



**TSX-V: BOR**

**CORPORATE PRESENTATION  
NOVEMBER 2012**

# Advisory

## General

This presentation is for information purposes only and is not intended to, and should not be construed to constitute, an offer to sell or the solicitation of an offer to buy, securities of Border Petroleum Corp. ("Border") This presentation and its contents should not be construed, under any circumstances, as investment, tax or legal advice. Any person accepting delivery of this presentation acknowledges the need to conduct their own thorough investigation into Border and its activities before considering any investment in its securities.

## Forward-looking Statement Disclaimer

Certain statements included in this presentation constitute forward-looking statements. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "intend", "expect", "estimate", "plans" and similar expressions are generally intended to identify forward-looking statements. Such statements represent Border internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions. Actual events or results may differ materially. Although Border believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Border's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Border. Forward-looking statements included in this presentation include, but are not limited to, statements with respect to projected production; projected cash flows; estimated asset value; estimated land value; estimated capital costs; estimated royalties; management estimated reserves; and anticipated drilling success. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this presentation include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including fluctuations in the price of crude oil and natural gas; potential delays or changes in plans with respect to development plans or capital expenditures; availability of sufficient financial resources; commodity price and interest and exchange rate fluctuations; stock market volatility; supply and demand; market valuations; and competition for, among other things, capital, undeveloped land and skilled personnel. With respect to forward-looking statements contained in this presentation, Border has made assumptions regarding: future exchange rates; the price of crude oil; the impact of increasing competition; conditions in general economic and financial markets; availability of skilled labour; cash flow; production rates; timing and amount of capital expenditures; royalty rates; effects of regulation by governmental agencies; future operating costs; and Border's ability to obtain financing on acceptable terms. Border has included the above summary of assumptions and risks related to forward-looking information provided in this presentation in order to provide a more complete perspective on Border's future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this presentation and Border disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

# Overview

- Light oil focused junior public company (TSX-V: BOR)
- 20,800 acre (100% W.I.) core area in the Red Earth area of northwestern Alberta
  - Slave Point light oil play characterized by large OOIP (est. 9.7 MMbbl/sec.\*)
  - Federal government permit to develop a 18,720 acres (29.25 sections) on the Loon River Cree Nation at Red Earth
- Management has track record of developing successful relationships with First Nations
- Enhanced technical team with extensive geological and geophysical experience in the Slave Point play

\* Based on 316.2MMbbl/32.5 sections all of which is discovered OOIP (contingent oil resources). See Slide 17 for further details. Source: Sproule Resource Report dated May 31 2012.

# Management

## **Kelly Kimbley, LL.B., President, CEO & Director**

- Over 20 years of industry related experience including as President of Westrock Energy; VP Corp. & Legal Affairs of Velvet Exploration & VP Aboriginal Relations of El Paso Canada
- Facilitated over 475 square miles of exploration rights & facilitated over \$100 million in capital investment on First Nation and Métis Lands

## **Peter Fridrich, P.Geol., Vice President, Exploration**

- 20 years of petroleum geology experience including 12 years in senior management positions
- Senior geologist and/or team lead for a number of public and private oil and gas companies including Shell Canada Limited, Royal Dutch Shell and, most recently, Penn West where he played a key role in the development of the Slave Point play in the greater Red Earth area

## **Steve Thompson, P.Eng., COO & Director**

- 20 years of oil & gas engineering experience including as co-founder & President of Triumph Engineering

## **John Aihoshi, CMA, CFO**

- Over 25 years of accounting experience including as CFO for a number of oil and gas and oil and gas services companies

# Independent Directors

**Al Kroontje, P.Eng., Chairman, Border Petroleum Corp.**

Petroleum engineer with over 30 years of industry experience including the founding, capitalization and restructuring of public & private energy companies. Director of Novus Energy and PetroFrontier Corp.

**Tom Jackson, O.C., LL.D. (Hon.), VP Global Business Development, National Oilwell Canada ULC**

First Nations' advocate & businessman providing economic development opportunities for aboriginal communities for over 20 years. Officer of the Order of Canada (2000); Chancellor of Trent University.

**Eric Panchy, P.Geo., President & CEO, Shiningstar Energy Ltd.**

Geologist with over 30 years of industry experience including as co-founder, President & CEO of Bountiful Resources Inc. and President of Wiser Oil Canada. Currently, President & CEO of Shining Star Energy.

**Hal Jamieson, P.Eng., Businessman**

Professional engineer with over 30 years of industry experience including as co-founder, VP Engineering, COO of Bountiful Resources Inc. & VP, Operations for OMI Resources & Sunoma Energy.

**Douglas Stuve, LL.B., Partner, Burstall Winger LLP**

Partner since 1998 practicing in the areas of corporate finance, securities & general corporate commercial law. Mr. Stuve has served as a director of several public companies and is currently Chairman of Athabasca Minerals Inc., and a director of New Sage Energy Corp. and E.G. Capital Inc.



# Corporate Profile

Market capitalization <sup>(1)</sup>	\$41.6 MM
Common shares outstanding	333.0 MM
Fully diluted common shares <sup>(2)</sup>	351.0 MM
Management holdings (fully diluted)	7.6%
Working capital <sup>(3)</sup>	\$19.3 MM
Bank line <sup>(4)</sup>	Undrawn
Production <sup>(5)</sup>	200 boe/d
Reserves (2P) <sup>(6)</sup>	2,240 Mboe
NPV <sup>10</sup> BT reserve value (2P) <sup>(6)</sup>	\$29.3 MM
Tax pools	\$25.5 MM

(1) November 1, 2012 - \$0.125/share

(2) Includes 14.9 MM stock options (\$0.10 - \$0.40) and 3.1 MM warrants (\$0.15 - \$0.21)

(3) As at September 30, 2012

(4) \$3.5 million bank line with Canadian Chartered Bank

(5) As press released on November 29, 2012

(6) Sproule Associates Ltd. Reserve Report as at March 31, 2012

# Light Oil Properties

# Core Area & Minor Properties

## Core Property:

Red Earth - 450 km from Edmonton

- Devonian Slave Point light oil

## Minor Properties:

Leduc - 50 km from Edmonton

- Cretaceous/Devonian light oil

Norris - 50 km from Edmonton

- Cretaceous light oil



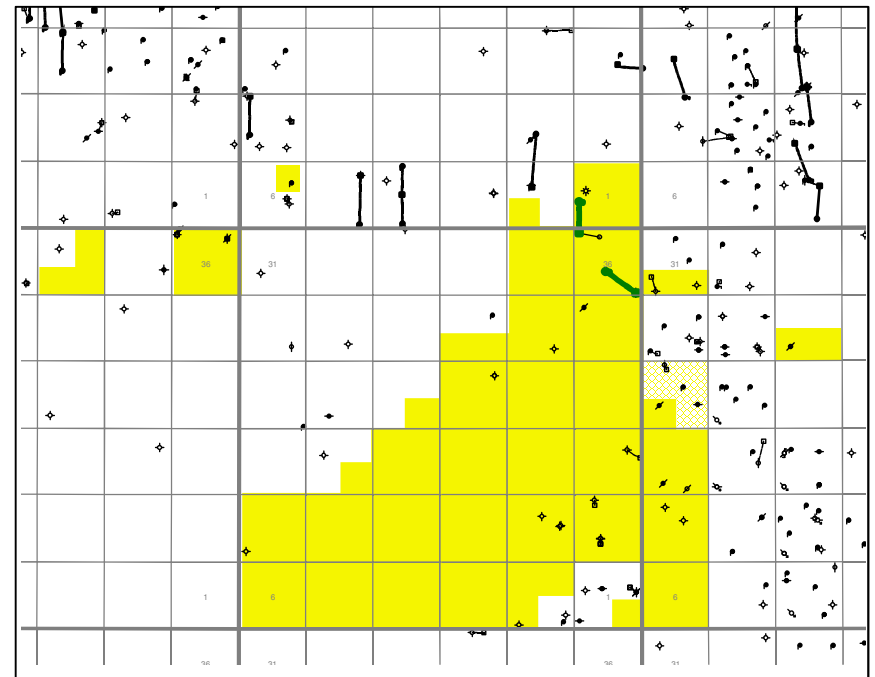
# Red Earth

# Core Area

- 20,800 acres (100% W.I.) (32.5 sections) at Red Earth
- Federal permit to develop 18,720 acres (29.25 sections) on Loon River Cree Lands
- 2,080 acres (100% W.I.) (3.25 sections) of Crown lands
- Approx. 120 potential drilling locations (4 wells/section)

## Loon River Cree Nation Permit Terms

- 5-year term with rolling drilling option
  - 2 wells in first year of permit (completed)
  - 1 well per year over remaining 4 years
- Each option well earns up to 4.5 section lease with a 5-year primary term
- Pay 100% of costs for 100% BPO & APO W.I.
- Crown equivalent royalty (Alberta Horizontal Oil New Well Royalty Rate) with 10% minimum
- No GORR or carried W.I.



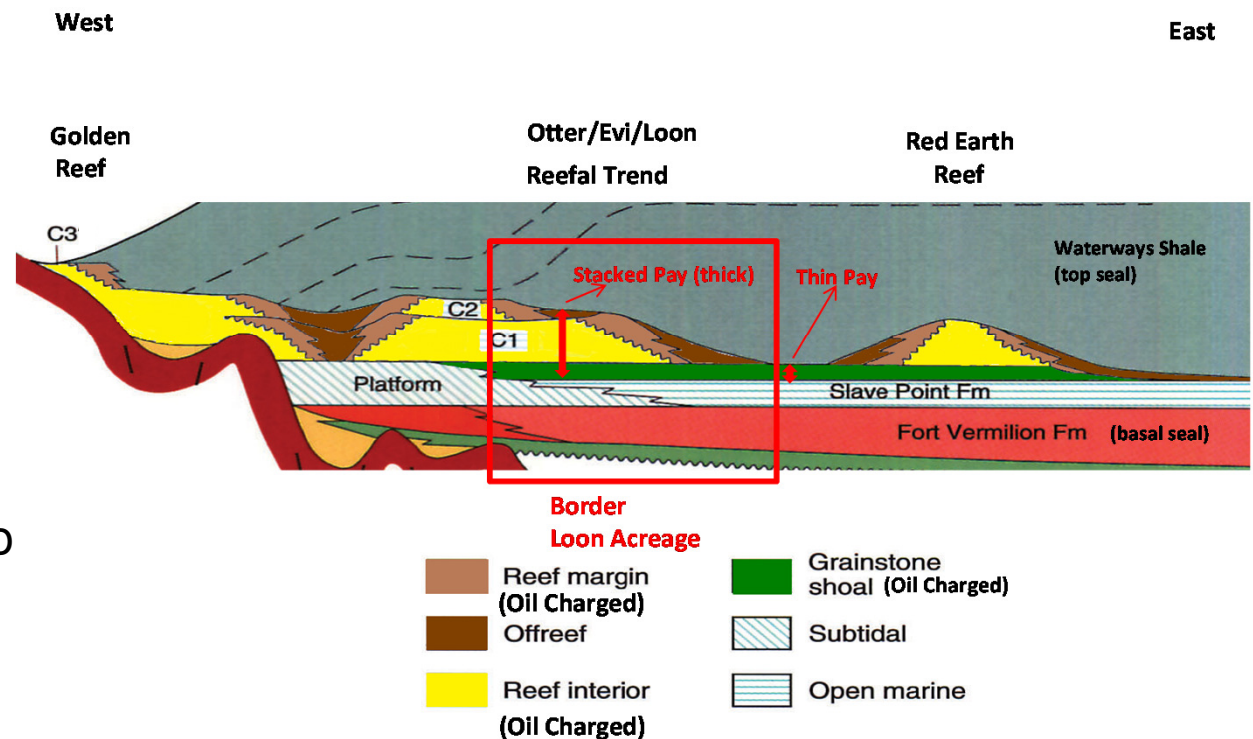


# Red Earth

# Slave Point Light Oil Play

- 3.25 sections of Crown Slave Point lands
- 29.25 sections of First Nation Lands
- Slave Point formation characteristics:
  - 1400 - 1550m depth
  - 15 to 30m pay thickness
  - 3 - 33% porosity
- Develop large OOIP (up to est. 9.7 mmbbls/sec.\*) utilizing horizontal multi-stage fracs & waterflood

Slave Point Depositional Environment

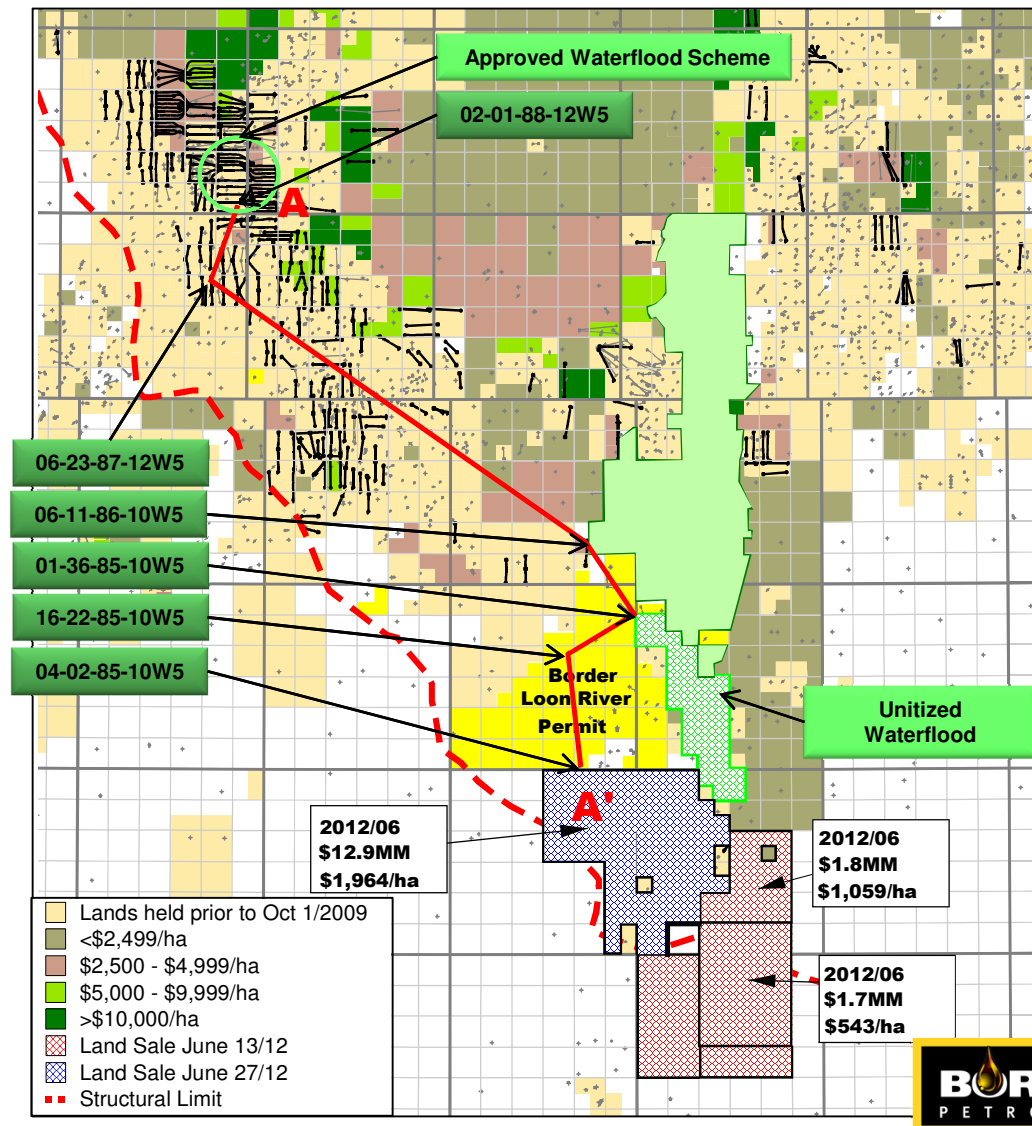


\* Based on 316.2MMbbl/32.5 sections all of which is discovered OOIP (contingent oil resources). See Slide 17 for further details. Source: Sproule Resource Report dated May 31 2012.

# Red Earth

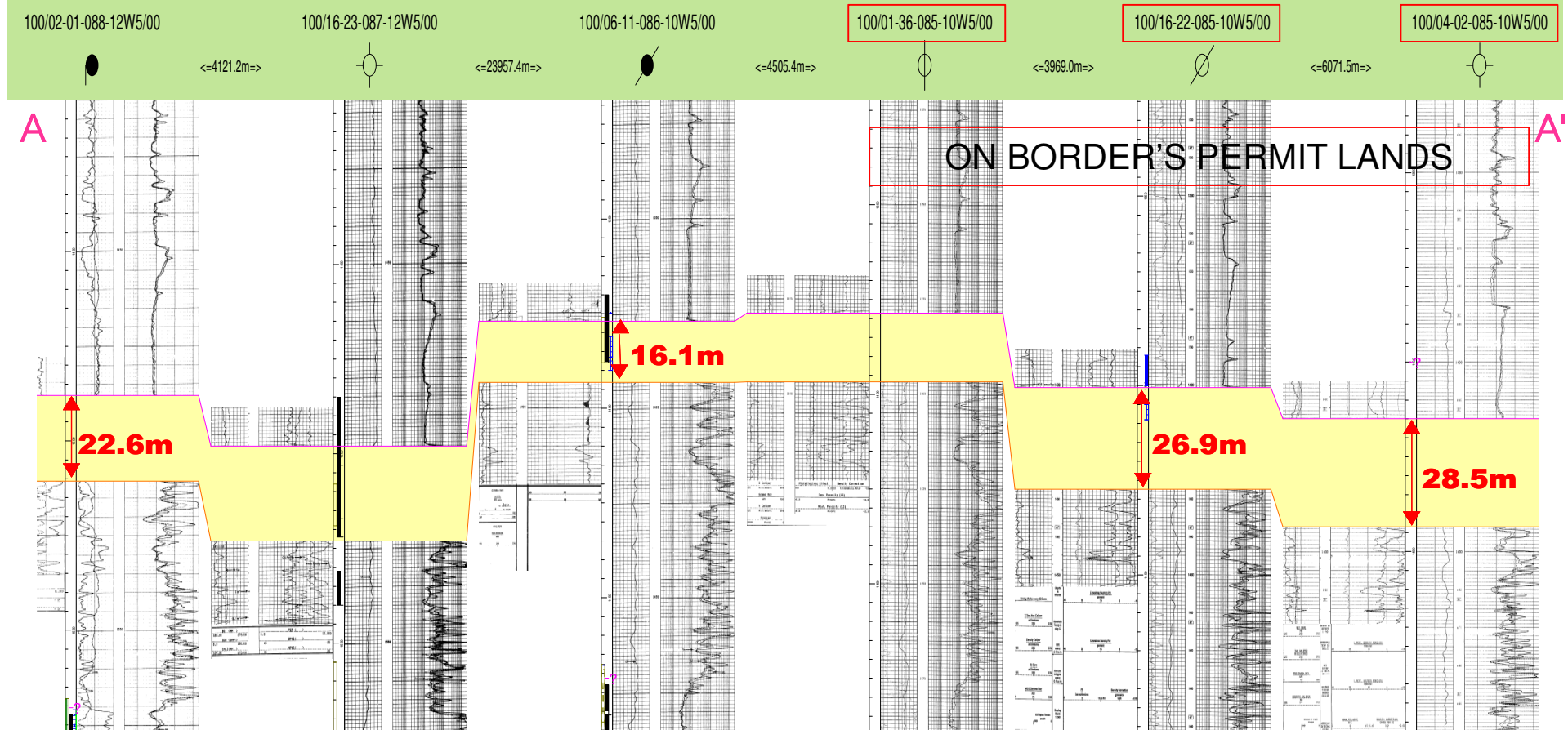
# Slave Point Activity

- Excellent well control
- 2,500 wells drilled through Slave Point
- 379 horizontal Slave Point wells licensed
  - 2009 – 2010: 143
  - 2011 – Aug. 2012: 236
- 270 horizontal wells drilled
- 3 years of production history
- Prospective lands tightly held
- Border's permit covers one of the largest contiguous blocks in the area



# Red Earth

# Regional Cross Section



- Gross thickness of the Slave Point highlighted in yellow.
- The 16-22-85-10W5 and 4-02-85-10W5 logs illustrate gross thicknesses increase moving south and west on Permit lands.
- Border is licensing wells in close proximity to the 16-22-85-10W5 & 4-02-85-10W5 vertical wells.

# Red Earth

# Initial Drilling Program

On structure & up dip utilizing existing roads and pad

Close proximity to infrastructure (roads, pipelines and processing)

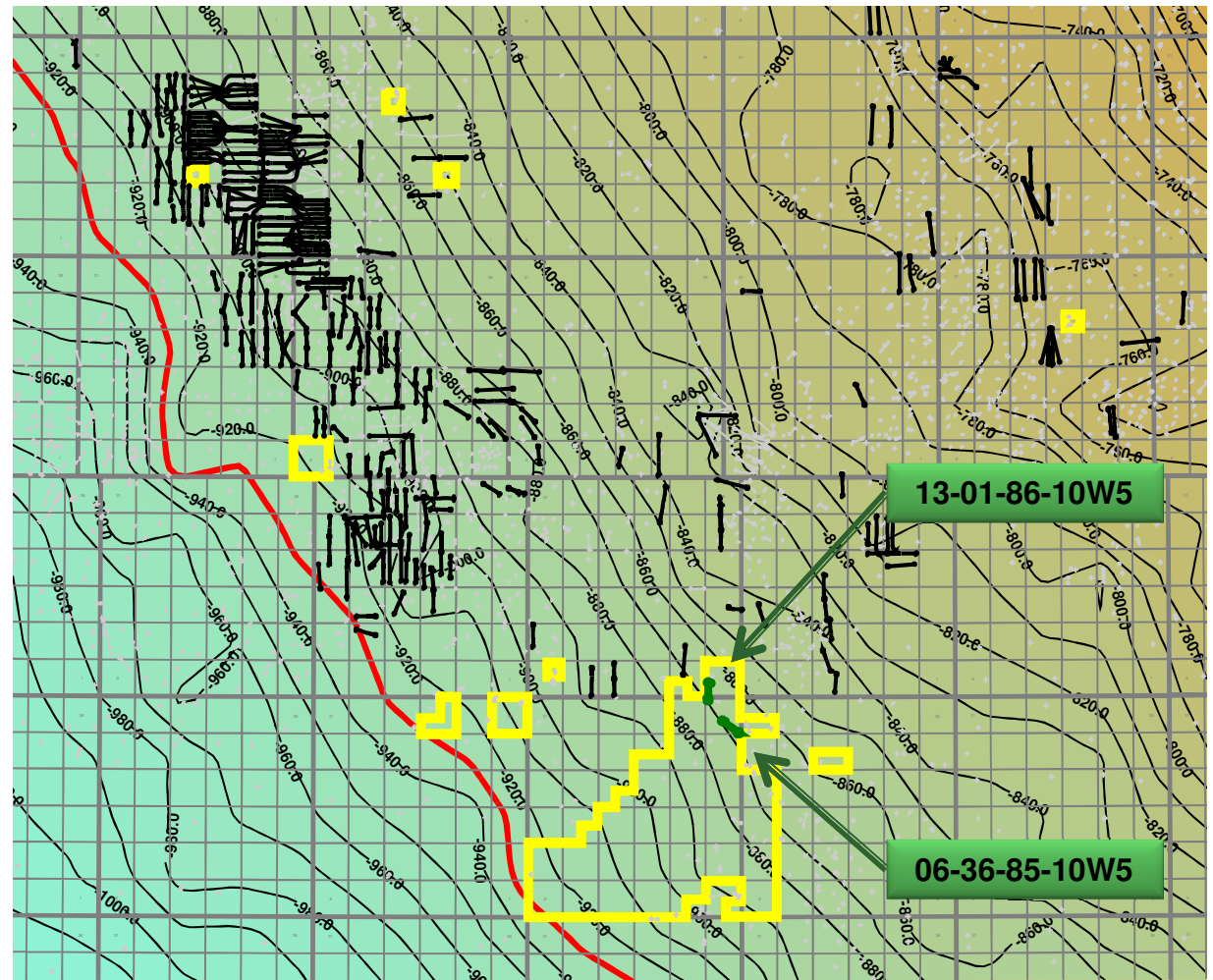
Different drilling techniques utilized:

**13-01:** monobore horizontal well completed with 139.7mm casing

**06-36:** conventional horizontal well completed with 177.8mm intermediate

**30 days of initial production (IP-30) from both wells averaged 102 bopd/well or 10 bopd/frac**

**Average Well Cost \$3.8MM:** Over estimate due to increased costs associated with break up & enhanced evaluation and drilling tools utilized.



# Red Earth

# Slave Point Isopach Map

Initial locations tested 18 m gross thickness (est. OOIP 10.3 MMbbl/sec.\*)

Loon Block has up to 30 m gross thickness (est. OOIP 17.6 MMbbl/sec.\*)

## Legend

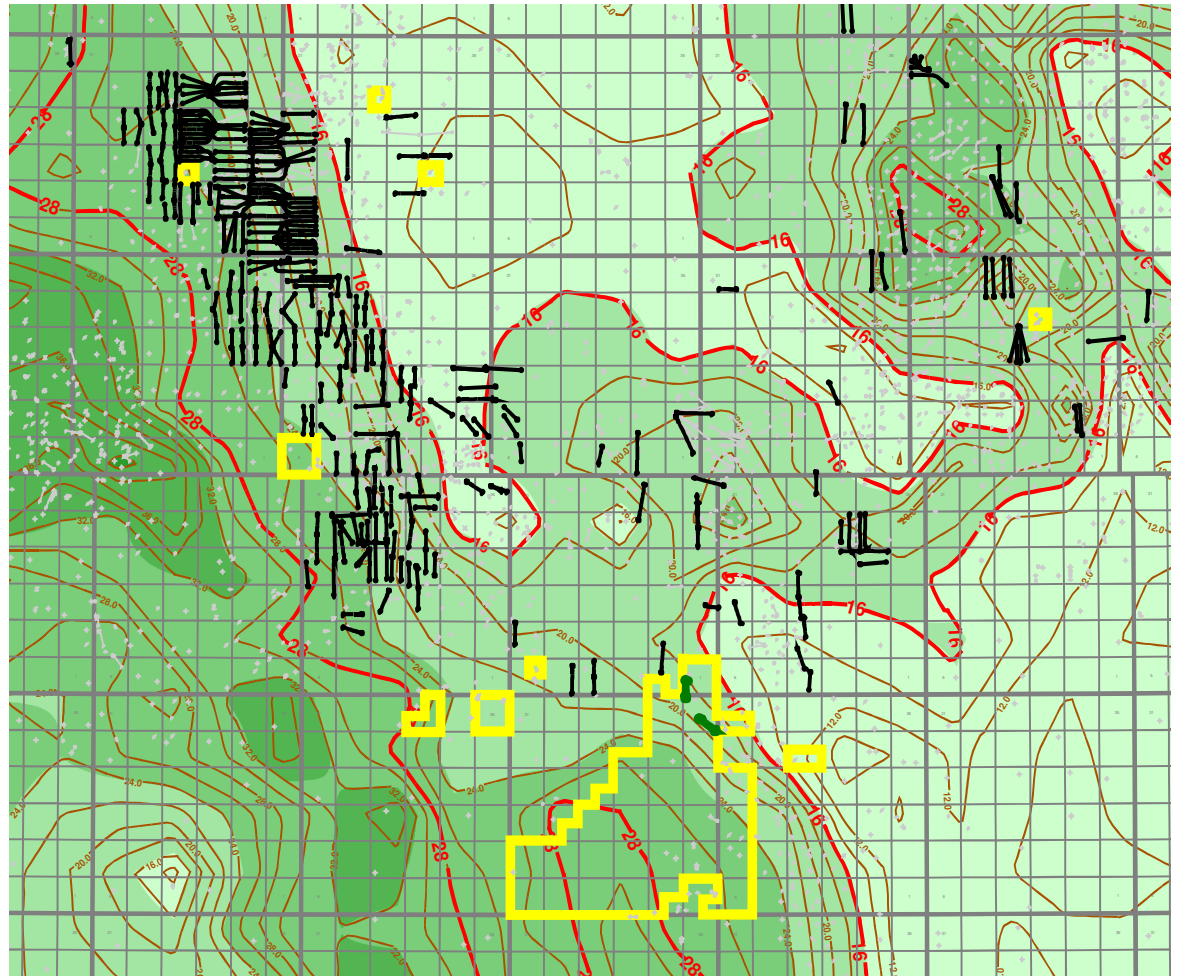
HZ Slave Point Wells



Vertical Slave Point Penetrations



Border Lands



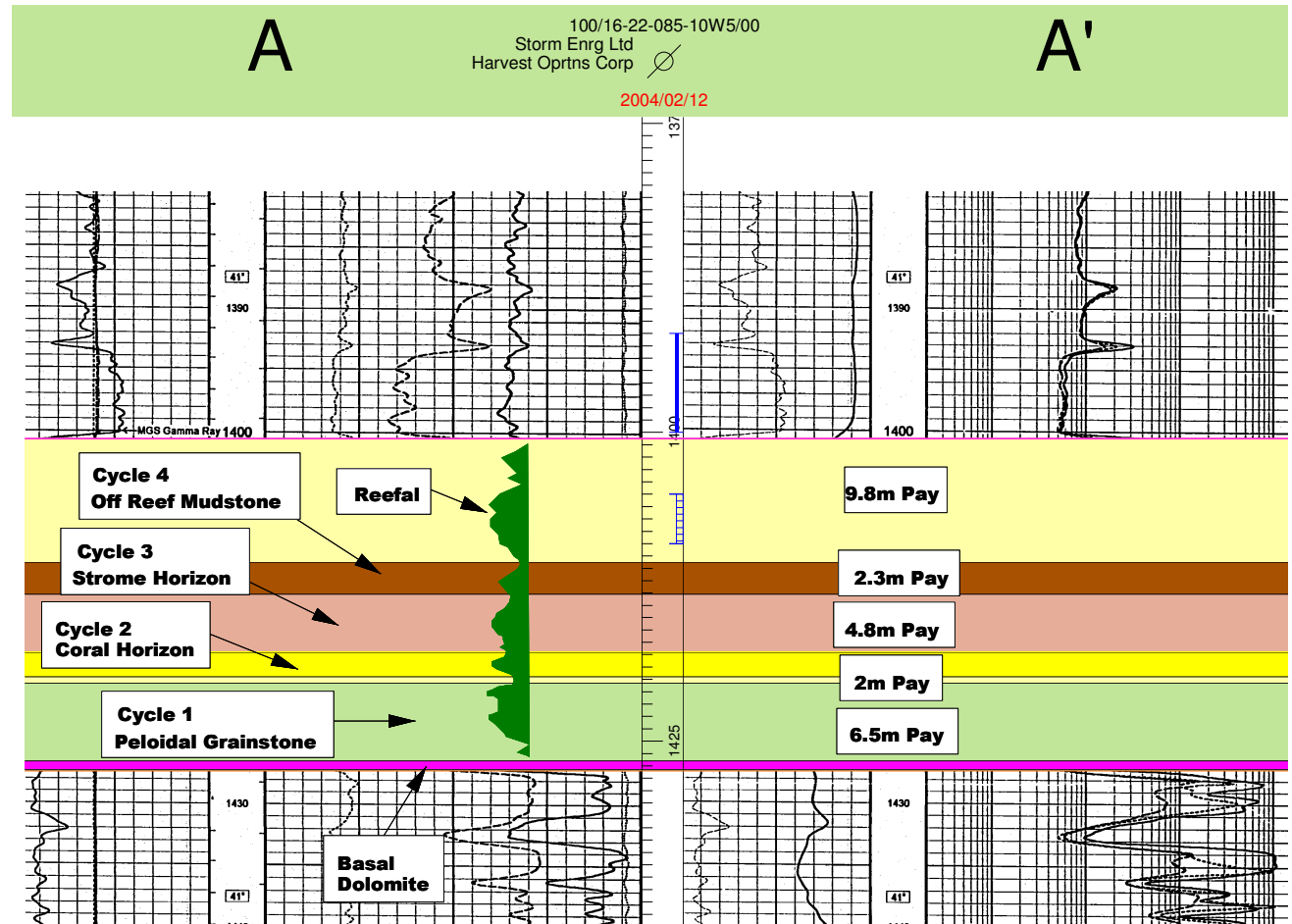
\* Based on 316.2MMbbl/32.5 sections all of which is discovered OOIP (contingent oil resources). See Slide 17 for further details.  
Source: Sproule Resource Report dated May 31 2012

# Red Earth

# Loon Type-Log

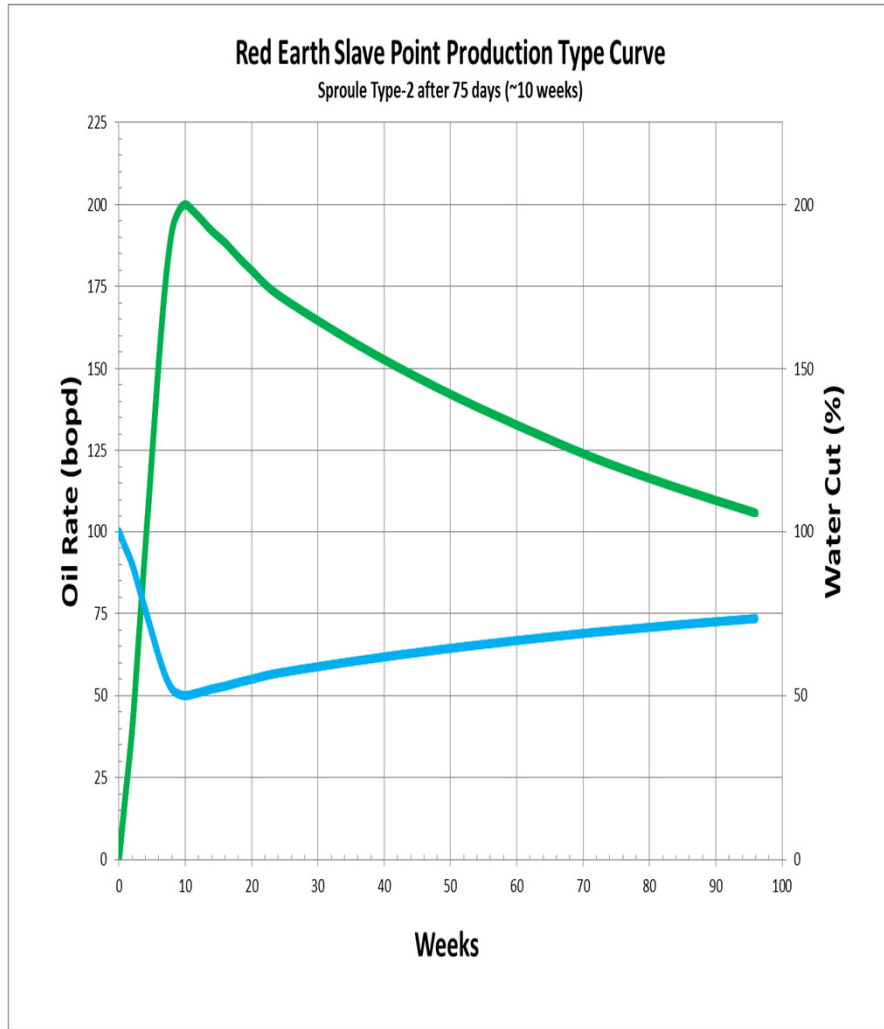
## 6 distinct regional depositional cycles/facies:

- Basal dolomite
- Peloidal grainstone
- Coral horizon
- Stromatoporoid horizon
- Off-Reef mudstone
- Reefal horizon



# Red Earth

# Type Curve & Estimated Project Well Economics

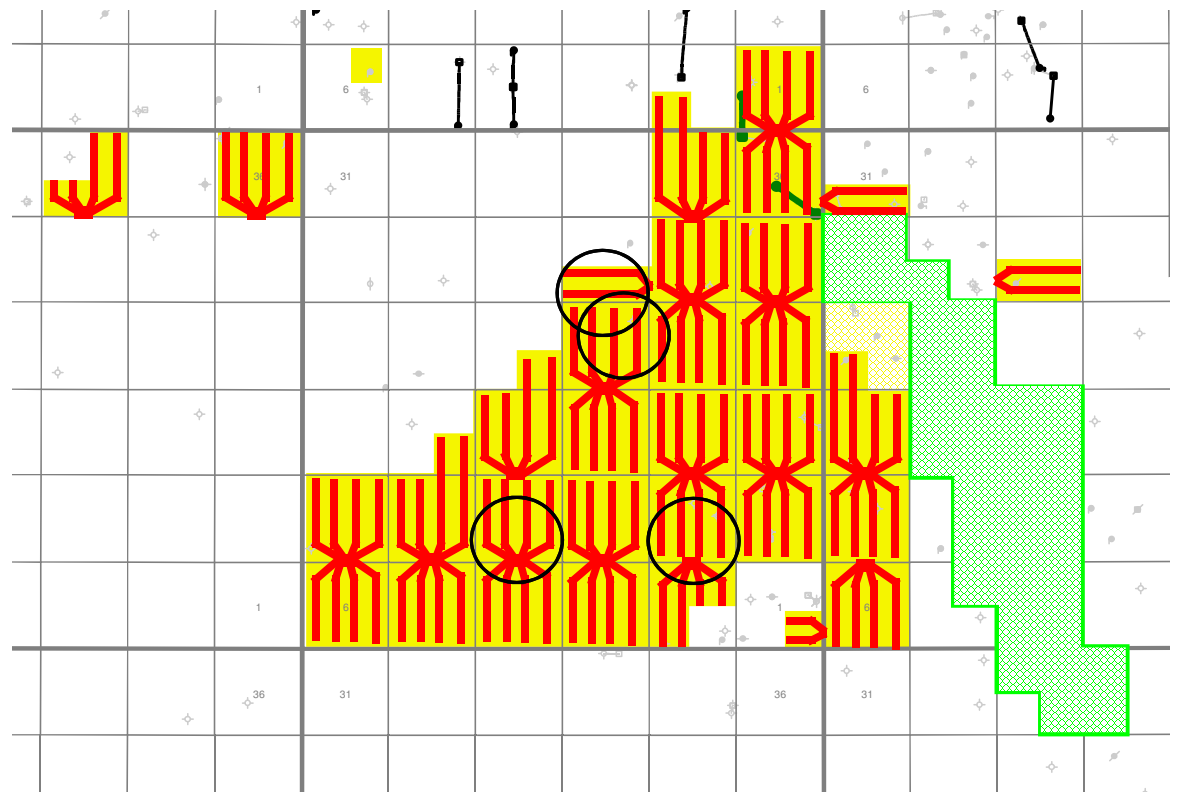


Per well (1400m leg, ~20 frac stages)	Slave Point Horizontal
IP (bopd)	200
IP/frac	10
Well cost (DCE) (MM\$)	4.5
Estimated Rec. Res. (Mdbl oil)	210
1st year production (Mdbl oil)	45.9
1st year revenue (MM\$)	4.5
1st year operating cost (\$/bbl)	17.59
1st year netback (\$/bbl)	71.07
NPV BT, Undiscounted (MM\$)	9.4
NPV BT, 10% (MM\$)	2.9
F&D cost (\$/bbl)	21.43
Recycle ratio	3.2
Rate of return (%)	40.5
Payout (years)	1.8
Sproule March 31, 2012 escalated price forecast	

# Red Earth

# Full Field Development

- Short horizontals drilled to limit capital exposure during initial de-risking phase
- Plan to drill long leg horizontal wells with 20 frac stages as part of full field development
- Up to 120 long leg horizontal well locations at \$4.5MM/well
- Initial long leg horizontal well program commenced in October
- 3D seismic program planned over the winter



## Legend

Unitized Waterflood



Full section pad development



Next 4 proposed locations





# Red Earth

# The 10-15 Well

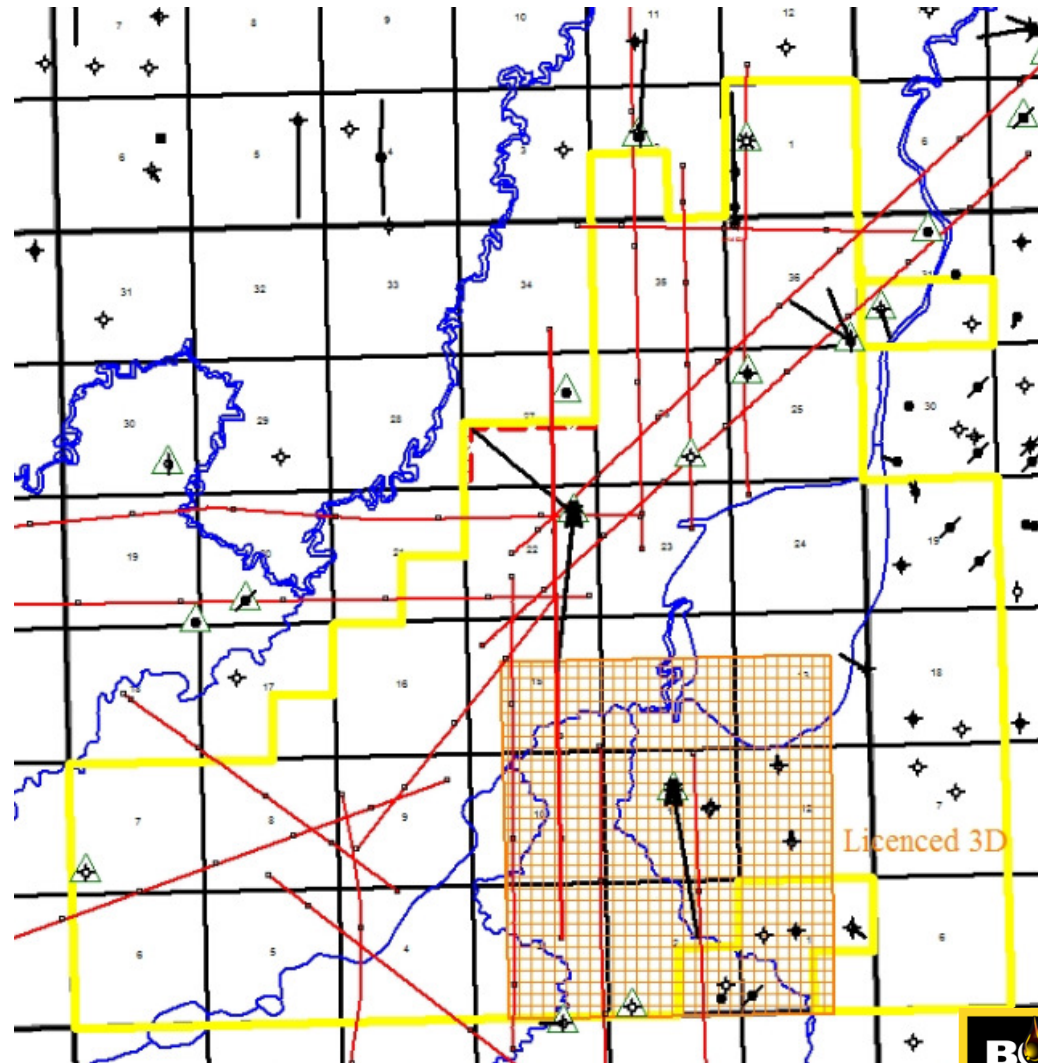
- 100/10-15-85-10W5M Well (the “10-15 Well”)
- Total depth: 3,250 meters with 1,630 meter horizontal
- 10-15 Well characteristics:
  - 952 meters of 3-9% non-reefal porosity
  - 454 meters of 9-33% non-reefal porosity including 256 meters of 20-33% non-reefal dolomitic porosity
- Hydrocarbons indicated on logs confirming samples and gas detector



# Red Earth

# Next Steps

- 3 stage completion:
  - Multi-stage frac toe of well (porosity approx. 20%)
  - Complete middle of well unstimulated (porosity up to 33%)
  - Again, multi-stage frac heel of well (porosities up to 9%)
- Well to be completed and on production in December
- Secure extended production test from 10-15 Well and review recently acquired 3D seismic data covering 10-15 Well to determine next locations



# Red Earth

# Contingent Resource

## Summary of the Oil Initially-In-Place and Ultimate Recoverable Oil of Border Petroleum Corp's Slave Point Oil Holdings in the Greater Red Earth Area of Alberta (As of May 31, 2012)

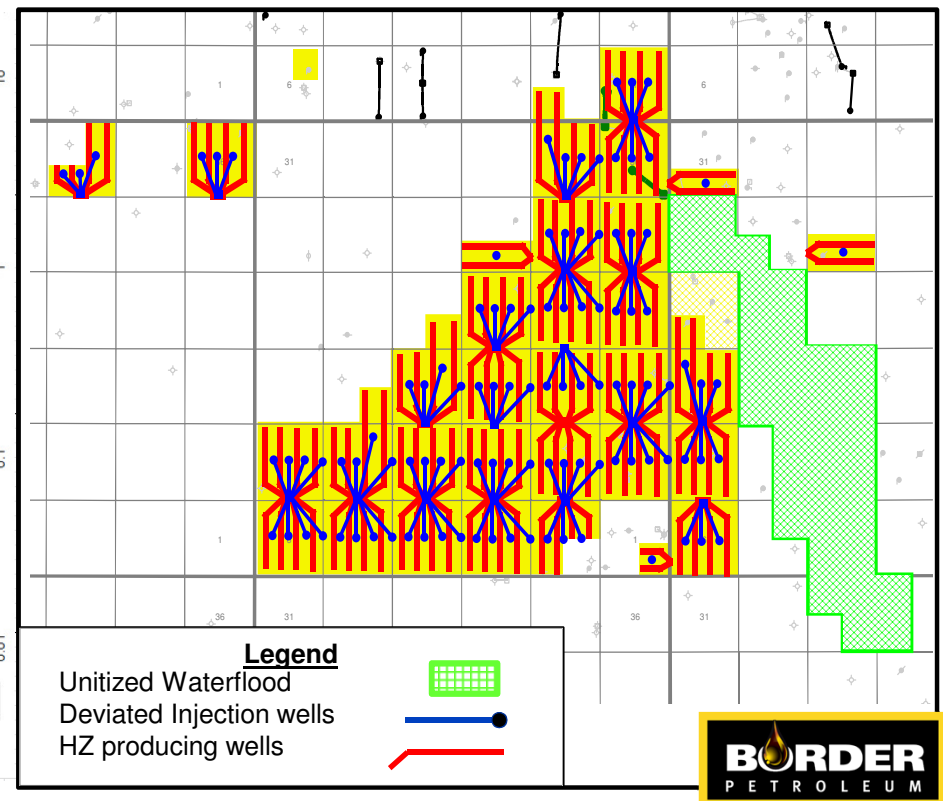
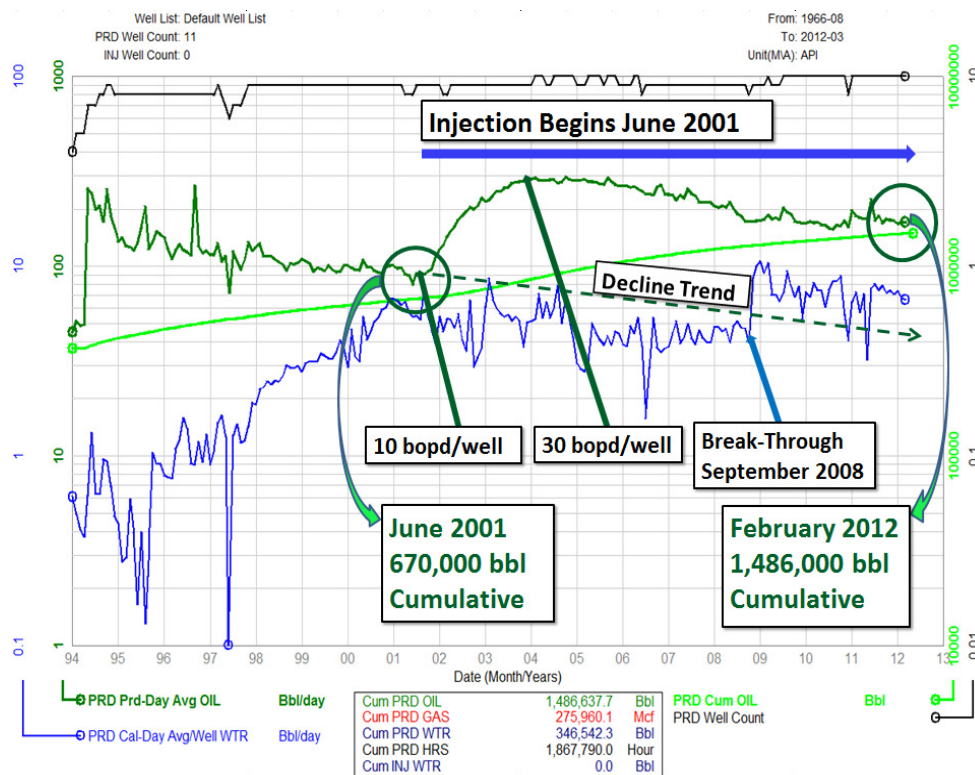
Category	Company Gross				
	Discovered Oil Initially-In-Place <sup>(1)(2)</sup> (MMbbl)	Recovery Factor (%)	Discovered Ultimate Recoverable Oil <sup>(3)</sup> (MMbbl)	Ultimate Reserves <sup>(4)</sup> (MMbbl)	Contingent Oil Resources <sup>(5)</sup> (MMbbl)
<b>All Land Holdings</b>					
Low Estimate <sup>(6)</sup>	316.2	7%	21.5	0.2 (1P)	21.3
Best Estimate <sup>(6)</sup>	316.2	13%	40.4	1.5 (2P)	38.9
High Estimate <sup>(6)</sup>	316.2	21%	65.1	1.9 (3P)	63.2

- "Discovered Oil Initially in place" means 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 discovered petroleum initially in place includes production, reserves and contingent resources. There is no certainty that it will be commercially viable to produce any portion of these resources.
- All DOIIP other than cumulative production, reserves and contingent resources have been categorized as unrecoverable.
- "Discovered Ultimate Recoverable Oil" equals Contingent Oil Resources plus Ultimate Reserves.
- "Ultimate Reserves" are technical volumes and are shown as produced oil volumes plus remaining oil reserves, as reported in the March 31, 2012 Sproule Reserves Report. Note that 3P reserves were not included in the Sproule Reserves Report, but were estimated for the purposes of the Sproule Resources Assessment.
- "Contingent Oil Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as distance from existing production, economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage, which is the case in respect of this property.
- "Uncertainty Ranges" as are described by the COGEH as low, best, and high estimates for reserves and resources as follows:
  - Low Estimate: This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P<sub>90</sub>) that the quantities actually recovered will equal or exceed the low estimate.
  - Best Estimate: This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P<sub>50</sub>) that the quantities actually recovered will equal or exceed the best estimate.
  - High Estimate: This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P<sub>10</sub>) that the quantities actually recovered will equal or exceed the high estimate.

# Red Earth

# Waterflood Upside

- Slave Point play characterized by large OOIP
- Established waterflood adjacent to Loon Block
- Initial response within 2 months which doubled production within 1 year
- Forecast RF increase of 50% (1P) and 100% (2P) with effective sweep efficiency



# Positioned for Continued Success

## The Team

- Proven track record of working with First Nations communities
- Strong technical ability with extensive experience in the Slave Point

## The Prize

- One of the largest contiguous land blocks in the Red Earth area
- Sproule Resource Assessment assigns a Best Estimate Contingent Resource of 40.4 MMbbls

## The Initial Results

- Initial two short leg horizontal wells (avg. 10 frac stages per well) de-risk the play with average IP-30 rate of 102 bopd or 10 bopd per frac stage

## The Plan

- Continue developing the identified oil resource with next phase of horizontal drilling commenced in October 2012 out of cash and funds generated from current assets
- Maximize the value of the resource for all stakeholders

# Corporate Information

- Independent Engineers      Sproule Associates Limited
- Banking      Alberta Treasury Branches
- Auditor      Collins Barrow LLP
- Legal Counsel      Burstall Winger LLP
- Registrar & Transfer Agent      Canadian Stock Transfer Company Inc.
- Address      2000, 840 – 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3G2
- Phone      (403) 538-8450
- Fax      (403) 444-5042
- Website      [www.borderpetroleum.com](http://www.borderpetroleum.com)