

March 26, 2012

Saragosa Prospect Data Sheet

Location: Southern Delaware Basin, Block 13 of Reeves County
Total Acreage: 6,310 Gross Acres, 6115.68 NMA, in Block 13 of Reeves County.
Formation: Wolfcamp and Bone Spring, or "Wolfbone"

- I. **Geology of the Wolfbone in the Southern Delaware Basin** consists of deep basinal deposits of shale layered with limestone and sand deposits from the glass mountains to the south, and western basin shelves. Devonian and Fusselman mud logs from the 1940's to 1970's show oil and gas throughout the Bone Spring and Wolfcamp formations in our area, especially the El Paso "Verhalen" well log in section 305 (see Image 1 below). The El Paso "Verhalen" well log shows approximately 460' of potential pay from the Bone Spring through the Wolfcamp. Clayton Williams, J Cleo, and Eagle logs to the north and east have similar shows where they are completing nearby. The Wolfcamp is also over-pressured to the north, which helps drive the production of these wells.

- A. **EUR** estimates range from 150-200 MBOe per vertical well and up to 400 MBOe horizontal.
- B. **Porosity** values of 8-10% in the Bone Spring and 4-8% in the Wolfcamp have been seen in wells to the north.

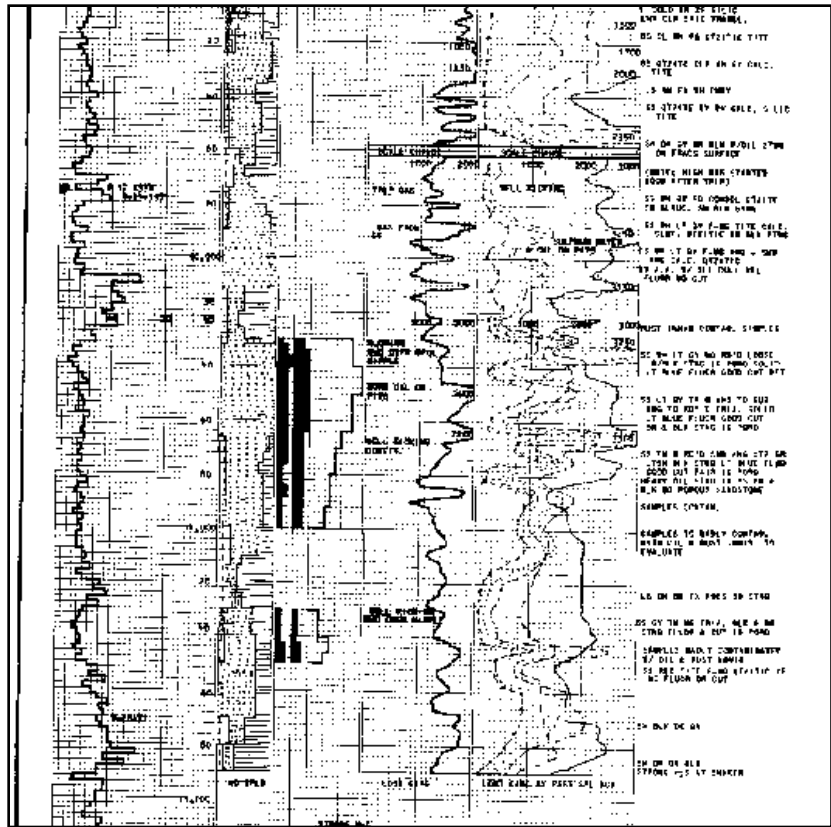


Image 1: A Wolfcamp show in the El Paso "Verhalen" Mud log, blk 13 sec 305.

II. **South Delaware Basin Acreage** is held by independent operators who have proven themselves knowledgeable of the Delaware Basin and continue to be successful in developing the Wolfcamp and Bone Spring:

A. **Concho** is convinced this is a strong acreage position based on their leasehold surrounding Navigator and partner's acreage, well locations, and permitted locations. The "Big Chief" well is just to the east (Blk 1 Section 148), but has no data available as of Feb 16, 2012. COG has also permitted two offsets to the "Big Chief" (One of them horizontal) in Blk 1, Sections 133 and 147, and the "Big Bill" well to our north (Block 13 Section 178).

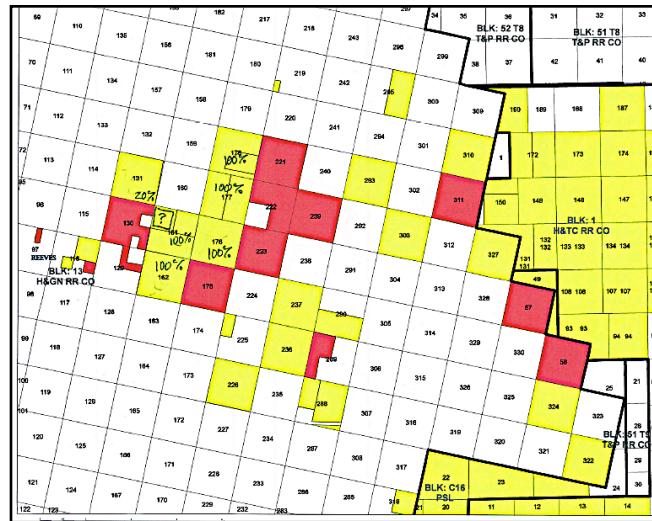


Image 2: COG acreage in Yellow, Nav acreage in Red.

- B. **Eagle Oil and Gas, Inc.** position to the north (70,000 Gross Acres) has recently been purchased by Comstock for \$345 million with 1/3 of their total budget set aside to develop it further. They currently have 35 producing wells, 10 permitted locations, and 43 planned in 2012 with horizontal expectations.
- C. **Forest** has recently permitted a well to the south of our position for the Wolfbone. Forest has hopes to extend the limits of the productive South Delaware Basin based on in-house geology and/or seismic.
- D. **Clayton Williams** currently has 27 wells producing and 20+ wells permitted directly to the north, west, and northeast, with one Horizontal permitted in Blk 52 T8S, Section 12.
- E. **Atlantic** has 13 wells drilled to the north and east, and 12 permitted wells.
- F. **J Cleo Thompson** has 81 wells drilled in Block 13 and surrounding areas with two horizontal permits in place and many planned for 2012. Their acreage held by production is in the area of 17,000 gross.

III. **Economics of the Southern Delaware:** RRC Rules of a Wolfbone (Trend Area) well is 160 acres per unit special with 40 acre option. As stated previously, estimated EUR's per vertical Wolfbone well range from 150 to 200 MBOe and 200 to 400 MBOe per horizontal. Vertical well costs are approximately \$4-4.5 million and horizontals will cost around \$6MM. High-density, multi-staged fracs (10-12) are key with verticals.

To see a copy of our Cross Section through the acreage, please click or visit the web address below:
<http://dl.dropbox.com/u/22759627/Saragosa%20Xsection.pdf>

For a copy of our acreage map, click/visit the web address below:
<http://dl.dropbox.com/u/22759627/Reeves%20County%20-%20Saragosa%20Handout.pdf>

For additional geology or production related questions, please contact Spencer E. Blake at
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For all other questions, offers, and/or comments, please contact Jack E. Blake, Jr. at navoil@aol.com or call 432.682.9585.

As usual, this is subject to withdrawal, in whole or in part, without notice. Thank you for considering this opportunity, and have a great day!

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NOTE:

This handout contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our current expectations or forecasts of future events. These statements include estimates of future natural gas and oil reserves, expected natural gas and oil prices, budgeted capital expenditures, and other anticipated cash inflows and outflows, as well as statements concerning anticipated cash flow and liquidity, business strategy and other plans and objectives for future operations.

Our Production forecasts are dependent upon many assumptions, including estimates of production decline rates from existing wells, energy prices, and the outcome of future drilling activity. Although we believe the expectations and forecasts reflected in these and other forwarding-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties.

We may use the terms “unproved reserves,” “EUR” per well, and “upside potential” to describe estimates of potentially recoverable hydrocarbons. These are Navigator’s internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. These quantities may not constitute “reserves” within the meaning of the Society of Petroleum Engineer’s Petroleum Resource Management System or SEC rules and do not include any proved reserves. EUR estimates and drilling locations have not been risked by Company management. Actual locations drilled and quantities that may be ultimately recovered from the Company’s interests will differ substantially. Estimates of unproved reserves, per well EUR and upside potential may change significantly as development of the Company’s oil and gas assets provide additional data.

Paul,