

RESERVES AND ECONOMICS

Effective Date : 05/01/2010

Date : 02/18/2010 10:25:21AM

Project Name : COLEMAN PRB

Partner : COG ET AL.

**COLEMAN OIL & GAS, INC.
TOTAL PROVED RESERVES
PDP + PUD**

- End - Mo - Yr	Gross Oil Production (Mbbbl)	Gross Gas Production (MMcf)	Net Oil Sales (Mbbbl)	Net Gas Sales (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Net Oil Revenue (M\$)	Net Gas Revenue (M\$)	Total Net Revenue (M\$)
04-11	0.000	3,031.164	0.000	1,849.942	0.000	5.041	0.000	9,325.776	9,325.776
04-12	0.000	3,191.990	0.000	1,762.694	0.000	5.307	0.000	9,354.935	9,354.935
04-13	0.000	2,360.964	0.000	1,357.697	0.000	5.405	0.000	7,337.960	7,337.960
04-14	0.000	1,858.185	0.000	1,092.009	0.000	5.526	0.000	6,034.669	6,034.669
04-15	0.000	1,541.084	0.000	909.793	0.000	5.700	0.000	5,185.687	5,185.687
04-16	0.000	1,315.630	0.000	781.015	0.000	5.708	0.000	4,457.768	4,457.768
04-17	0.000	1,125.748	0.000	671.496	0.000	5.718	0.000	3,839.908	3,839.908
04-18	0.000	974.926	0.000	582.414	0.000	5.718	0.000	3,330.241	3,330.241
04-19	0.000	859.718	0.000	516.872	0.000	5.722	0.000	2,957.420	2,957.420
04-20	0.000	767.009	0.000	462.999	0.000	5.720	0.000	2,648.196	2,648.196
04-21	0.000	680.040	0.000	409.588	0.000	5.727	0.000	2,345.528	2,345.528
04-22	0.000	620.089	0.000	372.973	0.000	5.729	0.000	2,136.832	2,136.832
04-23	0.000	563.475	0.000	338.531	0.000	5.729	0.000	1,939.353	1,939.353
04-24	0.000	511.147	0.000	307.688	0.000	5.728	0.000	1,762.362	1,762.362
04-25	0.000	462.398	0.000	279.832	0.000	5.731	0.000	1,603.778	1,603.778
S Tot	0.000	19,863.565	0.000	11,695.541	0.000	5.494	0.000	64,260.412	64,260.412
After	0.000	4,405.703	0.000	2,834.198	0.000	5.773	0.000	16,363.065	16,363.065
Total	0.000	24,269.269	0.000	14,529.739	0.000	5.549	0.000	80,623.477	80,623.477

- End - Mo - Yr	Well Count	Production Taxes (M\$)	Net Ad Valorem Taxes (M\$)	Direct Oper Expense (M\$)	Capital Expense (M\$)	Future Net CashFlow (M\$)	Cumulative CashFlow (M\$)	Cum. Disc. CashFlow (M\$)
04-11	244	541.364	537.736	3,654.241	982.022	3,610.413	3,610.413	3,308.365
04-12	225	543.653	553.954	3,470.640	0.000	4,786.688	8,397.100	7,123.796
04-13	208	426.544	431.192	3,005.910	0.000	3,474.314	11,871.414	9,508.960
04-14	182	350.903	352.757	2,636.239	0.000	2,694.770	14,566.184	11,100.051
04-15	166	301.745	302.546	2,337.183	0.000	2,244.212	16,810.397	12,240.153
04-16	151	259.331	259.614	2,100.441	0.000	1,838.382	18,648.779	13,043.448
04-17	135	223.448	223.507	1,855.545	0.000	1,537.408	20,186.187	13,621.529
04-18	122	193.798	193.783	1,630.222	0.000	1,312.437	21,498.624	14,046.250
04-19	110	172.117	171.995	1,478.207	0.000	1,135.100	22,633.724	14,362.415
04-20	100	154.120	153.976	1,343.382	0.000	996.718	23,630.442	14,601.287
04-21	90	136.516	136.410	1,198.688	0.000	873.913	24,504.355	14,781.540
04-22	84	124.374	124.268	1,111.705	0.000	776.485	25,280.840	14,919.395
04-23	80	112.889	112.806	1,020.406	0.000	693.252	25,974.092	15,025.335
04-24	74	102.602	102.378	932.372	0.000	625.010	26,599.102	15,107.520
04-25	69	93.379	92.996	858.142	0.000	559.261	27,158.363	15,170.815
S Tot		3,736.783	3,749.919	28,633.326	982.022	27,158.363	27,158.363	15,170.815
After		953.207	942.516	9,503.883	0.000	4,963.460	32,121.822	15,395.574
Total		4,689.990	4,692.435	38,137.208	982.022	32,121.822	32,121.822	15,395.574

	Oil	Gas			Present Worth Profile (M\$)		
Gross Wells	0	265	Life, Years	50.00	PW	5.00% :	23,384.942
Gross Ult, Mbbbl & MMcf	0.000	70,425.567	Discount Rate (%)	15.00	PW	8.00% :	20,190.361
Gross Cum, Mbbbl & MMcf	0.000	46,156.298	Undiscounted Payout, Yrs	0.203	PW	10.00% :	18,527.502
Gross Res, Mbbbl & MMcf	0.000	24,269.269	Discounted Payout, Yrs	0.194	PW	12.00% :	17,128.394
Net Res, Mbbbl & MMcf	0.000	14,529.739	Undiscounted Net/Invest	33.71	PW	15.00% :	15,395.574
Net Revenue, M\$	0.000	80,623.477	Discounted Net/Invest	17.51	PW	20.00% :	13,179.887
Initial Price, \$/bbl & \$/Mcf	0.000	5.041	Rate of Return, %	1,000.00	PW	30.00% :	10,210.125
Initial NRI, %	0.000	65.935	Initial WI, %	79.863	PW	40.00% :	8,286.505
Final NRI, %	0.000	78.433	Final WI, %	93.870	PW	50.00% :	6,930.259
					PW	60.00% :	5,921.083

RESERVES AND ECONOMICS

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Project Name : COLEMAN PRB

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COLEMAN OIL & GAS, INC. PROVED DEVELOPED PRODUCING

- End - Mo - Yr	Gross Oil Production (Mbbbl)	Gross Gas Production (MMcf)	Net Oil Sales (Mbbbl)	Net Gas Sales (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Net Oil Revenue (M\$)	Net Gas Revenue (M\$)	Total Net Revenue (M\$)
04-11	0.000	2,697.005	0.000	1,745.017	0.000	5.040	0.000	8,795.648	8,795.648
04-12	0.000	2,165.053	0.000	1,398.441	0.000	5.304	0.000	7,417.703	7,417.703
04-13	0.000	1,763.465	0.000	1,140.819	0.000	5.403	0.000	6,164.141	6,164.141
04-14	0.000	1,476.932	0.000	953.351	0.000	5.525	0.000	5,267.740	5,267.740
04-15	0.000	1,262.579	0.000	808.181	0.000	5.700	0.000	4,606.422	4,606.422
04-16	0.000	1,096.431	0.000	700.801	0.000	5.709	0.000	4,000.587	4,000.587
04-17	0.000	946.198	0.000	605.617	0.000	5.721	0.000	3,464.510	3,464.510
04-18	0.000	822.734	0.000	526.443	0.000	5.720	0.000	3,011.364	3,011.364
04-19	0.000	732.085	0.000	469.076	0.000	5.724	0.000	2,685.194	2,685.194
04-20	0.000	654.960	0.000	420.805	0.000	5.722	0.000	2,407.921	2,407.921
04-21	0.000	579.825	0.000	371.837	0.000	5.730	0.000	2,130.593	2,130.593
04-22	0.000	529.234	0.000	338.737	0.000	5.733	0.000	1,941.933	1,941.933
04-23	0.000	480.380	0.000	307.207	0.000	5.732	0.000	1,761.057	1,761.057
04-24	0.000	440.707	0.000	281.824	0.000	5.732	0.000	1,615.281	1,615.281
04-25	0.000	406.026	0.000	259.451	0.000	5.735	0.000	1,488.054	1,488.054
S Tot	0.000	16,053.613	0.000	10,327.606	0.000	5.496	0.000	56,758.149	56,758.149
After	0.000	4,118.597	0.000	2,747.217	0.000	5.775	0.000	15,865.585	15,865.585
Total	0.000	20,172.211	0.000	13,074.823	0.000	5.554	0.000	72,623.733	72,623.733

- End - Mo - Yr	Well Count	Production Taxes (M\$)	Net Ad Valorem Taxes (M\$)	Direct Oper Expense (M\$)	Capital Expense (M\$)	Future Net CashFlow (M\$)	Cumulative CashFlow (M\$)	Cum. Disc. CashFlow (M\$)
04-11	230	510.771	502.398	3,526.274	0.000	4,256.205	4,256.205	3,945.681
04-12	211	431.630	424.554	3,139.990	0.000	3,421.529	7,677.735	6,673.342
04-13	194	358.672	352.792	2,767.386	0.000	2,685.291	10,363.026	8,515.021
04-14	168	306.554	301.529	2,446.311	0.000	2,213.346	12,576.371	9,821.295
04-15	152	268.232	263.835	2,169.252	0.000	1,905.104	14,481.475	10,788.875
04-16	137	232.894	229.076	1,945.876	0.000	1,592.740	16,074.215	11,484.692
04-17	121	201.740	198.433	1,711.066	0.000	1,353.271	17,427.486	11,993.452
04-18	108	175.359	172.484	1,492.754	0.000	1,170.767	18,598.253	12,372.271
04-19	96	156.376	153.812	1,350.390	0.000	1,024.615	19,622.868	12,657.625
04-20	87	140.226	137.928	1,220.612	0.000	909.156	20,532.024	12,875.484
04-21	77	124.088	122.054	1,079.044	0.000	805.406	21,337.431	13,041.584
04-22	71	113.104	111.250	994.533	0.000	723.045	22,060.476	13,169.932
04-23	67	102.579	100.898	905.456	0.000	652.123	22,712.600	13,269.573
04-24	61	94.098	92.555	834.769	0.000	593.859	23,306.459	13,347.651
04-25	60	86.688	85.267	780.558	0.000	535.541	23,841.999	13,408.256
S Tot		3,303.013	3,248.865	26,364.272	0.000	23,841.999	23,841.999	13,408.256
After		924.435	909.281	9,168.752	0.000	4,863.117	28,705.116	13,626.855
Total		4,227.448	4,158.145	35,533.024	0.000	28,705.116	28,705.116	13,626.855

	Oil	Gas			Present Worth Profile (M\$)		
Gross Wells	0	251	Life, Years	50.00	PW	5.00% :	20,689.696
Gross Ult, Mbbbl & MMcf	0.000	66,328.509	Discount Rate (%)	15.00	PW	8.00% :	17,828.184
Gross Cum, Mbbbl & MMcf	0.000	46,156.298	Undiscounted Payout, Yrs	0.000	PW	10.00% :	16,357.493
Gross Res, Mbbbl & MMcf	0.000	20,172.211	Discounted Payout, Yrs	0.000	PW	12.00% :	15,131.056
Net Res, Mbbbl & MMcf	0.000	13,074.823	Undiscounted Net/Invest	0.00	PW	15.00% :	13,626.855
Net Revenue, M\$	0.000	72,623.733	Discounted Net/Invest	0.00	PW	20.00% :	11,728.375
Initial Price, \$/bbl & \$/Mcf	0.000	5.040	Rate of Return, %	0.00	PW	30.00% :	9,227.866
Initial NRI, %	0.000	69.907	Initial WI, %	84.646	PW	40.00% :	7,632.614
Final NRI, %	0.000	78.433	Final WI, %	93.870	PW	50.00% :	6,516.110
					PW	60.00% :	5,686.904

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Project Name : COLEMAN PRB

Partner : COG ET AL.

**COLEMAN OIL & GAS, INC.
PROVED UNDEVELOPED**

- End - Mo - Yr	Gross Oil Production (Mbbbl)	Gross Gas Production (MMcf)	Net Oil Sales (Mbbbl)	Net Gas Sales (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Net Oil Revenue (M\$)	Net Gas Revenue (M\$)	Total Net Revenue (M\$)
04-11	0.000	334.159	0.000	104.925	0.000	5.052	0.000	530.128	530.128
04-12	0.000	1,026.937	0.000	364.253	0.000	5.318	0.000	1,937.232	1,937.232
04-13	0.000	597.499	0.000	216.878	0.000	5.412	0.000	1,173.819	1,173.819
04-14	0.000	381.253	0.000	138.658	0.000	5.531	0.000	766.929	766.929
04-15	0.000	278.504	0.000	101.612	0.000	5.701	0.000	579.265	579.265
04-16	0.000	219.199	0.000	80.214	0.000	5.699	0.000	457.181	457.181
04-17	0.000	179.550	0.000	65.879	0.000	5.698	0.000	375.398	375.398
04-18	0.000	152.193	0.000	55.970	0.000	5.697	0.000	318.877	318.877
04-19	0.000	127.632	0.000	47.796	0.000	5.696	0.000	272.226	272.226
04-20	0.000	112.050	0.000	42.194	0.000	5.694	0.000	240.274	240.274
04-21	0.000	100.215	0.000	37.750	0.000	5.694	0.000	214.935	214.935
04-22	0.000	90.854	0.000	34.236	0.000	5.693	0.000	194.899	194.899
04-23	0.000	83.096	0.000	31.324	0.000	5.692	0.000	178.296	178.296
04-24	0.000	70.440	0.000	25.865	0.000	5.687	0.000	147.082	147.082
04-25	0.000	56.372	0.000	20.381	0.000	5.678	0.000	115.723	115.723
S Tot	0.000	3,809.952	0.000	1,367.935	0.000	5.484	0.000	7,502.263	7,502.263
After	0.000	287.106	0.000	86.981	0.000	5.719	0.000	497.480	497.480
Total	0.000	4,097.058	0.000	1,454.915	0.000	5.498	0.000	7,999.744	7,999.744

- End - Mo - Yr	Well Count	Production Taxes (M\$)	Net Ad Valorem Taxes (M\$)	Direct Oper Expense (M\$)	Capital Expense (M\$)	Future Net CashFlow (M\$)	Cumulative CashFlow (M\$)	Cum. Disc. CashFlow (M\$)
04-11	14	30.593	35.338	127.968	982.022	-645.793	-645.793	-637.315
04-12	14	112.023	129.400	330.650	0.000	1,365.158	719.366	450.454
04-13	14	67.872	78.400	238.524	0.000	789.022	1,508.388	993.939
04-14	14	44.349	51.228	189.928	0.000	481.425	1,989.813	1,278.757
04-15	14	33.513	38.712	167.931	0.000	339.109	2,328.922	1,451.278
04-16	14	26.437	30.538	154.564	0.000	245.642	2,574.564	1,558.757
04-17	14	21.707	25.075	144.479	0.000	184.137	2,758.701	1,628.077
04-18	14	18.439	21.299	137.468	0.000	141.670	2,900.371	1,673.979
04-19	14	15.741	18.183	127.818	0.000	110.484	3,010.856	1,704.790
04-20	13	13.893	16.049	122.771	0.000	87.562	3,098.417	1,725.803
04-21	13	12.428	14.356	119.644	0.000	68.507	3,166.924	1,739.956
04-22	13	11.270	13.018	117.172	0.000	53.440	3,220.364	1,749.462
04-23	13	10.309	11.909	114.950	0.000	41.128	3,261.492	1,755.762
04-24	13	8.504	9.823	97.604	0.000	31.151	3,292.643	1,759.868
04-25	9	6.691	7.728	77.584	0.000	23.720	3,316.363	1,762.560
S Tot		433.770	501.054	2,269.054	982.022	3,316.363	3,316.363	1,762.560
After		28.772	33.235	335.131	0.000	100.343	3,416.706	1,768.719
Total		462.542	534.289	2,604.184	982.022	3,416.706	3,416.706	1,768.719

	Oil	Gas			Present Worth Profile (M\$)		
Gross Wells	0	14	Life, Years	30.19	PW	5.00% :	2,695.245
Gross Ult, Mbbbl & MMcf	0.000	4,097.058	Discount Rate (%)	15.00	PW	8.00% :	2,362.177
Gross Cum, Mbbbl & MMcf	0.000	0.000	Undiscounted Payout, Yrs	1.446	PW	10.00% :	2,170.009
Gross Res, Mbbbl & MMcf	0.000	4,097.058	Discounted Payout, Yrs	1.533	PW	12.00% :	1,997.338
Net Res, Mbbbl & MMcf	0.000	1,454.915	Undiscounted Net/Invest	4.48	PW	15.00% :	1,768.719
Net Revenue, M\$	0.000	7,999.744	Discounted Net/Invest	2.90	PW	20.00% :	1,451.512
Initial Price, \$/bbl & \$/Mcf	0.000	5.052	Rate of Return, %	79.11	PW	30.00% :	982.259
Initial NRI, %	0.000	33.872	Initial WI, %	41.268	PW	40.00% :	653.891
Final NRI, %	0.000	30.951	Final WI, %	37.977	PW	50.00% :	414.150
					PW	60.00% :	234.180