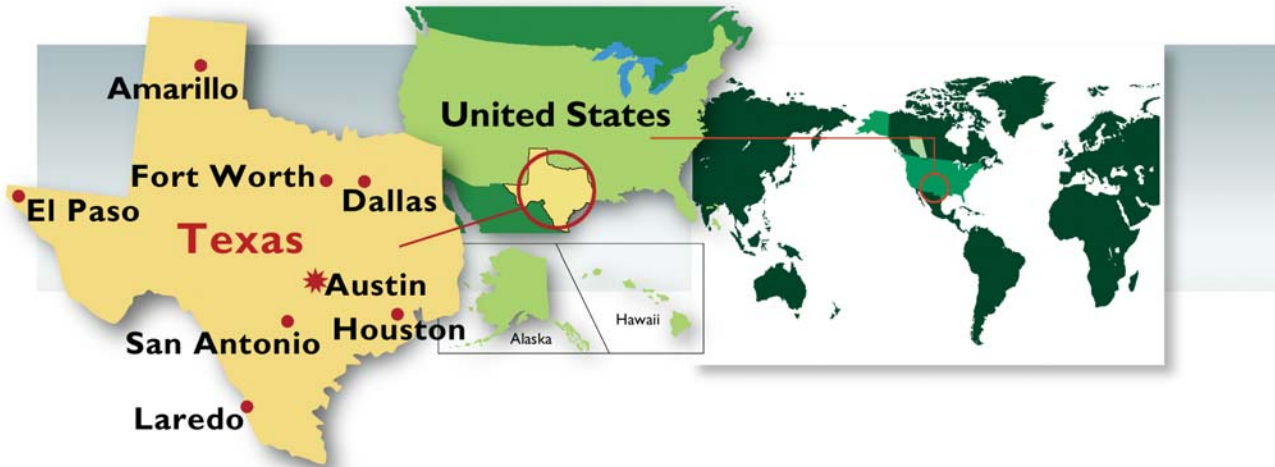


TEXAS - ALBERTA RELATIONS



PROFILE

Capital: Austin

Population: 22.8 million (2005 Estimate)

Language: English (Spanish)

Government: Bicameral state government

Head of Government: Governor Rick Perry
Term Expires: 2006

GSP (Gross State Product): US\$ 845.5 billion (2005)

Currency: US Dollar
CDN\$1 = 0.89 US (August 2006)

Per Capita Income: US\$ 32,462 (2005)

Key Industry Sectors: oil & gas, agriculture, mining, high technology

Unemployment: 5.0% (March 2006)

Primary Cities:

Houston (2.0 million), Dallas (1.2 million), San Antonio (1.2 million), Austin (690,252)

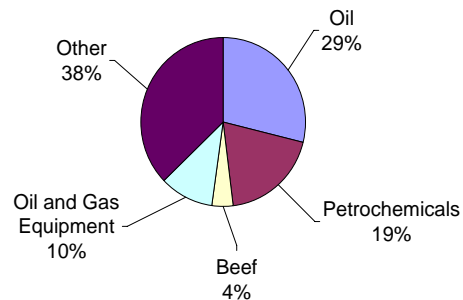
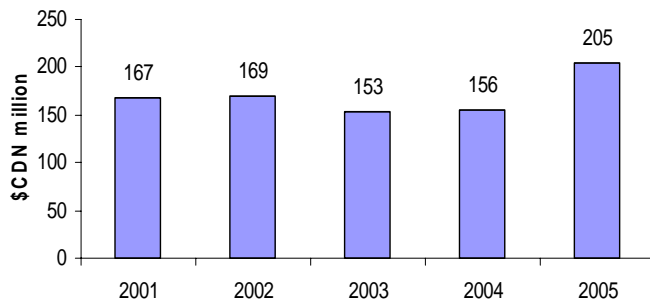
DID YOU KNOW?

- Texas was once part of Mexico and then an independent republic for ten years before becoming the 28th state in 1845.
- With over 1,100 cities, Texas has more metropolitan centers than any other state and is the second most populous U.S. state after California.

RELATIONSHIP OVERVIEW

- Texas is a priority state for Alberta due to its links with the Bush Administration, and its important role in energy, agriculture, technology, and U.S.-Mexico relations.
- Alberta has had strong historical linkages to Texas centered on the oil and gas industry. The development of Alberta's oil patch was aided by critical investment and technology from the U.S., most of it emanating from Texas.
- The movement of people accompanied the flow of capital and equipment between Texas and Alberta. The American community in the Alberta oil patch is one of the largest in the world outside the U.S., with many tracing their roots to Texas. Almost 10% of Calgary's population is either of American descent or U.S. passport holders.
- The Alberta-Texas relationship has begun to flourish in other areas as well. Direct two-way trade is in the order of \$3.5 billion annually, encompassing products such as petrochemicals, telecommunications equipment, computers and electronics.
- Texas' strong ties to Mexico, its leading export market, coupled with the growing importance of Mexico as an Alberta trade partner, could provide opportunities for joint ventures or other forms of business collaboration in the Mexican market.
- Texas has the fourth fastest growing population in the U.S. Its population is expected to reach nearly 35 million by 2040 and Hispanics will account for about 83% of this growth.

Alberta Exports to Texas



TRADE AND INVESTMENT

- From 2001-2005, Alberta's annual merchandise exports to Texas average over \$1.7 billion.
- Texas ranked as Alberta's 10th largest U.S. export market over the period 2001-2005, buying more from Alberta than Japan.
- Top Alberta exports to Texas in 2005 included oil, petrochemicals and beef products.
- In 2005, Alberta imports from Texas were worth over \$2.3 billion (primarily natural gas).

Energy

- Oil and gas are key sectors for both Alberta and Texas. Alberta oil and gas related exports to Texas have exceeded \$300 million.
- Texas-based investment is seen as a key to further development of Alberta's oil sands. As well, Alberta is a natural choice as a partner in the development of America's northern gas pipelines.
- Texas has the second largest proven crude oil reserves in the U.S. with 4.6 billion barrels and accounts for 22 percent of U.S. proven crude oil reserves.
- Texas is one of the largest producers of natural gas in the U.S. with approximately 13 Bcf/d. Texas and the Gulf region combined account for 50 percent of natural gas produced in the U.S.
- Texas is the fifth largest producer of coal in the U.S. and is active in the FutureGen initiative which will utilize clean-coal technology to generate electricity and hydrogen with zero emissions.

Forestry

- Alberta exports a significant amount of softwood lumber to the U.S., of which Texas is a major consumer.
- Softwood lumber exports have become increasingly controversial in past years. Texas producers were part of the coalition that launched trade actions that resulted in 27% U.S duties on Canadian softwood. Hostilities are expected to die down once a tentative agreement on softwood lumber is ratified between Canada and the U.S.

High Technology

- Texas has diversified its economy considerably over the past two decades. High technology is a booming industry in Texas.
- Texas exports approximately \$1.5 billion in high tech products to Canada a year, including computers, electronic tubes, and semi-conductors.
- Texas ranks second in the U.S. behind California in total employment and exports in the high-tech sector.

RECENT VISITS

- November 2005: Alberta Energy Minister Melchin participated in an Energy Forum in Houston.
- August 2005: Consul General in Dallas, Jean-Michel Roy, visited Alberta.
- May 2005: Alberta Economic Development Minister Dunford participated in an investment mission to Houston and Austin.
- Oct 2003: Premier Klein traveled to Houston as part of a BC/Alberta trade mission.
- Nov 2001: Premier Klein traveled to Houston and Dallas as part of Team Canada West.
- June 2001: Consul General in Dallas, Allan Poole, visited Alberta.

DIPLOMATIC REPRESENTATION

- The U.S. Consul General in Calgary is Mr. Tom Huffaker.
- Canada's Consul General in Dallas is Mr. Norris Pettis.
- Canada opened a new consulate in Houston in 2004. Diane Simsovic and Gilles Audet are the two consuls and trade Commissioners.