NYMEX OIL: US$72.89
-$0.75
March delivery
NYMEX N. Gas: US$5.13
-$0.01 per MMBTU
February delivery

Oilfield NEWS

ESSO

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FRIDAY PRICES

Benchmark crude for March delivery fell US$0.75 to $72.89 on the New York Mercantile Exchange in afternoon trading. In other Nymex trading in February contracts, heating oil fell 2 cents to settle at $1.91/gal while gasoline fell 1 cents to $1.91/gal. Natural gas lost 1 cent to finish at $5.13 per 1,000 cubic feet. In London, Brent crude fell $1.15 to $70.46 on the ICE Futures exchange.

PETROBAS OVERTAKES SHELL AS FOURTH LARGEST

Brazilian state-controlled oil and gas multinational Petrobras has risen from the ninth to the fourth place in the ranking of the 50 main energy companies in the world, according to a study by consultancy company PFC Energy. In a press statement disclosed by the Brazilian company, the organisation informed that the calculation took into account the market value of companies in December of last year. According to PFC Energy, throughout 2009, Petrobras shares rose 103%, a level much higher than that reached by the top three in the list (PetroChina, Exxon and BHP Billiton). The consultancy company also pointed out the rapid growth of Petrobras, which climbed from the 23rd to the fourth position in the ranking in just eight years. In this period, the company's market value rose from US$ 96.8 billion to US$ 199.2 billion, according to the company. The Brazilian state-owned company overtook companies like Shell, BP, Sinopec, Chevron, Total and Gasprom, which, in that order, are also among the ten main energy companies in the world. PFC Energy is an energy consultancy company that has been operating alongside companies and governments for over 20 years. The organization publishes the ranking of 50 main listed energy companies - using as the main criteria their performance on capital markets. Established in 1984, PFC Energy has offices in Washington, Paris, Houston, Bahrain, Lausanne, Kuala Lumpur and Buenos Aires.

OPEC OUTPUT TO HIT 13-MONTH HIGH

OPEC oil supply is rising in January to the highest in 13 months, a Reuters survey showed on Friday, further reducing compliance with output targets that members said they would stick to at a meeting last month. Supply from the 11 members of the Organization of the Petroleum Exporting Countries with output targets, all except Iraq, will average 26.71 million barrels per day (bpd), up from a revised 26.65 million bpd in December, according to the survey of oil firms, OPEC officials and analysts. The survey implies OPEC has made 55 percent of promised supply cutbacks versus 57 percent in December. With oil trading near $74 a barrel, within the $70 to $80 range favoured by many members, analysts see little prospect of closer adherence. "Group cohesion will be limited as long as crude is above $70," said Harry Tchilinguirian, analyst at BNP Paribas. "You would need to see crude return towards the low $60s for peer pressure to build up within the cartel." OPEC kept its official output limits unchanged at a meeting on Dec. 22 in Angola and called for more compliance. More than a year ago, it agreed to cut supply by 4.2 million bpd in response to lower demand and prices. Oil ministers at the meeting expressed hope that compliance would improve and the official communique after the talks said members "repeated their commitment to their individually agreed production allocations." Supply from the OPEC-11 was 1.87 million bpd higher in January than their target of 24.84 million bpd, the survey found, meaning the group lowered output by 2.33 million bpd of the promised curbs. That gave the 55 percent compliance rate, which is down sharply from its 81 percent peak reached in April and March according to Reuters estimates. With two days left of January, the final figures for the month may change. Output from all 12 OPEC members rose to 29.20 million bpd, the highest since December 2008 because of a small increase in supply from Iraq. Output from Angola has climbed in January by 40,000 bpd, the largest single rise among the OPEC-11, keeping the country the least compliant in percentage terms with output targets. Smaller rises were seen in Venezuela, where an official from state oil firm PDVSA said in January four upgrading plants in the Orinoco heavy crude belt were working normally after technical problems, and the United Arab Emirates. Saudi Arabia, OPEC's top producer, nudged supply up to 8.18 million bpd but limited demand in Europe and the United States kept the increase marginal, buyers of its crude said. "The East needs more crude, and refineries in the West are cutting runs," said an executive with a customer of Saudi oil. "The overall level of supplies has not changed substantially." The uptrend in Nigerian supply, which has been recovering from disruptions caused by militant attacks, paused in January. Chevron shut down 20,000 bpd of output after a pipeline rupture. Security sources said militants attacked the line. Iran's output declined slightly but was 400,000 bpd above target, the most in absolute terms of any member.

ALASKA PIPELINE PROJECT FILES OPEN SEASON PLAN WITH FERC

OThe Alaska Pipeline Project announced today that it filed its plan with the U.S. Federal Energy Regulatory Commission (FERC) to obtain approval to conduct the first natural gas pipeline open season to develop Alaska's vast natural gas resources. The project is a joint effort between TransCanada Corporation and Exxon Mobil Corporation to develop a natural gas pipeline under the Alaska Gasline Inducement Act. "The open season plan filing is an important step in the development of Alaska natural gas resources and we have worked diligently to advance the project," said Hal Kvisle, TransCanada president and chief executive officer. "This significant milestone demonstrates that we are meeting the AGIA commitments on-schedule and in-line with the required process, effectively aligning the interests of the State of Alaska, the project, shippers and other interested parties." The open season plan is posted and can be reviewed on the FERC and Alaska Pipeline Project websites, and members of the public can provide comment through the month of February. If FERC approves the plan, the Alaska Pipeline Project will finalize its open season offering and provide it to potential shippers at the end of

April for their assessment during the 90-day period through July 2010. "The work of the Alaska Pipeline Project in preparing a comprehensive and competitive open season package reflects the combined technical, planning, commercial and project management expertise of both ExxonMobil and TransCanada," said Neil Duffin, president of ExxonMobil Development Company. During the open season, the Alaska Pipeline Project will provide information about its terms and conditions to potential natural gas shippers, allowing them to assess their interest in making long-term commitments to reserve capacity on the pipeline. The open season process initiated with FERC applies to the portion of the project in the United States. A separate but coordinated open season for the Canadian portion of the project will be conducted concurrently with the U.S. open season. Two options will be submitted for shipper assessment in the Alaska Pipeline Project open season. The first option is a pipeline from Alaska's North Slope to Alberta, Canada, a distance of approximately 1,700 miles (2,737 kilometres), where the gas can be delivered on existing pipeline systems serving major North American markets. The second option would transport natural gas from the North Slope to Valdez, Alaska, a distance of approximately 800 miles (1,287 kilometres), where it would be converted to liquefied natural gas in a facility to be built by others and then delivered by ship to North American and international markets. Both options would provide opportunities for Alaska communities to acquire natural gas from the pipeline from a number of strategically located off-take connections. Components of both options include a world-class gas treatment plant (GTP) and Point Thomson natural gas transmission pipeline. The GTP would be built next to the North Slope's Prudhoe Bay facilities to treat the gas so it can be shipped on the pipeline. An approximately 58 mile (93 kilometres) pipeline would connect the natural gas supplies of the Point Thomson field to the plant and pipeline. Updated cost estimates for the project are in the range of US$32 billion to US$41 billion for the North Slope to Alberta option, and US$20 billion to US$26 billion for the

Valdez option. Both options have an expected in-service date of 2020 and would provide either 4.5 billion cubic feet of natural gas per day under the Alberta option or 3.0 billion cubic feet per day under the Valdez option.

SHIPS REMAIN STUCK IN PORT ARTHUR

The US Coast Guard says that numerous vessels remain unable to transit the Sabine/Neches waterway due to its continued closure of the following last Saturday's oil spill from the Eagle Otome at Port Arthur, Texas. According to a statement, 14 vessels await entry and 12 vessels are waiting to depart while 70 additional vessels are now queueing to use the waterway. To date, 5,239 barrels of crude oil have been recovered, evaporated or dispersed naturally of the 11,000 barrels spilled. Current response assets include 27 oil skimmers, 23 oil vacuum vehicles, 59,800 feet of containment boom and over 550 personnel employed. The Coast Guard says that over flights indicate the oil slick has spread northwest, with minor penetration through the northern containment boom. Facilities south of the spill have also reported the presence of oily waste.

SPRY ANNOUNCES PRIVATE PLACEMENT

Spry Energy Ltd. has announced that pursuant to a non-brokered private placement financing it will issue 1,670,000 common shares of the Corporation at a price of $6.00 per Common Shares for proceeds of $10,020,000 to JOG Limited Partnership No. IV . The Corporation intends to use the proceeds of the Offering to increase its capital budget for its year ended June 30, 2010 from $24 million to $35 million, with the majority of the increase focused on the Corporation's Pembina-Cardium core area. The Corporation is planning to drill eight (approximately 4.4 net) horizontal Cardium oil wells prior to the end of June, 2010. Closing of the Offering is expected to occur on or about February 11, 2010 and the Common Shares issued under the Offering will be subject to a 4 month hold period. Upon the closing of the Offering, JOG, together with other partnerships managed by the administrator of JOG , will hold an aggregate of 3,170,425 Common Shares of Spry, including Common Shares previously acquired by the JOG Partnerships, representing approximately 14.65% of the outstanding Common Shares. In addition, the JOG Partnerships beneficially hold options to purchase 38,400 Common Shares granted to an officer of JOG's administrator, who is a director of Spry. If all such options are exercised, the JOG Partnerships would hold approximately 14.80% of the outstanding Common Shares of Spry. In addition to the 1,670,000 Common Shares of Spry to be acquired by JOG upon closing of the Offering, JOG Limited Partnership No. 1 holds 450,000 Common Shares, JOG Limited partnership No. 2 holds 400,000 Common Shares and JOG Limited Partnership No. III holds 650,425 Common Shares. Each of these partnerships is managed by JOG's administrator. The JOG Partnerships acquired the securities for investment purposes only and may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over, or exercise its rights to acquire Common Shares of Spry through market transactions, private agreements or otherwise.

ONE EXPLORATION CLOSES PRIVATE PLACEMENT

One Exploration Inc. has announced the closing of the second and final tranche of its previously announced non-brokered private placemen, undertaken as part of the recapitalization transactions disclosed in the press release of OneEx dated January 13, 2010. Pursuant to the second tranche of the Private Placement, OneEx issued 1,470,526 Class A shares ("Class A Shares") at a price of $0.17 per Class A Share to members of the management team and to certain other third-party subscribers for total gross proceeds of $249,989.42. The Class A Shares issued pursuant to the Private Placement will be subject to a four-month statutory hold period. The proceeds of the Private Placement will be used for OneEx's 2010 drilling program and general corporate purposes.

NORDIC PLANS TEST WELL WITH SPECIALIZED EQUIPMENT

Donald Benson, Chairman and Chief Executive Officer of Nordic Oil and Gas Ltd. has provided an update on several of the Company's properties and the initiatives that are either underway or being planned: Back in July of last year, the Company, along with its Joint Venture partner, Western Warner Oils Ltd., entered into a strategic development agreement with a major international oil company, whereby Nordic has the opportunity to earn an interest in six townships which that company owns in Preeceville. Plans call for new 3-D seismic in the region to be processed and interpreted, which will provide Nordic with key information and data in the selection of its next well location. "When we first began exploring this region, we were searching for what is known as the Prairie Evaporate Salt Collapse Edge'," Mr. Benson stated. "We now believe we have found the Salt Collapse Edge on our original holdings and these six townships contain a salt cap, which is acting as a trap for oil and/or gas. "We further believe that with new drilling technology available to us, we will be successful in unlocking the enormous reserves of natural gas that industry consultants have confirmed are in the region, he added. "The test well that we will be drilling will be utilizing specialized equipment on the drilling of the shallower portion of the ell, thereby allowing the gas, which we know to be there, to flow." The Company continues to be bullish about its Preeceville lands, and, "we eagerly anticipate getting back to this region and drilling our test well," Mr. Benson added. "We were certainly buoyed by the fact that we discovered so many oil seeps in the region and although our initial exploration drilling activities in the area did not result in a commercially productive well, the findings that we uncovered gave us considerable optimism for a return to Preeceville."