, 5.000%, 10/01/39 – AGM Insured | 10/20 at 100.00 | AA | 10,594,642 |
| 2,900 | Orange County, Florida, Tourist Development Tax Revenue Bonds, Series 2006, 5.000%, 10/01/31 – SYNCORA GTY Insured | 10/16 at 100.00 | AA– | 3,089,051 |
| 3,250 | Palm Beach County Health Facilities Authority, Florida, Revenue Bonds, Jupiter Medical Center, Series 2013A, 5.000%, 11/01/43 | 11/22 at 100.00 | BBB+ | 3,436,420 |
| 9,250 | Port Saint Lucie, Florida, Special Assessment Revenue Bonds, Southwest Annexation District 1B, Series 2007, 5.000%, 7/01/40 – NPFG Insured | 7/17 at 100.00 | AA– | 9,997,030 |
| 8,175 | Saint John's County, Florida, Sales Tax Revenue Bonds, Series 2006, 5.000%, 10/01/36 – BHAC Insured | 10/16 at 100.00 | AA+ | 8,723,951 |
| 2,500 | Seminole Tribe of Florida, Special Obligation Bonds, Series 2007A, 144A, 5.250%, 10/01/27 | 10/17 at 100.00 | BBB– | 2,665,275 |
| | South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007: | | | |
| 3,035 | 5.000%, 8/15/19 | 8/17 at 100.00 | AA | 3,379,837 |
| 14,730 | 5.000%, 8/15/42 (UB) | 8/17 at 100.00 | AA | 15,574,618 |
| 3,300 | Tampa, Florida, Health System Revenue Bonds, Baycare Health System, Series 2012A, 5.000%, 11/15/33 | 5/22 at 100.00 | Aa2 | 3,675,177 |
| 109,845 | Total Florida | | | 118,723,930 |
| | Georgia – 0.1% | | | |
| 1,105 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2001A, 5.000%, 11/01/33 – NPFG Insured | 11/14 at 100.00 | Aa2 | 1,108,989 |
| | Guam – 0.0% | | | |
| 330 | Guam International Airport Authority, Revenue Bonds, Series 2013C, 6.375%, 10/01/43 (Alternative Minimum Tax) | 10/23 at 100.00 | BBB | 380,256 |
| | Hawaii – 0.2% | | | |
| 3,625 | | | Aa1 | 4,173,644 |

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|---|---|---|---|---|
| | Honolulu City and County, Hawaii, General Obligation Bonds, Series 2009A, 5.250%, 4/01/32 | No Opt. Call | | |
| | Illinois – 14.8% | | | |
| 5,125 | Board of Trustees of Southern Illinois University, Housing and Auxiliary Facilities System Revenue Bonds, Series 2006A, 5.000%, 4/01/36 – NPFG Insured | 4/16 at 100.00 | AA– | 5,361,980 |
| 17,205 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/24 – FGIC Insured | No Opt. Call | AA– | 11,387,301 |
| 7,195 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/31 – FGIC Insured | No Opt. Call | AA– | 3,115,507 |
| 1,500 | Chicago Park District, Illinois, General Obligation Bonds, Limited Tax Series 2011A, 5.000%, 1/01/36 | 1/22 at 100.00 | AA+ | 1,638,975 |
| 2,280 | Chicago, Illinois, General Airport Revenue Bonds, O'Hare International Airport, Third Lien Series 2003C-2, 5.250%, 1/01/30 – AGM Insured (Alternative Minimum Tax) | 1/15 at 100.00 | AA | 2,283,488 |
| | Chicago, Illinois, General Obligation Bonds, Project & Refunding Series 2006A: | | | |
| 2,585 | 4.750%, 1/01/30 – AGM Insured | 1/16 at 100.00 | AA | 2,611,910 |
| 5,000 | 4.625%, 1/01/31 – AGM Insured | 1/16 at 100.00 | AA | 5,041,550 |
| 285 | Chicago, Illinois, General Obligation Bonds, Series 2002A, 5.625%, 1/01/39 – AMBAC Insured | 1/15 at 100.00 | AA– | 285,143 |
| 7,750 | Chicago, Illinois, General Obligation Bonds, Series 2004A, 5.000%, 1/01/34 – AGM Insured | 1/15 at 100.00 | AA | 7,762,478 |
| | Chicago, Illinois, General Obligation Bonds, Series 2005A: | | | |
| 6,850 | 5.000%, 1/01/16 – AGM Insured | 1/15 at 100.00 | AA | 6,902,197 |
| 3,500 | 5.000%, 1/01/17 – AGM Insured | 1/15 at 100.00 | AA | 3,526,285 |
| 3,320 | Cook and DuPage Counties Combined School District 113A Lemont, Illinois, General Obligation Bonds, Series 2002, 0.000%, 12/01/20 – FGIC Insured | No Opt. Call | AA– | 2,601,751 |
| 3,020 | Cook County High School District 209, Proviso Township, Illinois, General Obligation Bonds, Series 2004, 5.000%, 12/01/19 – AGM Insured | 12/16 at 100.00 | AA | 3,229,195 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Illinois (continued) | | | |
| $ 8,875 | Cook County, Illinois, General Obligation Bonds, Refunding Series 2010A, 5.250%, 11/15/33 | 11/20 at 100.00 | AA$ | 9,823,116 |
| 3,260 | Cook County, Illinois, Recovery Zone Facility Revenue Bonds, Navistar International Corporation Project, Series 2010, 6.500%, 10/15/40 | 10/20 at 100.00 | B3 | 3,503,881 |
| 5,000 | Cook County, Illinois, Sales Tax Revenue Bonds, Series 2012, 5.000%, 11/15/37 | No Opt. Call | AAA | 5,616,450 |
| 28,030 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Kane, Cook and DuPage Counties School District U46 – Elgin, Series 2002, 0.000%, 1/01/19 – AGM Insured | No Opt. Call | Aa3 | 25,629,791 |
| 1,800 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Winnebago and Boone Counties School District 205 – Rockford, Series 2000, 0.000%, 2/01/19 – AGM Insured | No Opt. Call | A2 | 1,647,270 |
| 1,875 | Illinois Finance Authority, Revenue Bonds, Central DuPage Health, Series 2009B, 5.500%, 11/01/39 | 11/19 at 100.00 | AA | 2,125,106 |
| 3,000 | Illinois Finance Authority, Revenue Bonds, Central DuPage Health, Series 2009, 5.250%, 11/01/39 | 11/19 at 100.00 | AA | 3,326,670 |
| 5,245 | Illinois Finance Authority, Revenue Bonds, Loyola University of Chicago, Tender Option Bond Trust 1137, 9.262%, 7/01/15 (IF) | No Opt. Call | AA+ | 6,095,057 |
| 4,845 | Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Refunding Series 2010A, 6.000%, 5/15/39 | 5/20 at 100.00 | A | 5,517,971 |
| 4,800 | Illinois Finance Authority, Revenue Bonds, Provena Health, Series 2009A, 7.750%, 8/15/34 | 8/19 at 100.00 | BBB+ | 6,027,984 |
| 4,260 | Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37 | 8/17 at 100.00 | A | 4,645,530 |
| 2,500 | Illinois Finance Authority, Revenue Bonds, The University of Chicago Medical Center, Series 2011C, 5.500%, 8/15/41 | 2/21 at 100.00 | AA– | 2,827,350 |
| 4,475 | Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 5.500%, 8/15/30 | 8/18 at 100.00 | BBB+ | 4,816,085 |
| 2,260 | Illinois Health Facilities Authority, Revenue Bonds, South Suburban Hospital, Series 1992, 7.000%, 2/15/18 (ETM) | No Opt. Call | N/R (4) | 2,522,567 |
| 3,750 | Illinois Sports Facility Authority, State Tax Supported Bonds, Series 2001, 5.500%, 6/15/30 – AMBAC Insured | 6/15 at 101.00 | A | 3,882,750 |
| 1,540 | Illinois Sports Facility Authority, State Tax Supported Bonds, Series 2001, 5.500%, 6/15/30 (Pre-refunded 6/15/15) – AMBAC Insured | 6/15 at 101.00 | N/R (4) | 1,606,482 |

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|---|---|---|---|---|
| 655 | Illinois State, General Obligation Bonds, Refunding Series 2012, 5.000%, 8/01/25 | 8/22 at 100.00 | A– | 715,384 |
| 5,590 | Illinois Toll Highway Authority, Toll Highway Revenue Bonds, Senior Lien Series 2013A, 5.000%, 1/01/38 | 1/23 at 100.00 | AA– | 6,254,595 |
| 10,740 | Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 1/01/23 – AGM Insured | 1/15 at 66.94 | A1 | 7,153,055 |
| 5,000 | Lombard Public Facilities Corporation, Illinois, First Tier Conference Center and Hotel Revenue Bonds, Series 2005A-2, 5.500%, 1/01/36 – ACA Insured | 1/16 at 100.00 | CCC– | 3,365,600 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1993A: | | | |
| 12,320 | 0.010%, 6/15/17 – FGIC Insured | No Opt. Call | AA– | 11,865,269 |
| 9,270 | 0.010%, 6/15/18 – FGIC Insured | No Opt. Call | AAA | 8,721,680 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1994B: | | | |
| 7,250 | 0.000%, 6/15/18 – NPFG Insured | No Opt. Call | AAA | 6,821,163 |
| 3,635 | 0.000%, 6/15/21 – NPFG Insured | No Opt. Call | AAA | 3,002,437 |
| 5,190 | 0.000%, 6/15/28 – NPFG Insured | No Opt. Call | AAA | 2,982,174 |
| 11,670 | 0.000%, 6/15/29 – FGIC Insured | No Opt. Call | AAA | 6,373,220 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A: | | | |
| 10,000 | 0.000%, 6/15/24 – NPFG Insured | 6/22 at 101.00 | AAA | 10,191,400 |
| 4,950 | 0.000%, 12/15/32 – NPFG Insured | No Opt. Call | AAA | 2,273,436 |
| 21,375 | 0.000%, 6/15/34 – NPFG Insured | No Opt. Call | AAA | 8,977,928 |
| 21,000 | 0.000%, 12/15/35 – NPFG Insured | No Opt. Call | AAA | 8,119,230 |
| 21,970 | 0.000%, 6/15/36 – NPFG Insured | No Opt. Call | AAA | 8,252,811 |
| 10,375 | 0.000%, 12/15/36 – NPFG Insured | No Opt. Call | AAA | 3,810,011 |
| 25,825 | 0.000%, 6/15/39 – NPFG Insured | No Opt. Call | AAA | 8,347,157 |

NUV Nuveen Municipal Value Fund, Inc.
Portfolio of Investments (continued) October 31, 2014

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Illinois (continued) | | | |
| $ 16,800 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A, 0.000%, 12/15/21 – NPFG Insured | No Opt. Call | AA– | $ 13,605,312 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 2002B: | | | |
| 3,775 | 5.500%, 6/15/20 – NPFG Insured | 6/17 at 101.00 | AAA | 4,174,622 |
| 5,715 | 5.550%, 6/15/21 – NPFG Insured | 6/17 at 101.00 | AAA | 6,286,271 |
| 6,095 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 2002A, 6.000%, 7/01/32 – NPFG Insured | No Opt. Call | AA | 8,269,635 |
| 1,160 | Round Lake, Lake County, Illinois, Special Tax Bonds, Lakewood Grove Special Service Area 4, Series 2007, 4.700%, 3/01/33 – AGC Insured | 3/17 at 100.00 | AA | 1,179,337 |
| 5,020 | Southwestern Illinois Development Authority, Local Government Revenue Bonds, Edwardsville Community Unit School District 7 Project, Series 2007, 0.000%, 12/01/23 – AGM Insured | No Opt. Call | AA | 3,740,603 |
| 3,000 | Springfield, Illinois, Electric Revenue Bonds, Senior Lien Series 2007, 5.000%, 3/01/22 – NPFG Insured | 3/17 at 100.00 | AA– | 3,242,550 |
| 4,900 | Springfield, Illinois, Electric Revenue Bonds, Series 2006, 5.000%, 3/01/26 – NPFG Insured | 3/16 at 100.00 | AA– | 5,132,554 |
| 615 | University of Illinois, Health Services Facilities System Revenue Bonds, Series 2013, 6.000%, 10/01/42 | 10/23 at 100.00 | A | 708,455 |
| 1,575 | Will County Community School District 161, Summit Hill, Illinois, Capital Appreciation School Bonds, Series 1999, 0.000%, 1/01/18 – FGIC Insured | No Opt. Call | A3 | 1,441,802 |
| 720 | Will County Community School District 161, Summit Hill, Illinois, Capital Appreciation School Bonds, Series 1999, 0.000%, 1/01/18 – FGIC Insured (ETM) | No Opt. Call | A3 (4) | 703,130 |
| | Will County Community Unit School District 201U, Crete-Monee, Illinois, General Obligation Bonds, Capital Appreciation Series 2004: | | | |
| 3,680 | 0.000%, 11/01/16 – FGIC Insured | No Opt. Call | AA– | 3,594,955 |
| 3,330 | 0.000%, 11/01/22 – NPFG Insured | | AA– | 2,694,037 |

| | | | | |
|---|---|---|---|---|
| | | No Opt. Call | | |
| 2,945 | Will County School District 86, Joliet, Illinois, General Obligation Bonds, Series 2002, 0.000%, 11/01/15 – AGM Insured | No Opt. Call | AA | 2,925,563 |
| 397,275 | Total Illinois | | | 310,287,196 |
| | Indiana – 2.3% | | | |
| 300 | Anderson, Indiana, Economic Development Revenue Bonds, Anderson University, Series 2007, 5.000%, 10/01/24 | 4/15 at 100.00 | BB+ | 301,413 |
| 2,525 | Indiana Finance Authority, Hospital Revenue Bonds, Community Health Network Project, Series 2012A, 5.000%, 5/01/42 | 5/23 at 100.00 | A | 2,754,826 |
| 1,640 | Indiana Finance Authority, Private Activity Bonds, Ohio River Bridges East End Crossing Project, Series 2013A, 5.000%, 7/01/48 (Alternative Minimum Tax) | 7/23 at 100.00 | BBB | 1,729,511 |
| 4,000 | Indiana Finance Authority, Tax-Exempt Private Activity Revenue Bonds, I-69 Section 5 Project, Series 2014, 5.000%, 9/01/46 (Alternative Minimum Tax) | 9/24 at 100.00 | BBB | 4,280,360 |
| 2,250 | Indiana Health and Educational Facilities Financing Authority, Revenue Bonds, Sisters of Saint Francis Health Services Inc., Series 2006E, 5.250%, 5/15/41 – AGM Insured | 5/18 at 100.00 | Aa3 | 2,431,395 |
| 2,000 | Indiana Health Facility Financing Authority, Revenue Bonds, Community Foundation of Northwest Indiana, Series 2007, 5.500%, 3/01/37 | 3/17 at 100.00 | A | 2,113,860 |
| 8,235 | Indiana Municipal Power Agency, Power Supply Revenue Bonds, Series 2007A, 5.000%, 1/01/42 – NPFG Insured | 1/17 at 100.00 | AA– | 8,785,922 |
| | Indianapolis Local Public Improvement Bond Bank, Indiana, Series 1999E: | | | |
| 12,500 | 0.000%, 2/01/21 – AMBAC Insured | No Opt. Call | AA | 11,062,375 |
| 2,400 | 0.000%, 2/01/25 – AMBAC Insured | No Opt. Call | AA | 1,778,856 |
| 14,595 | 0.000%, 2/01/27 – AMBAC Insured | No Opt. Call | AA | 9,936,276 |
| 3,460 | Whiting Redevelopment District, Indiana, Tax Increment Revenue Bonds, Lakefront Development Project, Series 2010, 6.750%, 1/15/32 | 7/20 at 100.00 | N/R | 3,882,501 |
| 53,905 | Total Indiana | | | 49,057,295 |
| | Iowa – 1.2% | | | |
| 14,500 | Iowa Finance Authority, Iowa, Midwestern Disaster Area Revenue Bonds, Iowa Fertilizer Company Project, Series 2013, 5.500%, 12/01/22 | 12/18 at 100.00 | BB– | 15,388,850 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Iowa (continued) | | | |
| $ 7,000 | Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.625%, 6/01/46 | 6/15 at 100.00 | B+ | $ 5,927,600 |
| 4,965 | Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34 | 6/17 at 100.00 | B+ | 4,445,363 |
| 26,465 | Total Iowa | | | 25,761,813 |
| | Kansas – 0.3% | | | |
| 9,490 | Wyandotte County-Kansas City Unified Government, Kansas, Sales Tax Special Obligation Capital Appreciation Revenue Bonds Redevelopment Project Area B – Major Multi-Sport Athletic Complex Project, Subordinate Lien Series 2010B, 0.000%, 6/01/21 | No Opt. Call | A– | 6,675,835 |
| | Kentucky – 0.3% | | | |
| 820 | Greater Kentucky Housing Assistance Corporation, FHA-Insured Section 8 Mortgage Revenue Refunding Bonds, Series 1997A, 6.100%, 1/01/24 – NPFG Insured | 1/15 at 100.00 | AA– | 821,902 |
| 1,750 | Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/38 – AGC Insured | 6/18 at 100.00 | AA | 1,898,225 |
| 6,000 | Kentucky Public Transportation Infrastructure Authority, First Tier Toll Revenue Bonds, Downtown Crossing Project, Convertible Capital Appreciation Series 2013C, 0.000%, 7/01/39 | 7/31 at 100.00 | Baa3 | 4,129,680 |
| 8,570 | Total Kentucky | | | 6,849,807 |
| | Louisiana – 1.9% | | | |
| 12,000 | Louisiana Local Government Environmental Facilities & Community Development Authority, Revenue Bonds, Westlake Chemical Corporation Project, Series 2007, 6.750%, 11/01/32 | 11/17 at 100.00 | BBB | 13,450,440 |
| 2,310 | Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Westlake Chemical Corporation Projects, Series 2009A, 6.500%, 8/01/29 | 2/15 at 100.00 | BBB | 2,736,634 |
| 5,450 | Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Westlake Chemical Corporation Projects, Series 2010A-1, 6.500%, 11/01/35 | 11/20 at 100.00 | BBB | 6,467,297 |
| 5,150 | Louisiana Public Facilities Authority, Hospital Revenue Bonds, Franciscan Missionaries of Our Lady Health System, Series 2005A, 5.250%, 8/15/32 | 8/15 at 100.00 | A+ | 5,246,511 |

| | | | | |
|---|---|---|---|---|
| | Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A: | | | |
| 3,620 | 5.250%, 5/15/38 | 5/17 at 100.00 | Baa1 | 3,800,421 |
| 1,900 | 5.375%, 5/15/43 | 5/17 at 100.00 | Baa1 | 1,995,228 |
| 5,000 | Louisiana Public Facilities Authority, Revenue Bonds, University of New Orleans Research and Technology, Series 2006, 5.250%, 3/01/37 (Pre-refunded 9/01/16) – NPFG Insured | 9/16 at 100.00 | AA- (4) | 5,447,450 |
| 35,430 | Total Louisiana | | | 39,143,981 |
| | Maine – 0.1% | | | |
| 1,050 | Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Maine General Medical Center, Series 2011, 6.750%, 7/01/41 | 7/21 at 100.00 | BBB– | 1,178,268 |
| | Maryland – 0.7% | | | |
| | Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A: | | | |
| 1,300 | 5.250%, 9/01/17 – SYNCORA GTY Insured | 9/16 at 100.00 | BB+ | 1,382,797 |
| 2,150 | 4.600%, 9/01/30 – SYNCORA GTY Insured | 9/16 at 100.00 | BB+ | 2,185,239 |
| 1,545 | 5.250%, 9/01/39 – SYNCORA GTY Insured | 9/16 at 100.00 | BB+ | 1,581,091 |
| 2,500 | Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39 | 9/16 at 100.00 | Ba2 | 2,581,250 |
| 1,500 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Adventist Healthcare, Series 2011A, 6.125%, 1/01/36 | 1/22 at 100.00 | Baa2 | 1,729,110 |
| 5,725 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.500%, 8/15/33 | 2/15 at 100.00 | A2 | 5,745,209 |
| 14,720 | Total Maryland | | | 15,204,696 |
| | Massachusetts – 1.8% | | | |
| 2,100 | Massachusetts Development Finance Agency, Hospital Revenue Bonds, Cape Cod Healthcare Obligated Group, Series 2013, 5.250%, 11/15/41 | 11/23 at 100.00 | A– | 2,348,115 |

NUV Nuveen Municipal Value Fund, Inc.
Portfolio of Investments (continued) October 31, 2014

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Massachusetts (continued) | | | |
| $ 1,347 | Massachusetts Development Finance Agency, Revenue Bonds, Northern Berkshire Community Services Inc., Series 2012A, 6.000%, 2/15/43 (6), (7) | 2/15 at 100.00 | D$ | 694,235 |
| 987 | Massachusetts Development Finance Agency, Revenue Bonds, Northern Berkshire Community Services Inc., Series 2012B, 0.000%, 2/15/43 (6), (7) | 1/43 at 102.19 | D | 10 |
| 1,526 | Massachusetts Development Finance Agency, Revenue Bonds, Northern Berkshire Community Services Inc., Series 2012C, 0.000%, 2/15/43 (6) | 1/15 at 100.00 | D | 15 |
| 500 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1 &2, 5.125%, 7/01/38 | 7/18 at 100.00 | A– | 528,415 |
| 3,000 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Harvard University, Series 2005C, 5.000%, 7/15/35 | No Opt. Call | AAA | 3,087,960 |
| 2,300 | Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39 | 7/19 at 100.00 | BBB | 2,543,340 |
| 11,815 | Massachusetts Housing Finance Agency, Housing Bonds, Series 2009F, 5.700%, 6/01/40 | 12/18 at 100.00 | AA– | 12,414,375 |
| 9,110 | Massachusetts School Building Authority, Dedicated Sales Tax Revenue Bonds, Senior Series 2013A, 5.000%, 5/15/43 | 5/23 at 100.00 | AA+ | 10,301,224 |
| 980 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 0.000%, 1/01/29 – NPFG Insured | No Opt. Call | AA– | 637,363 |
| 320 | Massachusetts Water Pollution Abatement Trust, Pooled Loan Program Bonds, Series 2000-6, 5.500%, 8/01/30 | 2/15 at 100.00 | Aaa | 321,312 |
| 5,005 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2006A, 5.000%, 8/01/41 | No Opt. Call | AA+ | 5,331,276 |
| 38,990 | Total Massachusetts | | | 38,207,640 |
| | Michigan – 4.4% | | | |
| | Detroit Academy of Arts and Sciences, Michigan, Public School Academy Revenue Bonds, Series 2013: | | | |
| 2,130 | 6.000%, 10/01/33 | 10/23 at 100.00 | N/R | 1,785,174 |
| 2,520 | 6.000%, 10/01/43 | 10/23 at 100.00 | N/R | 2,048,155 |
| 9,395 | Detroit Local Development Finance Authority, Michigan, Tax Increment Bonds, Series 1998A, | 11/14 at 100.00 | B– | 8,939,155 |

| | | | | |
|---|---|---|---|---|
| | 5.500%, 5/01/21 | | | |
| 1,415 | Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds, Refunding Senior Lien Series 2012A, 5.250%, 7/01/39 | 7/22 at 100.00 | BBB+ | 1,521,521 |
| 3,700 | Detroit, Michigan, Distributable State Aid General Obligation Bonds, Limited Tax Series 2010, 4.500%, 11/01/23 | 11/20 at 100.00 | AA | 3,992,448 |
| 1,760 | Detroit, Michigan, General Obligation Bonds, Series 2001A-1, 5.375%, 4/01/16 – NPFG Insured | 4/15 at 100.00 | AA– | 1,760,686 |
| | Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A: | | | |
| 11,160 | 5.000%, 7/01/35 – NPFG Insured | 7/15 at 100.00 | AA– | 11,161,786 |
| 3,110 | 4.500%, 7/01/35 – NPFG Insured | 7/15 at 100.00 | AA– | 3,062,510 |
| 3,000 | Detroit, Michigan, Senior Lien Sewerage Disposal System Revenue Bonds, Series 2001B, 5.500%, 7/01/29 – FGIC Insured | No Opt. Call | AA– | 3,490,020 |
| 3,395 | Detroit, Michigan, Sewage Disposal System Revenue Bonds, Second Lien Series 2006A, 5.500%, 7/01/36 – BHAC Insured | 7/18 at 100.00 | AA+ | 3,686,868 |
| 7,525 | Detroit, Michigan, Sewage Disposal System Revenue Bonds, Series 2001C-2, 5.250%, 7/01/29 – FGIC Insured | 7/18 at 100.00 | AA+ | 8,237,693 |
| 1,635 | Detroit, Michigan, Water Supply System Second Lien Revenue Bonds, Series 2003B, 5.000%, 7/01/34 – NPFG Insured | 1/15 at 100.00 | AA– | 1,634,918 |
| 2,955 | Detroit, Michigan, Water Supply System Second Lien Revenue Refunding Bonds, Series 2006C, 5.000%, 7/01/33 – AGM Insured | No Opt. Call | AA | 3,051,954 |
| 670 | Detroit, Michigan, Water Supply System Senior Lien Revenue Bonds, Series 2003A, 5.000%, 7/01/34 – NPFG Insured | 1/15 at 100.00 | AA– | 669,967 |
| 2,200 | Detroit, Michigan, Water Supply System Senior Lien Revenue Bonds, Series 2005B, 4.750%, 7/01/34 – BHAC Insured | No Opt. Call | AA+ | 2,301,090 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|---|---|---|
| | Michigan (continued) | | | |
| | Detroit, Michigan, Water Supply System Senior Lien Revenue Refunding Bonds, Series 2006D: | | | |
| $ 165 | 5.000%, 7/01/32 – AGM Insured | 7/16 at 100.00 | AA$ | 170,414 |
| 5,250 | 4.625%, 7/01/32 – AGM Insured | 7/16 at 100.00 | AA | 5,252,940 |
| 2,000 | Kalamazoo Hospital Finance Authority, Michigan, Hospital Revenue Refunding Bonds, Bronson Methodist Hospital, Series 2010, 5.250%, 5/15/36 – AGM Insured | 5/20 at 100.00 | A2 | 2,186,400 |
| 1,950 | Michigan Finance Authority, Local Government Loan Program Revenue Bonds, Detroit Water & Sewerage Department Water Supply System Local Project, Series 2014C-1, 5.000%, 7/01/44 | 7/22 at 100.00 | BBB+ | 2,051,888 |
| 4,600 | Michigan Finance Authority, Revenue Bonds, Trinity Health Credit Group, Refunding Series 2011, 5.000%, 12/01/39 | 12/21 at 100.00 | Aa2 | 5,043,026 |
| 5,000 | Michigan State Building Authority, Revenue Bonds, Facilities Program, Refunding Series 2011-II-A, 5.375%, 10/15/41 | 10/21 at 100.00 | Aa3 | 5,664,950 |
| 8,460 | Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2005I, 5.000%, 10/15/22 – AMBAC Insured | 10/15 at 100.00 | Aa3 | 8,831,563 |
| 1,150 | Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Refunding Series 2009V, 8.250%, 9/01/39 (Pre-refunded 9/01/18) | 9/18 at 100.00 | Aaa | 1,471,655 |
| | Wayne County Airport Authority, Michigan, Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 2005: | | | |
| 1,465 | 4.750%, 12/01/18 – AGC Insured (Alternative Minimum Tax) | 12/15 at 100.00 | AA | 1,532,082 |
| 2,560 | 5.000%, 12/01/34 – NPFG Insured (Alternative Minimum Tax) | 12/15 at 100.00 | AA– | 2,641,050 |
| 89,170 | Total Michigan | | | 92,189,913 |
| | Minnesota – 1.3% | | | |
| 1,750 | Breckenridge, Minnesota, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30 | 11/14 at 100.00 | A+ | 1,756,650 |
| 6,375 | Minneapolis Health Care System, Minnesota, Revenue Bonds, Fairview Hospital and Healthcare Services, Series 2008A, 6.625%, 11/15/28 | 11/18 at 100.00 | A | 7,547,873 |
| 2,300 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Refunding Subordinate Lien Series 2005C, 5.000%, | 1/15 at 100.00 | AA- (4) | 2,318,722 |

| | | | | |
|---|---|---|---|---|
| | 1/01/31 (Pre-refunded 1/01/15) – FGIC Insured | | | |
| 8,000 | Minnesota State, General Obligation Bonds, Various Purpose Series 2010A, 5.000%, 8/01/15 | No Opt. Call | AA+ | 8,293,360 |
| 6,730 | Saint Paul Housing and Redevelopment Authority, Minnesota, Health Care Facility Revenue Bonds, HealthPartners Obligated Group, Series 2006, 5.250%, 5/15/36 | 11/16 at 100.00 | A | 7,053,780 |
| 25,155 | Total Minnesota | | | 26,970,385 |
| | Missouri – 1.2% | | | |
| 3,465 | Missouri Health and Educational Facilities Authority, Health Facilities Revenue Bonds, CoxHealth, Series 2013A, 5.000%, 11/15/48 | 11/23 at 100.00 | A2 | 3,788,839 |
| 12,000 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Health Care System, Series 2010B, 5.000%, 6/01/30 | 6/20 at 100.00 | AA– | 13,345,680 |
| 2,600 | Saint Louis, Missouri, Parking Revenue Bonds, Series 2006A, 4.500%, 12/15/25 – NPFG Insured | 12/16 at 100.00 | AA– | 2,779,920 |
| 5,055 | Springfield Public Utilities Board, Missouri, Certificates of Participation, Series 2012, 5.000%, 12/01/15 | No Opt. Call | AA | 5,319,023 |
| 23,120 | Total Missouri | | | 25,233,462 |
| | Nebraska – 0.3% | | | |
| 5,000 | Omaha Public Power District, Nebraska, Electric System Revenue Bonds, Series 2008A, 5.500%, 2/01/39 | 2/18 at 100.00 | AA | 5,605,100 |
| | Nevada – 1.9% | | | |
| 4,000 | Clark County School District, Nevada, General Obligation Bonds, Refunding Series 2005A, 5.000%, 6/15/19 – FGIC Insured | 6/15 at 101.00 | AA– | 4,156,000 |
| 10,000 | Clark County, Nevada, Airport Revenue Bonds, Junior Subordinate Lien Series 2013C-1, 2.500%, 7/01/15 (Alternative Minimum Tax) | No Opt. Call | A | 10,155,500 |
| 2,000 | Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2007A-1, 5.000%, 7/01/26 – AMBAC Insured (Alternative Minimum Tax) | No Opt. Call | A+ | 2,163,200 |
| 5,000 | Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42 | 1/20 at 100.00 | A+ | 5,903,750 |
| 2,000 | Nevada State, General Obligation Bonds, Municipal Bond Bank Projects R9A-R12, Refunding Series 2005F, 5.000%, 12/01/16 – AGM Insured | 6/15 at 100.00 | AA+ | 2,055,880 |
| 10,000 | North Las Vegas, Nevada, General Obligation Bonds, Series 2006, 5.000%, 5/01/36 – NPFG Insured | 5/16 at 100.00 | AA– | 9,749,300 |

overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement was prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the assets and trust corpus of SandRidge Mississippian Trust II at December 31, 2011, on the basis of accounting described in Note 2.

/s/ PricewaterhouseCoopers LLP

Tulsa, Oklahoma
March 14, 2012

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**STATEMENT OF ASSETS AND TRUST CORPUS**

**AS OF DECEMBER 31, 2011**

**(In Thousands)**

| | |
|---|---|
| **Assets** | |
| Cash | $ 1 |
| **Total assets** | $ 1 |
| **Trust Corpus** | |
| Trust corpus | $ 1 |
| **Total** | $ 1 |

The accompanying notes are an integral part of this statement.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO STATEMENT OF ASSETS AND TRUST CORPUS**

**1. Organization of the Trust**

SandRidge Mississippian Trust II (the "Trust") is a statutory trust formed on December 13, 2011 under the Delaware Statutory Trust Act pursuant to a Trust Agreement (the "Trust Agreement") among and by SandRidge Energy, Inc. ("SandRidge"), as trustor, The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), and The Corporation Trust Company, as Delaware Trustee (the "Delaware Trustee") and initially funded by SandRidge on December 29, 2011.

The Trust was created to acquire and hold royalty interests for the benefit of Trust unitholders pursuant to an agreement between SandRidge, the Trustee and the Delaware Trustee. These royalty interests are interests in properties consisting of SandRidge's interests in specified oil and gas properties located in the Mississippian formation in Alfalfa, Grant, Kay, Noble and Woods counties in northern Oklahoma and Barber, Comanche, Harper and Barber counties in southern Kansas (the "Underlying Properties"). These properties consist of 54 producing wells at December 31, 2011, the first of which began production in February 2011, 13 additional wells awaiting completion operations (together, the "Initial Wells") and 206 horizontal oil and natural gas development wells to be drilled to the Mississippian formation ("Development Wells") in an area of mutual interest ("AMI").

The royalty interests are passive in nature and neither the Trust nor the Trustee has any control over, or responsibility for, costs relating to the operation of the Underlying Properties. After conveyance of the royalty interests, SandRidge will retain interests in each of the Initial Wells and Development Wells. The Trust Agreement provides that the Trust's business activities will generally be limited to owning the royalty interests and entering into the derivative arrangements described below and activities reasonably related thereto, including activities required or permitted by the terms of the conveyances related to the royalty interests and the derivative arrangements.

The Trust will enter into a development agreement with SandRidge that will obligate SandRidge to drill, or cause to be drilled, the equivalent of 206 horizontal oil and natural gas development wells (as defined in the agreement) by December 31, 2016. Except in limited circumstances, SandRidge will agree not to drill and complete, or allow another person within its control to drill and complete, any other well in the AMI other than the Development Wells until SandRidge has fulfilled its drilling obligation. A wholly owned subsidiary of SandRidge will grant to the Trust a lien covering its interest in the AMI (except the Initial Wells or any other wells already producing and not subject to the royalty interests) in order to secure the estimated amount of the drilling costs for the Trust's interests in the Development Wells. These liens will be released over time as SandRidge fulfills its drilling obligation under the development agreement. Under the terms of the development agreement, SandRidge will be credited for having drilled one full Development Well if the well is drilled with a perforated well bore between 3,500 feet and 4,500 feet in a specified target formation and SandRidge's net revenue interest in the well is equal to 47.4%. The actual number of wells required to be drilled may increase or decrease in proportion to SandRidge's net revenue interest in and the perforated length of each Development Well.

The Trust will enter into an administrative services agreement with SandRidge pursuant to which SandRidge will provide the Trust with certain accounting, tax preparation, bookkeeping and informational services related to the royalty interests, the Trust's derivative contracts and the registration rights agreement. In return for these services, the Trust will pay SandRidge an annual fee of $0.3 million in addition to reimbursement for SandRidge's out-of-pocket fees, costs and expenses incurred in connection with the provision of any of the services under the agreement. The administrative services agreement will terminate on the earliest of: (i) December 31, 2031, (ii) termination of the royalty interests or disposal of the royalty interests held by the Trust, (iii) if properties are transferred by SandRidge to a third party, upon

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO STATEMENT OF ASSETS AND TRUST CORPUS (Continued)**

**1. Organization of the Trust (Continued)**

90-days written notice by either SandRidge or the Trustee, provided SandRidge has met its drilling obligation and the transferee of such properties agrees to assume responsibility to provide the services in place of SandRidge and (iv) a date mutually agreed by SandRidge and the Trustee.

SandRidge will also enter into a derivatives agreement with the Trust to provide the Trust with the effect of derivative contracts entered into between SandRidge and third parties. Under the derivatives agreement, SandRidge will pay the Trust amounts it receives from its counterparties, and the Trust will pay SandRidge any amounts that SandRidge is required to pay such counterparties. In addition to the derivatives agreement with SandRidge, the Trust will enter into oil and natural gas derivative contracts directly with unaffiliated counterparties concurrent with the conveyance of the royalty interests. As a party to these contracts, the Trust will receive payment directly from its counterparties, and be required to pay any amounts owed directly to its counterparties. Under the derivatives agreement, as development wells are drilled, SandRidge will have the right to novate to the Trust any of the SandRidge-provided derivative contracts, or to replace them with derivative contracts executed by the Trust directly with counterparties, as long as the effects of the replacement contracts are economically equivalent to the effects of the SandRidge-provided derivative contracts, the counterparties to the replacement contracts have a corporate credit rating equal to or better than A-/A3 as rated by Standard & Poor's or Moody's and the counterparties to the existing derivative contracts approve.

The Trust's counterparty under the derivatives agreement is SandRidge, whose counterparties will be institutions with corporate credit ratings equal to or better than A-/A3. The counterparties to the Trust's direct derivative contracts will also be institutions with corporate credit ratings of at least A-/A3. SandRidge will not be required to pay the Trust to the extent of payment defaults by SandRidge's derivative contract counterparties. SandRidge will also have authority, in its role as hedge manager to the Trust, to terminate, restructure or otherwise modify a portion of such contracts in the event SandRidge reasonably determines that the volumes covered by such portion of the contracts exceed, or are expected to exceed, estimated production attributable to the Trust's royalty interests over the periods covered by the contracts. Except in limited circumstances involving the restructuring of an existing derivative contract, the Trust will not have the ability to enter into additional derivative contracts on its own.

The Trust will dissolve and begin to liquidate on December 31, 2031 (the "Termination Date") and will soon thereafter wind up its affairs and terminate. Fifty percent of the royalty interests will automatically revert to SandRidge at the Termination Date, while the remaining royalty interests will be sold and the proceeds will be distributed to the Trust unitholders at the Termination Date or soon thereafter. SandRidge will have a right of first refusal to purchase the remaining fifty percent of the royalty interests at the Termination Date.

**2. Basis of Presentation and Summary of Significant Accounting Policies**

*Basis of Accounting.* The financial statements of the Trust differ from financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as the Trust will record revenues when cash is received rather than when earned and expenses when paid rather than when incurred and may also establish certain cash reserves for contingencies, which would not be accrued in financial statements prepared in accordance with GAAP. This comprehensive basis of accounting other than GAAP corresponds to the accounting permitted for royalty trusts by the Securities and Exchange Commission ("SEC") as specified by Staff Accounting Bulletin Topic 12:E, *Financial*

**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO STATEMENT OF ASSETS AND TRUST CORPUS (Continued)**

**2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)**

*Statements of Royalty Trusts*. Amortization of investment in royalty interests, calculated on a unit-of-production basis, and any impairments will be charged directly to trust corpus.

*Significant Accounting Policies.* Most accounting pronouncements apply to entities whose financial statements are prepared in accordance with GAAP, directing such entities to accrue or defer revenues and expenses in a period other than when such revenues were received or expenses were paid. Because the Trust's financial statements are prepared on the modified cash basis as described above, most accounting pronouncements are not applicable to the Trust's financial statements.

*Use of Estimates.* The preparation of financial statements requires the Trust to make estimates and assumptions that affect the reported amounts of assets and trust corpus. Significant estimates that will impact the Trust's financial statements include estimates of proved oil and natural gas reserves, which will be used to compute the Trust's amortization of investment in royalty interests and, as necessary, to evaluate potential impairment of its investment in royalty interests. Actual results could differ from those estimates.

*Cash and Cash Equivalents.* Cash and cash equivalents consist of all highly-liquid instruments with original maturities of three months or less.

*Investment in Royalty Interests.* The conveyance of royalty interests to the Trust will be accounted for as a transfer of properties between entities under common control and recorded at SandRidge's historical cost, which is determined by adding (1) an allocated portion the historical net book value of SandRidge's proved properties based on the fair value of the royalty interests attributable to the proved Underlying Properties relative to the fair value of SandRidge's proved properties, and (2) SandRidge's historical cost of acreage attributable to the unproved Underlying Properties. The carrying value of the Trust's investment in royalty interests will not necessarily be indicative of the fair value of such royalty interests.

Significant dispositions or abandonments of the Underlying Properties will be charged to investment in royalty interests and the trust corpus. Amortization of investment in royalty interests will be calculated on a units-of-production basis, whereby the Trust's cost basis is divided by the proved reserves attributable to the royalty interests to derive an amortization rate per reserve unit. Amortization will be recorded when units are produced. Such amortization will not reduce distributable income, rather it will be charged directly to trust corpus. Revisions to estimated future units-of-production will be treated on a prospective basis beginning on the date significant revisions are known.

Investment in royalty interests will be assessed to determine whether net capitalized cost is impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an assessment is necessary, an impairment would be indicated when the net capitalized costs of investment in royalty interests exceeds undiscounted future net revenues attributable to the Trust's interest in the proved oil and natural gas reserves of the Underlying Properties. The Trust will provide a write-down to the extent that the net capitalized costs exceed the fair value of the proved oil and natural gas reserves attributable to the royalty interests. Any such write-down would be charged directly to trust corpus and would not reduce distributable income. The Trust's sponsor follows the full cost method of accounting, under which it performs quarterly ceiling tests to assess whether its full cost pool has been impaired. An impairment charge by the sponsor as a result of such an assessment may be an indicator that the Trust's carrying value of the investment in royalty interests may not be recoverable.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO STATEMENT OF ASSETS AND TRUST CORPUS (Continued)**

**2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)**

*Derivative Financial Instruments.* The Trust uses the cash method to account for derivative instruments, under which it will record benefits or obligations from derivative contracts when such benefits are received or obligations are paid.

*Revenue and Expenses.* Revenues received by the Trust will be reflected net of existing royalties and overriding royalties associated with SandRidge's interests and will be reduced by gathering and post-production expenses and production taxes in order to determine distributable income. The Trust's distributable income will be adjusted for amounts received or paid under the derivatives agreement and will be reduced by cash reserves withheld by the Trustee and other allowable costs such as general and administrative expenses, when paid. The royalty interests will not be burdened by field and lease operating expenses.

**3. Income Taxes**

The Trust is a Delaware statutory trust, which is treated as a partnership for federal and applicable state income tax purposes. Consequently, the Trust will not incur any income tax liability.

**4. Distributions to Unitholders**

The Trust will make quarterly cash distributions of substantially all of its cash receipts, after deducting amounts for the Trust's administrative expenses and cash reserves withheld by the Trustee, on or about 60 days after the completion of each quarter through (and including) the quarter ending December 31, 2031, the Termination Date. The first quarterly distribution, which will cover production for the months of January and February 2012, is expected to be made on or about May 30, 2012 to record unitholders as of May 15, 2012. Subsequent distributions will cover a three-month period. Distributions to unitholders will be recorded when declared.

Upon termination of the Trust, 50% of the royalty interests will be sold, and the net proceeds therefrom will be distributed pro rata to the unitholders soon after the Termination Date. Because payments to the Trust will be generated by depleting assets and the Trust has a finite life with the production from the Underlying Properties diminishing over time, a portion of each distribution will represent a return of original investment to the unitholders.

**5. Loan Commitment**

Pursuant to the Trust Agreement, if at any time the Trust's cash on hand (including available cash reserves) is not sufficient to pay the Trust's ordinary course administrative expenses as they become due, SandRidge will loan funds to the Trust necessary to pay such expenses. Any funds loaned by SandRidge pursuant to this commitment will be limited to the payment of current accounts payable or other obligations to trade creditors in connection with obtaining goods or services or the payment of other accrued current liabilities arising in the ordinary course of the Trust's business, and may not be used to satisfy Trust indebtedness. If SandRidge loans funds pursuant to this commitment, unless SandRidge agrees otherwise, no further distributions will be made to unitholders (except in respect of any previously determined quarterly cash distribution amount) until such loan is repaid. Any such loan will be on an unsecured basis, and the terms of such loan will be substantially the same as those which would be obtained in an arms' length transaction between SandRidge and an unaffiliated third party.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following unaudited pro forma statement of assets and trust corpus and unaudited pro forma statement of distributable income for SandRidge Mississippian Trust II (the "Trust") have been prepared to illustrate the conveyance of royalty interests in certain Underlying Properties to the Trust by SandRidge Energy, Inc. ("SandRidge"). The unaudited pro forma statement of assets and trust corpus presents the beginning statement of assets and trust corpus of the Trust as of December 31, 2011, giving effect to the royalty interests conveyance as if it occurred on that date. The unaudited pro forma statement of distributable income presents the statement of historical revenue and direct operating expenses of the Underlying Properties for the year ended December 31, 2011, giving effect to the royalty interests conveyance as if it occurred on January 1, 2011, reflecting only pro forma adjustments expected to have a continuing impact on the combined results.

These unaudited pro forma financial statements are for informational purposes only. They do not purport to present the results that would have actually occurred had the royalty interests conveyance been completed on the assumed dates or for the periods presented, or which may be realized in the future.

To produce the pro forma financial information, management made certain estimates. The accompanying pro forma statement of assets and trust corpus assumes a December 31, 2011 conveyance of the royalty interests by SandRidge. Because the Underlying Properties began producing in February 2011, the accompanying unaudited pro forma statement of distributable income for the year ended December 31, 2011 has been prepared assuming the conveyance of royalty interests on January 1, 2011.

These estimates are based on the most recently available information. To the extent there are significant changes in these amounts, the assumptions and estimates herein could change significantly. The unaudited pro forma statement of distributable income should be read in conjunction with "The Underlying Properties  Discussion and Analysis of Historical Results from the Producing Wells" included in this prospectus and the historical financial statements of the Trust and the Underlying Properties, including the related notes, included in this prospectus, and of SandRidge, incorporated by reference from its Annual Report on Form 10-K for the year ended December 31, 2011.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**UNAUDITED PRO FORMA STATEMENT OF ASSETS AND TRUST CORPUS**

**AS OF DECEMBER 31, 2011**

**(In Thousands)**

| | Historical | Adjustments | Pro Forma |
|---|---|---|---|
| **Assets** | | | |
| Cash | $ 1 | $ | $ 1 |
| Investment in Royalty Interest[a] | | 424,008 | 424,008 |
| **Total Assets** | $ 1 | $ 424,008 | $ 424,009 |
| **Trust Corpus**[a] | $ 1 | $ 424,008 | $ 424,009 |

The accompanying notes are an integral part of this unaudited pro forma financial information.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**UNAUDITED PRO FORMA STATEMENT OF DISTRIBUTABLE INCOME**

**YEAR ENDED DECEMBER 31, 2011**

**(In Thousands, Except Per Unit Data)**

| | |
|---|---|
| **Historical results** | |
| Oil and natural gas revenue | $ 50,652 |
| Direct operating expenses | |
| Lease operating expenses | 9,399 |
| Production taxes and other post-production expenses | 2,355 |
| Revenues in excess of operating expenses before pro forma adjustments | 38,898 |
| **Pro Forma Adjustments** | |
| Direct operating expenses | |
| Elimination of historical lease operating expense[b] | 9,399 |
| Total pro forma adjustments | 9,399 |
| **Pro forma gross net proceeds** | 48,297 |
| Royalty interest percentage | 80% |
| **Net proceeds to Trust** | 38,638 |
| Less: | |
| Trust general and administrative expenses[c][d] | 1,300 |
| **Distributable income**[d][e] | $ 37,338 |
| **Distributable income per unit**[d][f] | $0.75 |

The accompanying notes are an integral part of this unaudited pro forma financial information.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**1. Basis of Presentation**

SandRidge Mississippian Trust II (the "Trust") is a Delaware statutory trust formed in December 2011 by SandRidge Energy, Inc. to own royalty interests in 54 producing horizontal oil and gas wells producing from the Mississippian formation in northern Oklahoma and southern Kansas, together with 13 additional wells awaiting completion operations (the "Initial Wells") and royalty interests in 206 horizontal oil and natural gas development wells to be drilled (the "Development Wells") within an Area of Mutual Interest ("AMI"). The AMI consists of approximately 81,200 gross acres (53,000 net acres) in the Mississippian formation in Alfalfa, Grant, Kay, Noble and Woods counties in Oklahoma and Barber, Comanche, Harper and Sumner Counties in Kansas. SandRidge is obligated to drill, or cause to be drilled, the 206 development wells from its drilling locations in the AMI. Until SandRidge has satisfied its drilling obligation, it will not be permitted to drill and complete any well on lease acreage included within the AMI for its own account. Also, a wholly owned subsidiary of SandRidge will grant to the Trust a lien on SandRidge's interest in the AMI (except currently producing wells) in order to secure its drilling obligation to the Trust. The royalty interests will be conveyed from SandRidge's interest in the Initial Wells and the Development Wells in the AMI (the "Underlying Properties"). The Royalty Interests entitle the Trust to receive 80% of the proceeds (after deducting post-production costs and any applicable taxes) from the sale of oil and natural gas production attributable to SandRidge's net revenue interest in the Initial Wells and 70% of the proceeds (after deducting post-production costs and any applicable taxes) from the sale of oil and natural gas production attributable to SandRidge's net revenue interest in the Development Wells beginning on the effective date of the conveyance.

SandRidge will enter into a derivatives agreement with the Trust in order to provide the Trust with the effect of specified derivative contracts entered into between SandRidge and third parties. Under the derivatives agreement, SandRidge will pay the Trust amounts it receives from its counterparties, and the Trust will pay SandRidge amounts that SandRidge is required to pay such counterparties. In addition to the derivatives agreement with SandRidge, the Trust will enter into oil and natural gas derivative contracts directly with unaffiliated counterparties concurrent with the conveyance of the royalty interests. As a party to these contracts, the Trust will receive payments directly from its counterparties, and be required to pay amounts owed directly to its counterparties. Under the derivatives agreement, as Development Wells are drilled, SandRidge will have the right to novate to the Trust any of the SandRidge-provided derivative contracts, or to replace them with derivative contracts executed by the Trust directly with counterparties, as long as the effects of the replacement contracts are economically equivalent to the effects of the SandRidge-provided derivative contracts, the counterparties to the assigned or replacement contracts have a corporate credit rating equal to or better than A-/A3 as rated by Standard & Poor's or Moody's and the counterparties to the existing derivative contracts approve.

The Trust's receipt of any payment due based on the derivatives agreement depends upon the financial position of SandRidge and SandRidge's hedge contract counterparties. A default by any of the hedge counterparties could reduce the amount of cash available to the Trust unitholders. Subsequent to

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**1. Basis of Presentation (Continued)**

December 31, 2011, SandRidge entered into the following oil swaps, the future benefits of which it intends to convey to the Trust.

| | Notional (MBbl) | | |
|---|---|---|---|
| **Period and Type of Contract** | **Inititial Conveyance** | **Conveyed with Future Development** | **Weighted Avg. Fixed Price** |
| April 2012 - December 2012 | | | |
| Price swap contracts | 458 | 231 | $ 107.00 |
| January 2013 - December 2013 | | | |
| Price swap contracts | 446 | 613 | $ 104.00 |
| January 2014 - December 2014 | | | |
| Price swap contracts | 338 | 562 | $ 99.00 |

The Trust's counterparty under the derivatives contract is SandRidge, whose counterparties will be institutions with corporate credit ratings equal to or better than A-/A3. The counterparties to the Trust's direct derivative contracts will also be institutions with corporate credit ratings of at least A-/A3. SandRidge will not be required to pay the Trust to the extent of payment defaults by SandRidge's derivative contract counterparties. SandRidge will also have authority, in its role as hedge manager to the Trust, to terminate, restructure or otherwise modify a portion of such contracts in the event SandRidge reasonably determines that the volumes covered by such portion of the contracts exceed, or are expected to exceed, estimated production attributable to the Trust's royalty interests over the periods covered by the contracts. Except in limited circumstances involving the restructuring of an existing derivative contract, the Trust will not have the ability to enter into additional derivative contracts on its own.

The unaudited pro forma statement of assets and trust corpus assumes a December 31, 2011 conveyance of the royalty interests by SandRidge. The unaudited pro forma statement of distributable income assumes conveyance of the royalty interests on January 1, 2011.

In order to provide support for cash distributions on the common units, SandRidge has agreed to subordinate a portion of the Trust units it will retain following this offering, which will constitute 25% of the outstanding Trust units. The subordinated units will be entitled to receive pro rata distributions from the Trust each quarter if and to the extent there is sufficient cash to provide a cash distribution on the common units that is not less than the applicable quarterly subordination threshold. If there is not sufficient cash to fund such a distribution on all the common units, the distribution to be made with respect to the subordinated units will be reduced or eliminated for such quarter in order to make a distribution, to the extent possible, of up to the subordination threshold amount on all the common units. Each quarterly subordination threshold is equal to 80% of the target cash distribution level for the corresponding quarter. In exchange for agreeing to subordinate these Trust units, and in order to provide additional financial incentive to SandRidge to satisfy its drilling obligation and perform operations in the Underlying Properties in an efficient and cost-effective manner, SandRidge will be entitled to receive incentive distributions equal to 50% of the amount by which the cash available for distribution on all of the Trust units in any quarter exceeds 120% of the target cash distribution for such quarter.

The subordinated units will automatically convert into common units on a one-for-one basis and SandRidge's right to receive incentive distributions will terminate, at the end of the fourth full calendar quarter following SandRidge's satisfaction of its drilling obligation to the Trust with respect to the Development Wells. SandRidge currently expects that it will complete its drilling obligation on or before

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**1. Basis of Presentation (Continued)**

December 31, 2015 and that accordingly, the subordinated units will convert into common units on or before December 31, 2016. SandRidge is obligated to complete its drilling obligation by December 31, 2016, in which event the subordinated units would convert into common units on or before December 31, 2017.

SandRidge believes that the assumptions used provide a reasonable basis for presenting the effects directly attributable to this transaction.

The unaudited pro forma financial information should be read in conjunction with the Statement of Assets and Trust Corpus for the Trust and the Statement of Revenues and Direct Operating Expenses for the Underlying Properties and related notes, respectively, for the periods presented.

**2. Trust Accounting Policies**

The Unaudited Pro Forma Statement of Distributable Income was derived from the historical accounting records of the Underlying Properties.

The financial statements of the Trust differ from financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as the Trust will record revenues when cash is received rather than when earned and expenses when paid rather than when incurred. The royalty interests will not be burdened by field and lease operating expense. Additionally, the Trust serves as a pass-through entity, with expenses for depletion, interest and income taxes being based upon the status and elections of the Trust unitholders. Thus, the statement purports to show distributable income, defined as income of the Trust available for distribution to the Trust unitholders before application of those unitholders' additional expenses, if any, for depreciation, depletion and amortization, interest and income taxes. The revenues are reflected net of existing royalties and overriding royalties and have been reduced by gathering and any other post-production expenses. Actual cash receipts may vary due to timing delays of actual cash receipts from purchasers and due to wellhead and pipeline volume balancing agreements or practices.

Investment in royalty interest will be assessed to determine whether net capitalized cost has been impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an assessment is necessary, an impairment would be indicated when the net capitalized costs of investment in royalty interests exceeds undiscounted future net revenues attributable to the Trust's interest in the proved oil and natural gas reserves of the Underlying Properties. The Trust will provide a write-down to the investment in the royalty interest to the extent the net capitalized costs exceed the fair value of the proved oil and natural gas reserves attributable to the royalty interests. Any such write-down would be charged directly to trust corpus and would not reduce distributable income.

**3. Income Taxes**

The Trust is a Delaware statutory trust, which is treated as a partnership for federal and applicable state income tax purposes. Consequently, the Trust will not incur any income tax liability. Accordingly, no provision for federal or state income taxes has been made.

**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**4. Pro Forma Adjustments**

The following adjustments were made in the preparation of the unaudited pro forma financial information:

(a) Reflects SandRidge's conveyance of the royalty interests to the Trust in exchange for all of the net proceeds of this offering as well as common and subordinated units representing an assumed 47.7% beneficial interest in the Trust. The investment in royalty trust is recorded at the historical cost of SandRidge which is equal to (1) an allocated portion of the historical net book value of SandRidge's proved properties based on the fair value of the royalty interests attributable to the proved Underlying Properties relative to the fair value of SandRidge's proved properties, plus (2) SandRidge's historical cost of acreage attributable to the unproved Underlying Properties.

(b) Historical well production and lease production expenses are not deducted in determining net revenue attributable to royalty interests and in determining distributable income. Royalty interests, as defined in the conveyance, will bear a pro rata share of the taxes on production and property, if any, and applicable gathering and other post-production expenses relating to making the production saleable.

(c) The Trust's general and administrative expenses are estimated to be $1.3 million annually. Such expenses include trustee fees, administrative service fees and costs associated with being a public entity.

(d) The trustee intends to withhold $1.0 million from the first quarterly distribution to establish a cash reserve to cover Trust administration expenses. The establishment of such reserve has not been reflected in the pro forma statement of distributable income due to its non-recurring nature.

(e) Assumes that no incentive threshold was reached during the period.

(f) Assumes issuance of 49,725,000 Trust units.

**5. Pro Forma Supplemental Oil and Natural Gas Reserve and Standardized Measure Information**

Information with respect to the oil and natural gas producing activities of the Trust's royalty interests in the Underlying Properties is presented in the following tables. The information was derived from reserve reports which were prepared by SandRidge and its independent petroleum engineers in accordance with ASC Topic 932, Extractive Activities  Oil and Gas.

*Oil and Natural Gas Reserve Quantities*

Proved oil and natural gas reserves are those quantities of oil and natural gas that, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible, based on prices used to estimate reserves, from a given date forward from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time of which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Proved developed reserves are proved reserves expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared with the cost of a new well. Proved undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively large major expenditure is required for recompletion.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**5. Pro Forma Supplemental Oil and Natural Gas Reserve and Standardized Measure Information (Continued)**

The following table presents the estimated remaining net proved, proved developed and proved undeveloped oil and natural gas reserves of the Trust's royalty interests in the Underlying Properties, all of which are located in the continental United States, estimated by SandRidge and its independent petroleum engineers, and the related summary of changes in estimated quantities of net remaining proved reserves during the year ended December 31, 2011.

| | Historical Underlying Properties | | Adjustments[1] | | Pro Forma SandRidge Mississippian Trust II | |
|---|---|---|---|---|---|---|
| | Oil (Bbls) | Gas (Mcf) | Oil (Bbls) | Gas (Mcf) | Oil (Bbls) | Gas (Mcf) |
| **Proved Reserves** | | | | | | |
| As of December 31, 2010 | 71,888 | 402,574 | (20,828) | (116,639) | 51,060 | 285,935 |
| Revisions of previous estimates[2] | 423,408 | 2,383,674 | (82,419) | (459,757) | 340,989 | 1,923,917 |
| Extensions and discoveries[3] | 18,915,148 | 137,108,210 | (6,735,945) | (53,873,233) | 12,179,203 | 83,234,977 |
| Production | (452,154) | (2,591,777) | 90,431 | 518,355 | (361,723) | (2,073,422) |
| As of December 31, 2011 | 18,958,290 | 137,302,681 | (6,748,761) | (53,931,274) | 12,209,529 | 83,371,407 |
| **Proved developed reserves:** | | | | | | |
| As of December 31, 2010 | 43,024 | 240,934 | (12,293) | (68,841) | 30,731 | 172,093 |
| As of December 31, 2011 | 6,824,861 | 47,763,117 | (2,031,670) | (15,183,368) | 4,793,191 | 32,579,749 |
| **Proved undeveloped reserves:** | | | | | | |
| As of December 31, 2010 | 28,864 | 161,640 | (8,535) | (47,798) | 20,329 | 113,842 |
| As of December 31, 2011 | 12,133,429 | 89,539,564 | (4,717,091) | (38,747,906) | 7,416,338 | 50,791,658 |

(1) Reflects portion attributable to retained interest of SandRidge in the Underlying Properties.

(2) The revisions to previous estimates during the year ended December 31, 2011 are primarily due to the oil and gas production from the drilled wells included in 2011 "extensions and discoveries". These are wells that were drilled and subsequently added to the proved producing category during the year.

(3) Extensions and discoveries for the year ended December 31, 2011 are a result of the discovery and production from wells drilled horizontally in the Mississippian formation in northern Oklahoma and southern Kansas on acreage owned by SandRidge. During the year ended December 31, 2011, SandRidge drilled 167 wells on its acreage in the Mississippian formation, including wells from which

a portion of royalty interests conveyed to the Trust will be derived. These wells demonstrated consistent levels of production and provided reasonable certainty that wells to be drilled within the acreage qualified for Proved Undeveloped classification.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**5. Pro Forma Supplemental Oil and Natural Gas Reserve and Standardized Measure Information (Continued)**

*Standardized Measure of Discounted Future Net Cash Flows*

Certain information concerning the assumptions used in computing the valuation of proved reserves and their inherent limitations are discussed below. SandRidge believes such information is essential for a proper understanding and assessment of the data presented. These assumptions are summarized as follows:

Pricing is applied based upon 12-month average market prices, using the first-day-of-the-month price for each month, at December 31, 2011 adjusted for fixed or determinable contracts that were in existence at period end. The calculated weighted average per unit prices for the Underlying Properties' proved reserves and future net revenues were $91.21 per barrel of oil and $4.12 per Mcf of natural gas.

Future development and production costs are determined based upon actual cost at period end.

The standardized measure of discounted future net cash flows includes projections of future abandonment costs at period end.

Future income taxes are not computed because the Underlying Properties are not tax-paying entities and because taxable income for the Trust will be passed through to the Trust unitholders.

An annual discount factor of 10% is applied to the future net cash flows.

Extensive judgments are involved in estimating the timing of production and the costs that will be incurred throughout the remaining lives of the properties. Accordingly, the estimates of future net cash flows from proved reserves and the present value may be materially different from subsequent actual results. The standardized measure of discounted net cash flows does not purport to present, nor should it be interpreted to present, the fair value of the Trust's royalty interests in the Underlying Properties' oil and natural gas reserves. An estimate of fair value would also take into account, among other things, the recovery of reserves not presently classified as proved, and anticipated future changes in prices and costs. The following table presents future net cash flows relating to the Underlying Properties based on the standardized measure in ASC Topic 932 (in thousands).

| | December 31, 2011 | | |
|---|---|---|---|
| | Historical Underlying Properties | Adjustments | Pro Forma SandRidge Mississippian Trust II |
| Future cash inflows from production | $ 2,294,595 | $ (837,639)[(a)] | $ 1,456,956 |
| Future production costs | (402,985) | 326,328[(b)] | (76,657) |
| Future development costs[(1)] | (245,742) | 245,742[(c)] | |
| Undiscounted future net cash flows | 1,645,868 | (265,569) | 1,380,299 |
| 10% annual discount | (983,747) | 292,057 | (691,690) |
| Standardized measure of discounted future net cash flows | $ 662,121 | $ 26,488 | $ 688,609 |

(1) Includes future abandonment costs.

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**SANDRIDGE MISSISSIPPIAN TRUST II**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**5. Pro Forma Supplemental Oil and Natural Gas Reserve and Standardized Measure Information (Continued)**

Changes in the standardized measure of future net cash flows related to proved oil and gas reserves are as follows for the year ended December 31, 2011.

| | Historical Underlying Properties | Adjustments | Pro Forma SandRidge Mississippian Trust II |
|---|---|---|---|
| **Present value as of December 31, 2010** | $ 1,775 | $ 666 | $ 2,441 |
| Changes during the period | | | |
| Revenue less production and other costs | (38,898) | 260(b) | (38,638) |
| Net changes in prices, production and other costs | (4,241) | 3,344(b) | (897) |
| Development costs incurred | 1,306 | (1,306)(d) | |
| Net changes in future development costs | (722) | 722(c) | |
| Extensions and discoveries | 659,753 | 27,601(e) | 687,354 |
| Revisions of previous quantity estimates | 16,305 | 2,194(a) | 18,499 |
| Accretion of discount | 169 | 47(a) | 216 |
| Timing differences and other | 26,674 | (7,040)(a) | 19,634 |
| Net change for the period | 660,346 | 25,822 | 686,168 |
| **Present value as of December 31, 2011** | $ 662,121 | $ 26,488 | $ 688,609 |

**Adjustments:**

(a) Reflects portion attributable to retained interest of SandRidge in Underlying Properties.

(b) Production costs to which the Trust's interest is not subject and amounts attributable to retained interest of SandRidge in the Underlying Properties.

(c) Future development costs to which the Trust's interest is not subject.

(d) Development costs incurred related to the Underlying Properties during the period.

(e) Future development costs and production costs attributable to extensions and discoveries to which the Trust is not subject, partially offset by future net revenues attributable to SandRidge's retained interest in extensions and discoveries.

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**ANNEX A**

January 2, 2012

Mr. Rodney E. Johnson
SandRidge Energy, Inc.
123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102

Dear Mr. Johnson:

In accordance with your request, we have estimated the proved and probable reserves and future revenue, as of December 31, 2011, to the SandRidge Energy, Inc. (SandRidge) interest in the SandRidge Mississippian Trust II properties located in Kansas and Oklahoma. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute approximately 10 percent of all proved reserves owned by SandRidge. Included in the SandRidge interest is a proposed royalty interest currently owned by SandRidge that will be conveyed to the SandRidge Mississippian Trust II with an effective date of January 1, 2012. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities  Oil and Gas, except that per-well overhead expenses are excluded for the operated properties and future income taxes are excluded for all properties. Definitions are presented immediately following this letter. This report has been prepared for SandRidge's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the net reserves and future net revenue to the SandRidge interest in these properties, as of December 31, 2011, to be:

| | **Net Reserves** | | **Future Net Revenue (M$)** | |
|---|---|---|---|---|
| **Category** | **Oil (MBBL)** | **Gas (MMCF)** | **Total** | **Present Worth at 10%** |
| Proved Developed Producing | 5,334.2 | 36,695.7 | 518,923.0 | 259,217.6 |
| Proved Developed Non-Producing | 1,490.7 | 11,067.4 | 142,809.1 | 68,375.3 |
| Proved Undeveloped | 12,133.4 | 89,539.6 | 984,135.5 | 334,528.2 |
| Total Proved | 18,958.3 | 137,302.7 | 1,645,867.6 | 662,121.1 |
| Probable Undeveloped | 7,611.2 | 55,678.8 | 615,418.9 | 176,417.5 |

The oil reserves shown include crude oil and condensate. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

The estimates shown in this report are for proved and probable reserves. No study was made to determine whether possible reserves might be established for these properties. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated. Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

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Gross revenue shown in this report is SandRidge's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for SandRidge's share of production taxes and ad valorem taxes, capital costs, abandonment costs, and operating expenses but before consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period January through December 2011. For oil volumes, the average West Texas Intermediate posted price of $92.71 per barrel is adjusted for quality, transportation fees, and a regional price differential. For gas volumes, the average Henry Hub spot price of $4.118 per MMBTU is adjusted for energy content and transportation fees. The adjusted oil and gas prices of $91.21 per barrel and $4.118 per MCF are held constant throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of SandRidge. For nonoperated properties, these costs include the per-well overhead expenses allowed under joint operating agreements along with estimates of costs to be incurred at and below the district and field levels. As requested, operating costs for the operated properties include only direct lease- and field-level costs. For all properties, headquarters general and administrative overhead expenses of SandRidge are not included. Operating costs are held constant throughout the lives of the properties.

Capital costs used in this report were provided by SandRidge and are based on authorizations for expenditure and actual costs from recent activity. Capital costs are included as required for workovers, new development wells, and production equipment. Based on our understanding of SandRidge's future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are SandRidge's estimates of the costs to abandon the wells, platforms, and production facilities, net of any salvage value. Capital costs and abandonment costs are held constant to the date of expenditure.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

We have made no investigation of potential gas volume and value imbalances resulting from overdelivery or underdelivery to the SandRidge interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on SandRidge receiving its net revenue interest share of estimated future gross gas production.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

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For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. A substantial portion of these reserves are for undeveloped locations and producing wells that lack sufficient production history upon which performance-related estimates of reserves can be based; such reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from SandRidge and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting geoscience, performance, and work data are on file in our office. The titles to the properties have not been examined by NSAI, nor has the actual degree or type of interest owned been independently confirmed. The technical persons responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

**NETHERLAND, SEWELL & ASSOCIATES, INC.**
Texas Registered Engineering Firm F-2699

By: /s/ C.H. (SCOTT) REES III

C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By: /s/ DAVID T. MILLER

David T. Miller, P.E. 96134
Vice President

Date Signed: January 2, 2012

By: /s/ ANDRO K. (ANDY) WOHLGENANT

Andro K. (Andy) Wohlgenant, P.G. 11000
Geologist

Date Signed: January 2, 2012

DTM:CLM

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir.* Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

(i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);

(ii) Same environment of deposition;

(iii) Similar geological structure; and

(iv) Same drive mechanism.

*Instruction to paragraph (a)(2):* Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen.* Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves.* Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

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*Supplemental definitions from the 2007 Petroleum Resources Management System:*

*Developed Producing Reserves Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.*

*Developed Non-Producing Reserves Developed Non-Producing Reserves include shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future recompletion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.*

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(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.

(ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

(iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.

(iv) Provide improved recovery systems.

(8) *Development project.* A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well.* A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.

(ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.

(iii) Dry hole contributions and bottom hole contributions.

(iv) Costs of drilling and equipping exploratory wells.

(v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well.* An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities.*

(i) Oil and gas producing activities include:

(A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;

(B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;

(C)

The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:

*(1)* Lifting the oil and gas to the surface; and

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

*(2)* Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

(D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

*Instruction 1 to paragraph (a)(16)(i):* The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and

b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

*Instruction 2 to paragraph (a)(16)(i):* For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

(A) Transporting, refining, or marketing oil and gas;

(B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;

(C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or

(D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii)

Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(20) *Production costs.*

(i)

Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:

(A)

Costs of labor to operate the wells and related equipment and facilities.

(B)

Repairs and maintenance.

(C)

Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.

(D)

Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.

(E)

Severance taxes.

(ii)

Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i)

The area of the reservoir considered as proved includes:

(A)

The area identified by drilling and limited by fluid contacts, if any, and

(B)

Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii)

In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii)

Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iv)

Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A)

Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B)

The project has been approved for development by all necessary parties and entities, including governmental entities.

(v)

Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

*Note to paragraph (a)(26)*: Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

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*Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities Oil and Gas:*

*932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:*

*a.* *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*

*b.* *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

*The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.*

*932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:*

*a.* *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*

*b.* *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*

*c.* *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*

*d.* *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*

*e.* *Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.*

*f.* *Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.*

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(27) *Reservoir.* A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

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*From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):*

*Although several types of projects such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.*

*Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:*

*The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*

*The company's historical record at completing development of comparable long-term projects;*

*The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*

*The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

*The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.

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January 3, 2012

Mr. Rodney E. Johnson
SandRidge Energy, Inc.
123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102

Dear Mr. Johnson:

In accordance with your request, we have estimated the proved and probable reserves and future revenue, as of December 31, 2011, to the SandRidge Mississippian Trust II (SRMTII) proposed royalty interest in the SRMTII properties located in Kansas and Oklahoma. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute all of the proved reserves to be owned by SRMTII. Such reserves are associated with a proposed royalty interest currently owned by SandRidge Energy, Inc. (SandRidge) that will be conveyed to the SRMTII with an effective date of January 1, 2012. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities  Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for SRMTII's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the net reserves and future net revenue to the SRMTII proposed royalty interest in these properties, as of December 31, 2011, to be:

| | **Net Reserves** | | **Future Net Revenue (M$)** | |
|---|---|---|---|---|
| **Category** | **Oil (MBBL)** | **Gas (MMCF)** | **Total** | **Present Worth at 10%** |
| Proved Developed Producing | 3,741.2 | 25,327.3 | 420,489.1 | 221,885.4 |
| Proved Developed Non-Producing | 1,052.0 | 7,252.4 | 119,449.7 | 64,092.5 |
| Proved Undeveloped | 7,416.3 | 50,791.7 | 840,360.1 | 402,631.2 |
| Total Proved | 12,209.5 | 83,371.4 | 1,380,298.9 | 688,609.1 |
| Probable Undeveloped | 4,579.2 | 31,075.0 | 516,838.3 | 211,260.5 |

The oil reserves shown include crude oil and condensate. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

The estimates shown in this report are for proved and probable reserves. No study was made to determine whether possible reserves might be established for these properties. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated. Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

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Gross revenue shown in this report is SRMTII's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for SRMTII's share of production taxes and ad valorem taxes but before consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period January through December 2011. For oil volumes, the average West Texas Intermediate posted price of $92.71 per barrel is adjusted for quality, transportation fees, and a regional price differential. For gas volumes, the average Henry Hub spot price of $4.118 per MMBTU is adjusted for energy content and transportation fees. The adjusted oil and gas prices of $91.21 per barrel and $4.118 per MCF are held constant throughout the lives of the properties.

Because SRMTII would own no working interest in these properties, no operating costs or capital costs would be incurred. However, estimated operating costs and capital costs have been used to confirm commercial viability and determine economic limits for the properties. These cost estimates are based on operating expense records of SandRidge. Operating costs are held constant throughout the lives of the properties, and capital costs are held constant to the date of expenditure. SRMTII would not incur any costs due to abandonment, nor would it realize any salvage value for the lease and well equipment.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. Since SRMTII would own a royalty interest rather than a working interest in these properties, it would not incur any costs due to possible environmental liability.

We have made no investigation of potential gas volume and value imbalances resulting from overdelivery or underdelivery to the SRMTII proposed royalty interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on SRMTII receiving its proposed royalty interest share of estimated future gross gas production.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred by the working interest owners in recovering such reserves may vary from assumptions made while preparing this report.

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For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. A substantial portion of these reserves are for undeveloped locations and producing wells that lack sufficient production history upon which performance-related estimates of reserves can be based; such reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from SandRidge and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting geoscience, performance, and work data are on file in our office. The titles to the properties have not been examined by NSAI, nor has the actual degree or type of interest owned been independently confirmed. The technical persons responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

**NETHERLAND, SEWELL & ASSOCIATES, INC.**
Texas Registered Engineering Firm F-2699

By: /s/ C.H. (SCOTT) REES III

C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By: /s/ DAVID T. MILLER

David T. Miller, P.E. 96134
Vice President

Date Signed: January 3, 2012

By: /s/ ANDRO K. (ANDY) WOHLGENANT

Andro K. (Andy) Wohlgenant, P.G. 11000
Geologist

Date Signed: January 3, 2012

DTM:CLM

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**DEFINITIONS OF OIL AND GAS RESERVES**
**Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)**

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities  Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir.* Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

(i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);

(ii) Same environment of deposition;

(iii) Similar geological structure; and

(iv) Same drive mechanism.

*Instruction to paragraph (a)(2):* Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen.* Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves.* Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

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*Supplemental definitions from the 2007 Petroleum Resources Management System:*

*Developed Producing Reserves  Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.*

*Developed Non-Producing Reserves  Developed Non-Producing Reserves include shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future recompletion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.*

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(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.

(ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

(iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.

(iv) Provide improved recovery systems.

(8) *Development project.* A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well.* A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.

(ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.

(iii) Dry hole contributions and bottom hole contributions.

(iv) Costs of drilling and equipping exploratory wells.

(v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well.* An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities.*

(i) Oil and gas producing activities include:

(A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;

(B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;

(C)

The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:

*(1)* Lifting the oil and gas to the surface; and

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

*(2)* Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

(D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

*Instruction 1 to paragraph (a)(16)(i):* The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and

b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

*Instruction 2 to paragraph (a)(16)(i):* For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

(A) Transporting, refining, or marketing oil and gas;

(B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;

(C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or

(D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii)

Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iv)

The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v)

Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi)

Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i)

When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii)

Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii)

Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv)

See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(20) *Production costs.*

(i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:

(A) Costs of labor to operate the wells and related equipment and facilities.

(B) Repairs and maintenance.

(C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.

(D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.

(E) Severance taxes.

(ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii)

In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iii)

Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv)

Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A)

Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B)

The project has been approved for development by all necessary parties and entities, including governmental entities.

(v)

Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

*Note to paragraph (a)(26):* Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

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*Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities Oil and Gas:*

*932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:*

*a.* *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*

*b.* *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

*The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.*

*932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:*

*a.* *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*

*b.* *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*

*c.* *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*

*d.* *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*

*e.* *Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.*

*f.* *Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.*

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(27) *Reservoir.* A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

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*From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):*

*Although several types of projects such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.*

*Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:*

*The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*

*The company's historical record at completing development of comparable long-term projects;*

*The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*

*The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*

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**DEFINITIONS OF OIL AND GAS RESERVES**

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

*The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.

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**ANNEX B**

**Quarterly Target Distributions**

| Quarter Ending | Subordination Threshold(1) | Target Cash Distribution | Incentive Threshold(1) | Quarter Ending | Target Cash Distribution |
|---|---|---|---|---|---|
| March 31, 2012(2) | $ .21 | $ .26 | $.32 | March 31, 2022 | $.38 |
| June 30, 2012 | .37 | .46 | .56 | June 30, 2022 | .37 |
| September 30, 2012 | .45 | .56 | .68 | September 30, 2022 | .37 |
| December 31, 2012 | .48 | .60 | .71 | December 31, 2022 | .37 |
| March 31, 2013 | .52 | .65 | .78 | March 31, 2023 | .36 |
| June 30, 2013 | .55 | .69 | .83 | June 30, 2023 | .36 |
| September 30, 2013 | .54 | .67 | .81 | September 30, 2023 | .35 |
| December 31, 2013 | .56 | .71 | .85 | December 31, 2023 | .35 |
| March 31, 2014 | .58 | .72 | .86 | March 31, 2024 | .34 |
| June 30, 2014 | .60 | .74 | .89 | June 30, 2024 | .34 |
| September 30, 2014 | .60 | .75 | .90 | September 30, 2024 | .33 |
| December 31, 2014 | .58 | .72 | .87 | December 31, 2024 | .33 |
| March 31, 2015 | .63 | .79 | .95 | March 31, 2025 | .33 |
| June 30, 2015 | .64 | .81 | .97 | June 30, 2025 | .32 |
| September 30, 2015 | .64 | .80 | .96 | September 30, 2025 | .32 |
| December 31, 2015 | .64 | .80 | .96 | December 31, 2025 | .32 |
| March 31, 2016 | .67 | .84 | 1.00 | March 31, 2026 | .31 |
| June 30, 2016 | .64 | .80 | .96 | June 30, 2026 | .31 |
| September 30, 2016 | .58 | .73 | .87 | September 30, 2026 | .31 |
| December 31, 2016 | .54 | .68 | .81 | December 31, 2026 | .30 |
| March 31, 2017 | .51 | .64 | .77 | March 31, 2027 | .30 |
| June 30, 2017 | .48 | .60 | .73 | June 30, 2027 | .30 |
| September 30, 2017 | .46 | .58 | .69 | September 30, 2027 | .29 |
| December 31, 2017 | .44 | .55 | .66 | December 31, 2027 | .29 |
| March 31, 2018 | | .53 | | March 31, 2028 | .29 |
| June 30, 2018 | | .51 | | June 30, 2028 | .28 |
| September 30, 2018 | | .50 | | September 30, 2028 | .28 |
| December 31, 2018 | | .48 | | December 31, 2028 | .28 |
| March 31, 2019 | | .47 | | March 31, 2029 | .27 |
| June 30, 2019 | | .46 | | June 30, 2029 | .27 |
| September 30, 2019 | | .45 | | September 30, 2029 | .27 |
| December 31, 2019 | | .44 | | December 31, 2029 | .27 |
| March 31, 2020 | | .43 | | March 31, 2030 | .26 |
| June 30, 2020 | | .42 | | June 30, 2030 | .26 |
| September 30, 2020 | | .41 | | September 30, 2030 | .26 |
| December 31, 2020 | | .41 | | December 31, 2030 | .26 |
| March 31, 2021 | | .40 | | March 31, 2031 | .25 |
| June 30, 2021 | | .39 | | June 30, 2031 | .25 |
| September 30, 2021 | | .39 | | September 30, 2031 | .25 |
| December 31, 2021 | | .38 | | December 31, 2031 | .25 |
| | | | | Remaining | 3.93 |

(1)
For each quarter, the Subordination Threshold equals 80% of the Target Cash Distribution, and the Incentive Threshold equals 120% of the Target Cash Distribution.

(2)

Includes proceeds attributable to the first two months of production from January 1, 2012 to February 29, 2012, based on estimated realized production for January and February 2012.

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# SandRidge Mississippian Trust II

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## PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

**Item 13/14.** ***Other Expenses of Issuance and Distribution.***

Set forth below are the expenses (other than underwriting discounts and commissions) expected to be incurred in connection with the issuance and distribution of the securities registered hereby. With the exception of the SEC registration fee, the FINRA filing fee and the NYSE listing fee, the amounts set forth below are estimates.

| | | |
|---|---|---|
| SEC registration fee | $ | 71,957.34 |
| FINRA filing fee | $ | 63,290.00 |
| NYSE listing fee | $ | 209,120.00 |
| Printing and engraving expenses | $ | 200,000.00 |
| Fees and expenses of legal counsel | $ | 900,000.00 |
| Accounting fees and expenses | $ | 510,000.00 |
| Transfer agent and registrar fees | $ | 5,000.00 |
| Trustee fees and expenses | $ | 230,000.00 |
| Miscellaneous | $ | 105,632.66 |
| Total | $ | 2,295,000.00 |

**Item 14/15.** ***Indemnification of Directors and Officers.***

The trust agreement provides that each of the trustee and the Delaware trustee and their respective officers, agents and employees shall be indemnified from the assets of the trust against and from any and all liabilities, expenses, claims, damages or loss incurred by them as trustee or Delaware trustee in the administration of the trust and the trust assets, including, without limitation, any liability, expenses, claims, damages or loss arising out of or in connection with any liability under environmental laws, or in the doing of any act done or performed or omission occurring on account of it being trustee or Delaware trustee or acting in such capacity, except such liability, expense, claims, damages or loss as to which each is liable under the trust agreement. In this regard, the trustee and Delaware trustee shall be liable only for fraud or gross negligence or for acts or omissions in bad faith and shall not be liable for any act or omission of any of their respective agents or employees unless the trustee or Delaware trustee, as applicable, has acted in bad faith or with gross negligence in the selection and retention of such agent or employee. Each of the trustee and the Delaware trustee is entitled to indemnification from the assets of the trust and shall have a lien on the assets of the trust to secure for each the foregoing indemnification.

Article VI of the Amended and Restated Bylaws of SandRidge provides for indemnification of officers, directors and employees of SandRidge to the extent authorized by the General Corporation Law of the State of Delaware. Pursuant to Section 145 of the Delaware General Corporation Law, SandRidge generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are, or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of a corporation, and with respect to any criminal action or proceeding, they had no reasonable cause to believe their conduct was unlawful. With respect to suits by or in the right of a corporation, however, indemnification is not available if such person is adjudged to be liable to the corporation unless the court determines that indemnification is appropriate. In addition, a corporation has the power to purchase and maintain insurance for such persons. The statute also expressly provides that the power to indemnify authorized thereby is not exclusive of any rights granted under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

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Article Nine of the Certificate of Incorporation of SandRidge contains a provision, permitted by Section 102(b)(7) of the Delaware General Corporation Law, limiting the personal monetary liability of directors for breach of fiduciary duty as a director. The Certificate of Incorporation and the Delaware General Corporation Law provide that such provision does not eliminate or limit liability (a) for any breach of the director's duty of loyalty to SandRidge or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law or (d) for any transaction from which the director derived an improper benefit.

The above discussion of SandRidge's Certificate of Incorporation and Amended and Restated Bylaws and Section 145 of the Delaware General Corporation Law is not intended to be exhaustive and is respectively qualified in its entirety by reference to SandRidge's Certificate of Incorporation and Amended and Restated Bylaws and the Delaware General Corporation Law.

**Item 15.** ***Recent Sales of Unregistered Securities.***

None.

**Item 16.** ***Exhibits and Financial Statement Schedules.***

The following documents are filed as exhibits to this registration statement:

| Exhibit Number | Description |
| --- | --- |
| 1.1 | Form of Underwriting Agreement (filed as Exhibit 1.1 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 3.1 | Certificate of Trust of SandRidge Mississippian Trust II (filed as Exhibit 3.1 to the trust's Registration Statement on Form S-1, filed January 5, 2012, File No. 333-178894) |
| 4.1 | Trust Agreement of SandRidge Mississippian Trust II, dated December 13, 2011 (filed as Exhibit 4.1 to the trust's Registration Statement on Form S-1, filed January 5, 2012, File No. 333-178894) |
| 4.2 | Form of Amended and Restated Trust Agreement of SandRidge Mississippian Trust II |
| 5.1 | Opinion of Richards, Layton & Finger, P.A. relating to the validity of the trust units to be registered under this Registration Statement (filed as Exhibit 5.1 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 5.2 | Opinion of Covington & Burling LLP (filed as Exhibit 5.2 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 8.1 | Opinion of Covington & Burling LLP relating to tax matters (filed as Exhibit 8.1 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 10.1 | Form of Term Royalty Conveyance (PDP) (filed as Exhibit 10.1 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 10.2 | Form of Term Royalty Conveyance (Development) (filed as Exhibit 10.2 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 10.3 | Form of Perpetual Royalty Conveyance (PDP) (filed as Exhibit 10.3 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 10.4 | Form of Perpetual Royalty Conveyance (Development) (filed as Exhibit 10.4 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |

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| Exhibit Number | Description |
| --- | --- |
| 10.5 | Form of Assignment of Royalty Interest (filed as Exhibit 10.5 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 10.6 | Form of Administrative Services Agreement (filed as Exhibit 10.6 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 10.7 | Form of Development Agreement (filed as Exhibit 10.7 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 10.8 | Form of Derivatives Agreement (filed as Exhibit 10.8 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 10.9 | Form of Drilling Support Mortgage (filed as Exhibit 10.9 to Amendment No. 3 to the trust's Registration Statement on Form S-1, filed March 28, 2012, File No. 333-178894) |
| 10.10 | Form of Registration Rights Agreement (filed as Exhibit 10.10 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 23.1 | Consent of PricewaterhouseCoopers LLP |
| 23.2 | Consent of Netherland, Sewell & Associates, Inc. |
| 23.3 | Consent of DeGolyer and MacNaughton (filed as Exhibit 23.3 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 23.4 | Consent of Lee Keeling and Associates, Inc. (filed as Exhibit 23.4 to Amendment No. 2 to the trust's Registration Statement on Form S-1, filed March 15, 2012, File No. 333-178894) |
| 23.5 | Consent of Richards, Layton & Finger, P.A. (contained in Exhibit 5.1) |
| 23.6 | Consent of Covington & Burling LLP (contained in Exhibits 5.2 and 8.1) |
| 24.1 | Powers of Attorney (filed on signature pages of the trust's Registration Statement on Form S-1, filed January 5, 2012, File No. 333-178894) |
| 99.1 | Summary Reserve Reports of Netherland, Sewell & Associates, Inc. (included as Annex A to the prospectus) |

Previously filed

**Item 17.** ***Undertakings.***

The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of a registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrants hereby undertake to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

The undersigned registrants hereby undertake that:

(1) For purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrants pursuant to

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Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of a registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their respective counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, SandRidge Mississippian Trust II has duly caused this Amendment No. 4 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on April 4, 2012.

SandRidge Mississippian Trust II

By SandRidge Energy, Inc.

By /s/ JAMES D. BENNETT

Name: James D. Bennett
Title: *Executive Vice President and Chief Financial Officer*

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, SandRidge Energy, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 4 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on April 4, 2012.

SandRidge Energy, Inc.

By /s/ TOM L. WARD

Name: Tom L. Ward
Title: *Chief Executive Officer and Chairman of the Board*

* * *

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 4 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ TOM L. WARD<br>Tom L. Ward | Chief Executive Officer and Chairman of the Board (Principal Executive Officer) | April 4, 2012 |
| /s/ JAMES D. BENNETT<br>James D. Bennett | Executive Vice President and Chief Financial Officer (Principal Financial Officer) | April 4, 2012 |
| /s/ RANDALL D. COOLEY<br>Randall D. Cooley | Senior Vice President Accounting (Principal Accounting Officer) | April 4, 2012 |
| *<br>Jim J. Brewer, Jr. | Director | April 4, 2012 |
| *<br>Everett R. Dobson | Director | April 4, 2012 |
| *<br>William A. Gilliland | Director | April 4, 2012 |
| *<br>Daniel W. Jordan | Director | April 4, 2012 |

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| Signature | Title | Date |
|---|---|---|
| * <br> Roy T. Oliver, Jr. | Director | April 4, 2012 |
| * <br> Jeffrey S. Serota | Director | April 4, 2012 |

*By: /s/ TOM L. WARD

Tom L. Ward
*Attorney-in-fact*