

Bringing Out the Best in Energy



B.C. has vast, untapped energy potential – and the province has opened up access to more oil, natural and coalbed gas, coal and hydro power, by:

- ▶ Introduced a more competitive regime – summer drilling remained strong in 2004 fuelled by the summer drilling incentives implemented after the 2002 summer season. 2004 saw 317 wells drilled which is a 109 per cent increase over 2002.
- ▶ Dedicated a further \$30 million in Royalty Road Credits for improved access to resource roads, and developed an award-winning public private partnership that resulted in \$40 million in key northern roads through natural-gas-rich terrain.
- ▶ Improved independent power producers' access to B.C.'s transmission grid to sell their power.

New Opportunities, New Revenue Potential

BC is one of few jurisdictions where the in-place reserves continue to climb as production increases:

- ▶ Northeast BC has large volumes of undiscovered natural gas resources – between 32 and 54 trillion cubic feet (Tcf) of natural gas has been found to date.
- ▶ BC also boasts large untapped potential resources in both the Bowser and Nechako Basins with a combined total resource estimate of 16 Tcf of natural gas, 8.1 Tcf of coalbed gas and 7.6 billion barrels of oil.
- ▶ Oil and gas royalty revenues are forecast to be \$1.854 billion for 2004/05.
- ▶ B.C.'s resource industries count for about two-thirds of B.C. exports - over \$22 billion in 2004.

Promoting Offshore Oil and Gas Development

We are working with industry, communities, researchers and First Nations toward an environmentally sound offshore oil and gas industry by 2010. The province has:

- ▶ Established a dedicated offshore oil and gas team to co-ordinate provincial efforts, including working with the federal government toward development of offshore resources
- ▶ Awarded a \$2-million grant to UNBC to research scientific and socio-economic issues related to offshore oil and gas development.
- ▶ Invested a further \$2.8 million over three years in direct First Nations, community, and academic research and education initiatives.

Reducing Costs to Boost Oil and Gas Production

Oil and gas production is the largest single generator of direct resource revenue for the province. To reduce costs and encourage more exploration, the province has eliminated 31 per cent of permitting fees and improved B.C.'s royalty regime with:

- ▶ A new royalty rate to make low-productivity gas plays more economical to develop.
- ▶ Royalty credits to offset the costs of drilling deep wells in mountainous terrain.
- ▶ Royalty credits to encourage producers to extend drilling into the summer, providing more stable, year-round jobs.

The Government is partnering with industry to build a new \$12 million "Oil and Gas Industry Training Centre of Excellence" at the Fort St. John campus of Northern Lights College that will allow the college to more than double the number of students training for jobs in the oil and gas industry.

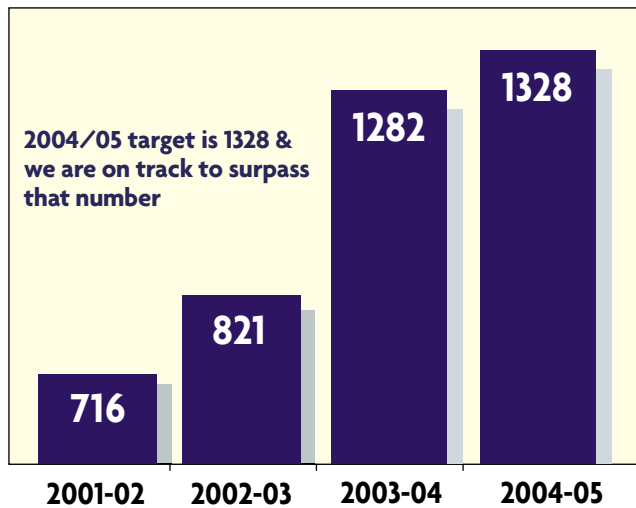
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Encouraging Coalbed Gas Development

BC's potential coalbed gas resource is estimated to be 90 trillion cubic feet and exploration projects are underway across the province. To encourage the development of this clean-burning energy resource, the province:

- ▶ Established a new royalty regime, including \$50,000 in royalty credits for each well drilled by July 1, 2008, to help offset the cost of developing coalbed gas resources and spur investment and job creation.

60 per cent more oil and gas wells drilled over two years



To build on the strong growth in B.C.'s oil and gas sector, the province is working to generate \$20 billion of cumulative investment in this sector by 2008.

Opening Up Independent Hydro Production

The province has committed to continue providing low-cost, publicly owned power through BC Hydro while creating new opportunities for private power generation:

- ▶ B.C. is promoting a larger private-sector role in developing electricity and alternative energy with the goal of meeting 50 percent of B.C.'s new energy needs through clean sources. This has already created up to \$800 million of proposed new investment in clean power projects, with more to come.
- ▶ Provincial tax on much of the equipment used in small-scale hydro and other clean energy technologies has been removed.
- ▶ A new transmission company allows independent power producers to access B.C.'s transmission grid to sell power.
- ▶ Industrial users are now free to use suppliers other than BC hydro to access the lowest-cost electricity over the long term.
- ▶ Responsibility for independent regulating electricity rates has been restored to the B.C. Utilities Commission, removing political interference in rates.

Preserving public hydro, protecting consumers



B.C. residents and industries will continue to benefit from low hydro rates.

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General Information

Ministry of Energy and Mines

www.gov.bc.ca/em/

Ministry of Sustainable Resource Management

www.gov.bc.ca/srm/

B.C. Utilities Commission

Vancouver: 604 660-4700

Toll-free provincewide: 1 888 663-1385

www.bcuc.com

Oil and Gas

Oil and Gas Commission of B.C.

Fort St. John: 250 261-5700

www.ogc.gov.bc.ca

Oil and Gas Pre-Tenure Planning

srmwww.gov.bc.ca/rmd/ecdev/mog/ptp/

Canadian Association of Petroleum Products

Calgary: 403 267-1100

www.capp.ca

Coalbed Gas

Canadian Society for Unconventional Gas

(supports exploration and development of unconventional gas resources)

www.csug.ca

Hydro

BC Hydro

Vancouver: 604 224-9376

Toll-free provincewide: 1 800 224-9376

www.ogc.gov.bc.ca

Independent Power Producers Association of British Columbia

(dedicated to developing a viable, independent power industry in B.C.)

Vancouver: 604 980-3075

www.ipabc.net

Columbia Power Corporation

Castlegar: 250 365-8585

Victoria: 250 953-5179

www.columbiapower.org

British Columbia Transmission Corporation (BCTC)

Phone: 604 699-7300

Toll Free: 1 866-647-3334

Fax: 604 699-7333

Email: contact.us@bctc.com

We want your input

B.C.'s rich energy resources provide 35,000 direct jobs and support economic activity across the province.

Our government is working hard to open up our energy reserves. Eliminating costly red tape, uncompetitive regulations and economic uncertainty is already resulting in increased exploration, investment and job creation.

I welcome your input and invite you to contact me for more information on the steps we're taking to improve the industries and services you count on.

Gordon Campbell
Premier

E-mail your comments to: premier@gov.bc.ca