

April 6, 2009

1350-4538/4610-59070-20

Dave Pellegrin, P.Eng.
Sr. Exploitation Engineer
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Pellegrin:

**RE: COMMINGLED PRODUCTION APPROVAL
ADVANTAGE BLACK c-051-B/094-H-12; WA# 24906**

The Commission has reviewed your application dated March 18, 2009 for approval to commingle gas production from the Charlie Lake and A Marker zones encountered in the subject well. The Commission refers to the completed interval within the proposed Charlie Lake zone as the Yellow Marker formation.

The Commission has designated the gas pools under application to be the Black Creek – Yellow Marker “B” and A Marker “C”. The Yellow Marker “B” is a single well pool and the A Marker “C” pool also contains well d-63-B/94-H-12 (WA 23384).

Interim commingling approval was granted for the subject well on February 12, 2009. The well was completed in the Yellow Marker and A Marker zones the end of February, 2009 and tested gas at rates of $5.0 \times 10^3 \text{ m}^3/\text{d}$ and $5.5 \times 10^3 \text{ m}^3/\text{d}$, respectively. The well is currently shut in.

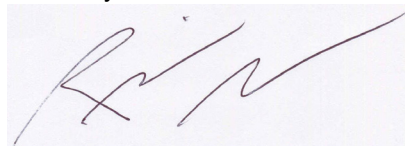
Both zones have similar reservoir pressures, and contain low levels of H_2S (Yellow Marker – 0.35%; A Marker – 0.5%). Commingled production through a single production string is expected to maximize production and reserve recovery.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Yellow Marker (1157.2 – 1160.1 mKB) and A Marker (1191.9 – 1193.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Finance BC S-1, BC S-2 and BC 08 forms on the basis of Yellow Marker 50% and A Marker 50%. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering