



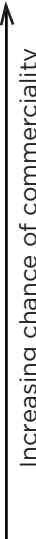
# Reserve and Resource Classification

	<div>  </div> <div>Low Permeability</div>	<div>  </div> <div>Shale</div>
Resources Type	Tight Gas Tight Oil Tight Hybrid	Shale Gas Shale Oil
Reserves Evaluation	Probabilistic COGEH General, SPEE Monograph 3	Probabilistic COGEH General, SPEE Monograph 3

COGEH = Canadian Oil and Gas Evaluation Handbook  
 SPEE = Society of Petroleum Evaluation Engineer

The AER’s classification system is adapted from the Canadian Oil and Gas Evaluation Handbook.

Petroleum initially in place	Reserves	<b>Developed</b> Already developed and producing
		<b>Undeveloped</b> Could reasonably be developed in the next 5 years
	Resources	<b>Contingent</b> Could reasonably be developed in the next 15 years when contingencies are resolved
		<b>Prospective</b> Could reasonably be developed in the next 30 years with improved technology


 Increasing chance of commerciality

# The Value of Condensate

- Operators are targeting condensate because it currently provides the most economic value.
- Condensate is a key product used to dilute bitumen, allowing for flow to market. The condensate and liquids also have high value as feedstocks for Alberta’s petrochemical industry.
- Due to its close proximity to the Canadian oil sands, the liquids-rich areas of the Duvernay are well positioned for growth.



## AER Contact Information

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November 2016

# Highlights from the Duvernay Reserves and Resources Report

A Comprehensive Analysis of Alberta’s Foremost Liquids-Rich Shale Resource



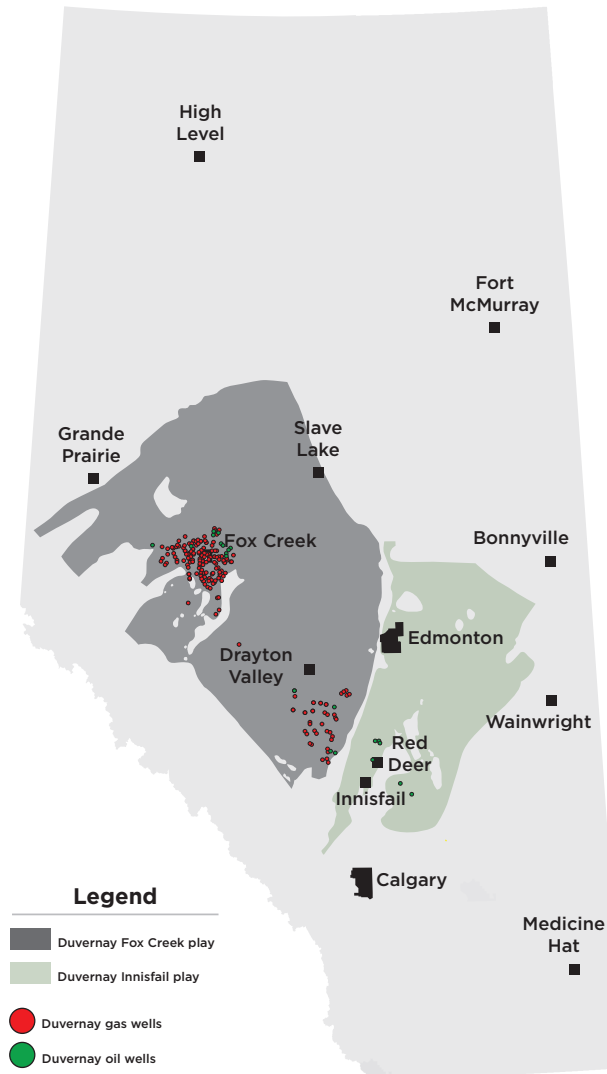
The Alberta Energy Regulator (AER) ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle.

## Who We Are

- One of the AER's key services is to provide credible information about Alberta's energy reserves and resources.
- We communicate the economic value of the subsurface to stakeholders by providing unbiased reserves and resources assessments for the province.
- We have moved to a more flexible play-based approach to capture the uncertainty of unconventional reserves and resources.

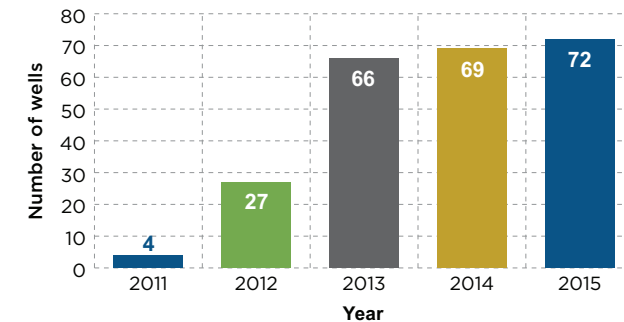
## Geology Extent and Development

The AER has defined two geological plays for the Duvernay. The Fox Creek play is a shale resource, and the Innisfail play is a shale and low permeability resource.



## Duvernay Activity

Between 2011 and 2015, 238 horizontal wells were drilled into the Duvernay



## Remaining Duvernay Resources

(effective January 1, 2016)

		BOE* (MMboe)*
<b>Reserves</b>	Total proved + probable	395
<b>Contingent resources</b>	Best estimate	1676
<b>Prospective resources</b>	Best estimate (50% risked)	874

\*BOE - barrels of oil equivalent

\*MMboe - millions barrels of oil equivalent

