



Social and Economic Impacts of Oil Sands Development

The oil sands industry provides a significant contribution to the Canadian economy and society as it invests in people and communities as well as production and capacity.

Producing and investing in energy

Fact: Much of the oil we use in this province and this country comes from the oil sands.

- ◆ In 2008, total oil sands crude bitumen production in Alberta was about 1.5 million barrels per day (bpd) and is anticipated to be some 2 million bpd in 2010.
- ◆ Oil sands represent almost two-thirds of Alberta's oil production and approximately half of Canada's oil production.

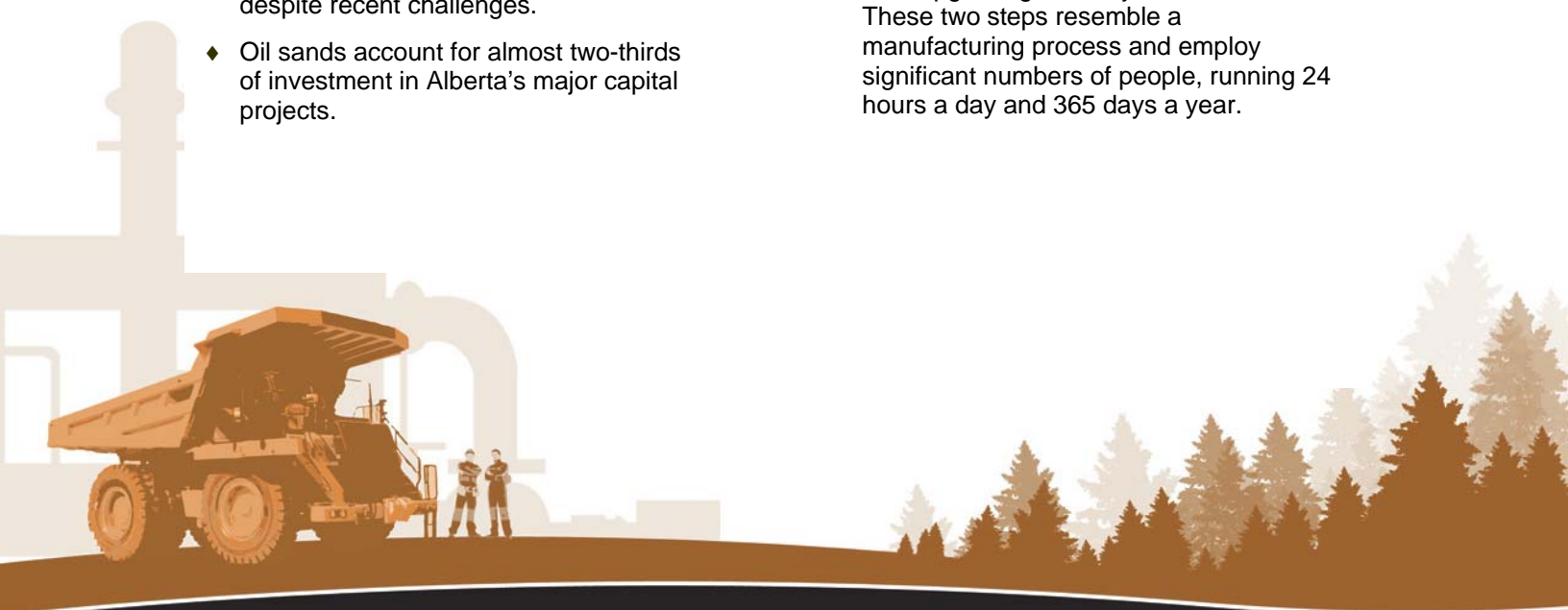
Fact: Oil sands developers contribute to the entire economy by investing a significant amount of their earnings in new projects, expansions and payments to governments.

- ◆ Oil sands companies are forecast to invest over \$20 billion in construction capital projects and over \$30 billion in operations costs for 2009 and 2010 despite recent challenges.
- ◆ Oil sands account for almost two-thirds of investment in Alberta's major capital projects.

- ◆ In 2008, capital investment in the oil sands will reach or exceed the level of spending for all manufacturing across Canada.
- ◆ Each dollar invested in the oil sands creates approximately nine dollars worth of economic activity globally, and six dollars of activity in Alberta.
- ◆ For every dollar oil sands companies earn, approximately 54 cents is paid to governments in taxes and royalties.

Fact: Energy from the oil sands will be instrumental in meeting the world's demand for oil in the future.

- ◆ Oil sands bitumen production continues to increase and is anticipated to reach almost four million bpd by 2020.
- ◆ Over the next decade, the oil sands are anticipated to be the single largest source of new oil supply in the world.
- ◆ Oil sands development involves two steps: extracting bitumen from sand and then upgrading it into synthetic crude oil. These two steps resemble a manufacturing process and employ significant numbers of people, running 24 hours a day and 365 days a year.



Population

Fact: Oil sands development has turned Fort McMurray into a significant community in the Province of Alberta.

- ◆ Fort McMurray is the fifth most populated community in the province with Calgary first, Edmonton second, Red Deer third and Lethbridge fourth.
- ◆ When work camps have been factored into the population count, the Regional Municipality of Wood Buffalo has ranked as the third-largest municipality in the province behind Calgary and Edmonton.
- ◆ The permanent population of Fort McMurray and Sapræe Creek has doubled over the last decade and is approximately 73,227.



Downtown Fort McMurray

- ◆ Over the last seven years, there has been a compounding population increase of approximately nine per cent making Fort McMurray one of the fastest growing communities in North America during this time.

Employment

Fact: The oil sands industry relies on thousands of people to fill its long-term permanent operations jobs.

- ◆ In 1998, there were approximately 6,000 people directly employed in oil sands operations jobs in the Fort McMurray/ Wood Buffalo region. By 2008, this number had doubled to approximately 12,000.



Shell Canada

- ◆ Between 2008 and 2010, an additional 3,000 new operations jobs are expected to be created.
- ◆ For every permanent operations job created by the oil sands industry in the Fort McMurray/Wood Buffalo region, there are approximately three additional jobs created locally and six more created nationally.

Fact: The oil sands industry relies on thousands of additional people in the construction industry.

- ◆ Depending on the needs of the industry, there are between 8,000 and 30,000 people employed to build and maintain facilities at any given time.

Alliances with Aboriginal communities

Fact: The oil sands industry creates jobs and opportunities for Aboriginal people.

- ◆ Contracts with Aboriginal-owned businesses in the region were valued at \$575 million in 2008.
- ◆ Between 1998 and 2008, approximately \$3 billion in contracts were awarded to local Aboriginal businesses.
- ◆ Both Syncrude and Suncor have achieved the milestone of having had over \$1 billion in business with Aboriginal-owned businesses.
- ◆ There were more than 1,500 Aboriginal people working directly for oil sands companies in operations jobs in 2008 and a considerable number working for contractors and construction companies.

Community investment by OSDG members

Fact: The oil sands industry invests in community projects, programs and events.

- ◆ \$10 million was invested by OSDG members in local communities in 2008.
- ◆ \$2.4 million was also directly invested in Aboriginal communities in the area, which are home to about 6,400 Aboriginal people.
- ◆ More than \$62 million has been invested in local communities over the last decade.

- ◆ Some notable investments in the community include \$3 million to the MacDonald Island Recreation Facility, \$2.5 million for a new performing arts centre/high school, \$2.5 million to Timberlea Athletic Park and \$750,000 to support the purchase of an MRI.
- ◆ In 2008, about \$4.5 million was raised during the annual United Way campaign in Fort McMurray with oil sands companies and their employees donating millions. Fort McMurray has been the per capita leader for United Way contributions in Canada for the last three years.



Imperial

Fact: The oil sands industry contributes to consultation and issues management with local First Nations through a unique structure.

Industry Relations Corporations (IRCs), created for each of the five First Nations connected to the "All Parties Core Agreement," assist local communities in consulting with industry on oil sands development in the region. Industry has provided \$7 million in 2008 to fund the region's IRCs, which support consultation and project-specific reviews.

Sources for all facts available upon request