



Company Overview

International Sovereign Energy Corp. is a Canadian based publicly traded exploration and production company with offices in Calgary, Alberta and Islamabad, Pakistan. The Company is active in the exploration and development of hydrocarbon reserves in Western Canada and internationally.

Highlights

- ◆ domestic production with international exploration
- ◆ debt free with positive working capital as at Sept. 30, 2008
- ◆ expected tie-in of Pakistan well during 2009
- ◆ recent tie-in of high-impact Berwyn well increases current output to 1,200 boe/d
- ◆ expansion of credit facilities to \$10 million
- ◆ trading at low valuation of NAV, book value, and price to cash flow

Canada



Recent Developments

Boundary Lake, AB

Completed 3 wells during 2008 adding 400 boe/d.

Berwyn, AB

Recently tied-in 100% interest high impact gas well capable of producing 250 boe/d.

Recent Production

ISR's third quarter average production was 967 boe/d. The Company is currently producing about 1,100-1,200 boe/d with additional production behind pipe.

Q1 2009 Outlook

Two wells planned for drilling and completion during the first quarter of 2009 in Canada.

International



Pakistan

One well at Sukkur was successfully drilled in the third quarter of 2008 with tie-in expected in the first half of 2009. ISR holds 15% in the well which tested at 15 mmcf/d of natural gas.





Data Table - Comparative Juniors

This table consists of ALL public Canadian junior O&G producers having average production for the nine months ended September 30, 2008 of between 800 - 1300 boe/d

Company, Trading Symbol & Exchange	Share Price - Jan. 9/09	9-Month Average Production	Field Netback per boe	Reserve Life Index	Debt to 9M Annualized Cash Flow	Price to 9M Annualized Cash Flow	Enterprise Value per Flowing BOE
Canext (CXZ-V)	\$0.36	1,053	\$32.40	8.03	0.30	3.14	\$33,205
Diaz (DZR-T)	\$0.075	890	\$34.66	14.83	1.58	0.57	\$21,300
Int'l Sovereign (ISR-T)	\$0.80	863	\$39.53	13.80	0.00	1.41	\$14,003
Ironhorse (IOG-V)	\$0.88	1,133	\$26.13	9.49	1.00	2.06	\$23,250
One (OE.A-V)	\$0.36	871	\$30.62	8.35	1.22	1.93	\$24,685
Petro-Reef (PER-V)	\$0.27	989	\$36.80	6.89	0.64	0.82	\$16,691
Questerre (QEC-T)	\$1.82	1,269	\$46.18	5.05	0.00	17.06	\$229,505
Redcliffe (RXP.A-V)	\$0.245	908	\$38.79	9.36	1.44	1.98	\$36,577
Reece (RXR-V)	\$1.50	1,168	\$58.31	12.69	0.75	2.19	\$60,935
Seaview (CVU.A-V)	\$1.20	837	\$38.72	18.77	2.51	3.95	\$101,533
Trafalgar (TFL-T)	\$0.75	1,022	\$33.37	7.08	1.04	0.93	\$20,284
Twoco (TWO-V)	\$1.50	1,294	\$33.01	9.17	2.49	2.04	\$39,652
MEDIAN	-	-	\$35.73	9.27	1.02	2.01	\$28,945
AVERAGE	-	-	\$37.38	10.29	1.08	3.17	\$51,802

Int'l Sovereign ranks on the favorable side of the median and average in all of the key oil and gas metrics

Field Netback

ISR demonstrates cost efficiency in its operations relative to its industry peers.

Reserve Life Index:

The Company has an above average production life based on its most recent reserves.

Debt to 9M Annualized Cash Flow:

With no debt, Int'l Sovereign is in a very stable financial position compared to many of its peers.

Enterprise Value per Flowing BOE:

EV is calculated as Market Cap + Net Debt, which makes ISR look extremely undervalued with no debt and increasing production.

Summary

International Sovereign is in the enviable position of being debt free with additional production coming onstream and significant growth opportunities both domestically and internationally. The Company is well-positioned to weather the current economic turmoil with its strong balance sheet and recently secured credit facility of \$10 million. ISR is presently trading at only 1.5 times expected cash flow for 2008 and at less than one-fifth of its latest net asset value. In addition, the Berwyn and Pakistan wells, along with prudent capital spending, will ensure continued growth in 2009 despite the challenges in the industry.

In the six short months since assuming responsibility for the affairs of International Sovereign, the board and new management have been able to use the positive cash flow from operations, complete a share issue in a difficult credit and equity market, and secure a \$10 million line of credit to move the Company forward with a sound capital program that will build production, increase profitability and cash availability, while restoring sound operational and fiscal relationships with its international partners. It has also eliminated debt, reduced and controlled overhead expenditures and placed the Company on a sound financial base on which to grow.

CORPORATE INFORMATION

ISR : TSX

Basic Shares: 16,096,084

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Sharad Mistry

Chief Financial Officer

John Riad

Director of Operations

Javid Shahid

Controller

Brian McManaman

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SYMBOL : ISR TSX EXCHANGE **TSX**

INTERNATIONAL SOVEREIGN ENERGY CORP.