



National Advisory Panel on MPA Standards

Government of Newfoundland and Labrador
Department of Natural Resources
May 8, 2018

Offshore Industry Economic Impact

1.7 Billion

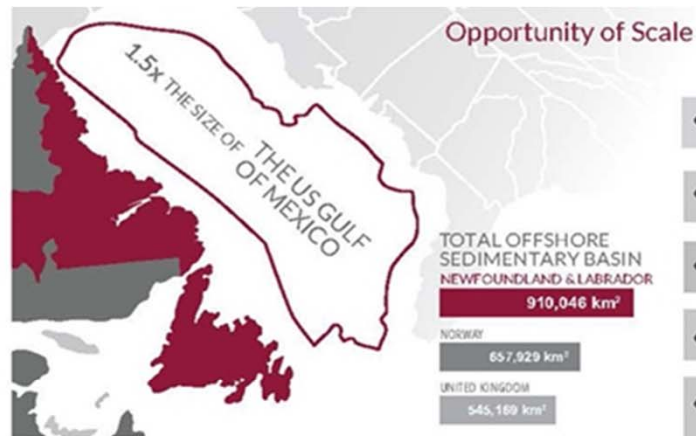
Barrels of oil produced since 1997



Producing 25% of Canada's conventional light crude

- **\$56.1 billion** in industry expenditures on exploration, development and operations from 1966 to 2016
- **25% of provincial GDP and 41% of exports** over the past 20 years
- **5251 people employed** in 4 offshore projects (operations and construction) as of December 2017 (85% NL residents)
- **\$19.8 billion in provincial royalties** as of March 31, 2017
- **\$506 million spent on R&D/E&T** since April 1, 2004

Oil & Gas Reserves & Resources



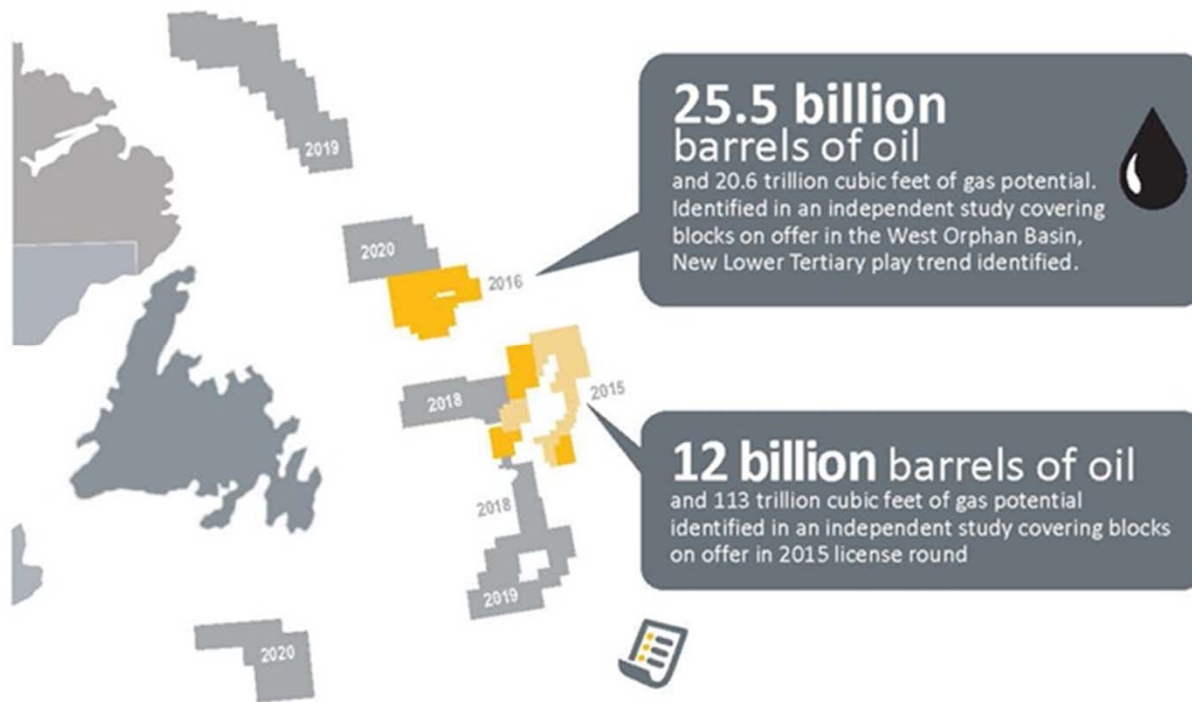
- Over **650** leads and prospects
- Less than **7 per cent** licensed
- More than **20** basins mapped
- **7** new entrants in the past **2** years
- **\$2.6** billion in recent exploration work commitments



OUR ONGOING
SEISMIC
PROGRAM IS
ONE OF THE
LARGEST
IN THE WORLD

OVER **170,000** LINE KM
OF NEW 2-D MULTI-CLIENT DATA
ACQUIRED AS OF THE END OF 2017

Potential Prospectivity



Advance 2030

The Way Forward — on oil and gas



ADVANCE 2030
A Plan for Growth in the
Newfoundland and Labrador Oil and Gas Industry

By 2030 we envision,

- Over 100 new exploration wells drilled;
- Multiple basins producing over 650,000 barrels of oil equivalent per day;
- Shortened time from prospectivity to production;
- Direct employment of more than 7,500 people in operations;
- A robust, innovative global supply and service sector;
- Commercial gas production; and
- Renewables and oil and gas integrated in a world-class energy cluster

Government of Canada

The Government of Canada is supportive of Advance 2030.

“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.”

Jim Carr, Minister of Natural Resources, Government of Canada

Offshore Decision Process

- Authorizations/Approvals – before any work or activity respecting petroleum operations
- Land Rights Issuance Process – issuance and administration of petroleum exploration and production rights
 - Scheduled Land Tenure – recently announced Marine Refuges overlie offshore parcels in the 2015, 2016, 2018 and 2020 licencing rounds
 - Call for Bids – subject to Fundamental Decision
 - Exploration Licence/Significant Discovery Licence/Production Licence
- Fundamental Decisions – offshore exploration and development approvals sanctioned by both the Federal and Provincial Ministers.
 - Federal Govt: March 28, 2018

Responsible Development

- Environmental approval process - from seismic surveys to production projects – involves various federal and provincial government departments and agencies; non-governmental organizations; and Indigenous groups
 - Strategic Environmental Assessments
 - Project-based Environmental Assessments
 - Environmental Effects Monitoring
 - Regional Assessments (proposed under Impact Assessment Act)
- In 30 years of development, no significant lasting harmful environmental effects in our offshore area
- The decision-making process around marine conservation initiatives must be timely, predictable, collaborative and evidence-based

Conclusion

- The joint management principle of the Atlantic Accord and the regulatory authority of the C-NLOPB must be respected
- Marine Refuges – the Fundamental Decision for areas designated in Call for Bids has been made and are proceeding
- Marine Conservation Targets – NL has ~22% of formally protected marine areas in Canada
- Government of Newfoundland and Labrador committed to responsible development of our offshore



Thank you