

Fact sheet

August, 2011



3Legs Resources - At a glance

The 3Legs Resources Group was established in early 2007 to focus on the exploration and development of unconventional oil and gas resources with a focus on shale gas in Europe. As a first mover in Poland, we have six exploration and prospecting concessions covering approximately 4,387 sq. km (1,084,000 acres) in the onshore Baltic Basin region of Northern Poland.

Information

Listing:

Alternative Investment Market of the London Stock Exchange on 14th June 2011.

Institutional Free Float:

53.1%

Incorporation:

Isle of Man

Governance and Management

Rt. Hon Tim Eggar	Independent Non-Executive Chairman
Peter Clutterbuck	Chief Executive Officer
Alexander Fraser	Chief Financial Officer
Michael Lewis	Chief Geologist
Kamlesh Parmar	Commercial Director & Poland Country Manager
Kelly Scott	Operations Manager, Poland

Strategy

Our Group has three core strategic objectives

- Progress exploration of our Baltic Concessions with the objective of demonstrating commercial potential
- Progress exploration of our other European acreage
- Leverage the Group's proven expertise to secure and advance new opportunities with a focus on Europe

Key facts

- ♦ Baltic Basin entry ahead of all competition, securing first pick of acreage
- ♦ First company to produce gas to surface from shale in Poland
- ♦ Strategically positioned between major European markets and Europe's largest gas supplier - Russia
- ♦ Game changing US technology coupled with high European gas prices
- ♦ Strong Polish governmental support for the shale gas industry
- ♦ Extensive experience in delivering success in US shale projects
- ♦ Utilisation of state-of-the-art technology and know-how
- ♦ Partnership agreement with ConocoPhillips¹ funds a 3 well Baltic Basin programme (operated by 3Legs)
- ♦ Significant growth opportunity in the Baltic Basin and beyond with approximately 2.3 million gross acres held across Poland and Germany and approximately 2.8 million under application in France

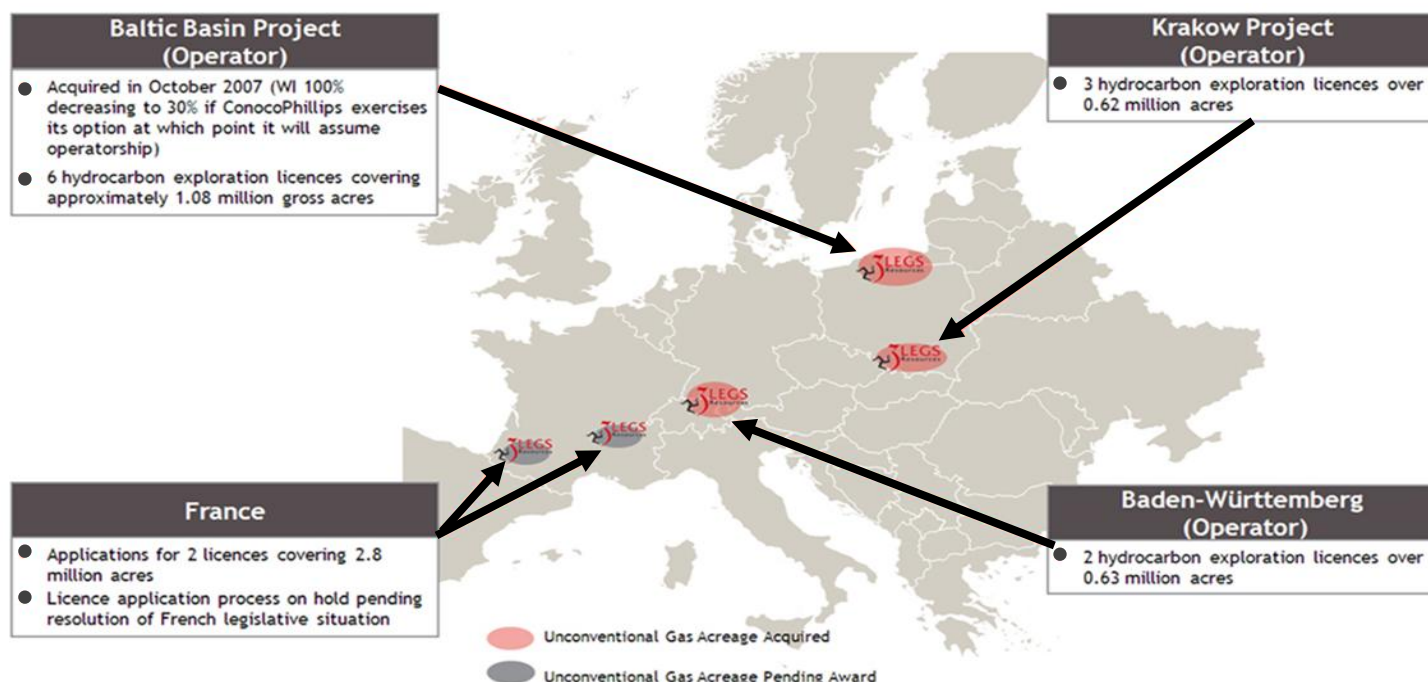
Latest news

30 | 08 | 2011 - Operations on Lebien LE-2H horizontal well
Completion of 13-stage hydraulic fracture stimulation programme and well now being prepared for testing

18 | 07 | 2011 - Spudding of Warblino LE-1H horizontal well

21 | 06 | 2011 - Drilling of Lebień LE-2H horizontal well
The Lebień LE-2H well was drilled to a total measured depth of 4,080 metres, and includes a horizontal section of approximately 1,000 metres.

14 | 06 | 2011 - Admission to trading on AIM



Introduction to Shale Gas

Natural gas resources are typically divided into two categories: conventional and unconventional.

Conventional gas typically is found in reservoirs with permeabilities greater than 1mD and can be extracted via traditional techniques. A large proportion of the gas produced globally to date is conventional, and is relatively easy and inexpensive to extract. In contrast, unconventional gas is found in reservoirs with relatively low permeabilities (less than 1 mD) and hence cannot be extracted via conventional methods.

There are several types of unconventional gas resources that are produced today but the three most common types are tight gas, coal bed methane and shale gas. Given the low permeability of these reservoirs, the gas must be developed via special techniques including fracture stimulation (or “fracking”) in order to be produced commercially.

Shale Play properties

Shale gas is natural gas that is produced from a type of sedimentary rock derived from clastic sources often including mudstones or siltstones, which is known as shale. Clastic sedimentary rocks are composed of fragments (clasts) of pre-existing rocks that have been eroded, transported, deposited and lithified (hardened) into new rocks. Shales contain organic material which was laid down along with the rock fragments.

In areas where conventional resource plays are located, shales can be found in the underlying rock strata and can be the source of the hydrocarbons that have migrated upwards into the reservoir rock. Shales contain organic matter (kerogen) which is the source material for all hydrocarbon resources. Over time, as the rock matures, hydrocarbons are produced from the kerogen. These may then migrate, as either a liquid or a gas, through existing fissures and fractures in the rock until they reach the earth’s surface or until they become trapped by strata of impermeable rock. Porous areas beneath these ‘traps’ collect the hydrocarbons in a conventional reservoir, frequently of sandstone. The diagram below shows how the gas-rich shale strata are typically the source rock for conventional oil and gas reservoirs.

Hydraulic fracturing

What is fracking?

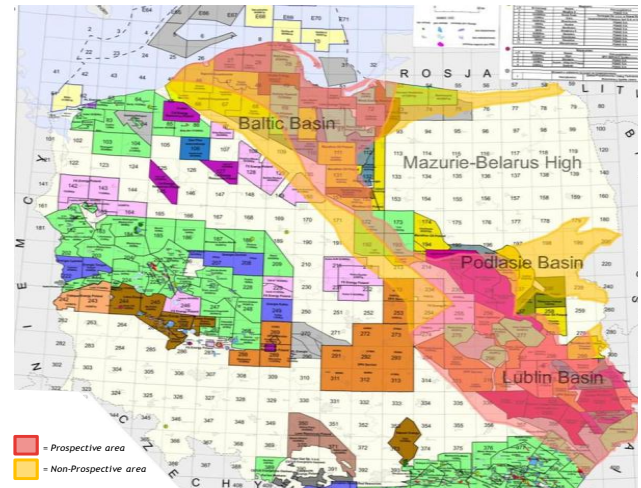
Hydraulic fracturing, or ‘fracking’, is a process through which a number of fractures are created mechanically in the rock, thus allowing the natural gas and/or oil trapped in subsurface formations to flow to the surface. Pump pressure causes the rock to fracture, and water carries sand into the hydraulic fracture to prop it open allowing the flow of gas. Whilst water and sand are the main components of hydraulic fracture fluid, chemical additives are often added in small concentrations to improve fracturing performance.

Environmental Considerations

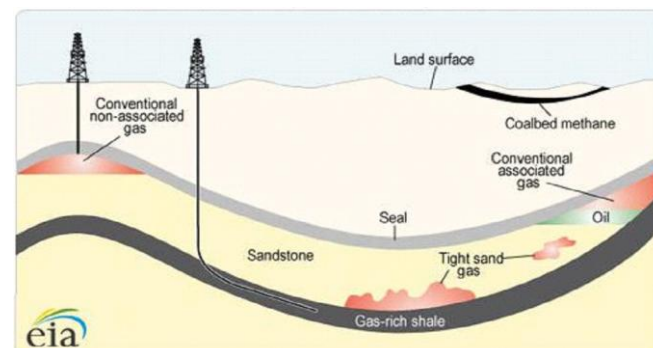
During the fracking process a large volume of water is needed as well as sand and a small concentration of other additives. A typical fracking fluid is more than 98% water and sand whilst the other 2% is made up of a number of additives which may vary depending on the particular well / operator. Typically additives include many substances that are commonly found in small measure in various household products.

Source: Chesapeake

Major Shale gas basins of Poland



Shale process



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