

### PSAC Forecasts Oilpatch Activity to Remain Steady in 2013

(Calgary, AB) --- The 2013 Canadian Drilling Activity Forecast, released today by the Petroleum Services Association of Canada (PSAC), forecasts a total of 11,400 wells drilled (rig releases) across Canada for 2013. This is a slight increase over the expected final tally of 11,250 wells drilled (rig releases) for 2012.

“We are cautiously optimistic about 2013’s drilling activity levels”, says Mark Salkeld, president and CEO of PSAC. “The first quarter will see a typical ramp up of activity, and of course, slower activities in the spring with break up. However, we expect the last two quarters of 2013 to bring increased activity as larger producers continue with their plans and mid-sized companies gain access to the capital they need.”

PSAC is basing its 2013 Forecast on average natural gas price of CDN\$3.25/mcf (AECO) and crude oil price of US\$95.00 barrel (WTI). “As a result of ongoing suppressed gas prices our forecast is conservative for next year’s activity levels,” says Mr. Salkeld.

On a provincial basis for 2013, PSAC estimates 7,045 wells to be drilled in Alberta and 750 in Manitoba representing an increase of three per cent and five per cent respectively over expected 2012 final totals. British Columbia is forecasted to drill 385 wells next year which would be a decrease of 11 per cent compared to 2012. In Saskatchewan, drilling activity is expected to see one per cent decrease with an estimated 3,199 wells to be drilled next year.

“We are forecasting that 2013 will see nearly 90 per cent of well completions in favour of oil which is being driven by commodity prices,” noted Mr. Salkeld. “Other factors that are likely to impact next year’s activity include the costs associated with the technology required to drill deeper and longer wells and access to capital to support equipment upgrading and purchasing.”

The Petroleum Services Association of Canada (PSAC) is the national trade association representing the service, supply and manufacturing sectors within the upstream petroleum industry. PSAC represents a diverse range of over 250 member companies, employing more than 65,000 people and contracting almost exclusively to oil and gas exploration and production companies.

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