

## **Natural Resources - February 19, 2007: Oil and Gas Week 2007 Kicks Off**

Oil and Gas Week 2007 Kicks Off

Governments, academia and industry partners are celebrating the positive developments and opportunities in the province's oil and gas sector, as well as promoting the critical importance of research and development to the continued evolution of industry with the kick off today of Oil and Gas Week 2007.

"This year's theme, World of Opportunity, very appropriately articulates the potential of our industry," said the Honourable Kathy Dunderdale, Minister of Natural Resources. "We have over 300,000 square miles of offshore petroleum potential, we are positioning ourselves to be a significant future producer of natural gas and we are on the leading edge in research and development, particularly in marine compressed natural gas technology. We have a lot to celebrate."

Minister Dunderdale participated in the kick-off reception of Oil and Gas Week 2007 in St. John's earlier today. Over 80 per cent of eastern Canada's discovered offshore oil and gas resources are located off our shores. To date, over 2.7 billion barrels of oil have been discovered offshore, with another six billion barrels in estimated undiscovered potential. In excess of 700 million barrels of oil have already been produced from the prolific Jeanne d'Arc basin.

"We are continuing our efforts to establish a competitive and efficient offshore and onshore regulatory regime that encourages exploration and the timely development of discoveries, while also ensuring a fair return to the people of the province and industry," the minister said. "We will soon initiate an industry consultation process on our natural gas royalty structure and we are finalizing our Energy Plan for release in late spring."

While the success of the province's producing oil projects is well known, the minister referenced the positive activity that is occurring on the west coast of the province, both onshore and offshore. PDI Production Incorporated, in partnership with Canadian Imperial Venture Corporation (CIVC), has announced that 2,436 barrels of oil and 9.4 million standard cubic feet of gas have been produced to date during the latest flow testing program at Garden Hill South. Testing is ongoing to help determine reserves and the requirements for continuous production operations. Associated with these operations is another requirement to conduct exploration activity in Garden Hill North this year.

At the same time, CIVC has announced the drilling of a well this summer on the Shoal Point prospect in its offshore west coast exploration license and Tekoil is planning to drill an onshore to offshore well later this year as phase one of a three-phase exploration program as part of their farm-in arrangements with Ptarmigan Resources.

"This is a crucial year for us in terms of our energy development and it's an exciting time in our province's history, as we move forward with our plan for the strategic development of our resources in the best interest of the people of the province and future generations," Minister Dunderdale said. "With the increasing activity in the province's oil and gas industry and the challenges associated with the development

of these resources, we understand the important role of research and development in the continued evolution of the industry and in securing our position as an energy producer. That is why we continue to be interested in Joint Industry Partnerships through organizations such as C-CORE to conduct studies related to oil and gas operations in our cold ocean environment."

Government understands the impact of research and development in the development of the province's natural gas resources and is a key supporter of the Centre for Marine Compressed Natural Gas in St. John's, the world's first research and development facility for large-scale marine CNG transportation.

The province has about 10.2 trillion cubic feet of discovered natural gas offshore waiting to be recovered, with another 60 trillion cubic feet in undiscovered potential. That's enough gas to supply the entire combined natural gas needs of the New England States, Ontario and New York for three years. It could also provide this province with a source of clean fuel for thermal electricity generation.

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