

## Exploration Well: Dry Hole Economic Benefit

For every \$100M exploration well drilled, Canada's GDP grows by \$84M and over 625 new jobs are created regardless of whether the well discovers oil or gas



- ▶ A single \$100M exploration well drives almost double the economic benefit, increases our national GDP by \$84M and creates 628 in annualized jobs (with almost 800 jobs created at peak employment)
- ▶ Current exploration licence holders were committed to spend \$4B+ on exploration over the next 7 years – or ~40 exploration wells. Over this 7-year period, this activity may support up to 3,600 jobs per year and increase Canada's GDP by ~\$480M annually.



### National Impact – Canada



**Gross Economic Output**

**Direct  
(per well)**

\$100M

**Indirect & Induced  
(per well)**

\$95M

**Total  
(per well)**

\$195M



**GDP**

\$35M

\$49M

\$84M



**Labour Income**

\$27M

\$27M

\$54M



**Employment**

198 (Annualized)  
794 (Peak)

430 (Annualized)

628 (Annualized)  
794 (Peak)



### Provincial Impact – Newfoundland and Labrador



**Gross Economic Output**

\$100M

\$36M

\$136M



**GDP**

\$35M

\$19M

\$54M



**Labour Income**

\$27M

\$10M

\$37M



**Employment**

198 (Annualized)

173 (Annualized)

371 (Annualized)

## Development Project: Sample \$14.5B (800 MBL) Project Economic Benefits

If exploration is successful, a development project may increase Canada's annual GDP by \$2.3B and support ~4,400 new jobs for the life of the field



- ▶ Since 1997, 4 major producing projects have generated over \$120B in revenue. \$50B has been invested to build Canada's offshore oil industry (only 10% of this for exploration). In 2017, more than 5,200 people worked in the province's offshore industry and 600 local businesses support the industry.
- ▶ A single \$14.5B development project that produces for 33 years has the potential to increase Canada's annual GDP by \$2.3B and support ~4,400 jobs.



### National Impact – Canada

	Direct (per year)	Indirect & Induced (per year)	Total (per year)
<b>Gross Economic Output</b>	\$2,220M	\$430M	\$2,650M
<b>GDP</b>	\$2,080M	\$240M	\$2,320M
<b>Labour Income</b>	\$340M	\$130M	\$470M
<b>Employment</b>	2,200	2,200	4,400



### Provincial Impact – Newfoundland and Labrador

<b>Gross Economic Output</b>	\$2,150M	\$150M	\$2,300M
<b>GDP</b>	\$2,080M	\$90M	\$2,170M
<b>Labour Income</b>	\$340M	\$40M	\$380M
<b>Employment</b>	2,200	800	3,000