

WTI OIL: US\$110.92
-\$2.60
June delivery
NYMEX: N Gas: US\$4.68
-\$0.02 per MMBTU
May delivery




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NORTH AMERICAN RIG COUNT

The U.S. rotary rig count was up 18 at 1,818 for the week of April 29, 2010. It is 335 rigs (22.5%) higher than last year. The number of rotary rigs drilling for oil increased 13 to 926. There are 413 more rigs targeting oil than last year. Rigs drilling for oil represent 50.9% percent of all drilling activity. This is the second week since 1995 that the number of rigs targeting oil exceeded 50%. Rigs directed toward natural gas were up 4 at 882. The number of rigs currently drilling for gas is 76 less than last year's level of 958. Year-over-year oil exploration in the U.S. is up 80.5 percent. Gas exploration is down 7.9 percent. The weekly average of crude oil spot prices is 34.1 percent higher than last year and natural gas spot prices are 6.5 percent higher. Canadian rig activity was down 10 at 133 for the week of April 29, 2011 due to the spring thaw and is 25 (23.1%) higher than last year's rig count.

SUNCOR Q1 RESULTS

Suncor Energy Inc, Canada's biggest oil and gas company, said on Tuesday its quarterly operating profit rose four-fold, surging past expectations on strong oil prices and higher production, but its shares fell, puzzling analysts. Suncor, Canada's dominant oil sands producer, said operating income, which excludes unusual items, rose to C\$1.48 billion, or 94 Canadian cents a share, in the first quarter. That was up from C\$370 million, or 24 Canadian cents, in the year-before quarter and well ahead of the average analyst forecast of 77 Canadian cents. The rise came on higher oil sands production and much better returns from the company's refineries in Canada and the United States. Despite the solid results, Suncor's Toronto Stock Exchange-listed shares were down C\$1.88, or 4.3 percent, at C\$42.13 at midday on Tuesday. Phil Skolnick, an analyst at Canaccord Genuity said the start of a six-week maintenance turnaround at one of its upgraders at Suncor's oil sands operations near Fort McMurray in northern Alberta could be behind the share-price drop. The shutdown of the facility will cut output by about 215,000 barrels a day. "Overall it was a pretty solid operational performance in the first quarter," said Chris Felton, an analyst at Macquarie Capital Markets. "Maybe what the market is looking at is the uncertainty in terms of how long Libya is going to be offline ... and is Syria potentially next." Suncor hasn't written down the value of its Libyan assets, which produced nearly 35,000 bpd in the fourth quarter and are worth about C\$900 million, but it said it may have to take the step. "If the situation in Libya persists or were to worsen, certainly there is a potential that the assets will become impaired," Suncor, which has



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suspended exploration and production activities in Libya indefinitely, said it had taken all reasonable steps to ensure the

safety of its people and preserve the value of its assets and operations. Bart Demosky, the company's chief financial

officer, said on a conference call. Suncor said net earnings including unusual items rose 32 percent to C\$1.03 billion, or 65



K+S Potash Canada GP (K+S) is one of the world's leading suppliers and producers of speciality fertilizers. K+S offers a comprehensive range of goods and services for agriculture and industry and provides growth opportunities worldwide. K+S employs more than 15,000 people and since acquiring Potash One is in the initial stages of building a new potash solution mine in Saskatchewan which is expected to commence operations in 2015.

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Beaufort Sea initially planned for 2011. Shell's Beaufort Sea leases expire in 2015. The Beaufort Sea and Chukchi Sea are among "the most unique places of the planet" and oil exploration might pose a threat to polar bears and walrus, the Natural Resources Defense Council said.

ANADARKO MAY SETTLE SOME MACONDO SPILL CLAIMS

Anadarko Petroleum Corp, part owner of BP Plc's blown out Gulf of Mexico well, said on Tuesday it may settle some oil spill claims even though the oil and gas company maintains it holds no liability for the accident. "We feel very strongly about our position, but we're prepared to come to the table under the right circumstances," Jim Hackett, Anadarko's chief executive officer, told analysts on a conference call. Anadarko owns 25 percent of the Macondo well that ruptured last year and caused the world's worst marine oil spill. BP is the well's operator. Anadarko also told analysts it recently sold 10 percent of its interest in offshore blocks in Liberia and and Sierra Leone to Japan's Mitsui. Shares of Anadarko, which reported better-than-expected first-quarter results on Monday, were unchanged at \$80.35 in midday trading on the New York Stock Exchange.

SAUDI LIFTS APRIL OIL OUTPUT

Saudi Arabia's crude oil output edged back up in April to around 8.5 million barrels per day (bpd) from roughly 8.3



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million bpd in March as demand picked up . The kingdom slashed output by 800,000 bpd in March, due to oversupply. Saudi crude exports were also higher in April from February and March.

LIBYA REBELS LIMIT OIL EXPORT

The Libyan rebels controlling the east of the country said Tuesday they had no plans to resume significant oil exports as their current priority was to ensure oil installations were made secure. "I'm

waiting for an assessment on all of the oil installations (in rebel-held territory)," said Ali Tarhoni, who holds the economy and oil portfolio in the rebel administration. "The top priority is to protect the installations, not to produce," he told reporters in the rebel capital Benghazi. A small number of export shipments have been made from rebel-held territory, delivered to market through Qatar Petroleum in an exemption to the sanctions.

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Canadian cents a share, from C\$779 million, or 50 Canadian cents. Natural gas prices NGC1 averaged \$4.19 per million British thermal units (mmBtu) in the January-March period, down 19 percent from last year. U.S. crude oil prices CLC1, meanwhile, soared by about a fifth to average \$94.60 a barrel. Cash flow, a glimpse into the company's ability to fund development, more than doubled to C\$2.39 billion, or C\$1.52 a share. Overall upstream production rose 6.5 percent to 601,300 barrels of oil equivalent a day. Crude oil production, as a percentage of total production, increased to 87 percent from 77 percent. Oil sands production was 322,100 barrel per day, a 59 percent increase from the first quarter of 2010. Suncor, which is expanding its oil sands production and processing operations as part of a joint venture with France's Total SA, said it had seen higher oil sands production volumes, higher margins for refined products in downstream refining operations and higher realized prices in upstream operations.

AKITA DRILLING Q1 RESULTS

AKITA Drilling Ltd.'s net earnings for the three months ended March 31, 2011 were \$7,952,000 on revenue of \$57,444,000 compared to \$720,000 on revenue of \$43,965,000 for the corresponding period in 2010. Funds flow from operations for the quarter ended March 31, 2011 was \$13,712,000 compared to \$7,644,000 in the corresponding quarter in 2010. Marketing conditions continued to develop in a positive manner, and the recovery in drilling activity that began in 2010 continued into the first quarter this year. In addition to increased activity levels, day rates improved compared to last year. With the improved market conditions, prospects for most categories of rigs are now strong or improving; with the sole exception of deep rigs in excess of 5,000 metre capacity. Demand for this class of rigs is more closely tied to natural gas prices, which remained weak throughout the quarter. Management is optimistic, however, that the Company's deepest capacity rigs will begin to see more activity as the year progresses.

SHELL SEEKS APPROVAL TO DRILL OFF ALASKA

Royal Dutch Shell which has been blocked from developing leases it holds off Alaska's Arctic coast, this week will ask the U.S. to approve drilling as many as 10 oil exploration wells by the end of 2013. The Hague-based company will submit an Alaska Plan of Exploration for 2012 through 2013 to the Bureau of Ocean Energy Management, Regulation and Enforcement, Kelly op de Weegh, a spokeswoman for Shell, said today in an e-mail. "After five years of not being permitted to drill in its 10-year lease blocks, we are now forced to plan on increased activity each year," she said. Shell plans for as many as two wells a year in Camden Bay in the Beaufort Sea, and as many as three per year in the Chukchi Sea, she said. A delay in issuing an air permit last year forced the company to postpone exploratory drilling in the