



View from Western Canada

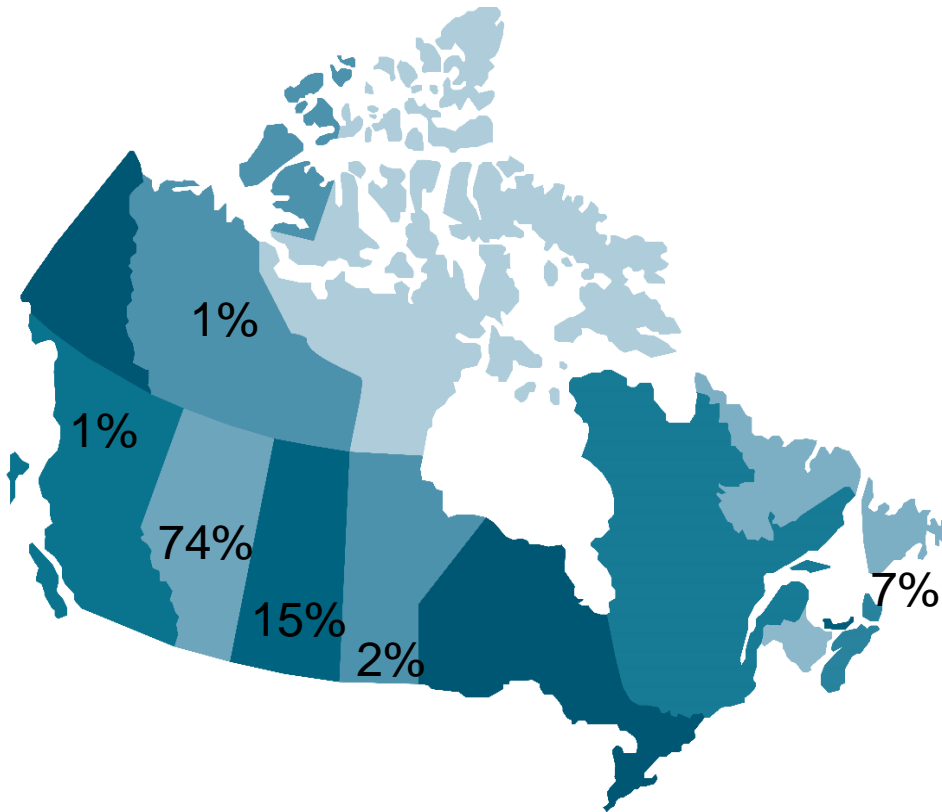
Presentation to Fifth IEA---IEF---OPEC Symposium On Energy Outlooks

**Matthew Foss, Chief Energy Economist, Alberta Energy
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Alberta Canada's Place in the World

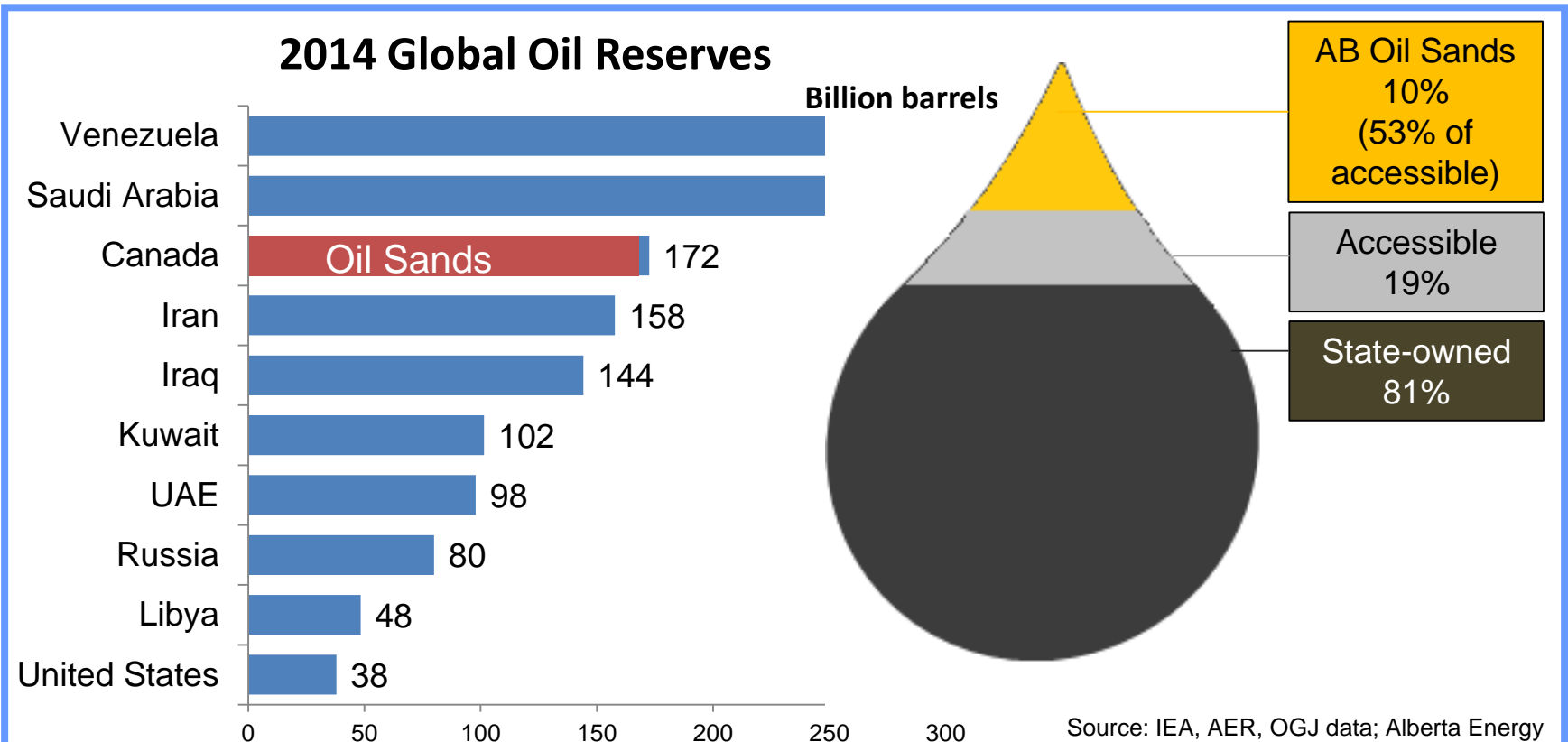


Rank	Country	2013 Crude Oil Production (MMbbl/d)
1	Saudi Arabia	11.59
2	United States	11.26
3	Russia	10.74
4	China	4.46
5	Canada (Alberta)	4.07 (3.03)
6	UAE	3.23
7	Iran	3.20
8	Iraq	3.10
9	Mexico	2.88
10	Kuwait	2.80

Source: EIA. Including crude oil, NGLs, and other liquids.

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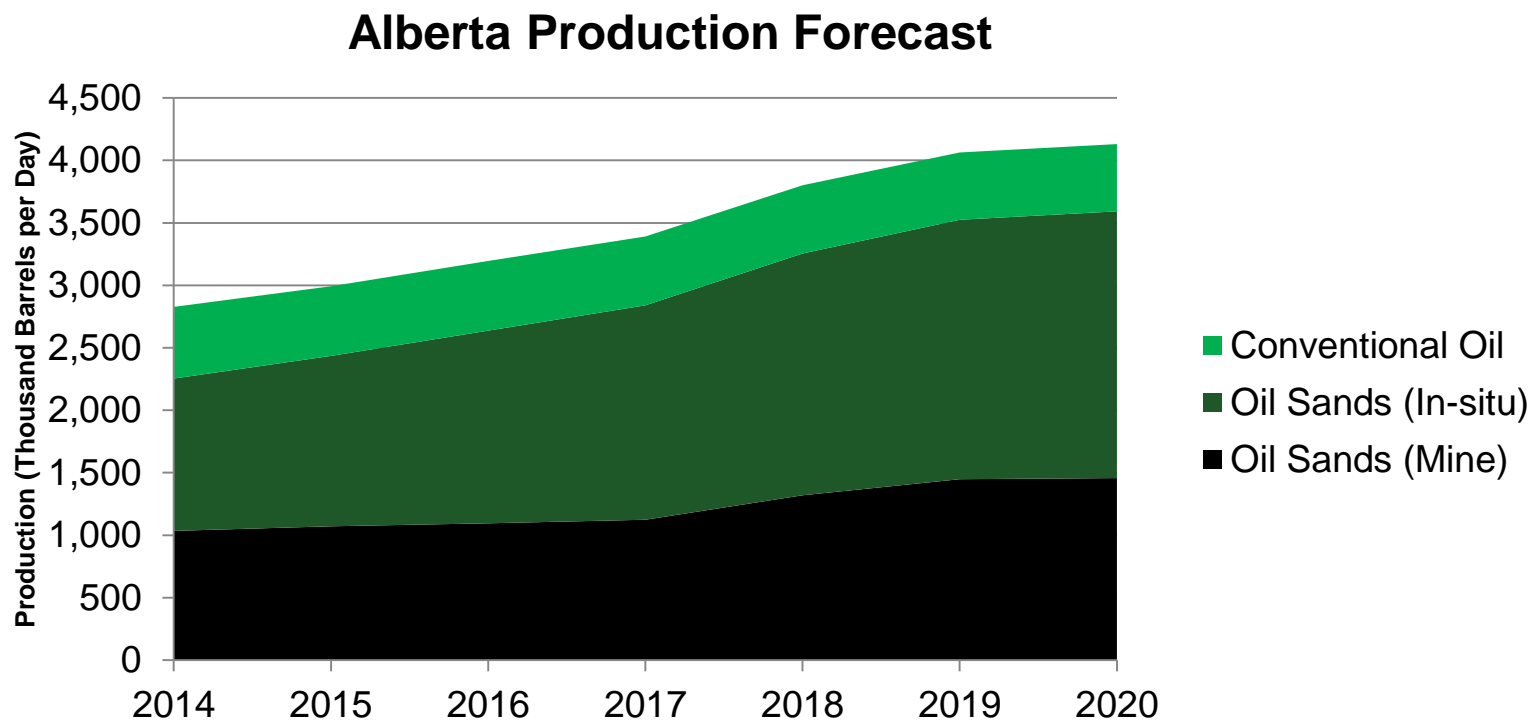
Energy remains a good bet for Alberta, with reserves that rank third in the world



Alberta's oil also account for 53 per cent of the world's oil reserves open to private investment, while Alberta boasts a stable investment climate

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Production growth between 100-200 kbpd per year is expected despite the oil price decline



*Excludes natural gas liquids.

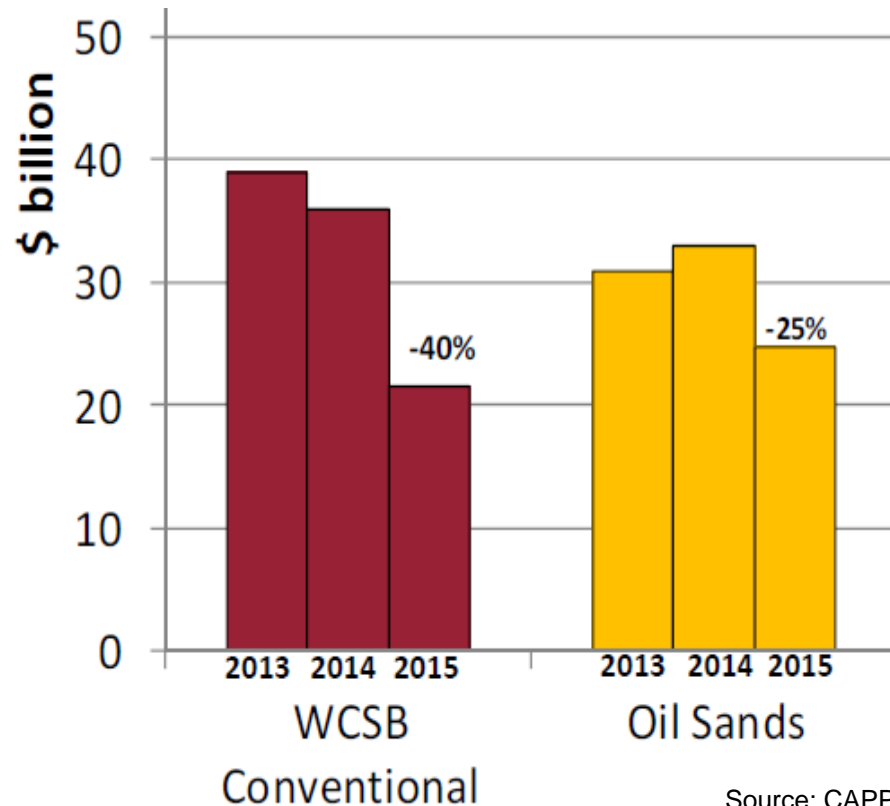
Source: Alberta Energy

Nearly 1 million bpd growth expected to 2020, 89 per cent of this is already on-stream or sanctioned. 100 to 300 kbpd of growth may be at risk due to price.



Conventional (non-oil sands) activity expected to be impacted more

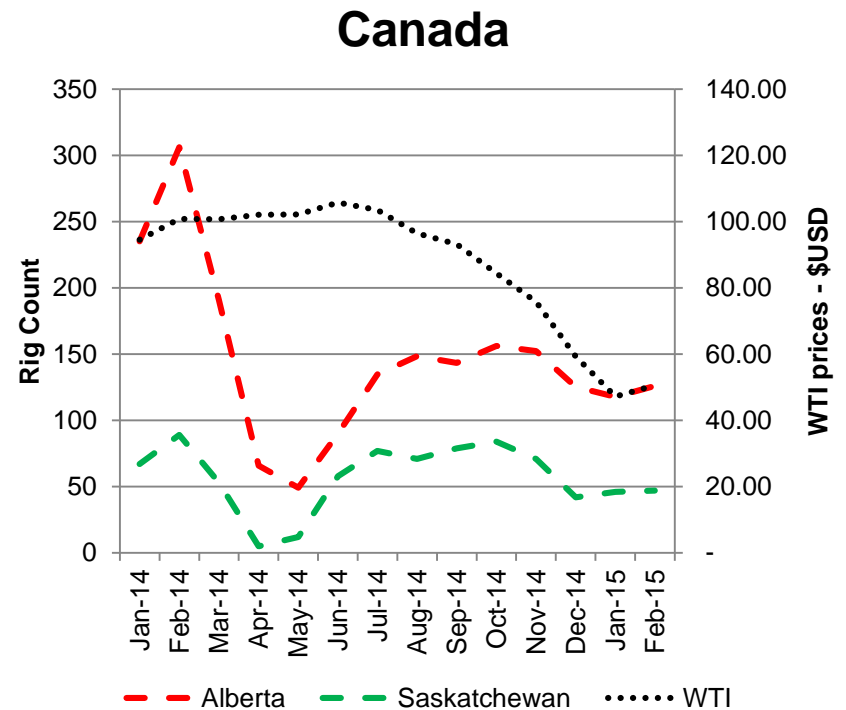
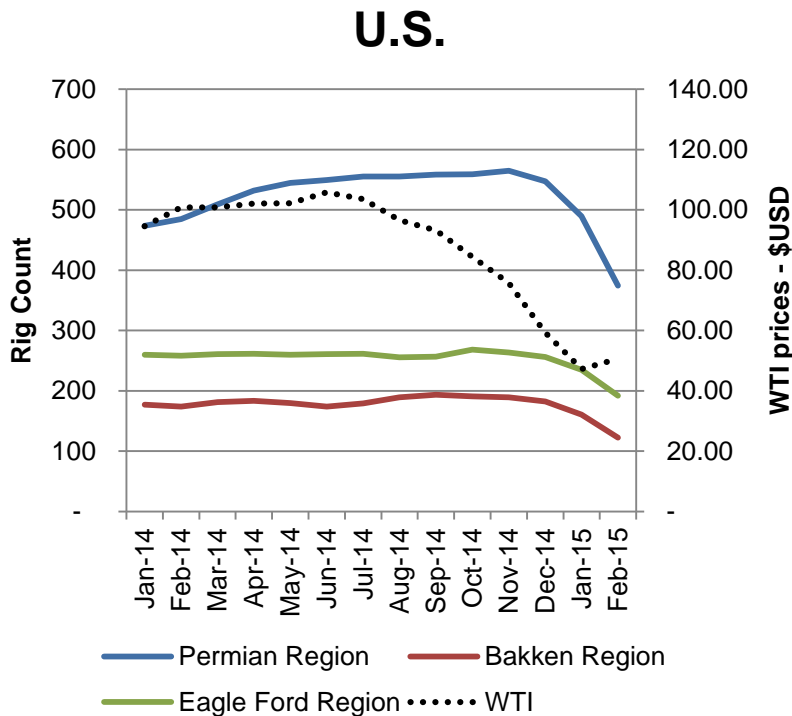
Western Canada CAPEX



2015 Estimates

- Capital investment down 40 per cent from 2014 levels (CAPP)
- Active drilling rigs down between 30 and 40 per cent from 2014 (CAPP; CAODC)
- Number of wells drilled down 36 per cent from 2014 (CAODC)
- Industry revenues down one third from 2014 levels (CAPP)
- 3,400 direct and 19,500 indirect potential job losses from 2014 levels (CAODC)

Rig activity has already come off by a third in US and nearly half in Canada

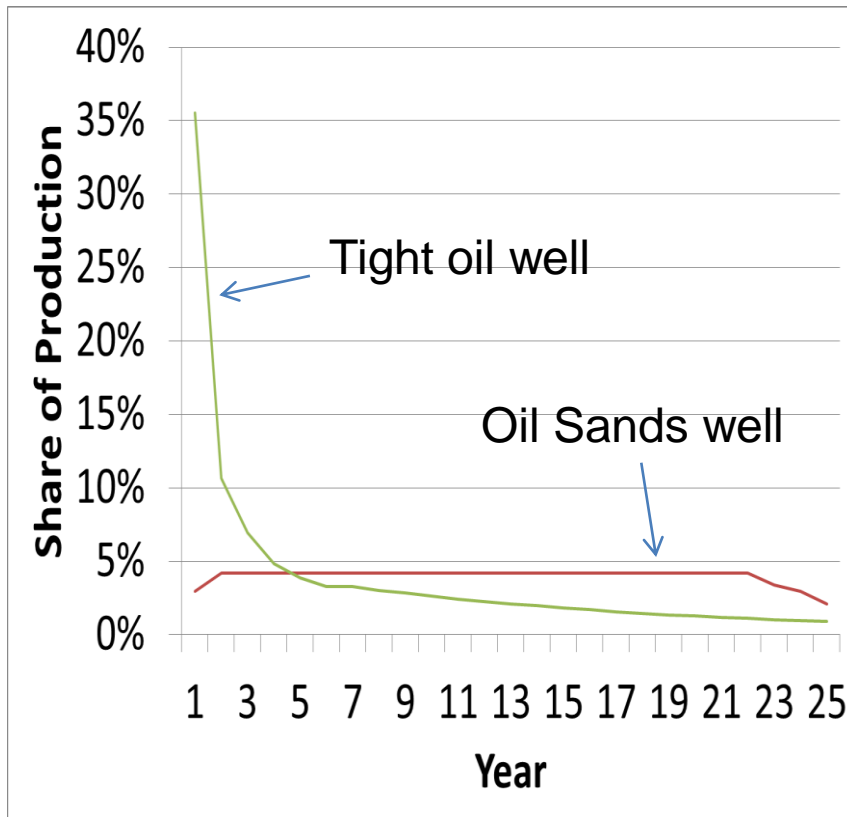


Source: EIA

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Light Tight Oil compared to SAGD Oil Sands

Annual Share of Production



- Similar ranges of supply costs
- Tight oil is more dependent on current price
- Tight oil produces half of its production by end of second year
- Tight oil is initially more capital intensive
- Oil Sands is more dependent on life-cycle price expectations
- Oil Sands produce only 3-4% of production in a given year
- Oil sands has higher operating costs and high start/stop costs



Thank you!

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