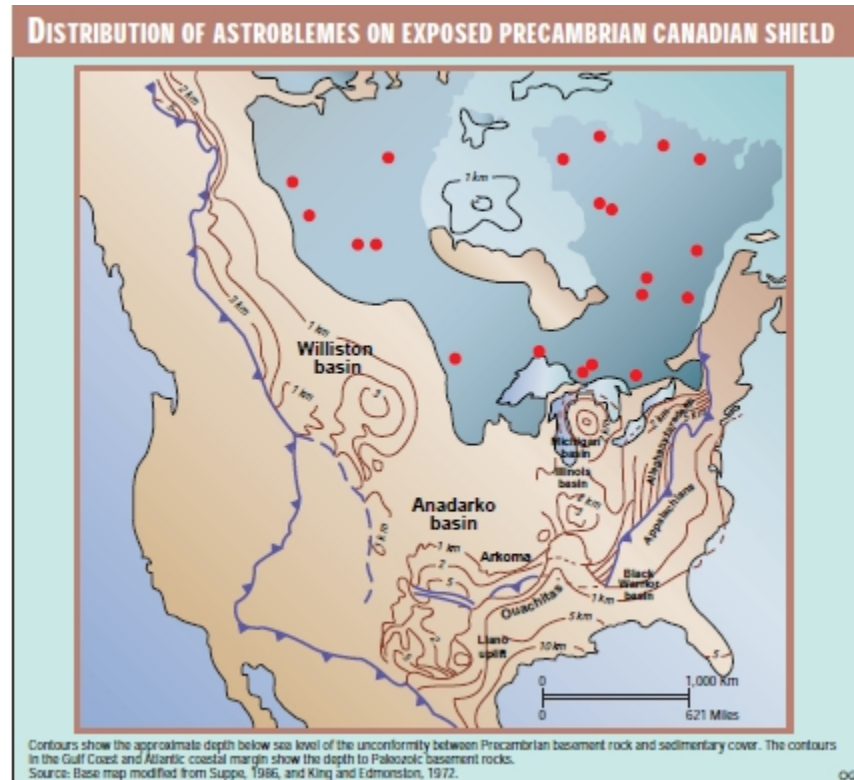


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Steen River Oil and Gas Prospect

The Steen River impact structure is 25 kilometers in diameter and is located 700 kilometers northwest of Edmonton Alberta in the Western Canadian Sedimentary basin. Current and historic production at Steen River is from overturned and fractured Devonian dolomites in the rim of the impact structure. Specific rates of production have been up to 1000 b/d oil and 35 mmcf/d gas from a cumulative 72 BCF in gas reserves. NOG's option Steen River project is located within the largely untested central uplift of the impact structure. Drill logs from the area indicate a possible 1000 meter relief on the fractured basement high (central uplift).

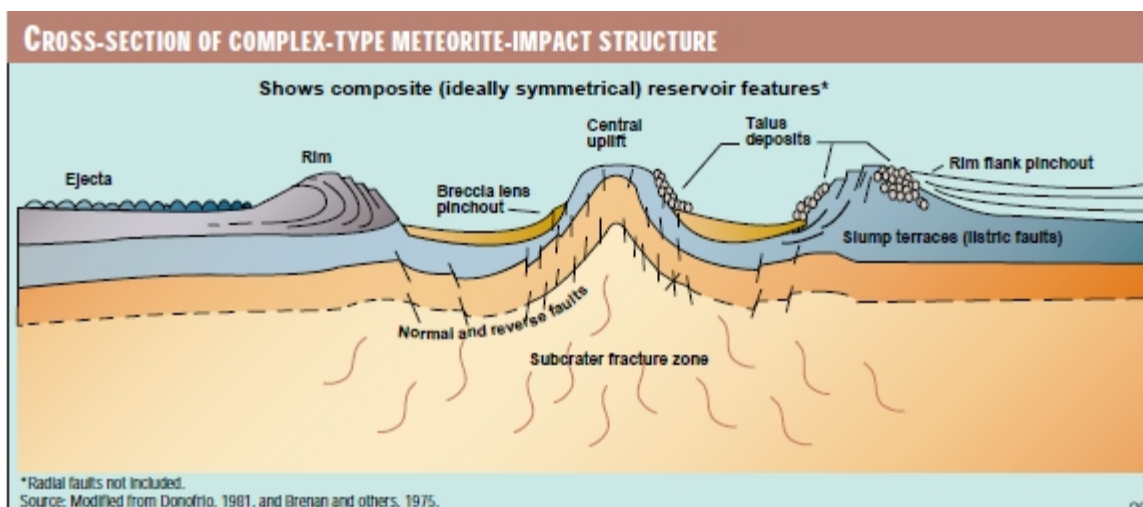


The following is a brief summary of research on impact structures (specifically, North American Impact Structures Hold Giant Field Potential by Richard R. Donofrio and published in the Oil and Gas Journal in May 1998).

Donofrio (1998) states that seventeen confirmed impact structures occur throughout North America, nine are being exploited for commercial hydrocarbons. Production comes from impact-affected granites, carbonate rocks, and sandstones yielding from 30b/d to 2 million b/d of oil plus 1.4 bcfd of gas. Reservoirs are found in central uplifts, rims, slump terraces, and ejects and probably in sub-crater fractures.

The Donofrio paper emphasizes impact crater central uplifts such as Steen River for their oil and gas potential. The Steen River uplift was previously penetrated near the center to the top of the basement rocks and found to be competent and in turn warrants detailed exploration in the centre and flanks of the uplift.

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Landes (1959) states that once the basement rock has been reached in conventional drilling, it was thought that there was little or no chance for oil production. Many oil companies still stop drilling operations as soon as basement rocks are intersected.

Aquilera (1995) suggests that drilling should be continued into basement rocks for at least 300 meters especially if the basement is overlain by an oil yielding formation.

The Earth Science report of May 28, 2002 states that to date more than fifty wells have been drilled into the raised rim of the Steen river structure and Gulf Canada has drilled 12 wells in the region, of which nine are gas discoveries with absolute open flow rates of 37 to 95 million cubic feet per day (Grieve et al., 1998). Current recoverable reserve estimates based on existing wells are 50 to 70 billion feet of gas.

NOG has signed a letter of intent pursuant to which the Company will enter into a two-well drilling option agreement by June 5th, 2009 (the "Agreement"). Under the terms of the Agreement, the Company and its partners will have until March 27th 2012 to drill on 6 sections comprising the Steen River oil and gas prospect in Northern Alberta. The letter of intent calls for a non-refundable deposit of \$60,000 on or before the 5th of June 2009 for NOG to receive a 60% interest. The original vendor retains an underlying 12.5% royalty on gas and a 10% royalty on oil production revenues.

NOG believes the time and place for acquiring energy prospects is now. The recent global economic crises and uncertainty has resulted in valuations/opportunities that have not been seen in many years. The Company is actively examining further prospects with near-term production potential.