

Eaglesham

Long term repeatable light oil development and exploration project

ACHIEVEMENTS

- Drilled 15 wells in 2007 and cased 13 wells (four oil, nine natural gas) for an 87% success rate.
- Increased production to average 1,760 BOE/d in 2007 (76% natural gas, 24% crude oil and liquids).
- Constructed a 10,000 BOE/d oil battery with water disposal capabilities to handle the current and future deep oil production.
- Expanded the natural gas plant to over 22 MMcf/d capacity.
- Based on 3D seismic, built a prospect inventory of over 80 locations on existing owned acreage. Over 75% of these locations are targeting light oil.
- Expanded land access to over 177 gross sections.

2008 PLAN

- Drill up to 17 wells targeting predominately Devonian light oil as well as long reserve life tight gas.
- Expand the Wabamun oil play through exploration drilling both to the north east and south west of the greater Eaglesham area on Galleon's existing trend acreage.
- Increase 3D coverage and apply current technology to older datasets to increase predictability of the play.
- Continue to high grade and target shallow, lower risk zones that have been identified through our deep drilling efforts.
- Continue to lower operating costs through increased production efficiencies and water handling at the newly constructed oil battery.

