NYMEX OIL: US$75.59
-$0.15
September delivery
NYMEX N. Gas: US$4.32
+$0.02 per MMBTU
September delivery

Oilfield NEWS

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SUNCOR SELLS NATURAL GAS ASSET

Suncor Energy announced Thursday it was selling off another natural gas asset. It said it would sell it's Wildcat Hills property, northwest of Calgary to Direct Energy, a subsidiary of British energy giant Centrica, for $375 million. The Wildcat Hills assets produce 80 million cubic feet per day of natural gas, and hold 240 billion cubic feet equivalent of natural gas reserves. The sale is expected to close before the end of the year. Suncor has been selling assets that don't fit with its oilsands focus, including all oil and gas facilities in the United States Rockies and gas properties in Western Canada.

OILSANDS QUEST CANCELS SALE OF OIL SHALE ASSETS

Oilsands Quest Inc. has announced the cancellation of the previously disclosed sale of its oil shale assets located near Pasquia Hills, Saskatchewan to Canshale Corp. The sale of these assets was conditional upon Canshale raising a minimum of CDN $12.5 million by July 30. As Canshale was unable to secure that financing, the transaction has been cancelled and the oil shale assets continue to be owned by Oilsands Quest Inc. OQI has recently had additional expressions of interest in the oil shale assets and will investigate these options to determine if a sale or joint venture of the oil shale assets is in the best interests of the company. This will allow continued focus of our financial and management resources on developing OQI's portfolio of oil sands projects.

NORDIC TO SELL LLOYDMINSTER PROPERTY

Donald Benson, Chairman and CEO of Nordic Oil and Gas Ltd has announced that Western Plains Petroleum Ltd has re-opened discussions with Nordic pursuant to Western Plains acquiring an interest in Nordic's land holdings and heavy oil wells in Lloydminster, Alberta. These new discussions centre around Western Plains acquiring a 66 and 2/3% interest in Nordic's Lloydminster property for a purchase price of $2,933,333.33, with an intended closing date of August 25, 2010. This represents an increase in both the size of the acquisition and the purchase price from the previous proposal originally announced on April 13, 2010, whereby Western Plains was to acquire a 50% participating interest in the Nordic property for an aggregate consideration of $2.2 million. "The Company continues to move forward with drilling plans for our new exploration well in the Endeavour/Preeceville region of east-central Saskatchewan," Mr. Benson stated. "The company has secured its surface lease and currently awaits approval from the Department of Environment prior to applying for its well licence. "This is the eighth year we have been exploring in the region and we are most optimistic due to the past indications of oil in our wells to the north and the seismic interpretations which were recently conducted." The completion of the transaction is subject to receipt of all required regulatory and securityholder approvals, including the approval of the TSX Venture Exchange.

HSE Q2 RESULTS

HSE Integrated Ltd. has announced its financial results for the three month and six month reporting periods ended June 30, 2010. Operating margins increased and losses decreased for both periods despite a decline in revenue in 2010 compared to the same periods in 2009. Total revenue for the second quarter decreased 6.2% from $19.6 million in 2009 to $18.4 million in 2010. Operating margin (revenue less operating expenses) of $1.5 million was 8.3% of revenues, up from $1.4 million or 7.3% of revenues in 2009. Selling, general and administrative expense ("SG&A") increased to $1.90 million from $1.87 million in the prior year. As a percentage of revenue, SG&A increased from 9.6% of revenue in fiscal 2009 to 10.4% in 2010. HSE reported a loss of $1.24 million or ($0.03) per share compared to a loss of $1.9 million or ($0.05) per share in the prior year. EBITDA was ($0.4) million or (2.1%) of revenue in 2010, improved 15.7% from ($0.5) million or (2.3%) of revenue in 2009. Total revenue for the six month period declined 6.5% from $42.0 million in 2009 to $39.3 million in 2010. Operating margin of $4.7 million was 12.0% of revenue compared to $3.4 million or 8.1% of revenue in the prior year. SG&A was $3.9 million for the period, a 5.3% decline from $4.1 million in the prior year. As a percentage of revenue SG&A remained constant at 9.8% of revenue in 2010 compared to 9.7% in 2009. The company reported a loss of $1.4 million or ($0.04) per share compared to a loss of $3.7 million or ($0.10) per share for the first six months of the 2009 fiscal year. EBITDA for the period was $0.8 million compared to a loss of $0.7 million a year ago. Included in SG&A expenses for 2010 are one-time charges of $0.45 million related to the Company's transition to the International Financial Reporting Standards ("IFRS") with which HSE will comply commencing in the 2011 fiscal year. Industrial health and safety revenues for the quarter declined 21.8% from $15.2 million in 2009 to $11.9 million in 2010. This reflects a highly competitive pricing environment for plant shutdown and turnaround services for oil and gas processing facilities in western Canada where the Company lost business to competitors based on price. HSE also worked at lower prices for some existing clients on ongoing projects. The decline also reflects the re-pricing of a contract on a large construction project that had encountered significant cost over-runs that were not the fault of HSE. HSE chose to maintain this business relationship because HSE's cashflow from future business will be greater than the financial impact of the re-pricing on HSE's Q2 financial results. Industrial accounted for 65.0% of HSE's business in Q2, down from 77.9% for the same period in 2009. For the first six months of the current fiscal year, Industrial health and safety revenue declined 12.9% from $27.4 million in 2009 to $23.9 million in 2010. Industrial accounted for 60.8% of

HSE's total revenue in the first half of fiscal 2010 compared to 65.3% a year ago. The bulk of this revenue decline took place in Q2 for the reasons stated above. Oilfield activity, however, increased for the first time since 2008. In Q2 health and safety services to Oilfield clients increased 48.8% from $4.3 million in 2009 to $6.4 million in 2010, comprising 35.0% of total revenue for the period compared to 22.1% last year. For the six month period, Oilfield revenues rose 5.7% from $14.6 million in 2009 to $15.4 million in 2010. As a percentage of total revenues, Oilfield increased from 34.7% in 2009 to 39.2% this year. The primary cause is an increase in oil drilling, particularly in the second quarter, and the rising demand for HSE's shower and fire protection services for oilwells stimulated with acid or hydrocarbons,

HIGH ARCTIC Q2 RESULTS

Arctic Energy Services Inc. has announced its results for the three and six months ended June 30, 2010. The Corporation generated $22.4 million in revenue from continuing operations during the quarter ended June 30, 2010; a decrease of $8.8 million (28%) from revenue of $31.2 million in the quarter ended June 30, 2009. Second quarter results in Canada were better than expected as activity levels benefited from the extension of first quarter completions work into the second quarter, an overall increase in year-over-year industry activity and the Corporation's first call status with two major Canadian customers. Revenue from the Canadian operations was $5.1 million during the second quarter of 2010 which was a 132% ($2.9 million) increase over the 2009 second quarter revenue of $2.2 million. Revenue from continuing international operations decreased by $11.7 million (40%) to $17.3 million for the quarter ended June 30, 2010 as compared to revenue of $29.0 million during the quarter ended June 30, 2009. The decrease in revenue is mainly attributable to the Corporation's hydraulic workover rig in Papua New Guinea not operating during 2010 and only one drilling rig operating at any one time during the second quarter of 2010 while in the second quarter of 2009 the Corporation was operating two drilling rigs throughout the quarter and its hydraulic workover rig for most of the quarter. In the second quarter of 2009, the revenue generated by Optimal Pressure Drilling Services (Optimal) accounted for $3.4 million of the $3.9 million of discontinued revenue reported in the period. The Corporation sold its investment in Optimal during September, 2009. The cost reduction initiatives taken in 2009 continue to help the control expenses and lessen the impact of revenue reductions on operating earnings. Operating earnings from continuing operations was $4.3 million for the quarter ended June 30, 2010 as compared to $2.4 million in the quarter ended June 30, 2009. Continuing operations had EBITDA of $6.2 million in the second quarter of 2010 compared to $4.9 million in the second quarter of 2009. The Corporation recorded net earnings of $3.2 million ($0.02 per share) in the second quarter of 2010, as compared to a net loss of $2.6 million ($0.06 per share) in the same period of 2009. The net earnings of $3.2 million for the quarter ended June 30, 2010 includes a $2.7 million net gain recognized on the restructuring transactions. The cash and cash equivalents balance decreased by $7.7 million to $19.9 million at June 30, 2010 as compared to $27.6 million at December 31, 2009, largely as a result of a $10 million payment made against the senior credit facility principal and outstanding fees. Excluding changes in working capital, cash provided by operating activities from continuing operations in the quarter ended June 30, 2010 was $0.4 million, compared to $0.7 million in the quarter ended June 30, 2009. Capital spending was $1.3 million for the second quarter of 2010 which was primarily for new revenue generating assets for the Papua New Guinea operations. Revenue from continuing operations decreased by $16.0 million (22%) to $57.0 million in the six months ended June 30, 2010, as compared to revenue of $73.0 million during the same period of 2009. Canadian revenue increased by $2.7 million (18%) to $17.8 million for the six months ended June 30, 2010 as compared to $15.1 million during the six months ended June 30, 2009. The increase in revenue in Canada is mainly the result of increased industry activity. In the first half of 2010, there was an average of 293 active drilling rigs as compared to an average of 213 active drilling rigs in the first half of 2009. Revenue from continuing international operations decreased by $18.7 million (32%) from $57.9 million during the first half of 2009 to $39.2 million during the first half of 2010. This reduction was the result of the hydraulic workover rig in Papua New Guinea being on a stacked rate and not active during the first half of 2010 and only one drilling rig operating in Papua New Guinea during the first half of 2010 as compared to two drilling rigs and the hydraulic workover rig operating in the first half of 2009. There was no revenue generated from discontinued operations in the first half of 2010 as compared to $8.7 million in revenue during the first half of 2009. The 51% interest in Optimal Pressure Drilling Services, which was sold in the third quarter of 2009, accounted for $7.4 million of the $8.7 million of revenue from discontinued operations reported in the period. The Corporation recorded net earnings of $7.0 million ($0.07 per share) in the six months ended June 30, 2010, compared to a net loss of $0.7 million ($0.01 per share) in 2009. The 2010 results benefited from a gain of $2.7 million as a result of the restructuring transactions and from the ongoing benefit of lower interest and financing costs. Continuing operations had EBITDA of $15.6 million in the six months ended June 30, 2010 compared to EBITDA of $14.9 million during the same period of 2009. Operating earnings from continuing operations were $11.7 million for the six months ending June 30, 2010; an increase of $1.9 million from operating earnings of $9.8 million for the same period of 2009. Cash provided by operating activities, excluding changes in working capital balances was $6.2 million for the six months ended June 30, 2010 compared to $7.2 million in 2009.

EQUAL INCREASES BUDGET

Equal Energy has announced that its Board of Directors has approved an increase in its 2010 capital budget to $50 million from the previous guidance of $40 million. The additional funds will be deployed primarily to accelerate drilling activity on Equal's key oil resource plays and are net of asset acquisitions and divestitures. The budget now consists of $40 million in drilling and tie-in capital, $17 million of land, seismic and maintenance capital, reduced by the amount of asset dispositions less asset acquisitions of $7 million. The drilling program will be focused on increasing our pace of development on the Cardium (up to 3 additional wells) and Viking (as many as 4 wells) plays in Alberta, and the Circus Viola play in Oklahoma (up to 2 further wells). In addition, there will be field development drilling in the Dina PPP pool (up to 4 wells) and Princess Pekisko pools (one or 2 wells) in Canada, as well as one well in the Hunton play in Oklahoma. This program is already underway and will result in three drilling rigs running simultaneously by early September and continuing for most of the remainder of the year. In total 16 wells (approximately net 14 wells) are currently planned to be drilled in the second half, compared to eight wells in the first half (5.7 net wells). Virtually all of the planned drilling is focused on oil development. Production guidance continues to be in the range of 9,200 to 9,700 boepd for the year average, but the year end exit rate is expected to be on the high end of this range as a result of our increased level of activity. Don Klapko, Equal's President and CEO commented, "We are excited to ramp up our efforts in the second half which is definitely focused on growth. The non-core asset disposition and subsequent equity raise in early July have given us the financial flexibility to get a jump start on our 2011 growth plans. With oil trading in the US$80/bbl range, this program will not only generate excellent returns, but will also contribute to a meaningful improvement in our operating margins."