



Canadian Energy Assets (2013)

Information Bulletin

June 2015

The global presence of Canadian energy companies

In 2013, Canadian energy assets¹ (CEA) grew to \$494.9 billion, an increase of 11% over the value in 2012 (\$444.1 billion). Canadian energy assets abroad (CEAA) totalled \$121.0 billion in 2013, an increase of 20% over the 2012 value of \$100.6 billion. CEAA as a percentage of CEA increased from 23% in 2012 to more than 24% in 2013.

In 2013, 436 Canadian energy companies² were identified as having energy assets:

- **62 (14%)** companies had energy assets with a **value in excess of \$1 billion**.
- **213 (49%)** companies had interests outside of Canada (in 83 countries).
- **168 (38%)** companies had energy assets in at least two countries.

While the majority (68%) of CEAA value is located in the United States (US), Canadian energy companies were present in 83 countries in 2013. The top five countries by CEAA value are the U.S. (\$82.5 billion), Colombia (\$8.4 billion), the United Kingdom (U.K.) (\$4.9 billion), Norway (\$2.5 billion) and Mexico (\$1.9 billion). Table 1 gives the CEAA value by region. Figure 1 provides the percentage breakdown of value by region, and Figure 2 provides more regional details on a map.

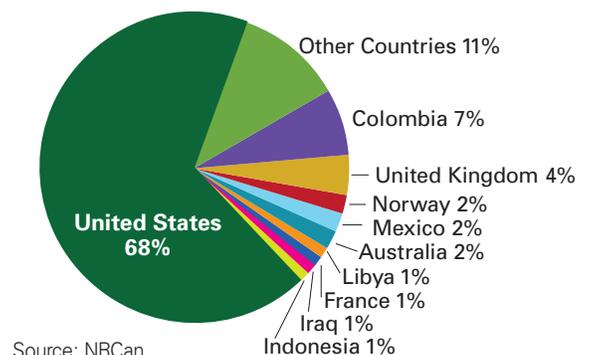
The value of assets held outside of Canada increased across virtually all regions, with the greatest increase occurring in North America (U.S. and Mexico) and the highest percentage increase occurring in Latin America and the Caribbean (see Table 1).

Table 1. Canadian energy assets by region, 2012 and 2013

Region	Canadian energy assets (CDN\$ billions)*		Variation in percentage
	2012	2013	
Africa	3.93	4.27	9
North America (U.S. and Mexico)	69.30	84.46	22
Americas (South and Central America, Caribbean)	8.30	12.06	45
Asia	5.33	5.50	3
Europe	10.82	11.92	10
Oceania	2.90	2.83	-2
Total Canadian energy assets abroad	100.58	121.04	20
Canada	343.54	373.91	9
Total Canadian energy assets	444.12	494.95	11

*Source: NRCan; Values may not sum due to rounding.

Figure 1. Percentage of CEAA by country, 2013



¹ CEA represents the value of energy assets as of December 31, 2013, for publicly traded companies headquartered in Canada that are not foreign-controlled. Energy assets are non-current, fixed assets that cannot be easily moved or converted into cash and that can be reconciled geographically.

² Energy companies include public companies operating in upstream oil and gas (incl. services), oil and gas pipelines, petroleum and coal products manufacturing, uranium and coal mining, and electricity production.

The **US** (+\$14.2 billion, 21%) experienced a significant increase in the value of CEAA, which can mainly be attributed to the growth of four companies: **Enbridge Inc.** (+\$5.3 billion, 38%) and **TransCanada Corporation** (+\$2.7 billion, 18%) developing and expanding pipeline networks; **Fortis Inc.** (+\$1.6 billion, 1,101%) acquired electricity generation assets in New York state; and **Encana Corporation** (+\$1.1 billion, 21%) developing natural gas and liquids wells in Texas.

In **Mexico** (+\$0.95 billion, 96%), the strongest CEAA growth in 2013 came from pipeline and oil and gas service companies, specifically: **TransCanada Corporation** (+\$0.8 billion, 108%) and **Precision Drilling Corporation** (+\$0.1 billion, 95%).

The expansion into **South America** (+\$3.6 billion, 54%) can be attributed mainly to growth in **Colombia** (+\$2.9 billion, 52%), **Brazil** (+\$0.2 billion, 118%) and **Peru** (+\$0.5 billion, 132%), which came overwhelmingly from one company, **Pacific Rubiales Energy Corp.** through the acquisition of **Petrominerales Ltd.**

Asia (+\$0.2 billion, 3%) saw a mix of growth: in **Iraq** (+\$0.3 billion, +32%), Westernzagros Resources Ltd. continued to develop their assets in the Kurdistan region; whereas assets in **Indonesia** (-\$0.5 billion, -28%) declined due to the asset writedowns of **Niko Resources Ltd.**

CEAA increases in **Europe** (+\$1.1 billion, 10%) are the result of small increases in **Albania** (+0.2 billion, 82%) through oil exploration, **France** (+0.1 billion, 7%) from renewable electricity and natural gas development, **Germany** (+0.1 billion, 1,259%) through nuclear power acquisition, **Ireland** (+0.1 billion, 21%) from natural gas development and the **U.K.** (+0.2 billion, 5%) through electricity generation.

CEAA in Africa increased by 10% (\$0.3 billion), primarily as a result of **African Oil Corp.**'s work in Kenya. Oceania was the only region in which the value of CEAA decreased (-\$0.2 billion, -8%) in 2013, primarily as a result of asset writedowns for **MEGA Uranium Ltd.** and **Cameco Corp.**

USE OF CEAA STATISTICS

Some care is required when determining the value of Canadian energy investment in a particular country. CEAA, as tracked by Natural Resources Canada (NRCan), differs from Canadian direct investment abroad (CDIA) figures estimated by Statistics Canada. CDIA is based on foreign direct investment (FDI) as defined internationally on national systems of accounts. CEAA are based on financial accounting standards used by Canadian public companies. Table 2 outlines the principal differences between these approaches.

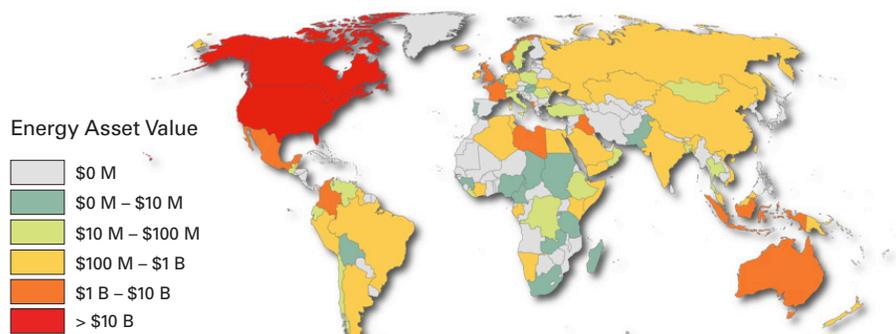
Table 2. CDIA compared to CEAA

Canadian direct investment abroad (Statistics Canada)	Canadian energy assets abroad (Natural Resources Canada)
The financing must come from Canadian sources.	The source of the financing is immaterial.
The CDIA examines both assets and liabilities.	The CEAA considers only non-current energy asset values.
Data is based on the first destination. For example, Canadian investment destined for Mexico that goes through a US subsidiary is counted as FDI in the United States.	Data is based on the final destination. The example in the left column would be counted as CEAA in Mexico.
A Canadian company must have a minimum of 10% control of the investee, using Canadian financing.	A Canadian company must have its headquarters in Canada and not be foreign-controlled.
Country data are not available for energy.	CEAA is available by country.

ANNUAL VARIATIONS

In comparing asset totals across years, it is important to understand the causes of variations. Additions arise mostly from asset exploration, development and construction. Subtractions arise from asset changes in reserve economics, write-offs, impairments, depreciation and asset sales. Exchange rate movements, mergers and acquisitions, and spin-offs also contribute to annual variations.

Figure 2. Global distribution of Canadian energy assets



M = Million; B = Billion; Source: NRCan

Notes: All amounts are in Canadian dollars. Company counts are for the 2013 reference year and do not add to totals because companies can be active in multiple jurisdictions.