

## Executive Summary

# The Trinity Prospect

*Due to the highly confidential information underpinning the Trinity Prospect, location information is disclosed only to those demonstrating a need to know, and is subject to entry to a certain Non-compete, Non-disclosure Agreement.*

*The Trinity Prospect is a 3D Seismic amplitude anomaly supported, conventional, stacked-pay prospect. The potential to recover large reserves of high gravity, sweet crude oil and liquids-rich natural gas appears strong, based on size and thickness of target pays and geochemical analysis of the source rock. Located in close proximity to mature infrastructure and premium markets on the Texas Gulf Coast, the Trinity Prospect presents the opportunity for a high return on investment and short turnaround time from discovery to production income.*

**Geological Overview:** The largest amplitude anomaly of the Trinity Prospect is the “Upper Target” of the Channelized Package which covers ~212 Acres. The Lower Target covers ~130 Acres. A third potential Pay Target is present but with weaker amplitude. No reserves have been assigned to it. The cut and fill (submarine) Channelized Package is a stratigraphic trap with structural conformance. It is fault bound on the west and east. Its gross thickness is ~ 1160 feet, with net thickness of the Upper and Lower Targets (combined) estimated at ~ 500 feet. The Trinity Prospect is akin to the deep water Offshore play, but is located Onshore and is therefore accessible at a fraction of the cost and turnaround time from discovery to production. The Test Well will be drilled to a vertical depth of 11,135 feet.

**Projected Cash Flow** (assumes a Flow Rate 2100 BOEPD, \$ 60 Oil):

$$2100 \text{ BOEPD} \times 30 \text{ Days} \times \$ 60 \text{ Bbl} \times 70\% \text{ NRI} \times .954 \text{ GPT} = \$ 2,524,284 - \$ 4000 \text{ LOE} = \$ 2,520,284 \text{ Net}$$

**Projected Payout -Test Well Cost:**

$$\$ 6,307,150 / \$ 2,520,284 = 2.5 \text{ Months to Payout}$$

**Projected Recoverable Resources:**

**Mid Case:** 6,198,750 BOE

**Projected Value of Recoverable Resources in USD** (@ \$ 60 Oil, Mid Case, Net of GPT, NRI, BIAPO WI):

**Gross:** \$ 371,925,000      **Net:** \$ 186,278,636

**\*Estimated ROI** (Mid Case Net and Cost of Test Well, plus 2 Development Wells):

$$\$ 186,278,636 / \$ 14,307,150 = \mathbf{13:1 \text{ ROI}}$$

**Terms:** The Trinity Prospect Participation Cost (est. D&C Cost Test Well + Sunk) is **\$ 6,307,150**. MPG to deliver 70% NRI; 25% Back In After Payout; 240 Acres; MPG Operates. Private JV Offering, *subject to prior sale, withdrawal or change in terms without notice prior to contract.*

**Contact:** Margaret P. Graham

**Direct:** 1-210-365-1568    **Office:** 1-210-822-7770    [www.mpgpetroleum.com](http://www.mpgpetroleum.com)

MPG Petroleum, Inc.

[mpgraham@mpgpetroleum.com](mailto:mpgraham@mpgpetroleum.com)