



# OSCEOLA

HYDROCARBONS LIMITED

Osceola Hydrocarbons Limited  
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20 April 2010

Dear Shareholder,

Please find enclosed two sets of consolidated audited accounts to IFRS Standard for the year ended 30 June 2008 and 30 June 2009 in respect of Osceola Hydrocarbons Limited (“Osceola” or “the Company”).

The audited accounts for the year ended 30 June 2008 have been re-submitted to Companies House as they were previously unaudited and were compiled to Small Company Standards.

Total assets for the years 2008 and 2009 have grown from US\$10,406,295 to US\$23,916,936 respectively, indicating the rapid growth of the Company in a comparatively short timeframe.

Under the Companies Act of 2006, as a Limited company, Osceola is not obliged to hold a General Meeting. Prior to our planned flotation, however, we will need to address various amendments to the current Articles of Association to those of a Public Limited Company (PLC) and also change the status of the Company to a PLC.

The Board of Directors propose that a shareholders meeting, followed by a buffet lunch be held in London later in 2010 encompassing the execution of the corporate matters outlined above and a project presentation. A meeting will be held in Dublin the next day.

It remains the intention to list the Company on a recognised stock market during 2010. At present the market of choice would be AIM. The possibility of an industry merger is not out of the question, however. Our current Limited company status allows flexibility.

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The directors of Osceola are still of the opinion that the strategy should remain firmly with a view to production and development projects delivering cash flow rather than expend funds on pure exploration which holds inherent risk.

The Company's project portfolio will be subjected to review in preparation for the proposed listing over the next few months and only those projects with current development potential will be pursued.

Over the last nine months a successful drilling campaign was conducted at Centurion, covering approximately 13,500 acres, located in Sumner County, Kansas. Osceola holds a 50% interest in this project, now classified as a production and development entity. Four wells are in production and a salt water disposal well is active, lowering our water hauling costs considerably.

Production is approximately 50 barrels a day gross and product is being sold to Plains Marketing Limited a nationwide oil distribution company. The revenue from product sold will be seen on our bottom line in the 2010 accounts and should generate around US\$400,000 in maiden production revenues.

A 3-D seismic survey is planned at Centurion and ten locations await drilling. The reservoir is Mississippian and a trend eight miles long has been identified containing potential for hundreds of drilling locations. Wells cost are approximately US\$125,000 net to Osceola.

The directors are of the opinion that the recent development programme at Centurion has added exceptional value to the project which is expected to be confirmed by a Competent Persons Report prior to our float.

The Marcellus shale continues to attract hefty prices from observing recent transactions concerning same. Osceola holds an interest in some 6,000 acres.

Our royalty package continues to generate a modest income as does our directly owned land at Centurion where rental income is received.

The 17% holding in PLUS quoted Wessex Exploration plc is now valued in excess of US\$3,000,000 and the drilling decision offshore Guyane by Tullow, Total and Shell, if positive should have a dramatic effect.

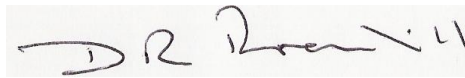
There is still work to be completed before Osceola is in a position to obtain a listing. I emphasise that it is intended that every project within the Company at the time of flotation is either in production or has the ability to create cash flow within a short time frame.

Other opportunities, especially in the royalty sector within the US are also being reviewed.

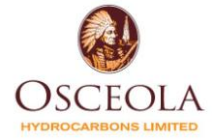
On a final note I would encourage shareholders should they have any concerns or questions in respect of Osceola to contact me at any time.

Your company is well poised for the future.

Yours sincerely,



David Bramhill  
Managing Director



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