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CANADIAN NATURAL TOP OPERATOR IN 2013

Canadian Natural Resources Limited remained the top operator in Canada during 2013—the same position it held in 2012—measured by development and exploratory metres drilled.

The company finished the year by drilling 1.56 million metres of hole (off from 1.66 million metres in 2012).

Crescent Point Energy Corp. moved up to second place, ranked by metres rig released. The company drilled 1.29 million metres, followed closely by Husky Energy Inc. with 1.27 million metres drilled.

Encana Corporation ranked fourth in 2013 (1.06 million metres), while Cenovus Energy Inc. followed in fifth (966,801 metres).

For 2013, places six through 10 were: Progress Energy Canada Ltd. (610,981 metres), Royal Dutch Shell plc (583,351 metres), ARC Resources Ltd. (532,695 metres), Penn West Petroleum Ltd. (445,421 metres), and Peyto Exploration and Development Corp. (431,448 metres).

The top driller of exploratory wells last year was Husky with 86 wells, followed by Crescent Point with



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72 and Royal Dutch Shell with 40. But Crescent Point drilled the most metres of exploratory hole with 229,025 metres. Encana ranked second with 211,775 metres of exploratory hole, followed by Royal Dutch Shell with 201,713 metres.

In Alberta, Canadian Natural drilled the most wells last year (1,090), followed by Cenovus (504),

Husky (479), Encana (366) and Devon Canada Corporation (254).

Husky led the way in Saskatchewan with 456 wells rig released, while Crescent Point was a close second at 416 wells. Northern Blizzard Resources Inc. booked 260 rig releases, followed by Teine Energy Ltd. with 180 rig releases and Raging River Exploration

Inc. with 165 rig releases.

In British Columbia, Progress Energy Canada led operators by drilling 143 wells. Royal Dutch Shell and Encana each had 61 rig releases, followed by ARC Resources (41 wells drilled) and Talisman Energy Inc. (34).

The most active companies in Manitoba included Tundra Oil & Gas Partnership (163 wells rig



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released), EOG Resources Canada Inc. (102), Penn West (63), Red Beds Resources Limited (26) and Corex Resources Ltd. (24).

Overall, Canadian Natural drilled 1,251 wells last year, followed by Husky's 944 wells and Cenovus with 539 rig releases.

RECORD YEAR FOR SASK OIL PRODUCTION

Saskatchewan's oil patch set new records in 2013, in some categories surpassing benchmarks established just the year before.

The province's oil production for the calendar year just ended is 177.9 million barrels (487,400 barrels per day), up from the previous record of 172.9 million barrels (472,500 barrels per day) set in 2012. Drilling activity was robust, with a total of 2,433 horizontal oil wells drilled in 2013, a new record that surpasses the 2,036

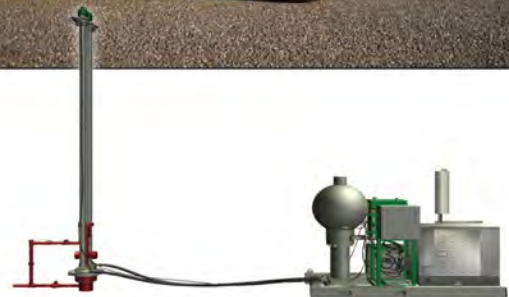
horizontal oil wells drilled in 2012.

"These records reflect the hard work of the men and women employed in Saskatchewan's oil industry" Energy and Resources Minister Tim McMillan said. "The importance of the oil industry cannot be understated, as a top employer and exporter it contributes positively to communities throughout our province."

A total of 3,371 oil wells were drilled in 2013, the third best year ever for oil well drilling. This figure ranks behind only 2011 (3,528 oil wells) and 1997 (3,608 oil wells). The Lloydminster and Kindersley/Kerrobert areas accounted for almost two-thirds of all drilling in 2013.

Saskatchewan is ranked as the number one jurisdiction in Canada for oil and gas investment policies, according to The Fraser Institute's annual Global Petroleum Survey.

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NATURAL GAS PARTNERS INVESTS \$100 MLN IN MS ENERGY SERVICES

Natural Gas Partners has invested \$100 million in MS Energy Services, a drilling company with operations in onshore oil and gas basins in the U.S. NGP made the investment from its NGP Natural Resources X and NGP Energy Technology Partners II. Denham Capital remains majority owner in the company.

Natural Gas Partners, through its most recent fund, NGP Natural Resources X, L.P., and NGP Energy Technology Partners II, L.P. (collectively "NGP") have made a \$100 million equity commitment to MS Energy Services, LLC ("MS Energy" or the "Company"). MS Energy is a leading independent, vertically-integrated directional

drilling company with operations in most major onshore oil and gas basins in the United States. Denham Capital ("Denham"), the current majority owner of MS Energy, will maintain its ownership position in the Company going forward.

NGP's growth equity investment will be used primarily to fund MS Energy's organic growth opportunities, allowing the Company to further expand its current fleet of over 1,300 directional drilling motors, which have a long history of providing superior performance through the use of MS Energy's proprietary technology and experienced personnel. This investment gives MS Energy the ability to keep up with increasing demand resulting from the proliferation of horizontal drilling and increasing lateral lengths. In addition to directional drilling motors, MS Energy will also expand its fleet of measurement-while-drilling ("MWD")

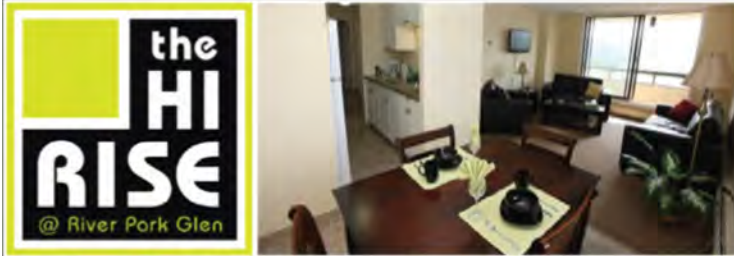
and survey equipment, offering its customers some of the latest, most advanced horizontal drilling technologies on the market today. MS Energy is led by Allen Neel, an experienced oilfield services executive with a track record of creating value in the directional drilling business. Mr. Neel has a successful background developing and managing an array of oilfield services operations, including wireline, survey, MWD and various other directional drilling services. Mr. Neel has been the Chief Executive Officer of MS Energy since August 2004. Prior to serving

in his current role, Mr. Neel held senior management positions at MS Energy's predecessor, Warrior Energy Services (formerly Black Warrior Wireline Corp.). Prior to Warrior Energy Services, Mr. Neel held management roles at Graves Well Drilling and Halliburton Services.

MS Energy is also led by Neel's long-time partners Paul Culbreth (President and Chief Operating Officer) and Ron Whitter (Executive Vice President and Chief Financial Officer). Prior to serving in his current role as President and Chief Operating Officer of MS Energy, Mr. Culbreth held various senior

management and operations positions at Warrior Energy Services, Phoenix Drilling Services and Ocean Drilling and Exploration. Mr. Culbreth was also a founder of Houston Directional Services. Prior to serving in his current role as Executive Vice President and Chief Financial Officer of MS Energy, Mr. Whitter served as Chief Accounting Officer of Stewart & Stevenson LLC, Chief Financial Officer of Warrior Energy Services, and held other financial and accounting positions with Oil States Industries, Norfolk Energy and Transco Energy. "I am very excited to partner

with NGP," said Mr. Neel. "This investment allows us to continue meeting our customers' directional drilling equipment and service needs, and also provides capital to further enhance our existing product lines while also developing new cutting-edge technologies to help our clients drill laterals longer, quicker, and with more precision than ever before. With involvement from two leading energy-focused private equity firms in NGP and Denham, I am confident that we can continue growing the company to meet the industry's ever-expanding needs." "NGP is extremely pleased to



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be partnering with MS Energy and Denham, as this investment represents numerous core tenets of NGP. MS Energy is led by a cohesive, experienced management team with a track record of creating outsized returns in oilfield services, and the Company has multiple attractive uses of capital. As the unconventional revolution continues to resemble a manufacturing operation, best-in-class service providers such as MS Energy will play a major role in E&P operators' ability to drill wells on time and on budget," said Kenneth A. Hersh, CEO of NGP Energy Capital Management.

About MS Energy Services, LLC
With over 20 years of experience in the industry, MS Energy is ranked as a leading independent directional drilling services company with an established presence in most major producing onshore oil and gas basins in the United States. As one of the most comprehensive oilfield service companies, MS Energy provides expertise in downhole electric wireline, directional survey, MWD and various other directional drilling services.

About Natural Gas Partners
Founded in 1988, Natural Gas Partners (NGP) is a \$10.5 billion family of private equity investment funds organized to make investments in the natural resources sector. NGP is part of the investment platform of NGP Energy Capital Management, a premier investment franchise in the natural resources industry, which together with its affiliates has managed approximately \$13

billion in cumulative committed capital since inception. www.naturalgaspartners.com

About NGP Energy Technology Partners

NGP Energy Technology Partners ("NGP ETP") is a private equity firm that invests in companies that provide products and services to the oil and gas, power, environmental, energy efficiency and alternative energy sectors. Founded in 2005, NGP ETP manages approximately \$500 million in committed capital and is led by professionals that have extensive experience investing across the energy industry. NGP ETP partners with experienced management teams executing on compelling strategic plans and works with them to drive significant value creation. NGP ETP is an affiliate of NGP Energy Capital Management. NGP ETP is headquartered in Washington, DC and has an office in New Orleans, LA. www.ngpetp.com

About Denham Capital

Denham Capital is a leading energy and resources-focused global private equity firm. With over \$7.9 billion of invested and committed capital, Denham makes direct investments in the energy and resources sectors, including businesses involving oil and gas, metals and minerals, and power and renewables. With offices in Boston, Houston, London, São Paulo and Perth, Denham invests across the globe. Denham invests across all stages of the corporate lifecycle, from exploration and development projects to mature, operating businesses,

and all segments of the capital structure. www.denhamcapital.com

DOMESTICS LEAD CANADA OIL-PATCH DEALS AS STATE CASH FADES

Domestic oil and natural gas producers are behind the best annual start in at least a decade for Canadian energy deals as companies such as Canadian Natural Resources Ltd. fill a void left by state-owned firms.

Announced oil and gas deals involving Canadian companies amount to \$6.4 billion this year, according to data compiled by Bloomberg. Deals slumped to just \$634.3 million over the first two months of last year after rising in 2012 when China's Cnooc Ltd. (883) announced its \$15.1 billion purchase of Nexen Inc.

Mergers are rebounding because the pull-back by Asian state-owned firms has made assets more affordable, while gains in Canadian energy stocks have given domestic buyers more confidence to make deals.

"The difference today is we are seeing the ability of the Canadian producers to compete, which wasn't the case a year ago," said Nicholas Johnson, managing director of corporate finance at FirstEnergy Capital Corp., a Calgary-based investment bank. He called deal sentiment "optimistic" in Canada. "We're also continuing to see private equity active," he said.

National oil companies began focusing on lifting profits over making more acquisitions just as Canadian Prime Minister Stephen Harper

vowed in 2012 to block further sales of oil-sands assets to state-owned firms after approving the Nexen deal. The reduction of investment by state-owned companies helped push deal activity to the lowest in a decade in 2013, Bloomberg data show.

Cheaper Deals

Meanwhile, acquisitions are becoming cheaper for the largest Canadian energy companies as optimism returns to the industry, buoying stocks. Canada's S&P/TSX Energy Index, made up of the nation's largest energy companies, has gained 3.5 percent this year, compared with a decline of 2.5 percent on the S&P 500 Energy Index in the U.S.

As trains carry more crude, pipeline bottlenecks are easing, boosting spot prices for Canada's heavy oil 52 percent from a November low. Calgary-based gas producers are also gaining on a price surge for the heating fuel, which hit a five-year high in New York last week as winter storms swept the continent.

"It seems as if there's movement on the infrastructure story and the commodity price is hanging on, giving people optimism," said John Stephenson, a portfolio manager at First Asset Investment Management Inc. in Toronto. "You've had this go-nowhere deal flow and now that logjam is being broken."

February Deals

Two deals this month are sparking optimism among bankers and analysts for additional takeovers in Canada's energy industry this

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year. Canadian Natural agreed to pay C\$3.13 billion (\$2.8 billion) for Devon Energy Corp's mostly gas-producing conventional assets in Canada, and Baytex Energy Corp agreed to buy Australian producer Aurora Oil & Gas Ltd. for C\$1.8 billion to gain light oil output in the Eagle Ford shale formation of Texas.

Canadian Natural and Baytex would have previously been outbid by national oil companies, or NOCs, said Chris Cox, an analyst at Raymond James Ltd. in Calgary. Devon's assets fit better with China Petrochemical Corp.'s Canadian unit and the Eagle Ford has been the playground of national oil companies, he said.

"The fact that they weren't able to come in suggests that NOC buyers are really sitting on the sidelines in standstill at the moment," Cox said.

'Very Savvy'

The Canadian Natural acquisition shows there are "very savvy" buyers in Canada "even of a scale that we have not seen for a number of years," Robert Pare, an analyst at Clarus Securities Inc. in Calgary, said in an e-mail.

Tourmaline Oil Corp Kelt Exploration Ltd., Crescent Point Energy Corp. and Whitecap Resources Inc. are some of the "names that have the ability to create significant Shareholder value from acquisitions," Pare said. Suncor Energy Inc. may be a buyer in the oil sands, he said.

"We are definitely looking at assets," Kelt Exploration CEO David Wilson said by phone yesterday. "We have made acquisitions and will make some more."

Whitecap CEO Grant Fagerheim didn't respond to requests for comment, nor did Crescent Point spokesman Trent Stangl or Scott Kirker, general counsel at Tourmaline.

Private-equity buyers may also look to step into the void left by national oil companies. New York-based KKR & Co. is opening a Calgary office, following its C\$250 million investment in Calgary-based Torq Energy Logistics Ltd. in December.

"Yes, we are looking at opportunities," Kristi Huller, a KKR spokeswoman, said via e-mail yesterday.

Private Equity

Encana Corp, the largest Canadian gas producer, is betting on interest from private-equity firms as it tests the market for asset sales, according to CEO Doug Suttles. Encana hired Royal Bank of Canada to sell its Bighorn properties in Alberta, people familiar with the process said. The assets may attract bids of C\$2 billion to C\$4 billion, according to Cormark Securities Inc.

"Probably the biggest shift is that there is a lot of private equity focus in the industry right now," Suttles said in a Feb. 13 interview. "I'm sure they would be interested in some of the assets we have."

The Encana properties are among a glut of energy assets producing the equivalent of about 300,000 barrels of oil a day that are publicly or privately for sale, said Sandy Edmonstone, executive director of oil and gas at Macquarie Group Ltd.'s investment-banking division in Calgary.

While "cautiously optimistic" for a better year for deals than 2013,

higher oil and gas prices may cause sellers to hold out for bigger offers, Edmonstone said. "As commodity prices go up, expectations go up and there's always this gap," he said.

The purchases by Canadian Natural and Baytex show "transactions are getting done and valuations are reasonable," said Stephenson at FirstAsset. "It may be too early to ring the bell and say the salad days are back but it's definitely encouraging."

PACIFIC OIL COMPANY ANNOUNCES INTENTIONS TO REACTIVATE 17 NATURAL GAS WELLS IN SASKATCHEWAN, CANADA

LAS VEGAS, NV--(Marketwired - Feb 19, 2014) - Pacific Oil Company ("Pacific Oil") (OTC: POIL), is pleased to announce that it intends to reactivate 17 natural gas wells to take advantage of higher natural gas prices. The wells targeted for reactivation are part of Pacific Oil's 27 well 9600 acre Lacadena Project located near the town of Shackleton within the province of Saskatchewan.

Ed Loven, Vice president of Pacific Oil, said, "With Natural Gas prices over \$5 now is the time for Pacific Oil to capitalize on our meaningful natural gas footprint within the province of Saskatchewan. With its 27 wells situated on 9600 energy rich acres, the Lacadena Project is a significant part of Pacific's revenue strategy moving forward and we are now on the path to realizing the projects full potential. Our goal is to act swiftly in bringing these wells

back online so that they may have an immediate impact on our bottom line."

With these reactivations Pacific Oil Company is following the lead of other major energy producers in the area as the outlook for natural gas continues to be strong. Pacific will update the public with information regarding these reactivations as plans materialize on the ground and milestones in the process are met.

SUBSEA 7 WINS HEBRON FIELD CONTRACT, OFFSHORE CANADA


UK-based oilfield services firm Subsea 7 announced Friday that it has been awarded a \$75-million, three-year subsea construction services contract by ExxonMobil Canada Properties.

The deal will see Subsea 7 support the Hebron heavy oil field development, located in the Jeanne d'Arc Basin some 220 miles southeast of St. John's, Canada. The firm will provide project management and engineering to the project, as well as install two offshore loading systems in a water depth of 300 feet.

Subsea 7 said engineering and project management will start immediately from its offices in St John's.


Subsea 7 Canada Managing Director Stephen Henley commented in a company statement:

"This contract award further enhances our construction capability across offshore Canada, building on the successes of our subsea engineering and construction work for our clients in the region."



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