



**Western Plains Petroleum Ltd.**  
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## **The Ability To Acquire Shut-In Production And Apply Cost Cutting Measures To Make Them Profitable Is What Makes Western Plains Petroleum Stand Out**

**Oil and Gas**  
**Oil and Gas Producers**  
**(WPP-TSXV)**

**David Forrest**  
**President and CEO**

### **BIO:**

#### **David Forrest, President**

Mr. Forrest has over 15 years experience in developing heavy oil plays located around Lloydminster and Maidstone, Saskatchewan. Mr. Forrest founded IC Energy Ltd., a private oil and gas exploration and production company, building production to approximately 750 BOE per day, with P&NG leases aggregating 5,440 acres, before selling to Arsenal Energy Inc. on March 31, 2005, for a purchase price of \$10 million.

Mr. Forrest is also a founder and President of Brahma Resources Ltd., a private heavy oil producer, with operations in the Lloydminster and Maidstone areas of Saskatchewan, and a co-founder of Gotham Resources Inc., which was acquired by Western Plains Petroleum on March 14, 2008.

#### **Company Profile:**

Western Plains Petroleum Ltd. is a junior heavy oil producer from assets located in the provinces of Saskatchewan and Alberta. Western Plains Petroleum's common shares trade on the TSX Venture Exchange under the symbol WPP.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO:** Mr. Forrest, what is the vision at Western Plains Petroleum and tell us about recent changes?

**Mr. Forrest:** "We've cut our costs in half in two months, so we are planning on doing some work, but combined with that our expertise is taking other peoples wells and cutting costs and making them economical."

**CEOCFO:** How do you handle all of the opportunities that must be available given the current conditions?

**Mr. Forrest:** "That is strategically planned as we have cash flow. We probably got four other properties that we know are available or are becoming available. We watch companies in the area that have minerals expiring and we wait until it is close to that expiry date and then we will approach them to buy some of their minerals/wells and take them over. We handle it as we can and as the funds are available to do so."

**CEOCFO:** What is the financial picture like for Western Plains Petroleum today?

**Mr. Forrest:** "It is getting stronger. Since our last sale of some assets, we cleaned up our debt with the ATB and then there was a note going to me, which was from the original purchase from Brahma Resources, which was transferred over to the new company. So there is zero debt in Brahma and I think \$500,000 or \$600,000 in the bank. We have been actively buying some shut-in wells, which we have announced recently, and have more to come. We just want to get our share price up a little bit. We are looking at doing a private placement here shortly and then we would like to raise a million of flow-through, which a company of our size what we could do is convert that from exploratory to development wealth and we got some really good drill locations that will attach with that money. I think we can have three wells completed

and producing in that million-dollar range."

**CEOCFO:** Why do you like the heavy oil?

**Mr. Forrest:** "That is just my focus because it is all I have ever done. That is where I started out on maintenance and service rigs and started right from the ground up in this whole area. It has been my focus and it is really what I know and once we have a stronger team we will for sure actively start looking in some of the light oil areas. One thing I am actively looking at already is we are looking into getting more gas, which is really cheap right now therefore it is cheaper for the minerals and cheaper to develop. We want to maybe have a foothold on the gas for when that price does turn around. So we are actively working on some gas."

**CEOCFO:** What is your two-minute take on this energy situation?

**Mr. Forrest:** "We are actually quite happy with the price, although a lot of people aren't. I think we were a little bit spoiled at \$140 a barrel, but it was bit unrealistic as nice as it was for the market. At these prices right now we are doing very well, we are going to be making some very good money. If we continue to get stronger and maintain at \$70 a barrel, we can operate cheaper than anybody out here. We are going to do really well at these prices, some people need \$50 a barrel to break even, we probably need \$25 depending on the area, but on the average I would say that is where we are at."

**CEOCFO:** You are in good shape!

**Mr. Forrest:** "Yea we are in good shape!"

**CEO CFO:** Do you see any challenges to your vision?

**Mr. Forrest:** “The only challenge I see that was staring us in the face was that at \$140 a barrel nobody wanted to part with even their shut-in production. That challenge has kind of been overcome now that the price is lower. The other thing is Saskatchewan, which is not really a challenge, but just another highlight. They have just introduced a licensed liability ratio, which affects every company for their shut-in well bores. So companies have to be careful and not hang onto as long as they maybe wanted to. Even in an evaluation it may be deemed a liability. We need to focus on some of that stuff. It makes it a lot easier; people may sell their shut-in wells, where before they probably wouldn't have because of that LLR that was just introduced in the spring of 2009 for Saskatchewan Industry Resources. As far as challenges, as long as the price stays where it is I don't really foresee too many challenges to get to where we want to be.”

**CEO CFO:** Address potential investors, why does Western Plains Petroleum stand out?

**Mr. Forrest:** “Western Plains Petroleum stands out due to the fact that our primary focus is the shut-in production, which nobody else really focuses on totally. We do have expertise in that area, but we also have gained foothold and expertise on the acquiring minerals and drilling side as

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**- David Forrest**

well. At this time, we feel we can develop these properties and get the barrels that we want cheaper than drilling and that is primarily our focus. A lot of other companies while they are leaving these wells behind are competing in the land sales that are getting very high. Drilling costs

have not dropped that much, maybe by 15% from what I can see and may continue to drop a bit more. When you are drilling only say four or five wells a year it is not significant, but to some of the big companies I guess it would be.”

**CEO CFO:** Final thoughts, what should people reading about Western Plains Petroleum remember most?

**Mr. Forrest:** “What people should remember most is some of the things that I hit on earlier on in the interview with how successful we have been taking over some of the shut-in wells from very successful oil companies in this area that were going to abandon, and we have turned into what Western Plains Petroleum is today. That is where our focus is. The previous company that I did, we went from 135 barrels a day to 800 barrels a day without drilling a well. Just so the people understand that we are not just saying what we can do, we can prove what we have done. That is our focus and that is what we are the best at.”

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