

Far North Oil & Gas Forum

Premier Dennis Fentie

1:00 p.m. October 1, 2004

The Metropolitan Centre, Calgary

Check against delivery

Ladies and gentlemen and honoured guests; I'd like to express my thanks to our gracious hosts for the invitation to speak to you today.

Partnerships for Prosperity

At last year's Far North conference I spoke about the new spirit of cooperation and partnerships in the North. This year I'd like to highlight how far we've come in building our Team Yukon approach to developing our economy.

The Yukon is changing in a positive way. Our economy is growing. Much of this can be attributed to our governments economic agenda and our commitment to work with First Nations, industry and our neighbours to the east, west and south.

Two words characterize our approach to governance in the territory: "partnership" and "collaboration."

Partnerships, based on mutual respect and cooperation, have created an environment equal to the untapped potential and the future opportunities for oil and gas in the Yukon.

We are continuing our efforts to ensure that Yukon First Nations are full partners in developing our resource economy.

Of particular interest to you here today are our partnerships with First Nations in oil and gas, and the continuing development of a common oil and gas regime.

This government and a common oil and gas regime working group have brought forward and passed the *Yukon Oil and Gas Act* (YOGA) along with the Disposition and Transfer Regulations, and more recently the License Administration, Geoscience Exploration, and Drilling and Production regulations.

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The Yukon government is currently working to conclude development of our Royalty regulations.

New Developments

Yukon's fourth Call for Bids for a parcel in North Yukon's Peel Plateau basin is now open. The call for bids closes on October 20th.

We are expanding the potential for discoveries by opening up areas such as this for exploration that are relatively unexplored.

We are pleased that Devon, in concert with Canada Southern, are actively drilling their oil and gas properties in southeast Yukon as I speak. This \$20 million project is a significant milestone for the Yukon. It is the first drilling program to occur in the Yukon in over 20 years and we welcome this resource development.

Yukon, including First Nations and their companies, are benefiting from this significant drilling program.

This project demonstrates that southeast Yukon continues to be a promising area for oil and gas development.

We are also encouraged by discussions that will likely result in seismic and drilling programs in north-central Yukon this winter.

Northern Pipelines

And, of course, an important element of developing our oil and gas reserves is working to support infrastructure development.

We continue to support the construction of both northern pipelines. We see these pipelines as "basin-opening" pipelines whereby additional northern gas can be brought to market.

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In 2004 several groups submitted applications to the State of Alaska under the *Alaska Stranded Gas Development Act* to negotiate fiscal terms regarding gas production and the shipment of North Slope natural gas to market. Although construction is not imminent, it does show a continued interest in bringing natural gas from Alaska to the lower 48 via the Yukon.

The Alaska Highway Natural Gas Pipeline remains the most viable means to transport the vast reserves of natural gas in Prudhoe Bay to the southern 48 states.

This is evident when you examine either the Bush or Kerry Presidential Campaign platforms. We are encouraged that both candidates support the construction of the Alaska Highway Pipeline and that it is high on their respective agendas.

I am also encouraged by Minister Efford's comments made just last week in Whitehorse where he stated that he too wants to engage on key regulatory questions surrounding the Alaska Highway Pipeline Project.

Yukon is gearing up for its eventual construction by engaging industry, labour groups and First Nations as part of a northern pipeline strategy.

As part of those preparations, we are supporting the work of the Alaska Highway Aboriginal Pipeline Coalition.

This group acts as a coordinating body to address First Nation interests during the planning and development stages of the pipeline.

It is currently comprised of eight First Nations from the Yukon and British Columbia along the Alaska Highway route.

Two other First Nations along the route have active observer status.

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Key representatives from government and the coalition traveled to Ottawa in April and met with federal officials to discuss financial support.

The coalition has now formally applied for federal support. The Yukon is fully supportive of this application.

In my recent meeting with the federal Minister of DIAND, I expressed my full support for their application.

By adopting a united approach, our collective voice is being heard in Ottawa.

Alliances with other Jurisdictions: Alta, BC, NWT, NU

As well, we are strengthening ties with our neighbours in NWT, Nunavut, BC, Alberta, and Alaska.

Last winter, Governor Murkowski and I signed an Alaska-Yukon Intergovernmental Accord to work cooperatively on issues of mutual interest including the Alaska Highway Pipeline.

Through this agreement we will be able to co-operate on the Alaska Highway pipeline project and explore other projects that could bring significant economic benefits on both sides of the border.

In BC

In July we signed an agreement to work with British Columbia to promote cooperation on matters of joint concern and mutual interest.

Our governments are considering sharing geological research to promote development of the Liard Plateau and the Whitehorse Trough / Bowser Basin.

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And development of offshore oil and gas resources is being pursued in Yukon as well as in British Columbia.

The planned route of an Alaska Highway Pipeline passes through B.C. and Yukon on its way to major American cities. We believe pipeline development may help pave the way for agreements on transboundary land claims in these areas.

In Alberta

This past June, I had the pleasure of hosting a visit from Premier Klein in Whitehorse.

Premier Klein and I agreed to cooperate on a number of oil and gas matters, including full support for the plan, design and construction of both northern gas lines.

We believe that the potential for increased economic benefits and opportunities for the First Nations along the pipeline route will create an atmosphere for resolving problems that have prevented other governments from making progress on economic development in areas where land claims remain unsettled.

Yukon Land Claims

A high priority for the Yukon is the settlement of the Kaska and Acho Dene Koe transboundary claims which overlap the boundary in Southeast Yukon, the NWT and Northeast B.C.

I understand that a new 'Northern Nations Alliance' is being created amongst the Kaska, Tlingit, Talhtan, and Southern Tutchone peoples of BC, NWT and Yukon.

Yukon would like to reach an agreement with both B.C. and Canada on key steps to make progress with the Kaska on this matter. This alliance is crucial to the Yukon's economic future and would be a success story for the NWT, B.C. and Canada as well.

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In the meantime, the Yukon and NWT governments and the Chiefs of the Kaska Tribal Council and the Acho Dene Koe First Nation are working toward an interim agreement that will expedite the opening up of economic opportunities in the Liard Area of Southeast Yukon and neighbouring traditional territory of the Acho Dene Koe for oil and gas.

I am encouraged by their desire to work closely with other governments in participating in economic development initiatives within their traditional territories.

Our government believes that our accomplishments in working with First Nations, other governments at all levels, the private sector and non-government organizations can be attributed to our collaborative approach.

Economic Opportunities

I invite you to come and investigate for yourself what the Yukon has to offer and to become a partner in one of the many promising opportunities of the north.

We are certainly encouraged by the increased interest in the Yukon's resource sector. Increased construction and natural resource activity are expected to be the key drivers of economic growth in 2004.

Mining exploration is on the upswing. Exploration expenditures this summer are expected to increase to \$30 million. The continued strengthening of gold, silver and base metal prices, recent mineral discoveries and positive results from current exploration programs all indicate that Yukon is poised for a return to healthier spending exploration levels.

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Market conditions for tungsten have significantly improved in recent months as well, prompting North American Tungsten Corporation and the Yukon government to initiate discussions regarding the possible reopening of the Cantung mine and the future development of the Mactung deposit.

Closing

I believe that through our partnerships and collaboration the Yukon will be able to sustain a healthy resource sector that will benefit Yukoners now and in the future.

To this end we will continue to work with First Nation, industry and regional partners so that we may realize the full potential of Yukon's natural resources. You may have heard me say it before, and I will say it again "Together we will do better."

Before closing I want to invite you to put the Yukon on your list of places to visit and take a moment to highlight another important partnership we have with Nunavut and the Northwest Territories to deliver a Pan-Northern approach to hosting the Canada Winter Games in Whitehorse in 2007.

This is an exceptional opportunity for us to host the south. It will allow all three territories to join hands in showcasing our culture, our people, our communities, and our economic opportunities. The marketing potential of this partnership is beyond anything that we have experienced to date.

The Yukon is rich in so many ways. In addition to abundant natural resources, the Yukon also boasts a wealth of talent and culture. We have a very active arts and music community.

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Tomorrow night I will be making a presentation at the Western Canadian Music Awards. I encourage you to take in some of our Yukon musicians who will be playing at different venues throughout the city and at the awards over the next few days.

Thank you.