



National Advisory Panel on Marine Protected Area Standards

May 8, 2018

About Noia

- Newfoundland and Labrador Oil & Gas Industries Association, founded in 1977
- Represents the supply and service sector in Canada's offshore oil & gas industry
- Largest offshore petroleum association in Canada – close to 600 member companies worldwide
- Noia core members provide products and services for the petroleum industry. Associate members represent operators, trade associations, education and government
- We believe in sustainable development, including the protection of marine habitat



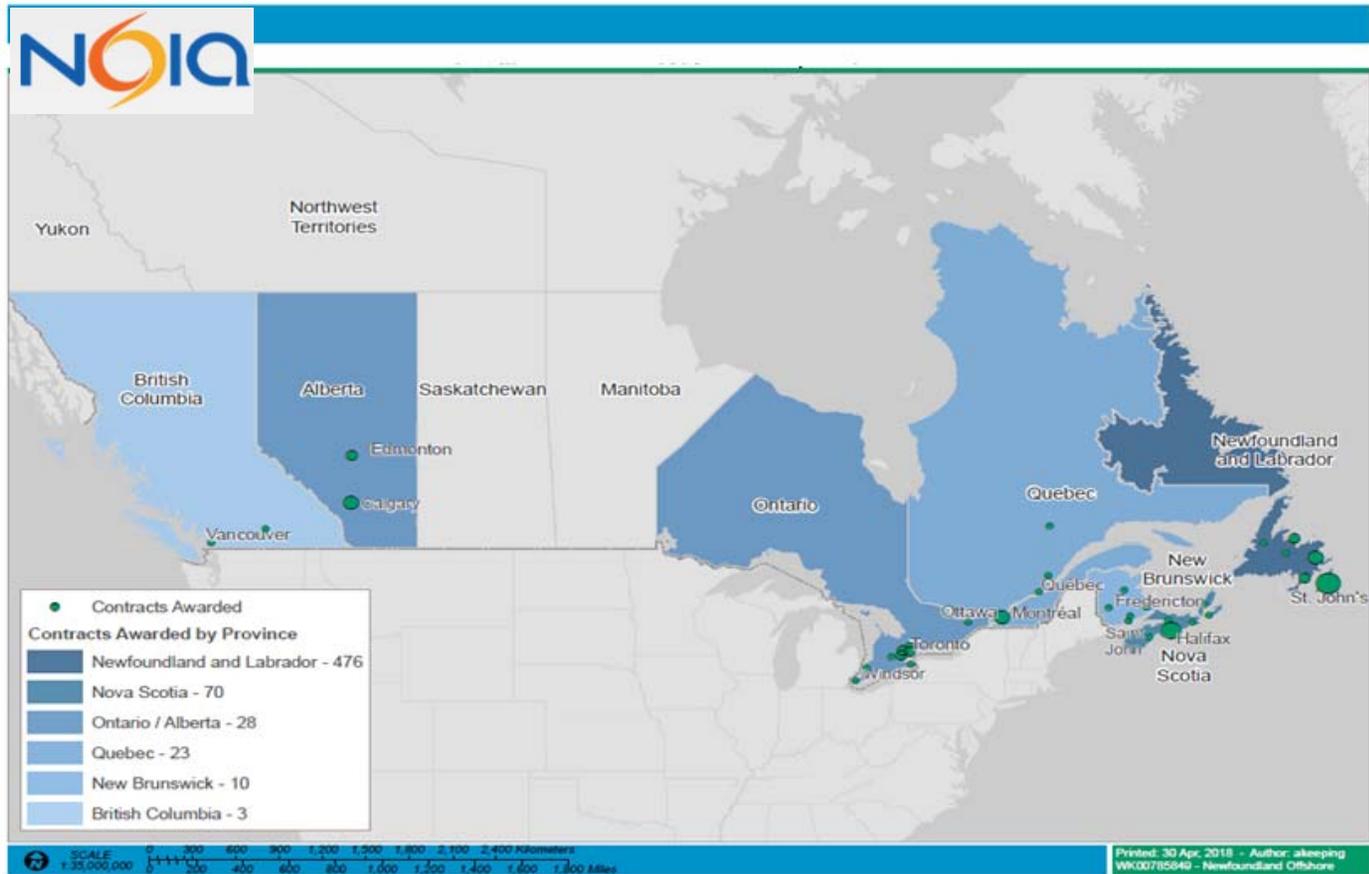
Economic Impact of Oil & Gas

Direct Impacts to Newfoundland and Labrador (2006-2014):

- GDP was on average \$10 billion per year higher because of petroleum development and production activities
- At peak generated 35.7 percent of the province's GDP
- Household income was roughly \$1.5 billion per year higher representing 7.7 percent of all provincial household income
- Unemployment rate was 2.1 percentage points lower as a result

Economic Impact of Oil & Gas

- Over \$20 billion in provincial royalties to date
- \$120 billion contribution to revenue
- These benefits come from just one basin – Jeanne d'Arc
 - Which is only about 2% of the entire offshore
- The Northeast Newfoundland Slope is one of the most prospective offshore areas in the world



Process Timeline

- Strategic Environmental Assessment was concluded for the Eastern Newfoundland Region in 2014. This updated an SEA which occurred in 2003
- Scope of the SEA was established by the federal and provincial governments and respective agencies
- Eastern Newfoundland Region was then included in the C-NLOPB schedule for land tenure

Above Ground Risk

- Uncertainty exists which makes our offshore industry less attractive to investment, especially when compared to other jurisdictions
- In reference to the Northeast Newfoundland Slope, the following was stated in a House Committee:
 - “The area is closed to fishing, but we are not counting the entire area as contributing to our targets.”
 - Jeff MacDonald, Director General, Oceans and Fisheries Policy, DFO

Collaboration

- Oil & gas activities and marine conservation have proven to be compatible for over 20 years
- One Ocean partnership allows communication & information sharing between fisheries and oil & gas industries
 - Is a model for jurisdictions worldwide
- Fisheries Liaison Officers work with both industries to monitor such things as seismic activity

Industry Stewardship

- Most recent EIS submissions include provisions to survey coral & other sensitive species
- For example, in some cases ROV surveys resulted in moving anchors to avoid coral
- All operators conduct Environmental Effects Monitoring
- Norway & UK have conducted considerable research focused on cold water corals & have published guidelines for international best practices
 - Canadian operators have indicated they will incorporate these guidelines

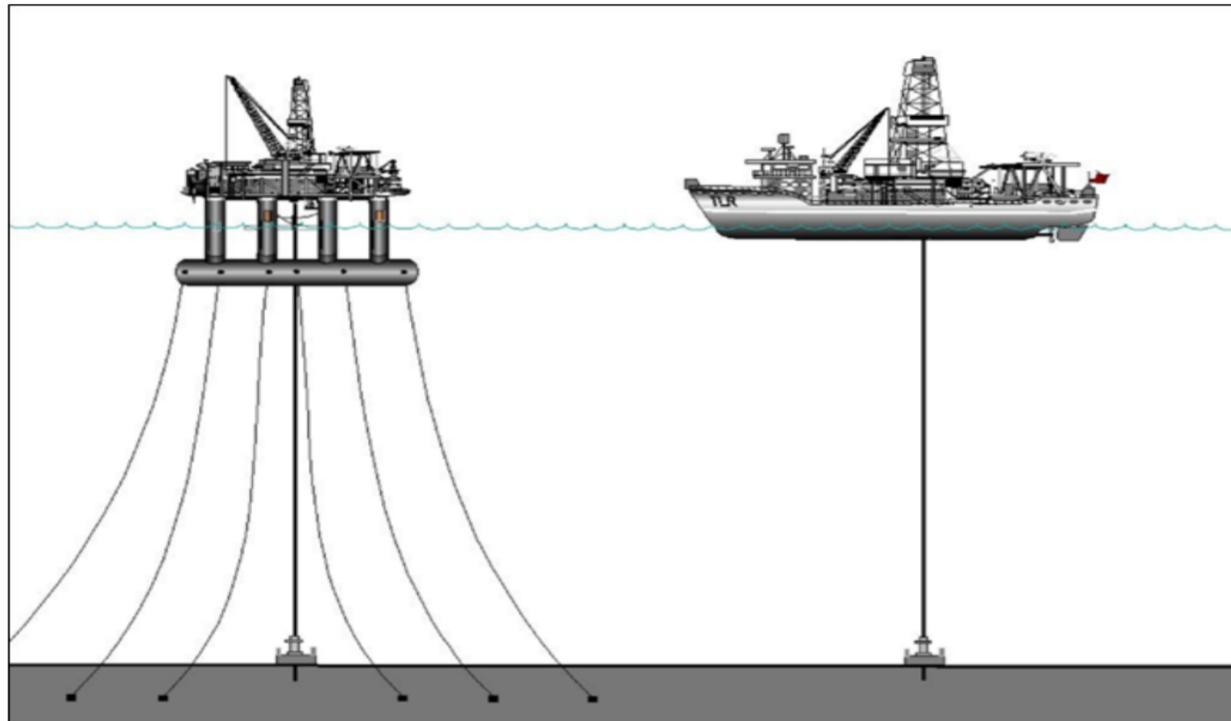
Industry Stewardship

- Suncor conducted the first long-term study related to environmental effects of offshore development and drilling
- The 10-year study of the Terra Nova project demonstrated that biological effects of development drilling were limited
- Further, the study provided evidence of decreases in sediment contamination and recovery for benthos upon reduction of drilling

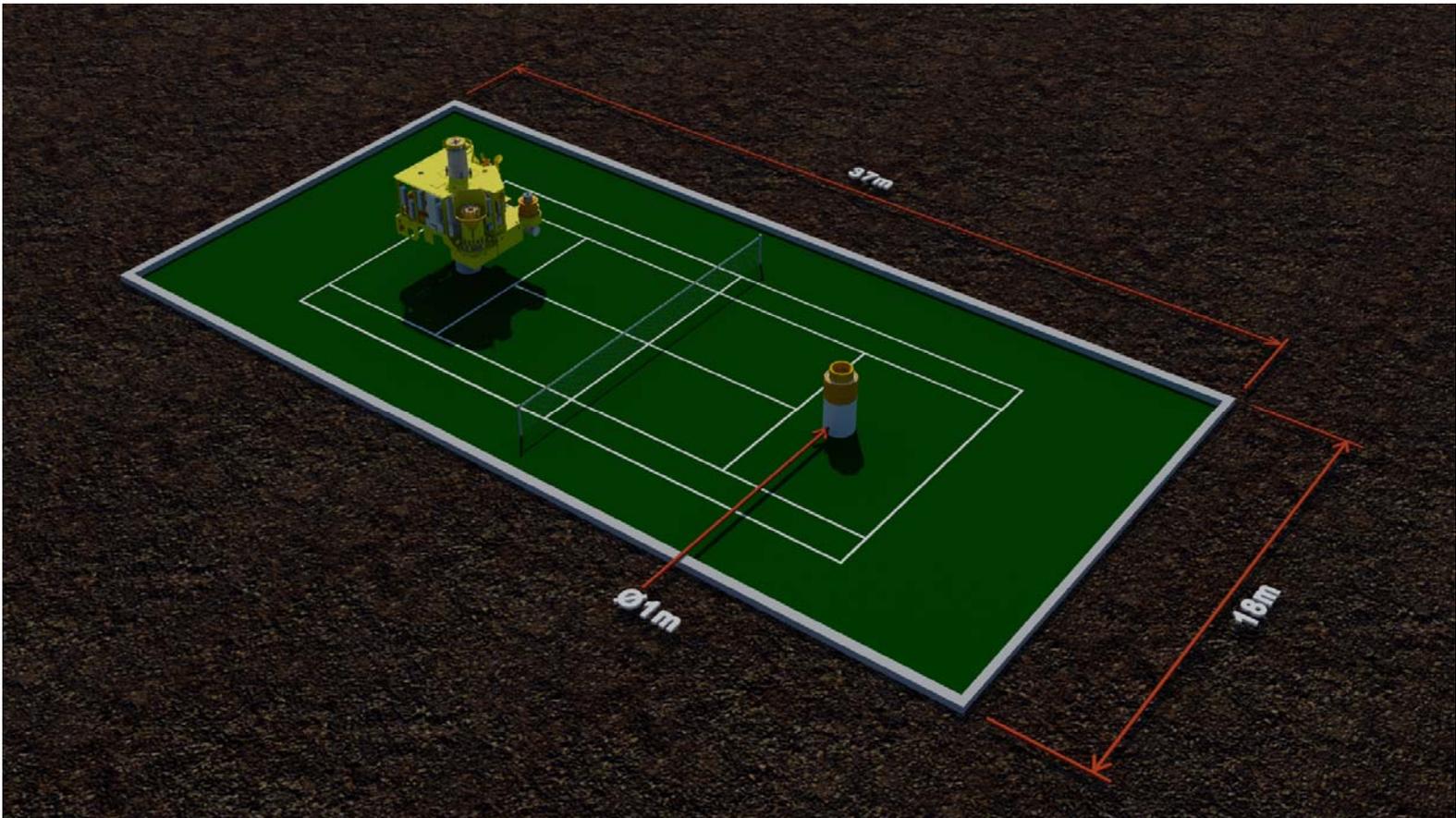
Result of Industry Stewardship & Collaboration

- According to DFO, there is no evidence of harmful effects due to oil and gas activity
- DFO has never issued a Fisheries Act Authorization
- Our industries are compatible

Offshore Footprint



Offshore Footprint



Summary

- NOIA is supportive of Canada's international obligations
- Decisions regarding offshore activity must consider environmental, economic & social impacts
- Measures must be undertaken collaboratively
- There are areas which can be included that have limited oil and gas potential but significant biological and ecological marine habitat
- There must be clarity so that momentum can be sustained
- Stringent regulations & mitigation measures are in place
- Our members support environmentally sustainable development based upon evidence and a scientific approach

Minister Carr

“I look forward to the call for bids announcement...This work is important in supporting the offshore industry, and to further economic prosperity for the people of Newfoundland and Labrador, and all Canadians.”

-March 28, 2018 Letter Approving Call for Bids

“The Canada-Newfoundland and Labrador offshore area remains one of the most attractive jurisdictions globally for oil and gas development. I look forward to continued collaboration with our joint management partners to realize the full potential of our offshore resources and to ensure they can be developed safely and responsibly.”

-April 30, 2018 News Release

