



**Northeast Alberta Gas / Bitumen Update
Conference Call / Media Press Release Questions and Answers
January 5, 2004**

1. What are the legal recourses you are pursuing? What will the ramifications be?

PET is presently part of a group which has sought leave to appeal the validity of GB 2003-28 through the Alberta Court of Appeal. The arguments with respect to this challenge were heard on January 8, 2004. This is only the first of a number of potential legal avenues.

2. What is the exposure of production at this point?

The RGS indicates that PET has 266 producing natural gas wells with zones interpreted to be associated with bitumen. Current production from such wells total approximately 30.7 MMcf/d from wells with all zones deemed to be associated and 5.8 MMcf/d from wells with multiple producing zones, at least one of which is deemed to be associated. PET's current daily production is approximately 85 MMcf/d. The Trust shut-in an additional 7.9 MMcf/d on September 1, 2003 as a result of GB 2003-28.

3. Can you clarify the worst case scenario/best case scenario? Would the Trust still be profitable?

The worst case scenario would appear to be that all of PET's production that has been identified as "Associated" would be recommended for shut-in on January 26, 2004. This would represent between 30 and 36 MMcf/d of additional daily production. The best case scenario at this point would seem to be that no incremental production beyond the 7.9 MMcf/d presently shut-in were recommended for shut-in on January 26, 2004. In any case, the Trust continues to work with the Government of Alberta towards the goal of achieving 100% cash flow replacement for any shut-in production.

Given PET's relatively low current debt levels, the Trust would remain profitable at any level of potential shut-in. Any financial assistance received would enhance such profitability.

4. What are the chances that we would receive 100% in compensation?

The Trust continues to work with the Government of Alberta towards the goal of achieving 100% cash flow replacement for any shut-in production, however, it is unlikely that PET will receive 100% compensation for the losses suffered by the Trust through the actions of the EUB.

5. Are the gas and the bitumen in the same reservoirs?

While some geological correlation may be identified between many of the gas and bitumen deposits in the region, the determination as to whether such deposits are actually connected laterally or vertically is subject to much greater uncertainty. The results of the Regional Geological Study (“RGS”) rely heavily upon geological correlation techniques to infer pool connectivity, without ever proving such connection. Notably absent from the RGS was the integration of engineering data that is critical to determine pool connectivity. Data that PET has already submitted to the EUB shows that the conclusions reached in the RGS regarding lateral connectivity of sands are incorrect.

6. Can you give an indication as to how this will all play out? Your personal feeling / opinion based on your experience in the industry.

The events and results of the last six months demonstrate our absolute inability to predict the actions of the EUB in this matter. PET will devote considerable effort to analyzing the implications of the RGS over the next three weeks.

7. What are the timelines for the actual shut-in’s, when will it occur and how will it affect distributions?

No actual additional shut-in’s have been recommended at this time. Given the process currently dictated by the EUB it is unlikely that any additional shut-in’s would occur prior to April 1, 2004. The effect on distributions is not determinable at this time given the uncertainty regarding potential outcomes as well as the ongoing discussions with the Government of Alberta regarding financial assistance.

8. Are there any concessions being made regarding future distributions?

At this time PET has not determined what effect, if any, events to date may have on future distributions.

Actual distributions will depend on production rates, changes in PET’s plans, changes in commodity prices, regulatory changes, general economic, market and business conditions as well as production, development and operating performance and other risks associated with oil and gas operations.

9. Does the RGS identify any wells which have previously received ID99-1 production approvals from the EUB as “Associated”?

Yes, there are numerous wells in pools identified by the RGS as associated that have previously been approved for production by the EUB. In the Legend area alone, such approvals total more than 25 wells with some approvals having been received as recently as August 2003.

10. Where is the Legend area located?

The Legend area is in the northwest portion of the gas/bitumen area of concern. Only a small portion of the property actually falls within the boundaries established by the EUB, however, the entire area was subject to the RGS as the EUB Pool Order for Legend partly overlaps the study area.

11. What was the EUB process for reviewing exemption applications?

Mr. McCrank, Chairman of the EUB, indicated in his monthly RGS status letter of October 2003 that EUB staff had conducted a screening of all the wells in the area of concern, including the 601 exempted wells, and determined that at that time industry had used the exemption process appropriately.

12. If PET received an expropriation settlement from the Province of Alberta, would the funds be used for acquisitions?

If PET were to receive a lump-sum settlement either for expropriation or otherwise, the funds would likely be used for a diversifying acquisition.

13. In your estimation, how badly would distributions be affected in the worst case scenario?

It is not possible to make such an estimation at this time due to the ongoing discussions with the Government of Alberta regarding royalty flexibility.

14. Can you comment on the strengthening of the Canadian dollar and how that affects PET?

Natural gas is a commodity which is marketed on a North American basis and consequently the strengthening in the Canadian dollar has had a negative effect on the prices which PET receives for its production. The correlation is not one-to-one however, due principally to the inverse effect which a stronger Canadian dollar tends to have on transportation differentials between Canada and the United States.

- 15. How long would any financial assistance from the Government of Alberta with respect to shut-in gas be expected to last?**

It is our expectation that any such assistance should last indefinitely until the gas is returned to production or until full compensation for the losses suffered is received.

- 16. Can you explain how the EUB worked on the Study, who was involved, and can you determine what will happen next?**

Approximately 40 geologists and engineers including EUB staff and seconded staff from eleven industry companies worked to compile the RGS. They worked at the EUB under its supervision and the study was compiled on its systems. During the last two weeks of December the EUB staff worked alone, without industry input, to make the determinations of new gas Pool Orders and the consideration of the Associated versus Nonassociated status for each.

The next steps in the EUB's bitumen conservation requirements will occur on January 26, 2004 when the EUB Staff Submission Group ("SSG") will release recommendations to continue or vary the gas production status of wells identified in Shut-in Order 03-001. By February 9, 2004 parties that disagree with the recommendations of the SSG must notify the EUB's Board of the wells for which they wish to present their case at an interim hearing scheduled for March 8, 2004.

Media Conference:

- 1. What other options does the Government of Alberta have other than compensation?**

The Government of Alberta could choose not to provide acceptable assistance in this matter. In this case, PET has the option to pursue legal recourse.

- 2. What can you tell us that would give your unitholders today a level of comfort?**

PET is diligently preparing its technical case in preparation for potential Hearings. In addition, we continue to have discussions with the Government of Alberta regarding monetary assistance and are pursuing and monitoring avenues of legal recourse.

- 3. Are we in for another roller coaster ride as happened in June?**

It appears so, it will continue to depend on how many wells, if any, the EUB proposes to shut-in as of January 26, 2004 and whether or not, the EUB is prepared to work with industry to provide a fair and reasonable process. Stability could also be achieved with reasonable support from the Government of Alberta.

4. The EUB timelines are aggressive, what do you think?

Definitely aggressive and unreasonable, when you consider the Chard/Leismer Hearing involved 145 wells and took over 2 years from the hearing being initiated until a decision was rendered. We are dealing with over 900 wells in this case.

5. Is there an expiry date to the Interim financial assistance you are receiving now?

Yes, it would be tied to any acceptable form of long term assistance granted by the Government of Alberta.

6. Can you clarify where you come up with the \$2 Billion?

This is an estimate of today's market value of the reserves and production in the event of maximum shut-in for all affected parties.

7. Can you comment on Surmont – how much bigger is this in comparison, would the shut-in be 3 X the previous amount?

This matter is 6 X larger than Surmont. Surmont involved 146 wells and 43 MMcfd of production versus 938 wells and 250 MMcfd of production.

8. Worst case scenario in terms of Cash Flow, Distributions, and Production?

To determine these items would be based on pure speculation, as we don't know what the EUB's proposed well shut-ins, and volumes, if any, will look like until after January 26, 2004 or what the Government of Alberta will propose for long term assistance.

9. Comment on Orion Oil Canada's new technology, should companies that have developed SAGD, now abandon their efforts?

Companies that have invested in SAGD operations, have done so based on certain economic criteria and will continue to monitor those criteria. Orion would likely be the best to comment on their proposed Thai process. We believe this industry is very innovative in looking for ways to maximize value and this will occur for bitumen recovery.

10. Has the Government of Alberta shown any willingness to intervene with the EUB?

Not that we have observed, they have been conspicuously absent, given that they own the bitumen.

11. Can you explain the Pool orders?

Pool orders define the wells and production within a certain geographic boundary. The pool orders are normally based on geological mapping, engineering and pressure data to verify the connectivity of the pool's producing geological horizon. The pool orders issued January 2, 2004 by the EUB are based on geological mapping without the benefit of all the pressure data, as only approximately 10% of the pressure data has been utilized. As a result, the pools are quite different and significantly larger than those defined by the EUB in September of 2003, when engineering and pressure data would have been included in the determination.

12. When is Orion's technology expected to commence?

Most likely by the end of 2004 but you should verify with Orion.

13. Regarding your existing legal action – aside from that is there any other legal recourse. What will you be asking for on Jan 8, 2004?

We are questioning the validity of the EUB's General Bulletin 2003-28 to the extent that the process defined is unreasonable and violates the rules of natural justice and has seriously prejudiced PET's legal rights and has initiated the expropriation of PET's property rights. We need to keep in mind that the EUB, not industry, commenced this process and still retained the right to judge the process.

14. Why have you not named the Government of Alberta in any suit?

PET has been involved in, and will continue to be involved in, discussions with the Government of Alberta with respect to further assistance, and chooses to keep these lines of communication open at this time. PET continues to prepare for all avenues of legal recourse.