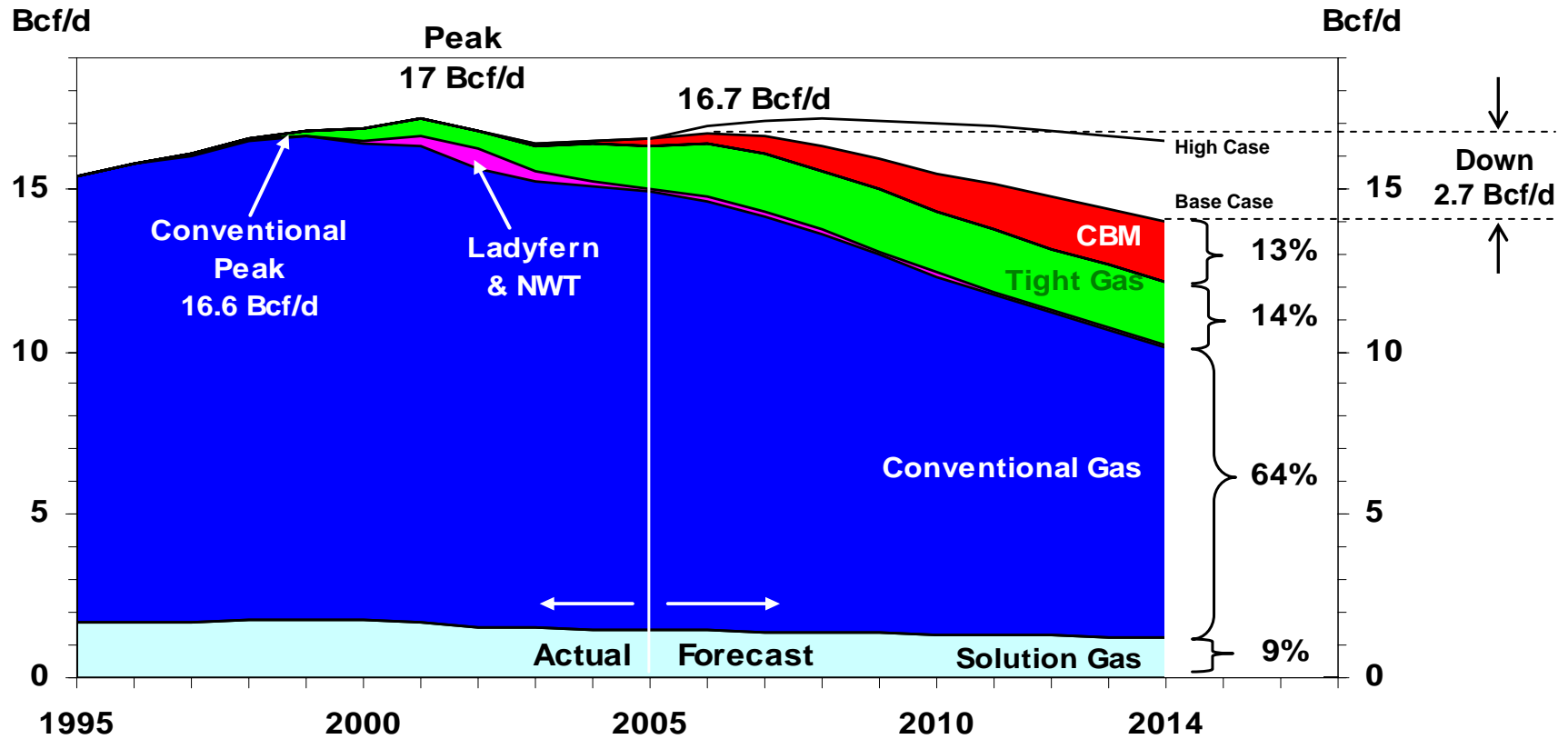


Alberta Royalty Review Panel
Randy McLeod, President and CEO
BP Canada Energy Company

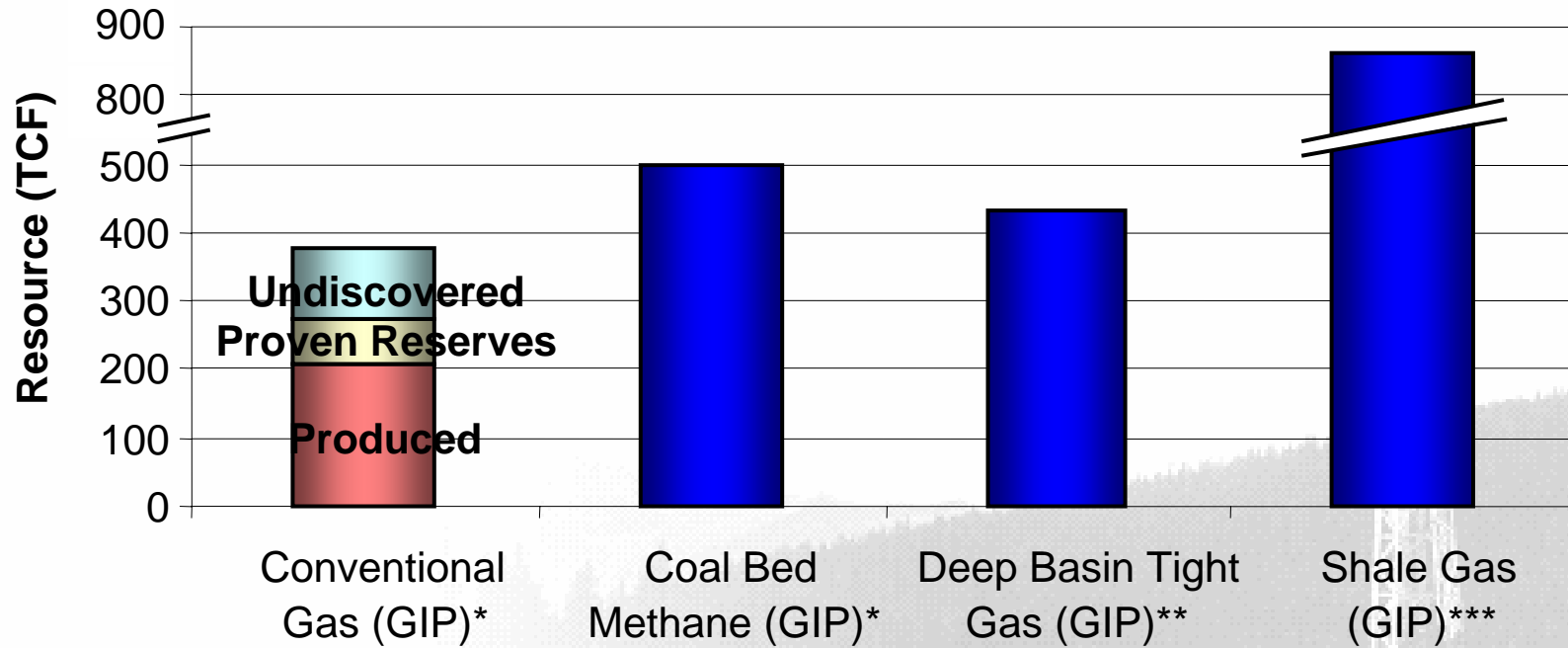
May 23, 2007

Western Canada Gas Production



Alberta Gas Resources

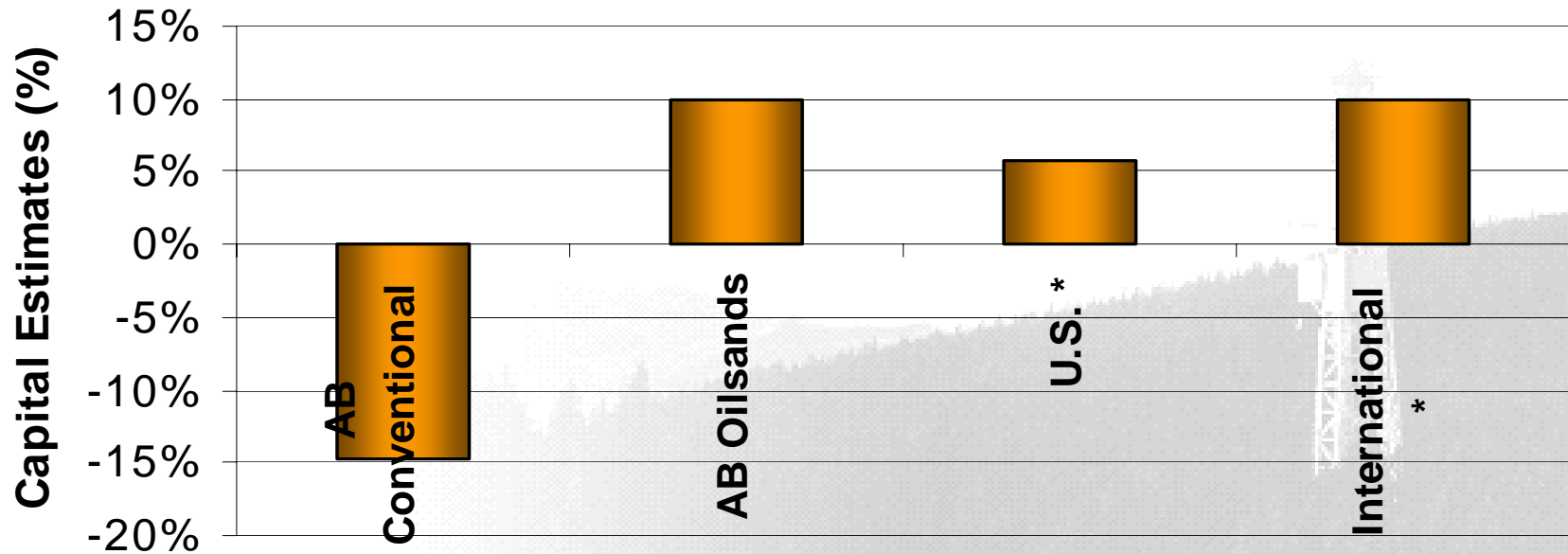
The Future is Unconventional Natural Gas



Sources: *AEUB/NEB Study, **Petrel Robertson, ***Centre For Energy

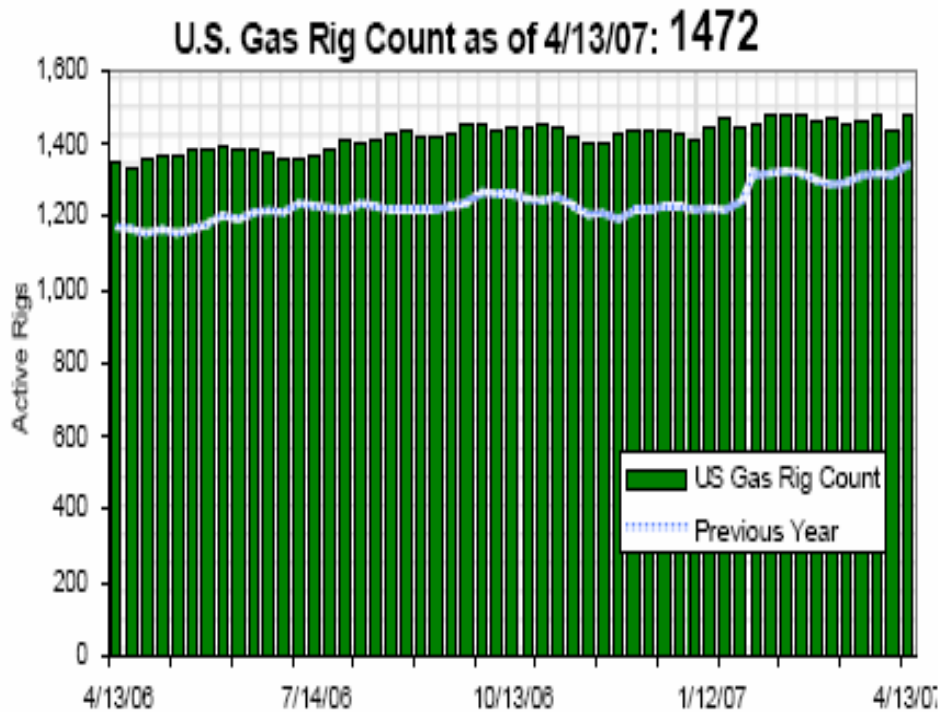
2007 Investment Trend

Change in investment intentions 2007 vs. 06 - Capital is Mobile

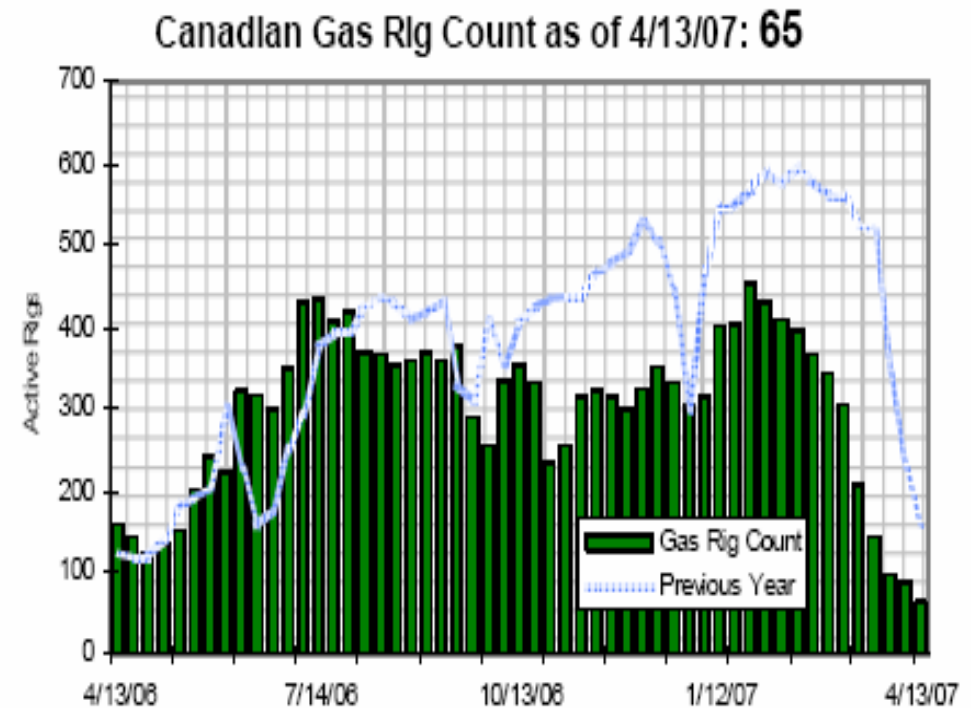


* Citigroup, other CAPP

US and Canadian Gas Rig Counts



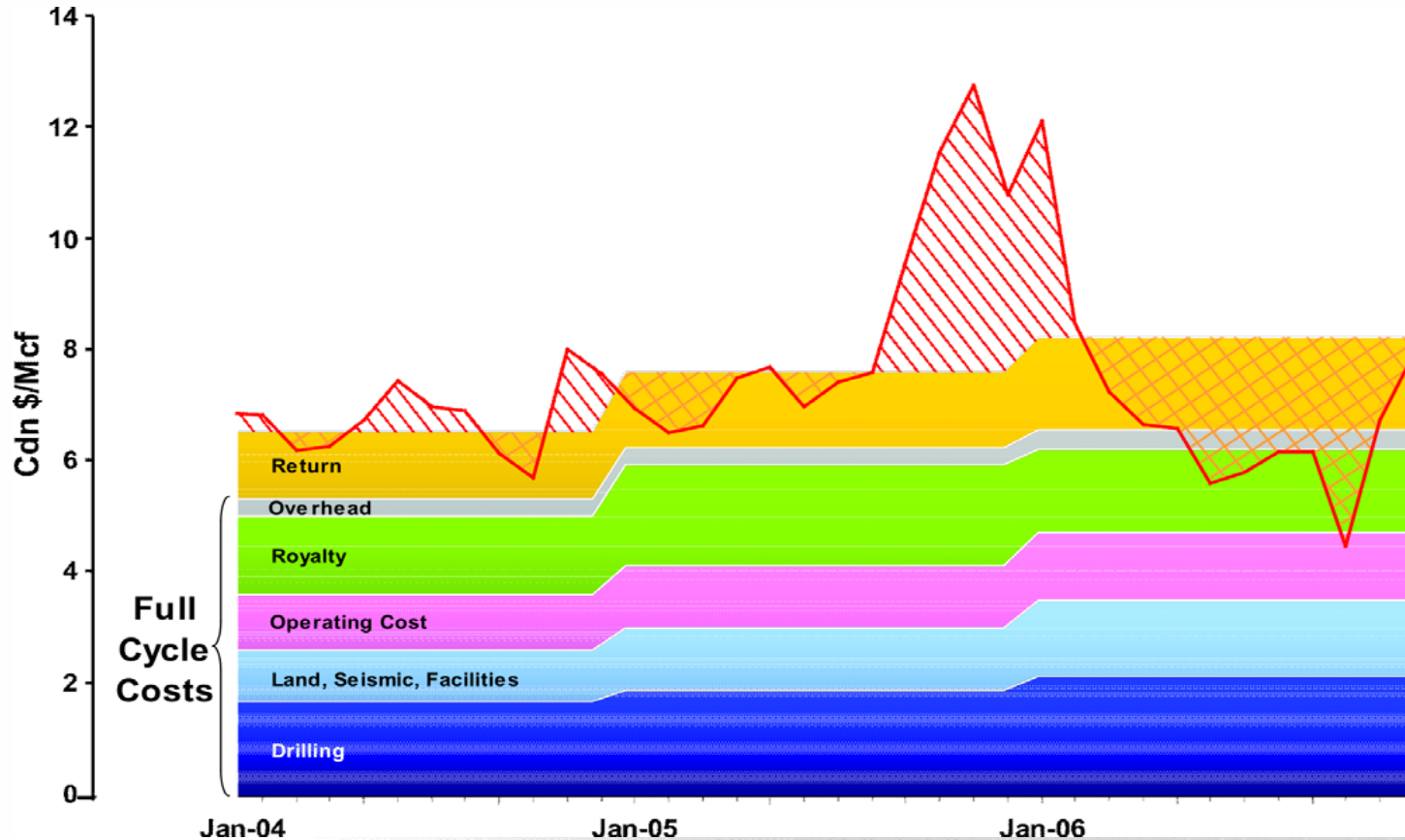
Source: Baker Hughes



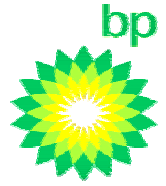
Source: Baker Hughes

Western Canada Gas Price vs. Full Cycle Gas Cost

Go forward investments are on margin



Source: Ziff Energy



Henry Hub vs. AECO FOM Price, \$US per MMBtu

