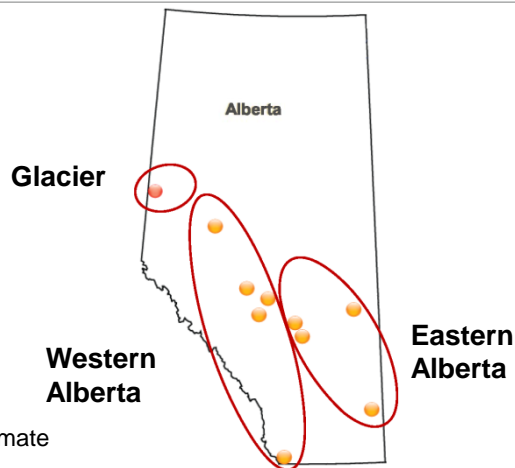
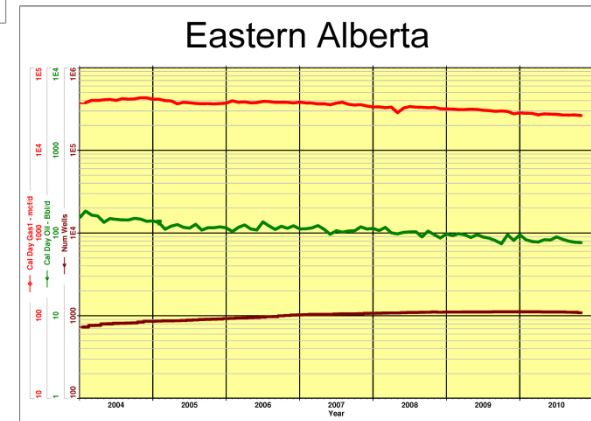
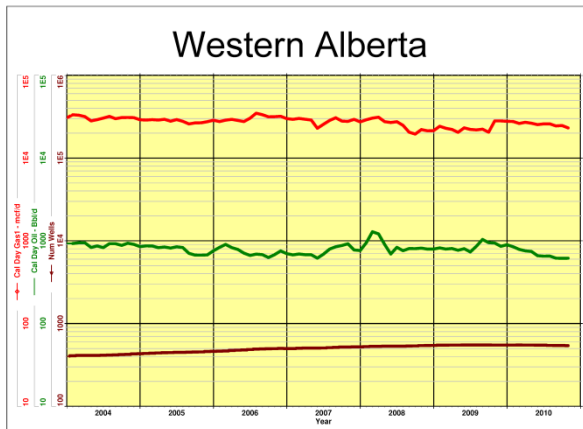
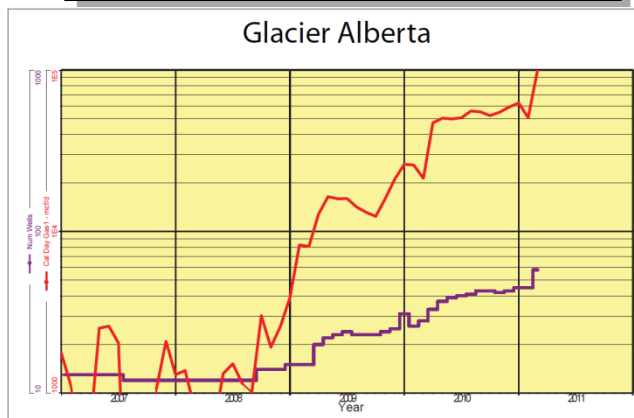
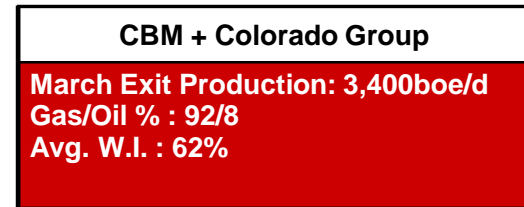
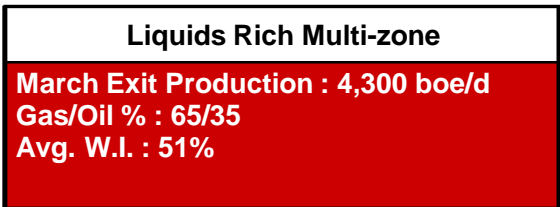
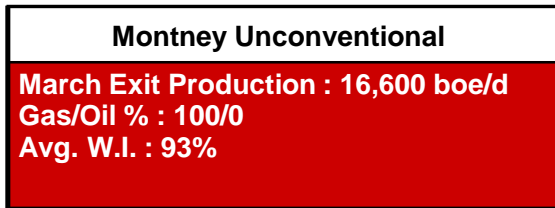
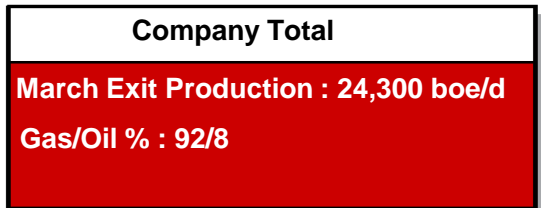




# Corporate Highlights

- **Split Advantage into two separate entities – Q2 2011**
  - Advantage now a pure play natural gas resource company
  - Retained a 63% ownership in the shares of Longview Oil Corp. that provides tax free dividends
- **Increased financial flexibility through debt reduction**
  - Longview IPO generated ~\$246 million of net proceeds
  - Non-core gas weighted asset sales of ~\$70 million
- **Capex program focused on Montney development at Glacier**
  - Growth in production & reserves
- **Reduction in corporate cost structure**
  - F&D costs and operating expenses continue to decline

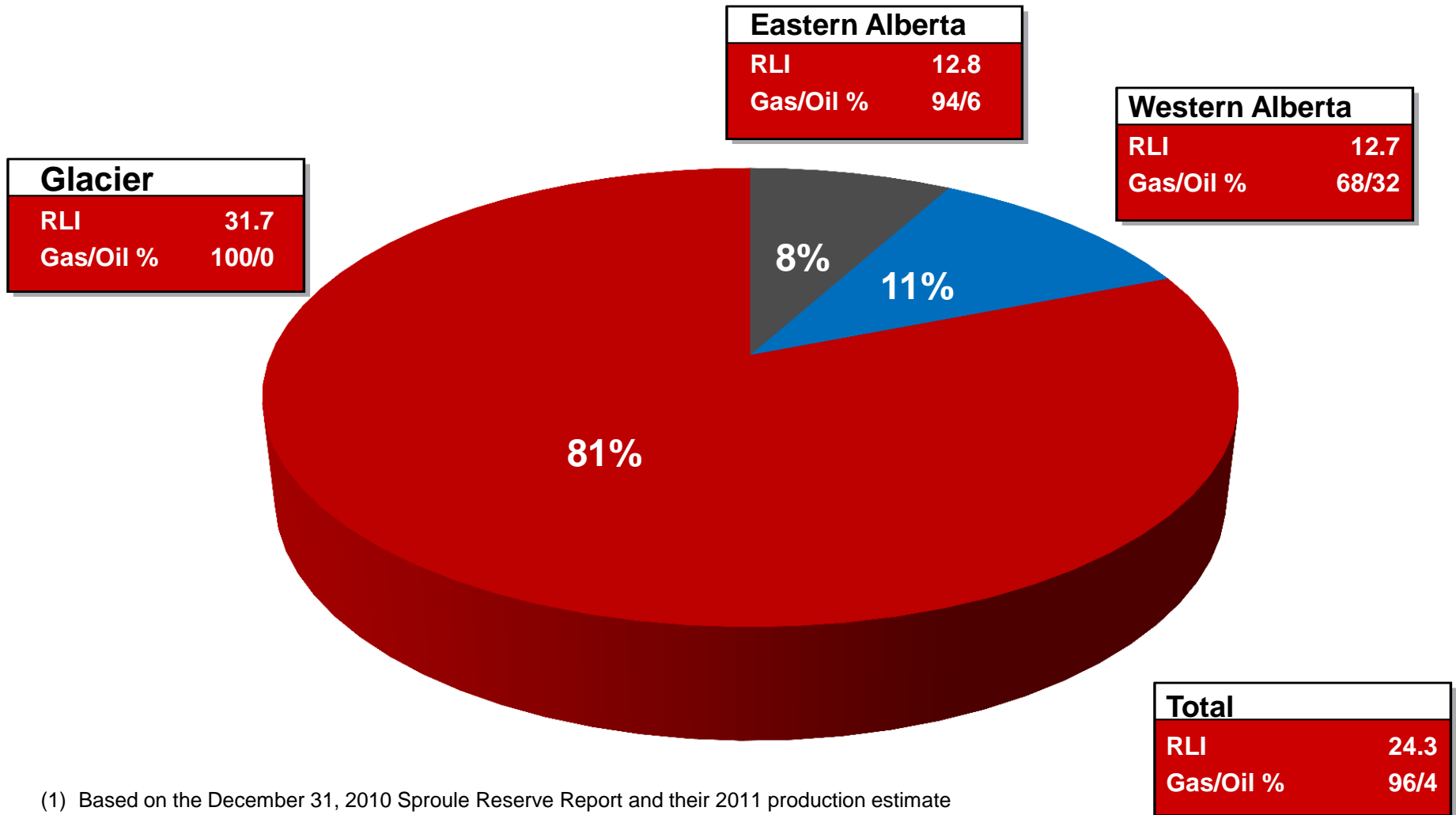
# “Pure Play” Natural Gas Focus – Three Core Areas



March 2011 exit production based on Advantage field estimate

— Gas — Oil — Well Count

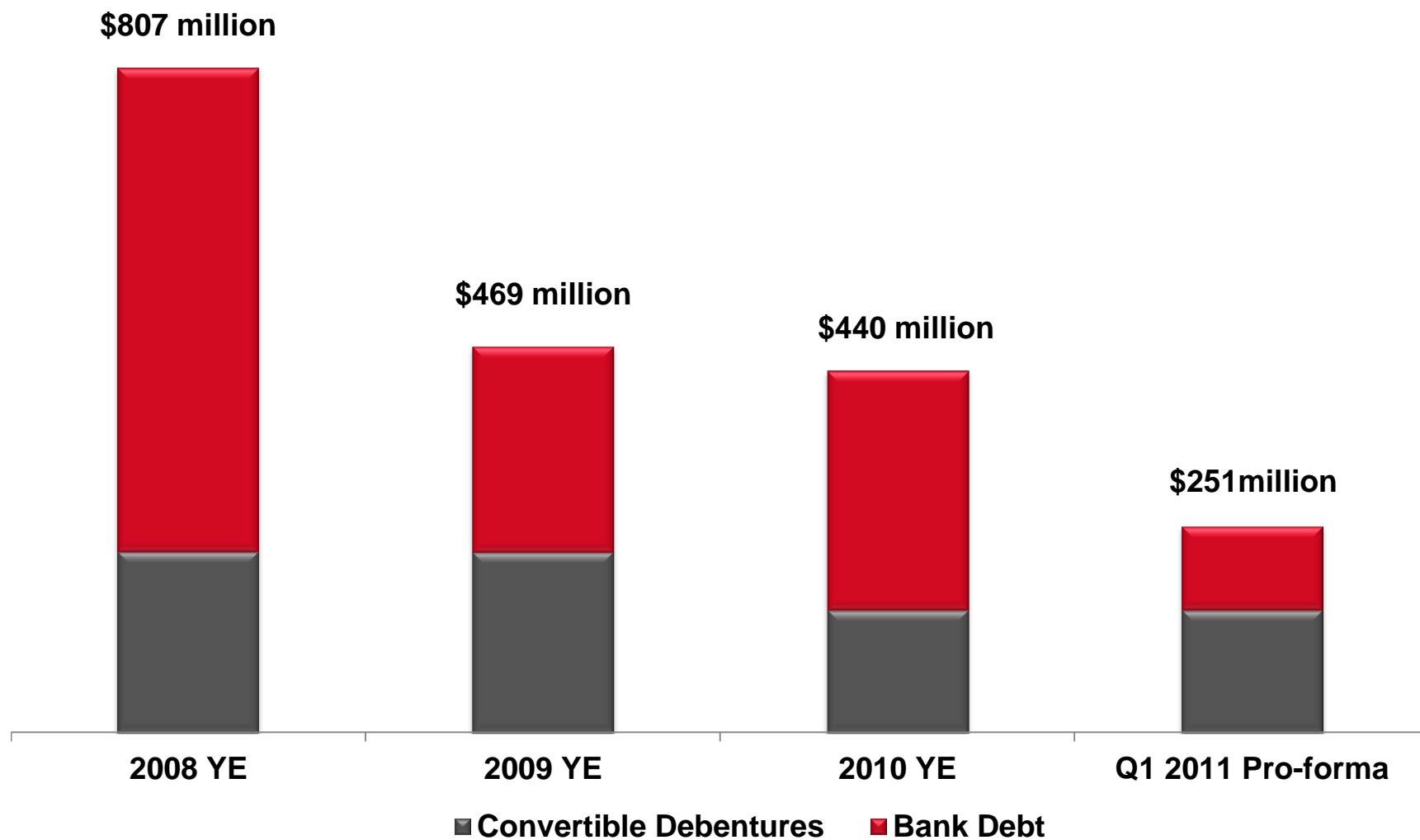
# Glacier Montney Development Dominates 2P Reserves<sup>(1)</sup>



(1) Based on the December 31, 2010 Sproule Reserve Report and their 2011 production estimate

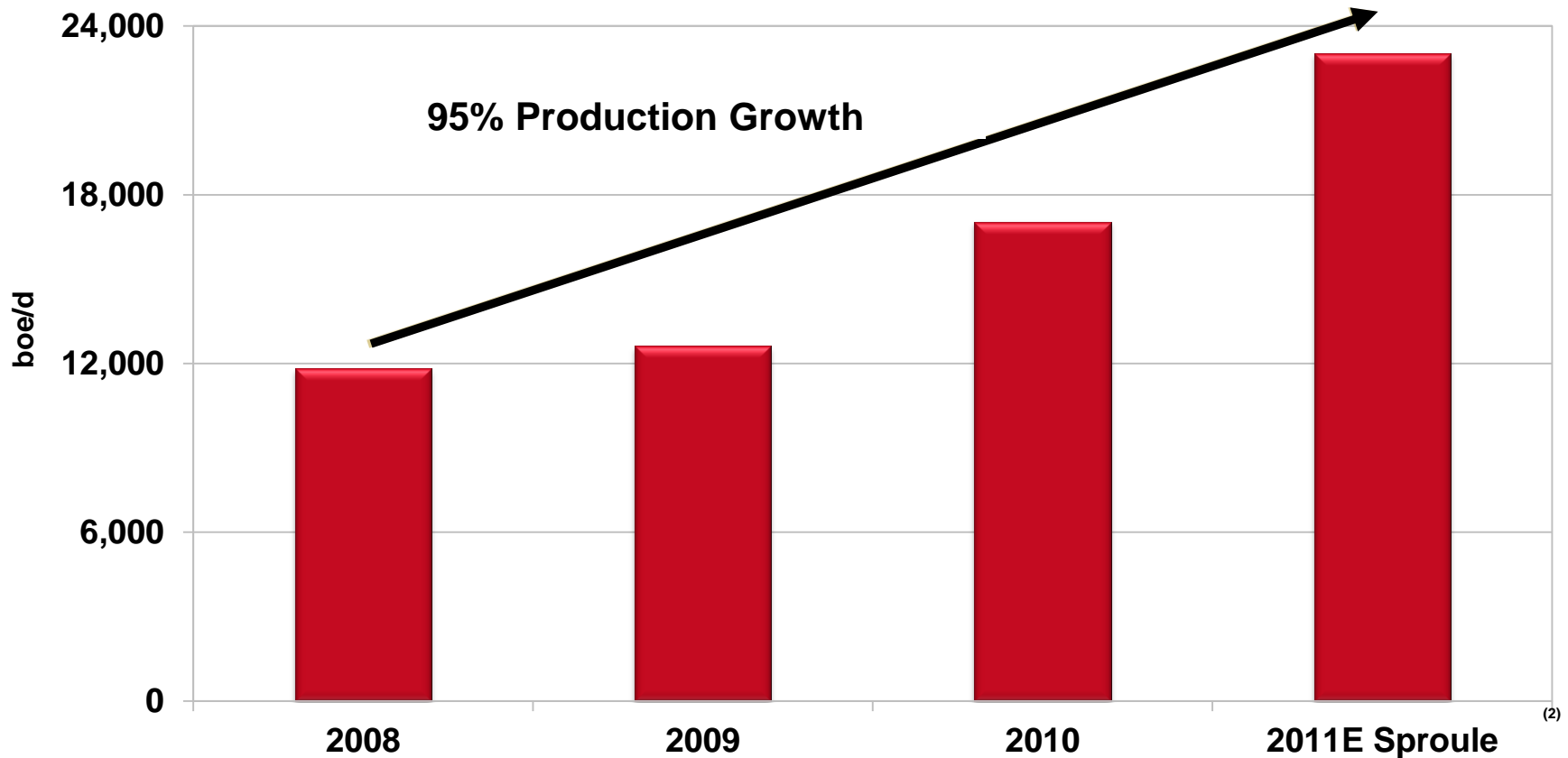
# Significant Debt Reduction

Total Debt has been reduced by 69% since 2008



# Advantage Organic Production Growth

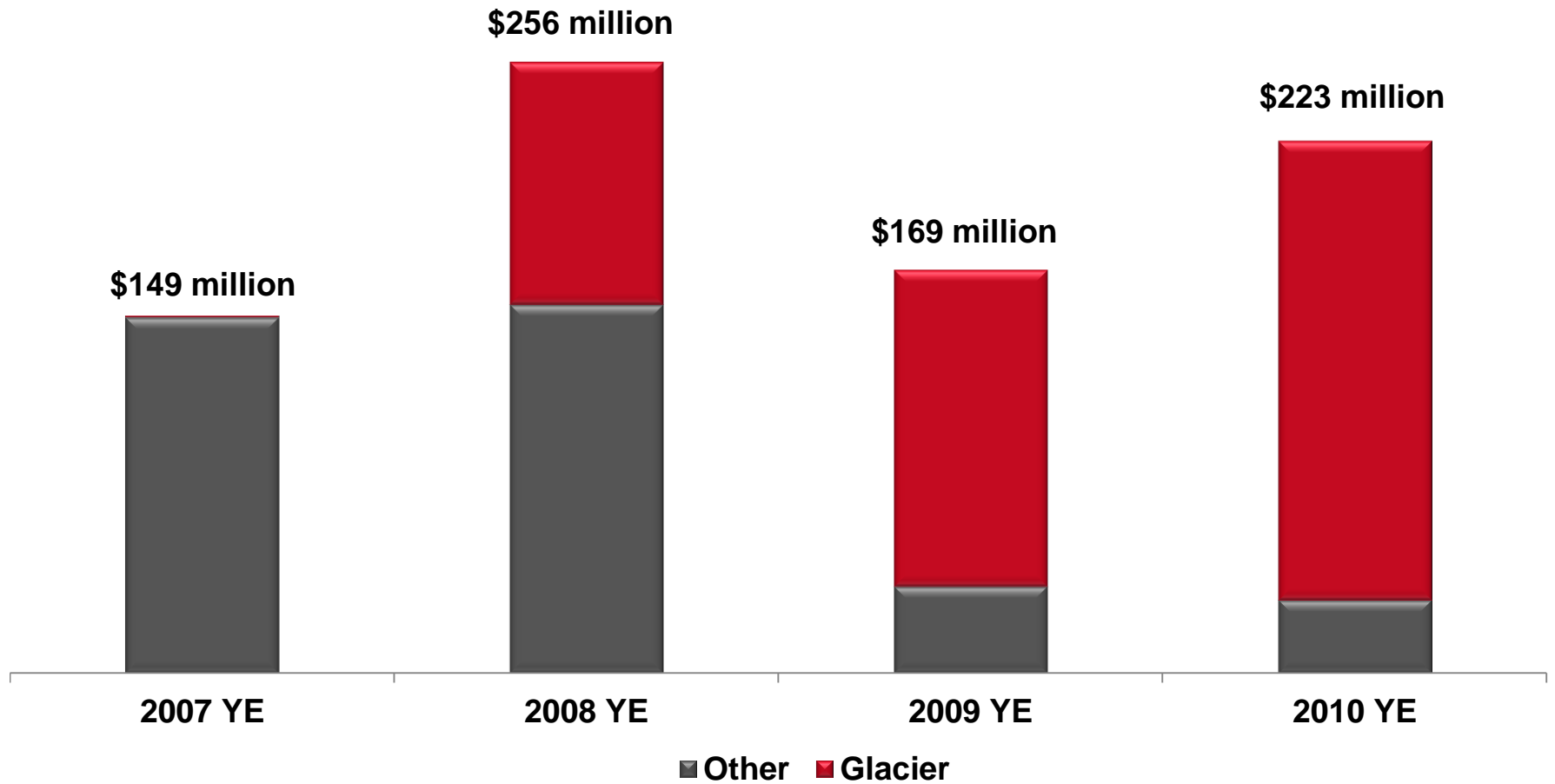
## Advantage Pro forma Production<sup>(1)</sup>



(1) Comprised of the three core areas in Advantage

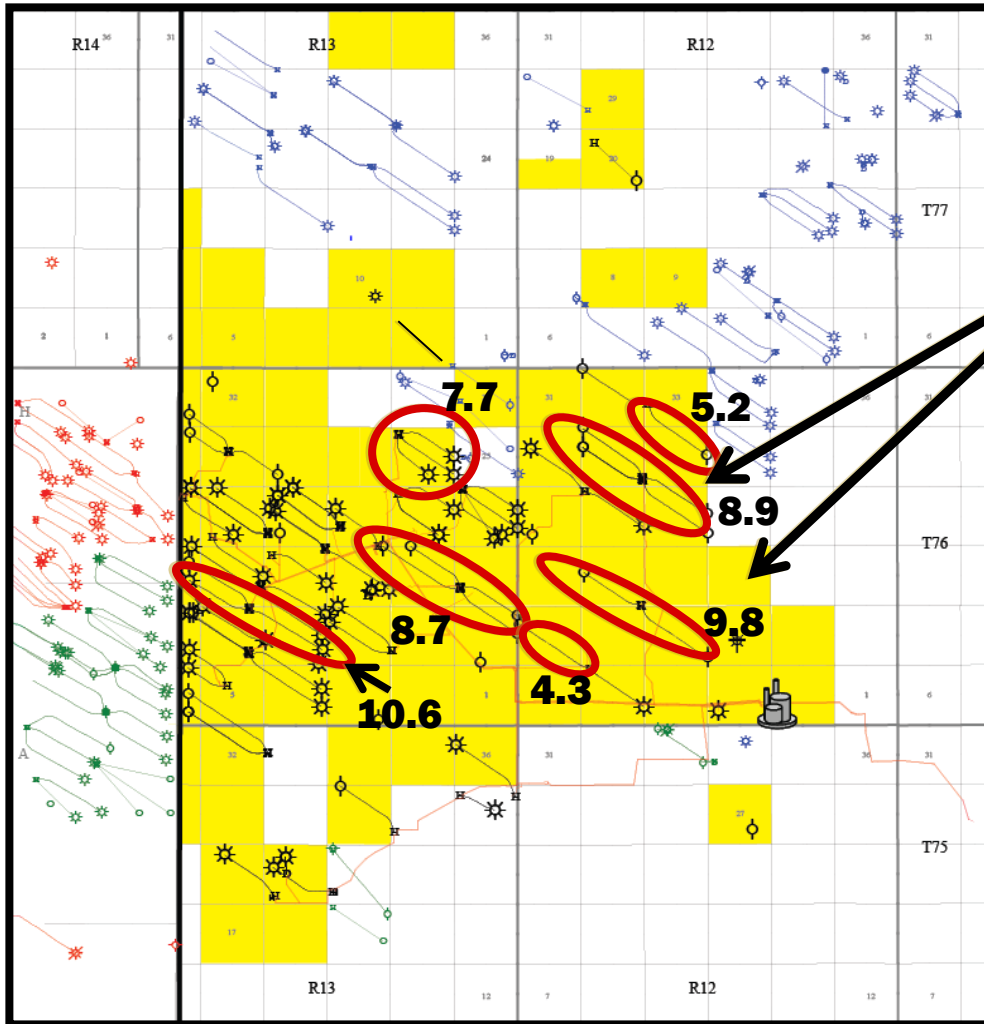
(2) Based on the December 31, 2010 P+P Sproule Report

# Capital Expenditure Summary



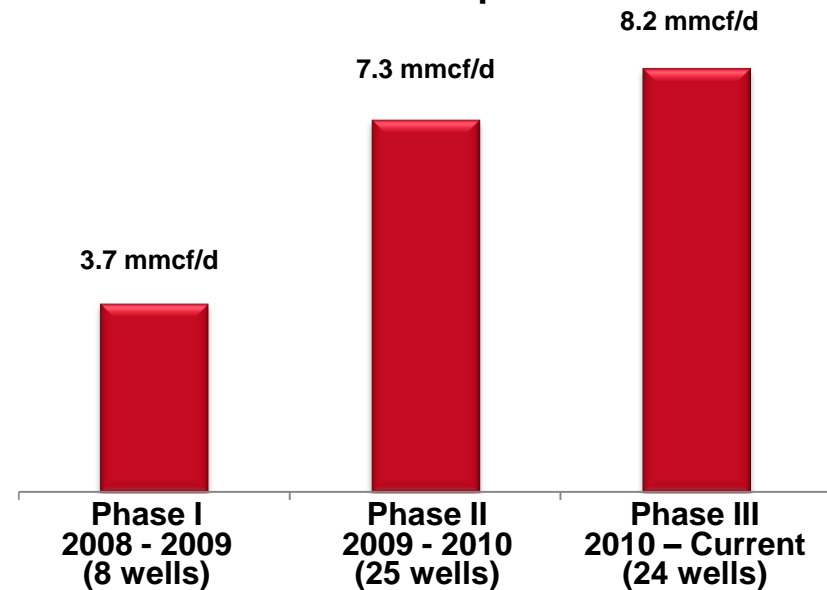
# Phase III Test Rates Exceed Expectations

Glacier Phase III Upper Montney Test Rates<sup>(1)</sup>



Recent delineation drilling results confirm high quality reservoir across our land block

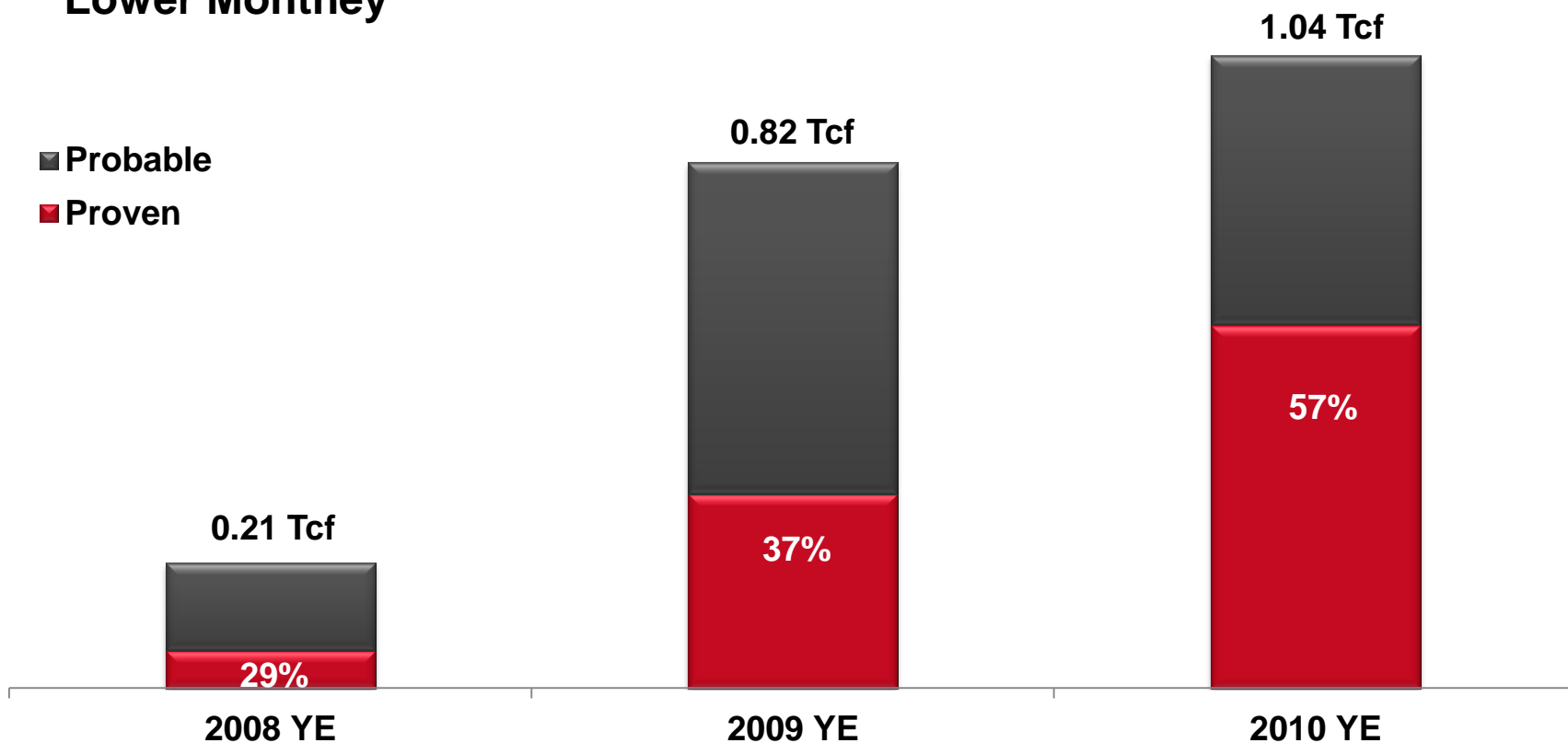
Phase III Upper Montney Test Rates Continue to Improve



(1) Average of well(s) test rates in pad (mmcf/d normalized to 435 psi)

# Glacier 2P Reserves Exceed 1.0 Tcf<sup>(1)</sup>

- 2010 Finding and Development costs \$9.29/boe (3 year F&D \$10.75/boe)<sup>(2)</sup>
- Significant future potential to add reserves in the Upper, Middle and Lower Montney

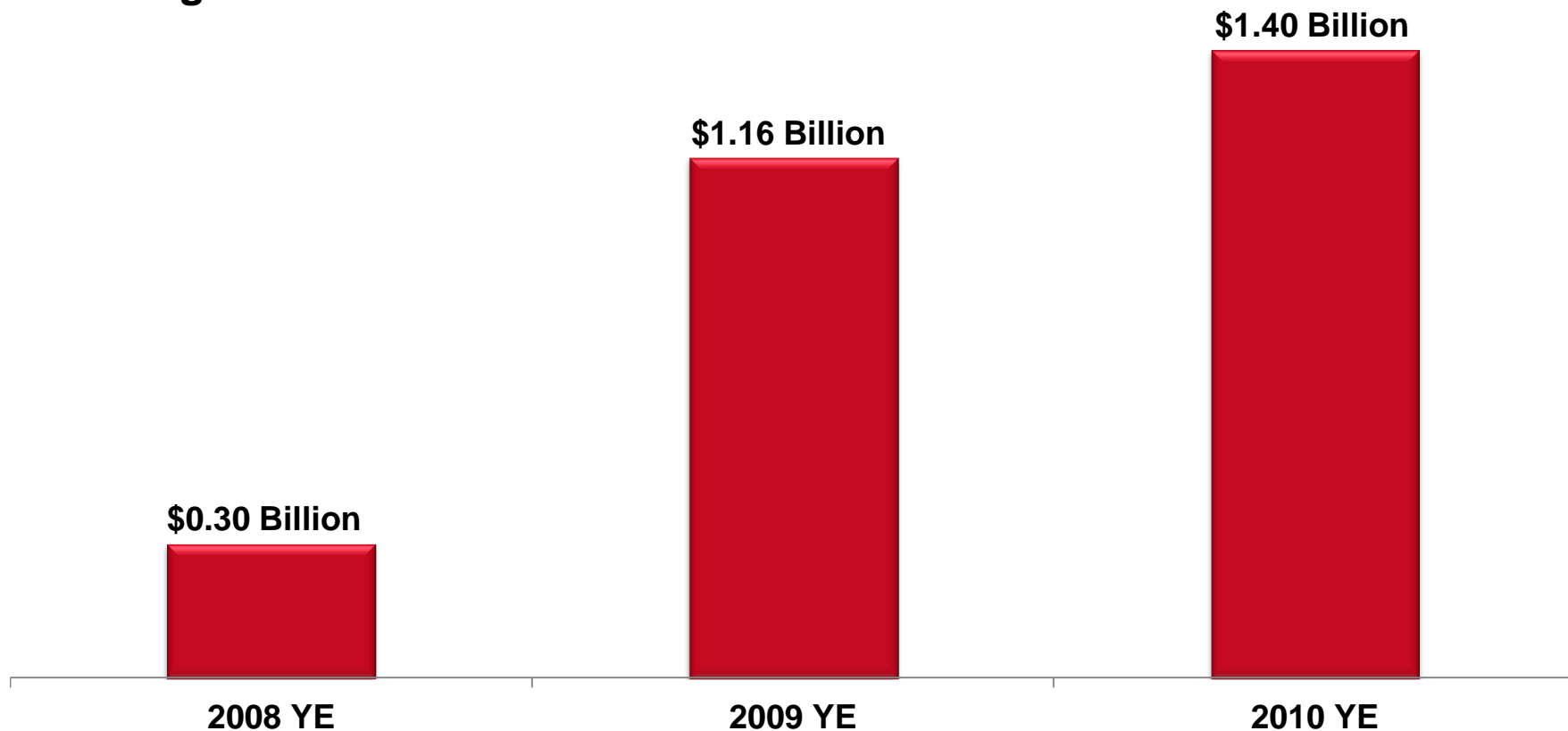


(1) Based on the December 31, 2010 Sproule Reserve Report (P+P @ PV 10% discount factor pre-tax)

(2) Finding & Development costs include the change in Future Development Capital

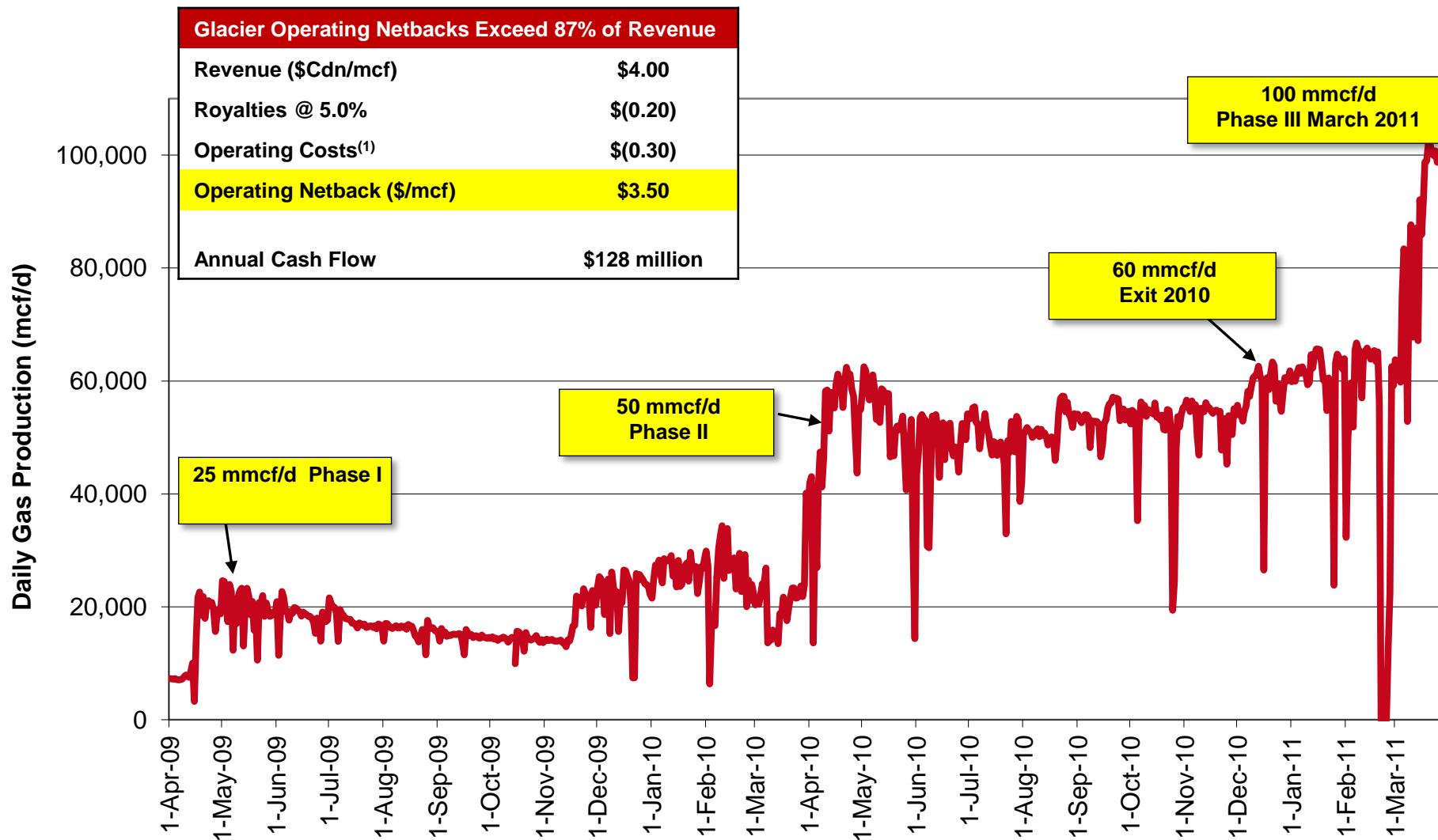
# Glacier Value Growth<sup>(1)</sup>

- Glacier's asset value grew 19% to \$1.4 Billion at YE 2010 despite a 25% reduction in Sproule's natural gas price forecast for the years 2011 through to 2015



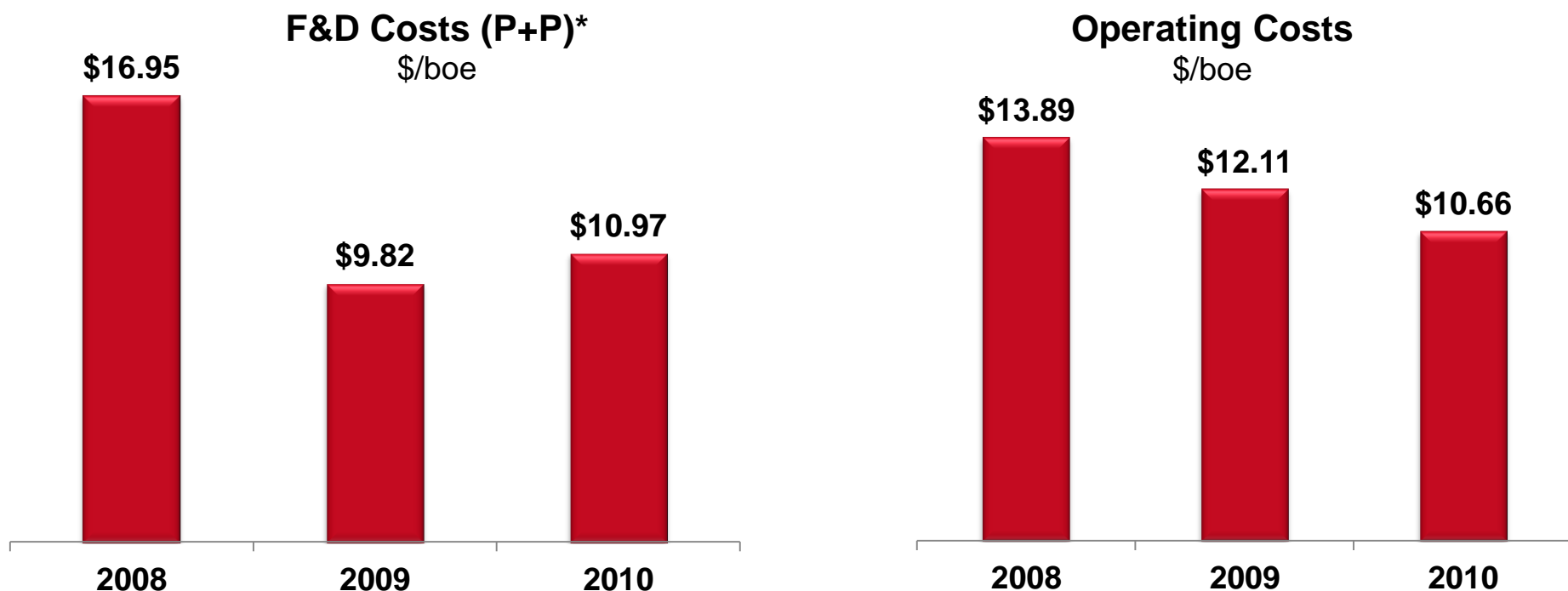
(1) Based on the December 31, 2010, 2009 and 2008 Sproule Reserve Reports (P+P @ PV 10% pre-tax)

# Glacier – Gas Sales Grow to 100 mmcf/d, Strong Netbacks



# Reduced Cost Structure Enhances Cash Flow

- The cost of adding reserves through the drill-bit have decreased by 35% since 2008 due to the impact of Glacier & continued success in other properties
- Operating costs per unit decreased 23% since 2008 due to the impact of lower cost production additions at Glacier, divestment of higher cost assets & successful optimization efforts



\* YE Reserves Reports, Sproule & Associates Ltd. Including change in Future Development Capital

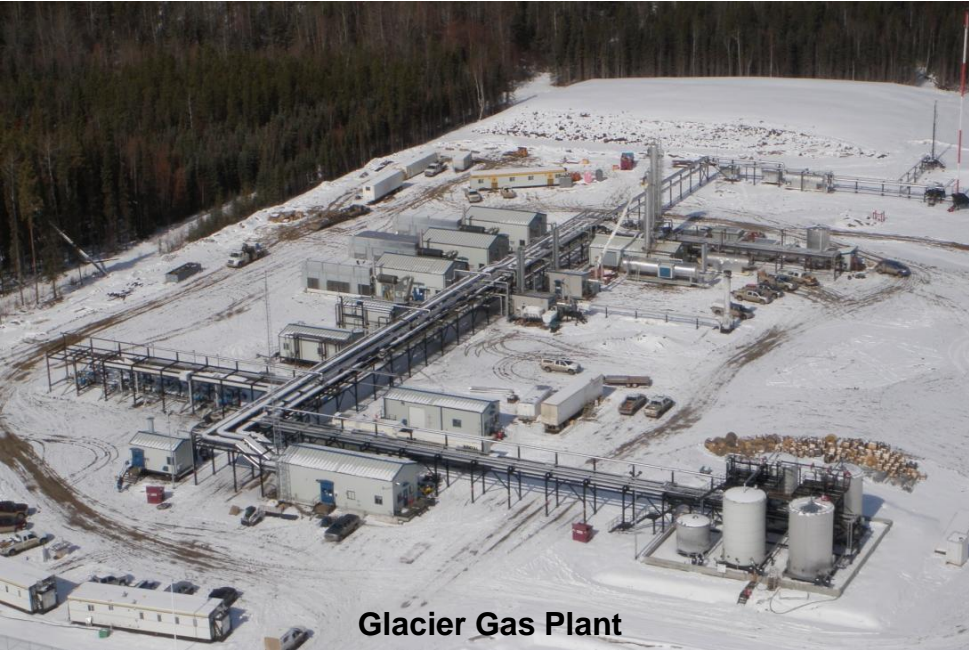
# Advantage Summary

- **Glacier production @ 90 to 100 mmcf/d in Q2 2011**
  - Additional 100 mmcf/d of production behind pipe will offset declines for most of 2011
  - 2P RLI 31.7 years @ December 31, 2010
  - Future development plans will be announced mid-2011
- **Pro forma cash flow of \$164 million for 2011<sup>(1)</sup>**
  - Top quartile cost structure
  - 28.4 mmcf/d hedged @ \$6.25/mcf
- **Q1 2011 Pro forma total debt of \$248 million**
  - Debt/cash flow of ~ 1.5x
  - Bank debt of \$99 million (36% drawn on \$275 million credit facility)
- **Equity ownership of Longview shares valued at \$331 million<sup>(2)</sup>**

(1) Based on the December 31, 2010 Sproule Sensitivity Reserve Report using WTI US \$88.40/bbl, AECO \$3.72/mmbtu, \$C/\$US \$1.00

(2) Closing price as of May 24, 2011

# Advantage Contact Information



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# Advisory

The information in this presentation contains certain forward-looking statements, including within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future intentions or performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "demonstrate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions and include statements relating to, among other things, individual wells, regions, properties or projects. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. Advantage's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage will derive from them. Except as required by law, Advantage undertakes no obligation to publicly update or revise any forward-looking statements. For additional risk factors in respect of Advantage and its business, please refer to its Annual Information Form dated March 16, 2010 which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and [www.advantageoil.com](http://www.advantageoil.com).

References in this presentation to initial test production rates, initial "productivity", initial "flow" rates, "flush" production rates and "behind pipe production" are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Advantage.

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel. "TCF" stands for trillion cubic feet of natural gas. Such conversion rates are based on an energy equivalency conversion method application at the burner tip and do not represent an economic value equivalency at the wellhead.

This presentation contains references to estimates of natural gas classified as discovered petroleum initially in place and contingent resources which are not, and should not be confused with, estimates of oil and gas reserves. "Discovered petroleum initially in place" is defined in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") as the quantity of hydrocarbons that are estimated to be in place within a known accumulation. Discovered petroleum initially in place is divided into recoverable and unrecoverable portions, with the estimated future recoverable portion classified as reserves and contingent resources. "Contingent resources" is defined in the COGE Handbook as the quantity of petroleum that is estimated to be potentially recoverable from known accumulations using established technology or technology under development which are not currently considered to be commercially recoverable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of the discovered petroleum initially in place or contingent resources. There are a number of contingencies associated with the development of the Montney resources relating to performance from new and existing wells, future drilling programs, the lack of infrastructure, well density per section, recovery factors and development necessarily involves known and unknown risks and uncertainties, including those risks identified in this presentation. The estimates of discovered petroleum initially in place and contingent resources represents the best estimate, as defined in the COGE Handbook, of such resources. The contingent resources estimated by Sproule have not been adjusted for risk based on the chance of development. There is no certainty that the resources will be developed and, if developed, there is no certainty that it will be commercially viable to produce any portion of the reported contingent resources for the Montney zones.

Finding and development costs have been calculated in accordance with section 5.15 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities which requires changes in FDC to be included in the calculation of finding and development costs. Advantage has also provided the calculation of finding and development costs excluding changes in FDC as indicated above. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated FDC generally will not reflect total finding and development costs related to reserve additions for that year. The disclosure of finding and development costs for Glacier does not include comparative information of finding and development costs for the years ended 2007 and 2006 as finding and development costs were not calculated for the Glacier properties for the years ended 2007 and 2006.