Responsible Development of Canada's Unconventional Petroleum Resources

World Energy Congress, Montreal
September 15, 2010

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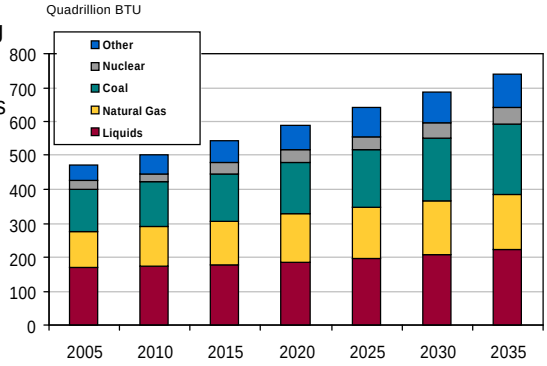
- Significant energy demand growth:
  - § Population, standards of living
- Need all forms of energy:
  - § Increasing role for renewables
  - § Continuing reliance on hydrocarbons (predominant energy supply source)
  - § Increasing role for non-conventional crude oil & natural gas
- Environmental challenges
- Technology is a key lever for sustainable growth

World Energy Demand 2005 - 2035
EIA – International Energy Outlook 2010



Canada's Energy Circumstances

- Abundant energy resources.
- Large energy exporter (particularly compared to OECD).
- Regionally diverse energy production & consumption.
- Energy development / production key economic driver.
- Relatively "clean" electricity generation sector.
- High per capita energy consumption.
- Unique governance structure (Provinces "own" resources).
- Stable democracy.
- Increasing foreign investment in energy sector.
- High level of connectivity with U.S.

#2

Canada is second to Saudi Arabia in crude oil reserves (~ 50% "accessible" reserves).

#3

Canada is third in the world in natural gas production.

#1

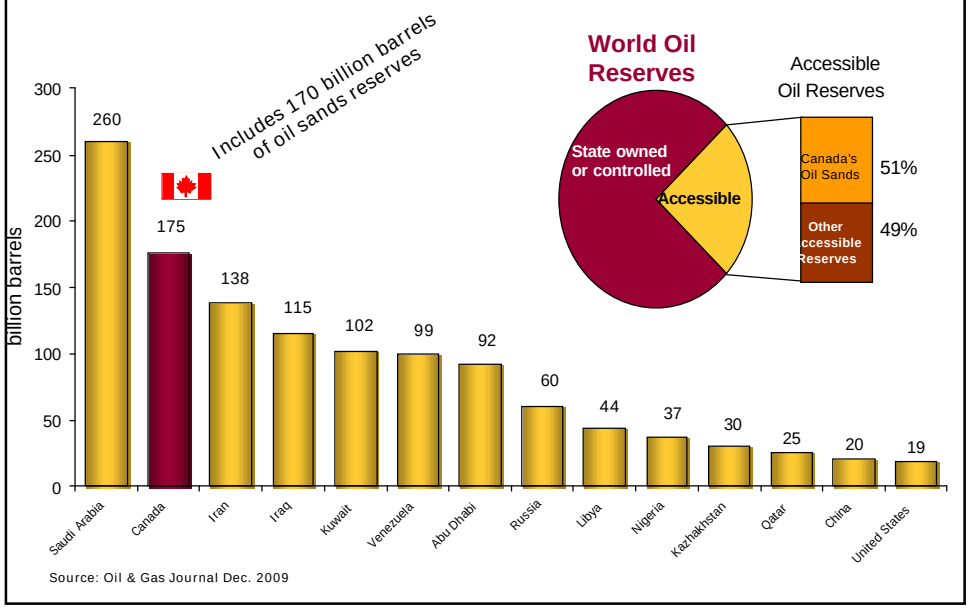
Canada has the world's largest uranium reserves.

#2

Canada is second in the world in hydro-electricity generation.

Canadian Opportunity: Unconventional Natural Gas

- Shale gas supply a game-changer.
- Technology breakthroughs.
- New producing regions.
- Emerging stakeholder environmental concerns must be addressed (footprint, water).
- Shifting S/D dynamic – competitive pressure.



Source: Oil & Gas Journal Dec. 2009

Canadian Oil & Gas Industry Reputation

- Must maintain social license to develop and operate
- Reputation = Performance + Communication
  - § Performance:
    - Consistently demonstrate improvements over time.
    - Credible regulatory oversight.
    - Transparency in measurement & reporting.
    - Ensure responsible environmental & social outcomes.
  - § Communication:
    - “Engaging” (rather than “telling”).
    - Proactive.
    - Credible.
    - “Emotive” rather than “factual”.

§ Demonstrate performance, solutions, increased visibility.
§ A portfolio of communications initiatives.

Canadian Oil & Gas Sector: Industry Leadership

- Large resource base provides platform.
- Investing to create jobs, economic growth, energy security & reliability.
- Improving environmental & social performance and reporting.
- Developing / deploying technology as a key lever.
- Addressing public perception of industry.....must earn & maintain confidence of public.
- Constructive engagement in public policy & regulation.....part of the solution.

- Reflect Canada's energy circumstances.
- "3E" framework – Economic growth, Energy security, Environmental performance.
- Enable x-border & international trade.
- Collaboration on technology development and deployment.
- Competitiveness as a key policy driver.
- Policy harmonization:
  - Across jurisdictions within Canada
  - With key trading partners
- Raise profile on energy efficiency and conservation (economy-wide solutions).
- "Honest conversation" about real energy options and costs.

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