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## FOR IMMEDIATE RELEASE

Calgary, July 26, 2010

### *Northeast BC Unconventional Gas Study*

The potential growth of NE BC unconventional gas activity will influence decisions for long term infrastructure within the region. An unbiased practical assessment of gas supply expectations and changes to gas demand over the next quarter century assists industry players to understand how the regional development will influence infrastructure and regulation. Drawing on our extensive Shale Gas database, and many previous studies of the WCSB and BC, Ziff Energy exposes the production and commercial potential of unconventional gas in the region.

In addition to the NE BC supply and demand forecasts, Ziff Energy believes other changes such as the opportunity to export LNG at Kitimat, the construction of the 675 mile Ruby pipeline, the growth of gas demand for the Alberta oil sands projects, and potential for new gas supply from the Canadian Mackenzie Delta and Alaska need to be considered. As a result, Ziff Energy is pleased to announce the completion of its 40<sup>+</sup> page multi-client study evaluating the potential of unconventional gas in NE BC.

This new study will benefit existing and prospective producers, investors, and stakeholders by providing a comprehensive understanding of the fundamental economic, commercial, and regulatory issues driving the Northeast BC unconventional gas plays, including:

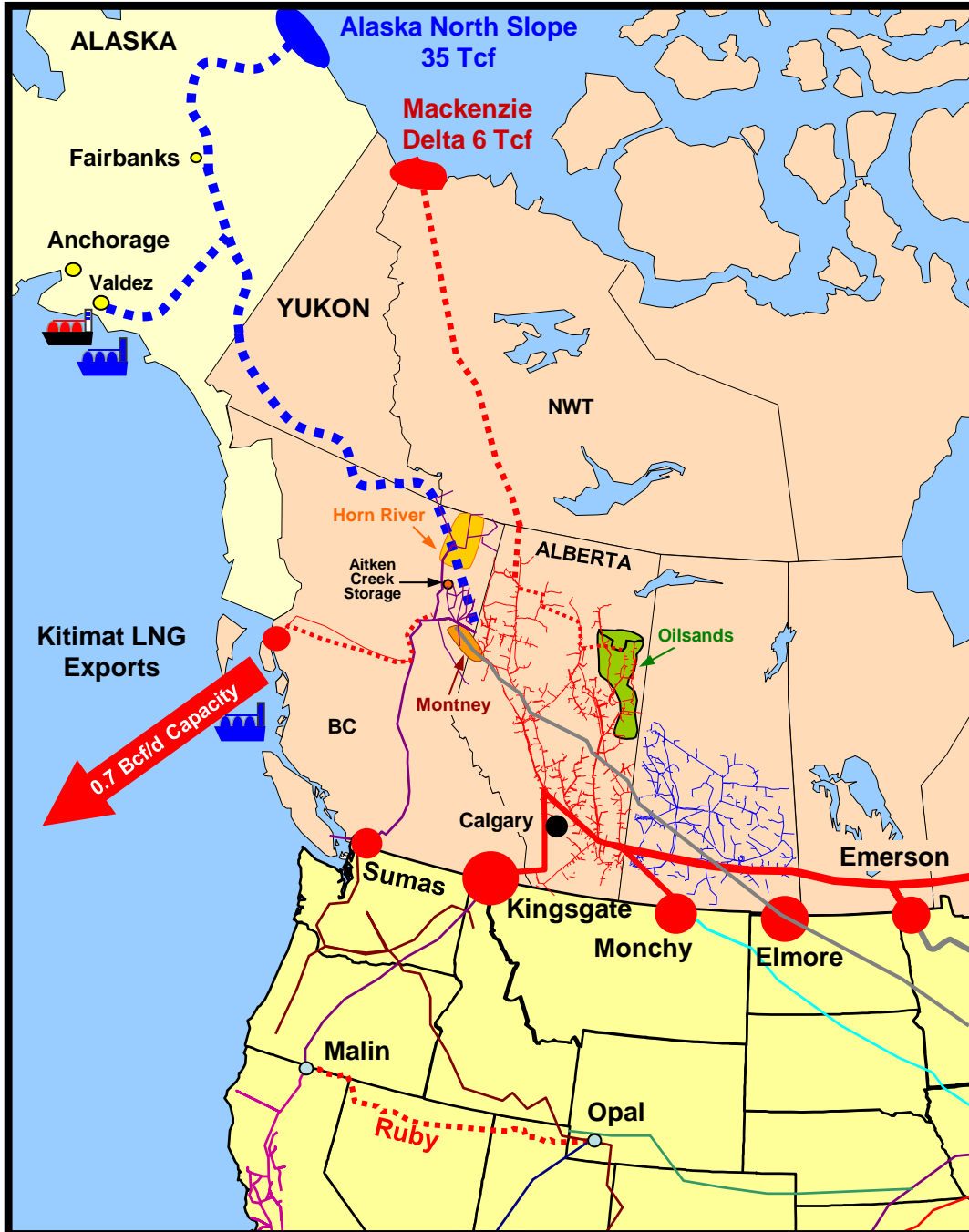
- how much unconventional gas is there in Northeast BC?
- what are the full cycle costs of gas production?
- where are the nearby markets and how much will they grow?
- what are the infrastructure requirements to process, transport, and storage growing BC gas production?
- what are the regulatory issues impacting the development of Northeast BC gas?
- how does Kitimat dovetail into this outlook?

The report integrates information from a wide variety of sources, including our extensive cost database:

- full analysis and forecast of BC gas supply (completions, IP's & declines) by source to 2035
- full cycle economics and production forecast for Horn River Shale, Montney & conventional plays
- demand analysis and forecast for eastern and western gas flows, oil sands demand, and Kitimat LNG
- pipeline and processing facility implications
- impact of Alaska, Mackenzie Delta, Yukon & Ruby pipelines
- consideration of provincial policy, aboriginal relations, and environmental concerns.

Figure 1 from the study provides an illustrative overview of the regional issues addressed in the scope.

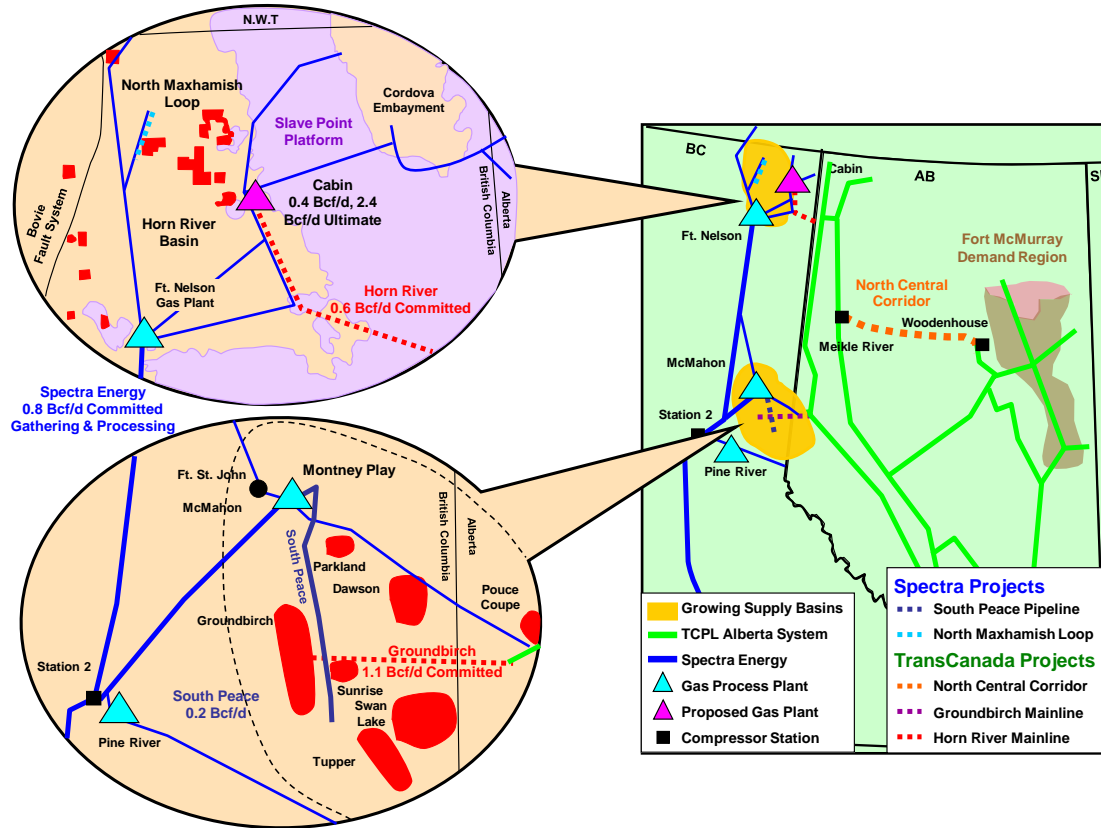
**Figure 1**  
**Overview of Northeast B.C. Region**



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Figure 2 from the study provides detailed insight as to the NE BC gas pipeline and facility expansions.

### Figure 2 Northeast B.C. Gas Pipeline & Facility Expansions



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Contact: Bill Gwozd, P.Eng. VP, Gas Services (403) 234-4299 ([bill.gwozd@ziffenergy.com](mailto:bill.gwozd@ziffenergy.com))

**Ziff Energy Group**, celebrating its 30<sup>th</sup> year of client service in 2012, is a leading North American energy consulting firm. On an international basis, Ziff Energy provides sophisticated industry and operational business analysis and custom consulting to the world wide energy industry in 30 countries. We have offices in Calgary and Houston, the primary oil and gas centers in North America. Our growing staff of 55<sup>+</sup> includes **many industry specialists**, with **15 to 30 years of domestic and international upstream experience**.

