

## MEDIA RELEASE

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### **PSAC's Updated 2013 Canadian Drilling Activity Forecast Estimates Another Modest Uptick in Activity**

Calgary, AB – April 25, 2013 –In its second update to the 2013 Canadian Drilling Activity Forecast, released today, the Petroleum Services Association of Canada (PSAC) forecasts a slight increase in Canadian drilling for the year. The revised forecast for 2013 is 12,000 wells (rig released), which represents an increase of 600 wells from PSAC's original 2013 forecast released in early November 2012. The revised Forecast represents an approximate nine per cent increase over 2012 drilling levels.

PSAC is basing its updated 2013 forecast on average natural gas prices of \$3.40 CDN/mcf (AECO) and crude oil prices of US\$90/barrel (WTI) and the Canadian dollar averaging \$1.00.

"Drilling activity is keeping on a steady pace this year, and we anticipate another pick up in activity in Q3 and Q4," said Mark Salkeld, president and CEO of PSAC. "Even with steady levels of activity this year, continued low gas prices and the impact of infrastructure bottlenecks that are squeezing access to new markets are certainly having an impact."

On a provincial basis for 2013, PSAC now estimates 7,563 wells to be drilled in Alberta representing a seven per cent increase from the original forecast. British Columbia is also expected to experience an increase in drilling levels from 385 to 457 wells, a 19 per cent increase. Saskatchewan's projected 2013 well count has been increased by 3 per cent for a total of 3,286 wells. Manitoba is now forecasted to drill 80 fewer wells at 670 for the year representing an 11 per cent decrease.

"Natural gas development in northeastern British Columbia realized a bit of an uptick in part due to the Progress Energy/Petronas deal as well as increased activity for oil resource development in the northeast and we've adjusted our numbers to reflect that activity," said Salkeld. "While at the same time we are seeing increased activity in both northern Alberta with exploratory and development wells around the oilsands in situ plays, and increased activity along the Pembina Cardium fairway as well as for the Bakken and Banff- Exshaw formations in southern Alberta."

The Petroleum Services Association of Canada is the national trade association representing the service, supply and manufacturing sectors within the upstream petroleum industry. PSAC represents a diverse range of nearly 250 member companies, employing more than 80,000 people and contracting almost exclusively to oil and gas exploration and production companies.

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