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# EnDevCo, Inc.

*“Science Before The Drill Bit”*



# Capital Structure

- ❑ 71,760,853 Common Shares
  - ❑ 45,404,603 Shares in the Float
  - ❑ No Individual Shareholding > 13%
  - ❑ 6,600 + Shareholders
  
- ❑ \$13.30 Per Proved BOE
  - ❑ Market Cap @ \$5.00 P/S / Short Junction Field Proved BOE
  - ❑ \$10.70 Lower than the average 2007 BOE acquisition price
  - ❑ Upside Value in Proved BOE
    - ❑ EnDevCo's additional proved and recoverable reserves in the Gulf of Mexico and South America.

*As of 07/01/08*



# Properties

- ❑ **Short Junction Field**
  - ❑ Cleveland County, Oklahoma
  - ❑ 12,000 Acres (Unitized)
  
- ❑ **East Cameron Block 71**
  - ❑ Gulf of Mexico Offshore Louisiana
  - ❑ 5,000 Acres
  
- ❑ **Eugene Island Block 294**
  - ❑ Gulf of Mexico Offshore Louisiana
  - ❑ 5,000 Acres
  
- ❑ **Chandeleur Block 14**
  - ❑ Gulf of Mexico Offshore Louisiana
  - ❑ 5,000 Acres
  
- ❑ **Rio Magdalena Exploration Area**
  - ❑ Colombia, S.A.
  - ❑ 144,600 Acres
  
- ❑ **Peru Block XXIV**
  - ❑ Peru, S.A.
  - ❑ 276,137 Acres

# BOE Reserves

As of 07/01/08

Field	PDP (MM)	PBP (MM)	PUD (MM)	PROB (MM)	RESERVES (MMBOE)
Short Junction Field	1.3	1.3	24.7	30.0	57.3
East Cameron - 71		3.5	7.8	33.3	44.6
Eugene Island - 294		1.4	5.5	TBD	6.9
Chandeleur - 14				TBD	TBD
Colombia - RMEA				595.0	595.0
Peru - Block XXIV				TBD	TBD
<b>Total</b>	<b>1.3</b>	<b>6.2</b>	<b>38.0</b>	<b>658.3</b>	<b>703.8</b>

# Empirical Data \*

<b>Acquirer</b>	<b>Acquiree</b>	<b>\$/Proved Reserves (BOE)</b>
Mariner	BP	\$20.20
Mitsui	Pogo	\$21.00
Mariner	BP	\$21.30
ARA	BP	\$22.20
THX	Merit	\$22.60
WPL	Gryphon	\$22.90
SPN	NBL	\$23.10
Helix	REM	\$26.70
NHY	SKE	\$36.20
<b>EnDevCo</b>	<b>Short Junction</b>	<b>\$0.42!!</b>

*\* Transaction Value / Proved Reserves for 2007 recorded energy acquisitions in the United States as compiled by the independent U.S. energy research firm, John S. Herold, Inc.*

# Conclusion

- ❑ Short Junction Field current market value based on empirical data is **\$643,176,000.**
- ❑ Calculation: 26,799,000 BOE (Proved Reserves at Short Junction) multiplied by **\$24.00** per BOE (Average price for energy acquisitions in 2007).
- ❑ Chesapeake Energy Corporation, the third largest U.S. independent oil and gas producer, in 2007 paid Avalon Exploration, Inc. \$90 million dollars for their 3,200 acres of Hunton production in the West Edmond Field.
- ❑ Short Junction Field is only 20 miles south of the West Edmond Field and at 12,000 acres of Hunton production is approximately 4 times larger and 2 times thicker.
- ❑ Chesapeake recently contacted EnDevCo inquiring whether we are interested in selling the Field or the entire company.

# Current Status

## ❑ 2005 – 2007 Property Acquisition and Farm-in

- ❑ *Short Junction Field*                      *Oklahoma*
- ❑ *East Cameron Block 71*                *Gulf of Mexico*
- ❑ *Eugene Island Block 294*              *Gulf of Mexico*
- ❑ *Chandeleur Block 14*                    *Gulf of Mexico*
- ❑ *Rio Magdalena Expl Area*            *Colombia*
- ❑ *Block XXIV Expl Area*                 *Peru*



## ❑ Project Financing for Development

- ❑ *\$50 million credit facility for Short Junction Field*
- ❑ *Larger corporate financing currently under negotiation*

## ❑ Short Junction Field Operations

- ❑ *Increased production from existing wells 70% since April 2006*
- ❑ *Completed 1<sup>st</sup> horizontal well January 2008 in virgin reservoir rock*

## ❑ 2008 Net Operating Profit Projected

# Business Plan

- ❑ Develop properties in inventory
  - ❑ *Short Junction Field*
    - ❑ *Horizontal wells*
  - ❑ *Gulf of Mexico*
    - ❑ *Vertical wells*
  - ❑ *Colombia*
    - ❑ *Vertical wells*
  - ❑ *Peru*
    - ❑ *Vertical wells*
- ❑ Acquisition of new production
  - ❑ *Conventional Reservoir Systems*
    - ❑ *Texas, Oklahoma, Louisiana*
- ❑ Utilize technology to enhance current properties and reduce investment risk
  - ❑ *Hydraulic drilling rigs*
  - ❑ *Aphron drilling fluid technology*
  - ❑ *3D seismic*
  - ❑ *Field modeling and simulated log analysis*
  - ❑ *Variable speed down hole pumps*



# Current Operations

- ❑ **Short Junction Field**
  - ❑ Current Production 265 Barrels/Day (BOE)
  - ❑ Drill (6) Addn Horizontal Wells 2nd – 4th Qtr. 2008
  - ❑ Year End Production Target 3,665 Barrels/Day (BOE)
  
- ❑ **East Cameron Block 71**
  - ❑ Current Production None
  - ❑ Drill New Well 3rd Qtr. 2008
  - ❑ Production Target 20 Million cubic feet/day
  
- ❑ **Colombia**
  - ❑ Current Production None
  - ❑ Drill New Well 3rd Qtr. 2008
  - ❑ Production Target 400 Barrels/Day (BOE)
  
- ❑ **Eugene Island Block 294**
  - ❑ Current Production None
  - ❑ Drill New Well 4th Qtr. 2008
  - ❑ Production Target 10 Million cubic feet/day



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# Short Junction Field



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Oil & Natural Gas Development  
Cleveland County, Oklahoma

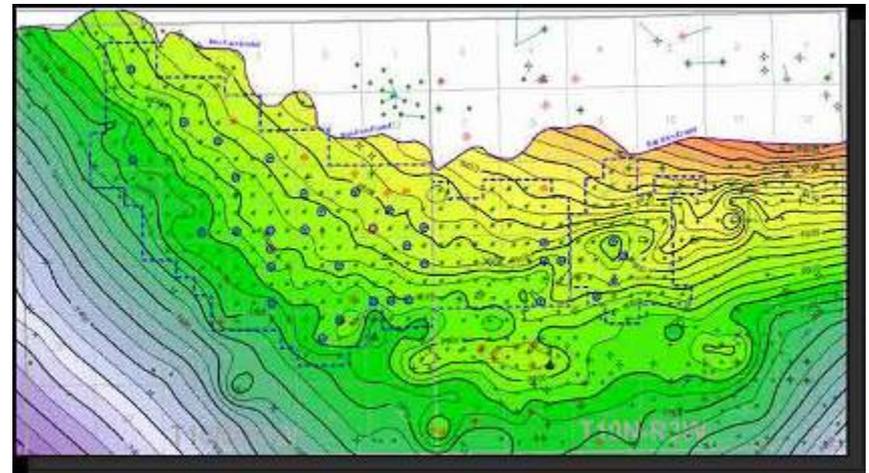
# Short Junction Field BOE Reserve Summary

<b>Reservoir</b>	<b>PDP (MM)</b>	<b>PBP (MM)</b>	<b>PUD (MM)</b>	<b>PROB (MM)</b>	<b>Reserves (MMBOE)</b>
Hunton – Vertical	1.3	0.3			1.6
Hunton - Horizontal			24.7	28.3	53.0
Hunton Gas Cap				1.7	1.7
Penn. Sands		1.0			1.0
<b>Total</b>	<b>1.3</b>	<b>1.3</b>	<b>24.7</b>	<b>30.0</b>	<b>57.3</b>

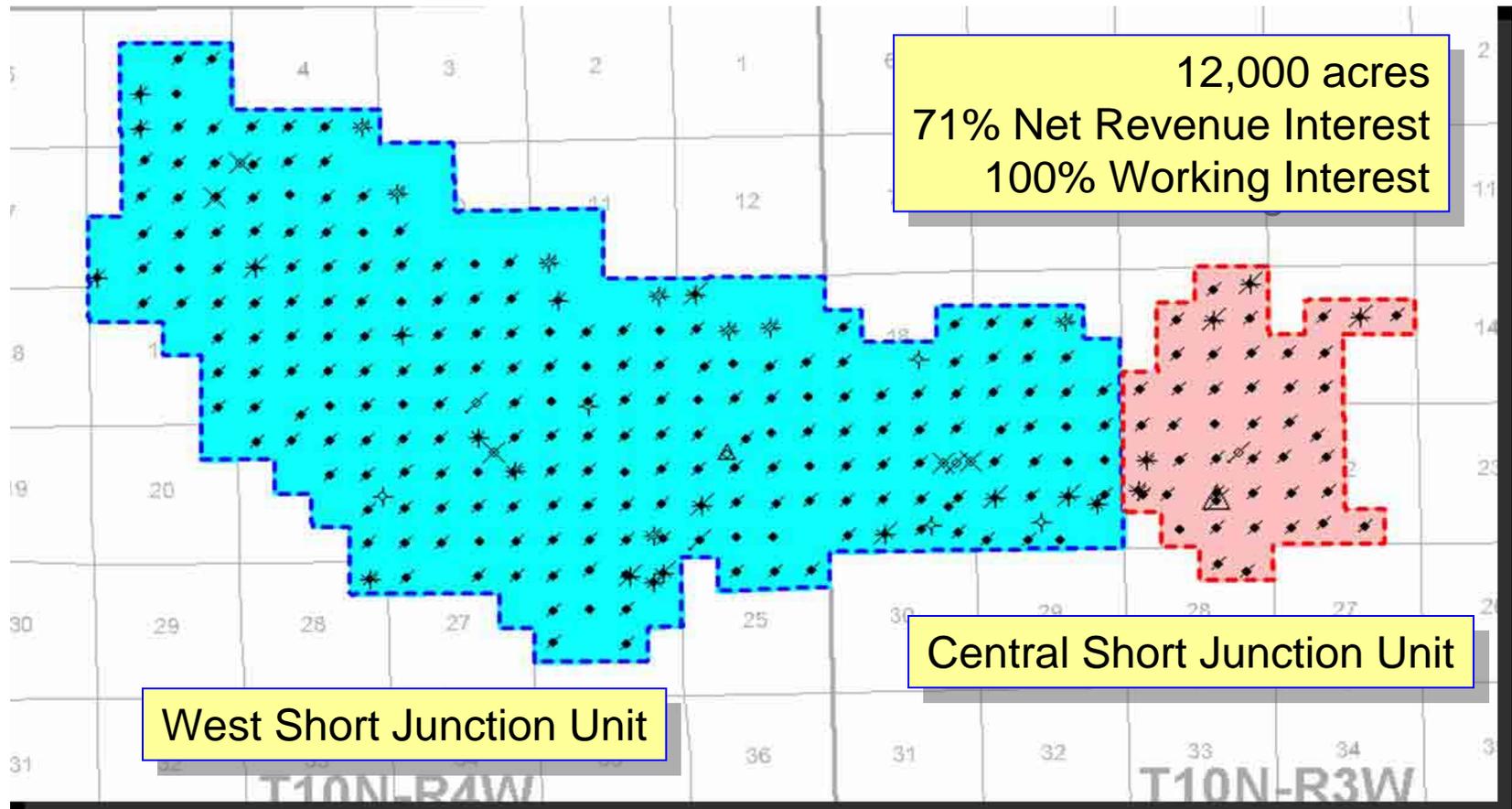
As of 07/01/08

# Short Junction Field

- ❑ Discovered in 1948 by Conoco
- ❑ 250 Million Barrels Original Oil in Place
- ❑ Only 22.3 Million Barrels Have Been Produced
- ❑ Unitized in 1962 (Pressure Maintenance)
- ❑ Hunton Limestone (Devonian)
- ❑ 8,000' Depth
- ❑ 12,000 Acres (18 Sections)
- ❑ 270 Wells (40 Acre Spacing)
- ❑ 26 Wells Currently Active
- ❑ 1<sup>st</sup> Horizontal Well Drilled
  - ❑ **1,000 BOE Projected**



# Short Junction Units



# Current Status Without Horizontal Wells

- ❑ 108 barrels/day \$100/bbl
  
- ❑ 340 mcf/day \$10/mcf
  
- ❑ Operating Revenue \$3.6 million/yr
  - ❑ 71% Net Revenue Interest

*As of 07/01/08*



# Facilities



# East Cameron Block 71



***“...constructed by Conoco in 1984, with 120 mmcf/day capacity. Refurbished in 2003 to handle current production.”***



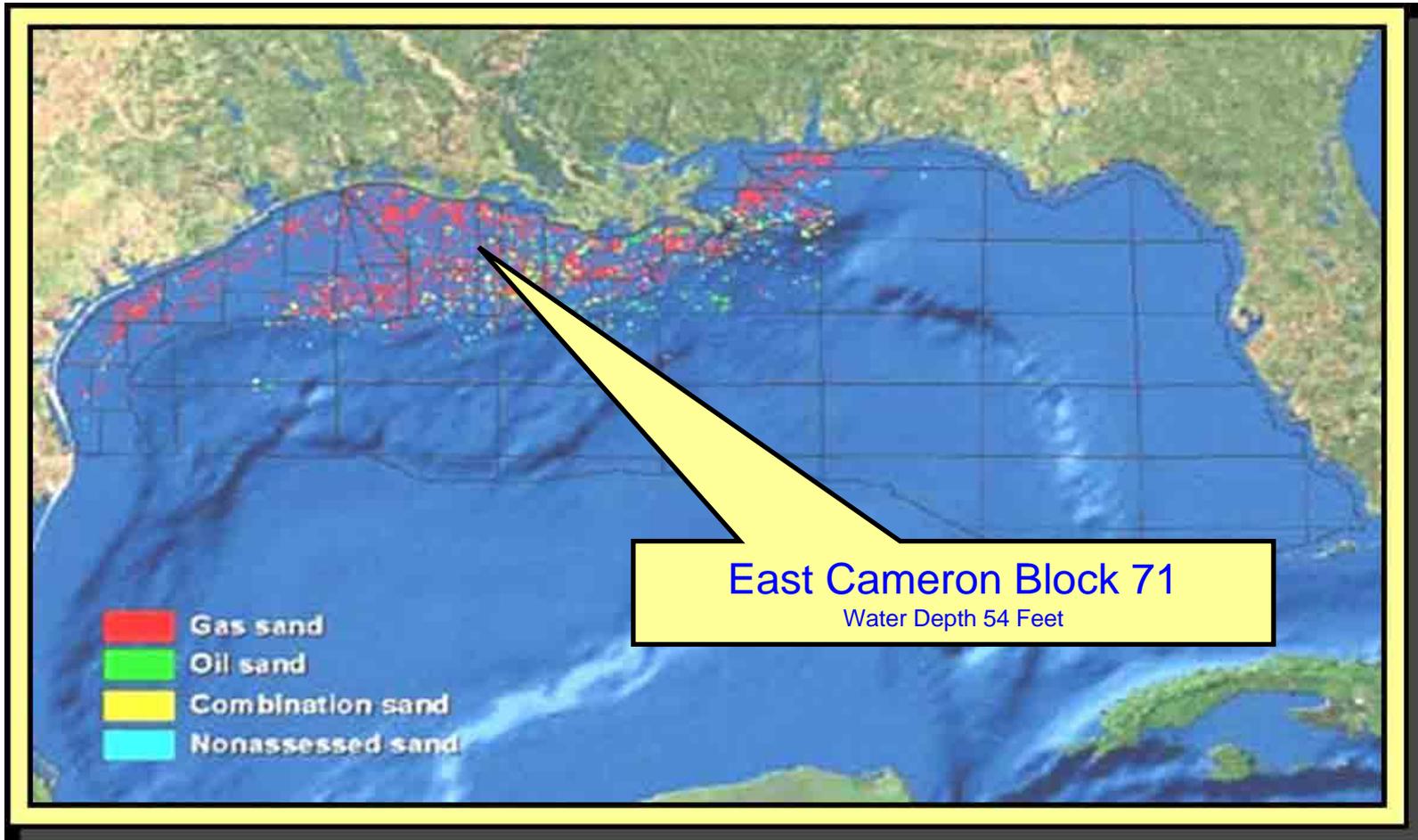
Oil & Natural Gas Development  
Gulf of Mexico  
Federal OCS Waters

# East Cameron 71 BOE Reserve Summary

<b>Reservoir</b>	<b>PDP (MM)</b>	<b>PBP (MM)</b>	<b>PUD (MM)</b>	<b>PROB (MM)</b>	<b>Reserves (MMBOE)</b>
Misc.		1.0			1.0
KJ				8.1	8.1
OC		2.5	5.6	12.2	20.3
OP			2.2	13.0	15.2
<b>Total</b>	<b>0</b>	<b>3.5</b>	<b>7.8</b>	<b>33.3</b>	<b>44.6</b>

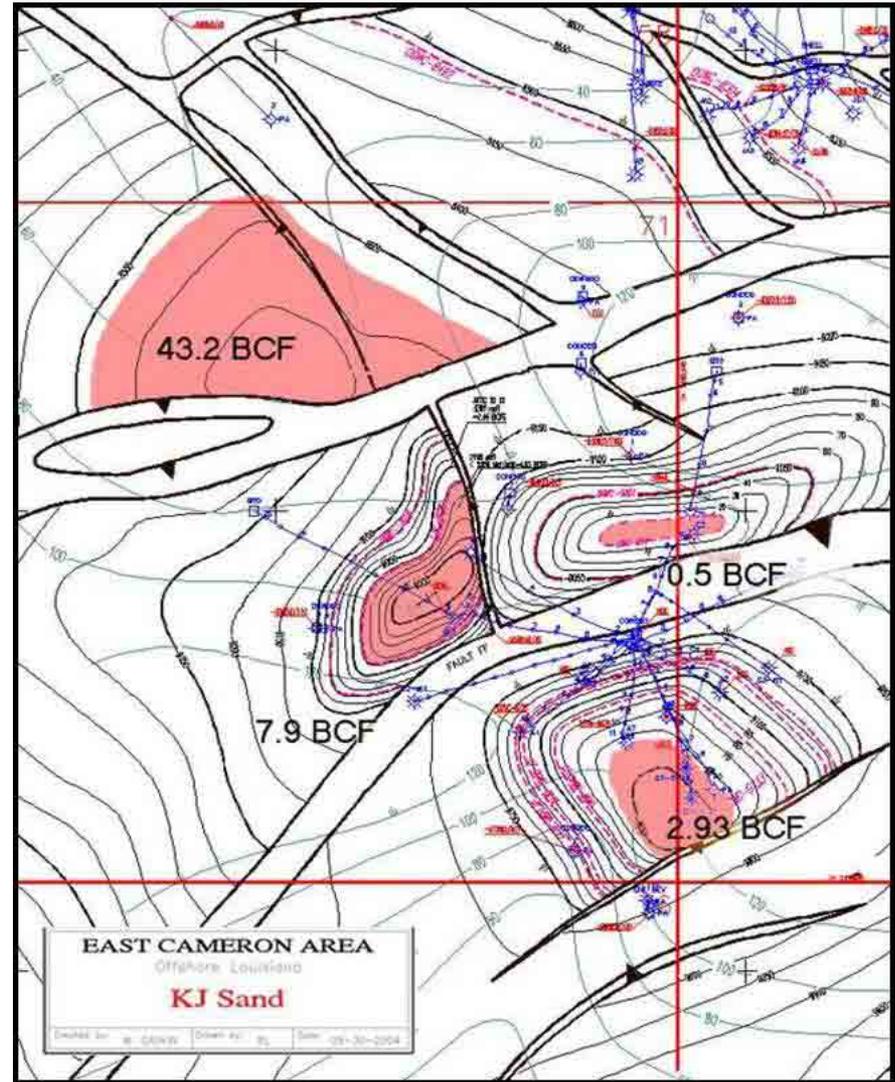
As of 07/01/08

# “Shelf” Producing Trend



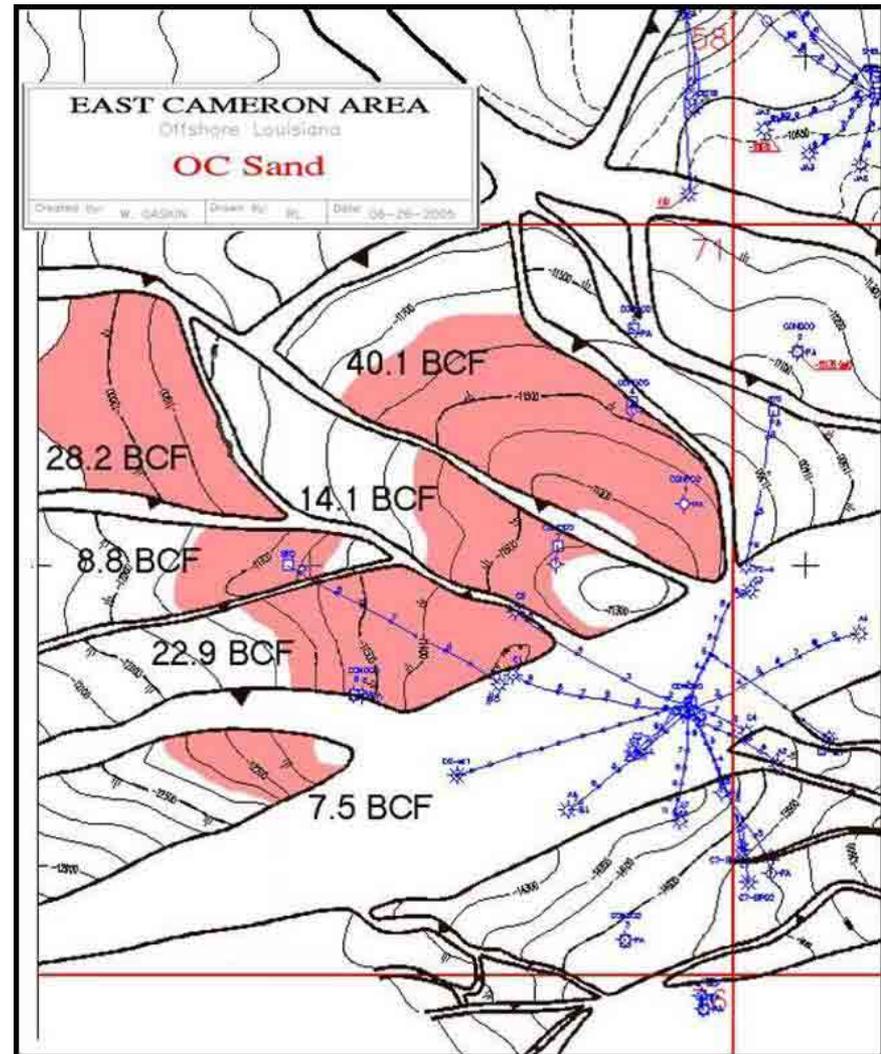
# KJ Sand Structure Map

- Reserve Potential
  - 54.5 BCF
- 3D Seismic Mapping



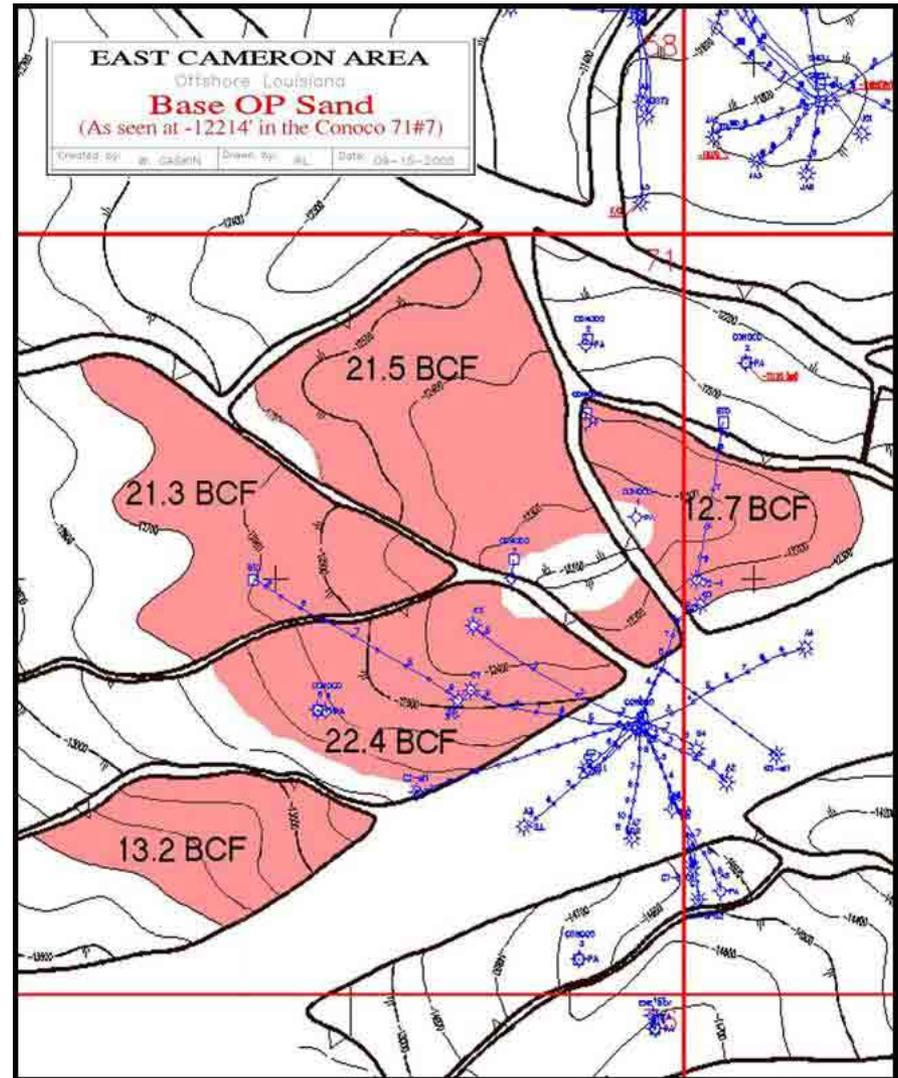
# OC Sand Structure Map

- ❑ Reserve Potential
  - ❑ 121.6 BCF
- ❑ 3D Seismic Mapping

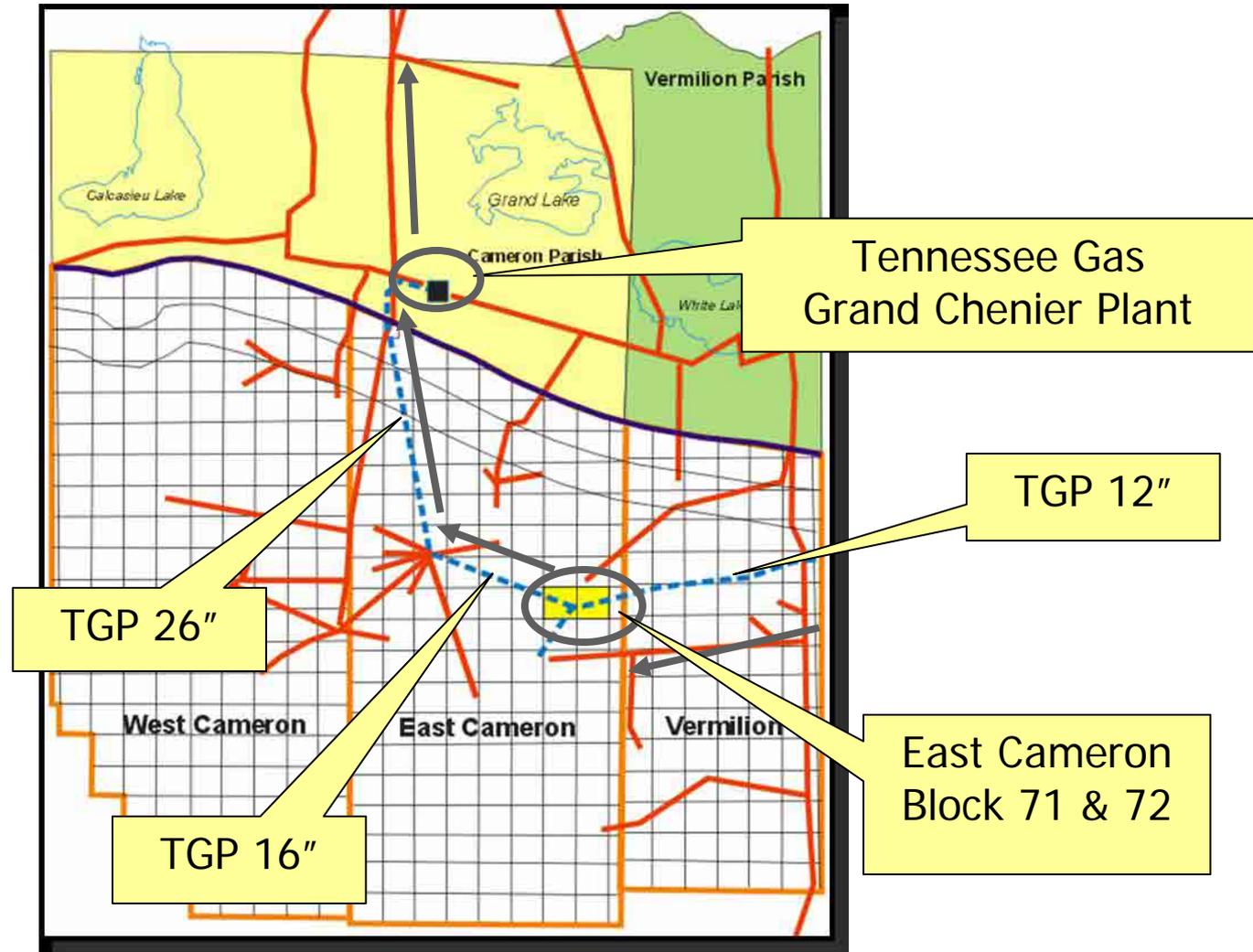


# OP Sand Structure Map

- ❑ Reserve Potential
  - ❑ 91.1 BCF
- ❑ 3D Seismic Mapping



# Pipeline Infrastructure



# Eugene Island Block 294



***Constructed by Placid Oil in 1974, with sufficient mmcf/day capacity to process EI 294 production and tie into existing infrastructure***



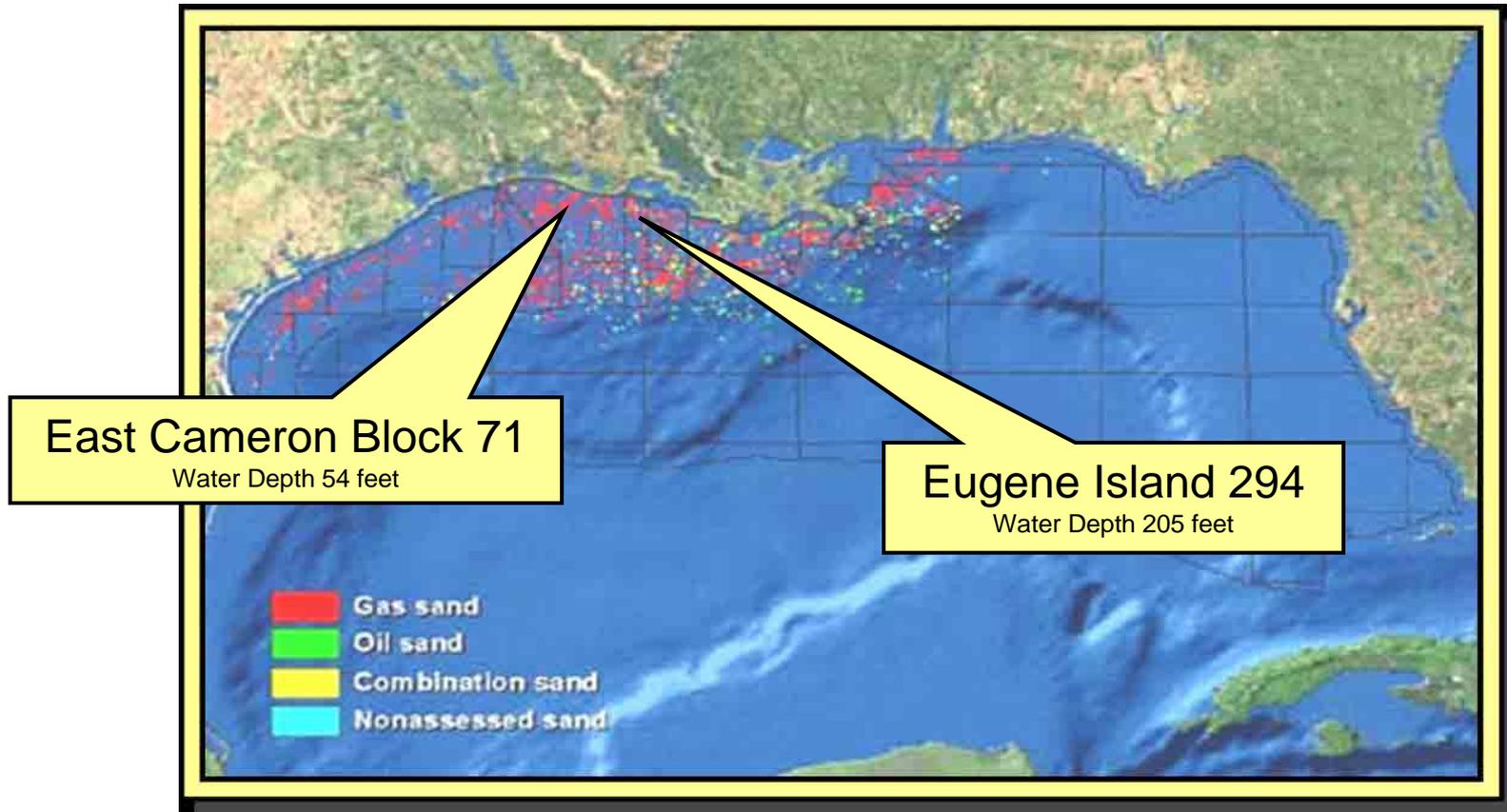
Natural Gas Development  
Gulf of Mexico  
Federal OCS Waters

# Eugene Island 294 BOE Reserve Summary

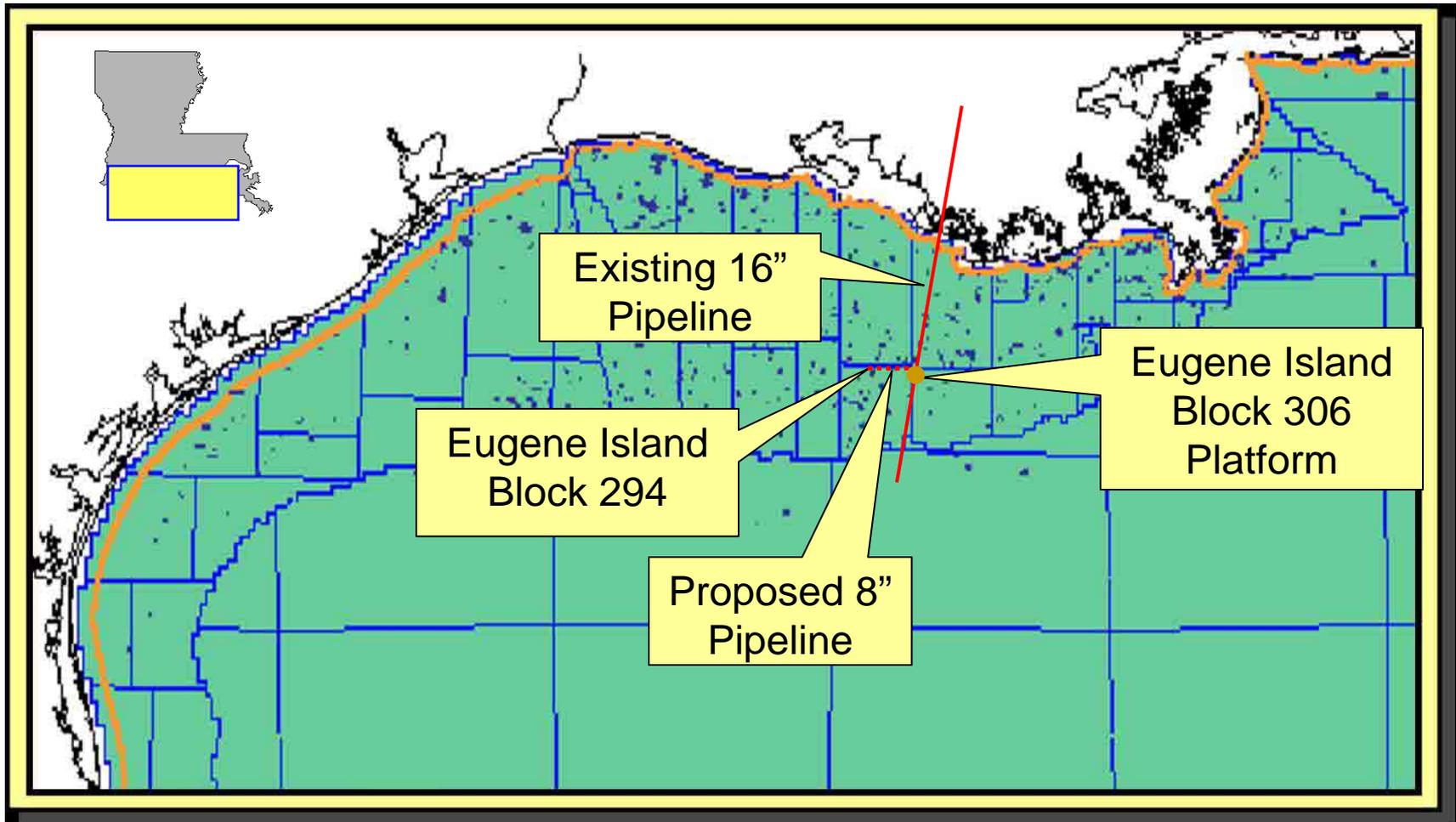
Reservoir	PDP (MM)	PBP (MM)	PUD (MM)	PRO B (MM)	Reserves (MMBOE)
"5" Sand		0.7	3.6	TBD	4.3
"7" Sand		0.7	1.9	12.2	2.6
Sub Salt Prospect				TBD	0.0
<b>Total</b>	<b>0</b>	<b>1.4</b>	<b>5.5</b>	<b>TBD</b>	<b>6.9</b>

***"...potential reserves exceeding 600 mmboe exist on the block below 15,000 feet and are analogous to sub salt reservoirs similar to the Mahogany and Teak Fields."***

# Shelf Producing Trend



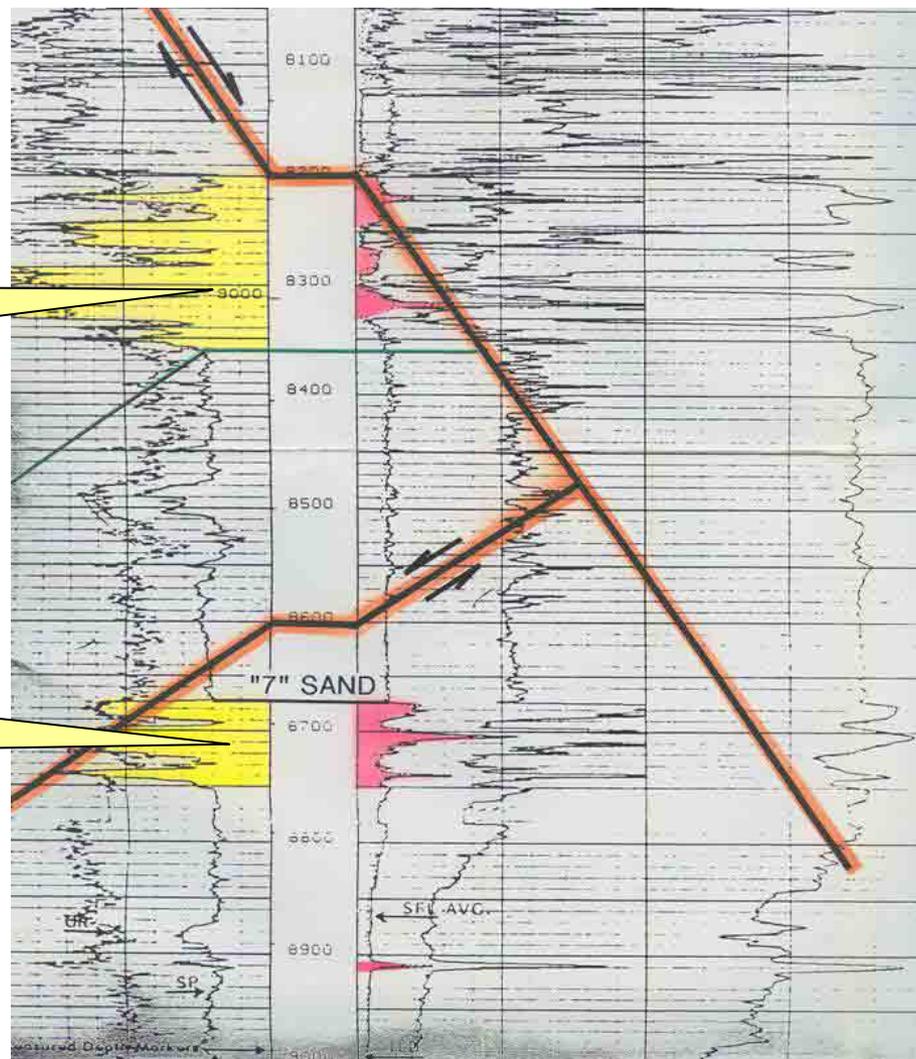
# EI 294 Pipeline Infrastructure



# EI #294-5 Well Log

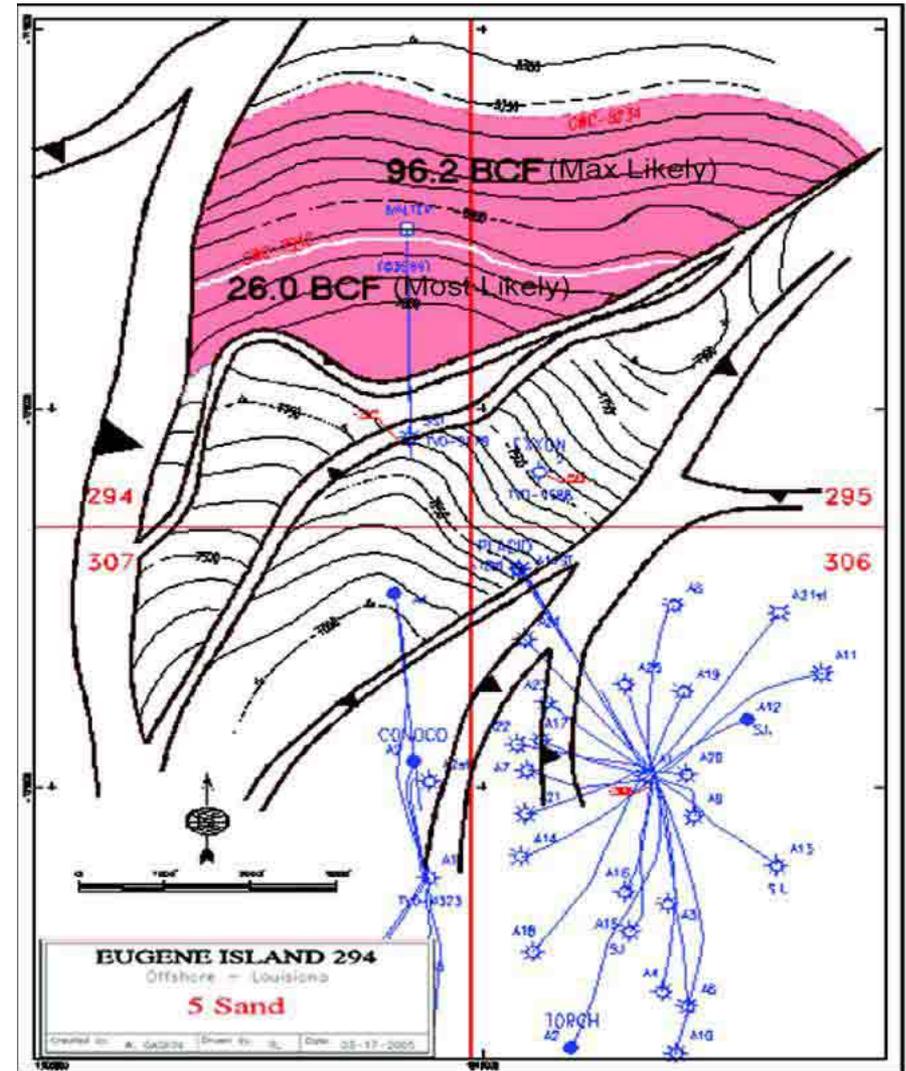
Offset Well Logged  
160' of Pay in the "5" Sand!  
*Never Produced*

Offset Well Logged  
80' of Pay in the "7" Sand!  
*Never Produced*



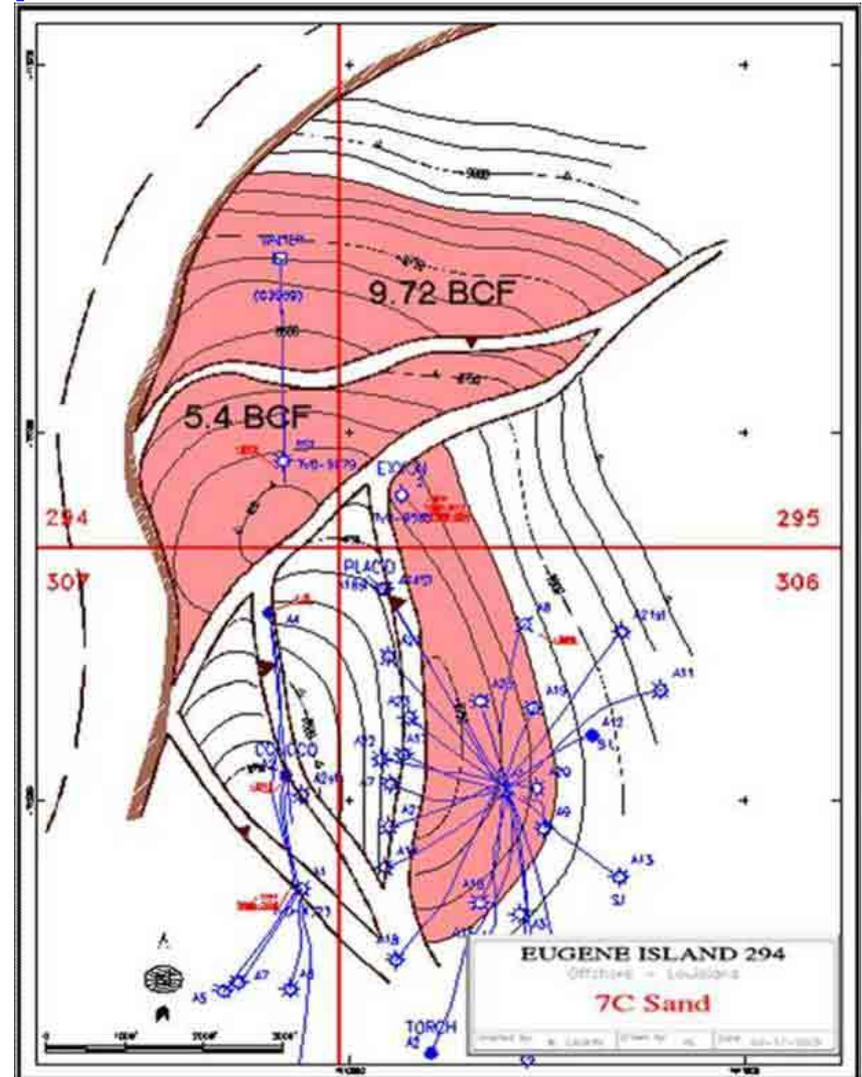
# “5” Sand Structure Map

- ❑ Reserve Potential
  - ❑ 26.0 BCF Minimum
  - ❑ 96.2 BCF Maximum
- ❑ 3D Seismic Mapping

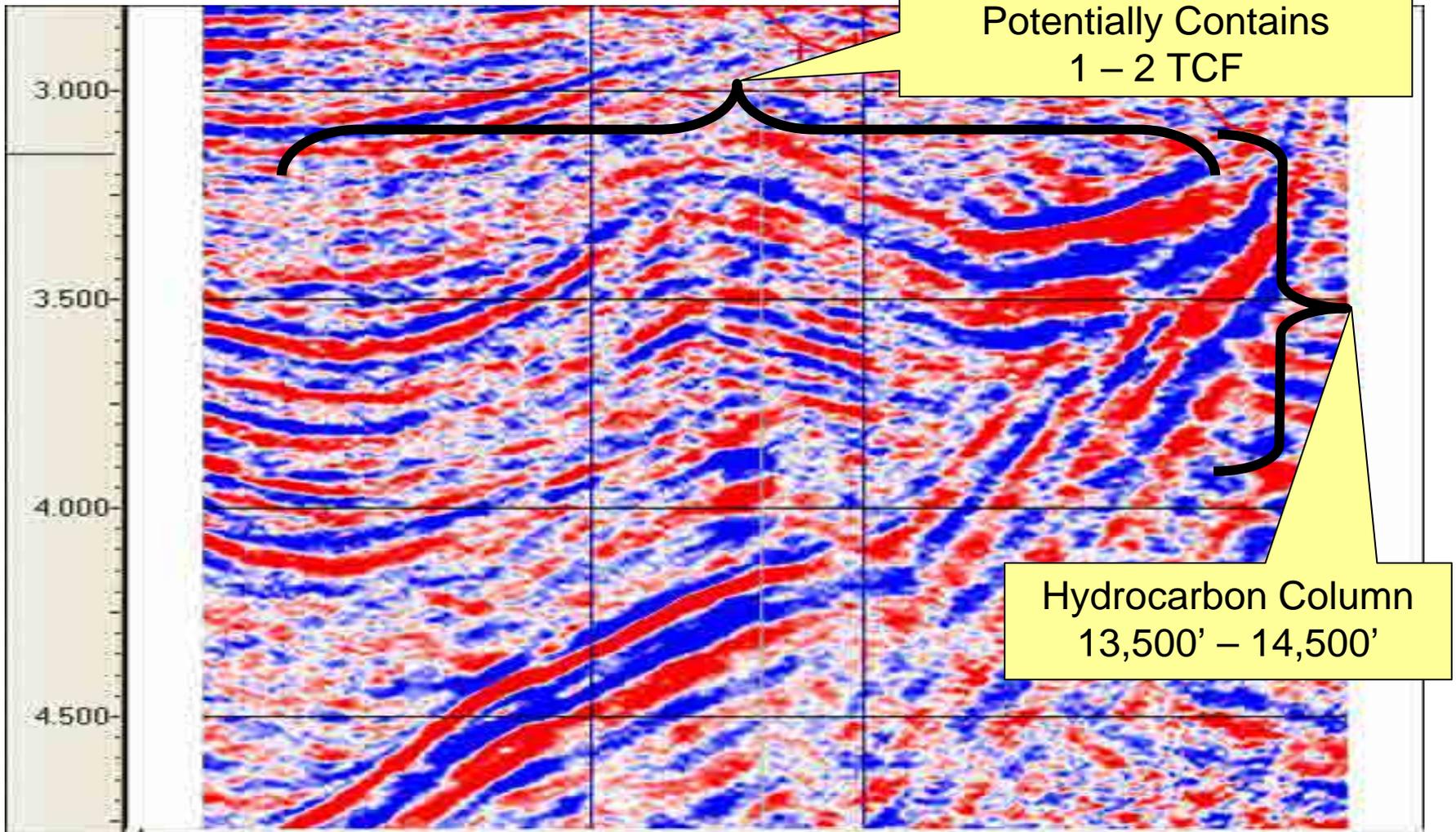


# “7” Sand Structure Map

- ❑ Reserve Potential
  - ❑ 15.1 BCF
- ❑ 3D Seismic Mapping



# Sub Salt Prospect



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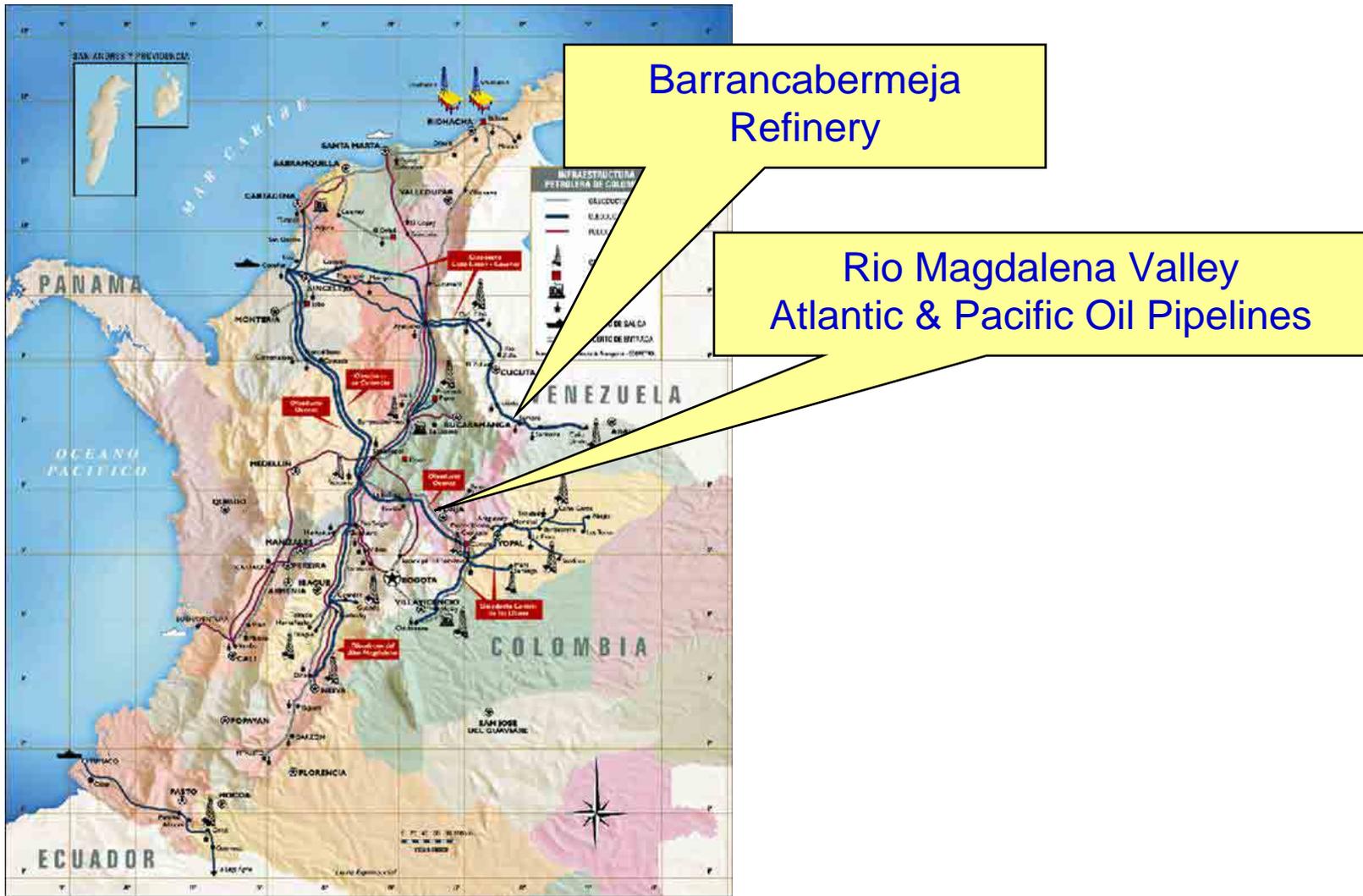
# Colombia



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Oil Exploration & Development  
Upper/Middle Rio Magdalena Valley  
Colombia

# Production Infrastructure



# New Contract Terms

## ❑ Old Terms

- ❑ 50% investment earns 28% revenue

## ❑ New Terms

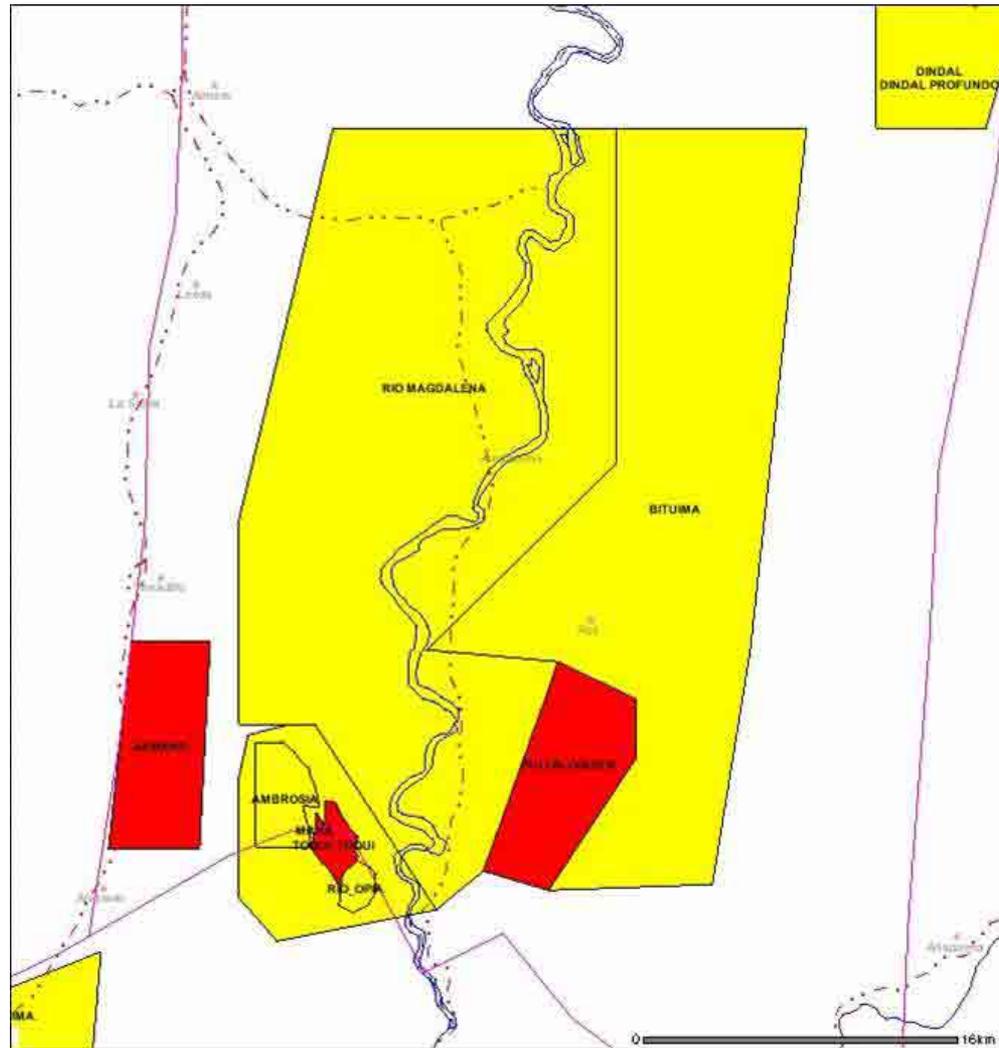
- ❑ Adjacent Prospects Contract Option (APCO)
- ❑ 8% ORRI payable to the Government on first 60 million barrels
- ❑ 35% Ecopetrol back-in after payout
- ❑ 33% Income tax
- ❑ Contract extended for 22 years for each new reservoir
  - ❑ New/isolated reservoirs (behind pipe)
  - ❑ New fault blocks and/or new structures

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# Rio Magdalena Exploration Area

- ❑ Eight recognized structures
- ❑ Several large surface anticlines
- ❑ Controlled with 1,300 km 2D seismic
- ❑ On trend with giant fields – same geology
- ❑ Downtip of prolific oil seeps
- ❑ Estimated reserves of 700 million barrels
- ❑ Immediate access to export pipeline

# Adjacent Field Locations



# Analog Fields

<u>Field Name</u>	<u>Reserves (MM Bbls)</u>
❑ LaCira-Las Infantas	1,000
❑ Casabe	266
❑ Cantagallo	155
❑ Palagua	99
❑ Llanito	62
❑ Toqui-Toqui	21



# Analog Field Characteristics

- ❑ Structural Trap – Thrust Fault Closures
- ❑ Tertiary Sandstone Reservoirs
  - ❑ Sweet Crude Oil 22° – 30° API
  - ❑ GOR 285 Mcf/Bbl
  - ❑ Porosity 14% - 25%
  - ❑ Permeability up to 100 md
  - ❑ Avg. pay thickness 150' – 200'
  - ❑ Avg. depth 2,000 – 7,000
  - ❑ Avg. fault closure 3,900 Acres
  - ❑ Avg. primary recovery 16%\*

*\*Additional reserves recoverable with secondary recovery water flood program*

# Petroleum System

- ❑ Source kitchen east of area
- ❑ Oil generated from thick Cretaceous marine shales >12,000' deep
- ❑ Multiple Tertiary sandstone reservoirs
- ❑ Top seals provided by interbedded shales
- ❑ Expulsion and migration continues today

# Prospect Summary

<b>Doima Reservoir</b>	<b>PDP (MM)</b>	<b>PBP (MM)</b>	<b>PUD (MM)</b>	<b>PROB (MM)</b>	<b>Reserves (MMBOE)</b>
Nube Grande				114	114
Beltran				85	85
Andes				96	96
Cala Cala				45	45
Bonanza				84	84
Mariposa				29	29
Rio Luna				40	40
Baca				102	102
<b>Total</b>				<b>595</b>	<b>595</b>

*“...additional prospects/reserves are recognized in other reservoirs present in the exploration area”*



# Disclaimer

- ❑ This presentation is not a solicitation of investment or an offer to sell securities.
- ❑ An Offering Memorandum is available upon request to Qualified Investors.
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