ONTARIO MANUFACTURING AND CANADA’S OIL AND NATURAL GAS INDUSTRY

GLOBAL ENERGY DEMAND WILL GROW BY 24% BY 2040.

Source: International Energy Agency (IEA), 2019 World Energy Outlook

ONTARIO - THE MANUFACTURING HEARTLAND

Ontario is Canada’s largest manufacturing province, accounting for 47 PER CENT of national manufacturing output and 54 PER CENT of value-added exports. It generates more than $300 billion in annual output and accounts for more than 80 per cent of Ontario’s exports. The sector provides more than $18 BILLION IN REVENUE to the government (excluding income taxes). Manufacturers employ more than 770,000 Ontarians in high value high paying jobs and indirectly support another 1.5 million.

Source: Canadian Manufacturers and Exporters, 2018

Canada’s oil and natural gas industry works with suppliers and manufactures from all across the country. Outside of Alberta, Ontario is the largest supplier to Canada’s oil sands industry.

In 2014-15 the oil sands industry purchased over $3.4 BILLION IN SERVICES from 1,646 companies across Ontario.

As Canada’s oil sands industry is affected by lack of investment, market access and non-competitive policies, so is the Ontario manufacturing and supply chain.

ONTARIO’S PARTICIPATION IN THE OIL SANDS, 2016-17

In 2016-17, the value of Ontario’s participation in the oil sands supply chain had DECREASED BY 45 PER CENT TO $1.89 BILLION. DURING THE SAME TIME, THE NUMBER OF SUPPLIERS FELL BY ALMOST 30 PER CENT TO 1162.

The number of direct and indirect jobs in Ontario decreased from 87,000 in 2014 to 63,000 in 2017, which represents A LOSS OF 24,000 JOBS.
ONTARIO’S ENERGY CONNECTION

ONTARIO HAS AN ACTIVE MANUFACTURING SUPPLY CHAIN - HELPING TO MEET ALBERTA’S NEEDS PROVINCE WIDE.

Some examples include:

SUMMIT PIPELINES - THUNDER BAY
A provider of pipeline and facilities construction and maintenance services across Canada.

“WE BUILD THINGS THE OLD FASHIONED WAY - WITH QUALITY. WE JUST ARE NOT GETTING THE OPPORTUNITY.”

TENARIS - SAULT STE MARIE
Serving the Oil and Natural Gas industry Rig Direct®, Canada’s only producer of seamless steel pipes.

“WE ARE JUST NOT SELLING IN CANADA. THE WAY WE USED TO... AND THE WAY WE CAN.”

SUPPLY CHAIN BY REGION

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<tbody>
<tr>
<td>Central Ontario/905</td>
<td>44</td>
<td>$11 MM</td>
<td>22</td>
<td>$5.7 MM</td>
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<tr>
<td>Mississauga</td>
<td>213</td>
<td>$374 MM</td>
<td>164</td>
<td>$275.1 MM</td>
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<tr>
<td>Other Municipalities</td>
<td>396</td>
<td>$402 MM</td>
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<td>$302 MM</td>
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<tr>
<td>Northern Ontario</td>
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<td>$59.6 M</td>
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<td>$44.9 MM</td>
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<td>London</td>
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<td>$196 MM</td>
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<tr>
<td>Toronto</td>
<td>615</td>
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<td>Other Municipalities</td>
<td>325</td>
<td>$351 MM</td>
<td>203</td>
<td>$166 MM</td>
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<tr>
<td>Total</td>
<td>1,646</td>
<td>$3.4 B</td>
<td>1,162</td>
<td>$1.89 B</td>
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THE WORLD NEEDS MORE ENERGY

All forms of energy are needed to support growing world population and improve quality of life. The International Energy Agency forecasts that GLOBAL DEMAND FOR ENERGY IS EXPECTED TO INCREASE 24 PER CENT BY 2040 as economies in both developed and emerging countries continue to grow and standards of living improve.

CANADA’S OPPORTUNITY

The world wants Canadian oil and natural gas. In a global survey, Canada was chosen as the number one oil and natural gas exporter among the world’s top 11 energy-exporter nations based on our commitment to the environment, regulatory framework, and ethical production.

Source: Ipsos, Global Energy Pulse, 2019

WHY OIL AND NATURAL GAS MATTERS TO ALL CANADIANS

Canada is home to the world’s third-largest oil reserves and is the fifth-largest natural gas producer and has the innovation, high standards for safety and environmental performance, and technological expertise to be the world’s energy supplier of choice. Canada can make the world a better place by providing reliable, affordable and responsibly produced energy that will help raise standards of living around the world.

If Canada does not act to support and grow our oil and natural gas production and exports, other suppliers – with lesser environmental standards – will fill the increasing global demand for energy.

If Canada does act, there will be significant socio-economic benefits across the country. By 2029, CERI ESTIMATED THE GDP IMPACT OF OIL AND NATURAL GAS FOR CANADA WILL BE $1.9 TRILLION; and federal, provincial and municipal tax revenue could reach over $48 billion.