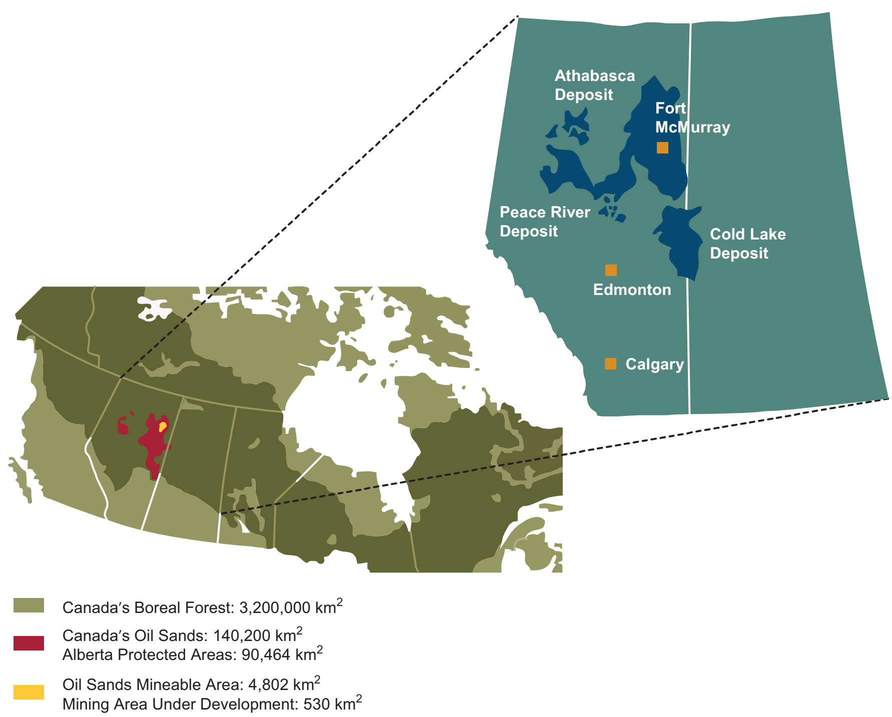
SUMMARY

This summary aims to give you an overview of the information contained in this Prospectus. Since this is a summary, it does not contain all of the information that may be important to you. You should read the whole Prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section entitled "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are as confirmed by GLJ[(1)] the largest holder of non-partnered Oil Sands Leases by area in the Athabasca oil sands region. Since our incorporation on 22 February 2007, we have secured over 464,897 hectares of Oil Sands Leases (equal to approximately 7% of all granted leases in this area). Athabasca is the most prolific oil sands region in the Province of Alberta, Canada. Canada's oil sands represent the largest oil resource found in a stable political environment located in the western hemisphere and the third largest oil resource in terms of oil reserves in the world, with 169 billion bbls of estimated reserves. Moreover, the Canadian oil sands provide the largest supply of oil to the United States.



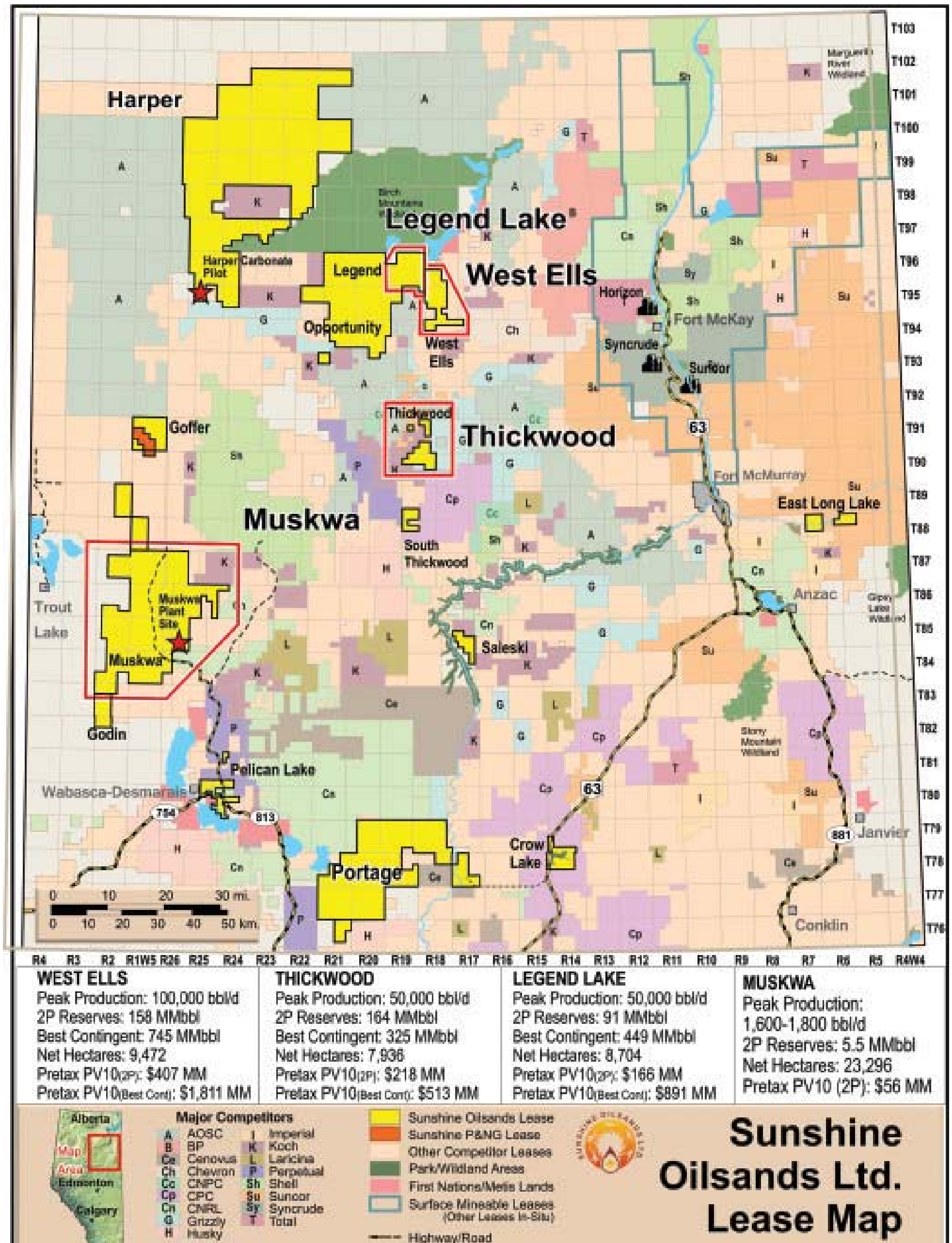
We are headquartered in Calgary, Alberta. Our principal operations are the exploration, development and production of our diverse portfolio of Oil Sands Leases. Our seven principal operating regions in the Athabasca area are at West Ells, Thickwood, Legend Lake, Harper, Muskwa, Goffer and Portage. In addition, we have non-principal areas with no immediate development plans located at Pelican Lake, East Long Lake, Crow Lake, Saleski and South Thickwood.

Note:

(1) GLJ's opinion is based on analysis of public data through GeoScout that provides access to a database with all publicly disclosed company, land, well and production data. There is no public data that is available to establish definitively our comparative position amongst both partnered and non-partnered holders of Oil Sands Leases.

SUMMARY

The map below highlights the Oil Sands Leases that we own. The summary information below the map outlines the performance statistics of our core lease areas and highlights peak production rates from our management estimates and metrics from evaluations undertaken by our Competent Persons. Please refer to the sections entitled "Business — Reserves and Resources Evaluations" and "Competent Persons' Reports" in Appendix IV to this Prospectus for more information.



Note:

(1) Peak production rates and associated net hectares are based on management's estimates.

Since we were established in 2007, we have accumulated Oil Sands Leases in the western Athabasca region. Once we had accumulated a meaningful land position, we commenced an active drilling programme and commissioned our first competent persons report in 2008. Having identified significant resources, we have since focused on establishing our base of reserves and, in parallel, we initiated a CSS pilot programme at our Harper property that effectively demonstrated oil mobility in our carbonate assets. The test was not designed to demonstrate reservoir conformance to a predictive model and has not established the Grosmont C as a commercial reservoir. The test did achieve the stated objective of mobilising bitumen through thermal stimulation, which we believe is an important initial step to understanding this deposit. We are currently attributed with 419 million bbls of 2P reserves and 3.1 billion bbls of best estimate contingent resources. We received regulatory approval from the ERCB for our first 10,000 bbl/d clastic SAGD project at our West Ells property on 26 January 2012.

We hold 467,969 hectares of leases (including all Oil Sands Leases and PNG Licences) in the Athabasca oil sands region of north-eastern Alberta. We have 100% ownership of our Oil Sands Leases, with the exception of the Shared Formations, and we expect to incur only minimal rental costs to retain them. All of our Oil Sands Leases provide mineral extraction rights and are issued for an initial 15-year term. Our first acquired leases expire in approximately 10 years. During the initial term of the lease, an annual rental expense equal to C$3.50 per hectare is payable. These leases can be held indefinitely after the initial term, upon determination by the Minister of Energy, provided certain minimum levels of exploration or production have been achieved and all lease rentals have been paid in a timely manner. For the lease areas which we plan to develop, we need to apply for regulatory approvals from the ERCB and the AEW for the construction and operation of oil sands extraction facilities. It typically takes approximately 18 months for SAGD commercial facility approvals to be received. Approvals are granted based on planned SAGD production rates and can be subsequently expanded for additional phases and periods. Having consulted with our separate Canadian regulatory counsel, we do not currently anticipate any legal impediments to obtaining all applicable licences, permits and approvals that are necessary to commence commercial production of all of our asset categories. Please refer to the section entitled "Laws and Regulations in the Industry" in this Prospectus for details of the approval process to be complied with in order to commence production on our Oil Sands Leases and the section entitled "Business" in this Prospectus for details of the predicted time frames for the development of our assets.

Our Oil Sands Leases are grouped into three main asset categories:

- *Clastics* — oil-saturated sands deposited during the Cretaceous period which contain bitumen extracted through thermal production (developed primarily using the SAGD *in situ* method);
- *Carbonates* — oil-saturated carbonate based sedimentary rock deposited during the Devonian period, with potential to be commercially produced with thermal extraction techniques and developing technologies; and
- *Conventional Heavy Oil* — oil-saturated sands deposited during the Cretaceous period that can be recovered using CHOPS or other conventional heavy oil recovery technologies.

Under all three main asset categories, current and future production of bitumen of varying viscosities and API° gravities will be sold without upgrading. Our bitumen can be upgraded into a variety of oil products, such as petroleum, diesel fuel, jet fuel, kerosene, asphalt and tar.

Development of Our Assets

Our clastic, carbonate and conventional heavy oil assets are currently at different stages of development:

- *Clastics* — Our clastic assets are currently in the development stage and are expected to enter the initial production stage in the second quarter of 2013 following the approval by the ERCB of the West Ells 10,000 bbl/d commercial application on 26 January 2012. Construction activities at West Ells have commenced, with first steam estimated to take place in the second quarter of 2013. The Thickwood 10,000 bb/d commercial application was submitted on 31 October 2011. The Legend Lake 10,000 bbl/d commercial application was submitted on 25 November 2011.

- *Carbonates* — Our carbonate assets are currently in the exploration stage. Further delineation drilling and pilot work is required to fully understand the carbonate assets and to identify the best development areas and extraction technologies to maximise their production potential and economic value. The pilot project results will allow us to enhance our ability to define detailed commercial development plans for our carbonate properties.

- *Conventional heavy oil* — Our conventional heavy oil project at Muskwa is in its pre-production stage with additional pads being drilled to progress the development plan and increase production capacity to the expected rates of between 1,600-1,800 bbl/d by the end of 2012.

The tables below highlight our management's estimates of the project life and production rates for each of our projects for the period 2011 to 2015.

Property	Development Capacity	Project Life	Production Capacity 2011	2012	2013	2014	2015
	bbl/d	Years			bbl/d		
West Ells	100,000	55	—	—	5,000	10,000	10,000
Thickwood	50,000	47	—	—	—	—	10,000
Legend Lake	50,000	44	—	—	—	—	—

	Project Life	Production[(2)] Actual			Forecast				
Property	Years	Sep 2011	Oct 2011	Nov 2011[(3)]	2011	2012[(4)]	2013	2014	2015
					bbl/d				
Muskwa[(1)]	10	418	407	411	365	1,210	1,670	1,565	1,357

Notes:

(1) Muskwa development capacities and project life will be defined through exploration drilling and fairway definition for future development. Current development plan/forecast considers 2012 pad development only for a total of seven pads and 57 wells.

(2) All production numbers in the table are based on actual or forecast average production volumes for the periods specified.

(3) 30 November 2011 exit rates greater than 800 bbl/d based on actual delivered volumes.

(4) We have forecasted exit rates of between 1,600-1,800 bbl/d on the basis of management estimates.

This Prospectus includes the estimates of our reserves and resources made by our Competent Persons. The NPVs for each of our individual properties have been included on page 8 and in Figure 3 of the section entitled "Business" on page 125 of this Prospectus and further information in respect of each of our individual Oil Sands Leases is available in the Competent Persons' Reports in Appendix IV to this Prospectus. In accordance with Canadian market practice, we have disclosed estimates of both the volumes and values of our possible reserves, contingent resources and PIIP in addition to proved reserves and probable reserves throughout this Prospectus. In order to provide this disclosure, the Stock Exchange has granted us a waiver from Rule 18.33(6) of the Listing Rules on the basis that they are commonly used metrics in the oil sands industry and the value ascribed to our contingent resources comprises a meaningful part of our value. However, none of the volumes or values of our reserves and resources have been risked for chance of development. Our best estimate contingent resources have a pre-tax PV10% of C$4.8 billion at a best estimate compared to a pre-tax PV10% of C$829 million for our 2P reserves. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations but the applicable projects are not yet considered mature enough for commercial development due to one or more contingencies. We cannot assure you that it will be commercially viable to produce any portion of the contingent resources until the projects are more mature and contingencies are eliminated through detailed designs and regulatory submissions. For more information please refer to the sections entitled "Risk Factors — Risks Relating to Our Business — There are risks associated with reserves and resource definitions" and "Waivers from strict compliance with the Listing Rules and the Companies Ordinance — Rule 18.33(6) of the Listing Rules" in this Prospectus.

The respective development schedules, production rates, capital and operating costs for each of our Base Case Clastic Assets and our conventional heavy oil assets are based on our management assumptions. Our development plan schedules, production rates and capital and operating costs for our Base Case Clastic Assets and our conventional heavy oil assets have been reviewed by GLJ and D&M (for each of the respective areas they have evaluated, as disclosed in the section entitled "Business — Reserves and Resources Evaluations — Independent reports"). Despite offsetting the development variables differently, both GLJ and D&M have given their opinion as to the credibility and validity of those plans based on their industry experience. GLJ's and D&M's evaluations of our properties and their opinions on our assumptions serve, at a minimum, as scoping studies for each area.

Clastics

The initial development of our clastic assets will involve the exploration, appraisal, development and production of our West Ells, Thickwood and Legend Lake sites (the "**Base Case Clastic Assets**"). On the basis of our management assumptions, we have forecasted that our Base Case Clastic Assets will have a total productive life of over 50 years and a peak production of approximately 200,000 bbl/d for over 18 years. Our management's development plan anticipates execution of these developments in staged and scalable phases in order to carefully manage project timing and funding requirements, as well as to exploit existing established technologies and new technologies as they are developed. Our management has assumed the following summary development timetable for each site:

- *West Ells* — We received regulatory approval from the ERCB on 26 January 2012 for the 10,000 bbl/d West Ells clastics project following the issuance of a final permanent shut-in order by the ERCB in relation to a dispute on 15 December 2011. For further information, please refer to the section entitled "Statutory and General Information — B. Further Information About Our Business — 3. Legal proceedings and regulatory matters" in Appendix VI to this Prospectus. As the final shut-in order has been granted, production at West Ells will not be affected by this dispute. First steam for the first phase is estimated to take place in the second quarter of 2013. The project has an initial anticipated production rate of 5,000 bbl/d, which will be followed by an expansion of an additional 5,000 bbl/d to reach a planned production capacity of 10,000 bbl/d. Following approval of subsequent regulatory applications, a total planned production capacity of 100,000 bbl/d is anticipated from the area, with first steam of the last expansion expected by 2024. Capital expenditure at West Ells in 2012 is expected to be C$272.2 million, which will be funded through our internal cash resources as well as the net proceeds of the Global Offering. No production is expected in 2012.

- *Thickwood* — We filed a regulatory application with the ERCB for a 10,000 bbl/d commercial facility in the Thickwood project area on 31 October 2011. First steam is planned for the first quarter of 2015. Total planned production capacity for this area is 50,000 bbl/d by 2021. Capital expenditure at Thickwood in 2012 is expected to be C$13.0 million, which will be funded through our internal cash resources, as well as the net proceeds of the Global Offering. No production is expected in 2012.

- *Legend Lake* — We filed a regulatory application with the ERCB for a 10,000 bbl/d commercial development in the Legend Lake clastics project area on 25 November 2011. First steam is planned for the first quarter of 2016. Total planned production capacity for this area is 50,000 bbl/d by 2022. Capital expenditure at Legend Lake in 2012 is expected to be C$16.3 million, which will be funded through our internal cash resources, as well as the net proceeds of the Global Offering. No production is expected in 2012.

In addition to our Base Case Clastic Assets, we have identified clastic exploration opportunities through our 2010/2011 winter drilling programme in the Harper and Opportunity regions and the Muskwa regions. These areas provide potential for material growth in our clastics contingent resources and with the progression of regulatory applications for these areas, additional reserves over time.

The corporate development plans for each area, including the expected development timelines, are based on our management assumptions and are set out in the section entitled "Business" in this Prospectus. The time gap between "first steam" and commercial production is due to an approximately four month steam circulation period to prepare the steam chamber and link it to the SAGD well pairs. These are normal SAGD start-up operating procedures and are described in more detail on pages 78-81 of this Prospectus. Our Base Case Clastic Assets' development timeline is shown on page 128 of this Prospectus and detailed discussions of each of our properties and their development strategies and timelines are set out on pages 131-137 of this Prospectus.

Carbonates

We do not currently have a corporate development plan for our carbonates assets as our main focus remains the development of our Base Case Clastic Assets. Current and future pilot work is expected to prove extraction technologies which we expect will enable us to further define our development plans for these assets.

However, beyond our currently defined corporate development plan, we believe that in the long term our carbonate assets have the potential to materially increase our contingent resource base and ultimately our production capacity. Unlike clastics, where technologies for commercial operations are well established, there are currently no established successful commercial scale projects in Canada that use CSS or SAGD in carbonate reservoirs; although thermal recovery has been conducted on a commercial scale in other parts of the world in different reservoir conditions, such as in Egypt. We are continuing to investigate the feasibility of thermal recovery processes based on pilot projects for our carbonate resources, and once commerciality of a given technology is proven, we will assess its applicability to our carbonate resources. In the long term, as recovery technologies continue to evolve, we plan to develop our carbonate resources, predominantly at our Harper, Muskwa, Ells-Leduc, Goffer and Portage sites. In 2010, our Harper Carbonate CSS pilot project was one of only two approved and active carbonate pilot projects in Canada and we executed the first cycle of our project during the 2010/2011 winter season. Currently, there are eight approved Carbonate pilots in Canada, of which, according to the ERCB, only three are currently operational. Our Harper Pilot has been reactivated for operation in the winters of 2011/2012 and 2012/2013 following receipt of project approval from the ERCB. The first cycle of our Harper Pilot successfully demonstrated the thermal mobility of Grosmont C bitumen in the winter of 2010/2011. The test was not designed to demonstrate reservoir conformance to a predictive model and has not established the Grosmont C as a commercial reservoir. The test did achieve the stated objective of mobilising bitumen through thermal stimulation which we believe is an important initial step to understanding this deposit.

Conventional Heavy Oil

We have identified conventional heavy oil opportunities across several areas within our land base, including Muskwa, Harper, Godin and Portage. The development of conventional oil reservoirs, which do not require thermal stimulation, benefit from the Alberta oil sands royalty structure. This provides an economic advantage over non-oil sands heavy oil, as described in the section entitled "Business" in this Prospectus. The most advanced of these projects is in the Muskwa area, where we have executed several stages of preliminary exploration and development spending. Development of our Muskwa project is proceeding according to our development plan. We have demonstrated oil mobility without enhanced recovery techniques as well as sustained production from several well types, including horizontal, slant and vertical wells.

Our Muskwa property began producing conventional heavy oil in September 2010. As at the Latest Practicable Date, we have not recognised any revenue from this property. Once the Muskwa property has been determined to meet the appropriate criteria for technical feasibility and commercial viability, which is expected to occur in early 2012, revenues from the production and sales of crude oil will be recognised. We do not anticipate any major obstacles to commencement of commercial production.

Current forecasted development at Muskwa includes adding two multi-well production pads to the site, with up to nine wells per pad, which is anticipated by management to achieve a stabilised production rate ranging between 1,600-1,800 bbl/d by the end of 2012. Capital expenditure at Muskwa is anticipated to be C$17.1 million in 2012. In conjunction with this activity we intend to undertake further confirmation of oil mobility by extending the reservoir through selective production testing. This low cost verification process will provide low risk development fairways. Our 2011/2012 winter drilling programme includes mobility testing in the Harper and Godin areas, which may provide further options for conventional heavy oil development. On the basis of our management assumptions, we have forecast that the productive life of Muskwa for conventional heavy oil will conclude in 2021.

The following table presents a summary of the reserves and resources attributable to our main asset groups as at 30 November 2011, as contained in the Competent Persons' Reports in Appendix IV to this Prospectus.

			Total PIIP(6)			Reserves			Contingent Resources(4)			Pre-Tax PV10%					
Property	Region	Number of Oil & Gas Leases	Low Estimate	Best Estimate(3)	High Estimate	1P	2P	3P	Low Estimate	Best Estimate(3)	High Estimate	1P	2P	3P	Low Estimate Contingent Resources	Best Estimate Contingent Resources(3)	High Estimate Contingent Resources
Conventional Heavy Oil																	
Muskwa	Muskwa	21(8)	47	86	120	2	6	9	0	0	0	38	56	61	0	0	0
Total Conventional Heavy Oil			**47**	**86**	**120**	**2**	**6**	**9**	**0**	**0**	**0**	**38**	**56**	**61**	**0**	**0**	**0**
Clastics(7)																	
West Ells	West Ells(17)	26(9)	1,918	1,918	1,918	0	158	209	401	745	1,011	0	407	706	1,082	1,811	2,548
Thickwood	Thickwood(16)	4(14)	1,403	1,403	1,403	0	164	219	258	325	419	0	218	399	65	513	890
Legend Lake	Legend Lake	27(10)	1,730	1,844	1,844	0	91	124	255	449	673	0	166	271	477	891	1,801
Pelican Lake	Pelican Lake	2(15)	375	375	384	0	0	0	77	118	185	0	0	0	100	270	596
Opportunity	Legend Lake	27(10)	949	2,235	2,235	0	0	0	0	37	131	0	0	0	0	(4)	128
East Long Lake	East Long Lake	5	113	162	162	0	0	0	15	33	74	0	0	0	64	160	353
Crow Lake	Crow Lake	2	225	332	332	0	0	0	0	0	14	0	0	0	0	0	24
Portage Grand Rapids	Portage	14(11)	232	232	367	0	0	0	0	0	4	0	0	0	0	0	4
Harper	Harper	38(12)	5,581	5,581	7,512	0	0	0	0	326	780	0	0	0	0	491	2,068
Muskwa/Godin	Muskwa	21(8)	1,163	1,482	1,870	0	0	0	270	418	643	0	0	0	136	231	437
Portage Wabiskaw	Portage	14(11)	381	445	592	0	0	0	0	0	0	0	0	0	0	0	0
Total Clastics			**14,070**	**16,009**	**18,619**	**0**	**413**	**552**	**1,276**	**2,450**	**3,934**	**0**	**790**	**1,376**	**1,924**	**4,363**	**8,849**
Carbonates(5)																	
Harper	Harper	38(12)	8,780	10,555	11,819				0	393	1,405	0	0	0	0	243	2,668
Ells Leduc	West Ells	26(9)	856	997	997	0	0	0	0	159	271	0	0	0	0	448	904
Goffer	Goffer	2(13)	1,289	1,732	2,158	0	0	0	0	0	521	0	0	0	0	0	71
Muskwa	Muskwa	21(8)	8,209	10,841	14,583	0	0	0	0	0	1,810	0	0	0	0	0	1,308
Saleski	Saleski	1	538	596	762	0	0	0	0	0	123	0	0	0	0	0	243
South Thickwood	South Thickwood	9(16)	243	287	402	0	0	0	0	0	56	0	0	0	0	0	63
Portage Nisku	Portage	14(11)	3,597	4,265	4,853	0	0	0	0	64	961	0	0	0	0	8	2,771
Goffer Keg River	Goffer	2(13)	0	0	22	0	0	0	0	0	0	0	0	0	0	0	0
Total Carbonates			**23,512**	**29,273**	**35,596**	**0**	**0**	**0**	**0**	**616**	**5,147**	**0**	**0**	**0**	**0**	**699**	**8,028**
Combined Total		**151**	**37,629**	**45,368**	**54,335**	**2**	**419**	**561**	**1,276**	**3,066**	**9,081**	**38**	**846**	**1,437**	**1,924**	**5,062**	**16,877**
Pre-tax PV10%(2)												**30**	**829**	**1,410**	**1,866**	**4,837**	**16,520**
Post-tax PV10%(2)												**21**	**482**	**895**	**869**	**2,555**	**9,723**

Source: Competent Persons' Reports, dated 30 November 2011. The Competent Persons' Reports specified herein are included in Appendix IV to this Prospectus.

Notes:

(1) MMbbl unless otherwise noted. Figures are rounded to the nearest MMbbl or C$ million (where applicable).

(2) Both GLJ's and D&M's Pre-Tax PV10% and Post-Tax PV10% in this table incorporate GLJ's 1 October 2011 price forecasts for oil, bitumen and natural gas and are denominated in C$ millions. PV10% is not a measure of financial or operating performance, nor is it intended to represent the current value of our reserves and resources. For further details, please refer to the section entitled "Risk Factors — The reserves and resources data and present value calculations presented in this Prospectus are estimates based on a number of assumptions which may deviate from the actual figures over time".

(3) If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate. For further details, please refer to the section entitled "Risk Factors — Risks Relating to Our Business — There are risks associated with reserves and resource definitions".

(4) A significant part of our Group's resources base is comprised of contingent resources, which are estimated to be potentially recoverable but not currently considered to be commercially recoverable due to one or more contingencies. However, none of the volumes or values of our reserves and resources have been risked for chance of development. We cannot assure you that it will be commercially viable to

produce any portion of the contingent resources until contingencies are eliminated through detailed designs and regulatory submissions. For further details, please refer to the sections entitled "Risk Factors — Risks Relating to Our Business — There are risks associated with reserves and resource definitions", "Risk Factors — The reserves and resources data and present value calculations presented in this Prospectus are estimates based on a number of assumptions which may deviate from the actual figures over time" and "Waivers from strict compliance with the Listing Rules and the Companies Ordinance — Rule 18.33(6) of the Listing Rules" in this Prospectus.

(5) The development of our carbonate assets is based on technology under development. For further details, please refer to the section entitled "Risk Factors — Risks Relating to Our Business — Carbonate resources may not be successfully developed".

(6) Total PIIP is a sum of discovered and undiscovered PIIP components as defined in the Competent Persons' Reports at Appendix IV to this Prospectus.

(7) We plan to pursue our own development plan and use our own assumptions for our Base Case Clastic Assets, which reflect certain principal differences from the plan and assumptions used by GLJ, one of the Competent Persons. For further details, please refer to the section entitled "Business — Reserves and Resources Evaluations — Management commentary on key assumptions".

(8) The 21 Oil Sands Leases in the Muskwa region consist of conventional heavy oil, clastics and carbonates. The clastics are at Godin in the Muskwa region.

(9) The 26 Oil Sands Leases in the West Ells region consist of clastic and carbonates. The carbonates are at Ells Leduc in the West Ells region.

(10) The 27 Oil Sands Leases in the Legend Lake region consist of clastics at Legend Lake and Opportunity.

(11) The 14 Oil Sands Leases in the Portage region consist of carbonates at Portage Nisku and clastics at Grand Rapids and Wabiskaw.

(12) The 38 Oil Sands Leases in the Harper region consist of clastics and carbonates.

(13) The one PNG Licence and one Oil Sands Lease in the Goffer region consist of carbonates at Goffer and Keg River.

(14) We have 23 sections or 5,888 hectares at Thickwood that were acquired in 2007.

(15) We have 21.8 sections or 5,614 hectares at Pelican Lake that were acquired in 2007, 2008 and 2011. We acquired 13.3 sections or 3,438 hectares of land at Pelican Lake on 14 December 2011 for approximately C$2.7 million, which is not covered by our Competent Persons' Reports. This table and our Competent Persons' Reports only contain estimates for the 8.5 sections or 2,176 hectares at Pelican Lake that were acquired prior to 30 November 2011. Petro Energy Corp has a 100% working interest in the Wabiskaw formation in seven sections at Pelican Lake, the area of which is equal to 82.4% of our Pelican Lake holding. Please refer to the section entitled "Business — Our Assets and Operations" for more details.

(16) Petro Energy Corp has a 50% participating interest in the Wabiskaw formation in six sections in the Thickwood region; the area of which equates to 9.1% of our Thickwood holdings (including the 33 sections comprising Thickwood and South Thickwood). Please refer to the section entitled "Business — Our Assets and Operations" for more details.

(17) We received regulatory approval from the ERCB for our first 10,000 bbl/d clastic SAGD project at our West Ells property on 26 January 2012. Please refer to the section entitled "Summary — Recent Developments" below for further information.

2011/2012 Winter Drilling Programme

With the exception of the Muskwa conventional heavy oil project, our assets are only accessible for exploration and delineation drilling in the frozen conditions prevalent in the Athabasca region during winter. We are currently undertaking the 2011/2012 winter drilling programme, which includes exploration, delineation drilling and seismic acquisitions. We conducted an extensive survey programme during the summer of 2011, where over 215 potential exploration and delineation well locations were confirmed, from which we are drilling wells in up to 100 locations. These locations are designed to advance the recognition of new reserves, new contingent resources additions and the conversion of PIIP and high estimate contingent resources to best estimate contingent resources. We experienced exploration success in the winter of 2010/2011 with the drilling of seven exploratory wells in the Harper region to complement existing well data in the area. Material amounts of contingent resources have been assigned to areas surrounding these seven wells, and significant undelineated lands remain in the region, providing opportunities for future exploration.

As at the Latest Practicable Date, the 2011/2012 winter drilling programme was proceeding and we are presently undertaking exploration drilling, coring operations, production testing and progression of the West Ells project, including observation and SAGD well drilling. Further operations at Harper have been approved for the 2011/2012 and 2012/2013 winter seasons and initial remote access work has been initiated on the existing Harper Pilot well prior to the next CSS steam cycle.

RECENT DEVELOPMENTS

We received regulatory approval from the ERCB for our first 10,000 bbl/d clastic SAGD project at out West Ells property on 26 January 2012. GLJ has completed a preliminary assessment of the impact of the regulatory approval on the reserves and resources attributable to West Ells. Following regulatory approval, GLJ considers the project to have a high certainty of implementation and that development will proceed. In addition, proved reserves also requires a minimum evaluation well density of 160 acres with representative core data and 3D seismic, first capital expenditures within three years and high quality cost estimates such that the project economics are ensured. Given these criteria, in GLJ's opinion, proved reserves could be assessed at West Ells within the application project area for the four sections of land. The following table summarises the reserves and contingent resources specifically within West Ells as at 30 November 2011 and GLJ's current preliminary assessment dated 1 February 2012 of our clastic assets at West Ells following the receipt of regulatory approval:

	Reserves			Contingent Resources		
Property	**1P**	**2P**	**3P**	**Low Estimate**	**Best Estimate**	**High Estimate**
Clastics						
West Ells as at 30 November 2011	—	158.5	208.9	401.5	745.3	1,011.3
West Ells (current preliminary assessment)	91.5	158.5	208.9	310.0	745.3	1,011.3

Note:

(1) Units are in MMbbl.

MEMORANDUM OF UNDERSTANDING FOR STRATEGIC COOPERATION WITH SIPC

We entered into a non-binding Memorandum of Understanding for Strategic Cooperation in February 2012 with SIPC, a wholly owned subsidiary of Sinopec, with a view to forming a strategic alliance and to carry out strategic cooperation with Sinopec. Sinopec is one of the major state-owned petroleum and petrochemical groups in China. The parties intend to examine opportunities for joint participation in the development, exploration and production of Oil Sands Leases, as well as other mutually agreed investments and projects in Canada and globally. A strategic cooperation steering committee is expected to be formed to examine and pursue any appropriate opportunities on a joint basis. The Memorandum of Understanding for Strategic Cooperation is non-binding and terminates on 31 December 2013, unless such term is extended by the parties' mutual agreement in writing. So far, no specific details in relation to joint cooperation projects, the form and funding of any joint investments or their timing have been agreed between our Company and SIPC, nor have any such projects arisen. Please refer to the section entitled "Business — Memorandum of Understanding for Strategic Cooperation with SIPC" in this Prospectus for more details. Sinopec Century Bright Capital Investment, a wholly-owned subsidiary of Sinopec Group, is a Cornerstone Investor. Please refer to the section entitled "Cornerstone Investor" for more information.

HISTORICAL FINANCING

As at 30 September 2011, we had invested C$70.9 million in acquisitions of Oil Sands Leases and a further C$260.9 million in drilling operations, project planning and regulatory application processing. We completed our last significant capital raising in February 2011 and we raised gross proceeds of C$225.9 million in the nine months ended 30 September 2011. As at 30 September 2011, we had approximately C$122.6 million in cash and cash equivalents (term deposits). In order to fund our exploration and development activities, we have raised approximately C$451.0 million in equity proceeds since our inception to 30 September 2011, including funds from prominent Chinese investors such as China Life, BOCGI, Orient and Cross-Strait.

We are currently in discussions with the Bank of China in relation to a possible credit facility in the amount of US$200 million pursuant to a non-binding letter of intent dated 3 February 2012. Entry into any binding credit facility arrangement will be subject to further negotiations between the parties regarding the terms and conditions of the credit facility and the Bank of China's approval. The letter of intent is valid for one year and will expire in February 2013. As at the Latest Practicable Date, we had not entered into any binding credit facility agreement with the Bank of China.

KEY TERMS OF OUR OIL SANDS LEASES AND PNG LICENCES

As at the Latest Practicable Date, we had 152 Oil Sands Leases and one PNG Licence in Alberta, Canada. Oil Sands Leases in the Athabasca oil sands area generally have an initial term of 15 years, after which time the leases may be continued if certain activity and/or production levels and conditions are satisfied.

Key common terms of Oil & Gas Leases in Alberta include the following:

- the licensee has an exclusive right to recover the leased substances within the location (in the case of an Oil Sands Lease, the leased substances are the sands and other rock materials containing crude bitumen, the crude bitumen contained in those sands and other rock materials, and any other mineral substances, other than natural gas, in association with that crude bitumen or the sands and other rock materials. In the case of a PNG Licence, the leased substance is petroleum and natural gas);
- the licensee has the right over the leased area for an initial term of 15 years, however, the licensee's rights may continue beyond such initial term, subject to the specific terms of each Oil Sands Lease and the provisions of the Mines and Minerals Act;
- the licensee is obligated to pay yearly rentals and royalties as prescribed by the Mines and Minerals Act;
- the licensee is obligated to comply with the Mines and Minerals Act and other applicable laws and regulations, such as the Oil Sands Conservation Act; and
- the licensee is required to indemnify the Crown against all claims brought against the Crown by reason of any acts or omissions of the licensee in respect of its rights or duties.

OUR STRENGTHS

We believe that the following strengths will contribute to our growth and differentiate us from our competitors:

- Large, high quality and distinct oil resource base

- Resource scarcity in remaining unleased lands creates significant barriers to entry
- Diverse portfolio of assets with defined production growth plans and considerable scope to identify additional projects on our lease holdings
- Attractive SAGD project economics
- Financial strength and flexibility
- Experienced management and technical team with strong industry track record
- Use of environmentally superior oil sands extraction technology

OUR STRATEGIES

We believe that we can maintain our competitiveness and growth by implementing the following strategies:

- Continuing to execute a well defined and staged development of our clastics resources
- Applying current and future technologies for the development of our carbonate resources
- Further expanding our conventional heavy oil production capacity
- Continuing to identify additional projects from our existing Oil Sands Leases to expand our resources base
- Pursuing potential strategic alliances, partnerships and joint venture arrangements to maximise shareholders' return with an emphasis on seeking opportunities in China and other Asian markets
- Continuing to focus on best business practices in operational excellence, environmentally superior technologies and social responsibility
- Implementing a human resources strategy that fosters progressive thinking and safe working practices
- Developing industry standard materials management processes

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our consolidated financial information as at and for the years ended 31 December 2008, 2009 and 2010 and the nine months ended 30 September 2010 and 30 September 2011, extracted from the Accountants' Report set out in Appendix I to this Prospectus.

During the three years ended 31 December 2010 and the nine months ended 30 September 2011, our business has progressed through three winter delineation programmes and has progressed to early stage development and production of our diverse portfolio of Oil Sands Leases. We have not generated net profits and have recorded operating cash outflows up until the nine months ended 30 September 2011.

The results were prepared on the basis of presentation as set out in the Accountants' Report. The summary of the consolidated financial information should be read in conjunction with the consolidated financial statements set out in the Accountants' Report, including the related notes the text of which is set out in Appendix I to this Prospectus.

Consolidated Statements of Comprehensive Income

	Year ended 31 December			Nine months ended 30 September	
	2008	**2009**	**2010**	**2010**	**2011**
	C$	**C$**	**C$**	**C$ (unaudited)**	**C$**
Interest income from bank deposits	295,382	3,060	257,067	142,218	1,367,251
Other income	—	3,835	7,602	6,162	—
Interest and other income	295,382	6,895	264,669	148,380	1,367,251
General and administrative expenses	(2,611,861)	(2,829,716)	(5,789,076)	(4,108,856)	(9,511,491)
Depreciation	(80,393)	(105,589)	(111,551)	(77,949)	(132,724)
Share-based payments	(2,154,261)	(555,871)	(3,946,638)	(2,513,703)	(5,798,448)
Initial offering expenses	—	—	—	—	(1,694,883)
Fair value loss on warrants	—	—	—	—	(32,088,500)
Finance costs	(83,057)	(140,745)	(93,030)	(36,371)	(18,440,883)
Total expenses	(4,929,572)	(3,631,921)	(9,940,295)	(6,736,879)	(67,666,929)
Loss before tax	(4,634,190)	(3,625,026)	(9,675,626)	(6,588,499)	(66,299,678)
Income tax (expense) credit	(811,473)	777,009	(181,315)	240,993	1,380,674
Loss for the year/ period and comprehensive loss attributable to equity holders of our Company	(5,445,663)	(2,848,017)	(9,856,941)	(6,347,506)	(64,919,004)
Loss per share[(1)]					
Basic[(2)]	(0.01)	(0.00)	(0.01)	(0.00)	(0.04)
Diluted[(2)]	(0.01)	(0.00)	(0.01)	(0.00)	(0.04)

Notes:

(1) During the Track Record Period, redeemable shares were not included in the denominator in the calculation of basic and dilutive loss per share because redeemable shares do not meet the definition of ordinary shares or potential ordinary shares under International Accounting Standard 33 "Earnings Per Share" issued by the International Accounting Standards Board.

(2) The weighted average number of common shares for the purpose of calculating basic/diluted loss per share has been adjusted for the effect of the 20-for-1 share split as disclosed in note (c) of section C of Appendix I to this Prospectus.

We recorded fair value loss on Warrants of C$32.1 million in the nine months ended 30 September 2011. Fair value loss on Warrants represents mark to market adjustment of the fair value of our Warrants arising from certain amendments we entered into with the holders of Purchase Warrants and Fee Warrants, pursuant to which we could elect to make a cash payment instead of issuing a Common Share upon the exercise by a holder of a Purchase Warrant or a Fee Warrant. Please refer to the section entitled "Financial Information — Period to Period Comparison of Results of Operations — Nine months ended 30 September 2011 compared to nine months ended 30 September 2010 — Expenses — Fair value loss on Warrants".

Our finance costs increased by C$18.4 million in the nine months ended 30 September 2011 as compared to 30 September 2010, primarily due to a C$22.5 million cost associated with the equity financing undertaken by us which was completed in February 2011. Please refer to the section entitled "Financial Information — Period to Period Comparison of Results of Operations — Nine months ended 30 September 2011 as compared to 30 September 2010 — Expenses — Finance costs" in this Prospectus.

Consolidated Statements of Financial Position

	As at 31 December			As at 30 September
	2008	2009	2010	2011
	C$	C$	C$	C$
Non-current assets				
Property and equipment	354,586	301,847	474,051	623,383
Deferred initial public offering expenses	—	—	—	3,218,992
Exploration and evaluation assets	124,475,391	134,622,825	197,836,345	331,761,811
	124,829,977	134,924,672	198,310,396	335,604,186
Current assets				
Trade and other receivables	1,767,161	80,565	1,273,558	2,040,937
Prepaid expenses and deposits	376,207	234,152	1,910,487	760,547
Cash and cash equivalents	541,012	575,769	41,540,387	122,583,477
	2,684,380	890,486	44,724,432	125,384,961
Current liabilities				
Trade and other payables	1,925,449	1,292,426	17,521,798	18,695,438
Bank borrowings	25,200,000	5,328,200	—	—
Provision for decommissioning obligations	—	—	116,734	116,734
Provision for flow-through share obligations	147,000	250,075	19,914	—
Warrants	—	—	—	74,791,237
	27,272,449	6,870,701	17,658,446	93,603,409
Net current (liabilities) assets	(24,588,069)	(5,980,215)	27,065,986	31,781,552
Total assets less current liabilities	100,241,908	128,944,457	225,376,382	367,385,738
Non-current liabilities				
Redeemable shares	—	—	—	214,743,202
Provision for decommissioning obligations	373,872	354,833	2,052,330	5,383,892
Deferred tax liabilities	1,276,061	624,906	891,262	—
	1,649,933	979,739	2,943,592	220,107,094
	98,591,975	127,964,718	222,432,790	147,258,644
Capital and reserves				
Issued capital	100,019,452	130,745,650	224,526,472	219,210,310
Reserves	(1,427,477)	(2,780,932)	(2,093,682)	(71,951,666)
	98,591,975	127,964,718	222,432,790	147,258,644

Summary of Consolidated Statements of Cash Flow

	Year ended 31 December			Nine months ended 30 September	
	2008	2009	2010	2010	2011
	C$	C$	C$	C$ (unaudited)	C$
Net cash used in operating activities	(2,636,317)	(2,598,410)	(5,961,534)	(4,331,049)	(10,311,902)
Net cash used in investing activities	(73,261,743)	(8,361,315)	(43,493,460)	(30,608,660)	(122,854,124)
Net cash generated from financing activities	49,160,711	10,994,482	90,419,612	84,913,660	214,209,116
Net (decrease) increase in cash and cash equivalents	(26,737,349)	34,757	40,964,618	49,973,951	81,043,090
Cash and cash equivalents at beginning of year/period	27,278,361	541,012	575,769	575,769	41,540,387
Cash and cash equivalents at end of year/period	541,012	575,769	41,540,387	50,549,720	122,583,477

Capital Expenditure

	Year ended 31 December			Nine months ended 30 September 2011
	2008	2009	2010	
	C$	C$	C$	C$
Exploration activities				
Exploration Land (land and leasehold payments)	24,071,510	2,217,982	7,052,050	3,251,715
Drilling delineation programme	47,963,390	630,392	21,648,004	64,861,180
Geological Study (including seismic)	556,298	319,468	2,771,931	4,562,439
Carbonate pilot programmes	—	—	620,739	3,239,449
Other (Engineering studies and environmental studies)	2,055,347	1,871,411	1,098,009	6,116,753
Directly Attributable Capitalised Expenses	1,925,393	2,191,204	4,704,970	5,492,340
Total	76,571,938	7,230,457	37,895,703	87,523,876

	Year ended 31 December			Nine months ended 30 September 2011
	2008	2009	2010	
	C$	C$	C$	C$
Development activities				
West Ells	—	—	—	11,109,796
Muskwa production pads	—	—	2,487,334	19,092,207
Other Muskwa (including road, capitalised costs, seismic)	—	—	2,805,390	6,213,440
	—	—	5,292,724	36,415,443
Total	76,571,938	7,230,457	43,188,427	123,939,319

LOSS ESTIMATE

Our Directors estimate that, on the basis set out in Appendix III to this Prospectus and in the absence of unforeseen circumstances, our net loss and comprehensive loss attributable to equity holders of our Company for the year ended 31 December 2011, will amount to not more than C$68.7 million.

Estimated loss attributable to the equity holders of our Company for the year ended 31 December 2011(1)	Not more than C$68.7 million
Unaudited estimated loss per Share on a pro forma basis(2)	Not more than C$0.025

Movements in the selling price, sales volume of products and average unit cost of production will not have an impact on operating loss from continuing operations for the year ended 31 December 2011. As we have not commenced commercial production of oil, in accordance with our accounting policy for revenue recognition and costs associated with exploration and evaluation activities, we have capitalised our net operating loss from the sale of crude oil from the Muskwa area, which includes revenue less royalties and operating expenses. Please refer to the sections entitled "Financial Information — Significant Factors Affecting Our Results of Operations" and "Financial Information — Revenue and Cost Structure upon Commercial Production" for more information.

Notes:

(1) The unaudited estimated consolidated loss attributable to equity holders of the Company for the year ended 31 December 2011 is extracted from the section entitled "Financial Information — Loss Estimate" in this Prospectus. The bases on which the above loss estimate for the year ended 31 December 2011 have been prepared are summarised in the section entitled "Loss Estimate" in Appendix III to this Prospectus.

(2) The calculation of the unaudited pro forma estimated loss per Share is based on the estimated loss attributable to equity holders of the Company for the year ended 31 December 2011 and 2,787,364,489 Shares represented (i) 1,850,498,594 Shares, being the weighted average number of shares outstanding for the year ended 31 December 2011 (including common shares and redeemable shares issued and outstanding and assuming the 20-for-1 share split were completed), and (ii) 923,299,500 Shares to be issued pursuant to the Global Offering and 13,566,395 Shares to be issued pursuant to the Orient Financial Arrangement as if the issue of these shares had taken place on 1 January 2011. No account has been taken of the Excluded Shares.

(3) The unaudited pro forma estimated loss per Share is converted from Canadian dollars to Hong Kong dollars at an exchange rate of C$0.1335 to HK$1.00, prevailing on 30 September 2011.

(4) For the purposes of arriving at the loss estimate, we have estimated a fair value loss on the warrants of C$21.0 million for the year ended 31 December 2011.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The unaudited pro forma adjusted consolidated net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules are set out in Appendix II to this Prospectus to illustrate the effect of the Global Offering on our consolidated net tangible assets as at 30 September 2011 as if it had taken place on that date.

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$4.86	Based on an Offer Price of HK$5.08
Market capitalisation of our Shares(1)	HK$13,806.9 million	HK$14,431.9 million
Unaudited pro forma adjusted net tangible asset value per Share(2)(3)	C$0.24 (HK$1.77)	C$0.25 (HK$1.84)

Notes:

(1) The calculation of market capitalisation is based on 2,840,921,435 Shares expected to be in issue immediately following completion of the Global Offering, including the Orient Shares to be issued to Orient Financial pursuant to the Advisory Agreement at Listing and assuming that the Over-Allotment Option is not exercised.

(2) Translated from Canadian dollars to Hong Kong dollars at the rate of C$0.1335 = HK$1.00 as at 30 September 2011.

(3) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in the section entitled "Unaudited Pro Forma Financial Information" in Appendix II to this Prospectus and on the basis of 2,840,921,435 Shares expected to be issued and outstanding immediately after the Global Offering. 2,840,921,435 Shares represented (i) 1,470,171,240 common shares and 433,884,300 redeemable shares issued and outstanding as of 30 September 2011 assuming the 20-for-1 share split was completed as at this date, and (ii) 923,299,500 common shares to be issued under the Global Offering and 13,566,395 Orient Shares to be issued under the Advisory Agreement. No account has been taken of the Excluded Shares.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$4,287.2 million (assuming an Offer Price of HK$4.97 per Share, being the mid-point of the estimated Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- approximately 93% of the net proceeds to us (approximately HK$3,987.1 million, assuming an Offer Price of HK$4.97 per Share, being the mid-point of the estimated Offer Price range) will be used for funding the development of oil sands and heavy/light oil projects, out of which we intend to allocate as follows:

West Ells	64%
Delineation Drilling	12%
Muskwa	5%
Thickwood	3%
Other Projects	9%
Total	93%

and

- approximately 7% of the net proceeds to us (approximately HK$300.1 million, assuming an Offer Price of HK$4.97 per Share, being the mid-point of the estimated Offer Price range) will be used as general working capital for corporate and other purposes.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis. To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above they will be placed in short term demand deposits and/or money market instruments.

CAPITAL EXPENDITURE

The following table sets forth information regarding our planned expenditure for the three months ended 31 December 2011, the year ending 31 December 2012, the three months ending 31 March 2013, the nine months ending 30 September 2013 and the year ending 31 December 2013:

	Three months ended 31 December 2011	Year ending 31 December 2012	Three months ending 31 March 2013	Nine months ending 30 September 2013	Year ending 31 December 2013
			C$ in million		
West Ells	29.4	272.2	76.2	82.9	159.1
Thickwood	2.1	13.0	2.3	132.5	134.8
Muskwa	15.9	17.1	0.1	0.1	0.2
Other Projects	7.5	25.0	21.7	3.1	24.8
Delineation Drilling	2.7	23.8	48.3	5.0	53.3
	57.6	351.1	148.6	223.6	372.2

We have noted above our planned expenditures for the last quarter of 2011 and the next two years ending 31 December 2013. For the period after 31 December 2013, we are unable to verifiably forecast our capital expenditure. For an indication of what our capital expenditure requirements after this date may be, potential investors can refer to the capital expenditure projections prepared by our Competent Persons on pages IV-192 to IV-196 (West Ells), pages IV-199 to IV-203 (Legend Lake), pages IV-270 to IV-274 (Thickwood), pages IV-351 to IV-354 (Godin, Harper, Muskwa and Portage) of our Competent Persons' Reports in Appendix IV to this Prospectus.

OPERATING COSTS

The following tables set forth information regarding our expected operating costs for clastics and conventional heavy oil at Muskwa for the years 2012 to 2016:

Clastics(1)		2012	2013	2014	2015	2016
				C$/bbl		
Fuel	Steam	—	8.72	7.73	6.27	5.71
	Non-condensable gas	—	0.36	0.39	0.41	0.44
	Cogeneration of power	—	2.18	1.56	1.32	1.39
Fixed	Battery	—	2.60	1.02	0.81	0.80
	Steamer	—	6.35	3.08	2.36	2.02
	Wells	—	2.85	1.31	1.20	1.64
	Cogeneration of power	—	0.49	0.19	0.15	0.15
Variable	Extraction of Oil	—	0.80	0.80	0.80	0.80
	Water	—	0.80	0.80	0.80	0.80
Total Operating Cash Cost		**—**	**25.15**	**16.88**	**14.12**	**13.74**
Transportation(2)		—	3.50	3.50	3.50	3.50
Total		**—**	**28.65**	**20.38**	**17.62**	**17.24**

Source: GLJ Report

Notes:

(1) The table accounts for the costs upon commercial levels of production for the Base Case Clastic Assets.

(2) The transportation costs assume trucking costs throughout the period shown in this table. Should a pipeline be constructed in the future, we expect that transportation costs would decrease. However, at this point in time, we are unable to estimate the capital expenditure requirements needed for the construction of such pipeline. Please refer to the section entitled "Risk Factors — Risks Relating to the Alberta Oil Sands Industry — A lack of, or impediment to constructing sufficient pipeline, shipping or refining capacity could adversely affect our business, results of operations, financial position and growth prospects".

Over the time period in the table presented above, the total clastic fixed operating costs per barrel are expected to decrease as production rates increase. Variable fuel cost has three main components: (i) fuel to generate electricity and steam for the cogeneration of power; (ii) fuel to generate steam in general; and (iii) non-condensable gas which on average approximately account for 18%, 78% and 4% of the total variable fuel cost respectively. The cogeneration plants run at essentially the same rate at all times regardless of the production levels. Therefore, the cost for cogeneration of power will decrease as production rates ramp up early in the project life. The steam to oil ratio required for a well that is ramping up production is significantly higher than the steam to oil ratio required for a well in its stable midlife period. During the initial production phase of the project, most or all wells are in the initial ramp up stage, and therefore a higher steam to oil ratio is required. As the production rate increases from the individual wells and the steam requirement for each well drops, the cost of steam per barrel of production will also decrease to a stable rate.

We anticipate that our non-cash depletion costs for clastics for the year ending 31 December 2012 will be nil as commercial levels of production are not anticipated to occur in 2012 and for the year ending 31 December 2013 will be C$40.25/bbl. As production ramps up, the non-cash depletion costs on a per barrel basis are expected to decrease significantly.

Muskwa — Heavy Oil[1]	2012	2013	2014	2015	2016
			C$/bbl		
Fixed	9.46	10.23	12.88	17.03	23.85
Variable	11.32	11.55	11.77	12.02	12.27
Total Operating Cash Cost	**20.78**	**21.78**	**24.65**	**29.05**	**36.12**
Transportation[2]	4.54	4.94	4.94	4.94	4.94
Total	**25.32**	**26.72**	**29.59**	**33.99**	**41.06**

Source: D&M Report

Notes:

(1) The table accounts for costs upon commercial levels of production.

(2) The transportation costs assume trucking costs throughout the period shown in this table. Should a pipeline be constructed in the future, we expect that transportation costs would decrease. However, at this point in time, we are unable to estimate the capital expenditure requirements needed for the construction of such pipeline. Please refer to the section entitled "Risk Factors — Risks Relating to the Alberta Oil Sands Industry — A lack of, or impediment to constructing sufficient pipeline, shipping or refining capacity could adversely affect our business, results of operations, financial position and growth prospects".

For conventional heavy oil production at Muskwa, operating expenses consist mainly of manpower costs, road and other maintenance, chemicals, fuel and power costs, transportation costs, waste disposal and other expenses. Overall fixed operating costs in Muskwa are expected to remain relatively constant, but as production rates at Muskwa are expected to decrease over time, fixed costs will be spread over fewer barrels, resulting in the cost per barrel increase over the projected time period.

We anticipate that our non-cash depletion costs for conventional heavy oil at Muskwa for the years ending 31 December 2012 and 2013 will be C$17.51/bbl and C$20.41/bbl, respectively.

DIVIDEND AND DIVIDEND POLICY

We have not declared or paid any dividends during the Track Record Period, nor do we have any present intention of paying any dividends in the near term. We do not have a fixed dividend policy. Our determination of future dividend policy is further described in the section entitled "Financial Information — Dividend Policy" in this Prospectus.

CAPITAL STRUCTURE

In addition to our Shares, we also have Class B Shares, Class G Shares and Class H Shares issued and outstanding.

On 31 January 2011, we issued 7,231,405 Class B Shares (prior to the 20-for-1 share split) to China Life at an issue price of C$9.68 per share as part of a strategic investment into our Company. As at the Latest Practicable Date, there were 144,628,100 Class B Shares issued and outstanding, equal to 7.60% of our issued Common Shares (which would be equal to approximately 5.09% of our issued Shares as at completion of the Global Offering, including the Orient Shares and excluding the Excluded Shares). Under the terms of the Subscription Agreement, the Class B Shares will be exchanged for Shares on a one for one basis on or immediately prior to the Listing Date (in the event that formal listing approval is granted).

The Class G Shares and Class H Shares were issued to directors, officers, employees, consultants and advisers of our Company in connection with the performance of their services to our Company and in order to incentivise them to remain in our employment during the period from August 2010 to completion of a two year period after the date of Listing. They amount to, and have been accounted for as, a form of compensation scheme for the holders thereof, as opposed to investments. The total number of Class G Shares authorised for issuance is unlimited. However, our Board, in accordance with the terms of the Class G Shares set out in the Articles, has set a limit of 64,140,000 Class G Shares for issuance. As at the Latest Practicable Date, 64,140,000 Class G Shares were issued and outstanding. The total number of Class H Shares authorised for issuance is unlimited. However, the Board, in accordance with the terms of the Class H Shares set out in the Articles, has set a limit of 22,200,000 Class H Shares for issuance. As at the Latest Practicable Date, 22,200,000 Class H Shares were issued and outstanding. We will not issue any further Class G Shares or Class H Shares following the Listing.

The Class G Shares and the Class H Shares are preferred shares and take priority with regard to dividends, return of capital and the distribution of assets on a dissolution of our Company. They are convertible at the option of the holder or redeemable by us at any time prior to their expiry date. They are convertible into the number of Shares such holder is entitled to at the exercise date pursuant to a vesting schedule, or they are retractable at the option of the holder from 21 months following an initial public offering for the number of Shares that the holder is entitled to on the date of retraction. The holders of the Class G Shares and Class H Shares are entitled to an annual non-cumulative cash dividend equal to the dividend declared by the Board in that year, if any, on the Shares based on the number of Shares the Class G Shares and Class H Shares are convertible into on the record date for such a dividend. No dividend shall be declared and paid on, or set apart for payment, on the Shares or any other shares that rank junior to the Class G Shares and Class H Shares in any fiscal year unless the dividends on all the Class G Shares and Class H Shares which are issued and outstanding at that time have been declared, paid or set apart for payment, except with the written consent of all of the holders of Class G Shares and Class H Shares. In the event that a holder of Class G Shares and/or Class H Shares ceases to be a director, officer, employee, consultant or adviser of our Company, those Class G Shares and Class H Shares held by such holder shall terminate on the date that is 30 days after such holder ceases to retain such role and shall only be convertible, redeemable or retractable for the number of Shares such holder is then entitled to, pursuant to a vesting schedule. The Class G Shares are voting shares and are non-transferable. The voting rights of the Class G Shares will be removed immediately prior to completion of the Global Offering. The Class H Shares are non-voting shares and are non-transferable.

The Class G Shares and Class H Shares are equity-settled share-based payments. For those granted to directors, officers and employees, these are measured at the fair value of the Class G Shares and Class H Shares at the grant date using the Black-Scholes option pricing model less the fair value of proceeds received on granting the Class G Shares and Class H Shares at the grant date. The fair value of services received determined at the grant date is expensed on the statement of comprehensive income based on our Group's estimate of when the Class G Shares and Class H Shares will eventually vest, unless the services are directly attributable to exploration and evaluation activities, in which case the expenses will be capitalised in exploration and evaluation assets on the statement of financial position, with a corresponding increase in equity (share-based payments reserve). For those granted to parties other than employees, these are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the Class G Shares and Class H Shares granted, measured at the date we obtain the goods or the party renders the service. The fair value of the goods or services received are recognised as expenses on the statement of comprehensive income, unless the goods or services qualify for recognition as assets or are directly attributable to exploration and evaluation assets, with a corresponding increase in equity (share-based payments reserve).

During the Track Record Period, the following amounts were recorded in the statement of comprehensive income, and the statement of financial position for the Class G Shares and the Class H Shares:

	For the year ended 31 December			For the nine months ended 30 September
	2008	**2009**	**2010**	**2011**
	C$	**C$**	**C$**	**C$**
Expensed on the statement of comprehensive income	764,480	—	786,444	3,157,539
Capitalised in exploration and evaluation assets	4,373,606	—	912,170	2,659,613
Amount recorded under share-based payment reserve	5,138,086	—	1,698,614	5,817,152

The details of the expiry dates and the vesting schedule and the other terms of the Class B Shares, Class G Shares and the Class H Shares that are issued and outstanding as at the Latest Practicable Date are set out in the section entitled "Statutory and General Information — F. Class B

Shares, Class G Shares and Class H Shares" in Appendix VI to this Prospectus. For details of changes in our Company's share capital, please refer to the section entitled "Statutory and General Information — A. Further Information about our Group — 3. Changes in Share Capital of Our Group" in Appendix VI to this Prospectus.

SHARE OPTION SCHEMES

We have conditionally adopted the Post-IPO Share Option Scheme. For details of the Post-IPO Share Option Scheme, please refer to the section entitled "Statutory and General Information — E. Post-IPO Share Option Scheme" in Appendix VI to this Prospectus.

We have granted options under two Pre-IPO Share Option Schemes. Summaries of the principal terms of these schemes are set out in the section entitled "Statutory and General Information — D. Pre-IPO Share Option Schemes" in Appendix VI to this Prospectus.

As at the Latest Practicable Date, there are outstanding Share options to subscribe for an aggregate of 204,383,800 new Shares, which would represent approximately 6.71% of our issued Shares at completion of the Global Offering (assuming that all of the Share options granted under our Pre-IPO Option Schemes are exercised in full, assuming that all of the Orient Shares are issued at the Listing Date and excluding any Shares which may be issued (i) pursuant to the exercise of the Over-Allotment Option; or (ii) pursuant to the conversion of any Class G Shares or Class H Shares as at the Listing Date), that have been granted to 112 directors, officers and employees of, and providers of services to, our Company and our subsidiary pursuant to the Pre-IPO Share Option Schemes and which have not yet been exercised. No further Share options have been or will be granted under any Pre-IPO Share Option Scheme after the Latest Practicable Date.

If all the unexercised options granted pursuant to the Pre-IPO Share Option Schemes were exercised in full at completion of the Global Offering (equal in aggregate to 204,383,800 Shares) and assuming that all of the Orient Shares are issued at the Listing Date and excluding any Shares which may be issued (i) pursuant to the Over-Allotment Option; or (ii) pursuant to the conversion of any Class H Shares or Class G Shares as at the Listing Date, the percentage interest of Offer Shares under the Global Offering to our total Shares would be reduced from approximately 32.50% to approximately 30.32% of the Shares in issue at the completion of the Global Offering and there would be a dilutive effect on the shareholding interest of our Shareholders as illustrated by the table on page VI-53 and a anti-dilutive effect on the pro forma estimated loss per Share for the year ended 31 December 2011 considering that our Group was in a loss position. However, as each of the options granted pursuant to the Pre-IPO Share Option Schemes is exercisable in tranches on either the date of grant and the first and second anniversaries thereof, or on the first, second and third anniversaries of the date of grant, such dilutive effect will be staggered over several years. Please refer to the section entitled "Risk Factors — Risks Relating to the Global Offering — Grants of Shares pursuant to the Pre-IPO Share Option Scheme could result in dilution to our Shareholders ".

RISK FACTORS

There are certain risks relating to an investment in the Offer Shares. These can be categorised into (i) risks relating to our business, (ii) risks relating to the Alberta oil sands industry; (iii) risks relating to Alberta and Canada; and (iv) risks relating to the Global Offering. These risk factors are further described in the section entitled "Risk Factors" of this Prospectus.

The entire Prospectus should be read carefully and we strongly caution you not to place any reliance on any information contained in press articles or disseminated through other media relating to us and/or the Global Offering, certain of which may not be consistent with the information contained in this Prospectus.

CANADIAN REGULATORY MATTERS

Below is a summary of certain Canadian legal and regulatory matters in connection with the Global Offering.

Securities Laws and Regulations

As advised by our Canadian legal advisers, no regulatory approval in Canada is required to permit us to be listed on the Stock Exchange. However, in order to facilitate the Listing, we have applied for, and the ASC has granted our Company, exemptive relief from the requirement to file a prospectus in Alberta to qualify the distribution of the Offer Shares pursuant to the Global Offering (other than Offer Shares sold to investors in Canada) including any Shares issued pursuant to the exercise of the Over-Allotment Option. As part of this exemptive relief, one or more Pre-IPO Shareholders (as defined above) may lend some of their Shares to the Stabilisation Manager to allow the Stabilisation Manager to satisfy over-allocations in the Global Offering, since such Shares are otherwise presently subject to resale restrictions pursuant to Alberta securities laws. In connection with our exemptive relief application, we have undertaken to the ASC to apply, within one month after completion of the Listing, to become a reporting issuer in Alberta. Please refer to the section entitled "Structure of the Global Offering — Stock Borrowing Arrangement" in this Prospectus.

Overseas Ownership Restrictions

Under the Mines and Minerals Act only corporations registered under the Companies Act or registered, incorporated or continued under the ABCA are eligible to own Oil Sands Leases or PNG Licenses. Therefore, any ownership by overseas companies or entities of Oil Sands Leases or the PNG Licences must be made indirectly through whole or part ownership of an eligible company.

The ICA may apply to foreign investors with respect to their investments in our Shares or their investments in, or acquisition of, oil and gas assets or interests in Canada. Pursuant to the ICA, "non-Canadians" who acquire control of an existing Canadian business or who wish to establish a new Canadian business are subject to the ICA and may be required to submit their investment to the appropriate authority for review. For the purposes of the ICA, a "non-Canadian" includes any entity that is not controlled by Canadians, as determined under the ICA. Further, under the Competition Act, certain substantial transactions among significant parties may not be consummated unless a pre-merger notification thereof is made to the Commissioner and a stipulated waiting period has expired.

Having consulted with our Canadian legal advisers, we understand that provided that no single "non- Canadian" holds more than one-third of our Shares as a result of the Global Offering, it is likely that no acquisition of control of our Company will occur for the purposes of the ICA as a result of the Global Offering.

Given that (i) the total number of the Offer Shares under the Global Offering is not expected to be more than one-third of our Shares immediately upon completion of the Global Offering; and (ii) our existing shareholders prior to the Listing are restricted from subscribing for or purchasing any Offer Shares under the Global Offering pursuant to Rule 10.04 of the Listing Rules, we are of the view that it is unlikely that a single non-Canadian will hold more than one-third of our Shares as a result of the Global Offering. In addition, so long as no one person (or they and their affiliates, as determined under the Competition Act) acquires more than 20% of the total issued Shares as a result of the Global Offering, no notification under the Competition Act will be required. We do not expect any investors to trigger the Competition Act notification requirement for the same reasons noted above.

Going forward, in the event that any non-Canadian is expected to hold more than 20% of the total issued Shares as a result of the Global Offering, or one-third of our issued Shares, the foreign investor will have to comply with, respectively, the applicable requirements under the ICA and the Competition Act, as well as complying with the relevant requirements under the Listing Rules and other applicable laws in Hong Kong.

Having consulted with our Canadian legal advisers, there are no ownership restrictions with respect to our Oil Sands Leases, PNG Licenses or our Shares other than the restrictions relating to the Mines and Minerals Act, the ICA and the Competition Act. Please refer to the sections entitled "Risk Factors — Risks Relating to the Alberta Oil Sands Industry — Ownership of Oil Sands Leases and PNG licences are subject to local laws and regulations and Oil Sands Leases may be unable to be renewed" and "Certain Canadian Overseas Ownership Restrictions" in "Summary of the Articles and By-Laws of our Company, Certain Alberta Laws and Canadian Federal Laws and Shareholder Protection Matters" in Appendix V to this Prospectus for further information.

Shareholder Protection Matters

The Stock Exchange accepted our Company's application for listing on the Stock Exchange on the basis that, with respect to most of the shareholder protection items set out in the attachment to the Joint Policy Statement, the standards of shareholder protection afforded to shareholders of companies incorporated in Alberta, taken as a whole, are, in all material respects, at least equivalent to, or broadly commensurate with, standards of shareholder protection afforded to shareholders of companies incorporated in Hong Kong.

Not all the shareholder protections afforded to shareholders of companies incorporated in Alberta are at least equivalent to those afforded to shareholders of companies incorporated in Hong Kong.

With respect to some of the matters set out in the Attachment to the Joint Policy Statement, shareholder protections afforded to shareholders of companies incorporated in Alberta are not at least equivalent to those afforded to shareholders of companies incorporated in Hong Kong. In respect of those matters, our Company is satisfied that such items are broadly commensurate with those protections afforded to shareholders of companies incorporated in Hong Kong on the grounds that there are nevertheless material shareholder protections in place in respect of such items. Please refer to the sections entitled "Summary of the Articles and By-Laws of our Company, Certain Alberta Laws and Canadian Federal Laws and Shareholder Protection Matters — Shareholder Protection Matters" in Appendix V to this Prospectus and "Risk Factors — Risks Relating to Alberta and Canada — As we are incorporated in Alberta, Canada and are principally governed by Canadian laws and regulations, you may not have the benefit of certain Hong Kong laws, rules and regulations such as those relating to shareholder protection which, although broadly commensurate with those protections afforded to shareholders of Canadian listed companies, are not identical" in this Prospectus for further information.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Dividends paid or credited or deemed to be paid or credited on our Shares to a Non-Resident Shareholder (as described in the section entitled "Summary of the Articles and By-Laws of our Company, Certain Alberta Laws and Canadian Federal Laws and Shareholder Protection Matters — Certain Canadian Federal Income Tax Considerations" in Appendix V to this Prospectus) will be subject to a Canadian non-resident withholding tax at a rate of 25%, subject to reduction under the provisions of any applicable income tax treaty or convention between Canada and the country of which the Non-Resident Shareholder is resident.

A Non-Resident Shareholder may also be subject to tax in respect of any capital gain realised by such Shareholder on a disposition of Shares if the Shares constitute "taxable Canadian property" (as defined in the ITA) of the Non-Resident Shareholder at the time of disposition and the Non-Resident Shareholder is not entitled to relief under an applicable income tax treaty or convention. The Shares will generally not constitute taxable Canadian property to a Non-Resident Shareholder unless certain ownership thresholds and asset value tests have been satisfied. Please refer to the section entitled "Summary of the Articles and By-Laws of our Company, Certain Alberta Laws and Canadian Federal Laws and Shareholder Protection Matters — Certain Canadian Federal Income Tax Considerations — Disposition of Shares" in Appendix V to this Prospectus.

If the Shares constitute "taxable Canadian property" and no relief is available under an applicable income tax treaty or convention, then a Non-Resident Shareholder who is an individual and realises a capital gain on the disposition of Shares in a particular taxation year will generally be subject to tax in Canada on such capital gain at graduated marginal tax rates based on the aggregate amount of income and gains on which the Non-Resident Shareholder may be subject to tax in Canada in that particular year. The highest marginal rate of tax payable on the capital gain for 2012 and thereafter is 21.46%. A capital gain realised by a Non-Resident Shareholder that is a corporation will generally be subject to a tax in Canada at the rate of 12.5% for 2012 and thereafter.

Currently, there is no income tax treaty or convention in force between Canada and Hong Kong. Negotiations in respect of an income tax treaty between Canada and Hong Kong commenced in the week of 27 June 2011.

For further details about potential Canadian federal income tax considerations, please refer to the section entitled "Summary of the Articles and By-Laws of our Company, Certain Alberta Laws and

Canadian Federal Laws and Shareholder Protection Matters — Certain Canadian Federal Income Tax Considerations" in Appendix V to this Prospectus. The summary of Canadian federal income tax considerations contained in this section is qualified in its entirety by the summary set out in the section entitled "Summary of the Articles and By-Laws of our Company, Certain Alberta Laws and Canadian Federal Laws and Shareholder Protection Matters — Certain Canadian Federal Income Tax Considerations" in Appendix V to this Prospectus. Investors should consult an independent tax adviser if they have any doubt about the application of Canadian federal income tax rules to their particular circumstances and the consequences to them of the purchase, ownership and disposition of our Shares.