



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

**January 1, 2012**

Prepared by  
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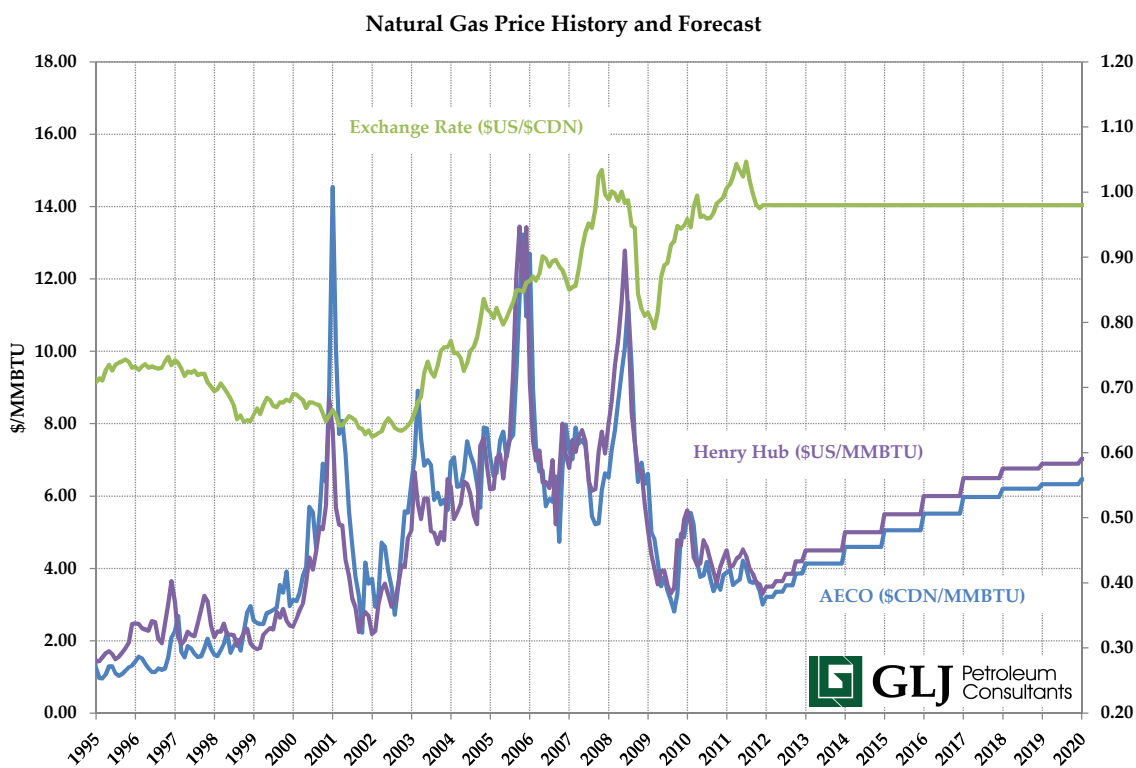
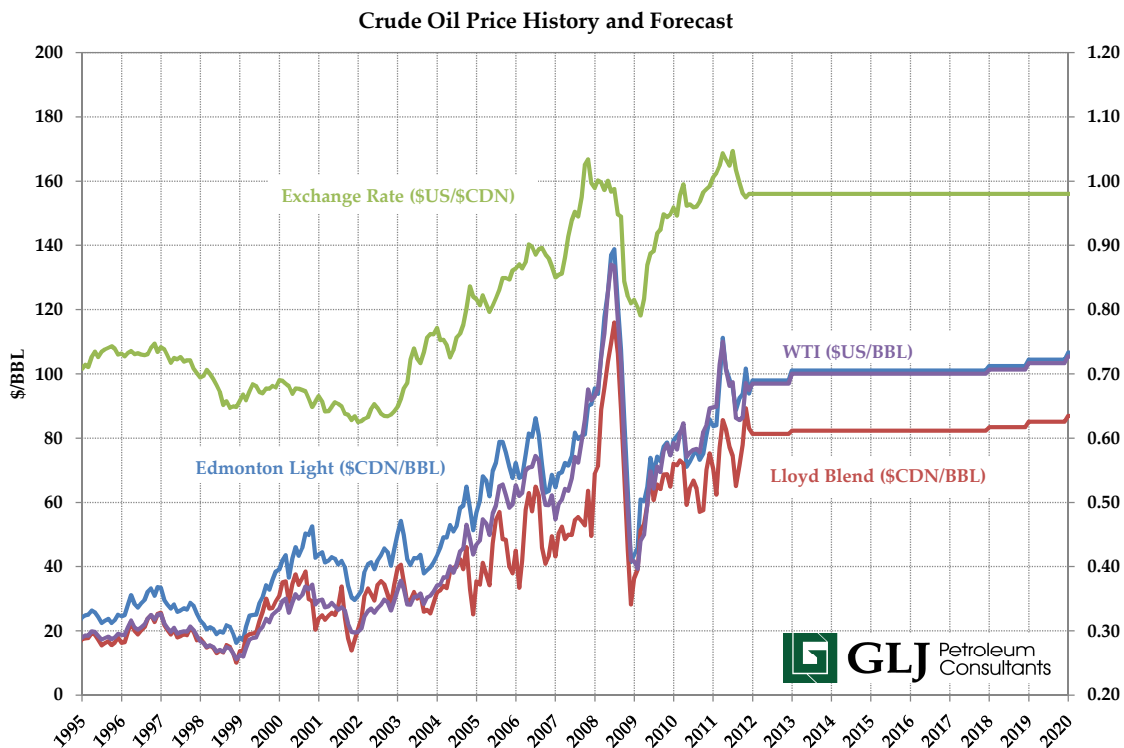
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## January 1, 2012

GLJ Petroleum Consultants has prepared the enclosed price and market forecasts after a comprehensive review of information available through to December 2011. 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. Widely followed benchmarks are presented graphically below:



**Table 1**  
**GLJ Petroleum Consultants Ltd.**  
**Crude Oil and Natural Gas Liquids**  
**Price Forecast**  
 Effective January 1, 2012

Year	Inflation %	Bank of Canada	Nymex Wti Near Month		ICE Brent Near	Light Sweet	Bow River	Lloyd Blend	WCS	Heavy Crude Oil	Light Crude Oil	Medium Crude Oil	Alberta Natural Gas Liquids			
		Average Noon Exchange Rate \$US/\$Cdn	Futures Contract Crude Oil at Cushing Oklahoma	Month Futures Contract Crude Oil FOB North Sea	Crude Oil 40 API, 0.3%S at Edmonton	Crude Oil Stream Quality at Hardisty	Crude Oil Stream Quality at Hardisty	Crude Oil Stream Quality at Hardisty	Crude Oil Stream Quality at Hardisty	Proxy (12 API) at Hardisty	(35 API, 1.2%S) at Cromer	(29 API, 2.0%S) at Cromer	Spec Ethane	Edmonton	Edmonton	Edmonton
			Constant 2012 \$	Then Current \$US/bbl	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	\$Cdn/bbl	\$Cdn/bbl	\$Cdn/bbl	\$Cdn/bbl
1996	1.6	0.733	30.16	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	27.84	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	19.18	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	25.38	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	39.12	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	32.75	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	32.05	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	37.32	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	48.41	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	64.96	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	74.35	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	79.74	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	2.4	0.943	107.29	99.64	98.30	102.89	84.31	82.60	82.95	74.94	96.08	93.10	N/A	58.38	75.33	104.78
2009	0.4	0.880	65.02	61.78	62.50	66.32	60.18	58.40	58.66	54.46	63.84	62.96	N/A	38.03	48.17	68.17
2010	1.8	0.971	83.35	79.52	80.25	77.87	68.45	66.95	67.27	60.76	76.58	73.76	N/A	46.84	65.91	84.27
2011 (e)	3.0	1.012	97.65	94.83	110.63	95.15	78.12	76.37	76.68	67.03	91.61	87.57	N/A	53.47	74.24	103.75
2012 Q1	2.0	0.980	97.00	97.00	105.00	97.96	83.27	81.31	81.61	72.37	93.06	90.12	10.50	58.78	76.41	107.76
2012 Q2	2.0	0.980	97.00	97.00	105.00	97.96	83.27	81.31	81.61	72.37	93.06	90.12	10.98	58.78	76.41	107.76
2012 Q3	2.0	0.980	97.00	97.00	105.00	97.96	83.27	81.31	81.61	72.37	93.06	90.12	11.61	58.78	76.41	107.76
2012 Q4	2.0	0.980	97.00	97.00	105.00	97.96	83.27	81.31	81.61	72.37	93.06	90.12	12.72	58.78	76.41	107.76
2012 Full Year	2.0	0.980	97.00	97.00	105.00	97.96	83.27	81.31	81.61	72.37	93.06	90.12	11.46	58.78	76.41	107.76
2013	2.0	0.980	98.04	100.00	105.00	101.02	84.35	82.33	82.63	73.60	94.96	92.94	13.67	60.61	78.80	108.09
2014	2.0	0.980	96.12	100.00	102.00	101.02	84.35	82.33	82.63	74.51	93.95	91.93	15.26	60.61	78.80	105.06
2015	2.0	0.980	94.23	100.00	100.00	101.02	84.35	82.33	82.63	74.51	93.95	91.93	16.85	60.61	78.80	105.06
2016	2.0	0.980	92.38	100.00	100.00	101.02	84.35	82.33	82.63	74.51	93.95	91.93	18.43	60.61	78.80	105.06
2017	2.0	0.980	90.57	100.00	100.00	101.02	84.35	82.33	82.63	74.51	93.95	91.93	20.02	60.61	78.80	105.06
2018	2.0	0.980	90.00	101.35	101.35	102.40	85.50	83.45	83.75	75.54	95.23	93.18	20.84	61.44	79.87	106.49
2019	2.0	0.980	90.00	103.38	103.38	104.47	87.23	85.14	85.44	77.09	97.16	95.07	21.25	62.68	81.49	108.65
2020	2.0	0.980	90.00	105.45	105.45	106.58	89.00	86.86	87.16	78.67	99.12	96.99	21.70	63.95	83.13	110.84
2021	2.0	0.980	90.00	107.56	107.56	108.73	90.79	88.62	88.92	80.28	101.12	98.95	22.14	65.24	84.81	113.08
2022+	2.0	0.980	90.00	+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 2011-12-31

**Table 2**  
**GLJ Petroleum Consultants Ltd.**  
**Natural Gas and Sulphur**  
**Price Forecast**  
 Effective January 1, 2012

Year	Henry Hub Nymex		Midwest		Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia		Sulphur	Alberta
	Constant	Then	Price @ Chicago	AECO/NIT Spot	Spot		ARP	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	Westcoast Station 2	Plant Gate	Sulphur FOB Vancouver	Sulphur at Plant Gate
	2012 \$	Current	Then	Then	Constant	Then										
1996	3.44	2.51	2.73	1.39	1.72	1.26	1.63	1.49	N/A	1.52	1.31	1.32	1.49	1.47	36.28	6.48
1997	3.34	2.47	2.75	1.85	2.29	1.70	1.97	1.69	N/A	1.85	1.77	1.71	1.90	1.98	34.75	5.12
1998	2.87	2.16	2.20	2.03	2.49	1.87	1.94	1.78	N/A	2.05	1.94	1.60	2.15	2.00	24.59	-6.51
1999	3.05	2.31	2.33	2.92	3.63	2.75	2.48	2.17	N/A	2.82	2.84	2.15	2.93	2.78	33.74	6.93
2000	5.58	4.32	3.96	5.08	6.37	4.93	4.50	4.44	N/A	4.79	4.99	4.15	5.06	4.88	38.14	13.59
2001	5.08	4.03	4.45	6.23	7.65	6.07	5.41	4.97	5.29	5.72	6.15	4.57	6.32	6.29	18.29	-14.67
2002	4.13	3.36	3.25	4.04	4.77	3.88	3.88	3.64	3.66	4.04	3.96	2.68	4.18	3.93	29.38	3.04
2003	6.57	5.47	5.46	6.66	7.80	6.49	6.13	5.87	6.15	6.41	6.57	4.66	6.45	6.32	59.81	39.83
2004	7.23	6.18	6.13	6.88	7.83	6.70	6.31	6.16	6.39	6.48	6.78	5.26	6.56	6.45	62.99	38.61
2005	10.34	9.00	8.24	8.58	9.66	8.42	8.30	8.27	8.29	8.36	8.48	7.13	8.22	8.12	63.50	33.77
2006	7.85	6.99	6.93	7.16	7.81	6.96	6.57	6.36	6.34	6.67	7.06	6.27	6.58	6.45	55.07	19.27
2007	7.83	7.12	6.83	6.65	7.08	6.43	6.20	6.13	5.86	6.18	6.55	6.52	6.40	6.25	81.66	42.03
2008	9.58	8.90	8.91	8.16	8.53	7.92	7.88	7.85	7.84	8.07	8.04	8.33	8.21	8.09	497.39	488.64
2009	4.38	4.16	4.05	4.19	4.19	3.98	3.85	3.69	3.23	3.87	4.04	3.91	4.17	4.04	57.06	24.57
2010	4.60	4.40	4.53	4.17	4.11	3.93	3.77	3.63	3.31	3.96	4.00	4.31	4.01	3.91	88.94	48.26
2011 (e)	4.15	4.03	4.26	3.68	3.58	3.47	3.57	3.40	2.89	3.67	3.72	3.88	3.37	3.28	217.14	172.03
2012 Q1	3.50	3.50	3.60	3.21	3.02	3.02	2.96	2.89	2.36	3.06	3.15	3.20	3.01	2.86	200.00	161.08
2012 Q2	3.65	3.65	3.75	3.35	3.16	3.16	3.09	3.02	2.50	3.19	3.29	3.35	3.15	3.00	200.00	161.08
2012 Q3	3.85	3.85	3.95	3.54	3.34	3.34	3.27	3.20	2.70	3.37	3.48	3.55	3.34	3.18	200.00	161.08
2012 Q4	4.20	4.20	4.30	3.86	3.66	3.66	3.58	3.50	3.04	3.68	3.80	3.90	3.66	3.50	200.00	161.08
2012 Full Year	3.80	3.80	3.90	3.49	3.29	3.29	3.23	3.15	2.65	3.33	3.43	3.50	3.29	3.14	200.00	161.08
2013	4.41	4.50	4.60	4.13	3.85	3.93	3.85	3.76	3.33	3.95	4.07	4.20	3.93	3.78	175.00	135.57
2014	4.81	5.00	5.10	4.59	4.21	4.39	4.30	4.20	3.82	4.40	4.53	4.70	4.39	4.23	150.00	110.06
2015	5.18	5.50	5.60	5.05	4.56	4.84	4.74	4.64	4.31	4.84	4.99	5.20	4.85	4.69	125.00	84.55
2016	5.54	6.00	6.10	5.51	4.89	5.30	5.19	5.08	4.80	5.29	5.45	5.70	5.31	5.14	125.00	84.55
2017	5.89	6.50	6.60	5.97	5.21	5.75	5.64	5.51	5.29	5.74	5.91	6.20	5.77	5.60	127.50	87.10
2018	6.00	6.76	6.86	6.21	5.32	5.99	5.87	5.74	5.55	5.97	6.15	6.46	6.01	5.84	130.05	89.70
2019	6.00	6.89	6.99	6.33	5.32	6.11	5.98	5.85	5.67	6.08	6.27	6.59	6.13	5.95	132.65	92.36
2020	6.00	7.03	7.13	6.46	5.32	6.23	6.11	5.98	5.81	6.21	6.40	6.73	6.26	6.08	135.30	95.06
2021	6.00	7.17	7.27	6.58	5.32	6.36	6.23	6.10	5.95	6.33	6.52	6.87	6.38	6.21	138.01	97.83
2022+	6.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	5.32	+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 2011-12-31