NYMEX OIL: US$83.82
-$0.23
May delivery
NYMEX N. Gas: US$4.16
-$0.00 per MMBTU
May delivery

Oilfield NEWS

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TUESDAY PRICES

Benchmark crude for May delivery fell 23 cents to settle at $83.82 on the New York Mercantile Exchange. In other Nymex trading in May contracts, heating oil fell 6 cents to $2.20/gal and gasoline dropped 1 cent to $2.30/gal. Natural gas was even at $4.16 per 1,000 cubic feet. In London, Brent crude slipped 21 cents to $84.19 on the ICE exchange.

NORTH AMERICAN RIG COUNTS

The U.S. rotary rig count increased 11 to 1,465 for the week of April 9, 2010. It is 471 rigs (46.9%) higher than last year. The number of rotary rigs drilling for oil was up 3 at 505. There are 301 more rigs targeting oil than last year. Rigs currently drilling for oil represent 34.3% percent of all drilling activity. Rigs directed toward natural gas were up 10 at 959. The number of rigs currently drilling for gas is 169 greater than last year's level of 790. Year-over-year oil exploration in the US is up 147.5 percent. Gas exploration is up 21.4 percent. The weekly average of crude oil spot prices is 70.9 percent higher than last year and natural gas spot prices are 10.6 percent higher. Canadian rig activity was down 25 at 126 for the week of April 9, 2010 and is 43 higher than last year's rig count.

OPEC OUTPUT DIPS IN MARCH

OPEC crude oil production output averaged 29.3 million barrels per day (b/d) in March, down 10,000 b/d from February's estimated 29.31 million b/d, according to a just-released Platts survey of OPEC and oil industry officials and analysts. Excluding Iraq, which does not participate in OPEC output agreements, the 11 members bound by quotas pumped an average 26.85 million b/d, 100,000 b/d higher than the 26.75 million b/d estimated for February and some 2 million b/d more than their 24.845 million b/d output target. Output increases from Libya, Nigeria and the United Arab Emirates totalling 140,000 b/d were more than offset by 150,000 b/d of declines from Angola, Iran, Iraq, Kuwait and Venezuela. The biggest single increase came from Nigeria, which boosted volumes by 120,000 b/d. Iraq accounted for the biggest single decline as bad weather hit exports.

SINOPEC TO BUY CONOCOPHILLIPS STAKE IN SYNCRUDE

Sinopec International Exploration & Production Co. agreed to buy 9.03% interest from ConocoPhillips in the Syncrude oil sands joint venture in Alberta for $4.65 billion. The transaction, subject to approvals by Canadian and Chinese governments, is anticipated to close in the third quarter. "This is an important step in the $10 billion divestiture program which we announced last October," said Jim Mulva, ConocoPhillips chairman and chief executive officer. ConocoPhillips announced last October that it was looking to divest $10-billion in assets and company chairman Jim Mulva said the Syncrude sale represents "an important step" in reaching that goal. The company said sale of its stake in the Syncrude mining operation does not indicate that it is retreating from the oil sands. "We remain very committed to our position as one of the largest players in the Athabasca sands," said spokeswoman Nancy Turner. She noted Conoco and its partner, Total, recently approved an 83,000 barrel per day expansion of the Surmont project. Last December, Ottawa approved the $1.9-billion acquisition by state-owned PetroChina Co. of 60 per cent stake in Athabasca Oil Sands Corp.'s Mackay and Dover projects.

BLM SUSPENDS SOME OIL AND GAS LEASE SALES

The Bureau of Land Management has delayed all oil and gas lease sales in Montana, North Dakota and South Dakota while the agency studies their potential impact on climate change. The next sale had been scheduled for April 13 and included about 91,000 acres. Sales had also been planned for June and August. BLM's Montana office said it decided to delay those sales "in order to bring more certainty to industry and in light of expected litigation." The decision comes in the wake of a settlement BLM signed last month suspending 61 oil and gas leases on nearly 38,000 acres in Montana the agency sold in 2008 until it considers the greenhouse gas emissions from oil and gas production. "Since we agreed to conduct additional environmental reviews on the 2008 leases, it only makes sense to complete additional environmental reviews before we offer new acreage for leasing," BLM Montana State Director Gene Terland said in a statement. The lease sales will be postponed while the agency completes reviews under the National Environmental Policy Act. BLM said the extra reviews will allow it to provide assurances to industry so it can move forward with greater certainty in leasing parcels and developing oil and gas resources. Mary Apple, spokeswoman for the BLM Montana office, said the agency is hoping to complete the reviews by "early fall" and that the lease sales will not be rescheduled until they are finished. The agency has not yet determined how it will carry out the reviews, she added, but they may be based on geographic areas and likely will examine emissions and traffic among other issues. Two weeks ago, the Western Environmental Law Center filed a protest against the planned April 13 lease sale on behalf of three environmental groups -- the Montana Environmental Information Center, Earthworks' Oil and Gas Accountability Project and WildEarth Guardians. The groups noted that last month's settlement covered the 2008 leases but did not resolve climate change concerns with future lease sales.

DEVON ANNOUNCES SALE OF GULF OF MEXICO SHELF ASSETS

Devon Energy Corporation has announced that it has agreed to sell all of its Gulf of Mexico shelf assets to Apache Corporation for $1.05 billion, or approximately $840 million after tax. The agreement covers Devon's 158 blocks (including 51 producing blocks) located offshore Texas, Louisiana and Alabama. During 2009, Devon's production from the

Gulf of Mexico shelf was approximately 62 million cubic feet of natural gas and 9 thousand barrels of liquids per day. As of December 31, 2009, Devon's reported estimated proved reserves included 144 billion cubic feet of natural gas and 15 million barrels of liquids associated with the assets being purchased by Apache. "When we first announced our plans to reposition Devon, we expected total after-tax proceeds of between $4.5 and $7.5 billion," said Larry Nichols, Devon's chairman and chief executive officer. "This sale of the remaining Gulf of Mexico assets, combined with our previously announced divestitures of $8.3 billion, ensures that we will exceed the upper end of that range. Furthermore, we are pleased to have a single purchaser for the shelf assets with the financial strength and experience of Apache." Completion of the transaction is subject to preferential rights to purchase held by the other working interest owners in the properties as well as customary closing conditions and regulatory approvals. Devon plans to provide updates to guidance for 2010 production, expenses and capital expenditures as the transactions are closed. On November 16, 2009, Devon announced plans to divest its Gulf of Mexico and international assets to allow the company to focus on its world-class North American onshore assets. The divestiture proceeds will be allocated between the acceleration of development of Devon's North American onshore properties, debt reduction and share repurchases. Upon completion of the repositioning, Devon will emerge with even more liquidity and with one of the strongest balance sheets in its peer group. The company has now announced the sale of the majority of the divestiture assets. Data rooms for the remaining international assets are currently open. Devon expects the closings of all divestitures to be completed prior to year-end.

PANTERRA NOT PROCEEDING WITH PRIVATE PLACEMENT

PanTerra Resource Corp. has announced that it has elected not to proceed with the private placement previously announced on February 12, 2010. Alternative financing arrangements are being considered, but no definitive agreements have been entered into. The Corporation will continue to inform shareholders of its progress as developments occur.

NORDIC FORMS ALLIANCE WITH WESTERN PLAINS

Donald Benson, President & CEO of Nordic Oil and Gas Ltd. announced Tuesday that the Company has entered into a strategic alliance with Western Plains Petroleum Ltd., whereby Western Plains will acquire a 50% interest in Nordic's land holdings and heavy oil wells in Lloydminster, Alberta. In consideration of this agreement, Nordic will receive an aggregate of $2,500,000 from Western Plains, consisting of $2.1 million in cash and $400,000 of Class A Common Shares of Western Plain. Nordic will retain the other 50% interest in the Company's Lloydminster land holdings and heavy oil wells. It is anticipated that Western Plains will commence bringing on the five new wells that Nordic drilled at the end of 2009 as soon as possible, resulting in almost immediate production. In addition, Western Plains will also turn its attention to some of the maintenance issues facing Nordic's other nine wells, meaning that all 14 wells are expected to be on full production in short order. The completion of the transaction is subject to receipt of all required regulatory and securityholder approvals, including the approval of the TSX Venture Exchange.

TRIOIL COMPLETES ACQUISITION OF CANEXT

TriOil Resources Ltd and Canext Energy Ltd. have jointly announced that they have closed the previously announced plan of arrangement under the Business Corporations Act (Alberta) involving TriOil, Canext and the shareholders of Canext whereby TriOil acquired all of the issued and outstanding common shares of Canext for consideration comprised of an aggregate of 8,798,154 TriOil class A shares. Under the terms of the Arrangement, Canext shareholders received 0.1 of a TriOil share for each Canext Share. Shareholders of Canext who have not already done so should submit completed letters of transmittal and share certificates to the depositary under the Arrangement, Valiant Trust Company. TriOil shares will be issued to such shareholders following the receipt of such documents. Options to acquire Canext Shares were cancelled at closing for cash payments of the in-the-money-amount of such Options. Pending final approval from the TSXV, the Canext Shares will be delisted from the TSXV. It is expected that the Canext Shares will be delisted on or about April 16th, 2010.