QUICKSILVER

RESOURCES

Presentation to Alberta Royalty Review Panel

Dana Johnson, Sr. VP and COO
Quicksilver Resources Canada Inc.

Medicine Hat, Alberta

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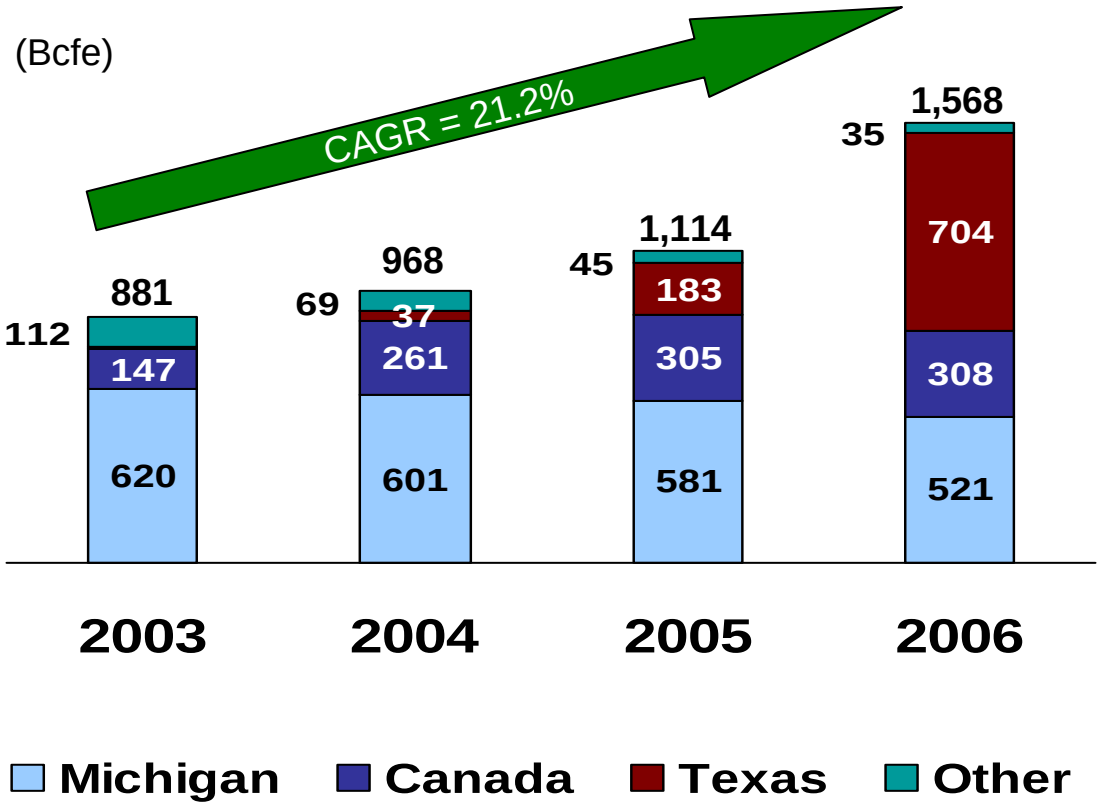
Background on Quicksilver Resources

- Unconventional Natural Gas developer and producer; active in 4 North American basins
- Public company; listed on NYSE as “KWK”
- Market capitalization approximately $3.5 Billion U.S.
- Subsidiary - Quicksilver Resources Canada Inc.
  - Canadian company headquartered in Calgary, AB
  - Formerly MGV Energy Inc.
  - Successfully commercialized the Horseshoe Canyon CBM play with ECA (PCP)
  - Drilled and currently operate over 1200 CBM wells - among leaders in Alberta CBM development

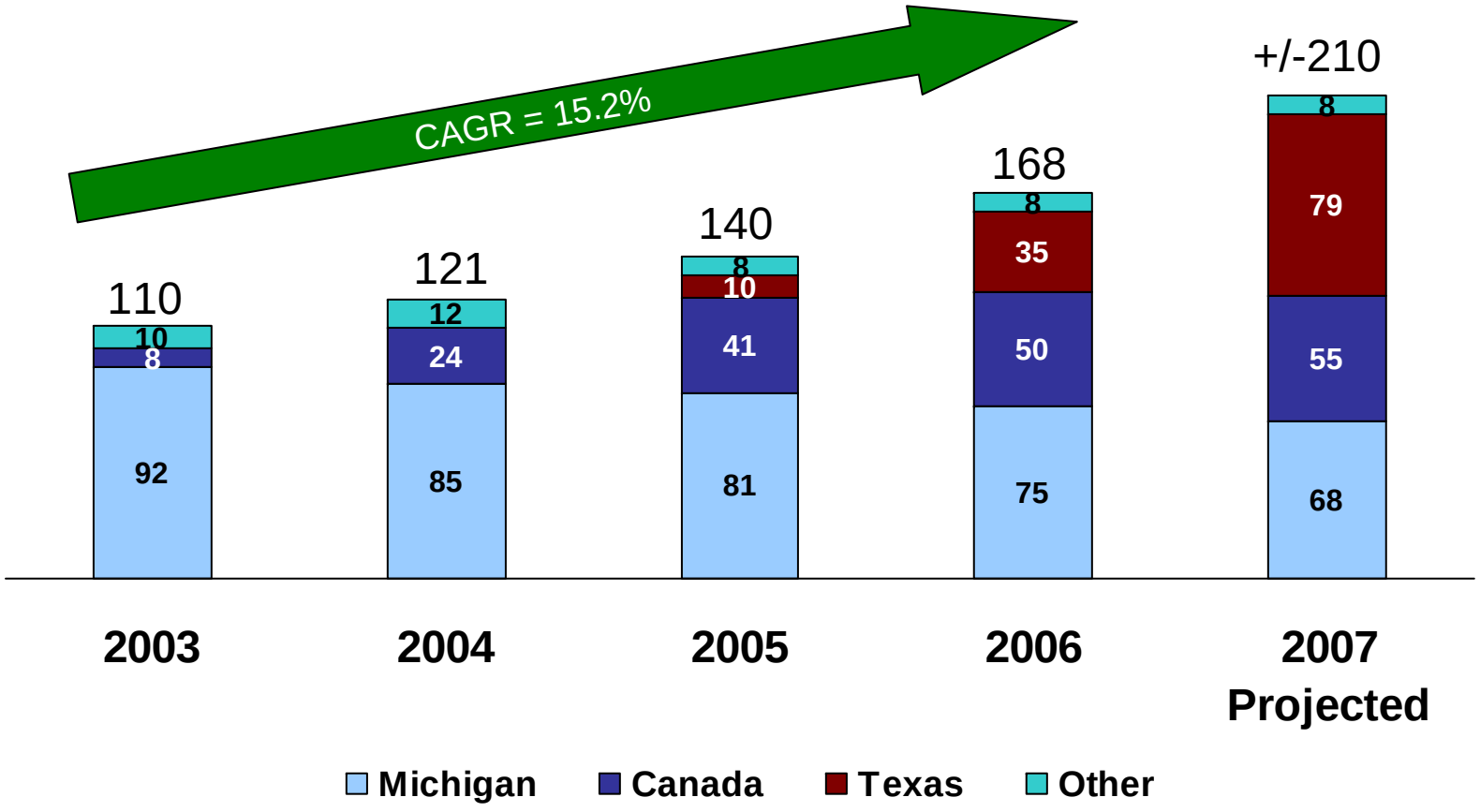
Consistent record of organic reserve growth…



- Production replacement:
  - 840% - 2006
  - 551% - 3-yr. avg.
- FD&A costs:
  - $.94/mcfe – 2006
  - $1.03/mcfe – 3-yr. avg.

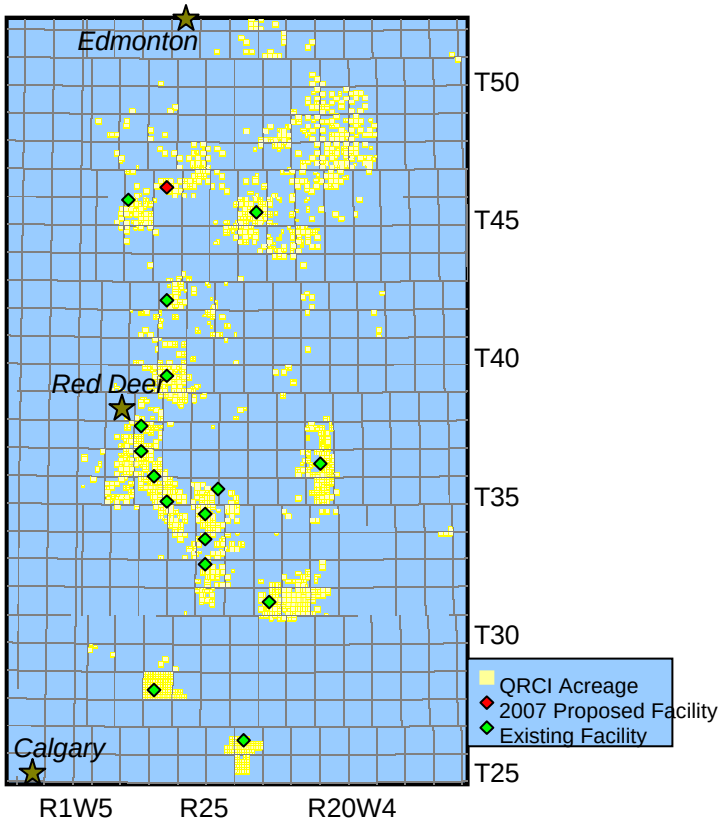
…and production growth

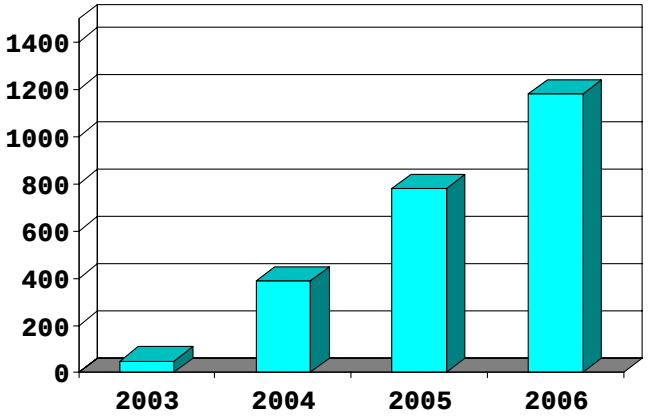
(MMcfe/d)



QRCI Background

Area of Operations





Quicksilver – (Alberta) approx. number of producing CBM wells past 4 years

- Active member of both CAPP and CSUG
- Currently have approx. 140 staff in Calgary & field
- Invested approximately $100MM per year advancing development of HSC CBM during the last 4 years
  - 410,000 net acres
    - 233,000 net acres undeveloped
    - approximately 1400 potential drilling locations
    - 4-5 year inventory of potential drilling locations
  - Five years piloting Mannville coals; not yet commercial on our acreage
    - 180,000 net acres

Cost Drivers for NGC Development and Production

- Technology Development/Capital Intensity
  - Drilling
    - HSC requires more wells per section
    - Moving to technically challenging horizontal and multilateral horizontal Mannville wells
  - Completions
    - HSC requires more intervals to be completed
    - Mannville horizontal completions more complex
    - Fracture treating required
  - Facilities and Tie In
    - Low pressure gathering system required for NGC
      - More compression equipment and cost
      - Larger gas pipelines for lower pressures
    - Water handling and disposal facilities in wet Mannville wells
    - Long term testing of pilot wells required prior to full-scale development
  - NGC production
    - HSC similar to conventional shallow gas
    - Mannville
      - High up-front dewatering cost before gas production on wet wells
      - Higher on-going operating costs associated with water production and pump workovers (solids and water pumping)

Summary

- Quicksilver Resources a focused and successful unconventional resource developer and producer
  - We produce a valuable resource
  - Active in 4 North American Basins
  - Canada a key piece of our portfolio
- Unconventional resources differ from conventional natural gas resources; Natural gas is increasingly harder to extract
  - Lower reservoir quality, lower porosity and permeability, lower production rates relative to conventional natural gas
  - Higher technical risks associated with NGC, fractured shales and tight sands
- Long term risk-discounted economics need to work
  - Stable and competitive royalty regime and overall Government Share plays a significant role in economics
  - No current specific incentives for unconventional resources

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817.665.5000 | http://www.qrinc.com | NYSE:KWK

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