

December 2, 2008

Response to Exposure Draft on Amendments to IFRS 1

Question 1

Yes, I agree with the proposed amendment. Being employed in the energy sector in Canada at a full cost company, I truly believe the allocation is the only practical way to allocate historic cost. Pengrowth has been in operation for over 20 years, completing over 50 acquisitions since inception. Acquisitions have taken the form of both asset and corporate deals. Pengrowth has also had a fairly robust capital spending program, particularly over the past 5 years.

The notion of recalculating historic book value going back to the beginning of time is such a horrendous task, that it might take 2-3 man-years to complete the exercise. Having reasonably regular correspondence with analysts and investors I am of the opinion that our historic cost book value is not a number that anyone really cares about. Cash flow and reserves valuations are the key to our business.

Question 2

Yes, I agree with the proposed disclosure requirements as it will provide the user with the necessary information to determine how the company allocated historic cost.

Question 3

Yes, I agree with the proposed amendment. I believe rate regulated businesses would face the same challenge as non-rate-regulated businesses.

Question 4

Yes, I agree with the proposed amendment. I'm not sure re-assessing for leases at a different date would provide any benefit to a reader, as long as the re-assessment is done.

Question 5

Yes, I agree that the situation in question 4 is the only situation for this type of relief. More items may come to light as we progress through the IFRS conversion process.

Thank you for considering my responses.

Yours truly,

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