Deloitte.



Price forecast March 31, 2018 Resource Evaluation & Advisory

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Forecast commentary

The first three months of 2018 saw tight oil production rates in the United States stabilize with some well freeze-offs, while crude oil stockpiles in Canada increased due to transportation bottlenecks. WTI prices fell slightly at the beginning of the year, but the differential to Brent has begun to narrow. The average value was US\$3.09/bbl in February 2018, down from a high of \$6.33/ bbl in September 2017. WTI crude prices pulled away from Canadian crude prices in the quarter as supply in Canada exceeded pipeline capacity, causing transportation issues north of the border.



WTI to Brent historical differential and Q1 2018 futures

Source: EIA and CME

Edmonton Light oil prices continued to rise in early 2018 even as the differential to WTI increased to US\$7.32/bbl in January 2018 after averaging US\$3.93/bbl in Q4 2017. In recent years, the differe ntial has become significantly more volatile, primarily due to the emergence of US shale production and oversupply in Canadian markets. The addition of the Sturgeon Refinery near Edmonton in late 2017 may begin to help reduce the volatility of Canadian oil prices, as producers have another domestic option for processing crude. While the new refinery may help to alleviate light crude pipeline export bottlenecks and reduce the current differential to previous values, it will take time to fully realize the long-term effects.



Edmonton Light to WTI historical differential and Q1 2018 futures

Source: EIA, NRC, and CME

WCS prices witnessed a falling-price differential in early 2018, primarily due to increased Canadian bitumen production and limited export capacity to the United States because of pipeline outages. Historically, the WCS-to-WTI differential has varied greatly as it is almost solely dependent on export markets to the United States.

Canada depends heavily on US refineries and exports a large portion of heavy crude oil, as it does not have the capability to refine domestically. Refinery use south of the border has averaged over 90 percent in Q1 2018, the highest levels since 2005. This has limited the potential refining capacity for Canadian heavy crude and increased the differential to WTI. As more refining capacity becomes available south of the border, and assuming crude pipelines remain fully operational, the differential should decrease to more historical values.

The announcement by the Government of Alberta to support partial refinery upgrading in the province by 2019 might help to alleviate WCS price volatility, as producers would have additional domestic options to sell heavy crude oil. Partial upgrading will also minimize the amount of diluent pipeline capacity required, freeing up space for crude oil export volumes to the United States.





WCS to WTI historical differential and Q1 2018 futures

Source: EIA, Flint, and CME

Natural gas prices fluctuated throughout most of 2017, while recent cold snaps in both Canada and the United States created sporadic daily natural gas price surges. Surprisingly, despite the cold weather, average monthly prices were lower in Q1 2018 than in Q4 2017. Spot prices and futures suggest a bleak outlook as the AECO differential to Henry Hub continues to widen over the next two years, with AECO futures averaging below \$2.00/Mcf in 2018 and 2019. As US natural gas production and export volumes increase, AECO prices are expected to remain relatively low for the remainder of 2018.

Trends in the industry show more Canadian companies are hedging AECO prices with supplementary Dawn contracts to offset low commodity prices in Alberta. Producers are also planning for potential outages similar to last summer as pipeline operators are expected to complete annual maintenance on major pipeline systems in Q3 2018, further contributing to the volatile AECO price market.



AECO to Henry Hub historical differential and Q1 2018 futures

Source: EIA, DOB, CME, and NGX

The December 31, 2017, natural gas price forecasts prepared by the major third-party evaluators provide varying views on the Canadian natural gas market, with AECO forecast prices ranging between \$2.00/Mcf and \$2.85/Mcf for 2018. The difference in these prices is substantial when forecasting the economics of wells and locations, primarily for dry gas producers. Some of these forecasts have remained unchanged, even though prices dropped through the winter and futures contracts remain well under \$2.00/Mcf. With the risk of more pipeline outages this summer and continued strong production growth in the United States, it's hard to be optimistic about the near-term prospects of AECO. Considering these factors, Deloitte's forecast for this quarter has lowered AECO even further for 2018.



December 31, 2017 AECO price forecasts

Source: DOB and NGX

US tax reform creates opportunities for Oil & Gas (O&G)

Although the US tax reform enacted on December 22, 2017 does not necessarily nod to the O&G industry, O&G businesses have an opportunity to reap great benefits. To start, the lowered federal income tax rate from 35 percent to 21 percent has naturally received praise, and from the perspective of multinationals, this means an opportunity to increase investments in the US. In past years, Canadian companies have typically been better off leaving investments on the north side of the border due to the relative lower Canadian tax rate.

Not only seeing the US as a real investment opportunity, companies may even consider accelerating US production to take advantage of the new faster cost recovery of capital investments. The new tax bill allows businesses to enjoy a temporary 100 percent expensing of capital investments placed in service within five years.

Other note-worthy provisions for the industry, albeit less positive, are the limitations on interest and net operating loss (NOL) deductions. Interest deductions on indebtedness to fund operations are now, generally speaking, limited to business interest income plus 30 percent of EBITDA (up to 2021 inclusive, and EBIT thereafter). However, disallowed interest expense can be carried forward for an indefinite period (i.e. does not represent a permanent disallowance). Despite the repeal of the alternative minimum tax that was applicable to many O&G companies, businesses with a large pool of NOLs may have current tax expense, as NOLs generated under the new regime will only be available to offset 80 percent of taxable income but excess NOLs can be carried forward indefinitely.

With the President's promise to put "America first," business analysts appear to view the tax bill as generally more beneficial for O&G companies with significant US operations. The reform has several provisions negatively impacting cross-border business for foreign-based multinationals; one measure being the Base Erosion and Anti-Abuse (BEAT) tax which essentially is a 10 percent minimum tax on companies with at least \$500M of gross receipts, eroding their US tax base with payments to foreign affiliates. Meanwhile, the new Global Intangible Low-taxed Income (GILTI) tax, which ends deferral on certain foreign-earned income, specifically excludes foreign extracted oil & gas income.

While Canadian O&G players review their operations in the US, it is important to understand the tax reform as a whole to maximize opportunities in tax planning and mitigate potential adverse tax implications on cross-border transactions.



Canadian domestic price forecast

Crude oil price and market demand forecast



Forecast comments

- Edmonton Par is forecast as a differential to WTI. This differential is based on Canadian Light Sweet Oil Index Futures which began trading in January 2014.
- The Edmonton crude oil price is used as the basis for the remaining Canadian crude reference points.
 Offsets are based on five-year historical averages with recent years weighted more heavily in the determination.

	WTI Cushing,	WTI Cushing,	Edmonton City	Edmonton City	WCS Hardisty	Heavy Oil	Cost	CAD to USD
Year	OK (40 API)	OK (40 API)	Gate (40 API)	Gate (40 API)	(20.5 API)	Hardisty (12 API)	Inflation	Exchange
	US\$/bbl	US\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl		
	Real	Current	Real	Current	Current	Current	Rate	Rate
Historical								
2015	\$49.96	\$48.69	\$58.49	\$57.00	\$44.80	\$39.63	1.1%	0.783
2016	\$44.50	\$43.15	\$53.84	\$52.22	\$38.90	\$34.08	1.4%	0.755
2017	\$51.71	\$50.88	\$62.89	\$61.88	\$50.53	\$45.01	1.6%	0.771
2018								
3 Mths H	\$62.60	\$62.60	\$70.02	\$70.02	\$49.78	\$43.71	1.9%	0.791
9 Mths F	\$60.00	\$60.00	\$71.80	\$71.80	\$50.80	\$47.80	0.0%	0.780
Avg.	\$60.65	\$60.65	\$71.36	\$71.36	\$50.54	\$46.78	-	0.783
Forecast								
2018	\$60.00	\$60.00	\$71.80	\$71.80	\$50.80	\$47.80	0.0%	0.780
2019	\$60.00	\$61.20	\$70.00	\$71.40	\$52.00	\$48.95	2.0%	0.800
2020	\$62.50	\$65.05	\$70.90	\$73.75	\$56.10	\$52.95	2.0%	0.825
2021	\$65.00	\$69.00	\$71.75	\$76.15	\$60.20	\$57.05	2.0%	0.850
2022	\$67.50	\$73.05	\$74.70	\$80.85	\$64.60	\$61.35	2.0%	0.850
2023	\$70.00	\$77.30	\$77.65	\$85.75	\$69.15	\$65.85	2.0%	0.850
2024	\$70.00	\$78.85	\$77.65	\$87.45	\$70.55	\$67.20	2.0%	0.850
2025	\$70.00	\$80.40	\$77.65	\$89.20	\$71.95	\$68.50	2.0%	0.850



Natural gas price and market demand forecast AECO natural gas (real \$)

Forecast comments

• The AECO natural gas price is forecast based on historical differentials to Henry Hub and future contracts traded on the NGX based in Calgary.

Year	AB Ref.	AB AECO	AB AECO	BC Direct	NYMEX	NYMEX
	Avg. Price	Avg. Price	Avg. Price	Station 2 Sales	Henry Hub	Henry Hub
	C\$/Mcf	C\$/Mcf	C\$/Mcf	C\$/Mcf	US\$/Mcf	US\$/Mcf
	Current	Real	Current	Current	Real	Current
Historical						
2015	\$2.56	\$2.76	\$2.69	\$1.81	\$2.70	\$2.63
2016	\$1.93	\$2.23	\$2.16	\$1.75	\$2.59	\$2.52
2017	\$2.13	\$2.23	\$2.19	\$1.56	\$3.03	\$2.99
2018						
3 Mths H	\$1.85	\$2.06	\$2.06	\$1.94	\$3.08	\$3.08
9 Mths F	\$1.70	\$1.90	\$1.90	\$1.60	\$2.80	\$2.80
Avg.	\$1.74	\$1.94	\$1.94	\$1.68	\$2.87	\$2.87
Forecast						
2018	\$1.70	\$1.90	\$1.90	\$1.60	\$2.80	\$2.80
2019	\$2.05	\$2.20	\$2.25	\$1.95	\$2.90	\$2.95
2020	\$2.55	\$2.65	\$2.75	\$2.45	\$3.10	\$3.25
2021	\$2.75	\$2.80	\$2.95	\$2.65	\$3.30	\$3.50
2022	\$3.00	\$2.95	\$3.20	\$2.85	\$3.40	\$3.70
2023	\$3.20	\$3.10	\$3.40	\$3.10	\$3.55	\$3.90
2024	\$3.55	\$3.35	\$3.75	\$3.45	\$3.75	\$4.20
2025	\$3.85	\$3.55	\$4.10	\$3.75	\$3.90	\$4.50

International price forecast

Year	Av. WTI Spot	Brent Spot (38.3 API with 0.37% sulphur content)	Gulf Coast ASC	Avg. OPEC Basket	Nigerian Bonny Light (33.4 API FOB)	Mexico Maya (21.8 API FOB)	Russia Urals (31.7 API FOB)
	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl
	Real	Real	Real	Real	Real	Real	Real
Forecast							
2018	\$60.00	\$64.00	\$56.50	\$62.00	\$64.55	\$55.00	\$62.75
2019	\$60.00	\$64.00	\$56.50	\$62.00	\$64.55	\$55.00	\$62.75
2020	\$62.50	\$64.50	\$59.00	\$62.50	\$65.05	\$55.50	\$63.25
2021	\$65.00	\$67.00	\$61.50	\$65.00	\$67.55	\$58.00	\$65.75
2022	\$67.50	\$69.50	\$64.00	\$67.50	\$70.05	\$60.50	\$68.25
2023	\$70.00	\$72.00	\$66.50	\$70.00	\$72.55	\$63.00	\$70.75
2024	\$70.00	\$72.00	\$66.50	\$70.00	\$72.55	\$63.00	\$70.75
2025	\$70.00	\$72.00	\$66.50	\$70.00	\$72.55	\$63.00	\$70.75

Crude oil price and market demand forecast

- International crude quality reference points for OPEC Basket, Venezuelan, Nigerian, UAE, Mexican, Chinese, Russian, and Indonesian crudes are now based on Brent in US dollars. For the purposes of this forecast Brent is receiving a premium to WTI on the world markets
- Current forecasts for other Crude Oil reference points are based on historical trends to the WTI price
- Brent, United Kingdom crude is based on 38.3°API with 0.37 per cent Sulphur content. Brent blend is a light sweet North Sea crude oil that serves as an international benchmark grade
- United States Gulf Coast Argus Sour Crude Index (ASCI) is a blend of offshore Gulf Coast oil from Mars, Poseidon, and Southern Green Canyon
- OPEC Basket represents the current grouping of crude oil prices from the OPEC member countries
- Russia Urals 31.7°API is the FOB delivered price to the Mediterranean destinations

Natural gas price and market demand forecast

Year	USD to GBP Exchange	USD to EUR Exchange	NYMEX Henry Hub	Permian Waha	San Juan Ignacio	Rocky Mountain Opal	UK NBP	India Domestic Gas
			US\$/Mcf	US\$/Mcf	US\$/Mcf	US\$/Mcf	US\$/Mcf	US\$/Mcf
	Rate	Rate	Real	Real	Real	Real	Real	Real
Forecast								
2018	1.38	1.25	\$2.80	\$2.30	\$2.35	\$2.40	\$6.55	\$3.15
2019	1.38	1.25	\$2.90	\$2.40	\$2.45	\$2.50	\$6.65	\$3.20
2020	1.38	1.25	\$3.10	\$2.60	\$2.65	\$2.70	\$6.85	\$3.30
2021	1.38	1.25	\$3.30	\$2.80	\$2.85	\$2.90	\$7.05	\$3.55
2022	1.38	1.25	\$3.40	\$2.90	\$2.95	\$3.00	\$7.15	\$3.75
2023	1.38	1.25	\$3.55	\$3.05	\$3.10	\$3.15	\$7.30	\$3.85
2024	1.38	1.25	\$3.75	\$3.25	\$3.30	\$3.35	\$7.50	\$4.00
2025	1.38	1.25	\$3.90	\$3.40	\$3.45	\$3.50	\$7.65	\$4.20

Global trends

Storage

United States

• The United States natural gas storage levels are now below the five-year average. Storage draws have been larger this year due to higher demand and increased exports.

Canada

• Canadian natural gas storage levels were higher than the five-year average throughout 2017. Through the first two months of 2018, a cold winter has increased demand and begun to bring the storage levels down to more historical levels. If growth in production continues to offset growth in demand, storage levels may once again rise above the five-year average throughout the year.

US Natural Gas Storage



Canada Natural Gas Storage



United States rig counts



Canada rig counts



International



Rigs

United States

 United States oil rig counts have begun to rise after flattening out in the last half of 2017. Drilling increases in the Permian basin continue to drive this growth. This growth will likely continue through 2018 as prices remain above \$60/bbl.

Canada

• The February 2018 Canadian rigs count peaked slightly under the February 2017 high, in spite of rising Edmonton Light prices. While oil rig counts were higher this winter, gas rigs were down as AECO prices continue to remain weak.

International

 Middle Eastern rig counts have begun to rise again after falling towards the end of 2017, driven by increases in Kuwait and Egypt. Drilling has continued to increase slowly in both Latin America and Asia. Total world rig counts are once again on the rise after leveling off at the end of 2017, largely driven by increased drilling in the United States.

Canadian domestic price tables

				Crude Oil Pricing				
Year	Price Inflation	Cost Inflation	CAD to USD Exchange	WTI at Cushing Oklahoma	WTI at Cushing Oklahoma	Edmonton City Gate	Edmonton City Gate	WCS 20.5 Deg. AP Hardisty
				US\$/bbl	US\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl
	Rate	Rate	Rate	Real	Current	Real	Current	Current
Historical								
2008	2.5%	2.5%	0.932	\$103.50	\$100.65	\$107.43	\$104.48	\$85.42
2009	0.3%	0.3%	0.880	\$62.95	\$61.65	\$67.49	\$66.10	\$58.66
2010	1.8%	1.8%	0.971	\$83.24	\$79.40	\$81.58	\$77.80	\$67.22
2011	2.9%	2.9%	1.012	\$99.24	\$94.88	\$99.92	\$95.54	\$77.12
2012	1.5%	1.5%	1.001	\$96.47	\$94.11	\$88.74	\$86.57	\$73.10
2013	0.9%	0.9%	0.972	\$100.76	\$97.91	\$96.08	\$93.36	\$74.97
2014	1.9%	1.9%	0.906	\$96.15	\$93.26	\$96.91	\$94.00	\$81.06
2015	1.1%	1.196	0.783	\$49.96	\$48.69	\$58.49	\$57.00	\$44.80
2016	1.4%	1.4%	0.755	\$44.50	\$43.15	\$53.84	\$52.22	\$38.90
2017	1.6%	1.6%	0.771	\$51.71	\$50.88	\$62.89	\$61.88	\$50.53
2018								
3 Mths H	1.9%	1.9%	0.791	\$62.60	\$62.60	\$70.02	\$70.02	\$49.78
9 Mths F	0.0%	0.0%	0.780	\$60.00	\$60.00	\$71.80	\$71.80	\$50.80
Avg.	N/A	N/A	0.783	\$60.65	\$60.65	\$71.36	\$71.36	\$50.54
Forecast			·					
2018	0.0%	0.0%	0.780	\$60.00	\$60.00	\$71.80	\$71.80	\$50.80
2019	2.0%	2.0%	0.800	\$60.00	\$61.20	\$70.00	\$71.40	\$52.00
2020	2.0%	2.0%	0.825	\$62.50	\$65.05	\$70.90	\$73.75	\$56.10
2021	2.0%	2.0%	0.850	\$65.00	\$69.00	\$71.75	\$76.15	\$60.20
2022	2.0%	2.0%	0.850	\$67.50	\$73.05	\$74.70	\$80.85	\$64.60
2023	2.0%	2.0%	0.850	\$70.00	\$77.30	\$77.65	\$85.75	\$69.15
2024	2.0%	2.0%	0.850	\$70.00	\$78.85	\$77.65	\$87.45	\$70.55
2025	2.0%	2.0%	0.850	\$70.00	\$80.40	\$77.65	\$89.20	\$71.95
2026	2.0%	2.0%	0.850	\$70.00	\$82.00	\$77.65	\$91.00	\$73.40
2027	2.0%	2.0%	0.850	\$70.00	\$83.65	\$77.65	\$92.80	\$74.85
2028	2.0%	2.0%	0.850	\$70.00	\$85.35	\$77.65	\$94.65	\$76.35
2029	2.0%	2.0%	0.850	\$70.00	\$87.05	\$77.65	\$96.55	\$77.90
2030	2.0%	2.0%	0.850	\$70.00	\$88.80	\$77.65	\$98.50	\$79.45
2031	2.0%	2.0%	0.850	\$70.00	\$90.55	\$77.65	\$100.45	\$81.05
2032	2.0%	2.0%	0.850	\$70.00	\$92.35	\$77.65	\$102.45	\$82.65
2033	2.0%	2.0%	0.850	\$70.00	\$94.20	\$77.65	\$104.50	\$84.30
2034	2.0%	2.0%	0.850	\$70.00	\$96.10	\$77.65	\$106.60	\$86.00
2035	2.0%	2.0%	0.850	\$70.00	\$98.00	\$77.65	\$108.75	\$87.75
2036	2.0%	2.0%	0.850	\$70.00	\$100.00	\$77.65	\$110.90	\$89.50
2037	2.0%	2.0%	0.850	\$70.00	\$102.00	\$77.65	\$113.10	\$91.25

Notes:

• All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars

• Edmonton city gate prices based on historical light oil par prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API < 0.5% Sulphur)

• Real prices listed in 2018 dollars with no escalation considered

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nerrnerrnerrnerrnerrnerrnerrnerrnerra000		Natural Gas Liquids Pric Edmonton Par Prices	ing			Natural Gas Pricing						Sulphur
CarearCarea	Year	Ethane	Propane	Butane	Pentanes + Condensate	Reference	AECO	AECO	B.C. Direct Stn. 2 Sales	NYMEX Henry Hub	Henry	Alberta Plant Gate
beakind		C\$/bbl Current	C\$/bbl Current	C\$/bb Current	C\$/bbl Current	C\$/mcf Current	C\$/mcf Real		C\$/mcf Current	US\$/Mcf Real	US\$/Mcf Current	C\$/lt Current
net11 <t< td=""><td>Historical</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Historical											
nd11 <th< td=""><td>2008</td><td>\$23.29</td><td>\$56.42</td><td>\$83.67</td><td>\$111.47</td><td>\$8.09</td><td>\$8.49</td><td>\$8.26</td><td>\$8.43</td><td>\$9.24</td><td>\$8.98</td><td>\$325.31</td></th<>	2008	\$23.29	\$56.42	\$83.67	\$111.47	\$8.09	\$8.49	\$8.26	\$8.43	\$9.24	\$8.98	\$325.31
nm <td>2009</td> <td>\$11.61</td> <td>\$34.62</td> <td>\$56.21</td> <td>\$69.49</td> <td>\$3.85</td> <td>\$4.04</td> <td>\$3.96</td> <td>\$4.17</td> <td>\$4.03</td> <td>\$3.95</td> <td>(\$5.08)</td>	2009	\$11.61	\$34.62	\$56.21	\$69.49	\$3.85	\$4.04	\$3.96	\$4.17	\$4.03	\$3.95	(\$5.08)
201014.2015.2017.401	2010	\$11.53	\$45.19	\$68.79	\$84.02	\$3.76	\$4.20	\$4.01	\$4.01	\$4.60	\$4.39	\$56.94
handinside<	2011	\$10.30	\$52.41	\$86.98	\$105.24	\$3.46	\$3.80	\$3.63	\$3.34	\$4.18	\$4.00	\$101.60
and1.1.0.1.0.0.1.0.0.1.0.1.0.1.0.1.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.1.0.0.0.0.1.0.0.0.0.1.0.0.0.0.1.0.0.0.0.1.0.0.0.0.0.1.0.0.0.0.0.1.0.0.0.0.0.0.1.0.0.0.0.0.0.0.1.0.0.0.0.0.0.0.0.1.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0	2012	\$6.73	\$30.80	\$75.47	\$99.67	\$2.25	\$2.45	\$2.39	\$2.29	\$2.82	\$2.75	\$126.81
and1.9.11.9.31.	2013	\$8.68	\$38.54	\$77.44	\$103.52	\$2.98	\$3.27	\$3.17	\$3.11	\$3.84	\$3.73	\$62.17
andinitini	2014	\$12.46	\$42.93	\$59.43	\$101.47	\$4.22	\$4.64	\$4.50	\$4.16	\$4.53	\$4.39	\$88.99
andandandandandandandandandandandand11<	2015	\$7.49	\$5.35	\$33.70	\$55.15	\$2.56	\$2.76	\$2.69	\$1.81	\$2.70	\$2.63	\$107.45
Partial2010201	2016	\$6.04	\$8.71	\$31.45	\$52.43	\$1.93	\$2.23	\$2.16	\$1.75	\$2.59	\$2.52	\$45.40
Nather11 <td>2017</td> <td>\$6.11</td> <td>\$27.92</td> <td>\$40.98</td> <td>\$63.65</td> <td>\$2.13</td> <td>\$2.23</td> <td>\$2.19</td> <td>\$1.56</td> <td>\$3.03</td> <td>\$2.99</td> <td>\$41.85</td>	2017	\$6.11	\$27.92	\$40.98	\$63.65	\$2.13	\$2.23	\$2.19	\$1.56	\$3.03	\$2.99	\$41.85
NumberNo. <th< td=""><td>2018</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	2018											
Ang.19.5019.6019.0019.701	3 Mths H	\$5.72	\$38.14	\$47.20	\$77.66	\$1.85	\$2.06	\$2.06	\$1.94	\$3.08	\$3.08	\$50.00
Present201015.019.	9 Mths F	\$5.30	\$39.50	\$50.25	\$79.00	\$1.70	\$1.90	\$1.90	\$1.60	\$2.80	\$2.80	\$50.00
Presenta firststatesta	Avg.	\$5.40	\$39.16	\$49.49	\$78.67	\$1.74	\$1.94	\$1.94	\$1.68	\$2.87	\$2.87	\$50.00
20916251525150017001600170016001710160017101610171	Forecast	1										
20209.07.09.08.09.15.69.12.59.26.79.28.7<	2018	\$5.30	\$39.50	\$50.25	\$79.00	\$1.70	\$1.90	\$1.90	\$1.60	\$2.80	\$2.80	\$50.00
20114.8514.1815.3514.8015.2712.0012.9512.6513.0013.0013.0020213.9614.0515.6013.0013.1013.0013.10 <td>2019</td> <td>\$6.25</td> <td>\$39.25</td> <td>\$50.00</td> <td>\$78.55</td> <td>\$2.05</td> <td>\$2.20</td> <td>\$2.25</td> <td>\$1.95</td> <td>\$2.90</td> <td>\$2.95</td> <td>\$51.00</td>	2019	\$6.25	\$39.25	\$50.00	\$78.55	\$2.05	\$2.20	\$2.25	\$1.95	\$2.90	\$2.95	\$51.00
ActionActio	2020	\$7.70	\$40.60	\$51.65	\$81.15	\$2.55	\$2.65	\$2.75	\$2.45	\$3.10	\$3.25	\$52.00
22396.094.71596.0094.9094.32094.0194.0094.0194.0594.0594.0522496.10094.0096.00 </td <td>2021</td> <td>\$8.35</td> <td>\$41.85</td> <td>\$53.35</td> <td>\$83.80</td> <td>\$2.75</td> <td>\$2.80</td> <td>\$2.95</td> <td>\$2.65</td> <td>\$3.30</td> <td>\$3.50</td> <td>\$53.05</td>	2021	\$8.35	\$41.85	\$53.35	\$83.80	\$2.75	\$2.80	\$2.95	\$2.65	\$3.30	\$3.50	\$53.05
224106054.056.1059.1053.5553.7554.5153.7554.5153.7554.6153.7554.6153.7554.6153.7554.6153.7554.6153.7554.6153.7554.6153.7554.6153.7554.6153.7554.6154.7554.6154.7554.7	2022	\$8.95	\$44.50	\$56.60	\$88.90	\$3.00	\$2.95	\$3.20	\$2.85	\$3.40	\$3.70	\$54.10
2025\$1145\$4905\$6245\$800\$3355\$410\$375\$390\$400\$5752026\$1185\$505\$6370\$100\$400\$360\$420\$365\$395\$465\$5852027\$1122\$5105\$6435\$100\$410\$365\$435\$400\$400\$400\$400\$6002028\$1122\$510\$6435\$100\$410\$405\$435\$400\$400\$400\$400\$6002029\$1120\$510\$6625\$100\$6430\$365\$455\$415\$400\$400\$400\$600\$6002029\$1120\$510\$6625\$100\$6100\$6100\$6100\$400\$400\$410\$400\$400\$600\$6002030\$1120\$510\$6625\$100\$100\$6100\$600\$6100\$600\$6100\$6	2023	\$9.60	\$47.15	\$60.00	\$94.30	\$3.20	\$3.10	\$3.40	\$3.10	\$3.55	\$3.90	\$55.20
226\$1185\$50.0\$63.70\$1000\$40.0\$8.00\$4.20\$3.85\$8.95\$4.50\$4.50227\$12.20\$51.05\$64.95\$1020\$1.00\$3.60\$4.60\$4.00	2024	\$10.60	\$48.10	\$61.20	\$96.15	\$3.55	\$3.35	\$3.75	\$3.45	\$3.75	\$4.20	\$56.30
2027S102S105S6495S102S440S365S435S400S400S400S400S400S4502028S1245S5205S625S1040S420S365S445S410S400S400S400S4002029S1127S5310S760S1020S430S365S455S415S400S400S400S4002030S1128S515S695S1030S1400S450S465S455S400S400S400S4002031S1320S525S7030S1120S455S365S405S400S400S400S400S4002032S1345S535S7170S1120S455S365S405S400S400S400S400S4002034S135S163S1120S1120S1120S1120S145S465S400S400S400S400S4002034S135S135S110S1120S1120S1120S125S160S400 <td>2025</td> <td>\$11.45</td> <td>\$49.05</td> <td>\$62.45</td> <td>\$98.10</td> <td>\$3.85</td> <td>\$3.55</td> <td>\$4.10</td> <td>\$3.75</td> <td>\$3.90</td> <td>\$4.50</td> <td>\$57.45</td>	2025	\$11.45	\$49.05	\$62.45	\$98.10	\$3.85	\$3.55	\$4.10	\$3.75	\$3.90	\$4.50	\$57.45
20281512451520516625104014201365144514014001400140014002029151270153.10167001600164.00136.5145.5141.5140.0140.0146.0203015129154.15158.95160.00164.00136.5146.5142.5140.0150.0166.0020311120155.25170.00110.00144.5136.5140.0140.0140.0150.0166.0020321131.5156.5171.70111.20145.5166.5140.0140.0140.0150.0166.0020341131.5156.5171.70111.20145.5166.5140.0140.0150.0166.0020341131.5157.5171.0111.20154.5154.5154.0140.0150.0156.0020341131.5157.5111.20154.5154.5154.0140.0150.0156.0156.020341131.5114.00154.5154.5154.0140.0150.0156.0156.0156.0150.0140.0150.0150.0150.02034114.00158.0174.0174.0144.5154.5154.0	2026	\$11.85	\$50.05	\$63.70	\$100.05	\$4.00	\$3.60	\$4.20	\$3.85	\$3.95	\$4.65	\$58.60
202911<	2027	\$12.20	\$51.05	\$64.95	\$102.05	\$4.10	\$3.65	\$4.35	\$4.00	\$4.00	\$4.80	\$59.75
203051295431569551005440536554655425540055055600203151320552557005110464455365547054305400550560056572032613355635571051106145053655470543054005505658203361315575757355710511054555365540054005400550565820346140058605740571051105110545653605400540056056620346140058605740511051205130510054005605675672035614305980576051205165513051005400500560	2028	\$12.45	\$52.05	\$66.25	\$104.10	\$4.20	\$3.65	\$4.45	\$4.10	\$4.00	\$4.90	\$60.95
203151205525573051045445516554705430540054005555203251345563557105112054555365548054005400550565520335137557345573551140546553655490540054005500560020345140058605740574051105110551605100540056005600203451400558057405100510051005400500510054005005100203451430558057605100510054005100540050051005400500510020345145051450514505160510054005400500510054005100 <td>2029</td> <td>\$12.70</td> <td>\$53.10</td> <td>\$67.60</td> <td>\$106.20</td> <td>\$4.30</td> <td>\$3.65</td> <td>\$4.55</td> <td>\$4.15</td> <td>\$4.00</td> <td>\$4.95</td> <td>\$62.15</td>	2029	\$12.70	\$53.10	\$67.60	\$106.20	\$4.30	\$3.65	\$4.55	\$4.15	\$4.00	\$4.95	\$62.15
2032513.557.6557.70511.2754.5554.6554.8054.0054.0054.0055.002033613.7557.74557.31551.14564.6553.6554.9054.0054.0055.0054.0055.0055.0054.0055	2030	\$12.95	\$54.15	\$68.95	\$108.30	\$4.40	\$3.65	\$4.65	\$4.25	\$4.00	\$5.05	\$63.40
203315175157.45173.15151.4914.6516.6514.9014.0014.0015.002034151.40158.60174.60151.75154.7515.6015.0014.0015.0015.6015.002035151.40159.0017.6017.1015.1015.1015.1014.0015.0015.702036151.45151.0017.6017.0015.1015.6015.0014.0015.0015.702037151.45152.0017.0017.0015.0015.0015.0015.0016.0015.002037151.45152.0017.0017.0015.0015.0015.0015.0016.0015.0015.002037151.45152.0017.0015.0015.0015.0015.0016.0015.00	2031	\$13.20	\$55.25	\$70.30	\$110.45	\$4.45	\$3.65	\$4.70	\$4.35	\$4.00	\$5.15	\$64.70
2034514.00558.00574.005117.2054.7555.0055.0054.0054.0055.0055.002035514.3055.00576.10511.00514.00514.0055.0054.7054.0055.0055.0054.0055.0055.0054.0055.00<	2032	\$13.45	\$56.35	\$71.70	\$112.70	\$4.55	\$3.65	\$4.80	\$4.40	\$4.00	\$5.30	\$65.95
2035 \$14.00 \$59.80 \$76.10 \$119.00 \$44.85 \$3.65 \$5.10 \$4.70 \$4.00 \$5.00 \$77.00	2033	\$13.75	\$57.45	\$73.15	\$114.95	\$4.65	\$3.65	\$4.90	\$4.50	\$4.00	\$5.40	\$67.30
2036 \$14.55 \$61.00 \$77.65 \$12.19 \$4.95 \$3.65 \$5.20 \$4.80 \$4.00 \$5.70 2037 \$14.85 \$62.20 \$79.20 \$12.44 \$5.05 \$3.65 \$5.20 \$4.90 \$4.00 \$5.76 \$71.40	2034	\$14.00	\$58.60	\$74.60	\$117.25	\$4.75	\$3.65	\$5.00	\$4.60	\$4.00	\$5.50	\$68.65
2037 \$14.85 \$62.20 \$79.20 \$124.40 \$5.05 \$3.65 \$5.30 \$4.90 \$4.00 \$5.05 \$72.85	2035	\$14.30	\$59.80	\$76.10	\$119.60	\$4.85	\$3.65	\$5.10	\$4.70	\$4.00	\$5.60	\$70.00
	2036	\$14.55	\$61.00	\$77.65	\$121.95	\$4.95	\$3.65	\$5.20	\$4.80	\$4.00	\$5.70	\$71.40
2037+ 2.0% 2.0% 2.0% 2.0% 2.0% 2.0% 2.0% 2.0%	2037	\$14.85	\$62.20	\$79.20	\$124.40	\$5.05	\$3.65	\$5.30	\$4.90	\$4.00	\$5.85	\$72.85
	2037+	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	0.0%	2.0%	2.0%

Notes:

- All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars
- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point
- 1 Mcf is equivalent to 1 mmbtu
- Real prices listed in 2018 dollars with no escalation considered
- Alberta gas prices, except AECO, include an average cost of service to the plant gate
- NGL prices have been switched from a mix reference to a spec reference

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Additional Crude Reference Prices

	Crude oil pricing		N	latural gas pricing
Years	Lt. Sour 35 Deg. API Cromer, SK	MSO 31 Deg. API Hardisty	Synbit (AWB) 70% Bitumen 30% Cond. 21 Deg. API	Ontario Dawn Reference Point
	C\$/bbl Current	C\$/bbl Current	C\$/bbl Current	C\$/mcf Current
Historical			· · · · ·	
2008	\$96.98	\$94.53	\$86.64	\$10.10
2009	\$64.04	\$63.76	\$58.92	\$4.80
2010	\$76.40	\$72.32	\$67.64	\$4.79
2011	\$92.13	\$83.39	\$80.29	\$4.34
2012	\$84.27	\$77.53	\$74.75	\$3.11
2013	\$91.76	\$82.65	\$76.90	\$4.13
2014	\$92.91	\$89.39	\$82.03	\$5.76
2015	\$55.46	\$54.70	\$44.28	\$3.72
2016	\$51.37	\$48.29	\$39.58	\$3.46
2017	\$62.06	\$58.16	\$50.60	\$3.97
2018				
3 Mths H	\$70.56	\$62.44	\$53.90	\$3.91
9 Mths F	\$70.80	\$65.80	\$57.15	\$3.65
Avg.	\$70.74	\$64.96	\$56.34	\$3.72
Forecast	1		I	
2018	\$70.80	\$65.80	\$57.15	\$3.65
2019	\$70.40	\$67.30	\$57.85	\$3.75
2020	\$72.70	\$69.60	\$61.45	\$3.95
2021	\$75.10	\$71.90	\$65.05	\$4.20
2022	\$79.80	\$76.55	\$69.65	\$4.40
2023	\$84.65	\$81.30	\$74.40	\$4.70
2024	\$86.30	\$82.95	\$75.90	\$5.00
2025	\$88.05	\$84.60	\$77.40	\$5.35
2026	\$89.80	\$86.30	\$78.95	\$5.50
2027	\$91.60	\$88.00	\$80.55	\$5.70
2028	\$93.45	\$89.80	\$82.15	\$5.80
2029	\$95.30	\$91.55	\$83.80	\$5.90
2020	\$97.20	\$93.40	\$85.50	\$6.00
2031	\$99.15	\$95.25	\$87.20	\$6.15
2032	\$101.15	\$97.20	\$88.95	\$6.25
2032	\$103.15	\$99.10	\$90.70	\$6.40
2033	\$105.20	\$99.10	\$90.70	\$6.50
2034	\$105.20	\$101.10	\$94.40	\$6.65
2035	\$107.35	\$103.15	\$94.40	\$6.80
2037 2037+	\$111.65	\$107.30	\$98.20	\$6.90

Notes:

- All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars
- Edmonton city gate prices based on historical light oil par prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API < 0.5% Sulphur)
- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point
- 1 Mcf is equivalent to 1 mmbtu
- Real prices listed in 2018 dollars with no escalation considered
- Alberta gas prices, except AECO, include an average cost of service to the plant gate
- NGL prices have been switched from a mix reference to a spec reference

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International price tables

	Crude Oil Pricing															
Year	Average WTI Spot	Alaskan North Slope	California Kern River	Louisiana Heavy Sweet	Louisiana Light Sweet	MARS Blend	Wyoming Sweet	Brent Spot	Gulf Coast Argus Sour Crude Index ASCI	Average OPEC Basket	Venezuelan Merey	Nigerian Bonny Light	Arabia UAE Dubai Feteh	Mexico Maya	Russia Urals	Indonesia Mina:
	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bb
	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Rea
Forecast																
2018	\$60.00	\$56.00	\$57.00	\$60.40	\$59.00	\$56.50	\$56.75	\$64.00	\$56.50	\$62.00	\$56.50	\$64.55	\$62.00	\$55.00	\$62.75	\$57.00
2019	\$60.00	\$56.00	\$57.00	\$60.40	\$59.00	\$56.50	\$56.75	\$64.00	\$56.50	\$62.00	\$56.50	\$64.55	\$62.00	\$55.00	\$62.75	\$59.00
2020	\$62.50	\$58.50	\$59.50	\$62.90	\$61.50	\$59.00	\$59.25	\$64.50	\$59.00	\$62.50	\$57.00	\$65.05	\$62.50	\$55.50	\$63.25	\$59.50
2021	\$65.00	\$61.00	\$62.00	\$65.40	\$64.00	\$61.50	\$61.75	\$67.00	\$61.50	\$65.00	\$59.50	\$67.55	\$65.00	\$58.00	\$65.75	\$62.00
2022	\$67.50	\$63.50	\$64.50	\$67.90	\$66.50	\$64.00	\$64.25	\$69.50	\$64.00	\$67.50	\$62.00	\$70.05	\$67.50	\$60.50	\$68.25	\$64.50
2023	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2024	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2025	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2026	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2027	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2028	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2029	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2030	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2031	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2032	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2033	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2034	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2035	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2036	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2037	\$70.00	\$66.00	\$67.00	\$70.40	\$69.00	\$66.50	\$66.75	\$72.00	\$66.50	\$70.00	\$64.50	\$72.55	\$70.00	\$63.00	\$70.75	\$67.00
2037+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

• Venezuelan Merey replaced BCF-17 in the OPEC basket March 1, 2009.

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Year			Natural Gas pricing						Ethanol
	USD to GBP	USD to EUR	NYMEX Henry Hub	Permian Waha	San Juan Ignacio	Rocky Mtn. Opal	UK NBP	India Domestic Gas	US CBOT Ethanol
	Exchange rate	Exchange rate	US\$/Mcf Real	US\$/Mcf Real	US\$/Mcf Real	US\$/Mcf Real	US\$/gal. Real	US\$/Mcf Real	US\$/bbl Real
Forecast	,		1						
2018	1.380	1.250	\$2.80	\$2.30	\$2.35	\$2.40	\$6.55	\$3.15	\$1.50
2019	1.380	1.250	\$2.90	\$2.40	\$2.45	\$2.50	\$6.65	\$3.20	\$1.50
2020	1.380	1.250	\$3.10	\$2.60	\$2.65	\$2.70	\$6.85	\$3.30	\$1.50
2021	1.380	1.250	\$3.30	\$2.80	\$2.85	\$2.90	\$7.05	\$3.55	\$1.50
2022	1.380	1.250	\$3.40	\$2.90	\$2.95	\$3.00	\$7.15	\$3.75	\$1.50
2023	1.380	1.250	\$3.55	\$3.05	\$3.10	\$3.15	\$7.30	\$3.85	\$1.50
2024	1.380	1.250	\$3.75	\$3.25	\$3.30	\$3.35	\$7.50	\$4.00	\$1.50
2025	1.380	1.250	\$3.90	\$3.40	\$3.45	\$3.50	\$7.65	\$4.20	\$1.50
2026	1.380	1.250	\$3.95	\$3.45	\$3.50	\$3.55	\$7.70	\$4.35	\$1.50
2027	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.40	\$1.50
2028	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2029	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2030	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2031	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2032	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2033	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2034	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2035	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2036	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2037	1.380	1.250	\$4.00	\$3.50	\$3.55	\$3.60	\$7.75	\$4.45	\$1.50
2037+	1.380	1.250	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Pricing philosophy

Price forecasting takes into account many variables that can influence future prices. Our experience tells us that we must continually review the forecasting tools we use to predict where oil and gas prices are heading. However, one constant influence on oil and gas pricing is the geo-political landscape. This impact is most accurately reflected in the financial industry's futures market for commodities, a main influence when Deloitte creates its price forecast. In other words, Deloitte looks to both the futures and the past when we create our forecasts.

This pricing philosophy challenges conventional thinking. The traditional view is based on the mean-reversion view of commodities presented by economists. Following this model, industry forecasts from 2000 to 2006 reflected a drop in prices over the long term from the current prices of the day – even though the futures market indicated otherwise. While the mean-reversion approach definitely has some merit, history has tended to reflect that the futures market is a more accurate barometer.

Client focus

At Deloitte, we believe it is part of our role to help our clients in both the oil and gas sector and the investment community make better long-term business decisions by providing them with the most accurate and realistic information. We understand that sound analysis of changing trends can influence decisions on mergers, acquisitions, divestitures and investments. One way we ensure our price forecasts are as accurate as possible, given the continuing impact of near-term volatility, is to review our pricing assumptions on a quarterly basis.

Our process

In preparing the price forecast, Deloitte considers the current monthly trends, the actual price and trends for the year-to-date and the prior year actual prices. The base forecast for both oil and gas is based on New York Mercantile Exchange (NYMEX) futures in U.S. dollars. Crude oil and natural gas forecasts are based on yearly variable factors, weighted to a higher percent for the current data and then reflect a higher percent to prior year historical data for the later years. Gas prices have been determined independently from oil prices, but still reflect the current competitive nature of the two fuels and historical oil-to-gas ratios for the latter years of the gas forecast.

Deloitte prepares our price and market forecasts based on information we collect from numerous government agencies, industry publications, oil refineries, natural gas marketers and industry trends. Inflation forecasts and exchange rates are also an integral part of the forecast. These forecasts are Deloitte's best estimate of how the future will look, and while they

of how the future will look, and while they are considered reasonable, changing market conditions or additional information may require alteration from the indicated effective date.



Glossary

Some of the words, phrases and acronyms we use frequently when talking about pricing are listed below:

AECO	Alberta Energy Company -	LNG	Liquefied Natural Gas
	historical name of a virtual trading hub on the NGX system	MESC	Middle East Sour Crude
ANS	Alaska North Slope	MSO	Mixed Sour Crude Oil
ASCI	Argus Sour Crude Oil	MSW	Canadian Light Sweet
AWB	Access Western Blend - Canadian	NEB	Canadian National Energy Board
AVVD	condensate/bitumen mix	NGX	Natural Gas Exchange
BR	Bow River Crude Oil	NIT	Nova Inventory Transfer
CAPP	Canadian Association of Petroleum	NRC	Natural Resources Canada
	Producers	NYMEX	New York Mercantile Exchange
CBOT	Chicago Board Of Trade	OECD	Organization of Economic
CGA	Canadian Gas Association		Cooperation and Development
CME	Chicago Mercantile Exchange	OPEC	Organization of Petroleum
DCQ	Daily Contract Quantity		Exporting Countries
DOB	Daily Oil Bulletin	PADD	Petroleum Administration Defense District
EIA	Energy Information Administration	USGC	US Gulf Coast
FERC	US Federal Energy Regulatory Commission	USWC	US West Coast
		WCS	Western Canada Select Crude Oil
FOB	Free on Board (shipper term)	WTI	West Texas Intermediate
IEA	International Energy Administration	WTS	West Texas Sour
LLB	Lloydminster Blend Crude Oil		

Andrew Botterill 403-648-3239 abotterill@deloitte.ca

Lesley Mitchell 403-648-3215 lemitchell@deloitte.ca

Jonathan Listoe 403-648-3254 jlistoe@deloitte.ca

Sarah Clowes 587-293-3201 saclowes@deloitte.ca

Deloitte Bankers Court 700, 850 - 2 Street SW Calgary AB T2P 0R8 Canada

Tel: 403-267-1700 Fax: 587-774-5398

Deloitte.

www.deloitte.ca/priceforecast

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