



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

**January 1, 2009**

Prepared by  
Leonard Herchen, P. Eng.

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

**January 1, 2009**

GLJ Petroleum Consultants has prepared the enclosed price and market forecasts after a comprehensive review of information available through to December 2008. 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.

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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. A summary of near-term forecasts follows:

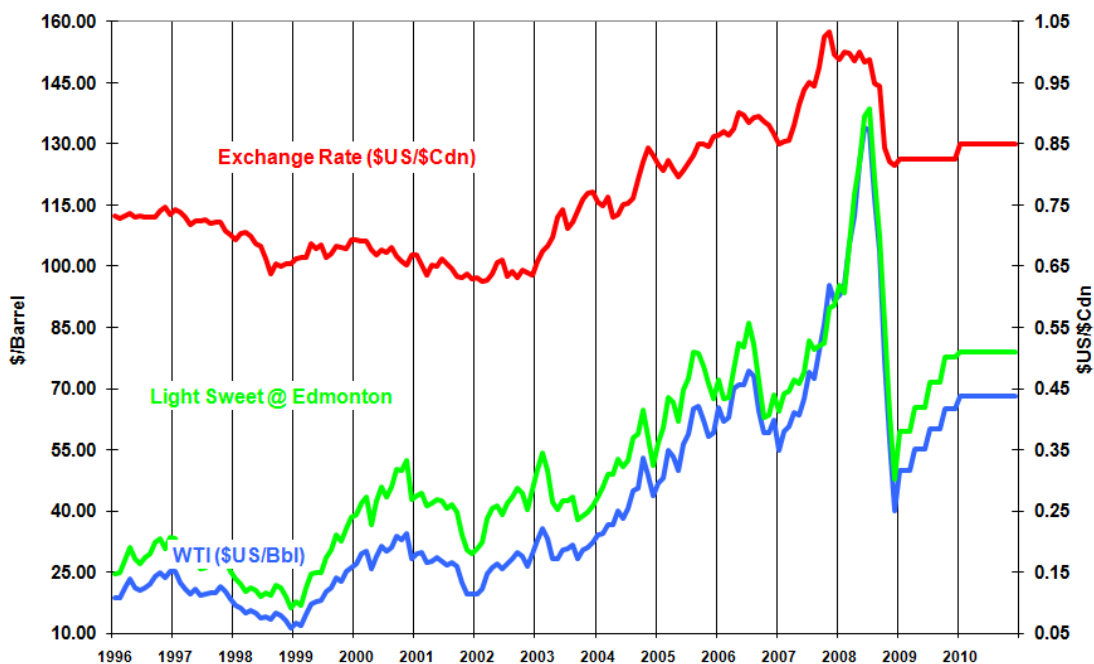
**NATURAL GAS PRICES**

	October 1, 2008 Calendar Year	January 1, 2009 Calendar Year
<b>Henry Hub Gas Price - (\$US/MMBTU)</b>		
2009	8.50	7.00
2010	8.50	7.50
<b>Chicago 30 Day Spot Gas Price – (\$US/MMBTU)</b>		
2009	8.50	7.00
2010	8.50	7.50
<b>Sumas 30 Day Spot Gas Price - (\$US/MMBTU)</b>		
2009	7.95	6.45
2010	7.95	6.95
<b>AECO-C 30 Day Spot Gas Price – (\$Cdn/MMBTU)</b>		
2009	7.50	7.58
2010	7.65	7.94
<b>Average Alberta Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2009	7.28	7.34
2010	7.42	7.70
<b>Aggregator Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2009	6.94	7.00
2010	7.16	7.43
<b>B.C. 30 Day Spot Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2009	7.10	7.17
2010	7.25	7.54

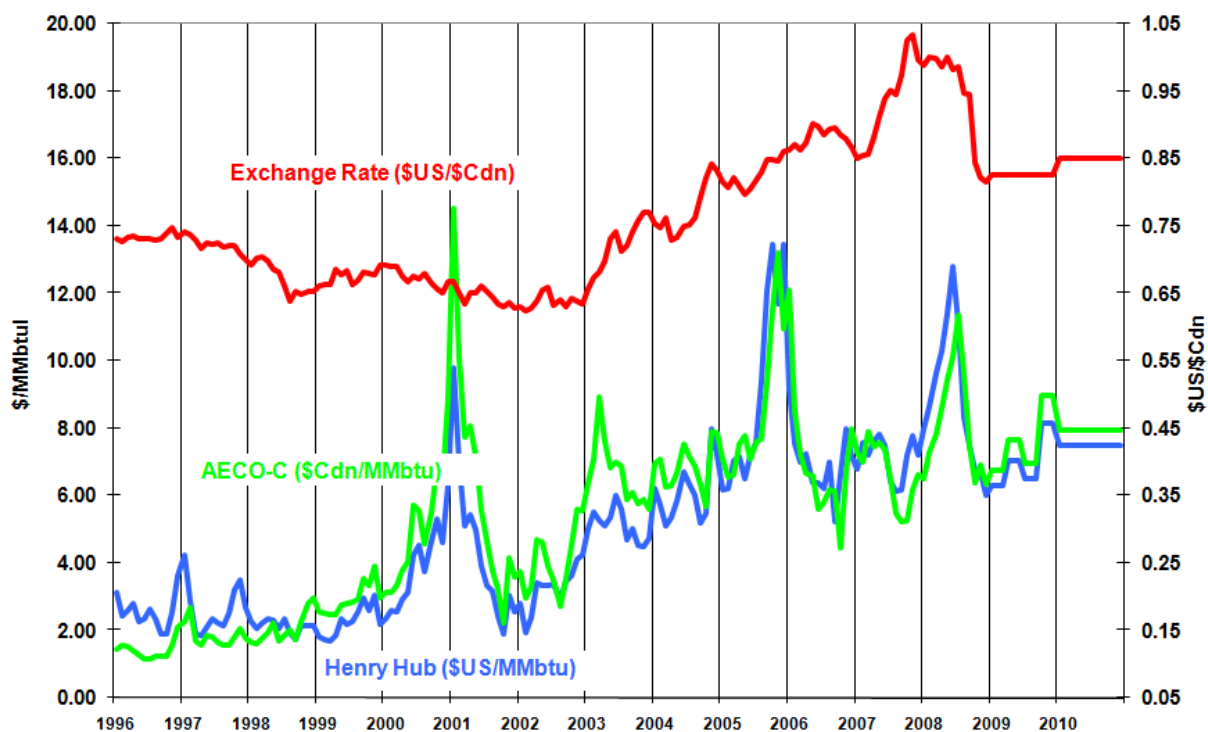
**CRUDE OIL PRICES**

	October 1, 2008 Calendar Year	January 1, 2009 Calendar Year
<b>WTI @ Cushing Price - (\$US/BBL)</b>		
2009	100.00	57.50
2010	100.00	68.00
<b>Light, Sweet @ Edmonton Price - (\$Cdn/BBL)</b>		
2009	99.10	68.61
2010	99.10	78.94

### 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, 2009

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 FOB North Sea	Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton	Bow River Crude Oil Stream Quality at Hardisty	Lloyd Blend Crude Oil Stream Quality at Hardisty	WCS Crude Oil Stream Quality at Hardisty	Heavy Crude Oil Proxy (12 API) at Hardisty	Light Crude Oil (35 API, 1.2%S) at Cromer	Medium Crude Oil (29 API, 2.0%S) at Cromer	Alberta Natural Gas Liquids (Then Current Dollars)			
			Constant 2009 \$	Then Current \$US/bbl	Then Current \$US/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Spec Ethane \$Cdn/bbl	Edmonton Propane \$Cdn/bbl	Edmonton Butane \$Cdn/bbl
1996	1.6	0.733	28.67	21.98	20.31	29.38	25.12	21.55	n/a	20.06	28.41	26.08	n/a	23.13	17.83	30.05
1997	1.6	0.722	26.46	20.62	19.32	27.85	21.18	20.55	n/a	14.41	26.52	23.72	n/a	19.41	19.76	30.91
1998	1.0	0.675	18.23	14.44	13.34	20.36	14.63	15.38	n/a	9.45	19.31	16.96	n/a	11.74	12.69	21.87
1999	1.7	0.673	24.13	19.25	17.99	27.63	23.78	22.14	n/a	19.49	26.97	25.37	n/a	15.86	18.65	27.64
2000	2.7	0.673	37.19	30.23	28.41	44.57	35.28	32.61	n/a	27.49	43.28	39.92	n/a	32.15	35.59	46.31
2001	2.5	0.646	31.15	26.00	24.87	39.44	27.69	23.47	n/a	16.77	35.22	31.58	n/a	31.92	31.25	42.48
2002	2.3	0.637	30.47	26.08	25.02	40.33	31.83	30.60	n/a	26.57	37.43	35.48	n/a	21.39	27.08	40.73
2003	2.8	0.716	35.48	31.07	28.47	43.66	32.11	31.18	n/a	26.26	40.09	37.55	n/a	32.14	34.36	44.23
2004	1.8	0.770	46.02	41.38	38.02	52.96	37.43	36.31	n/a	29.11	49.14	45.64	n/a	34.70	39.97	53.94
2005	2.2	0.826	61.78	56.58	55.14	69.02	44.73	43.03	43.74	34.07	62.18	56.77	n/a	43.04	51.80	69.57
2006	2.0	0.882	70.72	66.22	66.16	73.21	51.82	50.36	50.66	41.84	66.38	62.26	n/a	43.85	60.17	75.41
2007	2.2	0.935	75.80	72.39	72.71	77.06	53.64	52.03	52.38	43.42	71.13	65.71	n/a	49.56	61.78	77.38
2008 (e)	2.4	0.943	101.99	99.48	97.96	103.44	84.70	83.06	85.34	75.54	96.73	93.74	n/a	57.82	76.91	104.46
2009 Q1	2.0	0.825	50.00	50.00	48.50	59.52	43.15	41.96	42.36	35.33	54.16	51.18	22.62	37.49	45.23	60.71
2009 Q2	2.0	0.825	55.00	55.00	53.50	65.58	49.18	47.87	48.27	41.17	59.67	56.40	25.75	41.31	49.84	66.89
2009 Q3	2.0	0.825	60.00	60.00	58.50	71.64	55.16	53.73	54.13	46.92	65.19	61.61	23.46	45.13	54.44	73.07
2009 Q4	2.0	0.825	65.00	65.00	63.50	77.70	58.27	56.72	57.12	48.96	70.70	66.82	30.35	48.95	59.05	79.25
2009 Full Year	2.0	0.825	57.50	57.50	56.00	68.61	51.44	50.07	50.47	43.10	62.43	59.00	25.55	43.22	52.14	69.98
2010	2.0	0.850	66.67	68.00	66.50	78.94	59.21	57.63	58.03	49.76	72.63	68.68	26.80	49.73	61.57	80.52
2011	2.0	0.875	71.13	74.00	72.50	83.54	63.49	62.24	62.64	54.35	77.69	73.52	28.19	52.63	65.16	85.21
2012	2.0	0.925	80.10	85.00	83.50	90.92	69.10	67.73	68.13	59.23	84.55	80.01	29.43	57.28	70.92	92.74
2013	2.0	0.950	85.00	92.01	90.51	95.91	72.89	71.45	71.85	62.54	89.19	84.40	30.27	60.42	74.81	97.82
2014	2.0	0.950	85.00	93.85	92.35	97.84	74.36	72.89	73.29	63.82	90.99	86.10	30.94	61.64	76.32	99.80
2015	2.0	0.950	85.00	95.73	94.23	99.82	75.86	74.36	74.76	65.13	92.83	87.84	31.62	62.89	77.86	101.81
2016	2.0	0.950	85.00	97.64	96.14	101.83	77.39	75.87	76.27	66.46	94.70	89.61	32.31	64.15	79.43	103.87
2017	2.0	0.950	85.00	99.59	98.09	103.89	78.96	77.40	77.80	67.83	96.62	91.42	33.02	65.45	81.03	105.97
2018	2.0	0.950	85.00	101.59	100.09	105.99	80.55	78.96	79.36	69.22	98.57	93.27	33.74	66.77	82.67	108.10
2019+	2.0	0.950	85.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

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

Revised 12-31-08

**Table 2**  
**GLJ Petroleum Consultants**  
**Natural Gas and Sulphur**  
**Price Forecast**  
 Effective January 1, 2009

Year	Henry Hub Nymex		Midwest		Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia		Sulphur	Sulphur	
	Near Month Contract		Price @ Chicago	AECO/NIT Spot	Spot		ARP	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	Westcoast	Plant Gate	Vancouver	Gate	Gate
	Constant	Then	Then	Then	Constant	Then											
	\$US/mmbtu	\$US/mmbtu	\$US/mmbtu	\$Cdn/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu
1996	3.27	2.51	2.73	1.39	1.64	1.26	1.63	N/A	N/A	1.52	1.28	1.32	1.49	1.47	36.28	6.48	
1997	3.18	2.47	2.75	1.85	2.18	1.70	1.97	N/A	N/A	1.85	1.75	1.71	1.90	1.98	34.75	5.12	
1998	2.73	2.16	2.20	2.03	2.37	1.87	1.94	N/A	N/A	2.05	2.13	1.60	2.15	2.00	24.59	-6.51	
1999	2.90	2.31	2.33	2.92	3.45	2.75	2.48	N/A	N/A	2.82	2.97	2.15	2.93	2.78	33.74	6.93	
2000	5.31	4.32	3.96	5.08	6.06	4.93	4.50	4.44	N/A	4.79	5.16	4.15	5.06	4.88	38.14	13.59	
2001	4.83	4.03	4.45	6.23	7.27	6.07	5.41	4.97	5.29	5.72	6.20	4.57	6.32	6.29	18.29	-14.67	
2002	3.92	3.36	3.25	4.04	4.53	3.88	3.88	3.64	3.66	4.04	4.08	2.68	4.18	3.93	29.38	3.04	
2003	6.25	5.47	5.46	6.66	7.42	6.49	6.13	5.87	6.15	6.41	6.68	4.66	6.45	6.32	59.81	39.83	
2004	6.87	6.18	6.13	6.88	7.45	6.70	6.31	6.16	6.39	6.48	6.85	5.26	6.56	6.45	62.99	38.61	
2005	9.82	9.00	8.24	8.58	9.18	8.42	8.30	8.27	8.29	8.36	8.31	7.13	8.22	8.12	63.50	33.77	
2006	7.46	6.99	6.93	7.16	7.42	6.96	6.57	6.36	6.34	6.67	6.97	6.27	6.58	6.45	55.07	19.27	
2007	7.45	7.12	6.83	6.65	6.73	6.43	6.20	6.13	5.86	6.18	6.40	6.52	6.40	6.25	81.66	42.03	
2008 (e)	9.14	8.92	8.91	8.16	8.12	7.92	7.78	7.82	7.83	8.03	7.84	8.33	8.11	7.97	464.73	448.28	
2009 Q1	6.30	6.30	6.30	6.73	6.50	6.50	6.43	6.20	5.96	6.56	6.64	5.75	6.53	6.33	50.00	17.61	
2009 Q2	7.05	7.05	7.05	7.64	7.40	7.40	7.32	7.06	6.83	7.45	7.55	6.50	7.44	7.23	50.00	17.61	
2009 Q3	6.50	6.50	6.50	6.97	6.74	6.74	6.66	6.43	6.19	6.79	6.88	5.95	6.77	6.57	50.00	17.61	
2009 Q4	8.15	8.15	8.15	8.97	8.72	8.72	8.62	8.32	8.10	8.75	8.88	7.60	8.77	8.56	50.00	17.61	
2009 Full Year	7.00	7.00	7.00	7.58	7.34	7.34	7.26	7.00	6.77	7.39	7.49	6.45	7.38	7.17	50.00	17.61	
2010	7.35	7.50	7.50	7.94	7.55	7.70	7.63	7.43	7.13	7.76	7.85	6.95	7.74	7.54	65.00	33.47	
2011	7.69	8.00	8.10	8.34	7.78	8.10	8.03	7.81	7.58	8.16	8.25	7.45	8.14	7.94	75.00	42.71	
2012	8.25	8.75	8.85	8.70	7.97	8.46	8.38	8.16	7.95	8.51	8.61	8.20	8.50	8.29	75.00	38.08	
2013	8.50	9.20	9.30	8.95	8.04	8.70	8.62	8.39	8.19	8.75	8.86	8.65	8.75	8.54	75.00	35.95	
2014	8.50	9.38	9.48	9.14	8.05	8.89	8.81	8.57	8.37	8.94	9.05	8.83	8.94	8.73	75.00	35.95	
2015	8.50	9.57	9.67	9.34	8.07	9.09	9.00	8.76	8.56	9.13	9.25	9.02	9.14	8.92	75.00	35.95	
2016	8.50	9.76	9.86	9.54	8.08	9.28	9.20	8.96	8.75	9.33	9.45	9.21	9.34	9.12	75.00	35.95	
2017	8.50	9.96	10.06	9.75	8.10	9.49	9.40	9.15	8.95	9.53	9.66	9.41	9.55	9.33	75.00	35.95	
2018	8.50	10.16	10.26	9.95	8.11	9.70	9.61	9.35	9.15	9.74	9.86	9.61	9.75	9.54	75.00	35.95	
2019+	8.50	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+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.

Revised 12-31-08