



SEFTON RESOURCES, INC.

OIL AND GAS PRODUCTION

Undervalued US oil and gas producer poised for growth

Reasons to invest

- Growing oil and gas production
- Proven reserves of 3.8 million barrels of oil
- Diversified asset base with prudent oil/gas mix
- Big growth potential from current assets alone
- Already profitable with free cash flow of \$1m in 2010
- USA which offers low political and socio-economic risk
- Improving oil recovery by steaming which will boost reserves
- Assets independently valued at a total of £144m (vs market cap of £8.1m)

Oil in California

In the East Ventura Basin of California, Sefton owns 100% of two oil fields, Tapia Canyon (heavy gravity oil) and Eureka Canyon (medium gravity oil). The company produces between 120- 130 barrels of oil a day largely from Tapia Canyon where 15 wells occupy only a small part of the lease. There is scope within the current reserves to dramatically increase the level of production.

At Tapia Canyon, Sefton has been heating the oil reservoir using steam to improve the recovery and production. At first cyclical steaming was used which provided a good boost to production and which has led the team to carry out a continuous steam pilot study. The data provided by this work is being incorporated into a model of the Tapia oilfield on which Dr Ali Farouq, a well-respected heavy oil expert, has been carrying out a simulation study. Dr Farouq's analysis should help in the design of a much larger project that could see a very substantial increase in the production levels in future years.

- Low lifting costs
- 100% working interest
- Strong banking relationships
- NPV 10 of \$136.7m (£83m) as at 06.30.11
- Award winning oil field operator
- Resources and reserves to be boosted by improved recovery

"...There is scope within the current reserves to dramatically increase the level of production"

"...very substantial increase in the production levels in future years"

CORPORATE SUMMARY (31.08.11)

AIM code:	SER
Issued shares:	280.3 million
Share price:	2.90p
52 week range:	1.13p-6.13p
Market Cap:	£8.1 million

Directors hold 12.5% of the shares

THE BOARD

- Jim Ellerton
Executive Chairman
- Karl Arleth
CEO and President
- Mark Smith
Non-Executive Director

INVESTOR CONTACTS

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Gas in Kansas

Sefton has gas interests in East Kansas which cover more than 45,000 acres in the Forest City Basin, where coal bed methane, as well as conventional oil and gas deposits are targets.

In east Kansas, the company has acquired three inactive gas pipelines that provide the route to market from a gas rich area that covers 200 square miles. This area was chosen for several reasons. Not only is it rich in hydrocarbons but the land is also crossed by a couple of inter-state gas pipelines which will allow Sefton to sell gas nationally.

This neck of East Kansas looks peppered with gas wells which have been shut in due to the pipelines becoming inactive as a result of low gas prices in the mid-80s. Sefton has repaired these pipelines and brought them back to life with the plan to carry third party gas along these pipelines for a fee. However the real focus is in building up its own gas production in this area. At the same time there is also shut-in oil which cannot be produced due to associated gas which cannot be flared. Here, the management sees the opportunity to get involved in oil as well as gas production.

- 100% working interest
- NPV 10 \$100.1m (£60m) as at May 11
- 45,000 square miles of licences
- Owns three pipelines and the right of ways
- Controls the route to market for shut-in oil and gas
- Exploitation based on palaeo-restoration work to highlight the areas where oil was laid down

The future looks good

- Increase in reserves
- Increase in production
- Design of a full steam flood program
- Dr Farouq Ali's study on steaming Tapia Canyon
- Activate gas pipelines and infrastructure in Kansas
- Updated CPR report on Kansas pipeline and gas fields
- Pursue focused, bolt-on acquisition opportunities for growth
- A comprehensive IR programme to really get the message out

Sefton Reserves & Resources Summary (6/30/11)

<i>Reserve Category</i>	<i>Oil (MBO)</i>	<i>Gas (BCF)</i>	<i>Undiscounted (\$Million)</i>	<i>PV10 (\$Million)</i>
Proved Developed Producing (PDP)	431	0	\$26.412	\$16.077
Proved Developed Non-Producing (PDNP)	1,141	0	\$84.295	\$45.513
Proved Undeveloped (PUD)	2,194	0	\$171.101	\$75.167
Total Proved (P1), YE 2010	3,766	0	\$281.809	\$136.758*
Possible (May 2011 Leavenworth)	0	0.53	\$2.200	\$1.200
Total Possible (P3)	0	0.53	\$2.200	\$1.200

Resources Category

Contingent (May 2011)	1,748	15.7	\$106.100	\$68.900
Prospective (May 2011)	0	34.8	\$112.100	\$30.000
	1,748	50.5	\$218.200	\$98.900
Grand Totals	5,514	51.03	\$502.209	\$236.858

* Nymex strip price of \$104.10 per barrel as at 6/30/11

“...45,000 acres in the Forest City Basin, where coal bed methane, as well as conventional oil and gas deposits are targets”

“The future looks good”

