

OIL SANDS

Economic Benefits



our challenge

Albertans own an incredibly valuable energy resource – valued by the province, country and the entire world. It is essential that Albertans benefit from the oil sands industry; while at the same time the province must nurture an attractive investment climate to remain a stable global energy supplier.

our actions *

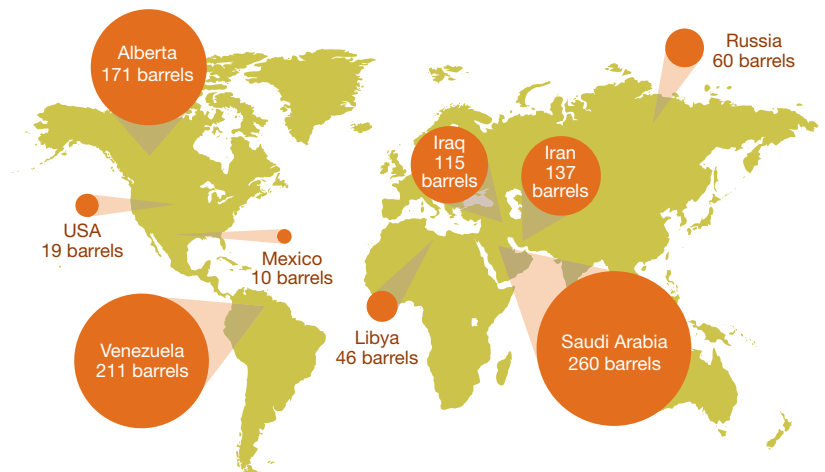
Alberta's oil sands reserves are developed by private enterprise, regulated by independent agencies, and subject to policy and laws developed by democratically elected governments. Oil sands development benefits all Canadians through employment opportunities as well as generating royalties and taxes that help pay for government services and programs.

fast facts

- > Alberta's remaining proven oil reserves are 170.8 billion barrels (169.3 billion barrels in the oil sands), or about 13 per cent of total global oil reserves.
- > About 1.6 million barrels of crude were produced every day from the oil sands in 2010.
- > The energy sector accounted for about 30 per cent of Alberta's \$290-billion gross domestic product in 2008.
- > As of August 2010, there were 91 active oil sands projects in Alberta. Of these, four were producing mining projects (two are under construction); the remaining projects used various in-situ recovery methods.

Comparative Oil Reserves (billions of barrels)

Source: Oil & Gas Journal, 2011



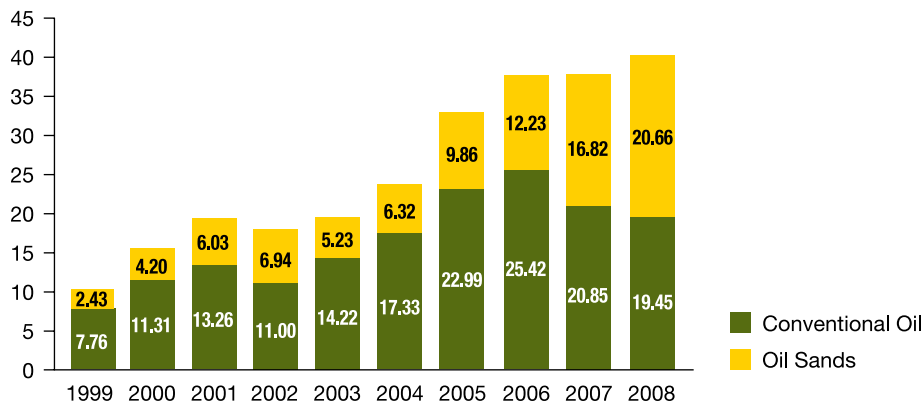
benefits to albertans

- > About 136,000 Albertans are directly employed in the oil and gas extraction and mining sectors – that's one of every 15 jobs in the province.
- > Royalties from the oil sands were \$1.9 billion in 2009-2010. This is Albertans' share of the revenue from oil sands production and helps fund many public services.
- > According to the Canadian Energy Research Institute (CERI), Alberta can expect \$184 billion in royalties from the oil sands over the next 25 years.
- > About 10 per cent of the oil sands workforce is Aboriginal.
- > In 2009, the value of contracts between oil sands companies and Aboriginal companies was \$810 million.

investment

- > Capital investment in the oil sands is estimated to add up to \$218 billion over the next 25 years.
- > Every dollar invested in the oil sands creates about \$9 worth of economic activity, one-third of which occurs outside Alberta's borders – in Canada, the US and around the world.
- > In total, from 1999-2008, \$90.71 billion has been invested in the oil sands industry.

Alberta Annual Oil and Gas Industry Investment (Billions \$)



benefits to Canadians

- > The Canadian Energy Research Institute (CERI) estimates oil sands will create more than \$307 billion in tax revenue across Canada over the next 25 years. Nearly 61 per cent, or \$187 billion, will go to the federal government.
- > Alberta companies have signed millions of dollars in contracts with companies throughout Canada to support activity in the oil sands.
 - Key industries servicing the oil sands include machinery and metal fabrication, particularly in Ontario.
 - Atlantic Canada is seeing increased activity in certain industries, such as manufacturing.
 - New Brunswick steel manufacturers have signed contracts worth an estimated \$50 million.
- > Oil sands development creates jobs outside of Alberta: 23 per cent of oil sands-related employment is outside the province. That rises to 28 per cent for construction-related jobs.
- > Over the next 25 years, oil sands are forecast by CERI to require more than 450,000 annual work positions across Canada.

alberta economy

- > Highest rate of economic growth in Canada over the last 20 years.
- > Exports of goods and services more than tripled from 1998-2008 to \$118.7 billion, including \$81 billion in energy exports.
- > The lowest tax regime in Canada. Alberta businesses do not pay general sales taxes, capital taxes or payroll taxes and Alberta has the lowest gasoline tax among provinces. The general corporate tax rate is 10 per cent, and the small business tax rate is three per cent.