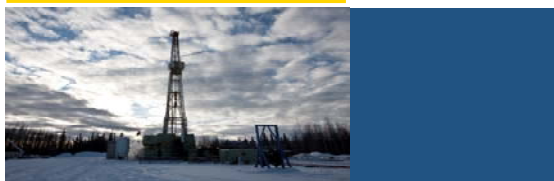


# Oct. 2009 Alberta REIN™ Presentation

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

## A REIN Exclusive



Greg Head  
October 2, 2009

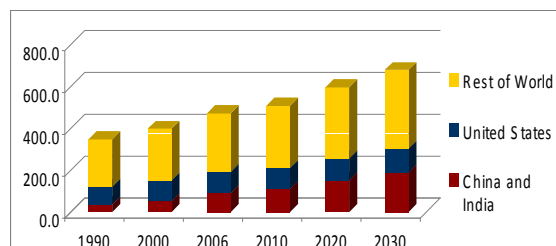
## Agenda

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

## Today's Realities

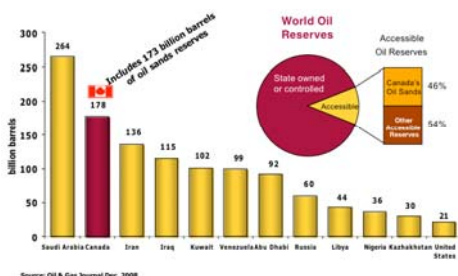
- Oil price good
- Natural Gas price bad

## Energy Demand



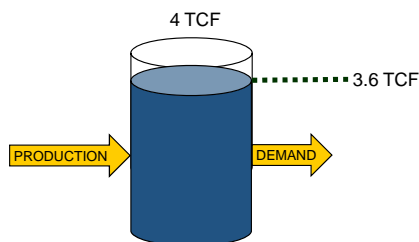
Source: EIA International Energy Outlook 2009

## Oil Supply

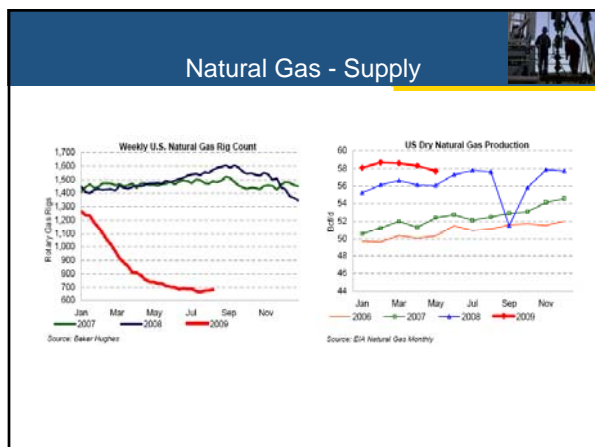
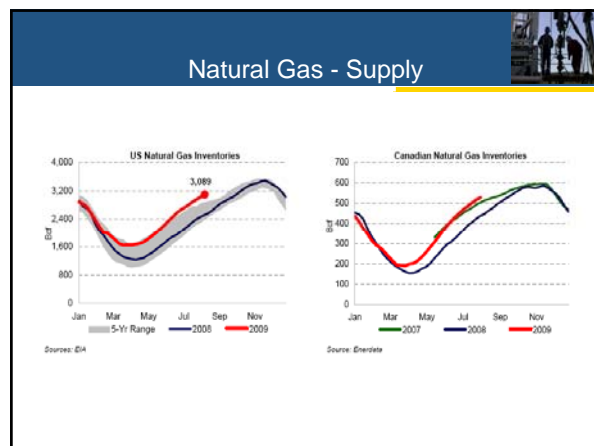
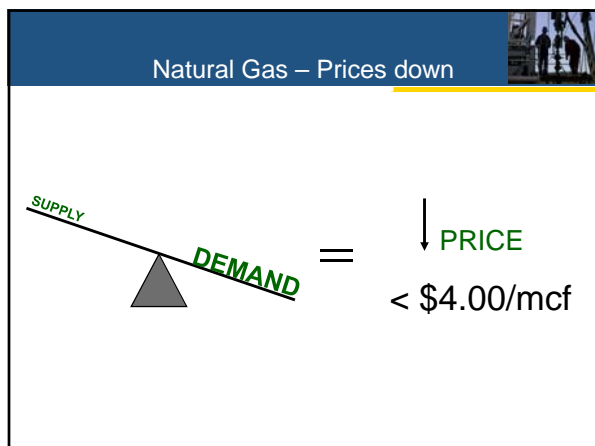


Source: Oil & Gas Journal Dec. 2008

## Natural Gas – The Tank is FULL!



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## The Price Rebound

Consider this...

Last year 80% of the natural gas consumed in the U.S. came from wells drilled in the last 3 years!

It's only a matter of time, before prices rise

## Summary - Today's Realities

### The Perfect Storm

- Over supply
- Lack of demand
- High cost structure

## Summary - Today's Realities

### Calm after the storm

- Moderate price improvements in 2010
- Improving supply picture
- Improving cost structure
- Improving government

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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



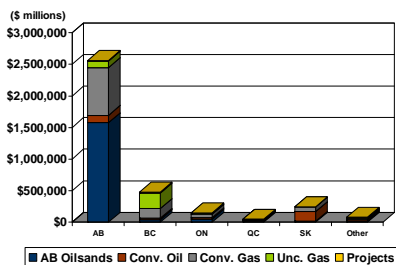
- 25 year economic impact study
- Most comprehensive study ever done
- Staff of 10, 1.5 years
- Includes only known reserves
- Does not include Newfoundland offshore

## Oil & Gas Impact on Canada



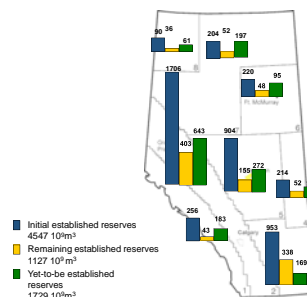
- **\$3.5 trillion** in GDP impact will be generated
- Oil & gas companies will invest over **C\$1.07 trillion** (2008 dollars)
- Over **C\$429 billion** in provincial royalties will be collected
- Over **\$291 billion** in federal and provincial taxes will be collected
- Over **980,000 JOBS** will be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

## GDP Impact by Province – Next 25 Years



Source: CERI

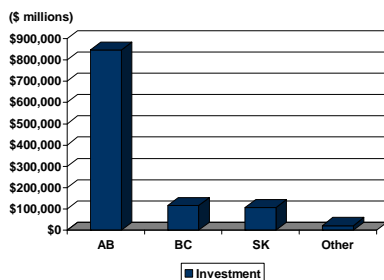
## Alberta's Ample Natural Gas Reserves



Source: ERCB

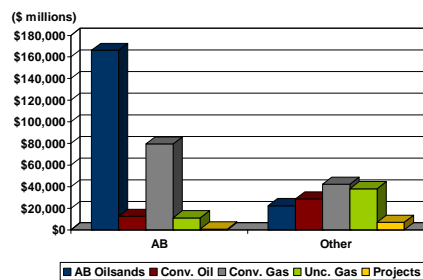
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## Capital Investment – Next 25 Years



Source: CERI

## Federal & Provincial Taxes – Next 25 Years



Source: CERI

## Jobs – Next 25 Years



Source: CERI

## Jobs – Quick Facts

The next 25 years:

- Oil Sands – **456,760** Jobs. 77.2% in AB.
- BC Unconventional – **80,920** Jobs. 83% in BC.
- Saskatchewan Conventional Oil – **61,440** Jobs.
- Alberta Conventional Gas – **220,200** Jobs. 69.4% in AB.

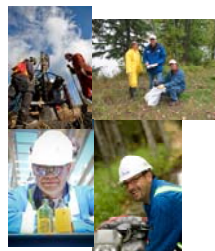
Source: CERI

## Future – Balance is Key

Balance is key to a sustainable industry



## Continuous Improvement



- Highly regulated industry
- Technological innovation key
- We live and work in these communities
- Continue to improve performance in air, land & water
- Tell our story better

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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

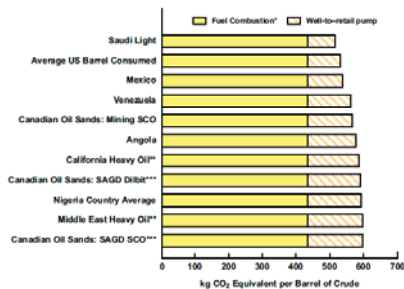
- No fresh water used in operations
- High recycle rate of saline water – 95%
- No discharge – i.e. tailings ponds
- Only 5% of leased land disturbed
- Pad drilling – minimal footprint
- 35,000 bbls/day
- 300 million bbls, 20 year resource.



85% of future production

## GHG Emissions: Wells to Wheels

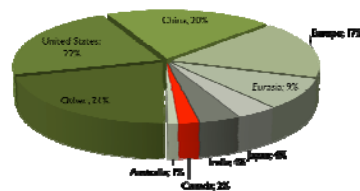
### GHG Emissions: Oil Sands vs. Other Oil sources



Source: Cambridge Energy Research Associates.

## Global Energy Emission by Country

### Global GHG Emissions



## 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