

Alberta's Oil Sands Opportunities and Challenges

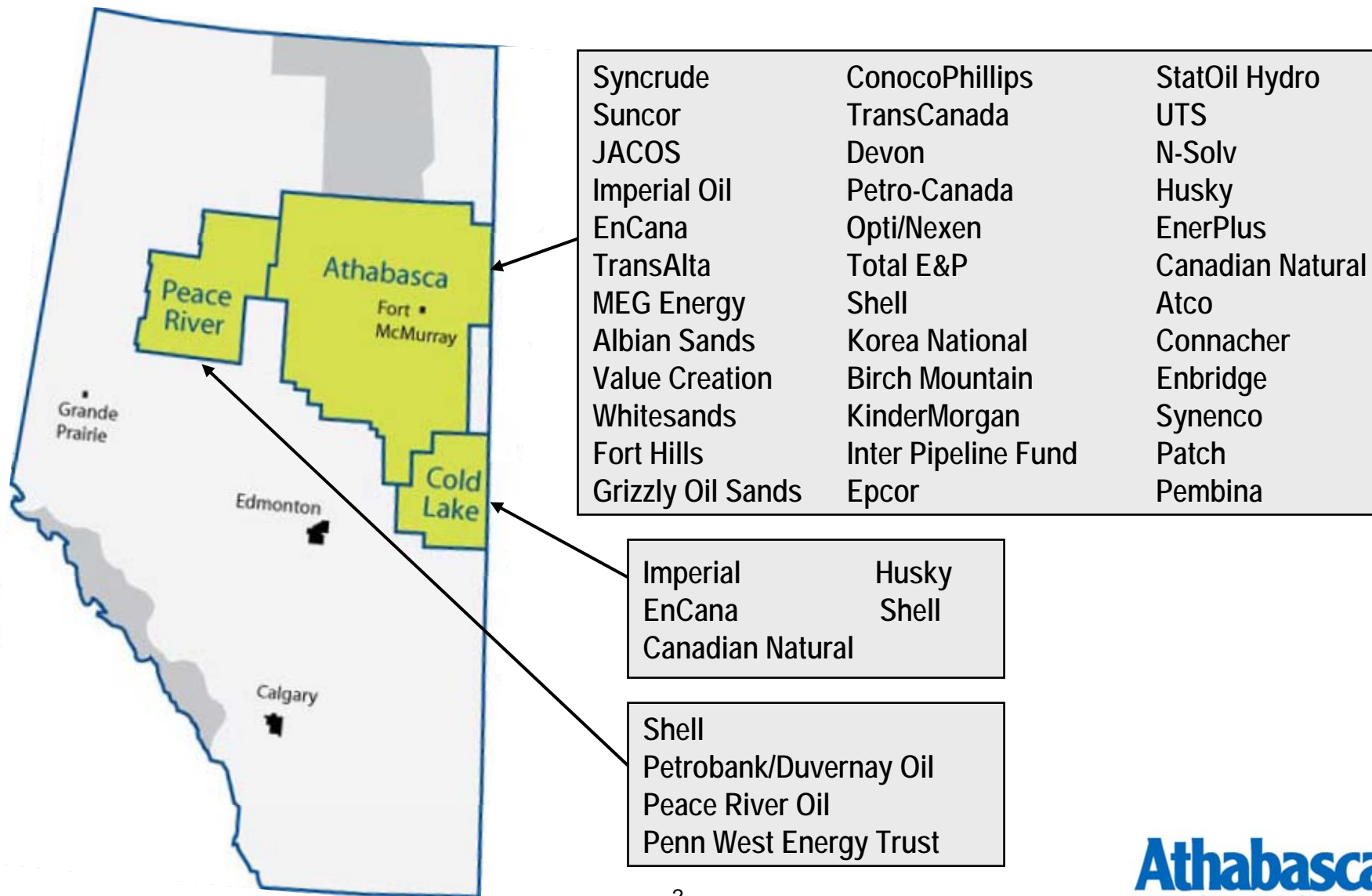
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Executive Director

Presentation to: Buyer/Seller Forum
March 26, 2008

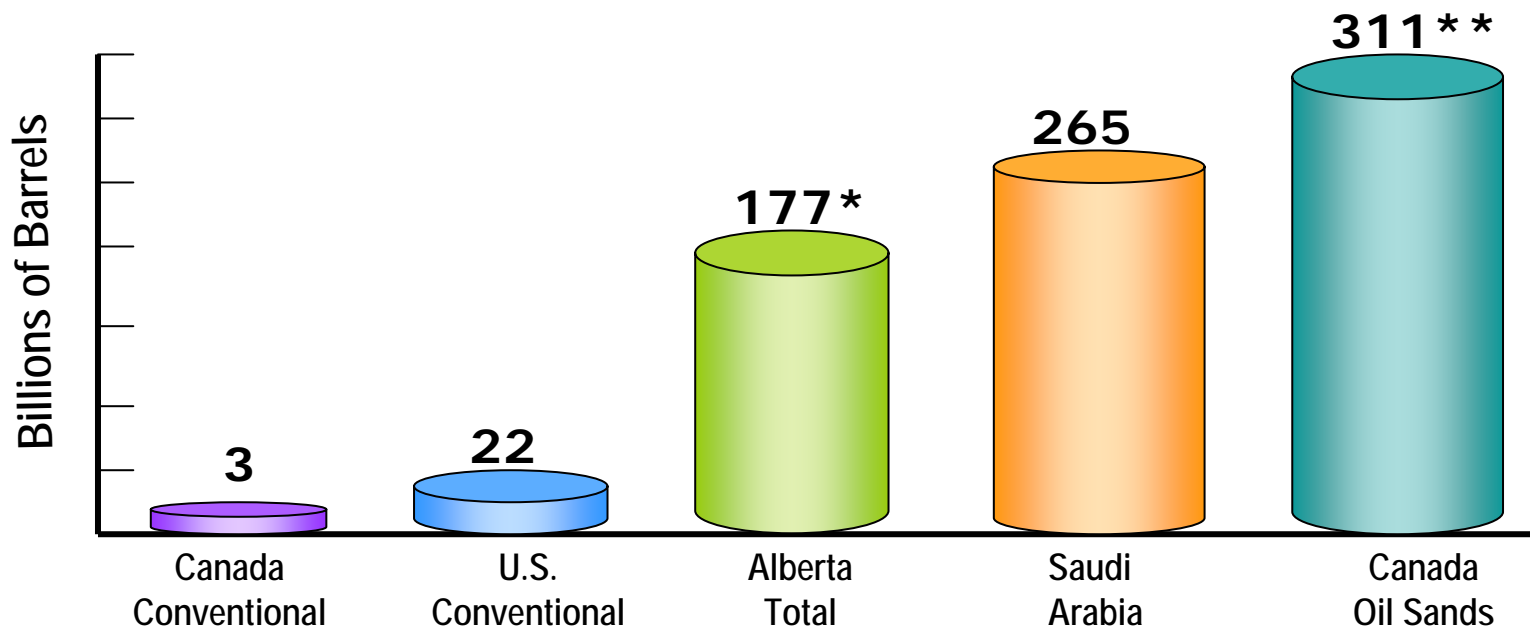


"Energizing Sustainable Communities"

Oil Sands Related Projects



Comparative Oil Reserves



1.7 Trillion Barrels estimated to be in place in Alberta's oil sands

*** 177 Billion Barrels – established reserves**

**** 311 Billion Barrels - ultimately recoverable with current technology**

RIWG Vision and Mission

Vision

“Energizing Sustainable Communities”

Mission

The Regional Issues Working Group (RIWG) is an oil sands industry association that facilitates solutions to shared development issues related to the Athabasca Oil Sands Deposit. We do this by:

- ✓ Consolidating & sharing developers' information, perspective and advice with affected stakeholders.
- ✓ Consulting with stakeholders, communities and governments in facilitating solutions to development issues.
- ✓ Collaborating with stakeholders while balancing individual and collective company responsibilities.
- ✓ Regularly communicating accurate and credible information, analysis and forecasts, obtained through survey data, to our stakeholders.
- ✓ Managing an inclusive committee process that is focused on analyzing issues, facilitating solutions, and achieving results.

RIWG Membership

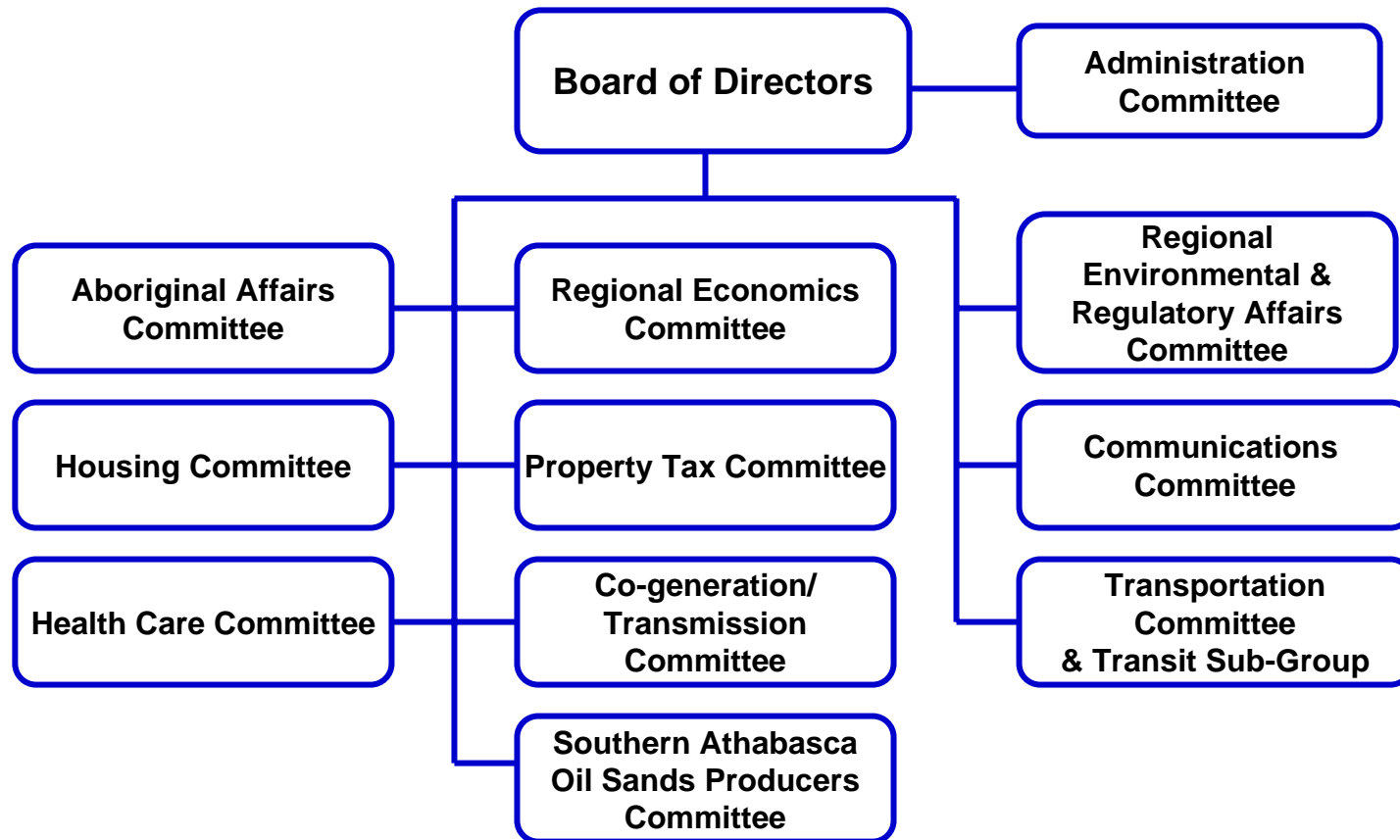
Members

- Albian Sands Energy Inc./Shell
- ATCO Electric Ltd.
- Birch Mountain Resources Ltd.
- Canadian Natural Resources Limited
- ConocoPhillips
- Devon Canada Corporation
- Enbridge Inc.
- EnCana Corporation
- Epcor Canada
- Husky Oil Operations Limited
- Imperial Oil Resources
- Japan Canada Oil Sands Limited
- Korea National Oil Corporation
- MEG Energy Corp.
- Nexen Canada Ltd.
- OPTI Canada Inc.
- Petro-Canada
- Petrobank Energy and Resources Ltd.
- Regional Municipality of Wood Buffalo
- StatOil Hydro Canada Ltd.
- Suncor Energy Inc.
- Syncrude Canada Ltd.
- Synenco Energy Inc.
- Total E&P
- TransAlta Energy Corporation
- TransCanada Pipelines Ltd.
- UTS Energy Corporation

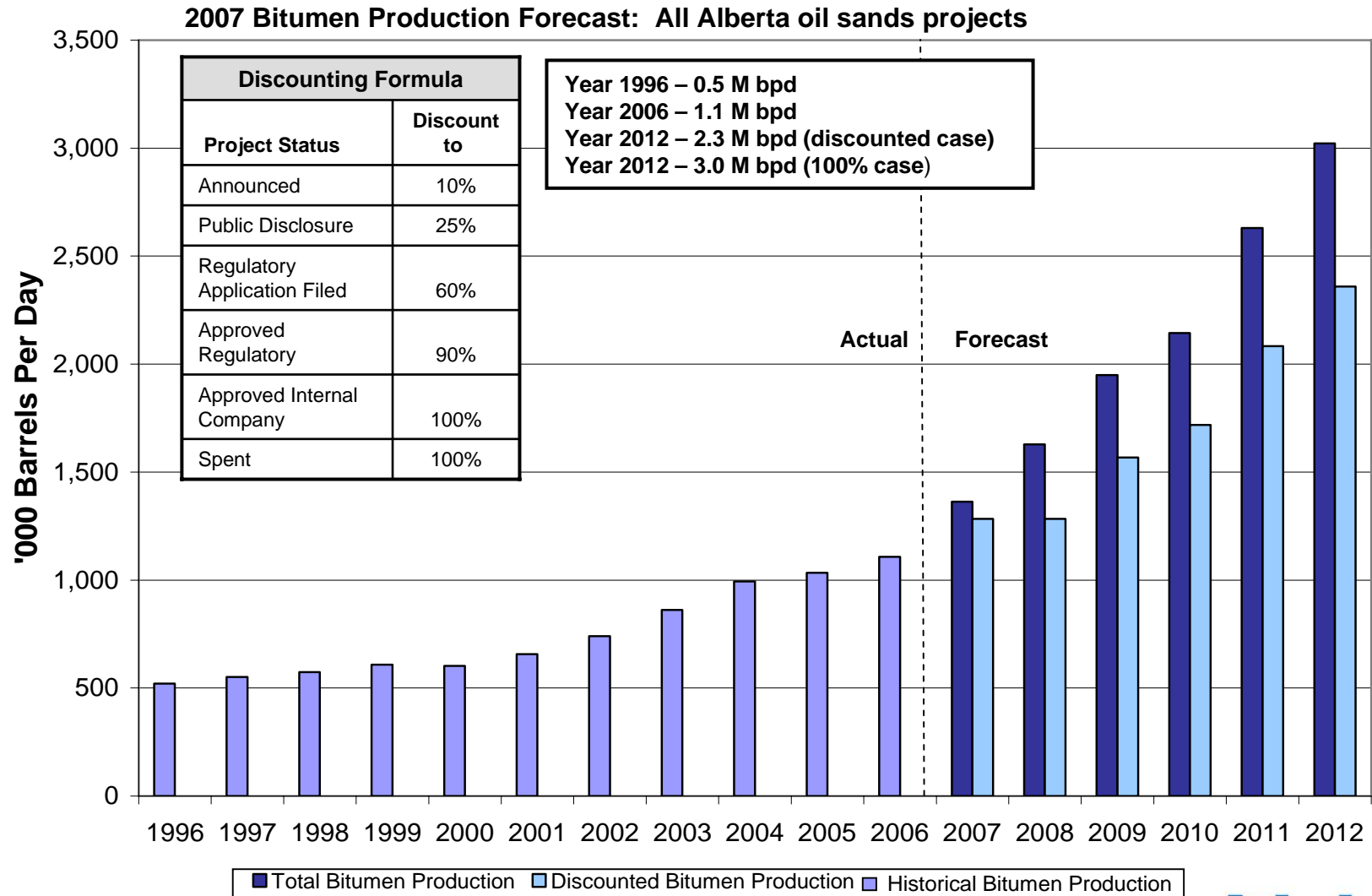
27 Members

20 Oil Sands Companies

RIWG Committees



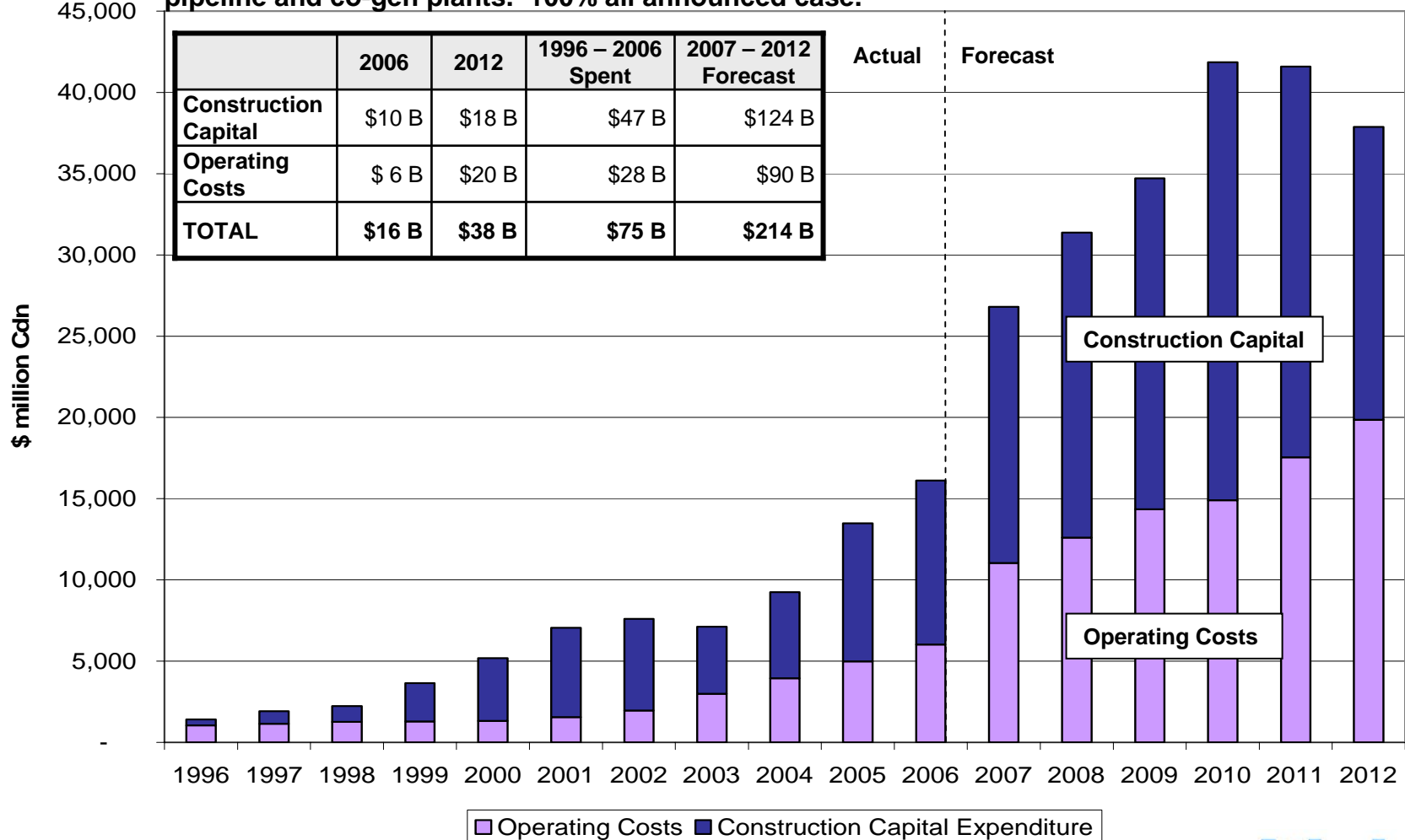
Alberta Oil Sands Production Forecast



Source: CAPP & Nichols Applied Management
 Note: Forecast period is shorter than usual due to uncertainty around impact of new royalty program.

Combined Oil Sands Industry Expenditure Forecast

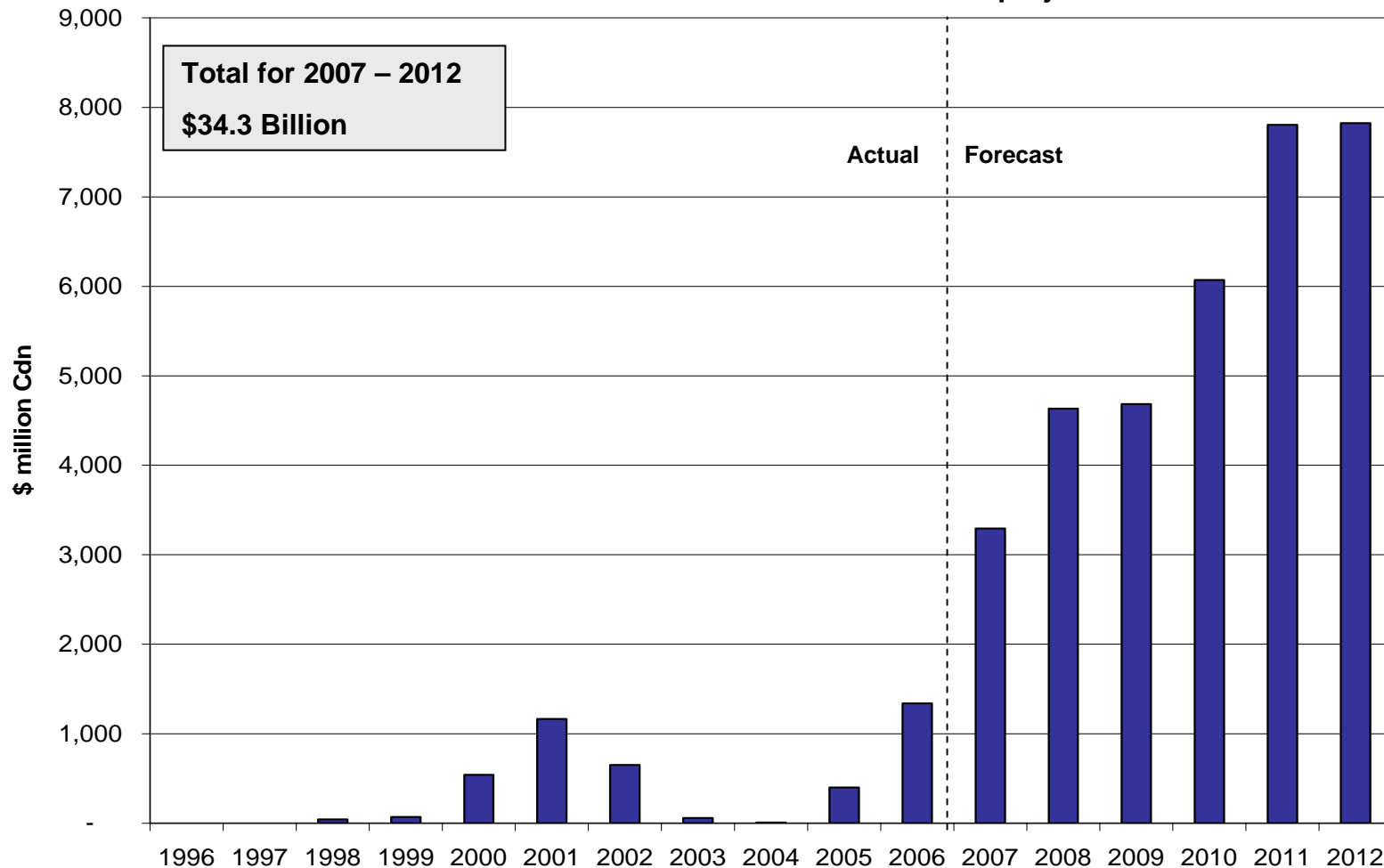
2007 Forecast: All Alberta oil sands related projects – including mines, in situ, upgraders, pipeline and co-gen plants. 100% all announced case.



Source: CAPP, Nichols Applied Management
 Note: Forecast period is shorter than usual due to uncertainty around impact of new royalty program

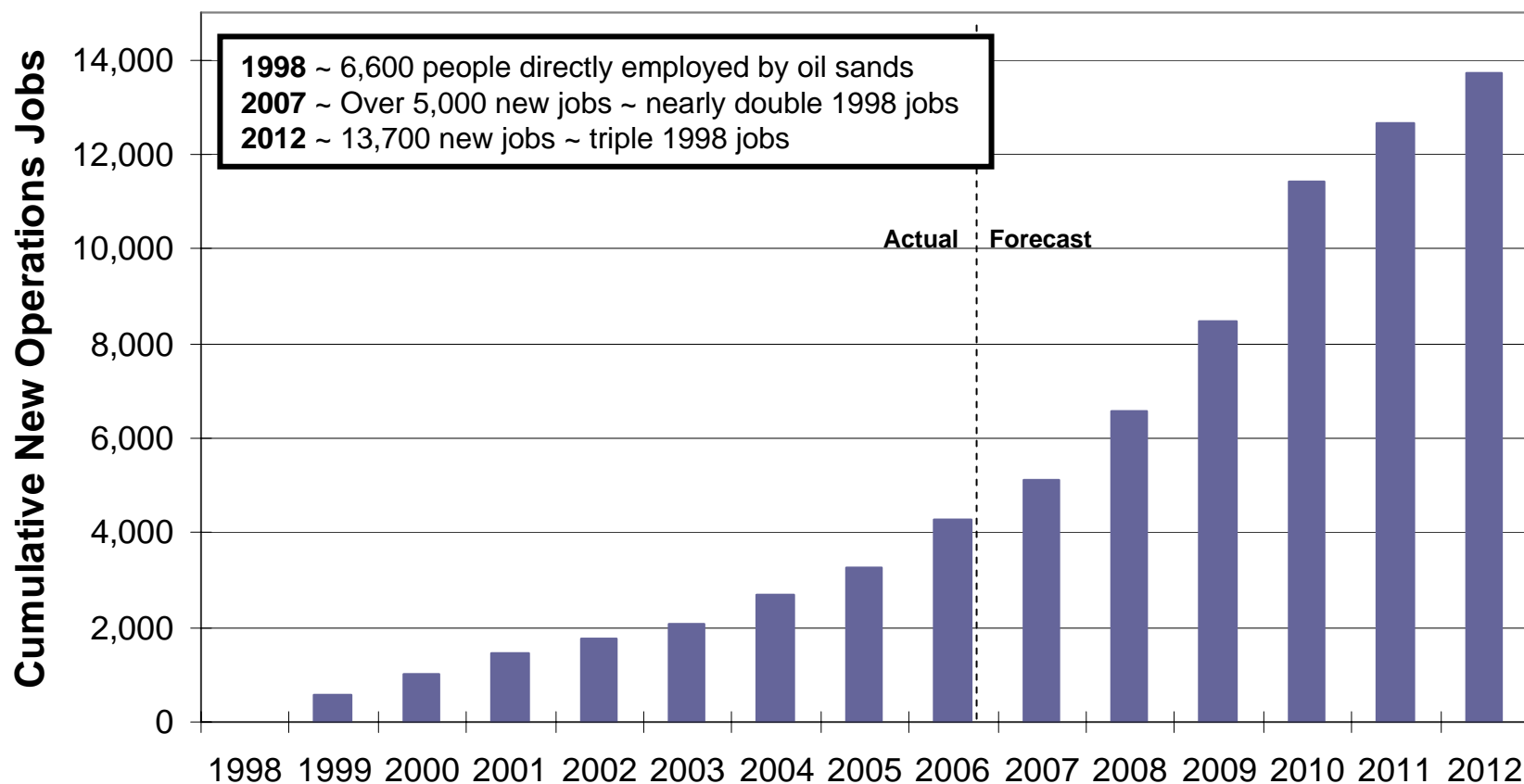
Oil Sands Related Construction Capital Expenditure Forecast for Alberta's Industrial Heartland

2007 Forecast: 100% all announced case for oil sands related projects in the Industrial Heartland.



Forecast of New Operations Jobs in the Wood Buffalo Region

2007 Forecast: Cumulative permanent operations jobs for oil sands projects located in the Wood Buffalo Region (does not include construction jobs).



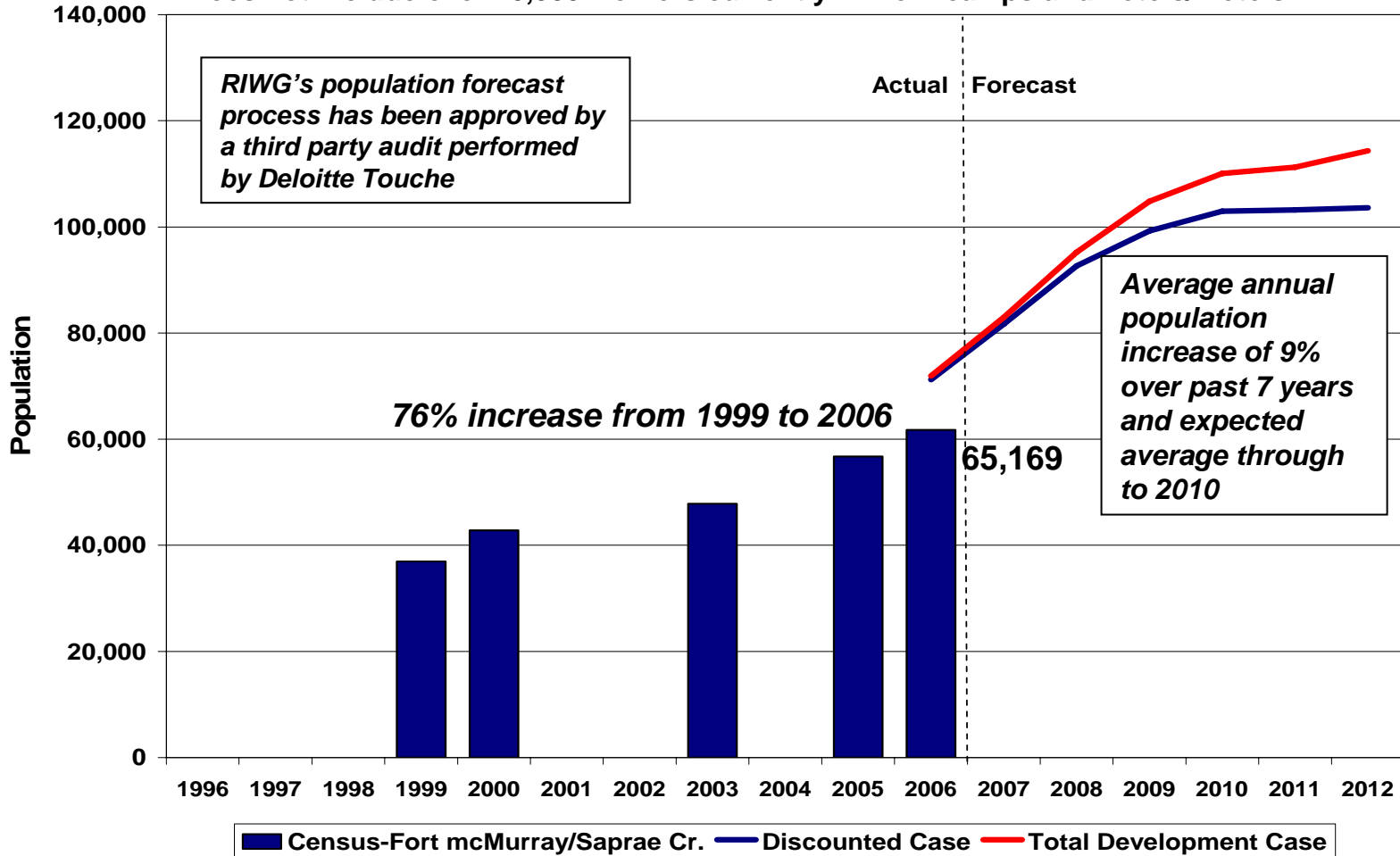
General multiplier for induced and indirect jobs – local - 3:1, national – 6:1

Source: Nichols Applied Management

Note: Forecast period is shorter than usual due to uncertainty around impact of new royalty program

Urban Population Forecast

2007 Urban Population Forecast – Fort McMurray Urban Service Area/Saprae Creek
Does not include over 20,000 workers currently in work camps and hotels/motels



The Environment

- Oil sands projects are long-term and are designed to be sustainable.
- Employees and their families work and live in areas of production.
- Alberta and the oil sands industry are leaders in monitoring, environmental standards, and ongoing research and development
- The industry works closely with the Government of Alberta and Environment Canada to establish and maintain viable frameworks for air, water and land use management.
- Extensive monitoring systems are in place for land, air, water and cumulative effects.



Working Together with Aboriginal Communities

- Value of contracts with Aboriginal Companies in 2006 - \$412 million
- Value of contracts with Aboriginal Companies 1998 - 2006 - \$2 billion
- Aboriginal employees in operations jobs in 2006 - 1,500+
- Contributions to Aboriginal communities in 2006 - \$3.7 million
- Participation in the Athabasca Tribal Council All Parties Core Agreement
- Facilitate development of Consultation & Regional Benefits Agreement



RIWG Members Invest in the Community

- \$11.5 million in donations within the RMWB in 2006 including:
 - ✓ \$2.5 million to MacDonald Island;
 - ✓ \$2.5 million to Timberlea Athletic Park
 - ✓ \$750,000 donation to MRI campaign
 - ✓ \$200,000 to Leadership Wood Buffalo
- Ongoing support for key community service organizations including:
 - ✓ United Way (Fort McMurray is *per capita* leader in Canada)
 - ✓ Keyano College
 - ✓ Northern Lights Regional Health Centre
 - ✓ YMCA of Wood Buffalo Day Care
- More than \$40 million donated over the past 10 years.



Wood Buffalo - Major Regional Challenges

- Environmental issues
- Aboriginal relations – maintain and increase opportunities
- Demand on infrastructure i.e. housing, transportation, utilities, health
- Skilled labour availability – recruitment and retention
- Escalating costs & availability of materials

Wood Buffalo - Regional Successes

- **Construction begun on new bridge across Athabasca River**
- **Funding announcements:**
 - Twinning Highway 69 jct to Highway 881 jct, two interchanges in Fort McMurray
 - New high school and school upgrades in Fort McMurray
 - Upcoming release of land for housing – Saline Cr, N. Parsons Cr.
 - More low income housing funding
 - New long-term care and child care facilities
 - Health care, policing and municipal services projects
- **Ongoing collaboration with Government of Alberta and Municipality:**
 - Municipal Affairs – Mobile Workers Study
 - AIT – Update of Transportation Priority List – 8 projects completed
 - Municipal Affairs, AIT, SRD – ongoing land release discussions
 - First Nations – Consultation Guidelines
 - Emissions standards and resource management
- **Release of *Investing in our Future* report**
 - Acknowledged that Fort McMurray is unique
 - Established the Oil Sands Sustainable Development Secretariat
 - \$816 million in funding announced

Disclaimer

This presentation contains forward-looking information on future production, project start-ups and future capital spending. Actual results could differ materially due to market conditions, changes in law or government policy, changes in operating conditions and costs, changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors.

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