



2010: A Year of Growth

**SOLID OIL FOUNDATION
AND LONG-TERM GAS
RESOURCE POTENTIAL**

May 2010

rockenergy

A Summary of Rock Energy

Rock is an oil company with two core areas:

Plains

- Heavy oil and shallow gas
- Build production and prospect inventory
- Prove up enhanced recovery techniques
- Maximize Alberta Royalty Incentive Program
- 120 drilling locations
- 40-50 recompletion candidates

West Central Alberta

- Deep Basin multi-zone stacked gas and light oil
- Potential for horizontal multi-stage development
- Emerging resource play (Montney, Nikanassin) at Elmworth
- 100 vertical drilling locations
- 2-4 horizontal drilling locations for 2010
- Over 300 potential horizontal drilling locations

Corporate Profile

Stock exchange: TSE — Symbol RE
Current stock price trading range \$5.00-5.40/share

Capital structure:	Common stock	(basic)	30.6 MM
		(fully diluted)	33.0 MM
	Market capitalization		\$150-\$170 MM
	Net debt (Mar 31/10)		\$32.0 MM
	Total bank lines available		\$50.0 MM

Production (boe/d, 64% oil)	(Q1/2010)	3,524
	Current	3,700-3,800

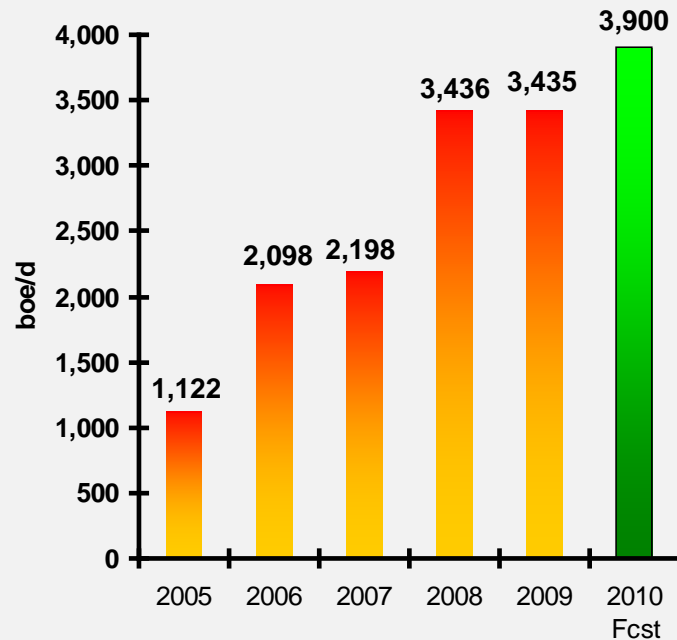
Reserves (P+P, 55% oil)	(Dec. 31/09)	10.7 MMBOE
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Land @Dec 31/09	(gross undeveloped acres)	135,000
	(net undeveloped acres)	84,680

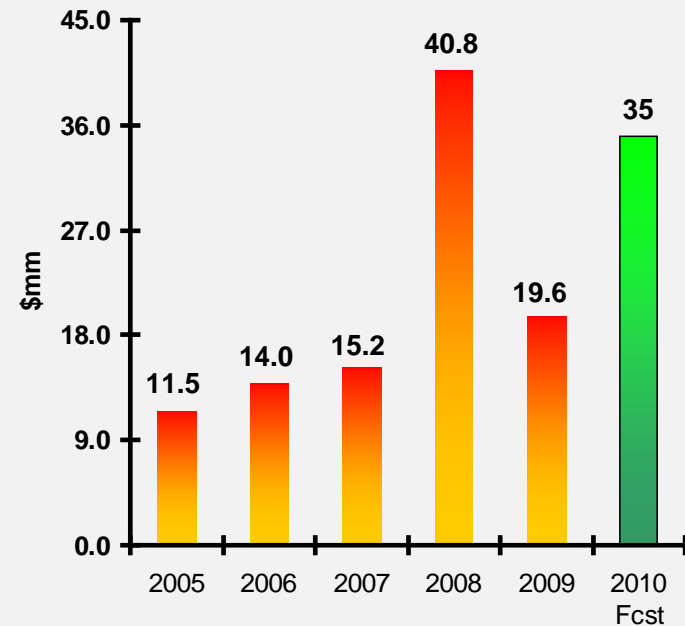
Tax pools	(Mar. 31/10)	\$120 MM
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Historical Performance

Production (boe/d)



Funds from Operations (\$mm)



Two Key Points

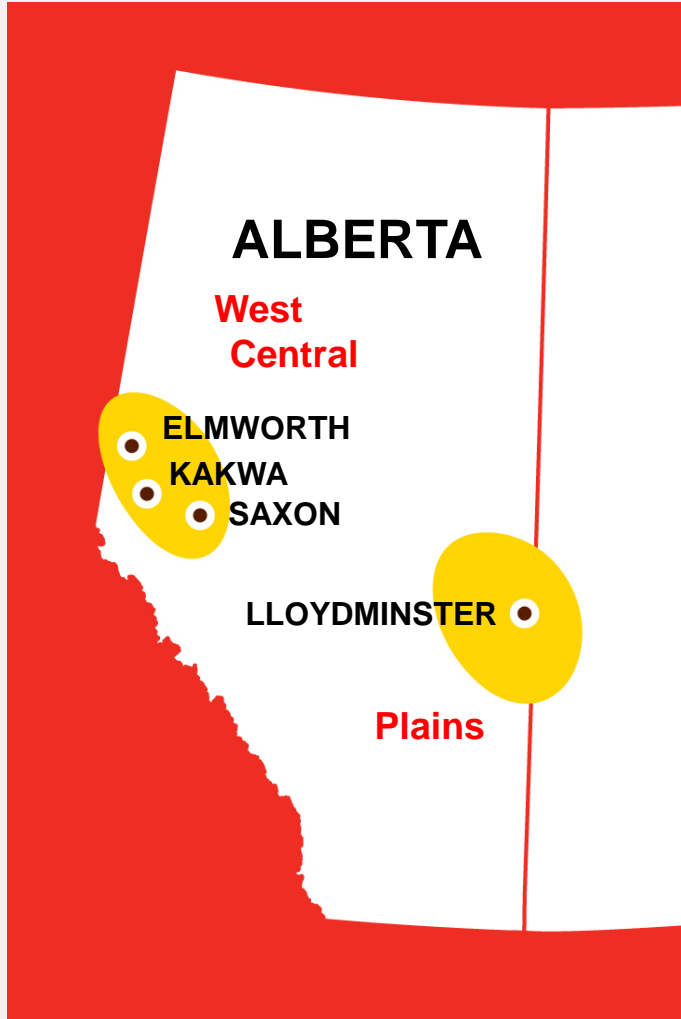
Heavy Oil

- Current prices are generating a field netback of over \$35.00/boe and re-cycle ratios of 3 to 6 (with the Alberta Drilling Credits)
- Heavy oil wells payout in less than one year and generate an IRR of over 250%
- Rock is making progress in improving recovery factors with new drilling and completion techniques that could significantly increase reserves
- Rock has 120 drilling locations and 40-50 recompletion candidates

Emerging Elmworth Resource Play

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

Areas of Operations



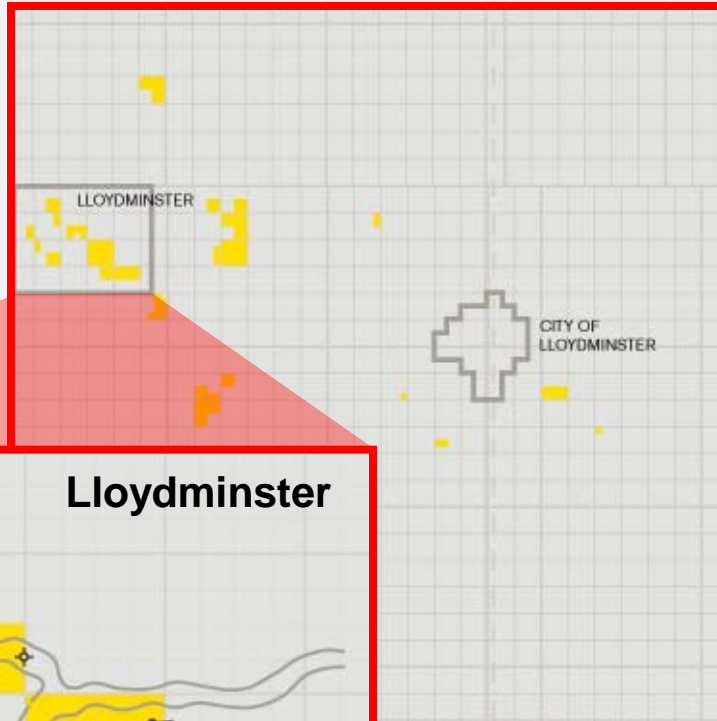
Plains

- Heavy oil & shallow gas
- Mannville Group
- 500-1,000 meters deep
- 120 drilling locations
- 40-50 recompletion candidates

Heavy Oil Drilling Opportunities

Primary Zones

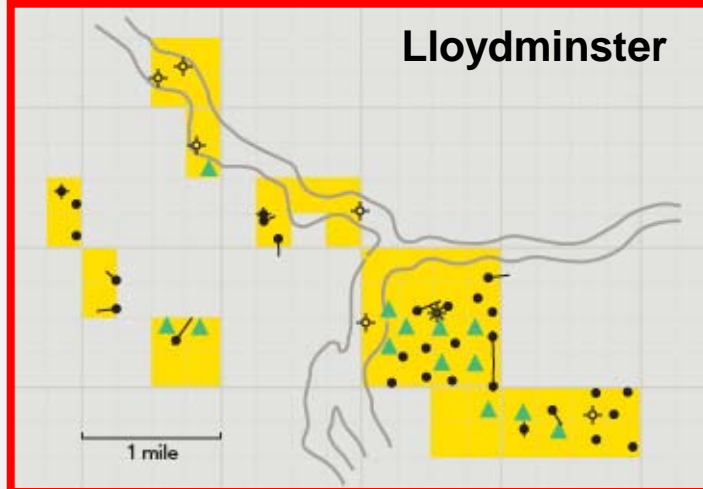
Colony
McLaren
Waseca
Sparky
GP



Neilburg



Lloydminster



- Rock Lands
- Proposed Drilling Location
- Vertical Producing Well
- Directional Producing Well

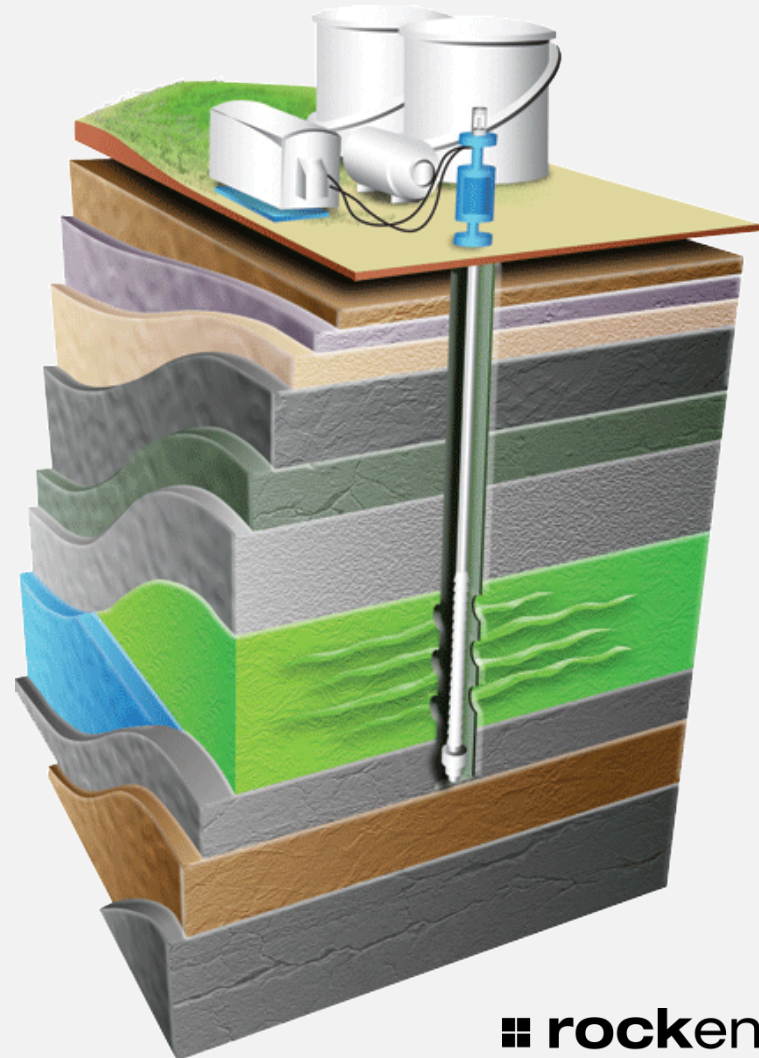
120 drilling locations

40-50 recompletion candidates

Heavy Oil Completion Techniques

Cold Flow Production

- Progressive cavity pumps
- Worm holes
- High initial sand production
- Increased recovery factor





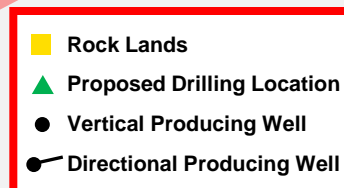
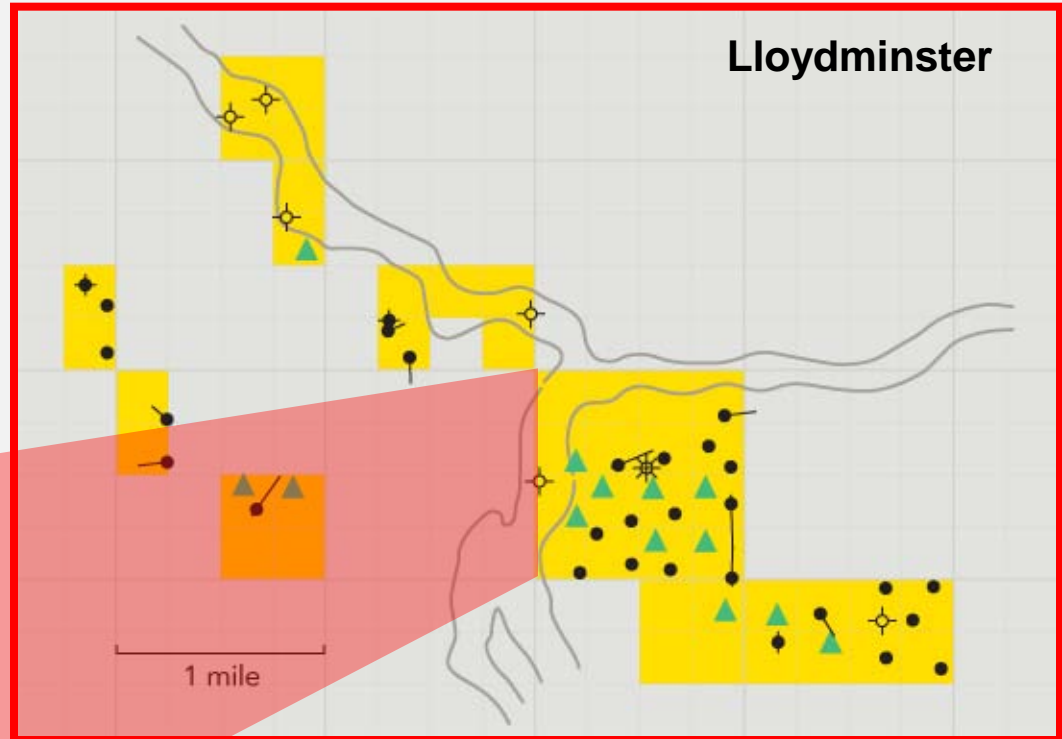
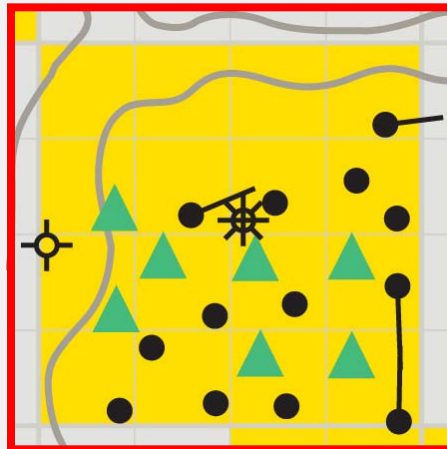
Increasing Oil Recovery – Reduces F&D

- 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.

Drilling Techniques

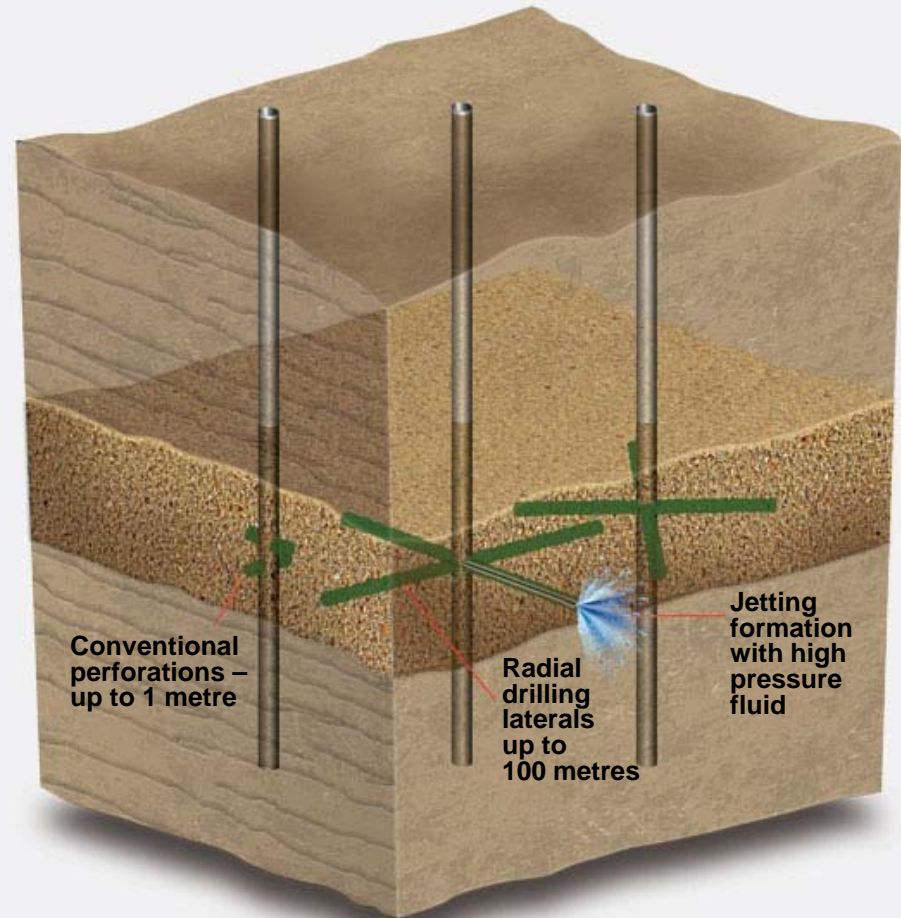
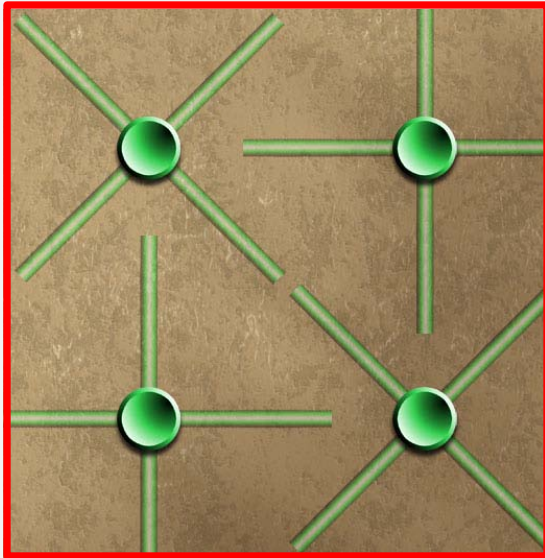
- Improve zonal isolation with better cement jobs
- Down space sooner – before extensive wormhole development



Heavy Oil Completion Techniques

Radial Drilling

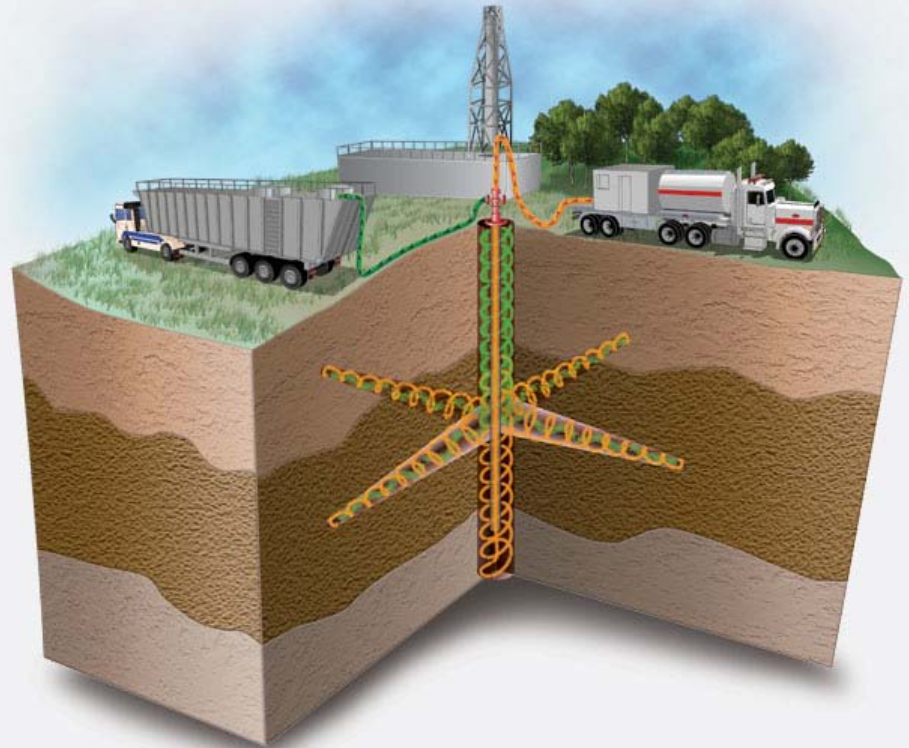
- Hydraulically jets a 2.5-cm-diameter horizontal leg up to 100 metres from wellbore in four or more directions
- Acts as controlled worm hole
- Cost: \$50,000-\$100,000 per well
- Return: 3-5% increase in recovery — or 30,000-50,000 barrels additional reserves



Heavy Oil Completion Techniques

Foam Stimulation

- Restores and improves production levels
- Surfactant foam injected into reservoir through worm holes; surfactant can reduce relative viscosity of heavy oil near the wellbore and assists in recovering and lifting sand and other debris from wellbore
- Cost: \$25,000-\$50,000 per well
- Return: Additional 10,000-30,000 barrels of reserves



Heavy Oil Netbacks

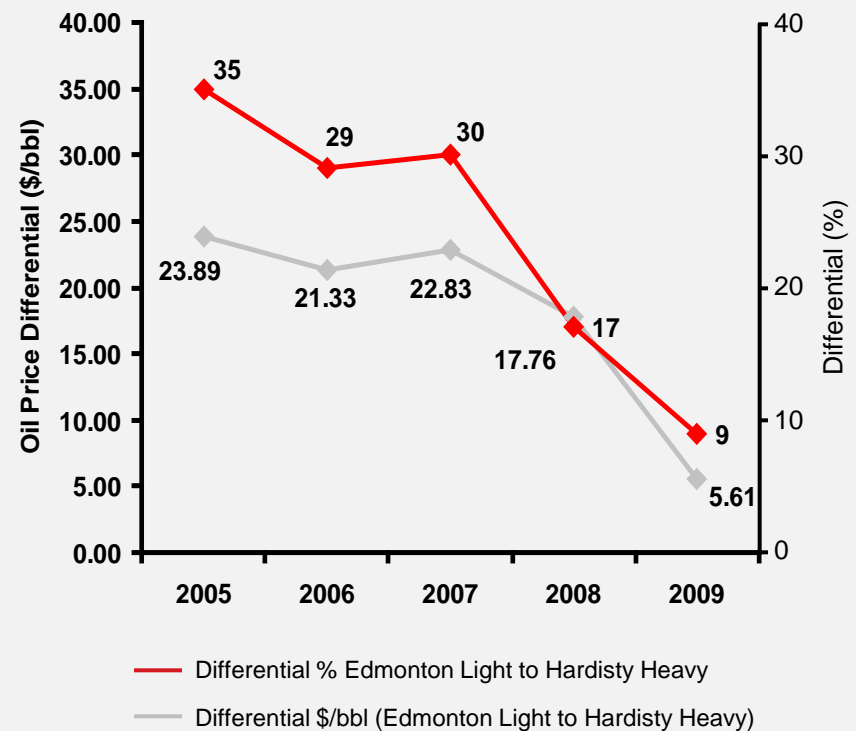
	<u>2009</u>	<u>Q1/2010</u>
Edmonton Par	\$65.90	\$80.07
Western Canada Select	\$58.66	\$72.54
Heavy oil wellhead price	\$53.31	\$65.20
Less		
Royalties	\$9.60	\$13.04
<u>Operating costs</u>	<u>\$16.07</u>	<u>\$19.00</u>
Netback field price	\$27.64	\$33.16
Historic F&D	\$12.55	\$12.55
Recycle ratio	2.2	2.6
F&D with Drilling Credits	\$5.00-\$7.00	\$5.00-\$7.00
Recycle ratio	5.5-3.9	6.6-4.7

Heavy Oil Economics

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

Historical Crude Oil Differentials



Heavy is the New Light

2010 Current Estimate



ROCK HISTORICAL
HEAVY OIL FD&A COST
\$12.55/bbl

ESTIMATE CARDIUM
PLAY TYPE FD&A
\$25.00/bbl

RECYCLE RATIO
2.6 times

RECYCLE RATIO
1.9 times

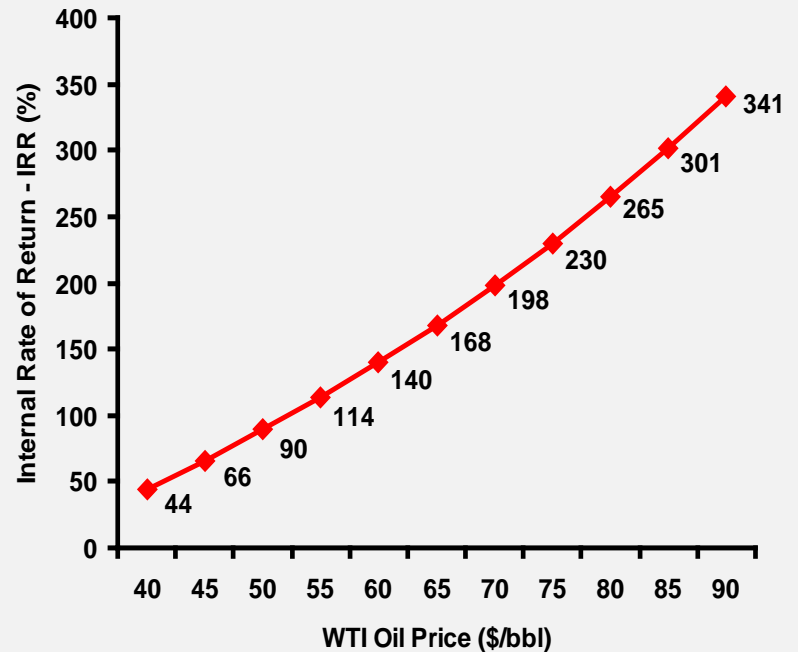
Plains Core Area

Current production	2,100+ boepd
DCET cost	\$500 thousand
less Alberta Royalty Incentive	\$150 thousand
Net cost	\$350 thousand
Initial rate	30-50 boepd
Average P+P reserves/well	50-70,000 boe (recoverable)
Payout	less than 1 yr
IRR	>250%
NPV per well	\$1.4 million

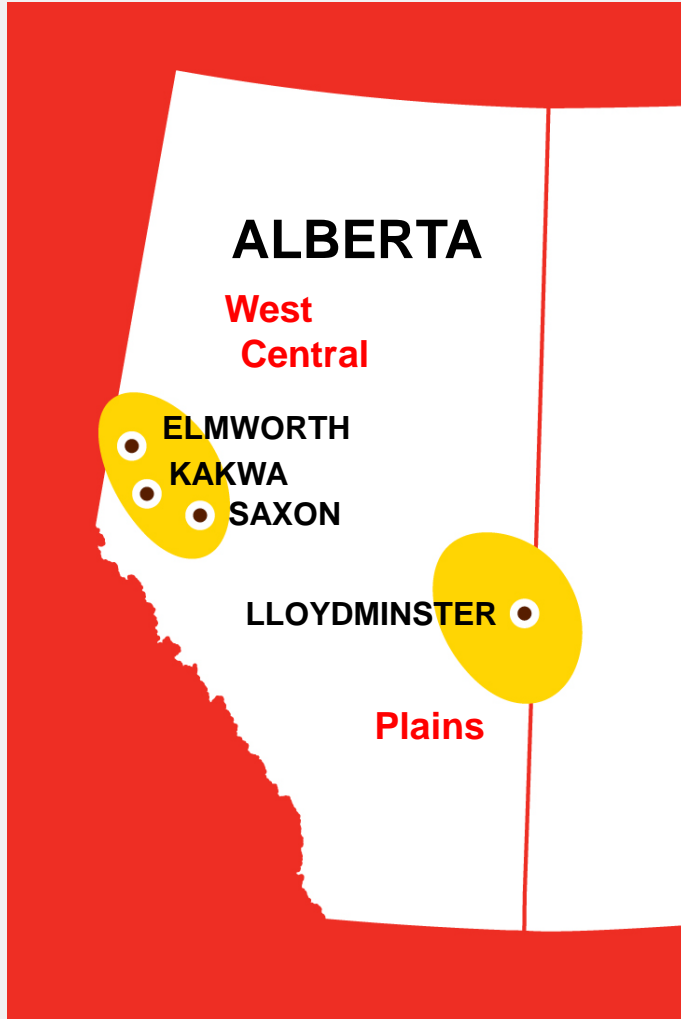
2010 Plans

- Drill 30 wells
- Recomplete 15-20 wells
- Take advantage of royalty incentives
- Continue to build drilling inventory
- Explore enhanced recovery techniques

Heavy Oil Economics



Areas of Operations



West Central

- Multi-zone stacked gas and light oil in the Deep Basin
- 100 vertical drilling locations
- 2-4 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/mmscf
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



- Rock Lands
- Proposed Vertical Drilling Location
- 2010 Vertical Drilling Location
- Proposed Nikanassin Horizontal Location
- Proposed Montney Horizontal Location
- Montney Penetration Well
- Nikanassin Producer
- Montney Horizontal Well
- 3D Seismic

Current production
450-500 boepd

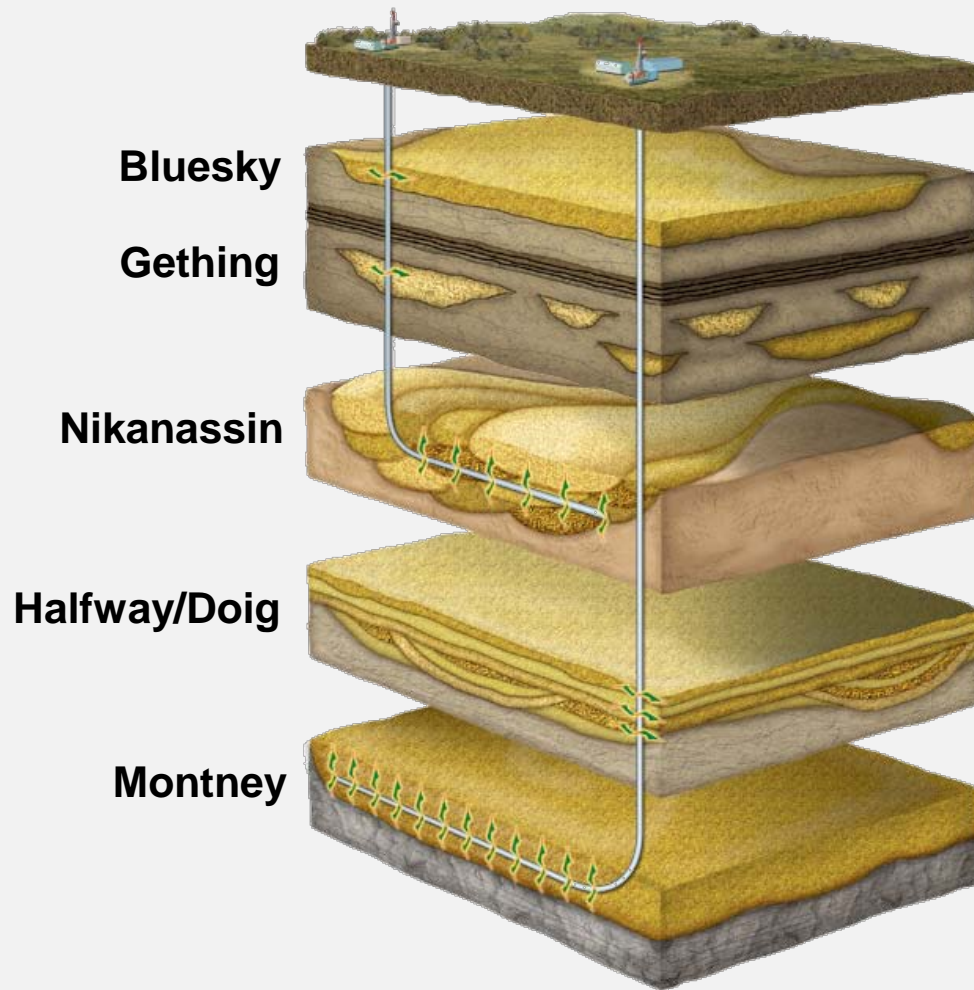
Over 40 drilling locations

Land position
64,000 gross acres
42,000 net acres
66.2 net sections

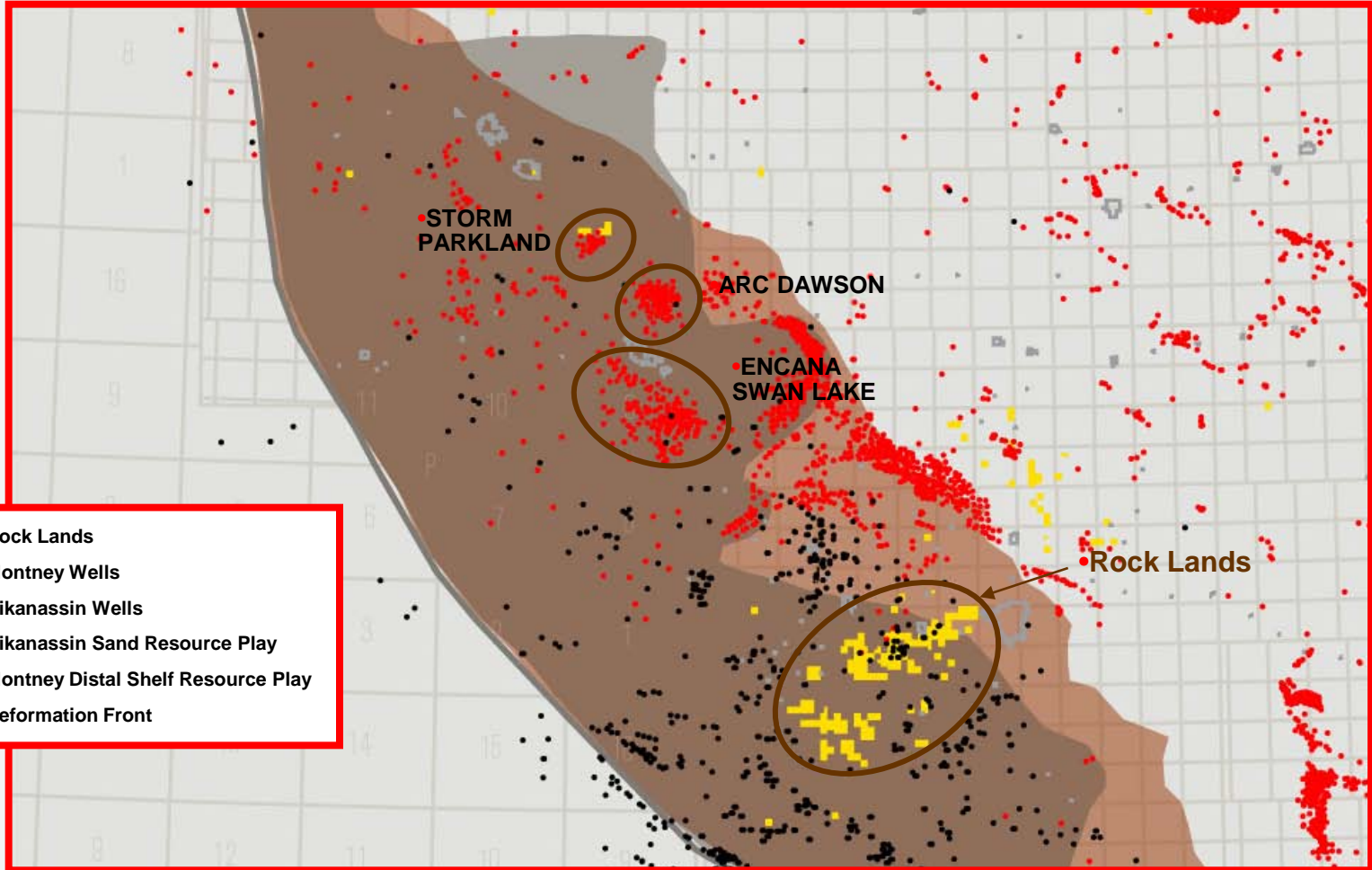
Primary targets
Bluesky
Gething
Nikanassin

Secondary targets
Halfway
Charlie Lake/Doig
Montney

Elmworth Geology

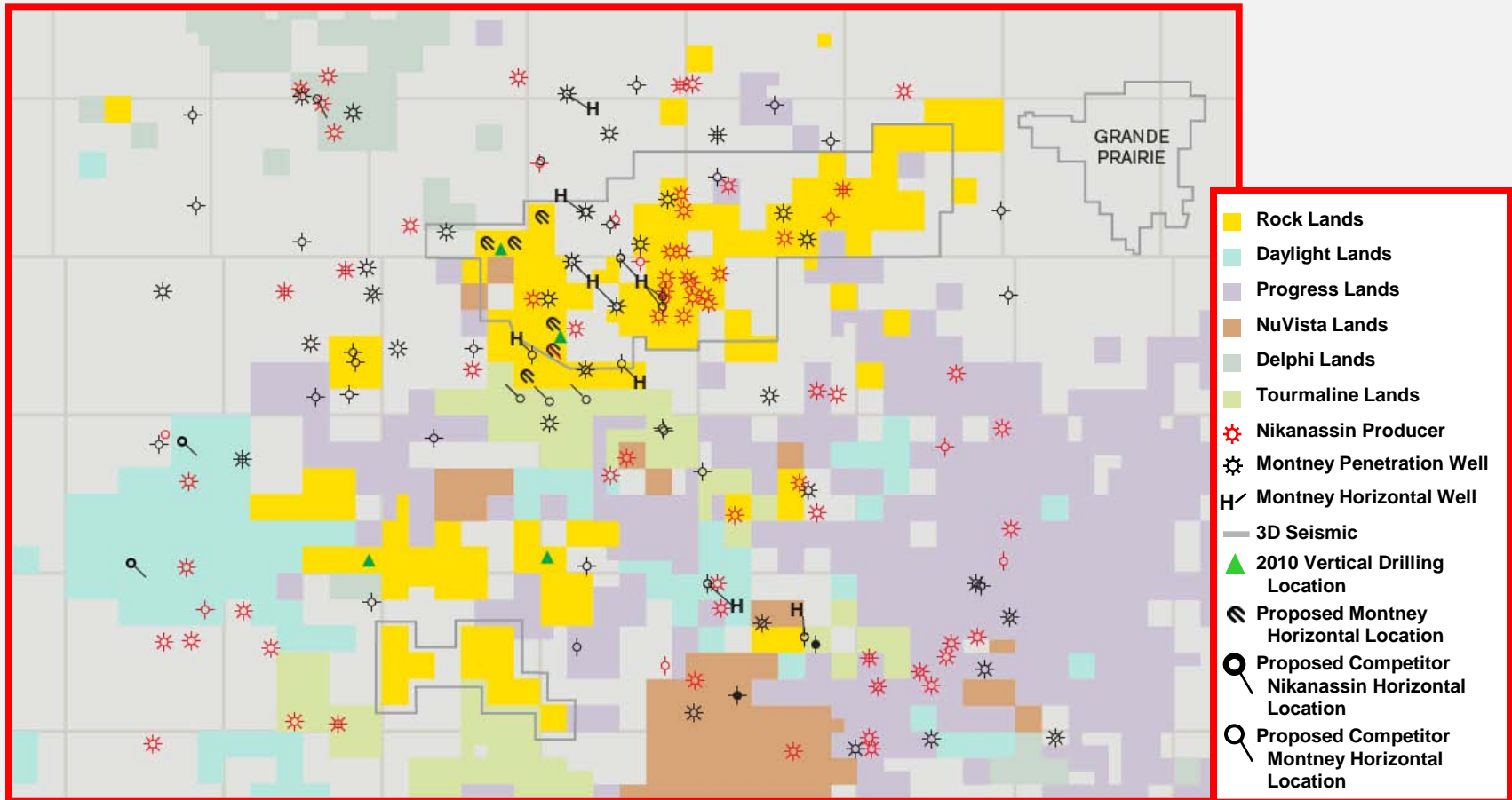


Elmworth Resource Play Fairway

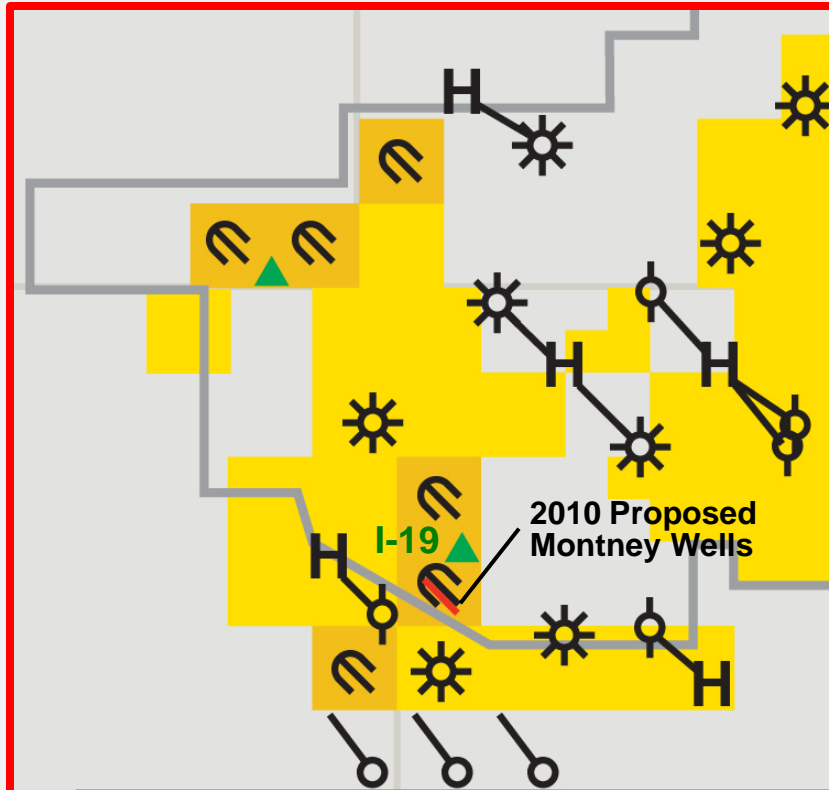


- Rock Lands
- Montney Wells
- Nikanassin Wells
- Nikanassin Sand Resource Play
- Montney Distal Shelf Resource Play
- Deformation Front

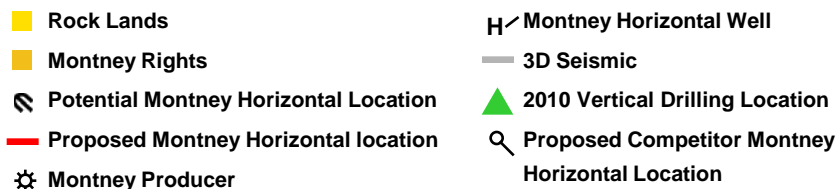
Montney/Nikanassin Prospect



2010 Horizontal Drilling Plans



- Investigate drilling cost, technology and tie-in options
- Partner with industry participant
- Drill 1-2 horizontal Montney wells
- Drill 3-4 vertical wells to prove-up resource potential for exploitation in 2011



Nikanassin/Montney Potential

(Management's Best Estimates)

	<u>Nikanassin</u>	<u>Montney</u>	<u>Total</u>
Land Position			
Gross sections	77.25	46.5	
Net sections	52.55	44.0	
Average WI%	68	94.6	
2-3 Pay Intervals			
Per Interval			
Pay thickness	10-20 m	20-30 m	
Porosity	6-12%	3-9%	
TPIIP/section	15-20 BCF	20-25 BCF	
Wells/section	3	4	
Prospective resources/well	4 BCF	4 BCF	
DCET cost/well	\$4-\$6 million	\$5-\$7 million	
Net sections	52.6	44.0	
Prospective resource potential/sect (BCF)	12	16	
Management's 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 at Dec. 31/09 totaled 10.7 MMBOE

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Rock's Growth Strategy

Near Term

Capital focused on heavy oil

- Rock has 120 low-risk drilling locations and 40-50 recompletion candidates
- Drill 30 wells in 2010
- Recomplete 15-20 wells in 2010
- Prove up enhanced recovery technology (radial drilling, foam, etc.)

Medium Term

Monitor Elmworth unconventional gas activity to prove up play

- No expiry issues on prospective land
- Monitor drilling/production results of offset wells
- Bring in partners to establish Montney and Nikanassin reserve potential and position Company for growth in 2011

Long Term

Develop a plan to exploit the resource potential of the unconventional reserve base at Elmworth and in the Plains core area

Results and Guidance

	2009 (12 months)	2010 (Q1)	Fcst 2010 (12 months)
Production avg. (boepd)	3,435	3,524	3,800-4,000
Funds from operations (\$ MM)	19.6	7.0	35
Funds/share	0.73	0.23	1.15
Capital spending (\$ MM)	20.5	13.7	41.6
Debt (\$ MM)	25.3	32.0	32.0
WTI (US\$/bbl)	61.81	78.71	85.00
AECO (CDN\$/mcf)	3.96	4.97	4.00
F/X	0.88	0.96	1.00

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

Company

FirstEnergy Capital Corp.

Macquarie Capital Markets

Wellington West Capital

National Bank Financial

Dundee Securities

Acumen Capital

Mackie Research Capital Corporation

Cormark Securities

Thomas Weisel

Rating

Outperform

Outperform

Strong Buy

Outperform

Buy

Buy

Buy

Buy

Overweight

Conclusions

- 1. Rock has laid a solid balanced foundation of production and cash flow that can finance its future growth.**

- 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 at Elmworth where management has identified significant gas resource potential**



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.



2010: A Year of Growth

Supplemental Information

Strong Management Team

Management Team

Allen J. Bey

John H. Van de Pol

Jeffrey G. Campbell

Chief Executive Officer and Director

President and Chief Financial Officer

Senior Vice President and Chief
Operating Officer

Directors

Stuart G. Clark – Chairman of the Board

Malcolm T.D. Adams

James K. Wilson

William H. (Bill) Slavin

Allen J. Bey

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

Market Profile

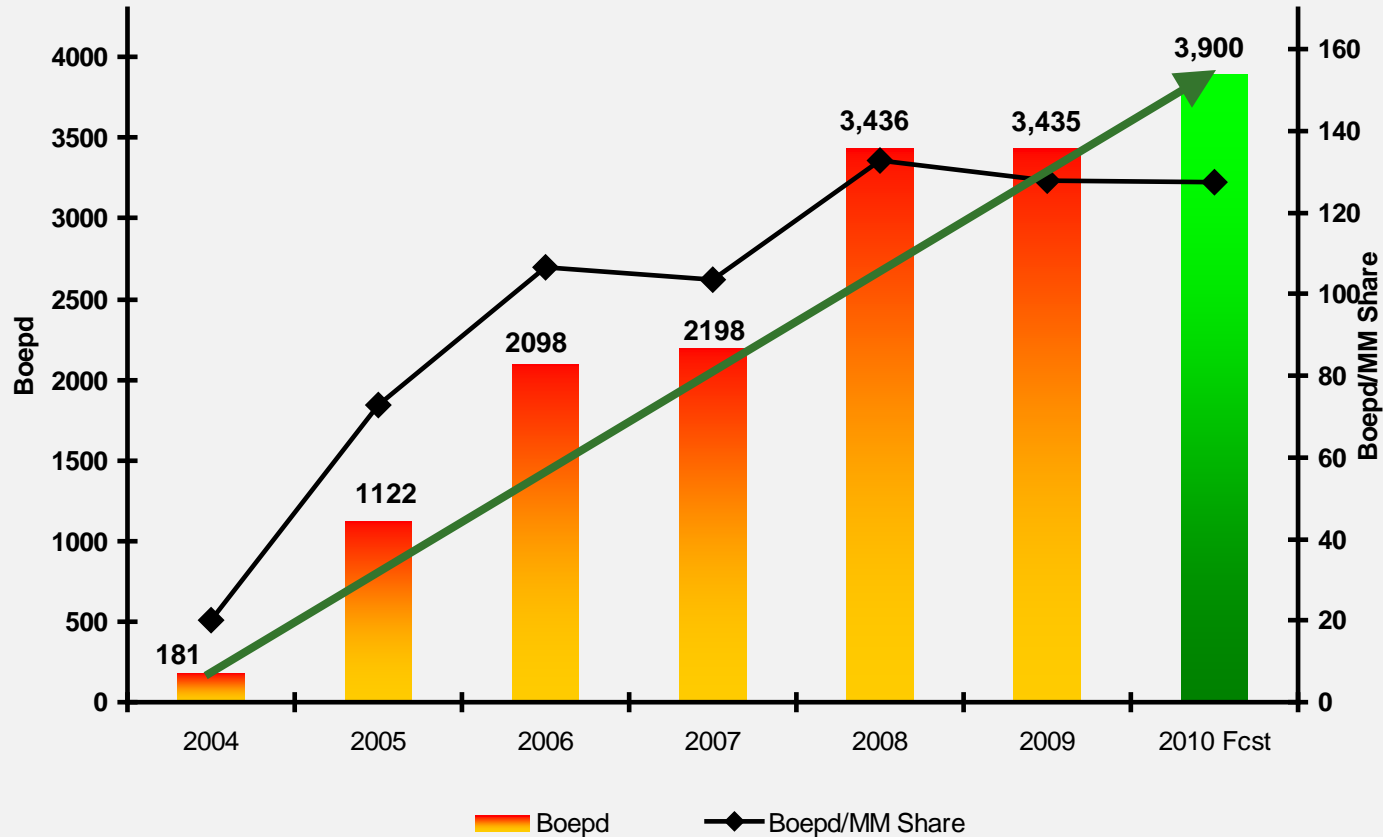
TSX stock symbol	RE	
Shares outstanding		
Basic	30.6 million	
Fully diluted	33.0 million	
Ownership	Basic	Fully Diluted
Management	7.1%	13.9%
ARC	23.8%	22.1%
Recent trading range	\$5.00–\$5.40	
Market capitalization	\$150-\$170 million	

Rock Share Price History

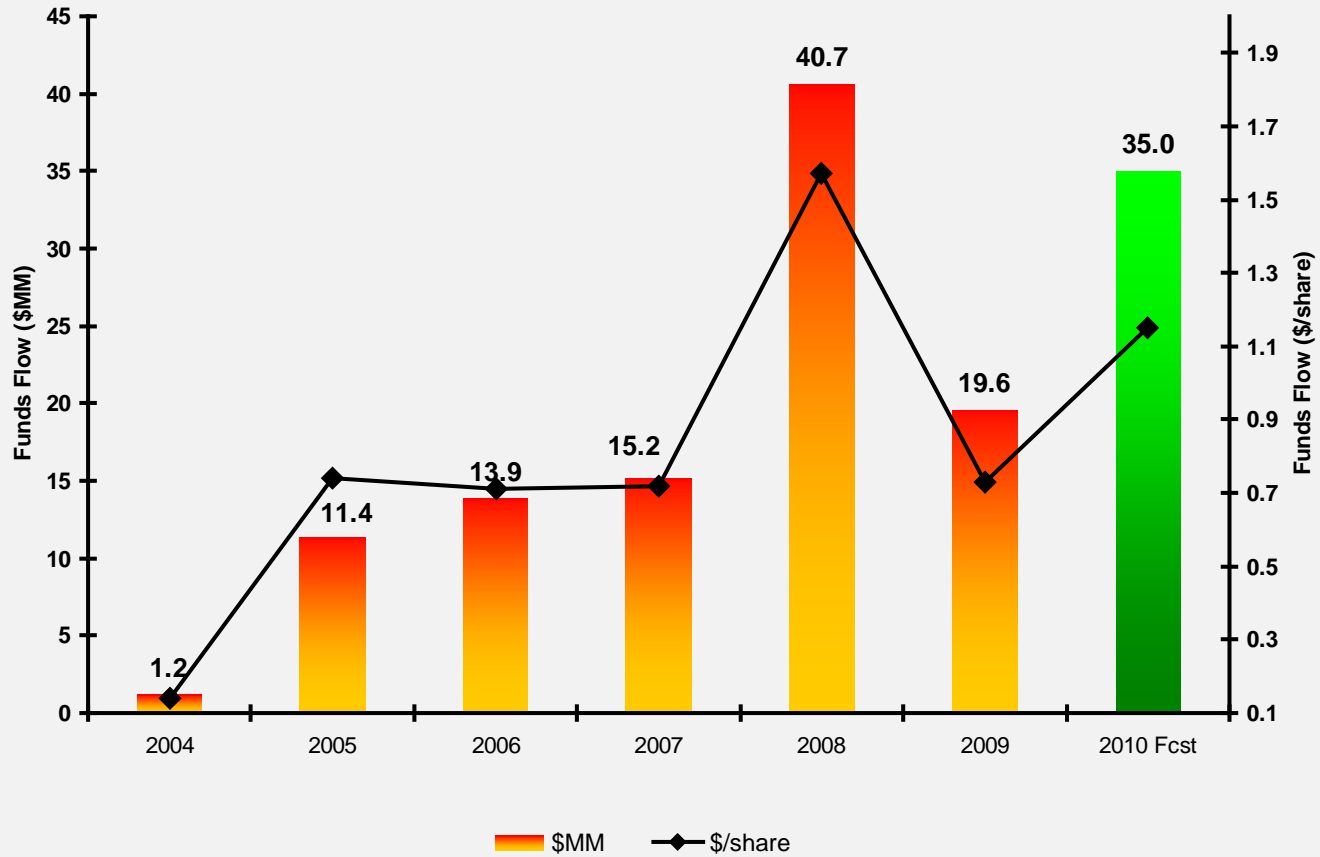
Share Price (\$)



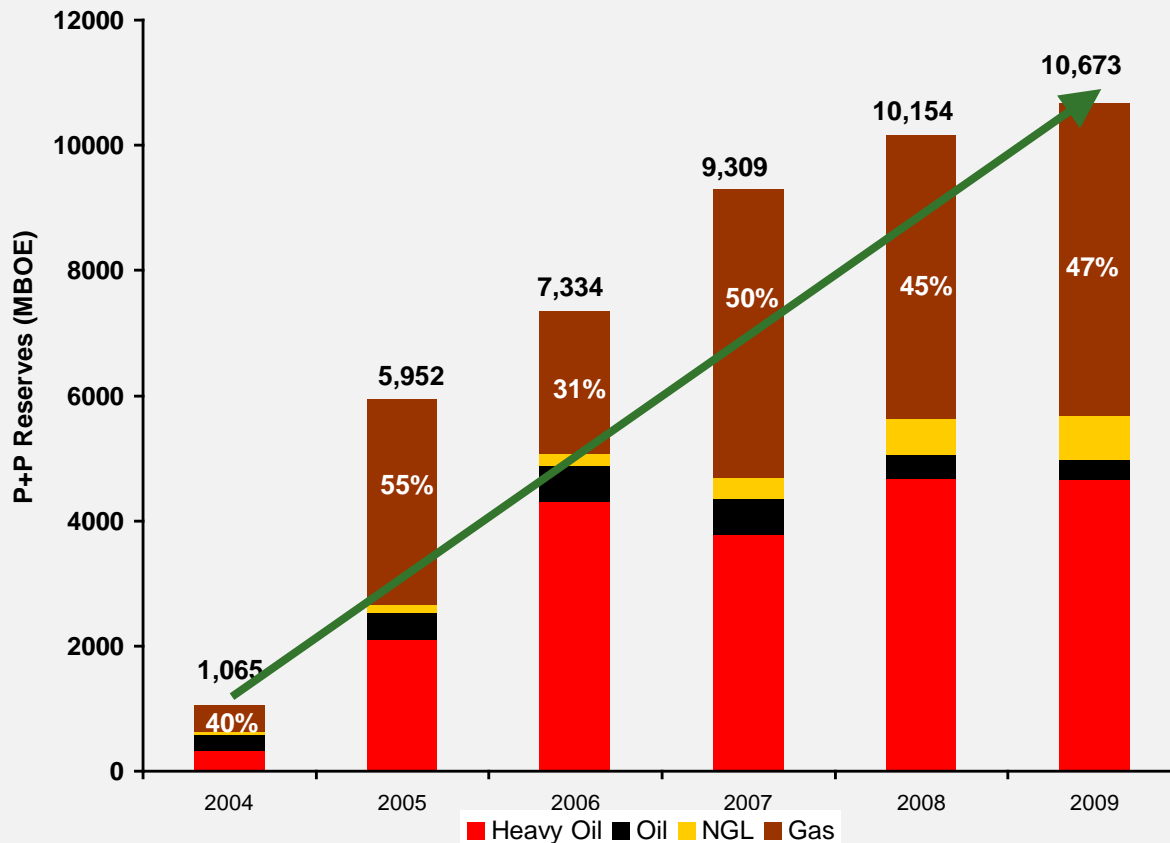
Production History



Funds from Operations



Reserves Growth



Drilling Results

	2007	2008	2009	2010 YTD
Heavy oil	8 (8.0 net)	18 (18.0 net)	20 (20.0 net)	11 (11.0 net)
Light oil	Nil	Nil	Nil	Nil
Gas	6 (3.09 net)	14 (5.3 net)	4 (2.1 net)	5 (2.3 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)	16 (13.3 net)
Success rate (net)	91%	96%	100%	100%