

Overview

Canada is uniquely positioned to provide an abundance of reliable, safe, and secure energy. Oil and natural gas resource development, which includes oil sands, natural gas, and conventional and unconventional oil, is active across Canada. Canada's oil reserves total 171 billion barrels, of which 165 billion barrels can be recovered from the oil sands using today's technology. Canada has the world's third-largest oil reserves, after Venezuela and Saudi Arabia (Source: Oil & Gas Journal). Canada is the world's fifth-largest producer of natural gas, with an estimated 1,230 trillion cubic feet (Tcf) of remaining natural gas resources. The petroleum industry in Canada is also referred to as the Canadian "Oil Patch"; the term refers especially to upstream operations (exploration and production of oil and gas), and to a lesser degree to downstream operations (refining, distribution, and selling of oil and gas products).

Largest Oil Fields

- | | |
|----------------|---------------------|
| • Athabasca | • Horn River |
| • Aurora North | • Montney Formation |
| • Black Gold | • Deep Panuke |
| • Carmon Creek | • Hebron |
| • Cold Lake | • Hibernia |
| • Firebag | • Sable Offshore |
| • Jackfish | • Terra Nova |
| • Duvernay | • White Rose |

Oil & Gas Fields

Oil reserves in Canada were estimated at 172 billion barrels as of the start of 2015. This figure includes the oil sands reserves that are estimated by government regulators to be economically producible at current prices using current technology. According to this figure, Canada's reserves are third only to Venezuela and Saudi Arabia. Over 95% of these reserves are in the oil sands deposits in the province of Alberta. Alberta contains nearly all of Canada's oil sands and much of its conventional oil reserves. The balance is concentrated in several other provinces and territories. Saskatchewan and offshore areas of Newfoundland in particular have substantial oil production and reserves. Alberta has 39% of Canada's remaining conventional oil reserves, offshore Newfoundland 28% and Saskatchewan 27%, but if oil sands are included, Alberta's share is over 98%.

Proven Hydrocarbon Reserves

169.71 Billion Bbls

Investment in Oil & Gas

\$63 Billion (2016)

Total Production of Oil and Condensate

3.421 MMbbl/day
(Feb - 2018)

Major Export Crude Type

WCS **20.5 ° API**

Fiscal Regime

For Canadian income tax purposes, a corporation's worldwide taxable income is computed in accordance with the common principles of business (or accounting) practice, modified by certain statutory provisions in the Canadian Income Tax Act. In general, there is not a special tax regime for oil and gas producers.

Depreciation, depletion or amortization recorded for financial statement purposes is not deductible; rather, tax-deductible capital allowances specified in the Income Tax Act are allowed.

Oil and gas corporations are taxed at the same rate as other corporations. Corporations are taxed by the federal Government and by one or more provinces or territories. The basic rate of federal corporate tax is 25%, but it is reduced to 15% by an abatement of 10% on a corporation's taxable income earned in a province or territory. Provincial or territorial tax rates are added to the federal tax, and they generally vary between 11% and 16% of taxable income, depending on the province.

No tax consolidation, group relief or profit transfer system applies in Canada. Each corporation computes and pays tax on a separate legal entity basis. Business losses referred to as non-capital losses may be carried back 3 years and carried forward 20 years.

Gains resulting from a disposal of capital property are subject to tax. Capital gains or losses are determined by deducting the adjusted cost base of an asset from the proceeds of disposition. One-half of the capital gain (the taxable capital gain) is subject to tax at regular income tax rates.

Major Oil Companies

Suncor Energy is the largest oil company

Syncrude Canada is the largest consortium company