



"Within the perspective of the American North-East, we can say that the paleozoic sedimentary basins of Quebec are located in a geological context favourable to the discovery of oil and gas fields. [...] Certain portions of Quebec's sedimentary basins present amazing geological similarities with several prolific basins in the United States. [...] Surrounding Quebec, the exploration and production of hydrocarbons is in full development (Ontario, New Brunswick, Nova Scotia, Newfoundland and State of New York). [...] Quebec cannot afford to neglect the study of all of the potential which abounds in its underground"

- Paul-André Bourque, Geologist, Ph.D., professor emeritus. Department of Geology and Geological Engineering, Laval University. Quotations taken from a report entitled "Les ressources en hydrocarbures au Québec" presented by Mr. Bourque as an invited expert at the Parliamentary Commission on the energetic future of Quebec.

1 Junex holds more than 928,000 acres of permits in the St-Lawrence Lowlands where two gas fields have been discovered to-date. Stimulated by the recent world class discoveries made by Talisman Energy in the State of New York, the exploration in this Basin has mainly focused on the Trenton Black-River sedimentary zone. Ordovician rock and the shale gas projects are also promising exploration plays for this area

2 Gaspesia is a vast territory where the presence of oil and gas has been confirmed long ago. However, the region is almost virgin in terms of exploration as only twenty wells have been drilled using modern techniques. The geological targets representing the greatest potential in the region are the Silurian and Devonian Sandstones; the hydrothermal breccias; and the Devonian and Silurian Reefs. Junex holds exploration rights on more than 3 million acres in Gaspesia, including 1.6 million acres held by Petrolia on which Junex has an option to participate in commercial production at 50% of Petrolia's interest.