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NEWS RELEASE

TUSK and Zenas Announce Business Combination

Calgary, Alberta, November 13, 2006 – TUSK Energy Corporation (TSX:TSK) ("**TUSK**") and Zenas Energy Corp. (TSX: ZNS) ("**Zenas**") are pleased to announce that they have entered into an agreement under which TUSK and Zenas will combine to create a mid-sized junior oil and gas company with a diversified asset base, expanded technical and operational capability and financial strength. The transaction will join two debt-free companies both of which have significant and focused exploration and development opportunities which are anticipated to substantially increase production in the next 12 months.

The transaction is to occur through a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta). Pursuant to the Arrangement, holders of Zenas common shares (the "**Zenas Shares**") will receive 1.033 TUSK common shares (the "**TUSK Shares**") for each Zenas Share held. The Arrangement is expected to close on or about January 1, 2007.

Strategic Rationale

The transaction combines the light oil, high impact exploration and development prospects (Mega, Gutah, Venus) and expanding gas production (Peace River Arch) of TUSK with the high quality, large gas resource play (Elleh) and stable light oil assets (Clair) being developed by Zenas. The transaction provides enhanced value for both TUSK and Zenas shareholders by consolidating complementary asset bases and technical teams, building a strong western Canadian junior oil and gas producer with no debt and the financial resources to execute its investment plans.

Norm Holton, Chairman and Chief Executive Officer of TUSK, commented, "*This highly accretive acquisition provides access to a large resource play with predictable top quartile finding costs. The deal combines strength with strength. TUSK and Zenas are debt free and both have major projects with substantial upside.*" John Rooney, President and Chief Executive Officer of Zenas, stated "*The combination with TUSK creates a corporate entity in a unique and enviable position which should, by the middle of 2007, have approximately 5,000 boepd of production, an annual cash flow run rate of almost \$50 million and be debt free. It provides Zenas with exposure to several significant exploration plays that have consequential impact potential for our shareholders.*"

Transaction Highlights

Zenas and TUSK shareholders will participate in a larger, growth oriented, junior producer with an enhanced ability to exploit its assets through its cash flow base, operational and technical synergies and an expanded inventory of drilling prospects. TUSK will have, on a pro forma basis, the following attributes:

- initial production of approximately 3,000 barrels of oil equivalent per day (“**boepd**”);
- commodity balance (approximately 50% light oil and NGLs and 50% natural gas);
- an undeveloped land base of approximately 200,000 net acres;
- a tax pool balance of approximately \$160 million;
- financial strength with positive working capital of approximately \$25 million;
- approximately \$40 million available on its existing lines of credit;
- a balanced inventory of light oil and natural gas opportunities; and
- a diversified asset base which reduces geographic and capital concentration risk.

The company will have three core areas with exceptional exploration and development opportunities. The drilling and development upside of TUSK in the highly prospective northwest Alberta light oil properties of the Mega area are complemented by the multi-year drilling inventory and long-life natural gas assets of the Elleh resource play in northeastern British Columbia. Both companies have significant assets in the Grande Prairie / Peace River Arch region which will form the third core area.

TUSK will be well positioned for long-term growth with:

- more than 50 identified drilling locations;
- multi-year exploration and development potential for light oil on a more than 200 square mile land base in the Mega area supported by extensive 3D seismic;
- multi-year development potential at Elleh on the Jean Marie natural gas resource play supported by extensive 3D seismic coverage; and
- numerous light oil and natural gas exploration and development opportunities in the Grande Prairie / Peace River Arch region.

Capital Spending and Production Targets

Committed capital expenditures during 2007 for the Mega, Gutah, Venus and Elleh areas are between \$45 and \$50 million. Based on this capital spending, we anticipate average production of 4,500 to 5,000 boepd for the year. In addition, the strength of the pro forma balance sheet provides the capacity to spend at least another \$40 million. The combined technical teams will evaluate both existing prospect inventory and new opportunities prior to committing that capital to specific projects. We expect to achieve rates of 6,000 boepd in the latter part of 2007 and average between 5,000 and 6,000 boepd by deploying the capital noted above.

Management and Board of Directors

Following the Arrangement, TUSK will be led by Norman W. Holton, Chairman, John R. Rooney, Chief Executive Officer, Earl T. Hickok, President & Chief Operating Officer, Gordon K. Case, Vice President Finance & Chief Financial Officer. All of the remaining managerial, administrative, operational and technical personnel of both entities will be combined to form the team to effectively implement the growth agenda of TUSK.

The board of directors of TUSK will be comprised of James S. Artindale, Ian T. Brown, Dennis D. Chorney, Brian J. Evans, Norman W. Holton, James E. Lawson, Michael M. Machalski, David R. Mackenzie and John R. Rooney.

Benefits to Shareholders

For TUSK shareholders the transaction is accretive to cash flow per share (25%) and production per share (26%). Based on TUSK's internal estimate of the proven reserves of Zenas, 4.7 million boe are being acquired for approximately \$19.70 per boe.

Zenas shareholders receive a significant premium to market and end up owning approximately 40% of a company with exposure to major exploration opportunities. The value to the shareholders of Zenas represents a premium to market of approximately 21% based on weighted average trading prices for the 20 day period prior to the announcement of the proposed transaction (TUSK \$3.25 / Zenas \$2.77). Based on the closing prices of TUSK and Zenas on November 10, 2006 the value to Zenas shareholders represents a 43% premium to market.

Both shareholder groups will participate in a larger company with more diversified assets and expanded execution capability.

Board Recommendations

Based on these and other factors, the Boards of Directors of both TUSK and Zenas have determined that the Arrangement is in the best interests of TUSK and Zenas shareholders. The board of TUSK has unanimously approved the Arrangement. Executive officers and directors of Zenas, representing approximately 17% of the outstanding common shares of Zenas, have agreed to vote in favour of the Arrangement. The Board of Directors of Zenas has unanimously approved the Arrangement and has received a fairness opinion from their financial advisor.

The Arrangement

Zenas will hold a special meeting of its shareholders on or about December 21, 2006 to approve the Arrangement. An information circular, detailing the Arrangement, will be prepared and mailed to shareholders of Zenas in late November. The Arrangement will require the approval of 66 2/3% of the votes cast by the shareholders of Zenas, the approval of the Court of Queen's Bench of Alberta and other regulatory agencies. If approved, the Arrangement is expected to be effective January 1, 2007.

Each of TUSK and Zenas has agreed that it will not solicit or initiate discussions or negotiations with any third party for any business combination or similar transaction. Zenas has agreed to pay a non-completion fee to TUSK in the amount of \$5 million in the event that the transaction is not completed in certain circumstances.

Financial Advisors

Orion Securities Inc. acted as the financial advisor to TUSK in this transaction and Westwind Partners Inc. was a strategic advisor.

Canaccord Capital Corporation acted as the financial advisor to Zenas and GMP Securities LP was a strategic advisor. Canaccord has advised the Board of Directors of Zenas that it

is of the opinion, subject to its review of the final form of the documents effecting the Arrangement, that the consideration to be received by the Zenas shareholders pursuant to the Arrangement is fair from a financial point of view to the Zenas shareholders.

Joint Conference Call

The management of TUSK and Zenas will host a joint conference call to discuss the proposed transaction on November 13, 2006 beginning at 10:00 a.m. Mountain Standard Time (12:00 noon Eastern Standard Time). The conference call can be accessed toll-free at 1-888-789-0089 or by calling (416) 695-9753. A replay of the call will be available until November 20, 2006 at midnight and can be accessed by dialing toll free 1-888-509-0081 from Canada or USA or (416) 695-5275 (Passcode: 635152#).

Forward Looking Statements

Certain information set forth in this document, including management's assessment of future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits will derive from them. TUSK and Zenas disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclosure provided herein in respect of boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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