



TSX-V: GMR



The Oil & Gas Conference®
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August 13th 2009



Forward Looking Statements

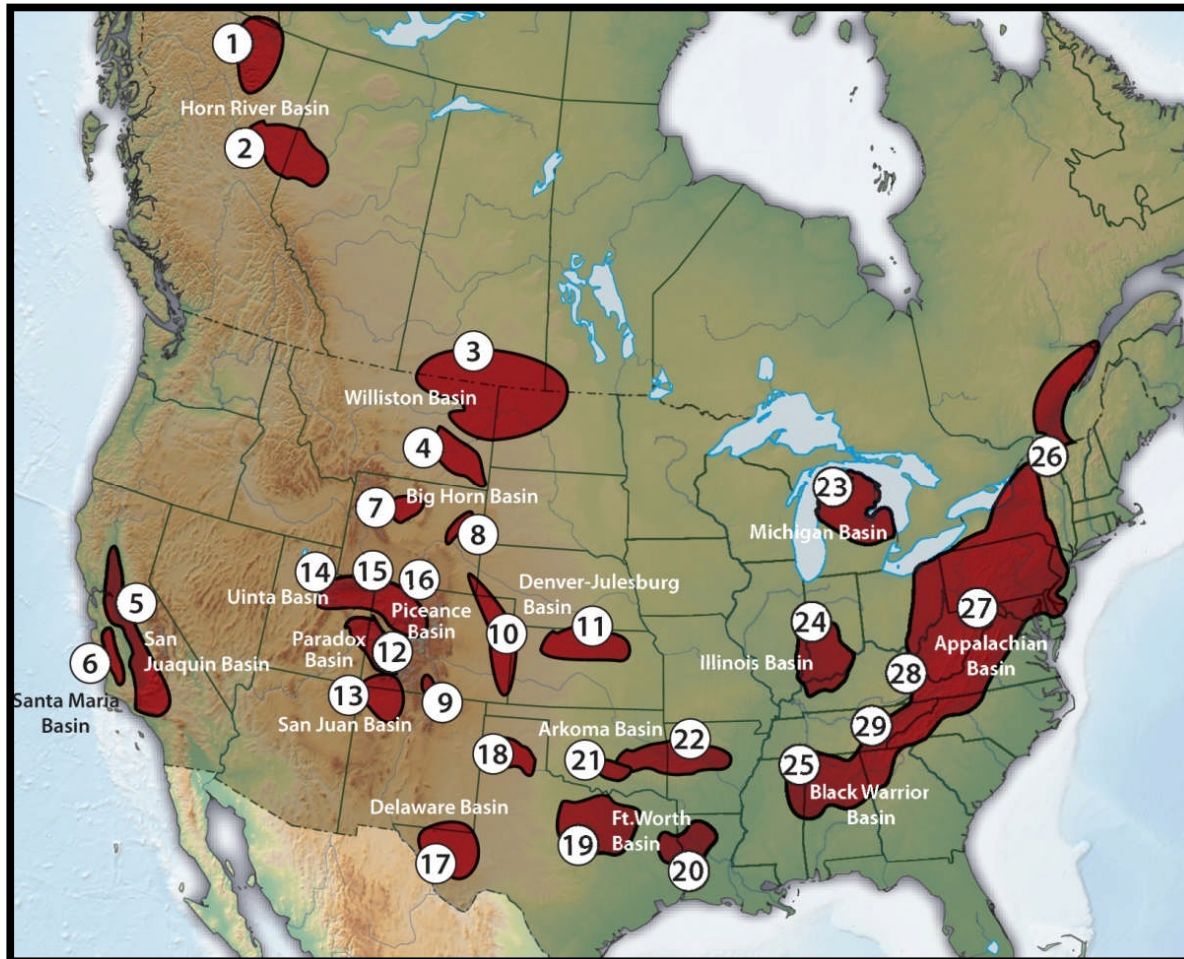


- All statements, other than statements of historical facts, included in this presentation regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words “believe”, “anticipate”, “estimate”, “plan”, “expect”, “intend”, “may”, “project”, “will”, “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we actually will achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. There are a number of important factors that could cause our actual results to differ materially from those indicated or implied by forward-looking statements. These factors should be read as being applicable to all related forward-looking statements wherever they appear in this presentation.
- Except as required by law, we do not assume any obligation to update any forward looking statements or statements of “belief”. We disclaim any intention or obligation to update or revise any forward-looking statements or statements of “belief”, whether as a result of new information, future events or otherwise.

Shale Gas Resources

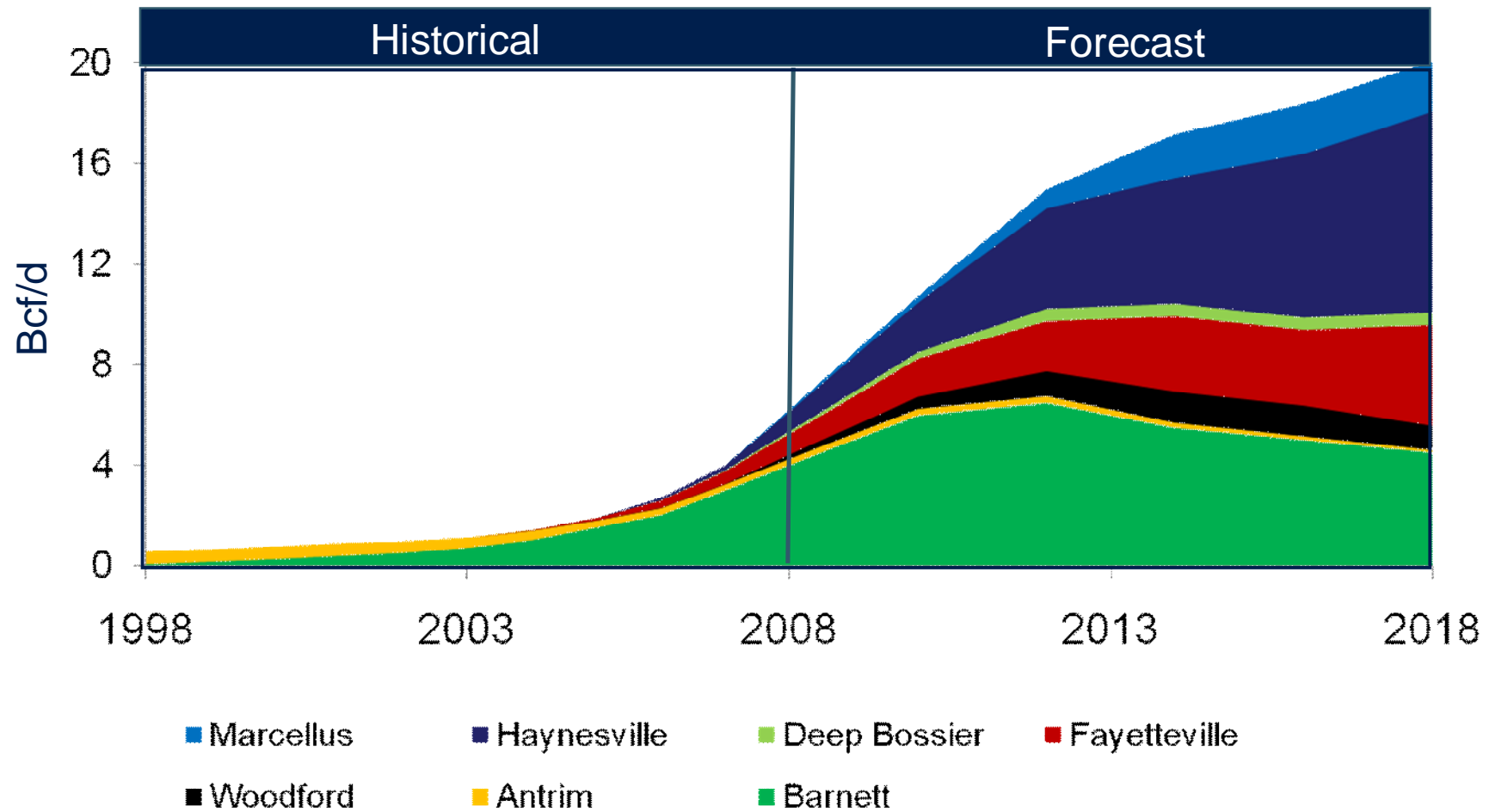


1. Muskwa
2. Montney
3. Bakken
4. Gammon
5. McClure
6. Monterey
7. Mowry
8. Mowry
9. Pierre
10. Niobrara
11. Excello/Mulky
12. Hovenweep
13. Lewis & Mancos
14. Mancos
15. Baxter
16. Green River



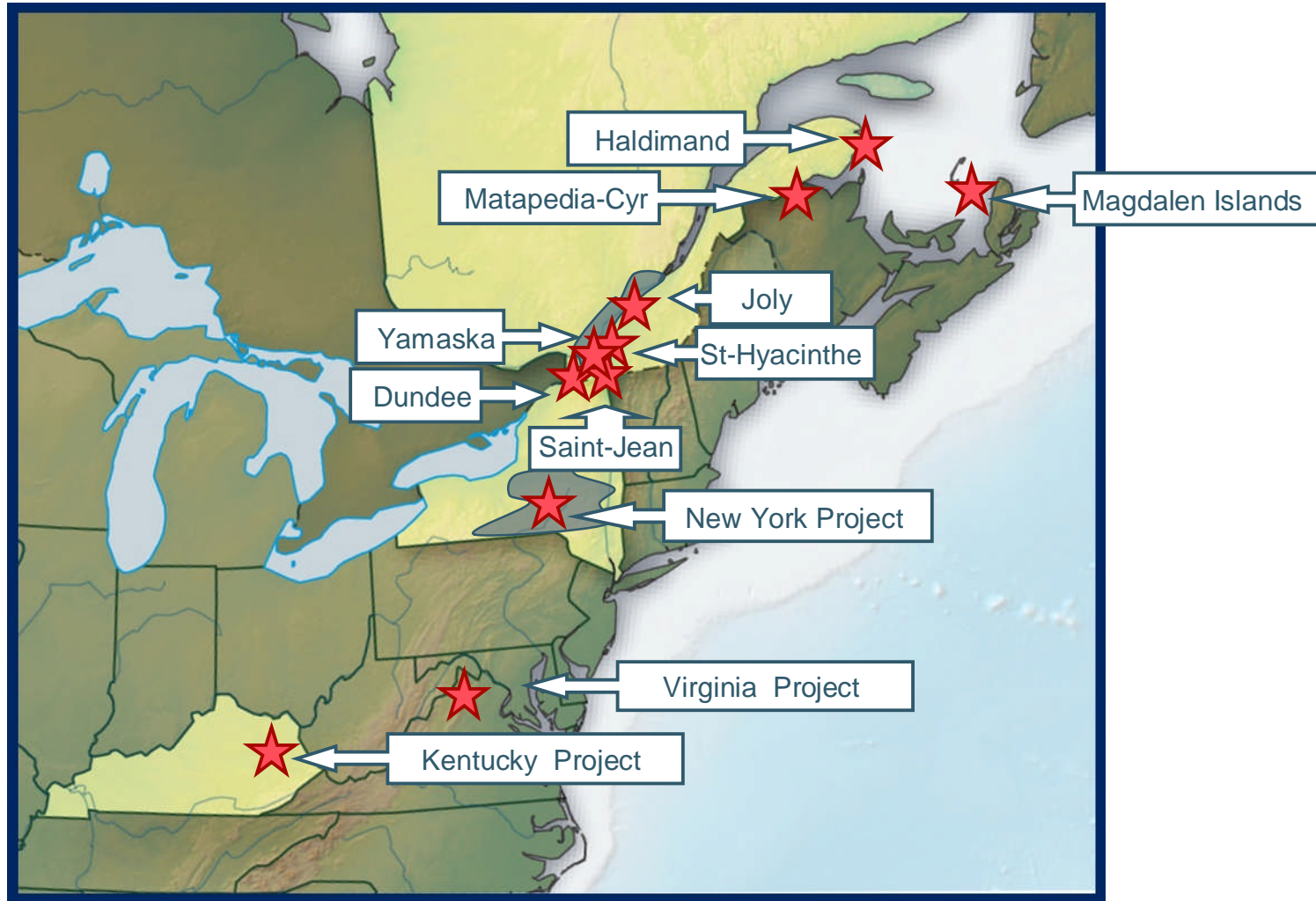
17. Barnett and Woodford
18. Bend
19. Barnett
20. Haynesville/ Bossier
21. Caney/Woodford
22. Fayetteville
23. Antrim
24. New Albany
25. Floyd/Conasauga/ Neal
26. Utica
27. Marcellus
28. Huron
29. Chattanooga

Projected Shale Production



Source: Tinstone Capital

Gastem: Quebec and Appalachia



Company Overview



- Utica shale focused E&P Company in exciting new basin
- First mover : First company to drill, core and test Utica Shale in Quebec
- Over 2 Tcf potential net to Gastem in Utica Shale play
- Favorable conditions for gas production in the North-East
- Long term exploration permits (10 years)



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Utica Shales

Utica: The Next Barnett?



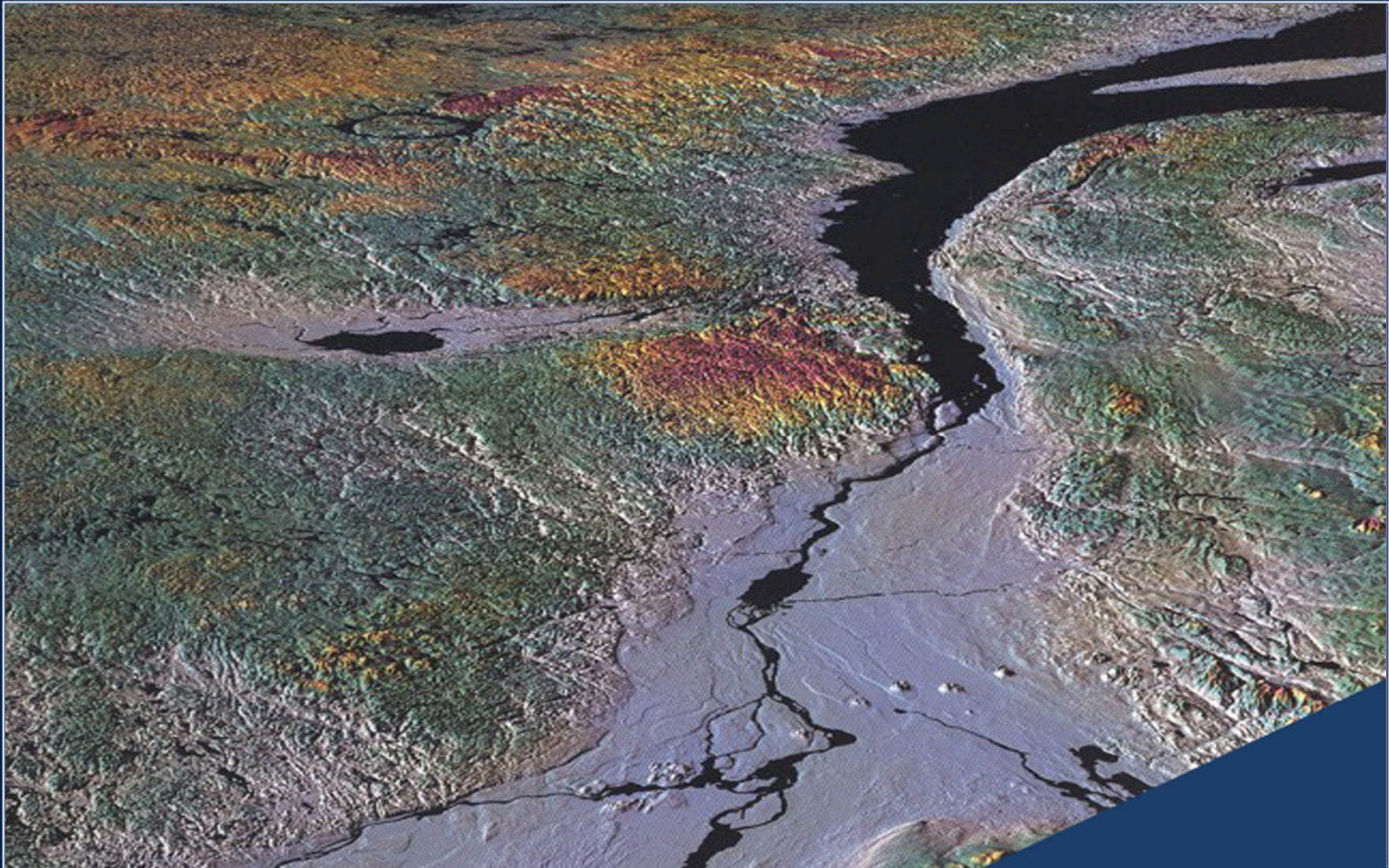
Utica Shale : QC & NY


Barnett Shale


Depth (ft)	2,000 – 6,000	4,500 – 9,000
Thickness (ft)	250 – 800	150-700
% Clay	15 – 26 ¹	15 - 30
TOC (%)	1.0 – 3.1	3.5 – 5.0
% Porosity (Free Gas)	3.2 – 3.7 ¹	3.0 – 4.8
Pressure Gradient	0.45 – 0.60 ¹	0.46 – 0.50
Thermal Maturity	1.3 - 2.0	1.0 – 2.2
OGIP	93 - 100 BCF/ Section ¹	207 BCF/ Section ³
Gas Price (USD)	NYMEX + \$1.00 ²	NYMEX – \$0.53 ¹


Sources: 1 - Industry Estimates
 2 - Gastem / Québec operators
 3 - Jarvie et al – AAPG Bulletin – April 2007

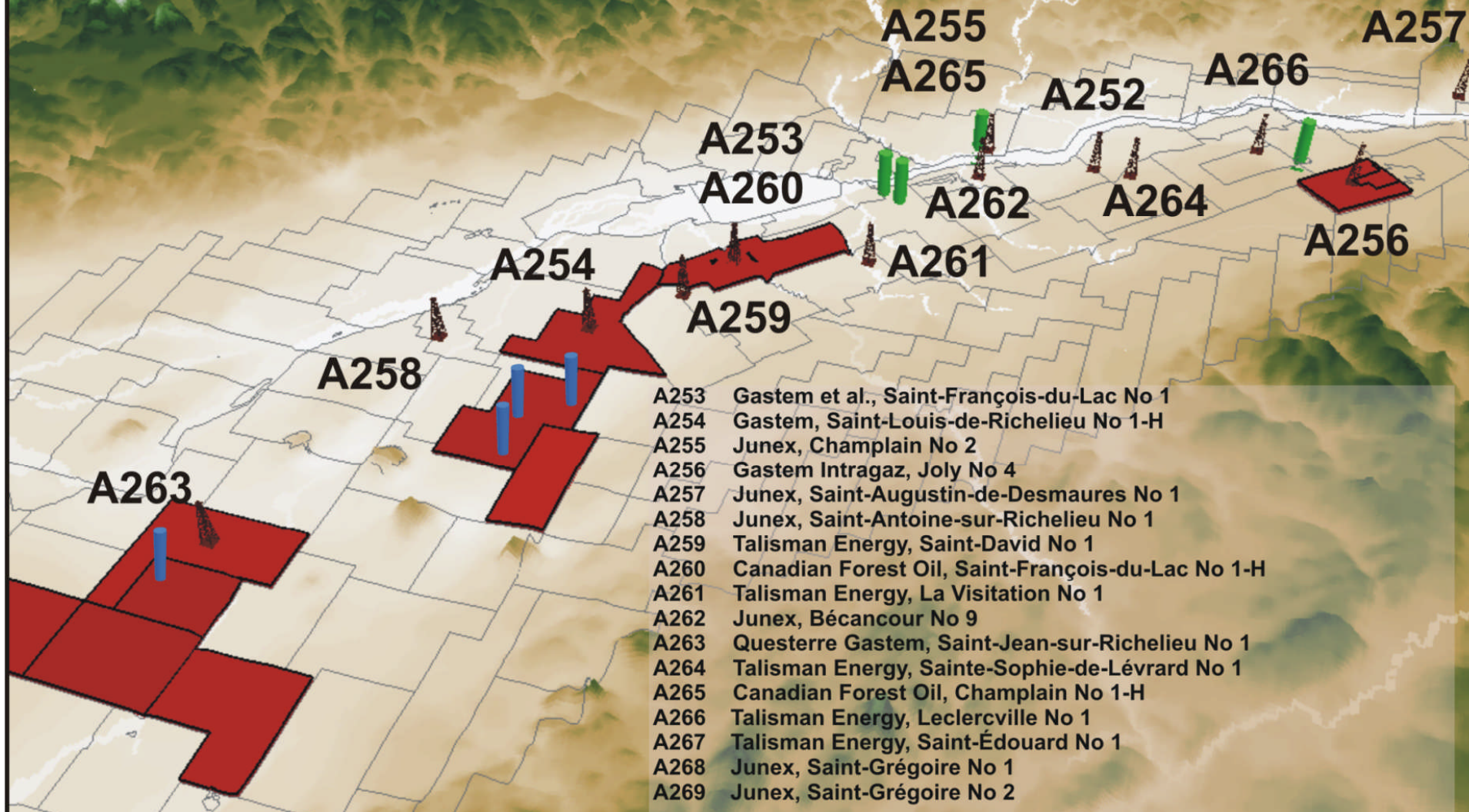
St. Lawrence Lowlands



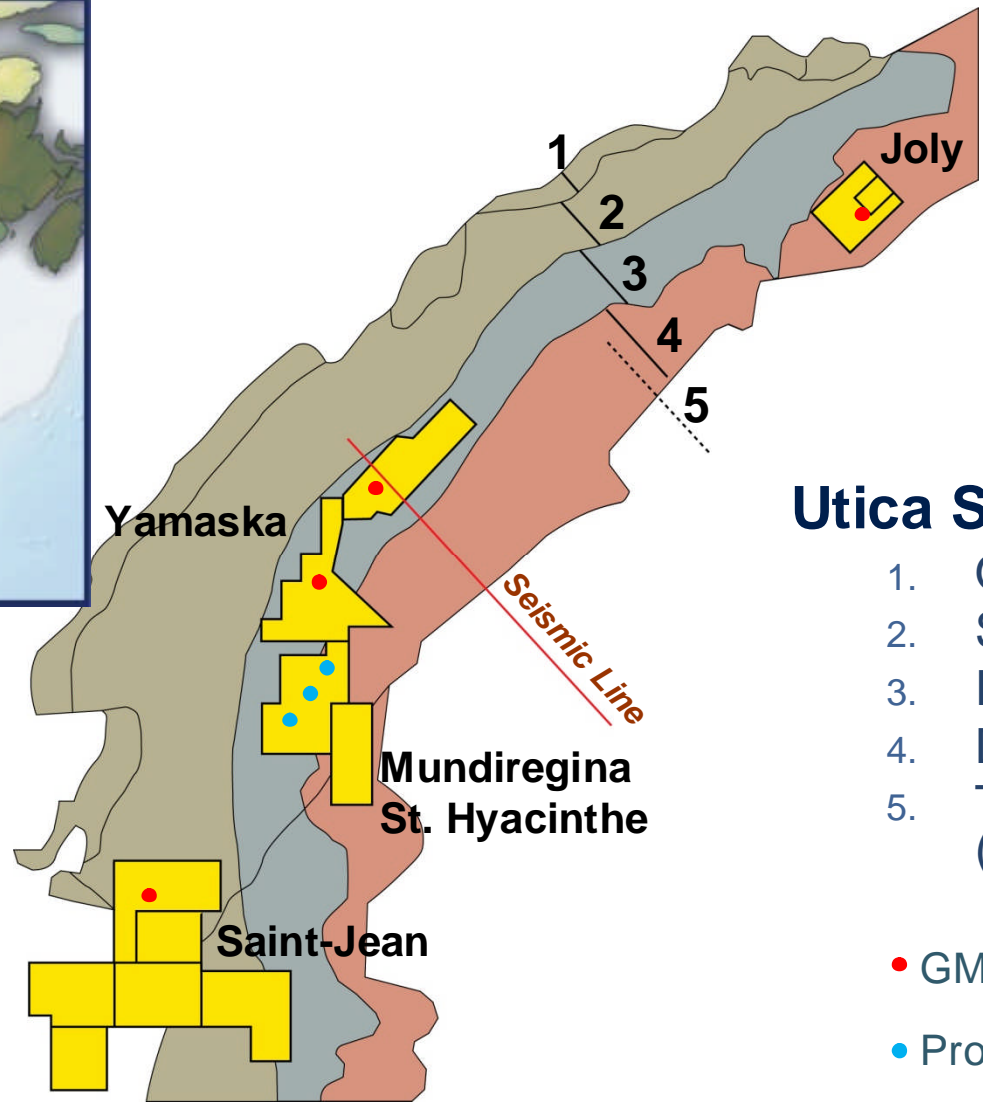
 2008 drilled wells and 2009 projected wells

 2009 projected wells

 2009 Gastem wells



Quebec Utica Characteristics



Utica Shale

1. Outcrop
2. Shallow
3. Intermediate
4. Deep
5. Thrust Sheet (speculative)

- GMR Shale Wells
- Proposed GMR Wells

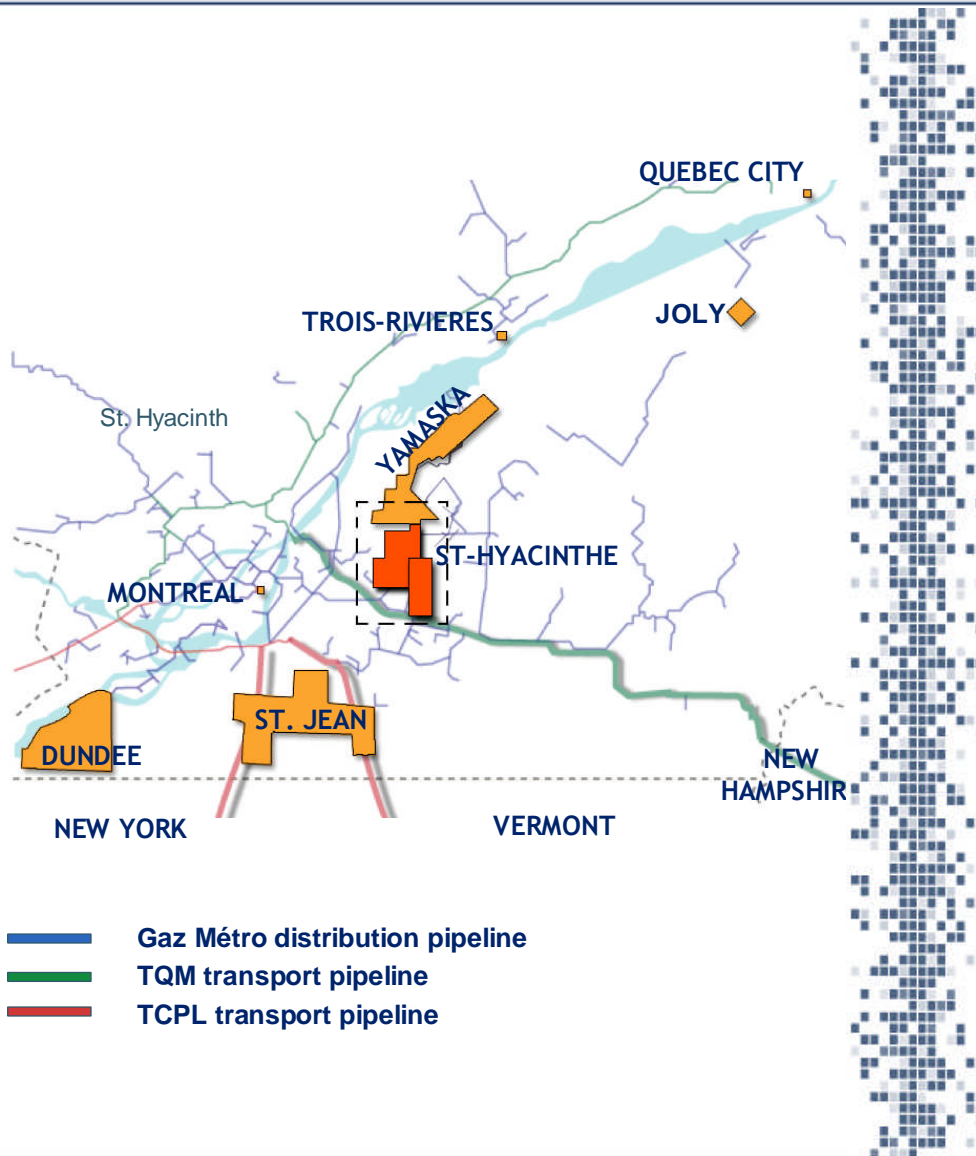
Net Prospective Utica Acreage



ACREAGE	Gross Acres	Working Interest	Net Acres	Prospective Factor	Net Prospective Acres
Yamaska	112,000	20%	22,400	75%	16,800
St-Hyacinthe	92,100	17%	15,660	75%	11,745
St-Jean	198,000	50%	99,000	50%	49,500
St-Jean Nord	54,000	20%	10,800	65%	7,020
Joly	35,000	35%	12,250	60%	7,350
New York	35,000	80%	28,000	90%	25,200
TOTAL	521,100		188,110		117,615

* Recent Industry Resource (OGIP) Estimates of between 93 – 100 BCF/section

Gas in Quebec: Favorable for Production



Robust economics

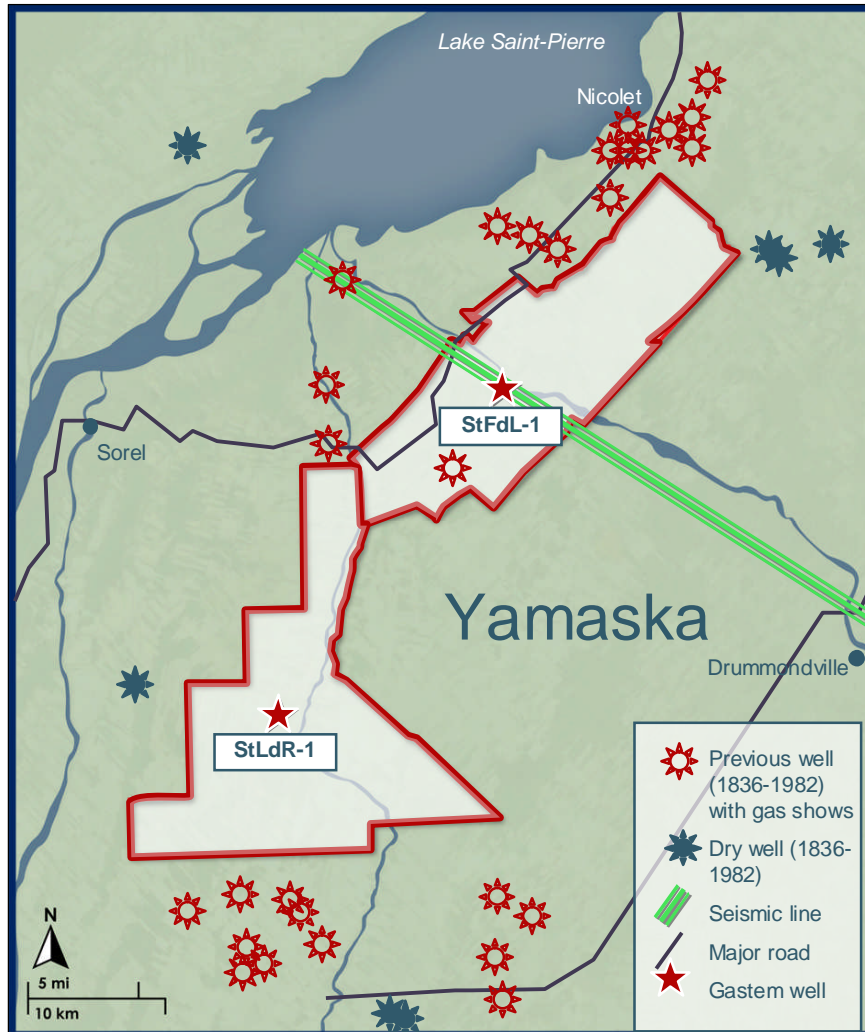
- Premium to NYMEX
- Royalty Rates 10% to 12.5%
- Excellent geological properties
 - Gas Content confirmed
 - Frac proven in 2008
- Established Infrastructure
 - Access to Quebec, Ontario and US markets



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Yamaska Property

Yamaska Property Overview

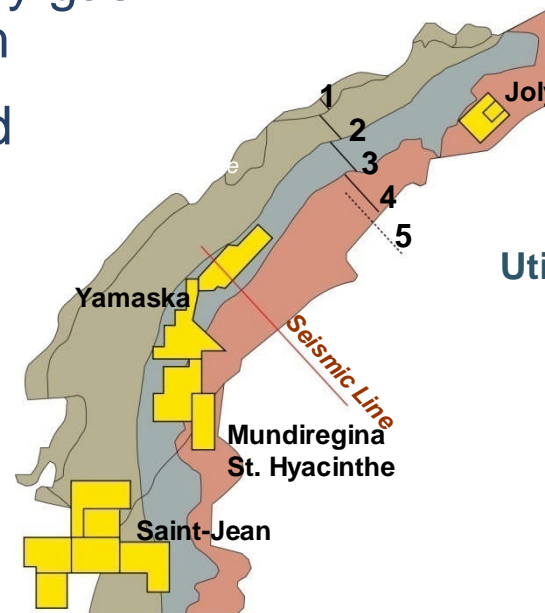
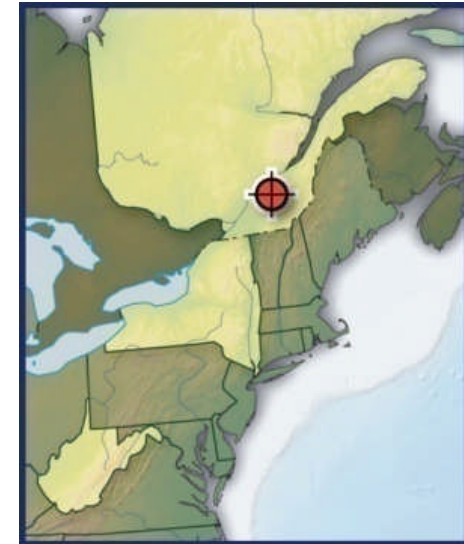


- 2 test wells drilled by Gastem in 2007, to test Utica (500-700 ft thick)
- Well completion strategy executed by Forest Oil based
- 2 horizontal wells drilled in 2008 with frac and test in Q4 2008
- Further fracs being undertaken in 2009
- Forest earned 60% interest in Yamaska and is now operator, QEC 20% and Gastem 20% (15% for other wells if Epsilon elects to participate)

Yamaska Property Characteristics



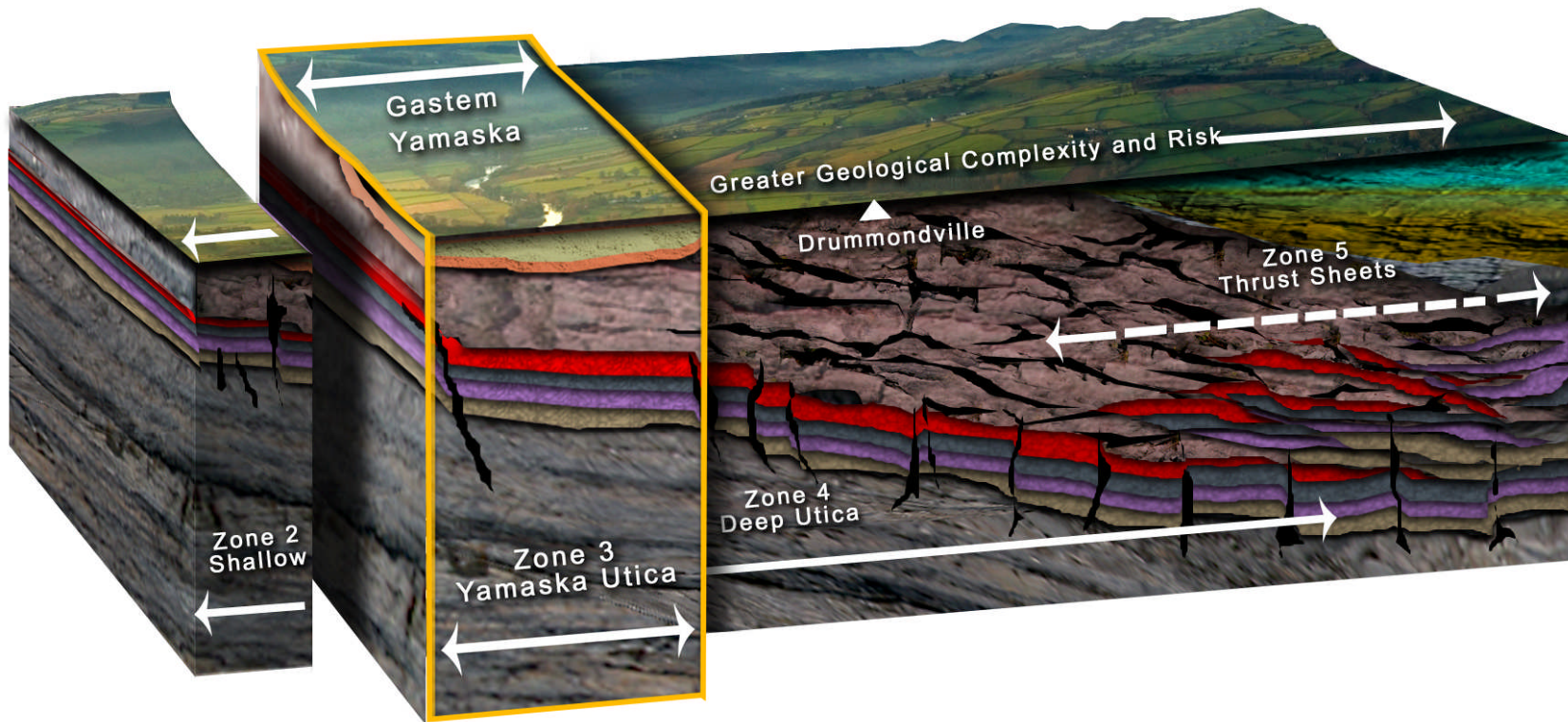
- Yamaska Acreage Position
 - 112,000 acres in fairway
 - 490 ft to 1000 ft thickness
 - 2% TOC
 - Thermal maturity in dry gas range at 4600 ft depth
 - Relatively undisturbed
 - Only source rock in the basin
 - Brittle and easily fractured



Utica Shale

1. Outcrop
2. Shallow
3. Intermediate
4. Deep
5. Thurst Sheet (speculative)

Seismic Profile

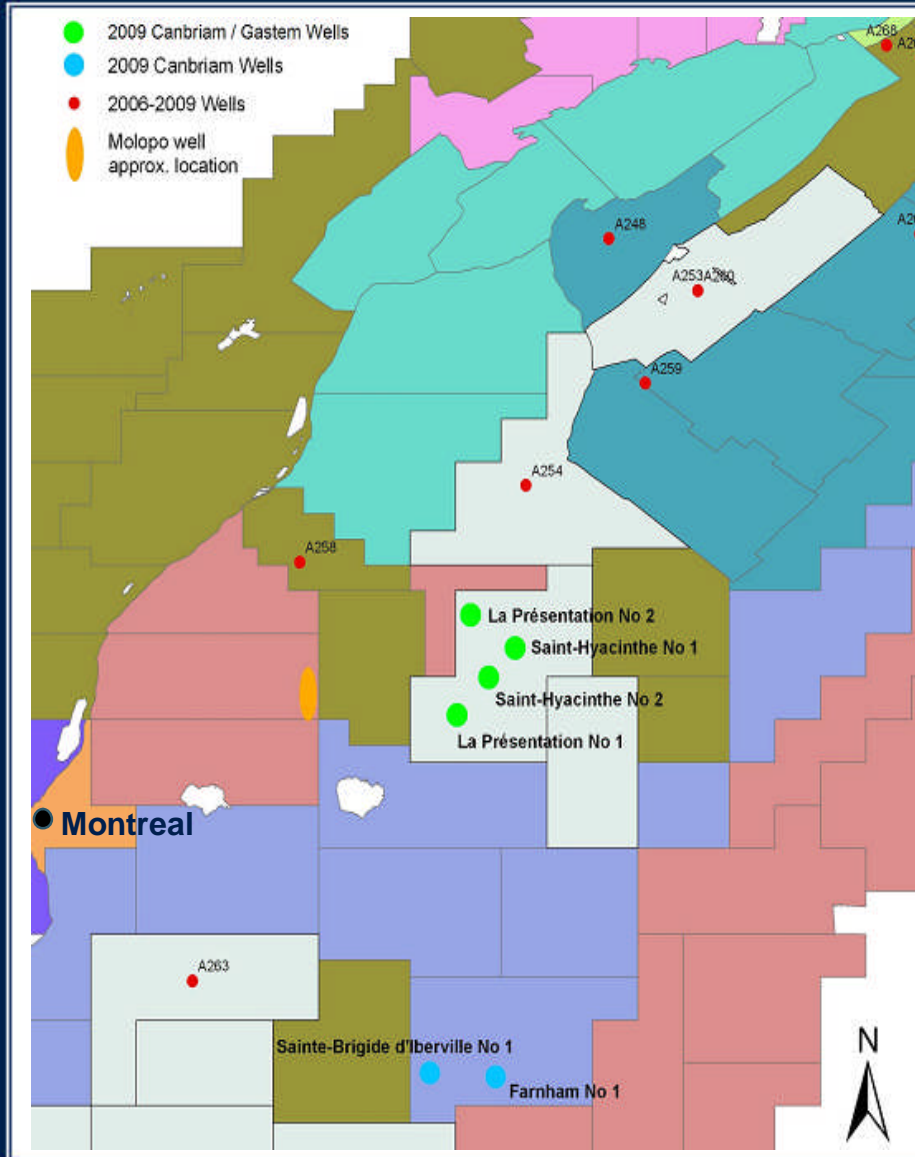




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St-Hyacinthe Property

St-Hyacinthe Property Overview



- 92,103 acres in fairway, Canbriam obtained, invited Gastem to participate
- Canbriam 68% WI, Gastem 17%, Farmors 15% (carried)
- Partner Costs : Gastem 20%, Canbriam 80%
- Obligations for earn-in:
 - Drill 6 wells prior to December 31st 2010,
 - Reprocess 2D seismic lines, 30 kms of new 2D seismic and High resolution aeromagnetic survey before December 31, 2010



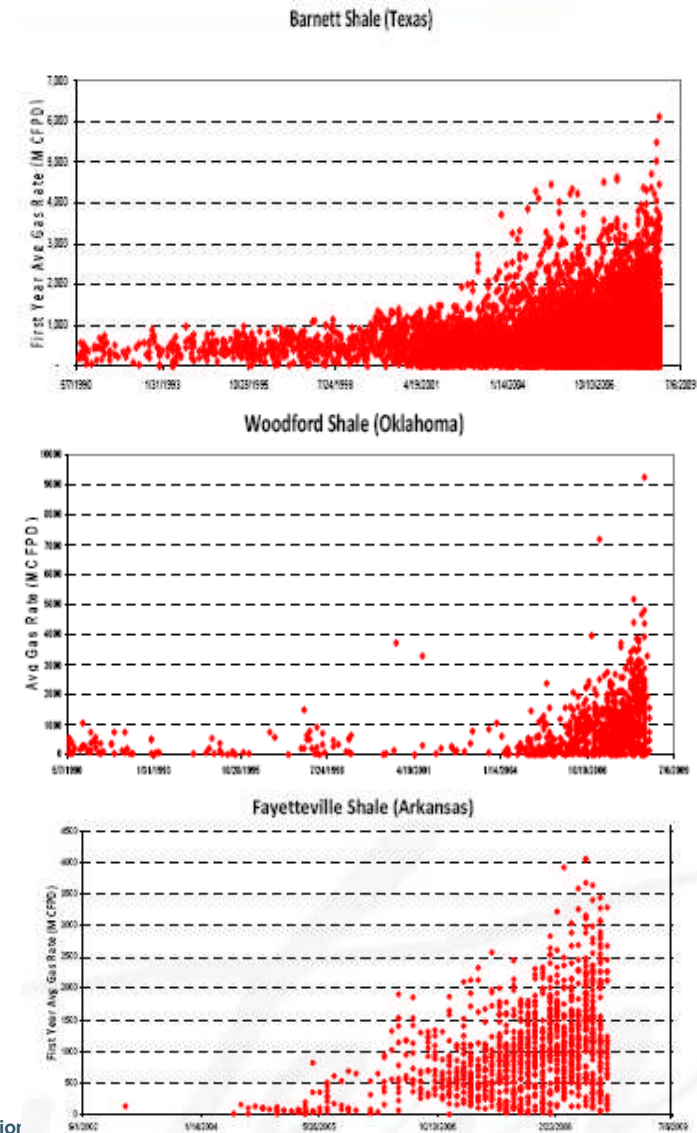
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Shales Play Learning Curve

The Learning Curve



- Operational experience and technical innovation are fundamental to the evolution of learning curves for unconventional shale gas plays.
- Innovations over time typically improve well performance.
- Technical innovation can be monitored by acquiring a statistically significant data set.
 - Over time, measures of performance variability results in repeatability based on technical innovations.

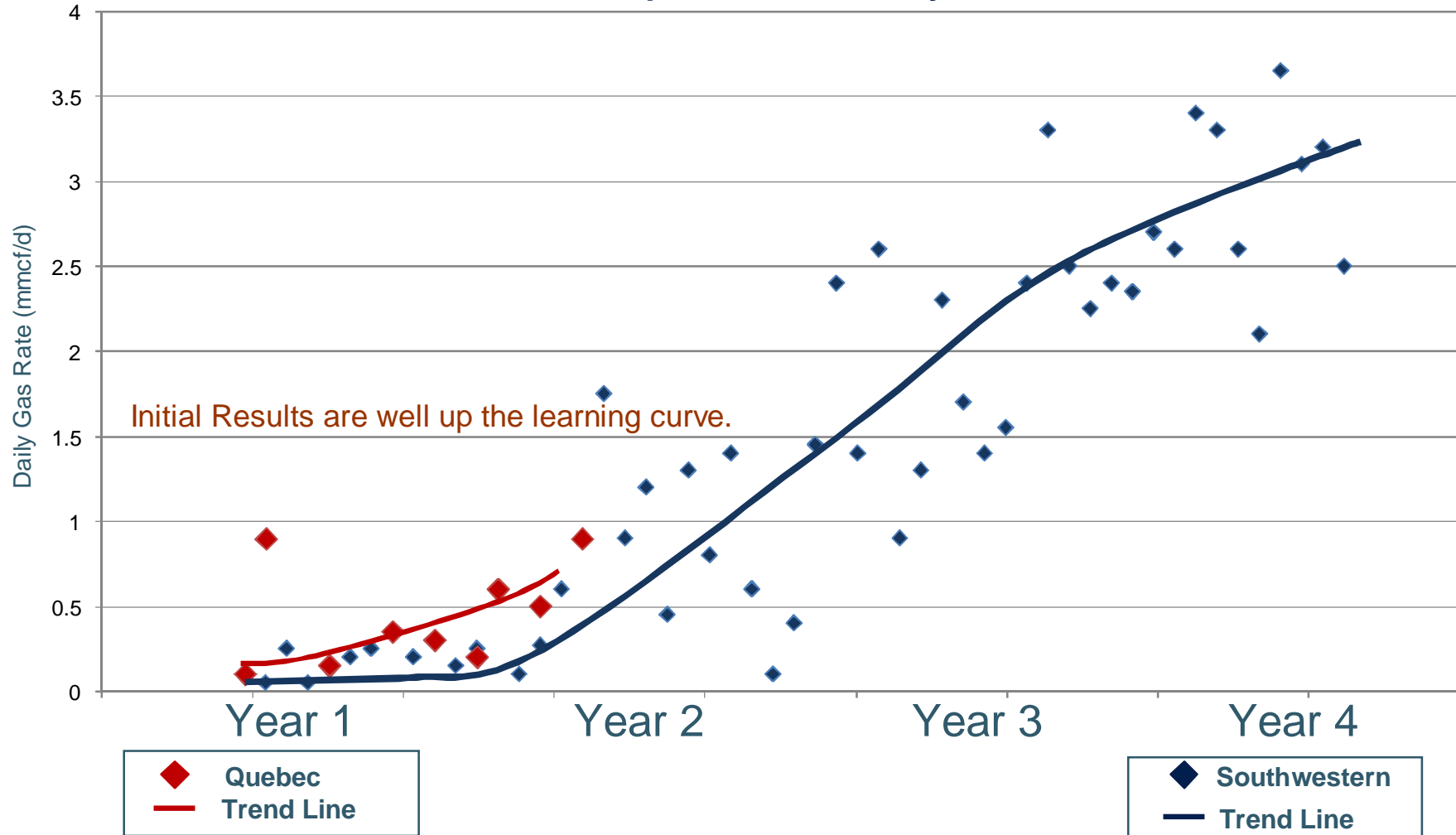


Source: Questerre Energy June 2009 corporate presentation

Measuring up to Proven Shale Play



Quebec Shale compared to SWN Fayetteville Shale



Source: Southwestern Energy January 2009 corporate presentation.
Quebec data points are estimated from Questerre Energy presentation.



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New York Project

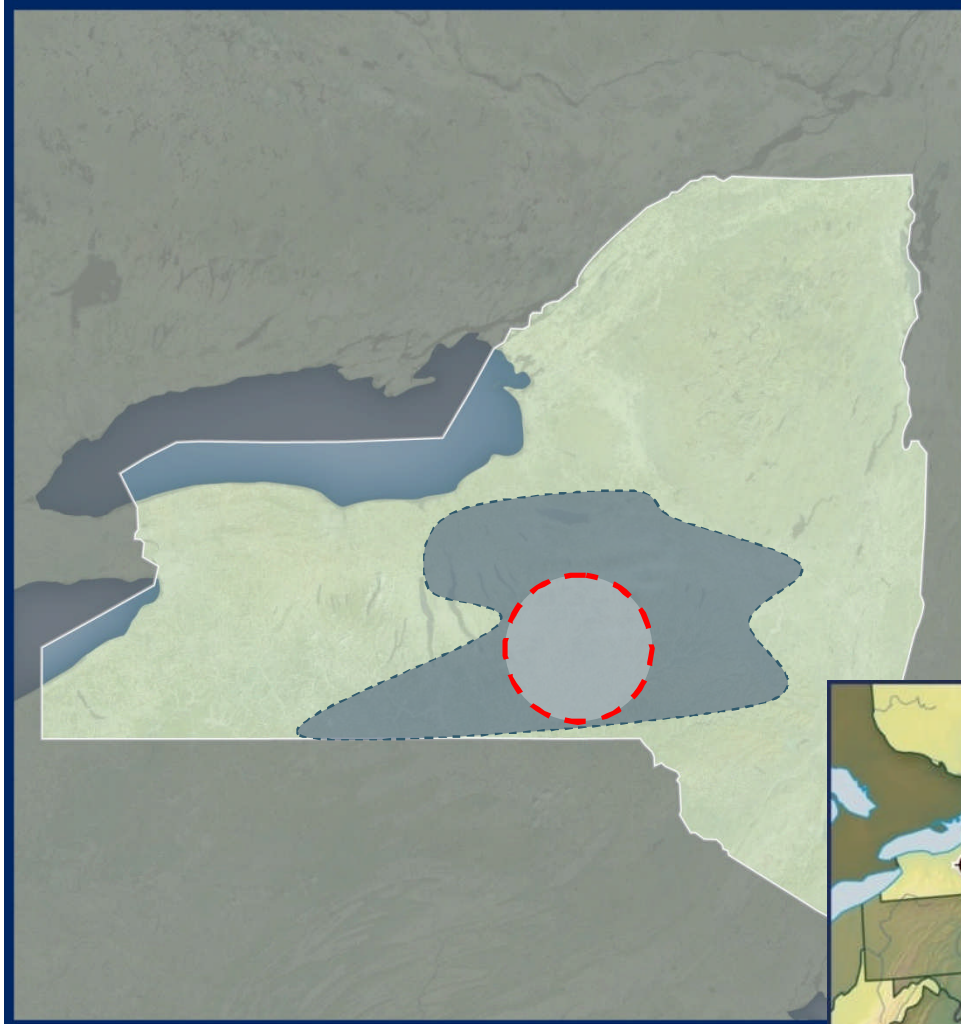
Utica Shale Cutaway



- Utica Shale Trend extends from Quebec into New York State and Ohio
- Utica Shale approx 300 to 600 ft thick in NY State
- Shale Gas potential proven
- Nymex +



New York Project Overview



- Gastem: 35,000+ gross acre
- Proximity to pipeline and infrastructure
- 2007 test wells with small frac in Utica
- Marcellus Shales present in the southern permits
- Earn-in option to acquire 80% Working Interest
 - 3 permits obtained and drilling scheduled to commence August 2009



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Appalachia Project

Appalachia Project Overview



Project Upside

- Proven Shale play
- Low acquisition cost
- Low drilling and completion cost
- Close to pipeline infrastructures
- Quick return on investment

Geological Targets

- Unconventional Shales play
 - Devonian Ohio Shale Formation
- Unconformity traps in the Salina and Lockport formation
- Keefer Sandstone
- Underexplored hydrothermal dolomite in TBR formations possible source Utica Equivalent
- Potential Knox
- Gas in the Rome formation

West Virginia



- Acquired rights in early 2007 from Epsilon for revenue in Amber Bank project in overall project
- 25% interest of Epsilon's interest in some 24 wells which were all in production in 2008 with excellent firm gas price
- Epsilon opted to sell it's rights in Amber Bank to operator Hard Rock in May
- Sale concluded, Gastem paid for its rights this week
- Gastem verifying numbers and will issue a press release next week
- Small profit or at worse, a break even, for this project

Virginia and Kentucky Projects



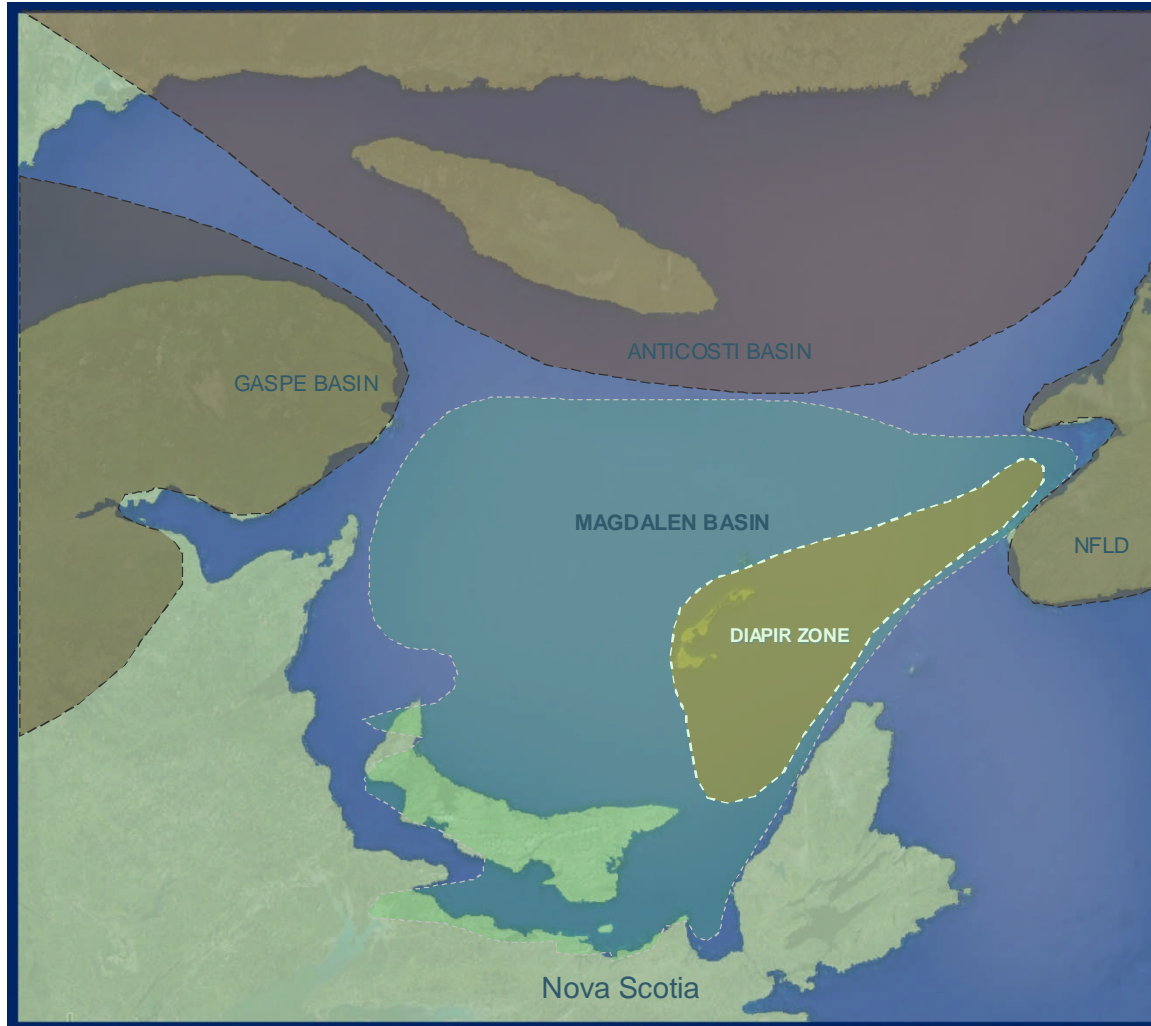
- Acquired land leases in Montgomery County, Virginia and Kentucky to develop small production revenue
- Basically shallow, low cost wells (CBM) with steady production
- Pipelines and infrastructure in place
- At \$4.00 gas, modest but steady revenue
- Situation to be revised later this summer and options evaluated



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Magdalen Islands Property

Magdalen Islands Property Overview

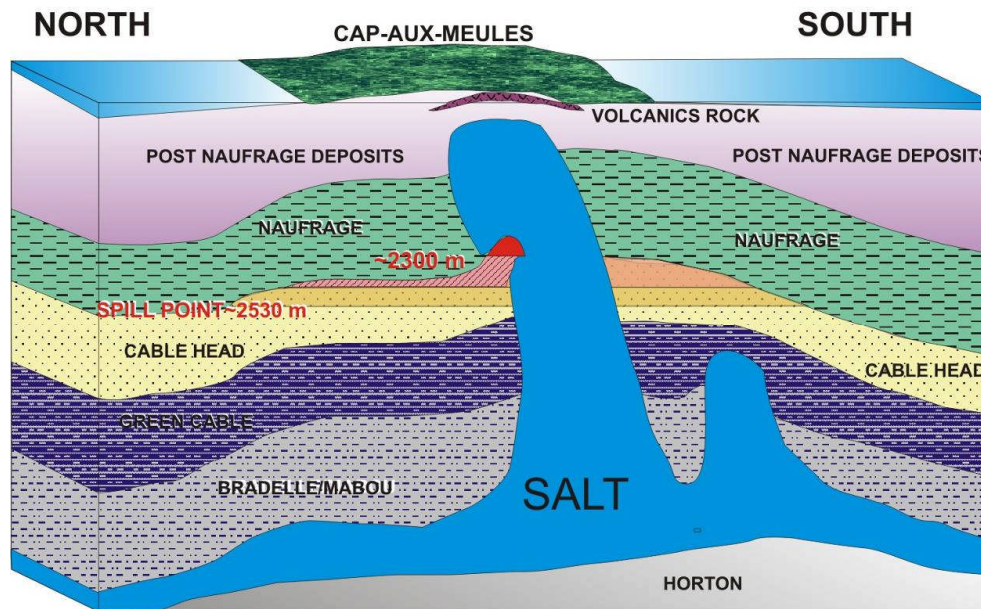






- Conventional salt dome gas play
- Approx 49,420 acres, acquired early July 2008
- Numerous Gas occurrences on Islands and off shore (90 bcfs in off-shore East Point Well the early 1970s)
- Seismics completed, review and magnetic survey completed, drill program prepared
- Emerging key gas play in Eastern Canada

Magdalen Islands Property Overview



SCHEMATIC CROSS-SECTION OVER CAP-AUX-MEULES



-  CASE 1 & 2 : SALT OVERHANG ONLY
-  CASE 3 : NORTHERN FLANK OF THE SALT DOMES FILLED BY GAS UP TO HALF THE DISTANCE TO THE SPILL POINT
-  CASE 4 : ENTIRE STRUCTURE HALF FILLED BY GAS
-  CASE 5 : ENTIRE STRUCTURE FILLED BY GAS UP TO THE SPILL POINT

- Re-examination of Geophysical data
- Integration and reprocessing of seismic data
- Identification of a trap and of a salt overhang (confirmed by a gravity survey May 2009)
- Estimated potential: 21 to 4,500 Bcf
- Local market: 1.5 to 2 Bcf/year



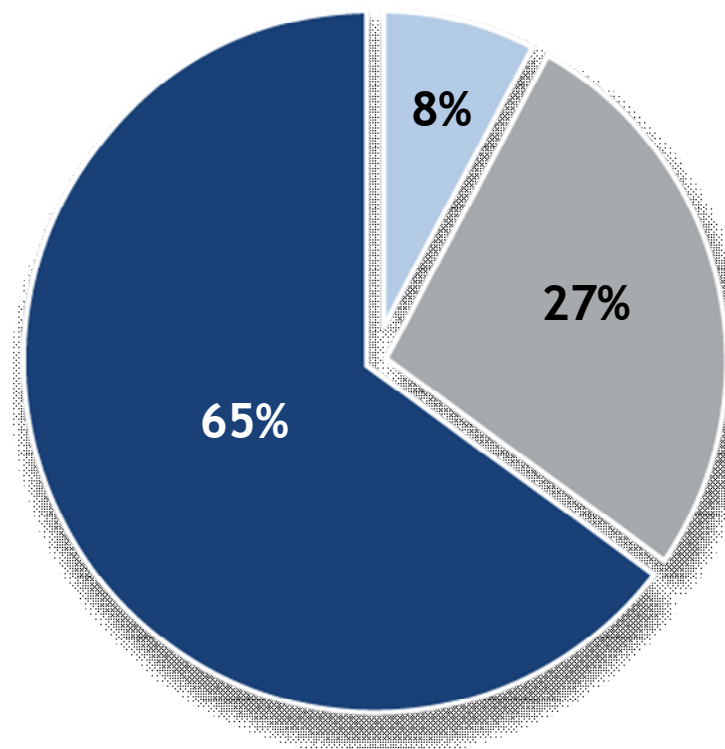
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Corporate Info

Financial Data & Ownership



- **Market Cap: \$25MM CAD**
- **Shares Outstanding:**
 - Basic: 61,043,831**
 - Diluted: 68,711,666**
- **3-Mo. Avg. Vol: 242,200**
- **2009 CAPEX: \$5.7 MM**
- **Cash on Hand: \$9,7 MM**



- **Retail**
- **Institutional**
- **Management & Insider**

Experienced Management & Board



Board of Directors

- **Raymond Savoie LL.L** (Montreal)
- **Glenn Kelly, Ing., MBA** (Québec)
- **Marc-André Lavoie M.Phil, M.Sc** President (Montreal)
- **Michel Lemoine LL.L, Ing** (Montreal)
- **Louis Morin M.A** (Montreal)
- **Murray Rodgers P.Geol.** (Calgary)
- **Zoran Arandjelovic B.A.** (Toronto)
- **Jon Kelafant, P.Geo.** (New York)
- **Regent Watier C.A.** (Montreal)



Technical & Operational

- **Glenn Kelly, Ing.,** Head of Technical Group
- **Paul Glover, Ph. D.,** (Technical Group)
- **Geraint Lloyd, M.Phil** (Geophysics)
- **Stephan Séjourné, Ph.D** (Geology)
- **Jean Guérin (MA)**
- **Orville Cole (ex-Halliburton)** (Drilling/Completions)
- **Murray Rodgers. P.Geo.**
- **Jon Kelafant, P.Geo.**
- **Richard Nyahay, P.Geo.**

Over 120 man-years of E & P experience including unconventional plays

Experienced Board Members



Raymond Savoie, LL.L, Chairman & CEO (Montreal)

- Minister of Mines of Quebec, 1985-1990
- Minister of Revenue, 1990-1994
- Principal in oil & gas, uranium exploration companies

Marc-André Lavoie, M. Phil., M.Sc, President (Montreal)

- Graduate London School of Economics, Cambridge University
- Previous Director, Interest Rate Derivatives, BNP Paribas
- Extensive banking experience with Canadian Federal & Provincial Governments

Glenn Kelly, Ing., MBA (Québec)

- President and CEO, CO2 Solution
- Former President, Intragaz
- 25 years of broad experience in the petroleum and natural gas industry

Jon Kelafant, M. Sc. (Arlington, VA)

- Senior Vice President of Advanced Resources International
- 22 years of U.S. and international shale project development experience.

Capable Technical Team



Geraint Lloyd, M.Phil, B.Sc (Honors), Geophysicist

- 8 years experience in offshore seismic & upstream sectors
- Extensive experience in North Sea, Caspian Sea, Angolan Shelf, Arabian Gulf, Egypt and Indonesia

Stephan Séjourné, Ph.D., Geology

- Directs Gastem's exploration programs throughout north-east
- Extensive scientific background in hydrocarbon potential of Foothills thrust sheets in the Appalachians of Southern Quebec
- 9 Years experience in the Utica basin

Orville Cole

- Former President, Strike Petroleum
- Managed field operations for Halliburton

Richard Nyahay MA, geology

- 20 years experience with oil & gas industry in New York
- Geologist with New York State Museum who supervises the Reservoir Characterization Group

Gastem Milestones: 2008-2009



What to Watch

- ✓ January 2008 Yamaska flow test from vertical well successful
- ✓ Summer 2008 2 Horizontal Wells drilled and frac'd at StFdL and StLdR (Yamaska)
- ✓ January 2009 Acquisition of St-Hyacinthe with private operator Canbriam
- ✓ May 2009 Magdalen Island's geological and geophysical work conclusion
- Summer 2009 Drill 3 vertical wells on St-Hyacinthe
- Summer 2009 New York drilling program kick-off ✓ Complete

Outlook for Q3 and Q4 2009



- Drilling program for 3 wells in St-Hyacinthe beginning in August and 1 well in NYS in late August
- Utica Shales will continue to be the primary focus but not our only activity
- Appalachia forging ahead with land acquisitions and development programs
- Work on Magdalen indicates highly promising major play which will attract a lot of interest over the next few months or so
- Enough working capital to carry us into first half of 2010
- Gastem has strong growth potential

Contact Information



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