

## MEDIA RELEASE

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### PSAC Forecasts 10,100 Wells to be Drilled in 2015

(Calgary, AB) --- The 2015 Canadian Drilling Activity Forecast, released today by the Petroleum Services Association of Canada (PSAC), forecasts a total of 10,100 wells drilled (rig releases) across Canada for 2015. This is a slight decrease from the expected final tally of 10, 830 wells drilled (rig releases) for 2014.

"We are forecasting only a small slump in activity for the year despite the fairly rapid decline in the price per barrel," says Mark Salkeld, president and CEO of PSAC. "We are anticipating a cold winter again this year, so expect that we will see a typical ramp up of Q1 activity, and of course, slower activities in the spring with break up. However, we expect the last two quarters of 2015 to see an uptick to finish another year with strong performance."

"There is a lot at play out there, but commodity pricing and market access are two of the biggest drivers behind forecasted activity levels," adds Salkeld. "But we are optimistic that 2015 will bring some resolve and positive movement on both those fronts."

PSAC is basing its 2015 Forecast on average natural gas price of CDN\$3.80/mcf (AECO) and crude oil price of US\$85.00 barrel (WTI).

On a provincial basis for 2015, PSAC estimates a decline in activity levels across the board in western Canada. In Alberta, PSAC is forecasting a total of 5,740 wells to be drilled or just over a six per cent decrease over 2014 activity levels. British Columbia is forecasted to have the largest decline of 20 per cent from 690 to 555 wells (rig releases) for next year. PSAC is forecasting 3,365 wells to be drilled in Saskatchewan and 430 wells in Manitoba, or a five per cent and 4 per cent decline respectively.

"We are forecasting that 2015 will see nearly 90 per cent of well completions in favour of oil which is being driven by commodity prices still," notes Mr. Salkeld.

"We are also forecasting total meterage drilled at just over 24 million meters. So while we are drilling close to 60 per cent fewer wells than we had been a decade ago, we are drilling only 20 per cent fewer meters total," says Salkeld. "Meterage is becoming a key indicator of activity and the technological gains our industry continues to deliver. Our 2015 forecast has the average meters/well doubling from 1,232 in 2005 to just over 2,400 meters."

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 close to 250 member companies, employing more than 70,000 people and contracting almost exclusively to oil and gas exploration and production companies.

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For more information contact:  
Kelly Morrison, Vice President - Communications  
Tel: 403-671-3916 Email: kmorrison@psac.ca