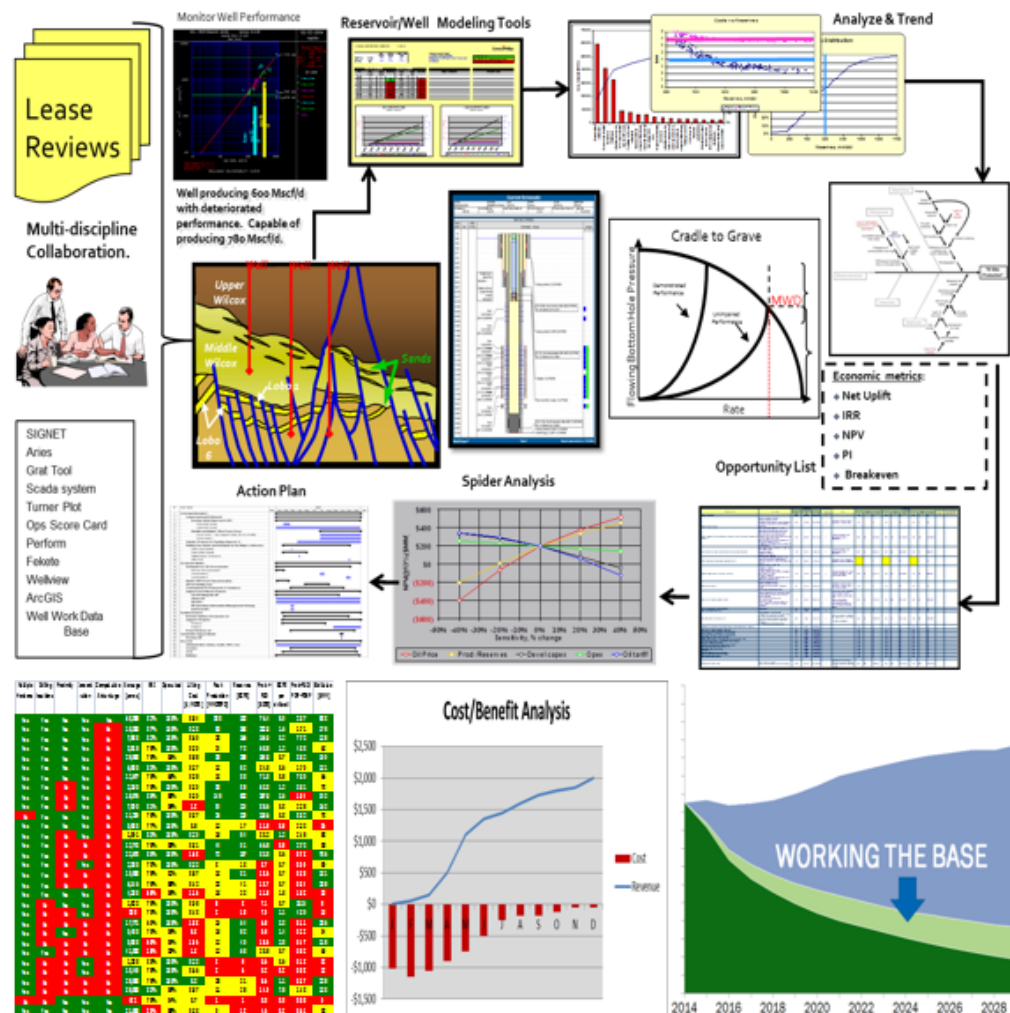


# Finance & Economics



COLLABORATIVE EFFORT TO IDENTIFY AND EVALUATE ASSET OPPORTUNITIES

## Lease Review Process



- Focus on behind pipe, optimization and facilities opportunities production uplift
- Geologic, Reservoir Engineering, & Operation Differential Implementation of cradle-to-grave
- Route benchmarking
- Identification and management of highly sensitive EH&S areas
- PPM (Planned Preventative Maintenance) & downtime reduction
- Focus on high lifting cost
- Improved information delivery
- Coach and influence LO training

Result of process is a ranked list of opportunities with detailed action plans for all disciplines based on:

- Actual uplift
- NPV
- AARR or IRR
- PI (Profit Index)
- Pay-back period

## Summary of Key Results

NRI Reserves:	0.11 mmBoe
Peak Ann. Net Production:	0.1 mBoe/d (in 2009)
Gas/Oil Ratio:	1% / 99%
Average WI / NRI	100% / 87.5%
Nymex Oil Price:	\$ 48.68
Nymex Gas Price:	\$ 5.41
Gas Heat Content:	1000 Btu/Scf
Total Net Capex (incl. aband)	\$43 MM
Total Net Income/ NCF:	\$2.3 MM
NPV13:	\$1.3 MM
NPV8:	\$1.5 MM
AARR:	#DIV/0!

Revenue	\$47.81	<b>Opex</b>	<b>\$3.03</b>
Opex	\$3.03	<b>Capex (w/aband)</b>	<b>\$4.04</b>
Acquisition Cost	\$0.00	<b>Taxes</b>	<b>\$19.25</b>
Capex (w/aband)	\$4.04	<b>Cash Flow/NI</b>	<b>\$21.49</b>
Taxes	\$19.25	<b>Checksum</b>	<b>\$47.81</b>
Cash Flow/NI	\$21.49		
Checksum	\$47.81		