NYMEX OIL: US$112.82
+$2.52
May delivery
NYMEX N. Gas: US$4.03
-$0.02 per MMBTU
May delivery

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FISCAL OPPORTUNITIES AND CHALLENGES OVER FIVE YEARS

Outwardly, the financial health of the Canadian oil and gas industry looks positive over the next five years, says Peter Tertzakian, Chief Energy Economist of ARC Financial Corp. (ARC) and best-selling author of *A Thousand Barrels a Second* and *The End of Energy Obesity*. "But aches, pains and vulnerabilities are still to be found beneath the collective veneer of multi-billion dollar financial statements - on the natural gas side of the industry, for example," Tertzakian said. "And the potential for economic trauma always looms large in this acutely capital-intense, competitive business." ARC's research focused on analysis of the major trends and changes in capital flow in Canada's largest industry over the past five years, with implications projected to 2015. After 150 years of growth, the scale of what's going on in the Canadian oil and gas industry is impressive by any world standard. From British Columbia to Newfoundland, the upstream oil and gas industry will generate an estimated $115 billion in annual revenue, $20 billion in royalties, land sales and taxes, and $50 billion of investment into infrastructure and jobs in 2011. ARC's detailed analysis and findings are published in a new report titled, *Turmoil and Renewal: The Fiscal Pulse of the Canadian Upstream Oil and Gas Industry - A Five-Year Review and Outlook*. "All Canadians are stakeholders in the future of this business," said Tertzakian, "And whether you are a corporate leader, policy maker, investor or interested citizen, it is important to develop a broad understanding of the forces affecting Canada's oil and gas industry." Some of the many findings of the report include: - Oil and gas companies are expected to generate more than $600 billion in sales over the next five years. The multiplicative effect of these dollars circulating in Canada's economy means the stakes for ensuring a healthy oil and gas industry are high for all Canadians. - For the benefit of all stakeholders, maintaining financial health amid the many challenges will require industry and government to work doubly hard on key issues that cannot be addressed by each independently. Important matters include accessing skilled labour, preserving the environment and reaching out to new global markets for both oil and natural gas. - The industry's revenue stream is becoming "oilier and oilier," on a path to be 80 per cent reliant on oil by 2015. Only five years ago the oil/gas percentage mix was a more balanced 55/45. - Embracing new technologies, processes and strategies will be paramount for companies seeking insulation from rising costs, environmental pressures and competitive threats. - Canada's oil and gas industry continues to grow. Profits are likely to increase but not always profitability. How well the industry copes with many internal and external challenges to profitability, including volatile commodity prices, will determine whether value will be created and whether an expected $55 billion a year will continue to be invested back into Canada over the course of the decade. The work was commissioned in part by the Canadian Association of Petroleum Producers (CAPP). "The report provides a broad context for CAPP's ongoing focus on education, communication and 3E policy advocacy - economic growth, energy security and environmental protection. It recognises industry will continue to generate significant revenue and jobs, and highlights the ongoing importance of the industry's contribution to the Canadian economy," said CAPP President Dave Collyer. The report assesses the diversity of businesses - including conventional oil, oil sands, and natural gas - that comprise the overall upstream oil and gas sector. At any given time, some segments of the industry may be more robust and while others may be facing challenges. "Though the ARC projections suggest a generally positive outlook for the Canadian oil and gas industry, continued success is not assured throughout the forecast period or beyond," said Collyer. "A strong focus on technology and innovation, a competitive fiscal and regulatory regime, diversification of markets and continuous improvement in environmental and social performance are among the key success factors for our industry. Continued growth in the oil and gas sector benefits all Canadians." Read the report at: www.arcfinancial.com or www.capp.ca/library/reports.

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CLEAN HARBORS TO AQUIRE PEAK ENERGY SERVICES

Peak Energy Services Ltd. has announced that it has signed a definitive acquisition agreement with Clean Harbors, Inc., pursuant to which Clean Harbors has agreed to acquire all of the issued and outstanding common shares of Peak , excluding Peak Shares already held by Clean Harbors, for cash consideration of $0.95 per share. The purchase price represents a 28% premium over the closing price of the Peak Shares on the Toronto Stock Exchange for April 5, 2011 and a 34% premium over the weighted average trading price of the Peak Shares on the TSX for the 20 trading days ending April 5, 2011. The total transaction value, excluding transaction costs, is approximately $200.5 million, including the assumption of net debt estimated to be approximately $35.0 million at March 31, 2011. The Peak shareholders' meeting to approve the Arrangement is expected to be held on May 25, 2011, and the closing of the Arrangement is anticipated to be completed on June 10, 2011, but no later than the outside date of June 30, 2011. An information circular in respect of the meeting is expected to be mailed to Peak shareholders in late April 2011. Each of the directors and officers of Peak and Deans Knight Capital Management Ltd., collectively holding approximately 53.6% of the issued and outstanding Peak Shares, have entered into agreements with Clean Harbors pursuant to which such holders have agreed to vote such Peak Shares in favour of the Arrangement at the Peak shareholders' meeting

BANKERS OUTPUT JUMPS IN Q1

Bankers Petroleum Ltd's first-quarter production from the Patos-Marinza oilfield in Albania rose 44 percent. The Calgary-based oil and gas company reported 11,894 barrels of oil per day (bopd) from the oilfield in the quarter, compared with 8,282 bopd last year. The company also said total average production in the period was 12,147 bopd. Bankers Petroleum has a deal with state-owned Albpetrol Sh.A since June 2004 to takeover and re-activate 120-130 wells every year in Albania. The company also said the current production rate exceeds 13,500 bopd. Sixteen (16) horizontal wells have been drilled during the first quarter. Thirteen (13) of these wells have been completed and are on production, two (2) drilled late in March will be placed on production this month, and one (1) drilled early in the quarter has water encroachment concerns that are being mitigated with continuing water control activities. Production rates from the last thirteen (13) horizontal wells drilled is averaging 175 bopd per well with strong initial production from the Driza (D1) sands averaging in excess of 200 bopd per well. Average production for all horizontal wells is 130 bopd per well at the end of the first quarter. The fourth drilling rig is expected to arrive in Albania later this month and scheduled to commence drilling in May 2011. With strong oil prices, the Company is also sourcing a fifth drilling rig and expects to have one available in the fourth quarter of 2011. The additional rig capacity will support the Company's strategic drilling objectives of wells targeted for production growth and other wells planned for reserves expansion, the thermal pilot and for exploration and water disposal drilling.