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December 22, 2010
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CONTINUING COVERAGE: SPECULATIVE BUY

NuLoch Resources Inc. (TSX-V: NLR) (OTCQX: NULCF)

NuLoch Resources Inc., founded in 2005 and headquartered in Calgary, Alberta, is a rapidly growing oil and gas company engaged in petroleum and natural gas exploration, development and production within Canada and the United States. In mid November 2010, NuLoch was producing at a rate of approximately 1,100 boe/d. The company is focused on actively expanding and developing its strategic properties in North Dakota and Saskatchewan containing the widely recognized Bakken Shale and the Three Forks Sanish formations of the mid-continental Williston Basin. Considered one of the best oil plays in the U.S., the Bakken formation is the largest continuous oil formation ever assessed by the United States Geological Survey, estimated to hold up to 4.3 billion barrels of technically recoverable oil. Following a series of land and production acquisitions in the past two years, NuLoch currently has a total of over 66,000 producing and undeveloped net acres prospective for high-quality light and medium Bakken and Sanish oil, consisting of largely contiguous properties at Tableland in southeast Saskatchewan, and Burke and Divide Counties in North Dakota. During 2010, the company plans to drill 12 wells (8.2 net) in Tableland and 35 (3.5) wells in North Dakota, budgeting C$63.1 million in capital expenditures, of which was C$37.8 was spent in the first three quarters ending September 30, 2010. In addition, the company has oil and gas properties in Alberta, including the Enchant project with an oil discovery well, as well as the Balsam project with two oil wells in the Peace River Arch area.

The company's robust oil-focused drilling program bodes well for intensified interest in NLR shares and an improving valuation reflective of its sizeable land position and growing production in one of the fastest-growing oil-producing areas in North America. The management expects to exit 2010 and 2011 with production levels of 1,650 boe/d and 2,350 boe/d, respectively. NuLoch shares trade on the TSX Venture Exchange in Canada and since May 2010 on the OTCQX.

CURRENT PRICE: C$1.99
52-WEEK RANGE: C$0.80 - 2.05
AVG DAILY VOLUME (50-DAY): 324,889
FLOAT: 111.3 million
OUTSTANDING SHARES: 122.3 million
MARKET CAPITALIZATION: C$243.4 million
12-MONTH PRICE TARGET: C$2.53

CURRENCY EXCHANGE RATE: USD1.00 to CAD1.02

INCOME STATEMENT HIGHLIGHTS

REVENUE: C$17.5 million
EBITDA: C$5.5 million
NET INCOME: (C$665.0 thousand)
DILUTED EPS: (C$0.01)

All figures for twelve months ended September 30, 2010

BALANCE SHEET HIGHLIGHTS

CASH: C$114.0 thousand
WORKING CAPITAL: (C$9.9 million)
TOTAL ASSETS: C$94.8 million
LONG TERM DEBT: Nil
NET WORTH: C$78.7 million

All figures as of September 30, 2010
(prior to October 2010 financing)

INVESTMENT HIGHLIGHTS

♦ October 2010 bought deal financing raising C$28.1 million in gross proceeds for 16 million shares at C$1.25 per share and 5.4 million shares at C$1.50 per share.

♦ Rapid production growth from average 570 boe/d in Q3 2009, to average 882 boe/d in Q3 2010, to the level of approximately 1,100 boe/d in mid-November 2010.

♦ 267 net possible drilling locations in the Williston Basin – large contiguous producing and undeveloped land position from Canada to USA.

♦ A capital spending budget of C$63.1 million for an intensive 2010 drilling program paving significant growth for 2011.

♦ Pure play in the Bakken Shale and Three Forks Sanish formations, with price to cash flow ratio below peers.

CORPORATE CONTACT INFORMATION

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REFER TO LAST PAGE FOR EXPLANATION OF ABBREVIATIONS

THE BAKKEN

Geology The Bakken Shale and its underlying Three Forks Sanish formation are located in the subsurface of the Williston Basin, a nearly 500 miles long, oval-shaped structural sedimentary depression transected by the Missouri River. The basin's layered stratigraphy contains multiple stacked oil and gas plays ranging from Cambrian (543 million years) to the Pennsylvanian (290 million years) age.

The Bakken formation is a 350 million year old, dense, non-porous rock occupying about 200,000 square miles primarily in North Dakota and Saskatchewan. The rock formation consists of three layers: an upper organic-rich shale member, a middle mixed clastic and carbonate member, and a lower organic-rich shale member. In general, each overlying younger member of the Bakken is of greater geographic extent than the directly underlying older member. The middle dolomite member is the principal oil reservoir, roughly two miles below the surface. The Three Forks Sanish formation contains highly prospective sandstone and lies directly underneath the Bakken zone. The Bakken/Sanish is a continuous or unconventional resource dispersed throughout a geologic formation in contrast to conventional resources existing as discrete, localized occurrences. Continuous resources require more technical drilling and recovery methods that are more costly, and the oil recoveries per well are commonly much lower than in a conventional resource accumulation.

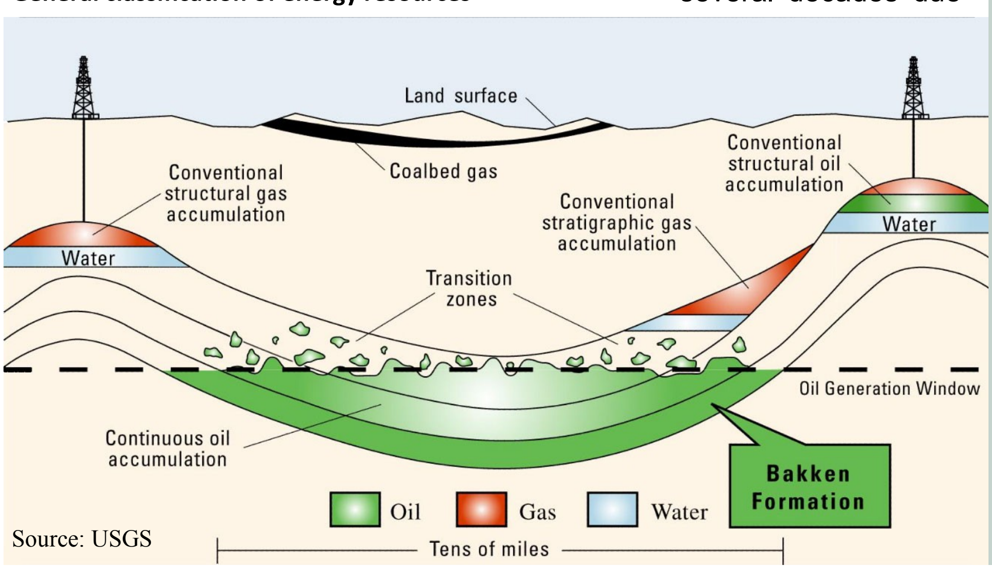
Resource Potential

Although discovered in the early 1950s, the Bakken Shale had remained relatively untapped for several decades due

Williston Basin location

Source: USGS

General classification of energy resources



Source: USGS

TECHNOLOGY TREND

Horizontal drilling, in which a well drills horizontally along the bedding, rather than vertically through it, allows borehole contact with larger areas of oil reservoir rock of limited thickness. Production is also enhanced by artificially fracturing the rock to allow oil to seep to the oil well. Current technology improvements focus on fracture control leading to increased number of frac-stages per well and expanding horizontal lateral lengths, resulting in doubling from one to two miles. In a broader sense, the success of the Bakken formation illustrates the key role technology will continue to play as the energy sector around the world looks to unlock more fields that have been inaccessible because of the technical challenges.

> *"We've now become very confident that the Three Forks Sanish is going to yield at least half as much oil as the Middle Bakken."*
>
> Lynn Helms
> Director of the North Dakota Mineral Resources Department
> January 2010

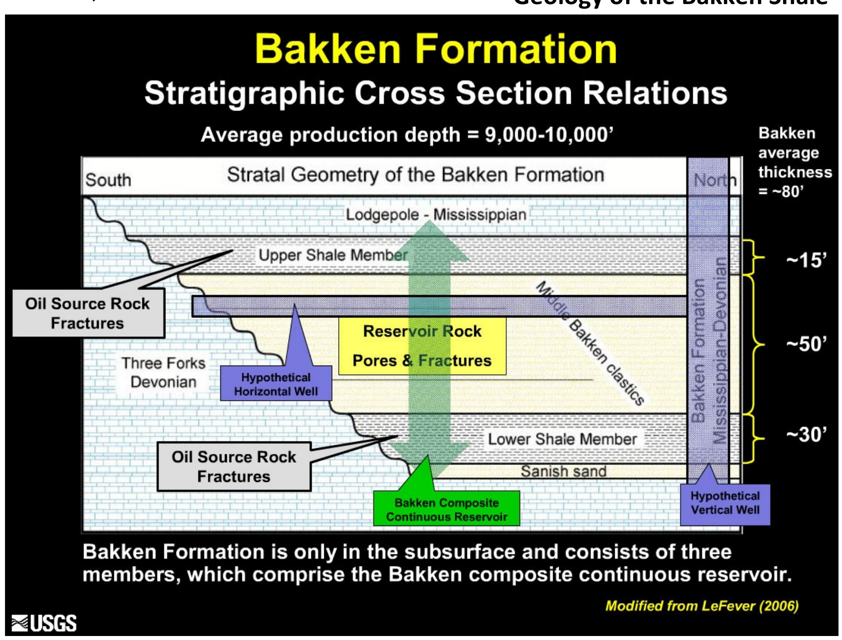
to marginal profitability stemming from technical difficulties associated with very low porosity and permeability of the formation comparing to typical oil reservoirs. Advancements in horizontal drilling and fracturing techniques developed at the turn of the century attracted more drilling to the area, especially as crude oil prices surged toward a record reached in 2008.

According to an April 2008 United States Geological Survey (USGS), the Bakken Shale could contain between 3 and 4.3 billion barrels of technically recoverable oil, with a mean estimate of 3.65 billion, representing an almost 25-fold increase from 151 million barrels deemed recoverable in 1995. The USGS also estimated that there could be 1.85 trillion cubic feet of natural gas and nearly 148 million of natural gas liquids in the Bakken Shale. The Bakken estimate is larger than all other current USGS oil assessments of the lower 48 states and is the largest continuous oil accumulation ever assessed by the USGS. In comparison, the next largest continuous oil accumulation in the U.S. is in the Austin Chalk of Texas and Louisiana, with an undiscovered estimate of 1.0 billions of barrels of technically recoverable oil. These USGS estimates do not include any of the Canadian territories, which should account for approximately 25-30% of the entire Bakken Shale deposits based on relative area proportions and the assumption of a continuous composite reservoir distributed across the entire area of the formation. Furthermore, the Three Forks Sanish formation, which was previously considered merely a drip pan for the Bakken zone, is now speculated to be a separate self-sourced reservoir, based on the latest favorable production results from newly tapped Sanish wells.

The Bakken/Sanish formations are poised to have a significant and rapidly growing impact on the North American oil production landscape on both sides of the U.S.-Canada border. According to USGS data, the Bakken produced approximately 26 million barrels of oil in 2007, raising the formation's cumulative oil production total by 33% to 105 million barrels, counting since the first vertical well drilled in 1953 in McKenzie County, North Dakota. In 2008, the Bakken oil production reached 36 million barrels. As of August 2009, cumulative oil production from the Bakken Formation totaled about 190 million barrels, up from 164 million barrels in March 2009, 149 million barrels in December 2008 and 135 million barrels in September 2008.

North Dakota's oil production, which has tripled since 2003, surged to 80 million barrels, or 245,290 b/d achieving a nearly 30% growth rate in 2009, making it the fourth most productive oil state in the U.S., behind only Texas, Alaska and California. In January 2010, the North Dakota Mineral Resources Department raised its forecast for oil output expecting it to reach 300,000 to 400,000 b/d by mid-2011 and stay at that level for 10 to 15

Geology of the Bakken Shale



years. The state's previous estimate was 220,000 to 280,000 barrels a day.

National Trends The total U.S. crude output reached 5.32 million b/d in 2009, growing 7.4% annually, the biggest gain since 1955 and the first in 18 years, according to figures provided by the U.S. Energy Information Administration, part of the U.S. Department of Energy. It is expected to continue growing for at least the next couple years, with increases of 3.9% in 2010 and 0.3% in 2011. The turnaround on a national scale is in part attributable to the explosion of Bakken activities in recent years. The National Energy Board in Canada also expects its national crude output to grow 3.2% in 2010, up from 2009 production of 2.73 million b/d.

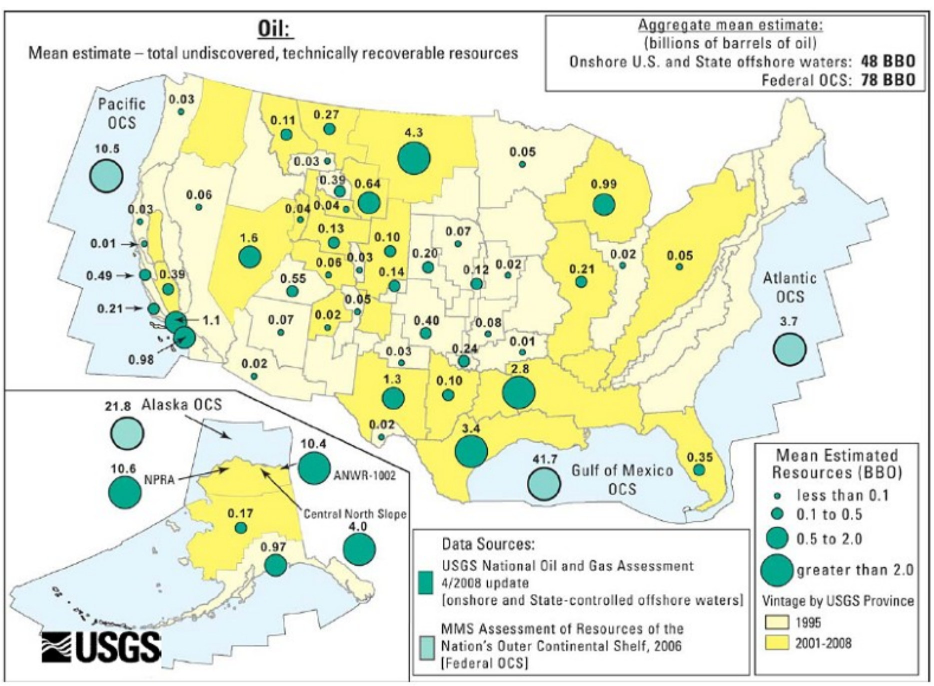
COMPANY BACKGROUND

NuLoch was formed in July 2005 as a spin-off from the acquisition of its predecessor TriLoch Resources by Enerplus Resources Fund. Starting virtually from scratch with 80 net acres of undeveloped land and a farm-in at Enchant, Alberta, the Company established a base of production from 38 shallow natural gas wells drilled in the Second White Specks zone in the first months of its operations. Having peaked at a combined rate of 3.0 mmcf/d during Q1 2006, the production leveled off at 1.3 mmcf/d or 217 boe/d at year end 2006 continuing to follow a typical decline profile.

Subsequently, the Company began diversifying its opportunities to both deeper, more prolific targets, and towards oil, drilling three oil wells and ten natural gas wells in Alberta overall. At year end 2008, the Company was producing at a combined rate of 522 boe/d, relying on assets that remain significant contributors in today's production, including two oil wells yielding medium crude from the Kiskatinaw formation at Balsam in northern Alberta, as well as one Upper Mannville Glauconite oil well at Enchant. In July 2009, NuLoch consolidated its Balsam property with the acquisition of a private Canadian company, Wilderness Energy, adding approximately 200 boe/d.

In February 2008, NuLoch initiated its next stage of strategic growth program targeting the prolific Bakken and Sanish horizons by establishing a position in the Tableland area of southeastern Saskatchewan through a farm-in, which was subsequently extended in May 2009, resulting in net 32,000 acres total and one light crude producing oil well. In October 2009, the Company acquired 24,000 net acres with interest in 31 producing wells in Divide County, North Dakota, which added 142 b/d of light oil production at that time. Finally, in January 2010, NuLoch acquired net production of 15 b/d and 8,500 net acres in Burke County, North Dakota, increasing its net undeveloped land position in prospective Bakken and Sanish fairways to 64,500 acres, consisting of 32,000 in Saskatchewan and 32,500 in North Dakota. In the recent months, the Company has been aggressively developing these Williston Basin properties operating an increasing number of rigs and improving its cased-hole hydraulic fracturing methods to enhance oil

Major U.S. oil producing areas



MANAGEMENT

R. Glenn Dawson, President & Chief Executive Officer

Mr. Dawson is a geologist with over 25 years of leadership experience in the oil and gas exploration industry in North America. In March 2001, Mr. Dawson co-founded TriLoch Resources, NuLoch's publicly traded predecessor, which grew from no production or reserves to 1,550 boe/d of production and 6.5 mmboe of reserves almost exclusively through the drill bit and was subsequently sold to Enerplus Resources Fund (NYSE: ERF) in July 2005 in a transaction valued at more than C$87 million. Prior to co-founding TriLoch, Mr. Dawson held the position of Vice President of Exploration with PanAtlas Energy, a Canadian public company, from April 1999 until its July 2000 acquisition by Velvet Exploration, also trading publicly in Canada at the time and subsequently sold to El Paso Oil & Gas Canada Acquisition Inc., a subsidiary of El Paso Corp. (NYSE: EP). From December 1985 to September 1998 Mr. Dawson held a variety of managerial and technical positions, including Vice-President of Exploration, Exploration Manager and Chief Geologist, with Summit Resources, then a public Canadian company. In the early stages of his career, Mr. Dawson was employed as an exploration geologist by Sundance Oil and Gas Inc., a public company located in Denver, Colorado, in its Canadian operations. Mr. Dawson graduated in 1980 from Weber State University in Utah with a Bachelor of Science Degree in Geology and attended the University of Calgary from 1980 to 1982 in the Masters of Science Program for geology.

Brian D. Murray, Executive Vice President and Chief Financial Officer

Mr. Murray is a chartered accountant with over 25 years of oil and gas industry experience. Mr. Murray articled with Peat Marwick, Chartered Accountants in Calgary, Alberta. He worked as a staff accountant and then manager on numerous public and private company audits. In late 1987, Mr. Murray was appointed Divisional Controller with Poco Petroleums Ltd. and then Manager of Financial Reporting in 1988. Mr. Murray's experience with junior oil and gas companies was obtained over the past 22 years at four companies. Mr. Murray was appointed Assistant Controller in 1988 and then Controller at Northridge Exploration Ltd., a private junior company focused on natural gas. Northridge went public in 1993 and Mr. Murray remained with the company until it was sold to Chancellor Energy Resources Inc. in 1995. In January 1996 Mr. Murray joined PanAtlas Energy as Controller and then Vice President, Finance. Mr. Murray went on to hold the position of Vice President of Finance at Hadrian Energy Corp., a private Canadian company, from July 1999 until its sale to Zargon Oil & Gas Ltd. in June 2002. Mr. Murray was also Vice President of Finance and Chief Financial Officer at TriLoch Resources from September 2002 until its sale to Enerplus in 2005. Mr. Murray obtained his Bachelor of Commerce with honors from Queen's University at Kingston, Ontario in 1982.

Terry A. Schneider, Vice President of Operations

Mr. Schneider is a Professional Engineer with over 25 years of experience in oil and gas engineering in Western Canada. Mr. Schneider held the positions of Manager of Operations and then Vice President of Operations of TriLoch Resources from April 2002 until its sale to Enerplus Energy in 2005. Prior to joining TriLoch, Mr. Schneider was employed with Velvet Exploration as Production Manager from October 1999 to July 2001, when it was purchased by El Paso Oil & Gas Canada, Inc., where he worked as Principal Engineer until April 2002. From December 1984 until October 1999 Mr. Schneider was employed with TransCanada Resources Ltd., Ranchmen's Resources Ltd. and Crestar Energy Inc. in progressively senior roles. Mr. Schneider has also worked at Hudson's Bay Oil and Gas Inc., Amoco Oil and Gas Inc., PetroCanada Inc. and Sundance Oil and Gas Inc. in a variety of reservoir and production engineering roles.

Gary W Browne, Vice President of Land

Mr. Browne has over 30 years of experience as a Landman and executive in the oil and gas industry. His career and land responsibilities with majors, independents and juniors have included negotiation, management and implementation of numerous multi-million-dollar joint ventures, leasing programs, multi-well farm-ins, acquisitions and dispositions throughout Western Canada and the U.S., including US Offshore Gulf Coast, Montana, North Dakota, Texas and California, as well as British Columbia and Alberta. Mr. Browne graduated from the University of Calgary in 1977 with a BA in economics.

Location of NuLoch Resources land assets

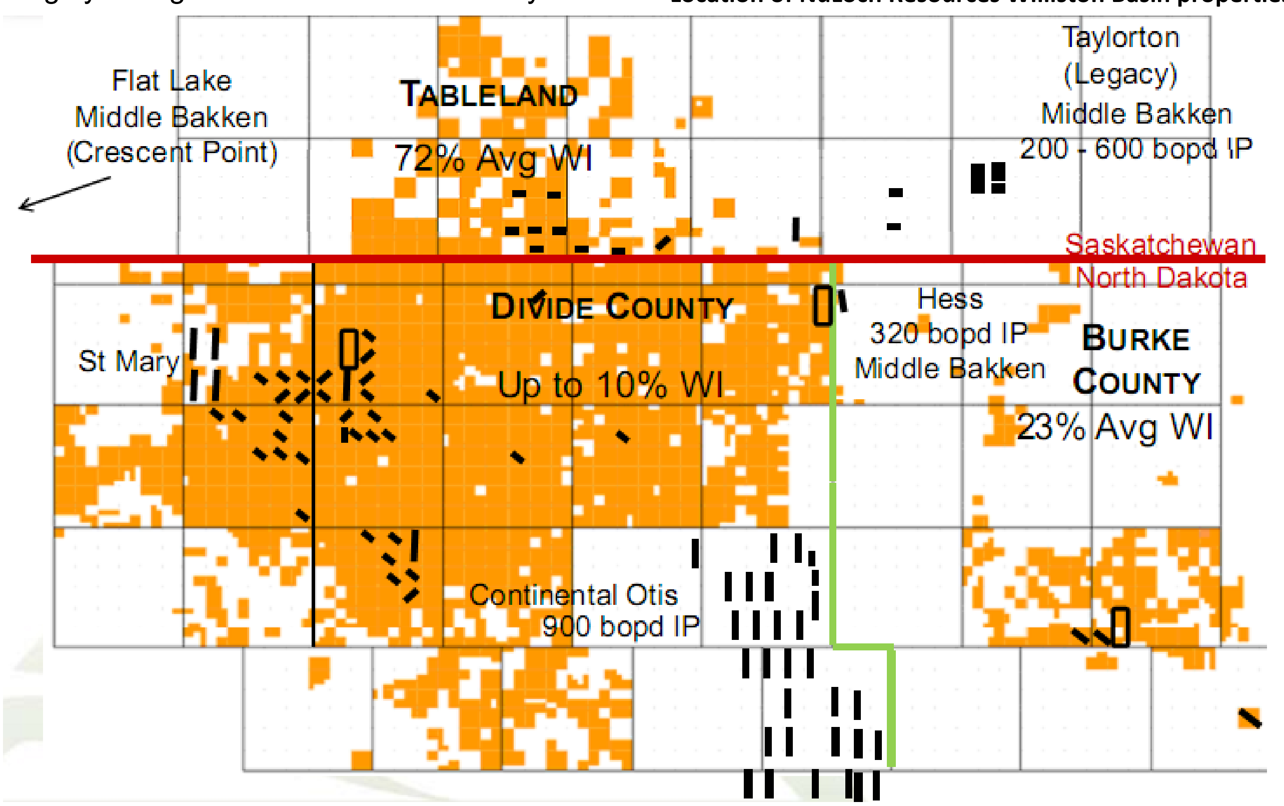
Source: NuLoch Resources Inc.

rates and ultimate recoveries. As of November 2010, NuLoch produces approximately 1,100 boe/d consisting of over 80% light oil. This production includes over 250 b/d from Tableland, Saskatchewan and over 350 b/d from North Dakota.

ASSET REVIEW

Divide County, North Dakota The Company has an approximately 10% working interest in over 240,000 acres (24,000 net) of largely contiguous land in Divide County in the northwestern corner of North Dakota. Baytex Energy Trust (NYSE: BTE) (working interest 37.5%) operates the southern block of this area and Samson Resources Company from Tulsa, OK (working interest 52.5%) operates the northern block. The lands are prospective for the Three Forks Sanish and Bakken horizons, as well as other multi-zone potential in conventional oil reservoirs at deeper depths. NuLoch does not directly control the pace of drilling on its non-operated North Dakota properties, but is planning for a continuation at existing levels, with five rigs currently running simultaneously. Since acquiring its position in 2009, NuLoch has participated in 34 (3.2 net) wells that are drilled or drilling. Of these wells, 30 target the Three Forks Sanish and 4 are Middle Bakken. Another 5 wells will likely spud prior to year-end. Most of the recent wells are on 1,280 acre production spacing units (PSUs) that typically deliver higher IP's and are an efficient means to continue mineral rights. Due to poor weather conditions, eleven (1.1 net) wells were standing cased at the end of October. Fortunately, the backlog is now easing as 3

Location of NuLoch Resources Williston Basin properties



Source: NuLoch Resources Inc.

wells were fracture stimulated in early November.

Burke County, North Dakota

NLR has an average 23% working interest in 29,000 undeveloped acres (6,700 net) in Burke County, North Dakota, adjacent to the Company's existing land position in Divide County. The lands are prospective for Middle Bakken and Sanish Three Forks light oil reserves. The held interest includes three Bakken/Sanish oilwells that produce net 15 b/d. NuLoch recently placed on-stream from the Middle Bakken formation its first (0.2 net) Burke County well drilled on a 1,280 acre PSU and fracture stimulated in 30 stages. The initial fourteen day average production rate was 528 bopd plus 350 Mcf/d of natural gas (586 boe/d), strongly validating last year's property acquisition.

Tableland, Saskatchewan The Tableland area in southeastern Saskatchewan is prospective for light oil from the Sanish. The company holds 38,000 net acres of largely contiguous undeveloped land in the area, adjacent to its Divide County property, with working interests ranging from 50% to 100% and averaging 74%. NuLoch has drilled and placed on production eight (5.9 net) horizontal oil wells in the Three Forks Sanish formation at Tableland, Saskatchewan since December 2009. Its last one (0.7 net), averaged 207 bopd over a seven day initial production period, even though the horizontal lateral was limited to 600 metres and 14 stages due to mechanical issues. The Company has also drilled three (2.5 net) more wells at Tableland that are awaiting multi-stage fracture completions and plans to continue with the higher-effort stimulation program.

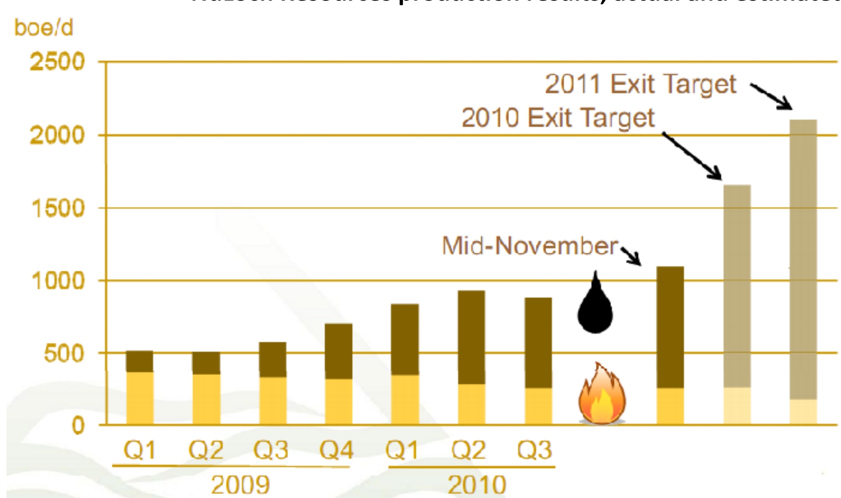
Enchant, Alberta The Enchant prospect in southern Alberta, which is 100% owned by the Company, is home to the original shallow gas operations, currently still providing a stable base of approximately 110 boe/d. In addition to 38 shallow gas wells, NuLoch has conventional gas wells, however the recent weakness in the price of natural gas has caused the deferral of all of the Company's natural gas drilling. The Enchant area and various minor properties in Alberta, including oil discovery wells, currently accounts for approximately 285 boe/d.

Balsam, Alberta The Balsam area in the Peace River Arch area in central Alberta currently accounts for approximately 220 boe/d sourced from two medium gravity crude oil wells in the Kiskatinaw horizon.

PRODUCTION GROWTH

The Company has been progressively ramping up its production in well-planned strategic growth stages characterized by responsible capital management. Building on the base of its shallow gas operations, NuLoch entered a period of intensified growth in 2007 and 2008, stimulated by successful deeper natural gas and conventional oil plays in Alberta, which in turn served as a base for expansion targeting the Wiliston Basin area. Following several acquisitions accumulating significant Bakken and Sanish prospects in 2008 and 2009, the Company has entered an extensive drilling program and is poised for rapid production growth. **Assuming the Company can continue successfully implementing its drilling program in 2010 and 2011, the production could potentially rise from the current 1,100 boe/d to 1,650 boe/d at the end of 2010 and 2,350 boe/d at the end of 2011.**

NuLoch Resources production results, actual and estimated



Source: NuLoch Resources Inc.

COMPANY RESERVES

Last year, prior to the Burke County, North Dakota acquisition, NuLoch retained AJM Petroleum Consultants (AJM), a qualified independent reserves evaluator, to conduct the evaluation of the Company's petroleum and natural gas reserves effective as of December 31, 2009. The AJM report, which dated March 5, 2010 was compiled pursuant to the guidelines of National Instrument 51-101, estimated gross proved reserves of 806 thousand barrels (Mbbls) of medium and light oil and 8,306 million cubic feet (MMcf) of natural gas, or 1,384 thousand of oil equivalent (Mboe). On a proved plus probable basis, gross reserves of light and medium oil reserves were estimated at 1,298 Mbbls, while gross natural gas reserves at 12,628 MMcf, or 2,105 Mboe.

Subsequently, upon continuing development of the Saskatchewan and North Dakota petroleum assets, AJM recently issued an interim report evaluating only these properties as of September 30, 2010, excluding Alberta based gas and oil wells. The interim report demonstrates significant reserves growth in Saskatchewan and North Dakota, despite the exclusion of Alberta properties, with 3,701 Mboe proved and 6,381 Mboe on a proved plus probable basis. The geographical break down of the interim reserve estimates are presented in a table herein.

COMPETITION

The Bakken Shale and Three Forks Sanish formations are a target of highly intense competition resulting in high-rate drilling activity and increasing land prices. With technology advancements and growing energy prices over the past decade, the area attracted a full spectrum of players in the energy sector. The Bakken/Sanish plays include a number of smaller publicly traded exploration companies, such as US Energy (NasdaqCM: USEG), Northern Oil and Gas (AMEX: NOG), Brigham Exploration (NasdaqGS: BEXP), Magnum Hunter Resources Corp. (AMEX: MHR), and American Oil and Gas (AMEX: AEZ), which is being acquired by Hess Corp. (NYSE: HES) in a transaction valued at $465 million, as well other major players in the North American landscape, including Marathon Oil Corporation (NYSE: MRO), EOG Resources, Inc. (NYSE: EOG), Continental Resources (NYSE: CLR), Whiting Petroleum Corp. (NYSE: WLL), Questar Corp. (NYSE: STR), Baytex Energy Trust (NYSE: BTE) and Exxon Mobil Corp. (NYSE: XON).

DRILL PROGRAM

Before this year, wells typically had horizontal laterals one mile long and were completed with eight-to-11 stage fracs. In 2010, NuLoch ex-

NULOCH RESOURCES, INC.
Summary of Gross Oil and Natural Gas Reserves
as of September 30, 2010
DOES NOT INCLUDE ALL OF THE COMPANY'S PROPERTIES

	Light and Medium Oil (Mbbl)	Natural Gas (MMcf)	Total* (Mboe)
Saskatchewan			
Proved			
Developed Producing	314	-	314
Developed Non-Producing	-	-	-
Undeveloped	1,094	-	1,094
Total Proved	1,408	-	1,408
Probable	1,136	-	1,136
Total Proved plus Probable	2,544	-	2,544
North Dakota			
Proved			
Developed Producing	347	38	353
Developed Non-Producing	62	-	62
Undeveloped	1,884	-	1,884
Total Proved	2,293	38	2,299
Probable	1,544	31	1,549
Total Proved plus Probable	3,837	69	3,849
Total			
Proved			
Developed Producing	661	38	667
Developed Non-Producing	62	-	62
Undeveloped	2,978	-	2,978
Total Proved	3,701	38	3,707
Probable	2,680	31	2,685
Total Proved plus Probable	6,381	69	6,393

* six mcf of natural gas is considered equivalent to 1 barrel of oil

Source: NuLoch Resources Inc./AJM Petroleum Consultants pects that as many as half of the wells drilled will have new longer-reach horizontal laterals two miles long and up to 30 stages, improving well economics.

During the current year, a considerable portion of the drilling is taking place in North Dakota. The Company's forecast is for 35 (3.5 net) horizontal Sanish and Bakken wells, with total capital expenditure budget of C$29.6 million, including C$3.1 million Burke County acquisition in January. In Tableland, Saskatchewan, as many as 12 wells (8.2 net) are expected to be drilled throughout the year with a forecast cost of C$32.0 million. In Alberta, C$1.5 million has been allocated to the capital program.

The full year 2010 drilling program projected costs total approximately C$63.1 million, of which C$37.8 has been spent in the first three quarters ending September 30, 2010. The drilling program is expected to continue at an even faster pace in 2011, with a total annual capital expenditure budget of C$80.3. We anticipate that the Company will access the capital markets in mid 2011 in order to finance substantial portion of the capital expenditures.

The drill program is expected to be reflected in rapidly rising oil production. NuLoch projects production, which started at 300 b/day of oil and 362 boe/d of natural gas in September 2009, to increase to a 2010 exit production rate of an estimated 1,350 b/d of oil and 300 boe/d of natural gas. As can be seen, there is a clear emphasis on increasing oil production as compared to natural gas. This shift in weighting is particularly important given our oil and natural gas price projections discussed in the earnings forecast segment of this report.

CAPITAL STRUCTURE

NLR currently has 122.3 million Class A common shares outstanding trading at the TSX Venture Exchange in Canada under the symbol NLR and since May 2010 on the OTCQX in the U.S. under the symbol NULCF.

In February 2010, the Company raised C$23.0 in gross proceeds through a private placement transaction involving 15,870,000 special warrants, including a fully subscribed over-allotment option of 2,070,000, issued at a price of C$1.45 each and subsequently converted to the same number of Class A common shares.

In October 2010, the Company completed another bought deal equity financing issuing 16,000,000 Class A shares at C$1.25 and additional 5,400,000 Class A shares at C$1.50 on a flow-through basis, raising a total of C$28.1 million.

In November 2010, the Company converted and subsequently delisted all of its 652,500 Class B shares to 4,596,863 Class A shares.

Over 50% of the Class A shares are currently held institutionally, with BlackRock, Wellington Funds and Libra Funds as some of the largest institutional shareholders. The Company is now seeking to develop a broader market in its shares with individual and institutional investors in the U.S.

NuLoch also has approximately 11.8 million employee stock options to purchase Class A

Fracture stimulation equipment

shares with exercise prices ranging from C$0.20 to C$1.60 and a weighted average of C$1.04, as well as additional 648,300 underwriter compensation options related to the latest bought deal financing excercisable at C$1.25. On a fully diluted basis, the Company has approximately 134.8 million Class A shares.

NuLoch also has an C$25.0 million line of credit with the Bank of Montreal, which was increased from C$14.0 million based on an independent interim reserve report with a September 30, 2010 effective date that evaluated its Saskatchewan and North Dakota petroleum properties. The line remained undrawn and available as of December 8, 2010.

FINANCIAL RESULTS

For the year ended December 31, 2009, the Company generated revenue of C$8.9 million resulting in EBITDA of $C2.8 million and net income of C$1.9 million, including an extraordinary item of C$2.3 million stemming from the Wilderness Energy Corp. acquisition in August 2009.

For the first nine months ended September 30, 2010, the Company reported a net loss of C$1.9 million on revenues of over C$14.0 million, which grew 157% from less than C$5.5 million in the same period last year. The EBITDA in the first nine months of 2010 reached over C$4.4 million, increasing over 160% from approximately C$1.7 million in the first three quarters of 2009.

As of September 30, 2010, the Company had C$114.0 thousand in cash, a C$9.9 million working capital deficit, total assets of C$94.8 million, no long term debt and C$78.7 million in net worth. This situation was remarkably improved through an October 2010 C$28.1 million bought deal equity financing yielding pro forma figures of C$28.2 million in cash and equivalents, C$18.2 million in working capital, total assets of C$122.9 million and net worth of C$106.8 million.

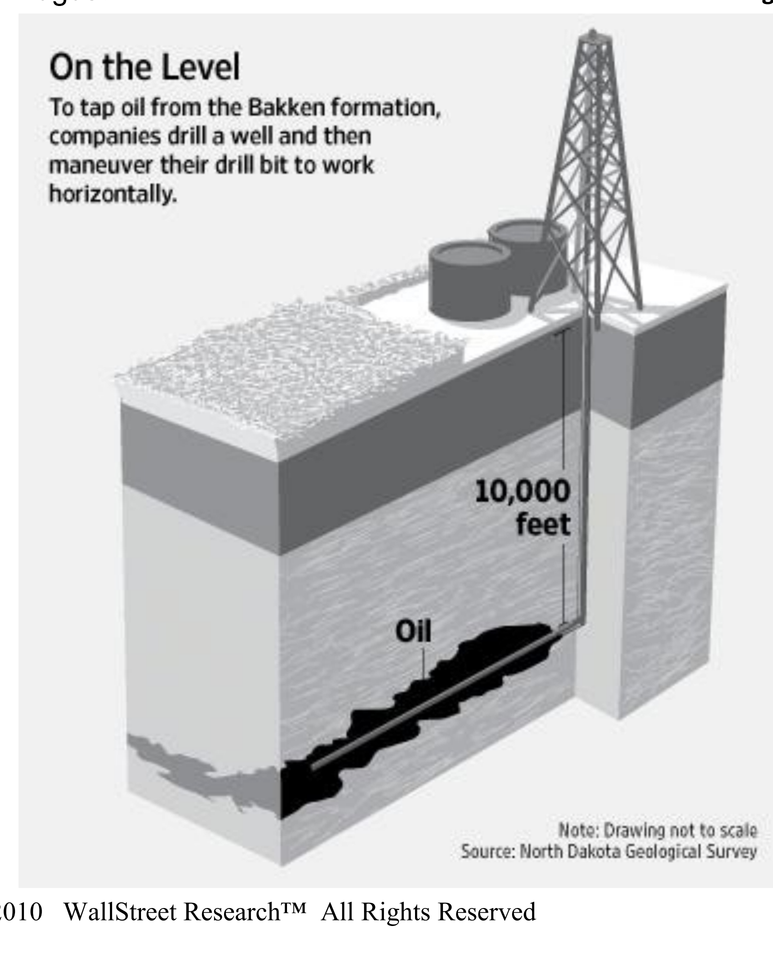
The Company also has a total of approximately C$90 million tax pools. Consequently it will not have any corporate tax liabilities in the foreseeable future.

OIL AND GAS PRICES OUTLOOK

According to the International Energy Agency, global oil supply reached 88.1 million barrels a day in November 2010, its highest level ever, and world demand is forecast to expand 1.5% in 2011 to 88.8 million barrels a day, also a record.

The extraordinary OPEC (Organization of the Petroleum Exporting Countries) meeting held earlier this month left the impression that current price level per barrel of oil is acceptable for now to key members of that organization, despite recent two-year highs breaking $90 per barrel resulting from a generally weakening dollar in the second half of this year and a particularly harsh onset of winter in Europe and in the U.S. Having reviewed the oil market outlook, OPEC believes that the increase in the

Horizontal drilling



annual average oil demand in 2011 is likely to be lower than in 2010, deemed the market in balance and stable, and agreed to maintain current oil production levels, citing ample inventories amid persisting global economic uncertainty. Oil supplies in major industrialized nations and China are currently well above normal, and while OPEC forecast a demand boost in North America and China in the monthly market report published just prior to the meeting, it believes western Europe's festering debt crisis will dampen consumption there.

NULOCH RESOURCES, INC.
Projected Results

	2010	2011
Revenues	$ 20,012,500	$ 52,600,000
Royalties	$ 5,403,375	$ 11,572,000
Expenses		
Operating	$ 3,850,000	$ 7,416,667
General & Administrative	$ 2,750,000	$ 3,000,000
Interest	$ 130,000	$ 150,000
Depreciation & Depletion	$ 9,304,167	$ 18,541,667
	$ 16,034,167	$ 29,108,333
EBITDA	$ 8,009,125	$ 30,611,333
Net Income	$ (1,425,042)	$ 11,919,667
Shares Outstanding	100,000,000	135,000,000
Earnings per share	$ (0.01)	$ 0.09
Cash Flow per share	$ 0.08	$ 0.23

While many analysts believe that $100 a barrel for oil is inevitable sometime in 2011, especially in absence of unexpected output increases until the next ordinary OPEC meeting scheduled for June 2011, others do not foresee more upward pressure as the effects of the U.S. Federal Reserve Bank's decision to issue and buy up to $2.3 trillion in U.S. Treasury bonds wears off.

The fact that despite lingering weak economic conditions globally oil is trading at current levels lends credence to higher projections for coming years as the economy recovers. The current price level likely includes a premium for perceived geopolitical risk. Still, we doubt that such risks will abate in the foreseeable future. **Our conservative two-year forecast of average oil prices is as follows: 2010: $80; 2011: $85.**

On the other hand, natural gas prices have come increasingly under pressure as new supply builds from shale deposits. The price in 2010 on the New York Mercantile Exchange has at times fallen considerably below $4.00 and this raises some valid concerns about longer term expectations. Meanwhile, natural gas storage for winter usage remains near historical highs amidst strong current supplies. The U.S. Department of Energy in its weekly report on natural gas earlier this month pegged the current supplies at nearly 10% above the five-year average.

However, the considerable drop in natural gas prices seen this year will likely contribute to a decline in drilling activity. Chesapeake Energy Corp., the second-largest U.S. gas producer after Exxon Mobil Corp., announced last month it will reduce gas drilling and focus on oil until gas prices rise. In confirmation of the trend, the natural gas rotary rig count, as reported on December 10th by Baker Hughes Incorporated, was 948, a decrease of 13 rigs from the previous week. In its monthly Short-Term Energy Outlook released on December 7, the U.S. Department of Energy estimated that output will average 62.01 billion cubic feet a day in 2011, down from a record of 62.09 billion this year.

Natural gas prices may rebound next year as producers cut output for the first time in six years amid record stockpiles and an expanding U.S. economy. Based on a median of 15 analyst estimates compiled by Bloomberg since September, the fuel may average $5 per million British thermal units in 2011 (1,000 cubic feet of gas equals 1.027 million British Thermal Units). As economic activity picks up in North America and as natural gas' appeal as a relatively clean energy source grows, a recovery in natural gas prices seems a reasonable expectation. We believe natural gas prices have likely reached their low in 2010.

Adjusting the price downward by $1.00/mcf to reflect the impact of transportation costs on the price of the Company's Canadian production, our two-year forecast of average natural gas prices is as follows: 2010: $3.50; 2011: $4.00.

EARNINGS FORECAST

We project that NuLoch will achieve crude production in 2010 of about 225,000 barrels and natural gas production of about 575,000 mcf based on recent successes and planned drilling. Based on our price assumption, this will generate revenue of C$20.01 million. Using a total royalty rate of 27%, which is a level persisting throughout the year so far, we estimate annual royalty expense in 2010 at C$5.40 million. Operating expense for 2010 is estimated at C$3.85 million at C$12.00/boe, which is based on the first nine months average achieved in 2010. General and administrative expenses are projected at C$2.75 million. Given the recent financing in October, interest expense will not greatly exceed the levels accumulated over summer and fall months, when the Company accessed its credit line, and should remain at approximately C$130,000. Depreciation and depletion are projected at C$9.3 million, or C$29 per boe, which is in between the third quarter rate of just over C$30 and the year-to-date rate of over C$28. The resulting net loss would be nearly C$1.22 million or C$0.01 per share based on 100 million shares outstanding on average. Cash flow from operations, which we view as a more important measure, would be C$0.08.

For 2011, our estimates are for production of about 600,000 barrels of oil and 400,000 mcf of natural gas. Based on our price assumption, this will generate revenue of C$52.60 million. Using a total royalty rate of 20%, taking into account anticipated reductions to Alberta maximum royalties as well as increasing weighing of lower-royalty production, we estimate royalty expense in 2011 at C$11.57 million. Operating expense for 2011 is estimated at C$7.42 million or at C$10.00/boe, which is the corporate goal and a benchmark for best performing energy companies. General and administrative expenses are projected at C$3.0 million. We are estimating interest expense at C$150,000, assuming the Company will have to access capital markets in mid 2011, although the timing is uncertain and borrowing capacity may be needed in the interrim. Depreciation and depletion are projected at C$18.54 million, or C$25 per boe. The resulting net earnings would be $13.13 million or $0.10 per share based on 135 million average shares outstanding. Cash flow from operations would be $0.23.

VALUATION AND OPINION

We believe a multiple of cash flow is the best near-term measure of valuation. Based on cash flow per share figures of the Company's closest competitors among Bakken producers, we are using a multiple of 11 times 2011 estimated cash flow. This generates a 12-month

NULOCH RESOURCES, INC.
Financial Results Summary 2007-2009

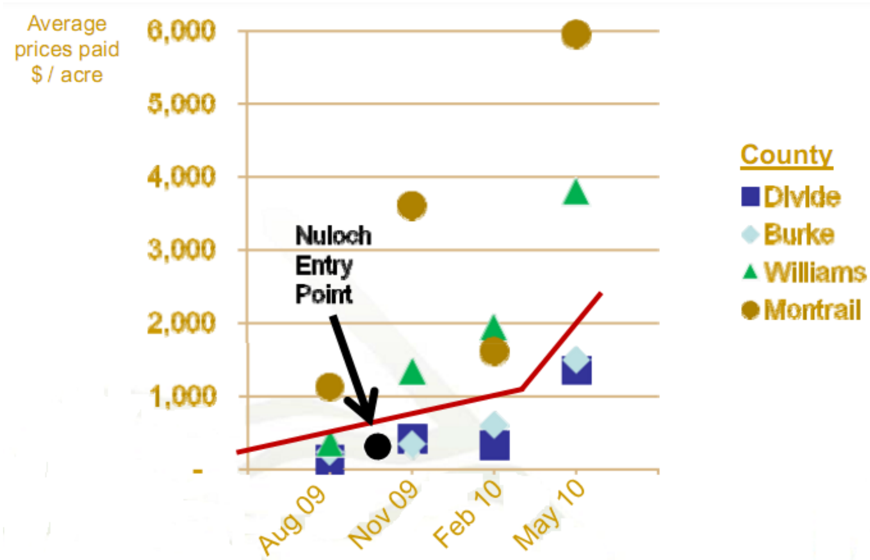
All figures in millions CAD, except EPS and Production

	2009A	2008A	2007A
Total Assets	66,065	37,954	26,350
Shareholders' Equity	59,200	28,290	17,895
Revenue	8,888	12,959	4,851
EBITDA	2,825	6,522	1,755
Net Income (Loss)	1,884	1,373	(110)
Earnings per Share (EPS)	$ 0.04	$ 0.04	$ -
Production (boe/d)	576	522	304

Source: New Loch Resources Inc.

price target of C$2.53. **At the current price of C$1.99, that indicates upside potential of over 27%.** This alone would justify a buy recommendation on the stock. **It should be noted that some oil producers in the Bakken have a higher multiples of price to cash flow ratios, which could add further upside potential to NuLoch shares. As NuLoch becomes better known in the U.S. capital marketplace, there is a higher likelihood of the stock price benefitting from the current position of discount relative to its peers.**

North Dakota state land sales by county



Source: North Dakota State Land Department

A recent acquisition of American Oil & Gas, Inc. (AMEX: AEZ), a Bakken oil play company with approximately 85,000 net acres in North Dakota, by Hess Corporation (NYSE: HES) announced on July 27, 2010 and expected to close this quarter, provides a sound base for valuing NuLoch's shares at 10 times 2011 estimated cash flow. In an all-stock tender offer, Hess Corporation agreed to pay over $465 million, a 9.4% premium over the closing prices on the day of the announcement, which is 10 times the 2011 estimated cash flow of American Oil & Gas, Inc.

Importantly, as noted earlier, the Bakken Shale could contain up to 4.3 billion barrels of recoverable oil according to the U.S. Geological Survey. That would make it the biggest oil discovery in the contiguous United States in more than 40 years. In fact, as drilling technology evolves even this figure could prove conservative. This realization has generated a great deal of interest from larger oil companies. North Dakota land values have been rising rapidly. In Divide County, where NuLoch is active an August 2009 sale of 10,701 acres was done at $145 an acre. Just three months later a sale of 5,265 acres in Divide went for $424/acre. In better-established nearby counties prices are dramatically higher and are still rising. August/ November per acre sale proceeds comparisons for McKenzie County were $555/$904

Bakken Shale Oil and Natural Gas Companies - Price to Cash Flow Valuation Ratio

		Price	2009A		2010E		2011E	
		12/21/2010	CFPS	P/CF	CFPS	P/CF	CFPS	P/CF
American Oil and Gas	AEZ	10.20	NA	NA	0.11	92.7	0.91	11.2
Baytex Energy Trust	BTE	45.96	2.83	16.2	3.87	11.9	4.30	10.7
Brigham Exploration	BEXP	27.70	0.73	37.9	1.09	25.4	2.11	13.1
Continental Resources	CLR	58.86	2.64	22.3	4.15	14.2	5.55	10.6
Kodiak Oil & Gas	KOG	6.72	0.09	74.7	0.15	44.8	0.60	11.2
Northern Oil and Gas	NOG	27.12	0.27	100.4	0.89	30.5	2.27	11.9
U.S. Energy	USEG	5.68	NA	NA	0.57	10.0	0.64	8.9
Average				**50.3**		**32.8**		**11.1**
NuLoch Resources	**NLR**	**1.99**	**0.04**	**49.8**	**0.08**	**24.9**	**0.23**	**8.7**

Source: Thompson, December 2010

and for Mountrail County were $1,127/$3,605. **Accordingly, we believe that it is reasonable to conclude that if NuLoch continues to achieve drilling success it will become attractive as a takeover candidate at a price well above our target. NuLoch would also benefit substantially from any significant increases in oil prices beyond the current levels and increasing reserve values over time.**

Industry abbreviations: b/d—barrels per day boe/d—barrels of oil equivalent mmcf—million cubic feet

ABOUT THE ANALYSTS

Alan Stone Managing Director Mr. Stone is a Managing Director of WallStreet Research, an affiliate of Alan Stone & Company LLC, a premier 30 year old investor consulting firm with offices in New York City, Los Angeles and Palm Beach, Florida. Mr. Stone previously held positions as a senior analyst and assistant portfolio manager with Merrill Lynch Asset Management mutual fund group, and was a senior analyst with Prudential Capital Markets group. Earlier in his career, he was also an institutional broker and investment banker with Ladenburg Thalmann & Co., and Thomson McKinnon Securities, both NYC-based brokerage firms, specializing in IPOs, secondaries, and PIPE offerings. Additionally, Mr. Stone serves as an advisory board member of Brentwood Media Group's family of news magazines in Southern California. Mr. Stone received his BS in Economics from the Wharton School of the University of Pennsylvania, an MBA in Finance and Investments from New York University and has completed additional studies at the London School of Economics and UCLA. He is an active member of the Penn Club of New York and University of Pennsylvania alumni affairs, where he serves on the Board of Directors.

Paul J. Resnik, CFA Senior Analyst Mr. Resnik has over 35 years of experience in the investment industry. He is currently the principal of Resnik Asset Management Co., Inc. (RAMCO), a registered investment advisor providing equity portfolio management to high net worth individuals. Prior to founding RAMCO in 1995, he held executive positions in portfolio and securities analysis and investment strategy at major investment firms including Merrill Lynch, Paine Webber, E.F. Hutton, Shearson Lehman Brothers and Smith Barney. At E.F. Hutton, Mr. Resnik created the firm's Equity Research Marketing Department. In this position, he provided investment guidance to the firm's representatives and, at public seminars across the country, to individual investors. At Lehman Brothers, Mr. Resnik was a member of the highly rated Equity Research Department's Investment Policy Committee which, in addition to working with securities analysts in determining common stock investment ratings, selected the firm's well-known annual "Uncommon Values" list. His professional designations include Chartered Financial Analyst and Registered Supervisory Analyst. He is a member of the CFAI.

Tytus Biniakiewicz Director of Global Research Mr. Biniakiewicz has worked with the firm since 1997. Prior to that, he managed investment portfolios on the Warsaw Stock Exchange in Poland and specialized in development and application of investment models based on technical analysis, publishing articles on that topic in financial newsletters in the US. In his career, he also consulted to emerging public companies, mostly in the high-tech sector, in the areas of financial and business planning and analysis, capitalization, merger & acquisitions and regulatory compliance. Mr. Biniakiewicz received his BA in Finance and Accounting from the University of Cincinnati and an MBA from Pepperdine University.

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