

Livin' on the Edge: Exploring Canada's Role in Global Energy Markets



Martin King
April 24, 2025

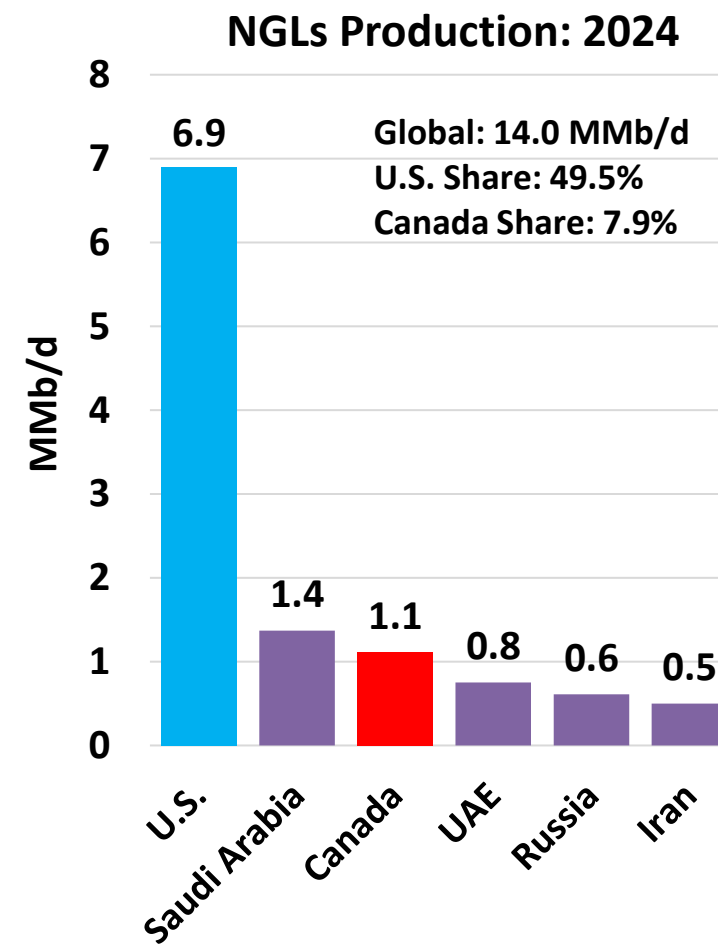
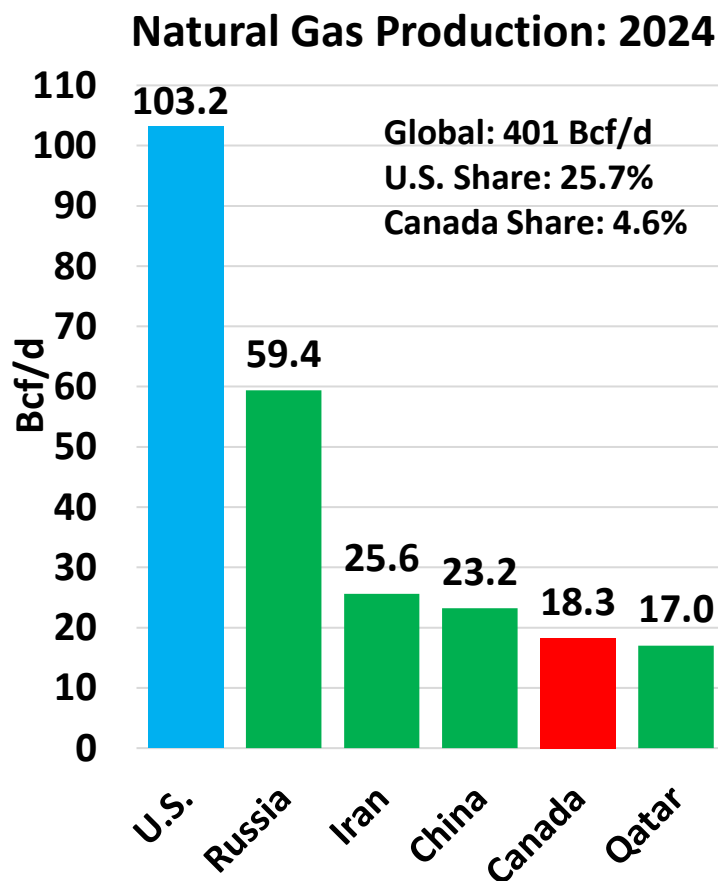
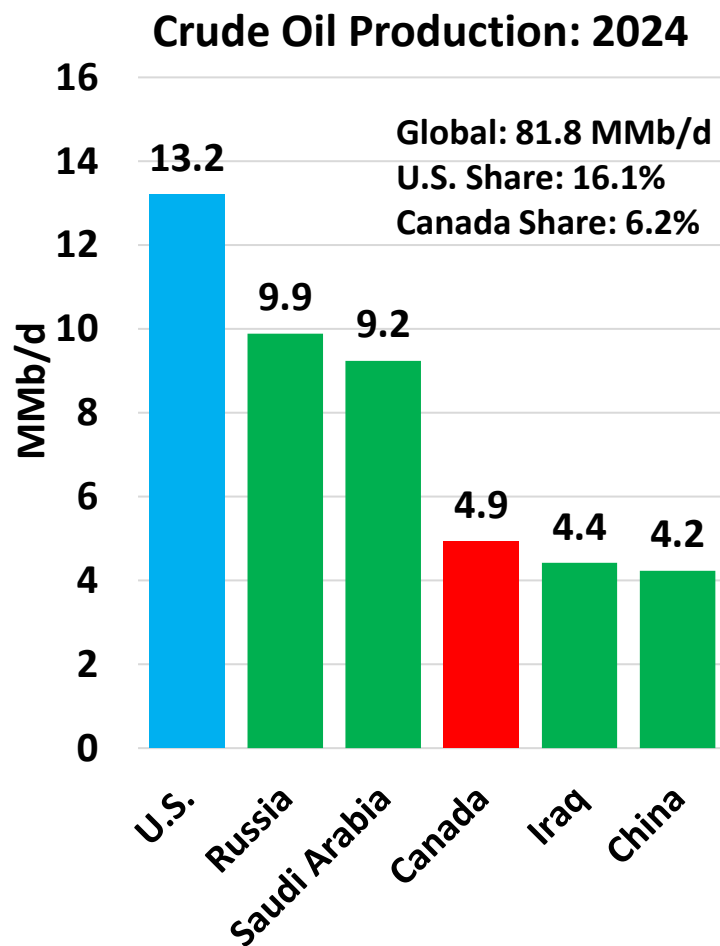
Seems We Can't Stop Talking Canadian Energy



- Federal Election: April 28
- Many issues on the energy front have been discussed including domestic energy security, sustainability, renewables, increasing exports, and overcoming a regulatory burden that has stalled infrastructure development.
- President Trump has been a lightning rod for issues that already existed prior to his return to the White House.

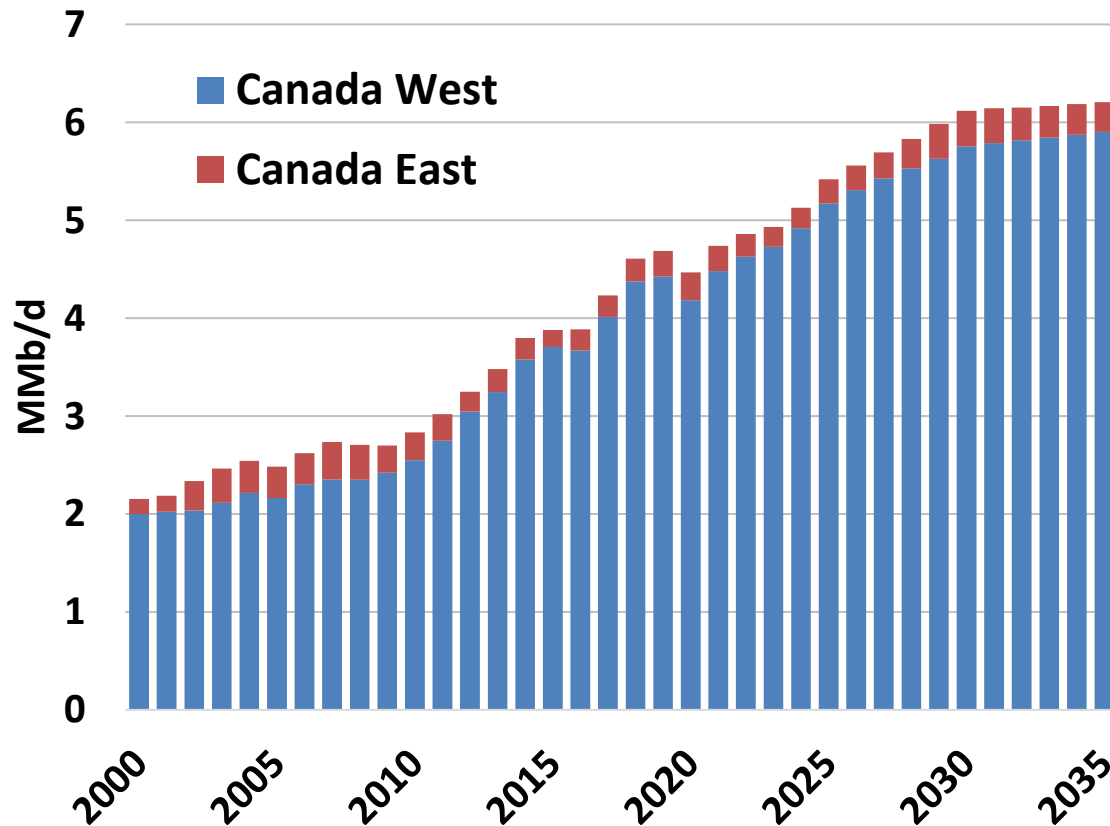


How Does Canada Rank Against the World?



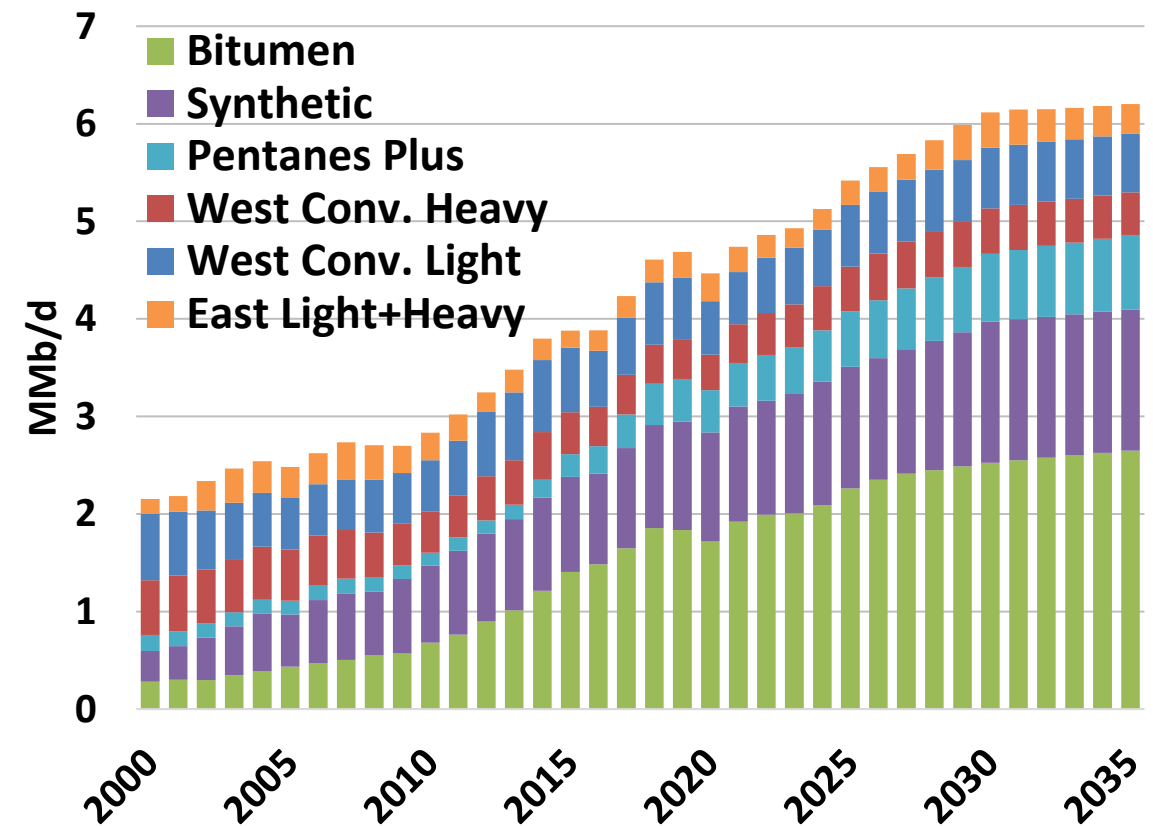
Canada's Crude Oil Production – Ever More

Production by Region



- Canada's crude oil production has more than doubled between 2000 and 2024.
- Expect another one-third increase to 2035.
- Does assume a soft emissions cap on production.

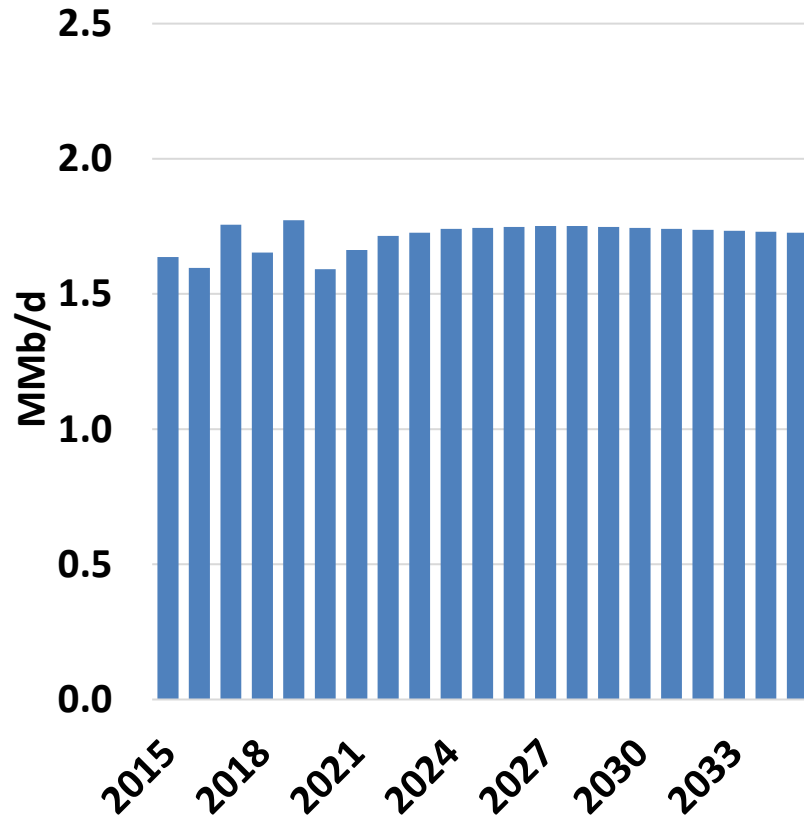
Production by Type



- Majority of historical growth has been bitumen followed by synthetic.
- Nearly all future growth is related to bitumen.

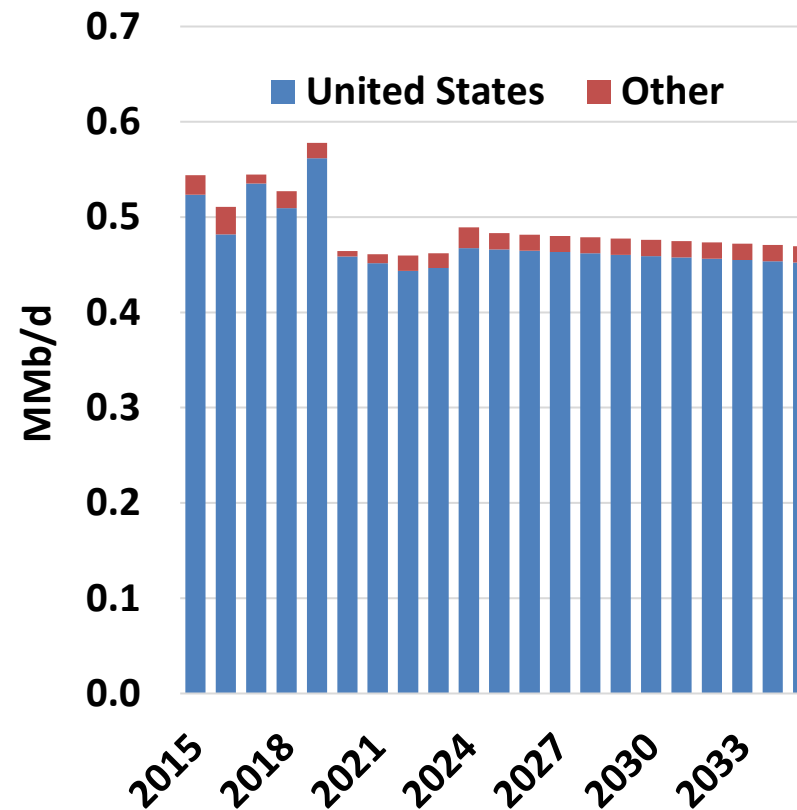
Crude Oil Consumption, Imports, Exports

Domestic Crude Consumption
(Total Refinery Intake)



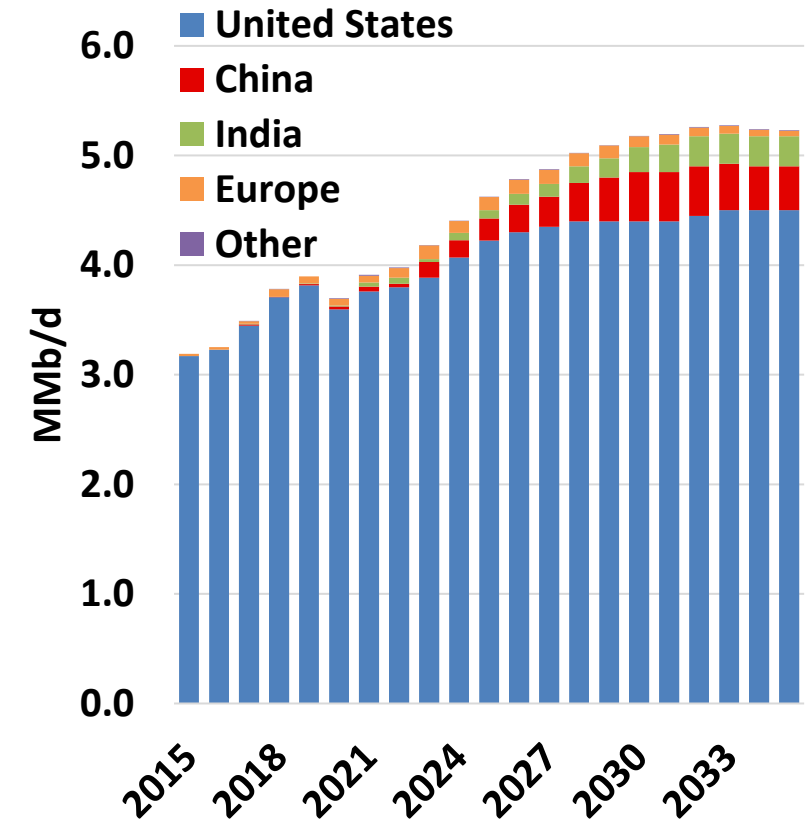
- Refinery crude intake has been flat for a decade and is expected to be little changed to 2035.

Crude Oil Imports by Source
(Imported by ON, QC, NB)



- Nearly all crude imports are from the U.S. and majority of those land in New Brunswick.

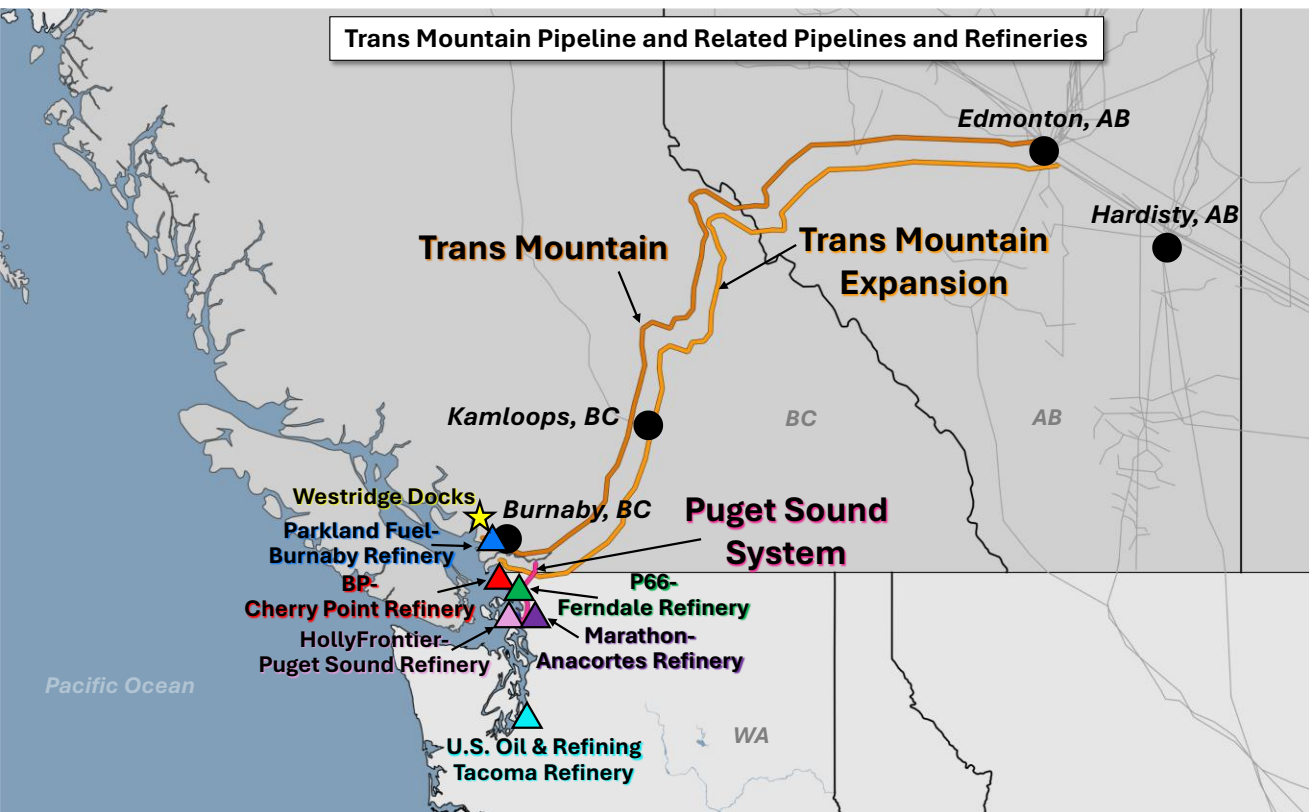
Crude Oil Exports by Destination



- Rising production versus flat consumption and imports means rising profile for exports.

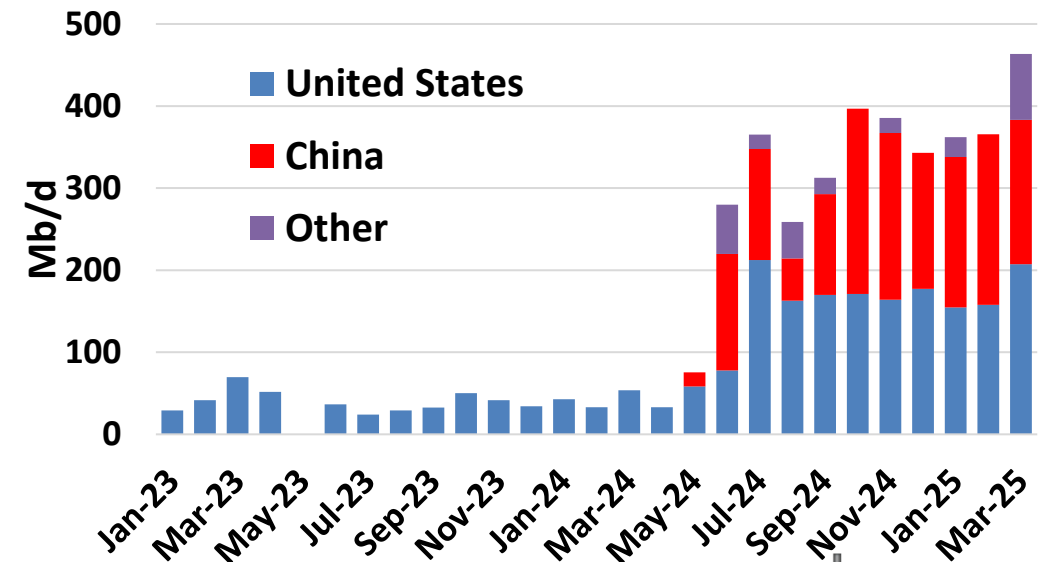
Canada's Crude Oil Export Options Have Expanded

- Original Capacity: 300 Mb/d
- Expansion: 590 Mb/d
- Total: 890 Mb/d

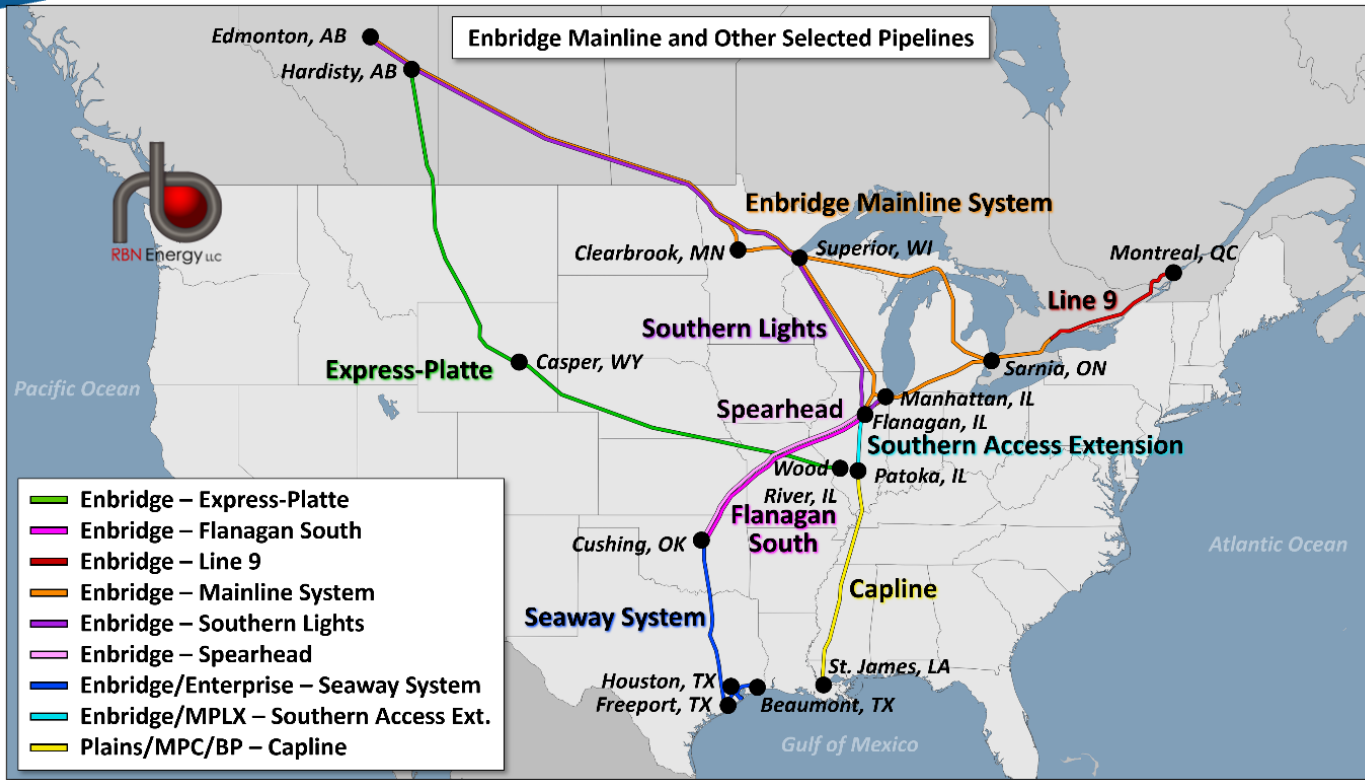


- Since the start up of the Trans Mountain expansion (TMX) in May 2024, exports by tanker have increased materially.
- Resolution of some logistical constraints in the near term should allow for more tanker loadings per month via completion of dredging work and a nighttime shoreline navigation system.

Crude Exports from Westridge by Destination

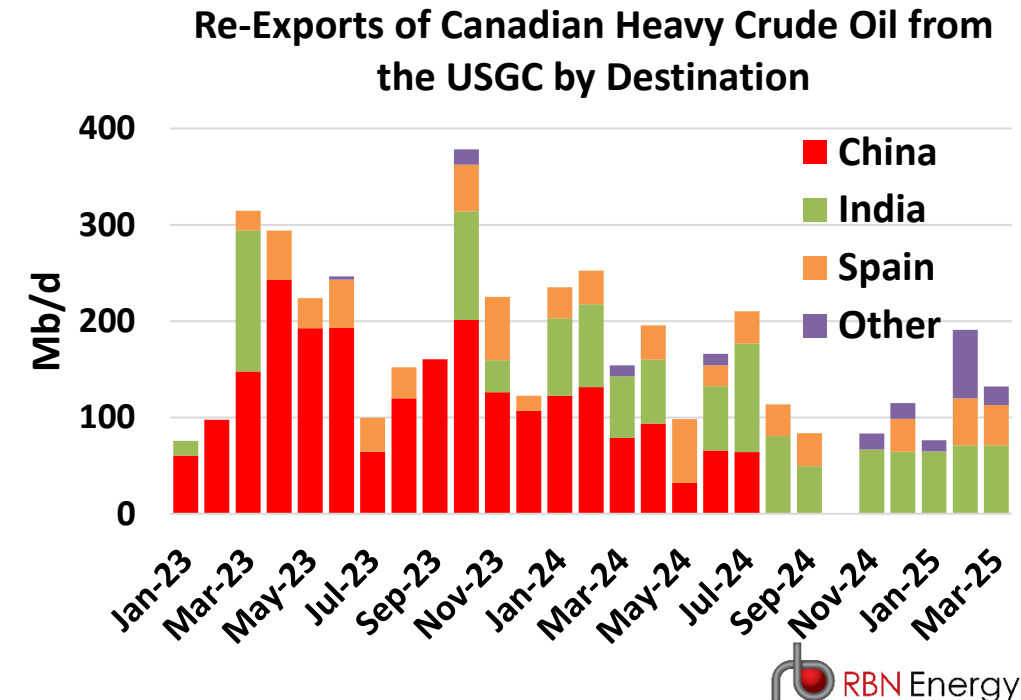


Plenty of Upside via Gulf Coast Re-Export Option



- Enbridge is upgrading its system to allow for an additional 150 Mb/d on the Mainline by 2027, with another 150 Mb/d in consideration; goal is to increase crude access to Gulf Coast.
- Express system to be expanded by 30 Mb/d.

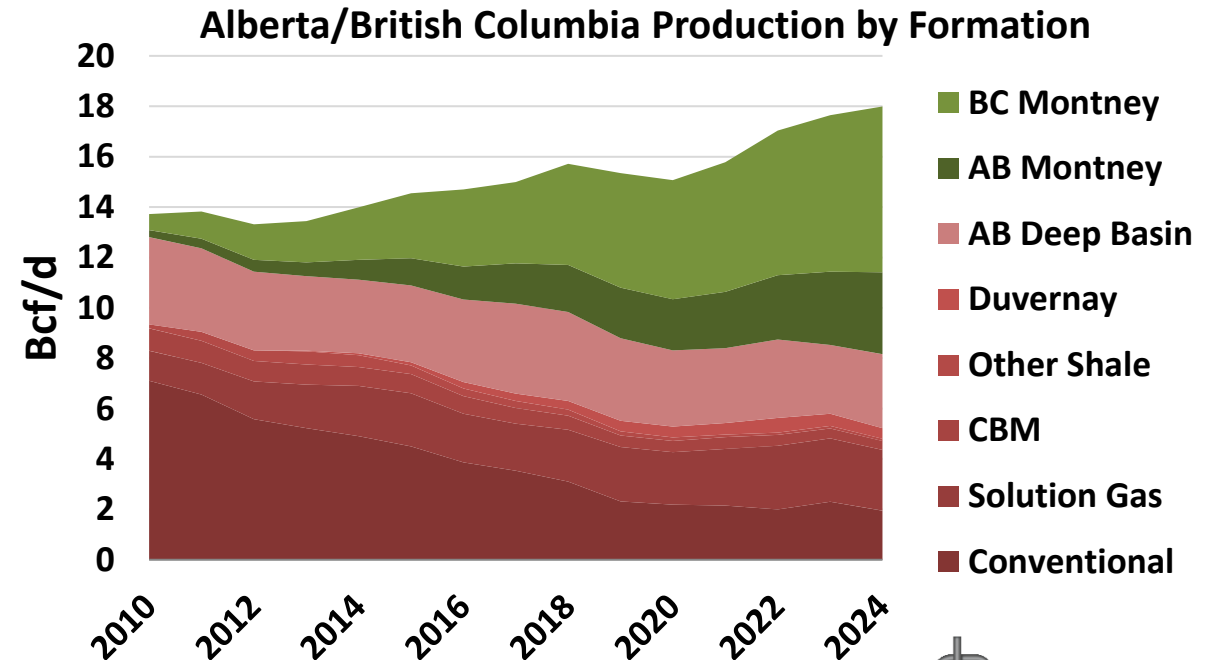
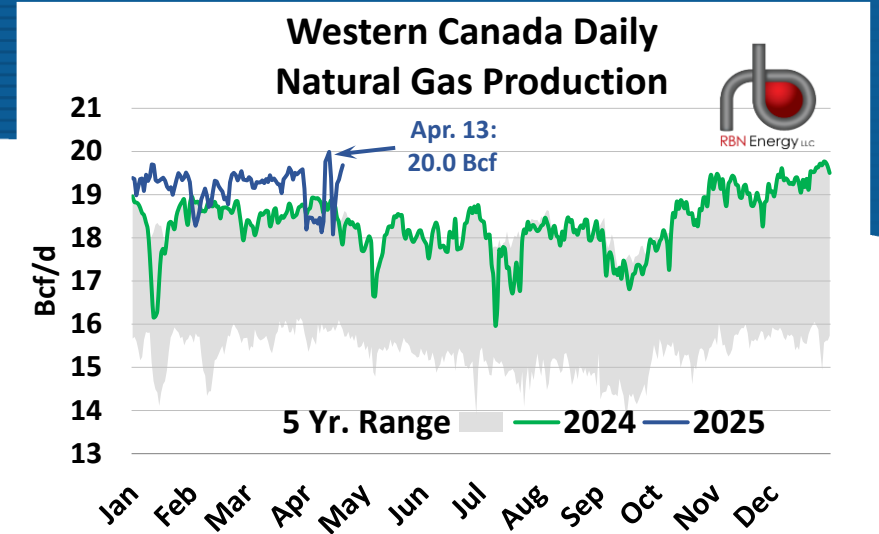
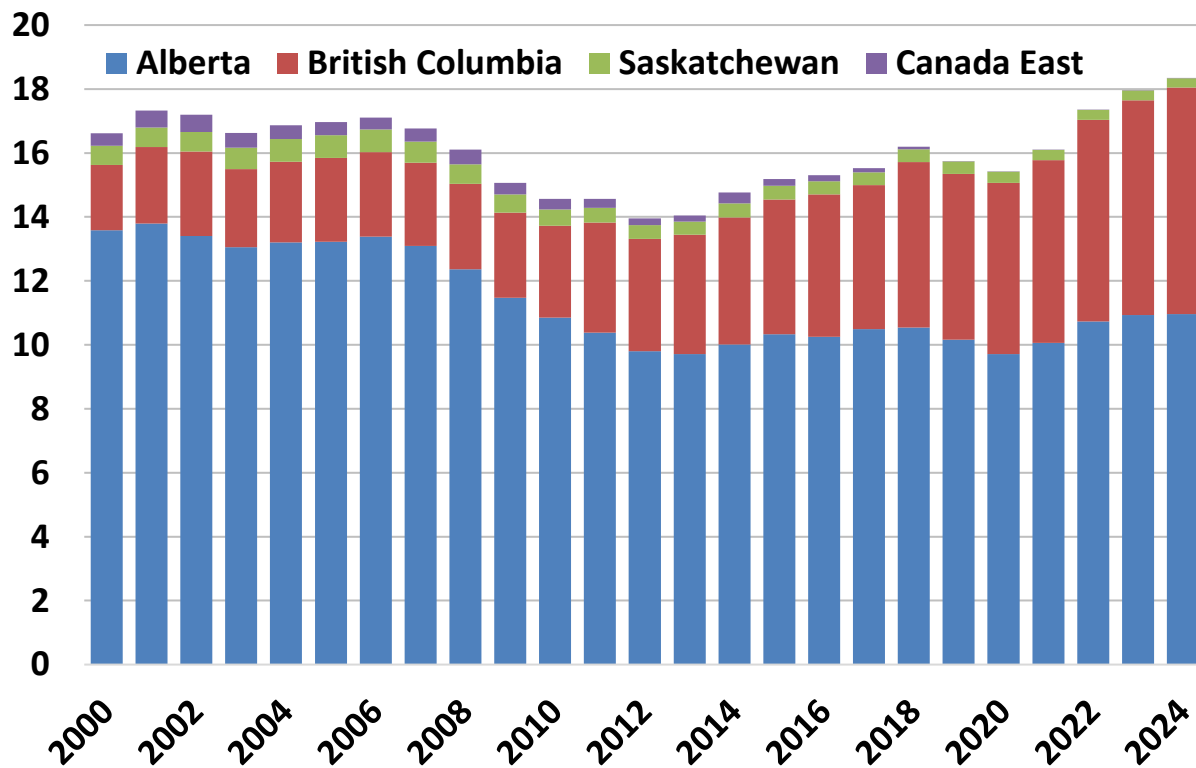
- TMX start up has sent China bound re-exports of Canadian crude from the Gulf to zero since August.
- Chinese buyers likely to return to the Gulf once throughput capacity on Trans Mountain is maxed out; may also be looking at some point to substitute out U.S. barrels where possible.



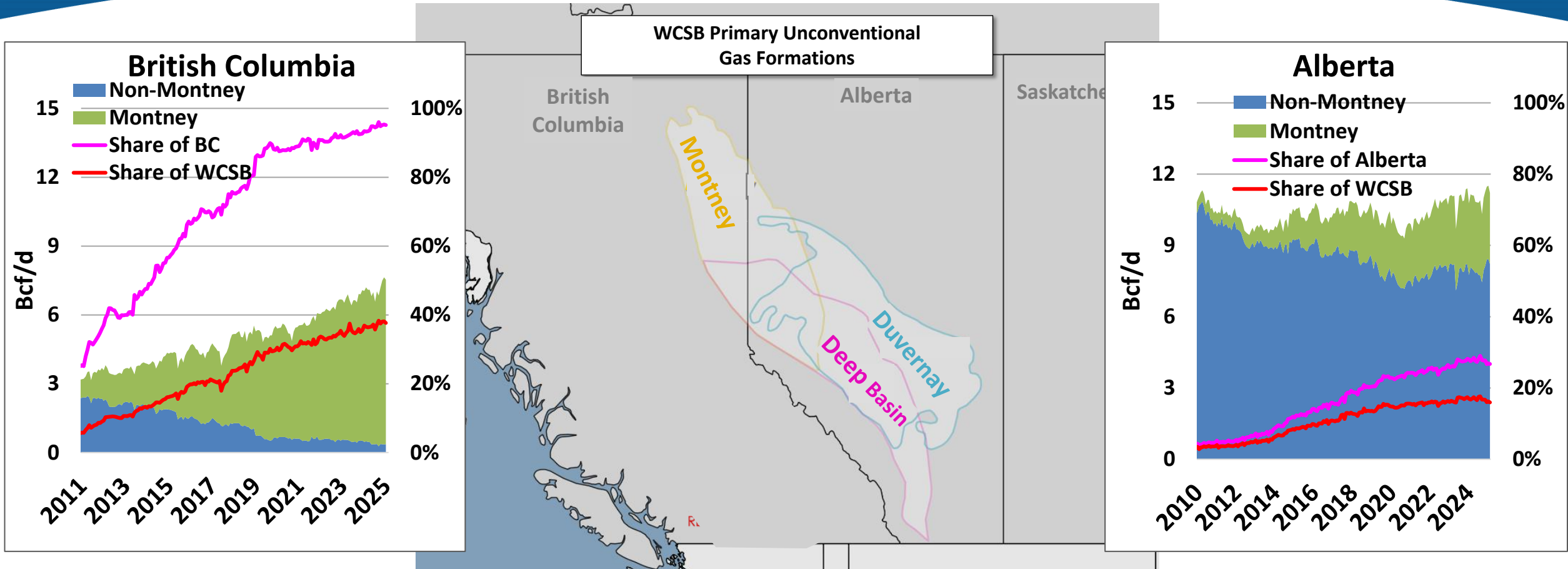
Canada Natural Gas Production

- » After a two-decade bumpy ride, Canadian gas production has been pushing to record highs.
- » Rapid expansion in the prolific unconventional Montney formation has been the primary driver of the growth.

Canada Natural Gas Production

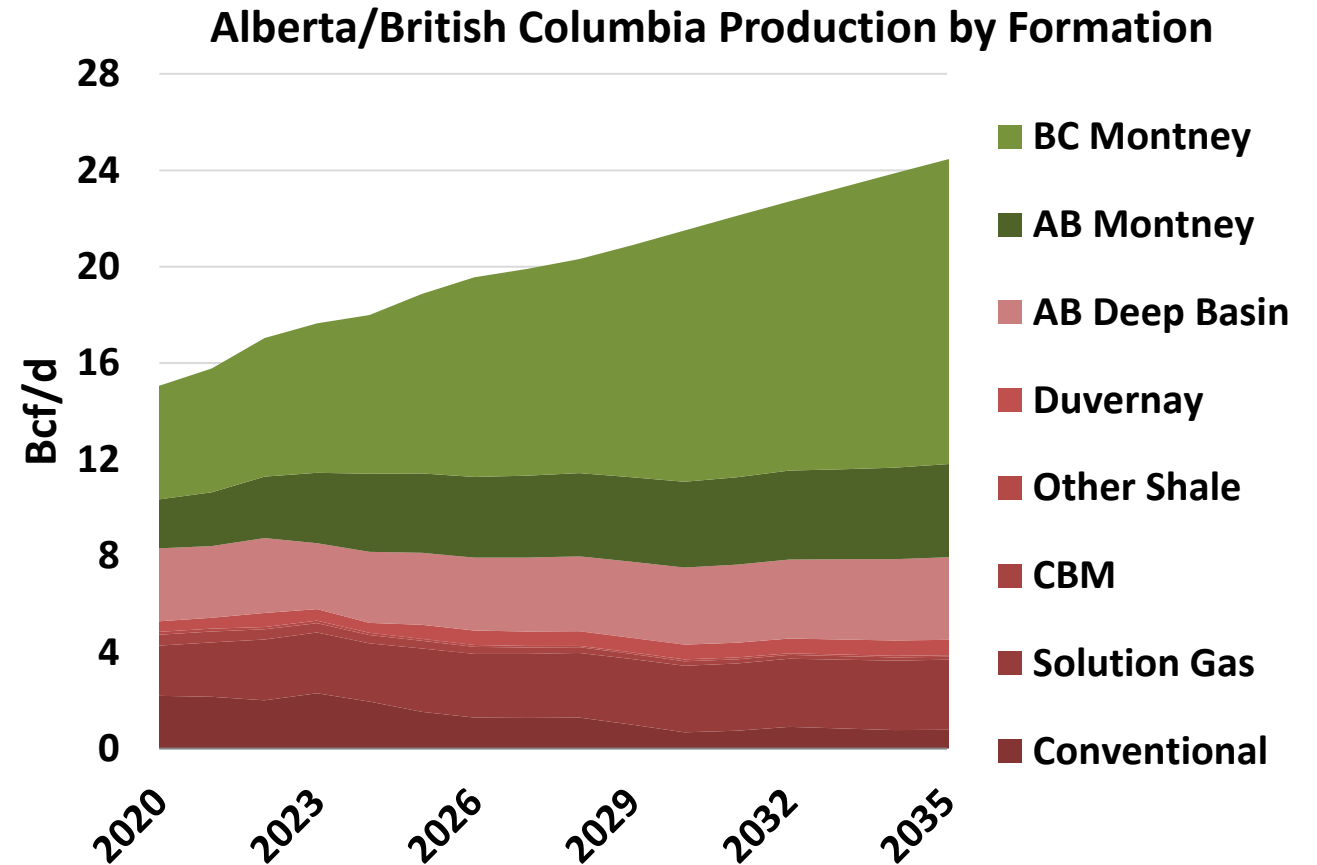
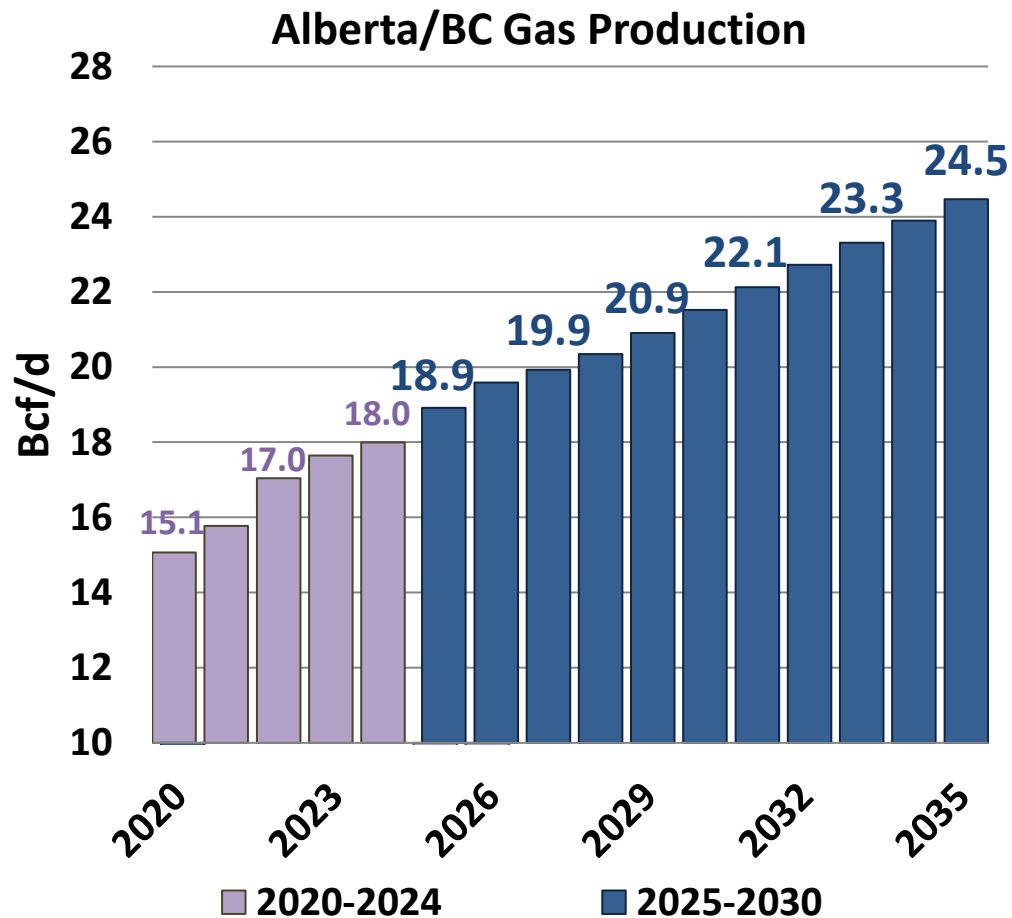


Montney is the Prime Gas/(NGLs) Supply Driver

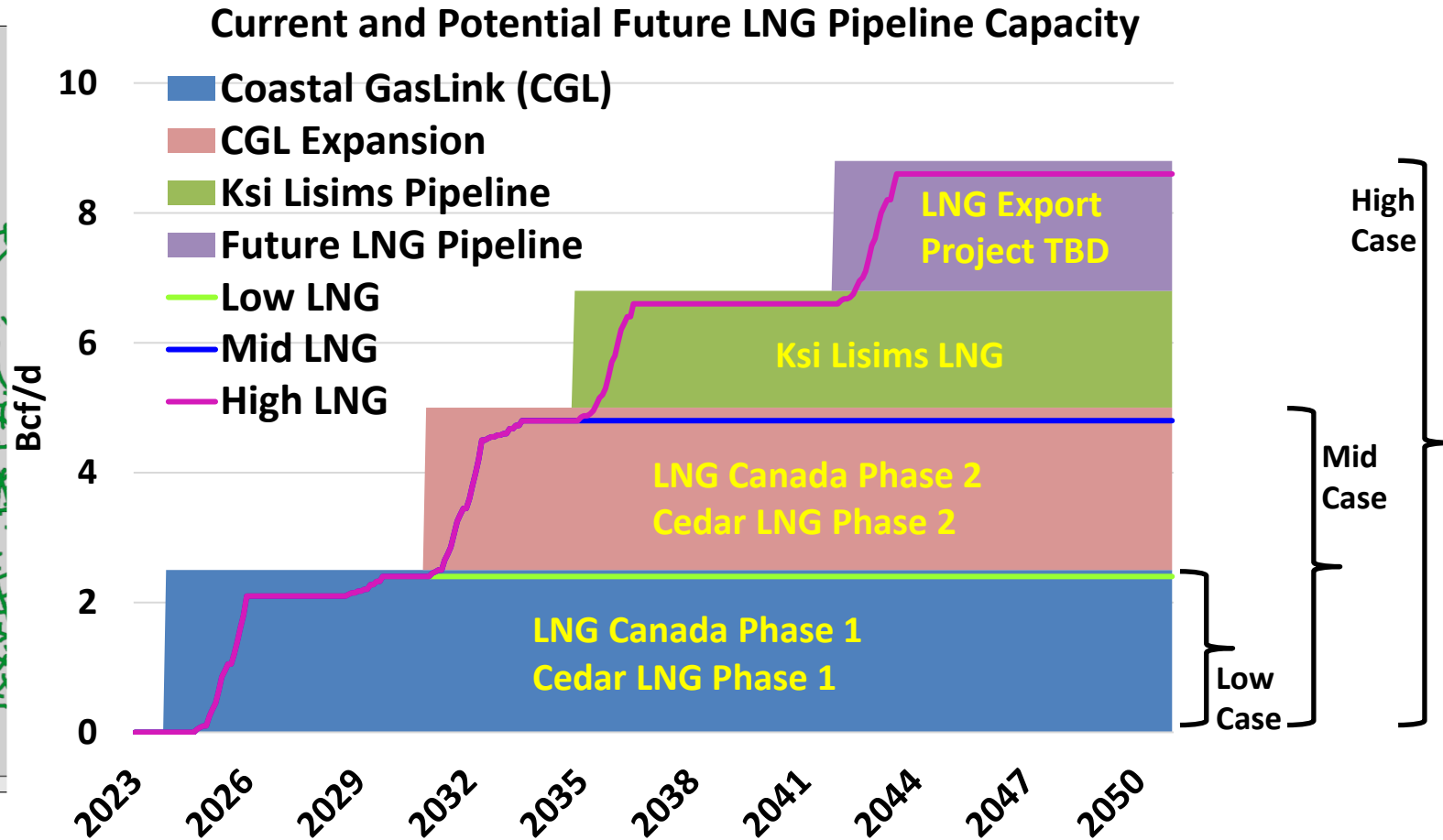
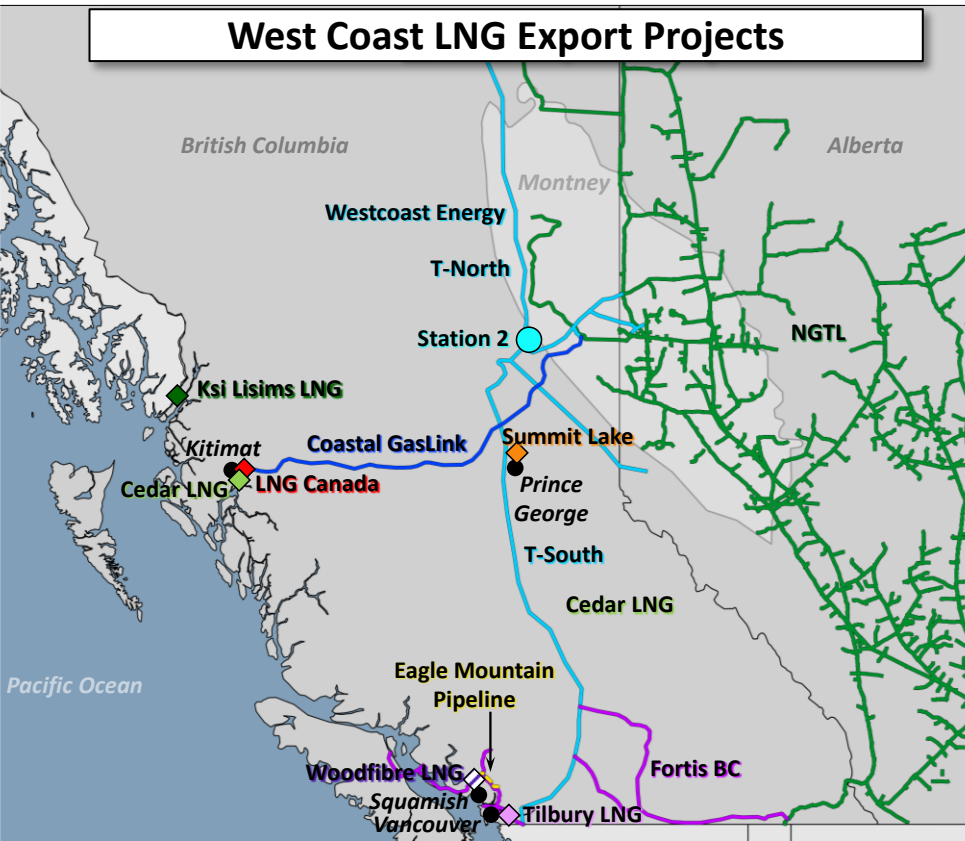


Natural Gas Production Outlook

- Strong growth profile for gas output is expected into the 2030s.
- This accounts for gas to feed planned LNG export projects and to satisfy growing Alberta demand for power generation and oil sands.



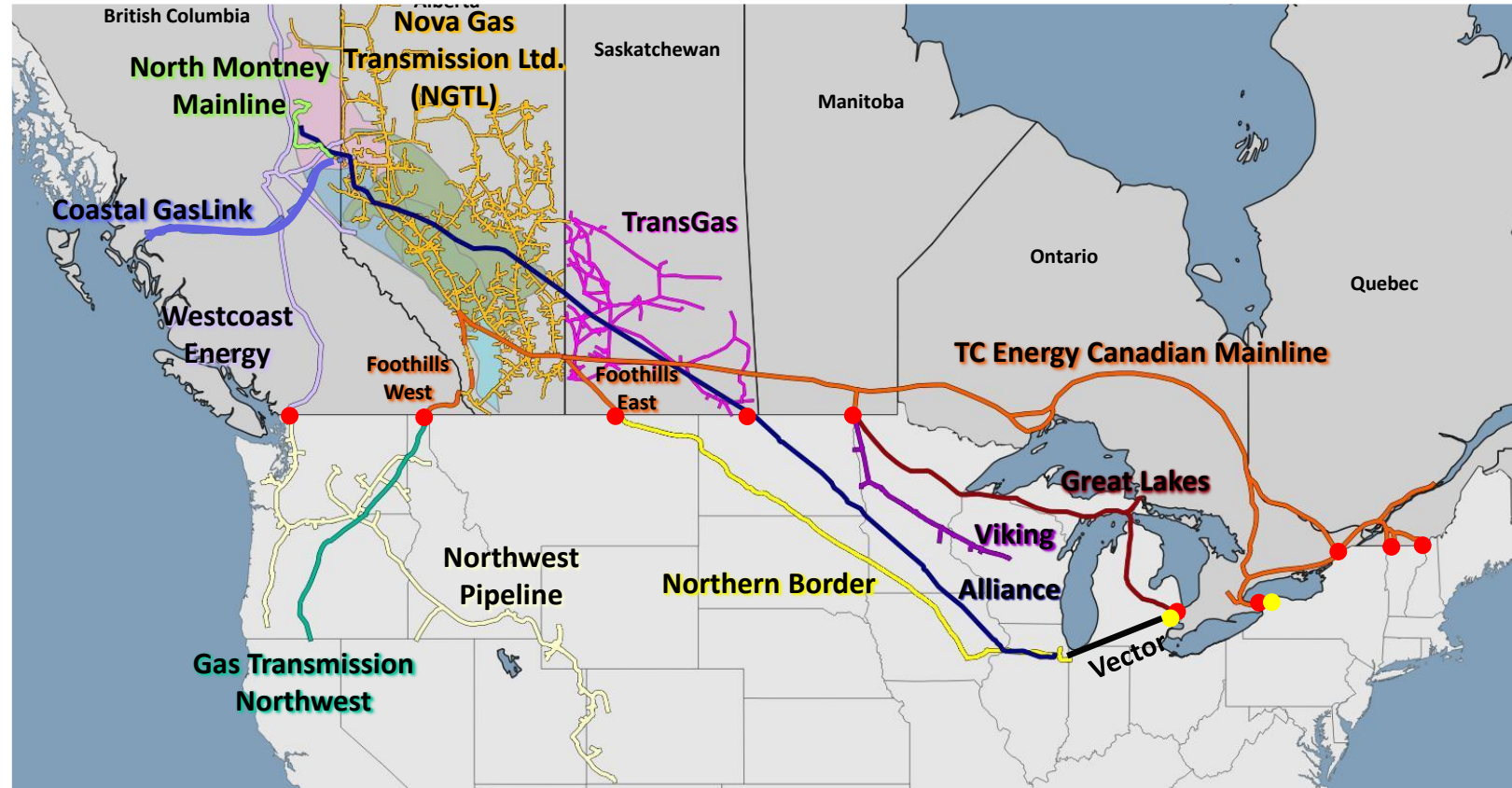
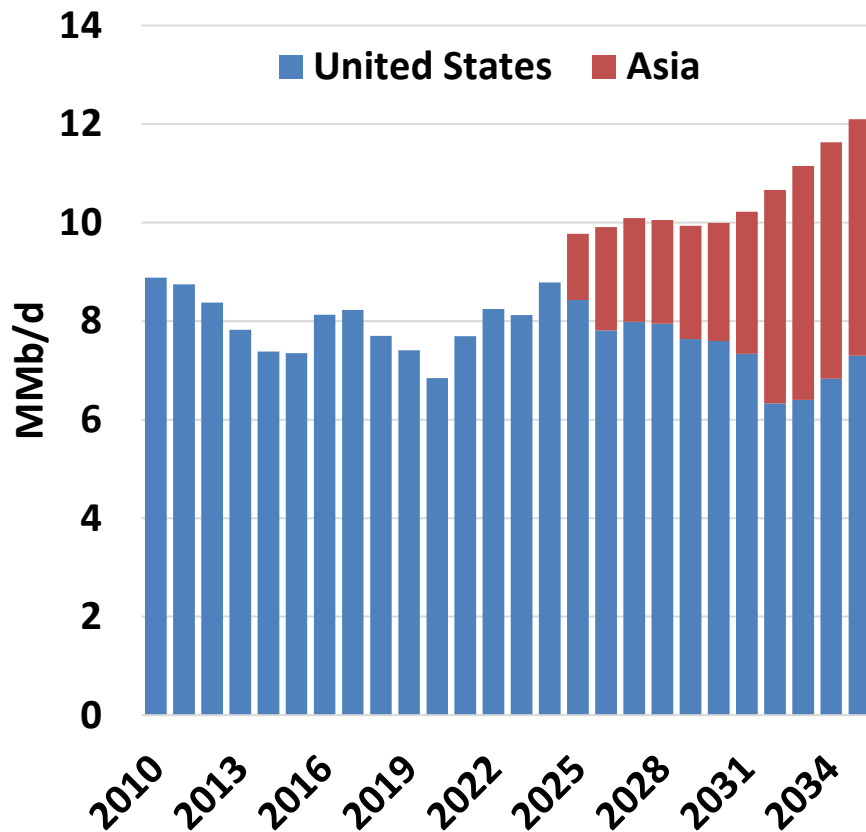
LNG Exports to the Rescue!



Natural Gas Exports and Export Options

- Gas production growth is insufficient to meet a combination of LNG export needs, Alberta demand growth and sustaining pipeline exports.

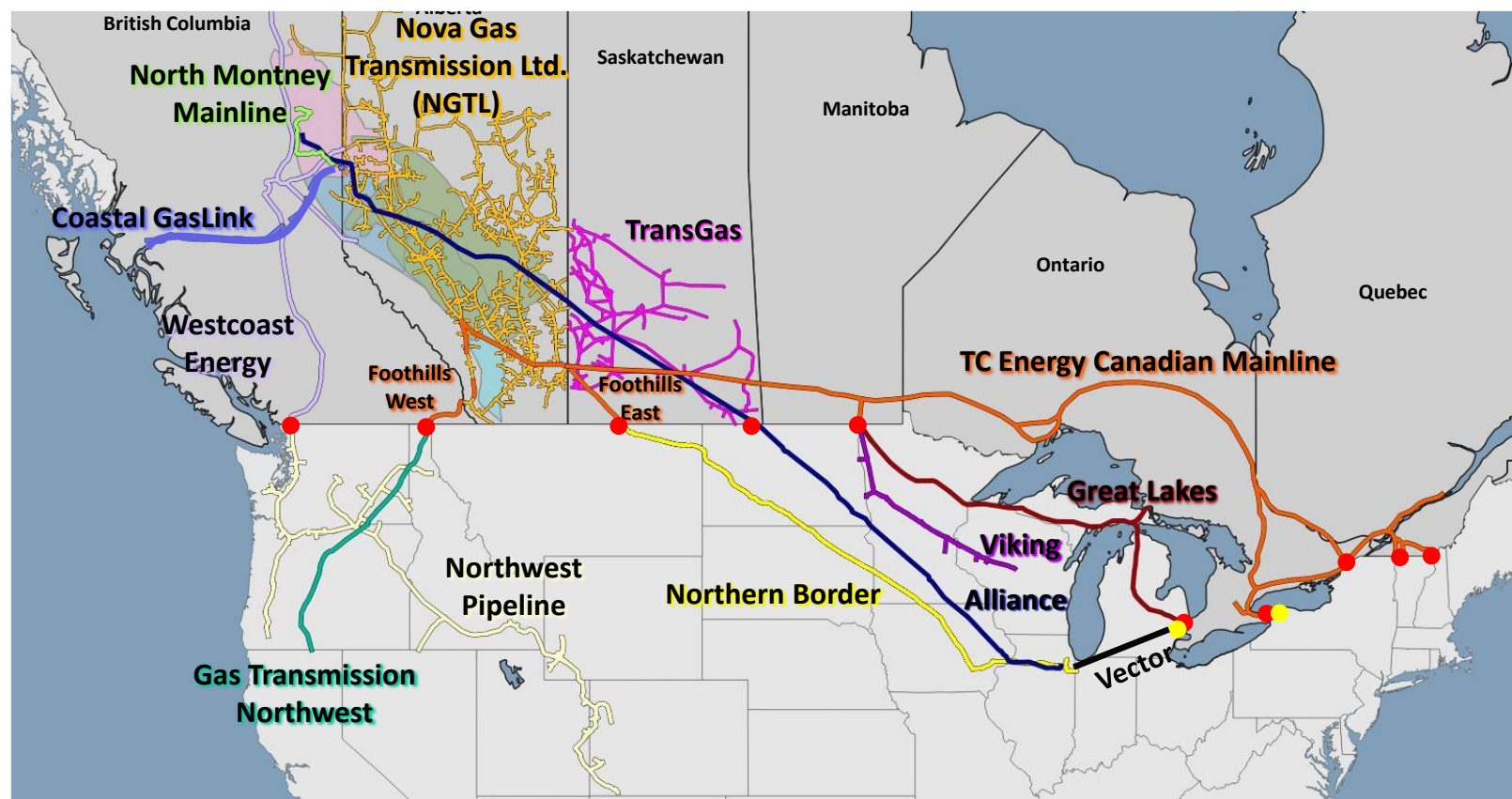
NG Exports by Destination



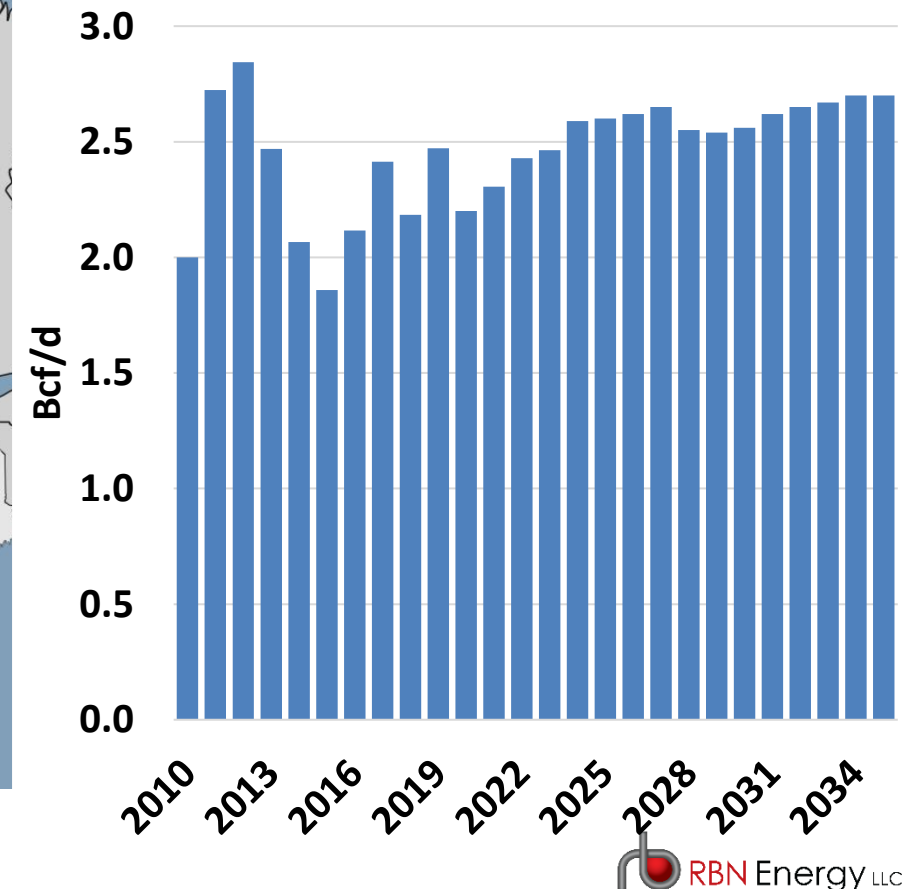
- Potential end result is a reduction in gas pipeline exports to the U.S. as LNG and Alberta demand will take precedence.

Natural Gas Imports

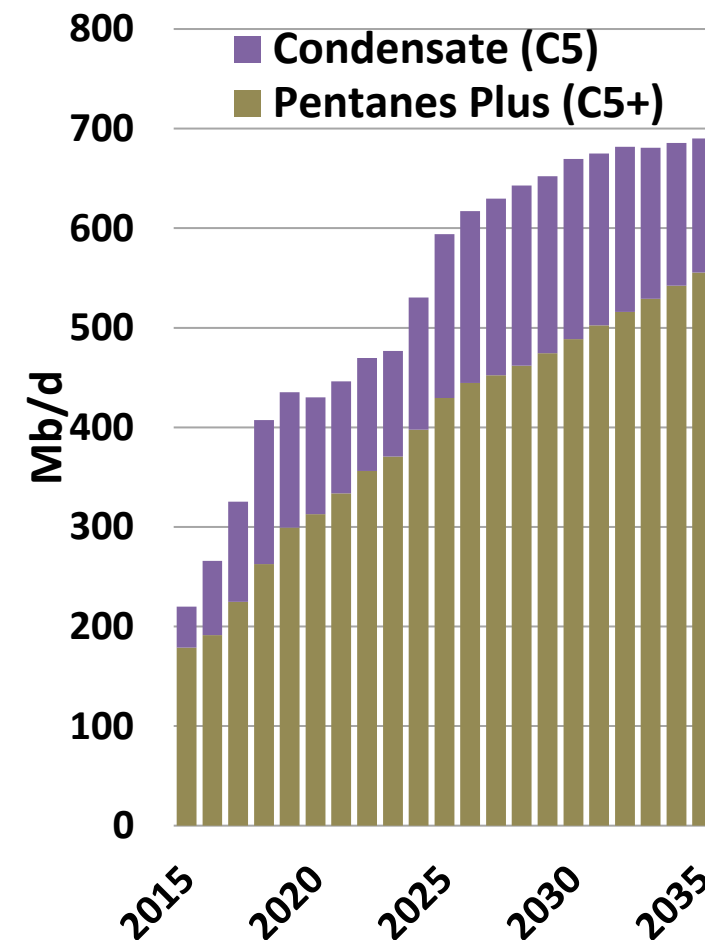
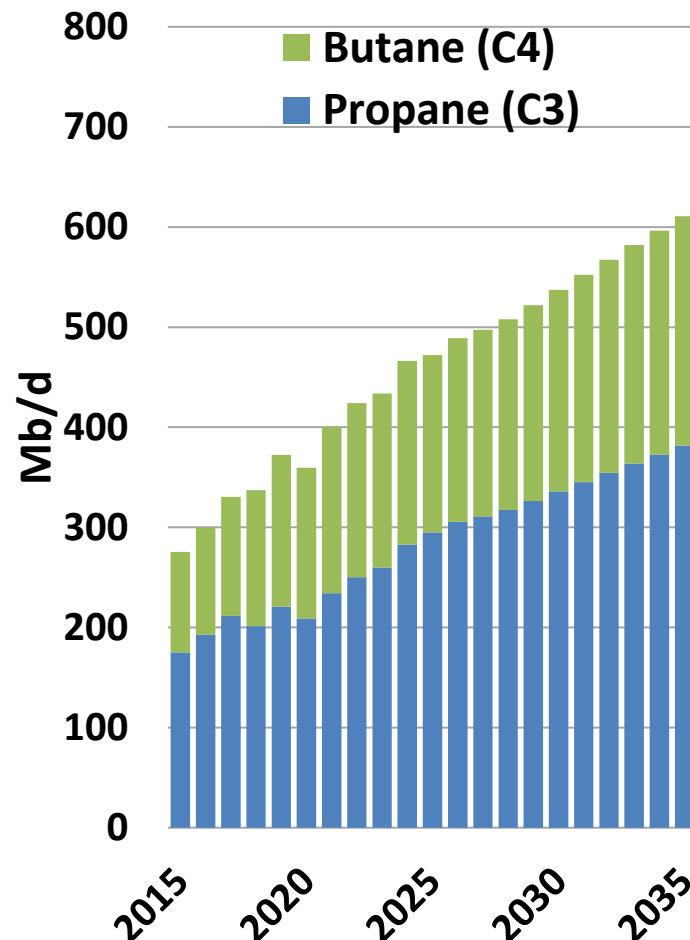
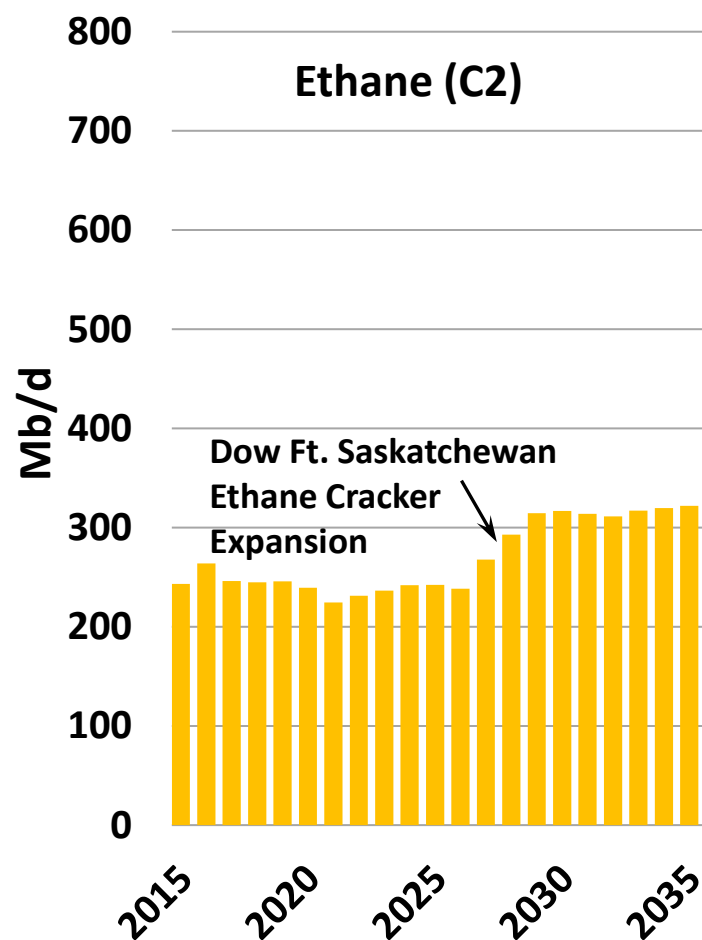
- There are currently no plans on the horizon for an expansion of pipeline import capacity from the U.S. into southern Ontario.



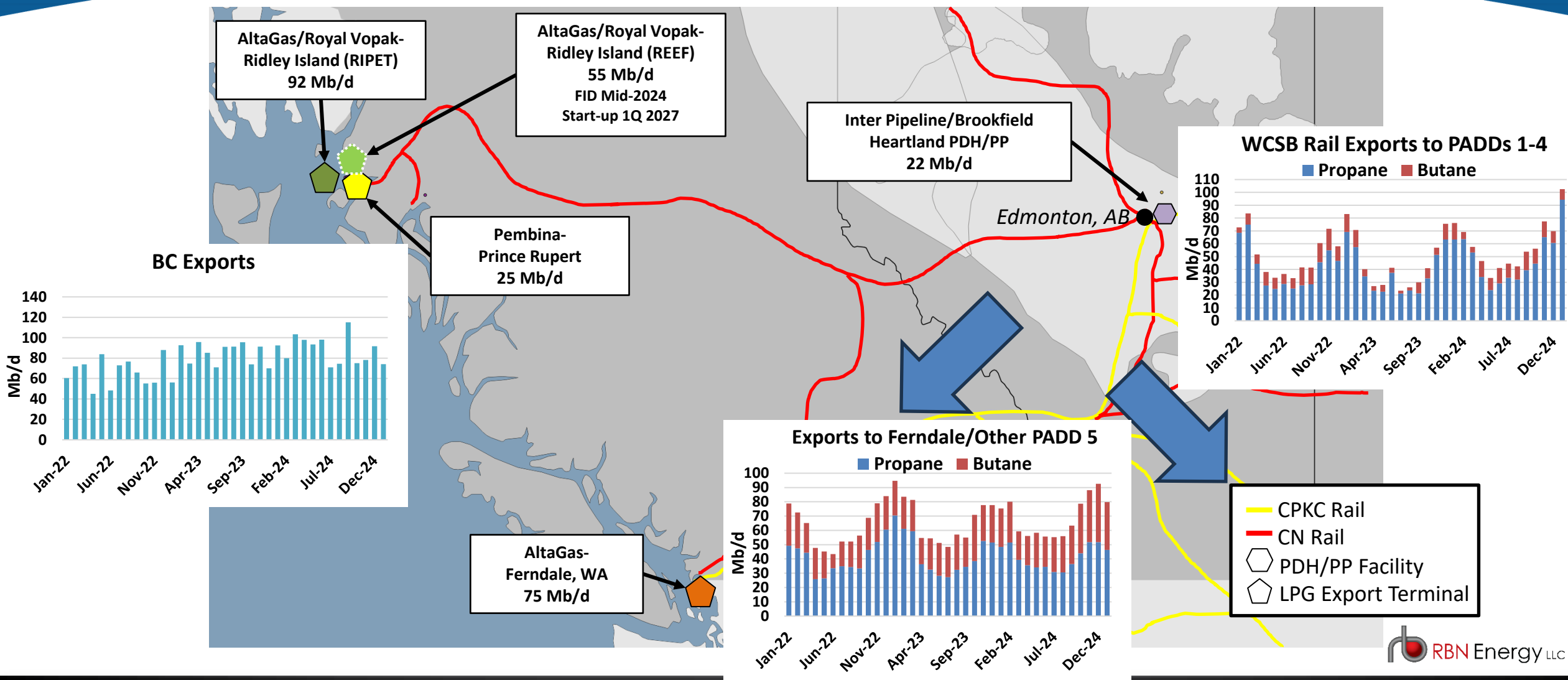
NG Imports from U.S.



Natural Gas Liquids (NGLs) Supply & Outlook

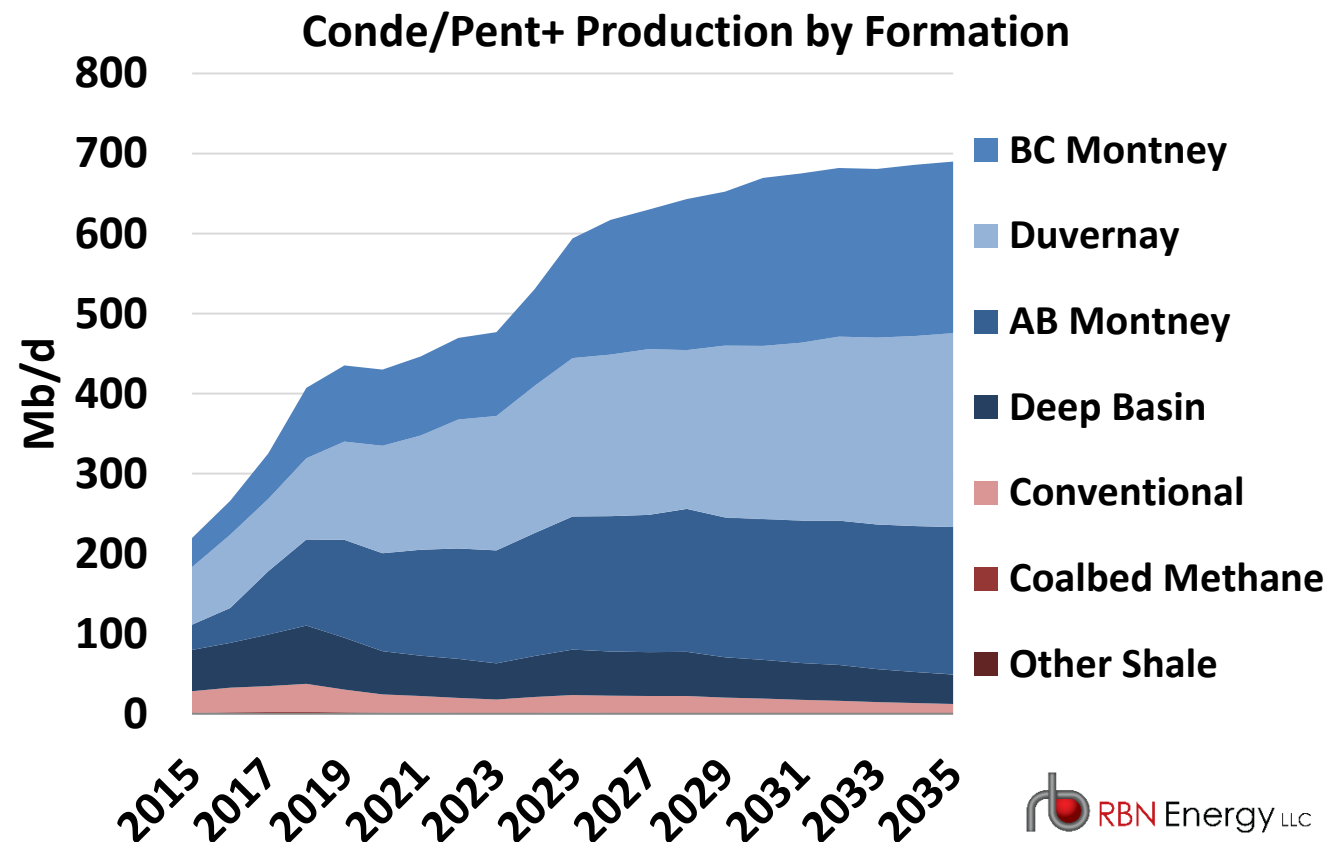
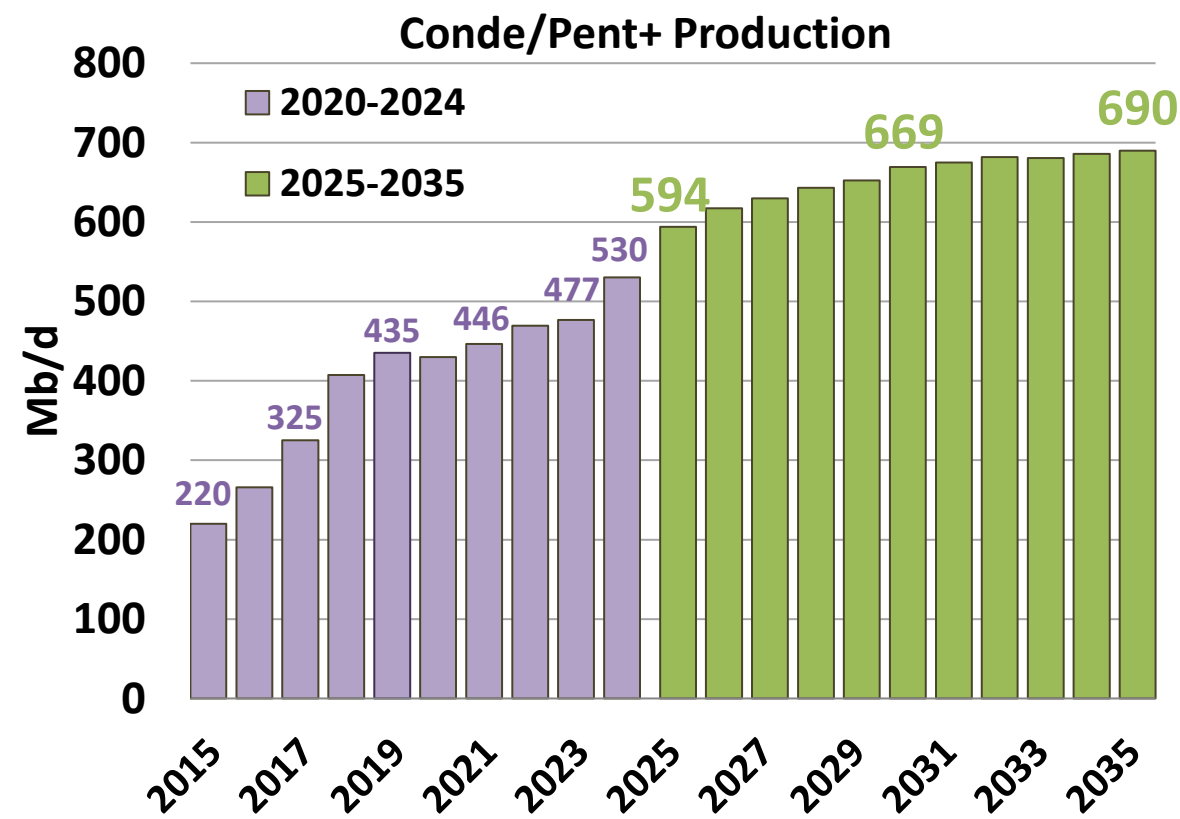


Western Canada Butane/Propane Infrastructure



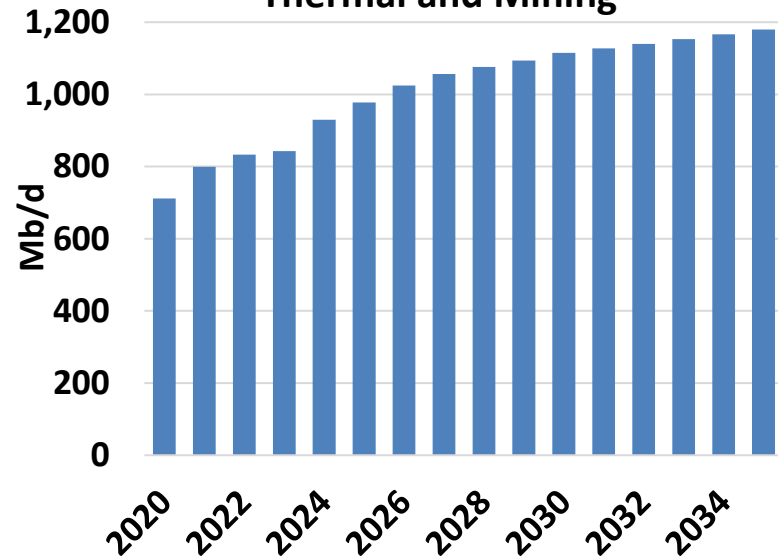
The Special Case of Condensates (C5+)

- Condensate production is rising strongly but so is its demand as a diluent in the oil sands.
- RBN places condensate (U.S.: field condensate) and Pentanes Plus (U.S.: natural gasoline) into the same basket typically referred to as condensate for simplification of terminology and as both are used for the same purpose: diluent.

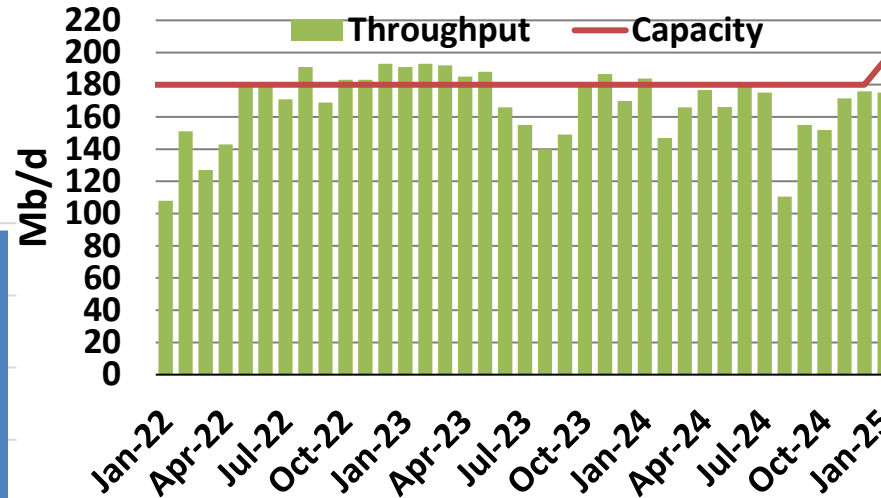


Condensate and Diluent Needs

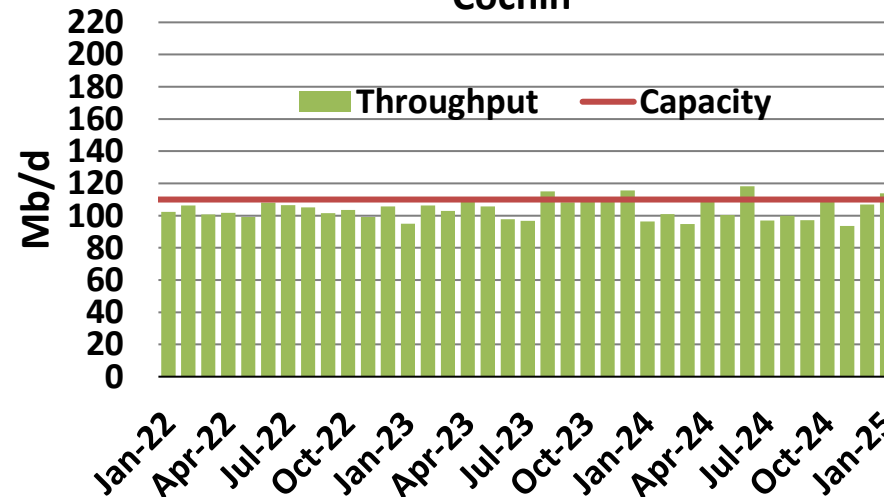
Diluent Needs All Regions:
Thermal and Mining



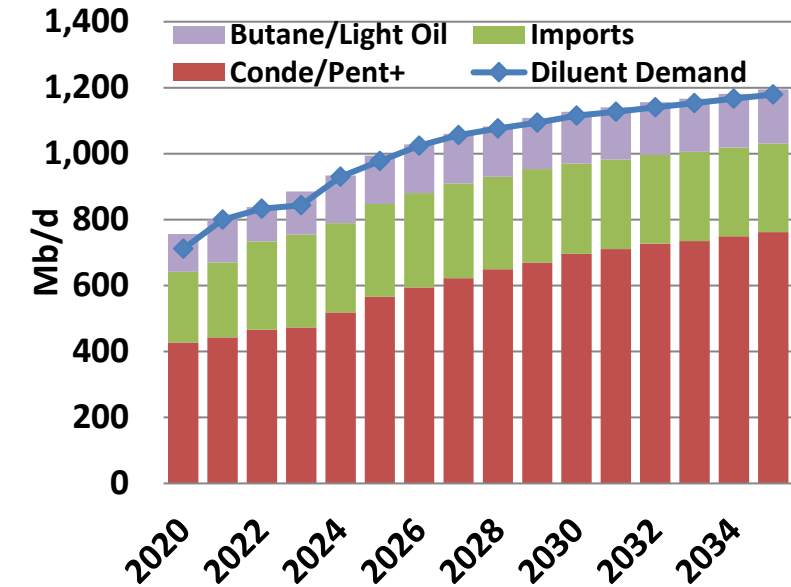
Southern Lights



Cochin



Diluent Needs by Source



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