

Laramie Energy, LLC Announces Funding of a New Oil and Gas Company in the Rockies

Robert Boswell, former Chairman and CEO of Forest Oil Corporation, and James Schroeder, former President of Mesa Hydrocarbons, LLC, lead a new company supported by CSFB Private Equity and EnCap Investments

Denver, June 28, 2004 – Laramie Energy, LLC (“Laramie Energy”), today announced that it received a \$150 million equity commitment from affiliates of CSFB Private Equity and EnCap Investments. Robert Boswell, Chairman and CEO, James Schroeder, President and COO, and Bruce Payne, EVP and CFO, co-founded this Denver-based independent oil and gas company and have also invested in the Company.

Laramie Energy’s business plan is to acquire and develop gas reserves from unconventional reservoirs principally in the Western Sedimentary Basin. Unconventional natural gas reservoirs, defined as gas bearing tight sandstones, shales, and coal beds, are technology driven plays expected to be the largest U.S. gas source within 10 years and already provide over 28% of the natural gas production in our country.

“We greatly appreciate the strong capital support and industry knowledge of CSFB Private Equity and EnCap Investments which provide us with the capability to move quickly on acquisitions and pursue multi-year drilling programs,” said Boswell. “Over 40% of the proved and probable gas reserves of the Lower 48 States are located in the Western Sedimentary Basin of the U.S. Rockies,” added Schroeder, “and over 80% of this resource base is unconventional. Moreover, the Rocky Mountain region is one of the few areas of the country where the natural gas reserve base has actually grown in the past ten years. We look forward to being part of the resurgence of Denver as a major energy center.”

Previously, Boswell was the Chairman and CEO of Denver-based Forest Oil Corporation (NYSE: FST). He led the company’s recapitalization in the early 1990’s, allowing Forest to rebuild through a combined acquisition, exploration, and exploitation program. Schroeder was President of Mesa Hydrocarbons, the Denver-based exploration and production subsidiary of Progress Fuels (NYSE: PGN) which was founded in 1998 and sold to EnCana Corp. (NYSE: ECA) in late 2003. Schroeder is joined at Laramie Energy by several members of the management team that helped build Mesa Hydrocarbons, a company which maintained an outstanding reputation in Colorado for its environmental stewardship, landowner relations, and regulatory compliance.

Laramie Energy’s targeted area of focus within the Rockies will initially be the Piceance Basin of Western Colorado. Simultaneously with the partial funding of its private equity commitment in late May, Laramie Energy closed on an acquisition of developed and undeveloped gas properties with over 20,000 highly prospective acres within Mesa County, Colorado. The Company will commence an active development drilling program on this acreage during the third quarter of 2004. The Company is also actively looking for additional opportunities to acquire oil and gas properties within the region.

Baxter Bold & Co. acted as exclusive financial advisor to Laramie Energy for this transaction and Vinson & Elkins served as the Company’s legal advisor.

FOR ADDITIONAL INFORMATION CONTACT: Bruce Payne, 303-825-2154.

SOURCE: Laramie Energy, LLC