

5-YEAR FINANCIAL PROJECTIONS

Post-Workover Production & Revenue Forecast (2025-2030)

PROJECTION ASSUMPTIONS

Parameter	Base Case	Upside Case	Notes
Initial Production (IP)	3,500 MCFD	5,000 MCFD	Post-workover combined rate
Annual Decline Rate	15%	10%	Typical for fractured Wilcox
Gas Price	\$3.00/MMBtu	\$3.50/MMBtu	Henry Hub forward curve
Condensate Price	\$70/BBL	\$80/BBL	WTI-linked
Gas-to-Oil Ratio	80:1	80:1	Historical field average
Operating Cost	\$0.50/MCF	\$0.45/MCF	Includes LOE, G&A
Workover CAPEX	\$5,000,000	\$5,000,000	All 7 wells
Working Interest	75%	75%	Net to Claduta/Spectral
Net Revenue Interest	65%	65%	After royalties

WORKOVER SCHEDULE & PRODUCTION RAMP

Phase	Timeline	Wells	Target IP	CAPEX
Phase 1	Q1 2025	Bahr #7, #9	2,000 MCFD	\$1,500,000
Phase 2	Q2 2025	Bahr #1, #2	1,000 MCFD	\$1,200,000
Phase 3	Q3 2025	Bahr #4, #6	500 MCFD	\$800,000
Phase 4	Q4 2025	Bahr #3 (Subsalt)	2,500 MCFD	\$1,500,000
TOTAL	12 months	7 wells	6,000 MCFD	\$5,000,000

5-YEAR PRODUCTION FORECAST

Year	Avg MCFD	Annual MCF	Condensate BBL	Cumulative MCF
2025 (Ramp)	1,500	547,500	6,844	547,500
2026	3,000	1,095,000	13,688	1,642,500
2027	2,550	930,750	11,634	2,573,250
2028	2,168	791,138	9,889	3,364,388
2029	1,842	672,467	8,406	4,036,855
2030	1,566	571,597	7,145	4,608,452

5-YR TOTAL	—	4,608,452	57,606	4.6 BCF
------------	---	-----------	--------	---------

Base Case: 15% annual decline from 3,500 MCFD peak

5-YEAR REVENUE FORECAST — BASE CASE

Year	Gross Gas Rev	Gross Oil Rev	Gross Total	Net Revenue*	Operating Cost	Net Cash Flow
2025	\$1,642,500	\$479,080	\$2,121,580	\$1,379,027	\$273,750	\$1,105,277
2026	\$3,285,000	\$958,160	\$4,243,160	\$2,758,054	\$547,500	\$2,210,554
2027	\$2,792,250	\$814,436	\$3,606,686	\$2,344,346	\$465,375	\$1,878,971
2028	\$2,373,413	\$692,271	\$3,065,684	\$1,992,694	\$395,569	\$1,597,125
2029	\$2,017,401	\$588,430	\$2,605,831	\$1,693,790	\$336,234	\$1,357,557
2030	\$1,714,791	\$500,165	\$2,214,957	\$1,439,722	\$285,799	\$1,153,923
5-YR TOTAL	\$13,825,355	\$4,032,542	\$17,857,897	\$11,607,634	\$2,304,227	\$9,303,407

*Net Revenue = Gross x 65% NRI

INVESTMENT RETURNS ANALYSIS

Metric	Base Case	Upside Case
Total CAPEX	\$5,000,000	\$5,000,000
5-Year Net Cash Flow	\$9,303,407	\$12,847,000
Net Profit (5-Year)	\$4,303,407	\$7,847,000
Simple ROI	86%	157%
NPV @ 10% Discount	\$3,819,944	\$4,709,315
IRR (Annual)	48.2%	67.5%
Payback Period	26 months	18 months
EBITDA (Year 2)	\$2,210,554	\$3,150,000
Cash-on-Cash (Year 2)	44%	63%

INVESTOR DISTRIBUTION SCHEDULE

Year	Net Cash Flow	Pref Return (12%)	Principal Return	Investor Share (80%)	Total to Investors
2025	\$1,105,277	\$600,000	\$505,277	—	\$1,105,277
2026	\$2,210,554	\$539,367	\$1,671,187	—	\$2,210,554
2027	\$1,878,971	\$338,624	\$1,540,347	—	\$1,878,971
2028	\$1,597,125	\$154,183	\$717,006*	\$579,949	\$1,451,138
2029	\$1,357,557	—	—	\$1,086,046	\$1,086,046
2030	\$1,153,923	—	—	\$923,138	\$923,138

TOTAL	\$9,303,407	\$1,632,174	\$4,433,817	\$2,589,133	\$8,655,124
--------------	--------------------	--------------------	--------------------	--------------------	--------------------

*Full capital return achieved mid-Year 4. Post-payout: 75% to investors / 25% to GP

SENSITIVITY ANALYSIS

Scenario	Gas Price	IP Rate	5-Yr NCF	IRR	Payback
Bear Case	\$2.50	2,500 MCFD	\$5,890,000	28%	38 mo
Base Case	\$3.00	3,500 MCFD	\$9,303,000	48%	26 mo
Bull Case	\$3.50	5,000 MCFD	\$12,847,000	68%	18 mo
High Price	\$4.00	3,500 MCFD	\$11,580,000	59%	22 mo
High Production	\$3.00	5,000 MCFD	\$11,200,000	58%	21 mo

KEY RISKS & MITIGANTS

- **Production Risk:** Actual IP may vary $\pm 30\%$ from projections. Mitigant: Conservative 3,500 MCFD base case vs. 6,000+ MCFD engineering estimates.
- **Price Risk:** Gas prices volatile (\$1.60-\$12.69 historical). Mitigant: Breakeven at \$1.80/MMBtu; hedging available.
- **Execution Risk:** Workover delays possible. Mitigant: Experienced operator (Spectral), established service relationships.
- **Decline Risk:** Wells may decline faster than 15%. Mitigant: Modern completions typically show 10-12% decline.

DISCLAIMER: These projections are forward-looking estimates based on engineering analysis and market assumptions. Actual results may differ materially. Past performance does not guarantee future results. Oil and gas investments are speculative.

Prepared by CLADUTA CORPORATION — December 2024