

March 3, 2004

ULTRA PETROLEUM REPORTS 437 % INCREASE IN ANNUAL EARNINGS

Houston, TX – Ultra Petroleum (AMEX-UPL, TSX-UP) today reported earnings for the twelve-month period ended December 31, 2003 increased 461 % to \$45.3 million or \$0.58 per diluted share compared to \$8.1 million or \$0.10 per diluted share for the same period in 2002.

Cashflow ⁽¹⁾ for the period increased 265 % to \$87.8 million or \$1.12 per diluted share, compared to \$24.1 million or \$0.31 per diluted share for the same period in 2002. Production increased 66 % to 28.9 Bcfe compared to 17.4 Bcfe for 2002. Average natural gas prices for the year were \$4.16 as compared to \$2.33 for the same period in 2002.

Earnings for the three-month period ended December 31, 2003 were \$19.2 million or \$0.24 per diluted share, a 367 % increase from \$4.1 million or \$0.05 per diluted share for the same period in 2002. Cash flow ⁽¹⁾ for the period was \$33.1 million or \$0.42 per diluted share, a 220 % increase from \$10.3 million or \$0.13 per diluted share for the same period in 2002. Production increased 59 % to 9.7 Bcfe compared to 6.1 Bcfe for the same quarter in 2002. Average natural gas prices were \$4.48 during the quarter, compared to \$2.59 for the same period in 2002.

“Our exceptional financial results in 2003 were driven by our record production levels, stronger gas prices and our close attention to our cost structure, which remains among the best in industry. As we execute the most aggressive drilling program in our history, we expect production to grow by 38 % to 40 Bcfe and proved reserves to grow by another 20% to 1.3 Tcfe. Based on this growth, we anticipate 2004 will be another year of strong financial results,” stated Michael D Watford, Chairman, President and CEO.

	For the Three-Month Period Ended		For the Twelve-Month Period Ended	
	31-Dec-03	31-Dec-02	31-Dec-03	31-Dec-02
Production				
Oil Production - Bbls	63,675	54,087	211,591	151,215
Natural Gas - Mcf	9,365,920	5,811,036	27,621,759	16,495,751
Gas Equivalent Production - Mcfe	9,747,970	6,135,558	28,891,305	17,403,041
Realized Production Prices				
Oil Price - \$/bbl	\$33.74	\$25.13	\$31.86	\$25.39
Gas Price - \$/Mcf	\$4.48	\$2.59	\$4.16	\$2.33
Revenues				
Oil Revenue	\$2,148,627	\$1,359,382	\$6,740,539	\$3,839,421

Gas Revenue	\$42,005,095	\$15,062,272	\$114,840,558	\$38,502,971
Total Revenues	\$44,153,722	\$16,421,654	\$121,581,097	\$42,342,392
Operating costs and expenses				
Operating expenses	\$1,142,854	\$846,507	\$3,627,639	\$2,356,986
Taxes	\$5,093,316	\$1,652,544	\$13,767,668	\$4,116,012
Gathering	\$2,632,680	\$1,774,592	\$7,828,372	\$4,937,870
Depreciation, depletion and amortization	\$5,124,369	\$3,518,253	\$16,215,714	\$9,712,111
General and administrative	\$1,523,117	\$1,044,730	\$5,733,147	\$4,199,104
Stock compensation	\$0	\$0	\$1,018,220	\$1,211,165
Interest and debt expense	\$699,357	\$778,686	\$2,850,916	\$2,691,608
Total direct expenses	\$16,215,693	\$9,615,312	\$51,041,676	\$29,224,856
Interest and other income	\$10,456	\$5,596	\$36,888	\$23,151
Income Tax - Deferred	\$8,795,381	\$2,710,009	\$25,253,670	\$5,059,166
Net Income	\$19,153,104	\$4,101,929	\$45,322,639	\$8,081,521
Per common share - basic	\$0.26	\$0.06	\$0.61	\$0.11
Per common share - diluted	\$0.24	\$0.05	\$0.58	\$0.10
Cash flow ⁽¹⁾	\$33,072,854	\$10,330,191	\$87,810,243	\$24,063,963
Per common share - basic	\$0.44	\$0.14	\$1.18	\$0.33
Per common share - diluted	\$0.42	\$0.13	\$1.12	\$0.31
Shares Outstanding	74,547,688	74,087,668	74,547,668	74,087,668
Weighted Average - Basic	74,412,744	73,931,149	74,231,553	73,770,841
Weighted Average - diluted	79,304,844	77,794,239	78,651,439	77,605,018
Costs per Mcfe				
Operating Expenses	\$0.12	\$0.14	\$0.13	\$0.14
Severance/Production Taxes	\$0.52	\$0.27	\$0.48	\$0.24
Gathering	\$0.27	\$0.29	\$0.27	\$0.28
Total Lease Operating	\$0.91	\$0.70	\$0.87	\$0.66

Depletion, depreciation and amortization	\$0.53	\$0.57	\$0.56	\$0.56
General and administrative	\$0.16	\$0.17	\$0.20	\$0.24

These statements are unaudited and subject to year-end adjustment.

(1) "Cash flow" refers to cash flow from operations before net change in non-cash working capital.

Reconciliation of cash flow from operations before change in net working capital	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2003	2002	2003	2002
Net cash provided by operating activities	\$24,099,931	\$9,177,692	\$76,461,342	\$21,490,488
Other long-term obligations	(\$290,834)	(\$464,211)	(\$1,261,403)	\$2,026,604
Accounts payable and accrued liabilities	(\$6,826,764)	\$843,411	(\$10,168,165)	(\$1,799,538)
Prepaid expenses and other current assets	(\$2,135,887)	(\$4,843,616)	\$1,237,458	(\$1,695,459)
Inventory	\$13,589,270	\$0	\$13,589,270	\$0
Accounts receivable	\$4,636,819	\$5,616,509	\$7,950,378	\$4,039,741
Restricted cash	\$319	\$407	\$1,363	\$2,127
Cash flow from operations before change in net working capital	\$33,072,854	\$10,330,191	\$87,810,243	\$24,063,963

Management believes that the non-GAAP measures of cash flow before changes in working capital is useful information to investors because it is widely used by professional analysts and sophisticated investors in valuing oil and gas companies. Many other investors use research reports of these analysts in making investment decisions.

Ultra Petroleum is an independent, exploration and production company focused on developing its long life natural gas reserves in the Green River Basin of Wyoming, and oil reserves in Bohai Bay, offshore China. Ultra is listed on the American Stock Exchange under the ticker "UPL" and on the Toronto Stock Exchange under the ticker "UP" with 74,763,268 shares outstanding as of the date of this release.

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We may use certain terms in this press release, relating to reserves and/or production that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 10-K available from us at 363 North Sam Houston Parkway E., Suite 1200, Houston, TX 77060. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

This news release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The opinions, forecasts, projections or other statements, other than statements of historical fact, are forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, they can give no assurance that such expectations will prove to have been correct. Certain risks and uncertainties inherent in the Company's businesses are set forth in their filings with the Securities and Exchange Commission. Full details regarding the selected financial information provided above will be available in the Company's annual report and in the Annual Information form to be filed under the cover of Form 10-K.

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