



B U S I N E S S   R E P O R T   2 0 1 4

# Disclaimer/Contact

---

## DISCLAIMER

This Presentation contains certain statements that may be deemed "forward-looking statements". All statements in this Presentation, other than statements of historical fact, that address events or developments that Omega Energy International ("OEI") expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although OEI believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, but are not limited to, market prices, exploration and drilling success, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of OEI management on the date the statements are made. OEI undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

## OMEGA ENERGY USA LLC

1111 Brickell Avenue, Suite 1515, FI 33131

Miami, Florida, USA

Tel: + 1 – 786 245 0641  
[www.omegaenergy.co](http://www.omegaenergy.co)

## OMEGA ENERGY

Av. Carrera 9 Número 115 – 06, Oficina 1808

Edificio Tierra Firme

Bogotá D.C., Colombia

Tel: + 57 (1) – 742 33 38

Fax: + 57 (1) – 755 00 67  
755 00 69  
755 00 70  
[www.omegaenergy.co](http://www.omegaenergy.co)





To Our Stakeholders,

I am proud to say that the Omega Energy Group continues to grow and expand upon years of hard work and perseverance. Our operational performance in 2014 has been a challenge, and has been powered by an amazing team of dedicated professionals that continue to drive this company's growth.

My vision was to make Omega into a strong international energy company with a diverse energy portfolio that would start with dependable hydrocarbon production assets in our base production sites in Colombia and in the USA and would expand into biofuel production and alternative energy projects both in the United States and our international projects.

Our Colombian oil fields have been blessed not just in their reserves and their production potential, more importantly they have given us knowledge and experience in developing successful producing wells in areas that otherwise would have been overlooked; It is this knowledge, of identifying diamonds in the rough, that has given us an outlook to find success and to continue to grow. This is the vision that we bring to the US and together with our talented technical and geological team we are focused on developing mid-sized oil fields and are targeting sites with multiple pay-zones.

One of the plays evaluated by Omega Energy consists of developing the potential of the lateral closures of the southern salt domes in Louisiana. After completing the evaluation of Bayou Chactou and North Bayou Teche, the company decided to enter in the NBT acquiring seismic data, completing a lease agreement, and are currently planning to drill a well in the following year.

Omega Energy, through its partner company Eureka, has also evaluated a play in the Midland Basin in West Texas. This project consists of one oil field located in Sterling County with 46 wells currently in production where we have identified conventional plays that can be optimized and unconventional plays like the Cline Formation that can be developed.

In addition, we are focusing our efforts to develop the Omega Louisiana Project in Jefferson Parish. The goal is to develop and farm our 5000 acre site into a strong ethanol producing project that will eventually expand to cover more than 25,000 acres. We want to grow this from the ground up and begin farming sugar cane. Our long term goal is to impact the community by creating jobs in several fields and positively growing the local economies in several ways. We are looking forward to develop the site to include oil production, refining, sugar cultivation, and gasoline mixture production.

Omega is focused to continue its growth in the years to come and I am confident that we will continue to positively impact the American economy and continue our expansion to become one of the strongest environmentally responsible energy companies.

  
Omar Leal  
Chairman, President, and Chief Executive Officer

# Omega Energy USA



## Omega Energy

is a global group of 10 companies that focus on Hydrocarbon extraction and production and are developing a new branch that focuses on alternative energy production. Omega Energy has more than 10 years operating mostly in South America, and has now expanded to be a cross continental energy provider. The group is owned by the Leal family, who are the founders and principal shareholders. Currently OEG (Omega Energy Group) has 66 employees



## ORGANIZATION CHART – OMEGA ENERGY USA



# Omega Energy USA

The group develops different types of projects in USA through its company Omega Energy USA LLC.

## Main Activities.

OE USA LLC focuses its main activities on the development of Oil and Gas exploration and production projects. The Omega Energy USA team focuses on the negotiation and development of new deals, financial direction of existing projects, debt administration, international asset management, and new venture development, including several alternative energy projects focused on biofuels, ethanol production, and sponsored research for a cleaner, environmentally responsible hydrocarbon industry.

During 2014, due to global economic factors in the hydrocarbon industry, the group has focused on redirecting its business model to provide an optimized structure that has allowed business to continue both in the USA and in our international sites, and despite the current market, has permitted growth.

## Organizational Structure.

OE USA LLC has eight full time employees and in addition conducts its business operations in the US under outsourced services agreements to support Human Resources, IT, Accounting and Reporting. All accounting and tax reporting and filing is conducted by Berkowitz Pollack Brant. Other non-us employees are deployed in Colombia.

### OMEGA ENERGY INTERNATIONAL

LEGAL  
AFFAIRS

DRILLING  
MANAGEMENT

EXPLORATION  
MANAGEMENT

PRODUCTION  
MANAGEMENT

NEW BUSINESS  
MANAGEMENT

PLANNING &  
CONTROLS

FINANCIAL  
MANAGEMENT



# Omega Energy USA

## OUR PRODUCTS AND SERVICES

Oil 91,50%  
Natural Gas 1,32%  
LPG 2,96%  
Naphtha 4,19%  
Energy 0,03%

## OUR CLIENTS

The Omega Group's main client is the Empresa Colombiana de Petróleos – ECOPETROL, which accounts for 98% of our sales. Other important clients include SPEP ENERGY NETHERLANDS B.V, Australian Bunker Suppliers, Codis S.A., the Agencia Nacional de Hidrocarburos, and Trayectoria Oil and Gas.

## OUR ASSOCIATIONS AND CERTIFICATIONS

Since June 2012, Omega has been a member of the United Nations Global Compact, the world's largest voluntary initiative on corporate citizenship. Since December 2008, Omega Energy has been certified in International Standards ISO 9001:2008 (quality management), ISO 14001:2004 (environmental management) and OHSAS 18001:2007 (occupational health and industrial safety). These certifications were awarded by Bureau Veritas, the nationally and internationally recognized certification body. In January 2012, Omega obtained recertification in these three standards with a greater scope that includes geological and geophysical exploration of areas with potential for deposits of oil and gas and hydrocarbon production.



## OUR SUSTAINABLE BUSINESS MODEL

1. Manage sustainability in a coordinated, systematic and continual way in all business units, areas and processes.
2. Focus our efforts on the most relevant issues for the Company, the industry, the stakeholders and the environment
3. Have a solid foundation for engaging and communicating with our stakeholders.
4. Manage sustainability in line with our strategic goals and corporate risks.

## OMEGA ENERGY CORE VALUES

**1. Sustainable Development:** Omega Energy contributes to the development of the country in each area in which it operates, bettering quality of life by generating employment, protecting the environment, and the completion of infrastructure projects.

**2. Economic Value:** The company generates economic benefits for its share holders, investors, providers, and employees through design and execution of projects that aim at maximizing profit within the target of maintaining a safe and secure operation.

**3. Protecting the Environment:** The exploration, production, and commercialization of hydrocarbons performed by Omega Energy is done by abiding to the most strict environmental procedures and audits with clear goals of respecting nature and society.

**4. Transparency and Efficiency:** Omega Energy operates with professionalism and responsibility and shares information with its business partners and the authorities. By doing so, Omega Energy consolidates and preserves good relationships in the long run.

**5. Well being of Human Talent:** Omega Energy employees receive constant recognition and training in order for them to develop their projects to their maximum potential within a healthy environment with a resounding respect for personal well being.

**6. Health and Safety are Priorities:** Omega Energy's operations are characterized by the constant prioritization and investment in the health and safety of its own operators and the nearby communities.

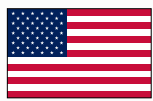
**7. More Participation from Regional Collaborators:** For a more harmonious and effective operation with local communities, Omega Energy involves local collaborators in key and important roles.

**8. Responsible Contracting:** Omega Energy selects its providers after in-depth market research in order to guarantee the right conditions and the commitment to working in the most efficient possible way.

**9. The Latest Technology for Operation:** In its decision to be a leader in the hydrocarbon industry, the company invests in technology in order to obtain the best results by using modern and dynamic processes.

**10. Innovation in Renewable Energy:** In our commitment with the Environment, Omega Energy has taken the initiative to develop projects utilizing carbon offset bonds.

# Assets Omega Energy USA



Investment in USA During 2013-2014, Omega Energy USA acquired around 5000 Acres of land in Louisiana. The purpose of this acquisition is to develop a sustainable bio fuel enterprise from the ground up, beginning with farming and community economic development with the goal of establishing a solid ethanol production business. In addition, Omega Energy USA has invested in venture management for the E&P Mexico Round.



During 2014, Omega Energy USA, together with other partners has developed Eureka, a hydrocarbon energy company based in the USA is in the process of acquiring rights to several oil fields in Texas and Louisiana, beginning with the development of oil production in the Zavala County and Sterling County regions. It was Omar Leal's vision to redevelop several primary recovery oil fields and to begin to develop large potential projects within the US with projects that add value to the local economy and fortify the community. Sterling County has over 49 existing wells with multiple pay-zones. In addition, over the next year Eureka is committed to drilling several wells in the promising North Bayou Teche.



Buenavista Block; The Buenavista Block is operated by the Unión Temporal Omega Energy (UTOE) and is located in the Cordillera Oriental basin. It is divided into three areas: Santander and Corrales, both in the exploration and evaluation phase, and Bolívar, which is in the production and development phase. Three wells were drilled in 2011, and 5 more in 2012. Additionally, we drilled a series of stratigraphic wells that allows us to find more shallow lying heavy crude and increase our reserves. In 2014, Omega drilled 3 new wells and completed a new natural gas pipeline and has began transporting natural gas for sale to several companies.



La Punta Block The La Punta Block is located in the Llanos Orientales basin and is divided into two areas: the La Punta development field, which is in the production and development phase, and La Punta Exploratoria, which is in the exploration and evaluation Phase. One well was drilled in 2011 and 2 more in 2012 and this year 2 new wells have been drilled successfully.



The Llanos 21 Block is operated by Omega Energy Colombia and is located in the Llanos Orientales basin. It is currently in the exploration and evaluation phase. In 2013, 2 exploratory wells were drilled based on forecasts of high production due to their proximity to large deposits.



The Paloma and Midas Blocks are operated by Unión Temporal Petrocaribe and are located in the Medio Magdalena basin. They are currently in the production and development stage. Two wells were drilled in 2011, and 3 more in 2012.



The Cóndor Block has been operated by Nikoil Energy Corp. Colombia Branch since 2012. It is located in the foothills of the Cordillera Oriental and measures 800 km<sup>2</sup>. Several projects are being performed to begin production of natural gas utilizing a new pipeline and the installation of a Natural Gas Power Plant.

# Assets Omega Energy USA

---



Omega Energy's investment in Nigeria is centered on exploration, production and development of the oil fields in the offshore OML 110 Block. This block is located 16km from the coast in the Gulf of Guinea on the west coast of Africa. It lies 18m below sea level and is 10km from the current Chevron facilities. The OML 110 Block enormous potential and is strategic for entering into new onshore and offshore business in Nigeria. In the next year, we plan to drill 6 wells.



Our investment in Paraguay is centered on exploration, production and development of in the Hernandarias Block. This block measures 1,850,000 hectares and is operated by the Sociedad Hidrocarburos Chaco, of which Omega Energy Colombia is a shareholder. The block is currently in the exploration phase. In 2012, Omega Energy opened a subsidiary in Paraguay called Omega Energy Paraguay. Through this subsidiary we are currently applying to become the operator of the Parapiti Block.

## MAINTAIN THE HIGHEST STANDARDS OF HEALTH AND SAFETY

We are committed to the complete health and safety of Omega's direct employees and of all the workers involved in our activities. Our policies and processes allow us to monitor these issues closely, and provide the scope to include our suppliers, contractors and subcontractors.

In 2013 we modified our Comprehensive HSEQ Policy, adding socio-environmental and occupational-psychological risk components. This second component aims not only to protect employees in terms of the physical conditions they work in, but also the emotional conditions that could affect their cognitive processes, and their social, occupational and physiological behavior.

OE USA LLC focuses its main activities on the development of Oil and Gas exploration and production projects. The Omega Energy USA team focuses on the negotiation and development of new deals, financial direction of existing projects, debt administration, international asset management,



# Omega Energy – Financial Highlights

## CRUDE OIL AND NATURAL GAS OF REVENUE

Following is a summary of the total volumes of crude oil and natural gas sold cumulative 2014:

Revenue	USD 000 YTD 2014		Barrels
Oil	74,552	Oil Productions	YTD 2014
Gas	5,476	Total Gross Production	1,618,200
Services	172	Total Net Production	855,578
Total Revenues	80,200	Total sells Bbls.	904,350

During the year 2014, the corporation generated natural gas revenues for USD \$5.4 million and USD \$74,5 million from Oil production of 904.350 barrels respectively.

The average realized price per barrel for the 2014 were WTI \$93,17 and Brent \$98,89 prices all references.

The sales volumes are marketed using a combination of WTI, Vasconia, Caño Limon and Rubiales pricing dependent of the quality of oil, location and delivery point.

The total production and the monthly average during 2014 were 904.350 and 72.687 barrels respectively. The barrels for day produced by OEI, in average during the current year was 2.442 Bbpd.

New discovery: The exploration drilling executed during the last quarter of 2014 resulted in a one discovery in the Buenavista Block. The Corrales 6 well was a crude oil discovery. The tests for Corrales 6 well are producing crude in a rate of 850 barrels per day during the first weeks.

In The Punta Block, the new well JUAPE with a initial production of 3.500 Bpd.

## OPERATING EXPENSES:

The production expenses include the cost of activities in the field to operate the wells and facilities and lift to surface, gather, and process and treat production, also are including the transportation cost from field to sales point. The following summary shows the costs and unit cost per barrels:

Operating Expenses	USD 000 YTD 2014
La Punta	12,312
Condor	550
La Paloma y Midas	352
Llanos 21	46
Buenavista	15,657
Otros Costos	92
Total Consolidated	29,009

Operating Expenses Unit(\$/bbl)	29.8
------------------------------------	------

The operating expenses for the total 2014 were Usd \$29 M.M million, and the unit cost per barrel were \$29.8 in average for the total year.

## CAPITAL EXPENDITURES

For the year 2014 the corporation has incurred Usd \$24.7 M.M on capital investment, mainly to:

### CAPEX 2014 (USD 000)

Block	Drilling	Infrastructure	Other	TOTAL
Buena Vista	7,897	28	74	7,999
Condor	6,233	-	-	6,233
La Punta	10,195	-	-	10,195
La Paloma	11	-	-	11
Midas	4	24	-	28
Otros	-	-	316	316
Total Consolidated	29,009	52	390	24,782

# Omega Energy – Financial Highlights

## SUMMARY OF INDICATORS

  
**NET-PRODUCTION**  
BBDS 865.678

  
**INCOME**  
USD \$80.2 M

  
**OPEX**  
USD \$29.9 M

  
**G&A**  
USD \$12.9 M

  
**CAPEX**  
USD \$24.7 M

  
**EBITDA**  
USD \$38 M

## % MARGINS

**G&A** 16.1%  
**OPEX** 36.2%  
**CAPEX** 30.9%  
**EBITDA** 47.7%

## RELEVANT BUSINESS ACTIVITIES 2014

Services provided to Omega Energy International. During 2014, OE USA LLC received a total amount of USD 2.600.000.00 in the form of monthly fees for services rendered to Omega Energy International in different areas, specifically advice in financial and capital markets sourcing for its continuing operations of oil & gas exploration and production and prospecting and identifying new sources of renewable energies.

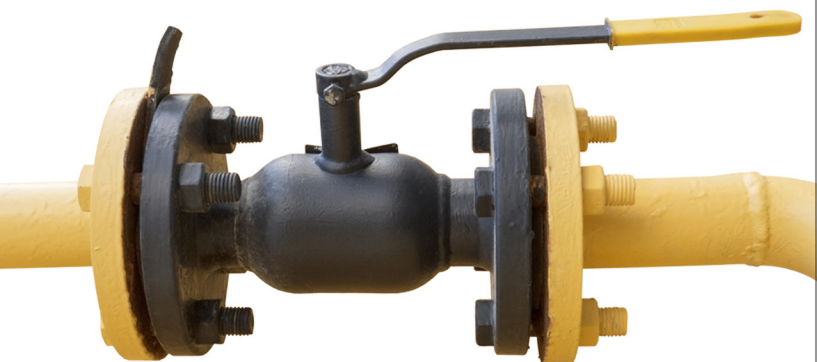
The presence of a US office and personnel is instrumental to achieve these goals for Omega Energy International. Omega Energy International requires strong capital resources as it operates six blocks in Colombia

In addition, Omega Energy International performed an internal business remodeling operation in order to optimize the current workforce, provide better project management and direction, reorganize assets and personnel to allow for them to utilize their maximum potential and harness their skills, and to structure the company internally for success in achieving our corporate goals.

## OMEGA USA LEADING INDICATORS SUMMARY - 2014

Component	M (\$ USD)
ASSET	18.1
LIABILITY	16.0
EQUITY	2.1

2014	M (\$ USD)	Margin %
INCOME	2.6	
OPEX	0.3	12.4
G&A	1.0	37.5
EBITDA	1.3	50.0
NET INCOME	0.7	25.4
CAPEX	4.0	151.9



# New Ventures

---

## INNOVATION IN RENEWABLE ENERGIES

Our commitment to sustainable development and innovation has seen us launch initiatives that stand out in the hydrocarbon industry, including the creation of carbon credits, gas transport projects, self-generation of electricity and biofuel production. With these initiatives we are envisioning the future of our business and offering society renewable energy options.

At Omega Energy USA we are focused on meeting the world's changing energy needs with environmentally responsible goals to help in the transition to a clean energy, clean planet global operation. Omega Energy USA is focused on diversifying its energy portfolio to develop sustainable energy technologies that move beyond the hydrocarbon industry and develop efficient methods to produce energy while conserving natural resources and protecting the planet. Omega Energy USA is currently working on projects that include Plasma Water Treatment, Natural Gas Polymerization, and Ethanol production.

## BIOFUEL PRODUCTION

Our entry into the biofuel market represents the opening of new horizons for the Company. Accordingly, Omega began negotiations to acquire an ethanol plant. These negotiations were aimed at establishing the plant in Surinam, Latin America in 2014. To complete this project, a strategic partner is vital, and for this reason Omega is currently working to establish alliances, and also considering the acquisition of a new brand plant that can produce 250,000 liters of ethanol per day from sugar cane.

In 2013, the appropriate negotiations were also conducted and concluded to acquire 5,000 acres of land in Louisiana, USA.





# The Louisiana Project

## DEVELOPMENT OF THE OMEGA LOUISIANA PROJECT:

In our new Louisiana project Omega Energy USA is developing a biofuel project that will create jobs, strengthen the local economy, and provide fuel with the development of 5,000 acre sugar cane field and an Ethanol production plant that will produce Ethanol and other sugar cane derivatives. The project will grow to an 25,000 acre project.

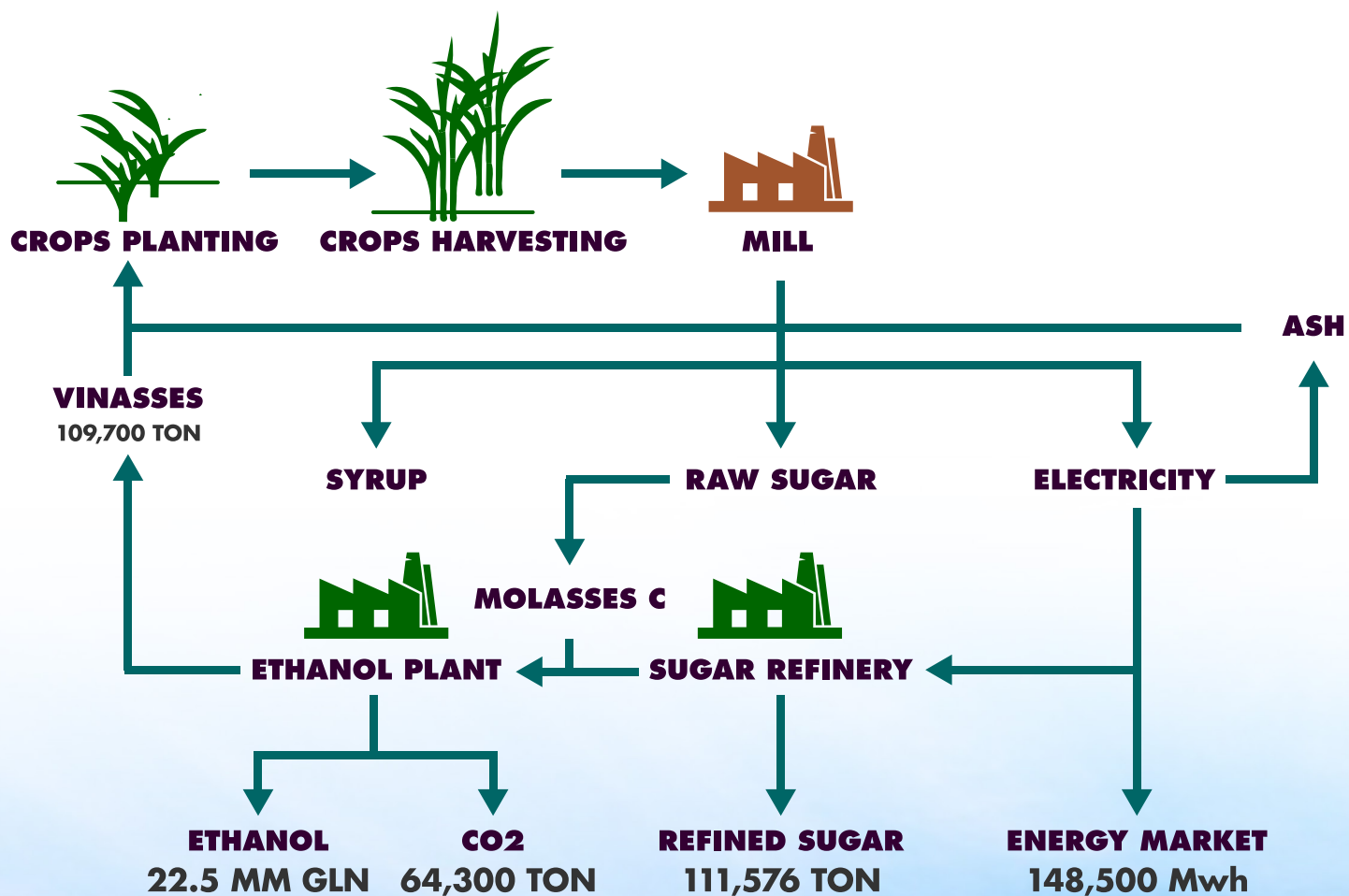
The project is located in the Jefferson Davis Parish, which offers strategic advantages for Omega Energy USA. It is located between New Orleans and Houston with fertile soils and adequate climate conditions for growing rice, soybeans, and sugar-cane, altogether with government incentives for investment and development. The vision is to develop a 360 project that not only provides for agricultural growth and jobs in the community, but offers an on site plant that will produce high-grade ethanol and other products. It is our prerogative to invest in the US and simultaneously aid in the growth of new technologies that foment the use of biofuels with clean technology.

Omega Energy is currently developing a multidisciplinary team that is providing a broad vision on potential commercial exploitation of land. For the first quarter of 2015, Omega Energy USA has conducted the following tasks: (i) Location and infrastructure [coordinates, access roads, distance to ports, railroads, storage centers, residential areas, etc]; (ii) Water sources [evaluation of hydric resources, water availability and quality, additional water resources such as dams and deep wells]; (iii) Topographic and soil characterization [photographic records, registration of coordinates, soil sampling, lab testing, etc]; (iv) Socioeconomic environment [region's economic study, labor force availability and qualification, agricultural traditions, ongoing farming and agro-industrial projects in the area].

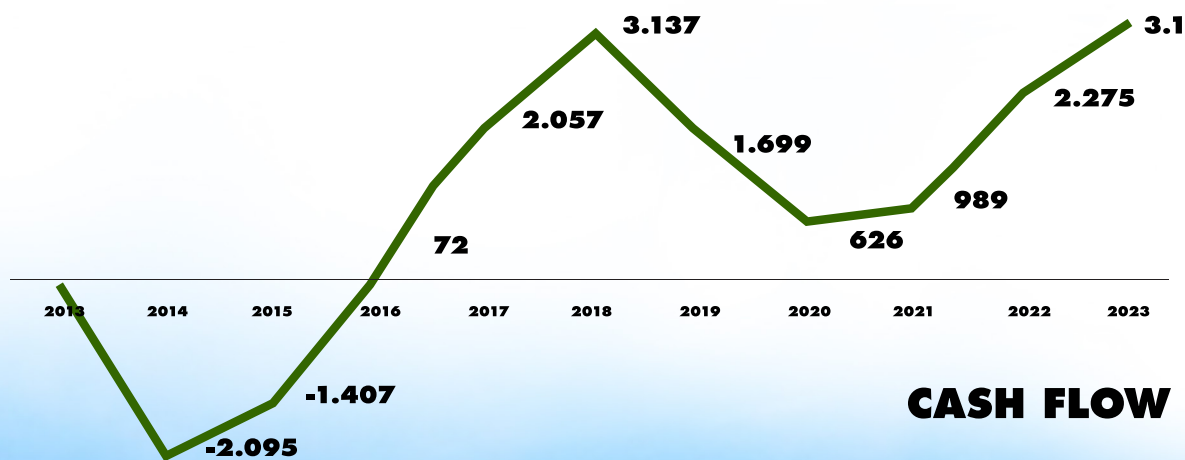
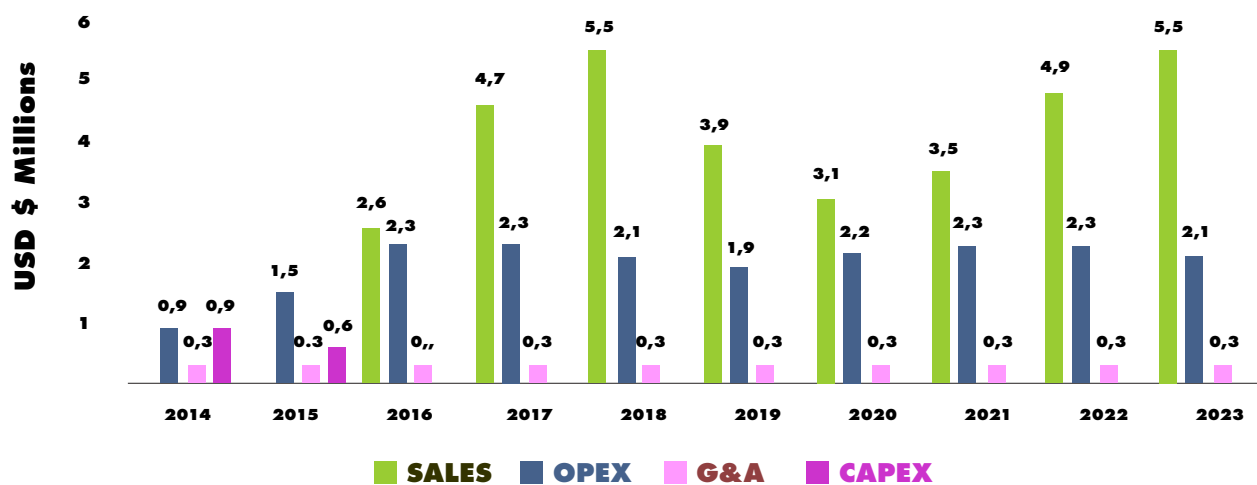
Based on the result of these activities, Omega Energy USA will run a correlation model based on requirements of different potential crops, to determine viability and suitability of land. Omega's Louisiana project is a long term, ample vision project that will include hydrocarbon industry investments that can allow Omega to go beyond the ethanol production operation and produce refined gasoline ethanol mixtures, develop farming, and produce and sell energy projects both up-stream and down stream.



# Sugar Cane & Ethanol Model



# Sugar Cane & Ethanol Model



# Sugar Cane & Ethanol Model

---

## BUSINESS STAGES

### Land

Markup of land value due to current developments in the area of influence.

### Sugar

U.S. sugar production is essentially dictated by government policies, the main objective of which is to maintain domestic prices well above world levels.

### Ethanol

RFS2 will fuel a rapid expansion of the US ethanol industry by setting goals for production of renewable fuels made from U.S. agricultural resources.

Market conditions and policy initiatives contribute to the development of the ethanol industry.

Monopolistic income with prices referenced to the marginal cost of imported ethanol from Brazil.

### Energy

When using sugarcane and sweet sorghum, the producer does not need an external source of energy for the industrial phase of biofuels production as bagasse supplies all energy requirements.

The final product is a renewable fuel generating low GHG emissions. Entergy's Geaux Green Program. Offers electricity generated from environmentally renewable energy producers in the state (at premium prices). In addition, new markets for energy producing derivatives such as energy pellets made from bagasse, Butanol, and other new chemical agents created from Sugarcane syrups provide a growing market for sugarcane products that is very favorable.

The state of Louisiana consumes more sugar than it actually produces and hence it is expected that the vast majority of sugar production will be sold. The market for ethanol is also consistently strong due to the fact that current gasoline production requires an ethanol mixture.

In the long run, the ethanol business could be very profitable, particularly if production subsidies for distillation of corn syrup are eliminated and if the sweet sorghum production is implemented and hence the plant handles a mixed production schema such as is done in Brazil

The project site also has an interesting Oil & Gas potential as many discoveries have been made in the area and the project owns the mineral rights for new discoveries

