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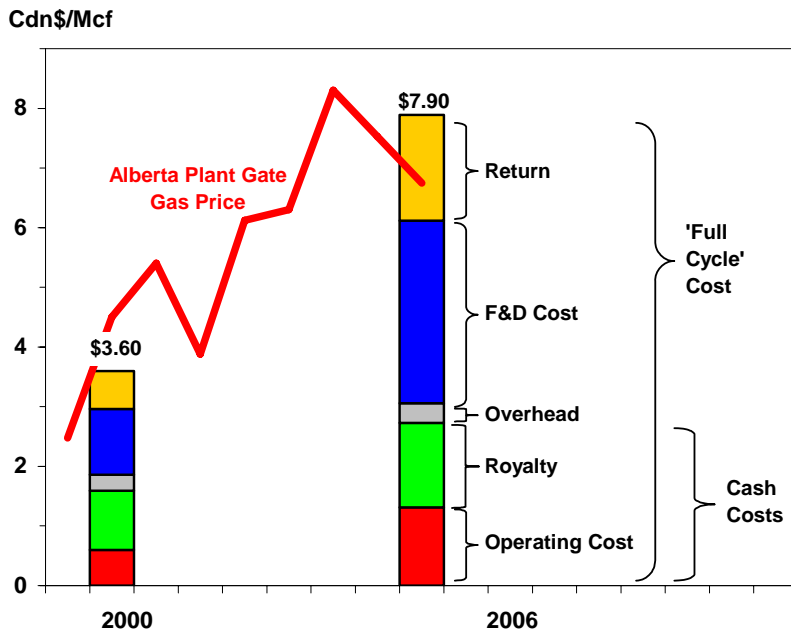
FOR IMMEDIATE RELEASE

Calgary, October 17, 2007

***Ziff Energy 21st Annual Reserve Replacement
 (Finding & Development) Cost Study for Western Canada***

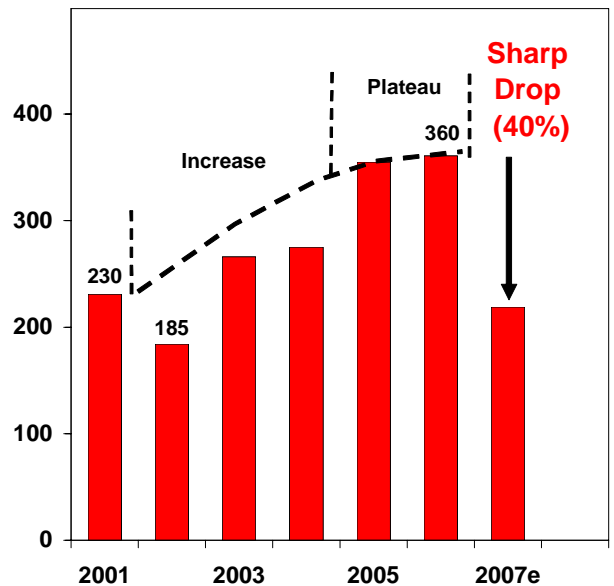
Ziff Energy has completed its 21st consecutive Western Canada Reserve Replacement (Finding & Development) Cost Study. Finding and development cost escalation and rising operating costs have had a significant impact on the cost of bringing on new natural gas supply. The average ‘full cycle’ cost of new natural gas supply in Western Canada, including a return on producers’ investment, has soared, more than doubling since 2000 to Cdn\$7.90/Mcf, significantly higher than the Cdn\$6.25/Mcf received by producers at the Alberta Gas Plant Gate in 2007 (9 months year to date).

Full Cycle Cost of New Natural Gas



..... and the Result

Annual Average Gas Drilling Rig Count



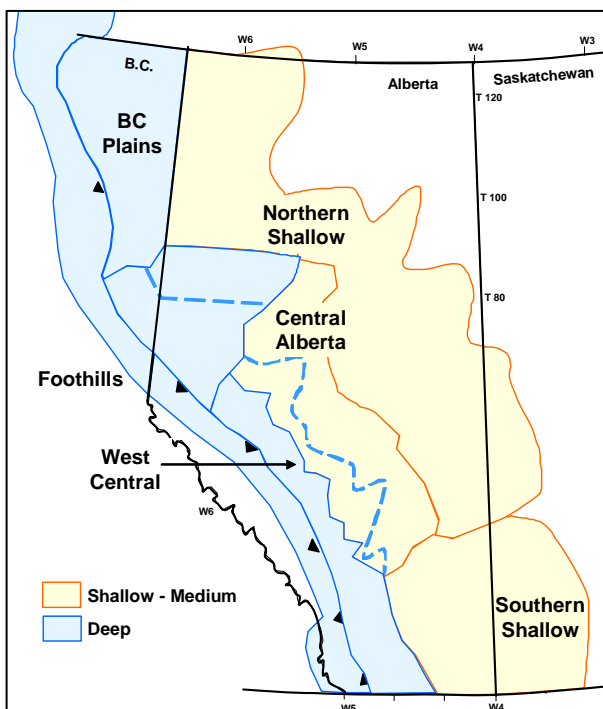
The Western Canada Finding & Development Cost Study focuses on detailed reserve replacement cost analysis for 9 natural gas strategy regions including Foothills, Shallow, Tight Gas, and Coal Bed Methane, plus 5 conventional oil strategies, which are unique, and are based on areas with similar geological plays, depths and development characteristics.

Key findings of the 2007 study:

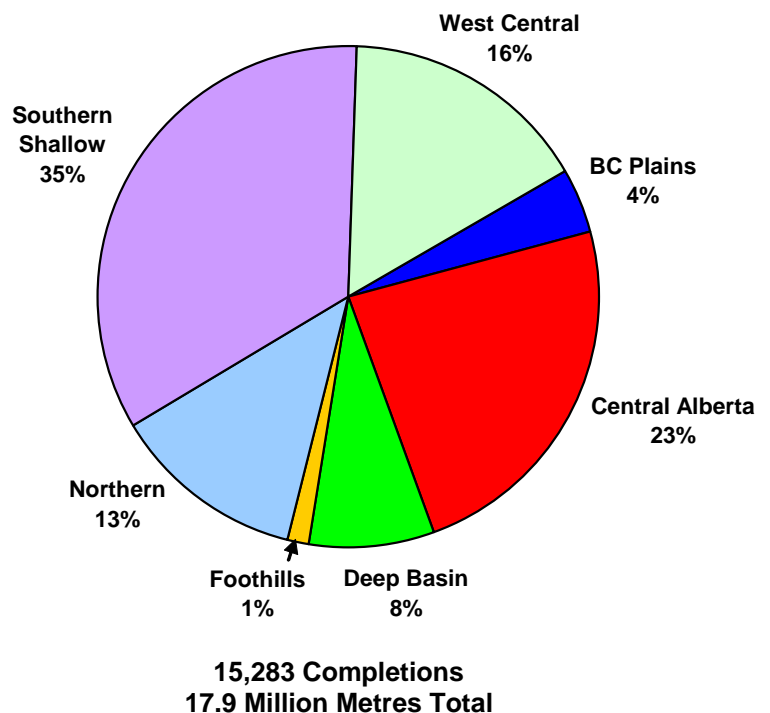
- 2006 natural gas and conventional oil Finding & Development cost has increased by a quarter from 2005, to **Cdn\$3.60/McfE**, or Cdn\$21.70/BOE
- cost for industry to find and develop new natural gas reserves has *tripled* since 2000, due to both smaller reserve targets and much higher input costs to buy land, drill, and develop
- cost escalation in '06 represents both the pressures created by industry peak activity, and the impact of the gigantic Oil Sands development on service and labour costs within Alberta
- most gas strategies show an increasing cost; highest cost areas are generally the most remote, with limited access and infrastructure
- gas costs varied by over Cdn\$5 from the lowest cost Strategy (Central Alberta) to the highest cost (BC Plains conventional gas)
- oil profitability varies dramatically according to crude oil quality with heavy oil having the lowest returns despite the lowest Finding & Development cost.

The map below shows the 7 Ziff Energy conventional gas strategies and gas completions for each area. While the number of 2006 Gas Completions is similar to 2005, Gas Meters completed are down 19% in the first 9 months of 2007.

Gas Strategies



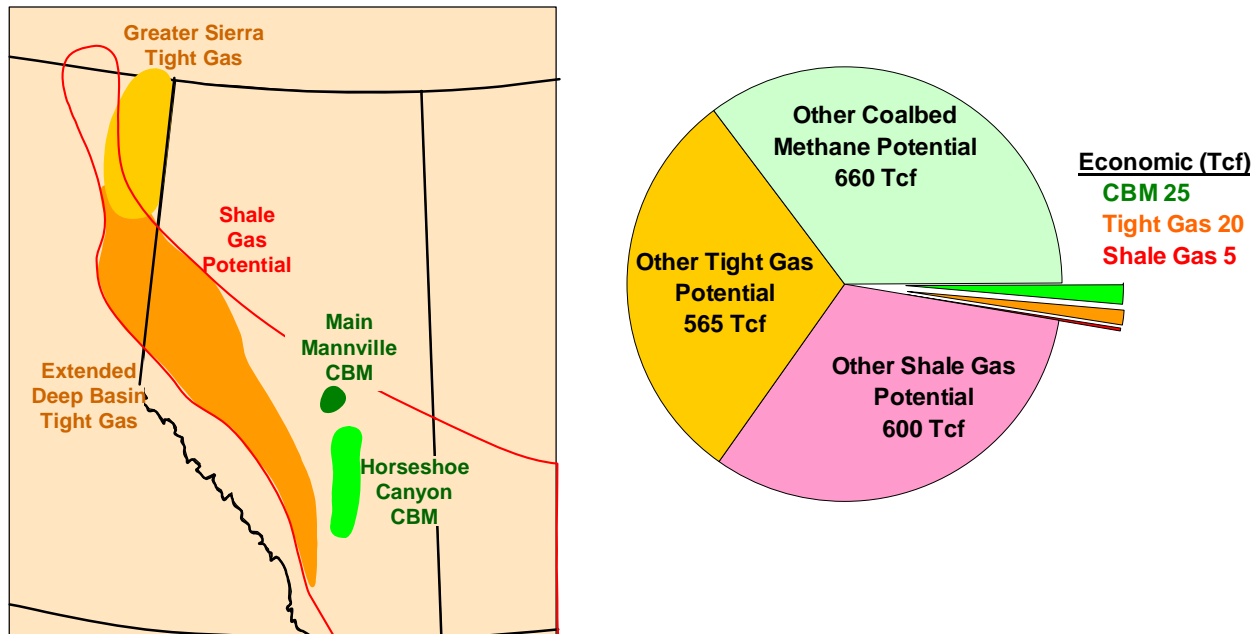
2006 Gas Drilling (Meters Completed)



The newer unconventional gas strategies --- Tight Gas and Coalbed Methane (CBM), are the industry's main growth engine, having the highest production growth, and reserve replacement at moderate cost:

- Deep Basin has the smallest increase in Finding & Development costs, reflecting the focus on Tight Gas in this strategy
- in Central Alberta, development of Horseshoe Canyon CBM helps maintain production and a low Finding & Development cost.

Western Canada Unconventional Gas Potential



The 110⁺ page study analyses costs and their impact at 4 levels: Industry, Company, Strategy Areas, and Plays, drawing on the world's largest private cost database for BC., Alberta, and Saskatchewan from participating companies, as well as proprietary Ziff analysis of industry databases, and public reporting by 75 companies and royalty trusts. Ziff Energy has the highest quality cost data available on Western Canada. Important features are the 'buy reserves vs. drill' comparisons with Sayer Energy Advisors acquisition data, and the value of oil and gas found in 34 play types, calculated by Sproule Associates.

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For more insight from Canada's largest energy consultancy, based on real cost data on the Western Canada provinces, contact Paul Ziff, CEO, at (403) 234-4276, paul.ziff@ziffenergy.com, or Bill Gwozd, P.Eng., Vice President, Gas Services, at (403) 234-4299 (bill.gwozd@ziffenergy.com).

Ziff Energy Group, founded in 1982, is a leading North American gas consulting firm, celebrating its 25th year of service to Clients in the private and public spheres. On an international basis, Ziff Energy provides sophisticated industry and operational business analysis and custom consulting to the world wide energy industry. We have offices in Calgary and Houston, the primary oil and gas centers in North America. Our growing staff of 55⁺ includes many industry specialists, with 15 to 30 years of domestic and international experience. Ziff Energy has completed over 150 upstream benchmarking studies in 20 countries, more than any other energy consulting firm worldwide.