

NYMEX OIL: US\$77.29
+\$2.86
March delivery
NYMEX N. Gas: US\$5.29
+\$0.04 per MMBTU
February delivery



oilfield NEWS

www.oilfn.com



Published By **NEWS COMMUNICATIONS** since 1977

Canadian Edition

Wednesday February 3, 2010

TUESDAY PRICES

Benchmark crude for March delivery rose US\$2.86 to settle at \$77.29 on the New York Mercantile Exchange. In other Nymex trading in February contracts, heating oil rose 8 cents to \$2.03 /gal and gasoline rose 9 cents to \$2.02/gal. Natural gas gained 4 cents to finish at \$5.29 per 1,000 cubic feet. In London, Brent crude rose \$2.82 to \$75.93 on the ICE Futures exchange.

NORTH AMERICAN RIG COUNTS

The U.S. rotary rig count increased by 35 to 1,317 for the week of January 29, 2010. It is 155 (10.5%) rigs lower than last year. The number of rotary rigs drilling for oil was up 7 at 444. There are 135 more rigs targeting oil than last year. Rigs currently drilling for oil represent 33.7% percent of total drilling activity. Rigs directed toward natural gas were up 28 at 861. The number of rigs currently drilling for gas is 289 less than last year's level of 1,150. Year-over-year oil exploration in the US is up 43.7 percent. Gas exploration is down 25.1 percent. The weekly average of crude oil spot prices is 74.1 percent higher than last year and natural gas spot prices are 15.0 percent higher. Canadian rig activity was up 36 at 531 for the week of January 29, 2010 and is 99 (22.9%) higher than last year's rig count.

OIL GAINS ON INVENTORY FORECASTS

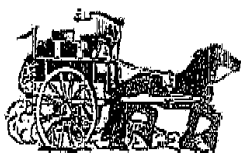
Oil climbed above \$77 a barrel Tuesday amid anticipation that crude supplies fell more than expected last week. Crude oil for March delivery rose \$2.80, or 3.84%, to settle at \$77.23 a barrel. Oil prices recovered from a 4-day retreat Monday, gaining on better than expected economic reports. The Energy Information Administration will release its weekly inventory report Wednesday. Analysts expect oil supplies to drop by 1 million barrels, gasoline stocks to increase by 1.5 million barrels and distillates to fall 1.2 million barrels, according to a survey conducted by research firm Platts. James Williams, president and energy economist at WTRG Economics, said the decline in supplies could be bigger than expected because of the oil spill in Port Arthur, Texas, last week that backed up about 7 million barrels of crude coming into the U.S. Meanwhile, the US dollar weakened versus the euro, also boosting oil prices.

SUNCOR ANNOUNCES Q4 RESULTS

Suncor Energy Inc. has reported fourth quarter 2009 net earnings of \$457 million (\$0.29 per common share), compared to a net loss of \$215 million (\$0.24 per common share) for the fourth quarter of 2008. Operating earnings in the fourth

quarter of 2009 were \$323 million (\$0.21 per common share), compared to \$14 million (\$0.02 per common share) in the fourth quarter of 2008. Cash flow from operations was \$1.129 billion in the fourth quarter of 2009, compared to \$231 million in the fourth quarter of 2008. The increase in operating earnings and cash flow from operations in the fourth quarter of 2009 was primarily due to increased upstream production and refined product sales volumes resulting from the merger with Petro-Canada, higher price realizations due to stronger benchmark crude oil prices in the fourth quarter of 2009 compared to the same period in 2008, however these realizations were partially offset by realized losses of approximately \$185 million after-tax on risk management derivative contracts, and increased production from Suncor's legacy oil sands operations resulting from improved operational reliability. These factors were partially offset by higher operating expenses that resulted from the merger with Petro-Canada and the increased production at our legacy oil sands operations, increased royalty expense due to the higher benchmark crude oil prices, and a fire at one of our upgraders in December 2009 which

MASCO CRANES & HOISTS
 CALGARY ■ WETASKIWIN ■ EDMONTON
 www.masco cranes.com email: masco@telus.net
1-888-666-8822 Fx: 780-352-3900
Overhead cranes - Hoists - Parts - Service - Inspections
"For all your custom built lifting requirements"



FULL MOTION EXPEDITING LTD.

Your connection to Highway 88 and area

COURIER SERVICE

Conklin - Lac La Biche & Return
Conklin - Fort McMurray & Return

Ft. McMurray, Conklin, Lac La Biche and surrounding areas including Edmonton & Calgary

Expediting • Deliveries
Hot Shot • Core Sample

Toll Free 1-866-559-2666
Cell (24 hrs.) (780) 713-5588
Conklin (780) 559-2600
Fax (780) 559-2655

Aboriginally Owned and Operated



The Alberta Council of Turnaround Industry Maintenance Stakeholders ("ACTIMS") comprises of heavy industrial maintenance owners, contractors, GPC/NMC and Building Trade Unions in the Province of Alberta.

ACTIMS goal is to ensure that the upcoming spring turnarounds in 2010 are fully staffed with available qualified, skilled, experienced workers. The projects are:

- Shell Scotford - Fort Saskatchewan
- Muskeg River Mine - Fort McMurray
- Suncor - Fort McMurray
- Syncrude - Fort McMurray

ACTIMS affiliated maintenance contractors who will be involved in the execution of these turnarounds are:

- | | |
|----------------------------|----------------------------|
| Aecon Field Services | Aluma Systems |
| Clearwater Welding | Edmonton Exchanger |
| Jacobs Industrial Services | KBR |
| Mammoet Crane | Melloy Industrial Services |
| Northern Crane | Reppsco Services |
| Safway Canada Services | TAMSIL (Transfield) |

Employers mentioned above are looking for certified journeyman trades people in the following classifications:

- Pipefitter/Steamfitter (\$39.58*)
- Pipefitter Welder, 'B' Pressure/TIG alloy (\$39.58*)
- Boilermaker (\$38.54*)
- Boilermaker Welder, 'B' Pressure/TIG alloy (\$38.54*)
- Crane Operator - Conventional/Hydraulic (\$38.79*)
- Carpenter/Scaffolder (\$36.17*)
- Insulator (\$38.05*)

*Note: The wage rates mentioned above are for the Fort Saskatchewan project. Add \$0.75 per hour for projects located at Fort McMurray.

Out of province recruits will be provided camp accommodation and travel assistance to Fort McMurray. Individuals hired for Shell Scotford will be provided travel assistance and an accommodation allowance. Details will be provided with a firm job offer. Successful candidates will be required to register with the applicable Alberta Building Trades Local Union.

If you are interested in working at any of the upcoming spring turnarounds and you possess the applicable skills, qualifications and experience, please forward your resume by email or by regular mail to the address below:

ACTIMS
 P.O. Box 76182
 Calgary, Alberta T2Y 2Z9

jobs@actims.ca

An employer's representative from one of the company's listed above will be in touch with you to discuss your interests and availability.

impacted overall production in the fourth quarter of 2009 by approximately 30,000 barrels per day. "We started the year confronting one of the most challenging global economic downturns of the past century, but today Suncor is a larger, stronger and more financially flexible company as we continue to realize some significant synergies following the merger with Petro-Canada," said Rick George, president and chief executive officer. "We've made gains on achieving safe, reliable and cost-effective energy production across all our operations in



Alexis Minerals Corporation, a Canadian mining company listed on the TSE AMC, owns one gold producer in Val d'Or and the right to own 100% interest in the Lac Pelletier gold property in Rouyn-Noranda, where an underground bulk sampling and exploration program is ongoing which is anticipated to lead to commercial production in 2010. The acquisition of Garson Gold Corp. will give Alexis a third project area located in the very prospective Snow Lake Mining Camp in Manitoba. Alexis will complete a feasibility study of the New Britannia mine in 2010 as well as exploration across the properties, with a focus on the potential for a gold producer in the Snow Lake Camp. **To build its New Britannia team**, located in Snow Lake, Manitoba the company is presently seeking applications for the positions of:

Chief Mine Geologist and Senior Mine Geologist

Candidates must demonstrate strong leadership, communication and problem solving skills. The responsibilities will include supervision of the geological technical staff related to underground mine development and production.

Work description

Both successful candidates will closely participate in the New Britannia mine production restarts, actively participate in establishing underground drilling programs. The candidate will be well experienced with resources calculations in a narrow vein mining environment and able to understand and account for "nugget-effect" grade variations. Establish and maintain a close follow-up of the department budget. The candidates are expected to establish and maintain relationship with operations and technical staffs in order to develop a safe working environment and efficient production.

Qualifications required

- B.Sc. degree or higher in geology or in geological engineering;
- Member of the "Order of Professional Geologists of Manitoba" or "Association of Professional Engineers and Geoscientists of the Province of Manitoba"; or able to attain professional status in Manitoba
- Solid experience in mining geology; 10+ years experience for the Chief Geologist and 5+ years experience for the Senior Mine Geologist;
- Experience in team management is an asset;
- Strong computer skills and functional with most software used in mining industry

Salary

Alexis Minerals Corporation offers competitive salary, based on qualifications and experience and an excellent benefit plan. Send your resume to the following address:

ALEXIS MINERALS CORPORATION
Manitoba Division New Britannia Mine
Fax: (204) 358-2030
email: nbmsnrgeoeng@hotmail.com
Web site: www.alexisminerals.com

Alexis Minerals Corporation provides equal employment opportunities to all.



Alexis Minerals Corporation, a Canadian mining company listed on the TSE AMC, owns one gold producer in Val d'Or and the right to own 100% interest in the Lac Pelletier gold property in Rouyn-Noranda, where an underground bulk sampling and exploration program is ongoing which is anticipated to lead to commercial production in 2010. The acquisition of Garson Gold Corp. will give Alexis a third project area located in the very prospective Snow Lake Mining Camp in Manitoba. Alexis will complete a feasibility study of the New Britannia mine in 2010 as well as exploration across the properties, with a focus on the potential for a gold producer in the Snow Lake Camp. **To build its New Britannia team**, located in Snow Lake, Manitoba the company is presently seeking applications for the positions of:

Chief Engineer and Senior Mine Engineer

Candidates must demonstrate strong leadership, communication, and problem solving skills. The responsibilities will include supervision of the engineering staff and technical staff.

Work description

Both successful candidates will closely participate in the New Britannia mine production restarts, actively participate in establishing underground drilling programs. The candidate will be well experienced with resources calculations in a narrow vein mining environment and able to understand and account for "nugget-effect" grade variations. Establish and maintain a close follow-up of the department budget. The candidates are expected to establish and maintain relationship with operations and technical staffs in order to develop a safe working environment and efficient production.

Qualifications required

- B.Sc. degree or higher, in mine engineering
- Member of the "Association of Professional Engineers and Geoscientists of the Province of Manitoba, (APEGM)", or able to attain professional status in Manitoba
- Solid experience in mine engineering: 10+ years experience for the Chief Engineer and 5+ years experience for the Senior Engineer
- Experience in team management is an asset;
- Strong computer skills and functional with mine engineering software such as, AutoCAD, Promine, Excel and Word, etc.

Salary

Alexis Minerals Corporation offers competitive salary, based on qualifications and experience and an excellent benefit plan. Send your resume to the following address:

ALEXIS MINERALS CORPORATION
Manitoba Division New Britannia Mine
Fax: (204) 358-2030
email: nbmsnrgeoeng@hotmail.com
Web site: www.alexisminerals.com

Alexis Minerals Corporation provides equal employment opportunities to all.

2009, which we intend to build on in 2010." Suncor's total upstream production during the fourth quarter of 2009 averaged 638,200 barrels of oil equivalent (boe) per day, including additional production of 325,600 boe per day resulting from the merger. Upstream production from Suncor's legacy oil sands and natural gas operations averaged 312,600 boe per day in the fourth quarter of 2009, compared to 279,400 boe per day in the fourth quarter of 2008. Oil Sands production (excluding proportionate production share from the Syncrude joint venture) contributed an average 278,900 barrels per day (bpd) in the fourth quarter of 2009, compared to fourth quarter 2008 production of 243,800 bpd. Average production increased

compared to the fourth quarter of 2008 as a result of improved operational reliability during the quarter. However, production volumes were negatively impacted by unplanned maintenance activities following the upgrader fire in December 2009. Cash operating costs for our oil sands operations (excluding Syncrude) averaged \$38.70 per barrel in the fourth quarter of 2009, compared to \$41.30 per barrel during the fourth quarter of 2008. The decrease in cash operating costs per barrel was primarily due to increased production and a decrease in natural gas input prices. These factors were partially offset by an increase in operational expenses due to the inclusion of operating costs from MacKay River facilities in the

fourth quarter of 2009. The merger with Petro-Canada did not result in increased oil sands production volumes (excluding Syncrude), as production from MacKay River had been included in Suncor's reported production from January 1 to July 31, 2009 as volumes processed by Suncor under a processing fee agreement. Production from MacKay River averaged 31,700 bpd in the fourth quarter of 2009. Suncor's proportionate production share from the Syncrude joint venture contributed an average 39,300 bpd of sweet synthetic crude production during the fourth quarter of 2009. Production from Suncor's natural gas business during the fourth quarter of 2009 averaged 764 million cubic feet

equivalent (mmcfe) per day. Production from Suncor's legacy natural gas operations averaged 202 mmcfe per day in the fourth quarter of 2009, compared to 213 mmcfe per day in the fourth quarter of 2008. This decrease in production was primarily due to shut-in production in the Elmworth area and the sale of certain non-core assets in the second quarter of 2009. During the fourth quarter of 2009, East Coast Canada production contributed an average 63,600 bpd, while production from our International segment (comprising our assets in the North Sea and other international areas) averaged 129,000 bpd. Production for both the East Coast Canada and International segments was lower than capacity primarily as a

result of planned and unplanned maintenance, as well as OPEC production quota constraints in Libya. Refining and Marketing's fourth quarter earnings reflected the merger with Petro-Canada and the impact of strong retail margins. Sales of refined petroleum products for the fourth quarter averaged 82.9 million litres per day, which included 52.7 million litres per day resulting from the merger. Suncor's legacy refining and marketing operations averaged 30.2 million litres per day in the fourth quarter of 2009, compared to 31.5 million litres per day for the same period in 2008.

EXXON Q4 RESULTS

Exxon Mobil reported a 23% drop in quarterly profit Monday as economic conditions remain challenging, but the energy giant's earnings beat Wall Street's expectations. The world's largest publicly traded oil company said it earned \$6.05 billion in the last three months of 2009, down 23% from \$7.82 billion a year earlier. On a per-share basis, Exxon said it earned \$1.27, a decline of 18% from the fourth quarter of last year. The results were better than many on Wall Street had expected. Analysts surveyed by Thomson Financial had forecast earnings of \$1.19 per share. Shares of the company were up nearly 3% to \$66.14 at midday. "Despite continuing difficult global economic conditions, Exxon Mobil delivered strong business results and built on our long-term focus," Rex Tillerson, Exxon's chief executive, said in a statement. For the full year, Exxon said it earned \$19.42 billion. That's down 56% from last year, when Exxon reported the largest annual profit in U.S. history, as the sluggish economy has undermined energy demand. Exxon and other companies that convert crude oil into refined products such as gasoline and diesel have been squeezed as demand for fuels remains weak and oil prices have trended higher. Indeed, the company suffered a quarterly loss of \$189 million in its refining unit, compared to a profit of \$2.4 billion a year earlier. Earnings in Exxon's production and exploration unit were up \$146 million to \$5.8 billion. The company also reported higher quarterly earnings in its chemicals unit. Despite the ongoing weakness in energy demand, Exxon said production increased 2% in the quarter. Capital and exploration expenditures rose 21% to \$8.3 billion. "All in all, it was a good quarter," said Fadel Gheit, an Oppenheimer energy analyst. "This might be a turning point for the stock." Gheit said the weakness in Exxon's refining operations was more than offset by increased natural gas production and higher oil prices, as well as better-than-expected performance in the company's chemicals business. "It was certainly a tough year," said David Rosenthal, Exxon's vice president of investor relations. "But we ended the year strong and we look forward to that momentum continuing as this year gets started." He said the company has been making adjustments to its portfolio of

assets, including refining operations, pipelines and retail stations. But he said the company has no immediate plans to follow the lead of rival energy companies that have divested refining operations to curb losses. "We don't see a need right now for any significant restructurings," he said.

ENTERRA ANNOUNCES 2010 CAPITAL BUDGET

Enterra Energy Trust has announced its capital expenditure program for 2010 which includes a capital budget of \$40 million. This represents an 85% re-investment rate on Enterra's forecast cash flow of approximately \$45 million. Price assumptions underlying this cash flow include US\$77.50/bbl WTI oil and US\$4.50/mmbtu natural gas at NYMEX. Any surplus cash flow is expected to be used to advance successful drilling programs, acquire additional assets or to reduce debt. This program is conservatively designed within anticipated cash flow, while still sufficiently flexible to direct investment to the Trust's best opportunities. Enterra plans to drill up to 26 wells including, - Two to four oil wells at our Circus prospect in Oklahoma - Two oil wells in west central Alberta targeting the Cardium formation - Up to 12 liquids-rich gas wells in our Hunton resource play in Oklahoma. The Hunton drilling program is scheduled to begin late in the second quarter and continue through the end of the year. The remaining budget will be directed to a variety of drilling opportunities throughout our portfolio. The program is anticipated to replace reserves produced over the year. Enterra's current production is approximately 9,550 boepd and the forecast is for a relatively flat production profile with an average 2010 production range from 9,200 to 9,700 boe per day. This forecast does not take into account the re-activation of our Ricinus natural gas well which has been shut-in since July 2009 due to low commodity prices. The Ricinus well would add up to 500 boe per day for the full year and would be brought back on production in a sustained higher gas price environment than forecast. Without the Ricinus re-activation, the portfolio will consist of approximately 46% natural gas and 54% oil and natural gas liquids. Enterra's 2010 capital program is weighted towards oil and natural gas liquids projects and if successful, will gradually grow the production weighting towards liquids over the course of 2010.

IRVING OIL CANCELS HEAD OFFICE CONSTRUCTION

Irving Oil Ltd.'s parent company, Fort Reliance, has cancelled a plan to build its new world headquarters at Saint John's Long Wharf. Irving Oil signed a memorandum of understanding with the Saint John Port Authority in June 2008 on a deal to construct a \$30-million building in the Long Wharf area along the shore. This is the second major project that Irving Oil has halted in the city in the last year. In July, Irving Oil and BP stopped plans to

build a second oil refinery just outside of Saint John. Irving Oil had partnered with BP to build the \$8-billion project, which is known as Eider Rock, and construction was supposed to start in 2011. The refinery project was to create 5,000 construction jobs and 1,000 permanent jobs.

TWIN BUTTE COMPLETES BOUGHT DEAL FINANCING

Twin Butte Energy Ltd. has announced the closing of its recently announced bought deal financing of 18,400,000 common shares at \$1.25 per share for gross proceeds of \$23,000,000, which included 2,400,000 common shares issued on the full exercise of the over-allotment option granted to the underwriters. The financing was co-led by Peters & Co. Limited and Mackie Research Capital Corporation and included National Bank Financial Inc., Canaccord Financial Ltd., Cormark Securities Inc., Acumen Capital Finance Partners Limited and GMP Securities L.P. Net proceeds of the offering will initially be used to reduce Twin Butte's existing bank indebtedness and provide further flexibility to expand Twin Butte's on-going capital investment program including both drilling and potential acquisitions.

BONNETT'S EXTENDS CREDIT FACILITY

Bonnett's Energy Services Trust has announced that it has signed an agreement with its banking syndicate to extend the expiration of its credit facilities to January 31, 2011. The facilities include a \$2.0M committed revolving operating facility in addition to its current committed non-revolving term facilities totaling \$35.6M. Pricing is at prime plus 3.5% and prime plus 4.0% on the operating and term facilities respectively. Bonnett's Energy Services is a diversified Trust, providing wireline and testing services, and oilfield rentals in the Western Canadian Sedimentary Basin.

PANTERRA SIGNS DRILLING DEAL
PanTerra Resource Corp. has announced that it has signed a deal with a private company whereby PanTerra (at a 100% Working Interest) will drill two Cardium wells as defined by seismic, in the Carrot Creek area of Alberta. The Company will earn two half sections of Cardium Rights. It is anticipated that the first well will spud during the First Quarter of 2010.

NEB HEARING ON ENBRIDGE'S TOLLS AND TARIFFS APPLICATION

The National Energy Board will hold an oral public hearing to consider a tolls and tariffs application from Enbridge Pipelines Inc.. The company has applied for an increase in tolls on Line 9. Enbridge is seeking approval for final tolls and tariffs on Line 9 for 2008, 2009 and 2010. Among other things, Enbridge is proposing to change the way it calculates depreciation expense, to increase the equity component of its deemed capital structure, and to increase the return on

equity. Enbridge's 849 kilometre-long Line 9 pipeline, which began westbound service in 1999, can ship up to 38,160 cubic metres (240,000 barrels) of offshore crude oil per day from Montreal, QC to Sarnia, ON and onward to refineries in Corunna, ON. The hearing is scheduled to begin on 21st September 2010 at a location to be announced at a later date. Interested persons are invited to participate in this hearing in one of two ways: i. by filing an application to intervene by 2 March 2010 with the Acting Secretary of the National Energy Board, and serving a copy on Enbridge and its counsel; or ii. by filing a letter of comment with the Acting Secretary of the Board, and sending a copy to Enbridge and its counsel by 15 June 2010. Details on how to file a letter of comment can be found on the NEB Web site at www.neb-one.gc.ca under "Submit a Document." To be granted intervenor status, people must first apply to the NEB. Application forms are available under the "Submit a Document" section of the NEB Web site. The deadline for intervenor applications is 12:00 p.m. (MST) on 2 March 2010. The deadline to file a letter of comment is 15 June 2010 at 12:00 p.m. (MDT). Documents can be filed with the NEB either electronically through our Web site at www.neb-one.gc.ca or by fax or by mail. A copy of the letter of comment or application for intervenor status must also be sent to Enbridge Pipelines Inc. and its legal counsel.

HIGH ARCTIC APPOINTS CEO

High Arctic Energy Services Inc. reports that it has appointed Bruce Thiessen as Chief Executive Officer of High Arctic effective immediately. Mr. Thiessen has acted as interim Chief Executive Officer of the Corporation since December 16, 2008. Under his direction, High Arctic has been proactive in reducing its cost structure to ensure it remains competitive in the current environment and in identifying new opportunities to expand its business services. Bruce has been with High Arctic since 1993 serving primarily as Vice President of Marketing. The Corporation has also announced that Mr. Warren Twa stepped down as Vice President, International Operations effective on January 31, 2010. Mr. Twa has played a key role in the operational restructuring of High Arctic. In early 2008, High Arctic embarked on its plan to divest of all unprofitable foreign operations as a key part of its financial restructuring. With the completion of the asset sale announced on January 13, 2010, the operational restructuring phase is now largely completed.

IROC APPOINTS CFO

IROC Energy Services Corp. has announced the appointment of Ryan Michaluk CA, CMA as Chief Financial Officer. Mr. Michaluk has over 20 years of experience in the oil and gas industry, and is coming to IROC after most recently serving as Vice President Finance and CFO of Fairmount Energy Inc.