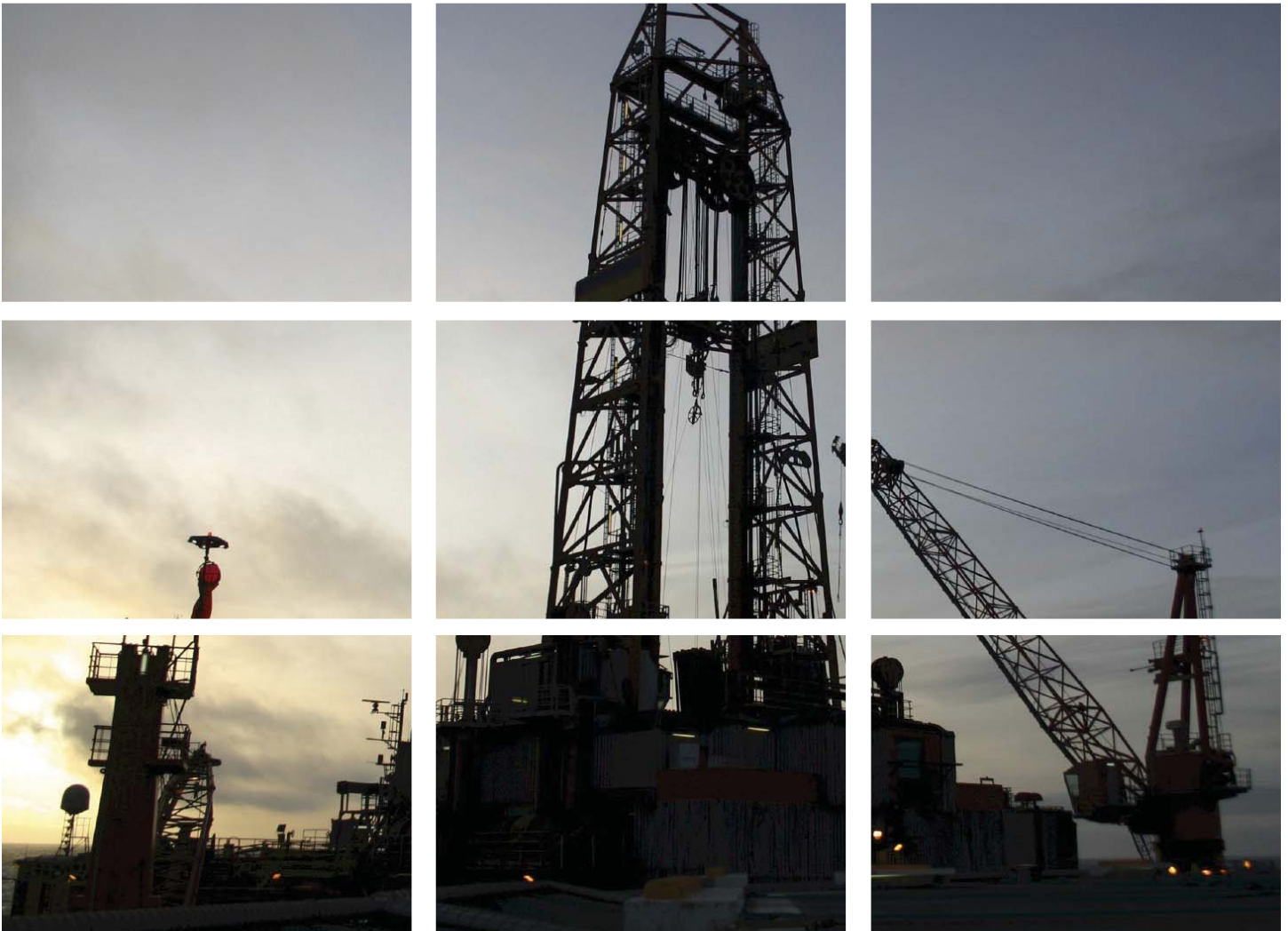


# *Competitive Economic Ranking of North American Gas Basins*



- How Competitive is Canadian Gas Today?
  - Ranking US Gas Opportunities
- What is the Cost Structure of Gas Basins?

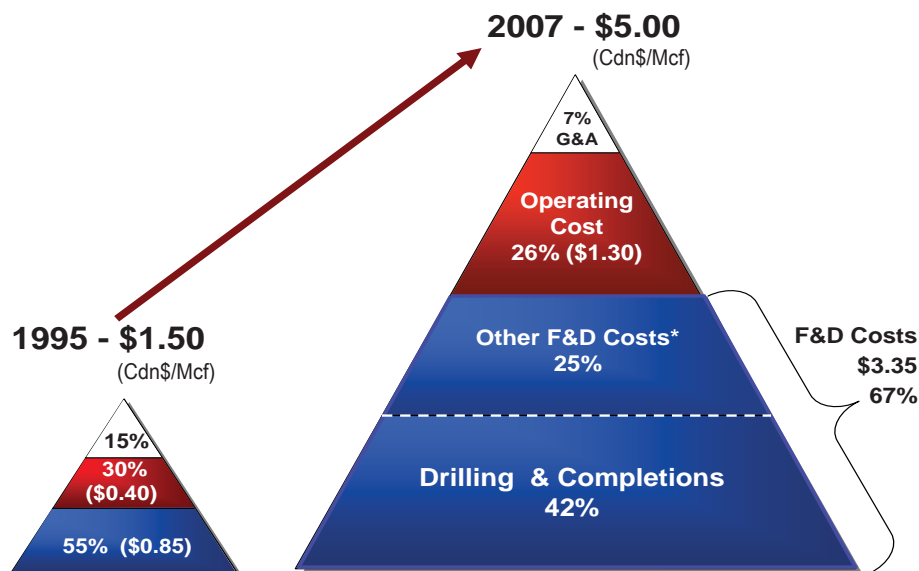
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## Study Objectives

While gas prices oscillate within the various North American gas production basins, the drilling, completions, operating, and other costs incurred by gas producers to find, develop, and then operate are rising --- fast! This newly designed Ziff Energy study is designed to provide answers to the key questions critical to North American gas supply dynamics:

- Which US Basins are worth pursuing?
- What is the cost structure for new gas?
- How competitive is Canadian Gas Today?

## Rising Costs (\$/Mcf)



Costs have risen 10% per annum compounded over the past decade. The North American Gas Supply Costs by basin study will examine the full cycle costs in 20 key traditional basins and especially the promising new sources --- onshore unconventional --- as well as offshore and frontier. For competitive analysis, Ziff Energy will assess imported LNG costs from a couple of sources.

## Impact of Stronger Cdn\$

Over the last 4 years, *the Canadian Dollar has appreciated 38%*, changing from a “mini-dollar” to a “petro-dollar”. Given that gas prices are set in US\$, this diminishes the return to Canadian producers.

