

## Message to Shareholders

Your management and board of directors are firmly committed to the maintenance and advancement of shareholder value. With the change in Company management in 2007 a series of initiatives were undertaken which bear mention. The most notable of these has been a rationalization of property and project interests. That process has both provided a clear North Sea focus to the Company's energy tied investments and averted the evident risks of becoming financially overextended. In particular, McLaren's interest in a coal bed methane project in Indonesia was restructured to convert a working interest into a net carried interest. This action had the effect of eliminating any obligations to fund potentially enormous capital costs, while retaining an interest in prospective future profits. The restructuring also yielded a full recovery of embedded costs and the simultaneous discharge of a potentially dilutive convertible debenture. Two relatively minor investments have also been dealt with, with essentially offsetting disposition receipts and disbursements. The upshot of these measures, from a balance sheet perspective, is that McLaren now holds two project net carried interests that are without burden and are carried at a nominal (i.e. \$1.00) value.

The resulting focus of McLaren's investment plan is to: 1) maximize returns on its cash on hand (currently \$2.6 million); 2) maximize the value of its interest in natural gas exploration licenses in the Dutch sector of the North Sea; and 3) well position the Company to attract additional capital when warranted by project fundamentals. In the latter respect, McLaren common shares have been listed on both the Canadian Trading and Quotation System ("CNQ") and Frankfurt Stock Exchange and have been made eligible for Registered Retirement Savings Plans in Canada through conversion from private to public company status for tax purposes.

Currently, McLaren holds a 27% interest in hydrocarbon exploration licenses comprised of three offshore blocks aggregating approximately 650 square kilometers in the Dutch sector of the North Sea. Our partners in this venture are Energie Beheer Nederland B.V. ("EBN") the Dutch state-owned oil and gas company (40%), Ascent Resources Plc (27%) and GTO Limited (6%). Ascent acts as operator for the project which can best be classified in the exploration/appraisal stage. The aim of the current exploration effort, which began in earnest in early 2007, is to assess the potential of commercially exploitable natural gas resources in the license areas. From its inception the exploration program has contemplated two stages: first, an initial assessment based on the application of updated interpretive technology to existing property data; and second, a detailed analysis of prospective drill targets.

The first stage of this appraisal process has been completed. In particular, it was designed to identify the most productive sand intervals and to assess future production and productivity potential of the

license area where three structures have previously tested positively for natural gas. This work identified three potentially meaningful additional drill targets beside the two discovery wells located in block M10/11. It also provided an improved perspective on the neighboring and known extension of the Terschelling Noord field, operated by NAM (Shell-Exxon Netherlands). Based upon this work Ascent Resources, our operating partner, has estimated aggregate Unrisked Gross Resources in a range of 214 to 526 billion cubic feet in the M8 and M10/11 license areas.

The second phase of the exploration/appraisal process on the offshore license area is now in the offing. This phase is to concern itself with detailed technical and economic analyses of alternative drill targets and is designed to refine the decision making process to reflect prospective, risk adjusted rates of return. Unfortunately progress in this regard has been limited, inasmuch as Ascent Resources has indicated that it is considering divesting, or otherwise realigning its interest in the project. We look forward to resolution of this issue by Ascent in order to accelerate progress in the appraisal/assessment effort.

In the meantime, McLaren management will act to maintain the Company's sound financial position and will continue to review additional and alternative project investments in the North Sea within the context of a strict financial discipline.

On behalf of the board,

Gregory C. Liddy  
President

September 3, 2008