



**Toronto Stock listed, symbol: 'ISR'**

**Company Overview** (as at 31/12/07)

**Financial Summary** (000's CDN)

	<u>2007</u>
Assets	\$35.40M
NPV (10% DCF)	\$62.80M
NAV (10% DCF)	\$59.40M
Book Value	\$25.00M

Revenue	\$9.60M
EBITDA (cash flow)	\$2.70M
Cash Flow Per Share	\$0.19
EPS	(\$0.02)
Debt	\$2.20M

NAV per Share	\$4.26
Book Value per Share	\$1.80

	3 Months March 31	
	<u>2008</u>	<u>2007</u>
Revenue	\$3,977,498	\$2,517,612
Cash Flow	\$1,910,636	\$1,059,910
Per Share	\$ 0.14	\$ 0.08
Net Income	\$ 489,464	\$ 39,772
Per Share	\$ 0.04	\$ 0.01

**Reserve Data**

Proved & Probable	4,346 mboe
Production April, 08	925 boe/d
Production Ratio	75.5% Gas 24.5% Oil

Reserve Life Index (RLI) 12.9 years  
(Proved plus probable reserves)

**Market Data**

Shares Outstanding	13.9M
Fully Diluted	14.5M
Market Cap	\$16.7M
Price (16/05/08)	\$1.20

**Company Management**

Lutfur Rahman Khan	President
Dr. Waseem Rahman	Sr. VP.
Omair Choudhry	CFO
Rodney Duncan	Corp. Dev.
John Riad	Ops. Mgr.

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**Q1 & Q2, 2008 Developments  
Canada Domestic**

- Successfully drilled 3 gas wells. First well tied-in and on stream late March. The second well is in the process of being tied-in and will be online prior to end June, 2008. The third well is scheduled to be tied-in during Q3, 2008.
- Expected domestic production exit Q2, 2008 1,000 boe/d plus.

**International – Pakistan**

- Sukkur Block (Gas). Two initial high priority targets selected from 1,420 line km. of 2-D seismic. Both targets to be drilled on a back-to-back basis.
- Drilling is in progress and the first well is expected to reach T.D. on/or before end June, 2008.

**International – Ecuador**

- Environmental Impact Reports for seismic and drilling completed and filed with the Government. Environmental approvals expected during June, 2008.
- Community consultations/information sessions held.
- Seismic program outline completed for tender.
- Drilling tender in preparation.

**Company Profile**

- Oil and gas exploration, development and production company headquartered in Vancouver, B.C.
- Value strategy; progressively growing the Canadian domestic production base and securing, on a risked basis, higher impact international hydrocarbon projects.
- International areas (current) focus: Latin America, Ecuador (Oil) and Pakistan (Gas).
- Management has a proven international hydrocarbon track record through a substantial previous production company that was successfully sold.

### Canadian Assets

- Reserves as at January 1, 2008 per the independent reserve evaluation report prepared by Chapman Petroleum Engineering Ltd (N1 51-101 compliant);
 

Proved	1,564 mboe
Probable	<u>2,782 mboe</u>
Total	<u>4,346 mboe</u>
- Proved plus probable reserves increased 15.9% in 2007 from 3,748 mboe as at December 31, 2006.
- Net Present Value (NPV) of the proved plus probable reserves (10% DCF) CDN \$62.8M.
- Reserve replacements costs approximately \$14.00 per boe through the drill bit.
- Production May, 2008 900 boe/d. An estimated 400 boe/d sits "behind pipe" and the Company is working on bringing this production online during the second half of 2008.

### International Projects

#### (I) Ecuador/Charapa Concession (25,050 hect.)

- Located in the North of Ecuador's Oriente Basin. On strike with the 30 M barrels San Minguel field located across the border in Colombia.
- The Concession partner is the Ecuador National Oil Company, PetroEcuador. Production split approximately 50:50.
- The Concession was a past producer and contains three (3) untested and prospective structures defined as Conejo, Halcon and Charapa SW. The Conejo structure is drill ready based on 2-D seismic.
- Program: Q2 - Q3, 2008:
  - Complete the seismic and drilling tender contracts. Status; pending.
  - Complete the Seismic Program (50 sq. km. 3-D) Halcon and Charapa S.W.
  - Drill exploratory well at Conejo.
- Budget 2008 (pending funding);
 

Seismic Program and Interpretation	US \$2.00 M
Drilling Exploratory Well Conejo	<u>US \$3.50 M</u>
Total	<u>US \$5.50 M</u>



### (II) Pakistan: Partner Mari Gas Company Limited (MGCL)

- MGCL operates the second largest gas field in Pakistan. MGCL is directly and indirectly held 80% by the Government of Pakistan and 20% of MGCL shares are listed on the Karachi Stock Exchange.

#### Concession: Sukkur (2,435 sq. km.)

- Located Sindh Province, Southern Pakistan.
- The Company's direct Working Interest (W.I) 15%
- The Concession is surrounded by numerous large gas fields with multiple gas reservoirs. Three producing gas fields have already been carved out of the Block. The Block contains multiple gas targets.
- Status;
  - Two high priority structures selected ("A" & "B") for drilling based on extensive seismic.
  - Drilling in progress through August, 2008.
  - Reservoir target Sui Main Limestone (Eocene); depth 1,500 meters (+/-).
  - Prospect "A" covers a 5.0 sq. km. area.
  - Prospect "B" covers a 4.1 sq. km. area.
  - Estimated potential via (Monte Carlo Simulation); 40 bcf plus for both prospects.
  - Main gas pipeline within 5 km of both prospects.
  - Expected production contribution to International Sovereign from the first two structures; 400 to 500 boe/d upon drilling success; payback between 18 and 24 months.
  - Drilling budget; US \$2.0M (+/-) is the Company's estimated contribution.



### Value Factors

- Inventory of prospective domestic Canadian drill targets for continued domestic growth.
- High impact projects in progress in Ecuador and Pakistan.
- Opportunities for further accelerated growth under review.
- Share price reflects a substantial discount to NAV.