

NYMEX OIL: US\$97.77
-\$1.16
January delivery
NYMEX N. Gas: US\$3.315
-\$0.095 per MMBTU
December delivery



oilfieldnews.ca

NEWS



Published By **NEWS COMMUNICATIONS** since 1977

Weekender

Saturday November 19, 2011

OPTI CANADA GETS APPROVALS FOR ACQUISITION BY CNOOC

OPTI Canada Inc. has announced that the Minister of Industry, under the *Investment Canada Act*, has approved the proposed acquisition of OPTI by indirect wholly-owned subsidiaries of CNOOC Limited upon determination that the transaction is likely to be of net benefit to Canada. Completion of the Acquisition remains conditional on satisfaction of other customary conditions. Subject to the satisfaction or waiver of all conditions precedent, it is anticipated that the Acquisition will be completed prior to December 1, 2011. The total value of the Transaction is approximately US\$2.1 billion, which includes net consideration of US\$1,179 million payable to holders of OPTI's Second Lien Notes, US\$37.5 million payable to backstop parties, US\$34 million payable to shareholders and the assumption of US\$825 million First Lien Notes. CNOOC Limited is China's largest producer of offshore crude oil and natural gas and one of the largest independent oil and gas exploration and production companies in the world. Pursuant to the terms of the Arrangement Agreement, CNOOC Limited, through its subsidiaries, will: acquire OPTI's US\$1 billion 8.25 percent Senior Secured Notes due 2014 and US\$750 million 7.875 percent Senior Secured Notes due 2014 (collectively, the "Second Lien Notes") for a net cash payment of US\$1,179 million; acquire all existing issued and outstanding common shares of OPTI for a cash payment of US\$34 million equal to US\$0.12 per common share; and assume, in accordance with the notes' indentures, the Company's US\$300 million 9.75 percent First Lien Notes due 2013 and its US\$525 million 9.00 percent First Lien Notes due 2012.

CANADA PIPELINE FIRMS SPRINT TO END U.S. OIL GLUT

Enbridge Inc and TransCanada Corp have raced forward with new pipeline plans in the fierce battle to unclog a year-long U.S. oil bottleneck, which could quickly end an unprecedented distortion in crude markets. After purchasing ConocoPhillips' stake in the 350,000 barrel-per-day Seaway pipeline for \$1.15 billion, Enbridge and Enterprise Products Partners said they plan to reverse the line's flow to send crude locked up at the Cushing, Oklahoma, oil hub to the Texas coast. They will not pursue a similar project called Wrangler mooted in September. Separately, rival TransCanada said it may begin construction of a southern leg of its proposed Keystone XL line, pending consultations with the U.S. State Department which last week postponed approval of the full-length Canada-to-Texas line to study a new route. The companies are racing to unlock a glut of crude in the U.S. Midwest, which has built up over the year due to rising supplies from Canada and North Dakota. They aim to ship it to the Gulf Coast where it will fetch a hefty premium. It

may end a period of dramatic upheaval in the U.S. oil market that handed Midwest refiners an unexpected windfall of cheap feedstock, robbed northern producers of richer profits, revived an era of rail-oil freight, roiled airline efforts to hedge fuel costs and threatened to erode the U.S. futures contract's preeminence as the world's most-traded benchmark. The news sent U.S. crude oil prices surging to their highest since June as traders bet the new line would help end a record gap between domestic and global prices, restoring some order to a key spread that has baffled traders all year. U.S. crude shot more than \$3 higher while Brent fell 30 cents, narrowing the Brent/WTI spread to just over \$9 a barrel, its smallest gap since April. Trading volume was the highest since the start of the Libyan civil war in February. The spread, rarely more than a few dollars in past years, surged this year due to ballooning inventories around the Cushing, Oklahoma, delivery point for the U.S. oil contract and hit a record \$28 a barrel in October. The easing of the disconnect between U.S. crude, or West Texas Intermediate, and other markets could draw some traders back to the contract after they had been sidelined. "For me, WTI hasn't been relevant for some time -- it was not fundamentally driven, so I wasn't looking at it. But now that it's fundamentally-driven again, I'll track it again," said Claude Lixi, portfolio manager at Galena Asset Management, an unit of major global oil trader Trafigura. The reversed Seaway line could be in service at an initial capacity of 150,000 bpd by the second quarter of 2012, Enbridge said. Station additions and modifications needed to ramp up flow rates to 400,000 bpd will be completed by early 2013. "Seaway's full reversal has a net impact of around 400,000 bpd, which is a significant chunk but is still not the level needed to fully unlock the logistics bottlenecks (in the Midwest)," said Daniel P. Ahn, director and head of commodity portfolio strategy for Citigroup. Enbridge and Enterprise also plan to construct a pipeline system to link Seaway into Enterprises's existing ECHO crude terminal southeast of Houston to ease transport to regional plants. Enterprise said it was not going to go forward with the proposed 800,000 bpd Wrangler pipeline, in which it planned to partner with Enbridge, to ship crude from Cushing to the Gulf. Enbridge's acquisition of the stake in Seaway is expected to be completed in December, ConocoPhillips said. Conoco, which traders said had resisted pressure to reverse the line because its midcontinent refiners were benefiting from the cheaper feedstock, had already said it was selling its stake. Shares of U.S. oil refiners Valero Energy Corp and Marathon Petroleum Corp, which have Midwest plants that have enjoyed strong margins this year due to low prices and high inventories, saw shares drop after news of the reversal. TransCanada also sought to rally back from the crushing delay to its \$7 billion Keystone XL pipeline, which had faced an upswell of environmental resistance. Unable to build the cross-border

Exciting Junior Oil Company

- 100% Tax Deductible Flow Through Shares @ 15 cents.
- Non-Flow Through Shares @ 10 cents with 20 cent warrants.
- Promissory Note and Share Unit offering with revenue sharing until payback.

Open to qualified Canadian investors only under available private placement exemptions.

For a complete investor package on the three above offerings please call **1-403-291-0005** or visit <http://www.briskenergy.com>

Attention Land Owners
ask about the "BEC Royalty Program" + free Oil & Gas evaluation of your property.
We have 40 years of experience in Canadian Oil and Gas.

This advertisement shall not constitute an offer to sell or a solicitation to buy any securities

INVESTMENT PARTNERS

Investment trader with 10+ years experience, seeks investment partners to implement blue chip stock plans, yielding 1 to 2% monthly. \$100K my own \$ in.

JOSEPH 604-669-2444
jcaf@telus.net
Vancouver

ABSOLUTE VAC COMPANY LTD.

is looking for:
HYDRO-VAC OPERATORS AND SWAMPERS

Operators must have Class 3 Air.
Swampers must have Class 5 and acceptable drivers abstracts. Must have safety tickets, and pass Pre Employment drug and alcohol test.

Apply by appointment
250-262-6539

portion of the line without State Department approval, the firm now looked set to build a much shorter that would also connect the Cushing hub to the Gulf Coast. The southern portion of Keystone XL, including a \$600 million lateral line from Keystone's southern terminus to Houston, would carry up to 830,000 barrels of crude a day to the Gulf



OIL & GAS SURVEY PARTY CHIEF

We are a well-established Calgary based land survey company with immediate employment opportunities for the right candidate(s).

Experienced PARTY CHIEFS required immediately for the northern and central regions of Alberta. Preference will be given to those possessing current tickets. A valid Alberta driver's license is a must. We offer competitive wages and benefits, along with remuneration for the use of your vehicle, equipment and meals.

To be considered for a position, please via email to careers@vistageomatics.com or fax your resume to 403-270-8283.

We thank all who apply, but we will contact only those being invited to an interview.

The successful candidate(s) must be able to pass a pre-employment drug & alcohol test.

NO PHONE CALLS or DROP INS PLEASE.



SURVEY PLAN DRAFTSPERSON / PLAN CHECKER

We have an immediate opening for a Survey Draftsperson / Plan Checker in our Oil & Gas Division.

The successful candidate must possess knowledge of oil & gas plan preparation, survey calculation techniques and related computer calculation packages gained from working in a professional land survey company. Familiarity with Guide 56, SRD requirements, the Land Surveys Act, etc. is a must.

We are a mid-sized, well-established Calgary based land survey company dedicated to customer satisfaction, while maintaining a friendly atmosphere.

To be considered for a position, please via email to careers@vistageomatics.com or fax your resume to 403-270-8283.

We thank all who apply, but we will contact only those being invited to an interview.

The successful candidate(s) must be able to pass a pre-employment drug & alcohol test.

NO PHONE CALLS or DROP INS PLEASE.



CHIEF POWER ENGINEER COMPETITION # 24.26.09.11 LETHBRIDGE, AB

Reporting to the Maintenance Manager, the Chief Power Engineer will:

- Supervise the overall operation and maintenance of all plant utility systems to ensure reliable and efficient service
- Plan, schedule and coordinate regular preventative and shutdown maintenance for all utilities and site services
- Supervise union personnel
- Initiate and manage utilities and site services capital projects
- Monitor department and utility budgets

Candidate must have:

- Valid 2nd Class Power Engineer Certificate
- Five years previous experience
- Supervisory experience
- Superior communication, organizational, leadership and interpersonal skills
- Willing to obtain Advanced First Aid

OPERATIONS SUPERVISOR COMPETITION # 23.20.09.11 LETHBRIDGE, AB

Reporting to the Department Manager, this position is responsible for plant operations including:

- Supervision of unionized employees
- Supervision of daily operations including safety, housekeeping and production
- Staff development and training
- Scheduling
- Assigned projects

Candidate must have:

- Business Management Degree/Diploma in Operations, Engineering or Business Administration
- Minimum 4 - 5 years previous supervisory experience in a manufacturing environment
- Excellent communication, interpersonal and leadership skills
- Excellent written, verbal, documentation and computer skills
- Effective time management skills
- Ability to work rotating shift schedule

Only applicants under consideration will be contacted

Richardson Oilseed Limited provides a comprehensive compensation package including competitive salary, flexible benefit plan and an opportunity to join a successful and dynamic organization.

Interested applicants are invited to submit their name, cover letter and resume (in writing) to: 2415 2nd Avenue North Lethbridge, AB or online at www.richardson.ca by November 25, 2011, quoting the competition number.

Richardson International is a worldwide handler and merchandiser of major Canadian-grown grains and oilseeds. We sell crop inputs and related services through our western network of Ag Business Centres and actively participate in canola processing as one of North America's largest suppliers of canola oil and meal. In all areas of our business, Richardson continues to provide high-quality products and superior customer service.



For more information on these positions and other career opportunities visit www.richardson.ca

Coast. "We would be in position to commence construction on (the Cushing to Gulf Coast) portion of the line literally very early in the new year, in January," Alex Pourbaix, president of TransCanada's pipeline division, said at a company presentation to analysts. "We are taking a look at the regulatory side of that. At the worst, we would require the permission of the State Department to proceed but we think that is something that is definitely doable." A senior State Department official said TransCanada had not consulted with the department about beginning work on the Cushing to Gulf Coast leg of the pipeline. The Nebraska legislature on Wednesday voted to advance a proposed law that would reroute the Keystone XL pipeline to avoid the sensitive SandHills and Ogallala aquifer, which had become a major rallying issue for green groups opposing it. In the Nebraska

legislature, bills must be voted on three times. The environmental study legislation will be voted on again on Friday, and if necessary again on Tuesday. As part of the deals announced on Wednesday, Conoco also said it will sell its 16.55 percent interest in Colonial Pipeline Co and Colonial Ventures LLC to a subsidiary of pension fund Caisse de Depot et Placement du Quebec for \$850 million. Conoco's pipeline deals, part of its strategy to shed assets it no longer considers strategic, totaled \$2 billion, the U.S. oil company said. The deals are part of the company's effort to improve its valuation with up to \$20 billion of asset sales targeted to properties the company no longer considers strategic.

STATOIL GROUP TO EXPLORE CANADA'S EAST COAST

trio of international oil companies led by

Norway's Statoil ASA won bids for Canada-Newfoundland and Labrador exploration rights off Canada's East Coast Offshore Petroleum Board said Statoil, on Wednesday, pledging to spend a total of along with U.S.-based Chevron Corp and C\$348 million on two offshore parcels. The Spain's Repsol YPF SA , won a 247,016

FOR SALE

OPPORTUNITY OPPORTUNITY OPPORTUNITY

MOTEL, LODGE AND CAMP
on 7.5 acres located in the middle of heavy oil/gas activity in beautiful Pink Mountain, Mile 147 of the Alaska Highway. Revenues are in excess of \$3 million annually for the past 8 years. This property must be seen to be appreciated.

Owner financing of \$2.2 million is available with credit approval and down payment.

**Call
250-731-6747**

Only people with serious offers

FOR SALE

DEVELOP DEVELOP DEVELOP

Asking price is \$475,000.00
**DRILL CAMP, SUB SHOP
AND LIVING ACCOMMODATIONS**
located on 7.5 acres at Buick Creek, BC. This gorgeous property has plenty of room for RV or camp expansion.

Owner financing is available with credit approval and down payment. Revenues are in excess of \$400,000.00 annually for this property.

**Call
250-731-6747**

Only people with serious offers

Oceanviews Vacation Rentals

ESCAPE WINTER!

(No Passport Required)

Escape winter in our own magical seaside cottage. Plan your winter holiday at the "Gabled Cottage," a 3100 sq ft newly built home on Vancouver Island in the "Warm Land" of the Cowichan Valley. "Gabled Cottage" overlooks the Salish Sea, and the majestic snow-capped mountains above Vancouver on the mainland. "Gabled Cottage" is modeled after an English country home.

Graced with old-world furnishing throughout, the three sided fireplace holds court in the Great Room. It boasts 3 bedrooms with 2 bathrooms on the main floor. The loft is perfect for the corporate media room or extra bedroom.

Your stay can be one night or the whole month. Catering, Concierge and Maid Service can be arranged.

For more information, go to
www.oceanviewsvacationrentals.com
or call 250-246-4967

hectare (610,300 acre) parcel with a C\$202 million bid in the latest call for bids in the Flemish Pass area of the North Atlantic. That is adjacent to the block that includes Statoil's Mizzen discovery, drilled in 2009. The company has not said what it found at Mizzen, but it began a second well in the region in the summer. The group also won a 186,780 hectare (461,300 acre) parcel, just south of the other, with a bid of C\$146 million. The bids represent the amount of money the companies plan to spend exploring on the blocks. Statoil has 50 percent of the partnership, Chevron holds 40 percent and Repsol has the remainder. Among other locations in the call for bids, privately held Ptarmigan Energy Inc won two parcels off Newfoundland's western coast with total bids of C\$2 million.

EQUAL CLOSES ASSET SALE

Equal Energy Ltd. has closed the previously announced sale of non-core assets in Alberta and British Columbia for proceeds of \$40.3 million, adjusted for normal course closing adjustments. The proceeds from the Initial Asset Disposition will be used to reduce debt. Specifically, the Company has issued a notice to redeem on December 15, 2011 its \$39.1 million of outstanding 8.25% Convertible Debentures, due June 30, 2012. A second asset sale (is currently scheduled to close on November 30, 2011 for cash proceeds of \$9.1 million which will be used to reduce outstanding amounts on the Company's operating credit facility. Debt reduction from the proceeds of the Asset Dispositions, combined with cash flow in excess of capital spending during the fourth quarter of 2011, is projected to reduce total Company debt to approximately \$165 million at December 31, 2011 from \$219 million at September 30, 2011. The Asset Dispositions include properties in Alberta, Saskatchewan and

British Columbia with an October production average of approximately 2,100 boe/day, of which 51% is natural gas. Upon closing the transactions, Equal expects to realize lower operating costs and interest expense resulting in improved cash netbacks per unit of production on the remainder of its assets. December 2011 production, after taking into account the effect of the asset sales is expected to be approximately 9,400 boe per day with average production for the fourth quarter of 2011 estimated at approximately 10,000 boe per day.

KALLISTO PEMBINA CROSSFIELD LICENSE UPDATE

Kallisto Energy Corp. has announced that its eighth Pembina, Alberta horizontal Cardium oil well has been drilled, completed, flow-tested and is awaiting tie-in of gas conservation lines to allow the well to be placed on production. The well, located at 5-34-047-03 W5M, commenced drilling on October 19, 2011. Completion operations, which included an 18 stage energized water fracture stimulation, were completed on November 6, 2012. The cost of drilling and completing the well is expected to be approximately \$2.25 million. Kallisto has a 30% working interest in this well. Kallisto's ninth well on its Pembina lands is expected to spud before the end of 2011. On September 2, 2011 the Company submitted an application to the Energy Resources Conservation Board to drill a well at 11-26-027-01 W5M to test the Lower Manville formation. Kallisto has previously confirmed commercial productivity of this formation with the drilling of an oil and liquids-rich gas well located at 10-34-027-1 W5M. Subsequent to the testing of the 10-34 well in February 2011, the Company acquired 3D seismic covering certain of its Crossfield lands from which it identified the

11-26 drilling opportunity. CrossAlta Gas Storage & Services Ltd. has filed an objection to Kallisto's license application. The ERCB has notified the Company that it will hold a public hearing into the drilling application commencing on January 10, 2012. Company management is confident that it will be successful in its application and expects to drill the well in Q1 2012. Should this well be successful, management anticipates completing an expanded 3D seismic program on its lands to identify additional drilling locations.

HIGH ARCTIC Q3 RESULTS

High Arctic Energy Services Inc. has announced its operating and financial results for the third quarter and first nine months of 2011. During the quarter, Revenue increased by \$0.3 million, or 1%, for the third quarter ended September 30, 2011 compared to the third quarter ended September 30, 2010 as a result of increased activity in Canada. Revenue in that region improved by \$2.0 million, or 21.7%. This was partially offset by a \$1.7 million, or 8.6%, decline in Papua New Guinea revenue. Canadian activity levels started out slow in July from an extended spring breakup, but rebounded strongly for the remainder of the quarter. Adjusted EBITDA was \$7.9 million versus \$8.0 in the same prior period and \$22.2 million year to date compared to \$23.9 million in 2010. The slight decline can be attributable to results in the Papua New Guinea division because of pricing concessions granted to receive 3 year contract extensions, startup costs to put the newly refurbished Rig 102 into service and the impact of a weaker US dollar on US dollar based revenues. The foreign exchange loss excluded in calculating adjusted EBITDA arose primarily on intercompany debt balances owed to foreign operations and is a non-cash charge. Cash Flows provided by

operations during the third quarter of 2011 increased by \$0.2 million to \$6.0 million compared to \$5.8 million in the third quarter of 2010. The Corporation's financial position continued to strengthen in the third quarter of 2011 as total debt was reduced to \$18.4 million as at September 30, 2011 compared to \$19.6 million at June 30, 2011 and \$36.5 million at December 31, 2010. Operating working capital at September 30, 2011 of \$21.5 million exceeded total debt by \$3.1 million compared to net debt of \$0.6 million at the end of June 30, 2011 and \$4.7 million at December 31, 2010. Total debt to 12-month trailing EBITDA ratio was 0.60 times at September 30, 2011 compared to 1.1 times as at December 31, 2010. As at the end of September 30, 2011, \$10.0 million of the \$30.0 million credit facility remains available to be drawn. Commenting on the results, Bruce Thiessen, High Arctic's Chief Executive Officer, stated: "The third quarter was another solid quarter for High Arctic, particularly in the Canadian division. Canadian revenue was up 21% from the third quarter of 2010 partially due to pent up demand following an unusually wet second quarter. We expect to see continued strong activity through the fourth quarter and the first quarter of 2012 as drilling in the liquids rich gas plays continues to drive demand for our high pressure well completion services. We anticipate further improvements in day rates due to robust demand for our specialized services and the overall industry trends. We continued to invest in our fleet of rental products in Papua New Guinea as part of our efforts to diversify our customer base and deploy our strong operating cash flows in opportunities that provide attractive rates of return. These capital investments will continue to come on stream over the coming months as the equipment is delivered into the field in Papua New Guinea."