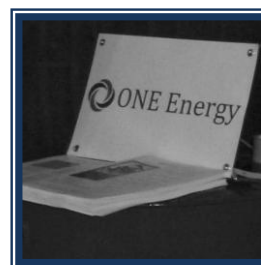


Newsletter

March/April 2009

BACK TO EUROPE WE GO...

Travelling back to Europe at the end of February, the CEO of ONE Energy, Daniel Vesco, was pleased to be invited and present ONE Energy at the HSBC Malta Property Expo held February 27-March 1, 2009. Over the three day event, more than 5,000 people attended. Daniel exhibited ONE Energy at an expo booth along with ONE Energy's local partners; handed out general company information; spoke with participants, and as gave a short seminar on the oil and gas industry. Apart from the event activities, Daniel followed up with the law firms/lawyers; a brokerage house; and international organizations to advance discussions which began in January. Overall, it was a very busy, and productive, three day trip. Oh, and we should mention, although Daniel arrived safely in Malta, on time, his luggage wasn't so lucky. It arrived just in time for his subsequent departure.



NEW PRODUCT: DANISH PENSION FUND

Heading north after Malta, Daniel returned to Denmark and we are pleased to announce after continued work with a local brokerage house and PricewaterhouseCoopers (as we mentioned in our January/February newsletter), and subsequently, a Danish law firm, ONE Energy has created an offering specific to Danish pension funds.

Structured as a Class B share of a new ONE Energy subsidiary, ONE Energy Denmark No. 1 ApS, the offering follows Danish pension fund regulations as advised by PricewaterhouseCoopers, Denmark and its recommended law firm. This product gives Danish pension fund holders a new option for investment and we are excited to be able to offer it.

LEARNING IN SINGAPORE

ONE Energy attended a four day exploration conference in Singapore on April. The conference was organized by the South East Asia Petroleum Exploration Society, SEAPEX. Held every second year, following the most successful conference on 2007, the 2009 conference was also sold out with 550 attendees from around the world. Participants included ConocoPhillips, Deloitte, Pearl Energy, Marathon Oil, and Weatherford.

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"These are interesting times."

"Is this the time right to do it again? Absolutely."



There were multiple themes at the conference. Many speakers said, "these are interesting times;" "from crisis comes opportunity;" and from the founder of Pearl Energy, Richard Lorentz, a multi-million dollar energy company, which was started in 2001 with approximately USD 56 million in seed capital, and sold in 2005 after going public on the Singapore Exchange with an approximate USD 240 million IPO value, "Is this the time right to do it again? Absolutely."

Ms. Hazel Cowper, of Standard Chartered/Harrison-Lovegrove, spoke of the merger and acquisition activity in 2007-2009 and as expected her figures were astounding. In 2007 upstream oil and gas transactions soared to USD 160 billion. Deals were very expensive and pricing not only included production (actual oil and gas flow out of the ground) but also probable, possible, and contingent resources (unproved oil and gas reserves). Generally, as we know, between July 2008 and March 2009, crude prices fell from a high of USD 147 per barrel to USD 32 per barrel: a drop of more than 78%. Ms. Cowper indicated in 2008, USD 2.5 trillion of industry market value was erased.

She continued to say, in the first part of 2009, deal count was at a 15 year low and buyer/seller price expectations have sharply diverged. Buyers pricing assumptions reflect good quality assets and sellers are resisting adaptation. ONE Energy has encountered this phenomenon on many of the deals it has reviewed for possible acquisition. Sellers still want top dollar, and more, for not only proven but contingent reserves. However, ONE Energy agrees with Mr. Lorentz who said you build a sustainable oil company by carrying out due diligence on acquisition targets; have a balanced portfolio of assets; and make sure you have cash flow from day one (investors want it!).

TARGETS

ONE Energy continues to be highly selective in its search for oil and gas assets for its portfolio. Members of management visited potential prospects in Wyoming and Texas. Due diligence has been completed for the Wyoming property and acquisition negotiations are underway. ONE Energy is still going through the due diligence process for the Texas leases. However, both sellers want a large premium for their deals and as ONE Energy confirmed in Singapore, it seeks "good quality assets" and should not pay a significant amount for contingent resources.



Daniel Vesco inspecting a well during site visit of acquisition candidate



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