

Elko Energy Inc – Netherlands Assets

Report on Resources Data

11th June 2010

To the board of directors of Elko Energy Inc. (the "Company"):

In response to your request, TRACS International Consultancy Limited ("TRACS") has conducted an independent assessment of the potential in-place volumes, risks and, where applicable, contingent resources of a portfolio of hydrocarbon prospects in the Company's Netherlands offshore acreage, comprising two Exploration Blocks P01 and P02. As a result of the assessment TRACS prepared a Technical Competent Person's Report as of 11th June 2010. In addition TRACS prepared this note, where in-place volumes, net contingent resources, and net prospective resources attributed to the Company's assets are summarized.

1. The resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the resources data based on our evaluation. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), which requires that we plan and perform an evaluation to obtain reasonable assurance as to whether the resources data are free of material misstatement.
2. The Company's acreage contains six discoveries, three of which have a high content of CO₂ and/or N₂, in excess of the 3% normally allowable in Netherlands sales gas. A total of twelve undrilled exploration prospects were defined, with unknown CO₂ content, although up to eight of these have a significant risk of high CO₂ and/or N₂. It is understood that the Company holds a 60% interest in the two Exploration Blocks. The Netherlands state has a 40% interest in each licence held through EBN, and pays its pro-rata share of all exploration and development costs.
3. The main reservoir is the Upper Permian Rotliegend sourced by gas from the underlying Carboniferous Westphalian coals and sealed by the overlying Zechstein carbonate and evaporate sequence. The Rotliegend is present throughout the P01 and P02 areas and exhibits a distinct two-fold division comprising the *Weissliegend* and the *Slochteren* units. The uppermost layer (Weissliegend) has been diagenetically modified leading to permeability destruction, thus this interval, although gas bearing, is considered a "waste zone" and not included in the summary tables shown in this note. Estimates of the In-place and Resource volumes are therefore restricted to the Slochteren interval, as shown in Tables 1 to 9.
4. The volumetric estimates for the proven '*Low CO₂*' and '*High CO₂*' discoveries in block P01 are expressed as in-place volumes of total raw gas (GIIP) as well as hydrocarbon gas, net of inerts (HC-GIIP), for 100% of the structures and the on-block share in P01 in Tables 1 and 2. The estimates of technically recoverable volumes for the P01 discoveries have been classified as *Contingent Resources*, and are listed in Tables 3 and 9. GIIP and HC-GIIP estimates have also been compiled for the '*Low CO₂*' and '*High CO₂*' discoveries and prospects in block P02, see Tables 4 to 6, while Tables 7 and 8 list the *Contingent* and *Prospective Resources* for the structures in P02 where the P50 HC-GIIP exceeds 30 bcf. Furthermore, a commercial risk assessment has been derived for each discovery expressed as a "Chance Of Commercial Success" (COCS), which describes the currently perceived chance of converting the contingent resources into reserves.

5. The volumetric assessments for the six largest *undrilled exploration prospects* (all on block P02, with gross P50 HC-GIIP greater than 30 bcf) are classified as *Prospective Resources*, and are expressed as the gross, on-block, and Company's (60%) net share of hydrocarbon gas in place (see Table 8). Three of these prospects are considered likely to contain significant percentages of non-hydrocarbon gases (primarily CO₂ and/or N₂), and estimates of the range of gas composition uncertainty were included in the volumetric assessments. In addition, TRACS has performed a risk evaluation for each of the identified undrilled prospects based on a four-component assessment of favorable Source, Seal, Reservoir and Trap conditions, to arrive at an overall "Probability of Success" (POS), also shown in Table 8. The POS factors indicate the chance of the prospective resources being converted into contingent resources.
6. *Contingent* and *Prospective* Resource volumes are only quoted for structures where the estimated gross P50 hydrocarbon-GIIP exceeds 30 bcf.

Block P01

A total of 5 wells have been drilled on this block, resulting in two gas discoveries known as P01-FA and P01-FB (see Fig 1).

Low CO₂ Discoveries

7. **The P01-FB discovery** has been tested by a single well, P01-03 (Fig. 1) which flowed 3.74 MMscf/d. It is a small accumulation with a low CO₂ content which would allow any produced gas to meet Netherlands sales gas spec without CO₂ removal and is located entirely within block P01. The total GIIP and HC-GIIP volumes are given in Tables 1 and 2 below; and the technically recoverable gas volumes in P01-FB are classified as *Contingent Resources*, pending the outcome of development economics studies (Tables 3 and 9). A small structure is present on limited 2D seismic lines to the NW of the discovery (P01-FB NW), but closure to the northwest is not proven and the feature is regarded as a Lead only.

High CO₂ Discoveries

8. **The P01-FA discovery** has been drilled and appraised by three wells located in the central and northern parts of the structure (Fig. 1), which is in part located beneath a major shipping lane. This might have prevented an appraisal of the southern end of the structure when the original drilling campaign took place in the 1980's. There is a fairly wide range in the current GIIP and HC-GIIP estimates (Tables 1 and 2) due to an element of depth conversion uncertainty for the southern end of the structure. More importantly, the initial well results indicated that the gas contains up to 38% CO₂, significantly higher than any nearby discoveries. Any development scheme must therefore include a satisfactory disposal strategy for the CO₂, either through re-injection into a suitable storage horizon at depth, or via transport to a nearby CO₂ disposal facility (e.g. the K12 platform about 70 km to the NE). The technical recoverable gas volumes in P01-FA have therefore been classified as *Contingent Resources* pending a commercially viable solution to the CO₂ disposal issue (Tables 3 and 9).

GIIP Forecast bcf (100% of structures)					
Discovery	Reservoir	Mean	P90	P50	P10
P01-FA (100% of structure)	Slochteren	447.3	213.7	399.8	735.4
P01-FB	Slochteren	45.2	33.5	44.5	58.0
GIIP Forecast bcf (contained in block P01)					
Discovery	Reservoir	Mean	P90	P50	P10
P01-FA (in licence P01)	Slochteren	417.6	203.1	376.3	682.9
P01-FB	Slochteren	45.2	33.5	44.5	58.0

Table 1: TRACS Estimates of Unrisked Gross and Net Attributable GIIP Volumes to Elko Energy in Block P01 discoveries

Hydrocarbon GIIP Forecast bcf (100% of structures)					
Discovery	Reservoir	Mean	P90	P50	P10
P01-FA (100% of structure)	Slochteren	285.8	136.5	255.4	469.8
P01-FB	Slochteren	38.4	28.5	37.8	49.3
Hydrocarbon GIIP Forecast bcf (contained in block P01)					
Discovery	Reservoir	Mean	P90	P50	P10
P01-FA (in licence P01)	Slochteren	266.8	129.7	240.4	436.3
P01-FB	Slochteren	38.4	28.5	37.8	49.3

Table 2: TRACS Estimates of Unrisked Gross and Net Attributable Hydrocarbon GIIP Volumes to Elko Energy in Block P01 discoveries

Prospect/ Discovery	Gross bcf (Whole Structure)			Gross bcf (On Block P01)			Net Attributable bcf (On Block P01)			COCS (%)
	Low	Best	High	Low	Best	High	Low	Best	High	
High CO ₂ /N ₂ :										
P01-FA	119.2	222	407.2	113.3	209.0	378.2	68.0	125.4	226.9	50%
P01-FB	25.4	33.7	43.8	25.4	33.7	43.8	15.2	20.2	26.3	40%

Table 3: TRACS Estimates of Unrisked Gross and Net Attributable Hydrocarbon Gas Contingent Resources to Elko Energy on Block P01

Block P02

A total of 9 vertical and 3 sidetrack wells have been drilled on Block P02, resulting in five known discoveries, two of which were developed and produced low CO₂ gas prior to early abandonment; P02-04 (P02-NE) and P02-07 (P02-SE), see Fig. 2. The P02-07 structure is a candidate for further appraisal and possible redevelopment, while the P02-04 accumulation is considered depleted (see paragraphs 9 - 10 below). Two further discoveries, P02-VIII and P02-Delta (Bunter), yielded non-spec gas and have not been developed to date, while P02-02 requires further appraisal to determine reservoir productivity. Furthermore, a total of twelve undrilled exploration prospects have been mapped (see Fig. 3).

Low CO₂ Discoveries

9. **The P02-Echo structure** is a narrow, elongate structural closure bounded to the east by a NW-SE trending normal fault. The closure is divided by smaller N-S faults into 3 separate compartments:
- The P02-04 compartment, which has been developed via the P02-04 sidetrack and is reported to have produced around 11.16 bcf of gas from Slochteren reservoir in the period 1997-2001 prior to abandonment. No further resources are assigned to this compartment.
 - The P02-09 compartment, in which the P02-09 well established a separate pressure regime and a GWC near the top of the reservoir, but was not tested. Significant gas volumes (see Tables 6, 7, and 9) are thought to be present updip from this well, and are classified as *Contingent Resources*, pending a commercial re-development plan.
 - The P02-Echo SE compartment on the southern end of the closure is undrilled, and is classified as a satellite exploration prospect. Estimates of HC-GIIP and *Prospective Resources* and risks are shown in Tables 6 and 8 respectively. It is regarded as a relatively low risk prospect, with a high probability of low CO₂ gas and having a clear development option via a future re-development of the P02-Echo structure.
10. **The P02-VII discovery** is a fault bounded horst in the central part of Block P02, in which the P02-07 well tested 11.9 MMscf/d from Slochteren reservoir sands. Two subsequent deviated and sub-horizontal development wells failed to flow significant gas rates, and are thought to have remained largely in poor quality Weissliedend sands while above the GWC, and some 4.47 bcf of gas was produced from the Bunter and Slochteren in the period 1998-2001. The remaining gas volumes (see Tables 6, 7, and 9) are therefore classified as *Contingent Resources*, pending preparation of a viable development plan.
11. **The P02-02 structure** is the central compartment on a fault-bounded NW-SE elongated ridge located due north of the P02-VII/-VIII/-IX trend. One well in the central compartment (P02-02) encountered gas with 2% CO₂ (from RFT), but the production tests suffered repeated mechanical failures, thus no test data is available. Two undrilled compartments either side of the P02-02 compartment have been evaluated as undrilled exploration prospects:
- The P02-02 compartment has been confirmed gas-bearing, but some uncertainty remains as to whether the reservoir can deliver commercial flow rates. Significant gas volumes (see Tables 6, 7, and 9) are estimated to be present in this compartment, and are classified as *Contingent Resources*, pending a commercial development plan.
 - The P02-02 NW compartment is regarded as an attractive low risk prospect, but with some concern about structural definition due to variable seismic data quality. The POS is estimated at 44.8% (1 in 2.23 chance of gas), and the volumetric estimates are summarised in Tables 6 and 8.
 - The P02-02 SE compartment is similarly regarded as an attractive low risk prospect, but with some concern about structural definition due to variable seismic data quality. The POS is estimated at 44.8% (1 in 2.23 chance of gas), and the volumetric estimates are summarised in Tables 6 and 8.

High CO₂ Discoveries

12. **The P02-VIII structure** consists of a tilted fault block closure located in the central part of the block (Fig. 2). The P02-VIII discovery was drilled by well P02-08, where log analysis and wireline test data (RFT) confirmed the presence of gas which contained 11.1% CO₂. The well was subsequently perforated and production tested, and flowed 5.6 MMscf/d. In-place volumetric estimates were generated for the Slochteren reservoir (Tables 4 and 5), but as the P50 HC-GIIP is less than 30 bcf no resources are attributed to this structure.
13. **The P02-Delta Bunter discovery** was made in the Hardeggen sandstone of the Triassic Bunter Formation in well P02-03, which flowed gas on test at a rate of 11.3MMscf/d. The gas has a high nitrogen content with 33.6% N₂. The structure forms a NW-SE elongated roll-over anticline which is partly fault-bounded on the east and west sides, and overlies a deeper horst. GIIP and HC-GIIP (net of N₂) estimates are shown in Tables 4 and 5 respectively, but as the P50 HC-GIIP is less than 30 bcf no resources are attributed to this structure.

Exploration Prospects (Prospective Resources)

Eight further undrilled Rotliegend exploration prospects (P02-II, -III, -IV, -V, -IX, -XI, -XIV, and -Delta South) have been mapped in P02. Due to the highly variable gas composition in the area, a range of CO₂ content was included in the probabilistic volumetric estimates for all prospects except Delta South, where a low CO₂ gas composition was assumed. The prospects have a high degree of gas composition uncertainty, and have been classified as *Prospective Resources*. A brief description of each prospect is given in the following paragraphs:

14. **Prospect P02-II** is a fault and dip closure located on the P02/P05 licence boundary, and, although the crest of the structure is within the P02 licence, a large part of the closure is located to the south in block P05 (Fig. 3). The GIIP and HC-GIIP have been estimated for the entire structure, see Tables 4 and 5. The on-block GIIP and HC-GIIP estimates represent 60% of the total volumes. As the prospect is an undrilled structure an assessment was made of the POS, which is estimated to be 34.6% (or roughly 1 in 3 chance of finding gas). No *Prospective Resources* are assigned to P02-II as the 100% P50 HC-GIIP is less than 30 bcf.
15. **Prospect P02-III** is an elongate NW-SE oriented tilted fault block closure located on the southern boundary of P02 (Fig. 3). Well P05-02 was drilled to the southeast of the prospect on an adjacent downthrown fault terrace. The crest and the majority of the closure of the P02-III structure are located in block P02. As above, the GIIP and HC-GIIP have been estimated for the entire prospect (Tables 5 and 6), with the on-block portion about 85%. The P02-III prospect is considered to have a similar risk profile as the P02-II prospect, thus the POS is estimated to be 34.6% (or roughly 1 in 3 chance of finding gas). No *Prospective Resources* are assigned to P02-III as the 100% P50 HC-GIIP is less than 30 bcf.
16. **Prospect P02-IV** is a tilted fault block closure located on the western boundary of block P02 and extends into licence P01, also held by Elko Energy (Fig. 3). The crest and the majority of closure of the prospect are located in P02. Probabilistic estimates of GIIP and HC-GIIP for the entire structure have been compiled (Tables 4 and 5) with an estimated CO₂ range of 3 – 20% due to the prospect's proximity to the high CO₂ discovery P01-FA. The POS for P02-IV is estimated at 45.4% (or 5 in 11 chance of finding gas). As for the above two prospects, no *Prospective Resources* are assigned to P02-IV as the 100% P50 HC-GIIP is less than 30 bcf.
17. **The P02-V prospect** consists of a tilted fault block closure mapped at the intersection of two faults. The structure is located west of the P02-VII and P02-VIII discoveries entirely within block P02 (see Fig. 3). Probabilistic GIIP and HC-GIIP volumes were generated for Slochteren reservoir with a CO₂ range of 3 – 11% due to

its location close to P02-VII (3.2% CO₂) and P02-VIII (11.1% CO₂) see Tables 4 and 5. As the prospect is an undrilled structure an assessment was made of the POS, which is estimated to be 50.4% (or a 1 in 2 chance of finding gas). No *Prospective Resources* are assigned to P02-III as the 100% P50 HC-GIIP is less than 30 bcf.

18. **Prospect P02-IX** consists of a tilted fault block closure located N of prospect P02-V and NW of P02-VIII located entirely within block P02, see Fig. 3. The main uncertainty in the mapping was the position of the western boundary fault, thus a fairly wide range of GRV was assumed for the probabilistic volumetric estimates. As before, the GIIP and HC-GIIP estimates for the Slochteren are summarised in Tables 4 and 5, and the *Prospective Resource* estimates are listed in Table 8. A wide range of possible CO₂ content was assumed (3 – 30%, partly due to the proximity to P01-FA), and the POS was assessed at 64.8% (or 13 in 20 chance of discovering gas).
19. **The P02-XI prospect** is a tilted fault block located to the NW of Prospect IX on the same trend (see Fig. 3). The CO₂ content is uncertain as the surrounding wells have CO₂ content in the range 3% - 30% which was included in the volumetric estimates. As for the previous prospects, the GIIP and HC-GIIP estimates for the Slochteren are summarised in Tables 4 and 5, and the *Prospective Resource* estimates are listed in Table 8. The POS for prospect P02-XI was assessed at 51.2% (or 1 in 2 chance of discovering gas).
20. **The P02-XIV prospect** is a substantial tilted fault block located to the NW of Prospect P02-02 NW, and to the E of the P01-FA discovery (Fig. 3). The same CO₂ range was assumed as for prospects P02-IX and P02-XI (3 – 30%), and the POS was estimated at 44.8% (or 1 in 2.23). The bulk of the P02-XIV prospect is located in P02 (ca 64% of the P50 HC-GIIP), but parts of the mapped structure extend into three neighbouring blocks (P01, K16, and K17). The GIIP and HC-GIIP estimates for the P02-XIV prospect are summarised in Tables 4 and 5, and the *Prospective Resource* estimates are shown in Table 8.
21. **Prospect Delta South** is a narrow elongate structural horst at Rotliegendes level, lying SE and updip from the P02-01 Slochteren penetration level (Fig. 3). Gas is present on logs in the Weissliegend in the P02-01 well, but the reservoir quality sands in the Slochteren are wet. Although the shallower Bunter discovery in this area contains 33.6% N₂ there is no indication that the same gas composition occurs in the Slochteren, thus the P02-Delta South structure is assumed to contain less inerts with a hydrocarbon gas content of about 88.2%. However, as the high N₂ P02-Delta Bunter discovery partly overlies the Delta South prospect a downside scenario assuming the same N₂ content in the Slochteren as in the Bunter cannot be excluded. Probabilistic estimates of GIIP and HC-GIIP for the entire structure have been compiled (Tables 4 and 5), but no *Prospective Resources* are assigned to P02-Delta South as the 100% P50 HC-GIIP is less than 30 bcf. The prospect is relatively high risk due to concerns over faulting compromising the seal, with a POS assessed at 24.3% (1 in 4 chance of finding gas).
22. In our view the above risk assessments for the twelve undrilled prospects and compartments are reasonable, and, as all twelve structures are covered by fair to good quality 3D, it seems unlikely that the POS figures can be significantly improved prior to drilling. The main common concern is the uncertainty around the gas composition, as the successful development of any discovery with CO₂ content above approximately 3-4% will require access to CO₂ disposal/reinjection facilities, and will also require increased capex costs relative to comparable low CO₂ development candidates in the area.
23. Note that only prospects and discoveries with an estimated gross P50 HC-GIIP exceeding 30 bcf have been included in the summary tables of HC-resources for block P02 (see Tables 6, 7, and 8).

Prospect (100%)	Reservoir	Mean	P90	P50	P10
P02-II	Slochteren	22.2	13.6	21.4	31.8
P02-III	Slochteren	7.7	3.7	6.9	12.6
P02-IV	Slochteren	28.4	17.2	27.2	41.0
P02-V	Slochteren	19.2	6.1	17.9	33.7
P02-VIII	Slochteren	28.8	17.5	27.9	41.1
P02-IX	Slochteren	153.9	72.5	146.2	245.7
P02-XI	Slochteren	38.0	13.8	35.8	64.9
P02-XIV	Slochteren	301.3	112.8	281.8	508.9
P02-Delta Bunter	Triassic Bunter #	36.5	10.0	27.6	74.3
P02-Delta South	Slochteren	33.9	6.2	22.1	76.0

Table 4: Summary of total GIIP for High CO₂ prospects & discoveries in P02
(# P02-Delta Bunter contains 33.6% N₂)

Prospect (100%)	Reservoir	Mean	P90	P50	P10
P02-II	Slochteren	21.1	12.9	20.3	30.3
P02-III	Slochteren	7.3	3.6	6.6	12.0
P02-IV	Slochteren	25.1	15.1	24.1	36.5
P02-V	Slochteren	18.1	5.8	16.8	31.7
P02-VIII	Slochteren	25.6	15.6	24.8	36.5
P02-IX	Slochteren	129.2	60.0	121.9	207.9
P02-XI	Slochteren	31.9	11.5	30.0	54.7
P02-XIV	Slochteren	253.3	94.1	234.5	429.6
P02-Delta Bunter	Triassic Bunter	24.2	6.6	18.3	49.3
P02-Delta South	Slochteren	29.9	5.5	19.5	67.0
Note: CO₂ content in above undrilled prospects is assumed to be greater than 3.2% (except P02-Delta Bunter which has high N₂ content)					

Table 5: Summary of hydrocarbon GIIP for High CO₂ prospects & discoveries in P02

Prospect (100%)	Reservoir	Mean	P90	P50	P10
P02-VII	Slochteren	177.6	65.2	146.7	329.7
P02-02	Slochteren	85.2	45.8	79.3	131.8
P02-02 NW	Slochteren	130.0	71.9	122.1	197.5
P02-02 SE	Slochteren	147.2	47.2	114.4	284.5
P02-09 Echo	Slochteren	45.2	26.3	43.3	66.4
P02-Echo SE	Slochteren	49.2	28.2	47.6	72.3
Note: CO₂ content in above undrilled prospects is assumed to be less than 3.2%					

Table 6: Summary of hydrocarbon GIIP for Low CO₂ prospects & discoveries in P02

Prospect/ Discovery	Gross bcf (Whole Structure)			Gross bcf (On Block P02)			Net Attributable bcf (On Block P02)			COCS (%)
	Low	Best	High	Low	Best	High	Low	Best	High	
Low CO₂:										
P02-VII	54.0	121.9	272.6	54.0	121.9	272.6	32.4	73.1	163.6	75%
P02-02	38.0	65.9	109.0	38.0	65.9	109.0	22.8	39.5	65.4	65%
P02-09 Echo	21.8	35.8	54.6	21.5	35.6	53.8	12.9	21.3	32.3	40%

Table 7: TRACS Estimates of Unrisked Gross and Net Attributable Contingent Resources to Elko Energy Inc. on Block P02

NOTE 1: If, following development economics studies, all contingent resources were deemed commercial than sales gas volumes could be slightly higher due to allowable inert gas content (up to 3%)

Prospect/ Discovery	Gross bcf (Whole Structure)			Gross bcf (On Block P02)			Net Attributable bcf (On Block P02)			POS (%)
	Low	Best	High	Low	Best	High	Low	Best	High	
High CO₂:										
P02-IX	50.0	101.3	171.8	50.0	101.3	171.8	30.0	60.8	103.1	64.8%
P02-XI	9.7	24.9	45.4	9.7	24.9	45.4	5.8	14.9	27.2	51.2%
P02-XIV	77.8	193.6	354.9	52.1	123.9	213.6	31.3	74.4	128.2	44.8%
Low CO₂:										
P02-02 NW	59.5	101.0	163.8	59.5	101.0	163.8	35.7	60.6	98.3	44.8%
P02-02 SE	39.4	94.4	235.0	39.4	94.4	235.0	23.6	56.6	141.0	44.8%
P02-Echo SE	23.3	39.3	59.4	23.3	39.3	59.4	14.0	23.6	35.6	44.8%
TOTAL#	259.7	554.5	1030.3	234.0	484.8	889.0	140.4	290.9	533.4	

Table 8: TRACS Estimates of Unrisked Gross and Net Attributable Prospective Resources to Elko Energy Inc. on Block P02

Arithmetic summation

The combined *Contingent Resources* estimates for P01 and P02 are shown in Table 9 below, which reveals that the net P50 (Best Estimate) *Contingent Resources* in blocks P01 and P02 attributable to Elko Energy Inc. amount to almost 280 bcf.

Discovery	Gross bcf (Whole Structure)			Gross bcf (On Blocks P01 and P02)			Net Attributable bcf (On Blocks P01 and P02)			COCS (%)
	Low	Best	High	Low	Best	High	Low	Best	High	
High CO₂/N₂:										
P01-FA	119.2	222.0	407.2	113.3	209.0	378.2	68.0	125.4	226.9	50%
P01-FB	25.4	33.7	43.8	25.4	33.7	43.8	15.2	20.2	26.3	40%
Low CO₂:										
P02-VII	54.0	121.9	272.6	54.0	121.9	272.6	32.4	73.1	163.6	75%
P02-02	38.0	65.9	109.0	38.0	65.9	109.0	22.8	39.5	65.4	65%
P02-09 Echo	21.8	35.8	54.6	21.5	35.6	53.8	12.9	21.3	32.3	40%
TOTAL#	258.4	479.3	887.2	252.1	466.0	857.3	151.3	279.6	514.4	

Table 9: TRACS Estimates of Unrisked Gross and Net Attributable Contingent Resources to Elko Energy Inc. in Blocks P01 and P02

Arithmetic summation

24. In our opinion, the resources data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on any reserves or resources data that we did not audit or evaluate.
25. We have no responsibility to update our reports for events and circumstances occurring after their respective preparation dates.
26. As the resources data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves and resources are categorized according to the probability of their recovery.

Executed as to our report referred to above:



Mark Graham
TRACS International Ltd

Date: 11th June 2010

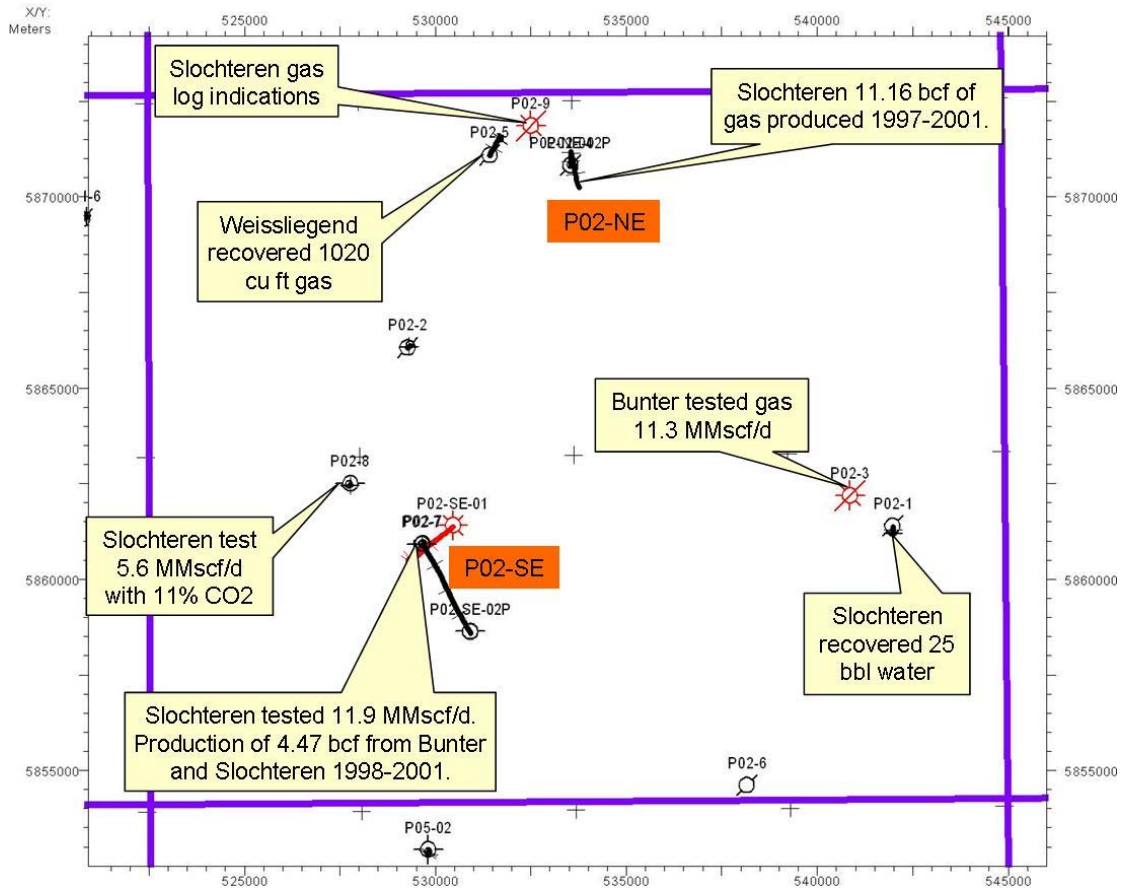


Fig. 2: P02 drilling results
(TRACS Technical CPR Fig. 3.2)

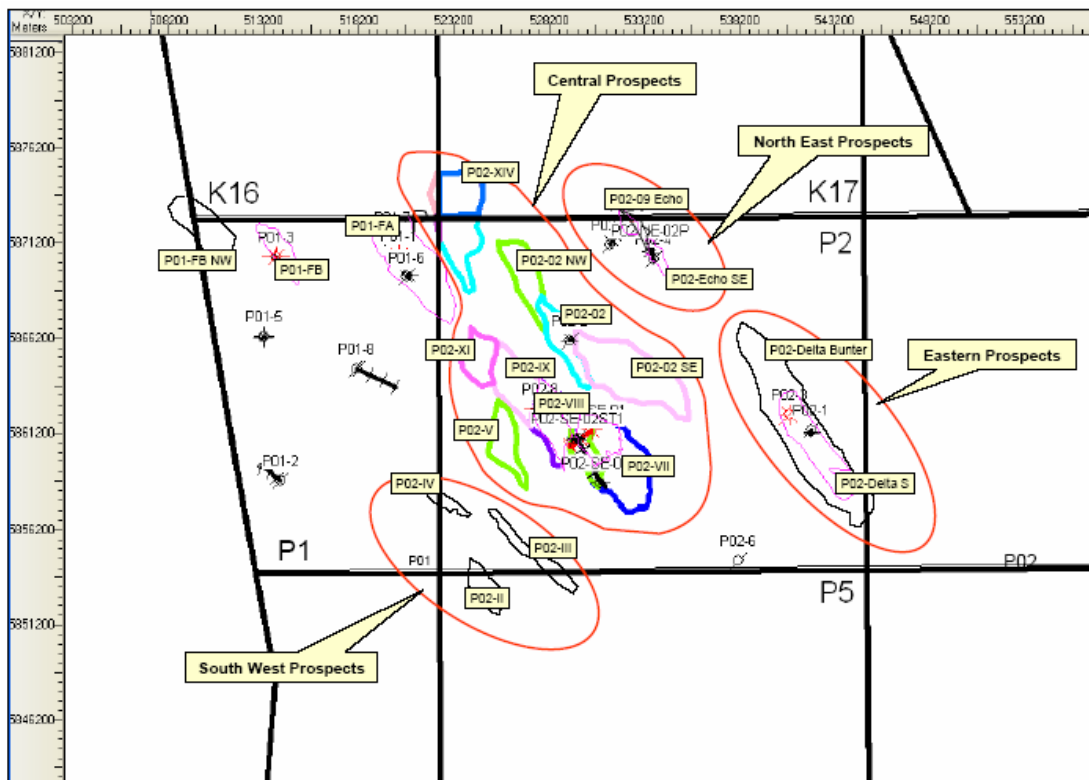


Fig. 3: Location map for prospects and discoveries in Netherlands block P02
(TRACS Technical CPR Fig. 3.4)