Proving Something Big

LARICINA
ENERGY LTD.

Peters & Co. Limited
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Presented by Glen Schmidt
President and CEO

Can New Oil Sands Development Compete with other NA Resource Plays?

Forward-looking statements advisory

This Laricina Energy Ltd. (the “Company”) presentation contains certain forward-looking statements. Forward-looking statements may include, but are not limited to, statements concerning estimates of exploitable original-bitumen-in-place, predicted recovery factors, steam-to-oil ratios and well production rates, estimated recoverable resources as defined below, expected regulatory filing, review and approval dates, construction and start-up timelines and schedules, company project potential production volumes as well as comparisons to other projects, statements relating to the continued overall advancement of the Company’s projects, comparisons of recoverable resources to other oil sands projects, estimated relative supply costs, potential cost reductions, recovery and production increases resulting from the application of new technology and recovery schemes, estimates of carbon sequestration capacity, costs for carbon capture and sequestration and possible implementation schedule for carbon capture and sequestration processes or related emissions mitigation or reduction scheme and other statements which are not historical facts. You are cautioned not to place undue reliance on any forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both generally and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and, accordingly that actual results will be consistent with the forward-looking statements. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements contained in this presentation include, but are not limited to geological conditions relating to the Company’s properties, the impact of regulatory changes especially as such relate to royalties, taxation and environmental changes, the impact of technology on operations and processes and the performance of new technology expected to be applied or utilized by the Company; labour shortages; supply and demand metrics for oil and natural gas; the impact of pipeline capacity, upgrading capacity and refinery demand; general economic business and market conditions and such other risks and uncertainties described from time to time in the reports and filings made with security regulatory authorities, contained in other disclosure documents or otherwise provided by the Company. Furthermore the forward-looking statements contained in this presentation are made as of the date hereof. Unless required by law the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this advisory and disclaimer.

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Significant definitions

In this presentation the reserve and recoverable resource numbers, along with the net present values given, are as defined in the report of GLJ Petroleum Consultants Ltd. ("GLJ") regarding certain of Laricina's properties effective Proforma January 1, 2012, referred to herein (the "Proforma GLJ Report"). The January 1, 2012 Proforma GLJ Report includes the reserves, resources and net present values added from the joint venture working interest acquisition made on February 15, 2012. "Exploitable OBIP" or "Expl. OBIP" refers to original-bitumen-in-place that is targeted for development using thermal recovery technologies. The best and high estimate includes contingent and prospective resources. "Cont." and "Pros." refer to contingent and prospective bitumen resources, respectively. Contingent resource values have not been risked for chance of development while prospective resource values have been risked for chance of discovery but not for chance of development. There is no certainty that it will be commercially viable to produce any portion of the contingent resources. There is no certainty that any portion of the prospective resources will be discovered or, if discovered, if it will be commercially viable to produce any portion of the prospective resources. "2P" means proved plus probable reserves and "3P" means proved plus probable plus possible reserves. "SAGD" means steam-assisted gravity drainage. "SC-SAGD" means solvent-cyclic SAGD. "CSS" means cyclic steam stimulation. The SC-SAGD best estimate technology sensitivity (Laricina technology sensitivity) net economic forecasts were prepared on Saleski-Grosmont and Germain-Grand Rapids based on SC-SAGD technology and remaining properties based on SAGD/CSS technology. "SOR" means steam-oil ratio. "CSOR" means cumulative steam-oil ratio. "CDOR" means calendar day oil rate. "bbl" means barrel. "bn" means billions. "mmbbl" means millions of barrels. "bbl/d" means barrels per day. "EIA" means Energy Information Administration. "NPV" means net present value. "m^3/d" means cubic metres per day.

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Laricina advantages

World-Class Asset Base	● World-class drillable oil sands resource base of 387 mmbbl 2P reserves and 4.6 bn bbl (best estimate) of company interest, contingent and prospective resources(1) ● Two projects under active development; Saleski currently producing, Germain under construction ● Over 500,000 bbl/d of production potential including 42,500 bbl/d of productive capacity to be on stream in 2015 (Saleski and Germain)
Attractive Economics	● Before –tax discounted present value (10%) of \$11(1) - \$14(2) bn ● Cost advantages through repeatability, project discipline and innovative processes ● Optimized strategies and capital efficiency drive 10% before-tax break-even price below \$55 WTI using SC-SAGD
Leader in Enhanced Bitumen Recovery	● Leader in improving enhanced recovery processes across bitumen formations ● Focused on continuous improvement of extraction processes; currently employing SC-SAGD, a proprietary solvent process ● Producing from the first thermal horizontal well project in the Grosmont carbonate formation ● Commercial expansion Saleski Phase 1 application filed December 2010; commercial demonstration project in Germain Grand Rapids under construction
Strong Financial Position	● Demonstrated ability to raise capital – \$1.3 billion since inception ● Working capital ~\$504 million as at June 30, 2012 ● Disciplined cost management and phased development
Proven Management & Board	● Industry leading management team with experience at 49 oil sands and thermal heavy oil projects ● Sophisticated and experienced board ● Highly supportive private equity sponsorship

(1) GLJ Report, effective Proforma January 1, 2012.
(2) GLJ Report, effective Proforma January 1, 2012 SC-SAGD best estimate technology sensitivity (Laricina technology sensitivity).

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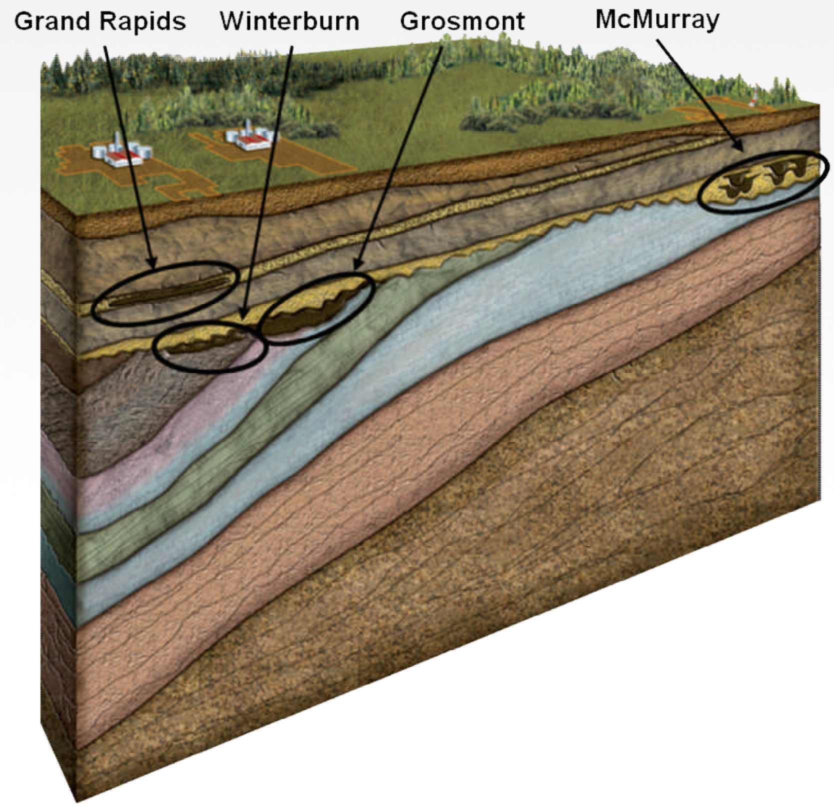
Laricina: Who we are

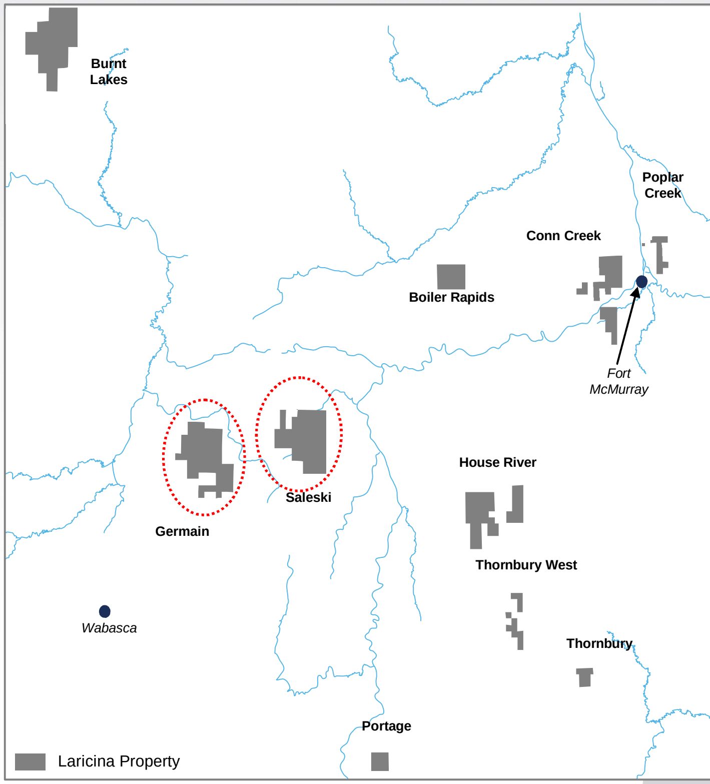
- Calgary, Alberta based founded in November 2005 to focus on *in situ* oil sands development
- Developed into one of Canada's largest independent oil sands companies and one of four emerging oil sands companies with more than five billion barrels of recoverable resources(2)
- Our building blocks to value:
  - People, Assets and Technology Innovation
- Laricina has captured targeted resources by acquiring land with an exploration mindset
  - Geographic concentration of assets, well balanced portfolio
  - Levered experience in basin for resource identification
  - Selective land acquisitions focused on minimizing supply cost
  - Sizable plays in four resource formations
  - Established leadership

Laricina's Position in Four Key Oil Sands Formations(1)

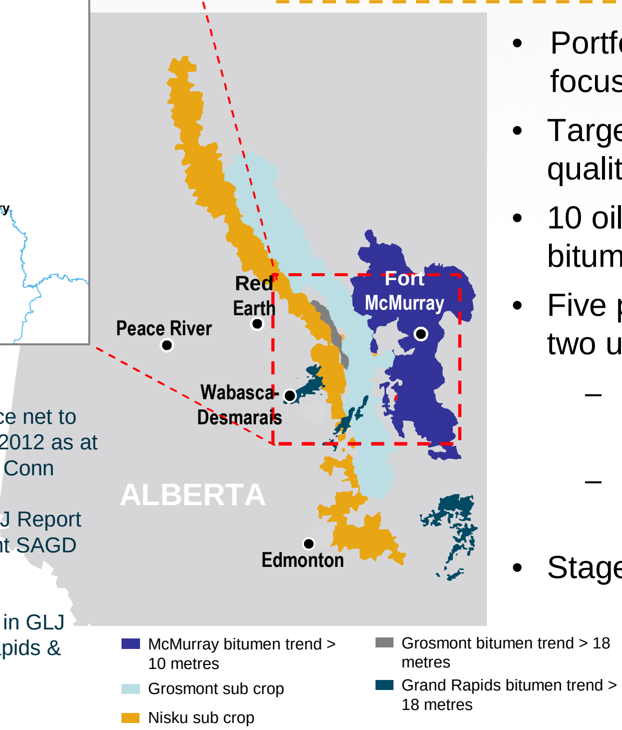


(1) Not to scale. For illustrative purposes only.
(2) GLJ Report, effective Proforma January 1, 2012.

Asset portfolio overview



All figures represent Laricina W.I.	Formation (Working Interest)	GLJ Resource [(1)(4)]	GLJ Production Potential [(2)]	Best Estimate Contingent Recovery Factors [(3)]	SC-SAGD Sensitivity Resource [(4)]
		(mmbbl)	(bbl/d)		(mmbbl)
Germain	*Grand Rapids*	*1,338*	*205,000*	*56%*	*1,560*
	Winterburn	*432*	*40,000*	*30%*	*432*
	Germain Total (100%)	1,770	245,000		1,992
Saleski	Grosmont (60%) [(5)]	1,750	169,500	39%	2,211
Burnt Lakes	Grosmont (100%)	641	60,000	29%	641
Conn Creek	McMurray (100%)	262	30,000	56%	262
Poplar Creek	McMurray (100%)	126	25,000	50%	126
Other	McMurray / Grand Rapids	484	-	49%	483
Total		**5,033**	**529,500**		**5,715**



- Portfolio of strategic *in situ* oil sands assets focused on minimizing supply costs
- Targeted approach to development (scale, quality, proximity to infrastructure)
- 10 oil sands properties with exposure to four bitumen-bearing formations
- Five projects identified for development with two under active development
  - Saleski pilot (production achieved March 2011)
  - Germain Phase 1 (first production scheduled for Q3 2013)
- Staged development plan will drive value

(1) 2P reserves + best estimate contingent + prospective resource net to Laricina's interest per GLJ Report, effective Proforma Jan 1, 2012 as at Feb 16, 2012 (prospective resource included at Burnt Lakes, Conn Creek, and Other).
(2) 2P + best estimate contingent + prospective resource per GLJ Report effective Proforma Jan. 1, 2012 as at Feb. 16, 2012; a solvent SAGD process at Germain Grand Rapids only.
(3) Recovery factor based on exploitable OBIP.
(4) Risked SC-SAGD Laricina technology sensitivity case as run in GLJ Report effective Proforma Jan. 1, 2012 at Germain Grand Rapids & Saleski; other assets as in (2) above.
(5) Partnered with Osum Oil Sands Corp.

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Can new oil sands development compete?

- The exponential (and unanticipated) growth of North American tight oil has highlighted the issue of oil sands competiveness
- Key questions being asked are:
    1. What is the scale of tight oil growth and does this imply displacement of oil sands from key (US) markets?
    2. How does oil sands compete with tight oil in terms of break-even WTI and relative economics?
    3. Can oil sands improve or retain competitiveness through the deployment of new technologies and inherent option value?
    4. Can oil sands compete for capital, given the capital intensive long-life nature of the resource?

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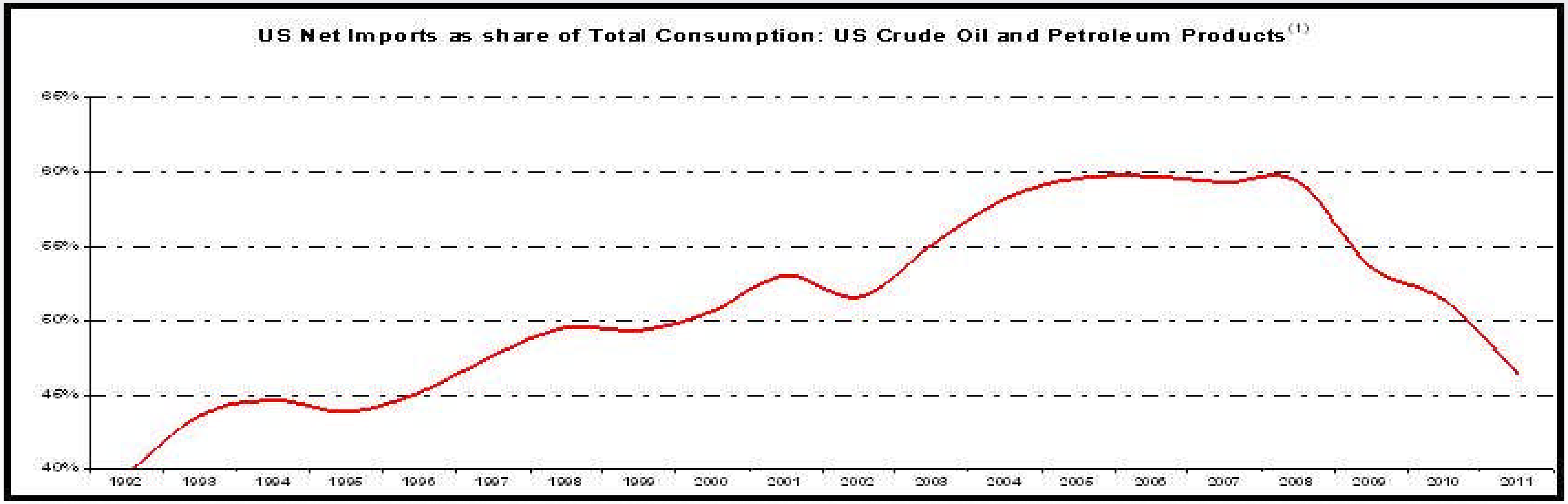
The scale of the tight oil resource / displacement of crude from US markets



- Tight oil growth forecasts vary widely, with the upper end of forecasters indicating 2020 tight oil production approximately 5 million bbl/d [(2)]
- While large, this level of growth will not result in energy independence
  - The US imported 11.4 million bbl/d of crude and refined petroleum products in 2011
- The most likely sequence of displaced US imports is light sweet, followed by light sour and finally heavy sour crude imports; CERA's recent forecast[(3)] indicates heavy sour imports will not be displaced by tight oil growth, while the later two may be partially or entirely displaced

(1) EIA data: http://www.eia.gov/petroleum/data.cfm.

(2) IHS: Canadian Oil Sands Analytics Quarterly Meeting (July, 2012); RSEG: "Lots of Oil, How Quick?" (April, 2011); Harvard Kennedy School: "Oil: The Next Revolution *The Unprecedented Upsurge of Oil Production Capacity and What it Means for the World* " (June, 2012); CIBC: "Too Much of a Good Thing: A Deep Dive into the North American Energy Renaissance" (August 2012).

(3) IHS: Canadian Oil Sands Analytics Quarterly Meeting (July, 2012).

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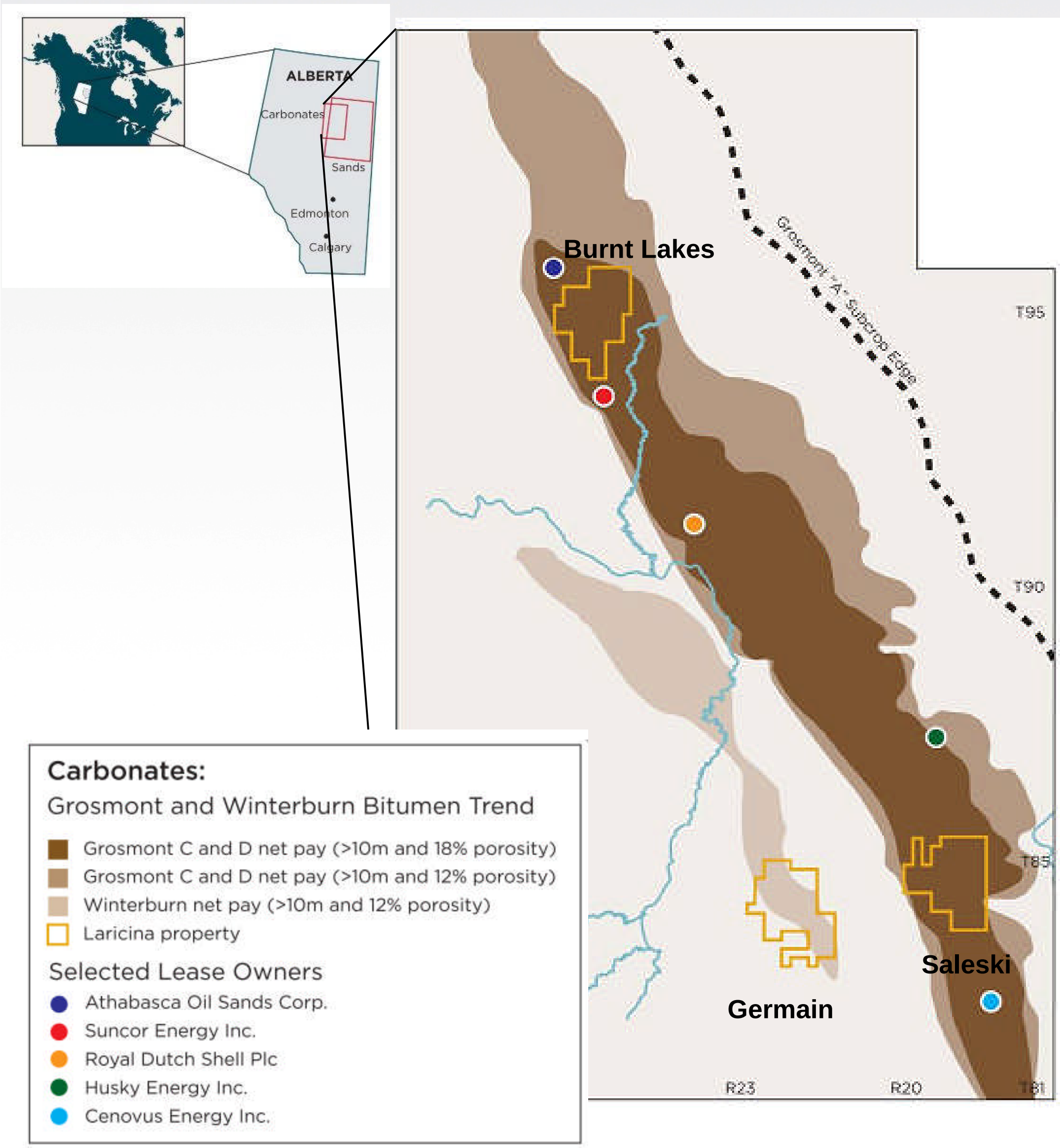
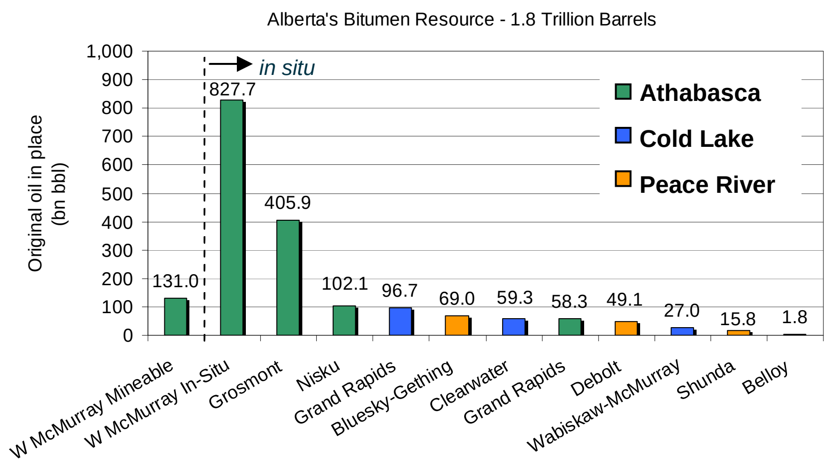
The next big oil sands plays





Source: ERCB Reserves 2011 and Supply/Demand Outlook 2012-2021

- Oil sands provide long reserve life versus treadmill drilling
- Option value high in long life reserves
- Future cash generation is substantial; requires more upfront capital

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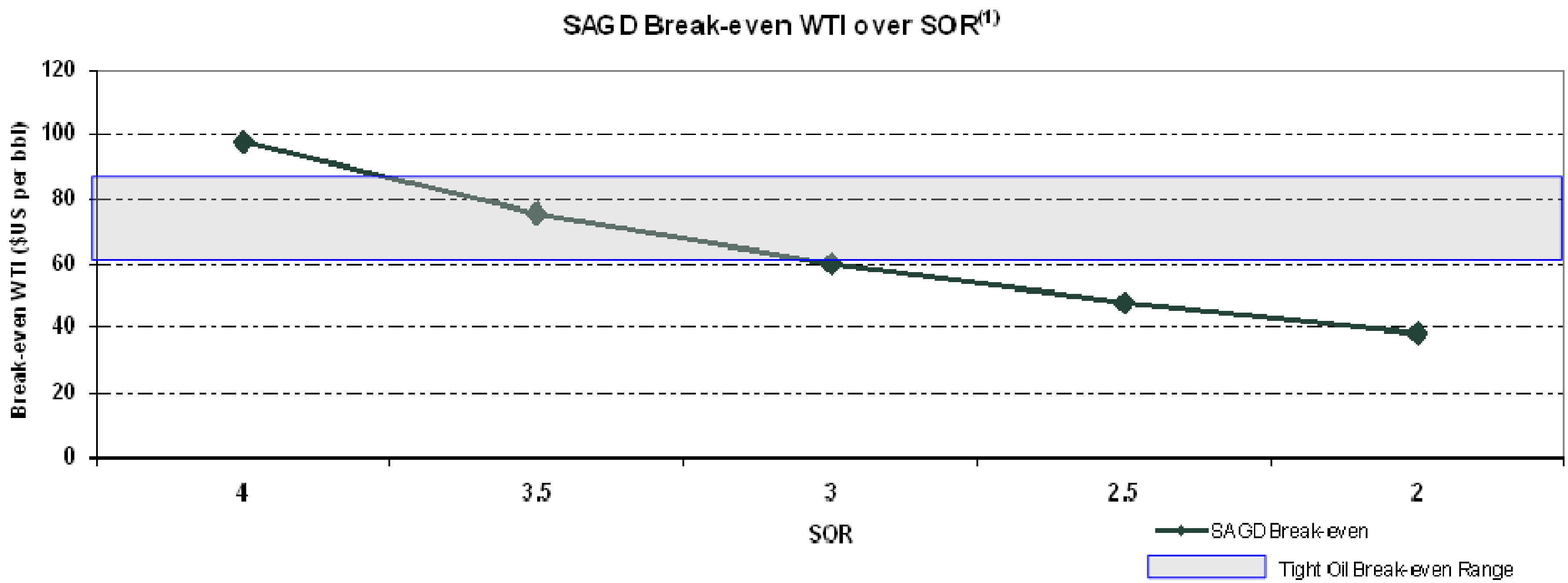
How does oil sands compete in terms of break-even economics?



- Representative tight oil break-even WTI range between $60 to $90 per barrel (large variation in well economics)—depending on geology, play-type, infrastructure bottlenecks, etc
- On these metrics, *in situ* projects are very competitive, with break-evens improving with reservoir quality and reduced SOR
- Concentrated asset base and tight cost management can shrink supply cost through manufacturing
- Inherent technology option value of *in situ* projects provides additional upside not present with tight oil plays

(1) Laricina estimates (10% before tax), Peters & Co. "Themes for Canadian Energy" (June, 2012), ITG: "Cardium Crunching" (August, 2012).

Can oil sands compete for capital with tight oil?

- Nature of oil sands and tight oil plays are fundamentally different
  - Oil sands are a long duration asset requiring high upfront capital
  - Tight oil plays provide cash-on-cash return, requiring less upfront capital but higher continuous capital injection
- Full cycle economics between oil sands and tight oil plays (represented by the Eagle Ford) are similar[1]
- Oil sands compete with tight oil on a break-even and supply cost basis, but the nature of the asset will segment capital flow
  - Example: pension funds with a long-duration liability may elect to invest in oil sands over tight oil plays
- Oil sands arguably offer more leverage to option value through technology and innovation than tight oil, with SAGD projects currently offering the lowest oil sands break-even and potential for deployment of new technologies

(1) Peters & Co. “Themes for Canadian Energy” (June, 2012).

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Benefits of solvent processes

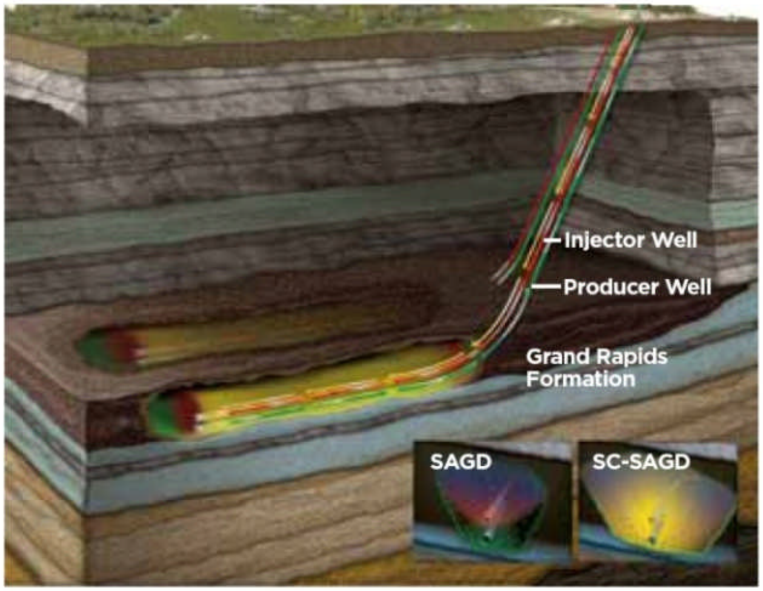
Selected Industry Solvent Activity

Concept	Company	Acronym	Solvent	Asset (Reservoir)	Results
Adding butane during SAGD	Cenovus (Encana)	SAP	Butane	Christina Lake (McMurray)	• Improved oil production rate • Reduced SOR by 30%
Adding diluent during SAGD	Connacher	SAGD+	Diluent	Great Divide (McMurray)	• Solvent recovery has reached 85% or better • Reduced SOR by 15%
Adding small amount of gas condensate (C5+/Diluent) during Cyclic Steam Stimulation	Imperial Oil	LASER	Condensate (C5+ / diluent)	Cold Lake (Clearwater)	• Improved recovery by 5% of the oil in place • Do not need to recover and recycle condensate since condensate is also used in bitumen pipeline transport

Laricina SC-SAGD

- "SC-SAGD" solvent-cyclic SAGD
  - Uses heavier solvent (diluent) in the early time and lighter, cost effective solvent (propane) later on
  - Solvents are recovered continuously in operating process
- Estimated benefits of SC-SAGD include:(1)
  - Increases absolute recovery of exploitable OOIP by ~10-15%
  - Decreases SORs by ~25-30%
  - Lowers capital intensity vs. typical SAGD for the same level of production
- SC-SAGD will be tested in the Grosmont in the Saleski pilot, and the Grand Rapids in the Germain Phase 1 - Commercial Demonstration Project

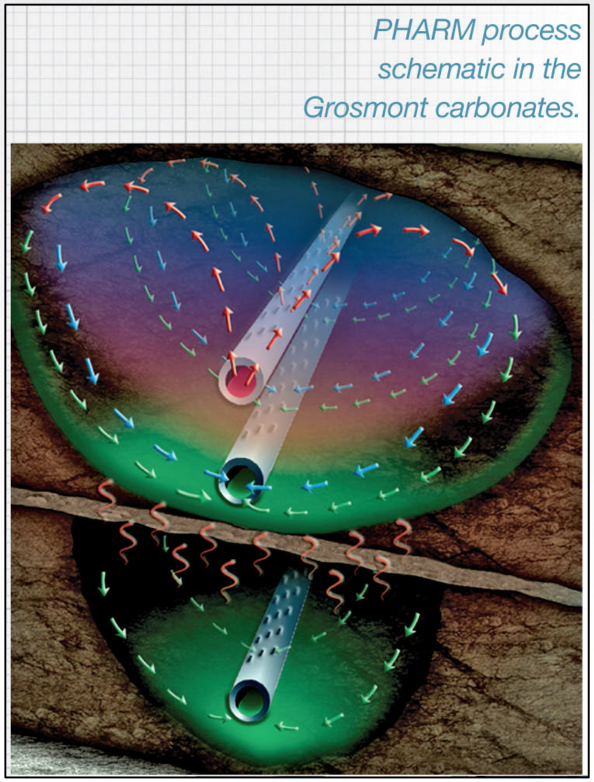
Germain SAGD and SC-SAGD Recovery Process



(1) Management estimates.

Leading the next generation of *in situ* recovery

- **Innovation is a core component of Laricina's business model**
  - Focused on continuing to improve the efficiency of bitumen recovery processes
    - Increased operating efficiency
    - Greater well productivity and resource recovery
    - Lower operating and capital cost structure
    - Improved environmental performance
- **Reputation as a "technology leader" firmly established**
  - One patent approved (PHARM)(1)
  - Two patents pending, one for SC-SAGD and the other for *in situ* recovery with an electromagnetic process
  - Demonstrating results in the field at the Saleski pilot project
    - Saleski pilot project, one of nine, selected to receive support through the third round of Alberta Energy's Innovative Energy Technologies Program (IETP)
  - Awarded $16.5 million in funding from Alberta's Climate Change and Emissions Management Corporation for ESEIEH(1) pilot project
    - In June this year, the partners at the ESEIEH project (Suncor, Nexen, Laricina, and Harris) announced successful proof of concept test
- **Demonstrated fundamental understanding of *in situ* recovery processes**
  - Laricina team has written 14 technical papers and made 10 technical presentations since 2010



(1) "PHARM" stands for Passive Heat Assisted Recovery Methods, and "ESEIEH" stands for Enhanced Solvent Extraction Incorporating Electromagnetic Heating.

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What will the impact of tight oil growth be to oil sands?

- Pricing discounts and volatility likely increased in the short-term given transportation bottlenecks and incremental tight oil growth; issue for all producers not oil sands exclusive
- Increased impetus to find new markets for all oil to avoid price risk (both volatility and level of pricing)
- Provincial revenues at risk if markets not opened up
- Tight oil production on the horizon is significant, but needs to be tempered, similar to oil sands and deep water Brazil, by an assessment of both above ground and reservoir risk

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Oil sands fundamentally robust business

- Significant scale and long duration asset
- New resource plays are increasing the size of the accessible resource and drive economies of scale
- Competitive on break-even and supply cost
- Option value on commodity price and innovation upside
- Transportation impact will reduce as markets open and differential impact is minimized
- All oil producers and governments are incented to address transportation, this is a shared challenge and opportunity

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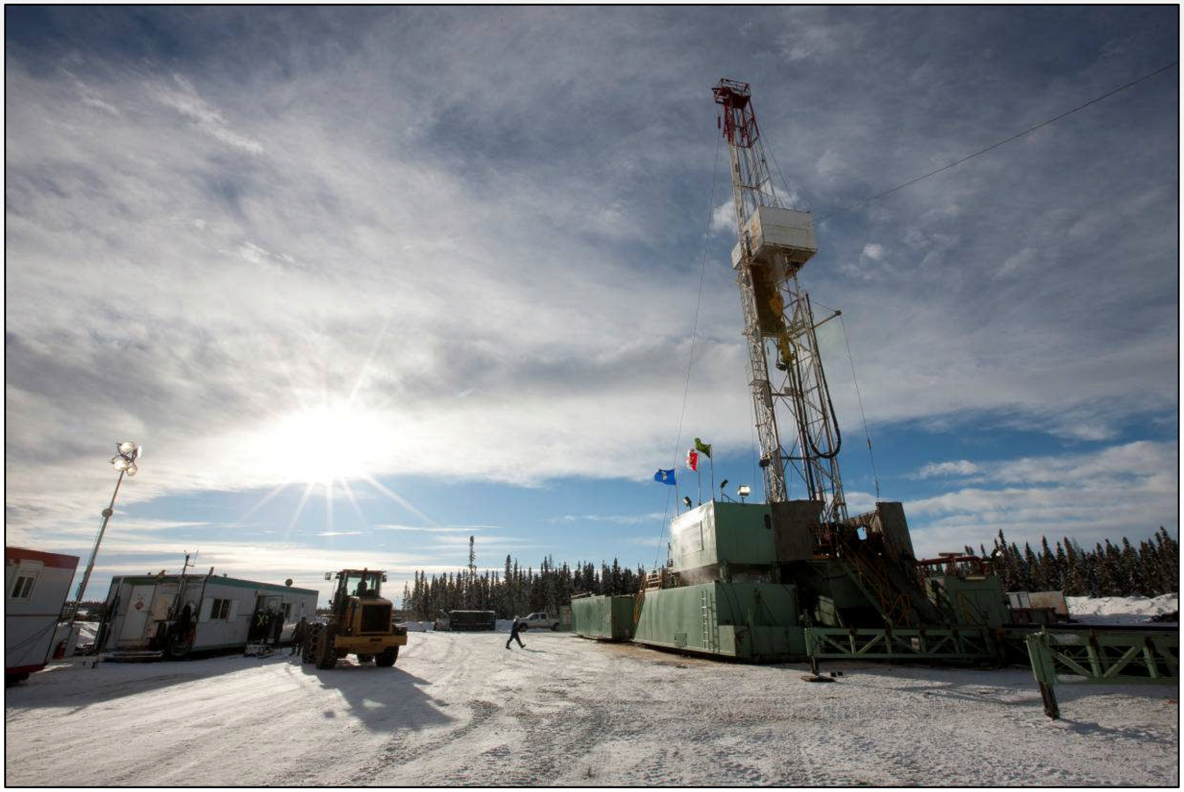
Proving something big

- Producing from the Grosmont
- Developing the Grand Rapids and building out Germain
- Investing in value enhancing innovations
- Growth opportunities in carbonates and sands



Laricina is well positioned to compete focused on scale, quality, concentration and innovation.

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