



**STRATEGIC AMERICAN**  
O I L C O R P O R A T I O N

SGCA.OTCBB | [strategicamericaoil.com](http://strategicamericaoil.com)



## **Disclaimer**

*This presentation may contain forward-looking statements including expectations of future production, cash flow and earnings. More particularly, this press release contains statements concerning Strategic American Oil Corporation's ("the Company") future production estimates, expansion of oil and gas property interests, exploration and development drilling, seismic operations, regulatory applications, payout estimates, capital expenditures, number and drilling locations to be drilled in 2008, seismic acquisitions and facilities upgrades. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, health and safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Additional information on these and other factors that could affect the Company's operations or financial results are included in the Company's reports on file with Canadian securities regulatory authorities.*

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### *Oil and Gas Advisory*

*This news release contains disclosure expressed as "boe/d". All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.*



STRATEGIC AMERICAN  
OIL CORPORATION

## **SGCA History**

- Early stage, independent, oil and gas E&P company
- Began oil production in September, 2006
- Producing properties in Louisiana and Texas
- World Class Management/130 Years of Combined Oil & Gas Experience
- 477.86 gross developed and 12,739.93 gross undeveloped acres pursuant to leases or acquisitions in Texas, Louisiana, Oklahoma and Illinois (1,985.07 acres net)
- OTC bulletin board ticker: SGCA
- Operations Headquarters: Corpus Christi, Texas



## Why SGCA?

- World-class geologists, petroleum engineers and land managers
- Astute business model minimizing cash outflow & multiplying growth
- Low political risk with all U.S. projects...Google earth visibility
- Already a producer with reserve and land bank
- Trading (OTCBB: SGCA)



## MINIMIZING CASH RISK ~ MULTIPLYING GROWTH

SGCA is an exploration and production company

SGCA business model is to sell drilling projects on a promoted 1/3 for 1/4 basis retaining a carried 25% to casing point in initial wells

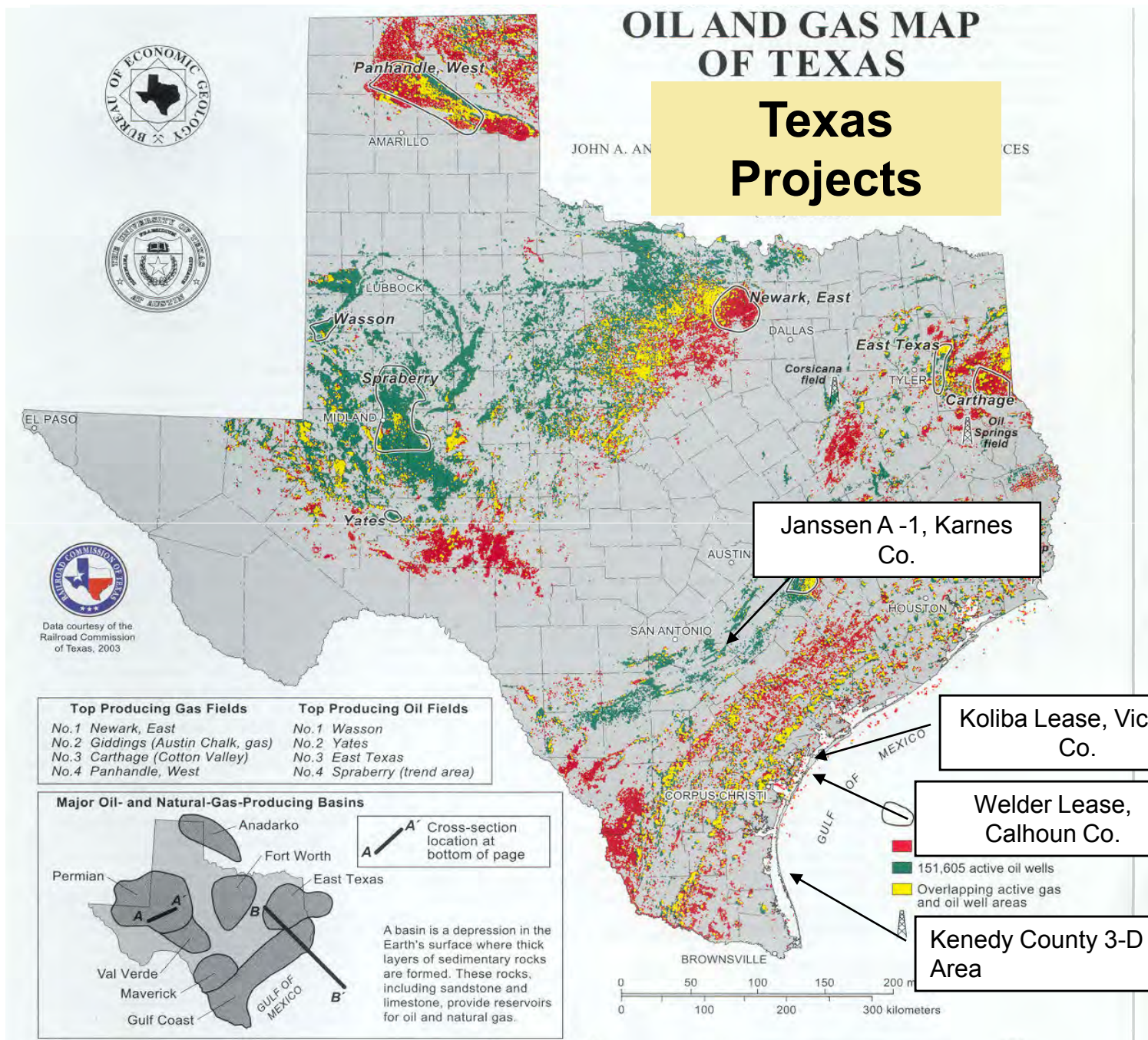
SGCA retains 25% working interest and recoups the majority of Land, Geologic and Geophysical costs

Each well is taken on its own merits: different working and revenue interests

Modern enhanced oil recovery methods used in aged proven wells

# OIL AND GAS MAP OF TEXAS

## Texas Projects



Top Producing Gas Fields	Top Producing Oil Fields
No.1 Newark, East	No.1 Wasson
No.2 Giddings (Austin Chalk, gas)	No.2 Yates
No.3 Carthage (Cotton Valley)	No.3 East Texas
No.4 Panhandle, West	No.4 Spraberry (trend area)

**Major Oil- and Natural-Gas-Producing Basins**

A basin is a depression in the Earth's surface where thick layers of sedimentary rocks are formed. These rocks, including sandstone and limestone, provide reservoirs for oil and natural gas.

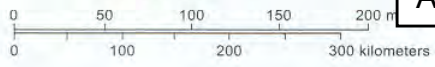
Janssen A -1, Karnes Co.

Koliba Lease, Victoria Co.

Welder Lease, Calhoun Co.

Kenedy County 3-D Project Area

151,605 active oil wells  
Overlapping active gas and oil well areas





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## **SGCA Technical Team**

### **Randall Reneau – President, CEO, & Director**

- 30 Years Experience as Geologist (domestic and foreign)
- President Reneau Exploration & Development, drilled and operated oil wells in TX and OK
- Previous Chief Exploration Officer and Director of Uranium Energy Corp.

### **Steven Carter – Vice President of Operations**

- World Class Petroleum Engineer
- Negotiated Potential 1,000,000 Barrel Oil Field Lease
- Capable of Introducing Substantial Projects to Company
- Reworks Projects to Significantly Increase Production

### **Jim Thomas – Chief Geologist**

- Exploration Geologist With Intricate Knowledge of Illinois Basin
- History of Successfully Identifying Oil Drilling Projects

### **Leonard Garcia – Land Manager**

- Has worked for Kerr McGee, Sun Oil and Oryx Energy, among others
- Capable of Introducing Substantial Projects to Company
- Expert at leasing, title search, farm-ins and farm-outs, and contracts





## **SGCA Officers and Directors**

### **Randall Reneau – President, CEO, and Director**

- Conoco, Wold Nuclear, REDCO, Uranium Energy, International Texas Industries, Interresources, and Penasco Petroleum

### **John Lindsay – Secretary, CFO, and Director**

- Uranium Energy, Investor Relations Group, National Media

### **Leonard Garcia – Director**

- Kerr-McGee Oil & Gas, Harkins & Co., Sun Oil Company, Oryx Energy Co., Texaco, Monsanto Exploration and Production Company, and Trans Texas Energy

### **Alan Lindsay – Director**

- Uranium Energy, MIV Therapeutics Inc, AZCO Mining, Anatolia Minerals Development and New Oproeru Resources





## SGCA States of Operations

### **Texas**

- Over 1 billion barrels of oil and gas produced per year in state

### **Louisiana**

- State annually produces over 100,000,000 barrels oil/year

### **Illinois**

- Inexpensive leases and shallow pay zones
- SGCA Senior Geologist has over 30 years experience in Illinois

### **Oklahoma**

- Horizontal drill zones with prolific oil/gas structures





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## SGCA Exploration – Production Areas

- Holt Lease – Louisiana
- Strahan Lease – Louisiana
- Dixon Lease – Louisiana
- Welder Lease – Texas
- Janssen Lease – Texas
- Markum City – Illinois
- NE Oakdale and DST prospects - Illinois





## SGCA Multi-Tiered Growth Plan

### **Production**

- Increasing production through acquisition of existing production, drilling new wells and re-working of existing well.
- Louisiana properties adjacent to Denbury Resources \$50mm Holt-Delhi acquisition & Clayton Williams deep (17,500') gas play

### **Project Acquisition**

- Oil And gas well acquisition
- Experienced team reviewing new deals regularly

### **Exploration**

- Land public and private records
- Exploration and development of shut-in wells and blue sky projects
- Finance and/or operate major exploration and development joint ventures





## **Enhanced Oil Recovery (EOR)**

- SGCA planning Enhanced Oil Recovery (EOR) methods in the Illinois Basin.
- EOR can increase the amount of oil that can be extracted from an oil field.
- This improved extraction is achieved by gas injection, chemical injection, or thermal recovery.
- Gas injection is the most commonly used EOR technique. Carbon dioxide (CO<sub>2</sub>), natural gas, or nitrogen is injected into the reservoir.
- Reservoir expands, more oil dissolves and goes to wellbore (lowering viscosity and raising flow rate).
- Using EOR, 30-60 %, or more, of the reservoir's original oil can be extracted compared with 20-40% using primary and secondary recovery.





## Oakdale, Jefferson County, Illinois

- Oakdale North, Northeast & DST Prospects, Jefferson County, IL
- Leased over 1800 acres in the Oakdale and DST prospect areas
- Company plans to shoot several 2-D seismic lines on currently held leases in conjunction with seismic option agreements
- Confirmation of structures followed by drilling on a promoted basis
- Targets range in depth from 2,000' to 4,000'
- Leases acquired to date are primarily 87.5% NRI
- Pinnacle Reef prospects will be confirmed by 3-D seismic and drilled on a promoted basis



## Waterflood, Jefferson County, Illinois

- 372 Acres Leased
- Planned “Enhanced Oil Recovery” or “Waterflood”
- Illinois State Geological Survey:
  - 1.5 million barrels of oil produced from leased acreage during the 1940s and 50s
  - Nearby waterflood operations in the same zones have yielded a 1:1 recovery
- Target depth at 4,000’
- Chief Geologist Jim Thomas has 30 years Illinois Basin experience
- Leases acquired to date are primarily 87.5% NRI
- Low risk long-term production potential in a proven waterflood area





## South Delhi/Big Creek Field, Louisiana

- 97% working interest and an 81.25% net revenue interest
- Approximately 292 acres in Franklin Parish, Louisiana
- 100% working interest and an 81.25% net revenue interest in approximately 40 acres in Richland Parish, Louisiana
- The McKay lease was recently assigned to a third party in return for assuming all plugging liabilities and a retained 7.05 ORRI
- SGCA owns a 75% working interest in the Strahan and Holt leases
- Tradestar Energy, Inc. operates the Holt and Strahan wells for Penasco and owns the remaining 25% working interest



## South Delhi/Big Creek Field, Louisiana

- Wells located in the Delhi South Field (next to the prolific Delhi)
- Leasing the Dixon Tract (160ac) adjacent/contiguous to Holt
- To date, more than 60+% of Dixon have been leased
- Tradestar will have 50% of Dixon Lease, and Holt-Strahan will remain 75% Penasco/25% Tradestar
- Current plans are to re-work two previously producing wells on the Dixon lease and re-activate an on-site salt water disposal well



## **South Delhi/Big Creek: Potential Spillover Benefits from Denbury**

- Denbury Resources (DR) spent \$50 million to acquire South Delhi field adjacent to SAO's producing wells
- Denbury's Plan: Conduct CO2 tertiary flood to maximize production
- South Delhi/Big Creek may benefit from Denbury's flood program
- Historically, tertiary recovery has paid in the range of a net \$10-16 per tonne of CO2 injected for oil prices of \$15-20/barrel





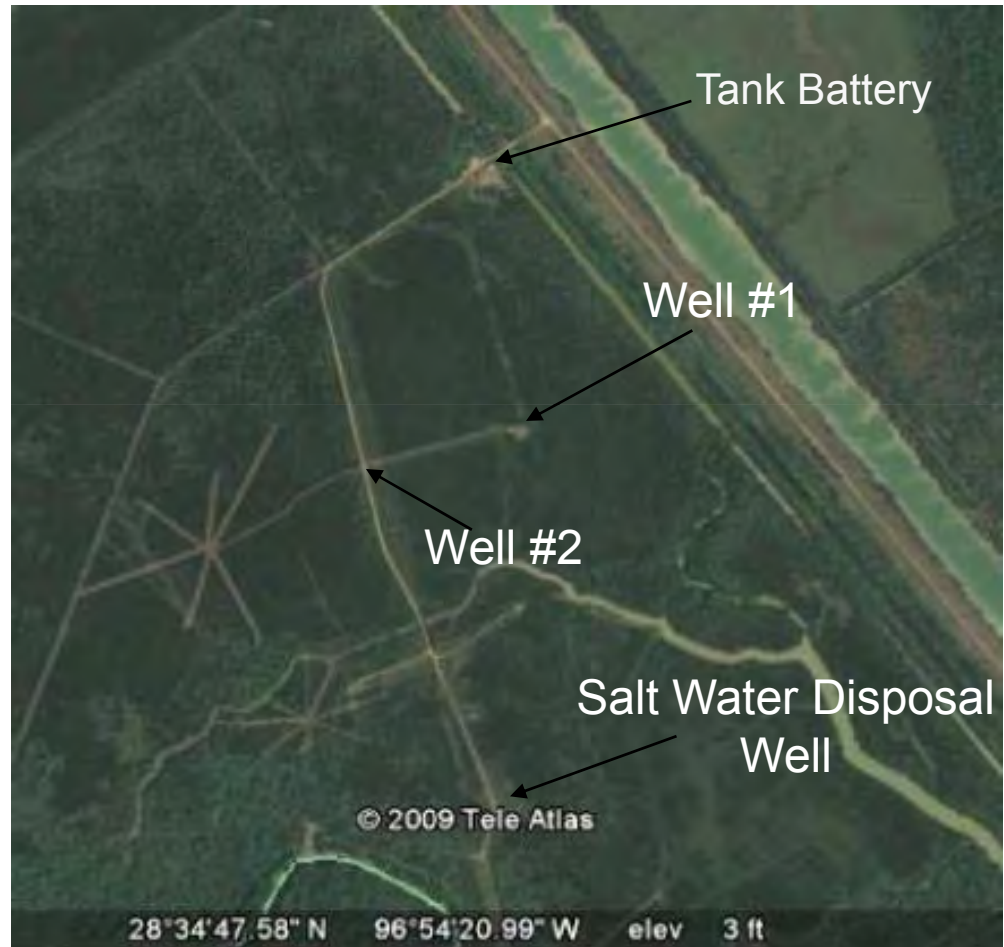
## Barge Canal, Texas

- The Company currently produces from two Frio Sand wells (5800') located on the Welder Lease
- A gas lift system is utilized to produce the wells
- Gas not used in the gas lift system is sold
- The lease also contains one salt water disposal well (SWD)





BARGE CANAL PRODUCING WELLS ON GOOGLE EARTH



## BARGE CANAL PROJECT

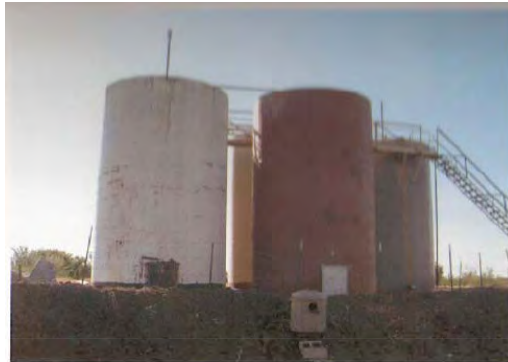


Photo No. 1 – Patrick Welder Tank Battery



Photo No. 2 – Patrick Welder Tank Battery



Photo No. 3 – Patrick Welder Tank Battery



Photo No. 4 – Patrick Welder Compressor Station





## Janssen, Texas

- The Company owns a 3% working interest in the Janssen A-1 Well
- PDNP Pettus sand (oil) is behind pipe at 4000' and a possible gas sand was indicated on logs at 3060'
- Penasco also has the right to participate up to 5% on a non-promoted basis on any additional wells that may be drilled on the lease





## Koliba, Texas

- Koliba lease is a 143 acres tract near the Barge Canal wells
- Offset well to past producer  
(previous production was from Koliba No. 1 well)
- Located in North McFadden Field, Victoria County near Welder Lease
- Three target zones identified – multiple pay sands (oil and gas)
- Texas Railroad Commission states:
  - 7 wells from these 3 target zones produced 390,426 barrels of oil and 2,472,481 MCF (thousand cubic feet) of gas between 1962 to 1989
  - 87 productive oil and gas zones in North McFadden Field
- Low risk offset development well in an area we have experience





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## **SGCA 2009 Operating Plan**

- Build critical mass through production while furthering ambitious exploration program
- Build shareholder value through efficient project acquisition and development, and bringing oil to market
- Begin aggressive drilling & 3D seismic campaign to establish reserves
- Strengthen cash flow and improve asset base





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## **SGCA Corporate Information**

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