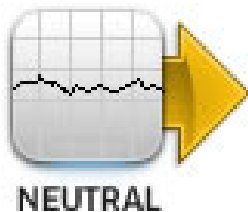


Analyst Rating¹



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About GMX Resources, Inc.

GMX Resources Inc. (GMX) is an independent oil and natural gas exploration and production company with a portfolio of leasehold acreage in multiple resource plays. GMX is focused on the development of the hydrocarbon formations in East Texas including the Cotton Valley Sands layer in the Schuler formation and the Upper, Middle and Haynesville/Lower Bossier layers of the Bossier formation, in the Sabine Uplift of the Carthage, North Field primarily located in Harrison and Panola counties of East Texas. The Company has three subsidiaries: Diamond Blue Drilling Co., which owns three drilling rigs; Endeavor Pipeline Inc., which operates its water supply and salt water disposal systems in its East Texas area, and Endeavor Gathering, LLC, which owns the natural gas gathering system and related equipment operated by Endeavor Pipeline. Kinder Morgan Endeavor LLC owns 40% membership interest in Endeavor Gathering.

Overview

Sector	Basic Materials
Industry	Independent Oil & Gas
Employees	112
IPO Year	N/A

Key Data

Last Trade	\$0.82
Price Range (52 week)	0.71 - 3.15
Avg Volume (13 Week)	714,281
Shares Outstanding	76,000,000
Mkt Cap	\$59,110,000
Enterprise Value	\$435,220,000
Book Value per Share	-\$1.09
Dividend Yield	--

Highlights & Recent Developments

GMX Resources is an E&P company with development acreage in two oil resource Plays -the Williston Basin (North Dakota / Montana) and the DJ Basin (Wyoming), targeting the Bakken/Sanish-Three Forks and Niobrara Formations, respectively. In the second quarter of 2012, the company achieved an average oil production of 705 barrels/day.

Total production for the second quarter 2012 was 536,000 barrels of oil equivalent (Boe), which includes 64,115 Bbls of oil and 50,000 Bbls of NGLs. Oil production for the second quarter 2012 represents a 164% increase over second quarter 2011, and NGL production in the second quarter 2012 represents a 43% decrease over the second quarter of 2011.

Net loss applicable to common shareholders was \$106.1 million, or \$1.52 per basic and fully diluted share, and \$146.7 million, or \$2.23 per basic and fully diluted share, for the three and six months ended June 30, 2012, respectively.



Technical Data

Price Information

52 Week Low	\$0.71
52 Week High	\$3.15
50 Day Moving Average	\$0.84
200 Day Moving Average	\$1.23
Average Daily Volume (13Wk)	714,281



Technical Signals	Indicator	Signal	Strength	Direction
Composite Indicator	Trend Spotter	Sell	Minimum	Strengthening
Short-Term Indicators	7 Day Average Directional Indicator	Buy	Minimum	Weakest
	10 - 8 Day Moving Average Hilo Channel	Hold		Bearish
	20 Day Moving Average vs Price	Sell	Minimum	Strengthening
	20 - 50 Day MACD Oscillator	Sell	Minimum	Average
	20 Day Bollinger Bands	Hold		Falling
Medium-Term Indicators	40 Day Commodity Channel Index	Hold		Bearish
	50 Day Moving Average vs Price	Sell	Minimum	Strengthening
	20 - 100 Day MACD Oscillator	Sell	Weak	Weakening
Long-Term Indicators	50 Day Parabolic Time/Price	Buy	Minimum	Weakest
	60 Day Commodity Channel Index	Hold		Bearish
	100 Day Moving Average vs Price	Sell	Weak	Strengthening
	50 - 100 Day MACD Oscillator	Sell	Average	Weakest

Key Statistics & Ratios

Valuation Ratios

	Company	Industry	Sector
P/E Ratio (TTM)	0.00	10.68	11.18
P/E High - Last 5 Yrs.	34.78	14.21	21.74
P/E Low - Last 5 Yrs.	34.78	5.63	9.18
Beta	1.63	0.82	0.83
Price to Sales (TTM)	0.71	2.89	2.51
Price to Book (MRQ)	0.00	1.33	0.82
Price to Tangible Book (MRQ)	0.00	1.52	0.81
Price to Cash Flow (TTM)	0.00	7.07	8.54
Price to Free Cash Flow (TTM)	0.00	19.97	8.61
% Owned Institutions	0.0%	0.0%	0.0%

Growth Rates

	Company	Industry	Sector
Sales (MRQ) vs Qtr. 1 Yr. Ago	-50.4%	20.4%	18.4%
Sales (TTM) vs TTM 1 Yr. Ago	-22.8%	14.4%	20.1%
Sales - 5 Yr. Growth Rate	29.6%	9.6%	16.0%
EPS (MRQ) vs Qtr. 1 Yr. Ago	-449.2%	405.1%	10.7%
EPS (TTM) vs TTM 1 Yr. Ago	29.3%	0.0%	0.0%
EPS - 5 Yr. Growth Rate	0.0%	0.3%	7.6%
Capital Spending - 5 Yr. Growth Rate	15.8%	9.9%	5.8%

Financial Strength

	Company	Industry	Sector
Quick Ratio (MRQ)	0.63	0.76	0.44
Current Ratio (MRQ)	0.63	0.81	0.64
LT Debt to Equity (MRQ)	0.00	6.19	8.86
Total Debt to Equity (MRQ)	0.00	7.09	12.40
Interest Coverage (TTM)	-9.01	66.34	437.19

Profitability

	Company	Industry	Sector
Gross Margin (TTM)	84.5%	63.2%	35.7%
Gross Margin - 5 Yr. Avg.	88.0%	37.6%	43.0%
EBITD Margin (TTM)	-234.7%	0.0%	0.0%
EBITD - 5 Yr. Avg.	-80.0%	27.7%	88.0%
Operating Margin (TTM)	-278.5%	42.4%	15.8%
Operating Margin - 5 Yr. Avg.	-113.9%	22.7%	17.1%
Pre-Tax Margin (TTM)	-321.0%	41.3%	15.5%
Pre-Tax Margin - 5 Yr. Avg.	-130.6%	23.4%	17.3%
Net Profit Margin (TTM)	-322.2%	29.9%	11.2%
Net Profit Margin - 5 Yr. Avg.	-126.3%	12.6%	11.5%
Effective Tax Rate (TTM)	0.0%	27.2%	20.6%
Effective Tax Rate - 5 Yr. Avg.			



Management Effectiveness

	Company	Industry	Sector
Return On Assets (TTM)	-55.2%	6.3%	3.5%
Return On Assets - 5 Yr. Avg.	-27.2%	6.6%	9.4%
Return On Investment (TTM)	-67.5%	10.5%	5.1%
Return On Investment - 5 Yr Avg	-31.1%	9.5%	13.3%
Return On Equity (TTM)	-514.3%	10.6%	6.1%
Return On Equity - 5 Yr. Avg.	-73.4%	11.7%	18.5%

Efficiency

	Company	Industry	Sector
Revenue/Employee (TTM)	787,143		62,792,733
Net Income/Employee (TTM)	-2,535,777	34,138,946	6,606,286
Receivable Turnover (TTM)	7.52	24.89	8.80
Inventory Turnover (TTM)	41.86	5.65	3.50
Asset Turnover (TTM)	0.17	0.17	0.43

Dividends

	Company	Industry	Sector
Dividend Yield	0.0%	2.2%	2.1%
Dividend Yield - 5 Year Avg.	0.0%	1.2%	1.3%
Dividend 5 Year Growth Rate	0.0%	-2.8%	3.0%
Payout Ratio (TTM)	0.0%	14.5%	16.1%

Financial Statements

Figures in Millions of US Dollars (except per share values)

Balance Sheet	Annual			Quarterly				
	Period Ending	31-Dec-11	31-Dec-10	31-Dec-09	29-Jun-12	30-Mar-12	30-Dec-11	29-Sep-11
Assets								
Cash And Cash Equivalents	107	2	36	36	75	107	3	
Short Term Investments	--	--	--	6	2	--	--	
Net Receivables	16	12	11	11	14	16	11	
Inventory	0	0	0	0	0	0	0	
Other Current Assets	5	52	17	4	5	5	33	
Total Current Assets	128	67	63	57	96	128	48	
Long Term Investments	--	17	17	1	1	--	6	
Property Plant and Equipment	405	417	433	328	397	405	508	
Goodwill	--	--	--	--	--	--	--	
Intangible Assets	--	--	--	--	--	--	--	
Accumulated Amortization	--	--	--	--	--	--	--	
Other Assets	10	6	8	8	9	10	13	
Deferred Long Term Asset Charges	--	--	--	--	--	--	--	
Total Assets	542	507	522	395	502	542	576	
Liabilities								
Accounts Payable	41	66	40	38	45	41	50	
Short/Current Long Term Debt	0	0	0	52	58	0	0	
Other Current Liabilities	--	--	--	--	--	--	--	
Total Current Liabilities	41	66	40	90	104	41	50	
Long Term Debt	427	285	190	363	357	427	373	
Other Liabilities	7	7	7	8	8	7	8	
Deferred Long Term Liability Charges	--	11	16	1	0	--	2	
Total Liabilities	486	391	276	473	480	486	446	
Stockholders' Equity								
Misc Stocks Options Warrants	--	--	--	--	--	--	--	
Redeemable Preferred Stock	--	--	--	--	--	--	--	
Preferred Stock	0	0	0	0	0	0	0	
Common Stock	0	0	0	0	0	0	0	
Retained Earnings	(649)	(431)	(285)	(796)	(690)	(649)	(570)	
Treasury Stock	--	--	--	--	--	--	--	
Capital Surplus	691	532	523	710	702	691	685	
Other Stockholder Equity	14	15	8	8	11	14	14	
Total Stockholder Equity	56	116	246	(78)	23	56	130	
Net Tangible Assets (Book Value)	56	116	246	(78)	23	56	130	

Income Statement	Annual			Quarterly			
Period Ending	30-Dec-11	30-Dec-10	30-Dec-09	29-Jun-12	30-Mar-12	30-Dec-11	29-Sep-11
Total Revenue	117	97	94	16	17	26	28
Cost of Revenue	13	11	12	3	3	4	3
Gross Income	103	86	83	13	14	22	25
Research and Development	--	--	--	--	--	--	--
Selling General and Administrative	30	28	20	7	7	7	8
Non Recurring	206	144	188	92	29	78	63
Others	50	38	31	7	7	10	14
Total Operating Expenses	286	210	240	106	43	95	84
Operating Income or Loss	(183)	(124)	(157)	(93)	(29)	(73)	(59)
Total Other Income(Expenses) Net	9	(0)	(7)	1	4	5	(1)
Earnings Before Interest And Taxes	(174)	(124)	(164)	(92)	(25)	(68)	(61)
Interest Expense	32	19	17	10	11	8	8
Income Tax Expense	1	(4)	(0)	1	2	0	(2)
Net Income From Continuing Ops	(207)	(141)	(186)	(103)	(36)	(73)	(67)
Other Items not from Continuing Operations	(5)	(3)	(0)	(1)	(1)	(1)	(1)
Net Income attributable to the Company	(212)	(145)	(186)	(104)	(37)	(74)	(68)
Preferred Stock And Other Adjustments	(7)	(5)	(5)	(2)	(2)	(2)	(2)
Net Income Applicable To Common Shares	(219)	(146)	(186)	(106)	(41)	(80)	(69)

Cash Flow Statement	Annual			Quarterly			
Period Ending	31-Dec-11	31-Dec-10	31-Dec-09	30-Jun-12	31-Mar-12	31-Dec-11	30-Sep-11
Net Income	(212)	(141)	(181)	(104)	(39)	(78)	(67)
Operating Activities							
Depreciation	50	38	31	7	7	10	14
Adjustments To Net Income	210	156	206	92	25	74	67
Changes In Accounts Receivables	(4)	(2)	(1)	3	2	(5)	2
Changes In Liabilities	1	7	(4)	(5)	1	(3)	(3)
Changes In Inventories	--	--	--	0	1	3	(3)
Changes In Other Operating Activities	(0)	(2)	(0)	--	--	(0)	--
Total Cash Flow From Operating Activities	51	59	49	(7)	(1)	3	10
Investing Activities							
Capital Expenditures	(272)	(183)	(181)	(28)	(25)	(30)	(48)
Investments	71	--	--	(4)	(2)	68	3
Other Cash flows from Investing Activities	11	7	--	2	0	(2)	11
Total Cash Flows From Investing Activities	(190)	(176)	(181)	(31)	(27)	36	(34)
Financing Activities							
Dividends Paid	(23)	(9)	(5)	(1)	(3)	(5)	(8)
Sale Purchase of Stock	132	2	164	--	--	0	0
Net Borrowings	130	91	(36)	(0)	(0)	65	30
Other Cash Flows from Financing Activities	--	--	37	--	--	--	--
Total Cash Flows From Financing Activities	239	84	161	(2)	(3)	60	22
Effect Of Exchange Rate Changes	--	--	--	--	--	--	--
Other Liabilities	7	7	7	8	8	7	8

Company Insiders

Company Officers

Name	Age	Since	Current Position	Basic Compensation	Options	Options Value
Ken Kenworthy	55	2009	Chairman of the Board, Chief Executive Officer	\$2,401,420	12,500	\$203,875
Michael Rohleder	55	2011	President, Director	\$1,259,020	--	--
James Merrill	44	2011	Chief Financial Officer, Executive Vice President, Treasurer, Secretary	\$1,060,650	--	--
Harry Stahel	48	2011	Executive Vice President - Finance	--	--	--
Gary Jackson	61	2011	Executive Vice President - Land	\$1,005,800	29,000	\$494,830
Ken Kenworthy	76	2008	Director	\$417,079	--	--
T. Boismier	77	2001	Independent Director	--	--	--
Thomas Casso	54	2010	Independent Director	--	--	--
Michael Cook	67	2010	Independent Director	--	--	--
Steven Craig	55	2001	Independent Director	--	--	--
J. David Lucke	46	2011	Independent Director	--	--	--
Jon McHugh	67	2005	Independent Director	--	--	--
Alan Van Horn			Investor Relations Manager	--	--	--
				--	--	--
				--	--	--

Insider Transactions

Trading Date	Name	Title	Type	Shares Traded	Price
1 Jul 2012	ROHLEDER MICHAEL J	President	Sell	19515	\$0.82
1 Jul 2012	JACKSON GARY D	Officer	Sell	9323	\$0.82
1 Jul 2012	STAHEL HARRY C JR	Officer	Sell	8606	\$0.82
1 Jul 2012	BENTON TIMOTHY L	Officer	Sell	10758	\$0.82
31 May 2012	BENTON TIMOTHY L	Officer	Sell	2402	\$0.93
8 Dec 2011	COOK MICHAEL G	Director	Buy	10000	\$1.64
7 Dec 2011	CASSO THOMAS G	Director	Buy	20000	\$1.54
6 Dec 2011	KENWORTHY KEN L JR	Chief Executive Officer	Gift	167537	\$0.00
6 Dec 2011	KENWORTHY KEN L JR	Chief Executive Officer	Gift	53081	\$0.00
6 Dec 2011	KENWORTHY KEN L JR	Chief Executive Officer	Gift	118012	\$0.00
5 Dec 2011	LUCKE J DAVID	Director	Buy	26900	\$1.50
5 Dec 2011	LUCKE J DAVID	Director	Buy	6100	\$1.48
4 Dec 2011	KENWORTHY KEN L SR	Director	Buy	92917	\$1.55
4 Dec 2011	MCHUGH JON W	Director	Buy	5000	\$1.58
4 Dec 2011	MERRILL JAMES A	Chief Financial Officer	Buy	751	\$1.54
4 Dec 2011	KENWORTHY KEN L SR	Director	Buy	3231	\$1.53
4 Dec 2011	MERRILL JAMES A	Chief Financial Officer	Buy	9249	\$1.55
4 Dec 2011	KENWORTHY KEN L SR	Director	Buy	3852	\$1.54
4 Aug 2011	CASSO THOMAS G	Director	Buy	10000	\$3.36
1 Aug 2011	CASSO THOMAS G	Director	Buy	19868	\$0.00

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