

Oct. 2009 Alberta REIN™ Presentation

What Real Estate Investors need to know about Canada's Energy Industry.

A REIN Exclusive



Greg Head
October 2, 2009

Agenda



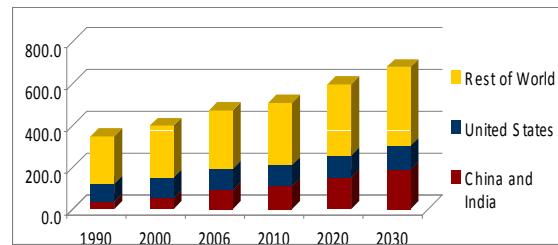
1. Today's realities
2. Tomorrows prize
3. Finding a balance

Today's Realities



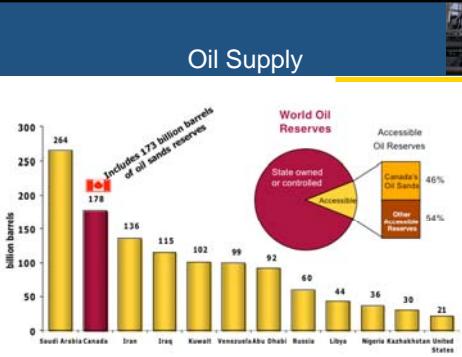
- Oil price good
- Natural Gas price bad

Energy Demand



Source: EIA International Energy Outlook 2009

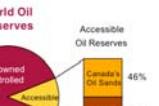
Oil Supply



Source: Oil & Gas Journal Dec. 2008

Country	Reserves (billion barrels)
Saudi Arabia	264
Canada	178
Iran	136
Iraq	115
Kuwait	102
Venezuela	99
Abu Dhabi	92
Russia	60
Liberia	44
Nigeria	36
Kazakhstan	30
United States	21

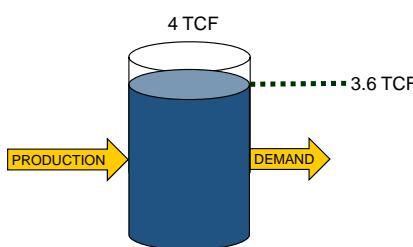
World Oil Reserves



Accessible Oil Reserves

State owned or controlled

Natural Gas – The Tank is FULL!



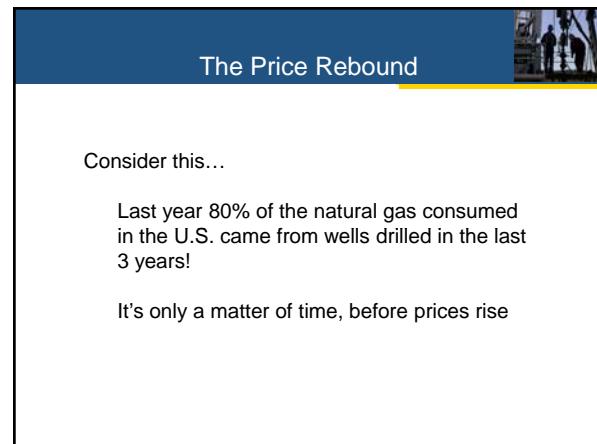
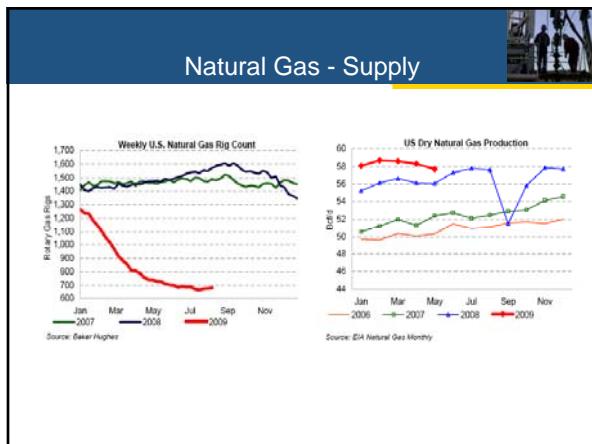
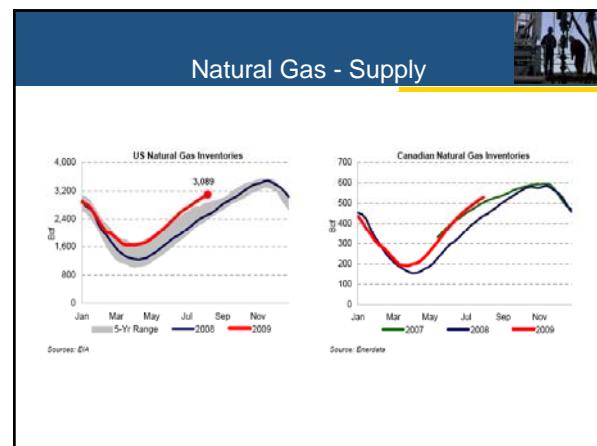
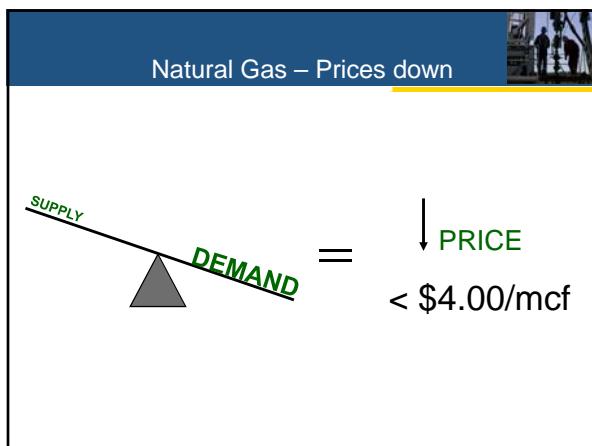
4 TCF

3.6 TCF

PRODUCTION

DEMAND

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What does this mean to me, as an investor?

- Another challenging year in natural gas-based real estate markets.
- This environment requires well-managed, quality properties.
- Expect downward pressure on prices & rents to continue.

Be fearful when people are greedy, and greedy when they are fearful.
— Warren Buffett.

Look for good buying opportunities

Tomorrow's Prize

A look through the telescope at the next 25 years



Economic Impacts of the Petroleum Industry

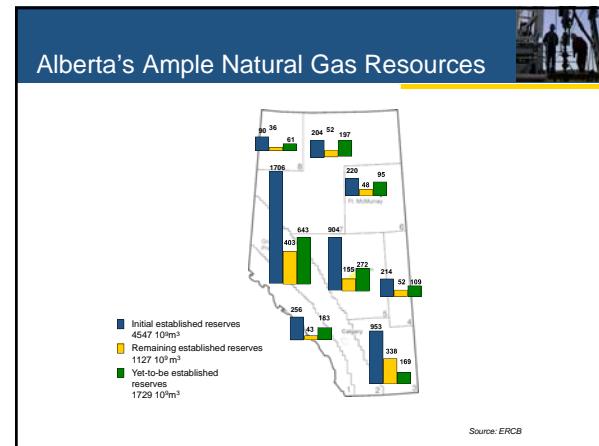
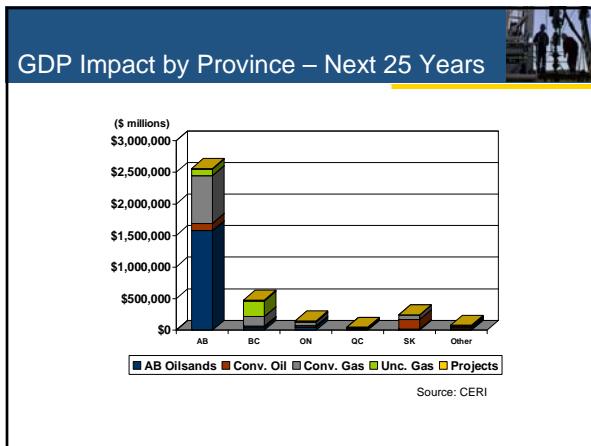
CERI CANADIAN ENERGY RESEARCH INSTITUTE

- 25 year economic impact study
- Most comprehensive study ever done
- Staff of 10, 1.5 years
- Includes only known reserves
- Does not include Newfoundland offshore

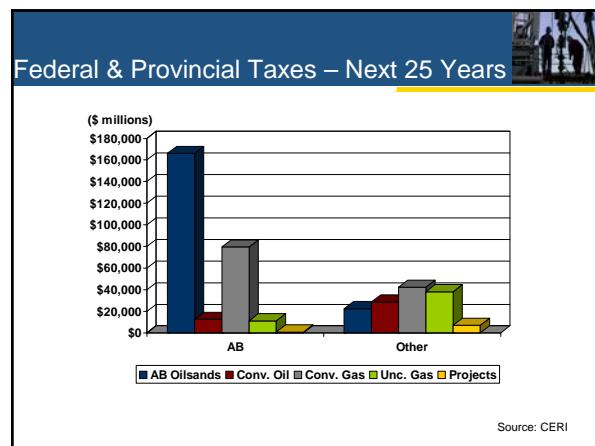
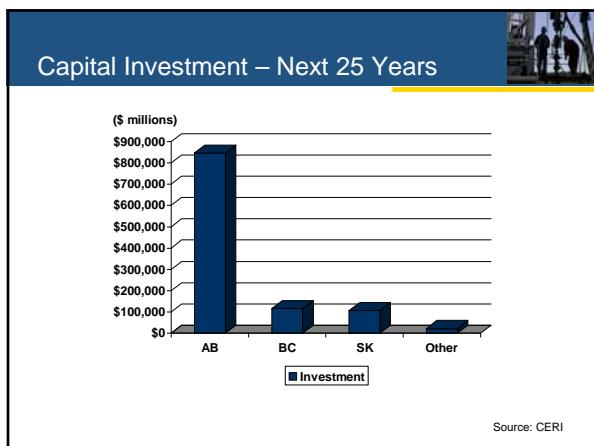
Oil & Gas Impact on Canada



- **\$3.5 trillion** in GDP impact will be generated
- Oil & gas companies will invest over **C\$1.07 trillion** (2008 dollars)
- Over **C\$429 billion** in provincial royalties will be collected
- Over **\$291 billion** in federal and provincial taxes will be collected
- Over **980,000 JOBS** will be created across Canada (direct, indirect, induced)



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When you think of the Oil Sands...

When you think of the Oil Sands, which image comes to mind?



14% of future production

Devon – Jackfish Project

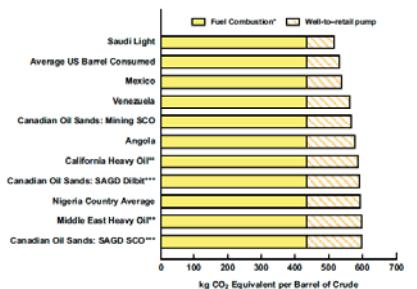
- No fresh water used in operations
- High recycle rate of saline water – 95%
- No discharge – i.e. tailings ponds
- Only 5% of leased land disturbed
- Pad drilling – minimal footprint
- 35,000 bbls/day
- 300 million bbls, 20 year resource.



86% of future production

GHG Emissions: Wells to Wheels

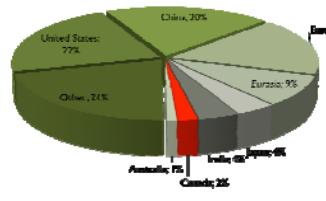
GHG Emissions: Oil Sands vs. Other Oil sources



Source: Cambridge Energy Research Associates.

Global Energy Emission by Country

Global GHG Emissions



Country	Percentage
United States	27%
China	20%
India	5%
Europe	17%
Other	21%

North America – the GHG Challenge



Oil & Gas Summary



- Significant near term challenges
- Overall fundamentals remain sound for medium to long term
- Requires a balanced approach to energy security, environmental performance and economic growth

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Real Estate Summary



- Position yourself to handle the short term challenges
- Don't lose sight of the long term opportunities
- Understand the facts vs. the myths around energy



Thank You