

Opening Statement Dr. Wade Locke to The Standing Senate Committee on Energy, the Environment and Natural Resources (ENEV) for their study of the Newfoundland and Labrador's Offshore Petroleum Industry

November 18, 2025 (Ottawa)

Thank you for inviting me to speak to your committee. For my current testimony, I have provided a PowerPoint presentation to the committee that will hopefully enhance your understanding and appreciation of the importance of Newfoundland and Labrador's offshore petroleum industry to the province and to the country.

I am a retired professor of economics from Memorial University. Over the last 40 years I have been involved in researching issues pertaining to the Newfoundland and Labrador (NL) economy, in general, and the offshore oil and gas projects, in particular. Also, on every offshore oil project currently operating in NL's offshore, I have either acted as a consultant for the private sector proponents, the Government of Newfoundland and Labrador or the CNLOPB with public hearings on the Hebron project.

Statement

Given time constraints, I will highlight the most significant aspects of the NL petroleum industry.

1. There are currently five fields producing in NL's offshore.
 - a. Hibernia utilizing a gravity-based structures (GBS)
 - b. Hebron utilizing a GBS.
 - c. Terra Nova utilizing a floating production, storage, and offloading system (FPSO)
 - d. White Rose/North Amethyst utilizing an FPSO.
2. On average, between 2017 and 2025, the five fields have been producing eighty-five million barrels of oil per annum.
3. There are 3.6 billion barrels of Estimated Ultimate Recovery (EUR) for the five producing fields.
4. Since 1997, 2.4 billion barrels of the have already been produced from the five fields, leaving one-third of the EUR yet to be produced.

5. At current rates of production, there may be 20 to 25 years of production remaining for the existing fields, with Terra Nova and White Rose/North Amethyst having significantly less production time before economic exhaustion.
6. Currently, there is only one new project, Equinor's Bay du Nord project, which is close to a final investment decision. This highlights the need for new projects to enable future production and future prosperity within the province driven by the oil and gas sector.
7. There has been \$190 billion worth of oil produced since 1997 and exported to markets all over the globe.
8. There has been \$81 billion investment from 1966 to 2024, which has led to a more diversified economy, the start of new businesses and improved technological development which address unique issues within the industry and spills over to other industries.
9. The Government of NL has received \$40 billion in revenues since 1997 - \$30 billion in royalties, \$2 billion in corporate income taxes and \$8 billion in payments under the various versions of the Atlantic Accord and Hibernia Net Profit Interest from the Government of Canada.
10. There have been ten provincial government budget surpluses since NL entered confederation, six of which can be traced directly to offshore petroleum revenues.
11. Except for the last two years, NL has been an equalization non-receiving province since 2008-09.
12. In 1997 (first oil) NL GDP per capita was 65% of the Canadian average. By 2006, NL GDP per capita exceeded the Canadian GDP per capita and has exceeded the Canadian GDP per capita ever since.
13. The turnaround in GDP per capita from 1997 to 2006 has been the fastest of any province in the history of Canada.
14. Petroleum activity currently comprises 16% of provincial GDP.

15. The oil and gas industry's share of provincial GDP is larger than the forestry and logging, fishing (including processing), pulp and paper, and mining sectors combined.
16. There are currently 11 TCF of natural gas offshore NL which is used primarily as fuel for the platforms. None of this gas is currently being used as a feedstock for liquified natural gas.
17. **The petroleum sector has transformed the NL economy!**

Thank You