



# CEOCFO

## Interviews & News!

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### Bankers Petroleum Is Focused On Enhancing The Recovery And Productivity Of Their Oil Field In Albania By Applying Modern Technologies Related To Heavy Oil Extraction



Energy  
Oil & Gas Exploration & Production  
(BNK-TSX)

Bankers Petroleum Ltd.

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**Abdel (Abby) F. Badwi**  
Chief Executive Officer

#### BIO:

Mr. Badwi is an international energy executive and professional geologist with more than 35 years experience in the exploration, development and production of oil and gas fields in North America, South America, Asia and the Middle East. Mr. Badwi is a geology graduate of the University of Alexandria, Egypt, and immigrated to Canada in 1969. From 2005 until September 2007, he was President and CEO of Rally Energy

Corp., an oil and gas company with operations in Egypt, Pakistan and Canada. While at Rally Energy Corp., Mr. Badwi lead a team that was instrumental in growing Rally's reserves from approximately eight million BOE to approximately 100 million BOE and production from 2,000 boepd to 8,000 boepd with an associated substantial increase in cash from operations in a short two-year period. Rally's principal area of operations was Egypt, where it had a 100% operating interest the Issaran heavy oil field.

Mr. Badwi is also President of Corundum Energy Ltd., a private company providing advisory services and investments in oil and gas ventures, and has been an officer and director of several Canadian public and private companies including President and CEO of Geodyne Energy Inc., President and COO of Carmanah Resources Ltd., and Vice President International Exploration of Sceptre Resources Limited, and a Director of Sustainable Energy Technologies Ltd., Sinchao Metals Corp. Mr. Badwi is currently a director of Gastar Exploration Ltd. an AMEX and TSX listed oil and gas company, Fairmount Energy Inc., a TSX Venture company and ArPetrol Inc., a private oil and gas company with activities in Argentina.

#### Company Profile:

Bankers Petroleum Ltd. is a Canadian-based oil and gas exploration and production company focused on developing large oil reserves in Albania (located northwest of Greece in South Eastern Europe). The Company is targeting growth in production and reserves through the application of new and

proven technologies by a strong experienced technical team. Bankers' strategic objective is to remain focused on exploration and production activities in Albania.

Bankers operates and has the full rights to develop the Patos Marinza heavy oil field pursuant to a 25 year license agreement with the Albanian Government. The Patos Marinza oil field is the largest on-shore oil field in continental Europe, holding approximately two billion barrels of original oil in place. In addition, Bankers has a 100% interest in the Kucova oil field in Albania, which has in excess of 490 million barrels of original oil in place.

Bankers shares are traded on the Toronto Stock Exchange (TSX) and the Alternative Investment Market (AIM) in London, England under the ticker symbol BNK.

*Bankers' three-year growth plan has an objective to achieve a target field production of 20,000 bopd by the end of 2010.*

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO:** Mr. Badwi, you have a long history in the industry; why are you with Bankers Petroleum today?

**Mr. Badwi:** "The last company we were running Rally Energy had underdeveloped heavy oil assets in Egypt that we managed to unveil its potential and sold the company last September for \$900 million. Thereafter I was approached by the Board of Bankers to examine the assets of Bankers Petroleum in Albania, which had a lot of similarity with what we were doing in Egypt, these assets were

very attractive to me and Ian McMurtrie, our Technical VP at Rally, and we both felt that there was a lot of potential still to be realized, so we came over here and started to do the same things that we had done previously at Rally Energy.”

**CEOFCO:** What is the plan?

**Mr. Badwi:** “The plan for Bankers Petroleum is basically applying modern technologies related to the extraction of heavy oil. These technologies include oil lifting techniques with progressive cavity pumps. It also includes waterflood, infill drilling both vertical and horizontal wells, and thermal applications that will include cyclic steam stimulation and steam assisted gravity drainage.

**CEOFCO:** What is it like working in Albania?

**Mr. Badwi:** “It has been relatively easy. Albania is hungry for foreign investment and we are one of the largest foreign investors in the country. We have plans to spend in excess of \$400 million over the next three years. The Government has been very cooperative, and they welcome our participation, introduction of modern technology and the investments we are making in the country.”

**CEOFCO:** Would you give us some specifics about your holdings?

**Mr. Badwi:** “We have two large oil fields in Albania. The Patos Marinza oil field has two billion barrels of oil in place; and last year’s reserves report indicated 147 million barrels of proven and probable reserves and I believe we can increase this number going forward. The second field Kucova, is the second largest field in Albania, it has 500 million barrels of oil in place and we are currently preparing an independent report to determine the size of recoverable reserves.”

**CEOFCO:** You have a lease on the Patos Marinza; please tell us about the ownership and how that comes into play.

**Mr. Badwi:** “The Patos Marinza oil field was operated by the national oil company Albpetrol. By 2004 the field had lacked investment and production declined due to the economic conditions of the country.

The government offered the field for tender and Bankers Petroleum was successful in acquiring the rights to develop it. Through a staged take-over of the field from the national oil company, we proceed to enhance the productivity of the existing wells and conduct new activities. In cooperation with the national oil company we are the operator and have 100% ownership of the field, subject to a royalty structure with the national oil company and the Government of Albania.”

**CEOFCO:** What is the level of difficulty in finding personnel and equipment?

**Mr. Badwi:** “We operated internationally in many parts of the world almost on every continent and globalization has made movement of equipment very easy. For example, we bring all of our drilling

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**- Abdel (Abby) F. Badwi**

equipment and service rigs from Canada, we import casing, pumps and other equipment from Canada, the US, and the UK. Albania has been easing all of their import regulations, so there is very little red tape; we are exempt from paying any taxes or import duties. Albania is in Europe, where we do get a lot of services out of Italy and Austria as well.”

**CEOFCO:** What about personnel in Albania?

**Mr. Badwi:** “We have about twenty expatriate personnel that come from Canada and the UK. The local force have a long history in the oil business, so with proper training and exposing them to the new technology we have been applying, we have been increasing their level of competence. We employ about 150 people in our office and the field in Albania and they are doing a very good job for us.”

**CEOFCO:** Are you looking to acquire additional properties?

**Mr. Badwi:** “Yes we are looking at one additional block that is very strategic for us. Other than that we will remain focused on our two fields and the new block if we are successful acquiring it. It is our core area and our strategy is to be very focused, to be able to deliver the best results that we can achieve.”

**CEOFCO:** What is the financial picture like at Bankers Petroleum?

**Mr. Badwi:** “We have a very healthy balance sheet; the company has about \$60 million in cash and working capital. We are generating about \$20 million of cash flow and this will be higher as our production increases. Oil prices have remained strong this year; we are still at \$100 and we can have very significant netbacks with \$100 oil. If we remain above \$80 oil, I believe we should be able to achieve all of our objectives.”

**CEOFCO:** What is your two-minute take on the oil and energy situation?

**Mr. Badwi:** “Needless to say it has been very volatile. As much as we have enjoyed the \$140 oil in the 3<sup>rd</sup> Quarter, it declined very rapidly from \$140 to \$100. I would rather

see small movement up and down rather than these big swings. I am still very bullish on oil prices; this is a depleting commodity, and consumption is about 80+ million barrels per day and there aren’t too many 80 million barrels oil fields being discovered every day. The price will continue to go up based on supply and demand until we uncover other sustainable sources of energy that is cheaper than oil.”

**CEOFCO:** There are many companies in the oil industry for investors to look at, why should people pick Bankers Petroleum out of the crowd?

**Mr. Badwi:** “The main reason would be we are trading at a big discount to our net asset value. This recent decline and collapse of the financial markets in the US last week has created fantastic opportunities for companies like ours. So any company that has very good fundamentals

such as cash, cash flow, no debt, and looking at increasing its production, cash flow and reserves over the next couple of years, should be a very attractive company for investors to own and Bankers Petroleum is one of several oil companies that is in that position.”

**CEO CFO:** What challenges do you need to be on the lookout for?

**Mr. Badwi:** “The biggest challenge is always commodity prices fluctuation, investors’ confidence in commodity prices and the equity market, and that is something that we cannot control. The

challenge that we are faced with as a company is execution; so what we have talked about, such as availability of equipment, drilling wells on time and budget, having the people to execute these plans is our focus. We have to stay on top of these issues and make sure that it happens and detect early any deviation to be able to correct accordingly.”

**CEO CFO:** That is where your long history is helpful.

**Mr. Badwi:** “Exactly.”

**CEO CFO:** What should people remember most about Bankers Petroleum?

**Mr. Badwi:** “People should remember that the company is financially healthy and has the people, assets, and financial resources to execute a solid plan. They should remember the size of the resource. Bankers is a junior oil and gas company and we have two large fields and this can be very attractive for a major or larger oil company to acquire. It is our exit strategy that we hope to build sufficient reserves and production that we can at one time can exit along with our shareholders.”

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