



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

Quarterly Update

July 1, 2007

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

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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

	<u>April 1, 2007 Calendar Year</u>	<u>July 1, 2007 Calendar Year</u>
Henry Hub Gas Price - (\$US/MMBTU)		
2007	7.25	7.37
2008	7.50	7.50
Chicago 30 Day Spot Gas Price - (\$US/MMBTU)		
2007	7.15	7.21
2008	7.45	7.45
Sumas 30 Day Spot Gas Price - (\$US/MMBTU)		
2007	6.70	6.73
2008	6.85	6.85
AECO-C 30 Day Spot Gas Price - (\$Cdn/MMBTU)		
2007	7.30	7.11
2008	7.65	7.17
Average Alberta Plant-Gate Gas Price - (\$Cdn/MMBTU)		
2007	7.10	6.90
2008	7.45	6.96
Aggregator Plant-Gate Gas Price - (\$Cdn/MMBTU)		
2007	7.10	6.76
2008	7.45	6.84
B.C. 30 Day Spot Plant-Gate Gas Price - (\$Cdn/MMBTU)		
2007	7.10	6.76
2008	7.50	6.80

CRUDE OIL PRICES

	<u>April 1, 2007 Calendar Year</u>	<u>July 1, 2007 Calendar Year</u>
WTI @ Cushing Price - (\$US/BBL)		
2007	61.00	63.73
2008	60.00	65.00
Light, Sweet @ Edmonton Price - (\$Cdn/BBL)		
2007	68.75	69.67
2008	68.00	68.93

Table 1
GLJ Petroleum Consultants
Crude Oil and Natural Gas Liquids
Price Forecast
Effective July 1, 2007

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		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 2007 \$	Then Current \$US/bbl	Constant 2007 \$	Then Current \$US/bbl	Constant 2007 \$	Then Current \$Cdn/bbl	Constant 2007 \$	Then Current \$Cdn/bbl	Constant 2007 \$	Then Current \$Cdn/bbl	Constant 2007 \$	Then Current \$Cdn/bbl	Constant 2007 \$	Then Current \$Cdn/bbl	Spec Ethane \$Cdn/bbl	Edmonton Propane \$Cdn/bbl
1996	1.5	0.733	27.39	21.98	25.31	20.31	36.61	29.38	31.30	25.12	25.00	20.06	32.50	26.08	n/a	23.13	17.83	30.05
1997	1.6	0.722	25.30	20.62	23.70	19.32	34.17	27.85	25.99	21.18	17.69	14.41	29.11	23.72	n/a	19.41	19.76	30.91
1998	1.0	0.675	17.43	14.44	16.11	13.34	24.58	20.36	17.67	14.63	11.41	9.45	20.48	16.96	n/a	11.74	12.69	21.87
1999	1.7	0.673	23.03	19.25	21.52	17.99	33.05	27.63	28.45	23.78	23.32	19.49	30.35	25.37	n/a	15.86	18.65	27.64
2000	2.7	0.673	35.53	30.23	33.39	28.41	52.38	44.57	41.48	35.28	32.35	27.49	46.92	39.92	n/a	32.15	35.59	46.31
2001	2.5	0.646	29.78	26.00	28.48	24.87	45.17	39.44	31.72	27.69	19.22	16.77	36.19	31.58	n/a	31.92	31.25	42.48
2002	2.2	0.637	29.10	26.08	27.92	25.02	45.00	40.33	35.51	31.83	29.64	26.57	39.59	35.48	n/a	21.39	27.08	40.73
2003	2.8	0.716	33.92	31.07	31.08	28.47	47.69	43.66	35.09	32.11	28.71	26.26	41.02	37.55	n/a	32.14	34.36	44.23
2004	1.8	0.770	43.95	41.38	40.38	38.02	56.25	52.96	39.76	37.43	30.93	29.11	48.48	45.64	n/a	34.70	39.97	53.94
2005	2.2	0.826	59.00	56.58	57.49	55.14	71.97	69.02	46.65	44.73	35.53	34.07	59.20	56.77	n/a	43.04	51.80	69.57
2006	2.0	0.882	67.57	66.22	67.51	66.16	74.71	73.21	52.89	51.82	42.70	41.84	63.52	62.26	n/a	43.85	60.18	75.41
2007 Q1	1.8	0.854	58.33	58.33	58.73	58.73	67.68	67.68	49.55	49.55	41.67	41.67	59.00	59.00	n/a	43.11	54.27	70.18
2007 Q2 (e)	2.2	0.912	64.61	64.61	66.59	66.59	71.01	71.01	51.01	51.01	40.66	40.66	61.44	61.44	n/a	44.37	53.42	71.66
2007 Q3	2.0	0.930	66.00	66.00	68.00	68.00	70.00	70.00	51.10	51.10	42.19	42.19	60.90	60.90	21.37	44.80	56.00	71.40
2007 Q4	2.0	0.930	66.00	66.00	68.00	68.00	70.00	70.00	47.60	47.60	37.64	37.64	60.90	60.90	25.44	44.80	56.00	71.40
2007 Full Year	2.0	0.907	63.73	63.73	65.33	65.33	69.67	69.67	49.82	49.82	40.54	40.54	60.56	60.56	23.41	44.27	54.92	71.16
2007 Q3-Q4	2.0	0.930	66.00	66.00	68.00	68.00	70.00	70.00	49.35	49.35	39.92	39.92	60.90	60.90	n/a	44.80	56.00	71.40
2008	2.0	0.930	63.73	65.00	63.73	65.00	67.57	68.93	48.65	49.63	39.83	40.63	58.79	59.97	24.22	44.11	51.00	70.30
2009	2.0	0.930	60.55	63.00	59.11	61.50	64.18	66.77	47.49	49.41	38.64	40.20	55.84	58.09	24.59	42.74	49.41	68.11
2010	2.0	0.930	57.48	61.00	56.07	59.50	60.90	64.62	45.67	48.47	37.42	39.71	52.98	56.22	24.70	41.36	47.82	65.92
2011	2.0	0.930	55.89	60.50	54.51	59.00	59.21	64.09	45.00	48.71	37.15	40.21	51.51	55.76	24.89	41.02	47.42	65.37
2012	2.0	0.930	55.00	60.72	53.64	59.22	58.26	64.32	44.28	48.89	37.31	41.20	50.69	55.96	25.82	41.17	47.60	65.61
2013	2.0	0.930	55.00	61.94	53.67	60.44	58.28	65.63	44.29	49.88	37.35	42.06	50.71	57.10	26.22	42.01	48.57	66.95
2014	2.0	0.930	55.00	63.18	53.70	61.68	58.30	66.97	44.31	50.90	37.37	42.93	50.72	58.26	26.89	42.86	49.56	68.31
2015	2.0	0.930	55.00	64.44	53.72	62.94	58.31	68.32	44.32	51.93	37.40	43.82	50.73	59.44	27.48	43.73	50.56	69.69
2016	2.0	0.930	55.00	65.73	53.75	64.23	58.33	69.71	44.33	52.98	37.43	44.73	50.75	60.65	28.08	44.61	51.59	71.10
2017	2.0	0.930	55.00	67.05	53.75	65.52	58.33	71.10	44.33	54.04	37.43	45.62	50.75	61.86	28.64	45.51	52.62	72.53
2018+	2.0	0.930	55.00	+2.0%/yr	53.75	+2.0%/yr	58.33	+2.0%/yr	44.33	+2.0%/yr	37.43	+2.0%/yr	50.75	+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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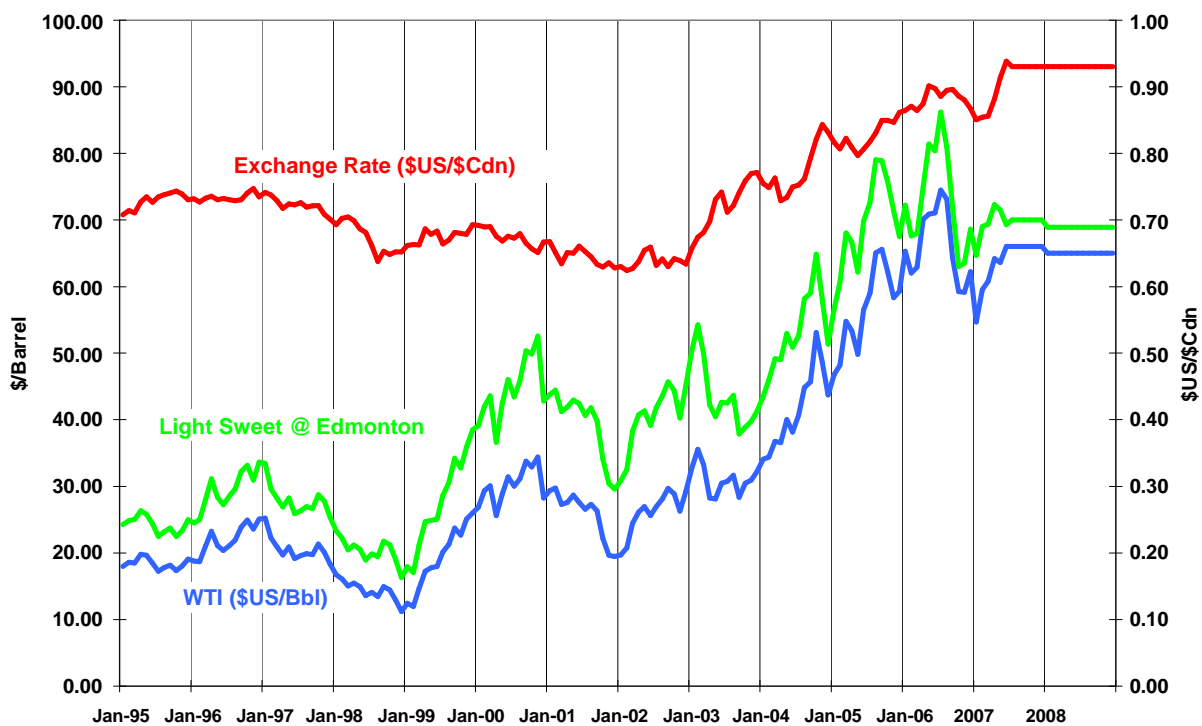
Table 2
GLJ Petroleum Consultants
Natural Gas and Sulphur
Price Forecast
Effective July 1, 2007

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	Vancouver	Gate	
	Constant	Then	Then	Then	Constant	Then							\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu	\$/mmbtu
	2007 \$	Current	Current	Current	2007 \$	Current							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	\$/mmbtu
1996	3.17	2.55	2.73	1.39	1.56	1.26	1.63	N/A	N/A	1.52	1.28	1.32	1.49	1.47	36.28	6.48	
1997	3.23	2.63	2.75	1.85	2.09	1.70	1.97	N/A	N/A	1.85	1.75	1.71	1.90	1.98	34.75	5.12	
1998	2.58	2.14	2.21	2.03	2.26	1.87	1.94	N/A	N/A	2.05	2.13	1.60	2.15	2.00	24.59	-6.51	
1999	2.72	2.27	2.33	2.92	3.29	2.75	2.48	N/A	N/A	2.82	2.97	2.15	2.93	2.78	33.74	6.93	
2000	4.59	3.91	3.96	5.08	5.78	4.93	4.50	4.44	N/A	4.79	5.16	4.15	5.06	4.88	38.14	13.59	
2001	5.03	4.38	4.45	6.23	6.97	6.07	5.41	4.97	5.29	5.72	6.20	4.57	6.32	6.29	18.29	-14.67	
2002	3.63	3.25	3.25	4.04	4.33	3.88	3.88	3.64	3.66	4.04	4.08	2.68	4.18	3.93	29.38	3.04	
2003	5.95	5.44	5.46	6.66	7.09	6.49	6.13	5.87	6.15	6.41	6.68	4.66	6.45	6.32	59.81	39.83	
2004	6.47	6.09	6.13	6.88	7.12	6.70	6.31	6.16	6.39	6.48	6.85	5.26	6.56	6.45	62.99	38.61	
2005	8.91	8.55	8.24	8.58	8.77	8.42	8.30	8.27	8.29	8.36	8.31	7.13	8.22	8.12	63.50	33.77	
2006	7.41	7.26	6.93	7.16	7.10	6.96	6.57	6.36	6.34	6.67	6.97	6.27	6.58	6.45	55.07	19.27	
2007 Q1	6.96	6.96	7.01	7.39	7.18	7.18	7.04	7.08	6.66	7.23	7.21	6.85	7.17	7.02	41.15	5.03	
2007 Q2 (e)	7.51	7.51	7.24	7.18	6.97	6.97	6.80	6.75	6.49	7.15	7.19	6.68	6.88	6.89	49.76	11.21	
2007 Q3	7.00	7.00	6.85	6.34	6.14	6.14	6.11	6.03	5.94	6.24	6.25	6.20	6.14	5.98	50.00	10.76	
2007 Q4	8.00	8.00	7.75	7.53	7.31	7.31	7.28	7.18	6.86	7.41	7.44	7.20	7.33	7.16	50.00	10.76	
2007 Full Year	7.37	7.37	7.21	7.11	6.90	6.90	6.81	6.76	6.49	7.01	7.02	6.73	6.88	6.76	47.73	9.44	
2007 Q3-Q4	7.50	7.50	7.30	6.94	6.73	6.73	6.70	6.61	6.40	6.83	6.85	6.70	6.74	6.57	50.00	10.76	
2008	7.35	7.50	7.45	7.17	6.82	6.96	6.93	6.84	6.55	7.06	7.11	6.85	6.97	6.80	45.00	5.39	
2009	7.21	7.50	7.50	7.28	6.79	7.07	7.06	7.05	6.60	7.19	7.22	6.85	7.08	6.91	45.00	5.39	
2010	7.07	7.50	7.60	7.31	6.69	7.10	7.10	7.10	6.71	7.23	7.25	6.85	7.11	6.94	45.00	5.39	
2011	6.93	7.50	7.60	7.37	6.61	7.15	7.15	7.15	6.71	7.28	7.31	6.85	7.17	7.00	45.90	6.36	
2012	7.02	7.75	7.85	7.63	6.72	7.42	7.42	7.42	6.96	7.55	7.57	7.10	7.43	7.26	46.81	7.33	
2013	7.00	7.88	7.98	7.75	6.69	7.54	7.54	7.54	7.10	7.67	7.69	7.23	7.55	7.38	47.75	8.34	
2014	7.00	8.04	8.14	7.95	6.73	7.73	7.73	7.73	7.26	7.86	7.89	7.39	7.75	7.57	48.71	9.38	
2015	7.00	8.20	8.30	8.12	6.74	7.90	7.90	7.90	7.43	8.03	8.06	7.55	7.92	7.74	49.68	10.17	
2016	7.00	8.36	8.46	8.29	6.75	8.07	8.07	8.07	7.59	8.20	8.20	7.71	8.09	7.91	50.68	11.25	
2017	7.00	8.53	8.63	8.46	6.75	8.23	8.23	8.23	7.74	8.36	8.36	7.86	8.25	8.07	51.69	11.47	
2018+	7.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	6.75	+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.

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Oil Price History and Forecast



Natural Gas Price History and Forecast

