



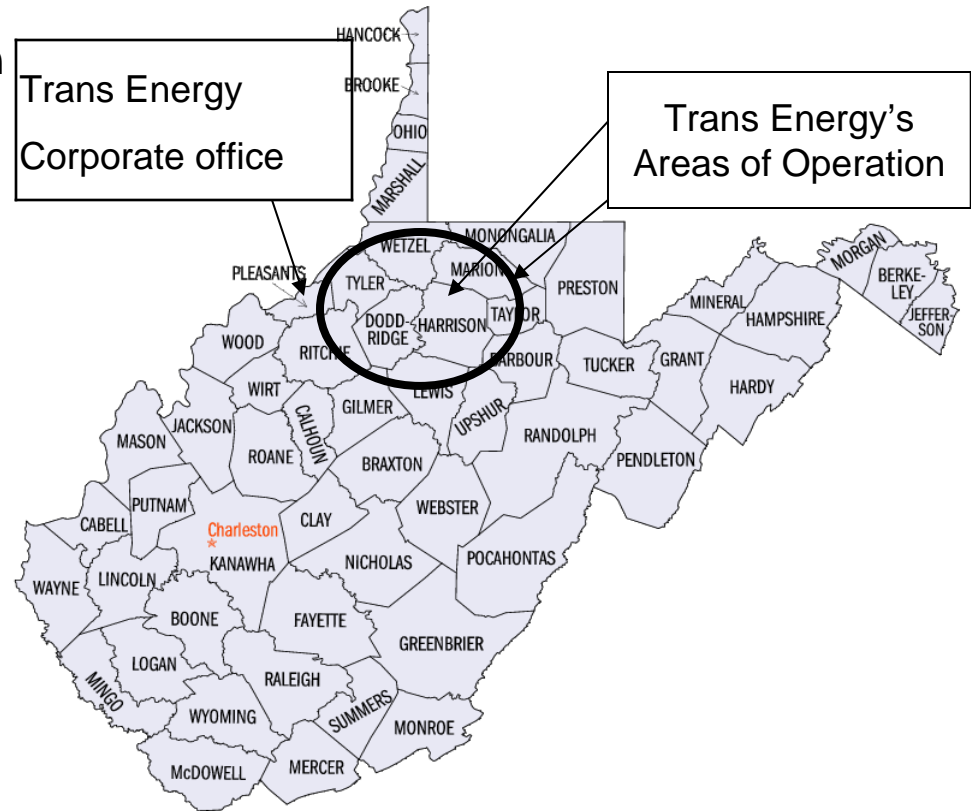
**an oil and gas exploitation and development company**

[www.transenergyinc.com](http://www.transenergyinc.com)

**(OTC BB: TENG)**

# Corporate Overview

- 292 wells
- 30,000 acres leased
- Shallow oil and gas production in addition to Marcellus
- Multiple pays
- Current production:  
2500 mcf/day  
92 bbl/day
- Marcellus program began October 2007
- 300 Bcf Marcellus Shale potential



# Key Value Drivers

## Proven Track Record

- Consistent record of production revenue growth

## Built-in Growth

- Large inventory of low-risk, high-return drilling projects drives built-in high growth profile

## Significant Upside

- Portfolio of emerging plays provides additional upside that will increase Trans Energy's value

## Strong Financial Position

- Excellent financial control



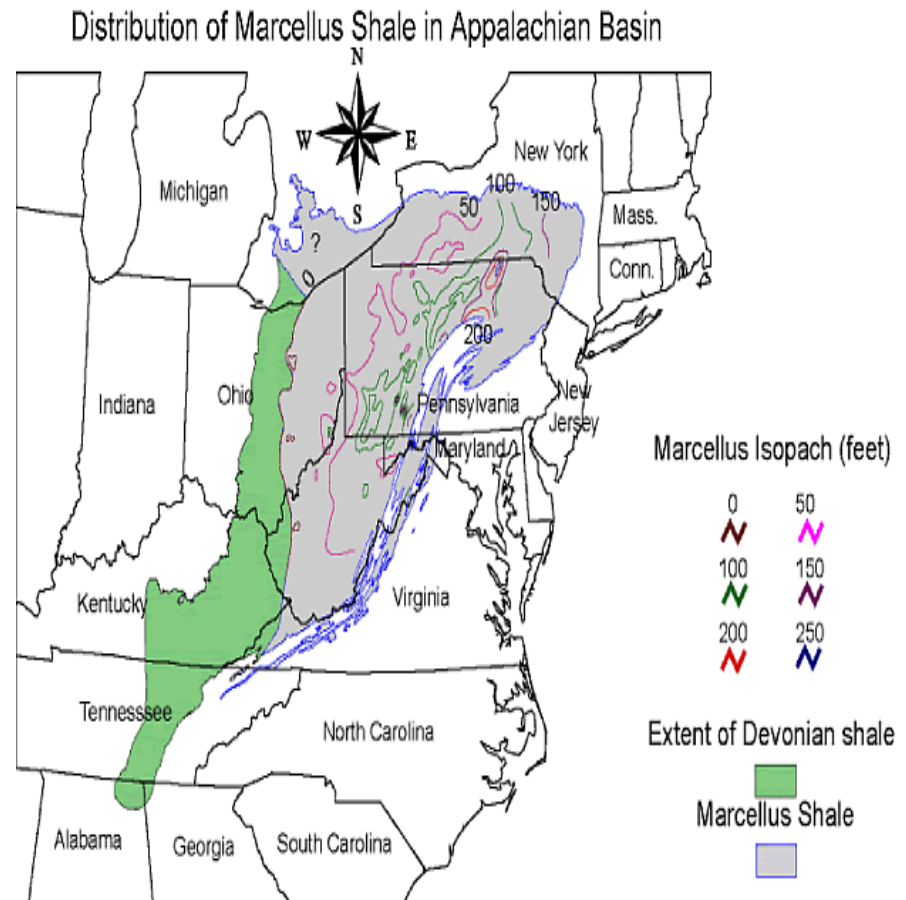
# Appalachian Basin

- Oil and Gas discovered in 1859
- 100 Tcf of undiscovered gas
- High Btu gas > 1200
- Long lived asset base > 50 year well life
- 3,000 ft. avg. depth (historic)
- New deeper plays: < 1% of wells drilled greater than 7,500 ft



# Marcellus Shale

- A Regional basal shale approximately 300 ft deeper than Devonian Siltstone targets.
- Trans Energy is operating in the best part of the Appalachian area for the Marcellus Shale.
- Net thickness is up to 100 ft and has historically been overlooked.
- Estimates show the volume of natural gas would be enough to supply the entire U.S. for about two years and have a wellhead value of about one trillion dollars.



Milici, 2005

# Marcellus Shale Value Proposition

Based on a value \$1.00/Mcf, an assumption that % of Trans Energy acreage is drillable and current Marcellus Shale well EUR assumptions, the Marcellus Shale can represent a significant value per share.

<b>Current Net Acreage</b>		<b>30,000</b>
	<b>Vertical Wells</b>	<b>Horizontal Wells</b>
<b>Average Well Spacing</b> <sup>(1)</sup>	40	80
<b>Net Wells</b>	750	375
<b>Estimated Average EUR/Well</b> <sup>(2)</sup>	1 Bcfe	3.5 – 4.5 Bcfe
<b>Average Royalty</b>	12.5%	12.5%
<b>Total Net Potential Unrisked Reserves</b>	656 Bcfe	1148 - 1477 Bcfe
<b>Assumed Market Value</b> <sup>(3)</sup>	\$1.00/Mcfe	\$1.00/Mcfe
<b>Net Potential Value</b>	\$656 million	\$1.1 – 1.5 billion
<b>Earnings Per Share</b>	\$64	\$105 - 143

1. Vertical well spacing based on Atlas Energy Resources March 2008 investor presentation, horizontal well spacing based on typical Barnett Shale well spacing. Our spacing may vary.
2. Vertical well EUR's based on Atlas Energy Resources March 2008 investor presentation, horizontal wells EUR estimated based on Range Resources announced initial production rates. Our results may vary significantly.
3. Reflects precedent transactions in the Appalachian Basin, Per John S. Herold database.

# Marcellus Shale Compares Favorable with Other Shale Plays

	<b>Woodford</b>	<b>Barnett</b>	<b>Haynesville</b>	<b>Fayetteville</b>	<b>Marcellus</b>
<b>TOC</b>	3.0 – 10.0%	3.0 – 8.0%	3.0 – 5.0%	4.0 – 9.5%	<b>2.0 – 10.0%</b>
<b>Vro%</b>	1.1 – 3.0%	1.2 – 2.0%	2.2 – 3.0%	1.1 - >4.0%	<b>1.0 – 2.5%</b>
<b>Silica Content</b>	60 – 80%	40 – 60%	<40%	20 – 60%	<b>40 – 60%</b>
<b>Clay Content</b>	<20%	<35%		20 – 40%	<b>20 – 45%</b>
<b>Gas Filled Porosity</b>	3.0 – 6.5%	3.0 – 5.5%	8.0 – 12.0%	2.0 – 8.0%	<b>3.0 – 6.0%</b>
<b>Thickness (ft.)</b>	50 - 200	300 – 500	200 - 240	50 – 325	<b>25 – 250</b>
<b>Depth (ft.)</b>	4,000 – 12,000	6,000 – 9,000	10,500 – 13,500	1,500 – 6,500	<b>4,000 – 8,500</b>
<b>Absorbed Gas</b>	20 – 40%	20 – 40%	30%	50 – 70%	<b>20 – 40%</b>
<b>Pressure Gradient (psi/ft)</b>	0.52	0.52	0.85	0.43	<b>0.40 – 0.70</b>
<b>Resource (Bcf/sq.mile)</b>	10 -100	50 -200	150 - 250	25 - 65	<b>20 - 100</b>

# Investment Highlights

- **Multi-Year Drilling Inventory**
  - 141 PUDs
  - 65% of 2007 Wells were Non-PUDs
- **Successful Long-Term Operating History**
  - Over 98% Drilling Success Rate
  - Total Production has Increased 361% in the past year.
- **Drilling Opportunities on Marcellus Shale Acreage**
  - 2 wells in Production
  - Drill 4 Wells in 2008
  - Drill 8 Wells in 2009 including 2 to 4 horizontal
- **Partnership with Technical Excellence and Barnett Experience**

# Our Niche

## Oil and Gas Properties

- Exploiting low-risk development plays
- Experienced in the Operating Area
- Good pipeline access
- Adding to own gathering system



# Hedging Schedule

- Our goal is to maintain a hedging position on 65% of our next three years expected production
- We have traditionally used puts and costless collars, as well as purchaser lock in rates
- The table shows current hedging positions as of October 31, 2008

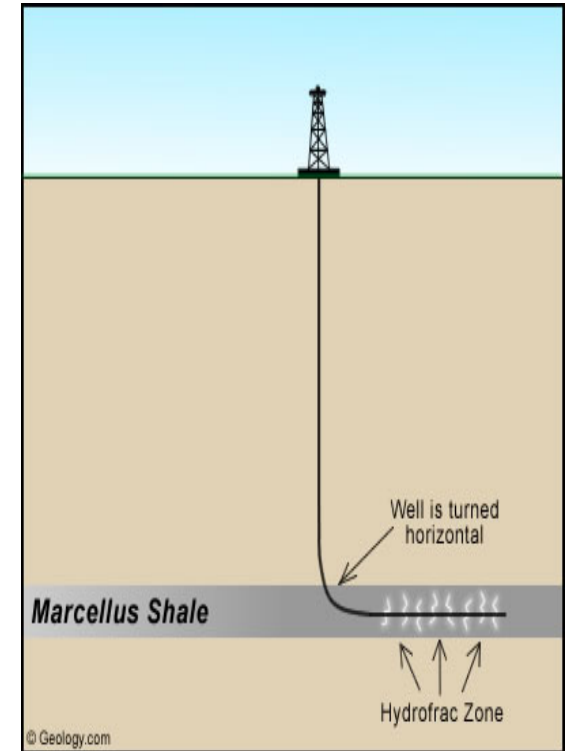
Year	Monthly Volume	Avg. Floor	Avg. Ceiling
<b>Crude Oil</b>			
2008	705 Bbls	\$ 100.00	\$ 172.00
2009	585 Bbls	\$ 100.00	\$ 172.00
2010	488 Bbls	\$ 100.00	\$ 172.00
2011	449 Bbls	\$ 100.00	\$ 172.00
<b>Natural Gas</b>			
2008	6,915 mmbtu	\$ 7.35	N/A
2009	6,370 mmbtu	\$ 7.35	N/A
2010	5,560 mmbtu	\$ 7.35	N/A
2011	5,244 mmbtu	\$ 7.35	N/A
<b>Natural Gas</b>			
2008	10,000 mmbtu	\$ 11.62	N/A
2009	10,000 mmbtu	\$ 11.36	N/A
2010	10,000 mmbtu	\$ 10.81	N/A
2011	10,000 mmbtu	\$ 10.57	N/A

# Projects Summary

- Horizontal drilling technique, producing high yields are becoming the preferred method
- Initial flows suggest that the Marcellus is capable of yielding millions of cubic feet of gas per day, making them the most productive gas wells in the eastern United States
- Primary targets geologic depths and zones for Trans Energy:

2,000' deep	Injun
2,800' deep	Gordon
3,600' deep	Balltown
5,000' deep	Benson
6,000' – 7,500' deep	Marcellus

- Trans Energy has drilled and fracture-stimulated 2 vertical wells to date with encouraging initial flow rates.



# 2008 Operating Highlights

## **Production Gas Volume compared to 3Q 2007**

– Up 507% to 2,500 Mcf/d

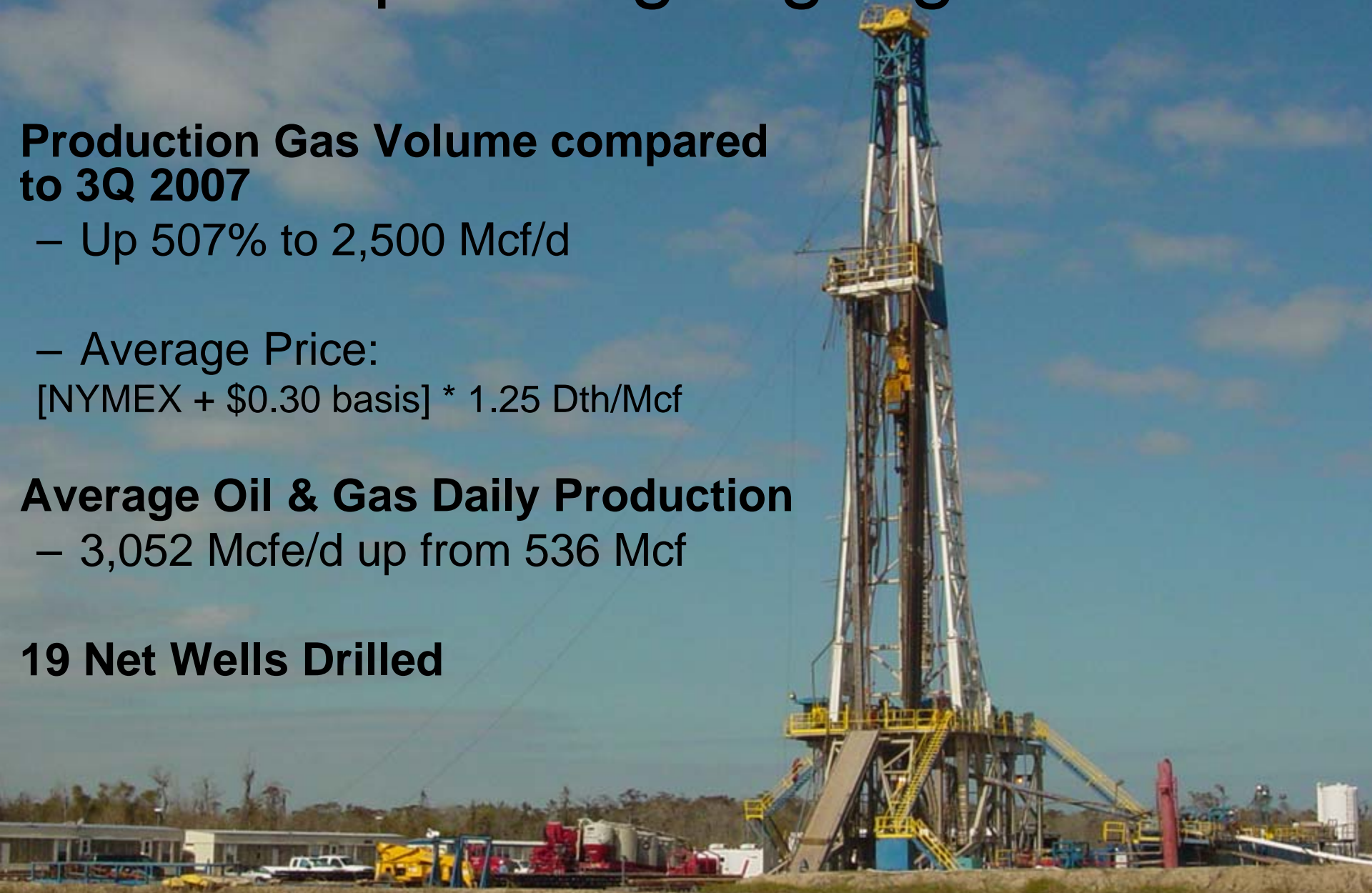
– Average Price:

[NYMEX + \$0.30 basis] \* 1.25 Dth/Mcf

## **Average Oil & Gas Daily Production**

– 3,052 Mcfe/d up from 536 Mcf

## **19 Net Wells Drilled**



# 3Q 2008 Financial Highlights

- Gas Gathering Revenue Up **230%**
- Oil & Gas Production Revenue Up **282%**



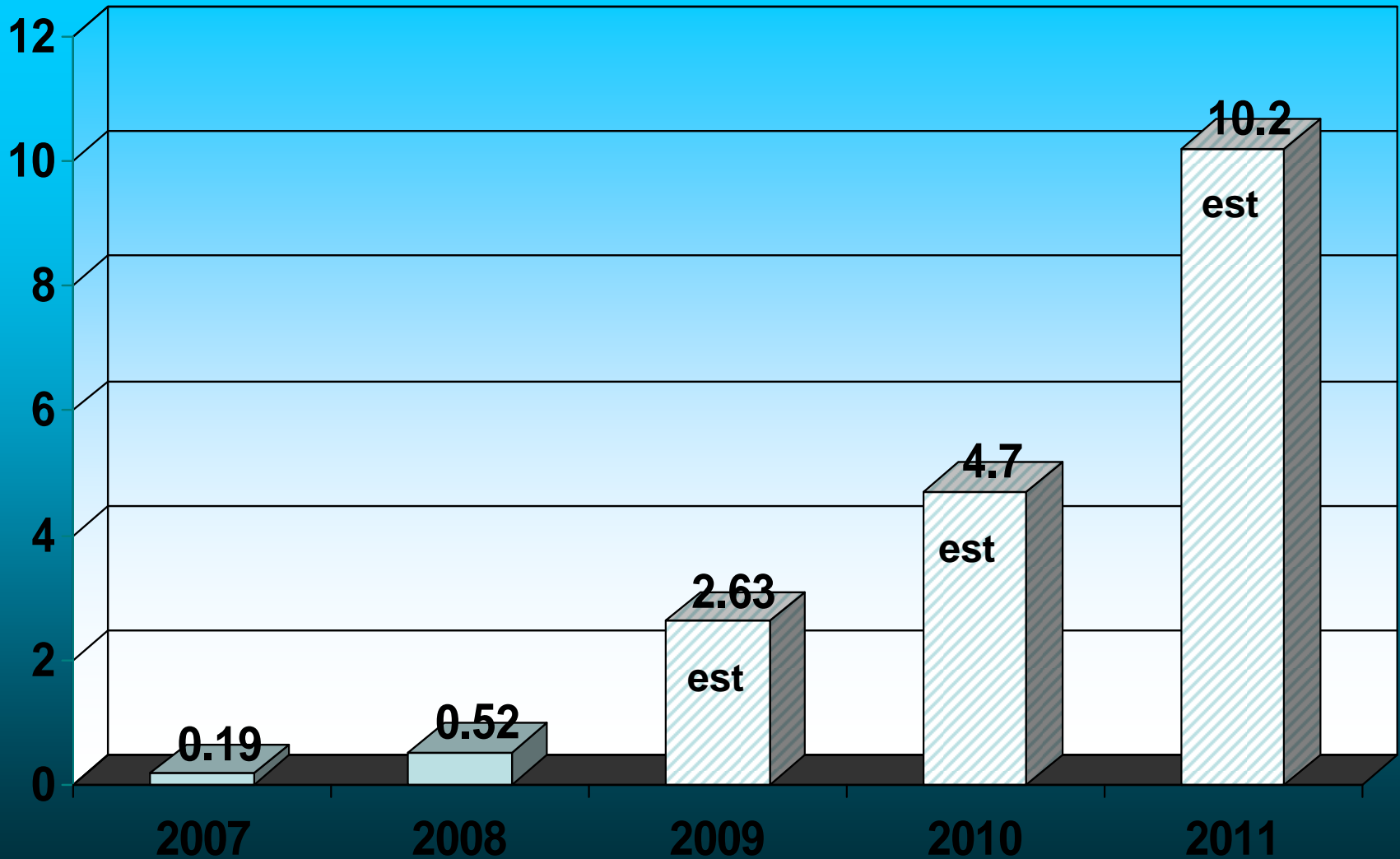
## 3Q 2008 Financial Highlights (Condensed P&L)

	3Q 2008	3Q 2007
Total Revenue	\$ 2,188,071	\$ 416,837
Net Income (loss)	\$ 446,697	\$ (678,501)
Earnings Per Share (loss)	\$ 0.04	\$ (0.07)
Discretionary Cash Flow/Share	\$ 0.09	\$(0.06)
Shares Outstanding	\$ 10,475,065	\$ 9,513,065

# Discretionary Cash Flow Reconciliation

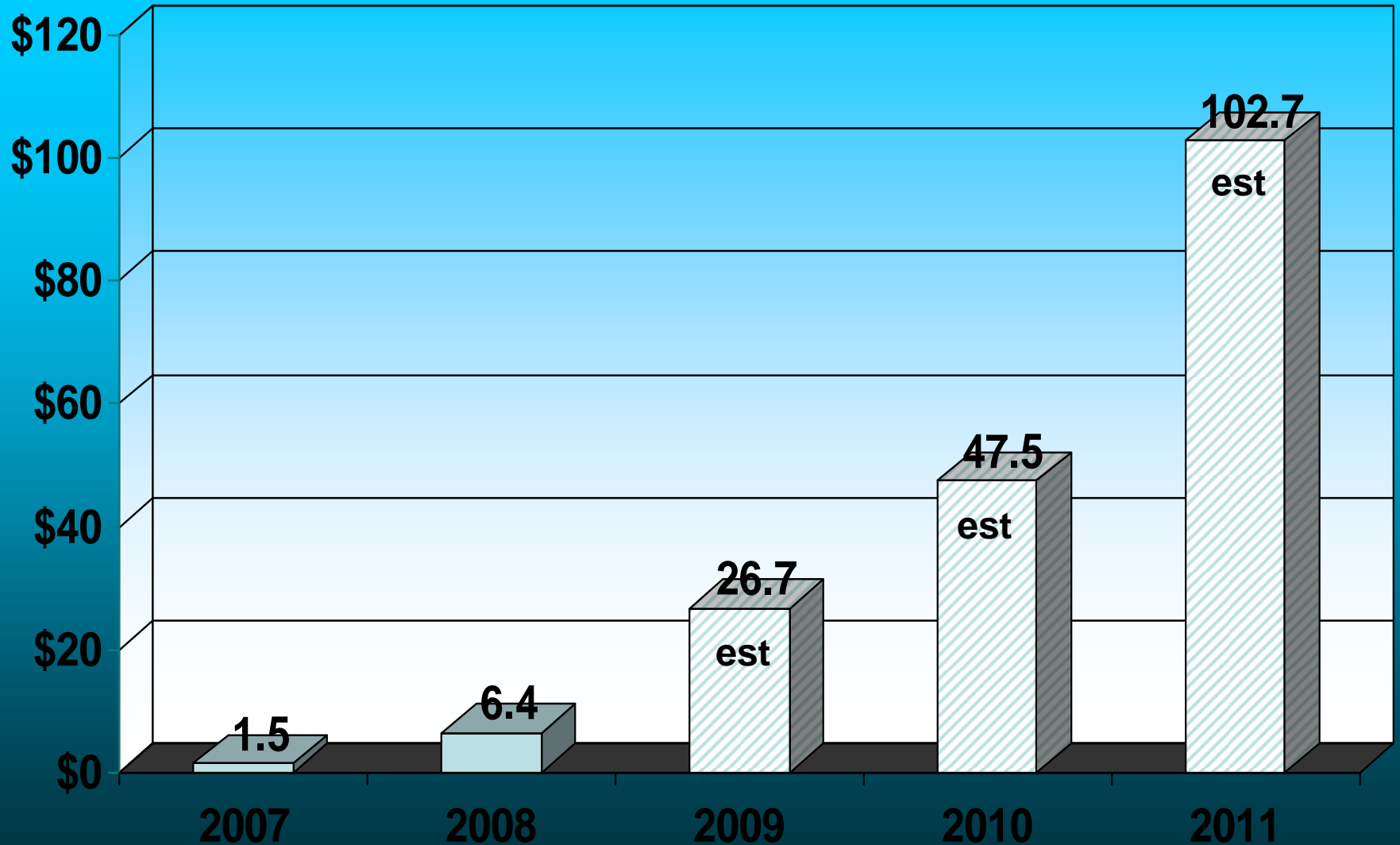
	<b>9/30/08</b>	<b>09/30/07</b>
<b>Net Income (Loss)</b>	\$ 446,697	\$ (678,501)
<b>DD&amp;A</b>	\$ 365,424	\$ 62,264
<b>Non-Cash Compensation</b>	\$ 65,486	\$ 65,386
<b>Discretionary Cash Flow</b>	\$ 877,607	\$ (550,851)
<b>DCF/Per Share</b>	\$ 0.09	\$ (0.06)

# Production Growth Plans (Bcfe)



# Revenue Growth Plans

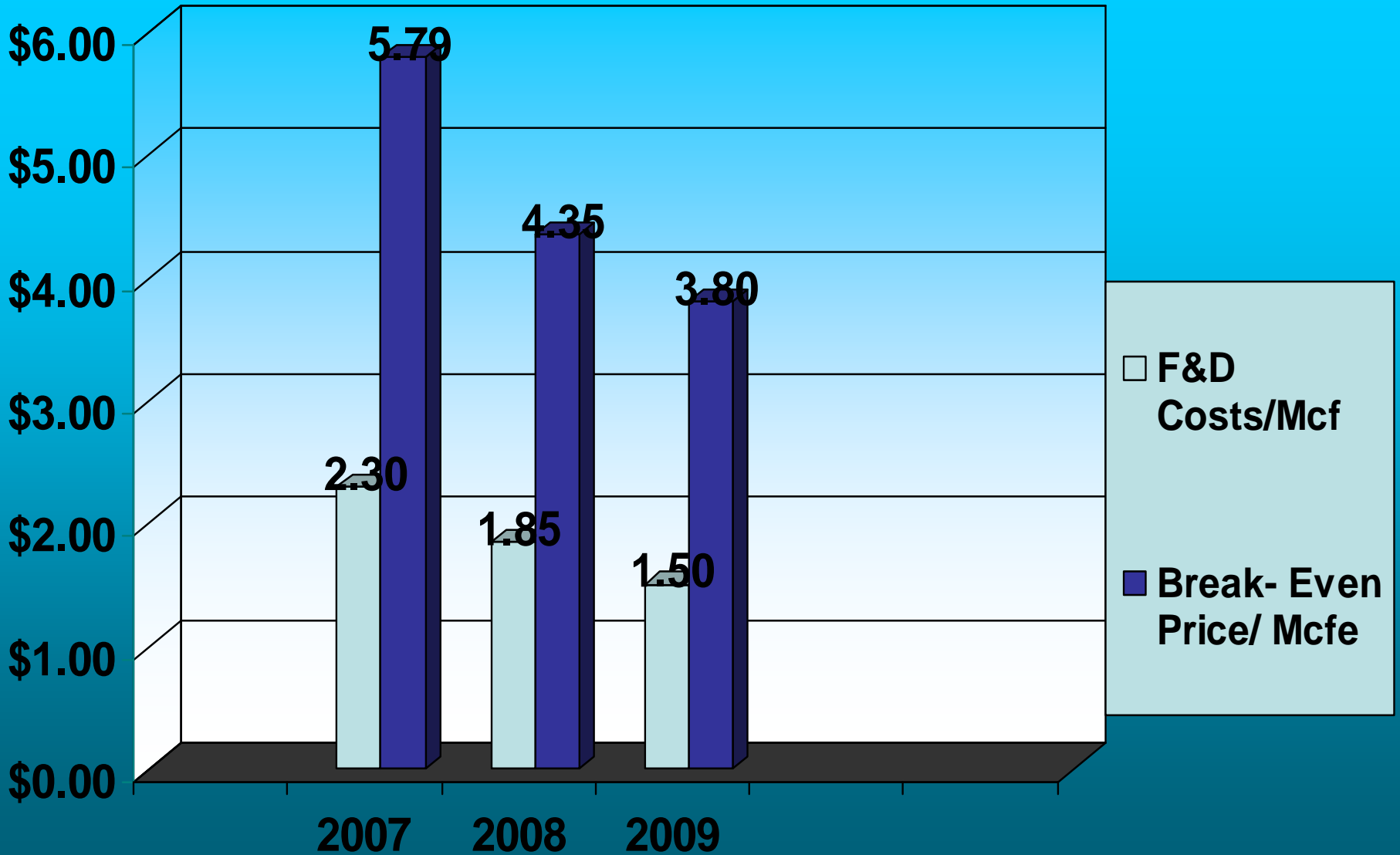
(In Millions)



# Reserve Value 6/30/08

As of 6/30/08		
	MMcfe	% of Total
PDP	6,836.9	19%
PDNP	2,960.8	8%
PUD	<u>27,091.5</u>	<u>73%</u>
<b>Total Proved</b>	<b>36,889.2</b>	<b>100%</b>
Proved	36,889.2	25%
Probable	17,917.9	12%
Possible	<u>95,393.0</u>	<u>63%</u>
<b>Total 3P</b>	<b>150,200.1</b>	<b>100%</b>

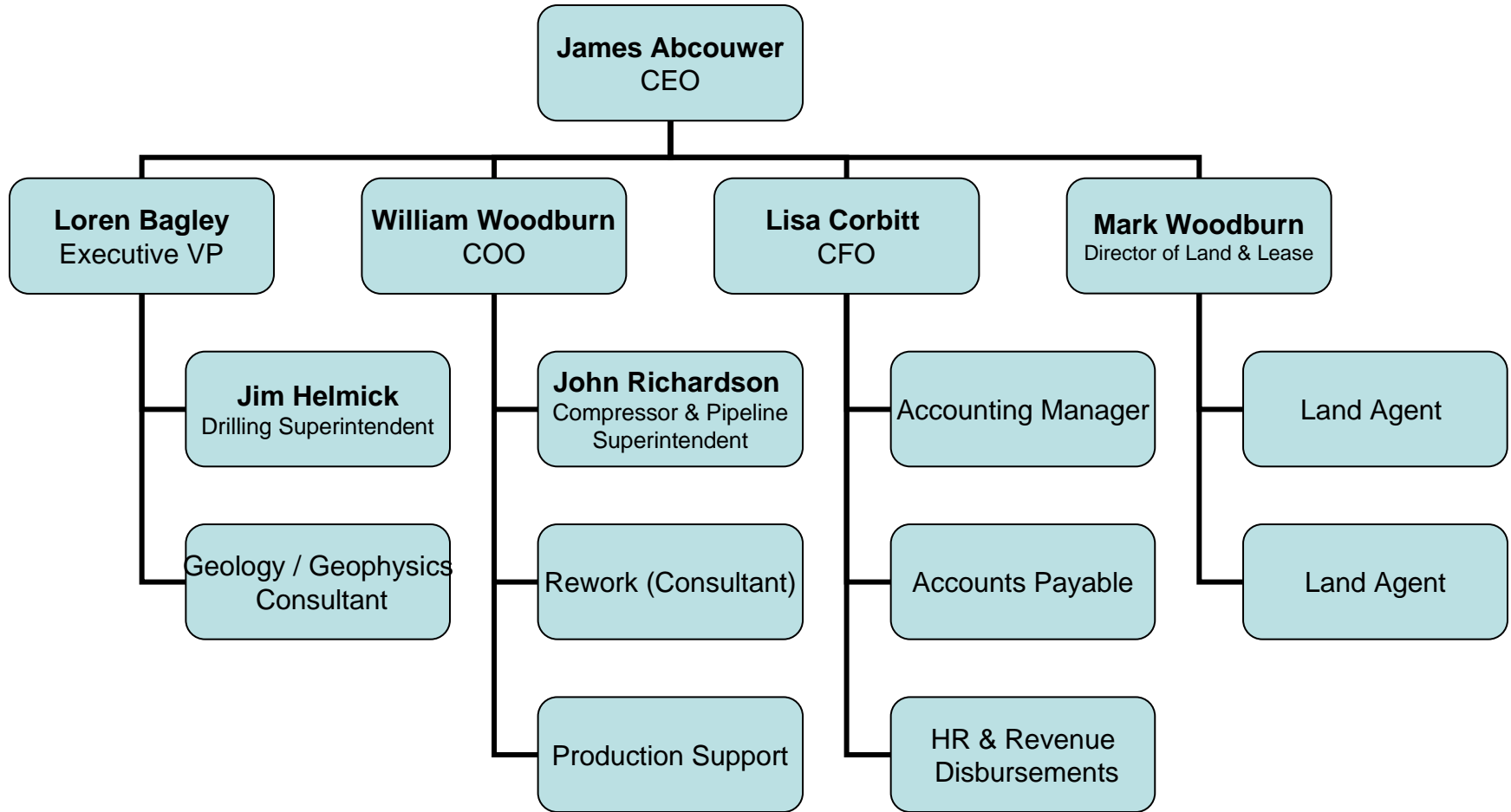
# Key Financial Criteria



# The Start of Something Big

	<b>2007</b>	<b>Now</b>	<b>2010</b>
<b>Exchange:</b>	<b>Pink Sheet</b>	<b>OTC</b>	<b>Nasdaq</b>
<b>Share Price</b>	\$0.82	\$2.30	\$10.00
<b>Market Cap</b>	\$8.3 MM	\$24MM	\$150 MM
<b>Wells</b>	245	292	320
<b>Production (Annual)</b>	.19 Bcfe	1.1 Bcfe	4.7 Bcfe
<b>Revenue (Annual)</b>	\$1.5 Mill	\$11.5 Mill	\$47.5 Mill
<b>Marcellus Wells</b>	0	2	28
<b>Vertical</b>	0	2	16
<b>Horizontal</b>	0	0	12
<b>Drilling Program</b>	\$1.7 Mill	\$10.0 Mill	\$31.5 Mill
<b>Acreage</b>	20,000	30,000	100,000
<b>Drill Sites in Inventory</b>	250	375	1,250

# Management Overview



# Management Overview



## **James K. Abcouwer – President and CEO**

- President and CEO since January 2006 / Director since April 2006
- Formerly the director of gas purchasing for Tenneco Gas (now El Paso Energy)
- Formerly the Vice President in charge of gas supply, gas operations and rate and regulatory affairs for NiSource Inc. Promoted to Senior Vice President in charge of gas and electric commercial operations. Promoted to CEO of the non-regulated business group, including its exploration and production investments
- In 2000 became CEO of Columbia Natural Resources, Inc, which is the third largest exploration and production company in the eastern United States
- 25 Years experience in the Energy industry
- 1975 Graduate of the United States Military Academy at West Point
- 1982 Graduate of Harvard Business School with a Masters degree in Business Administration



## **Loren E. Bagley – Executive Vice President and Director**

- Joined TransEnergy in 1993
- Began his energy career in 1970 as a lease agent for both private and commercial companies
- Started his own company in 1979 and has been active in the drilling, development and production of wells in the Appalachian Basin
- Over 30 years experience in the oil and gas industry
- 1964 graduate of Salem College with a Bachelors of Science Degree

# Management Overview



## **Mr. William F. Woodburn – Chief Operating Officer and Director**

- Joined TransEnergy in 1993.
- Over 30 years experience in the oil and gas industry
- Built and managed several natural gas gathering and transportation pipeline systems
- Prior to his involvement with the oil and gas industry he was employed with the United States Army Corps of Engineers
- Professional Engineer in West Virginia and Ohio
- Registered Land Surveyor in West Virginia and Ohio
- 1964 Graduate of West Virginia University with a Bachelor of Science degree in Civil Engineering



## **Ms. Lisa A. Corbitt – Chief Financial Officer**

- Served as Controller for Trans Energy since June 2006
- Served in various capacities in the public accounting sector since 1996
- Graduated from West Virginia University with a Bachelors degree in Accounting in 1996
- Graduated from DeVry University with a Masters degree in Accounting and Financial Management in 2007
- Earned her CPA credentialing in April 2008

# Conclusion

- **Focused Appalachian Gas Producer**
- **Substantial Marcellus Acreage Position**
- **Excellent Gas Market**
- **Long-Term Operating History in Region**
- **Focus on Execution and Building for Growth**
- **Stock valuation should continue to rise with:**
  - **Improving cash flows per share**
  - **Further development of proved reserves**
  - **Acquisitions**
  - **Focus on operation performance and cost control**

