

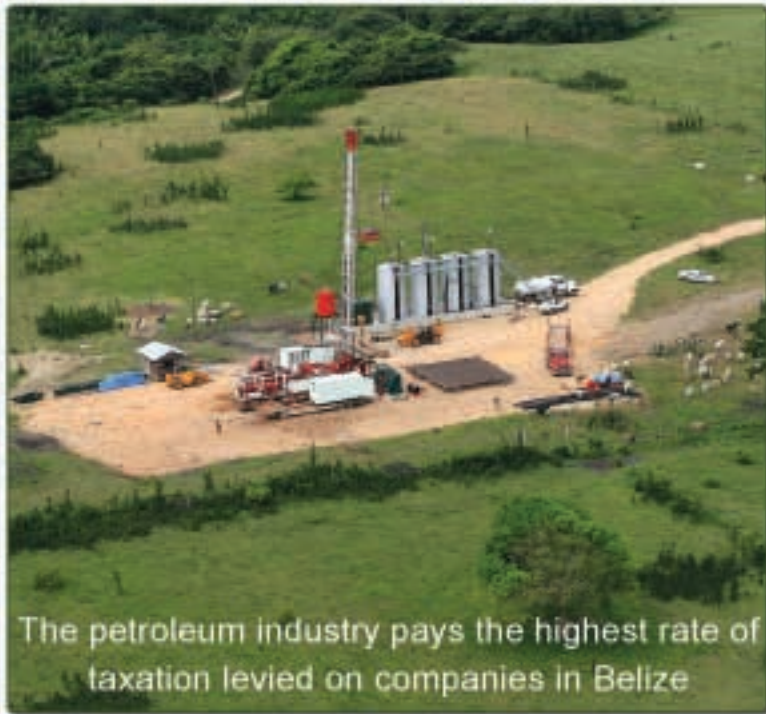
Crude Facts

GOVERNMENT'S TAKE

"Government's Take" refers to the Government of Belize's share of profits from petroleum operations

GOVERNMENT'S TAKE IS COMPRISED OF:

- ✓ Income Tax (Now at a tax rate of 40%)
- ✓ Royalties (7.5% of wellhead value)
- ✓ Trust Fund (Unique to BNE & at company's suggestion)
- ✓ Common Fund (Set aside for the environment)
- ✓ Administrative Fee
- ✓ Surface Rentals
- ✓ Participating Interest (Equity)
- ✓ Production Sharing



The petroleum industry pays the highest rate of taxation levied on companies in Belize

Belize Natural Energy's annual exploration expenditures are in the order of tens of millions of US Dollars. Oil exploration continues beyond the Spanish Lookout field despite the huge risk that no subsequent oil discovery will be made.

To date, BNE investors have NOT received any revenues through dividends or otherwise.

The Government's take from BNE operations for 2006 is calculated to be in excess of 53% of Net Income.

The Government's take for 2006 ranks in the "high to very high" range on the international benchmark for oil exploration in frontier countries like Belize.



It is important to remember that BNE takes significant risks to build an entirely new industry with all requisite infrastructure thus making it possible for the Belizean man and woman to get their share of this national resource.

OIL TAX LANGUAGE 101



Production Sharing: The share between BNE and the Government of Belize of the petroleum produced and stored after deduction of royalties and petroleum operations expenditures.

Participating Interest: A 10% interest owned by the Government of Belize in the petroleum operations of BNE pursuant to the Production Sharing Agreement (PSA) entered into on January 2nd 2003.

Trust Fund: Unique to BNE, the Trust is a percentage of revenue specially designated for education and the environment. Co-managed by Belize Natural Energy Ltd. and the Government of Belize, the Trust was established upon BNE's recommendation.