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FOR IMMEDIATE RELEASE

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2008 U.S. and Canadian Gas Reserve Replacement

Ziff Energy Group announces the release of a 10 page executive colour report which provides an analysis of the 2008 U.S. and Canadian gas reserve replacement rate, gas reserve life, and North American gas drilling trends. Reserve replacement is a leading indicator for future industry gas production capability. Ziff Energy's analysis indicates U.S. reserve replacement fell in 2008, though is still a strong 130%. In Canada, we see the opposite, and although the replacement rate is slightly higher than 2007, it is still not 100% of annual production. The top 30 producing public companies were analysed in the Lower 48 United States and the 25 largest public gas producers in Canada:

- U.S. L48** • in 2008 overall replacement (130%) down a third from 2007
- Canada** • overall replacement increased slightly to 91% of annual production

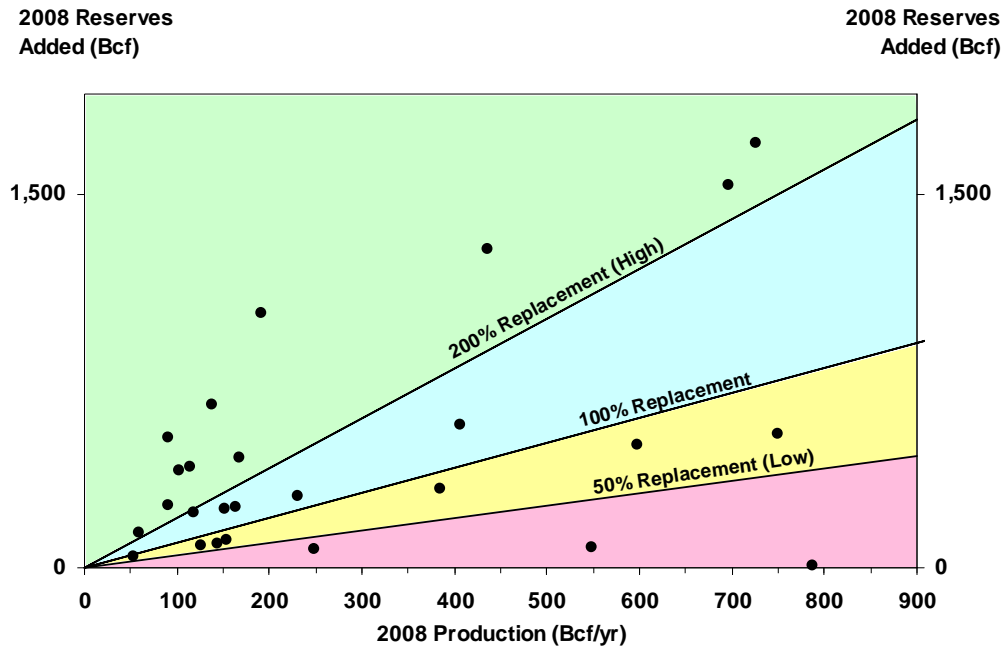
In Ziff Energy's methodology, the reserve replacement rate does not include acquisitions or divestments, which do not add to the industry total reserves; Alaskan gas production and reserves are excluded from reserve replacement and reserve life index calculations. The data are from companies representing: half (10 Tcf/year) of the U.S. Lower 48 gas production (over 20 Tcf/year) and three quarters (4.3 Tcf/year) of Canadian gas production (6 Tcf/year).

"Ziff Energy noted a slowdown in U.S. gas drilling activity since September 2008 and this is likely to continue through the following year. In a meantime, the sharp decline in drilling in Canada continues which shifting operators' focus outside of Western Canada." reported Simon Mauger, Director, Gas Services.

Zuzana Jurickova, Analyst for Ziff Energy said "comparing to last year, the reserve life for the U.S. dropped slightly to 12.5 years, while reserve life in Canada slightly increased to 8.7 years".

Figure 1 presents the Lower 48 gas reserve replacement rates for the top 30 producers. The top 10 producers' collective replacement is over 90%.

**Figure 1
Lower 48 U.S. Gas Reserve Replacement**



Other recent Ziff Energy reports include:

- Western Canada Natural Gas Production Outlook to 2020
- 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

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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**.

