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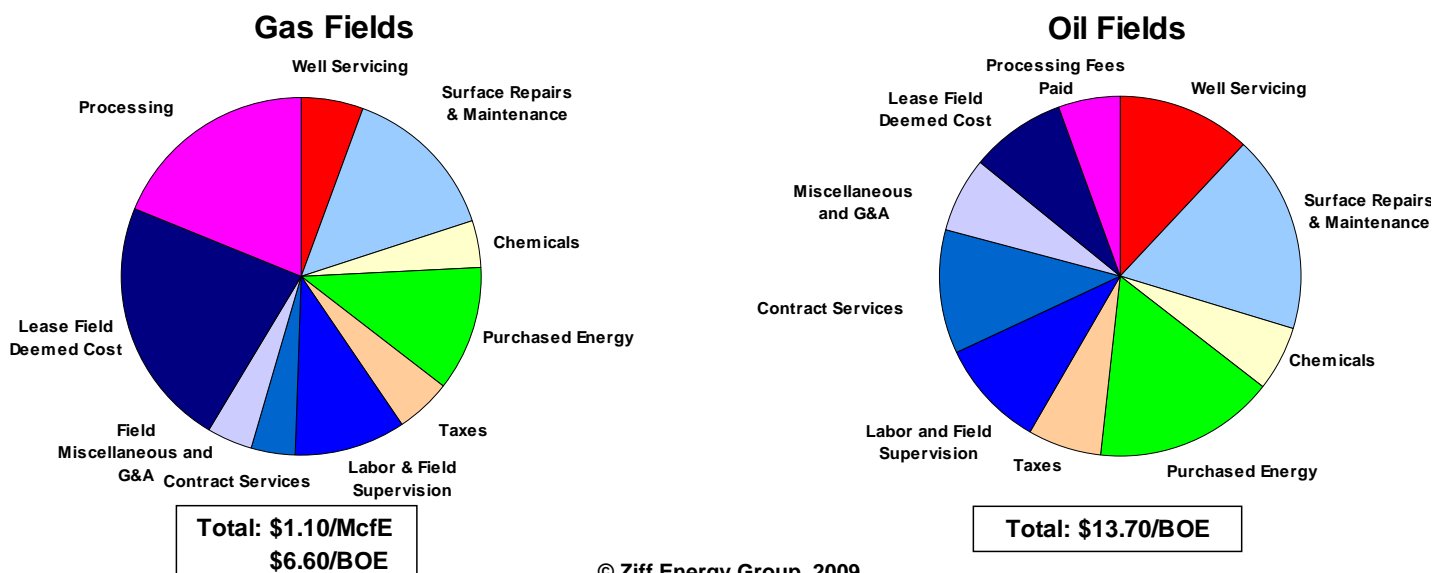
Calgary, November 23, 2009

**Ziff Energy Releases Annual Operations Analysis
 Canadian Operating Costs Continue Rise in '08;
 No Drop in 9 Months '09**

Ziff Energy Group has released its 2009 Improving Field Performance (WCSB) Study which assesses upstream operating costs and production reliability. The study analyzes 210 fields and 26,800 producing wells, operated by E&P companies and Trusts, which produce 3.3 Bcf/d of gas and 160 MBbl/d of conventional oil. Annual operating costs total \$2.3 Billion.

The study found that **oil & gas field operating costs** in Western Canadian Sedimentary Basin continued to rise sharply in 2008. (The wide variance on a BOE basis (about 2:1) reflects the much lower price gas receives compared to the notional 6 Mcf = 1 barrel conversion.) Weighted average unit costs **increased 13% to \$1.10/McfE for gas fields** and **by 15% to \$13.70/BOE for oil fields**. Main drivers of the cost increase were the *higher processing fees, maintenance services, and higher energy costs*. The 'big 4' gas costs are Lease Fuel Used, not costed by most producers (23%); Processing Fees (21%); Surface Repairs & Maintenance (14%); and Purchased Energy (11%). For Oil Fields the 'big 4' costs are Surface Repairs & Maintenance (18%), Purchased Energy (16%), Well Servicing (12%), and Contract Services (11%). The detailed makeup of average gas and oil costs in 2008 is shown in **Figure 1. In the 1st 9 months of 2009, average operating costs were virtually flat compared to a year ago**. However, the range of operating company performance was wide, with 3 companies decreasing costs by over 10% but 7 companies seeing OpEx costs rise by over 10%!

Figure 1 – Average Operating Costs



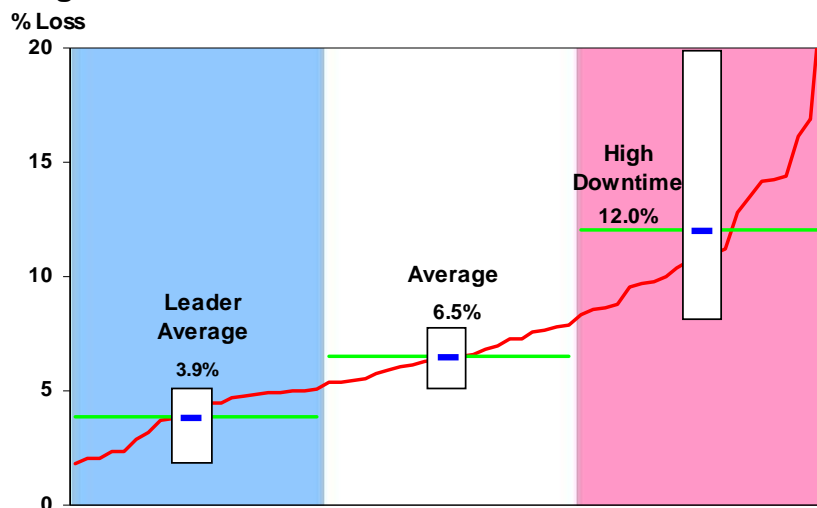
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Production Reliability – New Analysis

Ziff Energy’s Operations Performance study now includes oil and gas Production Reliability (‘Uptime’) assessment (i.e. how high actual production is compared to the realistic potential). Ziff Energy developed a unique methodology to evaluate Production Efficiency, Mean Time between Incidents, Mean Time to Recover, and a proprietary Reliability Index. This methodology compares operations for different operators and identifies production improvement opportunities. This year’s study results show production efficiency of assessed oil and gas fields range from a very low 75% to a “best in class” 99%, presenting significant opportunities for volume maximization. **Figure 2** identifies Leader performance at 96% Uptime; however, a majority of Canadian oil fields are only achieving 88-93% Uptime, losing many millions in revenues in the current year. Reducing production incidents and downtime not only increases the revenue, but also reduces unit operating cost.

Figure 2 – Total Oil Production Loss Due to ‘Downtime’



Total Oil Production Loss: 1.5 MMBbl, \$125 Million

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Trends

- *Continuation of significant overall cost inflation* - the main goal of the operations study is to compare fields of similar type. On average, the **potential operating cost reduction opportunities** are **20%** of total adjusted operating costs.
- *Significant cost improvement opportunities* are generally available within the following cost classifications (some of these areas involve contract renegotiations):
 - **Energy**, particularly **Lease Fuel** consumption
 - **Processing Fees**
 - **Surface Repairs & Maintenance**
 - **Well Servicing**
 - **Labour & Field Supervision**
- Some companies are seeing the benefits of cost reductions in 2009; however, an equal number are not!

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For information regarding back-in to this study or participation in the 2010 study, please contact:

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Ziff Energy Group, founded in 1982, is a leading North American gas consulting firm. On an international basis (29 countries), 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 staff of 55+ includes **many industry specialists**, with **15 to 30 years of domestic and international experience**.

