

**2/26/11
PRESENTATIONS:
CALISTA REGION
ALTERNATIVE
ENERGY UPDATE
AND GREAT BEAR
PETROLEUM**

<TARGET><BILL></BILL><SUBJECT>2-26-11 PRESENTATIONS
CALISTA REGION ALTERNATIVE ENERGY UPDATE AND GREAT BEAR
PETROLEUM</SUBJECT><COMM>SRES27</COMM></TARGET>

Calista Region

Alternative Energy Update

Nuvista Light & Electric Cooperative

2011

George Paul Guy, Nuvista Cooperative Chair

Andrew Guy, Calista President/CEO

Christine Klein, COO



CALLISTACORP.COM

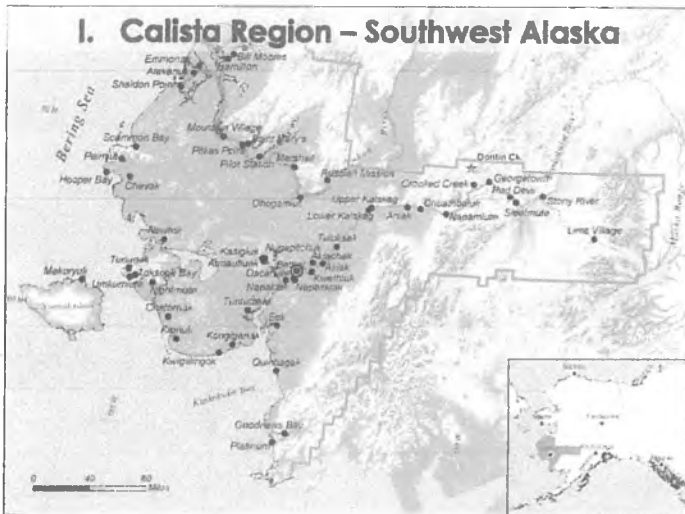


Outline

- I. Who We are
- II. Energy: Where We've Been & Found
- III. Potential Alternative Energy Solutions
- IV. Forward to the Next Steps



CALLISTACORP.COM



I. Calista Region – Southwest Alaska

I. Nuvista Cooperative Formation

Non-profit established 1995:

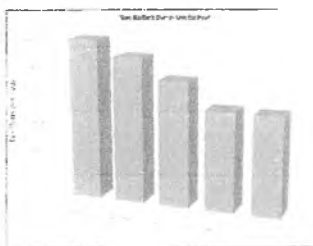
- Utility Cooperative
- Common Goal: to reduce electrical costs to residents
- Assess high cost of power, demands and find alternatives
- Organized as a cooperative to function as a future regional Generation & Transmission utility
- Association of Village Council Presidents (AVCP)
- Yukon Kuskokwim Health Corporation (YKHC)
- AVCP Regional Housing Authority (AVCP-RHA)
- Calista Corporation
- Chaninik Wind Group
- Middle Kuskokwim Electric
- Lower Yukon Representative



CALLISTACORP.COM



I. Region Energy Situation



Diesel

- Region primary home heating fuel, ranges \$6.14 to \$9.50/gallon
- Fuel deliveries by barged 1-2X year
- 50% of family incomes go to home heating, now grown to 75% income
- Families having to choose between food vs. heating

Electricity

- Region small independent village diesel generators
- Household use is 50% Natl Average
- Cost \$0.52 to \$1.00 per kilowatt hour
- Escalating cost of energy
- PCE cannot keep up

II. Where We've Been



- Over 21 Energy Studies, Data, and Reports since '75.
- >41 largely independent aged diesel power generator plants
- Village generators use >20 million gallons of diesel year
- Transmission lines needed
- 65Mw electrical demand for Bethel +14 villages by 2020
- Coal & Hydropower listed repeatedly as feasible options
- Energy costs escalating



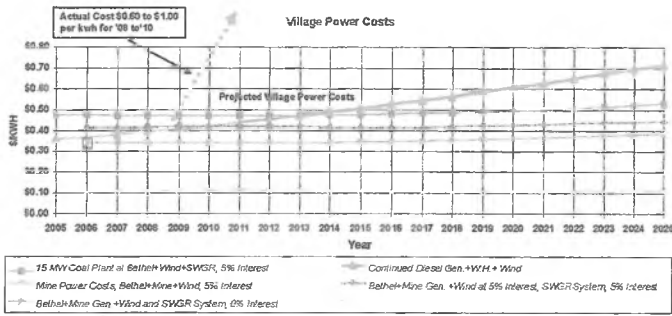
CALLISTACORP.COM



CALLISTACORP.COM



II. Electric Cost Projections (2002)



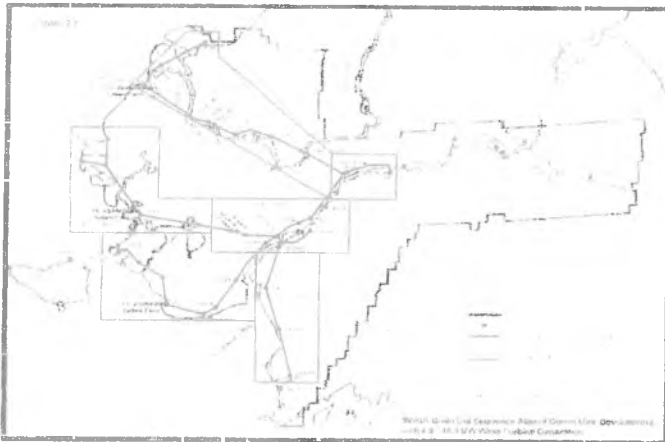
II. Found Energy Needs Varied

Region Villages Vary:

- Diverse Village options
- Conservation Underway but not the complete solutions
- Some Coastal Villages proceed w/ wind generation but there's limited application in region
- Some villages have small needs
- *One size doesn't fit all!*
- Sub-region Bethel +13 villages 65MW electrical needs by 2020



II. Transmission System Needed



II. Energy Alternatives Considered

Alt. Energy Type	Cost to Construct	Cost to Operate	Use Cost per kWh	Capacity to Demand \$/kW	Public Perception	Likelihood of Feasibility
Diesel (do nothing)	Existing	High	High	Same	-	Existing
Geothermal	High	Low	-	None	Positive	Small
Wind Power	Medium	Low	Low	Low	Positive	Limited
Hydropower	High	Medium	Medium	High	Neutral	High to Medium
Coal Power Plant	High	Medium	Low	High	Negative	Medium to Low
Nuclear Power	Low	Low	Low	High	Very Negative	Poor to None

III. Future - Remaining Candidates

- **Wind Turbines**
Variable – region precedent, low power production capacity, augments needs, does not work for all areas of region.
- **Coal Power Plant**
Bethel 15-60 Mw Plant - negative public perception, would provide the cheapest and greatest energy capacity.
- **Hydroelectric Power**
Kisarallik River – 3 sites Yukon Delta National Wildlife Refuge
Chikuminuk Lake - in Wood Tikchik State Wilderness park, could provide clean, mid cost, proven alternative energy.

III. Remaining Hydroelectric Sites



III. Hydroelectric Feasibility Findings

Site	Distance miles	Head ft	Generating Capacity (MW)	Year Around Seasonal	Average Annual Energy (GWh)	Projected 2022 Demand GWh	Useable Energy 2022 GWh
Chikuminuk Lake - Allen River Outfall	118	91	13.4	Y	89.3	64.9	65+
Kisaralik - Upper Falls	70	149	27.7	S	89.5		39.7
Kisaralik - Lower Falls	62	122	34.1	S	128.3		46.9
Kisaralik - Golden Gate	57	78	27.0	S	95.3		38.8

IV. Moving Forward & Ahead

Selection of Option(s):

- NuVista Team & Stakeholders Reviewed latest Findings
- Board Unanimous Decision made to move ahead with request for Hydropower Design Feasibility for Bethel Area.
- Hydro option of Chikuminuk Lake has year around capability to supply 1/2 region's population, 13 villages, and displace diesel

A. Bethel Area Sub-Region

Complete plan and project(s) underway to reduce energy cost, and integrate those with the larger Region-Wide plan

B. Region-Wide Alternative Energy Plan

Begin a comprehensive region wide alternative energy plan that integrates the work already done and underway to guide future development

IV. Preferred Alternative

Site	Construction Cost in 2010 dollars	Design Cost	Total Project Cost	Estimated 20 year Cost/ kWh	Meets Bethel Sub-Region 2020+ Demand?
Chikuminuk Lake Outfall	\$351.7 M	\$91.3 M	\$483 M	\$0.70-0.50	Yes
Kisaralik Upper Falls	\$386.4 M	\$92.6 M	\$479 M	\$0.70-0.65	No
Kisaralik Lower Falls	\$329.5 M	\$78.5 M	\$408 M	\$0.70-0.65	No
Kisaralik Golden Gate	\$305.5 M	\$72.5 M	\$378 M	\$0.70-0.65	No

IV. Current and Next Tasks

- Complete Hydroelectric Feasibility Study - 1/2011
- NuVista Board Decision to Proceed Ahead - 1/2011
- Hiring Project Manager to develop scopes, lead public process, oversee work - 4/2011
- Complete Public Hearings and Preferred Alternative designs Spring - Fall 2011
- Start a Comprehensive Region wide Alternative Energy Plan
- Initiate Federal FERC and ROW Processes



IV. Action: Energy Capital Request

Hydroelectric Energy Tasks	Lead Agency	Schedule	Funding	Cost (millions)
1a Detailed Feasibility Assessment, Permitting, Engineering Plans, Licensing	NuVista, FERC	2011-2014	State	\$5.88M
1b Preliminary Design, Site Field Investigations, Specifications	NuVista AEA	2011-2016	State	\$11.75M <u>\$17.6M</u>
2. Transmission rights-of-ways, and land easements	NuVista DOI/BLM	2012-2015	DOI	\$7.83M
3. Final Designs, Permits, Mods, and Construction Oversight	NuVista AEA	2016-2018+	AEA Bonds	\$35.25M
4. Construction	TBD	2018-2021	AEA Bonds	\$391.7 M

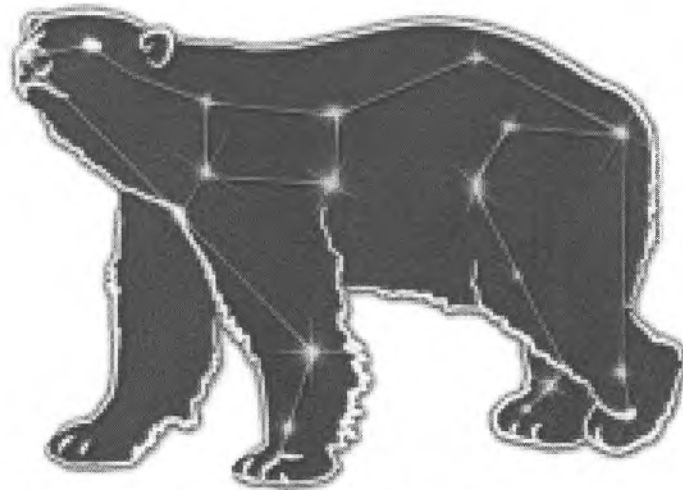
IV. FY2012 Capital Request

Region: Calista/AVCP Southwest Alaska

Project: Chikuminuk Hydroelectric Alternative Energy

Scope: Complete Detailed Feasibility Report, Site Field Investigations, Reconnaissance, Hydrologic Monitoring, Surveys, Permitting, Engineering Plans, FERC Licensing, and Specifications

Cost: **\$17,630,000.**



Great Bear Petroleum LLC

Corporate Presentation

Alaska State Capital: Juneau

26th February, 2011



Introducing Great Bear Petroleum

Disclaimer

- Great Bear Petroleum LLC (the “Company”) has prepared this presentation for the sole purpose of providing preliminary background, strategic, financial and other information to enable interested parties to review the business activities and objectives of the Company. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities.
- This presentation and its contents is made available in confidence and may not be reproduced or disclosed to third parties or made public in any way without the prior express written permission of the Company.
- The Company and its respective managers, members, officers, employees or agents do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and such parties do not accept any liability for any statement made in, or omitted from, this presentation.
- Before acting in reliance on any information contained in this presentation, such parties should conduct their own investigation and analysis in relation to the Company and should check the accuracy, reliability and completeness of the information contained in this presentation and obtain independent and specific advice from appropriate professional advisers. This presentation does not purport to be an exhaustive compilation of the information presented or that a prospective investor may require.
- This presentation contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U. S. Securities Exchange Act of 1934, as amended. These forward-looking statements are based on management’s expectations, estimates, projections and assumptions. These forward-looking statements include, but are not limited to, the plans, objectives and projections of the Company’s management for future operations, performance, business strategy, returns, budgets, financial position, costs, production, projections of investment returns, reserves, cash flows, valuations and potential revenues. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors.
- All forward-looking statements speak only as of the date of this presentation or, in the case of any document referenced, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on the Company’s behalf are qualified by the cautionary statements in this section. The Company does not undertake any obligation to update or revise its forward-looking statements to reflect events, circumstances or changes in expectations after the date of this presentation.



Introducing Great Bear Petroleum

Executive Summary

- Alaska focussed. A proven, world class oil and gas province with 3 mature prolific source rocks: Shublik, Kingak, Hue/HRZ.
- Deep understanding of Alaskan geology and its petroleum systems.
- Great Bear is pursuing what it believes is the most significant emerging resource play in North America.
- 500,000 acres with P50 potential of approximately 2 billion barrels of oil and 12 Tcf of gas.
- Work program will employ proven drilling and completion technologies which are already present in-State.
- Productivity expected to significantly exceed that of analogous South Texas Eagle Ford Shale.
- Targeting near term oil production accessing existing infrastructure.
- Longer term gas resource development tied to broader industry North Slope gas development strategy.
- Supportive State Government.

*Great Bear is the leading unconventional resource player on the North Slope
and one of the largest in North America.*



Introducing Great Bear Petroleum

The Team to Deliver



Ed Duncan

B.S., M.A., D.B.A.

President and Chief Operating Officer

- Began his career working regional exploration plays in North Alaska
- Mapped, leased and named the Kuvlum prospect in Camden Bay, planned and managed wellsite operations on the Kaktovik -1 well in the ANWR and mapped and leased the Pt McIntyre field leases
- Over 30 years of experience as a Petroleum Geoscientist and Business Development Manager involved in the evaluation of new business across many of the world's petroleum provinces
- Member of the American Association of Petroleum Geologists



Karen Bryant Duncan

BBA, J.D.

VP – Corporate, General Counsel and Secretary

- A practicing lawyer in the State of Texas since 1987
- Worked at large national law firms for most of her career, achieving partner status
- Over a decade of in-house experience working as corporate counsel for publicly traded corporations
- Karen's expertise covers corporate, securities and oil & gas law

Ryan Moynagh

LLB, MBA, CFA, LIFA

VP – Finance and CFO

- Independent strategic and commercial advisor to oil & gas sector
- Former Investment Banker in Merrill Lynch's Energy & Power Group, based in New York, London and Singapore
- Graduated first-in class in Law and Accounting (First Class Honours), Queens University
- Wharton Business School Executive MBA graduate

Robert Rosenthal

BSc, MSc

VP – New Ventures

- Over 30 years experience in the global oil and gas industry
- Career in Alaska spans nearly 20 years
- Directly involved in discoveries of approx. 1 billion barrels of reserves as world class source rocks
- Responsible for the implementing BP's new exploration strategy in 1990
- Drilled first ever Caney/Woodford well

Mario Traviati

BSc, MSc

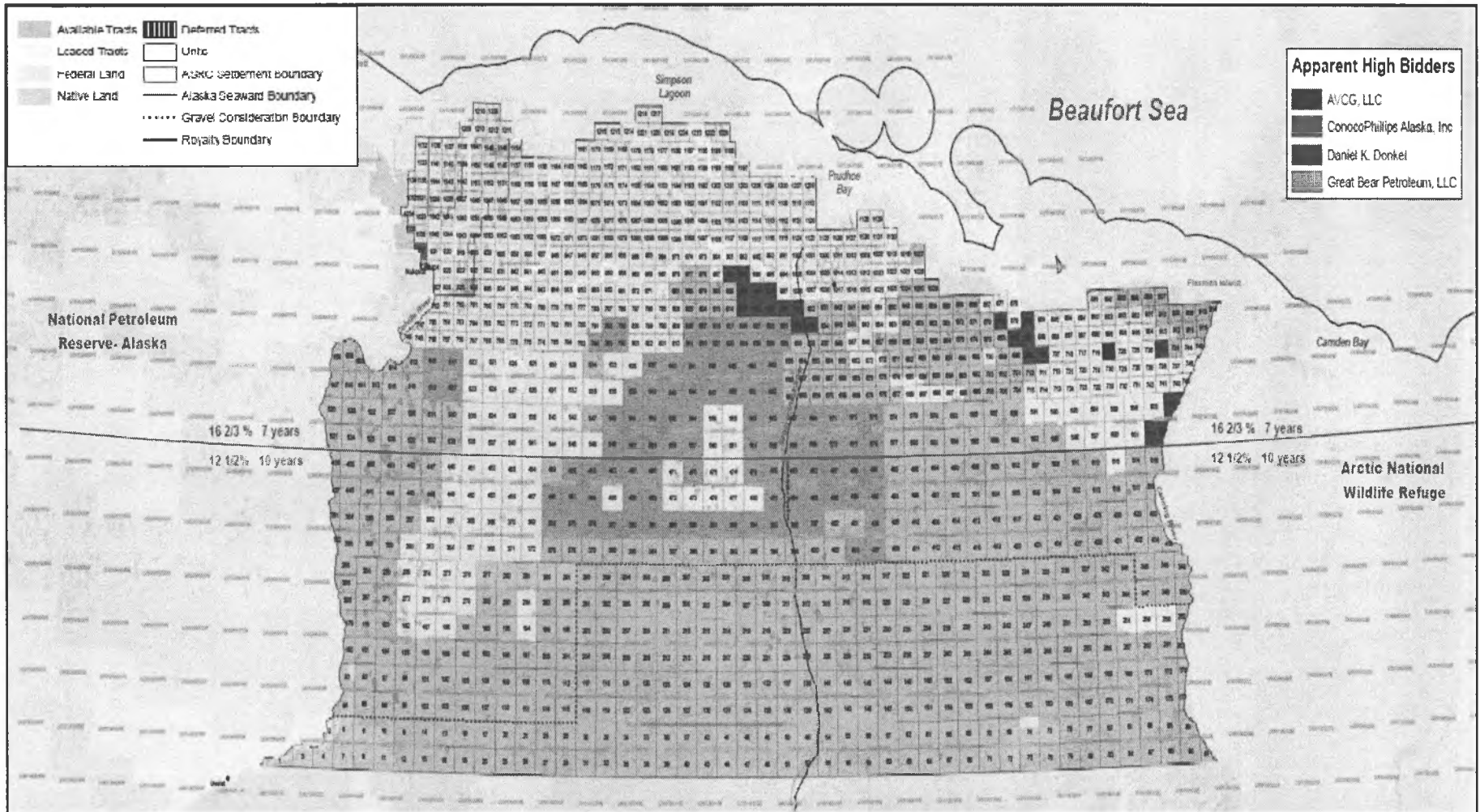
VP – Business Development & Investor Relations

- Former head of Energy Research Asia Pacific at Merrill Lynch
- Excellent contacts at senior levels with governments and corporates across Asia-Pacific, the Sub-Continent & the Middle East
- Formerly an Explorationist with Woodside Petroleum which discovered the vast resources of the North West Shelf



Introducing Great Bear Petroleum

High Bidder on 537,500 Acres in the 2010 North Slope Areawide Lease Sale



Source: State of Alaska, Department of Natural Resources, Division of Oil and Gas

⁽¹⁾ Royalty reducible to 6.25% if the lessee under a gas-only lease demonstrates that the potential resources underlying the lease are reasonably estimated to be nonconventional gas



Great Bear Petroleum LLC

North Alaskan Technical Case



North Alaska Technical Case

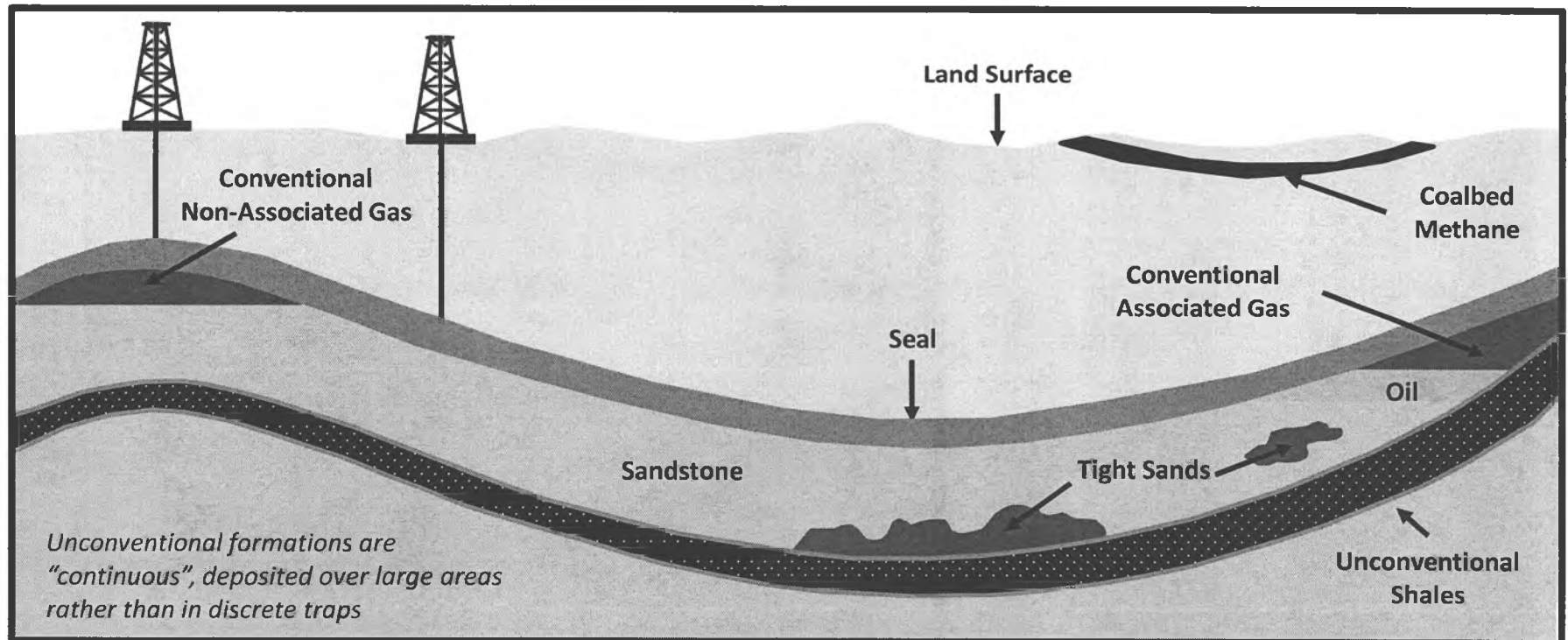
Unconventional Reservoirs Explained

CONVENTIONAL RESERVOIRS

"These are reservoirs that are capable of natural flow and will produce economic volumes of oil and gas without special recovery techniques."

UNCONVENTIONAL RESERVOIRS

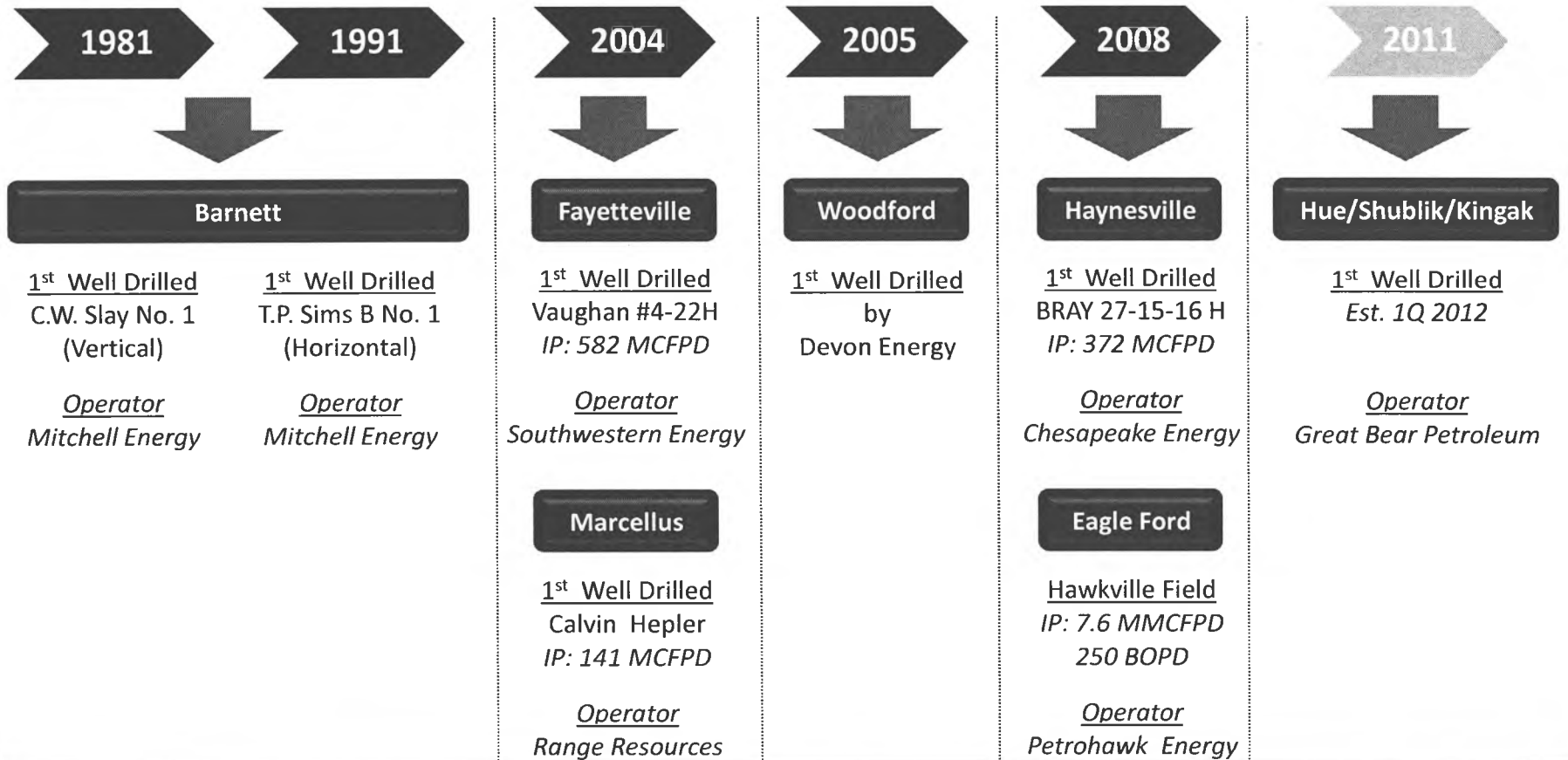
"These are reservoirs that cannot be produced at economic flow rates or that do not produce economic volumes of oil and gas without assistance from stimulation treatments or special recovery processes and technologies."





North Alaskan Technical Case

Discovery Timeline of Key Shale Plays



The obvious is not always apparent.



North Alaskan Technical Case

This is More Than a Theory

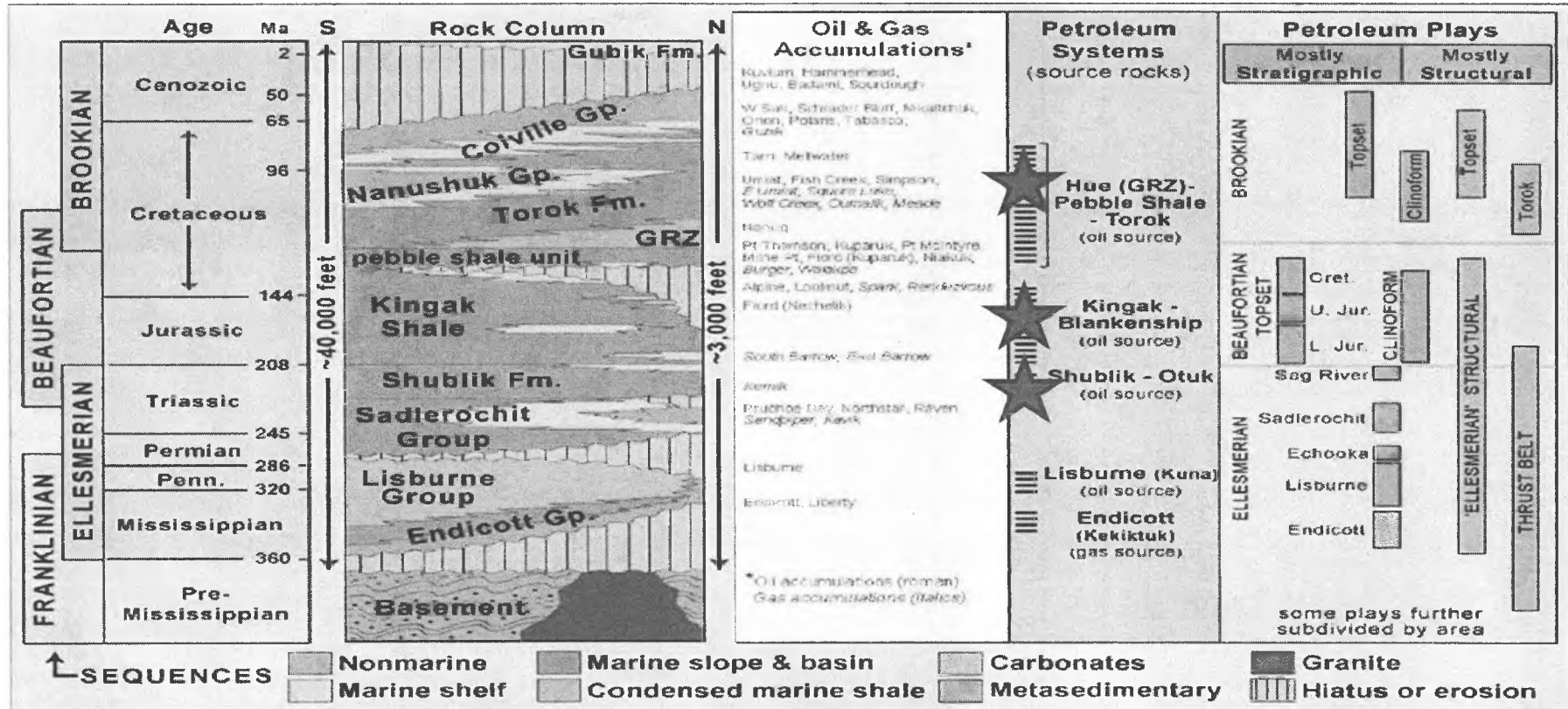
- Conventional exploration has provided a large technical database in support of our thesis.
- Approx. 150 exploration wells have been drilled through the targeted source rocks in North Alaska.
- Cores, sidewall cores, cuttings and outcrop of the target formations have already been evaluated.
- Great Bear has incorporated extensive technical data into its geological model.
- Great Bear has a deep understanding of the shales – this is not speculation, but science.
- Estimates of oil generated from our targeted source rocks approaches 1 trillion barrels of oil equivalent.
- Approximately 100 billion BOE in place has already been discovered just north of our acreage.
- Basin modeling from multiple sources suggests less than 20% of generated product migrates to trap. The balance remains in the source rock. **THIS IS OUR TARGET!**
- Great Bear's geoscience team will apply proven technologies already utilized in other North American shale plays to unlock the potential of its leases.

Great Bear has been able to access a wealth of existing data that supports our thesis.

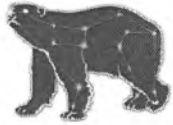


North Alaskan Technical Case

3 Prolific Source Intervals



Individually, these source rocks have the potential to deliver a successful unconventional resource play. Collectively, these source rocks through extraordinary quality, common regional distribution, shared burial history and their stacked nature create the opportunity for an unsurpassed resource play volumetric outcome.

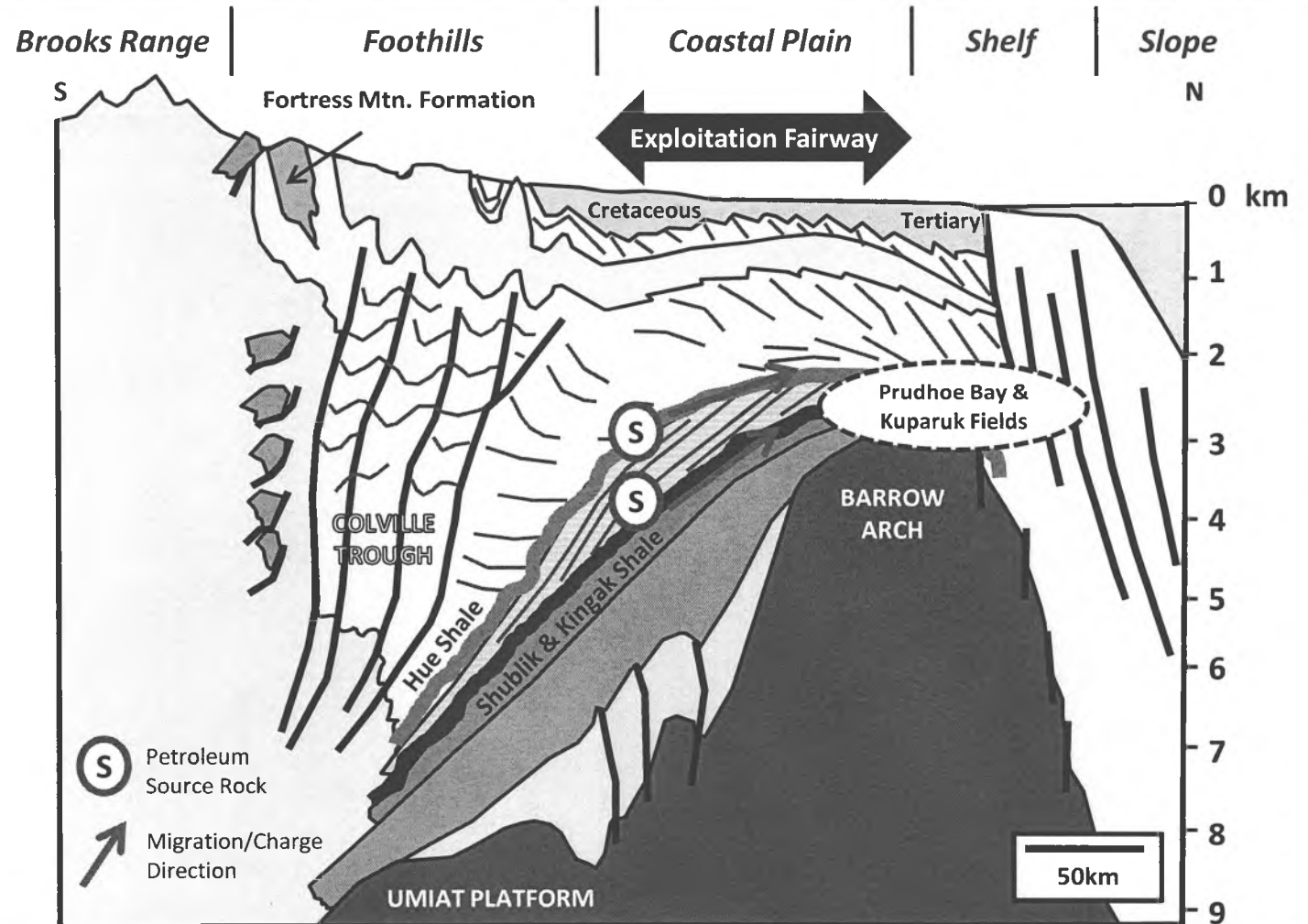


Great Bear Petroleum LLC

North Alaskan Technical Case

North Slope - Structural Cross Section

- Petroleum system of North Alaska has:
 - 3 world class source rocks
 - 3 resource play targets
- All 3 source rocks are “co-located”
- All 3 source rocks are mature for oil & gas within Great Bear’s focus fairway



Source: Modified From Bird & Bader (1987)



North Alaskan Technical Case

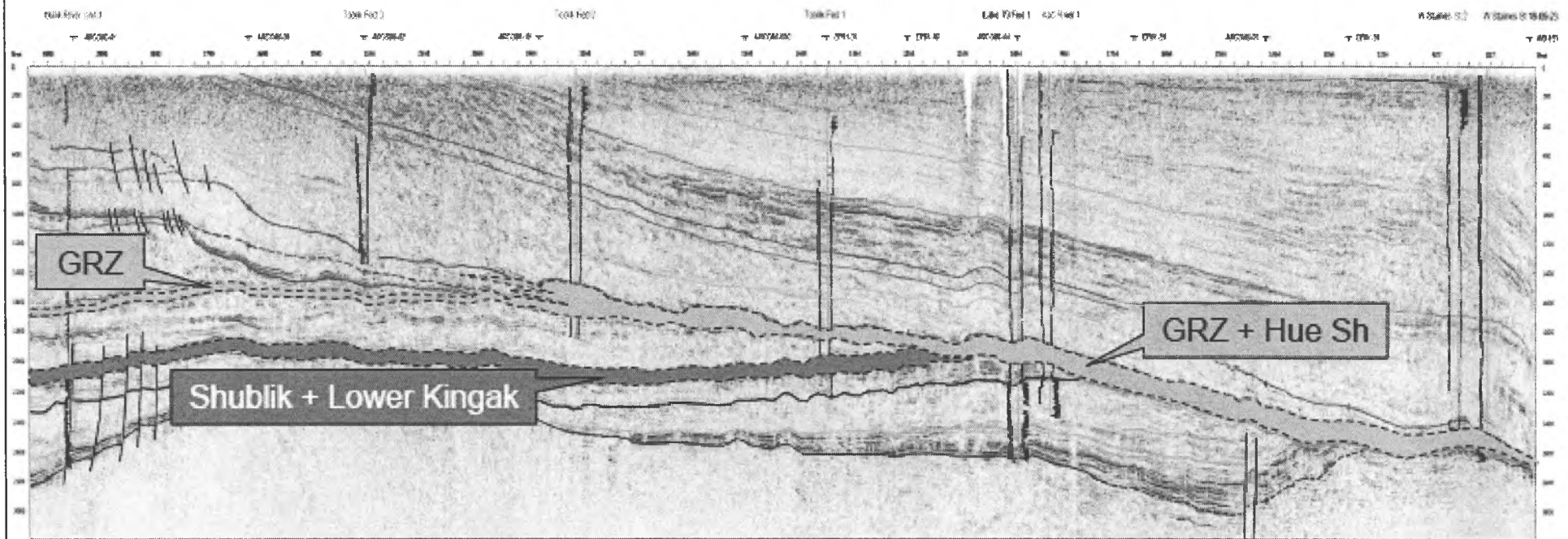
Central North Slope Seismic Transect

Public Seismic Line ARCO 80-07 & 80-06

West

Total Length ~120km

East

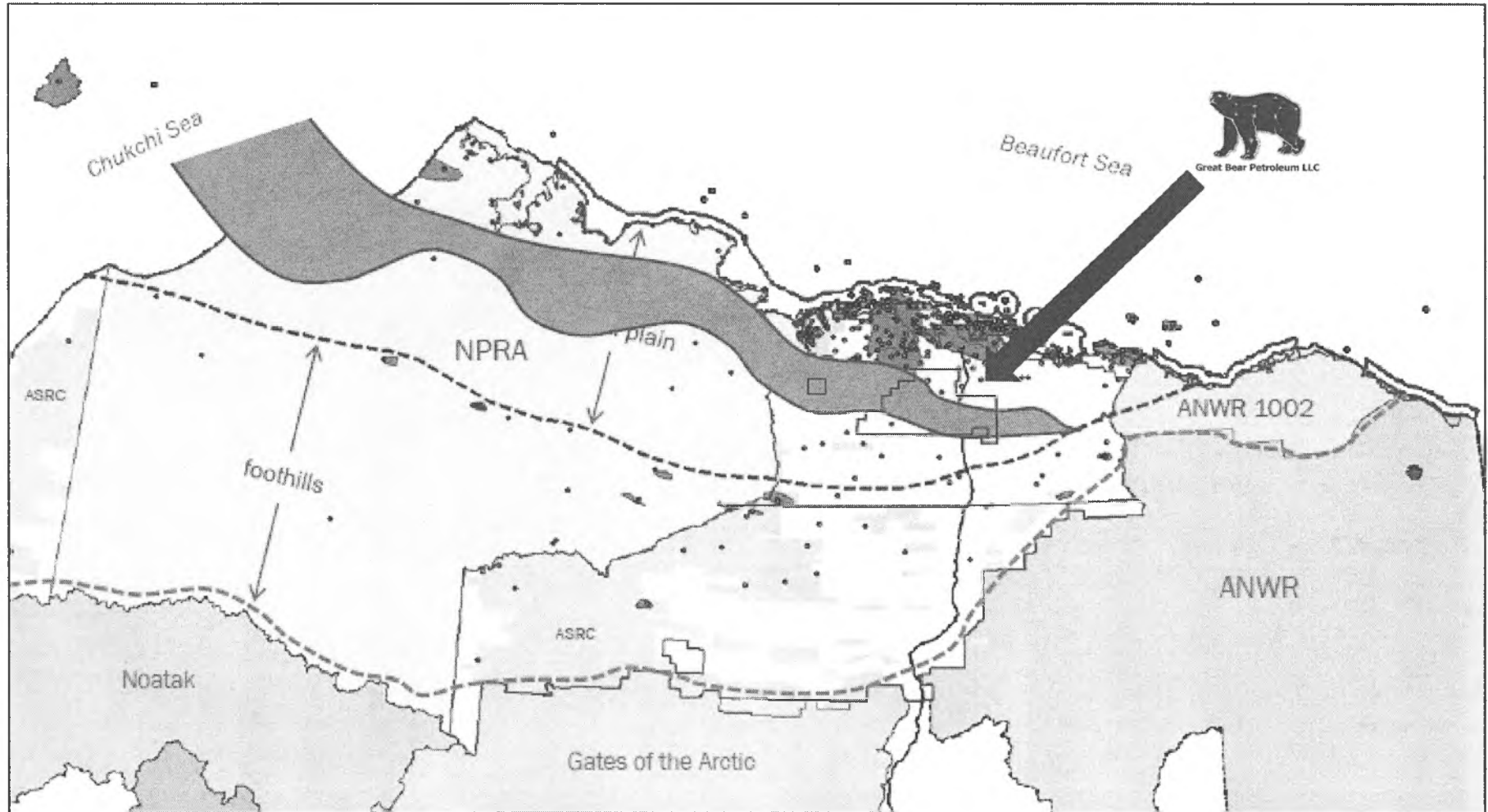


- Hue/HRZ @ ~8,000 – 13,000 ft depth
- Shublik + Lower Kingak @ ~10,000 ft depth



North Alaskan Technical Case

Thermal Maturity Zone: Shublik & Lower Kingak

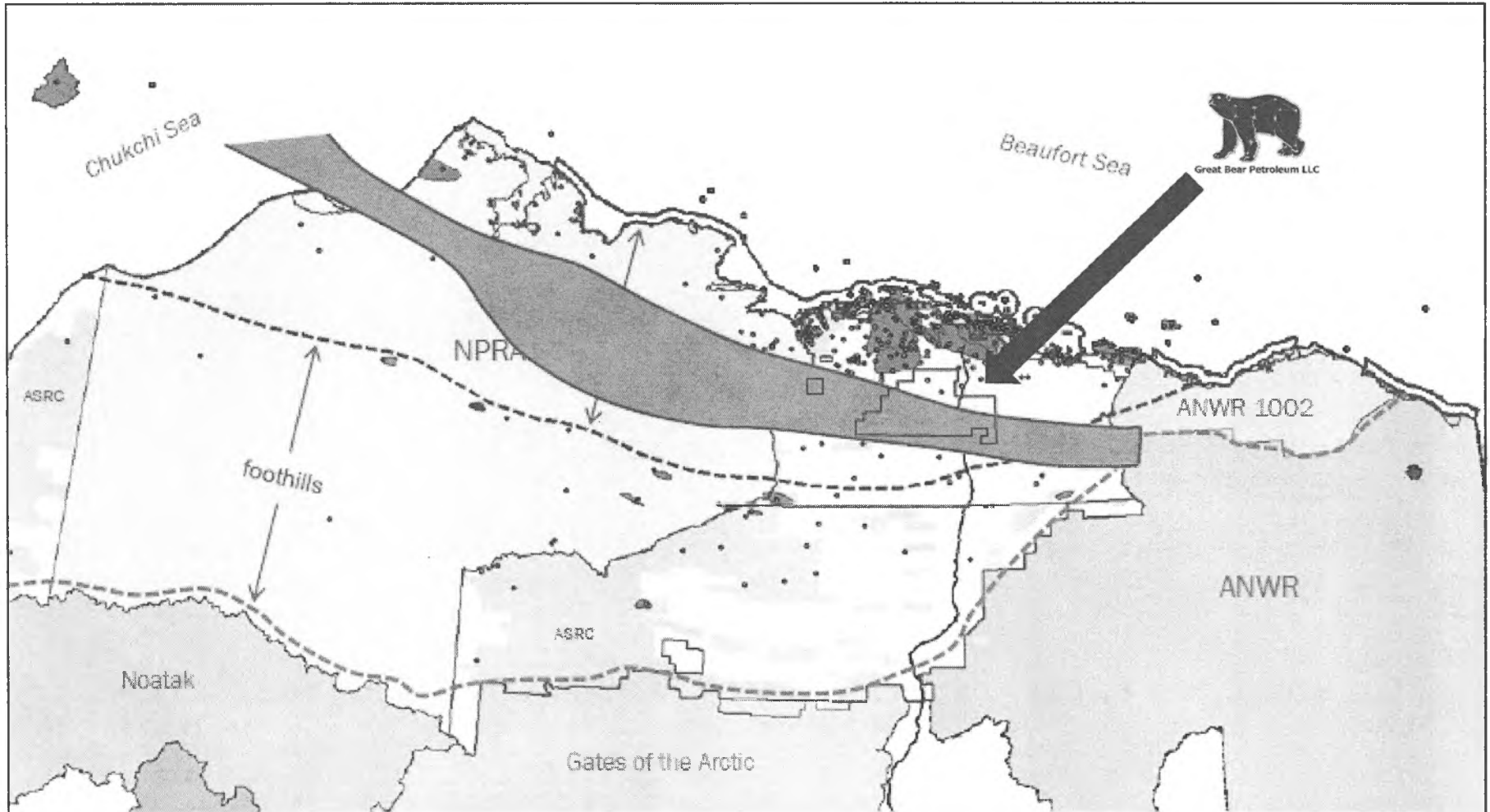




Great Bear Petroleum LLC

North Alaskan Technical Case

Thermal Maturity Zone: Hue/HRZ

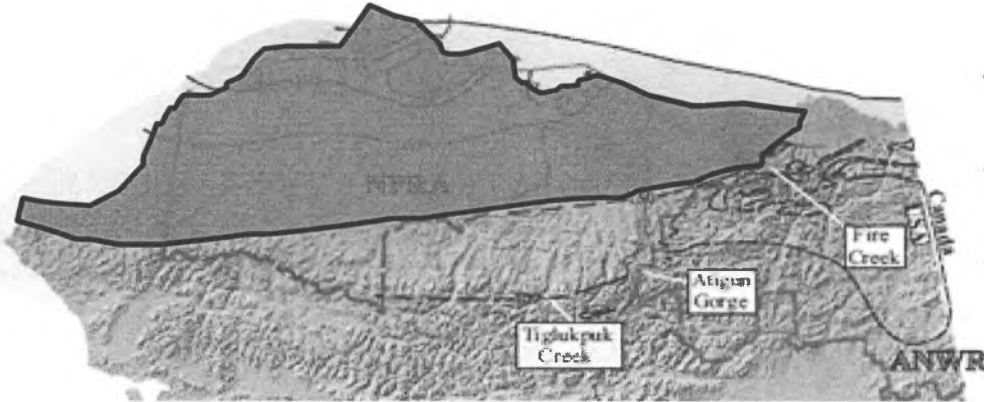




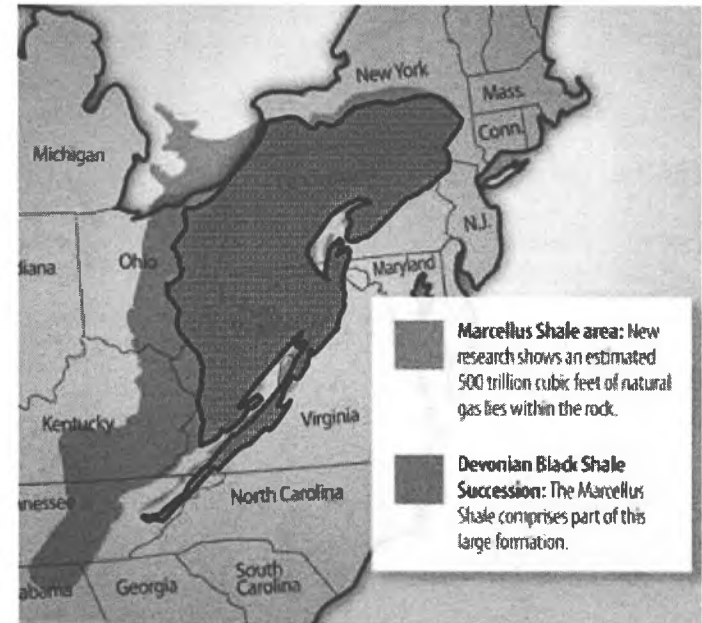
North Alaskan Technical Case

The Scale of the Opportunity Exceeds Comparable Shale Plays in the Lower 48

Shublik Play Fairway



Marcellus Play Fairway



Eagle Ford Play Fairway



The Shublik play fairway alone dramatically exceeds the Marcellus and Eagle Ford shales both in scale and extent.

Note: All fairway maps are approximately the same scale



North Alaskan Technical Case

Comparison: Targeted Alaskan Shales are Superior to the Eagle Ford

The Eagle Ford shale represents the best analogue to Great Bear's North Alaskan opportunity. Great Bear has not one shale opportunity, but three; all of which are superior to the Eagle Ford.

Key Technical Comps	Shublik	Kingak	Hue	Eagle Ford
Location	North Alaska	North Alaska	North Alaska	South Texas
TOC Average	4.0	5.0	4.5	3.5
Vitrinite Reflectance	.5 - 2+	.5 - 2+	.5 - 2+	< .5 - 2+
Porosity	< 10%*	< 10%*	< 10%*	< 9%
Thickness Range/Average (meters)	20 - 150/70	30 - 50/40	50 - 100/100	5 - 75/30
Depth (meters)	2,500-3,000	2,500-3,000	2,000-2,500	3,000-4,500

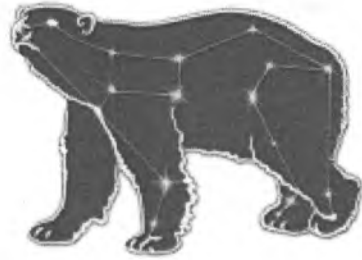
Notes:

* Calculated from average Rho log measurements

TOC: Total Organic Content (%)

Vitrinite Reflectance (R_v) is a measure of thermal maturity

At the moment the Eagle Ford is the "hottest unconventional oil shale play in the world". We believe that is about to change.



Great Bear Petroleum LLC

Our Vision



Our Vision

To Be the Leading Unconventional Oil & Gas Producer in Alaska

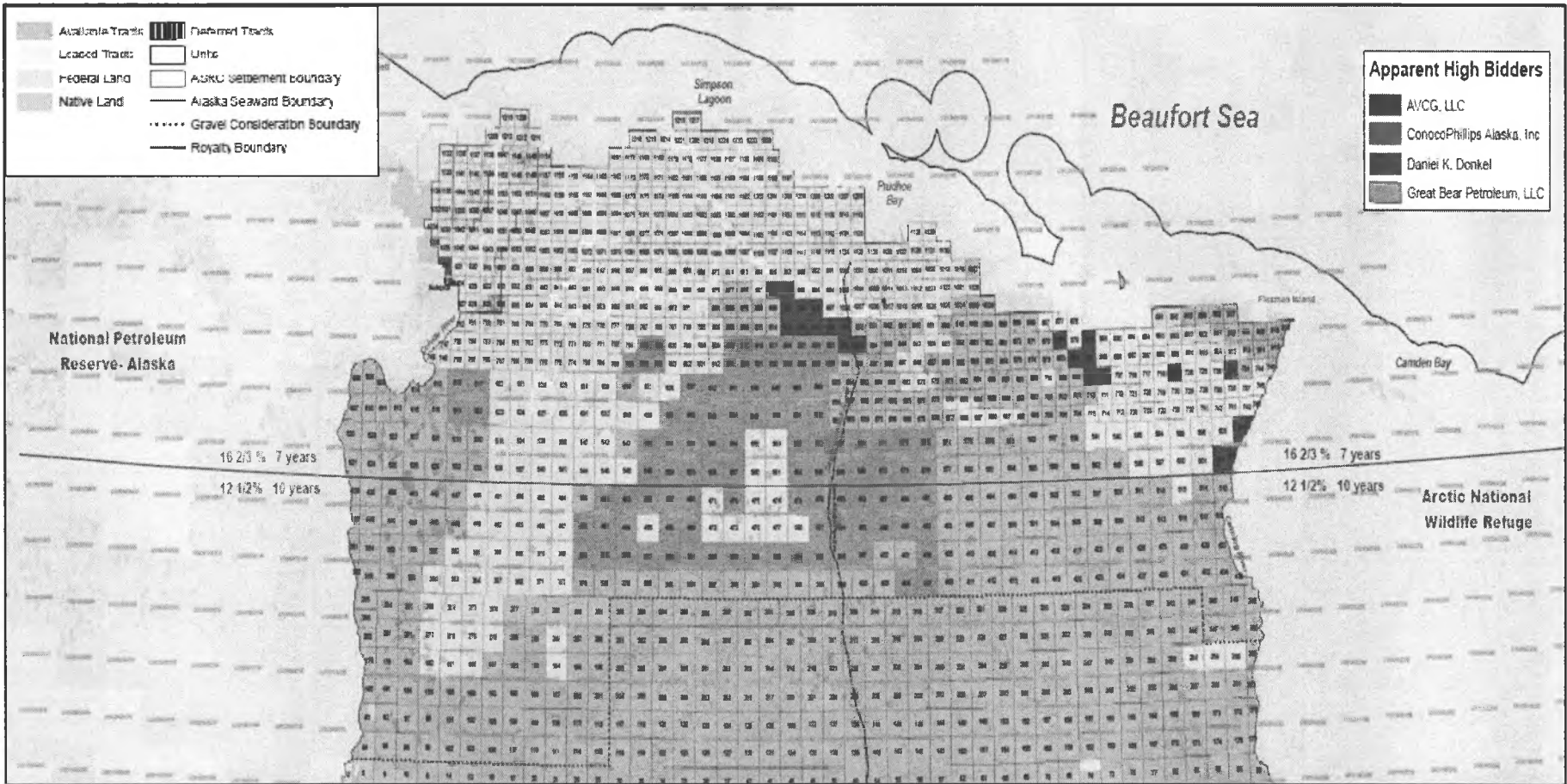
- Great Bear is leading the industry toward **development of unconventional oil and gas** resources from known, prolific source rocks on the North Slope.
- Development of this resource can secure the energy and economic future of Alaska for the next 50+ years by reversing the State's oil production decline.
- Great Bear is targeting an aggressive program employing proven drilling and completion technologies developed in the Lower 48. Phase One would support **200 wells per year for 15 years** starting 2013.
- Successful development will deliver near-term oil production into TAPS, with forecast **minimum steady state oil production of approximately 150,000 barrels of oil per day** with a significantly higher peak production rate.
- Longer term North Slope gas development strategy, which may include LNG exportation.
- We are singularly focused on Alaska business development.
- We are committed to operating in a safe, environmentally responsible manner and desire to be recognized as a great corporate citizen by the State and the communities where we do business.



Great Bear Petroleum LLC

Our Vision

Great Bear Has Targeted the Heart of the Resource Play

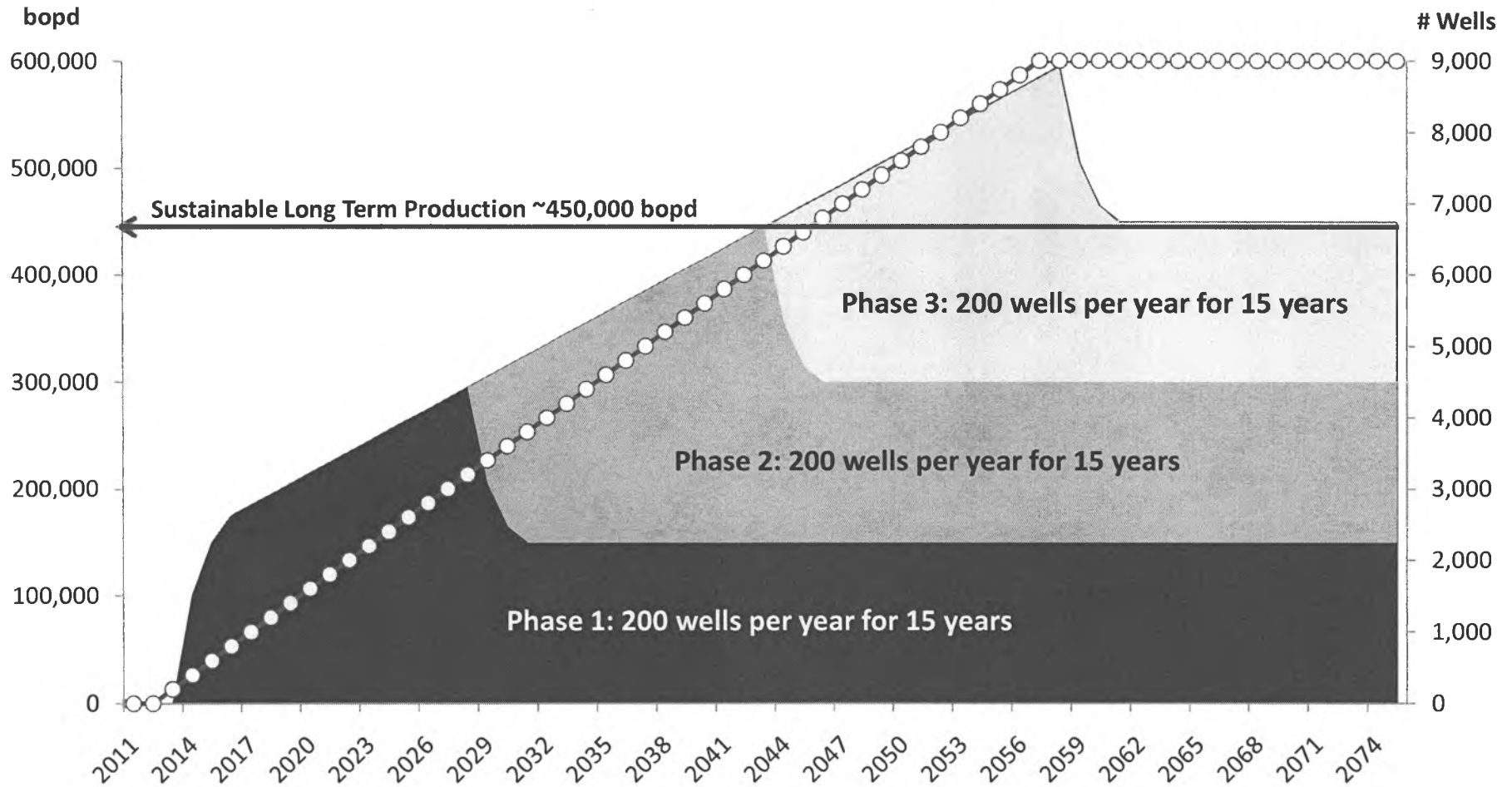


Great Bear is targeting unconventional oil and gas from the source rocks beneath the North Slope providing a long term strategy for Alaska.



Our Vision

Potential Oil Production Profile



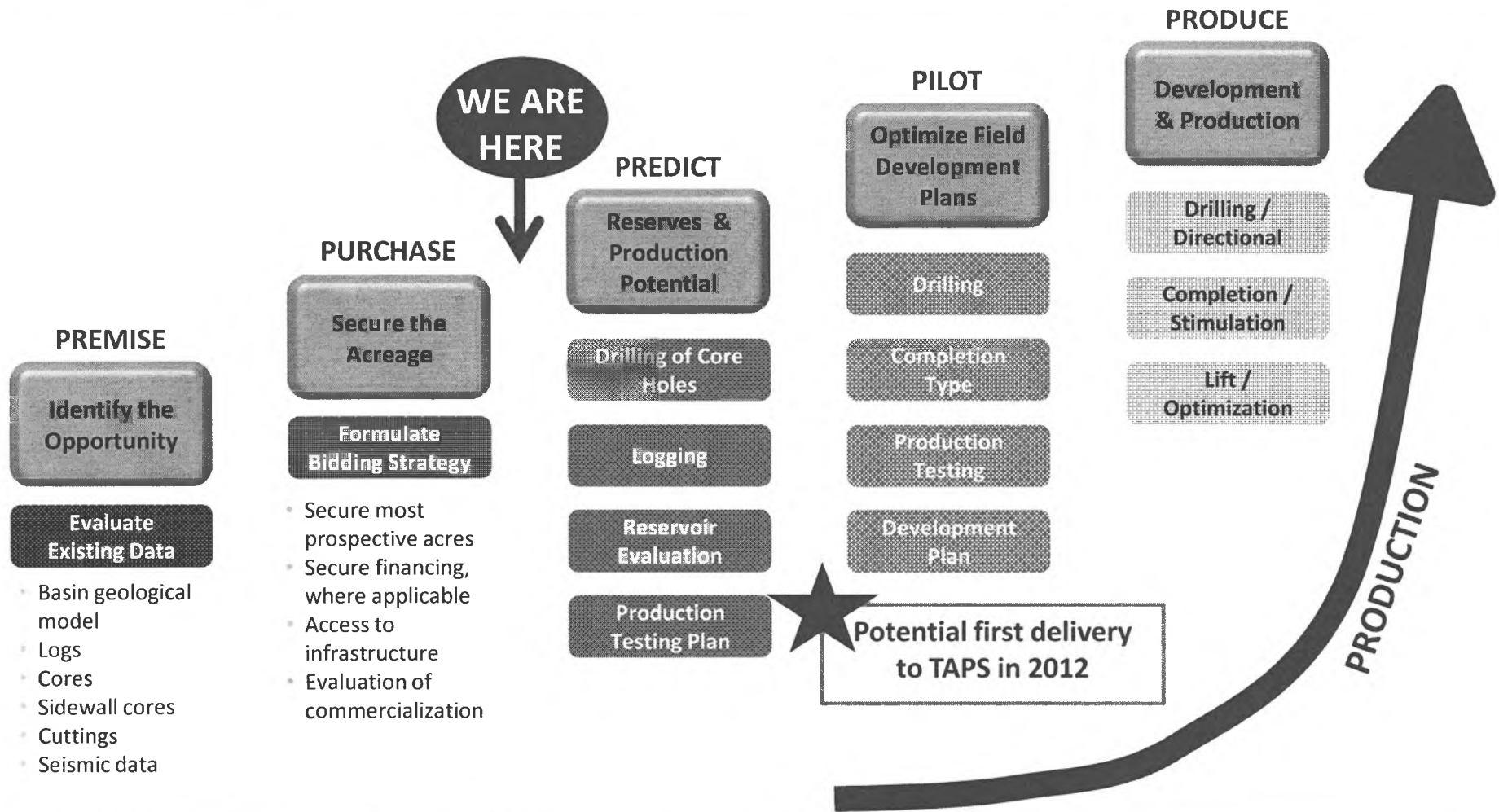
Assumptions:

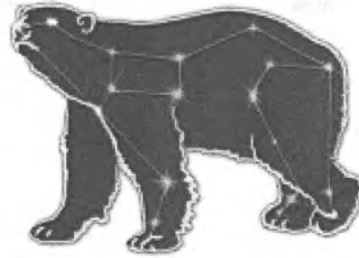
Each Drilling Phase: 200 wells per year over 15 years, commencing 2013. EUR per well 700,000 bbls.
 Wells average 500 bopd for year 1, 250 bopd year 2, 125 bopd year 3 then held steady at 50 bopd.
 Year round "roads to resources" access for operations.



Our Vision

Project Development Timeline





Great Bear Petroleum LLC

The Challenges Ahead



The Challenges Ahead

We Believe Alaska's Future Lies With Unconventional Hydrocarbon Sources

- The easy conventional oil has already been found.
- Remaining large volume potential is in **unconventional plays**, e.g. heavy oil, shale oil & gas, CBM.
- Costs will continue to rise on per barrel basis and economic returns will decline due to
 - Field sizes getting smaller
 - Challenging operating environment
 - Exploration for new play types becoming riskier
 - Identified plays such as “shallow heavy oil” and “oil and gas shale” are expensive
- **The ability to deliver unconventional resources to market rests primarily on commercial risk rather than technical risk factors.**
- Discovery and development of Alaska's remaining potential would be significantly enhanced by improvements in Alaska's fiscal terms.



The Challenges Ahead

Ability to Execute – Operational Considerations

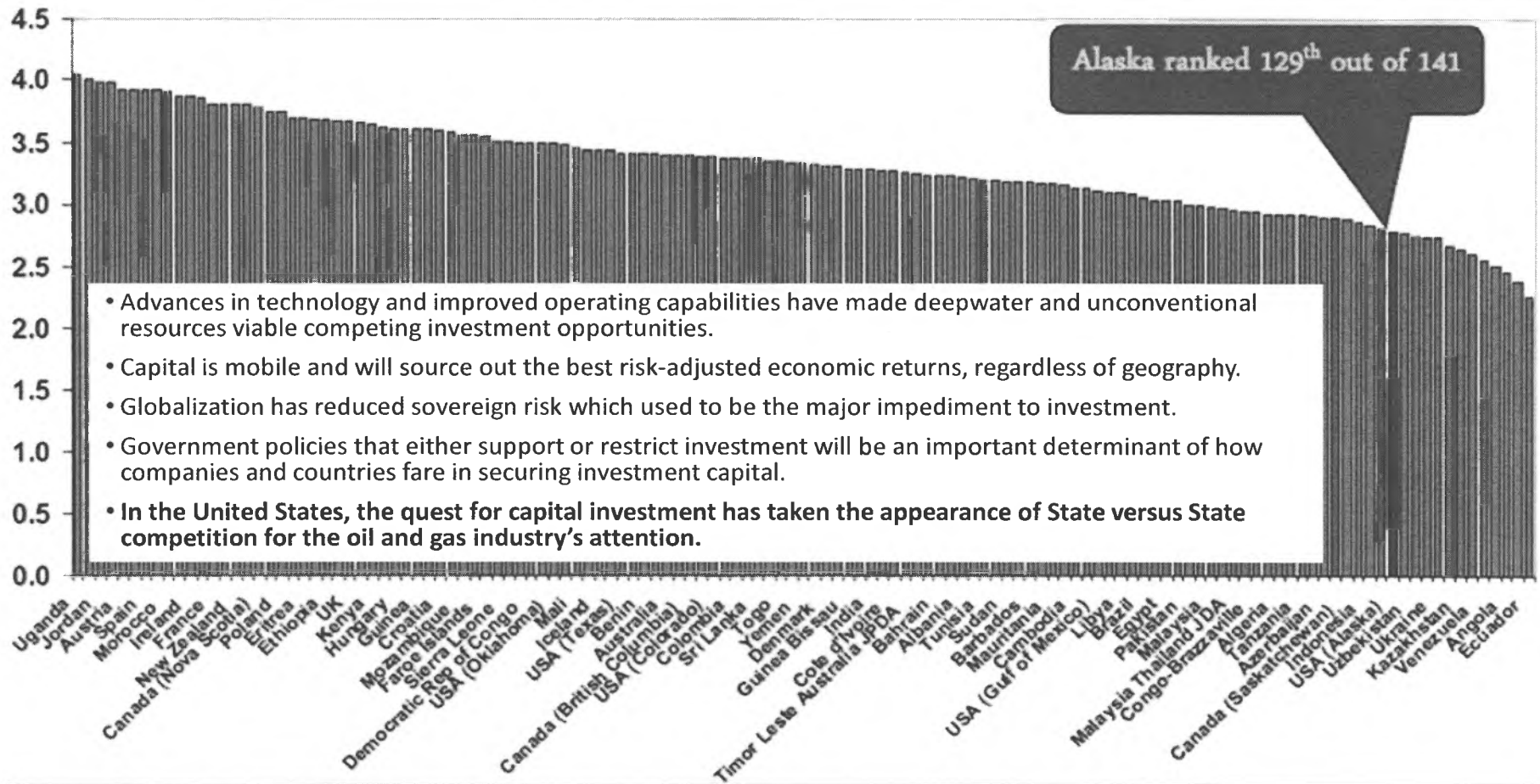
- Access challenges may impede full scale development – “roads to resources” enabling 365 day a year operations.
- Access to infrastructure, pipelines, water disposal facilities.
- Must have strong industry contractors and equipment dedicated to the North Slope.
- Lease strategy targeted acreage around Trans-Alaska Pipeline for early liquids production – can we access TAPS at reasonable tariff rates?



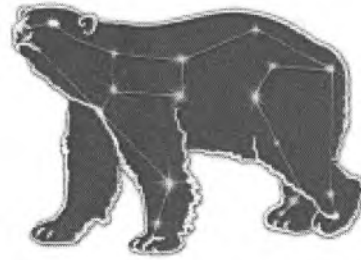
Great Bear Petroleum LLC

The Challenges Ahead

Ability to Execute – Commercial Considerations



Alaska is competing both domestically and internationally for investment capital.



Great Bear Petroleum LLC

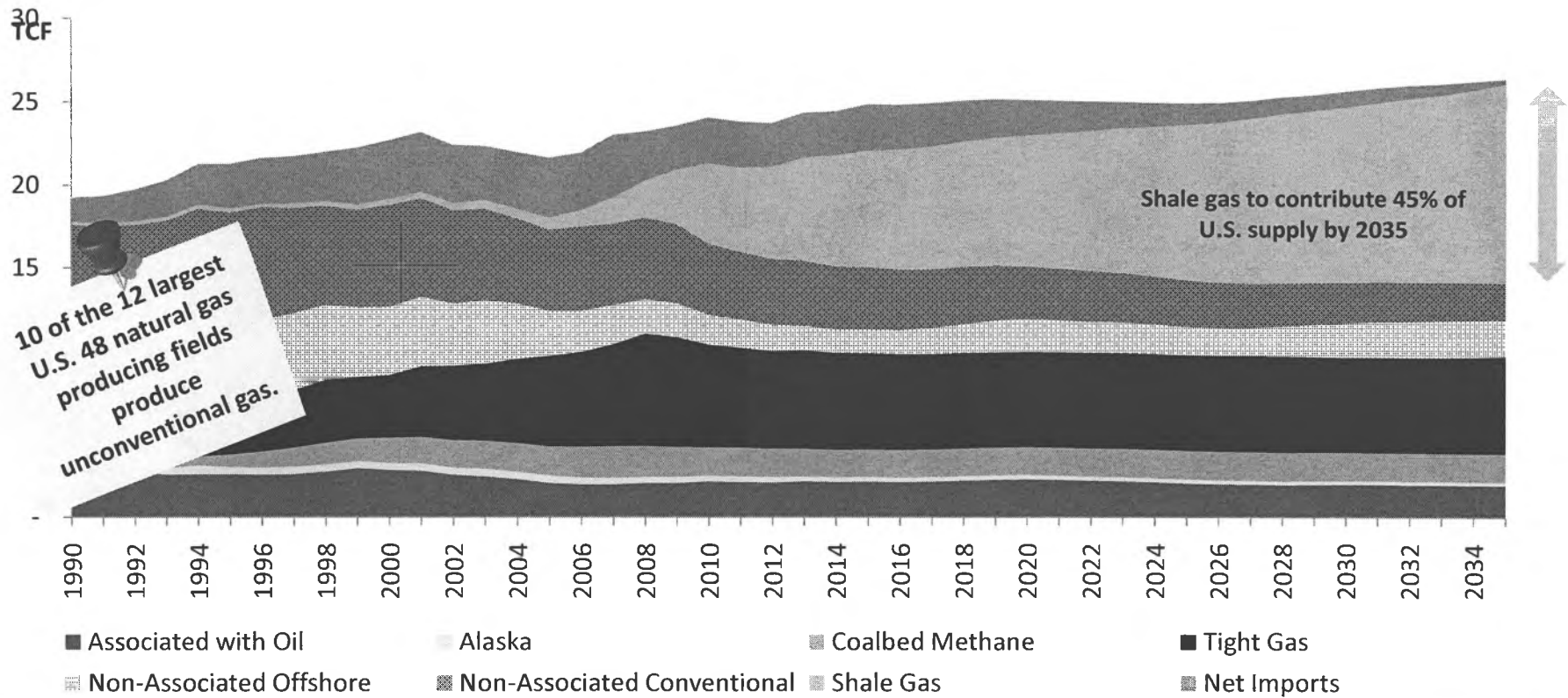
The Potential of Unconventional



The Potential of Unconventional

Replicating the Success of Shale Gas With Oil?

Historical & Forecast U.S. Natural Gas Production



Shale gas is driving U.S. supply growth.



CASE STUDY: Marcellus Shale

Huge Positive Impact on Pennsylvania and West Virginia Economies

- The Marcellus Shale lies under most of West Virginia, roughly 60% of Pennsylvania and well into the upper tier of New York State
- Largest identified unconventional natural gas accumulation in the world, with estimated recoverable reserves of around 489 TCF

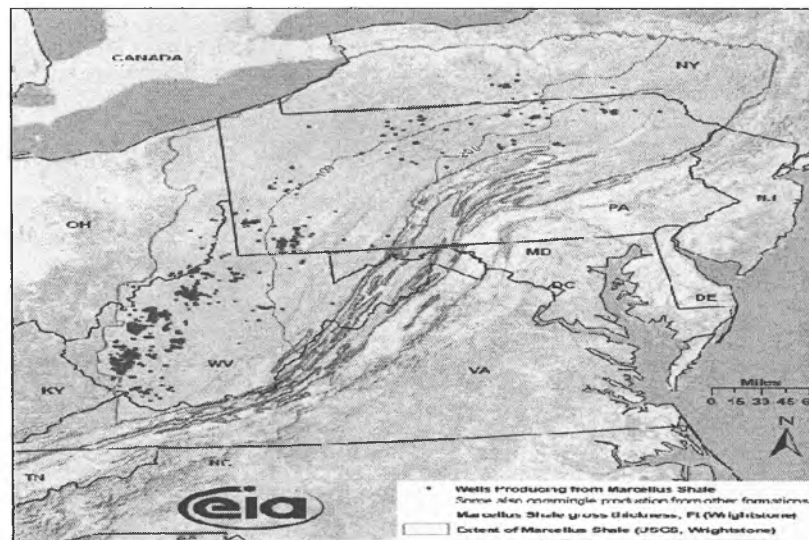
Impact of Marcellus Shale on Economy in 2009

	Pennsylvania	West Virginia
Economic Stimulus (US\$bn)		
Direct	3.8	0.9
Indirect	1.6	0.2
Induced	1.8	0.2
TOTAL	7.2	1.3

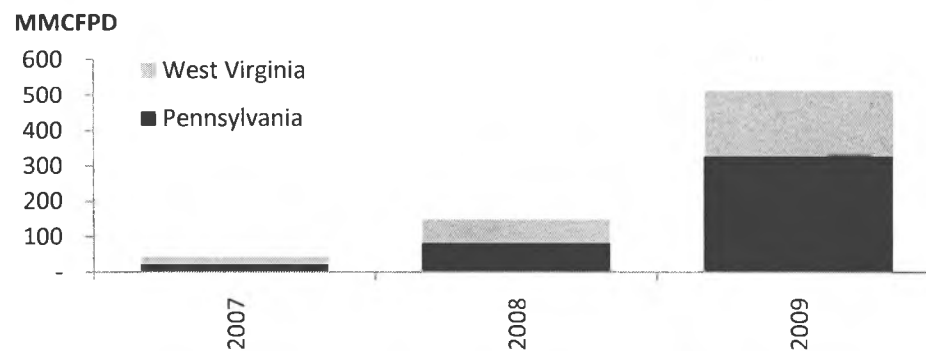
Number of Jobs Created

	Pennsylvania	West Virginia
Direct	21,778	8,436
Indirect	8,732	2,052
Induced	13,587	2,762
TOTAL	44,098	13,249

Location Map of Marcellus Shale



Marcellus Gas Production – Pennsylvania & West Virginia

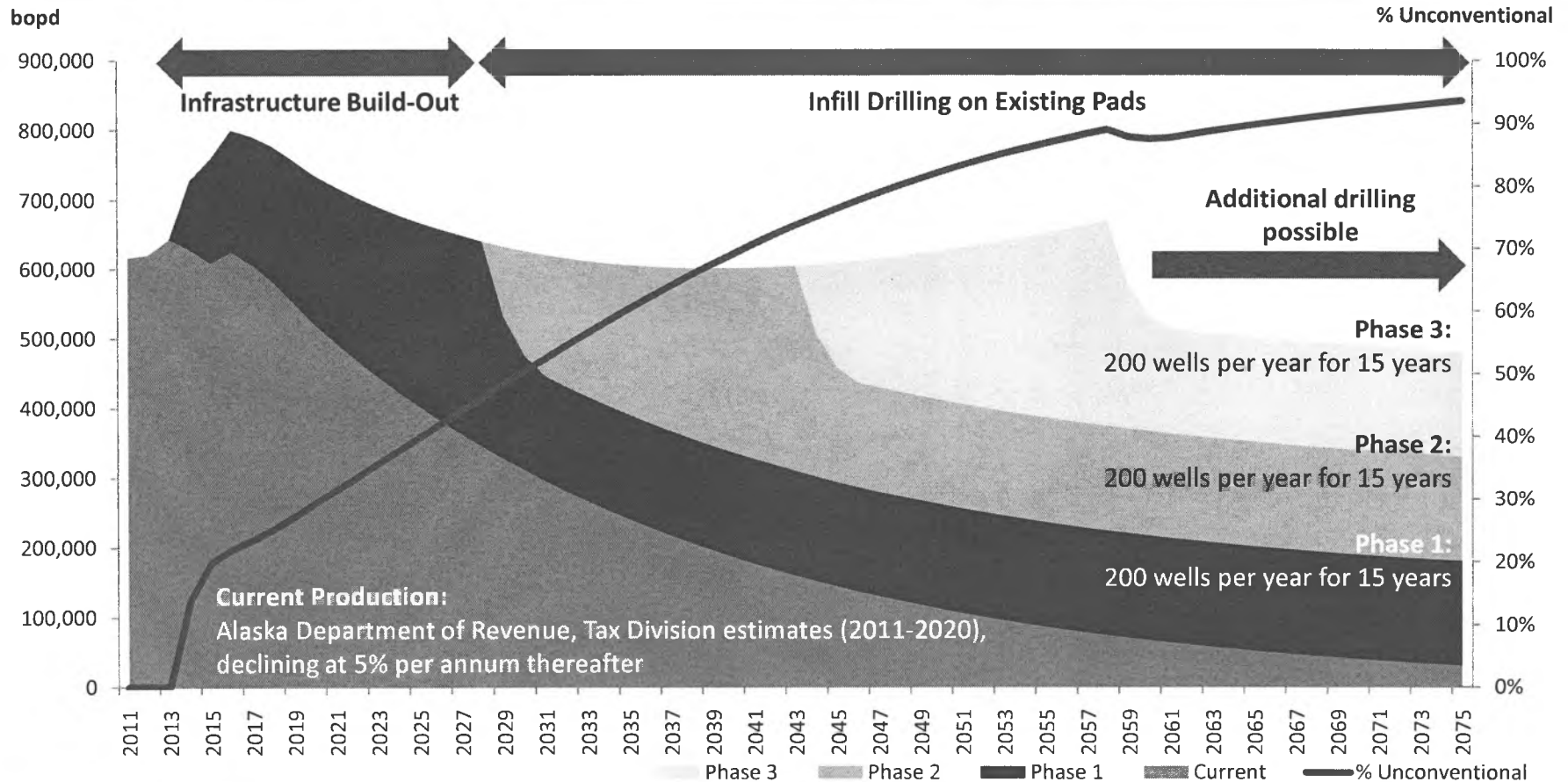




CASE STUDY: Alaskan Shales

Securing the Future of TAPS Without the Need for New Discoveries

Alaska's unconventional potential can address and indeed reverse current oil production decline.



Assumptions:

Each Drilling Phase: 200 wells per year over 15 years, commencing 2013. EUR per well 700,000 bbls.
Wells average 500 bopd for year 1, 250 bopd year 2, 125 bopd year 3 then held steady at 50 bopd.
Year round "roads to resources" access for operations.