



Exploring Eastern Africa

East Africa Oil and Gas Summit, 2014

March 2014

Exploring Eastern Africa



Who is Rift Energy?



Why East Africa ?



History of an exploration asset: Block L19 Kenya



Growing the portfolio – lessons learned

Who is Rift Energy?



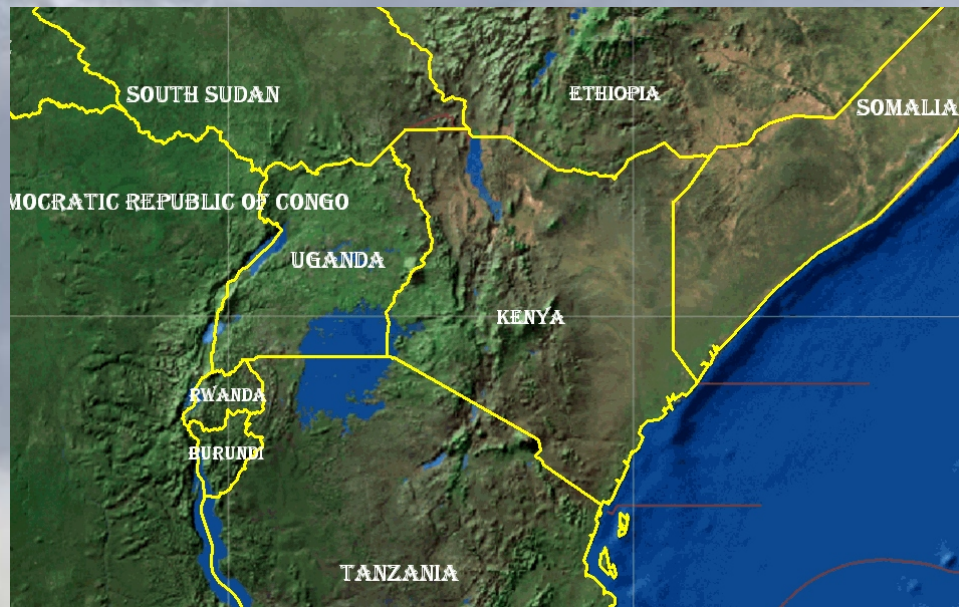
- **Rift Energy Corp. is a privately held Canadian company formed in 2011 with a US (Woodlands, Texas) based management team and operations.**
- **We are an exploration and development company focused on East Africa. Our near term strategy is to invest in 4-6 projects across different East African countries for efficient management of resources and risk.**
- **Our management team has extensive experience in Africa, coupled with a track record of growing early stage companies with a substantial reserve base through to profitability.**
- **We are on the path to acquire a solid portfolio of assets which will contain a diverse mix of risk profiles that can be translated to proven oil and gas reserves, along with strong cash flows.**



Business Focus



- We are focused on evaluating and acquiring onshore oil and gas concessions in East Africa.
- During the period of early stage exploration, we evaluate projects for technical and commercial risks, providing a deal flow of targeted concession areas either through farm-in opportunities or direct negotiation with the host government.
- We also have ongoing farm-out activities to find high quality partners to further the success of our assets.
- We have business development efforts ongoing in six different countries with a goal to acquire 4-6 assets across these countries and geologic basins and play types.



Green = Block L19 PSC signed by Rift Energy in June 2012

Core strengths



Rift Energy's core strengths include:

- Building mutually beneficial relationships with the host country and use those relationships to efficiently execute our business plans.
- Understanding of the subsurface geology, both on a regional and local scale, applying the right tools to evaluate the geological risk in each prospective area.
- Efficient operations based on 30+ years experience of each member of the management team.
- Ability to fast track projects where economic conditions dictate this approach.



Why East Africa?

- Significant oil reserves exist in most East African countries, but a number of challenges exist:
 - Some, like South Sudan, have long term production, but political changes have slowed the pace of development.
 - Others, like Uganda and Kenya, are relatively new and awaiting infrastructure to begin production.
 - Additionally, others like Somalia have been delayed due to political instability, but show great promise.
- East Africa has many areas which are under-explored and have great potential for significant commercial oil and gas production.
- We utilize various strategies to reduce risks and to overcome challenging operational issues.



History of an exploration Asset



- In June 2012, Rift Energy signed a Production Sharing Contract ("PSC") covering Block L19 in southeastern Kenya.
- Block L19 covers approximately 12,000 KM² (2.9 million acres) within the Lamu Basin. Rift has a 100% participating interest in Block L19 and has commenced the initial phase of its first 2 year exploration program:
- Block L-19 Kenya initial data included:
 - Regional geological data
 - Single well drilled in 1961
 - Oil shows, limited technical data
 - No seismic data found
 - Some analogs
 - Data for simple economic models





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A map of the African continent with numerous regions colored in various shades including red, green, yellow, orange, and blue. The map is set against a background of the surrounding oceans in deep blue. The colored regions appear to represent different political or administrative boundaries across the continent.



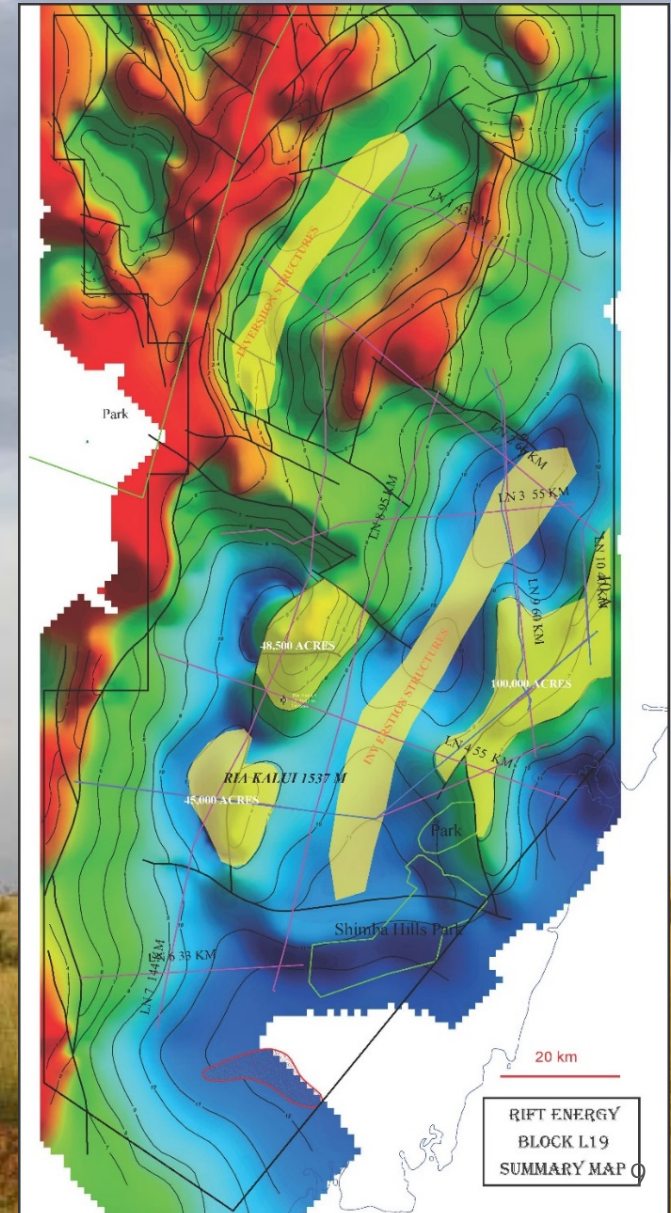
History of an exploration Asset



Building a Technical Framework: Block L19

1) Aerial Gravity and Magnetic Survey

- Data was collected across the entire block at 2kmx 10km spacing.
- Conventional Gravity chosen over FTG, with need to model large scale structures.
- An interpreted depth to basement map indicated a large basement structure over 50 km in length traversing the block with several separate prospective structural closures.
- The resulting map formed the basic framework for our first phase of exploration.

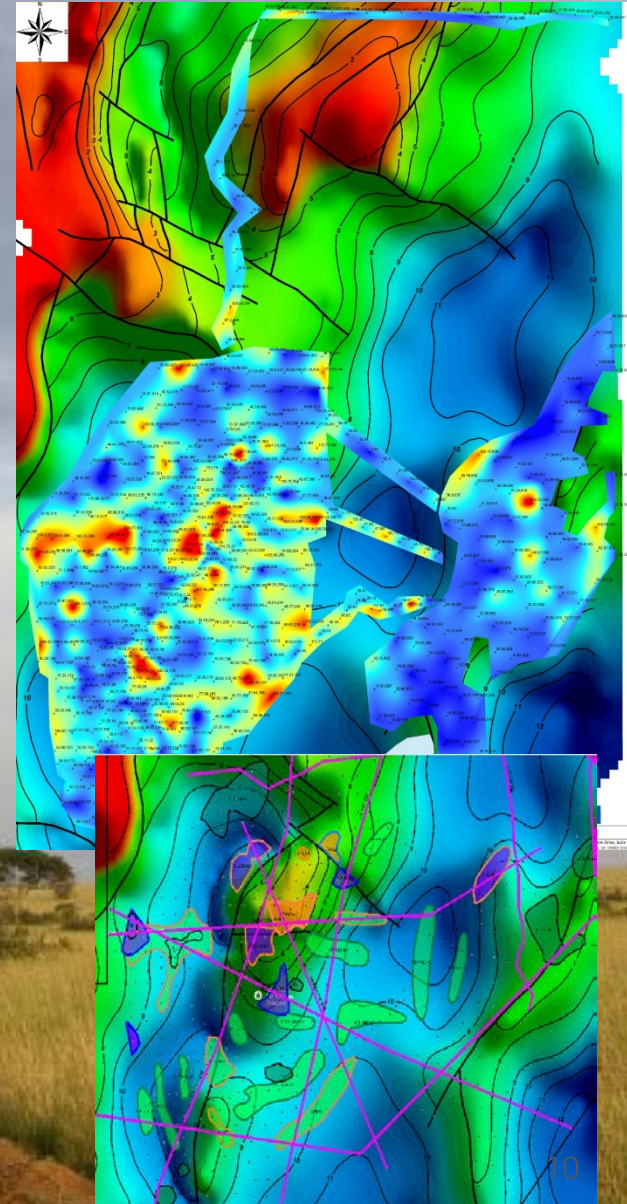


History of an exploration Asset



2) Geochemical Survey

- To determine if these potential structures were charged with hydrocarbons, a surface geochemical survey using Amplified Geochemical Imaging was performed.
- The objectives of the Geochemical Survey were to:
 - Identify the presence and location of possible hydrocarbons.
 - Identify the phase of any potential hydrocarbons present.
 - Provide hydrocarbon mapping information that could optimize the location of proposed 2-D seismic lines to be shot over the block.



History of an exploration Asset



3) Cores recovered from Ria Kulai well

- The Ria Kalui well was drilled in 1961 and 1962 by Mehta Oil Exploration company to a depth of 1,561 meters. The well was suspended and subsequently abandoned due to the death of the drilling manager.
- Oil shows were noted in the geological reports. Cores recovered at the well site show “live oil” in lab analysis. Resulting conclusion: a proven hydrocarbon system within Block L19.
- There is greater than 20,000 feet of potential sedimentary indicated in undrilled zones below the TD of the Ria Kalui well and in the flanking rift troughs.

MEHTA OIL EXPLORATION COMPANY
TELEPHONE 608 TELEGRAMS: MEHTOIL P. O. Box 1989 MOMBASA KENYA

MINES GEOLOGICAL DEPARTMENT
23 JUL 1962
NAIROBI

GEOLOGICAL PROGRESS REPORT FOR
CALENDAR QUARTER ENDING 30TH JUNE, 62

(1961)

RIA KALUI WELL

Introduction.

Geological investigation within the area of O.P.L. 1, has been continued during the period 1st April, 1962, to 30th June, 1962, by core drilling at Ria Kalui No. 1 (B. 525, 750 N. 9,564,900).

During this period drilling continued from 3127' to 4042' a depth of 915' making the total depth of the hole 4042' on the 30th of June, 1962.

Geological Information.

3127' - 3242½' Grit/Siltstone, light grey, quartz-feldspathic variably coarse to fine grained, locally finely pebbly. Occasional very thin (2") black shaly Siltstone intercalations and inclusions. Generally compact and unbroken, some vertical cracks around 3183'.

Marker 25/RK/1 at 3242½' S.D.L. 2732½' TOP OF BLACK SHALY SILTSTONE.

3243½' - 3250' Siltstone, black, shaly, fine grained broken and shattered. Some light grey Siltstone intercalations. Indistinct organic remains.

3250' - 3313' Grit/Siltstone, light grey, quartz-feldspathic fine to medium coarse grained with occasional very thin black shaly Siltstone intercalations.

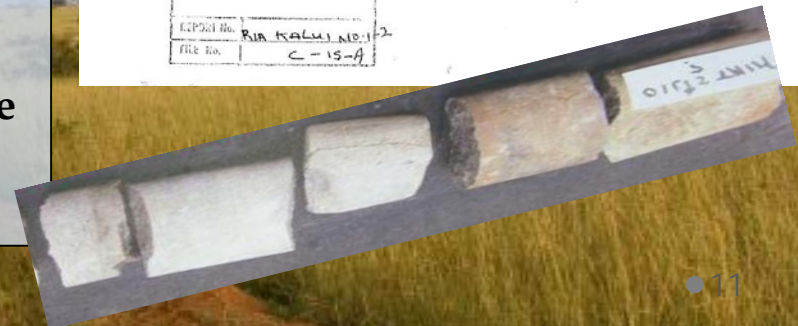
Marker 26/RK/1 at 3313' S.D.L. 2662' TOP OF BLACK SHALY SILTSTONE.

3313' - 3343' Siltstone, black shaly, locally gritty, broken with vertical cracks or joint planes. Some indistinct organic fragments.

Marker 27/RK/1 at 3343' S.D.L. 2632' TOP OF DARK GREY GRIT/SILTSTONE.

3343' - 3391'6" Grit/Siltstone dark grey to black at the top grading downwards into light grey, quartz-feldspathic, fine to medium - coarse grained. Unbroken with very thin black shaly Siltstone intercalations.

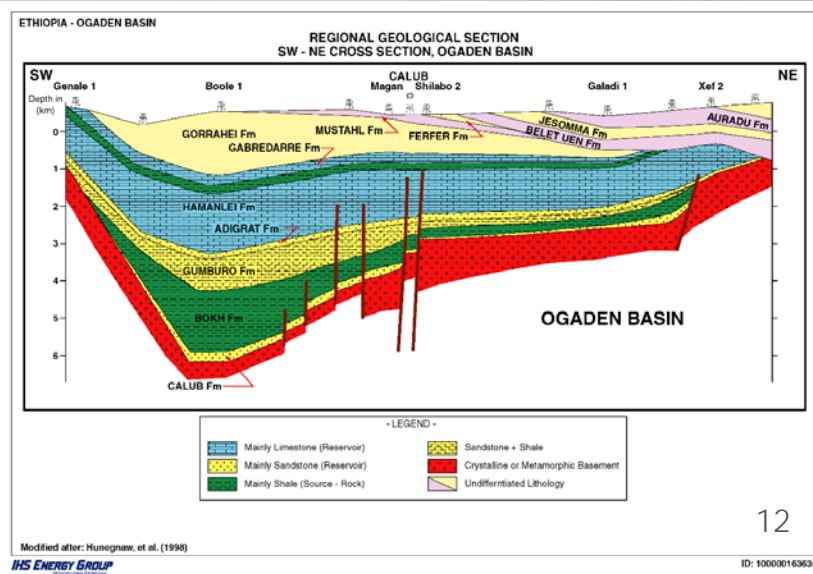
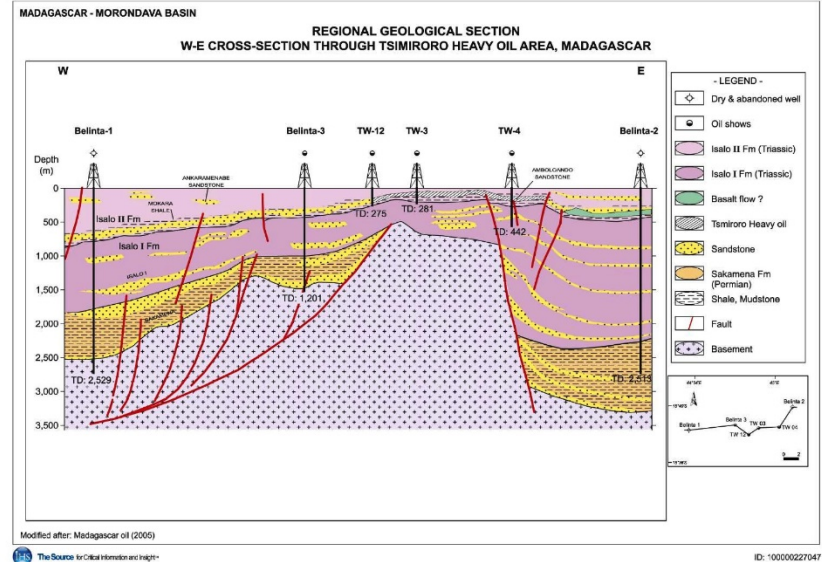
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EXPLO. No. RIA KALUI NO. 1
FILE No. C-15-A



History of an exploration Asset

4) Analogs refined

- Analogs allow us to show the validity of the play types and the presence of hydrocarbons in similar geology.
- Multiple analog basins in the region , including oil and gas discoveries in Madagascar and Ethiopia, both yielding similar characteristics such as trap types and the same age of reservoir rocks.



History of an exploration Asset



5) Economic models

- Ongoing updates of economic models based on prospect sizes, development costs, net product sales projections.
- Proximity to Mombasa port and refinery lowers economic threshold on discoveries.
 - Gas discovery – relatively short pipeline to get gas to market in Mombasa for industrial use.
 - Oil discovery – existing oil refinery in Mombasa.
- Stable Kenya government and fiscal regime as well as strong support of oil ministry staff.

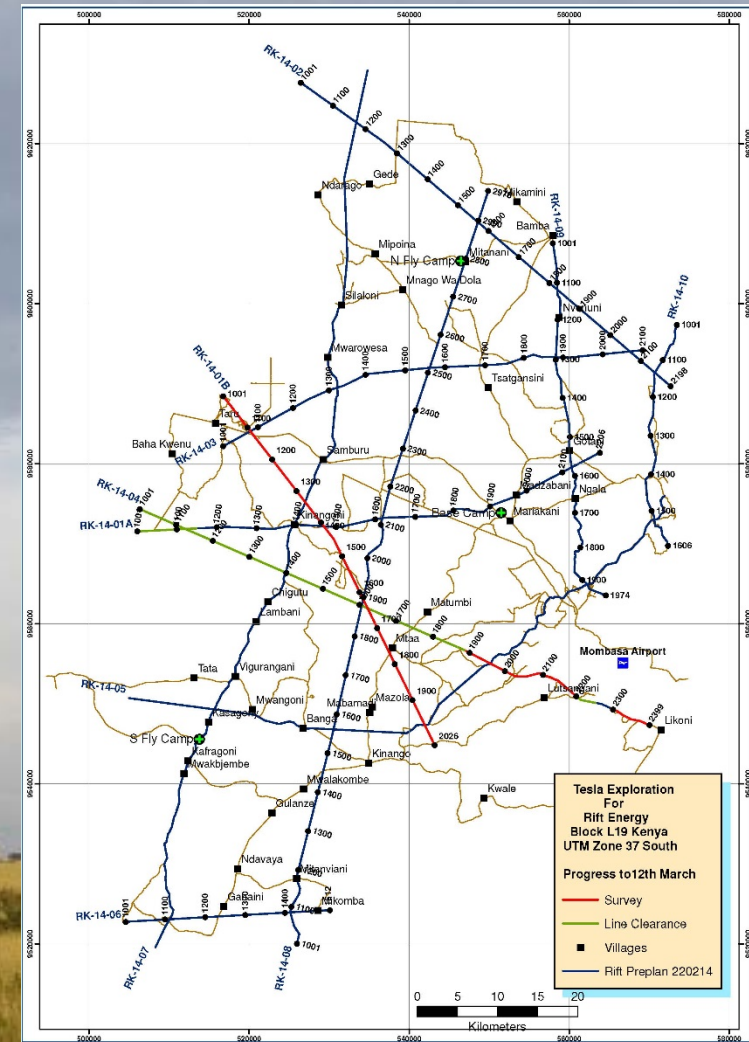


History of an exploration Asset



6) 2-D seismic program designed

- Our work commitment on the block requires at least 500 line Km of 2-D seismic during the first exploration period.
- Based on the previous studies, a 2-D seismic program was designed to test as much of Block L19 as possible and cover the various play types and leads identified in the earlier work.
- A program of 680 Line KM of 2-D seismic was designed and acquisition of this program is ongoing.





- Aerial Gravity and Magnetic Survey is complete.
 - Interpreted depth to basement map.

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- Legend**
- Depth to Basement Contours in Kilometers Sub-Sea Level
 - Interpreted Basement Faults
 - Interpreted Intrusive Body
 - Seismic- Violet Lines
 - Gore Survey- Red Points
 - Eschelon Survey- Orange Points
- Block L 19 Summary Map**
SEISMIC, GORE, ESCHOLON SURVEYS
DEPTH TO BASEMENT
- 20 km

History of an exploration Asset



Goals for the First Two Year Exploration Period

- Identify a series of leads and prospects to guide further exploration programs and to reach the drillable prospect stage.
- Targets going forward:
 - Complete geoscience work program to reduce exploration risk.
 - Identify drilling prospects with sufficiently low enough risks and suitable economics.
 - Drill prospects to reach drillable reserves.



Assist, Support, and Protect



- An important part of our work in any area we work is in leaving a positive impact on the local communities. These activities include:
 - Assist the local communities by supporting projects that improve the lives of the residents where we are working.
 - Support the local governmental ministries in achieving their goals to help the Kenya economy grow and prosper, including training and community development projects.
 - Protect the environment by minimizing the disruption from our operations in the field by strictly following local environmental regulations.
- Our social awareness activities form a backbone of the operations that allow for successful and cost effective operations throughout the lifecycle of our projects.



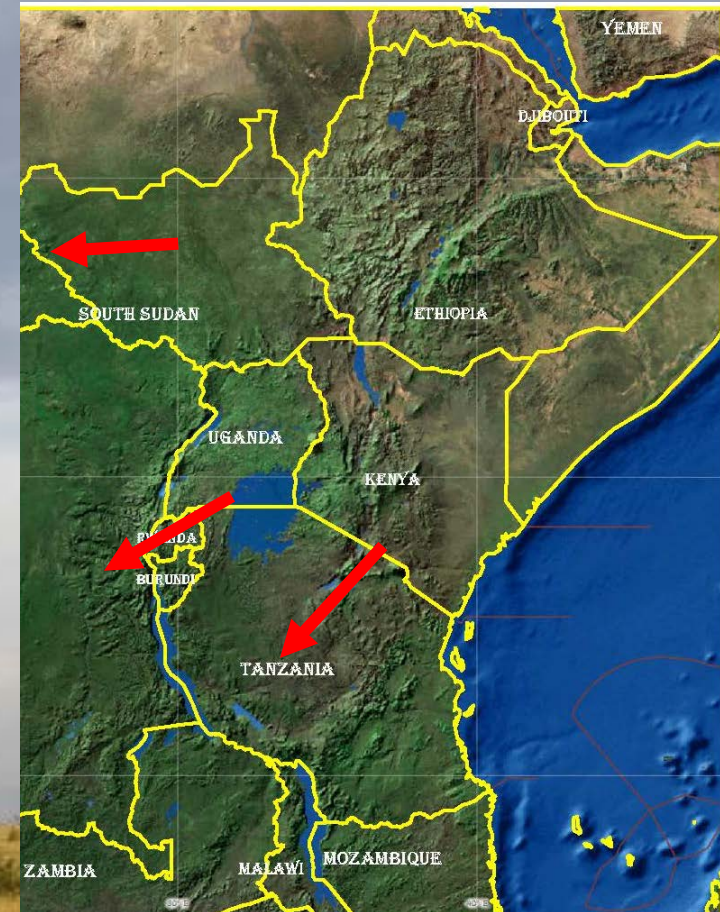
Block L19: the first two years



Expanding the footprint

We look for a number of criteria in selecting new areas:

- Understanding of area hydrocarbon systems, play types, reservoir, source and seal so we can apply our risk reduction techniques to these new areas and supporting analogs of where these play types worked.
- Reasonable government relations which assure not only stable fiscal terms, but good ongoing interaction with the government ministries as we develop oil and gas assets within their country.
- Understanding of time lines and economic models so we can forecast expected financial returns as we execute the plans.
- Economic thresholds tend to be lower than for the larger independents and majors, allowing us to successfully develop those “strings of pearls” often passed over by larger companies.



Lessons Learned

- Exploration programs must be designed to address all key exploration risks including source seal and reservoir, with risk reduction being a continuous process, with newly added data points continuously adding more knowledge about the area being studied.
- Applying multiple exploration tools are valuable both in building a prospect inventory and risk reduction.
- Analogs can be both a important screening tool for early risk assessment and for refinement of play concepts as prospects are identified.
- Economic risks can be continuously refined and form a important part of the evaluation process throughout the lifecycle of asset acquisition, evaluation and development.



Summary



- Management will use their experience and build upon their past successes to continue the growth of Rift Energy Corp. into a profitable company with a bright future.
- With the acquisition of our first concession, Block L19 in Kenya, we are pleased with the progress we have made on the block thus far and are delighted with our continued ability to follow our initial timeline.
- We look forward to continuing our strategy to identify, acquire and develop an array of assets across multiple countries and geological basins within Africa.



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Concentrating on East and Central Africa, our overlying goal is to

“Build a company with a solid portfolio of assets containing a diverse mix of risk profiles, all of which will contribute to substantial shareholder growth and value”