



Investor Presentation

November 2011

Certain information set forth in this document, including management's assessment of Harvest's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Harvest's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. The refining business adds the following risks and uncertainties, including but not limited to: the volatility between the prices for crude oil purchased and products sold (the "crack spread"), refinery operating risks such as spills and discharges of petroleum or hazardous substances, the stability of the refinery throughput performance, competition from other refiners and petroleum product marketers, crude oil supply interruptions, loss of key personnel, and labour disruptions.

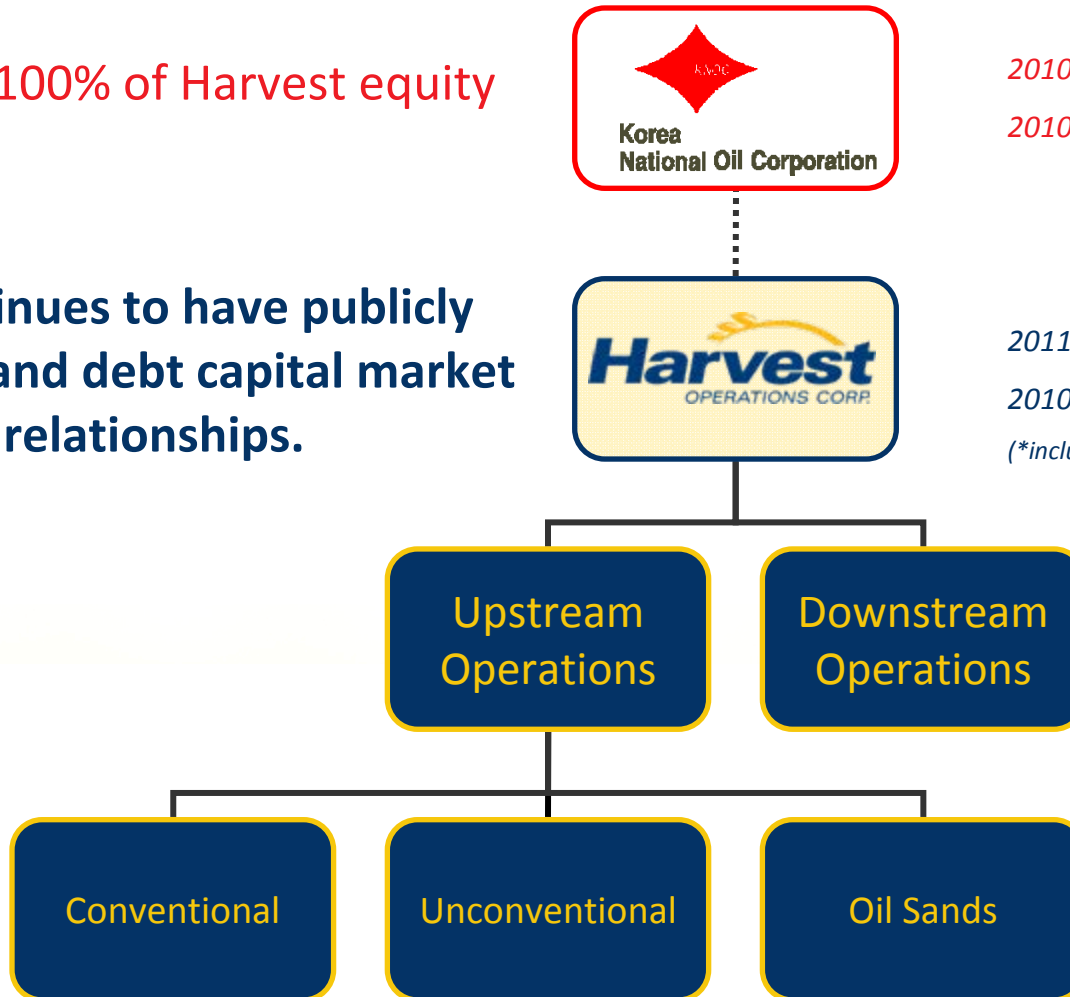
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All figures quoted herein are Canadian dollars, unless otherwise stated

- Established in 1979 & wholly owned by the Government of Korea
- A substantial and growing business designed to mitigate the impact of oil prices on the Korean economy through:
 - Oil stockpiling (currently 146 mmboes)
 - Worldwide exploration and production of oil & gas
- KNOC strategic goals include:
 - Production capacity of 300,000 boe/d and reserves of 2Bn bbls by 2012
 - Substantial increases post 2012
- KNOC has a global portfolio comprising of 44 fields in production, 11 under development and 136 under exploration (2010)

KNOC owns 100% of Harvest equity

Harvest continues to have publicly traded debt and debt capital market facilities and relationships.



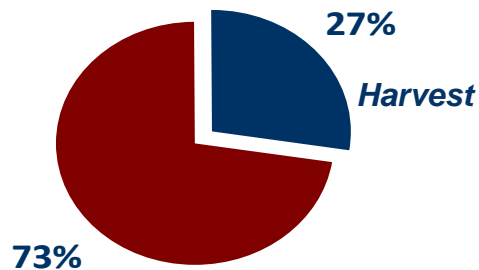
2010 Production: 180,000 boe/d
2010 2P Reserves: 1.13 billion boe

2011E Production: 60,000 boe/d
2010 2P Reserves: ~514* mmboe
(*includes February acquisitions)

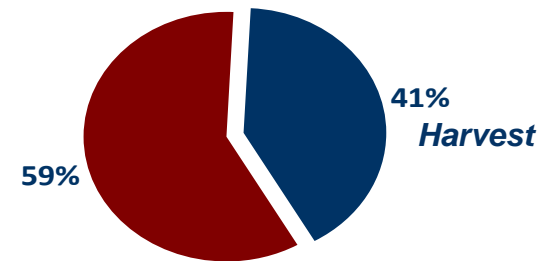
The stability and growth of Harvest and its business segments is critical to KNOC.

- KNOC's goals include production capacity of 300,000 boe/d and oil reserves of 2 Bbbls by 2012
- Harvest's production and reserves account for a significant portion of KNOC, contributing to the achievement of the Korean government policy
- Harvest's downstream business diversifies the KNOC business portfolio as an integrated oil company
- KNOC supports the stability and expansion of Harvest

Oil and Gas Production Capacity – 180K boe/d



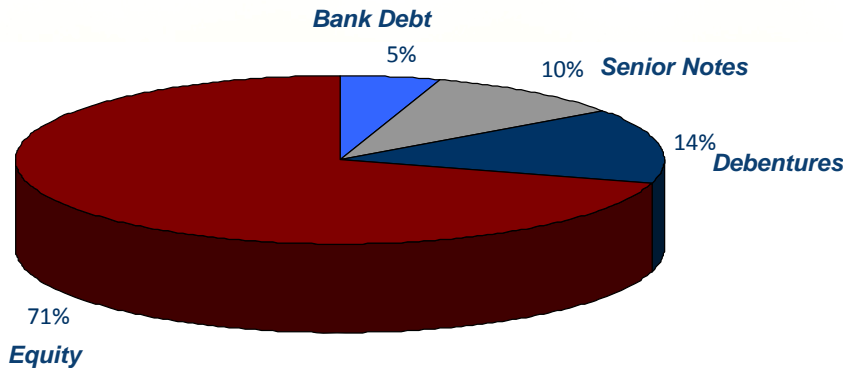
Oil and Gas Reserves – 1,133 mmboe



- Formed in July 2002
 - YE 2002 production volume of 4,307 boe/d
 - P+P reserves of 12,919 mboe
- Experienced significant growth & value appreciation
 - 2011E production volume of 60,000 boe/d
 - 2010 P+P reserves of ~514 mmboe (includes February acquisition)
- Became an integrated energy company with the acquisition of North Atlantic Refining in 2006
- Growth Oriented and Value Driven
 - Opportunistic Growth
 - Efficient and Effective Asset Management
 - Technical Focus to Achieve Growth

- Initial Public Offering Dec. 2002 as Harvest Energy Trust
- Outstanding equity purchased by KNOC Dec. 22, 2009
- Converted to a corporation May 1, 2010 as Harvest Operations Corp.
- TSX Listed Debentures:
 - \$734 million (4 series), Average term of 2.17 years, Average 7.21% yield on face*
 - HTE.DB.D 6.40% \$106.8 million outstanding Due Oct. 2012
 - HTE.DB.E 7.25% \$330.5 million outstanding Due Sept. 2013
 - HTE.DB.F 7.25% \$60.1 million outstanding Due Feb. 2014
 - HTE.DB.G 7.50% \$236.6 million outstanding Due May 2015
- Senior Notes:
 - 6⁷/₈% Senior Notes US\$500 million outstanding Due Oct. 2017
- \$5.1 billion book enterprise value

- **Bank Debt**
 - \$256.4 million drawn on a \$500 million facility
 - Matures April 30, 2015
- **Senior Notes**
 - US\$500 million
 - Due October 2017
 - 6 $\frac{7}{8}$ % coupon on face
- **Sub-Debentures**
 - \$734 million (4 series)
 - Average term of 2.17 years
 - Average 7.21% yield on face
- **Equity**
 - KNOC paid \$1.8 billion for equity acquisition
 - Injected subsequent \$2 Bils (cash & assets)

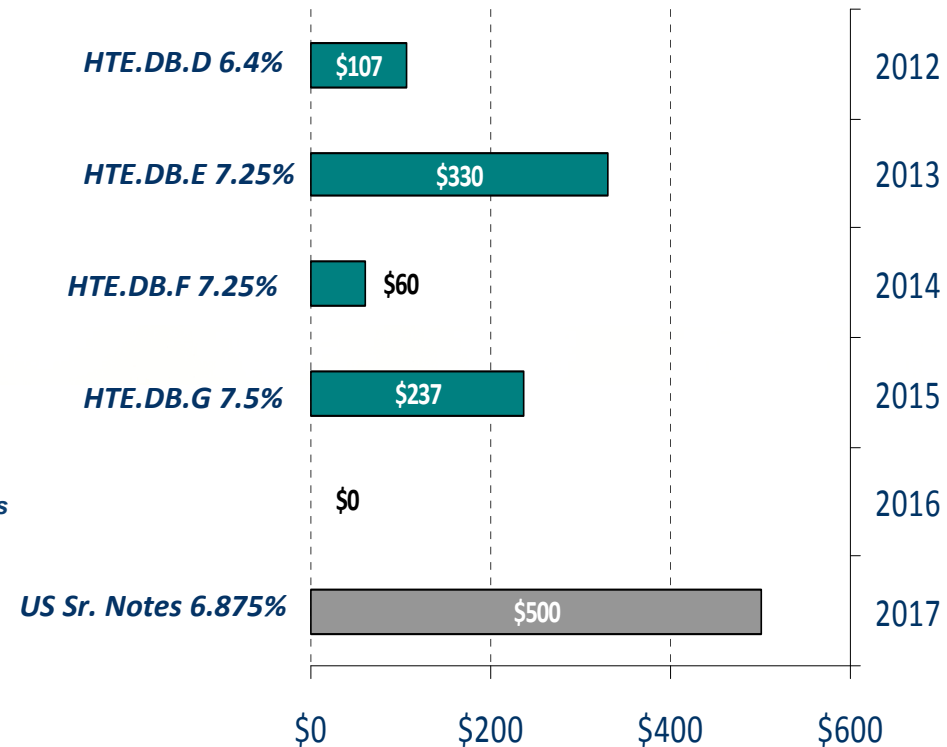


Note: Bank Debt is based on 2011 YTD

Balanced Maturity Profile

- Recent notes increases average life of debt to ~4 years
- No significant maturities until 2013

Debt Maturity Profile (\$mm)



- Extended the term by 2 years to April 30, 2015
- Rate is 175 bps over bankers' acceptance rates subject to:
 - Secured debt to EBITDA ratio remaining below or equal to one
 - Capacity of the credit facility remains at \$500 million
 - Financial covenants remain unchanged
- Declined increasing the credit facility, but an accordion feature is available
- Subject to financial covenants

	Covenant	September 30, 2011	December 31, 2010
Secured debt ⁽¹⁾ to EBITDA	3.0 to 1.0 or less	0.42	0.06
Total debt ⁽²⁾ to EBITDA	3.5 to 1.0 or less	2.29	2.38
Secured debt ⁽¹⁾ to Capitalization ⁽³⁾	50% or less	6%	1%
Total debt ⁽²⁾ to Capitalization ⁽³⁾	55% or less	33%	33%

(1) Senior debt consists of letters of credit, bank debt and guarantees.

(2) Total debt consists of secured debt and convertible debentures and notes.

(3) Capitalization consists of total debt and shareholders' equity.

- At September 30, 2011, Harvest had \$256.4 million drawn
- Interest charges on bank loans aggregated to \$3.0 million for the nine months ended Sept. 30, 2011
- Effective interest rate of 2.98%

- On October 4, 2010, Harvest completed an offering of US\$500 million principal amount of 6⁷/₈% senior notes
- The 6 ⁷/₈ % senior notes are unsecured
- Interest payments occur semi-annually on April 1 and October 1 each year
- Mature on October 1, 2017
- The notes are redeemable at a redemption price equal to 100% of the principal amount of the notes being redeemed, plus a make-whole redemption premium and accrued and unpaid interest to the redemption date
 - Harvest will give no less than 30 days and no more than 60 days notice of any redemption

Capital Structure – Debentures

- The debentures may be redeemed by Harvest at its option in whole or in part prior to their respective redemption dates
- Any redemption will include accrued and unpaid interest at such time.

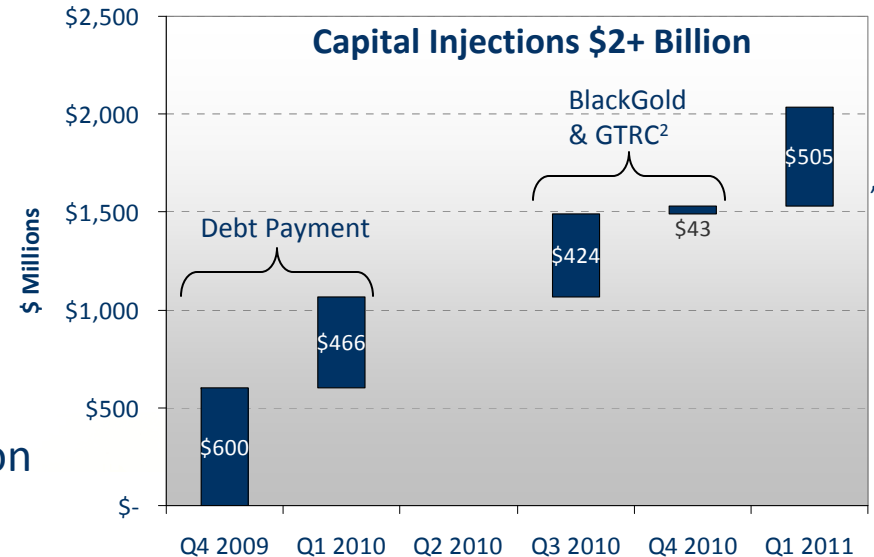
Convertible Debentures	2011	2012	2013	2014	2015
6.400% - \$106,796 M		Oct 31 100%			
7.250% - \$330,548 M	Oct 1 102.5%		Sep 30 100.0%		
7.250% - \$60,050 M	102.5%	Mar 1		Feb 28 100.0%	
7.500% - \$236,579 M	105.0%	Jun 1	Jun 1 102.50%		May 31 100.00%

- The debentures are no longer convertible into units/share
- Investors would receive \$10.00 for each unit/share notionally received based on conversion price
- Every series of debentures carries a conversion price that exceeds \$10.00 per unit/share
- Therefore, it is assumed that investors would not exercise their conversion option

KNOC takes an active role in growing and funding Harvest, providing financial backing to make Harvest’s balance sheet strong and support its growth

- KNOC has contributed more than \$2 billion¹ through equity injection since its acquisition of Harvest
 - Debt repayment \$1,066 million
 - BlackGold \$460 million
 - Technology Centre \$7 million
 - Hunt acquisition \$505 million

- No dividend payments made since acquisition

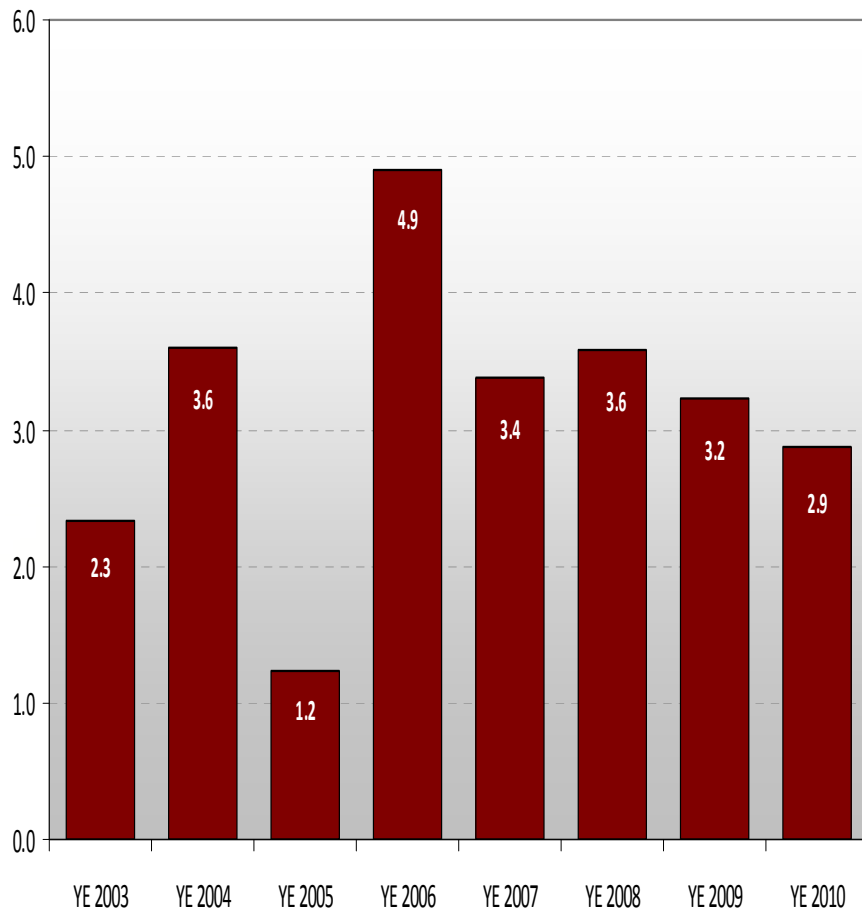


Harvest is KNOC’s Canadian growth vehicle

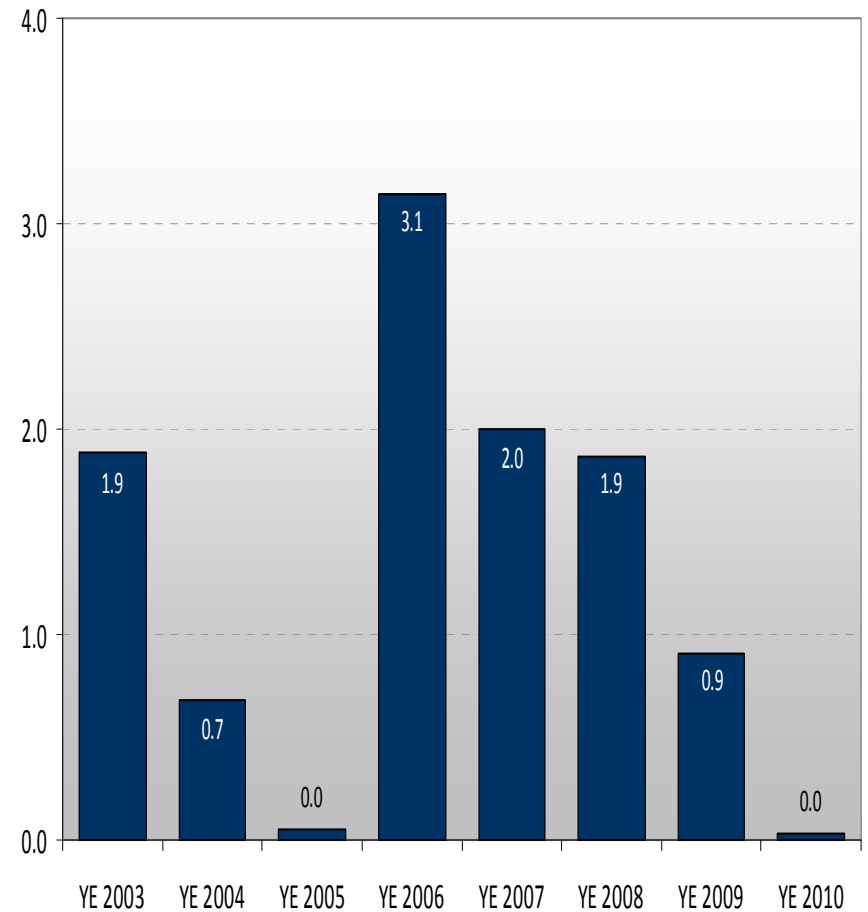
- KNOC holds 386,078,649 common shares of Harvest

1. Excludes \$1.8 billion for Plan of Arrangement equity purchase
2. Global Technology & Research Centre

Total Debt/Cash from Operations



Bank Debt/Cash from Operations



- Canadian-based integrated oil company
 - Exposure to oil weighted upstream operations and downstream refining & marketing business; creating a natural hedge with heavy/medium grade crude production and medium grade refinery feedstock
- Areas of focus
 - **Upstream:** Oil weighted asset base, full-cycle, low risk exploration & development, multi-year development portfolio, EOR projects, unconventional resource play opportunities
 - **Downstream:** improving margins; high return debottleneck projects
- Access to capital through KNOC and strategic focus supports future growth
- Strong and experienced management team includes KNOC secondees and legacy Harvest officers

Short-Term

- **Conventional & Unconventional Assets**

- Continue to develop and exploit oil-focused asset portfolio with 60,000 boe/d of current production capacity

- **Refining Margins**

- Improved with continuing growth and refined product demand as well as shutdown of uncompetitive refineries



Mid-Term

- **Conventional & Unconventional Asset Expansion**

- Using the latest technology with an active development program

- **Enhanced Oil Recovery**

- Continue EOR projects to increase production and resource potential

- **Refinery Debottlenecking Project**

- Complete debottlenecking projects to expand the refinery and improve its cost efficiency



Long-Term

- **Significant Unconventional Assets**

- 35,000 acres in Horn River Shale plus other unconventional assets

- **Acquisitions**

- Growth through organic investment and acquisitions

- **BlackGold Oil Sands Project**

- Phase 1 of 10,000 bbl/d under construction with Phase 2 of 30,000 bbl/d application pending; first oil expected in 2014



Upstream



- 2011E 60,000+ boe/d (~70% liquids)
- Reserves: *includes February acquisition*
 - ~514 mmboe P+P (~85% liquids)
 - ~271 mmboe Proved (~80% liquids)
- Concentrated assets with organic development and EOR potential
- Significant undeveloped land (~900K acres)
- Strong operational and technical teams focused on high capital effectiveness and efficient operations

Downstream



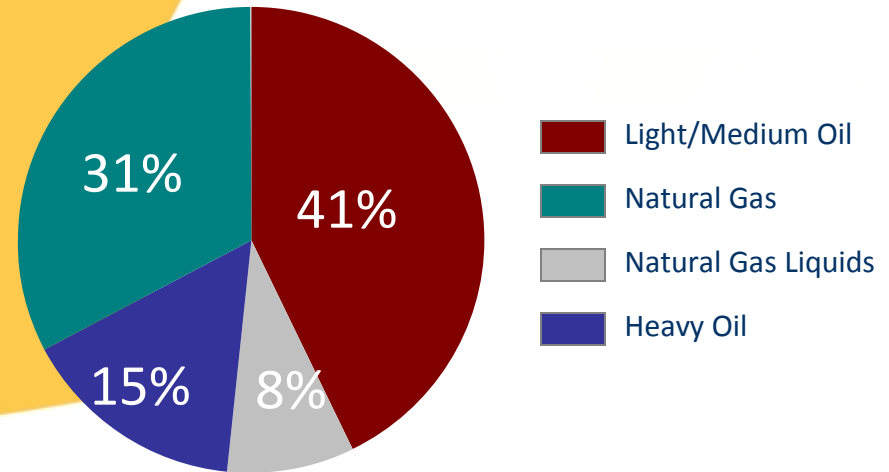
- Medium gravity sour-crude hydrocracking refinery in Newfoundland with 115,000 bbl/d capacity and retail/wholesale marketing operation
- Diversified, high quality product slate
- Opportunity for future expansion
- Performance and yield enhancement through high return debottlenecking projects

Summary of Upstream Assets

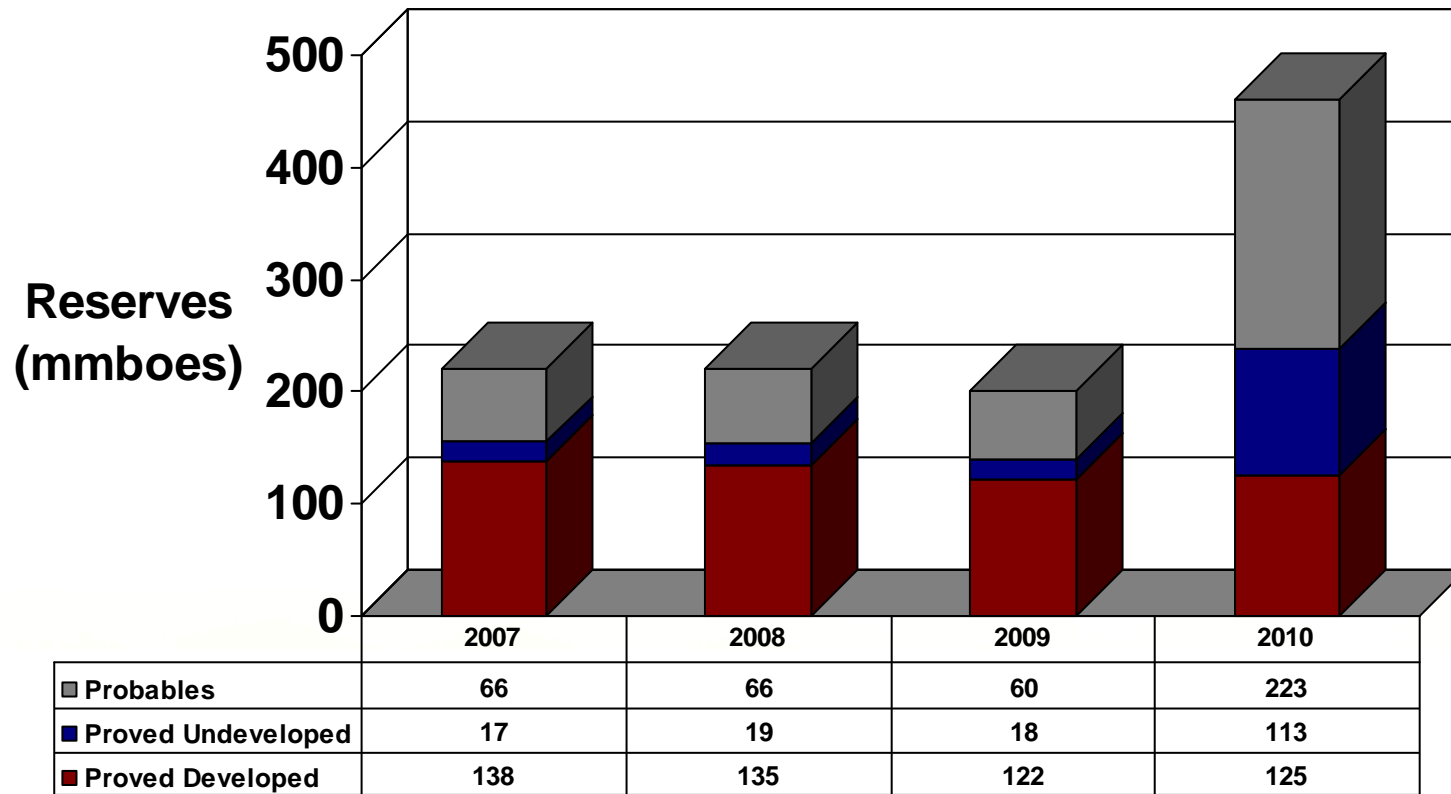
Harvest has a diversified portfolio of assets providing stable production from conventional and proven unconventional oil-focused properties.



Material Areas	Oil boe/d	2011 YTD Average Production			% Oil	% of Total boe/d
		Gas mcf/d	NGL boe/d	Total boe/d		
North	8,278	8,825	61	9,810	84%	18%
Peace Arch	4,719	26,802	706	9,892	48%	18%
West	1,953	48,305	3,549	13,553	14%	24%
East	12,937	8,176	210	14,510	89%	26%
South	4,725	17,153	409	7,993	59%	14%
TOTAL	32,612	109,261	4,935	55,757	58%	



Upstream Reserve Growth



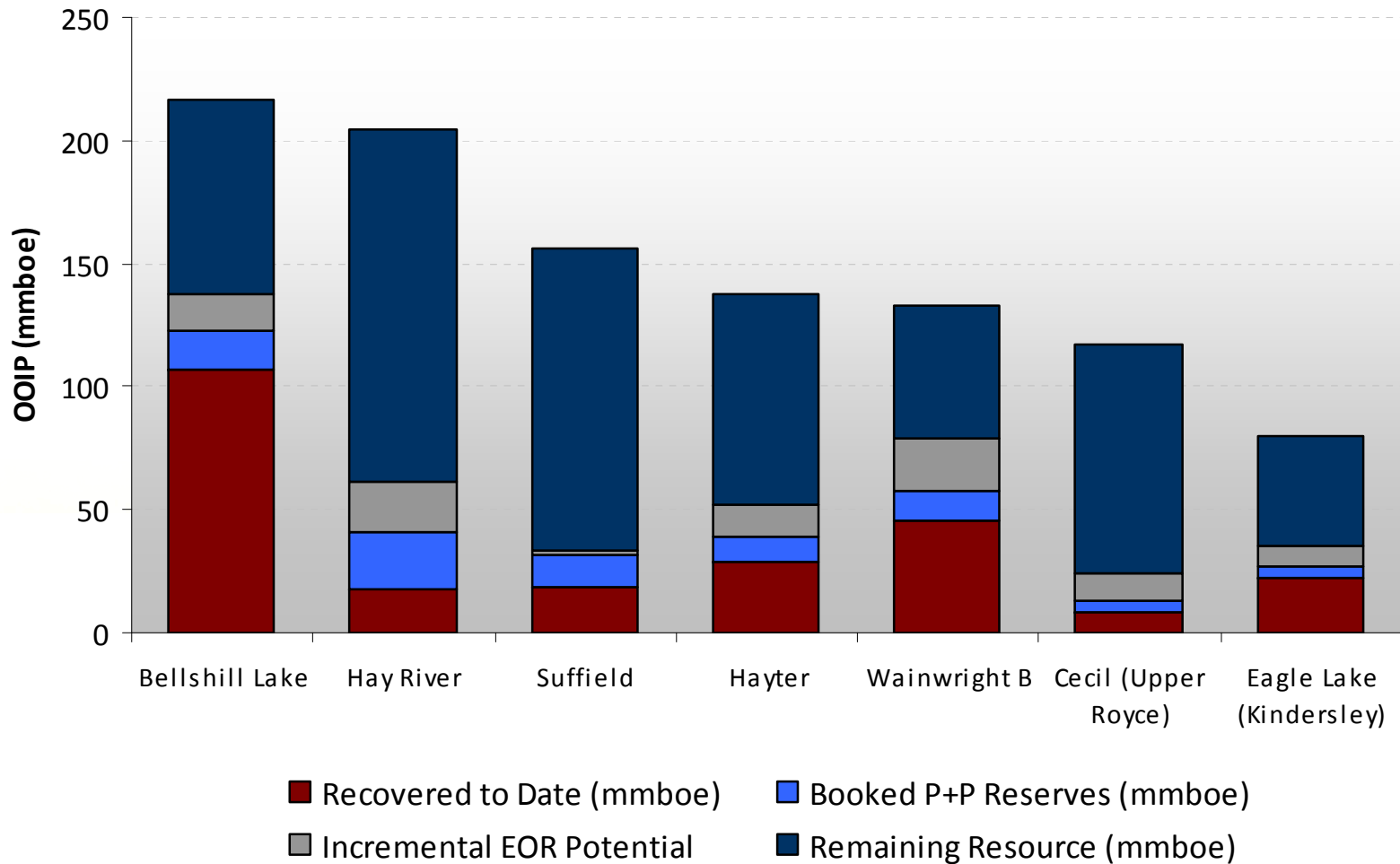
- 2010 reflects booking BlackGold reserves
- Relatively conservative level of booking undeveloped and probables

Commodity prices & evolving technology allow opportunity to pursue the development of unexploited resources

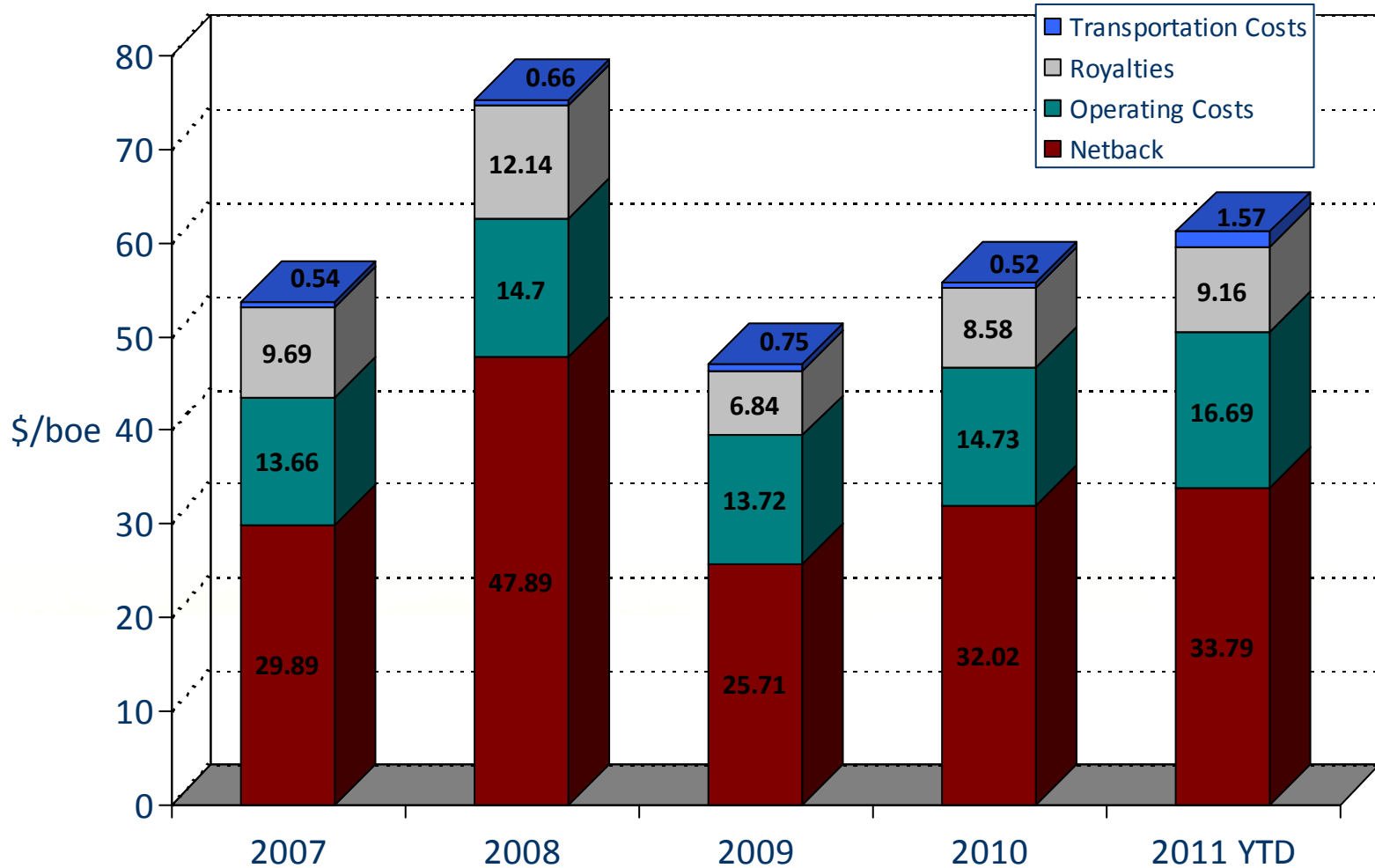


- **Exploration & Development**
 - Ante Creek (Montney)
 - Red Earth (Slave Point)
 - Deep Basin (Falher)
- **Enhanced Oil Recovery Opportunities**
 - Wainwright (Polymer flooding)
 - Suffield (Polymer flooding & water injection)
 - Hay River (Water & Natural Gas injection)
- **Other**
 - BlackGold Oil Sands (10,000 acres)
 - Additional oil sands lands (90,000 acres)
 - Heavy oil (horizontals)
 - SE Saskatchewan oil opportunities at Bakken/Torquay
 - Horn River (35K acres)
 - Natural Gas (shallow gas & CBM)

Significant Resource Pools (Working Interest Share)



Upstream Netback Analysis



Attractive netbacks with a high percentage of light/medium oil and heavy oil

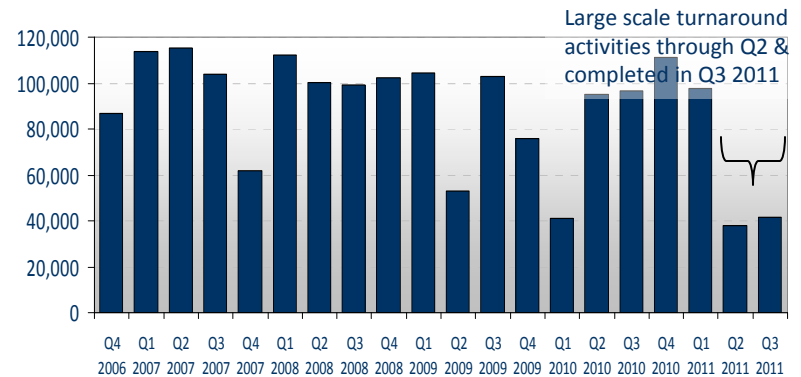


- Only refinery in North America that allows Very Large Crude Carriers to tie in directly to the refinery dock
 - Decreasing expenses
 - Location advantages for feedstock sourcing and product sales

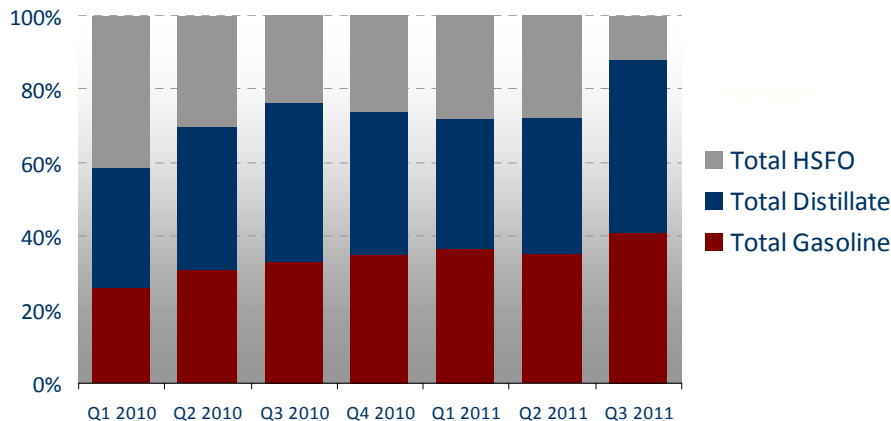
- 115,000 bbl/d medium sour hydrocracking refinery and related businesses
 - Marketing division with 55 retail gasoline & 3 card lock locations
 - Retail heating fuels business and a commercial and wholesale petroleum products business
 - Complexity ratios: Nelson 8.6, Solomon 9.4 before projects
- Product slate weighted to high-value 'clean fuels'
 - 37% distillates, 32% gasoline and 28% heavy fuel oil
 - ~7 million barrels of tankage storage capacity
 - Low annual maintenance capex
- Significant future opportunities for value enhancing projects:
 - Debottleneck Projects planned to expand and enhance downstream operations
 - Benefits to include:
 - Throughput capacity increased from 115 to 120 mbl/d
 - Enhance distillate yields by 9%
 - Energy efficiency improved by approximately 17%
 - Reduce high sulfur fuel oil output

- Completed a significant turnaround in the third quarter
- Throughput for Q3 2011 returned to normal operating rates of 100,000 bbl/d
- The average refinery margin of US\$10.21/bbl in H1 2011 was significantly higher than 2010
- Liquid volume yields show strong distillate production

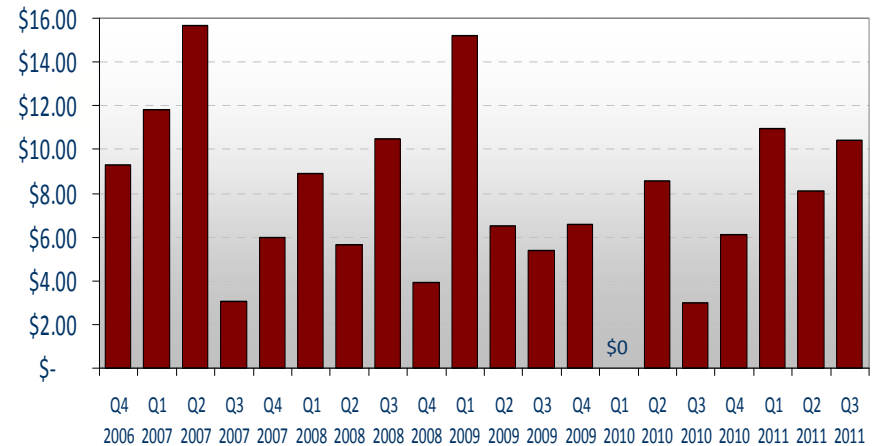
Average Throughput (bbl/d)



Liquid Volume Yield (% of Feedstock)



Gross Margin (US\$/bbl)



Harvest effectively employs techniques in managing its financial risk through stable cash flow

- *Have used hedging for crude oil, natural gas, refined products, refinery cracks, foreign exchange, power...*
- *The amount of cash flow volatility Harvest can manage is supported by its financial and business stability and is driven by a need to provide stable cash flow to support growth objectives in line with goals*
- *Harvest employs a hedging program to reduce cash flow volatility*
 - *Supports longer term projects with committed multi-year capital spending*
 - *Ability to hedge a maximum of 50% of exposures for a maximum 3 year term*
 - *Focus on large cash flow risks; i.e. crude oil and currency*

- *Preserve strong balance sheet with abundant liquidity*
- *Fund major capital projects and acquisitions with a balanced mix of debt and equity*
- *No current plans to pay dividends*
- *Selectively hedge within upstream and downstream businesses to protect project economics and cash flows*
- *Target investment grade credit metrics*
 - *Debt to book capitalization of 30% or less*
 - *Debt to EBITDA of 2.0x or less*

- *Harvest*
 - *Long-life assets in upstream and downstream*
 - *Attractive investment opportunities within asset base*
 - *Strong economic fundamentals for long-term growth*
 - *Strategic focus on growth*
 - *Cash flow diversification*
 - *Strong financial support from KNOC*



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