

CAPP's Crude Oil Forecast December 2008 - Interim Update

Last Updated December 11, 2008

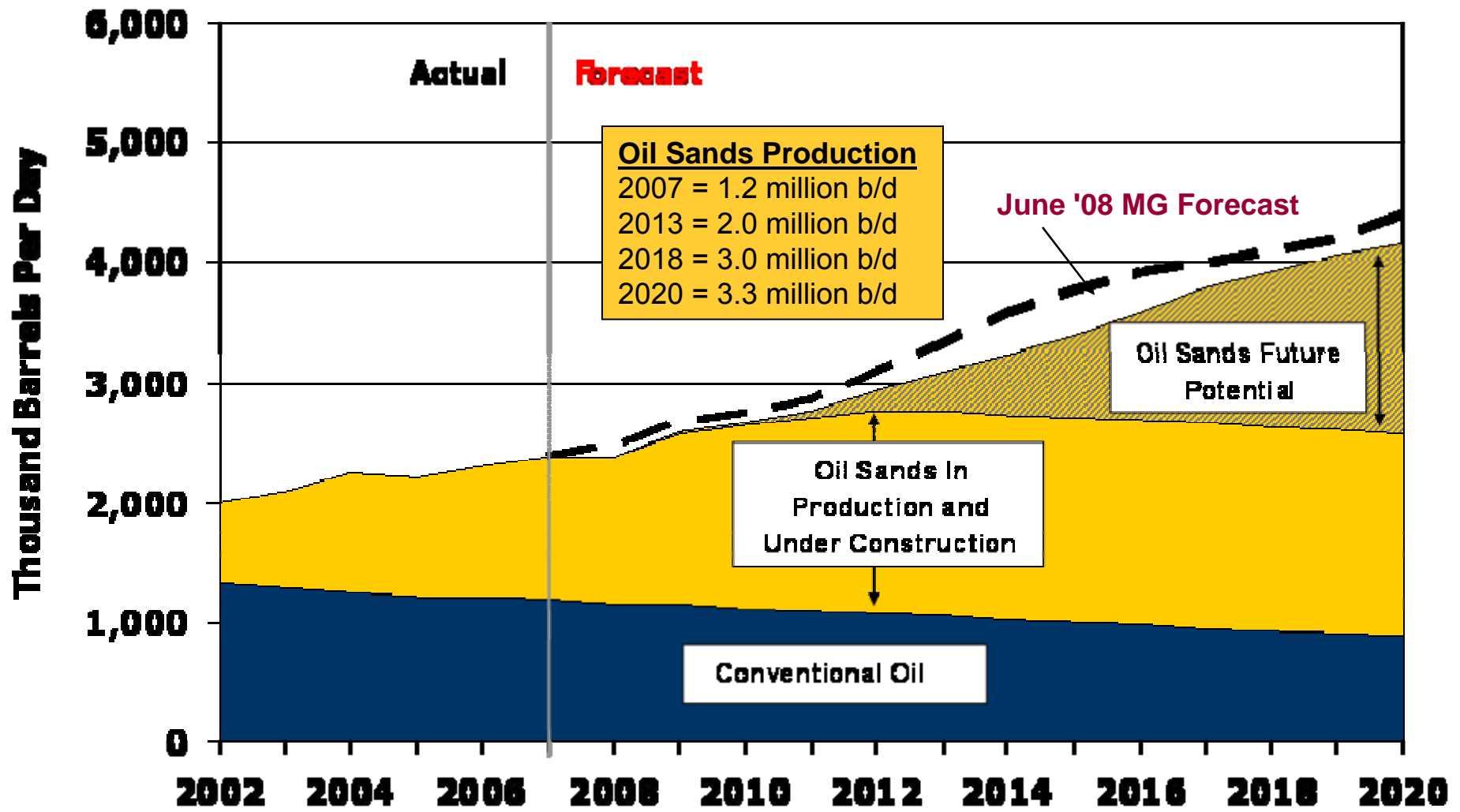


- **Key Points:**

- Update reflects announced changes to project schedules
 - not a new survey of our producer members (spring 2009)
- Clearly now on our Moderate Growth (base case) path
 - not on the higher Pipeline Planning path
- Even the June 2008 Moderate Growth case is reduced
 - Still growing but at a slower pace
 - Minimal change in the first five years 2008-2012 period
 - Up to 300,000 barrels per day less in 2012-2017 period
- Deferrals in upgrader projects means more heavy blend and less upgraded light produced
- Defferals are intended to bridge the current high level of uncertainty (financial & credit crunch, cost, price, policy)

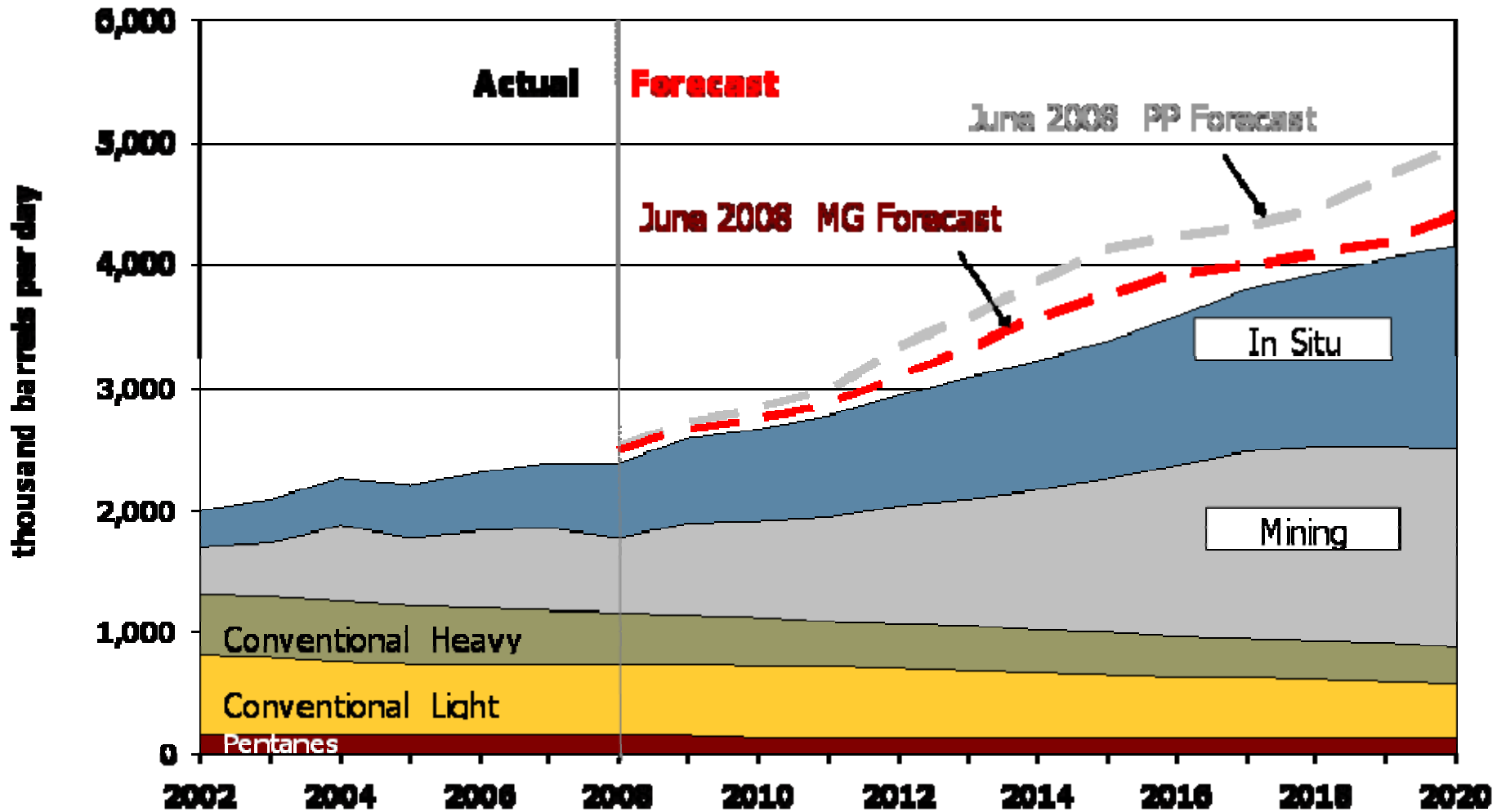
Oil Sands & Western Canadian Conventional Production

Moderate Growth Case - December 2008 Interim Update



Oil Sands & Western Canadian Conventional Oil Production by Source

Moderate Growth Case – December 2008 Interim Update



Light & Heavy Comparison – Dec Update vs June 2008 Forecast



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Δ Light	(72)	(54)	(59)	(102)	(207)	(306)	(369)	(509)	(544)	(484)	(464)	(465)	(570)
Δ Heavy	(19)	(10)	12	46	108	131	78	203	286	380	415	449	421
TOTAL	(92)	(63)	(47)	(56)	(99)	(175)	(291)	(306)	(258)	(103)	(50)	(17)	(149)

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Summary of Recent Announcements of Oil Sands Project Delays

Project	Bitumen Volume (kb/d)	Original Stated In-service	News Release
BA Upgrader Phase 1 - 3	70 x 3	2009, 2010, 2013	Construction has been halted
CNRL Horizon			Cutting spending
Imperial Oil Kearl Phase 1	100	2010	Investment decision in 2009
Korea National Oil Company (KNOC) Phase 1	10	2010	Delayed for a year
Laricina Energy Ltd Germain	1.8	Q2 2009	Delayed 12-18 months; cap changed to 600 b/d
Saleski	1.8	Q4 2009	Delayed 6-9 months; cap changed to 1.2 kb/d
Opti Long Lake Phase 2	72	2013	Sanctioning subject to various factors
Patch International – Ells River	10	2011	Project on hold
Petro-Can Fort Hills Mine Phase 1	190	Q4 2011	Decision for go-ahead will be deferred until
Phase 2	130	2015	sometime in 2009
Petro-Can Fort Hills Upgrader 1	165	2012	Decision on go-ahead deferred indefinitely
Petro-Can Fort Hills Upgrader 2/3	175	2014	
Shell Jackpine 1B	100	2012	Suspending expansions for now
Shell Carmon Creek (in-situ) Phase 1-2	50 x 2	2008; 2017	Withdrawn application due to potential changes in design changes – more info to be provided in early 2009
StatoilHydro Upgrader	250	2014	Withdrawing application – project cancelled
Suncor Voyageur Upgrader Project	300 (orig = 350)	2012	Completion delayed by 1 year
Suncor Firebag Phase 5	68	Q1 2012	Schedule flexible to mkt conditions
Phase 6	68	Q3 2012	Schedule flexible to mkt conditions
Syncrude Stage 4 Expansion	140	2015	Re-evaluating plans
Total Joslyn Mine	100	2013	May '08 - on-stream date moved to 2014

CAPP CANADIAN CRUDE OIL PRODUCTION FORECAST 2008 - 2020

December 2008

Moderate Growth



	Forecast												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CONVENTIONAL													
Light & Medium													
Alberta	339	329	319	309	300	291	282	274	265	257	250	242	235
B.C.	23	22	21	20	19	18	17	16	15	15	14	13	13
Saskatchewan ^{1,2}	177	188	190	191	190	186	182	177	171	166	161	156	152
Manitoba	23	22	22	21	21	21	20	20	19	19	19	18	18
N.W.T.	16	16	15	14	14	13	13	12	12	11	11	10	10
Total Conv. Light and Medium	578	576	566	556	543	528	514	498	483	469	454	440	427
Heavy													
Alberta Conv. Heavy	166	159	153	147	141	135	130	125	120	115	110	106	102
Saskatchewan Conv. Heavy ^{1,2}	253	248	243	238	234	229	224	220	215	211	207	203	199
Total Conventional Heavy	419	408	396	385	375	364	354	345	335	326	317	309	301
TOTAL CONVENTIONAL	997	984	962	942	918	893	869	843	819	795	772	749	728
PENTANES/CONDENSATE	157	157	156	155	154	154	153	152	151	151	150	149	148
OIL SANDS													
Oil Sands Mining	626	743	778	848	960	1,034	1,137	1,251	1,388	1,532	1,584	1,614	1,624
Oil Sands In-Situ	596	698	764	820	896	998	1,055	1,122	1,207	1,300	1,408	1,525	1,643
TOTAL OIL SANDS	1,223	1,441	1,542	1,668	1,855	2,032	2,192	2,373	2,595	2,832	2,993	3,138	3,267
WESTERN CANADA OIL PRODUCTION	2,377	2,581	2,660	2,765	2,928	3,079	3,213	3,368	3,565	3,777	3,914	4,037	4,143

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Notes:

1. CAPP allocates Saskatchewan Area III Medium crude as heavy crude. Also 17% of Area IV is > 900 kg/m³.
2. CAPP has revised from June 2007 report historical light/heavy ratio for Saskatchewan starting in 2005.
3. Eastern Canada production only includes Newfoundland production.