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International Sovereign Energy Corp. (ISR: TSX)

Date: April 23, 2008

Price: \$0.82



SHARE DATA (as at April 23, 2008)

52-Week High/Low	\$1.90 - \$0.60
3-Mth Avg. Trading Volume	10,758 shares
Shares (millions)	Basic 13.9
	F/D 14.8
Market Capitalization	\$11.4 million
Market Cap per Flowing boe (850 boepd)	\$13,437
NAV (10% DCF)	\$59.4 million

KEY INFORMATION	2006A	2007A	2008E
Average Production (boepd)	427	635	1,200
Cash Flow (000's)	3,458	2,638	6,000
per share	0.26	0.19	0.43
Price/CF	3.2	4.3	1.9
Debt/CF	-	1.1	-
Production Costs per boe	11.16	14.30	10.50
Netback	29.65	20.01	31.00

FINANCIAL DATA (000's of Canadian Dollars)

	3 Months Dec. 31		Yr Ended Dec. 31	
	2007	2006	2007	2006
Revenues	2,507	2,054	9,633	7,120
Cash Flow	722	1,069	2,638	3,458
per share	0.06	0.08	0.19	0.26
Net Income	(92)	(969)	(335)	65
per share	(0.01)	(0.07)	(0.02)	0.01
PRODUCTION DATA				
Nat. Gas (mcf/d)	2,958	1,495	2,308	1,269
Oil & NGLs (bpd)	251	340	248	216
Boepd (6:1)	744	589	635	427

BALANCE SHEET (as at December 31, 2007)

Current Assets	\$ 1,961,348
Total Assets	35,444,093
Current Liabilities	4,835,444
Long-Term Debt	nil
Shareholders' Equity	25,041,532

Highlights:

- domestic production with int'l exploration
- proved plus probable reserve NPV of \$62.8 million or \$4.51 per share
- 7 to 10 wells planned for drilling in 2008
- high-impact international drilling program planned for 2008
- trading at low valuation of NAV, book value, and price to cash flow

Company Summary

International Sovereign Energy Corp. is active in the exploration and development of hydrocarbon reserves in Western Canada and internationally. The conservative approach of the company to drill internally generated low-to-medium risk exploration and development opportunities domestically, has positioned the company with a strong asset base while developing high-impact int'l opportunities.

Int'l Sovereign's properties in Western Canada include Berwyn, Leaman, Little Bow, Marwayne South, Medicine River, Red Earth, Swan Hills, Wildmere, and Peace River in Alberta, as well as Clarke Lake, Fort St. John, and Inga in B.C. Internationally, the company has interests in Ecuador and Pakistan.

Int'l Sovereign recently completed a 3 well drilling program in its Peace River Arch area where the company holds varying interests. The first well (31.6% interest) was placed onstream in early April and the other two wells (40% interest) are expected to be tied-in after spring break-up. Estimated production from these 3 wells is anticipated to be 200 - 250 net boepd.

At Medicine River, Int'l Sovereign holds an 85% working interest in the 2-25 twin gas well which commenced production during the last week of December 2007. Initial production was 700 to 800 mcf/d (595 to 680 mcf/d net) and is expected to produce close to 1,000 (850 net) mcf/d on an ongoing basis.

At Berwyn, the company drilled and completed an initial well in March 2006 which produced from the Gething formation at approximately 1.2

mmcf/d with an estimated 1.8 mmcf/d behind pipe from 3 zones. Additional sections of land have since been acquired and a second well was drilled but not completed due to a lack of third party pipeline capacity at that time. Three additional targets have now been identified from seismic subject to a final gathering system. A drill program is planned for the second half of 2008. The drill program, when combined with production optimization from the existing wells, has the potential to produce in the range of 4.5 to 5.5 mmcf/d.

Internationally, Int'l Sovereign is the operator of the 25,050 hectare Charapa Concession in Ecuador. The company's partner in the area is PetroEcuador, the Ecuadorian National Oil Company, and production sharing will be approximately 50:50, subject to a 1.5% GORR on Int'l Sovereign's share of production. The Concession contains 3 prospective structures, of which one is drill ready based on existing seismic. The other 2 structures require 50 sq km of 3D seismic. The drilling and seismic reports have been filed and approval is expected in June. The company plans to drill an initial evaluation well and complete the seismic program during the second half of 2008.

In Pakistan, Int'l Sovereign has a direct 15% interest in the Sukkur Block and a pending 15% direct interest in the Sujawal Block, with Mari Gas Company Limited (MGCL), the second largest producer of gas in Pakistan. The company is currently participating in the drilling of 2 back-to-back Sukkur Block wells, which are expected to be completed by the end of the second quarter of 2008. Drilling costs to Int'l Sovereign for these wells is anticipated to be approximately \$2.0 million. Numerous large gas fields with multiple gas reservoirs surround the concession and a gas pipeline runs directly through the Block.

Subject to approval from the Government of Pakistan, Int'l Sovereign is planning the finalization of an initial

well location and the drilling of an exploratory well on the Sujawal Block in late 2008 or early 2009.

For the year ended December 31, 2007, Int'l Sovereign achieved average production of 635 boepd, up 49% from 2006 results. The company exited the year with production of approximately 850 boepd with an additional 400 boepd behind pipe. Production in April 2008 was approximately 900 boepd consisting of 75% natural gas and 25% oil.

As at December 31, 2007, Int'l Sovereign's proven plus probable reserves were evaluated by Chapman Petroleum Engineering Ltd. to be 4.34 million boe, up 16% on a year-over-year basis. The net present value of these reserves, discounted at 10%, increased to \$62.8 million or \$4.51 / share. The company currently has a p&p reserve life index of over 12 years.

During Q4 2007, the company generated cash flow of \$721,713 or \$0.05 per share on average production of 744 boepd. With current production of over 900 boepd, additional production to be tied in during Q2, 2008, and significant production remaining behind pipe, Int'l Sovereign is poised for significant growth throughout 2008. Furthermore, being a gas-weighted entity, the company will benefit considerably from the approximate 45% rise in natural gas prices since the beginning of 2008.

Int'l Sovereign is presently trading at less than one-fifth of the net present value of its proven and probable reserves and at less than half of its book value. Based on a conservative cash flow forecast of \$6.0 million or \$0.43 per share for 2008 (prior to financing requirements), the company has a price to cash flow ratio of only 1.9 times. None of these numbers include any potential success from the international drilling which could have a further significant impact on production, cash flow, and reserve valuation.

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