NYMEX OIL: US$82.03
-$0.01
May delivery
NYMEX N. Gas: US$4.003
-$0.03 per MMBTU
April delivery

Oilfield NEWS

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TUESDAY PRICES

Benchmark crude for May delivery slipped 1 cents to settle at $82,031on the New York Mercantile Exchange. In other Nymex trading in April contracts, heating oil fell 1 cents to $2.12/gal and gasoline gained 3 cents to $2.27/gal. Natural gas fell 3 cents to finish at $4.00 per 1,000 cubic feet. In London, Brent crude fell 27 cents to $80.21 on the ICE exchange.

NORTH AMERICAN RIG COUNTS

The U.S. rotary rig count increased 17 to 1,444 for the week of March 26, 2010. It is 405 rigs (39.0%) higher than last year. The number of rotary rigs drilling for oil was up 15 at 489. There are 272 more rigs targeting oil than last year. Rigs currently drilling for oil represent 33.9% percent of all drilling activity. Rigs directed toward natural gas were up 2 at 941. The number of rigs currently drilling for gas is 131 greater than last year's level of 810. Year-over-year oil exploration in the US is up 125.3 percent. Gas exploration is up 16.2 percent. The weekly average of crude oil spot prices is 51.9 percent higher than last year and natural gas spot prices are 1.3 percent higher. Canadian rig activity was down 117 at 203 for the week of March 26, 2010 and is 99 (95.2%) higher than last year's rig count.

OPEC OUTPUT SLIPS

Output fell 30,000 barrels a day, or 0.1 percent, to an average 29.205 million barrels a day, according to the survey of oil companies, producers and analysts. Members with production quotas, all except Iraq, raised output by 55,000 barrels to 26.84 million barrels a day, the highest level since December 2008 and 1.995 million above their target. OPEC cut its quotas by 4.2 million barrels to 24.845 million barrels a day beginning in January 2009 as fuel demand tumbled during the worst recession since World War II. The group left the targets unchanged at a meeting March 17 in Vienna. "With oil near $82 it's going to be hard to get them to cut back by much," said Michael Lynch, president of Strategic Energy & Economic Research in Winchester, Massachusetts. Compliance among the 11 members with output quotas fell to 53 percent in March from 54 percent in February. All members exceeded their production limits. Last month's total for all members was the highest since December 2008. Crude oil has risen 11 percent since the beginning of February to $82.37 a barrel on the New York Mercantile Exchange. "OPEC gets nervous when prices look like they are heading to $85 a barrel," said Rick Mueller, director of oil markets at Energy Security Analysis Inc. in Wakefield, Massachusetts. "They won't hesitate to put more oil on the market if they believe prices will go much higher. We're seeing a gradual erosion in quota discipline." Iraqi output dropped 85,000 barrels a day to 2.365 million in March, the biggest decrease in OPEC. February production was revised 65,000 barrels a day higher. Nigeria's production rose 70,000 barrels to 2.01 million barrels a day, the largest increase in the group. Africa's biggest oil producer exceeded its target by 337,000 barrels a day.

US TO PERMIT EXPLORATION OFF VIRGINIA COAST

President Barack Obama is to announce on today a plan to permit exploration for oil and natural gas off the coast of Virginia as a way to create jobs and reduce U.S. dependence on foreign oil. Obama, who wants Congress to move a stalled climate change bill, has sought to reach out to Republicans by signaling he is open to allowing offshore drilling, providing coastlines are protected. Joined by Interior Secretary Ken Salazar, Obama is to detail an updated plan for offshore oil and natural gas drilling in remarks at a military base in nearby Maryland. For more than 20 years, drilling was banned in most offshore areas of the United States outside the Gulf of Mexico because of concerns that spills could harm the environment. The administration has been weighing the pros and cons of offshore drilling since it took office and put the brakes on a Bush-era proposal which called for drilling along the East Coast and off the coast of California. An administration official said, as part of the new plan, Interior will conduct the first new offshore oil and gas sale in the Atlantic Ocean in over two decades as part of a lease sale 50 miles off the coast of Virginia. Seismic exploration in the south Atlantic and mid-Atlantic Outer Continental Shelf of the United States will determine the quantity and location of potential oil and gas resources to support energy planning. The Bush plan had called for leases to be offered in November 2011, but it was not immediately clear whether the Obama administration would stick to that schedule. The proposed Virginia lease area, located about 50 miles from shore, may hold 130 million barrels of oil and 1.14 trillion cubic feet of natural gas, based on Interior Department estimates. In addition, the Interior Department will continue lease sales in the Central and Western Gulf of Mexico, which have proved to have sizable reserves. Much of the Eastern Gulf is currently under a congressional moratorium on oil and gas operations. The Interior Department's plan would open up about two-thirds of the available oil and gas resources in this region in the event that the moratorium is lifted, the official said. Proposed oil and gas leasing in Alaska's Bristol Bay will be canceled out of concern for protecting sensitive areas of the Outer Continental Shelf from environmental dangers. Four pending lease sales in the Chukchi and Beaufort Seas in North Alaska will be canceled and those areas reserved for future scientific research to determine if they are suitable for further leasing. At the same time, a previously scheduled lease sale in Alaska's Cook Inlet will proceed. The U.S. Geological Survey estimates the U.S. Atlantic coast waters may hold 37 trillion cubic feet of gas and nearly 4 billion barrels of oil, while the Pacific Coast has 10.5 billion barrels of oil and 18 trillion cubic feet of gas.

AOSC PRICES IPO

Athabasca Oil Sands Corp. said Tuesday it plans to raise $1.35 billion in its initial public offering of shares. The company said it will issue 75 million shares at a price of $18 per share in the offering co-led by Morgan

Stanley Canada and GMP Securities. It has also granted to the underwriters an over-allotment option for up to an additional 11.25 million shares at the offering price that would increase the value of the deal to $1.55 billion. Athabasca said it has received conditional approval for a listing on the Toronto Stock Exchange under the symbol ATH. The company has filed regulatory applications for approval of two pilot projects, and is seeking approval for the first 35,000 barrel-per-day commercial phase of MacKay River. Last year, PetroChina made its first significant foray into northern Alberta's oilsands through an investment in two projects owned by Athabasca. PetroChina acquired 60 per cent stake in the MacKay River and Dover oilsands projects for $1.9 billion.

PET CLOSES FINANCING

Paramount Energy Trust has announced the closing of its previously announced "bought deal" financing. At closing, 12,109,500 subscription receipts at $4.75 per Subscription Receipt for gross proceeds of $57,520,125 were issued, which amounts include the full exercise of the over-allotment option (the "Offering"). The Subscription Receipts are listed and posted for trading on the TSX under the symbols "PMT.R". The proceeds from the issuance of Subscription Receipts have been deposited in escrow and, subject to certain conditions noted below, will be used to fund a portion of the purchase price of the acquisition by PET of certain petroleum and natural gas properties and related assets located in west central Alberta. The Acquisition is expected to close on or about April 1, 2010. Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration, one trust unit of PET. If the closing of the Acquisition has not occurred on or before April 30, 2010, or PET delivers a notice to the Underwriters that the Acquisition has been terminated or that PET does not intend to proceed with the Acquisition, or PET announces to the public that it does not intend to proceed with the Acquisition, holders of Subscription Receipts will be entitled to have the full purchase price of the Subscription Receipts returned to them, and to receive their pro rata portion of the interest earned by the escrow agent on the subscription funds. The funds deposited in escrow will be applied towards payment of such amount. The Offering was underwritten by an underwriting syndicate led by BMO Capital Markets and included CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., Canaccord Financial Ltd., Cormark Securities Inc., FirstEnergy Capital Corp., Peters & Co. Limited, Raymond James Ltd. and Dundee Securities Corporation.

SECURE CLOSES IPO

Secure Energy Services Inc. has announced today that it has completed its initial public offering of 19,166,667 common shares at a price of $3.00 per common share for gross proceeds of $57,500,001. The offering was carried out by a syndicate of investment dealers led by FirstEnergy Capital Corp. and including Raymond James Ltd. and Peters & Co. Limited. The Corporation has granted to the Agents an option, exercisable, in whole or in part from time to time, for up to 30 days following closing, to offer for sale up to an additional 2,875,000 common shares at a price of $3.00 per common share to cover over allotments, if any, and for market stabilization purposes. The common shares of the Corporation will commence trading today on the Toronto Stock Exchange ("TSX") under the symbol "SES". The net proceeds of the offering will be used to fund the Corporation's 2010 capital expenditure program. Proceeds realized upon exercise of the over allotment option, if any, will also be utilized to fund the Corporation's 2010 capital expenditure program.

SONIC CLOSES PRIVATE PLACEMENT

Sonic Technology Solutions Inc. has announced the closing of its non-brokered private placement. Sonic issued 44,585,995 units at a price of $0.09 per unit for gross proceeds of approximately Cdn $4.01 million. Each unit is comprised of one common share and one warrant, with each warrant exercisable into one common share for a period of two (2) years after closing at an exercise price of $0.18 per share. Sonic will have the right to expedite the expiry of the warrants if the common shares trade above a weighted average of $0.36 for a period of 20 consecutive trading days. Sonic paid finders' fees in connection with this private placement totalling $178,214.40 in cash and issued a total of 1,980,160 warrants exercisable into one common share for a period of two (2) years after closing at an exercise price of $0.18 per share. The proceeds from the private placement will be used for general working capital requirements and to advance the commercialization of the PetroSonic heavy oil upgrading process, including the recently announced joint venture in Albania. The securities issued pursuant to this private placement will be subject to a four-month hold period, expiring July 31, 2010.

WRANGLER SELLS PROPERTY

Wrangler West Energy Corp. has announced the sale of certain non-operated natural gas assets in the Craigmyle, Michichi, Watts and Wildunn areas of Alberta for $3.6 million. The disposition of these mature producing assets is effective February 1, 2010 and the transaction closed on March 29, 2010. Wrangler West's production associated with these non-operated assets was approximately 140 boe/d.