



TRANSEURO ENERGY

TSX-V: TSU, Oslo Axess: TSU
www.transeuroenergy.com

Annual General Meeting

8th December 2011

Calgary, Canada

President & CEO: David Worrall



- **Drilled and Tested Karl-101 in Ukraine**
 - 400m gas column confirmed with 4 apparent reservoirs at increasing pressures.
 - Gas flows from all 3 tests with sub commercial rates
 - Reservoir data suggests tight carbonate reservoirs with no significant fracture systems
 - Fluid analysis confirms condensate in all reservoirs.
 - No formation water observed
- **Acquisition of Questerre Beaver River**
 - Compression upgrades have more than trebled production to 2.7 mmcf/d
 - Monthly revenue at \$3/mcf price of \$270,000 gross, \$50,000 net after opex, transport, royalties
 - Reserves/Resource report underway to quantify shale potential
- **Rights Issue Nearing Completion**
 - \$14 million raised in total with \$ 5million taken early to finance company through 2011
 - Funds used to repay debts and hydraulically frac Karl-101
 - New institutional and company shareholders
- **Office relocated to Calgary**
- **Increase in G&A with BR acquisition to \$250,000/month**
- **Povorotnoye license renewed and farm out ongoing**



Asset Portfolio and 2012 Action Plan

- Ukraine
 - Complete Karl-101 hydraulic fracturing and production test
 - Tie in to pipeline and commence sales
 - Planning for Karl-102
 - Complete farm out with Farmee drilling Pov-104 well
 - Acquire new licenses in Ukraine after Karl-101 success.
- Canada
 - Monitor production trends at lower pressures to assess shale potential
 - 4 well re-entry programme in Nahanni and shales
 - Assess projects in the surrounding area
- Papua New Guinea
 - Eaglewood Ubuntu appraisal well in block 259 (10% back-in option)
 - Other operators drilling Elevela and Ketu



Rights Issue Summary

- \$14 million raised
 - \$11.5 million in fresh capital
 - \$3.98 million from shareholders
 - \$7.52 million from Guarantors
 - \$2 million loan repaid to Questerre with shares
 - \$0.5 million loan facility from Questerre to be drawn only if needed
- 224,999,993 new shares issued, increasing total to 316,702,258
- New significant shareholders
 - Questerre 14.8% (Oil company)
 - MP Pension 6.5% (Norway financial institution)
 - Skagen 6.2% (Norway financial institution)
 - Fondsfinans 5.5% (Investment bank)
- Process completed and cash available on Dec 20th



Karlavskoye

- Mean 472 Bcf in place resources
- Crymgeologia hold 5 yr expl. License till 2014
- JAA with 72% profits
- 9 old 'deep' wells
- Pipeline on license

Krasnapolianskoye

- Mean 3 Bcf in place resources
- Crymgeologia hold 5 yr expl. License till 2012
- JAA with 72% profits
- 10 old wells
- Gas sales start Q1 2010

Pipeline network

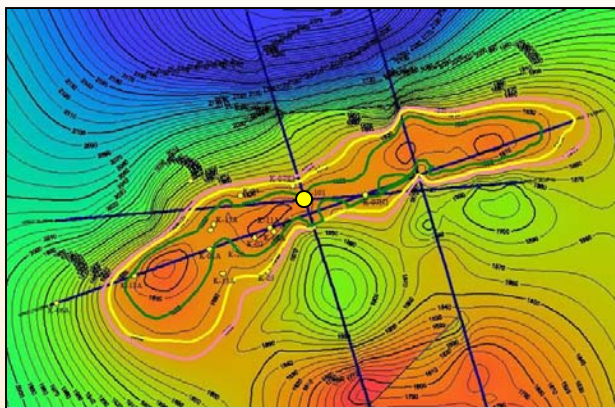


Povorotnoye

- Mean 101 Bcf in place resources
- Crymgeologia hold 3 yr expl. License till 2016
- JAA with 72/60% profits
- 7 old wells
- Pipeline near license

Vlad 28 well

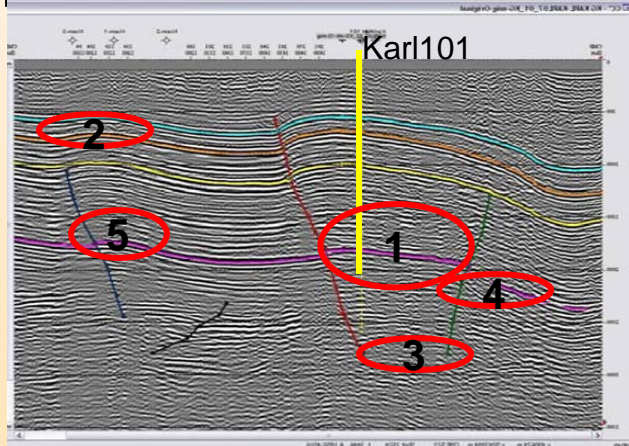
- 10-15 bopd from 650m
- Can elect to drill more wells



Structural mapping uses 40 old lines (1960-80's) and 4 new lines from 2007.

8 deep wells all flowed gas to surface.

Karl-10 is below gas water contact but flowed gas

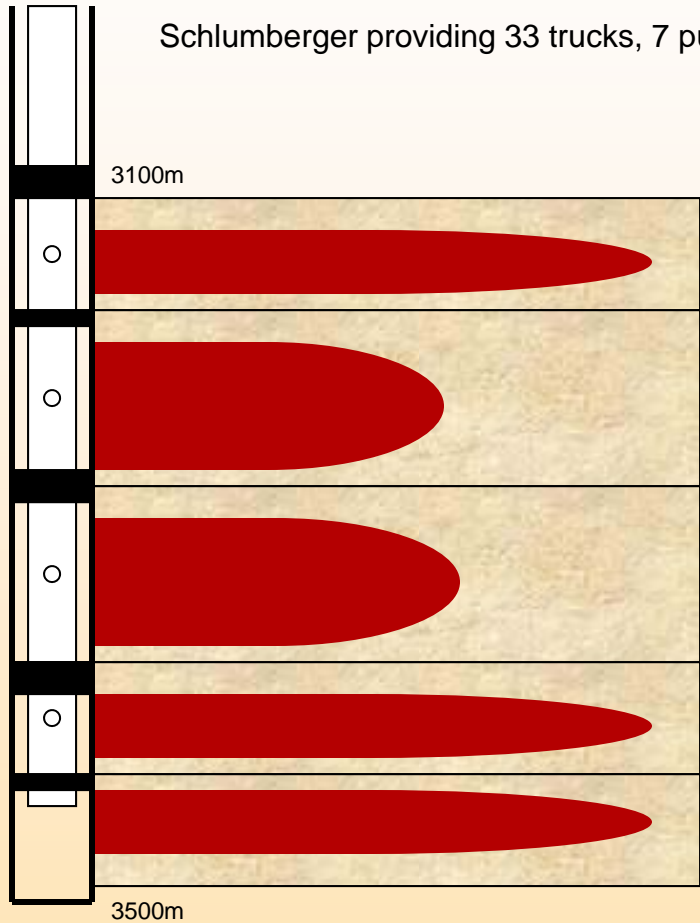


Targets

1. Main Karl pop-up has mean 472 Bcf in place with condensate from 40 – 80 bbl/mmcf
2. Kras Paleocene at 1000m has 3-14 Bcf reserves
3. Karl Albian A-19, A21 prospect (Karl-10)
4. Sub-thrust prospect (Karl-10)
5. Kras Cretaceous prospect (not drilled)



Schlumberger providing 33 trucks, 7 pump units, largest frac in Ukraine



2011 test results

Tested 1000m³/d stable rate and drilling mud

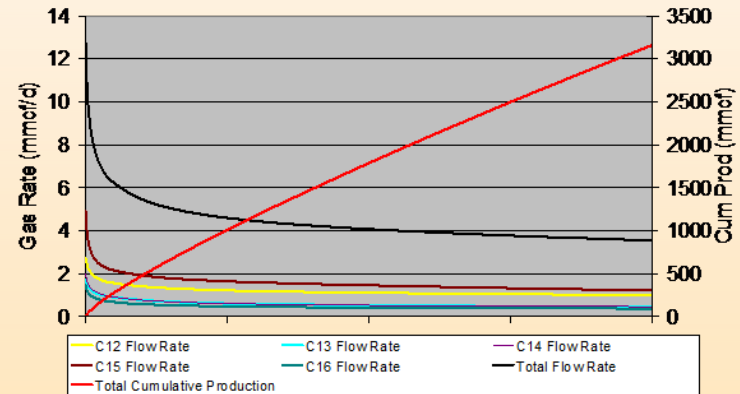
Tested 3000 m³/d stable rate

Tested 13,000 m³/d stable rate and condensate

Target

- 10 mmcf/d on test
- 4-5 mmcf/d average annual production

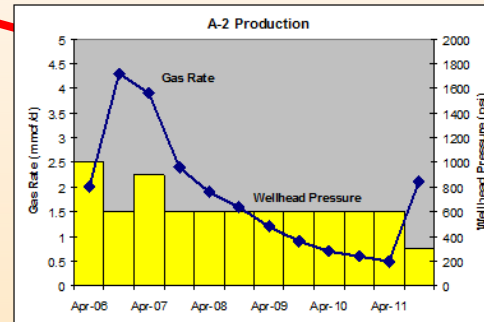
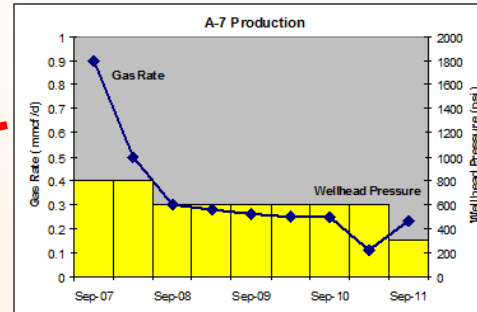
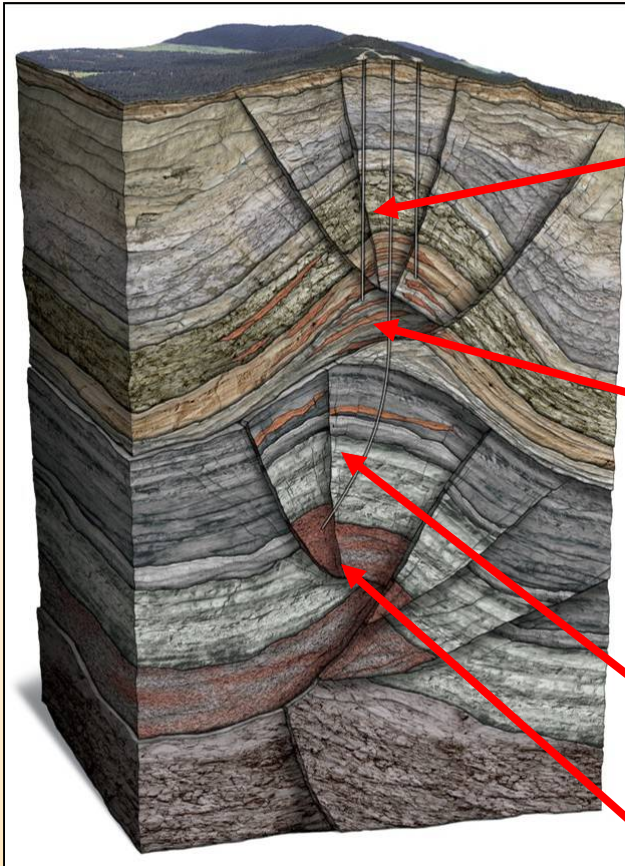
Karl-101 with 5 Fracs





- Beaver River field consists of 35 sections (33,693 acres)
- Field discovered by Amoco in 1969 and produced 190 Bcf (10% of GIIP) from Nahanni dolomite at 3500m until 1975.
- Over 2000m gross shale thickness. Close to Horn River area with analogous shales. Focused on long term potential
- Part way through shale appraisal programme. 7 well operations. 3 wells on production. 2 with good production rates.
- Export pipeline located on lease. Quick, easy tie in.
- Third party indications for Gas In Place of 500-1000 Bcf per section.
- Resource report ready end 2011





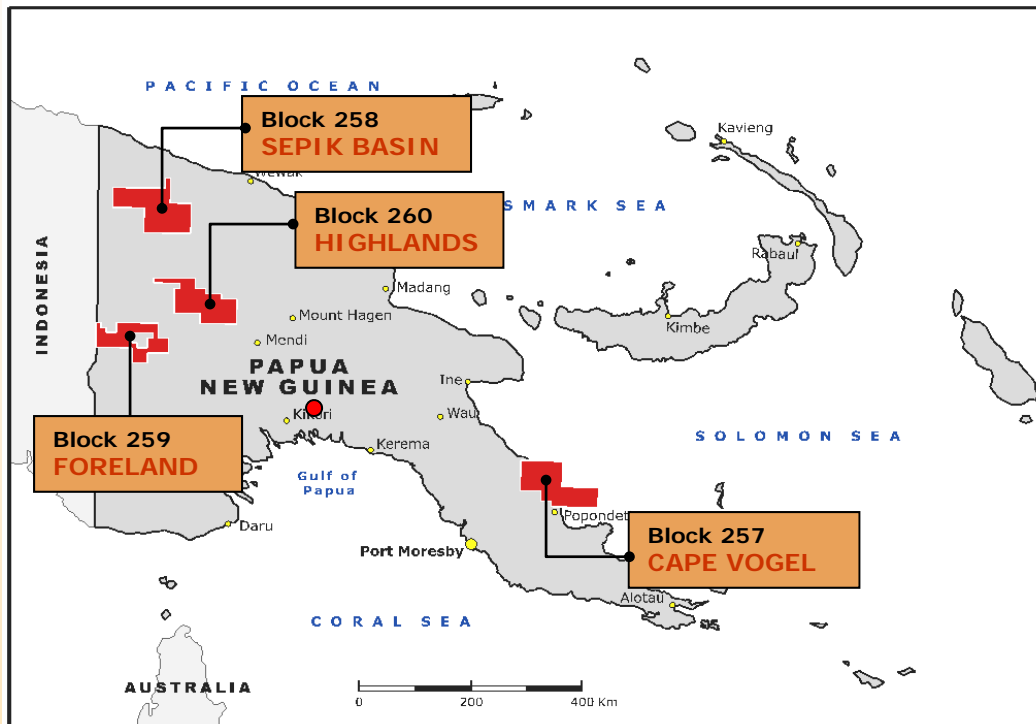
- A-7 near vertical with one slickwater frac
- Wellhead pressure reduced from 600 to 300 psi with compression upgrade
- A-2 small frac in thin tight sand has produced too much gas
- A-5 drilling mud production impeding results

A-5 Besa River shales and limestones, Horn River equivalent

Nahanni conventional reservoir – Bypass potential



'Eaglewood Energy Inc, EWD'



TSU has a back-in right to 10% of all licenses after 3 wells are drilled for 10% of costs. Third party estimate option value of \$5-20 million after costs.

Remaining 20% of PPL 260 sold to Exxonmobil. TSU retains a claim to 10%

PPL 259, Elevala and Ketu appraisal wells ongoing and will determine value of Ubuntu.

PPL 257 renewed for 5 years



The 2012 programme is highly dependent on the results from Karl-101 hydraulic fracturing in Ukraine, that are expected in first quarter.

Scenarios include:

1. Raise funds from shareholders to pursue projects in Ukraine and Canada:
 - Karl-102
 - 4 well re-entry programme at Beaver River
2. Expand asset base through acquisitions and new licenses in Ukraine and Canada
3. Corporate mergers and acquisitions as junior M&A activity expected to increase significantly in 2012.



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