



OIL AND NATURAL GAS EXPLORATION

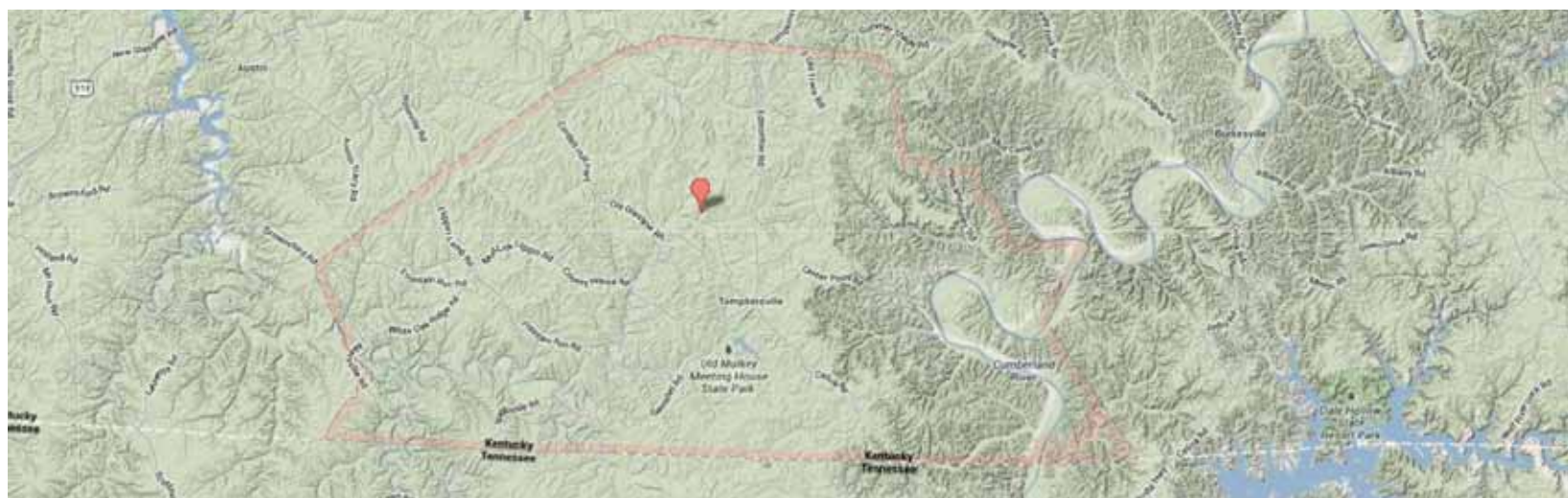
INTRODUCTION

SINCE THE TURN OF THE CENTURY, OIL AND GAS EXPLORATION HAS BEEN UNDERGOING VERY AGGRESSIVE PERIODS IN SOUTH CENTRAL KENTUCKY.

THE PRIMARY TARGET IN THE AREA IS THE ORDOVICIAN AGE KNOX FORMATION.

There are other productive formations that also have long histories of prolific production. The purpose of this brochure is to familiarize the reader with the types of formations and their histories.

The objective is to identify Ten drill sites with the highest potential for commercial production, based on available geological information obtained from well records of wells that were drilled on or near the leases; some wells were drilled as early as December 2008.



According to past and current production records, the probability for commercial oil production is high and development on the leases is highly recommended.

ABOUT THE EXPERTS

Thomas Lewis

Has nearly 20 years' experience in the oil and gas business including extensive experience "in the field".

He has successfully completed several oil and gas work-over projects located in various counties in Texas including Brown, Stevens, Throckmorton, Menard and Nolan counties and also possesses a hands-on working knowledge of the huge Texas Barnett Shale Gas play as well as several drilling programs throughout the Kansas methane coal gas play.

Mr. Lewis was president, secretary, treasurer and a director of AmeraTex Energy since 2003 and is actively involved in the firm's sales and marketing efforts. AmeraTex Energy has also been utilized as an independent consulting company for oil and gas companies on well completions and production infrastructure.

Steven Lewis

Has been involved in all aspects of the oil & gas industry since 1991 as an independent producer. Steven has a unique perspective of the industry, from geological techniques, field operation engineering techniques to administrative requirements.

He has worked in Barnett Shale fracturing of vertical gas wells under high pressure conditions as the "company man", as well as drilling and completing many vertical oil and natural gas wells in West Texas, Kentucky & Tennessee.

Steve Burchett Oilco

Will be utilized as the sub-contractor for the drilling of the wells. Steve has over 25 years' experience drilling and completing wells in this immediate area and throughout the states of Kentucky and Tennessee.

Burch Drilling LLC will cause the wells to be drilled to a depth sufficient to test thoroughly the objective formations, or as otherwise agreed upon by the Working Interest owners. Steve Burchett has participated in the drilling of over 500 wells, has made no insurance claims and there has been no occurrence of a blow-out, fire or other hazard. Many of these wells have been safely completed as producers throughout the years.

LGT Corporation- Geophysicist

LGT are a new type of geoscience services firm for the oil, gas, and mineral community. Their mission is to merge new technology data with traditional exploration techniques to improve subsurface knowledge and insights.

The result for their clients will be greater exploration success rates while providing substantial cost savings, all in a shorter period of time.

They do this by being strongly data-driven, with all results supported by the datasets provided. LGT believe that more data provides more valuable subsurface insights, so they not only use conventional seismic and well log data, they also utilize DEM, radiometrics, thermal, specialized radar, magnetic, gravity, and hyperspectral, and combine it with advanced data quality checks, processing and integration techniques.

The combination of the data significantly improves the knowledge of the subsurface while reducing the cost and time to make smart exploration decisions.

AREA OF INTEREST (AOI)

We recently performed extensive research of the area of interest in Monroe County, Kentucky, which covers approximately a 37 Square mile area.

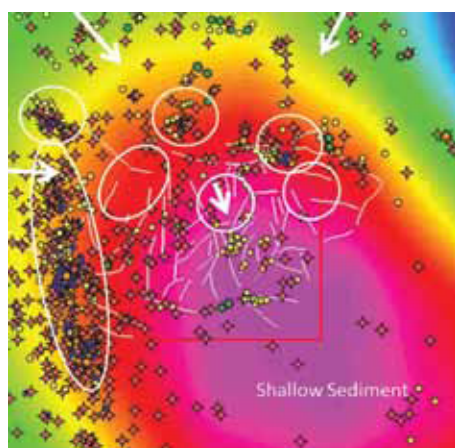
It was the intent to locate geological anomalies that may sustain large initial production and long term sustained production.

All wells drilled previously in the area were considered and included in the study. It was the intent to consider all prior production, stratigraphic traps, geological anomalies, structural highs and lows and also include thermal imagery and magnetic and gravity analysis, which tend to indicate hydrocarbons.

The structures were analysed at near surface, middle formations and deep formations using gravity and magnetic and fault (trapping) analysis.

There is the potential for 5 producers in the immediate vicinity;

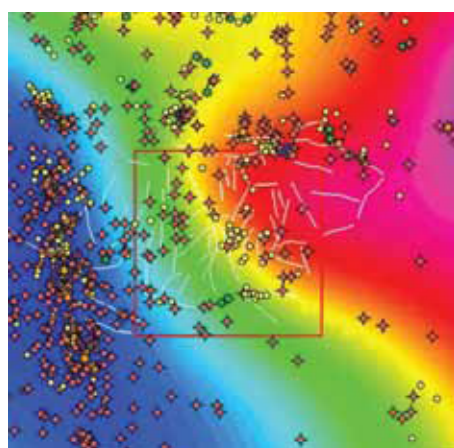
1. The St. Louis Limestone, which is a Mississippian age limestone formation, usually about 80 feet thick which will produce oil when porous zones are present;
2. The Salem and Warsaw Limestone;
3. The Fort Payne Formation is a Mississippian age formation consisting of massive limestone with Chert. The thickness is 10 to 150 feet and can be a strong producer of oil;
4. A Reef limestone of Ft. Payne formation;
5. Alluvium



Isostatic Gravity

Convergent flow shown from basement topography flows into gravity high. Known fields (circled white) are distributed around the flanks of the gravity high; some new potential exploration targets are also circled in white.

Small gravity high in the center shows a convergent flow path, on trend for the Sunny Brook Field 2.

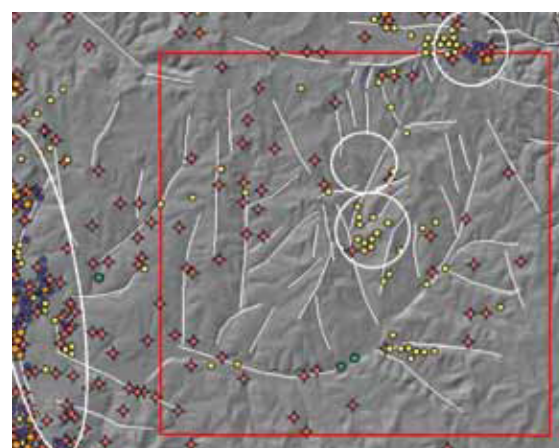


Magnetic Gravity

Magnetic high in the east likely due to tectonic activity. Magnetic and gravity basements more likely in the west and southwest.

Clear magnetic mineral change as variations of the magnetic field are too high.

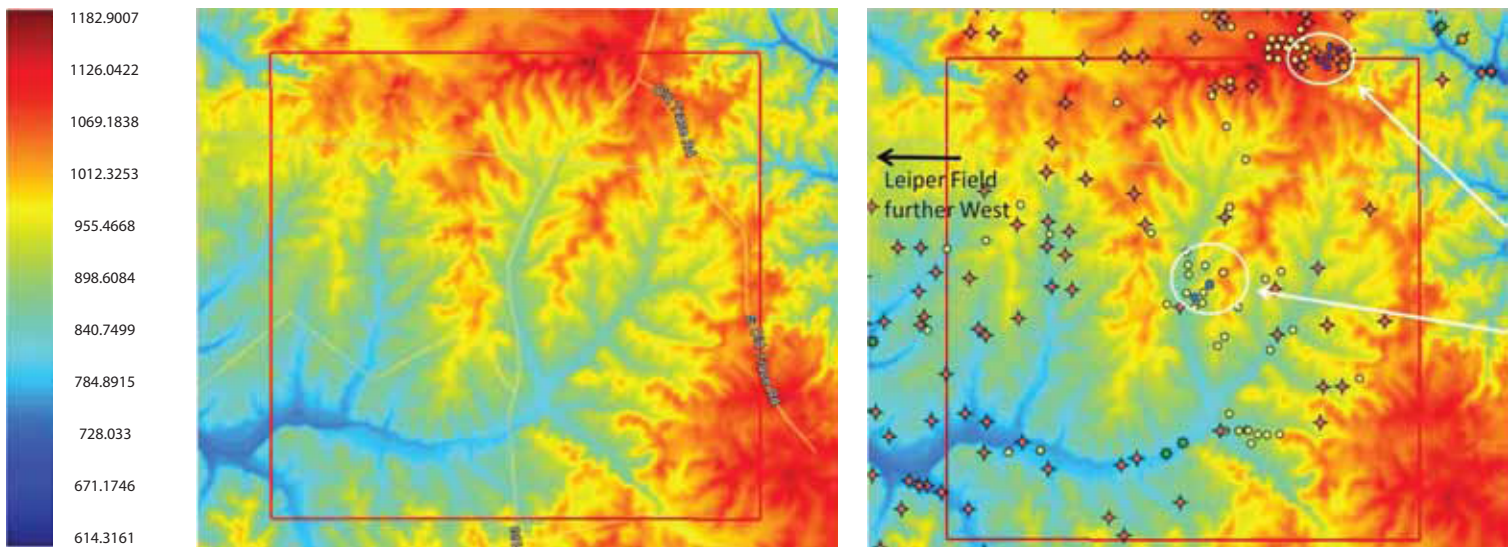
No close correlation with fields in area, possibly on periphery of the magnetic high.



Surface fractures

White lines represent fractures identified. There appears to be a correlation between productive areas and where several fractures terminate.

A potential exploration target highlighted with a white circle.



The surface elevations vary from 614 feet to 1183 feet. This is important information in trying to correlate sub-structure elevation increases or decreases and aids in making a determination of structural highs or lows.

There were two productive areas that were utilized as a geological baseline indicator. In this study we called these areas Sunnybrook Field 1 and Sunnybrook Field 2.

The Sunnybrook 2 area was cross-plotted from North to South and East; and Northeast to Southwest.

All wells in this vicinity had IP rates of 2 BOPD to 15 BOPD with the cross-plot B to B' prime (B-B') indicating an increase of initial production rates, which were used as a basis for anomaly development. The pay thicknesses of the Sunnybrook field were consistent around 6 to 7 feet with the formation getting deeper from northeast to southwest.

Also in the B to B' cross-section analysis, it was discovered that the Sunnybrook formation gets thicker from northeast to southwest. Known hydrocarbons are flanked by Warsaw and Salem Limestones in the region.

Sunnybrook production tends to fall on local plateaus. Several fracture analysis were performed including surface and sub-surface, with additional deep analysis to be performed. There appears to be a correlation between the productive areas and the termination point of several fractures.

We have discovered two major exploration targets with several indicators that should net higher than average production with sustained and long term life. The Isostatic Gravity analysis shows convergent flow from North to South and West to East. The convergent flow from basement topography flows into a gravity high.

Known fields are distributed around the flanks of the gravity high with a small gravity high in the center. Due to area tectonic activity, there appears to be no correlation with fields in the area, possibly on the periphery of the magnetic high.

Summary: With extensive research, using modern analytical techniques, we have discovered two areas which offer excellent potential for development.

Additionally, we have been able to determine that these two particular areas also have increased hydrogen sulfides, which are indicative of gas, that should create a long term and sustained hydrocarbon drive increasing the life of the oil wells drilled in these areas of interest.

CONCLUSIONS & RECOMMENDATIONS

The geologic and production information obtained shows that there is potential for significant oil production.

The primary target is the Knox formation and we feel it has not been adequately drilled and tested. There are numerous oil pools all around the prospect that have produced for many years.

This quality drilling prospect exhibits exceptional geological characteristics and is classified as a relatively low risk development. It is offset by numerous currently producing wells and several wells drilled in the past with proven production.

This prospect is one of the remaining few in Clinton County that has the potential to be another large commercially productive area, with the potential to produce millions of barrels of oil in a very short period of time.

NHE cannot ensure a successful venture however. Based on all information obtained it is the strong recommendation of YOUR MGP to vigorously develop this area.

INVESTMENT PROPOSAL

New Horizon Energy is excited to offer part ownership of a ten well drilling program in Monroe County, Kentucky.

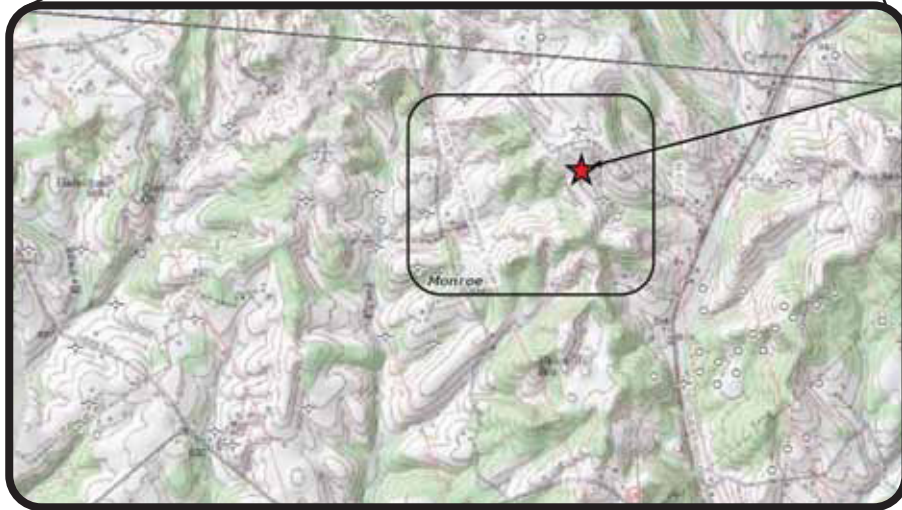
1 unit: 0.2% net revenue interest

Expected monthly return: \$700 - \$1200

Through high recommendation we offer a percentage of an entire 10 well drilling programme, allowing clients to diversify across a number of wells. Diversification offers a number of benefits including reduced risks and multiple revenue streams.

Over the last decade StrataGas have developed ground breaking exploration and extraction techniques ultimately allowing them to maintain an impeccable track record with a very high success rate. In order to maintain this reputation StrataGas will not explore within an Oil field with less than a 500,000 barrel reserve.

MONROE COUNTY, KENTUCKY - PROPOSED AREA



The area of interest is situated in Monroe County and very close to Cumberland County, Kentucky, approximately 50 miles west of Albany, Kentucky. There have been numerous discoveries of oil fields in Monroe County as well as the adjoining counties.

Most of the production is confined within the carbonate formations of the Ordovician Age. The producing formations either on or near the lease are the Granville, Ft. Payne, High Bridge, Sulphur Lick, Stones River, Murfreesboro and Knox respectively.

The pay-zones are located within distinct horizons that range in depths from 400 to 2500 feet below land surface. The lands will vary depending on the topographic relief.

GEOLOGICAL SETTING

The first commercial oil production from the Knox Group in the Cumberland Saddle probably was discovered in 1915 in the Beech Bottom field (MONROE Co., Ky.).

Several Knox oil fields (Gradyville East and Pickett Chapel Exie South), ranging in size from 1 to 1.5 MMBO, were discovered in the Kentucky part of the Cumberland Saddle in the 1960s and 1970s. Bioclastic limestone reservoirs in the Middle and Upper Ordovician Lexington Limestone (Granville zone and Sunnybrook limestone of drillers) also produce oil in the Cumberland Saddle.

Commonly, fields have commingled production from Granville, Sunnybrook, and Knox reservoirs. The Ordovician limestone fields are similar in size to the Knox dolomite fields. The largest oil and gas fields in the Cumberland Saddle were discovered between 1918 and 1929 in vuggy dolomite and local sandstone of Late Silurian and Middle Devonian age, commonly known as the "Corniferous" pay. Drilling depths to the reservoirs were less than 1,000 ft.

The four largest "Corniferous" fields are in Kentucky. In order of increasing size, these fields are Logsdon Valley, discovery date 1931, ultimate recovery 2 MMBO; Le Grands, discovery date 1929, ultimate recovery 4 MMBO; Bowling Green, discovery date 1918, ultimate recovery 2 MMBO; and Greensburg, discovery date 1959, ultimate recovery 22 MMBO.

Several of these oil fields have large gas caps, of which Campbellsville and Hiseville Center fields are the largest. These gas fields may have each produced as much as 25 BCFG. Modest quantities of oil and gas are produced from vuggy, bioclastic, cherty limestone reservoirs of Early Mississippian age in the Cumberland Saddle. The reservoirs are commonly referred to as reefs or bioherms.

In the early 1900s, the first Lower Mississippian oil fields of importance were discovered in Wayne County, Kentucky. They produced oil and associated gas from the Beaver "sand," the lower of three reservoir zones in cherty limestone of the Fort Payne Formation.



Another group of Lower Mississippian fields were discovered in Metcalfe County, Kentucky, in the late 1950s and early 1960s.

These fields produced from middle and upper reservoir zones in the Lower Mississippian Fort Payne Formation. Each of the largest five fields in the Fort Payne reefs are about 1–2 MMBO in size.

Recent oil and gas exploration in the Cincinnati Arch Province has been most active in the Cumberland Saddle. The main exploration targets are vuggy dolomite in the Cambrian and Lower Ordovician Knox Group and fractured limestone reservoirs in the Middle Ordovician High Bridge and Stones River Groups.

Several high-yield wells, initially producing 130–400 barrels of oil per hour in fractured limestone reservoirs of the High Bridge Group, were drilled in the early 1990s in Clinton County, Kentucky.

RESERVOIRS

Primary reservoirs in the play are vuggy dolomite formed by karst processes. Commonly, these reservoirs are overprinted with tectonic fractures.

Vuggy and (or) fracture porosity have formed local high-quality reservoirs in the Knox Group, but, in general, reservoirs are very discontinuous and heterogeneous.

The most extensive zones of vuggy porosity in the play are probably directly beneath the Middle Ordovician Knox unconformity as a result of widespread subaerial exposure and karst processes. Tectonic fractures of extensional and compressional origin have improved the reservoir quality of karst-related porous zones and, in some cases, may be the sole cause of the reservoir.

Most of the fractures probably resulted from differential movement of fault-bounded basement blocks.

Traps:

Stratigraphic, combination, and structural traps have trapped oil and gas in this play. Stratigraphic traps consist of truncation and paleotopographic traps situated beneath the widespread Knox unconformity, whereas structural traps consist of small anticlines that very likely have been controlled by basement tectonics. The combination traps are caused by facies and (or) diagenetic changes across anticlinal flanks and noses. Closure on the traps may cover an area as large as 2,000 acres.

Drilling depths to the traps range from about 400 to 4,000 ft. Seals for the traps consist of argillaceous dolomicrite and shale of the Middle Ordovician Wells Creek Formation (Dolomite) and argillaceous micrite of the Middle Ordovician Black River Limestone and High Bridge Group.

Exploration status:

Approximately 4,000 holes have been drilled through all or part of the Knox Group in the Cumberland Saddle. Since 1915, approximately 65 oil and gas fields have been discovered that involve the Knox Group.

About 17 of these fields produce solely from the Knox Group, whereas the remaining 48 fields have Knox production that is commingled with Middle to Upper Ordovician limestone production. Through 2004, an estimated 5 MMBO was produced from the Knox Group in the Cumberland Saddle of Kentucky and Tennessee.

Resource potential:

This play has potential for a small number of undiscovered oil and gas fields greater than 1 MMBO and 6 BCF of gas. The main reasons for expecting undiscovered fields in the play:

- (1) are the subtle nature of the traps
- (2) the enormous area with sparse drilling to the Knox Group
- (3) the presence of hydrocarbons in the Knox Group throughout much of the Cincinnati Arch Province (066), and
- (4) mostly untested lower parts of the Knox Group. The greatest limiting factor to the play may be that reservoirs are widely scattered and of low quality.

Exploration status:

Approximately 4,000 holes have been drilled through all or part of the Middle and Upper Ordovician sequence in the Cumberland Saddle. Since the drilling of the Great American well in 1829, approximately 160 oil and gas fields have been discovered in the play.

About 112 of these fields produce solely from the Middle and Upper Ordovician limestone sequence, whereas the remaining 48 fields have Middle and Upper Ordovician limestone production that is commingled with Knox Group production.

Through 2009, an estimated 10 MMBO of oil and an unknown amount of associated gas have been produced from Middle and Upper Ordovician limestone reservoirs in the Cumberland Saddle.

Among the largest fields are:

Bakerton, Cumberland Co., Ky., discovery date 1866, depth 400–1,400 ft;

Decide, MONROE Co., Ky., discovery date 1944, depth 600 ft;

Ida, MONROE Co., Ky., discovery date 1922, depth 200–1,100 ft;

Lee Chapel consolidated, MONROE Co., Ky., discovery date 1964, depth 500–600 ft; Willis Creek, MONROE Co., Ky.

SULPHUR LICK PRODUCTION

The Lexington also known as the Sulphur Lick has two production horizons, the upper and the lower. The upper zone is located within the upper few feet of the formation while the lower zone is within the last fifty feet of the basal section.

The pencil cave bentonite, a highly used marker bed in the region is situated about fifty feet below the Sulphur Lick pay zone.

These pay zones are mainly a fossiliferous limestone section that can also have fracture porosity. The oil is primarily produced with a gas drive. The initial production rates for this section can be very flashy.

Production rates fall rather sharply after a short period of time, however the initial flow can be substantial when encountered.

STONES RIVER & MURFREESBORO PRODUCTION

The Stones River and Murfreesboro formations make up the approximate 700 foot section between the Pencil Cave and the Knox formation. There may be multiple pay zones in the Stones River section that are located anywhere from 50 to 250 feet below the Pencil Cave, that yield high levels of oil production; some records have shown 50-125 bblpd.

The Murfreesboro pay zone is from a single part of the section situated approximately 400 feet below the Pencil Cave. The Murfreesboro has been one of the dominant producing formations on and around the lease to date.

There are wells on and around this lease that have, and are still producing oil from this zone. The thickness of this zone ranges anywhere from

two to twelve feet. A few of the wells on the lease have been producing close to eighty years.

According to the records on and around the lease, there is extremely good potential for as good or better production from offset wells. If properly located on strategic site locations such as fractures and known trends, there is an excellent potential for major producing wells to be discovered.

Based on the geologic data there is a well-defined structural high with a corresponding low on the lease that trends to northwest that are proven oil producers. There is ample room to drill new wells within this trend that are very promising.

KNOX PRODUCTION

The Knox formation is the strongest producer in the proposed area. The formation is composed of dolomites and chert that form the reservoirs. There are two pay zones within the Knox that are at the top 10-10 feet, and then a second located approximately 50-75 feet deeper.

Knox wells have initially produced production rates of 150 bbl or more a day for extended periods of time. Knox oil production is mainly associated with a gas drive solution.

While drilling the Knox, care must be taken as to not drill too deep. Usually 800 feet below the pencil cave is the third break in the Knox. Salt water is usually encountered at this depth.

Target depths for optimal Knox production will be between 1600 to 2200 feet total depth depending on the surface elevation. The host rock for the oil is a cherty dolomite that formed in the upper Knox during the post-Knox erosional unconformity. Production rates can be extremely high from the two zones and produce for long periods of time.

There are numerous past and present oil pools all around the area that have produced vast quantities of oil for many years. It is our intent to focus on the Knox as the primary target within the prospective area.

ESTIMATED OIL INVESTMENT CALCULATOR

OIL POTENTIAL REVENUE (total)		MONTHLY	ANNUAL
\$90.00 PER BBL			
300	BPD	\$1,476	\$17,712
250	BPD	\$1,230	\$14,760
200	BPD	\$984	\$11,808
150	BPD	\$738	\$8,856
100	BPD	\$492	\$5,904
\$100.00 PER BBL			
300	BPD	\$1,656	\$19,872
250	BPD	\$1,380	\$16,560
200	BPD	\$1,104	\$13,248
150	BPD	\$828	\$9,936
100	BPD	\$552	\$6,624

This oil calculator is provided for informational purposes only and not intended to be a solicitation of any kind. Nothing herein shall be construed as tax, legal or accounting advice. Investing in oil is highly speculative and could result in substantial losses.

Potential investors should consult their solicitor, accountant & financial advisors before investing in oil.

Past performance is not a guarantee of future performance or returns. This calculator is for general use and does not consider all aspects of any oil investment.

Returns are estimated before operating & administrative expenses

By investing in oil and gas exploration, an individual has the opportunity to turn taxable income into an investment that creates capital assets, producing income, partially taxed.

Each Participant should depend upon the advice of his/her own tax advisors with respect to income and other tax laws that may apply to his/her participation in this Limited Partnership program.



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