



Strategy Overview – Portfolio Variation 3

The PanAm Lease Acquisition & Development Limited Partnership has been designed for investors seeking higher growth and a calculated element of protection for their invested capital. The LP will only invest in a portfolio of assets with an expected internal rate of return (IRR*) of 25% or greater. This is accomplished by combining a portfolio of “geologically-risked” land lease prospects. Our focus will be exclusively on properties in Canada and the U.S.

In this fund, approximately 80% of capital available for investment will be directed toward mineral lease acquisitions within PanAm’s study areas where previously by-passed oil & gas bearing zones are now economically viable to develop due to technological advancements in drilling and reservoir stimulation. The remainder of capital will be utilized for development programs which may include seismic data gathering and development drilling, as well as tie-in to processing systems in preparation for delivery to markets. Our strategy will be to invest 70% or more of funds available for development of interests in oil or natural gas liquids reserves and a maximum of 30% for natural gas assets procurement.*

Investment Highlights

Attractive Investment Targets and Cash Returns

- Targeting projects with above average expected gross internal rates of return
- Capital returns planned to be within 15 to 18 months with further participation options

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 domestic and export markets
- Attractive economic terms (i.e., size of Government “take” reasonable)
- Safe and secure operating environment within 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
- Strong track record of investing in successful acquisition and drilling projects

*Our IRR calculations are based on an assumption that oil prices will fluctuate in a stabilized range of \$70 to \$90 per barrel from 2023 forward.

Transparent and Disciplined Investment Management Platform

- Strict asset acquisition criteria aim to ensure capital deployment is focused and prudent
- All major investments evaluated by independent engineering firms
- Results audited and published annually.

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

