



**PROPELL**  
TECHNOLOGIES GROUP INC

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# Unlocking America's Petroleum

***OTCQB:PROP***  
***October 2014***

# Forward Looking Statements



Some statements contained in this presentation are “forward looking statements”. All statements other than statements of historical facts included in this report, including without limitation, statements regarding planned capital expenditures, the availability of capital resources to fund capital expenditures, estimates of proved reserves, our financial position, business strategy and other plans and objectives for future operations, are forward looking statements. You can identify the use of forward looking statements by the use of forward looking terminology like “may,” “will,” “expect,” “intend,” “forecast,” “anticipate,” “estimate,” “continue,” “present value,” “future,” or “reserves,” or other variations of comparable terminology.

We believe the assumptions and expectations reflected in these forward looking statements are reasonable. However, we can’t give any assurance that our expectations will prove to be correct or that we will be able to take any actions that are presently planned. All of these statements involve assumptions of future events and risks and uncertainties. Risks and uncertainties associated with forward looking statements include, but are not limited to: fluctuations in prices of oil and gas; future capital requirements and availability of financing; risks associated with the drilling or treating of wells; competition; general economic conditions; governmental regulation; potential defaults in the payment of amounts owed to us by purchasers of our treatment and initial treatment results may not be indicative of future results and other factors described in our Annual Report on Form 10-K for year ended December 31, 2013 and any other filings we make with the SEC. For these and other reasons, actual results may differ materially from those projected or implied. We caution you against undue reliance on forward looking statements or projecting any future results based on such statements.

# Executive Summary



- **Propell Technologies Group, Inc.**
  - OTCQB:PROP
  - Houston, TX
- **Exclusive U.S. license**
  - Plasma Pulse Technology for enhanced oil recovery

## Key Statistics

Ticker symbol	PROP
Share Price (a/o 10/14/14)	\$0.21
52 Week Hi/Lo	\$1.12/\$0.14
Common shares outstanding (a/o 9/15/14)	240,775,163
Float (as of 3/18/14 – otcmarkets.com)	38,875,000
Market Cap (as of 10/14/14)	\$50,562,784
Avg. Daily Volume (3 mo.)	124,503
Fiscal Year	December 31

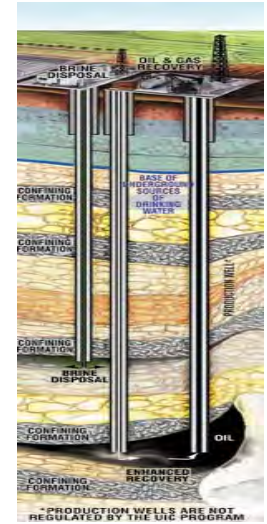


# What is Enhanced Oil Recovery (EOR)



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- **EOR techniques are used to increase oil flow and extend the life of oil fields**
  - Water flooding, thermal, CO2 or chemical injections
- **We are the Exclusive Licensee of a Proprietary EOR Technology using Plasma**
- **Winner, Chairman's Innovation Award, Honorable Mention, 2013 Total Energy USA Conference**
  - *For excellence in meeting current and future energy demand*



- **Plasma Pulse Technology owned by Novas Energy Group Ltd**



- Over \$10 million invested developing technology
- Received \$1MM financial grant from the Skolkovo Foundation
  - Allied with Microsoft, General Electric, Intel, Nokia, & Siemens
- 9 Patents issued in Russia
- Treated over 200 wells

- **Provisional U.S. Patent Application No. 61/684,988**
  - Process and Apparatus For The Production Enhancement of Hydrocarbon Deposits Using Metallic Plasma-Generated, Directed, Nonlinear, Wide-Band and Elastic Oscillations at Resonance Frequencies
  - Filed August 20, 2012 by Novas Energy Group Limited
- **Exclusive license signed January 30, 2013**
  - United States & Mexico
  - Licensed to engage in the commercial application of a proprietary Plasma-Pulse Technology
  - Exclusive, perpetual royalty bearing license agreement with Novas Energy Group Limited



# Plasma Pulse Technology

- 9 feet - 200 pounds -



← Connection to wire line



Surface Controller

Plasma Pulse  
Streamer discharges  
plasma at the  
perforation zone

←



Tool is lowered down to a well's perforation zone via a wireline truck

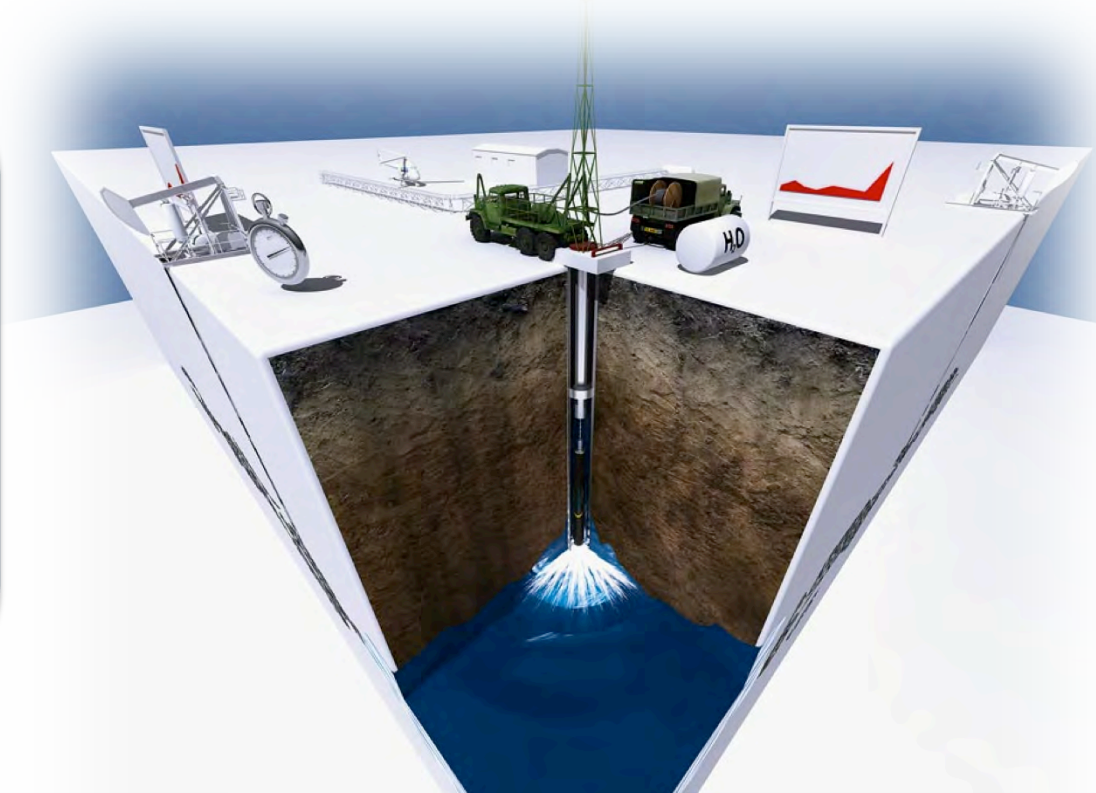
Energy Produced = 1.5 KJ

Voltage - 220 V / 50 Hz

Input Power = 500 watts

# Plasma Pulse in Action

“Controlled” plasma arc generates hydraulic impulse wave that opens the perforation zone, clearing any clogged sedimentation (scale, fines, sand, drilling mud...)



Repeat impulse waves/vibrations penetrate deep into reservoir causing nano fractures in matrix and increase permeability

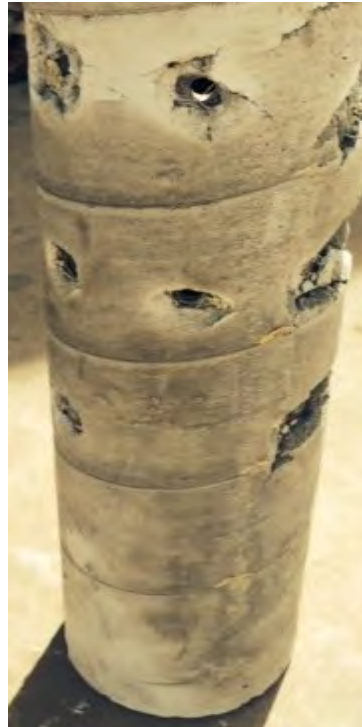
Expected result: production increase sustained for up to one year



*Simulated blocked perforated casing Target Before Pulsing*



*Target Post Pulsing*



Unsupported cement is not debonded off test target during plasma pulsing.

The perforations become unplugged and open to allow fluid entry post pulsing.

Repeated Plasma Pulse energy passes through entrance holes and disaggregates blockages (scale etc) that are inhibiting flow. Steel reflects and attenuates the hydraulic impulse (low energy & high frequency) therefore cement directly behind casing is undamaged.

- **Russian Results of Plasma Pulse**

- Proven in over 200 wells in Russia , China, Eastern Europe
- Initial Results: 87% Success Rate - 100% Increase

Clients Include:



- **U.S. Results**

- Completed 37 well treatments in California, Kansas, Louisiana, Oklahoma, Texas, Tennessee & Wyoming
- 27 Wells showed a 295% Average Initial Increase
  - Sustained Results: Increase of 88% BOPD for 60 Days
- Clients Include: Richfield Oil & Gas, Bear Petroleum, Austex, Miller Energy,

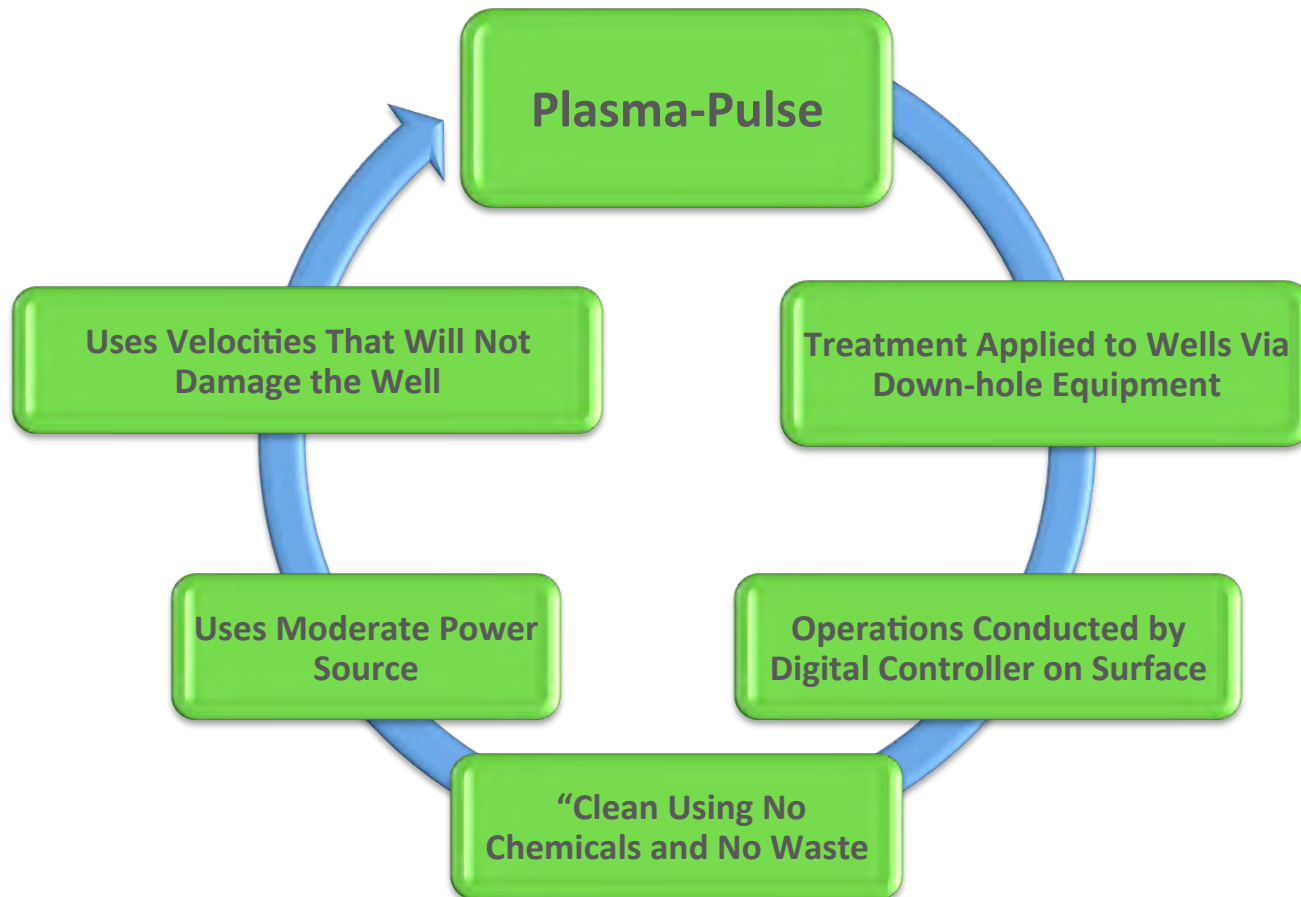
## Plasma Pulse Benefits

- **Fast**
  - Treatment usually done in a matter of hours
  - Well goes back into production immediately
- **Safe**
  - 100's of wells treated with no damage or incidents
- **Clean**
  - No chemicals
  - No water
- **Cost effective**
  - Uses a wireline truck



## Competition

- **High cost alternatives**
  - Water & chemicals lead to environmental concerns
- **Hydraulic Fracturing**
  - High pressure water, sand & chemicals, expensive
- **Acidizing**
  - Chemicals, very short term effect
- **Hydro Slotting**
  - High pressure water, expensive
- **Hydro Pulse**
  - Tool remains in the well
- **Chemical Strategies**
  - Temperature sensitive
- **Microbial**
  - Well goes off-line for weeks



**California's new law (SB-4) forces drillers to obtain permits for fracking and acidizing wells**

# Next Generation Horizontal Tool

Our technology could be the game changer the industry is looking for

Currently no effective EOR technologies exist

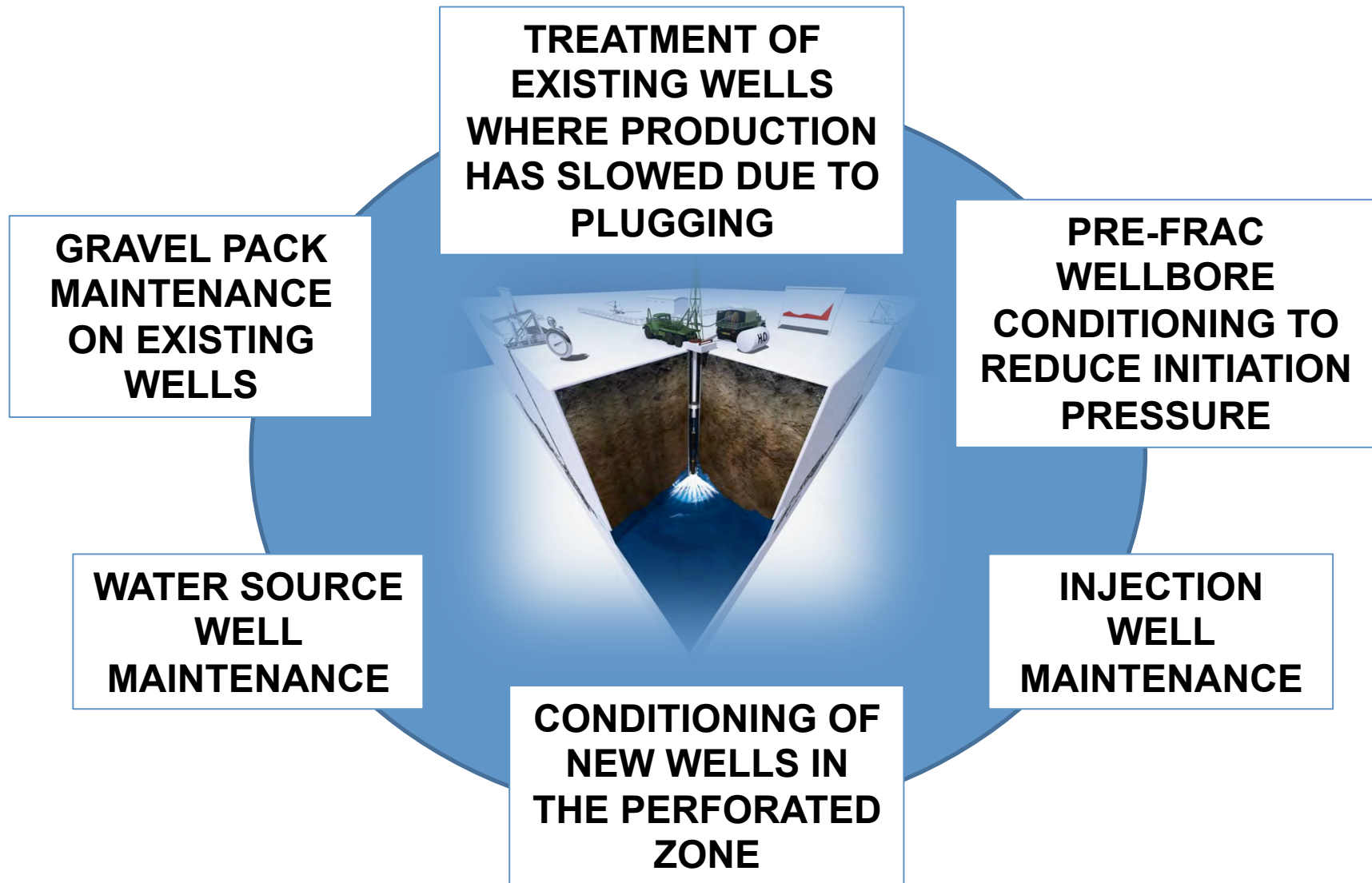


Low cost  
Vs  
Re - Fracking

Acid treatments on horizontal wells is very ineffective

May eliminate millions of gallons of water needed for horizontal refrack

# PRIMARY APPLICATIONS



## ***28.7% Annual EOR Industry Growth\****

- **Vertical Stripper Wells**

- 394,202 marginal or stripper wells (less than 10 BOPD)

- Produced 275MM barrels of oil in 2009 (20% of U.S. production)

- *Source: Interstate Oil & Gas Compact Commission's (IOGCC) 2009 production report*

- **Injection Wells**

- Over 144,000 injection wells in the U.S.

- Enhanced recovery wells (water floods) account for 80%
- Texas - 52,016, Kansas - 16,658, Oklahoma -10,629 Injector Wells

- » Source: EPA

- **Other Opportunities**

- Pre-Frac – reduce breakdown pressure
- Improve effectiveness of chemical treatments
- SAG D Wells (Steam Assisted Gravity Drainage)
- Near wellbore damage from construction, i.e. drilling muds, fluid invasion

- **45,000 new wells drilled every year**

\*Source: Infiniti Research Global EOR Market CAGR 2013-2018

- **Fee Based Model**
  - Operated by Propell
  - High margin
- **License Tools to Oil Service Providers**
  - License equipment to oil servicers and wire-line operators
  - Fixed fee per use or % of fee charged
- **Joint Venture Model**
  - Partner with well owners & operators
  - Propell pays for the service
  - Receive 49% of the increase in production after royalties and operating expenses
- **Additional upside capture through asset purchases**
  - De-risk the field by treating wells
  - Acquire leases and wells with proven turnaround potential
  - Keep 100% of the increase in production after expenses



- **John Huemoeller II – Chairman, CEO**
  - Hands on with technology for last 18 months
  - 30 years banking and M&A experience; Smith Barney, Prudential, Drexel Burnham, Paine Webber
  - Consultant to independent E&Ps
  - Former Chairman, CEO, HumWare Media; Co--author U.S. Patent #5,855,005
- **Trent Hunter – COO - Engineering**
  - 20+ years of oil field experience
  - 10 year wire line experience at Schlumberger
  - Applied Mechanical Engineer
  - President of Hunter Energy, Director of Canadian Junior Public Company (Pacific Pardym Energy)
- **John Zotos - Secretary, Director**
  - 27 years Houston commercial, residential real estate development experience
  - Field experience as roughneck for C&J Drilling and lab operations in Yates Field with Rotary Lab
  - Education as Geologist at SMU
  - Managing Director– Brazen Oil

- **Dan Steffens – Independent Director**
  - Founder, Energy Prospectus Group, tracking 80 public oil and gas companies
  - Former controller, Hess Oil (NYSE; HES), E & P Division, Houston
  - Former CFO, Oklahoma Petroleum Management, Tulsa, OK
  - CPA, Tulsa University degree in Accounting, Masters in Taxation
- **Jim Fuller – Independent Director**
  - 30 years financial services and regulatory experience
  - Ronald Reagan appointee to Securities Investor Protection Corporation (SIPC) board; 1981-87
  - Senior VP, New York Stock Exchange, 1976 -1981; corporate development, marketing, listing regulation oversight, research and public affairs.
- **Mark Kalow – Independent Director**
  - Managing Director, Soquel Group, intellectual property and business development consulting
  - Board member, LSF Network, Reischling Press, Pure Depth and Andalay Solar
  - Former Managing Director , Venture Capital Division of Trans Cosmos USA
  - BS from MIT; MBA from University of Chicago; Directors College, Stanford Law

# Major Milestones



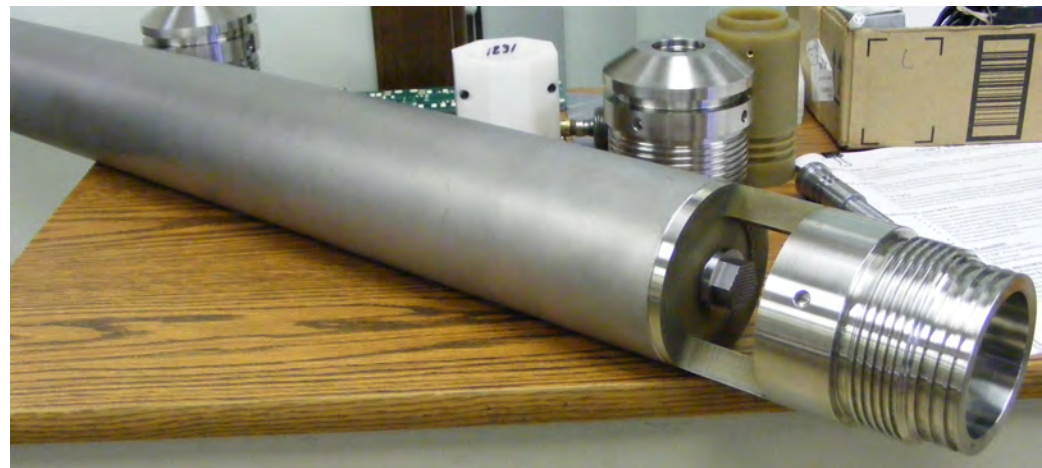
*Innovative technology and services company whose aim is to radically improve oil production by introducing modern and innovative technologies*

<b>Jan 2013</b>	Entered into an exclusive, license agreement with Novas Energy Group Limited
<b>Feb 2013</b>	Unveiled Plasma Pulse at NAPE
<b>April 2013</b>	First Mississippi Lime treatment showed an increase from 6 BOPD to 18 BOPD
<b>June 2013</b>	100-300% production increases in Red Fork Sandstone treatments
<b>July 2013</b>	Over 100% production increase in other Kansas - Mississippi Lime treatments
<b>August 2013</b>	Signed agreement to treat up to 10 wells in Creek County, Oklahoma
<b>October 2013</b>	400% sustained production increase after 6 months in treated OK wells
<b>October 2013</b>	1,900% initial production increase from Kansas Arbuckle well treatment
<b>November 2013</b>	Treated 9 wells in 10 days in the Permian Basin, TX
<b>1<sup>st</sup> Qt 2014</b>	Cleaned up our balance sheet eliminating most debt
<b>Oct 2014</b>	Treated wells in 7 states – CA, KS, LA, OK, WY, TN, TX
<b>Oct 2014</b>	New U.S. Made tool has treated 3 wells in U.S.

- **Technology development**
  - Delivery of reengineered U.S. made tools
  - Treat wells with new tools
  - Begin development of slim horizontal tooling
- **Service revenue growth**
  - Broaden sales and treatment opportunities
  - Sign major operators
  - Participation through JV's are expected to continue to grow
  - Strategic relationships with mid sized services companies
- **Optimize capital structure**
  - Position for growth
  - Strategic investment with maximum efficiency is our objective.
- **Position the Company as a potential future acquisition candidate**
  - Requires field data and results

# Made in the U.S.A.

- **Assembled in Knoxville, TN**
  - Successfully treated first 3 wells
- **3.5" diameter**
  - Access to almost every vertical well in U.S.
- **Single wireline conductor**
  - 80% of wireline trucks – cost is less
- **Single Man U.S. Crew**
  - Improves operations
  - No language barriers
- **Additional Safety Features**



- ✓ **Plasma Pulse Technology is proven to increase oil production**
  - High margin with rapid implementation
- ✓ **Environmentally friendly vs. competing EOR techniques**
- ✓ **Enormous U.S. market opportunity**
  - Rapidly growing \$2B addressable market
- ✓ **Recurring revenue model**
  - High equipment utilization leads to strong positive cash flow
- ✓ **Market starting to take notice**

***Winner of Technology Innovation Award – For excellence in meeting current and future energy demand***

# Contact



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# Appendix

## Well Results





# US Well Results



Average from 27 oil wells shows a 295% increase in initial production after treatment

Oil Well	Before BOPD	After BOPD	Initial Increase % & Notes
Shreveport, LA -Limestone	1	2	<b>100% - production held for 5-6 months</b>
Shreveport, LA - Limestone	½	1	<b>100% - production held for 5-6 months</b>
Kay, CO OK, Sandstone	¼	½	<b>100% - production held for 3 months well problems</b>
Kay Co, OK, Limestone	5-6	12.75	<b>155% - increased to 18 for few months now 10-12</b>
Creek, CO, OK, Sandstone	1 ½	5.5	<b>266% - production has held steady for 10 months</b>
Creek, CO, OK, Sandstone	1 ½	5.5	<b>266% - production has held steady for 10 months</b>
Creek, CO, OK, Sandstone	1 ½	3.5	<b>133% - held for 3 months – pump problem – well off</b>
Haysville, KS, Limestone	2.43	4.8	<b>100% - production held for 6 months</b>
Haysville, KS, Limestone	¾	1.7	<b>107% - production held for 6 months</b>
Kay CO, OK, Limestone	19	19	<b>0% - only 1 perforation every 2 feet</b>

# US Well Results Cont'd



Oil Well	Before BOPD	After BOPD	Initial Increase % & Notes
Creek, CO, OK, Sandstone	0	57	<i>5700% - dropped to 15 in a month - plugged up</i>
Kay CO, OK - Sandstone	3/4	1.6	<i>122% - production held for 3- 4 months</i>
Casper, WY, Sandstone	5	22	<i>340% - production fell 2 days later – paraffin clog</i>
Casper, WY, Sandstone	1	8	<i>700% - production fell - well problems - on &amp; off –</i>
Creek, CO, OK, Sandstone	0	44	<i>4400% - dropped to 10 in a month - plugged up</i>
Safford, CO, KS - Limestone	2	40	<i>1900% - dropped to 12 in month– needs bigger pump</i>
Kay CO, OK - Sandstone	3/4	3/4	<i>0% - could not finish well full of sand - garbage</i>
Haysville, KS, Limestone	¾	1.7	<i>107% - only treated 1 foot - dropped to .78 next day</i>

# US Well Results cont'd



Oil Well	Before BOPD	After BOPD	Initial Increase % & Notes
Creek, CO, OK, Sandstone	1	20	<i>1900% - production sporadic – took month to put on</i>
Shackelford, TX, Sandstone	1.5	1.5	<i>0% - weather problems – looked good initially</i>
Shackelford, TX, Sandstone	1.5	1.5	<i>0% - weather problems – looked good initially</i>
Scurry, CO, TX, Sandstone	1.5	1.5	<i>0% - no bottom hole pressure</i>
Scurry, CO, TX, Sandstone	1 ½	1.5	<i>0%- no bottom hole pressure</i>
Scurry, CO, TX, Sandstone	1 ½	1.5	<i>0% - no bottom hole pressure</i>
Scurry, CO, TX, Sandstone	1 ½	1.5	<i>0% - no bottom hole pressure</i>
Scurry, CO, TX, Sandstone	Injector		<i>Increased amount of fluid</i>
Taylor CO, TX limestone	12	12	<i>New well test with frack, no improvement</i>
Kay CO, OK, Limestone	5	5	<i>New well test without frack – no improvement</i>

Average from 27 wells shows a 88% increase in production after 60 days

# Russia Injector Well Results



*Average from 36 injector wells that we have data on shows a 545% increase in the amount of fluid that was injected after treatment*

<b>Oil Field</b>	<b>Bbls/Day Before</b>	<b>Bbls/Day After</b>	<b>Increase</b>	<b>% Increase</b>
<b>Lomovoe</b>	<b>119</b>	<b>728</b>	<b>609</b>	<b>511</b>
<b>Poludennoe</b>	<b>314</b>	<b>942</b>	<b>628</b>	<b>200</b>
<b>Sutorminskoe</b>	<b>157</b>	<b>1080</b>	<b>923</b>	<b>588</b>
<b>Sutorminskoe</b>	<b>63</b>	<b>345</b>	<b>282</b>	<b>450</b>
<b>Tajlakovskoe</b>	<b>31</b>	<b>376</b>	<b>345</b>	<b>1100</b>
<b>Arlanskoe</b>	<b>31</b>	<b>138</b>	<b>107</b>	<b>340</b>
<b>Turchaninovskoe</b>	<b>125</b>	<b>546</b>	<b>421</b>	<b>335</b>
<b>Muravlenkovskoe</b>	<b>1727</b>	<b>4396</b>	<b>2669</b>	<b>155</b>

Treatment knocks sedimentation away from wellbore perforation zone, opens reservoir so more fluid can be injected which results in increased oil production or lower injection pressure