



Stock Information

Symbol:
 SGCA
 Exchange:
 OTCBB
 Recent Price:
 \$0.10
 Market Cap:
 \$27.0M
 Shares Outstanding:
 270M
 Approx Float:
 122M
 52 Week Range:
 \$0.05 - \$0.26

Recent News

Sep 27, 2011 - Strategic American Oil completes Acquisition

Sep 22, 2011 - Strategic American Oil Enters into Definitive Purchase and Sale Agreement

Aug 17, 2011 - Strategic American Oil to Acquire Additional Interest in Galveston Bay Production

Jun 21, 2011 - Strategic American Oil Reports Third Quarter 2011 Financial Results

May 26, 2011 - Strategic American Oil Appoints New Chief Financial Officer

Corporate Overview

Strategic American Oil Corporation (OTCBB: SGCA) is a Houston, TX based oil and natural gas exploration and production company with operations in Texas, Louisiana, and Illinois. The company seeks accretive acquisitions of production, reserves, or other oil and gas companies that will provide significant returns on investment.

Strategic recently acquired Galveston Bay Energy, LLC (GBE), which provided a considerable increase in oil and gas production, as well as cash flow. The most recent engineering report from Ralph E. Davis Associates, Inc. estimates net proved reserves of 1.6 million barrels of oil and 16.6 BCF (billion cubic feet) of natural gas which translates to approximately \$128.2 million (un-discounted) or \$77.7 million (discounted at 10 percent) in net proved reserves for Strategic American Oil.

Strategic American Oil aims to continue leasing, drilling, and acquiring projects at various stages of development to increase revenue and grow its core reserves. To date, Strategic American Oil has established a land portfolio with an aggregate gross 5,236 developed and undeveloped acres in Texas and Illinois. With this acreage, the company has acquired producing wells and subsequently identified new exploration targets. Strategic has also leased land positions hosting previously producing wells with the goal of utilizing proven technologies, such as water flood recovery, to enhance or reestablish production.

Investment Thesis

Strategic American Oil is driven by Return on Investment (ROI).

The United States today has over 539,000 oil wells which accounts for over half the world's active wells. With production peaking in 1973, the average well in the U.S. produces approximately 10 barrels a day. Typically, 60 - 80% of the original oil in place is still present. Strategic wants to look at the decisions made forty plus years ago in the light of new technology and current economics to see what value can be extracted from that remaining 60 - 80% today.

Domestic exploration has an advantage over international exploration because the best oil and gas infrastructure and work force in the world are found in the continental United States, the birth place of the oil industry. By utilizing these resources Strategic is able to bring domestic U.S. oil to market in days or weeks after a discovery is made, which is a huge advantage over offshore or foreign markets. Foreign projects often require years of capital-intensive development before returns are realized.

While SGCA is not opposed to foreign projects, the risk-reward ratio must be truly exceptional to overcome the additional political and timing concerns that are inherent to projects located outside the United States. If the returns are attractive enough, the company will consider investing in exploration and production projects outside the United States.



Management Team

CEO & Chairman
Jeremy G. Driver

Vice President & Director
Stephen L. Carter

Operations Manager
Craig Alexander

Chief Financial Officer
Sarah Berel-Harrop

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Highlight of Current Projects:

Galveston Bay

Strategic American Oil acquired Galveston Bay Energy, LLC in February 2011. Multiple high-value drilling targets have already been identified in the fields of Galveston Bay. A full field study is currently underway to finalize the operational plan including infrastructure improvements, reworks, re-completions, and drilling. With more than 120 wells and only 20-30 wells producing, there remains a significant amount of "low hanging fruit." The Company expects to ramp up production in the near term with minimal capital investment. While exploiting these non-drilling opportunities, a formal drilling program will also be designed and implemented.

Markham City North Field -Illinois

Strategic American Oil has developed an enhanced recovery project in Markham City North field in Illinois, which has cumulatively produced 1.6 million barrels of oil. Recovery rates are expected to be 80-100% of previous production, based upon a regional field analysis. The Company has contracted with Core Minerals to design a water-flood pilot program which began in August 2011. Depending upon the results of this pilot program, a full stage recovery operation will be designed and implemented with a target depth range from 2,000' to 4,000'. Leases acquired to date are primarily 87.5% Net Return Interest.

Financial

The company acquired SPE Navigation I, LLC. in September 2011, which brought with it over \$4 million in liquid assets. In addition, the SPE transaction increased the ownership in the Galveston

Bay fields by 33% which will substantially increase the cash flow of the Company. Furthermore, the Company has a \$10 million dollar working capital bank line. The company has less than a million drawn on that line and has no other debt.

CEO Family Investment

The SPE Navigation I, LLC was owned by various members of the CEO's family who founded and developed Hyperdynamics Corporation (HDY:NYSE). The family has to date provided over 70% of the Company's capital for acquisitions and are committed to long term shareholder value.

The Outlook

The Texas and Illinois projects are the foundation of an exciting exploration and development program. The prospects reviewed are a sample of the opportunities that are being developed by the Strategic American Oil team. The Company is currently negotiating to acquire additional oil and gas production, independent companies, and 3D seismic data.

Strategic American Oil is aggressive in pursuing projects that will turn a growth stage oil and gas company into a mid-tier U.S. oil and gas developer. Strategic American Oil Corporation's technical expertise and current operations in Texas, Louisiana and Illinois coupled with their strong financial condition place the Company in an advantageous position to experience remarkable growth in the near future.