

Southwestern Virginia— Coal Bed Methane/Conv. Production

KEY FACTS

- PDP Investment
- 56 CBM and 50 Conventional wells 21,500 dekatherm/month
- Majority 15 yrs old = stable decline
- Buchanan and Dickenson Counties Southwestern VA
- Operates Pipeline & Carries 3rd Party Volumes
- Contract Operates Other Wells in the Area

VALUATION

- Est Forward Cashflow \$750k-\$3M/Yr
- 9%/yr production decline

HESO ADVANTAGE

- Entity for sale along with operating agreement & contracts
- HESO has extensive CBM experience in direct area
- Four drill sites ready and many more for future development
- Diversified cash flow
- Low risk investment

