



# CANADA'S OFFSHORE OIL AND GAS INDUSTRY: AT A GLANCE



With significant resource potential and access to global consumers, Canada has an incredible opportunity to grow its offshore oil and natural gas industry to continue providing the energy the world needs.

Offshore activity has been ongoing in Canada since 1943 when the first offshore well was drilled off Prince Edward Island. Newfoundland and Labrador and Nova Scotia have been the focus of offshore oil and natural gas activity in recent years. Oil Production began in Newfoundland and Labrador in 1997 and continues today, while Nova Scotia produced oil from 1992 to 1999 and natural gas from 1999 to 2018. There is also offshore oil and natural gas resource potential in Canada's Arctic and British Columbia though both areas have moratoriums in place on offshore oil and gas drilling.

## A GLOBAL OPPORTUNITY

Newfoundland and Labrador's offshore oil resources are less emissions-intensive to produce than the global industry average, meaning that Scope 1 emissions produced per barrel of oil in the province's offshore are lower than the global industry average.<sup>4</sup> This is due to the light conventional oil resources in the province's offshore which have a lower emissions intensity when produced, coupled with ongoing operator efforts to manage and reduce emissions. The companies operating in the province's offshore are investing in research and innovation to continue working to reduce emissions. The province is a global energy supplier with access to key markets in the United States and Europe. In 2021, the province supplied oil to seven European nations, helping to displace oil from regimes with less stringent social and environmental standards.

### OFFSHORE PRODUCTION IN 2022:

Produced  
**85 million**  
barrels of oil<sup>1</sup>

Represented  
**14%**  
of Canada's  
conventional light  
crude oil production<sup>2</sup>

Represented  
**5%**  
of Canada's  
overall oil  
production<sup>3</sup>

<sup>1</sup> [https://www.cnlopb.ca/wp-content/uploads/off\\_prod2023.pdf](https://www.cnlopb.ca/wp-content/uploads/off_prod2023.pdf)

<sup>2</sup> <https://www.cer-rec.gc.ca/en/data-analysis/energy-commodities/crude-oil-petroleum-products/statistics/estimated-production-canadian-crude-oil-equivalent.html>

<sup>3</sup> CER - Estimated Production of Canadian Crude Oil and Equivalent (cer-rec.gc.ca)

<sup>4</sup> [https://www.gov.nl.ca/iet/files/NL-Oil-and-Gas-Industry-Recovery-Taskforce-March-12\\_2021\\_FINALfor-submission.pdf](https://www.gov.nl.ca/iet/files/NL-Oil-and-Gas-Industry-Recovery-Taskforce-March-12_2021_FINALfor-submission.pdf)

## SAFETY, ENVIRONMENTAL PROTECTION AND INNOVATION

Canada has rigorous safety and environmental standards, and offshore operators follow global best practices to protect employees and mitigate against potential environmental impacts. The industry is also investing in research, development and innovation to reduce emissions and continue to enhance environment, health and safety. Spill prevention and response and greenhouse gas emissions reductions are key environmental focus areas for the industry.

Operators continue working to reduce emissions, and these efforts are yielding results. For example, from 2005 to 2021 the Hibernia Project achieved GHG emission reductions of approximately 29%<sup>5</sup>.

## NEWFOUNDLAND AND LABRADOR



### CANADA'S OFFSHORE INDUSTRY



**0.22%**  
of Canada's total  
greenhouse gas  
emissions<sup>6</sup>



**1%**  
of Canada's  
upstream oil  
and gas sector  
emissions<sup>6</sup>



**5%**  
of Canada's oil  
and natural gas  
production<sup>6</sup>

All current offshore activity is centered in the province of Newfoundland and Labrador. The province currently has four offshore oil production projects: Hibernia which began producing in 1997, Terra Nova which began producing in 2002, White Rose which began producing in 2005 and Hebron which began producing in 2017. One additional project, the West White Rose Extension project, is in development. All of the province's current projects are in the Jeanne d'Arc Basin, although exploration is occurring, and significant discoveries have been made in other basins.

### ECONOMIC BENEFITS:

- In 2021 the offshore oil and gas industry directly employed **over 4,000 people** and thousands more indirectly<sup>9</sup>
- **30%** - GDP contribution of the offshore industry to Newfoundland and Labrador<sup>8</sup>
- **\$1.3 billion** - forecasted capital investment in the offshore industry in 2023<sup>9</sup>
- **\$650 million** - cumulative spending by offshore operators on research, development and education and training initiatives since 2004<sup>10</sup>

### FUTURE POTENTIAL

Canada's offshore has significant potential for future growth. The Government of Nova Scotia estimates its resource potential at 121 trillion cubic feet of natural gas and 8 billion barrels of oil<sup>11</sup>. The Government of Newfoundland and Labrador estimates its resource potential at 123.6 billion barrels of oil and 292.6 trillion cubic feet of natural gas<sup>12</sup>.

**As countries around the world continue to seek lower emission sources of energy, the Canadian offshore can play an increasingly important role as global a supplier of choice.**

5 <https://www.cnlopb.ca/wp-content/uploads/emrep/emrep2022.pdf>

6 <https://www.cnlopb.ca/wp-content/uploads/emrep/emrep2022.pdf>

7 <https://www.cnlopb.ca/wp-content/uploads/ar2022e.pdf>

8 Table: 36-10-0402-01 (Province), Table: 38-10-0285-01 (Canada), Statistics Canada

9 <https://www.capp.ca/wp-content/uploads/2022/03/CAPP-Capital-Investment-and-Drilling-Forecast-January-2022-279588.pdf>

10 <https://www.cnlopb.ca/wp-content/uploads/ar2022e.pdf>

11 [https://energy.novascotia.ca/sites/default/files/files/A01\\_Executive%20Summary.pdf](https://energy.novascotia.ca/sites/default/files/files/A01_Executive%20Summary.pdf)

12 <https://oilconl.com/licensing-rounds/2022-eastern-and-south-eastern-newfoundland-regions/>

