April 19, 2013

Dear Shareholders,

We have a busy and productive year ahead of us. After a solid start to our financing with a $7 million closing, we will be completing our fundraising over the next month. We will then proceed with our first operations on our expansive Ukraine coal bed methane (CBM) opportunity. We will be re-entering three existing wells and drilling two new CBM wells.

Then in the second half of the year, we expect to commence operations in Georgia, with the drilling and fracture stimulation of two farm-in wells targeting light oil at depths less than 1,200m. We have already ordered an open hole, multi-stage fracturing system for our first two wells and expect to have our first production on by the end of the year.

Our audited 2012 Financial Statements have been completed and are available on our website.

Successful Financing

As you know the equity markets have been difficult for oil and gas companies and in particular for oil and gas companies that are pre-cash flow. It shows the strength of our opportunities and our board and management that, despite those challenges, we have closed on $7 million with commitments to take us to $13 million. This financing is priced at $1 per share with a full 18 month warrant exercisable at $1.50.

Led by Dundee and RBC we are continuing our fundraising now to take our fundraising to $15 to $20 million. I have attached our investor presentation that we have been using on our fundraising.

First Ukraine Operations

We permitted and drilled our first well in Ukraine, with testing completed early in 2013. This block and well targeted tight gas (gas found in tighter, lower permeability sands). Unfortunately the up-dip location we drilled only showed non-commercial gas in the lower formation.

The opportunity still exists to drill deeper wells in the eastern, down-dip portion of the block, with the eventual development likely requiring considerably more expensive horizontal wells with multi-stage fracs. The shallower CBM opportunity on our other two blocks and our Georgia light oil opportunity is lower risk and has better economics. We may farm-out this tight gas block.

Proving Ukraine CBM

Starting in May of this year, we will be re-entering three wells that had been drilled in 2006 by our partner as a CBM pilot program. We will fracture stimulate approximately 10 individual coal seams in each well using various multiple entry fracture stimulation techniques to ascertain the better approach going forward.

In the third quarter we plan to drill two new CBM wells and complete the wells using the optimal stimulation technique, learning from the results of our re-entries.

Added Exceptional Georgian Light Oil Asset

We have signed a MOU and are in the process of finalizing the formal agreements to farm-in on an existing light oil field in Georgia.

This deal hits all the right buttons for Iskander:

- exploitation rather than exploration
- proven oil that needs fracture stimulation to produce economically
- material and repeatable room for 15 to 20 wells
- Iskander has operatorship for earning wells and then joint operatorship with a credible partner who owns service infrastructure
- high margin oil sells for Brent price with attractive fiscal terms in a relatively stable country
- shallow 1200m, low cost wells

True to our strategy, we are applying North American fracture technology to an existing oil field. There have been no wells drilled in this field since 1960 and none of the wells have been fracture stimulated. We will drill three wells to earn 50% in this field.

Selling our Poland Assets

Our strategy and team match; in our other assets we are applying North American technology, in particular fracture stimulation, to proven oil and gas fields. Our Poland assets, although in an excellent fairway, are exploration oriented and are non-operated. All our other assets are operated or jointly operated so we can ensure that we can apply the most effective North American technology. We therefore have put our Poland assets up for sale; we have interested parties that are currently reviewing our data.

Alignment of our Compensation

We wanted to better align our management and board with our shareholders by increasing our equity ownership while reducing our cash G&A costs. In 2013 the board and management are taking on average a 25% reduction in cash compensation with this cash being replaced by deferred stock.

Not only will this better align board and management with shareholders but will ensure we get the maximum money invested in the ground.

I am very excited about the commitment the team has been willing to make; we're absolutely focused on building value for our shareholders. We appreciate the continued support of our shareholders.

Sincerely,

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