

2010 Improving Field Performance Study

An Effective Tool for Operations Teams to
Identify Opportunities for
Volume Maximization & Cost Reduction



• Quick & Direct Opportunities

• Improve Production

• Money-Back Guarantee

*Are you managing your future?
... or are your costs rising fast?*

What Clients Say:

"We find the Ziff Energy reports to be comprehensive, well written, and most importantly, consistently objective ...

The resulting analysis is of high quality and integrity ...

Without the Ziff tools, we would find it very difficult to objectively measure."

Senior VP, Canadian Major

...

"The scope and format of the study assisted us in focusing on specific areas of improvement.

The presentation of the results of the study was concise and informative and reflected considerable knowledge of operations ... As a result, we have been able to dramatically improve our operational efficiencies and lower our costs."

Vice President, Super-Major

...

"We got more than what we paid for, which is a pleasure to say.

I would recommend this process to any company wanting to move from the 'also ran class' to 'best of class.'"

Operations Manager,
Independent Producer

...

"The value for changes we implemented was estimated at \$5,000,000 (per year), a very good return."

Senior Engineer,
International Major

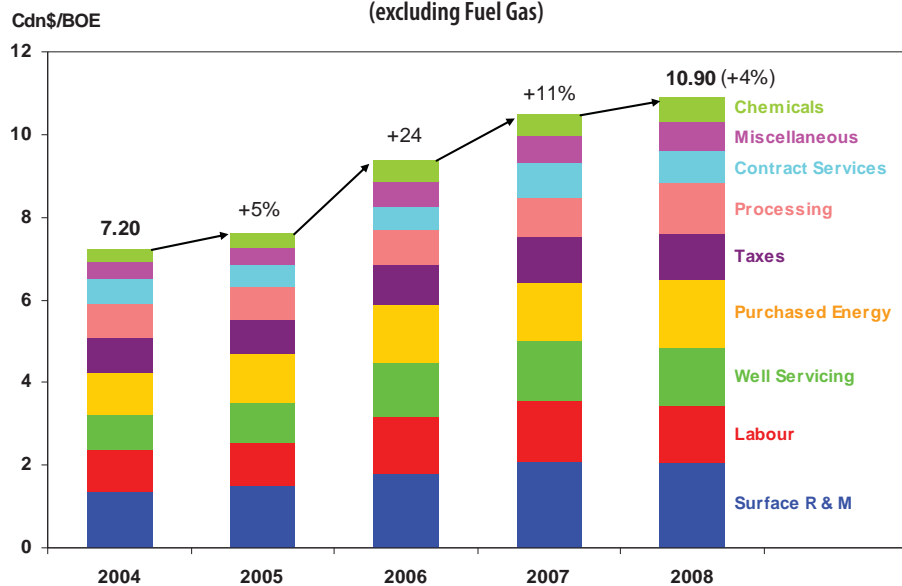
2010 Improving Field Performance Study

Oil & Gas fields are the basic building blocks of your company, but the WCSB is mature and in decline. While prices are much lower, average unit costs are not down in 2009. It is not easy to identify which operating cost areas offer the greatest potential for reduction and meaningful savings, and whether field operations are at maximum uptime. This analysis:

1. compares the total **field and plant unit operating costs** to peers in 12 Asset groups and provides in-depth analysis of your field and plant operations by cost category.
2. **NEW** - assesses the **production efficiency** of your fields' deferred revenue, and identifies production improvement targets.

Many companies capture large operating cost savings through our field benchmarking. Our extensive database of operating costs covers 1,800 Canadian fields and plants of all types.

The Challenge: Operating Cost Inflation (excluding Fuel Gas)



Note: based on Ziff Energy's Operating Cost Database

Both maturity and escalating costs have driven **operating costs up by half in the last 5 years**. This study provides **solutions**:

- a detailed analysis for each of your significant properties, using field level diagnostics
- uncovers key areas of under-performance, enabling Root Cause Analysis to identify appropriate solutions to reduce costs and maximize production
- our new & unique Uptime Analysis identifies issues of Reliability to increase Production
- covers the large majority of your 2009 OpEx.

Are your core assets performing well?

Would a review of your significant operated assets be timely?

This study highlights quick and direct cost reduction opportunities.

KEY FEATURES

Key Cost Components are Analyzed

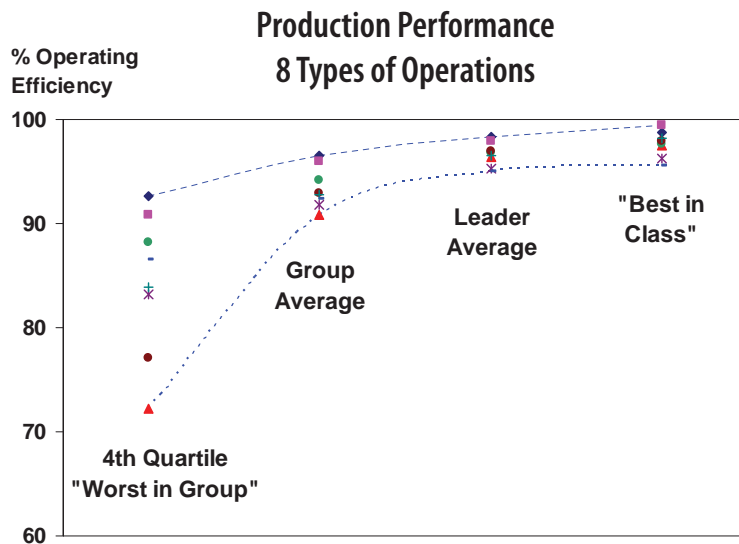
Our Categories of key controllable costs reconcile difficult problems such as energy use and third-party processing. We probe deeper: Sub-Classifications focus on specific cost problems. We pinpoint excessive expenses and identify the **savings potential for each important cost category for each property.**

NEW - Uptime & Reliability Analysis: What is "Best in Class"?

Our review of daily production identifies valuable **lost production** opportunities.

Our operating efficiency assesses your key properties for:

- the frequency & impact of production incidents
- the duration of production incidents
- the time to recover from production incidents
- \$\$\$\$ lost.



Submit Data Electronically - Much Easier!

Our improved electronic data cost gathering approach is now based on your own data structure, so data retrieval is far easier, and fast! Ask us about the details of **Electronic Data Gathering** from your Q-Byte or SAP system.

STUDY DELIVERABLES

You receive:

- Customized Diagnostic Analysis - targets for each field & cost
- Customized Executive Summary
- Private Debriefings with Staff / Field Personnel
- Data Collection Support
- New! Electronic Transfer of Cost & Production Data.

"We encourage other operators to participate in Ziff Energy's multi-client benchmarking projects.

Some of the benefits are:

- *standardized cost data & peer field comparison*
- *points to areas where we may have gaps in performance*
- *the results encourage us to take a look at our operating metrics and understand the drivers and where to focus our time and efforts*
- *(uptime) reliability metrics*
- *automated data gathering takes effort away from staff, who are stretched these days."*

Vice President,
Large Independent Producer

...

"Immensely impressive ... much more detailed than other benchmarking studies."

President, Major

...

"We are pleased with your work ... Ziff delivers the full package, a statistically rigorous analysis coupled with real suggestions that can be used to improve operating performance. It is refreshing to work with Ziff's staff, which consists of industry professionals who are knowledgeable and experienced."

Development Manager,
Large Independent Producer

...

Canadian Asset Group Classifications (12)

Fields & Gas Plants are grouped into Asset Groups by common characteristics for effective assessment

Gas (7 Groups)		Oil (5 Groups)	
Lean Sweet	(Alberta & Saskatchewan)	Primary	(Alberta & BC)
Alberta Sweet	(High Well Productivity)	Waterflood	(Alberta W5 & BC)
Alberta Sweet	(Low Well Productivity)	Waterflood	(Alberta E5)
Alberta Sour		Waterflood	(Saskatchewan)
Processed Gas	(Alberta & BC)	Heavy Oil	(Alberta & Saskatchewan)
BC Gas			
Gas Plants			

You are invited to participate in this uniquely effective analysis and share in the benefits

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Why Ziff Energy?

Since 1996, Ziff Energy has completed over 170 multi-client studies, assisting 100+ E&P companies in 30 countries to improve Operations Efficiency and Reliability by comparing performance against similar gas or oil fields (to date 3,750+ oil and gas fields have been analyzed in our field operations studies). We are Upstream Professionals with 20+ years experience and have the knowledge and background to provide specific and actionable solutions. Our 'Centre for Benchmarking Excellence' was established in 2007 to ensure that Ziff Energy studies for upstream operations are the best executed through Automated Data Gathering and centralized control of data integrity, review & analysis.

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