The Canadian perspective on natural gas markets and transportation in North America

Simon F. Mauger, P. Geol. Director Gas Supply & Economics
Ziff Energy, a Division of HSB Solomon.

Summary

The North American shale gas revolution has had a profound impact on markets, transportation producers and governments. In Canada we feel these effects on a daily basis:

- Gas prices have fallen by more than a half since 2008, cutting government and producer revenues.
- Traditional Western Canadian gas is being squeezed out of its traditional markets in Eastern Canada and the U.S. Northeast and Midwest mainly by surging Marcellus production.
- Ontario imports from the U.S. are growing at the expence of Western Canada.
- Gas pipelines built in the last 15 years are becoming uneconomic and flows are falling.
- Conventional plays and CBM are declining no longer significant.

There are emerging tangible opportunities gas producers:

- Liquids rich shale and tight gas plays can be economic.
- The LNG export opportunity is just around the corner.
- Oilsands demand for natural gas is growing.
- Industrial demand is growing after years of plant closures.
- Redundent gas pipelines are being repurposed for oil transport and tolling methods change.

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