

Natural Gas

COAL · OIL · PIPELINES · MINERALS · OIL SANDS · ELECTRICITY · NATURAL GAS · PETROCHEMICALS

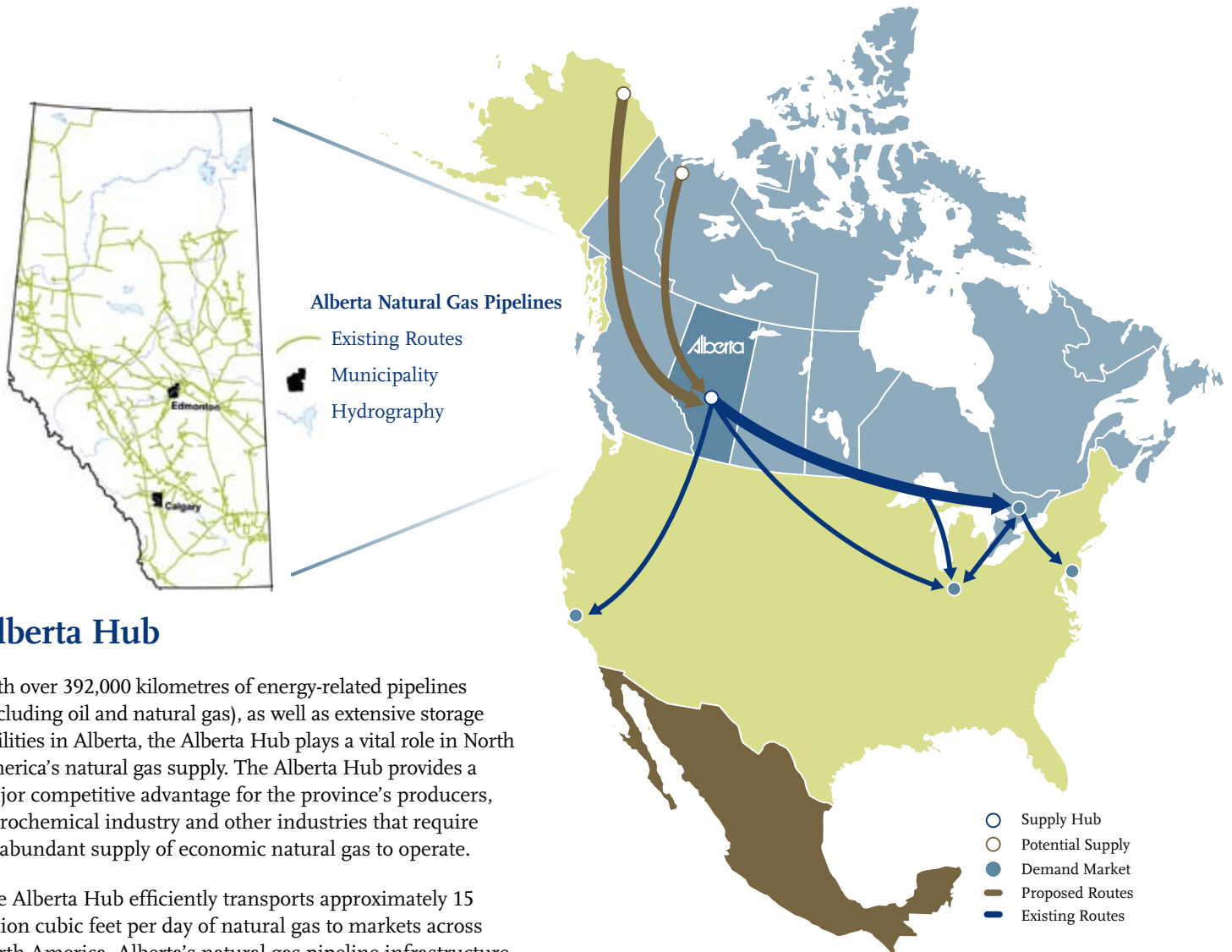


Alberta

Natural Gas



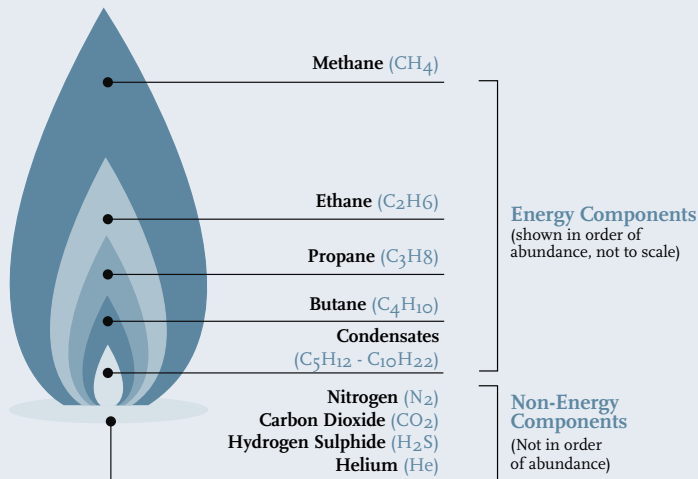
Natural gas is the fuel of choice for a growing share of North America's energy needs and impacts the lives of Albertans everyday. It is one of the cleanest forms of energy, and is used for heating, industrial use and electrical generation throughout the continent. Natural gas is primarily methane with small quantities of other hydrocarbons such as ethane, propane, butane and pentanes.



Alberta Hub

With over 392,000 kilometres of energy-related pipelines (including oil and natural gas), as well as extensive storage facilities in Alberta, the Alberta Hub plays a vital role in North America's natural gas supply. The Alberta Hub provides a major competitive advantage for the province's producers, petrochemical industry and other industries that require an abundant supply of economic natural gas to operate.

The Alberta Hub efficiently transports approximately 15 billion cubic feet per day of natural gas to markets across North America. Alberta's natural gas pipeline infrastructure may facilitate northern gas development by providing pipeline access to markets across the continent.



* Image based on information from the Centre for Energy Research.

Alberta's Natural Gas Industry

Canada is the third largest natural gas producer in the world with over 80 per cent of the country's gas being produced in Alberta. Alberta produces approximately five trillion cubic feet of natural gas a year which is enough natural gas to heat every Albertan home for 35 years. Almost 70 per cent of natural gas produced in Alberta is exported to other provinces and the United States.

Responsible Development

Alberta has well developed and effective regulatory processes, a highly skilled workforce, and world class natural gas processing, transporting and marketing infrastructure.

Alberta's natural gas supplies are developed in some of the most varied conditions on the globe. Alberta's highly competitive industry is skilled in dealing with temperature extremes and vast distances and is a world leader in many aspects of natural gas development.

Benefits for Albertans




Alberta's natural gas resources provide many benefits for Albertans:

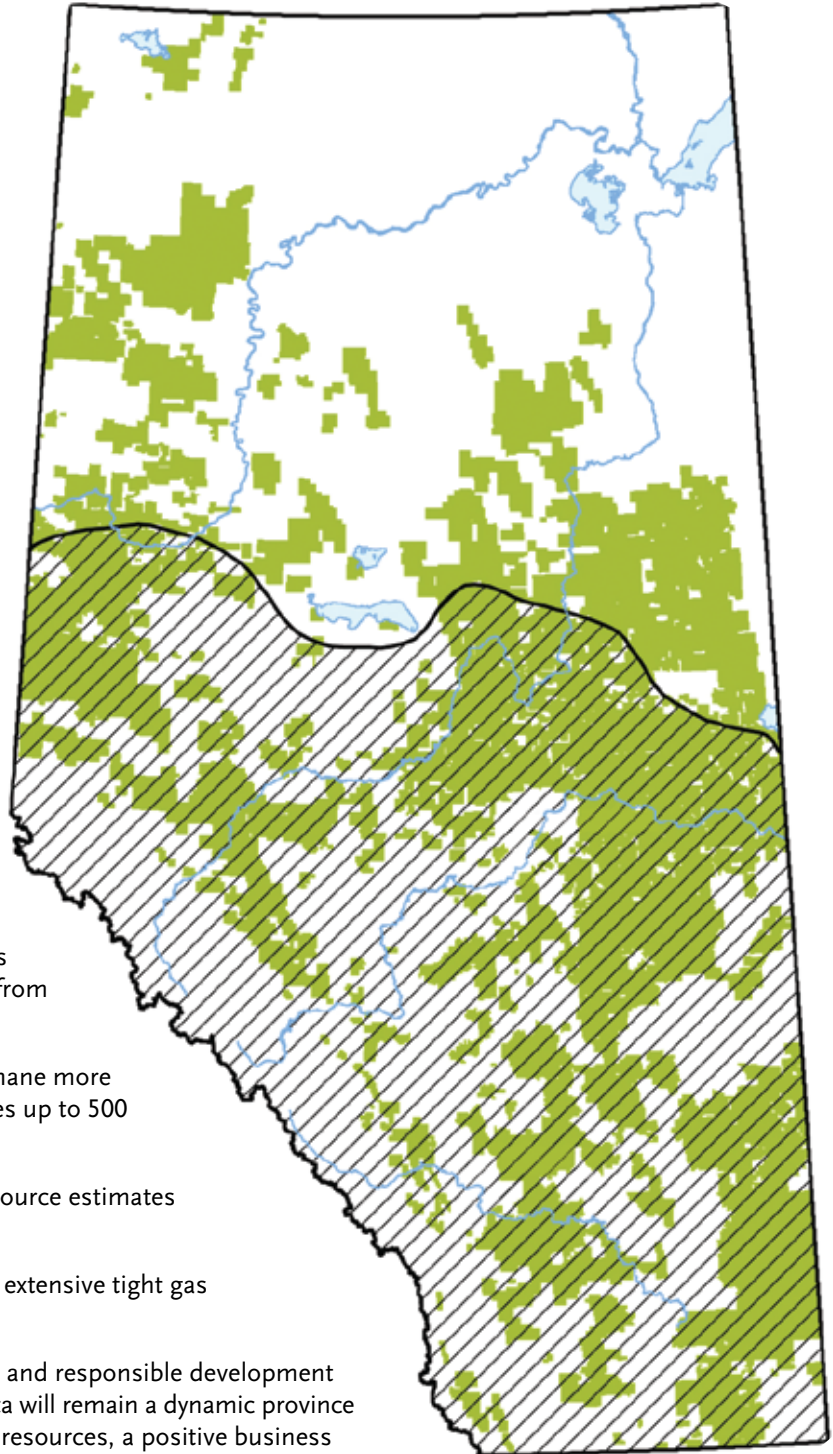
- Over 150,000 Albertans are directly employed by the oil and gas industry or related service companies.
- Between 2002 and 2006, over \$90 billion was invested in conventional oil and gas projects by the energy industry, with the majority of investment going towards natural gas.
- Albertans consistently benefit from lower natural gas prices compared to the rest of Canada.
- Royalties are an important revenue stream for Alberta, and are used to support many of the programs and services on which Albertans rely.
- As owners of the resource, Albertans receive a fair return from the development of natural gas resources in the province through Alberta's new royalty framework. The province's new royalty framework maximizes Albertans' returns while providing stability for the gas industry. Royalties from natural gas and by-products have ranged from 5 to 8 billion dollars annually over the last several years.

Alberta has received international attention for its successes in natural gas flaring and venting reductions.

Since 1996 solution gas flaring in Alberta has been reduced by 76 percent. In 2007, the upstream oil and gas industry conserved nearly 96 percent of all solution gas produced in Alberta for use and sale, rather than flaring and venting it. By reducing the amount of natural gas that is wasted, Alberta helps ensure that we make the most effective use of our natural gas resources and continues this province's record as one of the global leaders in conservation and flaring reductions.

Alberta's Natural Gas

-  Conventional Natural Gas
-  Coalbed Methane Potential
-  Hydrography



Future

The government supports the energy industry's efforts in undertaking extensive research to find ways to tap into unconventional natural gas resources and enhance recovery of natural gas from conventional reservoirs.

- New technologies are making coalbed methane more economically viable, with resource estimates up to 500 trillion cubic feet of natural gas;
- Shale gas is an emerging resource, with resource estimates up to 1,000 trillion cubic feet; and
- In addition to current production, there are extensive tight gas resources that have yet to be developed.

Through continued investment and sustainable and responsible development of natural gas and other energy resources, Alberta will remain a dynamic province with a vibrant economy, a wealth of natural gas resources, a positive business climate and a high standard of living.