

A NEW ERA for ENERGY



BRITISH
COLUMBIA

IMPROVING ROAD AND LAND ACCESS TO ENERGY RESOURCES

By investing in resource–road improvement and expediting land–use planning, the province is encouraging new investment, job creation and oil and gas exploration:

- \$37 million will be invested in the Sierra Yoyo Desan Road, located east and north of Fort Nelson. It will be upgraded to provide access to over 27,000 kilometres of natural-gas-rich terrain.
- \$10 million a year in royalty credits is available to encourage construction, upgrading and maintenance of resource roads by industry.
- Two new pre-tenure plans approved for the Muskwa-Kechika management area in the northeast will allow for exploration of natural gas deposits with an estimated value of \$16 billion.

PROMOTING OFFSHORE OIL AND GAS DEVELOPMENT

We are working with industry, communities, researchers and First Nations toward the goal of having an environmentally sound offshore oil and gas industry creating jobs for coastal communities by 2010. The province has:

- Awarded a \$2-million grant to the University of Northern B.C. to research scientific and socio-economic issues related to offshore oil and gas development.
- Established a dedicated offshore oil and gas team to co-ordinate provincial efforts, including working with the federal government toward development of offshore resources.

REDUCING COSTS TO BOOST OIL AND GAS PRODUCTION

Oil and gas exploration is the largest single generator of resource revenue for the province. To reduce exploration costs and encourage more exploration, the province has eliminated 31 per cent of permitting fees and improved B.C.'s royalty regime, with:

- A new royalty rate to make low-productivity gas plays more economical to develop.
- Royalty credits to offset the costs of drilling deep wells in mountainous terrain.
- Royalty credits to encourage producers to extend drilling into the summer, providing more stable, year-round jobs.

As a direct result, B.C. recorded its largest-ever monthly sale of petroleum and natural gas rights in September 2003, with sales of \$418 million – matching the previous record for an entire year.

Opening up a new clean–energy source



B.C.'s new royalty rates and credits helped to fuel the largest monthly sale of petroleum and natural gas rights in the province's history, in September 2003.

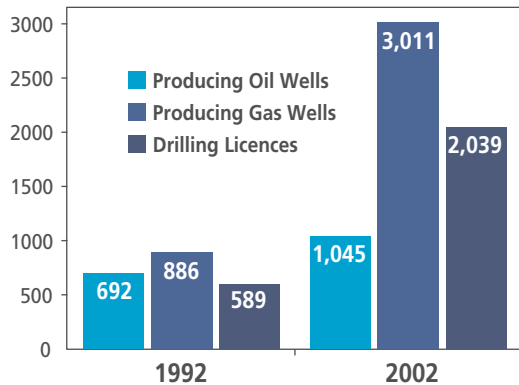
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ENCOURAGING COALBED GAS DEVELOPMENT

An estimated 90 trillion cubic feet of coalbed gas lies in reserves across B.C., and experimental pilot projects are now underway in the northeast and southeast and on Vancouver Island. To encourage the development of this clean-burning energy resource, the province has:

- ▶ Established a new royalty regime, including \$50,000 in royalty credits for each well drilled by February 2004, to help offset the cost of developing coalbed gas resources and spur investment and job creation.

B.C.'s energy sector is growing



To build further on the strong growth in B.C.'s oil and gas sector, the province is working to generate \$20 billion of cumulative investment in this sector by 2008.

OPENING UP INDEPENDENT HYDRO PRODUCTION

The province has committed to continue providing low-cost, publicly owned power through BC Hydro while increasing opportunities for new power generation from the private sector:

- ▶ Independent power producers will develop new electricity generation projects in B.C.
- ▶ The provincial tax on penstock pipe and other related equipment used in small-scale hydro generation has been removed.
- ▶ A new transmission company will allow independent power producers to access B.C.'s transmission grid to sell their power.
- ▶ B.C. industry can access the lowest-cost electricity over the long term, as large, industrial users are now free to use suppliers other than BC Hydro.
- ▶ Restored responsibility for independently regulating electricity rates to the B.C. Utilities Commission, removing political interference in rates.

Preserving public hydro assets to protect consumers



B.C. residents and industries will continue to benefit from low hydro rates.

MORE INFORMATION ON THE ENERGY SECTOR IN BRITISH COLUMBIA

GENERAL INFORMATION

Ministry of Energy and Mines

www.gov.bc.ca/em/

Ministry of Sustainable Resource Management

www.gov.bc.ca/srm/

B.C. Utilities Commission

Vancouver: 604 660-4700

Toll-free provincewide: 1 800 663-1385

www.bcuc.com

OIL AND GAS

Oil and Gas Commission of B.C.

Fort St. John: 250 261-5700

www.ogc.gov.bc.ca

Oil and Gas Pre-Tenure Planning

srmwww.gov.bc.ca/rmd/ecdev/mog/ptp/

Canadian Association of Petroleum Producers

Calgary: 403 267-1100

www.capp.ca

COALBED GAS

Canadian Society for Unconventional Gas

(supports exploration and development of unconventional gas resources)

www.csug.ca

HYDRO

BC Hydro

Vancouver: 604 224-9376

Toll-free provincewide: 1 800 224-9376

www.bchydro.bc.ca

Independent Power Producers Association of British Columbia

(dedicated to developing a viable, independent power industry in B.C.)

Vancouver: 604 980-3075

www.ipabc.net

Columbia Power Corporation

Castlegar: 250 365-8585

Victoria: 250 953-5179

www.columbiapower.org

We want your input

B.C.'s rich energy resources provide 35,000 direct jobs and support economic activity across the province.

Our government is working hard to open up our energy reserves. Eliminating costly red tape, uncompetitive regulations and economic uncertainty is already resulting in increased exploration, investment and job creation.

I welcome your input and invite you to contact me for more information on the steps we're taking to improve the industries and services you count on.

Gordon Campbell
Premier

E-mail your comments to: premier@gov.bc.ca