



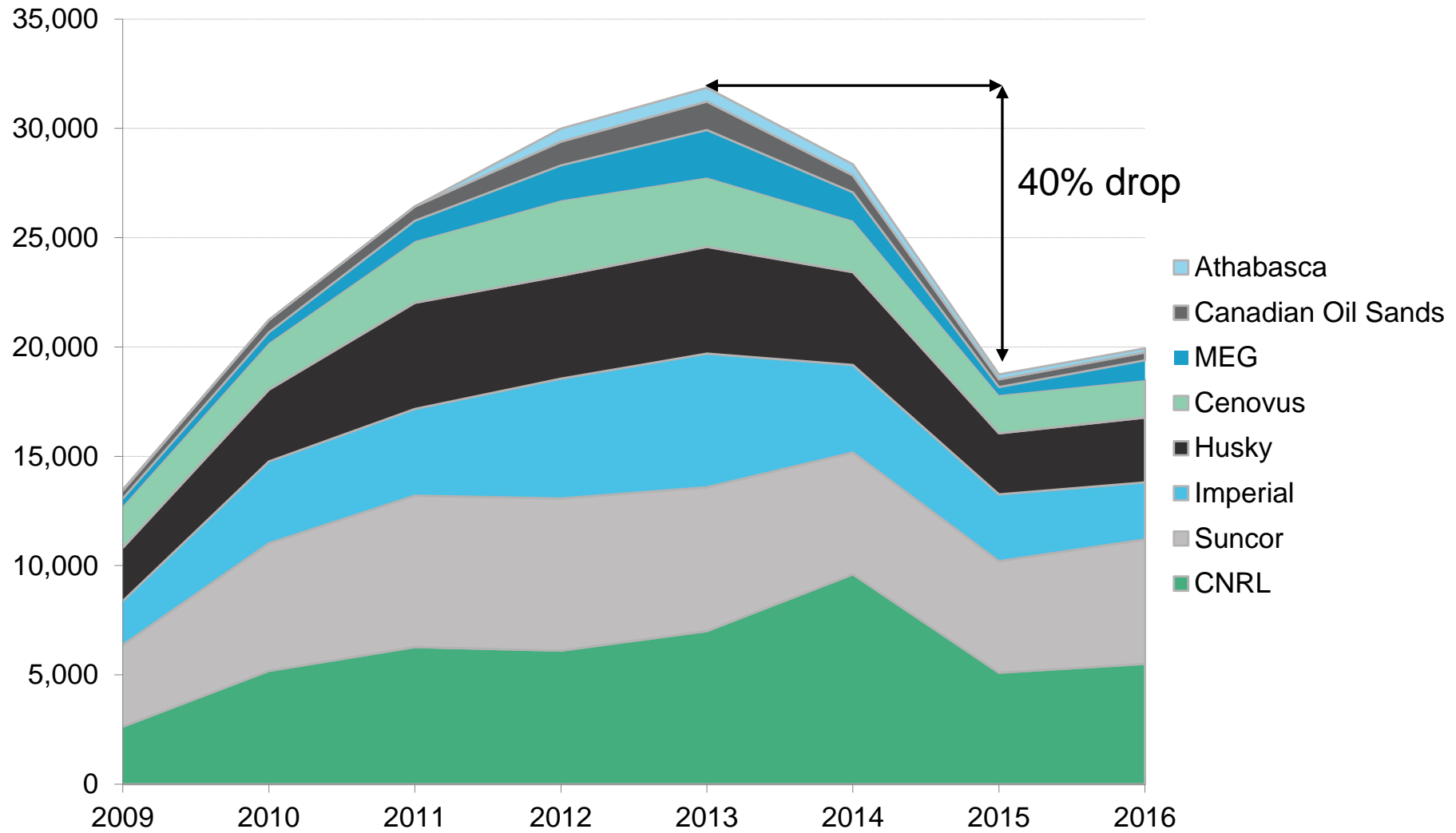
March 2015

ENERGY FINANCE 2015: OIL SANDS

Charles Blanchard

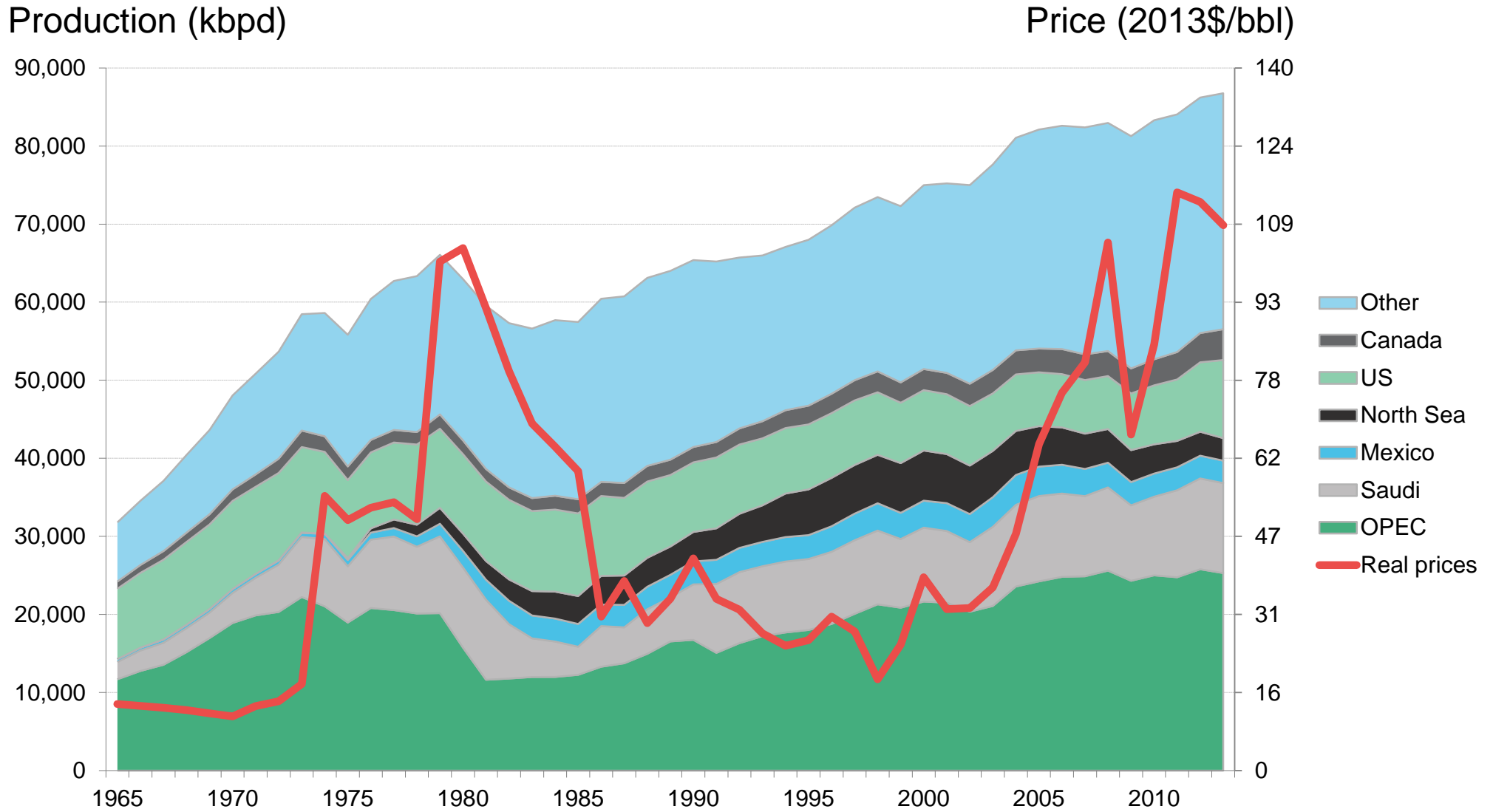
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OIL SANDS-CONCENTRATED PRODUCER CAPEX (\$M)



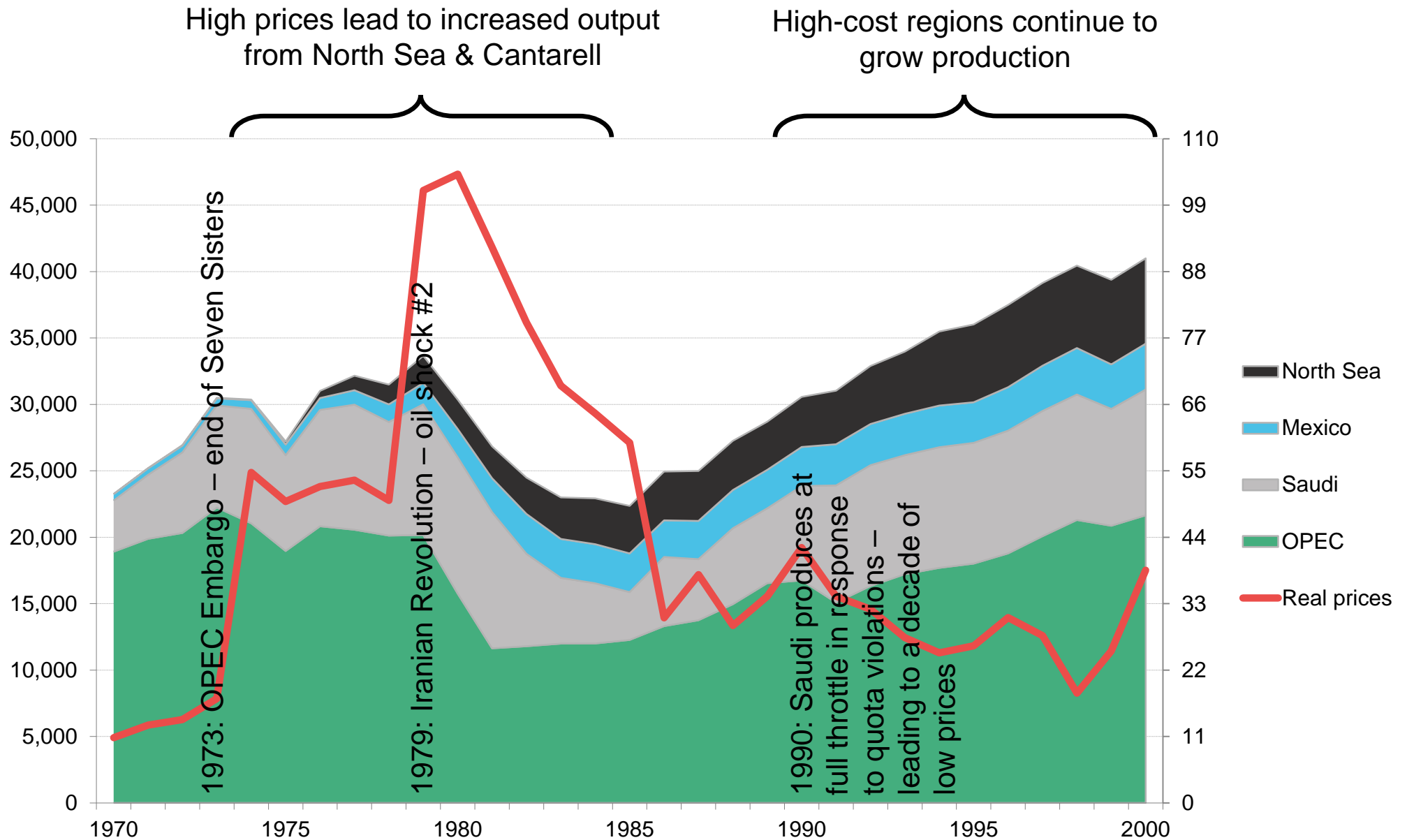
Source: Bloomberg New Energy Finance

GLOBAL OIL PRODUCTION AND PRICES



Source: Bloomberg New Energy Finance

1970-2000 ZOOM IN

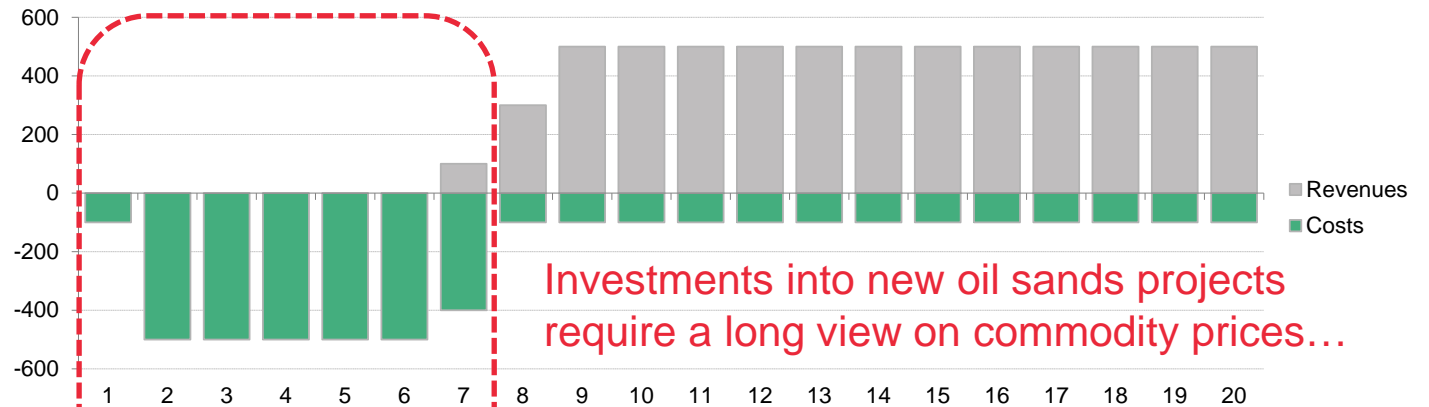


Source: Bloomberg New Energy Finance

WHY OIL SANDS PRODUCTION WON'T DECLINE IN THE NEAR TERM

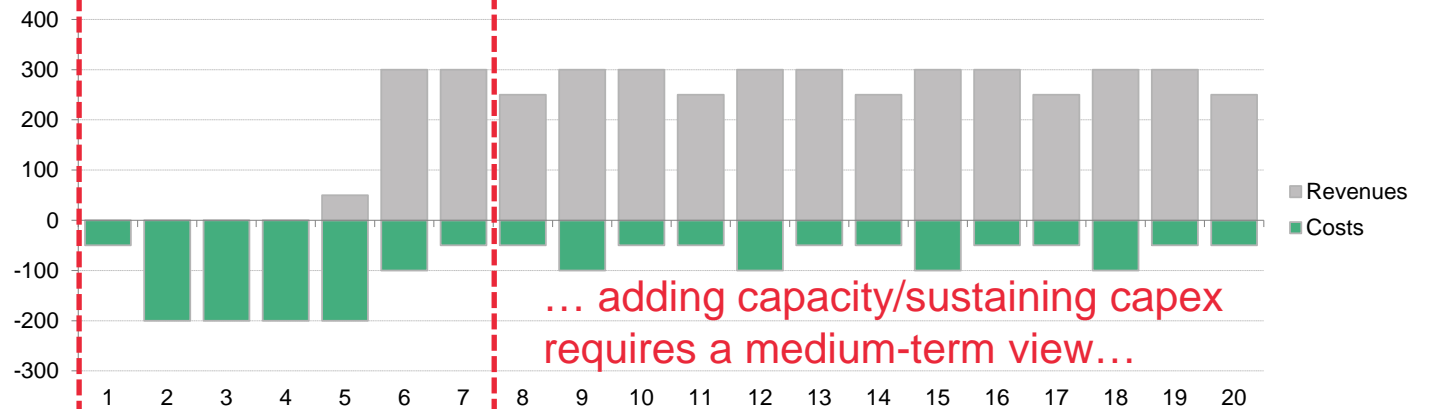
Oil sands: mining

- Large upfront investment
- 5+ year lead time
- Long-life asset – minimal sustaining capex required
- Low lifting costs



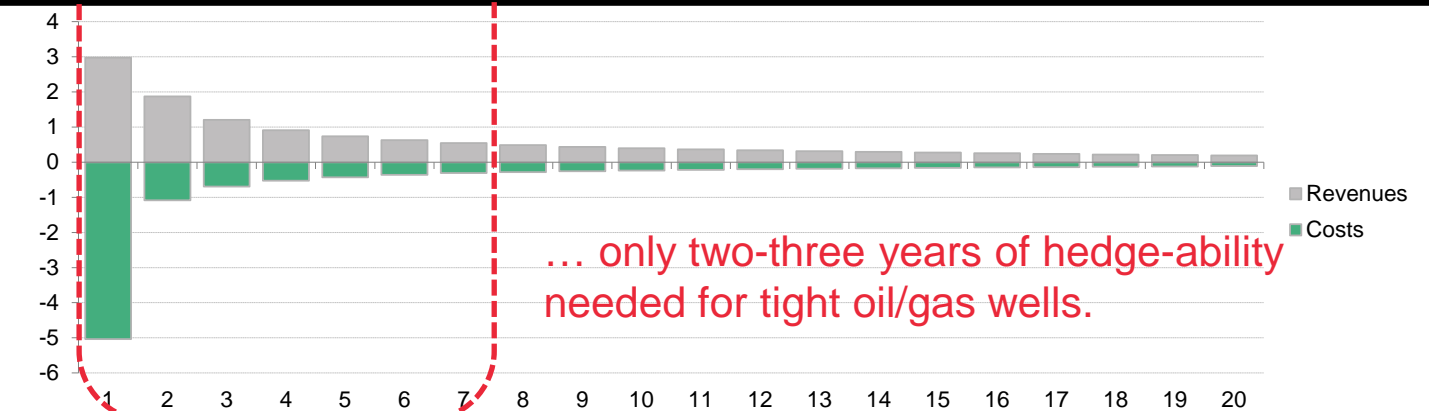
Oil sands: in-situ

- Medium/large upfront investment
- 4-5 year lead time
- Long-life asset, but individual wells exhibit declines after ~5-10 years – need for sustaining capex
- Medium/low lifting costs



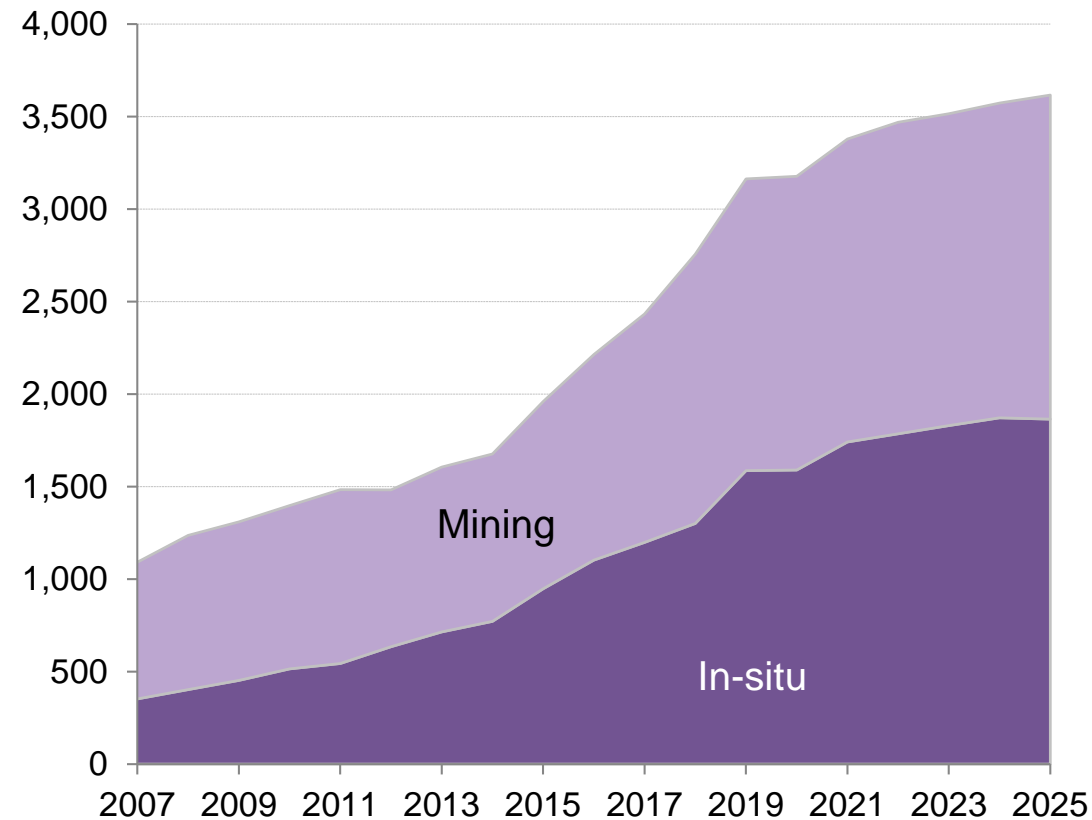
Tight oil

- Small upfront investment
- High initial decline rates (65-80% in first year)
- Low lifting costs

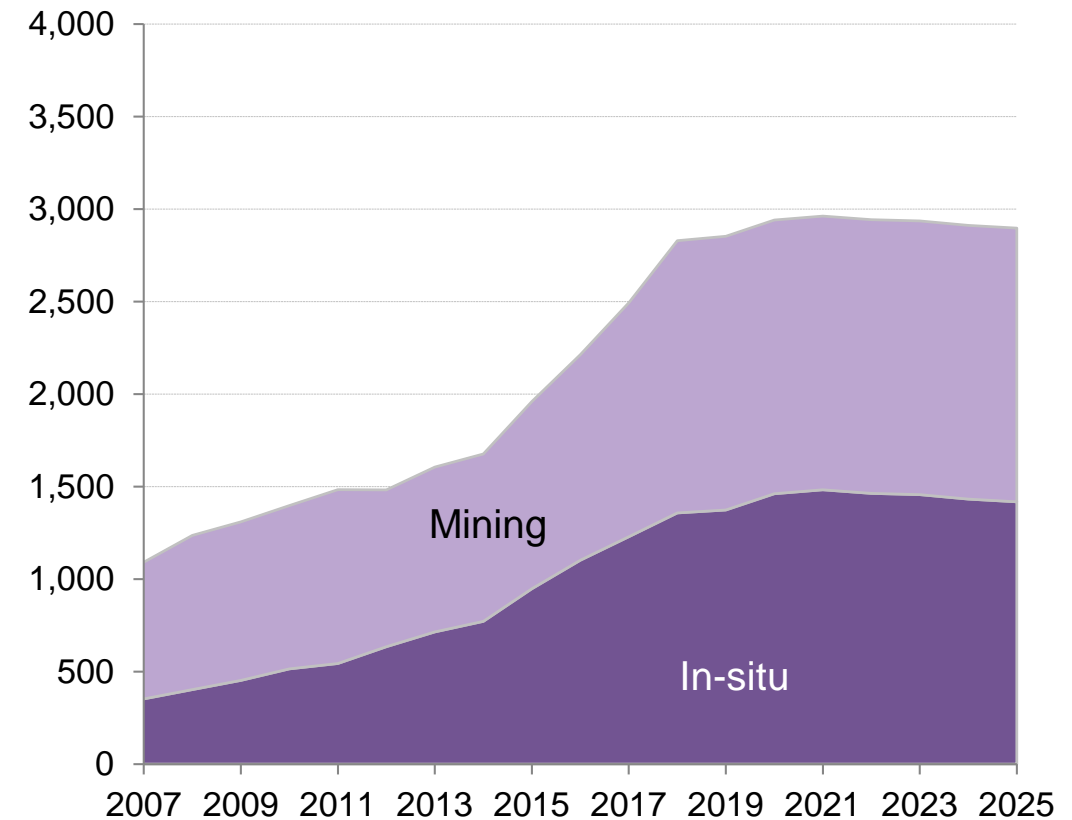


CRUDE BITUMEN PRODUCTION (KBPD)

Our forecast – July 2014

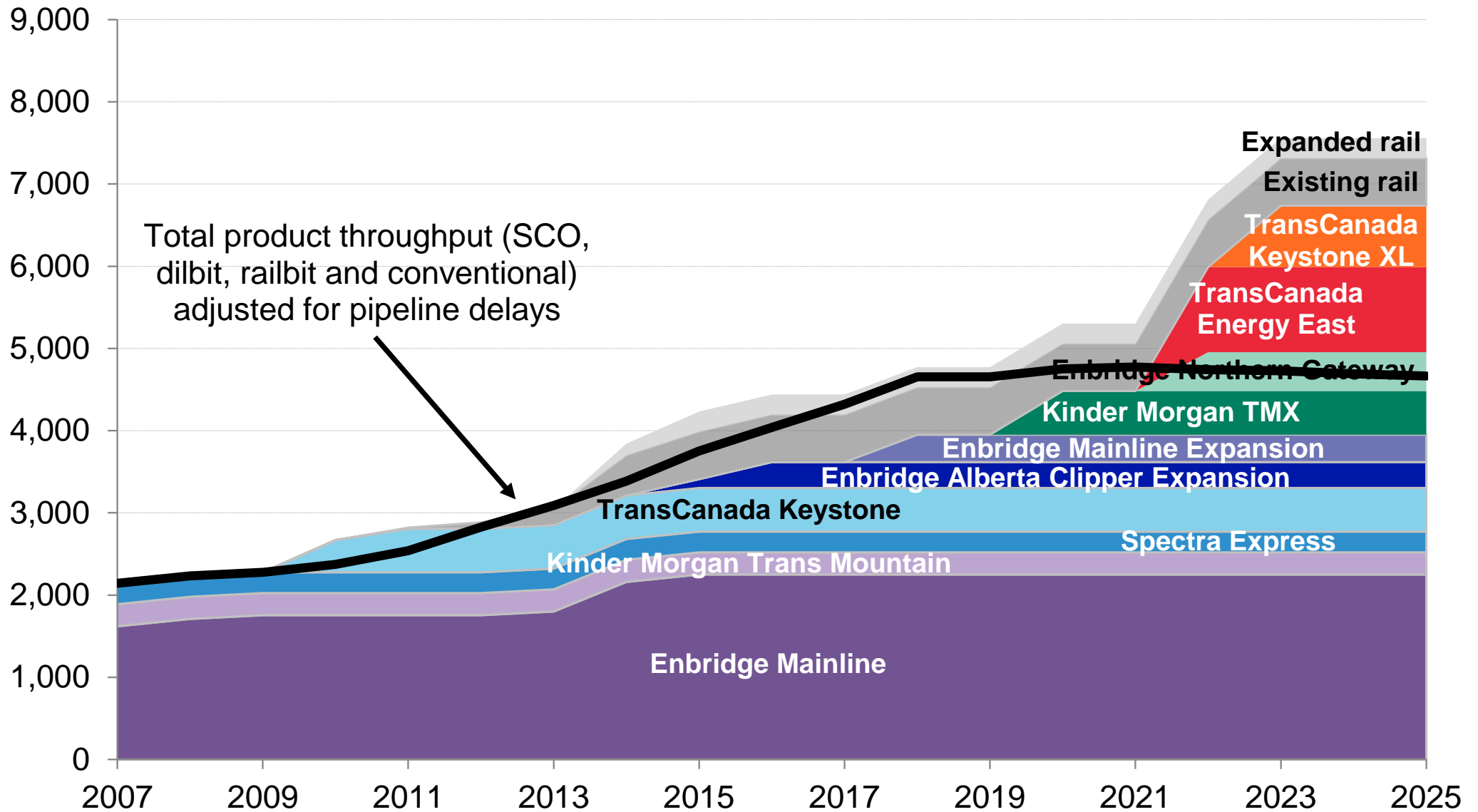


Our forecast – March 2015



Source: Bloomberg New Energy Finance, CAPP, AER

TAKEAWAY OPTIONS AND PRODUCT THROUGHPUT (KBPD)

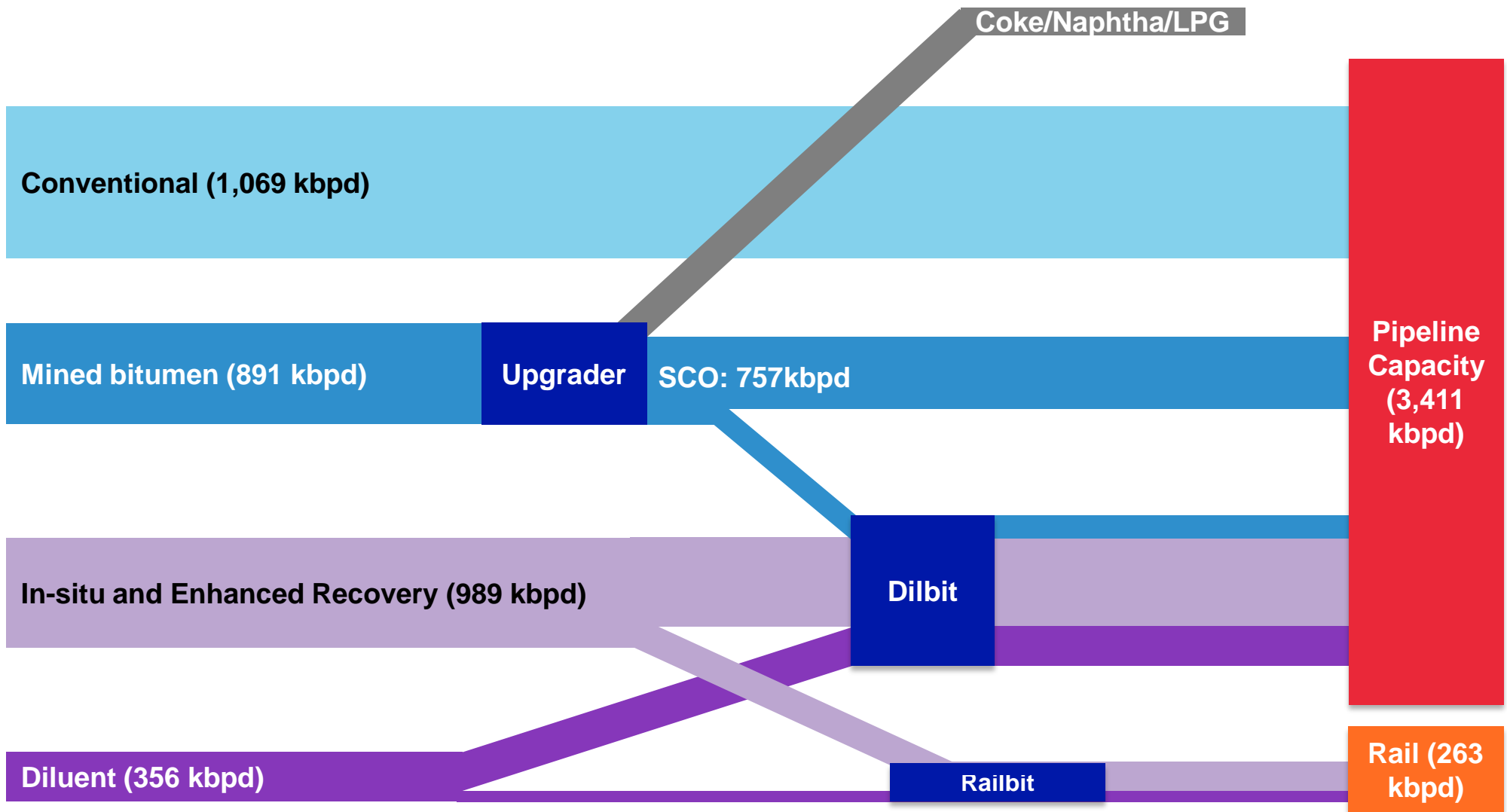


Total product throughput (SCO, dilbit, railbit and conventional) adjusted for pipeline delays

Note: Pipelines shown at 90% of capacity; rail shown at 60%

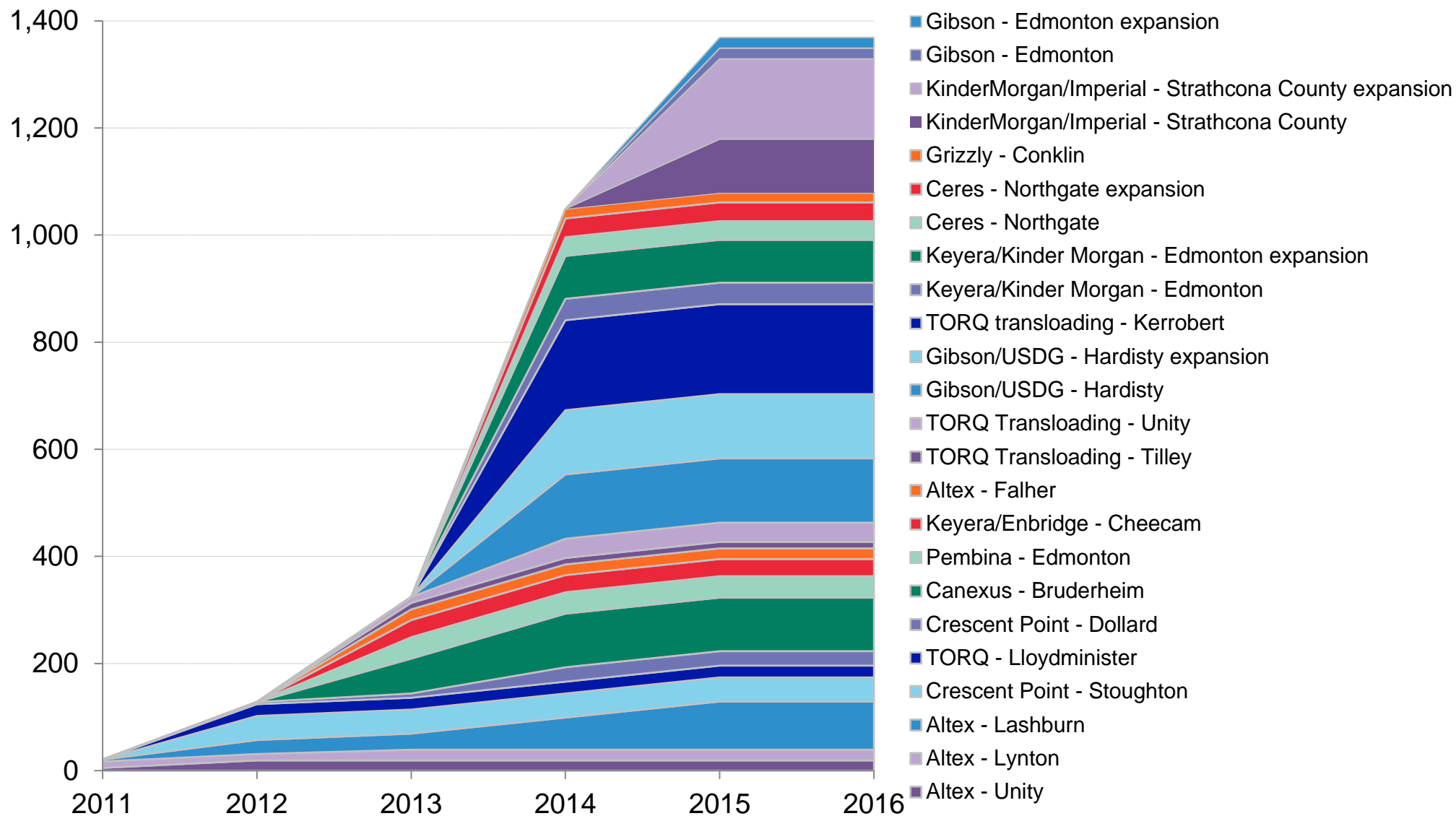
Source: Bloomberg New Energy Finance, CAPP, AER

2013 OIL SANDS TRANSPORTATION LOGISTICS AND VOLUMES



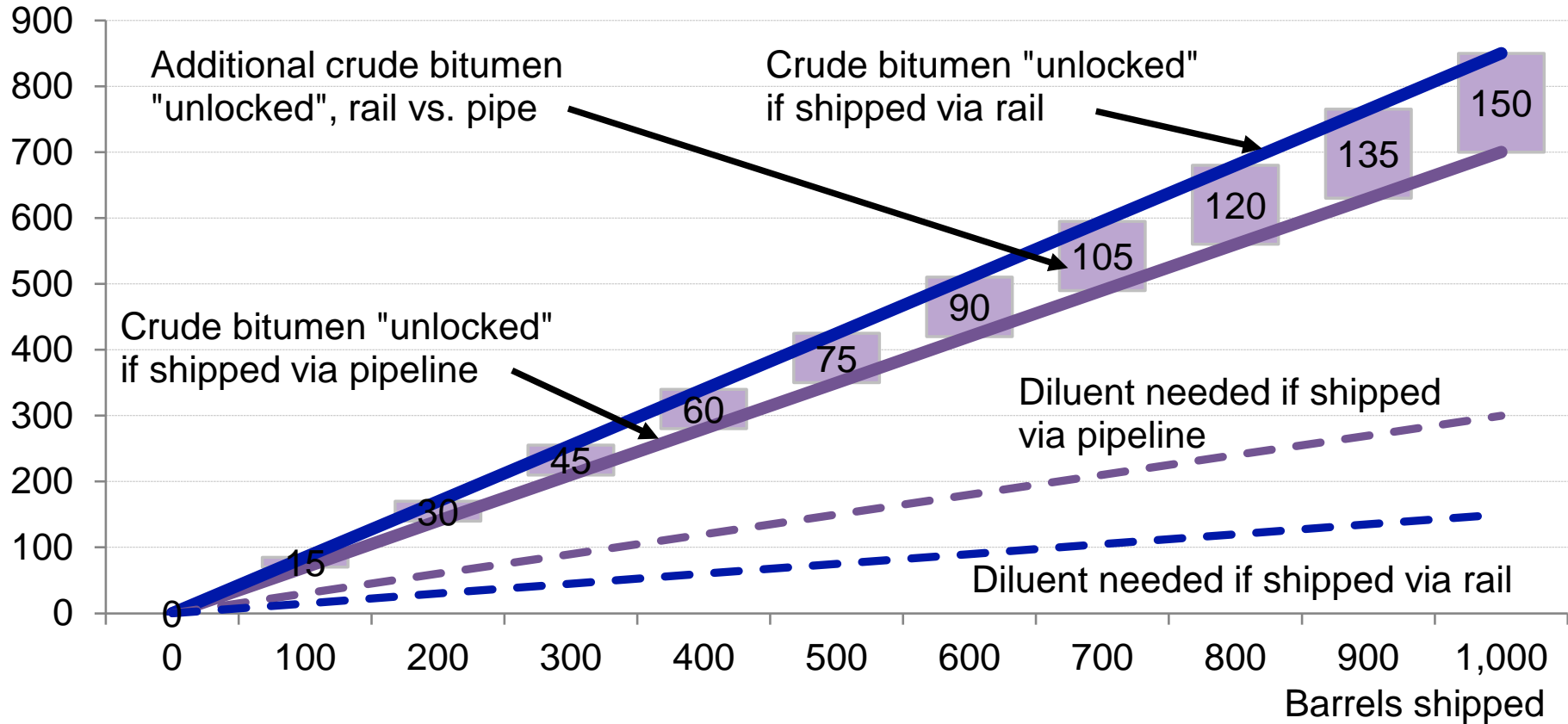
Source: Bloomberg New Energy Finance, CAPP, AER

RAIL TERMINAL TAKEAWAY (KBPD NAMEPLATE)



Source: Bloomberg New Energy Finance, CAPP

DILBIT (PIPELINE) VS. RAILBIT (RAIL) LOGISTICS COMPARISON (KBPD)



Source: Bloomberg New Energy Finance

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