



**PRODUCT PRICE AND MARKET FORECASTS  
FOR THE CANADIAN OIL AND GAS INDUSTRY**

**Quarterly Update**

**January 1, 2006**

Prepared by  
Carol A. Crowfoot, B.A. Econ.  
Senior Energy Economist

4100, 400 - Third Avenue S.W., Calgary, Alberta, Canada T2P 4H2  
Internet: <http://www.GLJA.com>

**January 1, 2006**

GLJ Petroleum Consultants has prepared the enclosed price and market forecasts after a comprehensive review of information available through to December 2005. Information sources include numerous government agencies, industry publications, Canadian oil refiners and natural gas marketers. The accuracy of all factual data, from all sources has been accepted as represented without detailed investigation by GLJ Petroleum Consultants. The forecasts presented herein are based on an informed interpretation of currently available data. While they are considered reasonable at this time, users of these forecasts should understand the inherent high uncertainty in forecasting any commodity or market. These forecasts will be revised periodically as market, economic and political conditions change. These future revisions may be significant.

**GLJ PETROLEUM CONSULTANTS  
PRODUCT PRICE AND MARKET FORECASTS  
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January 1, 2006**

GLJ Petroleum Consultants has completed a quarterly update of our commodity price forecasts as presented on the attachments. Revisions in the forecasts reflective of current market conditions have been incorporated. A summary of near-term forecasts follows:

**NATURAL GAS PRICES**

	October 1, 2005 Calendar Year	January 1, 2006 Calendar Year
<b>Henry Hub Gas Price - (\$US/MMBTU)</b>		
2006	10.00	10.50
2007	8.25	8.75
<b>Chicago 30 Day Spot Gas Price - (\$US/MMBTU)</b>		
2006	9.90	10.30
2007	8.40	8.90
<b>Sumas 30 Day Spot Gas Price - (\$US/MMBTU)</b>		
2006	8.90	9.40
2007	7.65	8.15
<b>AECO-C 30 Day Spot Gas Price - (\$Cdn/MMBTU)</b>		
2006	10.35	10.60
2007	8.85	9.25
<b>Average Alberta Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2006	10.10	10.35
2007	8.60	9.00
<b>Aggregator Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2006	10.10	10.25
2007	8.60	9.00
<b>B.C. 30 Day Spot Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2006	10.05	10.40
2007	8.60	9.00

**CRUDE OIL PRICES**

	October 1, 2005 Calendar Year	January 1, 2006 Calendar Year
<b>WTI @ Cushing Price - (\$US/BBL)</b>		
2006	60.00	57.00
2007	55.00	55.00
<b>Light, Sweet @ Edmonton Price - (\$Cdn/BBL)</b>		
2006	70.50	66.25
2007	64.75	64.00

**Table 1**  
GLJ Petroleum Consultants  
**Crude Oil and Natural Gas Liquids**  
**Price Forecast**  
Effective January 1, 2006

Year	Inflation %	Bank of Canada	West Texas Intermediate Crude Oil at Cushing Oklahoma		Brent Blend Crude Oil FOB North Sea		Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton		Bow River Crude Oil Stream Quality at Hardisty		Heavy Crude Oil Proxy (12 API) at Hardisty		Medium Crude Oil (29 API, 2.0%S) at Cromer		Alberta Natural Gas Liquids (Then Current Dollars)				
		Average Noon Exchange Rate \$US/\$Cdn	Constant 2006 \$ \$US/bbl	Then Current \$US/bbl	Constant 2006 \$ \$US/bbl	Then Current \$US/bbl	Constant 2006 \$ \$Cdn/bbl	Then Current \$Cdn/bbl	Constant 2006 \$ \$Cdn/bbl	Then Current \$Cdn/bbl	Constant 2006 \$ \$Cdn/bbl	Then Current \$Cdn/bbl	Constant 2006 \$ \$Cdn/bbl	Then Current \$Cdn/bbl	Spec Ethane \$Cdn/bbl	Edmonton Propane \$Cdn/bbl	Edmonton Butane \$Cdn/bbl	Edmonton Pentanes Plus \$Cdn/bbl	
1994	0.2	0.732	21.47	17.18	19.77	15.82	27.77	22.22	23.08	18.47	18.77	15.02	24.12	19.30	n/a	12.53	13.45	21.69	
1995	2.2	0.729	22.93	18.39	21.25	17.04	30.22	24.23	25.94	20.80	21.55	17.28	27.05	21.69	n/a	13.90	13.79	24.11	
1996	1.6	0.733	26.84	21.99	24.94	20.43	35.87	29.39	30.67	25.13	24.49	20.06	31.86	26.10	n/a	22.31	17.15	30.06	
1997	1.6	0.722	24.76	20.61	23.04	19.18	33.46	27.85	25.43	21.17	17.31	14.41	28.50	23.72	n/a	18.62	18.73	30.91	
1998	0.9	0.675	17.05	14.42	15.17	12.83	24.07	20.36	17.31	14.64	11.17	9.45	20.04	16.95	n/a	11.15	12.44	21.83	
1999	1.7	0.673	22.61	19.29	20.87	17.81	32.45	27.69	27.94	23.84	23.05	19.67	29.79	25.42	n/a	15.89	18.70	27.71	
2000	2.7	0.673	34.82	30.22	32.67	28.35	51.35	44.56	40.62	35.25	31.50	27.34	45.99	39.91	n/a	32.18	35.60	46.31	
2001	2.6	0.646	29.14	25.97	27.34	24.37	44.21	39.40	31.08	27.70	19.01	16.94	35.41	31.56	n/a	31.85	31.17	42.48	
2002	2.2	0.637	28.52	26.08	27.33	24.99	44.10	40.33	34.81	31.83	29.06	26.57	38.80	35.48	n/a	21.39	27.08	40.73	
2003	2.8	0.721	33.24	31.07	30.96	28.93	46.71	43.66	34.36	32.11	28.10	26.26	40.18	37.55	n/a	32.14	34.36	44.23	
2004	1.8	0.768	43.08	41.38	39.76	38.20	55.13	52.96	38.37	36.86	30.30	29.11	47.62	45.75	n/a	34.70	39.97	54.07	
2005 (e)	2.2	0.825	57.86	56.60	56.38	55.15	70.65	69.11	45.96	44.96	34.90	34.14	58.33	57.07	n/a	42.55	51.41	69.45	
2006 Q1	2.0	0.850	56.00	56.00	54.50	54.50	65.25	65.25	39.25	39.25	28.50	28.50	52.25	52.25	35.50	41.75	48.25	66.00	
2006 Q2	2.0	0.850	56.00	56.00	54.50	54.50	65.25	65.25	44.25	44.25	35.25	35.25	56.00	56.00	35.25	41.75	48.25	66.00	
2006 Q3	2.0	0.850	57.50	57.50	56.00	56.00	67.00	67.00	48.25	48.25	38.75	38.75	58.25	58.25	35.50	43.00	49.50	67.75	
2006 Q4	2.0	0.850	58.00	58.00	56.50	56.50	67.50	67.50	40.50	40.50	30.25	30.25	56.75	56.75	37.50	43.25	50.00	68.25	
2006 Full Year	2.0	0.850	57.00	57.00	55.50	55.50	66.25	66.25	43.00	43.00	33.25	33.25	55.75	55.75	36.00	42.50	49.00	67.00	
2007	2.0	0.850	54.00	55.00	52.50	53.50	62.75	64.00	41.75	42.50	32.00	32.75	54.25	55.25	31.25	41.00	47.25	65.25	
2008	2.0	0.850	49.00	51.00	47.50	49.50	57.00	59.25	39.50	41.00	31.25	32.50	49.25	51.25	27.00	38.00	43.75	60.50	
2009	2.0	0.850	45.25	48.00	43.75	46.50	52.50	55.75	37.25	39.50	30.25	32.00	45.50	48.25	25.25	35.75	41.25	56.75	
2010	2.0	0.850	43.00	46.50	41.50	45.00	50.00	54.00	36.50	39.50	29.50	32.00	43.25	46.75	24.25	34.50	40.00	55.00	
2011	2.0	0.850	40.75	45.00	39.50	43.50	47.25	52.25	36.00	39.75	30.25	33.50	41.00	45.25	23.25	33.50	38.75	53.25	
2012	2.0	0.850	40.00	45.00	38.75	43.50	46.50	52.25	35.25	39.75	29.75	33.50	40.25	45.25	23.25	33.50	38.75	53.25	
2013	2.0	0.850	40.00	46.00	38.75	44.50	46.25	53.25	35.25	40.50	29.50	34.00	40.00	46.00	23.75	34.00	39.50	54.25	
2014	2.0	0.850	40.00	46.75	38.50	45.25	46.25	54.25	35.25	41.25	29.75	34.75	40.00	47.00	24.25	34.75	40.25	55.25	
2015	2.0	0.850	40.00	47.75	38.75	46.25	46.50	55.50	35.25	42.25	29.50	35.25	40.25	48.00	25.00	35.50	41.00	56.50	
2016	2.0	0.850	40.00	48.75	38.75	47.25	46.25	56.50	35.25	43.00	29.50	36.00	40.00	48.75	25.50	36.25	41.75	57.75	
2017+	2.0	0.850	40.00	+2.0%/yr	38.75	+2.0%/yr	46.25	+2.0%/yr	35.25	+2.0%/yr	29.50	+2.0%/yr	40.00	+2.0%/yr		Escalate at 2.0 % per year			

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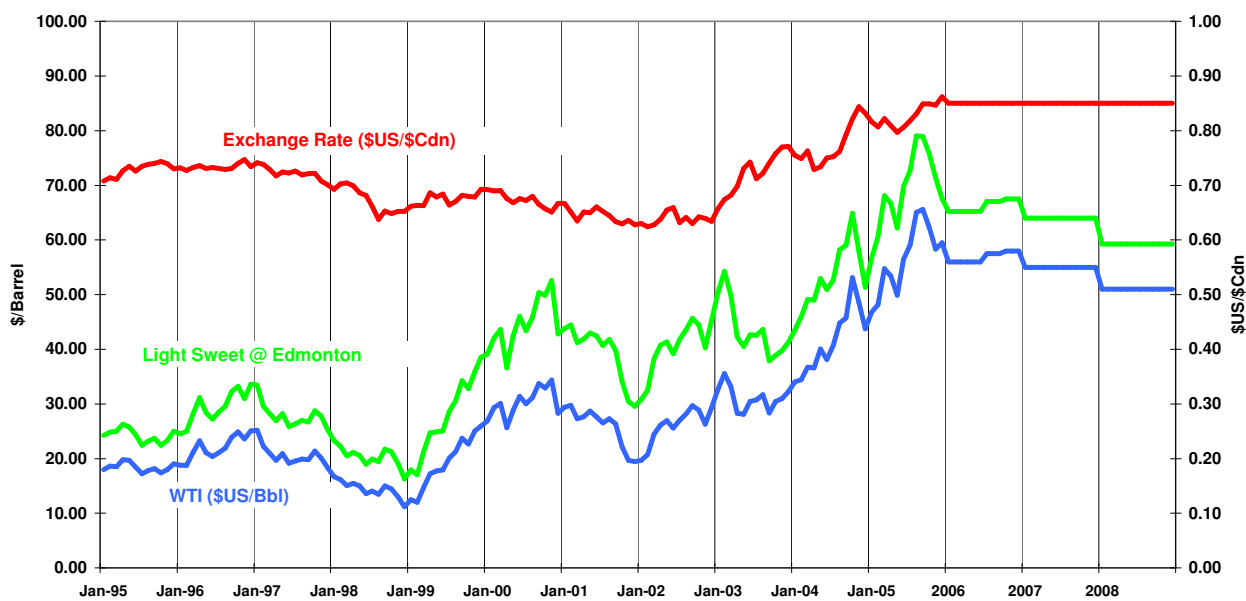
**Table 2**  
**GLJ Petroleum Consultants**  
**Natural Gas and Sulphur**  
**Price Forecast**  
 Effective January 1, 2006

Year	US Gulf Coast Gas Price @ Henry Hub		Midwest Price @ Chicago	AECO-C Spot	Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia		Sulphur FOB Vancouver	Alberta Sulphur at Plant Gate	
	Constant	Then	Then	Then	Spot		ARP	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	CanWest Plant Gate	Spot Plant Gate			
	2006 \$	Current	Current	Current	2006 \$	Current											\$/mmbtu
1994	2.42	1.94	2.11	1.98	2.32	1.86	1.81	n/a	n/a	1.88	1.88	1.59	1.81	1.87		44.96	16.57
1995	2.12	1.70	1.69	1.15	1.27	1.02	1.31	n/a	n/a	1.35	0.98	1.03	1.29	1.12		54.99	30.07
1996	3.08	2.52	2.73	1.39	1.54	1.26	1.63	n/a	n/a	1.52	1.28	1.32	1.50	1.47		36.28	14.44
1997	2.97	2.47	2.75	1.84	2.03	1.69	1.96	n/a	n/a	1.84	1.75	1.70	1.80	1.98		34.75	11.50
1998	2.55	2.16	2.20	2.03	2.22	1.88	1.94	n/a	n/a	2.05	2.13	1.60	1.94	2.00		24.59	-6.51
1999	2.72	2.32	2.34	2.92	3.22	2.75	2.48	n/a	n/a	2.83	2.97	2.15	2.51	2.78		33.74	6.93
2000	4.99	4.33	4.38	5.08	5.67	4.92	4.50	4.60	n/a	4.79	5.13	4.17	5.27	4.88		38.14	13.59
2001	4.54	4.05	4.17	6.21	6.81	6.07	5.41	5.30	5.61	5.71	6.13	4.56	6.76	6.29		18.29	-14.66
2002	3.67	3.36	3.30	4.04	4.24	3.88	3.88	3.83	3.82	4.04	4.08	2.68	3.64	3.93		29.38	3.04
2003	5.88	5.50	5.60	6.66	6.94	6.49	6.13	5.89	6.69	6.40	6.68	4.66	5.71	6.32		59.81	39.83
2004	6.44	6.19	6.13	6.88	6.98	6.70	6.31	6.16	6.44	6.48	6.78	5.26	5.52	6.45		62.99	38.61
2005 (e)	9.17	8.97	8.24	8.58	8.60	8.42	8.35	8.36	8.45	8.32	8.36	7.13	6.33	8.14		63.50	34.04
2006 Q1	11.00	11.00	10.80	10.45	10.20	10.20	10.20	10.15	11.05	10.35	10.35	9.70	8.40	10.75		63.50	31.00
2006 Q2	10.00	10.00	9.80	10.35	10.10	10.10	10.10	10.00	9.90	10.25	10.25	8.90	8.30	9.85		63.50	31.00
2006 Q3	10.00	10.00	9.80	10.45	10.20	10.20	10.20	10.10	9.90	10.35	10.35	8.90	8.40	9.85		63.50	31.00
2006 Q4	11.00	11.00	10.85	11.05	10.80	10.80	10.80	10.75	11.10	10.95	10.95	10.10	8.85	11.20		63.50	31.00
2006 Full Year	10.50	10.50	10.30	10.60	10.35	10.35	10.35	10.25	10.50	10.50	10.50	9.40	8.50	10.40		63.50	31.00
2007	8.60	8.75	8.90	9.25	8.80	9.00	9.00	9.00	8.90	9.15	9.15	8.15	8.60	9.00		55.00	21.00
2008	7.20	7.50	7.65	8.00	7.45	7.75	7.75	7.75	7.45	7.90	7.90	7.00	7.65	7.65		45.00	9.50
2009	6.60	7.00	7.15	7.50	6.85	7.25	7.25	7.25	6.90	7.40	7.40	6.55	7.15	7.15		45.00	9.50
2010	6.25	6.75	6.90	7.20	6.40	6.95	6.95	6.95	6.65	7.10	7.10	6.30	6.85	6.85		46.00	10.50
2011	5.90	6.50	6.65	6.90	6.05	6.65	6.65	6.65	6.35	6.80	6.80	6.05	6.55	6.55		47.00	12.00
2012	5.75	6.50	6.65	6.90	5.90	6.65	6.65	6.65	6.35	6.80	6.80	6.05	6.55	6.55		48.00	13.00
2013	5.75	6.65	6.80	7.05	5.95	6.80	6.80	6.80	6.50	6.95	6.95	6.20	6.70	6.70		49.00	14.00
2014	5.75	6.75	6.90	7.20	5.95	6.95	6.95	6.95	6.65	7.10	7.10	6.30	6.85	6.85		50.00	15.50
2015	5.75	6.90	7.05	7.40	6.00	7.15	7.15	7.15	6.80	7.30	7.30	6.45	7.00	7.00		51.00	17.00
2016	5.75	7.05	7.20	7.55	6.00	7.30	7.30	7.30	6.95	7.45	7.45	6.60	7.15	7.15		52.00	18.00
2017+	5.75	+2.0%/yr	+2.0%/yr	+2.0%/yr	6.00	+2.0%/yr				Escalate at 2.0 % per year						+2.0%/yr	

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.  
 The plant gate price represents the price before raw gas gathering and processing charges are deducted.  
 AECO-C Spot refers to the one month price averaged for the year.

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### Oil Price History and Forecast



### Natural Gas Price History and Forecast

