



## **NEWS RELEASE**

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*FOR IMMEDIATE RELEASE:*

### **Value Creation to Conduct Winter Drilling Program on its Oil Sands Properties**

Calgary, Alberta -- Value Creation Inc. announces that the company will undertake an exploration and drilling program this coming winter to begin evaluation of its extensive holdings in the Athabasca oil sands. The company has established a significant position in the oil sands and holds 16 oil sands leases and permits that cover a total of 280.5 square miles (179,520 acres or 71,808 hectares).

In its initial drilling program, Value Creation will focus on two of its leases immediately south and east of Fort McMurray and on one of its permits located further to the northwest of Fort McMurray. The company plans to drill between 50 and 60 holes, all of which will be cored and logged. The drilling program will be conducted during the winter of 2004/2005 with geological interpretation and modeling work to be completed later in the spring.

"This program is the first phase of a \$30 million to \$50 million evaluation program we have initially planned for our oil sands properties," said Dr. Columba Yeung, founder and chairman of Value Creation Inc. "It is consistent with our long-term strategy to develop our oil sands resources using our own proprietary technologies." Value Creation is the parent company of the Value Creation Group, an alliance of companies involved in the development of oil sands and heavy oil resources. Another member of the Group, BA Energy Inc., has initiated the regulatory approval process to build a bitumen upgrader based on proprietary technology owned by Value Creation.

The decision to conduct an initial drilling program follows a preliminary assessment of Value Creation's oil sands properties by Norwest Corporation, a leading geological and mining consulting firm that specializes in the oil sands. For evaluation purposes, Norwest grouped the 16 leases and permits into seven areas, six of which contain crude bitumen at depths suitable for in situ development, while the remaining area meets the criteria for surface mining.

Value Creation estimates a total crude bitumen in place of approximately 26 billion barrels on its lands, some of which may be suitable for in situ operations such as Steam Assisted Gravity Drainage (SAGD). Norwest has conducted a preliminary examination of potential SAGD zones and estimates bitumen quantities with SAGD potential between 10 billion and 20 billion barrels. This assessment by Norwest was limited to data currently in

the public domain; determination of resource and reserve quantities of crude bitumen will require extensive drilling and evaluation on all of the VCI properties. An assessment of the property suitable for surface mining of crude bitumen will be undertaken at a later date.

Value Creation Inc. is the parent company of the Value Creation Group of Companies. BA Energy Inc., a member of the Value Creation Group, recently submitted an application to the Alberta Energy and Utilities Board for approval of its Heartland Upgrader planned for Strathcona Country. The proposed Upgrader, which will ultimately be capable of processing 226,000 barrels per day of bitumen blends from the oil sands, is based on proprietary technologies owned by Value Creation. Subject to regulatory approval, the first phase of the Heartland Upgrader could be completed in late 2006.

Headquartered in Calgary, Value Creation Group is at the forefront of emerging technologies to accelerate the development of Western Canada's oil sands and heavy oil resources.

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