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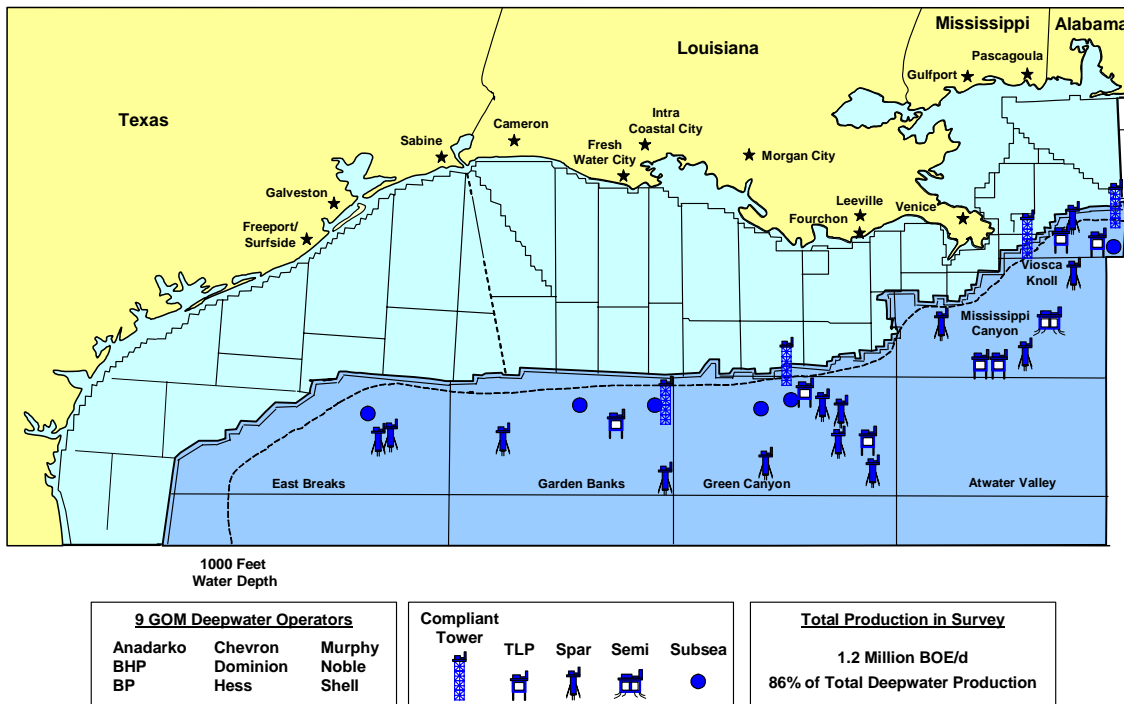
FOR IMMEDIATE RELEASE

ZIFF ENERGY PUBLISHES LARGE DEEPWATER OPERATIONS STUDY TO HELP GULF OF MEXICO OPERATORS ENHANCE PRODUCTION EFFICIENCY & MANAGE COST CHALLENGES

**** STUDY INTRODUCES INNOVATIVE *NEW OPERATING* EFFICIENCY AND RELIABILITY METRICS ****

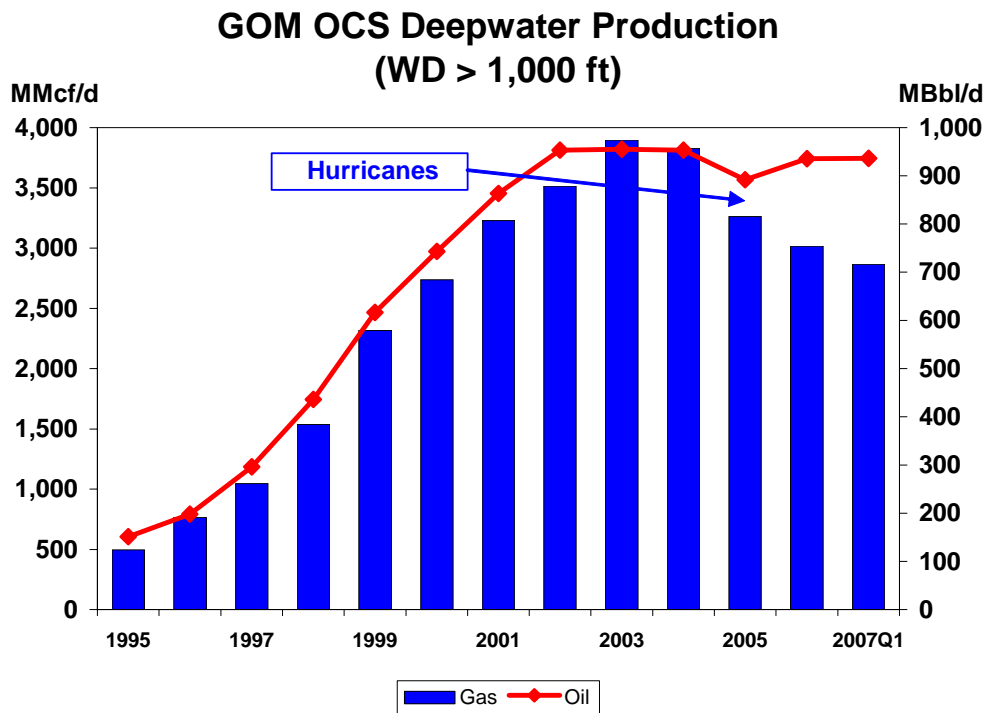
HOUSTON, July 9, 2007 – Ziff Energy Group, a leading North American energy consulting firm, with offices in Houston and Calgary, announces the publication of the 6th edition of its Deepwater Reducing Field Operating Costs (RFOC) study, which evaluates 2006 operating costs for 32 Deepwater producing assets in the Gulf of Mexico. Participation included **9 Deepwater operators**, with Majors such as Shell and BP, and leading independents such as Anadarko, who collectively account for 86% of the 1.43 million barrels of oil equivalent per day (MMBOE/d) total produced in the Deepwater region of the Gulf of Mexico (see map below).

Gulf of Mexico Deepwater Assets Assessed in 6th Edition



Ziff Energy’s last Deepwater study was conducted 3 years ago, assessing 2003 data. Besides several severe hurricanes, many technical changes have occurred since, including production from many new Deepwater assets including 8 new spars (Red Hawk, Gunnison, Constitution, Holstein, Mad Dog, Devil’s Tower, Front Runner and Medusa), 3 new Tension Leg Platforms (TLPs: Magnolia, Matterhorn and Marco Polo), the first semi-submersible production host for 6 oil & gas fields (Na Kika), and dozens of new subsea wells. The U.S. Deepwater has both the broadest range of operating systems, and diversity of Deepwater operators, and therefore is the leading ‘incubator’ for the worldwide Deepwater industry, notably West Africa.

The Gulf of Mexico Deepwater is the *most important domestic oil supply area* for the U.S. oil & gas industry, although the impact of the hurricanes led to significant declines for both oil and gas production in late 2005. Oil production recovered in 2006 and 2007, but gas production (mostly associated) is on a downward trend (see the graph below).

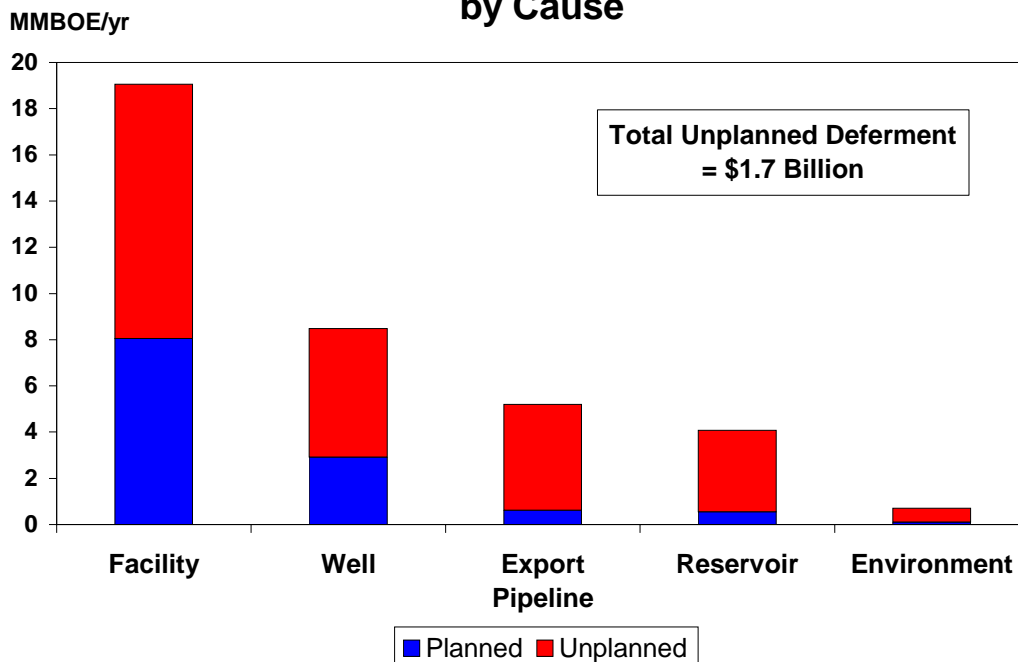


In the challenging ongoing battle to increase U.S. Energy self-security, and reduce dependence on imported crude oil, the *Deepwater region is a large and stable source of domestic oil supply* (along with the Alaska North Slope and Permian Basin onshore oil). Compared to the 1990’s, the ranks of leading players has expanded beyond the original Super Majors (Shell, BP) to include leading Independents such as Anadarko and Murphy Oil (operator of two spars). The world-class potential has also attracted foreign headquartered companies such as Petrobras, the world’s largest Deepwater producer with extensive heavy oil reserves in Brazil, and European companies Total of France (prior Elf) and Eni of Italy. Eni is acquiring Dominion’s offshore assets for \$4.8 billion, increasing its equity production in the Gulf from 36,000 barrels a day to a significant 110,000 barrels in the second half of 2007. Merging Norwegian operators, Statoil and Norsk Hydro, are combining their independently acquired significant Gulf of Mexico stakes: Statoil’s acquisitions from EnCana (including 25% in Chevron’s Tahiti Deepwater development project) and Anadarko, with Norsk Hydro’s acquired Deepwater independent Spinnaker.

Ziff Energy’s study focuses on offshore fields located in *greater than 1,000 feet of water depth*, which encompass the various development systems currently being used in the Deepwater Gulf of Mexico: floating production systems (spars and TLP’s), fixed platforms and subsea wells. The 6th Edition analyzes operating cost data for calendar year 2006, and also features *extensive trend analysis* on both field and company levels. “Ziff Energy’s database of historical costs in the Deepwater, which goes back to the early fields operating in 1998, allows Ziff Energy to examine cost trends over nearly a decade, covering the life cycle of a number of fields. The study analyzes effectiveness of chemical and well servicing programs, boat vs. helicopter strategies, and production optimization,” said Ron Prowse, Ziff Energy’s Project Leader, and an experienced ExxonMobil Deepwater veteran. “The study will identify *key opportunities to lower unit operating cost* in these areas as well as to *improve efficiency and reliability*.”

The 5th Edition included, for the first time, metrics related to *operating efficiency/reliability* (e.g. causes of production downtime). The 6th Edition builds on the initial reliability work to improve the consistency and comparability of the reliability/efficiency metrics between companies. The study includes *innovative new Operating Efficiency and Reliability Metrics*, including peer analysis of daily production and “deferred production” data, mean time between downtime incidents (MTBI), and mean time to recover production. The study found a surprisingly wide range of Reliability, which can add to tens of millions of \$\$ of annual revenue. Indicative of the size of the incentive to improve reliability, the graph below shows the study assets’ deferred production in 2006 associated with planned and unplanned downtime by cause: facility (on the platform), well (subsurface), export (pipeline) and environment (weather). Note that *the value of unplanned deferment (\$1.7 billion) is almost double the total OpEx (\$856 million) of the study!*

Total Deferred Deepwater Production by Cause



Participants receive confidential, blinded, asset-level cost comparisons versus comparable assets, as well as the detailed analysis of *various specific cost drivers*. “Study participants receive a detailed *diagnostic report for each asset*, compared on a ‘like kind’ basis with peer assets and identifying potential savings in each of 15 cost categories,” said Richard Tucker, Vice President of Marketing & Client Relations. Historically, Ziff Energy’s RFOC studies have helped producers pinpoint areas to achieve significant savings on operating costs. Ziff Energy meets privately with each client regarding developing future action plans to assist them achieve these savings, as well as applying best practices to gain production.

Ziff Energy intends to offer a **Best Practices Workshop on September 18th** in Houston for the benefit of study participants. The full-day workshop will feature presentations by clients chosen specifically for their strong performance in a specific area of Deepwater operations. There is much “give and take” among the participants, discussing common challenges, and networking time. The field operations professionals that attend Ziff Energy workshops have always highly rated the opportunity to network with their peers.

Ziff Energy is the *leading benchmarker of operating costs and practices for the Gulf of Mexico, North America*, and South America, with extensive benchmarking programs for both the Deepwater and Shelf. Our offshore database includes 60+ U.S. Deepwater assets and 450 U.S. Shelf fields operated by more than two dozen companies. Ziff Energy’s offshore database includes extensive cost data, encompassing a wide variety of production systems, field vintages, water depths, and levels of technology.

Ziff Energy first brought their innovative and unique Reducing Field Operating Costs (RFOC) study designs to the Gulf of Mexico Deepwater in 1998, completing the first study for 12 client companies.

The study is open to late participation by Deepwater producers of all sizes. Companies not yet involved may now submit cost data for their operated Deepwater assets, and receive customized benchmarking analysis back within a month. They will also qualify for participation in the Deepwater Best Operating Practices Workshop. Further information about participating in the Deepwater initiative as a “late participant” is available from Richard Tucker, VP Marketing at (713) 985-5183 or richard.tucker@ziffenergy.com.

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Ziff Energy Group, founded in 1982, is a leading North American gas consulting firm. On an international basis, Ziff Energy provides sophisticated industry and operational business analysis and custom consulting to the world wide energy industry. We have offices in Calgary and Houston, the primary oil and gas centers in North America. Our growing staff of 55+ includes **many industry specialists**, with **15 to 30 years of domestic and international experience**.

