

Statement by Minister Oliver  
International Energy Forum Session 1, *Meeting Future Energy Demand:  
Planning and Investment for the Long-Term.*  
Tuesday, March 13, 2012, Kuwait City, Kuwait

Thank you, Your Highness, Excellencies and Heads of Delegation, and good evening everyone.

I welcome the opportunity to share with you our views on the contribution of Canadian oil and gas & uranium to global energy security and to meeting future energy demand.

**Répondre à la demande future en énergie : Planification et investissement à long terme**

***Répondre à la demande future***

Le sujet abordé par notre comité est d'actualité : selon l'Agence internationale de l'énergie (AIE), les sources d'énergie traditionnelles – le pétrole et le gaz – continueront de soutenir les économies nationales dans un avenir rapproché.

The IEA estimates that in 25 years, about three quarters of global energy demand will still be met by fossil fuels.

The IEA further projects that a growing share of oil output -- 10 million barrels per day -- will come from unconventional sources, like Canada's oil sands.

It also projects that, global natural gas trade could double – once again it will be unconventional sources such as shale gas helping spur this growth.

To ensure we meet global energy needs of the future, the world will require energy systems that are secure and reliable. This means:

- efficient markets
- significant new investments, and
- infrastructure to move that energy to the markets that need it.

### ***Canada is ready***

In this world of growing energy demand, Canada's prospects are solid and long term.

- Canada holds the world's third largest proven oil reserves, at 174 billion barrels and our recoverable natural gas resources are estimated between 700 and 1,300 trillion cubic feet (124 billion to 231 barrels of oil equivalent ). We are also the world's second largest producer of uranium.
- Governments and industry work together on another critical element of the energy system – continuous investment in technology and innovation to improve cost competitiveness and environmental protection.
- Canada can offer the lowest corporate overall tax rate on new business investment in the G-7 and our policies do not discriminate against foreign companies. Forbes Magazine recently named Canada the best country in the world in which to do business.
- We continue to enhance the performance of our regulatory approval system for major projects – and we are doing so without compromising environmental protection.

For Canada to grow as a global energy leader, more infrastructure is needed to transport our oil and gas to the Asia-Pacific and other markets. An expansion is underway.

On Canada's west coast, British Columbia's first liquefied natural gas export terminal could potentially be in operation by the end of next year. There are also numerous oil export pipelines in various stages of approval and planning.

And this is only the beginning.

### ***Exploitation responsable***

Une approche judicieuse et responsable consiste également à assurer le développement durable des ressources énergétiques sur les plans social et environnemental.

It means policies and processes that are efficient, transparent and science-based.

As the more easily accessible oil and gas sources are depleted around the world, countries are turning increasingly to unconventional resources which present new challenges.

Canada is well placed to respond to these challenges.

Oil sands have been targeted by campaigns where the underlying agenda is to discourage any development of these valuable resources.

We've heard a lot of unfounded criticism that needs to be addressed. Let me provide some facts.

The mineable area of the oil sands represents only 0.1 percent of Canada's total boreal forest. Companies are required by law to remediate and reclaim 100 percent of affected land.

Most of the water used in oil sands development – as much as 90 percent in some cases – is recycled.

The oil sands account for only one-tenth of one percent – or one-thousandth – of global GHG emissions. According to a recent study by an internationally respected climate expert, if all of the current oil sands reserves of 170 billion barrels were consumed – and at today’s rate of production that would take 300 years – the effect would be a rise in global temperature of only 0.03 of one degree Celsius.

Studies have shown that life-cycle GHG emissions from the oil sands are similar to, and in some cases lower than, those of several other crude oils consumed in major consumer markets like the US or the EU.

Canada is fully prepared to stand by our record on the oil sands. Nevertheless, we are committed to further:

- Improve the resource extraction process to reduce impacts on the environment;
- Implement a new, world-class science-based environmental monitoring system; and,
- Invest in science and technology to improve water use, tailings, energy efficiency as well as to demonstrate Carbon Capture and Storage technology.

Any policies that discriminate against oil sands will impede the free flow of global oil supplies and are detrimental to overall energy security.

For example, implementation of the draft European Fuel Quality Directive (FQD) could have significant and unintended consequences to the world oil supply to the extent it introduces discriminatory and non-science based impediments to global energy markets.

Our government believes that the free market is the most efficient and cost-effective means to ensure the proper allocation of resources for the development and supply of energy.

## **Conclusions**

Unconventional oil and gas, such as Canadian oil sands and shale gas, are strategic, global assets — resources that will make Canada an increasingly important contributor to energy security and economic stability in the years ahead.

Thank you.