

Hon. Richard Hurlburt
Minister of Energy
Remarks to OTANS
8 a.m., Feb. 12, Westin Nova Scotia
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INTRO

- Thank you for kind introduction

- Good morning honoured guests, ladies and gentlemen

- Real pleasure to be here today ... my first chance to speak directly to OTANS

- I've been very fortunate as Energy Minister ... had a few jobs in Government, including Natural Resources, Service Nova Scotia and Municipal Relations ... and Economic Development.

- Energy is one of the best.

- Like you, I have a few years of experience in the private sector, running my own construction business. It's a job that has taken me around the world.

- Here at energy, I have been fortunate in my timing. I was two days on the job when EnCana gave green-light to Deep Panuke.

- My staff are working on a similar announcement for my six-month anniversary.

OFFSHORE

– Pleased to see that Deep Panuke is moving ahead. Good to see activity taking place in the energy sector

– Like to give government some credit. Believe our Offshore Strategic Energy Agreement helped pave the way for the Deep Panuke project to receive a green light.

– And I would like to thank OTANS for your support, for working together with us to make things happen. We are after the same goal, more prosperity in Nova Scotia.

– We both want more drilling, in both our offshore and our onshore.

– Certainly, we are now seeing benefits of the offshore agreement, with recent

contract announcements: \$40 million dollar pipe coating contract resulting in about 100 jobs on the Eastern Shore of NS

– Believe this to be the first of many.

– Know there will be other benefits as well. With a drilling rig coming to the area, hope that it may be used by other companies to drill wells.

- And as word continues to spread of the talents of your companies ... explorers will have more and more comfort with the idea of working here.

- I want to do everything I can to create winning conditions for you ... but I respect that at the end of the day ... the success of the industry rests with you and with the explorers around the world ... that will make the decision to move into our water.

- But we can't just wait for more exploration.

– We understand the importance of energy ... not just to the industry, but to all Nova Scotians

- The offshore brings money to the bank.

– Sable is expected to bring in about \$380 million in revenues this fiscal year. It is an important part of our provincial revenues.

– So ... I understand that we need more companies drilling ... And here is our plan:

OUR PLAN

– Our offshore plan to get more drilling here includes four pillars:

new policy ... new geoscience ... smarter regulation ... and more marketing.

– And that plan has already been in motion:

- we have reinvested millions of dollars in our offshore geoscience,
- our policy work has led to new offshore calls for bid through the CNSOPB,
- We have funded important initiatives such as the Data Management Centre at the Offshore Board,
- We are spending hundreds of thousands of dollars in new geoscience studies that are going to help us, and industry, better understand our offshore geology,
- It's a healthy start to help us market ourselves to the offshore industry.

- For many of you in the supply and service sector, we continue to work with your firms to build on existing markets, and try and develop new ones.
- That is why we support you in Houston, in Alberta and in emerging markets such as Trinidad.
- That is why we asked Novus Consulting Group to research and prepare a report on global opportunities that best fit our local capabilities in the offshore oil and gas offshore sector. That report is expected within months.

FORFEITURES

– I know that many OTANS members wants government to put forfeiture dollars into the offshore. I want to say a few words on this subject:

– We are in the process of putting together our provincial budget and collectively we have some tough decisions to make.

– But I want you to know that part of my job is putting forward your interests at the budget table. I want you to know that your voice is being heard.

– I also want you to know that when money is available, we are ready to move forward with our offshore plan.

JOBS

– Ultimately, we want more jobs for Nova Scotians. And you are a big part of this equation. You are a vital industry for Nova Scotia.

– In just four years, between 2001 and 2005, offshore-related expenditures totaled \$1.7 billion, and provided employment of 15.6 million person hours

– Our job is to create more wealth and opportunity here at home, so that number continues to grow.

ONSHORE

- On that front, the onshore is looking up

- Stealth Ventures Limited is moving ahead with coal-bed methane in Springhill area

- Companies are searching for shale gas, and we have a conventional onshore call for bids underway.

- Alton Gas is moving ahead with its storage project ... and is now talking about building a second gas pipeline in the region.

- Keltic Petrochemicals and Maple LNG continue to move forward.

DOWN THE ROAD

- There will be more opportunities down the road ...

- as Deep Panuke gears up

- as our onshore continues to grow

- as oil and gas becomes harder to come by, and companies are willing to drill in less explored regions and Nova Scotia looks better and better

– There are opportunities in renewable energy as well, with tidal and wind and bio-fuels.

– In today’s world of global energy challenges, we need to recognize that renewables are going to take on a greater role.

– And that we, as a Department, will continue to push opportunities in the green sector as well as the oil and gas sector as well.

GEORGES BANK

– I also want to touch on the issue of Georges Bank for a moment. We all know that there is a tremendous resource on Georges Bank, both in terms of fishing and in terms of oil and gas.

– There is a potential five trillion cubic feet of gas, and one billion barrels of oil.

– We also know that in many parts of the world, fishing and offshore exploration live together very comfortably.

- On Georges Bank, we know there is a moratorium in place until 2012.

- We also know that Nova Scotia and the federal government must conduct a review beginning in 2010, and this review will touch on environmental and technical issues related to oil and gas activity.

- I believe the two industries can co-exist. But we need a lot more information, and a lot more community input before we make any long-term decisions about the future of the area.

CONCLUSION

– In conclusion, my job is clear. I want to stimulate investment in the renewable and non-renewable energy business.

– On the oil and gas side, I want you to know that I am going to push the file forward. I am actively working to get more companies drilling here, and I am actively working to get your companies more contracts on the supply and service

sector.

– Together, we can achieve great things in our resource sector.

– We have movement and momentum and we have the skills, the talent and the people.

– My goal is to make sure that we, together, realize our full potential in this industry in Nova Scotia.

– Thank you.