EXECUTIVE SUMMARY

MASCOT & SEQUOIA OIL COMPANY

EAST SANDY CREEK 3D OIL & GAS PROSPECT
COLORADO COUNTY, TEXAS

Mascot Oil and Sequoia Energy have generated and assembled Time Structure and Amplitude Maps, Geology, 3D Seismic, and Engineering data for a 10,100’, NO PIPE, Upper-Middle Wilcox well to Develop significant Proven and Probable Undeveloped Oil and Gas Condensate Reserves structurally high to the Johnston #1 Discovery well. This is a sizable and proven Oil Productive four-way dip, downthrown rollover closure defined by sixty-(60) fold 3D Seismic data. A commercially productive Oil Well (30’ Oil Sd.) which established the downdip Lowest Know Oil Contact in the Mid-Wilcox “D” reservoir. These pays have never been offset on the structural crest. Four (4) other sand reservoirs tested Gas/Condensate or had Log Pay at the edge of this closed structural reservoir complex.

RESERVES & VOLUMETRICS

LAND, TERMS, TRADE & COST

MASCOT and SEQUOIA COMPANIES is selling its remaining 25% Working Interest and will deliver a 75% NRI on its 312 Acre Leasehold. Upon completion of the First well Mascot & Sequoia will Back-In for a Fifeteen (15%) Percent Working Interest. All additional wells will be drilled and completed on a Ground-Floor basis.

- $200,000 Geology, 312 Acre Leasehold, Five Square Miles of 60 Fold 3D Data, Geophysics, Landman, Engineering and Legal.
- $990,360 Turnkey Drilling of the well to 10,100’ VMD and logging with a Triple Combo tool.
- $1,190,360 Total Turnkey Drilling to 10,100’ with a Triple Combo on Bank, Prospect and Leasehold.
- $134,136 Additional Well Evaluation Cost including Rig Time, All logs, RFT, Cores and Core Analysis
- $1,324,496 Total Drilling, Leasehold and Evaluation
- $499,338 Completion Cost
- $1,823,834 Total Completed Well Cost for the First Well. (Directionally drilled 1,800’ at 18°)

*W.I. COST PER 1% INCREMENT: $18,238 ($13,244 Drill, Evaluate, Prospect + $4,993 Completion)

ECONOMICS (Includes back-in, royalty, taxes etc.)

FLOW RATE: OIL > 123 BOPD + 223 MCFGD | FLOW RATE: GAS/COND. > 2,019 MCFGD + 63 BCPD
ECONOMICS: $58 OIL | $2.50 GAS = GROSS VALUE = $89,087,000 | RISKED (33%) = $59,332,000
ROI = 18:1 2 WELL’S + FACILITY COST: $3,200,000
OIL SAND COMPLETION: GROSS/MO.= $231M | NET /MO.= $131M | 14 MO. PAYOUT 1ST WELL
GAS SAND COMPLETION: GROSS/MO.= $256M | NET/MO.= $142M | 12.8 MO. PAYOUT 1ST WELL

CONTACT INFORMATION

Please direct all further questions for additional Prospect and Operations related inquiries to:
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