**SK Oil and Gas & Excellere Capital Group**

**Oil & Gas Project Executive Summary**

This executive summary is intend to provide overviews of three oil and gas investment opportunities. The projects were selected for development after the completion of several years of material capital investment, scientific research and planning. These are: South Tigre Lagoon, New Waverly, and the Barnett Shale, each of which promises unusually attractive rates of return as determined by several methods of investigation.

**Project Summaries**

**South Tigre Lagoon**

Located in the northern Vermilion Bay area of Louisiana’s Iberia Parish, the South Tigre Lagoon Field lies above a significant underdeveloped salt dome which has recently been confirmed by the deployment of 3D seismographic surveys, a technique that was unavailable until just a few years ago. Many of the wells planned for the 549 acre lease will qualify for a state tax incentive program which eliminates severance taxes on those drilled deeper than 15,000 feet. Reserve estimates suggest a level of production that should translate to and exceed $3 billion in gross revenue based on current pricing.

**Capital Investment Requirements**

* Phase I (6 to12 month deployment) $30 million
* Phase II (12 to 36 month deployment) $90 million
* **Total** **$120million**

**Barnett Shale**

Located in Jack, Palo Pinto, Parker and Wise counties in Texas, the Barnett Shale has become one of the better-known oil and gas plays in Texas and the surrounding region. Success has been due in large part to exploiting previously inaccessible reserves with new techniques such as water and chemical fracking. Seismic data for over 90 percent of the 6,798 acres has been completed. Current production for the 13 producing wells in place range between $250,000 and $300,000 per month. Our plan calls for 40 additional wells to be drilled over the next 36 months; ROI should exceed 6 to 1 on this project.

**Capital Investment Requirements**

* Acquisition $15 million
* Drilling Operations $102 million
* **Total** **$117 million**

**New Waverly**

Located in Texas’ San Jacinto County, the New Waverly field includes five formations. We have selected the deepest and highest-rated of these formations, Wilcox and Woodbine, for production oriented around three fault blocks. Total potential reserves amount to approximately 500 BCF of gas and 15 million barrels of oil in gross revenue.

**Capital Investment Requirements**

* Phase I (Includes wells, seismic, and operations) $64,800,000
* Phase II (Includes all shallow gas locations,

deeper Woodbine Sands, seismic and operations) $122,700,000

* **Total $187,500,000**