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Highlights:

- The artificial intelligence (AI) arms race and cloud computing require enormous amounts of energy. More energy means more knowledge, more innovation, and more growth. It also means we will be dependant on dispatchable power for a very, very long time, and that will include conventional energy.
- Today, we are seeing unprecedented support for growing access to markets and as Canadians start to feel the benefits of expanded exports of oil and gas, that support can rise higher.
- Canadians want to see their oil and natural gas resources developed and exported on a larger scale. They recognize the benefits of sharing our secure and reliable oil and natural gas with our global trading partners as well as the benefits the industry brings to every region of the country.

BMO-CAPP Energy Symposium Opening Comments from CAPP President & CEO, Lisa Baiton

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A Generational Opportunity for Canada

INTRODUCTION: THIS IS THE MOMENT

Thank you, Carrie [Cook, Global Head of Investment & Corporate Banking, BMO Capital Markets], for that kind introduction.

Good morning. It gives me great pleasure to welcome all of you once again to the third BMO-CAPP Energy Symposium.

First, I want to offer a major thank-you to our host, BMO Capital Markets, for your continued sponsorship of this important event.

I also want to particularly thank Brad Wells [Head of Energy Investment Banking, BMO Capital Markets] and his team for the extraordinary work they do to pull this conference together.

CAPP and our member companies are excited to have a partner like BMO who understands the great value Canada's oil and natural gas industry brings to people across this country.

BMO's commitment to the Energy Symposium has built this into one of the premier oil and gas-related investor events in the country.

Just like Canadian oil and natural gas production, we are once again at record levels of attendance—with over 300 attendees this year.

I also want to thank CAPP's member companies, their CEOs and executives, as well as all the presenting companies that have come here to Toronto.

GLOBAL EVENTS IMPACTING THE INDUSTRY

Each year I've stood up here to address this audience it seems there is always a new wave of global events impacting Canada's oil and natural gas industry.

In 2023, we were talking about the rapid growth in demand as the world's economies recovered from the impacts of COVID, and the new threat to global energy security arising from Russia's invasion of Ukraine.

In 2024, global inflation and the affordability crisis for Canadians pushed the economic benefits of our industry to the forefront.

This year, we are in the midst of a trade war that has resulted in global market shock.

The trade war started by the United States has the potential to permanently alter international trading patterns and partnerships.

Within this global transition, we are at a pivotal moment in Canadian history—one that will shape our country and our economy for generations to come.

To be clear, the United States is the largest energy market on the planet.

Canadian oil and natural gas have been recognized as an important part of the U.S. economy by the current administration. This recognition was demonstrated by the original lower tariff rate imposed on energy and then the zero tariff rate for CUSMA-compliant products.

We have traded oil and natural gas with the Americans for nearly 150 years and we expect the United States will remain a leading destination for Canadian energy in the years to come.

But the events of the past few months have fundamentally changed our long-standing partnership.

Yet within all this disruption, there is opportunity for Canada's oil and natural gas sector.

Canada's oil and natural gas sector led the way in the country's economic recovery back in 2008, and again after COVID-19, and is positioned to do so yet again.

THE FUTURE NEEDS CANADIAN ENERGY

It is because the future needs more Canadian energy.

The artificial intelligence (AI) arms race and cloud computing require enormous amounts of energy. More energy means more knowledge, more innovation, and more growth. It also means **we will be dependant on dispatchable power for a very, very long time, and that will include conventional energy.**

Canada is well-positioned to supply that energy either through growth in liquefied natural gas (LNG) exports, or to backfill growing demand in the United States.

The International Energy Agency (IEA) estimates that by next year, electricity consumption by data centres, cryptocurrencies, and AI could reach 1,000 terawatt hours. This is roughly the equivalent of what it takes to power Japan annually.¹

ENERGY PRAGMATISM, ENERGY ADDITION

World leaders in energy and finance have concluded that the world needs oil and natural gas to fuel this growth. **In recent months, S&P Global's Daniel Yergin and Blackrock's Larry Fink have spoken about the need for energy pragmatism and to shift the thinking from an "energy transition" to "energy addition."**²

Despite years of stating there is no need for new investments in oil and gas development, the head of the IEA, Fatih Birol, recently changed his view, stating: "I want to make it clear: There is a need for oil and gas upstream investments, full stop."³

The world is rapidly changing, and Canada's energy resources are more important than ever. What we build today will not only power the Canadian economy but energize the world for generations to come.

THE BENEFITS OF EXPORTS ARE CLEAR

The ongoing trade war with the United States has exposed Canada's economic and energy security weaknesses.

If there is an upside to come from the trade dispute, it is the growing national awareness of the need to diversify Canadian market access and enhance our own energy security and national security.

Canada's oil and gas exports are an economic powerhouse, benefiting every Canadian. Oil, natural gas, and related products make up one-quarter of all Canadian exports, creating jobs, investment, and prosperity.

And we have significant capacity to grow. With oil reserves larger than the United States or Russia, Canada's energy resources can reasonably be described as relatively underdeveloped.

Today, we are seeing unprecedented support for growing access to markets and as Canadians start to feel the benefits of expanded exports of oil and gas, that support can rise higher.

Greater market access brings higher prices for Canadian crude and stronger economic growth.

An estimate in GDP growth last year by the Bank of Canada suggests the expanded Trans Mountain pipeline adds about \$7 billion per year to Canada's GDP.⁴

In a few short months, Canada's first significant LNG export facility will start shipping Canadian natural gas to new global markets.

An analysis from the McDonald-Laurier Institute showed that constructing a facility similar in size to **LNG Canada directly boosts national GDP by \$4.5 billion annually and creates more than 35,000 jobs.**⁵

According to Shell's most recent LNG forecast, global demand for LNG is expected to rise by about 60% by 2040, largely driven by economic growth in Asia, emissions reductions in heavy industry and transport, as well as the impact of artificial intelligence.⁶

Canada has a clear business case for more LNG exports. Greece, Germany, Poland, Japan, and most recently Taiwan, have all come to Canada looking for a partner in LNG to both support their transition from coal and to secure their own long-term energy security.

And we have more LNG facilities in construction or nearing final investment decision. More market access means more upstream activity, more jobs, more revenues, and more prosperity for all Canadians.

GROWING PUBLIC SUPPORT

One of the significant challenges to oil and gas development over the past decade has been a lack of national support for expansion. But those tides have significantly changed.

We started to observe this change over the past year, even before the American president began his campaign against Canada. However, **the current trade war has turned Canadians' full attention towards our energy advantage.**

A recent Nanos Research poll showed that:

- **Seven out of every 10 Canadians** believe oil and natural gas is important to Canada's **future economy.**
- **Three out of five** Canadians agree that we should **expand our exports of oil and natural gas to support the world's energy security.**
- And Canadians are **three times more likely to agree than disagree** that **exports of Canadian oil and natural gas can combat climate change** by offsetting higher emitting energy sources.⁷

Canadians want to see their oil and natural gas resources developed and exported on a larger scale. They recognize the benefits of sharing our secure and reliable oil and natural gas with our global trading partners as well as the benefits the industry brings to every region of the country.

And they want it done the Canadian way—with innovation, environmental responsibility, and true partnership with Indigenous communities—not only as one of the largest employers of Indigenous peoples, but with them as equity partners in major projects.

This level of public support is paving the way for the political will to make Canada a more competitive place for investment.

And investors can help drive governments to introduce more predictable processes that get shovels in the ground and projects built.

FINAL THOUGHTS: A GENERATIONAL OPPORTUNITY FOR CANADA

This is a defining moment. The demand for energy is growing. The public support is clear. The business case is strong.

This is not just about today's economy—this is about shaping Canada's future for generations. We have the resources, the expertise, and the opportunity.

Canada is opening for business again—and the time to build is now.

Thank you.

Sources:

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