

Corporate Presentation

October 2014



Company Overview & Strategy



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- Canadian-based company specializing in applying North American modern drilling and completion/stimulation technologies to established fields in Georgia, Ukraine and Bulgaria
- Immediate focus is on Georgia to generate cash flow
- **Georgia:**
 - Near term: recomplete and fracture stimulate existing wells in 2014/early 2015 to scale up production of light oil and associated cash flow
 - Establish economic viability of large scale light oil resource play
 - Medium Term: Build reserves and establish a low risk development drilling program for shallow light oil reservoirs to be executed in 2015 and farm-in to adjoining permit owned by our partner
 - Longer Term: Use our established well recompletion and fracking platform for expansion into other Georgian permits through farm-ins
- **Ukraine**: safeguard assets in Donetsk oblast and reduce overhead expenses until new government provides safety and security in eastern Ukraine
- **Bulgaria**: existing licenses subject to Standstill Agreement with government during current moratorium on frack stimulation; concurrently work with partner and officials to re-orient work program toward new “production focused” model

Applying Modern North American Technology to Exploit Existing Resource Base



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	Overview	Execution Strategy
Georgia	<ul style="list-style-type: none"> 50% Satskhenisi PSA Permit (current prod = ~20bopd net) Running room to grow opportunities through farm-in on trend contiguous permits held by partner 	<ul style="list-style-type: none"> Workover and recompletion/fracking programs on existing wells in Q4, 2014/Q1, 2015 Drill and frack new development wells to establish long term oil production and cash flow and farm-in on adjoining permits
Ukraine	<ul style="list-style-type: none"> CBM / Gas Sands 3 Licenses with (95-100% WI) Standby until security and politics are more certain 	<ul style="list-style-type: none"> Establish economic viability of CBM play Repeatable, low cost, high gas prices (+\$11/mcf) Government intent on displacing Russian gas
Bulgaria	<ul style="list-style-type: none"> Balkan Basin Gas 2 Licenses (50% WI) Standstill Agreement in place during frack ban licenses protected and work program deferred 	<ul style="list-style-type: none"> Develop existing conventional gas pools once frack ban is cancelled Farm down large shale gas potential High gas prices (\$11/mcf)



- > Diversified country risk
- > Light oil production and development in Georgia provides sustainable cash flow with room to grow

Investment Highlights & Opportunities



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Complimentary Asset Base with Diversified Technical & Country Risk

- **Georgia:** Low risk oil exploitation from shallow, established oil pools in Georgia
- **Ukraine:** Low cost de-risking of a 9 TCF resource play in Ukraine
- **Bulgaria:** Large conventional exploitation and unconventional shale gas exploration

Applying Modern Technology to Exploit Established Oil & Gas Basins

- Management team with extensive oilfield exploitation and development experience
- Seasoned technical team, averaging 25+ years operational experience in region or in other international jurisdictions with conventional and unconventional drilling, completions and fracking experience

Low Cost Catalyst Rich Capital Program Capable of Near-Term Production & Cash Flow

- In Georgia, a modest \$3 million capital program expected to grow cash flow from a light oil well recompletion/fracking program in 2014 leading to a more extensive development drilling program in 2015

Strong Commodity Prices Drive strong Netbacks

- Brent pricing for Georgian oil drives near-term \$58.00/bbl netbacks

World Class Leadership Team with Strong In Country Relationships

- Experienced management team with ideal skill set for development of asset base
- Strong local partners in each country of operation within both management and Board

Experienced Executive Backed by Sound Technical Team



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Management

Roger McMechan
CEO

- 30+ years in managing domestic and international operations with Petro Canada, Burlington and Winstar Resources (Algeria, Hungary, Romania and Tunisia)
- Recognized completions and fracture stimulation expert while at Petro Canada

Jaroslav Kinach
President

- 25+ years experience in corporate finance and trade finance with TD Bank
- Ukraine Country Head of European Bank for Reconstruction and Development (EBRD)

Bradley Giblin
CFO

- 10+ years diverse financial experience focused on international oil and gas
- Prior to Iskander, CFO of Winstar Resources Ltd., TSX listed E&P company operating in Hungary, Romania and Tunisia

Selected Technical Team

Georgia, Ukraine and Bulgaria

Milan Ac PEng
Drilling Manager

- 30+ years domestic and international experience with vertical and horizontal/multi-lateral wells with Mobil, Talisman, Petro Canada.

Kevin Vanbuskirk *Completions Manager*

- Extensive Canadian and U.S. multi-stage frack / completions experience in both conventional and unconventional with Talisman/Nexen/ Apache

Rhea Karvonen PGeol *Geologist*

- Experienced shale gas geologist and proven prospect generator in N America.
- Perpetual/Pengrowth, Burlington, Chevron

Stephen Beatty
Geophysicist

- 15 years working with British Gas and Petro Canada
- Proven track record of developing robust plays & prospects through integration of geophysical, geological and engineering data

Strong Board With Extensive International Experience

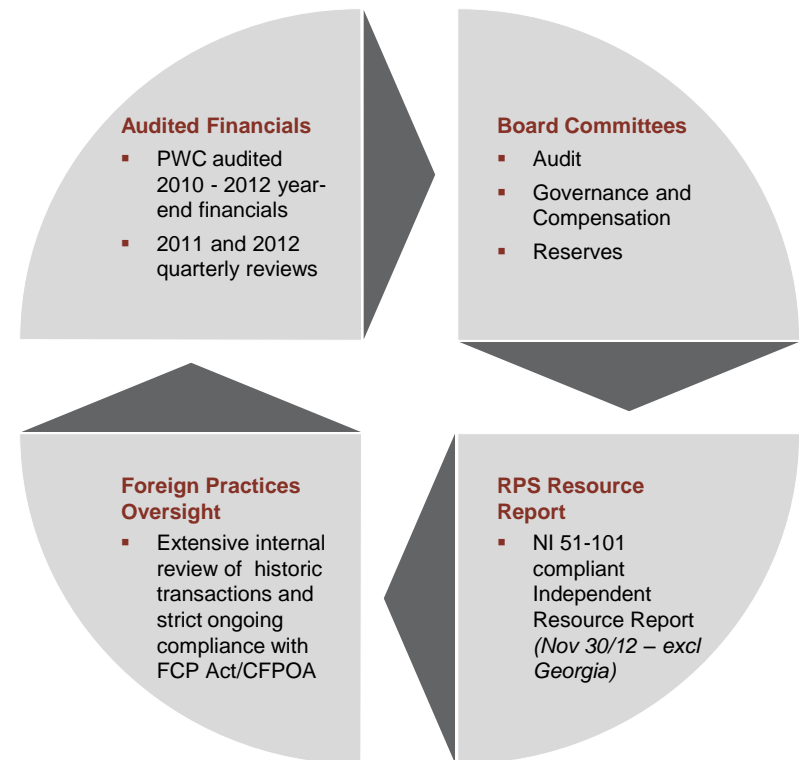


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Board of Directors (4 of 7 independent)

Kent Jespersen <i>Chairman</i>	<ul style="list-style-type: none"> ▪ Chairman, Seven Generations and former Chairman of North American Oil Sands ▪ Director, CanElson Drilling & TransAlta
Roger McMechan <i>CEO</i>	<ul style="list-style-type: none"> ▪ See prior page
Michael Hibberd <i>Director</i>	<ul style="list-style-type: none"> ▪ Founder and Co-Chairman of Sunshine Oilsands ▪ Chairman of Heritage Oil, Canacol Energy
David Berry <i>Director</i>	<ul style="list-style-type: none"> ▪ 15 years in finance with Scotiabank and others
Wayne Thomson <i>Director</i>	<ul style="list-style-type: none"> ▪ Former CEO of Iskander Energy ▪ Director & Chair Reserves Com'tee Cenovus ▪ Extensive international E & P experience
Teimour Bagirov <i>Director</i>	<ul style="list-style-type: none"> ▪ Former Member of Supervisory Board of Naftogaz ▪ Former First Deputy CEO, TAS-Investbank
Luis Vazquez <i>Director</i>	<ul style="list-style-type: none"> ▪ Founder and Chairman of Group Diavaz ▪ Former Director of TransAlta

Corporate Governance Initiatives



Georgia – the “Time Is Right”



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- Georgia enjoys political stability and good relationships with neighboring countries
- Georgia has best ratings in region for doing business and lowest levels of corruption (1)
- Excellent fiscal terms and minimal bureaucracy
- Capitalize on strong strategic relationship with excellent local partner who:
 - has own infrastructure to reduce operating costs
 - has excellent reputation and extensive relationships in government and industry
 - can help quickly expand business via acquisition of new licenses and farm-ins
- Significant scalability of under-exploited resource by applying modern drilling & fracking technologies (*to date, little modern technology applied within Georgia's oil industry*)
- Wells are relatively shallow (700 - 2.300m) and oil is light (38 deg API) and sweet and sells at plant gate for Brent Price minus \$12/bbl marketing and transportation.

(1) According to IFC World Bank 2013 survey

Well Recompletion and Drill Opportunities

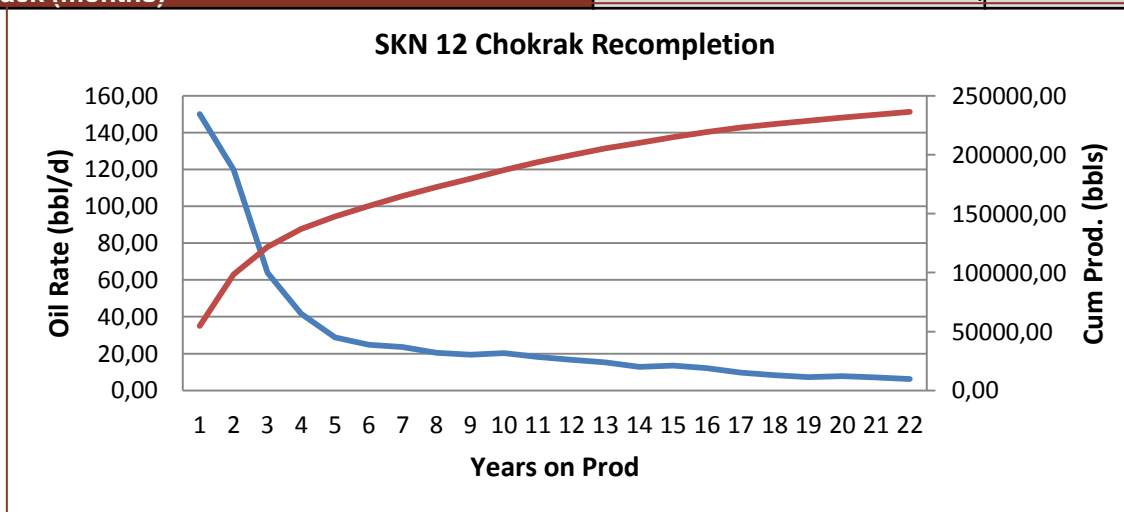


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Example of Well Recompletion opportunity in Satskhenisi Permit

Chokrak formation: Opportunity provides exceptional economics and near term cash flow

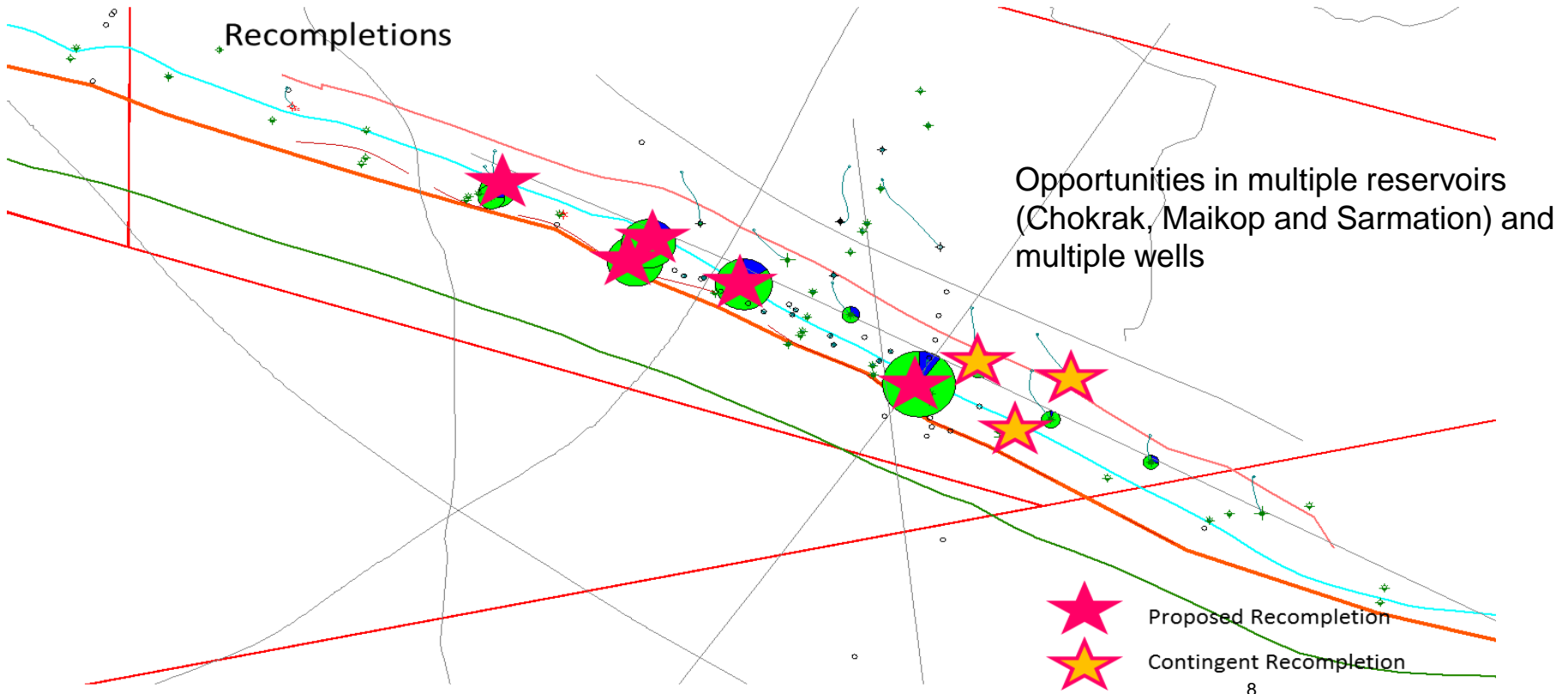
	Chokrak risked 50%	Chokrak un-risked
Gross 100%		
IP Rate (bbl/d) first yr	150	300
Forecasted Recovery ('000's bbl)	230	421
Capital (million) <i>(Average cost of recompletion and new drills)</i>	\$1.0	\$1.0
Iskander WI%		
NPV10 AT (million)	\$2.2	\$4.3
F&D (\$/bbl)	\$4.76	\$2.38
Netback (\$/bbl – average over full PSA term)	\$38.27	\$35.97
Recycle Ratio	8.0x	15.1x
Profitability Index Ratio (NPV/Capital)	3.6x	7.1x
First yr Cash flow/month ('000's)	\$128	\$254
Payback (months)	4	2



Satskhenisi Re Completions

Numerous Follow-up Opportunities in existing wells

- Existing and past producers at Satskhenisi were often perforated with only one shot per meter or less! modern practice is 15+
- Opportunity to re-perforate/frack wells to increase production

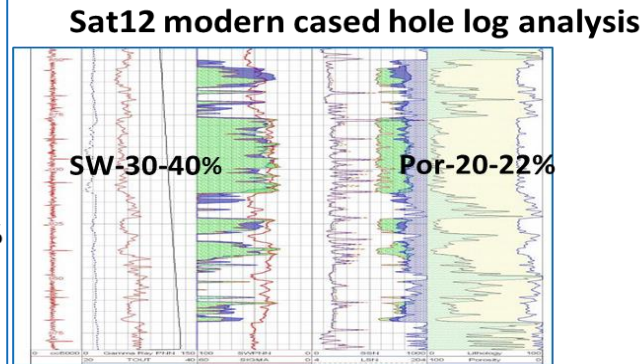
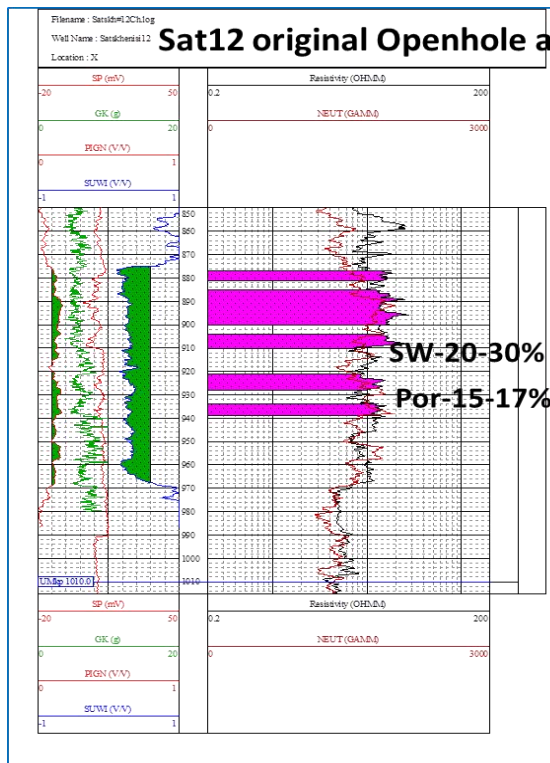


Nearby field and well analogues reduce risk



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- Chokrak reservoir in nearby Norio field has produced 1.9 mmbbls to date and is a proven productive, conventional reservoir with good **porosity and permeability**.
- One well in adjacent Martkopi permit flowed oil and water at rates of 2,500 bbl/d oil and water from Chokrak zone (**depth = 700m**) in 1964 demonstrating that Chokrak has excellent reservoir characteristics
- 2 wells with by-pass pay indicated on logs (analogous to offset producing wells) have been identified in existing wellbores to inexpensively (\$400k/well) prove up Chokrak opportunity in Satskhenisi Field



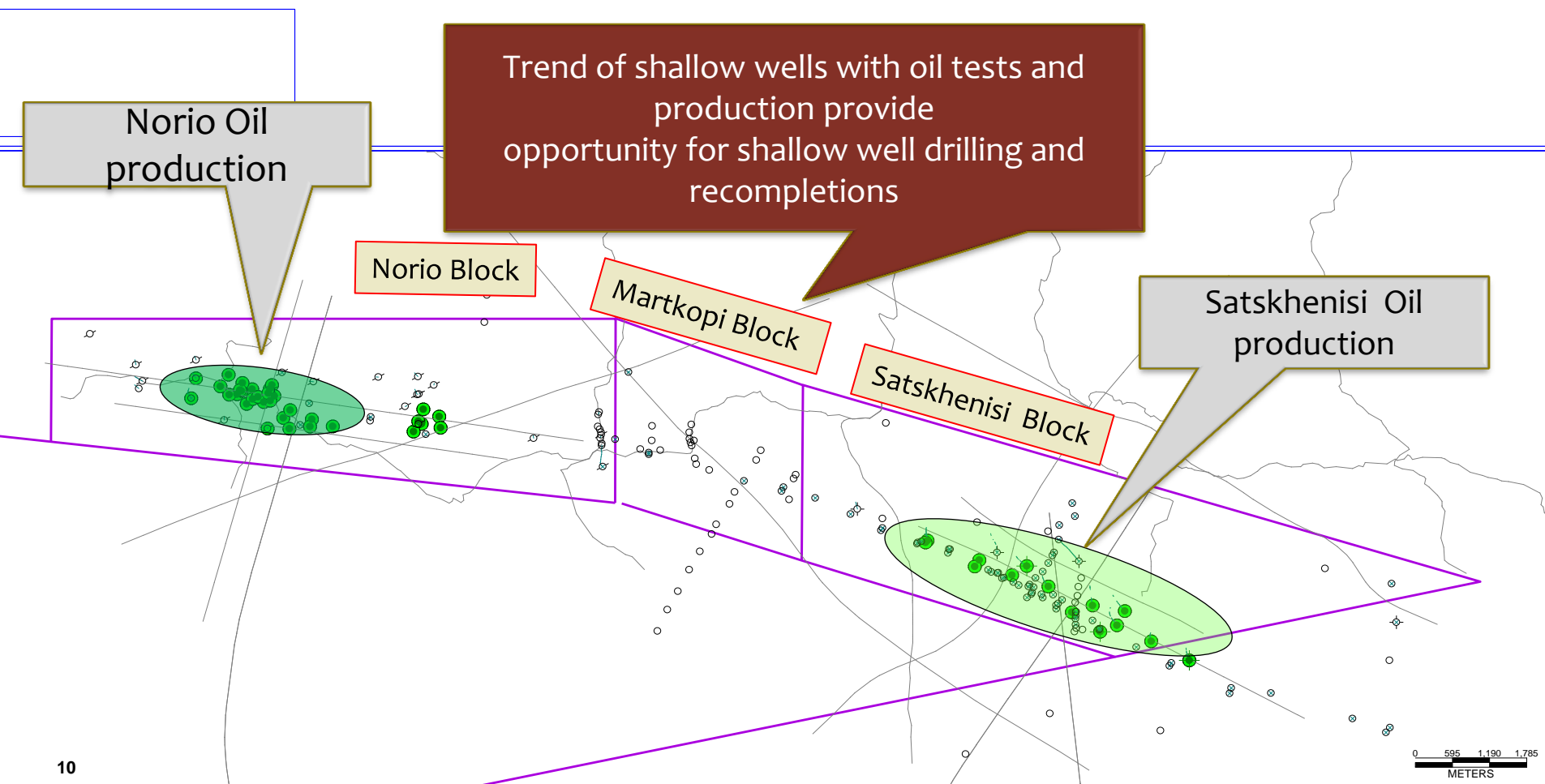
- Well Sat 12: original openhole and modern cased hole logs indicate 30m of oil saturated reservoir
- Based on 80acre spacing, calculated unrisked reserves = 550mmbbls for this well only

Georgia: Licenses Track Shallow Oil Trend from East to West



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- Through our Georgian partner, Iskander has access to multiple recompletion and re-drill opportunities to earn cash flow from adjoining licenses
- Iskander has 50% WI in Satskhenisi Block and can farm-in to Martkopi and Norio Blocks

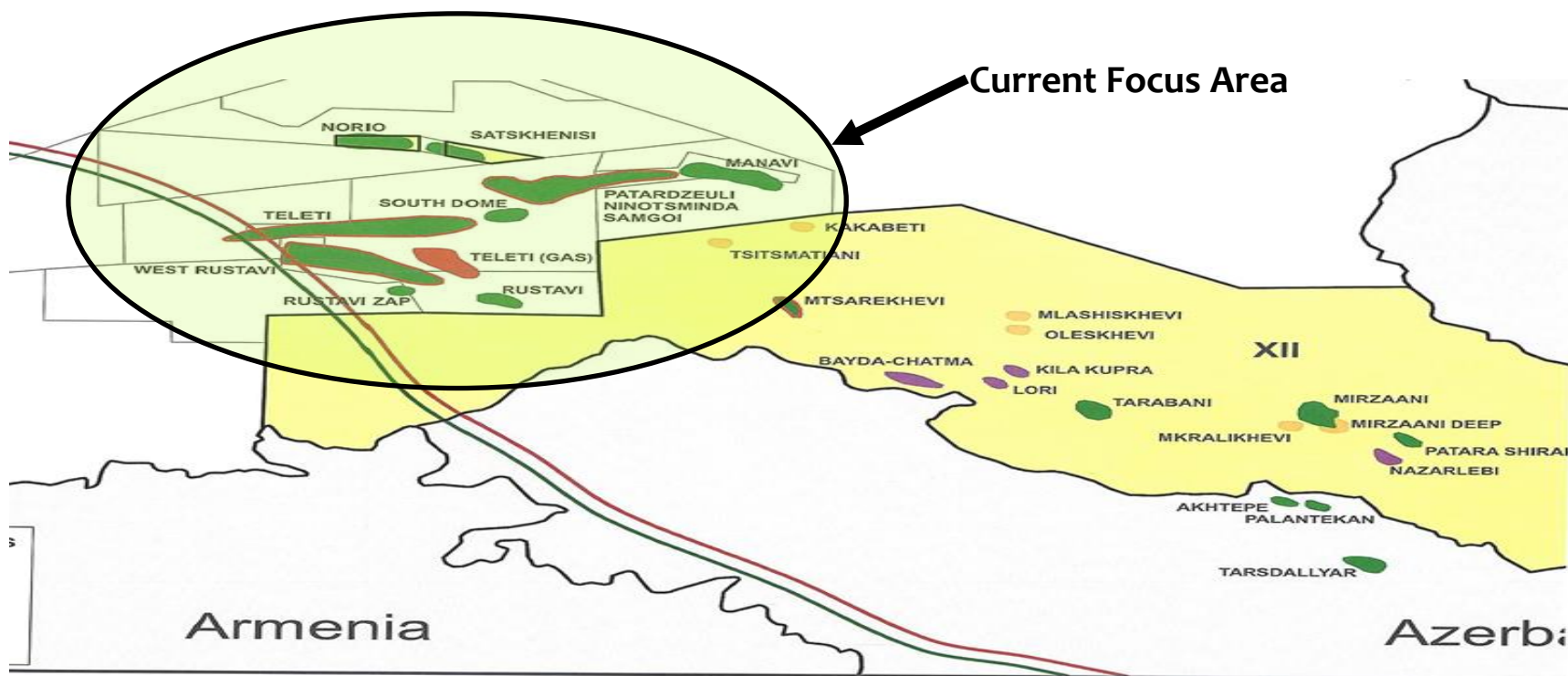


Georgia: Farm-in Opportunities with Other Operators in Existing Fields



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- Absence of experience and/or service company infrastructure for well stimulation has left “by-passed pay” opportunities
- To date, most companies have focused on exploring for reservoirs and new fields in middle Eocene and deeper Cretaceous plays – trying to duplicate the historic 67,000bbl/d Samgori field.(220+mmbbls)



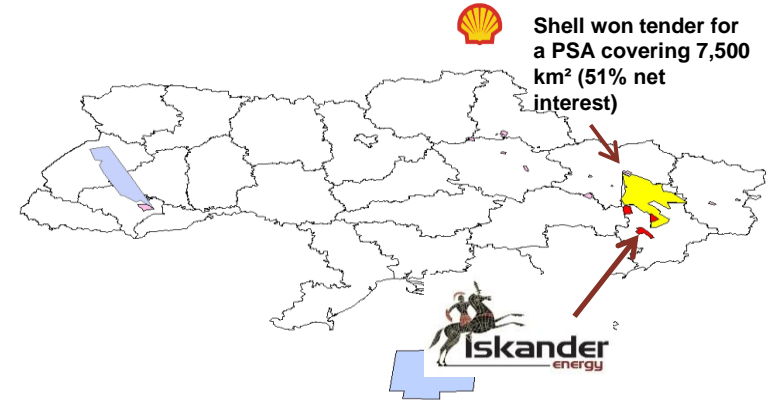
Ukraine – Current friction with Russia provides excellent opportunities for domestic gas suppliers



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Ukraine’s *Energy Strategy* is to reduce dependency on Russian gas Coal Bed Methane is one of *Ukraine’s largest untapped sources for domestic gas*

- Ukraine holds one of the largest coal basins in the world (60,000 km²)⁽¹⁾
- Coal mines have been venting gas for over a century (80 Bcf+ / year)⁽²⁾
- 420 Tcf⁽²⁾ OGIP in coal seams and sandstones over 330 identified coal seams
- Ukrainian companies do not have fracture stimulation technology & experience to pursue commercial volumes of CBM
- Doing business in Ukraine is difficult. Majors entered market recently because of great opportunities and potential, and improving business environment
- Coal mining companies are beginning to capture gas they previously vented
- Donetsk Steel is drilling CBM wells, other companies getting started in CBM



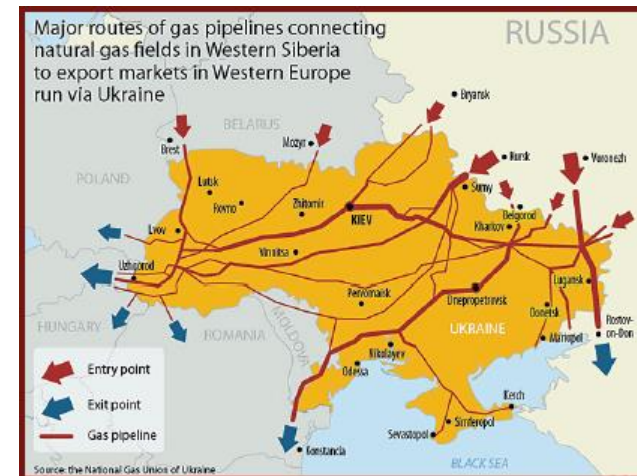
Iskander’s CBM Strategy

- Apply successful & proven completion and stimulation technology and techniques - fracking coal seams directly - used in similar coals in Canada (Horseshoe Canyon) and Australia (Surat and Bowen basin),
- Successful completion technique expected to unlock ~2,000 drilling locations across Iskander’s net ~1,300 km² (~290,000 acres)

(1) BP Statistical Review 2012, Wood Mackenzie, East European Gas Analysis

(2) “Donbass Experience in Degassing Coalfields” Dr. V. Konarev, presented at Second International Conference “Methane Mitigation” June , 2000 in Novosibirsk, Russia.

Extensive Gas Infrastructure

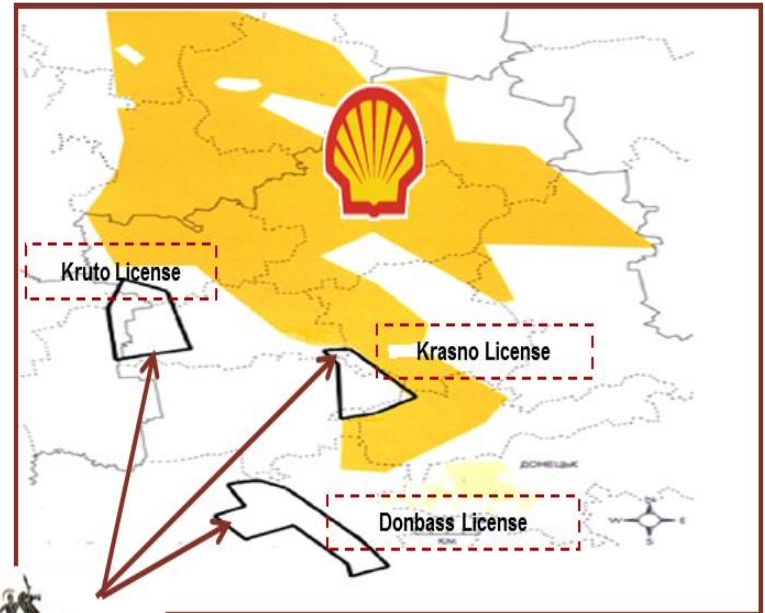


Ukraine – Huge Gas Resource But On Hold Until Situation Stabilizes



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- Iskander holds 3 CBM licenses with net ~1,300 km² (~327,000 acres) directly offsetting Shell's acreage
- >4TCF gas- in-place resource independently identified on South Donbas License.
- 95-100% working interest in 3 licenses: South Donbas, Krasnoarmiysk and Krutoyarivsk
- CBM wells are generally shallow and relatively inexpensive
- Our first CBM "proof of concept" well produced for 6 months with peak gas rates of >500m³/d during preliminary dewatering phase.
- South Donbas Production License and Krasno permit extension applications in progress

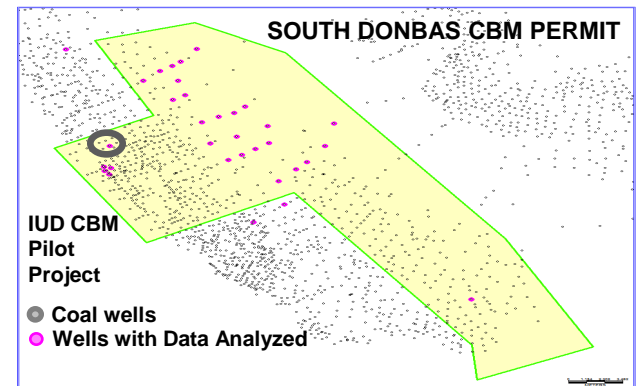


Ukraine – Proving Up Large CBM Asset



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- Initial CBM operations have focused on South Donbas permit (95% WI)
- South Donbas coal seam description:
 - 40+ coal seams per well & thickness ranging from 0.25m to 2.5m with inter-bedded sands providing a permeable conduit for gas and water prod
 - Analogue to Western Canada’s Horseshoe Canyon (HSC)
 - Gas content: 450-800 scf/ton⁽¹⁾ compared to 10-50⁽²⁾ scf/ton for HSC
- Significant CBM potential with hundreds of coal wells to provide geological control for evaluation⁽¹⁾



Step 1 Complete (August 2013)

- Drilled new well in South Donbas adjacent to Pilot well which tested 70 mcf/d from a single coal seam

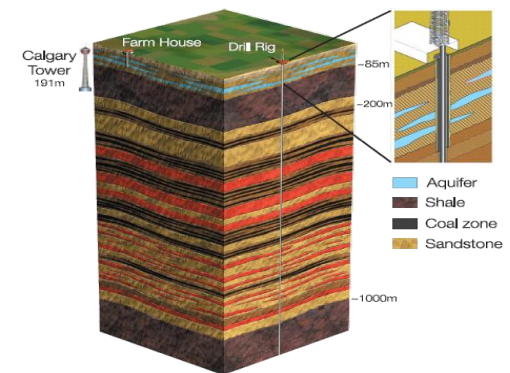
Step 2 Complete (December 2013)

- Recomplete (perforate and stimulate) 10-to 15 multiple coal seams in Pilot well and in new well to confirm gas potential and evaluate completion strategies
- Produced well for initial dewatering for 6 months producing gas as well. Well shut in June 2014

Step 3 (When security situation improves)

- Drill up to 2 additional new wells in South Donbas and 1 new well in Krutoyarivsk blocks

Horseshoe Canyon Cross Section (2)



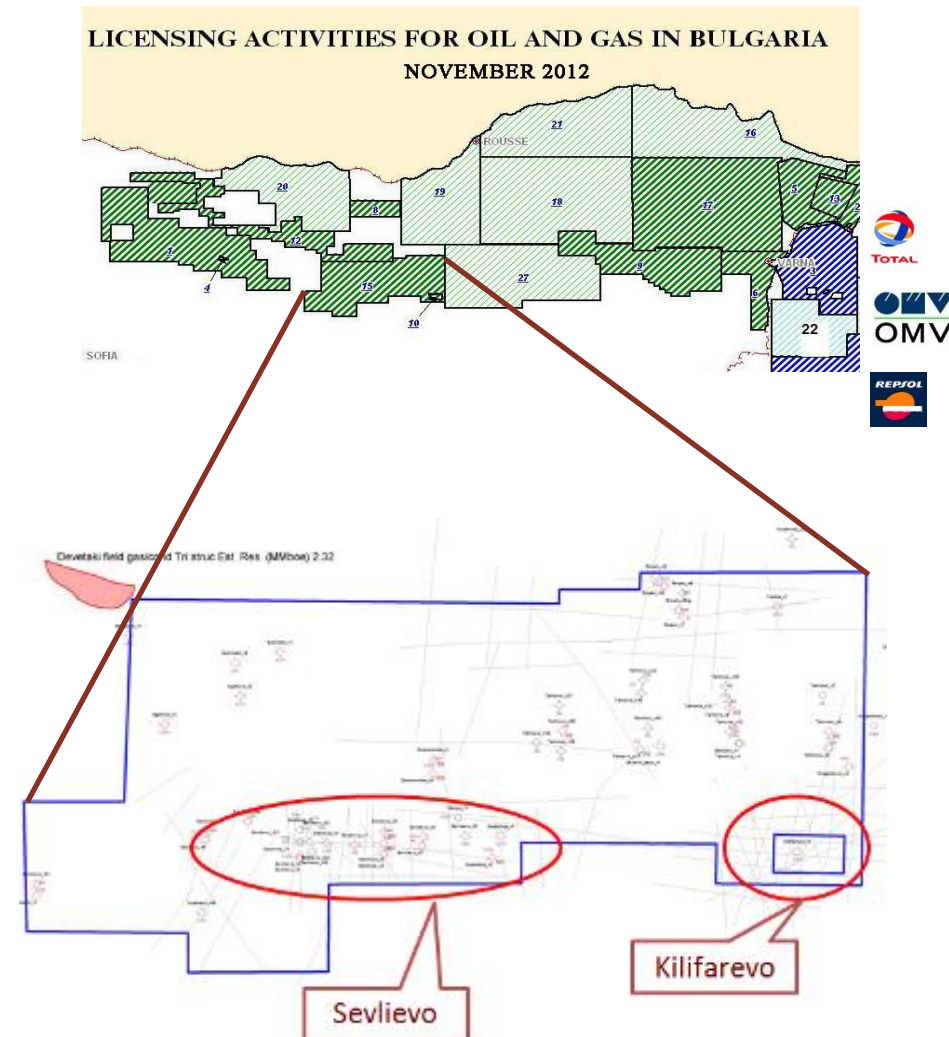
(1) Coal Mine Methane and Coalbed Methane Development in Donetsk Region, Ukraine – by Advanced Resources Int'l for U.S. Trade and Development Agency

(2) SPE 95872: The Dry Coal Anomaly – The Horseshoe Canyon Formation of Alberta, Canada

Bulgaria – Gradishte and Kilifarevo Blocks

Opportunity to Exploit Conventional and Unconventional Resource

- Net (50%) 943 km² (~233,000 acres) Gradishte block and 10 km² (~2,500 acres) Kilifarevo block
- Government granted a standstill agreement effective June 2013 until June 2016 or when fracking moratorium is lifted. This protects our licenses and defers work plan commitments until frack ban is lifted
- Intend to negotiate new “production focused” work plan to exploit previous gas discoveries
- Large shale gas opportunity on both blocks with farm-out opportunities
- Gas and oil fields immediately to northwest of block
- Pipeline infrastructure runs east-west through Gradishte block



Contact Information



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Contact Information

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