



## FIRST QUARTER 2012

Report to unit holders for the period ended March 30, 2012

### N.A Energy Resources Corp Declares Distribution on its Kentucky Petroleum Limited Partnership Fund

#### "For Immediate Release"

**April 30, 2012** – a company focused on investments in North American Oil & Gas production based properties, announced its first quarter distributions in 2012 to unit holders.

#### Key Highlights

- The partnership successfully closed over 260 units within the quarter pushing the fund to be closer to finalize on the property payments.
- Management was able to capture tax benefits for the unit holders in 2011, and flow these savings to its Limited Partners.
- Extreme Freezing temperatures early January in Laurel County, Kentucky, forced management to shut down compressor station and the field in order to protect the assets. This caused temporary interruption in production during this month
- Tornadoes hit close to operations in March; however in preparation for the Tornadoes, significant precautions were taken to protect assets. No damages to infrastructure, wells or sites were reported. However, the field was shut down to protect all assets of the fund; this caused temporary interruption in production during this month.
- Significant decrease in Natural Gas prices affected returns for this quarter as well.

The management on behalf of the General Partner has declared a cash distribution of **\$120.00 per unit or 2.40% return for the quarter** to each investor for the fourth quarter payout of this project; totalling **15.40% pre-tax benefit return** to investors and total of **21.00% post tax benefit** for the full year performance of the fund. Kentucky Petroleum Investment Corporation a subsidiary or KPO also declared a dividend payout to investors at 1.70% rate for the quarter. The distribution is payable on April 30, 2012, to unit holders.

#### Management Commentary

Mehran Ehsan, N.A Energy Resources Corp's CEO, said: "Although we had multiple weather related external interruption to our production for this quarter, we do anticipate production volumes to start increasing over the next two to three quarters without weather related disruptions. We will also by finalizing property payments, thus can turn our attention and capital raised to direct enhancement of the wells and properties in the fund. Our unit holders can expect to have tangible benefits from these actions over the next few quarters."

#### **About ERC**

ERC seeks to provide investors current income, as well as long-term capital appreciation potential, by participating in multiple asset valued characteristic properties within the oil and gas industry. ERC seeks to put forward 2-3 limited partnerships with strong set characteristics in various geographical locations for investors to participate.

#### **About Kentucky Petroleum Operating Ltd**

Kentucky Petroleum Operating Ltd. (KPO) is an incorporated entity under the management of N.A Energy Resources Corp. KPO sole responsibility is to be the general partner for the "Kentucky Petroleum Limited Partnership" and associated properties under the LP fund.ON  
BEHALF OF THE BOARD

"Mehran Ehsan" President & Director

**Disclaimer:** Except for historical information contained herein, the matters set forth above may be forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ from those in the forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to Energy Resources Corp. and Kentucky Petroleum Operating Ltd., the potential reserves, production and ability to establish wells on the Prospect, identify forward-looking statements. Such forward-looking statements are based on the current beliefs of management, as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors such as the nature of business negotiations, the operational details of oil and gas properties, the competitive environment within the industry, the ability of Energy Resources Corp. and Kentucky Petroleum Operating Ltd. to expand its operations, the level of costs incurred in these expansion efforts, economic conditions in the industry and Energy Resources Corp / Kentucky Petroleum's financial strength. Energy Resources Corp and Kentucky Petroleum Operating Ltd. do not undertake any obligation to update such forward-looking statements. Investors are also directed to consider all other risks and uncertainties.