

Sukunka, Northeastern British Columbia 93-P-5

Operators Of Note:	Talisman Energy, Seneca Energy Canada
Play:	Paleozoic Permian Disturbed Belt Gas
Production:	Talisman Seneca HZ Sukunka 00/a-93-D/93-P-5/0 had an initial production rate of 30.2 mmcf/d and has produced 10.1 bcf of gas since April 2006 from Permian Belcourt carbonates.

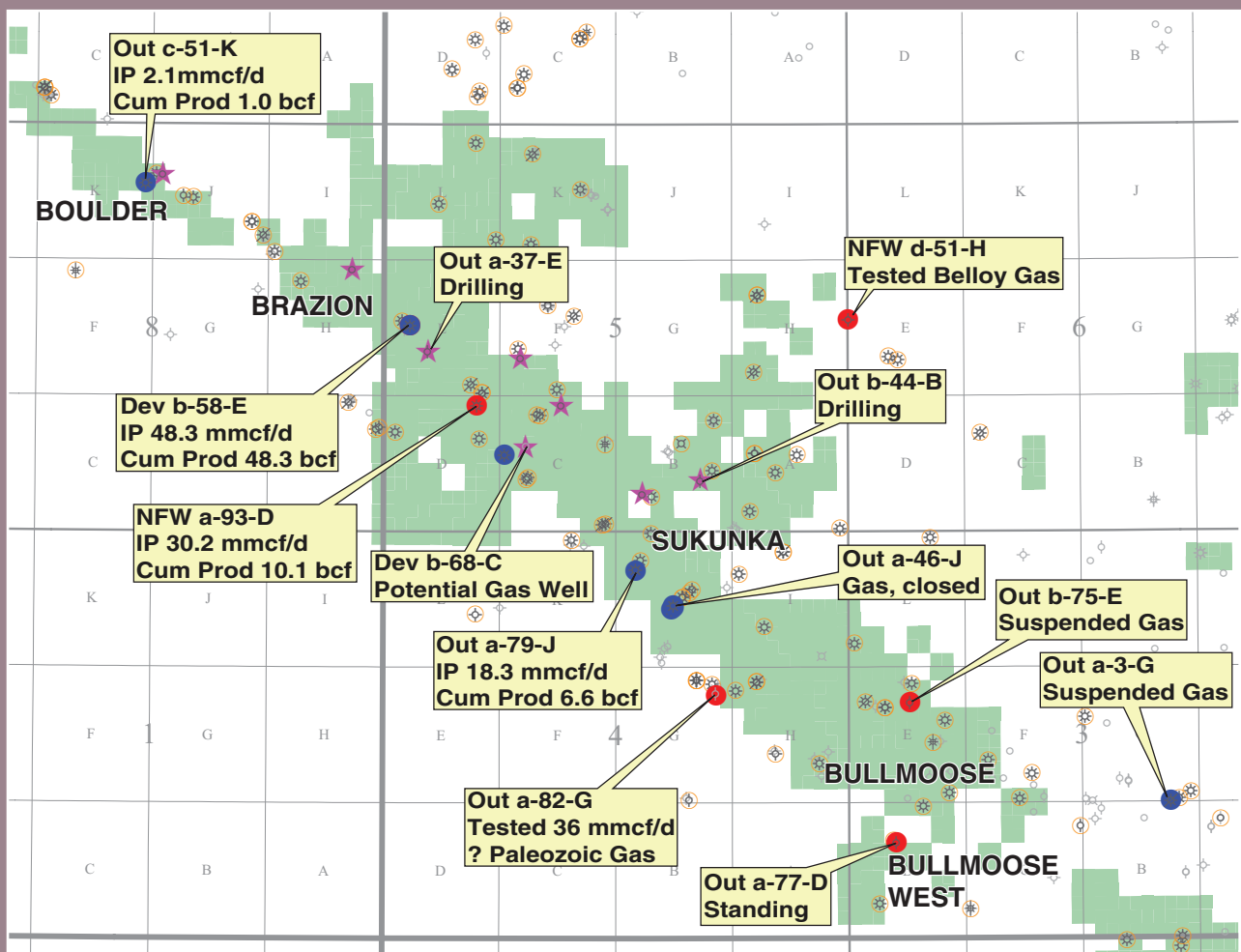
High Permian Belcourt Gas Flow Rates

Talisman Energy and its partners continue to enjoy tremendous success in highly fractured Paleozoic reservoirs in the Brazion-Sukunka-Bullmoose trend in the Monkman area in the

southern foothills of northeastern British Columbia. Outpost Talisman Seneca HZ Sukunka 00/a-93-D/93-P-5/0 (80% Talisman, 20% Seneca Energy Canada) initially produced at a rate of 30.2 mmcf/d and has flowed 10.1 bcf of Permian Belcourt gas since production

began in April 2006. A year later, it continues to crank out gas at a rate of 36.0 mmcf/d. (See Production Graph.) The well was perforated and stimulated over a 716m (168m TVD) interval. The a-93-D well is about eight km southeast of another Talisman high rate

SUKUNKA WELL ACTIVITY



- Triassic Producers
- Taylor Flat Producers
- Permian Belcourt Producers
- Sukunka Talisman Paleozoic Locations
- Talisman Lands



Base map generated with IHS Energy AccuMap™

Belcourt well, Brazion b-58-E/93-P-5/0, which went onstream in December 2004. It has produced over 48 bcf of gas thus far and continues to produce at 46 mmcf/d. Canadian Discovery's EDGE software Tool has estimated ultimate recoverable reserves of 132 bcf for this well. Significant Paleozoic wells are summarized in the adjacent table.

The high deliverability of these two wells is due to directionally drilling the wellbores along the crest of the target anticline, which greatly increases net pay. These carbonate reservoirs, which are complexly folded with narrow crests and steep forelimbs, usually have low matrix porosity (3 to 4%) and rely on a fracture network at the crest of the fold to improve permeability, and hence deliverability. Dolomitization also increases porosity and permeability. Although seismic imaging of the structures is poor, it is sufficient to direct the wellbore towards the crest of the folds where fracturing is greatest. The wellbore is then directionally drilled along the axis of the fold with the trajectory being modified as necessary using MWD Gamma logs and dipmeter data.

Recent Drilling Activity

Talisman et al Sukunka b-68-C/93-P-5/0, which is a development well, was rig released in January 2007, and is listed as a potential gas well. The company moved ahead with two more deep tests in the first half of 2007 spudding a-37-E and a-33-B/93-P-5/0, on February 11 and May 7 respectively, both of which are still drilling. According to its annual report, two more Paleozoic wells are planned this year, along with two Triassic tests. Expect to see Talisman pursue this play well into the future as it has identified approximately 40 leads on its acreage.

Background Geology

The Monkman area has long been highly prospective for Triassic gas in highly folded, faulted, and fractured Baldonnel and Pardonet dolomitized carbonate reservoirs. It is only in the last five years that Paleozoic strata have yielded up similar results. Reservoirs are found primarily in the upper Mississippian to Permian Ishbel-Stoddart Group comprising the Mississippian Golata and Kiskatinaw formations, the Pennsylvanian Taylor Flat Formation and the Permian Belcourt and

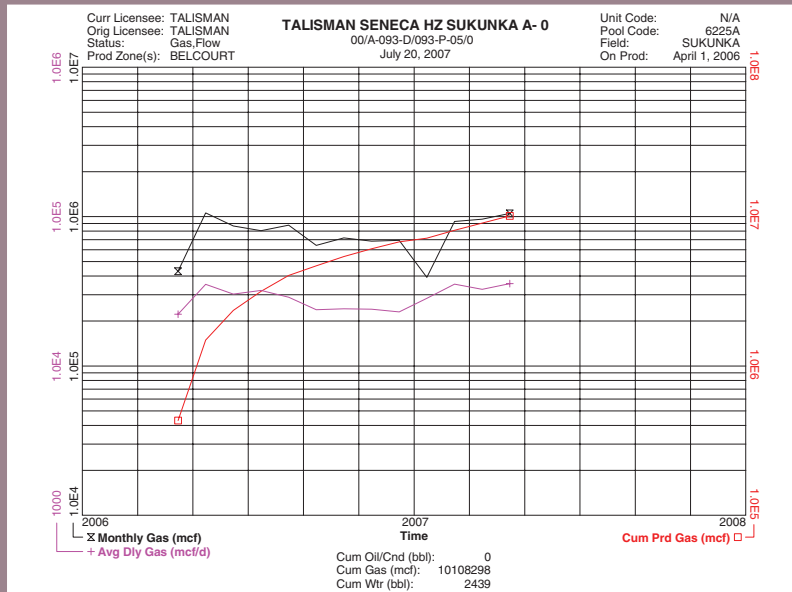
Belloy formations. The Mississippian Debolt Formation is a secondary target, which has yet to produce commercial gas in the area. During the Laramide Orogeny, Triassic and Paleozoic strata were subjected to deep burial and imbricated faulting and thrusting, resulting in very complex anticlinal gas traps, with reservoirs considerably enhanced by intense fracturing. For more detail refer to Canadian Discovery Digest Exploration Review – Monkman Area, NE British Columbia, May/June 2005.

The deepwater Mississippian Banff Formation was deposited on the black organic rich shales of the upper Devonian to lower Mississippian Exshaw Formation and was subsequently overlain by the shallow water carbonates of the Mississippian Pekisko, Shunda, and Debolt formations. The Lower Debolt comprises mainly mudstones, occasionally dolomitized, deposited in a deeper water basinal environment. The Upper Debolt was deposited in a shoal environment in relatively shallow water and comprises mostly grainstones and crinoidal grainstones, many of which are dolomitized with poor intercrystalline porosity.

A significant period of erosion ensued, followed by deposition of the clastics of the late Mississippian Golata and Kiskatinaw formations and Pennsylvanian Taylor Flat Formation. The shale-dominated Golata was probably deposited on a broad, shallow water, low energy, marine embayment with limited water circulation. The Golata shales are highly radioactive and can easily be correlated on logs. The Kiskatinaw is thickest within the grabens in the Peace River Embayment and thinnest on the highs between the grabens. It comprises interbedded sandstone and shale and is characterized by marked lateral and vertical facies variations. In the Monkman Area, however, shales and carbonates are common, but sandstones are relatively rare. The Kiskatinaw was deposited in a fluvial/estuarine to shallow marine environment.

The Taylor Flat is the carbonate-dominated uppermost formation of the Stoddart Group, and is characterized by bioclastic sandy carbonate grading to and interbedded with calcareous sandstone and calcareous shale. Dolostone is common toward the top of

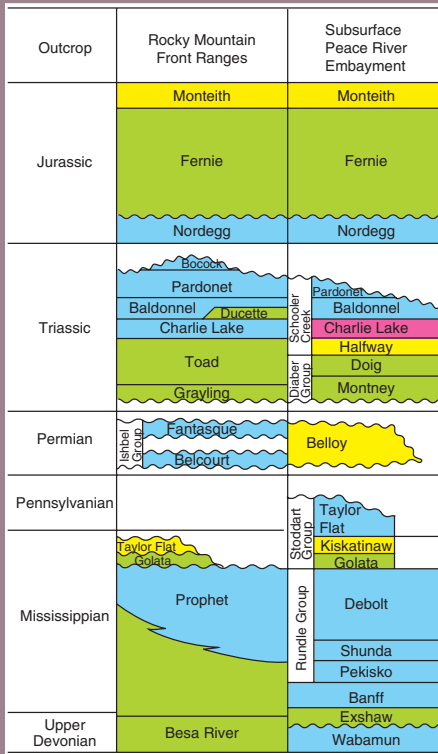
α-93-D PRODUCTION



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MONKMAN AREA STRATIGRAPHY



the succession. These dolostones commonly have good porosity and are highly prospective. Bioclasts of brachiopods, bryozoans, and echinoderms are common and suggest that the Taylor Flat was deposited in an open marine setting. Locally, oolitic limestones indicate deposition on a shelf setting.

The Permian Belcourt Formation that is exposed in the Foothills of the Rocky Mountains comprises silty mixed skeletal wackestone and packstone, and finely crystalline dolostone that was deposited in an intertidal to supratidal environment. The Belcourt is equivalent to the lower part of the Belloy Formation. The Belloy is a mixed siliciclastic-carbonate unit that was deposited in a tectonically stable, shallow marine shelf setting characterized by limited clastic input and an active chemical environment. Lithologies include sandstone, dolostone, chert, and subordinate limestone and shale.

lists three of the deep productive wells as Taylor Flat gas, while Talisman and partners call it Belcourt based on detailed paleontology from these wells. When making production applications for these wells, Talisman applies for production from the Ishbel-Stoddart Group, which is equivalent to the Belcourt/Taylor Flat intervals (see Stratigraphic Column). The units that are identified as Belcourt by Talisman can be correlated to units that are identified as Taylor Flat in the plains of the Peace River Arch Embayment. Without detailed paleontology from surface exposures, deep wells in the Monkman area, and wells in the plains to the northeast, it is difficult to determine the exact stratigraphic interval from which these wells are producing.



There is some confusion regarding nomenclature and age of units in the area. The BC Ministry of Energy

SIGNIFICANT WELLS

Well Location	Company	Lahee	Rig Release Date	On Production Date	Producing Formation	IHS Initial Prod Rate (mcf/d)	IHS Energy Cumulative Prod (mmcf)	Status
00/a-3-G/93-P-3/0	Shell Canada	OUT	23-Jun-03		Taylor Flat			Susp Gas
00/a-77-D/93-P-3/0	Talisman	OUT	16-Jan-06		Belcourt			Standing
00/b-75-E/93-P-3/0	Talisman	OUT	6-Aug-05		Belcourt			Susp
00/a-82-G/93-P-4/0	Talisman	DEV	7-Jun-06		?Paleozoic	Tested 36 mmcf/d		Standing
00/a-46-J/93-P-4/0	Talisman	OUT	16-Oct-04		Taylor Flat			Closed Gas
00/a-46-J/93-P-4/2	Talisman	OUT	16-Oct-04		Taylor Flat			Closed Gas
00/d-46-J/93-P-4/3	Talisman	OUT	16-Oct-04		Taylor Flat			Closed Gas
00/a-79-J/93-P-4/0	Talisman	OUT	22-Mar-02	1-May-02	Taylor Flat	18,318	6,640	Flowing Gas
00/c-60-C/93-P-5/3	Talisman	OUT	30-Aug-03	1-Dec-04	Taylor Flat	1,483	36	Flowing Gas
00/b-68-C/93-P-5/0	Talisman	DEV	1-Jan-07					Potential Gas
00/a-93-D/93-P-5/0	Talisman	NFW	16-Feb-06	1-Apr-06	Belcourt	30,184	10,108	Flowing Gas
00/b-58-E/93-P-5/2	Talisman	DEV	18-Jun-04	1-Dec-04	Taylor Flat, Belcourt	48,254	48,254	Flowing Gas
00/d-51-H/93-P-5/3	Imperial Oil	NFW	18-Sep-91		Belloy	Tested 5.5 mmcf/d		Abnd
00/c-51-K/93-O-8/3	Talisman	OUT	20-Aug-05	1-Sep-05	Taylor Flat	2,145	1,000	Flowing Gas