



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

January 1, 2008

Prepared by
Leonard Herchen, P. Eng.

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

January 1, 2008

GLJ Petroleum Consultants has prepared the enclosed price and market forecasts after a comprehensive review of information available through to December 2007. 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
FOR THE CANADIAN OIL AND GAS INDUSTRY
January 1, 2008**

GLJ Petroleum Consultants has completed our commodity price forecasts as presented on the attachments. Revisions in the forecasts reflective of current market conditions have been incorporated. The forecast and comparison to historical prices and historical forward prices are presented on page 7. A summary of near-term forecasts follows:

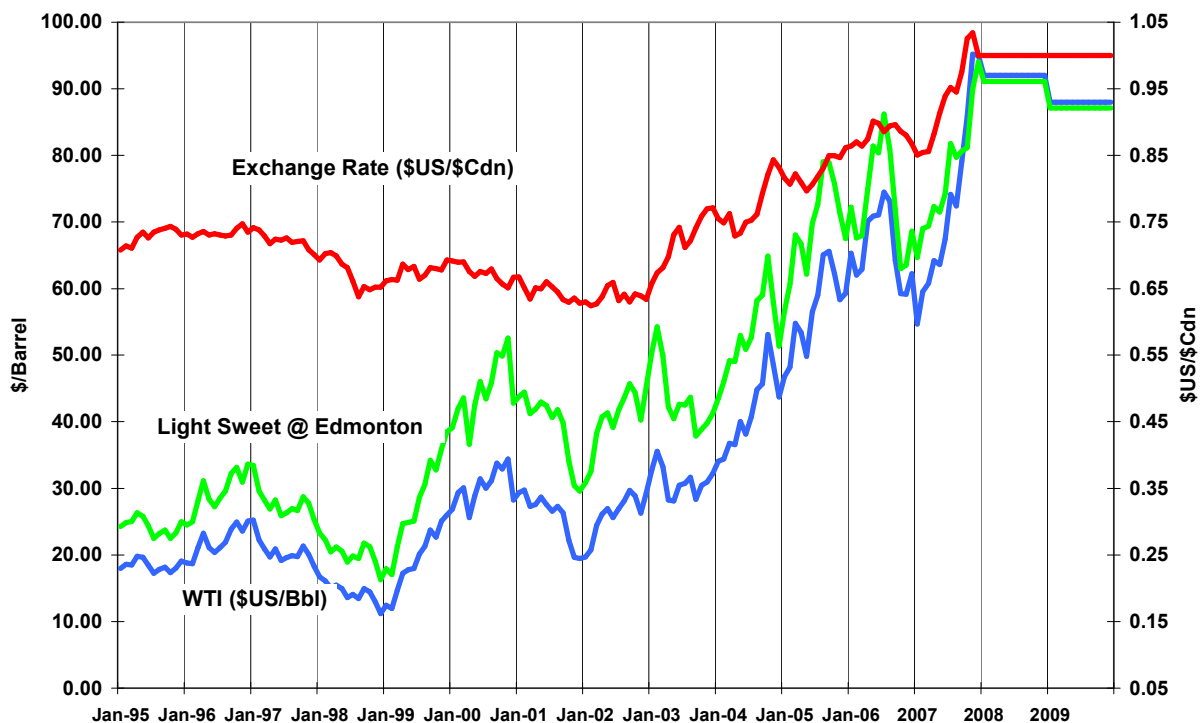
NATURAL GAS PRICES

	October 1, 2007 Calendar Year	January 1, 2008 Calendar Year
Henry Hub Gas Price - (\$US/MMBTU)		
2008	7.50	7.50
2009	7.50	8.25
Chicago 30 Day Spot Gas Price - (\$US/MMBTU)		
2008	7.45	7.40
2009	7.50	8.20
Sumas 30 Day Spot Gas Price - (\$US/MMBTU)		
2008	6.85	6.90
2009	6.85	7.70
AECO-C 30 Day Spot Gas Price - (\$Cdn/MMBTU)		
2008	6.60	6.75
2009	6.80	7.55
Average Alberta Plant-Gate Gas Price - (\$Cdn/MMBTU)		
2008	6.90	6.53
2009	6.96	7.33
Aggregator Plant-Gate Gas Price - (\$Cdn/MMBTU)		
2008	6.24	6.17
2009	6.57	6.99
B.C. 30 Day Spot Plant-Gate Gas Price - (\$Cdn/MMBTU)		
2008	6.24	6.35
2009	6.43	7.15

CRUDE OIL PRICES

	October 1, 2007 Calendar Year	January 1, 2008 Calendar Year
WTI @ Cushing Price - (\$US/BBL)		
2008	75.00	92.00
2009	71.50	88.00
Light, Sweet @ Edmonton Price - (\$Cdn/BBL)		
2008	74.10	91.10
2009	70.60	87.10

Oil Price History and Forecast



Natural Gas Price History and Forecast

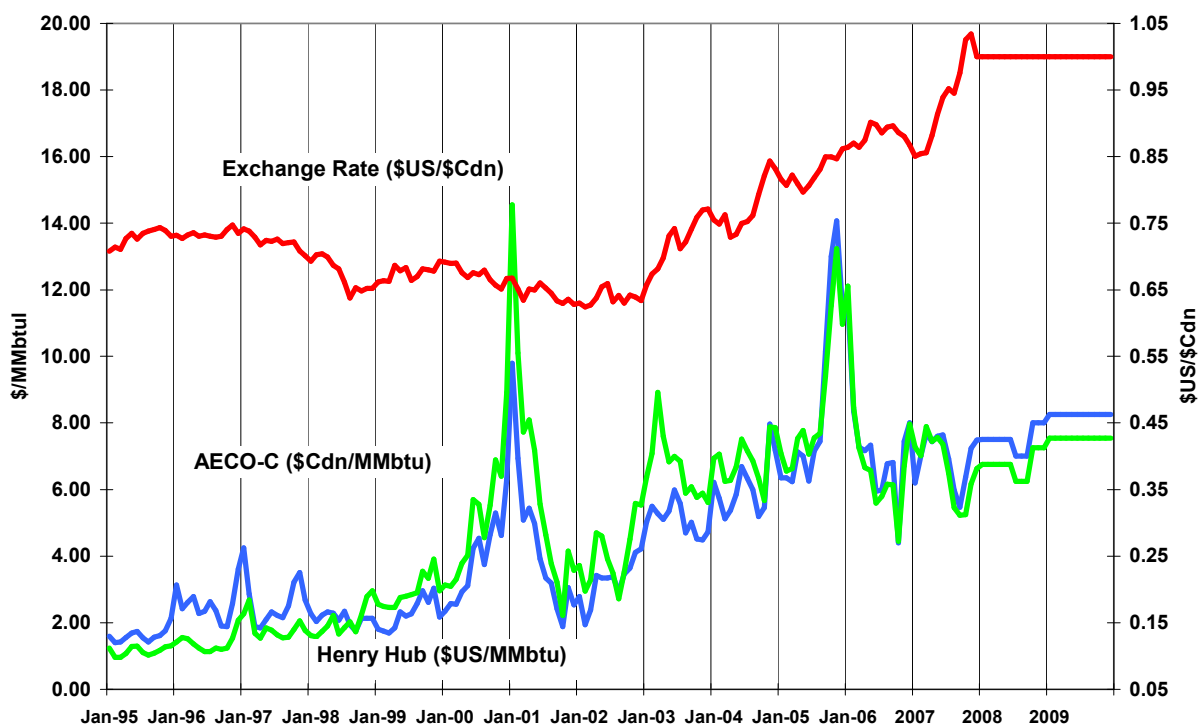


Table 1
GLJ Petroleum Consultants
Crude Oil and Natural Gas Liquids
Price Forecast
Effective January 1, 2008

Year	Inflation %	Bank of Canada Average Noon Exchange Rate \$US/\$Cdn	NYMEX WTI Near Month Futures Contract Crude Oil at Cushing Oklahoma		ICE BRENT Near Month Futures Contract Crude Oil at FOB North Sea		Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton		Lloyd Blend 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)			
			Constant 2008 \$	Then Current \$US/bbl	Constant 2008 \$	Then Current \$US/bbl	Constant 2008 \$	Then Current \$Cdn/bbl	Constant 2008 \$	Then Current \$Cdn/bbl	Constant 2008 \$	Then Current \$Cdn/bbl	Constant 2008 \$	Then Current \$Cdn/bbl	Spec Ethane \$Cdn/bbl	Edmonton Propane \$Cdn/bbl	Edmonton Butane \$Cdn/bbl	Edmonton Pentanes Plus \$Cdn/bbl
1996	1.5	0.733	27.98	21.98	25.85	20.31	37.40	29.38	26.66	20.95	25.55	20.06	33.20	26.08	n/a	23.13	17.83	30.05
1997	1.6	0.722	25.83	20.62	24.21	19.32	34.90	27.85	25.04	19.98	18.06	14.41	29.72	23.72	n/a	19.41	19.76	30.91
1998	1.0	0.675	17.80	14.44	16.45	13.34	25.10	20.36	18.44	14.95	11.66	9.45	20.91	16.96	n/a	11.74	12.69	21.87
1999	1.7	0.673	23.53	19.25	21.99	17.99	33.78	27.63	27.07	22.14	23.83	19.49	31.01	25.37	n/a	15.86	18.65	27.64
2000	2.7	0.673	36.30	30.23	34.10	28.41	53.51	44.57	39.16	32.61	33.03	27.49	47.93	39.92	n/a	32.15	35.59	46.31
2001	2.5	0.646	30.41	26.00	29.09	24.87	46.13	39.44	27.46	23.47	19.62	16.77	36.95	31.58	n/a	31.92	31.25	42.48
2002	2.2	0.637	29.73	26.08	28.52	25.02	45.98	40.33	34.89	30.60	30.29	26.57	40.45	35.48	n/a	21.39	27.08	40.73
2003	2.8	0.716	34.64	31.07	31.74	28.47	48.70	43.66	34.79	31.18	29.31	26.26	41.88	37.55	n/a	32.14	34.36	44.23
2004	1.8	0.770	44.90	41.38	41.26	38.02	57.46	52.96	39.39	36.31	31.59	29.11	49.52	45.64	n/a	34.70	39.97	53.94
2005	2.2	0.826	60.27	56.58	58.74	55.14	73.52	69.02	45.84	43.03	36.29	34.07	60.47	56.77	n/a	43.04	51.80	69.57
2006	2.0	0.882	69.01	66.22	68.95	66.16	76.30	73.21	52.49	50.36	43.62	41.84	64.88	62.26	n/a	43.85	60.18	75.41
2007 (e)	2.1	0.935	73.82	72.24	74.04	72.46	78.69	77.02	54.30	53.15	45.33	44.37	67.74	66.30	n/a	46.85	58.35	77.33
2008 Q1	2.0	1.000	92.00	92.00	90.50	90.50	91.10	91.10	61.95	61.95	51.66	51.66	79.26	79.26	22.73	58.30	72.88	92.92
2008 Q2	2.0	1.000	92.00	92.00	90.50	90.50	91.10	91.10	65.59	65.59	56.39	56.39	79.26	79.26	22.73	58.30	72.88	92.92
2008 Q3	2.0	1.000	92.00	92.00	90.50	90.50	91.10	91.10	65.59	65.59	56.39	56.39	79.26	79.26	21.01	58.30	72.88	92.92
2008 Q4	2.0	1.000	92.00	92.00	90.50	90.50	91.10	91.10	61.95	61.95	51.66	51.66	79.26	79.26	24.46	58.30	72.88	92.92
2008 Full Year	2.0	1.000	92.00	92.00	90.50	90.50	91.10	91.10	63.77	63.77	54.02	54.02	79.26	79.26	22.73	58.30	72.88	92.92
2009	2.0	1.000	86.28	88.00	84.80	86.50	85.39	87.10	59.78	60.97	50.60	51.61	74.29	75.78	25.49	55.74	69.68	88.84
2010	2.0	1.000	80.74	84.00	79.30	82.50	79.87	83.10	55.91	58.17	47.28	49.19	69.49	72.30	25.66	53.18	66.48	84.76
2011	2.0	1.000	77.27	82.00	75.86	80.50	76.42	81.10	53.50	56.77	45.22	47.98	66.49	70.56	25.66	51.90	64.88	82.72
2012	2.0	1.000	75.76	82.00	74.37	80.50	74.92	81.10	52.45	56.77	44.33	47.98	65.18	70.56	25.66	51.90	64.88	82.72
2013	2.0	1.000	74.27	82.00	72.91	80.50	73.46	81.10	52.15	57.58	44.42	49.04	63.91	70.56	25.66	51.90	64.88	82.72
2014	2.0	1.000	72.81	82.00	71.48	80.50	72.01	81.10	51.85	58.39	44.48	50.09	62.65	70.56	26.35	51.90	64.88	82.72
2015	2.0	1.000	71.39	82.00	70.08	80.50	70.60	81.10	51.54	59.20	44.53	51.15	61.42	70.56	26.94	51.90	64.88	82.72
2016	2.0	1.000	70.00	82.02	68.72	80.52	69.23	81.12	51.23	60.03	44.56	52.21	60.23	70.57	27.52	51.91	64.89	82.74
2017	2.0	1.000	70.00	83.66	68.75	82.16	69.25	82.76	51.25	61.24	44.59	53.29	60.25	72.00	28.11	52.97	66.21	84.42
2018+	2.0	1.000	70.00	+2.0%/yr	68.75	+2.0%/yr	69.25	+2.0%/yr	51.25	+2.0%/yr	44.59	+2.0%/yr	60.25	+2.0%/yr		Escalate at 2.0 % per year		

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

Revised 31-Dec-07

Table 2
GLJ Petroleum Consultants
Natural Gas and Sulphur
Price Forecast
 Effective January 1, 2008

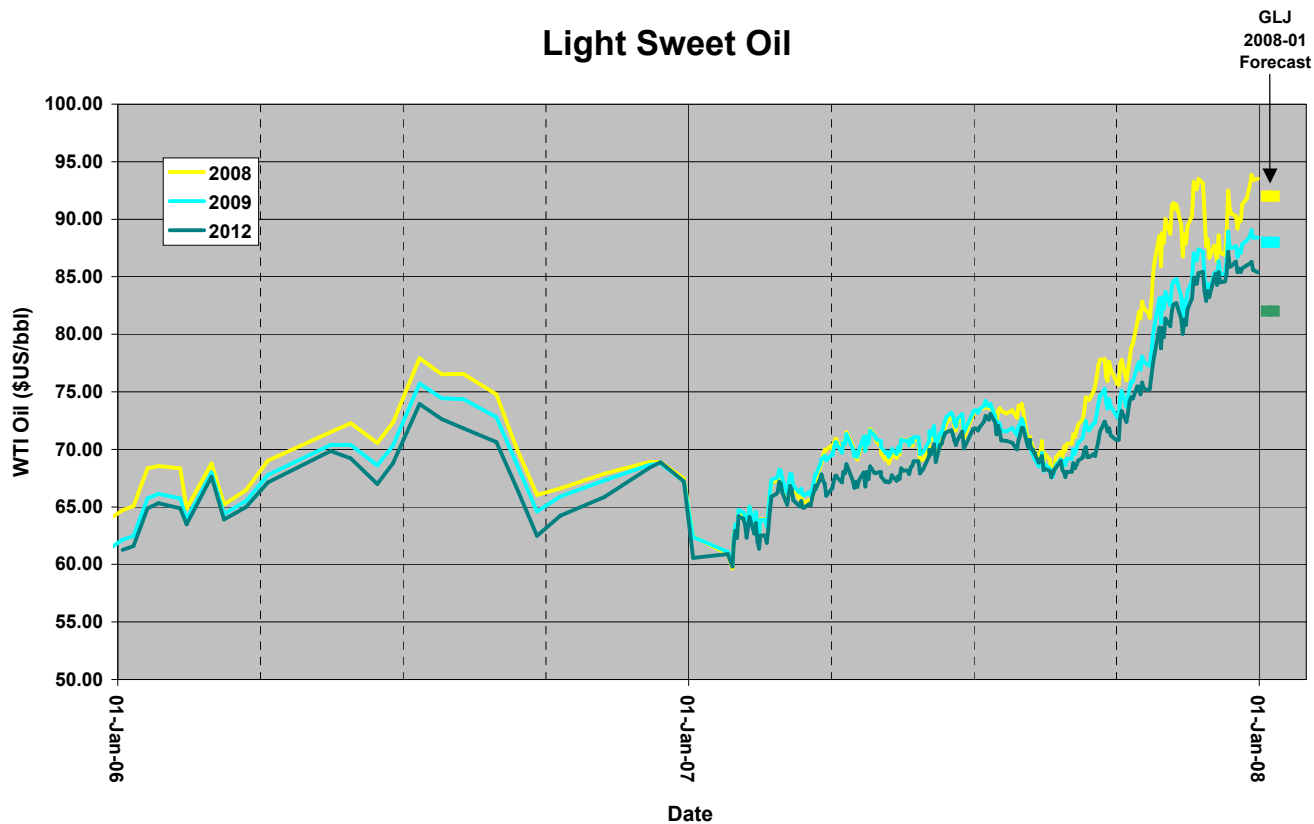
Year	NYMEX Futures Contract		Midwest		Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia		Sulphur	Sulphur	
	Last 3 Day Price		Price @ Chicago	AECO/NIT Spot	Spot		ARP	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	Westcoast	Plant Gate	FOB	at Plant	
	Constant	Then	Then	Then	Constant	Then							\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu
	2008 \$	Current	Current	Current	2008 \$	Current	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	Station 2	Plant Gate	Vancouver	Gate	
	\$US/mmbtu	\$US/mmbtu	\$US/mmbtu	\$Cdn/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$Cdn/LT
1996	3.24	2.55	2.73	1.39	1.60	1.26	1.63	N/A	N/A	1.52	1.28	1.32	1.49	1.47	36.28	6.48	
1997	3.30	2.63	2.75	1.85	2.13	1.70	1.97	N/A	N/A	1.85	1.75	1.71	1.90	1.98	34.75	5.12	
1998	2.64	2.14	2.21	2.03	2.31	1.87	1.94	N/A	N/A	2.05	2.13	1.60	2.15	2.00	24.59	-6.51	
1999	2.78	2.27	2.33	2.92	3.37	2.75	2.48	N/A	N/A	2.82	2.97	2.15	2.93	2.78	33.74	6.93	
2000	4.69	3.91	3.96	5.08	5.91	4.93	4.50	4.44	N/A	4.79	5.16	4.15	5.06	4.88	38.14	13.59	
2001	5.13	4.38	4.45	6.23	7.11	6.07	5.41	4.97	5.29	5.72	6.20	4.57	6.32	6.29	18.29	-14.67	
2002	3.71	3.25	3.25	4.04	4.43	3.88	3.88	3.64	3.66	4.04	4.08	2.68	4.18	3.93	29.38	3.04	
2003	6.07	5.44	5.46	6.66	7.24	6.49	6.13	5.87	6.15	6.41	6.68	4.66	6.45	6.32	59.81	39.83	
2004	6.61	6.09	6.13	6.88	7.27	6.70	6.31	6.16	6.39	6.48	6.85	5.26	6.56	6.45	62.99	38.61	
2005	9.11	8.55	8.24	8.58	8.96	8.42	8.30	8.27	8.29	8.36	8.31	7.13	8.22	8.12	63.50	33.77	
2006	7.57	7.26	6.93	7.16	7.25	6.96	6.57	6.36	6.34	6.67	6.97	6.27	6.58	6.45	55.07	19.27	
2007 (e)	7.07	6.92	6.83	6.65	6.57	6.43	6.14	6.11	5.86	6.07	6.38	6.52	6.39	6.23	81.62	41.34	
2008 Q1	7.50	7.50	7.40	6.75	6.53	6.53	6.44	6.17	5.92	6.57	6.69	6.90	6.55	6.35	120.00	77.00	
2008 Q2	7.50	7.50	7.40	6.75	6.53	6.53	6.44	6.17	5.92	6.57	6.69	6.90	6.55	6.35	120.00	77.00	
2008 Q3	7.00	7.00	6.90	6.25	6.04	6.04	5.95	5.70	5.44	6.08	6.19	6.40	6.05	5.86	120.00	77.00	
2008 Q4	8.00	8.00	7.90	7.25	7.03	7.03	6.93	6.63	6.40	7.06	7.19	7.40	7.05	6.85	120.00	77.00	
2008 Full Year	7.50	7.50	7.40	6.75	6.53	6.53	6.44	6.17	5.92	6.57	6.69	6.90	6.55	6.35	120.00	77.00	
2009	8.09	8.25	8.20	7.55	7.18	7.33	7.24	6.99	6.68	7.37	7.49	7.70	7.35	7.15	90.00	47.00	
2010	7.93	8.25	8.25	7.60	7.09	7.37	7.31	7.11	6.73	7.44	7.54	7.70	7.40	7.20	70.00	27.00	
2011	7.77	8.25	8.35	7.60	6.95	7.37	7.31	7.11	6.83	7.44	7.54	7.70	7.40	7.20	70.00	27.00	
2012	7.62	8.25	8.35	7.60	6.81	7.37	7.31	7.11	6.83	7.44	7.54	7.70	7.40	7.20	70.00	27.00	
2013	7.47	8.25	8.35	7.60	6.68	7.37	7.31	7.11	6.83	7.44	7.54	7.70	7.40	7.20	70.00	27.00	
2014	7.50	8.45	8.55	7.80	6.72	7.57	7.51	7.30	7.02	7.64	7.74	7.90	7.60	7.40	71.40	28.40	
2015	7.50	8.62	8.72	7.97	6.74	7.74	7.67	7.47	7.18	7.80	7.91	8.07	7.77	7.57	72.83	29.83	
2016	7.50	8.79	8.89	8.14	6.75	7.91	7.84	7.63	7.34	7.97	8.05	8.24	7.94	7.73	74.28	31.28	
2017	7.50	8.96	9.06	8.31	6.76	8.08	8.01	7.79	7.51	8.14	8.22	8.41	8.11	7.90	75.77	32.77	
2018	7.50	9.14	9.24	8.48	6.76	8.24	8.17	7.95	7.66	8.30	8.38	8.58	8.27	8.06	77.29	33.43	
2019+	7.50	+2.0%/yr	+2.0%/yr	+2.0%/yr	6.76	+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.
 Historical futures contract price is an average of the daily settlement price over the last 3 days of the near month contract.

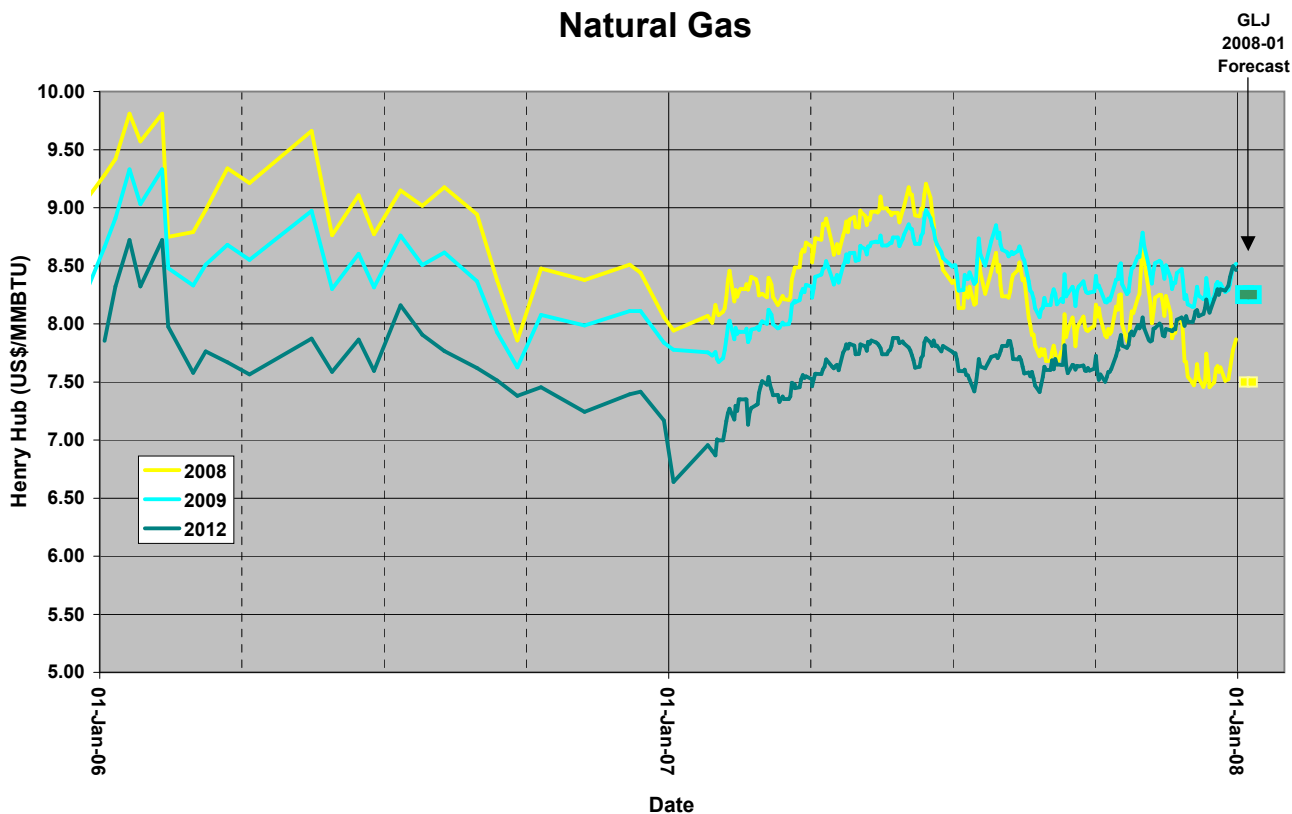
Revised 31-Dec-07

History of NYMEX Futures Prices for US Oil and Gas (for years 2008, 2009 and 2012)

Light Sweet Oil



Natural Gas



Note: prior to Feb 2007, historical futures prices are from randomly selected points in time; after Feb 2007 daily prices at close of trading are presented. Prices reflect the average of the remaining contract for the years shown.