

OVER \$420 BILLION IN GOVERNMENT REVENUES FROM THE CANADIAN OIL SANDS SECTOR EXPECTED THROUGH 2050

Overview

With ongoing public discussions focusing on net zero emissions from Canada's oil sands sector, it is a good time to examine projected government revenues and capital expenditures (capex) expected from the sector through 2050. This analysis illustrates how investment in low emitting technologies, such as carbon capture and storage (CCUS), will help preserve government revenues and capex in Canada's oil sands sector.

This Fact Sheet makes these calculations based on a conservative projection that the Brent price for oil will average US\$60 per barrel between 2023 and 2050. The capex and government revenue numbers are expressed in nominal US dollars, assuming a 2.5 percent inflation rate and a 10 percent discount rate.

The written content in this report was prepared by the Canadian Energy Centre (CEC). It relies on data obtained from the Rystad Energy UCube, but it does not represent the views of Rystad Energy

Background on Rystad Energy UCube

Rystad Energy is an independent energy research company providing data, analytics and consultancy services to clients around the globe.

UCube is Rystad Energy's global upstream database, including production and economics (costs, revenues, and valuations) for more than 80,000 assets, covering the portfolios of more than 3,500 companies.

The UCube data set is used to study all parts of the global exploration and production (E&P) activity value chain,

including operational costs, investment (capex and opex), fiscal terms, and net cash flows for projects and companies, both globally and by country (Rystad Energy, 2023).

In this Fact Sheet, we use a constant price in real terms for our analysis of government revenues and capex from the oil sands sector, with Brent crude oil prices set to a constant US\$60 per barrel between 2023 and 2050.

Canadian oil sands sector government revenues to reach over U.S. \$420 billion through 2050

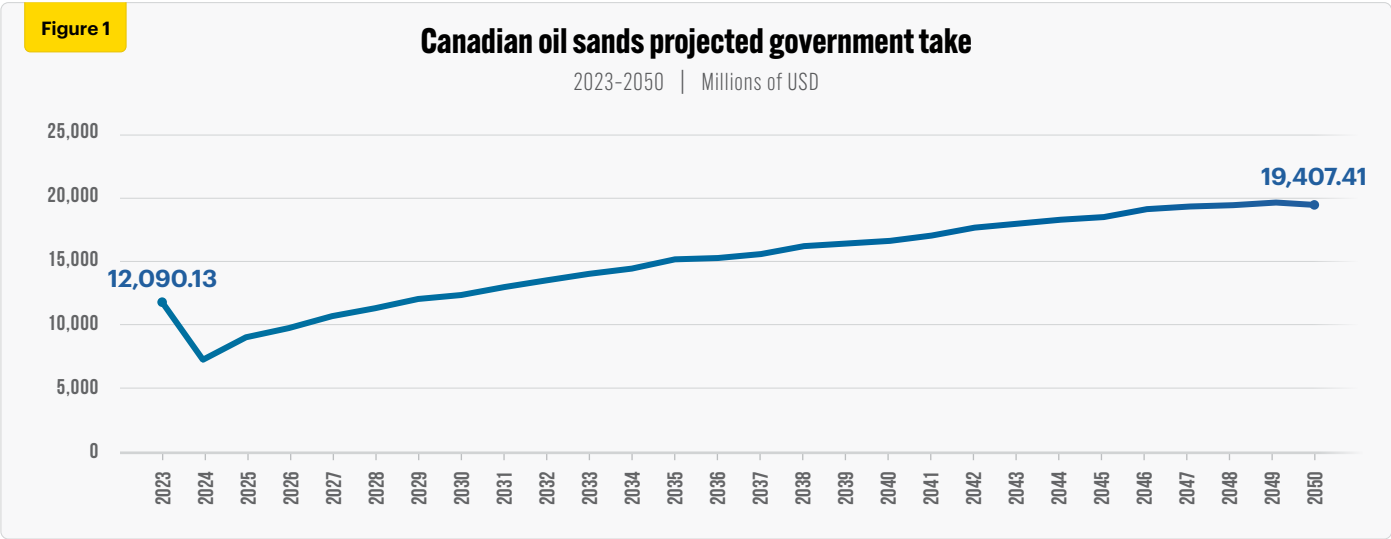
Under a US\$60 per barrel price trajectory, Canadian government revenues (which includes provincial royalties and federal and provincial corporate taxes) from the country's oil sands sector are expected to rise from an annual US\$12.1 billion in 2023 to US\$19.4 billion in 2050 (see Figure 1).

On a cumulative basis, between 2023 and 2050 Canadian government revenues from the oil sands sector are projected to be over US\$420.7 billion.

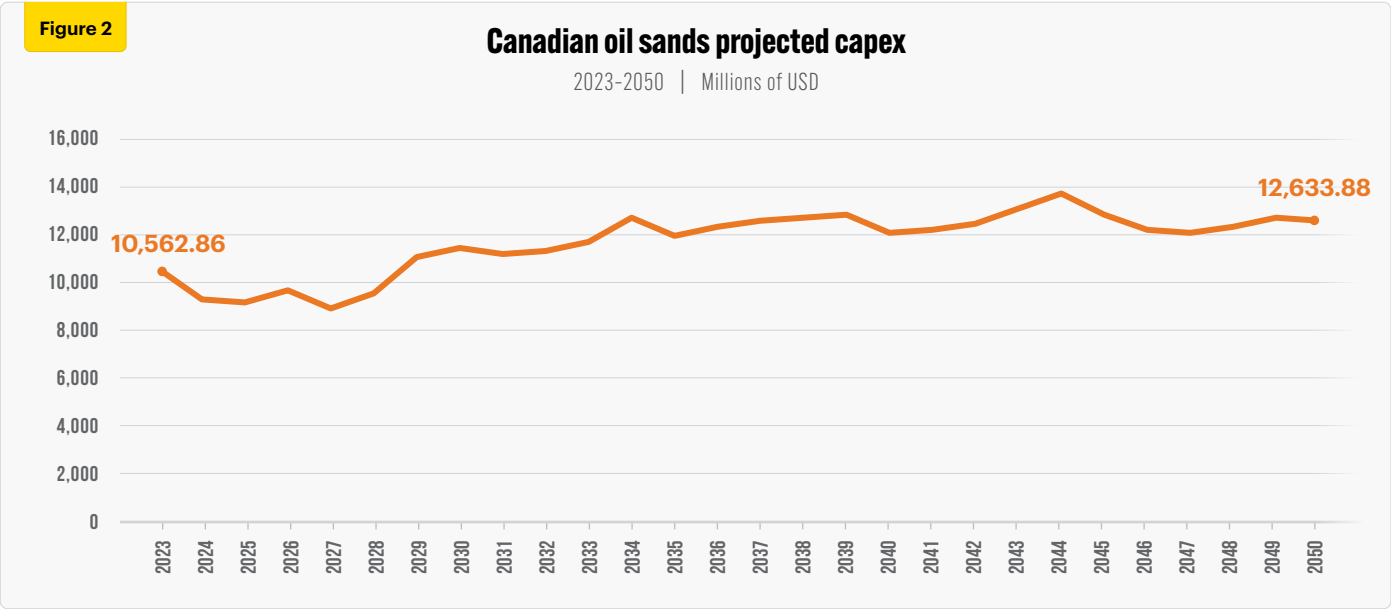
Capital expenditures (capex) in Canada's oil sands sector to reach nearly U.S. \$328 billion through 2050

Under the US\$60 per barrel price projection, capital expenditures (capex) in Canada's oil sands sector are expected to rise from US\$10.6 billion in 2023 to US\$12.6 billion in 2050 (see Figure 2).

Cumulatively between 2023 and 2050, Canadian oil sands sector capex is projected at nearly US\$327.8 billion.



Source: Derived from the Rystad Energy UCube, based on \$60 USD per barrel price scenario.



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Notes

This CEC Fact Sheet was compiled by Lennie Kaplan at the Canadian Energy Centre (www.canadianenergycentre.ca). The author and the Canadian Energy Centre would like to thank and acknowledge the assistance of two anonymous reviewers in reviewing the data and research for this Fact Sheet.

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References (All links live as of September 19, 2023)

Rystad Energy. (2023). Upstream Solution. <<https://bit.ly/3veaMIV>>.

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