

Canadian Junior Proving Up Significant Oil and Gas Resources

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VANCOUVER, British Columbia, March 27, 2014 (GLOBE NEWSWIRE) -- Lots of ink has been spilled recently extolling the investment virtues of precious and base metals as well as uranium and graphite. This anomaly is likely due to the fact that while metals prices have been fairly volatile of late, per barrel oil has percolated around \$100 for quite a while. Natural gas has been trading around \$4/MMBtu. There was a recent spike to just over \$7.50 courtesy of the nasty weather in the NE and just about everywhere else. The Nymex April Nat Gas price is currently around \$4.28.

No matter an investor's environmental bent, the simple fact is that for the foreseeable future, the US needs more energy produced domestically to reduce dependence on foreign oil. One of the most likely areas that this energy will come from is the 200,000 square mile Bakken Shale formation, which permeates North Dakota, Montana, Alberta and Saskatchewan. Oil and gas reserves know no borders.

"We anticipate that exploration and drilling in the area will continue until 2030, with sustained production until 2100," stated Wolf Wiese, President of Super Nova Minerals (SNP:CNX) (OTC:SNOVF) in an exclusive interview with [Financial Press](#). "With SNP's 18,000 acre exposure over multiple exploration prospects including the extremely promising Milford Lands, we intend to drill several high probability wells and move rapidly to become a meaningful oil and gas producer."

Wiese continues: "The recent N.I. 51-101 authored by Chapman Engineering out of Calgary, estimates a sizeable Prospective gas resource on the property. A pipeline is on the property capable of taking our gas."

The Williston Basin and the New Alberta Fairway are the two principal areas of Bakken activity. Initial production from a recently drilled well has exceeded 7k BOPD and initial production of 5k BOPD is not unusual in Bakken wells using horizontal drilling and fracking techniques. Conoco Phillips estimates over 100 billion barrels of Bakken oil reserves and Wood Mackenzie estimates over 37 billion barrels of oil in the New Alberta Fairway. Oil reserves in the rest of the continental US are projected to be 21 billion.

The Bakken is a major, long-term investment play.

In a further analysis of oil and gas juniors, it is important that a company has a selection of properties for reasons that should be apparent to resource investors. SNP, while having a premier property suite in the Bakken, also has exposure in the San Antonio area of southern Texas through its McAfee property in Frio County, for which it just announced a positive NI 51-101.

The Company will farm in by paying 100% to earn a 90% working interest before payout, and 50% working interest after payout.

Total Probable undeveloped light and medium oil reserves of 90 Thousand Stock Tank Barrels ('MSTB') have been estimated for the B2 zone in the McAfee 1 well. Additional Possible incremental reserves of 125 MSTB have also been estimated for this zone in the same well. In the probable case it is anticipated that production will commence at 741 STB/d, and average 137 STB/d over the first year. In the probable plus possible case it is anticipated that production will commence at 1,288 STB/d, and average 238 STB/d over the first year.

Given the maturity of SPN's plays, the Company will need less than \$350k per well (total 16) to prove up the large gas reserves at Bakken; increasing depth to find total gas.

Management anticipates needing \$650k to drill the McAfee Austin Chalk B2 zone. Given the modest amount

of capital needed to get into production, the Company is positioning itself as an extremely cost-effective revenue generator.

Infrastructure is well established at both of SPN's properties with a pipeline and road going directly through the Bakken property.

Big picture, the Dow Jones North American Select Junior Oil Index has moved from \$5200 on March 25th, 2013 to \$6678 one year later. Locally, the BMO Junior Oil Index (TSX:ZJO) has moved up over 30% over the same period to \$26.50. While there have been substantial moves already, with economies picking up, demand continues to increase. In a report in the Guardian:

"OPEC said it now expected demand to increase by 1.14m barrels a day – from 90m in 2013 to 91.14m this year – as the world economy slowly picks up speed. In its latest monthly report, OPEC said it was basing its revised assessments on the "gradual recovery" in the global economy, but added "geopolitical events in the Ukraine as well as ongoing tensions in other regions supported crude oil prices generally."

While there is not any industry chatter regarding another runaway up move or significant correction in oil and/or gas prices, stability allows both seniors and juniors alike to make longer-term commitments regarding both exploration and production. Balance is always a good thing: Particularly for investors who see the value in quality plays and rational production plans.

Super Nova seems to have all the moves to develop its growth into a significant, cost-effective producer and deliver compelling and consistent shareholder value.

Given the low valuation of the company at this early state of its development there is the potential for impressive returns.

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