



Speaker: Murray Rodgers, President & CEO

Canaccord Genuity Global Energy Conference

Miami Beach October 12 & 13, 2011

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Disclaimer

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Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the prospective resources will be discovered and, if discovered, there is no certainty that it will be commercially viable to produce any portion of those resources.

Total Petroleum Initially In-Place (PIIP) is defined by COGEM and SPE-PRMS as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Executive Summary

Proof Of Concept Strategy

- Identify large scale resource opportunities, acquire 'right' acreage and apply proven technologies to create exceptional value for shareholders

Major Oil Play with Significant Untapped Resource Potential

- Focused on San Joaquin Basin, CA
- USGS has estimated that the source rocks have generated an estimated 160 billion barrels of oil with less than 30% of resource discovered to date

Excellent Acreage Position

- Acquired ~89,000 net acres of mineral rights in San Joaquin Basin, high working interests
- Wells drilled in the 1970's and 1980's produced >500,000 bbls of oil on and adjacent to Company lands (Department of Oil Gas and Geothermal Resources, "DOGGR")

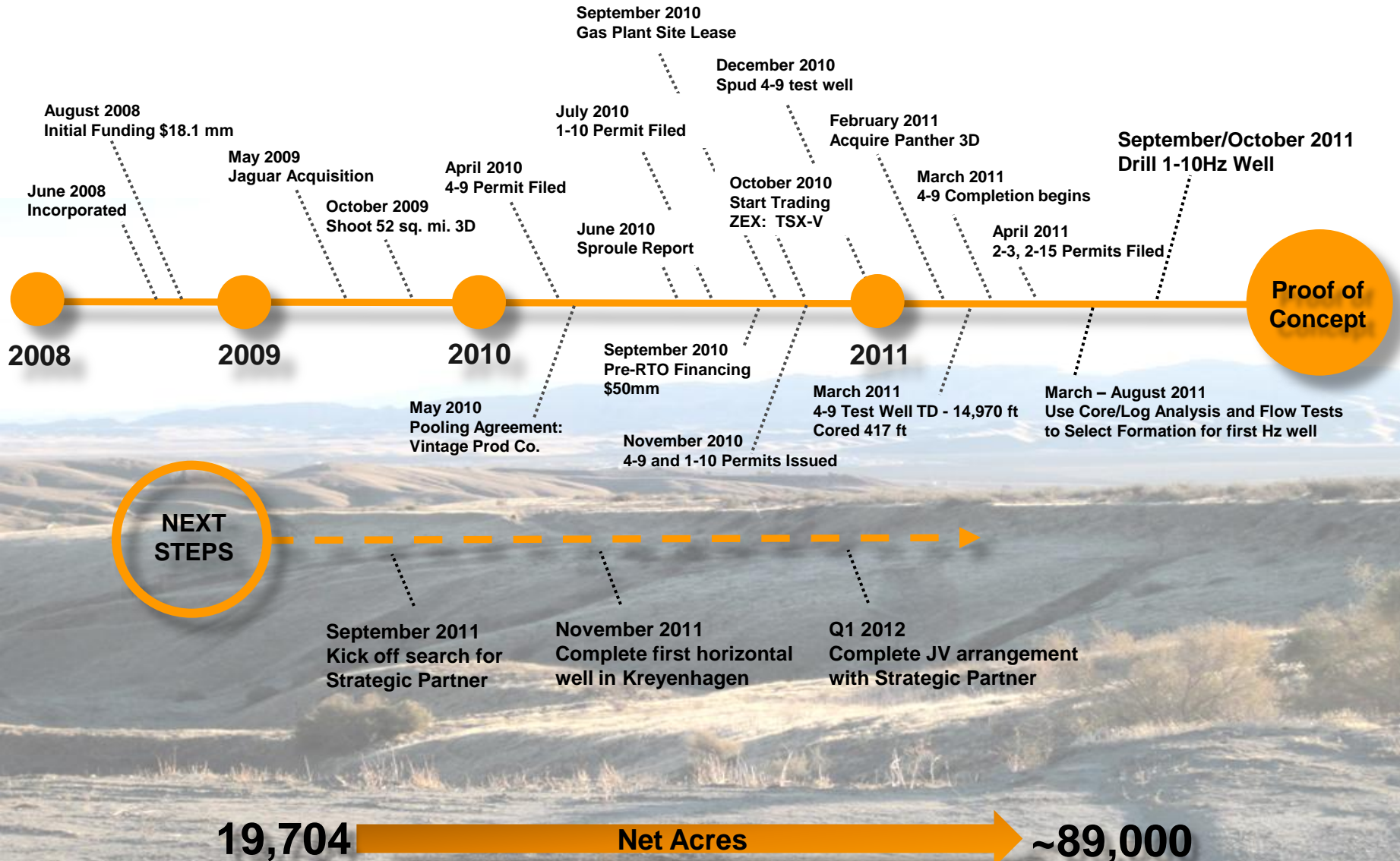
Significant Resource Potential

- Independent NI 51-101 report prepared on the Jaguar prospect
- Estimated Mean Petroleum Initially-In-Place ("PIIP") of 4.2 Billion bbls for Jaguar Prospect (Whepley and Vaqueros) – 80% working interest to Zodiac
- Other significant Oil Resource and Conventional Prospects

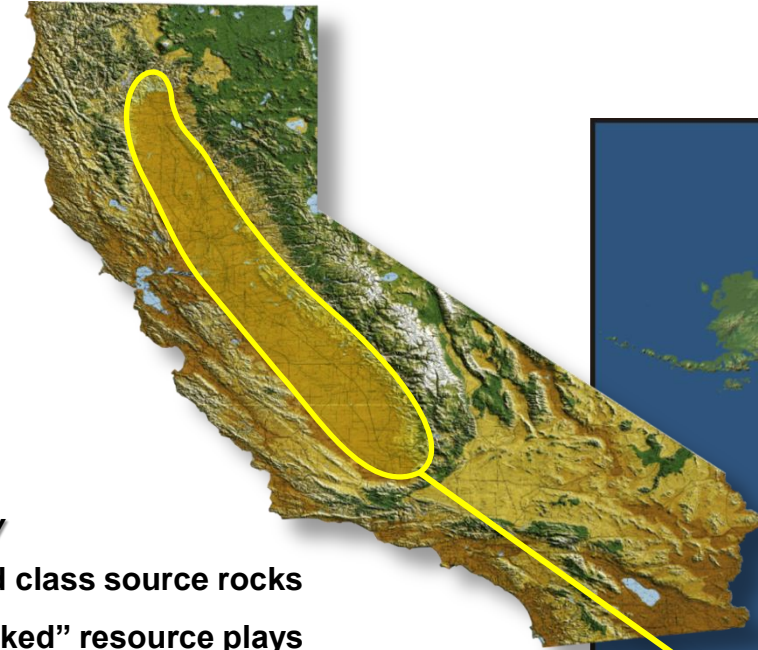
Evaluation Program

- Initial test well (4-9) drilled to 14,961 feet – four zones tested
- Second well (1-10) drilled to 16,950 feet – currently drilling first horizontal leg in upper Kreyenhagen

Zodiac Milestones



Why The San Joaquin Basin?



Great Geology

- World class source rocks
- “Stacked” resource plays
- Data indicates excellent rock properties

Legacy Vertical Wells have produced

- Data
- Delineation
- De-risking

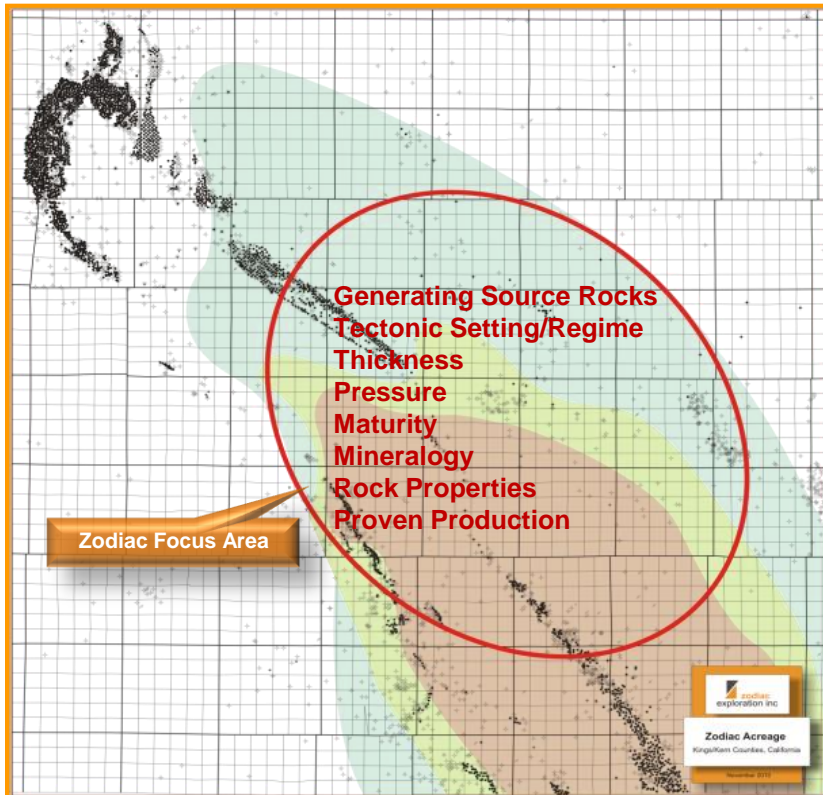
Resource Potential

- Large target size

Existing Infrastructure

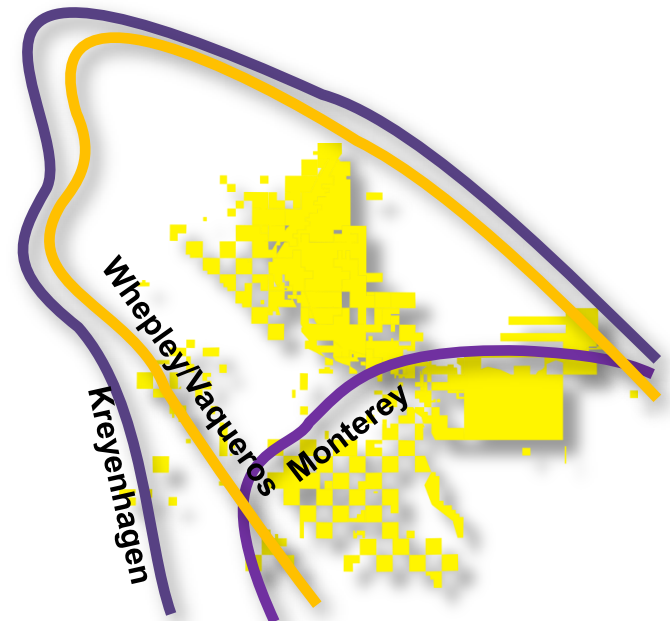


Zodiac Focus Area – Resource Play Check List



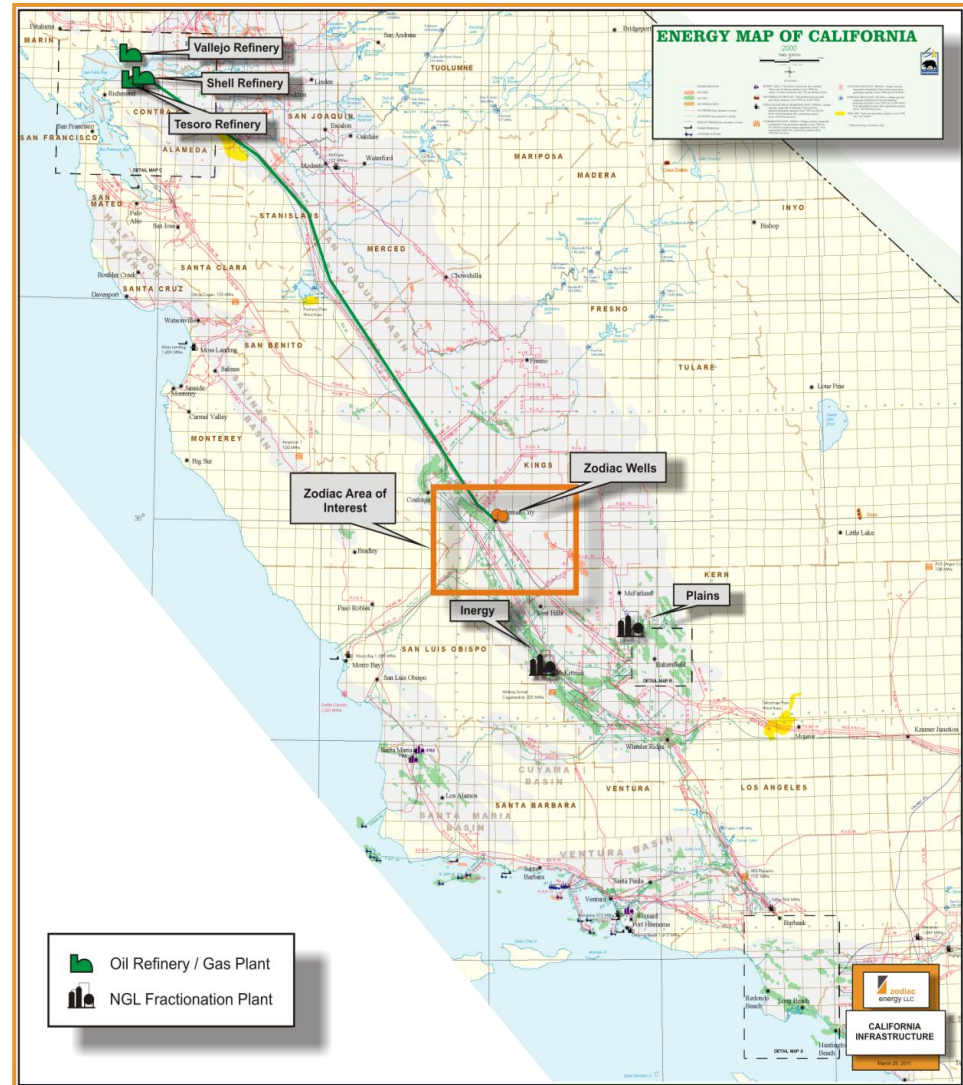
Kreyenhagen Maturity Map modified after Petroleum Systems and Geologic Assessment of Oil and Gas in the San Joaquin Basin Province California- Fig.8.25

- Well data indicates excellent source rocks and reservoir rock properties
- “Stacked” Resource Plays & Conventional Targets
- Not a binary play (more than one target)



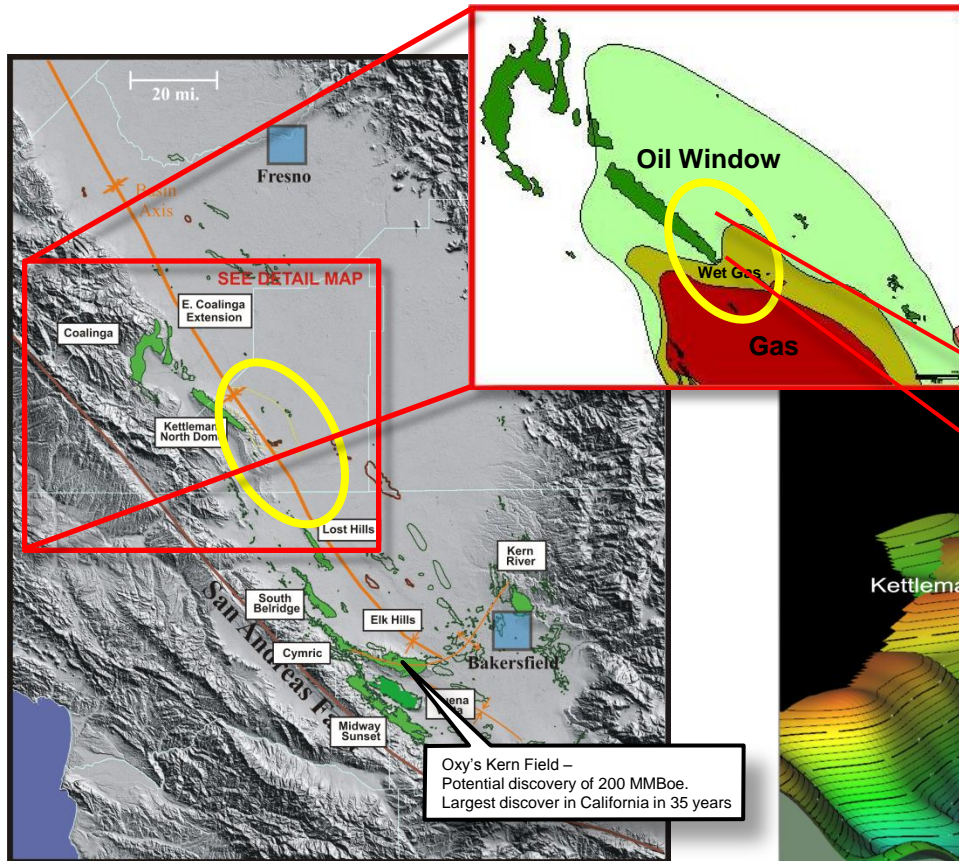
Existing Infrastructure

- California's crude pipelines originate principally from Kern County
- 21 refineries in California with a total input capacity of ~ 2.1 MMBbl/d
- Pipelines in Kings County flow north to SF Bay area to refineries with ~ 800,000 Bbl/d of capacity
 - Chevron Richmond 243 MBbl/d
 - Tesoro Avon/Rodeo 166 MBbl/d
 - Shell Martinez 156 MBbl/d
 - Valero Benicia 144 MBbl/d
 - ConocoPhillips Rodeo 76 MBbl/d
- Existing gas pipelines go directly through our project area
- NGLs can be marketed to Midstream Co.s in Bakersfield



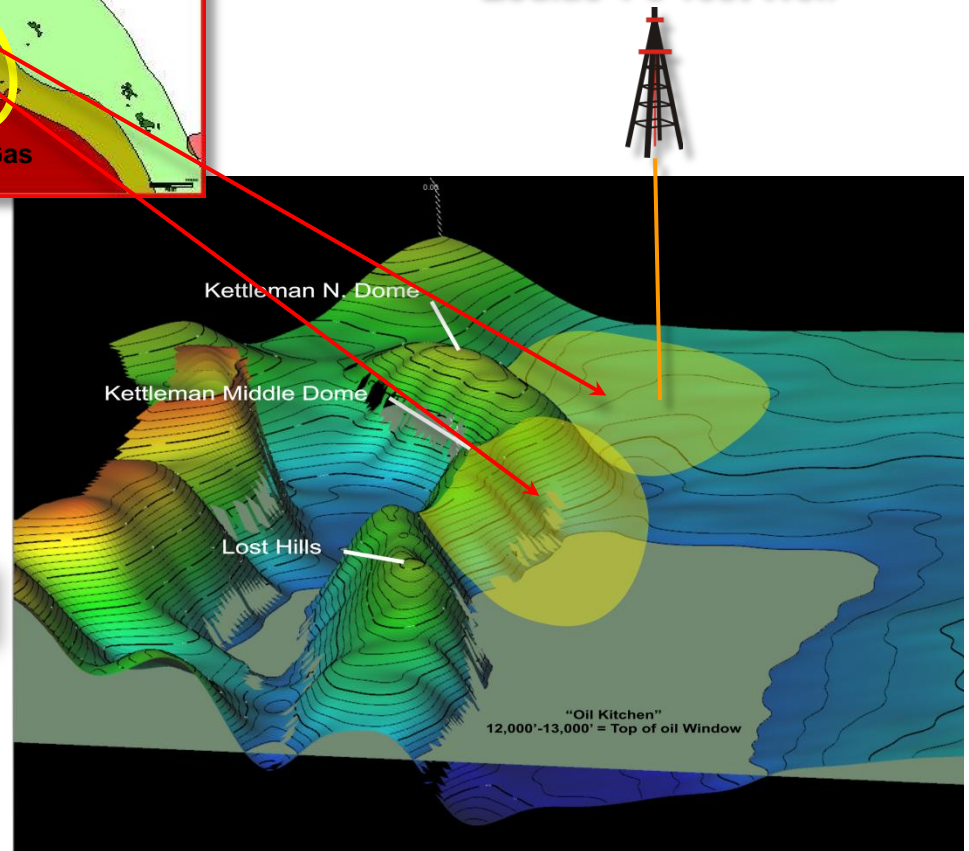
World Class Source Rocks

> 3 Billion Bbls produced in immediate project area

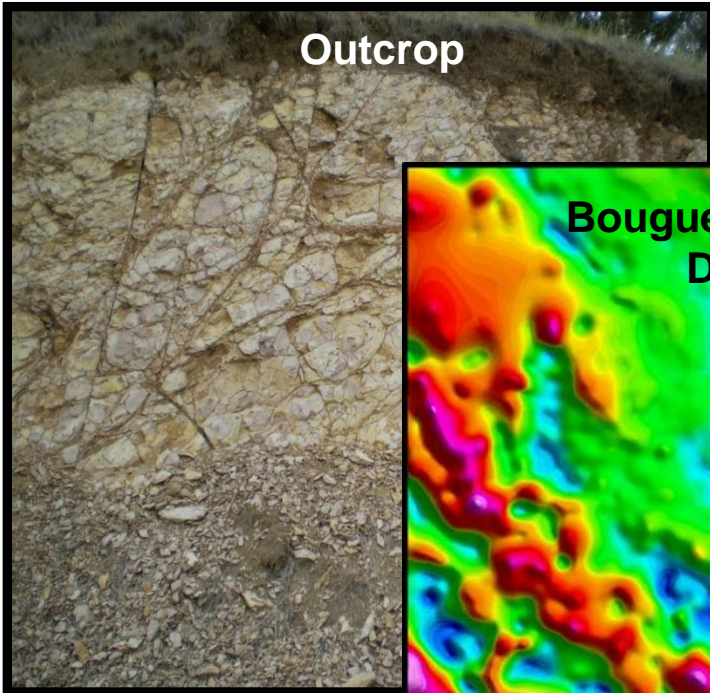


> 13 Billion Boe produced in San Joaquin Basin to date

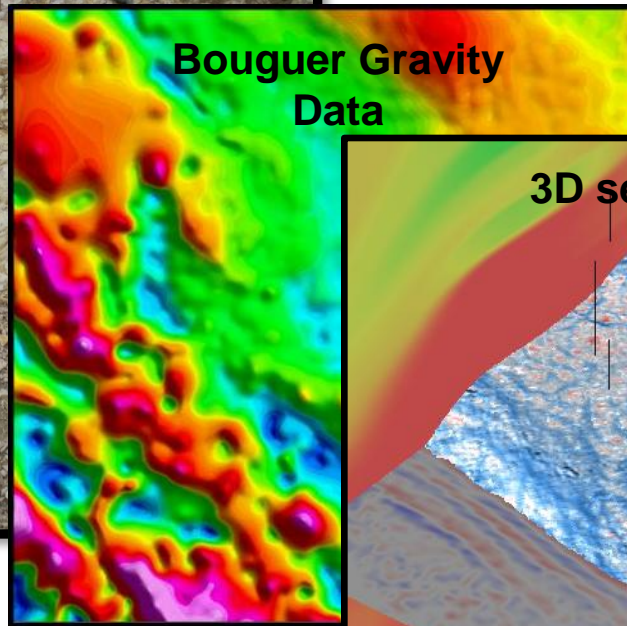
Zodiac 4-9 Test Well



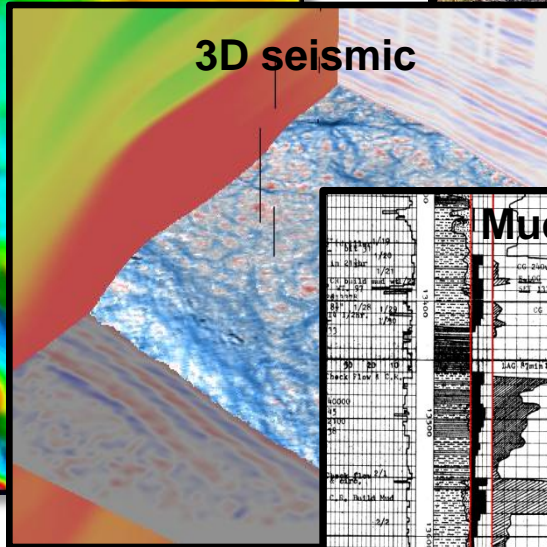
Oil Charged Fractured System



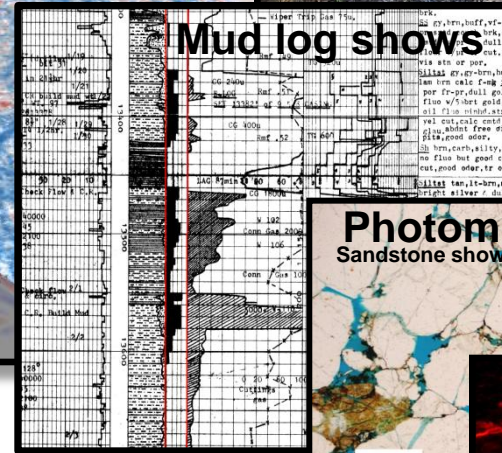
Outcrop



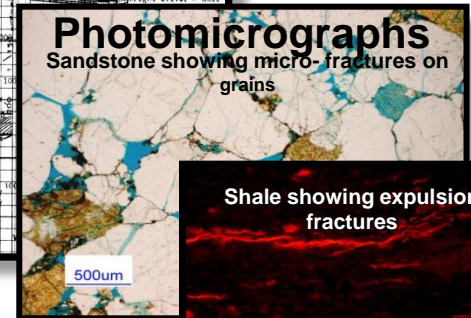
Bouguer Gravity Data



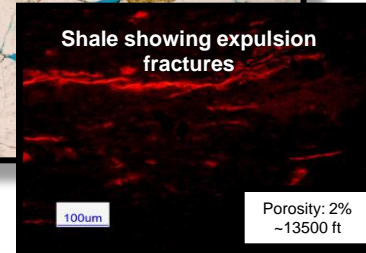
3D seismic



Mud log shows



Photomicrographs
Sandstone showing micro-fractures on grains



Shale showing expulsion fractures

Porosity: 2%
~13500 ft

Ongoing Outcrop Studies

New Gravity Interpretation

~ 50 sq. miles new 3-D data plus 2-D

Rigorous Log Analysis

High Resolution Petrophysics

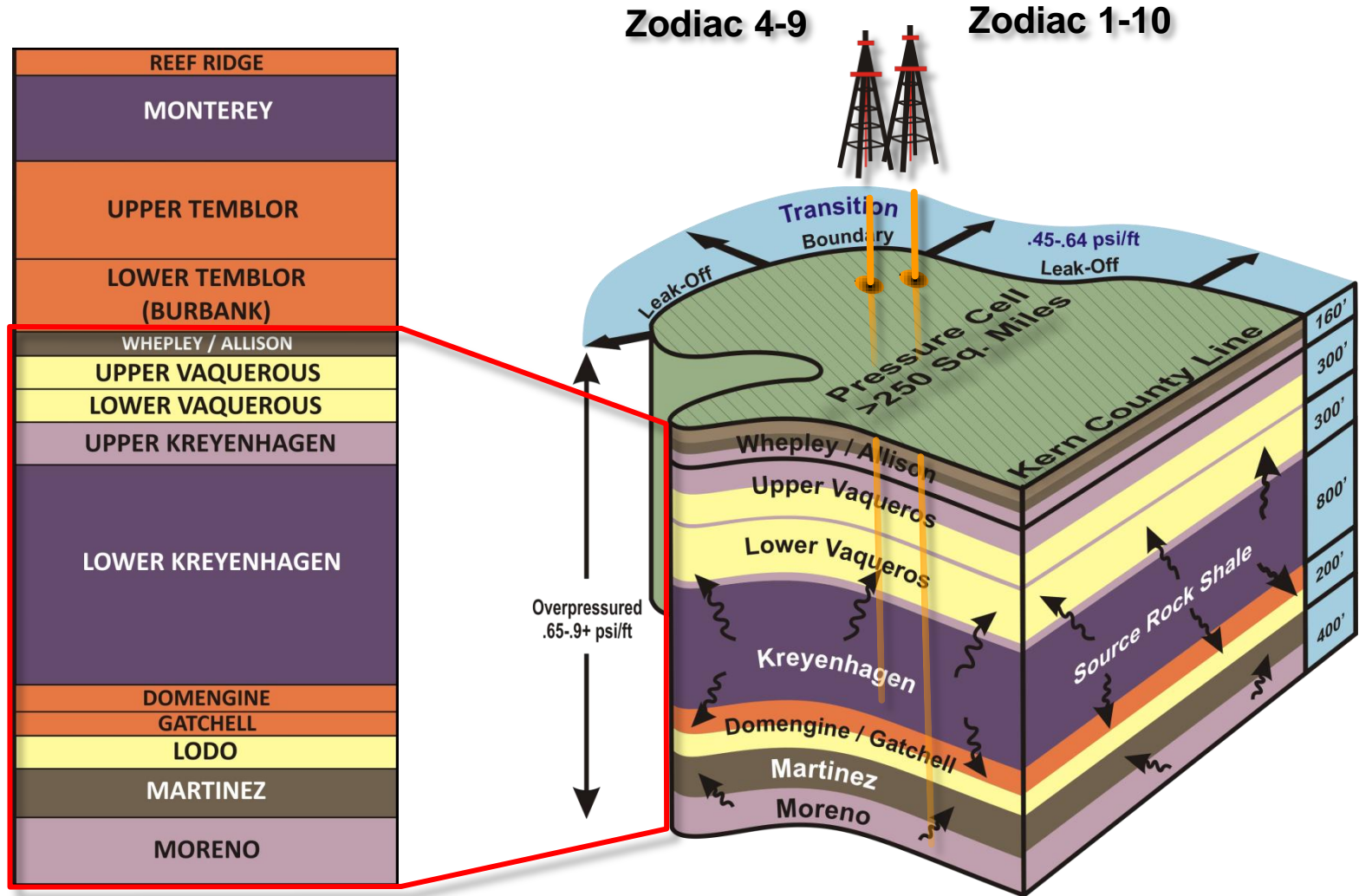
Macro

Micro

Scalable Techniques

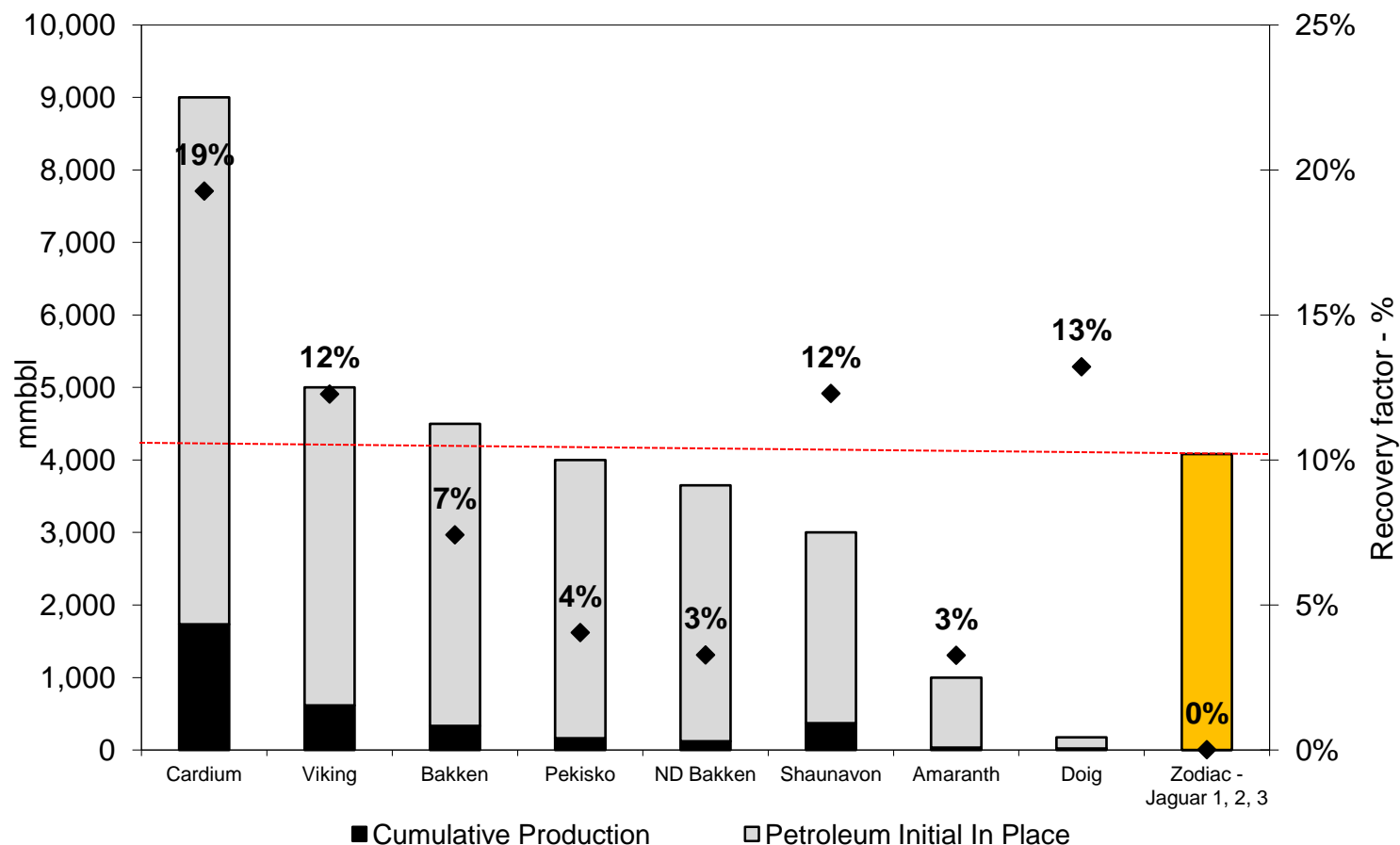
All data supports 'Extensive Fractured System'

“Stacked” Resource Targets + Conventional Plays



Resource Potential - Vaqueros TPIIP

Equal to or greater than any one of several ENTIRE light oil PLAYS in Western Canada



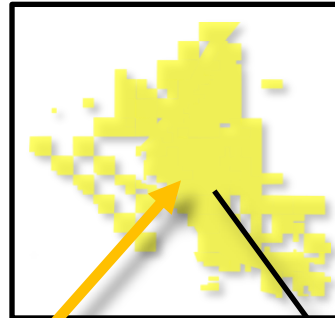
1. Taken from the Resource Assessment and Evaluation report, prepared in compliance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, on the resource estimates and values in respect of certain of Zodiac's properties entitled "Evaluation of the Jaguar Prospect, San Joaquin Basin, California, as of June 1, 2010, for Zodiac Exploration Corp." (the "Report") by Sproule U.S. Limited ("Sproule"). Please see the Joint Information Circular "Concerning the Proposed Business Combination of Peninsula and Zodiac" dated August 27, 2010 available at www.sedar.com for more details.
2. The estimate depicted in the above chart represents the Best estimate taken from the Report and is based on 100% working interest. At the time of the Report Zodiac held an approximate 80% working interest in approximately 56 sections of land in the prospect area.
3. In the Report, Sproule also provided high estimates of Contingent Resources of 10.82 MMbbl and Prospective Resources of 56.56 MMbbl for Zodiac's net interests, see table S-2 in presentation.

Other Estimates are taken from Macquarie Capital Markets Canada, April 2010

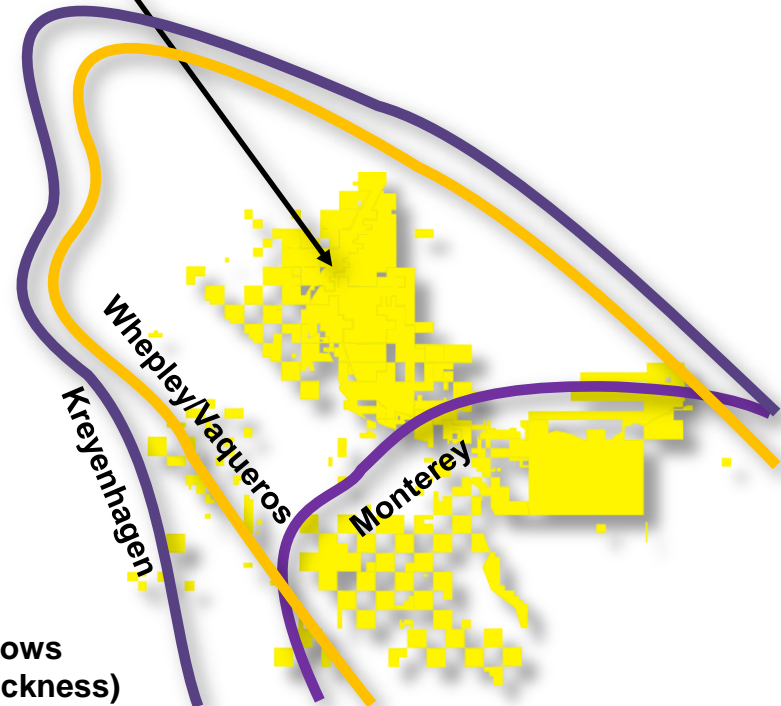
Resource Potential – Large Target Size

CENOZOIC	MIOCENE	UPPER	REEF RIDGE	
			MONTEREY	●
		MIDDLE		
	OLIGOCENE	LOWER	UPPER TEMBLOR	
			LOWER TEMBLOR (BIJRRANK)	●
		UPPER	WHEPLEY / ALLISON	●
	EOCENE	LOWER	UPPER VAQUEROUS	●
			LOWER VAQUEROUS	●
			UPPER KREYENHAGEN	●
		UPPER		
		MIDDLE	LOWER KREYENHAGEN	●
			DOMENGINE	●
		LOWER	GATCHELL	●
	PALEOCENE	LOWER	LODO	●
		UPPER	MARTINEZ	●
LOWER		MORENO	●	

- UNCONVENTIONAL TARGETS
- CONVENTIONAL TARGETS

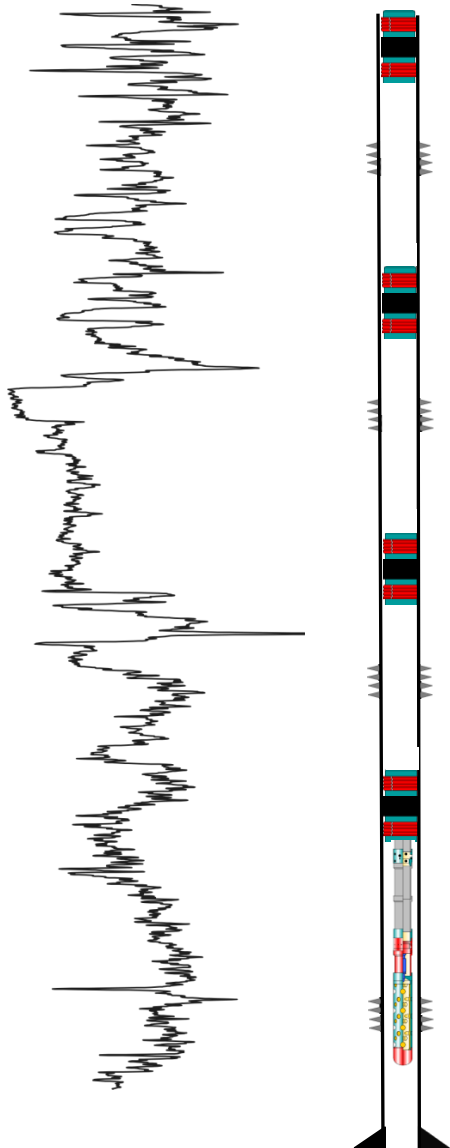


- 2010 Resource Assessment (Sproule)
Mean TPIIP 4.2 Billion Bbls Whepley / Vaqueros Formation – net 80% to ZEX
- Kreyenhagen / Monterey / Conventional = large unrecognized upside



Zodiac Target Windows
(Pressure, Maturity, Thickness)

4-9 Wellbore



Completion Program

Tested 4 segregated intervals in the well with the goal of:

- Obtaining reservoir parameters (perm, pressure, etc)
- Collecting frac data (frac gradient, closure stress, etc)

On each zone:

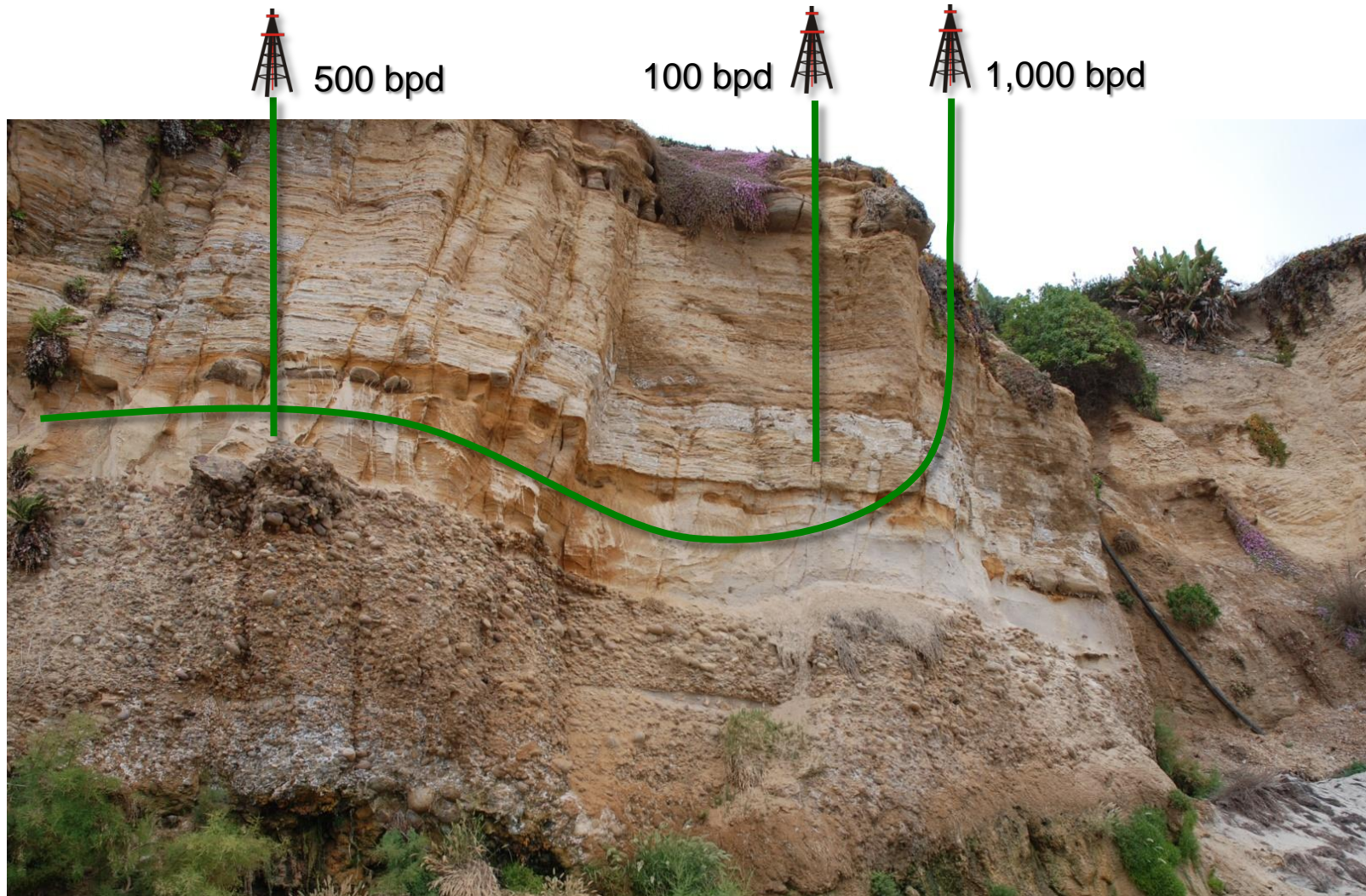
- DFIT to evaluate fracture and reservoir parameters
- Hydraulic fracture treatment
- Flow & build-up testing
- Obtain reservoir fluids for testing and evaluation

Hydraulic Fracture design:

- Hybrid frac design to take advantage of natural fractures, and ensure sufficient conductivity in the near wellbore
- Crosslinked fluid for all proppant stages
- Moderate rates
- High strength ceramic proppant
- Real time bottomhole gauges

Note: perforation intervals shown are for presentation purposes only

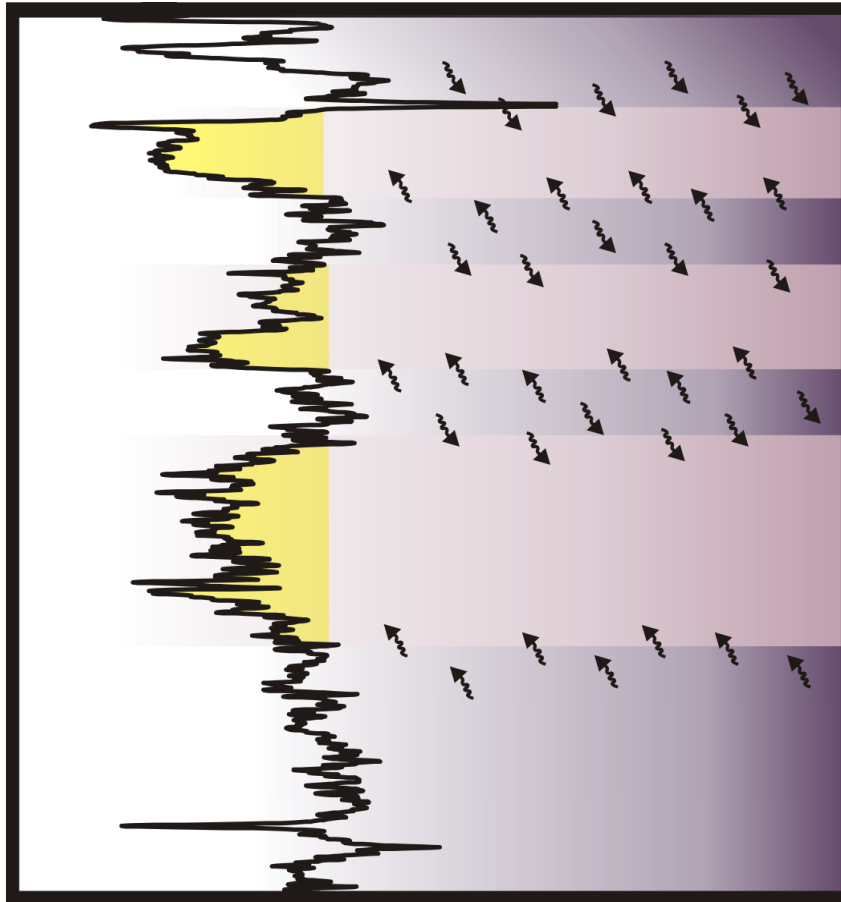
Outcrop Model for the Play



Fractures Connect Source and Reservoir Rock and Enhance Productivity

Organic Rich Shales ‘Feed’ Oil into Silty Units

“Bakken-like model”



“Pipeline” Silty Shale

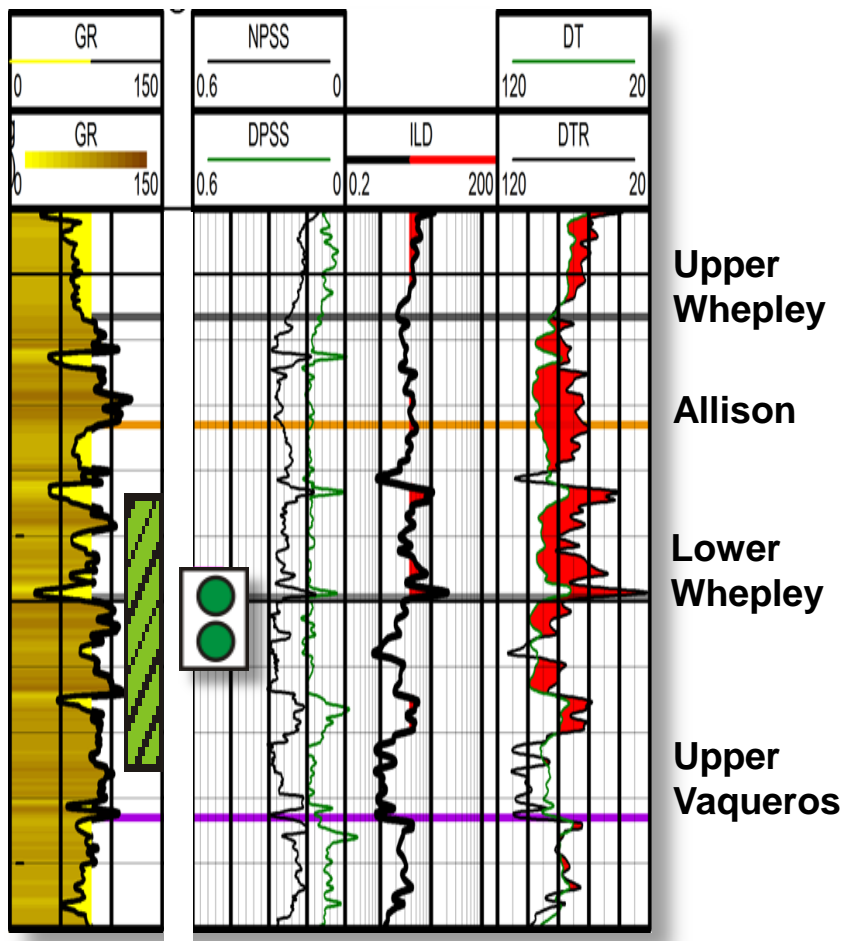


“Storage Tank” Shale

- Confirmed the Model using a systematic step-wise approach
- Petrophysical Log and Core Analysis enhance targeting precision (4-9 log suite)
- Calibration of log derived parameters using Core Analyses
- Vertical test results in 4-9 further support the geological model

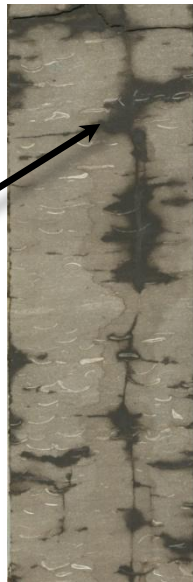
The Whepley-Allison Model

Zodiac 4-9



- Test rates of 13 to 30 bopd primarily from shale
- Best part (silts) ~50' not fully tested due to wellbore limitations

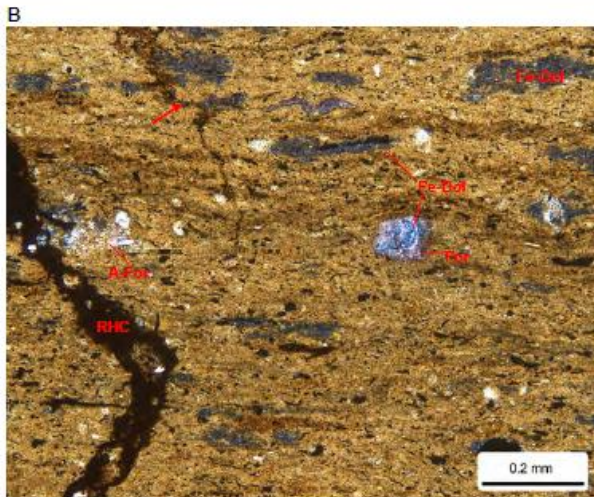
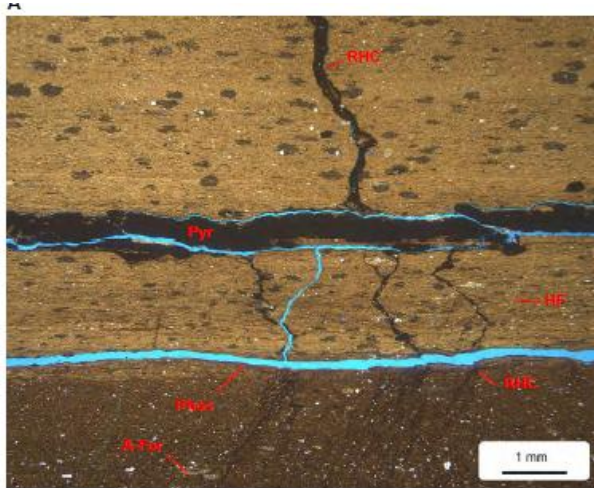
- Shaly siltstone between laminated organic-rich shale
- Vertical fractures observed in core
- Live oil in core and cuttings
- Tested oil from this interval



UV Light

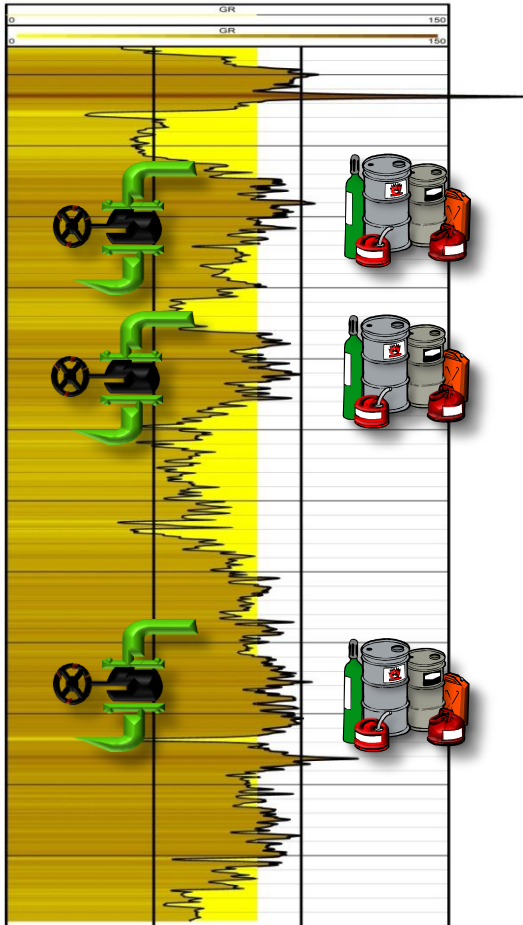
Fractures at the Microscopic Level

Plate 1: 13586' Core Depth [13598' Log Depth]

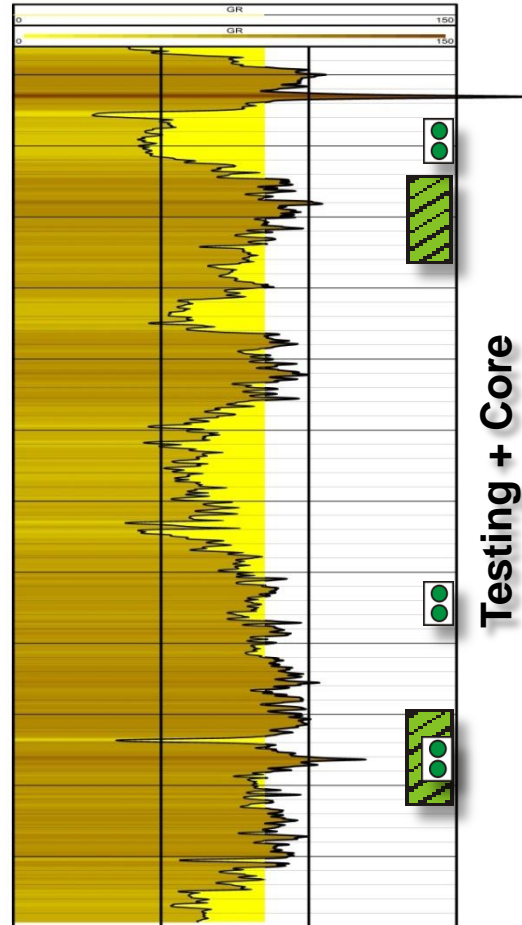


Perf Interval: 13590-13620' Log Depth

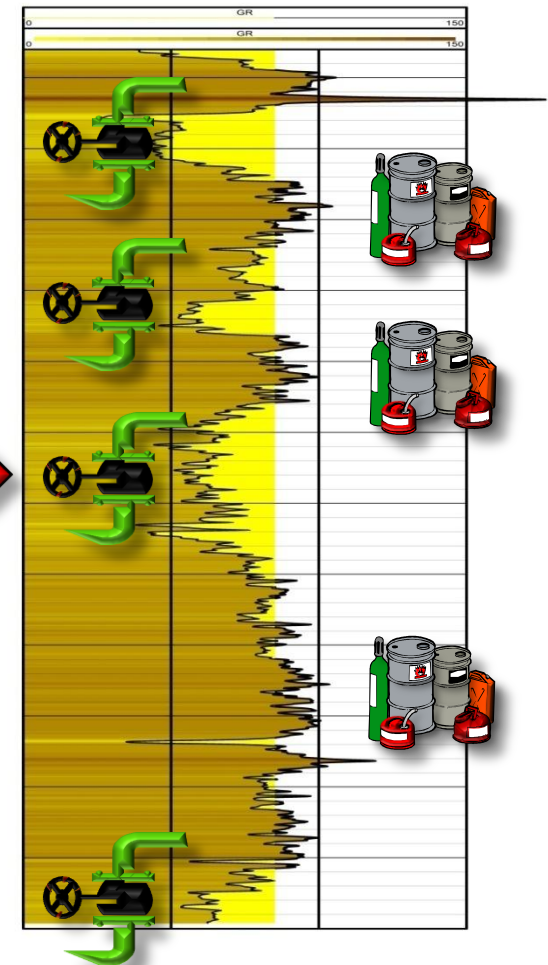
Kreyenhagen Model: Bakken analogue with greater vertical thickness



Original Model: Source shales act as reservoir rocks

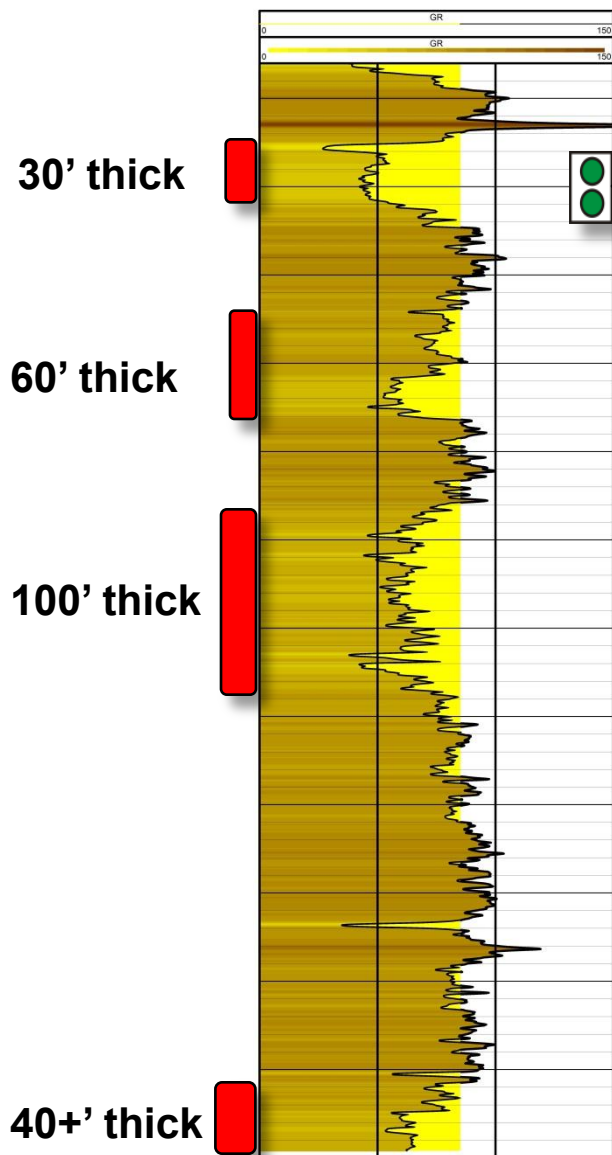


**Core +
Petrophysical
Log Evaluation +
Reservoir Tests**



New Model: Source shales charge adjacent silty reservoir rocks

Upper Kreyenhagen – One of Several Targets



First horizontal target; tested 24 bopd to ~ 120 bopd without damage in 4-9

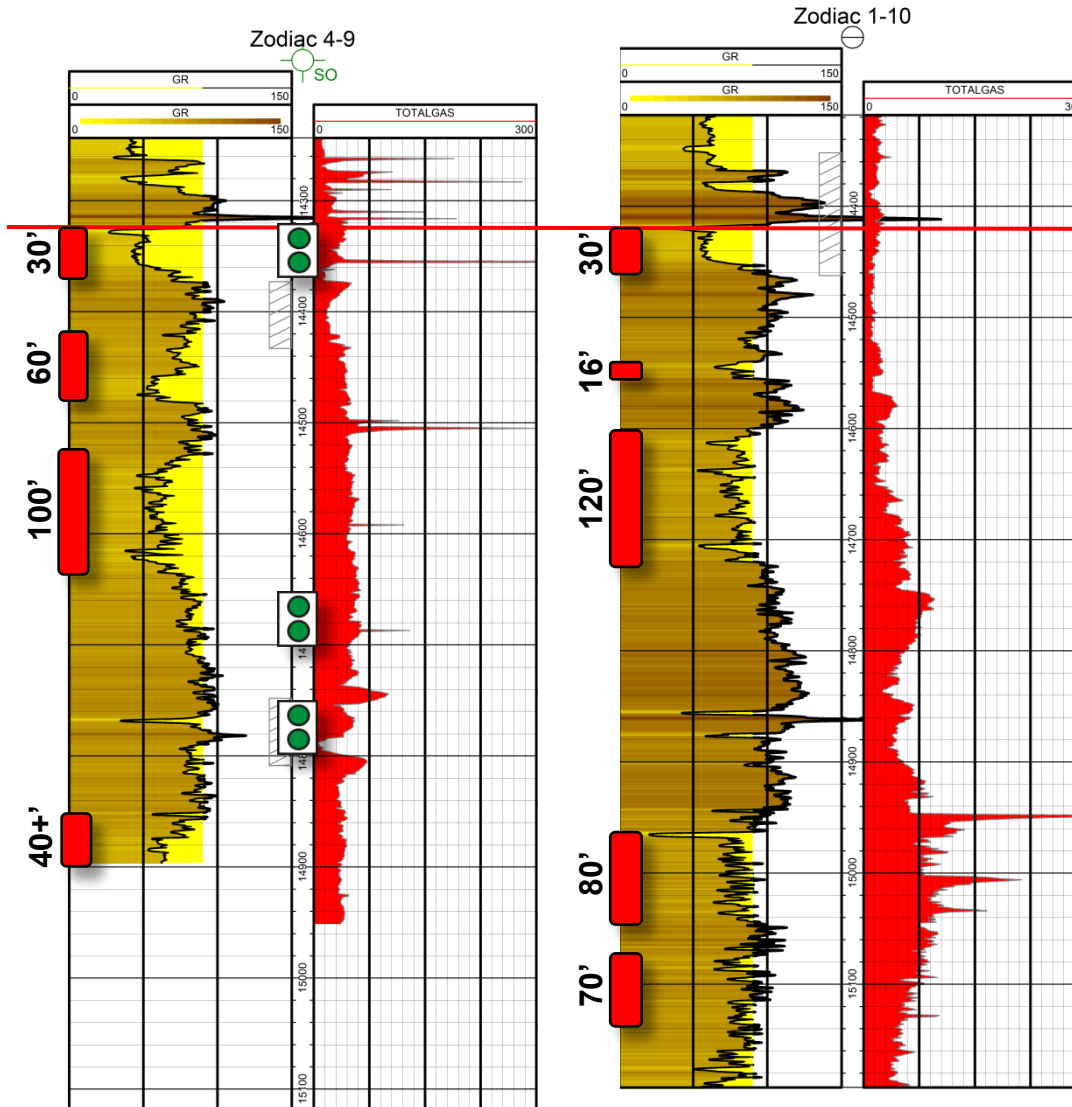
Eagle Ford Comparison

Early Development (12 wells)

	Vertical Well	Hz Well
EUR Range (MBOE)	2 - 232	147 - 520
Avg EUR (MBOE)	50	450 9:1 uplift
Completion Size	Acid job or very small frac	Single lateral with multistage complex frac
IP Range (Bopd)	4 - 400	629 - 2130
Avg IP (Bopd)	100	1100 + 1000 Mcf gas

**Typical stimulated thickness of Eagle Ford is 150'*

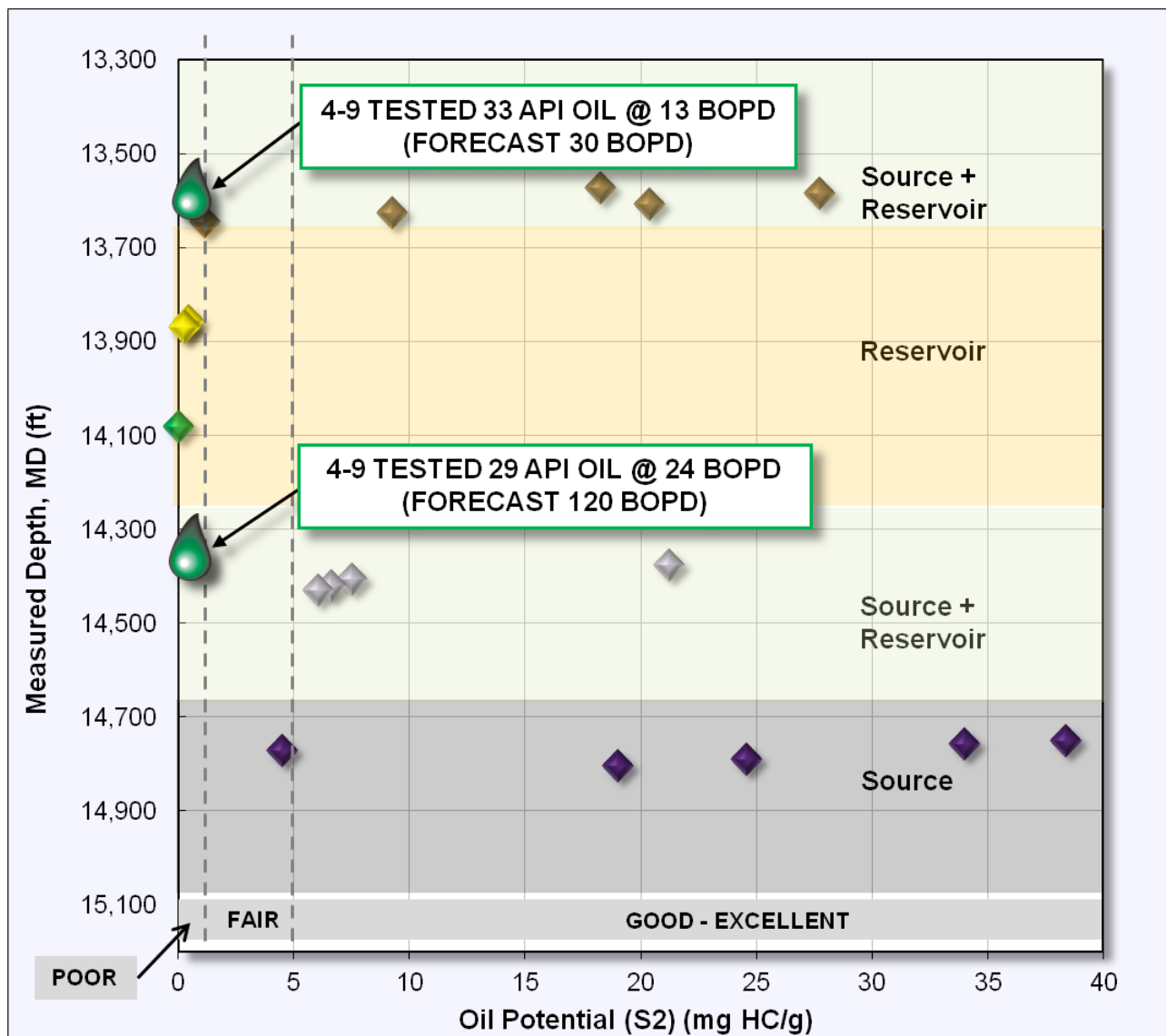
Regional Kreyenhagen Potential



Kreyenhagen

- Formation thickness is increasing to south
- Silt content increases south and west
- Maturity increasing southwest

Sources & Reservoir Targets

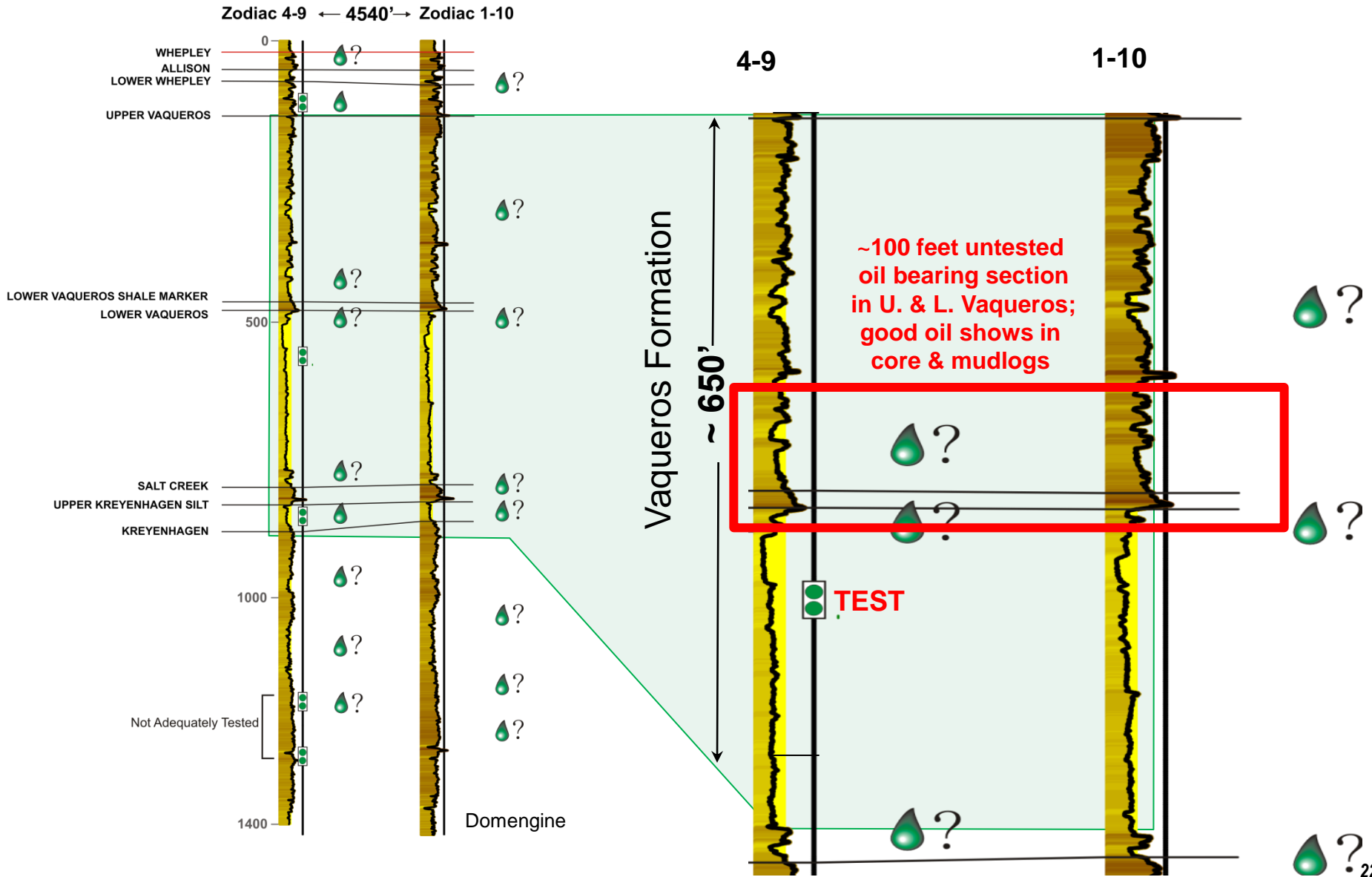


Whepley and Kreyenhagen are self-sourcing reservoir targets

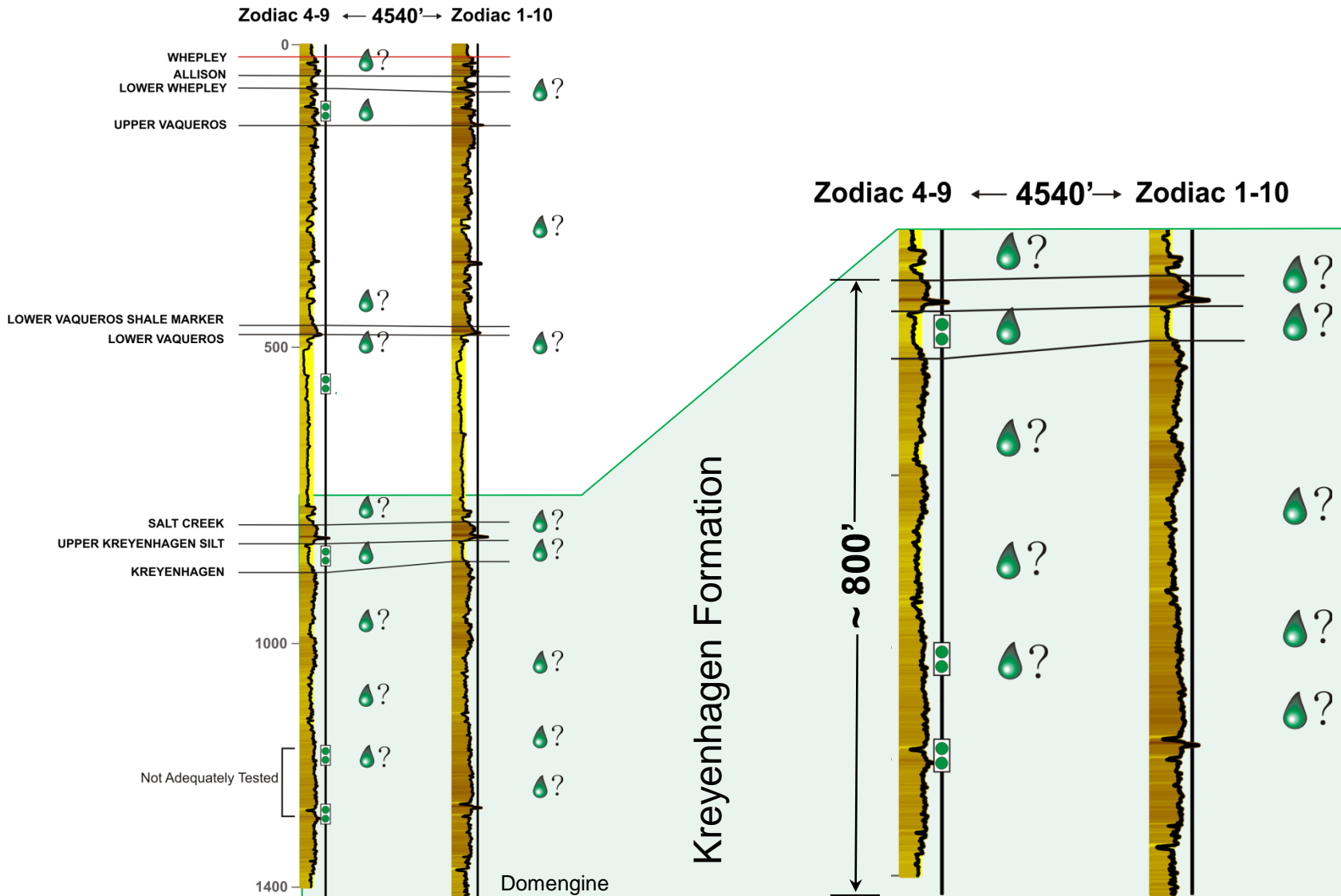
Vaqueros is a reservoir target sourced from Kreyenhagen or Whepley

- WHEPLEY
- UPPER VAQUEROS
- LOWER VAQUEROS
- UPPER KREYENHAGEN
- LOWER KREYENHAGEN

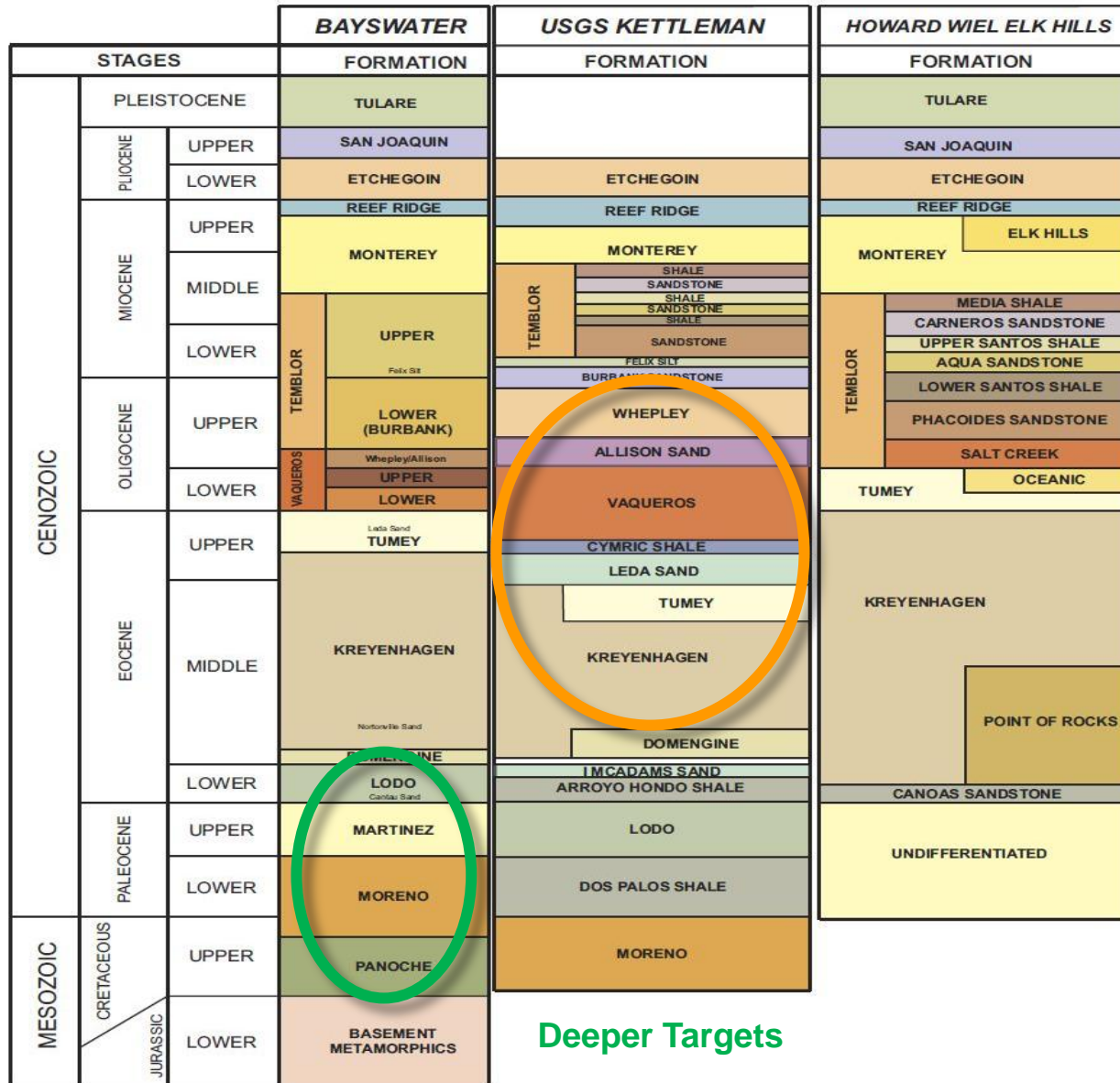
Significant Potential in the Vaqueros



Additional Testing Opportunities in the Kreyenhagen

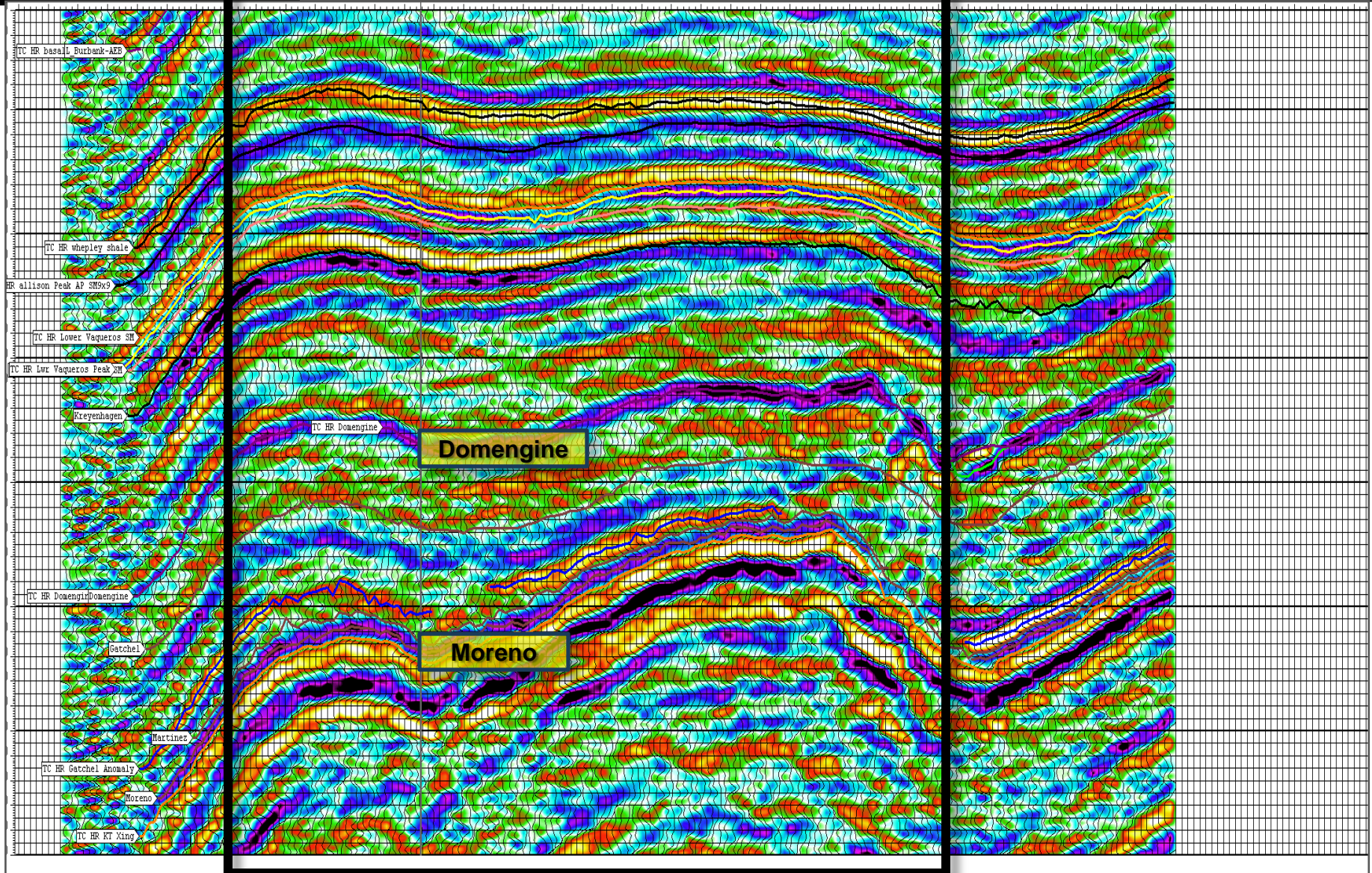


Zodiac 1-10 Well Deepened to 16,950 feet

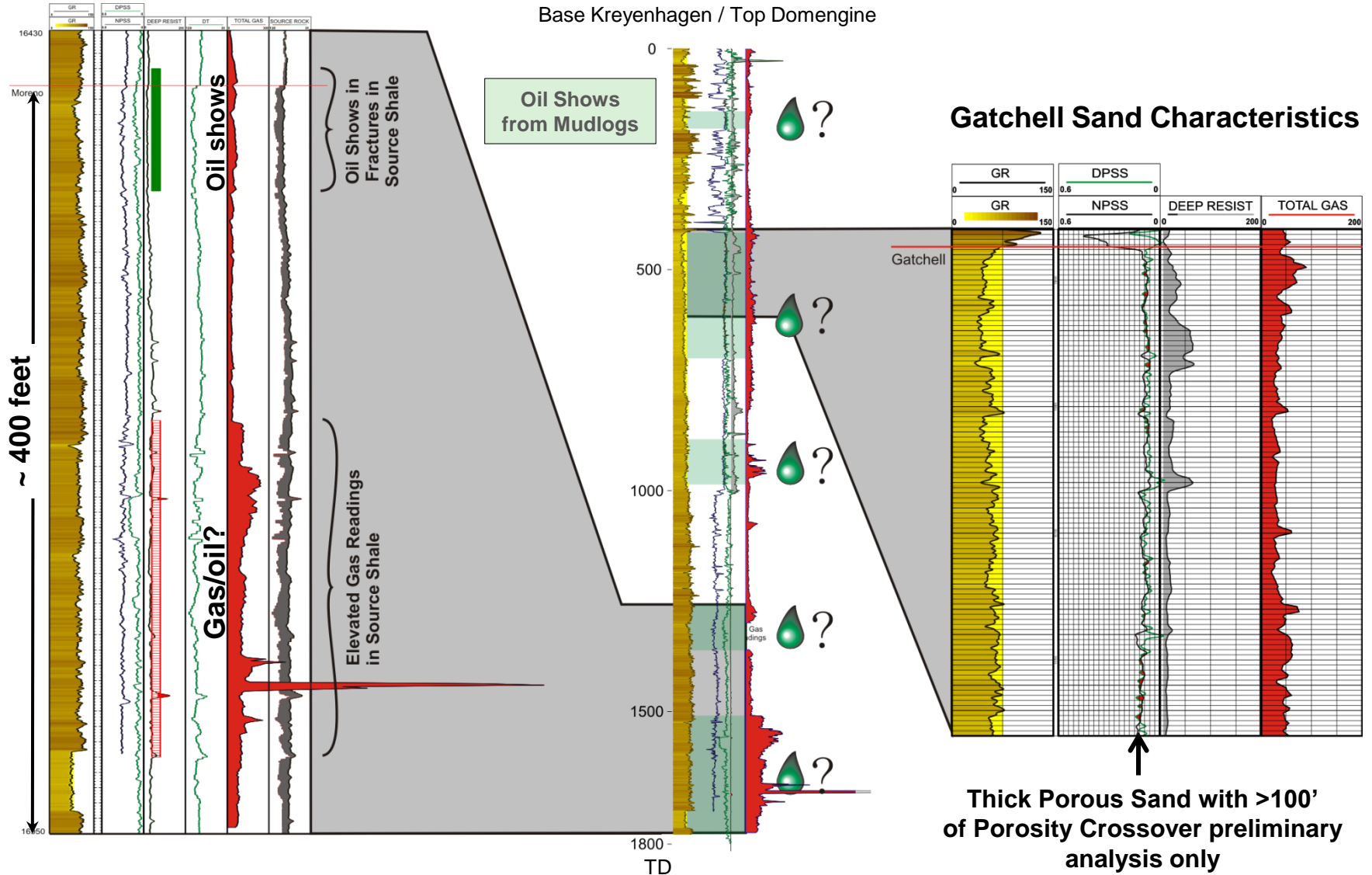


Deeper Targets

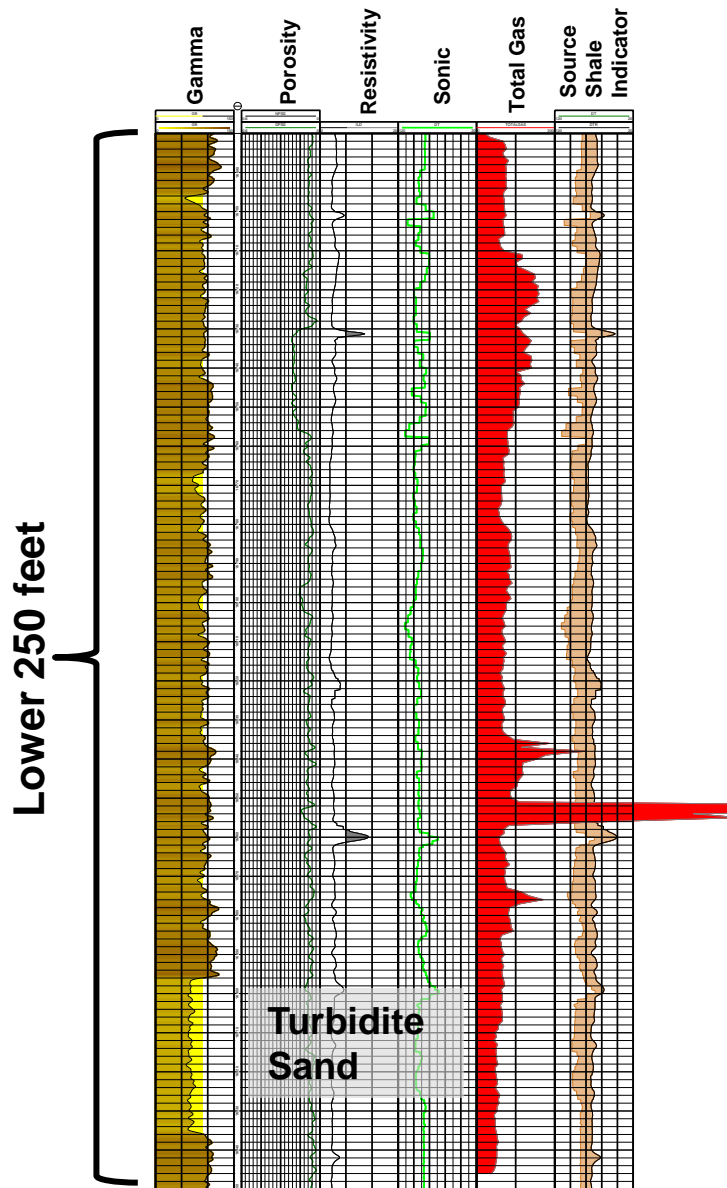
Zodiac Acreage



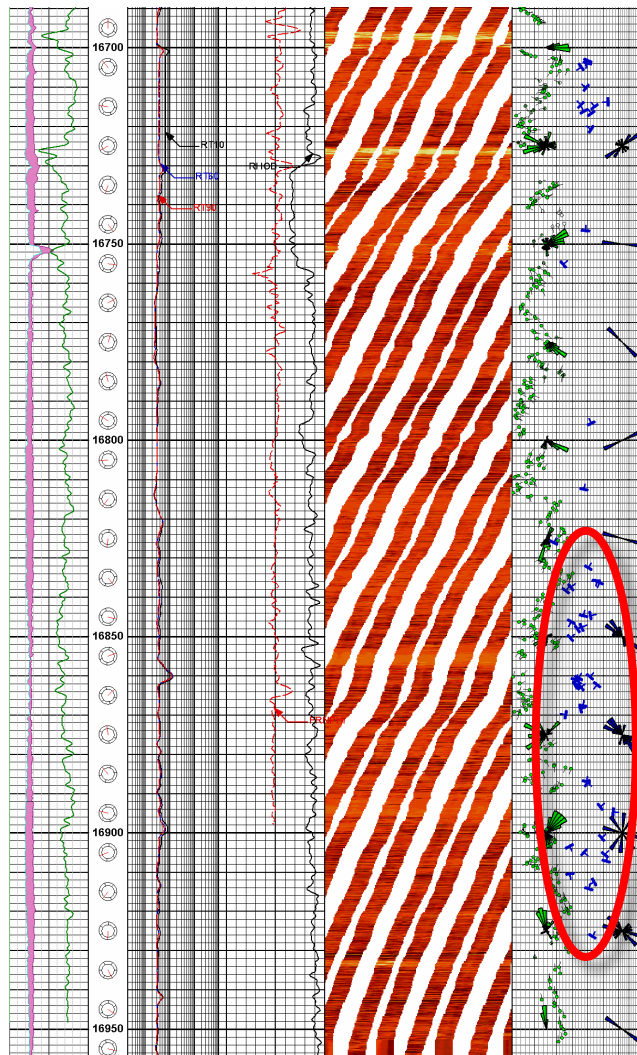
Base Kreyenhagen to TD (1,750 feet total section) Hydrocarbon shows over several intervals



Moreno Formation-High Mud Gas and C1-C5 readings

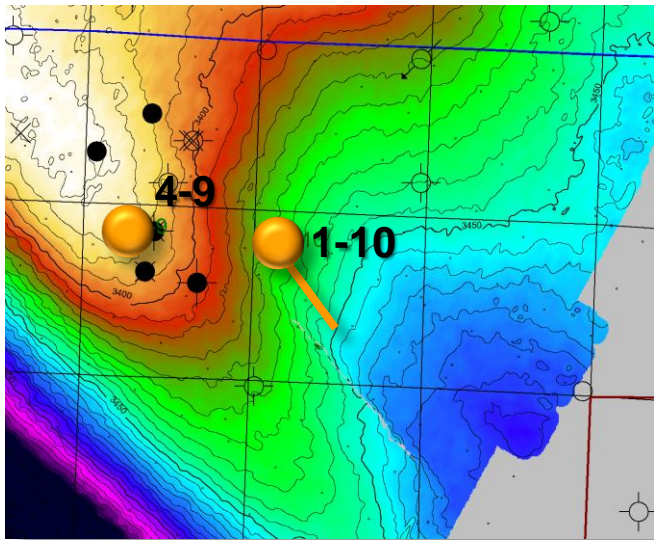


Magnetic Resonance Image



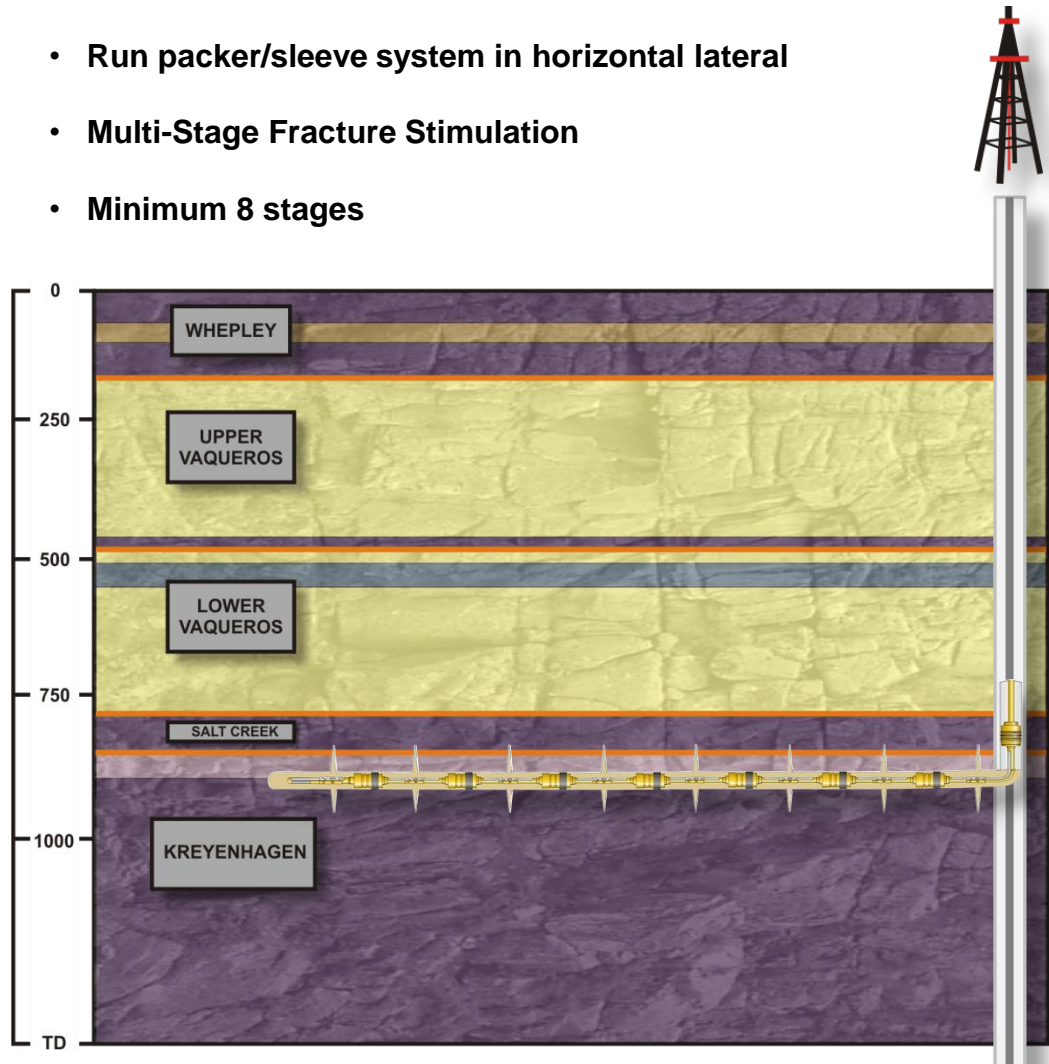
Fracturing associated with elevated gas response in mudlog

Next Steps: 1-10 Horizontal Well



**1-10 Trajectory on
UK Time Structure Surface**

- Drill first horizontal target in the Upper Kreyenhagen silt
- Run packer/sleeve system in horizontal lateral
- Multi-Stage Fracture Stimulation
- Minimum 8 stages



Moving Ahead

Proof of Concept Phase

- **4-9 Vertical Test Well**
 - **Far exceeded expectations**
 - Data Quality/Quantity
 - Prospective Targets
- **1-10 Horizontal Well**
 - Identified additional deeper targets below Kreyenhagen
 - Drilling first horizontal well in upper Kreyenhagen
 - Goal is to prove commercial viability of one play type
- **Establish Best Practices (D&C) in focus area**
- **Continue to highgrade reservoir targets (deeper pilot hole/plug back/horizontal leg(s))**
- **Address lease preservation**

Appraisal drilling to validate acreage / other play types

Establish Strategic Partnership

Board and Management

Senior Management Team

Murray Rodgers
President & CEO
Director

- 30 years worldwide E&P experience and most recently President & CEO of Trident Exploration where he led the company's technical team from start-up to ~200 MMcfe/d of gross operated production
- Held senior technical and management positions with OMV-AG (Vienna)
- Co-discovered OMV's multi TCF Miano/Sawan gas field in Pakistan (~600 MMcfe/d gross production)
- Established the technical framework and led the team that initiated the turnaround of OMV-AG's Vienna basin net production from 18,000 Boe/d to ~38,000 Boe/d

Louisa DeCarlo
EVP & Chief Operating
Officer

- 19 years E&P experience in operations, production, reservoir and A&D
- Previous experience includes ExxonMobil, Canadian Hunter, Talisman, Paramount, APF Energy Trust, and most recently Manager, Reservoir and Asset Rationalization at Trident Exploration
- Directed evaluation teams in the successful acquisition of over \$350 million in assets
- Directed engineering involvement in all aspects of Trident's CBM and Shale Gas Projects
- Recent experience includes direct exposure to current geotechnical and engineering best practices in the Montney, Horton Bluff and Utica Shale Plays

Randy Neely
Chief Financial Officer

- Extensive financial background with 19 years experience in investment banking, audit and the oil and gas industry
- Recent experience includes CFO of Pearl Exploration (a Lundin Group Company) and CFO of Trident Exploration
- Previously Vice President at TD Securities and Senior Manager at KPMG

Board of Directors

Clay Robinson
Chairman

- 32 years worldwide exploration experience
- 20 years of experience in senior technical and management roles with ExxonMobil and direct involvement in the discovery of over one billion barrels in the United States and Internationally
- VP Exploration/GM International Division for Pogo Producing Co.
- Senior Advisor to Red Willow Production Company, an early shareholder of Trident
- Senior VP Exploration, reporting to the CEO of a private, international E&P company

Douglas Allen

- 30 years of advanced financial and oil and gas executive experience
- CFO of Orion Oil and Gas
- Managing Director, Crux Financial, which advises E&P companies on financing, M&A and risk management
- CFO of North American Oilsands which was sold to Statoil in 2007 for \$2 billion
- Formerly a Director at TD Securities and a Managing Director of Citibank Canada

Robert Cross

- Over 25 years of Energy and Resources Capital Markets experience
- Currently Chairman of Bankers Petroleum and Director of Petrodorado Energy and BNK Petroleum
- Former Chairman of Orion Resources which was sold in 2007 to Yamana Gold for \$1.2 billion
- Former Chairman and CEO of Yorkton Securities, a resource focused full service investment bank
- Formerly Partner with Gordon Capital

Shares and Shareholders

Shares Outstanding and Ownership

Zodiac Exploration Inc.

	(millions)
Total Basic Shares Outstanding	359.2
Dilutive Securities:	
2008 Warrants	14.5
2010 Warrants	24.4
Performance Warrants and Options	25.0
Total	<u>64.0</u>
Total Fully Diluted	<u>423.2</u>

Potential Proceeds from Dilutive Securities \$35.0

Market Capitalization **\$71.8**

Estimated Net Debt / (Positive Working Capital) 09/11 -\$34.0

Enterprise Value **\$37.8**

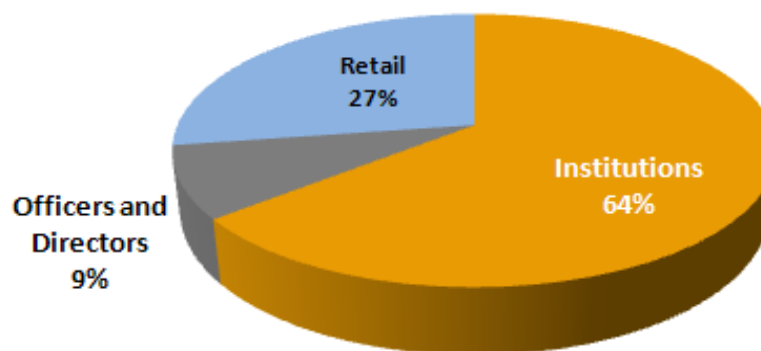
Zodiac Exploration Inc.

		(millions)
Principals' shares in Escrow ⁽¹⁾	60%	18.4
Principal shares Free Trading	40%	12.2
Unrestricted shares	100%	<u>328.7</u>
Total Free Trading Shares		<u>340.9</u>
% Restricted		5.1%
Total Shares		359.2

(1) An additional 15% of Principals shares became free trading on October 5, 2011

(2) The remaining 20% of Private Shareholders shares became free trading on October 5, 2011

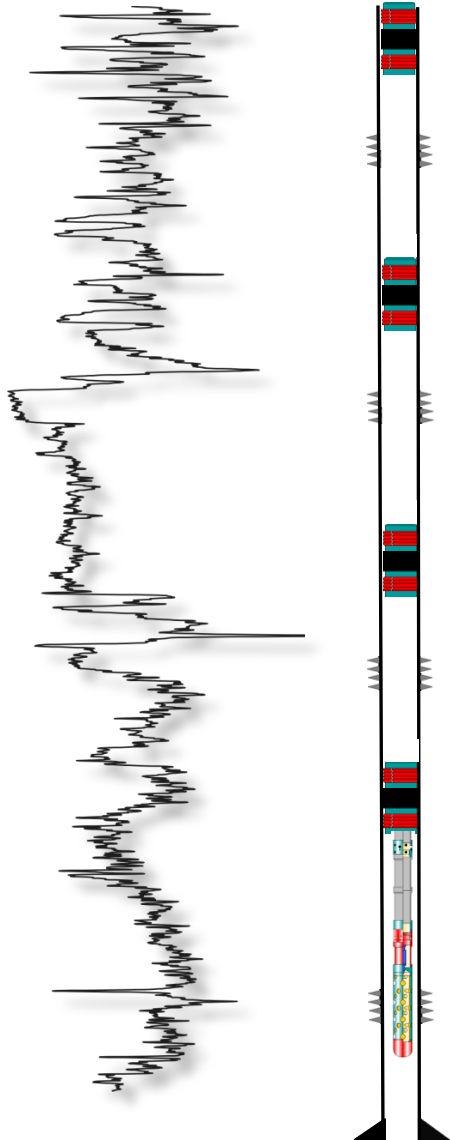
Zodiac Exploration Inc. Share Ownership



4-9 Completion Summary

4-9 Completion Summary

4-9 Wellbore



Whepley (13,590' – 13,620')

- 5 bbl DFIT
- 135,000 lbm hydraulic fracture treatment

Lower Vaqueros (14,045' – 14,075')

- 20 bbl DFIT
- 90,000 lbm hydraulic fracture treatment

Upper Kreyenhagen (14,360' – 14,390')

- 75 bbl DFIT
- 46,000 lbm hydraulic fracture treatment

Lower Kreyenhagen (14,360' – 14,390')

- 50 bbl DFIT
- No hydraulic fracture treatment

Note: perforation intervals shown are for presentation purposes only

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