



B.C. NATURAL GAS & OIL ROYALTY REVIEW

COALITION BUILDING CAMPAIGN

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OVERVIEW

The B.C. government has initiated a comprehensive royalty review for oil and natural gas to fulfill a 2020 platform commitment:

MANDATE LETTER TO THE B.C. MINISTER OF ENERGY, MINES, AND LOW CARBON INNOVATION:

Undertake a review of oil and gas royalty credits to ensure they meet B.C.'s goals for **economic development, a fair return on our resources and environmental protection.**



NATURAL GAS AND LNG: FUELLING BC'S GROWTH

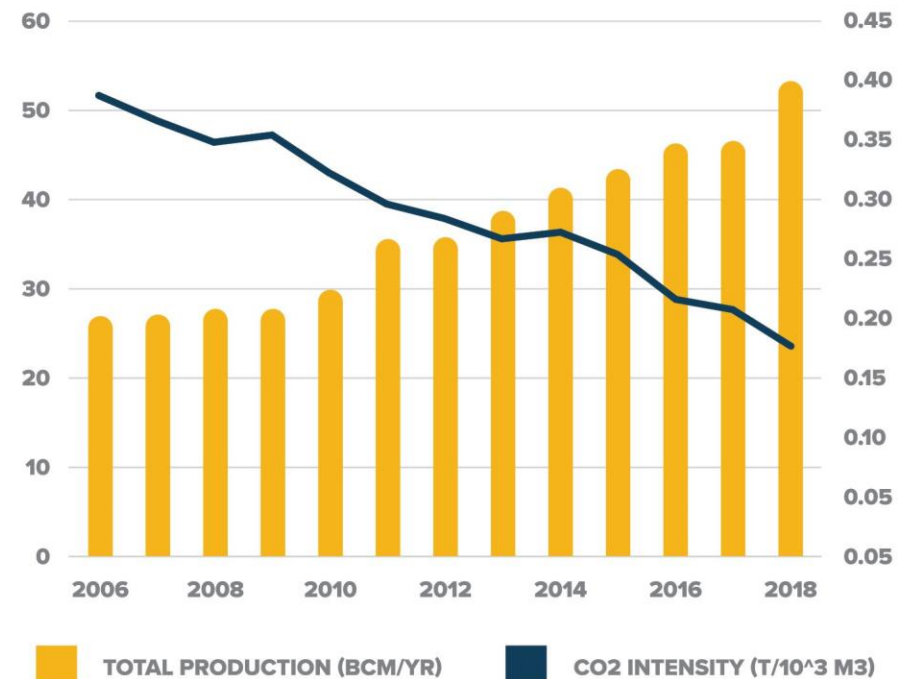


BC's environmental leadership and competitive royalty regime has helped **double natural gas production while absolute emissions have remained flat.**



Natural gas royalties are expected to **increase 49.7% in 2021/22**, mainly due to higher natural gas prices.

NATURAL GAS PRODUCTION AND EMISSIONS, BC



SOURCE: BC OIL AND GAS ROYALTY PROGRAMS, 2020 PERFORMANCE MEASURES, BC MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

MORE
PRODUCTION =
MORE JOBS



EMPLOYMENT
IN BRITISH COLUMBIA'S NATURAL
GAS AND OIL EXTRACTION HAS
MORE THAN **TRIPLED**
SINCE 2001



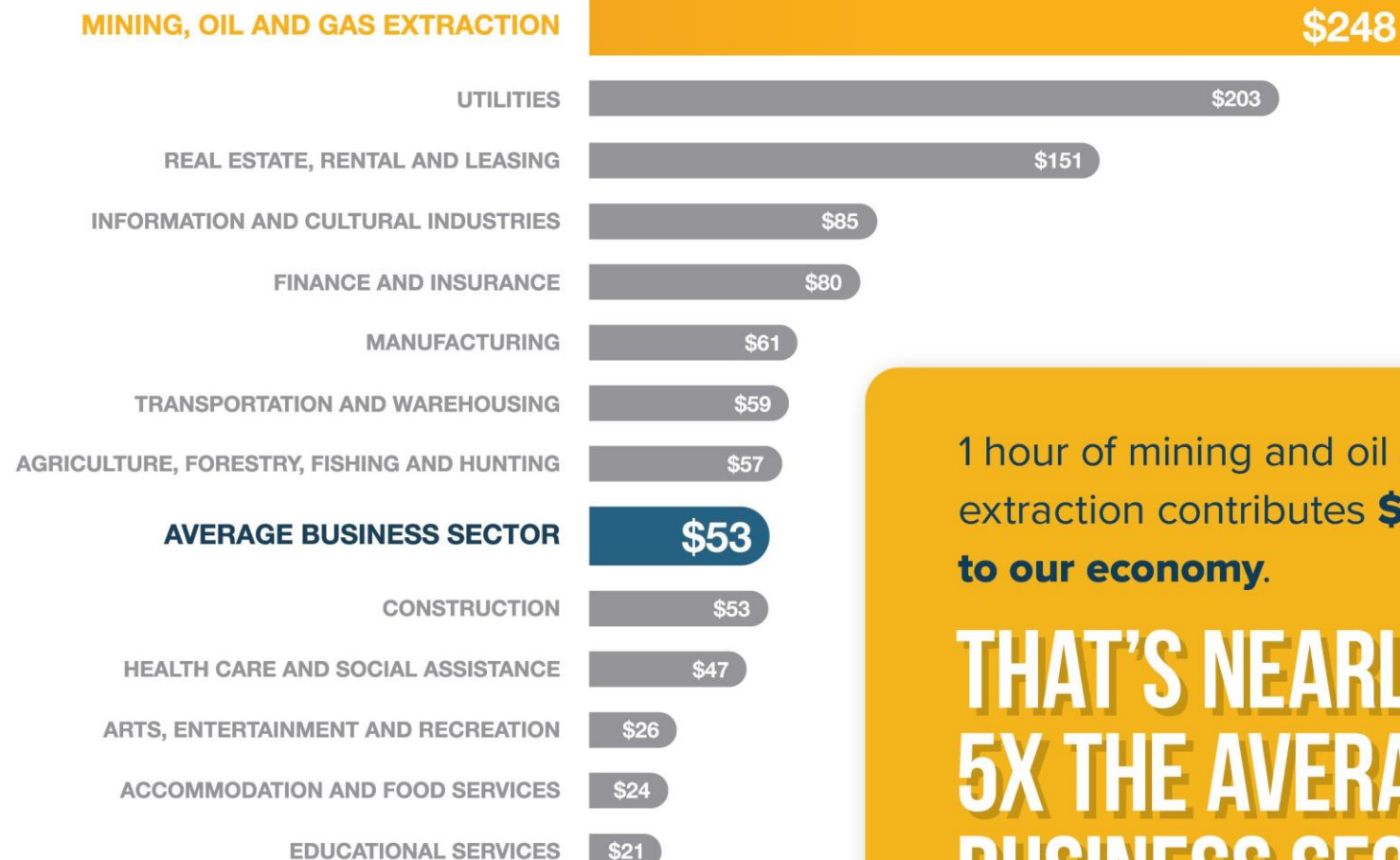
“ Natural resource-based industries account for more than half of Canada's economic base. These industries tend to pay **higher-than-average wages** and generate **higher-than-average direct government revenue** per employee.

DON WRIGHT, FORMER DEPUTY MINISTER TO THE PREMIER OF BC

SOURCE: BC OIL AND GAS ROYALTY PROGRAMS, 2020 PERFORMANCE MEASURES, BC MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

NATURAL RESOURCES PAY BC'S BILLS

LABOUR PRODUCTIVITY
BY BUSINESS SECTOR
IN BC



1 hour of mining and oil & gas extraction contributes **\$248** to our economy.

**THAT'S NEARLY
5X THE AVERAGE
BUSINESS SECTOR!**

Source: Business Council of British Columbia, Which private sector industries "pay the bills" for British Columbia?, July 2020

LNG: A GENERATIONAL OPPORTUNITY WE CAN'T MISS OUT ON



Between 2020 and 2064,
more than \$92 billion in revenue
could be generated for provinces and
territories in Canada from LNG.

**WITH NEARLY \$78 BILLION
GOING TO BRITISH COLUMBIA.**

SOURCE: A RISING TIDE: THE ECONOMIC IMPACT OF B.C.'S
LIQUIFIED NATURAL GAS INDUSTRY, JULY 2020



LNG will create more than
71,000 jobs in British Columbia



With over
**\$2 billion in annual tax
and royalty payments,**
LNG is expected to be the largest
revenue generating industries for BC.

CANADA'S LNG IS THE SOLUTION



BC's oil and natural gas industry is leading from the front with some of **highest environmental and regulatory standards in the world.**



Canada is the only top 10 oil and natural gas producer with a national carbon tax and methane reduction target.



Since 2003, the upstream oil and natural gas industry has **generated \$24 billion** in provincial government revenues and has **invested \$90 billion** in B.C.'s resource development.



LNG represents the largest opportunity in Canada to drive **economic development and displace higher GHG intensive sources of energy globally.**

BC: NATURAL RESOURCES & ENVIRONMENTAL LEADERSHIP



BC is developing among the **most environmentally and socially responsible** natural gas in the world



Using hydroelectricity in northeastern BC can **significantly lower emissions** for production of liquefied natural gas



From 2011 – 2019, **emissions intensity declined 33%** while natural gas production doubled.

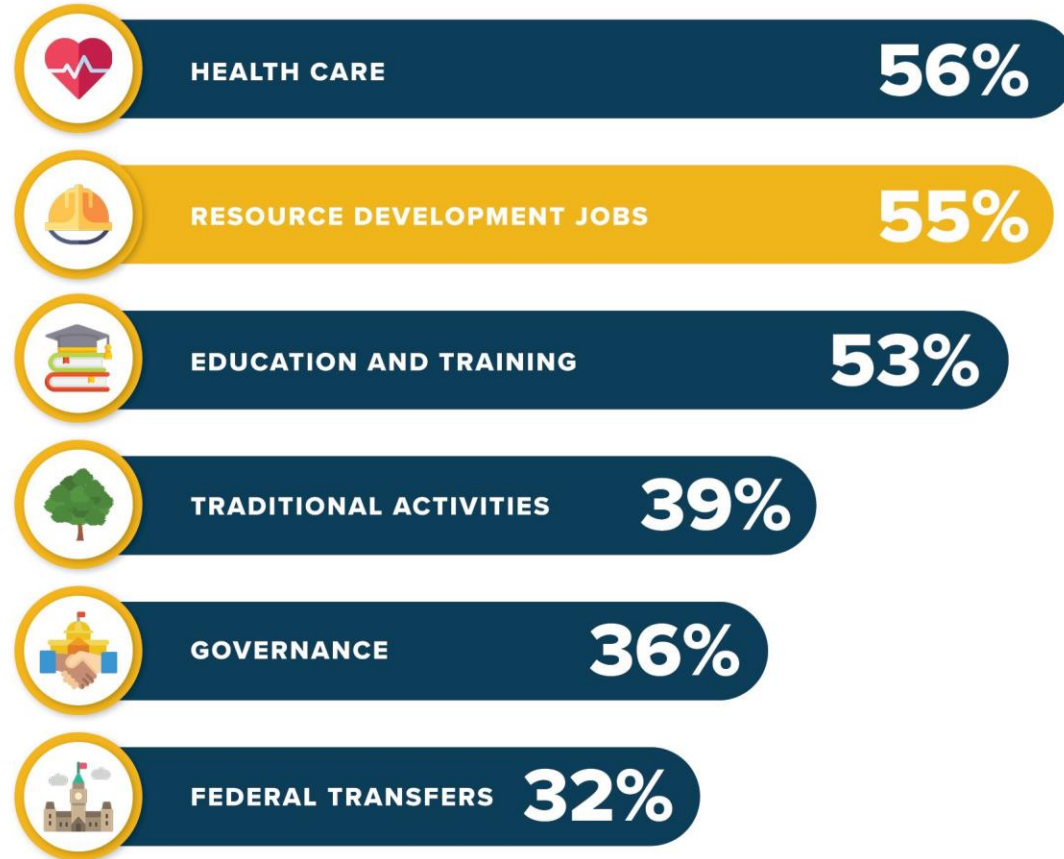


BC has the most **stringent carbon pricing** of any natural gas producer in the world - U.S. oil & gas states have none.

DID YOU KNOW?

RESOURCE DEVELOPMENT IS ONE OF THE HIGHEST PRIORITIES FOR INDIGENOUS COMMUNITIES

“URGENT” PRIORITIES



SOURCE: ENVIRONICS POLL: PHONE INTERVIEWS WITH 549 SELF-IDENTIFIED FIRST NATIONS, INUIT OR MÉTIS IN RURAL AREAS OR ON A RESERVE (URBAN CENTRES NOT INCLUDED), MARCH 25 - APRIL 16, 2021. MOE: +/- 4.2%, 19/20.

OUR ASK



Maintain BC's competitiveness to create jobs here at home



Support the BC Low-Carbon advantage



Identify feasible ways to share economic opportunities, while continuing to grow relationships based on trust and respect



Keep producing affordable energy and economic growth for BC

THE RISKS



Opponents of natural resource development are campaigning now

They want to make natural gas production **uncompetitive, and impact** the future of BC LNG facilities



Increased uncertainty could lead to reduced competitiveness and private investment



Which will lead to less jobs and less growth

NATURAL GAS DEVELOPMENT SUPPORTS OUR LOCAL COMMUNITIES



Natural gas development
injects **millions into local
businesses and
supply chains**



Small businesses that
benefit **give back to our
communities**, keeping
more dollars in BC



More jobs created
**locally supports the local
economy**, leading to
further prosperity

**MOVING THE GOALPOSTS ON RESOURCE DEVELOPMENT COULD THREATEN
THE PROSPERITY OF OUR LOCAL COMMUNITIES**