



March 7, 2008

News Release

**TUSK ENERGY CORPORATION ANNOUNCES NE BRITISH COLUMBIA ASSET SWAP,
RESERVES, OPERATIONS UPDATE AND 2008 GUIDANCE**

ASSET SWAP

TUSK Energy Corporation ("TUSK") (TSX:TSK) is pleased to announce that it has entered into an agreement to swap its 50% non-operated interest in the Elleh property for both the balance of the Conroy property plus \$12 million. The Conroy assets are currently under farm-in to TUSK and to date TUSK has drilled 15 wells, completed 4 standing wells and constructed a gas plant, gathering system extension and sales line.

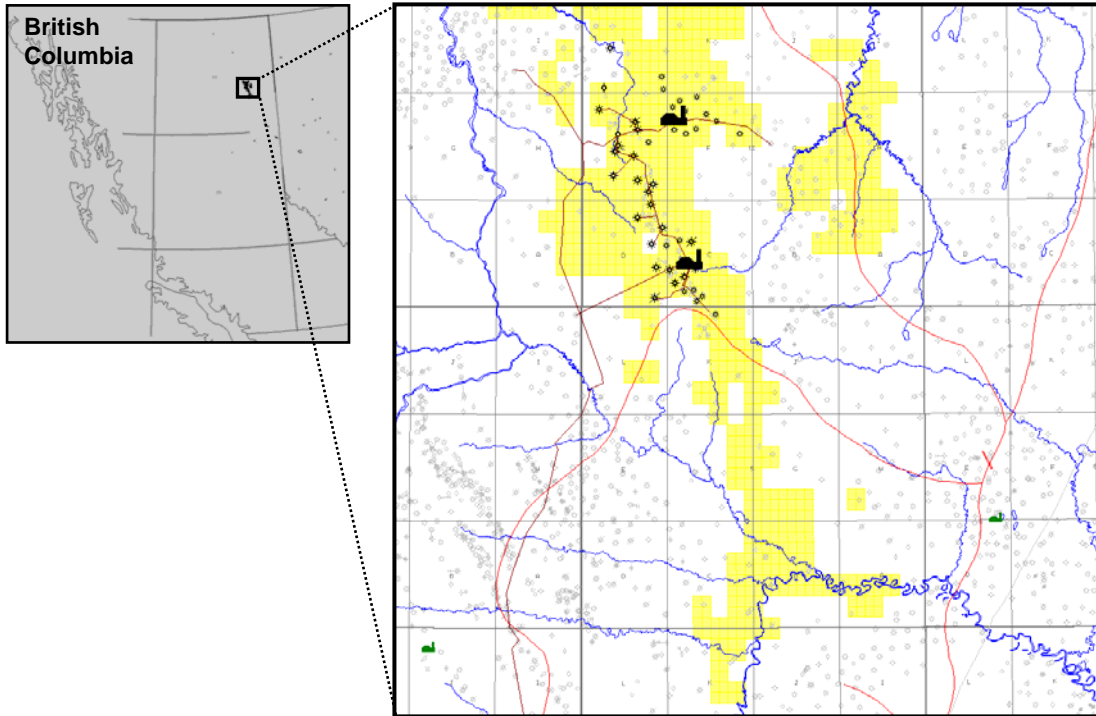
When the swap is completed, which is scheduled for March 31, 2008, TUSK's position in Conroy will include:

- Current production of 13 mmcf/d
- 100% working interest in two gas plants with combined capacity of approximately 25 mmcf/d and 85 km of pipelines
- Primarily 100% working interest in 125,000 acres of mostly contiguous land
- Royalty interest in 32,000 acres of land
- 116 development drilling locations, half of which are summer accessible

The benefits of this transaction to TUSK include:

- 100% working interest and control of a major area of operations
- Increased corporate liquidity from \$12 million cash proceeds
- Termination of remaining farm-in obligation of approximately \$15 million
- Net increase in undeveloped land base of 75,000 net acres
- Access to 116 low risk drilling locations of which approximately half are summer accessible
- Ability to increase production from the Conroy area to over 25 mmcf/d
- TUSK will operate 3 significant light oil properties and associated facilities in Alberta and the high BTU gas property at Conroy in NEBC. TUSK believes that all four properties have significant potential for further drilling and production optimization. TUSK will now operate 90% of its production.

CONROY PROPERTY



2008 GUIDANCE

(as of March 7, 2008)

TUSK estimates that with the completion of the swap, 2008 production will average between 5,200 and 5,600 Boe per day with a total capital budget of \$60 million. Debt levels upon closing are estimated to be approximately \$60 million or approximately 1.0x expected 2008 cash flow of \$60 million (\$.67 per share basic).

OPERATIONS UPDATE

TUSK has experienced a busy and successful winter operating season. At Conroy TUSK has:

- Drilled 15 wells
- Completed 4 standing wells
- Constructed a gas plant, gathering system extension and sales line
- Tied in the wells, commissioned the gas plant, sales and gathering lines and brought them all on stream on budget and at expected production rates

At Mega / Gutah TUSK has:

- Drilled 4 (3.25 net) horizontal wells
- Two net producing wells, one (.25 net) standing well and one net well currently drilling
- These successful horizontal wells confirm the viability of a multi-well development program
- Received enhanced recovery approval from the ERCB, converted one existing well to water injection and commenced injection operations

RESERVES AND IMPACT OF SWAP

TUSK's Board of Directors has approved the December 31, 2007 GLJ Independent Reserves Evaluation dated March 3, 2008. The evaluation was conducted pursuant to National Instrument 51-101 (NI 51-101). At December 31, 2007, TUSK increased total proved plus probable reserves 40% from 9.4 to 13.2 mmboe. The Conroy property's gross lease reserves (100% WI) attributed in this report are 22.5 Bcfe proved (3.7 mmboes) and 36.6 Bcfe (6.1 mmboes) proved plus probable.

TUSK's current internal estimate of the discovered gas initially in place (original gas in place) is 160 Bcfe with remaining recoverable resources of 100 Bcfe sales gas. At closing, anticipated on or about March 31, 2008 TUSK expects to book approximately 48 Bcfe of proved plus probable reserves with the rest of the resources to be booked as wells are drilled over the next two or three years. At present, 25 wells are budgeted for summer drilling at Conroy in 2008.

TUSK will provide more detailed information on its reserves and resources to be filed with the material change report discussing the asset swap. The reference to "discovered gas initially in place" means that quantity of petroleum that is estimated, as of today's date, to be contained in known accumulations prior to production. An accumulation is known if it has been penetrated by a well which, in general must have demonstrated the existence of hydrocarbons by flow testing in order for the accumulation to be classified as "known". However, where log and/or core data exists and there is good analogy to a nearby and geologically comparable known accumulation, this may suffice as known accumulation under COGE Handbook. Remaining recoverable resources means the sum of reserves, contingent resources and prospective resources.

Contingent Resources means quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Prospective Resources means quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 barrel 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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Or visit TUSK's website at www.tusk-energy.com

This news release contains forward looking statements with respect to TUSK, and may contain reserves, resources and cash flow estimates, drilling plans, debt levels, production expectations, opinions, forecasts, projections, guidance and other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, it can provide no

assurance that such expectations will prove to be correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward looking statements. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward looking statements contained in this release include, but are not limited to: the lack of precision around estimates of reserves and resources, performance of the company's oil and gas properties, volatility in market prices for oil and gas, geological, technical, drilling and processing problems, changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry and such other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by the company. You are cautioned that the foregoing list of important factors is not exhaustive. These statements speak only as of the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, other than as required by law. The forward looking statements contained in this release are expressly qualified by this cautionary statement.

In particular, the estimate of the discovered gas initially in place and the remaining recoverable resources are based on assumptions relating to wells drilled, production in the area and geological and seismic interpretation. There is no certainty that these properties will be commercially viable to produce any portion of the resources that have not been categorized as reserves at this point. The contingencies which currently prevent the classification of certain of the resources as reserves are future drilling and well productivity results, capital costs required to render production economic, applicable regulatory considerations, commodity pricing and other relevant factors.