

Impacts of the Decline in the Global Price of Oil on the Canadian Economy

Presentation to the House of
Commons Standing Committee
on Finance.

March 10, 2015

 RESPONSIBLE
CANADIAN ENERGY™

 CAPP

CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS

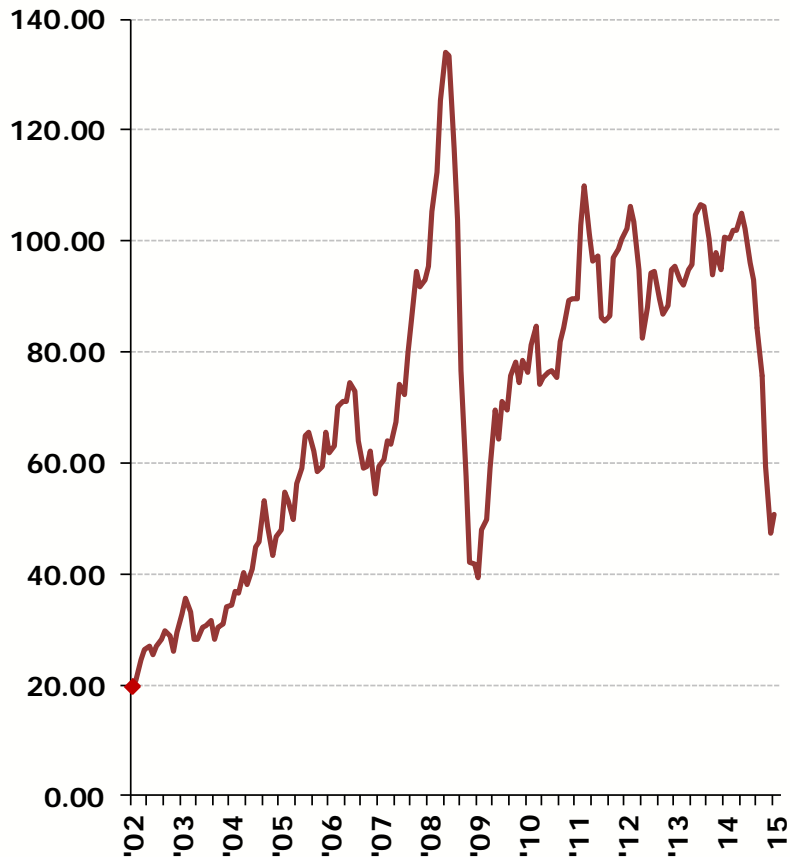
The Oil and Natural Gas Industry

A Key Driving Force in the Canadian Economy

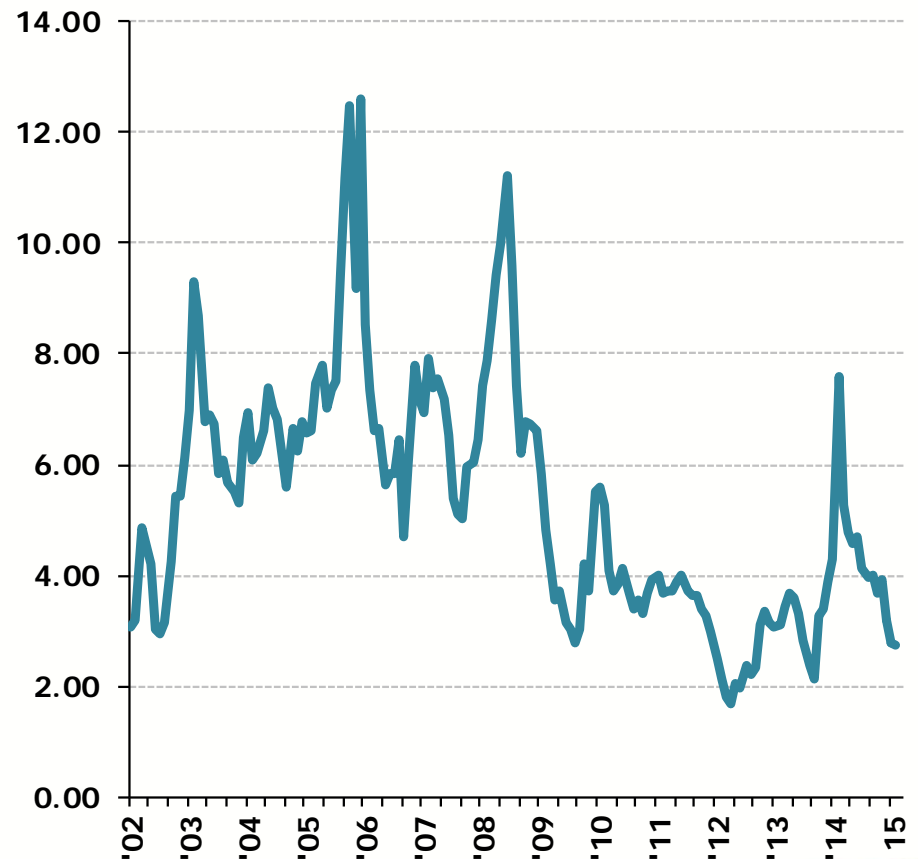
- **Industry investment in 2013 was \$74 billion**
 - Largest single private sector investor in Canada
- **Payments to governments average about \$18 billion per year**
- **Oil and gas accounts for**
 - 12% of value on Toronto Stock Exchange; down from 20% six months ago
- **Oil and natural gas account for more than 20% of Canada's merchandise exports**
- **Industry employed more than 550,000 in Canada (direct & indirect) last year**
- **Approximately 2,400 Canadian companies outside Alberta provide goods and service to the oil sands sector**

Crude Oil and Natural Gas prices

Crude Oil Prices
(WTI NYMEX)
\$US per barrel

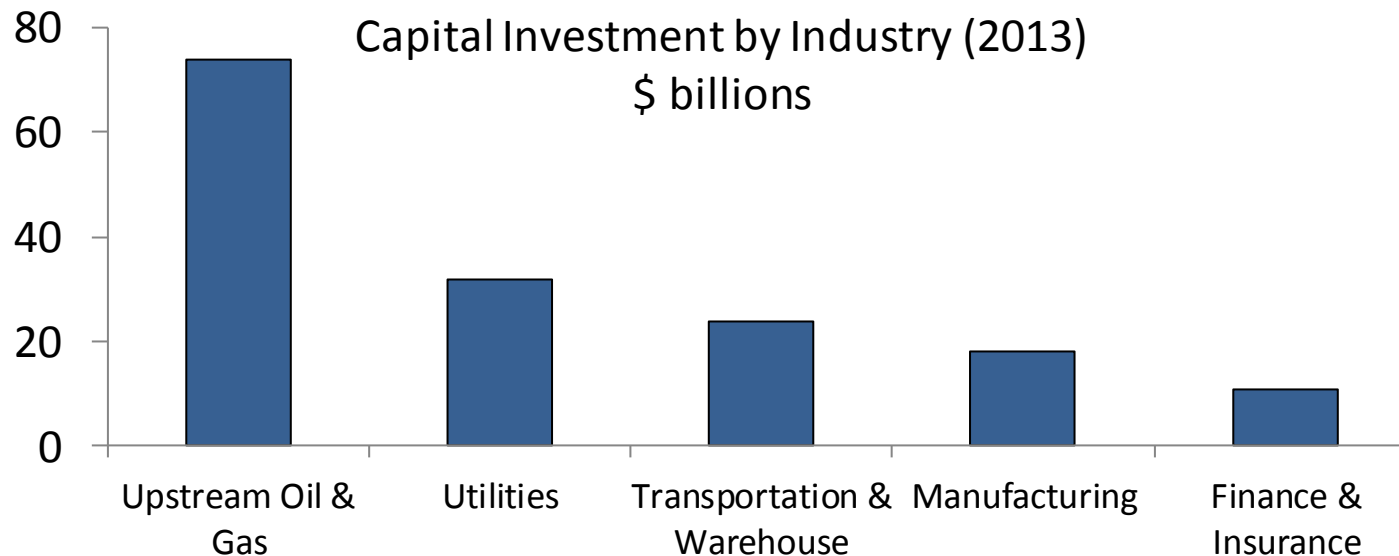


Natural Gas Prices
(AECO Daily Spot Price)
\$Cdn/mcf



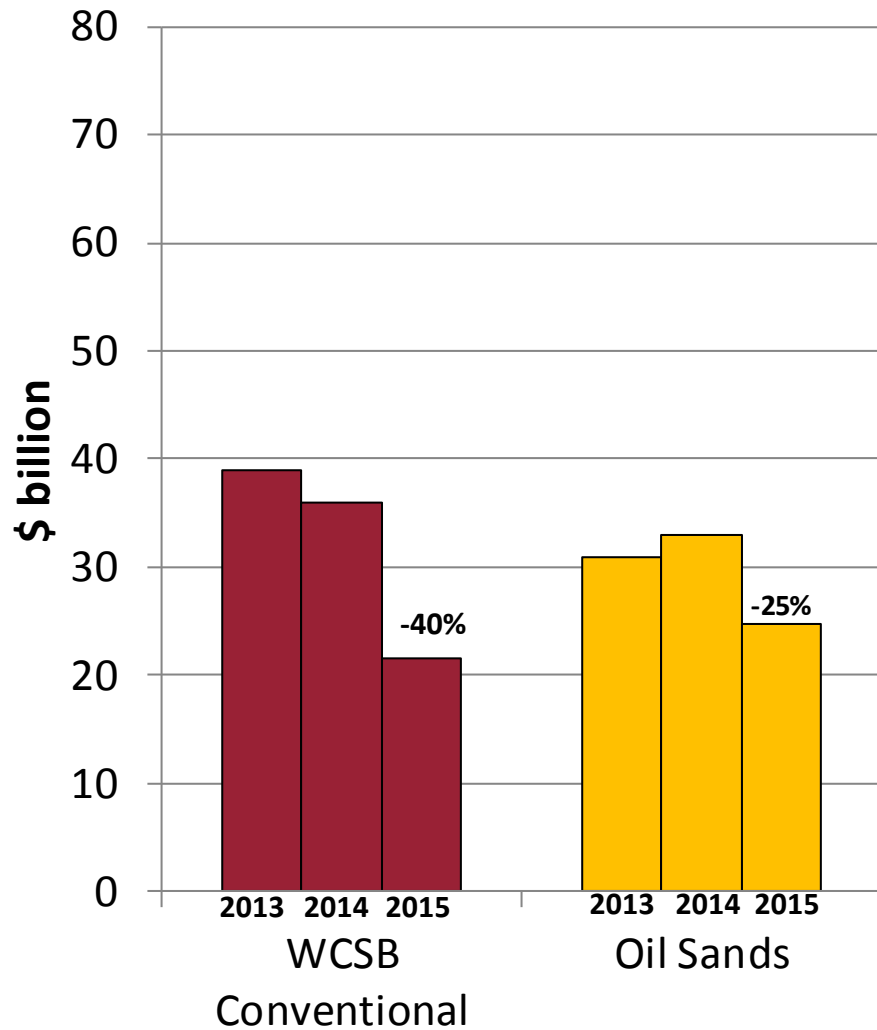
Impact of declining commodity prices in 2015

- Industry revenues down one third
 - from \$150 billion in 2014 to \$100 billion in 2015
- Western Canadian Sedimentary Basin (WCSB) capital investment down 33% (\$23 billion)
 - from \$69 billion in 2014 to \$46 billion in 2015:
- Well drilling down 30% (3,150 wells) from 2014
- Oil and gas share of TSX down from 20% in 2014 to 12% in January 2015

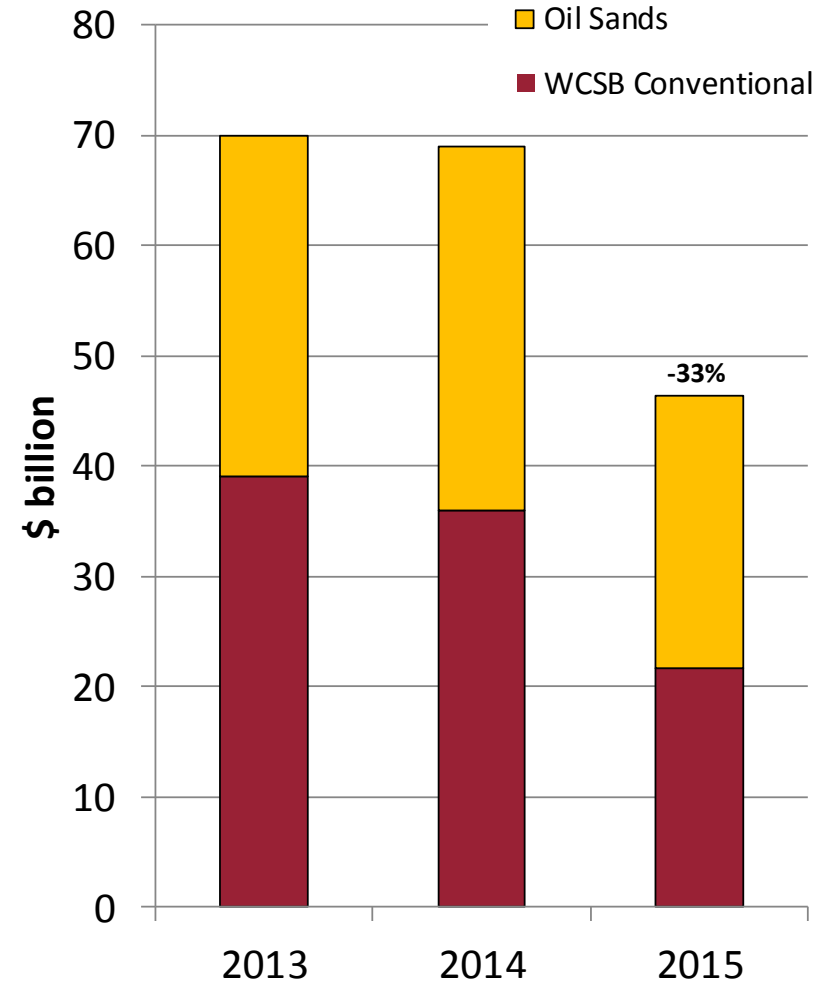


Source: Statistics Canada

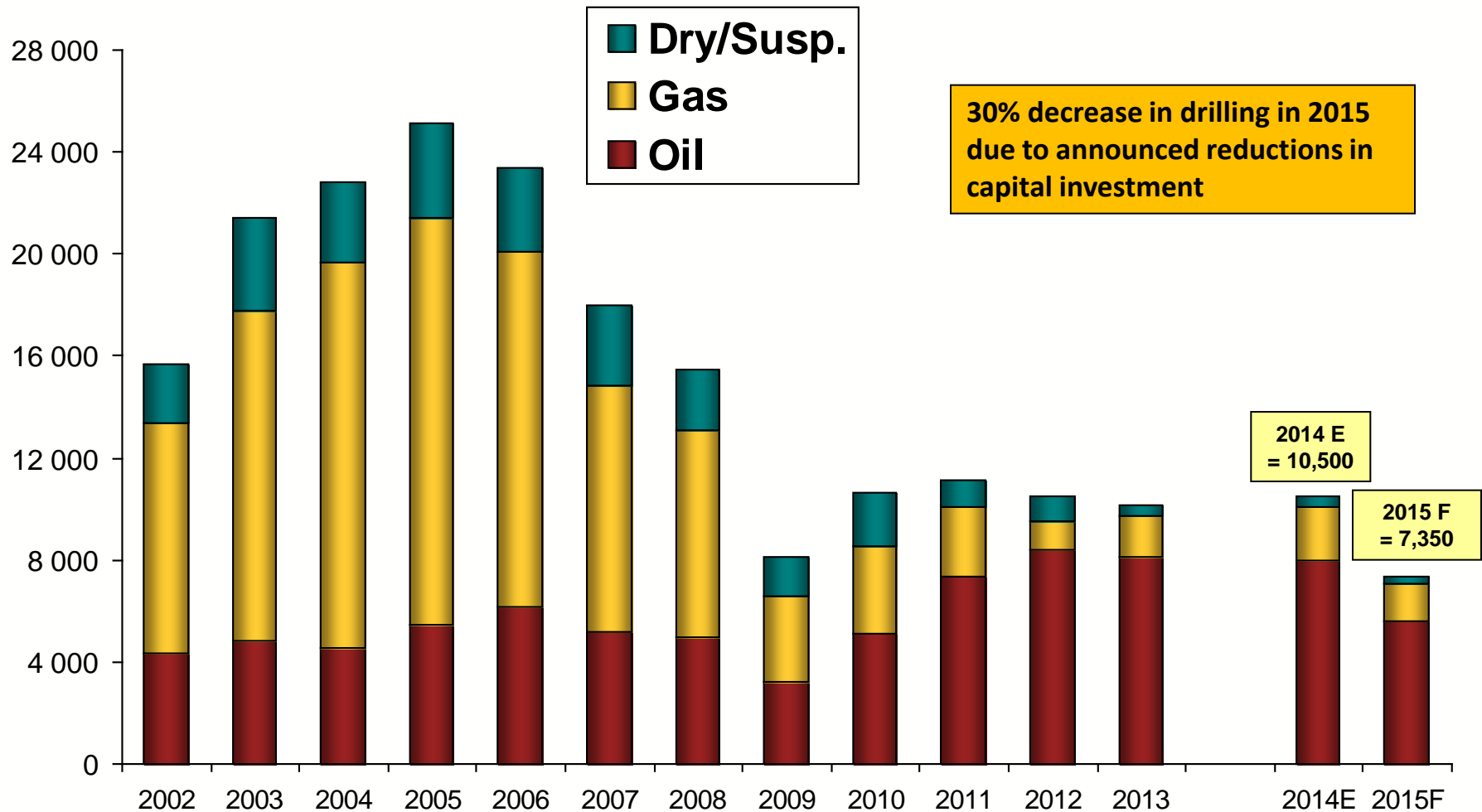
Capital Investment in Canada



Combined Capital Investment



Total Wells Drilled in Western Canada

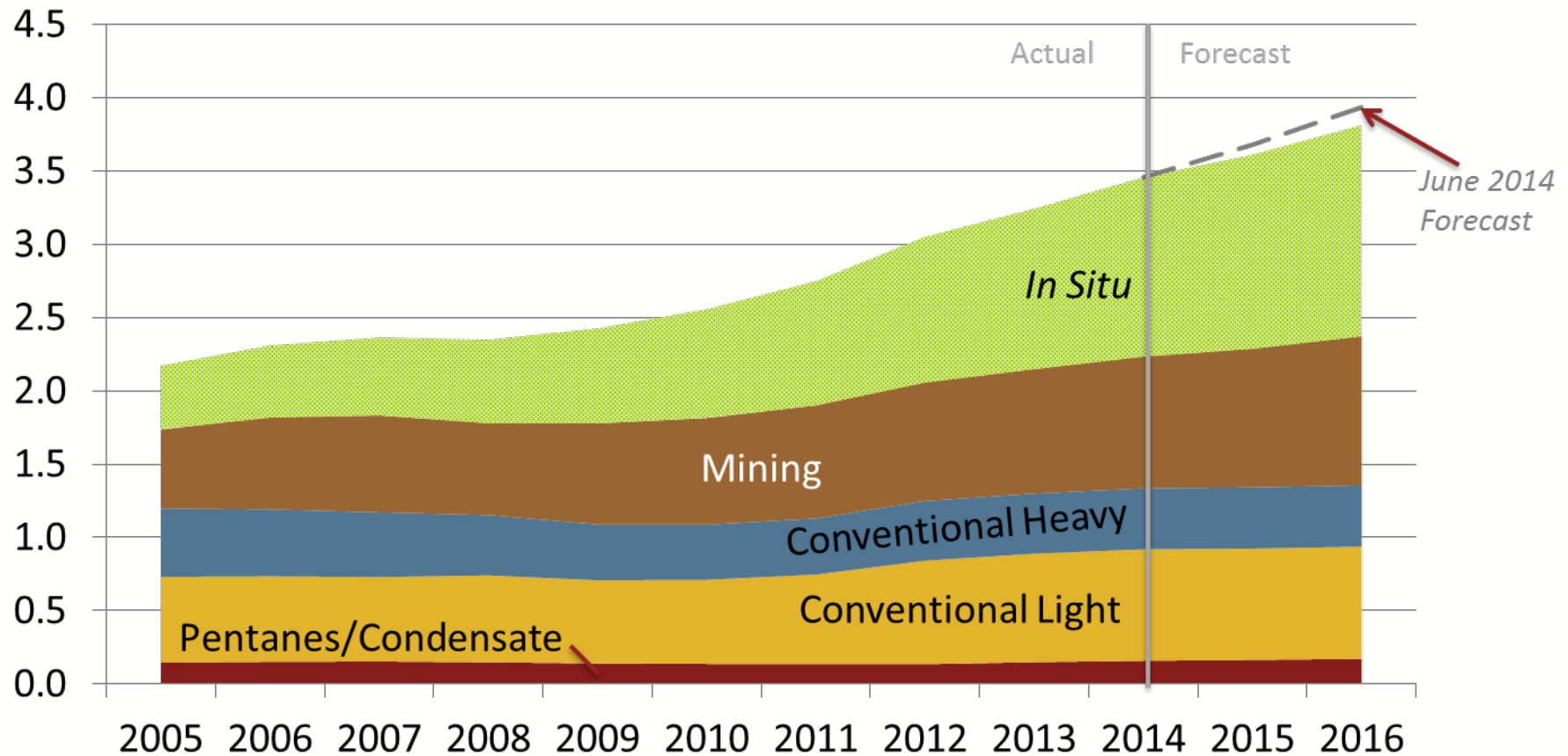


Source – CAPP. Based on Rig Release

E=estimate; F=forecast

Canadian Oil Sands & Conventional Production

Million barrels per day

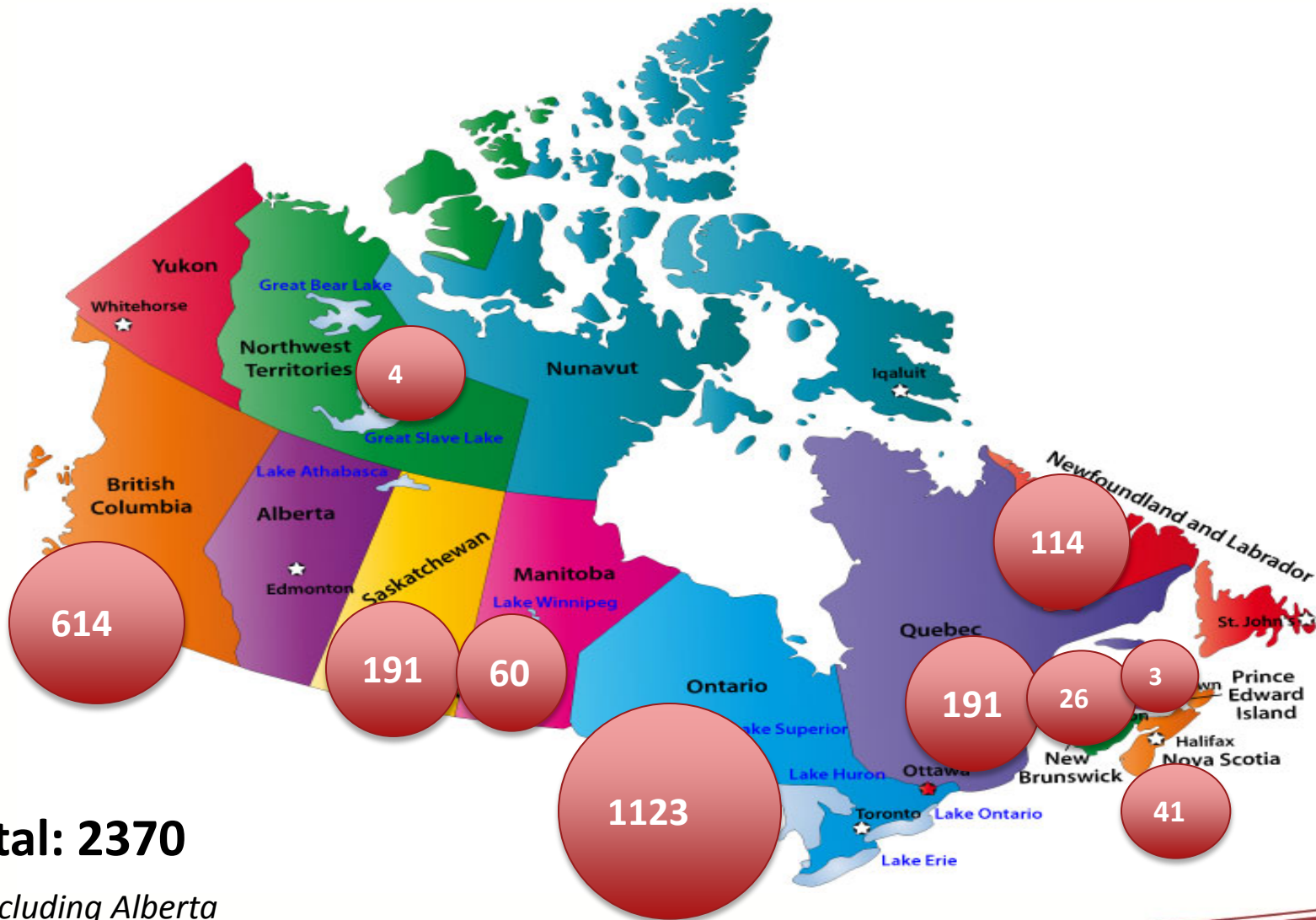


Canadian & US Crude Oil Pipeline Proposals



Updated Sep. 29, 2014

2012-2013 Regional Oil Sands Supply Chain Information - Canada



Thank You