

NEWS RELEASE

CAODC 2010 Revised Forecast — May 28, 2010

For Immediate Release

The CAODC has released a forecast update for 2010. The revision shows a significant change to anticipated activity in the last six months of the year. The forecast review is predicated, in part, on the results of phase 2 of the Alberta government's 'Energizing Investments' announcement, coupled with the higher levels of activity that were observed in the first quarter of 2010 – the winter drilling season.

In the first three months rig utilization averaged 54% in western Canada, some 35% higher than the CAODC projection that was released on October 27, 2009. The industry ran an average of 431 rigs, up from the 320 that was anticipated. The first quarter strength in activity was based on higher commodity prices and investor expectation that revisions to Alberta's fiscal regime would be introduced as a result of the government's 'competitiveness strategy'.

In the first quarter, Alberta utilization was 50%. Activity in Saskatchewan and British Columbia was higher at 56% and 57%, respectively. The CAODC now expects activity in both the third and fourth quarters to average 50%. In both quarters an average of 400 rigs are anticipated to run. This is a doubling of activity in the months of July, August and September. Previously, 200 rigs were projected to operate. In the final quarter of 2010, actual rigs are up from 256 by 144 or 56%. The number of wells expected to be completed in 2010 is 11,587, some 3,000 higher than the October projection of 8,523, or 36%.

The increase in activity is oil focused, with a renewed investor interest in opportunities presented by plays like the Cardium in west-central Alberta. This builds on the success in Saskatchewan's Bakken play, and in most cases horizontal drilling coupled with changes in technology will be employed. The forecast also draws strength from the natural gas activity in B.C., and some potential from enhancement to Saskatchewan's natural gas regime, also announced on May 27, 2010.

The number of rig technicians at work will rise to 8,500 from 5,500 expected last October. Workers employed on the drilling site will average over 25,000, running 337 rigs in 2010. The field employment will be some 45,000.

For more information, please contact:

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CAODC

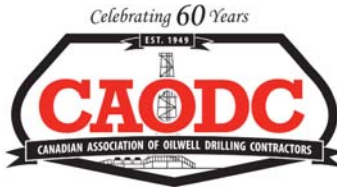
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Revised **FORECAST — 2010**

May 28, 2010

WESTERN CANADA

2010 Total Number of Wells (Western Canada): 11,587				
<u>QUARTER</u>	<u>ACTIVE RIGS</u>	<u>FLEET</u>	<u>UTILIZATION</u>	<u>OPERATING DAYS</u> *
2010 – 1 st ***	431	804	54%	38,399
2010 – 2 nd	120	800	15%	10,800
2010 – 3 rd	400	800	50%	36,000
2010 – 4 th	400	800	50%	36,000
Average 2010	337	801	42%	121,199

2007			2008			2009		
Drilling	Util.	Wells	Drilling	Util.	Wells	Drilling	Util.	Wells
336	38%	19,144	351	40%	16,844	209	24%	8278

Assumptions: WTI: \$82.00/bbl (USD) AECO: \$4.55/Mcf (CDN) 10.3 days/well

* **Calculation based on spud to rig release data**

*** **Actual data**