

MEDIA RELEASE

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PSAC's Canadian Drilling Activity Forecast Expects Continued Steady Growth

Calgary, AB –In its third update to the 2013 Canadian Drilling Activity Forecast, released today, the Petroleum Services Association of Canada (PSAC) expects to see a three per cent increase over 2012 drilling levels. The revised 2013 forecast estimates a total of 11, 415 wells (rig releases) to be drilled, which represents a slight increase of 15 wells from PSAC's original 2013 forecast released in early November 2012.

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.

"This updated forecast is a reflection of a continued healthy pace for our industry," said PSAC President and CEO, Mark Salkeld. "Our forecasted activity levels for this year are levels that meet PSAC members' expectations given they are looking for a steady pace of activity to last year's, despite experiencing a wetter than normal spring resulting in an extended break up."

On a provincial basis, the July revision to the April update includes a decrease expected in Alberta from 7,563 to 7,190, representing a five per cent change. As well, the updated outlook anticipates an uptick in British Columbia from 457 wells to 506 an 11 per cent increase, a decrease of activity of six per cent in Saskatchewan to 3,081 wells, as well as, a decrease of nine per cent to 613 wells in Manitoba.

"There are many factors in play that are having an effect on activity levels," said Salkeld. "Among those having the biggest impact are on-going low gas prices, current higher prices for oil and tightening of the differential which has resulted in some uptick in the number of oil wells being drilled as industry shifts their operations toward oil plays. Overall, the expected levels of drilling activity coupled with increasing efforts to get product to new markets points strongly to a positive sign for steady growth over the next few years."

PSAC will be releasing the 2014 Canadian Drilling Activity Forecast on October 30, 2013 in Calgary, 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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