Energy For Tomorrow: Canada & the World
CANADA IS FALLING BEHIND

2018 Economic Report Series
A GLOBAL VISION FOR THE FUTURE OF CANADIAN OIL AND NATURAL GAS
A VISION FOR ENERGY PROSPERITY IN CANADA

- INTERNATIONAL
- INFRASTRUCTURE
- INVESTMENT
- INNOVATION
- INDIGENOUS
GROWTH IN THE GLOBAL ENERGY MIX FROM 2016-2040

Source: IEA 2017 World Energy Outlook, New Policies Scenario

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THE GLOBAL ENERGY PULSE

THE WORLD WANTS CANADA’S ENERGY.
“The majority agree Canadian oil and natural gas imports are preferred over any other producing nation’s natural resources.”
Jeff Gaulin, Vice President, Communications

globalenergypulse.com

THE WORLD IS OPEN TO CANadian ENERGY.
Canada is the preferred choice for oil and natural gas imports out of 11 producing countries.

globalenergypulse.com

CANADIANS WANT TO USE CANADA’S NATURAL RESOURCES.
68% of Canadians agree they would choose Canadian oil and gas over imports from other countries.

globalenergypulse.com

OUR LIVES ARE BETTER TODAY BECAUSE OF WHAT OIL AND GAS MAKES POSSIBLE.
46% of global respondents agree.

globalenergypulse.com
GLOBAL ENERGY COMPETITION

**Price influencers:**

- **Oil (WTI)**
  - 2014: $90+
  - 2017: $50

- **Natural Gas (AECO)**
  - 2014: $4.19
  - 2017: $2.30

Flags:
- USA
- Saudi Arabia
- Iran
- Russia
- Mexico
- China

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THE AMERICAN ENERGY REVOLUTION

COMPETING WITH OUR BIGGEST CUSTOMER (2008-2016)

What took Canada 150 years to accomplish, took the U.S. 8 years.

BETWEEN 2008 AND 2016 THE U.S. HAS:

- Increased oil production 77%.
- Increased natural gas production 35%.

COMPETING FOR GLOBAL CUSTOMERS

THE ASIAN MARKET OPPORTUNITY

Driven by population increases and a growing middle class, China and India will need by 2040: an additional 10 MILLION BARRELS/DAY OF OIL AND 54 BILLION CUBIC FEET/DAY OF NATURAL GAS compared to what they consume today (IEA, 2016).

WHERE WILL THAT ENERGY COME FROM?

Oil Reserves:
170 BILLION BARRELS
(3rd in world)

Natural Gas Resources:
1,230 TRILLION CUBIC FEET
(100 year supply)

CANADIAN EXPORTS (2016)

3.1 MMb/d
8.1 Bcf/d
99+% 0% 0%

Sources: IEA (2016), Oil and Gas Journal (2016), NEB

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More than $25 billion in private capital ready to invest in Canada’s economy

TRANSMOUNTAIN
$7.4 BILLION

LINE 3 REPLACEMENT
$7.5 BILLION

KEYSTONE XL
$10.85 BILLION

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DECLINING INVESTMENT IN CANADA

CAPITAL INVESTMENT IN CANADA’S OIL AND NATURAL GAS INDUSTRY

2014

$81 Billion

ESTIMATE 2017

$43 Billion

47% DECREASE

Source: Statistics Canada, 2018

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ENERGY = INNOVATION

www.cosia.ca

AN ALLIANCE OF OIL SANDS PRODUCERS

HATE SHARED

936 TECHNOLOGIES AND INNOVATIONS

THAT COST

ALMOST $1.33 BILLION

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COMPETING ON CARBON

THE ALGAE PROCESS

CO₂
WASTE HEAT
WASTE WATER

LIGHT

ALGAE

O₂

BIO OIL
• Biojet fuel
• Biodiesel

PRODUCTS
• Nutraceuticals
• Livestock feed
• Fertilizer
• Other

PHOTOBIOREACTOR

WASTE HEAT

HARVEST

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Drivers of Trust in Canadian Oil & Gas

**Trust**
- Honest
- Open

**Ethical**
- Operating safely
- Listens to local concerns

**Enviro innovation**
- Reduce enviro impact

**Responsive to concerns**
- First Nations

**Local economic benefit**
- Worker treatment

**National economic benefit**
- Jobs
Repositioning How Industry Communicates

The multi-year journey to earn trust – marching to where Canadians want us to be

Today
Authority
Facts
National Audience
Reactive
Credible
Responsive
Respectable

Future
Visionary
Values
Local Audience
Proactive
Trusted
Engaging
Likeable

Solutions

Key Public Themes

Safety

Enviro & Climate

Local Benefits

Industry Character

CAPP

CANADA’S OIL & NATURAL GAS PRODUCERS

Values

Reasons

Issues
### Building Public Confidence Among Canadians

Conditional Supporters are key “swing voters” who focus on future

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<tr>
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<th>CORE SUPPORTER</th>
<th>CONDITIONAL SUPPORTER</th>
<th>DISENGAGED</th>
<th>CONDITIONAL OPPONENT</th>
<th>CORE OPPONENT</th>
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<td><strong>21%</strong></td>
<td>Slightly more male, 2nd oldest Ontario Split between CPC and LPC Immigrants- UK, Western Europe Modest education, but financially successful (invest) Less engaged, traditional media bias</td>
<td>Younger Women in Ontario and Quebec Economically marginal Less educated Not engaged in public issues or community, but heavy social media users Don’t vote</td>
<td></td>
<td>Slightly more male, BC, Quebec and Atlantic LPC, NDP voters Better educated, more affluent Engaged with social networks, online media</td>
<td>Slightly more female, 2nd youngest. BC, Quebec Most NDP, least CPC Hate Harper Tories Well educated, lower income Transit users Highest political engagement Online news, communications</td>
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<td>Older, affluent men Alberta Vote CPC Investors Traditional media users Local joiners</td>
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Understanding the needs of all Canadians

ENGAGEMENT

+ CORE OPPONENT 12%

+ CORE SUPPORTER 21%

- MITIGATE

- MOBILIZE

- MONITOR

- NURTURE

33% DISENGAGED

CONDITIONAL OPPONENT 13%

31% Lean Opp. | 39% Split | 30% Lean Dis.

CONDITIONAL SUPPORTER 21%

31% Lean Dis. | 39% Split | 30% Lean Sup.
### Result of CAPP’s 3-year Communications Program

#### Public Opinion
- 50% agree new **pipelines** are needed, up 7%
- 46% support **oil sands**, up 11%
  - 31% **trust** oil sands, up 9%
- 38% support **natural gas**, up 13%

#### Public Action
- Advocacy ratio down to 1½:1, down from 3:1
  - Mobilized & amplified supporters
- Advocacy gap down to -8%, down from -17%
  - Softened critics, nurtured new supporters

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Information without action is just trivia.

Communications must generate action to get a business result, not be merely informative.

Complexity drives indecision. Simplicity drives action.
CANADIAN ENERGY = THE WORLD’S ENERGY

CANADA’S ENERGY CITIZENS

www.energycitizens.ca

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