



August 19, 2013

Dear Shareholders,

We have started our drilling operations and expect to have more or less continuous drilling, stimulation and completion operations to year end on two key opportunities, Ukraine CBM and Georgia light oil. We have reached total depth in our first CBM well in Ukraine this week.

In Georgia formal farm-in agreements have been signed and Iskander is in the process of being formally recognized by the government on the Production Sharing Agreement (PSA). We plan to commence operations in Georgia early in October, with the drilling and fracture stimulation of two farm-in wells targeting light oil at depths less than 1,200m.

Our most recent investor presentation along with our Q2 Financial Statements is available on our website at www.iskanderenergy.com

Financing Update

As I'm sure you know the equity markets for oil and gas companies, in particular for those that are pre-cash flow, have been quite challenging. In March, Iskander closed on a Cdn \$7.1 million financing (at \$1 per share with a full warrant exercisable at \$1.50 for 18 months). The company has received additional commitments that could bring the total financing up to \$12 million, plus an additional \$1million that is contingent on raising a total of \$15 million. Led by Dundee and RBC we are continuing to seek opportunities to raise additional funds. We are also looking for alternatives methods of financing; including farmout, sale of non-core assets and sale of well data.

First Ukraine CBM Drilling

We have drilled and logged our first CBM well in Ukraine, having reached a total depth of 1100m and are currently performing tests to assist in the design of our intended fracture simulation. In September we expect to fracture stimulate approximately 10 individual coal seams in this well using a coiled tubing rig. We do not expect to know results from this first well until we flow test following fracing. We are licensing additional wells to be able to follow up on our first well.



Georgian Light Oil Asset

We recently signed the formal agreements to farm-in on an existing light oil field in Georgia. We are expecting formal recognition of Iskander on the PSA by the relevant Georgian authorities near the end of August.

This field was last drilled in 1960 and we are excited by the prospect of applying modern multi-stage frac stimulation techniques. We expect to spud our first two wells in Georgia in early October and then follow up with fracing before the end of the year. With success, we expect to be on production by the end of the year.

Sale of Drilling Rigs

The market for shallow vertical drilling rigs has been very poor, but we have managed to sell our two rigs for a total of US\$675k.

Sale of Poland Assets

Our assets in Poland have been available for sale for some time and we remain in discussion with a number of parties.

Sincerely,

Wayne G. Thomson
CEO Iskander Energy
Cell (403) 399-7747
Office (403) 460-0647 ext 100
wthomson@iskanderenergy.com