

January 19, 2009

To *Mammoth Destiny* Participants & Mammoth Partners worldwide:

Congratulations to those of you who have participated in the *Mammoth Destiny* Partnership. **Our first drill (LB-14 on the Browning Lease) struck apparent producible gas in the Devonian Shale formation as anticipated. In addition, our electronic logs recorded a showing of gas in the Corniferous Formation.**

For those of you who are still learning the gas production business, please note that the Corniferous Formation *can be* a very prolific formation of gas. In our area, the large well strikes that have been recorded often are as a result of Corniferous Formation gas.

Striking a TD (Total Depth) of 3,420 feet with casing set to 3,391 feet, our Site Coordinator and Petroleum Engineer classify this well as very similar to the down hole structural tendencies that we witnessed from the previous eight successful drills for the *Mammoth Horizon* Partnership.

This is excellent news. Although our confidence level on this project was sky high due to the strongest pressure numbers we have ever recorded from the *Horizon/Browning Lease* wells, we were drilling into an adjacent tract of land on this lease on the other side of the mountain. Although we are in the early stages of our discovery work on this portion of the lease, what we were seeking to learn from this first drill was that the down hole indicators were the same or similar to the previous drills on this property. This bodes very well for the seven additional wells on this tract that are scheduled to be drilled for *Destiny* Participants.

However, what we got was a bit of a bonus. The possibility of a formation such as the Corniferous is most exciting. It is still early in this process since this information was received by our offices only this morning, but this is excellent news considering we are in the early stages of our project development.

For all Partners involved with either *Horizon* or *Destiny*, please know that our pipeline infrastructure has been moving rapidly. We have effectively laid all of the pipelines from the *Horizon* wells to the compressor site and from the compressor to our U.S. Highway 25 frontage. Our persistent field staff has diligently pursued the Commonwealth of Kentucky regarding our request for Mammoth to bore beneath Highway 25. As a result of their efforts we have received official confirmation/permission to engage a well-regarded excavation company who specializes in setting utility lines beneath roads and highways.

Our excavation company has just cleared their schedule to begin excavation work this week. We are told the process should take about three days. Since I have learned that virtually no estimates of time in this industry are accurate, I would add a day or two just to be safe. Once the gas line is on the other side of the highway, Delta Natural Gas has been contracted to run the final leg of the production lines into our assigned gas tap. Once final testing of the lines, compression and dehydration units are completed, we will be given official permission to begin producing gas





from some extremely exciting and possibly very prolific gas wells that we have drilled and encountered.

One more piece of good news. Our drilling company has agreed to remain onsite in order to drill one more well before the rig has to return to a prior engagement that we spoke to you about in our last Partner update report. Our second *Destiny* drill (LB-12) has been spudded and formal drilling procedures are anticipated to resume tomorrow morning (Tuesday, Jan. 20), weather permitting. This means that before the rig leaves for a brief hiatus, we will have down-hole results and data from two wells on this side of the Browning Mountain. This information will be invaluable for our engineers to study in order to determine the unique structural indicators that we are encountering and to design the specific procedures for treatment. When this data and information is analyzed and processed, I will make sure you receive some of the more technical data for the “engineers” among you who are fascinated with our modern techniques in the discovery and production of natural gas in the Appalachian Mountain Region.

Congratulations once more on your decision to become a part of this prolific region of natural gas production that is sure to serve us all for many, many years.

