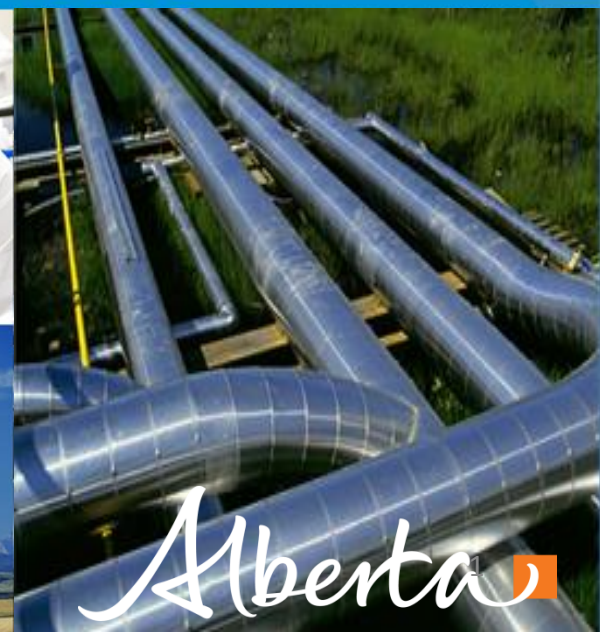




View from Western Canada

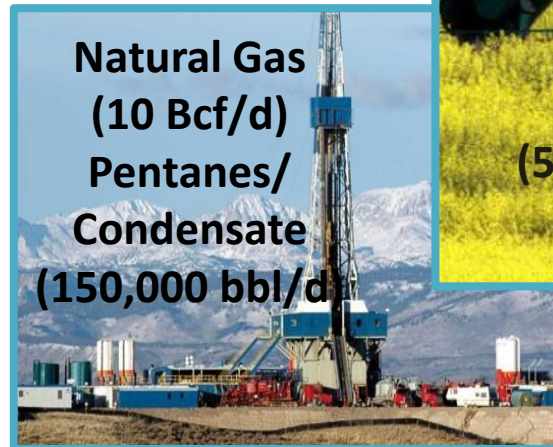
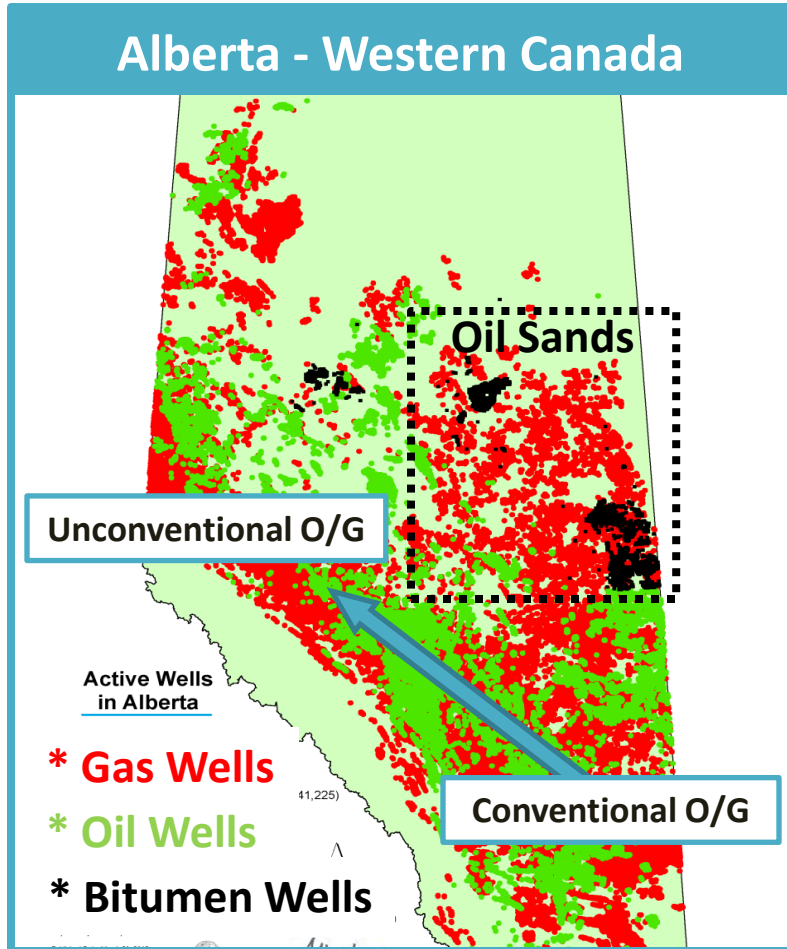
Presentation to the International Energy Forum

Matthew Foss, Chief Energy Economist, Alberta Energy
February 2016

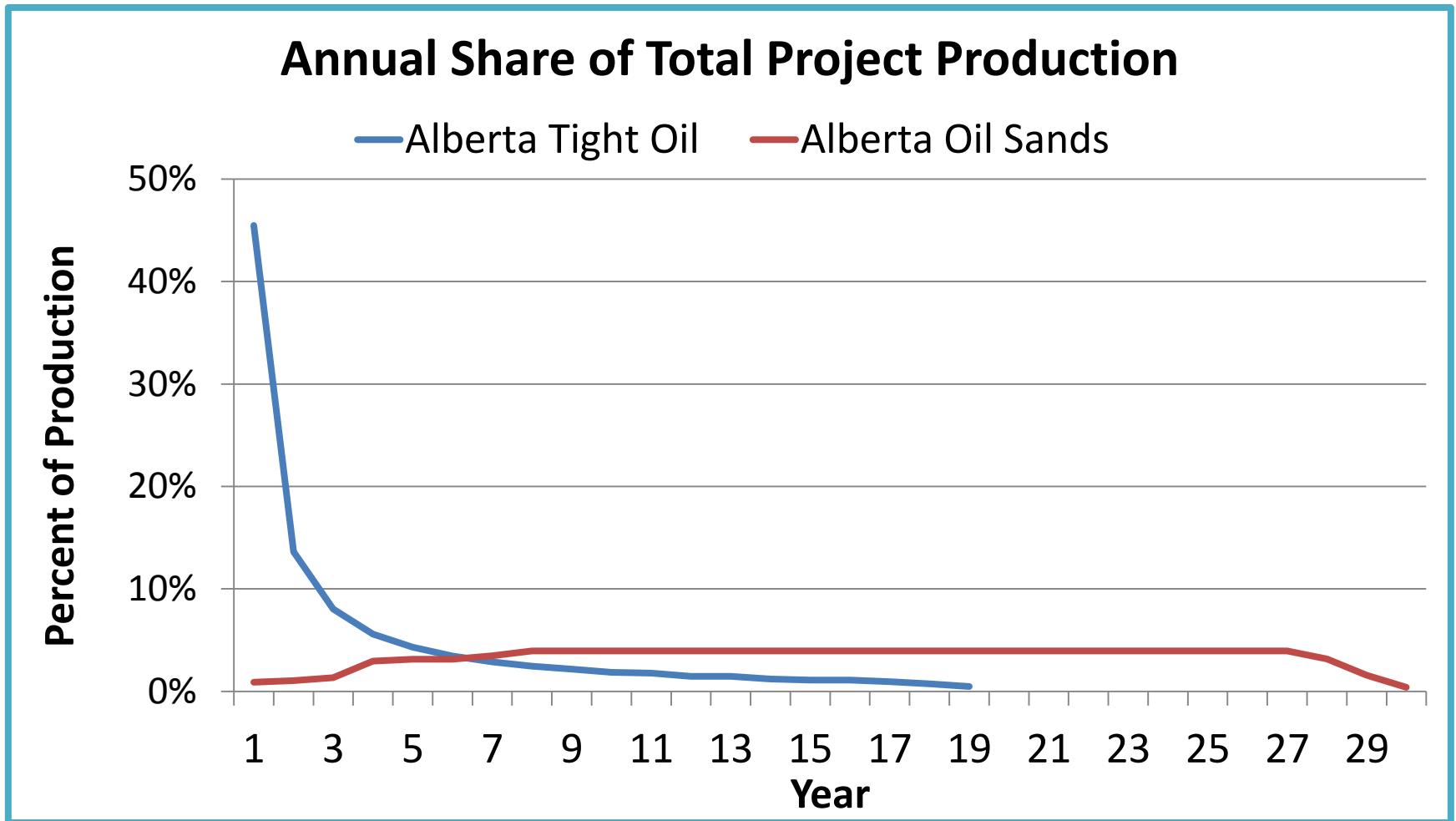


Alberta 

Alberta is a unique microcosm of unconventional and conventional resources with long and short lead times

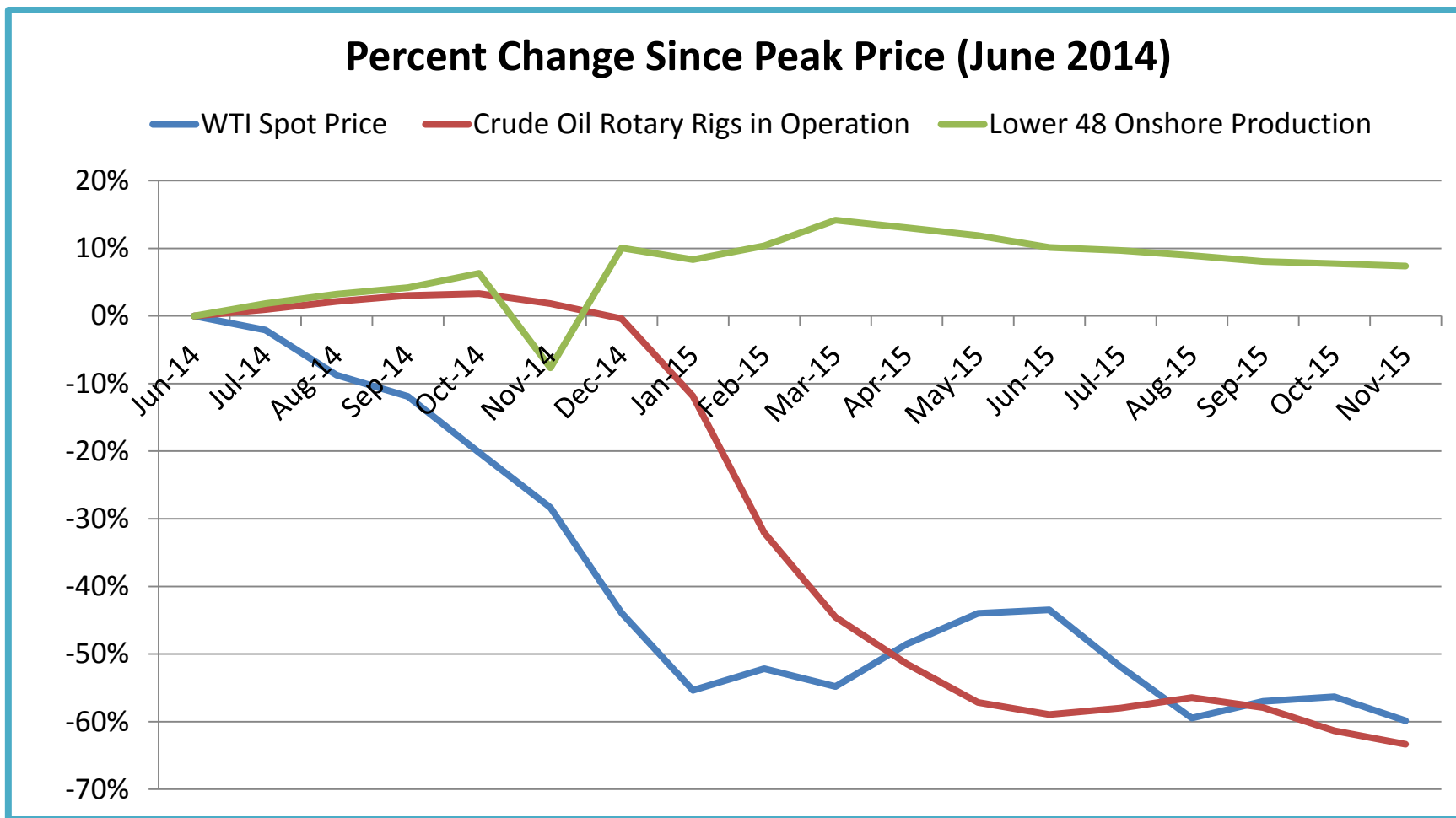


The theory of unconventional as a swing supplier lies in its short-lead time and high decline rate



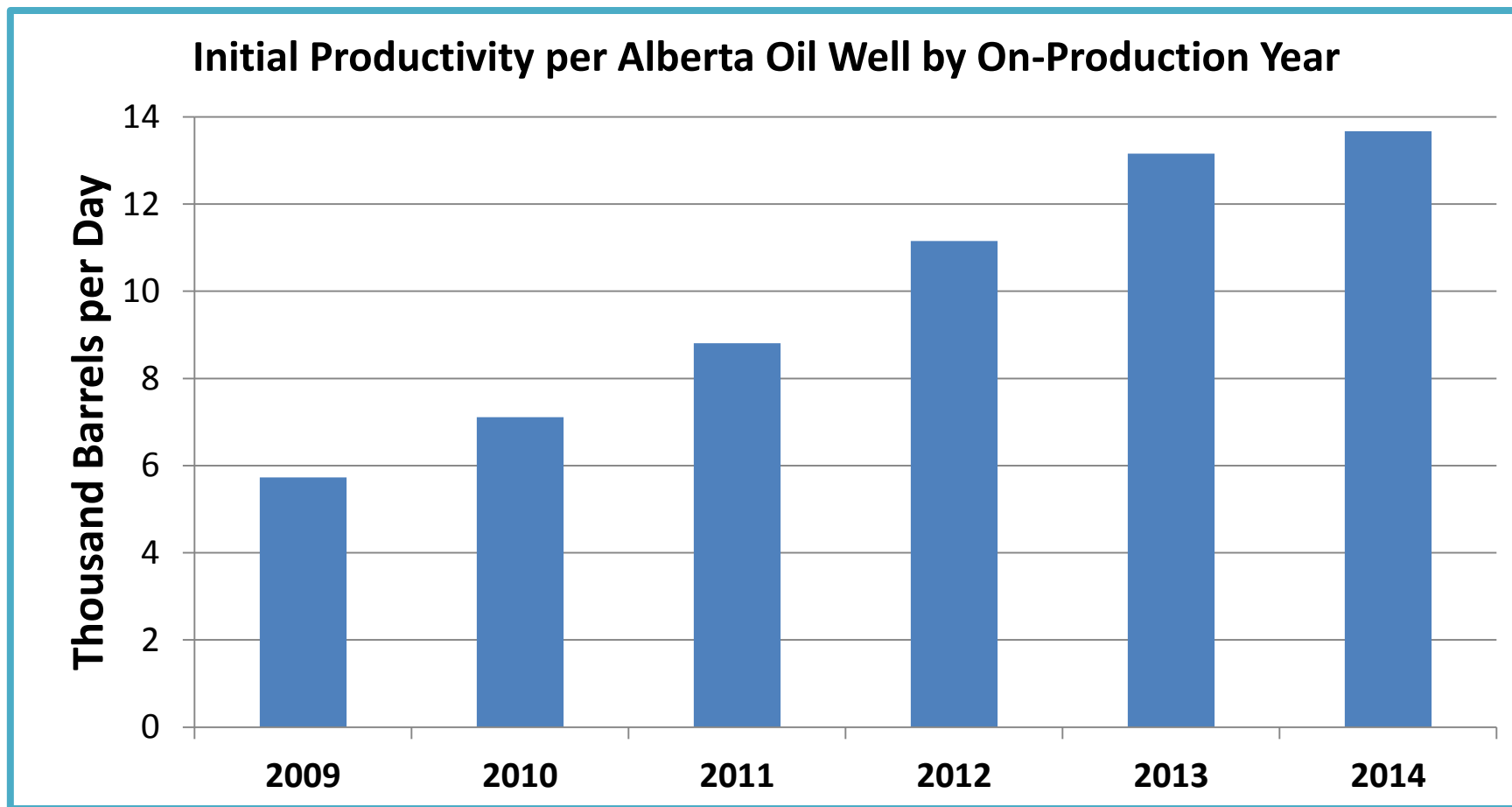
Source: Alberta Department of Energy

But production in the United States hasn't declined from price peak levels after 18 months and counting...



Source: United States Energy Information and Analysis

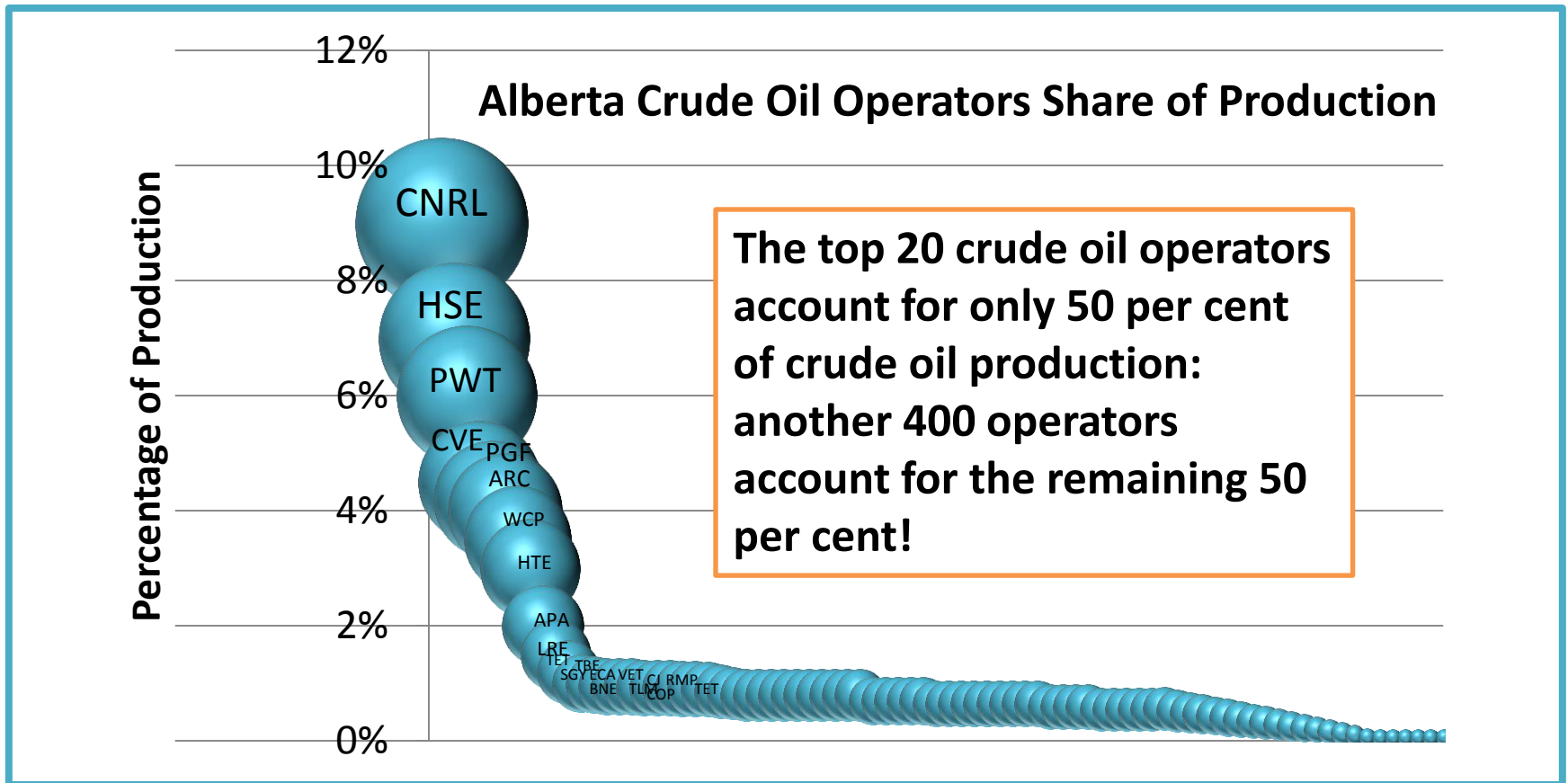
Productivity improvements and highgrading have helped delink rig count and production



Based on producing hour averages

Source: Alberta Energy

But it is the individual strategies and behaviours with so many diverse companies in the tight oil playing field that prevent a dominant producer strategy response



Source: Alberta Energy Regulator

A variety of free-market mechanisms can result in seemingly uneconomic production proceeding



Thank you!

Matthew Foss

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