

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



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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

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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

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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

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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 in 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 Corporation 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.