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

 **Oil & Gas Project Executive Summary**

This executive summary is intended 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 One

(3 16,500’ wells, 6 to12 month deployment)                                       $30 million

\*Phase Two

(9 16,500’ wells, 12 to 36 month deployment)                      $90 million

**\*Total:**  **$120 million**

**Barnett Shale**

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. We have seismic data for over 90 percent of the 6,798 acres we’ve purchased. Current monthly production for the 13 producing wells already in place runs between $250,000 and $300,000. Our plan calls for 40 additional wells to be drilled over the next 36 months; ROI should exceed 6 to 1 on these wells.

**Capital Investment Requirements**

\*Acquisition                                                                           $15 million

\*Drilling costs (40 wells with 5000’ laterals)                                                                $102 million

\***Total :**  **$117 million**

**New Waverly**

The New Waverly field includes five formations. We’ve selected the deepest and highest-rated of these, Wilcox and Woodbine, for production oriented around three fault blocks falling under the 7,500 acres of land to be leased, most of which has already been acquired. Total potential reserves amount to 500 BCF and 15 million B/O.

**Capital Investment Requirements**

**\***Phase One

(48 wells at various depths) $61,800,000

(Additional seismic and engineering expenditures) $3,000,000

\*Phase Two

(Undetermined number of Jackson sand shallow gas wells,

13 17,000’ Woodbine wells) $89,700,000

 (Additional seismic and engineering expenditures) $5,000,000

**\*Total $159,500,000**