

2010: A Year of Growth

February 2010



Solid Oil Foundation
and Long Term Gas
Resource Potential

 **rockenergy**



Forward Looking Statements

- **All statements other than statements of historical fact may be forward-looking statements. Forward looking statements include forecasts for production, cash flow, capital expenditures and debt levels and are based on estimates for commodity prices, reservoir performance, drilling performance and industry conditions including availability of services and weather. These statements involve known and unknown risks, uncertainties, assumptions and other factors, some of which are beyond Rock Energy's control, that may cause actual results to differ materially from a conclusion, forecast or projection in such forward-looking statements. Rock Energy believes that the expectations reflected in those forward-looking statements are reasonable at the time made but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this presentation should not be unduly relied upon. These statements speak only as of the date of such information, as the case may be, and may be superseded by subsequent events. Rock Energy does not intend, and does not assume any obligation, to update these forward-looking statements whether as a result of information, future events or otherwise**



A Summary of Rock

Rock is an oil company with two core areas:

Plains

- **Heavy oil and shallow gas**
- **Build production and prospect inventory**
- **Maximize Alberta Royalty Incentive program**
- **120 drilling locations**

West Central Alberta

- **Deep Basin multi-zone stacked gas and light oil**
 - **Potential for Horizontal Multi-stage development**
- **Emerging resource play (Montney, Nikanassin) in Elmworth**
- **80-90 Vertical drilling locations**
- **4 Horizontal drilling locations for 2010**
 - **Over 300 potential horizontal drilling locations**



Corporate Profile

Stock Exchange:		TSE; Symbol RE
Current Stock Price		\$4.25/share
Capital Structure:	Common Stock (basic)	30.6 MM
	(fully diluted)	32.2 MM
	Market Cap	\$125-135 MM
	Net Debt (Sept 30/09)	\$35.0 MM
	(net of financing)	\$20.9 MM
	Total Bank Lines Available	\$47.0 MM
Production (boe/d, 60% Oil)	(Q4/2009)	3,376
	Current	3,500-3,600
Reserves (P+P, 55% Oil)	(Dec 31/08)	10.2 MMBOE
Land @Dec 31/09	(gross undeveloped acres)	136,000
	(net undeveloped acres)	84,680
Tax Pools	(Dec 31/08)	\$115 MM



What's new at Rock

Heavy Oil

- Current prices are generating a field netback of over \$35.00/boe
- With Alberta Royalty incentive program the net drilling cost is reduced to \$350 thousand, generating a go forward F&D of \$5.00-\$7.00/boe
- Wells drilled in Alberta pay out in 6 months with a re-cycle ratio over 5 with current pricing
- Rock has 120 drilling locations

Emerging Elmworth Resource Play

- Rock has developed a significant land position in Elmworth with 44 net sections of Montney rights and 52 net sections of Nikanassin rights
- Industry players are drilling horizontal test wells adjacent to our lands
- Rock's vertical test well has exceeded expectations, and confirms the existence of Montney natural gas on our lands
- If successful on 10 % of our lands, these plays have the potential to triple Rock's reserve base



A Value Proposition

Historical Results

5 Year (2004-2008) CAGR P+P Reserves	76%
5 Year (2004-2008) CAGR Production	109%
2009 Drilling Success	100%

Stock Trading Metrics

Current Stock Price		\$4.25/Share
Cash Flow	(2010 Forecast)	\$1.08/Share
P/CF Share	(2010 Forecast)	3.9
EV/boepd	(2010 Forecast)	\$40,000

Areas of Operations

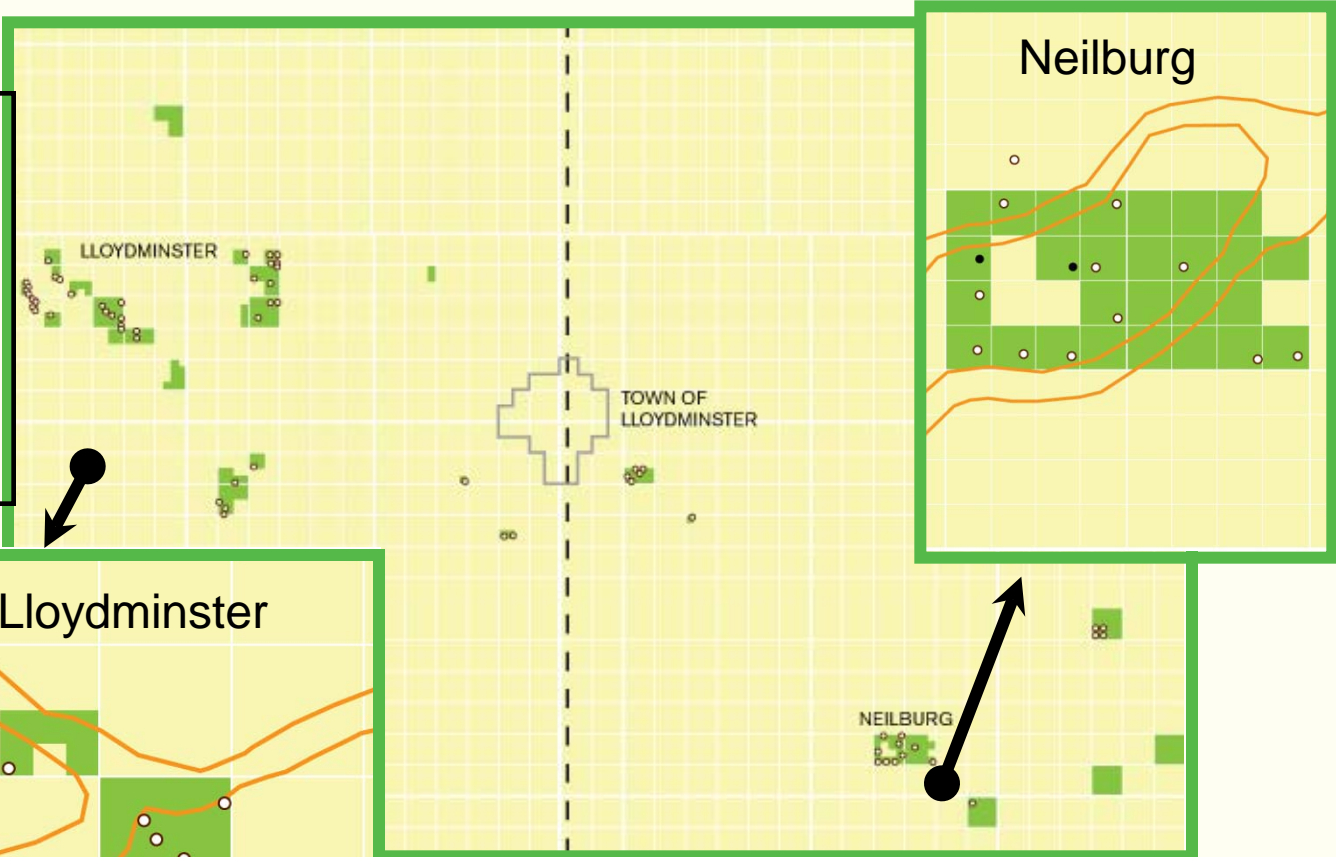


Plains

- **Heavy Oil & Shallow gas**
- **Mannville group**
- **500-1000 m deep**
- **120 drilling locations**

Heavy Oil Drilling Opportunities

- Primary Zones**
- McLaren
 - Colony
 - Sparky
 - GP
 - Waseca

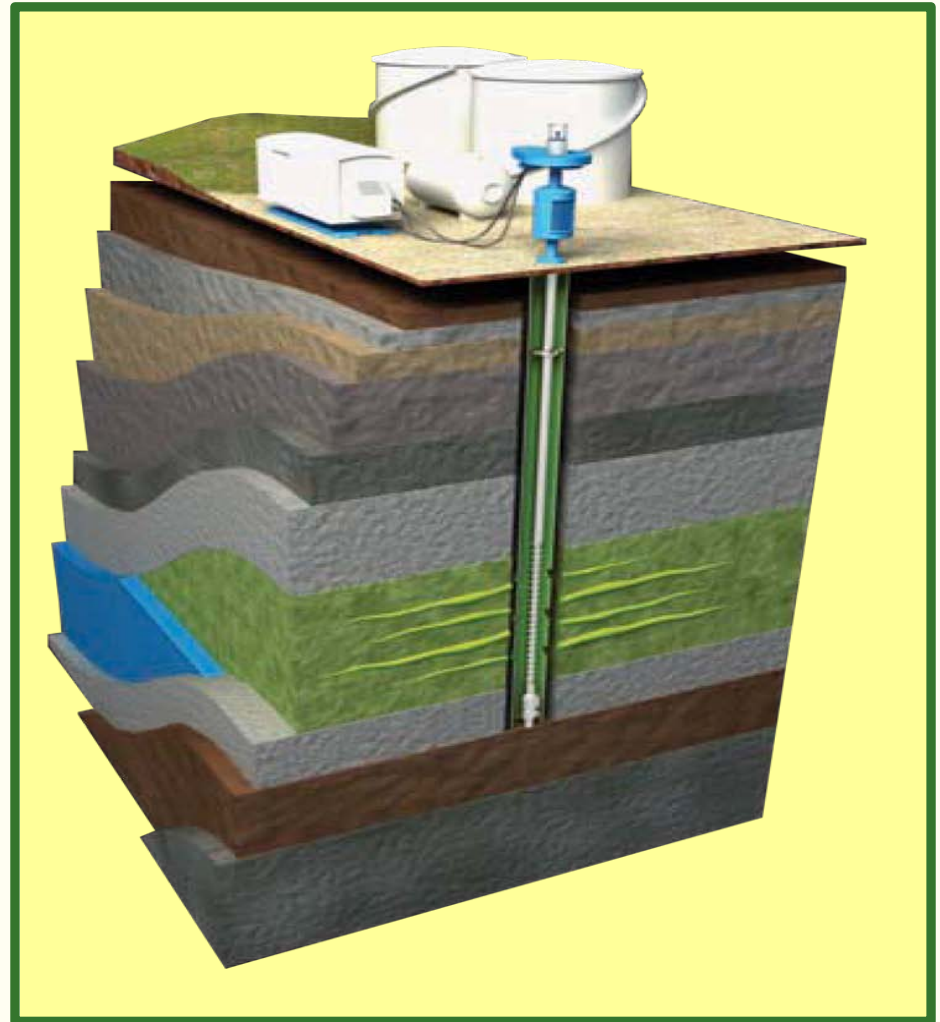


120 Drilling Locations

Heavy Oil Completion Technique

Cold Flow Production

- Progressive Cavity Pumps
- Worm Holes
- High initial sand production
- Increased recovery factor





Increasing Oil Recovery – Reduces F&D

- **Heavy oil wells on 40 acre spacing have 1.0 million boe of TPIIP**
- **Current recovery factor is 6-8%**
- **Last step change in technology was the progressive cavity pump (vs. rod pumps) allowing the production of sand, and the creation of worm holes**
- **Rock is exploring the next step change in technology to increase the production efficiency for these wells to more effectively recover the oil in place**
 - **Drilling techniques**
 - **Completion techniques**
 - **Secondary floods**

Total Petroleum Initially in Place (TPIIP) is defined as the quantity of hydrocarbons that are estimated to be in place within a known accumulation, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that it will be economically viable or technically feasible to produce any portion of this TPIIP except for those identified as proved or probable reserves.

Heavy Oil Netbacks

	2009 YTD/3Q	Current Est.
Edmonton Par	62.36	80.00
Western Canada Select	55.67	70.00
Heavy Oil Wellhead Price	50.08	65.00
Less		
• Royalties	8.61	11.00
• Operating Costs	15.77	16.00
Net Back Field Price	25.77	38.00
Historic F&D	12.26	12.26
Recycle Ratio	2.1	3.1
Go Forward F&D	5.00	5.00
Recycle Ratio	5.2	7.6

We believe narrow differentials are here to stay:

- *Increased upgrading capacity in the refining complex*
- *Increased pipeline capacity accessing markets in USGC*
- *Declining production from Mexico and Venezuela*



Plains Core Area

Current Production

1,800-1,900 boepd

DCET Cost

\$450-\$500 thousand

less Alberta Royalty Incentive

\$140-\$150 thousand

Net Cost

\$310-\$350 thousand

Initial Rate

30-50 boepd

Average P+P Reserves/Well

70,000 boe (recoverable)

Pay Out

6 months (Alberta)

11 months (Sask)

2010 Plans

- **Drill 30 wells**
- **Take advantage of royalty incentives**
- **Continue to build drilling inventory**
- **Explore enhanced recovery techniques**

Areas of Operations



West Central

- **Multi-zone stacked gas & light oil in the Deep Basin**
- **80-90 Vertical drilling locations**
- **4 Horizontal drilling locations for 2010**
 - **Over 300 potential horizontal drilling locations**



West Central Core Area – Vertical drilling

Kaybob/Saxon

Targets	Bluesky, Gething, Dunvegan, Falher
DCET Cost	\$2.5-\$3.5 million
Initial Rate	2-5 mmcf/d
Liquid Content	30-50 bbls/mmcsf
Average P+P Reserves/Well	2-4 BCF

Elmworth

Targets	Gething, Bluesky, Nikanassin
DCET Cost	\$2.0-\$2.5 million
Initial Rate	1-3 mmcf/d
Average P+P Reserves/Well	2-3 BCF

2010 Plans

- **Drill 5-10 wells**
- **Continue to build land position**
- **Investigate Horizontal drilling techniques and costs**

Elmworth Vertical Drilling



Current Production

500-600 boepd

Land Position

64,000 gross acres

42,300 net acres

66.2 net sections

Primary targets:

Bluesky

Gething

Nikanassin

Secondary targets:

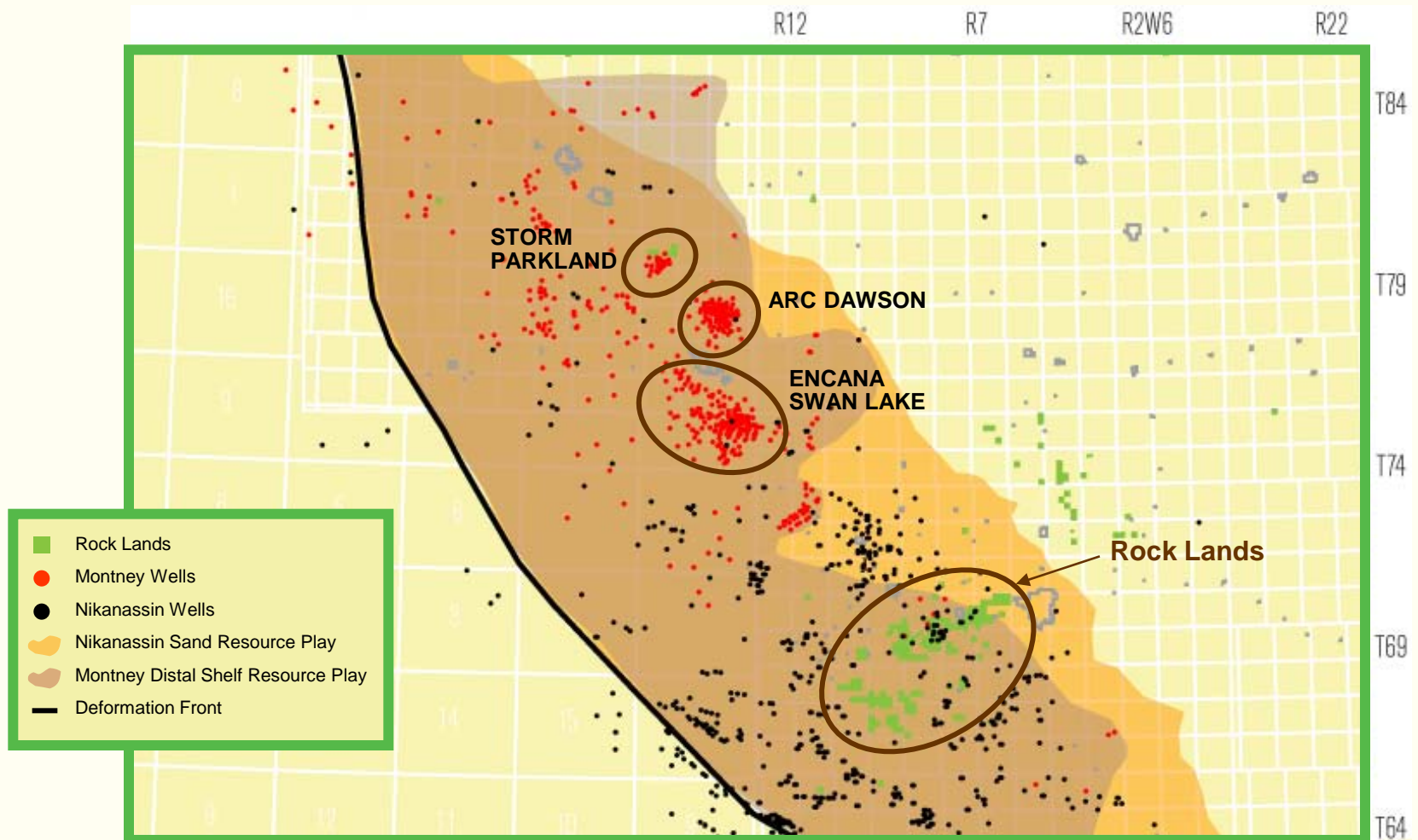
Halfway

Charlie lake

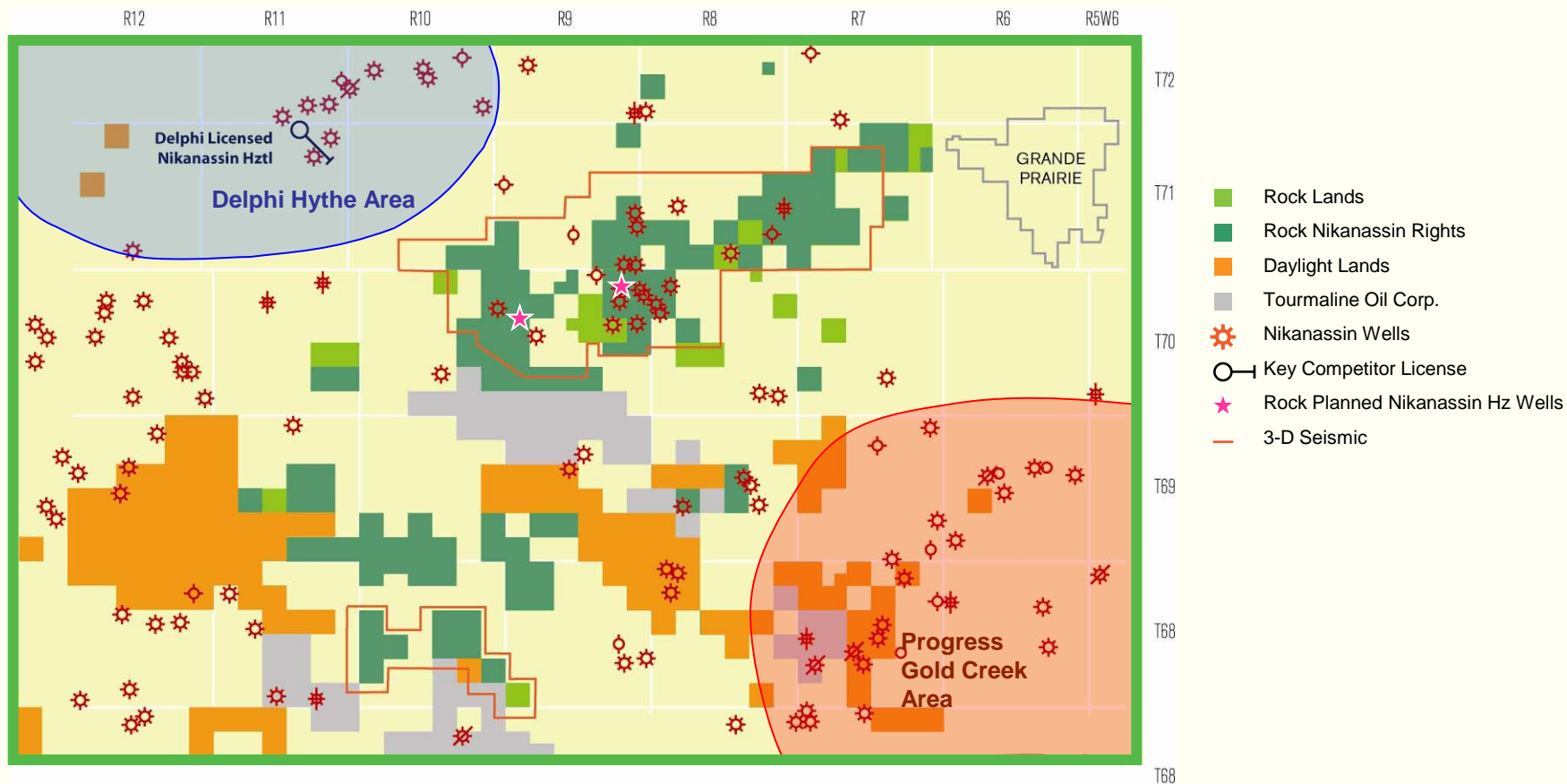
40+ Drilling locations

- Rock Lands
- Future Drilling Locations
- ★ Exploration Drilling Locations
- 3-D Seismic

Elmworth Resource Play Fairway



Nikanassin Prospect



Up to 157 net un-risked horizontal well locations (Primary Interval)



Nikanassin Potential (Management Best Estimates)

Land Position

Gross Sections 77.25

Net Sections 52.55

Average WI% 68

2-3 Pay intervals

Per Interval

Pay Thickness

10-20m

Porosity

6-12%

TPIIP/Section

15-20 BCF

Wells /Section

3

Prospective Resources/well

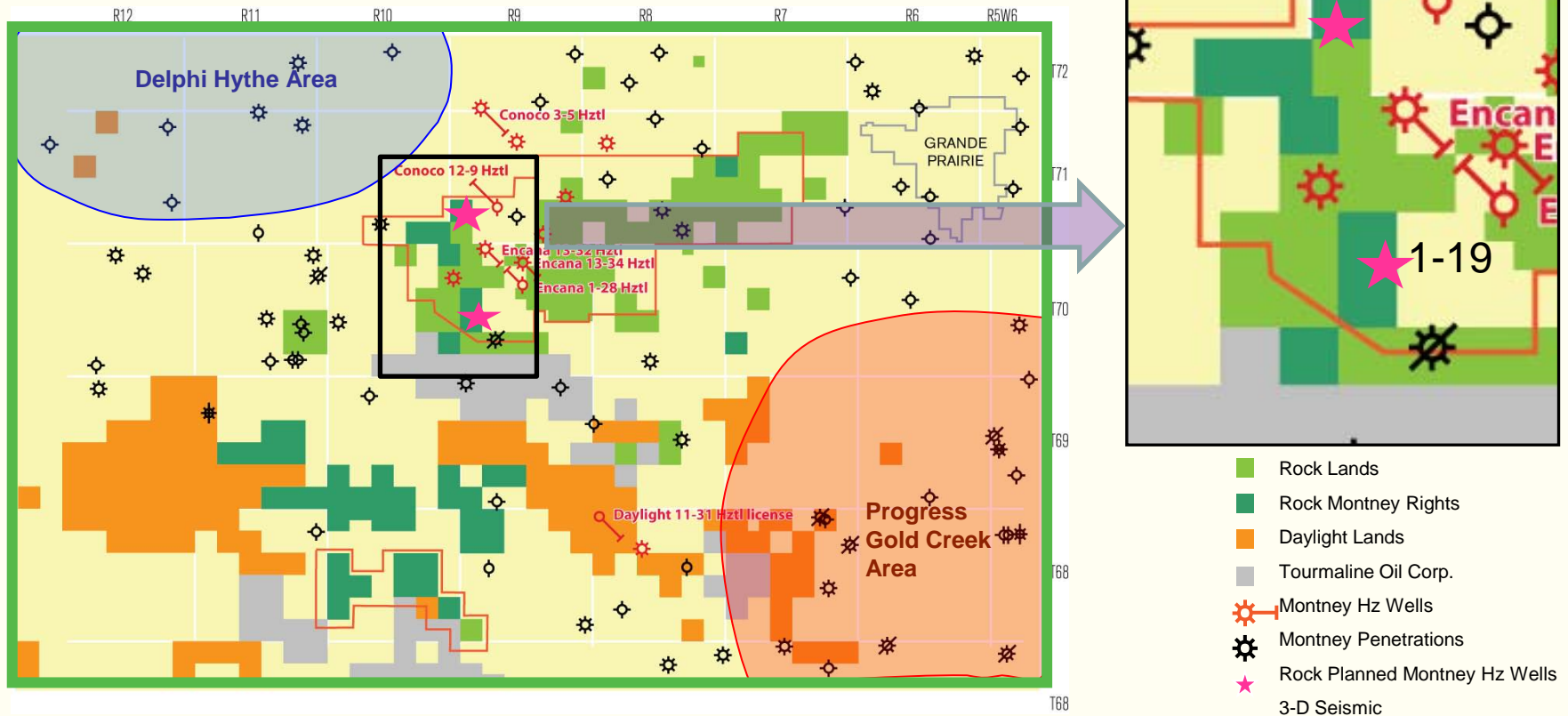
4 BCF

DCET Cost/Well

\$4-\$6 million

Total Petroleum Initially in Place (TPIIP) is defined as the quantity of hydrocarbons that are estimated to be in place within a known accumulation, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that it will be economically viable or technically feasible to produce any portion of this TPIIP except for those identified as proved or probable reserves.

Montney Prospect



Up to 176 net un-risked horizontal well locations (Primary Interval)



Montney Potential (Management Best Estimates)

Land Position

Gross Sections 46.5

Net Sections 44.0

Average WI% 94.6

3 Pay Intervals

Per Interval

Pay Thickness

20-30m

Porosity

3-9%

TPIIP/Section

20-25 BCF

Wells /Section

4

Prospective Resources/well

4 BCF

DCET Cost/Well

\$5-\$7 million

Total Petroleum Initially in Place (TPIIP) is defined as the quantity of hydrocarbons that are estimated to be in place within a known accumulation, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that it will be economically viable or technically feasible to produce any portion of this TPIIP except for those identified as proved or probable reserves.

How big could the resource be?

	Nikanassin	Montney	Total
Net Sections	52.6	44.0	96.6
Prospective Resource Potential/Sect (BCF)	12	16	
Managements Estimate of Prospective Land	10%	10%	10%
Prospective Resource Potential	BCF 63.1	70.4	133.5
	MMBOE 10.5	11.7	22.2

Total Prospective Resource Potential 22.2 MMBOE

Company P+P Reserves as of December 31/08, was 10.2 MMBOE



Rock's Growth Strategy

Near Term

Capital focused on Heavy Oil

- Rock has 120 low risk drilling locations
- 6 month payout at current oil price with Alberta Royalty Incentives

Medium Term

Monitor Elmworth unconventional gas activity to prove up play

- No expiry issues on prospective land
- Monitor drilling/production results of offset wells

Pursue development drilling at Saxon and Elmworth (vertical) to add production and reserves

Long Term

Develop a plan to exploit the resource potential of the unconventional reserve base at Elmworth

Results and Guidance

	2008 (12 months)	Fcst 2009 (12 months)	Fcst 2010 (12 months)
Production Avg. (boepd)	3,436	3,300-3,500	3,800-4,000
Funds from Ops. (\$Millions)	40.7	19.6	33
Funds/Share	1.57	0.73	1.08
Capital Spending (\$Millions)	50.2	19	43
Debt (\$ Millions)	38.6	24.0	34.0
WTI (\$US/bbl)	99.65	61.80	75.00
AECO (\$CDN/mcf)	8.16	3.96	5.75
F/X	0.94	0.88	0.95

2010 Sensitivities: \$1.00 US/bbl Change in WTI = \$0.78 million Change in annual Cash Flow
 (Note: royalties not changed) \$.25 CDN/mcf Change in AECO = \$0.60 million Change in annual Cash Flow



Analyst Coverage

	Rating
FirstEnergy Capital Corp.	Outperform
Macquarie Capital Markets	Outperform
Wellington West Capital	Strong Buy
National Bank Financial	Outperform
Dundee Securities	Buy
Acumen Capital	Buy
Research Capital	Buy
Cormark Securities	Buy
Thomas Weisel	Overweight



Conclusions

1. Rock has laid a solid balanced foundation of production, cash flow and financial capability, and is building production with its heavy oil drilling inventory

2. Rock has developed a large inventory of drilling locations which will provide meaningful growth:
 - a) Short Term Solid base of heavy oil drilling locations that pay out in 6-12 months

 - b) Medium Term Strong inventory of development drilling at Saxon and Elmworth that can add significant production

 - c) Long Term An emerging gas resource play in Elmworth where management has identified significant gas resource potential



Supplemental Information



Strong Management Team

Management Team

Allen J. Bey

President, CEO and Director

John H. Van de Pol

Vice President, Finance and CFO

Jeffrey G. Campbell

Vice President, Operations and COO

Arezki loughlissen

Vice President, Exploration

Directors

Stuart G. Clark – Chairman of the Board

Malcolm T.D. Adams

James K. Wilson

Peter V. Malowany

Allen J. Bey

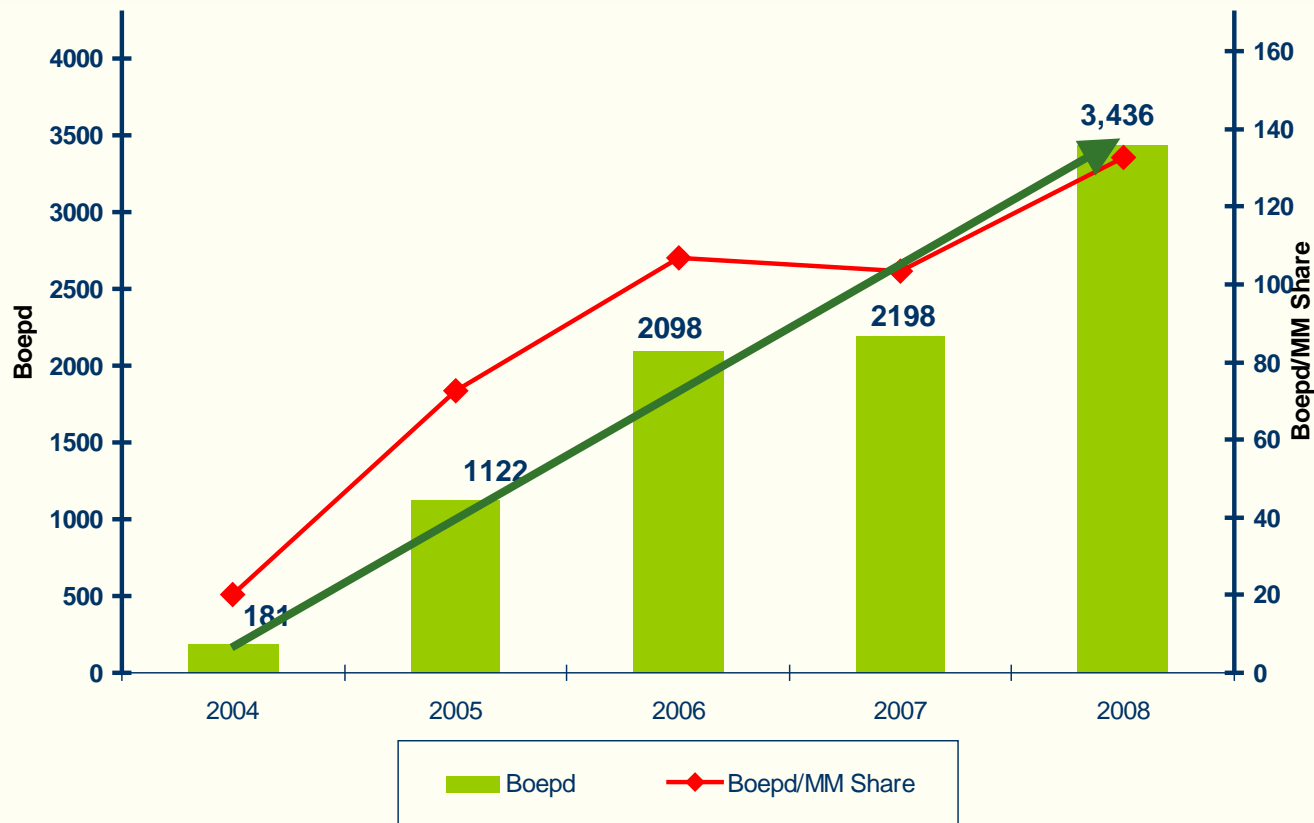
Management, Directors and ARC own or control 34% of fully diluted shares



Market Profile

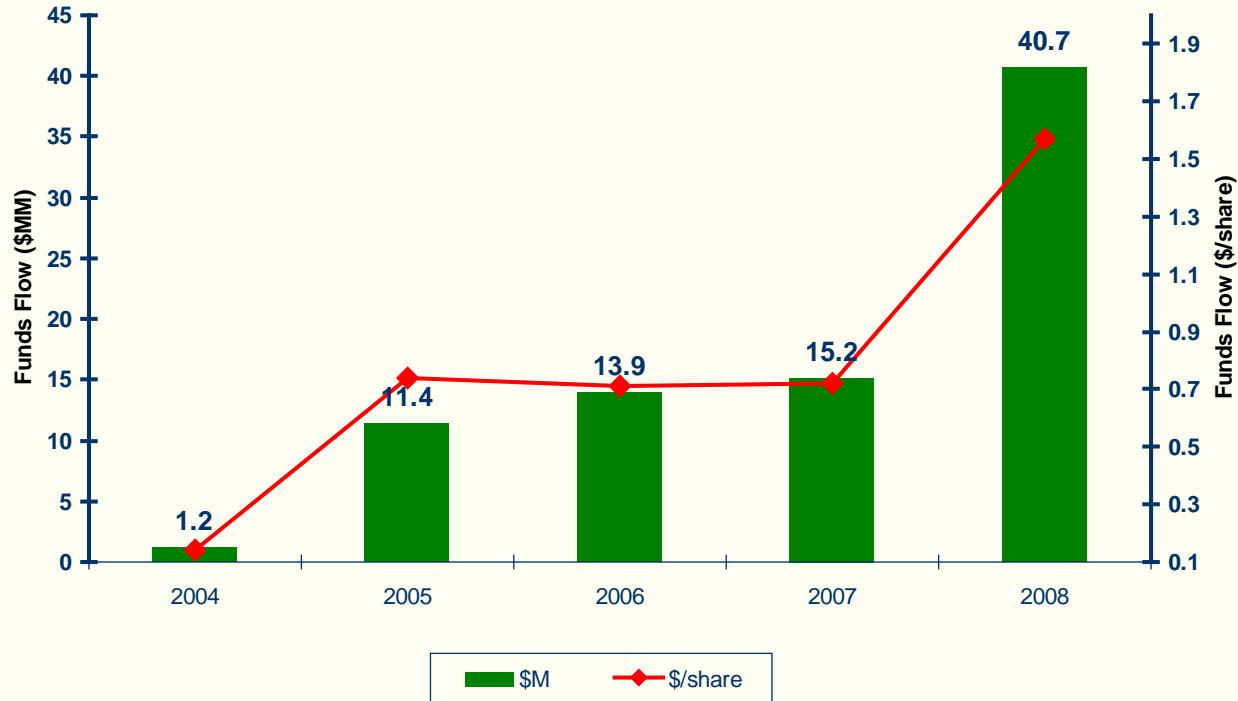
TSX stock symbol	RE	
Shares outstanding		
Basic	30.6 million	
Fully diluted	32.2 million	
Ownership	Basic	Fully Diluted
Management	7.1%	11.7%
ARC	23.8%	22.7%
Recent trading range	\$4.20 – \$4.30	
Market capitalization	\$125-\$135 million	

Production History



CAGR/Share = 185%
CAGR Absolute = 109%

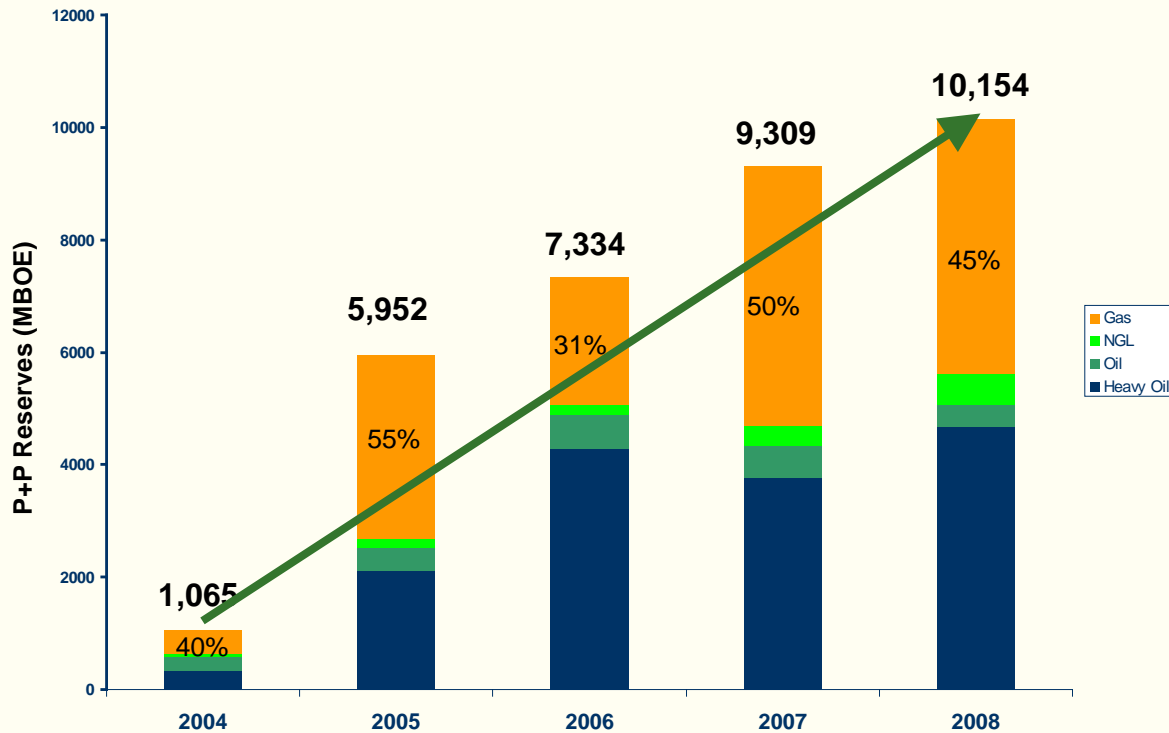
Funds from Operations



**2009 Q3 = \$4.4 Million
\$0.17/Share**

**2009 YTD= \$13.5 Million
\$0.52/Share**

Reserve Growth



CAGR per Share = 36%

CAGR Absolute = 76%



Drilling Results

	2007	2008	2009	2010 YTD
Heavy Oil	8 (8.0 net)	18 (18.0 net)	20 (20.0 net)	6 (6.0 net)
Light Oil	Nil	Nil	Nil	Nil
Gas	6 (3.09 net)	14 (5.3 net)	4 (2.1 net)	3 (2.1 net)
D/A	2 (1.12 net)	1 (1.0 net)	Nil	Nil
Total	16 (12.21 net)	33 (24.3 net)	24 (22.1 net)	9 (8.1 net)
Success Rate (net)	91%	96%	100%	100%

Heavy Oil Pumping Systems



Progressive Cavity Pump
(Screw pump) used on most of Rocks heavy oil wells to accommodate sand production.



Continuous Pump to Surface System used on a few of Rocks heavy oil wells that have particularly high sand production