

Premier Gordon Campbell
Address to the Canadian Association of Petroleum Producers
Nov. 18, 2003

Check Against Delivery

I'm pleased to be standing right beside a map of British Columbia. It's when you stand beside the map of BC and you see the potential and the opportunities that exist, that you can get really excited about what's taking place in our energy industry and our oil and gas industry.

CAPP has been an exemplary industry sector representative. Before the last election, CAPP came to us and said: "We think there's potential in British Columbia. If you're willing to work with us to grasp that potential, we're willing to move ahead and help you build the kind of energy industry in your province that will be recognized around the world."

We have 18 billion barrels of oil in reserve here. We have over 110 trillion cubic feet of natural gas available. We have coal in this province that will meet our needs and then some for 120-some-odd years. We have almost 90 trillion cubic feet of coalbed methane reserves spread throughout the province.

To make the most of that opportunity, we took CAPP up on their challenge. In May of this year, we took some first steps of an initiative that has led to some very positive results. We recently followed that up with some additional initiatives to try and liberate the kind of economic potential that our province faces.

You said we had to improve our royalty structure. And to be candid, our philosophy is basically this: It's better to get something of something than all of nothing. For a while we were getting all of nothing in British Columbia when it came to energy. We've said: Let's change that. And we have done that with the new royalty structures that we've put in place.

You asked that we streamline our regulatory environments. We've begun to do that, and I think we're improving on that every day.

You've asked that we provide for industry support in the service sector, and we're trying to do that by helping train more workers. We're building on the working population we have and providing additional training in oil and gas.

You've asked that we work closely with our First Nations to make sure that they are part of our energy future, and we're doing that.

Dick Neufeld, as the minister responsible, came to us very early on and said: "We want to put in place a program that will generate over \$20 billion of private sector investment and almost 8,000 new jobs in the province of British Columbia over the next six to seven

years.” We said: “Go for it. Let's do it.” That is actually what we are now putting in place. We're taking those steps, and we're seeing results.

We see Talisman Energy working very hard as part of the Permian natural gas discovery in Monkman last year. They're looking at increasing their investments in British Columbia significantly in 2004-05.

Canadian Natural Resources will drill 176 wells in northeast B.C. in 2004. That's a 63 per cent increase.

We've watched as our summer drilling program expanded by 126 per cent in this year alone - 126 per cent. There's been a 46 per cent increase in drilling activities overall this year. All of those are positive responses to the policy changes that we put in place.

Of course, we saw the exceptional sale that took place this September – \$418 million in one month – and we know EnCana was the major player behind that.

On behalf of all British Columbians, I thank Talisman, EnCana, CNRL for their contribution and their confidence in our province. It's going to build a stronger economy with more jobs all over British Columbia.

I do want to take a moment to talk about some other exceptional opportunities that we have in British Columbia. The Nechako Basin southwest of Prince George offers exceptional opportunities for energy development. The Bowser Basin in the great northwest of our province, just north and west of Smithers, offers exceptional opportunities. And, of course, we have all been tantalized by the potential for offshore oil and gas development, not just in the northwest, which is where we typically think of it, but all along the western coast of Vancouver Island.

There is enormous potential in this province for energy development. Our goal is not to just be the most competitive jurisdiction in North America, but to set an example for how we can move forward with economic development in the energy sector that will benefit the people we serve while protecting our environment.

Three or four weeks ago I traveled to Texas with Alberta Premier Ralph Klein. When we talked, there were times when I had to remind him about good things that were taking place in Alberta. And there were times that he picked up on some of the things taking place in British Columbia. And we know we will benefit when we work together to access a marketplace that clearly needs our product.

Right now the United States imports about 1.8 billion barrels of oil from Saudi Arabia. They import 1.6 billion from Canada. Ninety-four per cent of all of their gas imports in the United States come from Canada. We believe that Canada, in fact, is a cornerstone of the United States economic energy future.

They have a choice to make, and we're quite clear about this. They can choose to rely on Saudi Arabia for energy security, or they can choose to rely on Canada. Our pitch is for Canada, and they're taking us up on it.

One of the things that we want to try and do with Alberta is work to harmonize our regulatory regimes and harmonize some of our codes, so that we create an even greater economic benefit. We believe that we can do that, and we believe that not only will the energy industry benefit, we believe there will be thousands of people in our provinces who will benefit with long-term and sustainable jobs.

On behalf of my colleagues, let me say to all of you that we have appreciated the open and direct dialogue that you have initiated. We appreciate the fact that you identify problems as well as solutions. We appreciate that you have been working as closely as you have with the excellent people in our Energy and Mines ministry, as well as with those working to develop an offshore oil and gas strategy.

We do want to be recognized as an energy centre and an energy leader in our country. We know that to do that we have to be the most competitive jurisdiction around for people to invest in. We are striving to do that. I am confident that we will attain that goal if we keep working together, listening and learning from one another, and remembering that it's in the strength of our energy industry that we will build an even stronger future for our economy throughout the heartlands of British Columbia, in the north, and throughout our great province.

Thank you for your contribution. Thank you for the work you do. Our cabinet and our government will continue to work with you. We will continue to try and create winners in the energy industry, because we know that British Columbia wins when we do that.