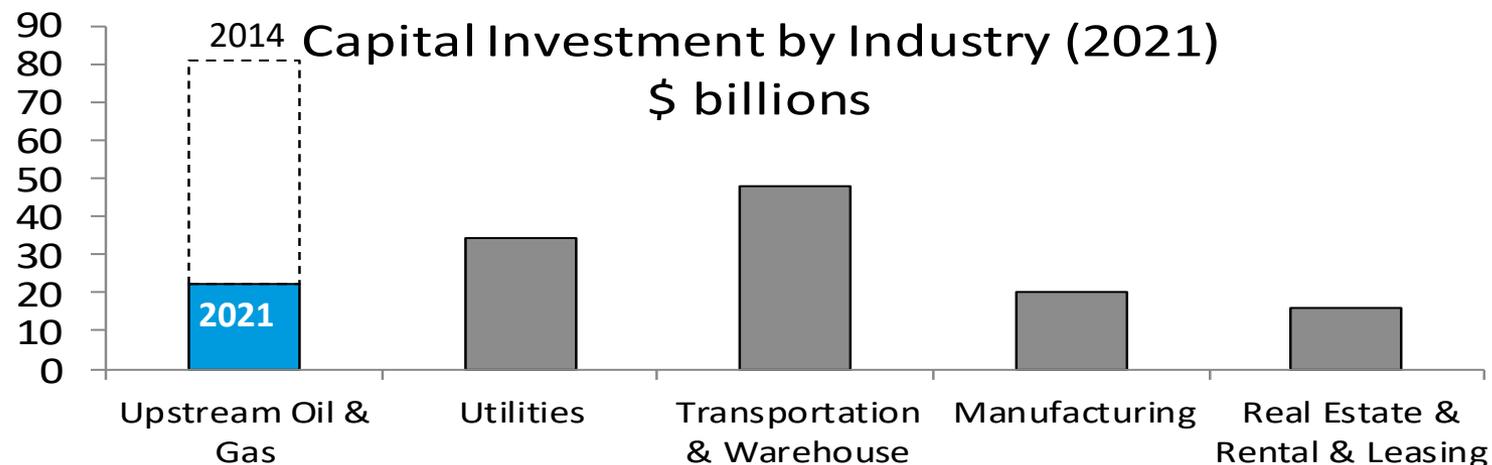




January 2022 Capital Investment & Drilling Forecast Update

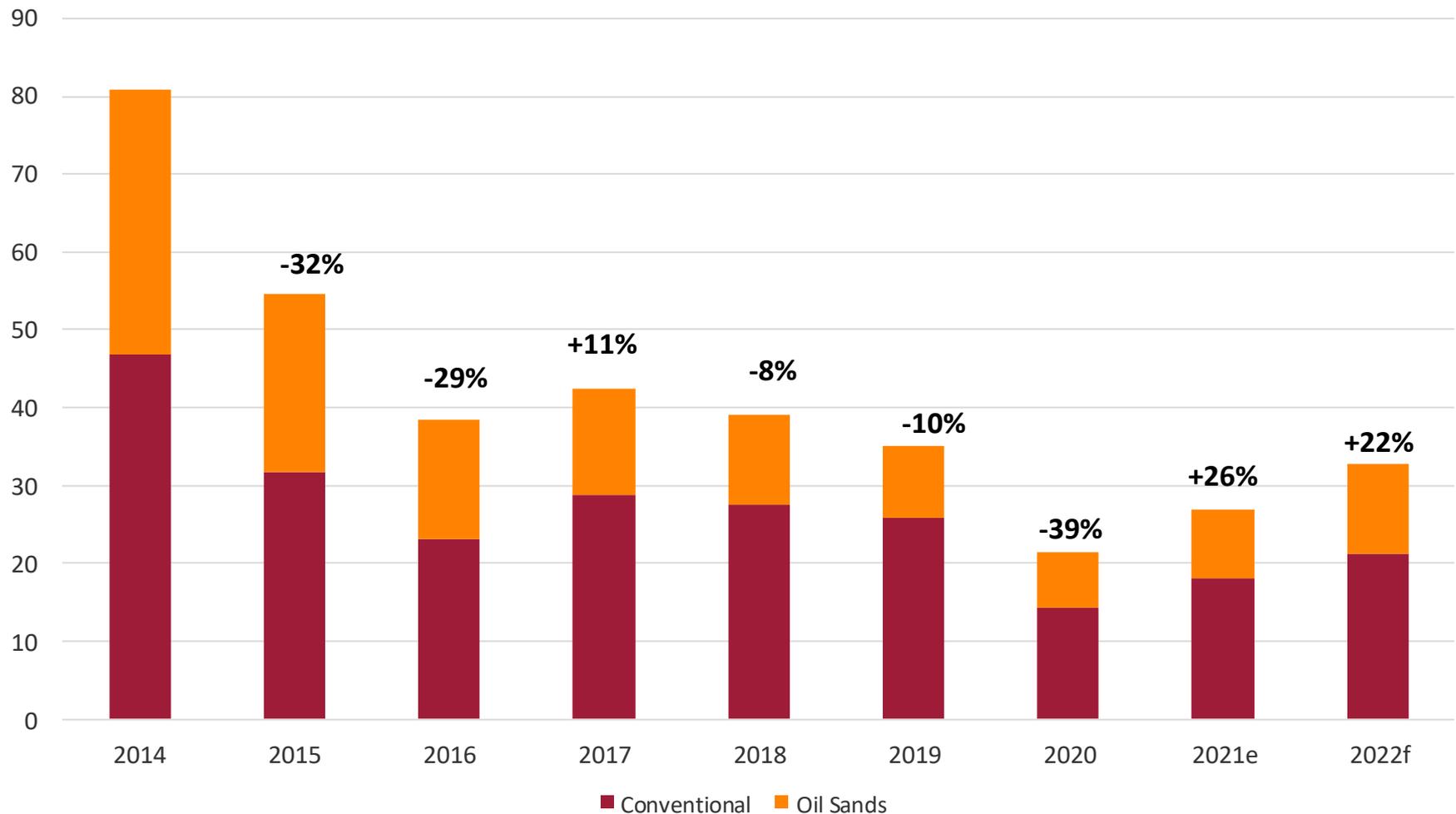
Capital Investment & Drilling Forecast

- Capital investment peaked at \$81 billion in 2014.
- In 2020 E&P capital spending was \$21.4 billion, an unprecedented 39% decline from 2019 due to Covid-19. 2021 is forecasted at a 26% recovery to \$27 billion.
 - Conventional spending was \$14 billion in 2020 and estimated to be \$18 billion in 2021 and 2022 is forecasted at \$21 billion.
 - 2020 Oil sands fell 22% to \$7.3 billion from \$9.3 billion in 2019. 2021 estimate is up 20% to almost \$9 billion. 2020 was initially forecast to grow 8% to \$12 billion which would have been the first growth in capital spending in last five years. The forecast for 2022 is almost \$12 billion.
- In 2020 there were 2,716 wells drilled in Western Canada, down 37% from the 2019 actual of 4,309 wells (excludes service). The 2021 estimate is around 4,200 wells.
- Payments to governments average about \$9 billion per year over a three year period ending in 2020.
- Upstream sector historically was the largest private sector investor in Canada. In 2019 it was surpassed by Transportation and Warehouse capital spend and in 2020 and 2021 Utilities spend also surpassed the upstream oil and gas industry.



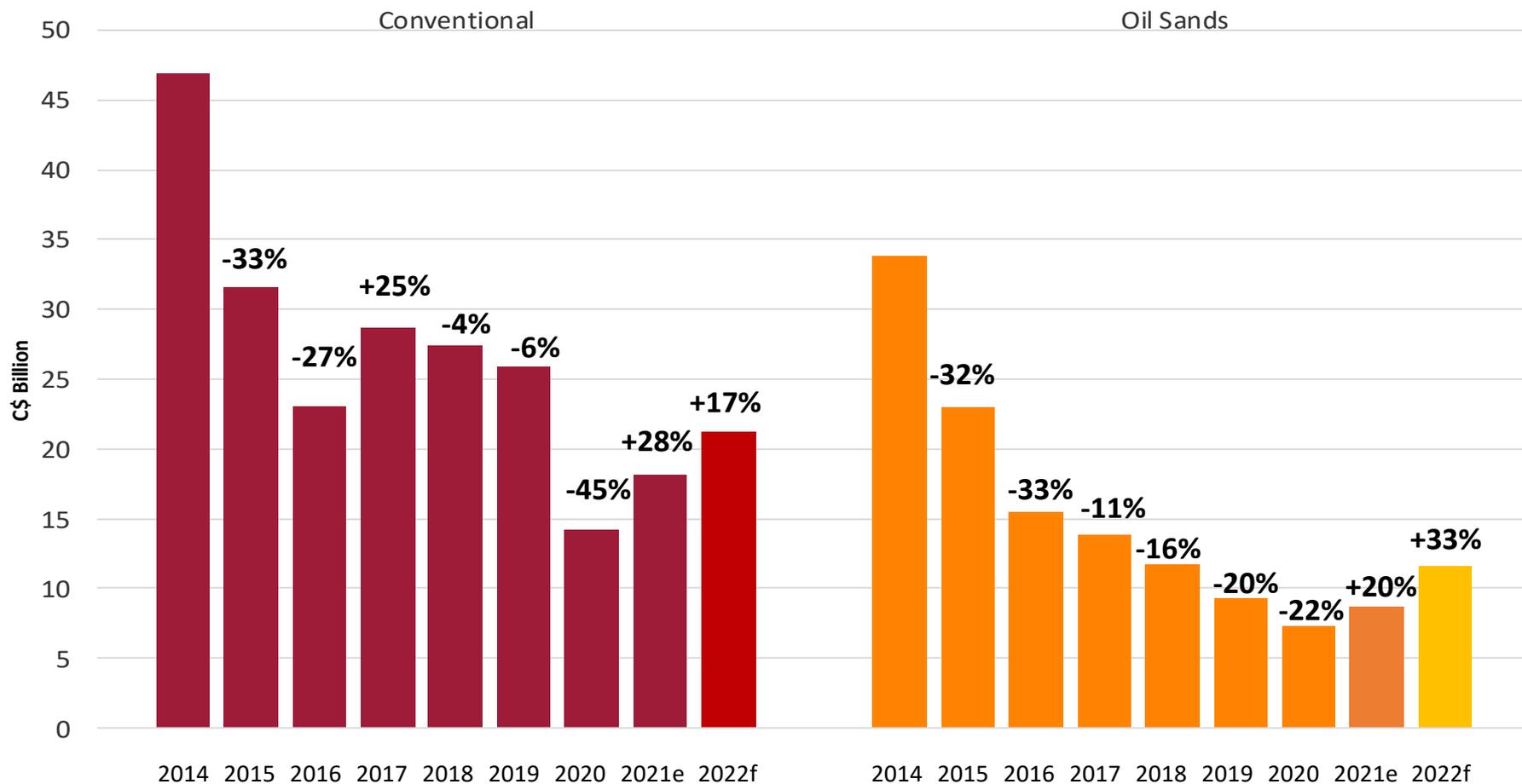
Source: Statistics Canada Table 34-10-0035-01

Upstream Capital Investment in Canada



Source: CAPP January 2022

Upstream Capital Investment in Canada



Source: CAPP January 2022

Industry Capital Spending Cdn \$billions

Oil & Gas Investment Spending:

2018: \$39 billion

2019: \$35 billion

2020: \$21 billion

2021e: \$27 billion

2022f: \$33 billion

Oil Sands

2018	2019	2020	2021e	2022f
\$12	\$9	\$7	\$9	\$12

Western Canada

2018	2019	2020	2021e	2022f
\$25	\$23	\$13	\$17	\$20

East Coast Offshore

2018	2019	2020	2021e	2022f
\$2.7	\$2.8	\$1.5	\$1.5	\$1.6

Total Wells Drilled in Western Canada

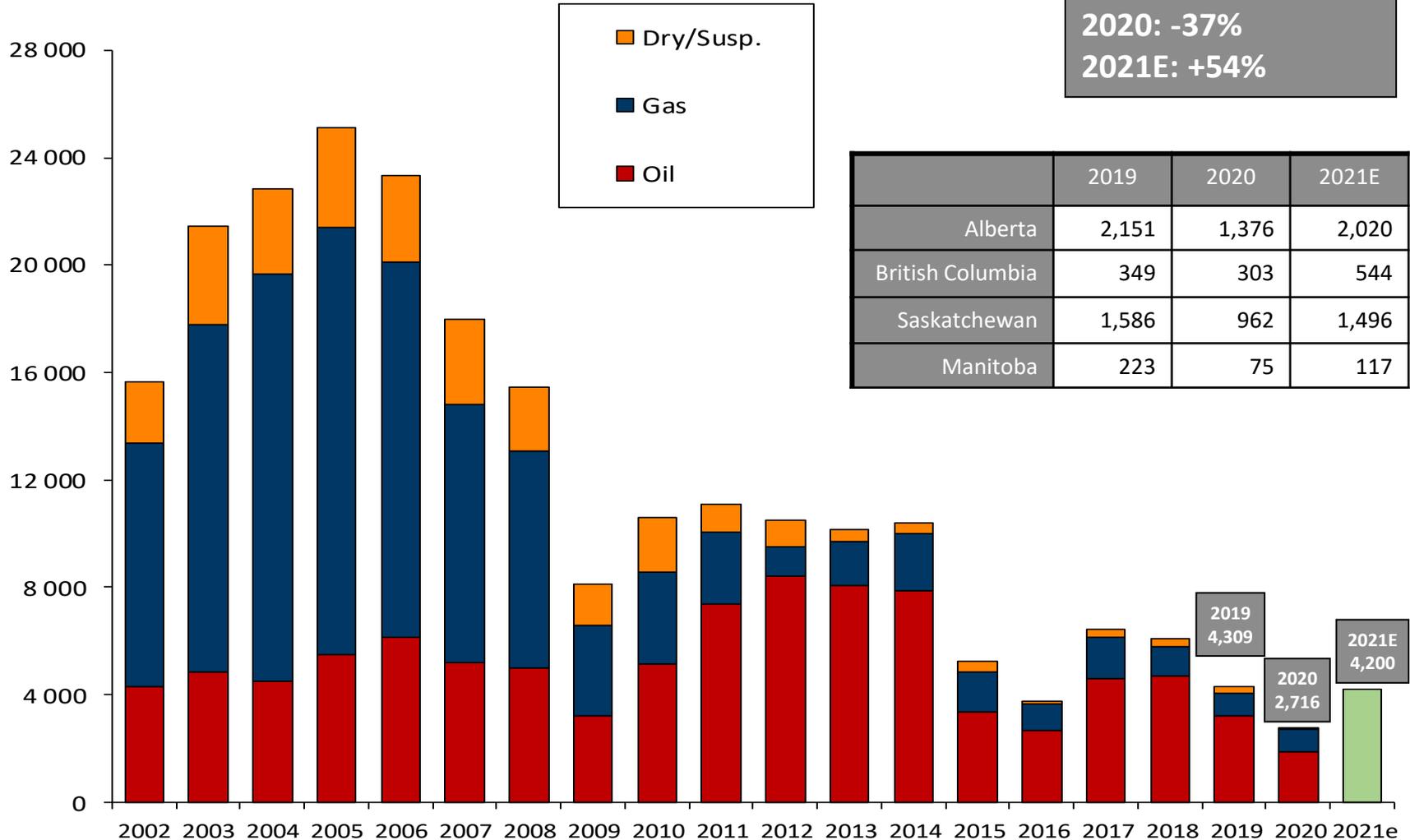
Yr/yr change in drilling:

2018: -4%

2019: -30%

2020: -37%

2021E: +54%



	2019	2020	2021E
Alberta	2,151	1,376	2,020
British Columbia	349	303	544
Saskatchewan	1,586	962	1,496
Manitoba	223	75	117

Source – CAPP. Actual Based on Rig Release: Jan 2021