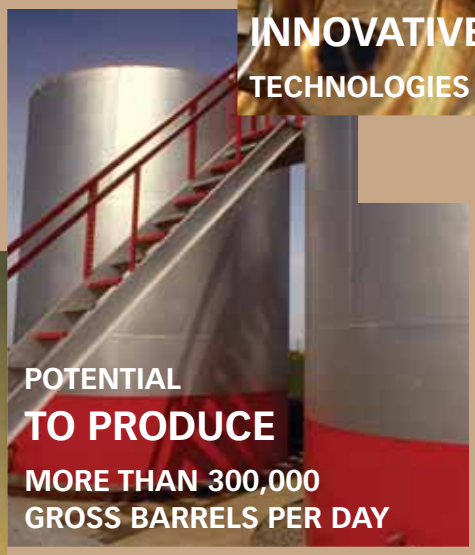
LARICINA
ENERGY LTD.

RECOVERY BY DESIGN
SUMMER 2008



DEMONSTRATING VISIBLE GROWTH

STRATEGY & EXECUTION

DEFINED **RESERVOIRS**	• Captured opportunities with scale and quality in carbonate (Grosmont and Winterburn) and clastic (Grand Rapids and McMurray) reservoirs. • Conducted resource delineation on nearly half of land base to date. • Independent assessment of net recoverable bitumen of 3.2 billion barrels, best case and 6.0 billion barrels, high case. • Additional potential resource base of 2-4 billion barrels of exploitable bitumen in place from Burnt Lakes, management estimate.
CONDUCT **AND LEVER FRONT-END RESEARCH**	• Conducted deliberate, targeted and selective land acquisition focused on minimizing supply cost over prospective areas that lie in proximity to physical infrastructure, which total more than 72,700 net hectares as of spring 2008. • Conducted detailed geological assessments including seismic and core-hole drilling (>140 wells to date) to support the resource base. • Identified 4 distinct projects with gross potential production in excess of 300,000 barrels of bitumen per day. • Publication and peer review of meaningful technical papers.
NEW TECHNOLOGIES **MOVING FROM EVALUATION TO FIELD**	Conceived, tested and applied innovations and approaches to oil sands recovery processes, including: • Genetic-algorithm based modelling to efficiently evaluate and optimize prospective reservoir engineering strategies. • Successful non-thermal solvent-based recovery from core and field tests in carbonates. • Stacked-zone SAGD production in carbonates to improve efficiencies and performance. • Optimizing recovery by tailoring well placement in areas with thin bottom-water.
EXECUTE **PROJECT DEVELOPMENT**	• Advanced design, regulatory applications and construction at Germain and Saleski. • Developing essential infrastructure to support pilot and commercial development. • Continuing regulatory and internal technical processes to maintain project momentum and critical paths.
MAXIMIZE **AND CAPTURE VALUE**	• Have demonstrated world-class resource base with upside potential. • Systematically moving through project milestones towards commercial-scale production. • Achieving continuous enhancements to demonstrate improved performance and economics of *in situ* bitumen recovery in clastic and carbonate reservoirs.

An independent resource assessment (effective June 1st, 2008) on Laricina-operated properties determined a best case net recoverable resource estimate of 3.2 billion barrels and a high case of 6.0 billion barrels.

After two delineation programs, Laricina has commenced development activities at its two largest properties, Germain and Saleski.

PROJECT AREA SUMMARY

	GROSS HECTARES	AVERAGE WORKING INTEREST (%)	NET HECTARES	DELINEATION WELLS	WELL DENSITY (AVERAGE NUMBER OF WELLS/SECTION)	GROSS PRODUCTION POTENTIAL (BBLS/D)
GERMAIN	17,152	97%	16,691	119	1.8	>150,000
SALESKI	17,152	60%	10,291	40	0.6	>200,000
CONN CREEK	9,728	100%	9,728	16	0.4	30,000
POPLAR CREEK	2,336	50%	1,168	48	5.3	25,000
OTHER	35,917	97%	34,688	60	0.4	undefined
JOSLYN	22,188	1%	222	1,439	16.6	250,000

NET RESOURCE SUMMARY [1]

(NET MMBBLS)

	OBIP[2]		RECOVERABLE RESOURCES	
	BEST	HIGH	BEST	HIGH
MCMURRAY/WABISKAW [3]	1,893	2,789	656	1,178
GRAND RAPIDS	2,503	2,596	1,130	1,469
GROSMONT/WINTERBURN [4]	6,952	7,079	1,455	3,371
TOTAL	11,348	12,464	3,241	6,018

NET ECONOMIC FORECAST [1,5]

(Forecast Prices and Costs)

	BEFORE INCOME TAX DISCOUNTED PRESENT VALUE ($ MILLIONS) 10%	WORKING INTEREST (MMBBLS)	% OF TOTAL RESOURCE SUMMARY
BEST ESTIMATE	**5,510**	2,859	88
HIGH ESTIMATE	**12,028**	5,257	87

Notes:

1. *Based on independent resource evaluation by GLJ Petroleum Consultants Ltd. (GLJ), with an effective date of June 1, 2008 for operated properties.*
2. *Exploitable original-bitumen-in-place.*
3. *Does not include Laricina's interest in Joslyn steam-assisted gravity drainage (SAGD) probable plus possible reserves and best estimate contingent resources (1.2 million barrels) or mining contingent resources (24.0 million barrels) based on the GLJ report dated March 1, 2008.*
4. *Does not include Burnt Lakes.*
5. *The net economic forecast was prepared on Conn Creek, Germain, Poplar, and Saleski only based on SAGD technology using GLJ's commodity price forecast as at June 1, 2008.*

DEMONSTRATING VISIBLE GROWTH

OUR ASSETS

Not to scale.
For illustrative purposes only.
Source: ERCB and Laricina.

COMPETITIVE ADVANTAGES

Defined Resource
Independently assessed net recoverable bitumen resources of 3.2 billion barrels, best case and 6.0 billion barrels, high case.

Asset Size
Combined, Germain and Saleski hold over 2.5 billion barrels, best case and 4.8 billion barrels, high case of net recoverable bitumen resource.

Asset Quality
Attractive and predictable porosity, permeability, bitumen saturation and thickness spread over a large area, which reduce overall risk and project costs at Germain and Saleski.

Diversified Geological Targets
Targeting clastics and carbonates, reservoirs span multiple formations including Grand Rapids, Grosmont, McMurray, Winterburn and Wabiskaw.

Project Scale
Large resource base from Germain Grand Rapids and Saleski Grosmont can support production of 300,000 gross barrels per day. Other core McMurray properties have the potential to add 55,000 gross barrels per day. Burnt Lakes and Germain Winterburn which are at an early stage of exploration, have potential to expand production to more than 400,000 gross barrels per day.

Permanent Access
All-season, high-grade road to Germain complete; construction on Saleski leg to begin later in 2008.

Access to Natural Gas
Natural gas transmission pipelines running close to Germain and Saleski offer reliable and secure natural gas supply.

Access to Power Grid
A 240 kV transmission line passes through the Saleski lease and crosses the planned Saleski road, creating a natural tie-in point to the power grid.

Oil Pipeline Transportation
Pipeline infrastructure lies just south of the Germain lease, potentially offering access to diluent supply and take-away capacity while Laricina develops a dedicated pipeline to market hubs in Edmonton and Fort Saskatchewan.

Technology Tool-Kit
Tailoring processes and technology innovations to local reservoir characteristics will maximize ultimate recovery and minimize overall supply costs.

GERMAIN

>Grand Rapids Sand + Winterburn Carbonate

1,800 barrels per day pilot **+ 10,000** barrels per day phase one commercial plant

100,000 - 150,000 barrels per day gross production potential

GEOLOGY

The Germain lease has two distinct bitumen-bearing zones; the Grand Rapids and the Winterburn Formations. Laricina's rights to the Grand Rapids Formation underlying 59 (gross) sections of land, contains an independent evaluation best estimate of 2.4 billion barrels of bitumen in place. The upper Grand Rapids is a regional marine sand at an average depth of 225 metres. Its unique features – clean sand with homogeneous and continuous reservoir pay – create a predictable, consistent reservoir.

The Winterburn Formation, a bitumen-bearing carbonate complex, lies approximately 200 metres beneath the Grand Rapids. The Winterburn has favourable reservoir properties and high oil saturation, with an independent best estimate of 2.4 billion barrels of bitumen in place.

PROJECT DEVELOPMENT

Laricina has sought regulatory approval for a SAGD pilot project designed to produce 1,800 barrels per day of bitumen from three horizontal well pairs. It will provide the opportunity to test innovative reservoir optimization, exploitation and operating strategies for the Grand Rapids Formation. One objective of the pilot is to demonstrate the advantages of placing producing wells in thin bottom-water at the base of porosity, which will accelerate production ramp-up and maximize recovery.

In the second half of 2008 Laricina expects to apply for the Germain project's first commercial phase, which is planned at 10,000 barrels per day. Subsequent phases could increase production to 100,000 barrels per day by 2020, with the lease ultimately producing 1.1-1.4 billion barrels from the Grand Rapids over approximately 40 years. Based on current technologies, the steady-state SAGD Cumulative Steam-Oil Ratio (CSOR) is estimated to range from 2.9 to 3.2 for the Grand Rapids development.

Laricina will lever existing infrastructure by also developing the underlying Winterburn Formation, using thermal recovery such as, cyclic steam stimulation or modified SAGD. In the near term, Laricina will evaluate the Winterburn resource via lab-scale pilots and simulation, leading to a small field trial and, ultimately, to commercial development with gross potential production of 50,000 barrels of bitumen per day.

TECHNOLOGY-DRIVEN UPSIDE

Laricina is investigating variations of SAGD technology to reduce the CSOR, operating costs and environmental footprint. Simulation work indicates there is significant benefit to reducing CSOR's by varying the steam injection rate over a well's life. Work-to-date suggests the optimal injection scheme is not a steady-state operation, but one that is adjusted over the wells' life cycle. Laricina is also investigating using various solvents with steam injection.

GERMAIN PROJECT DEVELOPMENT SCHEDULE

Phase	Size (barrels per day)	Formation	Start-up[1]	Status
Pilot	1,800	Grand Rapids	2009	Application filed
Phase 1	10,000	Grand Rapids	2011	Application to be filed Q3 2008
Phase 2	20,000	Grand Rapids	2014	Initial field data collection 2009
Phase 3	35,000	Grand Rapids	2017	Planning
Phase 4	35,000	Grand Rapids	2020	Planning
Phase 5	50,000	Winterburn	TBD	Planning

[1] Start-up refers to initial steaming of the wells, with full production expected 12 to 18 months later.

GERMAIN – MILESTONES

Delineation Of Resource Base

- 2007 – 31 Grand Rapids wells; three Winterburn wells
- 2008 – 26 Grand Rapids wells; seven Winterburn wells
- One section of 3D seismic over plant pilot site and 66 km of 2D seismic

Independent Resource Evaluation

- Net recoverable best case resource estimate has grown from original 871 million barrels in Nov. 2006 to 1.1 billion barrels in June 2008 in the Grand Rapids
- Initial best case resource assessment of 252 million barrels in the Winterburn after two drilling cycles

Project Development

- Filed pilot project application in Oct. 2007
- Engineering, procurement and construction services secured; detailed engineering started in Q4 2007
- Established water source and disposals zones for the pilot in Q1 2008
- Pilot plant start-up in Q2 2009
- Completed four of nine planned observation wells for the pilot

Infrastructure

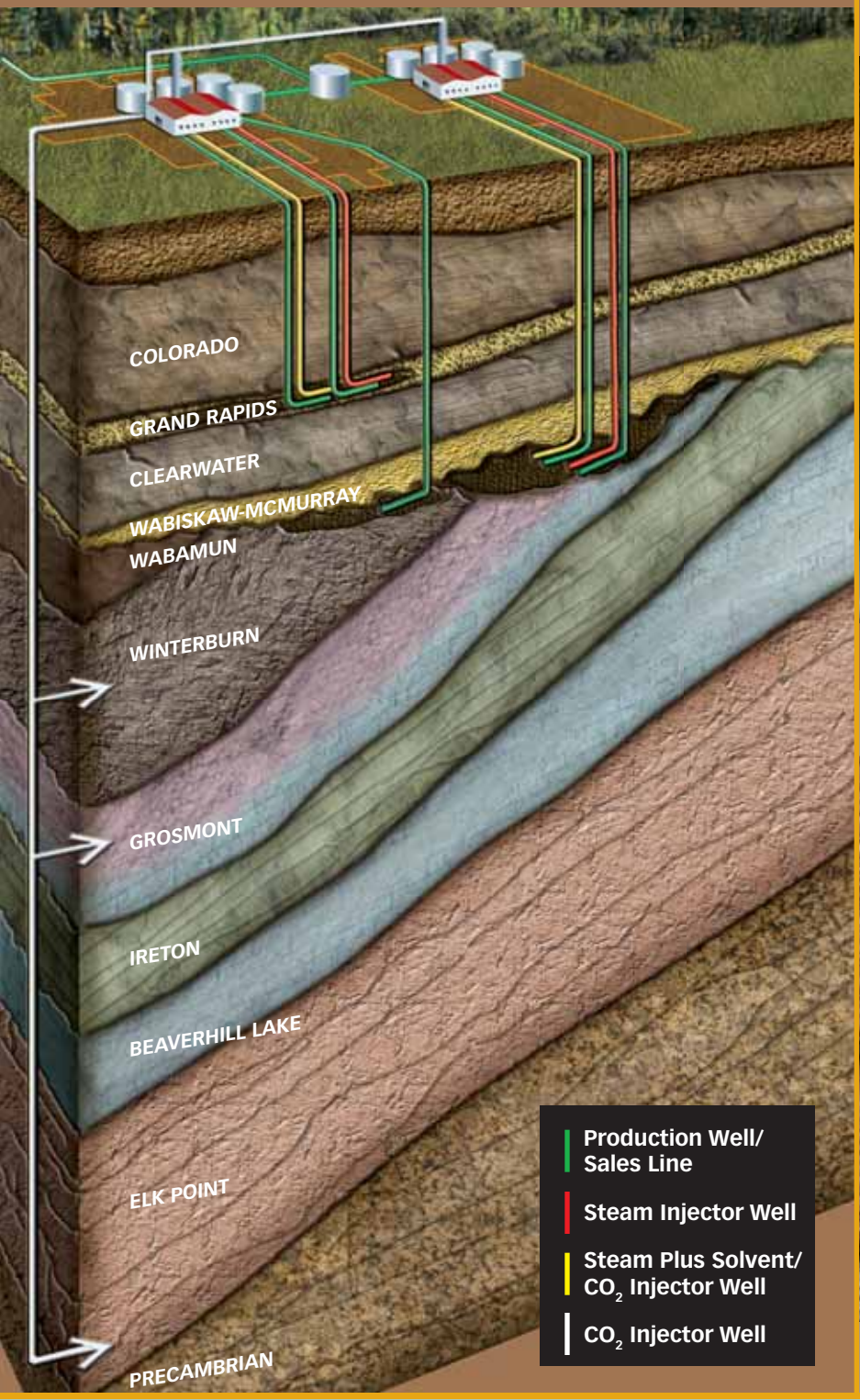
- Filed request for commercial service to local power provider Dec. 2007
- Road construction complete
- Natural gas supply to be established in Q1 2009

Studies

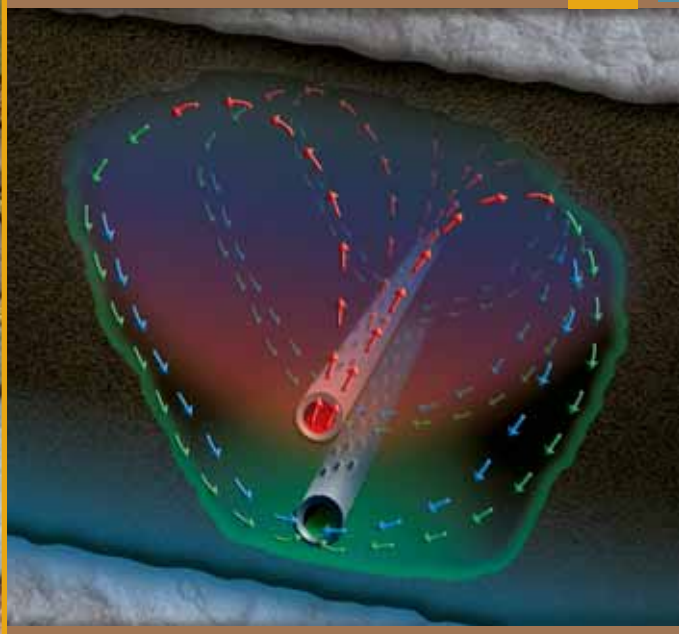
- Thin-section, seive analysis, x-ray diffraction and petrographic studies for mineralogy
- Reservoir permeability study
- Advanced solvent additive process
- Gas desorption testing
- Reservoir simulation studies identify appropriate approach to SAGD with thin bottom-water
- Established basic fluid properties
- Testing and analysis for slotted liner design

Field Tests

- Grand Rapids outcrop study
- Hydrogeological survey of the Germain area
- Winter 2008 carbon management test

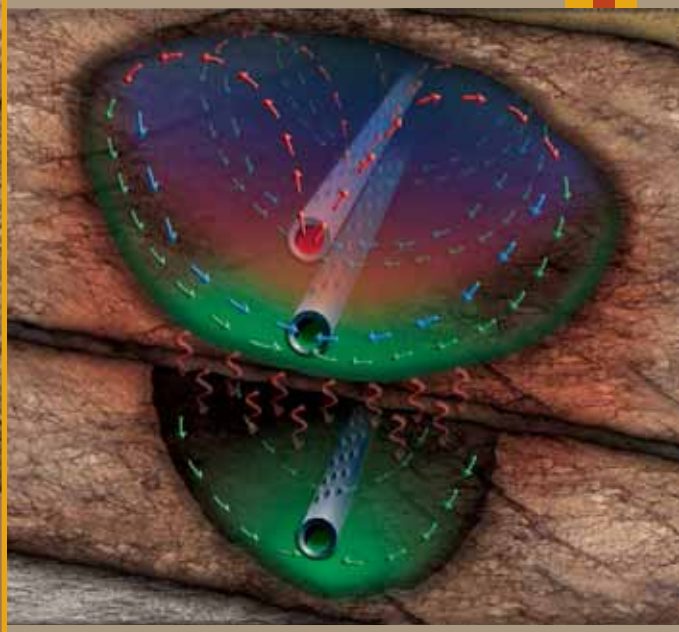


GERMAIN



SAGD chamber development in the Grand Rapids.

SALESKI



Heat harvesting SAGD from stacked zones in the Grosmont.

CORPORATE ADVANCEMENTS

Employees

- Grown to nearly 45 employees by Summer 2008
- Established base of technical, geological and financial expertise
- Added key drilling, facilities and field operations staff
- Added internal health, safety and environment capacity
- Expanded board of directors, increasing technical and financial capabilities

Community Involvement

- Hired full-time Community Relations Manager in 2008
- Established Wabasca field office in 2008
- Initiated community newsletter
- Regular stakeholder engagement
- Working with local contractors

Financial

- Raised $370 million in private equity
- Grown our market capitalization to more than $1.3 billion

Governance

- Achieved the silver recognition level in the Canadian Association of Petroleum Producer's environment health and safety stewardship
- Completed three annual independently assessed resource evaluations

SALESKI

>Grosmont Carbonate

1,800 barrels per day pilot **+ 10,000** barrels per day phase one commercial plant

200,000 barrels per day gross production potential

GEOLOGY

The target at Saleski is the Grosmont Formation, lying at 300-355 metres depth. An estimated 318 billion barrels of bitumen resides in Alberta's Grosmont Formation which is a carbonate rock rather than the traditional sands. The Grosmont is a heavily karsted dolomite, highly bitumen charged, with very high bulk permeability. At Saleski the gross pay thickness of over 40 metres extends over a large area. The targeted development zones are the Grosmont C and D, which at Saleski are separated by a thin shale. Laricina's 67 (gross) section lease is independently estimated to hold over 7.5 billion barrels of gross bitumen in place.

PROJECT DEVELOPMENT

Significant recovery from the Grosmont carbonate was demonstrated through vertical well cyclic steam tests in the 1980s. Based on a thorough review of these trials, including history matching, Laricina has determined that modern horizontal well SAGD technology is a viable recovery process for this reservoir. SAGD has become the dominant in situ process within the McMurray clastic developments, and will now be applied to carbonates. Following encouraging results from laboratory, simulation modelling and history matching, Laricina believes SAGD will achieve favourable steam-oil ratios below 3.0 in the thicker, Upper Grosmont D zone. In addition, Laricina believes a more thermally efficient SAGD process can be achieved by placing a second producing well in the underlying Grosmont C zone, converting the normal heat losses into efficient production from the neighbouring zone with minimal steam requirements. The result is an improved overall steam-oil ratio below 2.7. This innovative SAGD variant is specifically tailored to the local geology and may be unique to Laricina. Saleski development is being staged through a series of phases to ensure a proper progression through controlled manageable expansions to large commercial scale. The ultimate potential production could exceed 200,000 gross barrels of bitumen per day with the lease ultimately producing 2.0-3.8 billion barrels over 40 years.

TECHNOLOGY-DRIVEN UPSIDE

Laricina is developing alternative technologies ranging from enhanced SAGD with solvents to non-thermal solvent processes, to take advantage of the formation's extensive fracture and vug porosity. Initial work suggests enhanced SAGD with solvents can reduce operating steam to oil ratios by 30 percent. Laricina is also investigating using non-condensable gas with solvents to develop a steam-free recovery method. This could dramatically reduce capital costs and the project's carbon footprint.

SALESKI PROJECT DEVELOPMENT SCHEDULE

Phase	Size (barrels per day)	Formation	Start-up[1]	Status
Pilot	1,800	Grosmont C&D	2009	Application filed
Phase 1	10,000	Grosmont C&D	2012	Application to be filed 2010
Phase 2	20,000	Grosmont C&D	2016	Initial field data collection 2009
Phase 3	60,000	Grosmont C&D	2019	Planning
Phase 4	60,000	Grosmont C&D	2021	Planning
Phase 5	50,000	Grosmont C&D	2024	Planning

[1] Start-up refers to initial steaming of the wells, with full production expected 12 to 18 months later.

SALESKI – MILESTONES

Delineation of Resource Base

- Drilled five wells in 2007 and ten wells in 2008
- Acquired 170 km of 2D seismic
- Acquired 3D seismic over the pilot area

Independent Resource Assessment

- Net recoverable resource estimate has grown from original 266 million barrels in Nov. 2006 to 1.2 billion barrels in June 2008

Project Development

- Filed pilot project application in Jan. 2008
- Pilot plant start-up in Q4 2009
- Tested potential water source and disposal zones for the pilot in Q1 2008
- Completed three of ten planned observation wells for the pilot
- Successfully drilled and landed a liner in a horizontal well in the Grosmont Formation

Infrastructure

- Filed request for service to local power provider in Dec. 2007
- Road construction to be complete in Q1 2009
- Natural gas supply to be established in Q3 2009

Studies

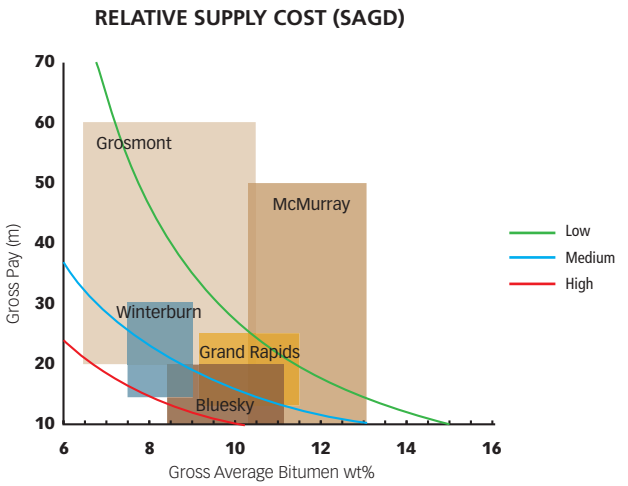
- Improved understanding of recovery from the Grosmont Formation through history matching of previous cyclic steam trials
- Established basic fluid properties
- Successful steam soak and solvent soak on core sample 2007
- Performed core imaging to better understand formation characteristics

Field Tests

- Winter 2008 non-thermal solvent test confirming reservoir description

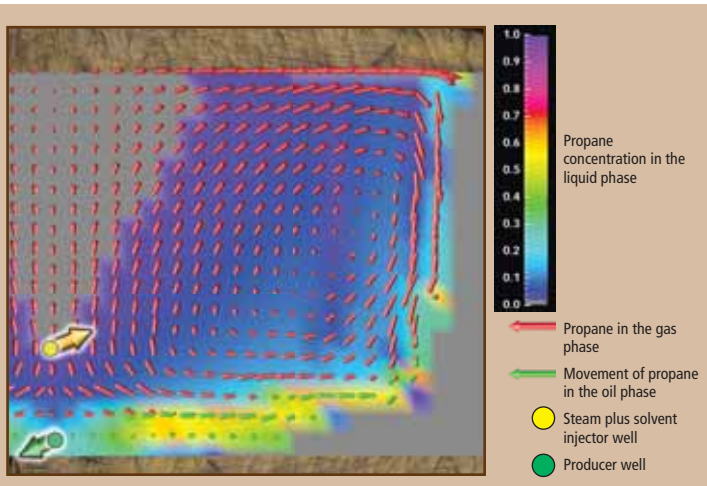
ENHANCING SAGD

Using SAGD as a foundation, Laricina is developing a suite of technologies to improve bitumen recovery and lower operating costs.



SAGD

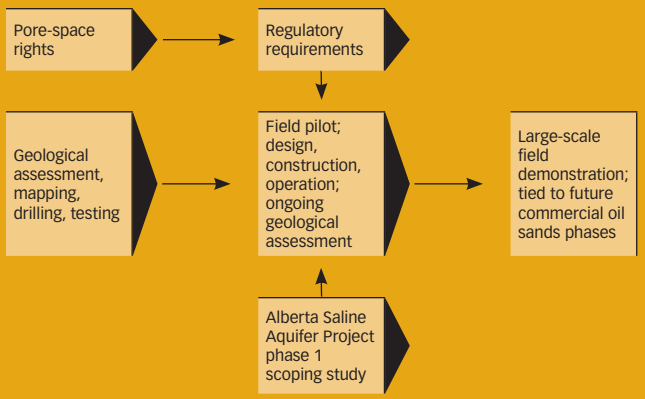
- Thick gross pay combined with high saturation, porosity and permeability offer best potential for minimized relative bitumen supply costs.
- Modifying the SAGD process to optimize reservoir operating pressures and temperatures can further reduce the relative supply costs.
- The two key supply cost components are steam and wells. Reducing the steam cost component has a major impact on project capital efficiencies and overall economics.
- Laricina is developing technologies to reduce the steam cost component ranging from improving well design and operations, to solvent utilization.



Simulation showing propane mass transport during propane and steam injection, with convection cell.

SOLVENTS

- Thermal-solvent simulations predict convection cells within the reservoir which introduce mixing effects with important consequences to design and operations.
- Efficient use of propane as an additive to the SAGD process shows significant potential for lowering costs, reduced CSOR, and higher and faster recovery.
- Circulated propane mobilizes bitumen in advance of steam chamber growth.
- Propane accelerates bitumen recovery while reducing energy use and emissions by as much as 30-50 percent.
- Potential for increased spacing between wells also exists, further reducing project capital requirements.
- Winter 2008 cold solvent field test at Saleski supported the prospect of non-thermal production from the Grosmont Formation.



Laricina is progressing through a series of planned stage gates in pursuit of effective carbon management. The clarity around the regulatory framework and pore-space ownership are developments that need to occur over time. Laricina's efforts to advance our carbon management opportunities include participating in the regulatory process and furthering its geological assessment to identify prime formations ideal for carbon storage.

CARBON MANAGEMENT

- Laricina is investigating a closed carbon management plan for Germain and Saleski based on the unique geological features (including deep water-bearing horizons) that may be suitable for carbon sequestering.
- Winter 2008 well test provided initial field data to understand sequestration management.
- Laricina is working with authorities to develop the policy and a regulatory framework governing carbon sequestration, which will enable sequestration projects to proceed.
- Commissioned a study at University of Calgary of basic design parameters for an alternative fuel technology, incorporating low-cost sequestration.

Laricina's strategy focuses on the importance of front-end research and thorough reservoir definition. Why is this so important?

Gross pay thickness, porosity, permeability and bitumen saturation are the key variables determining an oil sands reservoir's production performance. By doing our homework to understand reservoir complexities, we've been able to target particular areas and selectively acquire lands that meet our requirements for scale, quality and proximity to infrastructure. The reservoir-focused approach lets us develop project-specific exploitation strategies to improve resource recovery and reduce cost. Incorporating thin bottom-water into our Germain exploitation scheme and the dual producers at Saleski are great examples.

How will steam behave in a heterogeneous reservoir like the Grosmont carbonate?

In addition to permeability distribution, the direction of fluid motion in a reservoir is a function of the net direction of the forces acting on it. When vertical permeability is high enough (regardless of horizontal values), gravity separation of gases and liquids dominates the flows. Gas will move upward in liquid-filled zones, and liquids will fall through gas-filled zones. Strong evidence points to such gravity dominance in the Grosmont.

How can SAGD recovery be maximized in the presence of thin bottom-water at Germain?

During SAGD operations as fluid flows to a producing well, mobilized bitumen drags along all moveable water. In a bottom-water zone, water will tend to be replaced by bitumen, regardless of the producing well's location. However, bitumen that moves below the producer to replace the water can never be produced, because bitumen can never flow upwards. Finally, the density difference between the bitumen and hot water is very small, so that oil and water flowing near a SAGD producing well are not able to separate by gravity, as conventional thinking would suggest they should.

In combination, these principles mean that the optimum location of the producer is not at the traditional oil-water contact, but at the bottom of the water leg. Compared to placing the producer at the oil-water contact or above, the penalty of heating the (formerly barren) bottom-water sand is more than outweighed by greater bitumen recovery. The ratio of pay to water is critical to success, and should be greater than about three.

How can cold solvent recovery work in the Grosmont when Vapex-like processes have not worked in the McMurray sands?

Vapex relies on moving a single diffusion-drainage front tens of metres through the pattern's full width. Because diffusion of solvent into cold bitumen is slow, drainage rates are sub-economic. Additionally, methane accumulation and hydrate formation contribute to low Vapex rates from sand reservoirs. By contrast, the Grosmont allows solvent gas to be injected directly into fractures and vugs deep in the reservoir, where it can rapidly diffuse into the fine matrix pores over distances of only a few centimetres. Importantly, Grosmont reservoir pressure and temperature lie outside the hydrate envelope.

What are your project development plans?

Combined, Laricina's properties have the potential to produce over 300,000 barrels per day through staged development over the next 15 years, beginning with pilot projects to optimize exploitation schemes. Our commercial development program will officially launch when we file the 10,000-barrel-per-day Germain project application in Q3 2008. In addition to the Germain and Saleski pilot applications, we have established a permanent field office, are bringing on engineering and construction capacity to support our commercial plans, are actively developing infrastructure for Germain and Saleski, and have several longer-term development initiatives underway.

How would you describe Laricina?

Laricina is a company focused on upstream oil sands development. We have attracted some of the best talent in the industry and have partnered with consultants, research organizations and universities to pursue leading-edge bitumen recovery technologies and strategies. This depth of oil sands experience and development know-how has allowed Laricina to succeed in its research-focused mandate, demonstrated by our large, high-quality resource base and the innovative development technologies we are pursuing. We're confident that continuing with this approach will allow Laricina to capture additional opportunities and generate further visible growth.

MANAGEMENT

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