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**TSX Symbol: TSK
June 7, 2006**

NEWS RELEASE

TUSK RAISES \$50 MILLION

Calgary, Alberta, June 7, 2006 – TUSK Energy Corporation ("TUSK") is pleased to announce the closing of a prospectus offering of 7,310,000 common shares of TUSK (the "**Common Shares**") and 3,890,000 common shares of TUSK issued on a flow-through basis (the "**Flow-through Shares**"). The Common Shares and Flow-through Shares were issued upon the closing of the "bought deal" offering arranged through a syndicate of underwriters led by Orion Securities Inc. and including Canaccord Capital Corporation, CIBC World Markets Inc., Westwind Partners Inc. and Acumen Capital Finance Partners Limited. The Common Shares were issued at a price of \$4.10 per share and the Flow-through Shares were issued at a price of \$5.15 per share, for aggregate gross proceeds of \$50,004,500.

The net proceeds of the offering of Common Shares and Flow-through Shares will be used by TUSK for potential property acquisitions, working capital and/or expanded capital expenditures.

The Common Shares and Flow-through Shares have not been registered under the U.S. Securities Act of 1933, as amended, and were not offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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***Forward Looking Statements** - Some of the statements contained in this news release are forward-looking statements. Forward-looking statements may include, but are not limited to, statements concerning estimates of recoverable hydrocarbons, expected hydrocarbon prices, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and in other published information of TUSK, the words such as "could," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are indicative of a forward-looking statement. Although TUSK believes that its expectations reflected in the forward-looking statements are reasonable, the potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors, which could cause actual results to differ from these forward-looking statements, include the potential that TUSK's projects will experience technical and mechanical problems, geological conditions in the reservoir which may negatively impact levels of oil and gas production and changes in product prices and other risks not anticipated by TUSK or disclosed in TUSK's published material. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties.*



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