Canadian Association of Petroleum Landmen

2007 CAPL Operating Procedure
2008 CAPL Conference – Victoria, B.C.
4-H Leadership Conference Sponsorship
60th Anniversary
9 Ball Pool Tournament
Admissions Committee
Alberta Beef Magazine – CAPL Feature
Annual Election
Budget Surplus Committee
Business Development
Calgary Stampede Reserve Steer Sponsorship/
4-H Foundation Fundraiser
CAPL, CAPLA & IRWA Pre-Stampede Party
CAPL/PLM Mentorship Appreciation Night
Christmas Dinner
Code of Conduct
Curling Bonspiel
Education Seminars
Ethics Committee
Field Acquisition and Management

2008 Annual Report

Golf Tournament
Management Night
Member Services
Mentoring Committee
Merit Awards
Networking Evenings
P.Land & PSL Certification
PLM Alumni Charity Golf Classic
POARA
President's Spring Ball
Professionalism Committee
Promotional Items
Public Relations
Recertification Committee
Roster
Scholarship Program
Squash Tournament
Technology Committee
The Negotiator
Topical Issue Luncheons
Trap Shoot
U of C PLM Endowment Fund
Wall Calendar

CAPL 2008 Board of Directors

Front Row, L-R: Margaret Ariss, Cindy Rutherford, Robert Telford, Kenneth Gummo, Robyn Van den Bon, Robin Thorsen
Back Row, L-R: James Condon, Dalton Dalik, Len Moriarity, Susan Klassen, Frank Terner, Noel Millions, Jason Tweten

The Canadian Association of Petroleum Landmen (CAPL) is a professional organization for people involved in all aspects of petroleum land management. The CAPL membership includes individuals responsible for the acquisition, administration and disposition of mineral and surface rights for petroleum exploration and production companies, as well as related service and financial institutions in the Canadian energy industry.

The organization's mandate is to provide and promote activities to enhance the value of its membership and promote the role of the Landman Profession. The association achieves these goals through the volunteer efforts of its members represented by a Board of Directors consisting of 13 elected volunteers. The CAPL's objectives include:

- promotion of education and training in petroleum land management, including a structured mentorship program, student scholarship program and support of education institution curriculum and student body organizations,
- engagement and input in public and government relations,
- encouragement of fellowship and cooperation among its members through Association-sponsored activities, and
- establishment of the highest professional and ethical standards.

In 2008, CAPL proudly celebrated its 60th Anniversary as an Association. It was a time to reflect and commemorate past growth and accomplishments. From the first meeting in 1948, with 8 members in attendance, to a present-day membership exceeding 1600, CAPL has not only grown in numbers, but in strength, credibility and integrity. Today, CAPL has gained the stature, trust and respect of its industry peer organizations, government and stakeholders. The focus going forward is to continually strive for ways to provide its membership with top-quality education opportunities, member value and benefits, and a framework for the development of the highest professional and ethical standards, while exercising financial discipline for the challenging times that face our members and industry.

The day-to-day operations of the CAPL are carried out by its full-time staff members, Denise Grieve, Karin Steers and Irene Krickhan. This dedicated group work tirelessly to ensure that all activities, educational seminars and administrative details are executed on a timely and accurate basis.

The success of the CAPL is in large part due to the generous support of its corporate and industry sponsors. These organizations range from industry companies who afford their CAPL members the time to participate on volunteer committees, to financial support from numerous corporations related to both the Land Profession and the Oil & Gas Industry. The CAPL gratefully acknowledges their generosity and invaluable contributions, without which the CAPL would not be able to provide the high standards of quality which has been achieved.

President

Robert Telford, P.Land

Mandate

The role of the President is to oversee the Board of Director meetings, establish the portfolio responsibilities that have been decided in conjunction with the Vice-President, and review the finances of the organization with the Director of Finance including the weekly signing of cheques and analysis of the monthly statements. In addition the President represents the CAPL at various industry events including the AAPL conference in June and assists the Directors within their portfolios as required.

2008 Summary

- Put forth a recommendation of how to use our surplus funds which was endorsed on the April 22, 2009 at our AGM.
- Continued to work with provincial regulators that seek our advice and input on new initiatives and processes. A significant effort was expended in British Columbia in both the mineral and surface disciplines.
- Added value to our members by increasing the quality and content of our meetings, increasing the professional nature of our association, and providing opportunities for more education and networking.
- Celebrated our 60th anniversary of being the industry leader for providing opportunities to network, learn and be recognised as true land professionals.
- Updated the CAPL Bylaws to reflect the numerous changes in our association and the industry that have occurred since 2003.

Vice-President

Kenneth C. Gummo, P.Land

Mandate

The primary role of the Vice-President is to assist the President in coordinating all of the association's key activities. These duties include assistance in organizing our monthly meetings, representing the board on the Annual Conference committee and driving key priorities forward. The most important specific responsibility is giving direction in all matters associated with CAPL office operations and our great staff.

2008 Summary

- The office staff, led by Denise Grieve, continued to provide excellent service to our members, committees and the Board of Directors. We are fortunate to have such a capable and dedicated group of employees.
- Our current office lease will be expiring in July of 2010. We are expecting favorable market conditions as that date approaches, but have nonetheless initiated preliminary efforts towards exploring available alternatives and the projected costs associated therewith.
- Our 2008 Annual Conference, held in Victoria B.C. under the capable chairmanship of Nathan MacBey was an outstanding success in all respects.
- Plans for the 2009 Conference in Toronto, led by Chair Kevin Burke-Gaffney were well underway when the global financial crisis erupted in Q4 of 2008. After careful consideration the Board approved a motion to relocate to a venue within driving distance of Calgary (since determined to be Lake Louise)
- Deliberation concerning the allocation of the CAPL's accumulated surplus funds was a subject that spanned many portfolios. I was pleased to work with Finance Director Dalton Dalik in seeking input as we strived towards a balanced set of funding recommendations while protecting our future.

Business Development


Frank Terner, P.Lamd

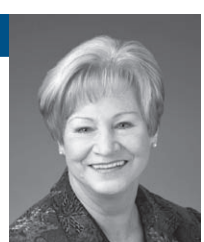
Mandate

The Business Development Portfolio is responsible for all CAPL precedent documents, and works with the various committees on development of new precedent documents and updating of current documents. The mandate also includes liaison with governments as required. Our umbrella also includes arranging for the P&NG Information Exchange each year involving Alberta, British Columbia and Saskatchewan.

2008 Summary

- Work continued on redrafting the CAPL Farmout and Royalty Procedure, as well as the CAPL Freehold P&NG Lease. A draft of the CAPL Farmout and Royalty Procedure is expected to be circulated shortly for comment.
- Alberta Energy's Department Tenure CCS Implementation Committee is developing a process to grant the use of pore space (rights) for the purpose of disposing of carbon dioxide (CO2). Industry consultation will occur through the Tenure Industry Advisory Committee where CAPL is well represented.
- In BC, work continued on the Drilling Licence Regulations. Our mutual desire is to achieve "best in class" regulatory practices for oil and gas activities in British Columbia. The need for tenure reform has become clearer as P&NG play types rapidly evolve from conventional to unconventional.
- Work continued on title issues in Saskatchewan with the ISC as systems are beginning to mature.

Communications


Susan Klassen

Mandate

The primary role of the Communications portfolio continues to be the stewardship of producing a high quality magazine. Ensuring value-added to the reader and advertisers each month from September through June continues to be our focus. Costs in publishing *The Negotiator* magazine have remained the same even with an increase from 1,850 to 1,955 printed copies each month.

2008 Summary

- With over 15 volunteers working with 5 lead committee heads, a professional, informative and eye appealing magazine was generated on time each month. This professional committee ensures relevant content encompassing many facets of our industry.
- *The Negotiator* published articles such as Shallow Rights Reversion, the ERCB's Licensee Liability Rating Program, Companies' Creditors Arrangement Act and other regulatory information updates.
- *The Negotiator's* policy is to allow articles written under an author's name to represent the views of the author. The committee does not play judge or jury and simply lets the reader decide.
- In 2008 we focused on the CAPL 60th Anniversary Celebration. Our founding members were recognized in human interest articles along with many pictures of celebrations throughout the year.
- *The Negotiator* provided an invaluable service to the CAPL members. The committee members worked diligently at providing relevant and current information to the reader from all aspects of our industry.

Education


Len Moriarity, P.Land

Mandate

The Education, PLM Endowment, PLM Mentoring, Scholarship and PLM Advisory Committees all report to the Director of Education. We are proud of the number of accomplishments all the Committees completed this year. The dedication of the chairs and the team leads has been pivotal to our success.

2008 Summary

- The Education Committee for two years straight has far exceeded expectations by almost setting new records for both attendance, number of courses, and new courses offered.
- The Education Committee has removed outdated courses from our calendar and focused on revamping current courses with updated relevant material. This was done with the help of the instructors and course coordinators.

- The Mentoring Committee had a total of 190 people, consisting of 95 students and 95 mentors participate in the Mentorship Program in 2008.
- The PLM Endowment Committee has raised, and still needs to raise, a significant amount of money to ensure that the PLM program continues to be successful.
- The Scholarship Committee awarded 6 U of C students and 3 Olds College students scholarships in 2008. The students were very appreciative as it did make a difference to all of them.

Field Acquisition & Management


Noel Millions, PSL

Mandate

FAM represents the Surface Land and Field Acquisition components of the Land Profession. FAM has numerous key liaison roles that interface with government on policy, framework and legislation issues. The FAM Committee also provides input and support for a continued focus on Education within CAPL and is committed in ensuring awareness of arising field/access issues to the Membership.

2008 Summary

- Significant focus was on the Land Agent Licencing Act Amendment (Bill 9) and subsequent feedback to Alberta Government on possible unintended consequences and creation of uneven playing field between Land Advisors and Surface Land Agents.
- A new Land Use Framework was rolled out by Alberta Sustainable Resource Development.
- FAM members continued participation on the Land Agent Advisory Committee, the Multi Stakeholder Advisory Committee, the ERCB ADR Committee & IRWA /CAPL collaboration.
- 12 members have attained PSL status since inception.
- Efforts continued on our BC Focus: Direct involvement w/NEEMAC (NorthEast Energy & Mines Advisory Committee) / Code of Conduct – Involvement/feedback opportunity with Ministry of Energy Mines and Petroleum Resources.
- We maintained a strong consistent focus on education by increasing surface content applicable to the PSL Program. We also expanded information and knowledge sharing through "Look What's Surfaced in the News" articles for *The Negotiator.*

Finance


Dalton Dalik P.Land

Mandate

The Finance Portfolio is responsible for the management of the fiscal accountability by the Board of Directors to its members. The Finance Director oversees the revenues and expenses of the Association then advises and reports on these matters to the Board on a regular basis. As well the portfolio is charged with insuring that all fiscal matters adhere to CAPL policies and the annual budget, in close communication with the CAPL's auditors.

2008 Summary

- Interest income from treasury investments totaled $43,826.
- For the fiscal year ended December 31, 2008 the CAPL showed an actual excess of revenue over expenses of $74,849 as opposed to the budgeted deficiency of ($83,614).
- Approximately $90,000 of the budget variance was contributed by the Education Portfolio as a result of dramatically larger than budgeted revenues and slightly reduced expenses.
- With the purpose in mind of returning value to the CAPL Members while at the same time fulfilling the objectives mandated in the CAPL By-Laws, the Board of Directors approved the allocation of $1,210,000 deemed to be surplus funds.
- Expenditures that directly benefit the CAPL and its Members may be allocated solely at the Board's discretion. Expenditures intended for uses other than by the CAPL, such as educational endowment funds, require the approval of the Members by way of a formal vote ($300,000 at this time).

Member Services


Margaret Ariss

Mandate

The Member Services Portfolio administers the Members' Life Insurance plan including Critical Illness coverage and access to Best Doctors, handles all new member applications, ensuring they meet the membership criteria as set out in the CAPL Constitution, maintains the CAPL Roster, and organizes the Merit Awards.

2008 Summary

- 40 applications were approved for active, 7 associate, 3 senior and 22 student memberships. Total members stood at 1582 Active, 30 Associate and 78 Senior.
- Nine Merit Awards were recommended and approved by the Merit Awards Committee and the Board of Directors. Nominations are submitted by the Membership.

Professionalism


Robyn Van den Bon, P.Land, PSL

Mandate

The Professionalism Portfolio is mandated to work on initiatives intended to maintain and raise the highest level of professional proficiency and ethical conduct expected of a landman within the Canadian energy industry and the stakeholders.

- The Professionalism Procedure was amended and made effective January 1, 2009 by the Board of Directors. The amendment clarified existing requirements for education and application requirements. In the amendment, the applications for P.Land and PSL were updated.
- An Ethics Committee was established and began to review outstanding complaints. Ian Clark, P.Land was Chair and Brad Goodfellow was Vice-Chair.
- 138 Professional Members were up for re-certification in 2008.
- CAPL welcomed 15 new Professional members, 6 new Professional Landmen (P.Land) and 9 new Professional Surface Landmen (PSL). All new recipients can be viewed on the CAPL website.
- The Professionalism Manual update will be completed in 2009 and distributed to the Professional Members. Upon completion of the update a new committee will be established to review and amend the current exams.

Public Relations


Robin Thorsen

Mandate

The Public Relations portfolio is responsible for promoting the CAPL and the land profession within industry and the communities in which it operates. Our goal is to educate and create awareness of the role of the Landman and the contributions made by the 1600+ members of our Association.

2008 Summary

- In 2008 the CAPL celebrated its 60th Anniversary on January 22, 2009 at the Hyatt Regency Hotel with special guest host Jebb Fink. It was a sold out event with over 600 people in attendance.
- The CAPL booth continued to move around to various events including post secondary institutions, the NAPE Expo, the Alberta Beef Industry Conference and the Calgary Stampede. The committee has been working on revising the booth's brochures with one already completed and two more in the works.
- Another great CAPL Calendar was produced for the 2009 calendar year. The theme was Going Green and it proved to be a great way for companies to showcase their environmental stewardship.
- The CAPL continued its support of the 4-H Foundation of Alberta through the purchase of the Reserve Champion Steer at the 2008 Calgary Stampede. The steer, along with some other great prizes, were raffled off with all proceeds going to 4-H. For 2008 this event raised almost $8000.

- In 2008 the CAPL continued its relationship with the *Alberta Beef Magazine*. Monthly we advertised in this publication and during the summer we worked on a special feature that was inserted into the *Alberta Beef Magazine's* July publication as well as the CAPL September *Negotiator.*

Social


James Condon, P.Land

Mandate

The Social portfolio serves to provide our members with opportunities to interact, away from the everyday work setting with its formalities and limitations, in a relaxed atmosphere of their choice with the potential of building contacts and relationships.

2008 Summary

- A full slate of 8 activities took place during the year.
- The activities offered remained diverse.
- Numbers of participants and volunteers continued to be strong.
- The Social portfolio stayed within the budget presented at the onset of the financial year.

Technology


Jason Tweten, PSL

Mandate

Through the official CAPL website, www.landman.ca, the mandate of the Technology Portfolio is to create functions that provide ease to the membership. This is accomplished through on-line registration for courses and membership renewals. The website also provides information about the CAPL to its members, including a current membership roster and ample information on relevant industry topics.

2008 Summary

- 2008 saw the creation and implementation of on-line membership renewal.
- On-line registration of Education Courses was upgraded.
- The Committee continues to seek opportunities for further technical advances of the website.

Mentoring Committee Update

Brad Johnston & Sandy Sandhar

Mandate

The CAPL Mentoring Committee endeavors to unite each student enrolled in the University of Calgary's Petroleum Land Management Program with an experienced industry Landman. The purpose of these relationships is to facilitate the student's transition from university student to business professional and our goal is that the positive influence on the student will help foster his or her entry into the land profession and that the experience will prove to be rewarding for all parties involved.

2008 Summary

- A total of 190 people, consisting of 95 students and 95 mentors participated in the Mentorship Program in 2008.
- 2008 saw the retirement of the program's pioneer in Wayne Lannan. Brad Johnston and Sandy Sandhar took on the responsibility of Co-Chairs of the Mentoring Committee.
- Our committee developed a Mentor and a Student Handbook that will help establish guidelines to govern the relationships between our student and mentor pairings.
- The Committee presented each of the mentors in 2008 that had completed their three year commitment to the program with a token of our appreciation, in the form of a desk plaque.
- We continued the tradition of holding a "Meet Your Mentor Night" for the students to get together with their mentors shortly after the pairings were made, as well as a Mentor Appreciation Event to thank all of the mentors for their contribution to the program.

2008 CAPL Conference

Nathan MacBey

Mandate

The theme of the 2008 CAPL Conference was “Currency of Leadership”. Delegates witnessed a wide variety of speakers who exemplified leadership in its purest form. From the political arena to the boardroom, from the classroom to the field, participants saw that leadership is not awarded – it is earned.

2008 Summary

- The Victoria Conference reflected record setting attendance in excess of 700 delegates, guests and exhibitors.
- For the first time ever, the conference used online registration, online marketing brochures and delegate “updater” emails. We were proud to be a “green” conference with greatly reduced printing and signage requirements.
- The 2008 Conference Committee introduced new marketing initiatives to increase the exposure and return on investment for supporters and sponsors. Updater emails, online advertising and new on-site promotion of opportunities enhanced the interaction between delegates and sponsors.
- Program details further expanded on the different aspects of the currency of leadership – from the philanthropic to the professional perspectives – all were addressed through a variety of speakers.
- Networking activities and educational sessions set new attendance records. A new educational activity presented by the University of Victoria was very well received.

2008 Merit Awards

Jan Peters

Mandate

Annually, CAPL recognizes and honours the contribution of individuals and corporations who have demonstrated exemplary participation through donation of their time, finances, and energy towards the betterment of the Association. In 2008, at a special awards evening held on May 22, 2008 at the Westin Hotel, the following members, friends and corporations were recognized and acknowledged for their service in the 2007 calendar year.

2008 Summary

- **Friends of CAPL.** Awarded for companies and individuals outside of the CAPL membership who through their sponsorship, support, and contribution deserve special recognition: The awardees were: Alberta 4-H (Bruce Banks and Suzanne Stone), Alberta Beef Magazine (Lorraine Monette), Fred Ramsay (Ramsay Dalton), CEO Productions (Doug Dion), and Bonnie Cioni.
- **Volunteer Supporter Award.** Awarded to the company who has shown outstanding support and contribution through its employees’ volunteer efforts. The winner was LandSolutions Inc.
- **Award of Merit.** Awarded to CAPL members whose contribution, dedication, enthusiasm and hard work have significantly benefitted CAPL. This year’s awardee was Wayne Lannan.
- **Bright Lights Award.** Awarded to an individual who has been a member for less than 5 years, and has shown an exemplary volunteer effort. The awardee was Nikki Sitch.
- **Herb Hughes Award.** The highest honour achievable, this distinction is awarded annually to a CAPL member who year-over-year has contributed time, energy, passion and leadership towards the CAPL. This 2007 winner was Bob Garries.

CAPL Sixtieth Anniversary

Reiny Fercho

Mandate

2008 marked the 60th Anniversary of the CAPL.

2008 Summary

- A special meeting was held Jan 22, 2009 at the Calgary Hyatt Hotel to celebrate and commemorate the past 60 years of the growth and success of the CAPL. The meeting was hosted by local celebrity and comedian Jebb Fink.
- Over 600 people were in attendance to network and reflect on the rich history of the Association since it began in 1948, including an outstanding turnout of Past-Presidents and Herb Hughes Award recipients.
- The evening was filled with entertainment and memorabilia including the piping-in of the Past-Presidents and Herb Hughes winners, a slide show of historic member and event photos, a sumptuous 4-course gourmet dinner, and a 60th Commemorative Video produced by Jebb Fink.
- The event was made possible by a host of sponsors and contributors including Doug Dion, event organizer, and Jebb Fink, Master of Ceremonies.

4H/Steer Sponsorship

Terry Cutting

Mandate

The CAPL has a mandate to present a positive profile with its members and stakeholders through community involvement and giving back. For the past 4 years CAPL has contributed to the community through a major event sponsorship at the Calgary Stampede in conjunction with a fundraiser benefitting the 4-H Foundation of Alberta.

2008 Summary

- CAPL continued its support and contribution to the 4-H Foundation and the Calgary Stampede in 2008 through its Calgary Stampede Reserve Steer sponsorship. With the assistance of our generous sponsors, the steer was raffled off with proceeds going to the benefit of 4-H.
- Thanks to all the sponsors and ticket purchasers who supported the 2008 fundraiser, enabling CAPL to donate $10,000 to the 4-H Foundation. The Foundation provides for the development of youths as self-reliant, contributing individuals with marketable skills to succeed in today's society.
- Through the 4-H fundraiser and Reserve Steer sponsorship, over the past 4 years CAPL has helped raise $38,000 for the 4-H Foundation.
- CAPL plans to continue its support of this worthwhile cause for a fifth successive year in 2009.

Canadian Association of Petroleum Landmen
Financial Statements

Year Ended December 31, 2008
Auditors' Report

To the Members of the Canadian Association of Petroleum Landmen

We have audited the balance sheet of the Canadian Association of Petroleum Landmen (the "Association") as at December 31, 2008 and the statements of revenues and expenditures, members' equity and cash flow for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Association derives revenues from receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, current assets and members' equity.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
February 27, 2009

MacKay McNeil Sadler LLP
Chartered Accountants

Balance Sheet
December 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash, including US $3,462 (2007 – US $1,811)	**$ 180,336**	$ 243,128
Term deposits, including US $38,009 (2007 – US $29,758)	**1,162,351**	1,088,132
Accounts receivable	**45,284**	63,927
Inventory	**40,227**	40,051
Prepaid expenses	**61,990**	47,138
	1,490,188	1,482,376
EQUIPMENT *(Note 4)*	**38,739**	45,428
	$ 1,528,927	$ 1,527,804
LIABILITIES AND MEMBERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities	**$ 31,316**	$ 68,473
Deferred revenue	**359,177**	395,746
	390,493	464,219
MEMBERS' EQUITY	**1,138,434**	1,063,585
	$ 1,528,927	$ 1,527,804

ON BEHALF OF THE ASSOCIATION

Rob Telford, Director

Dalton Dalik, Director

Statement of Revenues and Expenditures
Year Ended December 31, 2008

		2008		2007
REVENUES				
Annual meeting and conference	$	**762,611**	$	693,241
Education seminars		**605,812**		651,903
Membership dues		**433,491**		375,073
Social events		**183,535**		176,065
Advertising		**94,950**		99,470
Meetings		**82,820**		83,682
Sale of forms		**81,674**		57,190
Interest income		**44,619**		44,954
Public relations		**23,147**		22,155
Technology		**14,116**		11,000
Member services		**7,210**		34,490
Professionalism		**5,200**		2,185
Field services		**398**		479
		2,339,583		2,251,887
EXPENDITURES				
Annual meeting and conference	$	**716,520**	$	670,714
Education seminars		**372,054**		371,741
Meetings		**255,306**		159,551
Communications		**226,954**		201,901
Social events		**215,762**		163,915
Member services		**148,998**		164,925
Cost of forms		**77,939**		44,333
Treasury		**74,670**		86,760
Technology		**55,882**		44,303
Executive		**52,853**		43,196
Professionalism		**32,307**		29,806
Field services		**26,137**		20,942
Amortization		**9,352**		9,872
Donations		–		50,000
		2,264,734		2,061,959
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	$	**74,849**	$	189,928

Statement of Members' Equity
Year Ended December 31, 2008

		2008		2007
BALANCE – BEGINNING OF YEAR	$	**1,063,585**	$	873,657
Excess of revenues over expenditures		**74,849**		189,928
BALANCE – END OF YEAR	$	**1,138,434**	$	1,063,585

Statement of Cash Flow
Year Ended December 31, 2008

		2008		2007
OPERATING ACTIVITIES				
Excess of revenues over expenditures for the year	$	**74,849**	$	189,928
Item not affecting cash:				
Amortization of equipment		**9,352**		9,872
		84,201		199,800
Changes in non-cash working capital:				
Accounts receivable		**18,643**		(9,777)
Inventory		**(176)**		(4,005)
Prepaid expenses		**(14,852)**		360
Accounts payable and accrued liabilities		**(37,157)**		(678)
Deferred revenue		**(36,569)**		48,785
		(70,111)		34,685
Cash flow from operating activities		**14,090**		234,485
INVESTING ACTIVITY				
Purchase of equipment		**(2,663)**		(11,883)
Cash flow used by investing activity		**(2,663)**		(11,883)
INCREASE IN CASH FLOW		**11,427**		222,602
Cash and term deposits - beginning of year		**1,331,260**		1,108,658
CASH AND TERM DEPOSITS – END OF YEAR	$	**1,342,687**	$	1,331,260
CASH CONSISTS OF:				
Cash	$	**180,336**	$	243,128
Term deposits		**1,162,351**		1,088,132
	$	**1,342,687**	$	1,331,260

Notes to Financial Statements
Year Ended December 31, 2008

1. Description Of The Organization

The Canadian Association of Petroleum Landmen (the "Association") is a not-for-profit organization incorporated under The Societies Act of Alberta and is not subject to income tax. It is a professional organization for people involved in all aspects of petroleum land management. The organization is committed to enhancing all facets of the land profession through communication, education, professional development, technology and member services.

2. Summary Of Significant Accounting Policies

The financial statements of the Association have been prepared by management in accordance with Canadian generally accepted accounting principles. Because precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates and approximations, which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

REVENUE
Memberships, conference and social fees and donations are recorded as revenue when received. Education fees and advertising are recorded as the course is presented or the advertising published. Materials and services contributed by members are not included in the financial statements as the fair value of such contributions is not readily determinable.

FOREIGN CURRENCY
Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenditures are translated at rates of exchange in effect at the time of the transactions. Foreign exchange gains and losses are included in the determination of the Associations excess or deficiency of revenues over expenditures for the year.

TERM DEPOSITS
Term deposits and treasury bills are recorded at cost which approximates fair market value.

INVENTORY
Inventory is valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis.

EQUIPMENT
Equipment is recorded at cost. Equipment, computers and software are depreciated at 20% per year using the declining balance method. Amortization of additions is provided at one-half the normal rate in the year of acquisition.

DEFERRED REVENUE
Membership dues, course registration fees and deposits received that are applicable to future periods are recorded as deferred revenue.

3. Changes In Accounting Policies

Effective January 1, 2008, the Association has adopted the following accounting policies:

ACCOUNTING CHANGES
The Association has adopted the revised recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1506 "Accounting Changes". The new recommendations permit voluntary changes in accounting policy only if they result in financial statements which provide more reliable and relevant information. Changes in accounting policy will be applied retrospectively unless it is impractical to determine the period or cumulative impact of the change. Corrections of prior errors will be applied retrospectively. Changes in accounting estimates will be applied prospectively. There were no changes to these financial statements as a result of the implementation of this new Handbook Section.

GOING CONCERN
The Association has adopted the additional requirements of the CICA Handbook Section 1400 "General Standards of Financial Statements". The new standard requires management to make an assessment of the Association's ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. As of December 31, 2008, management has determined that the Association has the ability to continue as a going concern and there are no factors that cast significant doubt upon the Association's ability to continue as a going concern.

INVENTORIES
The Association has adopted the additional requirements of the CICA Handbook Section 3031 "Inventories". The new standard requires that inventories be measured at the lower of cost and net realizable value, sets out requirements for the determination of the cost of inventories, and specifies the amount and process for any write-down of inventories and subsequent reversal of write-downs. The standard requires the disclosure of the accounting policies used, the carrying value of inventories, the amount of inventories recognized as expenses, and any write-downs or subsequent recoveries of the value of inventories, as well as the carrying amount of inventories pledged as security for liabilities. There were no changes to these financial statements as a result of the implementation of these additional Handbook requirements.

Effective January 1, 2009, the Association will adopt the following accounting policies:

CAPITAL DISCLOSURE
The Association will adopt the recommendations of the CICA Handbook Section 1535 "Capital Disclosures". Under the requirements of the new standard, the Association will disclose qualitative information about its objectives, policies and processes for managing capital, quantitative information about what the Association manages as capital, any changes from the previous period and information about any externally imposed capital requirements, the Association's compliance with any such externally imposed capital requirements during the period and, when the Association has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

ALLOCATED EXPENSES
The Association will adopt the recommendations of the CICA Handbook Section 4470 "Disclosure of Allocated Expenses by Not-for Profit Organizations". Under the requirements of the new standard, the Association will disclose information about the allocation of general support expenses to expenditure areas as set out in the Statement of Revenues and Expenditures, the policies adopted for the allocation of expenses among expenditure areas, the nature of the expenses being allocated, the basis on which such allocations have been made, the amounts allocated and the expenditure area to which they have been allocated.

4. Equipment

	Cost	Accumulated amortization	**2008 Net book value**	2007 Net book value
Office and computer equipment	$ 115,808	$ 80,364	**$ 35,444**	$ 41,216
Computer software	15,316	12,021	**3,295**	4,212
	$ 131,124	$ 92,385	**$ 38,739**	$ 45,428

5. Financial Instruments

The Association's financial instruments consist of cash, term deposits, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest or credit risks arising from these financial instruments. Foreign exchange risk is the risk that variations in exchange rates between the Canadian and the United States ("US") dollar will affect the Association's operating and financial results. The Association holds US dollar cash and term deposits and does not use derivative instruments to reduce its exposure to foreign exchange risk. As of December 31, 2008, US dollar denominated cash amounted to US $3,462 (2007 –US $1,811) and US dollar denominated term deposits amounted to US $38,009 (2007 – US $29,758). The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

6. Commitments

The Association's premises are leased until July 2010 at an annual rental and operating cost of approximately $85,000.