



PARAMOUNT ENERGY TRUST

500, 630 - 4th Avenue SW

Calgary, Alberta T2P 0J9

T 403.269.4400

F 403.269.4499

MEDIA RELEASE

FOR IMMEDIATE RELEASE – July 2, 2003

Northeast Alberta Gas Shut In Could Cost Albertans Over \$2 Billion AEUB Public Consultation Meeting Takes Place July 3-4

Calgary, AB – A consortium of natural gas and bitumen producers say Albertans are facing an unnecessary \$2 billion plus liability resulting from a controversial proposal put forward by the AEUB. Believing the production of associated natural gas may be detrimental to bitumen recovery in northeastern Alberta, the AEUB is suggesting over 900 producing gas wells, representing over 250 million cubic feet per day, be shut down as soon as August 1, 2003. The AEUB is pursuing this policy in the absence of a comprehensive technical review and without regard to the significant volume of non-associated gas production that will be shut-in by this approach.

“We’re concerned the AEUB is putting Alberta at risk with this radical change in policy,” says Susan Riddell Rose, president of Paramount Energy Trust, speaking on behalf of the consortium. “Investor confidence has been shattered and the technical evidence thus far does not suggest the province needs to suffer a huge \$2 billion liability as well as concede \$400 million in annual royalties.”

The consortium maintains the AEUB does not fully understand both sides of the equation or the ramifications of shutting in gas and sterilizing 5.5 million acres in the Athabasca Oil Sands Area, saying the proposed consultation process is not providing adequate discussion with industry, the public and government.

“There are no compelling technical arguments to support the AEUB proposal,” says Riddell Rose. “We don’t believe the shut-in is warranted, nor is there any indication the urgency of the matter supercedes Canada’s established process of fairness and natural justice. Their own mission states the AEUB is to **ensure that the discovery, development and delivery of Alberta’s resources takes place in a manner that is fair, responsible and in the public interest.**”

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Riddell Rose says the rippling economic effects from the proposed shut in could have a staggering impact on the province, particularly in northeastern Alberta, through inevitable job cuts and lost taxes.

"We don't accept the AEUB's premise that this is the most rational and compelling course of action to effect bitumen conservation," she says.

Riddell Rose explains that if the consultation process goes through as planned, a final decision on the policy could come as early as July 8, 2003, less than two weeks after industry was provided the opportunity to comment on this complex issue.

"How can a rational policy, which takes into account input from industry and interested parties, be prepared in two weeks, particularly when this policy could result in a cut back of the province's gas production by two per cent at a time when a North American gas crisis is evolving," she says. "We don't understand why the AEUB wants to create a compensation bill for the province of over \$2 billion, risk losing billions of dollars in future investment, undermine the industry, put people out of work and erode investor confidence at a time when there isn't a shred of solid technical data to back up their claims."

What: AEUB Public Consultation Meeting
Where: Metropolitan Centre, 333- 4th Avenue SW
When: July 2 -3 (8:30am - 6:00pm)

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For more information, please contact
Communication Incorporated
Larry Clausen - 403.266.2000