



TSX Symbol: TSK
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NEWS RELEASE
TUSK REPORTS SECOND QUARTER & UPDATES ACTIVITY

Calgary, Alberta, November 10, 2006 – TUSK Energy Corporation ("TUSK" or the "Corporation") is pleased to report on activities for the quarter ended September 30, 2006, the second quarter of our 2007 fiscal year.

TUSK continued to grow during the three months ended September 30, 2006 and is well positioned for future success. TUSK has an abundance of drilling opportunities with a strong balance sheet and access to drilling rigs and services needed to exploit the potential of its properties.

During the quarter TUSK produced approximately 17.7 boepd per million shares, more than doubling in less than two years the production per share achieved in our first reporting period ending December 31, 2004. Average production of 918 boepd was up 29% from the first quarter ended June 30th and 47% from the comparable second quarter of the prior fiscal year. Production increases were primarily due to increased production from our Mega-Gutah wells after the completion of our new battery facility at Chinchaga in late July and drilling success on a group of properties on the Peace River Arch which had been acquired in April.

We are pleased to report on our activities during the period, the second quarter of our 2007 fiscal year which will end on March 31, 2007.

SECOND QUARTER HIGHLIGHTS

Northern Focus Area

- completed construction of battery at Chinchaga capable of handling up to 5,000 bopd from the Mega area;
- received approval for the construction of a road into the Mega-Gutah area;
- surveyed additional well locations in general Mega area and now have 23 locations surveyed (18 Keg River & 5 shallow).

Peace River Arch Focus Area.

- six wells drilled resulting in 2 oil, 3 gas and one dry well;
- purchased additional land on Puskuwa Beaverhill Lake trend – 34% working interest in a square mile of land approximately 10 miles northeast of recent discoveries for \$2,554/hectare (\$1,022/acre);
- granted Good Production Practice ("GPP") status for the Gage oil pool;
- substantially completed shooting of the first two 3D programs in Cutbank area of northeast British Columbia.

Corporate

- production increased by 47% over average levels of comparable period in last fiscal year;
- line of credit increased to \$20 million.

PRODUCTION

Total corporate production during the quarter was 918 boepd (45% natural gas), approximately 333% higher than in November, 2004 when TUSK started business, 47% higher than the comparable quarter in the prior fiscal year and 29% higher than the 711 boepd of average production during the first quarter ended June 30th.

Production was positively impacted during the period by completion of our Chinchaga battery which started to process oil production from Mega and Gutah in early August and the tie-in of a number of new wells in our Peace River Arch focus area. Production was negatively impacted during the period by the temporary shut-down of the Rainbow pipeline in September, the turnaround of the Keyera gas plant and a break on our Venus pipeline. Production infrastructure was more or less back to normal by the latter part of September.

Corporate production averaged 1,200 boepd during October and was more than 1,300 boepd as of November 1st. Current production includes approximately 850 boepd from the Peace River Arch and approximately 450 boepd from Mega-Gutah.

FINANCIAL

TUSK raised aggregate gross proceeds of \$50,004,500 when it closed a prospectus offering of common and flow-through shares on June 7th. A total of 7,310,000 common shares were issued at a price of \$4.10 per share and 3,890,000 flow-through common shares were issued at a price of \$5.15 per share.

TUSK is financially strong. Our line of credit was increased to \$20 million during the quarter and as of September 30th TUSK had \$25 million in net cash available. The largest expenditure for seismic at Cutbank, British Columbia, was \$12.1 million.

SUMMARY INFORMATION

	September 30, 2006			September 20, 2005		
		6 Months	3 Months		6 Months	3 Months
<u>Product Volumes</u>						
Oil, bpd		400	491		241	319
NGLs, bpd		11	11		12	12
Natural Gas, Mcfd		2,428	2,493		1,651	1,754
BOEPD		815	918		528	623
<u>Summary of Product Prices</u>						
Oil, per barrel	\$	71.59	71.23	\$	66.27	68.79
NGLs, per barrel	\$	48.02	55.73	\$	29.47	31.04
Natural Gas, per Mcf	\$	6.02	6.02	\$	8.20	9.15
<u>Financial</u>						
Funds from Operations	\$	3,672,585	2,225,665	\$	2,217,454	1,757,153
Net Loss	\$	(1,102,821)	(420,287)	\$	(528,972)	13,090
Funds from Operations Per Share	\$	0.08	0.04	\$	0.06	0.05
Net Loss Per Share	\$	(0.02)	(0.01)	\$	(0.02)	0.00
Cash Capital Expenditures	\$	28,987,582	11,272,867	\$	18,330,750	8,709,536

ACQUISITIONS

Prior to the onset of our second quarter fiscal quarter on July 1st, TUSK acquired properties and production on the Peace River Arch which had a significant impact on second quarter operating results. On April 21st TUSK announced that it had entered into a series of agreements which would provide access to high-impact exploration opportunities and an extensive land base of more than 300 square miles coupled with the acquisition of production and infrastructure. The deal involved lands in the Cutbank area of northeastern British Columbia and the Puskwa-Peoria area of the Peace River Arch (“PRA”) in northwestern Alberta.

EXPLORATION AND DEVELOPMENT

Our exploration and development focus is mainly on two areas (Northern and Peace River Arch) each of which have potential for oil and gas reserves in multiple zones.

NORTHERN AREA

The Northern area includes the Mega, Venus, Gutah, Snowfall and Pyramid areas where TUSK has been successfully developing reserves and production during approximately nine months of total winter access activity over the past several years. Main targets in the area are the Keg River (light oil and gas/condensate) and the Debolt (natural gas).

Winter Activity

During the 2006 winter access season TUSK drilled seven Keg River wells and one shallow well. The highlights of this period were:

- discovered a new Keg River oil pool at Gutah (46° API) approximately 4 miles south of the Mega pool. TUSK had a 25% working interest in the discovery well but has a 50% working interest in six other sections involved with the prospect.
- well has MRL of 375 bopd;
- third party evaluation indicated AOF for the well of 7,809 bopd;
- internal evaluation of test data indicates production capability in excess of 1,260 bopd;
- shot 3D seismic survey covering all of Gutah prospect area;
- constructed pipeline to connect Gutah discovery to Mega pipeline;
- drilled discovery well in shallower zone at Gutah;
- drilled two more wells at Mega including one with production capability (internal estimate) of more than 1,000 bopd;
- MRL for Mega pool increased to 370 bopd per well; and
- constructed Venus pipeline to tie-in 2005 gas/condensate discovery for production.

During Second Quarter

Although the MRL for Mega had been increased, actual production from Mega during the quarter continued to be constrained during the first month of the reporting period by the fluid handling capability of a third-party facility at the southern terminus of the Mega pipeline. In late July TUSK completed the construction of a new modular battery facility designed for future expansion to handle growing fluid production volumes from the Mega and Gutah areas and in early August the facility was commissioned and started to handle production volumes from the Mega-Gutah area.

In September, TUSK received approval for construction of a road into the Mega-Gutah area. Also during the period, the pipeline connecting the Venus gas/condensate discovery to the Keyera facility adjacent to the

TUSK battery, which had been put on-stream during the first quarter was compromised. Approximately 100 boepd of net production from the Venus area is currently shut-in until such time as the necessary repairs have been made. Production from the Venus area is expected to resume early in 2007.

After Second Quarter

Plans were filed with forestry officials of the Government of Alberta showing the twenty-three well locations surveyed by TUSK, approximately 10 to 15 of which are expected to be drilled during the winter of 2006-2007. Clearing of the right-of-way for the road to Mega-Gutah is underway and some of the bridges will be installed in November. This will be the principal access road for the the winter drilling season. Completion of the road is expected to occur during the summer of 2007 to facilitate access to the area in the late summer or early fall of calendar 2007.

Five Drilling Rigs Available

TUSK has lined up four rigs capable of drilling wells to the Keg River zone at a depth of approximately 2,500 metres and one smaller rig capable of drilling shallow wells to evaluate the potential of the shallow Gutah area discovery of last winter. TUSK expects to drill 8-12 deep wells and 2-3 shallow wells during the coming winter.

Current production from the area (Mega, Venus, Gutah, Snowfall) is approximately 1,100 boepd gross (450 boepd net). Survey work for a road into the Mega-Gutah area has been completed and work continues on the permitting process. No firm date for construction has been determined.

PEACE RIVER ARCH

Subsequent to the acquisition closing in April TUSK has an average 37% working interest in 190 square miles of land on the PRA. Current production is more than 850 boepd from our properties at Peoria, Gage and Boundary Lake.

Gage

TUSK has a 40% working interest in 8 producing Montney oil wells with some associated gas on this property located just northwest of the Town of Fairview. Current net corporate production is about 230 boepd. In September, the AEUB granted GPP status to the pool. Prior to the end of the calendar year, TUSK will drill up to three of the five infill locations defined for this pool.

Puskwa-Peoria

The April acquisition involved a large land position on the PRA comprising about 132 gross sections (43 net) with year-round access and multiple exploration targets. Most of the lands are located in the Puskwa-Peoria area which is located about 36 miles to the northwest of the City of Grande Prairie and 40 miles to the southeast of TUSK's PRA producing property at Gage.

Principal exploration targets include the Beaverhill Lake, Wabamun, Dunvegan, Bluesky, Gething, Charlie Lake, Montney and Banff formations. The acquisition included about 1.45 MMcfd (240 boepd) of net gas production, a 44.5% net working interest in an under-utilized gas plant and 544,000 boe of net reserves (P+P).

Four of the six PRA wells drilled during the quarter were drilled on lands in the Peoria area. In July, TUSK purchased a 34% working interest in a square mile of land at the Puskwa Crown land sale for \$2,554 per

hectare (\$1,022 per acre).

Production from the acquired lands was 240 boepd net as of the time of acquisition. Net TUSK production from these lands has increased to more than 550 boepd as a consequence of both new drilling and well optimizations. TUSK is participating in additional drilling on these lands as of the date of this report and expects to drill up to 10 additional wells over the next 12-14 months.

Cutbank

Another part of the April deal involved participation by TUSK in the shooting of four large 3D surveys which will evaluate approximately 200 square miles. By participating in the 3D shoot, TUSK earns a 5% working interest in the Triassic and deeper petroleum and natural gas rights underlying about 172 square miles of land being evaluated by the surveys. TUSK will have the opportunity to increase to a 25% working interest in prospective portions of the earned lands by drilling farm-in wells.

As of the date of this report, two of the surveys representing about 60% of the total area to be shot have been shot and are being interpreted. The remainder of the 3D shooting is expected to occur during the coming winter. There are no specific drilling plans for this area at this time.

CORPORATE GOVERNANCE

At the annual meeting of TUSK held on August 10th, Brian J. Evans QC was elected as the seventh director of TUSK. He served in the Government of the Province of Alberta from 1989 to 1997 serving as Minister of Environmental Protection, Minister of Justice and Attorney General and Deputy Government House Leader before returning to the private practice of law. Mr. Evans is currently Executive Director of the Werklund Group, a private investment group.

UNAUDITED FINANCIAL STATEMENTS AND MD&A

The un-audited financial statements and MD&A for the three and six month periods ended September 30, 2006 (the second quarter of our 2007 fiscal year) have been filed on SEDAR (www.sedar.com).

OUTLOOK

This month began with some market uncertainty as the federal government announced changes in the way they plan to deal with trusts. If the planned changes are passed into law the dynamics of our industry will change. While it is early days, the recent actions by our federal government may mean that the trusts will gradually become less significant in the overall oil and gas sector. This in turn, we believe, can lead to the advent of a number of new intermediates. TUSK has the platform for significant and rapid growth.

Shareholder value has increased with production up from 8.7 boepd per million common shares during the period ended December 31, 2004 to 17.7 boepd per million common shares during the quarter ended September 30th and almost 25 boepd as of the date of this report.

We are especially pleased with the results of our recent acquisition of assets on the Peace River Arch. Production from these assets has more than doubled from the 240 boepd we purchased in April and, with success elsewhere in this focus area, we have seen overall PRA production rise from about 220 boepd as of the end of our fiscal year on March 31st to 850 boepd today.

We are poised to effectively implement our drilling program in the generally Mega area as well. We have four deep drilling rigs committed to TUSK and numerous surveyed locations providing operational flexibility.

Work on the access road into the Mega-Gutah area is continuing – this will provide the primary access route for the majority of the 8 to 12 deep wells and up to 2 to 3 shallow wells to be drilled this winter. The completion of our Chinchaga battery puts us in a position to rapidly expand production as our drilling program progresses.

TUSK is well capitalized and has the resources to execute its capital programs this winter. As of the end of the quarter we have \$25 million in available cash and an un-used line of credit of \$20 million.

TUSK, in summary, is well positioned for success and we are confident that we can continue to increase the value of your shares in the months and years to come.

TUSK CONTACTS:

Norman W. Holton
Chairman and Chief Executive Officer

Earl T. Hickok
President & Chief Operating Officer

Gordon K. Case
Vice-President Finance & Chief Financial Officer

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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