

Evaluation of Eblana-1 Oil Discovery Well “Hot Creek Valley, Nevada”



U.S. Oil and Gas plc

General Shareholders' Meeting
Sofitel Hotel, London
4th June 2013

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This presentation contains certain “forward-looking statements” and “forward-looking information”. Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to:

- business plans and strategies of US Oil & Gas;
- operating or technical difficulties in connection with drilling or development activities;
- availability and costs associated with inputs and labour;
- the speculative nature of oil exploration and development;
- diminishing quantities or quality of reserves;
- synergies and financial impact of completed acquisitions;
- the benefits of the acquisitions and the development potential of properties of US Oil & Gas
- the future price of oil;
- supply and demand for oil;
- the estimation of reserves;
- the realization of reserve estimates;
- costs of production and projections of costs;
- success of exploration activities;
- capital expenditure programs and the timing and method of financing thereof;
- the ability of US Oil & Gas to achieve drilling success consistent with management’s expectations;
- net present values of future net revenues from reserves;
- expected levels of royalty rates, operating costs, general and administrative costs, costs of services and other costs and expenses;
- expectations regarding the ability to raise capital and to add to reserves through acquisitions,
- assessments of the value of acquisitions and exploration and development programs;
- geological, technical, drilling and processing problems;
- treatment under governmental regulatory regimes and tax laws.

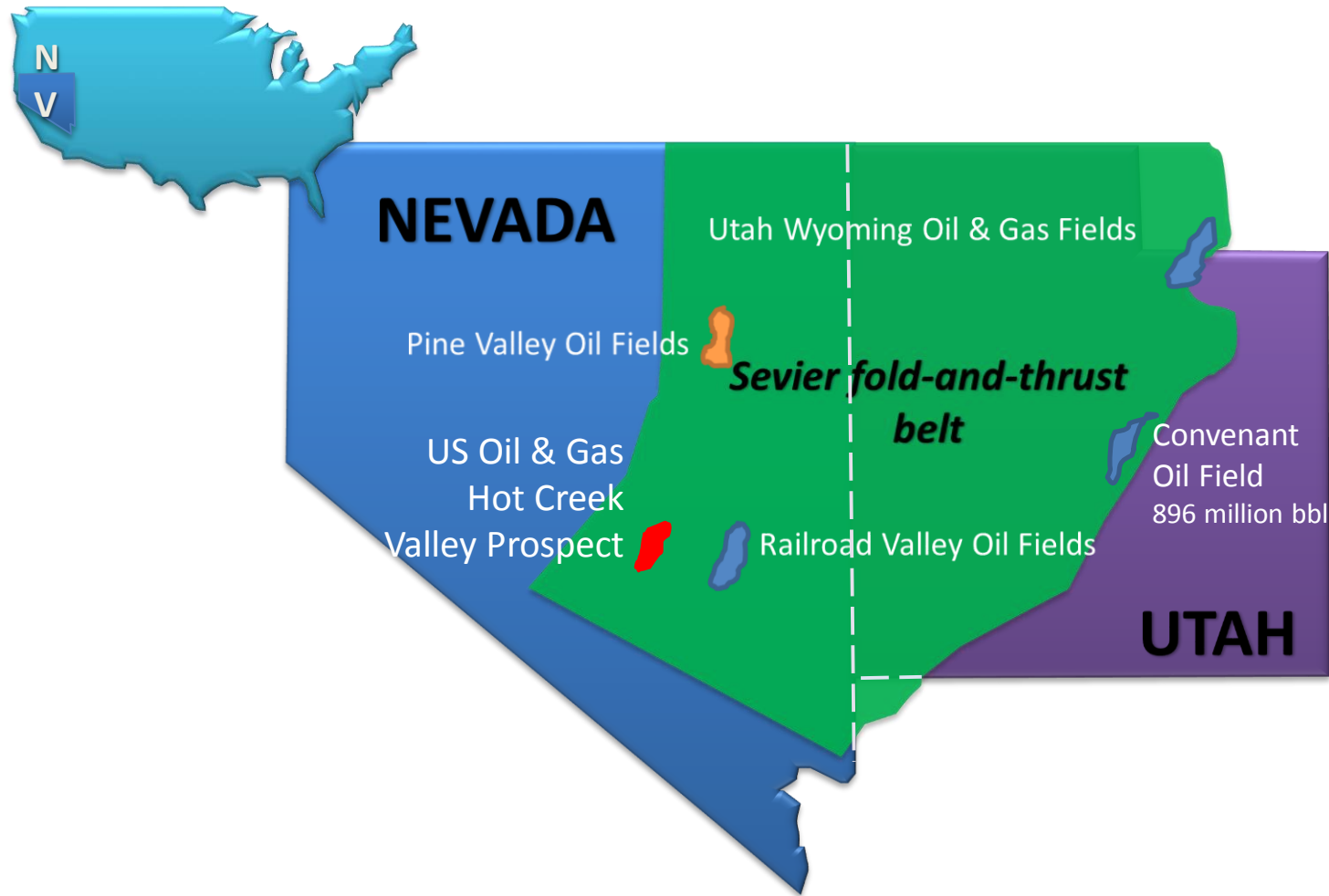
All statements other than statements of historical fact are forward-looking statements

USOIL LEASE AREA

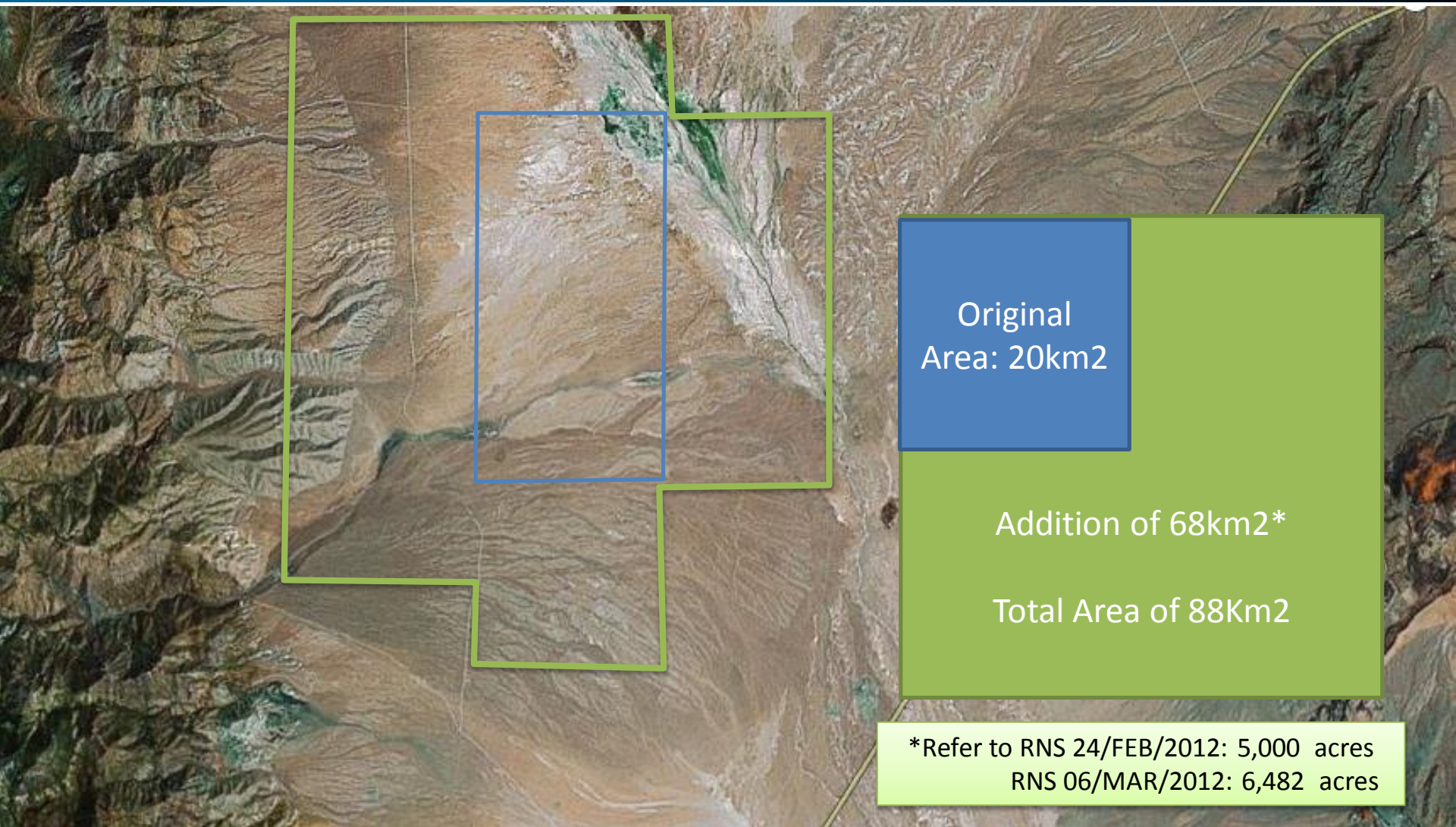


The central portion of Hot Creek Valley, looking eastwards
towards the Pancake Range and Railroad Valley

Mississippian Antler Foreland Basin



INCREASE IN ACREAGE



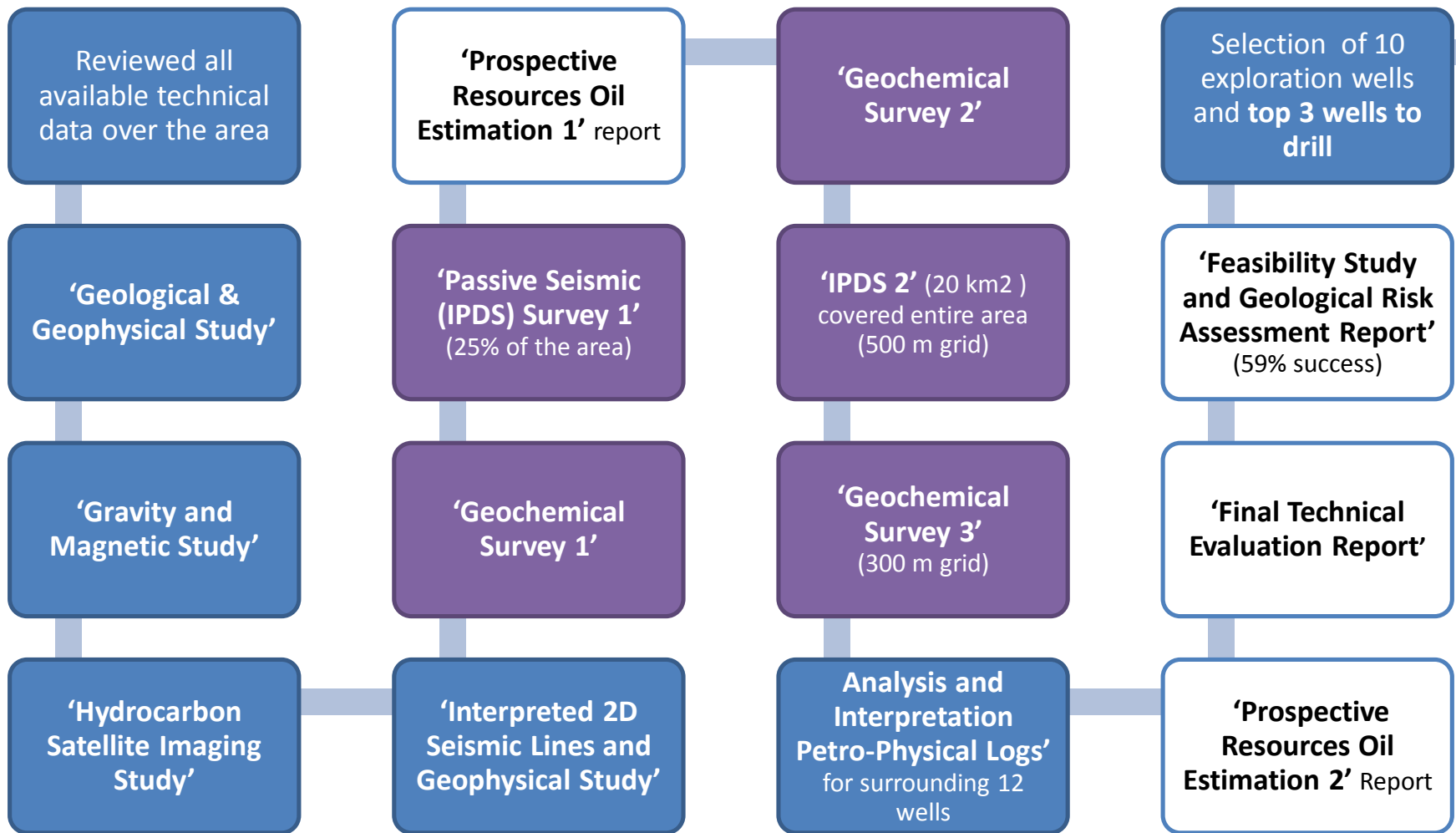
WORKS AT EBLANA 1



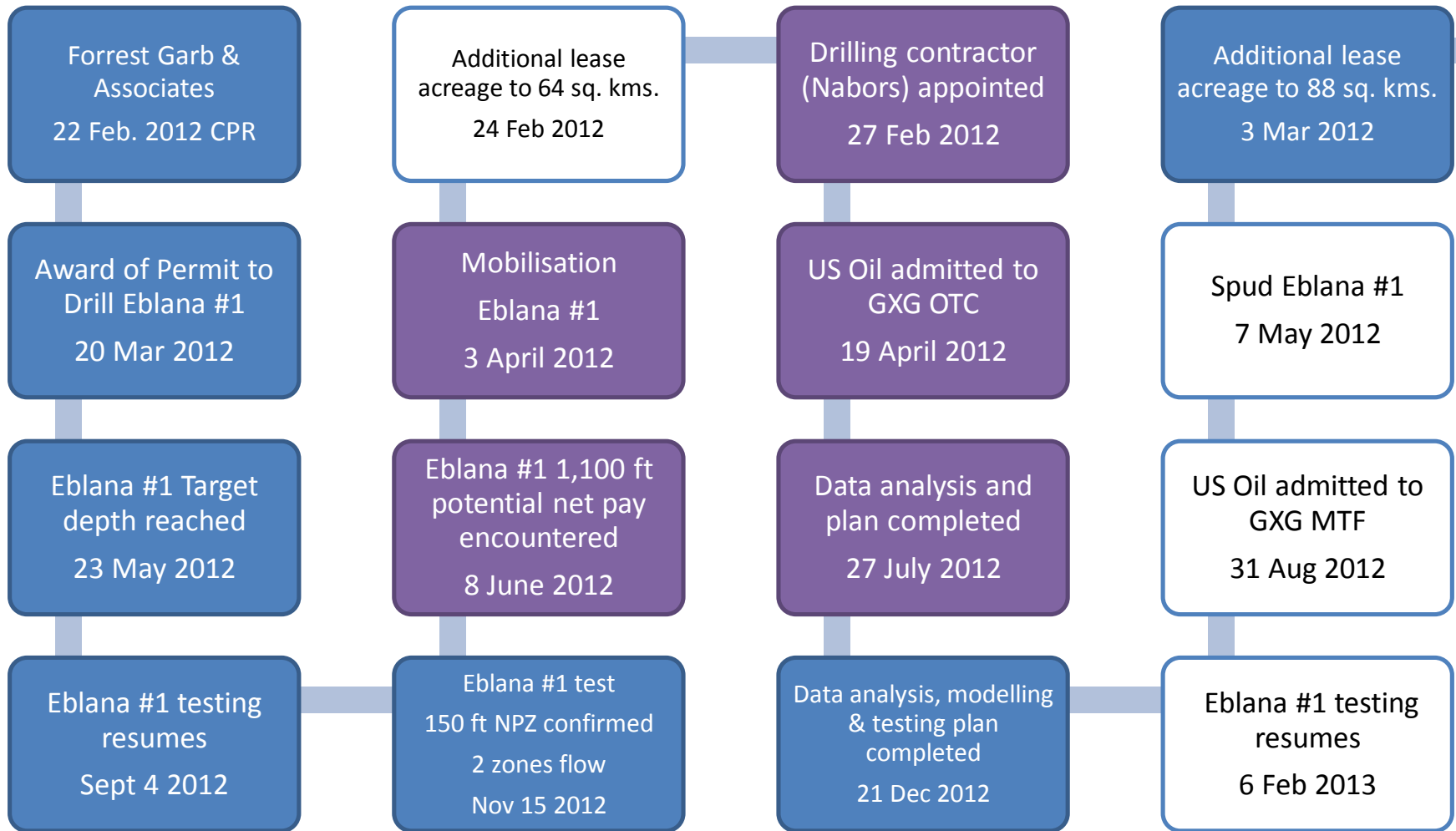
Philosophy

- Collect maximum data
- Reduce uncertainty and risk
- Conserve financial resources
- Develop the asset
- Publicise the US Oil story

COMPLETED WORK – US Oil & Gas Plc



COMPLETED WORK – US Oil & Gas Plc



COMPLETED WORK – US Oil & Gas Plc

Eblana #1 testing
2 X producer zones
API 28.5 and API 33
1 Mar 2013

ADRs launched in US
22 Mar 2013

Eblana #1 testing
resumed
10 April 2013

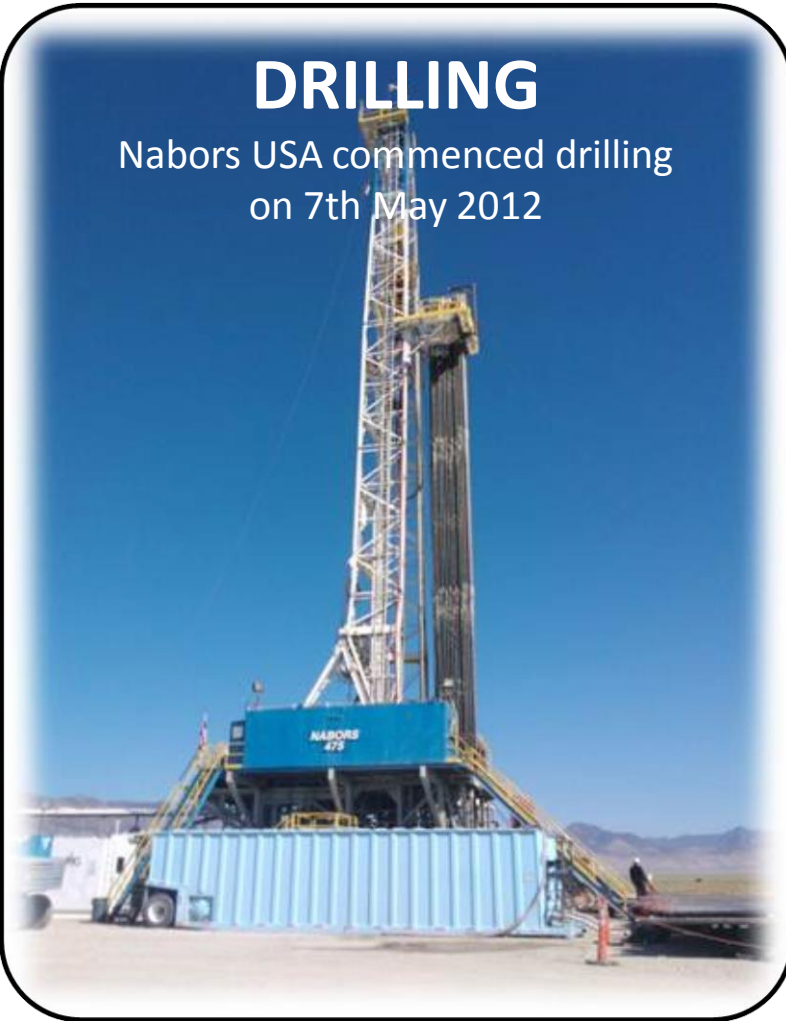
Eblana #1 testing
completed
8 May 2013

Forrest Garb & Associates
Competent Person's Report
23 May 2013

EBLANA #1 OPERATIONS

DRILLING

Nabors USA commenced drilling
on 7th May 2012



Spudded 7th May 02 Completed 26th May 2012

- 8,550 ft total depth in Tertiary Volcanic Ash formation.
- Several hydrocarbon shows with high background gas (up to 1,600 Units (C1 to C3), yellow fluorescence with stream cuts were recorded.
- Formation fluid flowed to the surface.

Multiple potential reservoir zones

1,100 feet + of Net Pay Zone

Fluid recovered:

Yellow light oil, dark brown oil and fresh formation water with low salinity <200 PPM and high AL-Chilean water with 10 PH.

PERMISSIONS – BLM / NDOM

3 X APD

70 X sundry notices

1 X Easement Right of way

2x Permission to drill water well

3 x Biology surveys

3 X Archeological Survey

7 X Exploration Permissions

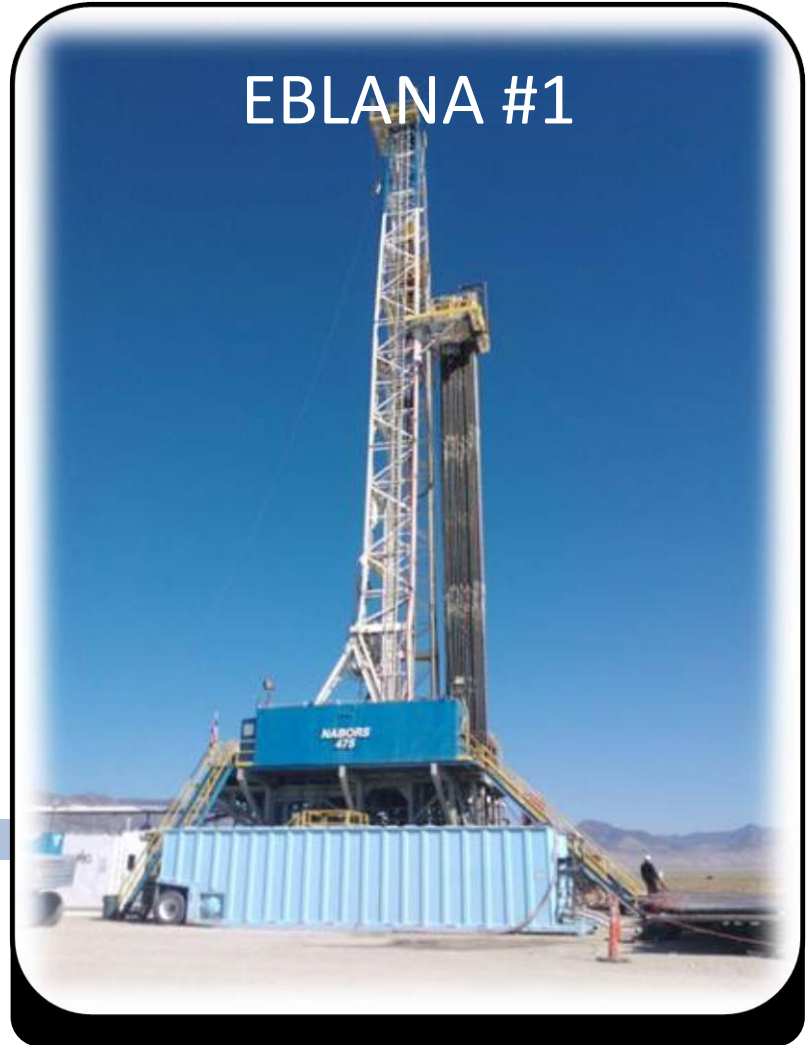
1 X Environmental Reports

300 X Drilling reports

Numerous Correspondences

Min 25-30 Site and Face to Face Meetings

EBLANA #1



TESTING EBLANA #1

Eblana #1 Testing

Three programmes from September 2012-
May 2013

Oil of 28.5 API and 33 API gravity
Oil cut 2-3%
Surges to 22% and 60%

Competent Person's Report (CPR)
by Forrest Garb
Dallas Texas, 22 May 2013

Eblana #1 Testing

Sept 2012 – May 2013



COMPETENT PERSON'S REPORT

‘Major Oil used a rigorous process to identify oil and gas accumulations....’

- Forrest Garb, May 2013 CPR

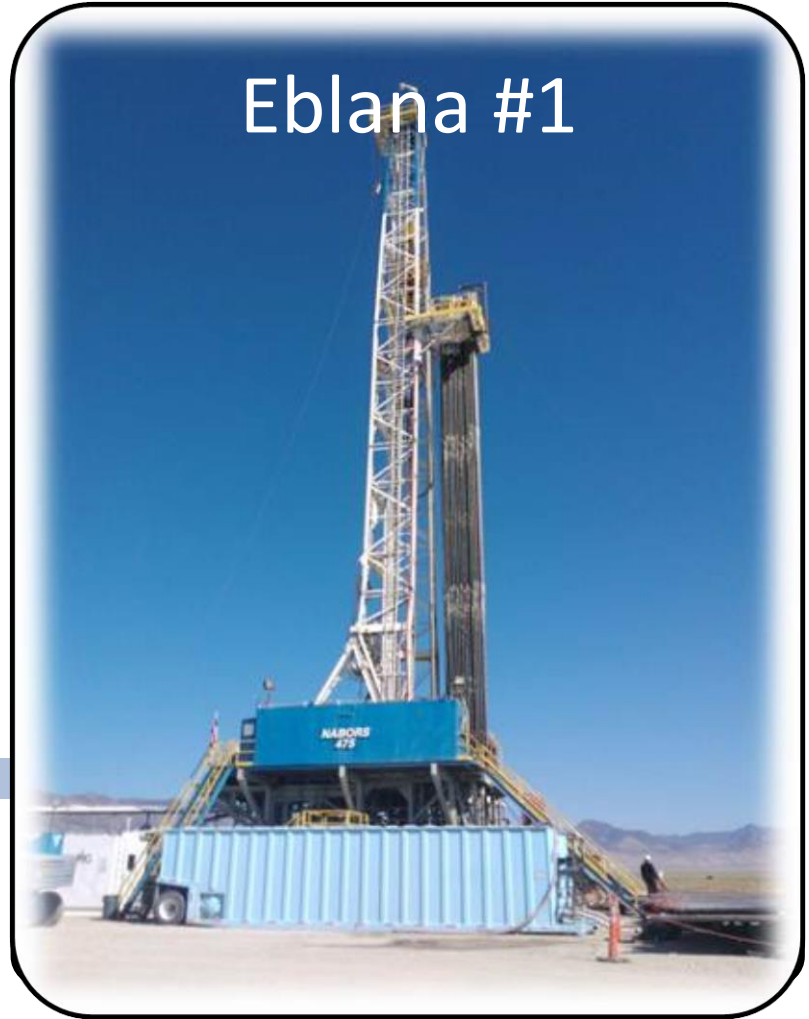
‘Major Oil used a thorough, rigorous process to mitigate risk, and determine the location of Eblana #1.’

- Forrest Garb, May 2013 CPR

‘The location for the Eblana #1 was chosen to coincide with positive hydrocarbon indications from all prior exploration activities.’

- Forrest Garb, May 2013 CPR

Eblana #1



WORKS AT EBLANA 1



The Asset – Adding Value

Before drilling + testing

- Uncertain quantity
- Uncertain quality
- Uncertain economics
- Highly speculative

Add value by reducing uncertainty

Adding Value

Our Aim - Move up the value chain

Prospective Resources

- High risk, hard to value / low value

Contingent Resources

- Lower risk, easier to value / low-medium value

Proved Reserves

- Lowest risk, easy to value / higher value

CPR Results

‘Competent Person’s Report’ (CPR)

by Forrest Garb - '
Dallas Texas, on 22/May/2013

**Best Estimate
Resources
(50% probability)
based on SPE-PRMS:**

OOIP Net Prospective Resources
88 sq km = 282 MMSTB (P50).

Eblana #1 area Net Contingent
Recoverable oil = 19 MMSTB.

Estimated Net Present Value
(un-risked) for the Prospective
Resources is \$588 MM for a ten
year projection discounted at
10% per year.

Contingent & Prospective

Contingent Resources:

“...potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies”.

“... a discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future”.

Prospective Resources:

“...potentially recoverable from undiscovered accumulations”.

Note: “undiscovered” = ‘not discovered by drilling’

RAILROAD VALLEY

‘Railroad Valley provides a good analogue to Hot Creek Valley’

- Forrest Garb CPR 2013

‘The oil found in the Eblana #1 well is of higher quality than the oil found in Railroad Valley.’

- Forrest Garb CPR 2013

‘Areas defined with studies such as these have been have shown to be productive in Railroad Valley.’

- Forrest Garb CPR 2013

‘Chainman shale would be the primary source rock.’

‘The primary reservoir rocks include the same Tertiary Volcanics which are productive in Railroad Valley.’

FGA RECOMMENDATIONS

‘Gaps in understanding of structure, deposition and migration could be determined by

- 2D Seismic survey
- Additional mapping
- Updip drilling’

INVESTOR WISHLIST

- Move asset up Value Chain to Proved Reserves
- Generate revenue
- Maintain operational momentum
- Minimise dilution
- Build the company's capabilities and infrastructure
- Protect and maximise the asset for shareholders

NEXT STAGES

Deliver on the wishlist by:

Taking time to plan, finance, build and progress

NEXT STAGES

Operational

- Technical Assessment of FGA recommendations
- Assessment of Costs and Timelines
- Review of Availabilities, Permits etc
- Begin to implement FGA recommendations
 - Data collection

NEXT STAGES

Corporate

- Assess and evaluate development pathways
- Financial studies of pathways
- Build capabilities , inc personnel
- Publicise US Oil's achievement

FINANCIAL OVERVIEW

- March 2011: raised STG 2.1 (\$3.35M)
- July 2011: raised a further STG 2.47 M (\$3.95M), total \$7.3M, to complete a two well drilling programme, the balance to be used for working capital.
- April 19 2012: listed on the GXG Markets (OTC)
- July 27 2012: raised STG 1.13 (\$1.78) to boost working capital position
- August 31 2012: listed on the GXG Markets (MTF), Alexander David Securities appointed Corporate Advisor
- U.S. ADR Depositary receipts in place.

* 41,682,356 ordinary shares in issue

* Funds currently available STG 1.87 (\$2.86) (incl 721,000 treasury shares at .54p)

Evaluation of Eblana-1

Presentation by Part-1

Karim Akrawi

Contents

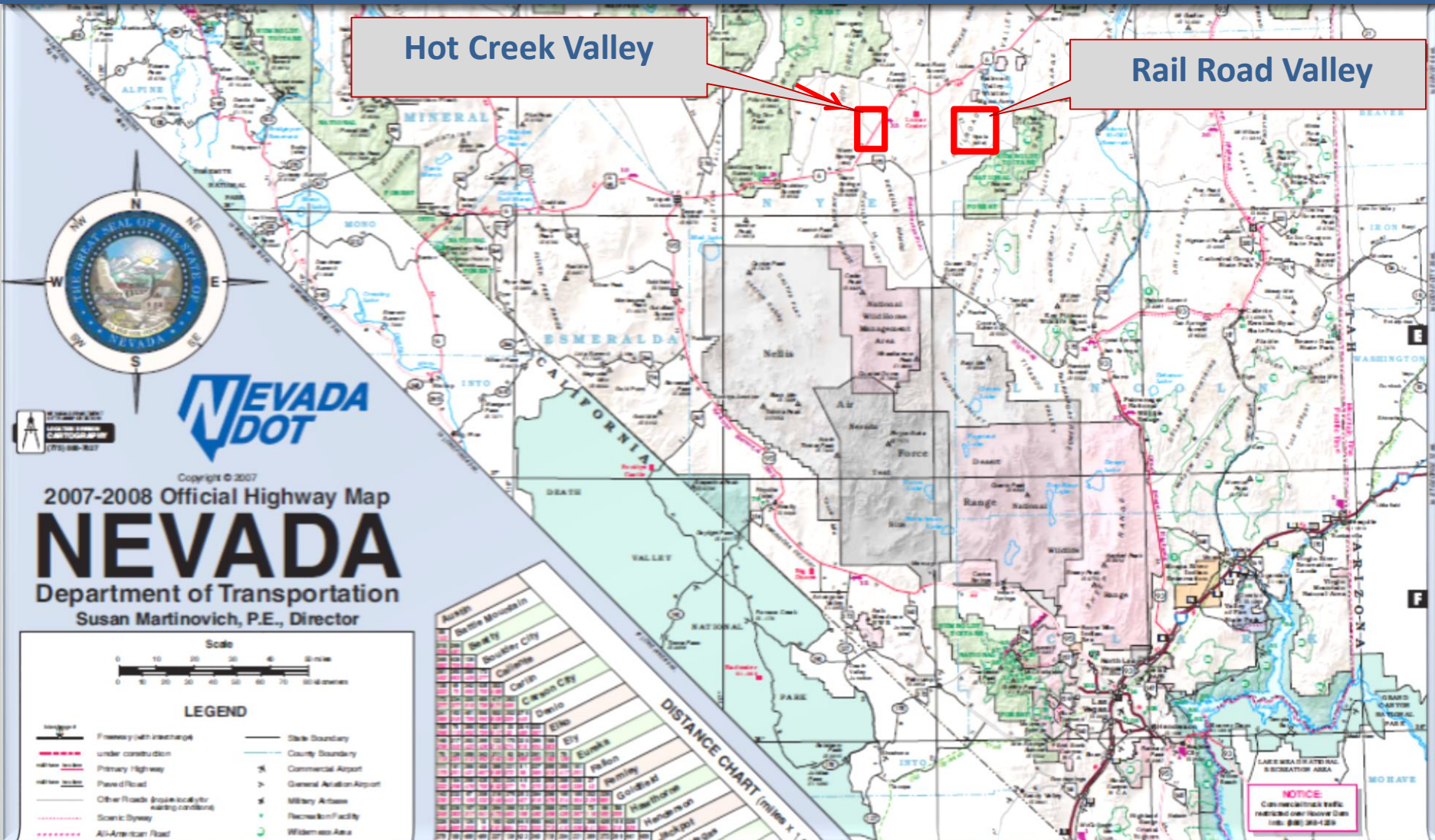
- Objectives
- Introduction
- Philosophy
- FGA – CPR Report
- Passive Seismic survey
- Eblana-1 well status
- Resources Estimation
- Project Economy
- Next steps
- (VSP)
- Conclusions
- Historical events & field photos

Objectives

The main objectives of this presentation are to:

- **Brief shareholders about Eblana-1 drilling results.**
- **Present Updated Resources estimates after drilling Eb-1**
- **Present the outcome of Competent Person's Report (CPR) by FGA.**
- **Consider what are US OIL's future activities.**

Location Map of Hot Creek Valley Block - Nevada US Oil & Gas



US Oil and Gas plc

www.usoil.us

Rattlesnake

Hot Creek Valley
Nevada



Our Daily Threatening Enemy Rattlesnake

USOIL Original Block (20 km²) & New Bocks (68 km²)



RHI Survey-II, July 2011

- Based on the Passive seismic survey-I results-2010 with other data integration & interpretation, requested to run a second RHI survey-II over the 20 sq.km block in order to confirm the initial passive seismic results-2011 & extension.
- Several Geochemical anomalies were in good agreement with the passive seismic (Reservoir Hydrocarbon Indications –RHI) results in the Hot creek valley block.
- Four Passive Seismic survey areas are located in below map, distance east to west is 35 miles
- Two oil producing fields were included in the Railroad Valley surveys, shown on right side, with good correlation with Hot Creek Valley.



WORKS AT EBLANA 1



Commentes by FORREST A. GARB & ASSOCIATES, INC.

Geology and Well Production Analogs with Passive Seismic

- Passive seismic anomalies over Railroad Valley oil production appear similar to those in Hot Creek Valley.
- Passive seismic near the Apache #302 well coupled with mud log shows seem to indicate it is in the transitional zone, at the western edge of a reservoir.
- Major Oil's use of passive seismic is the first attempt to calibrate and use passive seismic as an exploration tool in Nevada. The Eblana #1 well found oil and gas coincident with the passive seismic anomaly found in two passive seismic runs over Major Oil's area of interest.
- The two oil samples taken in the Eblana #1 were tested to be 28.5°API and 33°API gravity. This is lighter gravity oil than the 22°API to 27°API oil found in the analog Railroad Valley fields, which is a positive factor.
- However, further up-dip drilling is required to determine the commerciality of the resource defined by this anomaly.
- FGA opines that results are mixed in the Eblana #1 well, as it tested oil, but in noncommercial quantities (low oil cut). While passive seismic remains a viable exploration tool which has added value to this project, additional tests are needed to determine its reliability in delineating the reservoir area in eastern Nevada.

GEODYNAMICS WORLDWIDE

Passive Seismic > 132 Survey



Sudapak

Falcon Energy



STERLING ENERGY PLC



ExxonMobil



PARTEX OIL AND GAS

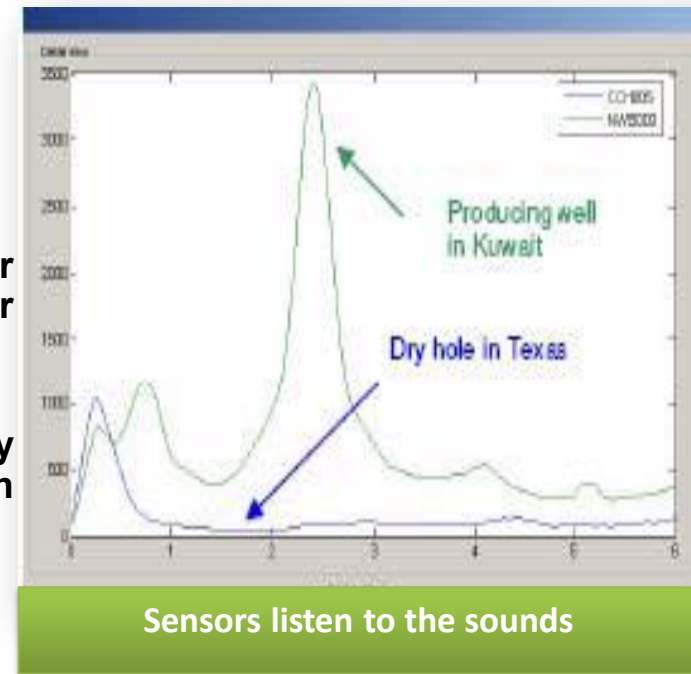


AGIP Spa.	Italy
Anderson	USA
Bridwell Oil Management	USA
Bukros	Ukraine
Dickerson	USA
Drilling Company Bukros	Ukraine
Fair Oil Company	USA
Fairhope 2	USA
Fina Italiana	Italy
Forest Oil	Switzerland
Geospec	USA
Hale	USA
Hallis Sullivan	USA
Hastings Oil Company	USA
Hightower Exploration	USA
Howard Exploration	USA
J.K. Anderson	USA
Jacobs4/Winter	USA
KazMunayGaz	Kazakhstan
Mandel-Runion	USA
MDE	UAE
Moore	USA
Mueller Exploration Inc.	USA
Novo Exploration	USA
Paluxy Company	USA
Pitchfork Ranch	USA
R.M.Hill Operating Inc.	USA
Research (Austin Chalk)	USA
Research (Austin Chalk)	USA
S.B. Street & Co.	USA
Soggy Bottom	USA
Spade Draw	USA
Spraberry 2	USA
Spur Operating Company	USA
Stampede Production Comp.	USA
State Oil Company ONAREP	Morocco
Steel	USA
TGPJ	Jordan
Trans-Global Petroleum Ltd.	Jordan
Ukrgazprom	Ukraine

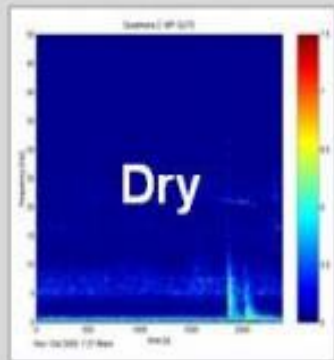
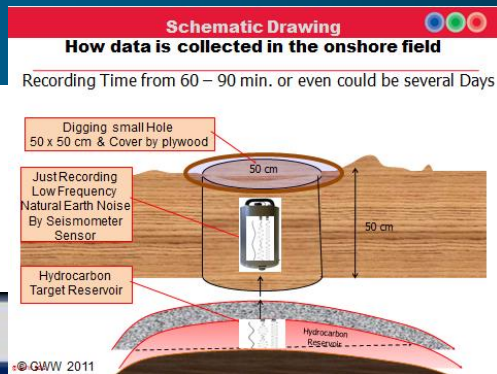
Infrasonic Passive Differential Spectroscopy – IPDS

IPDS: Advanced technology for hydrocarbon reservoir (oil & gas) detection and monitoring

- Optimised technology for direct detection of hydrocarbon reservoirs in structural and non-structural traps.
- Hydrocarbon fluid in porous systems can be detected as a characteristic deformation of the natural earth noise spectra in the acoustic low frequency range.
- Drilled test wells have demonstrated that the results over 80% of them were in line with the passive seismic reservoir hydrocarbon predictions.
- The correlation coefficient between cumulative Net Pay Zone thickness and passive seismic reservoir hydrocarbon indication (RHI) predictions is often in the order of 80-90%.

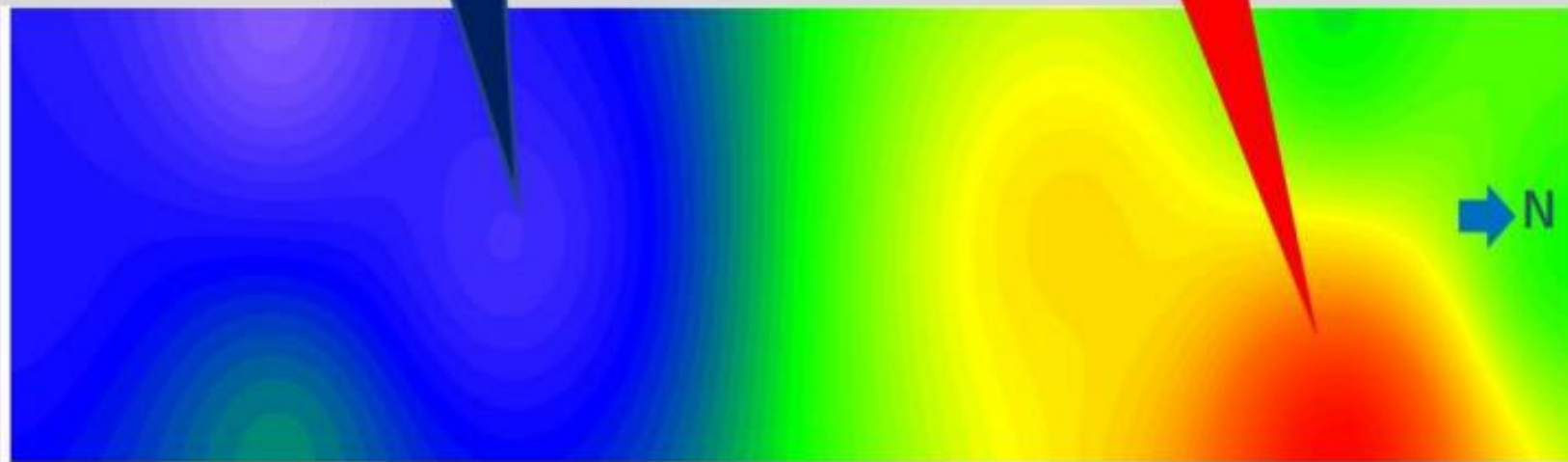
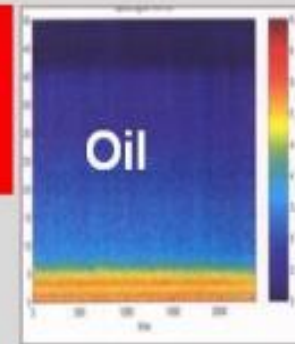


Oil & Water Spectrum Comparison

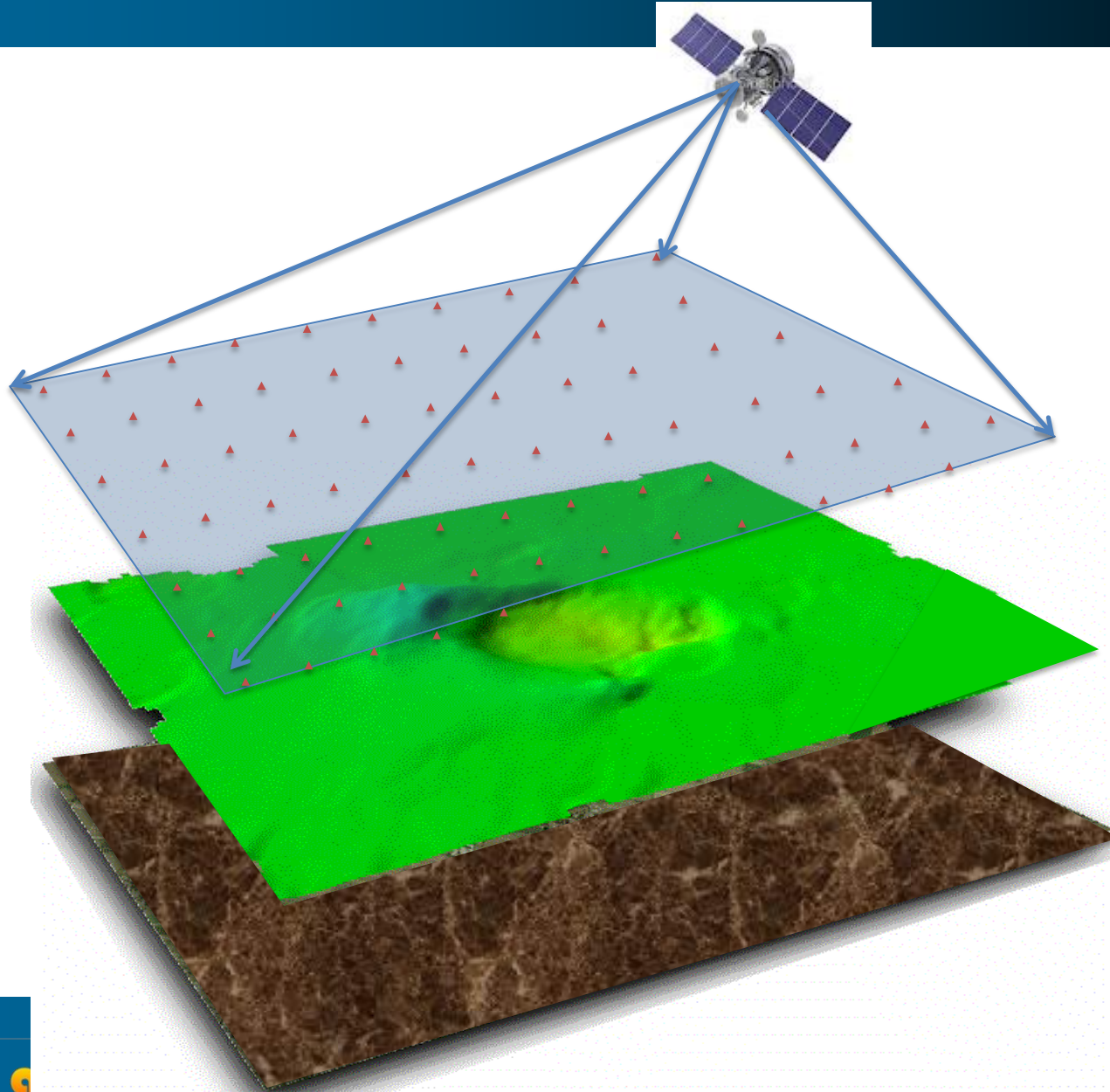


Outside area,
blue spectrum

Reservoir area,
red spectrum



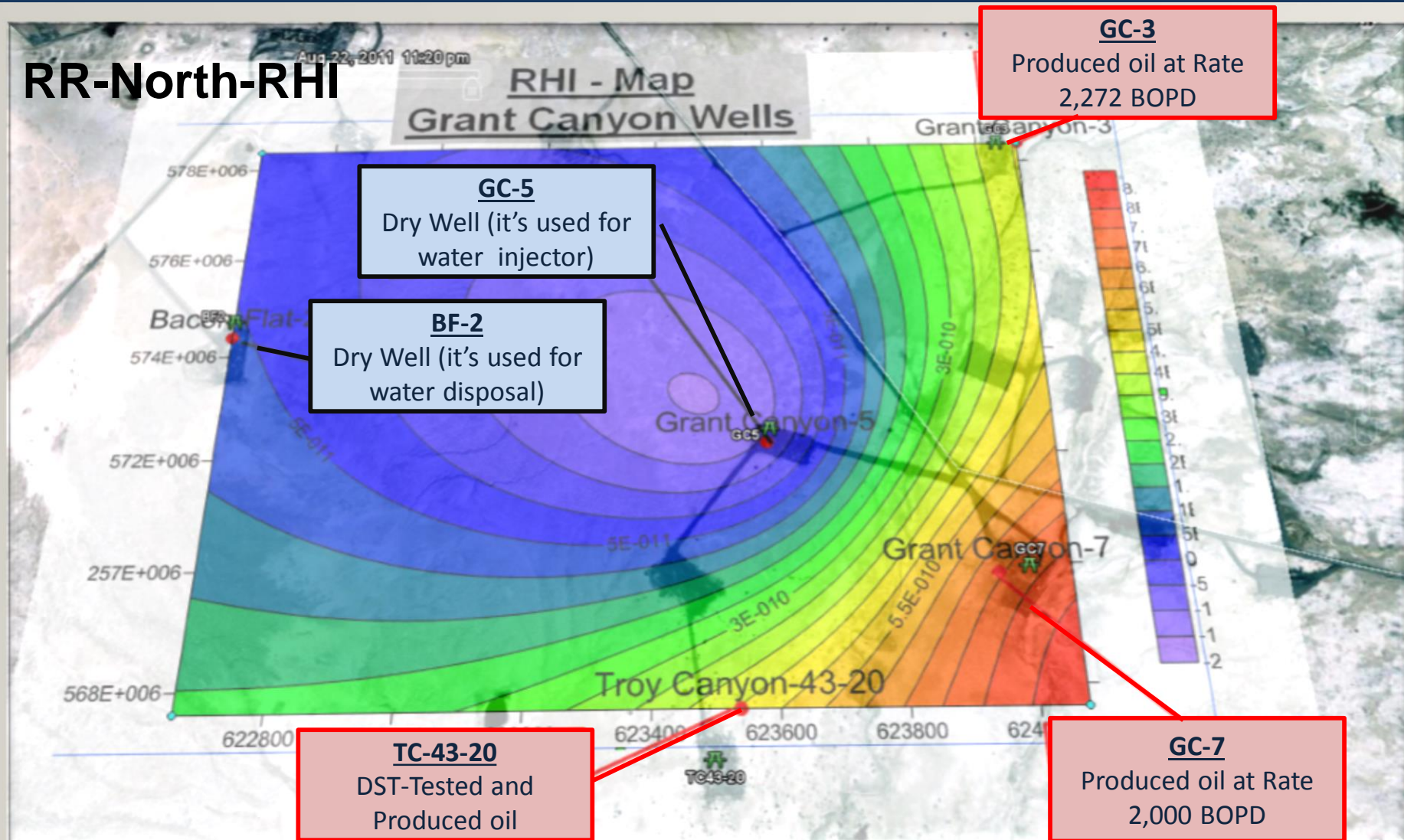
Surface Deformation due to Gas/Oil Volume Change



Grant Canyon Passive Seismic Survey RHI Results

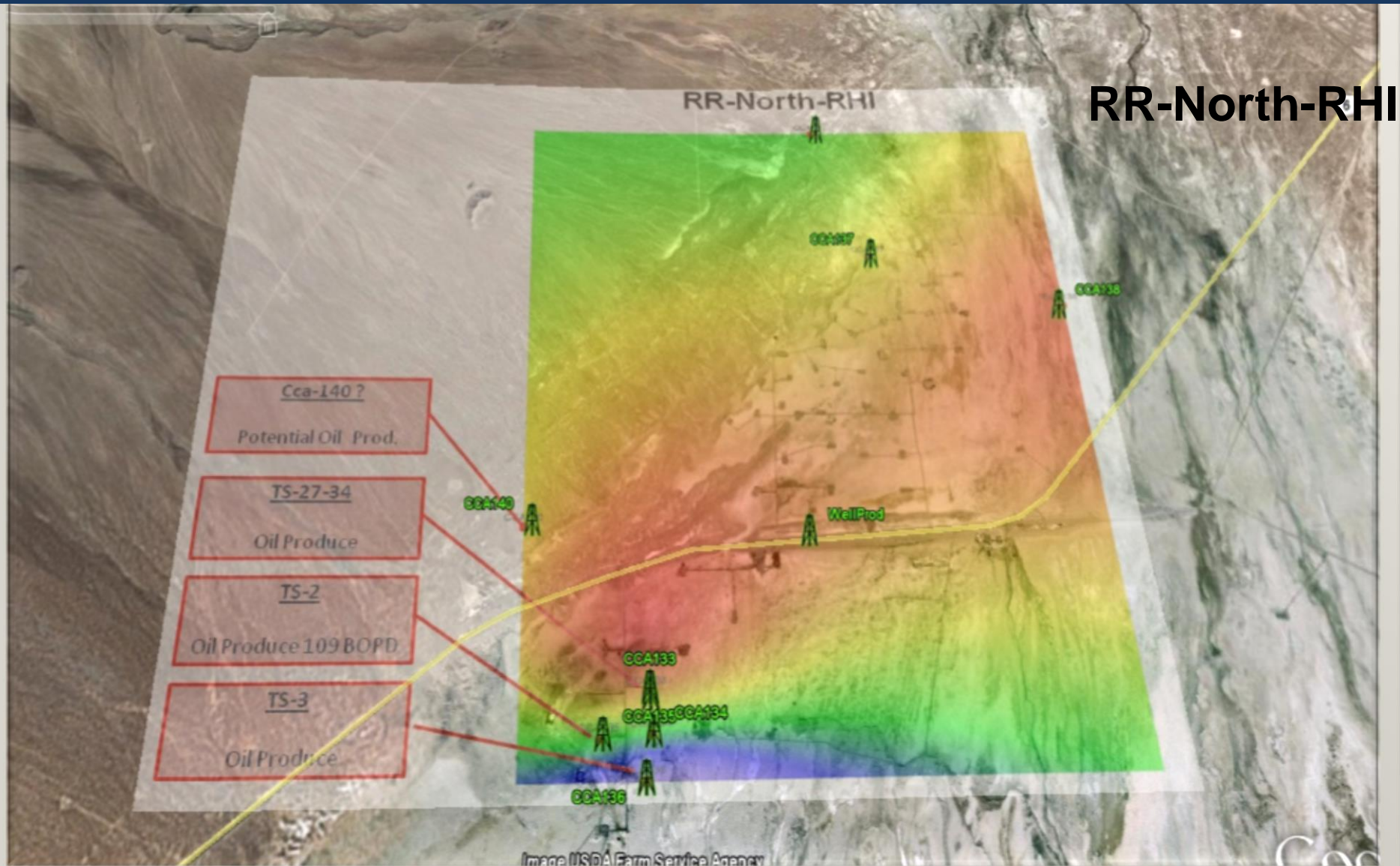
RHI Survey Results have good correlation with RHI results in Hot Creek Valley

RR-North-RHI

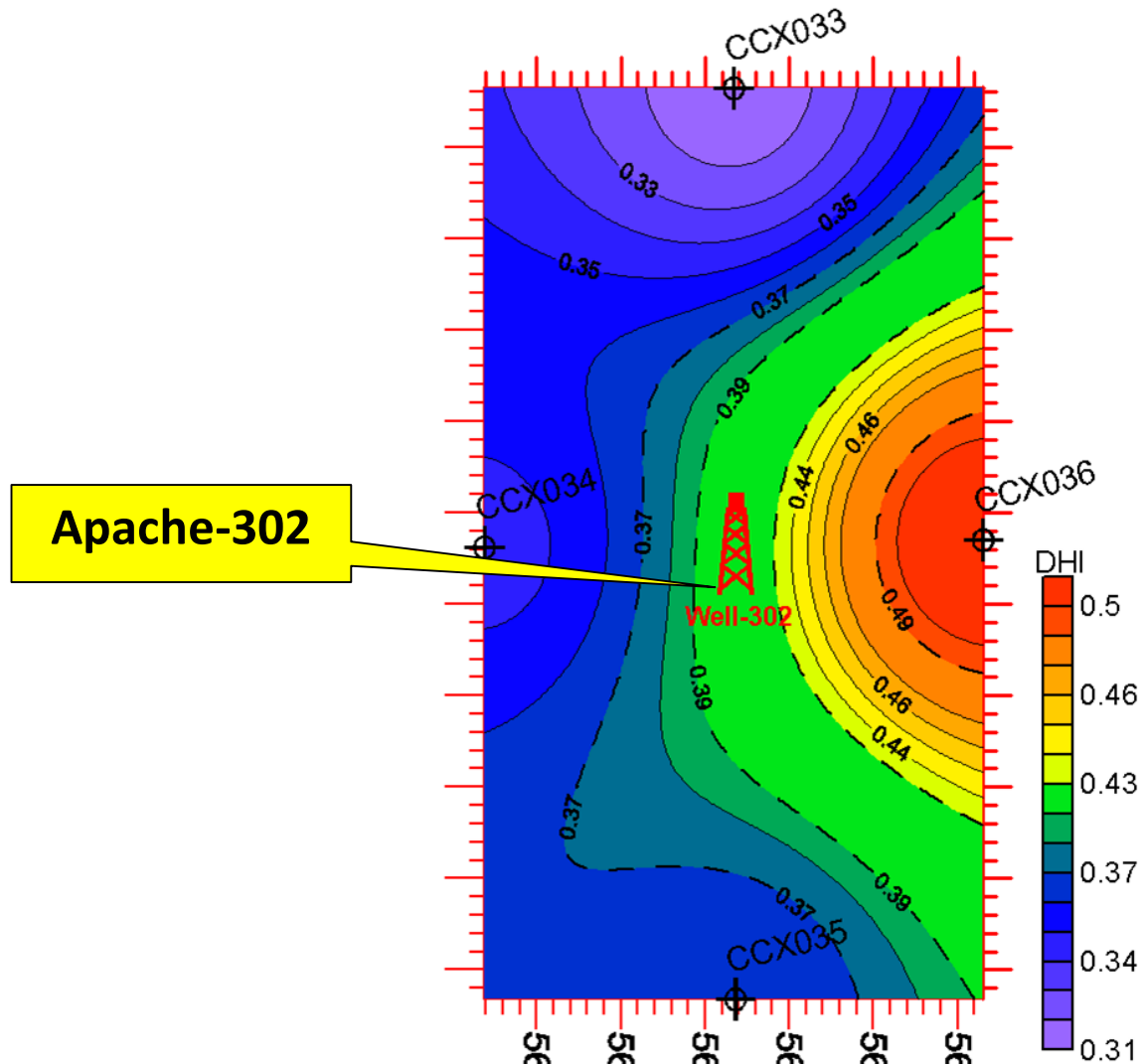


North Railroad Valley - Passive Seismic Survey RHI Results

RHI Survey Results have good correlation with RHI results in Hot Creek Valley

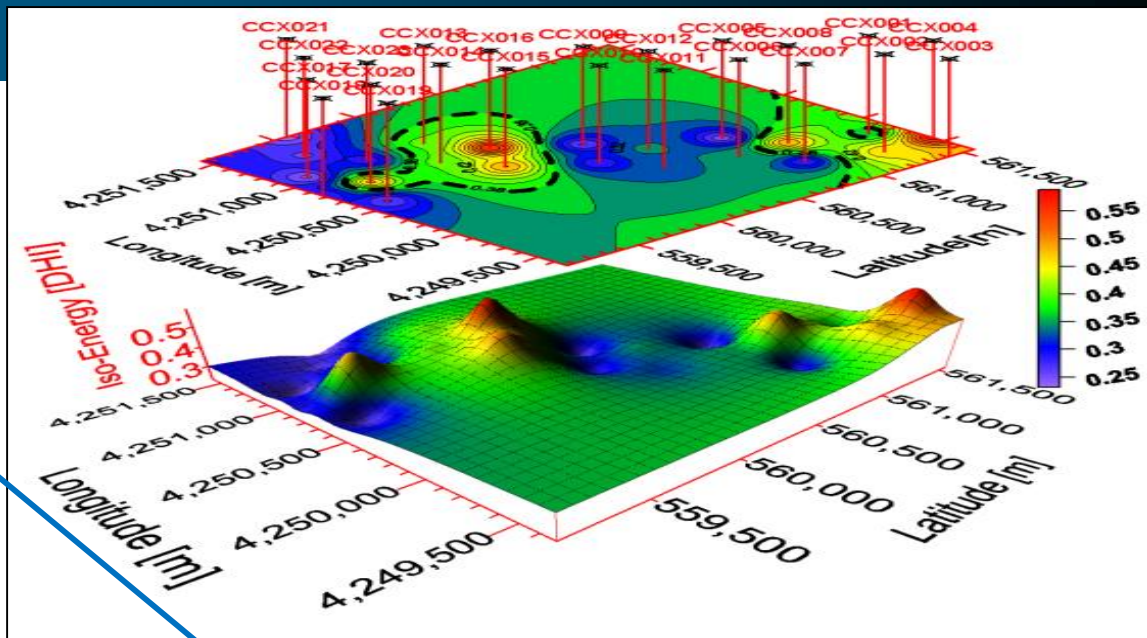
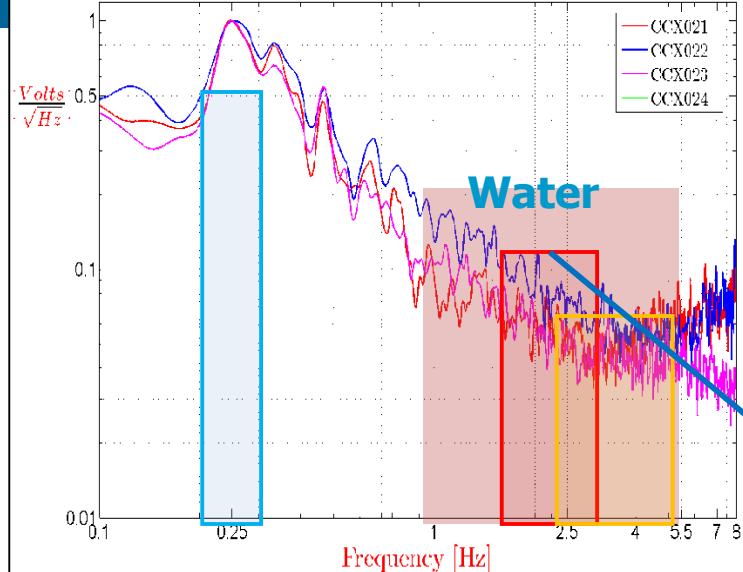


RHI contour map of Block Well Apache-302; RHI has excellent correlation with well data and Hot Creek Valley survey

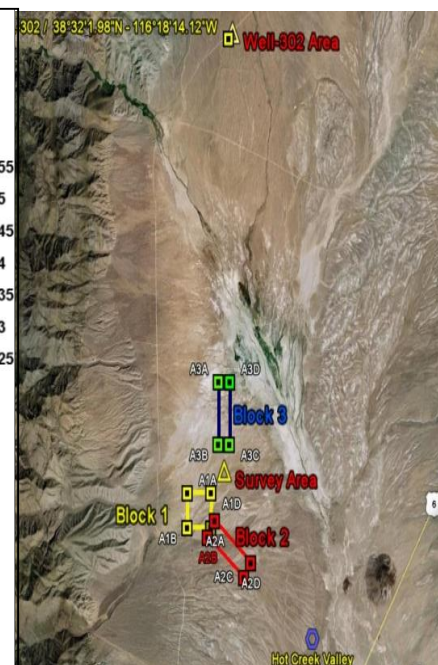
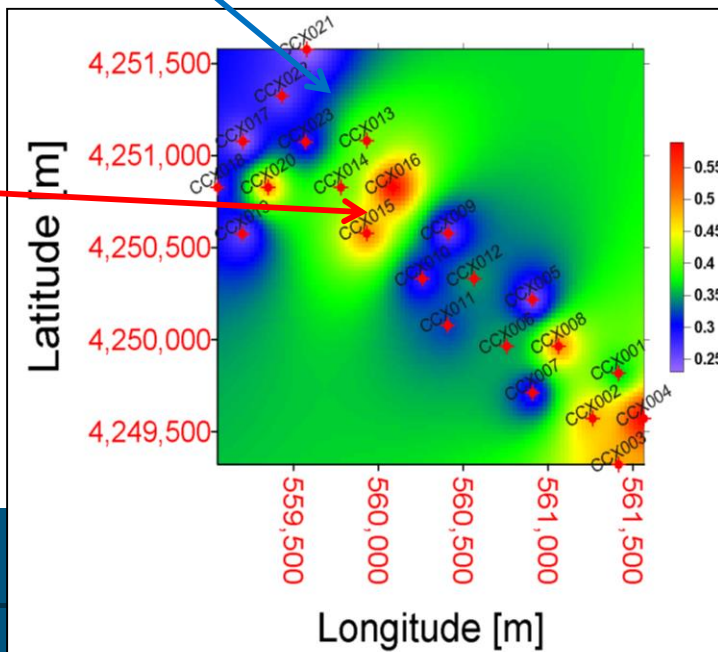
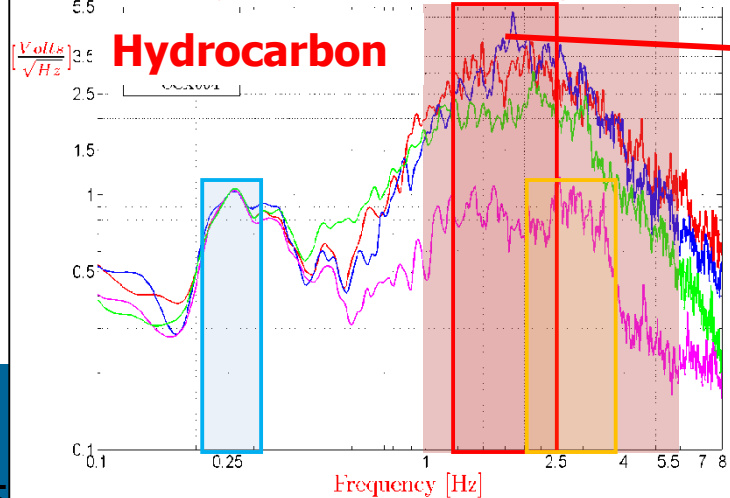


Hydrocarbon Reservoir Indicator (RHI), Hot Creek Valley Nevada

PSD Via WELCH [Blackman (5200, 50 Overlapping)] - Cut at 0.1 Hz



PSD Via WELCH [Blackman (5200, 50 Overlapping)] - Cut at 0.1 Hz



Utilized Unique & Advanced Technology

An important technology that been used in Hot Creek Valley is **Passive Seismic (IPDS) Survey by Geodynamics Worldwide**. This is in addition to the other Geochemical, Gravity, 2D seismic and other conventional technology.

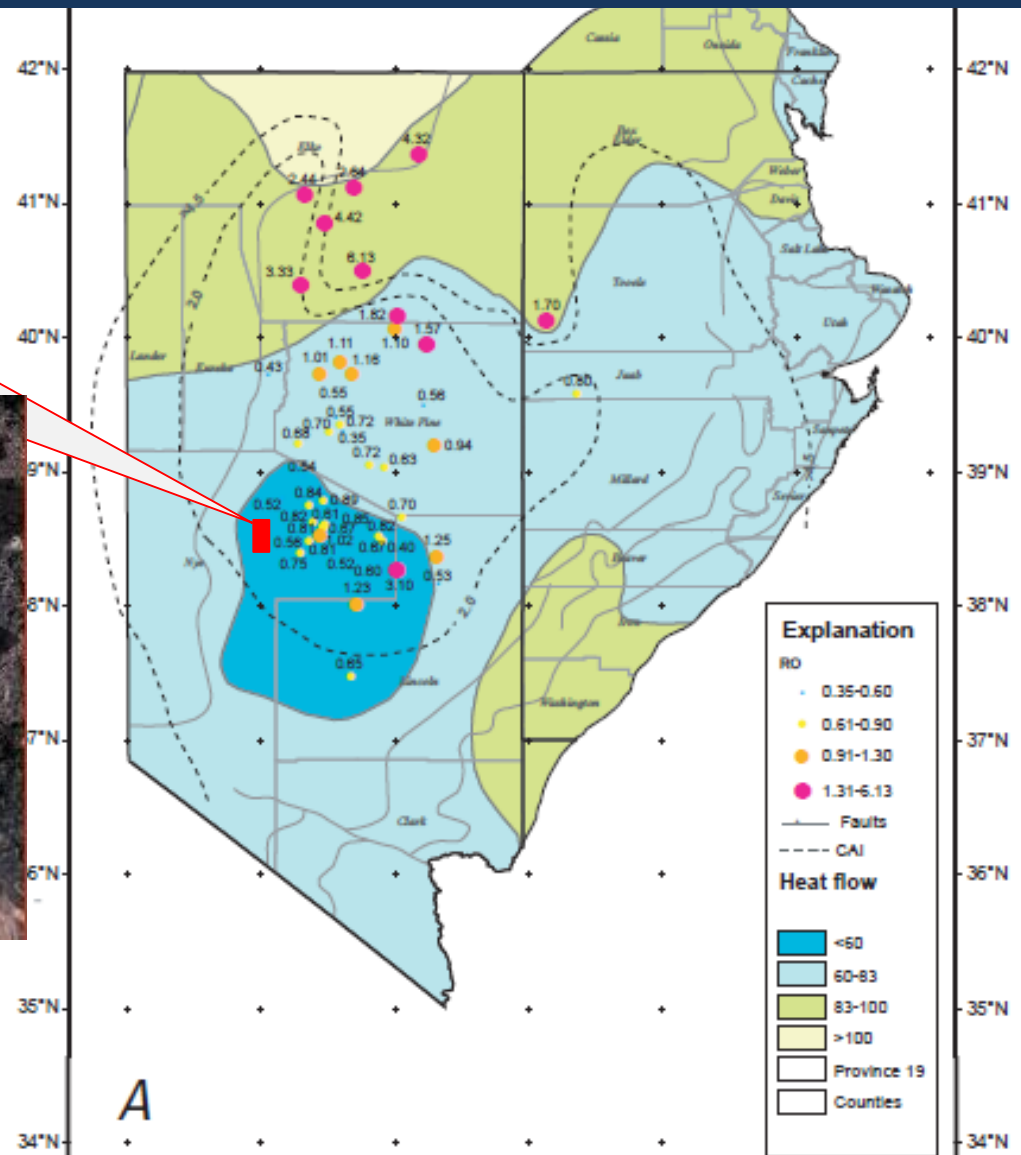
1. It's well known that the geological siting of Nevada is highly complicated due to high tectonic activities, complex structures, compartments, stratigraphy, rocks heterogeneity, etc. These are the main reasons that Nevada has a high exploration drilling risk 1/15 per well (93% risk) & had no oil discoveries for 30 years.
2. **IPDS Passive Seismic survey technology** is concentrating only on whether hydrocarbon fluids exist or not.
3. USOIL ran two IPDS surveys. Both confirmed that the hydrocarbons exist. Eb-1 proved that, and this also confirmed by other technologies.
4. In addition, there is good geological experience and team work in USOIL with full management & shareholders support. USOIL has had this great success & achievement in Nevada.

Great Basin & Mature Source Rock – Nevada (USGS)

Hot Creek Valley Prospect
It's within Mature source Rock, Good
heat flow, High TOC & Deep
Sedimentary Basin



Some of the hydrocarbon source
rocks are so organically rich that
they bleed live oil!



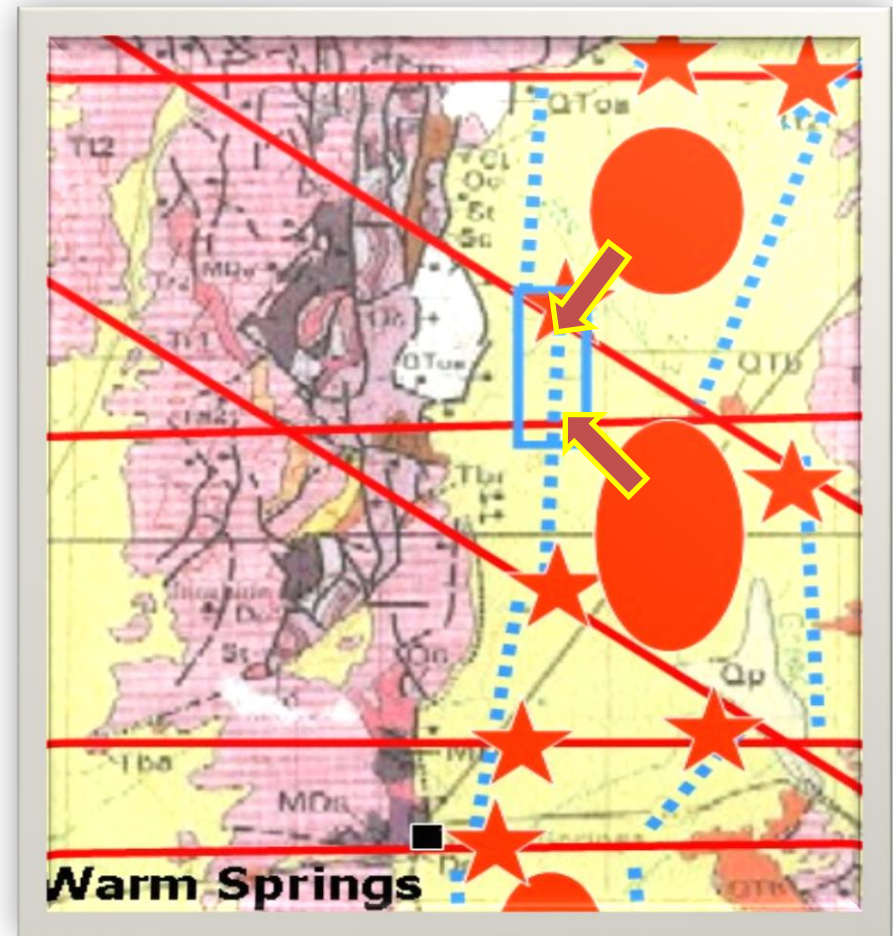
Gravitational anomalies

- **Weak zones - structures and trapping mechanisms suitable for accumulation of hydrocarbons**
- **Northern Nevada Rift related to Trap Spring & Railroad Valley oil**

Analogues (stars) to Railroad Valley oil fields in Hot Creek Valley are shown near intersections of lineaments with graben faults within the deepest segments of the graben system.

Cenozoic rocks in Hot Creek Valley are probably a few thousand feet thicker than in Railroad Valley (i.e. probably 3,000-9,000 ft), which give higher potential.

The west side fault system is steeper than the east side in Hot Creek Valley (opposite to the situation in Railroad Valley).



Tertiary Reservoirs



Eblana-1 (well status)

- 14' cond. Pipe @ 40'
- 9 5/8" Casing Shoe @ 764'

- Run logs down to 1,717'

- **Oil flow zone 6,377 – 6,436 ft (33 API)**

- **Oil Flow zone 7,010 – 7,066 ft (28.5 API)**

- Cemented from bottom up to 7,600 ft

- Run through drill pipe RPM & C/O Logs @ 8,000',
- Run through casing RPM & C/O Logs @ 8,270',

- Run 5 1/5" Casing Shoe @ 8,550',

Hydrocarbon Shows
while drilling and logs -
From 2,948" down 8,550
"

- While testing Run
- Hydraulic Pump

Production Testing
concentrating from 6377
to 7250 ft which flowed
light oil to surface with
water cut

Cement status:

- Run CBL log down to 8,270"
Good cement from 8,270 up to
surface"



US Oil and Gas plc

Eblanas-1 (well status) & DST

- 14' cond. Pipe @ 40'
- 9 5/8" Casing Shoe @ 764'

- Run logs down to 1,717'

- **Oil flow zone 6,377 – 6,436 ft (33 API)**

- **Oil Flow zone 7,010 – 7,066 ft (28.5 API)**

- Cemented from bottom up to 7,600 ft

- Run through drill pipe RPM & C/O Logs @ 8,000',

Hydrocarbon Shows while drilling and logs - Started From 2,948" down 8,550 "

- We did not run open hole DSTs, because well will be under risky stuck-pipe.

Packer-DST

Presentation by

Soran Talabani

Hot Creek Valley

Eblana 1

Nevada



EBLANA -1 Drilling Stage

What was planned

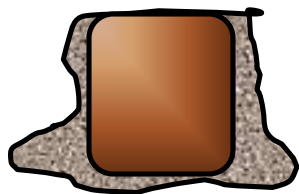
- 40 " Conductor pipe at 120 ft
- 9 5/8" Casing at 800 ft
- **5 1/5 " Casing at TD**
- Possibility for bare foot extension

What was made

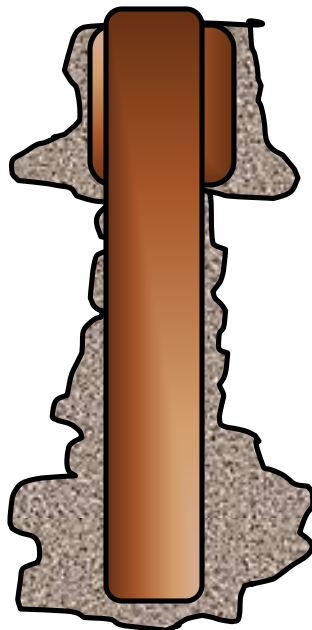
- 40 " CP at 26 ft !!
- 9 5/8" Casing at 763 ft
- **5 1/5 " Casing reached 8550 ft**
- No extension

Comments:

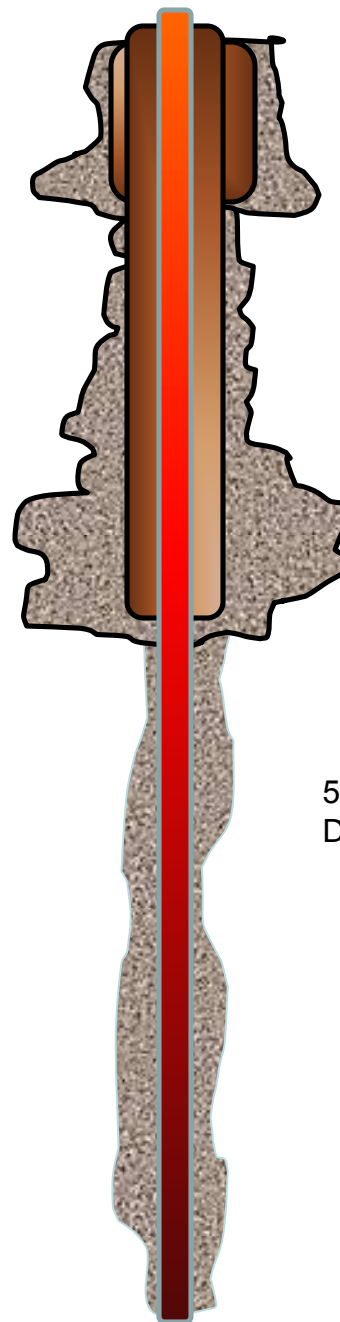
- Surface casing rule in Nevada: 10% of the well TD ! Rule of AEI
- Usually if reaching 90% of TD in problematic hole is good, we have reached 100% perfectly



40" Conductor Pipe
Depth 26 ft



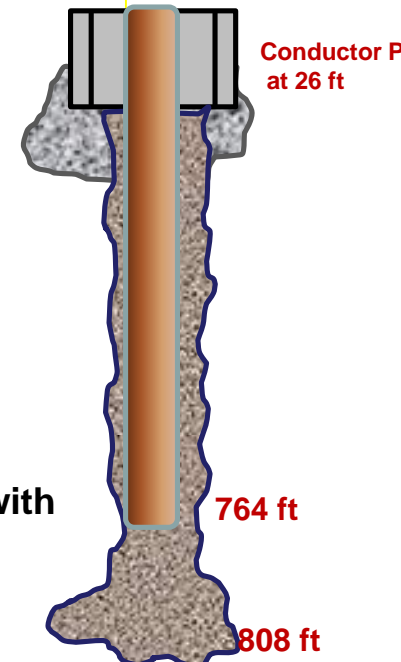
9 5/8" Casing
Depth 763 ft



5 1/2" Casing
Depth 8550 ft

Well Chronological History

- ☀ Well spud in on 7 May 2012, drilled to 808 ft, set the 9 5/8" casing at 763 ft because of the filling of loose sand.
- ☀ Conductor Pipe location found at 26 ft (in next well should be change at 120 ft or deeper, cemented)
- ☀ Surface casing were set at 763 ft, depth; Next well should be change at top Tertiary Volcanic Ash about 2800 – 2850 ft.
- ☀ 68 hours lost on Conductor & Surface Casing
- ☀ First indication of HC show was at depth 3234 ft from the RETORT test
- ☀ Best Mud Properties:
 - ☀ MW = 8.5 ppg FIL = 8 ccs MFV = 45-50 sec pH = keep as low as possible avoiding Shale collapse
- ☀ Best Drilling Practice:
 - ☀ WOB = 8 – 14 K lb RPM = 70 – 95 SPM = 80 with one pump or 45 with two Torque < 12,000
- ☀ Bit Type: PDC with 7 blades, 11 and 13 nozzles



Efficiency....Data
accuracy....People-
oriented service

EBLANA -1 Drilling Mud

What was planned

- FWB mud
- Lots of chemicals
- NDF has not been used in NV

What Mud type Used

- Basic water (Alkaline)
- PHNP powder
- **Nothing else**

Comments:

- Cost of drilling mud went down from \$170K to \$7K only
- Perfect mud, no sloughing or caving from 1754 ft to 8550 ft
- Casing set at the planned shoe
- Oil & Gas cut mud throughout
- Had two zones with: complete loss, partial loss
- Zones with losses were drilled with plane water
- Max mud wt = 9.8 ppg, filtrate = < 8 ccs, Ph = 9, PV = 14, YP, 16, Gel 4/11
- Mud system with no Chemicals
- No damage to the formation

EBLANA -1 Testing Open Hole & Logging

Oil show started at around 3000 ft and down

- Open hole log until 1770 ft because of bridging, tool stuck
- Open hole test (completion) at depth 7120 ft showed clear crude oil
- Planned to run cased hole logs: RPM, C/O + Cement log/GR, etc.
- RPM showed good column of HC, uncommon !!
- C/O has shown patchy HC

Comments on the Log Data:

- RPM confidence through DP – 50-60%
- RPM 3D run through casing was v good; clear indication of HC for a stretched column
 - Effective Φ
 - Gas Show (HC) within envelop with %
 - Sw
- C/O showed patchy (M of NV) in the range of 25 – 39% HC

EBLANA -1 Work Over Stage

Testing Zones

- Total of 48 zones perforated
 - 20 perfs set I
 - 10 perfs set II
 - 6 perfs Set III
 - 8 perfs Set IV
 - 3 perfs Set V

Comments:

- From first set: mostly tested (except 4 perfs below 8115 ft, tested combined)
- 2nd, 3rd planned after first set results
- Three major zones were identified:
 - Below 8115 ft: Strong gas
 - 7182 – 7202 ft, indication of crude oil
 - 6670 -6680 ft Kerogene
- M of NV: Effect of the bombs
- Unusual field (none Carbonate – Clastic)



EBLANA -1 Work Over II, III

Problems we faced

- Weather, and long distance from the technical tool supplier, caused some delayed and we wait some times.
- **BASIC:** Very professional, V G equipment, zero time wasted

Comments:

- Most of the zones perforated showed indication of HC on the log, cutting, flow line, gains, etc..
- 80% of the above zones tested showed HC, However, under continuous swabbing condition, were reduced or to no flow.
- Two zones showed continuous flow, which was concentrated on for further tests

EBLANA -1 Zones of Potential

Zones were tested with HC:

- 7015 – 7030 ft, added to 7145 – 7202 ft, stretched to 6990 – 7232 ft (Res 1)
- 6280 – 6400 ft, shrunk to 6370 – 6400 ft (Res 2)
- Other zones: **reduced or no flow** after long test

Comments:

- When hydraulic pump set, tests went 24/7
- 48% of all perforated zones indicated HC shows
- 2 zones continued to show crude oil flowing with formation water
- Flow started with unsteady, good crude oil rate
- Steady state flow reached after 48 – 72 hours continuous flow
- Rate was set (160 – 200 BPD) and auto adjusted by hydraulic pump

EBLANA -1 The Two Zones

6990 – 7232 ft:

- Clear crude oil with some gas (in the range of 150 – 200 SCF/STB)
- API gravity of crude oil = 28.5 deg, FL Temp = 122 F (Res \approx 32 deg)
- Started rate = 220 bpd, steady state rate = 264 bpd
- Crude Oil Rate fluctuated 2.6 up to 50% (based on chromatograph reading),

Comments:

- Crude Oil flow is continuous
- Flow rate is low, believe to be at the lower section of transition zone
- Matrix is water wet (V Good), good API gravity and Temp: at the oil section flow rate would reach 264 bpd as optimum

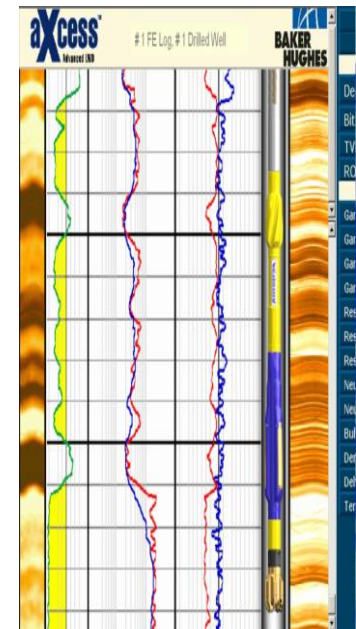
6370 – 6400 ft:

- Clear crude oil with some gas (in the range of 300 SCF/STB)
- API gravity of crude oil = 33 deg, FL Temp = 122 F (Res \approx 36 deg)
- Started rate = 220 bpd, steady state rate = 128 bpd
- Crude Oil Rate fluctuated 2.2% up to 50%, (based on chromatograph reading),

Comments:

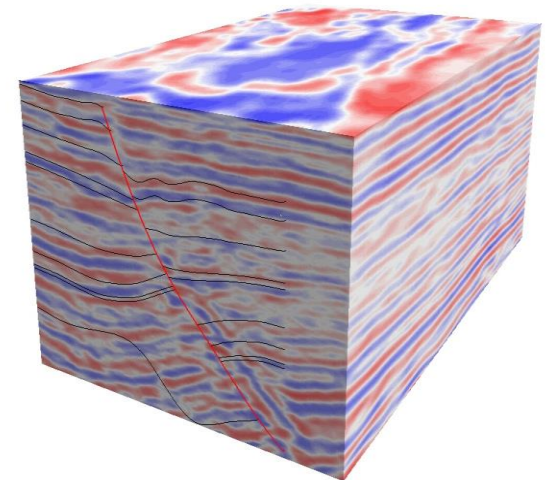
- Crude Oil (Condensate) flow is continuous
- Flow rate is low, believe to be at the lower section of transition zone
- Matrix is water wet (V Good), V good API gravity and Temp: at the oil section flow rate would reach 128 bpd as optimum

- Two zones continued to flow crude oil with some gases [6370 -6400 ft, 6990 – 7232 ft]
- The two zones have different oil gravity, this might indicate either as separate reservoirs or light components have migrated to the upper zone
- Continuous flow means discovery of HC
- Crude oil ID is quite different from the region HC
- Whenever there is a structure within the block, it certainly reflects a potential, only drilling will confirm presence of HC
- Crude oil type is very good quality
- Since the rock is water wet with FW,
then according to C& H it is possible to have PI reaching up to 70%
- Samples showed no H₂S, though with some CO₂



Recommendations

- In the **next appraisal well** should be drilled at up-dip direction with new acreages area.
- Next Well design should change
- No chemicals should be used to make up drilling mud
- There is no need to stretch production casing to the surface since the region has no pressure
- Drill the lower section of the well as bare foot [down to 13,000 ft if required]



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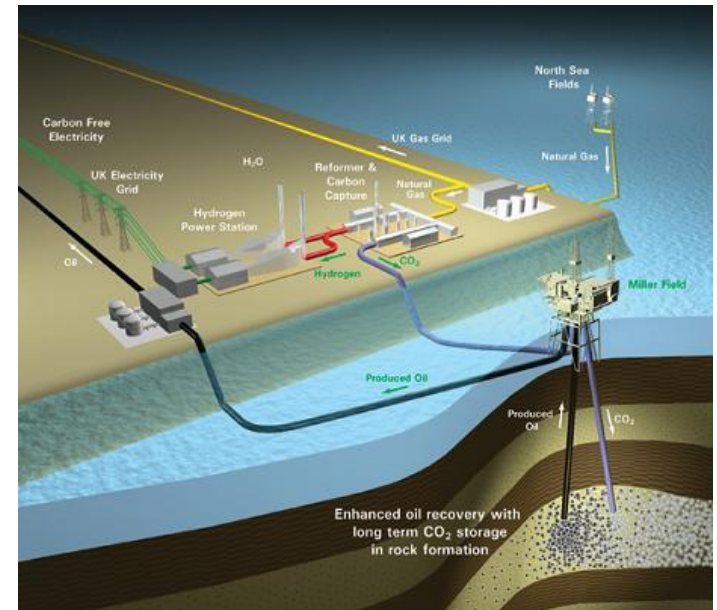
UAE:

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services@globalgeosciences.com



Evaluation of Eblana-1 cont.

Presentation by Part-2

Karim Akrawi

Marker Table of Eblana-1

Casing status:

The 14" conductor pipe set at 40 Ft,

9 7/8" casing set at 768 ft,

5 1/5" Casing set at 8,550 ft.

Formation Tops (marker Table):

Formation Name	Top – Ft (MD)
RTKB 5,381 ft	
Valley Fill (VF)	From surface
Tertiary Volcanic Tuff (TV)	2,966
Tertiary Old Volcanic Tuff (TOV)	5,952
Base of tight hole	7,600
Total Depth	8,550

Spudded 7th May 2012

Completed Drilling 26th May 2012

- 8,550 ft total depth in Tertiary Volcanic Ash formation.
- Several hydrocarbon shows with high background gas (up to 1,600 Units (C1 to nC4), yellow fluorescence with stream cuts were recorded.
- Light oil flow to surface within several intervals but with high water cut

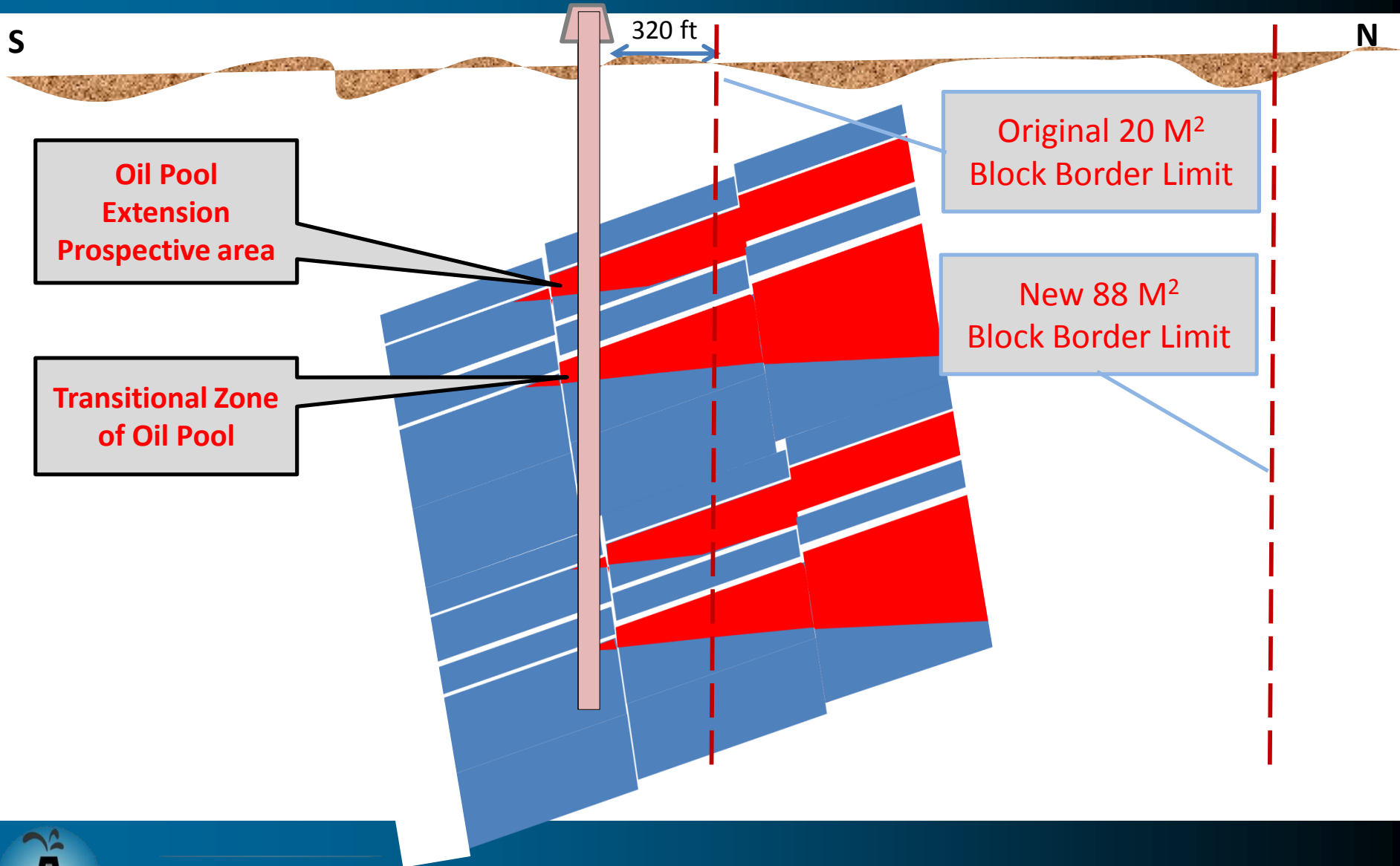
**At least 2 Proven reservoir zones
9 potential reservoir zones**

Large Potential Net Pay Zone

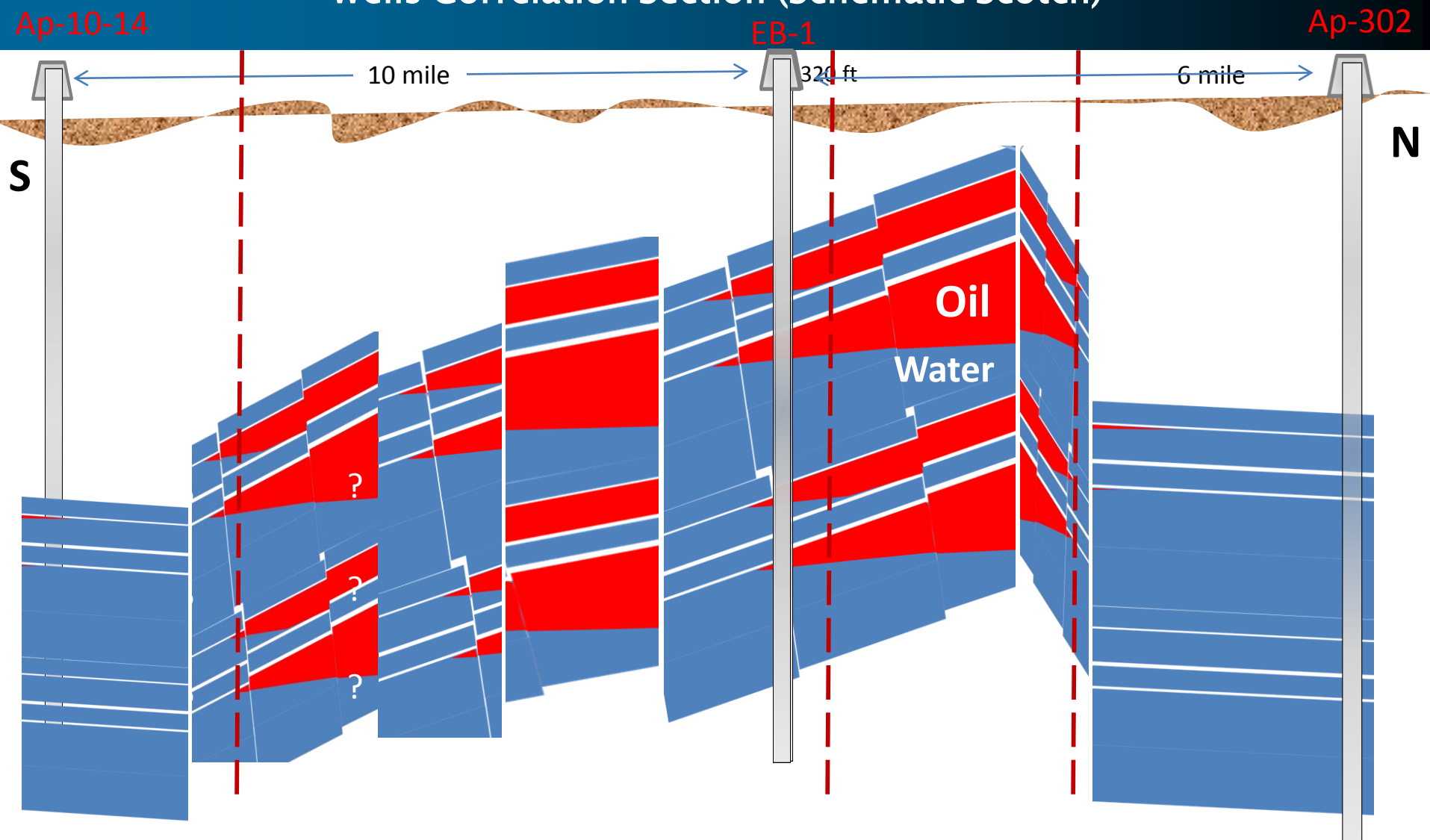
Fluid recovered:

Yellow light oil 33 API,
Dark brown oil 28.5 API,
with fresh formation water cut
with low salinity <200 PPM
and high AL-Chilean water
with 10 PH.

EBLANA 1 within Oil Pool (Schematic Scotch)



Apache-12, EBLANA -1 & Apache-24 Wells Correlation Section (Schematic Scotch)



EBLANA-1, Oil Analysis (33⁰ API) at 6,350 Ft

Maxxam

OIL ANALYSIS

MaxxID _____ Client ID _____ Meter Number _____ Laboratory Number B314641:FS2214

MAJOR OIL INTERNATIONAL LLC

Operator Name _____ LSD _____ Well ID _____

MAJOR OIL INTERNATIONAL N/A MAJOR OIL INTERNATIONAL

Well Name _____ Initials of Sampler _____ Sampling Company _____

Field or Area _____ Pool or Zone _____ Sample Point EB-1 SAMPLE 1 NEVADA Container Identity GLASS BOTTLE Percent Full _____

Test Recovery _____

Test Type _____ No. _____ Multiple Recovery _____

Production Rates _____

Water m3/d _____ Oil m3/d _____ Gas 1000m3/d _____

Gauge Pressures kPa _____

Source _____ As Received _____

Elevations (m) _____

Temperature °C 23.0

Source _____ As Received _____

Sample Gathering Point _____ Solution Gas _____

Well Fluid Status _____ Well Status Mode _____

Well Status Type _____ Well Type _____

Gas or Condensate Project _____ Licence No. _____

Date Sampled Start _____ Date Sampled End _____ 2013/02/25 2013/02/26 2013/02/26 SK1,BS7,DPA

Date Received _____ Date Reported _____ Date Reissued _____ Analyst _____

PROPERTIES

BROWN

Colour of Clean Oil _____

S & W (ASTM D4007)

0.000 0.000 0.000

Water (vol%) Sediment (vol%) Total S & W (vol%)

Density of Clean Oil @ 15°C (ASTM D5002)

33.0 859.3

API Absolute (kg/m3)

0.030 -12

Total Sulphur (Weight Percent) Pour Point(°C)

ASTM D4354 ASTM D97-D982

ASTM D86 DISTILLATION

Vol % Distilled	Temp °C
IBP	
5.0	
10.0	
15.0	
20.0	
25.0	
30.0	
35.0	
40.0	
45.0	
50.0	
55.0	
60.0	
65.0	
70.0	

IBP-204°C Naptha Cut (Vol %)

Recovered (Vol %)

Loss (Vol %)

204-274°C Kerosene Cut (Vol %)

Residue (Vol %)

VISCOSITY

Temp °C	Dynamic (cP) centipoise	Kinematic (cSt) centistoke



EBLANA-1, Oil Analysis (28.5° API) at 7,020 ft

Maxxam

OIL ANALYSIS

MaxxID _____ Client ID _____ Meter Number _____ Laboratory Number **B314641:FS2215**

MAJOR OIL INTERNATIONAL LLC

Operator Name _____ LSO _____ Well ID _____

MAJOR OIL INTERNATIONAL N/A MAJOR OIL INTERNATIONAL

Well Name _____ Initials of Sampler _____ Sampling Company _____

Field or Area _____ Pool or Zone _____ Sample Point **EB-1 SAMPLE 2 NEVADA** Container Identity **GLASS BOTTLE** Percent Full _____

Test Recovery _____ Interval _____ Elevations (m) _____ Sample Gathering Point _____ Solution Gas _____

Test Type _____ No. _____ Multiple Recovery _____ From: _____ To: _____ KB _____ GRD _____ Well Fluid Status _____ Well Status Mode _____

Production Rates _____ Gauge Pressures kPa _____ Temperature °C _____ Well Status Type _____ Well Type _____

Water m3/d _____ Oil m3/d _____ Gas 1000m3/d _____ Source _____ As Received _____ Source _____ As Received _____ Gas or Condensate Project _____ Licence No. _____

Date Sampled Start _____ Date Sampled End _____ 2013/02/25 2013/02/26 2013/02/26 SK1,BS7

Date Reported _____ Date Reissued _____ Analyst _____

PROPERTIES

BROWN

Colour of Clean Oil _____

S & W (ASTM D4007)

82.906 1.795 84.701

Water (vol %) Sediment (vol %) Total S & W (vol %)

Density of Clean Oil @ 15°C (ASTM D5002)

28.5 863.5

API Absolute (kg/m³)

0.190

Total Sulfur (Mass Percent) ASTM D4294 Pour Point(°C) ASTM D9709B3

ASTM D86 DISTILLATION

Vol % Distilled	Temp °C
IBP	
5.0	
10.0	
15.0	
20.0	
25.0	
30.0	
35.0	
40.0	
45.0	
50.0	
55.0	
60.0	

IBP-204°C Naptha Cut (Vol %)

204-274°C Kerosene Cut (Vol %)

Recovered (Vol %)

Residue (Vol %)

Loss (Vol %)

VISCOSITY

28.5 API

0.19%



US Oil and Gas plc

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Nevada - Undiscovered Probable Recoverable Up To Oil 3.8 Bln STB, & Gas 4.9 TCF

Conventional Oil and Gas Resources	Total Petroleum Systems (TPS) and Assessment Units (AU)	Field Type	Total Undiscovered Resources											
			Oil (MMBO)				Gas (BCFG)				NGL (MMBNGL)			
		F95	F50	F5	Mean	F95	F50	F5	Mean	F95	F50	F5	Mean	
	Paleozoic-Tertiary Composite TPS													
	Neogene Basins AU	Oil	160	740	1,780	827	20	93	244	108	1	5	15	6
		Gas					0	0	0	0	0	0	0	0
	Neogene Ranges and other Structures AU	Oil	47	375	1,216	470	6	48	162	61	0	3	10	4
		Gas					114	898	2,981	1,133	5	38	135	50
	Sevier Thrust System AU	Oil	33	231	809	301	10	75	279	100	1	4	17	6
		Gas					42	295	1,317	434	2	13	58	19
Total Conventional Resources			240	1,346	3,805	1,598	192	1,409	4,983	1,836	9	63	235	85

Eastern Great Basin Province assessment results.

[MMBO, million barrels of oil. BCFG, billion cubic feet of gas. MMBNGL, million barrels of natural gas liquids. Results shown are fully risked estimates. For gas fields, all liquids are included under the NGL (natural gas liquids) category. F95 represents a 95 percent chance of at least the amount tabulated. Other fractiles are defined similarly. Fractiles are additive under the assumption of perfect positive correlation. TPS is Total Petroleum System. AU is Assessment Unit. Gray shade indicates not applicable]

A comparison between 1995 & 2005 Resources Estimations

A comparison between a 1995 USGS resources estimate (Peterson and Grow, 1995) and 2005 assessment for the EGB Province show an appreciable change in the estimated size of undiscovered resources.


In 1995, Peterson and Grow (1995) estimated a total mean undiscovered oil and gas resource of 383 MMBO and 242 BCFG for six conventional plays in the EGB Province.

In 2005, a mean resource of 1,598 MMBO and 1,836 BCFG was estimated for the three assessment units in the Paleozoic-Tertiary Composite TPS;

In 2013, based on Eb-1 discovery well, and (FGA) CPR reviewing study, in Hot creek valley, in general Nevada has double or triple more than before oil & gas estimates, if they use advance technology in addition to the conventional technology.

Adding Value

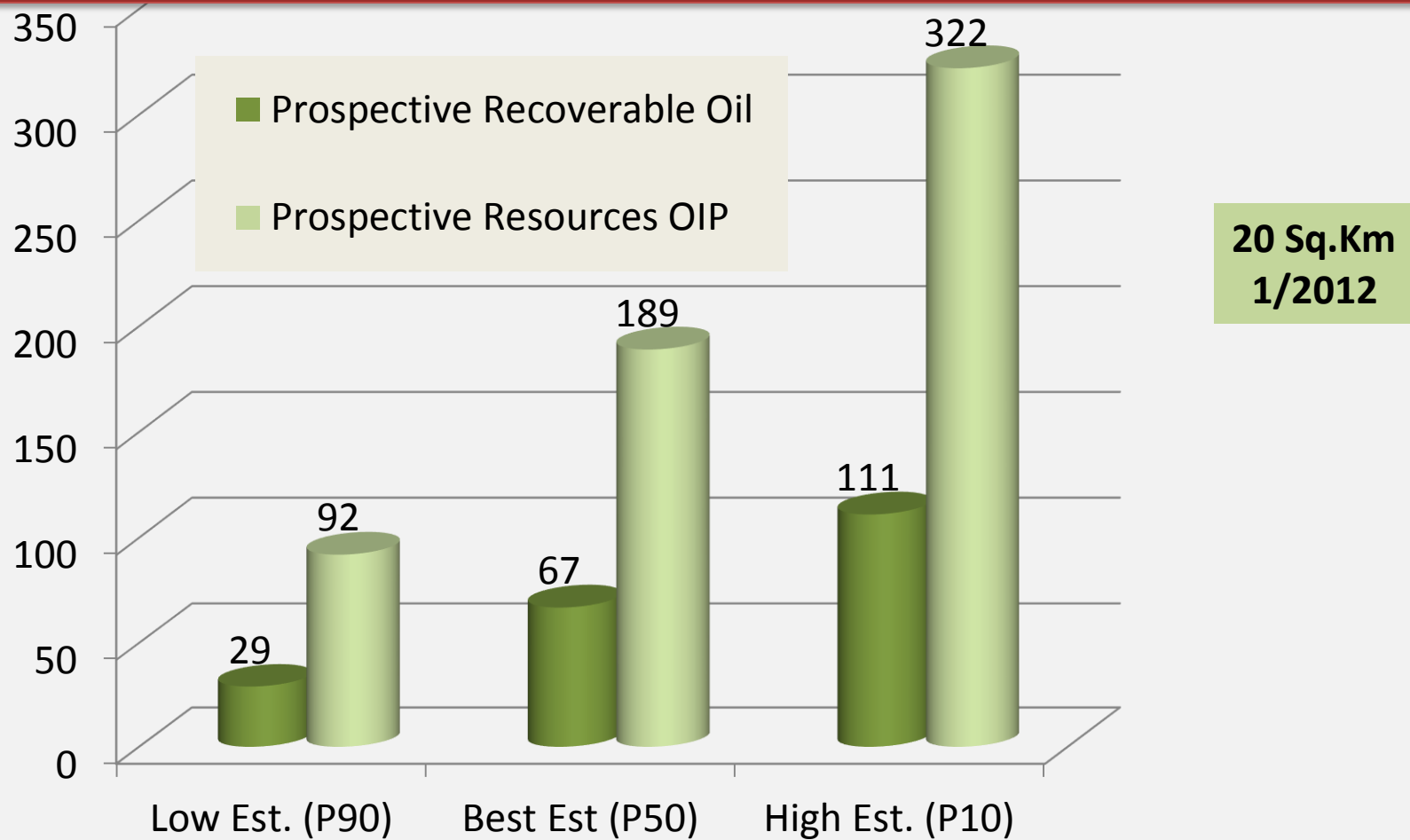
Hierarchy of Reserves

1. Proved & Developed Reserves
2. Contingent Resources (Recoverable) 
3. Prospective Resources

Our Aim – Move upword the value chain

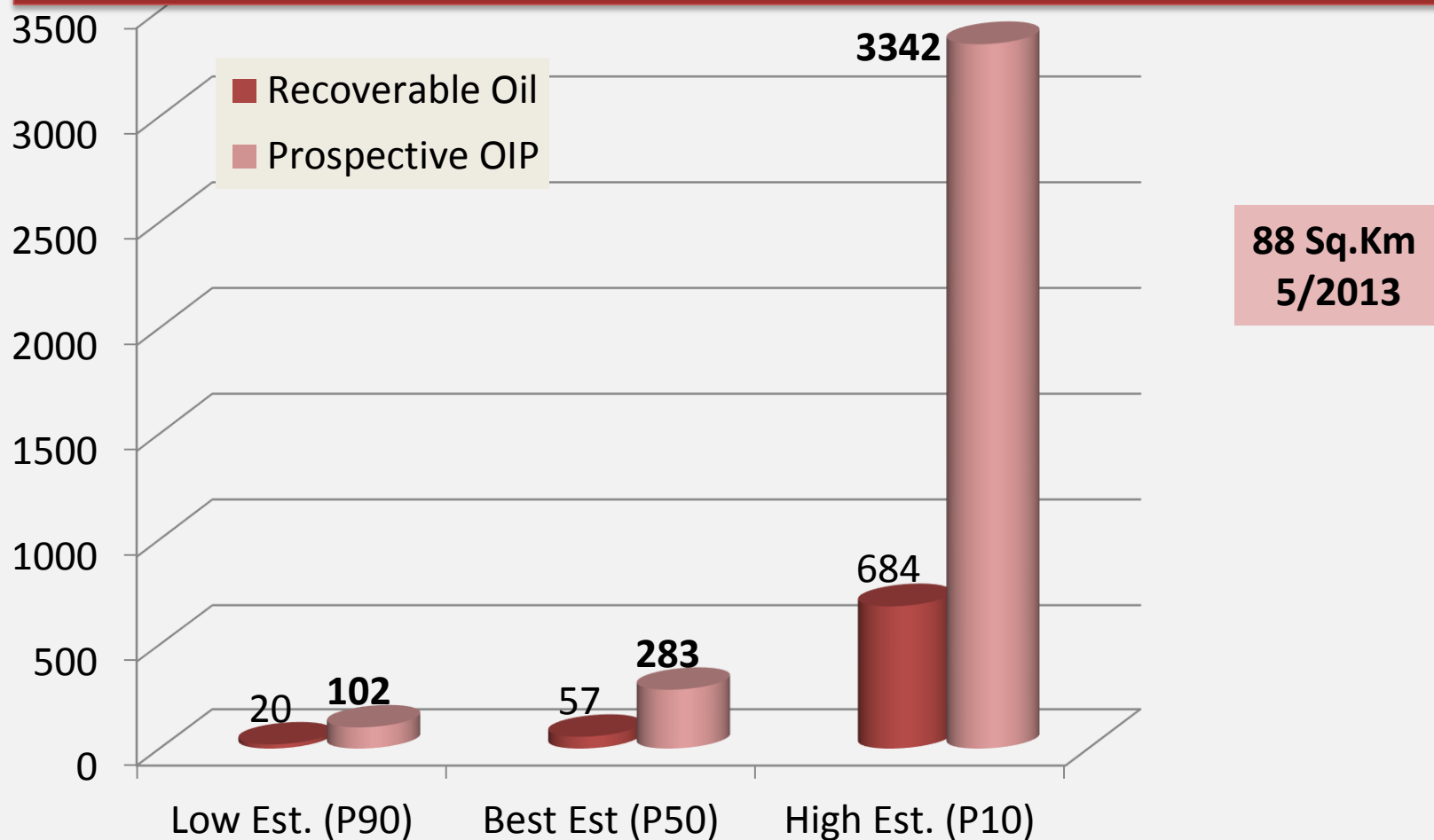
Based on FORREST A. GARB & ASSOCIATES, INC. (Jan. 2012) Before Drilling Eb-1

Oil Recoverable Prospective Resources Estimation (MM-Bbl)



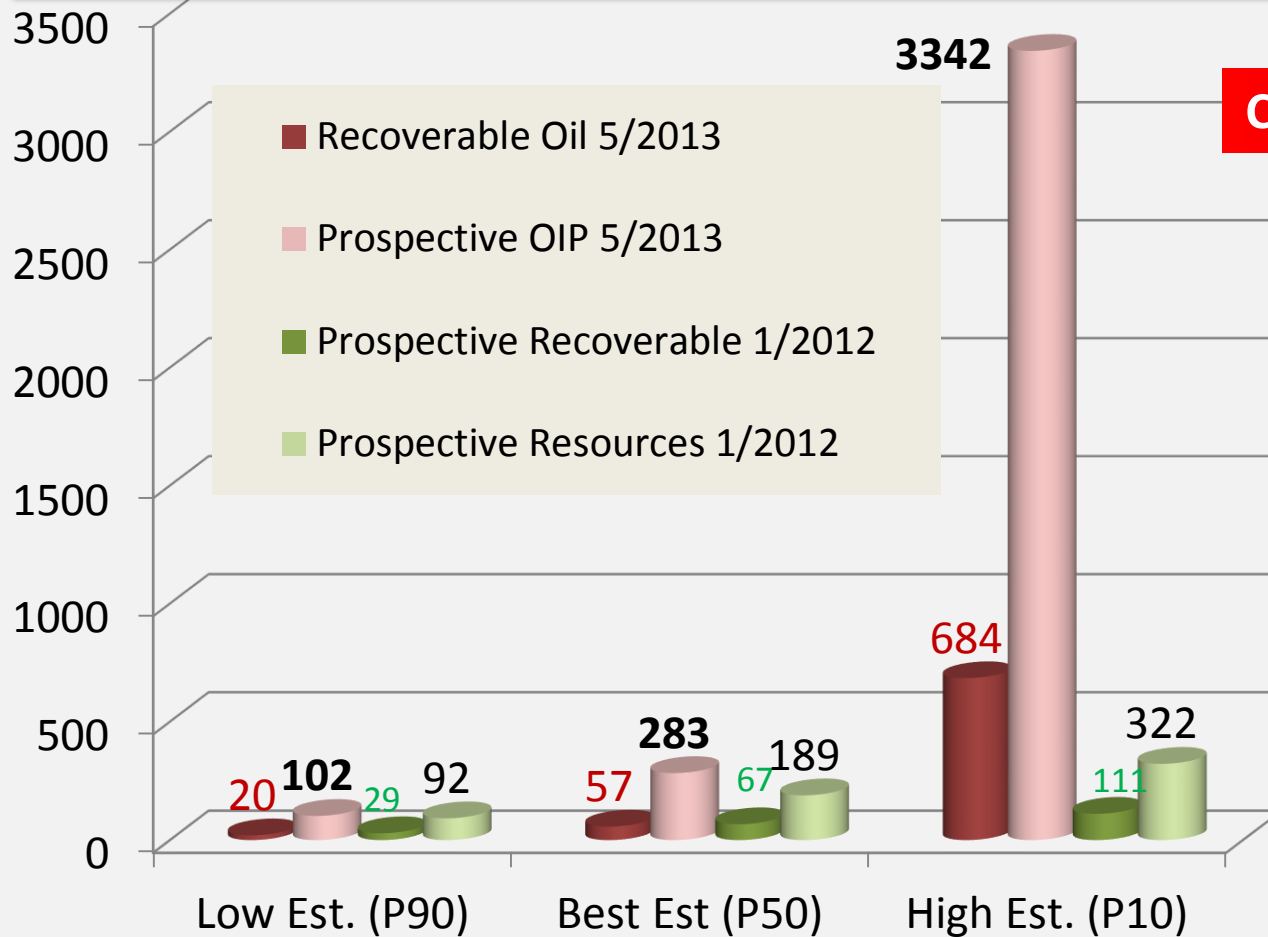
Based on FORREST A. GARB & ASSOCIATES, INC.
(May 2013) after drilling Eb-1 & Acquired additional Acreage

Oil Recoverable Resources & Prospective OIP Estimation (MM-Bbl)



Based on FORREST A. GARB & ASSOCIATES, INC. (Jan-2012 & May-2013) Before & After Drilling Eb-1

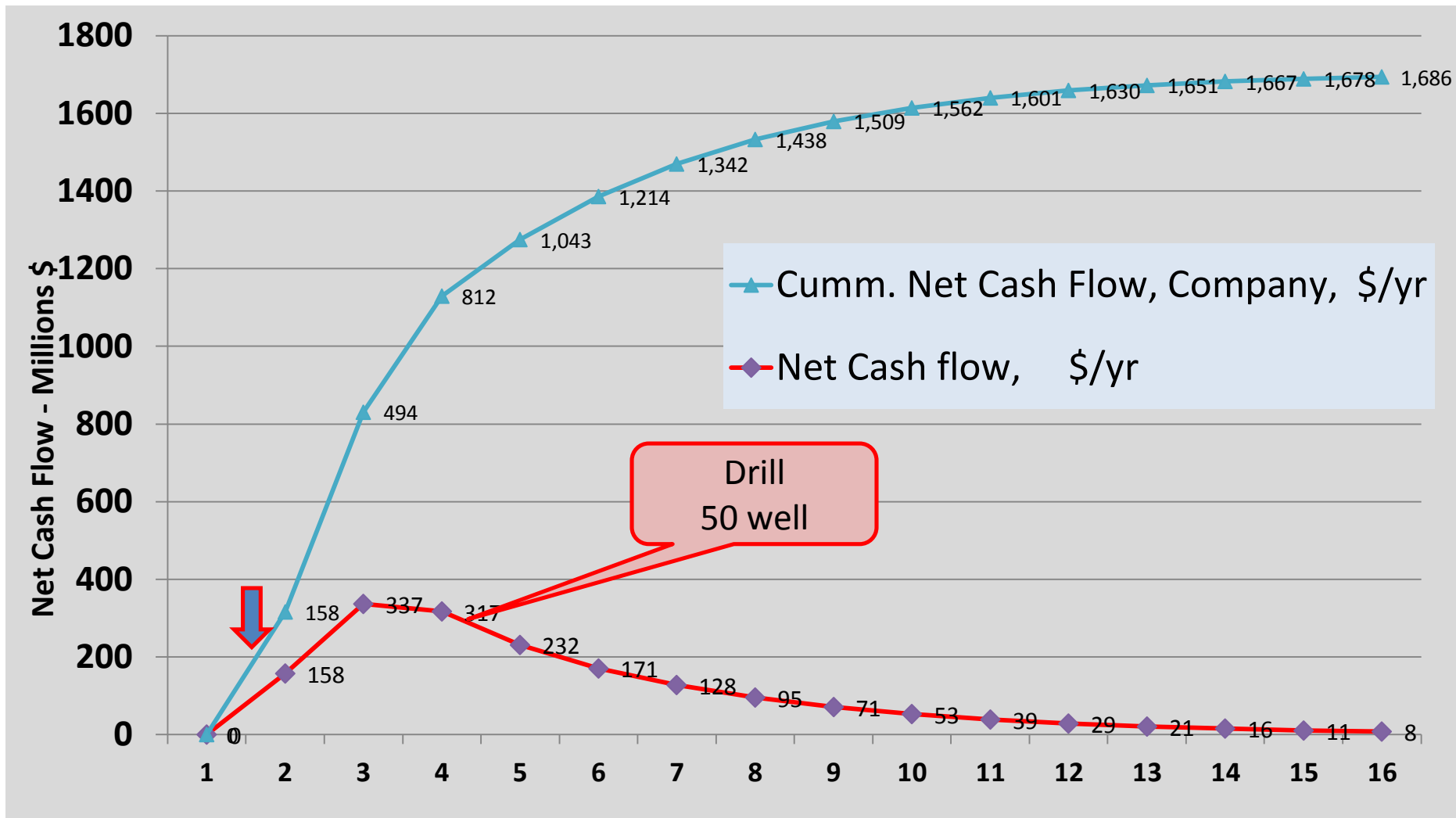
Oil Recoverable Resources & Prospective OIP Estimation (MM-Bbl)



Based on FORREST A. GARB & ASSOC. - Project Economy

Item		input	Details
Oil Royalty	%	12.5	Federal Royalty 12.5%
Oil Price	\$ /bbl	93.98	Future Oil Price -\$5 (price differential)
Production Oil Decline	%	25	Oil Decline due to Pressure decline
Oil Production 15 Years -	MMBbls.	17.6	First 15 years. = Oil Production
Capital Cost	\$ MM	206	(50 Producer Wells (\$2.9 mln x 50 wells) + 10 water deposal wells (\$0.6 x 10 wells) + other 2D seismic G&G works 5 mln + production facilities \$50 mln)
Operating Well Cost	\$/well/M	10,000	Lease Operating Exp. per well per month
Oil Production	BOPD	17,500	(Estimates oil well producer 350 BOPD x 50 wells = 17,500 BOPD)
Company Interest	%	87.5	Total Revenue 100% - Federal Royalty 12.5% = Company Revenue 87.5%
Estimates Present Value Discounted @ 10% interest	\$MM	587	
Pay Out Months		16	
Gain / Cost Ratio		5	Times

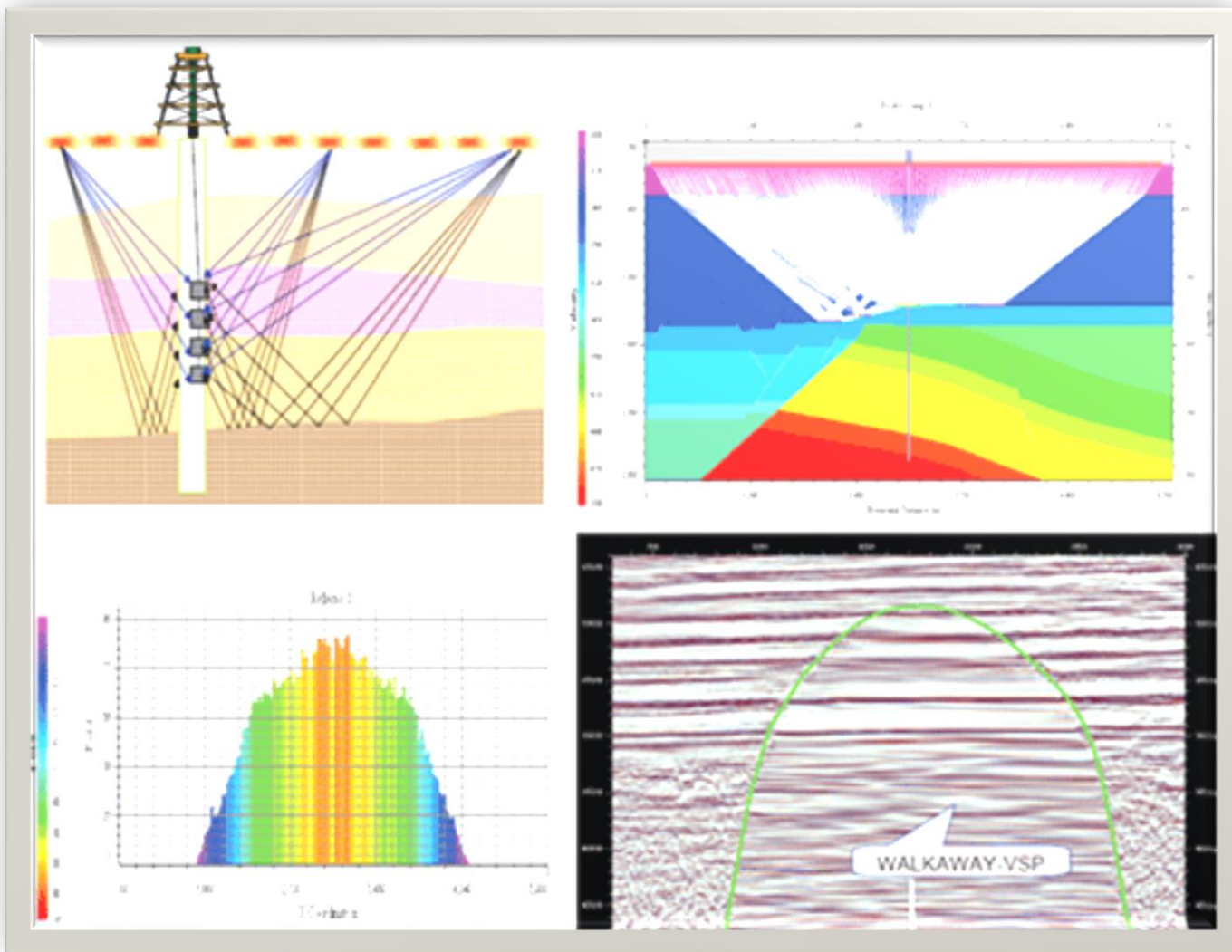
Based on FORREST A. GARB & ASS. - Project Economy (P. 26)



Next Steps

1. Eblana 1 - Run Vertical Seismic Profile (VSP) to evaluate the structure around the well, faults & up-dip direction.
2. Run Geochemical survey over remaining 68 sq.km
3. Acquire Passive Seismic survey over remaining 68 sq.km
4. 3rd Revised Competent Person's Report (CPR) with OIP over 88 sq.km
5. Based on new surveys and well data. Locate additional wells

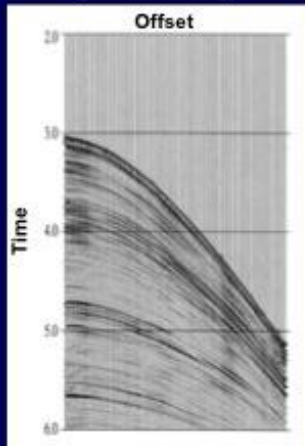
VSP (Vertical Seismic Profile Survey) Eblana-1



VSP – 3D Seismic Image around well

From Raw Data to an Image

Field Record
(marine)



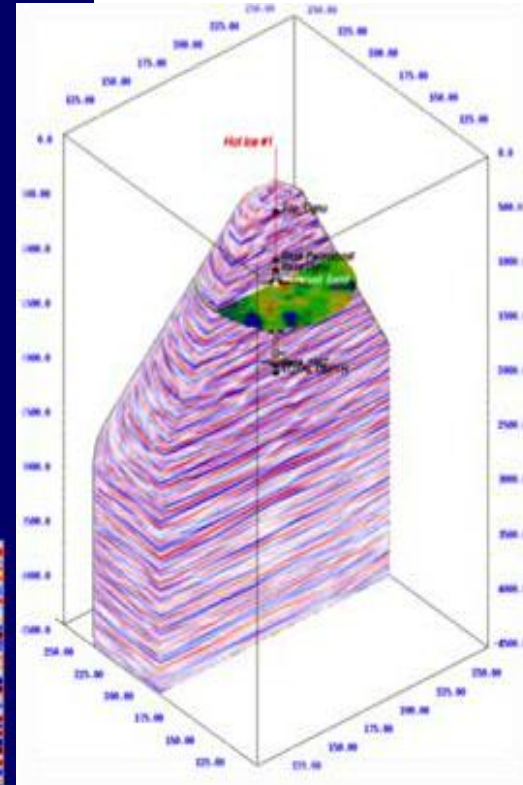
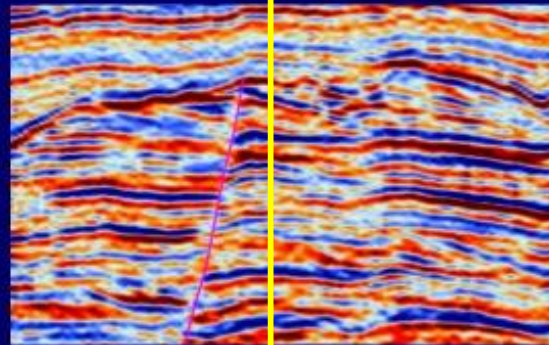
http://www.lg.utexas.edu/people/staff/mrinal/Results/carlos_nn1_files/image006.jpg



Data Processing
Stream



Subsurface
'Image'



Courtesy of ExxonMobil

F W Schroeder ' 04

L 3 - Types of Data



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Phase 2

Create the Field Development Plan

- Reservoir Engineering, Geological, Geophysical, Petroleum Engineering Studies
- Infrastructure
- Facilities
- Transport
- Contracts
- Finance

Conclusions



Conclusion & Drilling Results Eb-1

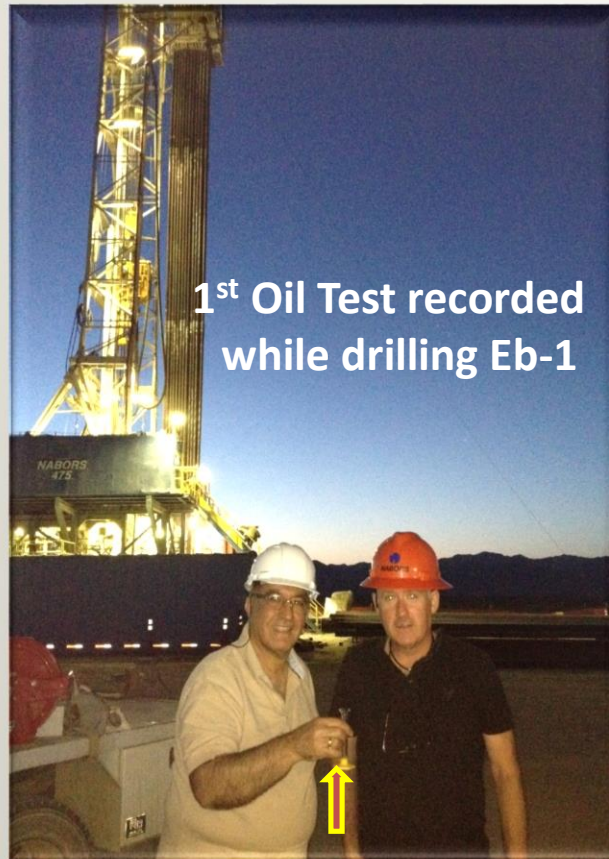
What are the main conclusions from Eb1 drilling results?

- The well proved as oil discovery, and oil flowed to surface. 1st discovery after thirty years in Nevada.
- Eb-1 discovered the best light oil (up to 33 API) in Nevada with no sulphur nor paraffin and it's better than Rail Road Valley (Max 27 API).
- Confirmed that the oil system exists in Hot Creek Valley (Cap Rock, Source Rock, Reservoir Rock and Traps), which is very important.
- From well results, we better understand Hot Creek valley geology and reservoir modelling, production and fluid behaviour.
- Eb-1 - the technical well data and results will help to reduce uncertainties, future risk & reduce cost \$/B. Build full field development plan.
- We moved some oil resources from Prospective Resources to Contingent Resources classification . This step is adding value to the project economy and to shareholder value
- Eb-1 - develop the new acreages 68 sq.km. Increased the best estimates of prospective resources 283 MMBbl

Conclusion & Drilling Results Eb-1 Cont.

- We learn a lot from logistics and operations for future activities and the proper way to solve problems and save money.
- We learn more how to deal with local authorities (BLM), local neighbours, technical associates & others.
- Even with water cut high, the hydrocarbon indications while drilling confirmed the oil shows started from 3000 ft down to end of the well 8550 ft.
- There is good correlation between Hot Creek Valley and Railroad Valley
- There is huge potential in the deep Palaeozoic reservoirs not reached yet.
- There are several potential shallow and deep reservoirs with very good oil shows, and we need to evaluate them in next wells

Historical Events & Field Photos



Thanks for Operation & Drilling Team of EBLANA-1



Last day of Eb-1 well drilling
completion dinner party

Our afternoon
unwelcome visitors

West Nile Mosquitoes
Hot Creek Valley
Nevada



West Nile Mosquitoes

Our every morning
visitors

Cattle
Hot Creek Valley
Nevada



This was our Great Story of USoil Discovery

Thanks