

Bluegrass Energy Associates, Inc.

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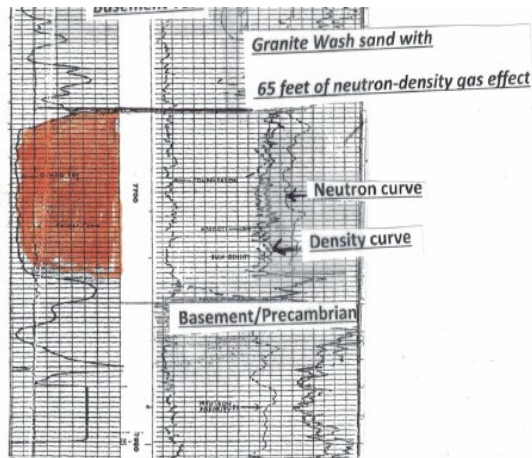
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World Class Exploration Opportunity

Over five man- years of geological evaluation resulting in delineation of over 80 prospects and leads in Kentucky and Tennessee that offer multiple Lower Ordovician and Cambrian objectives, both conventional and unconventional, with potential for oil, natural gas and helium. Twelve of the prospects defined are indicated at the surface as structural closures on published geologic maps, with two of the prospects previously proven productive and have proven reserves of 10 to 15 BCF gas and 100,000 bbls oil at depths above 2000 feet. Number 1 prospect has oil objective at 2700 feet with 2 million bbls oil potential. Leases can be obtained with 1/8 landowner royalty and \$30 to \$50 per acre bonus for 3 to 5 year paid-up terms. Drilling depths range from 6000 feet to 7500 feet below the surface to see all objectives.

Objectives include reservoir types consisting of carbonates, sandstones and shales. The deepest objective is the Granite Wash sand and is considered proven on one of the prospects. The neutron-density log of a well drilled on the prospect is below.



This play is subject to prior Sale and a Confidentiality Agreement is required to see details of the play. Seeking participants that will lease and cause to be drilled a minimum of three prospects