

BEG/CEE U of Texas Annual Meeting

Canada: A Resource Economy & its Discontents

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Robert Skinner
r.skinnerbb@gmail.com
rgskinne@ucalgary.ca



Photo: CTV News



Photo: Huffington Post

6 months of unconventional hydrocarbons in Canada (2013)



Photo: CBC

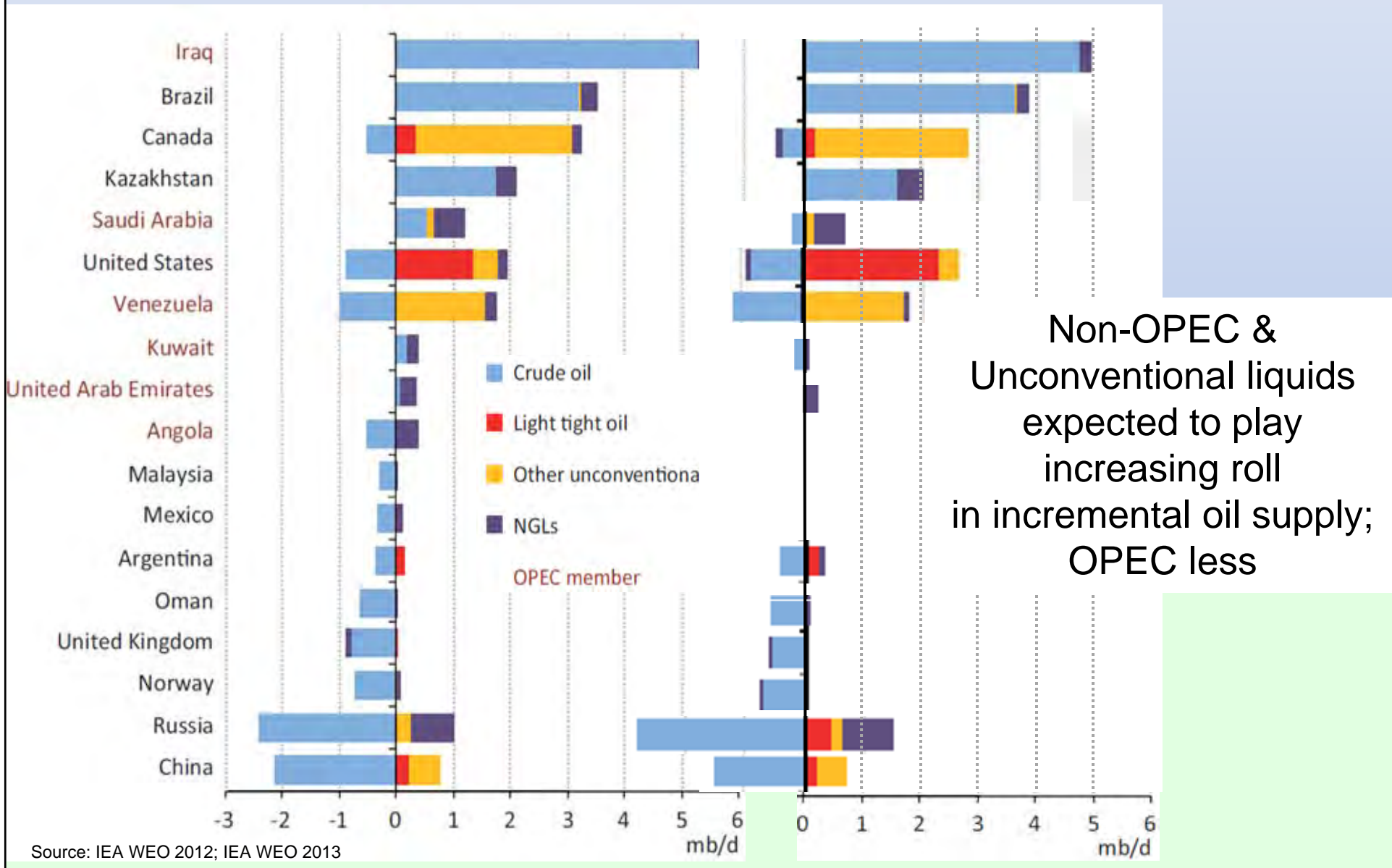


Photo: Global News

Oil production changes 2011-2035

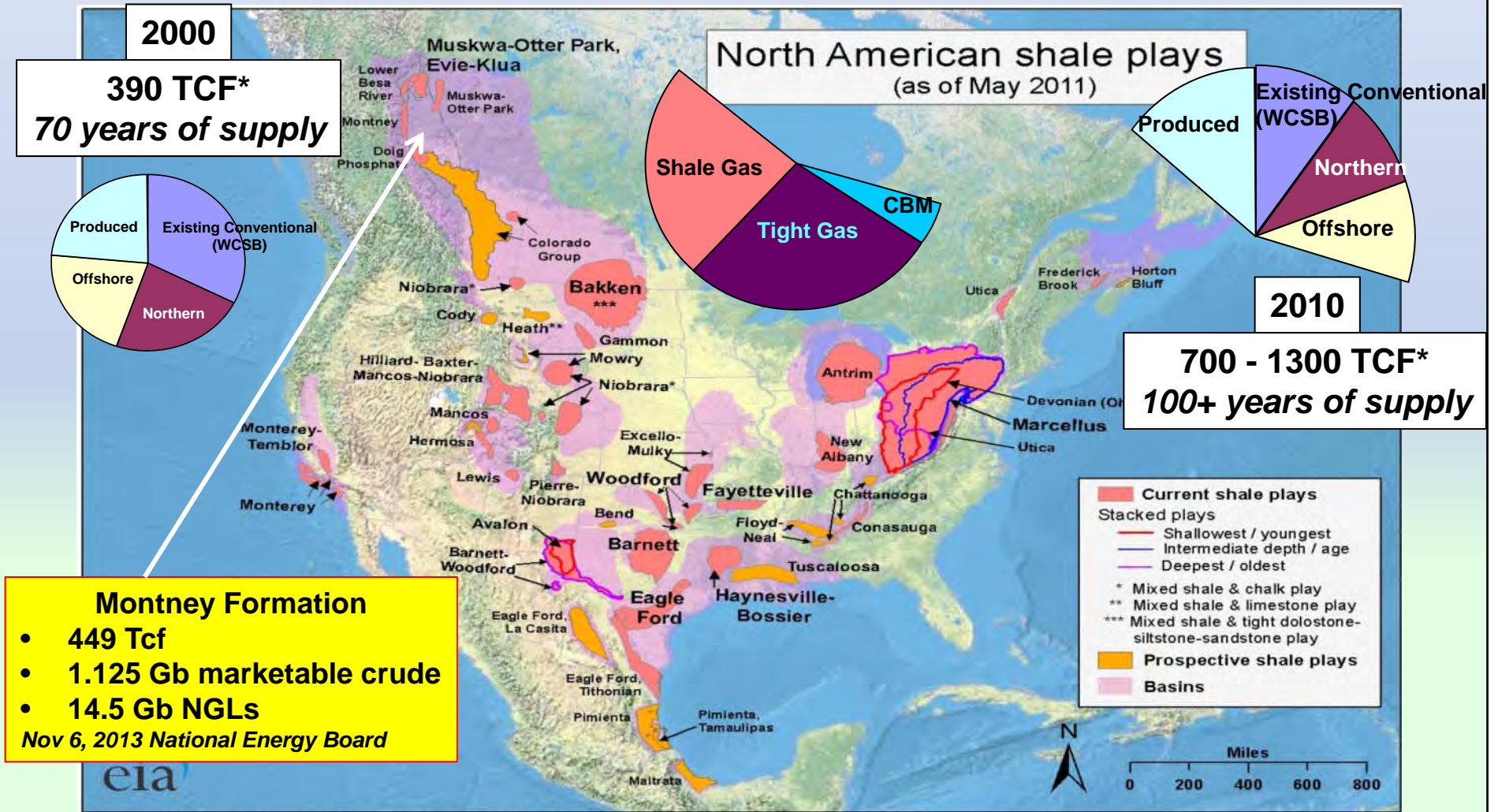
WEO 2012 (2011-2035)

WEO 2013 (2012-2035)



Source: IEA WEO 2012; IEA WEO 2013

Canada's gas resources have increased (2000 – 2010)



Source: U.S. Energy Information Administration based on data from various published studies. Canada and Mexico plays from ARI. Updated: May 9, 2011

*Estimated Recoverable Marketable Gas; Source, CAPP after GSC, NEB & others

The Issues

- A resource economy whose elites tend to oppose resource development
- Canada's oil & gas: high cost in a softening and competitive market
- Aboriginals ('First Nations') can stop resource development
- Natural Gas: Revenues down; west → east flows declining, US shale gas moving into central Canada market
- Industry: Access to capital (for some), labor & markets
- Market diversification but opposition inside & outside Canada, in particular in traditional US market

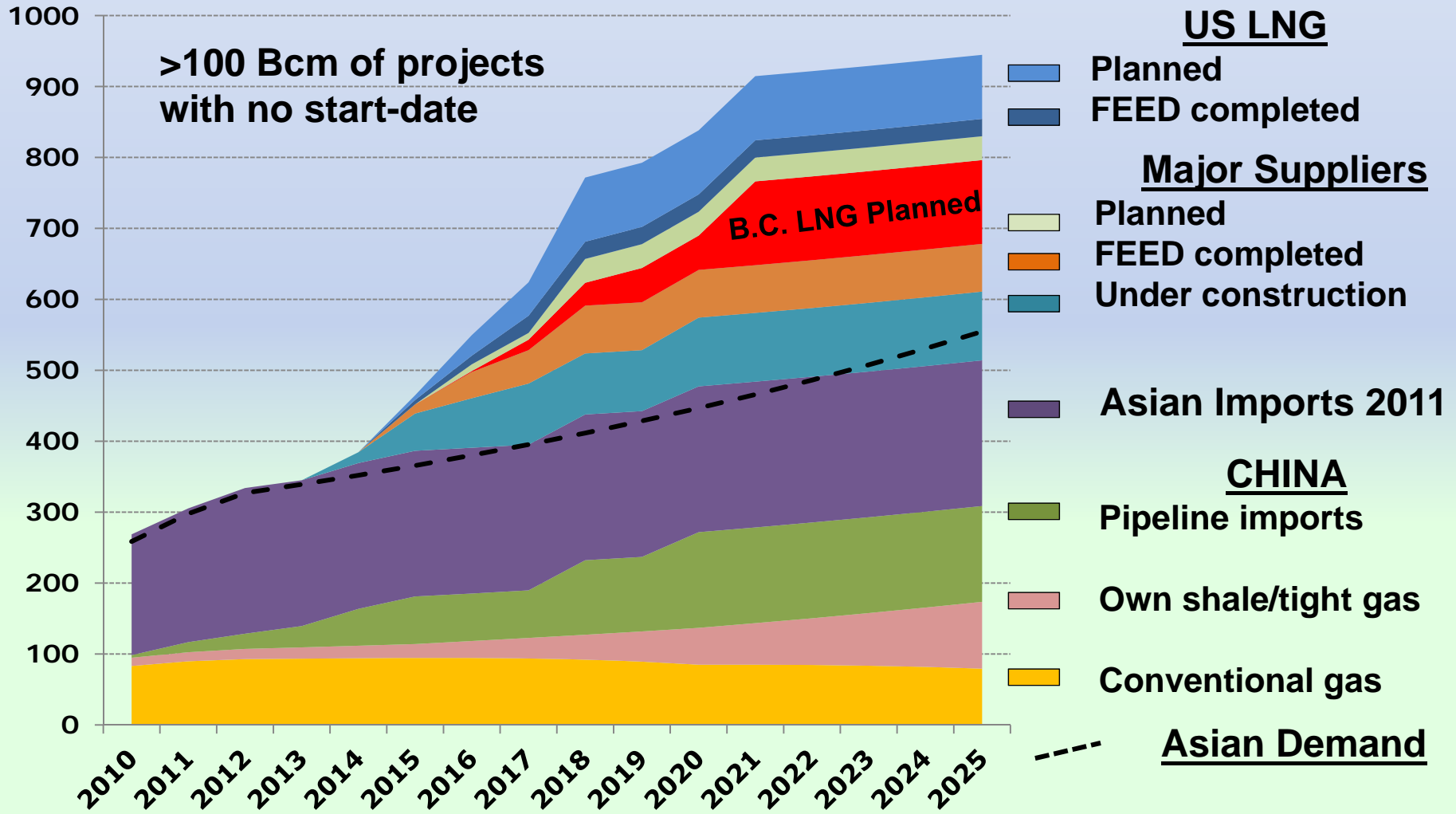
BC LNG: Not as simple as it might seem...

High gas supply cost

- 10s of 1000s of HF wells over decades in remote NE corner of province,
- New infrastructure to Greenfield coastal/fjord sites
- Labor supply for several concurrent large industrial projects
- Local people involvement critical to success
- BC Gov't rents still uncertain
- CO₂ emissions
- 'Window of opportunity'? Others competing for same market
- Price arbitrage?



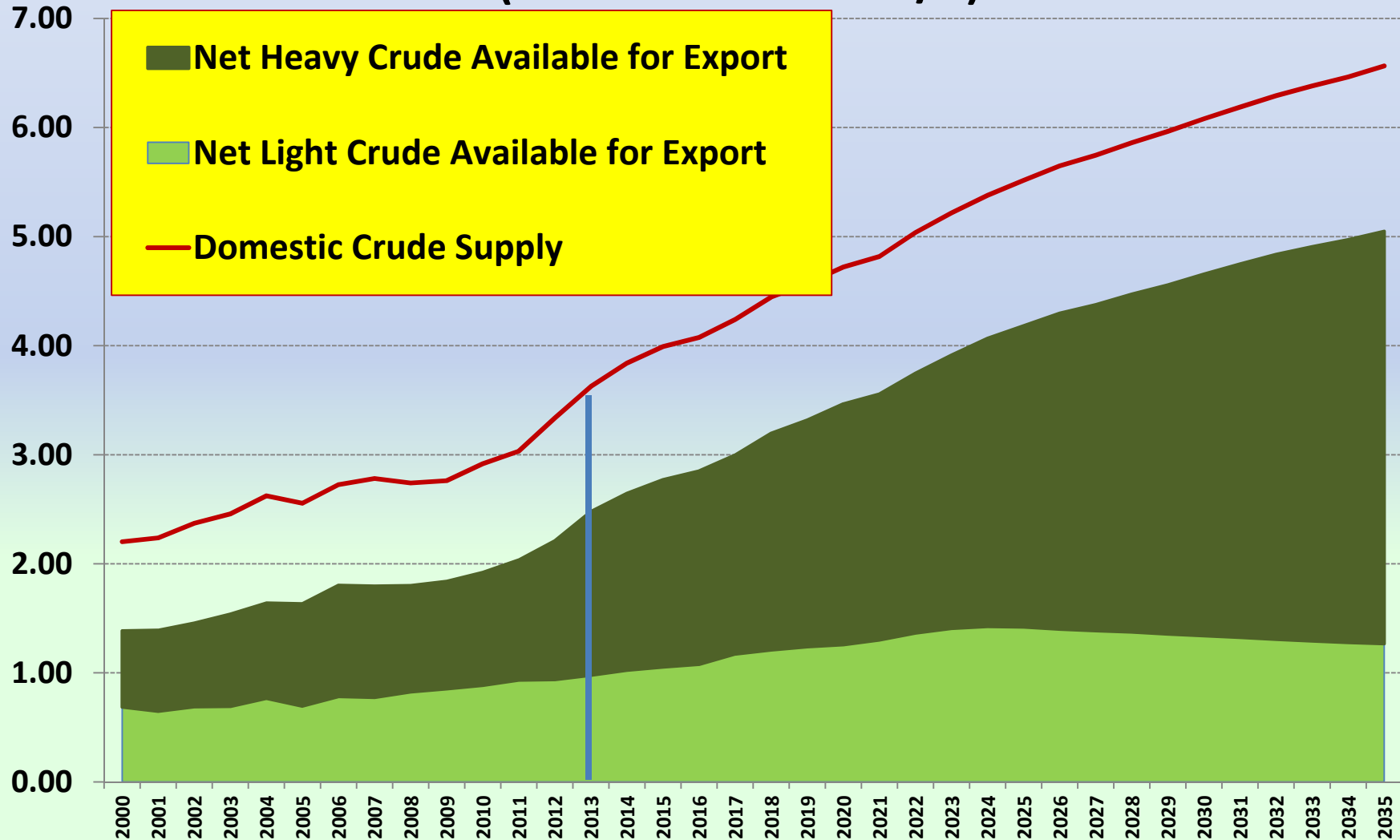
Future Natural Gas Supply & Demand in Asia (Bcm)



Sources: IGU 2012, BP 2013, IEA 2012, after Canada West Foundation October 2013

Projected Canadian crude exports

(2000 → 2035 mmb/d)



Source: Canada's Energy Future: Energy Supply & Demand projects to 2035 – Energy Market Assessment NEB (2011)

Canada's Oil & Gas 'Discontentments'

