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FOR IMMEDIATE RELEASE

Calgary, June 16, 2008

Ziff Energy Report: *Western Canada Natural Gas Production Outlook to 2017*

Ziff Energy Group announces the release of an executive report analyzing the declining natural gas production outlook for the next decade within Western Canada, the second largest natural gas producing region in North America. This topic paper forecasts gas production by gas type (Solution, Existing, New Conventional, Tight Gas, Coalbed Methane, and Shale Gas), and by Ziff Energy's nine Gas Strategy Areas. For each of the 9 gas strategy regions, the report provides a 10 year outlook for:

- expected gas well completions
- productivity of new gas wells
- gas production decline rates, for both new and existing gas wells.

This detailed, ground-up approach, is a leading edge technique developed by Ziff Energy, which ensures that Ziff Energy's blue-chip clients have access to the latest gas supply outlooks for 9 Gas Strategies that are based on sound analytical regional assessment work. The study reflects the impact of the continuous decline in new gas well initial productivity in all parts of Western Canada since the year 2000.

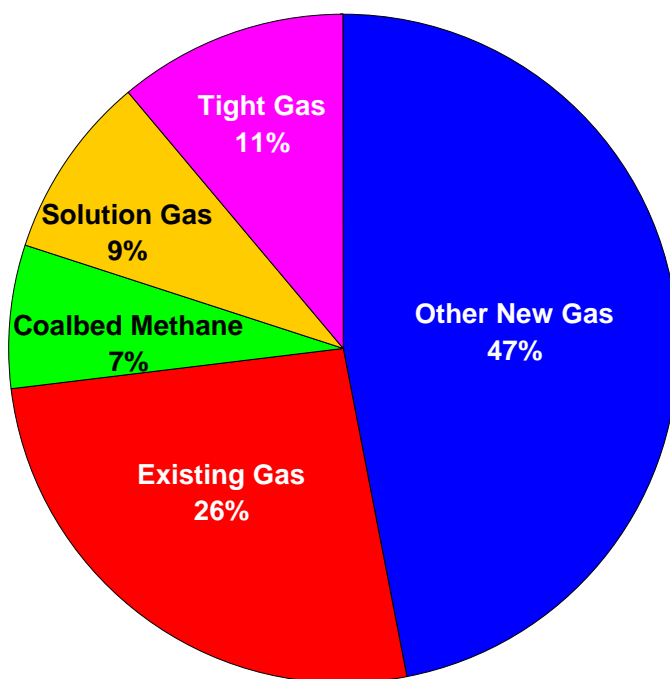
Although Western Canada has the largest undiscovered gas potential in Canada, *the basin is maturing*, and high natural gas drilling is not able to maintain current production. Natural gas production peaked at 17 Bcf/d in 2001, and Ziff Energy believes gas production will decline by a quarter to 13 Bcf/d by 2017. Annual gas well completions are correlated with gas price, and the completion outlook is based, in part, on Ziff Energy's October 2007 gas price forecast. Ziff Energy's analysis indicates that by 2017:

- half of today's gas production comes from wells connected in the last 5 years
- over half of the Western Canada ultimate potential resource will have been produced
- Coalbed Methane and Tight Gas will grow to almost a fifth of production
- Shale gas is a new potential gas supply in Western Canada

- new gas well completions will contribute over 60% of gas production in 2017
- 3 Bcf/d of new gas is needed each year to replace production declines
- over 2,000 gas completions were in CBM wells, flat with 2006.

Figure 1 indicates the composition of Western Canada gas production in 2017, by gas type: Solution, Existing, New Conventional, Tight Gas, and Coalbed Methane (CBM).

Figure 1
2017 Western Canada Gas Production, 13 Bcf/d



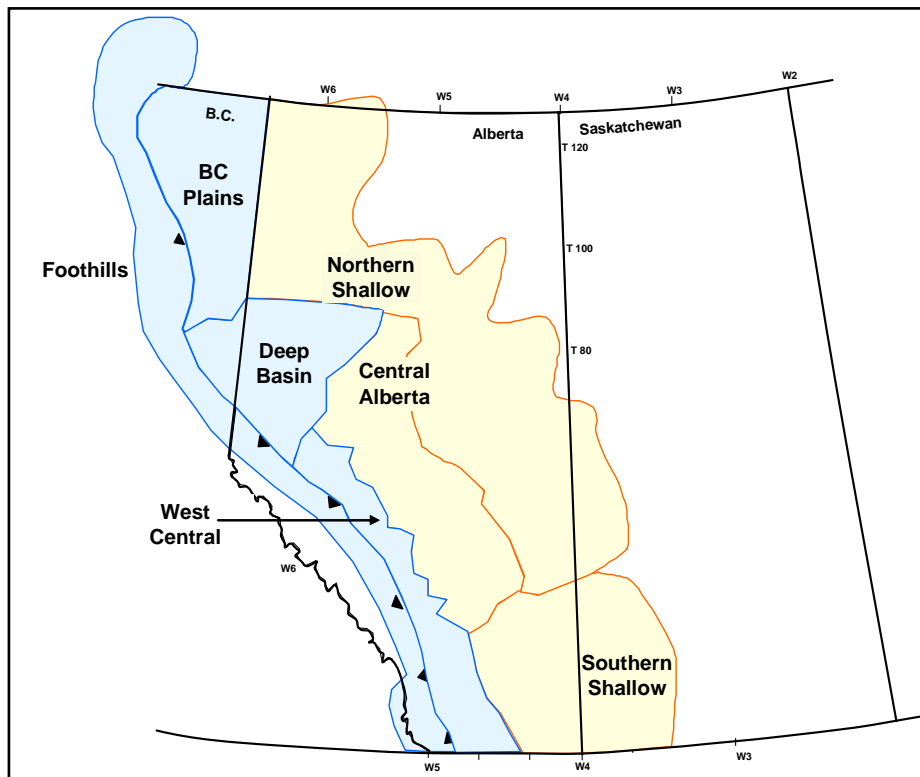
STRATEGY AREA GAS PRODUCTION

Gas productivity is highest for the Foothills Gas Strategy. Gas completions are expected to decline in several regions, a prime reason why gas production is expected to continue to fall.

- West Central Alberta is the “breadbasket” of WCSB gas, providing a quarter of total basin gas supply
- in Central Alberta, gas production is likely to grow in the short term as increasing CBM production offsets declines in conventional gas production
- Southern Shallow and Northern Shallow gas production will continue to decline
- Deep Basin and West Central will grow due to increasing Tight Gas production
- in the BC Plains, declines in conventional gas could be offset by the emergence of Shale Gas production
- the *variation* in production trends *between the 7 geographic Strategy Areas* is large.

Figure 2 shows Ziff Energy’s 7 Western Canada Gas Strategy Areas. The 2 Unconventional gas strategies, CBM and Tight Gas, overlay the geographic strategies.

Figure 2
Ziff Energy’s 7 Gas Strategy Areas



Other recent Ziff Energy reports include:

- Western Canada Natural Gas Production Outlook to 2017
- 2007 U.S. and Canadian Gas Reserve Replacement
- Pipelines for Growing Canadian Oil Sands Production
- Northern Gas Moving Forward
- North American Pipeline Construction
- LNG Terminals – Costs and Timing
- N.A. Natural Gas Demand Outlook to 2015
- Gas Price Differentials Forecast to 2015
- Henry Hub Gas Price Outlook to 2015
- U.S. Rockies Gas Production Outlook to 2015
- North American Gas Storage
- Canadian Natural Gas Exports to 2020
- Growth of Natural Gas for Ethanol

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For further information on our North American Gas Strategies Retainer Service, please contact Bill Gwozd, P.Eng., Vice President, Gas Services, at (403) 234-4299 (bill.gwozd@ziffenergy.com).

Ziff Energy Group, celebrating the 25th year of client service, 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**.

