

# CANADA'S OFFSHORE OIL AND NATURAL GAS INDUSTRY IN NEWFOUNDLAND AND LABRADOR

## LOCAL BENEFITS



## BENEFITS FOR NEWFOUNDLAND AND LABRADOR

Offshore operators are exploring for and developing resources safely and responsibly in Newfoundland and Labrador, benefiting all residents of the province. The oil and natural gas industry contributes to local community and provincial revenues through royalty and tax payments, which help to pay for hospitals, roads, schools and social programs.

### ECONOMIC BENEFITS OF CANADA'S OIL AND NATURAL GAS INDUSTRY IN NEWFOUNDLAND AND LABRADOR

Canada's offshore oil and natural gas industry benefits all Newfoundlanders and Labradorians.



#### GOVERNMENT REVENUES:

More than **\$20 billion in offshore royalties** have been paid to the Government of Newfoundland and Labrador since production began in 1997

*Source: Government of Newfoundland and Labrador*



#### JOBS:

More than **5,200 people** worked in the province's offshore industry in 2017

*Source: Government of Newfoundland and Labrador*



#### SPENDING:

More than **\$42 billion** has been invested to build Canada's oil and natural gas industry in Newfoundland and Labrador since 1995

*Source: CAPP/Statistics Canada*



#### LOCAL BUSINESSES:

**600 supply and service companies** support the industry

*Source: Newfoundland and Labrador Oil and Gas Industries Association (Noia)*

Canada's oil and natural gas industry provides employment opportunities, boosts government revenues, increases spending on R&D, and supports local businesses and communities in Newfoundland and Labrador.

## ACTIVITY OVERVIEW

There are four producing offshore oil projects in Newfoundland and Labrador: Hibernia (operated by Hibernia Management and Development Company Limited), Terra Nova (operated by Suncor Energy), White Rose (operated by Husky Energy), and Hebron (operated by ExxonMobil). There is also one development project underway – the West White Rose Project (operated by Husky Energy) – which is expected to begin producing oil in 2022. There is currently no commercial natural gas production in the province.

Several companies are actively exploring the offshore. Much of the ongoing exploration activity centres around the Flemish Pass basin, the site of the largest oil discovery in the world in 2013.

## SIGNIFICANT GROWTH POTENTIAL

The Canada – Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) estimates the province’s remaining offshore reserves and resource potential total 2.5 billion barrels of oil and 12.6 trillion cubic feet of natural gas. The key to unlocking this potential is the need to attract investment and encourage exploration and development.

*Source: C-NLOPB, 2018*

In addition to the potential resource base, companies consider the overall business climate and fiscal terms (royalty regime, benefits requirements, etc.) when deciding where they should invest. It is critical that Newfoundland and Labrador remain competitive with other offshore jurisdictions in order to continue attracting investment.

## SAFETY & ENVIRONMENTAL PROTECTION

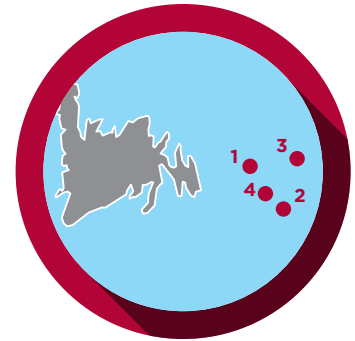
The companies exploring for and producing oil and natural gas in Newfoundland and Labrador’s offshore basins meet or exceed all regulatory requirements related to safety and environmental protection. Spill prevention and response and GHG emissions reductions are key environmental focus areas for the industry. Newfoundland and Labrador’s offshore oil and natural gas operations represent 1.1 per cent of Canada’s oil and natural gas industry’s GHG emissions.



Offshore supply vessels participating in an annual oil spill response exercise in the waters off St. John’s, N.L.

Photo courtesy of: Husky Energy

## LOCAL BENEFITS



### Hibernia <sup>1</sup>

Start-up: November 1997  
Production facility: Gravity Base Structure (GBS)

### Terra Nova <sup>2</sup>

Start-up: January 2002  
Production facility: Floating Production, Storage and Offloading Vessel (FPSO)

### White Rose <sup>3</sup>

Start-up: November 2005  
Production facility: FPSO

### Hebron <sup>4</sup>

Start-up: November 2017  
Production facility: GBS

It is critical that Newfoundland and Labrador work to reduce the cost of oil and natural gas activity to remain competitive with other offshore jurisdictions.