

Corporate Presentation

May 2008



the best of Canada and the north sea

Disclaimer

- In the interest of providing Canadian North Sea Energy Ltd. (“CNSE”) potential investors with information regarding CNSE, including management's assessment of CNSE's strategy and opportunities, certain statements throughout this presentation are "forward-looking statements".
- The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause CNSE’s actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.
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Mission Statement

- Canadian North Sea Energy is an early-stage, North Sea Energy focused company with a high growth strategy.
- The focus of this strategy is to unlock value from appraisal and development assets, using a phased approach and resulting in timely oil and gas production.
- The company is led by a strong, experienced management team with complementary skill sets and a proven ability to generate and execute opportunities, leading to significant shareholder value.
- The company's strong trans-Atlantic reach facilitates the formation of strategic partnerships in the key areas of finance, technology and access to resources.

Why Invest – UK Environment

- UK is a great place to start an energy company
 - Numerous undeveloped discoveries
 - High oil/gas prices; competitive infrastructure; no Royalties
 - Under-developed plays: heavy oil, tight reservoirs, HPHT
 - Good quality, experienced staff; good quality data
- “Supermajors” are progressively exiting.
- Window of opportunity: very significant “valuation gaps”
 - Exploration “farm-out” culture means acquisitions at \$1-2/boe versus asset values of \$10-20/boe (if low risk, near-term)
 - Too many barrels chasing too few dollars
 - Excess of under-financed exploration companies
 - A common UK price forecast is \$50-60/bbl, \$5/mcf
 - Current forward/hedge prices are \$100+/bbl, \$10+/mcf

Why Invest – Low Market Cap

- Privately held British/Canadian development company
 - CNSE's Stage 1 market cap was \$1 million
 - Post "Stage 2" lead investor financing: \$4 million market cap
 - Natural evolutionary path to significant shareholder value
- "Comparables" are Ithaca Energy, Silverstone Energy and Fairfield Energy; all focus exclusively on UK operations
 - Ithaca (Canadian): founded 2004, quoted on AIM and TSX-V, \$350 million market cap; drilled three appraisal wells
 - Silverstone (Canadian): founded 2005, privately held, \$300 million market cap; drilled three appraisal wells
 - Fairfield (British): founded 2005, privately held (US/Canadian investors), \$200+ million market cap; drilled one appraisal well
- CNSE expects to match or beat comparables' value growth.

Why Invest – 3-Year Value Plan

- 2008:
 - Raise \$50 million in two tranches, via equity private placements
 - Net Asset Value (NAV) around \$60 million
 - Complete two farm-in deals: one with leading operator, preferably one with CNSE as operator; drill two wells
- 2009:
 - Raise \$80 million, via equity private placement and project debt
 - NAV around \$200 million
 - Two development projects approved and sanctioned
 - Pursue new opportunities, deals and acreage
- 2010:
 - Planned date of IPO; first production revenues
 - NAV around \$350+ million
 - Review/pursue corporate acquisitions and international opportunities

Why Invest – Focused Corporate Strategy

- Take development farm-in approach, initially in UK
 - Most new companies operating in UK are exploration companies, looking to farm-out
 - Seek to operate where practical, or work with leading, dynamic UK operators for superior value
 - CNSE has excellent production/development skills
- CNSE management/directors have demonstrated
 - Creation of shareholder value
 - Delivery of business and asset deals
 - Strong project execution, employing technology and innovation
- CNSE has financing edge necessary to deliver deals
 - Good access to competitive finance
 - In Canada, USA and UK

Why Invest – Strategic Relationships

- Other oil and gas companies
 - Through CNSE's contacts
 - These relationships are being deepened
 - Further relationships being added continuously
- Key service companies
 - Senergy employs 300 geology/reservoir experts
 - Senergy working with CNSE on subsurface evaluation of opportunities
- Globally/regionally renowned consultants being used
 - WoodMackenzie: leading oil & gas consultant
 - HannonWestwood: provide exploration/appraisal intelligence service

Provides key early information and favourable deal positioning

Board of Directors

John Lander

- Non-Executive Chairman.
- 26 years experience as Board director of independent UK energy companies.

Matt Cartwright

- Chief Executive.
- International oil & gas and business building experience.

Peter Griffiths

- Technical Director.
- 35 years experience in senior geoscience management positions with BP and RML/Senergy.

Gary Bunio

- Non-Executive Director.
- Conceptual innovation, project execution.

John Kowal

- Non-Executive Director.
- Access to North American sources of finance.

Robert Plummer

- Non-Executive Director.
- Strong industry analysis, strategic vision, forecasting.

Bios (1)

- John Lander, Non-Executive Chairman
 - 26 years experience as director of independent UK energy companies
 - Non-Executive Chairman of MedOil plc
 - Managing Director of Tullow Oil 2000-4, during period of exceptional growth for the company
 - Managing Director of Pict Petroleum
 - Board Director of Premier Oil, British Borneo, Tusker Resources, RTZ Oil & Gas
 - Started career as geophysicist with Shell

Bios (2)

- Matt Cartwright, Chief Executive
 - 25 years experience in oil & gas, primarily in business development and development planning
 - VP Business Development, North American Oil Sands: sold to Statoil in June 2007 for C\$2.2 billion
 - VP Operations, Total Canada: Deer Creek SAGD
 - VP Business Development, Total Canada: initiated acquisition of Deer Creek, C\$1.7 billion
 - Senior Manager, Total UK and Total Africa: Elgin/Franklin (700 MMboe), Alwyn Area (1.5 billion boe), Southern North Sea, West of Shetlands, deepwater West Africa
 - Also worked in UK for BP and ARCO
 - 1st Class Engineering degree from Cambridge University

Bios (3)

- Peter Griffiths, Technical Director
 - 35 years experience in oil & gas, in technical and geoscience management positions, in North Sea and internationally
 - 8 years as Geoscience Director of RML/Senergy, Board member, major shareholder; responsible for setting strategy and developing/delivering the business plan
 - Consultant geoscientist, with Talisman Energy, Monument Oil & Gas, TRACS International
 - 23 years as geoscientist with BP, with increasing responsibility and experience in North Sea, Ecuador, Australia, Canada, Gabon and Turkey

Bios (4)

- Gary Bunio, Non-Executive Director
 - COO, MGM Energy: Mackenzie Valley gas start-up
 - Oil Sands Manager, Paramount Resources: Paramount's oil sands assets, North American Oil Sands and Surmont, were sold in 2007 for almost \$1 billion
 - Senior manager with PanCanadian: project manager in UK Buzzard (560 MMbbl) development team; oil sands technology manager
 - 20 years at Imperial Oil: manager of oil sands recovery research; manager upstream North West Territories projects
 - Masters from Loyola University, New Orleans, Bachelors from University of Manitoba

Bios (5)

- John Kowal, Non-Executive Director
 - 20+ years experience in senior financial and treasury positions
 - CFO/VP Finance of Total E&P Canada, Calgary. Established C\$2.5 billion credit facility in 2006 and C\$2 billion commercial paper programme in 2007
 - CFO/VP Finance of Deer Creek Energy. Executed IPO in 2004, completed C\$1.7 billion corporate sale in 2005 to Total
 - Treasurer of Canadian Hunter Exploration. Public listing in 1998, C\$600 million offering in 2000, corporate sale to Burlington Resources for C\$3.1 billion in 2001
 - Assistant Treasurer of Noranda Inc. Responsible for managing C\$12 billion of financial risk

Bios (6)

- Robert Plummer, Non-Executive Director
 - 20+ years experience in oil & gas, specializing in corporate matters: analysis, strategy, planning and finance
 - Last 10 years as senior analyst in Wood Mackenzie's corporate team in Edinburgh, providing major oil company executives with analysis and advice on strategies and portfolios
 - Upstream strategic planning in Total's Head Office, France and in Total E&P UK
 - Corporate Finance, Morgan Grenfell

Strategic Financial Advisor

- Kerry Stirton

- Co-Founder and Chief Investment Officer of Stellation Asset Management - a global equity investment firm
- Senior member of Goldman Sachs' Global Investment Group
- Senior research analyst at Sanford C. Bernstein
- Senior Vice-President at Louis Dreyfus Energy: built gas and power trading operation in UK
- Strategy consultant with McKinsey
- Graduate and teaching fellow of Harvard Law School; Rhodes Scholar at Oxford University

Strategic Business Advisor

- Peter Dolan

- Founder and Non-Executive Chairman of Ikon Science: leading geoscience consultant
- Co-founder and Board Advisor of Ophir Energy: African exploration company
- UK representative of Neon Energy: Australian independent
- Previously, co-founder and Executive Chairman of Fusion Oil & Gas plc: African exploration company
- Founder and principal of several other energy service companies, including Jebco Seismic and IKODA
- 20 years as consultant for energy companies and governments
- Started career as geologist with Mobil

Summary/Conclusions

- CNSE is an excellent investment opportunity
 - Early stage of CNSE's evolution: potential for very high growth
 - UK is great place to start an energy company
 - Clear, focused plan to create value; already identified and continuing to identify exciting, low risk opportunities
 - Strong, experienced Board and strategic advisors
 - Strategic relationships already established, more being created
 - Access to good sources of finance
- High value, multiple opportunity asset being acquired.
- Further very promising opportunities being progressed.
- Founder and lead investor financing completed.

Contact: Matt Cartwright, Managing Director

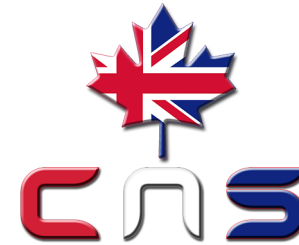
7 Queens Gardens, Aberdeen AB15 4YD, Scotland

Phone: (44) (0)1224-619257

Mobile: (44) (0)7792-607398

Fax: (44) (0)1224-626227

Email: mcartwright@canadiannorthsea.com



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