PENN WEST
PETROLEUM LTD.

PRESS RELEASE

PENN WEST PETROLEUM ANNOUNCES RECORD THIRD QUARTER PRODUCTION

FOR IMMEDIATE RELEASE, Thursday, November 15, 2001

PENN WEST PETROLEUM LTD. (TSE – PWT) is pleased to announce its results for the third quarter ended September 30, 2001.

Third quarter interim report for the three months ended September 30, 2001

Highlights

Operations, Exploration and Development

- Crude oil and liquids production averaged 40,700 barrels per day for the quarter, an increase of 24 percent over the 32,900 barrels per day produced in the third quarter of 2000.
- Natural gas production in the third quarter of 2001 increased by 6 percent to 336 mmcf per day from 316 mmcf per day for the third quarter of 2000.
- Net wells drilled in the third quarter of 2001 increased by 40 percent over the third quarter of 2000 to a total of 87 wells, at a success rate of 90 percent.

Financial Results

- Financial results for the third quarter reflect the positive impact of increasing production offset by the negative impact of falling commodity prices. For the quarter, natural gas prices dropped by 32% from the same quarter last year, and liquids prices fell by 11%.
- Cash flow for the first nine months of 2001 increased by 47 percent over the same period in 2000 to a total of $535.8 million. Cash flow for the quarter decreased by 12 percent to $129.9 million from $147.6 million for the same quarter last year.
- Net income for the first nine months of 2001 increased by 66 percent over the same period in 2000 to a total of $224.0 million. Net income for the quarter decreased by 20 percent to $46.2 million from $57.8 million in the third quarter of 2000.
- Bank debt was $551 million on September 30, 2001, a decrease of $75 million from a year ago.
- The ratio of bank debt to annualized cash flow for the quarter was 1.1 to one.

The financial and operational results follow:

1 Financial Highlights

($ millions, except per share amounts)	Three months ended September 30 2001	2000	% Change	Nine months ended September 30 2001	2000	% Change
Gross revenues	$226.0	$251.5	(10)	$888.3	$631.0	41
Cash flow from operations	$129.9	$147.6	(12)	$535.8	$363.6	47
Per share	2.47	2.85	(13)	10.26	7.05	46
Diluted per share	2.43	2.75	(12)	9.93	6.79	46
Net income	$ 46.2	$ 57.8	(20)	$224.0	$134.9	66
Per share	0.88	1.12	(21)	4.29	2.62	64
Diluted per share	0.86	1.08	(20)	4.15	2.52	65

2 Production and Netbacks

	Three months ended September 30			Nine months ended September 30		
	2001	2000	% Change	2001	2000	% Change
Natural Gas:						
MMcf per day	336.1	316.1	6	329.1	304.8	8
Operating netback ($ per mcf):						
Sales price	$ 3.23	$ 4.74	(32)	$ 5.96	$ 3.87	54
Royalties	0.62	1.25	(50)	1.45	0.93	56
Operating costs	0.40	0.36	11	0.39	0.35	11
Netback	$ 2.21	$ 3.13	(29)	$ 4.12	$ 2.59	59
Oil and natural gas liquids:						
Barrels per day	40,728	32,910	24	37,746	31,541	20
Operating netback ($ per barrel):						
Sales price	$33.64	$37.59	(11)	$34.23	$35.61	(4)
Royalties	5.68	6.36	(11)	5.89	6.41	(8)
Operating costs	8.68	7.83	11	8.56	7.59	13
Netback	$19.28	$23.40	(18)	$19.78	$21.61	(8)
Combined totals:						
Barrels of oil equivalent* Daily production	96,746	85,581	13	92,592	82,336	12
Operating netback ($ per boe):						
Sales price	$25.40	$31.94	(20)	$35.14	$27.97	26
Royalties	4.55	7.05	(35)	7.56	5.90	28
Operating costs	5.05	4.35	16	4.88	4.19	16
Netback	$15.80	$20.54	(23)	$22.70	$17.88	27

* Barrels of oil equivalent (boe) based on 6 mcf of natural gas equals 1 barrel of oil

Production volumes were higher in the third quarter of 2001 compared with the same period in 2000. Natural gas prices were $3.31 per mcf before hedging and $3.23 per mcf after hedging. Liquids prices were $33.78 per barrel before hedging and $33.64 per barrel after hedging.

3 Capital Expenditures

($ millions)	Three months ended September 30			Nine months ended September 30		
	2001	2000	% Change	2001	2000	% Change
Net of dispositions	$207.8	$59.0	252	$518.6	$385.0	35

4 Drilling Program

	Three months ended September 30				Nine months ended September 30			
	2001		2000		2001		2000	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Natural gas	59	57	40	38	240	223	219	200
Oil	24	21	25	20	109	92	96	84
Dry	9	9	4	4	60	57	42	40
Total wells	92	87	69	62	409	372	357	324
Success Rate		90%		94%		85%		88%

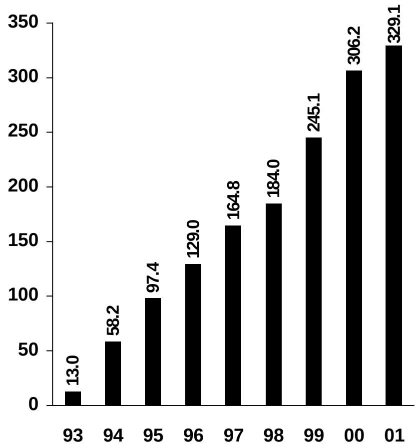
Penn West drilled 87 net wells in the third quarter of 2001 at a 90% success rate. Natural gas wells accounted for two-thirds of the successful wells that were drilled in the quarter. The natural gas drilling program was focused on shallow gas in the Plains core area. Penn West also continued to drill for light oil in the Central core area at Drayton Valley.

5 Common Share Data

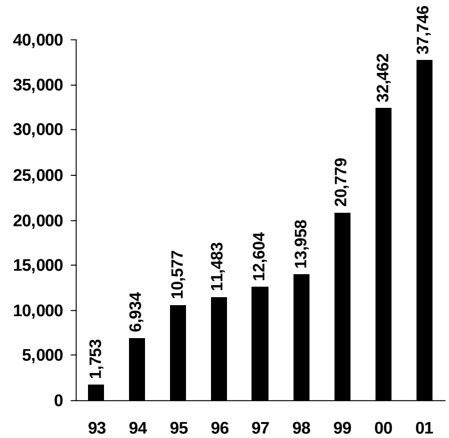
(millions of shares)	2001	2000	% Change
Weighted average:			
(nine months ended September 30)			
Basic	52.2	51.5	1
Diluted	54.0	53.5	1
Outstanding: (as at September 30)			
Basic	52.4	51.7	1
Basic plus stock options	58.4	56.7	3

Basic shares outstanding at the end of the quarter increased marginally by 1% from the same period in 2000, reflecting the exercise of stock options and the impact of the employee stock savings plan.

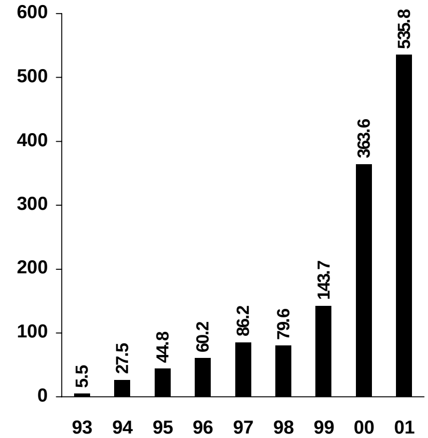
Charting our Performance



NATURAL GAS PRODUCTION*
(mmcf per day)



CRUDE OIL & NGL PRODUCTION*
(bbls per day)



CASH FLOW FOR THE NINE MONTHS ENDED SEPTEMBER 30
($ millions)

* Annual averages, except that 2001 represents the first nine months only.

Letter to our Shareholders

During the period of strong commodity prices over the past several quarters, Penn West worked to reduce debt and build financial strength. The Company began to employ some of this financial strength in the third quarter of this year, as spending on property acquisitions increased significantly to $153 million. In comparison, Penn West spent only $28 million on net property acquisitions during the first half of 2001. Even with increased acquisition spending and reduced commodity prices, Penn West's ratio of bank debt to annualized cash flow for the third quarter of 2001 was only 1.1 to one.

The acquisitions in the third quarter included a property deal with a total value, net of closing adjustments, of $152 million. The acquired properties produce approximately 6,200 boe per day (6:1) including 5,200 barrels per day of crude and NGL's, and 6 mmcf per day of natural gas production. Most of the acquired production is located in Penn West's existing Central Core Area, including lands in the Crystal, Joffre, Otter, Pembina, and Utikuma areas. Production was also acquired at Hayter in the Plains area. The acquisition included 75,000 net acres of undeveloped land and had an effective date of July 1, 2001. This acquisition further strengthened Penn West's light oil production base and increased Penn West's inventory of future development projects.

Natural gas prices continued to soften during the third quarter, declining by 46% from the second quarter of 2001 and dropping by 64% from the first quarter. Despite the decline in natural gas prices, Penn West continued to generate positive financial results with an annualized return on equity for the quarter averaging 17%.

We are now forecasting 2001 average production in the range of 93,000 to 94,000 boe per day (6:1). For 2001, we are forecasting cash flows of $630 to $660 million based on a realized natural gas price of $5.30 per mcf and a WTI oil price of $26.70 U.S. per barrel. We expect that capital expenditures for 2001 will approximately match cash flows for the year.

Penn West is currently finalizing its 2002 exploration and development plans based on a capital budget of between $400 and $500 million. As in previous years, capital spending plans are reviewed on an ongoing basis and spending plans may be adjusted due to changes in the outlook for commodity prices, or in the event that an attractive acquisition opportunity becomes available.

On behalf of the Board of Directors,

N. Murray Edwards
Chairman

William E. Andrew
President

Calgary, Alberta
November 15, 2001

Management's Discussion and Analysis

Management's discussion and analysis ("MD&A") of financial conditions and results of operations should be read in conjunction with the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2001 and the audited consolidated financial statements and MD&A for the year ended December 31, 2000.

Oil and Natural Gas Revenue

Higher production volumes and higher average prices resulted in revenues increasing by 41% to $888 million during the first nine months of 2001 from $631 million for the same period of 2000. Production of natural gas increased 8% to 329 mmcf/d in the 2001 period from 305 mmcf/d in the same period of 2000. Production of crude oil and liquids increased 20% to 37,746 bbls/d in the first nine months of 2001 from 31,541 bbls/d in 2000. The average natural gas price received in the first nine months of 2001 increased by 54% to $5.96/mcf from $3.87/mcf in the first nine months of 2000 while the average crude oil and liquids price decreased by 4% to $34.23/bbl in 2001 from $35.61/bbl in 2000.

Revenues decreased by 10% to $226 million during the third quarter (Q3) of 2001 from $251 million in Q3 2000. This decrease is attributable to lower prices partially offset by higher production volumes. The Company's average production of natural gas increased 6% to 336 mmcf/d in the quarter from 316 mmcf/d in Q3 2000 and production of crude oil and liquids increased 24% to 40,728 bbls/day in the quarter from 32,910 bbls/day in Q3 2000. The average natural gas price received by the Company decreased 32% to $3.23/mcf in the quarter from $4.74 in Q3 2000 and the average crude oil and liquids price was down 11% to $33.64/bbl in the quarter from $37.59/bbl in Q3 2000.

Increases in Gross Revenue for the Nine Months Ended September 30, 2001 ($ millions)

Gross revenues – 2000	$ 631.0
Increase in oil and liquids production	59.2
Decrease in oil and liquids price	(14.3)
Increase in natural gas production	24.5
Increase in natural gas price	187.9
Gross revenues – 2001	$ 888.3

Royalty Expense

The average royalty rate Penn West incurred in the first nine months of 2001, net of the Alberta Royalty Credit, was 22% or approximately the same as the first nine months of 2000. The 2001 rate reflects a slightly lower oil and liquids royalty rate of 17%, down from 18% in the first nine months of 2000. Natural gas royalty rates were 24% for both the 2001 and 2000 periods.

Operating Expense

Operating expenses incurred in the first nine months of 2001 were $123 million, up 31% from $94 million in the same period of 2000. A portion of this increase reflects 12% higher production volumes. In addition, per unit operating costs increased 16% to $4.88/boe from $4.19/boe in the first nine months of 2000. The per unit cost increase is attributable to higher industry activity levels, increases in fuel and electricity costs early in the year and an increase in the proportion of crude oil in the Company's production mix to 41% of total production in the period from 38% in 2000.

General and Administrative Expense

Gross general and administrative expenses increased reflecting growth in staff levels to manage the Company's expanding asset base and production levels. Gross expenses of $16.5 million in the 2001 period were up 14% from $14.5 million in the first nine months of 2000. Net general and administrative expenses of $5.2 million in the period are up slightly from $4.8 million in the first nine months of 2000. On a per unit basis, however, net expenses were down slightly to $0.20/boe in the first nine months of 2001 from $0.21/boe for the same period of 2000.

Interest Expense

Interest expense for the first nine months of 2001 amounted to $21 million, a decrease of 33% from $32 million in the same period of 2000. In the first nine months of 2001, Penn West utilized its cash flow to fund capital programs as well as to reduce the amount of its bank loans. The decrease in interest expense reflects both lower interest rates and lower debt levels in the 2001 period compared to the 2000 period.

Depletion and Depreciation

Depletion, depreciation and the site restoration provision increased by 21% to a total of $140 million in the first three quarters of 2001 from $116 million in the same period of 2000. This was a direct result of increases in the Company's production levels combined with an increase in the depletion rate. Average unit costs increased by 8% to $5.53/boe in the period from $5.12/boe in the same 2000 period.

Taxes

The provision for income taxes increased 57% to $184 million in the first nine months of 2001 from $117 million in 2000 as a result of 62% higher pre-tax profits generated in the period over the same period of 2000 and slight decreases to enacted income tax rates. The 2001 current tax provision consists of $7 million of capital tax and a $5 million provision for cash taxes.

Capital Expenditures

Capital expenditures of $519 million in the first three quarters of 2001 consisted of $181 million of net property acquisitions and $338 million of exploration and development spending. For the same period in 2000, capital expenditures were $385 million consisting of $95 million of net property acquisitions and $290 million of exploration and development spending. The increase in exploration and development expenditures over the same period in 2000 reflects an increase in the number of wells drilled this year and slightly higher costs due to higher relative industry activity levels.

Cash Flow and Net Income

Cash flow increased by 47% to $536 million in the first nine months of 2001 from $364 million in the same period of 2000. Basic cash flow per share increased by 46% to $10.26 in the first three quarters of 2001 from $7.05 in the same period of 2000. Net income rose by 66% to $224 million in the first nine months from $135 million in 2000. Basic net income per share rose 64% to $4.29 in the first nine months of 2001 from $2.62 in the same period of 2000.

Cash flow decreased 12% to $130 million in Q3 2001 from $148 million in Q3 2000. Basic cash flow per share decreased by 13% to $2.47 in the quarter, compared to $2.85 in Q3 2000. Net income fell 20% to $46 million in the third quarter of 2001 from $58 million in Q3 2000. Basic net income per share fell 21% in the quarter to $.88 from $1.12 in Q3 2000.

These strong results reflect the on-going efforts of the Company to find and develop oil and natural gas reserves at a reasonable cost and to convert those reserves into cash in a timely and cost-effective manner. The first nine months of 2001 reflects a 12% year-over-year increase in production volumes and a 27% increase in operating netbacks to $22.70/boe from $17.88/boe in same period of 2000.

Liquidity and Capital Resources

Penn West funded its capital program for the first nine months of 2001 using only internally generated cash flow from operations. In addition, the Company decreased its bank debt drawn by $39 million during the first three quarters of 2001. Bank debt at the end of Q3 2001 was $551 million, down $75 million from $627 million at the end of Q3 2000. The current level of debt, based on annualized 2001 results to date, represents only 9.3 months of cash flow and provides significant financial flexibility to the Company.

Consolidated Balance Sheets

($ millions)	**As at September, 2001 (unaudited)**	**As at December 31, 2000**
Assets		
Current		
Accounts receivable	$ 98.9	$ 140.3
Other	24.3	15.7
	123.2	156.0
Property, plant and equipment, net	2,234.1	1,845.1
	$ 2,357.3	$ 2,001.1
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	$ 145.7	$ 158.3
Bank loan (note 3)	551.2	590.4
Site restoration and abandonment	27.4	26.1
Future income taxes (note 2)	543.6	371.7
	1,122.2	988.2
Shareholders' equity		
Share capital (note 4)	459.7	448.9
Retained earnings	629.7	405.7
	1,089.4	854.6
	$ 2,357.3	$ 2,001.1

Consolidated Statements of Income and Retained Earnings

($ millions, except per share amounts)	Three months ended September 30 (unaudited) 2001	Three months ended September 30 (unaudited) 2000	Nine months ended September 30 (unaudited) 2001	Nine months ended September 30 (unaudited) 2000
Revenues				
Oil and natural gas	$ 226.0	$ 251.5	$ 888.3	$ 631.0
Royalties	(40.5)	(55.5)	(191.3)	(133.1)
	185.5	196.0	697.0	497.9
Expenses				
Operating	44.9	34.2	123.3	94.4
General and administrative	1.9	1.7	5.2	4.8
Interest on long term debt	6.4	11.5	21.1	31.6
Depletion and depreciation	49.3	41.7	139.9	115.5
	102.5	89.1	289.5	246.3
Income before taxes	83.0	106.9	407.5	251.6
Taxes				
Current	2.4	1.0	11.6	3.5
Future (note 2)	34.4	48.1	171.9	113.2
	36.8	49.1	183.5	116.7
Net income	$ 46.2	$ 57.8	$ 224.0	$ 134.9
Retained earnings, beginning of period	583.5	260.3	405.7	195.1
Change in accounting policy - future income taxes (note 2)	-	-	-	(11.9)
Retained earnings, end of period	$ 629.7	$ 318.1	$ 629.7	$ 318.1
Net income per common share (note 2)				
Basic	$ 0.88	$ 1.12	$ 4.29	$ 2.62
Diluted	$ 0.86	$ 1.08	$ 4.15	$ 2.52

Consolidated Statements of Cash Flow

($ millions, except per share amounts)	Three months ended September 30 (unaudited) 2001	2000	Nine months ended September 30 (unaudited) 2001	2000
Operating activities				
Net income	$ 46.2	$ 57.8	$ 224.0	$ 134.9
Depletion and depreciation	49.3	41.7	139.9	115.5
Future income taxes	34.4	48.1	171.9	113.2
Funds flow from operations	129.9	147.6	535.8	363.6
(Increase) decrease in non-cash working capital	(10.9)	3.9	5.0	(12.3)
	119.0	151.5	540.8	351.3
Investing activities				
Additions to property, plant and equipment, net	(207.8)	(59.0)	(518.6)	(385.0)
Expenditures on abandonments	(4.9)	(2.2)	(9.0)	(7.8)
(Increase) decrease in non-cash working capital	(23.5)	(30.1)	15.1	3.9
	(236.2)	(91.3)	(512.5)	(388.9)
Financing activities				
Increase (decrease) in bank loan	116.4	(61.2)	(39.2)	30.2
Issue of common shares, net	0.8	1.0	10.8	7.4
Decrease in non-cash working capital	-	-	0.1	-
	117.2	(60.2)	(28.3)	37.6
Increase in cash	-	-	-	-
Cash, beginning of period	-	-	-	-
Cash, end of period	$ -	$ -	$ -	$ -
Cash flow per common share (note 2)				
Basic	$ 2.47	$ 2.85	$ 10.26	$ 7.05
Diluted	$ 2.43	$ 2.75	$ 9.93	$ 6.79

Notes to the Consolidated Financial Statements ($ millions):

1. Significant accounting policies:

These interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. These interim consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods of computation as the audited annual consolidated financial statements as at and for the year ended December 31, 2000. These accounting policies and methods of computation are described in the notes to the audited consolidated financial statements for the year ended December 31, 2000.

Notes to the Consolidated Financial Statements ($ millions) - continued:

2. Changes in accounting policies:

Effective January 1, 2000, the Company adopted the liability method of accounting for income taxes as recommended by the Canadian Institute of Chartered Accountants. Under the liability method, future income tax assets and liabilities are recorded for the differences between the accounting and income tax basis of assets and liabilities. The new method was applied retroactively without restatement of prior year financial statements. As a result of these changes, future income taxes and property, plant and equipment increased by $40.8 million and $28.9, respectively, and retained earnings decreased by $11.9 million.

Effective December 31, 2000, the Company adopted the treasury stock method of computing per share amounts as recommended by the Canadian Institute of Chartered Accountants. The treasury stock method uses market share prices to determine the dilutive effect of stock options. Prior period net income and cash flow per share amounts have been restated for this change. The impact on current and prior period per share amounts is not significant.

3. Bank Loan

	As at September 30, 2001	**As at September 30, 2000**
Bankers' acceptances	$ 551.2	$ 626.6

The Company has unsecured bank credit facilities of $750 million comprising a $700 million credit facility and a $50 million operating loan facility. During the year ended September 30, 2001, the Company reduced amounts drawn on these facilities by $75.4 million. As at September 30, 2001, the Company had $24.5 million of cheques issued in excess of cash on hand, included in accounts payable, which reduced the amount otherwise available to be drawn on the credit facility.

4. Share Capital

	As at September 30, 2001	**As at December 31, 2000**
Common shares	$ 459.7	$ 448.9

Common shares issued	**Number of Shares**	**Amount**
Balance, January 1, 2001	51,818,382	$ 448.9
Issued on exercise of stock options	579,365	9.4
Issued to employee stock savings plan	39,736	1.4
Balance, September 30, 2001	52,437,483	$459.7

Investor Information

Penn West Petroleum Ltd. is a senior independent Canadian oil and natural gas company, based in Calgary, Alberta, that focuses on exploration and development activity. Penn West trades on The Toronto Stock Exchange under the symbol PWT.

A conference call will be held to discuss Penn West's results at 9:00 a.m. Mountain Standard Time, 11:00 a.m. Eastern Standard Time on Thursday, November 15, 2001. The North American conference call number is 1-800-273-9672 and the local conference call number for Toronto is 416-695-5806. A taped recording will be available until November 22, 2001 by dialing 1-800-408-3053 or 416-695-5800 and entering passcode 927516. This call will be broadcast live on the internet and may be accessed directly on the Penn West website www.pennwest.com or at the following URL: http://www.newswire.ca/webcast/pages/PennWest20011112/.

Notes to Reader

1.) This document contains forward-looking statements (forecasts) under applicable securities laws. Forward-looking statements are necessarily based upon assumptions and judgements with respect to the future including, but not limited to, the outlook for commodity markets and capital markets, the performance of producing wells and reservoirs, and the regulatory and legal environment. Many of these factors can be difficult to predict. As a result, the forward-looking statements are subject to known or unknown risks and uncertainties that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements

2.) All dollar amounts contained in this document are expressed in Canadian dollars unless noted otherwise.

3.) Where applicable, natural gas has been converted to barrels of oil equivalent (boe) using a conversion rate of 6 mcf of natural gas equals 1 boe.

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