



***SPARKING AN ENERGY
REVOLUTION: UNLOCKING THE
DADAS SHALE FORMATION***

Daniel C. Montano
November 2014



Biography

- Daniel C. Montano, CEO of Zhitty Regenerative Medicine, Inc.

Dan Montano since 1998 has been advancing a family of biological pharmaceuticals which trigger the growth of new blood vessels in the human bodies. These drugs have advanced into USA FDA cleared Phase II clinical trials in three medical indications:

- 1) In a treatment for heart disease by growing new blood vessels in the human heart
- 2) In a treatment of diabetic foot ulcers by healing 100% chronic DFUs
- 3) In a treatment of venous ulcers.

Dan Montano has expended over \$130 million USD upon the efforts to advance these drugs and obtain USA FDA Approval.

In the early 1980's as CEO and Chairman of the Board of Directors Dan Montano visited Turkey numerous times exploring the international retirement communities' development for Turkey. Over the last 30 years Mr. Montano has visited Turkey on business over 30 times.

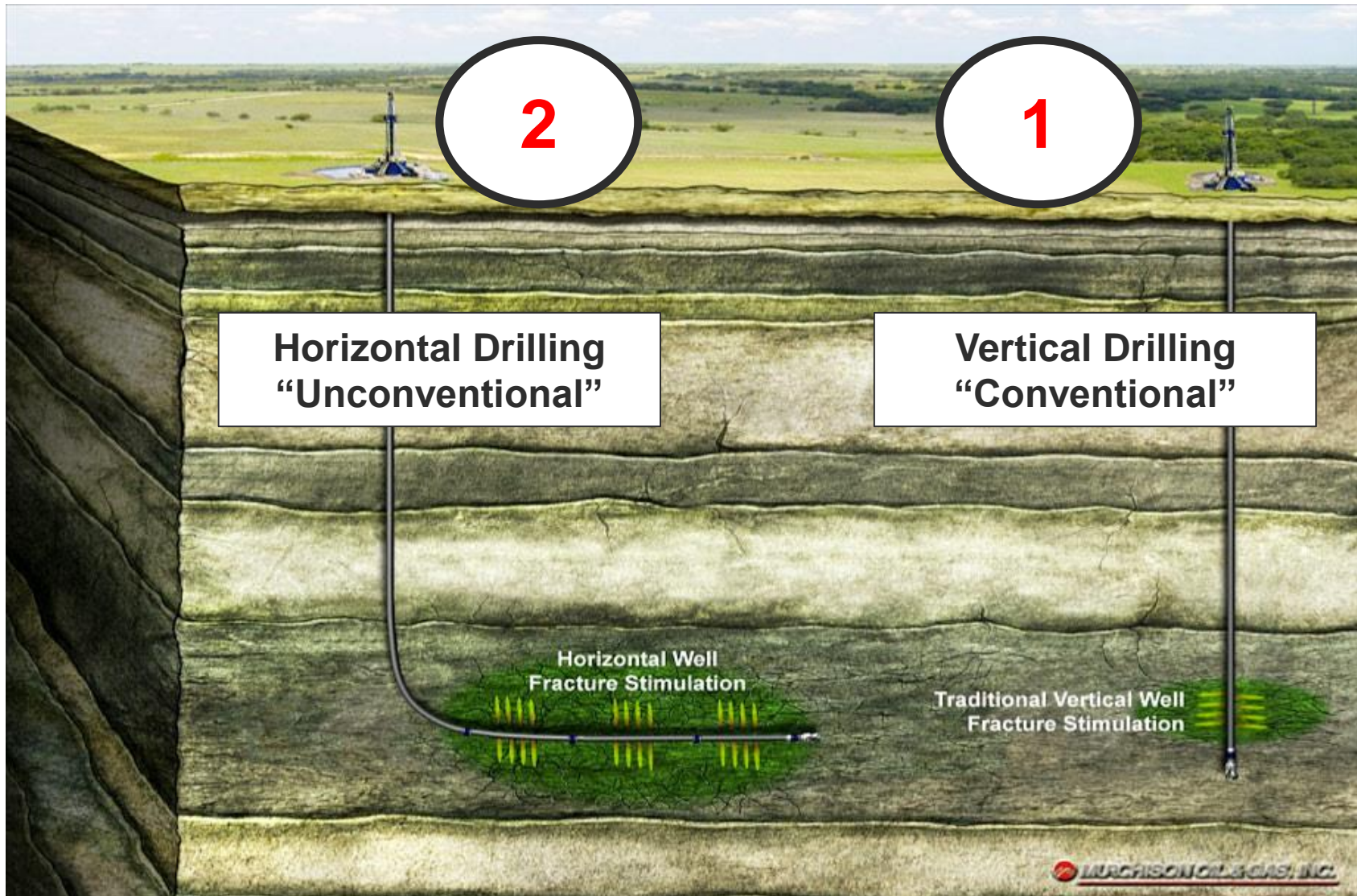
From 1968 until 1998, Dan Montano was a California Investment Banker who oversaw the financing of over 100 companies and raising several billion dollars of early stage financing.

One of the areas of his expertise was the oil & gas area.

Dan Montano has a BS in Business from California State University at Los Angeles and a MBA from the University of Southern California (USC). Dan Montano has helped start over 100 companies ranging from oil & gas to computer companies, semiconductor testers, medical scanners, biotechnology and more.

Dan Montano has spoken on economics, finance and business development in over 40 countries.

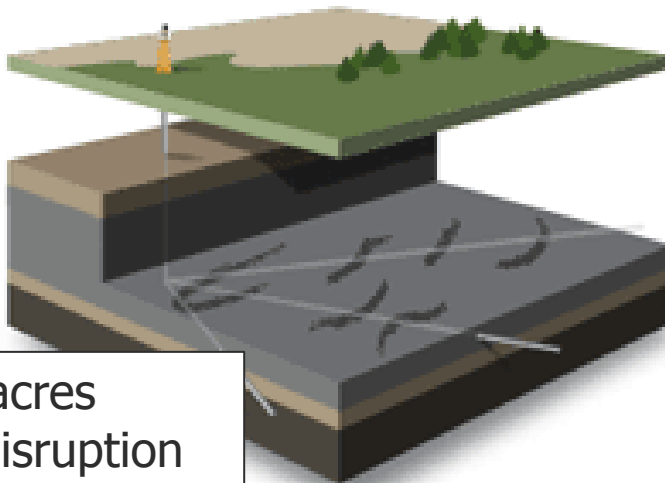
The New Normal in E&P



Transition to “Pad Drilling”

2

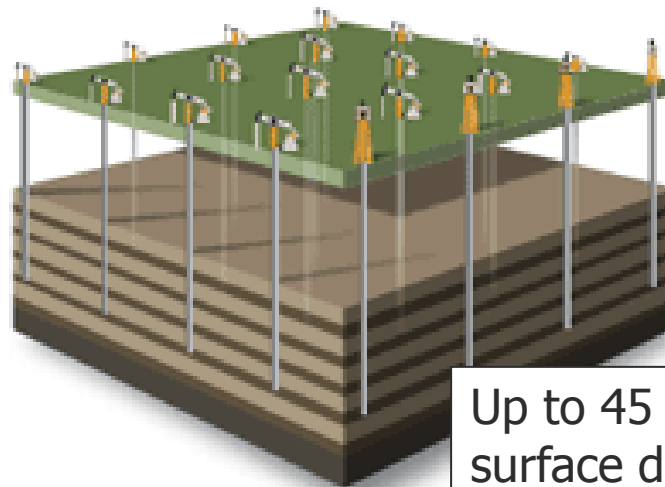
Horizontal Drilling



Only 20 acres
surface disruption

1

Vertical Drilling

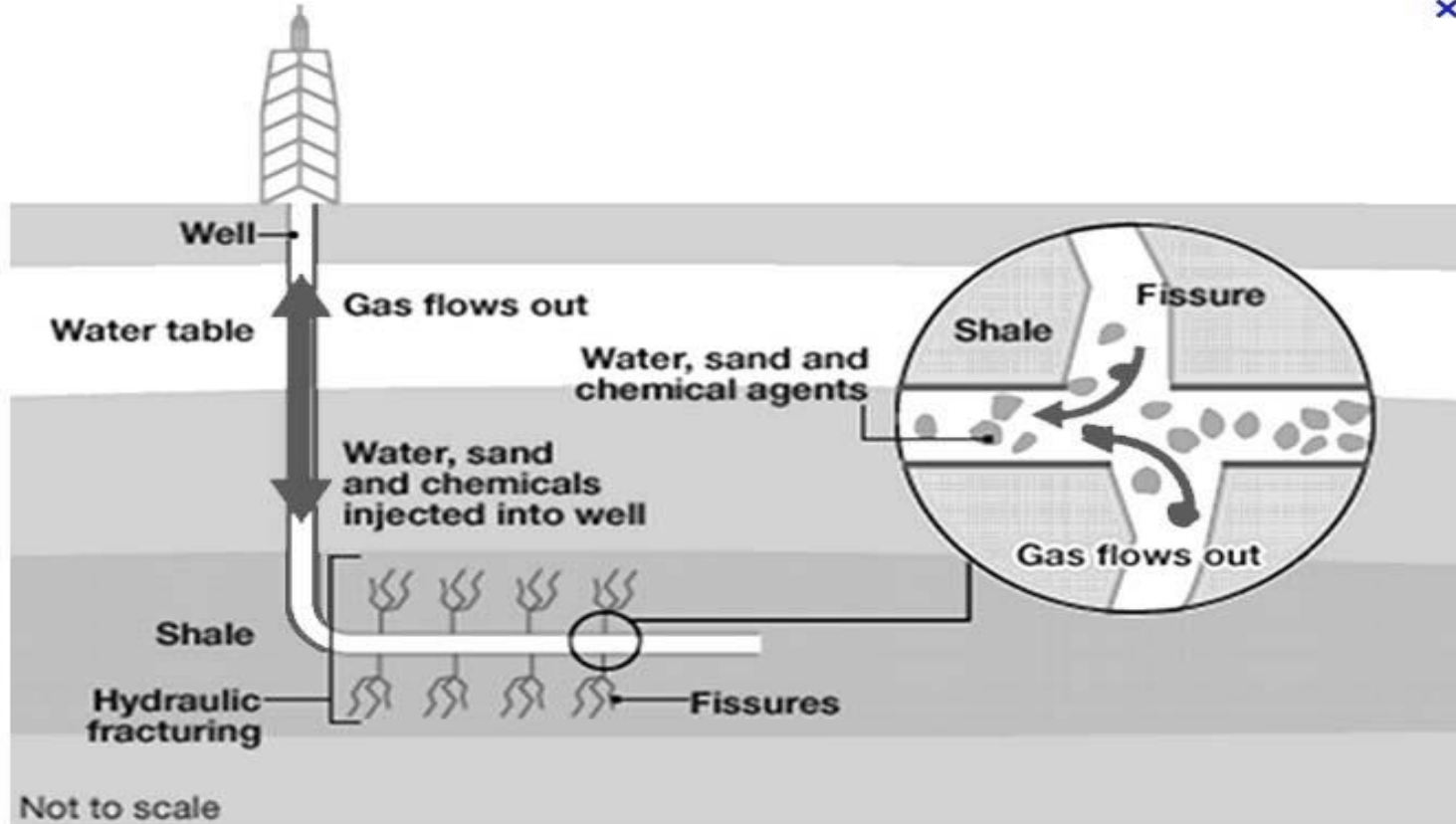


Up to 45 acres
surface disruption

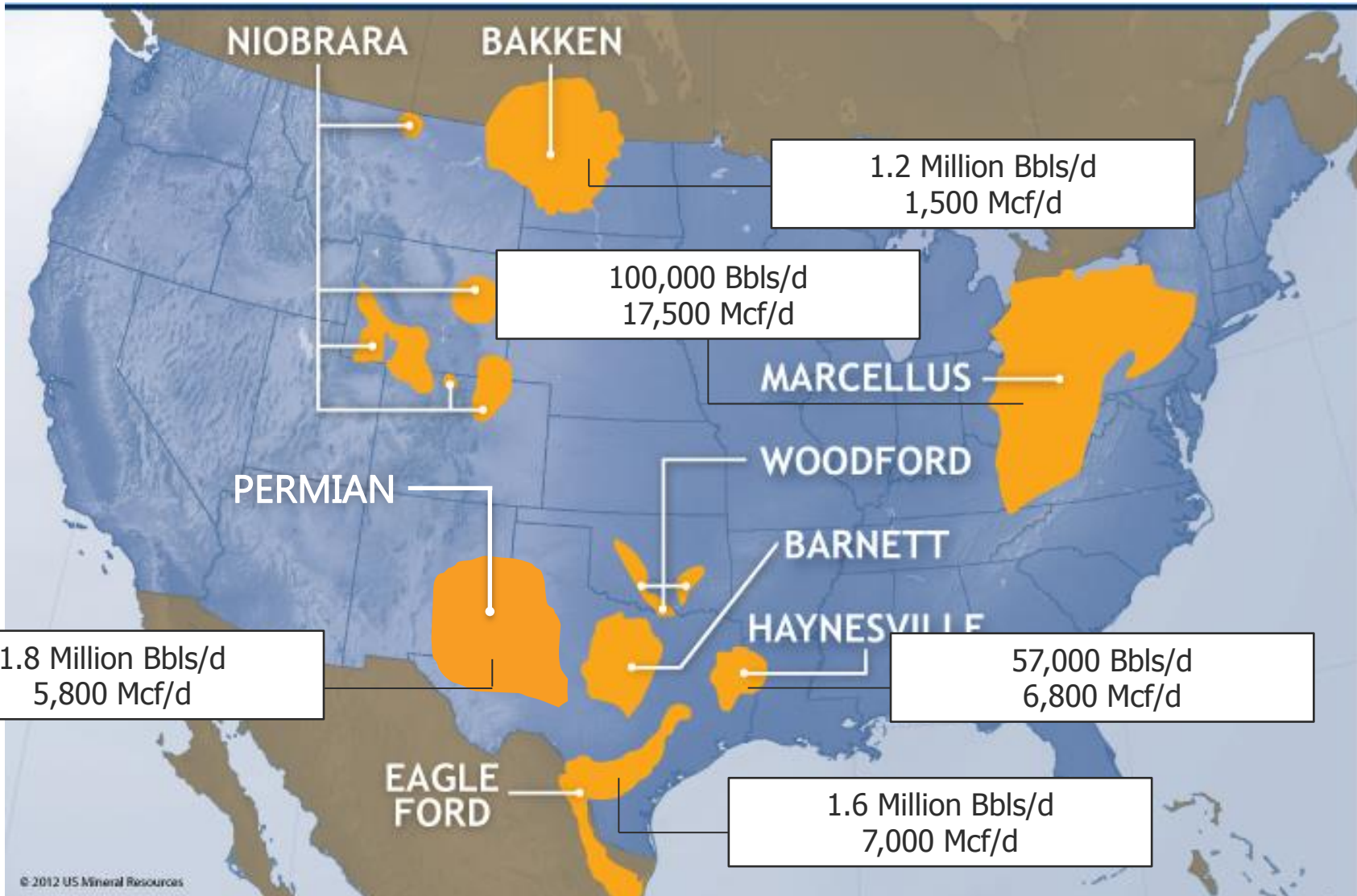
Source: Anadarko

How Fracking Works

Fracking allows oil and natural gas to more effectively flow through the source rock, creating permeability through fissures, by fracturing the shale using a combination of water, sand and chemical agents at high pressures.



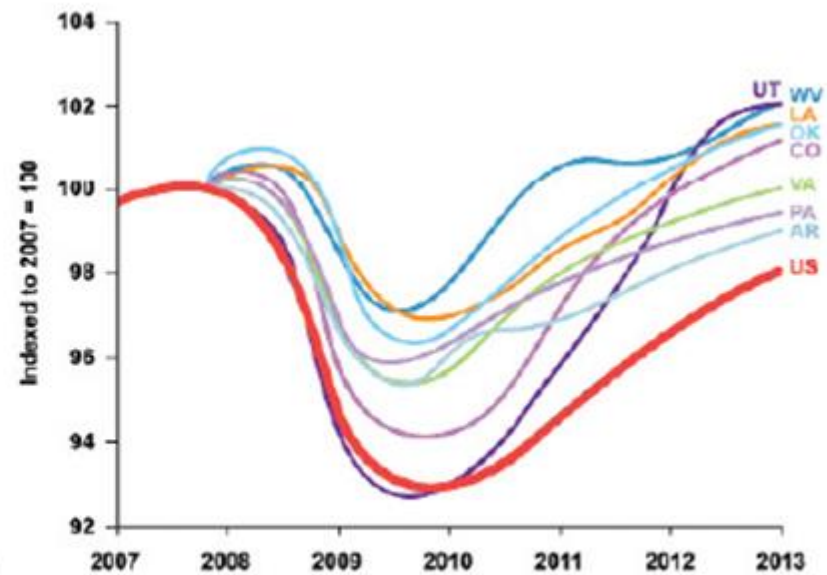
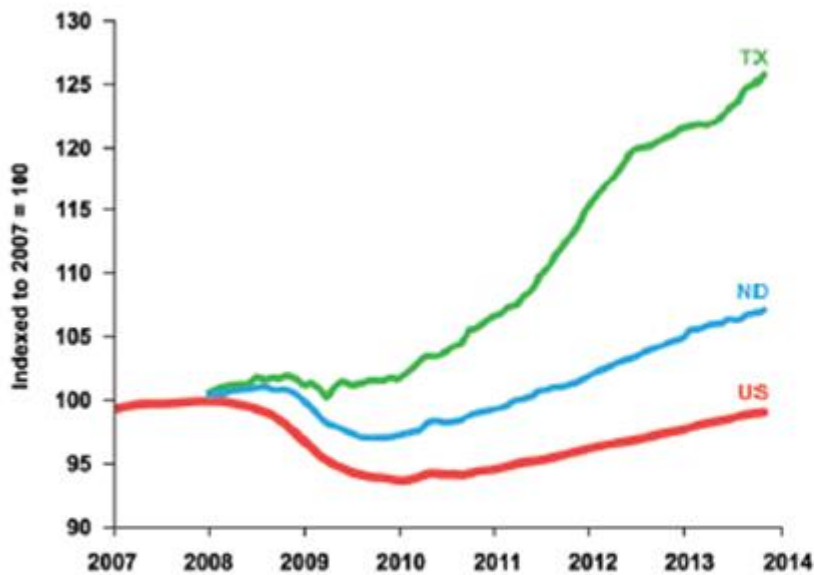
Where are these shale plays?



Source: EIA

Economic Impact of Shale Development

Statewide Overall Job Growth in States at the Epicenter of the Shale Boom



Overall statewide employment has grown faster than the national average in all ten states that have experienced increased oil & gas production. (Average U.S. trend includes the other 40 states.)

Source: Bureau of Economic Analysis

Economic Impact of Shale Development

The Shale Industry is “not only an energy story, [but also], a very big economic story that flows throughout the [...] economy in a way that is only now becoming apparent.” – Daniel Yergin, Vice Chairman of IHS

HOW THE MONEY IS SPENT

Components of Unconventional Oil and Natural Gas and Energy-Related Chemical Expenditures

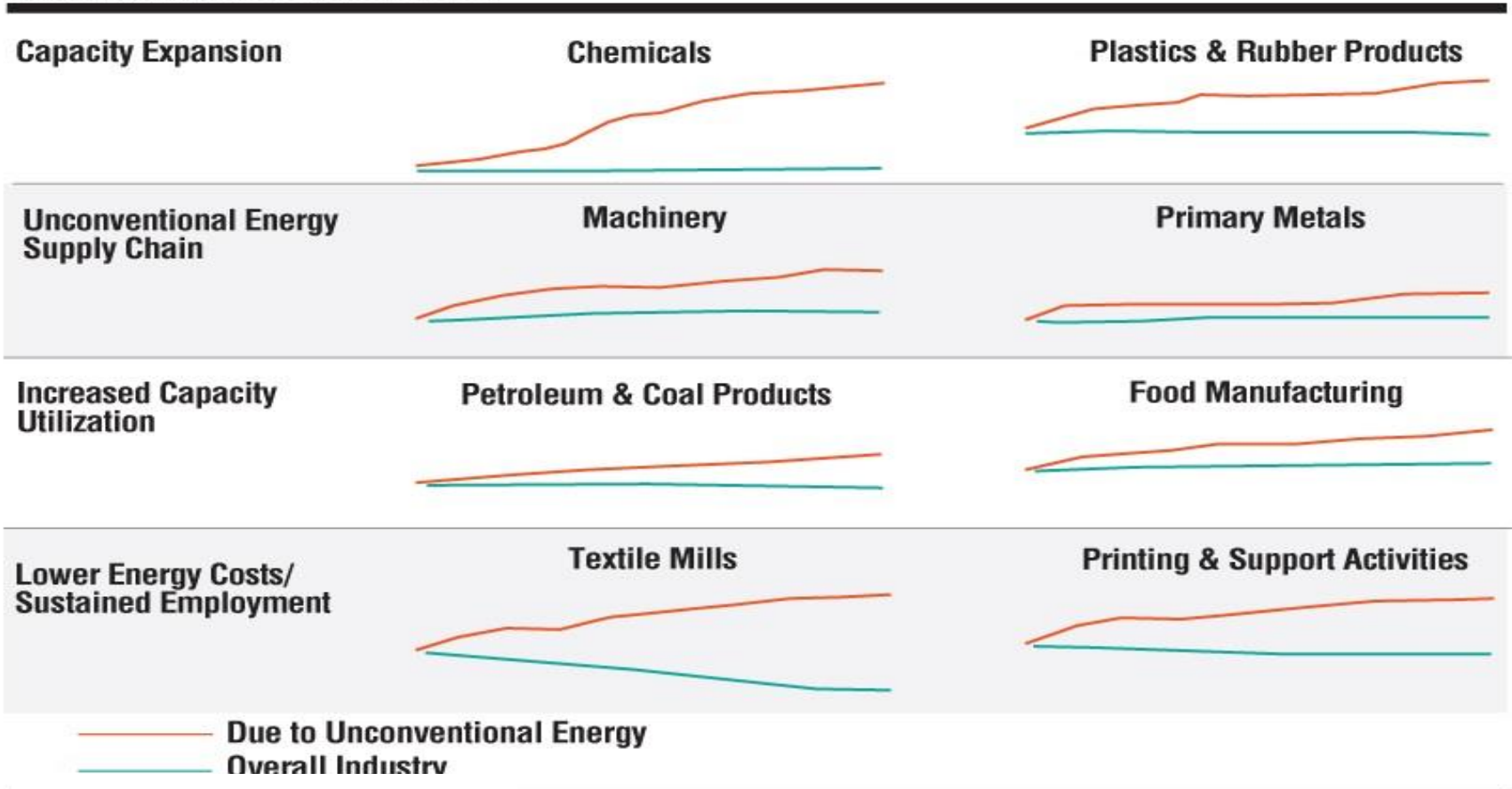
Upstream Energy	Midstream & Downstream Energy	Energy-Related Chemical
Steel	Steel	Instrumentation & Electrical
Rigs	Equipment (Rotating, Heat Exchangers, etc.)	Engineering & Project Management
Rig Labor	Engineering & Management	Skilled Labor
Cement	Labor	Unskilled Labor
Pipelines	Electrical	Concrete
Machinery	Construction & Civil	Construction Equipment
Fabrication		Insulation
		Paint
		Piping
		Structural Steel

Source: IHS Economics

Economic Impact of Shale Development

Jobs, Oil and the Manufacturing Industry

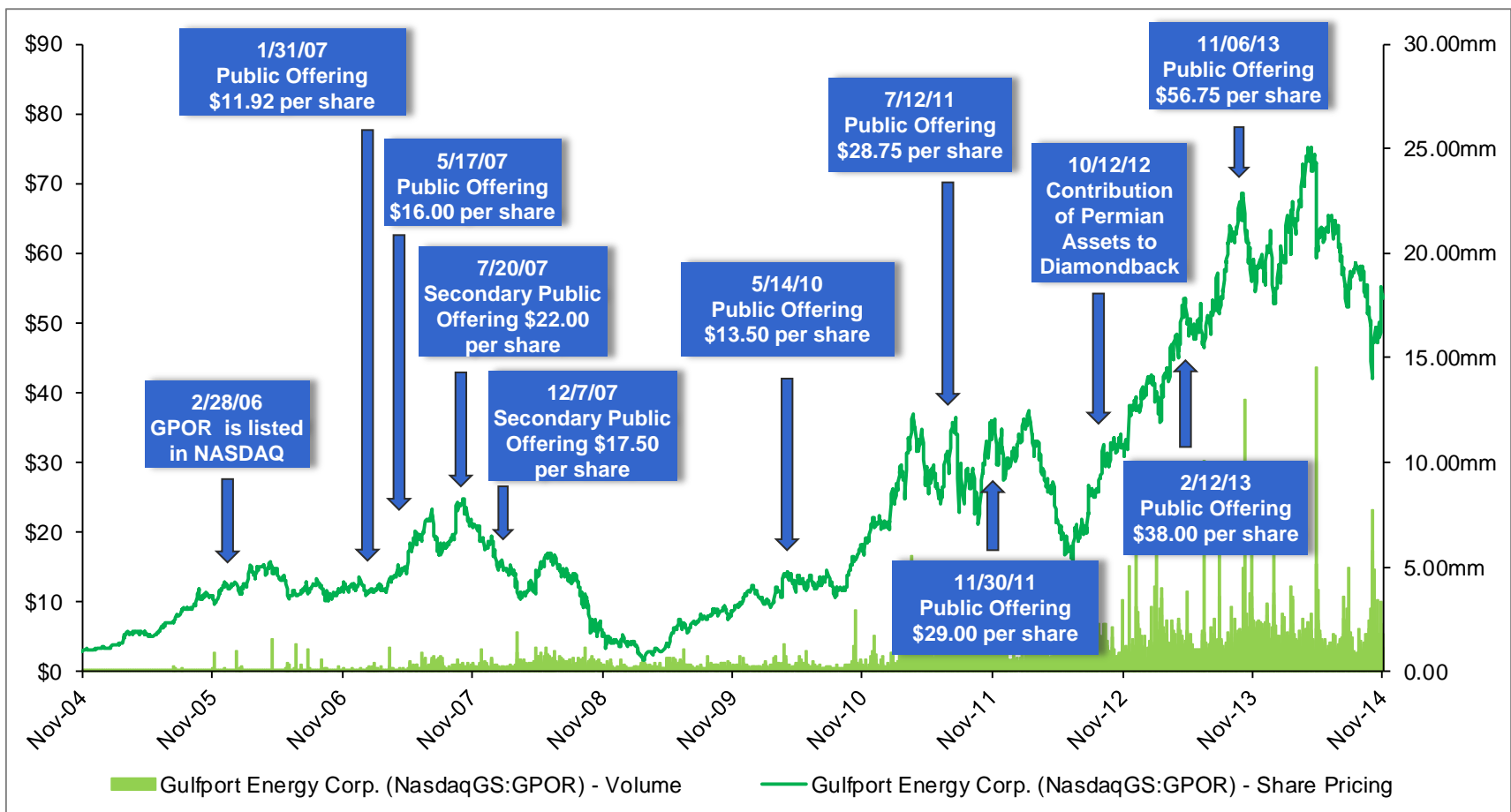
Primary Employment Contribution Mechanisms of Unconventional Oil and Natural Gas and Energy-Related Chemicals on Manufacturing Industries
 Employment, Indexed to 2012 Levels: 2012-2025



Source: IHS Economics

Case Study – Gulfport Energy Corp. (NASDAQ:GPOR)

Marcellus/Utica E&P that started as a \$30.0 Million Market Cap (Over-the-Counter) Company and grew to become a \$5.0 Billion Market Cap NASDAQ-listed Company.



The Opportunity in Turkey

- Proven petroleum systems
- Big players with renewed interest – Shell, ExxonMobil, and Chevron
- Underexplored and underexploited conventional & unconventional plays
- Energy corridor to Europe from Middle East, Russia and neighboring countries
- Strong energy demand growth
- Heavy reliance on imports of oil & natural gas
- Available infrastructure and oil field equipment at competitive cost
- Attractive tax treatment: 12.5% royalty tax, 20% corporate tax
- Strong product pricing linked to Brent oil prices and Russian gas prices

Dadas Shale

While Turkey has a known oil and natural gas industry, Turkey's oil and natural gas basins are relatively under-explored and under-exploited.



Source: TransAtlantic Petroleum Ltd.

Key Criteria for Development of Dadas Shale

- Geology – Resource produces economic hydrocarbons ✓

Similar to Eagle Ford and Woodford Shale

- Demand for Hydrocarbons – Production consumed locally or export potential ✓

90%+ Net Importer of Oil and Natural Gas

- Infrastructure – Roads, housing, fuel, pipelines and support services ✓

Proximity to Developed Infrastructure

- Business Risk – Regulations, taxes, security, culture, ethics, etc. ✓

Positive Economic and Business Environment

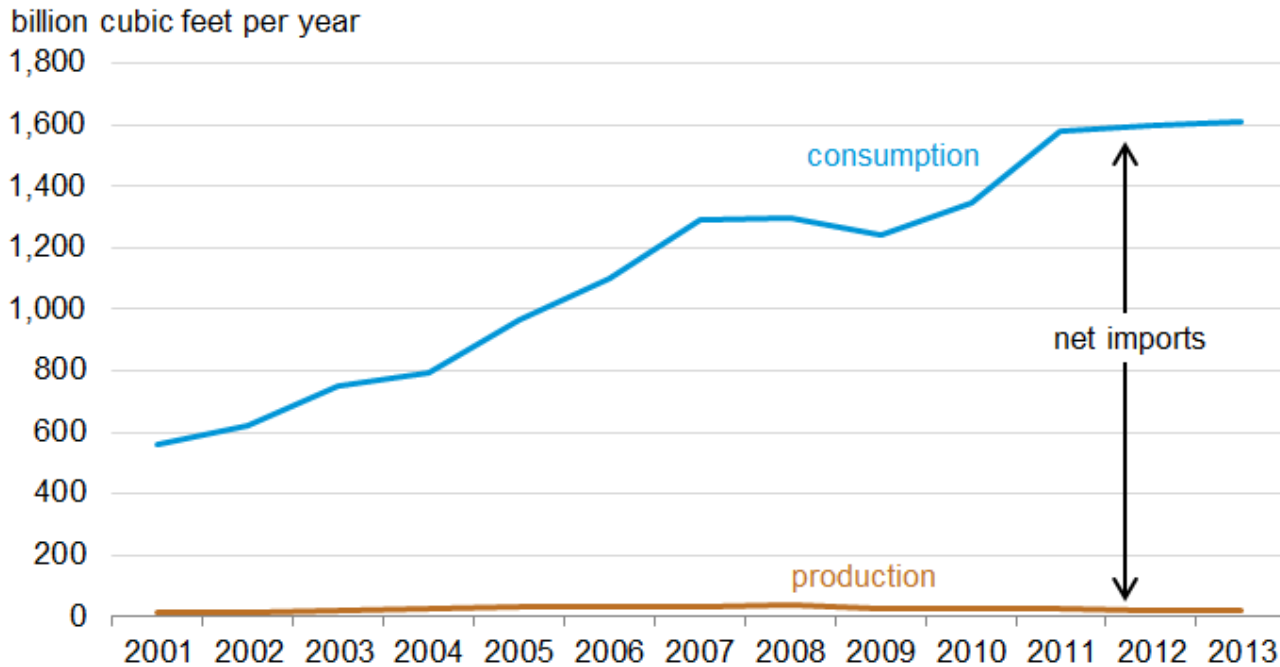
Major Shale Play Comparison

Basin	Barnett	Eagle Ford	Niobrara	Vaca Muerta (Argentina)	Dadas (Caliktepe-2)
Depth (ft)	5,000 - 8,000	7,500 - 11,000	4,000 to 8,000	5,500 - 15,000	8,000
Thickness (ft)	200-400	50-350	250-600	200-5,000	320
TOC% (Total Organic Carbon %)	4 to 5	4 to 14	4 to 7	1.1 to 4	3 to 7
Porosity%	4 to 5	6 to 14	6	6 to 10	6.5 (avg.)
Permeability (nd)	150-200	100-1,500	NA	50-200	10,000-1,000,000
Quartz content (%)	25-50	10-25	-	-	18-30
API	35 to 40	30 to 40	30 to 40	35 to 40	40 to 50
OOIP (mmbbl/section)	50	35	25	110	23

Source: Anatolia Energy

Foreign Energy Dependency

Turkey natural gas consumption and production, 2001-13



Note: 2013 data are estimates.

Source: U.S. Energy Information Administration, *International Energy Statistics*, IEA



Nat Gas and LNG Imports (as of 2011)

- Russia (46%)
- Iran (21%)
- Azerbaijan (12%)
- Algeria (10%)

Source: PIGM and TPAO

Turkey Pipeline Infrastructure

Natural Gas Infrastructure Map



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries, and to the name of any territory, city or area.

Turkey Energy Sector Organization

- Ministry of Energy and Natural Resources (MENR)
 - Energy policies, plans and programs in coordination with its affiliated institutions and other public and private entities
- General Directorate of Energy Affairs (EIGM)
 - Main policymaking body within MENR. Executes national energy policy and conducts studies on energy policy, energy markets, efficiency and environment.
- General Directorate of Petroleum Affairs (GDPA)
 - Responsible for regulation of exploration and production activities in the oil and gas sector
- Energy Markets Regulatory Authority (EMRA)
 - Independent Regulatory body for the electricity market
- Turkish Petroleum Corporation (TPAO)
 - National oil company and the main exploration production entity in Turkey
- Petroleum Pipeline Corporation (BOTAS)
 - State-owned, vertically integrated gas utility, purchases imported gas and resells to wholesale market in Turkey

Select E&P Players in Turkey



TÜRKİYE PETROLLERİ ANONİM ORTAKLIĞI

National



Private

Backed by 4D Global
Energy Advisors (4DGEA)



Private

Capital Stock: TL 30 MM



NYSE MKT: TAT

Market Cap: USD 290 MM

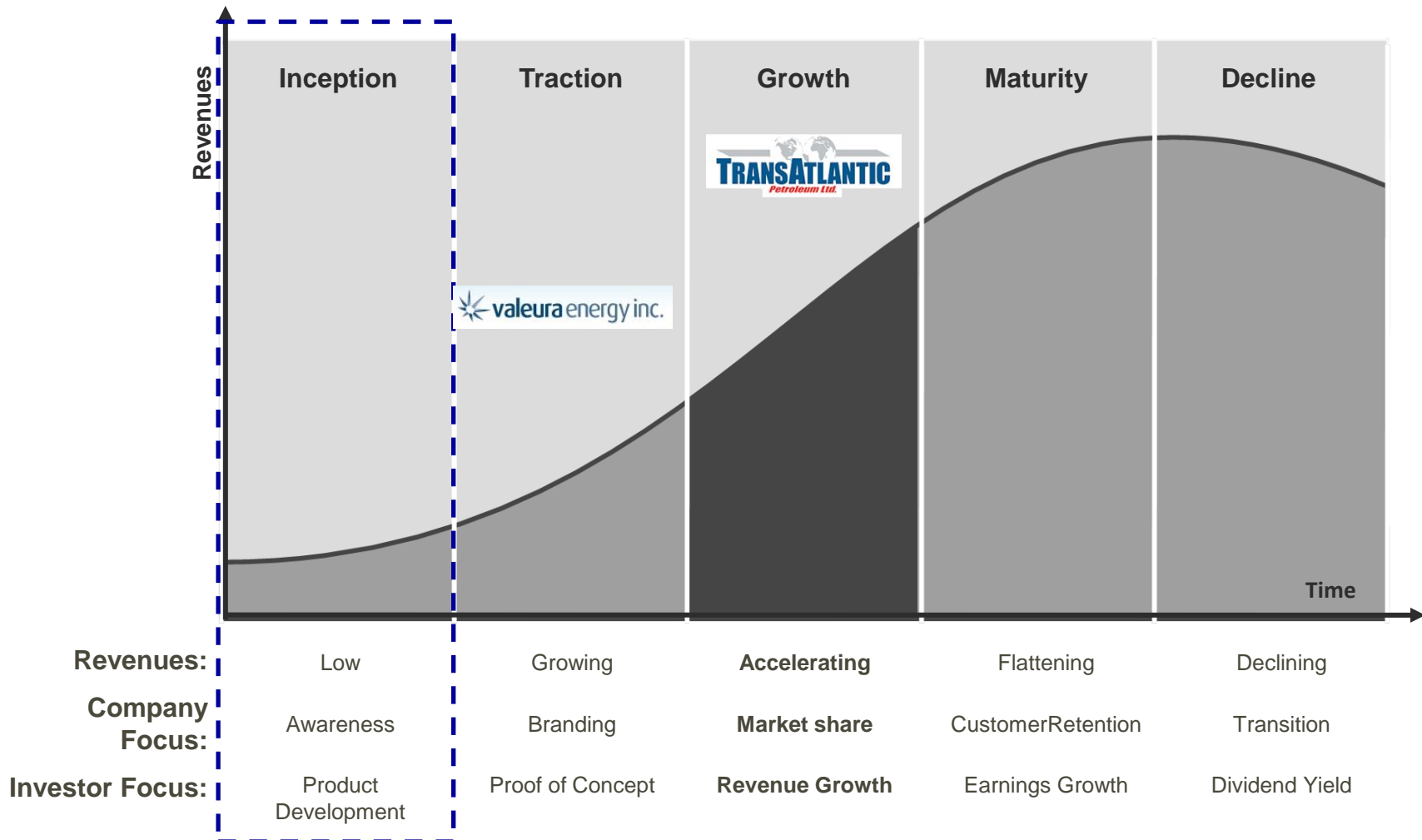


Toronto: VLE

Market Cap: CAD 19 MM

USA Capital Markets

Companies seek to list on a national exchange (NYSE or NASDAQ) as they transition into their growth phase.



USA Capital Markets

- All US Private companies become PUBLIC via IPO, Acquisition (by a “Public Strategic”) or Reverse Merger.
- Being public gives access to retail and institutional investors (“Wall Street”) and syndicated research coverage.
- Traders, Institutional salespersons and Retail stockbrokers create a market for a company’s stock.
- Stock is bought and sold as a product to its client base.
- Public markets allow companies to raise public debt and equity capital to fund its growth through acquisition and development of existing assets.

Turkish Start-Up to Exit

Theoretically referred to as “OILCO”

1. **Management:** OILCO is led by a proven management team who has experience with unconventional oil and gas in Turkey
2. **Acquisition:** Targeting the proper mix of oil and/or natural gas concessions in the attractive prospective areas
 - Permitting/Licensing/Leasing
 - Raise USD 10.0 Million to USD 20.0 Million in Private Placement/Friends & Family
 - Acreage
 - Assets
 - Technical Data
3. **Partnerships:** Farm-out (J.V.) acreage with publicly traded US partner who can prove out the acreage and develop further

Turkish Start-Up to Exit

- 4. Going Public:** Dual-list on the Istanbul Exchange (BIST) and US exchange (NYSE or NASDAQ)
 - Raise USD 20 Million to USD 30 Million via IPO
- 5. Development:** Drilling wells with partner and growing proved reserves and daily production
 - Raise USD 50 Million to USD 100 Million via Follow-On
 - Reach “Critical Mass” to capture market share or enhance larger players’ market position
- 6. Monetization:** Sell to a larger strategic player for 3-6x Initial Investment

Partners/Advisors

- Alexander Montano, Managing Director of Oil & Gas at ROTH Capital Partners
 - ROTH is the #1 most active investment bank in the small and micro-cap space (<\$1.0 Billion Market Cap) in the U.S.
 - ROTH brought on Alexander and his team in October 2013, to lead the oil and gas activities of the firm
 - In their first year, involved in almost **\$800.0 million** of transactions for Oil & Gas and Oilfield Service companies
 - Prior to ROTH, CEO and Lead Banker at C. K. Cooper & Company for 15 years
 - Involved in over **\$4.0 billion** for similar smaller Energy issuers
 - Prior to C. K. Cooper, Equity Research Analyst since 1991, focusing on Energy companies since 1995
 - Rated 5-Star All-Star Analyst by Zacks Investment Research in Q1 2002
 - Named Top Oil Analyst by Wall Street Journal in May 2003
 - Quoted in major publications such as Hart's Oil & Gas Investor, CNNfn, New York Times, The Energy Report, Standard & Poor's and Platts Oilgram.

Select Prior Experience – Alex Montano

 <p>RING ENERGY, INC.</p> <p>\$19,400,000</p> <p>Private Placement June 2013</p>	 <p>DIAMONDBACK Energy</p> <p>\$238,705,464</p> <p>Public Offering June 2013</p>	 <p>SYNERGY RESOURCES CORPORATION</p> <p>\$82,656,250</p> <p>Public Offering June 2013</p>	 <p>DIAMONDBACK Energy</p> <p>\$151,368,750</p> <p>Public Offering May 2013</p>	 <p>Northern Oil & Gas Inc.</p> <p>\$200,000,000</p> <p>Financial Advisory May 2013</p>
 <p>GULFPORT ENERGY CORPORATION</p> <p>\$372,875,000</p> <p>Public Offering February 2013</p>	 <p>BONANZA CREEK</p> <p>\$339,250,000</p> <p>Public Offering February 2013</p>	 <p>AMERICAN EAGLE ENERGY</p> <p>\$18,000,000</p> <p>Financial Advisory January 2013</p>	 <p>GULFPORT ENERGY CORPORATION</p> <p>\$446,500,000</p> <p>Public Offering December 2012</p>	 <p>SARATOGA RESOURCES, INC.</p> <p>\$20,100,000</p> <p>Private Placement May 2012</p>
 <p>Northern Oil & Gas Inc.</p> <p>\$300,000,000</p> <p>Private Placement May 2012</p>	 <p>GULFPORT ENERGY CORPORATION</p> <p>\$150,000,000</p> <p>Public Offering November 2011</p>	 <p>GULFPORT ENERGY CORPORATION</p> <p>\$99,187,500</p> <p>Public Offering July 2011</p>	 <p>GeoResources, Inc. Oil & Gas Exploration and Production</p> <p>\$154,100,000</p> <p>Public Offering January 2011</p>	 <p>Northern Oil & Gas Inc.</p> <p>\$208,000,000</p> <p>Public Offering November 2010</p>
 <p>TRIANGLE PETROLEUM CORPORATION</p> <p>\$25,000,000</p> <p>Financial Advisory October 2010</p>	 <p>GULFPORT ENERGY CORPORATION</p> <p>\$23,000,000</p> <p>Public Offering May 2010</p>	 <p>Northern Oil & Gas Inc.</p> <p>\$86,250,000</p> <p>Public Offering April 2010</p>	 <p>AMERICAN Oil & Gas Inc.</p> <p>\$31,500,000</p> <p>Public Offering December 2009</p>	 <p>GeoResources, Inc. Oil & Gas Exploration and Production</p> <p>\$35,190,000</p> <p>Public Offering November 2009</p>



THANK YOU