



# Oil and Gas in Canada: A Comprehensive Review of the Current State of the Sector

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***Oil and Gas Activity in Canada*, Stikeman Elliott's comprehensive guide to the oil and gas industry in Canada, is now available. Investors and others who are interested in the Canadian energy market will want to obtain a copy of this publication, which has been fully updated by our Energy team.**

Topics covered include:

- Canada's oil and gas production;
- Key trends in the industry;
- Projected production;
- Marketing of production; and
- Considerations regarding indigenous peoples.

Please click [here](#) to view the complete publication.

## Where the Canadian Sector Stands: A Synopsis

Security of supply has reemerged as an important consideration in the oil and gas market, particularly in light of recent attacks on oil facilities in the Middle East. In this context, Canada is seen as a reliable major source of oil and gas, with significantly less geopolitical risk. In addition, Canada is also highly ranked in terms of environmental accountability and social responsibility – including corporate governance, transparency, environmental stringency and innovation – while ranking very low in terms of corruption.

However, the challenges faced by the Canadian energy sector over the past several years have not been insignificant. These include the 2014 oil price collapse, ongoing commodity price differentials, continuing delays with market access, carbon taxes and their proposed alternatives (including Alberta's TIER system for large industrial emitters), and the introduction of new regulatory regimes (e.g. Bill C-69, which has revised how major infrastructure projects are reviewed and approved in Canada).

Despite these challenges, in 2018, the oil and gas industry still accounted for 11.1% of Canada's GDP, with oil and gas companies collectively comprising about 16% of the Toronto Stock Exchange (TSX) by value. The potential of the industry is unquestionably as great as it has ever been: Canada continues to

be home to the third largest crude oil reserves in the world – a total of 171 billion barrels, 166.3 billion of which are in Alberta's oil sands – and is currently the world's fourth largest oil producer and fifth largest natural gas producer.

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