



Oil Sands Update

February 2011

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Forward Looking Information

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.

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Harvest's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Harvest will derive therefrom. Harvest disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All figures quoted herein are Canadian dollars, unless otherwise stated

Harvest Corporate Strategy

- Canadian-based integrated oil company
 - Exposure to oil weighted upstream operations and downstream refining & marketing business
 - Natural hedge with heavy/medium grade crude production and medium grade feedstock
- Areas of focus
 - Upstream: Oil weighted asset base, full-cycle exploration & development, multi-year development portfolio EOR projects
 - Upstream Oil Sands: Assets in each of Athabasca, Cold Lake and Peace River oil sands areas; development of phase 1 of BlackGold project underway
 - Downstream: natural hedge supports development of upstream oil sands and heavy oil
- Access to capital through KNOC and strategic focus supports sustainable growth

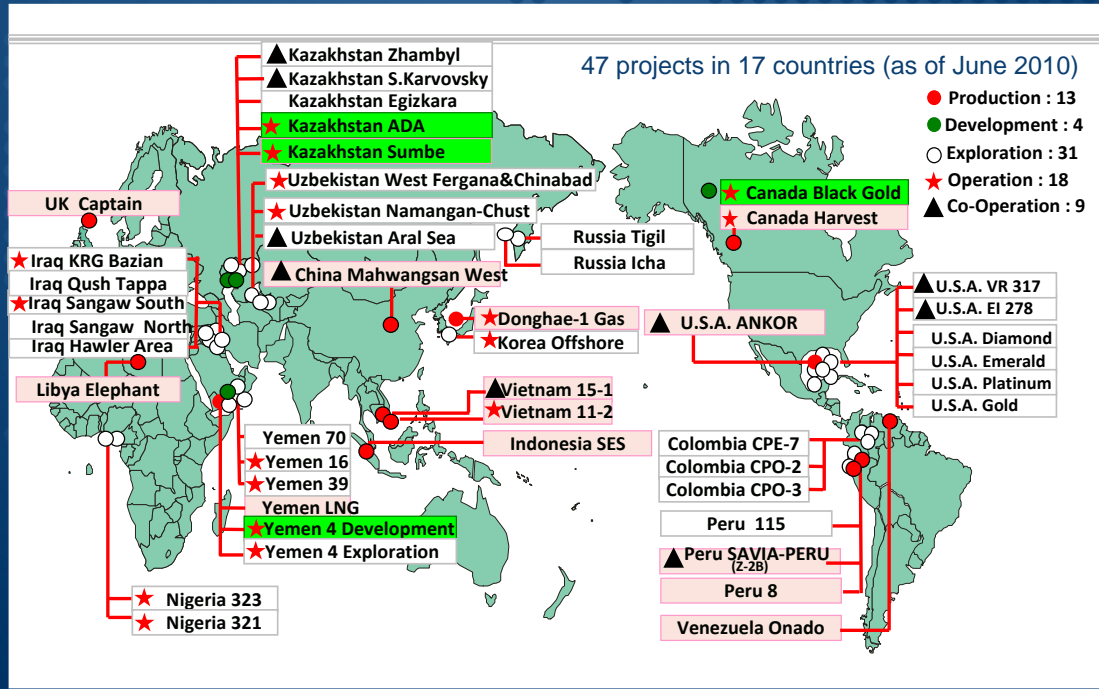


Korea National Oil Corporation

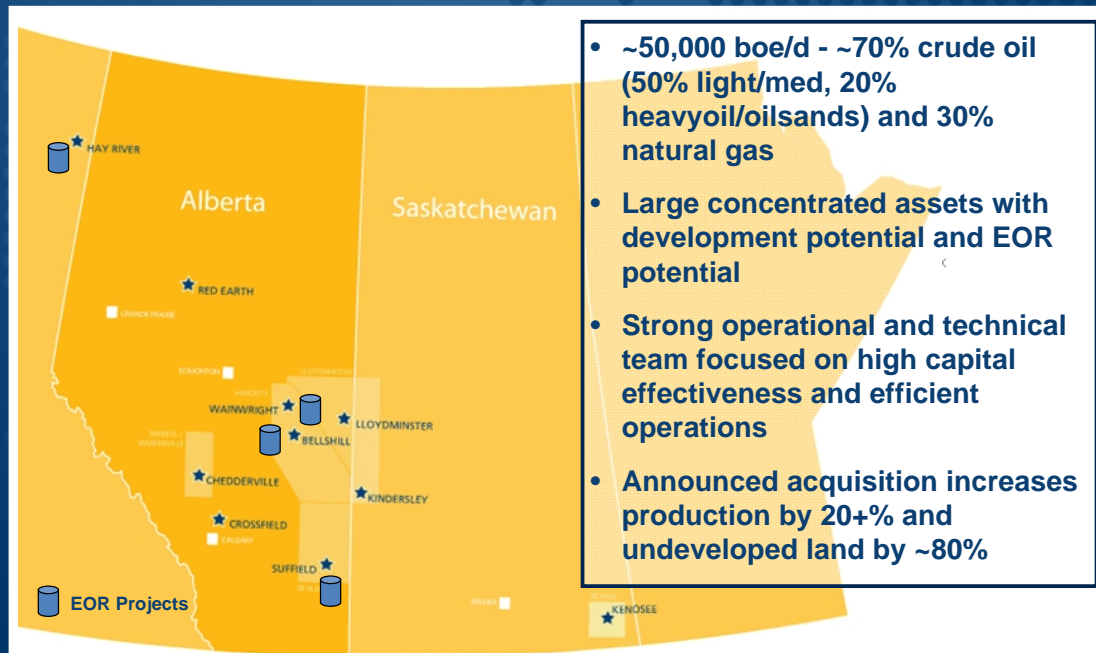
- History
 - Established by Korean government in 1979 to hedge country's exposure to energy supply and price by owning oil storage facilities (now at 140 mm barrels) and international oil and gas producing assets
 - Manufacturing-intensive economy highly dependent on energy with ~2.3mmbpd of oil consumption and no domestic production
 - Storage assets now hold 140 million barrels of oil
 - Currently produce ~190kbpd with ~1.1million barrels of reserves
- Strategy
 - Target to increase production to 300kbpd and 2Bbbls of reserves by 2012
 - Support from Korean government and capital markets (investment grade) to achieve objective.



Global E&P Activities of KNOC



Upstream Operations

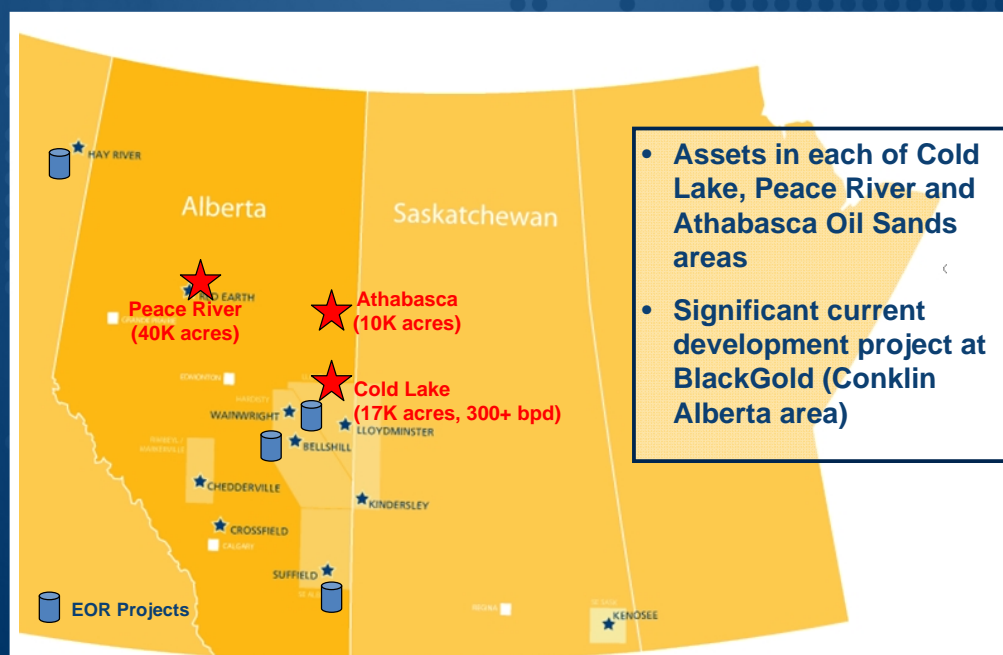


Harvest Resource Potential

- Significant unconventional & large resource assets in:
 - Waterflooded large oil pools amenable to ASP flooding or CO₂ flooding
 - Heavy Oil: drilling opportunities (predominantly horizontals)
 - Northern Alberta: Slave Point resource
 - West Saskatchewan: Viking oil
 - South Central Alberta: Ellerslie oil & Glauconitic oil at Suffield
 - SE Saskatchewan: Tilston / Souris Valley / Bakken prospects
 - West Central Alberta: Cardium oil, Montney oil, Rock Creek gas, Glauconitic & Notikewin gas
 - Central Alberta: shallow gas & CBM



Oil Sands Assets

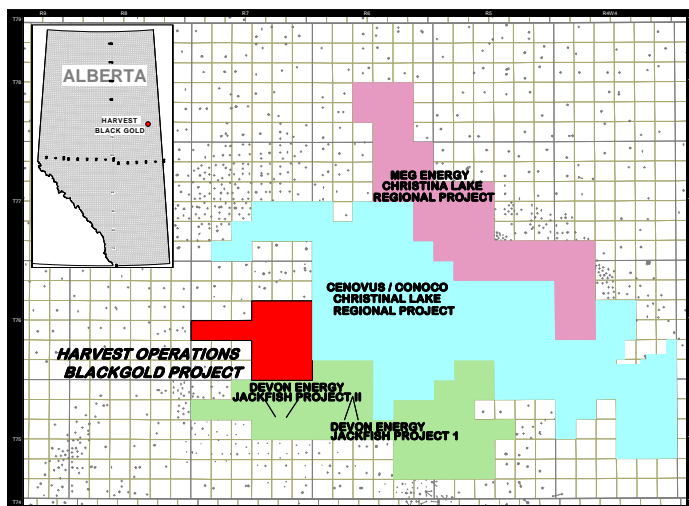


- Assets in each of Cold Lake, Peace River and Athabasca Oil Sands areas
- Significant current development project at BlackGold (Conklin Alberta area)

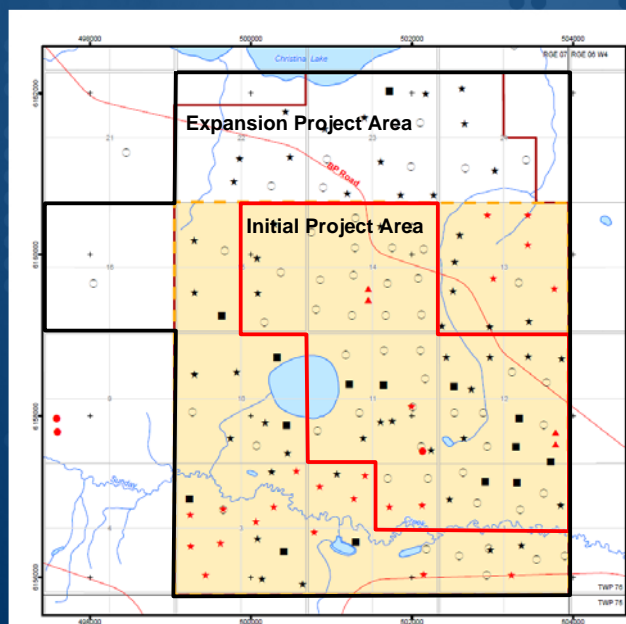


KNOC BlackGold Project

- Well delineated oil sands project in Conklin area
- Proximity to other successful oilsands projects
- 10 kbpd Phase 1 sanctioned and under development
- Application made for expansion to 30 kbpd



Well Delineated Lease



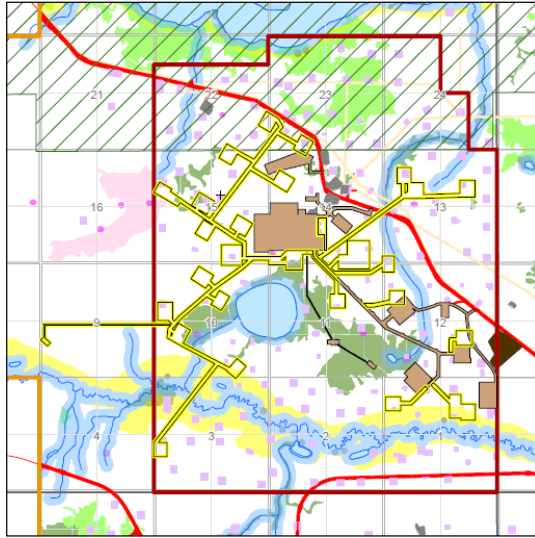
- 150 Appraisal wells
- 3D Seismic over 60% of lease

Legend

- Project Area
- Lease
- 3D Seismic 2007
- Drilled Before 2003
- Drilled 2004
- Drilled 2005
- Drilled 2006
- Drilled 2007
- Drilled 2009
- Core Well
- Ground Water Well
- Water Source Well



Development Plan



- 25+ year project life at 30 ktpd capacity
- 259 mmbbl P+P reserves (will have proved reserves at YE2010)
- SOR: ~3.0 expected
- \$450-\$500million capex to first production in early 2013 (\$240 million in 2011)

Processing Facility



Downstream Operations

- **Asset**
 - 115,000 bbl/d medium sour hydrocracking refinery & ancillary businesses (Nelson 8.6; Soloman 9.4)
 - Product slate weighted to high-value 'clean fuels' (~40% distillates, ~36% gasoline, ~24% heavy fuel oil)
 - Location advantages for feedstock sourcing and product sales; long life asset with low annual maintenance capex; significant future opportunities for value enhancing projects
- **Strategy**
 - Upgrading integration creates natural hedge between heavy oil production and refining
 - Removes price/cashflow volatility for long-term production & development



Conclusion

- **Harvest & KNOC**
 - Attractive investment opportunities within asset base (upstream, oilsands & downstream)
 - Strong economic fundamentals for long-term growth
 - Strategic focus on growth
 - Cash flow diversification with strong financial support
- **Oil Sands focused on BlackGold SAGD Project in Athabasca**
 - Significant first phase development underway
 - Project expandable to 30kbpd for 25+ years
 - Existing assets in Cold Lake & Peace River areas provide identified further growth opportunity; opportunity to exploit technology in other global assets in South America, Middle East and Central Asia
 - Asset diversification in upstream natural gas hedges exposure to nat gas prices and downstream hedges exposures to heavy oil differentials over long-term



The logo for Harvest Operations Corp features the word "Harvest" in a bold, blue, sans-serif font. Above the letter "t" is a white arc with three curved lines underneath it, suggesting a rising sun or a field. Below "Harvest" is the text "OPERATIONS CORP" in a smaller, blue, all-caps sans-serif font.

Harvest
OPERATIONS CORP

The logo for Korea National Oil Corporation features a red diamond shape with a white outline. Below the diamond is the text "Korea National Oil Corporation" in a black, sans-serif font.

Korea
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