

NYMEX OIL: US\$71.86
-\$1.21
March delivery
NYMEX N. Gas: US\$5.49
+\$0.07 per MMBTU
February delivery



ilfield NEWS



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FRIDAY PRICES

Benchmark crude for March delivery fell US\$1.28 to \$71.86 on the New York Mercantile Exchange in afternoon trading. In other Nymex trading in February contracts, heating oil fell 7 cents to settle at \$1.86/gal while gasoline fell 71 cents to \$1.87/gal. Natural gas gained 7 cents to finish at \$5.49 per 1,000 cubic feet. In London, Brent crude fell \$2.61 to \$70.60 on the ICE Futures exchange.

PEMBINA PIPELINE ANNOUNCES 2010 CAPITAL BUDGET

Pembina Pipeline Corporation, a wholly-owned subsidiary of Pembina Pipeline Income Fund has announced a capital spending plan for 2010 of \$240 million that places a priority on expanding its Oil Sands & Heavy Oil business. "Our growth plan is on track and the investments we plan to make this year are aimed at generating long-term value for our investors without compromising our financial position," said Bob Michaleski, President and Chief Executive Officer. "This growth will generate new sources of revenue for Pembina by enhancing our integrated business model and by broadening the services we provide to customers." Approximately \$152 million, or about 60 percent of Pembina's 2010 capital budget, is allocated for the construction of the Nipisi and Mitsue Pipeline projects. The two projects, which support Pembina's Oil Sands & Heavy Oil business strategy, were initiated in response to industry demand for diluted heavy oil take-away from and diluent supply to, the region north of the Town of Slave Lake, Alberta. Regulatory decisions relating to the projects are currently anticipated by September 2010 and construction will begin as soon as practical once approvals have been granted. Approximately 80 percent of the project engineering is complete and Pembina is on schedule to complete the projects in mid-2011. The two pipelines, estimated to cost \$440 million combined, remain on budget and to date the company has entered into procurement agreements that have generated certainty for about 60 percent of the cost estimate. As of December 31, 2009, Pembina has spent approximately \$76 million on the projects. In addition to spending on the Nipisi and Mitsue Pipelines, Pembina's capital spending plans for 2010 include investing approximately \$46 million in revenue generating projects within its Conventional Pipelines business, primarily to increase capacity at certain sites and improve the operational performance and integrity of its Peace, Drayton Valley and Western systems. Pembina's Midstream & Marketing business is expected to invest approximately \$35 million on projects designed to expand terminals, storage facilities and gas processing facilities. The remainder of the 2010 capital budget supports various projects across Pembina. Pembina continues to examine other investment opportunities which, pending

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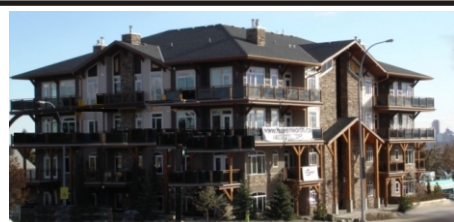
approval of the Board of Directors, could increase the 2010 capital expenditure budget. The 2010 capital expenditure plan will be financed through undrawn credit facilities, Pembina's Premium Distribution and Distribution Reinvestment Plan and cash flow from operating activities. Pembina's business model is expected to deliver a growing portion of cash flow derived from operating activities where returns are primarily investment driven and

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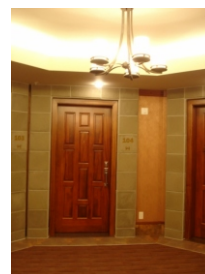
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RESPEC OILFIELD SERVICES LTD.

Invitation for Offers to Purchase Real Property

PricewaterhouseCoopers Inc. in its capacity as Receiver (the "Receiver") of Respec Oilfield Services Ltd. ("Respec") is seeking offers to purchase certain properties owned by Respec located in Rainbow Lake, Alberta and Red Earth Creek, Alberta.

A description of the properties available are as follows:

- 34, 38 Home Road, Rainbow Lake, Alberta (7.71 Acres collectively)
Legal Description: Plan 8722689, Block 12, Lot 2A, 1A
(Includes 3 buildings, 1 shop, 1 quonset and mobile home)
- 5 Del Rio Street, Rainbow Lake, Alberta (2.37 Acres)
Legal Description: Plan 8722580, Block 9, Lot 9
- 14 Home Road, Rainbow Lake, Alberta (1.65 Acres)
Legal Description: Plan 8920907, Block 13, Lot 1
- 14 Home Road, Rainbow Lake, Alberta (3.66 Acres)
Legal Description: Plan 0725204, Block 13, Lot 5
- Red Earth Creek Property (5.16 Acres)
Legal Description: Plan 8922255, Block 6, Lot 4

A more detailed information package may be obtained by contacting Sean Fleming at (780) 441 6738. Interested parties are required to make offers by: **12:00 p.m. M.S.T., Monday, February 15, 2010.**



independent of commodity prices or capacity utilization. "Delivering growth is just one priority for Pembina," said Michaleski. "As always, in 2010 we'll be equally focused on achieving good customer service and operational excellence across all our existing businesses. Safe, reliable and environmentally responsible operations drive down costs and provide the financial backbone for this period of expansion." Pembina's growth strategy supports its

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plan to maintain current cash distributions of \$1.56 per unit per year to investors through 2013 (see "Forward-Looking Statements and Information"). Pembina plans on converting to a corporation in 2010 and expects to maintain this cash distribution as a dividend once the new structure is approved by its Board of Directors, investors and regulators. In 2009, Pembina's capital expenditures (unaudited) totaled approximately \$424 million and were allocated as follows: Nipisi/Mitsue Pipeline projects approximately \$69 million; Conventional Pipelines approximately \$28 million; Oil Sands & Heavy Oil approximately \$13 million; Midstream & Marketing approximately \$314 million (this includes the investment to acquire the Cutbank Complex gas gathering and processing facility).

IMPERIAL OIL Q4 RESULT

Imperial Oil has announced that net income for the fourth quarter of 2009 was \$534 million or \$0.62 a share on a diluted basis, versus \$660 million or \$0.76 a share for the same period of 2008. Upstream net income in the fourth quarter was \$491 million, \$155 million higher than the same period of 2008. Increased earnings were primarily due to higher crude oil commodity prices totaling about \$600 million. Improved realizations were partially offset by the negative impacts of a stronger Canadian dollar of about \$265 million, higher royalties due to higher commodity prices of about \$135 million and lower Cold Lake bitumen production of about \$50 million. The average price of Brent crude oil in U.S. dollars, a common benchmark for world oil markets, strengthened in the fourth quarter, averaging \$74.54 a barrel, up about 36 percent from the corresponding period last year. The company's realizations on sales of Canadian conventional crude oil and synthetic crude oil from Syncrude production mirrored the same trend as world prices. However, the effect of a stronger Canadian dollar limited improvements in the company's Canadian-dollar realizations for conventional crude oil and synthetic crude oil from Syncrude in the fourth quarter of 2009. Prices for Canadian heavier crude oil also increased along with the lighter crude oil. The company's average realizations for Cold Lake bitumen increased about 70 percent in the fourth quarter, compared to the corresponding period last year, reflecting the narrowing price spread between light crude oil and Cold Lake bitumen. The company's average realizations for natural gas

averaged \$4.23 a thousand cubic feet in the fourth quarter, down from \$7.31 in the same quarter last year. Gross production of Cold Lake bitumen averaged 134 thousand barrels a day during the fourth quarter, versus 146 thousand barrels in the same quarter last year. Lower production volumes in the fourth quarter were due to well repairs in the northern part of the field. Drilling and steaming activities have since resumed in this area, and production is expected to return to normal levels. The company's share of Syncrude's gross production in the fourth quarter was 82 thousand barrels a day, versus 77 thousand barrels in the fourth quarter of 2008. Volumes in the fourth quarter were higher than the same period in 2008 due to lower maintenance activities. In the fourth quarter, gross production of conventional crude oil averaged 24 thousand barrels a day, compared with 27 thousand barrels in the corresponding period in 2008. The natural reservoir decline in the Western Canadian Basin was the main reason for the reduced production. Gross production of natural gas during the fourth quarter of 2009 was 298 million cubic feet a day, essentially the same as the corresponding period last year. Net income from Downstream was \$52 million in the fourth quarter of 2009, compared with \$257 million in the same period a year ago. Earnings in the fourth quarter of 2009 were negatively impacted by lower overall margins of about \$180 million. Also impacting fourth quarter 2009 earnings was the negative impact of a stronger Canadian dollar. Net income from Chemical was \$16 million in the fourth quarter, compared with \$28 million in the same quarter last year. Earnings in the fourth quarter were negatively impacted by lower overall margins as a result of the slow economy. Net income effects from Corporate and other were negative \$25 million in the fourth quarter, compared with \$39 million in the same period of 2008. The decrease in the fourth quarter was primarily due to changes in share-based compensation charges. In the fourth quarter of 2009, cash flow of \$927 million was generated from operations, and \$807 million was used to fund growth projects such as Kearn. The company's balance of cash was \$513 million at December 31, 2009, an increase of \$55 million from the end of Q3, 2009.

GAZPROM DELAYS GIANT SHTOKMAN FIELD

Russia has delayed the start of its giant Arctic Shtokman field by three years to 2016 after demand for its gas slumped in Europe and the United States cut liquefied gas imports due to rising shale gas production. Russian gas export monopoly Gazprom said in a statement on Friday it had agreed with partners Total and Statoil to delay pipeline gas production from Shtokman to 2016 instead of 2013. Liquefied natural gas (LNG) output will begin in 2017 instead of the earlier planned 2014. The decision was made due to "changes in the market situation and particularly in the LNG market". Gazprom saw a slump in exports last year amid a global economic slowdown and because of the surge in unconventional gas supplies in the United States. The loss of appetite for imported gas in the U.S. market led to many LNG tankers heading to Europe. The extra supply drove spot European gas market prices below oil-indexed Russian prices, leading Russia's

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customers to consume as little Russian gas as their long term contracts allow so they could lap up the cheaper LNG. Gazprom, which supplies Europe with a quarter of its gas needs, has said consumption would return to normal over time and that Shtokman gas would then be needed.

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Shtokman, one of the world's largest gas fields, located in the stormy Barents Sea, is expected to require \$15 billion of investment in its first phase alone. Statoil and Total both said they were still committed to the project despite the latest delay.