



Peak Energy Resources Inc.
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FOR IMMEDIATE RELEASE

PEAK ENERGY ANNOUNCES SALE TO XTO

DURANGO, CO, Feb. 28, 2005 – Peak Energy Resources Inc. announced today an agreed sale of the Company to Forest Oil Corporation (NYSE: FST).

Peak Energy, a privately-held producer in the Buffalo Wallow Field of Texas, has agreed to be acquired by Forest for an estimated \$230 million. Peak's primary asset is an operated average working interest of 83% and approximately 33,300 gross acres primarily in Hemphill and Wheeler Counties, Texas. Forest will pay an estimated \$200 million cash for Peak's equity and assume an estimated \$30 million of debt (net of working capital) at closing.

The transaction is scheduled to close on March 31, 2005.

Forward-Looking Statements

Statements made in this news release, including those relating to the future drilling, property acquisitions, deliverability and economics are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on assumptions and estimates that management believes are reasonable based on currently available information; however, management's assumptions and the Company's future performance are both subject to a wide range of business risks and uncertainties and there is no assurance that these goals and projections can or will be met. Any number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, the availability of drilling equipment, the timing and results of drilling activity and higher than expected production costs and other expenses and personnel. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Further information on risks and uncertainties is available in the Company's filings with the Securities and Exchange Commission, which are incorporated by this reference as though fully set forth herein.

For further information, please contact:

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