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Investing in the development of the shale gas industry in Quebec

There are several similarities between Canada and Norway. Both countries are resource driven with a large and important energy sector. After Russia, Canada and Norway are the two largest gas exporters in the world. Energy is the main sector on the Oslo Stock Exchange and over the last years we have seen an increasing interest in the Norwegian capital market to invest in the Canadian energy sector. This was also the background for the cooperation agreement between the two countries' stock exchanges. The objective of the agreement is amongst others to explore a framework to promote and facilitate dual listing of companies on each other's' exchanges as well as introductions to regulatory authorities, capital market professionals and participants in each other's' jurisdiction. We see this agreement as an important step in establishing an even closer relationship between the capital markets in the two countries.

Pareto (www.pareto.no) is the leading Norwegian investment bank within the energy sector. Since 2005 Pareto has raised approximately USD 35 billion for our clients within the energy sector. Even though the financial market has experienced severe challenges in recent years, Pareto has observed strong interest from investors to invest in shale gas projects in North America.

Pareto has a long term relationship with Questerre Energy and has been supporting the company in exploration for natural gas in Quebec for several years. The interest for investing in Quebec has been very strong, and since 2005 Questerre has raised USD 250 million in equity. Of this amount, approx. 85% has been raised out of Norway and today Questerre is a member of the OBX index, constituting the 25 most liquid stocks on the Oslo Stock Exchange.

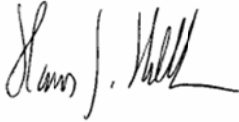
The reason for the strong support from the Norwegian capital markets in Questerre is the company's focus on high risk and high potential exploration for natural gas in Quebec. It is worthwhile mentioning that this long term support has been instrumental for development of Questerre's position in Quebec, also when local Canadian investors were not interested.

The recent negative share price development for Quebec focused natural gas companies is a reflection of investors' concerns about the regulatory stability and competitiveness of Quebec. The further development of the gas industry in Quebec will be dependent on access to substantial amount of capital and the key to secure capital for development of the gas industry in Quebec is a stable, competitive and predictable framework.

The Norwegian society has benefited enormously from the production of oil and gas. The industry has successfully been developed through high focus on ethical investing and on the environment. Combined with a stable fiscal and regulatory framework, this has created significant interest from the international investor community in the Norwegian oil & gas industry. With a stable and competitive framework in place, we believe Quebec can become an increasingly interesting area to invest, similar to Norway and the rest of Canada.

We are convinced that there will be continued interest in financing projects like the Utica shale when a stable and competitive framework is in place.

Best regards,

A handwritten signature in black ink, appearing to read 'Hans J. Holden', with a stylized flourish at the end.

Hans Jacob Holden

Head of Oil and Gas - Corporate Finance
Pareto Securities AS