

U.S. Bakken

Dana W. Johnson, President, U.S. Operations

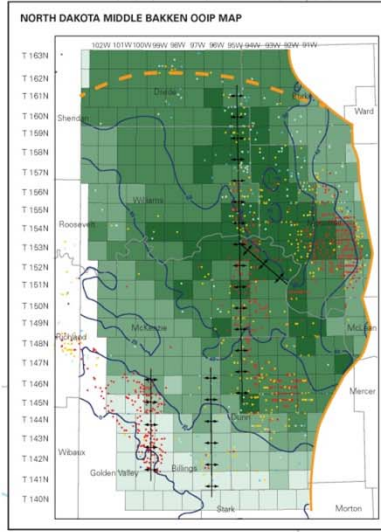
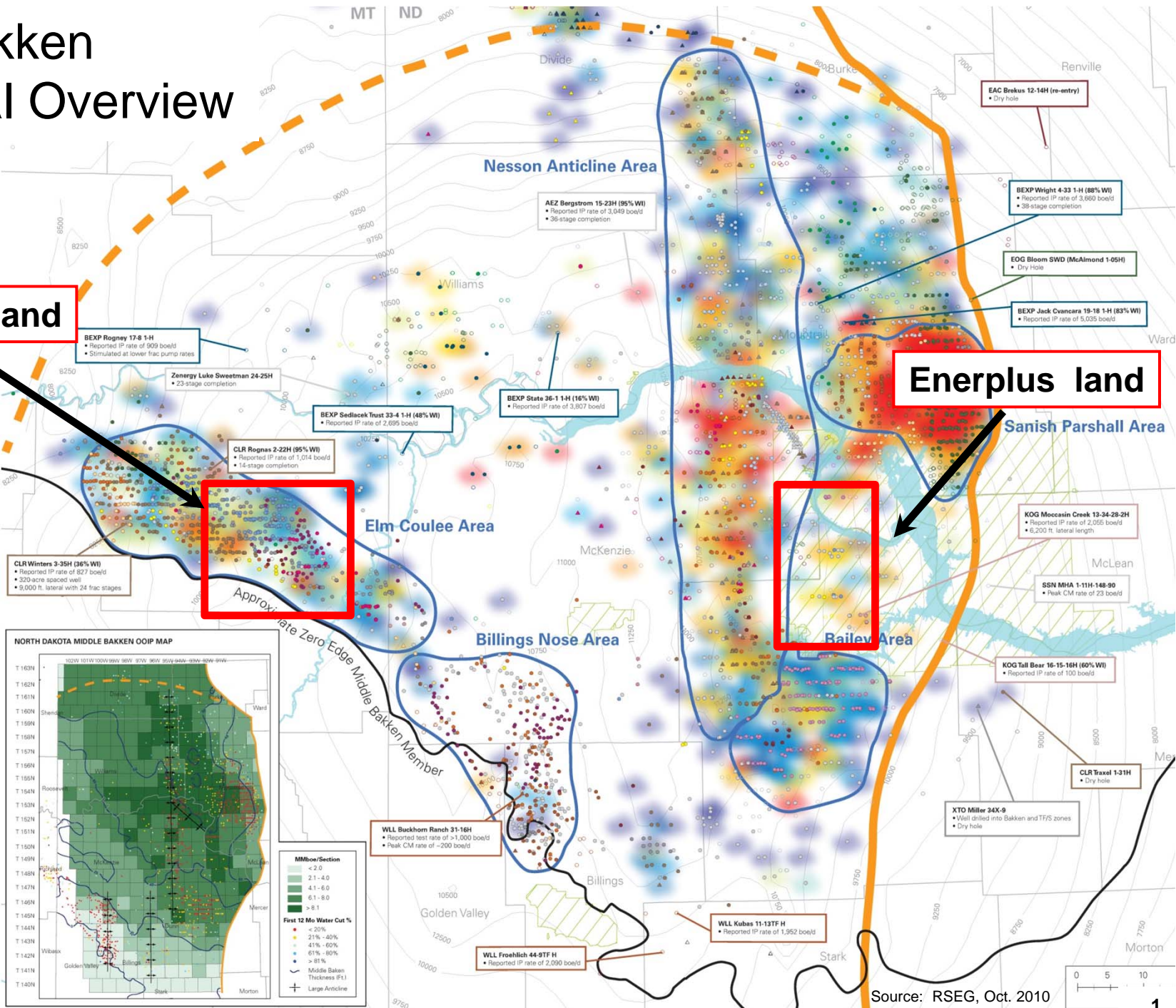


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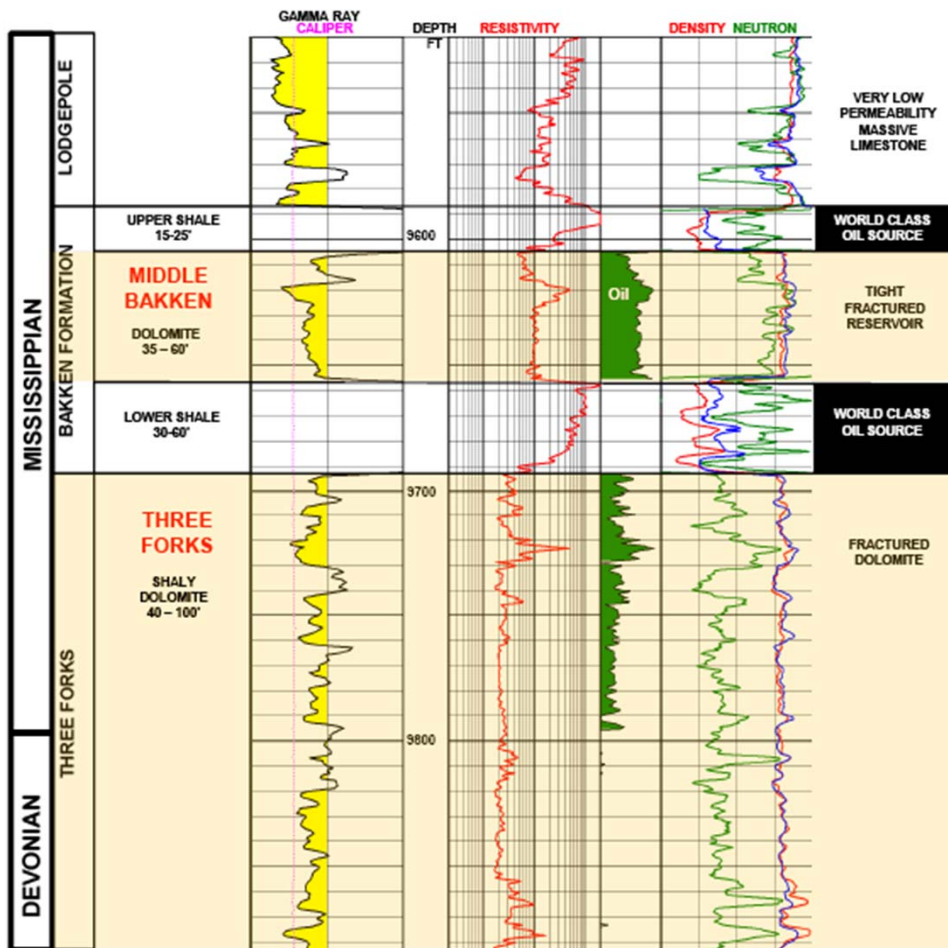
U.S. Bakken Regional Overview

Enerplus land

Enerplus land



Bakken & Three Forks Geology

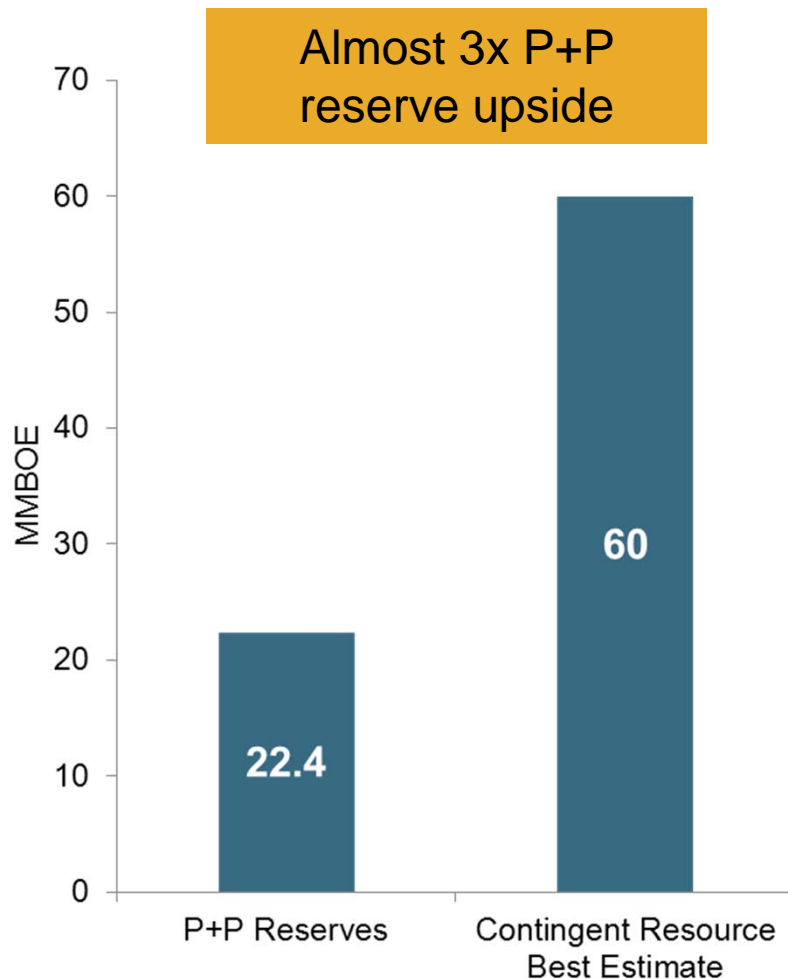


Source: Tudor Pickering Holt & Co.

	Middle Bakken	Upper Three Forks
Geological Age	Mississippian	Devonian
Depth	10,500 – 11,000 ft	10,600 – 11,000 ft
Thickness	35 – 45 ft	30- 45 ft
Porosity	5 - 6%	6 - 10%
Overpressure	0.6 – 0.8 psi/ft	0.6 – 0.8 psi/ft
OOIP/640 acres	4 - 6 MMbbl	4 - 5 MMbbl

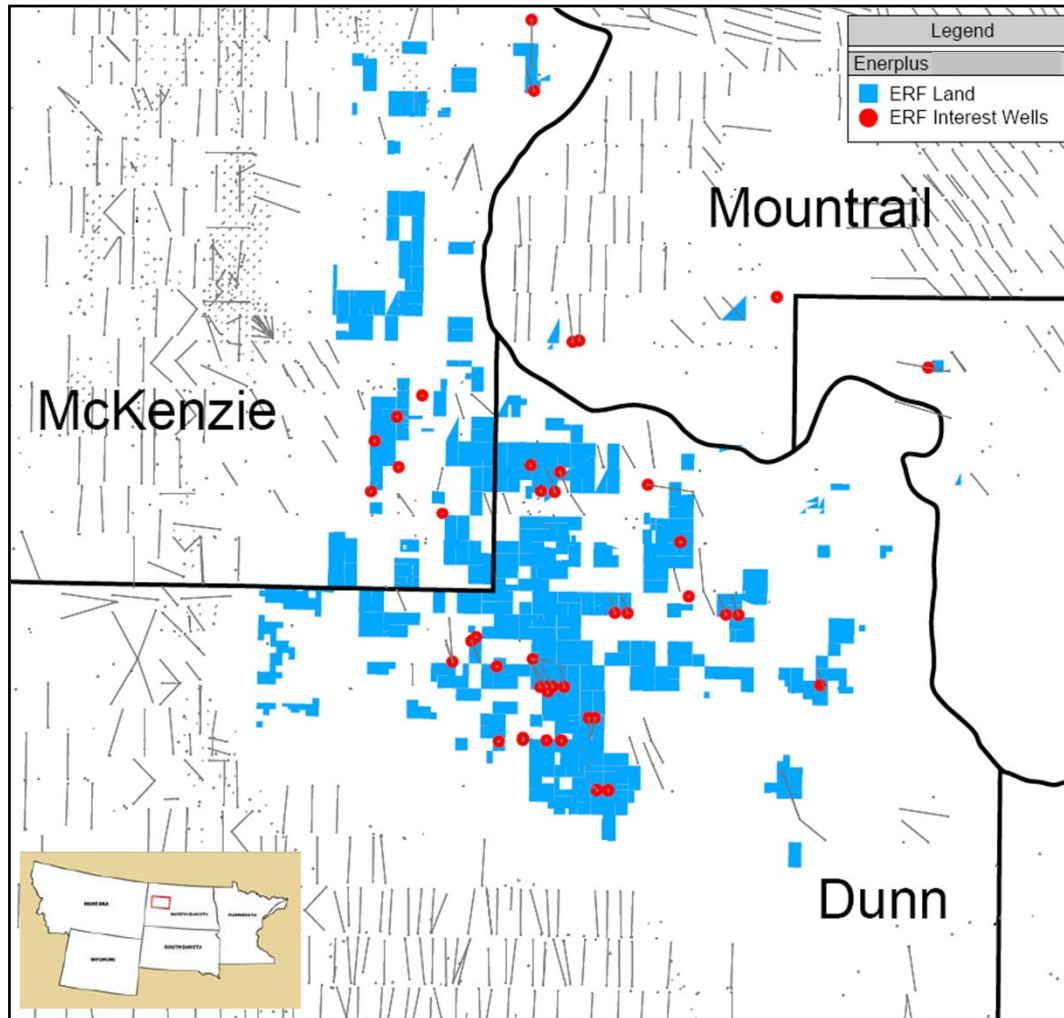
- Believe all our acreage is prospective for dual development
- Industry testing Three Forks proximal to our leasehold:
 - Helis Oil and Gas Dodge well produced 90 Mbbls in 4 months; offsetting our Fort Berthold acreage to the west
 - KOG; 24 hour rate IP: 1,042 BOE/d; 30 day average: 603 BOE/day - only 6 of 22 stages currently completed

Fort Berthold Reserves vs. Contingent Resource



- 22.4 MMBOE P+P reserves
 - 24 booked drilling locations
 - Less than 1 year's drilling locations
- 60 MMBOE of "best estimate" contingent resource from the Bakken only
 - 90 future drilling locations
 - 65% long laterals
 - 85% land utilization
 - ~15% recovery factor
- Incremental upside from the Three Forks and downspacing

Fort Berthold, North Dakota

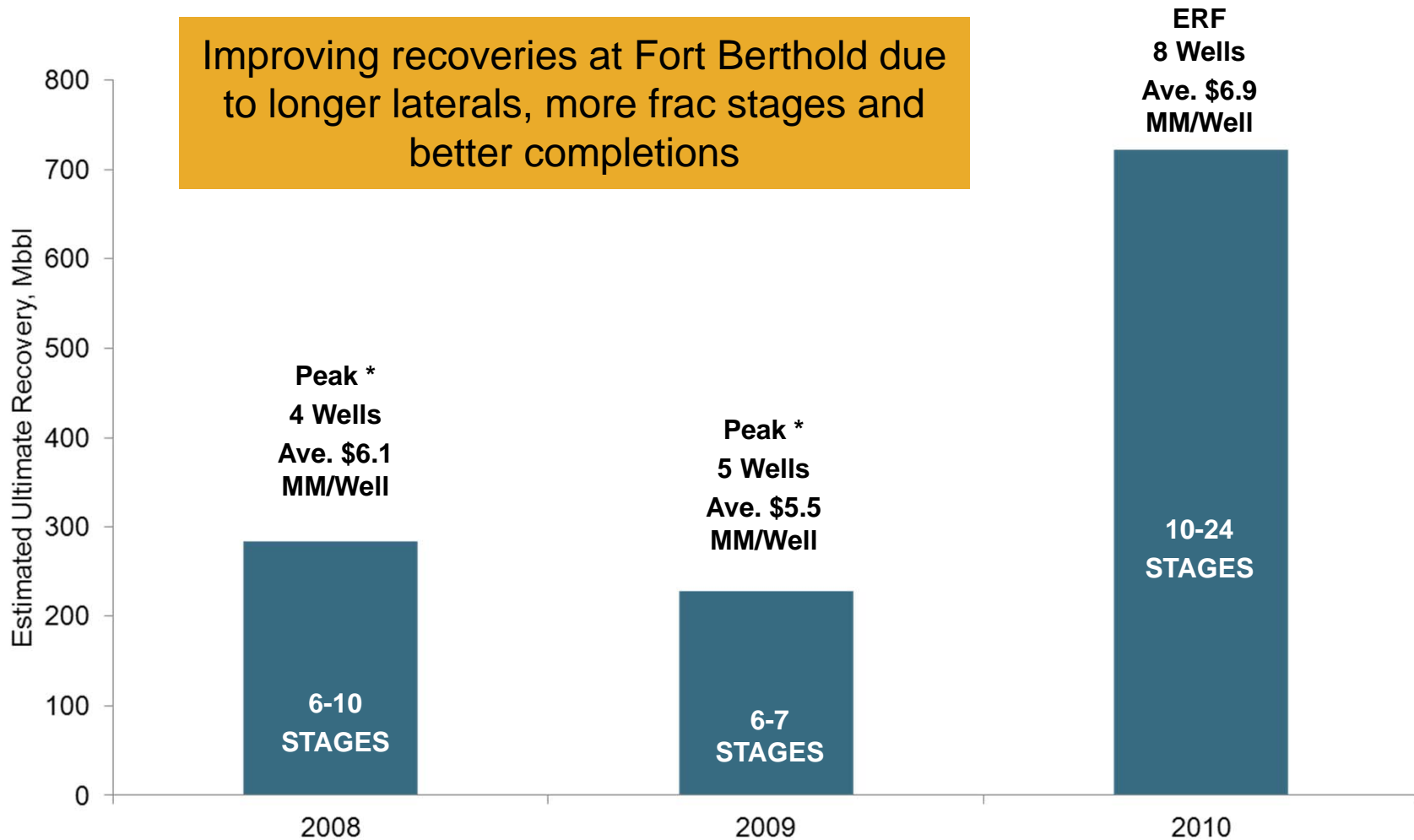


Key Facts	
Net Acreage	74,500 (116 sections)
Current Production	~4,000 BOE/day
P+P Reserves (Dec. 31, 2010)	22.4 million BOE
Contingent Resource Est. (Best)	60 million BOE

- Bakken & Three Forks potential
- Long lease tenure, concentrated acreage position
- 42° API, light sweet crude oil
- High netback production ~\$50/bbl
- Production growth to over 20,000 BOE/day over next 4 years

>90% operated & ~90% working interest

Recoveries Improving Over Time



* Peak Oil & Gas

Fort Berthold Bakken Results to Date

Long Laterals (9,000 ft. 24 frac stages)

	Type Curve	Actual 4 Well avg
Average 30 day initial production (bbls/day)	1,100 – 1,200	1,250
Expected Ultimate Recovery (Mbbls)	600 – 800	
Cost/Well (\$/MM)	\$8.5	\$8.5
120 day Cumulative Production (bbls)	81,000	100,000
Expected Net Present Value (12%, \$MM)*	\$11.2 - \$18.0	
Expected Netback* (\$/bbl)	~\$50	
Expected Payout Period (years)	0.8 – 1.3	
Expected F&D (\$/BOE)	\$9.75 - \$13.00	

Short Laterals (4,500 ft. 12 frac stages)

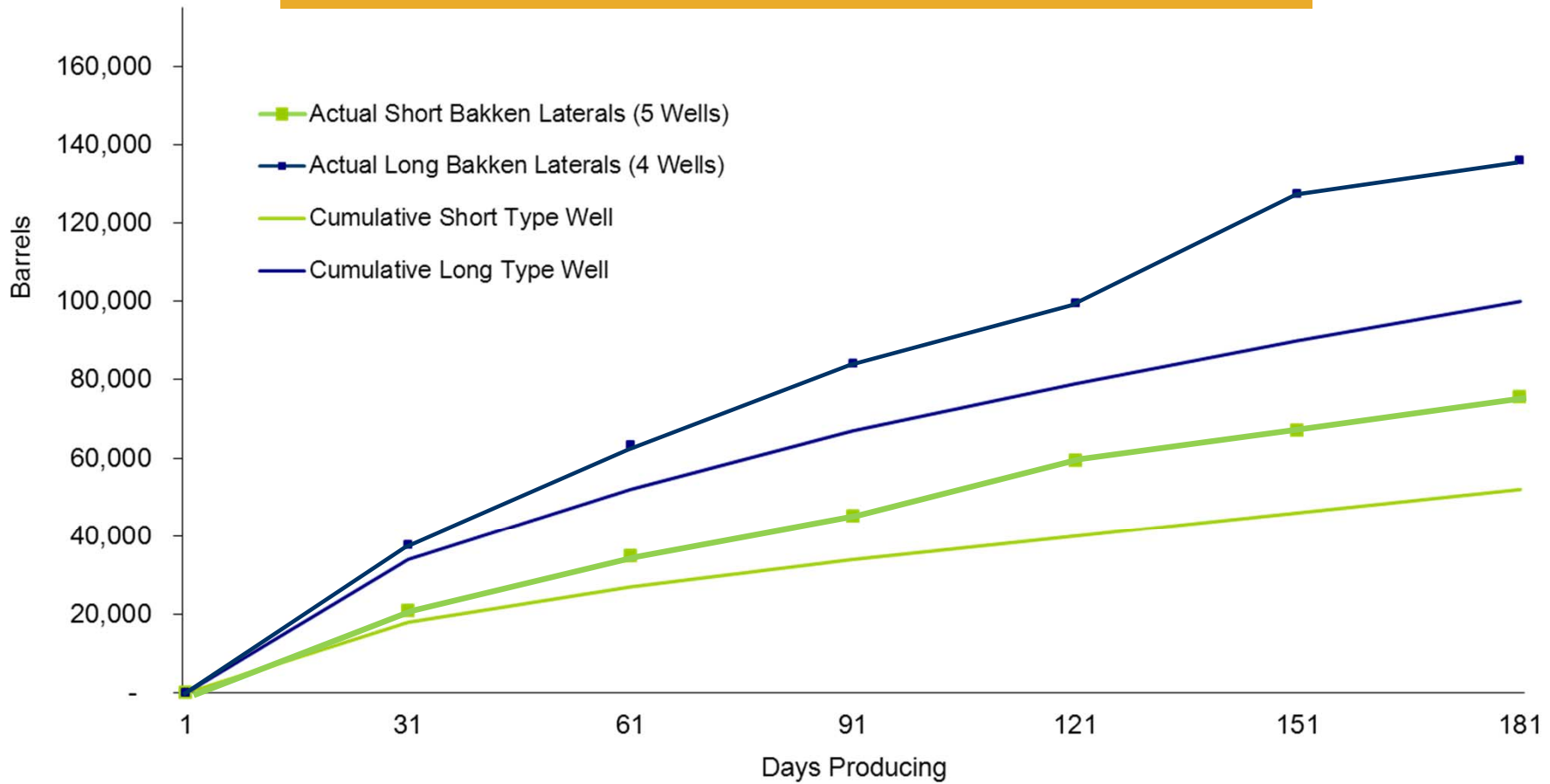
Type Curve	Actual 5 Well avg
550 – 650	730
300 – 400	
\$6.0	\$6.0
40,000	59,000
\$3.9 – \$7.4	
~\$50	
1.3 – 2.2	
\$13.50 - \$18.50	

*Based on February 14, 2011 forward price

•Royalties average 20%, plus state production tax of 11.5%, op costs of \$4/bbl, Differential assumption of \$10 - \$12/bbl

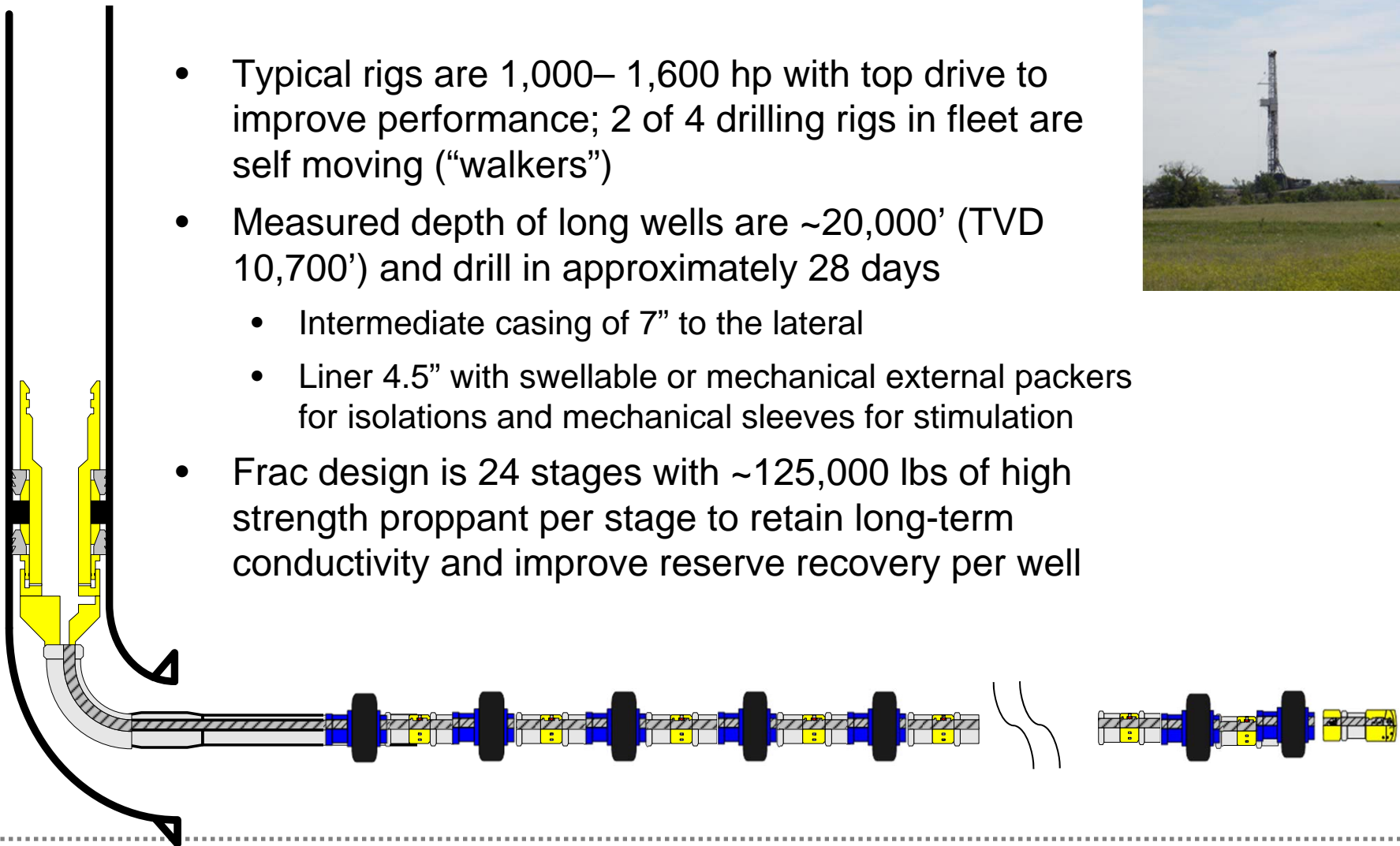
Fort Berthold Results

Long laterals are 35% ahead of the average type well prediction
Short laterals are 45% ahead of the average type well prediction



Enerplus Well Design Methodology

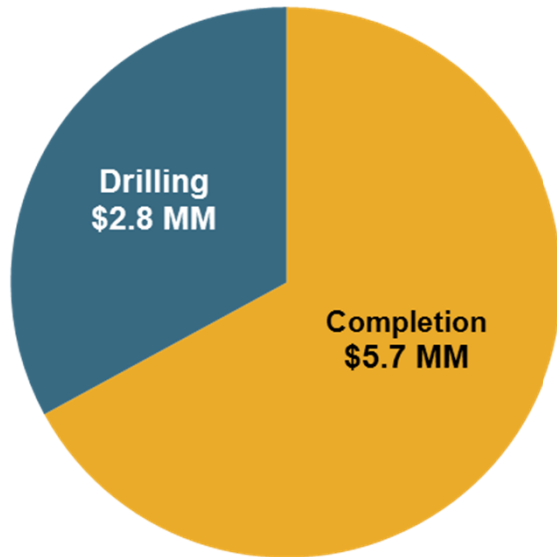
- Typical rigs are 1,000– 1,600 hp with top drive to improve performance; 2 of 4 drilling rigs in fleet are self moving (“walkers”)
- Measured depth of long wells are ~20,000’ (TVD 10,700’) and drill in approximately 28 days
 - Intermediate casing of 7” to the lateral
 - Liner 4.5” with swellable or mechanical external packers for isolations and mechanical sleeves for stimulation
- Frac design is 24 stages with ~125,000 lbs of high strength proppant per stage to retain long-term conductivity and improve reserve recovery per well



Source: Baker Tools

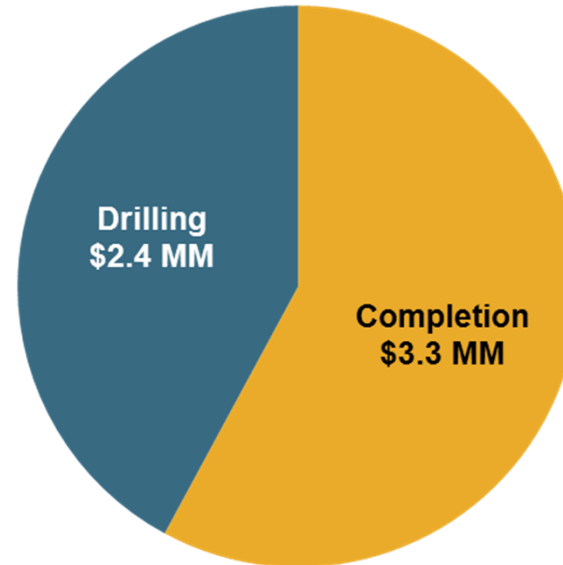
Fort Berthold Well Costs

Long Laterals



Total Cost \$8.5 MM

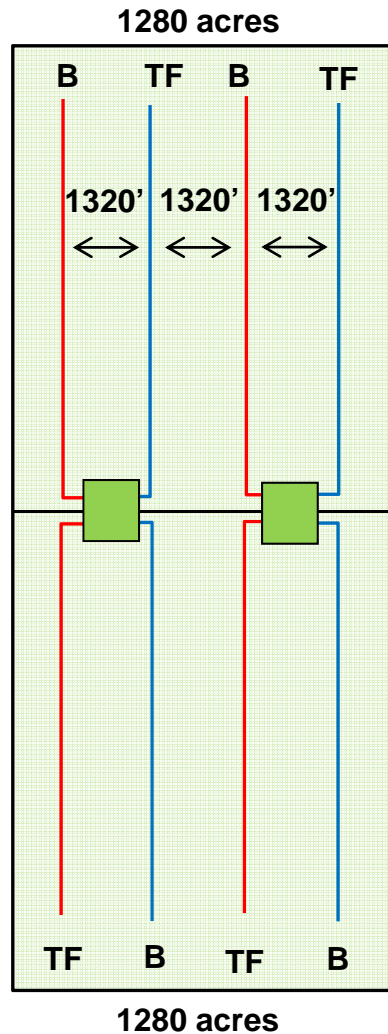
Short Laterals



Total Cost \$5.7 MM

- Completions**
 - 125,000 lbs of proppant/stage, \$1.3 - \$1.5 MM for ceramic proppant
 - Water: 2,500 – 3,000 bbls/stage, \$3 - 6/bbl for trucking & disposal fees
- Tie-in**
 - Additional \$500,000
 - Expect pad drilling will materially decrease tie-in costs

Current Development Plans



- Maximize long horizontals
- Develop from pads: 2 Bakken/2 Three Forks
 - Tie in as soon as possible
 - Test inter-well spacing
- Work with other operators to time development
- Reduce cycle time to 45 days from rig release of final well on pad to production
- Implement salt water disposal solution
- Understand and successfully implement simultaneous operations
 - Drilling and completion of additional wells on producing pads

Well Timeline

10 – 12 months



4-6 months

1 month

1 month /well

2 months

1-2 weeks

- Environmental assessment required on all federal lands
- Have 11 permits in hand or very late stage approval
- Completing EA process on additional 30 permits - expect approval between April and June
- 50 permits are underway for submittal between now and August
- Expect 40 additional permits submitted by year-end


- Cannot begin building site until permit in hand

- Multi-well pads
- “walking rig” will help reduce drilling time

- Shortage of basin-wide fleets relative to drilling activity

2011 Fort Berthold Bakken Plans

- 2011 capital program - \$230 million
- 32 net operated wells, 75% long horizontals
- Targeting Bakken primarily; 3 to 8 Three Forks wells planned
- 3 to 4 rigs working in the play
- Recently entered into agreements to secure frac services, proppant and a rig to help ensure timely execution of plans
- Expect to have midstream service agreements in place in mid-2011 to capture associated gas and liquids



**Production
grows from
4,000 bbls/day to
+20,000 BOE/day
over next 4 years**

Execution Capability

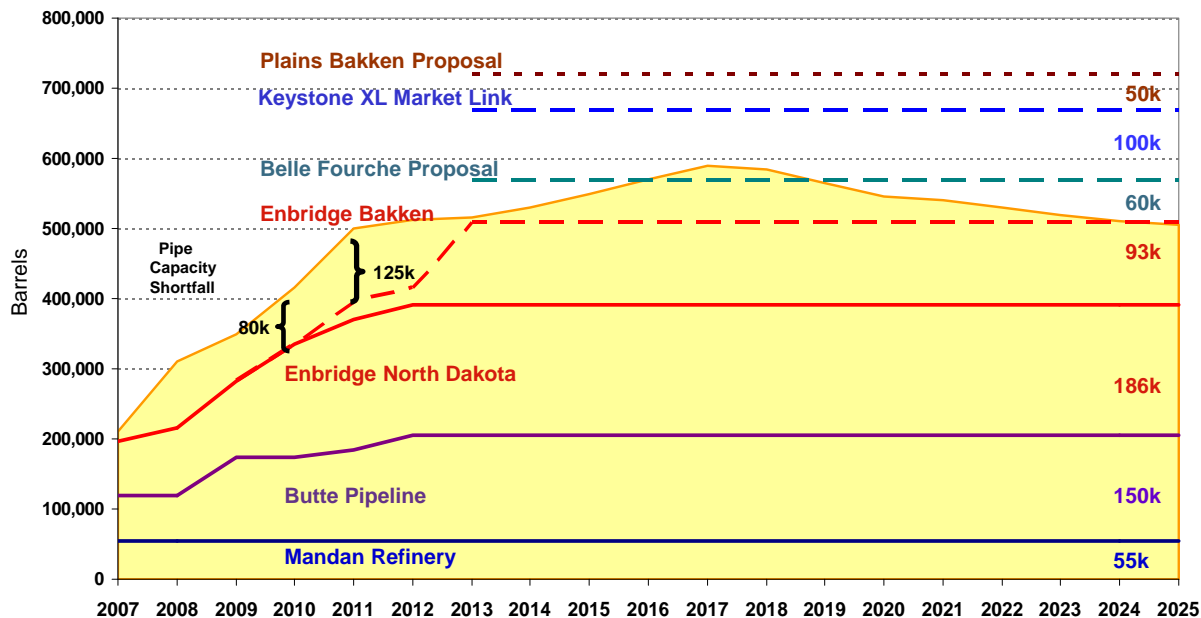
- 4 rigs under contract
 - 2 active at present; 2 moving in March / April, conditions permitting
 - Upgrading process
 - 2 “walkers” focused on pad drilling
 - Expect to sign at least one incremental rig by September
- Frac services:
 - Multi-year frac services agreement signed – should keep pace with 3 – 4 rig program
- Plan to drill 40 – 50 wells/year from 2012 – 2016 to fully develop acreage (Bakken and Three Forks)



Fort Berthold Production - Gathering

- Enerplus has committed to a field gathering system at the Fort Berthold Reservation which will:
 - Aggregate production at a central collection point off the Reservation that will provide flexible options for marketing the barrels
 - Gather and monetize both gas and liquids at market prices
 - Reduce the potential for shut in production due to varying weather, road conditions, and availability of trucking contractors
 - Provide some ability to better manage and dispose of produced water
 - Reduce the number of trucks moving on the Reservation which will reduce dust and road wear, and increase safety for the residents and workers

U.S. Bakken Infrastructure Capacity



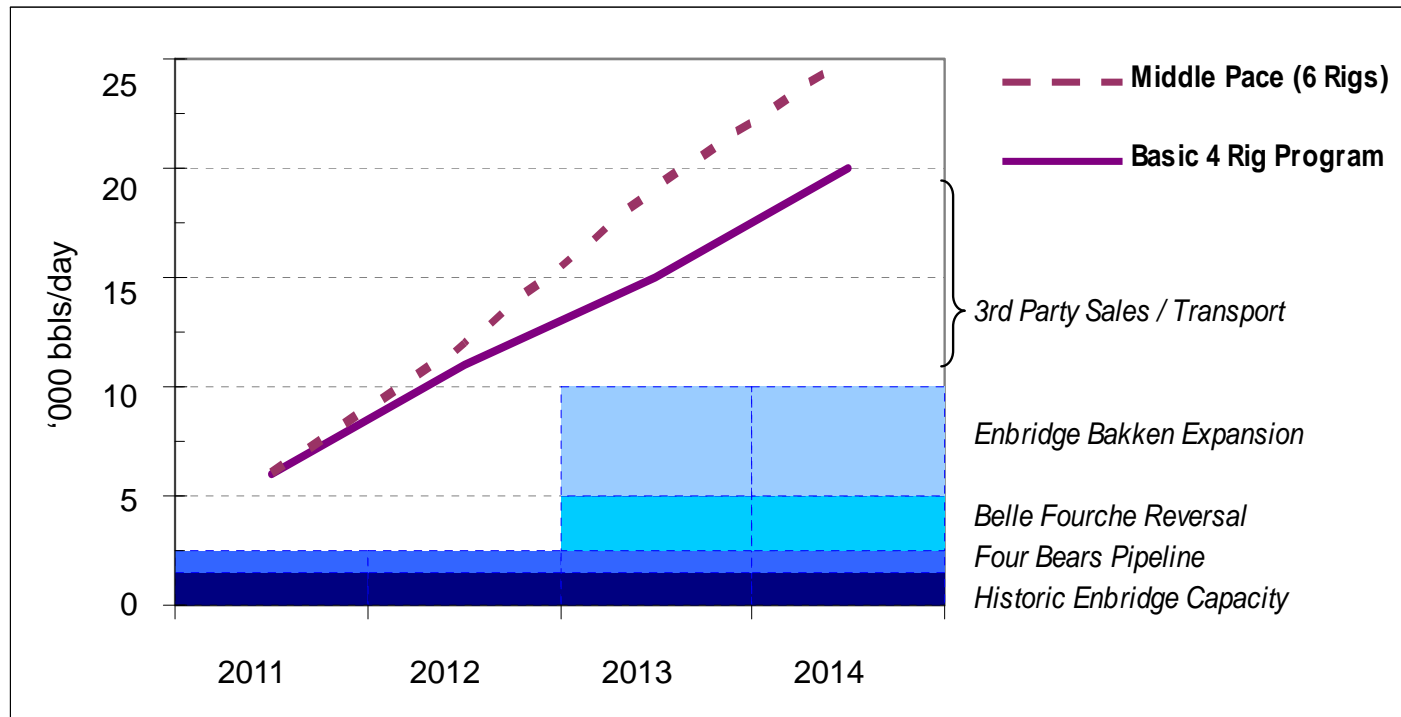
Source: Internal company data and industry analysis

- Current U.S. Bakken production is ~400 MBOE/day
 - 500 MBOE/day in 2011
- Pipeline capacity shortfall:
 - 80 MBOE/day in 2010
 - could increase to 125 MBOE/day in 2011
 - Rail and trucking covers capacity shortfall

- Numerous new pipelines and expansions of over 300 MBOE/day are proposed to address the takeaway shortfall
- We control some pipeline capacity and also sell to intermediaries who hold capacity on existing pipelines or who have access to trucking/railing facilities

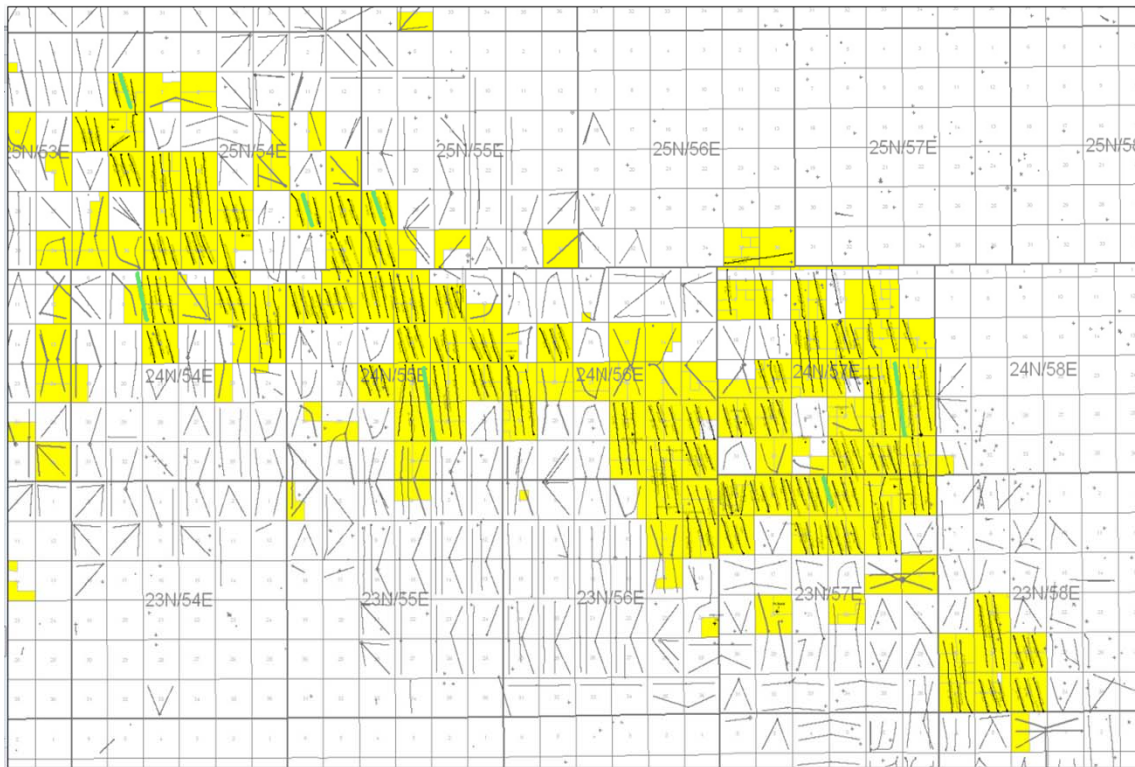
Fort Berthold Production – Enerplus Regional Transportation

Current Transportation / Sales Arrangements in Place for Fort Berthold Development



Enerplus has the flexibility to use its Enbridge North Dakota Pipeline capacity for its Sleeping Giant (Elm Coulee) production as well.

Sleeping Giant Overview

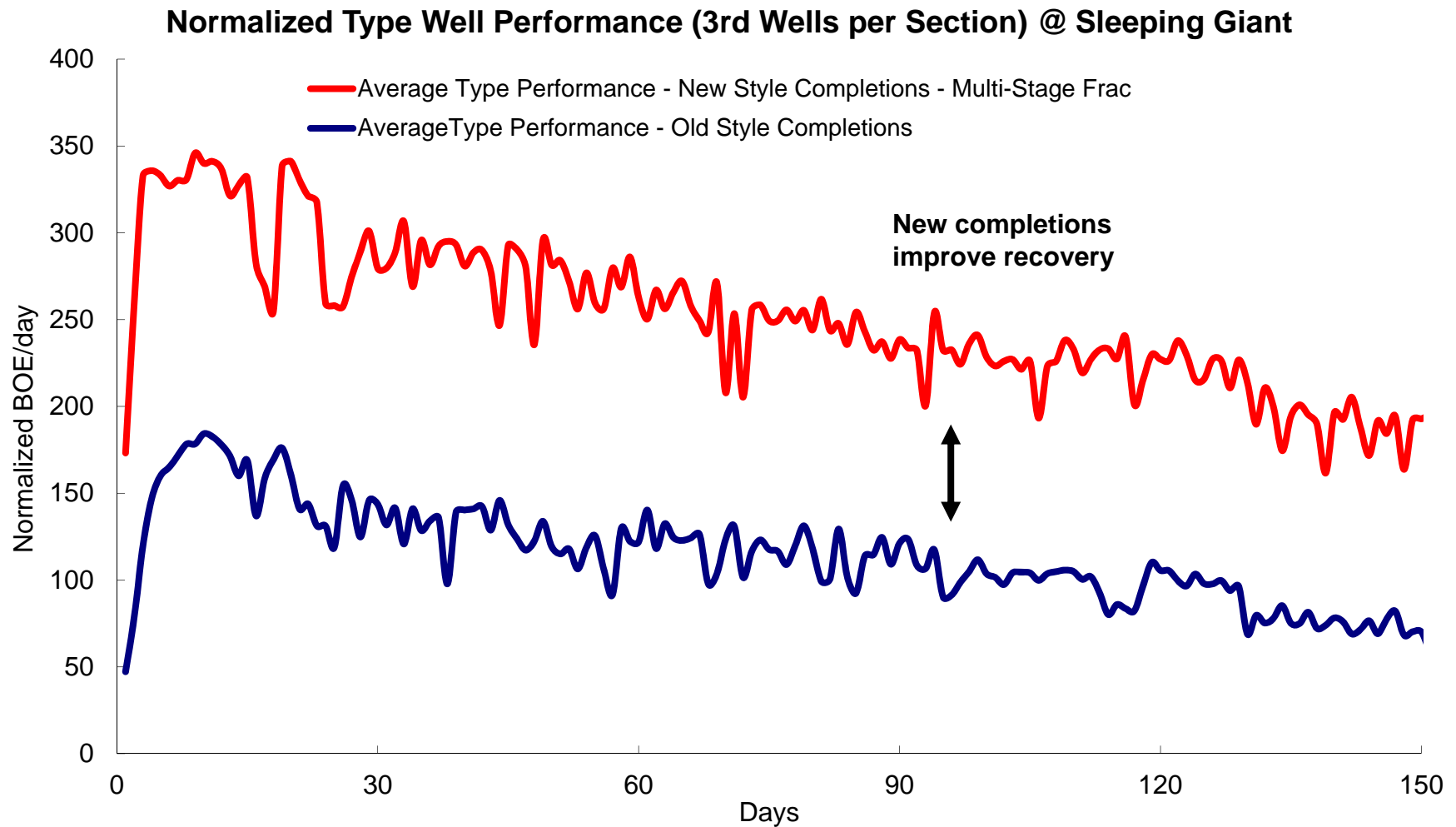


- Enerplus Acreage
- 2011 planned wells
- Existing wells

Key Facts	
Net Acreage	~45,000 acres
Current Production	~7,800 BOE/day
P+P Reserves (Dec. 31, 2010)	33.1 million BOE
2011 Capital Plans	\$22.4 million 4 net wells

- Acquired in 2005
- Producing 42° light sweet crude from the Middle Bakken formation
- Mature, cash generating asset
 - nearly fully developed to 3 wells/section
 - limited remaining infill locations
- 2011 expected op costs of ~\$3.50/BOE and netback of over \$50/BOE

Sleeping Giant – Technology Enhancing Results



U.S. Bakken Summary

- Strategic asset for Enerplus for near-term growth and cash flow
- Economics are best in our portfolio
- Execution capability is critical
- Three Forks potential
- Managing the challenges while growing our operations