





Sustainable Wealth Management Ltd.

As an investor in the sector I am concerned that some of the best growth stocks in the oil sands will be eliminated before they have reached at least a portion of their full potential. Worst still is that the larger firms will affect a takeover to tie up highly prospective leases and slow play their development. I strongly believe that we are in desperate need to continue developing unconventional oil resources to offset rapidly declining existing conventional oil reserves. I don't want to own a large multinational oil company with declining reserves and production when I can own a smaller, pure play oil company that is focused on growing production from the oil sands. If you feel the same way, you should resist tendering your shares to future offers that will inevitably be coming in the near future at current depressed prices.

### **Global Oil Supply will Decline Significantly in 2009-2010**

Crude oil prices are adjusting rapidly downward to the weakening economic environment. This is the best medicine for the sector and will set the stage for the next sustained bull market. Oil producers around the world are delaying projects or cancelling them altogether. Cash strapped national oil companies are unable to reinvest the necessary amounts to maintain their production. Alternatives to fossil fuels are not competitive at today's low prices. Environmental issues are not as big a concern to the general population as economic growth at this time. Lastly, low oil prices help support consumer demand globally. These factors lead me to believe that crude oil supply will experience a major decline over the next 18 months and that demand will recover due to unprecedented economic stimulus by governments around the world.

If this scenario plays out I think you can expect an explosive rebound in energy prices later in the year that will stun analysts, investors and the public. The way I see it, the lower crude oil prices go the more tightly coiled the spring will be set.

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