

Heavy Oil Focused

Increasing oil recoveries using new techniques and technology.



Summary of Acquisition Opportunity May 2015

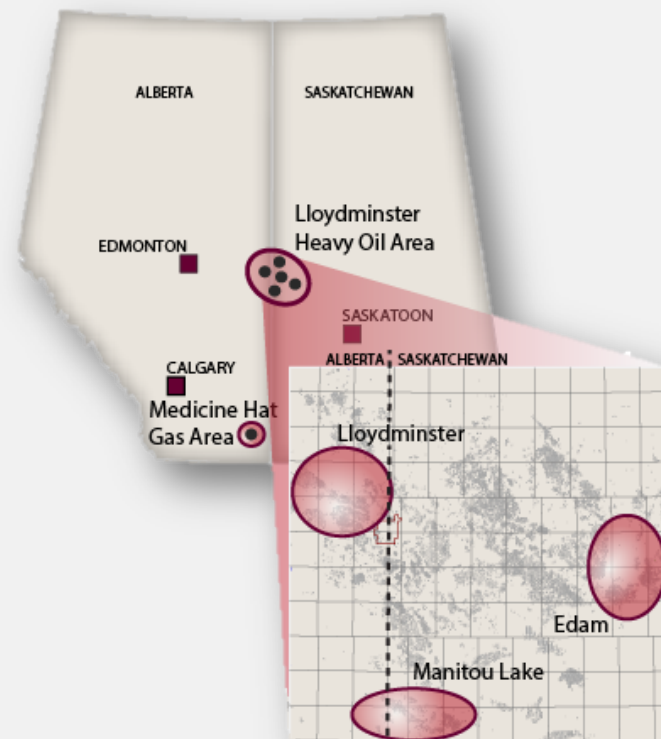
DISCLAIMER

- ***FTI Consulting Canada Inc. ("FTI") in its capacity as Receiver and Manager of Palliser Oil & Gas Corporation ("Palliser") is soliciting offers for all of the assets of Palliser (the "Transaction").***
- ***All information contained in or enclosed with this document (unless otherwise stated herein) or otherwise received as part of any due diligence process has not been independently verified. No representation or warranty, express or implied, is given by the Receiver or Palliser, their respective directors, employees, partners or advisors or any other person as to the accuracy or completeness of such information and no responsibility or liability is accepted for any errors, omissions or misstatements, negligent or otherwise, in such information. Accordingly, neither the Receiver of Palliser, nor their affiliates, directors, employees or advisors shall be liable for any direct, indirect, or consequential loss or damage suffered by any person as a result of relying on any statement or omission in this document or any other information or communication received as a part of the due diligence process. This document does not contain all of the information available with respect to Palliser or otherwise necessary to evaluate the Transaction. Its sole purpose is to assist the recipient in deciding whether to proceed with a further analysis of Palliser and it is assumed, and expected, that each recipient will conduct its own investigation and analysis of Palliser's operations, financial condition and prospect.***
- ***The Receiver may modify the offering procedure at any time, to accept any proposal prior to the closing date for proposals, to alter the dates of the offering procedure, or to withdraw from the process altogether without ascribing any reason thereto and without any liability to any interested party.***

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- High working interest and operatorship
 - Average 97% WI in heavy oil
 - Average 65% WI in all lands
- December 2014 production base of ~1235 boe/d
 - 98% Heavy Oil
 - Average 83% WI in production
 - Current estimated May 2015 production rates of ~750 boed (lower than December due to proactively reacting to current commodity prices)
- Palliser has developed High Volume Lift (“HVL”) techniques and the infrastructure needed to increase oil recoveries from ~10% under Cold Flow Heavy Oil Production (“CHOPS”) to >20% with HVL
- Nine 100% WI Salt Water Disposal (“SWD”) facilities provide 87,300 bbl/d of salt water disposal capacity to support HVL
- Significant prospect inventory of 107 heavy oil opportunities
- Undeveloped land holdings of 43,437 net acres (33,073 acres heavy oil) as of May 2015.

GREATER LLOYDMINSTER – CORE PROPERTIES



Palliser's focus is on high netback heavy oil production in the Greater Lloydminster area

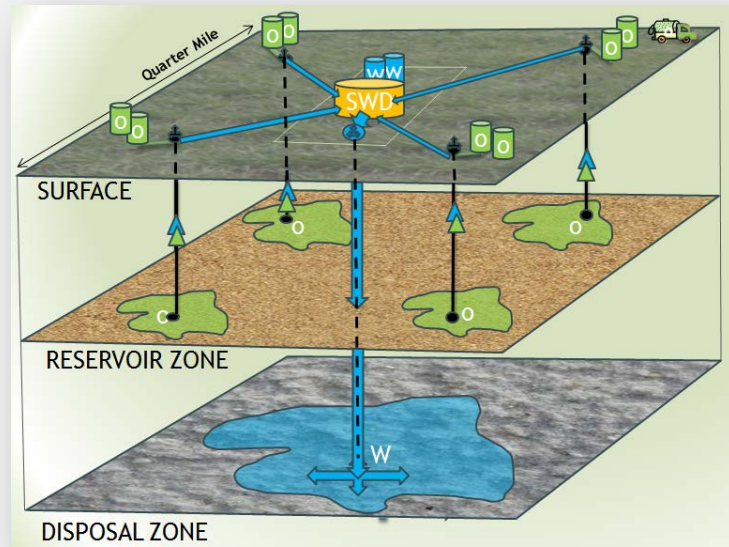
CHOPS AND HVL – DOUBLING HEAVY OIL RECOVERIES

CHOPS – DOUBLE TANK SYSTEM / SINGLE WELL BATTERY



- CHOPS typically recovers ~7-10% of original oil in place
- CHOPS wells are typically shut-in and abandoned due to high water cuts after primary recoveries are achieved

HIGH VOLUME LIFT – INCREASES HEAVY OIL RECOVERIES BY ~10%



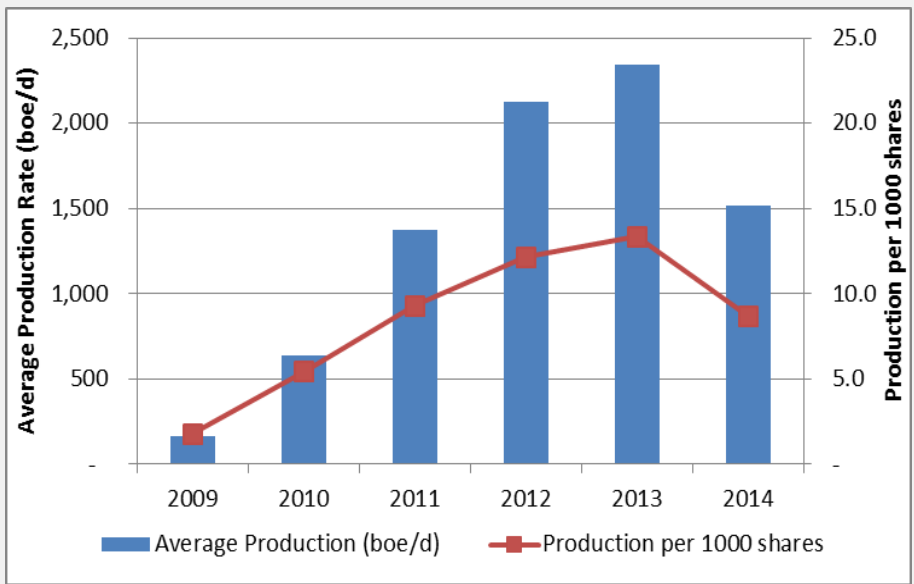
- Palliser's HVL technique extends the reserves life and can achieve recoveries of >20%
- HVL is similar to a water flood however produced water is disposed into deeper prolific formations using SWD wells
- A 4:1 producer to SWD well ratio is typically achieved
- Modular facilities that can handle up to 16 producing wells (with 4 SWD wells) in addition to trucked volumes
- Larger POD's have better economics; Palliser's largest POD consisted of 14 producers and 3 SWD wells
- Palliser shifted toward re-entry and re-activated wells to save drilling capital and reduce drilling risk
- Production wells are typically eligible for 5% AB royalty

OPERATIONS OVERVIEW

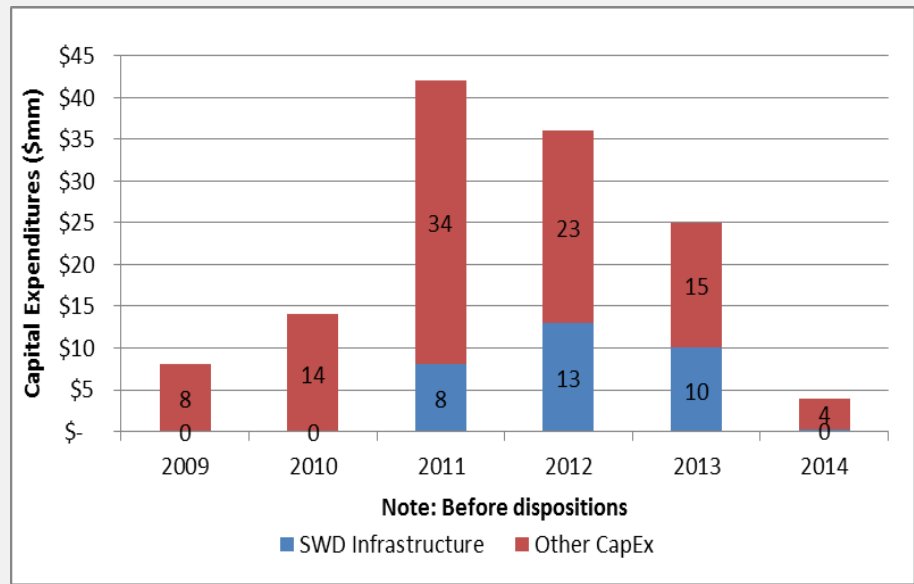
FINANCIAL / OPERATING	
Tax Pools - September 30, 2014 (unaudited)	\$97 million
Production - December 2014	1,235 boe/d (98% heavy oil)
Projected May 2015	750 boe/d
Undeveloped Land – May 2015	43,437 net acres
Proved Reserves / BT PV10% - December 31, 2014	3,506 mboe \$34.1 million
P+P Reserves / BT PV10% - December 31, 2014	6,011 mboe \$68.1 million
Royalty rate	2013 actual 25%, 2014 projected 23%
Royalty expense	2013 actual \$16.79/boe, 2014 projected \$16.83/boe
G&A expense	2013 actual \$5.14/boe, 2014 projected \$7.18/boe

HISTORICAL PRODUCTION & CAPITAL

PRODUCTION HISTORY



CAPITAL EXPENDITURE HISTORY



TAX POOL SUMMARY (EFFECTIVE SEPTEMBER 30, 2014 – UNAUDITED)

Corporate Tax Pools	
UCC Class 8	\$141,803
UCC Class 10	\$143,022
UCC Class 45	\$10,576
UCC Class 41	\$27,185,275
COGPE	\$18,363,018
CDE	\$20,744,639
CEE	\$1,295,326
NCL	\$27,913,435
Share Issue Costs	\$1,183,129
Total	\$96,980,223

PROCESS AND TIMELINE

Confidentiality Agreements

- Additional information will be made available to those parties signing and returning a Confidentiality Agreement to Robert Kleebaum at Robert.Kleebaum@fticonsulting.com.

Data Room Access

- Upon receipt of a signed Confidentiality Agreement, all interested parties will receive a CD with additional financial and operational information, historical production reports and other information to allow them to evaluate this acquisition opportunity.
- Any questions or requests for additional information should be directed to Robert Kleebaum at the contact email noted above or by phone at 403-454-6035.

Access to Management

- The Receiver has retained certain of Palliser's management team to provide assistance with the continued operations and with the conduct of the sale process. Any requests for access to management should be made to Robert Kleebaum so that appointments may be scheduled.

Timeline

- **The deadline for receipt of Letters of Interest (“LOI”) is 5:00 PM (MST) on Monday June 1, 2015. Upon receipt of LOI’s, the Receiver will develop a short list of parties who will be given the opportunity to submit a binding Offer of Purchase and Sale. Accordingly all LOI’s should include the following information:**
 - **Identification of the buyer;**
 - **Background information on the buyer including an overview of the buyer’s financial position and indication of ability to close the Transaction;**
 - **Purchase price being offered and the basis of valuation; and**
 - **Any other terms and conditions required or any conditions required by the buyer to be satisfied prior to closing.**
- **All interested parties are advised that the sale will be conducted on an “as is, where is” basis with no representations or warranties being provided by the Receiver. Accordingly, offers with no additional terms or conditions will be viewed more favourably.**
- **The Receiver reserves its right not to accept any LOI’s and may withdraw from the process altogether without ascribing any reason thereto and without any liability to any interested party.**