

FOR IMMEDIATE RELEASE:

PSAC welcomes federal government aid for oilfield services sector

Calgary, AB (April 17, 2020) – The Petroleum Services Association of Canada (PSAC) welcomes the \$1.7 billion for orphan and inactive wells and the \$750 million for emissions reductions technologies announced by the Government of Canada for the oil and gas sector today.

The oil and gas industry supports over 530,000 direct and indirect jobs across Canada including manufacturing in Ontario and Quebec. The oilfield services (OFS) sector represents over 400,000 of those jobs. Tens of thousands of jobs have been lost during this unprecedented downturn from low commodity prices, lack of access to global markets, a 57 percent drop in capital investment from \$81 billion in 2014 to \$37 billion in 2019, blockades and project cancellations. Now, the reduced demand created by COVID-19 combined with the oil price war between Russia and Saudi Arabia that has caused the price of a barrel of oil to sink to uneconomic levels, has taken the situation to crisis levels.

"Today's announcement by the Government of Canada of funding for closure and reclamation of orphan and inactive wells is very welcome as it will create jobs for OFS workers and provides environmental benefits," says PSAC President & CEO, Elizabeth Aquin.

"PSAC has been advocating for four years now for additional mechanisms to create jobs for OFS workers through closure activities for orphan and inactive wells and so we applaud the federal government for today's measures," continued Aquin. "We appreciate the efforts of Minister of Natural Resources Seamus O'Regan to understand the needs of the OFS sector and to work with the provinces on measures that would best meet those needs. The support of Alberta Premier Jason Kenney and Saskatchewan Premier Scott Moe for these measures has been clear and appreciated."

"The \$750 million funding for emissions reductions will also serve the OFS sector well," said Mark O'Byrne, PSAC Chair, and President of Palliser Production Management Ltd., a Schlumberger Canada Company. "The OFS sector develops much of the innovation and technology for Canada's exploration and production (E&P) companies and this funding will provide the means for us to do more of that while company cash flows are significantly challenged."

"More support is needed though," said Aquin. "The announcements today begin to mitigate some of the job losses but further assistance for the industry is still required. The OFS services sector needs healthy E&P customers to continue capital investment for recovery and sustainability. Canada is the fourth largest oil and gas industry in the world. The oil and gas industry is Canada's largest exporter and represents over 11 percent of Canada's GDP. We need this vital sector to survive and thrive so that it can continue to provide jobs and economic benefits to all Canadians and provide the world with our responsibly developed oil and natural gas resources."

continued...

About PSAC:

The Petroleum Services Association of Canada is the national trade association representing the service, supply and manufacturing sectors within the upstream petroleum industry. PSAC is Working Energy and as the voice of this sector, advocates for its members to enable the continued innovation, technological advancement and in-the-field experience they supply to Canada's energy explorers and producers, helping to increase efficiency, improve safety and protect the environment.

– 30 –

PSAC Media Contact:

Elizabeth Aquin, President and CEO

Phone: 403.781.7382

Email: media@psac.ca

