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**No change to PSAC's 2016 Drilling Activity Forecast:
Lack of Tidewater Access Prolongs Oil-patch Woes**

Calgary, Alberta – Today, the Petroleum Services Association of Canada (PSAC), in its third update to its 2016 Canadian Drilling Activity Forecast, announced that there are no changes to its last forecasted number of 3,315 wells to be drilled (rig released) across Canada for 2016. While there were minor adjustments across various regions and provinces, overall wells drilled are expected to remain the same as PSAC's April 2016 Forecast. PSAC based its updated 2016 Forecast on average natural gas prices of \$1.90 CDN/mcf (AECO), crude oil prices of US\$42.00/barrel (WTI) and the Canada-US exchange rate averaging \$0.76.

President and CEO of PSAC Mark Salkeld said, "Times are still tough for the Canadian oilfield service, supply and manufacturing sector, going on two plus years now and still with no indicators for positive change in the near future for the majority of the sector. Drilling seasons, as we have come to know them, are pretty much nonexistent. There may be some activity but nowhere near the levels we had in 2013/14. What a lot of people don't realize is, when the oil and gas sector is not working, oilfield services equipment is parked for the most part and there is no cash flow."

"The entire sector is suffering and the trickle-down effects are rippling out to other areas of the economy which are feeling the pinch too. The number of petroleum services companies that have, or are in danger of, closing their doors forever is growing and the thousands of workers who lost their jobs are looking at every industry, every opportunity to find work."

On a provincial basis for 2016, PSAC now estimates 1,889 wells to be drilled in Alberta, down from 2,733 wells in the original Forecast. Approximately eight per cent fewer wells are still expected to be drilled in British Columbia, with PSAC's revised forecast now at 315 wells for the province down from 344 in the original forecast. The revised forecast for Saskatchewan now sits at 946 wells compared to 1,789 wells in the original forecast, and Manitoba is forecasted to see 158 wells or a decline of 122 in well count for 2016.

"The ongoing and frustrating lack of progress on gaining access to tidewater for our oil and gas is hindering Canada's economic growth, costing the country billions of dollars in lost revenue and negatively affecting our ability to attract capital investment. Canada can help clean up the environment globally and raise the quality of life around the globe to a standard that we enjoy and take for granted here at home if we could ever work our way to a decision to get our responsibly-developed oil and gas to the broader international market."

"PSAC continues to advocate for infrastructure projects, like major pipelines, and for well-decommissioning that will benefit the environment and put petroleum service workers back on the job. Losing the exceptional talent we have only exacerbates the problem when commodity prices rise and our customers look to the petroleum services sector for all of the service, supply and manufacturing requirements needed to responsibly develop oil and gas in all areas of activity across the Western Canadian Sedimentary Basin."

The Petroleum Services Association of Canada is the national trade association representing the service, supply and manufacturing sectors within the upstream petroleum industry. As the voice of the sector, PSAC advocates for its members to enable the continued innovation, technological advancement and in-the-field experience they supply to Canada's energy explorers and producers, helping to increase efficiency, improve safety and protect the environment. PSAC member companies represent a significant portion of the business volume generated in the oil and gas services industry.

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