



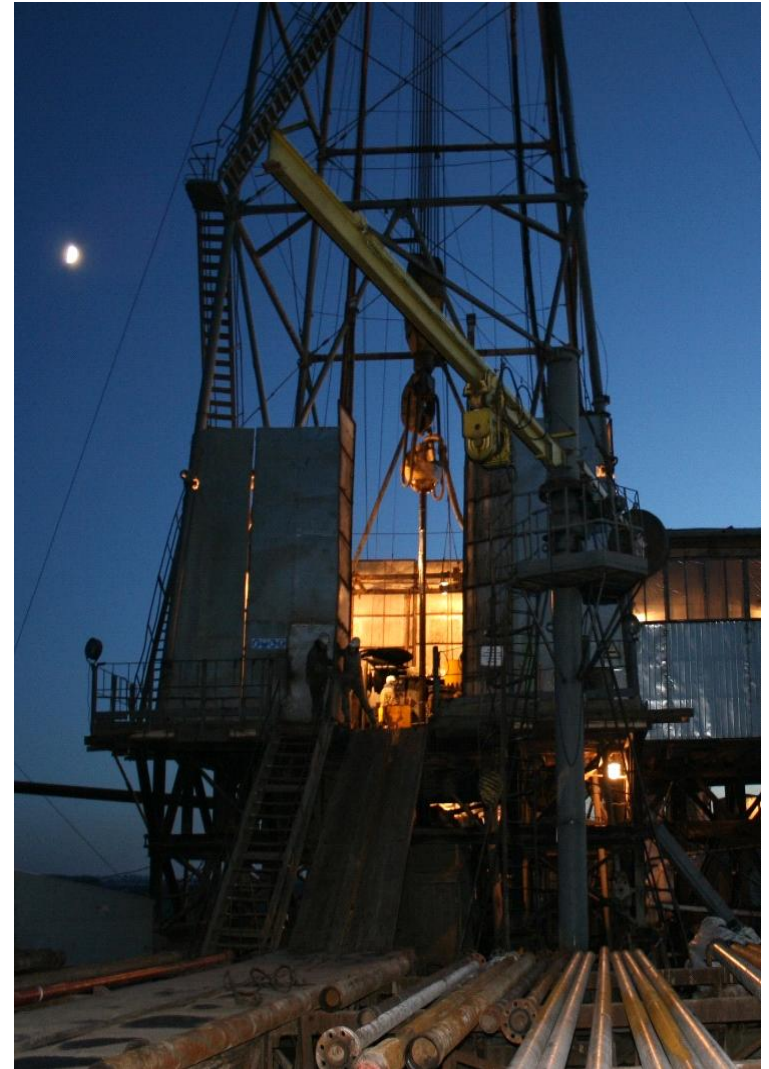
Borynya 3 short duration drill stem test – June 2009

AGENDA

- 2009 Overview
 - Past & Present
 - Licences

- Strategy & Objectives
 - Options
 - Opportunity
 - Existing and new potential

- Summary
 - Immediate next steps
 - Overview





Cadogan Past & Present

Beginning 2009	End 2009
5 deep drilling rigs active	No drilling rigs active Desk top evaluation & analysis
463 staff in dispersed locations	Approximately 130 staff centralised in Kiev
Traditional FSU operations team Applying traditional FSU operating practices	Integrated Ukrainian – Western team Applying improved operating practices
Exposure to high equity obligations in key licenses	Managed risk strategy to reduce obligations but retain upside potential
Cash of £72m (31 Dec '08) Significant license obligations & cash burn Resources depleted October 2009	Cash burn curtailed Cash of £34m (9 th Nov '09) Recovery from litigation process in 2010

Current License Areas



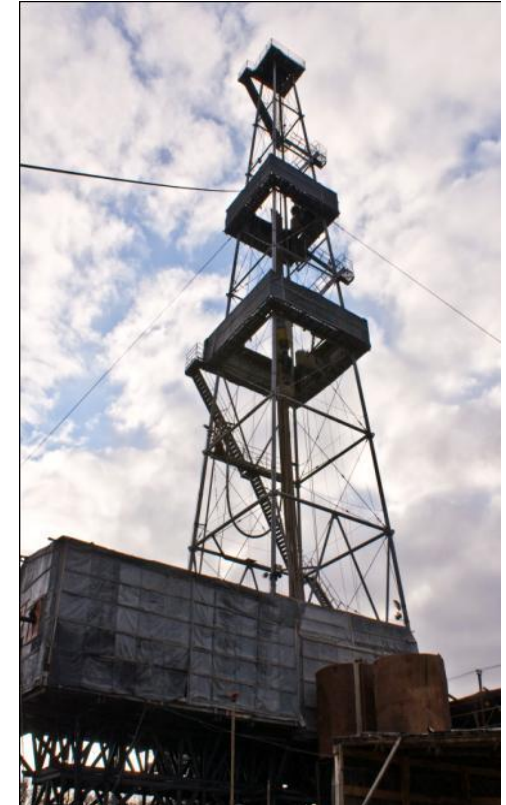
Cadogan now on solid ground, providing opportunity & options

Potential for return of funds :

- Currently preparing for return of funds, however
 - Legal process will take time
 - Staged recovery of future funds
 - Windup process costly

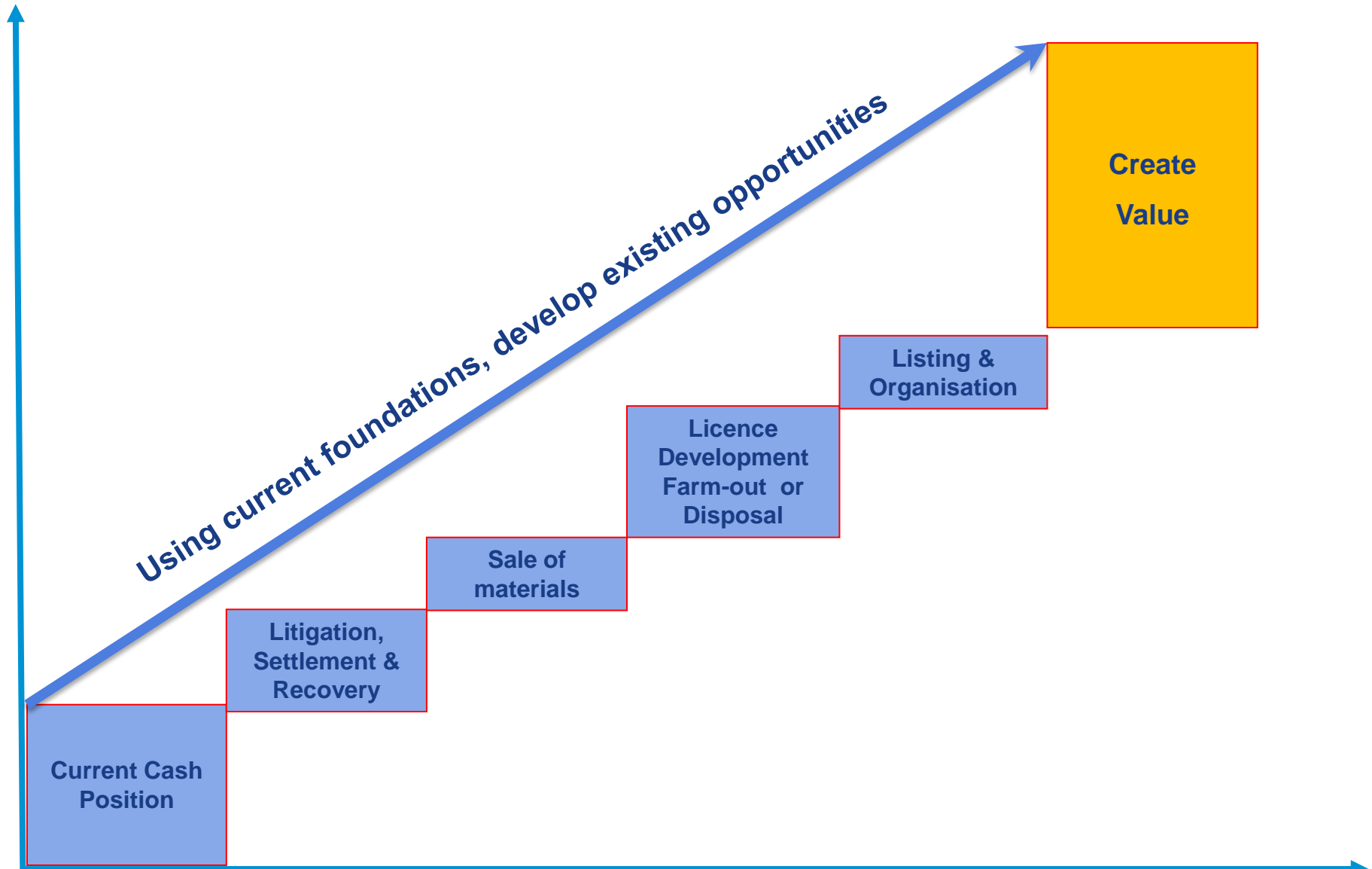
Potential to build on existing base to create shareholder value:

- Solid business fundamentals now in place
 - No debt, managed obligations, new organisation
 - Good existing assets and asset opportunities
 - Solid market fundamentals
 - Improved risk management strategy



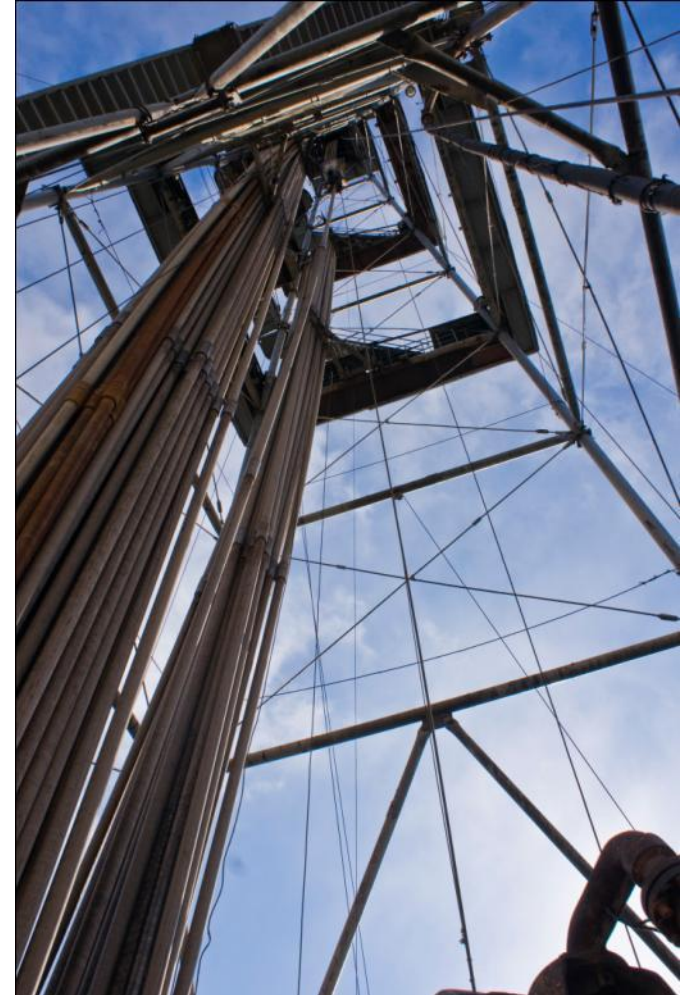
The above are not mutually exclusive and could be pursued in parallel

Opportunity – build on existing value components



Immediate Next Steps

- Continue business restructuring & rationalization
 - Continued reduction in Opex / G&A
 - Disposal of non-strategic assets & surplus inventory
 - Complete assessment of data on main licenses
 - Initiate farm-out of interests
- Continue legal action in Ukraine & UK
 - Secure resolution of license challenge in Ukraine
 - Recover value from UK litigation process
- Farm-out licenses – manage risk and limit expenditure
- Enable future return of capital
- Develop alternatives to increase value



- Board & new management have stabilized Cadogan:
 - Future capex / opex tightly controlled & risks managed
 - Strong financial position providing opportunity
 - License issues – work in progress now better visibility
 - Realistic and significant potential upside
- We will continue to explore opportunities to create significant value or we will wind down the business
- Subject to legal procedure, all options to be presented to shareholders with board recommendation early in Q2 2010

