

Who we are

Founded in October 2002, Fortuna Energy Inc. is the most successful natural gas exploration and production company in New York. In 2005, Fortuna produced 41 BCF (Billion cubic feet) of gas from Trenton Black River natural gas formations, 74% of the 55 BCF of natural gas originating in New York State. A registered U.S. corporation, Fortuna is an indirect wholly owned subsidiary of Talisman Energy Inc. of Calgary, Alberta, Canada — one of North America's largest independent producers of natural gas.

Our office in Horseheads N.Y. is located in the center of our Twin Tiers operating area. Since 2002, Fortuna Energy has invested more than \$650 million in the Twin Tiers and grown to become New York State's largest natural gas producer. This growth came through both acquisitions and exploration. Fortuna Energy purchased some of the assets and local land lease holdings of Fairman Drilling Company, Columbia Natural Resources (CNR), Pennsylvania General Energy (PGE) and Belden & Blake Corporation.

We have 63 producing wells, 140 miles of gathering system pipeline and four compressor stations and produce an annual average of 112 mmcf/d. These operations are located in Chemung, Schuyler, Steuben, and Tioga counties of New York. Fortuna has oil and gas leases with more than 16,000 landowners covering one million acres in New York, Pennsylvania, Ohio and West Virginia.

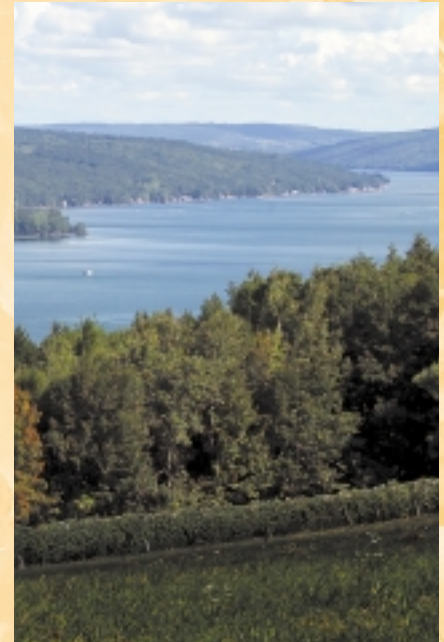
Largely due to Fortuna's advanced technology and our growing expertise in exploring the complicated geology of the Trenton-Black River (TBR) formation, Fortuna is the most successful developer of TBR gas in N.Y. We are proud to be helping reduce America's dependence on foreign energy. In 2005 we produced on average 105 million cubic feet (mmcf) of natural gas daily, more than enough to keep 300,000 homes heated. We adhere to strict environmental codes and respect local environmental sensitivities. This includes careful attention to environmental issues and impacts to minimize our environmental footprint.

Where do we Drill?

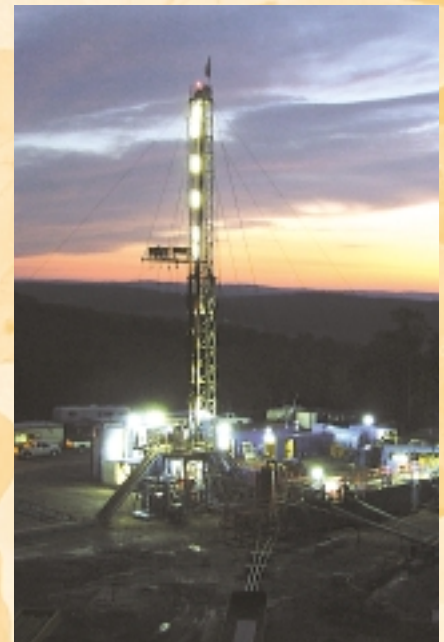
Drilling a Trenton-Black River Well — Where do we drill?

Fortuna's geologists and geophysicists work together to analyze all the data for locating and planning our drilling program. The target geologic rock formation is Black River dolomitized limestone, typically in a graben trough or depression. A graben is a collapsed

Fortuna Energy Inc.



Keuka lake



Fortuna drilling rig

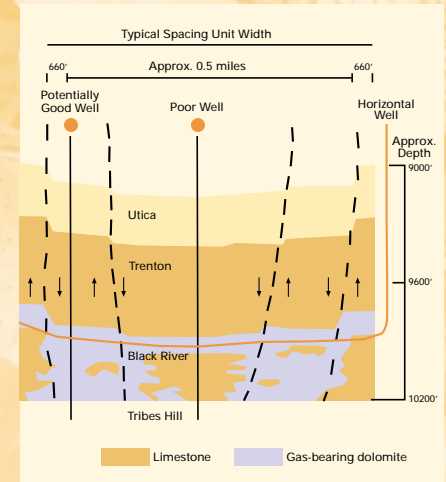
feature between two major faults. Since this rock formation is 9,000 to 12,000 feet below the surface, seismic data is used to plan the best path to drill. The schematic cross-section illustration shows how a horizontal well would encounter the most gas-bearing reservoir and fractures.

Our People

Fortuna employs a team of experienced natural gas industry professionals. We are a team of people from many backgrounds. Oil and gas production is a global industry, but it's the collective effort of individuals that successfully produces energy. Our 68 employees are committed to high levels of performance in all areas of our operations and are dedicated to ensuring they are conducted in a safe, healthy and environmentally responsible manner. We are your neighbors and share similar personal commitments for the future of our communities.

In addition, our business draws on the skills and experience of dozens of local contractors and suppliers. Many industry service companies are locating and investing in the Twin Tiers to support the plans of Fortuna and other operators. We provide and insist on appropriate training to ensure that our personnel and contractors are competent and can perform their work safely and effectively. Local training plans are established annually.

We strive to be responsible corporate citizens and good neighbors. The nature of our business regularly brings us into contact with many people across our operating regions. We are committed to working with each person in a fair, honest and open manner. Corporate responsibility is an integral aspect of creating value throughout our operations, not an add-on to them.



For further information,
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