

Natural selection: Evolution of sustainable companies

2009 Canadian Energy Survey Q1 Update



Contents

- 1 Foreword**
- 2 Formal Survey**
 - 2 Methodology**
 - 2 Demographics**
- 3 Executive Summary**
- 4 Sustainable Companies**
 - 4 Availability of natural resources**
 - 6 Costs to access natural resources**
 - 7 Role of stakeholders**
 - 8 Communities**
 - 9 Local governments and regulators**
 - 10 Foreign governments**
- 11 Survival of the Fittest**
- 12 Financial Statistics – First Quarter 2009**
- 16 Contacts**

Foreword

Natural selection is one of the cornerstones of modern biology.

The concept, as described by English naturalist Charles Darwin, is both simple and powerful: organisms best adapted to their environments are more likely to survive and reproduce.

The theory holds true for the business world, too, and companies that are able to foresee, understand and adapt to trends are better equipped to sustain their operations over the long term. In a key finding from a formal online survey we conducted this spring to assess current views within the oil and gas industry, and reported in this year's Canadian Energy Survey, almost 60% of respondents said the ability to adapt to change is a critical requirement for their long-term sustainability — a not-so-surprising result in light of the economic upheaval during the past year.

In this update, we present key financial data for the first quarter of 2009 for Canada's top public energy companies and trusts, as well as a more detailed look at issues affecting those companies' ability to sustain their operations in the broadest sense. From harder-to-access natural resources to increasing costs for their development to a growing legion of influencing stakeholders, Canada's oil and gas companies face several significant challenges.

We also look at the energy industry's views on corporate social responsibility (CSR). While CSR does not have a universal definition, many describe it as the integration of economic, social and environmental policies within business operations. The interests of all stakeholders — including investors, customers, employees and the community — are reflected in a company's values and actions.

This publication is the first of our quarterly updates that will provide more detailed information of insights collected through the online survey. It is co-published by PricewaterhouseCoopers LLP (PwC) and JuneWarren-Nickle's Energy Group as part of our *Energy Visions* program, a series of reports and events that will add context to topical issues facing the oil and gas sector.

PwC has unparalleled resources to help energy companies understand and manage the challenges that are unique to this complex industry. PwC Canada's Energy practice has more than 150 partners and members that deliver industry-specific solutions to over 1,600 energy companies of all sizes. The company's Sustainable Business Solutions professionals work collaboratively with clients to put strategic thinking at the heart of sustainability to help create a competitive advantage.

JuneWarren-Nickle's Energy Group, publishers of the *Daily Oil Bulletin* and *Oilweek*, provides authoritative print and online publications, datasets, maps, charts and directories. One of the group's newest publications, *Air Water Land*, is a leading source of information about eco-energy issues.

For more information on our *Energy Visions* program, please contact Natalie Andrès, Canadian Industry Marketing Manager – Energy & Natural Resources, at natalie.s.andres@ca.pwc.com.



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Formal Survey

Methodology

This report contains results from an online survey, conducted by PricewaterhouseCoopers during the 22-day period from May 25 to June 15, 2009, to better understand issues currently impacting industry. Close to 85% of the 140 respondents fill senior roles within the energy sector (49% in a leadership role; 35% in a managerial role), with the balance comprising employees and consultants.

CanOils® is the primary source for the financial data contained in this publication.

Demographics

The majority of respondents work for exploration and production (E&P) companies that produce a combination of natural gas and crude oil.

Just over 50% of respondents reported their company's annual revenues at more than \$500 million, with about 17% listing revenues at \$100 million to \$500 million per year, and close to 16% said annual revenues were \$10 million to \$100 million. About 15% of respondents said revenues were \$5 million or less per year.

When asked about the number of employees who work in Canada for their company, 34% of respondents said fewer than 100; 21% indicated between 100 and 500; 18% said between 500 and 2,500; and 27% of respondents specified over 2,500 Canadian employees.



Executive Summary

Two powerful forces are buffeting Canada's energy companies and effecting operational change.

First, the economic downturn and stubbornly low natural gas prices have caused Canadian producers to cut capital budgets, reduce drilling and slash jobs. The financial woes have trickled down the food chain to the country's service and supply companies, which, in turn, have also chopped spending and jobs.

Second, there has been growing public attention on the environmental effects of oil and gas development. Water use and greenhouse gas emissions in particular have received increased focus this decade.

Many Canadian energy companies have made great strides in improving their environmental performance. Flaring and venting volumes are down. Sulphur emissions from sour gas plants continue to decline. Alberta's energy industry uses far less water than it is allocated. But negative publicity surrounding oilsands mining development, has tarred the entire industry.

And yet, despite reports that more and more companies believe it is critical to integrate financial, social and environmental programs, under the umbrella of corporate social responsibility (CSR), to ensure future growth, our survey found just the opposite. Attracting and retaining key talent was viewed by survey respondent as most critical for sustaining growth over the long term, with 68% saying so, followed closely by access to capital and credit, which was picked by 67% of respondents as critical (multiple answers were allowed). The strength of CSR programs was seen by only 12% of survey respondents as critical to sustain future growth.

Furthermore, most respondents picked shareholders and investors as having the greatest level of influence on their organization. Many other stakeholders — non-governmental organizations, media, foreign governments and local communities — have a much lower level of influence on decisions made by the sector, survey results indicated. Industry may be underestimating the importance of these other stakeholders on its long-term costs.

Stakeholder engagement has not been woven into the fabric of CSR programs at most energy companies. When asked to select from a list of 15 strategic areas their company will focus on in the next three years, public education and engagement was ranked lowest (asset management and optimization ranked #1, followed by operational performance).

During the economic downturn, improving financial and operational performance clearly trumps CSR initiatives. It is now more important than ever, though, that the country's energy companies develop strategic and integrated CSR programs, and increase fact-based communication with all stakeholders, including local communities, to achieve sustainable growth.



TAKE OUR SURVEY: WHERE DO YOU PLACE IN THE IFRS RACE?

Conversion is much more than a technical accounting issue and January 1, 2011 is sooner than you think. IFRS may significantly affect any number of a company's day-to-day operations and may even impact the reported profitability of the business itself.

Have cost constraints impacted your IFRS transition strategy? Our next update will focus on the survey results and will help you assess where your company's conversion project is in comparison to the industry as a whole.

IFRS: Are you on track?

Survey open until
September 5, 2009

Sustainable Companies

Case study

In a province where stakeholders fight over fresh water while most of the discovered oil is left in the ground, **Harvest Energy Trust** is doing something that addresses both problems. In two separate areas in Alberta the trust is moving produced water from fields where it is a waste product to those where it will enhance oil recovery. Since the trust is using water from oilfields, the province's fresh water resources aren't affected.

Source: *Daily Oil Bulletin*, May 21, 2009

A strategy that integrates financial, social and environmental programs is at the heart of CSR. Companies that incorporate the strategy can help sustain their profits and enhance stakeholder relations by actively addressing some of the following risks:

- **Financial:** The economic picture for Canadian oil and gas companies remains clouded. During the boom years of this decade, the price tag for materials and labour escalated and operating costs continued to rise. The recession has battered worldwide energy consumption, however, and the petroleum sector is grappling with weak natural gas prices.
- **Social:** The social milieu in which the sector operates continues to shift as stakeholders increasingly want to provide input on companies' activity.
- **Environmental:** On the environmental front, the sector's greenhouse gas emissions and water use continue to generate public concern. The federal government plans to institute a cap-and-trade system. A few companies have invested in wind power, biofuels and other sources of renewable energy to offset greenhouse gas emissions. Other companies plan to enhance oil recovery at existing fields by sequestering carbon, which will improve output from known resources. The "dirty oil" moniker continues to stick to oilsands operators.

This report looks at three areas that will affect the ability of energy companies to sustain their operations in the long term: the availability of natural resources, the costs to access these resources as well as the role of stakeholders.

Availability of natural resources

In our survey, 26% of respondents said scarcity of natural resources will have a significant impact on their businesses in the next three years.

Canadian oil production (including oilsands) was down two percent to 3.24 million barrels per day in 2008 from 3.32 million barrels a day the prior year, while annual gas output fell 5.1% to 175.2 billion cubic metres from 184.1 billion cubic metres in 2007, according to BP's Statistical Review of World Energy 2009.

The International Energy Agency (IEA), which some regard as bullish in its forecasting, predicts crude oil consumption will rise 1.4 million barrels per day in 2010, reversing about half of the demand lost in 2008 (0.3 million barrels a day) and 2009 (2.4 million barrels a day), but still leaving consumption far below the 2007 peak (86.5 million barrels a day). Most of the growth is set to come from emerging markets (1.3 million barrels per day) such as the Middle East, China and the rest of Asia, with only a marginal contribution from the advanced industrial economies (0.1 million barrels a day).

Other forecasters are more cautious and are still struggling to assess the supply and demand picture for 2010 and beyond, due to the combined effect of the deep recession as well as structural shifts in consumption patterns (increased Asian intake), energy choices (the pressure for decarbonization favours natural gas production) and production costs.

On the supply side, the IEA says production from existing fields around the world is falling at seven percent a year. Producers need to bring on almost six million barrels a day of new capacity each year just to ensure output remains stable.

Unfortunately, much of the easily recovered resource has been developed. As conventional petroleum reserves are depleted, new production is coming from smaller fields in difficult geological settings or expensive wells in the deepwater offshore. Producers have also turned to the world's unconventional oil and gas resources — including extra heavy bitumen in Canada, tight gas and shale gas — that require increasing technological proficiency. These plays are capital and energy intensive.

Production of unconventional resources (e.g. Alberta's oilsands) is often associated with increased public scrutiny of the environmental effects of their development, however, particularly with respect to greenhouse gas emissions and water use.

The Alberta government closely regulates the amount of water the province's industries can use. According to Alberta Environment statistics, the oil and gas industry is currently allocated about seven percent of the fresh water (surface and groundwater) licensed in Alberta. The sector typically uses about one-third of this allocation due to the variable water needs of individual projects over time. Agriculture receives about 46% of the province's water allocation, the commercial sector is allocated 31%, municipalities get 11% and five percent goes to other uses.

Alberta Environment's water conservation and allocation guideline for oilfield injection aims to minimize the use of non-saline water in enhanced recovery schemes and encourages water conservation. A joint draft directive by the Energy Resources Conservation Board and Alberta Environment for water use at in situ oilsands projects will limit the use of fresh and brackish water by maximizing produced water recycling.

Alberta is vulnerable to water shortages, due either to climate change or rising and competing demands by the province's energy, agriculture, forestry and mining sectors. As such, the province's *Water for Life* strategy calls for a 30% increase in water use efficiency and productivity by 2015 (from a 2005 baseline) in all sectors. This will help ensure a reliable water supply for a sustainable economy. An implementation plan by all sectors is required by 2010.

OF FURTHER INTEREST

The Government of Alberta's *Water for Life* strategy and supporting programs have a goal of improving water efficiency and productivity by 30% by 2015 (from a 2005 baseline).

The Energy Resources Conservation Board has numerous existing or impending directives related to water use, protocol and measurement, such as:

Draft Directive 2009-XXX – Requirements for Water Measurement, Reporting and Use for Thermal In Situ Oil Sands Schemes

Draft Directive 2009-XXX – Oil and Gas Development Within or Proximal to Water Bodies

Directive 044 – Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection

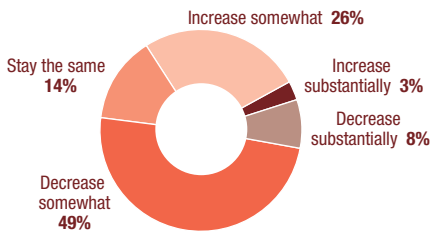


Figure 1 – Operating costs

Question: Over the next year, what do you expect to happen to your overall operating costs?

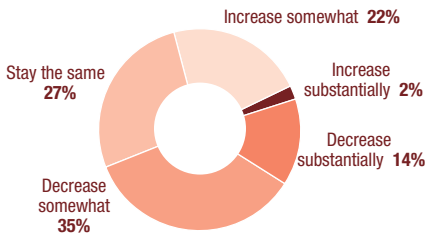


Figure 2 – Land acquisition costs

Question: Over the next year, what do you expect to happen to your land acquisition costs?

Costs to access natural resources

Costs and expenditures associated with accessing oil and gas in Canada’s petroleum sector have risen this decade. And while the economic recession has acted as a temporary brake to that trend, about 40% of survey respondents said energy input costs will have a significant impact on their operations over the next three years.

The majority of respondents, 49%, said they believe their operating costs will decrease somewhat over the next year, with eight percent saying they expect costs to decrease substantially. In addition, 14% of respondents said costs will remain the same over the next 12 months, while 26% believe prices will increase somewhat.

Most respondents (35%) also believe their land acquisition costs will decrease somewhat over the next year, although 27% expect costs to stay the same and 22% said prices will increase somewhat.

The current economic downturn has provided a respite for Canadian oilsands producers as construction and operating costs decline from the highs of the past few years. Material costs, especially for steel, are lower. Companies have taken advantage of the slowdown to re-engineer projects to reduce costs and incorporate new environmental technologies.

Our survey respondents said they expect to increase their investment into research and development over the next two years, with 23% indicating they plan to boost R&D spending in 2011 versus only 4% this year and 22% in 2010.

Ultimately, it is thought the adoption of new technologies will help mitigate operating costs for conventional and unconventional producers. What is unknown, however, are the long-term costs attached to cutting greenhouse gas emissions or a cap-and-trade system. When we asked producers when they anticipated deploying new technologies in response to the issue of climate change, 30% did not anticipate making any changes in the next year. Fifty percent expected to deploy new technologies within the next 24 months.

Role of stakeholders

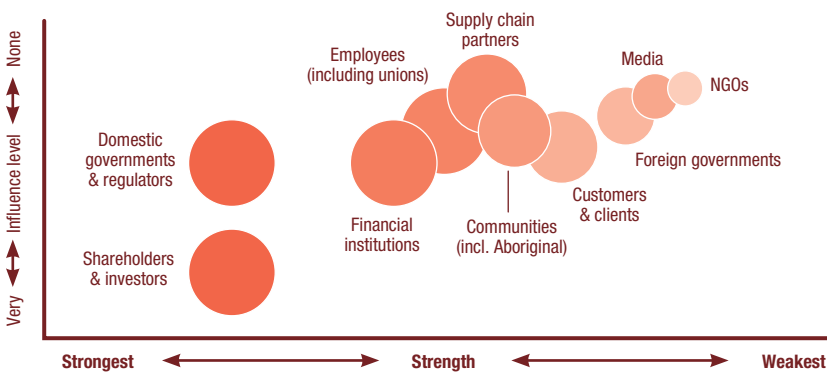
Businesses that adhere to the principles of CSR engage with all stakeholders: investors, employees, domestic governments and regulators, financial institutions, supply chain partners, customers, non-governmental organizations (NGOs), media and communities.

But survey results indicate stakeholder engagement has not been woven into the fabric of CSR at most energy companies. Respondents feel shareholders and investors, along with domestic governments and regulators, have the most influence on decisions made at their companies.

About 31% of respondents said local communities, including aboriginal groups, have no influence on decisions made within their organizations, while 73% said NGOs have no influence.

Employees were deemed somewhat influential by 58% of respondents, with an almost equal percentage saying employees are either very influential or have no influence on the decision-making process.

Moreover, when asked to select from a list of 15 strategic areas their company will focus on in the next three years, public education and engagement was ranked lowest (asset management and optimization ranked #1, followed by operational performance).



The size of the bubble represents the number of respondents who responded "somewhat influential" and "very influential".

Figure 4 – Stakeholders

Question: What level of influence do the following stakeholders have on decisions made in your organization?

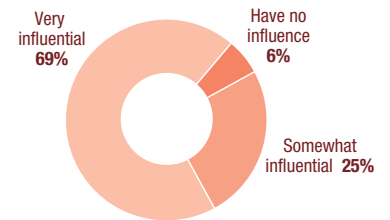


Figure 3 – Shareholders and investors

Question: What level of influence do shareholders and investors have on decisions made in your organization?

Case study

Talisman Energy Inc. has been working with PwC on its Corporate Responsibility program to ensure the company's Annual CR Report provides global stakeholders with accurate data so that they can better understand and evaluate the company's corporate responsibility performance. PwC has worked with Talisman's internal and external stakeholders, as well as other organizations it partners with, to meet those objectives. Talisman was one of 42 companies globally that was recognized by Transparency International for its 2008 Corporate Responsibility Report entitled *Integrate, Connect, Respect*.

Communities

Communities comprise a variety of stakeholder groups: municipalities, other businesses and industries, aboriginal groups and individuals.

Community members often compete with energy companies for the same natural resources (land and water), yet only 15% of survey respondents said local communities had a very influential role on decisions made in their companies.

Some community members, especially rural land owners and aboriginals, are increasingly at odds with oil and gas development. The ramp up in E&P activity from 2003-2008 and concerns about land and water use have given rise to increased frustration. There are a number of examples where Aboriginals or other community members have attempted to block or sabotage energy projects.

Canadians want the oil and gas sector to reduce its environment footprint during exploration and production activities and to return land to a sustainable landscape when finished — whether it is one well or an oilsands mine.

Individual Canadians want responsible resource development. They are concerned about the increase in greenhouse gas emissions that will come with additional development of Alberta's oilsands. And they want industry to reduce its use of fresh water by recycling, using brackish water and finding other alternatives.

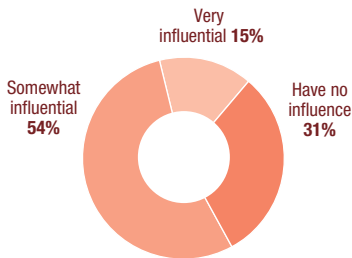


Figure 5 – Communities (including Aboriginal)

Question: *What level of influence do communities (including Aboriginal) have on decisions made in your organization?*

Local governments and regulators

About 40% of survey respondents said domestic governments/regulators play a very influential role on decisions made in their companies, with 53% characterizing their role as somewhat influential. Close to 30% of respondents also believe regulatory compliance will have a significant impact on their business within the next three years.

During the past year, the Alberta provincial government has instituted several policies that have affected oil and gas producers in the province. Most notable is the government's New Royalty Framework (NRF), which came into effect January 1, 2009, and has been panned by industry.

A majority of survey respondent with operations in Alberta said they have decreased drilling and production due to the NRF.

The provincial governments of Saskatchewan and British Columbia are currently perceived as much more business-friendly to industry than Alberta. About 20% of survey respondents with operations in Alberta said they have moved operations to other jurisdictions. Shale gas plays in B.C. and the Bakken play in Saskatchewan have benefited from industry-friendly policies and incentives.

Canadian E&P companies operating onshore or offshore in Canada must follow legislation of the boundaries they operate in. They also must navigate myriad of regulations established by provincial, federal and international governments, regulators and agencies.

Regulations dealing with water are a good example of the numerous levels of compliance that must be observed. Provinces are responsible for managing water within their boundaries and each province has its own regulatory entities. In Alberta, for instance, the Energy Resources Conservation Board, which reports to the Department of Energy, regulates water management within the "fence line." Alberta Environment, under the Government of Alberta, is responsible for water that is outside the lease site. Federally, Environment Canada is involved in interprovincial and international matters.



Figure 6 – Regulatory boundaries

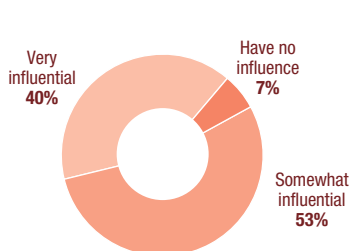


Figure 7 – Domestic governments and regulators

Question: What level of influence do domestic governments and regulators have on decisions made in your organization?

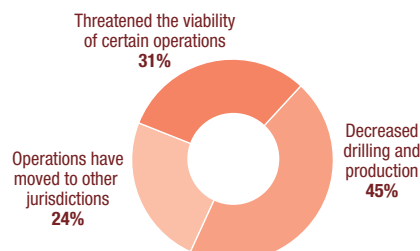


Figure 8 – Impact of the Alberta Royalty Framework

Question: If you currently have operations in Alberta, how has the Royalty Framework impacted your operations?

Foreign governments

Canadian-based energy companies have a global reach and, in general, are exemplary corporate citizens that bring high operating standards to countries they work in.

Some producers began exploring other parts of the world due to dwindling conventional resource levels within the aging Western Canadian Sedimentary Basin. Today, Canadian companies are active around the globe — from the harsh North Sea to the deserts of northern Africa to the jungles of South America.

Domestic service and supply companies have followed their lead. And during today's slowdown, while drilling levels remain moribund, several Canadian service and supply companies have moved rigs and other equipment to the U.S., Mexico or other international jurisdictions to put their idle equipment back to work.

But foreign governments — even those deemed friendly — can have an impact on Canadian companies.

South of the border, California's low-carbon fuel standard, which requires the state's mix of fuels to be 10% lower in greenhouse gas emissions by 2020, has become a template for other U.S. states and Canadian provinces.

In late June, the U.S. Congress passed the *Clean Energy and Security Act*, colloquially known as the Waxman-Markey bill, which some suggest could limit U.S. oil companies' consumption of feedstock originating in Alberta's oilsands.

Close to 30% of survey respondents said protectionist governments will have a significant impact on their operations in the next three years.

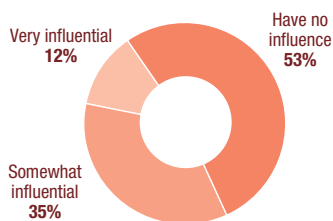


Figure 9 – Foreign governments and regulators

Question: What level of influence do foreign governments and regulators have on decisions made in your organization?

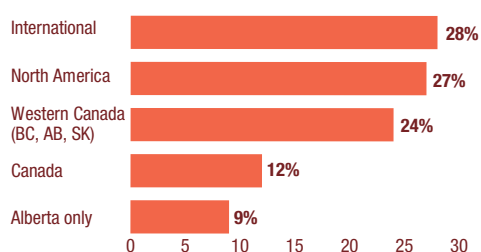


Figure 10 – Locations of operations

Question: Where does your company operate?
(Note: multiple selections were permitted)

Survival of the Fittest

While there are many examples of Canadian energy companies doing a good job at integrating their financial, social and environmental programs, only 12% of survey respondents felt that a strong corporate social responsibility program was critical to sustaining growth in the long-term and 28% did not feel it is important at all.

Attracting and retaining key talent, access to capital as well as adaptability to change were seen by most survey respondents as the key factors in sustaining long-term growth.

After many successive quarters of financial growth, results from the first quarter of 2009 have provided a proverbial “reality check” for most producers. Profits fell as commodity prices weakened and E&P companies curtailed spending to live within cash flow. In the oilsands sector, many projects were put on hold.

Adaptation plays a key role in natural selection, but for oil and gas producers that currently involves a greater focus on adapting to financial and operations strains caused by the recession, and not to uptake of CSR programs.

We believe industry leaders should be focused on transforming their business to adapt to short-term pressures while also keeping an eye on their longer-term strategies. It is now more important than ever that the country’s energy companies develop integrated and strategic CSR initiatives to achieve sustainable growth.



PODCAST: SUSTAINABILITY PRACTICES MAKE GOOD SENSE FOR YOUR BUSINESS

Listen to Wendy Potomski, VP of PwC’s Sustainable Business Solutions and Climate Change Services, who shares key sustainability strategies that are especially important in a down economy.

www.pwc.com/ca/strategytalks
(episode 19)



Financial Statistics

Exploration and Production

Company ¹	Gross Revenues (\$ 000's) March 31, 2009	Gross Revenues (\$ 000's) March 31, 2008	Change (%)	Net Income/(Loss) (\$ 000's) March 31, 2009	Net Income/(Loss) (000's) March 31, 2008	Change (%)	EPS March 31, 2009	EPS March 31, 2008	Cash Flow ³ from Ops. (\$ 000's) March 31, 2009	Cash Flow ³ from Ops. (\$ 000's) March 31, 2008	CFPS ⁴ March 31, 2009	CFPS ⁴ March 31, 2008
EnCana Corporation ²	5,742,667	6,436,499	-11%	1,198,881	92,978	1189%	1.60	0.12	2,422,688	2,388,443	3.23	3.19
Suncor Energy Inc.	4,814,000	5,982,000	-20%	(189,000)	708,000	-127%	(0.20)	1.53	479,000	1,161,000	0.51	1.25
Imperial Oil Limited ²	4,653,000	7,231,000	-36%	289,000	681,000	-58%	0.34	0.76	513,000	786,000	0.60	0.87
Petro-Canada ²	3,971,000	6,617,000	-40%	(47,000)	1,076,000	-104%	(0.10)	2.22	702,000	1,852,000	1.45	3.83
Husky Energy Inc. ²	3,852,000	5,510,000	-30%	328,000	887,000	-63%	0.39	1.04	555,000	1,524,000	0.65	1.80
Canadian Natural Resources Limited ²	2,186,000	3,967,000	-45%	305,000	727,000	-58%	0.56	1.35	1,494,000	1,732,000	2.76	3.21
Talisman Energy Inc. ²	1,840,000	2,468,000	-25%	455,000	466,000	-2%	0.45	0.46	1,309,000	1,232,000	1.29	1.21
Nexen Inc. ²	1,315,000	2,080,000	-37%	135,000	630,000	-79%	0.26	1.19	369,000	1,028,000	0.71	1.94
Addax Petroleum Corporation ²	717,833	1,153,731	-38%	6,231	239,944	-97%	0.04	1.54	343,962	468,891	2.20	3.01
InterOil Corporation	200,446	191,328	5%	3,294	(2,397)	237%	0.09	(0.08)	28,902	1,396	0.81	0.05
Petrobank Energy and Resources Ltd. ²	190,786	173,604	10%	(1,542)	35,537	-104%	(0.02)	0.44	125,156	123,488	1.50	1.53
Pacific Rubiales Energy Corp.	137,086	94,905	44%	65,597	(53,207)	223%	0.31	(0.05)	39,316	37,987	0.19	0.21
Progress Energy Resources Corp.	102,660	123,075	-17%	(4,694)	8,034	-158%	(0.03)	0.08	68,767	68,115	0.47	0.70
Petrominerales Ltd.	95,153	67,713	41%	9,207	22,223	-59%	0.09	0.22	52,150	45,142	0.53	0.45
NuVista Energy Ltd.	91,729	97,064	-5%	2,632	7,150	-63%	0.03	0.12	56,088	53,380	0.71	0.88
TriStar Oil & Gas Ltd.	81,918	135,167	-39%	(13,826)	(6,058)	-128%	(0.12)	(0.06)	56,678	73,500	0.50	0.74
Connacher Oil and Gas Limited	71,271	102,888	-31%	(46,844)	(1,833)	-2456%	(0.22)	(0.01)	(4,796)	7,702	(0.02)	0.04
Compton Petroleum Corporation	68,899	162,433	-58%	(17,368)	1,619	-1173%	(0.14)	0.01	22,041	69,322	0.18	0.53
Fairborne Energy Ltd.	65,590	69,802	-6%	(4,691)	10,145	-146%	(0.05)	0.12	32,471	41,863	0.37	0.50
Highpine Oil & Gas Limited	59,655	141,839	-58%	(35,210)	10,455	-437%	(0.53)	0.15	18,335	74,063	0.27	1.09
Petro Andina Resources Inc. ²	58,874	34,267	72%	9,474	1,956	384%	0.23	0.05	28,633	20,540	0.68	0.51
Iteration Energy Ltd.	58,693	55,893	5%	(14,275)	1,689	-945%	(0.09)	0.02	14,900	28,511	0.09	0.31
Galleon Energy Inc.	56,987	101,516	-44%	(5,091)	10,417	-149%	(0.07)	0.16	25,854	54,342	0.34	0.81
Crew Energy Inc.	46,342	51,389	-10%	(9,018)	941	-1058%	(0.13)	0.02	16,092	28,401	0.23	0.53
Pebercan Inc.	41,799	33,532	25%	15,086	12,102	25%	0.20	0.16	29,712	23,835	0.40	0.32
Celtic Exploration Ltd.	41,435	57,371	-28%	(5,039)	(7,375)	32%	(0.12)	(0.20)	28,140	28,298	0.68	0.75
Birchcliff Energy Ltd.	41,398	56,192	-26%	(9,701)	3,828	-353%	(0.09)	0.04	14,103	27,150	0.13	0.27
Gran Tierra Energy Inc. ²	41,314	20,744	99%	17,612	4,675	277%	0.07	0.05	25,599	10,639	0.11	0.11
Paramount Resources Ltd. ²	40,232	76,976	-48%	(23,685)	(38,038)	38%	(0.36)	(0.56)	17,582	24,175	0.27	0.36
TransGlobe Energy Corporation ²	35,367	52,052	-32%	(6,174)	4,457	-239%	(0.10)	0.04	10,503	17,957	0.17	0.30
OPTI Canada Inc.	29,138	INA	—	(97,447)	(1,963)	-4864%	(0.50)	(0.01)	(30,602)	(1,589)	(0.15)	(0.01)
Storm Exploration Inc.	26,477	33,974	-22%	1,250	6,424	-81%	0.03	0.14	13,720	19,518	0.30	0.44
Pacific Energy Resources	25,609	60,318	-58%	(51,345)	(39,244)	-31%	(0.25)	(0.20)	17,960	(8,079)	0.09	(0.04)
Breaker Energy Ltd.	24,675	33,108	-25%	(5,750)	6,544	-188%	(0.13)	0.18	7,943	19,283	0.18	0.52
Anderson Energy Ltd.	24,429	39,036	-37%	(10,159)	1,696	-699%	(0.12)	0.02	7,854	17,491	0.09	0.20
Corridor Resources Inc.	23,812	20,179	18%	6,816	6,081	12%	0.08	0.07	17,133	14,549	0.20	0.18
Delphi Energy Corp.	23,176	32,064	-28%	(3,320)	(739)	-349%	(0.04)	(0.01)	10,017	17,059	0.13	0.25
Vero Energy Inc.	22,135	31,168	-29%	(4,695)	3,783	-224%	(0.13)	0.13	8,201	17,842	0.22	0.60
Angle Energy Inc.	21,458	24,776	-13%	(689)	2,984	-123%	(0.02)	0.09	9,689	14,126	0.25	0.41
West Energy Ltd.	21,069	44,339	-52%	(2,502)	(1,682)	-49%	(0.03)	(0.02)	7,086	21,079	0.09	0.27
Bonterra Oil & Gas Ltd.	19,300	31,860	-39%	6,093	10,804	-44%	0.35	0.64	8,305	16,331	0.48	0.96
Gastar Exploration Ltd.	16,776	16,842	—	(87,470)	1,087	-8149%	(0.42)	0.01	13,135	10,308	0.06	0.05
Bankers Petroleum Ltd	16,266	26,238	-38%	(3,106)	306	-1115%	(0.17)	0.00	1,576	10,113	0.01	0.06
Terra Energy Corp.	16,236	20,255	-20%	(924)	(1,101)	16%	(0.01)	(0.01)	6,274	8,526	0.09	0.12
BlackPearl Resources Inc.	15,755	57,830	-73%	(20,516)	(3,790)	-441%	(0.10)	(0.02)	(1,804)	19,452	(0.01)	0.10
Berens Energy Ltd.	14,314	18,793	-24%	(3,086)	(5,413)	43%	(0.03)	(0.06)	5,583	9,269	0.06	0.10
Orleans Energy Ltd.	12,521	19,344	-35%	(4,242)	(3,582)	-18%	(0.09)	(0.09)	3,833	9,383	0.08	0.24
Ember Resources Inc.	12,281	5,475	124%	(3,673)	68	-5501%	(0.07)	0.00	7,111	2,651	0.14	0.18
Spry Energy Ltd. (private)	11,746	4,058	189%	5,131	(292)	1857%	0.26	(0.02)	5,988	2,134	0.30	0.16
Rock Energy Inc.	11,675	15,294	-24%	(2,261)	1,220	-285%	(0.09)	0.05	3,896	7,540	0.15	0.29

INA Information not available ² Canadian companies with international operations

1. Data obtained from the CanOils database. Companies not updated in the database as of July 7, 2009 were not included in the list.
2. Financial statements were reported in US GAAP.
3. Cash Flow from Ops. excludes changes in non-cash working capital.
4. CFPS (Cash Flow per Share) is based on weighted average number of shares (basic).

Capital Expenditures (\$ 000's) March 31, 2009	Capital Expenditures (\$ 000's) March 31, 2008	Change (%)	Total Assets (\$ 000's) March 31, 2009	Total Assets (\$ 000's) March 31, 2008	Change (%)	Market Capitalization (\$ 000's) March 31, 2009	Market Capitalization (\$ 000's) March 31, 2008	Change (%)	Working Capital Ratio March 31, 2009	Working Capital Ratio March 31, 2008	Total Debt as a % of Equity March 31, 2009	Total Debt as a % of Equity March 31, 2008	Debt to Capital Ratio (%) March 31, 2009	Debt to Capital Ratio (%) March 31, 2008
1,977,780	1,906,555	-4%	59,459,837	57,771,269	3%	38,730,960	58,650,000	-34%	3,066,396	2,088,457	40.4%	39.2%	28.8%	28.2%
1,123,000	1,500,000	25%	33,445,000	32,528,000	3%	26,358,372	45,984,132	-43%	177,000	(292,000)	63.1%	54.3%	38.7%	35.2%
411,000	260,000	-58%	16,490,000	17,035,000	-3%	38,878,796	48,015,801	-19%	(26,000)	494,000	1.6%	1.6%	1.6%	1.6%
681,000	1,016,000	33%	29,936,000	30,377,000	-1%	16,422,603	21,628,370	-24%	1,246,000	1,396,000	32.0%	30.7%	24.2%	23.5%
730,000	852,000	14%	25,964,000	24,391,000	6%	22,721,631	34,123,088	-33%	179,000	426,000	15.6%	13.6%	13.5%	12.0%
1,247,000	1,756,000	29%	43,344,000	42,650,000	2%	20,896,975	37,978,476	-45%	32,000	(28,000)	70.2%	70.8%	41.2%	41.5%
969,000	1,109,000	13%	24,307,000	24,275,000	-	13,547,629	18,549,027	-27%	154,000	110,000	31.7%	36.3%	24.1%	26.6%
1,504,000	786,000	-91%	23,619,000	22,155,000	6%	11,135,002	16,126,725	-31%	2,691,000	2,503,000	107.9%	92.9%	51.7%	48.0%
582,762	339,921	-71%	6,982,485	6,501,362	7%	4,274,697	6,342,782	-33%	94,966	125,943	67.5%	59.3%	40.3%	37.2%
29,095	15,728	-85%	690,965	723,676	-5%	1,025,825	537,997	91%	76,459	98,312	73.8%	85.9%	42.5%	46.2%
177,141	200,270	12%	2,414,146	2,361,707	2%	1,960,382	3,852,248	-49%	(110,842)	(50,363)	63.4%	63.1%	35.1%	34.9%
125,650	27,601	-355%	2,824,175	2,811,234	-	1,031,995	1,800,033	-43%	(69,275)	(35,809)	11.3%	10.8%	10.2%	9.7%
97,923	41,528	-136%	2,530,903	1,560,976	38%	1,540,912	1,254,599	23%	(37,869)	(11,321)	28.5%	47.0%	22.2%	29.2%
84,789	68,482	-24%	728,072	691,716	5%	1,097,056	1,442,608	-24%	20,334	59,791	18.1%	18.0%	15.3%	15.2%
81,224	48,301	-68%	1,444,792	1,407,296	3%	477,359	1,243,128	-62%	30,855	25,700	47.9%	43.8%	32.4%	30.5%
63,644	104,499	39%	2,107,074	2,056,841	2%	1,070,756	1,592,186	-33%	9,386	(40,427)	26.4%	21.4%	20.9%	17.7%
63,144	114,055	45%	1,385,674	1,431,675	-3%	156,355	658,168	-76%	120,035	197,914	187.7%	166.0%	65.2%	62.4%
16,142	112,048	86%	2,156,041	2,188,583	-2%	102,970	1,478,345	-93%	3,410	(38,139)	108.2%	99.4%	50.2%	48.1%
52,645	59,110	11%	1,023,526	1,013,177	1%	261,969	563,371	-53%	(31,641)	(27,917)	57.7%	54.1%	36.6%	35.1%
38,204	34,622	-10%	975,874	999,780	-2%	313,799	658,940	-52%	(44,894)	(46,730)	3.0%	INA	2.9%	INA
24,303	31,507	23%	357,351	342,043	4%	244,202	514,838	-53%	40,984	41,129	21.9%	23.7%	18.0%	19.2%
35,722	41,752	14%	1,022,497	1,035,203	-1%	162,700	993,423	-84%	(296,726)	(276,130)	52.2%	47.5%	34.3%	32.2%
27,867	73,232	62%	1,158,329	1,181,003	-2%	271,899	984,164	-72%	(277,864)	(279,668)	38.9%	36.6%	28.0%	26.8%
23,678	57,748	59%	1,019,170	1,045,510	-3%	777,938	719,258	-61%	(248,749)	(255,493)	40.9%	37.7%	29.0%	27.4%
13,324	10,689	-25%	103,580	111,440	-8%	73,195	167,813	-56%	100,674	104,248	INA	INA	INA	INA
45,626	37,315	-22%	658,765	649,654	1%	567,241	584,711	-3%	(160,974)	(136,595)	43.5%	40.9%	30.3%	29.0%
18,395	51,518	64%	800,959	814,823	-2%	686,510	1,097,377	-37%	(24,677)	(38,276)	46.1%	41.7%	31.6%	29.4%
26,952	6,528	-313%	1,312,615	1,311,552	-	770,610	340,961	126%	168,773	162,390	INA	INA	INA	INA
63,907	66,474	4%	1,109,728	1,117,327	-1%	398,735	1,034,349	-61%	(3,834)	32,590	18.4%	14.1%	15.6%	12.3%
11,124	6,264	-78%	297,574	279,078	6%	228,648	298,835	-23%	47,620	29,326	34.7%	37.0%	25.7%	27.0%
85,783	291,272	71%	3,859,687	4,557,661	-18%	193,970	3,380,126	-94%	166,558	(24,743)	168.4%	179.5%	62.7%	64.2%
33,053	28,367	-17%	345,106	328,376	5%	531,635	536,320	-1%	(13,598)	(16,886)	41.9%	44.9%	29.5%	31.0%
1,952	10,994	82%	659,676	655,846	1%	2,055	308,120	-99%	(704,685)	(595,984)	(351.3%)	(611.1%)	139.8%	119.6%
22,990	31,438	27%	378,297	369,919	2%	151,900	304,825	-50%	(17,887)	(25,058)	35.8%	33.7%	26.3%	25.2%
13,572	35,359	62%	530,824	543,533	-2%	73,332	318,625	-77%	(30,971)	(125,280)	36.9%	27.6%	27.0%	21.6%
19,800	17,982	-10%	318,840	321,398	-1%	166,495	548,630	-70%	21,702	25,299	INA	INA	INA	INA
14,092	26,498	47%	363,069	364,538	-	64,835	144,411	-55%	(15,020)	(16,617)	55.0%	47.4%	35.5%	32.2%
28,322	19,888	-42%	364,612	352,472	3%	121,203	236,041	-49%	(123,973)	(103,911)	56.2%	39.5%	36.0%	28.3%
17,775	17,036	-4%	191,682	186,985	2%	153,257	INA	-	(17,046)	(8,960)	2.4%	INA	2.3%	INA
8,702	11,073	21%	272,114	291,092	-7%	179,688	270,087	-33%	68,924	70,391	INA	INA	INA	INA
2,696	6,421	58%	260,732	265,301	-2%	270,944	459,078	-41%	(14,909)	(23,878)	158.5%	164.2%	61.3%	62.2%
26,739	20,046	-33%	297,552	352,686	-19%	142,598	274,830	-48%	(211,394)	(192,242)	550.3%	149.3%	84.6%	59.9%
3,533	19,562	82%	263,248	262,494	-	321,390	873,237	-63%	(12,703)	(9,032)	21.8%	22.4%	17.9%	18.3%
12,839	9,270	-39%	157,941	153,068	3%	40,574	102,453	-60%	(4,706)	(7,487)	24.0%	11.4%	19.3%	10.2%
3,147	17,512	82%	450,836	472,143	-5%	190,501	308,464	-38%	8,570	6,451	INA	INA	INA	INA
11,287	11,586	3%	182,714	181,833	-	52,386	74,538	-30%	(64,054)	(59,386)	66.0%	57.3%	39.8%	36.4%
18,684	15,953	-17%	246,468	239,298	3%	105,919	167,236	-37%	(8,675)	(53,257)	27.4%	28.0%	21.5%	21.9%
7,111	3,052	-133%	380,656	387,368	-2%	25,684	50,905	-50%	(8,640)	(6,350)	39.9%	40.6%	28.5%	28.9%
7,569	2,969	-155%	108,207	105,259	3%	INA	INA	INA	(9,397)	(12,168)	4.1%	9.7%	3.9%	8.9%
3,374	16,398	79%	142,610	150,510	-6%	20,202	77,633	-74%	(38,100)	(38,622)	40.3%	38.4%	28.7%	27.7%

Financial Statistics

Income Trusts

Company ¹	Gross Revenues (\$ 000's) March 31, 2009	Gross Revenues (\$ 000's) March 31, 2008	Change (%)	Net Income/ (Loss) (\$ 000's) March 31, 2009	Net Income/ (Loss) (\$ 000's) March 31, 2008	Change (%)	Cash Flow ³ from Ops. (\$ 000's) March 31, 2009	Cash Flow ³ from Ops. (\$ 000's) March 31, 2008	CFPU ⁴ March 31, 2009	CFPU ⁴ March 31, 2008
Harvest Energy Trust ²	755,624	1,439,752	-48%	56,864	(346)	16535%	206,429	183,133	1.30	1.22
Penn West Energy Trust	625,000	1,196,000	-48%	(98,000)	78,000	-226%	333,000	618,000	0.83	1.72
Provident Energy Trust ^{INA}	552,315	824,022	-33%	(40,284)	33,616	-220%	81,307	178,693	0.31	0.71
Canadian Oil Sands Trust	549,000	1,025,000	-46%	43,000	298,000	-86%	69,000	415,000	0.14	0.87
Keyera Facilities Income Fund	380,426	552,777	-31%	54,360	55,502	-2%	117,801	40,844	1.87	0.67
Avenir Diversified Income Trust	365,949	448,175	-18%	(7,621)	7,780	-198%	(9,177)	21,584	(0.22)	0.52
Pengrowth Energy Trust	327,792	462,066	-29%	(54,232)	(56,583)	4%	130,356	218,625	0.51	0.88
Enerplus Resources Fund ^{INA}	307,515	510,069	-40%	51,786	121,394	-57%	177,317	290,834	1.07	1.97
ARC Energy Trust	225,200	407,900	-45%	22,300	81,300	-73%	114,900	223,700	0.51	1.06
Bonavista Energy Trust	179,146	296,387	-40%	32,959	72,298	-54%	103,445	152,214	0.87	1.41
Crescent Point Energy Trust	163,607	275,979	-41%	(5,146)	(41,464)	88%	187,408	154,373	1.37	1.28
Baytex Energy Trust	150,943	263,957	-43%	(8,490)	35,848	-124%	58,910	101,166	0.60	1.19
Vermilion Energy Trust ^{INA}	146,236	229,459	-36%	19,884	26,196	-24%	65,759	118,247	0.93	1.73
Advantage Energy Income Fund	99,604	186,098	-46%	18,890	(24,122)	178%	53,014	89,653	0.37	0.65
Paramount Energy Trust	82,750	119,071	-31%	78,559	(85,660)	192%	36,201	51,451	0.32	0.47

INA Information not available ^{INA} Canadian companies with international operations

1. Data obtained from the CanOils database. Companies not updated in the database as of July 7, 2009 were not included in the list.
2. Harvest Energy Trust data includes both continuing and discontinued operations.
3. Cash Flow from Ops. excludes changes in non-cash working capital.
4. CFPU (Cash Flow per Unit) is based on weighted average number of units (basic).



Market Capitalization (\$ 000's) March 31, 2009	Market Capitalization (\$ 000's) March 31, 2008	Change (%)	Working Capital Ratio March 31, 2009	Working Capital Ratio March 31, 2008	Total Debt as a % of Equity March 31, 2009	Total Debt as a % of Equity March 31, 2008	Debt to Capital Ratio March 31, 2009	Debt to Capital Ratio March 31, 2008	EPS March 31, 2009	EPS March 31, 2008
742,941	3,476,122	-79%	35,496	17,054	89%	89%	47%	47%	0.36	0.00
4,850,240	10,796,334	-55%	156,000	39,000	49%	50%	33%	33%	(0.25)	0.22
1,254,351	2,782,186	-55%	(63,639)	17,185	49%	47%	33%	32%	(0.16)	0.13
11,712,750	19,895,100	-41%	235,000	260,000	34%	32%	25%	24%	0.09	0.62
978,374	1,288,453	-24%	(141,491)	(149,035)	80%	101%	45%	50%	0.86	0.91
134,122	310,945	-57%	23,694	47,847	31%	55%	24%	36%	(0.18)	0.19
1,828,356	4,876,860	-63%	19,580	(70,159)	68%	60%	41%	38%	(0.21)	(0.23)
3,449,222	7,328,940	-53%	24,161	(49,275)	17%	15%	15%	13%	0.31	0.82
3,305,214	5,590,740	-41%	(78,600)	(55,300)	31%	43%	23%	30%	0.10	0.39
1,508,917	2,574,503	-41%	24,030	(11,726)	51%	45%	34%	31%	0.28	0.67
3,907,252	3,571,321	9%	45,791	40,092	27%	50%	21%	33%	(0.04)	(0.34)
1,487,033	1,954,000	-24%	(281,610)	(242,141)	56%	47%	36%	32%	(0.09)	0.42
2,096,413	2,531,930	-17%	(64,356)	(10,102)	23%	24%	17%	19%	0.28	0.38
445,773	1,642,027	-73%	(85,341)	(117,475)	68%	67%	40%	40%	0.13	(0.18)
350,200	919,306	-62%	83,395	31,555	167%	200%	62%	66%	0.69	(0.78)



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