

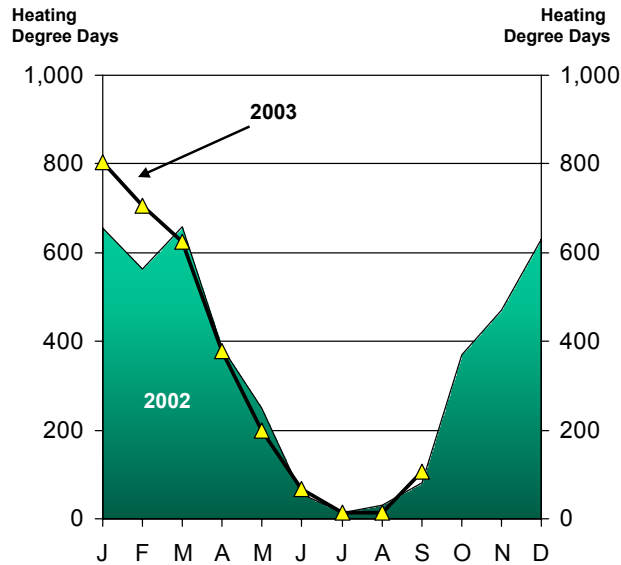
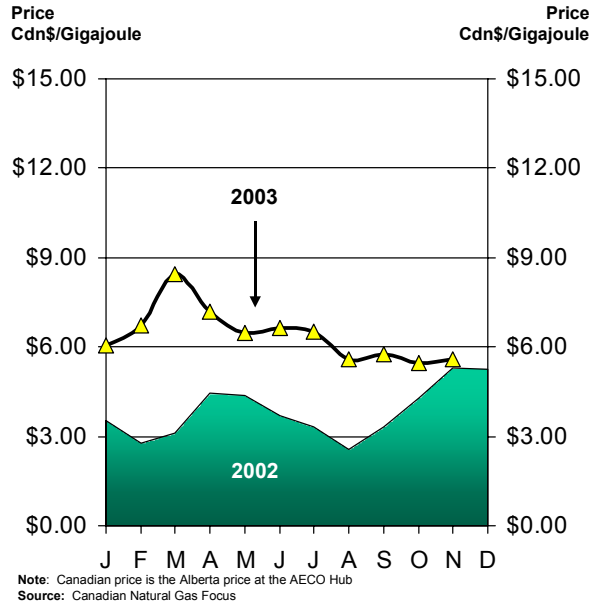
Natural Gas Market Update November 2003

The monthly report “Natural Gas Market Update” provides a brief update on natural gas prices and on key factors affecting prices. The charts illustrate monthly data for the full year 2002 and year-to-date 2003.

NATURAL GAS PRICES

This figure illustrates the price of natural gas at the major Canadian pricing point – the intra-Alberta market. The price is for gas delivered under a 30-day contract. The intra-Alberta market is formed by gas delivered to pipelines in Alberta. Gas changes hands via Nova Inventory Transfers (NIT), exchanges at the AECO storage hub, or sales facilitated by the Natural Gas Exchange (NGX). This is a commodity price – a wholesale price in the producing area. Consumer (or “burner tip”) prices will also include pipeline transmission and distribution costs, which vary across Canada. Natural gas is commonly measured in gigajoules (GJ) or cubic metres. A gigajoule is an energy unit, which equates to about 27 cubic metres of natural gas.

Canadian natural gas commodity prices increased 2% to \$5.59 CDN/GJ in November 2003.



HEATING DEGREE DAYS

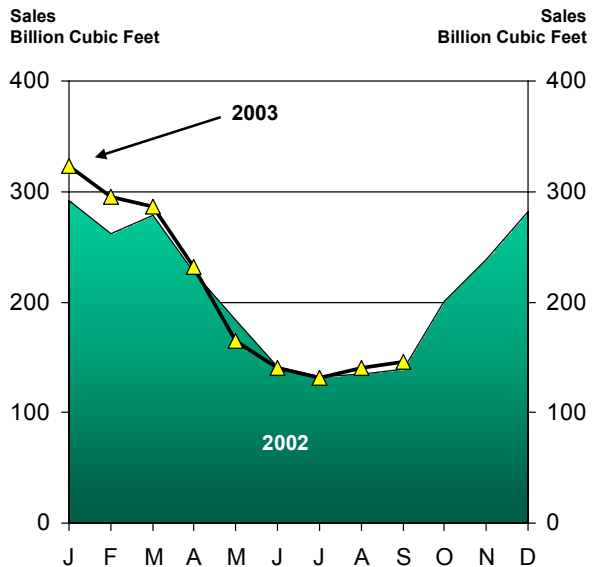
HDD's are a measure of how cold it is. The more HDD's in any season, the greater is natural gas demand for space heating. If the winter is unusually cold, demand will respond accordingly and natural gas prices will tend to be stronger. However, if the winter is mild, demand will be weaker, and this will tend to moderate prices.

In September 2003, there were 106 HDD's, 27% more HDD's than in September 2002. Temperatures in September 2003 were 12% warmer than normal.

DEMAND FOR NATURAL GAS

This figure illustrates total Canadian natural gas sales. Sales include all natural gas sold to residential and commercial users (for space and water heating, cooking, etc), industries and electricity generating units in Canada. The totals do not include consumption by the natural gas industry itself (e.g., pipeline compressor fuel).

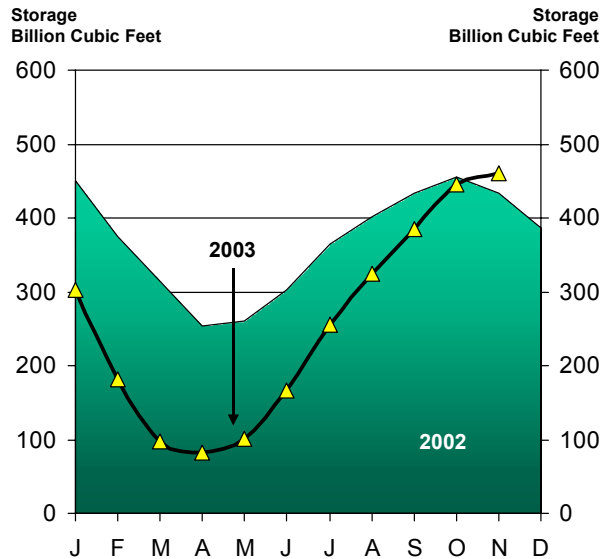
Natural gas sales to Canadian consumers in September 2003 were 146 Bcf, 1% lower than in September 2002.



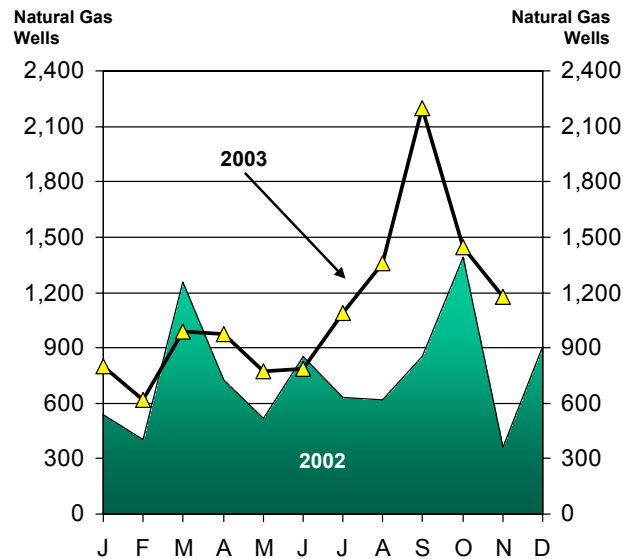
NATURAL GAS STORAGE

This chart indicates natural gas storage levels in Canada. The amount of gas in storage generally follows a seasonal pattern. In the summer, when natural gas demand is low, gas is injected into storage. Storage volumes peak in the fall. In winter, volumes are drawn down, reaching a low point in the spring.

Canadian gas storage inventories increased by 14 Bcf during the month of October 2003. Storage levels at the beginning of November 2003 were 6% higher than those of November 2002.



Source: Canadian Gas Association



Source: Daily Oil Bulletin. Monthly totals estimated from weekly data.

NATURAL GAS DRILLING

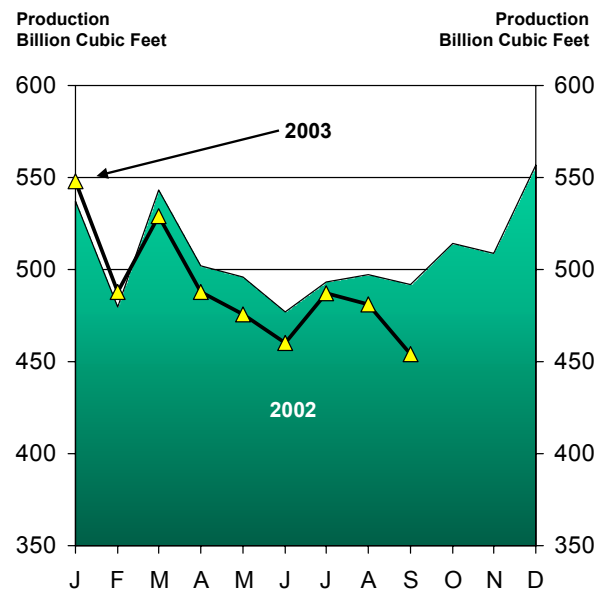
This chart depicts the number of natural gas well completions in Canada. There is a time-lag between drilling a gas well and starting production, due to the work necessary to connect the new well to the pipeline grid. Drilling is therefore a good indicator of future natural gas supply.

There were 1,177 natural gas well completions in November 2003, a 222% increase compared to November 2002.

NATURAL GAS PRODUCTION

This chart shows marketable natural gas production in Canada. Marketable natural gas is the gas available for consumption after processing and excludes producer or plant uses.

Marketable natural gas production was 454 Bcf in September 2003, 7% lower than September 2002.



Note: Most recent month is a preliminary figure
Source: Statistics Canada