

Calgary Energy Roundtable Conference

Thursday, October 10th, Imperial Ballroom, Calgary Hyatt Regency, 700 Centre St

MC: **Tom Clark**, veteran journalist and Chair, Public Affair and Communications, Global Public Affairs

7:30 am Registration. Continental breakfast will be available

8:00 am Welcome remarks

8:05 am **Session 1: The energy outlook**

Potential for fiscal disaster in the oil patch was averted when in late 2018 the government of Alberta instituted a mandatory oil curtailment to clear the production glut. So far, the policy seems to be working as domestic price discounts have snapped back to near-normal. If 2019 plays out according to plan, the curtailment should be lifted by mid-year and various market-balancing mechanisms should keep the discounts in check. Spending and drilling should strengthen into the back half of the year, though it appears 2019 will record fewer new oil and gas wells compared to the past two years. The current malaise is about pipeline delays, price discounts, policy angst and the top-line oil price. Yet there is a new resiliency in the world of oil. Leading multinationals and progressive independent operators with high-quality assets can now be quite active at \$US50/B; many are here in Canada. Given all the forces of change at play some in the industry will falter. Others will regroup and innovate, becoming leaner and stronger, ready to take on the 2020s as oil demand will keep expanding over the next five years. The panel will provide perspectives on oil and gas going forward.

- **John Whelan**, Senior Vice President, Upstream, Imperial Oil
- Additional speakers tbc

Discussion led by: **Jason Langrish**, President, The Energy Roundtable

8:50 am **Will First Nations ownership solve market access woes?** Speakers tbc

9:20 am **Session 2: Financing and M&A trends in Canadian oil and gas**

Significant divestitures of assets by foreign majors that has resulted in changing ownership structures for the Canadian energy sector. M&A activity has increased, with companies seeking to consolidate and focus their strategy. The negative investment climate and the discount on Alberta's Western Canada Select have created buying opportunities for those in the energy sector who believe valuations no longer make sense. As investment in Canadian shale assets continues we may see further consolidation focused on shale and natural gas assets. Going forward, there may be a decrease in big energy deals in Canada, as most of the larger foreign players pulled out of the market. Energy infrastructure may be an exception, with major oil and gas infrastructure projects underway to produce, transport or add value to the industry. While capital markets have remained relatively constrained for many industry participants during the low commodity price cycle, private equity has found opportunities to deploy capital in Canada at an attractive part of the cycle from a valuations standpoint. The panel will examine future trends in financing and M&A in the Canadian oil and gas sector.

- **Speakers tbc**

Discussion led by: **Blake, Cassels & Graydon LLP**

10:05 am Networking break

10:30 am **Session 3: Data is the new oil: especially in oil and gas**

The quote "Data is the New Oil" is usually used to explain the increased (and untapped!) value of exploding "gushers" of personal and organizational information that can transform customer experiences and business processes. The reality is that there is no industry in which the quote "data is the new oil" is truer than in oil and gas. Central to surviving – and thriving – in this unstable era is reinventing an organization's information strategy. The new normal of lower oil prices not only will lay bare inefficient oil and gas (O&G) companies but will push even the efficient ones to find ways to preserve their top and bottom lines. Luckily for the O&G industry, a new suite of technologies promises to help companies tackle these challenges. The panel will explore how companies have many optimization opportunities once they start using the massive data being generated by oil fields and can turn this crisis into an opportunity by leveraging technological innovations like artificial intelligence to build a foundation for long-term success.

- **Speakers tbc**

Discussion led by: **IBM**

11:15 am Keynote address – speaker tbc

11:35 am **Session 4: Improving capital projects outcomes in a cost driven world**

Energy producers on the high end of the global cost curve are adjusting to a world of far tougher competition. As the squeeze continues, companies are shoring up balance sheets and enforcing capital discipline to contain costs and focus on the most profitable ventures. In the last twenty years in the oil and gas industry, the delivery of capital projects has suffered from cost and schedule over-runs, almost to the extent that they are expected but still not accepted. In Canada companies repeatedly resolve to advance new projects and get their existing capital projects under control, only to see problems repeat with the implementation of new strategies. There is no shortage of new projects being proposed, but often only a handful of several conditions are being met. The investment community is paying much closer attention to the metrics around projects, including where their money is being placed and the conditions around it. The panel will consider industry and investor perspectives on capital projects, including the conditions, technologies and best practices for improving predictability and generating sustainable outcomes.

- **Elizabeth Sanborn**, President & Chief Operating Officer, Independent Project Analysis
- **Additional speakers tbc**

Discussion led by: **Kiewit**

12:15 pm Luncheon. **Frank McKenna***, Deputy Chair, TD Bank Group. Interviewed by **Tom Clark**

1:30 pm LNG update – speakers tbc

2:15 pm **Session 5: Electrification of the resource sector**

The electrification of the resource sector, notably, upstream oil and natural gas, may help provinces meet their carbon reduction targets in the next decade and potentially allow for industry expansion. As BC, for example, develops a LNG export sector, the province, industry and possibly the federal government, are going to have to invest in electrification. But it's not an easy path — the challenges to electrification include the need for costly transmission lines, where it may simply be too expensive to reach some regions; the cost of hooking up to those lines; and the higher price of electricity versus natural gas, used now to power compressors in natural gas processing plants and valves in producing wells. Environmentalists warn that electrification alone can't help resource producing regions reach their carbon targets, as the reductions needed are too great. The panel will examine electrification in the resource sector going forward.

- **Speakers tbc**

Discussion led by: **PETRONAS Canada**

3:00 pm **Session 6: Petrochemical: A sustainable solution for Alberta?**

There's no shortage of opportunity in Alberta's major new multibillion-dollar play in petrochemicals, but also some familiar-sounding risks. The Alberta government has granted a half billion of tax credits to two major projects to be built northeast of Edmonton. That will make some Albertans shudder, at least those who remember the "dirty dozen" of failed projects from the Lougheed-Getty era. But there have also been successes of government investment such as Syncrude, the Alberta Energy Company, and the ethane-based petrochemical industry. These wins all built on Alberta's comparative advantages, such as ample reserves, skilled labour and the ability to integrate an operation with related businesses - advantages that hold true for the two new petrochemical projects. The rewards could be immense. The market for petrochemicals, such as the plastic pellets, is strong and growing. Challenges will include increased construction costs in a winter climate, possible issues in getting the product to the Asian market and green activists turning against a product. It has a familiar and unsettling ring, but there's also no overlooking this opportunity. The panel will examine the petrochemical industry and if it is a sustainable solution for Alberta.

- **Speakers tbc**

Discussion led by: **tbc**

3:45 pm Close by **Jason Langrish**, President, The Energy Roundtable

* Indicates speaker tbc