Introduction
Mission/Vision..............................................2
Message from the CEO..................................3
Message from the CFO.................................4
What is Oil Shale..........................................6
History of Oil Shale.......................................8

Oil Shale Statistics
Global Oil Shale..........................................10
US Oil Shale.............................................12
Utah & the Uinta Basin.................................14

Corporate Overview
2012 in Review............................................16
Company History & Timeline........................18
2013 & Beyond..........................................21

Red Leaf Holdings
Seep Ridge.................................................22
Holliday Block............................................26
Wyoming Holdings.....................................28
Business Development................................30

Data & Financials
Financial Overview....................................32
Consolidated Financials..............................33

Corporate Information & Sources
Directors & Management.............................36
Information & Sources.................................37
MISSION

Our mission is to maximize shareholder value by proving the commercial efficacy of the Red Leaf EcoShale™ Technology, addressing historical environmental challenges for oil shale production, developing the Red Leaf oil shale resources in Utah and Wyoming, and deploying the new technology around the world.

VISION

To be the technology of choice for the world’s most accessible oil shale reserves with the smallest environmental impact of any competing oil shale extraction process pursuant to creating lower-cost energy, jobs in local markets, revenues for the operating region and becoming a model for licensing and construction worldwide.
Message from the CEO

It is a pleasure to deliver my inaugural message to our shareholders as the new CEO of Red Leaf Resources. I would like to share my reasons for coming and my mission for Red Leaf in the immediate future.

First, let me tell you why I came to Red Leaf. Our opportunity is huge, boasting a potential target of over two trillion barrels of recoverable oil shale reserves in the United States, mainly in the Green River Formation of Utah, Wyoming, and Colorado. Red Leaf has an experienced oil shale team and a high-energy, dedicated staff. Proof of commercial efficacy of our EcoShale™ Technology is currently underway. Funding commitments enable us to focus our efforts on executing a successful Early Production System (EPS) project. With a technology that has lower capital costs, lower operating costs, and a reduced environmental footprint compared with competing alternatives, Red Leaf has the potential to quickly make a significant impact on the oil industry in the United States, and around the world. These reasons, combined with the chance to live and work in the business friendly state of Utah and the beautiful city of Salt Lake, made my decision to join Red Leaf an easy one.

My mission and my charge from the Board is to maximize our shareholders’ value. We are making strategic additions to the Red Leaf team and concentrating our efforts on a safe, timely, and cost-effective EPS project. We are well on our way. New staff is arriving weekly and we have negotiated key engineering and construction contracts for the EPS. Worley Parsons Inc. has become an important part of our project team and we are excited to have resources from this world class multi-national team. These important steps position us to achieve our short-term objectives.

I have enjoyed getting to know our shareholders and stakeholders as we have managed our challenges throughout 2013. Thank you for the opportunity to be part of an exciting Red Leaf future!

M. Adolph Lechtenberger

CEO
Message from the CFO

It is a busy and exciting time at Red Leaf. Having been here from the beginning, I have had the pleasure of witnessing our collective successes over the years: from acquiring our initial acreage positions, inventing our fundamental technology and IP portfolio, advancing patent protection around the world, exhibiting our technology in a large field pilot, raising over $150 million in capital, to executing the joint venture with Total. The experience has been truly remarkable.

In addition to my responsibilities as CFO, I have also handled resource acquisition activities and Red Leaf’s interaction with existing and prospective licensees. As of the date of this letter, I have effectively transitioned into a full time business development role that will allow me to focus on this side of the business as well as continued involvement in corporate capitalization and investor relations. We have hired Ezra Hunt, in 2013, to replace me in the traditional CFO role.

I want to take this opportunity to thank all of our investors and stakeholders who have believed in our story and in our team and who have made the decision to participate in our success. Although we have accomplished much since starting Red Leaf in 2006, the commercial milestones we seek to accomplish over the next few years are what will make the oil industry take notice and give credit to Red Leaf’s investors and stakeholders.

I look forward to our future at Red Leaf in 2013 and beyond.

Matthew Greene  
CFO (Former)
Weathered oil shale outcrop located at the Seep Ridge Block
What is Oil Shale?

“If the oil shale of the Green River Formation were a few thousand feet deeper, it would be generating truly amazing amounts of oil as we speak. It is probably the richest petroleum source rock formation in the world. But the fact that nature didn’t do the cooking for us means that we have the opportunity to invent our own recipes, and companies like Red Leaf Resources are doing just that.”

— Dr. Jeremy Boak, PhD, Geology (Harvard)
Director, Center for Oil Shale Technology and Research (COSTAR), Colorado School of Mines

Oil Shale vs. Shale Oil

There is often confusion between the definition of oil shale and shale oil.

Over the last few years there have been significant increases in oil and gas development in North Dakota, Texas, Pennsylvania, and elsewhere, in what are commonly referred to as shale oil fields. In fact, these are natural gas and liquid oil deposits that are found in mature shale rock formations. Largely due to improvements in the use of horizontal drilling and multi-stage hydraulic fracturing technologies, developers are now able to emancipate deposits that were previously not accessible.

While these regions are extracting shale oil and shale gas from tight shale formations, they are not extracting oil from oil shale.

Oil Shale

By contrast, oil shale is a very fine-grained sedimentary rock containing kerogen, an organic material that has not reached thermal maturity. Kerogen is trapped in and among the oil shale layers until it is heated and released as both a liquid and vapor.

Since oil shale processing captures the kerogen or resource early in the process of organic breakdown and thermal maturity, heat is used to extract a usable liquid from the solid ore.

Oil shale deposits occur around the world, but the resource’s accessibility and the quantity of oil per tonne of rock varies dramatically. The deposits in Utah, Wyoming, and Colorado are widely considered to be the most accessible and richest in the world.

A. The thickest zone of the Mahogany layer, representing approximately 70 gallons of oil per ton of oil shale
B. Rich oil shale being converted to oil and gas by a flame
C. Oil shale core samples
D. Weathered oil shale in the Uinta Basin
History of Oil Shale

Early Years
Because it can be burned without processing, oil shale has been used as a fuel source since prehistoric times. As far back as the 10th century, there are written records of experiments to extract oil from shale rock. Apothecaries and physicians in Austria used oil from shale for medicinal purposes as early as 1350. The first known oil shale extraction patent was granted by the British Crown in 1684 to a group that had “found a way to extract and make great quantities of pitch, tarr, and oyle out of a sort of stone.”

The First Commercial Wave
Modern industrial extraction of oil shale liquids originated in France in 1838, and within a decade commercial extraction was found in Scotland, China, Estonia, New Zealand, South Africa, Spain, Sweden, and Switzerland. During the late 19th century, oil shale plants were built in Australia, Brazil, Canada, and the United States. Commercial production, in which large quantities of shale were mined and heated in specialized ovens called retorts, began in France in the 1830s. Following the French lead and improving upon their methods, Scottish energy entrepreneurs initiated an oil shale industry around Edinburgh in 1850 that successfully operated into the 1960s. During the late 19th century, commercial production of oil shale was found throughout Europe, Estonia, New Zealand, South Africa, Brazil, Australia, and North America.

The first North American processing facility for oil shale was opened in Alberta, Canada in 1815. While this first facility was small, by the eve of the U.S. Civil War, more than 50 companies in Canada and the United States were retorting shale to distill oil from rocks (albeit none very successfully); most of this oil was used to produce kerosene.

Oil Shale in Early Utah
Ute Indians spoke of “the rock that burns”. This indicates that they recognized oil shale’s unique properties. According to Utah’s State Historical Preservation Office, early pioneer settlers in eastern Utah accidentally discovered oil shale after chimneys constructed with the sedimentary rock caught fire and burned the first few cabins built by the pioneers.
Mormon settlers founded the first known oil shale operation in the Rocky Mountains, perhaps as early as 1855, building a retort in a ravine near the small, present-day town of Levan, Utah, about 100 miles south of Salt Lake City.

20th Century Activities
Liquid crude oil discoveries in the U.S. in the late 19th century and in the Middle East in the mid-20th century brought most oil shale industries to a halt. Vast, easily accessible crude oil drove prices down to the point that most oil shale development became uneconomic.

Still, in 1944 the U.S. recommenced oil shale extraction as part of its Synthetic Liquid Fuels Program. This program and its related industries continued until 1986 when drastically declining oils prices forced its abolishment. Because of the dramatic drop in oil prices, in May of 1982 Exxon shuttered the billion dollar Colony Oil Shale Project, which had produced 270,000 barrels of oil. The last oil shale retort in the U.S., operated by Unocal Corporation, closed in 1991.

Modern Oil Shale Industries
In recent years oil shale extraction has continued in Estonia, Brazil, and China, both for power (by burning the ore like coal) and for liquid production. In 2008, these countries produced about 930,000 metric tonnes of oil from shale (17,700 barrels per day).

The U.S. Synthetic Liquid Fuels Program was restarted in 2003, followed by a commercial leasing program in 2005 that permitted the extraction of oil shale and oil sands on federal lands in accordance with the Energy Policy Act of 2005. Since then, six federal demonstration projects have been put under lease by the Bureau of Land Management (BLM). In addition, several private ventures have shown renewed interest in U.S. oil shale production, including Red Leaf Resources.

In addition to the U.S., Australia and Canada have tested shale oil extraction techniques via demonstration projects and are planning commercial implementation. Morocco and Jordan have announced their intent to do the same.
Global Oil Shale Resource Statistics

While oil shale has been a known source of energy for centuries, its commercial development has been limited. Today, only three countries have commercial oil shale production.

Not having other natural resources like coal or natural gas available for power generation, Estonia has used oil shale for electricity generation for over 100 years. While they have always produced liquids as a by-product, the Estonians are currently increasing the proportion of liquid fuels they are producing as part of their power generation operations. Estonia produces approximately 6,300 barrels per day, with the goal of doubling that production with a new retort facility scheduled to go online in 2014.

In China, like Estonia, oil shale is burned for electricity production. The Chinese also use oil shale to develop petrochemical products and cement. Despite having significant in-place resources, the Chinese only produce about 7,600 barrels per day.

Brazil uses their oil shale primarily for liquid fuel production, generating approximately 3,800 barrels per day.

<table>
<thead>
<tr>
<th>In-place Resource</th>
<th>Million Barrels</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>31,729</td>
<td>0.67%</td>
</tr>
<tr>
<td>Brazil</td>
<td>82,000</td>
<td>1.73%</td>
</tr>
<tr>
<td>Canada</td>
<td>15,241</td>
<td>0.32%</td>
</tr>
<tr>
<td>China</td>
<td>354,430</td>
<td>7.51%</td>
</tr>
<tr>
<td>Congo (Democratic Rep.)</td>
<td>100,000</td>
<td>2.12%</td>
</tr>
<tr>
<td>Estonia</td>
<td>16,286</td>
<td>0.34%</td>
</tr>
<tr>
<td>Italy</td>
<td>73,000</td>
<td>1.54%</td>
</tr>
<tr>
<td>Jordan</td>
<td>34,172</td>
<td>0.72%</td>
</tr>
<tr>
<td>Morocco</td>
<td>53,381</td>
<td>1.13%</td>
</tr>
<tr>
<td>Russia</td>
<td>247,883</td>
<td>5.25%</td>
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<tr>
<td>United States</td>
<td>3,706,825</td>
<td>78.61%</td>
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<tr>
<td>Totals</td>
<td>4,714,947</td>
<td>100%</td>
</tr>
</tbody>
</table>

Oil shale deposits in 27 additional countries combine for a total of 71,184 million barrels not included in the table above.

U.S. OIL SHALE: GREEN RIVER FORMATION

Source for oil shale boundaries: Rand Corp. (2005)
Present U.S. demand for petroleum products is about 18 million barrels per day. If oil shale could be used to meet a quarter of that demand, the recoverable oil from the Green River Formation would last for more than 400 years.

“The Green River Formation – an assemblage of over 1,000 feet of sedimentary rocks that lie beneath parts of Colorado, Utah, and Wyoming – contains the world’s largest deposits of oil shale. The U.S. Geological Survey estimates that the Green River Formation contains about 3 trillion barrels of oil. About half of this may be recoverable, depending on available technology and economic conditions.

“The Rand Corporation, a non-profit research organization, estimates that 30%-60% of the oil shale in the Green River Formation can be recovered. At the midpoint of this estimate, almost half of the three trillion barrels of oil would be recoverable. This is an amount about equal to the entire world’s proven oil reserves… “As you can imagine, having the technology to develop this vast energy resource will lead to a number of important socioeconomic benefits, including the creation of jobs, increases in wealth, and increases in tax and royalty payments for federal and state governments.”

– Testimony of Anu Mittal, Director of Natural Resources, U.S. General Accounting Office

“The limitations on the creation of wealth in human society seem to be only those imposed by government. If federal overregulation does not stand in the way, oil and gas extractable in North Dakota and in the Green River Formation of the Rocky Mountains may solve a whole slew of social and economic problems caused by federal deficit spending.”

– Bruce Walker, Journalist

“The Green River Formation: The World’s Largest Oil Shale Deposits”

– The New American, May 2012

“Green River Formation”

“The Green River Formation: The World’s Largest Oil Shale Deposits”

– The New American, May 2012
Utah & the Uinta Basin

Utah Is an Energy State
Utah is one of the few states that can claim to be a net exporter of energy. In addition to vast coal reserves, geothermal deposits, and other natural resources found across the state, the Uinta Basin of eastern Utah is oil and gas country – which includes oil sands and oil shale.

Utah Energy Facts 2012:
- Utah ranks 11th in the U.S. in crude oil production and 9th in gross natural gas production.
- Utah ranks 8th in the U.S. in crude oil proven reserves with approximately 400 million barrels, and 9th in natural gas proven reserves with approximately 8 trillion cubic feet.
- Utah has approximately 3,600 producing oil wells and 6,100 producing natural gas wells.

Uinta Basin Energy Facts 2012:
- 89% of the oil and gas wells drilled in Utah in 2012 were drilled in the Uinta Basin.
- 75% of all oil produced in Utah came from the Uinta Basin.
- 67% of all gas produced in Utah came from the Uinta Basin.
- 93% of Applications for Permits to Drill (APDs) were for the Uinta Basin.
- 90% of APDs in the last five years were for the Uinta Basin.
- The production sales value of oil and gas produced in the Uinta Basin over last five years totaled over $20 billion.

Uinta Basin Oil Sands
U.S. oil sands deposits pale in comparison to the vast oil sand regions of Canada. Still, the richest deposits in the U.S. are found in the Uinta Basin. The more than 50 oil sand sites that have been identified in the Uinta Basin have an estimated potential to yield up to 19 billion barrels over time.

Uinta Basin Oil Shale
The U.S. Geological Survey estimates that the Uinta Basin section of the Green River Formation contains up to 1.32 trillion barrels of oil shale. At least 77 billion barrels are estimated to be recoverable when considering all constraints. While most of the oil shale deposits in Utah are on Bureau of Land Management (BLM) property, the Utah School & Institutional Trust Lands Administration (SITLA) has strategically assembled contiguous blocks of oil shale, including the 17,000 acres under lease by Red Leaf.
Designated Tar Sands Areas
Oil Shale Potential
Wilderness/Wilderness Study Area
National Monument
National Park

Source for oil shale boundaries: Rand Corp. (2005)
2012 was a very busy and successful year at Red Leaf. We started commercial negotiations with Total S.A., the French super-major, in the summer of 2011 regarding a joint venture on our Utah oil shale leases. This process moved quickly from the initial discussions in June.

The joint venture was approved by Total’s investment committee in September 2011, and both companies quickly went to work drafting definitive documents to govern the joint venture. The joint operating agreement and accompanying documents were signed in January 2012. A condition in the agreements allowed us to raise the capital necessary to fund our obligations under the joint venture agreement.

We started our fundraising efforts for raising project capital in mid-2011. We were successful in raising approximately $100 million through the sale of common equity in March 2012. The proceeds of this equity round will be primarily used for constructing and operating a single, commercial-size EcoShale™ capsule as well as funding for additional oil shale acquisition activities.

With our capital raise successfully completed, our joint venture agreement with Total became effective on March 28, 2012. The joint venture on our Utah leases has two distinct stages: a) the Early Production System (EPS) phase, and b) Final Investment Decision (FID) for commercial production. The EPS phase started in 2012 and will conclude in summer 2016. During the EPS phase, the joint venture is charged with finalizing
design and engineering and then constructing and operating the EcoShale™ capsule that will produce approximately 350,000 barrels of a light, high-quality oil. We contributed surface mineable Utah leases to the venture and divided equity in the venture 50/50 with Total. The EPS phase of the joint venture has a $200 million budget that is funded 20/80 by Red Leaf and Total, respectively.

Assuming a successful EPS phase, we, as operator, will recommend the joint venture make an FID to enter into on-going commercial production. The budget for the FID is also $200 million and is to be funded 20/80 by Red Leaf and Total, respectively.

When the joint venture with Total closed we became the “Operator” of the project’s EPS phase. Moving into operatorship caused us to immediately assess our personnel needs at every level. After many discussions and board deliberations, we began the process of transitioning Dr. James Patten, from his role as CEO to a new role as Vice President of Technology. In this new role he can continue to develop and advance our IP portfolio and oversee the continued development of technology for the EPS phase. Through corporate recruiting we hired Adolph Lechtenberger to replace Dr. Patten as CEO. Adolph comes to us with 35+ years in industry related operations experience, 20 years of which were with Exxon. Adolph managed the technology side of Exxon’s Colony Project and has a unique background in mining, oil shale, and operating large oil and gas projects.

In addition to a new CEO, we added a general project manager, several senior project engineers, and integrated three full-time secondees out of the Total organization. Most recently we have added a new CFO, Ezra Hunt, and Matthew Greene, former CFO, has transitioned into a position overseeing business development activities.

With the new team in place, as of fall 2013, we are finalizing design and construction plans for the EPS phase. We have also contacted large mining and construction companies and presented our first Request for Proposal (RFP) soliciting contracts to mine and construct the EPS phase.
Past to Present Review

Red Leaf Incorporated in Delaware

Asset Acquisition
Acquired 17,000 acres in the Uinta Basin

Equity Financing
Raised $15.4M common equity

Equity Financing
Raised $6M common equity

Equity Financing
Raised $46.3M preferred equity

TAQA Note
Converted into Common Equity

Equity Financing
Raised $100M common equity

Option to License to Whitehorn

Debt Financing
Issued a $15M debt financing

Debt Financing
Issued a $5M convertible note to TAQA

Asset Acquisition
Acquired 17,000 acres in the Uinta Basin

Field Pilot
Construction begins

Field Pilot
Construction completed

Filed Initial Patent Applications

Filed Patent Applications

Filed Patent Applications

Filed Patent Applications

Filed Patent Applications

Filed Patent Applications

Filed Patent Applications

Commissioned Seep Ridge Drilling Program and Resource Assessment

Commissioned Holliday Block Preliminary Resource Assessment

Completed Seep Ridge Resource Assessment

Patent Award Process
Pilot Engineering
Pilot Construction
Field Pilot Construction begins

Patent Awarded To TAQA for Jordan and Morocco

License Awarded to Tomco

License Awarded to Total

Patents Awarded
Joint Venture Head of Terms Executed with Total S.A.

Exploration License Secured
Agreement signed on Wyoming lands

Option to License Questerre Energy

2006
2007
2008
2009
2013 & Beyond

2013 and 2014 will be pivotal year for Red Leaf’s ultimate long-term success. With a more complete management and operations team now in place, we are laying a firm foundation upon which we can build our projects and support licensees going forward.

The EPS phase will prove the commercial viability of our technology. It is scheduled to commence operation in Q2 2015 and conclude in 2016. The contract work associated with the EPS phase has been split into three categories:

1) Mining and capsule construction (MCC)
2) Collection, separation, and storage (CSS)
3) Site infrastructure

Hatch Engineering was the primary contractor for the capsule design. WorleyParsons has been hired as the primary Engineering, Procurement, and Construction (EPC) contractor.

Red Leaf hopes to receive its final permit in November. Assuming that this permit is issued as expected, clearing and grubbing activity and site infrastructure work will commence on the Seep Ridge Block in December. Mining and capsule construction should commence in Q2 2014.

Our project team is working to identify the long lead-time capital investments required to sustain a continuous commercial production operation. These items include options for power supply, gas availability, sourcing bentonite clay, steel, and other commodities, permit requirements, setting up staging and construction areas, site infrastructure, etc. Understanding all of the necessary components for the Final Investment Decision (FID) stage will allow us to determine the cost, project timeline, and a detailed critical path to enter the commercial production stage.

The Holliday and Wyoming projects are both at the assessment stage. We are evaluating resource data that has been made available to us by private parties or by government oil shale databases. Although the resource data available on both projects is substantial, we will need to perform our own drilling program in order to validate the data we have been given (quantity and quality of oil shale), start work on a preliminary mine plan for these projects, and advance from the preliminary resource report we have today to one underpinned by our own drilling results.
Seep Ridge

The Seep Ridge Block, a subset of Red Leaf’s Utah oil shale portfolio, is comprised of approximately 1,600 acres of rich, near surface oil shale. Supported by recent drilling and engineering resource reports, the Seep Ridge Block is estimated to hold approximately 120 million barrels of oil that can be recovered using Red Leaf’s EcoShale™ Technology. We chose Seep Ridge as the site of the company’s field pilot in 2007. This field pilot was constructed and operated in 2008 and 2009. The pilot successfully exhibited our technology’s proprietary heating methods and oil extraction capabilities.

We and our joint venture partner, Total E&P USA, chose the Seep Ridge Block as the first commercial project site to exhibit the EcoShale™ Technology on a commercial scale. The project received conditional approval for its Large Mine Permit in October 2011 from Utah’s Department of Oil, Gas, and Mining (DOGM) and is currently in the process of finalizing remaining permits in order to commence mining operations.

Upon successful completion of the EPS phase, Red Leaf and Total will enter into an FID to expand the Seep Ridge operations into an estimated 10,000 barrel/day commercial production facility. The joint venture will also add additional oil shale resources to the Seep Ridge Block so that daily production can be increased and the life of the project can be extended.
Our early years at Red Leaf were spent developing our technology, patenting our IP, and proving out our process in a series of computer models, simulators, and ultimately, laboratory bench tests. We graduated from simulators and bench tests to a large field pilot in 2008.

After assessing the surface mineable portions of our Utah leases, we chose the location to construct a field pilot and exhibit our process on a much larger scale. Design was finalized and construction commenced on the field pilot in the spring of 2008. Construction continued through the summer and into fall, coming to completion around September. October was spent testing and debugging the safety procedures at the site, field pilot capsule construction, and the Siemens refinery control system. Confident that the capsule was constructed well and ready to fire, we turned on the burners and began applying heat at the first of November. Heating continued through the months of November, December and January, concluding early February.

The field pilot was operated successfully. The predicted levels
of prompt oil and condensate were produced from the oil shale in the capsule, and the heating dynamics tracked our expectations from the process simulator. The remainder of 2009 was spent doing post-operations analysis on the field pilot and also testing the produced oil.

A. Close up of Cables
B. First and Second Stage condenser units on field pilot
C. Post-Pilot apparatus to test pressure & pipe expansion of specific, commercial heating pipe configurations
D. Les Thompson, site manager, holding samples of the first oil produced in the field pilot
E. Pressure gauge
F. Two heating pipe loops in the field pilot
Holliday Block

The Holliday Block, about 12 miles northeast of Seep Ridge, and also a subset of our Utah oil shale portfolio, is comprised of approximately 6,000 acres of rich, surface-mineable oil shale. Supported by preliminary resource reports, the Holliday Block is estimated to hold approximately 479 million barrels of oil that can be recovered using our EcoShale™ Technology.

The Holliday Block is also part of our joint venture with Total. Current resource estimates for the Holliday Block are based on publicly available drilling and core data, primarily from the Utah Oil Shale Database. This database consists of drilling, core data, and Fischer Assay data from hundreds of oil shale cores drilled in the Uinta Basin oil shale formation. We will also perform our own drilling program on the Holliday Block to further validate the Utah Oil Shale Database and provide more current and relevant data for a Holliday Block resource report.

We are currently in the pre-planning phase on the Holliday Block to identify permitting, power, unique mining requirements, and other infrastructure needs. The joint venture will create its second commercial oil shale project at the Holliday Block after Seep Ridge is operational.
Red Leaf estimates that there are 50 billion barrels of oil recoverable, from near surface oil shale, in Utah alone.
Wyoming Holdings

The Green River Basin and the Washakie Basin in Wyoming are estimated to contain oil shale holding hundreds of billions of barrels of recoverable oil. Although not as thick as the oil shale in the Piceance Basin in Colorado, and not as rich as the oil shale in the Uinta Basin in Utah, these Wyoming oil shale formations are sufficiently rich and accessible to develop commercial projects utilizing our EcoShale™ Technology and could ultimately produce billions of barrels of oil.

In June 2011, we leased 5,120 acres of private lands in Wyoming’s Green River Basin. This land, initially in the form of exploration leases, can be converted into production leases at our option and with the satisfaction of our exploration obligations. Preliminary studies conducted by our engineers on this acreage indicate in excess of 750 million barrels of oil that can be recovered using our EcoShale™ Technology.

In 2012, we entered into a joint venture agreement with one of our significant shareholders, Questerre Energy Corporation (Ticker: QEC - TSX and OSE listed). The joint venture allows Questerre to participate in a 20% equity position in the Wyoming project in exchange for a funding commitment of 32% of project costs.

Together with Questerre we are currently in the pre-planning phase for a Wyoming project. Although the project will be similar to our Utah projects in many aspects, there will be unique permitting, regulatory, infrastructure, and geological differences that need to be carefully examined and understood. We will also continue to identify and acquire oil shale resources that are complementary to the Wyoming project.
Our primary business development activities in 2013 will include licensing our technology and the acquisition of oil shale resources.

Although most of the known oil shale is found in the Green River Formation of Utah (3 trillion barrels), Colorado, and Wyoming, there are still tens of billions of barrels of surface-recoverable oil shale found throughout the world. With our focus on the Green River Formation, these international oil shale deposits present licensing opportunities.

We are interested in licensing our technology to companies who are capable of overseeing large mining operations, can finance capital intensive projects, and who are positioned to evaluate oil deposits for compatibility with our technology. To date we have written five licenses for the EcoShale™ Technology. These licensees have projects planned in Morocco, Jordan, Saskatchewan, Mongolia, and Utah.

As our project in Utah progresses, and commercial design is advanced, we are creating a template by which we can help ensure the success of all licensees utilizing our technology. We will continue to further refine our licensing strategy and advance discussions with companies who have approached us with the intent to license our technology.
In addition to licensing, we are currently evaluating several surface-mineable oil shale deposits in Utah, Wyoming, and Colorado with the goal of adding additional acreage to our Utah joint venture as well as adding other resources to our non-joint venture oil shale portfolio.

A. Open pit phosphate mines in Jordan that penetrate a regional oil shale formation
B. Consultant engineer from Jordan’s Natural Resources Authority and Red Leaf’s advisor for company activities in Jordan
C. Amman, capital of Jordan
D. Sultani Mine - open pit oil shale mine south of Amman
E. Petra
Financial Highlights of 2012

- Sold approximately $100 million in common equity in March 2012
- Retired approximately $25 million in debt in March 2012
- Closed joint venture with Total E&P USA Oil Shale, LLC in March 2012

Ownership Overview

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<th></th>
<th>2011</th>
<th>2012</th>
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<td>Common Stock</td>
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<tr>
<td>Series A Preferred</td>
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<td>63,427</td>
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<td><strong>Total Outstanding Shares</strong></td>
<td>408,118</td>
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<td>Stock Options</td>
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<tr>
<td>Warrants Issued</td>
<td>98,469</td>
<td>245,836</td>
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<td><strong>Total Issued &amp; Outstanding Shares</strong></td>
<td>536,587</td>
<td>760,078</td>
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<tr>
<td>Common Stock Authorized</td>
<td>2,000,000</td>
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<tr>
<td>Series A Preferred Stock Authorized</td>
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As of December 31
## Consolidated Balance Sheets

### ASSETS

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<th>2010</th>
<th>2011</th>
<th>As of December 31, 2012</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$25,472,549</td>
<td>$24,339,473</td>
<td>$89,151,424</td>
</tr>
<tr>
<td>Prepaid Expenses &amp; Other Current Assets</td>
<td>963,420</td>
<td>2,271,593</td>
<td>7,622,610</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>26,435,969</strong></td>
<td><strong>26,611,066</strong></td>
<td><strong>96,774,035</strong></td>
</tr>
<tr>
<td>Property &amp; Equipment, Net</td>
<td>8,890,457</td>
<td>1,669,066</td>
<td>1,053,436</td>
</tr>
<tr>
<td>Oil Shale Leases</td>
<td>18,076,932</td>
<td>18,076,932</td>
<td>11,739,125</td>
</tr>
<tr>
<td>Other Assets</td>
<td>648,051</td>
<td>5,400,013</td>
<td>6,055,899</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$54,051,409</strong></td>
<td><strong>$51,757,077</strong></td>
<td><strong>$115,622,495</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES & STOCKHOLDERS’ EQUITY (DEFICIT):

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>As of December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$1,873,915</td>
<td>$1,056,070</td>
<td>$1,456,391</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>239,942</td>
<td>451,687</td>
<td>3,266,794</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,876,325</td>
</tr>
<tr>
<td>Warrant Derivative Liability</td>
<td>44,736,799</td>
<td>61,771,976</td>
<td>86,320,549</td>
</tr>
<tr>
<td>Current Portion of Long-Term Debt, Net of Discount</td>
<td>6,320,568</td>
<td>23,520,307</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>57,171,224</strong></td>
<td><strong>90,800,040</strong></td>
<td><strong>95,620,059</strong></td>
</tr>
<tr>
<td><strong>Long-Term Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Debt, Net of Current Portion &amp; Net of Discount</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Asset Retirement Obligation</td>
<td>59,130</td>
<td>70,286</td>
<td>129,119</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td><strong>59,130</strong></td>
<td><strong>70,286</strong></td>
<td><strong>129,119</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>57,230,354</strong></td>
<td><strong>90,870,326</strong></td>
<td><strong>95,749,178</strong></td>
</tr>
</tbody>
</table>

### Stockholders’ Equity (Deficit):

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>As of December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Stock, $0.001 Par Value, 100,000 Shares Authorized</td>
<td>63</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Common Stock, $0.001 Par Value, 2,000,000 Shares Authorized</td>
<td>335</td>
<td>345</td>
<td>427</td>
</tr>
<tr>
<td>Treasury Stock</td>
<td>–</td>
<td>–</td>
<td>(5,000,000)</td>
</tr>
<tr>
<td>Additional Paid-In Capital</td>
<td>77,665,690</td>
<td>87,768,911</td>
<td>188,552,474</td>
</tr>
<tr>
<td>Deficit Accumulated During the Development Stage</td>
<td>(80,845,033)</td>
<td>(126,882,568)</td>
<td>(163,679,648)</td>
</tr>
<tr>
<td><strong>Total Stockholders’ Equity (Deficit):</strong></td>
<td><strong>(3,178,945)</strong></td>
<td><strong>(39,113,249)</strong></td>
<td><strong>19,873,316</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>As of December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities &amp; Stockholders’ Equity (Deficit):</strong></td>
<td><strong>$54,051,409</strong></td>
<td><strong>$51,757,077</strong></td>
<td><strong>$115,622,495</strong></td>
</tr>
</tbody>
</table>
### Consolidated Statements of Operations

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ –</td>
<td>$ –</td>
<td>$ –</td>
</tr>
<tr>
<td>General &amp; Administrative Expenses</td>
<td>3,620,909</td>
<td>6,610,990</td>
<td>8,905,261</td>
</tr>
<tr>
<td>Research &amp; Development Expenses</td>
<td>9,273,472</td>
<td>19,705,908</td>
<td>8,040,159</td>
</tr>
<tr>
<td>Exploration Expenses</td>
<td>38,395</td>
<td>643,126</td>
<td>36,484</td>
</tr>
<tr>
<td><strong>Loss from Operations</strong></td>
<td><strong>(12,932,776)</strong></td>
<td><strong>(26,960,024)</strong></td>
<td><strong>(16,981,904)</strong></td>
</tr>
<tr>
<td><strong>Other Income (Expense):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on Warrant Derivatives</td>
<td>(24,283,991)</td>
<td>(16,634,797)</td>
<td>(20,566,712)</td>
</tr>
<tr>
<td>Interest Income &amp; Dividend Income</td>
<td>169,438</td>
<td>96,016</td>
<td>183,351</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(13,728,237)</td>
<td>(1,210,921)</td>
<td>(1,759,839)</td>
</tr>
<tr>
<td>Other Income (Expense)</td>
<td>3,770</td>
<td>61,795</td>
<td>86,891</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Assets</td>
<td>(34,873)</td>
<td>(2,720)</td>
<td>–</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td><strong>Net Loss</strong></td>
<td><strong>(52,820,318)</strong></td>
<td><strong>(46,037,535)</strong></td>
<td><strong>(39,150,300)</strong></td>
</tr>
</tbody>
</table>
## Consolidated Statements of Cash Flows

For the Year Ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Loss</td>
<td>$(52,820,318)</td>
<td>$(46,037,535)</td>
<td>$(39,150,300)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities</td>
<td>47,379,620</td>
<td>20,251,343</td>
<td>28,602,988</td>
</tr>
<tr>
<td><strong>Net Cash Used in Operating Activities</strong></td>
<td><strong>(5,440,698)</strong></td>
<td><strong>(25,786,192)</strong></td>
<td><strong>(10,547,312)</strong></td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Property &amp; Equipment</td>
<td>(554,149)</td>
<td>(351,897)</td>
<td>(215,548)</td>
</tr>
<tr>
<td>Proceeds from Sale of Property &amp; Equipment</td>
<td>14,000</td>
<td>5,013</td>
<td>6,792,503</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td><strong>(540,149)</strong></td>
<td><strong>(346,884)</strong></td>
<td><strong>6,576,955</strong></td>
</tr>
<tr>
<td><strong>Cash Flows from Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Issuance of Debt</td>
<td>–</td>
<td>25,000,000</td>
<td>–</td>
</tr>
<tr>
<td>Payments on Debt</td>
<td>(5,589,729)</td>
<td>–</td>
<td>(25,000,000)</td>
</tr>
<tr>
<td>Issuance of Common Stock, Net of Issuance Costs</td>
<td>–</td>
<td>–</td>
<td>98,782,308</td>
</tr>
<tr>
<td>Issuance of Preferred Stock, Net of Issuance Costs</td>
<td>33,113,789</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Common Stock Repurchase</td>
<td>–</td>
<td>–</td>
<td>(5,000,000)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Financing Activities</strong></td>
<td><strong>27,524,060</strong></td>
<td><strong>25,000,000</strong></td>
<td><strong>68,783,308</strong></td>
</tr>
<tr>
<td><strong>Net Change in Cash</strong></td>
<td>21,543,213</td>
<td>(1,133,076)</td>
<td>64,811,951</td>
</tr>
<tr>
<td><strong>Cash at Beginning of Period</strong></td>
<td>3,929,336</td>
<td>25,472,549</td>
<td>24,339,473</td>
</tr>
<tr>
<td><strong>Cash at End of Period</strong></td>
<td><strong>$25,472,549</strong></td>
<td><strong>$24,339,473</strong></td>
<td><strong>$89,151,424</strong></td>
</tr>
</tbody>
</table>
Board of Directors

Rob Vogel
Chairman of the Board, Associate Principal at Lucas Capital

M. Adolph Lechtenberger
CEO Red Leaf Resources

Ed Bailey
Vision Capital Partners, LLC

John Bannerman
CEO, Total E&P USA

Matthew Greene
Concord Natural Resources, LLC

Management

M. Adolph Lechtenberger, Chief Executive Officer
Ezra Hunt, Chief Financial Officer
Matthew Greene, Chief Business Development Officer
Jim Patten, Chief Technology Officer
Lance Lehnhof, General Counsel
Mark Bauer, General Project Manager
Shawn Packard, Vice President, Integration & Optimization
Bob Holly, Vice President, Strategic Initiatives
Alex Bocock, Vice President, Investor Relations

Michael Binnion
CEO & President, Questerre Energy

Bruce Sherley
President, Dundee Oil & Gas Ltd.

David Street
CEO & President, Whitehorn Resources

Russ Belinsky
St. Managing Director Duff & Phelps

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Bruce Sherley
President, Dundee Oil & Gas Ltd.

David Street
CEO & President, Whitehorn Resources

Russ Belinsky
St. Managing Director Duff & Phelps
Information & Sources

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South Jordan, UT 84095
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Fax: 801.878.8101
www.redleafinc.com

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Public Relations Contact
Jeff Hartley
pr@redleafinc.com
801.557.3772

Sources
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Geological Society of London
U.S. Geological Survey
Rand Corporation
U.S. Congressional Research Services
U.S. Bureau of Land Management
Enefit American Oil Company
US Energy Information Administration

Glossary of Terms
EPS - Early Production System
FEED - Front End Engineering and Design
FID - Final Investment Decision
SITLA - School and Institutional Trust Lands Administration (State of Utah)
BLM - Bureau of Land Management (Federal)