

THE oil & gas



SECTOR ON CDNX

CDNX is Canada's public venture exchange for emerging companies, providing a credible and fair marketplace where oil & gas companies can raise the capital necessary to develop resources. For oil & gas investors, CDNX provides an opportunity to invest in a well-regulated market and get in on the ground floor of emerging companies searching for new energy sources.

CDNX AND OIL & GAS COMPANIES

CDNX-listed oil & gas companies are at the forefront of energy exploration and development in Canada and abroad. Whether it's natural gas or new oil deposits, CDNX-listed companies are actively engaged in discovering new reserves, while production and service companies are busy providing the necessary support to oil & gas companies. The CDNX Oil & Gas Index features approximately 100 companies with a market cap exceeding \$1.7 billion.

SECTOR PROFILE

Oil & gas companies account for about 13 per cent of CDNX listings. In 2000, about 12 per cent of the volume traded on CDNX related to oil & gas companies, accounting for about seven per cent of the value of trades. There are three leading oil & gas subsectors raising money in Canada's public markets:

- Exploration and development
- Production
- Service

RAISING CAPITAL

Searching for oil & gas reserves is a capital intensive undertaking and CDNX provides the ideal setting for emerging oil & gas companies to raise money. In 2000, CDNX oil & gas companies raised \$262 million in 289 transactions. Private placements accounted for \$249 million, while public offerings raised an additional \$13 million.

WHY CDNX?

- CDNX attracts broad investor participation through a national public venture market.
- CDNX has a proven record of financing success for oil & gas firms. Oil & gas companies listed on CDNX raised about \$262 million in equity financings in 2000.
- A key measure of CDNX's success is the number of emerging companies that graduate to a senior exchange. In 2000, CDNX-listed companies accounted for 38 per cent of the TSE's new listings.
- CDNX maintains leading edge trading systems to ensure market fairness, integrity and transparency.
- The CDNX Web site is the online destination for disclosure of emerging oil & gas companies. InfoCDNX™ provides investors with more than 50 pages of disclosure on each listed company, allowing them to make informed investment decisions.

SECTOR SNAPSHOTS

CDNX-listed oil & gas companies are at the leading edge of oil & gas production, exploration and development, raising millions of dollars from private and public placements in their pursuit of new energy supplies.

Alliance Energy Inc. (AEI)

Based in Calgary, Alliance Energy is involved in oil & gas exploration and development. The company's operations are based in the southeast Saskatchewan region, including Queensdale, Macoun, Ingoldsby, Tilston, Lost Horse Hill and Carlyle. From Jan. 1 to Dec. 29, 2000 Alliance Energy's share price increased 150 per cent.

the oil & gas sector on CDNX

Rosetta Exploration Inc. (RSA)

Rosetta Exploration, formerly known as First Star Energy, is exploring for natural gas. Its focus is in the region west of the Fifth Meridian, ranging from west central Alberta to northeast British Columbia. It includes plays in the Foothills and the Deep Devonian Reefs. Between Jan. 1 and Dec. 29, 2000, Rosetta's share price increased 197 per cent.

CDNX OIL & GAS GRADUATES

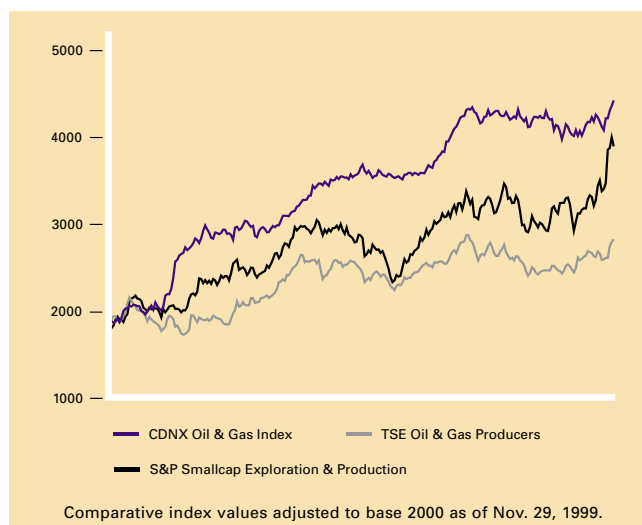
CDNX provides a stepping stone for oil & gas companies that are ready to graduate to a senior exchange. Some of our recent graduates experienced tremendous growth in market cap and share price prior to their move to a senior exchange.

- **Tappit Resources Ltd:** Market cap at graduation was \$17 million, a 30 per cent rise in the year prior to graduation. Its share price experienced 207 per cent growth during the same period.
- **Meota Resources Corp:** Market cap at graduation was \$154 million, a 1,469 per cent rise in the year prior to graduation. During the same time frame, its share price increased 226 per cent.
- **Integrated Production Services Ltd:** Market cap at graduation was \$62 million, a 131 per cent rise in the year prior to graduation. Its share price experienced 17 per cent growth during the year.

OIL & GAS FINANCINGS

YEAR 2000 FINANCINGS	Proceeds	Number of Transactions
Private Placements	\$249 million	285
Public Offerings	\$13 million	4
Total	\$262 million	289

YEAR 2000 INDEX PERFORMANCE



MORE INFORMATION

Discover how CDNX can provide oil & gas companies with an opportunity to grow. Call a CDNX Business Development Executive in your region today for more information.

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