

# CORPORATE UPDATE AND PROJETS

*5th WESTERN NEWFOUNDLAND OIL & GAS  
SYMPOSIUM*

*Marble Mountain Resort*

*August 24, 2011*

Corporate Structure and Projects

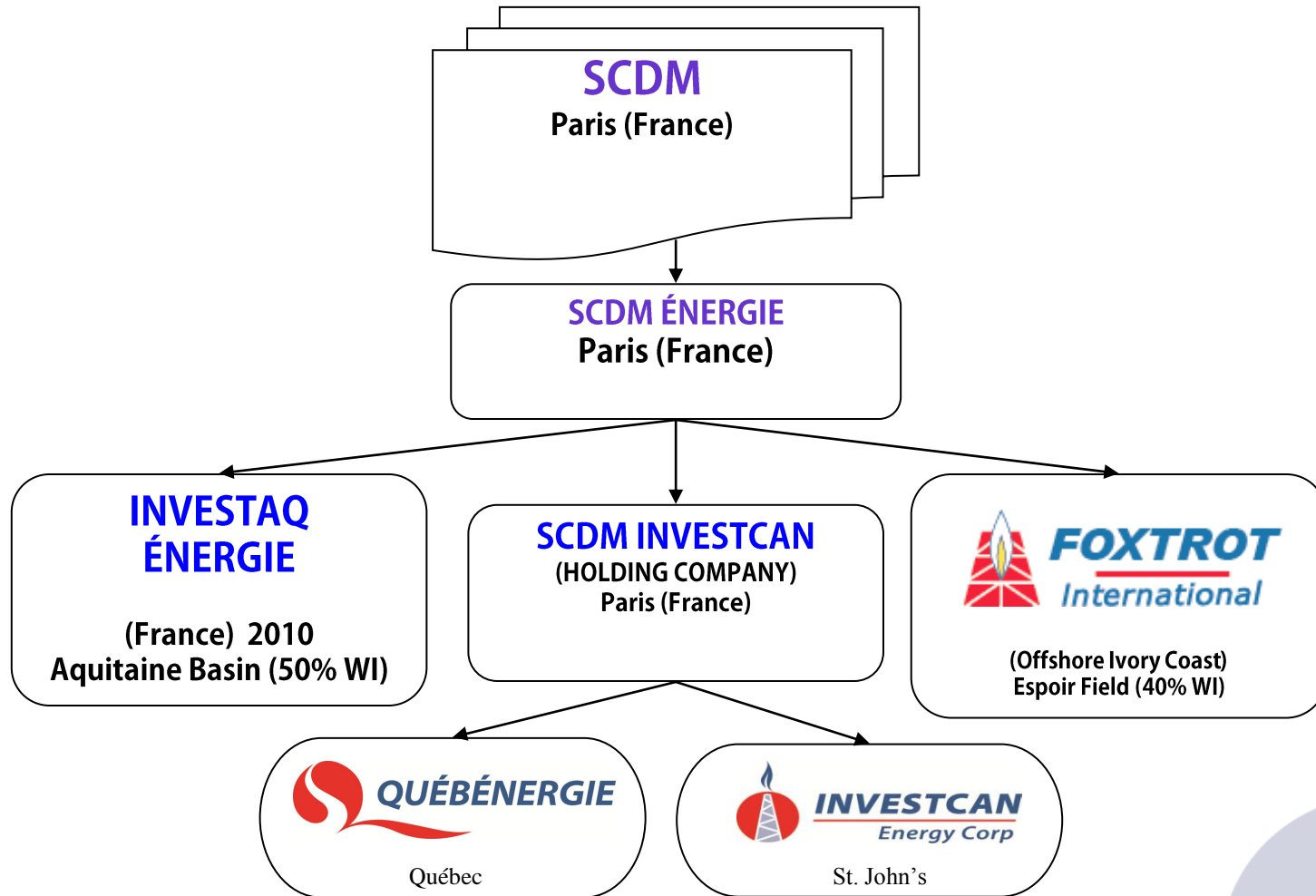


# ***PRESENTATION OUTLINE***

- Corporate Structure
- Non Canadian Assets
- Canadian Assets
- Observations



# CORPORATE STRUCTURE



## ***NON CANADIAN ASSETS:***

SCDM Énergie Operates Two Subsidiaries:

France (exploration)

Investaq Énergie (Exploration)

Pending regulatory approval

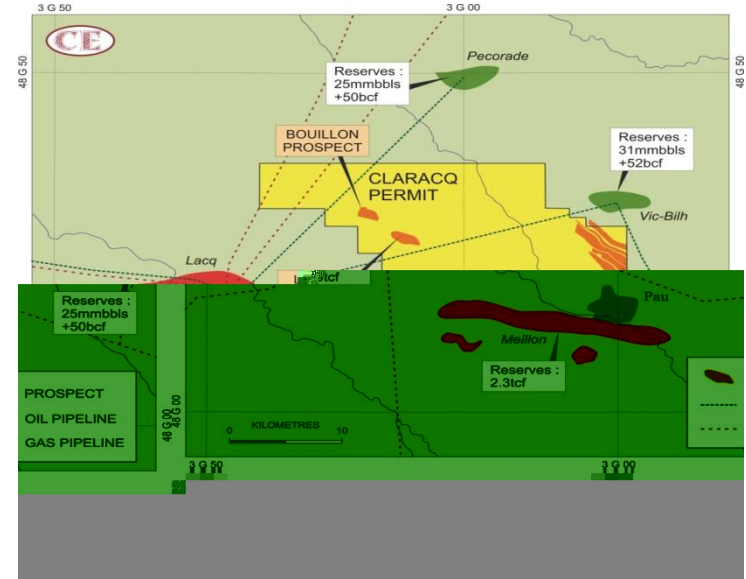
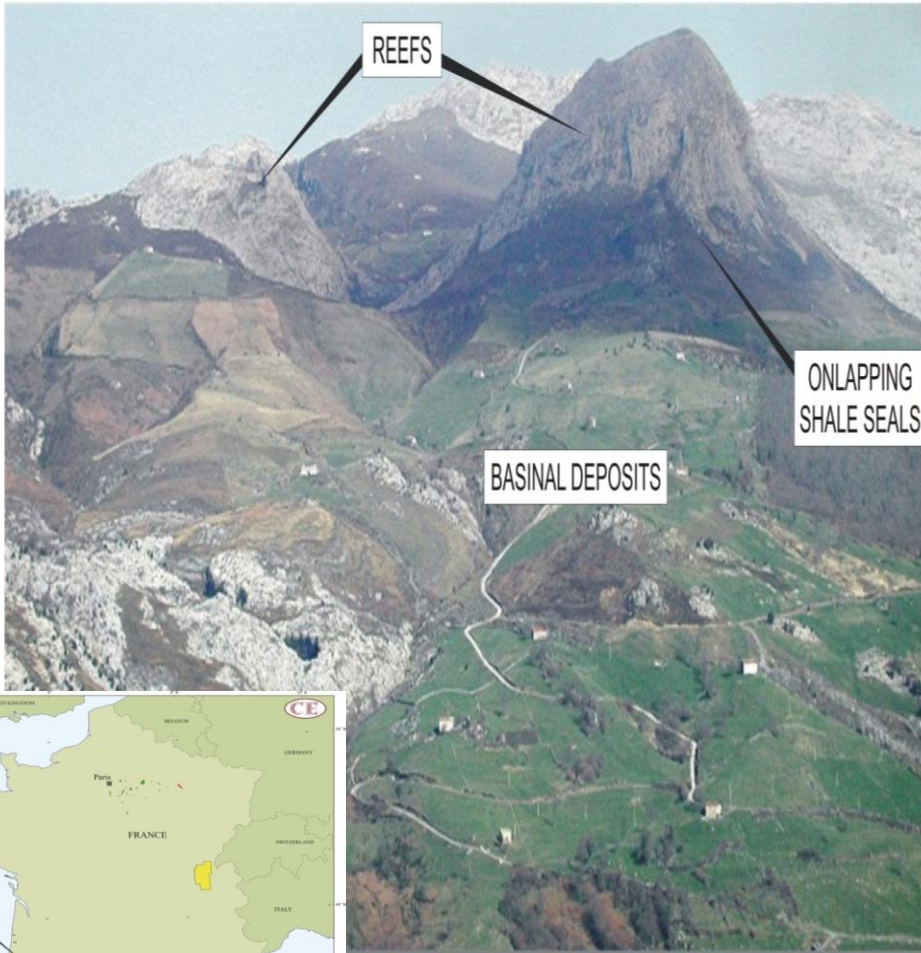
Ivory Coast (exploration and production)

Foxtrot International (Gas Production)

Oil discovery under development



# INVESTAQ ÉNERGIE



**EXPLORATION PLAY IN  
THE PAU REGION  
WITH CELTIQUE  
ENERGIE**



# ***FOXTROT INTERNATIONAL***



- FOXTROT produces 65% of the total gas production of Ivory Coast (100 Million Scf/day)
- Early stages of putting an Oil Find into Production (Discovered 2009)
- The production facilities is located at a water depth of 100 metres
- The Political Situation has improved significantly in the past six months and things are getting back to normal



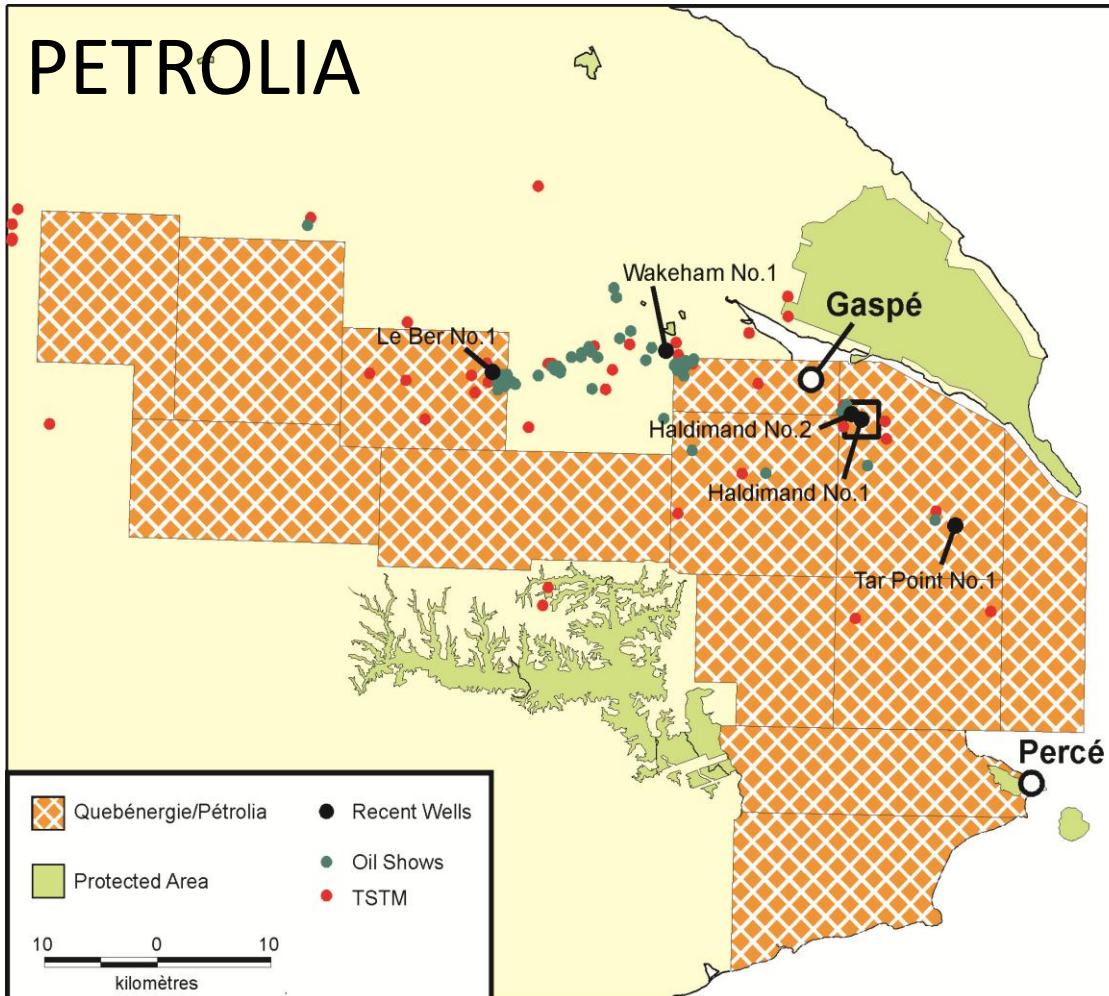


# CANADIAN ASSETS

SCDM Énergie Operates Two Canadian Subsidiaries:



# QUÉBÉNERGIE INC



- Deal with Petrolia closed in December
- 13 Exploration Licenses (1 Well on Test)
- 50% WI
- Québénergie to be Operator of Production Lease (once issued)
- Put the Haldimand Discovery into commercial Production

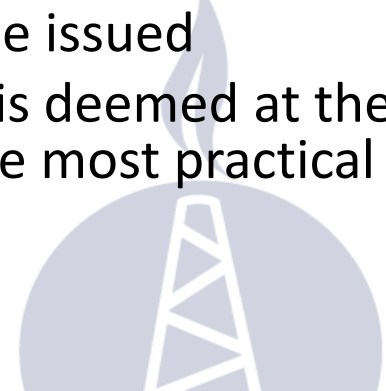


# QUÉBÉNERGIE INC



## THE PLAN:

- Frac program has been proposed for at least one of the wells
- New well proposed (option for a horizontal leg)
- Development plan submission and acceptance will lead to production lease (once production scenarios can be confirmed)
- Limited Production, Further appraisal, Environmental Assessment will follow once Production Lease issued
- Scaled Development is deemed at the present time to be the most practical approach



# QUÉBÉNERGIE INC



## THE WORKING ENVIRONMENT:

- Regularly process is difficult and the politics of gas (and unfortunately oil) is out of control
- New Regulations will undoubtedly affect operations and the fiscal situation will certainly be altered
- Unrelated issues, such as Old Harry, have much politicised (and have polarised) the issue of exploration
- The role of Municipalities (and their level of legislative implication) isn't clear
- Upcoming election doesn't make the playing field any more clear...one thing we know is that if an election was held today a movement that isn't really a political party would win...

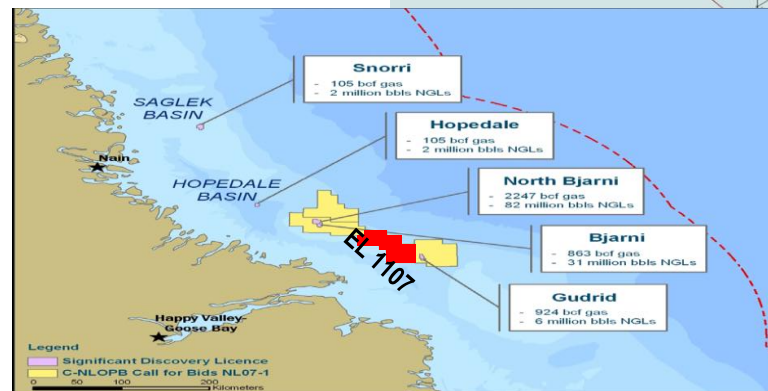
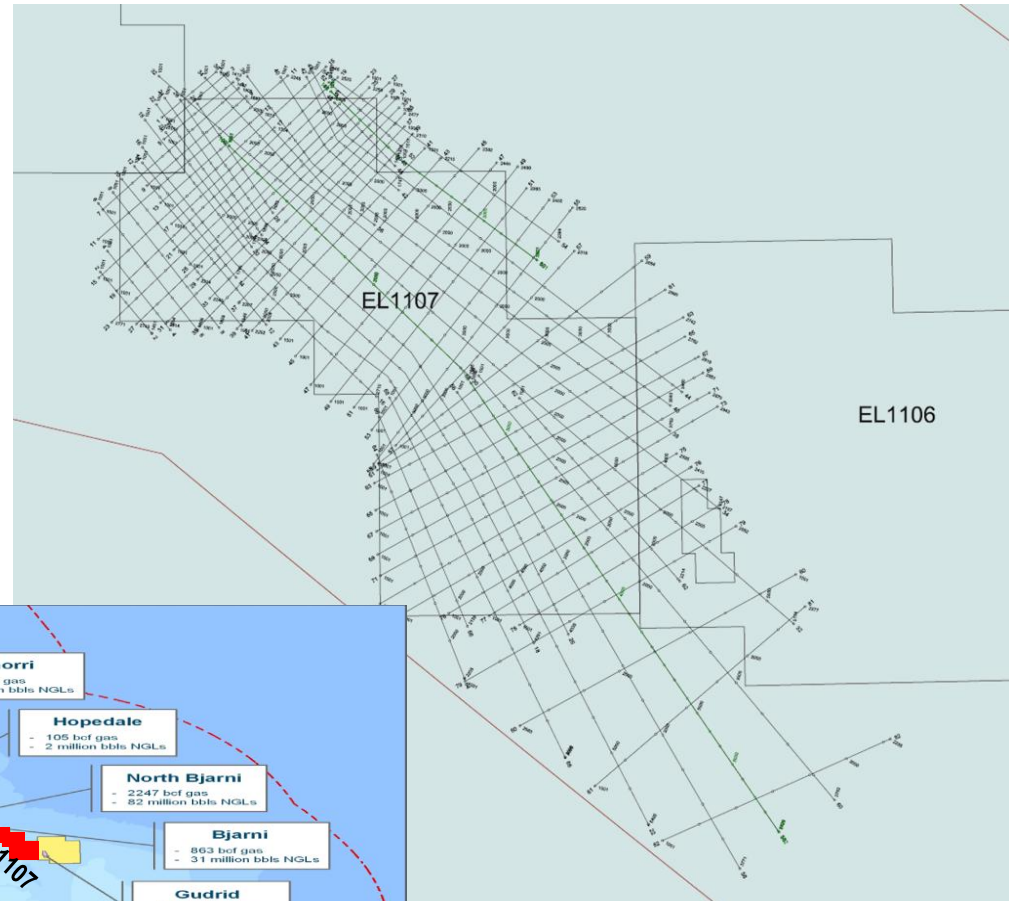
## ***ONSHORE WESTERN NEWFOUNDLAND***

- Gas Asset with Vulcan in Bay St. George (50%)
- Flat Bay Oil Asset with Vulcan (50%)
- Partner with Nalcor in Parson's Pond (9%)
  - 2 Wells Drilled
  - Analysis ongoing by Nalcor



# LABRADOR OFFSHORE (OPERATOR)

- 2D Seismic Program Completed Fall 2010 (3284 Kms consisting of 80 lines)
- Investcan post-earnin interest 70% (Vulcan retains 30%)
- Investcan is very pleased with the quality of the Data
- Data has been processed
- Interpretation and Inversion are on-going
- Commercial go-forward options are under evaluation



# OBSERVATIONS....

- Land use issues have to be better managed and rules of the game have to better defined
- 'Profit à prendre' must eventually have profit attached
- Regulators must stop kicking operators when they are down
- Difficult operating environment must dictate flexibility and partnership
- Business Community must assist the Oil & Gas Industry during its infancy in new basins



**THANKS !**

