

# Corporate Presentation

September, 2011



## Pure Play Light Oil Producer



# Corporate Profile

Venture Exchange Listed	NVS
Basic Shares Outstanding	169.4 million
Warrants (Strike Price @ \$0.75/share, due 03/31/12)	22.6 million
Performance Warrants (Strike Price @ \$0.56/share)	4.2 million
Options (Average Strike Price @ \$0.84/share)	15.4 million
Fully Diluted Shares	211.5 million
Market Capitalization (Fully Diluted)	\$180 million
Enterprise Value	\$204 million
Average Daily Trading Volume (Shares per Day)	1.3 million
Credit Facility	\$60 million
Net Debt (Q2 2011)	\$24 million
Tax Pools (Q2 2011 Estimated)	\$220 million

# Corporate Snapshot

## 2011 PRODUCTION (boe/d)

Average Production	2,125 boed/d (75% Oil)
Exit Production	3,000 boed/d (80% Oil)

## 2010 RESERVES (mmboe)

Total Proved	4.83 (81% Oil & NLGs)
Total Proved plus Probable	9.24(84% Oil & NLGs)
Proved plus Probable (RLI)	16.1 years

## KEY RESOURCE LAND

Dodsland Viking Oil Lands	124.25 net sections 79,520 acres
Kerrobert Birdbear Oil Lands	79 net sections 50,560 acres
Wapiti Cardium and Dunvegan Lands	9.5 net sections 6,080 acres

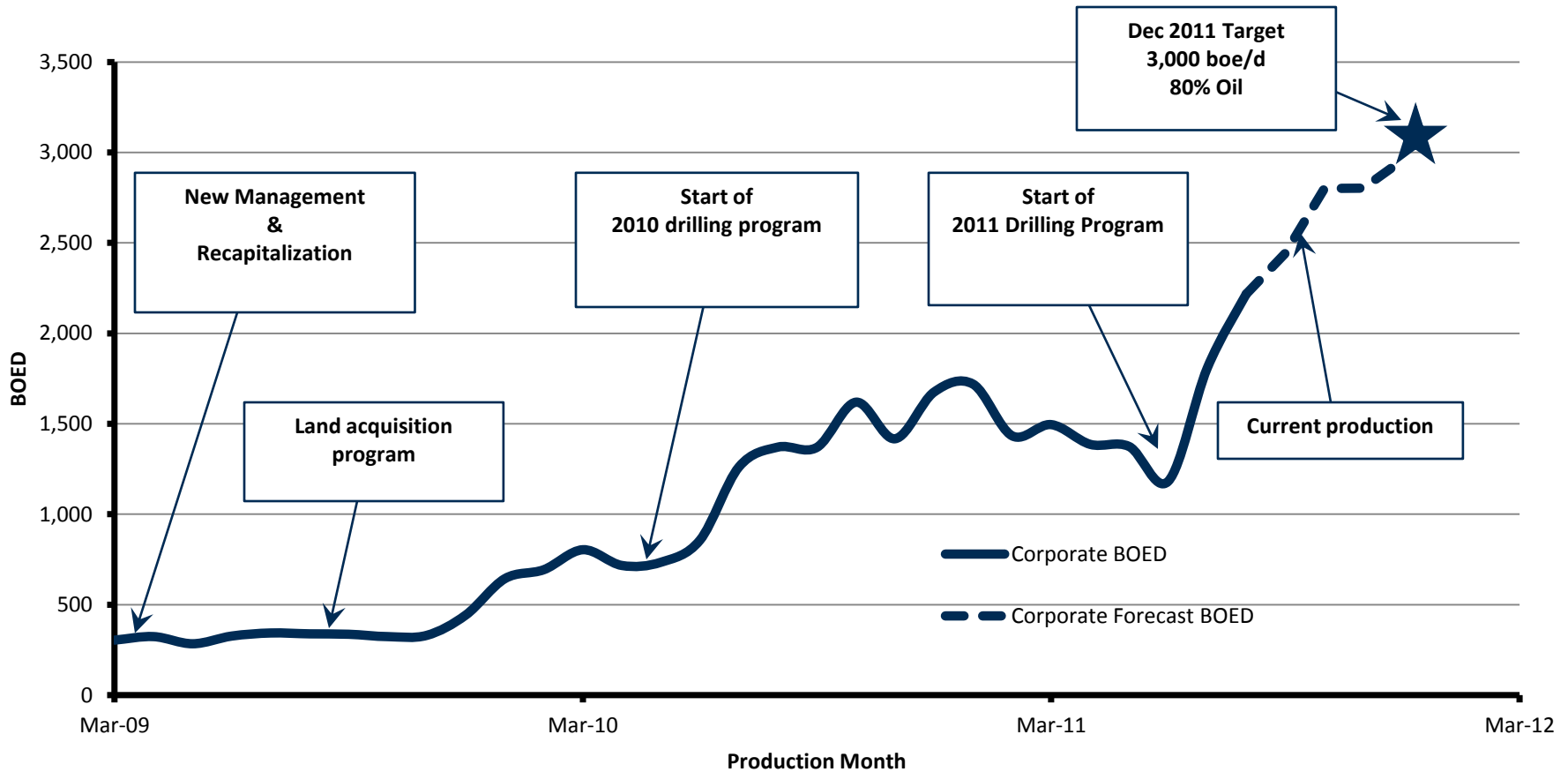
## TOTAL UNDRILLED OIL & LIQUIDS INVENTORY

Viking	594 net wells
Cardium	11.6 net wells
Dunvegan	19 net wells

# Corporate Growth Record

	2009	2010	Percentage Growth	Current	Percentage Growth
Production (boe/d)	324	1,115	244%	2,625	135%
Percentage of Oil	26%	54%	108%	78%	44%
Boe/d per mm shares	3	7	133%	16	129%
Operating Netback (\$/boe)	7.43	23.52	217%	43.65	86%
Proved Reserves (mmboe)	1.5	4.8	220%	-	-
Percentage Oil & Liquids	62%	81%	31%	-	-
P + P Reserves (mmboe)	2.5	9.2	268%	-	-
Percentage Oil & Liquids	66%	84%	27%	-	-
P + P Reserves per m shares	20	55	175%	-	-

# Novus Production Volumes



# Business Strategy

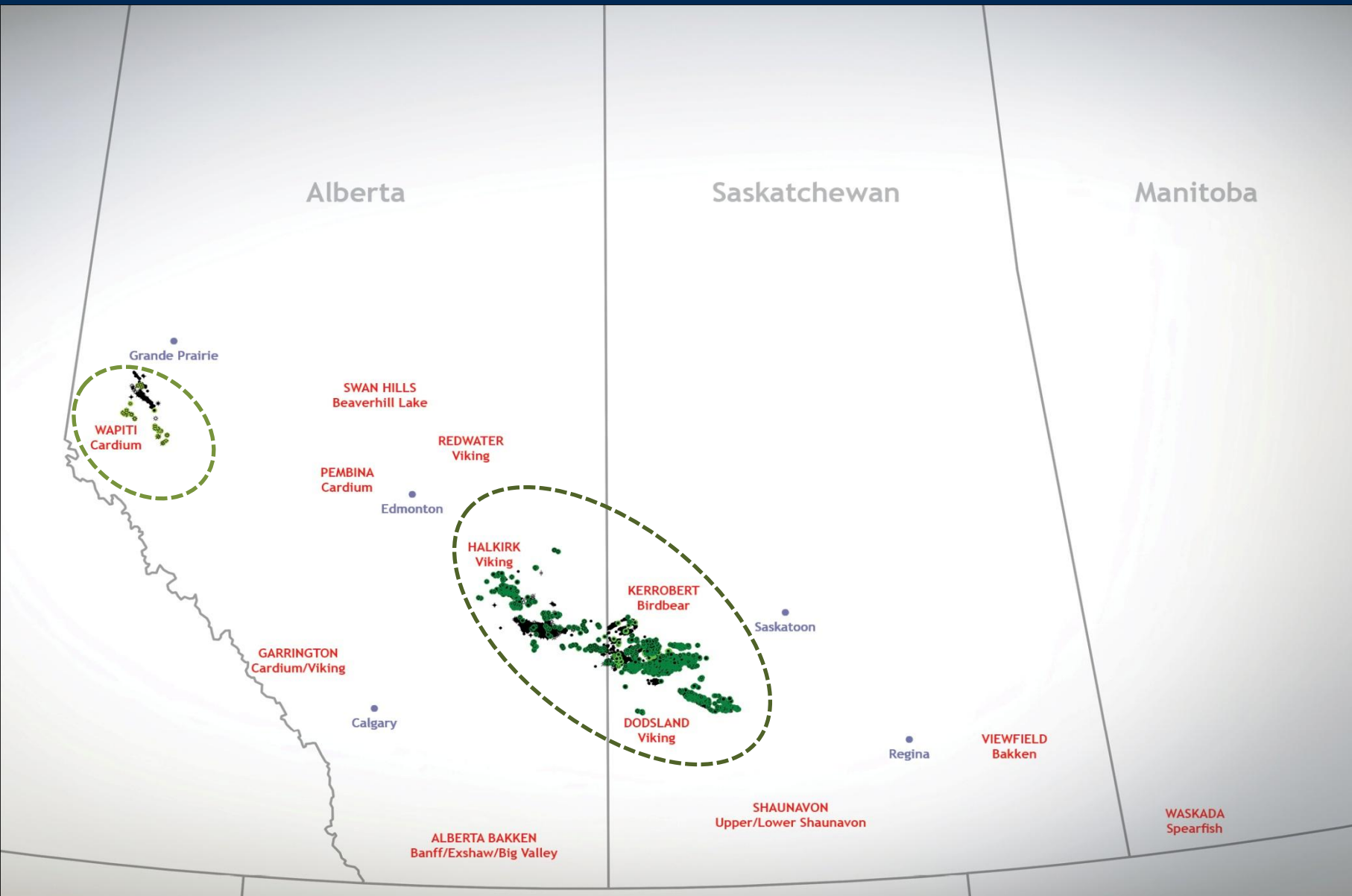
- Target large “original oil in place” (OOIP) resource plays
- Focus on high quality light oil resource pools with production and recovery upside
- Assemble large land positions with operatorship and infrastructure control to facilitate larger scale development drilling programs
- Apply horizontal multi-stage fracture technology to increase recovery factors
- Emphasize well delineated, low geological risk reserves with large development drilling inventories



# Resource Plays

Viking  
Birdbear  
Cardium

# Light Oil Focused Asset Base



# Our Cornerstone – Dodsland Viking Light Oil

- Large original oil in place (OOIP) of in excess of 2 billion barrels
- Low risk resource style light sweet oil (35° API)
- Horizontal drilling with multi-stage frac completions
- Horizontal drilling incentive programs from the Saskatchewan government <sup>(1)</sup>
- Predictable low geological risk, well delineated reservoir
- Repeatable, scalable, shallow depth play (750 m)
- Low operating costs, result in high netback production
- Attractive economics with a short payback period and strong project Internal Rate of Return (“IRR”)
- Upside from technology and cost reduction
- Multiyear development and year round access

(1) 2.5% royalty rate on crown lands on the first 37,000 barrels produced

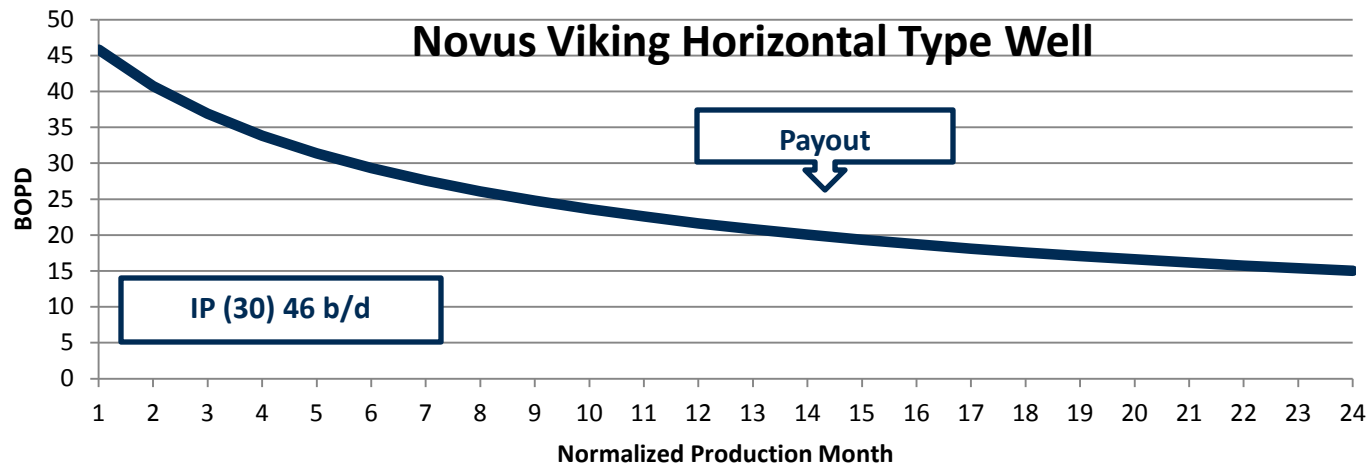
# Dodsland - Viking Development History

- Producing since the 1950's from over 7,500 vertical wells
- Horizontal wells currently producing over 9,000 barrels per day of light Viking oil
- First horizontal multi stage fracture technology well drilled in November 2007
- 741 horizontal wells have been drilled to date all with multi-stage frac completions
- 394 additional horizontal wells are currently licensed for drilling in the area
- Recent horizontal drilling activity by Penn West, Novus Energy Inc., Crescent Point, Baytex, NAL, Husky, Wild Stream, Devon, Teine, Renegade, Enerplus, Harvest, Westfire, Compass
- Newest entrants Devon Canada Corporation & Cenovus Energy

# Dodsland Viking Exploitation

- Novus drilled 33 horizontal wells in 2010
- Novus has drilled 47 horizontal wells to-date in 2011
- Horizontal drilling has seen 100% success
- Novus continues to achieve industry leading drilling and completion costs of \$850,000 per well (on stream cost of \$930K)
- Industry is developing the Viking at 16 wells per section which doubles Novus' development inventory
- Novus operates 99% of its acreage
- High working interests averaging more than 90%
- 88% of Novus' Viking locations are undrilled
- More than 10 years of drilling inventory
- Potential for secondary recovery may greatly enhance future reserve bookings

# Novus Viking Horizontal Type Curve<sup>(1)</sup>



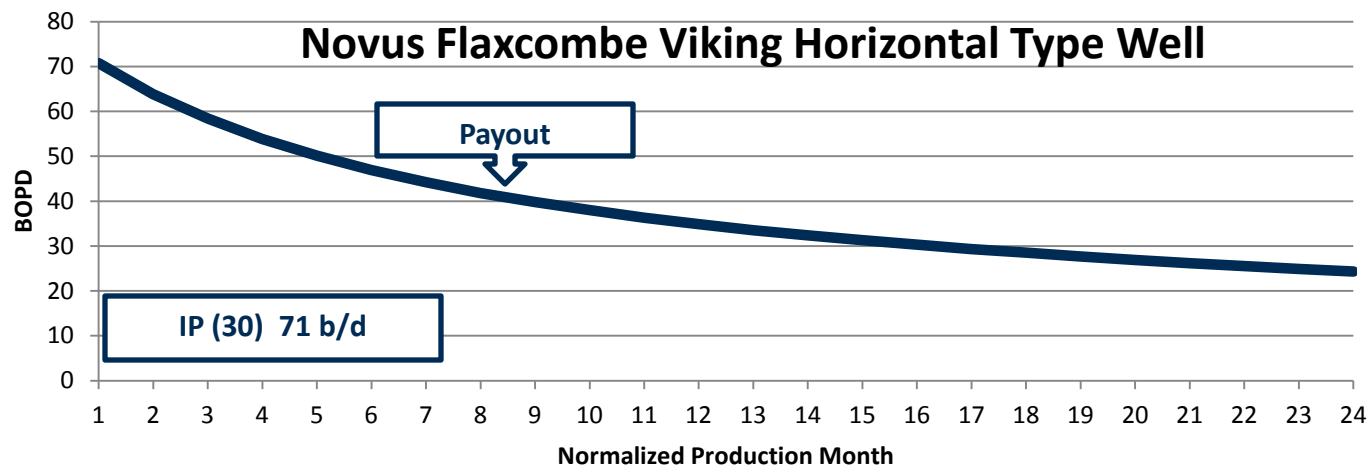
Well Economics		Assumptions	
NPV 10% Before Tax	\$1.4mm	Well Cost	\$0.85mm
P/I Ratio	1.7x	Recoverable Reserves	50,000 bbls <sup>(2)</sup>
Recycle Ratio	3.3x	One Month IP	46 b/d <sup>(2)</sup>
Payback Period	1.2 years	First Year Decline Rate	52%
Reserve Addition Costs	\$17.00/bbl		
Production Addition Costs	\$18,478/bbl		
IRR	95%		

**Novus' typical horizontal Viking well is estimated to have an NPV of \$1.4 million, a recycle ratio of 3.3x, and a P/I ratio of 1.7x**

(1) Internal Estimates. Prices based on Sproule Associates Limited August 31, 2011 Price Deck. WTI price: 2012 \$93.23/bbl

(2) Oil volumes only

# Novus Flaxcombe Type Curve<sup>(1)</sup>



Well Economics		Assumptions	
NPV 10% Before Tax	\$2.8mm	Well Cost	\$0.85mm
P/I Ratio	3.3x	Recoverable Reserves	75,000 bbls <sup>(2)</sup>
Recycle Ratio	4.9x	One Month IP	71 b/d <sup>(2)</sup>
Payback Period	0.7 years	First Year Decline Rate	51%
Reserve Addition Costs	\$11.33/bbl		
Production Addition Costs	\$11,972/bbl		
IRR	270%		

**Novus' typical horizontal Flaxcombe well is estimated to have an NPV of \$2.8 million, a recycle ratio of 4.9x, and a P/I ratio of 3.3x**

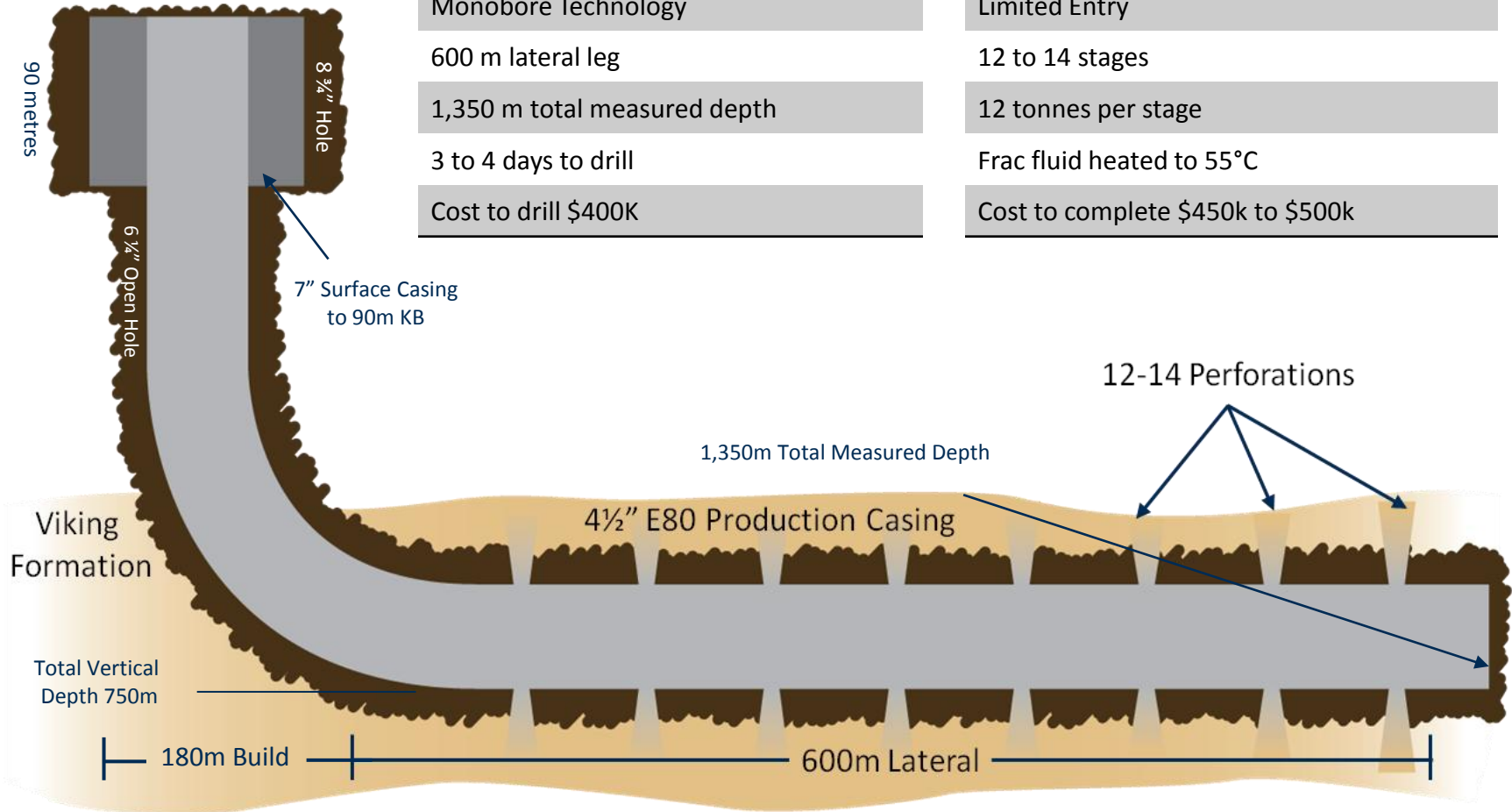
(1) Internal Estimates. Prices based on Sproule Associates Limited August 31, 2011 Price Deck. WTI price: 2012 \$93.23/bbl

(2) Oil volumes only

# Viking Horizontal Well – Doddsland Saskatchewan

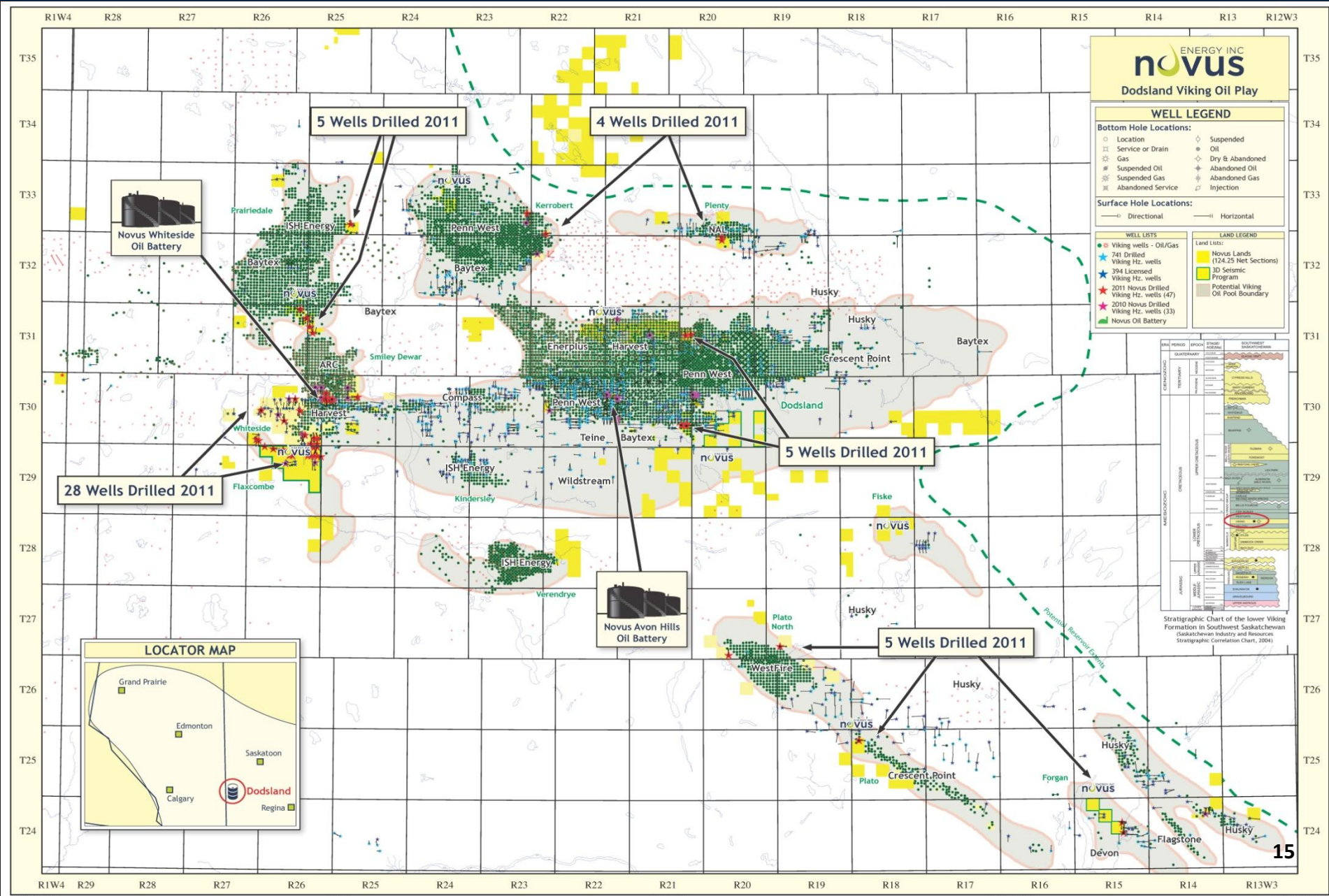
Drilling
Monobore Technology
600 m lateral leg
1,350 m total measured depth
3 to 4 days to drill
Cost to drill \$400K

Completion
Limited Entry
12 to 14 stages
12 tonnes per stage
Frac fluid heated to 55°C
Cost to complete \$450k to \$500k

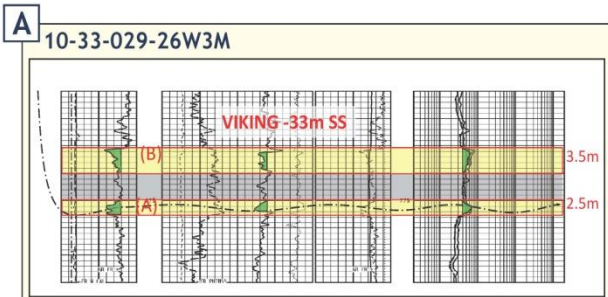


Note: Drawing not to scale

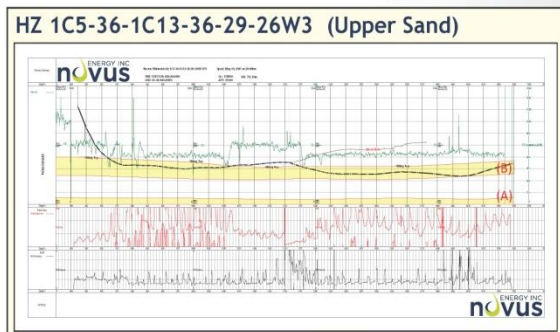
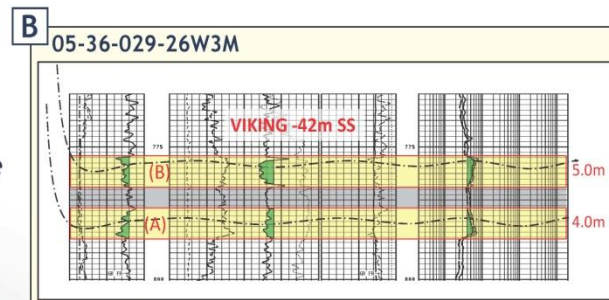
# Doddsland Area Viking Oil Resource Play



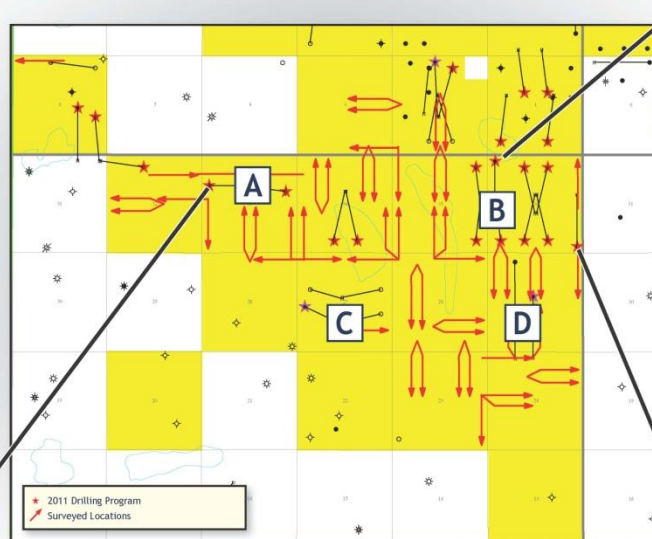
# Flaxcombe Developments



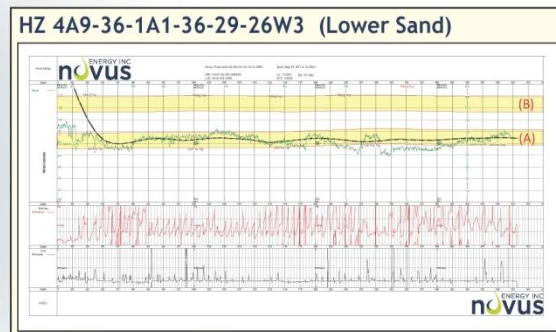
- Consistent Geology (Logs and Cores)
- Virgin Pressures (Over 7,000 KPA)
- Two Distinct Cycles Present
- Potential to Independently Develop Each Cycle
- Ability to Double Number of Drilling Locations (Up to 32 Wells per Section)
- 52 Wells Surveyed for Drilling



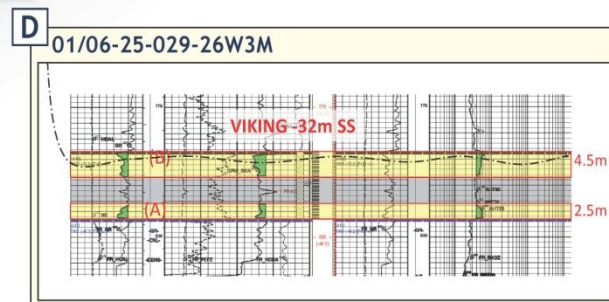
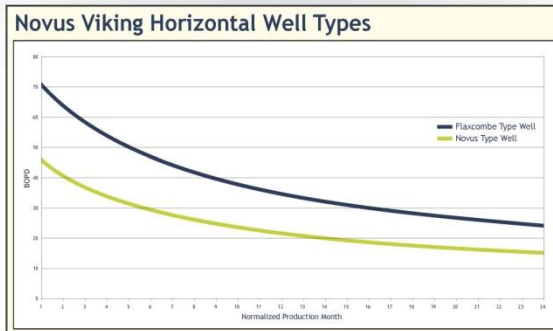
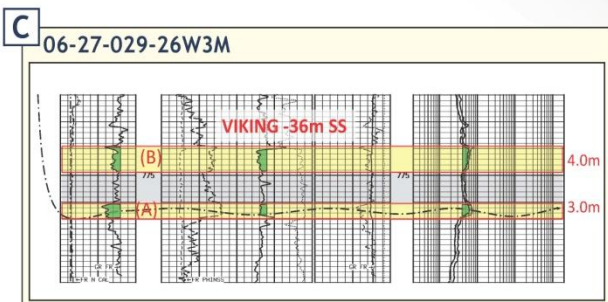
12-33 Hz (lower sand)  
 IP(30) 53 bbl/d  
 IP(60) 54 bbl/d  
 IP(90) 51 bbl/d



13-36 Hz (upper sand)  
 IP(30) 81 bbl/d  
 IP(60) 86 bbl/d  
 IP(90) 88 bbl/d



1-36 Hz (lower sand)  
 IP(30) 90 bbl/d  
 IP(60) 94 bbl/d  
 IP(90) 90 bbl/d



# Dodsland – The Size of the Prize

## Large Discovered Petroleum Initially In-Place<sup>(1)</sup>

Novus Working Interest Lands	383.2 mmstb
Novus Option Lands	176.3 mmstb
<b>Total Resources</b>	<b>559.5 mmstb</b>
Land with Discovered Petroleum Initially In-Place	54 Sections

## Novus Net Potential Recoverable Oil <sup>(1)</sup>

Best Estimate (P50)	4.3% Average Recovery Factor	22.4 mmstb
High Estimate (P10)	8.4% Average Recovery Factor	43.6 mmstb

## Majority of Opportunity Base is Undrilled and Unbooked

Novus Risked Undrilled Locations	594
Wells Drilled to Date	80
<b>Undrilled Inventory</b>	<b>88%</b>

(1) Contingent resource assessment prepared by Sproule Associates Limited effective November 30, 2010 in accordance with Section 5.9 of National Instrument 51-101.

# Dodsland – The Power of Downspacing

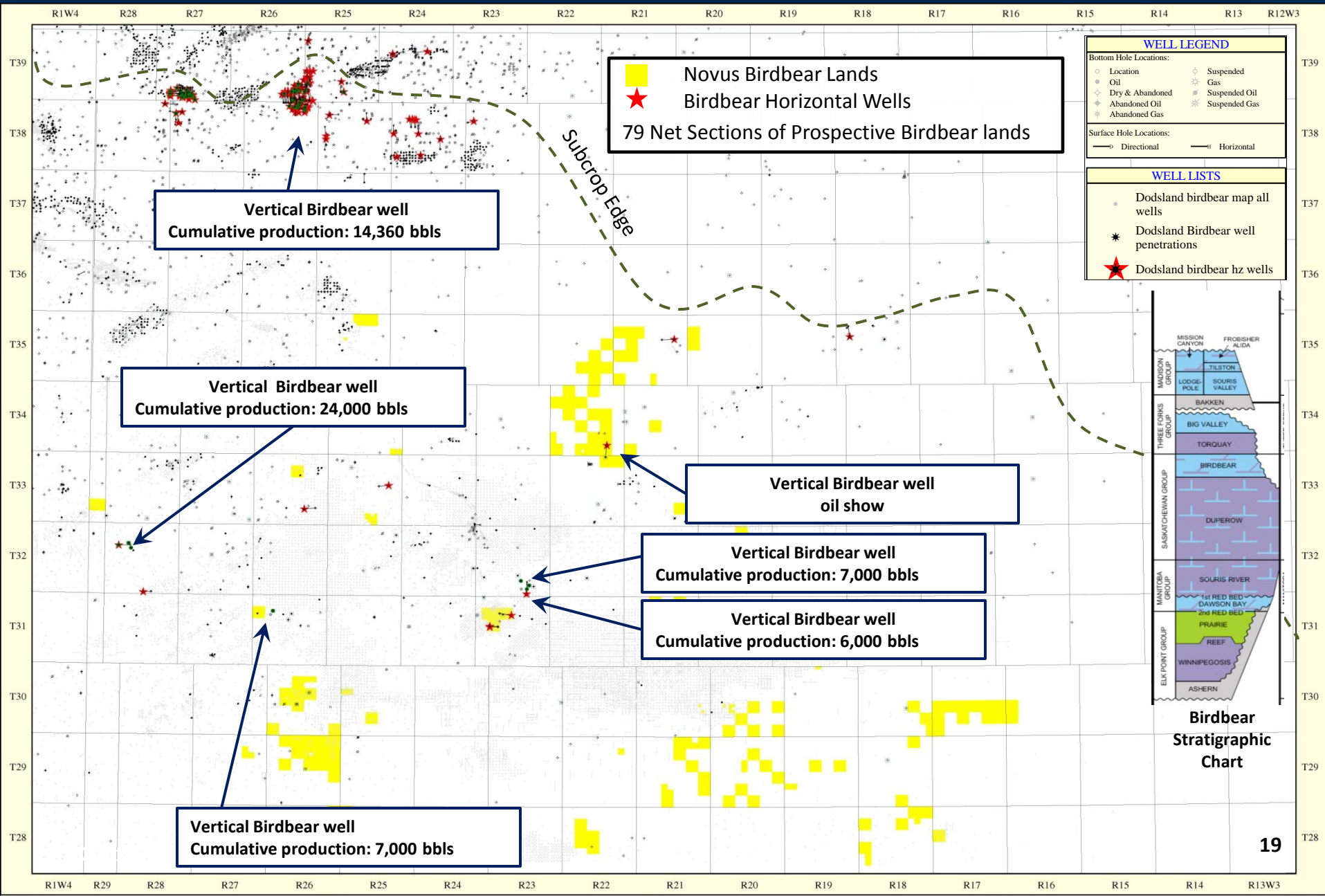
Well Spacing	Drilling Locations	Potential Production Additions <sup>(1)</sup>	Potential Reserve Additions <sup>(2)</sup>
8 wells/section	594	27,324 b/d	29.7 mmbbls
16 wells/section	1,188	54,648 b/d	59.4 mmbbls

- The ability to downspace and increase well drilling densities in the Viking could materially augment the scope of Novus' already sizeable opportunity base.
- Industry competitors have successfully employed 16 well/section spacing in the Dodsland area. Operators in other Viking oil plays are considering drilling 32 wells/section.
- Upside through secondary recovery schemes is anticipated to significantly increase future reserves.

(1)Based on production per well of 46 b/d.

(2)Based on reserves per well of 50,000 bbls.

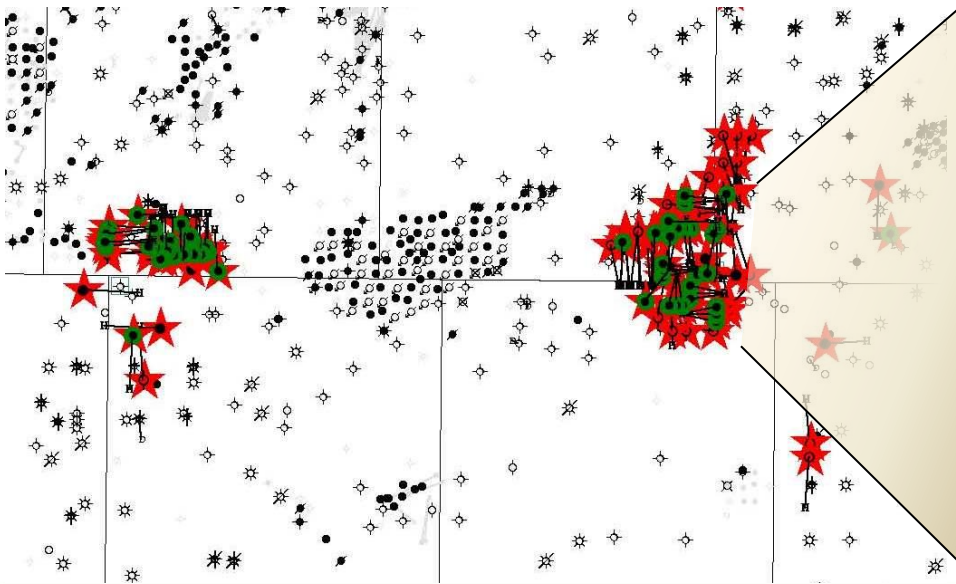
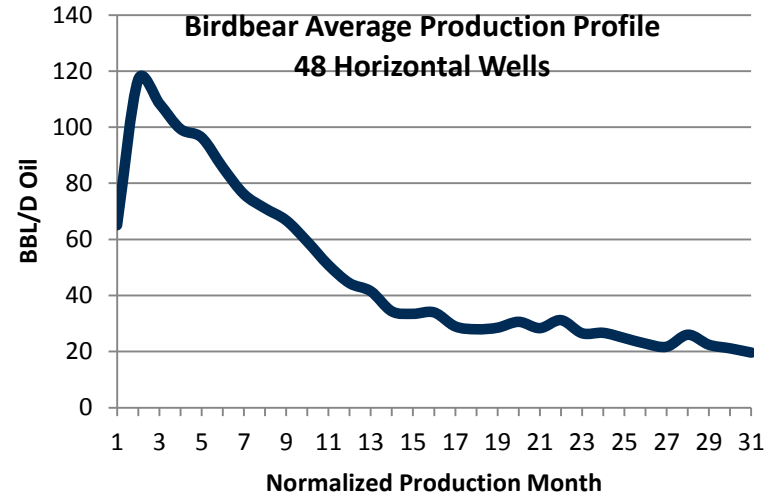
# Developing Birdbear Oil Play



# Developing Birdbear Oil Play

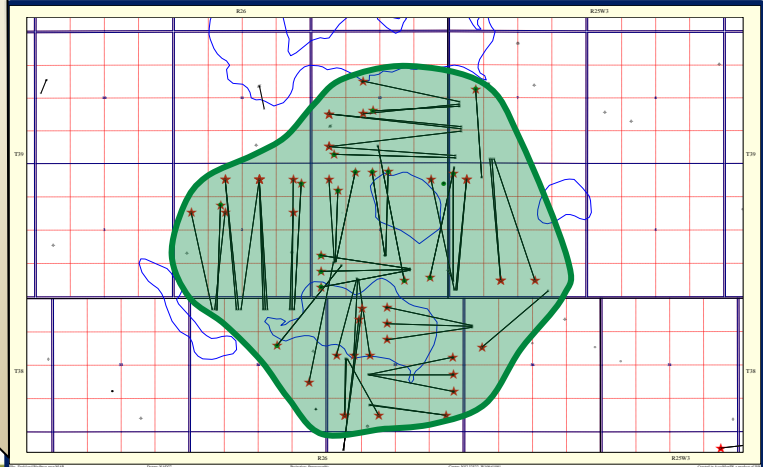
## Birdbear Characteristics

- 750 - 950 m Depth
- \$1.3mm to Drill and Complete
- Estimated 125,000 bbls reserves
- Estimated 100 bbls/d (IP 30)

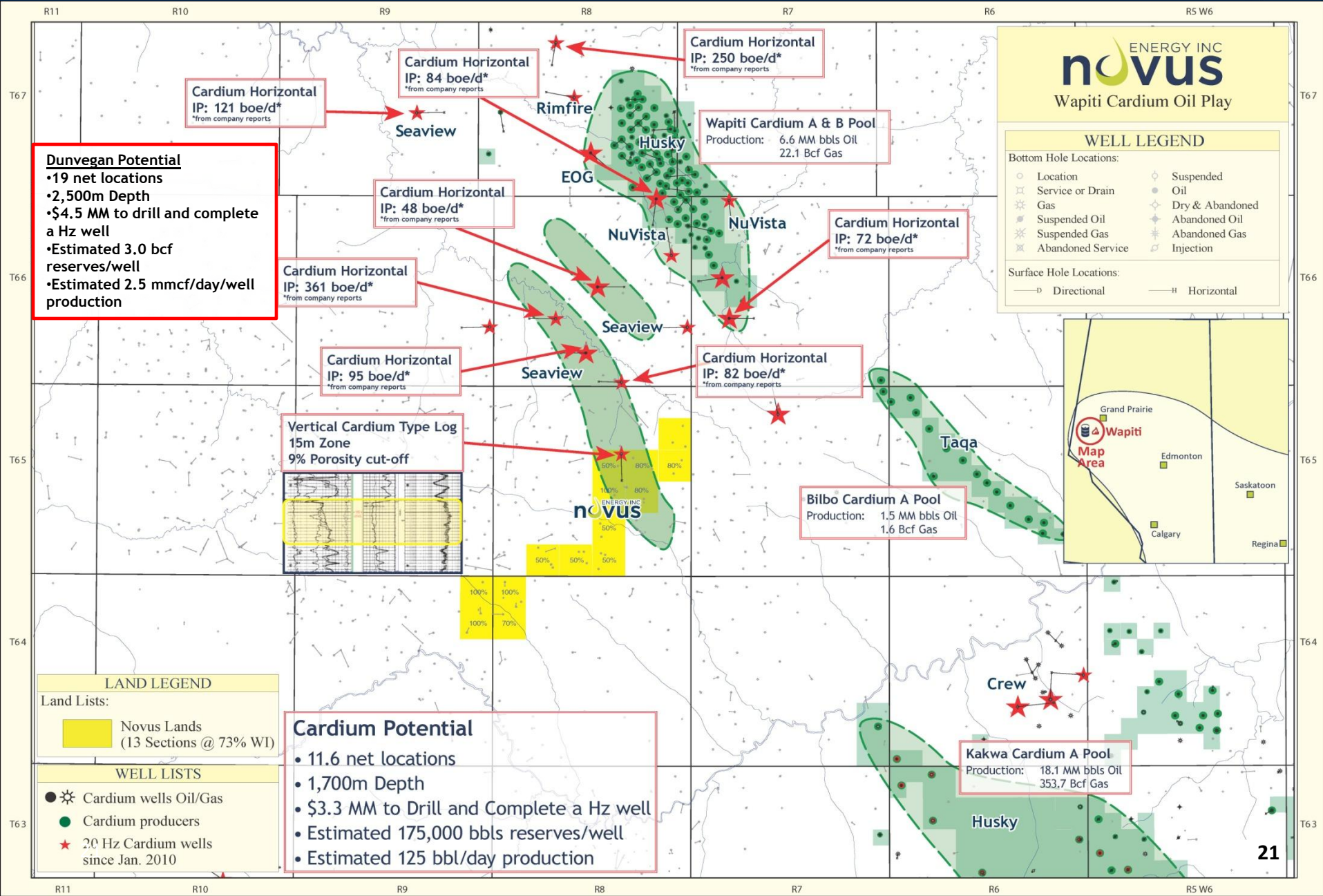


## Senlac Birdbear Oil Pool :

- Pool Size: ~5 Sections
- May 2011 Production: 2,205 bbls oil/d from 26 wells
- May 2011 Cumulative production: 775,000 bbls



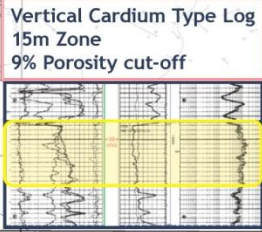
# Wapiti – Cardium Oil Developments



**Dunvegan Potential**

- 19 net locations
- 2,500m Depth
- \$4.5 MM to drill and complete a Hz well
- Estimated 3.0 bcf reserves/well
- Estimated 2.5 mmcf/day/well production

Cardium Horizontal  
IP: 361 boe/d\*  
\*from company reports



**Cardium Potential**

- 11.6 net locations
- 1,700m Depth
- \$3.3 MM to Drill and Complete a Hz well
- Estimated 175,000 bbls reserves/well
- Estimated 125 bbl/day production

**LAND LEGEND**

Land Lists:

- Novus Lands (13 Sections @ 73% WI)

**WELL LISTS**

- \* Cardium wells Oil/Gas
- Cardium producers
- ★ 20 Hz Cardium wells since Jan. 2010

**ENERGY INC**  
**novus**  
Wapiti Cardium Oil Play

**WELL LEGEND**

Bottom Hole Locations:

- Location
- ⊠ Service or Drain
- ⊛ Gas
- ⊛ Suspended Oil
- ⊛ Suspended Gas
- ⊛ Abandoned Service
- ◇ Suspended
- Dry & Abandoned
- ◆ Abandoned Oil
- ◆ Abandoned Gas
- ◆ Injection

Surface Hole Locations:

- D Directional
- H Horizontal



# Quantifying the Opportunity Base

- Novus has an inventory of over 600 horizontal drilling locations on its resource plays. The majority of the inventory is focused on targeting light oil

Oil Drilling Inventory						
Area	Net Wells	Total Capital (\$mm)	Potential Reserve Additions (mmbbls)	Potential Production Additions (b/d)	Risked F&D (\$/bbl)	Risked \$ per b/d
Dodsland Viking <sup>(1)</sup>	594	\$505	29,700	27,324	\$17.00	\$18,478
Wapiti Cardium <sup>(2)</sup>	11.6	\$38	2,030	1,450	\$18.86	\$26,400
<b>Total</b>	<b>605.6</b>	<b>\$543</b>	<b>31,730</b>	<b>28,774</b>	<b>\$17.11</b>	<b>\$18,871</b>

Liquids Rich Natural Gas Drilling Inventory						
Area	Net Wells	Total Capital (\$mm)	Potential Reserve Additions (mboe)	Potential Production Additions (boe/d)	Risked F&D (\$/boe)	Risked \$ per boe/d
Wapiti Dunvegan <sup>(3)</sup>	19	\$86	9,500	7,915	\$9.00	\$10,800

1) Assumes 8 wells per section. \$0.85 mm drilling and completion cost per well. 50,000 bbls of reserves and 46 b/d of production per well

2) Assumes 4 wells per section. \$3.3 mm drilling and completion cost per well. 175,000 bbls of reserves and 125 b/d of production per well

3) Assumes 2 wells per section. Assumes \$4.5 mm drilling and completion cost per well. 3.0 bcf of reserves and 2.5 mmcf/d of production per well

# Summary

## VIKING LIGHT OIL DRIVES SUSTAINABLE GROWTH

- Pure play light oil producer
- Material increase in production and reserves on a per share basis
- Ten year inventory of low risk repeatable drilling locations
- Long-term potential for significant reserve additions through secondary and tertiary recovery schemes
- Flaxcombe has potential to be one of the most economic light oil plays in Western Canada

# Analyst Coverage

		Recommendation	Target Price	Date
	Canaccord Genuity	Buy	\$1.40	August 26, 2011
	CIBC World Markets	Sector Performer	\$1.50	August 26, 2011
	Cormark Securities Inc.	Buy	\$1.75	August 29, 2011
	Desjardins Securities	Buy	\$1.60	August 29, 2011
	Fraser Mackenzie Limited	Strong Buy	\$1.25	September 13, 2011
	GMP Securities L.P.	Buy	\$1.25	August 27, 2011
	Haywood Securities Inc.	Sector Out Perform	\$2.00	August 26, 2011
	Jennings Capital Inc.	Buy	\$1.45	September 16, 2011
	Northland Capital	Sector Out Perform	\$1.50	August 29, 2011
	Paradigm Capital	Buy	\$1.75	August 29, 2011
	Raymond James Ltd.	Out Perform	\$1.50	August 29, 2011
	Stifel Nicolaus	Hold	\$1.10	August 26, 2011

# Officers and Directors

## Management Team

**Hugh G. Ross, B.A.**  
President & CEO and Director

**Ketan Panchmatia, B.Mgt., C.M.A.**  
VP Finance & CFO

**Greg Groten, B.Sc., P.Geoph.**  
VP Exploration

**Julian Din, B.Comm., MBA**  
VP Business Development

**Jack Lane, P.Eng.**  
VP Operations

## Board of Directors

**Michael H. Halvorson <sup>(2)(4)</sup>**  
President, Halcorp Capital Ltd.

**Harry L. Knutson <sup>(1)(3)</sup>**  
Chairman, Nova Bancorp Group (Canada) Ltd.

**Al J. Kroontje <sup>(1)(4)</sup>**  
President, Kasten Energy Inc.

**A. Bruce Macdonald <sup>(2)</sup>**  
Chairman, Jayhawk Resources Ltd.

**Larry C. Mah <sup>(1)(3)</sup>**  
President, Lawrence C. Mah Professional Corporation

- (1) Member of the Audit Committee
- (2) Member of the Reserves Committee
- (3) Member of the Compensation and Human Resources Committee
- (4) Member of the Corporate Governance Committee

# Corporate Advisors

Evaluation Engineers	Sproule Associates Limited
Bank	National Bank of Canada
Auditor	Collins Barrow Calgary LLP
Solicitor	Blake, Cassels & Graydon LLP
Transfer Agent	Olympia Trust Company

## For further information:

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# Measurements

- NON-GAAP FINANCIAL MEASUREMENTS

- Included in this Presentation are references to certain financial measures commonly used in the oil and gas industry, such as operating netbacks and recycle ratios. These measures have no standardized meanings, are not defined by Canadian generally accepted accounting principle (“GAAP”), and accordingly are referred to as non-GAAP measures. These measures are used by management to assess operating results between periods and between peer companies as they provide an indication of the results generated by the Company’s principal business activities before they are taxed and how efficiently its resources are replaced.
- Novus determines operating netbacks as production revenue less royalty, transportation and operating expenses. Novus determines recycle ratios as operating netbacks per boe divided by finding costs per boe. Novus’ reported amounts may not be comparable to similarly titled measures reported by other companies. These terms should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net income as determined by Canadian GAAP as an indicator of the Company’s performance or liquidity.
- Included in this Presentation are references to Original Oil in Place (“OOIP”) which is equivalent to Discovered Petroleum Initially-In-Place (“DPIIP”). DPIIP, also known as discovered resources, is defined as that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for this volume of discovered petroleum initially-in-place at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

- OTHER MEASUREMENTS

- The reporting and measurement currency of this Presentation is the Canadian dollar.
- Reported production represents Novus’ ownership share of sales before the deduction of royalties. Where amounts are expressed on a barrel of oil equivalent (“boe”) basis, natural gas has been converted at a ratio of six thousand cubic feet to one boe. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boe’s may be misleading, particularly if used in isolation. References to natural gas liquids (“liquids”) include condensate, propane, butane and ethane and one barrel of liquids is considered equivalent to one boe.

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- The information provided above includes references to discovered and undiscovered oil and natural gas resources. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resource.
- This presentation contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this presentation contains forward looking statements and information concerning the company's petroleum and natural gas production; reserves; undeveloped land holdings; business strategy; future development and growth opportunities; prospects; asset base; future cash flows; value and debt levels; capital programs; treatment under tax laws; and oil and natural gas prices. The forward-looking statements and information are based on certain key expectations and assumptions made by Novus, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates and reserve volumes; the performance of existing wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although Novus believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Novus can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations.
- Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Novus' operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), and at Novus' website ([www.novusenergy.ca](http://www.novusenergy.ca)). The forward-looking statements and information contained in this presentation are made as of the date hereof and Novus undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.