



Bucking Horse Energy Inc.

Corporate Presentation:
August 15, 2011

TSX: BUC www.buckinghorseenergy.com

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Forward-Looking Information:

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The material factors or assumptions used to develop forward looking statements in this presentation include: that the Company has the financial, technical, personnel and other resources to increase production on its oil and gas properties and carry out the operations referred to in this presentation; that the proven reserves on the Company's properties may be increased; that the pace of development on the Company's properties may be increased; that the operators carrying out the drilling and other work in the Pinedale area have the financial, technical, personnel and other resources to continue such work; that the Productive Fairway boundaries may be increased; that such increase will be beneficial to the Company; that the operators carrying out the 5-acre drilling programs in the Pinedale area will release the results of such drilling to the Company or to the public; that such drilling programs will support 5-acre development on the Company's properties; that the testing on low quality pay sands will be completed and that the results of such testing will be made available to the Company or to the public; that such test results will be positive; that the test results could add considerable production and reserves to the Company in the future; that further upward revisions of average well EUR are possible; that the Company will continue to produce gas to ship on the REX Pipeline; that the shipping agreement will remain in place; that the Company will have the production levels to ship 10,000 MMBTU per day of gas through the REX Pipeline; that prices for gas will increase and that the Company will benefit from such increases; that the pace of development drilling in the Mesa and Warbonnet areas will increase; and that the Credit Facility will be available.

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About Bucking Horse Energy

- Natural gas production company
- Focused producer in Pinedale Field, Wyoming
- Active drilling program
- Expanding reserves, significant production
- Partners - Ultra Petroleum, Anadarko and others
- Strong focus on cost control
- Reserves - Netherland, Sewell & Associates Inc.
- Auditor - KPMG
- Listed on senior Toronto Stock Exchange
 - » Listed March 4th, 2008



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CORPORATE
OVERVIEW



ASSETS



CATALYSTS



CONCLUSIONS

Corporate Profile

Trading Symbol: BUC

Stock Exchange: Toronto Stock Exchange (TSX)

Market Capitalization:	\$102.0 MM
Enterprise Value:	\$172.5 MM
Shares Outstanding:	22,693,513
Average Net Production:	11 MMcfepd
Proved Reserves:	261 Bcfe
Probable Reserves:	172 Bcfe
Possible Reserves:	<u>15 Bcfe</u>
Total 3P Reserves:	448 Bcfe

Notes:

- Financial information as of 8/12/2011 in Canadian dollars
- Reserves data as of 12/31/2010



Strategy

- **Focus on prolific natural gas resource play**
 - » Hundreds of low risk development well locations
 - » Active infill program
 - » Acceleration of drilling
- **Organic growth through the drill-bit**
 - » Growth of production
 - » Growth of cash flow
 - » Upgrading reserves



Competitive Strengths

- **Legacy asset in top North American gas basin**
 - » Low cost producing field
 - » 100% development drilling success rate
 - » Significant “built-in” growth
 - » Active drilling program
 - » Consistent rate of return on capital investment
- **Significant Pinedale acreage in the productive fairway**
- **Partnered with Ultra Petroleum, Anadarko and others**
- **\$100 MM Credit Facility with BMO**
- **Financial advisory agreement with BMO Capital Markets**
- **High reserve growth since 2000**



Reserves

PINEDALE PROPERTIES

December 31, 2010

Forecast Pricing

Reserves Category	Net Gas (Bcf)	Net NGLs (Million Barrels)	Net Gas Equivalent (Bcfe)	Before Tax PV-10 (US\$ Million)	Well Locations Gross (Net)	Net Future Capex (US\$ Million)
Proved:						
Developed Producing	28.0	0.2	29.5	53	38 (12.6)	-
Developed Non-Producing	0.8	0.0	0.8	2	1 (0.2)	0.6
Undeveloped	219.8	1.8	230.7	278	181 (69.6)	358.0
Total Proved	248.7	2.1	261.0	333	220 (82.5)	358.6
Probable	164.3	1.3	172.4	122	198 (73.0)	415.4
Proved + Probable	413.0	3.4	433.4	456	418 (155.5)	774.0
Possible	14.3	0.1	15.0	12	17 (6.4)	34.9
Proved + Probable + Possible	427.3	3.5	448.4	467.3	435 (161.9)	808.9



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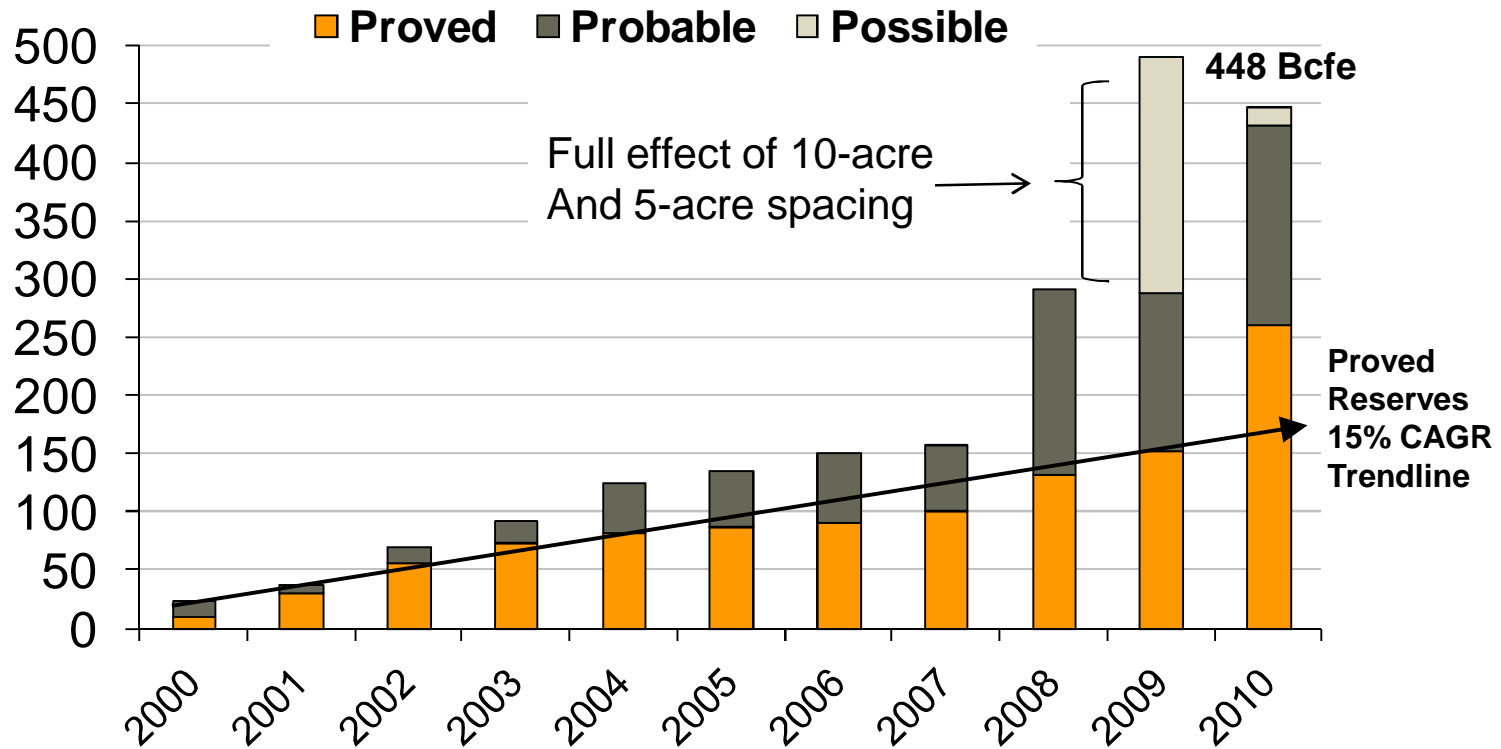
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Reserve Growth

Bcfe



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Focused Pinedale Producer



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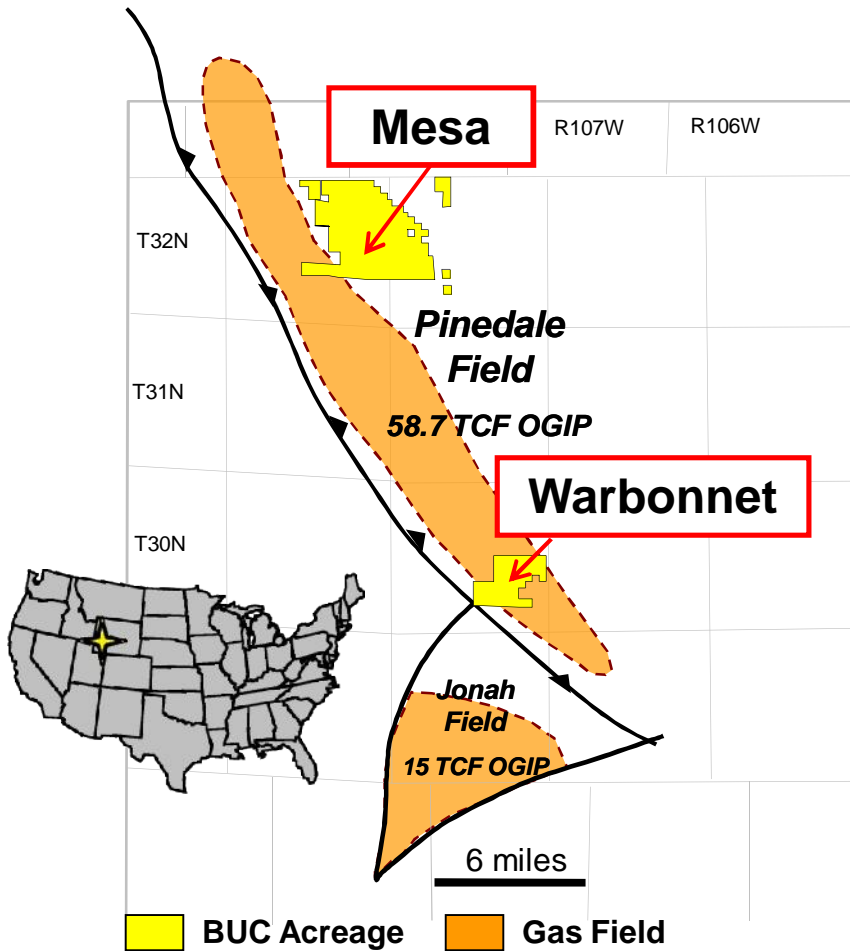
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CONCLUSIONS



- BUC Production – 11 MMcfepd
- Proved Reserves – 261 Bcfe

Major Properties

Mesa

- Avg. Working Interest - 24%
- 9,512 Gross Acres
- 2,328 Net Acres

Warbonnet

- Avg. Working Interest - 42%
- 2,480 Gross Acres
- 1,032 Net Acres

Notes:

- Production estimate as at 8/12/2011
- Reserves data as of 12/31/2010



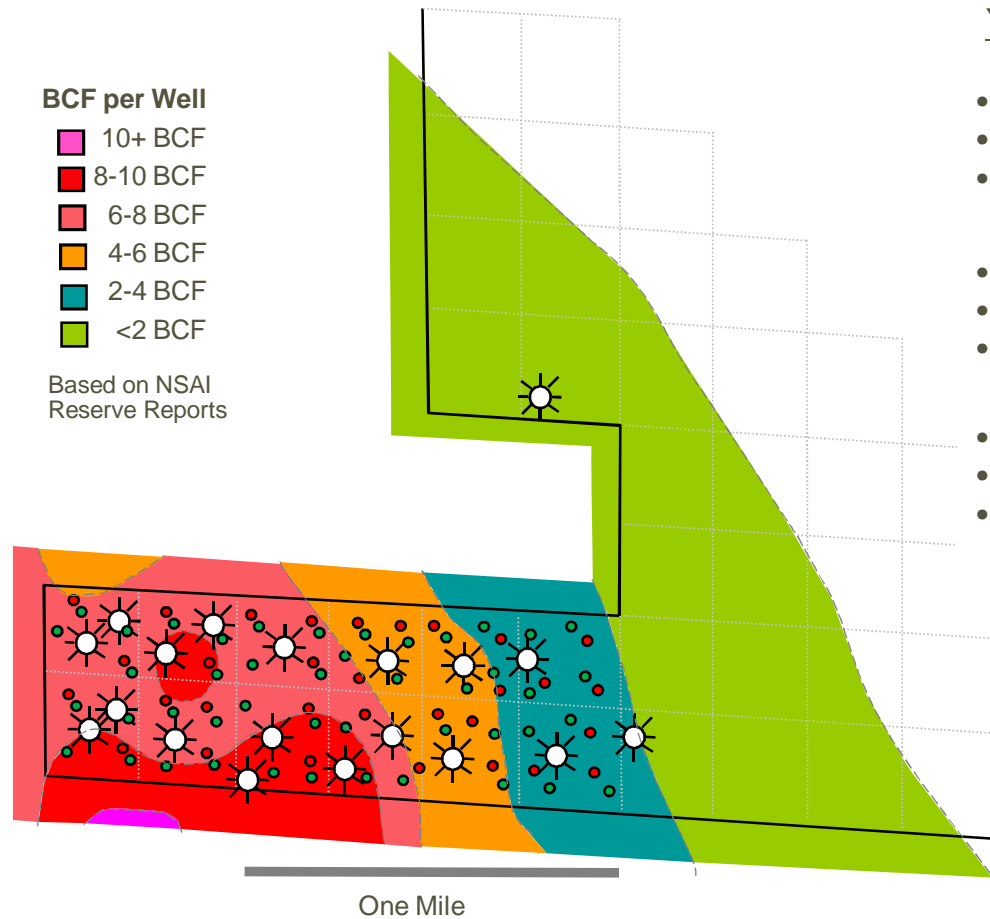
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Mesa YE 2010



YE 2010

- Proved locations = 50 (11.7 net)
- **Net Reserves = 37 Bcfe**
- 0.73 net Bcfe / location

- 2P locations = 97 (22.6 net)
- **2P Net Reserves = 68 Bcfe**
- 0.70 net Bcfe / location

- 3P locations = 101 (23.5 net)
- **3P Net Reserves = 78 Bcfe**
- 0.69 net Bcfe / location

Legend

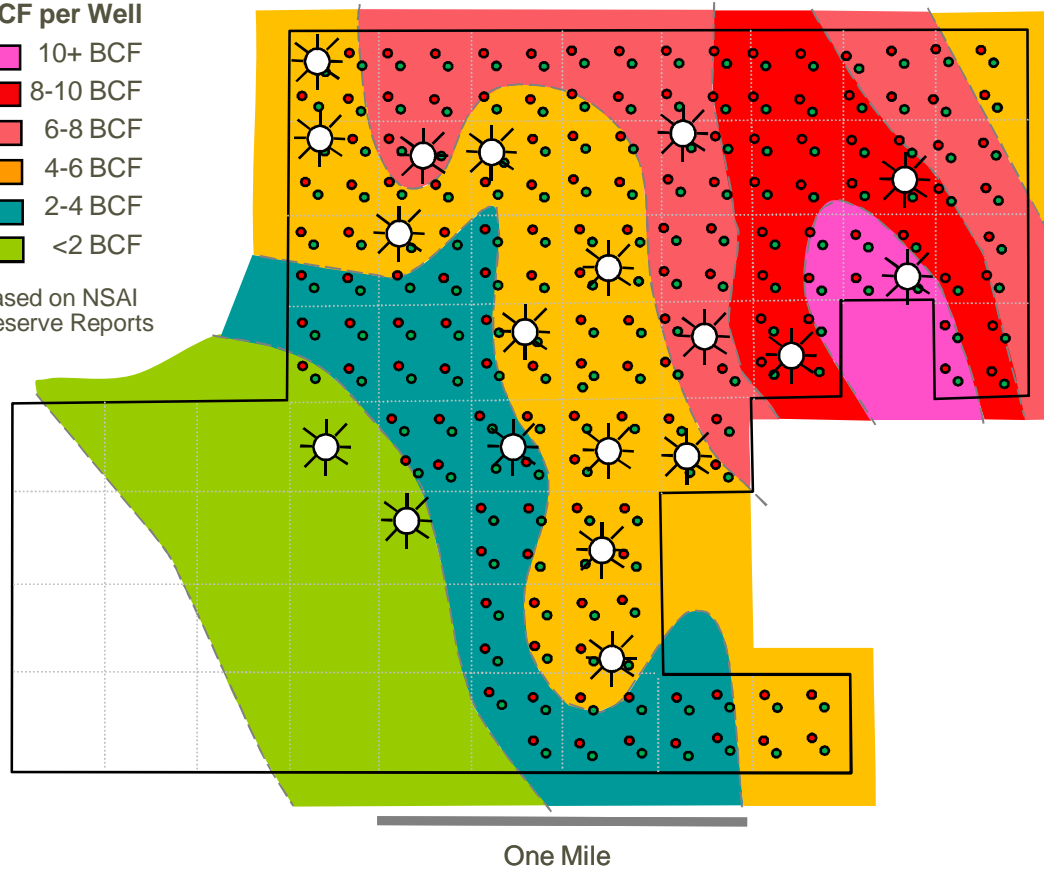
- PDP (19)
- 10-acre location
- 5-acre location

Warbonnet YE 2010

BCF per Well

- 10+ BCF
- 8-10 BCF
- 6-8 BCF
- 4-6 BCF
- 2-4 BCF
- <2 BCF

Based on NSAI Reserve Reports



YE 2010

- Proved locations = 169 (70 net)
- **Net Reserves = 224 Bcfe**
- 1.3 net Bcfe / location
- 2P locations = 321 (133 net)
- **2P Net Reserves = 364 Bcfe**
- 1.1 net Bcfe / net location
- 3P locations = 334 (138 net)
- **3P Net Reserves = 378 Bcfe**
- 1.1 net Bcfe / net location

Legend

- PDP (19)
- 10-acre location
- 5-acre location



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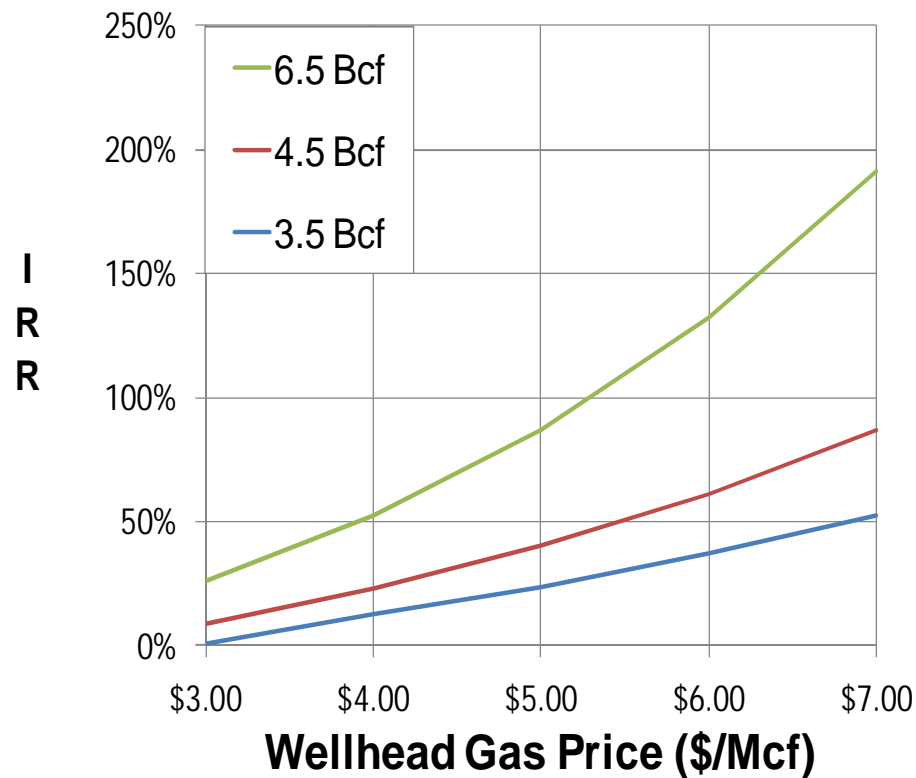
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CONCLUSIONS

Well Economics

IRR versus Gas Price



Typical Pinedale Well

\$4.00 / Mcf

Reserves / well: 4.7 Bcfe

IRR: 25%

Reserve life: 40+ Yrs



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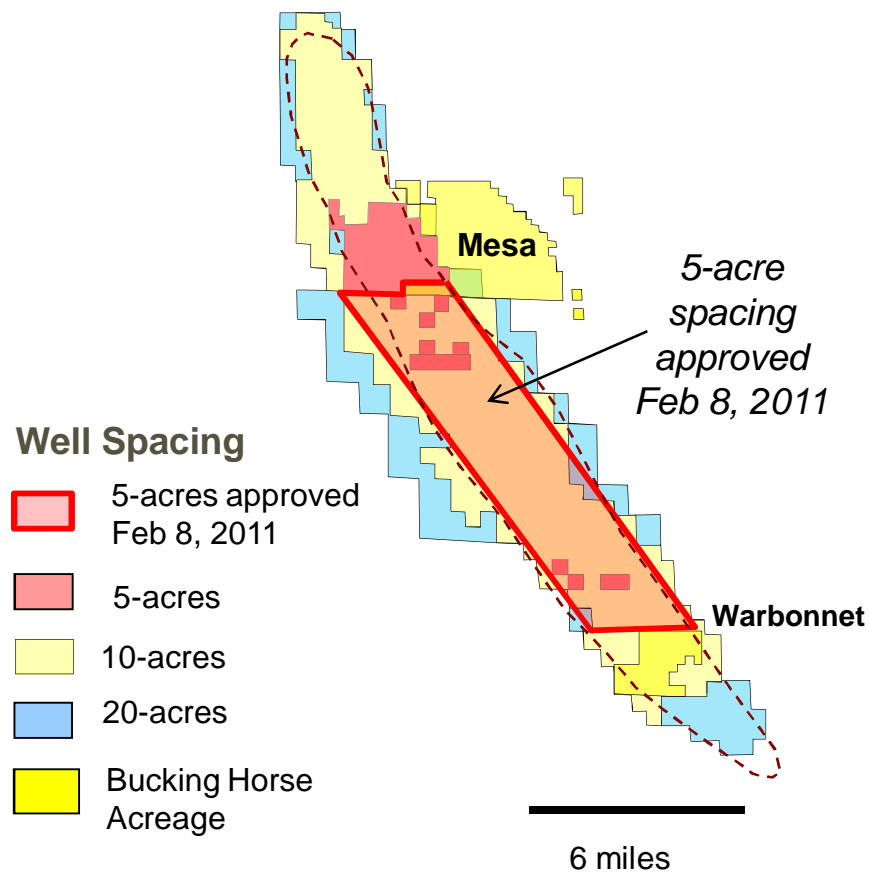


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Pinedale Well Spacing



Mesa and Warbonnet development areas are approved for 5 and 10-acre spacing

- 5-acre approvals started in late 2007
- Questar obtained large 5-acre approval in 2008
- **Mesa 5-acre** downspacing approved February 8, 2011

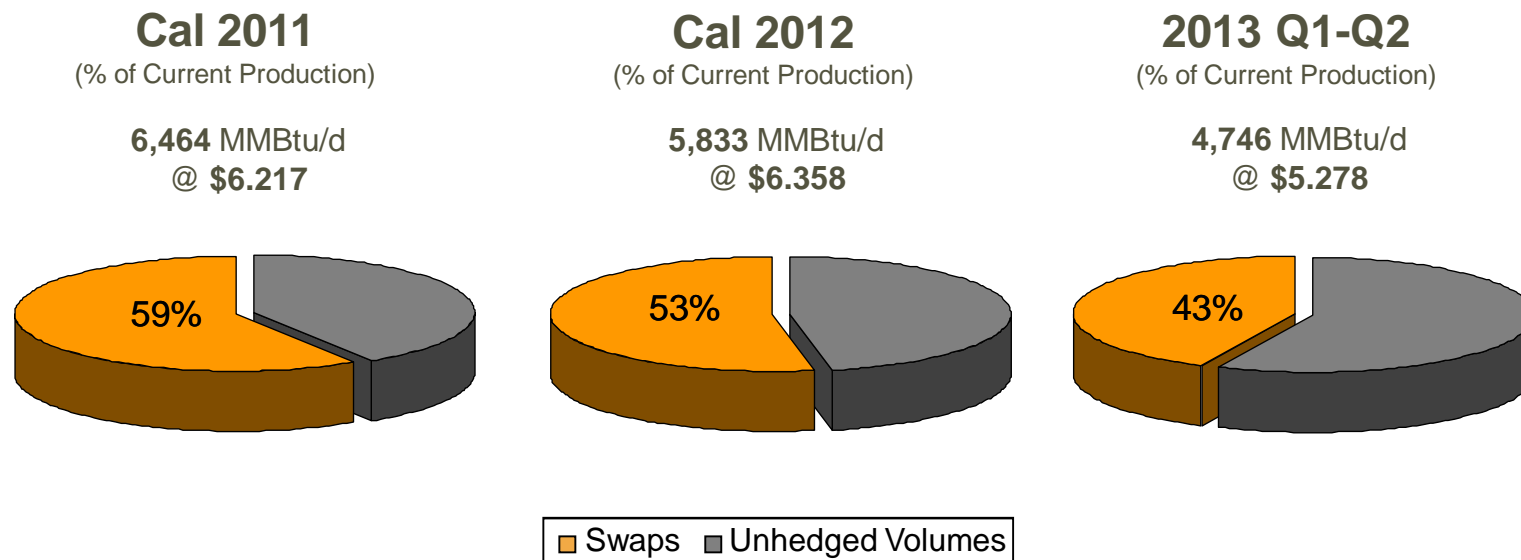


Natural Gas Hedges

NG Swap Contracts in place

2011 through Q2-2013

Index: Appalachia Dominion South



Plus 5,000 MMBtu/d Put Options @ \$4.00 NYMEX April - October 2011



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Notes:

- Weight average volumes and values
- Information as of 8/12/2011

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STRATEGY
/ VALUE

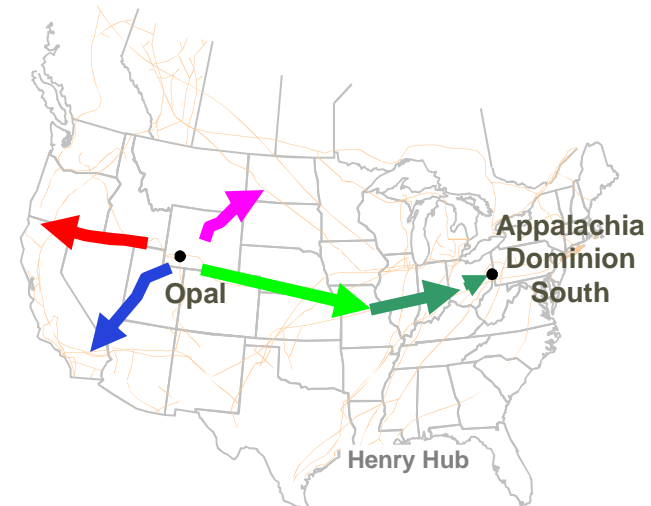
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CONCLUSION: CATALYSTS

Delivering Rockies Gas to Markets

Rockies Pipeline capacity and exports to major interconnects projected to almost double from Pre-REX period

<u>Project</u>	<u>Capacity</u> <u>Bcf/d</u>	<u>Total</u> <u>Bcf/d</u>	<u>Timeline</u>
Pre-REX		6.6	Jan 2008
REX West	1.5		May 2008
REX East	0.3		Jun 2009
Kern 2010 Expansion	0.1		Apr 2010
Bison	0.4		Jan 2011
Ruby	1.5		Aug 2011
Current		10.4	
Kern Apex Expansion	0.3		Nov 2011
Projected		10.7	



Basis Outlook

Year	Opal	Appalachia Dominion South
2011	-\$0.19	+\$0.10
2012	-\$0.26	+\$0.07

Source: CME Group
8/12/2011



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CONCLUSIONS

Operational Efficiency Trends

- **Pinedale operators have consistently reported decreasing well development costs on an annual basis since 2006. Factors contributing to operational efficiencies include:**
 - » Year round development accorded through Supplemental Environmental Impact Statement Record of Decision issued September 2008
 - » Well design
 - » Technology
 - » Simultaneous operations development pads
 - » Dedicated crews
 - » Refined petrophysical models (more pay)



Current Catalysts

- **Rockies natural gas price differentials and takeaway capacity continue to improve**
 - » Positive longer-term effect on BUC's Reserves and Cash Flow
- **Acceleration of field development**
- **Active 28 well infill drilling program in progress**
- **5-acre pilots demonstrate viable 5-acre infill development**
- **5-acre downspacing approved February 8, 2011 (Mesa)**
- **Improving operational efficiencies continue to lower costs**
- **Deep potential in the Pinedale**
- **Field wide delineation drilling**

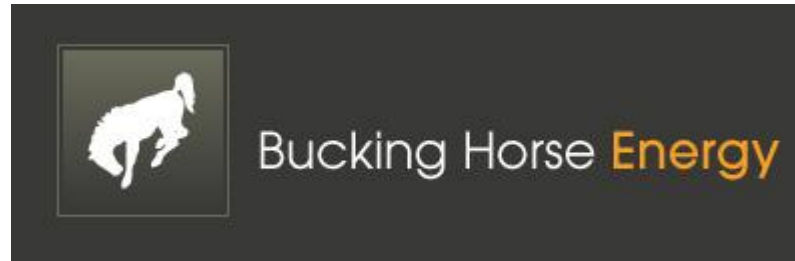


BUC: Key Takeaways

- Focused producer in a premier basin
- Active 28 well drill program with near term production growth
- Significant low risk reserve upside
- Well funded
- Low cost producer
- Experienced, respected operating partner



Company Contacts



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