



Canada Industry Perception of Energy Markets

2011 – 2012 Legislative Energy Horizon Institute
Portland, Oregon

Agenda

- 1) Gas Supply to 2020
- 2) Cost of Gas
- 3) Transportation of Gas
- 4) LNG Exports & GHG
- 5) Gas Demand to 2020

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The value of natural gas is now worth less than oil; thus, Western Canada drilling activity has shifted to oil. Coupled with advances in horizontal drilling activity, and multi-stage fracs, explorers have opened up the Horn River Shale Gas and Montney Tight Gas. However, the strong decline of conventional gas is not being offset. Full cycle cost of new gas in Western Canada is greater than the actual price obtained. Further, when contrasting Canadian gas across North America, on average Canadian gas is more expensive. The lack of supply growth implies adequate gas pipeline capacity and this capacity will be adequate to transport the Mackenzie Delta and Alaska. Opportunities for gas exports to Asia and benchmarking greenhouse gas emissions are issues to consider. Finally, gas demand is being driven in Canada by growth of the Oil Sands and gas for power generation.



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Mr. Ziff founded Ziff Energy Group in 1982 and co-led the international expansion of Ziff Energy Group, which is now active in 3 dozen countries. He conceptualized the theme of 'World Asset Types'. Mr. Ziff has three decades of assessment experience for the oil and natural gas industry. A specialist on natural gas industry strategies and upstream corporate performance, Mr. Ziff conceived and directed a wide range of benchmarking studies and consulting projects in upstream corporate performance. Prior, he directed energy research for a major investment firm, gas pricing analysis for a key Alberta government agency, and energy lending analysis for a major bank. Mr. Ziff is an honors graduate of Harvard University, and attended the Université de Paris (Sorbonne) and the Institut d'Études Politiques.