NYMEX OIL: US$91.31
+$01.47
February delivery
NYMEX N. Gas: US$4.40
-$0.06 per MMBTU
January delivery

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CONNACHER TO SELL BATTRUM PROPERTIES

Connacher Oil and Gas Limited has announced that it has executed a definitive Purchase and Sale Agreement with Hyak Energy ULC, an affiliate of Accelerated Oil Technologies LLC, a private company, whereby Connacher will sell its Battrum properties in southwest Saskatchewan to the Purchaser for an aggregate purchase price of $57.5 million, subject to normal closing adjustments and conditions. The transaction has an effective date of January 1, 2011 and it is anticipated it will close on or about February 15, 2011. At an approximate current production level from Battrum of 700 bbl/d of medium gravity crude oil, the transaction metrics were approximately $82,000 per flowing barrel of production and based on a mid-year 2010 evaluation completed by GLJ Petroleum Consultants Ltd. for Connacher, before adjustments for production since July 1, 2010, the consideration paid per proved and probable ("2P") barrel of reserves was approximately $25.00 per barrel. Proceeds will be added to Connacher's cash balances to reduce net debt. Sayer Energy Advisors of Calgary, Alberta was Connacher's sole advisor in the sales process. RBC Capital Markets acted as financial advisor to Accelerated Oil Technologies LLC.

AOS CLOSES PRIVATE PLACEMENT

Alberta Oilsands Inc has announced that it has closed its previously announced non-brokered private placement financing, originally announced on December 22, 2010. Pursuant to the Offering, the Company raised $300,800 by issuing 470,000 common shares issued on a "flow through basis" priced at $0.64 per Flow-Through Share to a Calgary, Alberta based institutional investor. The gross proceeds of the Offering will be used to incur eligible Canadian exploration expenses, as defined under the *Income TaxAct* (Canada), and will be renounced to the subscribers effective on or before December 31, 2010.

LULA - CERNAMBI FIELDS HOLD 6.5 BLN BOE

Brazilian state oil company Petrobras said on Wednesday its reserves will rise by 8.3 billion boe after two massive oil fields in the deep-water offshore region known as the subsalt were declared commercially viable. Tupi, which was renamed the Lula field, holds 6.5 billion barrels of oil equivalent, while Iracema, now called Cernambi field, has 1.8 billion boe in recoverable reserves. They are now being incorporated into Petrobras' proven reserves, which were reported at 14.865 billion boe at the end of 2009, under the criteria of the Society of Petroleum Engineers. "The Lula field will be the first supergiant oil field in Brazil (with recoverable volumes above 5 billion boe), while the Cernambi field is among the top five giant fields in Brazil," Petrobras said in a statement. Both fields are located in the BMS-11 block, in the Santos basin, operated by Petrobras, which holds 65 percent of the consortium. BG Group and Portugal's Galp are partners with 25 percent and 10 percent, respectively. The total figure topped Petrobras' previous estimates for the recoverable reserves in the Tupi area, of between 5 billion and 8 billion boe. The first well in the region was drilled in October 2006. "It came above expectations as (Petrobras was) talking about a volume of up to 8 billion (boe)," Monica Araujo, an analyst at Ativa brokerage, said, adding however that she expects a small volume to be added to Petrobras' reserves in 2010. Petrobras will report by Jan. 15 its total reserves in 2010. Other fields that were declared commercially viable during the year, smaller than Lula and Cernambi, are expected to be included. The company said the final report on the evaluation plan and the Development Plan for the Lula and Cernambi fields were also submitted to Brazil's oil regulator ANP together with the declaration of commerciality.

TRANSOCEAN TRIES TO STOP ANOTHER HORIZON PROBE

A federal panel that investigated the fatal 2005 Texas refinery blast that resulted in a $50 million fine for BP Plc hasn't got the authority to probe the company's April deep-water drilling disaster, according to rig owner Transocean Ltd. Under federal law, floating rigs are exempt from oversight by the U.S. Chemical Safety and Hazard Investigation Board, Rachel G. Clingman, an attorney for Transocean says. Transocean owned the Deepwater Horizon that burned and sank after BP's Macondo well erupted April 20, triggering the worst U.S. offshore oil spill. The chemical board's power to investigate accidents aboard permanently moored offshore installations such as oil-production platforms doesn't extend to rigs, which move from site to site, Clingman, from Sutherland Asbill & Brennan LLP in Houston, said in the letter. While Transocean plans to continue answering questions and providing documents to the chemical board on a voluntary basis, the company won't respond to subpoenas from the agency, she said. "Transocean always has sought cooperation over confrontation in responding to reasonable government inquiries," Clingman wrote to Donald Holmstrom, a chemical board investigator, in the letter dated yesterday. "Please also advise if CSB would like to accept Transocean's many offers to meet and confer." The chemical board is one of several federal agencies and Congressional panels looking into what went wrong when a plume of gas and crude from BP's well off the Louisiana coast engulfed Transocean's rig, killing 11 workers, injuring 17 and bringing offshore energy exploration in U.S. waters to a standstill. In the letter, Vernier, Switzerland-based Transocean also asked the chemical panel to turn over correspondence with U.S. Representatives Henry Waxman and Bart Stupak regarding the rig catastrophe, along with internal board procedures for conducting investigations and interviews. Waxman and Stupak, Democrats from California and Michigan, respectively, helped lead Congressional probes of the disaster. Daniel Horowitz, a spokesman for the Washington-based chemical board, said the agency has jurisdiction to investigate the incident. "The source of the flammable gas was the fixed well installation on the seabed, and the Deepwater Horizon itself was also functioning as a fixed facility during the drilling operation," he said in e-mailed comments. The board also has broad authority to conduct studies of actual or potential safety issues under its statute. Most companies are cooperating with the board in its investigation, which is non regulatory and is aimed at preventing future accidents, he said. "We are therefore disappointed with Transocean's statements and have asked the Justice Department to enforce the CSB's subpoenas so the investigation can move forward without interference," Horowitz said. Last week, the chemical panel criticized a joint U.S. Coast Guard-Interior Department board for allowing employees of Transocean and Cameron International Corp., maker of the blowout preventer installed on the well, to participate in inspections of the device. The preventer, a 50-foot (15-meter) stack of valves, failed to halt the surge of gas and oil when workers attempted to activate it from the bridge of the burning rig. The chemical board said the involvement of Transocean and Cameron employees created a conflict of interest that "diminishes the credibility of the entire process and jeopardizes the public's trust in the examination results," Rafael Moure-Eraso, chairman of the Chemical Safety Board, said in a Dec. 23 letter to Michael Bromwich, who oversees the Interior Department's Bureau of Ocean Energy Management, Regulation and Enforcement. In 2005, an explosion occurred at BP's Texas City, Texas, refinery when an octane-boosting unit overflowed as it was being restarted. The blast killed 15, injured thousands and was powerful enough to shatter windows five miles away. The Chemical Safety Board found numerous safety lapses that created "a catastrophe waiting to happen," according to John Bresland, the board's chairman.