

Pandell Technology Corporation

GPAC/PJVA Vendor Presentation

John Pongo, P.Eng
Senior Product Coordinator



Is this the right
time to pursue
new dry gas
opportunities?

Considerations

- Slight increase in natural gas prices ...is it enough?
- Dry or wet gas, sweet or sour?
- Can I keep operating costs down?
- Available royalty holidays?



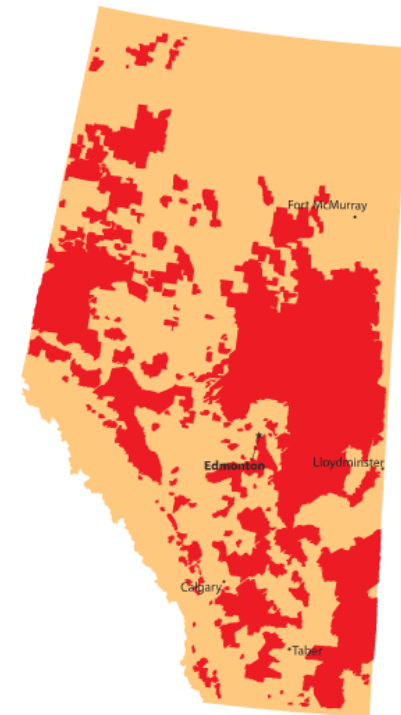
EANexusTM

ECONOMIC ANALYSIS

- Project focused economics package
- Up-to-date Western Canadian royalty calculations
- Current price forecasts
- Only 5 minutes to set up and begin analyzing

Sample Problem

- New AB horizontal gas opportunity
- Start production in Feb/2013
- Measured depth of 3500 m
- Initial production of 1200 mcf/d
- Qualifies for NGDDP holiday
- Sensitize on 2013 pricing



EA EANexus Economic Entity - C:\EANexus\Case\Q4 2012 Roundup Example.rep

File Tools Units Price Decline Reports Help

Q4 2012 Roundup Example
Your Company Name Here!

Run Report

Title Production Operating Costs Interest Royalty Capital

2. Production Values
Set the initial values in the production sections below.

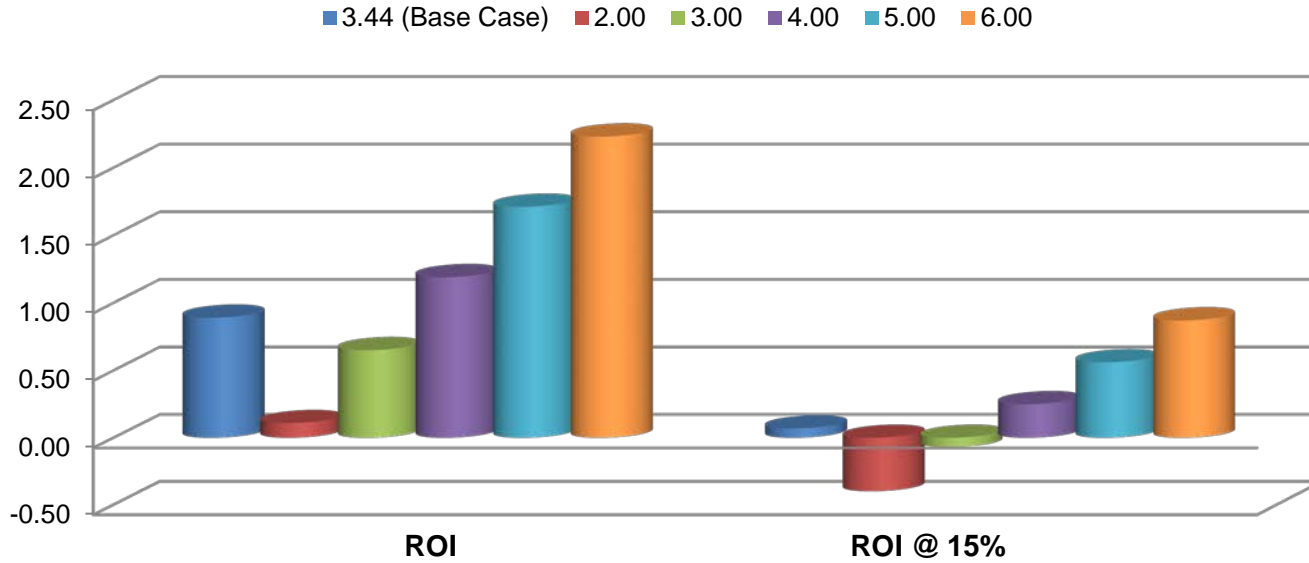
Resources	Gas									
	Year	Month	Wells	Rate	Volume	Shrink	Heat Value	Price	Offset \$	
				MCF/D	MMCF	%	BTU/SCF	\$/MMBTU	\$/MMBTU	\$/MMBTU
Oil										
Gas	2013	11	1.0	1103.3	368.5	10.00	994.65	3.44	0.00	
Gas 1	2014	12	1.0	923.2	337.0	10.00	994.65	3.90	0.00	
Gas 2	2015	12	1.0	766.3	279.7	10.00	994.65	4.36	0.00	
In Stream Composition	2016	12	1.0	635.8	232.7	10.00	994.65	4.82	0.00	
Liquids	2017	12	1.0	527.6	192.6	10.00	994.65	5.05	0.00	
Sulphur	2018	12	1.0	437.9	159.8	10.00	994.65	5.43	0.00	
Water	2019	12	1.0	363.5	132.7	10.00	994.65	5.54	0.00	
Other	2020	12	1.0	301.6	110.4	10.00	994.65	5.65	0.00	
	2021	12	1.0	250.3	91.3	10.00	994.65	5.76	0.00	
	2022	12	1.0	207.7	75.8	10.00	994.65	5.87	0.00	
	2023	12	1.0	45.5	16.6	10.00	994.65	5.99	0.00	
	2024	12	1.0	0.0	0.0	10.00	994.65	6.12	0.00	
	2025	12	1.0	0.0	0.0	10.00	994.65	6.23	0.00	
	2026	12	1.0	0.0	0.0	10.00	994.65	6.36	0.00	
	2027	12	1.0	0.0	0.0	10.00	994.65	6.49	0.00	
	2028	12	1.0	0.0	0.0	10.00	994.65	6.61	0.00	
	2029	12	1.0	0.0	0.0	10.00	994.65	6.75	0.00	
	2030	12	1.0	0.0	0.0	10.00	994.65	6.89	0.00	
	2031	12	1.0	0.0	0.0	10.00	994.65	7.02	0.00	
	2032	12	1.0	0.0	0.0	10.00	994.65	7.16	0.00	
	2033	12	1.0	0.0	0.0	10.00	994.65	7.31	0.00	
	2034	12	1.0	0.0	0.0	10.00	994.65	7.46	0.00	
	2035	12	1.0	0.0	0.0	10.00	994.65	7.60	0.00	
	2036	12	1.0	0.0	0.0	10.00	994.65	7.76	0.00	
	2037	12	1.0	0.0	0.0	10.00	994.65	7.91	0.00	
	2038	12	1.0	0.0	0.0	10.00	994.65	8.07	0.00	
	2039	12	1.0	0.0	0.0	10.00	994.65	8.22	0.00	
				1997.1						
	Total									

Gas Production Profile

Heat Value

AECO Gas Price Profile

ROI Per Price Scenario



		2013 Gas Price (\$/MMBtu)						
		2.00	3.00	3.44 (Base Case)	4.00	5.00	6.00	
Before Tax	Net Cash Flow (Undiscounted)	(M\$)	385	2,274	3,109	4,162	5,970	7,817
	NPV10	(M\$)	-988	313	888	1,613	2,875	4,142
	IRR	(%)	2.1	12.5	17.3	23.4	35.1	47.7
	Payout	(yr)	10.1	5.2	4.3	3.6	2.7	2.2
	ROI	(\$/\$)	0.11	0.65	0.89	1.19	1.71	2.23
	ROI @ 15%	(\$/\$)	-0.40	-0.07	0.07	0.25	0.56	0.87

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Contact Us

- Phone: 403.271.0701
- Email: info@pandell.com
- Website: www.pandell.com
- Twitter: [@pandellcorp](https://twitter.com/pandellcorp)
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