



THE OIL SANDS
DEVELOPERS GROUP

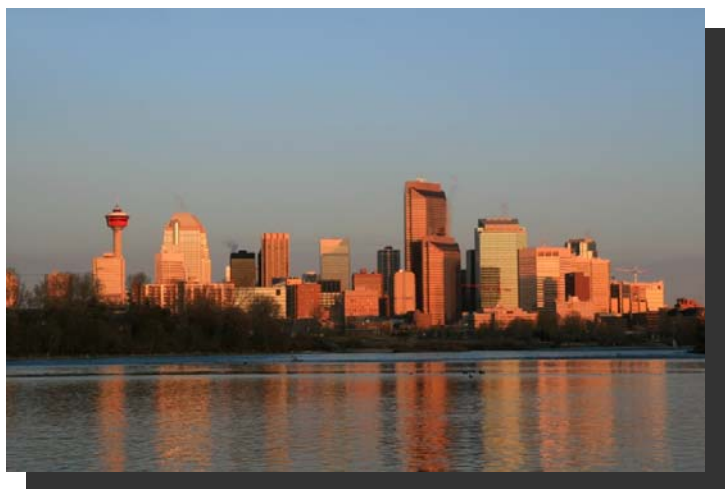
Energy From Athabasca

Oil Sands – For the Record

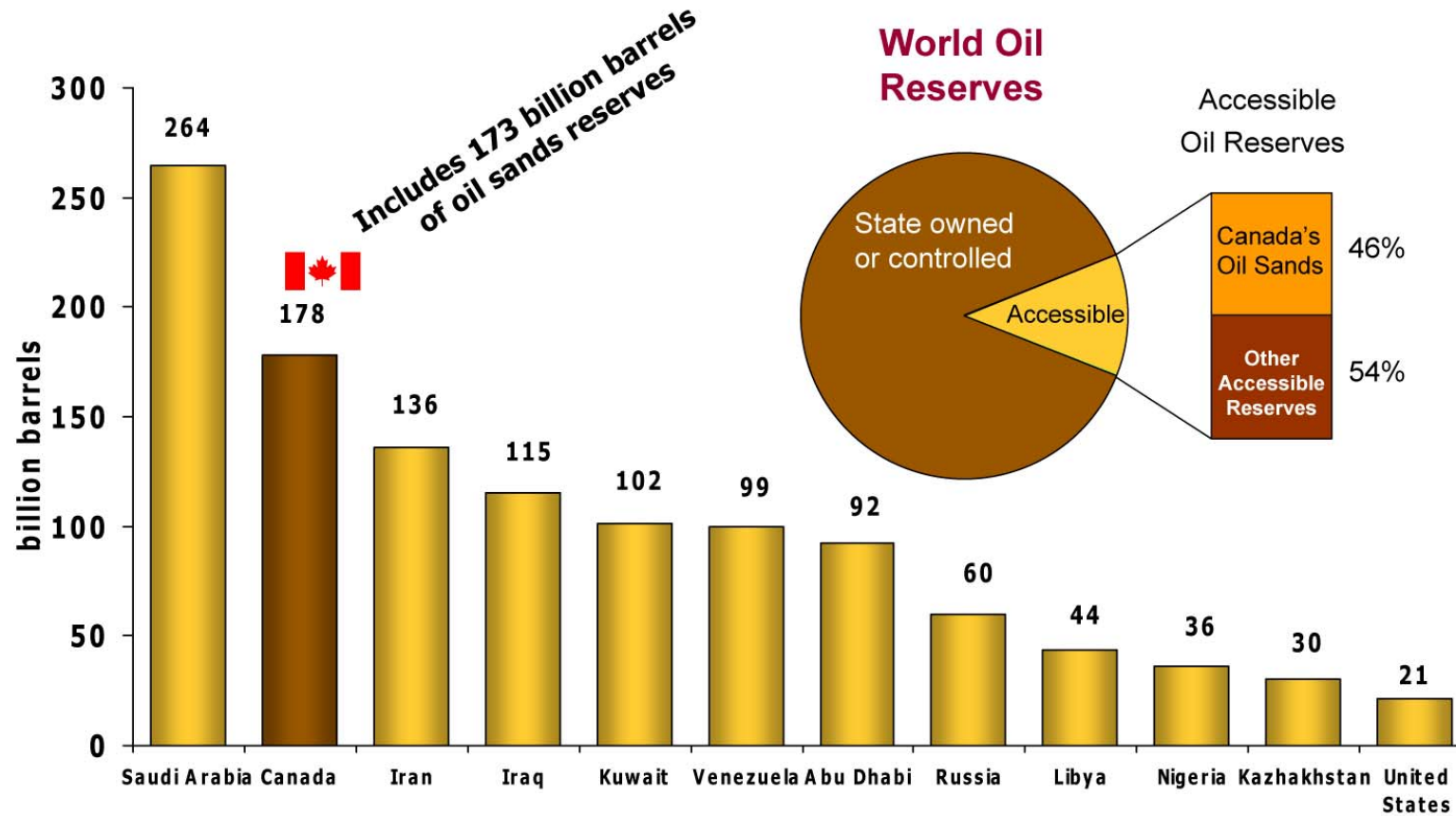
Don Thompson

**9th Annual Athabasca Oil Sands Conference
September 23, 2009**

Balancing realities



Today...oil sands are a globally significant resource



Source: Oil & Gas Journal Dec. 2008

Environmental myths

#1 The oil sands are threatening the Boreal forest

- Oil sands underlie 4 per cent of total Canadian Boreal forest
- Mineable oil sands only exist under 0.1 per cent of Canada's total Boreal forest
- In more than 40 years, oil sands mining has disturbed about 530 km² (0.01 per cent) of the Boreal forest

Environmental myths

#2 The oil sands are devastating the province of Alberta

- 97.5 per cent of the surface area is not mineable.
- More than 80 per cent of the oil sands will be developed using in-situ technology which:
 - Do not have mines
 - Or tailings ponds
 - And do not take water from the river
- Lower Athabasca Regional Advisory Council to protect at least 20 per cent of northeast Alberta
- Northeast Alberta includes Wood Buffalo Park – one of Canada's largest protected parks at 44,807 km²
- Currently 65 km² of oil sands land is under active reclamation

Environmental myths

#3 Oil sands are “dirty oil”

- Emissions from the oil sands are “within the general range of crude oils consumed in the United States...”¹
- Oil imported into North America becomes heavier and contains more sulphur each and every year
- Emissions intensity from the oil sands has fallen by 38 per cent since 1990

¹Source: Cambridge Energy Research Associates Inc.
Growth in the Canadian Oil Sands Report 2009

Environmental myths

#4 The oil sands are responsible for climate change

- Oil Sands account for 4.6 per cent of Canada's GHG emissions
- 1/10th of 1 per cent of the world's total emissions
- We currently produce 50 per cent of Canada's crude oil requirements

Environmental myths

#5 The oil sands are tainting the air

- Oil sands region is one of the most heavily monitored air sheds in North America
- Wood Buffalo Environmental Association operates 15 active and 27 passive stations in the region*
- Air quality consistently ranks better than major Canadian and American cities as benchmarked by the Clean Air Strategic Alliance

*www.wbea.org

Environmental myths

#6 Oil sand threaten downstream water resources

- Oil sands currently use 1 per cent of the annual flow of the Athabasca river
- At full oil sands development only 2.2 per cent of the mean annual flow will be drawn
- Water withdrawals are capped at 8 metres³ per second (8 to 10 per cent of the lowest flows ever recorded)
- In-situ production uses non-potable and saline ground water

Environmental myths

#7 Tailings ponds are polluting the water

- No tailings water can be released directly back in to the Athabasca river.
- Tailings are strictly regulated by Alberta Environment and the Energy Resources Conservation Board.
- Ponds are carefully designed with seepage collection and containment systems.
- “...no effects of local human activities were apparent on water quality in the Athabasca River...”

Source: Regional Aquatics Monitoring Program (RAMP) 2007 Technical Report www.ramp-alberta.org

Environmental myths

#8 Oil sands development creates chaos

- “...At the project level, government regulation of oil sands activities is stronger than in many other oil-producing regions in the world.”¹
- Oil sands are primarily governed by:
 - Alberta Environment
 - Alberta Sustainable Resource Development
 - Alberta Energy Resources Conservation Board

¹Source: Cambridge Energy Research Associates Inc.
Growth in the Canadian Oil Sands Report 2009

Economic and employment impacts of oil sands...¹

Location	\$ million GDP over 25 years	Annual jobs created
Total Canada	1,738,253	456,000
Alberta	1,574,530	352,600
BC	45,474	28,500
Ontario	54,850	32,000
Quebec	23,172	15,000
Saskatchewan	18,694	12,000
Manitoba	11,548	8,500
Maritimes	4,775	3,800
Northern Canada	1,591	800

...extend across Canada

¹Canadian Energy Research Institute, *Economic Impacts of the Petroleum Industry in Canada*. July, 2009



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By Don Thompson

Disclaimer

This presentation contains forward-looking information. Actual results could differ materially due to market conditions, changes in law or government policy, changes in operating conditions and costs, changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors.

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