



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

**Quarterly Update**

**July 1, 2006**

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**July 1, 2006**

GLJ Petroleum Consultants has prepared the enclosed price and market forecasts after a comprehensive review of information available through to June 2006. 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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July 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**

	April 1, 2006 Calendar Year	July 1, 2006 Calendar Year
<b>Henry Hub Gas Price - (\$US/MMBTU)</b>		
2006	8.25	7.60
2007	9.00	8.50
<b>Chicago 30 Day Spot Gas Price - (\$US/MMBTU)</b>		
2006	7.95	7.15
2007	9.15	8.65
<b>Sumas 30 Day Spot Gas Price - (\$US/MMBTU)</b>		
2006	7.00	6.35
2007	8.25	7.40
<b>AECO-C 30 Day Spot Gas Price - (\$Cdn/MMBTU)</b>		
2006	8.05	7.20
2007	9.45	8.45
<b>Average Alberta Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2006	7.80	6.80
2007	9.20	8.25
<b>Aggregator Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2006	7.50	6.60
2007	9.20	8.25
<b>B.C. 30 Day Spot Plant-Gate Gas Price - (\$Cdn/MMBTU)</b>		
2006	7.90	7.00
2007	9.25	8.25

**CRUDE OIL PRICES**

	April 1, 2006 Calendar Year	July 1, 2006 Calendar Year
<b>WTI @ Cushing Price - (\$US/BBL)</b>		
2006	64.50	68.50
2007	60.00	65.00
<b>Light, Sweet @ Edmonton Price - (\$Cdn/BBL)</b>		
2006	74.00	76.00
2007	70.00	72.00

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

Year	Inflation %	Bank of Canada Average Noon Exchange Rate \$US/\$Cdn	NYMEX WTI Near Month Futures Contract 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)			
			Constant 2006 \$	Then Current \$US/bbl	Constant 2006 \$	Then Current \$US/bbl	Constant 2006 \$	Then Current \$Cdn/bbl	Constant 2006 \$	Then Current \$Cdn/bbl	Constant 2006 \$	Then Current \$Cdn/bbl	Constant 2006 \$	Then Current \$Cdn/bbl	Spec Ethane \$Cdn/bbl	Edmonton Propane \$Cdn/bbl	Edmonton Butane \$Cdn/bbl	Edmonton Pentanes Plus \$Cdn/bbl
1995	2.2	0.729	22.94	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	26.85	21.99	24.94	20.43	35.88	29.39	30.68	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	23.05	19.18	33.46	27.85	25.44	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	24.08	20.36	17.31	14.64	11.18	9.45	20.05	16.95	n/a	11.15	12.44	21.83
1999	1.7	0.673	22.61	19.29	20.88	17.81	32.46	27.69	27.94	23.84	23.06	19.67	29.79	25.42	n/a	15.89	18.70	27.71
2000	2.7	0.673	34.83	30.22	32.67	28.35	51.36	44.56	40.63	35.25	31.51	27.34	46.00	39.91	n/a	32.18	35.60	46.31
2001	2.6	0.646	29.14	25.97	27.35	24.37	44.22	39.40	31.09	27.70	19.01	16.94	35.42	31.56	n/a	31.85	31.17	42.48
2002	2.2	0.637	28.53	26.08	27.33	24.99	44.11	40.33	34.81	31.83	29.06	26.57	38.81	35.48	n/a	21.39	27.08	40.73
2003	2.8	0.721	33.25	31.07	30.96	28.93	46.72	43.66	34.36	32.11	28.10	26.26	40.19	37.55	n/a	32.14	34.36	44.23
2004	1.8	0.768	43.09	41.38	39.77	38.20	55.14	52.96	38.38	36.86	30.31	29.11	47.63	45.75	n/a	34.70	39.97	54.07
2005	2.2	0.825	57.85	56.58	56.36	55.12	70.66	69.11	45.98	44.97	34.83	34.07	57.89	56.62	n/a	43.04	51.80	69.47
2006 Q1	2.4	0.866	63.41	63.41	62.71	62.71	69.25	69.25	41.03	41.03	28.69	28.69	54.81	54.81	n/a	41.60	60.11	72.63
2006 Q2 (e)	2.6	0.892	70.75	70.75	69.50	69.50	78.75	78.75	61.00	61.00	53.00	53.00	68.25	68.25	n/a	44.00	59.50	81.00
2006 Q3	2.0	0.890	70.00	70.00	68.50	68.50	77.75	77.75	59.75	59.75	51.00	51.00	67.75	67.75	19.00	46.75	57.50	79.25
2006 Q4	2.0	0.890	70.00	70.00	68.50	68.50	77.75	77.75	50.50	50.50	39.00	39.00	63.75	63.75	26.00	48.25	57.50	79.25
2006 Full Year	2.3	0.885	68.50	68.50	67.25	67.25	76.00	76.00	53.00	53.00	43.00	43.00	63.75	63.75	22.50	45.25	58.75	78.00
2006 Q3-Q4	0.0	0.890	70.00	70.00	68.50	68.50	77.75	77.75	55.25	55.25	45.00	45.00	65.75	65.75	22.50	47.50	57.50	79.25
2007	2.0	0.890	63.75	65.00	62.25	63.50	70.50	72.00	50.75	51.75	41.75	42.50	61.00	62.25	28.75	46.00	53.25	73.50
2008	2.0	0.890	57.75	60.00	56.25	58.50	64.00	66.50	46.50	48.50	38.50	40.00	55.25	57.50	28.25	42.50	49.25	67.75
2009	2.0	0.890	51.75	55.00	50.50	53.50	57.25	60.75	42.50	45.00	35.00	37.25	49.50	52.50	27.00	39.00	45.00	62.00
2010	2.0	0.890	48.00	52.00	46.75	50.50	53.00	57.50	39.75	43.00	33.25	36.00	46.00	49.75	25.50	36.75	42.50	58.75
2011	2.0	0.890	48.00	53.00	46.75	51.50	53.00	58.50	40.25	44.50	33.75	37.25	45.75	50.50	25.00	37.50	43.25	59.75
2012	2.0	0.890	48.00	54.00	46.50	52.50	53.00	59.75	40.50	45.50	34.00	38.25	46.00	51.75	25.50	38.25	44.25	61.00
2013	2.0	0.890	48.00	55.25	46.75	53.75	53.00	61.00	40.25	46.25	34.25	39.25	46.00	52.75	26.00	39.00	45.25	62.25
2014	2.0	0.890	48.00	56.25	46.75	54.75	53.25	62.25	40.25	47.25	34.00	39.75	46.00	53.75	26.50	39.75	46.00	63.50
2015	2.0	0.890	48.00	57.50	46.75	56.00	53.25	63.50	40.25	48.25	34.00	40.75	46.00	55.00	27.25	40.75	47.00	64.75
2016	2.0	0.890	48.00	58.50	46.75	57.00	53.00	64.75	40.50	49.25	34.00	41.50	46.00	56.00	27.75	41.50	48.00	66.00
2017+	2.0	0.890	48.00	+2.0%/yr	46.75	+2.0%/yr	53.00	+2.0%/yr	40.50	+2.0%/yr	34.00	+2.0%/yr	46.00	+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.

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

Year	NYMEX Futures Contract		Midwest Price @ Chicago	AECO/NIT Spot	Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia		Sulphur FOB Vancouver	Alberta Sulphur at Plant Gate
	Last 3 Day Price				Then Current	Spot		ARP	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	Westcoast Station 2		
	Constant 2006 \$	Then Current	Constant 2006 \$	Then Current		\$/mmbtu	\$/mmbtu								\$/mmbtu	\$/mmbtu
1995	2.02	1.62	1.69	1.15	1.27	1.02	1.31	n/a	n/a	1.35	0.98	1.03	1.25	1.12	54.99	30.07
1996	3.11	2.55	2.73	1.39	1.54	1.26	1.63	n/a	n/a	1.52	1.28	1.32	1.60	1.47	36.28	14.44
1997	3.16	2.63	2.75	1.84	2.03	1.69	1.96	n/a	n/a	1.84	1.75	1.70	2.10	1.98	34.75	11.50
1998	2.53	2.14	2.21	2.03	2.22	1.88	1.94	n/a	n/a	2.05	2.13	1.60	2.15	2.00	24.59	-6.51
1999	2.66	2.27	2.33	2.92	3.22	2.75	2.48	n/a	n/a	2.83	2.97	2.15	2.90	2.78	33.74	6.93
2000	4.51	3.91	3.96	5.08	5.67	4.92	4.50	4.60	n/a	4.79	5.13	4.17	5.00	4.88	38.14	13.59
2001	4.92	4.38	4.45	6.21	6.81	6.07	5.41	5.30	5.61	5.71	6.13	4.56	6.35	6.29	18.29	-14.66
2002	3.55	3.25	3.25	4.04	4.24	3.88	3.88	3.83	3.82	4.04	4.08	2.68	4.00	3.93	29.38	3.04
2003	5.47	5.11	5.46	6.66	6.95	6.49	6.13	5.89	6.69	6.40	6.68	4.66	6.40	6.32	59.81	39.83
2004	6.34	6.09	6.13	6.88	6.98	6.70	6.31	6.16	6.44	6.48	6.78	5.26	6.55	6.45	62.99	38.61
2005	8.74	8.55	8.24	8.58	8.61	8.42	8.30	8.32	8.45	8.36	8.30	7.13	8.20	8.10	63.50	33.77
2006 Q1	9.07	9.07	8.44	9.27	9.03	9.03	8.22	7.82	8.18	8.25	9.45	7.72	9.30	9.11	63.50	29.88
2006 Q2 (e)	6.82	6.82	6.33	6.27	6.07	6.07	6.00	5.75	5.71	6.15	6.20	5.54	5.99	5.83	57.00	20.50
2006 Q3	6.25	6.25	5.90	5.65	5.50	5.50	5.45	5.35	5.25	5.60	5.60	5.00	5.65	5.50	63.50	28.00
2006 Q4	8.25	8.25	7.90	7.70	7.50	7.50	7.45	7.40	7.45	7.60	7.60	7.15	7.70	7.50	63.50	28.00
2006 Full Year	7.60	7.60	7.15	7.20	7.05	7.05	6.80	6.60	6.65	6.90	7.20	6.35	7.15	7.00	62.00	26.50
2006 Q3-Q4	7.25	7.25	6.90	6.70	6.50	6.50	6.45	6.40	6.35	6.60	6.60	6.10	6.70	6.50	63.50	28.00
2007	8.35	8.50	8.65	8.45	8.10	8.25	8.25	8.25	8.25	8.40	8.40	7.40	8.45	8.25	55.00	18.50
2008	7.85	8.15	8.30	8.30	7.80	8.10	8.10	8.10	7.85	8.25	8.25	7.50	8.30	8.15	45.00	7.00
2009	7.30	7.75	7.90	7.95	7.30	7.75	7.75	7.75	7.40	7.90	7.90	7.30	7.95	7.80	45.00	7.00
2010	6.85	7.40	7.55	7.55	6.80	7.35	7.35	7.35	7.05	7.50	7.50	6.95	7.55	7.40	46.00	8.00
2011	6.50	7.20	7.35	7.35	6.45	7.15	7.15	7.15	6.80	7.30	7.30	6.75	7.35	7.20	47.00	9.50
2012	6.50	7.35	7.50	7.50	6.50	7.30	7.30	7.30	7.00	7.45	7.45	6.90	7.50	7.35	48.00	10.50
2013	6.50	7.50	7.65	7.65	6.50	7.45	7.45	7.45	7.15	7.60	7.60	7.05	7.65	7.50	49.00	11.50
2014	6.50	7.65	7.80	7.85	6.50	7.65	7.65	7.65	7.30	7.80	7.80	7.20	7.85	7.65	50.00	13.00
2015	6.50	7.80	7.95	8.00	6.50	7.80	7.80	7.80	7.45	7.95	7.95	7.35	8.00	7.85	51.00	14.00
2016	6.50	7.95	8.10	8.20	6.55	8.00	8.00	8.00	7.65	8.15	8.15	7.50	8.20	8.05	52.00	15.00
2017+	6.50	+2.0%/yr	+2.0%/yr	+2.0%/yr	6.55	+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.

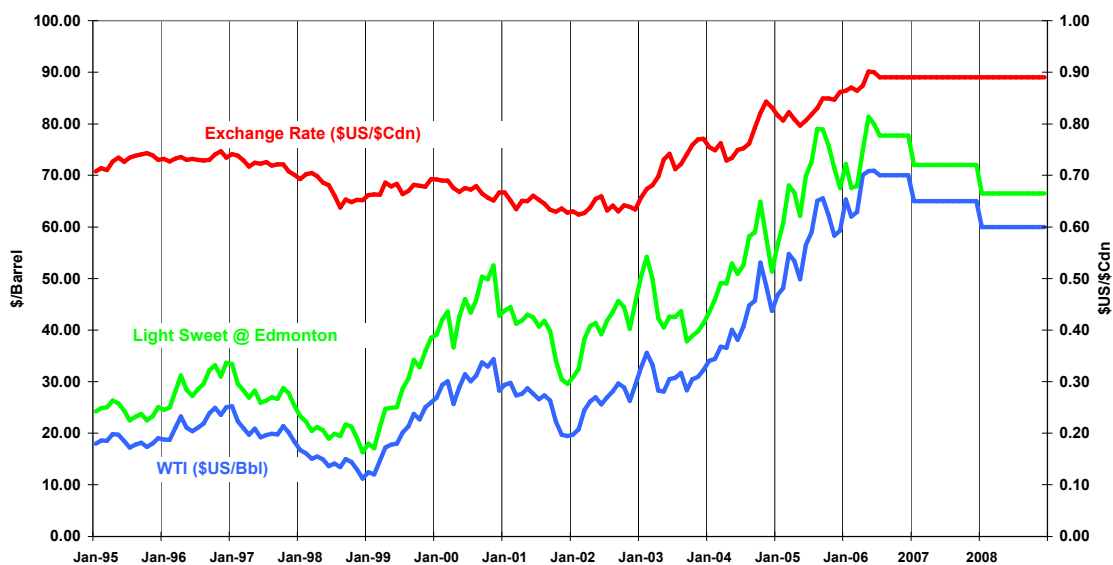
The plant gate price represents the price before raw gas gathering and processing charges are deducted.

AECO-C Spot refers to the one month price averaged for the year.

Historical futures contract price is an average of the daily settlement price over the last 3 days of the near month contract.

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### Oil Price History and Forecast



### Natural Gas Price History and Forecast

