



Investor Presentation

February 25, 2014

Building Value
in Canada's Oil Sands

SilverWillow
ENERGY

Forward Looking Information (1)

Certain information in this presentation constitutes "forward-looking information" (within the meaning of applicable Canadian securities laws) regarding SilverWillow Energy Corporation's ("Corporation") business and affairs. Such information ("forward-looking statements") are generally identifiable by the terminology used, such as "anticipate", "believe", "intend", "view", "proposed", "plan", "expect", "estimate", "budget", "outlook", "should", "would", "indicative", "potential", "illustrative", "growth", "upside", "go-forward", "scenarios", "outcome", "notional", "may" or other similar words and include statements relating to or associated with individual wells, regions or projects.

Statements relating to "resources" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions, that the resources described, exist in the quantities predicted or estimated, and can be profitably produced in the future.

Assumptions upon which certain of such forward-looking statements are based include assumptions regarding, among other items: future crude oil, bitumen, and natural gas prices; the Corporation's ability to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Corporation's requirements; the regulatory framework representing royalties, taxes and environmental matters in which the Corporation conducts its business; the Corporation's ability to market production of bitumen successfully to customers; the Corporation's geological and engineering estimates; continuity between core holes; the geography of the areas in which the Corporation is exploring; the impact on the Corporation of increasing competition; the Corporation's ability to obtain financing on acceptable terms; and those other assumptions described elsewhere in this presentation. These assumptions are based on certain factors and events that are not within the control of SilverWillow Energy and there is no assurance they will prove to be correct.

Forward Looking Information (2)

The forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such risks, uncertainties and factors include, among others: costs associated with the production and upgrading of bitumen; the impact of competition; the need to obtain required approvals and permits from regulatory authorities; liabilities as a result of accidental damage to the environment; compliance with and liabilities under environmental laws and regulations; the uncertainty of estimates by the Corporation's independent consultants with respect to the Corporation's bitumen resources; the volatility of crude oil and natural gas prices and of the differential between heavy and light crude oil prices; the risks associated with exploring for, developing and producing bitumen; changes in the foreign exchange rate amount between the Canadian and the U.S. dollar; difficulties encountered in delivering bitumen to commercial markets; risks that the Corporation is unable to sufficiently protect its proprietary technology or may be subject to technology infringement claims from third parties; general economic conditions in Canada and the United States; failure to obtain industry partners and other third-party consents and approvals when required; royalties payable in respect of the Corporation's production; the impact of amendments to the Tax Act on the Corporation; changes in or the introduction of new government legislation, including for example legislation concerning carbon dioxide relating to the Corporation's business; the uncertainty of the Corporation's ability to attract capital when necessary. There are numerous uncertainties inherent in estimating bitumen, including many factors beyond the Corporation's control, and no assurance can be given that the indicated level of bitumen or the recovery thereof will be realized. In general, estimates of bitumen are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates, which have inherent uncertainties. There is no certainty that it will be commercially viable to produce any of the discovered resources or the contingent resources from the Audet lands. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. The forward looking statements in this presentation are expressly qualified by this cautionary statement. SilverWillow Energy undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward looking information.

Resource Disclosure

The resource estimates contained herein were extracted from reports prepared by Sproule Unconventional Limited (“Sproule”), an independent engineering firm. The preparation and disclosure of the Corporation’s reported resource estimates are the responsibility of SilverWillow’s management and require approval by the Corporation’s Reserves and Health, Safety & Environment Committee and Board of Directors. Sproule’s responsibility is to express an opinion on the discovered bitumen initially-in-place data based on Sproule’s independent evaluations and review. Sproule carried out the evaluations and review in accordance with standards established by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, which require that the resource estimates be prepared in accordance with the Canadian Oil and Gas Evaluation Handbook (“COGEH”).

Discovered Petroleum Initially-In-Place (equivalent to discovered resources) is defined in COGEH as that quantity of bitumen that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered bitumen initially-in-place (DBIIP) includes production, reserves, and contingent resources; the remainder is unrecoverable.

Contingent Resources are defined in COGEH 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 resources” the estimated discovered recoverable quantities associated with a project in the early project stage.

There is no certainty that it will be commercially viable to produce any portion of these contingent resources or the discovered bitumen resources.

All references to the “Sproule Audet Report” throughout this presentation reflect Sproule’s report dated February 25, 2014 entitled “Evaluation of the Discovered Bitumen Initially-In-Place and the Contingent Bitumen Resources of the Audet Lands in the Athabasca Oil Sands Region of Alberta for SilverWillow Energy Corporation (As of December 31, 2013)”.

SilverWillow Highlights

- On April 4, 2012, SilverWillow Energy Corporation commenced operations as a result of a plan of arrangement between SilverBirch Energy Corporation and Teck Resources Ltd.
- The SilverWillow management team is comprised of members of the former SilverBirch management team and is focused on exploring and developing in situ resources in the Athabasca oil sands area in north-eastern Alberta

In Situ Oil Sands – All 100% owned

- Audet – Resource Update 2013
 - 1.8 billion barrels Discovered Bitumen Initially-in-Place¹
 - 84 million barrels of the above Discovered Bitumen assigned as best estimate Contingent Resources¹
 - SAGD development feasibility validated
- Birch Mountains – (94,080 acres)
 - Prospective drilling targets identified
- Other Exploration Lands – (57,600 acres)

SilverWillow is a pre-production company focused on the exploration for, and development of, opportunities within the oil sands and heavy oil industry

1. Sproule Audet Report



A Audet – 100% W.I. In Situ Potential

B Birch Mountains – 100% W.I. In Situ Potential

C Jordan – 100% W.I.

D Other – 100% W.I. In Situ Potential



Overview of SilverWillow assets in Athabasca Oil Sands Region

Audet Progress Update

- ✓ Preliminary caprock assessment program and reservoir engineering completed
- ✓ Testing and simulation indicates steam containment by McMurray shale caprock for low pressure SAGD scheme operating at 1,350 kPa
- ✓ Further sampling and testing of caprock materials to demonstrate lateral extent is required; additional drilling and sampling completed in the 1Q 2013 Audet drilling program

Updated Resource Estimate and Assignment of Contingent Resources

- December 31, 2013 Resource Update by Sproule Unconventional Limited¹
- 1.8 Billion barrels: *Discovered* Bitumen-Initially-In-Place¹

Estimate of Contingent Bitumen Resources (Million Barrels)

	<i>Developable- Bitumen-Initially-In-Place (Million Barrels)</i>	<i>Recoverable- Bitumen-Initially-In-Place (Million Barrels)</i>	Recovery Factor (%)
Low Estimate	88.6	43.2	48.8
Best Estimate	153.3	83.6	54.5
High Estimate	284.8	171.8	60.3

1. Sproule Audet Report

Audet Progress Update (cont.)

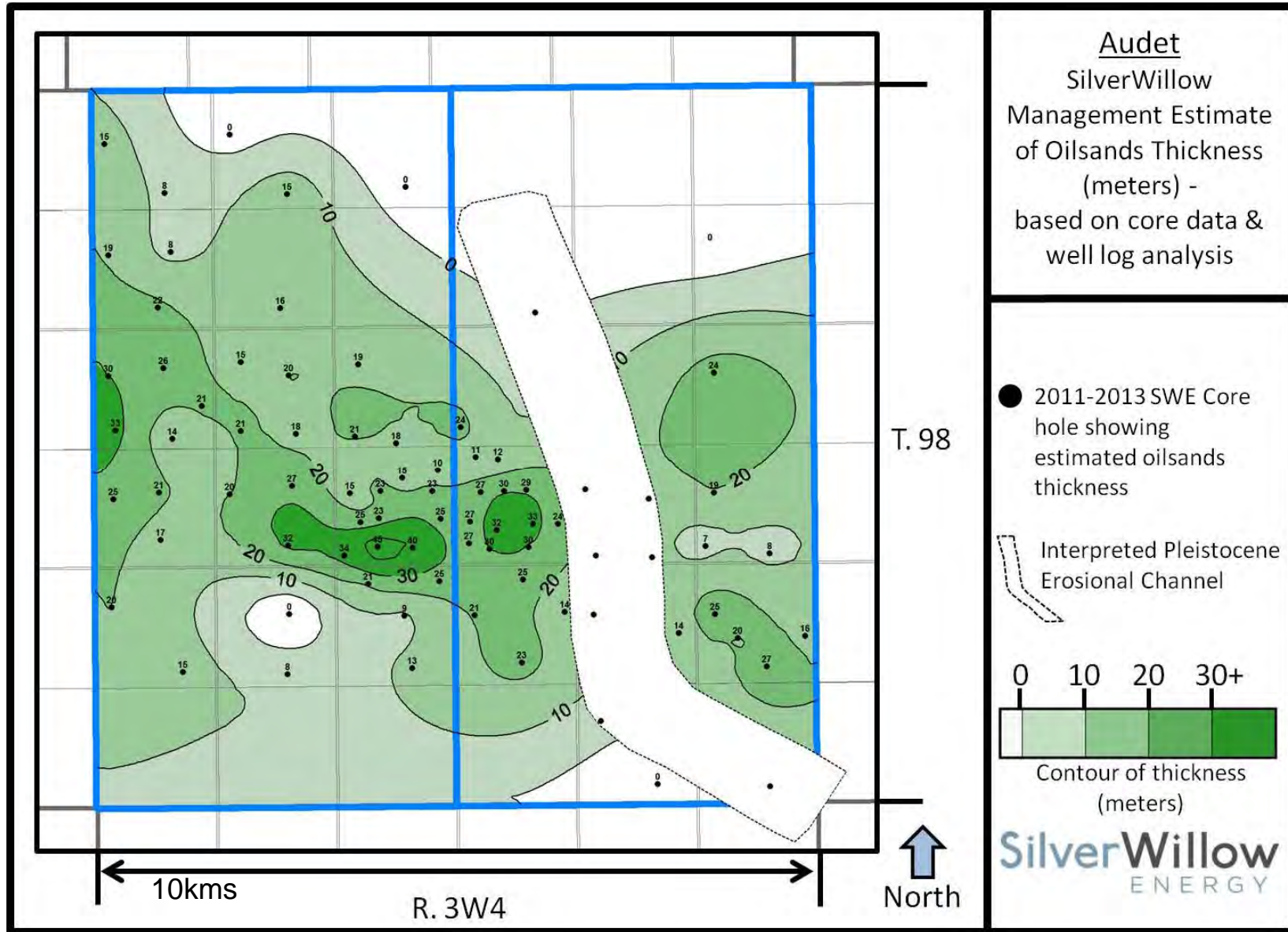
Regulatory Application Filed for 12,000 b/d Audet SAGD Project (Q4 2013)

- Reservoir and geo-mechanical studies completed;
- Preliminary engineering completed;
- Well pad layout, well schedule and well design completed;
- Access road and bridge design completed;
- Preliminary cost estimates completed
- Environmental baseline studies completed
- Regulatory Application for 12,000 bpd commercial development designed to produce 103 million barrels filed Q4 2013

SilverWillow Near Term Activities

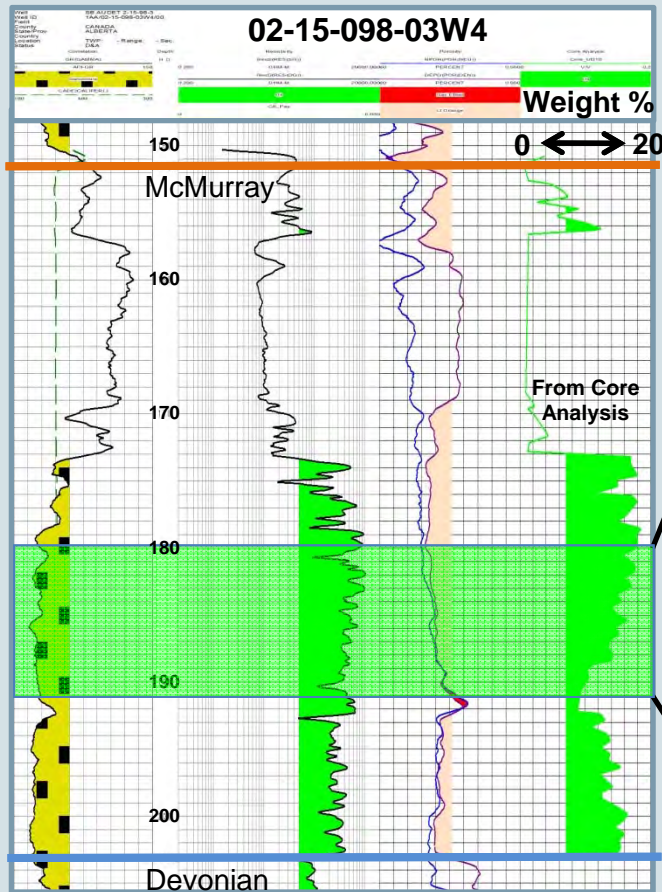
- Determine requirements to meet shallow SAGD guidelines (draft to be released March, 2014)
- Undertake pilot tests to confirm McMurray shale caprock integrity

Audet: Estimate of Oil Sands Thickness



- 81 core holes drilled
- Depth to top of oil sands ranging from 100 to 200 metres

Audet: A High Quality Reservoir



Core and well log data to date indicate:

- Average bitumen saturation: ~80%
 - (based on samples with minimum 7 mass % bitumen)
- Excellent porosities and permeabilities
- No significant shale breaks or interbedded shales
- Presence of upper lean bitumen zone in some areas
- No significant bottom water

Comparative In Situ Reservoir Parameters

Project	Company	Reservoir Depth (m)	Avg	Avg Permeability (Darcies)	Avg Bitumen Saturation	Avg Porosity	Native	Developed	Target Formation
			Net Pay Thickness (m)				Reservoir Pressure (kPa)	Reservoir Pressure (kPa)	
Audet*	SilverWillow Energy	165	22	6-18	80%	35%	1300-1800	1350	McMurray
Tamarack	Ivanhoe Energy	75-132	24-35	6	80%	33%	~500	1250-1450	McMurray
Telephone Lake	Cenovus	129-332	8-40	11	80%	34%	1,200	1,300	McMurray
MacKay River	Suncor	135	15-35	1-5	76%	34%	300-500	1,500-2,000	McMurray
Dover	Athabasca Oil Sands	160-500	21	2-9	76%	35%	700-1,000	3,000-5,000	McMurray
MacKay	Athabasca Oil Sands	180	18	2-9	77%	33%	600-1,100	1,800-2,200	McMurray
STP-McKay	Southern Pacific Res.	180	19	0.5-11	65-75%	32%	650	2,450	McMurray
Long Lake	OPTI Canada	200	30	6.3	75%	30%	1200	2750	McMurray
Surmont	ConocoPhillips	260	39	n.a.	80%	35%	1,700	3,000-4,500	McMurray
Hangingstone	Japan Canada Oil Sands	300	11-26	n.a.	85%	30%	n.a.	4500	McMurray
Firebag	Suncor	320	36	6-10	79%	35%	800	3,150	McMurray
Christina Lake	MEG Energy	360	20	3-5	80%	33%	2100	2,700-3,500	McMurray
Christina Lake	Cenovus	385	28	3-10	80%	30%	2,000	2,300-3,000	McMurray
Jackfish	Devon	415	15-40	2-10	80%	33%	2700	2,700-2,900	McMurray
Great Divide	Connacher Oil & Gas	475	20	3-9	85%	33%	1,480	4,300	McMurray
Foster Creek	Cenovus	500	30	6	85%	34%	2700	2,400-2,700	McMurray

Source: Canaccord Genuity & Company Reports

*Reservoir parameters for SilverWillow Audet planned In-Situ Project Area (12,000 bbls/d) based on results of coring programs to date; Audet average net pay thickness is based on SilverWillow management estimates and assumes application of SAGD technology – pilot testing required to verify effectiveness of McMurray shales as caprock for steam containment

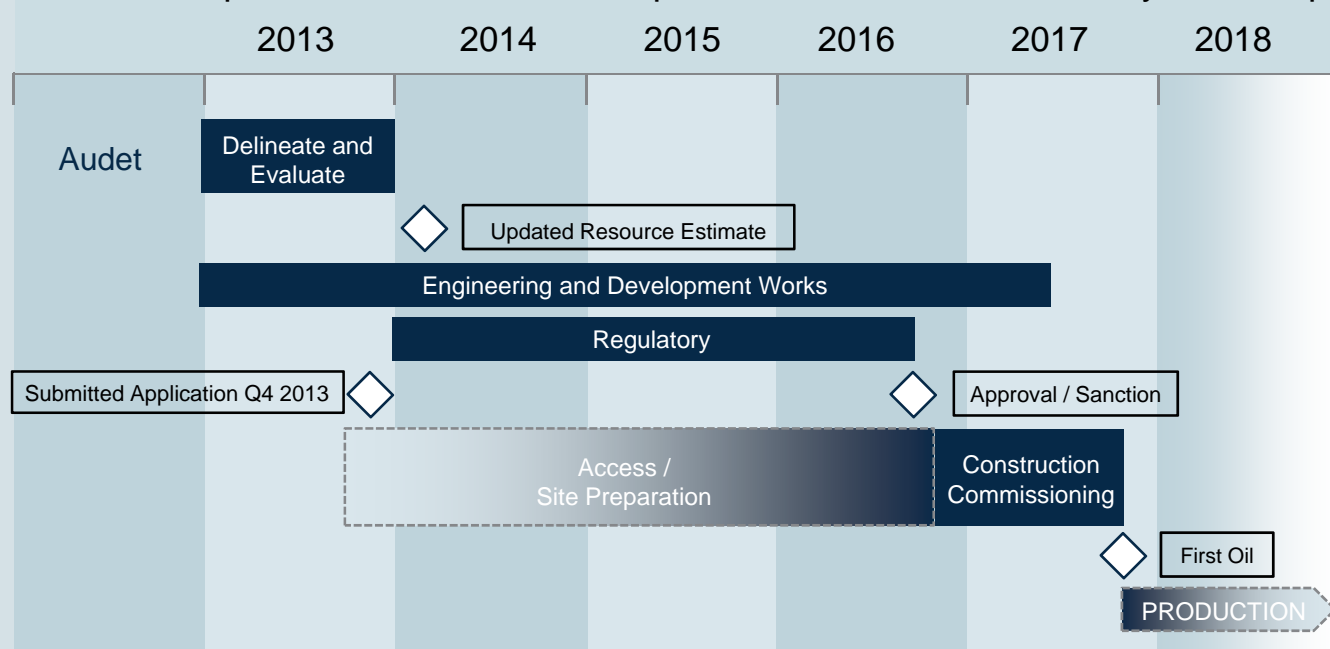
Audet Notional Development Plan 2013-2017

Conclusions from Preliminary Studies

- Commercial scale SAGD development feasibility validated on Audet lease

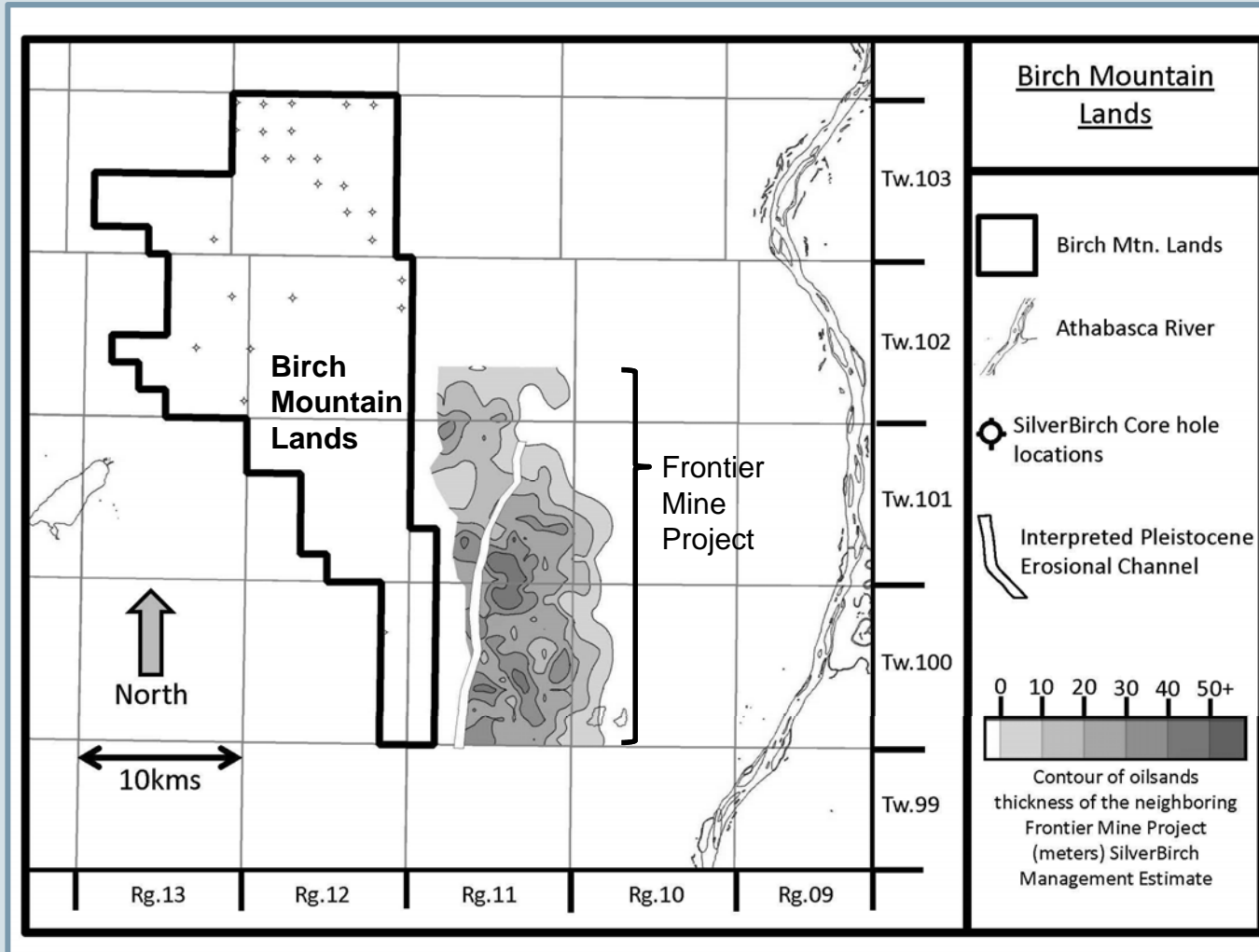
SilverWillow Near Term Activities

- ✓ Complete DBM for 12,000 bpd commercial scheme designed to extract 103 Million Bbls in initial project area;
- ✓ Complete environmental studies to contribute to project Environmental Assessment
- ✓ Prepare and submit Regulatory Application for 12,000 bpd commercial development
- Determine requirements and undertake pilot tests to confirm McMurray shale caprock integrity



Birch Mountain Exploration

- 25 core holes drilled and evaluated since 2006 (7 core holes on uplands)
- Immediately adjacent to thick bitumen deposit at Frontier Mine Project



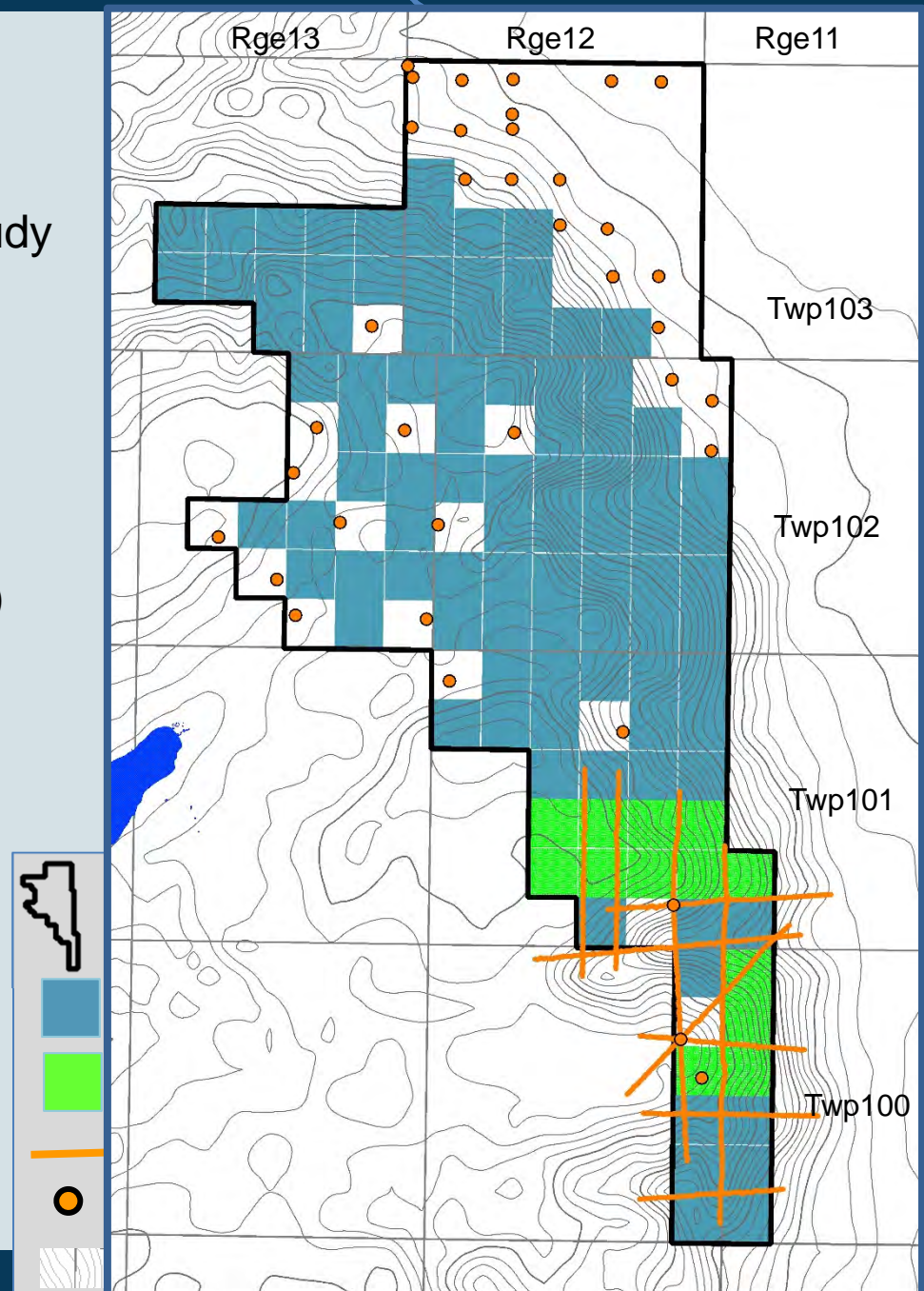
- Prospective in Wabiskaw D & Middle McMurray formations
- Further exploration required

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Birch Mountain Work Plan 2014 / 2015

- ✓ Completed a desktop geological study of the area
- ✓ Completed an exploration seismic acquisition program comprising 78km of 2D coverage – Q1 2013
- Total of 147 sections (94,080 acres)
- 105 unexplored sections (67,200 acres)
- 13 prospective sections identified based on the 2013 seismic survey

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Key Takeaways

- Discovered Resource base of ~1.8 Billion bbls¹ at Audet
 - Best Estimate of Contingent Resources 84 Million bbls¹
- Prospective drill targets on Birch Mountains
- Experienced leadership team with proven exploration/development record
- A work plan focused on delivery of value growth by way of:
 - Progression of Audet through exploration and regulatory process with approval anticipated in the 2016 timeframe
 - Exploration of the existing portfolio of lands
 - Assessment of new land positions & application of emerging technologies
- Working capital of ~\$4.2 Million (estimated as at December 31, 2013)
 - SilverWillow is funded until the end of Q3 2014
 - Assess financing alternatives, partnering opportunities and execution strategies



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SilverWillow's use of low impact seismic clearing

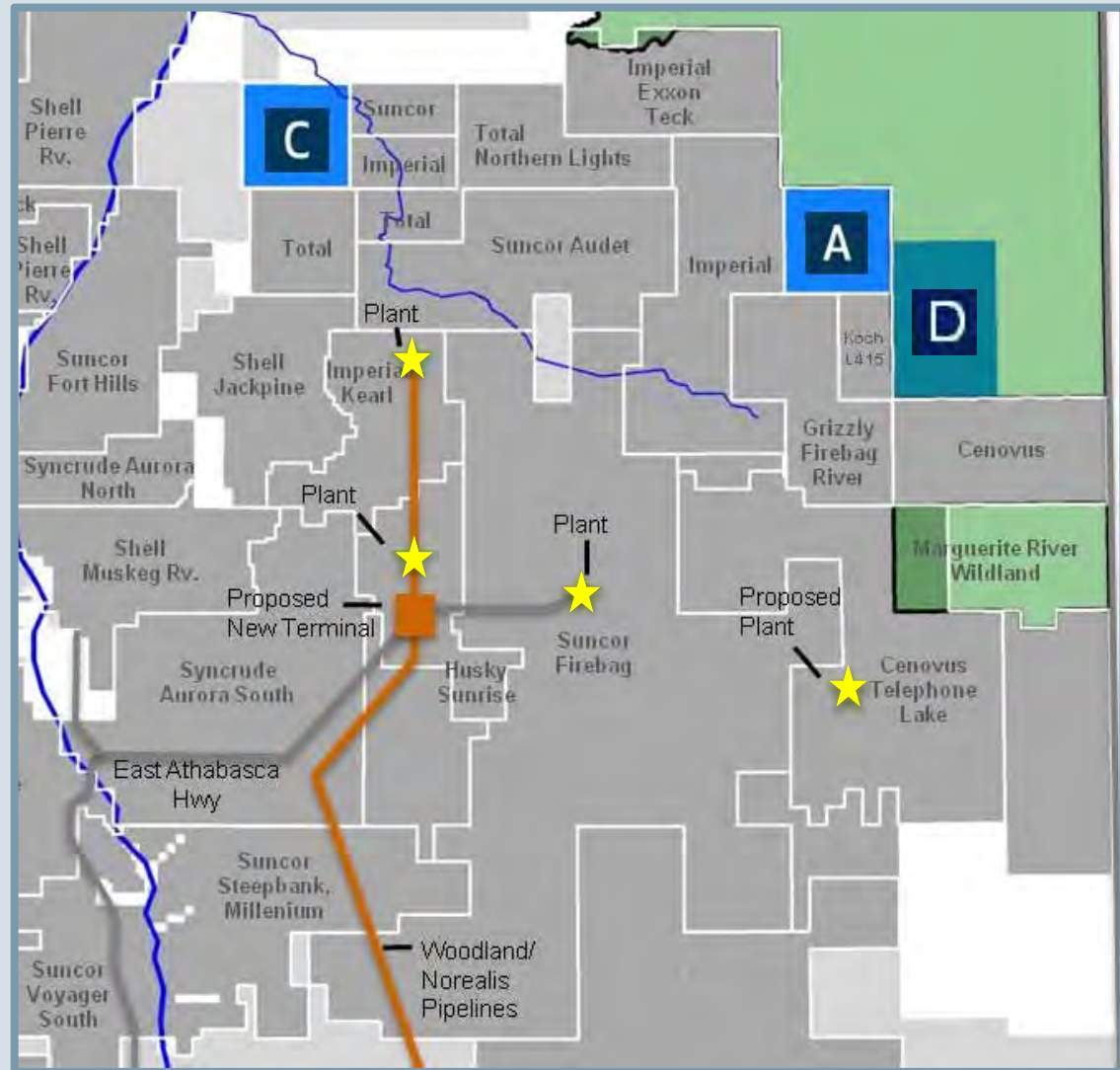
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Audet Lands Background

- In early 2010 UTS conducted a geophysical survey to assess the resource potential of the new lands
- In conjunction with existing geological data, results from this program indicated significant resource potential in 10-15 sections
- The Audet Lands are close to the Lease 421 Area in which UTS sold its 50% working interest to Imperial Oil / ExxonMobil in 2009 for \$250 million



Managing a World Class Resource

Key Issues Facing Small Developers

Market Uncertainty – market access/transportation, product pricing, diluent cost/availability

Regulatory timelines – SAGD approvals 18-24 months

Evolving regulations/requirements – greater technical scrutiny

Scarcity of talent and escalating costs



- Elevated project uncertainty
- Financing challenges – capital scarcity, higher risk premium

Addressing the Issues

- Conduct exploration and technical work-up to very high standards
- Work closely with all stakeholders
- Communicate with investors – keep them interested, onsite
- Work with industry peers to understand and adopt best practices
- Seek ways to de-risk project – be flexible, partnering, off-shore participation etc.

Audet: A High Quality Reservoir

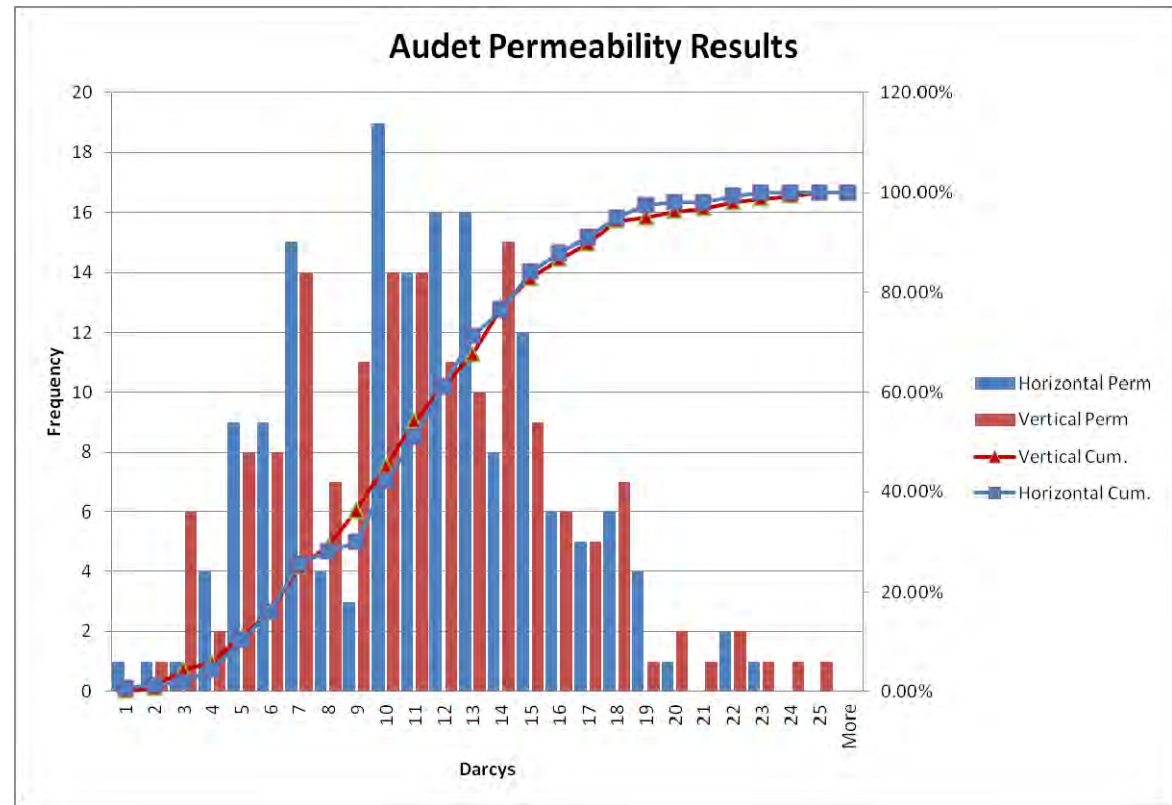
Results^{1,2} from laboratory coring programs to date indicate:

- Target formation: McMurray
- Average porosity: ~35%
- Average bitumen saturation: ~80%
- Permeabilities: predominantly in the range 6 to 18 Darcys (see chart below)

Notes:

1: above averages for porosity and bitumen saturation are results for core samples exhibiting a minimum 6 mass percent bitumen

2: permeability is a measure of the ability of the formation to allow movement of fluids. The Audet data represents a combination of results for both horizontal and vertical permeabilities



Resource Summary

Audet: 1.8 B barrels Discovered Bitumen Initially-in-Place¹

- Of the above Discovered Bitumen, Sproule has assigned a best estimate of Contingent Resources to the Audet Lands of 84 million barrels of Recoverable Bitumen-Initially-In-Place, as in the table below

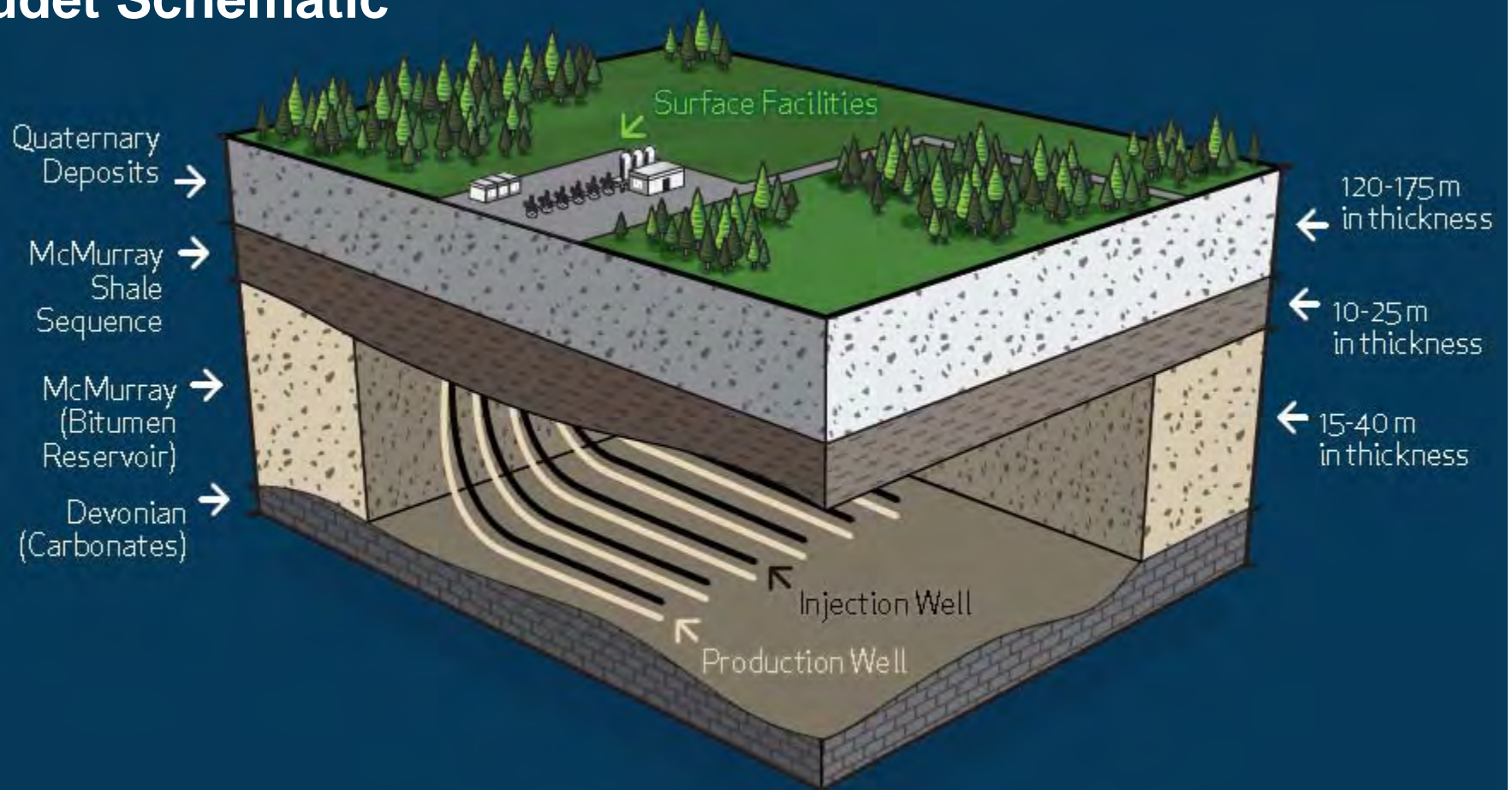
Estimate of Contingent Bitumen Resources (MMBbls) ¹

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Low Estimate	88.6	43.2	48.8
Best Estimate	153.3	83.6	54.5
High Estimate	284.8	171.8	60.3

Exploration upside:

- Birch Mountains - 100% working interest in 9 Leases (comprising 147 sections) with in situ potential and prospective drilling locations identified
- Jordan - 100% working interest in 2 leases (comprising 36 sections) of exploration lands east of the Athabasca River
- A total of ~117,000 acres of exploration potential

Audet Schematic



Quaternary Deposits - Thick sequence of glacial deposits comprising sands and gravel, interbedded with low permeability muddy till and clay.

McMurray Shale Sequence - Laterally extensive McMurray shales and tidal flat deposits capable of providing steam containment during the SAGD process.

Mc Murray Bitumen Reservoir - Excellent quality coarse grained reservoir with high permeability, porosity, and bitumen saturations throughout.

Devonian (Carbonates) - Carbonates underlying oil sands

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