



# SEFTON RESOURCES

AIM: SER

## Corporate Presentation



January 2010

*Jim Ellerton, CEO*

**Corporate Headquarters**

Jim Ellerton, CEO  
Sefton Resources, Inc.  
2050 South Oneida St.  
Denver, Colorado USA 80224  
P: +1-303-759-2700  
F: +1-303-759-2701  
[www.seftonresources.com](http://www.seftonresources.com)

**Investor Relations**

David Charles / John Gaensbauer  
Sierra Partners LLC  
Denver, Colorado USA  
P: +1-303-757-2510  
[www.sierrapartners.us](http://www.sierrapartners.us)

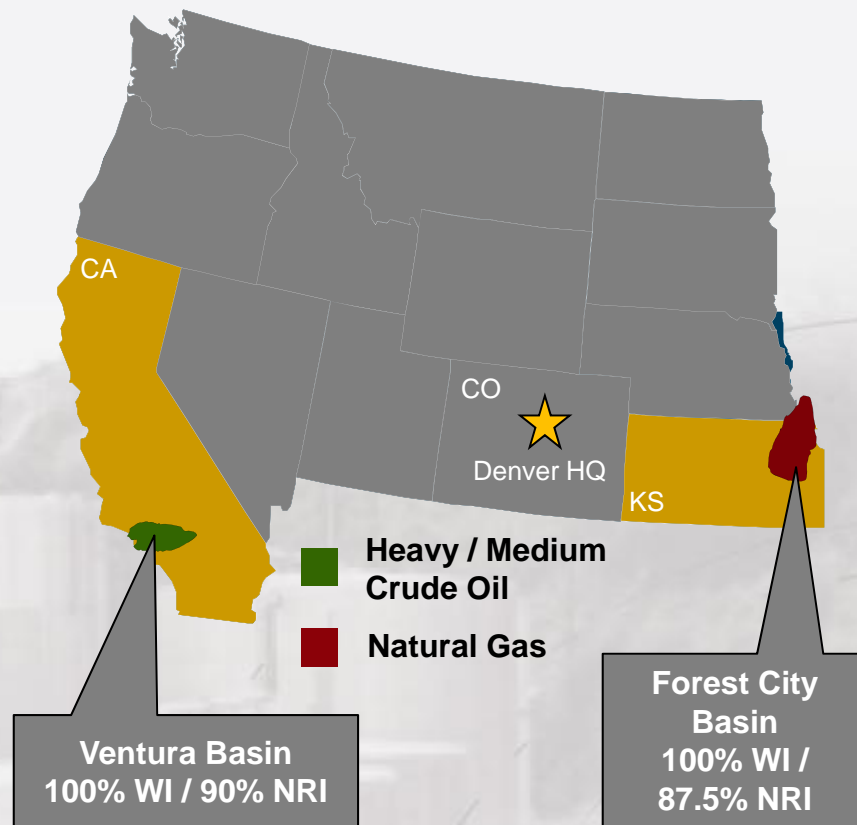
Denver-based Sefton Resources (AIM: SER), is an independent exploitation and production company with assets in the East Ventura Basin in California, where it owns 100% of the Tapia Canyon and Eureka Canyon long-lived oil fields. Sefton also controls over 45,000 gross and net acres and midstream infrastructure in the Forest City Basin of eastern Kansas prospective for CBM and conventional oil and gas.

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- London Stock Exchange AIM Code: SER
- Shares Outstanding: 116.5 MM
- 52 wk H/L: 4.0p / 1.7p
- ~Market Cap. / ~EV: £2.1 MM / £5.84 MM
- 6-Month Average Daily Volume: 227,000 shares
- 9-Month 2009 Net Production: 42,515 BOE  
(157 BOPD)  
(100% Oil)
- Producing Well Bores: 27
- Proved Reserves (12/31/08): 3.3 MMBOE  
(100% oil / 8.5% PDP)
- Acreage Gross / Net: 51,772 / 51,772
- Core Areas: California / Kansas
- Fiscal Year End: December 31



**Jim Ellerton - Executive Director and CEO, Sefton**

Over 30 years of multi-discipline experience in the development and evaluation of oil and gas prospects throughout the major basins of North America. Major oil company background and independent company start-up and management experience. One of the original founders of Sefton Resources.

**Jeremy Delmar-Morgan - Non-executive Director; Chairman of the Board**

Over 25 years' experience in the U.K. investment and brokerage community. Recently Chairman of Hichens Harrison and a director of a number of private companies. A member of Sefton's compensation committee and Chairman of the audit committee.

**Harry Barnum - Executive Director, Sefton; President, TEG USA, Inc.**

Vice President of Operations and Engineering for Sefton, and the President of TEG Oil & Gas USA, Inc. Has more than 25 years' industry experience and is responsible for the day-to-day operations of the Company's California assets.

**Bruce Mackay - Executive Director, Sefton; President, TEG Mid-Continent**

Vice President Legal, Land and Business Development for Sefton. Has more than 30 years' industry experience and is responsible for the day-to-day operations of the Company's Kansas assets.

- **Selectively acquire core asset positions at bottom to mid commodity price cycle**
- **Develop core assets with company funding, retaining operatorship and a high WI%**
- **At appropriate stage of development and asset maturity, leverage remaining growth potential with third party capital through drilling funds, JVs, farmouts and strategic alliances**
- **Maximize long-term shareholder return through selective strategic asset sales at the top of the commodity cycle or through a merger**

- Partially developed, high WI% and NRI% with long-lived, operated reserve base
- Targeting industry-friendly areas located near markets and available support services
- Shallow drilling
- Invest CAPEX in projects with 30% or greater annual rate of return
- Application of modern technology: SAGD; Horizontal Drilling, etc.
- Growth through asset development and strategic acquisitions

## History

### 2000-2008

- Initial Public Offering December 2000 through Tapia acquisition
- Complete initial technical evaluations on Tapia
- Establish current technical and operating team
- Began re-drilling Tapia Nov. 2002
- Bank facility 2007
- Acquired Eureka Field
- Completed 2 geochemical exploratory surveys at Eureka
- Initiate pilot steam study at Tapia – March 2008

## Recent Activity

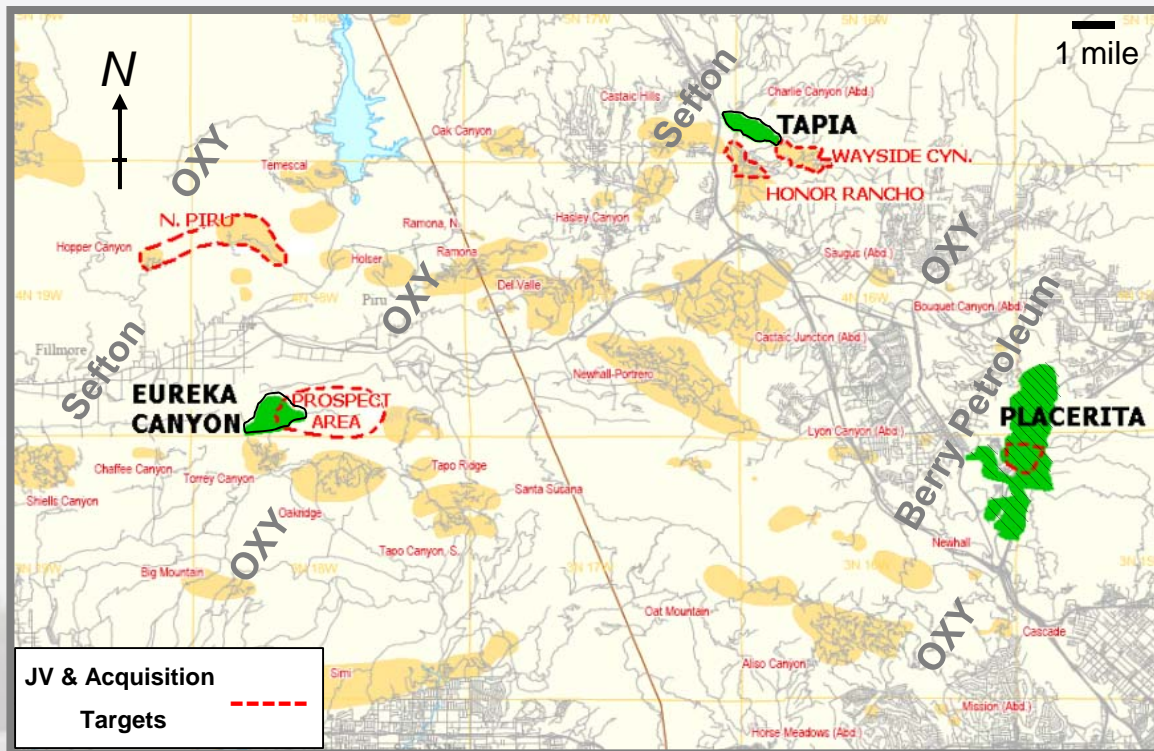
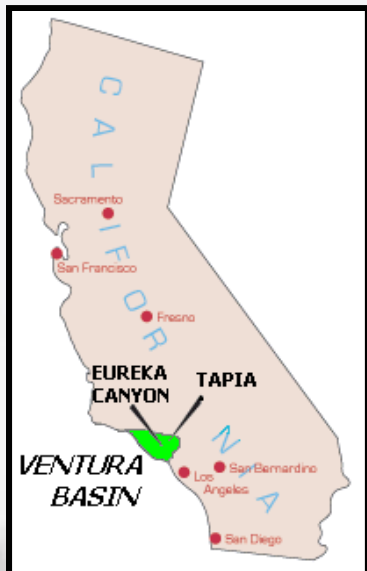
### 2009

- Continued exploitation of Tapia leading to full development scenario
- Commenced cyclic steaming at Tapia - Q309
- State Award for Excellence in Lease Maintenance
- Acquired Forest City Basin infrastructure assets
- Continued geologic and engineering evaluation of Forest City Basin (Conventional and CBM)

## Going Forward

### 2010-2012

- Continued Tapia and Eureka development
- Continuous steam stimulation of Tapia wells
- Drill proposed Horizontal wells at Tapia
- Design full steam-flood program
- Activate Vanguard Pipeline
- Continued development of Forest City acreage
- Pursue focused, bolt-on acquisition opportunities for growth



## Tapia Field

- Steam flood exploitation project (Yule Zone)
- Sefton controls 262 gross and net acres
- 100% WI and 90% NRI (CWC ~\$600,000)
- 27 wells on production making 190 BOE/d
- Cyclic steaming all wells
- 7 remaining infill locations
- OOIP 11 MMBO
- Targeted bolt-on acquisition potential
- 2.5-acre spacing with 1-acre down-spacing potential

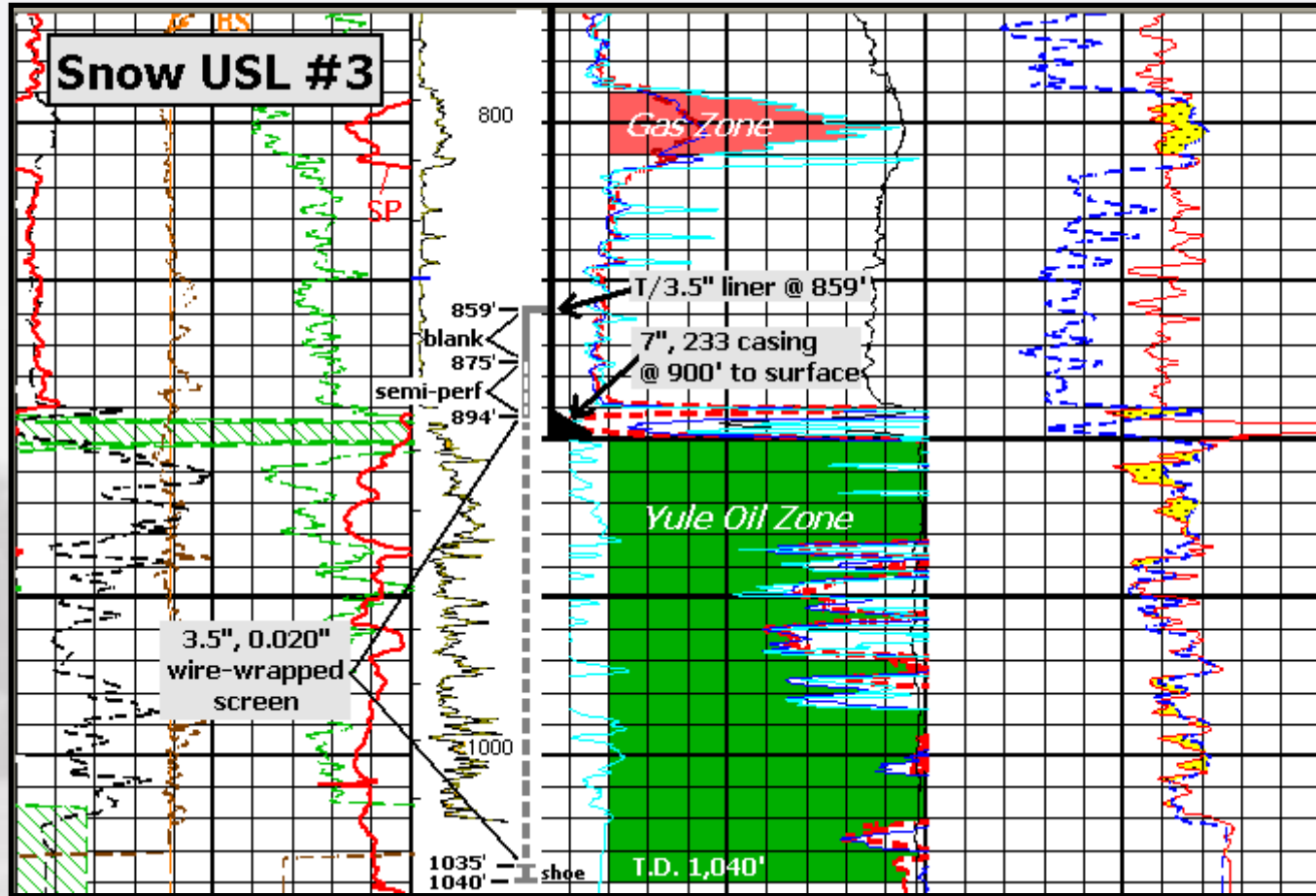
## Eureka Canyon Field

- Development exploitation project (marine/miocene Sandstones)
- Sefton controls 1,510 gross and net acres
- 100% WI and 83.3% NRI
- 6 wells on production making 8-15 BOE/d
- 2 remaining infill locations
- At least one wildcat well
- 27° API sweet crude
- Targeted bolt-on acquisition and deeper pool potential





- Rugged canyon drilling targeting Yule Oil at depths of 1,100'
- Estimated OOIP 11 MMBO with 50% current estimated recovery; ultimately 65% - 70% via full steaming program
- Minimum surface disturbance and multiple-well pads
- Received state award for clean up of acquired assets and ongoing care and maintenance of new and existing wells and surface facilities
- Prices received are Midway Sunset (11% deduct to NYMEX light sweet)
- 17° - 19° API Gravity Crude



**Santa Barbara-Ventura Basin**

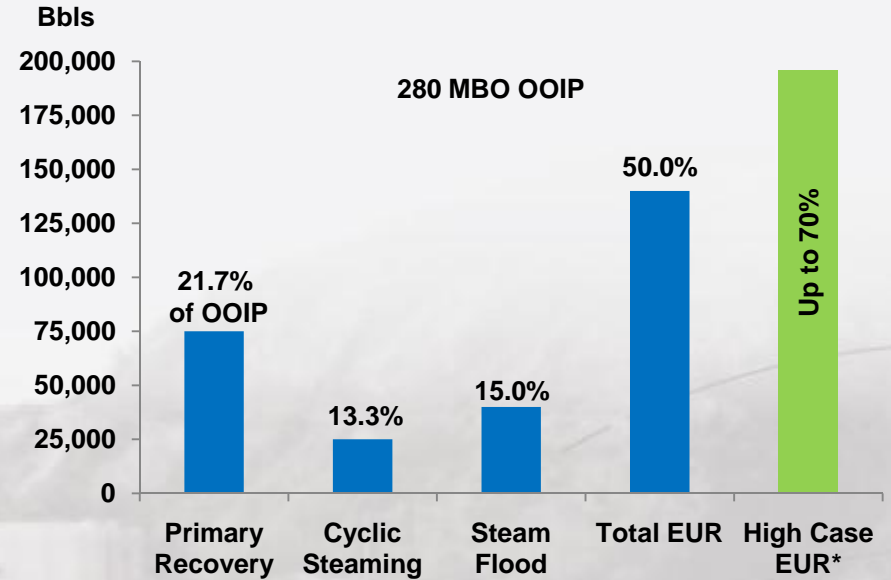
AGE	UNIT			
	Santa Ynez Mountains West	Ventura Central	Ventura River	Santa Clara trough and south
QUATERNARY	Terrace deposits	Casitas Formation	San Pedro Formation	Yule Sand
TERTIARY	PLIOCENE	Sisquoc Formation	Santa Barbara Formation	Pico Formation
				Santa Margarita Formation
	MIOCENE	Monterey Formation		Monterey and Modelo Formations, undivided
		Rincon Shale		Topanga Formation
OLIGOCENE			Vaqueros Formation	
	Alegria Formation		Sespe Formation	
PALEOCENE	Gaviota Formation			
	Sacate Formation	Coldwater Sandstone		
	Cozy Dell Shale		Llajas Formation	
	Mohija Formation			
Eocene	Anita Shale	Juncal Formation	Santa Susana Formation	
	Sierra Blanca Limestone		Martinez Formation	
CRETACEOUS	Jalama Formation	unnamed	Chico Formation	
	Espada Formation			
JURASSIC AND OLDER	Basement rocks			



## Type Well Assumptions

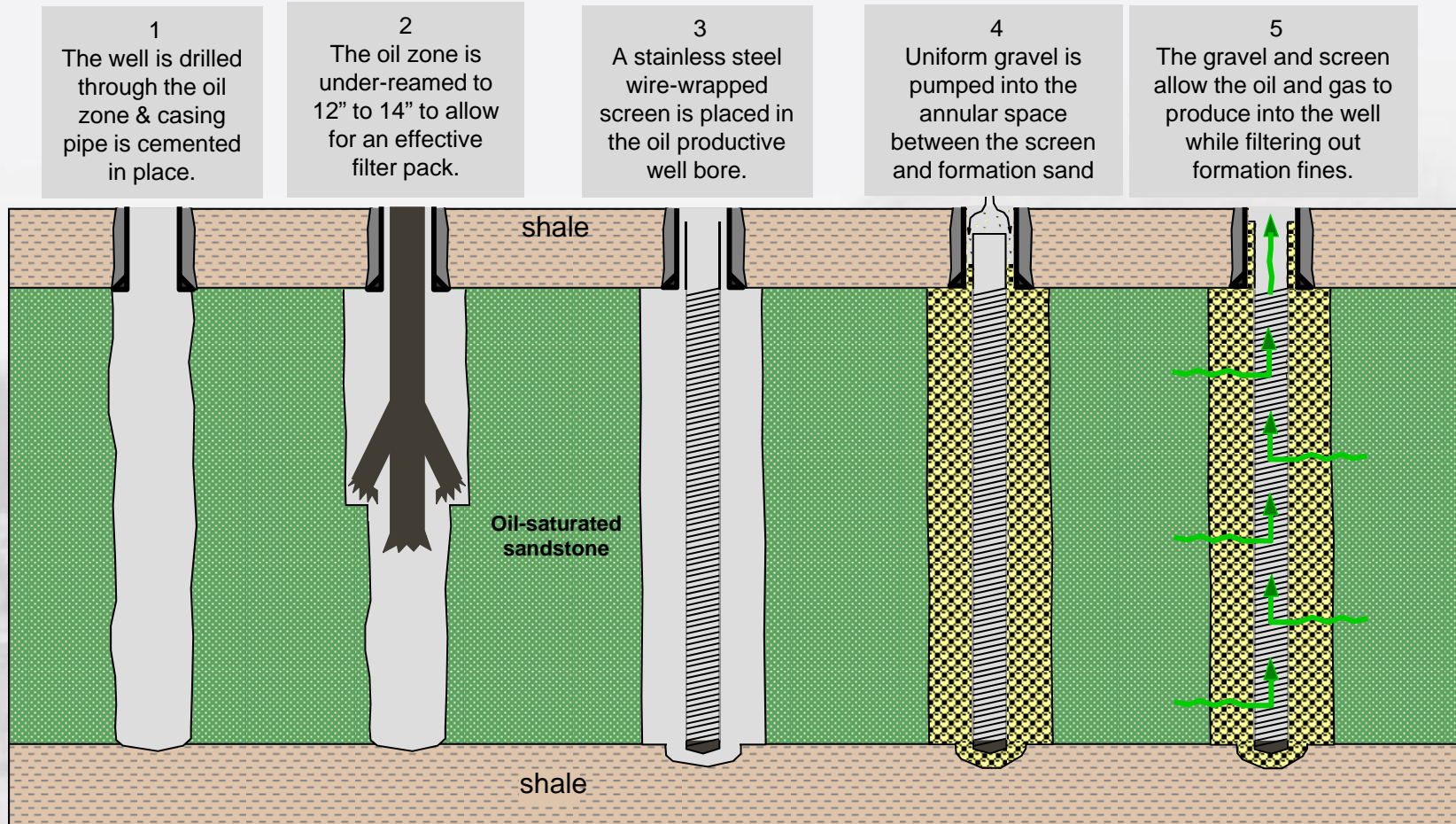
Working Interest:	100%
Net Revenue Interest :	90%
Completed Well Cost:	\$590,000 to tanks
Well-head Oil Price:	\$70.00 Bbl @ wellhead
API°:	17-19
Operating Costs:	\$10.00 Bbl
Production Taxes:	6% - \$4.00 Bbl
Trucking:	\$2.44 Bbl – <i>offset by quality adj.</i>
Royalty:	<u>\$7.00 Bbl</u>
Total Deducts:	\$21.00
<b>Net Back:</b>	<b>\$49.00 Bbl</b>
Total Deducts with G&A:	\$46.00
<b>Net Back:</b>	<b>\$21.00 Bbl</b>
Gross Reserves:	140 MBO (assuming 50% rec.)
Net Reserves:	136 MBO

## Per-well EURs



\* High case dependent upon steam response

- Typical gravel-pack filter screen completion as used on new oil wells
- Process reduces workovers, increases recovery/reserves and lowers costs



Upgraded Facilities

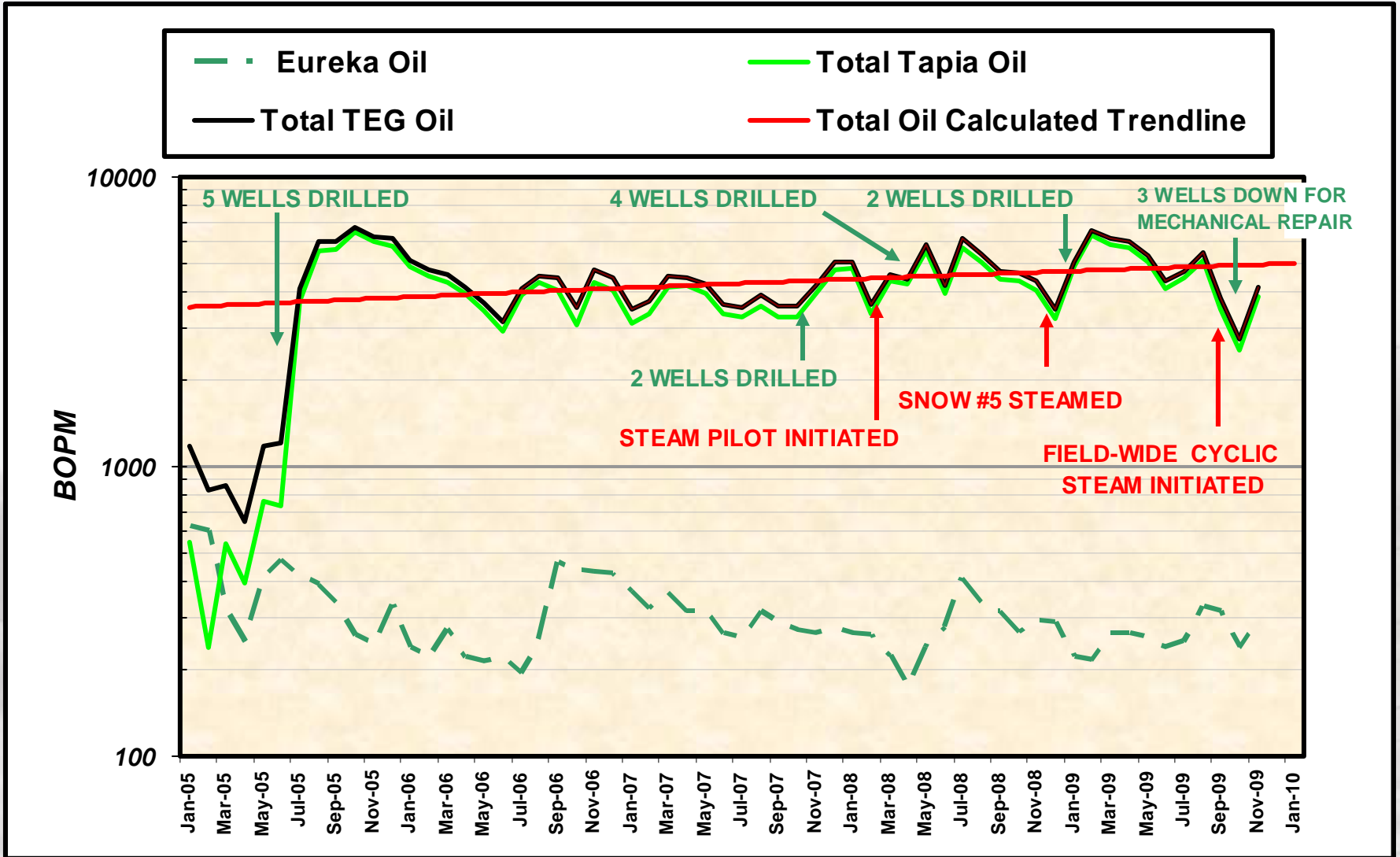


Multi-well Pad Drilling  
Minimizes Surface Impact

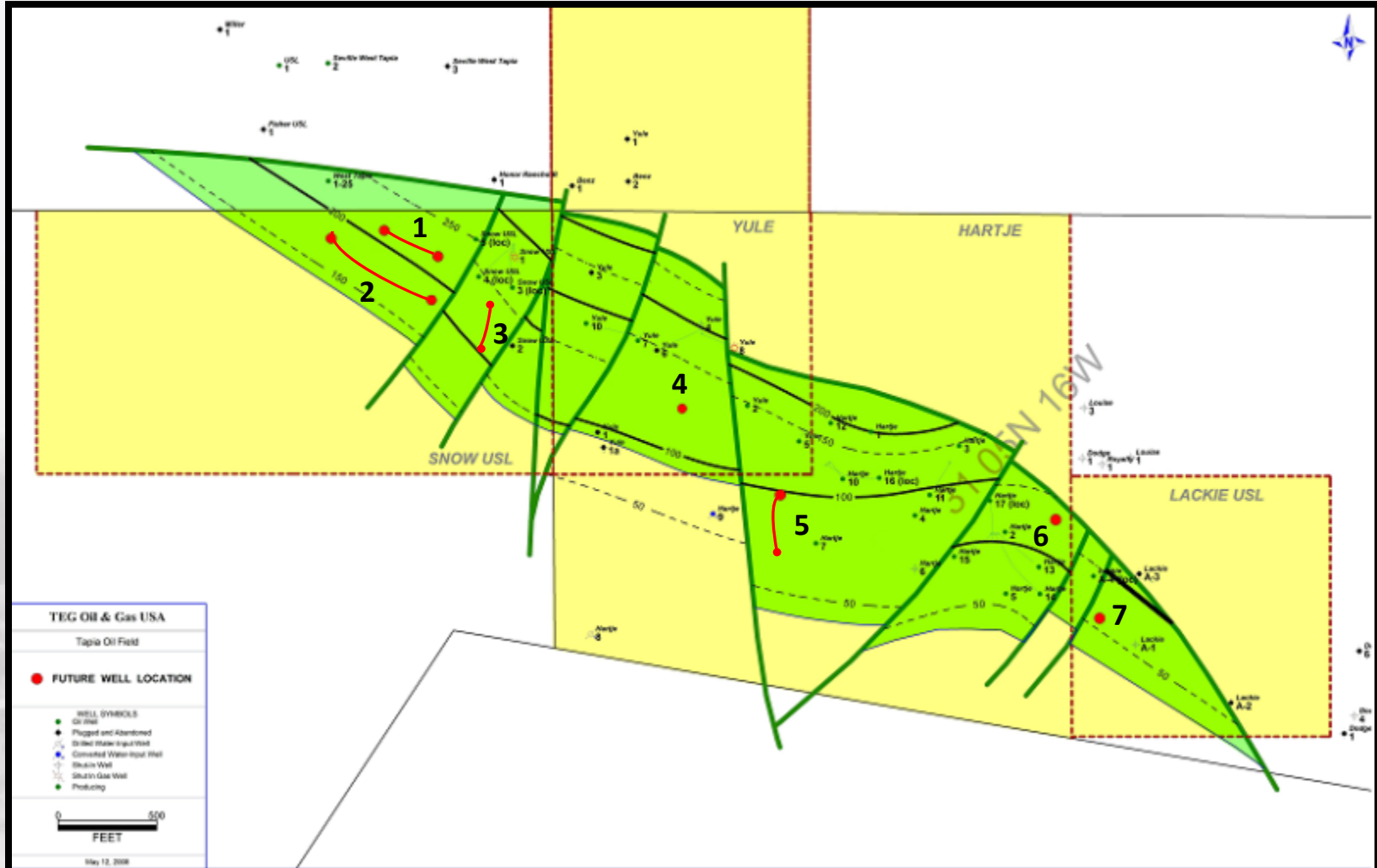


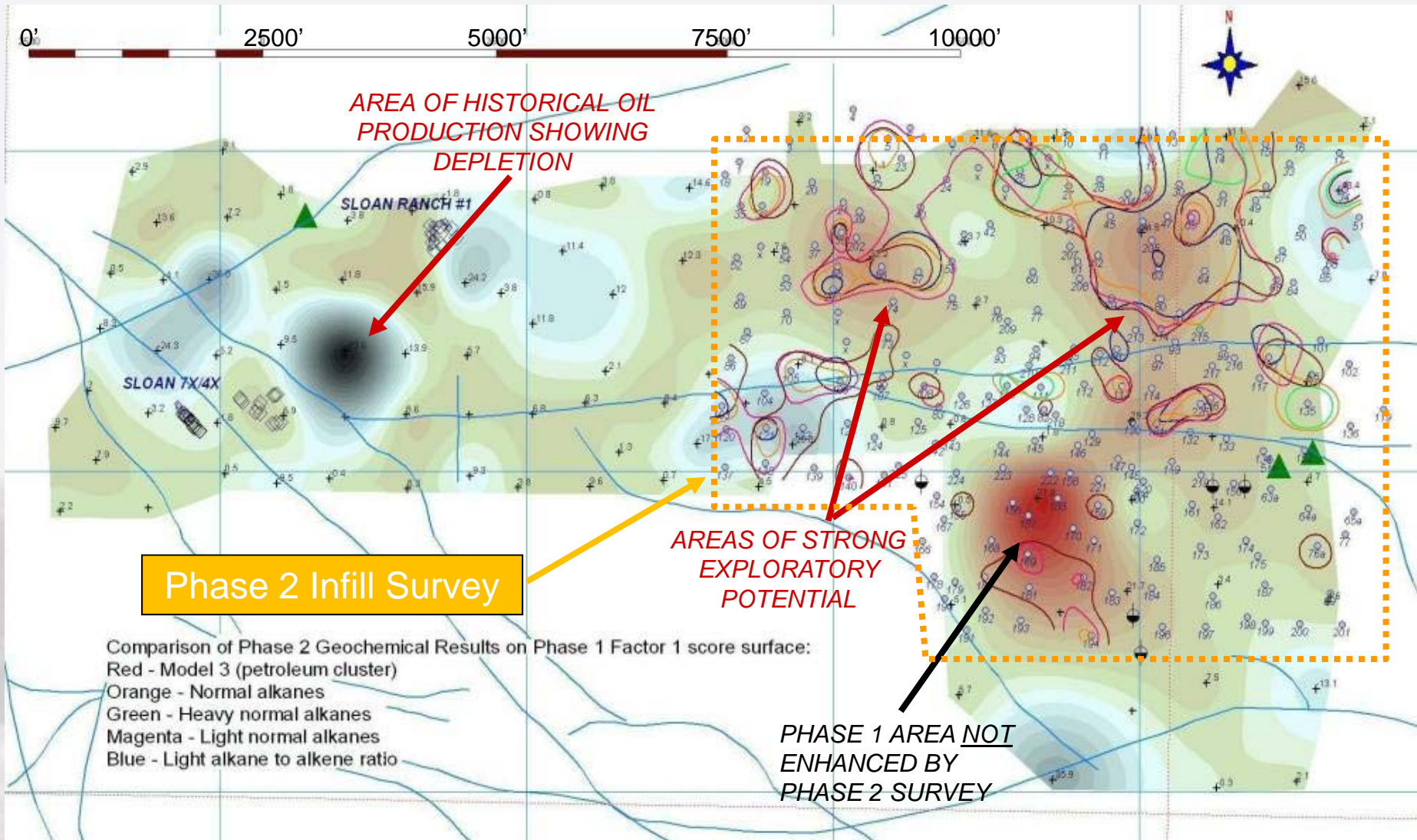
Steam Unit

- Environmentally conscious operations in California
- Facilities for cyclic steaming and associated production increases in place
- Flexibility to choose steam-generation fuel source based on price and availability for uninterrupted steam flood activities
  - Utility gas
  - Propane
  - Lease gas (Sefton production)



- 7 Infill Locations



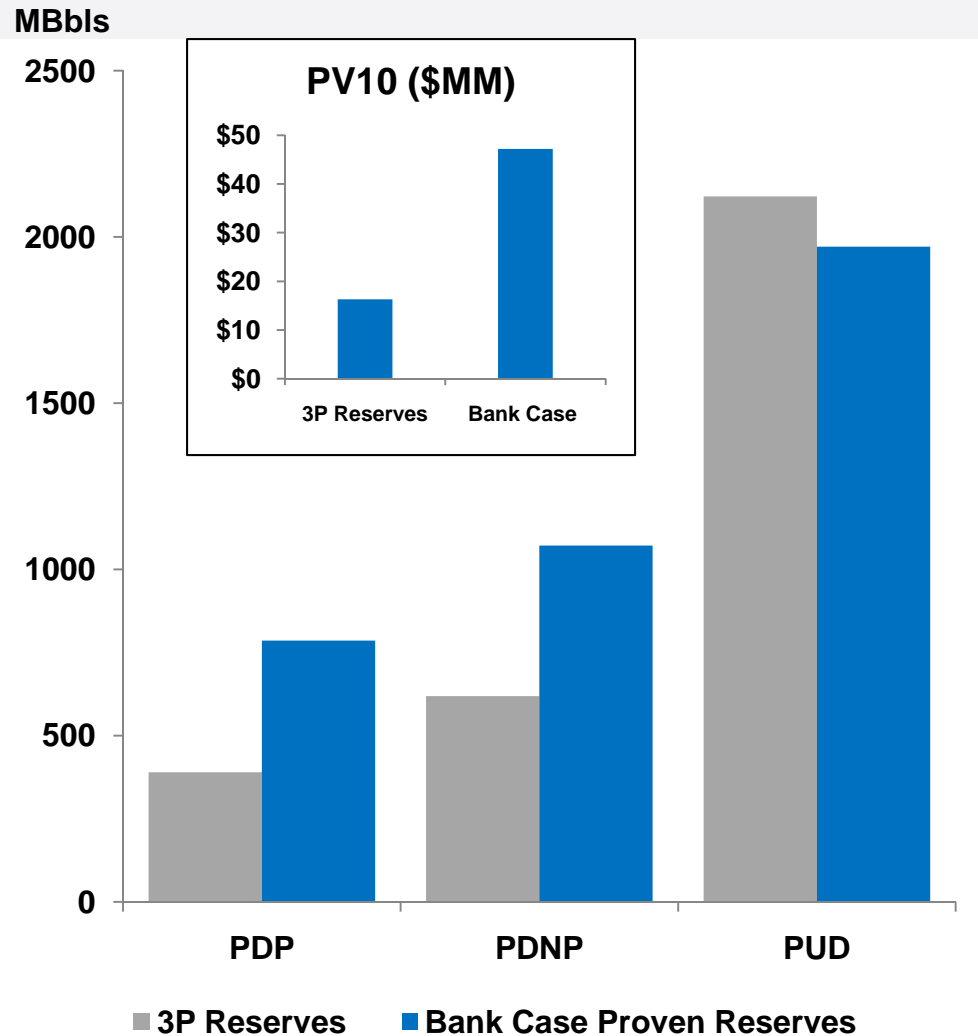


## 3P Reserves\*

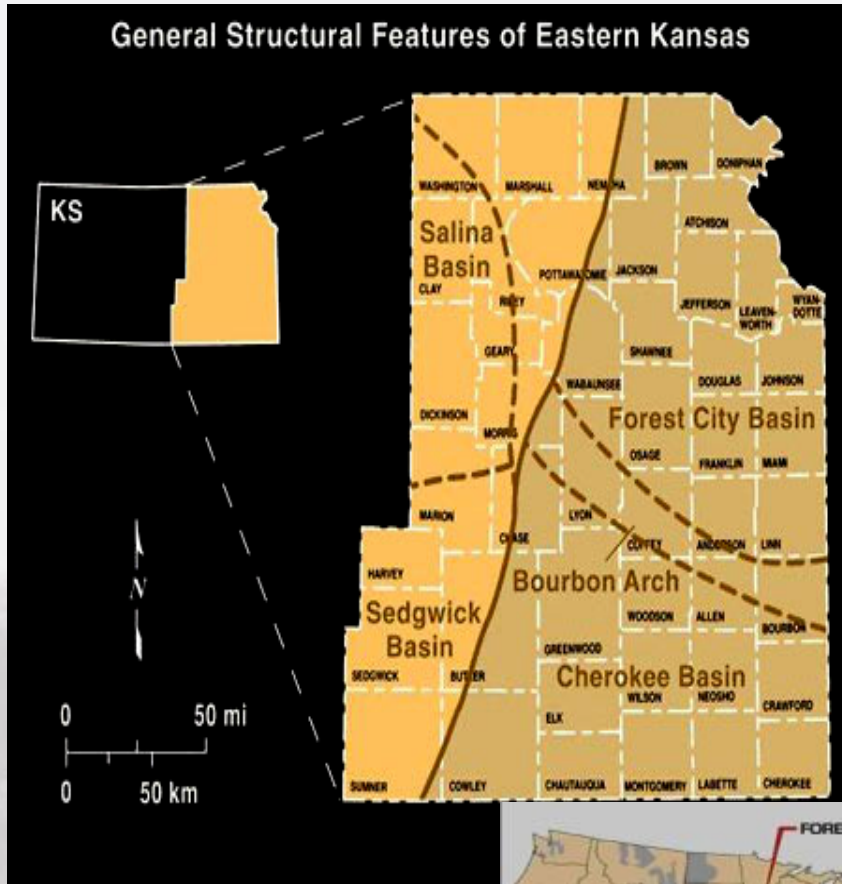
- Proved Developed: 1,354 MBO
- Total Proved: 3,327 MBO / \$16.3 MM PV10
- Possible Reserves: 283 MBO (2.4 Bcf converted to BOE)
- Price deck: \$28.33 / Bbl life of field
- 12/31/08 – engineered

## Bank Case Proven Reserves\*

- Proved Developed: 1,405 MBO
- Total Proved: 3,526 MBO / \$47.2 MM PV10
- Pricing model assumes: \$45 / Bbl 2009; \$50 / Bbl 2010; \$55 / Bbl 2011; \$60 / Bbl 2012 and held constant
- 7/1/09 – prepared



\* Reserves engineered by Reed W. Ferrill & Associates, Inc. / Bank of the West Case prepared by Reed W. Ferrill & Associates, Inc.



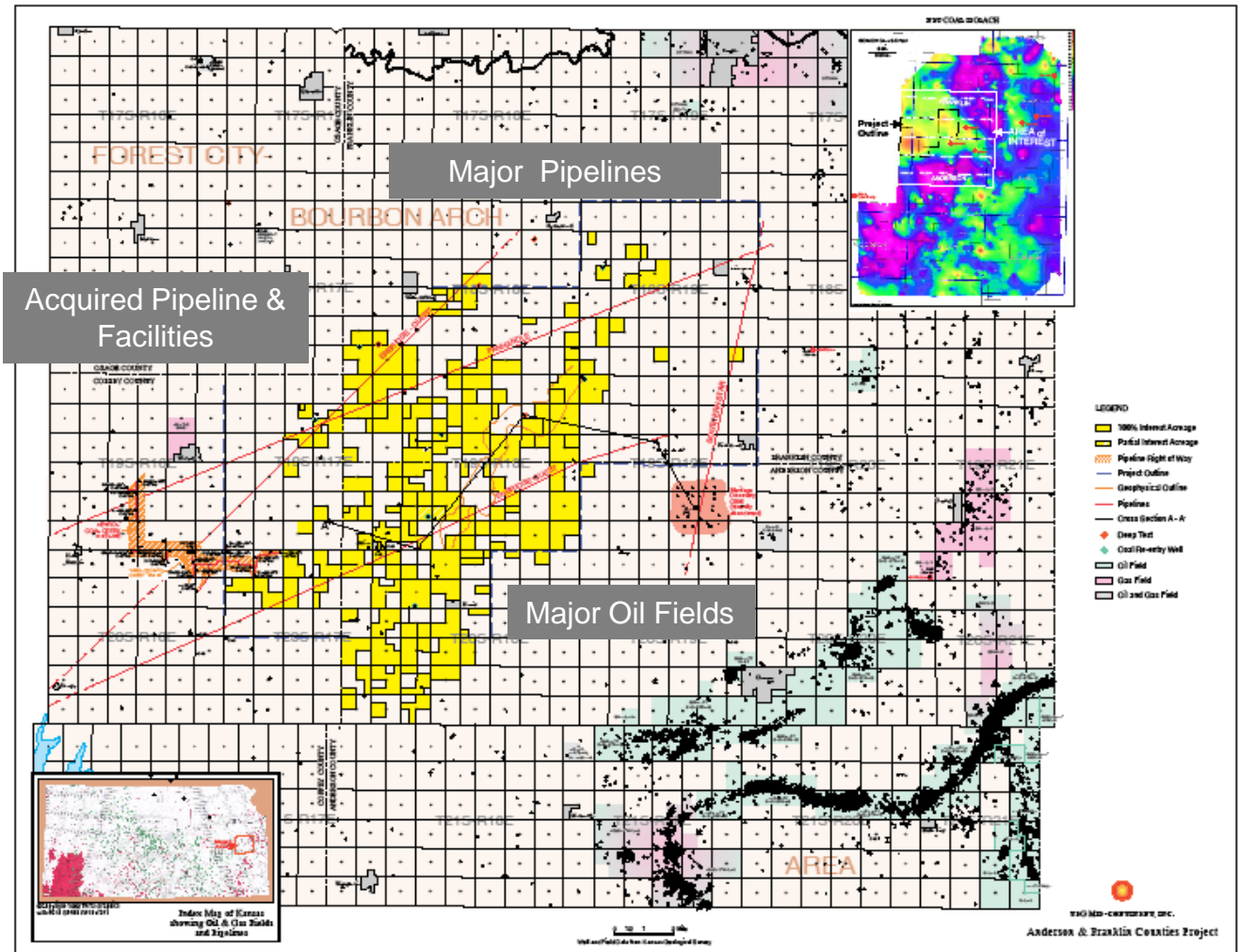
## Anderson and Franklin Counties

- CBM and conventional oil and gas potential
- Shallow horizons
- Sefton controls 43,000 gross and net acres
- 100% WI and 87.5% NRI
- Net coal thickness exceeds basin average
- Midstream infrastructure: SER controls 22 miles of pipeline and 10MMCFD gas plant

## Leavenworth County

- CBM and conventional oil and gas potential
- Shallow horizons shut-in due to lack of infrastructure
- Sefton controls 7,000 gross and net acres
- 100% WI and 87.5% NRI
- Targeted acquisition potential
- Midstream infrastructure: SER controls 26 miles of pipeline

- Opportunistic acquisitions in low price environment position Sefton for growth when gas prices return
- Primary objective: CBM
- Secondary objective: shallow underlying oil fields
- Access to major pipelines





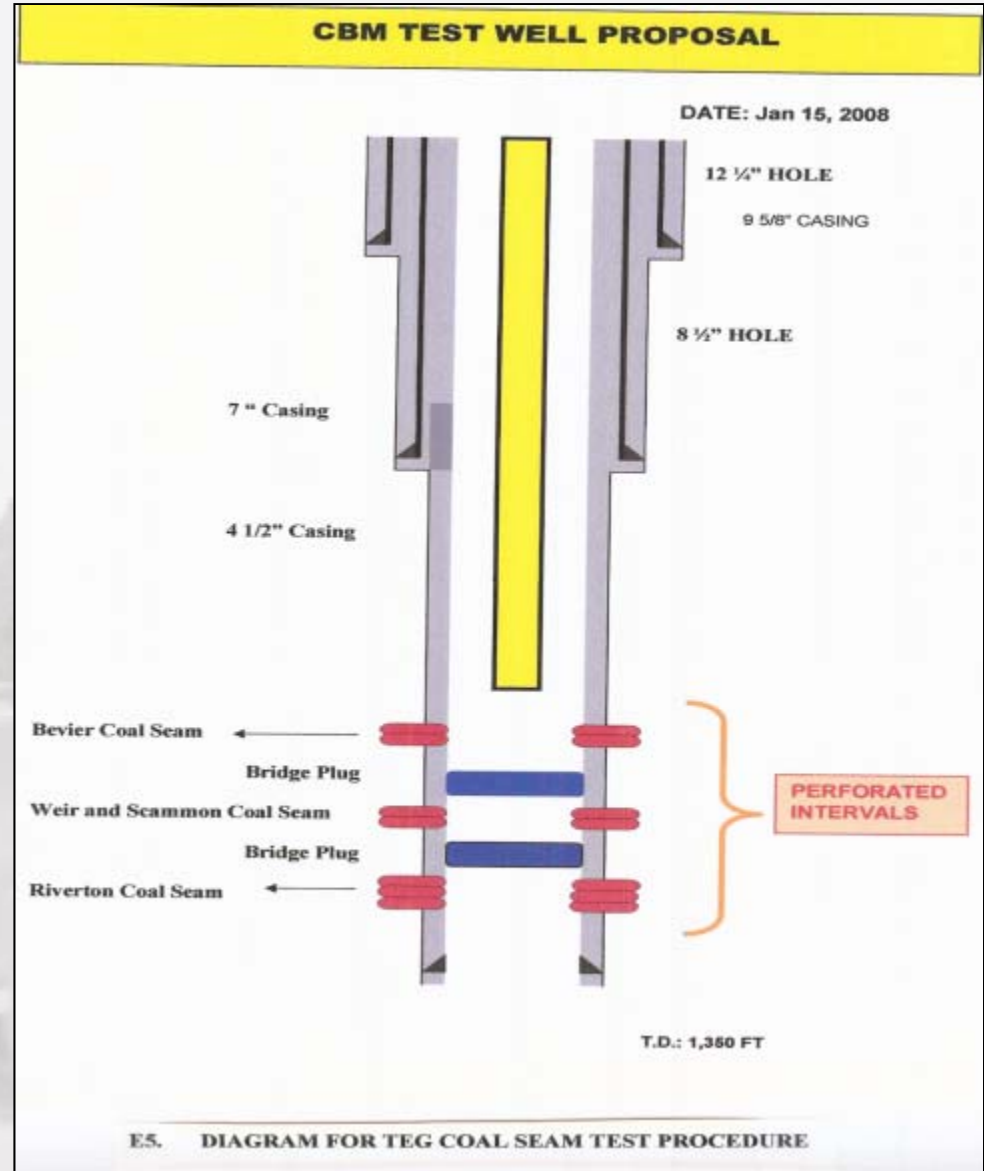
## PetroWaverly (Anderson Co., KS)

- TEG MidContinent acquired a 22 mile pipeline and a gas gathering/water disposal system, including 17 inactive wells and 2 salt water disposal wells
- In addition, the acquisition provides sales outlet, a 10 MMcf /d processing facility and a “tap” into Quest’s pipeline which provides TEG MidContinent with access to major gas markets

## Vanguard (Leavenworth Co., KS)

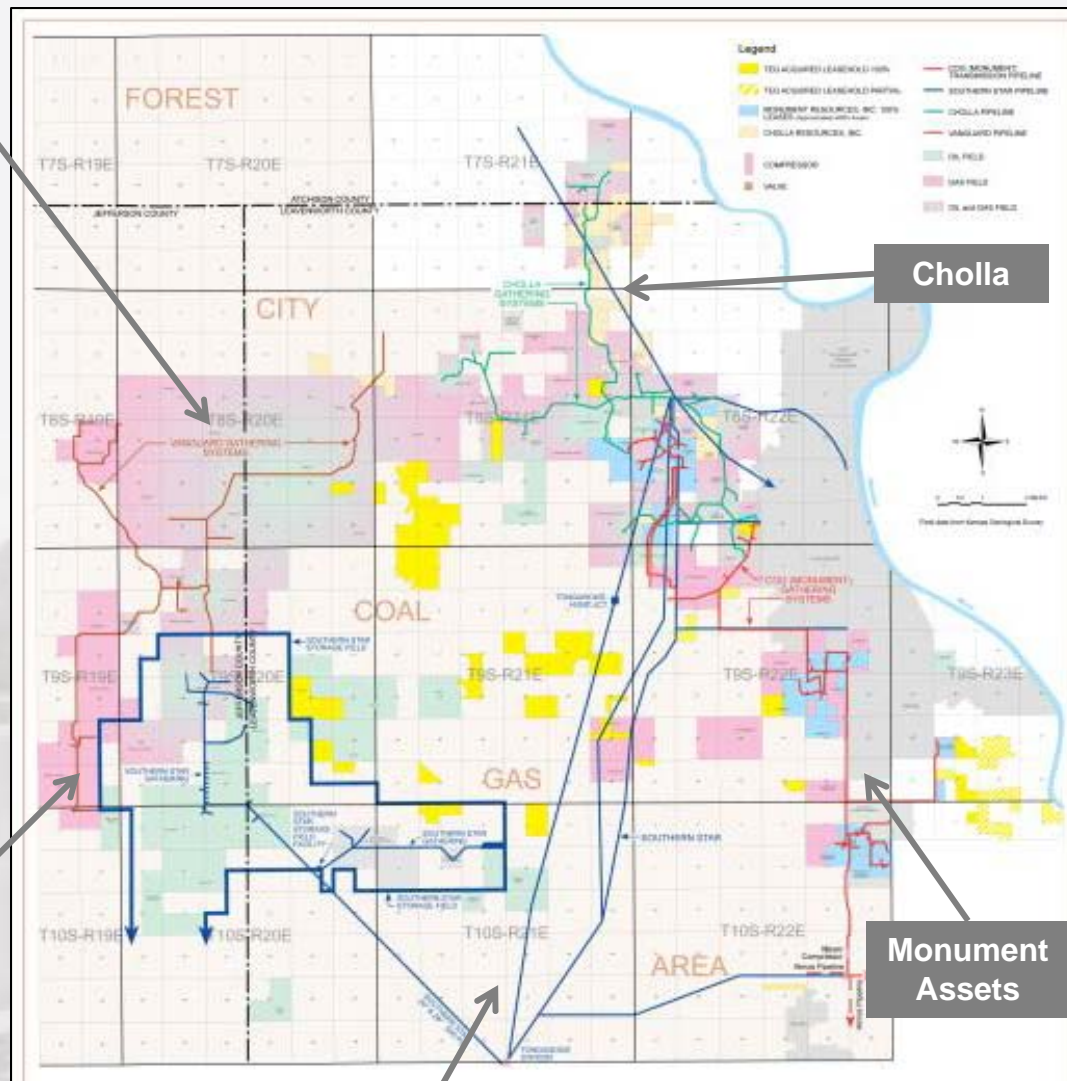
- Midstream infrastructure: SER controls 26 miles of inactive pipeline
- Access to major gas markets
- Gathering and transportation for 3<sup>rd</sup> party gas
- Opportunity for exploration joint ventures

- Successful operations in the Forest City Basin dictate that multi-zone completions be avoided
- Once wells are completed, properly designed infrastructure and low pressure gathering compression are critical
- All CBM wells will penetrate underlying Mississippian surface where a majority of conventional oil and gas fields are located



## Vanguard

- 10 miles of 8" line
- 10 miles of 4" line
- 6 miles of 3" line
- Access to interstate pipelines
- Third-party gas can be moved



Gas Storage Facility

Cholla

Monument Assets

Major Interstate Pipeline

## Corporate

- Grow cash flow through exploitation drilling in Ventura Basin
- Strengthen balance sheet
- Utilize outside capital sources for core area growth

## California

- **Tapia:** Increase production through continuous cyclic steam program and design full steam flood
- **Eureka:** Identify farmout candidates for deeper pool test
- Pursue regional JV opportunities

## Kansas

- **Leavenworth Project:**
- Consolidate regional pipeline assets
- Activate acquired pipelines
- Aggregate Sefton and third-party production
- Leverage additional upstream and midstream assets utilizing outside capital
- **Anderson County:**
- Evaluate CBM and conventional oil and gas exploitation



# SEFTON RESOURCES

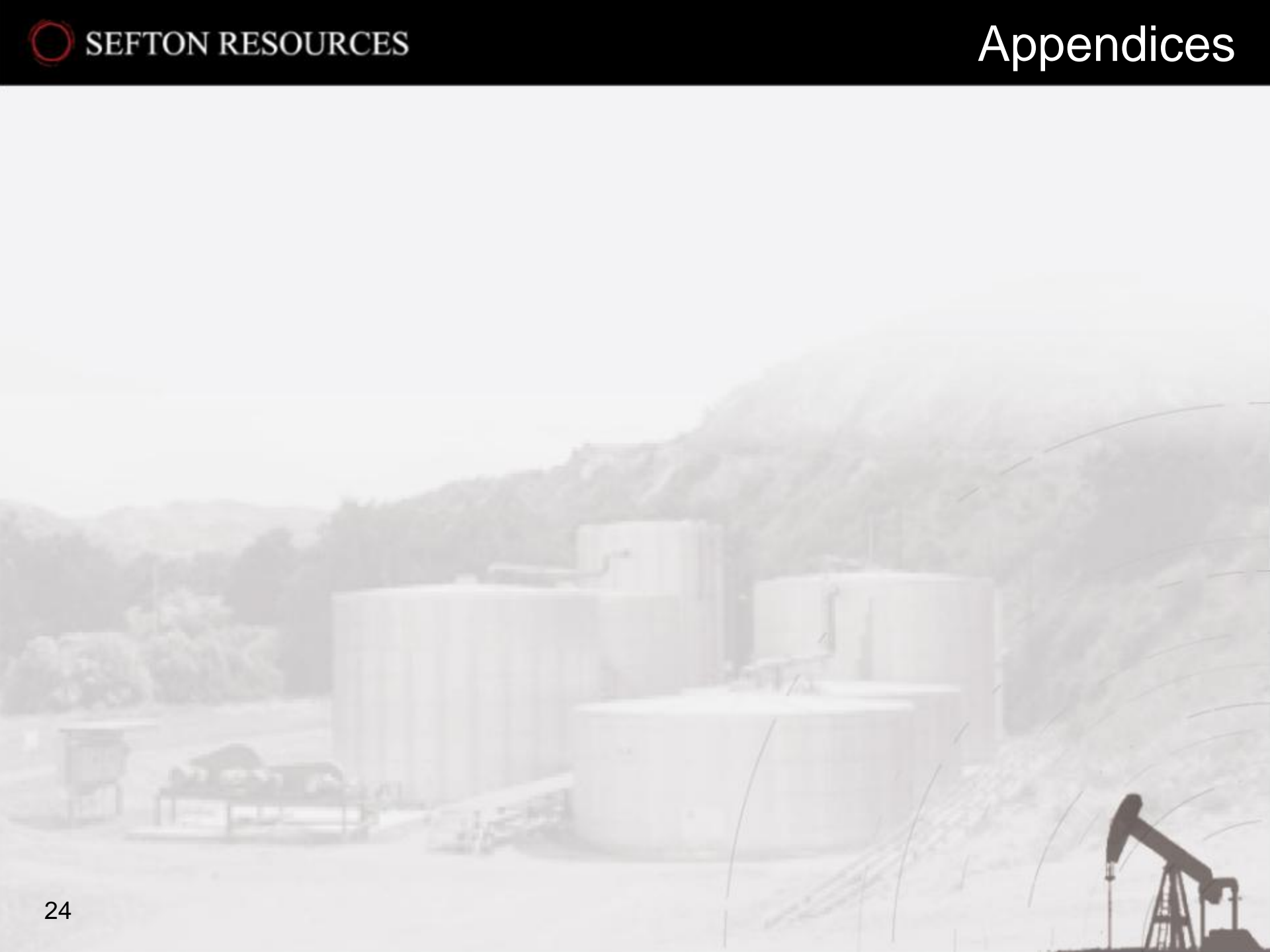
AIM: SER

## Corporate Presentation



December 2009

*Jim Ellerton, CEO*



	1H09	1H08	2008	2007
Oil and gas sales	\$ 1,312,221	\$ 2,594,873	\$ 4,688,183	\$ 2,977,691
Interest and other income	—	—	390,000	417
Operating expense	(263,889)	(406,387)	(1,040,573)	(672,845)
<b>Net from oil &amp; gas</b>	<b>\$ 1,048,332</b>	<b>\$ 2,188,486</b>	<b>\$ 4,037,610</b>	<b>\$ 2,305,263</b>
General and administrative	\$ (760,067)	\$ (934,126)	\$ (1,774,819)	\$ (1,519,848)
Interest expense	(86,530)	(75,318)	(192,264)	(78,578)
Subtotal	(846,597)	(1,009,444)	(1,967,083)	(1,598,426)
<b>Net Cash</b>	<b>\$ 201,735</b>	<b>\$ 1,179,042</b>	<b>\$ 2,070,527</b>	<b>\$ 706,837</b>
DD&A	\$ (213,700)	\$ (148,500)	\$ (462,685)	\$ (304,965)
Share-based compensation	(101,500)	(126,179)	(162,528)	(197,220)
Retirement Liability	(90,000)	—	(1,112,109)	—
Subtotal	\$ (405,200)	\$ (274,679)	\$ (1,737,322)	\$ (502,185)
<b>Net Income</b>	<b>\$ (203,465)</b>	<b>\$ 904,363</b>	<b>\$ 333,205</b>	<b>\$ 204,652</b>

Constant Costs/Prices at 12/31/08			
	\$28.33/Bbl Oil Used for Life of Field		
	Bbls	Mcf	\$ NPV (Disc @ 10%)
P.D.P	282,662	0	3,013,076
P.D.N.P	1,072,008	0	9,480,129
<b>Total Proved Developed</b>	<b>1,354,670</b>		<b>12,493,205</b>
P. Undeveloped	1,971,414		3,759,640
<b>Total Proved</b>	<b>3,326,084</b>	<b>0</b>	<b>16,252,846</b>
Probable Undeveloped	16,968	0	171,578
Possible Undeveloped	0	2,337,345	3,649,626
<b>Total</b>	<b>3,343,052</b>	<b>2,337,345</b>	<b>20,074,050</b>

<b>Life</b>	<b>30.42 yrs.</b>
Discount Factor	10%
<b>Undiscounted Payout</b>	<b>0.55 yrs.</b>
Discounted Payout	0.56 yrs.
Undiscounted net/investment	4.66
Discounted net/investment	2.94
Rate of Return	Above 100%
<b>Lifting Costs - All Fields</b>	<b>\$19.50/Bbl</b>
<i>(from audited financials)</i>	
<b>CAPEX (Over next 4-5 years)</b>	<b>\$13,000,000</b>

June 2009 (Bank's price deck: \$45-\$60 / Bbl)	
Bbls Oil	\$ NPV (Discounted 9%)
785,886	12,772,651
618,662	9,354,442
<b>1,404,548</b>	<b>22,127,093</b>
<u>2,121,570</u>	<u>25,113,102</u>
<b>3,526,117</b>	<b>47,240,188</b>

**Sefton Resources, Inc. (AIM: SER)**  
(British Virgin Islands)

**CEO**  
VP Operations & Engineering  
VP, Land & Business and  
Development

**Financial Consulting**  
Michelle Sorensen  
**Engineering Consultant**  
Reed W. Ferrill & Associates, Inc.

100%

**TEG Oil & Gas USA, Inc.**  
(Colorado)

100%

**TEG Mid-Continent, Inc.**  
(Colorado)

*California*

**Tapia  
Canyon  
Field  
(Oil)**

**Eureka  
Canyon  
Field  
(Oil)**

*E. Kansas*

**Anderson /  
Franklin  
Projects  
(Gas)**

**Leavenworth  
County  
Project  
(Gas)**



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