



BUCKLING HORSE  
ENERGY

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**BUCKLING HORSE ENERGY INC.  
ANNOUNCES MANAGEMENT SERVICE AGREEMENT AND GRANTING OF  
STOCK OPTIONS.**

Buckling Horse Energy Inc. (“Buckling Horse”) (BUC.TSX) is pleased to announce the following:

Management Service Agreement

Buckling Horse has retained Giant Energy Limited (“Giant”), a privately held oil & gas management and consulting company. Buckling Horse entered into a management services agreement (“MSA”) with Giant, dated and effective May 20, 2008, to provide oil & gas consulting, operational, technical and business management services to Buckling Horse. Giant has been engaged to advance Buckling Horse’s natural gas development and exploration properties. Buckling Horse’s Wyoming development properties are located in the prolific Pinedale natural gas field presently the subject of a Supplemental Environmental Impact Statement (“SEIS”). Buckling Horse anticipates that a favorable SEIS Record of Decision will allow for year round development of its proved reserves within the Pinedale Field fairway. Buckling Horse’s Pinedale proved reserves at December 31, 2007 totaled 100.5 billion cubic feet of natural gas equivalent (“Bcfe”) associated with 86 gross well locations (27 net wells). Of this total 34 locations (11 net) were proved developed producing wells and 52 locations (16 net) were proved undeveloped. Additional probable reserves totaling 65.5 Bcfe associated with 55 gross well locations (22 net) have also been estimated. It is estimated that additional potential natural gas resources totaling 183 Bcfe associated with 174 gross well locations (63 net) may exist on 5 acre well spacing within the proved fairway. For further details on our reserve data, please refer to the statements of reserves data and other oil and gas information (National Instrument 51-101F1, 51-101F2, and 51-101F3) available for review at [www.sedar.com](http://www.sedar.com).

Giant’s team of professional oil & gas geologists, petroleum engineers and transaction specialists have over 170 years of combined oil & gas expertise within the U.S. exploration and production sector and have a successful track record in the oil & gas industry advancing development projects. Giant is headquartered in Houston, Texas and has offices in Denver, Colorado and Vancouver, British Columbia.

Pursuant to the MSA, Bucking Horse will pay for services provided by Giant monthly in connection with Bucking Horse's assets based on hourly employee rate schedules. Giant will also receive performance options described as follows:

Granting of Stock Options

Bucking Horse has granted stock options (the "Options") to acquire 1,000,000 shares at a price of \$4.00 per share to Giant. The Options will be exercisable for a period of 5 years from the date of grant. The Options will vest over a 24 month period beginning from the date that is 6 months from the date of issuance with  $\frac{1}{4}$  of the Options vesting and another  $\frac{1}{4}$  of the Options vesting after each additional 6 month period thereafter.

In addition, Giant's ability to exercise the Options shall be subject to a second vesting requirement based on Bucking Horse achieving specific company-wide daily net production targets:

- (1)  $\frac{1}{4}$  of the Options shall vest only upon Bucking Horse meeting or exceeding the 2<sup>nd</sup> vesting requirements of producing net marketed natural gas equivalents of 12.5 million cubic feet equivalent ("MMcfe") per day on a 6 month (calendar) average basis;
- (2) An additional  $\frac{1}{4}$  of the Options shall vest only upon Bucking Horse producing additional (from the last requirement level) net marketed natural gas equivalent of 2.5 MMcfe per day on a 6 month (calendar) average basis.

All Options shall vest and become exercisable upon a Change in Control.

The stock option grant will be subject to Bucking Horse's stock option plan, shareholder approval and regulatory approval.

For further information please contact: Gordon Nielsen at 604-331-3398.