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## NEWS RELEASE

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### DRILLING ACTIVITY CONTINUES TO SLOW, SAYS PSAC

(Calgary, AB) --- The July 2007 Canadian Drilling Activity Forecast update, released today by the Petroleum Services Association of Canada (PSAC), predicts a continued slowdown in petroleum drilling activity. In 2007, PSAC expects a total of 17,650 wells drilled (rig released) across Canada. This represents a 24 per cent decrease in total wells drilled compared to the final tally for 2006 of 23,306 wells.

"The further we go into the year the less likely any turnaround will occur in 2007", stated Roger Soucy, PSAC President.

On a provincial basis for 2007, PSAC estimates 12,815 wells drilled in Alberta and 795 in British Columbia, representing a decrease of 27 per cent and 42 per cent respectively from 2006 drilling levels. Saskatchewan's drilling rate in 2007 will remain relatively flat at 3,520 wells, a decrease of only 7 per cent from 2006. Drilling in Manitoba will be down in 2007 at 440 wells, a 17 per cent decrease from 2006 activity levels.

Soucy also indicated that, "Many areas in the Western Canadian Sedimentary Basin now need natural gas prices of \$8 to \$10/mcf to attract new drilling". PSAC is basing its 2007 Forecast on crude oil prices of US\$65.00/barrel (WTI) and natural gas prices of Cdn\$6.75/mcf (AECO).

The complete July 2007 Canadian Drilling Activity Forecast update is now available for subscribers only on PSAC's website at [www.psac.ca](http://www.psac.ca) under "Publications".

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 over 270 member companies, employing more than 68,000 people and contracting almost exclusively to oil and gas exploration and production companies. PSAC member companies represent over 80 per cent of the business volume generated in the petroleum services industry.

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