

COMMUNITY

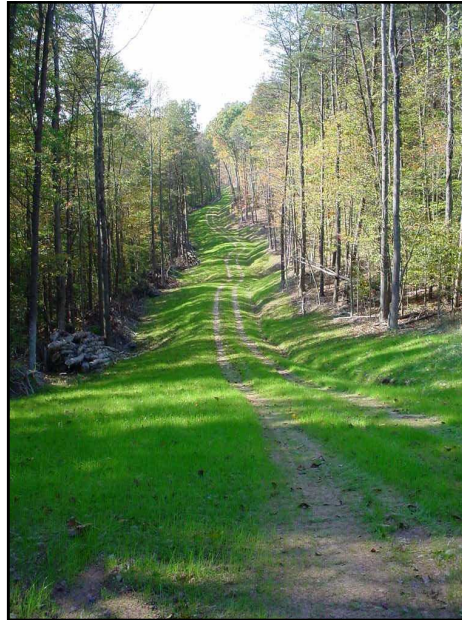
Reserve Oil & Gas, Inc. works closely with the communities in which we operate to improve our quality of life. We are involved in charitable activities, civic leadership, economic development, and other areas of community interest.

Just a few of the associations and activities that we support and sponsor includes:

- Roane County Senior Services
- Future Farmers of America (FFA)
- Spencer Black Walnut Festival
- 4-H
- Boy Scouts of America
- Girl Scouts of America
- Roane County Schools
- The Clay Center
- Spencer Tour De Lake Mountain Bike Race



CSi's Rig #2 Drilling Reserve's Olian #3 in Kanawha County, WV in 2005



Reclaimed Access Road to Reserve's Olian #3 in Kanawha County, WV. Drilled in 2005.

Question?

If you have any other questions, you can write to us at the address below or email us at sfreshwater@reserveoilandgas.com. If you need to speak to Reserve, please call the number below and we will be put you in contact with Reserve's Land Department.



Reserve Oil & Gas, Inc.
929 Charleston Road
Spencer, WV

Phone: 304-927-5228

Fax: 304-927-5068

Website: www.reserveoilandgas.com

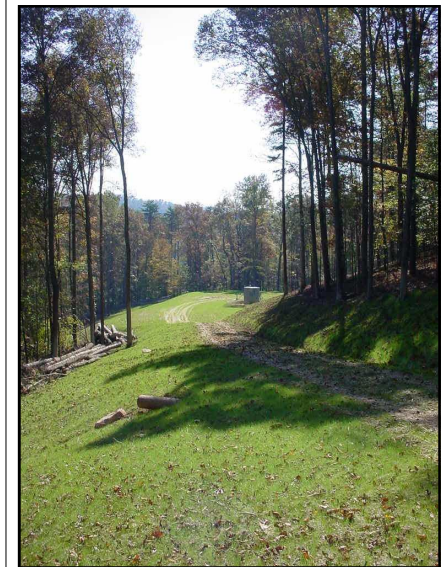


Reserve Oil & Gas
929 Charleston Road
Spencer, WV

MINERAL OWNER RELATIONS

Dear Mineral Owner:

Reserve Oil & Gas, Inc. appreciates your consideration of leasing your minerals with us. In order to assist you in determining if Reserve is the right company to develop your oil and gas properties, we're providing you with additional information that you should find useful and may want to file for future reference. Additional and more detailed information on Reserve may be found by viewing our website at: www.reserveoilandgas.com



Reserve's Cleland #1, Barren Creek Production Field, Kanawha County, WV, Drilled in 2005

ABOUT **Reserve Oil & Gas, Inc.**

Reserve Oil & Gas, Inc. (Reserve) and/or its affiliated companies have been headquartered in Spencer, WV since 1970 and are involved in all facets of oil and gas exploration and production. Reserve identifies and leases favorable drilling prospects; procures and provides the capital required to drill the prospects; manages and oversees the drilling and completion of its wells in conjunction with its affiliated drilling and contracting company, *Contractor Services Inc. (CSI) of West Virginia (www.csiofww.com)*; and finally manages and operates the producing wells.

Reserve strictly adheres to a 'quality not quantity' approach to drilling new wells; has the capabilities and flexibility to react to new opportunities in a timely fashion, and, weather permitting, drills approximately 2 Devonian Shale wells per month. The company primarily focuses on drilling in its 'backyard' of Roane and surrounding counties.



Reserve's Snyder #1, Roane County, WV. Drilled in 2007. Typical Surface Equipment Configuration.

FREQUENTLY ASKED **QUESTIONS (FAQs)**

Who owns Reserve and CSI?

Both companies are privately held and owned by David A. Freshwater and J. Scott Freshwater. The Owners are also the largest capital contributors to each and every Reserve well drilled.

What does CSI do exactly?

CSI is Reserve's primary contractor. CSI builds Reserve's well locations, drills Reserve's wells, trucks in the required materials, constructs the pipeline systems and finally, reclaims the well location. When required, CSI also mobilizes its well servicing rigs to timely address well production concerns. In other words, you are not only dealing with the potential well operator, you are also dealing directly with the people who will be completing the field work.

Does CSI actually have its own drilling rigs?

Yes, CSI currently owns and operates four (4) double derrick rotary drilling rigs—one of which (Rig #2) is designated for exclusive use on Reserve drilling projects. Reserve's affiliation with CSI allows us to drill targeted leases in a timely fashion while our peers are coordinating a multitude of contractors.

Why should I even lease my property?

Once all the required leases are obtained and a formal title opinion is completed (which verifies the mineral ownership & Reserve's right to drill on the property), a well may be drilled on the tract. You will be entitled to 1/8 (or 12.5%) of the monthly income generated from each well drilled plus annual delay rentals to hold the lease until the well is drilled.

Why should I lease to Reserve?

Bottom line, we are confident we offer better lease terms than our peers and increase the likelihood that your tract will be developed in the very near future.

Are you leasing properties and giving them to another company?

No. Reserve's intent is to lease properties for Reserve to drill. Reserve is not in the business of collecting and then 'peddling' leases to other companies.

If I own all the minerals, how much would my monthly royalty check be?

Obviously, we are leasing your tract because we suspect there may be oil and/or gas underlying it; however, there are no guarantees that oil or gas will be present once a well is drilled. Your royalty check amount will primarily be dependent upon: (1) how much oil and/or gas the well is capable of producing (which we honestly can not answer until the well is placed into production) and (2) the realized price of the oil and gas sold (which is variable each month).

How many drill sites do you already have in your inventory?

Unlike the major companies, we do not boast of thousands of available drill sites while only drilling a few hundred per year. Reserve tries to maintain an inventory of ~40 drill sites at all times (of which we drill 50% of those per year).

How much does it cost to drill a well?

The drilling cost will vary with the depth (i.e., the deeper the more expensive). However, a Devonian shale well (~5,500 feet) generally requires an investment in excess of \$300,000 per well (with no guarantees it won't be a dry hole).

Who mails me my monthly check and may I contact with questions?

Reserve completes its disbursements in house and our office is open 7am-5pm, Mon. to Fri. to answer any questions you may have. Should you call, rest assured, an actual person will answer the phone.

Would you be interested in purchasing my mineral interests?

Although we do not advise or recommend it, there are times that your interest is so small it may make sense to sell or when you have an immediate cash need. Reserve routinely purchases mineral interests on tracts we are leasing and on tracts in which we currently operate existing wells. Should you be interested in selling your interest, just let us know and we will at least make an offer.

Can I visit the site during drilling?

Yes. In fact, since we may be partners for the next 30 years or more, we encourage and welcome it.