

VERMILION
E N E R G Y



STEADY GROWTH
RELIABLE AND GROWING DIVIDENDS

MARCH 2013



This presentation is for information purposes only and is not intended to, and should not be construed to constitute, an offer to sell or the solicitation of an offer to buy, securities of Vermilion. This presentation and its contents should not be construed, under any circumstances, as investment, tax or legal advice. Any person accepting delivery of this presentation acknowledges the need to conduct their own thorough investigation into Vermilion and its activities before considering any investment in its securities.

Forward-Looking Statements

In the interest of providing information regarding Vermilion, including management's assessment of Vermilion's future plans and operations, certain statements made by the presenter and contained in these presentation materials (collectively, this "presentation") are "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian and United States securities laws (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target", "seek", "budget", "predict", "might" and similar words suggesting future events or future performance. All statements other than statements of historical fact may be forward-looking statements. In addition, statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future. The forward-looking statements contained in this presentation speak only as of the date of this presentation and are expressly qualified by this cautionary statement.

Specifically, this presentation contains forward-looking financial and operational information including information relating to our business strategies, plans and objectives; our growth strategies over the near, medium and long term including targeted production (including timing to complete pipeline and to reach first production for Corrib Field, and peak production therefrom), production mix and related growth rates, composition and quantity of estimated reserves and contingent and prospective resources, reserve-life index, and the related current and future costs of finding, developing and producing estimated reserves and resources; fund flows from operations (FFO) and related growth rates; the sensitivity of our 2013 FFO to changes in West Texas Intermediate (WTI) oil prices and Dated Brent (Brent) oil prices based assumptions for natural gas prices and oil pricing differentials in Canada relative to WTI as well as Canada-United States foreign exchange rates; compound annual growth rate (CAGR); commodity pricing expectations and anticipated commodity mix and suitability to a dividend growth and growth and income model; net debt levels and net debt to FFO ratios; cash flow and related growth rates and stability; potential free cash flow; dividends and related growth, sustainability and rate of return; anticipated netbacks; planned capital expenditures and our plans for developing our assets and funding our capital expenditures and dividends on our common shares; capital expenditure projections and the allocation of our capital expenditures to various projects and geographic regions; drilling plans; drilling prospects; the existence, operation and strategy of our risk management program, including the portion of future exposures that have been hedged; targeted total returns; anticipated benefits of acquisitions; our business strategy for future growth.

In addition, information and statements relating to reserves are deemed to be forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, that the reserves described exist in quantities predicted or estimated, and that the reserves can be profitably produced in the future. Cash dividends on our common shares are paid at the discretion of our Board of Directors and can fluctuate. In establishing the level of cash dividends, the Board of Directors considers all factors that it deems relevant, including, without limitation, the outlook for commodity prices, our operational execution, the amount of funds from operations and capital expenditures and our prevailing financial circumstances at the time.

This information is based on Vermilion's current expectations and is subject to a number of risks and uncertainties that could materially affect future results. These risks include, but are not limited to, general economic risks and uncertainties, future commodity prices, exchange rates, interest rates, geological risk, political risk, regulatory approval risk, production demand, transportation restrictions, risks associated with changes in tax, royalty and regulatory regimes and risks associated with international activities. Additional risks and uncertainties are described in Vermilion's Annual Information Form, as well as Vermilion's Management's Discussion and Analysis ("MD&A") which are filed on SEDAR at www.sedar.com and on the SEC's EDGAR system at www.sec.gov. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the Company's securities should not place undue reliance on these forward-looking statements. Forward looking statements contained in this document are made as of the date hereof and are subject to change. The Company assumes no obligation to revise or update forward looking statements to reflect new circumstances, except as required by applicable securities laws.

All references are to Canadian dollars unless otherwise specified.

This presentation contains certain financial measures including net debt, fund flows from operations and netbacks that are not determined in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("Non-GAAP measures"). These Non-GAAP measures as presented do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with calculations of similar measures by other companies. Reference is made to Vermilion's publicly filed documents, including our most recently filed MD&A, for a discussion of these non-GAAP measures, including for a reconciliation of "fund flows from operations" to cash flow from operating activities and net debt to long-term debt. Management believes that, in conjunction with results presented in accordance with IFRS, these Non-GAAP measures assist in providing a more complete understanding of certain aspects of Vermilion's results of operations and financial performance. Investors are cautioned, however, that these measures should not be construed as an alternative to measures determined in accordance with IFRS as an indication of our performance.

Certain natural gas volumes have been converted on the basis of six thousand cubic feet of gas to one barrel equivalent of oil. Barrels of oil equivalent (boe's) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

ADVISORY (Continued)

Reserves & Resource Definitions

All reserves estimates in this presentation have been estimated using the definitions in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") as prescribed by National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. The following provides the definitions of the various reserves categories used in this presentation as set out in the COGE Handbook. Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates as follows:

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Contingent resource" is not, and should not be confused with, petroleum and natural gas reserves. "Contingent resource" is defined in the Canadian Oil and Gas Evaluation Handbook as: "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resource the estimated discovered recoverable quantities associated with a project in the early evaluation stage."

A range of contingent resource estimates (low, best and high) were prepared by GLJ Petroleum Consultants Ltd ("GLJ"). A low estimate (C1) is considered to be a conservative estimate of the quantity of the resource that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. Those resources at the low end of the estimate range have the highest degree of certainty (a 90% confidence level) that the actual quantities recovered will be equal or exceed the estimate. A best estimate (C2) is considered to be the best estimate of the quantity of the resource that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. Those resources that fall within the best estimate have a 50% confidence level that the actual quantities recovered will be equal or exceed the estimate. A high estimate (C3) is considered to be an optimistic estimate of the quantity of the resource that will actually be recovered. It is unlikely that the actual remaining quantities of resource recovered will meet or exceed the high estimate. Those resources at the high end of the estimate range have a lower degree of certainty (a 10% confidence level) that the actual quantities recovered will equal or exceed the estimate. The primary contingencies which currently prevent the classification of the contingent resource as reserves consist of: preparation of firm development plans, including determination of the specific scope and timing of the project; project sanction; access to capital markets; stakeholder and regulatory approvals; access to required services and field development infrastructure; oil and natural gas prices in Canada and internationally in jurisdictions in which Vermilion operates; demonstration of economic viability; future drilling program and testing results; further reservoir delineation and studies; facility design work; limitations to development based on adverse topography or other surface restrictions; and the uncertainty regarding marketing and transportation of petroleum from development areas.

There is no certainty that it will be commercially viable to produce any portion of the contingent resources or that Vermilion will produce any portion of the volumes currently classified as contingent resources. The estimates of contingent resources involve implied assessment, based on certain estimates and assumptions, that the resources described exists in the quantities predicted or estimated and that the resources can be profitably produced in the future. The net present value of the future net revenue from the contingent resources does not necessarily represent the fair market value of the contingent resources. Actual contingent resources (and any volumes that may be reclassified as reserves) and future production therefrom may be greater than or less than the estimates provided herein.

Prospective resources are not, and should not be confused with, petroleum and natural gas reserves. "Prospective resources" are defined in COGEH as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources or that Vermilion will produce any portion of the volumes currently classified as prospective resources. The estimates of prospective resources involve implied assessment, based on certain estimates and assumptions, that the resources described exists in the quantities predicted or estimated and that the resources can be profitably produced in the future. The net present value of the future net revenue from the prospective resources does not necessarily represent the fair market value of the prospective resources. The recovery and resources estimates provided herein are estimates only. Actual prospective resources (and any volumes that may be reclassified as reserves or contingent resources) and future production from such prospective resources may be greater than or less than the estimates provided herein.

VERMILION'S KEY ATTRIBUTES

- ▶ International oil-levered producer in Canada, Western Europe and Australia with leading businesses in each jurisdiction
- ▶ Project diversification, global commodity exposure and high margins reduce risk
- ▶ Well-defined production and cash flow growth potential
- ▶ Reliable and growing dividend
- ▶ Fully-funded balance sheet
- ▶ Additional growth potential in both conventional and resource plays
- ▶ Disciplined, shareholder-oriented management with record of consistent value creation

VERMILION = INCOME + FULLY FUNDED GROWTH WITH INTERNATIONAL DIVERSITY AND GLOBAL COMMODITY EXPOSURE

CAPITAL MARKETS SUMMARY

Market Summary

Trading Price / Ticker Symbol (TSX)	\$52.90 / VET ⁽¹⁾
Shares Outstanding	99.2 million
Monthly Dividend	\$0.20/share
Dividend Yield	4.5%
Management Ownership	~8%

Capital Structure

Market Capitalization	\$5.2 billion
Enterprise Value	\$5.8 billion
\$950 MM Revolving Credit Facility (3-year term) - drawn amount	\$420 million ⁽²⁾
6.5% Senior Unsecured Notes (due February 2016)	\$222 million
Net debt (including net working capital)	\$677 million ⁽²⁾
Debt to Cash Flow	1.2 x ⁽³⁾

⁽¹⁾ NYSE secondary listing effective March 12, 2013; price shown as of close March 7, 2013 on TSX

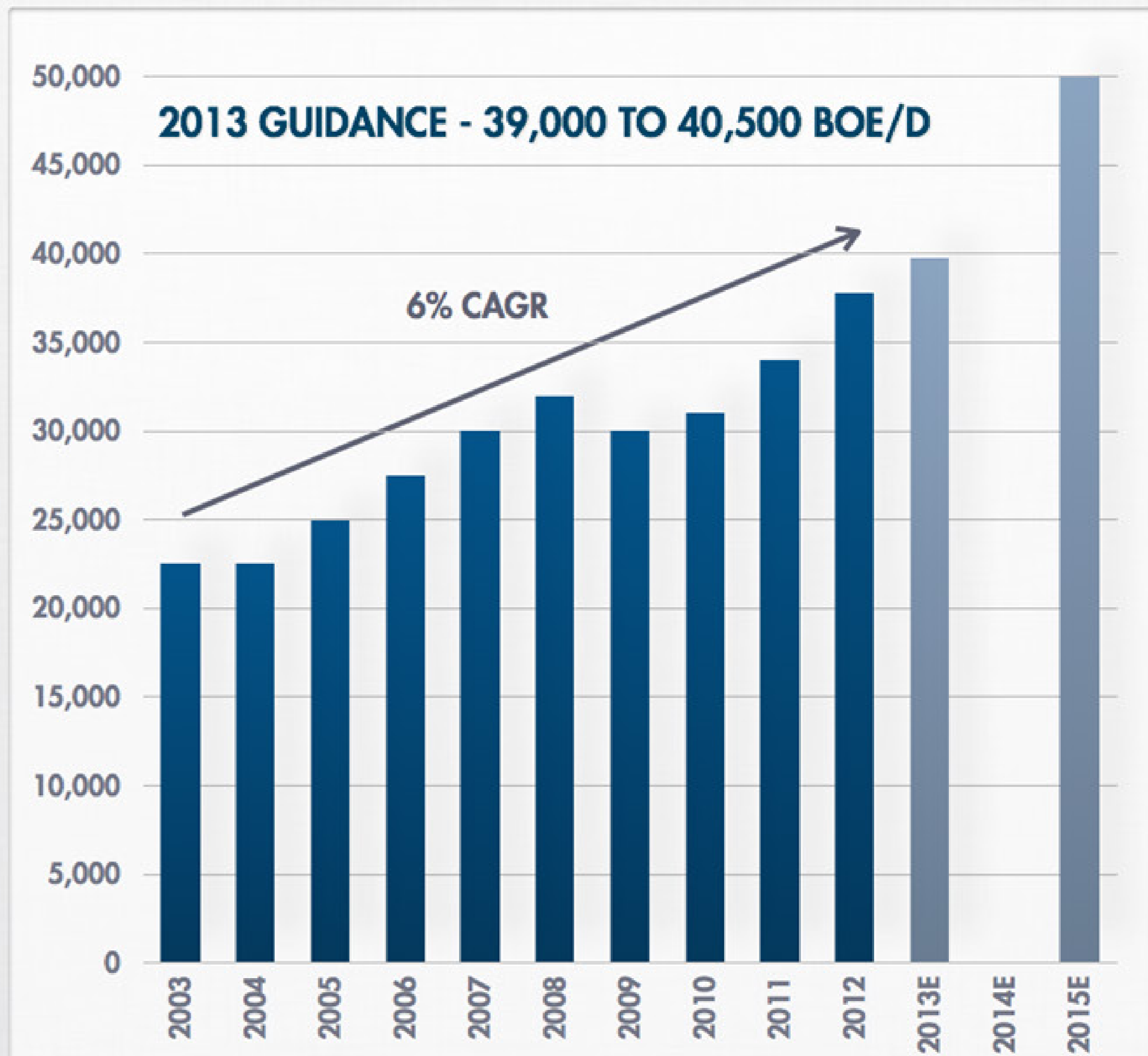
⁽²⁾ Amount drawn or outstanding at December 31, 2012

⁽³⁾ Net debt* to annual fund flows from operations* at December 31, 2012

PRODUCTION GROWTH

PRODUCTION GROWTH

	Production (/d)	Y/Y Growth
2011	35,202	10%
2012	37,803	7%
2013*	39,000 - 40,500	4% - 8%
↓		
2015E*	50,000	



TARGETING >30% GROWTH IN PRODUCTION BETWEEN 2012 AND 2015

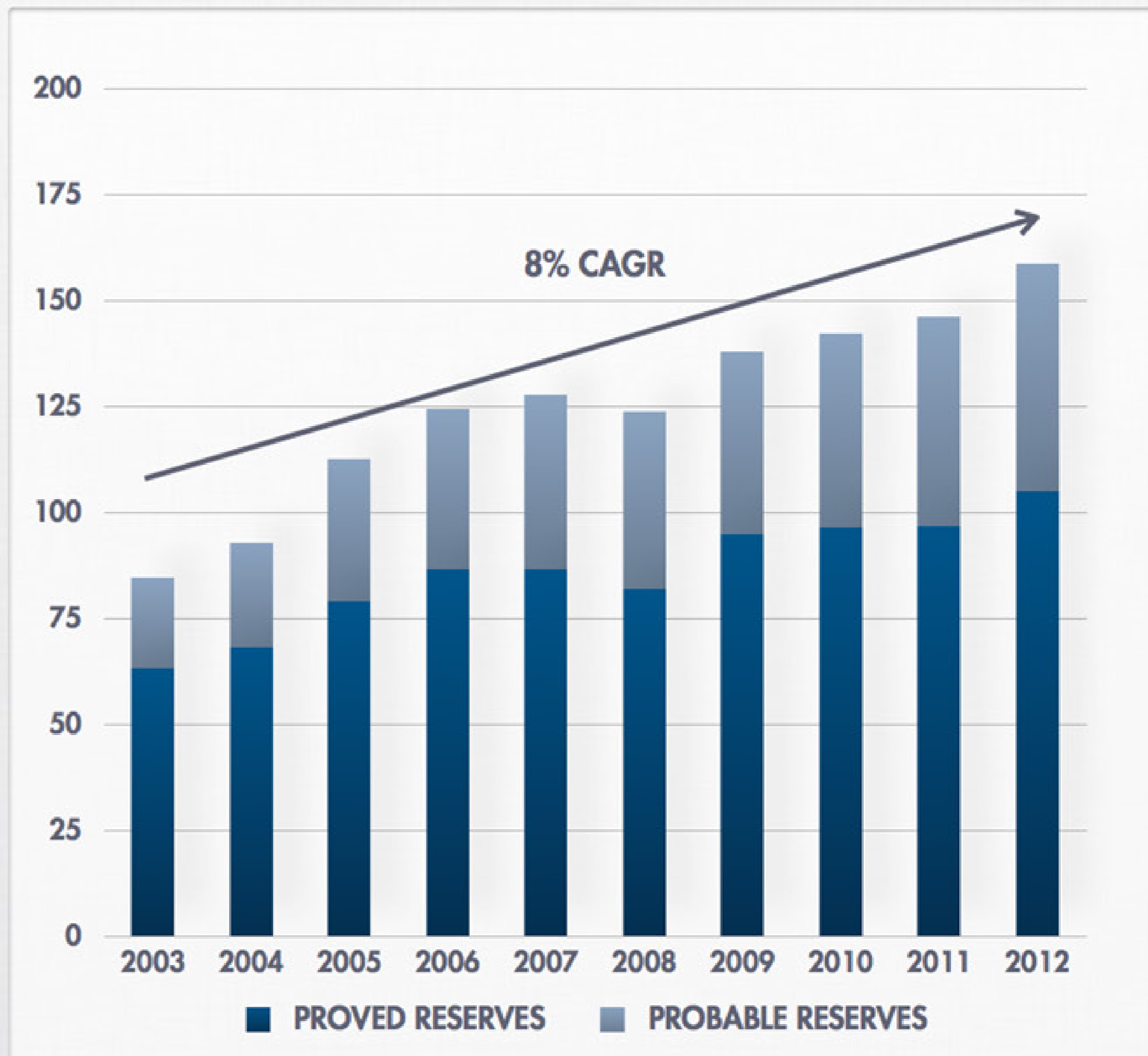
*Company estimates

RESERVES GROWTH

2012 YEAR END RESERVES*

(mmboe)	Proved	%	P+P	%
Brent-based crude	42.8	41	63.9	39
WTI-based crude	18.1	17	32.2	20
Natural gas liquids	3.6	3	5.7	3
European gas	21.7	21	33.1	20
Canadian gas	19.0	18	29.9	18
Total	105.3		164.9	

- 12.5 year P+P reserve life index**
- 13% year over year reserve growth



>80% OF RESERVES WEIGHTED TO CRUDE AND HIGH NETBACK EUROPEAN GAS

* Proved and Probable reserves as evaluated by GLJ Petroleum Consultants Ltd. (Report dated February 14, 2013 with an effective date of December 31, 2012).

** Reserve life index based on annualized Q4 production.

RESERVES

2012 YEAR END PROVED + PROBABLE RESERVES*

(mmboe)	Canada	France	Netherlands	Ireland	Australia	Total Company
At December 31, 2011	64.2	36.0	11.0	17.5	17.5	146.2
Additions from E&D	9.1	1.8	2.7	3.7	2.0	19.2
Additions from Acquisitions	-	13.1	0.2	-	-	13.2
2012 Production	(5.5)	(3.9)	(2.1)	-	(2.3)	(13.8)
At December 31, 2012	67.8	47.0	11.8	21.2	17.1	164.9

2012 F&D / FD&A COSTS**

	Including FDC (\$/mboe)	Excluding FDC (\$/mboe)
F&D (Total Capital Expenditures)	\$29.39	\$23.53
FD&A (Total Capital Expenditures and Acquisition)	\$23.36	\$19.52

OPERATING RECYCLE RATIO OF 2.4x

* Proved and Probable reserves as evaluated by GLJ Petroleum Consultants Ltd. (Report dated February 14, 2013 with an effective date of December 31, 2012).

**F&D, FD&A Capex (\$452.5 MM) includes undeveloped land (\$39.3 MM), Corrib spending (\$58.8 MM). Change in acquisition FDC of \$12.2 MM and development FDC of \$112.7 MM.

CONTINGENT AND PROSPECTIVE RESOURCES

2012 YEAR END CONTINGENT AND PROSPECTIVE RESOURCES*

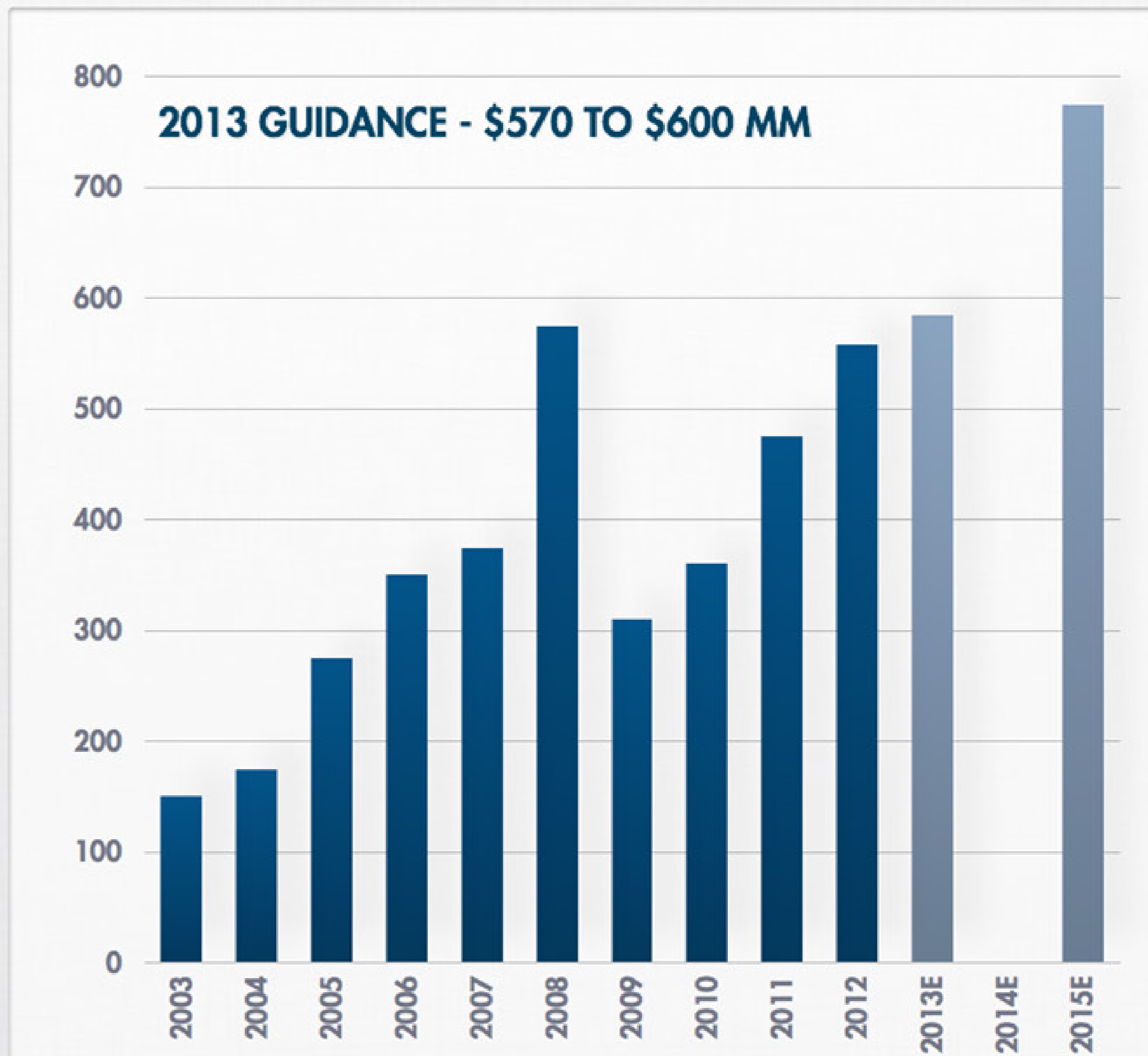
(mmboe)	Proved plus Probable Gross Reserves*	Contingent Resources (gross)			Prospective Resources (gross)		
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾
Canada	67.8	72.4	133.3	187.0	9.6	249.4	541.0
France	47.0	7.9	18.9	27.9	-	-	-
Netherlands	11.8	-	-	-	-	-	-
Ireland	21.2	0.9	1.9	6.1	-	-	-
Australia	17.1	2.7	6.8	10.8	-	-	-
Total	164.9	83.9	160.9	231.8	9.7	249.4	541.0

*Contingent resources and prospective resources as evaluated by GLJ Petroleum Consultants Ltd. (Report dated February 14, 2013 with an effective date of December 31, 2012). See Advisory for more information.

CASH FLOW GROWTH

FUND FLOWS GROWTH

	Fund Flows from Operations, \$MM	Fund Flows per Share*	Growth
2011	\$474	\$5.22	33%
2012	\$558	\$5.69	18%
2013E*	\$570 - \$600	\$5.65 - \$5.95	7% - 10%
↓			
2015E**	\$750 - \$800	\$7.25 - \$7.75	



TARGETING ~40% GROWTH IN FUND FLOWS FROM OPERATIONS BETWEEN 2012 AND 2015

* 2013E: Company estimates as at November 21, 2012; based on forecast FY 2012 price estimates (Brent US\$111/bbl; WTI US\$94/bbl; Edm Par US\$87/bbl); assumes constant DRIP; includes existing hedges

** 2015E: Company estimates as at November 21, 2012; based on Brent US\$110.00/bbl; WTI US\$100.00/bbl; Edm Par differential US\$6/bbl; assumes constant DRIP and includes existing hedges

FUND FLOWS FROM OPERATIONS (FFO)

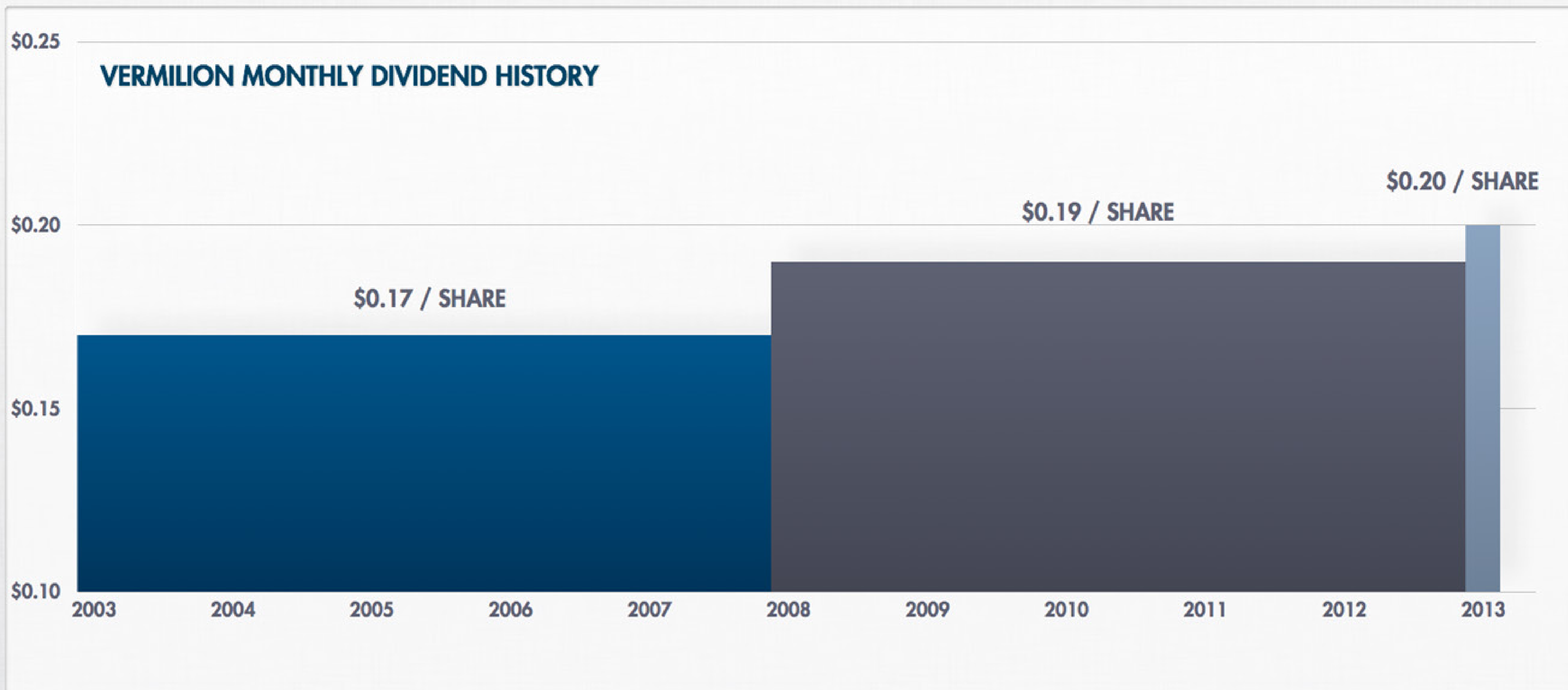
2013 FFO @ 39,000 BOE/D (\$MM)

		BRENT (US\$)					
		95	100	105	110	115	120
WTI (US\$)	80	500	512	526	536	544	552
	85	513	525	538	549	556	564
	90	525	537	551	561	569	577
	95	538	550	563	574	582	589
	100	551	563	576	587	595	602
	105	563	576	589	599	607	615

2013 FFO @ 40,500 BOE/D (\$MM)

		BRENT (US\$)					
		95	100	105	110	115	120
WTI (US\$)	80	520	533	548	561	570	579
	85	532	546	561	573	583	592
	90	545	559	574	586	596	605
	95	558	572	587	599	609	618
	100	571	585	600	612	622	631
	105	584	598	613	625	635	644

RELIABLE AND GROWING DIVIDENDS



EXPECTED GROWTH IN FUNDS FLOW HAS POTENTIAL TO SUPPORT FUTURE DIVIDEND GROWTH

Dividend increase became effective for the January 2013 dividend paid on February 15, 2013.



RISK MANAGEMENT / BALANCE SHEET

HEDGING PHILOSOPHY

- ▶ Vermilion hedges for the purpose of risk mitigation only
- ▶ Targeting 50% of net of royalty volumes through a portfolio of collars and swaps
- ▶ Hedge WTI crude, Brent crude, natural gas and purchased power
- ▶ Typically hedge up to 18 months forward
- ▶ Increases stability of revenues, cash flows and dividends
- ▶ Assists in the execution of capital programs and helps to ensure strong project economics

HEDGE POSITION

2013 Collars	Avg Floor	Avg Ceiling	Total	% of 2013 production*
WTI	US\$89.11/bbl	US\$100.24/bbl	149,500 bbls	5% of WTI
Brent	US\$96.81/bbl	US\$108.81/bbl	2,139,200 bbls	37% of Brent
Canadian Gas	\$2.65/GJ	\$3.68/GJ	4,342,500 GJ	30% of Canadian gas

2013 Swaps	Avg Swap Price	Total	% of 2013 production*
WTI	US\$94.66/bbl	911,000 bbls	33% of WTI
Brent	US\$115.41/bbl	22,750 bbls	<1% of Brent
Netherlands Gas	€25.62/MWh	91,500 MWh (~329,400 GJ)	3% of Netherlands Gas

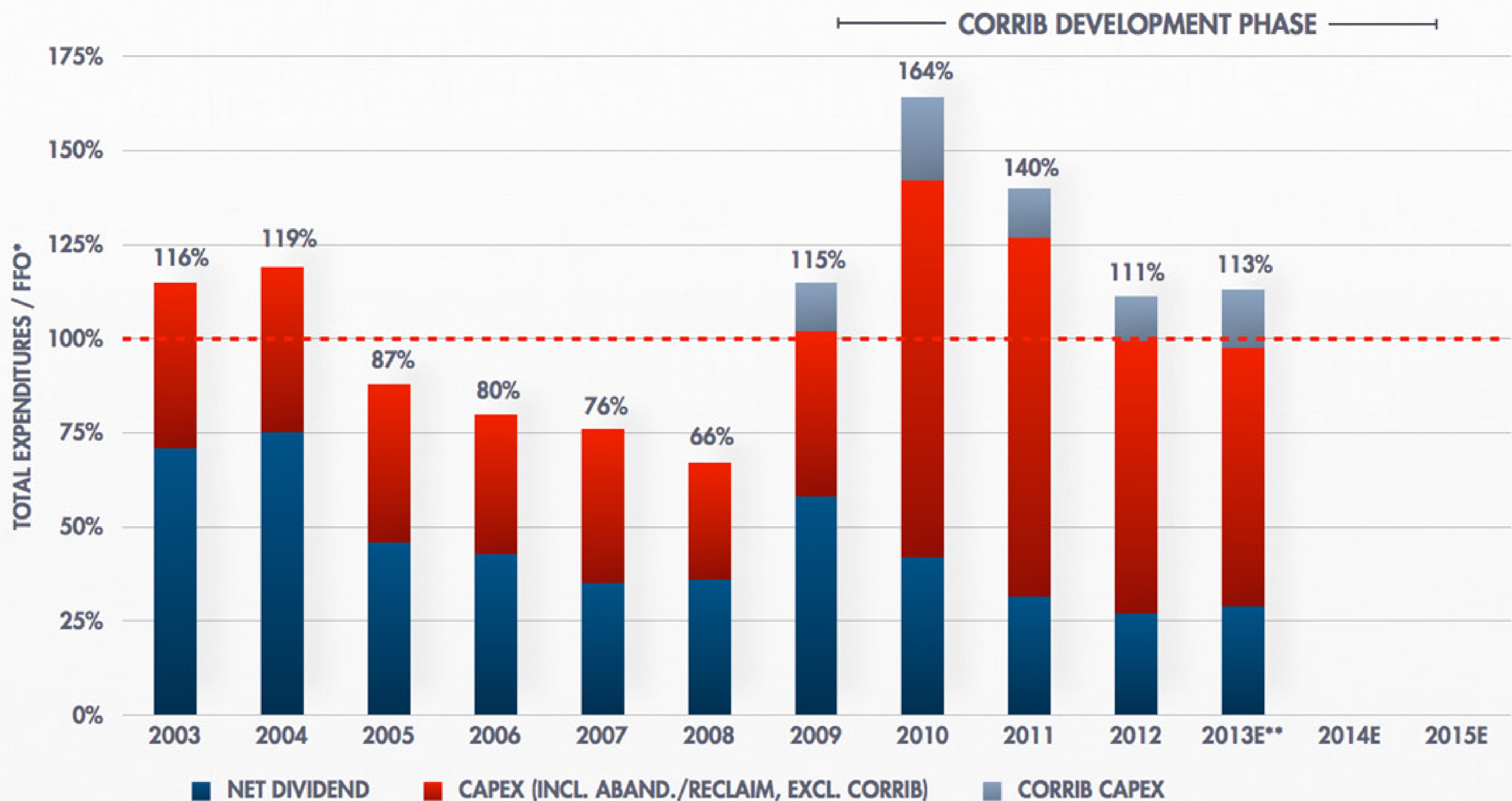
Rail Contract

- Vermilion has entered into a rail agreement for 2013 for 2,000 bbls/day of Cardium production
- Locks in MSW differential at WTI less \$4.50/bbl

VERMILION CURRENTLY HAS 38% OF TOTAL OIL PRODUCTION HEDGED FOR 2013*

*Company estimate; percent of expected 2013 net of royalty production volumes hedged. (Based on midpoint of 2013 production guidance of 39,750 boe/d gross).
See website for more detailed hedging information: www.vermilionenergy.com

TOTAL PAYOUT RATIO

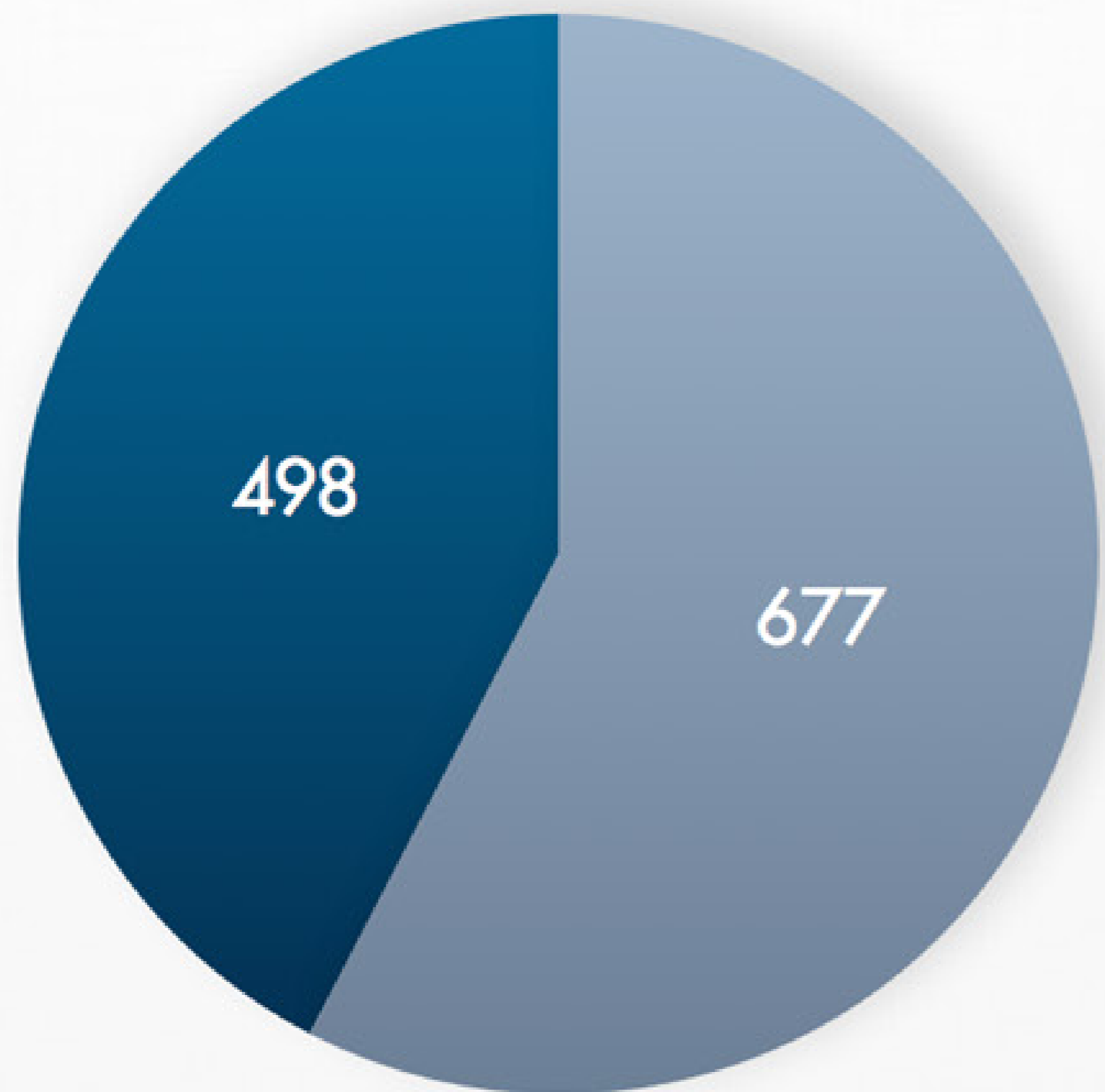


POTENTIAL FOR FREE CASH FLOW* IN 2015 FOLLOWING CORRIB DEVELOPMENT PHASE

* 2003-2010 Vermilion FFO reported under Canadian GAAP, since 2011 Vermilion reports FFO in accordance with IFRS; Free cash flow is a non-GAAP measure (see Advisory for more information)
 **2013E: Company estimates at November 21, 2012; based on forecast FY 2012 price estimates (Brent US\$111/bbl; WTI US\$94/bbl; Edm Par US\$87/bbl); assumes constant DRIP; includes existing hedges

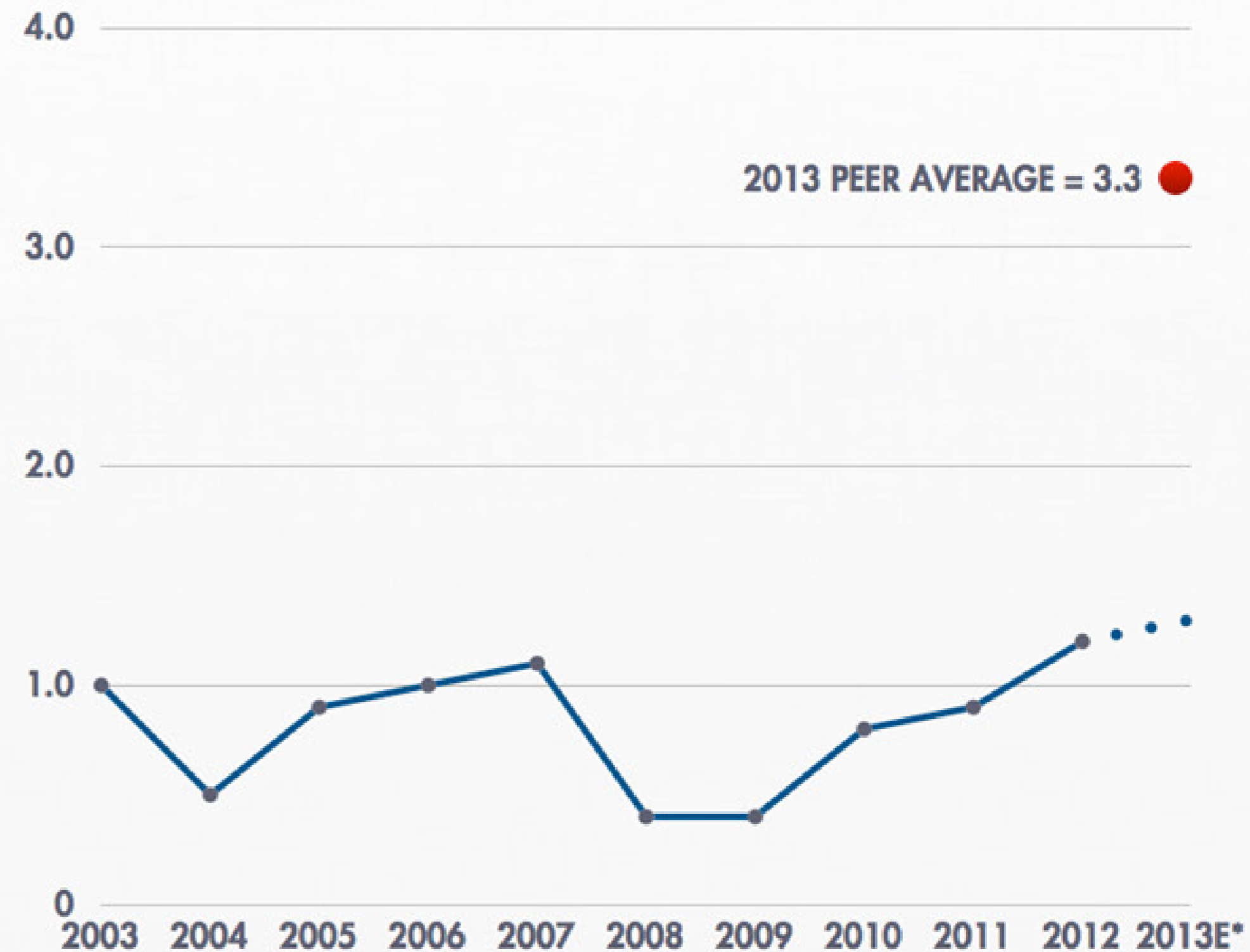
CONSERVATIVE BALANCE SHEET

CREDIT CAPACITY \$1.2 BILLION



- NET DEBT (INCLUDING NET WORKING CAPITAL)
- AVAILABLE**

NET DEBT TO FUND FLOWS FROM OPERATIONS



Source: TD Securities, March 4, 2013

BALANCE SHEET SUPPORTS GROWTH INITIATIVES + DIVIDENDS

* Source: Company estimates based on forward strip prices as at January 15, 2013.

** Available capacity as at December 31, 2012



INTERNATIONAL DIVERSIFICATION

VERMILION'S INTERNATIONAL ADVANTAGE

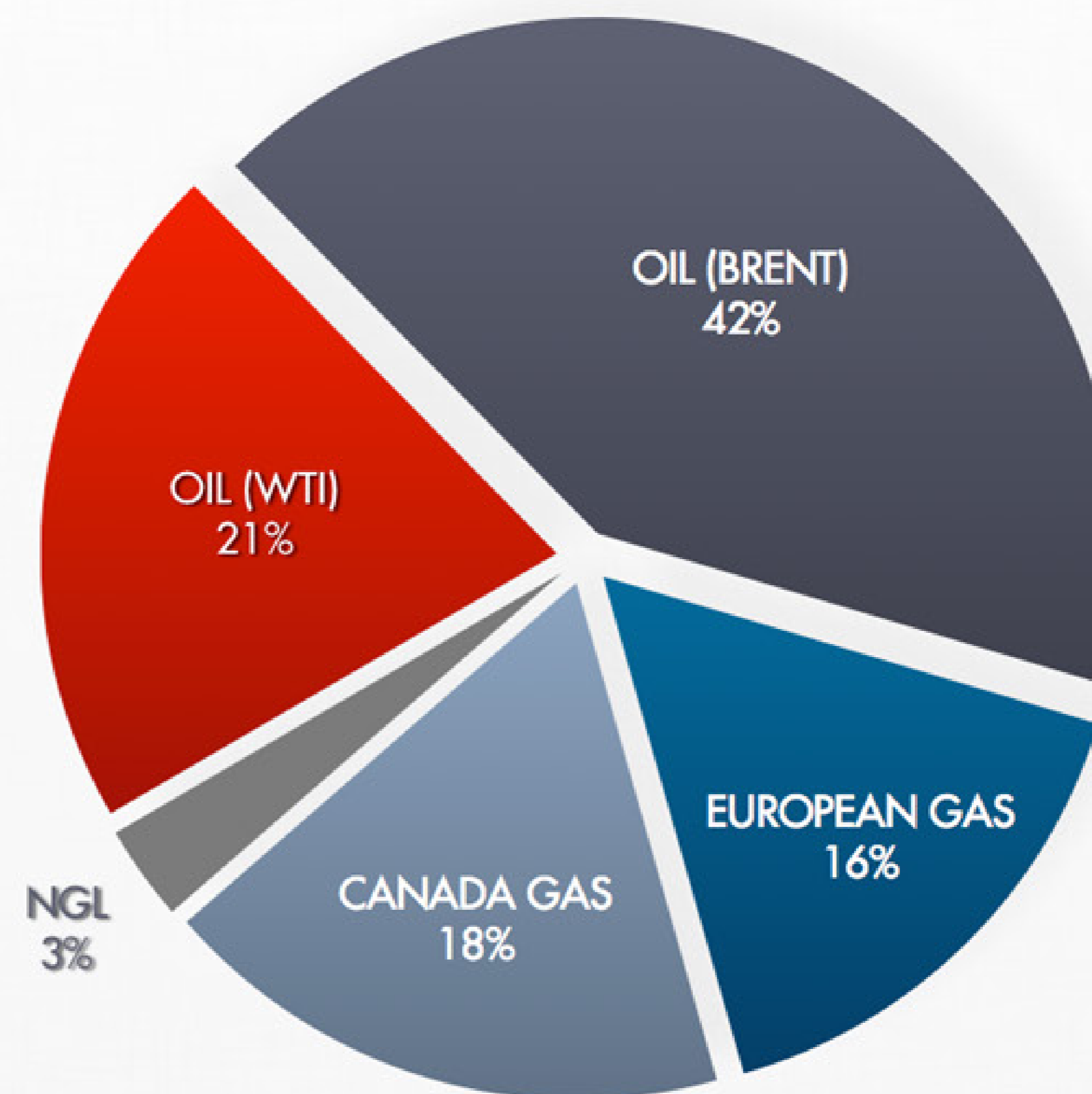
- ▶ Focused in three core areas (Western Canada, Europe, Australia) with stable, well developed fiscal and regulatory regimes
- ▶ Global commodity exposure provides premium pricing, while commodity diversification dampens volatility and increases dividend stability
- ▶ Project diversification allows for flexible capital allocation and optimization of return on capital
- ▶ Greater variety of business development opportunities due to global reach
- ▶ Generally less competitive M&A market outside of North America increases exposure to high-return acquisition opportunities

VERMILION IS THE ONLY ONE OF ITS CANADIAN PEERS WITH GLOBAL EXPOSURE

GLOBAL COMMODITY EXPOSURE

- > 80% levered to oil and high netback European gas
- Moderates impact of regional price fluctuations
- Improves stability of cash flow
- High margins and diversification of revenues support lower risk dividend
- Well-suited to dividend growth / growth and income model

ANTICIPATED 2013 COMMODITY MIX*

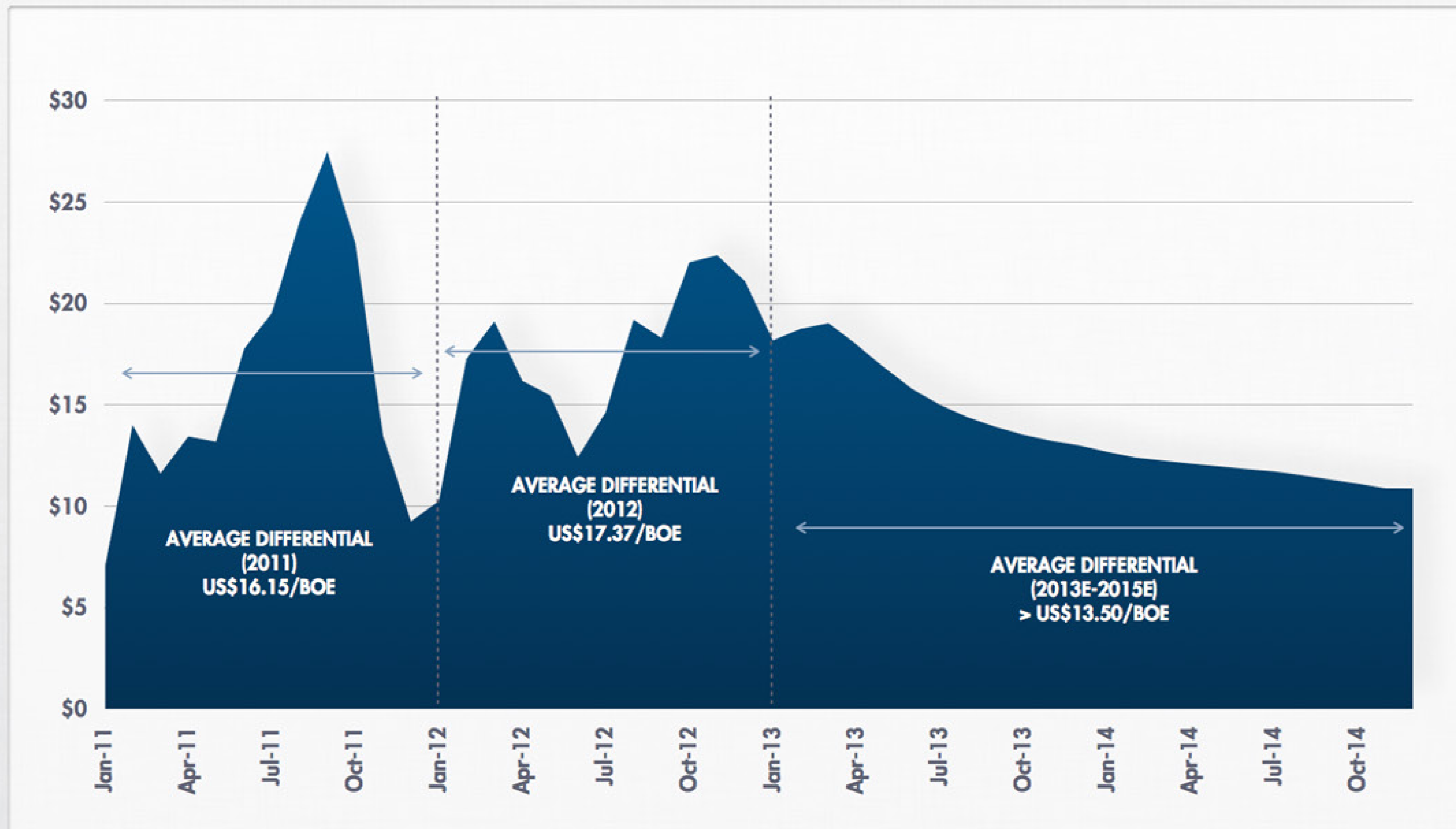


VERMILION OFFERS COMMODITY PRICE DIVERSIFICATION

* Company estimates. Composition of 2013 production mix based on forecast 2013 production volumes as at January 15, 2013.

**Netherlands pricing is new for 2013. TTF is Title Transfer Facility Index.

BRENT PREMIUM TO WTI



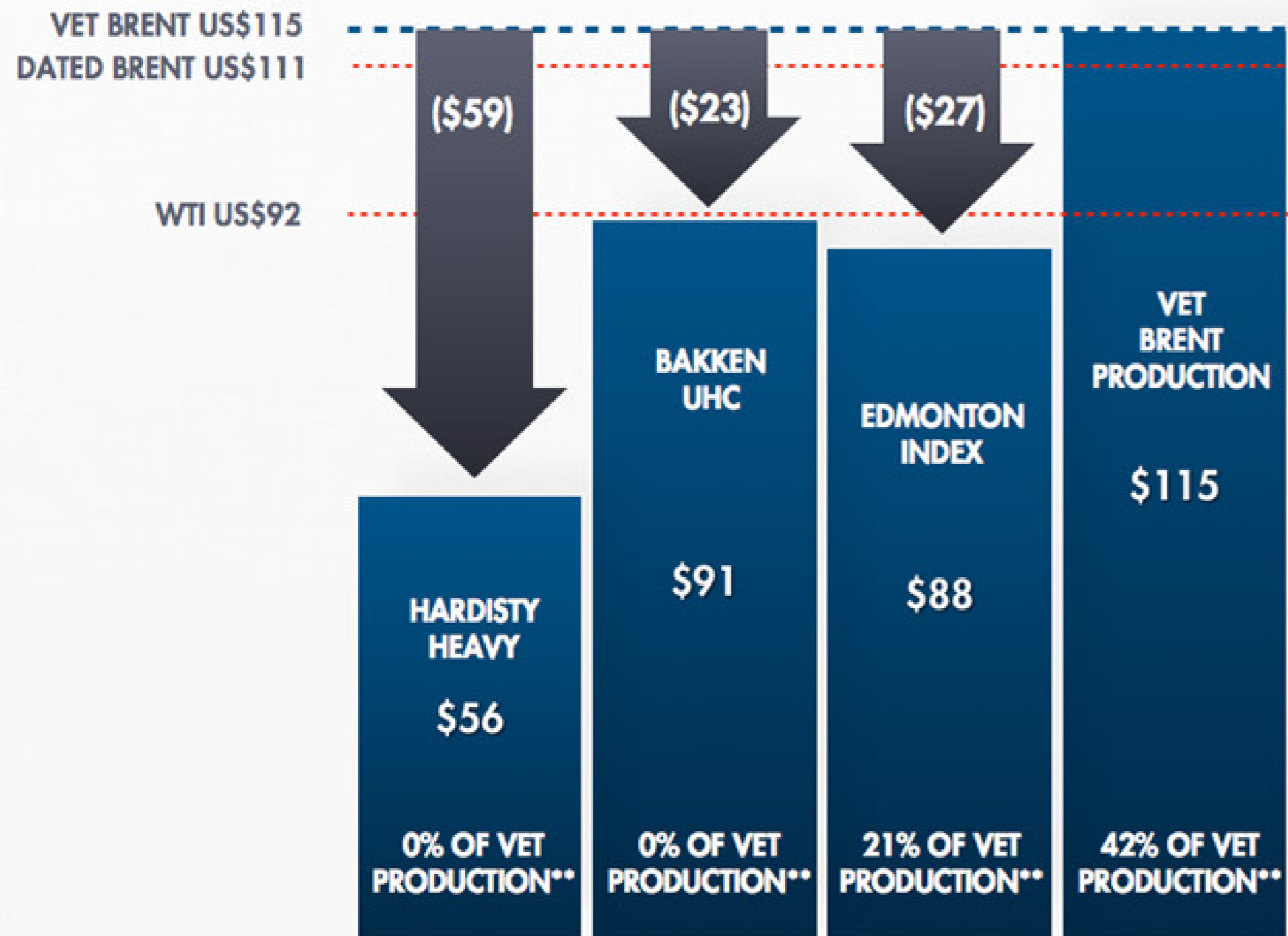
BRENT FUTURES FORECAST PREMIUM TO REMAIN LONGER TERM

Source: Bloomberg.

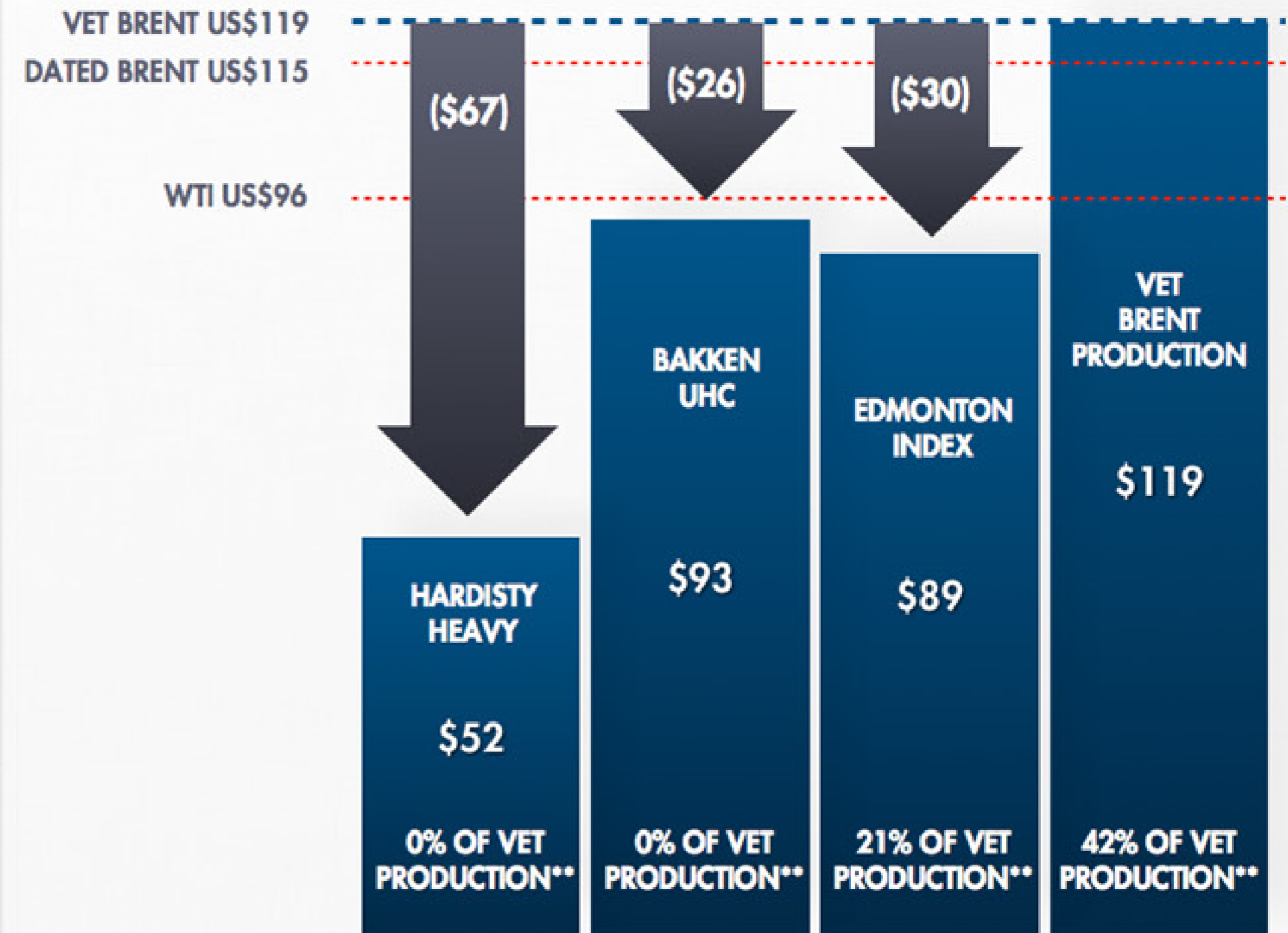
Actual differential for 2011 to February 2013. Forward strip differential between Dated Brent and NYMEX West Texas Intermediate as at March 1, 2013

MARCH 2013 RELATIVE OIL PRICING

FORECAST MARCH 2013 PRICING*



YEAR TO DATE 2013 PRICING*

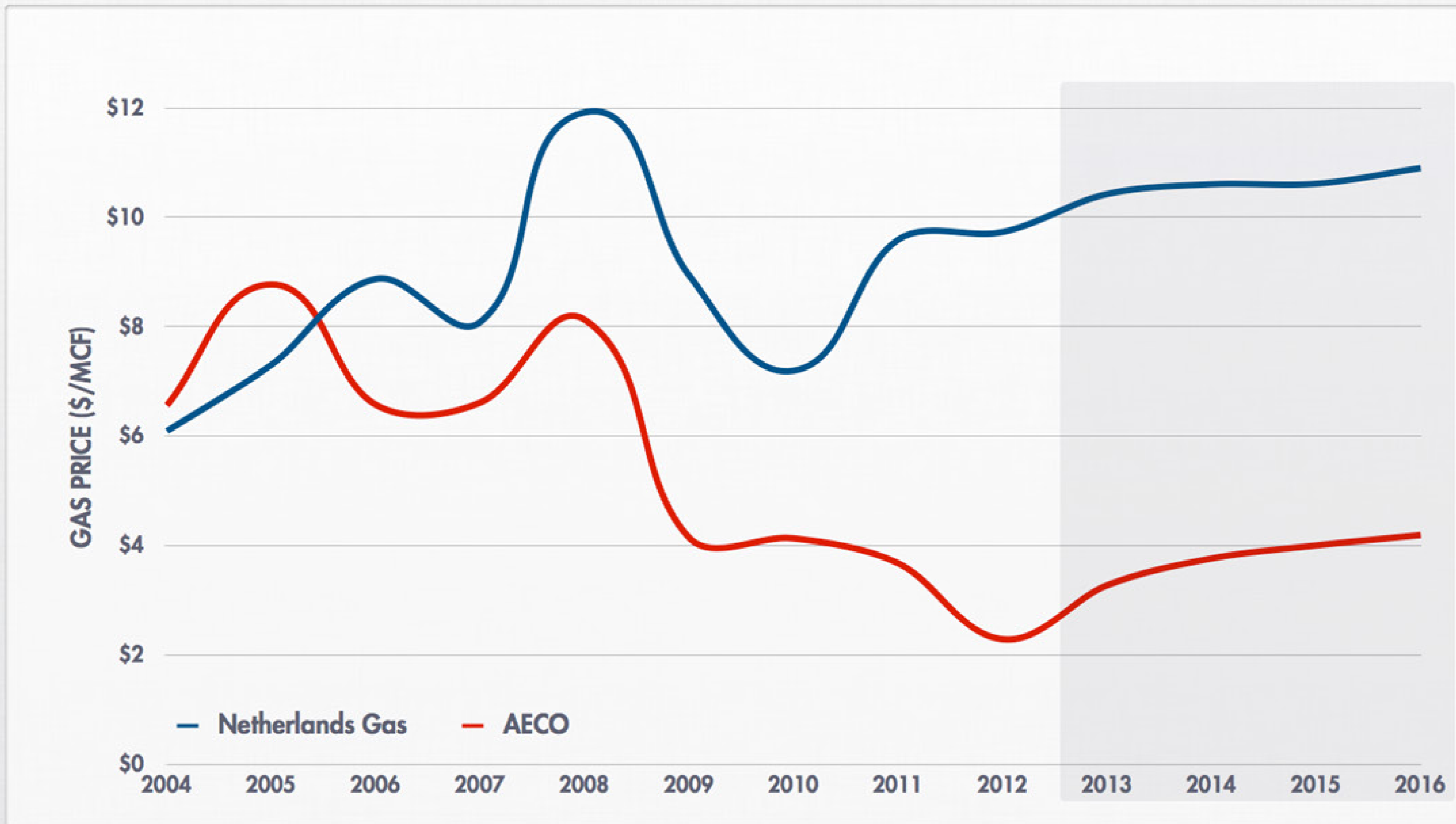


PREMIUM BRENT PRICING

* Forecast pricing based on March differentials, where applicable. Dated Brent and WTI trading prices as at close of February 28, 2013

**Relative weighting of production based on anticipated 2013 production, forecast as at January 15, 2013

PREMIUM GAS PRICING IN EUROPE



2012 PREMIUM > \$7.00/MCF

2004-2012: AECO and NIP actual prices

2013-2016: AECO forward curve, Netherlands gas TTF forward curve as at March 4, 2013

TOP QUARTILE CASH NETBACKS

NETBACKS BY COUNTRY - 2012 \$/boe *	Canada	France	Netherlands	Australia	Total Company
Revenue	\$54.89	\$105.13	\$58.69	\$117.03	\$79.51
Royalties	(5.71)	(5.53)	-	-	(3.82)
Operating cost	(10.00)	(14.86)	(9.10)	(21.47)	(13.10)
PRRT	-	-	-	(26.33)	(4.41)
Transportation	(1.50)	(2.23)	-	-	(1.77)
Operating Netback	\$37.68	\$82.51	\$49.59	\$69.23	\$56.41
After-Tax Cash Flow Netback	\$33.61	\$58.96	\$36.55	\$53.97	\$41.88

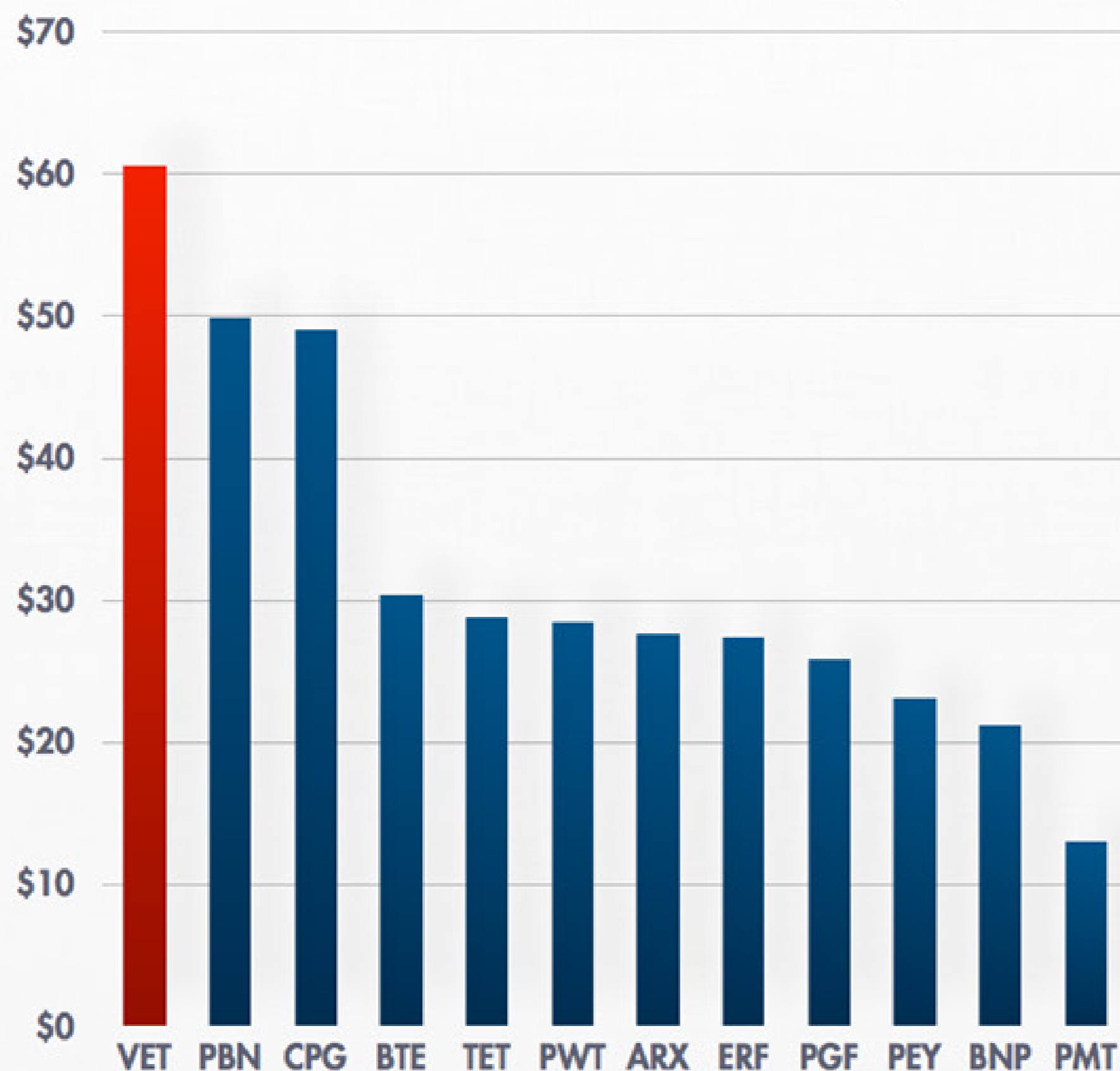
VERMILION HAS A DEMONSTRATED HISTORY OF TOP QUARTILE NETBACKS**

* Sourced from 2012 Annual MD&A (excludes impact of hedging). Netback is a Non-GAAP Measure (see Q4 MD&A).

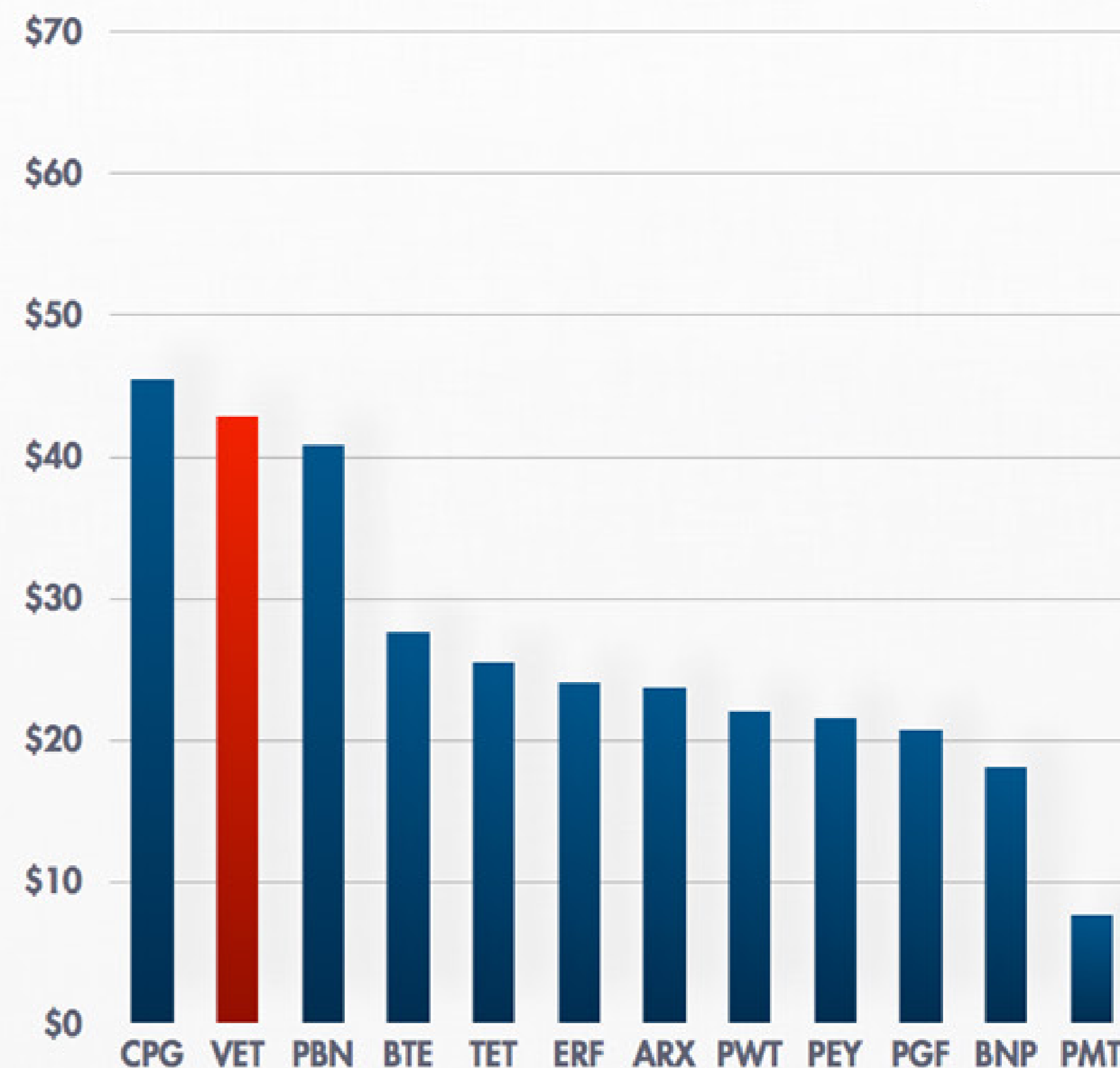
** Non-GAAP measure, see Advisory for more information

RELATIVE NETBACKS

2013* OPERATING NETBACK - \$/BOE



2013* AFTER TAX CASH NETBACK - \$/BOE



TOP QUARTILE OPERATING AND CASH FLOW NETBACKS AMONGST PEER GROUP

*Source: National Bank Financial – forecast as at March 4, 2013



ASSETS

CORE OPERATING REGIONS

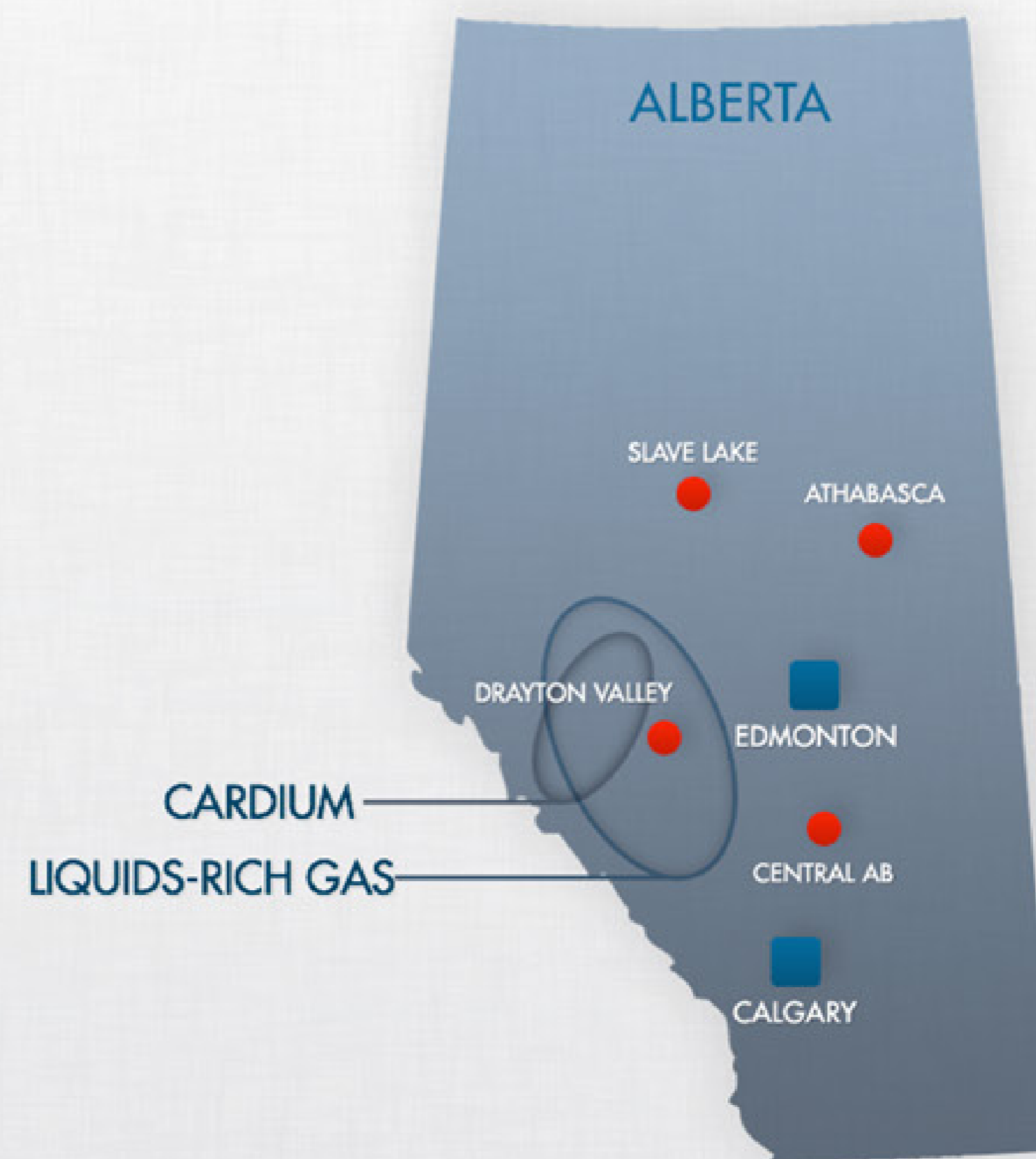


VERMILION IS FOCUSED IN THREE CORE REGIONS

2013 CAPITAL BUDGET

(\$M)	Canada	France	Netherlands	Australia	Ireland	Total	%
Drilling, completions, workovers & recompletions	160	32	24	39	-	255	54
Production equipment, facilities, new well equipment & tie-in	55	19	5	26	85	190	40
Seismic, studies, land & other	15	14	1	-	-	30	6
Subtotal	230	65	30	65	85	475	100
ZaZa Assets	-	10	-	-	-	10	
Total	230	75	30	65	85	485	
2012 Capital Budget	276	47	21	49	59	452	

- ▶ Cardium light oil drilling and development
- ▶ Significant liquids-rich gas inventory
- ▶ Growing exposure to emerging resource plays
- ▶ Fully tax-sheltered for foreseeable future



~15,100 boe/d*

CANADIAN INVENTORY IS EXPECTED TO DRIVE NEAR AND MEDIUM TERM GROWTH

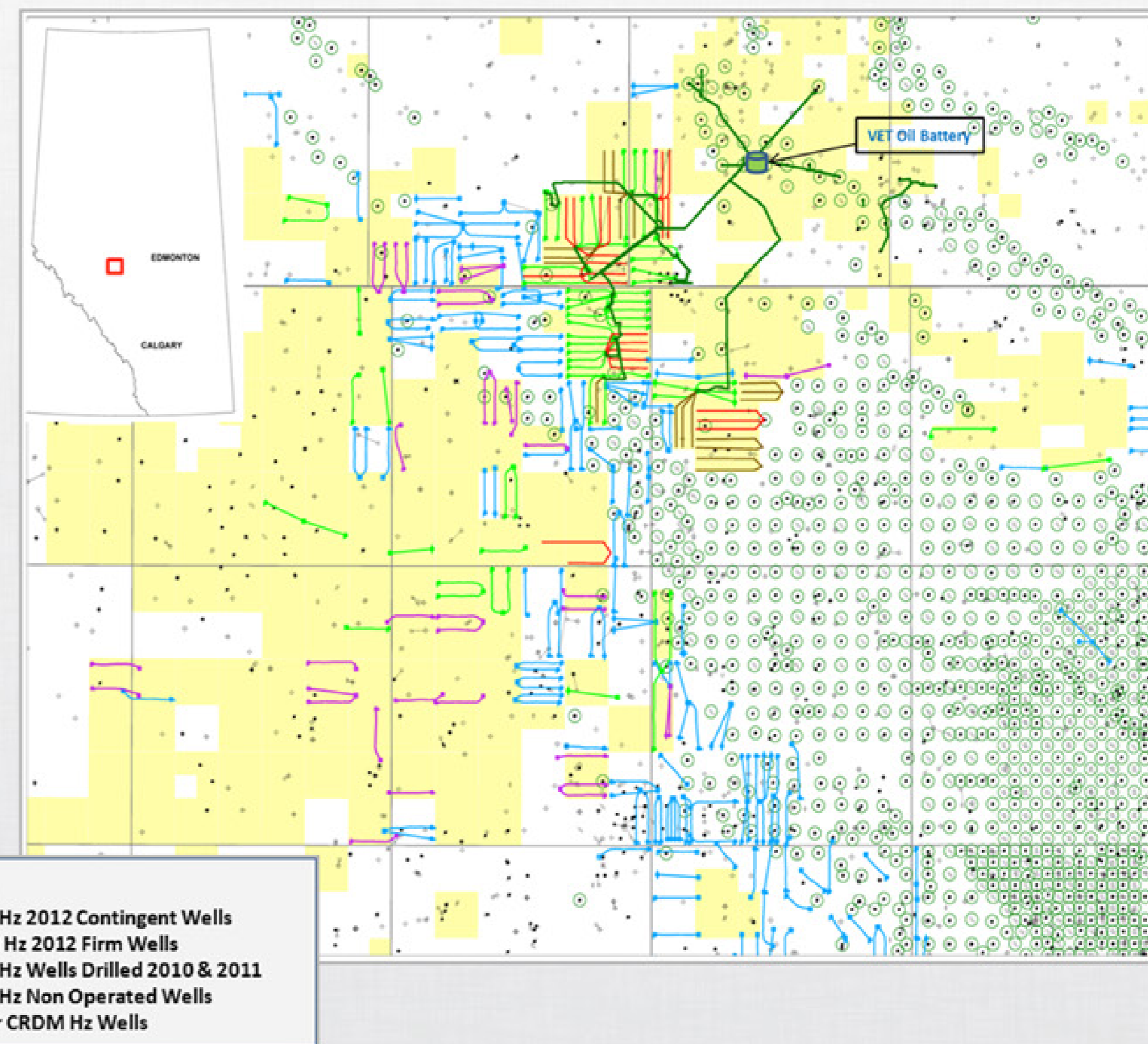
*2012 average production, as at December 31, 2012

WEST PEMBINA CARDIUM

- ▶ Dominant land position in West Pembina Cardium resource play
- ▶ Control key strategic infrastructure
 - ▶ 15,000 bbl per day oil battery
 - ▶ Two owned and operated gas plants

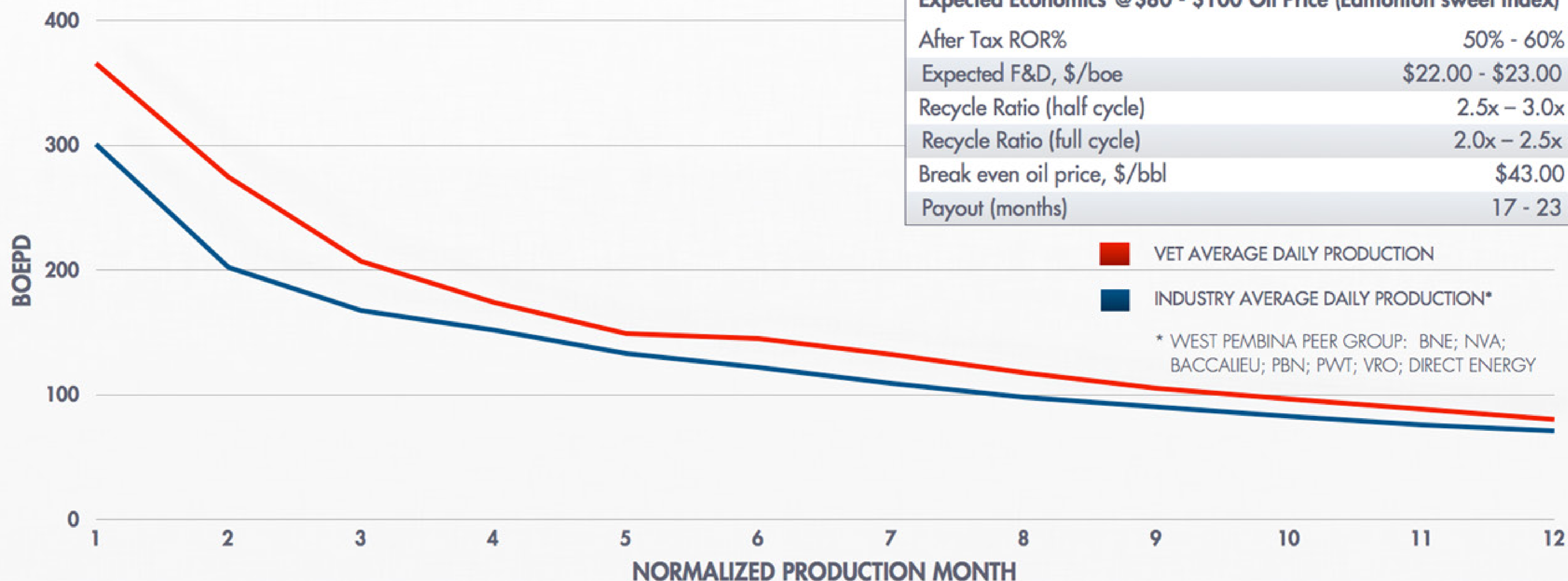
PLANNED 2013 CAPITAL ACTIVITIES

- ▶ Drill approximately 50 gross (~42 net) wells
- ▶ Represents approximately 80% of planned Canadian development expenditures



WEST PEMBINA IS ONE OF THE HIGHEST QUALITY CARDIUM PLAYS IN THE BASIN

VERMILION OPERATED PRODUCTION RATES VS. PEER PRODUCTION RATES



After Tax ROR%	50% - 60%
Expected F&D, \$/boe	\$22.00 - \$23.00
Recycle Ratio (half cycle)	2.5x - 3.0x
Recycle Ratio (full cycle)	2.0x - 2.5x
Break even oil price, \$/bbl	\$43.00
Payout (months)	17 - 23

■ VET AVERAGE DAILY PRODUCTION
■ INDUSTRY AVERAGE DAILY PRODUCTION*
 * WEST PEMBINA PEER GROUP: BNE; NVA; BACCALIEU; PBN; PWT; VRO; DIRECT ENERGY

VERMILION WELL COUNT	1	2	3	4	5	6	7	8	9	10	11	12
	104	99	92	89	82	77	73	73	72	69	62	57

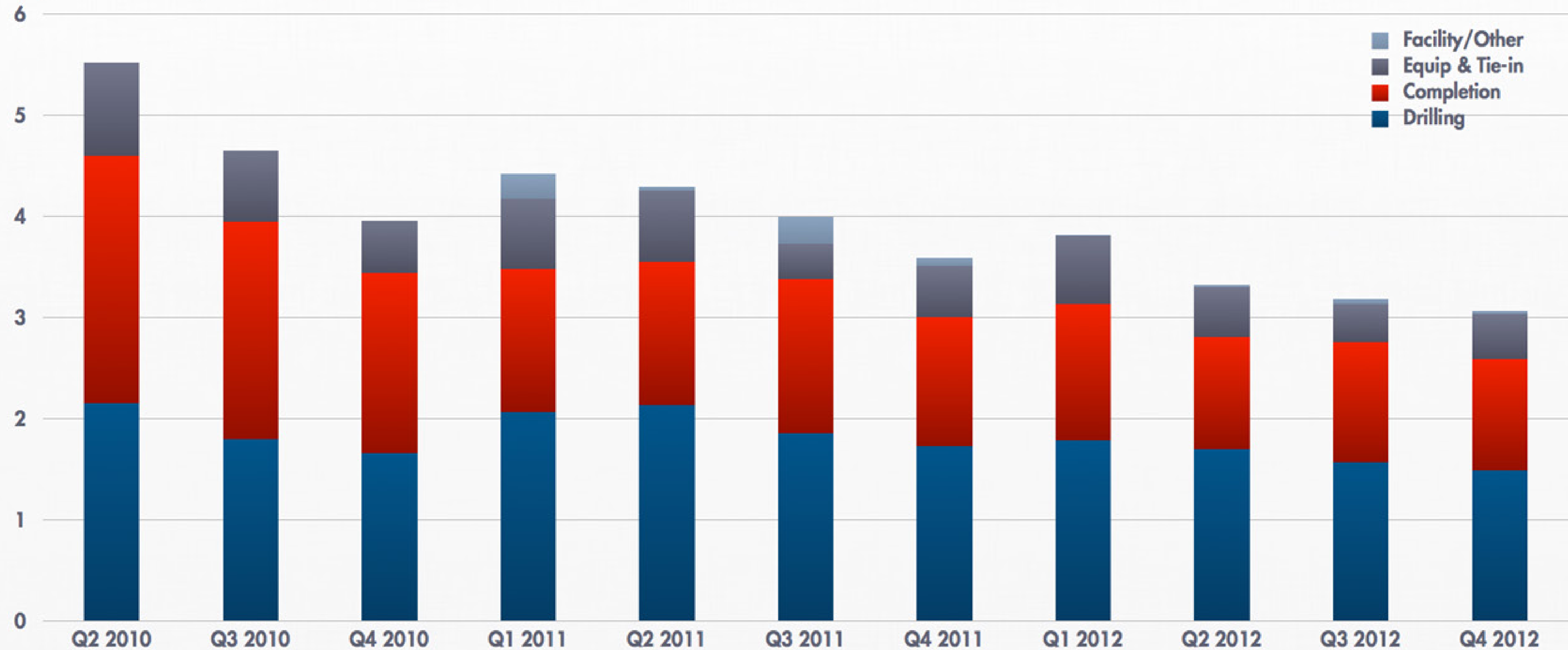
LEADING CARDIUM WELL PERFORMANCE

Source: IHS Energy – Accumap; Producing day rates
(Publicly available data as at February 27, 2013 including production rates up to December 31, 2012)

WELL COST REDUCTION

CARDIUM - AVERAGE COST PER SECTION (\$MM)

(INCLUDES DRILLING, COMPLETION, EQUIPMENT / FACILITIES & TIE-IN)

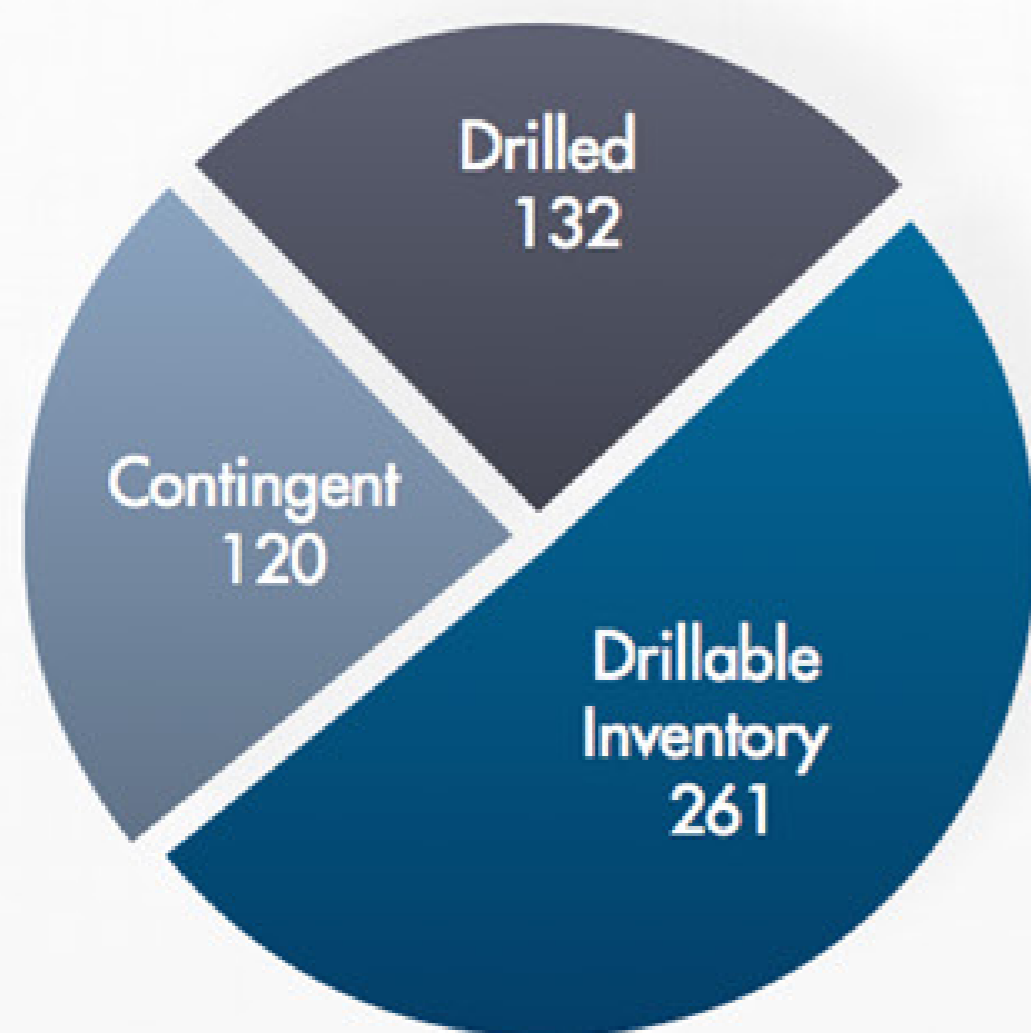


AVERAGE COST PER SECTION DECREASING WITH LONGER REACH WELLS

CARDIUM DEVELOPMENT PLAN

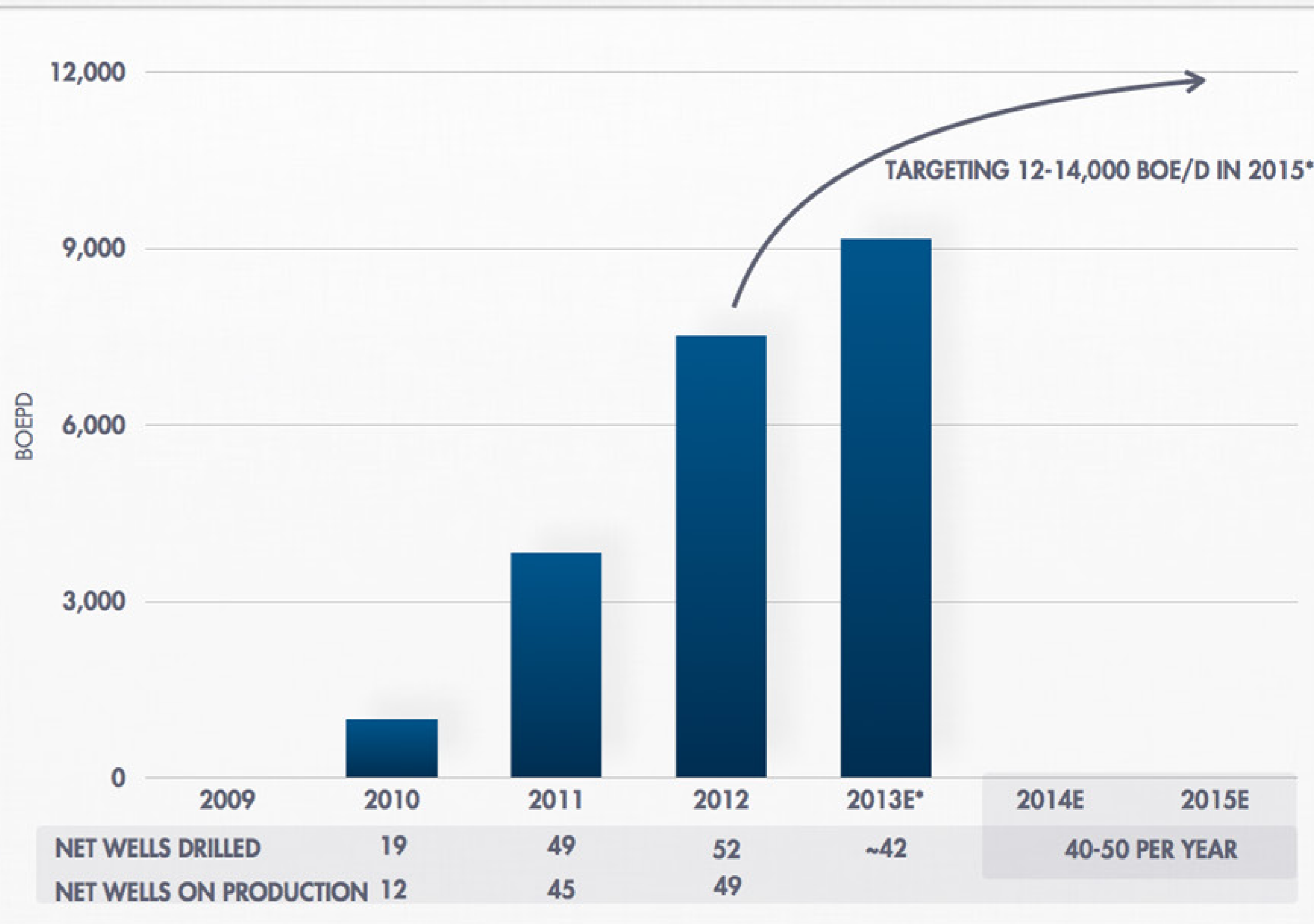
NET CARDIUM PROSPECT INVENTORY

AS AT DECEMBER 31, 2012



267 net locations booked at an average 156 mboe per well**.

Note: Reflects current prospect inventory converted to net section equivalent wells (for comparison purposes) to account for development using longer reach wells



SIGNIFICANT INVENTORY REMAINS TO DRIVE NEAR TERM GROWTH

* Company estimates; assumes 40-50 wells per year

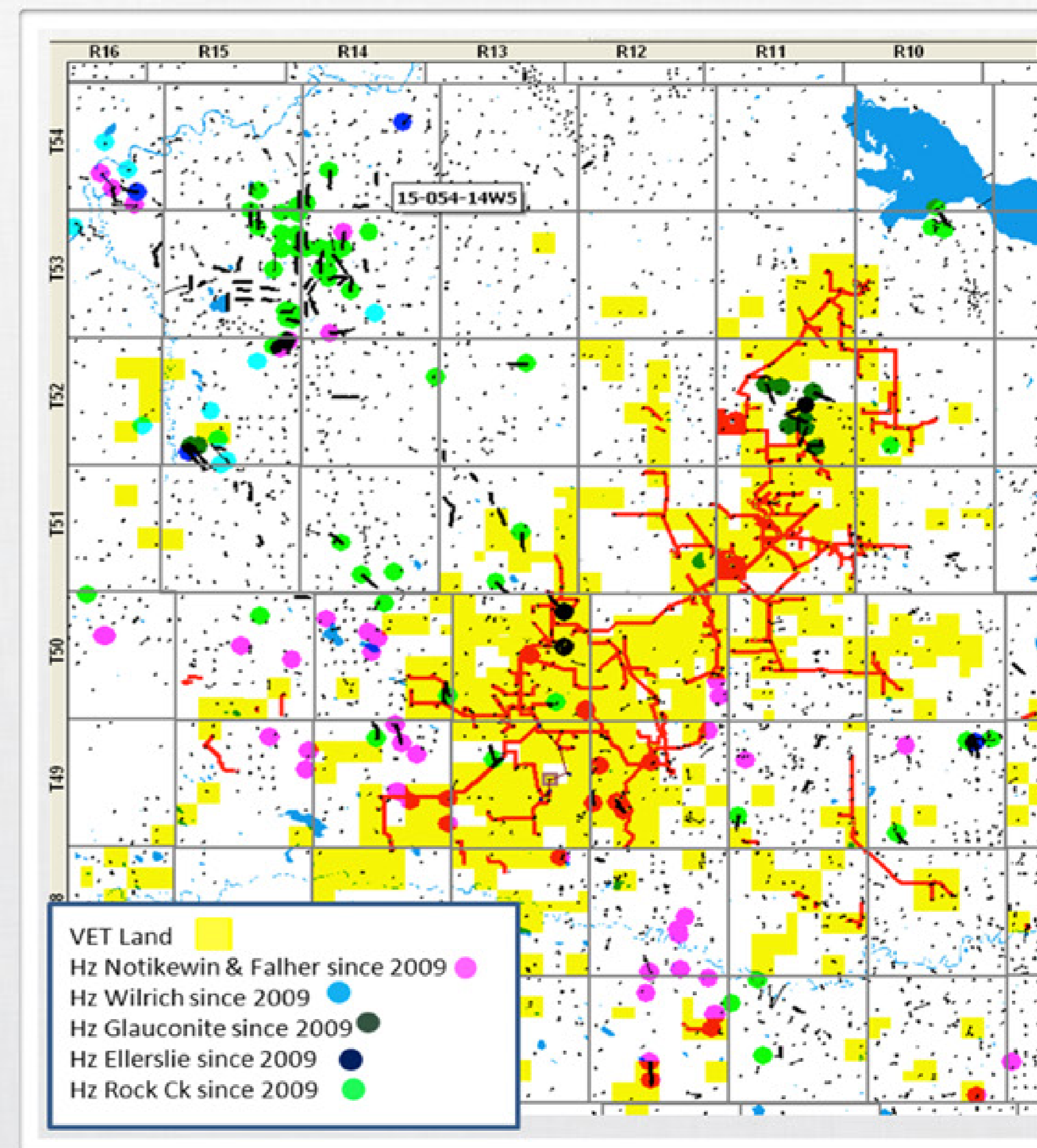
** Reserves evaluated by GLJ Petroleum Consultants Ltd. (Report dated February 14, 2013 with an effective date of December 31, 2012).

MANNVILLE LIQUIDS-RICH GAS

- ▶ Land held by production with minimal land expiries
- ▶ Multi-zone, liquids-rich gas
- ▶ Significant Vermilion infrastructure in place

PLANNED 2013 CAPITAL ACTIVITIES

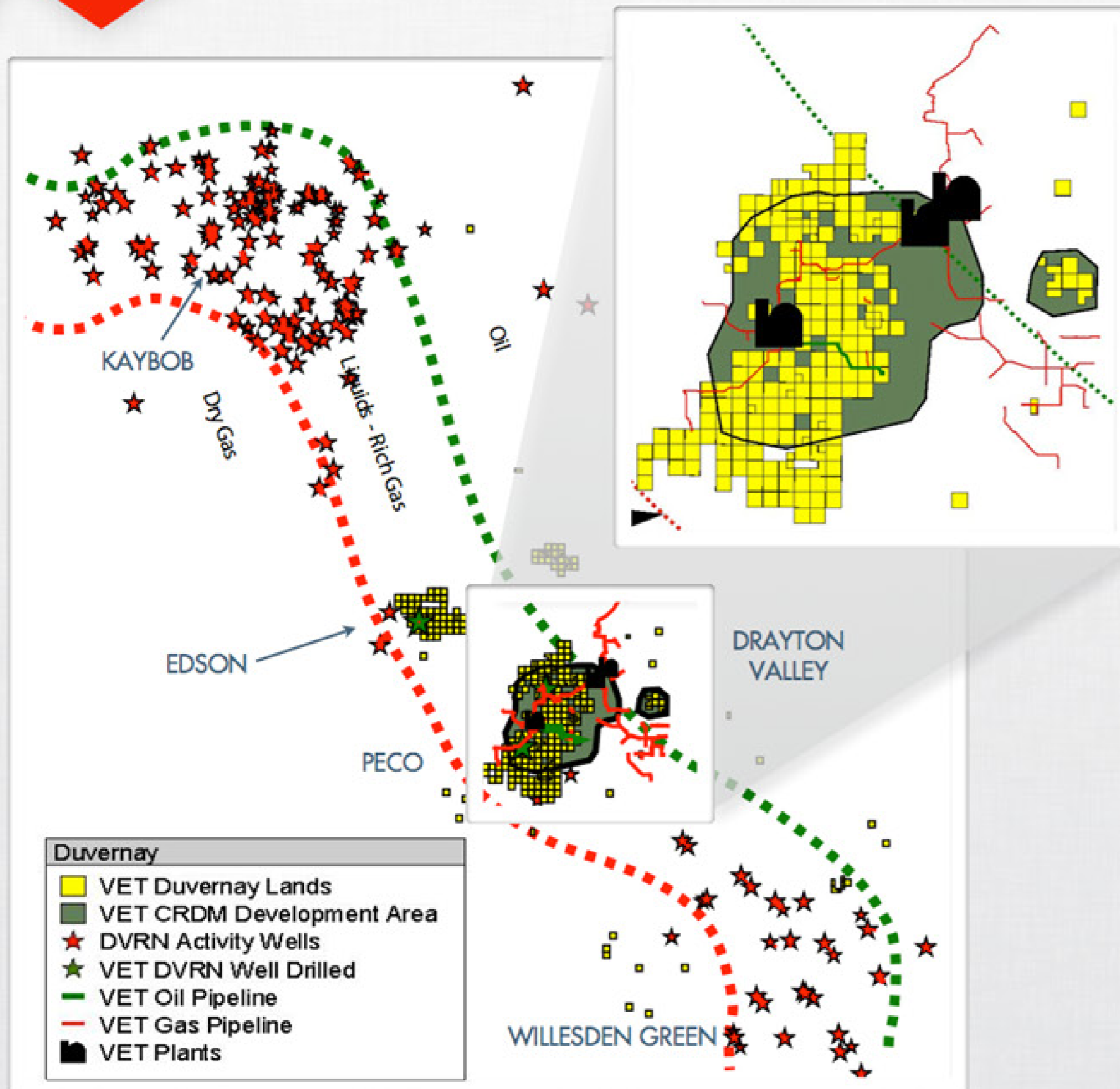
- ▶ Drill 6 gross (2.3 net) new operated wells mid-to-late 2013



SIGNIFICANT LIQUIDS-RICH INVENTORY TO AUGMENT MEDIUM TO LONG-TERM GROWTH

*Map indicates industry related activity by play type since 2009

DUVERNAY LIQUIDS-RICH RESOURCE PLAY



VERMILION'S DUVERNAY LIQUIDS-RICH GAS OPPORTUNITY

- ▶ 272 net sections (174,240 acres) of largely contiguous Duvernay lands assembled for \$74 million (~\$425/acre)
- ▶ Captures full range of the liquids-rich gas fairway
- ▶ Expected condensate yields of 30 to 300 bbls/mmcf*
- ▶ Completed two vertical appraisal wells [core, log and Diagnostic Fracture Injection Test (DFIT)] in Duvernay play in 2012, and a third completed in early 2013
- ▶ Potential source of long-term growth

VERMILION'S COMPETITIVE ADVANTAGES

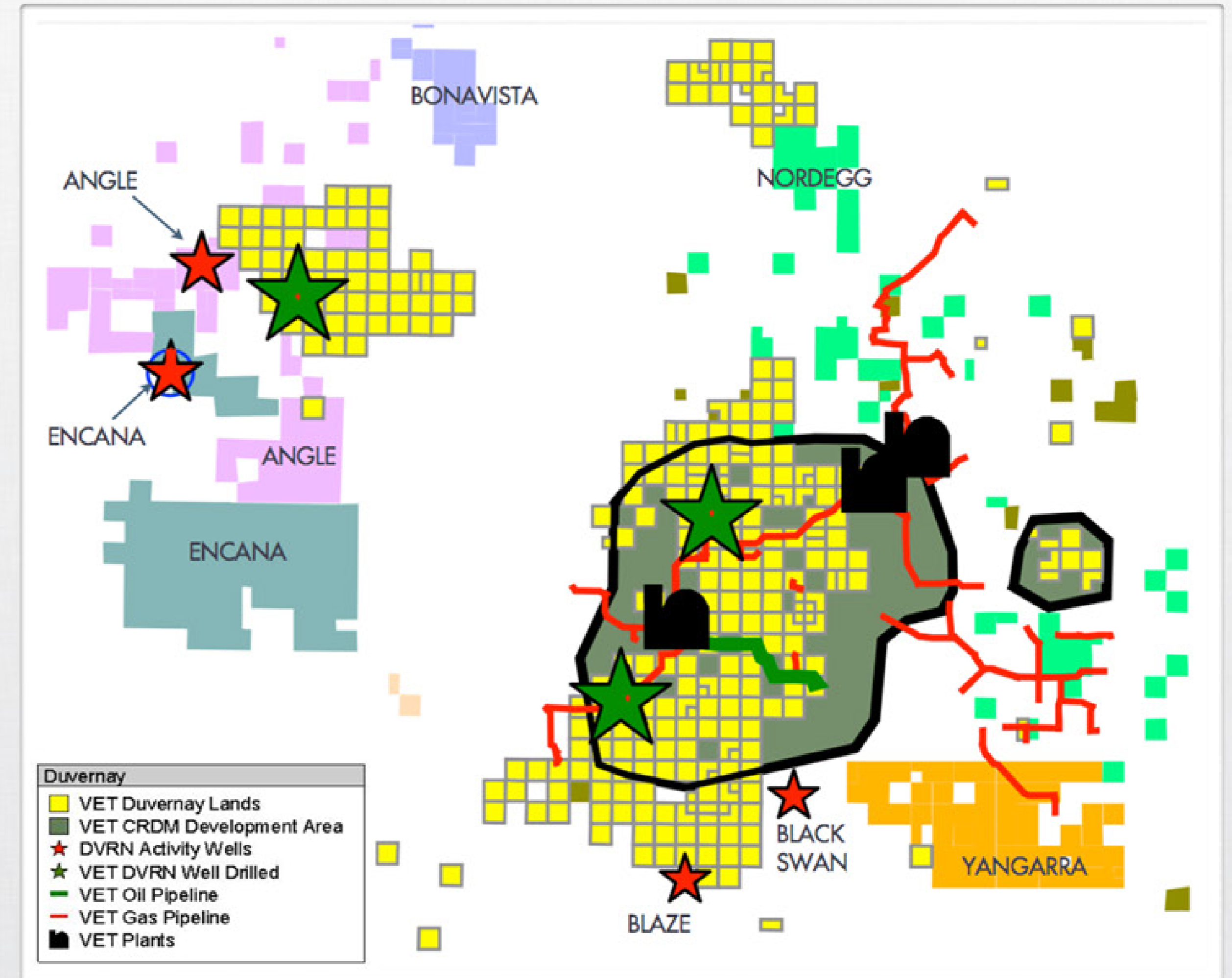
- ▶ Demonstrated experience in decreasing costs and optimizing productivity in Cardium resource play
- ▶ Duvernay rights underlie Cardium development area, resulting in capital and operating cost advantages
- ▶ Proximal to extensive Vermilion pipeline and gas plant infrastructure
- ▶ Pre-existing 3D seismic coverage for much of the Duvernay land base

FOCUSED ON OIL AND LIQUIDS-RICH GAS DRIVEN GROWTH TO 2020 AND BEYOND

*Company estimates

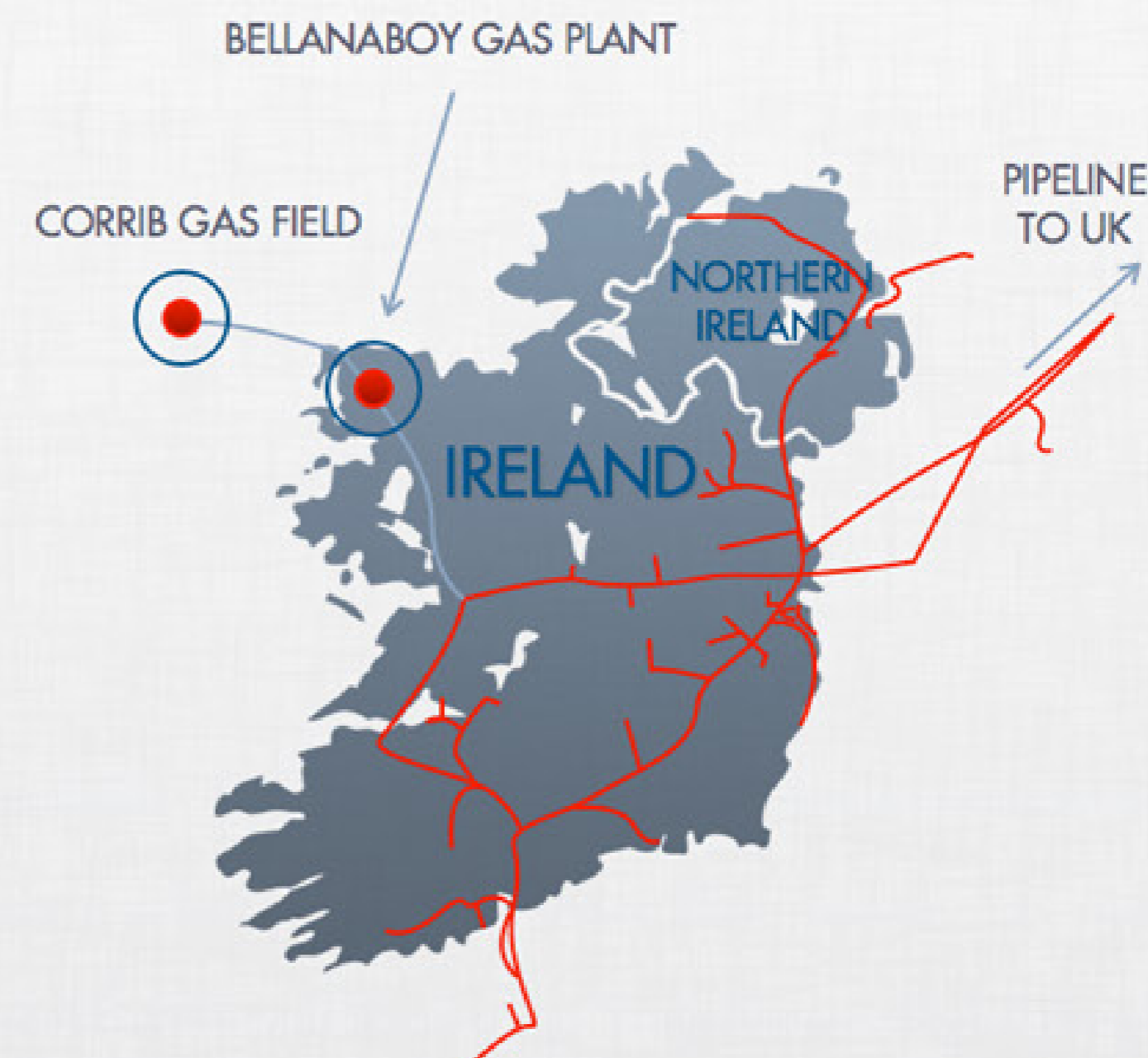
DUVERNAY LIQUIDS-RICH RESOURCE PLAY

- Consistent Duvernay related land activity in the greater Drayton Valley area
- Significant industry information anticipated to become available throughout 2013 with many wells coming off confidential
- Intend to cautiously pace development to maximize benefit from industry learnings regarding most efficient and cost-effective completion methods for the Duvernay



PRELIMINARY INTERPRETATION OF FLUID RECOVERY CONFIRMS LANDS WELL LOCATED WITHIN LIQUIDS-RICH WINDOW

EUROPEAN CORE REGION



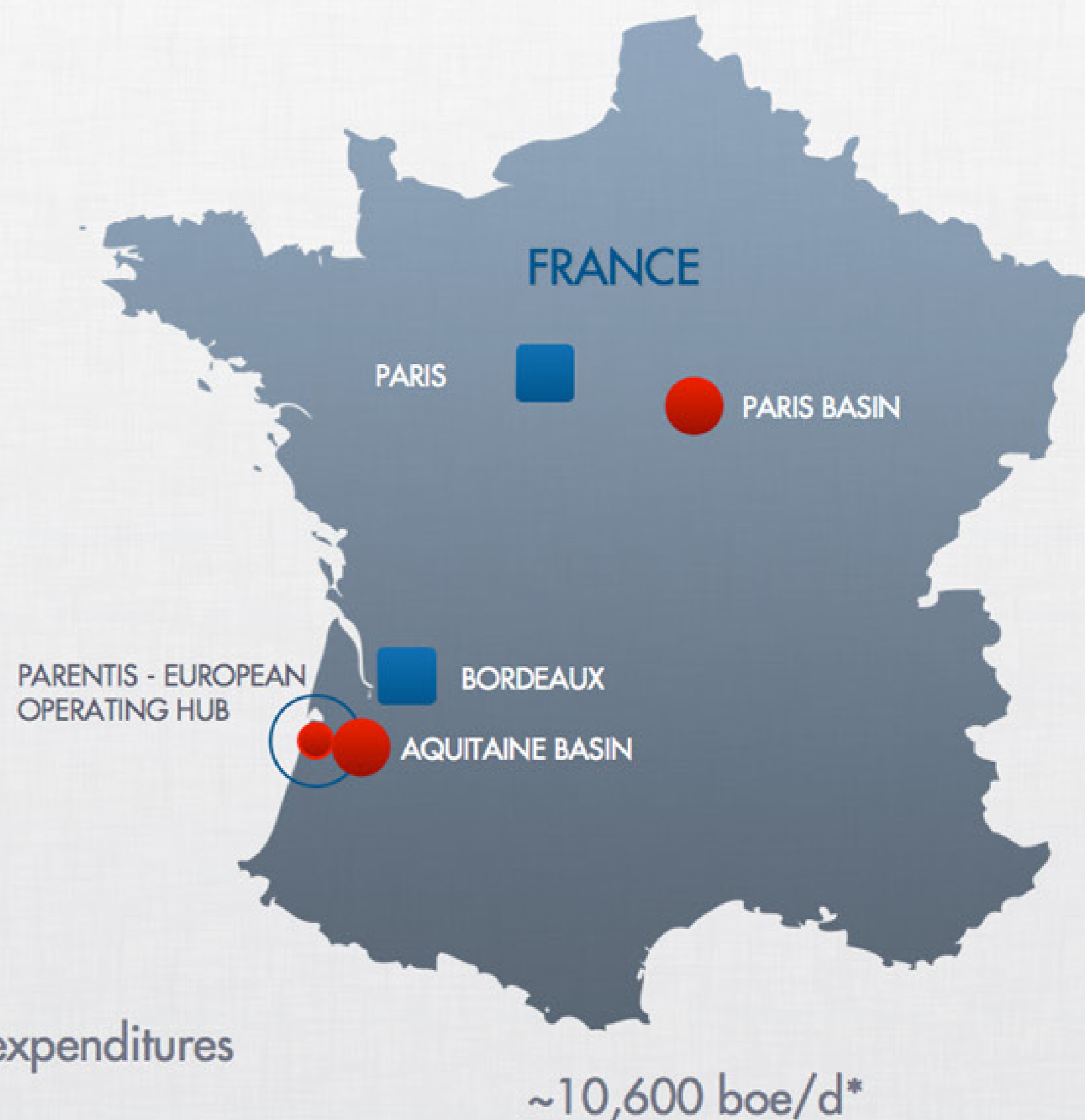
- Operational hub for France, Netherlands and Ireland located in Parentis, France
- Provides operational technical services for all the European assets

REGION EXPECTED TO DELIVER STABLE NEAR TERM PRODUCTION AND CASH FLOW WITH POTENTIAL FOR SIGNIFICANT MEDIUM AND LONG TERM GROWTH

- Entered France in 1997
- Assets characterized by large OOIP conventional fields with high working interest
- Workover, infill drilling and secondary recovery opportunities
- Stable Brent production base
- Historically strong free cash flow generator
- Potential resource play development

PLANNED 2013 CAPITAL ACTIVITIES

- Numerous workovers and recompletions
- 4 well infill drill program in Champotran
- Production optimization activities, facilities construction and land-related expenditures



VERMILION IS THE #1 OIL PRODUCER IN FRANCE

*2012 average production, as at December 31, 2012

FRANCE - 2012 ACQUISITIONS

ASSET SUMMARY

- Low decline conventional oil assets with reserve life index of 20 years
- Significant waterflood optimization and development opportunities (not included in GLJ reserve estimate)

VERMILION'S COMPETITIVE ADVANTAGES

- Proximal to current Vermilion development area, resulting in cost advantages
- Consistent with focus on high netback oil opportunities

ACQUISITION METRICS	Total SA assets	ZaZa
Cost (millions)	\$106	\$75
Acreage (net)	31,800	24,300
Production (boe/d)	2,000	850
Proved + Probable Reserves (million boe)	6.7 ⁽¹⁾	6.3 ⁽²⁾
\$/boe/d	\$48,000	\$88,000
\$/boe	\$15.80	\$12.00

ACQUISITIONS FURTHER STRENGTHEN VERMILION'S DOMINANT POSITION IN FRANCE

(1) Proved plus probable reserves as evaluated by GLJ Petroleum Consultants Ltd. in a report dated October 14, 2011 with an effective date of December 31, 2011.

(2) 2P developed producing reserves as evaluated by GLJ Petroleum Consultants Ltd. in a report dated November 13, 2012 with an effective date of December 31, 2012.

NETHERLANDS



- ▶ Entered Netherlands in 2004
- ▶ High impact natural gas drilling and development
- ▶ Royalty free natural gas
- ▶ Expect 2013 gas price to be ~\$10/mcf

KEY WELLS TO DATE

Well	Year	Gross Production Rate (mmcf/d)			
		<5	5-10	10-20	>20
Vinkega-1	2009				●
De Hoeve-1	2009			●	
Middenmeer-3	2009				●
Middelburen-2	2009		●		
Langezwaag	2011			●	
Vinkega-2	2012				●
Eernewoude-2	2012				●

WORLD CLASS CONVENTIONAL NATURAL GAS BASIN

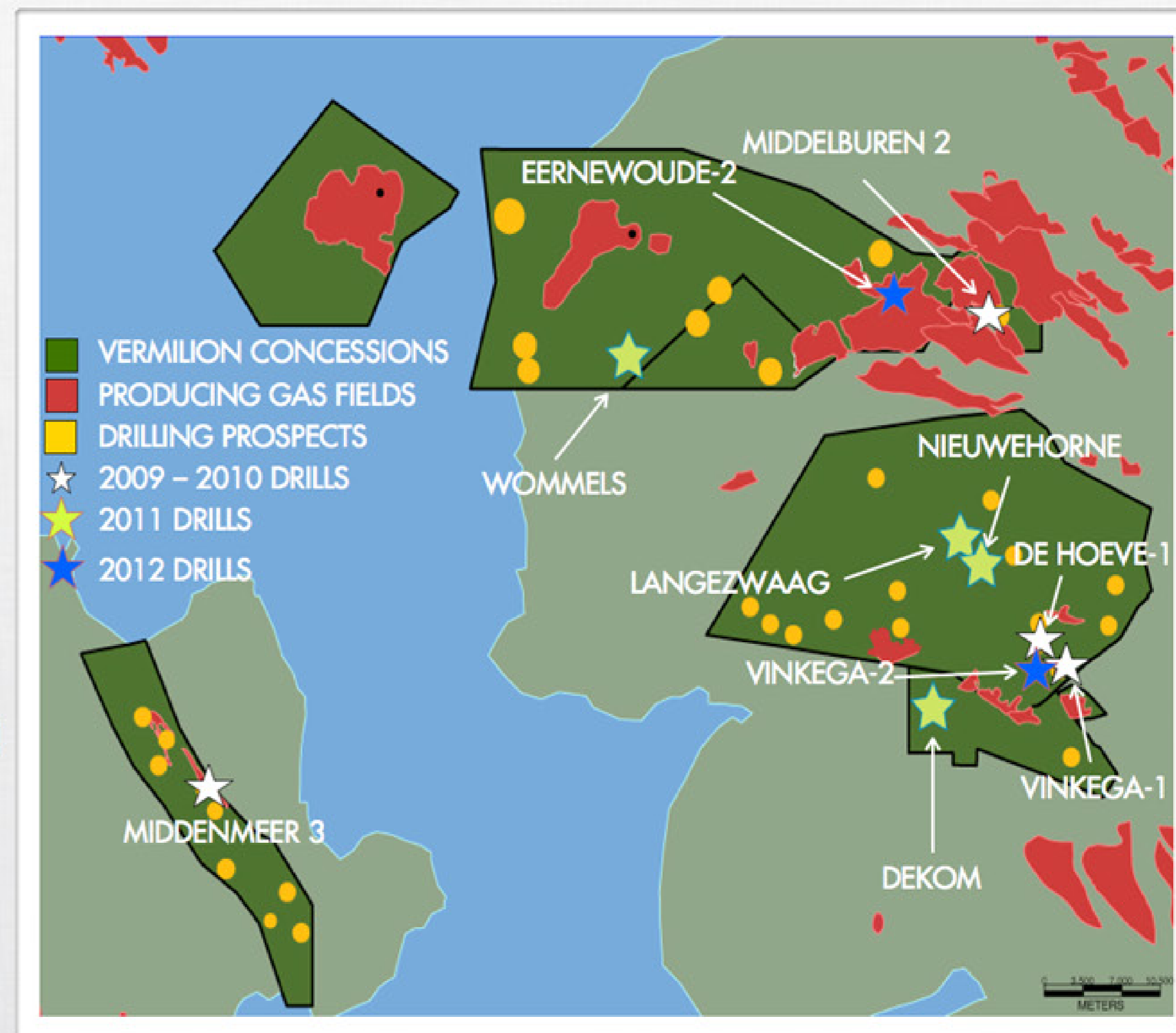
*2012 average production, as at December 31, 2012

NETHERLANDS ACTIVITY

- Completed tie-in of Eernewoude-2 well during Q4 2012
- Drilled 2 new wells in Q2/Q3 2012
- Production additions from 2011/12 drilling anticipated in 2013
- Added significant exploration concession at Opmeer, over 56,000 acres
- Total undeveloped land of more than 435,000 net acres

PLANNED 2013 CAPITAL ACTIVITIES

- 3 well drilling program, comprised of 2 exploration wells and 1 development well
- Tie in of Vinkega-2 and Langezwaag
- Gorredijk debottlenecking project
- On-going lease and facility construction and maintenance



NETHERLANDS PRODUCES HIGH NETBACK ROYALTY FREE NATURAL GAS

CORRIB PROJECT

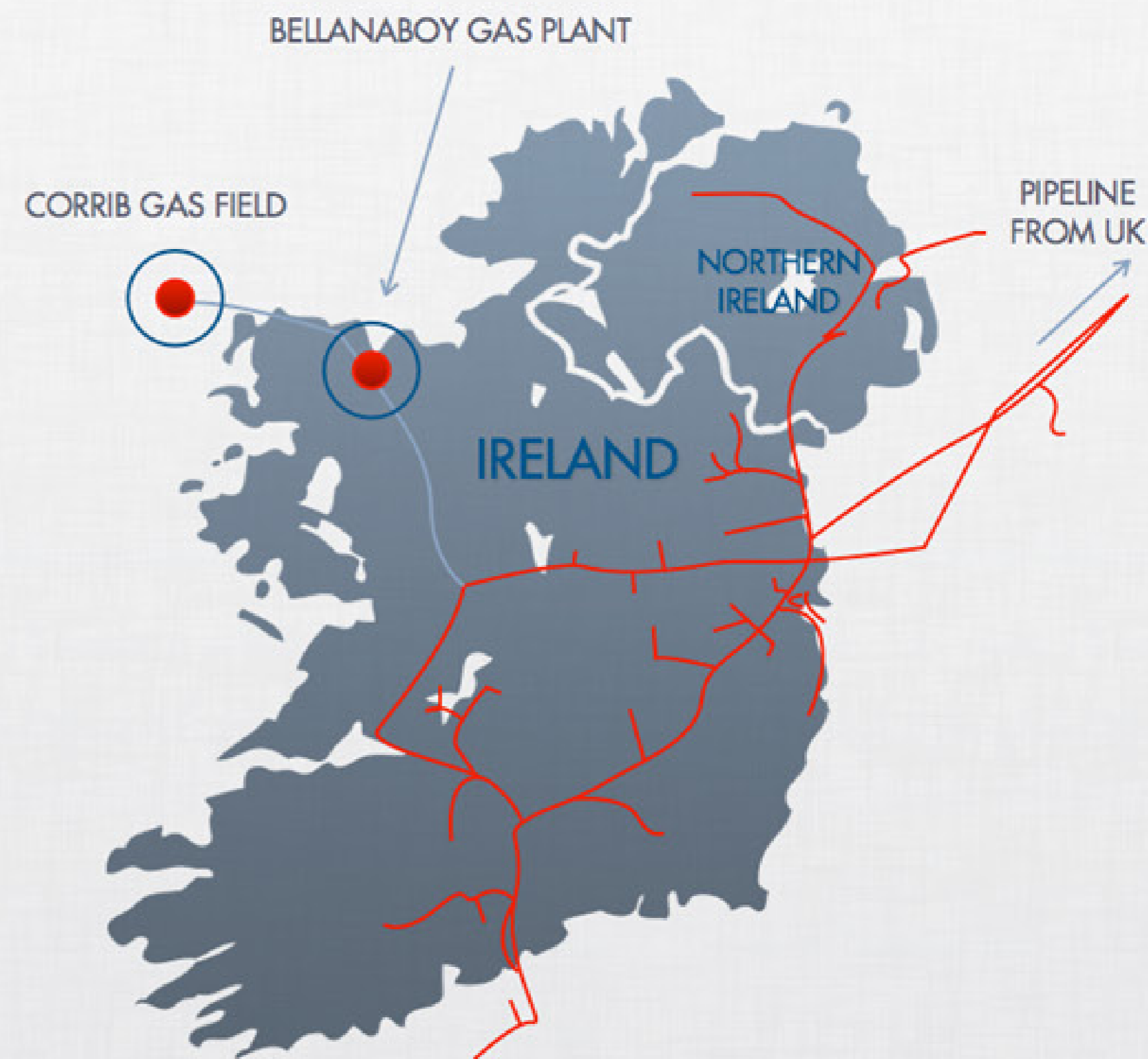
- Offshore natural gas field 83 km N.W. of Ireland (350 m water depth)
- Well total depth ~3,000 m below sea level
- Expected production of 55 mmcf/d (9,000 boe/d) net to Vermilion in late 2014 or early 2015 with peak production in mid-2015*

CORRIB PARTNERSHIP INTERESTS

- 45.5% Shell (Operator)
- 36.0% Statoil
- 18.5% Vermilion (acquired 2009)

IRISH GAS MARKET

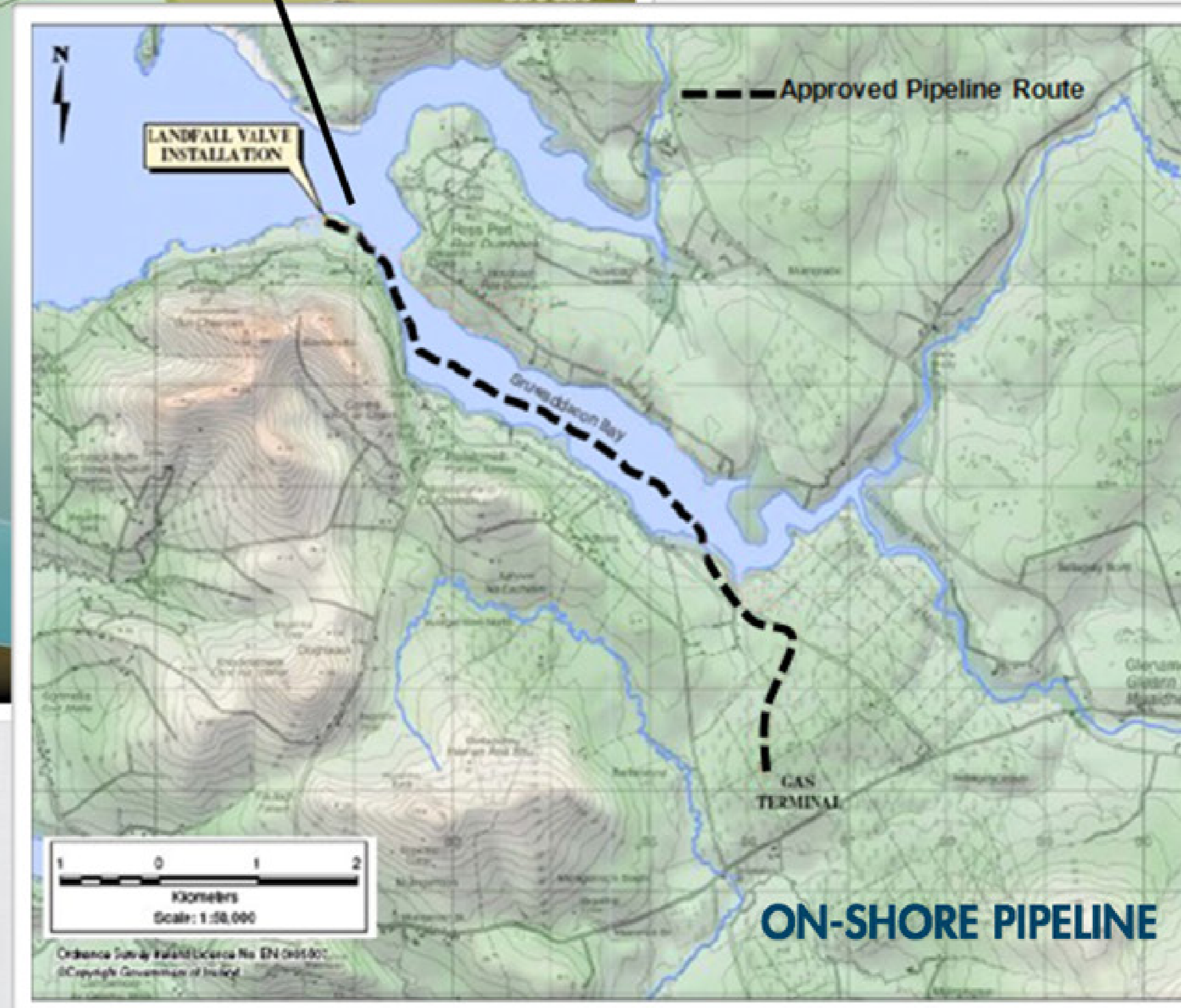
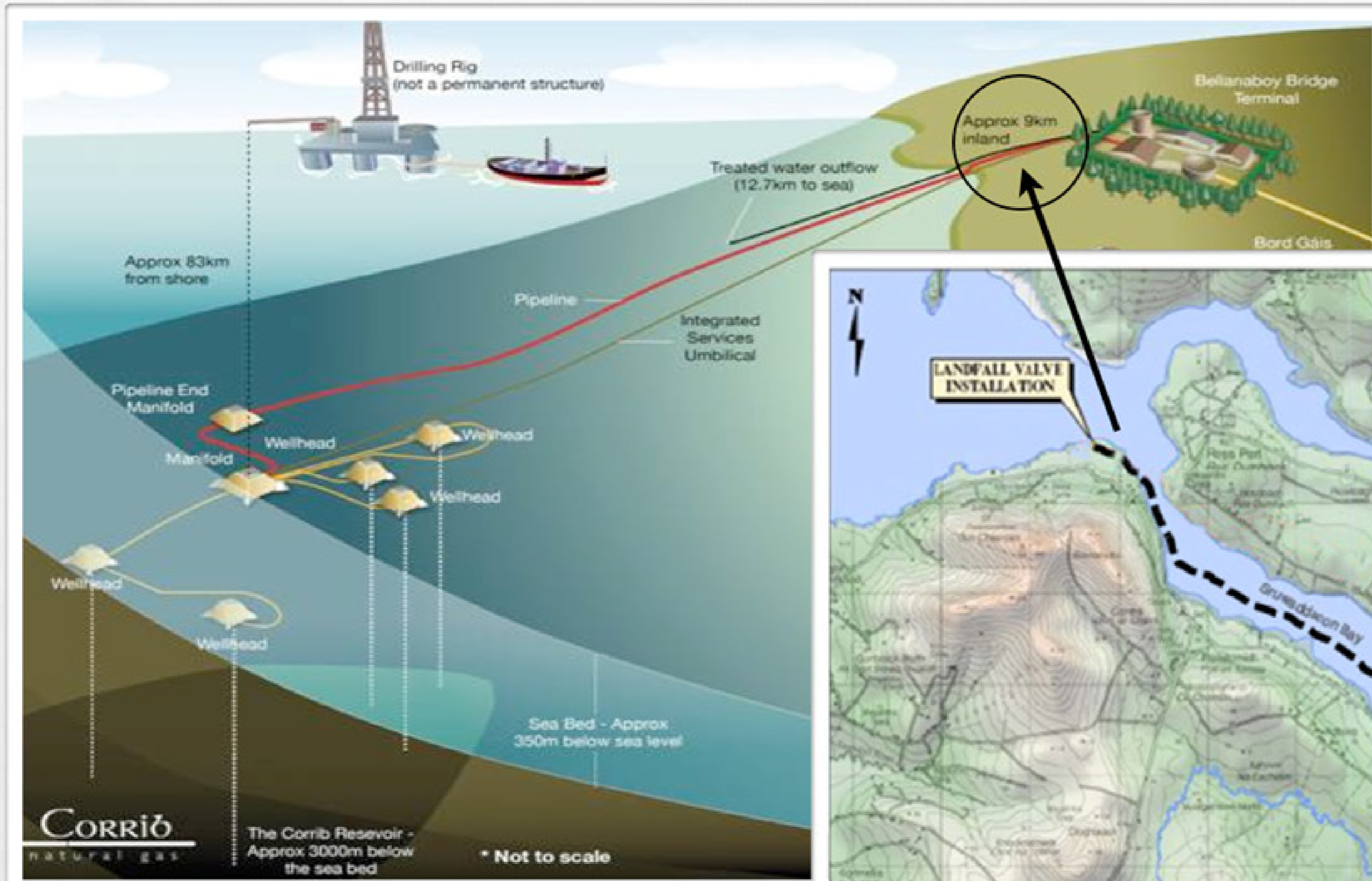
- Over 90% of supply imported from UK
- Corrib only new planned supply (late 2014)
- Pricing based on UK NBP plus transportation - current forward strip for 2015 ~\$10/mcf



CORRIB WILL DELIVER 60%-65% OF IRELAND'S GAS NEEDS AT PEAK PRODUCTION

*Company estimates

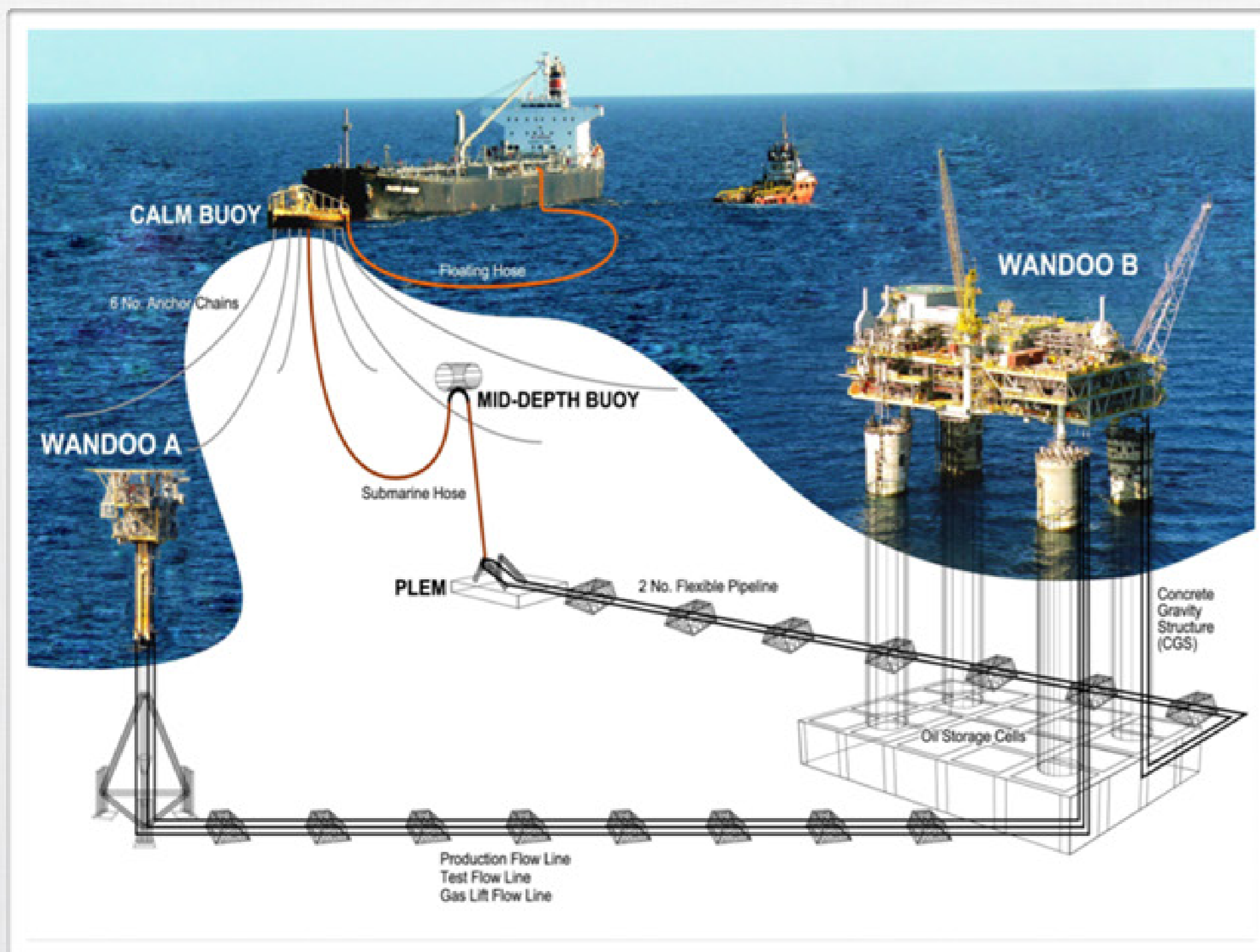
IRELAND ACTIVITY



ON-SHORE PIPELINE

- ▶ 4.9 km of 9 km pipeline to be tunneled under Sruwaddacon Bay
- ▶ Initiated tunneling December 16, 2012
- ▶ Tunneling, construction and commissioning anticipated to take approximately 2 years to complete

- ▶ Wells drilled and tested
- ▶ Subsea manifold & offshore pipeline installed
- ▶ Gas processing plant pending commissioning
- ▶ 170 km sales pipeline completed



WANDOO

AUSTRALIA

PERTH

~6,400 boe/d*

- ▶ Offshore oil field ~80 km N.W. of Australia (55 m water depth)
- ▶ Horizontal well development with 21 producing well bores
- ▶ Wells 600m below sea bed with 500 - 1,000+ m horizontal lengths
- ▶ Oil production sold directly from platform and receives a premium to Dated Brent index

STABLE ASSET DELIVERING BRENT CRUDE PRODUCTION AND STRONG CASH FLOW

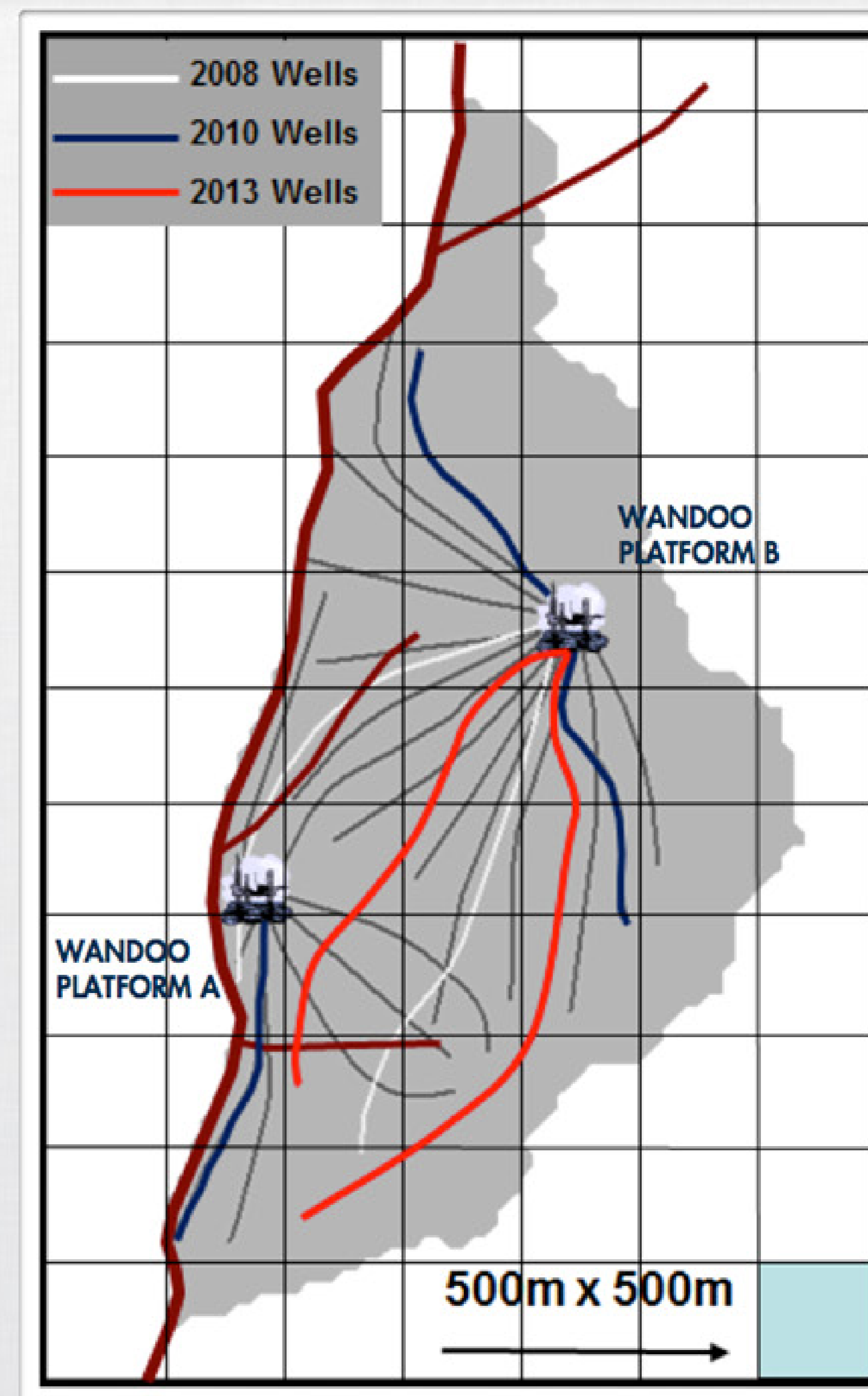
*2012 average production, as at December 31, 2012

AUSTRALIA ACTIVITY

- New wells use deviated sidetracks off existing well bores
- Oil is trapped above the existing wells, creating opportunity to drill above existing wells to capture attic and flank oil

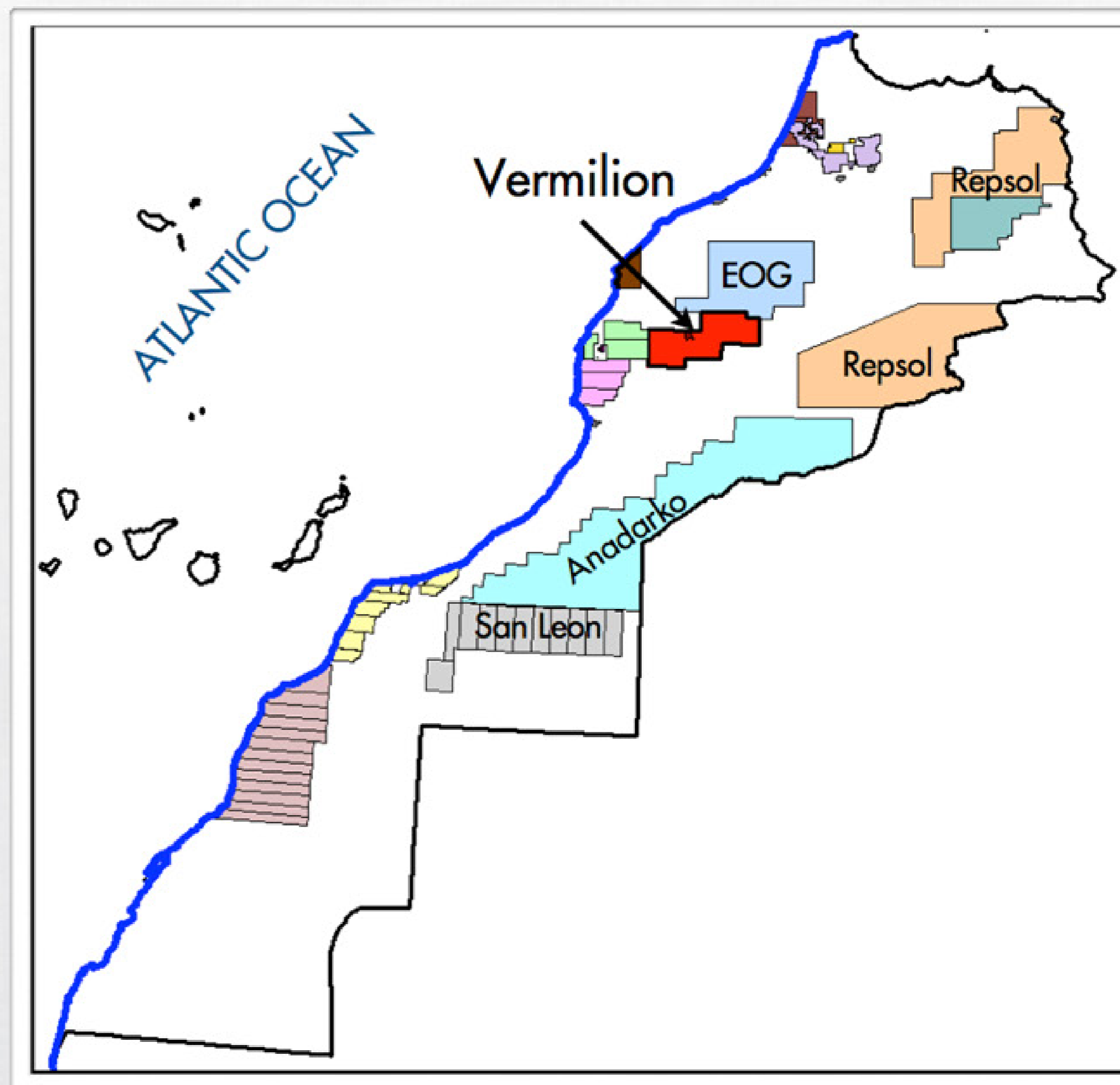
PLANNED 2013 CAPITAL ACTIVITIES

- Two-well drilling program in Q1 2013
- Platform maintenance and life-extending activities



- ▶ Pursuing multiple low-cost, early entry opportunities via direct permit grants
- ▶ Targeting modest capital commitments with low up-front cash costs
- ▶ Initiative limited to jurisdictions with political, fiscal, and regulatory stability
- ▶ Recently granted an exploration authorization in Morocco
- ▶ Working on opportunities in other jurisdictions

- ▶ Initial 12-month onshore exploration authorization covering 2.34 million acres of Haouz block, Morocco
- ▶ Work to include reprocessing of 2D seismic data, geological and geophysical studies (estimated cost ~\$0.5 million)
- ▶ Potential to fund longer term investments through joint venture
- ▶ Attractive royalty regime
 - ▶ 5% gas royalty
 - ▶ 10% oil royalty
 - ▶ 30% corporate tax rate, with 10 year holiday on production
 - ▶ 25% state carried interest through exploration phase

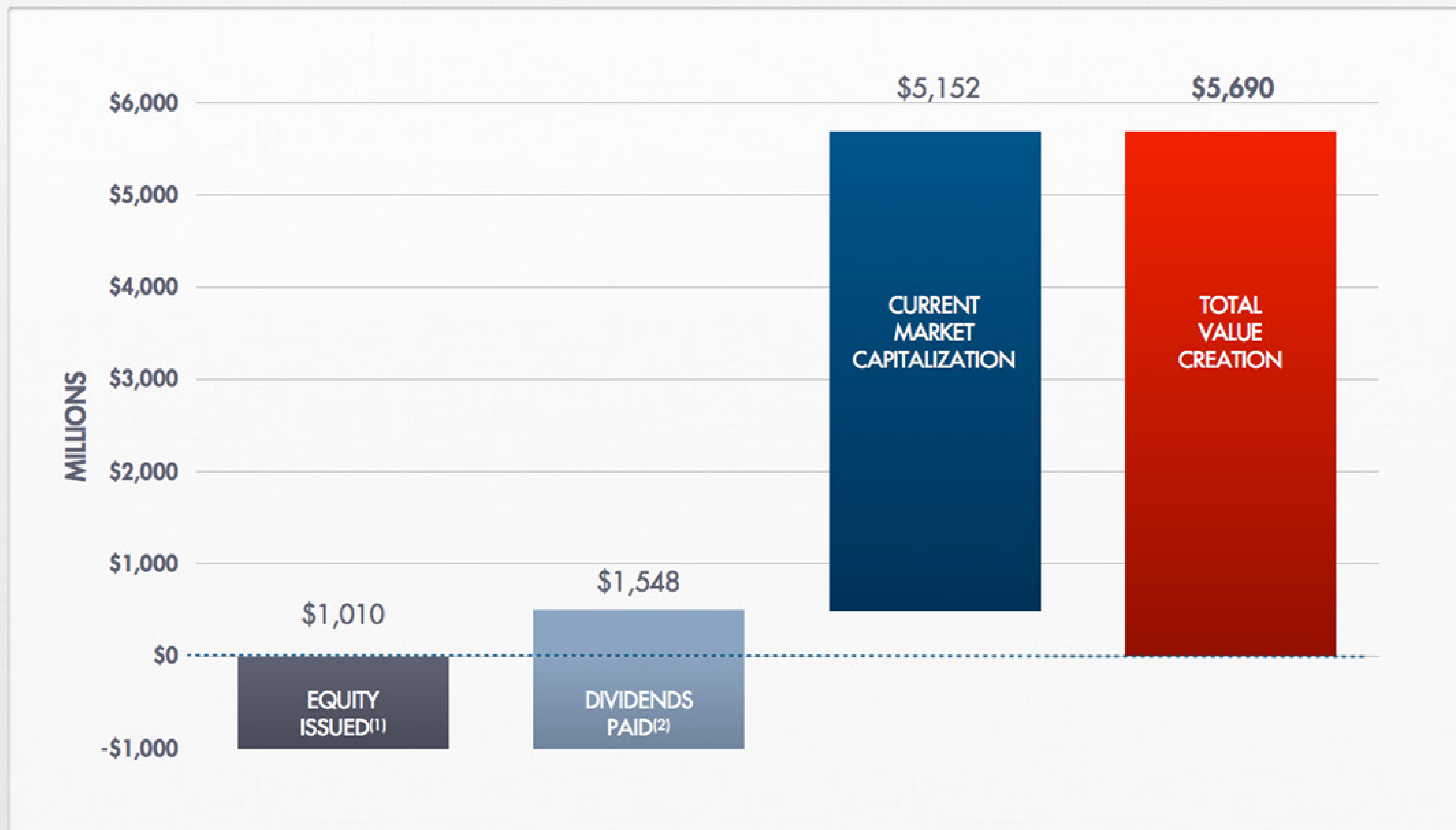


FOCUSED ON OIL & LIQUIDS-RICH GAS DRIVEN GROWTH TO 2020 AND BEYOND



RECORD OF VALUE CREATION

VALUE CREATION 1994 THROUGH 2012



18 YEAR TRACK RECORD OF STRONG VALUE CREATION

(1) Equity issued for cash since 1994

(2) Dividends paid 2003 to December 31, 2012

RELATIVE MARKET PERFORMANCE

	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (18 Years)
S&P TSX Total Return Index	7.2%	4.8%	0.8%	-	-	-
S&P TSX Composite Index	4.0%	1.9%	-2.1%	6.5%	4.2%	5.8%
S&P 500 Composite Index	13.4%	8.5%	-0.6%	4.9%	2.6%	6.3%
S&P 500 Energy Index	2.3%	7.4%	-2.4%	11.3%	7.2%	9.1%
MSCI World Index	13.2%	4.6%	-3.4%	5.4%	2.4%	4.2%
Vermilion Energy Total Return	19.6%	22.0%	13.1%	20.7%	15.7%	36.8%

VERMILION HAS CONSISTENTLY OUTPERFORMED RELEVANT INDICES

Compounded annual growth rate to December 31, 2012

A GREAT PLACE TO WORK

- Ranked among the Top 25 Best Workplaces in Canada & France for three consecutive years
 - Illustrates strong corporate culture
 - Highly engaged and motivated staff
 - Aids in attracting top talent
 - Low turnover rate

GOVERNANCE

- Recognition via Globe and Mail's 2012 Board Games report ranking 2nd among oil and gas companies and 15th among over 200 Canadian corporations
- The report ranks companies based on:
 - Disclosure
 - Board composition
 - Shareholding and executive compensation
 - Shareholder rights

CANADA



FRANCE



IN A CAPITAL INTENSIVE INDUSTRY, OUR PEOPLE ARE THE ULTIMATE DRIVER OF VALUE

SUMMARY

- Diversified asset base and product mix, providing premium pricing and risk mitigation
- Low-risk, well-defined production and cash flow growth profile
- Focus on per-share growth in production, reserves and dividends
- Capital efficient, sustainable business model
- Long-term market outperformance, but still compelling relative valuation

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