Subject: Trudeau's sabotage of the Canadian economy

This letter is meant to demonstrate the incompetence and carelessness of our federal government and how they have robbed Western Canada and the entire nation of 100's of billions of dollars in lost opportunity. They have contributed to the delay and/or cancellation of 6 major pipeline projects and LNG facilities. If many of these projects had the green light from the Liberal government, Justin Trudeau could indeed be viewed as a hero and the saviour of Europe right now in their desperate time of need for energy just ahead of winter. Instead, he promises a begging German Chancellor in August/2022 a supply of Hydrogen in 3 or 4 years from now because as he explained for some reason, we just don't have the infrastructure to get oil and LNG to Europe. Those reasons are outlined below. And he confidently announced that he has never seen a business case for LNG on the East Coast. Isn't that what the German Chancellor and all of Europe have just presented to you? These six canceled/delayed projects alone in 2022 could have generated over $200 billion dollars in revenue for Canada including corporations, employees, shareholders, municipal, provincial, and federal treasuries. To put that in perspective the World Bank lists Canada's GDP in 2021 at $1990.76 billion US dollars. I have made estimates of these various projects gross revenues for 2022 (using $80 US/barrel WTI and $7.00 US/MCF) and a short description of each.

1. **Northern Gateway** - the Trudeau government canceled this pipeline project that would have taken 525,000 barrels per day (BOPD) of crude and diluted bitumen from Edmonton to the deep-water port in Kitimat, BC for export to world markets. It was initially approved by the Harper government in June/2014 subject to 209 conditions after being proposed in 2006. Upon taking office in 2015 Trudeau banned oil tankers on the Northern BC coast (meanwhile numerous oil tankers traverse those very waters every day from Valdez, Alaska to 5 large refineries in the Puget Sound area of Washington state) with Bill C-48 and officially cancelled the entire project in Nov/2016. Gross revenue from this project this year alone would be in excess of $19 billion dollars Cdn.
2. **Keystone XL (KXL)** – this was an expansion of the existing Keystone pipeline that would have delivered 830,000 BOPD to the Gulf of Mexico for export or feedstock for Gulf Coast refineries. On January 20/2021 President Biden canceled the construction permit on KXL and Trudeau did absolutely nothing besides shrugging his shoulders with his hands in his pockets as if to say, "what can you do?". Close to 10% of the project had already been built and had undergone unprecedented environmental studies and regulatory hurdles. Originally President Obama blocked the project in 2015 but meanwhile under his watch, US domestic oil production almost tripled from 4.8 million BOPD to just over 13 million BOPD as the Permian of West Texas, the Bakken of North Dakota and the Eagle Ford of South Texas boomed with drilling activity. And he also rescinded a US law from 1973 that had made it illegal to export crude oil from America. Gross revenue for 2022 alone would be on the order of $30 billion dollars Cdn.
3. **Energy East** – this pipeline project was announced in August/2013 and would have converted the existing Trans-Canada Natural Gas pipeline to carry 1.1 million BOPD from Alberta to eastern export facilities in Quebec along the St. Lawrence River and to the Irving

refinery complex in Saint John, NB. This would also have delivered oil into the Quebec market to eliminate the need to import up to 400,000 BOPD of foreign oil from the US, North Africa, and the Middle East. The original Trans-Canada Natural Gas line was a nation-building project that crossed Western Canada through Northern Ontario to deliver gas to Ontario and Quebec and was completed in October/1958. It is still one of the longest pipelines in the world. Due to fierce opposition from Quebec and the predictable lack of support from the Liberal Cabinet the project was terminated by the operator in Oct/2017. If that project was completed it could have generated over $40 billion dollars Cdn in 2022.

4. **Trans Mountain Pipeline (TMX)** – This pipeline has been shipping 300,000 BOPD from Edmonton to Burnaby, BC virtually problem-free since 1953. A twinning/expansion of this line was proposed in 2013 to add an additional 690,000 BOPD. Trudeau's Cabinet actually approved the line in Nov/2016 (subject to 157 binding conditions) but due to subsequent regulatory delays, endless stall tactics by the BC government and activist/First Nations protests the federal government was forced to purchase the project for $4.5 billion Cdn in May/2018 from the operator, Kinder Morgan who made the decision to walk away from the project. This purchase was a result of the mishandling and bungling of the entire process by the federal government. Additional court challenges and another major hearing led to two more years of delays resulting in the federal government's second official approval of the project on June 18/2019 and construction finally commenced over six years after the project was initially proposed. The pipeline is currently 60 to 70% completed and was slowed again during the Covid-19 pandemic. It is now slated for completion in late 2023 but should have been delivering oil to the export terminal in Burnaby in 2019 or 2020. Gross revenue in 2022 is estimated at $25 billion dollars Cdn.
5. **Coastal Gas Link (CGL) and LNG Canada** – CGL is the natural gas pipeline proposed in 2012 to transmit natural gas from Dawson Creek, BC to Kitimat, BC to an LNG facility currently being built by LNG Canada (a major partner is Royal Dutch Shell). After many regulatory delays the pipeline finally commenced construction in 2019 only to be delayed again and again by First Nations protests and a weak federal government. As of Sept/2022 the pipeline is 80% complete. The LNG plant at Kitimat that CGL will supply was proposed in the mid-2000's and received formal approval in Oct/2018 with construction starting in 2019 and is projected to start exporting LNG in 2025 at volumes of 2.1 BCF/D (billion cubic feet per day) with plans to double output within a couple of years. This facility should have been up and running in 2020 and would be supplying liquified natural gas into Asian markets right now freeing up other LNG shipments that could be going to Europe. At current pricing of $7.00/MCF US the project would generate revenue of approximately $7 billion Cdn annually if sold in North America or the more likely scenario of being sold into the Asian market for 6 or 7 times the price thus generating over $50 billion dollars Cdn.
6. **Quebec LNG** – The province of Quebec has significant natural gas reserves in the Utica Shale in the St. Lawrence Lowlands, an extension of the massive productive shale gas reserves of the Appalachian Basin of the NE US. The Quebec government passed a bill in April/2022 with the objective of ending petroleum (oil & natural gas) exploration and production and the public financing of those activities in the province. LNG terminals and drilling have been proposed in Quebec for almost 20 years with immediate access to the St. Lawrence River for export. The provincial government denied approval (the approval process should be re-labeled as the disapproval process) of GNL Quebec's LNG plant and export proposal for Saguenay, Quebec in July/2021 (sourcing Western Canadian gas) and the federal government

rubber-stamped that decision in Feb/2022. Then two months later on April 6/2022 the federal government proudly announced the approval of the deep water oil mega-project offshore Newfoundland called Bay du Nord. As a result of the impending demise of the Saguenay LNG project, Warren Buffet announced in March/2022 that Berkshire Hathaway was pulling their $4 billion dollar investment in the project. Using a modest export volume of 3 BCF/D and using today's pricing, this project would generate up to $50 billion dollars Cdn annually if sold into the European market.

When the estimated gross revenues highlighted in yellow are added up the total comes to $214 billion dollars Cdn. I project that would generate $40 to 50 billion dollars in tax revenue (from GST to sales taxes to income taxes to payroll taxes etc.) for all levels of government and that is only for one year. Add in the previous years that many of those projects could have been operating and now you are approaching a trillion dollars! Of course, those years totals would be less as commodity prices were substantially lower. Now I don't know how many hospitals and schools that would build or how many more doctors, nurses, and teachers we could hire but I am pretty sure it's a lot not to mention the thousands of First Nations citizens that could be lifted out of poverty and helped secure the path to Reconciliation.

Unfortunately, we are ruled by a regime bent on ideology with no economic vision for the future and no idea how to run a modern industrial economy. There are many theories as to why Putin invaded Ukraine, but I believe one was that he anticipated sanctions from the Western world and knew he could weaponize his oil and gas exports to Europe. This is because he knew Canada could do nothing to help due to the lack of export infrastructure resulting from Trudeau's campaign to shut down Western Canada's energy sector. And Putin knew that the US had limited volumes that they could ship in the near future. Indirectly Trudeau has single-handedly enabled and empowered Putin by blocking our infrastructure projects and preventing Canadian oil and LNG to get to international markets thereby making Europe reliant on Russian energy exports for the past decade or so. To add insult to injury, Putin played him for a fool when Trudeau agreed to release the Nord Stream 1 Pipeline gas turbines that were undergoing maintenance in Montreal. Putin has them now, but they are in limbo somewhere in Russia plus he even further reduced the volumes flowing to Germany to 20%. And now the Nord Stream pipelines have suffered two mysterious explosions. A press release from the PMO stated that the work that Siemens Canada was doing on the turbines supported 400 highly skilled and high paying jobs in Montreal, interesting. If those jobs were in Regina or Edmonton or Nisku, do you think his decision would have been the same? BTW, a review of Siemens Canada website has references to SNC Lavalin, interesting…

Kelvin N.

Proud +35 year Petroleum Geologist in the WCSB (Western Canada Sedimentary Basin)