

TAMM Oil and Gas Corp. – Corporate Update November 17, 2009

TAMM Progress Report on Manning Alberta Heavy Oil Project

TAMM Oil and Gas Corp. is pleased to report Chapman Petroleum Engineering Ltd. (a qualified independent engineering consulting firm located in Calgary, Alberta) has completed an updated report to include TAMM's recently acquired lands in its focus area at Manning, Alberta.

The landholdings are located within the "Alberta Carbonate Triangle" approximately 75 km north of Peace River town. The Alberta Carbonate Triangle is a well known bitumen-bearing region in northeastern Alberta which the Petroleum Technology Alliance of Canada estimates to contain a bitumen resource in the order of 445 billion barrels (71.1 billion cubic metres).

The updated Chapman Engineering report estimates a total of 3.14 Billion barrels of heavy oil in place on the existing TAMM lands presently totalling 47 sections (30,080 acres or 12,173 ha). The TAMM lands located 30 kilometres to the east of the principal Manning holdings were not included in this evaluation.

This new report estimates that 1,744,490,000 barrels of heavy oil in place are hosted within the Mississippian Elkton Formation, and 1,395,592,000 barrels of heavy oil in place hosted within the overlying Mississippian Lower Debolt Formation.

Petrophysical analysis of a well previously drilled on the TAMM lands at 6-34-T90-R24 W5M determined an average porosity of 20% and water saturation at 23-24% in the subject formations. Reservoir pressure was consistent within the two formations at 1005 psi or 6930 kPa.

Planimetering of maps prepared for this report resulted in an average calculated heavy oil reservoir thickness of 50 feet (15m) in the Elkton formation, and a 40 foot thickness (12m) in the Lower Debolt formation. The volume of heavy oil in place was estimated at 1,160 barrels per acre foot in the Elkton and Lower Debolt Formations.

Heavy oil is also present in the Upper Debolt M2, M3 and M4 limestone and dolomite units, with porosities ranging from 15-30% and water saturations of 20-40%, but these potential reserves were not included for the purposes of this report.

Possible heavy oil accumulations in the Lower Cretaceous Bluesky and Gething, and the Permian Belloy sands were similarly not considered in this review.

Please refer to the Chapman report posted on the TAMM website for further details:

http://www.tammoilandgas.com/i/pdf/Report_OSB.pdf

TAMM is planning to engage the firm during the coming months in order to produce additional studies and resource evaluations addressing potential reserves, risk assessment, and economical viability of certain prospects which have been identified by the company.

Bitumen vs. Crude Oil Pricing Factors

Historical price fluctuations between conventional crude and bitumen are becoming less volatile. Alberta Energy Information Letter 2009-37 addresses crude oil and bitumen price comparisons as shown in the table below. Heavy oils are calculated to be valued at 95.4% of medium gravity oil, and ultra heavy oil valued at 91.1% of medium gravity oil.

Category of Crude Oil	Density	Dec 2009 Par Prices \$/M3
Light Oil	less than 850 kilograms per cubic metre	\$446.04
Medium Oil	greater than or equal to 850 kilograms per cubic metre and less than 900 kilograms per cubic metre	\$408.60
Heavy Oil	greater than or equal 900 kilograms per cubic metre and less than 925 kilograms per cubic metre	\$389.94
Ultra Heavy Oil	greater than or equal to 925 kilograms per cubic metre	\$372.27

Source - <http://inform.energy.gov.ab.ca/Documents/Published/IL-2009-37.pdf>

In past years, strong fluctuations in bitumen prices have occurred between winter and summer months due to the additional cost of mixing higher price light oil (diluent) which is required in the winter as cooler temperatures require adding more diluent for transportation.

The implementation of a constant price determination for bitumen has been proposed using a benchmark price against crude oil and adjustments for transportation and quality. In the coming years, conventional oil production and reserves are projected to significantly decline, while bitumen production is expected to dramatically increase, resulting in further firming of bitumen prices. Thailand, Bahrain, China, Iran and other countries have recently increased bitumen pricing to average US\$400 – 425 per metric ton.

These factors have resulted in an increased focus being directed towards developing increasingly efficient enhanced heavy oil recovery methods. Numerous major oil companies have begun extensive testing of a diverse range of new recovery technologies for oil shales and heavy oil carbonates with promising results being reported worldwide, particularly in carbonate reservoirs.

In September, 2009 EnCana expressed its pleasure with strengthening heavy oil prices realizing attractive field prices (\$53/barrel or \$325/cubic meter) for their heavy oil production. Chevron recently expressed considerable confidence in their planned carbonated steam assisted recovery (CSAR) project in the Middle East neutral zone, estimating the technology could increase oil recovery from just a few percent, to perhaps 10%-30%.

ExxonMobil, Shell and several other majors are likewise optimistic with similar carbonate heavy oil projects in their own portfolios. Connacher also resumed full output at its Alberta oil sands project in January, 2009 because returns on the extra-heavy crude had substantially improved as oil prices began to firm up during the early recovery of the 2008 financial collapse.

TAMM Winter 2009/2010 Exploration Program

TAMM Oil and Gas Corp. was formed with the intent of establishing significant heavy oil prospects in the Peace River region in northern Alberta. The Manning project was selected based on a review of detailed proprietary geological studies, hydrocarbon potential and reservoir performance evaluations including 600,000 wells drilled in the Western Canadian Basin.

The Mississippian and Cretaceous sediments in the Manning area exhibit similar lithological and reservoir characteristics compared with other successful heavy oil projects in the Peace River region, and are considered to offer substantial potential for commercial heavy oil recovery.

TAMM geologists and technical personnel have recently identified specific target areas with encouraging results from previous drilling attempts, which are believed to be comparable to the Shell Chipmunk Field in terms of pressure, oil saturation, resistivity, porosity and permeability.

TAMM is planning an initial test well drilling program during the 2009/2010 winter season to evaluate these prospects for possible cold flow potential. There is ample existing seismic data which will be useful in determining optimum follow-up locations based on initial drilling results.

It is also expected there may be additional prospects within the Manning area which could contain lighter crude in possible Lower Cretaceous Gething (Aptian/early Albian) channel sands and within dolomitized Upper Mississippian Debolt, Elkton and Pekisko carbonate reservoirs. The company intends to purchase, reprocess and evaluate existing seismic data in order to define additional drilling targets to test these prospects.

It is anticipated that somewhat lighter oil reservoirs may be directly underlying the known heavy oil accumulations in possible "sweet spots" which could be capable of flowing oil without any stimulation. Hydrocarbons which may have migrated laterally and vertically into the isolated pockets within Manning complex during the last 100 million years would likely be less viscous than the earlier massive biodegraded heavy oil accumulations throughout the region.

Since such accumulations would rest below the heavy oil zones. Natural heat flow from below would accumulate underneath due to the "thermal blanket effect" of the heavy oil resting above, creating additionally favourable conditions for free-flowing heavy oil and conventional crude.

Economic viability of exploiting anticipated "sweet spots" would be vastly more favourable than the development of heavy oil reserves requiring stimulation, thus the company intends to focus initial drilling programs to test these theories. The possible presence of lighter oil within the Manning complex would also enhance overall project viability as the lighter crude might be commingled with the overlying heavy oil in situ, and/or used as a diluent during winter months.

The company has also approached qualified heavy oil experts to assist in evaluating different possible recovery methods or stimulation techniques in efforts to determine the most efficient and suitable technology for this type of reservoir and specific oil characteristics. These studies will also attempt to compare the TAMM Manning acreage against known Mississippian carbonate producing wells in the Peace River region.

Ultimate Potential for Manning Project

In this writer's opinion it is expected the Manning area could be successfully developed under current market pricing using existing technologies.

The potential for lighter oil in the suspected "sweet spots" might possibly range in the order of 100 – 300 MMBO of conventional reserves. This would account for approximately 3 – 10% of the calculated heavy oil reserves in place on the existing TAMM acreage.

We are not certain of the major sources of the Manning accumulation, however considering the magnitude of the volume of heavy oil in place it seems likely there might be significant deeper structures or traps which might have contributed to the shallow reserves. We intend to assess new exploration possibilities in attempts to locate and discover these potential light oil prospects.

Discovery and development of such possible conventional reserves would significantly enhance the overall project economics as expensive completion and stimulation techniques would be minimized. It is considered ultimate development and exploitation of these possible conventional targets might yield 3,000 – 10,000 BOPD within the project area if successful.

Given the magnitude of the heavy oil accumulation at Manning, it is expected several project areas could be developed for possible cold flow or only requiring minimal cost effective stimulation which could yield additional production in the order of 5,000 – 10,000 BOPD.

Secondary recovery projects using cyclic steam or solvent injection, or possibly simple downhole heaters might result in significantly improved recovery factors which might be expected to deliver a total production capability in the order of 60,000 to 85,000 BOPD throughout the Manning area based on a 25 year project life.

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