

Preliminary Analysis
of Technical Revisions in 2004
NI 51-101 Forms F1 Annual Filings

The Alberta Securities Commission 2004 Consolidated Oil and Gas Review Report was published in February 2005. It includes comments arising from reviews of reserves information during 2004 and an analysis of the Technical Revisions reported in the NI 51-101 Form F1 Part 4, Reconciliations of Changes in Reserves and Future Net Revenue.

The complete
2004 Consolidated Oil and Gas Review Report

can be found on the ASC website

http://www.albertasecurities.com/dms/5821/5836/12106_ASC_Oil_and_Gas_Report_2004.pdf

The 2005 Consolidated Oil and Gas Review Report is scheduled for publication in early 2006. However, this preliminary analysis of 2005 Technical Revisions is being provided earlier in response to requests for it to be available prior to the start of the 2005 evaluation period. This [preliminary analysis](#) can also be found on the ASC website. The final analysis in the 2005 Consolidated Oil and Gas Review Report may differ from that given here.

Technical Revisions are a measure of the quality of reserves estimates, using the following criteria:

Technical Revisions on various reserves categories should be:

| | |
|------------------------------|---------------|
| Proved | Positive |
| Proved + Probable | Close to zero |
| Proved + Probable + Possible | Negative |

The NI 51-10 F1 Forms have provided information on only the first two of these categories.

The revisions are summarised in the table below, for the 2003 year and 2004 year¹. The significant negative revisions in 2003 reflect the transition to the new NI 51-101 legislation. The revisions in 2004 are consistent with the criteria outlined above. Although several years of data will be required to establish a trend, a comparison of the 2003 and 2004 figures suggests that NI 51-101 has resulted in a significant improvement in oil and gas reserves reporting.

| No. Cos. | 2004 | | | 2003 | | |
|--------------------|----------|---------------------|-----|----------|----------|---------------------|
| | Proved % | Proved + Probable % | | No. Cos. | Proved % | Proved + Probable % |
| Light & Medium Oil | 161 | 5.0 | 1.1 | 138 | (5.3) | (0.4) |
| Heavy Oil | 54 | 5.8 | 1.9 | 44 | (19.7) | (14.9) |
| Gas | 185 | 9.6 | 0.6 | 155 | (8.5) | (4.3) |

No. Cos. = Number of Companies

¹ Note that these figures are the ratio, Sum of all Technical Revisions: Sum of all reserves at the start of the year, for all reporting issuers, and is indicative of general industry performance. It is not the same as the average percentage revision by company.

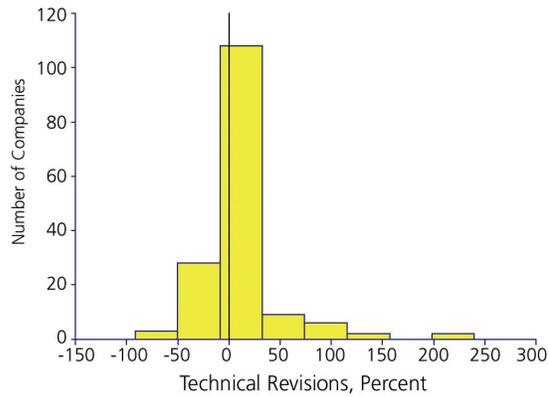
A total of 250 companies were included in the analysis, but not all of these had reserves of all product types, and this analysis omits companies that did not have any reserves of any product type at the start of the year, and also a very small number of companies with Technical Revisions that are so large that they are extreme statistical outliers. Too few companies reported reserves for bitumen, synthetic oil, and coal bed methane, for an analysis to be carried out.

Number of companies analysed, all product types:

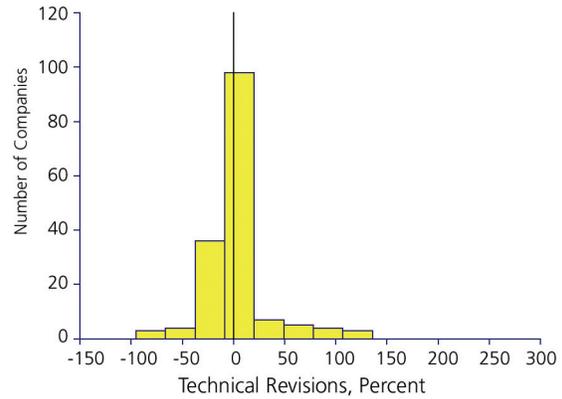
| | Proved | Probable | Proved + Probable |
|---------------------|---------------|-----------------|--------------------------|
| Reserves | 202 | 201 | 206 |
| No opening reserves | 48 | 49 | 44 |
| Total | 250 | 250 | 250 |

LIGHT AND MEDIUM OIL TECHNICAL REVISIONS, 2004

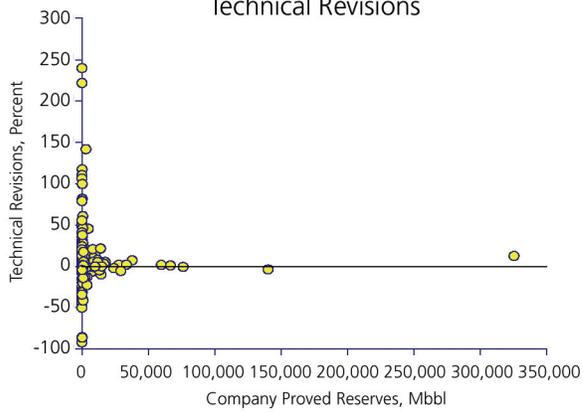
Light and Medium Oil, Proved Reserves



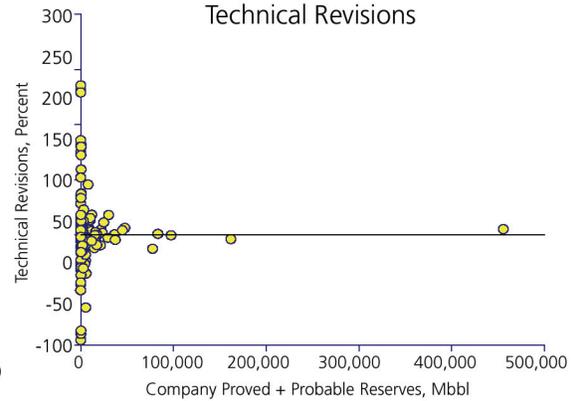
Light and Medium Oil, Proved + Probable Reserves



Light and Medium Oil, Proved Reserves
Technical Revisions



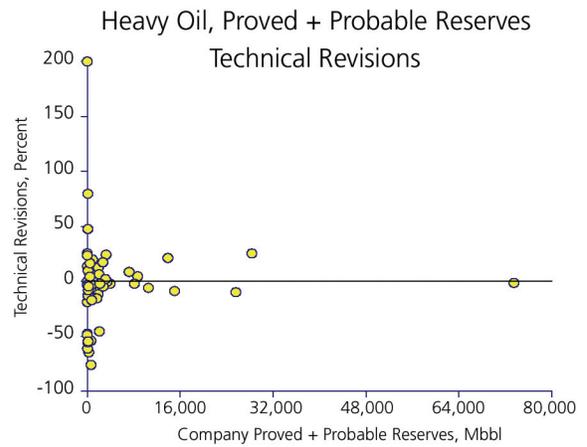
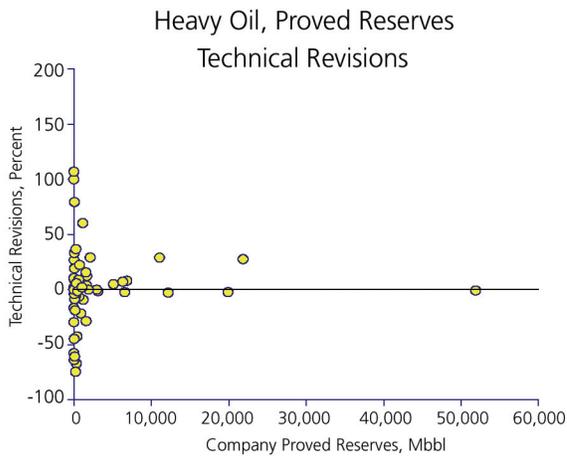
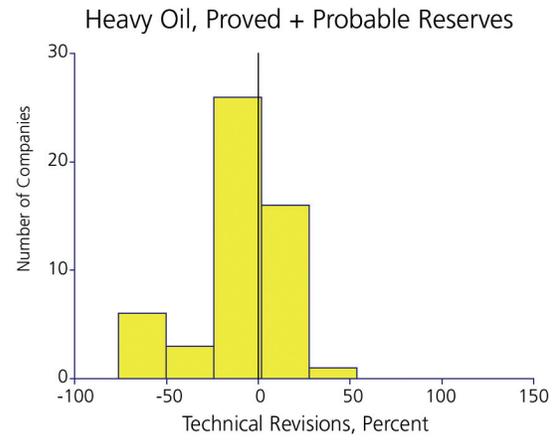
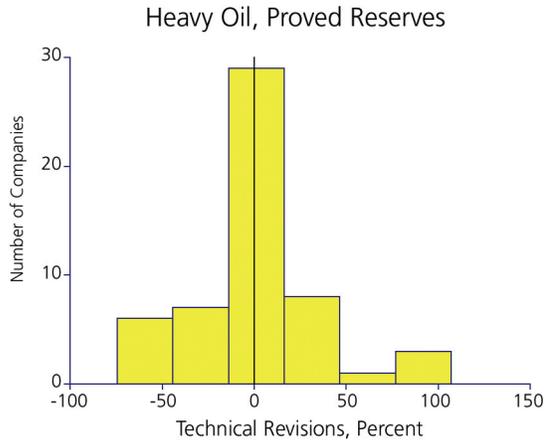
Light and Medium Oil, Proved + Probable Reserves
Technical Revisions



Number of companies in analysis 161

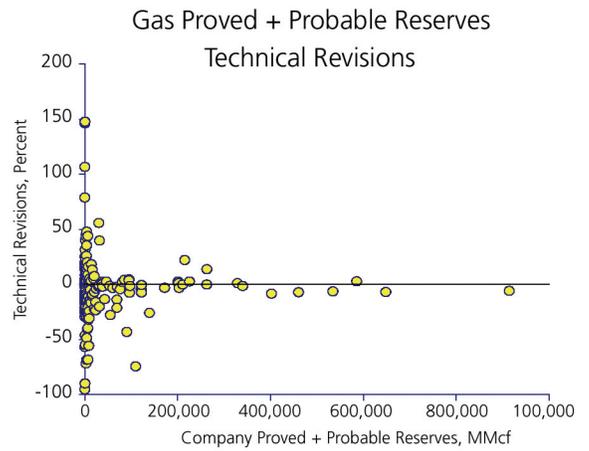
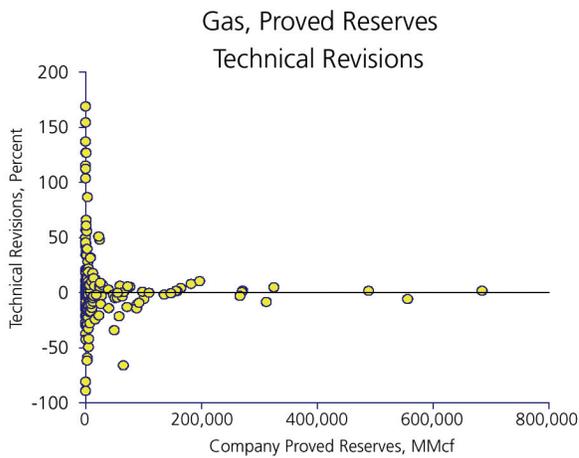
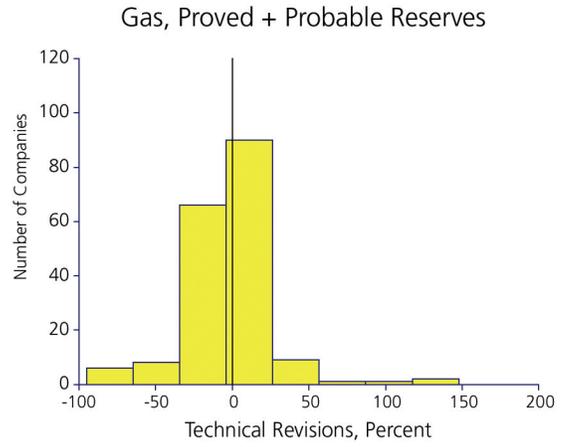
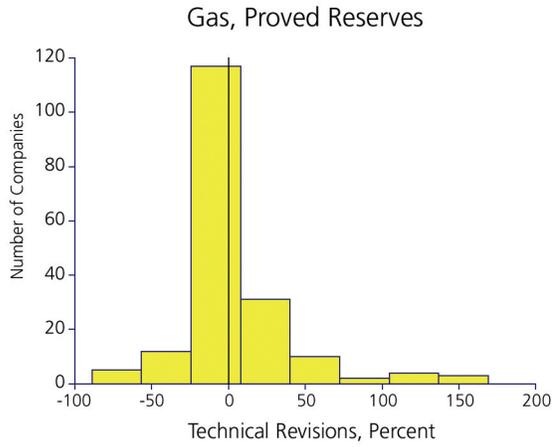
Number of outliers excluded from analysis 3

HEAVY OIL TECHNICAL REVISIONS, 2004



Number of companies in analysis 54
 Number of outliers excluded from analysis 1

NATURAL GAS TECHNICAL REVISIONS, 2004
(EXCLUDES SOLUTION GAS)



| | |
|---|-----|
| Number of companies in analysis | 185 |
| Number of outliers excluded from analysis | 1 |