

CIB HAZ 12-1&2 PROSPECTS

GILLIS-ENGLISH BAYOU FIELD, CALCASIEU PH., LA

EXECUTIVE SUMMARY

ASCENDANT EXPLORATION & KIMSU OIL CO. proposes to drill a low risk field development well from a land location offsetting a well drilled in 2000 that produced out of the objective Cib Haz 12 sand. The Cib Haz 12 produced in multiple wells in this part of the field. Well control and 3-D seismic in the area supports strong structural gain to the West of the offset well, so the intercept point for the CH-12 in our test well should gain at least 50 feet of structure to the offset productive well, which produced almost 500,000 BO out of 35 feet of pay in a 140 foot thick channel sand. An optional North prospect can be drilled 150 feet updip to a wet well which had a 100 feet thick CH 12 channel sand and a series of gas sand objectives that produce in the area. Both objectives have the amplitude anomaly.

Cib Haz 12 channel limits are traceable in this area because they exhibit a strong amplitude anomaly on the 3-D. The 7 wells in the area productive in the Cib Haz 12 all produced from within an area with this amplitude anomaly. Surrounding wells that had no anomaly on this horizon either had no Cib Haz 12 sand or the sand was poorly developed and tight. On the 1st prospect the intercept point on the CH-12 is well within the amplitude anomaly for the productive offset well. Additionally, productive CH-12 channel reservoirs in this area exhibit an Average Energy Attribute which is also present in both of these prospects.

RESERVE POTENTIAL: Propsect 1: 400,000 BO and ½ BCFG ; Prospect 2: 1,000,000 BO and up to 6 BCFG
Offset well for 1st prospect produced 180+ BOD for a number of years

PLANNED DRILL DATE FOR FIRST WELL : December, 2017 for prospect 1

LAND AND TRADE: 129 acres at 72.8% NRI; wells drilled at cost with a 15% WI back in after payout.
\$385,000 Land G&G; Participation in the second CH-12 drilling prospect is optional

DRILLING PARAMETERS: Turnkeyed directional 9261 ft. MD well to 8900 ft. TVD. Key will operate

ESTIMATED ROI AND PAYOUT TIME:@ \$55 BO & \$3 MCFG; 685% for first well (\$12,000,000 net or \$120,000 per 1%); Payout in 10 Months @\$50 BO; 2620% for second well (\$39,300,000 net or \$393,000 per 1%)

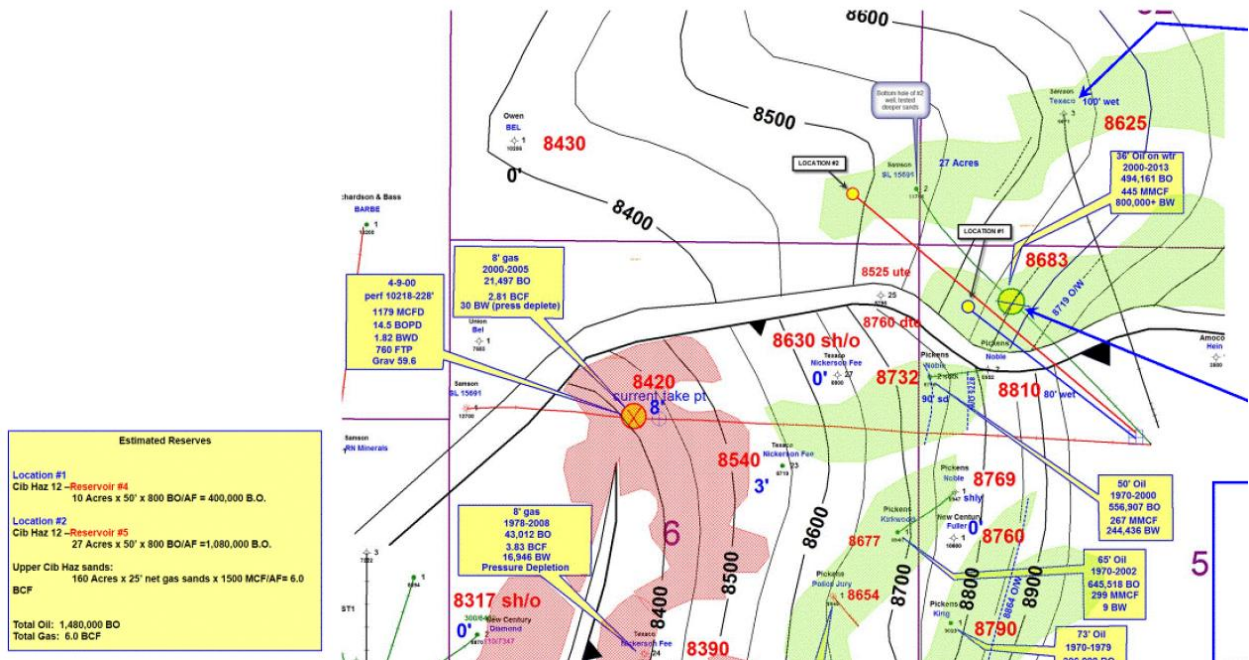
ESTIMATED COSTS	100%	10%	5%	2%
Land & Est. to Drill 1st Well	\$1,235,000	\$123,500	\$61,750	\$24,700
Est. to Complete 1 st Well	\$ 516,000	\$ 51,600	\$25,800	\$10,320
Total	\$1,751,000	\$175,100	\$87,550	\$35,020
Est. Drill & Complete 2 nd Well	\$1,515,000	\$151,500	\$75,750	\$30,300

Land & Trade: Brooke Furrh 601-573-9288 furrhbroke@gmail.com

Geology: Dave Broadbridge 985-867-9443 david@kimsuoil.com

Geophysics: Archie Martin 817-706-1199 archiemartin@mindspring.com

Operations: Bill Guidry 337-278-1612 bguidry@keyoperating.com



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