

Intermediate Oil and Gas Companies Bring in 39% More Cash per Barrel than Juniors in the Second Quarter of 2010

CALGARY, ALBERTA – Bigger oil and natural gas companies brought in a lot more cash per barrel of oil than smaller companies in the second quarter of 2010, a report released today shows. The quarterly iQ Report by Bryan Mills Iradesso, a national corporate communications firm, shows the median cash flow netback for the juniors was \$14.92 per barrel of oil equivalent (boe) compared with a median cash flow netback 39 percent higher for the intermediates at \$20.80 per boe.

The iQ Report compares second quarter 2010 operating and financial results for all publicly traded intermediate and junior oil and gas companies operating in Western Canada. The report defines intermediates as companies with production between 10,000 and 100,000 barrels of oil equivalent per day (boe/d) while junior oil and gas companies are defined as those with production between 500 and 10,000 boe/d.

Intermediates benefit from economies of scale due to lower costs on a per unit basis that enable those firms to make more money per unit of production. For the quarter, the junior firms had median operating costs of \$13.06 per boe, whereas median operating costs for intermediates were 18 percent lower at \$10.73 per boe. The median general and administrative (G&A) costs for the juniors were \$4.24 per boe while intermediates reported median G&A costs 53 percent lower at \$2.00 per boe produced.

Cash flow from operations, calculated as oil and gas revenue less hard costs, is an industry specific term that is not defined by generally accepted accounting principles.

In the intermediate sector, the top five cash flow netbacks for the second quarter of 2010 belong to PetroBakken Energy (TSX-PBN) at \$40.62 per boe, Crescent Point Energy (TSX-CPG) at \$36.64 per boe, Baytex Energy Trust (TSX-BTE.UN) at \$27.19 per boe, ARC Energy Trust (TSX-AET.UN) at \$25.43 per boe and Pengrowth Energy Trust (TSX-PGF.UN) at \$24.77 per boe.

The five junior companies with the best cash flow netbacks in the second quarter are Legacy Oil and Gas (TSX-LEG) at \$41.52 per boe, Freehold Royalty Trust (TSX-FRU.UN) at \$36.42 per boe, Wild Stream Exploration (TSXV-WSX) at \$35.31 per boe, Bonterra Energy (TSX-BNE) at \$33.61 per boe and Painted Pony Petroleum (TSXV-PPY.A) at \$33.19 per boe.

About the iQ Report

The quarterly iQ Report tracks the performance of all junior and intermediate oil and gas companies and trusts that operate primarily in Western Canada and trade on the TSX and TSX Venture Exchange. The comparison, available free to media and investors at <http://iq.bmir.com>, defines juniors as companies that produce between 500 and 10,000 barrels of oil equivalent per day (boe/d) and intermediates as companies that produce between 10,000 and 100,000 boe/d. Bryan Mills Iradesso's latest report compares the results of 59 juniors and 23 intermediates for the second quarter of 2010. Select information is also provided on oil sands players, international operators and emerging producers.

About Bryan Mills Iradesso

As Canada's premier integrated communications firm, Bryan Mills Iradesso helps clients identify, reach and influence key audiences through a broad spectrum of disciplines, including investor relations,

websites, annual reports, branding and marketing solutions. With offices in Calgary and Toronto, Bryan Mills Iradesso has a national scope, with approximately 50 experienced professionals with backgrounds in communications, investor relations, brand strategy, design, marketing and journalism. The firm's Calgary office publishes the iQ Report as part of its specialty communications services for energy industry clients.

For further information contact:

Peter D. Knapp, President
Bryan Mills Iradesso
400, 805 10th Avenue SW
Calgary, Alberta T2R 0B4
T: (403) 503-0144 x202
ircontact@bmir.com
<http://iq.bmir.com>