

On behalf of the Petroleum Services Association of Canada (PSAC) the national trade association representing close to 250 leading service, supply and manufacturing companies in the Canadian oilfield services sector of Canada energy industry I would like to formally submit this following memoir in favour of natural gas development in the province of Quebec.

PSAC's supporting points being:

1. Improved provincial energy security
  2. Business opportunities for Quebec based entrepreneurs
  3. Job creation and rewarding careers for Québécois citizens
  4. Increase in Provincial revenue from personal and business tax
1. Quebec spends billions of dollars annually for its natural gas needs, with a significant portion of this natural gas being transported from Western Canada. Provincial supply in and of itself will be a significant cost savings by not having to pay for the transport the gas from other provinces. Natural gas in terms of emissions from combustion is the "cleanest" of all fossil fuels and is a natural bridge to a time in the future where carbon-neutral energy sources are identified, tested and integrated in to the energy system eventually replacing fossil fuels. Revenue derived from producing, selling and potentially exporting natural gas will go a long way in financing the transition to renewables or alternative energy sources. Natural Gas is an irreplaceable source of energy in some of Quebec's current job-creating industries like aluminium facilities and steel smelters/foundries as well as some pulp & paper mills). Quebec has significant petroleum and natural gas potential through third party evaluations and with no current production.
  2. PSAC supports the development of the petroleum service and supply business in communities close to the resource development as this ultimately lowers cost for the producers who would have to import services and supply from outside of the province at the onset but would source locally as services increased. As proven out in communities across western Canada, the local business people, entrepreneurs and the like contribute significantly to the local communities where they live and work, not only do they hire locally, they also contribute to local charity, sports clubs, community events and projects which goes a long way in lowering a communities dependence on the provincial government for financial support.
  3. The creation of a Québec based petroleum service sector would provide jobs for local residents, graduating students and very rewarding careers through a host of resource related trades as well as professionals such as engineers, geologists, scientists and much more. The education system would see an increase in enrolments for resource related skills training. Highly skilled Oilfield workers originally from Quebec would return home to their province without hesitation if they could ply their trade locally, an additional benefit would be the immediate application of their skills to help speed up the development of a Quebec based oilfield service and supply sector.
  4. Research based on Canada census data has indicated that the petroleum service sector is the second largest contributor to the Canadian GDP from resource based industry. To the tune of

\$65 Billion dollars of which Québec already realizes \$4.3 billion dollars' worth. This number would increase exponentially with a Québec based resource industry and lead the way for Quebec to change from a have not province to a have province. Quebec has underutilized refining capacity that could be increased through local supply which again improves return on investment by exporting or selling refined products versus shipping raw product away to out of province refiners.

In Summary:

Quebec citizens already participate in the development of Canadian resources outside of their home province, generating revenue through various petroleum service related opportunities either simply from pay checks on through to supplying engineering and manufactured products for a robust industry in other parts of Canada. The development of natural gas from shale resources inside the province of Quebec could be the stimulant for growth and success for this province. Canada is a leader in the technology required for the safe, efficient and sustainable development of natural gas from shale and Quebec can leap forward through the implementation of over one hundred years of experience in exploration and development of natural gas in western Canada and the ever evolving oil field services that have helped significantly toward the success of Canada's energy industry as a whole.

Sincerely

Mark Salkeld

President and CEO

The Petroleum Services Association of Canada<sup>1</sup>

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<sup>1</sup> [www.junex.ca/getthisfile\\_en.php?id=82](http://www.junex.ca/getthisfile_en.php?id=82)  
Key Player in the St. Lawrence Lowlands Basin