

eCORP and STEP enter into MOU

Tioga County, New York landowner representatives have formed an agreement with eCORP for oil and gas field development using unconventional leasing vehicle and advanced "green" technology

eCORP International, LLC ("eCORP") and Southern Tier Energy Partners, LLC (STEP) are pleased to announce that they have executed a Memorandum of Understanding ("MOU") to develop up to 135,000 acres of Marcellus shale and to introduce environmentally compatible oil and gas field development technology in the Southern Tier of New York State. In this era of low natural gas prices, the parties have created an unconventional mineral rights leasing arrangement wherein landowners will own a valuable major interest in a cooperative project management company; this company organizes contiguous parcels of land for oil and gas development.

eCORP is well known in the area for developing and operating the Stagecoach Storage Facility in Tioga County, New York, in the mid-2000s employing environmentally compatible concepts far surpassing local and state requirements. STEP represents landowners in the Southern Tier in Tioga County who banded together as Tioga County Landowners Group ("TCLG") to seek out a responsible, environmentally sensitive operating company who would develop prospective Marcellus and Utica shale they believe underlies their surface holdings.

Under the provisions of the MOU, STEP will work with eCORP and landowners to form sharing companies which are majority owned by the participating landowners. This arrangement allows those landowners to earn, not only a royalty share of production, but also a majority share of profits earned by the sharing companies. Each landowner would earn in the proportion his land holding bears to the total land held by the company. eCORP will serve as Operator, and plans to employ "pad" drilling where a number of wellheads are confined to a small surface location. Plans include proven drilling technology that presents a smaller footprint than conventional rigs and a reservoir stimulation technology using liquefied petroleum gas (propane or propane-butane mix)("LPG"). GASFRAC has successfully employed this technology in North America, pumping over 1,200 stimulations in reservoirs from Alberta, Canada to south Texas, USA. eCORP has extensive experience with gaseous propane and butane in enhanced oil recovery operations in conventional reservoirs in South Texas in the 1980s. eCORP is also engaged in exploring for and developing hydrocarbons in Europe, currently holding a number of well-situated licenses in the premier basins of western Europe, with discussions under way to materially expand its holdings. eCORP and GASFRAC have entered into an MOU, recently announced, to introduce the GASFRAC technology in Western and Central Europe.

John Thrash, Chairman and CEO of eCORP, noted "In order to make this project attractive to all stakeholders, we had to be creative in structuring a deal with respect to the minerals, and we had to demonstrate that we continue to stay true to our high "best practices" standards. The use of liquid hydrocarbons to enhance production from hydrocarbon reservoirs is a natural solution; propane is a constituent of natural gas, albeit usually in low concentrations. We believe this game-changing technology will be embraced by, not only regulators and the industry, but the general population as well. Propane is familiar in our daily lives; many of us use propane daily for cooking and heating our homes. As demonstrated in eCORP's track record, we would apply this technology only after full consultation with local and regional stakeholders and acceptance by applicable authorities."

Founded in 1978, eCORP and its predecessor companies have extensive oil and gas experience including underground natural gas storage, natural gas transportation, enhanced oil recovery in conventional reservoirs using propane and butane, exploration for and production of conventional and unconventional reservoirs, electric power generation and marketing of electricity and gas. The company was an early mover in the Marcellus play in Pennsylvania and New York, USA and recognized its potential while developing its highly acclaimed Stagecoach Storage project in New York. The company acquired European prospective acreage after farming out holdings in the Marcellus. The company's world class management team expects to apply its broad background in Europe as well as the US to develop oil and gas fields, gas storage and power generation. Linking with STEP and GASFRAC provides an excellent vehicle for introducing an environmentally sensitive technology to allay concerns expressed about conventional hydraulic fracturing. Reservoir stimulation with LPG uses no water and has no waste, which greatly reduces truck traffic and has a smaller footprint than a conventional hydraulic fracturing. In fact LPG liquid does not dissolve salts and the fluid cannot create aquifer contamination since propane is a gas at ambient temperature and pressure.

Nick Schoonover, Chairman of TCGL, stated "This is an incredible opportunity for our landowners. It combines the best of all worlds by implementing LPG fracturing with a very responsible operator, using best business practices and state of the art equipment. Landowners working together to create sharing companies of which they are the majority owner, receiving the majority profit, in addition to their royalty share is unheard of in the industry. This represents an unprecedented opportunity to improve the economy in the Southern Tier and bring in a number of good local jobs. We expect to have member meetings shortly to present the opportunity"

TCGL is an all-volunteer organization of landowners working together to benefit our community. The organization was formed in 2008 and has grown to 2000 families which own 135,000 acres in Tioga County. The group's principal mission has been education and communications with landowners. By working together we will create the best opportunity for local landowners.

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