NYMEX OIL: US$77.01
+$2.88
March delivery
NYMEX N. Gas: US$5.31
-$0.16 per MMBTU
March delivery

Oilfield NEWS

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TUESDAY PRICES

Benchmark crude for March delivery rose US$2.88 to settle at $77.01 on the New York Mercantile Exchange. In other Nymex trading in February contracts, heating oil rose 8 cents to $1.99 /gal and gasoline rose 6 cents to $1.99/gal. Natural gas fell 16 cents to finish at $5.31 per 1,000 cubic feet. In London, Brent crude rose $3.42 to $75.29 on the ICE Futures exchange.

NORTH AMERICAN RIG COUNTS

The U.S. rotary rig count increased by 11 to 1,345 for the week of February 12, 2010. It is 7 (0.5%) rigs higherer than last year. The number of rotary rigs drilling for oil was down 2 at 443. There are 170 more rigs targeting oil than last year. Rigs currently drilling for oil represent 32.9% percent of all drilling activity. Rigs directed toward natural gas were up 13 at 891. The number of rigs currently drilling for gas is 163 less than last year's level of 1,054. Year-over-year oil exploration in the US is up 62.3 percent. Gas exploration is down 15.5 percent. The weekly average of crude oil spot prices is 100.3 percent higher than last year and natural gas spot prices are 18.0 percent higher. Canadian rig activity was down 6 at 551 for the week of February 12, 2010 and is 130 (30.9%) higher than last year's rig count.

U.S. TO OFFER OFFSHORE ACRES FOR OIL DRILLING

The U.S. Interior Department on Thursday issued the final terms for leasing almost 37 million acres in the central Gulf of Mexico to energy companies so they can drill for oil and natural gas. The area to be leased may hold up to 1.3 billion barrels of crude oil and 5.4 trillion cubic feet of gas, according to the department, which is also shortening the time that companies would have to develop the tracts. Lease Sale 213 involves about 6,958 tracts spread over 36.9 million acres located 3 to 230 miles off the coasts of Louisiana, Mississippi and Alabama. The blocks are in water depths from 10 feet to more than 11,200 feet. The lease sale will include about 4.1 million acres in an area known as 181 South, off the Alabama-Florida border.

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Grande Cache Coal Corporation

Grande Cache Coal Corporation (GCCC) is a sustainable, long-term mining operation that produces premium, low volatile, metallurgical coking coal for export to the world steel industry. The mine site is 20 kilometres north of the Town of Grande Cache (www.grandecache.ca), a community of 4000 located within the inner foothills of the Rocky Mountains in west-central Alberta. The Grande Cache area is a paradise for those wishing to experience the outdoors and a relaxed lifestyle.

Due to increased production and the start-up of a new surface mine, GCCC is seeking experienced, motivated and safety-committed workers for the following permanent, full-time positions at the mine site. Experience in a surface or underground mining or plant processing environment is preferred.

- **TRADES (Heavy Duty Mechanic, Electrician, Welder, Instrumentation Technician, Millwright, Crane Operator, Gas Fitter)** Must have Alberta or Inter-provincial ticket
- **SURVEYORS** Must have 3-5 years experience working in a mining environment (open pit and underground).
- **MINE ENGINEERS** Must have 3-5 years experience working in an underground coal mining environment.
- **MINE TECHNICIANS** Must have 3-5 years experience working in a mining environment.

GCCC offers a competitive compensation and benefit package. **This is not a camp operation.** Residency in Grande Cache is required and relocation assistance is available.

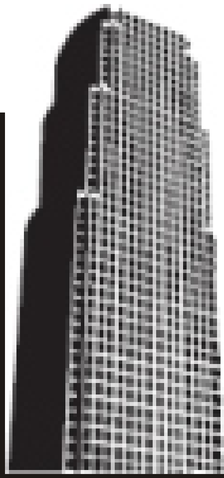
In support of GCCC's commitment to providing a healthy and safe workplace for its employees, the incumbent will be required to comply with the company's pre-employment medical and drug testing policy.

If you meet the qualifications for any of these roles and are interested in working with a dedicated group of professionals, please submit your resume and cover letter to:

Grande Cache Coal Corporation
Attn: Human Resources Department
Box 8000 Grande Cache, AB T0E 0Y0
Fax: (780) 827-4098
Email: careers@gccoal.com

We thank all applicants for their interest however only those selected for an interview will be contacted.

Log on to our website at www.gccoal.com for additional information on GCCC.



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Drilling off Florida in the Gulf is only allowed far from the state's shoreline. The lease sale, which will be held on March 17, will cut the time energy companies have to develop oil and gas resources on certain tracts. The leasing period for blocks in waters 400 to 800 meters (1,312 to 2,625 feet) deep would change from eight to five years, but when an exploratory well is drilled the lease could be extended by three years. Blocks 800 to 1600 meters (2,625 to 5,249 feet) deep would have lease terms of seven years instead of 10 years. There would also be an extension of three years with an exploratory well. The current 10-year leasing period would continue for blocks in 1,600 meters (5,249 feet) of water. Liz Birnbaum, director of the department's Minerals Management Service, said the shorter leasing periods will "provide a fair return to the public for (offshore) resources and a fair opportunity for lessees to explore, develop and profit from their leases while encouraging diligent development." Oil and gas companies have opposed the cut in the leasing periods. "MMS recognizes that advances in technology have decreased the time necessary for exploration and development in some water depths, while frontier conditions still exist in the deepest waters of the Gulf," said Birnbaum. "The reduction of some initial lease periods with possible extensions is a way to expedite development." Companies will have to pay the government a royalty fee based on 18.75 percent of the value of the oil and gas they drill in the offshore tracts.

OIL INDUSTRY REMAINS CAUTIOUS

The oil industry expects a difficult road ahead as it struggles to recover from the global economic downturn and is forced to juggle rising demand from developing countries against requirements for cleaner energy. Oil executives and analysts meeting in London on Monday said the industry was at a crossroads as it emerges out of a rout that sent crude prices tumbling from a record high of $150 in July 2008 to under $40 a barrel at the peak of the financial turmoil. BP PLC chief economist Christof Ruehl said consolidation was likely in the refining sector after oil companies reported billion dollar losses at the end of last year amid falling demand. "To put it bluntly and shortly, there will have to be some consolidation in the global refining industry," Ruehl said at London's annual International Petroleum Week. Ruehl said that lower output from the Organization of the Petroleum Exporting Countries (OPEC) and the global economic recovery would continue to support crude oil prices this year, setting a price floor. But he was skeptical of a stronger rebound in demand that has been forecast by some commentators, saying that daily consumption growth would remain below the average levels of 1.1 million barrels recorded in the years leading up to the global financial crisis. He said that prices are likely to hold in recent trading ranges — crude has fluctuated within a relatively tight $15 band between $69 and $84 per barrel since the start of October — as excess capacity keeps them from spiking over the next few years. Even if demand bounced back stronger than anticipated, spare production capacity would prevent a spike in prices, he added. "I would expect oil prices to stay in the current range," he said. "Even if the good years were to return tomorrow it would still take more than three years to burn through spare capacity to get back to a market as tight as it was before the crunch in 2008." "I think it's very unlikely that we will see asset price spikes over the next few years," he added. A series of production cuts by OPEC to support prices has resulted in spare capacity of around 6 million barrels of oil per day. The annual gathering of the oil industry, organized by the Energy Institute, is a little more subdued this year even though oil companies have begun to pump more petroleum and bring in more profits. Shell UK Chairman James Smith, hosting the meeting, noted that they emerged from a miserable couple of years. Thirst for fossil fuels dropped considerably in the developed world during the recession and it hasn't come close to recovering fully. Throughout most of 2009, storage houses have been crammed with oil and gas. Many forecasters believe that oil demand in developed economies has peaked. Still, ExxonMobil International Ltd. Chairman Brad Corson said the industry had to think medium and long term, when demand from emerging economies like China is still expected to soar. "Even though our industry has faced some significant challenges during the recent global economic downturn, we must remember that economic cycles are not new to us," Corson said. The International Energy Agency last week bumped up its forecasts for world oil demand because of growing economic activity in developing countries in Asia, predicting in its monthly report that oil demand will average 86.5 million barrels a day this year, or 1.6 million barrels a day more than in 2009. "Moving on to the year 2030, we expect global energy demand to be almost 35 per cent higher than it was in 2005 — even taking into consideration the impact of recent economic conditions and substantial improvements in energy efficiency," said Corson. Corson added that demand growth would double over the period without energy-saving measures. Ruehl

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said that refineries in emerging markets, where governments often subsidize fuel prices, would fare better coming out of the economic downturn than those in developed markets. "You would expect the impact on refiners to be worse in countries where there is no protection," he said. Corson stressed the role of governments in helping to foster "open and transparent" markets internationally for energy suppliers.

NOT EXPANDING DRILLING MAY COST U.S. GROWTH

The U.S. economy will lose $2.4 trillion over the next two decades if the federal government does not allow oil and natural gas drilling in restricted onshore lands and in offshore areas previously closed to energy companies, according to a new study released on Monday. The report, prepared for the National Association of Regulatory Utility Commissioners, also said U.S. imports of crude oil, petroleum products and natural gas would increase by $1.6 trillion over the period without access to the energy resources. In particular, the United States is expected to pay the Organization of the Petroleum Exporting Countries (OPEC) $607 billion for an extra 4.1 billion barrels of crude, the report said. Separate congressional and presidential bans on drilling in most U.S. waters beyond the western and central Gulf of Mexico ended in 2008, and the Interior Department is now considering whether to expand exploration in only a small part of the formerly closed areas. "It's clear from this report that the status quo on energy production simply won't suffice," said David Parker, president of the American Gas Association. "We encourage lawmakers to heed the results of this study and take a closer look at the energy-rich areas in our country that are currently off limits." Many environmental groups say the United States should rely less on oil and gas and more on cleaner energy sources like wind and solar. The study also raised the estimated U.S. oil and gas resources that are available in all areas based on advance drilling technology and easier development of energy supplies trapped in shale rock. As a result, U.S. resources of crude oil were increased by 43 billion barrels to 229 billion and natural gas was raised by 286 trillion cubic feet to 2,034 trillion cubic feet.

OPEC COMPLIANCE FALLS

OPEC's compliance with record supply cuts announced in 2008 slipped to 58 percent in January, from 61 percent the previous month, according to the International Energy Agency. The 11 members of the Organization of Petroleum Exporting Countries bound by production quotas raised output by 135,000 barrels a day to 26.62 million a day last month, the Paris-based IEA said in a monthly report Friday. That means OPEC exceeded its collective target by about 1.8 million barrels a day. Saudi Arabia, Angola and Venezuela increased output the most in January, with the Middle East nation boosting supplies by 80,000 barrels a day, more than the combined increase of the other two states. Saudi Arabia, the group's largest member, supplied an average of 8.2 million barrels a day. Iran and Nigeria were the only countries to lower output, by 20,000 barrels a day and 10,000 a day respectively.

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**.

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