NYMEX OIL: US$73.69
-$0.40
October delivery
NYMEX N. Gas: US$3.90
+$0.05 per MMBTU
September delivery

Oilfield NEWS

Esso

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TUESDAY PRICES

Benchmark crude for October delivery fell 40-cents to $73.69 a barrel on the New York Mercantile Exchange. In other Nymex trading in contracts, heating oil was down 1-cent at $2.06/gal while gasoline fell a penny to $1.92/gal. Natural gas gained 5-cents to $3.90 per 1,000 cubic feet. In London, Brent crude fell 16-cents to $76.51 a barrel on the ICE exchange.

NORTH AMERICAN RIG COUNT

The U.S. rotary rig count was down 3 to 1,653 for the week of September 3, 2010. It is 644 rigs (63.8%) higher than last year. The number of rotary rigs drilling for oil was down 7 at 665. There are 370 more rigs targeting oil than last year. Rigs currently drilling for oil represent 40.2% percent of all drilling activity. Rigs directed toward natural gas were up 4 at 977. The number of rigs currently drilling for gas is 276 greater than last year's level of 701. Year-over-year oil exploration in the US is up 125.4 percent. Gas exploration is up 39.4 percent. The weekly average of crude oil spot prices is 8.0 percent higher than last year and natural gas spot prices are 72.2 percent higher. Canadian rig activity was up 2 at 388 for the week of September 3, 2010 and is 204 (110.9%) higher than last year.

LEGACY BUYS BRONCO

Bronco Energy Ltd. has announced that it has entered into an arrangement agreement with Legacy Oil + Gas Inc.. Pursuant to the Arrangement, Legacy will acquire all of the issued and outstanding common shares of Bronco and the Bronco shareholders will receive 0.0182 of a Legacy common share for each Bronco common share held. Also pursuant to the Arrangement, Legacy will acquire all of the 6.0% Convertible Secured Subordinated Debentures of Bronco ("Debentures"). The holders of the Debentures will receive a cash payment of $1,100.00 per $1,000.00 principal amount of Debentures, which represents a 1% premium to face value plus interest that would have been payable to maturity. As closing of the Arrangement is expected to occur subsequent to the next scheduled interest payment on October 31, 2010, Bronco intends to exercise its option to make such payment in common shares, which will be eligible for exchange into Legacy shares in the same manner as currently outstanding Bronco common shares. Bronco's outstanding share purchase warrants will be cancelled for no consideration pursuant to the Arrangement. Bronco's assets include: - approximately 67,000 (61,763 net) acres of land in the Athabasca Oil Sands region; - approximately 700 boed of production from the Wabaskaw development and a facility currently capable of processing 3,000 Bbl/d of oil; which is scalable to 10,000 Bbl/d with minor modifications - a potential SAGD thermal project in the Grand Rapids formation; and - in excess of $190 million in tax pools, including approximately $122 million in non-capital losses. The near term capital requirements for these assets are not significant with approximately $1.75 million to be spent in the next 18 months, including the drilling of three vertical wells to maintain the acreage which contains the Grand Rapids formation. its acreage. Additionally, production has declined and will continue to decline due to the inability of Bronco to invest the funds necessary to maintain its current operations. As a result of the declining production and a recent widening in the differentials between heavy and light oil, Bronco is currently not generating sufficient cash flow to sustain its operations. This situation is expected to continue, and may deteriorate, which raises substantial doubt about Bronco's ability to continue as a going concern if this Arrangement is not completed. RBC Capital Markets has provided its opinions that, as at September 7, 2010, the consideration under the Arrangement is fair from a financial point of view to the Bronco shareholders and the Bronco debenture holders, respectively. The Board of Directors of Bronco has unanimously determined that the

Arrangement is fair to and in the best interests of Bronco, the Bronco shareholders and the Bronco debenture holders.

EMERALD BAY REVISES PRIVATE PLACEMENT

Emerald Bay Energy Inc. has reported that the Corporation is proposing a revised non-brokered private placement offering of up to maximum of 10,000,000 common shares of the Corporation. The Common Shares are to be issued under a unit offering whereby up to a maximum of 10,000,000 units at a subscription price of $0.05 per Unit for potential gross proceeds of $500,000. Each Unit shall consist of one (1) Common Share of the Corporation (to be issued either as a Common Share or as a "flow-through share" pursuant to the Income Tax Act (Canada) at the subscribers option) and one (1) non-transferable share purchase warrant (the "Warrant") (each full Warrant shall entitle the holder thereof to purchase one (1) additional common share of the Corporation for a period of 12 months from the issuance of the Units at a price of $0.12). The proceeds will be used for drilling wells, seismic activities and increasing working capital.

PETROLIFERA INITIATES REVIEW OF STRATEGIC ALTERNATIVES

Petrolifera Petroleum Limited has announced that its Board of Directors has initiated a process to review Petrolifera's business plan and to identify, examine and consider a range of strategic alternatives available to the company for enhancing shareholder value. Among other things, this may include exploring potential asset divestments and joint ventures, a corporate sale or business combination, evaluation of financing and recapitalization opportunities or other alternatives to increase shareholder value. The Board of Directors determined that it was an appropriate time to assess strategic options following a thorough review of current operations, the exploration opportunities, contractual obligations and capital requirements to exploit the Company's lands in Argentina, Colombia and Peru and an evaluation of the Company's current financial position. The process of reviewing strategic alternatives will be overseen by a Special Committee of three independent directors: K. Andrew Gustajtis, Gordon H. Johnston and Christopher J. Smith. Mr. Smith, who is also Chairman of the Audit Committee of the Petrolifera Board, will serve as Chair of the Special Committee. The Special Committee has a mandate to solicit, review and consider strategic alternatives and to consider and recommend to the Board of Directors whether any proposed transaction is in the best interests of the Company and its security holders. In connection with its mandate, the Special Committee is in the process of retaining RBC Capital Markets for the purpose of assisting the Special Committee in the performance of its mandate. No decision on any particular alternative has been reached at this time and there can be no assurance that the process will result in a transaction or, if a transaction is entered into, as to its terms or timing. Petrolifera does not intend to make any further announcements regarding the process unless and until its Board of Directors has approved a specific transaction or other course of action or otherwise deems disclosure of developments is appropriate.

KALLISTO CROSSFIELD ACQUISITIONS AND UPDATE

Kallisto Energy Corp. has announced two property transactions at its Crossfield, Alberta Viking oil project: 1. The Company exercised on an option by acquiring a 50% interest in three and one-half sections of Viking P&NG rights at Crossfield. The land was originally acquired by one of the Company's joint venture partners at a recent Alberta land sale; 2. The Company entered into a purchase and sale agreement to acquire various P&NG rights, including four net sections of Viking rights. Closing of the transaction is expected to occur on or about October 20, 2010 following the completion of due diligence. Included n the acquisition are four Elkton gas wells with estimated net reserves of 124 Mboe. Certain of the lands (approximately 1.4 sections) are subject to rights of first refusal held by existing working interest owners. Upon closing of the second transaction, Kallisto's land position at Crossfield will be approximately 30 net sections that is prospective for Viking oil development. The Company also owns more than 98 net sections of P&NG rights at Crossfield in zones other than the Viking. The Company also announces that its first Crossfield, Alberta well has been drilled, cased and prepared for completion. The well is a horizontal well targeting the Viking formation and is expected to be completed with up to 11 multi-stage fracture stimulations. Completion operations are expected to commence within the next two weeks. The horizontal well is offsetting a vertical well which was completed in the Viking zone and produced approximately 13,700 barrels of light sweet oil with very low gas and water production. Kallisto has a 50% interest in the well, the first of its planned 5 well Crossfield Viking drilling program in which the Company will participate during 2010.

SUMITOMO TO BUY INTO U.S SHALE GAS ASSETS

Sumitomo Corporation has announced that it has signed a participation agreement with Rex Energy Corporatio to participate in the development and production of REX's Marcellus Shale Gas drilling project in the state of Pennsylvania through our consolidated subsidiary in USA, Summit Discovery Resources II, LLC. SC's total net acreage is 22,000 acres and the total cost for development is estimated at $1.200 billion. In this project, Sumitomo will acquire non-operated interests in the projected leases, interests in existing wells and in midstream assets which REX has on the closing date. In addition, SC and REX have agreed to form an area of mutual interest (an AMI) in Butler County, in which REX will act as leasing agent. Pursuant to the agreement, Sumitomo has agreed to pay all of the costs to lease additional net acres. This project will allow Sumitomo to participate in several strategic areas within the Marcellus Shale. In conclusion, Sumitomo will acquire the assets required for having about 30% of the working interests of the Project by paying approximately USD88 million upon closing and an additional $106 million between the closing date and the end of December 2011. The Project will drill more than 1,100 wells for coming 10 years. Sumitomo will bear the costs and expenses of drilling and completion of the wells attributable to Sumitomo's working interests, which are estimated to come to approximately USD1,200 million.

RELIANCE ON OPEC NATIONS EXPECTED TO RISE

Global dependency on the Organization of Petroleum Exporting Countries for crude oil will rise in the next five to 10 years as output by non-OPEC nations falls, the head of the International Energy Agency (IEA) said Friday. "We have seen an increase in non-OPEC supplies. But in the mid-term, non-OPEC production will decline," Nobuo Tanaka, the agency's executive director, told reporters on the sidelines of a conference in New Delhi. "So dependency on OPEC oil will increase," he said. The agency's forecasts are generally regarded as bellwether indicators for the energy industry. OPEC's 12 members, which include Saudi Arabia, the United Arab Emirates and Kuwait, pump about 40 percent of the world's crude oil. Last month, the IEA forecast world oil demand will grow by 1.8 million barrels a day year-on-year to 86.6 million barrels a day in 2010. Much of the extra oil demand in 2010 is set to be soaked up by non-OPEC supply, which is expected to rise due to higher-than-expected output in Russia, the United States, and China. Tanaka said the global oil market is currently well supplied. "Stock levels in OECD countries is still high," he said. "The OPEC has a very good spare capacity at this moment." He said it was difficult to project what action is the OPEC going to take during its October 14th meeting in Vienna. It is anticipated that there will be no change to OPEC production quotas in the October meeting.