



Bonterra Energy Corp.

Investor Update

January 2010

TSX: BNE



FORWARD LOOKING INFORMATION

Certain statements contained in this Presentation include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this Presentation includes, but is not limited to: expected cash provided by continuing operations; cash distributions; future capital expenditures, including the amount and nature thereof; oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our business and operations; and maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas trusts to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived therefrom. Except as required by law, Bonterra disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.



BNE (TSX): CURRENT SNAPSHOT



- **Shares issued: ~ 18.5 million**
- **Market capitalization: ~ \$661 million**
- **Directors/employees own ~25 percent**
- **Return 70-80 percent of funds flow* to shareholders**
- **Current monthly dividend: \$0.18/share**
- **Current annualized yield: 5.9 percent ****
- **Reserve Life Index (P+P): 18.7 years**
- **Production Profile: 70% oil / 30% nat. gas**
- **Drilling inventory in excess of 14 years**
- **Consistent production & reserves growth on a per share basis**
- **High netbacks**
- **Tax pools: ~ \$487 million**

* Funds flow is not a recognized measure under GAAP. For these purposes, the Company defines funds flow as funds provided by operations before changes in non-cash operating working capital items excluding gain on sale of property and asset retirement expenditures.

** Based on January 7, 2010 closing price of \$35.75



FINANCIAL AND OPERATIONAL RESULTS

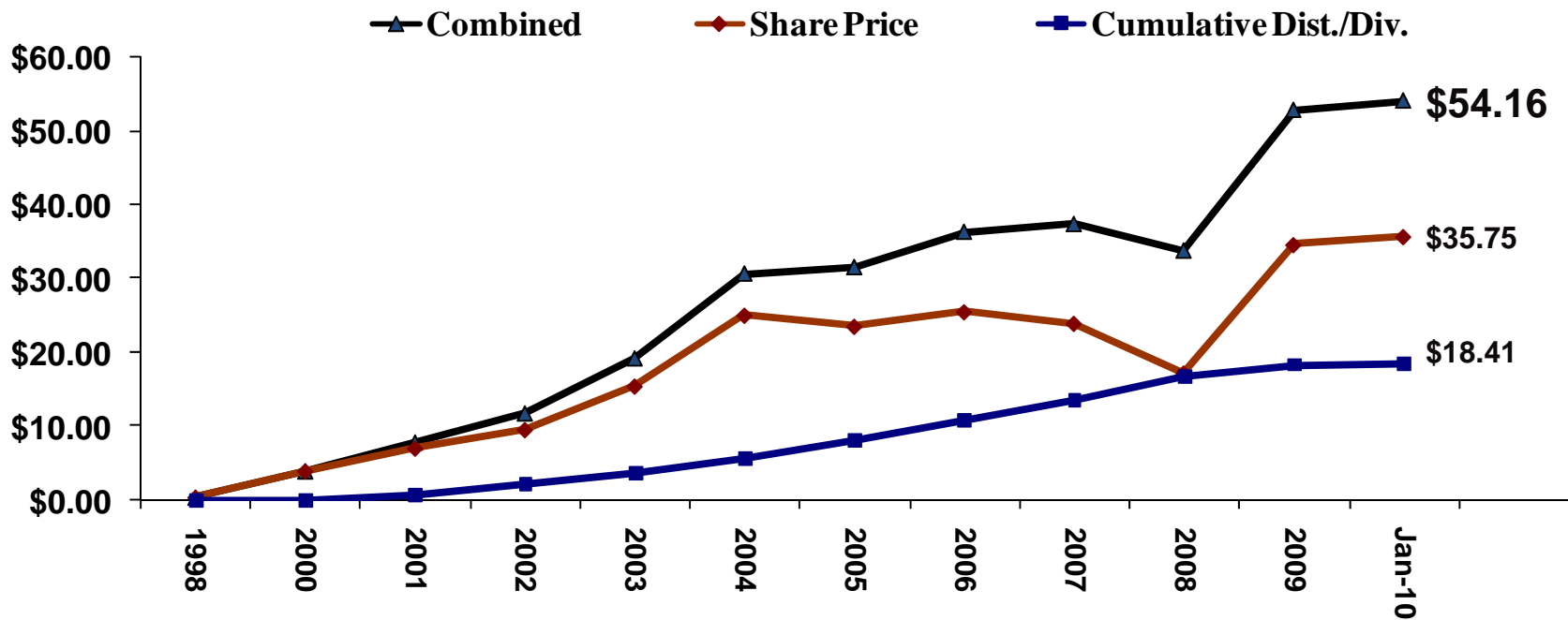
HIGHLIGHTS

(000's except per unit amounts)

	Nine months ended September 30, 2009	Year 2008	Year 2007
Funds flow	\$28,909	\$70,448	\$53,815
Per share / unit – basic	\$1.62	\$4.12	\$3.18
Net earnings	\$16,427	\$55,426	\$30,350
Per share / unit – basic	\$0.92	\$3.25	\$1.79
Reserve life index (P+P) – years	N/A	18.7	17.4
BOE per day	5,032	4,346	4,218
Reserves in BOE per weighted average outstanding share / unit (P+P)	N/A	1.83	1.62
Working capital deficiency	\$14,455	\$23,878	\$58,766
Long-term debt	\$81,386*	\$79,910	\$ -

* Prior to sale of non-core assets to Eagle Rock Exploration Ltd. which closed November 6, 2009

SHAREHOLDER VALUE



* Based on January 7, 2010 closing price of \$35.75



SENSITIVITY ANALYSIS

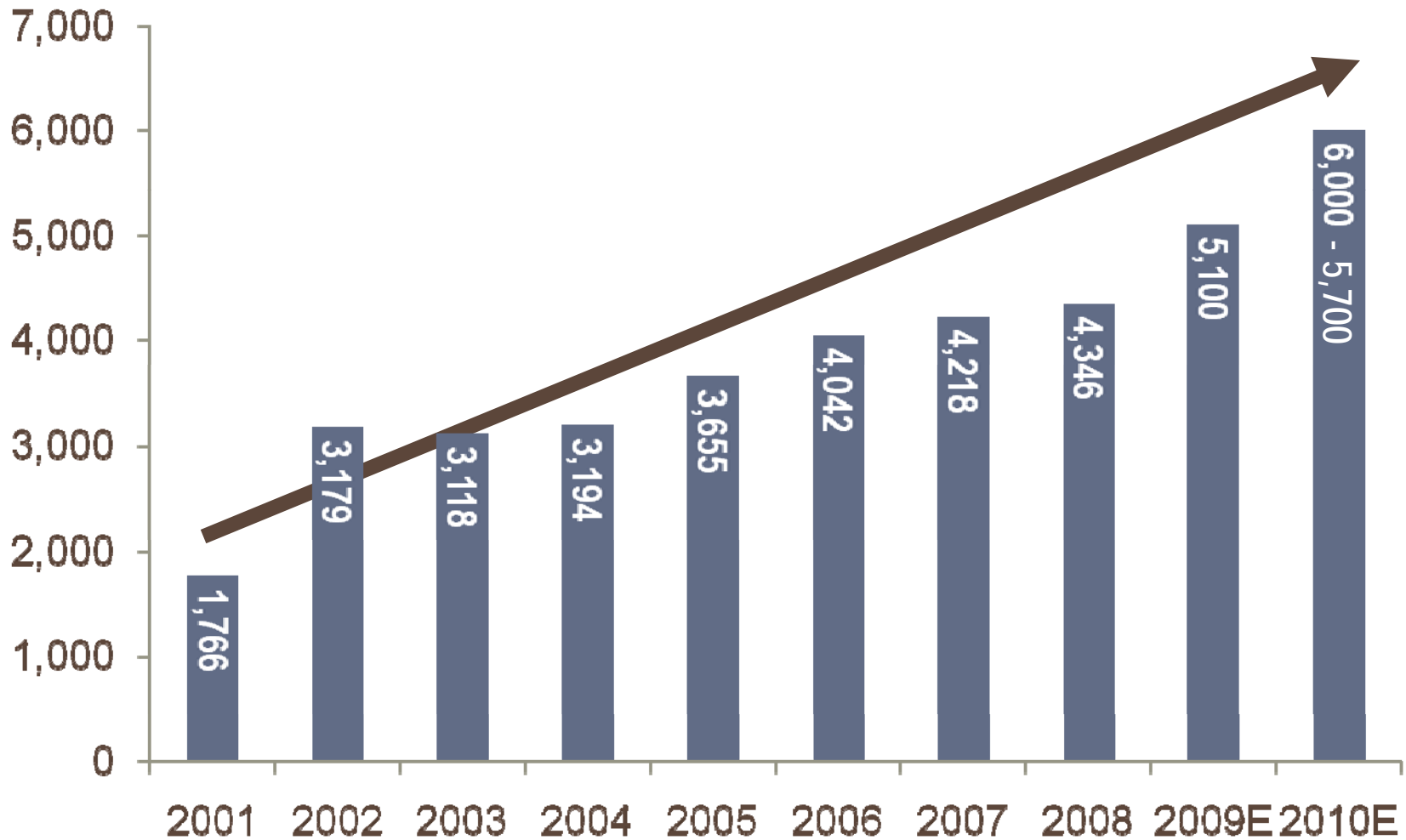
Commodity Prices					Net Annual (After-Tax)	
Oil (Edm. Par) (Cdn \$/ bbl)	Liquids (Cdn \$/bbl)	Nat. Gas (Cdn \$/mcf)	Annual Dividend	Monthly Dividend	(AB)	(ON)
\$55	\$33	\$3.50	\$1.38	\$0.115	\$1.10	\$1.09
65	40	4.00	1.86	0.155	1.50	1.48
75	47	5.00	2.34	0.195	1.89	1.87
85	54	5.50	2.70	0.225	2.18	2.16
95	61	6.00	3.12	0.260	2.52	2.50

* Assumes 18.5 million shares outstanding and production of 5,200 BOE per day (3,200 barrels oil & liquids; 12,000 MCF nat. gas)

Bonterra remains well-positioned to continue providing strong returns to shareholders on both a pre-tax and after-tax basis

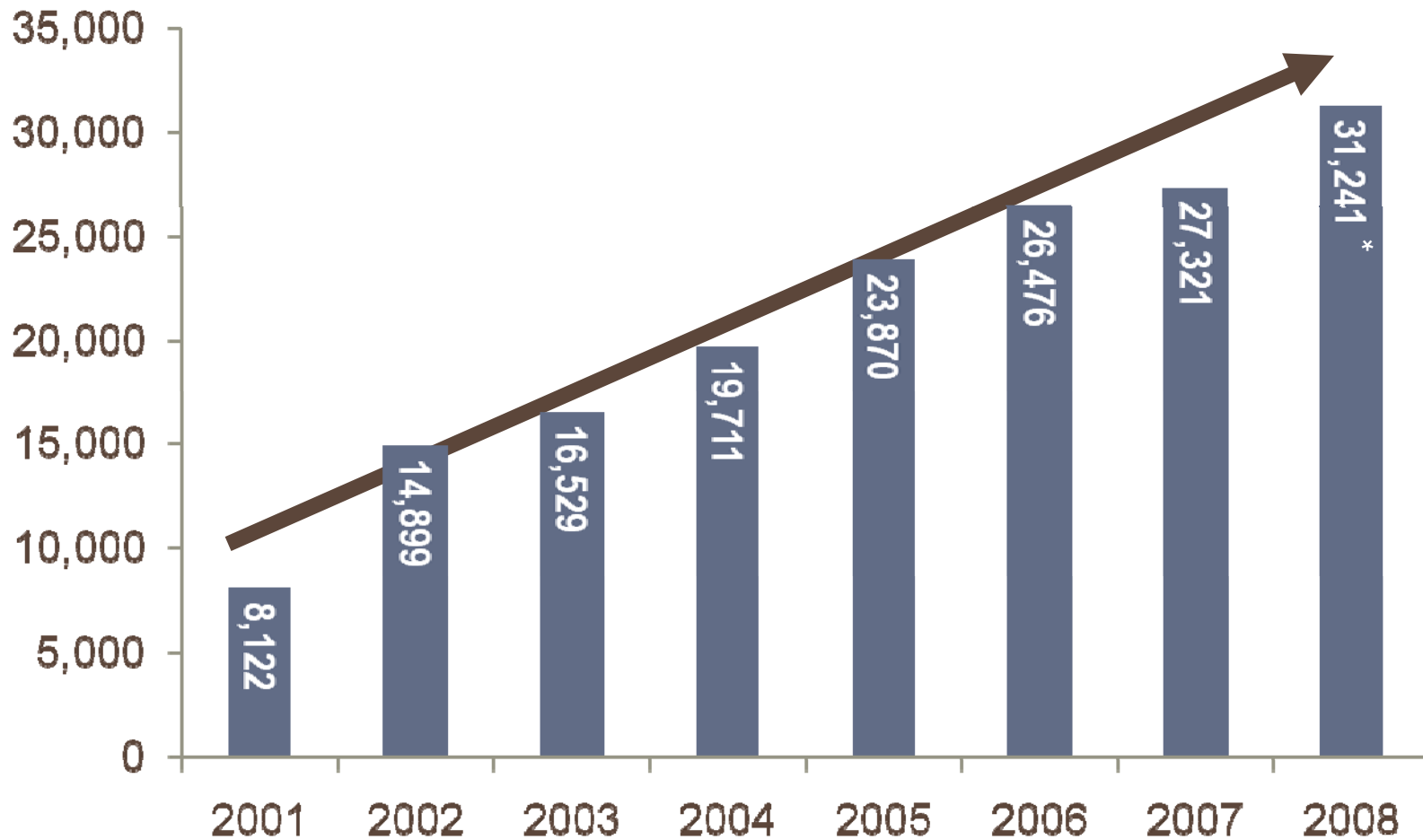
Track Record of Growth

Production (boe per day)



Track Record of Growth

Reserves (P+P) (mboe)

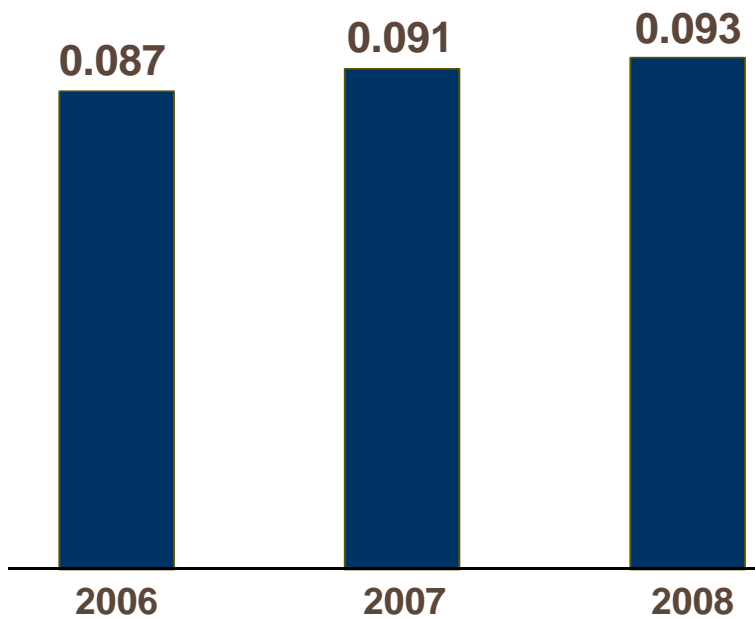


* Only 108,400 BOE from Pembina Cardium horizontal drilling play

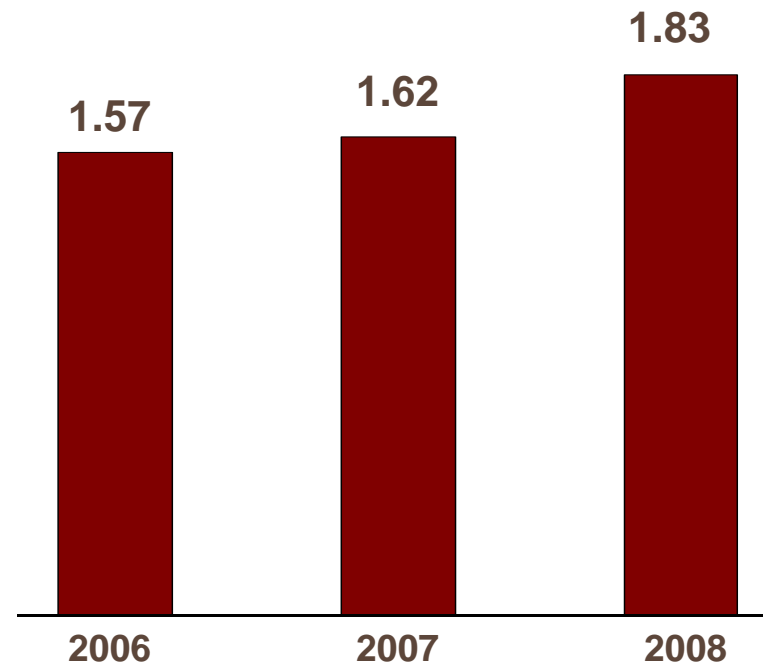


INCREASING SHAREHOLDER VALUE

Production per Share
(boe per share)



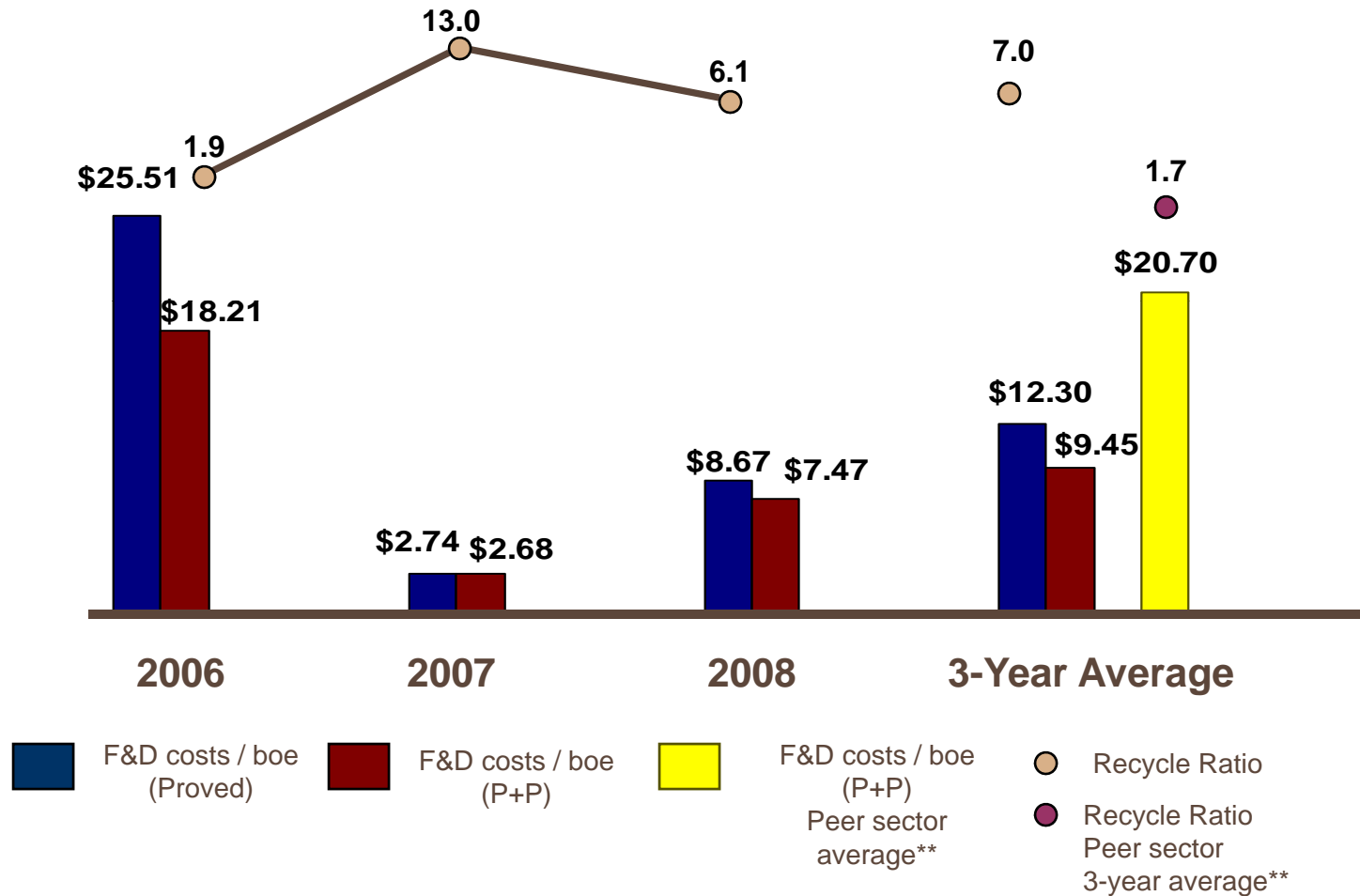
Reserves per Share
(boe per share*)



*based on Proved plus Probable reserves

ACHIEVING TECHNICAL SUCCESS

Finding and Development Cost Summary per BOE*



* Includes Future Development Costs

** Source: Average of 17 trusts – RBC Capital Markets report dated April 16, 2009

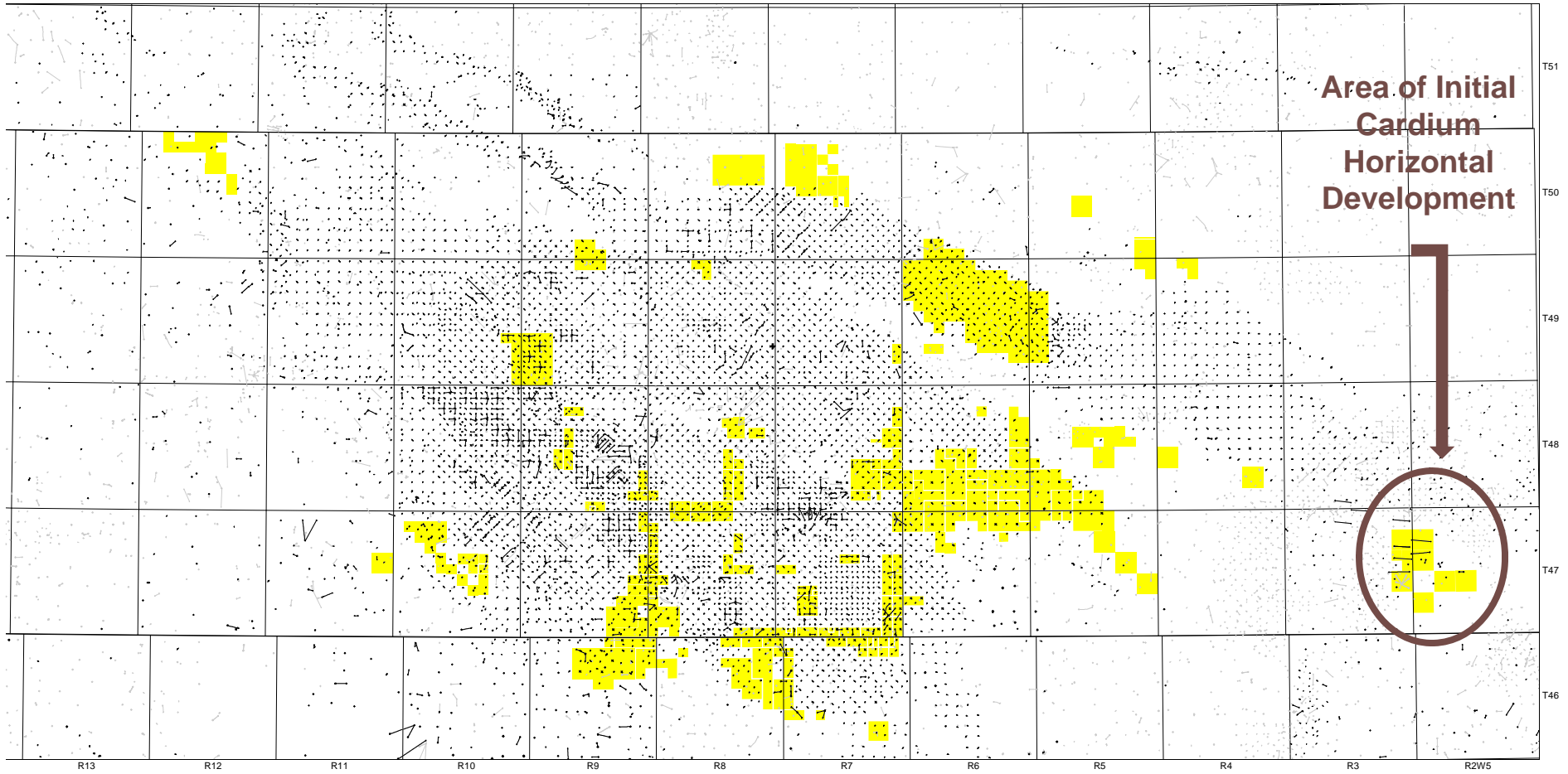


PEMBINA CARDIUM POTENTIAL

- Opportunity: light sweet oil and solution gas
- Estimated original oil in place: 7.8 billion barrels
- Estimated recovery from primary and water flood: 25 percent
- Recovery to date: 17 percent
- Bonterra is the third largest Cardium operator in Pembina

**Potential large positive impact on Bonterra
(75 percent of Bonterra's production is from the Cardium zone)**







PEMBINA CARDIUM HORIZONTAL WELL ACTIVITY

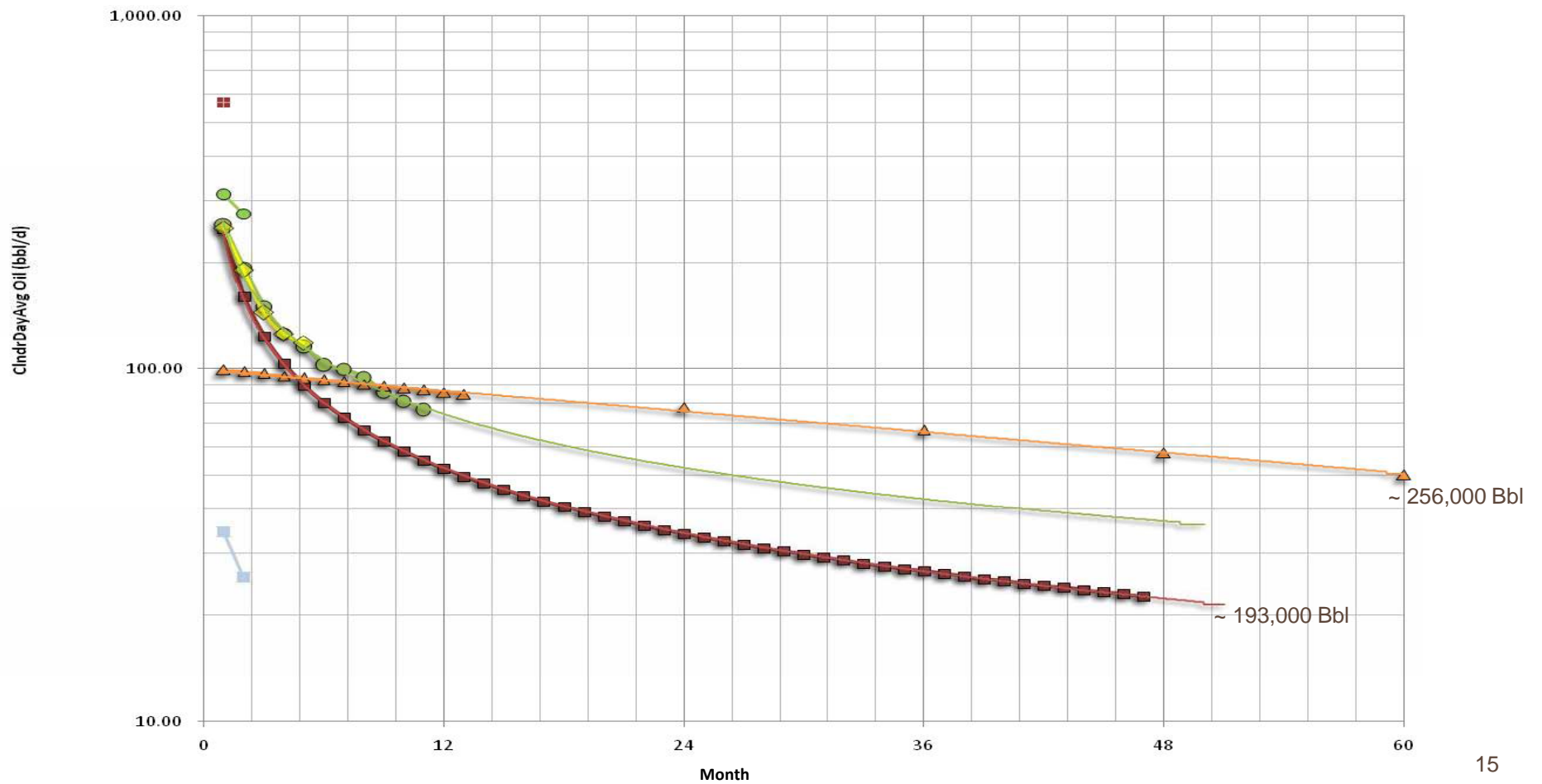
Horizontal Well Update:

Location	Production Date	Oil Production to 12/31/09 (bbls)	Average Oil bbl per day (to 12/31/09)
1-25-47-3 w5	February 1, 2009	40,989	123
16-19-47-2 w5	August 1, 2009	25,120	164
16-13-47-3 w5	October 15, 2009	1,805	23
8-30-47-2 w5	October 26, 2009	15,930	238
12-24-47-3 w5	Est. December, 2009	On prod. first week Jan.	-
16-27-47-5 w5	Est. December, 2009	On prod. first week Jan.	-
16-25-47-3 w5	Est. January, 2010	On prod. first week Jan.	-
8-11-48-4 w5	Est. January, 2010	Mid-January	-
1-27-50-12 w5	Est. January, 2010	Early February	-

Average Working Interests: ~ 80 percent

CARDIUM HORIZONTAL DECLINE

■ BNE Cardium Hz Forecast
 ● 1-25 Actuals
 ▲ Sproule Forecast
 ◆ 16-19 Actuals
 ■ 16-13 Actuals
 ● 08-30 Actuals
 ■ 16-25



* 1-25 Actuals based on eight months of production and forecast thereafter. 16-19 Actuals based on two months of production and forecast thereafter.



LARGE OPPORTUNITY SET

Net undrilled locations:

Inventory of new locations currently identified (subject to commodity prices and the terms of the Alberta royalty plan):

Horizontal Cardium	80-100	(on lands along edge of main reservoir)
Vertical Cardium	330	(greater than 1,000 <u>potential</u> vertical locations if drilled to 40 acre spacing)
Edmonton Sand	10	
Other:	15	(including Gething, Notikewin, Banff and Upper and Lower Shaunavon)

* Only 63 net locations in 2008 reserve report

- **Annual estimate of net wells that will be drilled over the next three years: 25 per year**
- **Coalbed methane future potential: Subject to government regulations and gas prices**
- **Acquiring land for long term growth projects at low prices in core areas**

>14 year inventory for Cardium, Edmonton Sand and other areas

THE BONTERRA ADVANTAGE



Bonterra has drill locations in all three western provinces and can quickly change its drilling program from province to province

Will focus majority of the \$40-\$50 million 2010 capital budget on Pembina Cardium horizontal program

Corporation conversion removes trust taxation overhang and provides increased value for investors

Maintains healthy returns while delivering sustainable growth and maximized dividends to investors

Financial and operational discipline with a strong balance sheet and steady pace of development

High-quality asset base with low decline rates and a drilling inventory in excess of 14 years

Significant tax pools extend taxable horizon beyond 2018

The logo for Bonterra Energy Corp. features a large, stylized letter 'B' in a light brown color. The word 'Bonterra' is written in a bold, black, serif font across the top of the 'B', and 'Energy Corp.' is written in a smaller, lighter brown, serif font below it.

Bonterra
Energy Corp.

A large version of the Bonterra logo, featuring a prominent, stylized brown 'B' that serves as a background for the text. The word 'Bonterra' is in a large, bold, black serif font, and 'Oil & Gas Ltd.' is in a smaller, black serif font below it.

Bonterra
Oil & Gas Ltd.

901, 1015 – 4th Street SW Calgary, AB T2R 1J4
Telephone: (403) 262-5307 Fax: (403) 265-7488
Website: www.bonterraenergy.com



APPENDIX

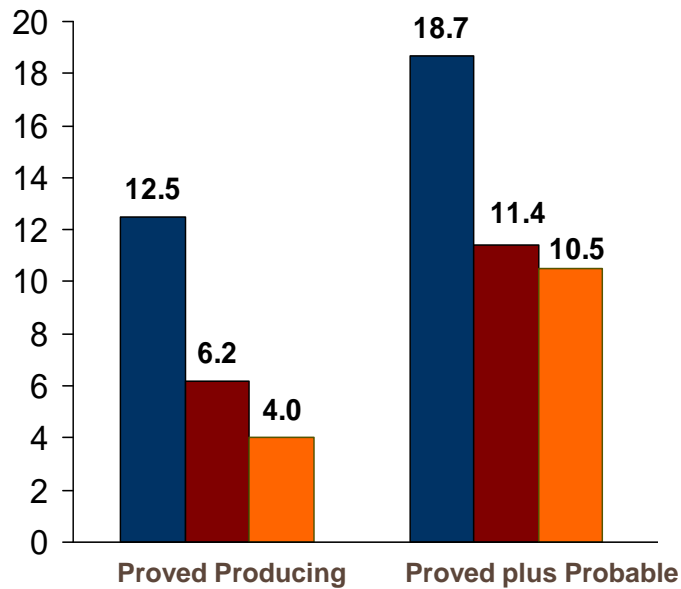


CORPORATION vs. TRUST

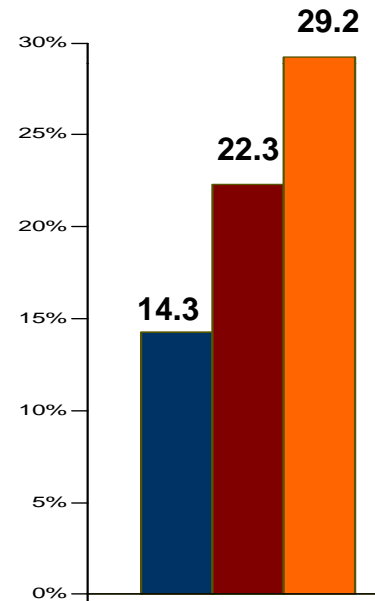
	As a trust	As a corporation
Cash distribution / dividend income before taxes	\$1.00	\$1.00
Trust / Corporation cash income taxes	(0%)	(0%)
Revenue to be distributed as a distribution / dividend	\$1.00	\$1.00
Distribution / dividend taxation at 39% vs.19% (AB and Fed highest taxation rate)	\$0.39	\$0.19
Net income after taxes for investor	\$0.61	\$0.81
Distribution / dividend taxation at 46% vs. 20% (ON and Fed highest taxation rate)	\$0.46	\$0.20
Net income after taxes for investor	\$0.54	\$0.80

The corporation structure maximizes value for investors

Reserve Life Index
(years)



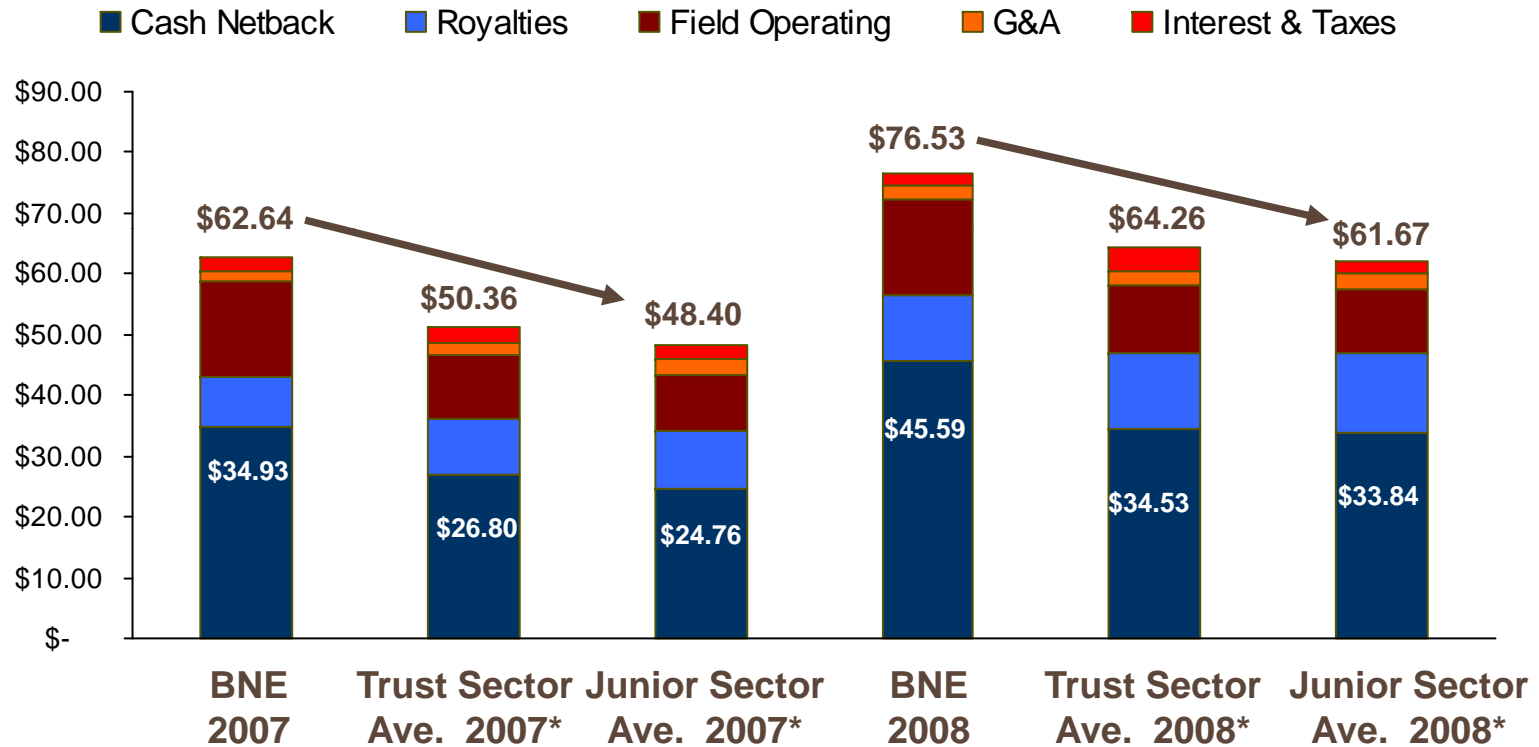
Decline Rate
(%)



Bonterra
 Peer Sector Average (16 trusts)*
 Peer Sector Average (21 juniors)*

*Source CIBC World Markets report dated 03/30/09

STRONG NETBACKS



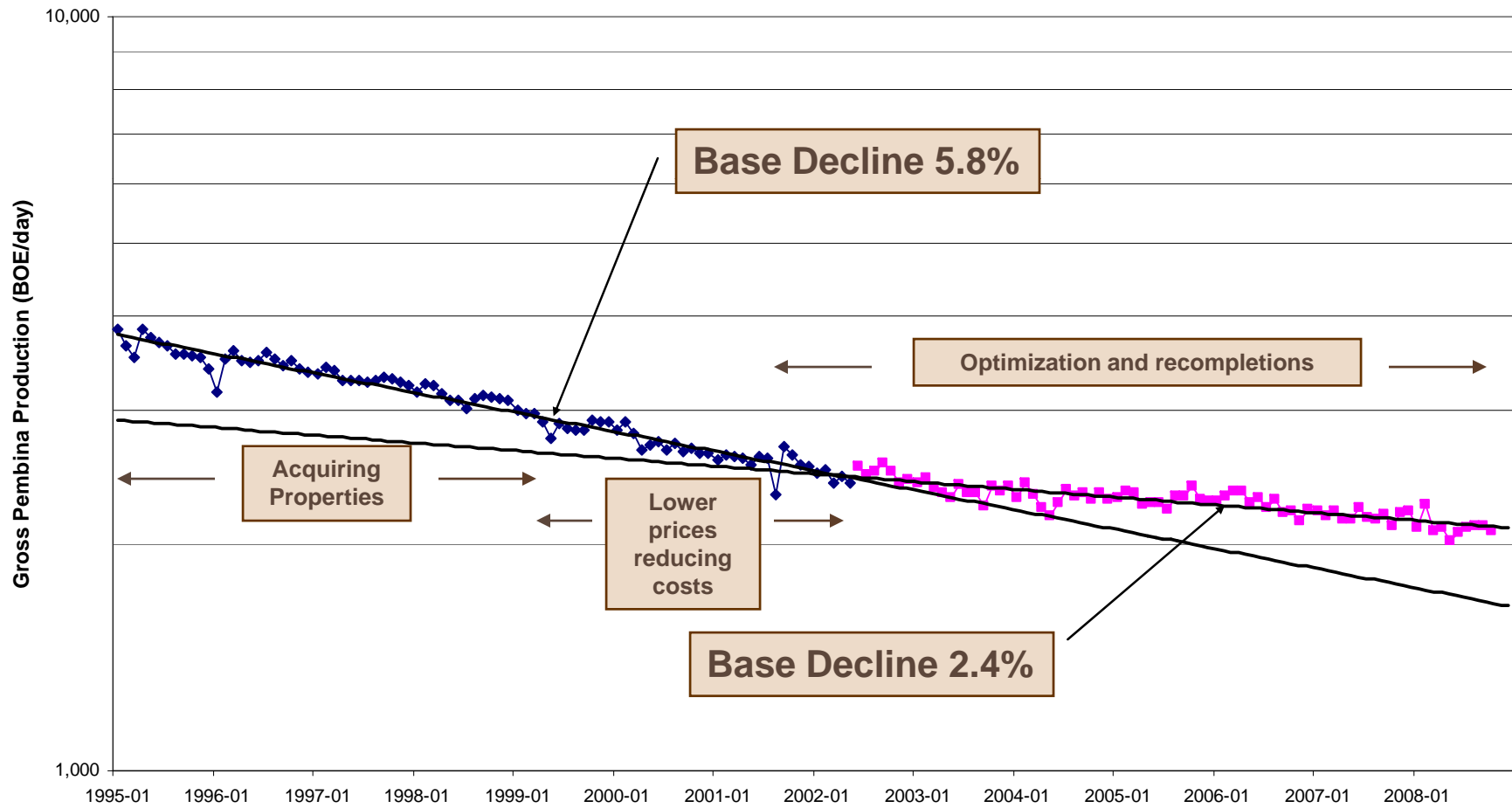
Gross Production Revenue is net of hedging impacts.

* Source: CIBC World Markets report dated April 17, 2009 (average of 20 trusts and 21 juniors)



SUSTAINABILITY & PERFORMANCE

Base Pembina Production Wells (Spudded prior to 2000)



* Well count basically constant



DELIVERING SUSTAINABLE GROWTH

Pembina Drilling Program

