



# Synergy Conference November 7, 2016

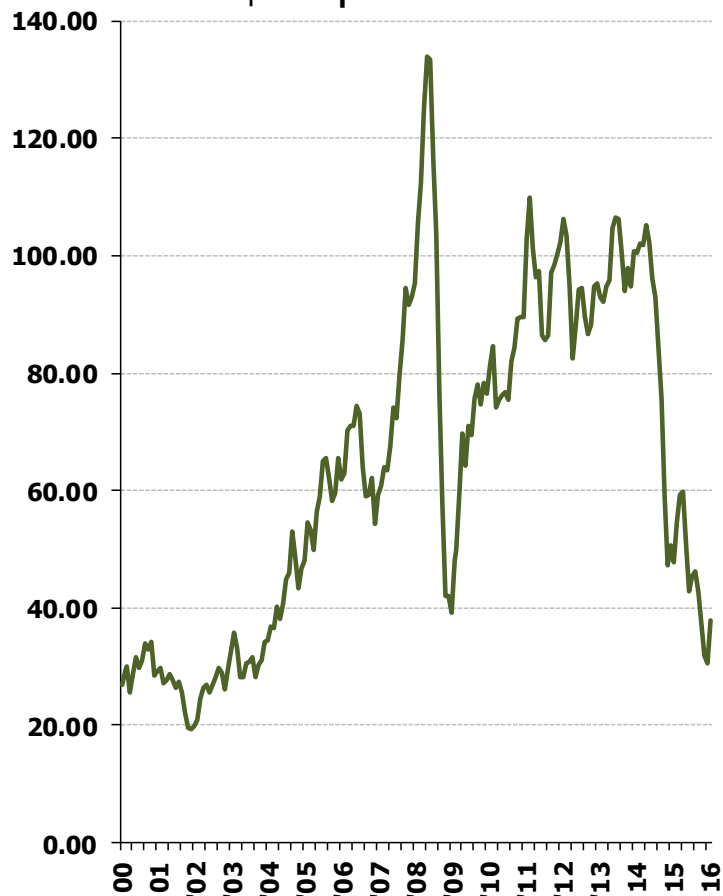
**CAPP** CANADA'S OIL & NATURAL GAS  
PRODUCERS

# Canadian Association of Petroleum Producers

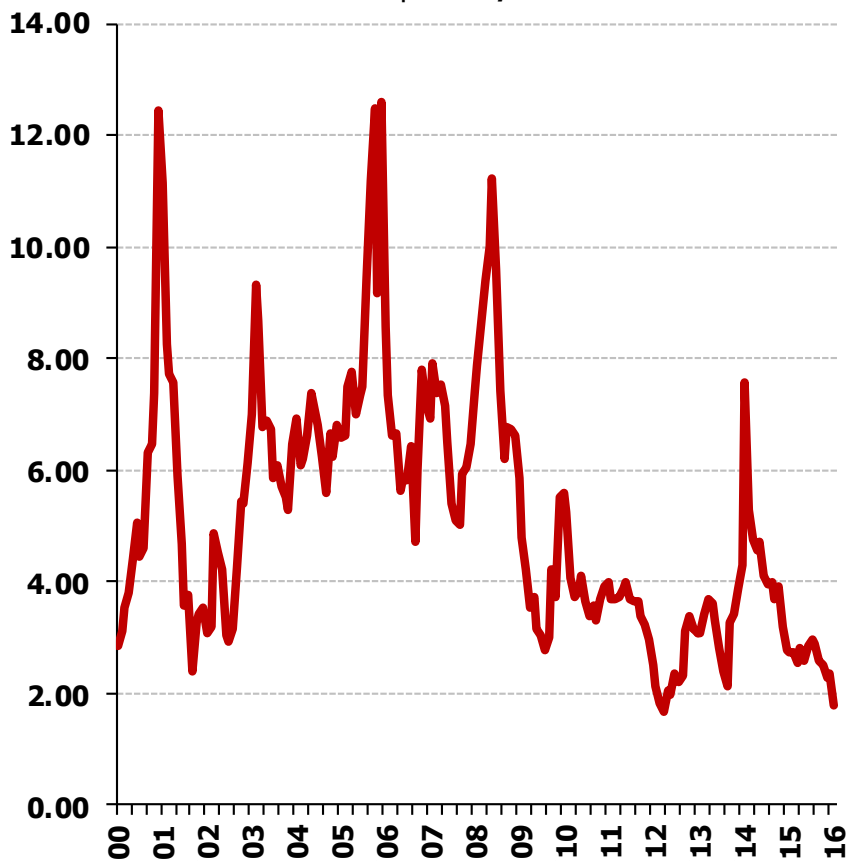
- Represents large and small producer member companies
- Members explore for, develop and produce natural gas, natural gas liquids, crude oil, and oil sands throughout Canada
- Produce about 85 per cent of Canada's natural gas and crude oil
- Associate members provide a wide range of services that support the upstream crude oil and natural gas industry

# Crude Oil and Natural Gas prices

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



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



# Capital Investment in Canada's Oil and Natural Gas Industry



## COMPARISON: CAPITAL INVESTMENT BY INDUSTRY (2015)



Utilities

**\$31.3**  
Billion



Transportation  
& Warehouse

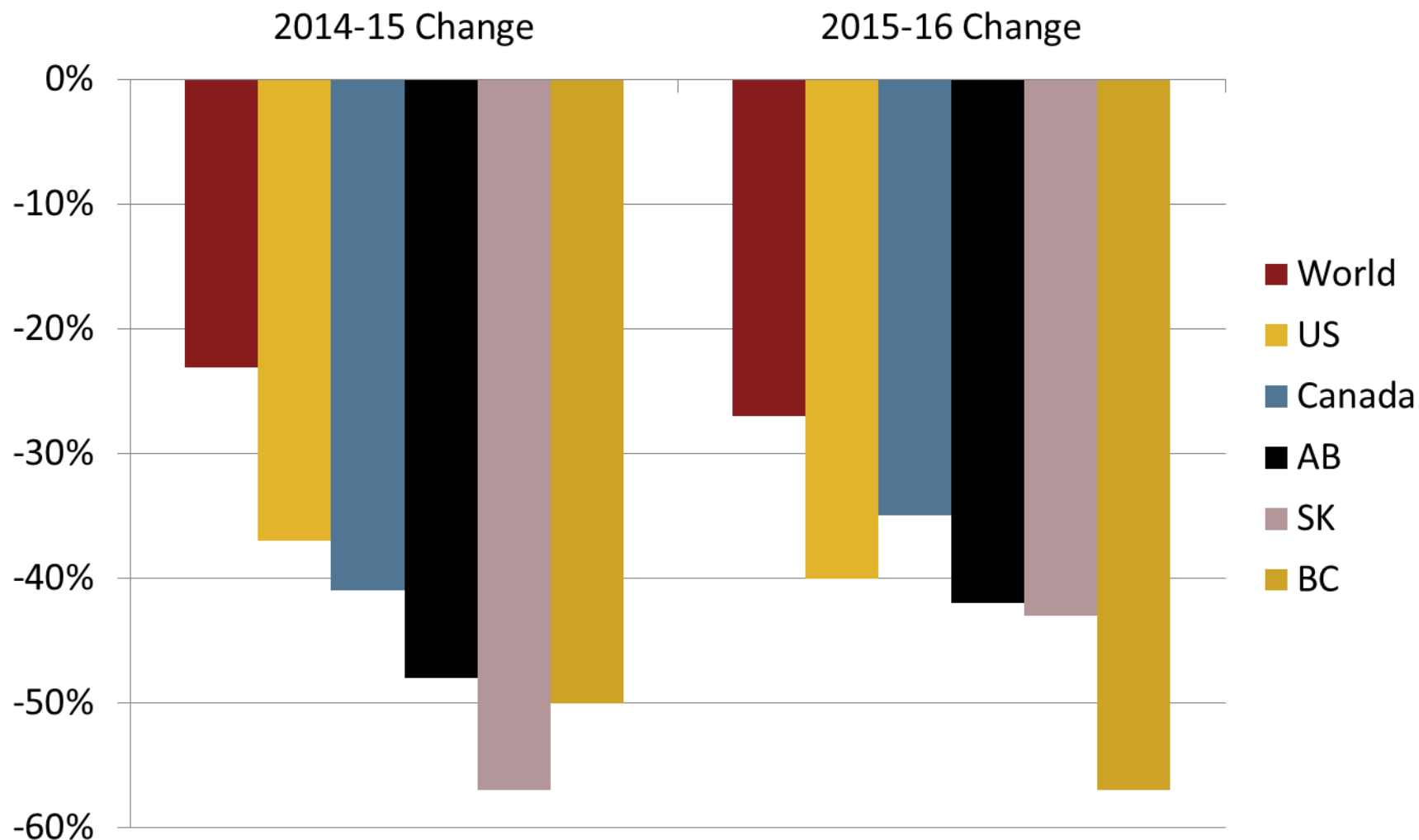
**\$26.4**  
Billion



Manufacturing

**\$17.5**  
Billion

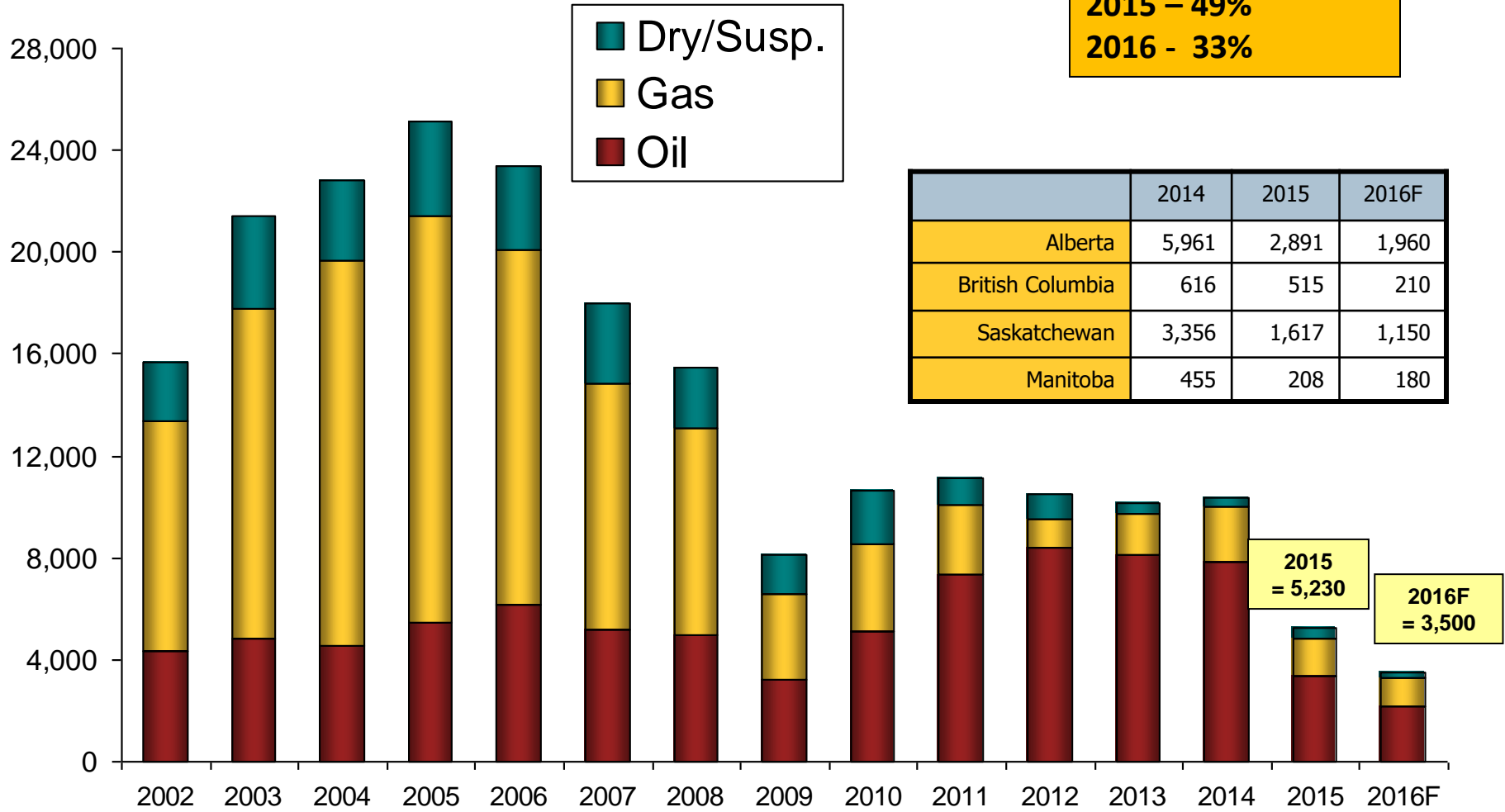
# Upstream Capital Spending Year over Year Change



Source: OGI/Barclays/CAPP

# Total Wells Drilled in Western Canada

**Yr/yr Reduction in Drilling:**  
**2015 – 49%**  
**2016 - 33%**



	2014	2015	2016F
Alberta	5,961	2,891	1,960
British Columbia	616	515	210
Saskatchewan	3,356	1,617	1,150
Manitoba	455	208	180

Source – CAPP. Based on Rig Release

## Some Positive Signs on the Horizon

- **Markets balancing; prices rising slowly**
- **New royalty regime in place and working**
- **Some service companies announcing hires**

# Continuing Challenges

- **Cost structure of industry still a challenge**
- **Evolving policy**
  - Regulatory approval processes for infrastructure
  - Climate change (esp. methane)
- **Access to markets**
  - Existing
  - New