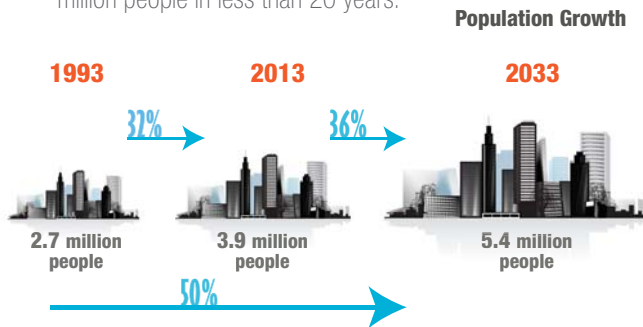


ALBERTA'S STRONG ECONOMY

- **Economic growth** is expected to be 2.9% in the 2013 –14 fiscal year, a sustainable and healthy rate of growth for a developed economy like Alberta's.
- Alberta's strong economy is attracting new residents, with 68,000 more people arriving in 2013 than leaving. Total **population growth** will be close to 100,000 people.
- Alberta's population is expected to grow to more than five million people in less than 20 years.



Source: Statistics Canada and Alberta Treasury Board and Finance

- Alberta is expected to have one of the lowest unemployment rates in the country – 4.5% in 2013.
- After two years of rapid growth, job gains are expected to moderate to 1.9% in 2013.
- Alberta is estimated to produce over 2.1 million barrels per day of raw bitumen in 2013-14.
- A strong household sector has helped offset slower gains in the business sector. 3.7% growth in real consumer spending is expected to be a key driver of Alberta's economy going forward.
- Average weekly earnings are expected to go up 3.5% in 2013, and 32,600 new housing starts will contribute to growth.
- As a small, export-based economy, Alberta is susceptible to global risks, such as pipeline constraints, Eurozone economic troubles, and economic uncertainty in the U.S.

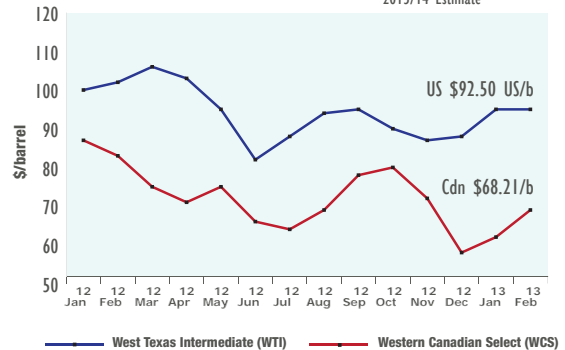
Energy and Economic Assumptions

	2012 Budget*	2013 Budget*
WTI Oil (US\$/bbl)	99.25	92.50
WCS@Hardisty (Cdn\$/bbl)	83.28	68.21
Differential (WCS/WTI in Cdn\$)	17%	27%
Natural gas (Cdn\$/GJ)	3.00	3.07
Exchange Rate (US cent/Cdn\$)	98.6	99.0

*Fiscal year forecasts

- The Government of Alberta forecasts the price of oil based on industry's estimates.
- The average of all private forecasts is \$94.28 US\$/bbl for West Texas Intermediate in 2013. The Government of Alberta is using a projection of \$94.05 US\$/bbl for the calendar year.
- Alberta's bitumen has been selling for a larger and more substantial discount to North American and global benchmark oil prices.
- This 'bitumen bubble' has had a severe impact on Alberta's revenue outlook, with a \$6.2 billion drop in 2013-14 resource revenue from the Budget 2012 estimate, and even larger declines in the next several years.

Oil Price Differential 2013/14 Estimate



Source: Alberta Energy