

PBN:TSX

Corporate Presentation

November 2011



PETROBAKKEN

A PETROBANK COMPANY

Cautionary Statements

Certain information regarding the Company contained in this presentation, including statements regarding management's assessment of future plans and operations, the timing of drilling, tie-in and commencement of production of new wells, productive capacity and economics of new wells and alternatives for increasing liquidity, may constitute forward-looking statements under applicable securities laws. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the success of optimization and efficiency improvement projects, the availability of capital, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, prevailing commodity prices, the availability of labor and services, the geological nature of the formations targeted by the Company and the success of completion and recompletion activities. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements 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, risks associated with the oil and gas industry in general (e.g., 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 production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in the regulatory regime applicable to the Company and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in the Company's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements contained in this presentation are made as of the date hereof and the Company 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.

This presentation contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), which are considered to be generally accepted accounting principles ("GAAP"), such as funds flow from operations, net debt and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and stakeholders. Specifically, funds flow from operations reflects cash generated from operating activities before changes in non-cash working capital. Management considers funds flow from operations important as it helps evaluate performance and demonstrate the ability to generate sufficient cash to fund future growth opportunities, pay dividends and repay debt. Net debt includes bank debt outstanding plus accounts payable less accounts receivable and prepaid expense and is used to evaluate PetroBakken's financial leverage. Profitability relative to commodity prices per unit of production is demonstrated by an operating netback. Operating netback reflects revenues less royalties, transportation costs, and production expenses divided by production for the period. Funds flow from operations, net debt and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations or other measures of financial performance calculated in accordance with IFRS.

Natural gas volumes have been converted to barrels of oil equivalent ("boe"). Six thousand cubic feet ("mcf") of natural gas is equal to one barrel based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation.

Discovered Petroleum Initially-In-Place ("DPIIP") is defined in the Canadian Oil and Gas Evaluations Handbook ("COGEH"). DPIIP is 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 DPIIP includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for volumes of DPIIP disclosed in this presentation at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

PetroBakken Summary

Generating value through light oil resource plays

- **Long-term repeatable organic growth combined with an attractive dividend yield**
 - Updated guidance for 2011 exit production rates in excess of 49,000 boepd
 - Our Bakken resource play now generates significant free cash flow while our Cardium resource play is providing the next stage of production growth
 - We have built a land position exceeding 120,000 net acres in four new potential oil resource plays
- **Large undeveloped land base, with more than 2,150 net drilling locations**
- **Continuing to apply innovative ideas and refine successful practices to profitably exploit oil and gas resources**
 - To-date we have drilled and operate over 900 horizontal wells with multi-stage frac completions

Financial Highlights

- **Funds flow from operations**

- 2010: \$646 million (\$3.51/basic share + 11% over 2009)
- Q3 2011: \$152 million (\$0.81/basic share)
- YTD 2011: \$479 million (\$2.56/basic share)

- **\$0.96/share per annum dividend (paid monthly)**

- \$177 million paid in 2010
- \$135 million paid YTD 2011

- **US\$750 mm of convertible notes**

- 3.125% interest
- US\$36.27 conversion price (reduces with dividends paid)

- **\$1.35 billion 3-year credit facility**

- \$1.14 billion drawn at September 30, 2011
- 1.9 times Q3 2011 annualized funds flow from operations



Opportunity Portfolio

Focused strategy with concentrated assets

Q3 Production Mix



Q3 Production by Area



2010 Reserves Mix*



■ PBN lands

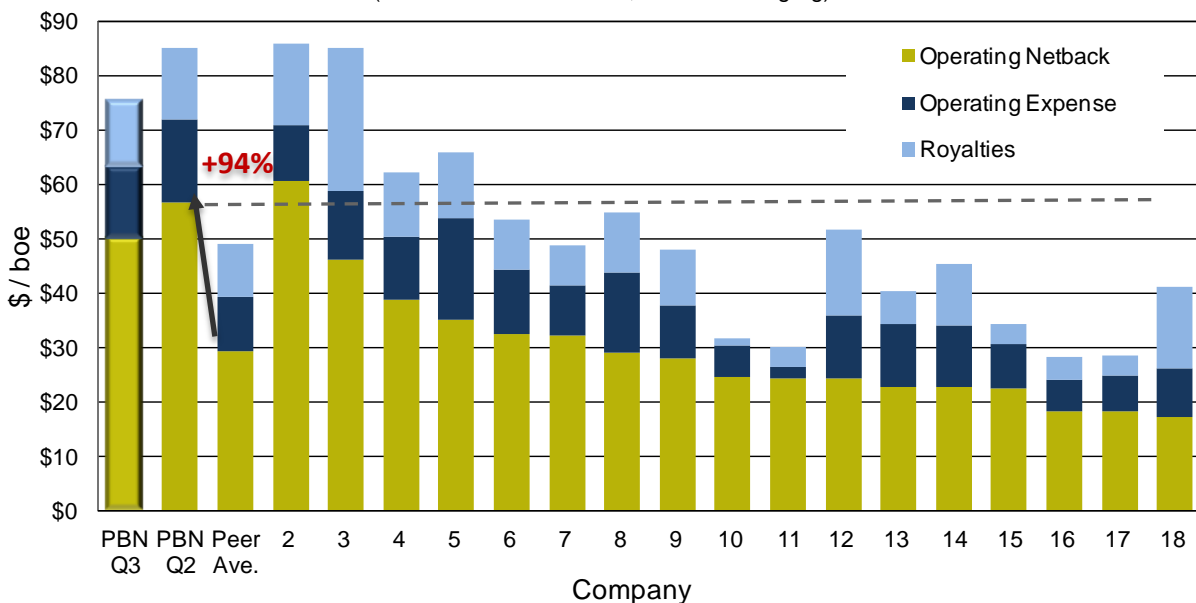
*Reserve barrels have effective date of December 31, 2010

- Multi-year growth prospects
- Over 1 million net acres of undeveloped land
- Over 2,150 low risk drilling locations
 - > 750 net Bakken light oil locations
 - > 650 net Cardium light oil locations
 - > 350 net Conventional Saskatchewan light oil locations
 - > 400 net NE BC gas locations

PBN Versus Intermediate Peers

Light Oil = High Netbacks

Q2 2011 per BOE Profitability
(includes PBN Q3 results, excludes hedging)



• High operating netbacks

- Q3 2011: \$50.04/boe
- Even with 14% lower operating costs in Q3, netbacks were reduced due to lower oil prices
- Hedging with WTI collars provides some downside price protection – plan to hedge up to 25% of production several years forward

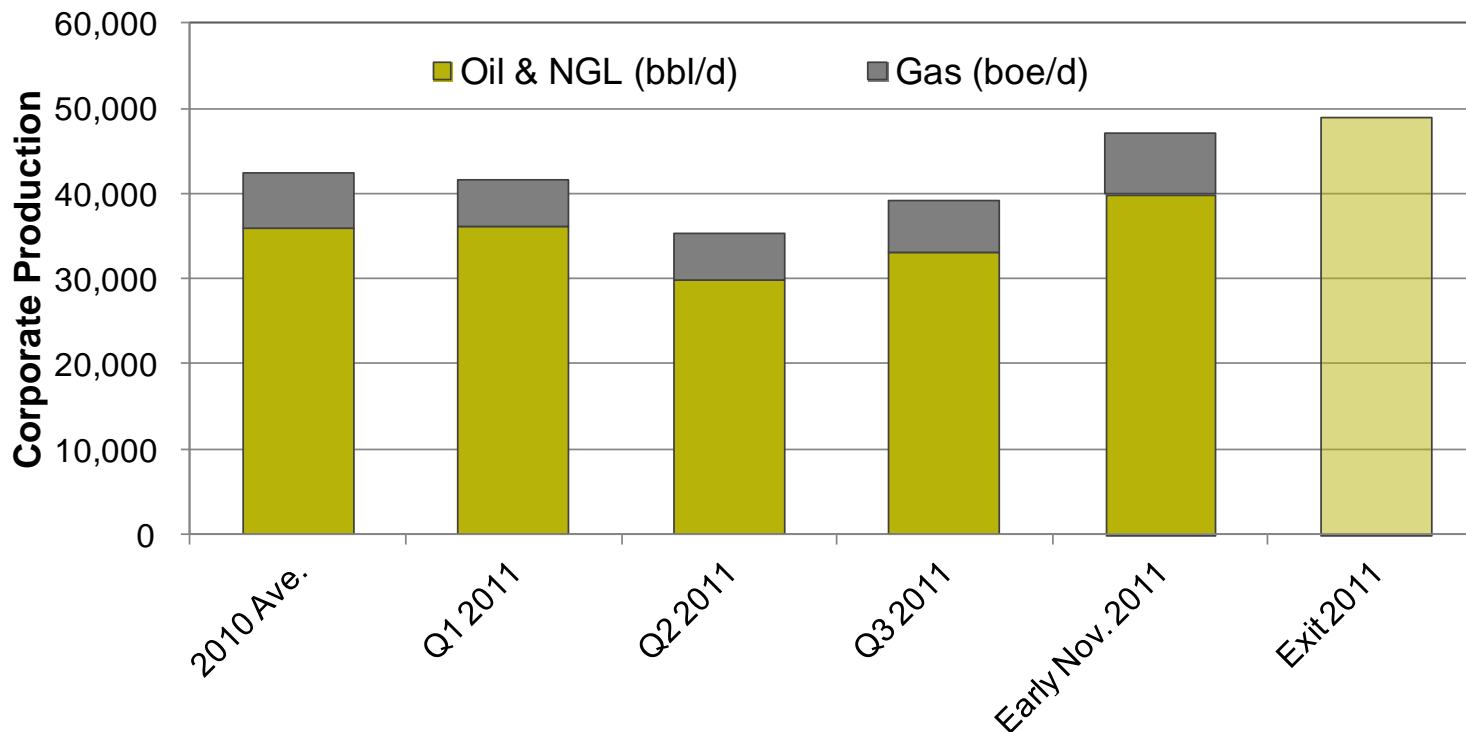
• Light oil production focus

- Q3 2011 production averaged 39,074 boepd (85% liquids)
- Production in early November is more than 47,500 boepd (87% liquids)

*FirstEnergy Capital Corp. peer group for intermediate oil & gas producers as of September 1, 2011

Production

Oil Weighted Production Growth



- Production growth continues into Q4
- 2011 exit guidance revised to be in excess of 49,000 boepd

Funds Flow From Operations Sensitivities

Sensitivity to Production (@ \$90 WTI)*

| Production Level (boepd) | Revenue (\$mm) | Operating Netback (\$mm) | Funds Flow (\$mm) |
|-----------------------------|-------------------|-----------------------------|----------------------|
| 45,000 | \$1,300 | \$925 | \$825 |
| 47,500 | \$1,375 | \$975 | \$875 |
| 50,000 | \$1,450 | \$1,025 | \$925 |
| 52,500 | \$1,500 | \$1,075 | \$975 |
| 55,000 | \$1,575 | \$1,125 | \$1,025 |

Sensitivity to Price (@ 47,500 and 50,000 boepd)*

| WTI (\$US) | \$75 | \$85 | \$95 | \$105 |
|---------------------------|-------|-------|---------|---------|
| Funds Flow (47,500 boepd) | \$675 | \$800 | \$950 | \$1,050 |
| Funds Flow (50,000 boepd) | \$725 | \$850 | \$1,000 | \$1,125 |

*Based on AECO (\$CDN) of \$3.50, F/X of 0.975, Differential of 5% and Oil Weighting of 87%

2011 Capital Forecast

| Business Units | Drilling (Net Wells) | Capital (millions) |
|---------------------------|------------------------------------|----------------------|
| Bakken (SE SK) | 80 ⁽¹⁾ (Q3 YTD - 58) | \$205 ⁽²⁾ |
| Conventional (SE SK) | 30 (Q3 YTD - 17) | \$40 |
| Cardium (Central AB) | 90 (Q3 YTD - 73) | \$400 |
| New Ventures (NE BC & AB) | 6 (Q3 YTD - 3) | \$40 |
| Facility | | \$100 |
| Other ⁽³⁾ | | \$115 |
| Total | 206 (Q3 YTD - 151) | \$900 |

⁽¹⁾ 60 of the Bakken wells are expected to be horizontal bilateral wells

⁽²⁾ Includes capital for Enhanced Oil Recovery (EOR) projects

⁽³⁾ Includes land, seismic, recompletions and direct administration capital

- **2011 exit production expected to be in excess of 49,000 boepd**
 - Since most of our production is from wells drilled in the past 24 months, the 2011 annual base decline rate is estimated to be 35% to 40%
- **2011 capital plan focused on drilling and completions**
 - Majority of completion activity to occur in the second half of the year
 - Production growth primarily driven by Cardium activity
- **Production exceeded 47,500 boepd in early November**
- **More than 85 wells to be brought on in Q4 2011**

Debt Capital Structure

- **3-year credit facility of \$1.35 billion**

- Syndicated to 15 banks
- Matures June 2014
- Facility is not re-determined annually – next review 2014
- We have the right to request increases
 - Increased \$300 million in 2010, and \$150 million to date in 2011
- No interim payment schedule

- **US\$750mm Convertible Debenture**

- Maturity date of February 16, 2016
- Holders have a one-time, one-day put option in February 2013
- We have the option to repay in cash or shares (at the then current share price) to any holders electing to exercise the put option

Convertible Debenture Put Date

- **PBN has the option to repay any debentures that are put back to us in February 2013 in cash or shares**
- **We are pursuing options to increase liquidity, which potentially include:**
 - Continued production growth
 - Modifying our capital program
 - Altering our dividend program and/or implementing a DRIP*
 - Issue equity
 - Accessing additional debt securities – increasing our line, high yield products
 - Renegotiate our existing Convertible Debentures
 - Divesting assets

*Dividend re-investment program (“DRIP”) allows shareholders to elect to receive the equivalent of the cash dividend in PBN Shares

Bakken Business Unit Overview

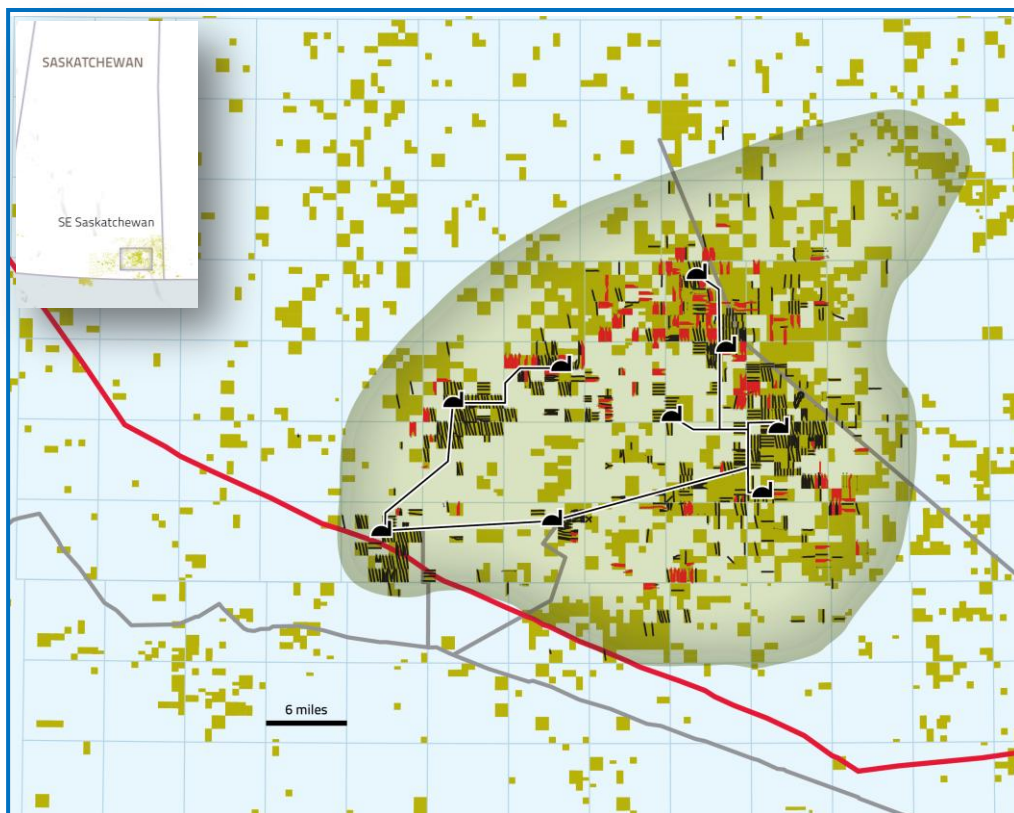
- **High operating netbacks**
 - 2010: \$52.95/boe (US\$79.53/bbl WTI)
 - YTD Q3 2011: \$59.18/boe (US\$95.47/bbl WTI average)
- **Large inventory of development locations**
- **Significant remaining primary reserves to be recognized**
 - Estimated 1.8 billion barrels DPIIP
 - Only 5% booked as 2P reserves to-date
 - Potential for >25% recovery with EOR
 - EOR increases ultimate recovery rate and mitigates decline rates
- **Maturing resource play: generating surplus cash flow, with less capital and drilling each year**
 - 2010: \$130 million of surplus cash flow (140 net wells drilled)
 - 2011E: \$125 million* of surplus cash flow (80 net wells drilled)

* Reduced from \$160mm due to land acquisitions and an extended spring break up

Focused Bakken Activity

Extensive infrastructure and operated production

- We are well positioned to maintain Bakken production with a large land base and an extensive network of operated infrastructure

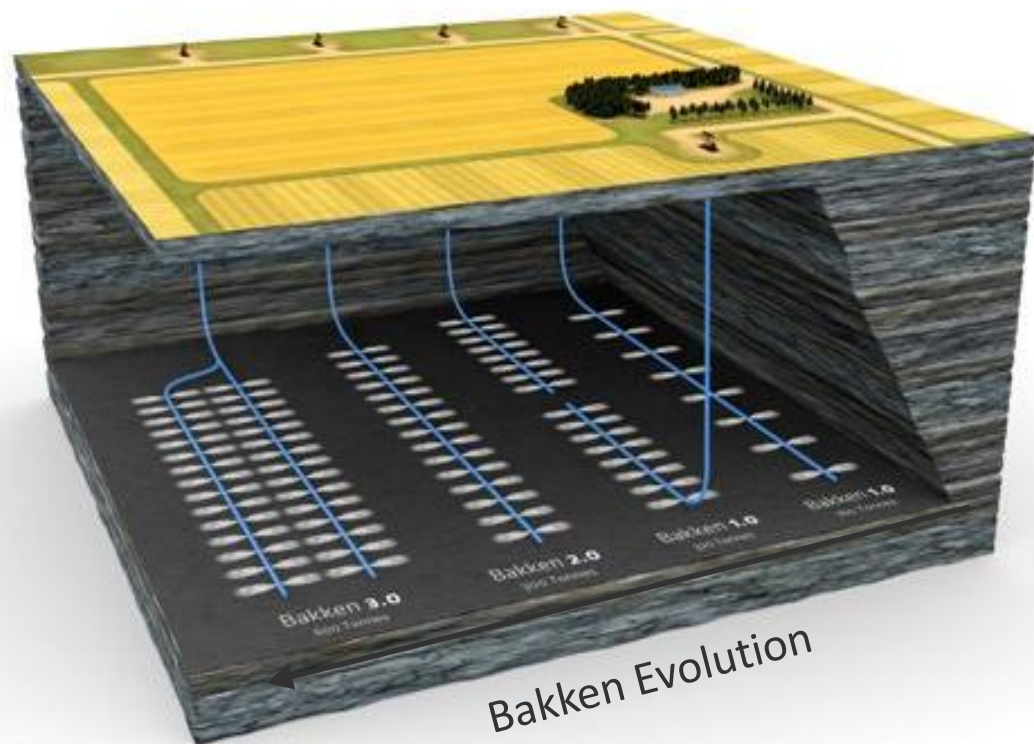


- Over 510 (430 net) sections in the Bakken
- Over 750 net locations – only 237 booked at year end 2010
- Operated oil and gas processing facilities, gathering systems with pipeline access

- PBN lands
- Bakken HZ wells
- Bilateral HZ wells
- PBN facilities
- Bakken development area
- Enbridge pipelines
- PBN pipelines
- Transgas pipeline

Bilateral Evolution

Development of Bilateral horizontal well technology



- **Bilateral wells are capital efficient for down-spacing:**

- Four bilateral wells will fully develop a section
- Eight single laterals required to achieve the same well density
- Cost of \$2.6 million per bilateral well versus \$4.0 million for two single lateral wells to access the same reserves

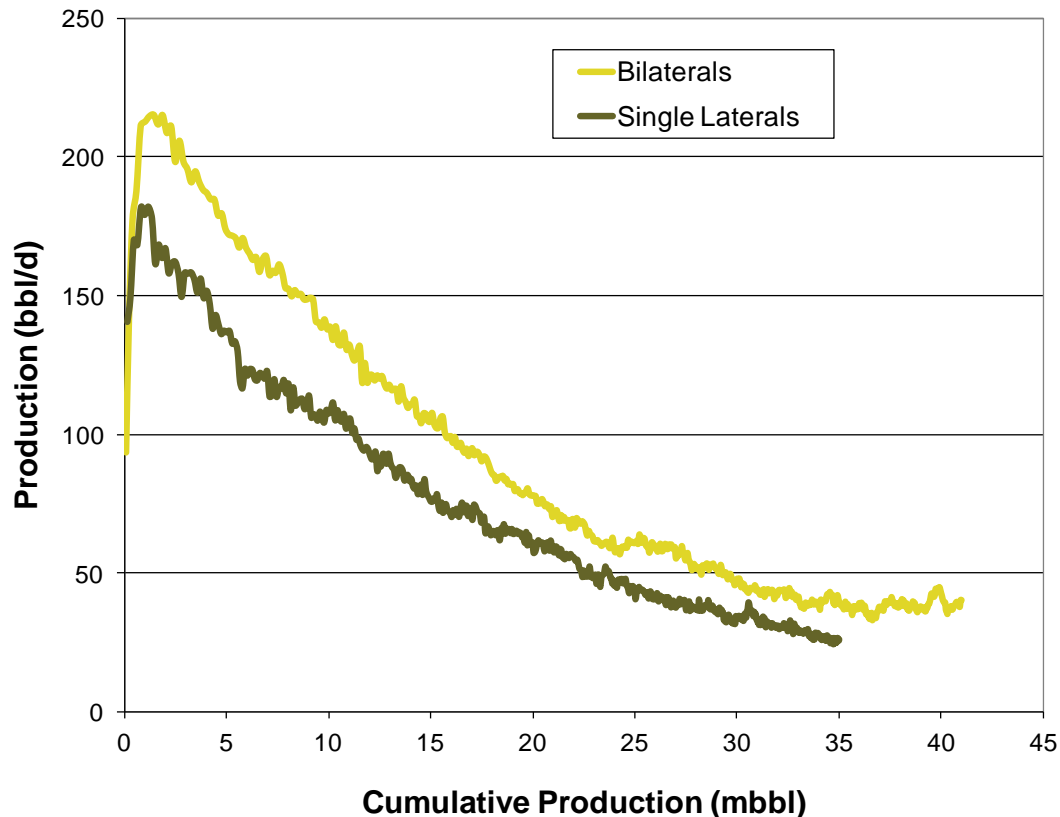
PetroBakken Technological Firsts

- 1st successful horizontal well, open-hole, multi-stage frac completion in the Bakken
- 1st horizontal well, 20 stage, open-hole, multi-stage frac completion in Canada
- 1st multilateral (two leg) horizontal well, open-hole, multi-stage frac completion
- 1st commercial application of CleanTech™ in the Bakken

Bakken 3.0 in Perspective

Achieving superior performance

- Average results from first 140 bilateral horizontal wells and 140 offsetting single lateral wells



Optimized Bakken Quarter Section Development Economics (Crown)

| | | 2 Singles | 1 Bilateral |
|------------------------|-------------|-----------|-------------|
| Capital | (\$mm/well) | \$1.98 | \$2.58 |
| Total Capital | (\$mm) | \$3.96 | \$2.58 |
| Netback (life of well) | (\$/boe) | \$73.26 | \$70.06 |
| NPV10% | (\$mm) | \$5.3 | \$5.1 |
| IRR | (%) | 85% | 175% |
| Payout | (yrs) | 1.3 | 0.8 |
| F&D | (\$/boe) | \$20.84 | \$13.58 |
| Recycle Ratio | | 3.5x | 5.2x |

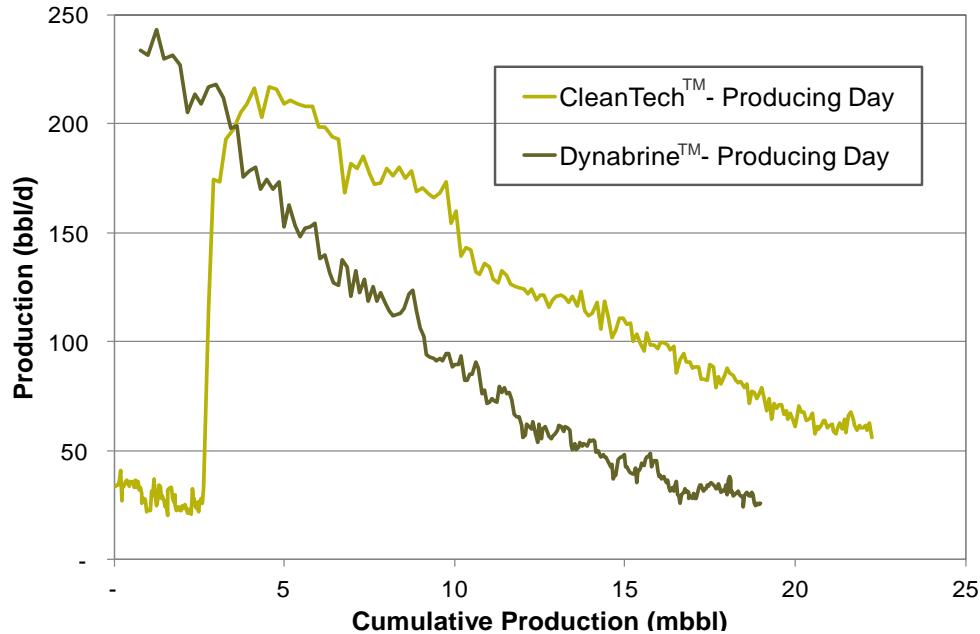
- US\$90/bbl flat WTI oil price, \$4.25/mcf flat AECO gas price, before tax, excludes land costs
- EUR of 190,000 boe (1 bilateral well or 2 singles in aggregate)

- **2010 producing bilateral wells have been assigned 35,000 bbls more reserves than undeveloped assignments in 2009**

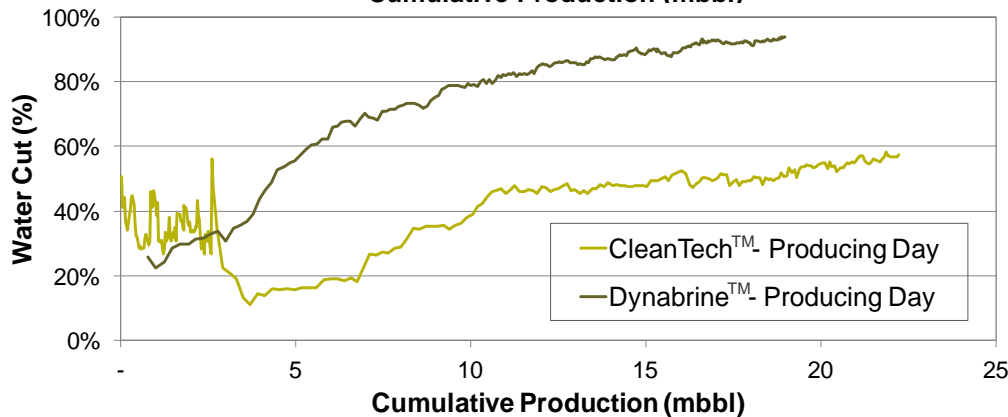
Note: Production data comparison is for the first 600 days of production

CleanTech™ vs Dynabrine™ Performance

Handsworth Area Bakken



- Average CleanTech™ wells have produced 17% more barrels than average Dynabrine™ wells in the first 275 days
- Cumulative water cuts were 40% lower for the CleanTech™ wells



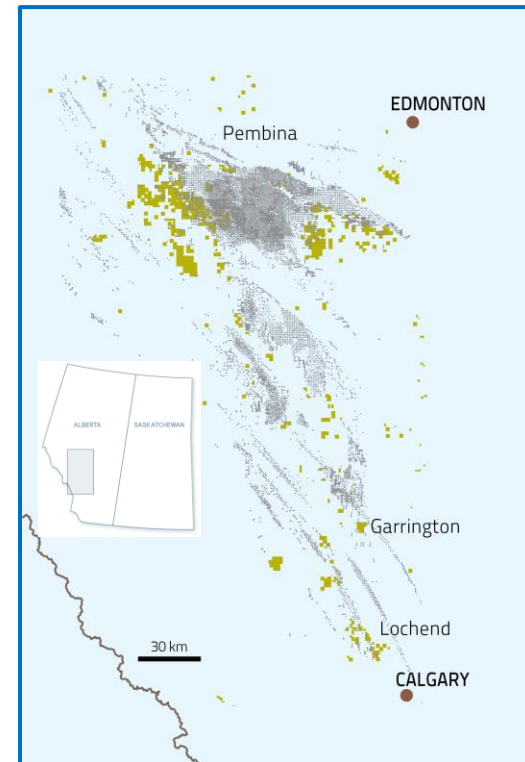
Bakken EOR Pilot Projects

Experimentation increases in 2011

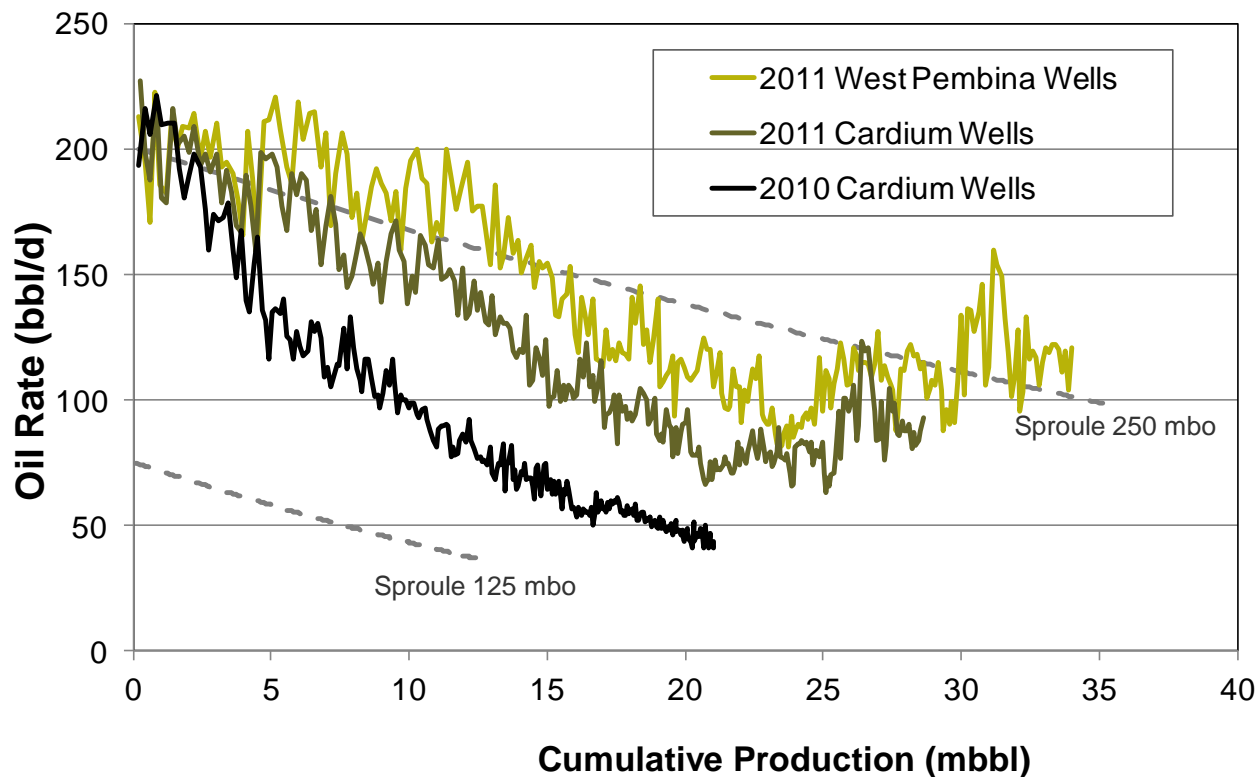
- **Reservoir studies indicate gas will be an effective injection fluid**
 - CO₂ injection demonstrated improved recoveries in offsetting wells
- **PBN projects now focus on the use of natural gas**
 - Solution gas readily available in the area
 - Less expensive and less corrosive than CO₂
- **\$20 million committed to initial EOR pilot projects**
 - Five pilot projects originally planned for 2011
 - Three pilot injection wells drilled
 - First well on injection in mid March
 - Second well expected to commence injection in Q4 2011
 - Third well on primary production; injection to commence in 2012
 - The next two injector wells ready to be drilled in 2012
- **Majority of natural gas will be recovered and sold at a later date, enhancing the full cycle economics of EOR**

Cardium Business Unit Overview

- **Our second major resource play**
 - Land position now exceeds 350 (270 net) sections predominantly in prime region of the play
 - We are now the most active driller of horizontal Cardium oil wells
 - Early November production in excess of 15,750 boepd
- **High operating netbacks**
 - 2010: \$32.80/boe (US\$79.53/bbl WTI) – 53% liquids
 - YTD Q3 2011: \$53.80/boe (US\$95.47/bbl WTI) – 79% liquids
- **Large and growing inventory of development locations**
- **Innovations in completion techniques lower costs and improve productivity**
- **Expecting future efficiency enhancements as we refine our methodology**



Cardium Results



Note: All curves truncated to 250 days due to available production on 2011 wells

- We currently utilize slickwater frac completions
- We continue to optimize our drilling and completion techniques
- Consistent with geology and internal forecasts, West Pembina is providing some of the strongest results

Cardium Activity

| | December 2009 | December 2010 | Early Nov 2011 |
|--------------------------|----------------|------------------|------------------|
| Land | 4 Net Sections | 240 Net Sections | 270 Net Sections |
| Production | 0 boepd | 7,335 boepd | 15,750 boepd |
| Drilling Activity | 0 Rigs | 10 Rigs | 5 Rigs |
| Cumulative Wells | 0 | 75 (55 net) | 250 (178 net) |
| Reserves | 0.8 MMBOE | 43 MMBOE | NA |

Estimated Cardium Well Economics

| | | US\$75 WTI Case | US\$90 WTI Case |
|------------------------|----------|-----------------|-----------------|
| Capital | (\$mm) | \$3.60 | \$4.10 |
| Netback (life of well) | (\$/boe) | \$53.00 | \$66.00 |
| NPV10% | (\$mm) | \$3.6 | \$4.8 |
| IRR | (%) | 58% | 88% |
| Payout | (yrs) | 1.7 | 1.3 |
| F&D | (\$/boe) | \$15.00 | \$17.08 |
| Recycle Ratio | | 3.5x | 3.9x |

- Flat pricing used with \$4.25/mcf AECO gas price
- 240,000 boe EUR
- Economics are before taxes and exclude land costs

- **Higher WTI prices have driven industry activity and increased well costs**
- **Economics per-well have also improved**

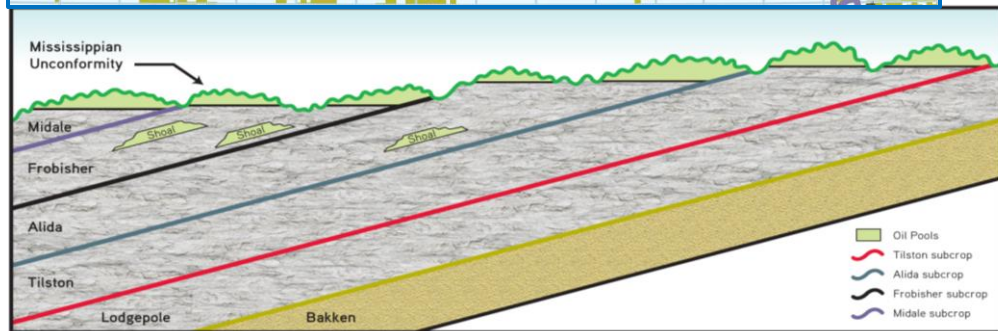
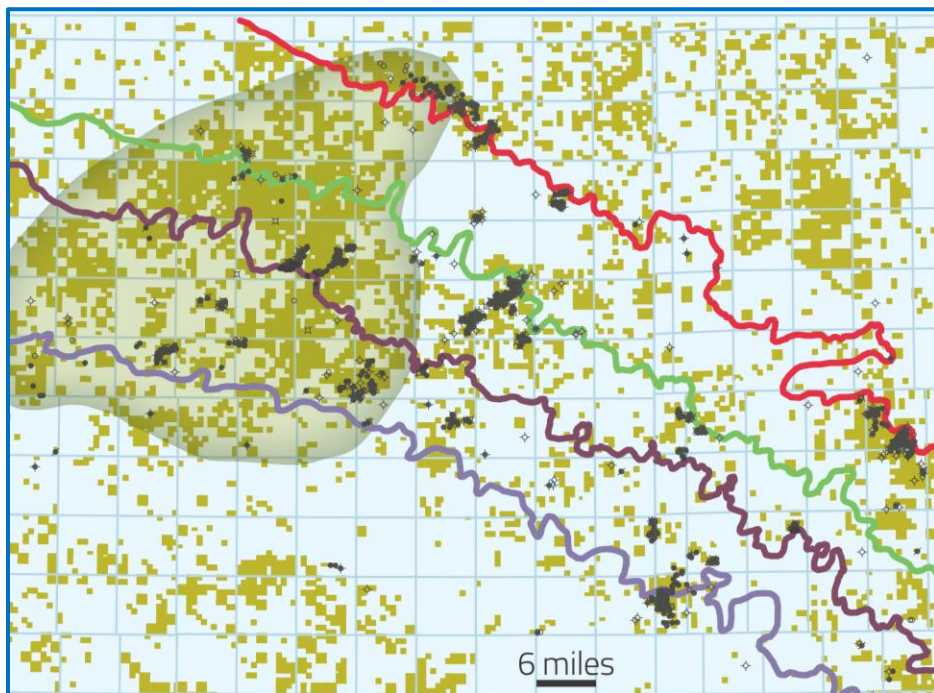
Conventional Business Unit Overview

- **Opportunities in conventional Mississippian formations**
 - Downspace pools with horizontal wells, usually without fracs
 - Generating surplus cash flow
 - 2010: \$55 million, 2011E: \$30 million*
 - Robust individual well economics
- **7 net wells are planned for remainder of 2011**
- **Over 950 (750 net) undeveloped sections to replenish drilling locations over time**
- **Additions to facility infrastructure in 2011 and into 2012 will increase future production and activity levels**

* Reduced from \$50mm due to facility delays and an extended spring break up

Conventional Business Unit Opportunities

Mississippian production, light sweet crude oil



Optimized SE Saskatchewan Conventional Well Economics (Crown)

| | | |
|------------------------|----------|---------|
| Capital | (\$mm) | \$1.16 |
| Netback (life of well) | (\$/boe) | \$67.70 |
| NPV10% | (\$mm) | \$3.0 |
| IRR | (%) | >200% |
| Payout | (yrs) | 0.5 |
| F&D | (\$/boe) | \$14.59 |
| Recycle Ratio | | 4.6x |

- US\$90/bbl flat WTI oil price, \$4.25/mcf flat AECO gas price, before tax, and excludes land costs
- EUR of 79,500 boe

- Large inventory of Mississippian light oil drilling opportunities – 350 net locations
- Facility upgrades have added 425 boepd with further optimization expected

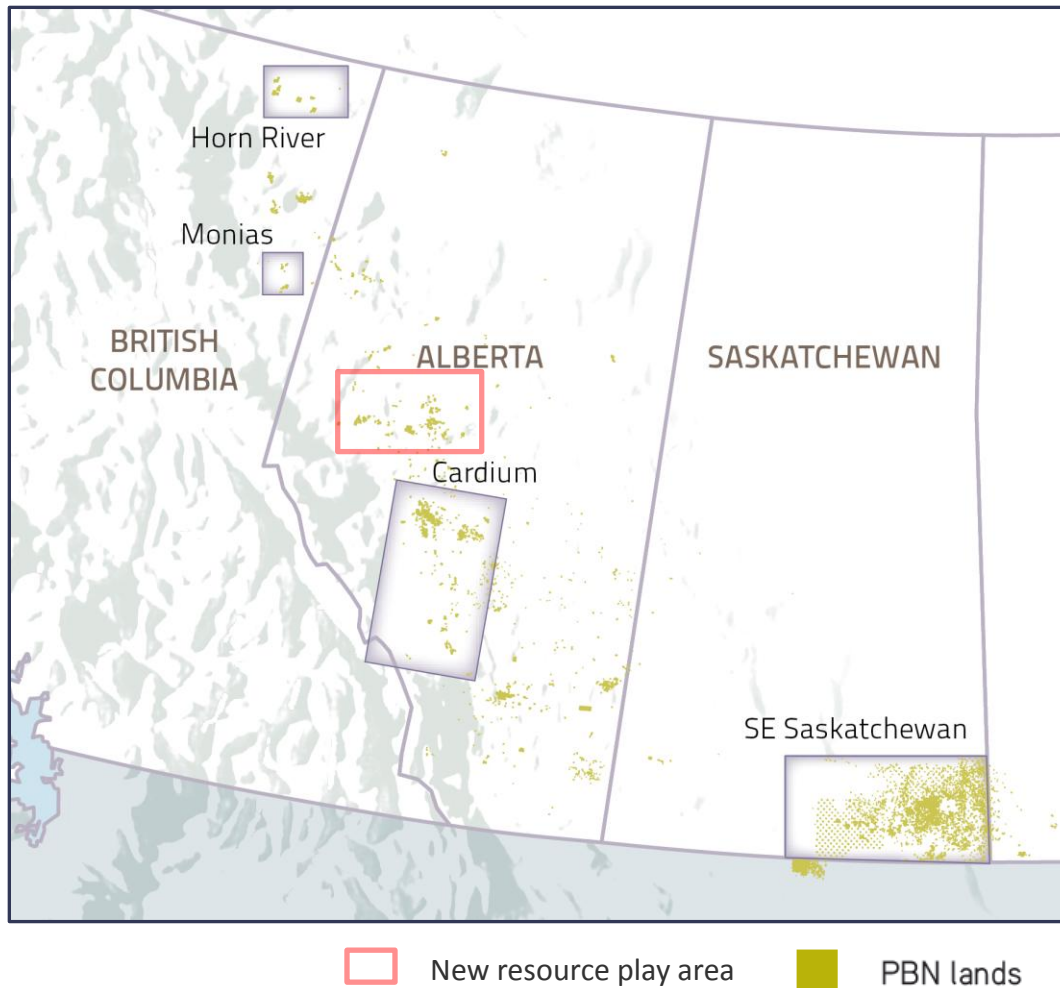
- PBN lands
 - PBN wells
 - Tilston subcrop
 - Alida subcrop
 - Frobisher subcrop
 - Midale subcrop
 - Bakken development area
- Map shows PBN wells only

NE BC and Alberta Business Unit Overview

- **NE BC provides exposure to tremendous natural gas resource plays**
 - Horn River shale plays are dry gas and require higher prices for development
 - Montney play at Monias is liquids-rich
 - Large inventory of locations
 - Near term activity designed to preserve acreage position
- **Alberta activity is generating exposure to new potential oil resource plays**
 - Assembled over 120,000 net acres on four oil plays
 - Drilling four test wells in the 2nd half of 2011

New Emerging Alberta Resource Plays

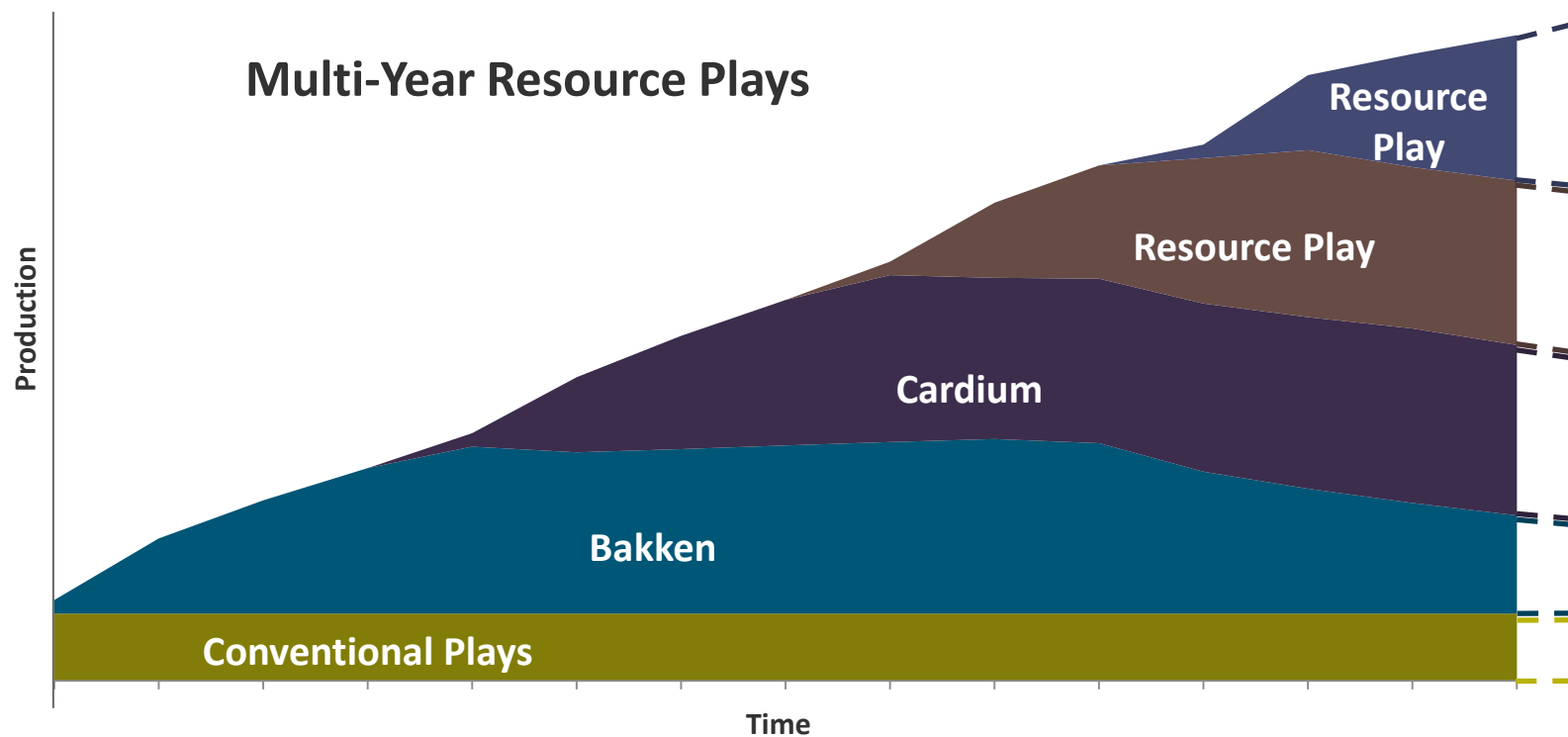
PBN well positioned for rapid development



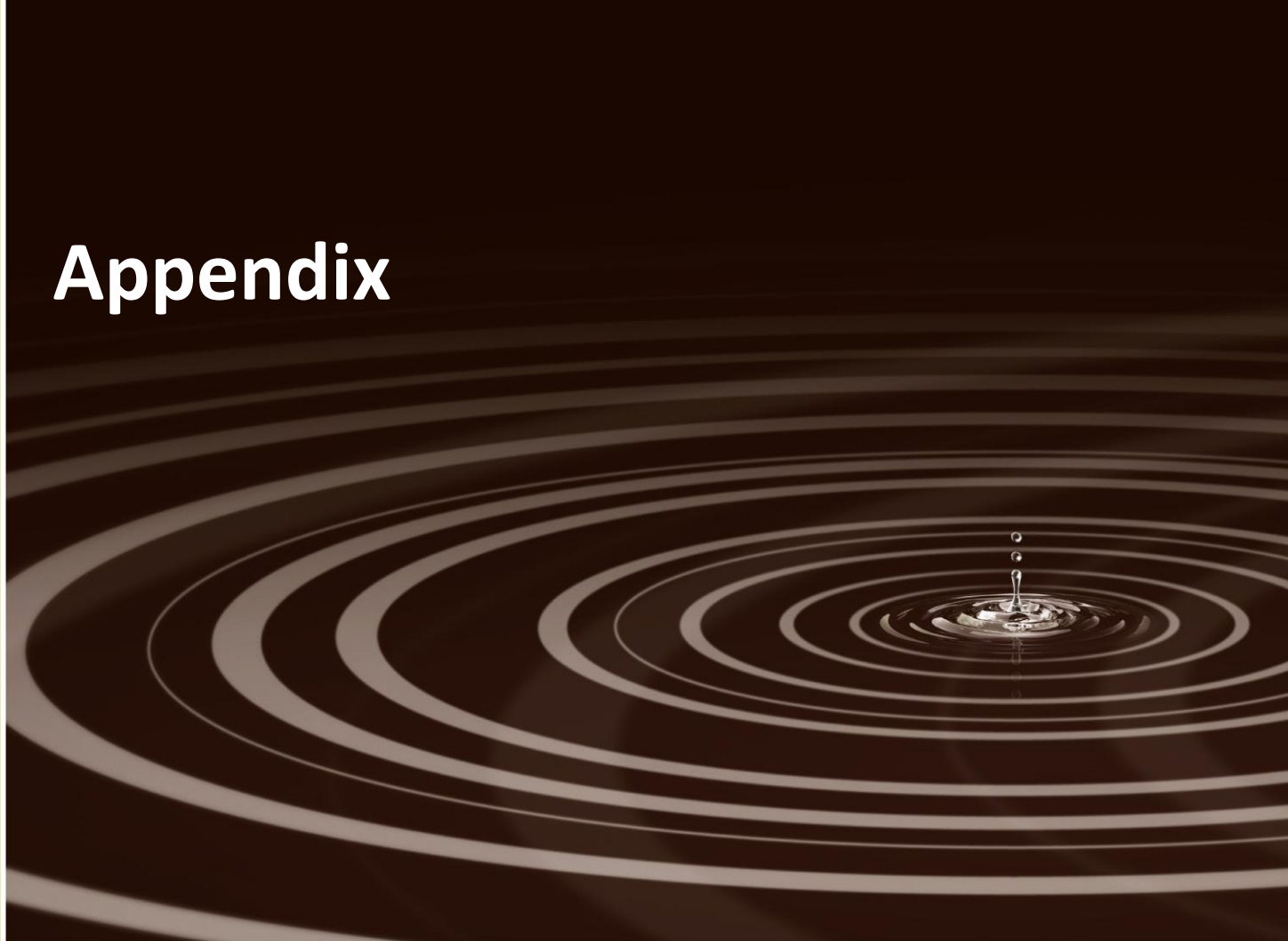
- **Meaningful land position with over 190 net undeveloped sections, exposed to new emerging oil and liquids-rich gas resource plays**
- **Planning to evaluate the Nordegg, Montney, Duvernay and Swan Hills formations with four wells in 2011**
- **Success will establish next resource plays for future development**

Growing a Resource Play Company

- Repeatable organic growth combined with an attractive dividend yield
- Large undeveloped land base, with more than 2,150 net drilling locations
- Continuing to apply innovative ideas and refine successful practices to profitably exploit oil and gas resources



Appendix



PETROBAKKEN

A PETROBANK COMPANY

PetroBakken – by the Numbers

| | |
|--------------------------------------|--|
| Trading symbol | PBN: TSX |
| November 8, 2011 closing price | \$10.03 |
| Shares outstanding (basic, Q2) | 187.2 million 12.3 million options/incentive shares |
| Market capitalization | \$1.88 billion |
| Avg. daily trading volume (3 months) | 874,889 |
| Net debt (Q3) | \$1.34 billion |
| Annual dividend (paid monthly) | \$0.96 |
| Yield | 9.6% |
| Q3 Avg. Production | 39,074 boepd, 85% oil & NGLs |
| Early November Production | > 47,500 boepd |
| 2011 Forecast Exit Production | > 49,000 boepd |

We are Focused on Resource Plays

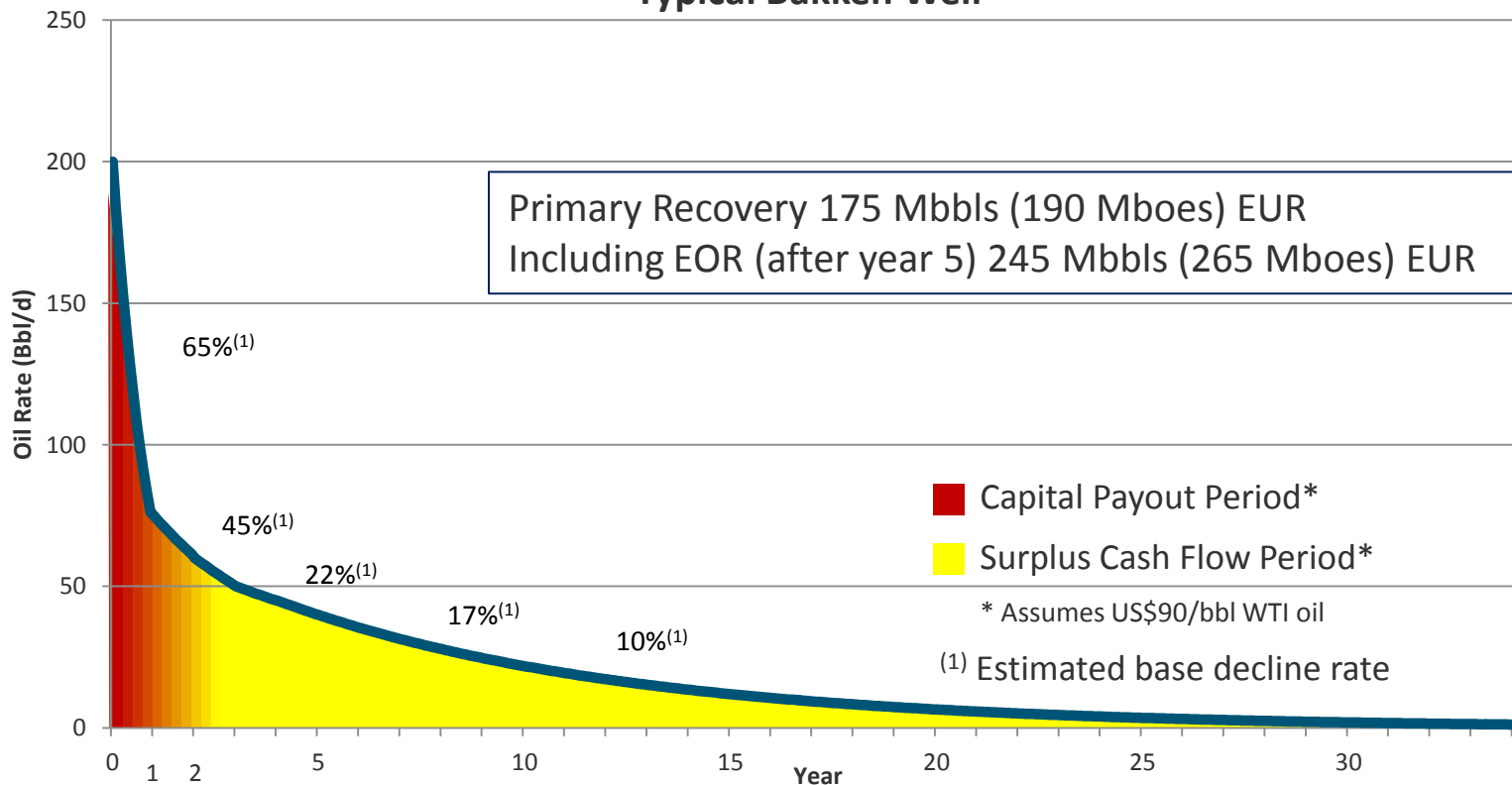
- **A resource play has the following characteristics:**
 - Significant hydrocarbon accumulations in low permeability reservoirs
 - Broad areal extent providing repeatable drilling opportunities
 - Minimal exploration risk
 - Economic development requires utilization of innovative technology (horizontal wells with multi-stage fracs)
- **We focus primarily on light oil resource plays where we can apply our technological expertise**
 - To-date we have drilled and operate over 900 horizontal wells with multi-stage frac completions

A Resource Play Well

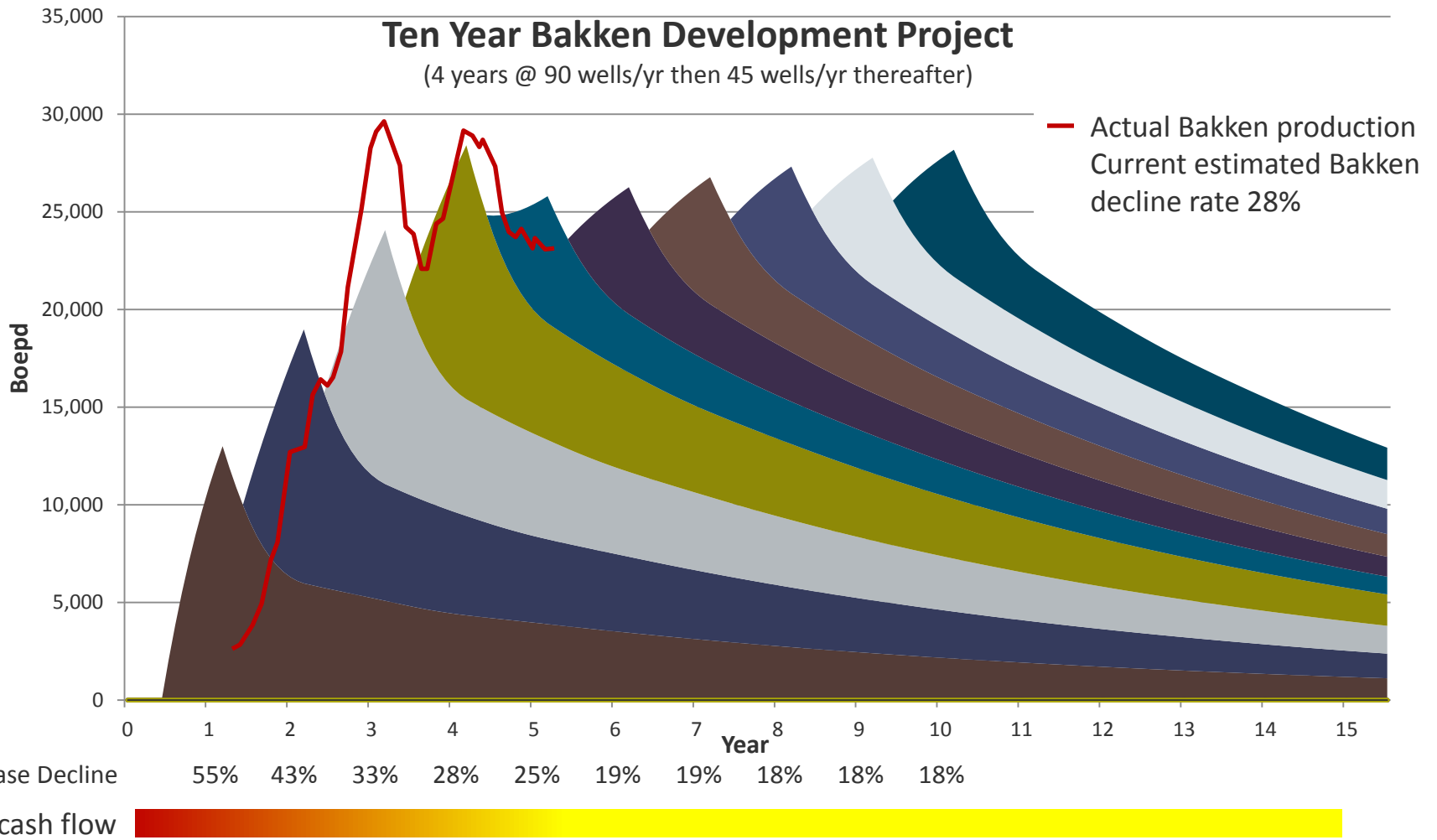
- Each well creates positive shareholder value

- Targeting capital payback to be less than 2 years
- Generates 25+ year revenue stream post payback of capital

Typical Bakken Well



Development of a Resource Play

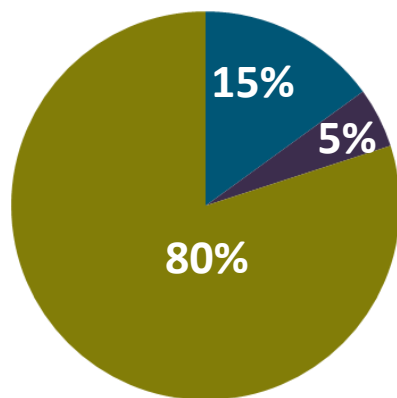


2010 Reserves Summary

Company gross reserves as at December 31, 2010

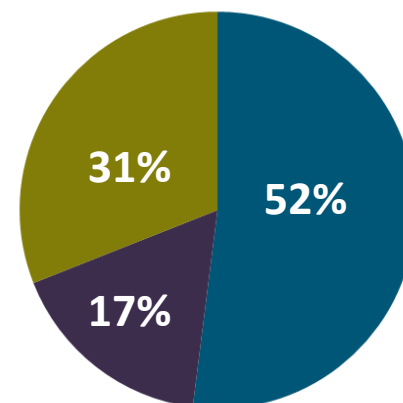
- Replaced 274% of production & increased reserves 18% (9% per basic share)
- Finding & development \$26.11/boe (including FDC and land expenditures)
- 2010 operating netback of \$47.76/boe generated a recycle ratio of 1.8

Proved + Probable Reserves Mix
(170 mmboe)



- Light & Medium Oil
- Natural Gas Liquids
- Natural Gas

Proved + Probable NPV10%
(\$4.1 billion before tax)



- Proved Developed Producing
- Proved Undeveloped
- Proved

Sproule Forecast Prices (at December 31, 2010)

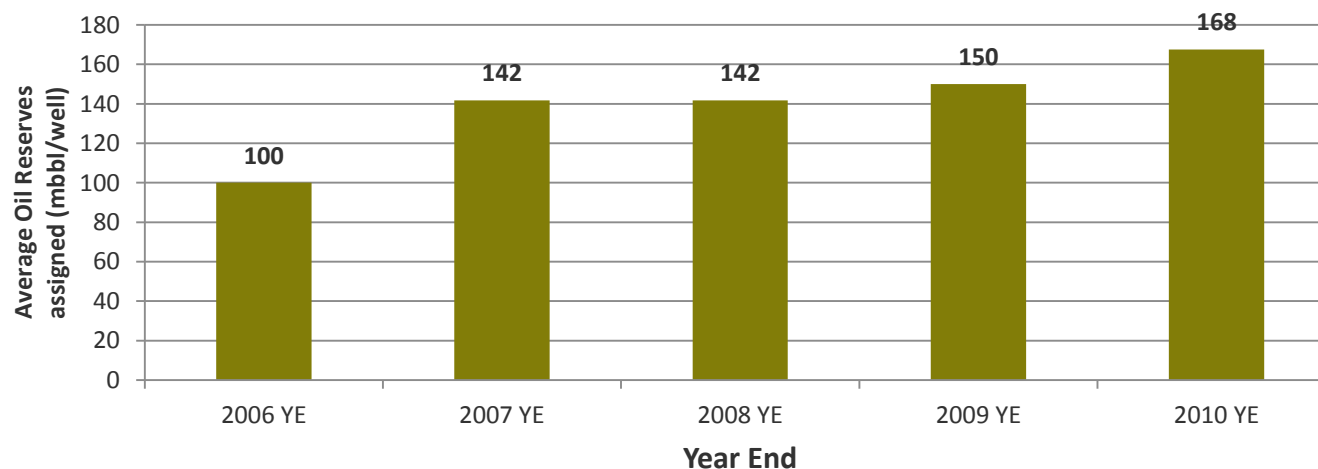
2011 prices: US\$88.40 WTI, \$4.04 AECO Gas, 0.932 CDN\$/US\$

Increased Reserve Bookings Per Well

Oil reserves tend to increase over time

- Initial reserve estimates for new plays are usually conservative
- Recognition of ultimate recovery rates improve with the application and acceptance of technological innovation

Proved plus Probable Reserves Assigned
Original Six Bakken Horizontal wells

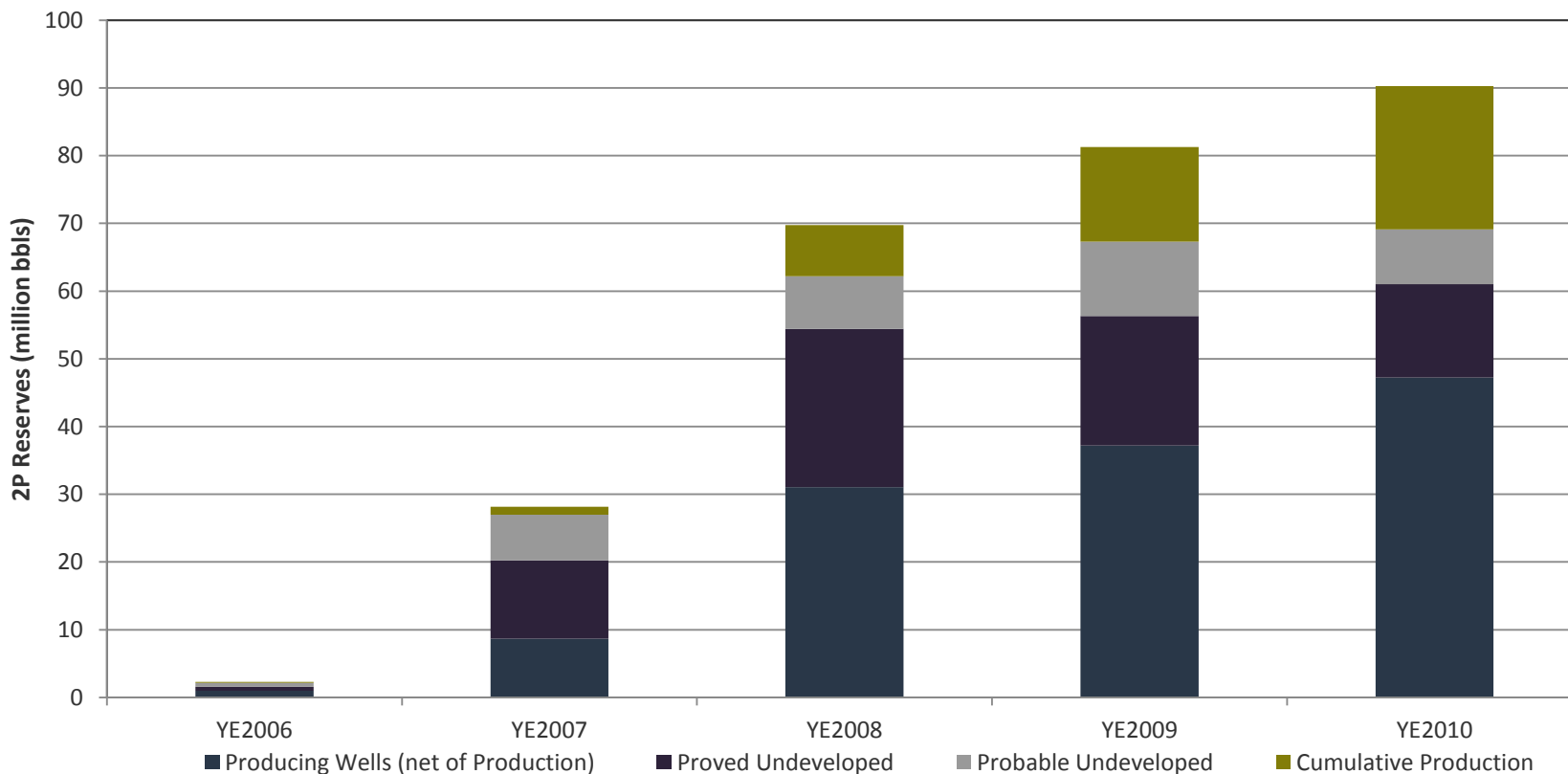


Bakken Oil Zone Reserves and Production

Historical growth in oil reserves from Bakken wells

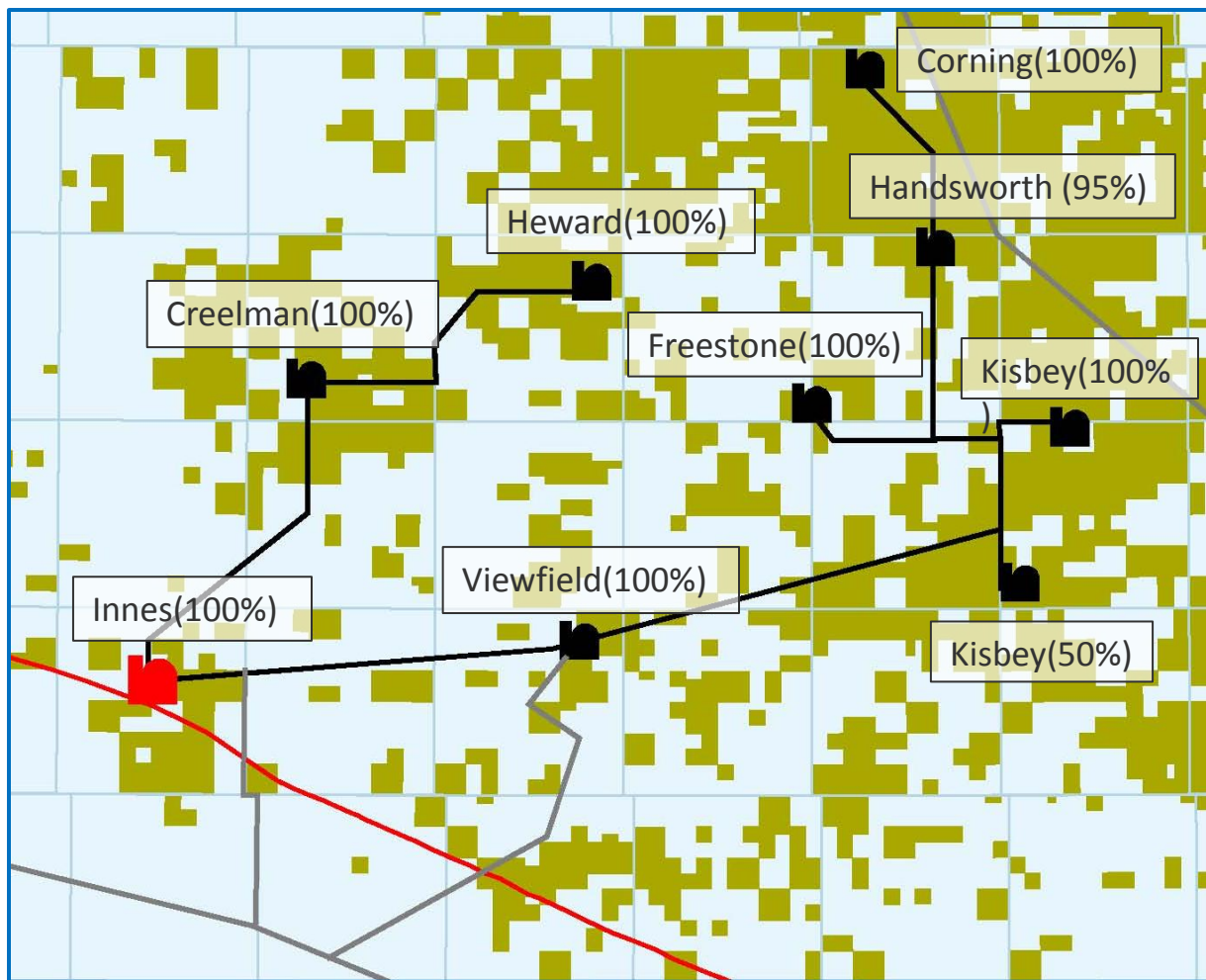
- Only 5% of estimated DPIIP booked as reserves as at December 31, 2010

Bakken Zone Oil Reserves Summary



Extensive Bakken Infrastructure

Infrastructure results in low operating cost and high netbacks

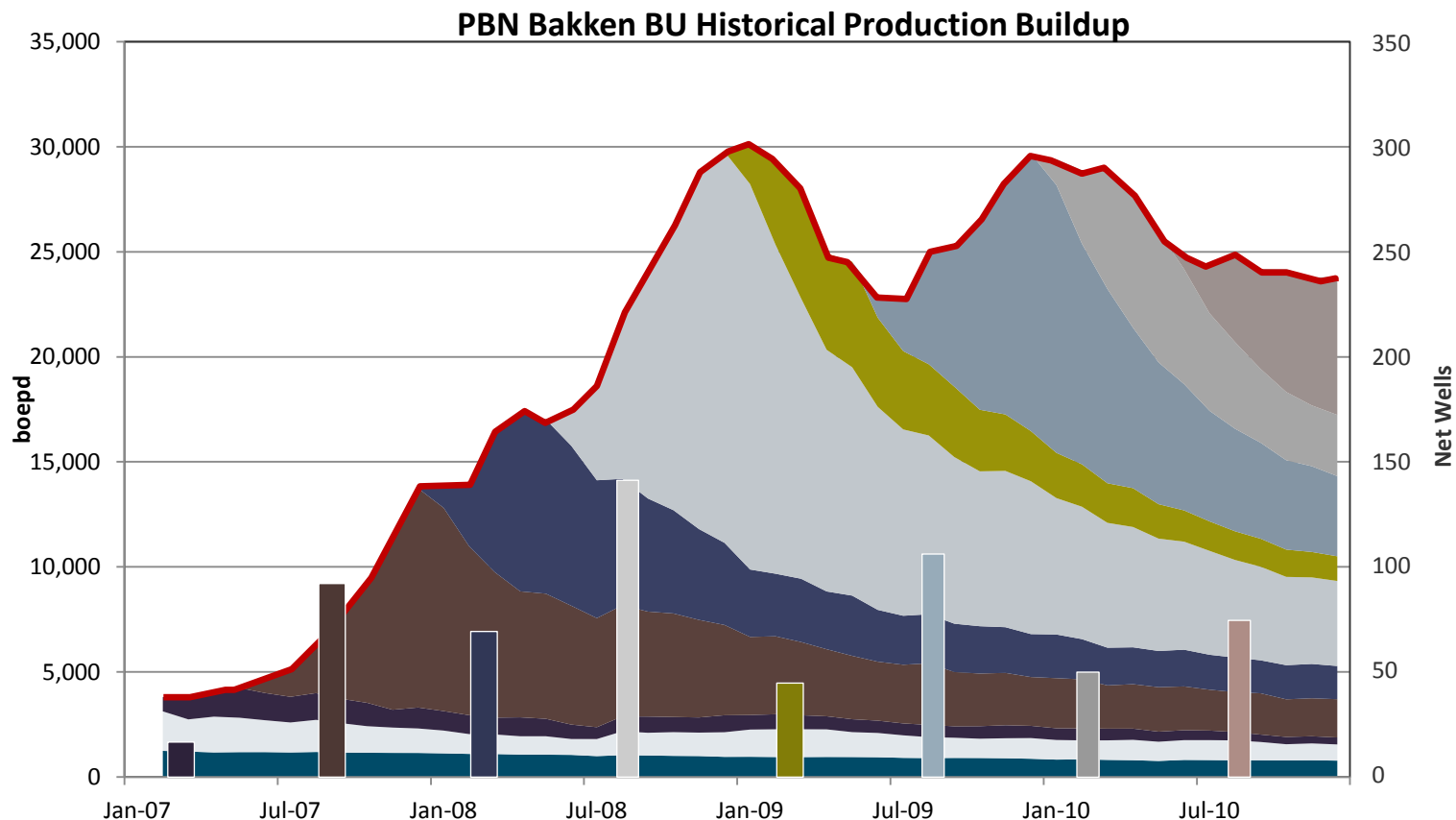


- Innes gas plant upgraded to handle sour gas
- Current capacity (thru put):
 - Oil: 35,000 (19,225 net) bopd,
 - Gas: 13 (8.8 net) mmcf/d
 - Water: 100,000 (59,900 net) bbl/d
- Currently 736 wells tied-in to facilities
- Total of 954 producing wells

- Enbridge Pipelines
- PBN Pipelines
- Transgas Pipelines
- PBN Facilities
- PBN Plant
- PBN Land

Bakken Resource Play Production

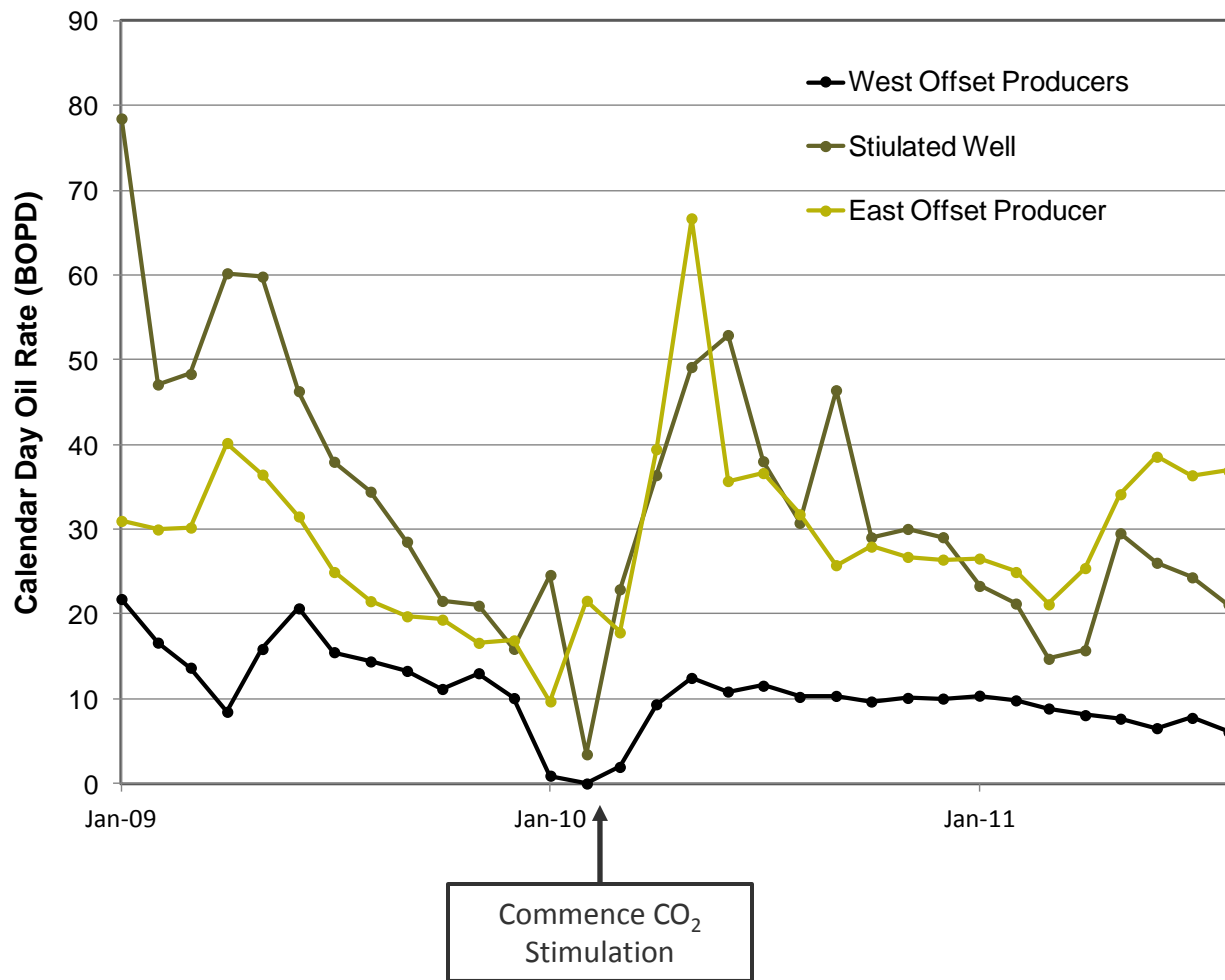
Historical drilling and production



* Historic net production and well counts for the Bakken business unit have been estimated using current production

EOR in the Bakken

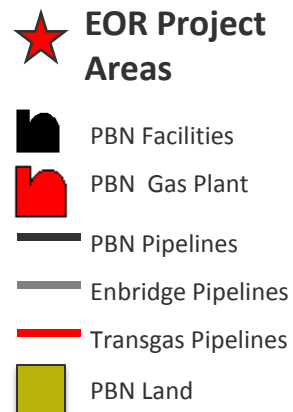
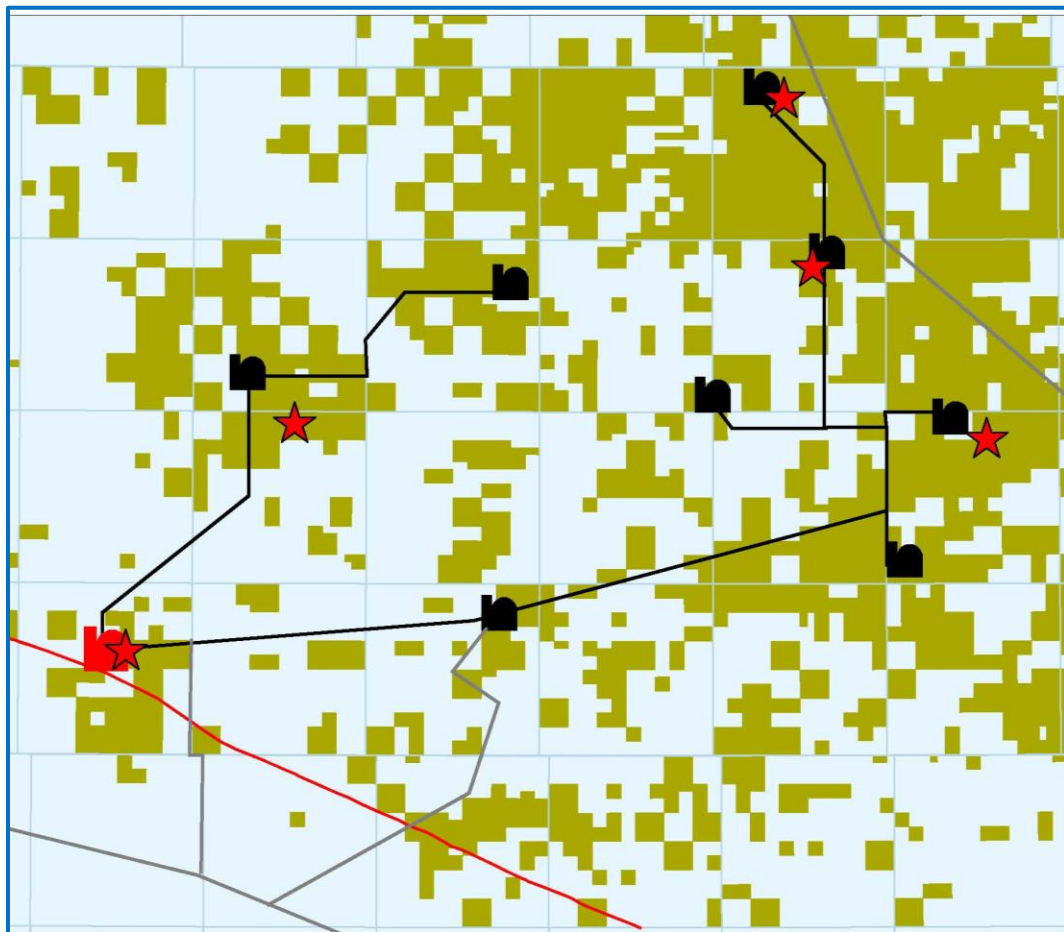
Injection of CO₂ to test EOR stimulation



- Prior to stimulation, wells demonstrate natural decline
- Stimulated well was shut-in February 2010 for a brief CO₂ injection and soak period
- Response to stimulation in offset wells is evident in April 2010
- In the following 17 months offset wells have recovered more than 17,000 bbl incremental

Bakken EOR Projects

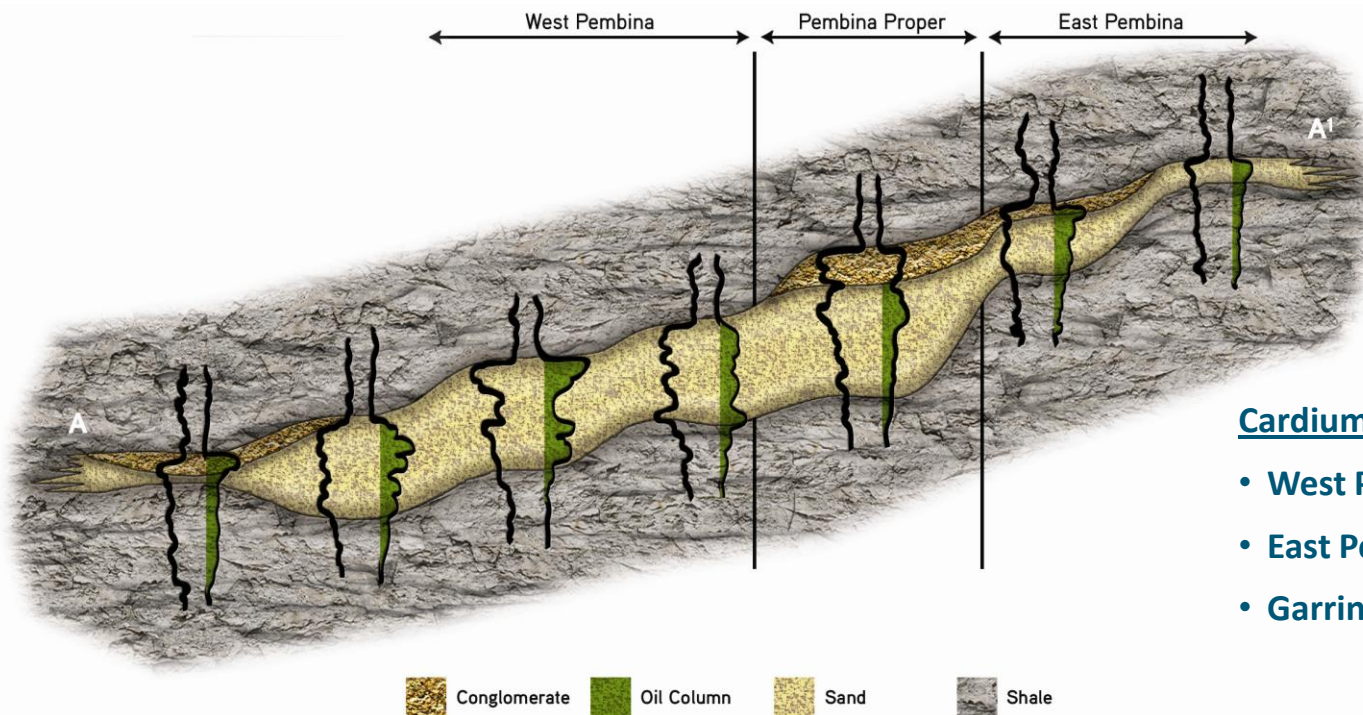
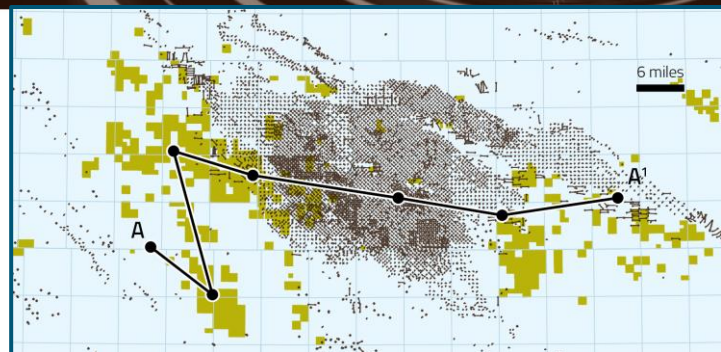
- All EOR pilot projects are in close proximity to our existing infrastructure allowing us to take advantage of our produced natural gas



Pembina Cardium Geological Environment

Schematic cross section

- This schematic cross section illustrates the rich geological environment in Pembina at multiple depths
- The Cardium sand identified uses a 6% porosity cutoff, however the effective oil column may be thicker

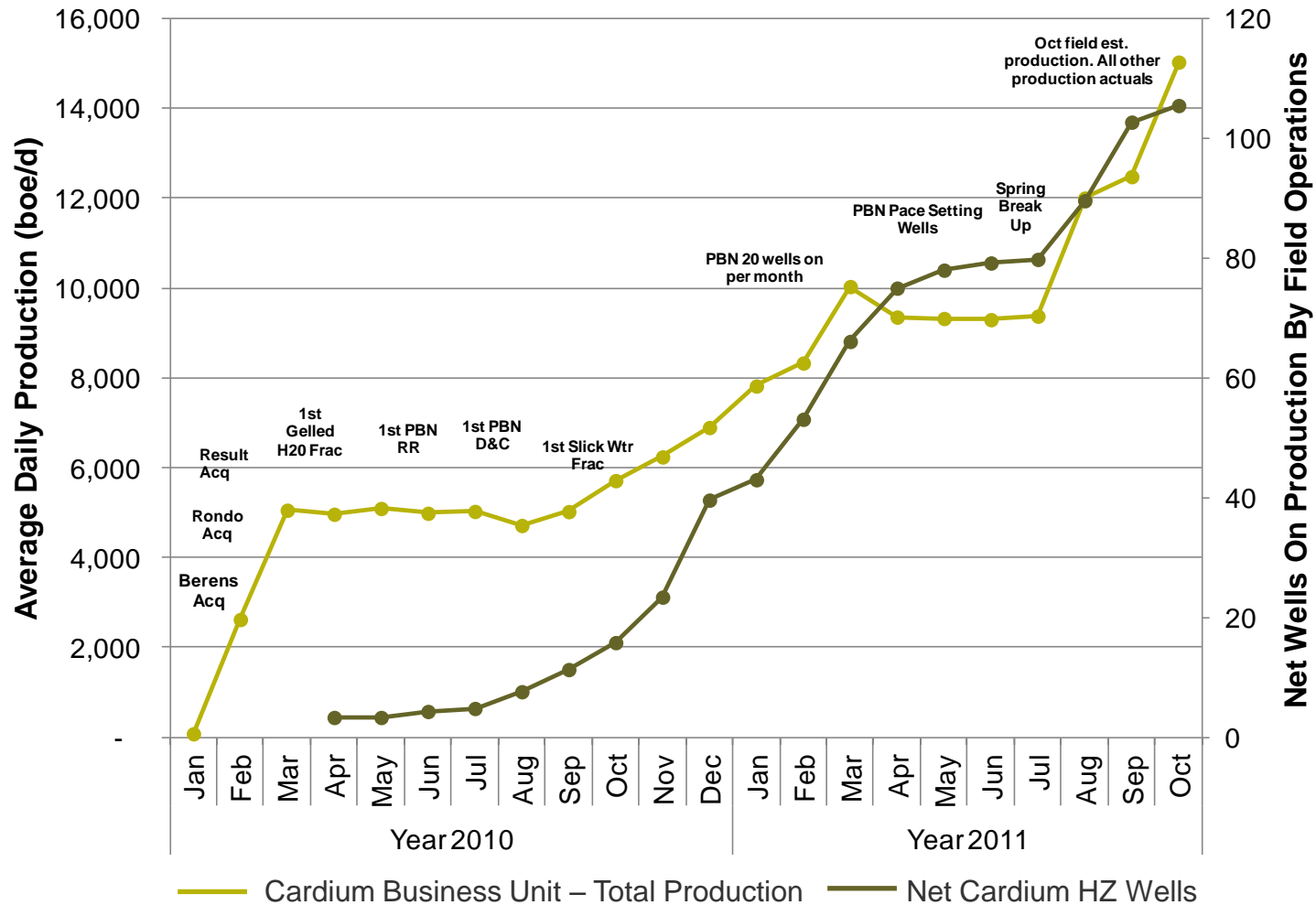


Cardium acreage distribution:

- West Pembina ~ 60%
- East Pembina ~ 25%
- Garrington and Lochend ~ 15%

Cardium Activity – Growing Production

Cardium Production History and Significant Milestones



Natural Gas Opportunities

- Large land position in two gas rich regions of Northeast B.C.
- Two Monias horizontal wells completed in first quarter of 2011
 - The Montney formation is liquids rich with 25 to 200 bbls of liquids per 1mmcf
- Field activities are focused on preserving these lands for future development

Horn River

- Muskwa and Evie shale plays



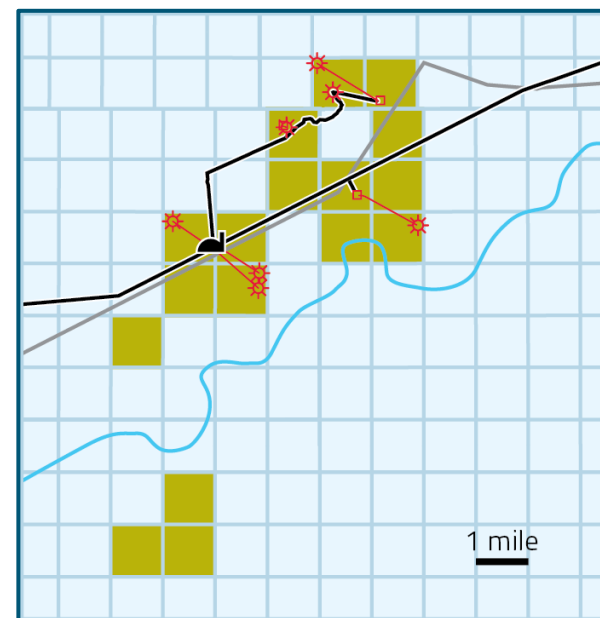
• 93 gross (84 net) sections



- PBN lands
- Pipelines
- All-season roads
- ⋯ Summer roads
- PBN facilities
- ☀ PBN gas well
- ⊕ PBN suspended well

Monias

- Montney siltstone play



• 17 sections

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