

NOIA Conference 2018

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Check Against Delivery

Thank you Andrew. Good morning everyone.

There is something that unites all of us in this room today: we all share a vision for a vibrant and prosperous Newfoundland and Labrador.

We are all part of building the future of energy in this province.

You may be an operator assessing the exploration potential of our offshore and contributing to our economy with jobs, infrastructure, and training.

You may be an offshore worker that is part of a diverse team with a dedication to safety and quality that leads the world.

You may be a scientist conducting important research to advance our knowledge and the technologies used in our industry.

You may be an engineering student at Memorial wondering where you will live and work after graduation.

Each one of us has a role to play. And that's why Noia exists.

Noia looks forward to continuing to support our members as we work together to turn our potential into reality – a long-term, sustainable offshore oil & gas industry for the benefit of all Newfoundlanders and Labradorians and Canadians.

We've seen a lot of change. Over 40 years, we've seen the price of oil go as high as \$146 per barrel to as low as \$27.

We've come from expenditures offshore Newfoundland and Labrador of \$1.2 million in 1977 to over \$51.4 billion of cumulative investment to the end of 2015.

Forty years ago, there was little known about our potential, but today we know with certainty the potential of our basins, and it is vast.

Two days ago you heard Jim Keating of Nalcor Energy provide an overview of our prospectivity and name our next 'monster' - Raleigh. That prospectivity is unmatched throughout the world with approximately 650 leads in our offshore.

And let's not forget our offshore is 45% larger than Norway's, which has produced tremendous benefits for that country.

Those of us in this room know our resource potential, but what about the rest of the province? What about our decision-makers? Most people don't have an opportunity to hear from Jim Keating and Richard Wright as often as we do.

We asked Corporate Research Associates to help us understand what people know about the oil and gas sector.

Here is what we found.

88% of Newfoundlanders and Labradorians support the oil and gas industry. That's a truly significant number.

Don Mills, the President of CRA, says that with numbers like this, "the industry in Newfoundland and Labrador enjoys broad social license across the province based on its track record to date." He also said this is hard to achieve.

Interestingly, survey respondents indicated they were more likely to support the industry when they knew that our light, sweet crude is below the global average in greenhouse gas emissions at extraction - 30% lower in fact.

We need to maintain this momentum of support because as you clearly heard this week from our speakers, there is a potential threat to our industry.

CRA data also indicated that Newfoundlanders and Labradorians do not fully understand the economic value of the industry.

So, we knew that we had to do something to change this.

During a recent meeting with Mr. Jim Irving, he told me about the Ships Start Here campaign. A campaign to create a movement around the largest ship procurement in the country.

We talked about that campaign and the need to build a groundswell. He said you have to win based on merits, but having community support goes a long way.

As he spoke, every time I heard Ships I thought, oil and gas.

From there a campaign took shape – with thanks to financial and in-kind support from Mr. Irving and Atlantic Towing.

We engaged Jupia Consultants led by David Campbell, the former chief economist for the province of New Brunswick.

We also engaged NATIONAL Public Relations to help build this campaign.

We asked David to run a model based on the target of 650,000 barrels of oil per day, as per Advance 2030.

We never could have imagined what we discovered...

Think forward to 15 years from today. The year is 2033.

Imagine the Potential of 56,000 jobs provided by the industry – up from 23,000 currently. In a province that has a current workforce of about 216,000 workers, that's an increase of more than 25%.

Imagine the Potential of needing an additional 1,000 restaurant industry employees.

Imagine the Potential of needing 1,000 more teachers and guidance counsellors.

Imagine the Potential of \$3.5 Billion in consumer spending. Again we are talking about one single year. (One number that jumped off the page to me is more than 158,000 new vehicles would be purchased in the province.)

Imagine the Potential of \$6.6 Billion in royalties and taxes in 2033 alone.

Imagine the Potential of \$4.6 Billion in wages that year.

Image the Potential to accrue over \$100 Billion in royalties and taxes by 2045.

Imagine the Potential of stemming the flow of outmigration and people returning home; and, new people moving to our province.

Imagine the Potential of \$37 Billion in new capital expenditures – that is the amount of investment needed to get to 650,000 barrels a day. (That is a lot of projects, a lot of opportunities for our members and industry to be a part of. The people in this room today)

Imagine the Potential to make our provincial debt disappear.

That was just for Newfoundland and Labrador and the benefits don't stop there; they extend right across the country.

Imagine the Potential - for every direct job in Newfoundland and Labrador, 2.3 jobs would be created in the rest of Canada.

Imagine the Potential of more than \$3.5 Billion in tax revenues in that year, and remember that excludes Newfoundland and Labrador.

Imagine the Potential of consumer spending of \$1.2 Billion in the rest of Canada.

David Campbell says, this is what economists refer to as a large number problem; and what a great problem to have.

But, none of this matters if a positive business climate doesn't exist with clarity and certainty.

Let's strive for protection and progress, not added process. Let's strive for our potential.

In just 15 years – when the Kindergarten class of 2018 is 21 years old and nearing the end of their first post-secondary degree, and when my own daughter is 24 and starting out to take on the world, if we get this right, things could be fundamentally different.

Think about the Newfoundlanders and Labradorians scattered across the globe.

We all know of family members missing important occasions such as birthdays, anniversaries, graduations, and school concerts.

If given the choice, many of them would choose home. We need to give them that option.

The time is now. This has been a constant theme throughout our conference and I believe it is perilously true.

If we want those substantial royalties and a share of that \$37 Billion in capex we need to take action.

Our first action is to start a movement. A movement to create understanding of, and support for, our oil and gas industry.

We are launching our campaign and our website today: ImagineThePotential.ca

On this website you can read and share the facts I just shared with you.

You can also write the prime minister about our industry. I ask that today you join our movement, enter your email, and sign on as a supporter of our industry.

This is the first phase. This is a movement that will continue to grow and evolve.

We all have a role to play. You have a role to play.

Our industry needs your voice.

Gathered in this room are the most influential people of our industry.

Tell your friends, your family, your neighbours, your MHA's, your MP's and the prime minister.

Tell them about our tremendous prospectivity and the opportunities that lie ahead for our industry.

Tell them to Imagine the Potential for our province and our country.

I was so inspired by Brad Wall. I think we should all be inspired.

He said develop your industry for Newfoundlanders and Labradorians, develop your industry for me, and develop your industry for all Canadians.

Let's develop it for Brad.

Let's develop it for every single one of us in this room.

Let's develop it for Newfoundlanders and Labradorians.

Let's develop it for all Canadians.

Our industry is a nation builder.

Thank you.