

Portfolio Variation 2

“The Income & Development Fund”



PanAm Acquisition & Development Fund 2014 -2



Strategy Overview - Portfolio Variation 2

The PanAm Acquisition & Development Fund Variation 2 (“The Income & Development Fund”) has been designed for the purpose of offering investors safety and growth in an Oil & Gas investment.* This is accomplished by combining ownership in or providing production loans for “proven, income-generating” wells, balanced with a development drilling program. Our focus will be exclusively on properties in Canada and the U.S.

In this fund, approximately 50% of monies available for investment will be directed toward the acquisition of producing oil and gas wells within existing fields and about 50% of funds will be utilized for development activities in fields with upside potential. Such activities may include development drilling, well work-overs, re-completions and enhanced recovery methods. 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 the optimization of drilling performance with the acquisition of income producing oil & gas properties ensures that capital is prudently deployed
- 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).