

Future and Challenges of Offshore Energy Development in BC

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Ocean Industries BC

- POEA merged with PCOOGA (Oct 2004)
- Mission –
“Responsible development of offshore projects with an immediate focus on ENERGY, both O&G and Renewables”
- Registered Non Profit Association
- Membership includes businesses, communities, individuals, Coast-wide

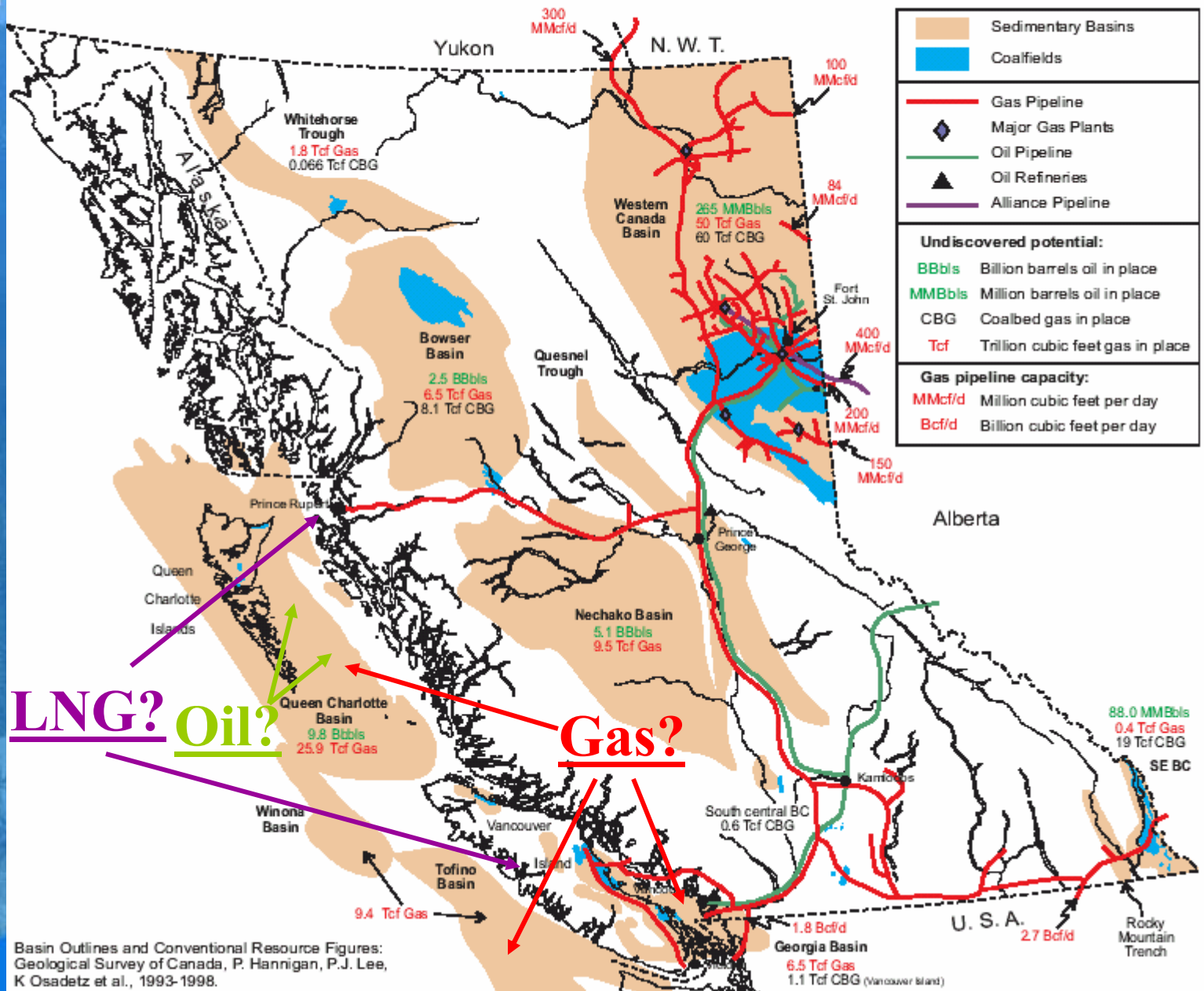
Vision 2030

- **Huge North American electrical power market**
- **Insatiable North American demand for gas and oil**
 - **Gas fired power generators**
 - **Transportation fuel**
 - **Pharmaceuticals and chemical products**
- **BC has rich resource endowment**
- **Exciting Opportunity for Coastal BC**
 - **Investment**
 - **Jobs**
 - **Revenues**

Vision 2030 BC Projects

- **Offshore Oil Production & Onshore Processing**
 - ✓ 2 fields (QCB) 300 Kbpd
- **Offshore Gas Production & Onshore Processing**
 - ✓ 3 fields (QCB, GB, TB) 1 bcfd
- **LNG Terminals**
 - ✓ 2 plants (Van Island & North Coast) 1.5 bcfd
- **Gas Distribution**
 - ✓ Expand existing capacity (2 bcfd)
- **Wind-Wave-Tidal**
 - ✓ 8 GW supplementing onshore hydro at capacity

Pipelines, Facilities and Sedimentary Basins of British Columbia



Basin Outlines and Conventional Resource Figures:
Geological Survey of Canada, P. Hannigan, P.J. Lee,
K Osadetz et al., 1993-1998.

Where Are We Now? What We Don't Know?

- Do these HCs exist in commercial accumulations?
- Where are they located?
- Is there oil or gas or both?
- What environmental protection precautions?
- Who owns the resources?
- How should we regulate their extraction?
- How should the resources be extracted?
- How will benefits be distributed?
- What are the proven wave, tide, current extraction technologies?
- What is history of cost competitive wind energy?
- We don't have public awareness or govt stimulus?

Obstacles to Progress

■ Market?

- ✓ Demand will remain strong
- ✓ Cheap displacement supplies are unlikely

■ Community Support?

- ✓ Delays and approval uncertainty likely

■ Technology?

- ✓ HC discovery & extraction technologies not issue
- ✓ Delays developing commercial scale renewable tech

■ Lack of Capital?

- ✓ None once rules & regs in place BUT issue for renewables

■ Environmental & Cultural Impacts?

- ✓ Stakeholders must work together in agreed framework

Removing the Obstacles to Offshore Energy

- **Create an attractive investment climate**
 - put in place Rules & Regulations
 - Govt stimulus to encourage renewables
- **Create a public awareness with respectful dialogue describing**
 - the benefits to all
 - safe conduct of developers & technology
 - consequences of not proceeding

Government needs to recognise this is a new industry for BC with potential for huge positive impact.

Government needs to display strong and insightful leadership

Benefits To The West Coast From An Offshore Industry

- Security of energy supply
- Cost effective energy derived products
- Job training & creation

Benefits to ALL Canadians
And particularly
British Columbians



- Attractive investment climate
- Business opportunity stimulus
- Increased revenues from taxes and royalties

Conclusions



- British Columbia is a wonderful place to work, live, raise a family - and fulfill your dreams, and...

Thank You
On behalf of
Ocean Industries BC

www.oceanindustriesbc.ca

Our BC Vision 2030 is not dissimilar to what has happened on Canada's East Coast since Hibernia was discovered 25 years ago.

Let's make it happen here!