Liquids-Rich Montney Natural Gas Resource Play in Alberta’s Deep Basin
Q4 2012
Forward-Looking Statement

Certain information and statements contained in this presentation contain forward-looking information or statements (“forward-looking statements”) within the meaning of applicable securities laws. In particular and without limiting the foregoing, there are statements regarding Donnybrook Energy Inc.’s (the “Corporation”) the timing of expected production, the timing of testing and completion results, exploration, development, drilling plans, number of drilling locations, initial production estimates, anticipated recovery rates, payout rates, finding costs, reserve additions per well, capital expenditures, success rates, cash flow potential and resource targets. All forward-looking statements contained herein that are not clearly historical in nature constitute forward-looking statements, and the words “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “propose”, “predict”, “potential”, “continue”, or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or event to differ materially from those anticipated in such forward-looking statements. Forward-looking statements include, but are not limited to, references to oil and natural gas production levels; capital expenditure programs; the quantity and composition of oil and natural gas reserves; projections or commodity prices and costs; supply and demand for oil and natural gas; expectations regarding the Corporation’s ability to raise capital and to continually add reserves through acquisition, exploration and development and to treatment under governmental regulatory regimes and tax laws. Although the Corporation believes that the expectations reflected in any forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate and the Corporation’s actual results could differ materially from those anticipated in these forward-looking statements. These factors are based on currently available information and include, but are not limited to: volatility in the market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates; health, safety and environmental risks; stock market volatility; global economic events or conditions; and other factors, many of which are beyond the control of the Corporation. The Corporation has made assumptions Regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which the Corporation has an interest to operate the field in a safe, efficient and effective manner; the ability of the Corporation to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Corporation to secure adequate product transportation; future oil and natural gas prices; currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully manufacture its oil and natural gas products. As such, readers are cautioned not to place undue reliance on forward-looking statements as no assurance can be provided as to future results, levels of activity or achievements. This risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available under the Corporation’s profile at www.sedar.com.

Past performance of the Corporation referred to in this presentation is shown for illustrative purposes only, does not guarantee future results of the Corporation and is not meant to forecast, imply or guarantee the future performance of the Corporation, which will vary. Readers are cautioned that the foregoing list of factors affecting forward-looking statements is not exhaustive. Furthermore, the forward-looking information and statements are made as of the date of this presentation, and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking information or statements, whether as a result of new information, future events or otherwise, expect as required by applicable law. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

A boe conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency for the individual products at the wellhead. Such disclosure of boe’s may be misleading, particularly if used in isolation.
Corporate Highlights

- Focused, high-quality Montney land position
  - 46 gross (22.4 net) sections in the liquids-rich Montney gas fairway in Alberta’s Deep Basin, one of the most geologically favourable Montney positions in the WCSB

- De-risked land base
  - Donnybrook and industry drilling have de-risked over 2/3 of Donnybrook’s land base in the Simonette / Resthaven and Bigstone areas

- Near-term, organic cash flow potential
  - Extensive infrastructure in immediate area positions Donnybrook’s assets well for near-term growth in production and cash flow through the drill bit

- Growing production base
  - Current production\(^{(1)}\) of ~317 boe/d from 5 gross (2 net) wells with additional production from 2 gross (0.95 net) wells expected by Q1 2013

- Sizeable booked resource
  - An independent study across a portion of Donnybrook’s 14,295 net Montney acres assigned Total Proved plus Probable and Best Estimate Contingent Resource of ~62 Bcf sales gas and ~2,050 Mbbl of condensate and NGLs\(^{(2)}\)

- Significant growth potential
  - Greater than 80 net potential Montney horizontal drilling locations

- Zero debt

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\(^{(1)}\) Q3 2012 average production, includes equivalent production for GORRs

\(^{(2)}\) GLJ Reserves and Resource Assessment effective April 30, 2012
Regional Overview

- **Top-Tier North American Resource Play**
  - Montney supply cost is among the lowest in North America

- **Focused Montney Position:**
  - Simonette / Resthaven: 18.9 net sections (12,055 net acres)
  - Bigstone: 3.5 net sections (2,240 net acres)

- **Large In-Place Resource:**
  - 20+ Bcf gas/section + 1,200 Mbbl NGLs/section
Montney Overview

Commentary

- Donnybrook’s Montney properties at Simonette / Resthaven and Bigstone are located in Deep Basin region of West Central Alberta, an area of increasing industry activity.

- The primary target in both regions is the Upper Montney, which is a silica-rich silty sandstone.

- Simonette - Resthaven
  - Located in the Montney over-pressured window with pressure gradient ranging from 10-12 kPa/m.
  - High silica and dolomite content, which allows for improved fracture stimulations.

- Bigstone
  - Excellent porosity, which yields drilling rate of penetration (ROP) of up to 20 metres per hour.
  - High ROP allows for “extended reach” horizontal wells across two sections to be drilled economically.
Note: Rates indicated represent gas and free liquids test rates as per company public disclosure

(1) One of several wells reported on Aug. 4, 2010 in Karr-Gold Creek; IPs range from 1.5 - 13.4 MMcf/d + 75 - 670 bbl/d (all at 50 bbl/MMcf free liquids)

(2) ~55 bbl/MMcf free condensate expected based on intermittent in-line production testing

(3) 510 bbl/d condensate and load fluid

(4) ~50 bbl/d NGLs
Simonette / Resthaven - Overview

Key Attributes

- 12,055 net concentrated acres (average WI of ~50%)

- Current net production\(^{(1)}\) of ~210 boe/d
  - Approximately 160 boe/d initial production expected from Resthaven 11-27 in Q1 2013\(^{(2)}\)

- Total Proved plus Probable Reserves of 4,714 Mboe (16% liquids) and Best Estimate Contingent Resource of 3,971 Mboe (16% liquids)\(^{(3)}\)

- Opportunity to drill greater than 150 gross (~75 net) horizontal locations at four wells per section

- Attractive royalty incentives
  - Wells qualify for both Alberta New Well Royalty Rate and Natural Gas Deep Drilling Program

- Ideally situated in close proximity to existing infrastructure, with increased liquids pricing at Simonette through Aux Sable agreement

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\(^{(1)}\) Q3 2012 average production

\(^{(2)}\) Initial production rate forecast based on intermittent in-line testing

\(^{(3)}\) GLJ Reserves and Resource Assessment effective April 30, 2012
Simonette / Resthaven - Operations and Future Plans

- **Q1 2011**
  - Simonette Hz 02-22 (25% WI) tested and put on-stream
    - Additional 7.5% GORR BPO / 50% APO
    - Tested at gross rates of 6.4 MMcf/d + 100 bbl/d free condensate
      (1)

- **Q3 2011**
  - Resthaven Hz 11-27 (70% WI) tied-in

- **Q4 2011**
  - Simonette Hz 08-22 (50% WI) tested and put on-stream
    - Tested at gross rates of 250 bbl/d 43° API oil + 1.5 MMcf/d gas

- **Feb 2012**
  - Resthaven Hz 11-27 (70% WI) put on-stream
    - Tested in-line intermittently at gross rates of 1 MMcf/d gas and 60 bbl/d free condensate
      (2)
  - Simonette Hz 01-11 (50% WI) tested
    - Drilled to a total MD of 5,027 m, completed with a 16-stage frac over a lateral length of 1,829 m
    - Tested at gross rates of 8.9 MMcf/d gas and 40 bbl/d free condensate and load fluid
      (3)

- **Mar 2012**
  - Simonette Hz 01-11 (50% WI) tied-in and put on production

- **H1 2013**
  - Fourth Simonette Montney horizontal well (50% WI) anticipated to spud

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(1) Average rate after three days of cleanup
(2) High line pressure of gathering system is affecting well’s ability to flow consistently
(3) Average flow rate at end of seven day test
Bigstone - Overview

Key Attributes

- 2,080 net concentrated acres
  - Operated, 50% WI in six gross sections
  - Two pooled sections with 25% WI (operated drilling)

- Current net production\(^{(1)}\) of \(~106\) boe/d
  - Bigstone 13-33 expected to be on-stream in Q4 2012

- Total Proved plus Probable Reserves of \(1,217\) Mboe (18% liquids) and Best Estimate Contingent Resource of \(2,442\) Mboe (17% liquids)\(^{(2)}\)

- Opportunity to drill 13 gross (5.75 net) extended reach horizontal wells across two sections
  - Reduces well density by 50%, increases cost efficiency, and reduces surface environmental footprint

- Attractive royalty incentives
  - Wells qualify for both Alberta New Well Royalty Rate and Natural Gas Deep Drilling Program

- Extensive infrastructure surrounding land, including Donnybrook operated surface facilities at 03-29 and 04-28

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\(^{(1)}\) Q3 2012 average production

\(^{(2)}\) GLJ Reserves and Resource Assessment effective April 30, 2012
Bigstone - Operations and Future Plans

**Jun 2012**
- Bigstone Hz 14-29 (25% WI) put on-stream
  - Additional 10% GORR on 75% BPO / 50% APO
  - Tested at gross rates of 4.3 MMcf/d gas + 295 bbl/d free condensate
  - Average gross initial production of 1.6 MMcf/d gas + 73 bbl/d free condensate

**Jul 2012**
- Bigstone Hz 15-32 (50% WI) put on-stream
  - Tested at gross rate of 1.1 MMcf/d gas + approximately 50 bbl/d NGLs
  - Initial production 1.8 MMcf/d gas + 153 bbl/d free condensate
  - Only 6 / 23 fracs completed successfully - well completion does not reflect quality of reservoir encountered

**Sep 2012**
- Bigstone Hz 13-33 (25% WI) tested
  - Drilled to a total MD of 5,335 m, completed with a 23-stage frac over a lateral length of ~2,600 m
  - Tested at gross rates of 2.9 MMcf/d gas and 510 bbl/d free condensate and load fluid
  - Expected to be tied-in into the DEI operated Bigstone pipeline system and on-stream in Q4 2012

**H1 2013**
- Fourth Bigstone Montney Donnybrook operated extended reach horizontal well (50% WI) anticipated to spud

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(1) Average rate over first 42 days of operation; additional 30-35 bbl/MMcf NGLs expected to be extracted at plant
(2) Average rate over first seven producing days
(3) Average flow rate during final 24 hours of a 32 hour and 15 minute test; 75% load fluid recovered to September 5, 2012
Montney Reserves and Resource

2P Reserves by Category

- Total 2P Reserves = 5,931 Mboe
- PDP: 431 Mboe (7%)
- Prob.: 2,694 Mboe (46%)
- PUD: 2,610 Mboe (44%)
- PNP: 196 Mboe (3%)

2P Reserves by Asset

- Bigstone
  - Liquids: 218 Mboe (4%)
  - Gas: 1,000 Mboe (17%)

- Simonette / Resthaven
  - Liquids: 774 Mboe (13%)
  - Gas: 3,940 Mboe (66%)

2P Reserves and Best Estimate Contingent Resource

- Total 2P Reserves = 5,931 Mboe
- TP: 3,237 Mboe (26%)
- Prob.: 2,695 Mboe (22%)
- 2C: 6,413 Mboe (52%)

Commentary

- Material recoverable Montney liquids-rich gas resource that has largely been de-risked
- GLJ Assessment across a portion of Donnybrook’s Montney interest land yielded 2P Reserves + 2C Resource of 12,344 Mboe with a BT NPV10 of $111.3MM\(^{(1)}\)
- Additional unbooked upside - more than 70 potential net locations at Simonette and Resthaven

\(^{(1)}\) GLJ Reserves and Resource Assessment effective April 30, 2012
## Experienced Management Team

- **Malcolm Todd, President, CEO & Director**
  - Over 25 years of experience in senior positions with private and publicly traded oil and gas companies including Prairie Exploration through its sale in 2010 and Prairie Pacific Energy through its sale in 2006

- **Murray Scalf, COO & Director**
  - Experience in building oil and gas exploration and production companies over the past 25 years; many of which were ultimately acquired by intermediate producers, including Dorado Energy, Denim Exploration Corp., and Dorchester Energy Inc

- **Terry Skilnick, Geologist**
  - Geologist with over 12 years experience of successfully identifying economic resource opportunities; three junior oil and gas companies built on his qualified recommendations and insight, including Denim Exploration, which was ultimately sold in 2005

- **Robert Todd, CFO**
  - Over 25 years of experience in senior positions with private and publicly traded natural resource companies including Prairie Exploration through its sale in 2010 and Prairie Pacific Energy through its sale in 2006

## Strong Board of Directors

- **David Patterson, Chairman and Director**
  - Chairman of Donner Metals Ltd.

- **Randy Kwasnicia, Director**
  - Director of Total Energy Services Inc.

- **Ken Stephenson, Director**
  - Director of Calvalley Petroleum Inc., US Oil Sands Inc.

- **Colin Watt, Director**
  - President and CEO of Lynden Energy Corp.

- **Malcolm Todd, President, CEO & Director**
  - President, CEO and Director of Donnybrook Energy Inc.

- **Murray Scalf, COO & Director**
  - COO and Director of Donnybrook Energy Inc.
### Corporate Summary

#### Capitalization Summary (TSXV: DEI) (1)

*(millions unless otherwise stated)*

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<th>Share Price (C$/sh) (2)</th>
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<td>Shares Outstanding</td>
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<td>Basic</td>
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<td>Options (3)</td>
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<tr>
<td>FD Shares Outstanding</td>
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<td><strong>Market Capitalization</strong></td>
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<td>Less: Positive Net Working Capital (4)</td>
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<td><strong>Enterprise Value</strong></td>
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(1) As per company financial statements for the period ended June 30, 2012
(2) November 20, 2012 market close
(3) Treasury Stock Method
(4) Current Liabilities - Current Assets

#### Dilutive Securities

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<td><strong>TSM - Dilution</strong></td>
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**Total Dilutive Securities** **17.0**

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#### Key Attributes

- Approximately 12% of the corporation’s shares are held by insiders
- Resource tax pools of approximately $39MM (5)
- Debt free
- Resource Study completed with Total Proved plus Probable and Best Estimate Contingent Resources BT NPV10 of $111.3MM

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(5) As at October 9, 2012
Conclusion

- Concentrated asset base
- Material, liquids-rich gas resource potential
- Significant growth potential - greater than 80 net potential drilling locations
- De-risked, development ready assets
- Top decile WCSB play economics
- Debt free company
- Additional development drilling planned in H1 2013
Corporate Information

Bank: ATB Financial (Calgary, Alberta)
Legal: Borden Ladner Gervais LLP. (Calgary, Alberta)
Engineering: GLJ Petroleum Consultants Ltd. (Calgary, Alberta)
Fekete Engineering Software & Services (Calgary, Alberta)
Transfer Agent: Computershare Limited

Donnybrook Energy
700, 717-7th Avenue SW
Calgary, Alberta, T2P 0Z3, Canada
Telephone: (403) 237-5700
Facsimile: (403) 265-3506

mfwtodd@donnybrookeenergy.ca