

TSX: NAE.un

RBC Cardium Mini-Conference NAL's First Mover Advantage



- Superior Assets & Opportunities
- Light Oil Focus
- Financial Strength

February 23, 2010

driven





Disclaimers

Forward Looking Statements

This document contains statements that constitute “forward-looking information” within the meaning of applicable securities legislation as to NAL’s internal projections, expectations and beliefs relating to future events or future performance. This forward-looking information includes, among others, statements regarding: NAL’s strategic focus, business strategy and plans; business plans for drilling, exploration and development, including Cardium drilling locations; estimates of Cardium production; the estimated timing of new Cardium development; other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance.

Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking information contained in this presentation including, without limitation, with respect to commodity prices, the success of NAL’s drilling programs and the production profile of NAL’s oil and natural gas reserves. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by NAL and described in the forward-looking information contained in this document. Undue reliance should not be placed on forward-looking information. The material risk factors include, but are not limited to: the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing oil and natural gas, market demand and unpredictable facilities outages; risks and uncertainties involving the geology of oil and gas deposits; the uncertainty of estimates and projections relating to production, costs and expenses; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; risk that adequate pipeline capacity to transport oil and natural gas to market may not be available; fluctuations in oil and gas prices; safety and environmental risks; changes in general economic and business conditions; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; and NAL’s ability to implement its business strategy. Readers are cautioned that the foregoing list of risk factors is not exhaustive. Additional information on these and other factors which could affect NAL’s operations or financial results are included in NAL’s most recent Annual Information Form and Annual Financial Report. In addition, information is available in NAL’s other reports on file with Canadian securities regulatory authorities.

Forward-looking information is based on the estimates and opinions of NAL’s management at the time the information is released.

Boe Conversion

Throughout this press release, the calculation of barrels of oil equivalent (boe) is based on the widely recognized conversion rate of six thousand cubic feet (mcf) of natural gas for one barrel (bbl) of oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalence conversion method primarily applicable at the burner tip and does not represent a value equivalence at the wellhead.

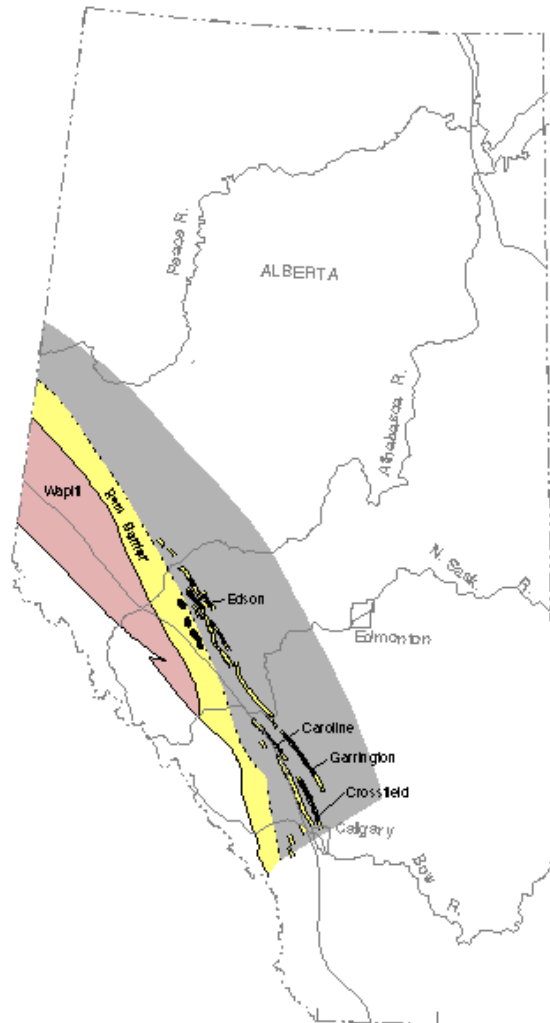
All dollar amounts in Canadian dollars, unless otherwise stated.

Cardium - Frequently Asked Questions

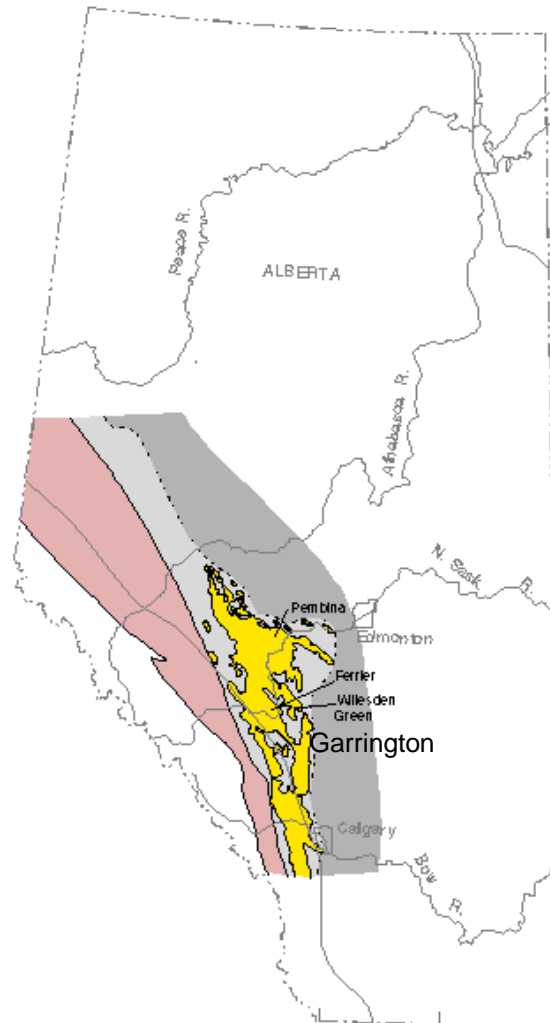
- 1) Garrington Cardium vs Pembina Cardium - Is there a difference?
- 2) Where are the 800 boe/d Cardium wells we hear about?
- 3) Why not accelerate your Cardium drilling program?
- 4) Are you going to buy more Cardium? - NAL's first mover advantage

Cardium Paleogeography

a. Lower Cardium Fm
(Lower Pembina River, Ram and Moosehond mbrs)



b. Middle Cardium Fm
(Upper Pembina River and Cardinal mbrs)



- NAL acreage at Garrington is situated 150km south of the Pembina area.
- Garrington Cardium A sand is equivalent to the middle Cardium in Pembina (fig. b)
- Garrington Cardium B sand is equivalent to the Lower Cardium in (fig. a)

Source: Krause F.F., K.B. Deutsch K.B., S.D. Joiner S.D., Barclay J.E., Hall R.L., and Hills L.V.; Fig. 23.4, Chapter 23 in Geological Atlas of the Western Canada Sedimentary Basin,

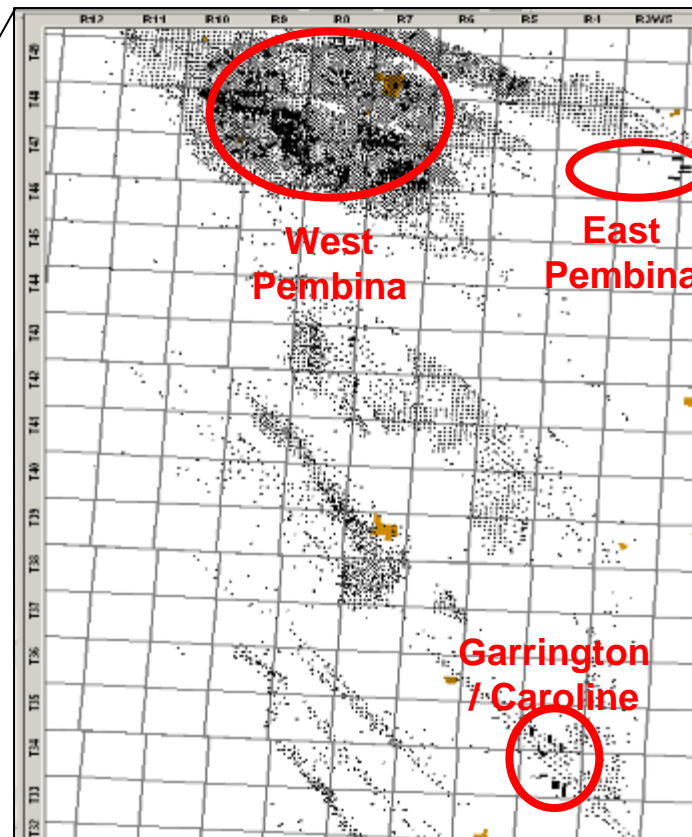
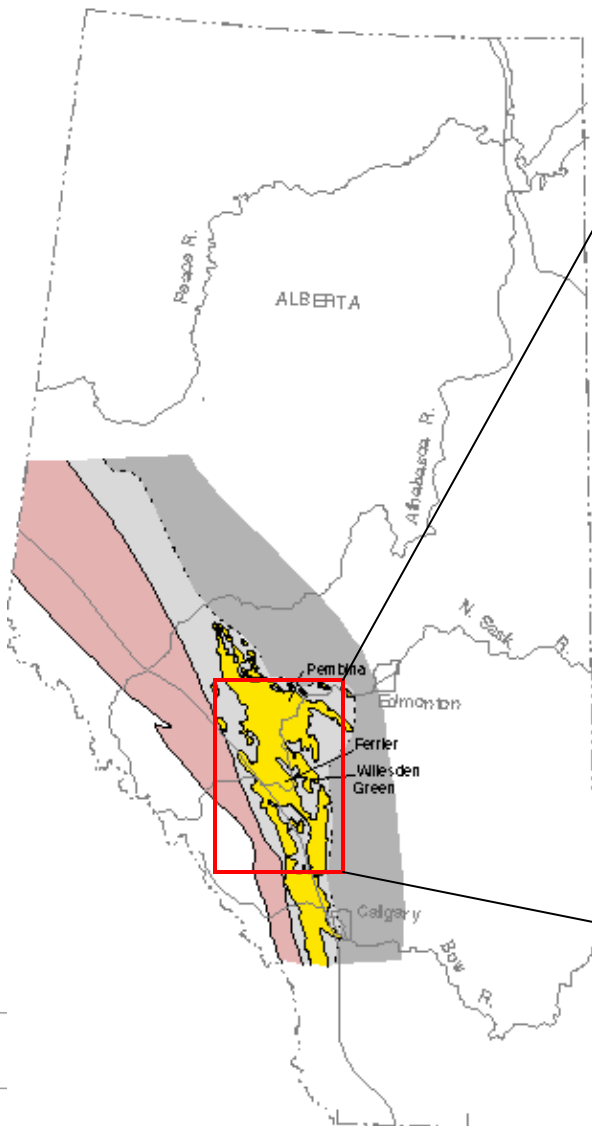
Cardium A /Middle Characteristics

- Behaves as an un-conventional reservoir due to its lithologic heterogeneity and the nature of the matrix permeability.
- Represents reworked lowstand and transgressive shoreline deposits formed by variable wave and tidal processes.
- The major difference in reservoir thickness and geometry between Pembina and Garrington is attributed to variation in sediment supply during deposition and the degree to which shallow tidal reworking and redistribution of these sediments occurred over the local areas.

Cardium B Characteristics

- Behaves more as a conventional reservoir due to it having a relatively homogeneous, high perm matrix that consists of predominantly coarser sands and framework-supported conglomerate.
- Represents lowstand shoreline deposits formed by high energy wave processes that focused coarse sediment into linear barrier beach complexes.

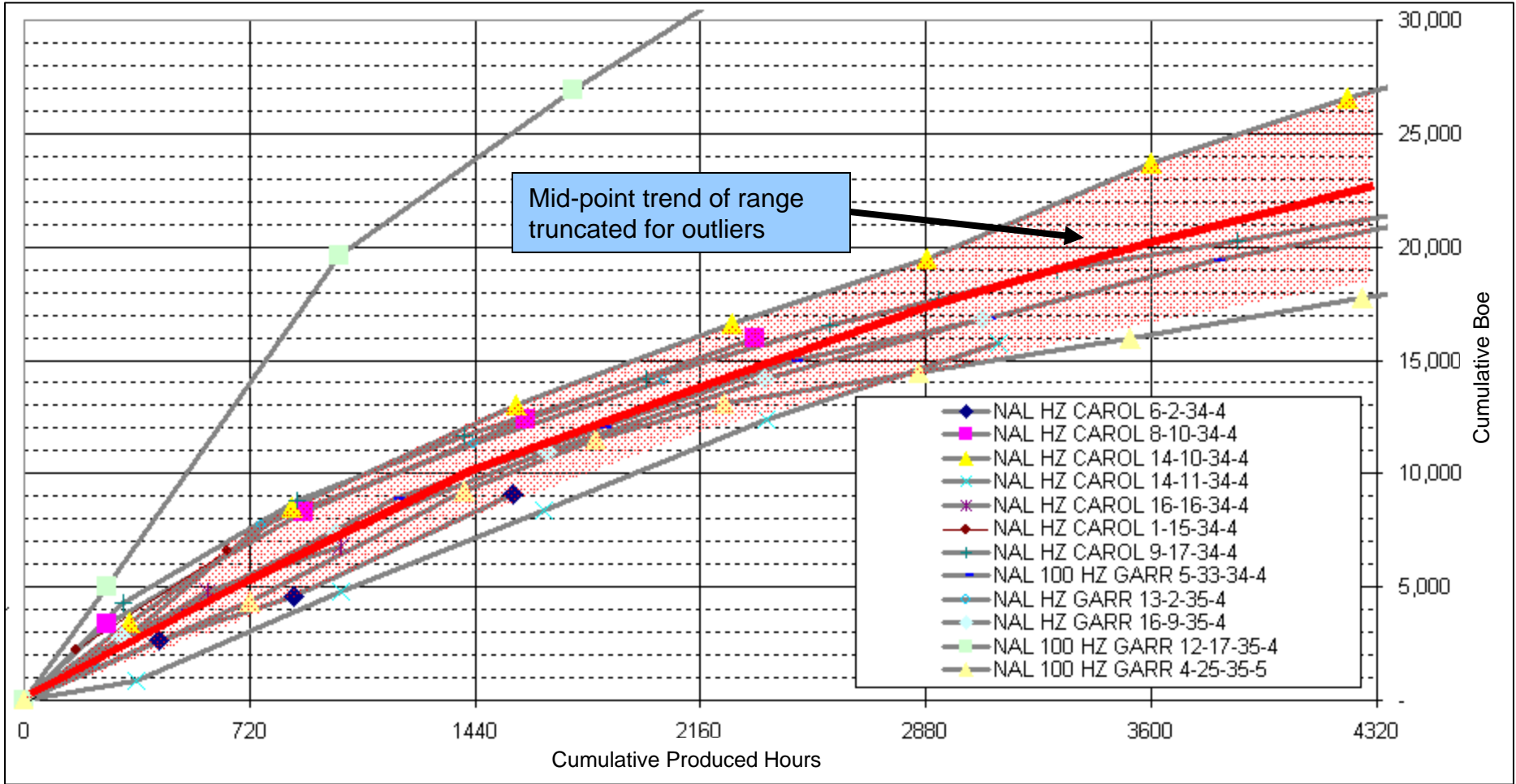
Cardium Rates - What Does The Data Say?



- Where are the 800 boe/d wells we keep hearing about?
- The following analysis contains all publicly available data within the circled areas.



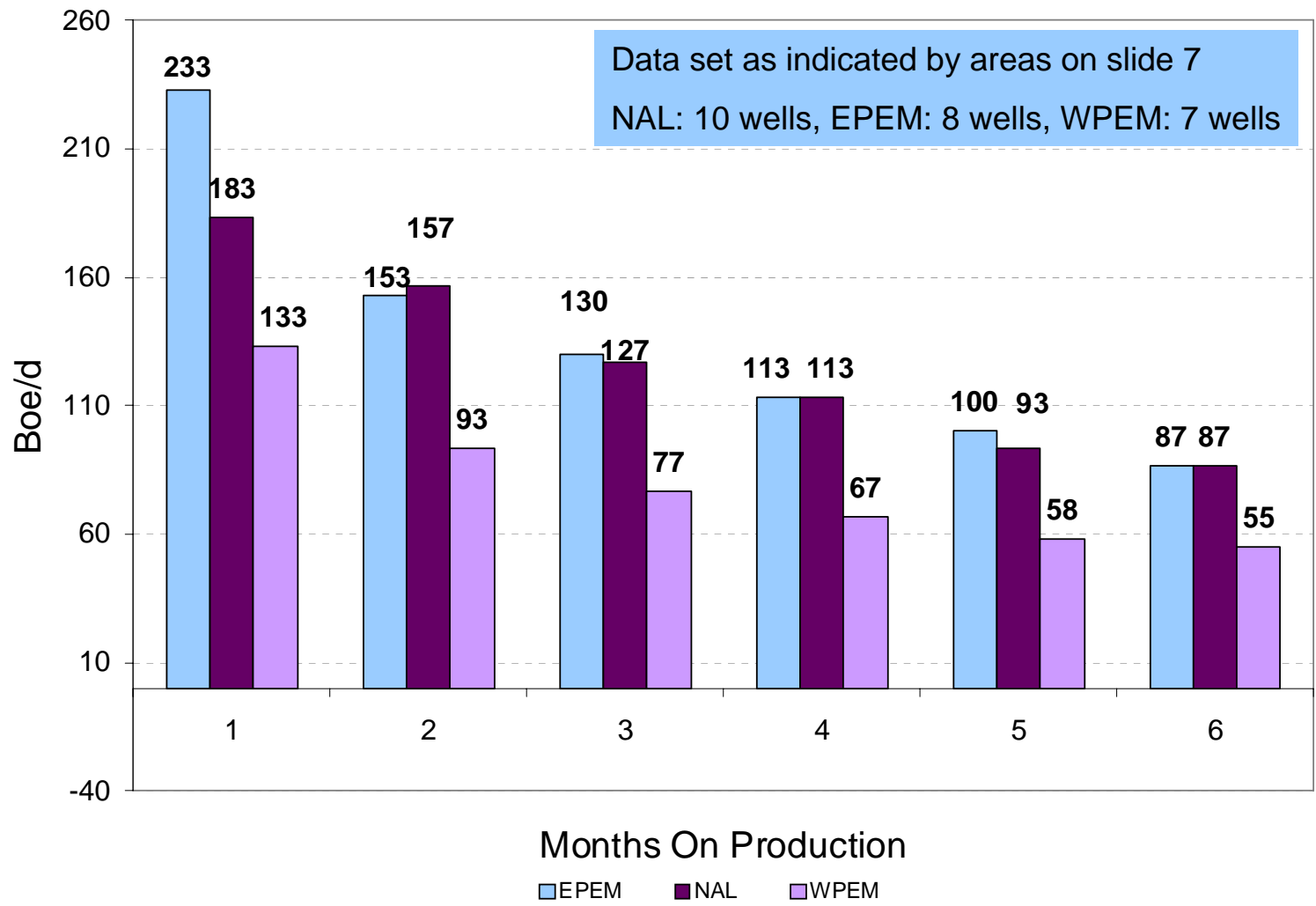
Garrington: Cum. Production vs Cum. Hours



Notes: Highest & lowest producer omitted as outliers



Daily Avg. Production - 720 Hr Periods



Notes: Monthly average figures calculated as total volumes accumulated over 720 producing hours divided by 30 days

Why Not Accelerate Drilling?

- Cost efficiency and value maximization
- Infrastructure requirements
- Heterogeneity of the reservoir
- Surface lease considerations

NAL's First Mover Advantage

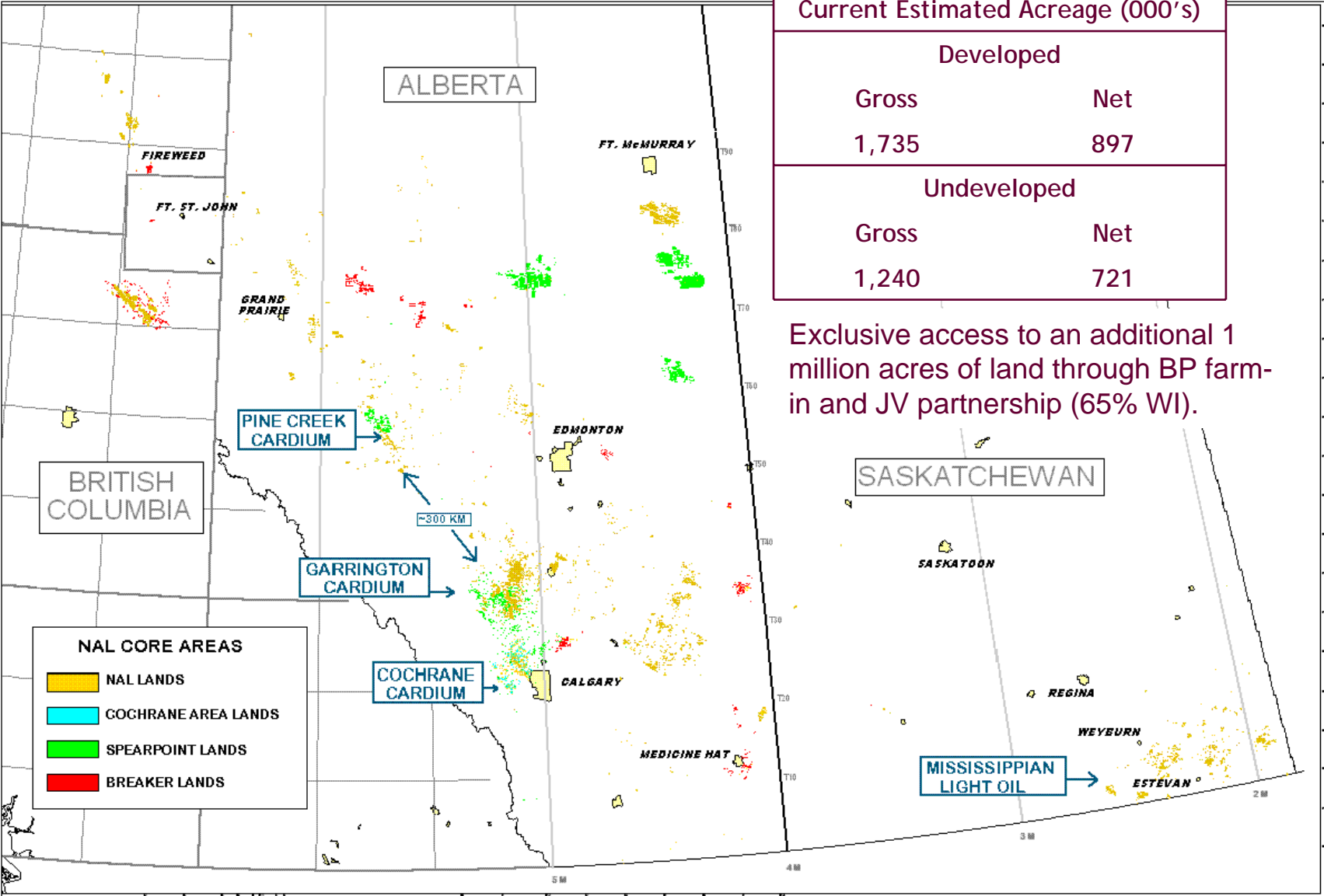
Are you going to buy more Cardium?

Sylvan Lake Hz Frac





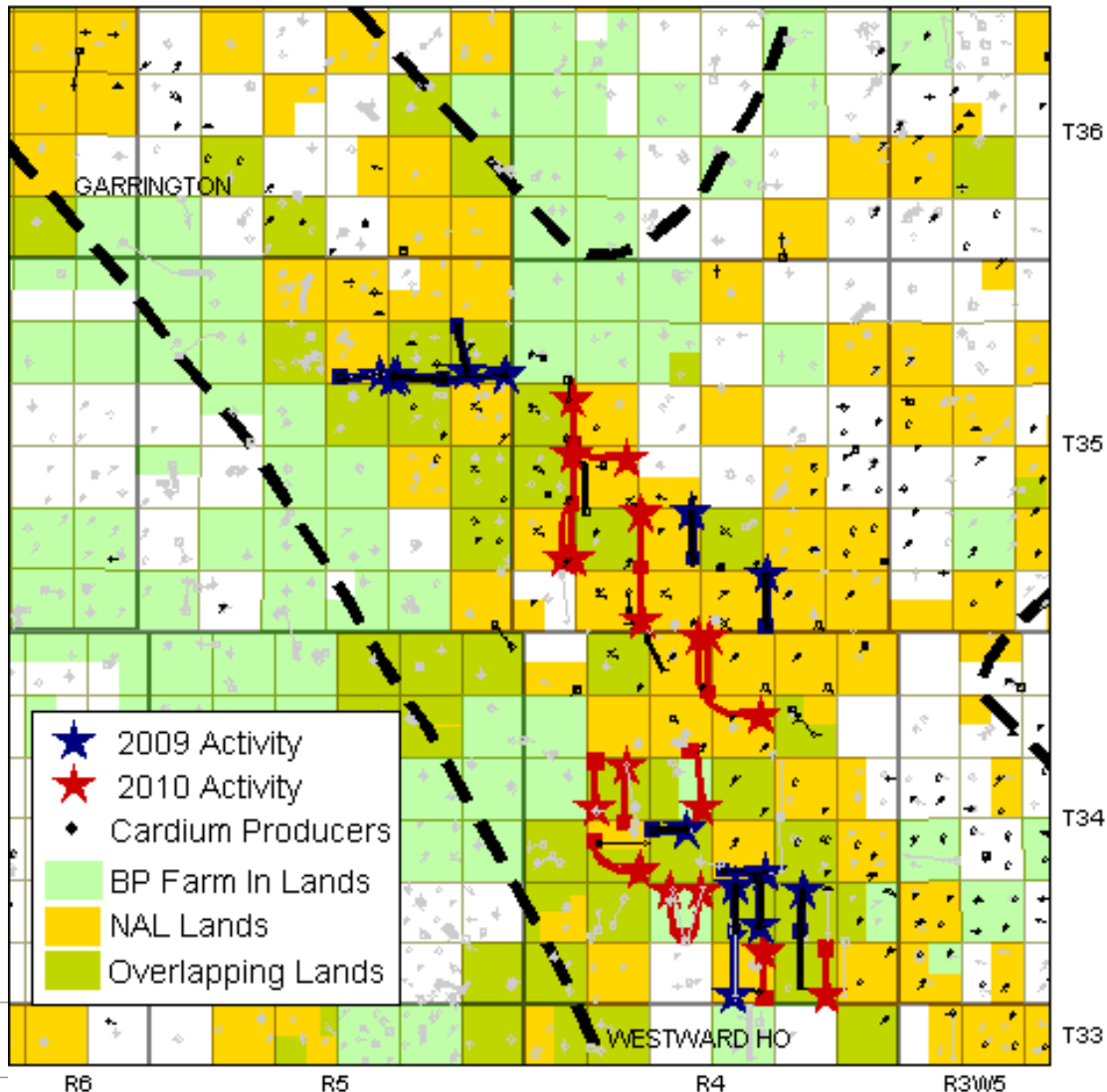
NAL Added Significant Cardium Acreage in 2009



NAL's First Mover Advantage

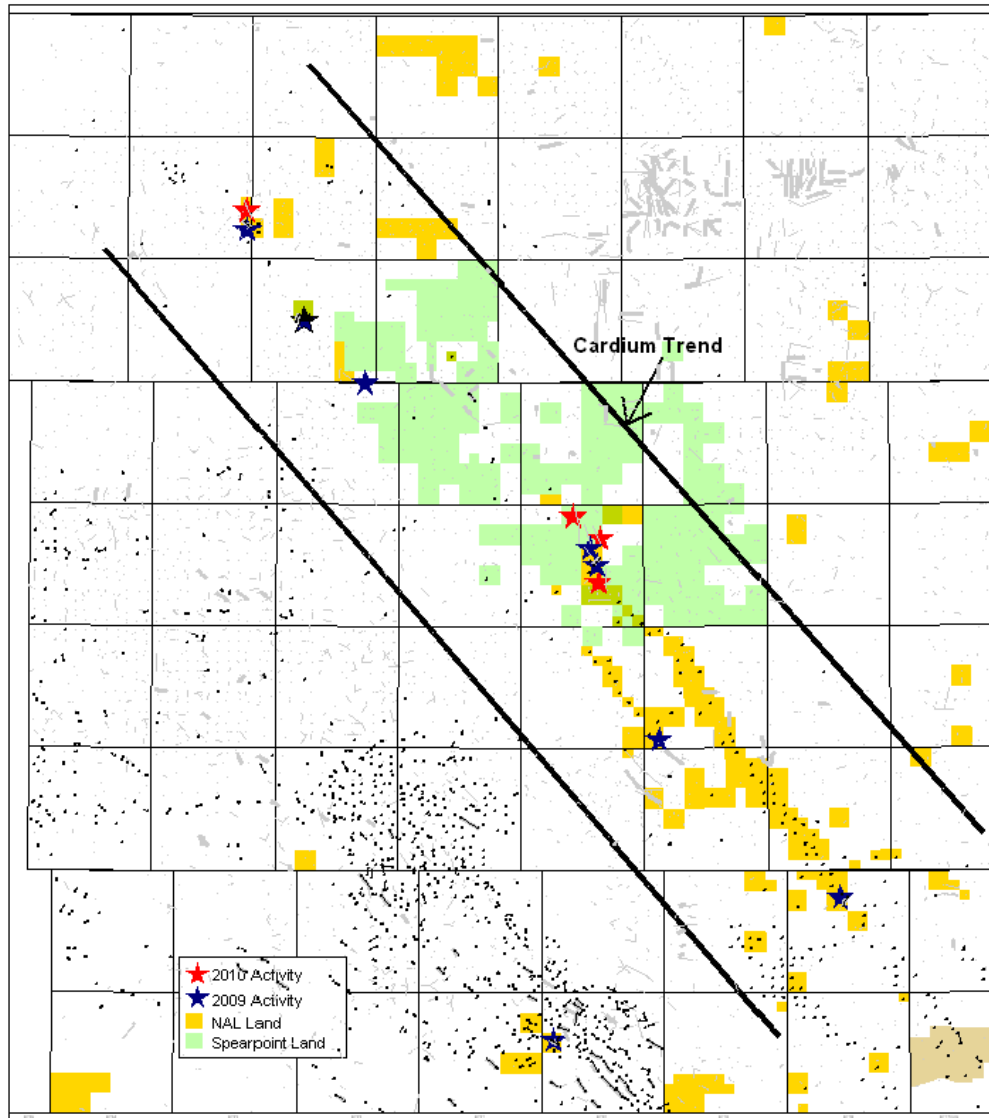
- NAL purchased Cardium crown acreage at prices ranging between \$600 - \$2,500/Ha in 2008/09
- NAL secured access to over 300 sections of Cardium prospective acreage ahead of the rush
- Current land sale activity has been as high as \$31,294/Ha in the Pembina area and \$5,000/Ha in the Garrington area - ahead of the knowledge curve in our opinion

NAL's Garrington Cardium Area



- Most drilling has occurred in this area starting in Q3 2008
- Significant acreage locked up in 2009 through creative agreements without significant upfront capital requirements
- Bulk of activity for 2010 Cardium program is in this area

NAL's Pine Creek Cardium Area



- Less mature area with limited well control
- Testing and calibrating potential in this area with drilling in 2010



NAL's Cochrane Cardium Area

Map Left Intentionally Blank

- Highly competitive area from a land capture perspective in 2009/10
- Potential to significantly reduce risk as a result of drilling activity expected in the area during 2010
- Large resource in place - 4 wells to be drilled in 2010 to understand reservoir deliverability



Conclusions

1. Cardium resource is heterogeneous and outcomes will range significantly across and within regions
2. At Garrington, production results to date indicate that the Cardium is performing in line with our initial expectations yielding strong economics
3. NAL has drilled the most horizontal fracture stimulated Cardium oil wells and has the most production history to date - (24 wells drilled to date)
4. NAL's significant position in the Cardium was established early at attractive terms - no need to chase the play at inflated prices
5. Development programs should not get in front of the learning curve in a particular area and due consideration needs to be given to maximizing usage of infrastructure capacity as well as proper utilization of surface leases in populated areas



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