

THE CANADIAN CHAMBER OF COMMERCE

LA CHAMBRE DE COMMERCE DU CANADA



CANADIAN OIL AND GAS

THE U.S. NEEDS LESS. ASIA NEEDS MORE.

LACK OF MARKET ACCESS HAS COST CANADA
AS MUCH AS **\$50 MILLION** A DAY



Canada's failure to diversify its energy market is leaving millions of dollars on the table every day. We are at a critical point. What's at stake for Canada is millions of jobs, tax revenues and other economic benefits. The cost of inaction is enormous.

Oil and gas, its transportation and its environmental and social impacts have become one of the most pressing policy debates of the last few years. There are key facts every Canadian needs to understand about the issue. It is time to have a balanced discussion about what it means to be an energy nation in the 21st century. The lack of reliable access to tidewater for oil and gas and its attendant effects on the Canadian economy is a key barrier to competitiveness with negative implications for the nation.

Balancing the essential contribution oil and gas makes to our standard of living with environmental and social responsibility is not easy. At the Canadian Chamber of Commerce we are committed to having this discussion. The choices we make will shape our economy for years to come.

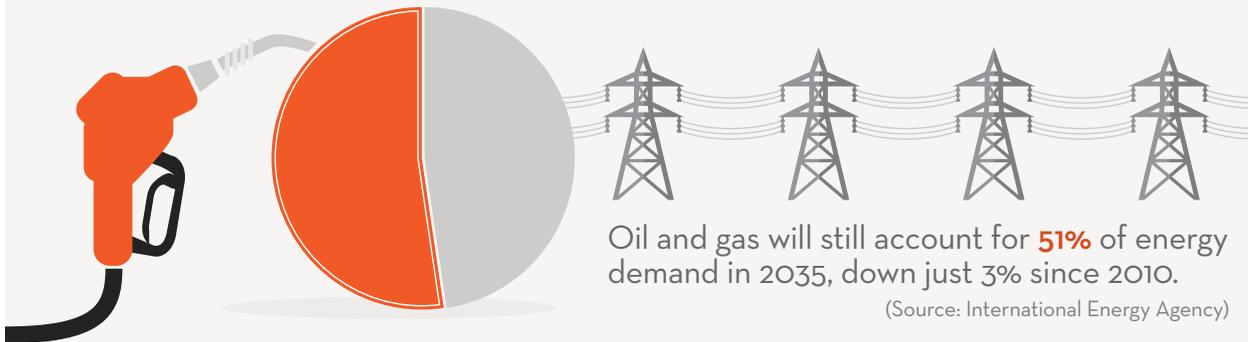
As Canadians, we all need to be part of this discussion.

A handwritten signature in black ink that reads "Perrin Beatty". The signature is written in a cursive, flowing style.

Perrin Beatty
President and Chief Executive Officer

The world will rely on oil and gas for the foreseeable future.

If Canada does not export oil and gas, the world will not stop using hydrocarbons; Canada will simply miss out on a rare opportunity.



THE PROBLEM

BORDER

Canada can no longer rely on the U.S. as the destination for virtually all its oil exports.



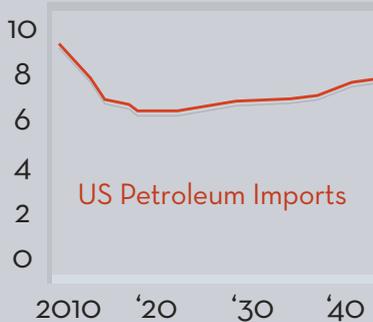
Current U.S. exports:

Petroleum

Natural Gas

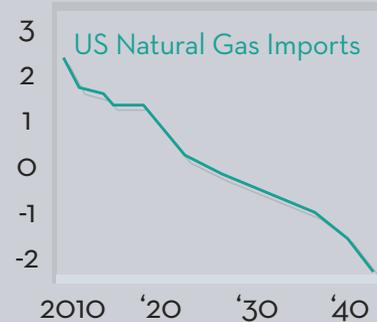
The U.S. is predicted to drastically reduce its oil and gas imports over the next 25 years

Millions barrels / day



US Petroleum Imports

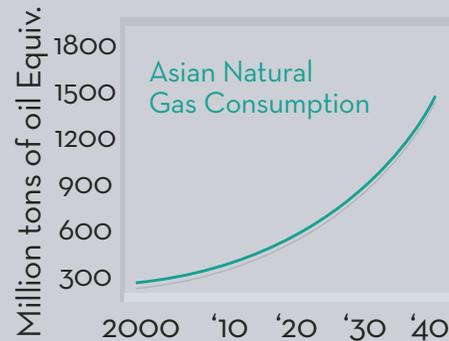
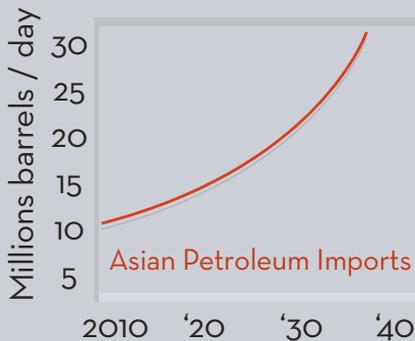
Trillion cubic feet



US Natural Gas Imports

THE ASIA OPPORTUNITY

Asia will see its energy imports increase dramatically in the future.



Canada currently lacks the infrastructure to get energy to tidewater and overseas.



The lack of access to global markets often forces Canadian oil producers to accept lower prices. This has cost Canadian producers as much as **\$50 million a day in lost revenues**.

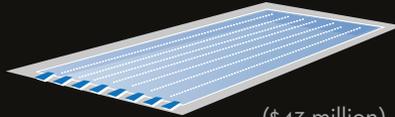
WHAT \$50 MILLION A DAY REALLY MEANS TO CANADIANS:



3/4th of the costs of the tidal energy project in the Bay of Fundy

(\$86 million)

\$50 million could pay for the Saint-Laurent Sports Complex in Montreal



(\$43 million)



A year's worth of medical, laboratory and drug supplies for the Hospital for Sick Children (\$72 million - 2013)

Getting Canadian oil and gas to Asia would mean billions in additional investment

Over the next 25 years, anticipated investment of **\$386 billion** in Canada's natural gas sector will provide:



131,000
additional jobs
per year

Almost as much as the entire
machinery manufacturing sector



\$3.1B
in taxes per year

Enough to cover health care
spending in Newfoundland



\$364B
in additional GDP

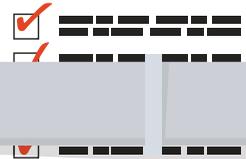
(Conference Board of Canada)



What is the safety record of oil and gas transport in Canada?

Canadian railways are experienced in transporting dangerous goods.

1.5 trillion litres of oil were transported by pipeline in 2011 with a success rate of **99.999%**



Canadian oil tankers recorded zero spills in the 2000s

PERCEPTION vs REALITY

Canadians are struggling to reconcile two visions of their country

Pristine wilderness and
natural beauty

A globally important producer
of natural resources.



An Albertan demonstration plant is being developed to use algae to transform carbon emissions from oil sands facilities into products like biofuels

Shell diverts municipal sewage, treats it and uses it in natural gas production instead of water from river and lakes.

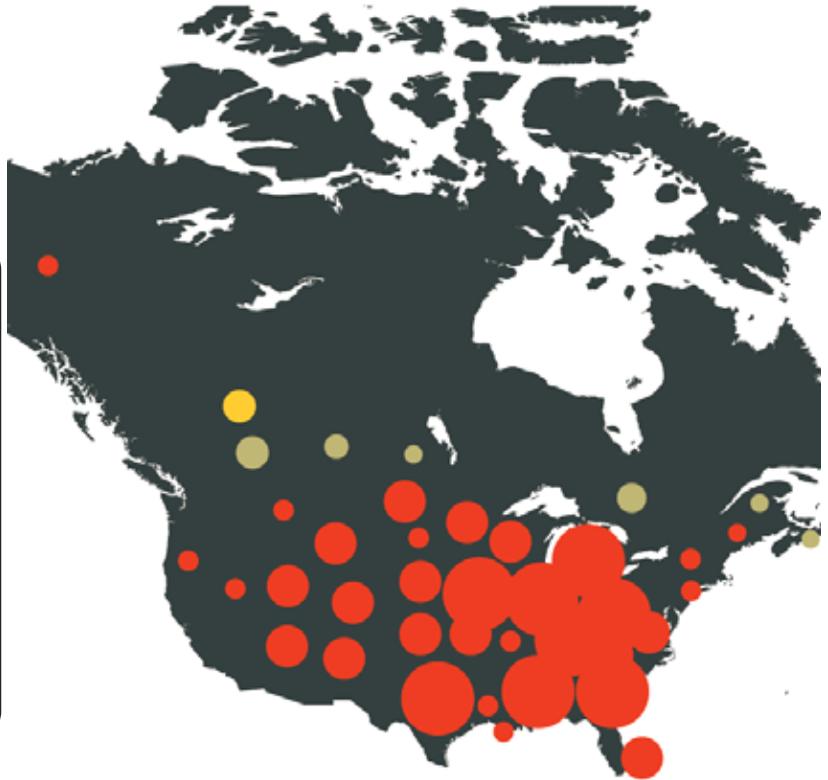
The perception that Canadian energy resources are **uniquely damaging** to the global climate is false.

Fact: Oil Sands production represented only 0.16% of global emissions - a **fraction of those produced by U.S. coal plants**

GHG Emissions



- Canadian oil sands
- Canadian coal-fired power plants
- U.S. coal-fired power plants



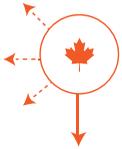


Fact:

About **70-80%** of emissions contained in a barrel of oil are created when gasoline or diesel is burned, not when crude oil is produced.

The transition to a low carbon economy will be led by changing energy consumption, and by advancing environmental innovation in our energy production.





As a country, Canada has the skills and technology to develop its energy resources, yet we have no export capability beyond the U.S.

The solution is obvious:

Canada needs to build the infrastructure to connect supply with demand in the international market.



Canadians must come to grips with **three** facts:

- 1** Tomorrow's growth in energy consumption lies largely in Asia; there are plentiful global supplies of oil and gas to satisfy this demand
- 2** The lack of access to global markets cost Canadians millions every day
- 3** With the right technologies and policies, Canada can find a way to produce natural resources while protecting the environment



The speed with which the people of Canada can react to these realities will determine Canada's ability to compete as a nation in the 21st century.

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VISUAL CAPITALIST