

PACIFIC OIL COMPANY

A Junior Energy Company with Big Potential

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PACIFIC OIL COMPANY (OTC:PK - POIL - \$0.35)

Price Target: \$1.25

Rating: Speculative Buy

COMPANY SNAPSHOT

A Nevada based corporation, Pacific Oil Company is a dynamic junior energy company with assets and production within the energy rich province of Saskatchewan, Canada. The Company's strategy is to grow rapidly through low risk acquisitions, as well as through further development of existing properties. Pacific Oil's management believes that a balance must be struck between short term profitability and long term growth.

KEY STATISTICS

| | |
|-------------------------|----------------|
| Price as of 3/26/14 | \$0.35 |
| 52 Week High – Low | \$305 – \$0.30 |
| Est. Shares Outstanding | 60.1M |
| Market Capitalization | \$21M |
| 3 Mo Avg Vol | 101,000 |
| Exchange | OTC:PK |

COMPANY INFORMATION

Pacific Oil Company
9500 W. Flamingo Road,
Suite 205
Las Vegas NV 89147
www.Poil.us

Phone : 702.525.2024
Email: info@poil.us

INVESTMENT HIGHLIGHTS

Pacific Oil Company is well-positioned to capitalize on its ownership of potentially lucrative oil and gas interests in the energy rich province of Saskatchewan, Canada.

Pacific Oil is implementing a diverse and potentially lucrative business model. The Company has a 64% working interest in a 12 well heavy oil producing project and owns a 27 well natural gas project that sits on 9600 acres that could potentially produce light sweet crude oil as well.

Management is growing the Company through a combined organic and inorganic strategy. Leadership has already demonstrated its desire to grow swiftly through acquisition, as evidenced by the recent bid submission to acquire a total 67 oil wells on or adjacent to the Maidstone site and talks with a seller regarding the acquisition of 11 natural gas wells neighboring the Lacadena site.

The history of successful drilling programs on and adjacent to the Company's oil and gas interests bodes well for Pacific Oil.

Global demand for both oil and natural gas is on the rise, as evidenced by recent industry estimates and reports by energy giant BP (NYSE – BP). In response to this demand, E&P companies will be forced to produce at high levels going forward.

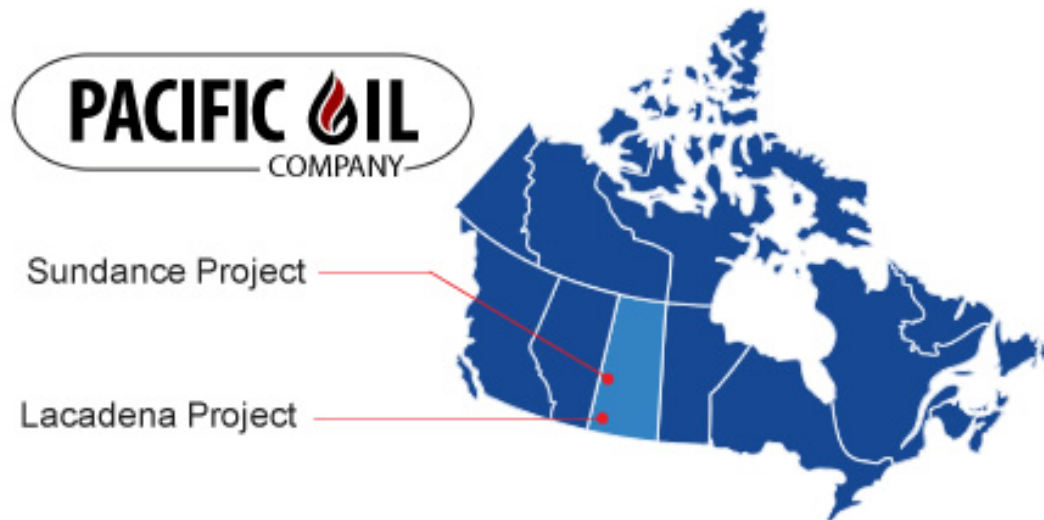
Pacific Oil's production and acquisition programs should serve as catalysts to drive the shares higher. Thus, investors have the opportunity to enjoy the hockey-stick type growth associated with junior oil and gas production stocks as milestone events are achieved. Therefore, we rate these shares Speculative Buy with a \$1.25 price target.

PACIFIC OIL COMPANY (OTCPK - POIL)

COMPANY OVERVIEW

Pacific Oil Company (OTCQB: POIL) is oil and gas exploration and production firm with properties in Canada. The firm was formerly known as Prairie West Oil & Gas, Ltd. and changed its name in October of 2013 and is based in Las Vegas, NV. Currently, the firm has two projects in the fossil fuel rich Western Canadian Sedimentary Basin in Saskatchewan, Canada. *Figure 1* is an image of the approximate location of the Sundance and Lacadena projects.

Figure 1: Pacific Oil – Sundance and Lacadena Projects Location



These two land assets are sitting in proven exploration areas and are currently producing, producible, or being updated to begin production in the near future. *Figure 2* is a summary of the two sites.

Figure 2: Site Summary for Pacific Oil

| Project Site | Location | Size (Acres) | Project Type | # Wells | Status |
|-----------------|-----------------------|--------------|--------------|---------|-------------|
| <i>Sundance</i> | <i>Maidstone, SK</i> | NA | Heavy Oil | 12 | Producing |
| <i>Lacadena</i> | <i>Shackelton, SK</i> | 9,600 | Natural Gas | 27 | Maintenance |

Pacific Oil is implementing an organic and inorganic growth strategy in order to maximize operations and record profitability quickly. Although the Lacadena project has the potential to be the primary source of organic growth in the future, it is currently shut in for maintenance, although management plans to reactivate 17 natural gas wells in the near term to take advantage of the spike in prices. Management has demonstrated its desire to grow swiftly through acquisition, as evidenced by the recent bid submission to acquire a total 67 oil wells on or adjacent to the Maidstone site and talks with a seller regarding the acquisition of 11 natural gas wells neighboring the Lacadena site.

PACIFIC OIL COMPANY (OTCPK - POIL)**The Sundance Project**

The Sundance Project is a producing heavy oil play located in Saskatchewan, Canada. It currently consists of eleven heavy oil wells, 12 revenue producing wells and one revenue generating waste water disposal well. In order to take advantage of economies of scale, Management is currently in the due diligence process for the proposed 64% working interest play. It should be noted that following a recent bid submission to acquire four wells on an adjacent property which would add an additional 35-40 barrels of production per day, the Company elected to submit a bid to acquire a total 67 oil wells on or adjacent to the Maidstone site.

The submitted bid is all inclusive and includes the four prospective wells mentioned above. The 67 wells are spread over 9 properties, all of which are in the Maidstone area of operation. During the due diligence process management realized that it could create significant leverage for the Company by engaging in the less complicated all inclusive transaction and decreasing the cost per producing barrel. Of the 67 wells only 6 are abandoned, 4 are shut in, 1 is a revenue-generating water disposal well and the remaining 56 are either producing or are producible.

It should be noted that heavy oil is a commodity that Pacific Oil has a preference for due to its lower overall risk and the built in opportunity / growth that come from advances in technology. Pacific Oil is committed to utilizing viable new technologies with the goal of maximizing production and profits. For example, an extensive nine well work over program for the Sundance Project has been formulated and the company is enthusiastically optimistic that the results of the undertaking will produce results that will favorably impact the company's bottom line.

The Lacadena Project

Consisting of 9600 acres of prime energy rich land within the prolific Western Canadian Sedimentary Basin, the Lacadena Project currently contains 27 natural gas wells. The entire project is being revamped via a spring overhaul with the goal of producing higher revenues through greater efficiency, lower operating costs and traditionally higher natural gas prices. Thus, wells required to be tied in to the system will be set up, wells with greater potential will be activated and wells that no longer perform to Pacific's standards will be abandoned to maximize operational efficiency and enhanced profitability later in the year. Plus, Pacific Oil will be further refining geological data with the goal of identifying multiple new drill locations.

It should be noted that although currently shut in for maintenance, management plans to reactivate 17 natural gas wells in the near term to take advantage of the spike in prices and management is in talks with a seller regarding the acquisition of 11 natural gas wells neighboring the Lacadena site. The potential of this total play is huge for Pacific Oil given the overall size of the project as well as the extremely positive geological data that has emerged. In addition to existing natural gas production, Pacific Oil strongly believes it can expand the project to produce light sweet crude through prudently staged capital expenditures.

The potential of substantial business exists in the natural gas arena due to favorable industry shifts toward the greater use of natural gas for electricity generation and heavy-duty truck fleets. Moreover, many Wall Street experts forecast much higher prices for natural gas in the coming quarters due to the demand outlined above as well as the fact that this commodity is a natural hedge against inflation.

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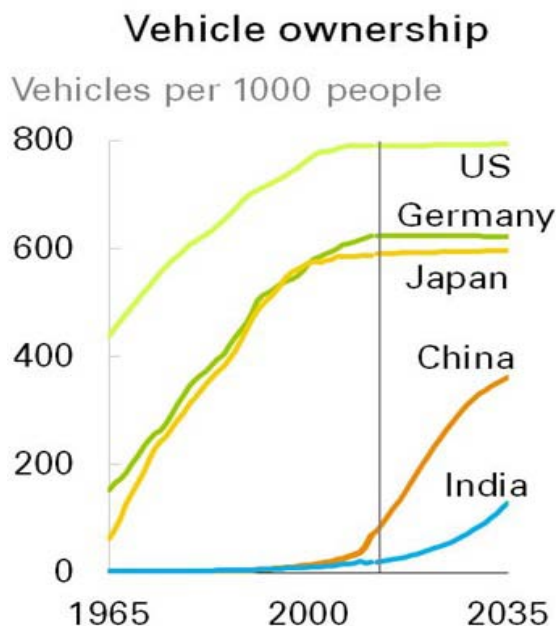
INDUSTRY OVERVIEW

The recent 'black gold' resurgence coupled with the advent of new methods to extract natural gas make it a great time for exploration companies like Pacific Oil. Despite daily price fluctuations and short-term economic indicators that may attempt to paint a picture of the downfall of oil and gas, the overriding long-term indication is that there is an increasing demand for oil and gas globally. Additionally, easy money policies by the U.S. will no doubt have a long term effect on the dollar to the downside, naturally driving oil and gas prices higher. The demand coupled with the price make the industry very attractive for investors.

Economic growth in developing nations like China and India has created new wealth and will drive increased demand for large ticket items like automobiles for several years to come. *Figure 3* below is a forecast from **BP (NYSE – BP)** which predicts exponential growth in consumer fuel driven vehicles over the next 20 years in India and China.

Figure 3: Fuel Driven Vehicle Ownership Forecast Through 2035

Source: BP Energy Outlook 2035, January 2014

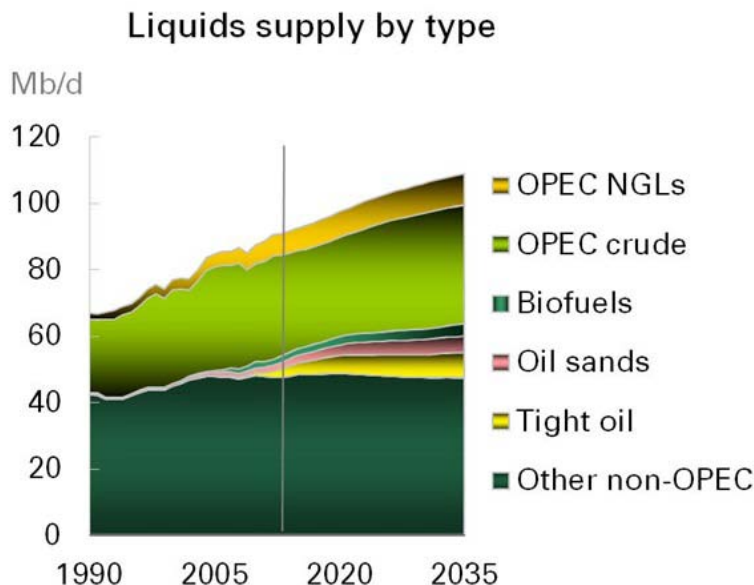


The continued demand for oil and gas in all nations plus the increased demand in developing nations will drive solid growth in the industry for the next 20 years. *Figure 4* is an illustration of the forecast in supply for liquid for energy consumption through 2035 in millions of barrels per day (Mb/d). It can be easily seen that a steady growth pattern will remain.

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Figure 4: Global Liquid Fuel Supply Forecast Thru 2035

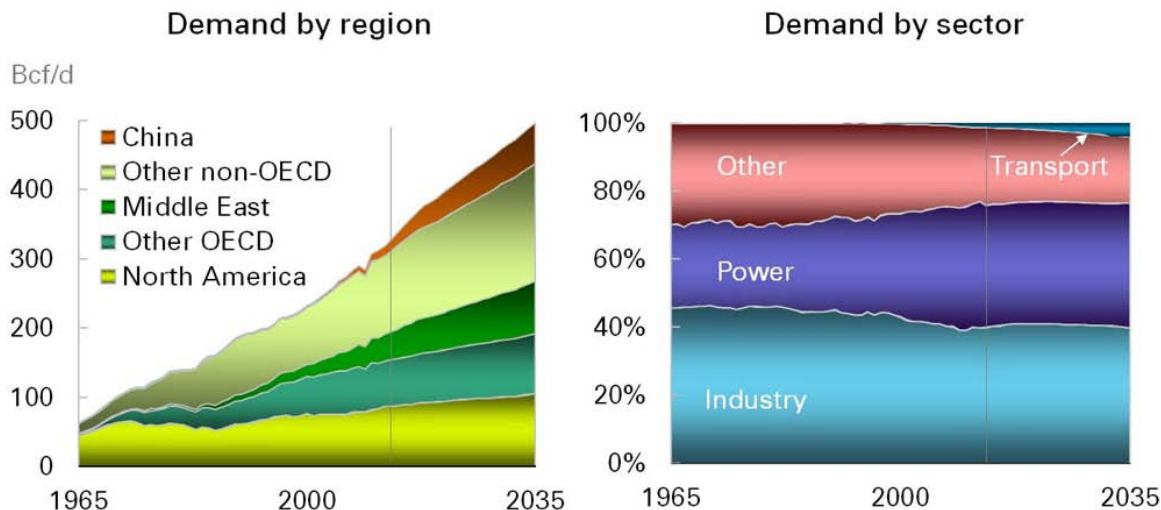
Source: BP Energy Outlook 2035, January 2014



Additionally, the need for “energy independence” in the U.S. has sparked renewed vigor in the industry as firms and OEM look for other sources of energy and fuel. The natural gas boom has invigorated a multitude of local economies and added billions to top line growth for exploration companies. The continued expansion of uses will only drive demand higher in the future. *Figure 5* is a graphical depiction of the outlook for natural gas demand in terms of global region and by use through 2035 in billions of cubic feet per day (Bcf/d).

Figure 5: Global Forecast for Natural Gas Demand by Region and Sector Thru 2035

Source: BP Energy Outlook 2035, January 2014



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Clearly Pacific Oil is in the right place at the right time, and the firm's existing assets and growth strategies should create a great combination for return to investors.

THE PACIFIC OIL EXECUTIVE TEAM**Anthony Sarvucci – President, Chief Executive Officer**

Mr. Sarvucci brings over 25 years of experience in investment banking and in the energy sector in a variety of development and leadership roles. He has also served as the CEO of a public energy service company and as an energy consultant. The multitude of contacts that he has made globally over the years in these industries will serve him well as the leader of Pacific Oil.

Edward Loven, BBA – Operations Manager, Vice President

Mr. Loven has over 30 years of experience in the energy industry and has developed world-class expertise in seismic equipment and technology as it relates to oil and gas exploration. His roles have included full partnership at The Sandex Group, where he began his career in 1985. There he was responsible for structuring, negotiating and completion of large seismic purchase transactions and oil and gas exploration successes throughout the Western Canadian Basin and Territories.

Stephen Muzzeroll – Supervisor, Field and Technical HSE

Mr. Muzzeroll is an energy administration and safety specialist and brings in over 15 years of senior leadership to his role at Pacific Oil in the areas of corporate responsibility, social responsibility, acquisitions and divestitures. He has worked for Petro-Canada, Nexen, Occidental Petroleum, E&P Total and most recently Talisman Energy. Mr. Muzzeroll graduated from San Francisco Technical University with a Bachelor of Science degree in Occupational Health and Safety.

RISK FACTORS

Much like other development and exploration oil companies, the biggest risks to Pacific Oil's success are dry oil and/or natural gas wells. However, given the production history of these wells for both projects this risk is viewed as minimal since the long list of successful drilling programs actually increases the likelihood of drilling success. Other risks such as losing its large 67 well bid, or having difficulty in obtaining access to capital in order to engage in a meaningful drilling and production program are typical of companies of Pacific Oil's size and as noted above, we believe the success of the region and the leadership team's track record likely mitigates this potential risk.

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CONCLUSION

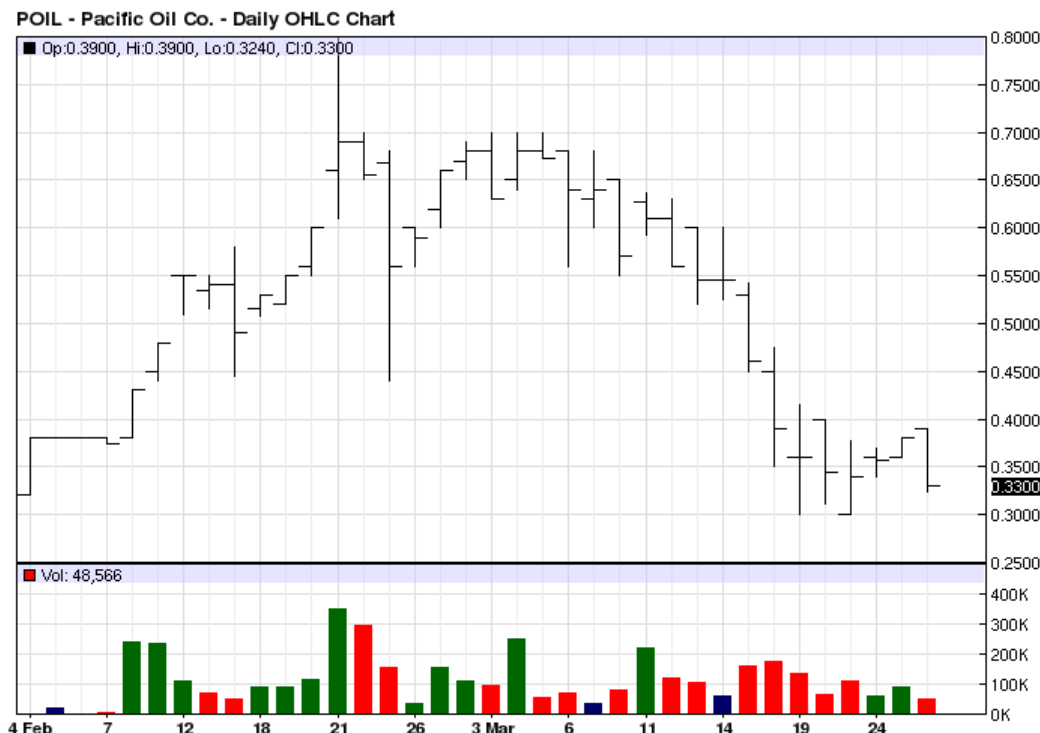
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In order to take advantage of the strong global energy demand, management is growing the Company through a combined organic and inorganic strategy. Leadership has already demonstrated its desire to grow swiftly through acquisition, as evidenced by the recent bid submission to acquire a total 67 oil wells on or adjacent to the Maidstone site and talks with a seller regarding the acquisition of 11 natural gas wells neighboring the Lacadena site.

Going forward, Pacific Oil's production and acquisition programs should serve as catalysts to drive the shares higher. Thus, investors have the opportunity to enjoy the hockey-stick type growth associated with junior oil and gas production stocks as milestone events are achieved. Therefore, we rate these shares Speculative Buy with a \$1.25 price target.

Recent Trading Activity for POIL

Source: www.BarChart.com





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Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

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