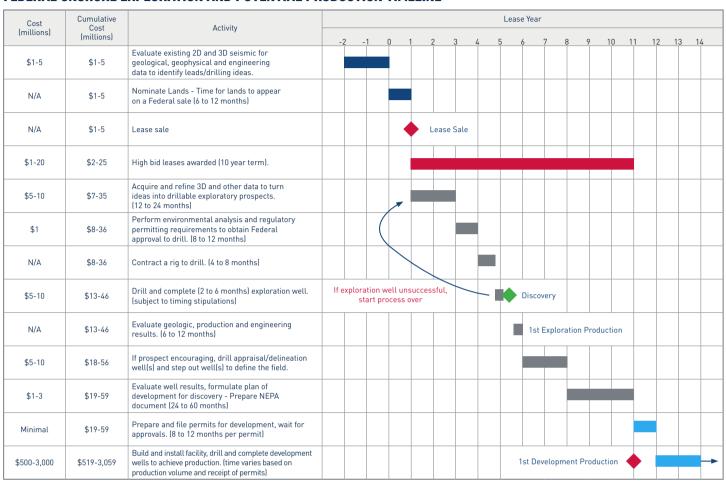
ECONOMIC IMPACT OF FEDERAL NATURAL GAS & OIL DEVELOPMENT



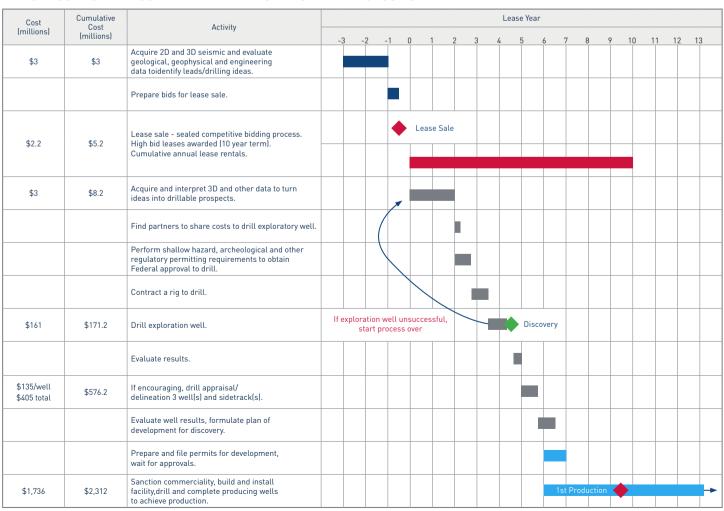
ONSHORE AND OFFSHORE LEASING PROCESS

It takes several years of due diligence, and a sizable investment, for a company to analyze the underlying geology, perform the necessary technology and engineering assessments, and arrange the logistics of an exploration or development project before they can determine if a lease contains commercial quantities of oil and natural gas. These "non-producing" leases are very much active. In addition, this time period is frequently stretched out by additional environmental reviews and challenges, as outlined below.

FEDERAL ONSHORE EXPLORATION AND POTENTIAL PRODUCTION TIMELINE



TYPICAL GULF OF MEXICO DEEPWATER EXPLORATION AND PRODUCTION TIMELINE



*Source: Energy and Industrial Advisory Partners