NYMEX OIL: US$78.00
-$1.39
February delivery
NYMEX N. Gas: US$5.69
+$0.10 per MMBTU
February delivery

Oilfield NEWS

Esso

Published By *NEWS COMMUNICATIONS* since 1977 | Weekender | Saturday January 16, 2010

FRIDAY PRICES

Benchmark crude for February delivery fell US$1.39 to $78.00 on the New York Mercantile Exchange in afternoon trading. In other Nymex trading in February contracts, heating oil fell 37 cents to settle at $2.04/gal while gasoline fell 3 cents to $2.04/gal. Natural gas gained 10 cents to finish at $5.69 per 1,000 cubic feet. In London, Brent crude fell $0.99 to $76.52 on the ICE Futures exchange.

MULLEN GROUP ANNOUNCES 2010 CAPITAL BUDGET

Mullen Group Ltd. has announced that it has approved a $40.0 million capital expenditure budget for 2010. This amount will be allocated to those business units that need new capital to grow or sustaining capital to meet their ongoing customer needs. The capital required for acquisitions, land purchases and other special projects is not included in this amount and will be authorized and allocated as the need arises. "Based upon our current outlook we believe Mullen Group, through its existing business units, is positioned to generate moderate top-line and bottom-line growth in 2010. Several of our business units, most notably in the areas of infrastructure investment, oil sands development and production services, continue to experience growth and these are areas where we will concentrate our capital expenditures in 2010. In addition, we expect a year over year improvement in drilling activity in western Canada. As a result, we will be deploying new capital to support and capitalize on the increase in multi-frac wells that is occurring in the western Canadian basin," stated Stephen H. Lockwood, President & Co-Chief Executive Officer. "We enter 2010 with a renewed emphasis on growth, including through acquisition. During 2009 our efforts were focused on dealing with the economic downturn and right sizing our business units. With this task substantially completed we will once again concentrate on creating shareholder value through growth. To accomplish this strategic objective we will rely on our strong financial position, including our $200 million of cash and our undrawn bank facility," stated Murray K. Mullen, Chairman and Chief Executive Officer.

VERO Q4 DRILLING RESULTS AND UPDATE

Vero Energy Inc. has reported drilling and operating results for the fourth quarter of 2009. During this quarter, Vero participated in the drilling of 8 (6.4 net) horizontal wells with a drilling success rate of 100%. The Company also performed 3 (1.5 net) successful recompletions on standing vertical wells. This drilling program enabled the Company to add significant production at the end of the fourth quarter, exiting at an estimated 7,800 boed (82% natural gas) net of a disposition of approximately 350 boed in the quarter. With a number of well completions at year end and into early January, current production based on field estimates is 8,200 boed (80% natural gas). At this time, the Company has over 1,500 boed of restricted production capacity while shut-in production due to higher costs is now minimal at 150 boed. The Company is very pleased with the initial results of its Cardium light oil play. In the quarter, the Company drilled two Cardium horizontal oil wells. The Company's first Cardium well (67% working interest) was drilled into a conglomerate and was brought on pump December 29th with initial rates of approximately 300 boed (95% oil). The well was optimized over a ten day period and was producing at a rate of over 530 boed (94% oil) before frac sand caused the pump to seize. The well has since been cleaned out and is back on pump with optimization ongoing. The second well (100% working interest) was drilled for Cardium sand in West Pembina. This well flowed over 1,500 bbls/d of oil during the first three days recovering all completion fluids subsequent to its January 7th multi-stage frac. Over the past two days, the well has flowed light formation oil at an average rate of 650 bbls/day. The well will be changed over to production tubing and a pump. We estimate that this well will have production rates when on pump of approximately 300 bbls/day, following the typical production profiles as presented by industry. A close vertical offset to this second well, based on public data, had an initial rate of 50 bbls/day recovering 70 mboe, thus supporting our productivity expectations. Follow up locations are currently being evaluated. Vero holds approximately 148 gross (95 net) sections of lands that are on trend for Cardium production with over ninety percent of this land believed to be oil prone. The Company believes that 40 sections are potentially prospective at this time. Ultimately, the lands will require reduced spacing, and this will be determined by: recovery per well, commodity price, capital and overall cash cost structures (including royalties). Other operations in the fourth quarter included the addition of a compression facility in Brazeau to reduce restricted production. Following is a breakdown of our fourth quarter horizontal drilling program. Three (2.1 net) Notikewan wells, 1 (1.0 net) Bluesky well, 1 (0.69 net) Rock Creek well, 2 (1.67 net) Cardium oil wells, and 1 (1.0 net) Cardium gas well. The Company has spent a significant amount of time improving and optimizing its completions with results that are exceeding our expectations. The following summarizes the tested open flow rates of horizontal gas wells drilled and on production since September that have adequate test and stabilized production information of greater than one month: three Notikewan wells at 7.6, 20.2, 3.2 mmcfed respectively and one Bluesky well at 14.1 mmcfed. The Notikewan wells are currently producing respectively at stabilized rates of 4.7, 7.3, 2.0 mmcfed and 5.3 mmcfed for the Bluesky well. The remaining wells are still early in the testing and production stage but are initially meeting all of our economic type curves. The majority of the new wells are restricted. The three recompletions have set up several new horizontal locations. Vero currently has three operated drilling rigs running and expects

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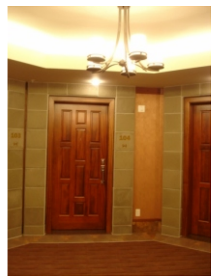


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to drill 9-10 (7.3-8.3 net) horizontal wells in the first quarter of 2010, including 4 (3.0 net) Cardium oil wells, 2 (2.0 net) Bluesky wells, 1 (1.0 net) Wilrich well, 1 (1.0 net) Rock Creek well and 1 (0.3 net) Notikewan well. Vero previously provided first quarter guidance and with current production rates and the updated drilling program, the Company expects average production to increase to 8,200-8,500 boed with quarter exit guidance of approximately 9,000 boed. The Company will provide updated guidance for the remainder of the year prior to the end of the first quarter. The Company does expect to drill between 22 and 30 horizontal wells in 2010. The capital program will remain flexible and will depend on the commodity price environment. The Company has a truly diverse portfolio of scalable, concentrated, repeatable and low risk resource projects on its lands as demonstrated by its drilling success in the fourth quarter and planned first quarter drilling programs. Vero has added the ability to divert its capital to oil projects as well. Of the current 2010 locations, 10-12 horizontal wells are being planned for Cardium oil, with options to scale up based on the evolution of the play and on commodity prices. The remaining capital can be allocated to high graded, liquids rich, natural gas plays which have high rates of return. The Company has over 160 horizontal locations, not including the Cardium oil play. Vero believes the potential of the Cardium could be very significant based on the Company's land base, reduced spacing and industry results to date.

ONE EXPLORATION UPDATE

One Exploration Inc. has announced the closing of the previously announced recapitalization transactions including, among other things: (i) a non-brokered private placemen, (ii) the appointment of a new management team and board of directors and (iii) the acquisition of TriOil Resources Ltd. by OneEx. The required shareholder approval for the Transaction was obtained by OneEx by receipt of written consents by holders of more than 50% of the issued and outstanding voting shares of OneEx. The New Management Group is headed by Russell J. Tripp as President & Chief Executive Officer, Andrew Z. Wiacek as VP Exploration, Shaun Wyzykoski as VP Engineering, Craig Haavardsrud as VP Business Development and Land, Keith Mychaluk as Exploration Manager, Cheryne Johnson as VP, Finance and Cameron Proctor as Corporate Secretary. The New Board is comprised of Fred Woods, Glenn Hockley, Paul McGarvey, Korby Zimmerman and Russell J. Tripp. Pursuant to the Private Placement, OneEx issued 21,982,407 class A shares at a price of $0.17 per Class A Share to the New Management Group and certain other third-party subscribers for total gross proceeds of $3,737,009. In addition, OneEx issued 24,000,000 performance warrants to the New Management Group and the New Board. Each Warrant entitles the holder to purchase one Class A Share at a price of $0.22 for a period of 5 years. The Warrants will vest and become exercisable as to one-third upon the 20-day weighted average trading price of the Class A Shares equaling or exceeding $0.40, an additional one-third upon the Trading Price equaling or exceeding $0.60 and a final one-third upon the Trading Price equaling or exceeding $0.80. Pursuant to the TriOil Acquisition, all of the TriOil shares were exchanged for 47,831,272 OneEx Class A Shares on the basis of 5.8824 Class A Shares for each TriOil common share. The TriOil Acquisition included 100% operated production of 130 boepd of predominantly light oil at Coronation in Southern Alberta and Tableland in Southeast Saskatchewan. It also included 12,000 net undeveloped acres of prospective Bakken/Sanish land at Tableland, Saskatchewan, 1,100 net acres of Cardium rights at Lochend, Alberta, farm-in options to earn 4,800 net acres prospective for Pekisko light oil at Queenstown, Alberta and 3,550 net acres prospective for Bakken/Sanish light oil at Tableland. Shortly prior to the TriOil Acquisition, TriOil completed a private placement of 6,013,251 TriOil common shares at a price of $1.00 per TriOil common share for gross proceeds of $6,013,251, and acquired from Second Wave Petroleum Inc. producing assets in Coronation, Alberta and Tableland, Saskatchewan, and approximately 13,000 net undeveloped acres of land, for approximately $5.4 million in cash and 2.1 million TriOil common shares at a deemed price of $1.00 per TriOil common share. Holders of Class A Shares will be entitled to participate in a rights offering (the "Rights Offering"), to be conducted by way of a Rights Offering Circular. Pursuant to the Rights Offering, each shareholder as of the record date for such offering (the "Record Date") will be issued one right ("Right") for each Class A Share held on the Record Date, entitling that holder to purchase one (1) Class A Share for each four (4) Rights held at a price of $0.17 per Class A Share at or before the expiry time of the Rights Offering, following which all outstanding Rights shall terminate and expire. The number of Class A Shares to be issued pursuant to the Rights Offering is the maximum permitted by applicable securities laws to be issued pursuant to a Rights Offering Circular. Subscribers of Class A Shares under the Private Placement, or TriOil Shareholders who receive Class A Shares pursuant to the TriOil Acquisition, will not be entitled to participate in the Rights Offering with respect to any securities acquired pursuant to the Private Placement and the TriOil Acquisition. The Rights Offering is subject to applicable regulatory approval, including the TSX Venture Exchange.

IVANHOE ENERGY ANNOUNCES PRIVATE PLACEMENT

Ivanhoe Energy Inc. has announced that it intends to raise between Cdn$75 million to Cdn$100 million by way of a private placement of special warrants convertible into common shares of the Company. The proceeds will be used by Ivanhoe Energy for exploration, development, acquisitions and general corporate purposes. Subject to regulatory approval and satisfaction of all conditions precedent, the private placement is expected to close on or about January 22, 2010. The securities offered will not be or have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws, and may not be offered or sold in the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

HIGH ARCTIC SELLS THREE RIGS

High Arctic Energy Services Inc. has announced that it has sold three rigs for net proceeds of US$14.0 million. The rigs were not used in the business in 2009 and were part of the assets being actively marketed for sale. As a result, the sale should not have any impact on operating earnings going forward. The rigs have been delivered to the buyer and are in the process of being shipped to Asia. The entire sales proceeds will be applied against the Corporation's senior credit facilities. The outstanding balance on the senior credit facilities will be approximately $51.5 million following the pay down. With this sale, High Arctic will have reduced its senior debt by almost $75 million during the past 20 months through asset sales including the sale of its interest in the Optimal Pressure Drilling Services joint venture. The sale is an important milestone for High Arctic as it has now successfully completed the sale of substantially all of those assets identified in 2008 as being surplus to the ongoing core business activities.

PANTERRA ACQUIRES ADDITIONAL CARDIUM RIGHTS

PanTerra Resource Corp. reports that it was successful at acquiring an additional 160 acres of 'Cardium' rights at its Carrot Creek property at a recent Alberta Crown Land Sale. The acquisition raises the Company's Carrot Creek (100% working interest) land holdings to 2080 net acres of Cardium Rights. The re-entry of a Cardium well situated on the newly acquired property will take place in the near future.

OPEC DECEMBER PRODUCTION

The Organization of the Petroleum Exporting Countries crude oil production rose to 29.1 million barrels per day (b/d) in December, an increase of 160,000 b/d from an estimated November level of 28.94 million b/d, a Platts survey of OPEC and oil industry officials and analysts showed Tuesday. "While OPEC members agreed to uphold their individual quotas at the December 17 meeting, one has to wonder if that commitment will hold in the wake of oil prices that have traded between $70- and $80 per barrel, levels that Saudi Arabia's oil minister thinks are fairly 'perfect'," said John Kingston, Platts Global Director of Oil and News. Excluding Iraq, the 11 OPEC members bound by production quotas pumped an average 26.61 million b/d in December, 120,000 b/d more than estimated November output of 26.49 million b/d, the survey found. Angola, Iraq, Nigeria, Saudi Arabia and the United Arab Emirates (UAE) increased output by a collective 180,000 b/d, with the biggest single increase coming from Nigeria, whose volumes rose by 100,000 b/d, the survey estimated. Iranian output fell by 20,000 b/d. The latest estimates leave the OPEC-11 exceeding its 24.845 million b/d target by 1.765 million b/d. Compliance with the pledged cuts of 4.2 million barrels per day agreed in late 2008 has been declining since April 2009 alongside a broad firming of oil prices. Having peaked at near 82% in March 2009, compliance fell to 58% in December. OPEC ministers are scheduled to meet next on March 17 in Vienna.

IRAQI OIL COULD RIVAL SAUDI ARABI PRODUCTION

Iraq's oil industry is on the verge of a major reconstruction and experts now believe that by the decade's end it could rival the world's top oil producer. Iraq's success depends in large part on a mosaic of international investments. The oil ministry has awarded contracts to at least a dozen firms from around the globe to develop its oil fields and boost production in the next seven years to over 11 million barrels a day. That's a five-fold increase, and would put it on par with top producers Russia and fellow OPEC member Saudi Arabia. "They have the oil in the ground," said James Placke, a senior associate at Cambridge Energy Research Associates who specializes in the Middle East. "It's getting it out that's always been the problem." Iraq sits on at least 115 billion barrels of proven oil reserves, the world's third-largest behind Saudi Arabia and Canada. And analysts believe there could be much more, given that the country's western desert hasn't even been explored. But Iraq's oil industry has suffered from decades of mismanagement, sanctions and war. For the last several years, violence and internal squabbling over distributing oil revenues has largely kept international oil firms out of the country. That changed last summer, when BP and China's CNPC won a bid to develop the huge Rumayla oil field near the southern city of Basra. Initially the Rumayla field was the only one that attracted the attention of international oil firms. Iraq's royalty terms seemed too strict, said Colin Lothian, a senior analyst at the energy consultants Wood Mackenzie. The Iraqis had hired a top-notch negotiating firm that ensured over 90% of the oil revenues would flow right back to government coffers, one of the highest royalty rates in the world. This is a potentially huge windfall for Iraq, which derives over 75% of its economic output from the relatively small 2.4 million barrels a day of oil it pumps now. But those terms might be tough for the oil companies. "They will completely and entirely fund the development of those fields, and get very little profit in return," said Lothian Still, faced with declining fields elsewhere and the need to continually find oil in order to support a healthy stock price, the big oil firms have finally agreed to those harsh terms. This December a dozen other companies bid on at least nine major fields in Iraq. The firms are not just from Anglo-American-led coalition countries that toppled Saddam Hussein, like Exxon, Shell and BP. Russia's Lukoil, China's CNPC, and Malaysia's Petronas, among others, are also in the game. Iraq production is expected to remain at around two-and-a-half million barrels day for the next year or two as lawmakers ratify the contracts and security continues to improve. Barring any unforeseen developments, and contingent on the security situation continuing to improve, foreign oil workers should begin pouring into the country in a couple of years. They'll have plenty to do. In addition to simply drilling new wells and retrofitting old ones, Iraq needs to repair and expand the major pipeline that runs through the country and expand the shipping facilities south of Basra. Whether these tough contract terms will hold is another matter. They may be amended, or more likely, new terms may be negotiated on future contracts. There is a feeling among analysts that the oil companies came in with low-ball offers just to make sure they establish a history of working in Iraq and aren't shut out of future bids. Iraq production is expected to remain at around two-and-a-half million barrels day for the next year or two as lawmakers ratify the contracts and security continues to improve. Barring any unforeseen developments, and contingent on the security situation continuing to improve, foreign oil workers should begin pouring into the country in a couple of years. They'll have plenty to do. In addition to simply drilling new wells and retrofitting old ones, Iraq needs to repair and expand the major pipeline that runs through the country and expand the shipping facilities south of Basra.

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