



## Strategy Overview - Portfolio Variation 3

The PanAm Acquisition & Development Fund Variation 3 (“The Income, Exploration & Development Fund”) has been designed for investors seeking higher growth and a calculated element of protection for their invested capital.\* This is accomplished by combining a portfolio of “geologically-risked” exploration prospects with ownership in and/or by providing production loans for “proven income-generating” wells. Our focus will be exclusively on properties in Canada and the U.S.

In this fund, approximately 35% of capital available for investment will be directed toward the acquisition of oil and gas wells “within the limits of existing fields” and about 65% of capital will be utilized for exploration & development programs. Such programs may include mineral lease acquisitions, seismic data gathering, exploration and development drilling and possibly the participation in secondary recovery programs. Our strategy will be to invest 70% or more of funds available for acquisition of interests in oil or natural gas liquids and a maximum of 30% for the acquisition of natural gas assets.\*

## Investment Highlights

### Attractive Investment Targets and Cash Returns

- Targeting projects with above average expected gross internal rates of return
- Semi-annual distributions are planned, beginning within 6 months of investment

### North America is an Excellent Place to Invest in

- Home of the world’s largest consumer
- Excellent quality and transparency of resource information
- Readily available infrastructure to bring product to market
- Attractive economic terms (i.e. size of Government “take” reasonable)
- Safe and secure operating environment with well-defined regulation
- Strong and stable banking sectors and currencies

### Experienced Management and Advisory Team

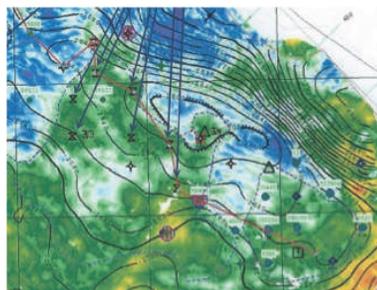
- Collectively over 150 years of experience
- Team comprised of Professionals in the areas of Geology, Geophysics, Engineering, Financial reporting and Mineral lease management
- Successful track record of investing in acquisition and drilling projects

### Transparent and Disciplined Investment Management Platform

- Strict asset acquisition criteria aims to ensure capital deployment is focused and prudent
- All major investments evaluated by independent engineering firms
- Results audited and published annually by Deloitte’s world-wide energy service teams

### Favorable Fund Structure with Operational Risk Control

- Planned regular cash distributions reduce investors’ “at-risk-capital”
- A portfolio approach combining a geologically-risked exploration program with the acquisition of income producing oil & gas properties optimizes the prudent deployment of capital
- Alignment of interest: No management bonuses until investors have received full payout of invested capital



\*Our acquisition parameters are based on an assumption that oil prices will fluctuate in a range of \$60 to \$80 per barrel from 2016 forward, and that the conversion ratio for natural gas to a barrel of oil equivalent (BOE) should be 20 to 25 Mcf (not 6 Mcf).