



Calgary Office

Mindy Selby, Sr. VP
W. P. (Bill) Gwozd, VP
Jacques Duchesne, Director
Simon Mauger, Director
Gareth Slater, Director
Dennell Griffith, Controller
Cameron Gingrich, Manager
Edward Kallio, Manager

Melody Veinot, Manager
Min Yang, Manager
Richard G. DeWolf, Exec. Assoc.
G. Christopher Phillips, Exec. Assoc.
G. Gordon Clarke, Sr. Assoc.
Dave Vetsch, Sr. Assoc.
Al Kleinschmidt, Assoc.
Masoud Shahanaghi, Assoc.

Paul Ziff, CEO

Houston Office

Juan C. Alba, VP
Richard M. Tucker, VP
Geovaldo Hernandez, Manager

Paul Ching, Exec. Assoc.
Richard Parker, Exec. Assoc.
Harald Winter, Exec. Assoc.
Thomas Gray, Sr. Assoc.
James Harvick, Sr. Assoc.
Sylvia Portnoy, Sr. Assoc.
Damir Vrcek, Sr. Assoc.

FOR IMMEDIATE RELEASE

Calgary, April 30, 2009

Western Canada Natural Gas Production Outlook to 2020

Ziff Energy Group announces the release of an executive report analyzing the declining natural gas production outlook through 2020 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 ten Gas Strategy Areas. For each of the 10 gas strategy regions, the report provides a 10 year outlook of:

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

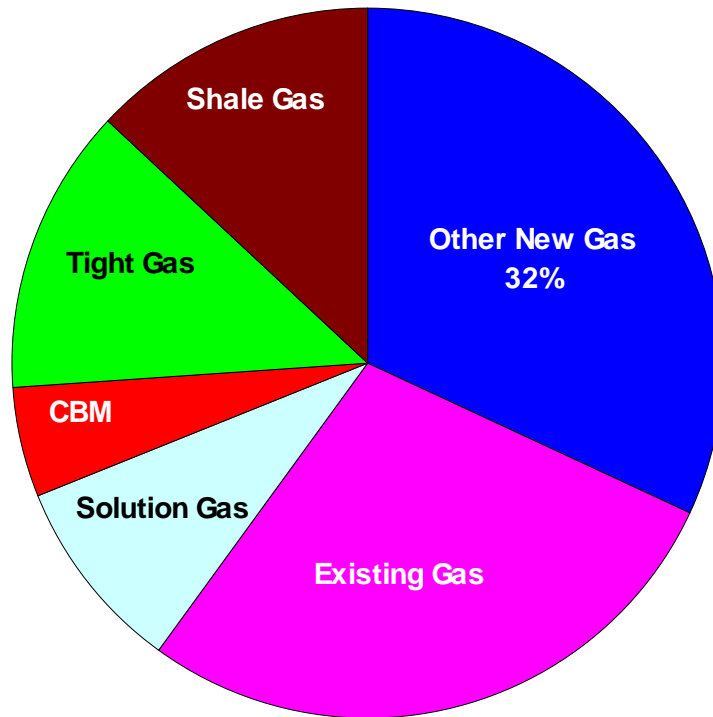
Western Canada *is maturing*, and high natural gas drilling is not able to maintain current production. Gas production peaked at 17 Bcf/d in 2001 and Ziff Energy believes gas production will decline to under 14 Bcf/d by 2020, consistent with our view of the past several years, even including strong growth of Shale Gas production from the Horn River basin in Northeast British Columbia. The analysis excludes the Mackenzie Delta and Alaska. Ziff Energy's analysis indicates that by 2020:

- half of today's gas production comes from wells connected in the last 5 years
- new gas well completions will likely contribute over 70% of gas production
- 2 Bcf/d of new gas is needed each year to replace declines.

In 2007 and 2008 Alberta producers reduced gas drilling in response to poor economics. Gas prices have plummeted since summer 2008 and producers have reacted by slashing capital spending. In Alberta, the threatened royalty increases have made the cuts deeper.

Figure 1 indicates the composition of Western Canada gas production in 2020, by gas type: Solution, Existing, New Conventional, Tight Gas, Coalbed Methane (CBM), and Shale Gas.

Figure 1
2020 Western Canada Gas Production



Other recent Ziff Energy reports include:

- Shale Gas Outlook to 2020
- North American Demand Outlook to 2020
- Natural Gas Implications of Greenhouse Gas
- Mexico's Gas Supply / Demand Outlook to 2016
- Global LNG Outlook to 2020
- Natural Gas Opportunities for Ethanol
- Gas Price Differentials Forecast to 2017
- North American Gas Storage
- Henry Hub Gas Price Outlook to 2017
- North America Gas Supply - The Next Decade
- North American Power Generation to 2017
- Canadian Natural Gas Exports to 2020
- 2007 U.S. and Canadian Gas Reserve Replacement
- Pipelines for Growing Oil Sands Production
- Northern Gas Moving Forward
- North American Pipeline Construction
- LNG Terminals – Costs and Timing

###

Bill Gwozd, P.Eng., Vice President, Gas Services, (403) 234-4299, bill.gwozd@ziffenergy.com

Ziff Energy Group, having celebrated its 25th year of client service in 2007, 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.**