Alberta's Industrial Heartland

Life in the Heartland

May 7, 2014

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MEG ENERGY

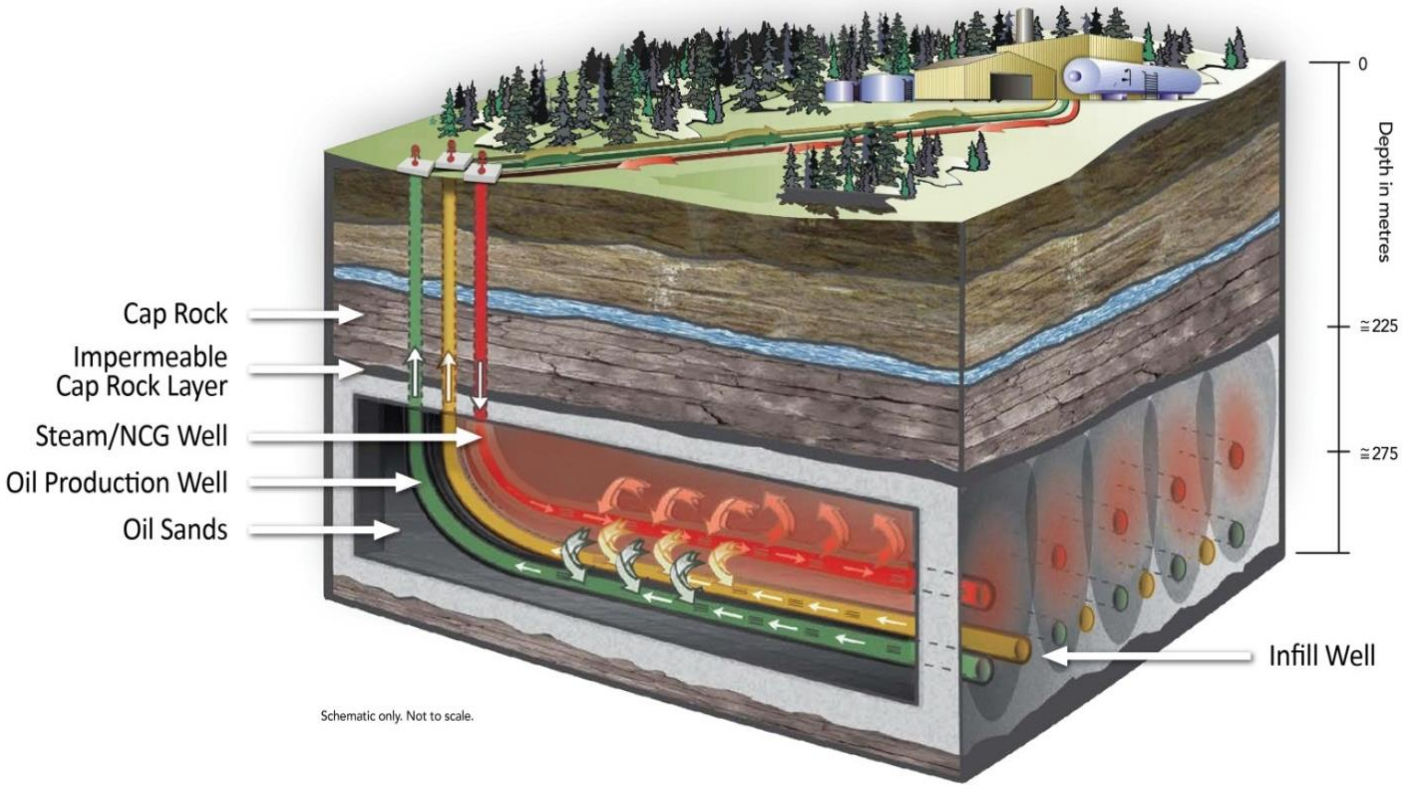
MEG Energy Overview

- Alberta-based in-situ oil sands company with production at Christina Lake near Conklin
- Joint ownership of the Access Pipeline from Christina Lake area to north of Fort Saskatchewan
- 100% ownership of the Stonefell tank terminal, northwest of Bruderheim
- Developer of HI-Q Field Demonstration Pilot, southeast of Bruderheim
- Proposed developer of a Diluent Removal Facility, southeast of Bruderheim

Recovery Technology

Steam-Assisted Gravity Drainage (SAGD)

SAGD is an efficient, recovery technology used to extract oil from the oil sands. SAGD is typically used when the oil is located more than 75 metres beneath the surface.



The surface footprint of SAGD operations is minimal.

Marketing Facilities

MEG's marketing facilities drive value in every barrel we produce and play a key role in our marketing strategy

Access Pipeline

- 50%-owned
- 345-km pipeline that runs from the Christina Lake Project to the Edmonton-area transportation hub

Stonefell Terminal

- 100%-owned
- 900,000 barrel storage facility located near Bruderheim
- Connected to Access Pipeline and the Canexus Rail Terminal

HI-Q Technology

- An innovative technology developed by MEG Energy that eliminates the need for diluent for bitumen transport and improves the quality of Alberta's oil sands resources

- The HI-Q Field Demonstration Project is intended to build on eight years of smaller scale R&D to demonstrate and fine-tune the technology on a larger, pre-commercial scale at an average of 1,500 barrels per day

- Compared to conventional oil sands upgrading, HI-Q requires less energy, produces fewer air emissions and uses very little water

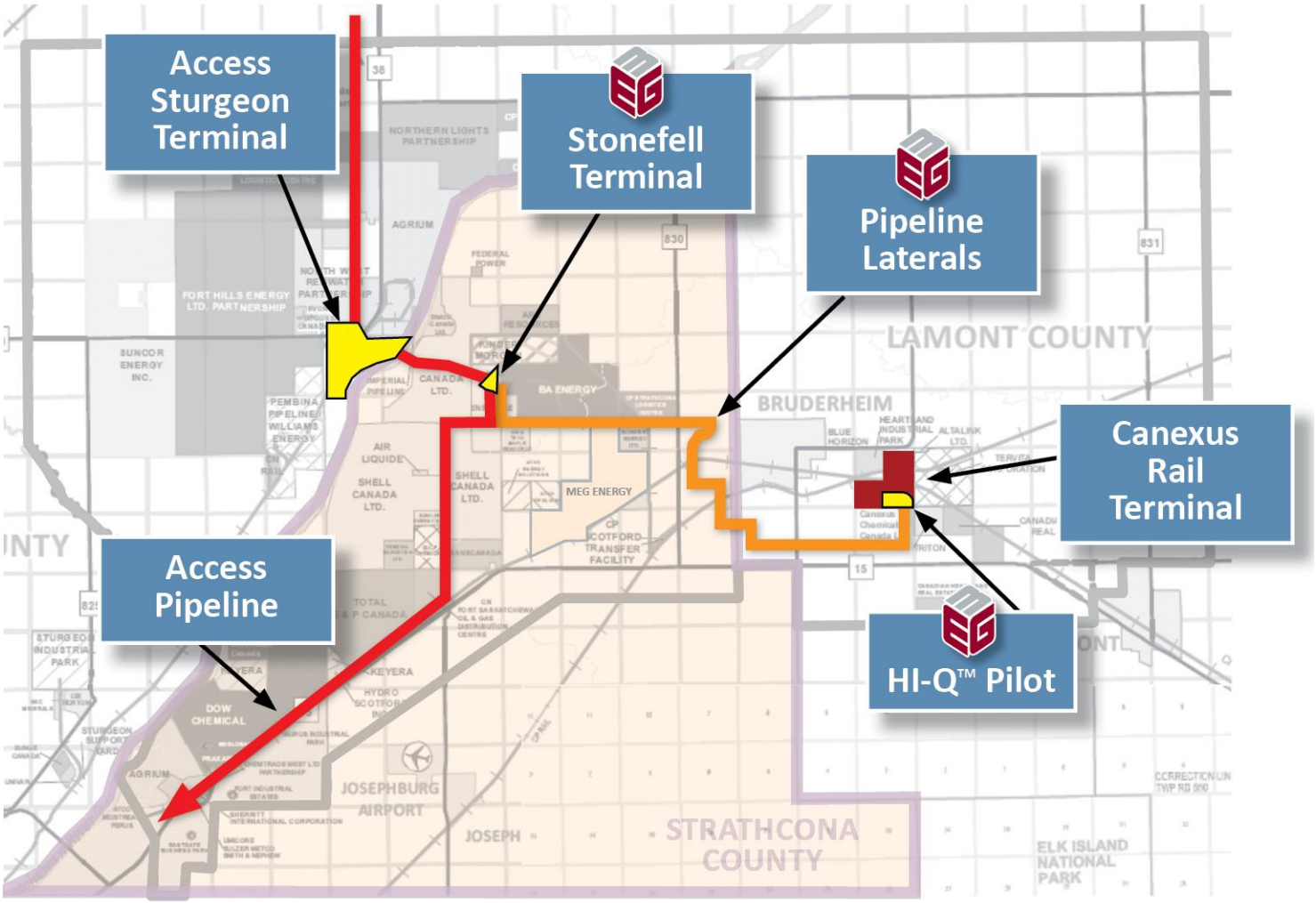
- Construction is scheduled to begin within the next couple of weeks (May 2014)

Diluent Removal Facility

- The proposed Diluent Removal Facility (DRF) will primarily be a crude oil storage terminal
- The tank facilities will employ proactive, upstream vapour recovery equipment minimizing air emissions with a flare stack that will be used only if necessary to incinerate excess gas releases
- Emergency response planning for both the HI-Q pilot project and DRF will be made available to interested stakeholders
- Following consultation with neighbouring residents and businesses and regulatory review, MEG is proposing to commence construction in October 2014

MEG in Alberta's Industrial Heartland

The Heartland plays an important role providing the Hub for MEG's Marketing Strategy



Surface Land and Traffic

- Located within an existing industrially-zoned site
- Proximity to infrastructure minimizes any off-site land impacts
- Trucks will carry any by-products away from the site for sale or appropriate disposal
- HI-Q product will be transferred to adjacent Canexus rail loading facility for shipment to markets

Local Community and Economy

- Peak construction workforce is expected to be approximately 150 employees and contractors
- Once complete, operational workforce is expected to be approximately 30 employees
- MEG encourages participation from skilled local contractors and labourers to fulfill labour requirements

Local Community and Economy

- Byproducts of HI-Q process such as sulphur and asphaltene can be supplied to local markets
- MEG, where applicable, supports the use of local suppliers as required to maintain operations
- MEG encourages strong relationships with our partner communities and is committed to engaging with our neighbours, including providing support for community initiatives related to our core focus of children and youth, education and health and wellness

QUESTIONS/COMMENTS