Advantage Oil & Gas Ltd.

Investor Presentation

June 2011

Corporate Highlights

- **Advantage now a 'pure play' Montney natural gas resource company**
  - Pro forma Advantage production ~23,500 boe/d Q2 2011
  - Oil weighted assets sold to Longview Oil Corp. (AAV 63% ownership)
- **Capex program focused on Montney development at Glacier**
  - In ~3 years: Grew 2P reserves to 1 Tcfe (2010 F&D of $1.54/mcfe)
    Grew production to 100 mmcf/d (16,600 boe/d)
  - Drilled 60 net horizontal wells to date with an estimated inventory in excess of 800 drilling locations (total capital over life of project could exceed $4 billion)
  - Low royalty & operating costs at Glacier support strong economics
- **Debt reduction increases financial flexibility**
  - Debt reduced from $807 million in 2008 to Q1 2011 pro-forma of $251 million

Advantage – “Pure Play” Natural Gas Focus

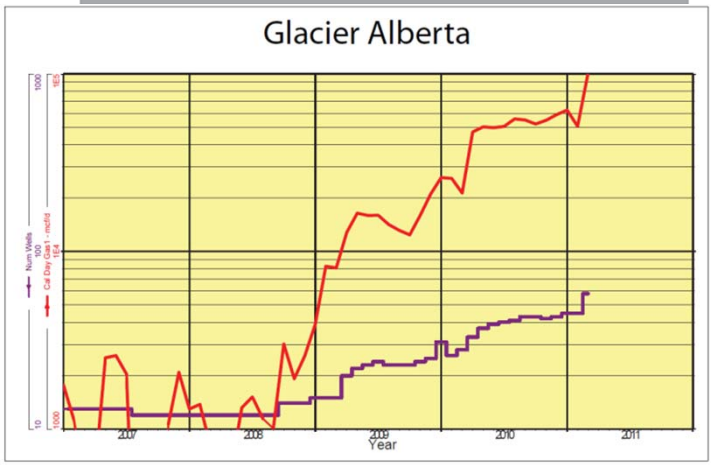
Company Total

March Exit Production : 24,300 boe/d

Gas/Oil % : 92/8

Montney Unconventional

March Exit Production : 16,600 boe/d
Gas/Oil % : 100/0
Avg. W.I. : 93%

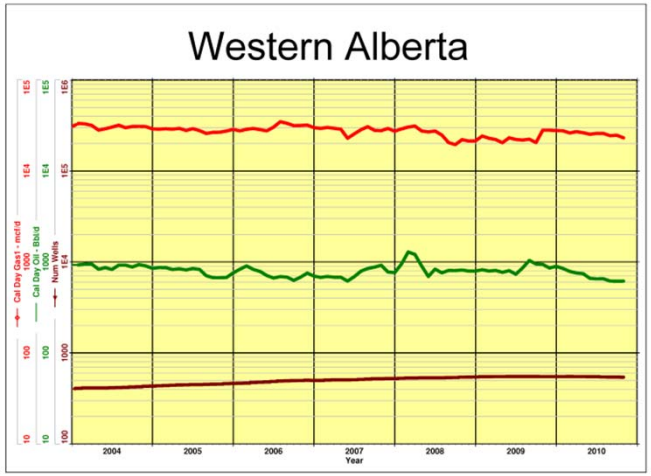


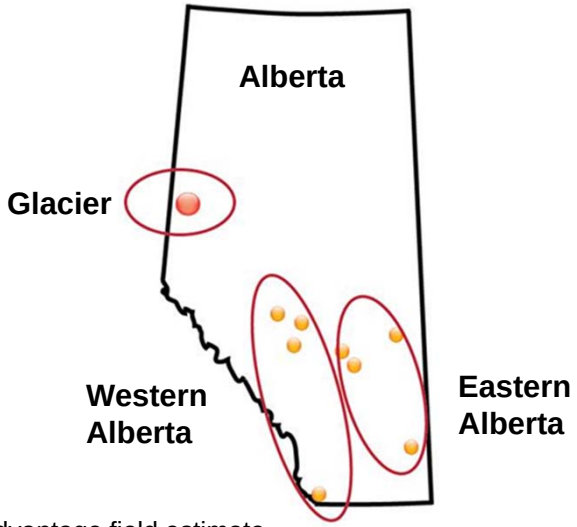
Liquids Rich Multi-zone

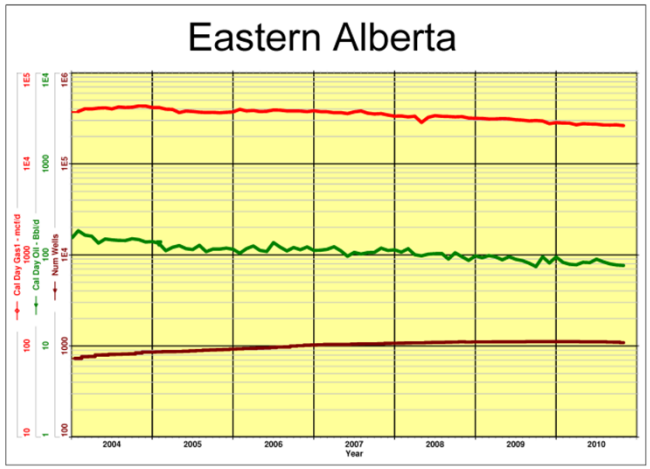
March Exit Production : 4,300 boe/d
Gas/Oil % : 65/35
Avg. W.I. : 51%

CBM + Colorado Group

March Exit Production: 3,400boe/d
Gas/Oil % : 92/8
Avg. W.I. : 62%



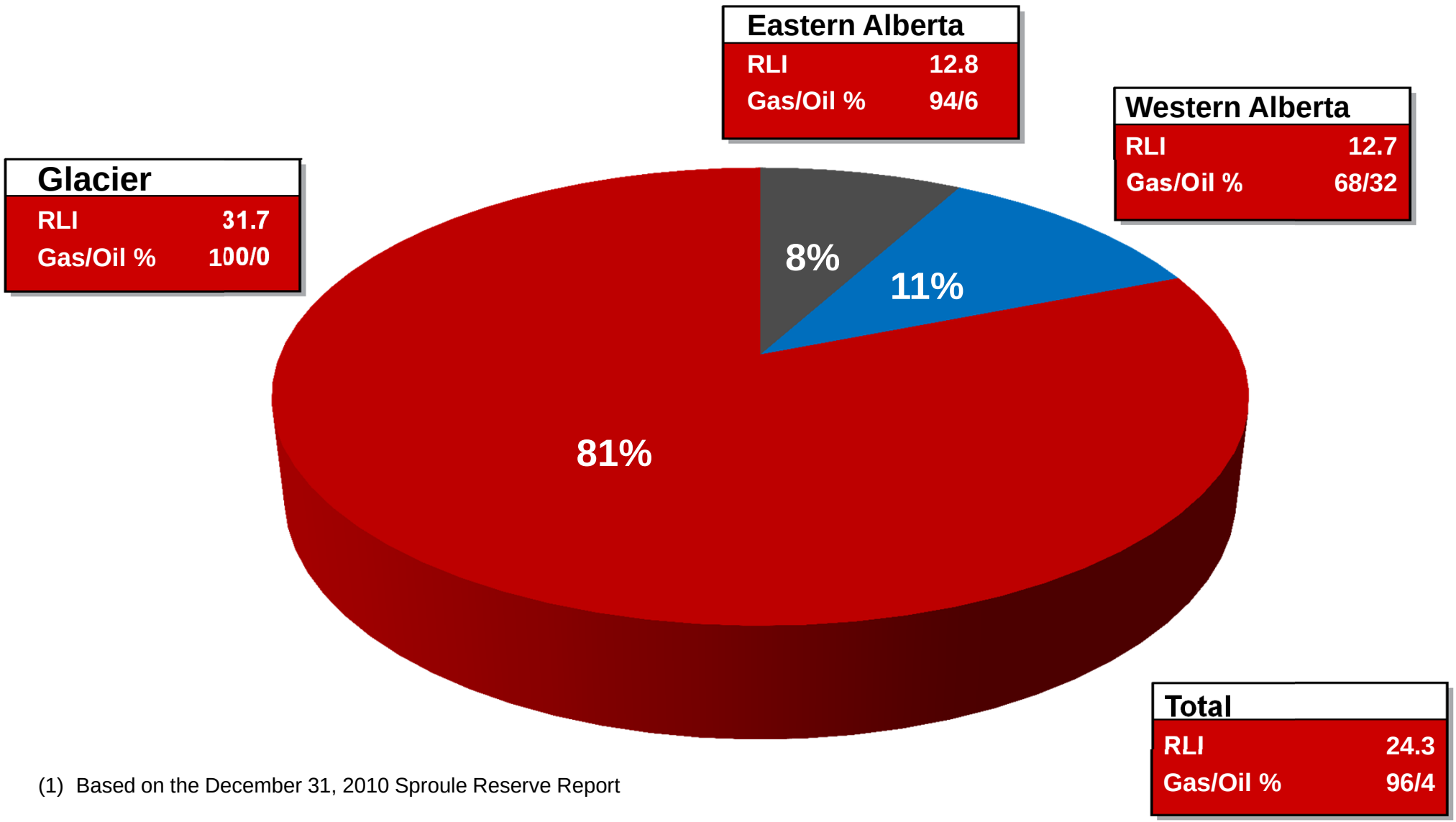




Gas Oil Well Count

March 2011 exit production based on Advantage field estimate

Glacier Montney Development Dominates 2P Reserves(1)



(1) Based on the December 31, 2010 Sproule Reserve Report

Glacier Development Driving Organic Production Growth

Glacier Phase III results exceeded expectations:

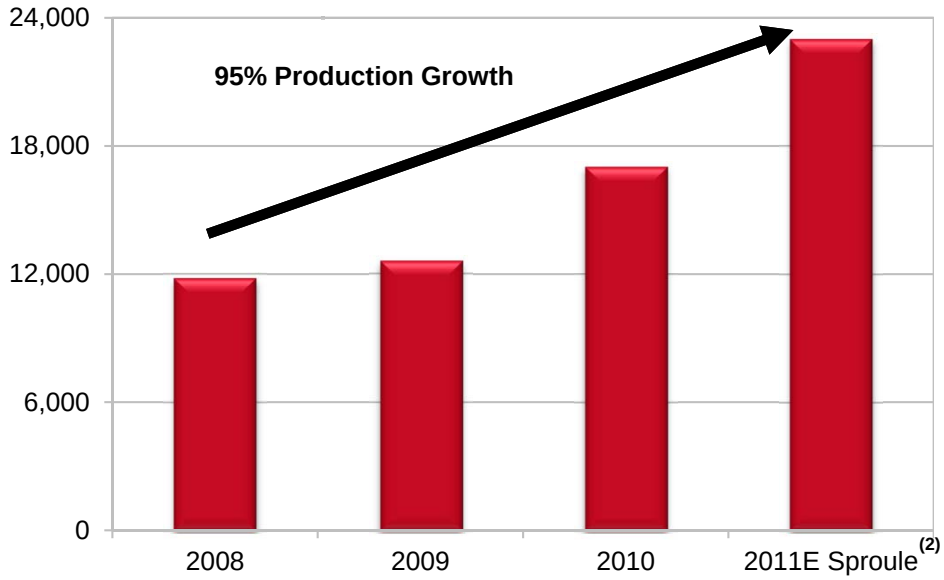
- Glacier production exited March 2011 at 16,600 boe/d (100 mmcf/d)
  - additional 16,600 boe/d (100 mmcf/d) of production capacity available to offset declines

Next steps:

- Next phase of growth at Glacier will be determined upon review of well performance, facility capacity and actual costs. Natural gas pricing and macro economic trends will be considered
- Additional corporate guidance and future development plans provided mid-year 2011

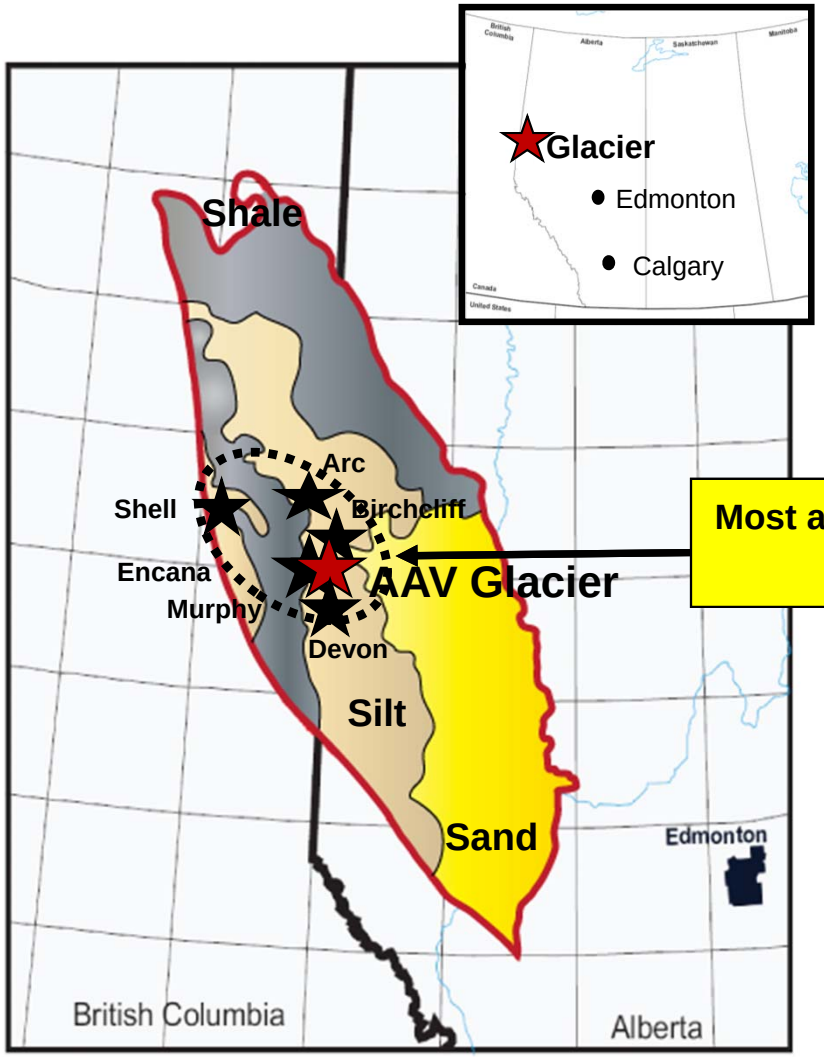
Advantage Pro forma Production(1)

(boe/d)

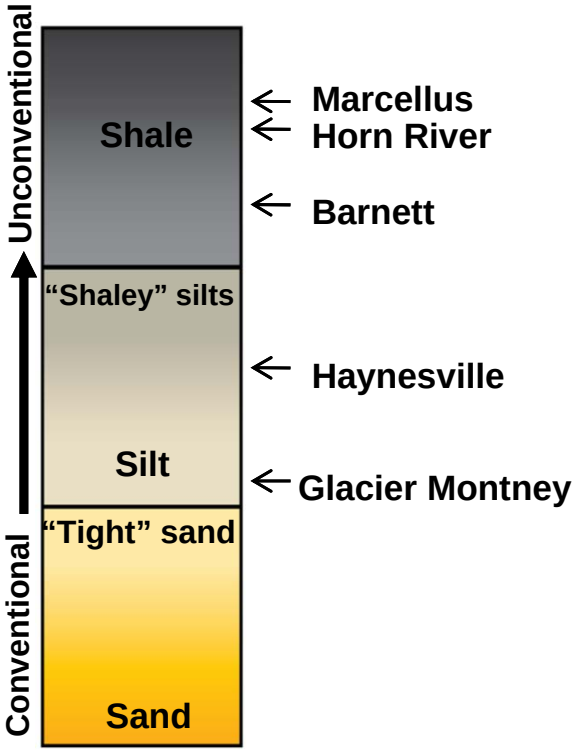


(1) Comprised of the three core areas in Advantage
(2) Based on the December 31, 2010 P+P Sproule Report

Glacier – Thick Montney "Siltstone" Supports Higher Reserve Recoveries



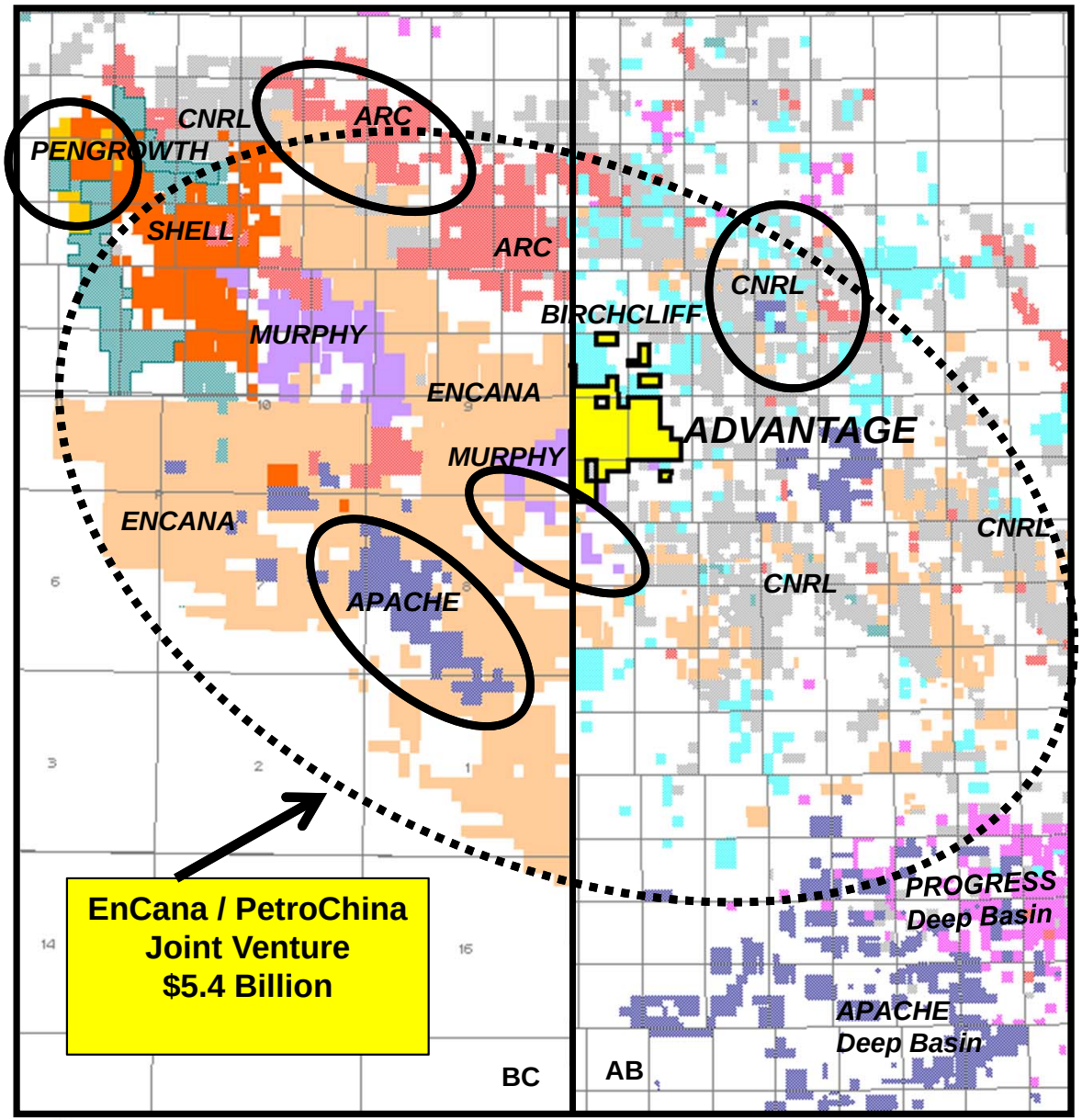
Most active drilling area in the Montney



- A mostly siltstone & sand matrix (tight gas sands) with varying degrees of shale ➡ better permeability and higher recovery factor
- Glacier is located in a very active area of the fairway with EnCana, Murphy, Birchcliff, Devon, Arc & Shell ➡ technology improvements thru large capital investment programs

* Source: Canadian Society of Petroleum Geologists Atlas of Western Canadian Sedimentary Basin and available public data

Recent M&A Activity



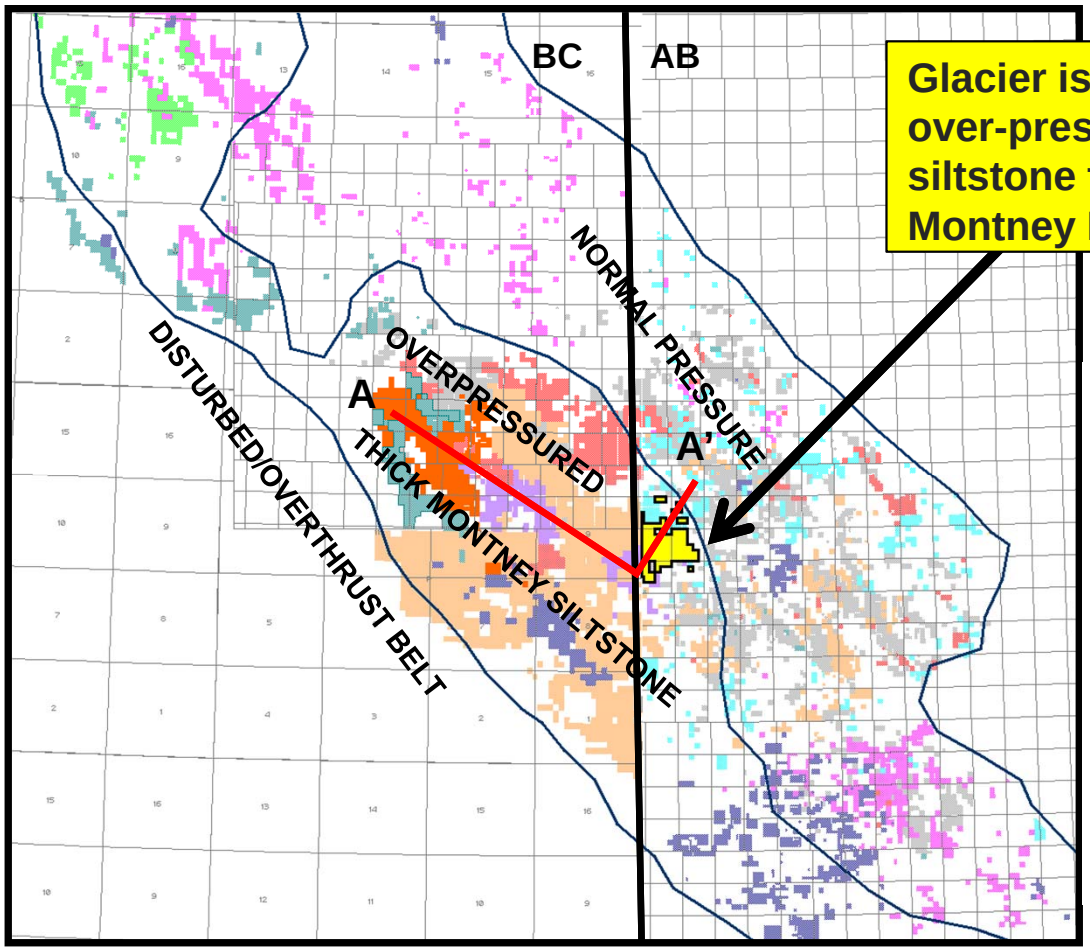
Recent M&A Activity:

- CNRL / Talisman
- ARC / Storm
- Pengrowth / Monterey
- Apache / BP
- Murphy / Cequence

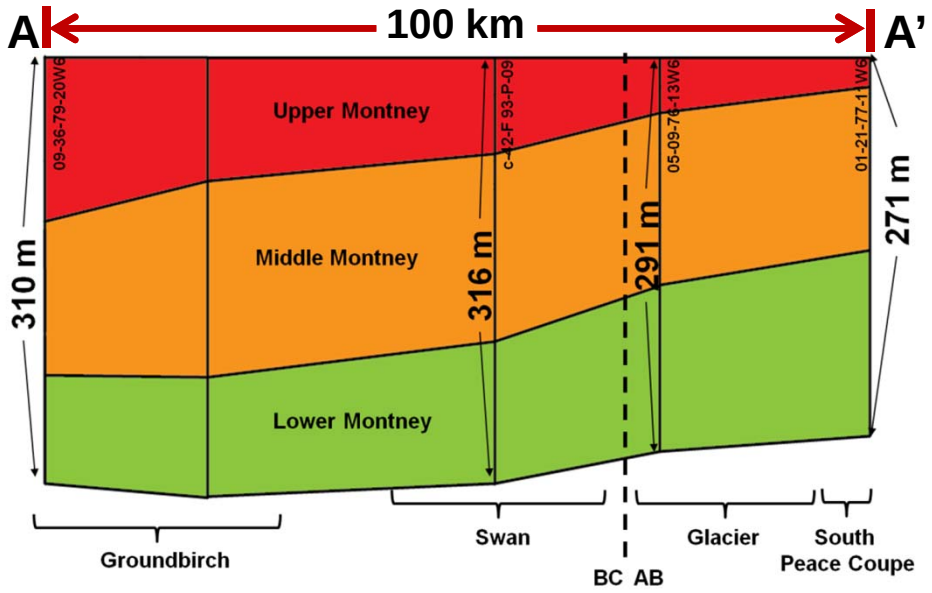
Recent Joint Venture Activity:

- EnCana / Petro-China

Glacier's Location Provides Technical & Economic Benefits



Glacier is located in Alberta and is within the over-pressured and extremely thick Montney siltstone fairway with Upper, Middle & Lower Montney Potential



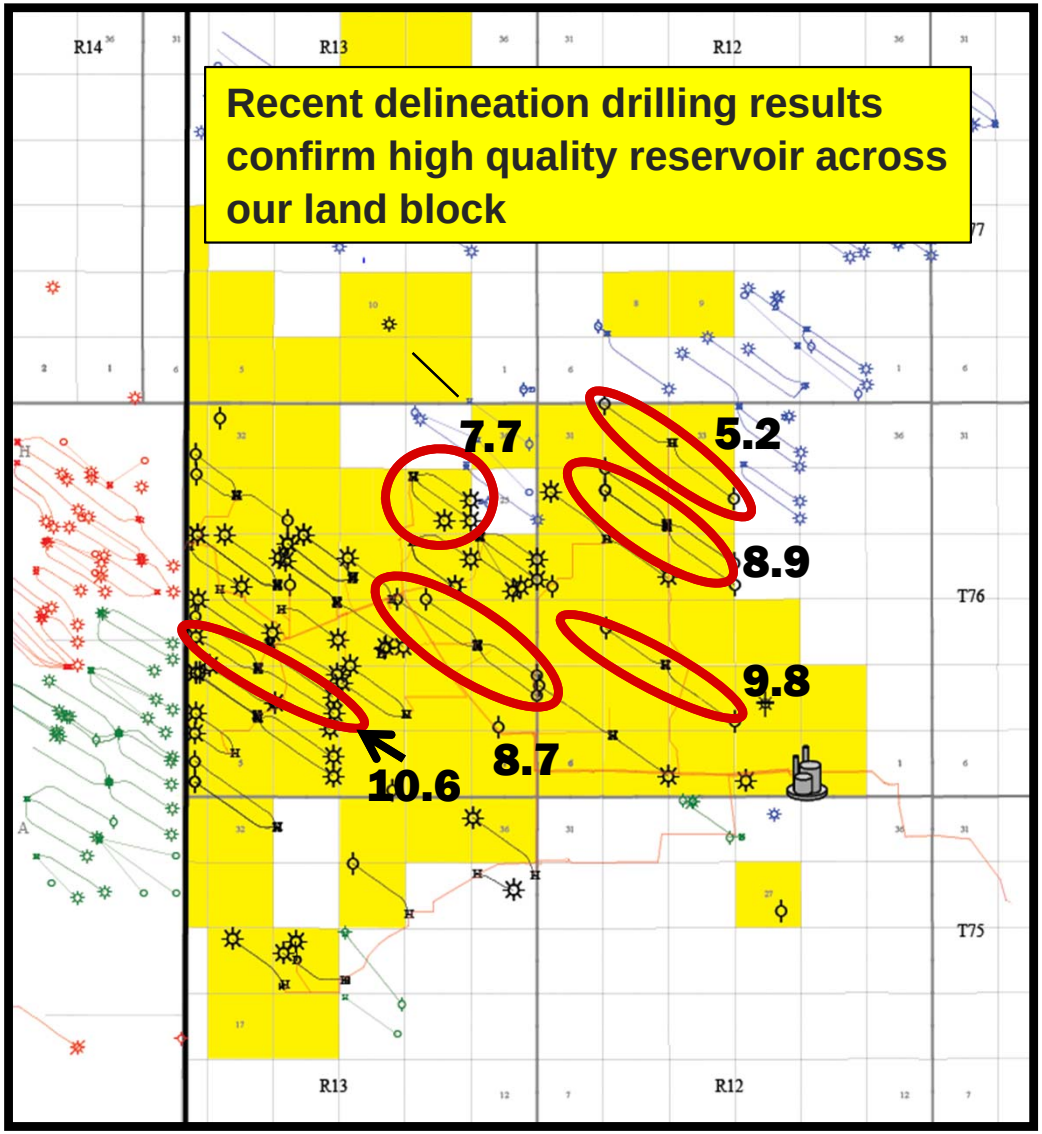
- Formation thickness ~290 meters at Glacier
- Over-pressured region – more reserves
- Competitive Alberta Royalty structure supports strong netbacks

- Future development could include extensive drilling in all Montney layers
- 60 net horizontal wells have been drilled to date, potential inventory could be ~800 wells

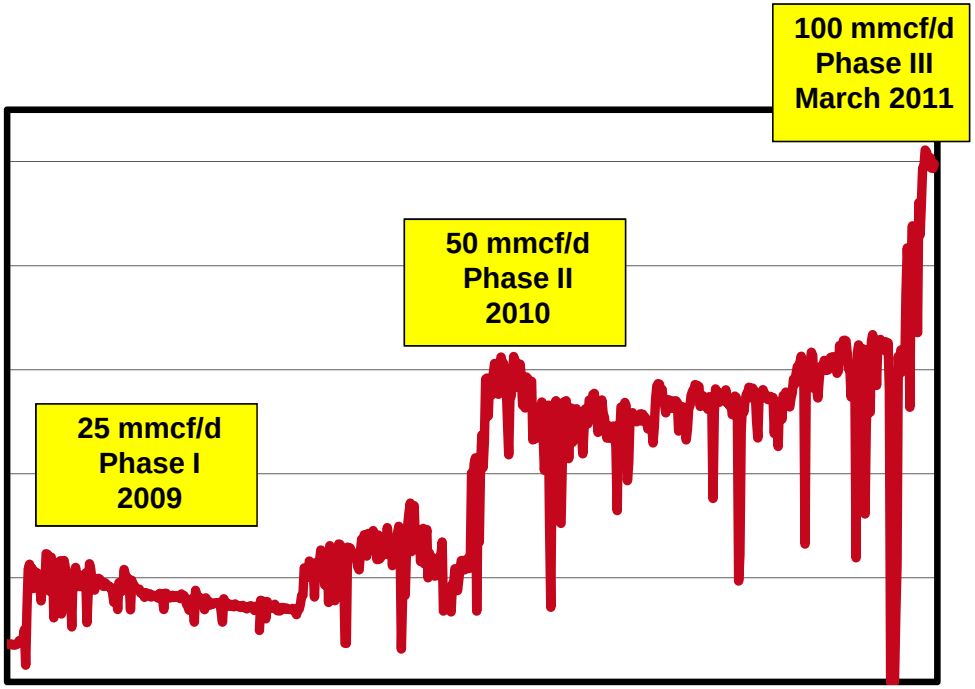
Source: Accumap land and various company reports and presentations

Glacier - Drilling Results and Production Growth

Phase III Upper Montney Test Rates mmcf/d(1)

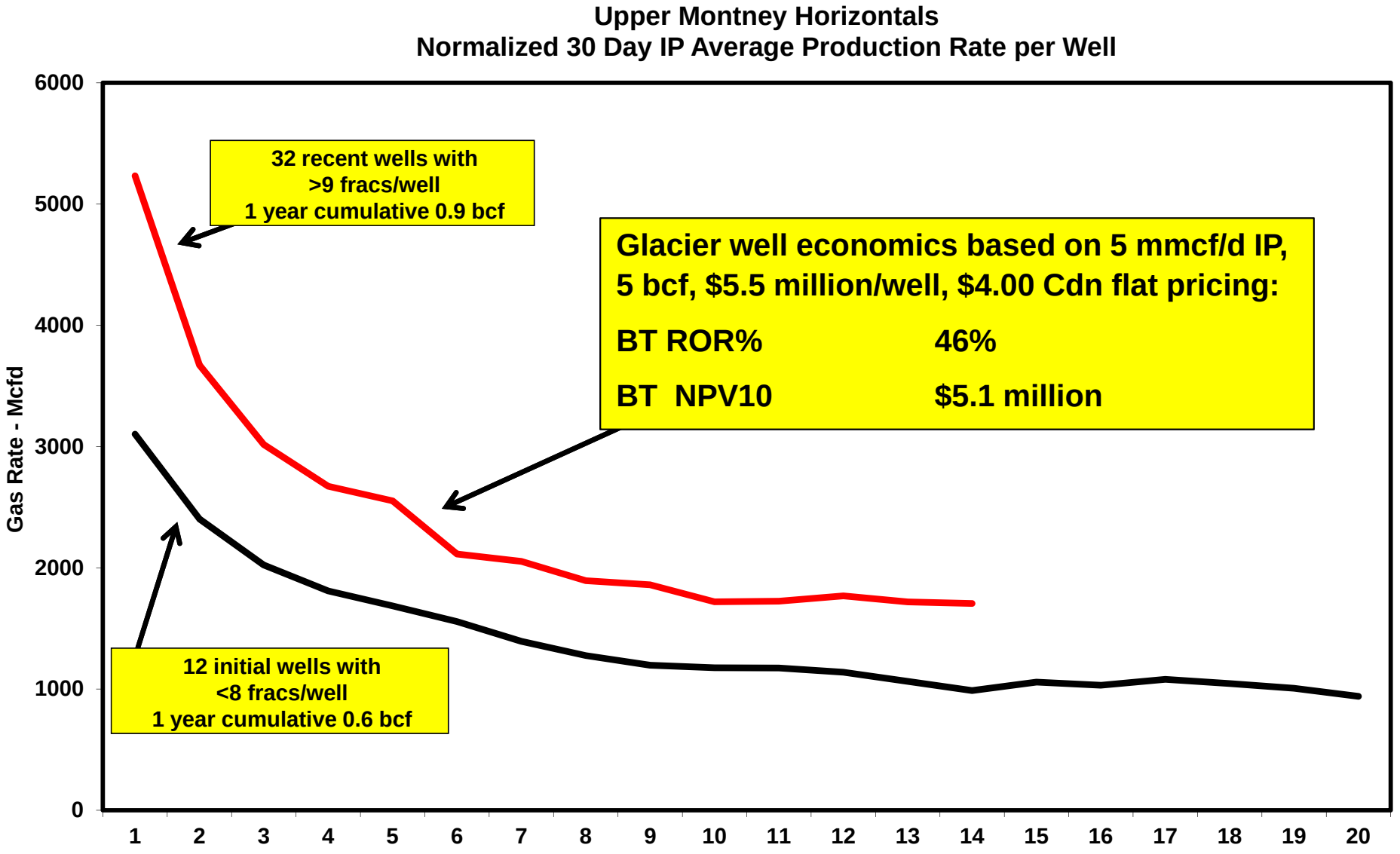


Glacier Production Growth



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

Glacier Improved Well Production Thru Frac Optimization

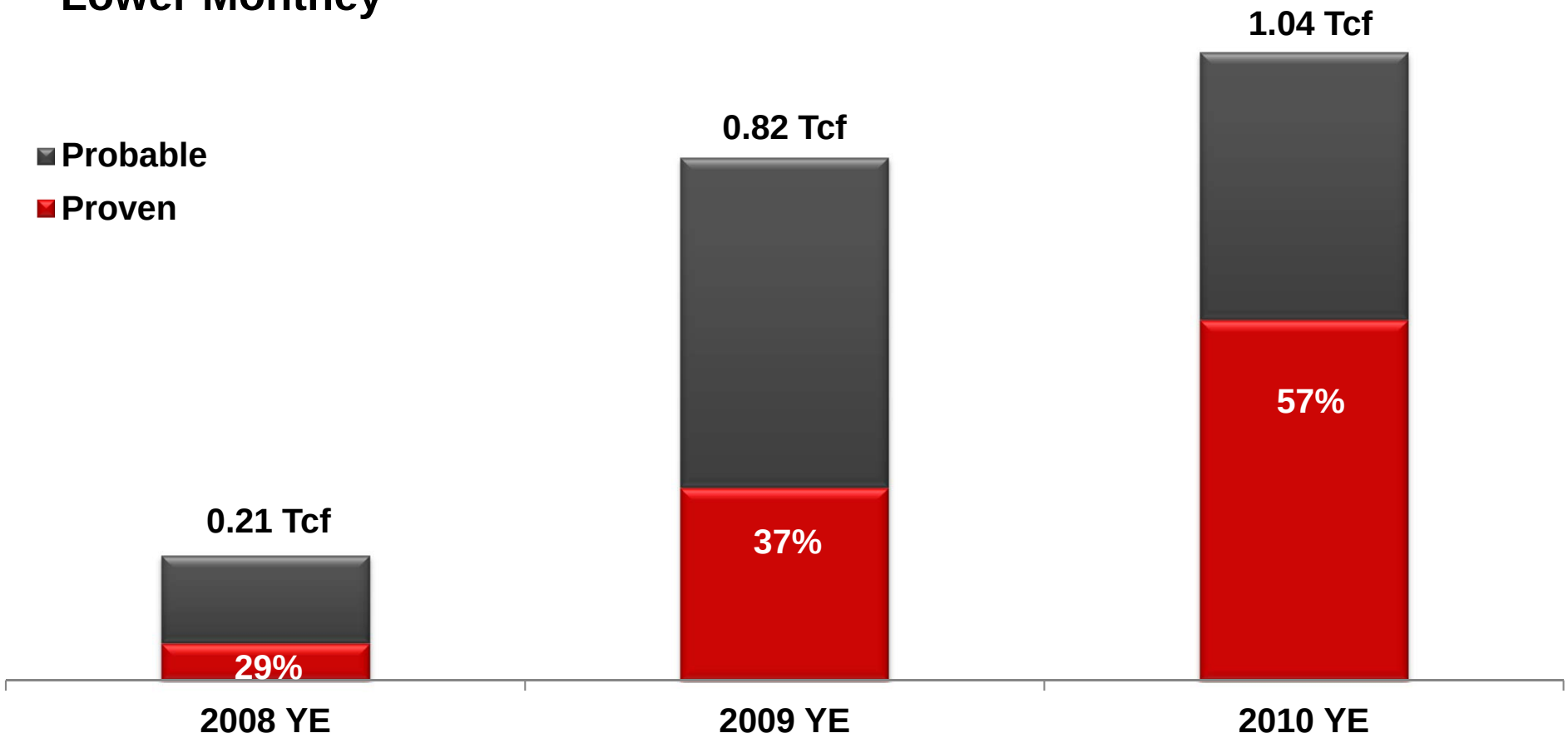


Glacier Strong Operating Netbacks

Glacier Operating Netbacks Exceed 87% of Revenue	
Revenue ($Cdn/mcf)	$4.00
Royalties (@ Royalty Rate 5.0%)	$(0.20)
Operating Costs[1]	$(0.30)
Operating Netback ($/mcf)	**$3.50**
Annual Cash Flow	$128 million

Glacier 2P Reserves Exceed 1.0 Tcf[1]

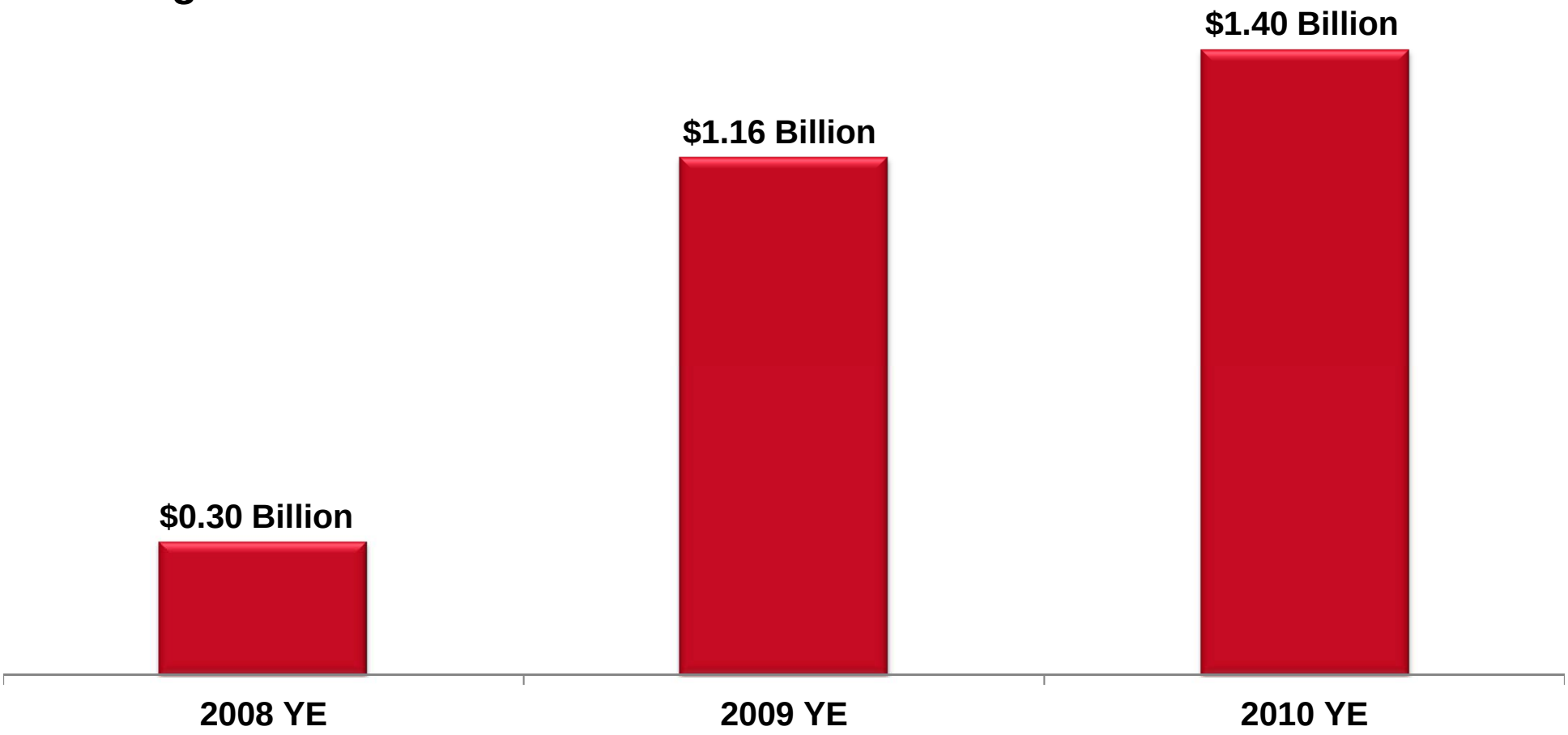
- **2010 Finding and Development costs $9.29/boe (3 year F&D $10.75/boe)[2]**
- **Significant future potential to add reserves in the Upper, Middle and Lower Montney**



(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(1)

- **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)

2011 Pro forma Advantage Cash Flow Summary

($000's)	
Daily production (boe/d)[1]	**23,353**
Gas/Oil %	92/8
Operating income[1]	**$ 147,512**
Hedging gains	26,212
G&A and capital taxes[2]	(19,900)
Interest and financing expenses	(7,400)
Dividend income from Longview	17,670
Adjusted funds from operations	**$ 164,094**
Capital expenditures[1] – Sproule assumed that Glacier remains at 100 mmcf/d through 2012	**$ 95,617**

Based on Sproule production and Capex: $68 million surplus cash flow

(1) As per Sproule Sensitivity Report as of December 31, 2010 for Advantage using WTI US $88.40/bbl, AECO $3.72/mmbtu, $C/$US $1.00

(2) Presented on a pro forma basis assuming the IPO occurred January 1, 2010 for gross proceeds of $172.5 million

Low Cost Structure

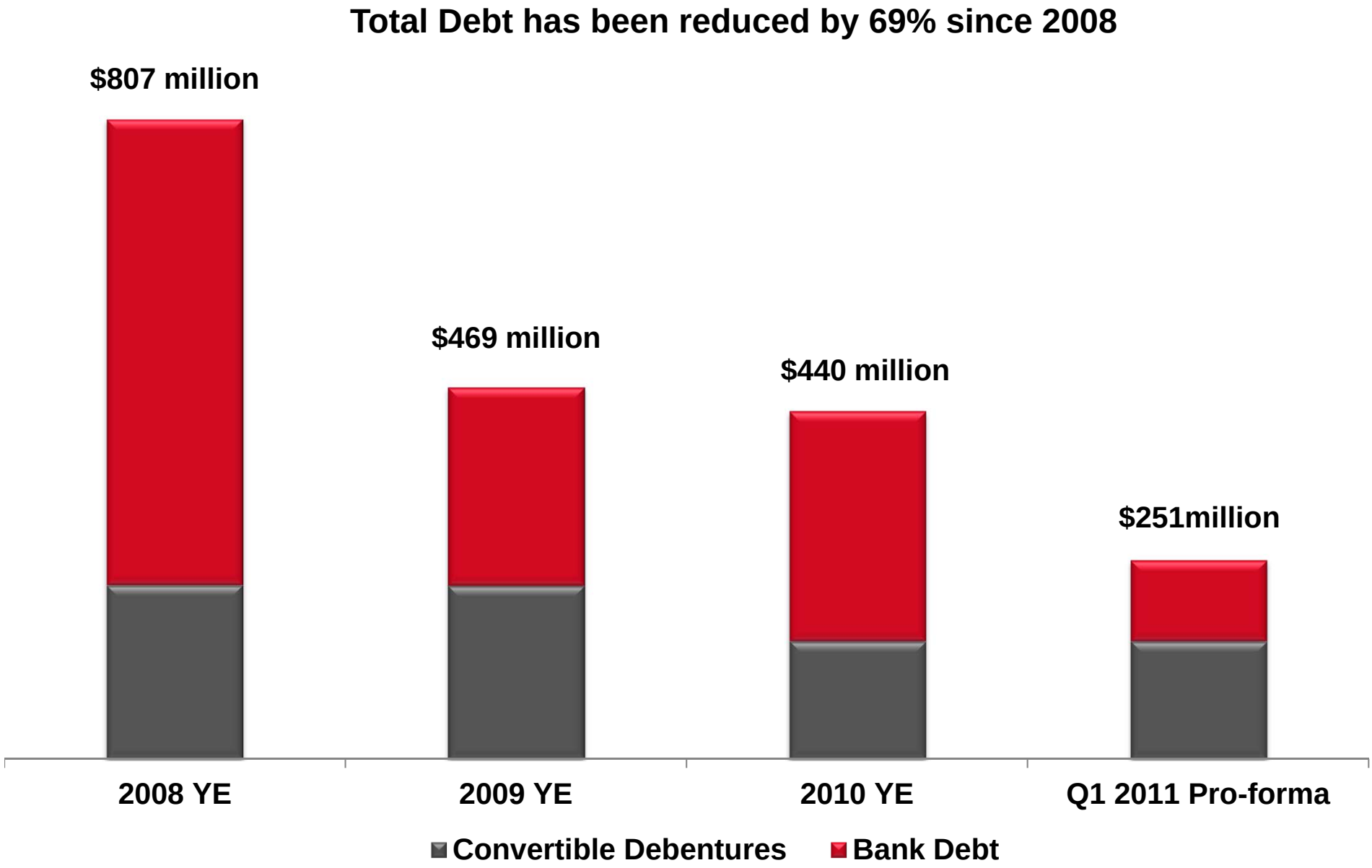
Advantage 2011 Operating Netbacks(1)

	$/boe	$/mcfe
Revenue	$25.36	$4.23
Royalties @ 10.2%	(2.58)	(0.43)
Operating Costs	(5.48)	(0.91)
2011 Operating Netback	**$17.30**	**$2.89**

- Cost structure expected to rank in the top quartile among the intermediate sector
- 2011 hedging position – 28,400 mcf/d @ $6.25 Cdn AECO/mcf

(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. Netbacks do not include hedging activities.

Significant Debt Reduction



Advantage - Current Enterprise Value Analysis

	# Shares (million)	($ million)
Advantage Shares @$8.15/share(1)	165	$ 1,345
Current Total Debt		$ 251
Total Enterprise Value		$ 1,596
Less non-Glacier Assets (Pv 10% pre-tax, Sproule) (2)		($ 410)
Less Longview Equity @$12.02/share(1)	29.4	($ 353)
Implied Value of Glacier		$ 833
Sproule 2P Glacier reserve value(2)		$ 1,400

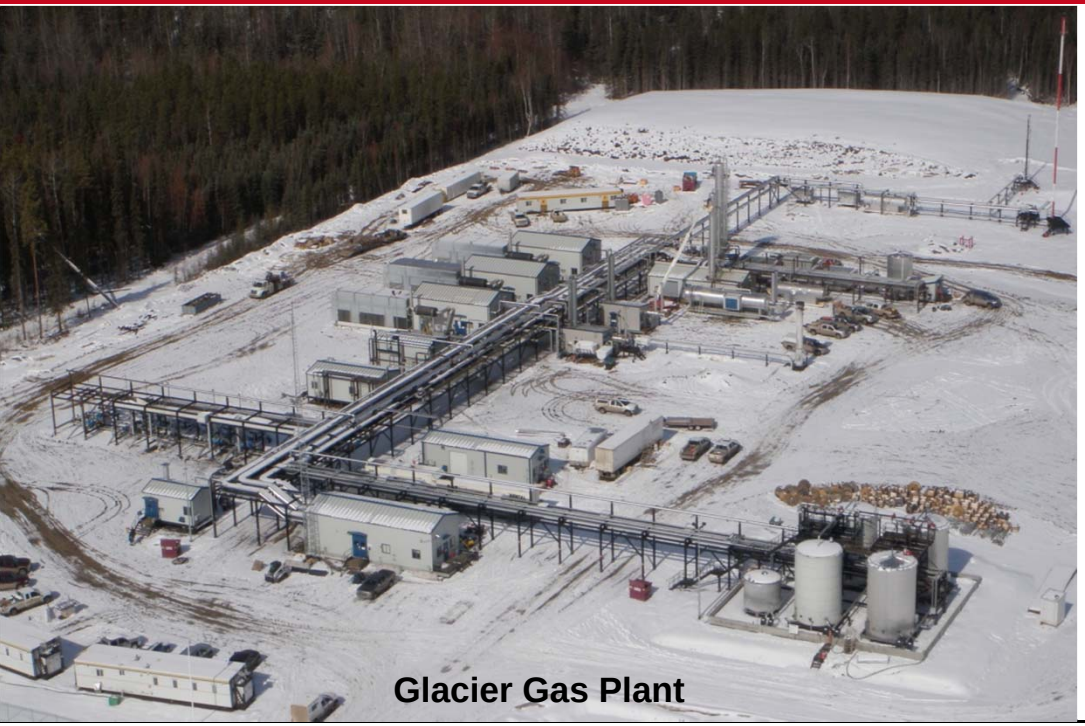
(1) Closing price as of May 31, 2011
(2) Based on the December 31, 2010 Sproule Reserve Report (P+P @ PV 10% pre-tax)

Advantage Summary

- **Glacier production grows to 100 mmcf/d – March 2011 Exit Rate**
  - Additional 100 mmcf/d of production behind pipe will offset declines for most of 2011
  - 2P RLI 29 years
- **Pro forma cash flow of $164 million for 2011(1)**
  - Top quartile cost structure
  - 28,400 mcf/d @ $6.25 Cdn AECO/mcf
- **Q1 2011 Pro forma total debt of $251 million**
  - Debt/cash flow of ~ 1.5x
  - Bank debt of $102 million (37% drawn on $275 million credit facility)
- **Equity ownership of Longview shares valued at $353 million(2)**

(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 31, 2011

Advantage Contact Information



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Appendix

Montney – Reserves/Well Could Exceed Expectations due to Silt/Sand Reservoir

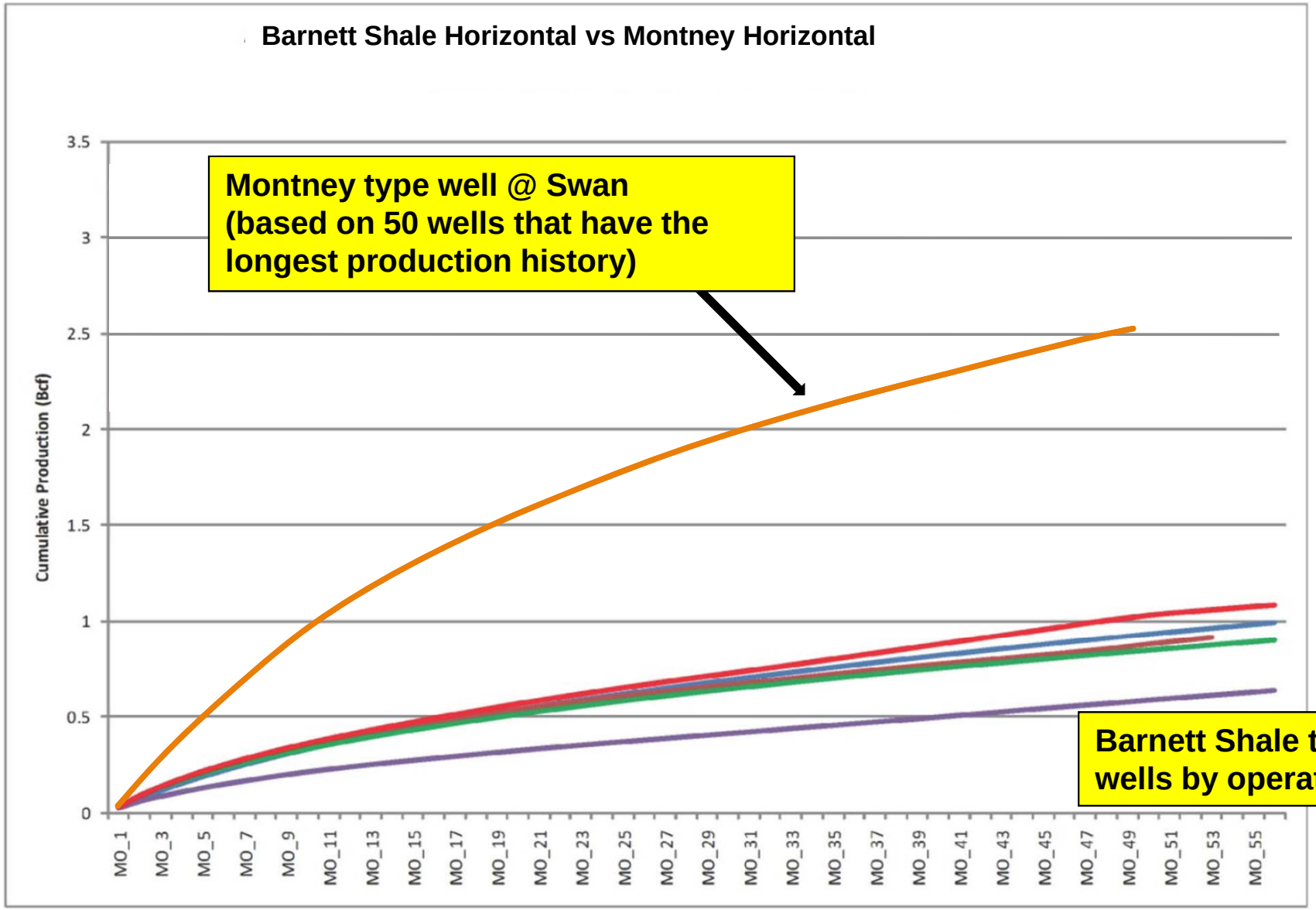
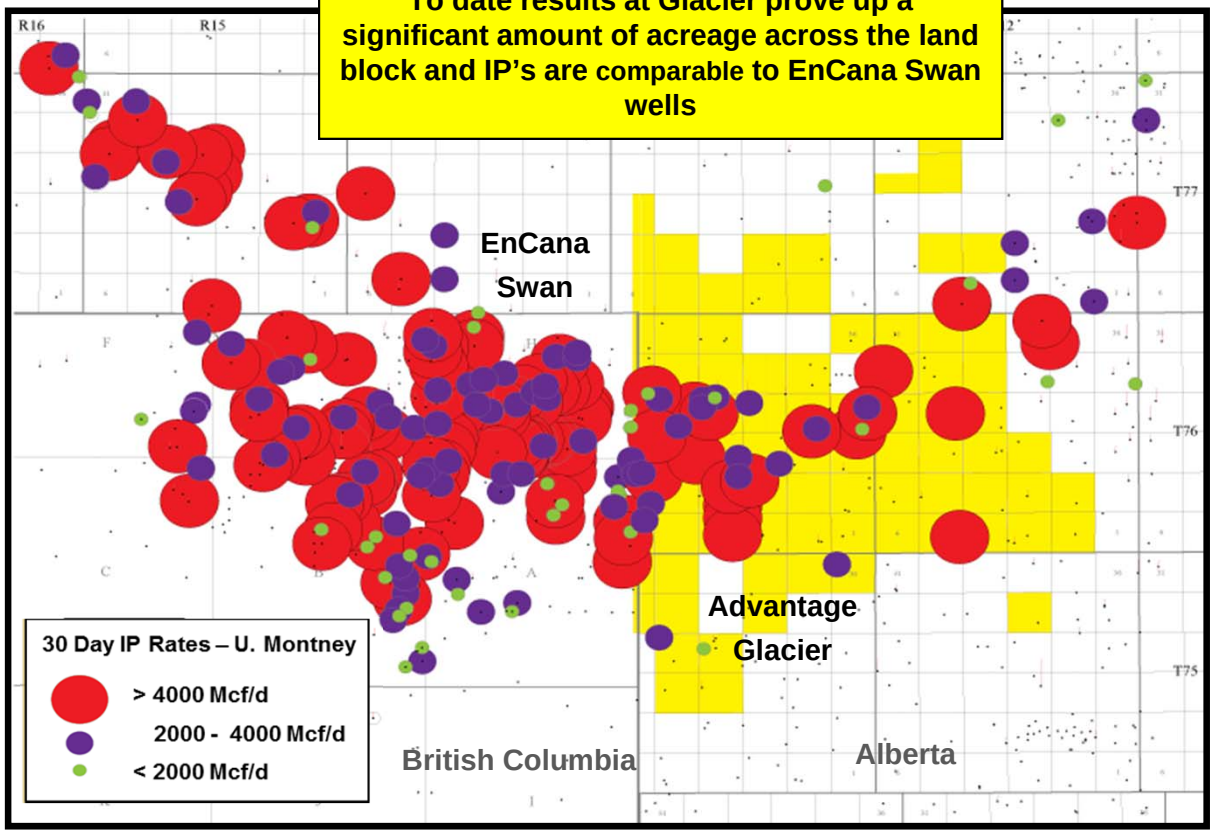
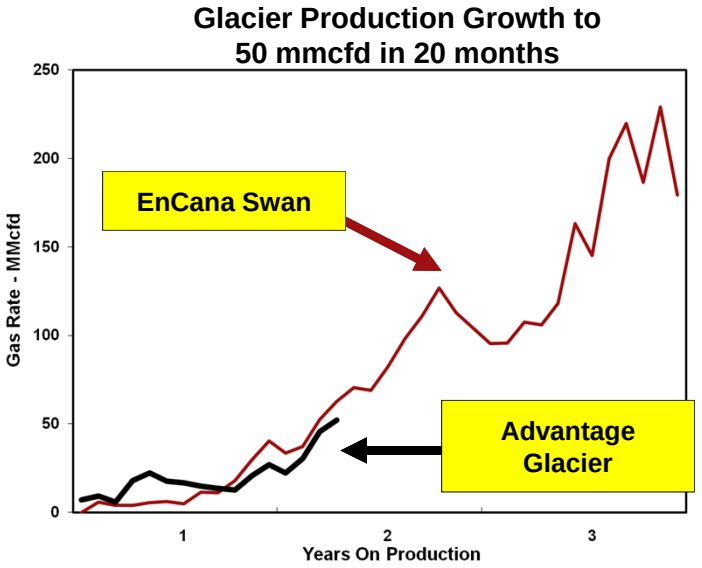


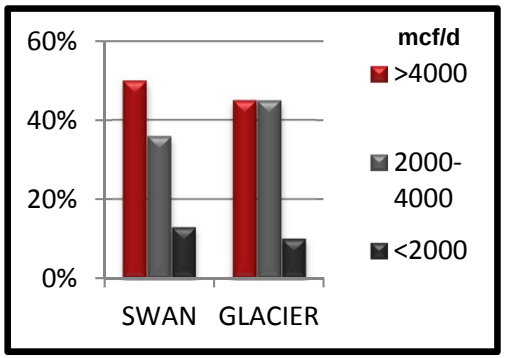
Figure 1. Average cumulative production of horizontal Barnett Shale wells by major operator and average of all operators

Source: Facts are Stubborn Things, Oct. 25, 2009, Arthur E. Berman

Top Quartile Initial Production Rates (30 day) at Glacier







Advantage has drilled a total of 33 net (42 gross) wells as of June 2010

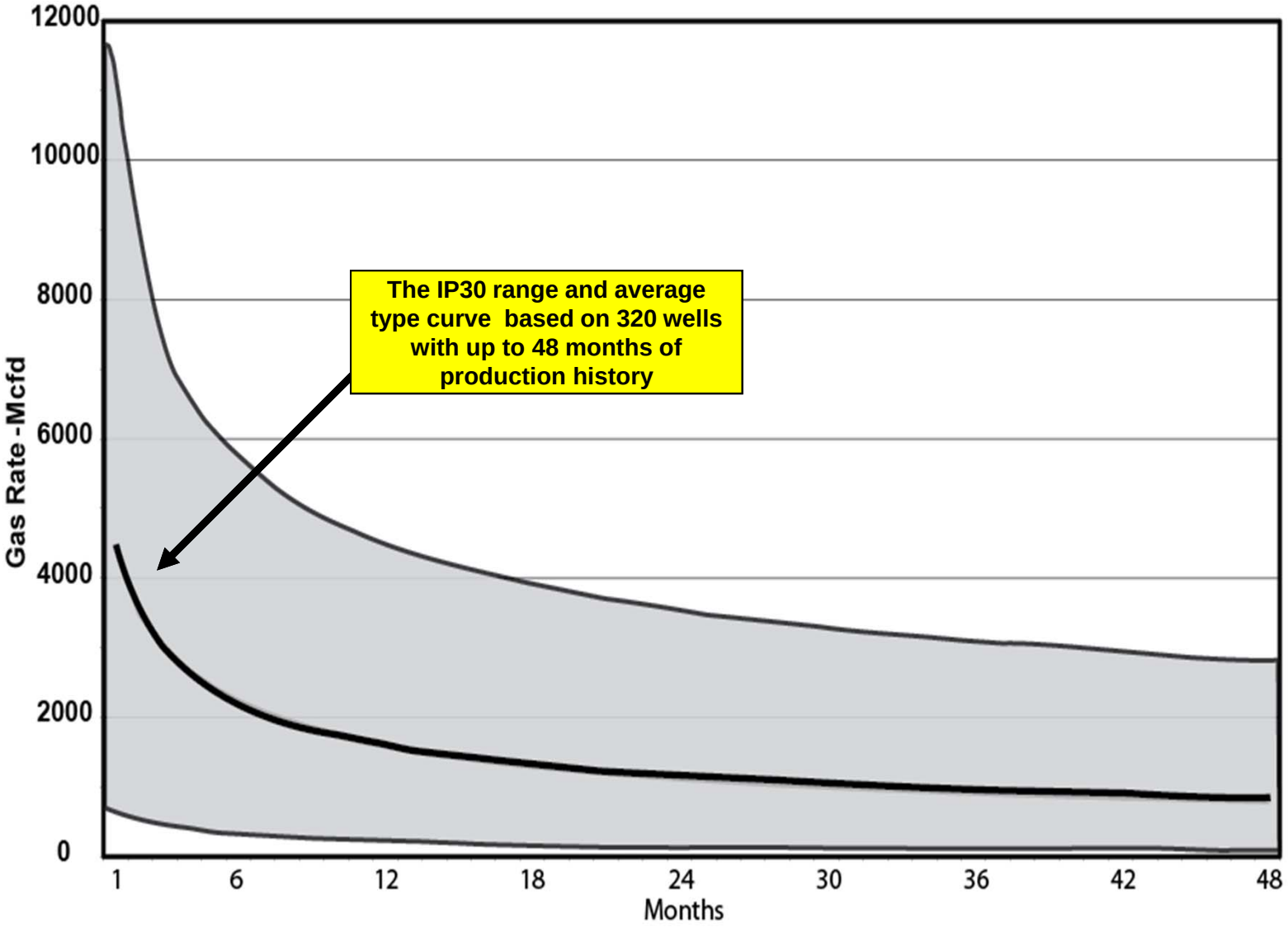
- **24 net (34 gross) wells are currently on production**
- **Average well density of < 1 well per section**

EnCana has drilled a total of 200 gross wells as of June 2010

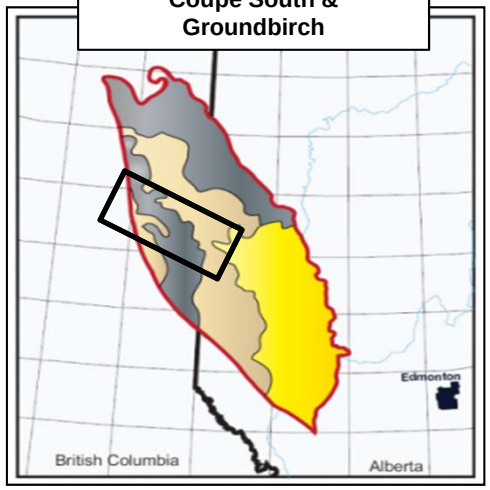
- **Production is > 200 mmcfd with 116 wells on-production**
- **Average well density of < 3 wells per section over the land block**

Source: Based on producing day rates from public data through IHS/Accumap and Advantage company information (including Advantage confidential wells)

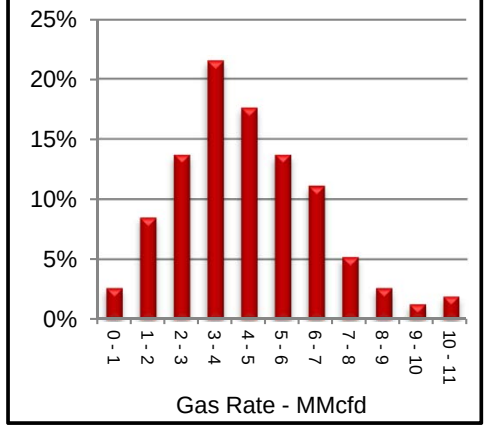
Montney Horizontal Well Production Range and Type Curve



Data includes Glacier, Swan, Tupper, Pouce Coupe South & Groundbirch



30 Day IP Distribution



Source: Based on public data through IHS/Accumap and Advantage Company (including Advantage confidential wells). IP 30 day rates are normalized for differences in producing hours.

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 it Annual Information Form dated March 16, 2010 which is available on SEDAR at www.sedar.com and www.advantageog.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.