Business Overview

• Small, privately-held oil and gas development company
  • Corporate Office in Fort Worth, TX
  • Operations Headquarters in Anchorage, AK
  • Directors and management team with Alaska experience

• 100% lease ownership in Cosmopolitan Unit
  • Cosmo is currently BlueCrest’s only project

• Emphasis on personnel safety and environmental integrity
## Cosmo Oil – Plan and Progress

<table>
<thead>
<tr>
<th>Project Milestones</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
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<tr>
<td>First oil from Hansen well (3/31/16)</td>
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<tr>
<td>Construction completion</td>
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<td>Oil trucked by Carlile to Tesoro Refinery</td>
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<td>Drill rig arrives at the Ports of Anchorage and Seward; trucked to site</td>
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<td>Rig assembled on site</td>
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<tr>
<td>Begin drilling new wells</td>
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<tr>
<td>Oil Production from new wells</td>
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</tbody>
</table>
Cosmo Oil – Construction Completion

Microturbines

Derrick Raised

Processing Equipment

Control Room
Contractors & Vendors

- Over 90 vendors statewide
- 75 Kenai Peninsula vendors
- Services include:
  - Lodging and meals
  - Construction supplies
  - Site survey
  - Pad expansion
  - Pile driving
  - Crane services
  - Weld inspections
  - Geotechnical compactions
  - Tank farm liners
  - Equipment rentals
  - Health care facilities

BlueCrest contributes to KBP revenues through property and sales taxes
Cement and steel barriers prevent any fracturing fluids from reaching surrounding groundwater aquifers.
Side View of Drilling Plan (to scale)

Cook Inlet

Oil well

Deepest Water Well 119 feet

Surface Casing Point 3,283 feet below Cook Inlet

(well continues to 7,000 feet deep)
What’s in Fracking Fluids?

- Water and Sand: 99.51%
- Other: 0.49%

- pH Reducer: 0.123%
- Friction Reducer: 0.088%
- Surfactant: 0.085%
- KCI: 0.06%
- Other (not detailed in the chart): 0.043%
- Biocide: 0.001%
- Corrosion Inhibitor: 0.004%
- Iron Control: 0.007%
- Crosslinker: 0.01%
- Breaker: 0.043%
- Scale Inhibitor: 0.056%
Emerging Operations Events

- Site access authorization
- Uncertainty of payments for state tax credits owed
  - Impacts to potential future exploration
  - Changes to number of initial wells drilled onshore
Questions?

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