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With Quebec Being A Good Jurisdiction For Oil And Gas Exploration As Well As Being A Large Consumer Of Gas, Altai Resources Inc. Is In The Right Place At The Right Time With A Large Property In The Heart Of The St. Lawrence Lowlands Utica Shale Gas Play

**Energy
Oil and Gas
(ATI-TSXV)**

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**Niyazi Kacira
President, CEO and Director**

Canadian resource company with a diversified portfolio of natural gas, gold, nickel and industrial mineral properties in Canada and the Philippines.

Altai holds the largest, non joint ventured, land package with 100% interest in the heart of the St. Lawrence Lowlands Utica Shale gas play in Quebec – the Sorel-Trois Rivières natural gas property of seven permits aggregating to 114,344

hectares (282,544 acres) with significant potential for production and storage. In addition, Altai retains a 15% gross royalty in the adjoining permit of 13,290 hectares (32,840 acres) held by Talisman Energy Canada, and a 50% joint venture interest in Malartic gold property in the Val d'Or area, Quebec. The company is debt free with a working capital of \$5.2 million.

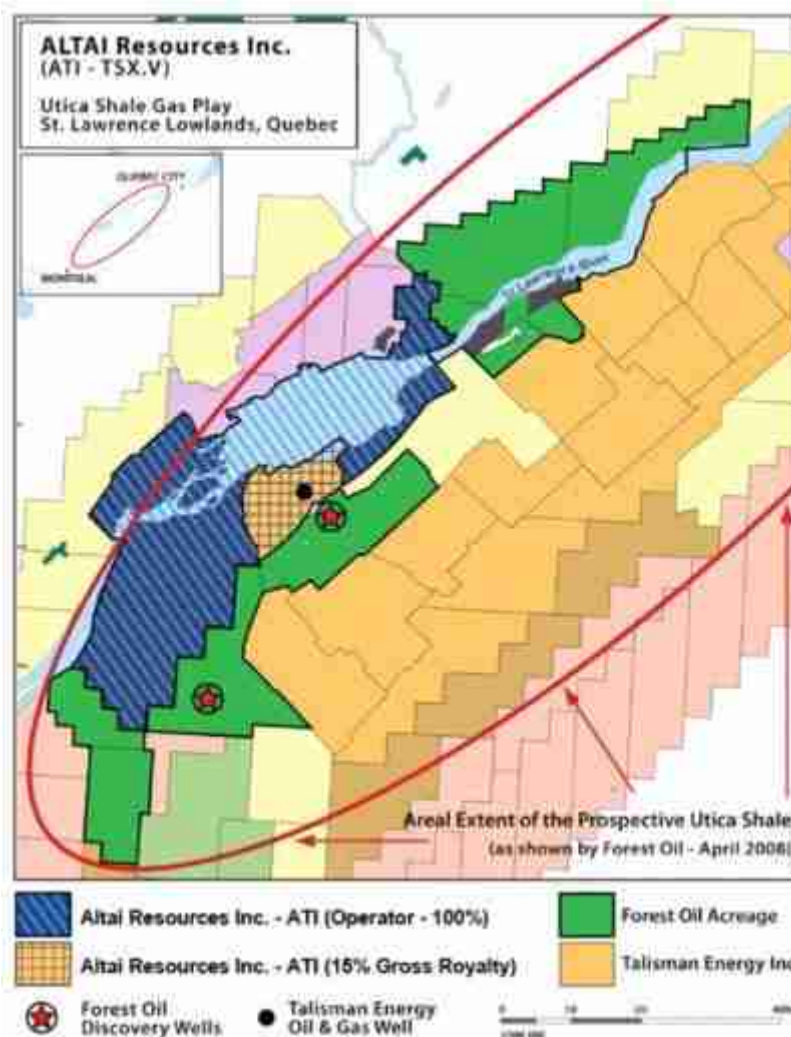
BIO:

Niyazi Kacira is president and director of Altai Resources Inc. since 1988. He received B.Sc.(geology) and Master of geological engineering from University of Geneva (Switzerland), Ph.D. in economic geology from University of Western Ontario, Canada and MBA from University of Toronto, Canada.

He has worked in mineral exploration with multinational mining companies for 20 years before joining Altai which he listed on the Toronto Stock Exchange upon joining it. He has been involved mostly in mineral exploration in all regions of Canada and in many foreign jurisdictions with multinationals and with Altai's affiliated companies and in Altai's Sorel-Trois Rivières gas property.

Company Profile:

Altai Resources Inc. is a



**Interview conducted by:
Lynn Fosse, Sr. Editor**

CEOCFO: Mr. Kacira, what is the focus at Altai Resources today?

Mr. Kacira: Our focus used to be mineral exploration or hard rock, such as base metals, gold, but in the last year and a half, we switched it to oil and gas exploration, especially natural gas.

CECOCFO: Why did you make the decision to switch to natural gas exploration?

Mr. Kacira: It is a coincidence. We were mostly a minerals exploration company. We have a very large oil and gas property in Quebec Province. Two years ago there was a major discovery in the St. Lawrence Lowlands and gas property became a major asset. Therefore our attention changed to this particular commodity and play right now.

CEOFCO: Is it difficult to transfer the skills needed for precious metals into gas?

Mr. Kacira: One of our on going efforts is to change the company with the emphasis because we are more geared to doing mineral exploration. Therefore, we are in the process of strengthening the company in the skills needed to succeed in oil and gas. By the end of 2010 we should be completely changed over.

CEOFCO: What is happening on the property today?

Mr. Kacira: First of all we have been at this project over twenty years, so it is not new. Until about five years ago, our emphasis was really discovering very shallow gas deposits in recent sands and gravels. When I say shallow, I am referring to less than 150 meters deep. It was essentially oriented towards developing shallow gas storage reservoirs and they have been and still are very profitable for pic-shaving facilities. Six years ago we began exploring for oil and gas in Ordovician carbonates and sandstones. Two years ago, Forest Oil made a shale gas discovery a few kilometers from our property and the whole emphasis changed. Therefore, we began pursuing deep shale gas as the primary target. However, we are also paying close attention to gas in carbonates and sandstones. We have just completed our latest seismic survey and we are now planning a drilling program.

CEOFCO: Do you own the property 100%?

Mr. Kacira: Yes we own it 100%. The important thing about our property is that it is the largest property under one ownership that is not farmed out. The play itself is between Montreal and Quebec City, and it is about 1.5 million acres in total, estimated by others; mostly gov-

ernment people. We have 282,000 acres of this play that is all owned by us and another 33,000 acres that belongs to Talisman Energy Canada, in which we have a gross royalty of 15%.

CEOFCO: So you are in good shape!

Mr. Kacira: Since the discovery of gas in shales in 2008 by Forest Oil, the play is essentially seen as a shale gas play just like Marcellus in New York and Pennsylvania. However formations other than shales, such as carbonates and sandstones in the stratigraphy contain gas and may contain oil. I think the potential for oil was the reason Talisman came to the area and made a deal with us and later on with Questerre.

CEOFCO: Is Quebec as friendly for gas as it is to mining?

There are two plays that are getting attention right now in the Eastern North America, this one and Marcellus in the United States. However, in Marcellus the entry cost is high, \$5,000 to \$10,000 an acre just to buy the right to shale gas because it is more advanced. So it is, at present, cheaper to get into this play.

- Niyazi Kacira

Mr. Kacira: Quebec is a good jurisdiction to be in for the resource business and mining. We were active in Quebec since our company's inception. Quebec itself consumes an enormous amount of gas, which comes from Alberta right now, so it is a good place to be.

CEOFCO: What is the financial picture at Altai today?

Mr. Kacira: We have some money, but it won't be enough. This is a very capital intensive undertaking. So we will have to raise some money to do drilling. But down the road this is a project that we cannot handle on our own. So we would like to put some value to it by drilling two or three wells. Then eventually we will

have to make a deal with a more substantial company, because this is very expensive project to develop.

CEOFCO: Is the industry starting to pay attention to you and the area or is it still a little too early?

Mr. Kacira: People are paying enormous attention to this particular play. The area is an emerging major gas play with incredible potential gas resources, so it is getting a lot of attention. However, the gas price right now is in the doghouse. There are two plays that are getting attention right now in the Eastern North America, this one and Marcellus in the United States. However, in Marcellus the entry cost is high, \$5,000 to \$10,000 an acre just to buy the right to shale gas because it is more advanced. So it is, at present, cheaper to get into this play.

CEOFCO: Why should potential investors be interested?

Mr. Kacira: The potential is very large, the infrastructure is superb and the play is close to major consuming markets so that eventual producers in this Quebec play will get a premium of 75 cents to one dollar per thousand cubic feet for the gas produced.

CEOFCO: Final thoughts, what should readers remember most about Altai Resources?

Mr. Kacira: People should remember that it is the gas project that we are emphasizing and that we are selling all the mining assets. We anticipate closing our first sale of a mining asset this summer. Our gas property is large in an emerging gas play. Due to early stage nature of the gas play and low commodity prices our share price is dirt cheap. Hopefully this will not remain so for long.



ALTAI
RESOURCES INC.