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NEWS RELEASE

CAODC FORECAST OF DRILLING ACTIVITY — 2010

For Immediate Release
Calgary, Alberta (October 27, 2009)

The Canadian Association of Oilwell Drilling Contractors (CAODC) has released a forecast of drilling activity for 2010, along with an update on 2009.

The first three quarters of 2009 have been weak in terms of operating days (51,993 days). This is 48% below the first three quarters of 2008, and 58% below 2006. Utilization for the first three quarters of 2009 has averaged 23%, compared with 40% the previous year. For the entire 2009 year, the Association expects a 40% decrease in actual rigs vs. 2008 — 209 compared with 351.

The time required to drill a well has remained at about 9 days in 2009, as suggested when the forecast was released last fall. This reflects a focus on horizontal drilling opportunities, and less exploitation of shallow gas reserves.

For 2010, the Association expects a continuation of the same trend in higher days per well or increased drilling time. We are suggesting 9.3 days, up from 9 days, or a 3% change. The gas plays in north-eastern British Columbia and the oil work in Saskatchewan are good examples of the horizontal concentration of investment.

In 2010 we expect a continued decrease in the Canadian fleet, with equipment moving both outside of the country or being retired. The fleet is expected to average 800 rigs, down from the 862 in the first quarter of 2009, and the 840 shown in the fourth quarter. (The fleet peaked at 902 rigs in December 2007).

The total average active drilling rig count will increase slightly; from 209 this year to 218 in 2010, a 4% change. Drilling days will increase by some 4,000, to 78,480. Most of the increase is in the third quarter, with a slight improvement in the fourth quarter as well.

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Only 40% of the fleet will be employed during the winter drilling season in the first quarter, followed by a significant decrease during break-up. The actual rig count is similar to 2009 for the first six months. During 2010, a utilization of 27% is expected. This will be the third year of sub-economic conditions, and at 27%, is very close to the previous all-time low observed in 1992.

The modest improvement during the final months of 2010 assumes some strength in natural gas prices. The forecast shows a gas pricing assumption of $.5.50/mcf (CDN), with oil at $70.00/bbl (WTI). Activity levels will be strongest in British Columbia and Saskatchewan, as investors interested in Alberta opportunities wait for an improvement in the "competitiveness" position of the province.

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FORECAST — 2010

October 20, 2009

WESTERN CANADA

2010 Total Number of Wells (Western Canada): 8,523				
QUARTER	**ACTIVE RIGS**	**FLEET**	**UTILIZATION**	**OPERATING DAYS** *
2010 – 1st	320	800	40%	28,800
2010 – 2nd	96	800	12%	8,640
2010 – 3rd	200	800	25%	18,000
2010 – 4th	256	800	32%	23,040
Average 2010	**218**	**800**	**27%**	**78,480**

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: $70.00/bbl (USD)** **AECO: $5.50/Mcf (CDN)** **9.3 days/well**

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