

ECONOMIC OUTLOOK

Alberta **2003** Budget

Making Alberta Even Better

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Economic Outlook

Despite a sluggish U.S. economy and weak export markets, Alberta achieved real economic growth estimated at 2.4% in 2002 due to a very robust household sector.

In 2003 and 2004, an improved export outlook and increased conventional energy investment are expected to accelerate Alberta's real economic growth to 3.6%. In 2005 and 2006, real growth is expected to be a healthy 3.2%. Employment growth is forecast to average almost 2% per year, reducing Alberta's unemployment rate to 4% by 2005.

Key Energy and Economic Assumptions

Fiscal Year Assumptions	2000-01 Actual	2001-02 Actual	2002-03	2003-04	2004-05	2005-06
Prices						
Oil price						
WTI (US\$/bbl)	30.20	24.17	28.86	23.30	22.00	22.00
Alberta wellhead (Cdn\$/bbl)	39.15	31.46	39.26	29.50	28.18	27.72
Natural gas price						
Alberta Reference Price (Cdn\$/mcf)	6.08	3.94	4.65	4.05	3.50	3.45
Alberta Reference Price (Cdn\$/GJ)	5.76	3.74	4.41	3.84	3.32	3.27
Production						
Crude oil and equivalent (000's barrels/day)	1,490	1,479	1,560	1,666	1,756	1,839
Natural gas (billions of cubic feet)	5,342	5,312	5,176	5,029	4,929	4,830
Interest and Exchange Rates						
3-month Canada treasury bills (per cent)	5.43	3.14	2.70	3.90	4.50	4.50
10-year Canada bonds (per cent)	5.70	5.50	5.20	5.80	6.00	6.00
Exchange rate (US¢/Cdn\$)	66.5	63.9	64.4	65.6	66.0	66.5
Calendar Year Assumptions	2001 Actual	2002 Actual	2003	2004	2005	2006
Gross Domestic Product						
Nominal (millions of dollars)	150,454	150,453 ^a	163,149	163,220	172,407	181,640
per cent change	5.1	0.0	8.4	0.0	5.6	5.4
Real (millions of 1997 dollars)	122,172	125,060 ^a	129,532	134,158	138,473	142,921
per cent change	2.0	2.4	3.6	3.6	3.2	3.2
Other Indicators						
Employment (thousands)	1,632.1	1,673.8	1,710.4	1,747.0	1,780.7	1,813.9
per cent change	2.8	2.6	2.2	2.1	1.9	1.9
Unemployment rate (per cent)	4.6	5.3	4.8	4.3	4.0	3.9
Housing starts (number of units)	29,174	38,754	29,900	28,700	28,600	28,800
Alberta Consumer Price Index	120.1	124.2	128.7	131.4	134.1	136.9
per cent change	2.3	3.4	3.7	2.1	2.1	2.1
Population (thousands)	3,059.1	3,113.6	3,165.6	3,216.5	3,266.2	3,315.6
per cent change	1.6	1.8	1.7	1.6	1.5	1.5

^a estimated

ALBERTA IN 2002

Alberta's economic growth in 2002 is estimated to have been 2.4%. The economy overcame some significant challenges as the halting U.S. recovery dampened exports and business investment. The housing sector and consumer spending, however, were exceptionally strong due to a robust labour market, healthy income growth and low interest rates.

- 2002 was a difficult year for Alberta's export sector. The value of international goods exports was down 13.7%, due in large part to a drop in natural gas prices.
- The value of manufacturing shipments declined by 3.2%, but showed clear signs of recovery in the latter half of the year. In the final four months of 2002, Alberta manufacturing shipments were up 8.1% on a year-over-year basis.
- The agricultural sector was hit by a severe drought in much of the province. Total crop market receipts were down by 7.9% in 2002, while livestock receipts declined by 2.3%. Although total market receipts were down 4.0%, program assistance payments reduced the overall decline in farm cash receipts to 1.0%.
- Real business investment was down by an estimated 4.5% in 2002. Although oil sands investment rose to \$6.8 billion, activity in the conventional sector declined sharply. The average number of rigs drilling was down by 22.3% for 2002 as a whole, but bounced back in December as drilling activity rose 23% relative to the previous year.
- Alberta's employment picture remained strong. The Alberta economy created 41,700 jobs, up 2.6% from 2001, with most of the jobs created in health care (11,400), retail trade (9,300) and construction (7,000). The largest job losses were in the mining sector (10,900). The unemployment rate averaged 5.3%, the second lowest in Canada.
- Alberta continued to attract large numbers of migrants from across Canada. Net inter-provincial migration increased to 26,740 in 2002, the highest level of any province.
- Low interest rates, the healthy labour market, and strong net in-migration helped boost Alberta's housing starts to 38,754, up 33% from 2001. This was the highest level in more than 20 years.
- Alberta experienced strong growth in consumer spending, with retail sales up by 7.9% from the previous year — the highest increase of any province.
- Alberta's annual inflation rate was 3.4%, due in part to increases in tobacco taxes and rising insurance premiums, as well as to inflation measurement anomalies associated with various government and industry natural gas rebates.

GLOBAL ECONOMIC OUTLOOK

Prospects for global economic growth in the near term hinge primarily on the performance of the U.S. economy. The European Union is expected to register growth of only 1.2% in 2003, and Japan remains mired in a decade-long economic slump.

Since emerging from recession at the end of 2001, the U.S. economy has displayed a sporadic and uneven pattern of growth. While real economic growth in 2002 was a respectable 2.4%, the recovery has been effectively 'jobless' and growth slowed in the fourth quarter to 1.4%. Furthermore, growth was concentrated primarily in the household sector, while other key engines of the economy, such as manufacturing and business investment, remained weak.

The U.S. economic outlook remains murky. While a 'double-dip' recession is unlikely, the conditions for strong and sustained growth are not yet clearly in evidence. Current geopolitical uncertainties (the Iraq situation in particular) could affect the pace of the U.S. recovery. The present reliance on consumer spending is also a concern given the weak employment picture and relatively low consumer confidence.

Other developments are more encouraging. U.S. manufacturing activity has recently shown some signs of a turnaround, productivity gains have been strong, and investment in business equipment is beginning to strengthen. In addition, President Bush has proposed a major federal fiscal stimulus package. Real economic growth of 2.5% is expected in 2003, with growth of 3.5% forecast for 2004 as the U.S. recovery takes hold.

In the face of an under-performing U.S. economy, Canada's economic performance has been remarkably robust. This is most clearly evident in the area of job growth. While U.S. employment declined by almost 1% in 2002, Canada created over 335,000 jobs, an increase of 2.2%. Overall, the Canadian economy registered real growth of 3.4% in 2002, the best performance among the G-7 countries.

In view of Canada's strong performance and rising inflation, the Bank of Canada has raised interest rates by a full percentage point since early 2002. In contrast, the U.S. Federal Reserve Board sat on the sidelines through most of 2002 and ultimately lowered rates by half a percentage point at year-end. Canadian short-term rates are now roughly 1.75 percentage points above those in the United States.

The Canadian economy is well positioned for strong future growth, albeit at somewhat more modest rates than in 2002. In 2003, it is expected that Canada's real economic growth will be 3%. Over the medium term, growth is expected to remain around 3%.

In the first quarter of 2003, world oil prices averaged about US\$34 per barrel due to a supply disruption in Venezuela and the prospect of war in Iraq. They are expected to decline to US\$23.30 per barrel in 2003-04, on

average, and moderate further to US\$22 per barrel in 2004-05 and 2005-06. Unusually cold weather and high oil prices boosted the Alberta Reference Price for natural gas to an expected average of \$4.65 per mcf in 2002-03. Natural gas prices are expected to average \$4.05 per mcf in 2003-04, moderating to \$3.50 in 2004-05 and \$3.45 in 2005-06. These forecasts are predicated on relatively quick resolutions to the current international uncertainties.

ALBERTA ECONOMIC OUTLOOK

Alberta economic growth is expected to strengthen to 3.6% in 2003 as investment in the conventional energy sector recovers and exports improve. Over the medium term, Alberta is expected to average a strong and sustainable real growth rate of 3.3%.

Business investment is expected to remain a major source of strength for the Alberta economy. In recent years, business investment has accounted for roughly 20% of Alberta's GDP, with about half of this investment occurring in the energy sector. Within the energy sector, investment activity has been driven increasingly by oil sands development. Non-conventional energy investment has grown from around \$400 million a decade ago to \$6.8 billion in 2002, and presently accounts for about a third of total mining investment.

The implementation of the Kyoto Protocol has introduced an element of uncertainty into the investment outlook. This is particularly true for the non-conventional energy sector, which is among the sectors most likely to be impacted by the emissions reduction targets. While a full assessment of the Protocol's impacts must await release of a comprehensive Kyoto implementation plan, it clearly has the potential to negatively affect key sectors of the Alberta economy.

At the same time, it is important to note that non-conventional energy projects now coming on stream (or presently under construction) will provide a significant boost to Alberta's growth, irrespective of future investment. The impact of new oil sands production on Alberta's energy exports will rise sharply over the next several years. Furthermore, while oil sands investment is moderating after several years of exceptionally rapid growth, conventional oil and gas investment is expected to rebound strongly this year. Alberta's manufacturing and service exports are also expected to strengthen as the U.S. economic recovery gains momentum in the latter half of 2003.

In the medium and long-term, the outlook for Alberta's growth is bolstered significantly by the increasing diversification of the Alberta economy, particularly its export sector. Alberta's reliance on commodity and primary goods exports has diminished substantially in recent years, with real manufacturing and services exports rising from 50% of Alberta's total exports in 1991 to just under 60% in 2001. This growing diversification means that Alberta is well positioned to take advantage of a recovery in

global demand, setting the stage for broadly-based export growth that is less vulnerable to the inherent fluctuations of global commodity markets and prices.

Alberta's strong economic growth will be reflected in a healthy job market. Employment growth of 2.2%, or 36,600 jobs, is expected in 2003, which should lower Alberta's unemployment rate to 4.8% for the year. Alberta's unemployment rate is expected to fall to 4% by 2005. Alberta's monthly inflation rate is expected to moderate through 2003, as many of the one-time price effects that impacted inflation last year work their way through the system and energy prices moderate.

Alberta's household sector will also remain a source of strength. While the exceptionally strong performance of residential construction and consumer spending is expected to ease in 2003, these areas will remain robust.

The fundamental strengths of the Alberta economy — including the highest average incomes in Canada, the lowest overall tax rates and low unemployment — continue to be reflected in the growing number of Canadians choosing to live in this province. Net inter-provincial migration to Alberta is expected to continue at high levels, demonstrating the ongoing strength and attraction of the Alberta Advantage.

RISKS

The most significant risks to the economic outlook relate to international uncertainties, most notably in the Middle East. Prolonged destabilization or conflict could weaken global economic growth and significantly affect world energy prices. While the short-term price risks are on the upside, resolution of these matters could produce a major reversion in energy prices, particularly in view of the continued weakness in global energy demand.

The Canadian dollar has been extremely volatile over the past months, ranging from a low of 62.7 cents US in early October to a high of over 68 cents US in March. If the U.S. economic outlook deteriorates, the Canadian dollar could gain further ground against its U.S. counterpart. On the other hand, a major international crisis could strengthen the U.S. dollar, as it tends to be a favoured currency for risk-averse investors seeking a 'safe haven'.

A secondary risk is the outlook for the U.S. economy. Even in the absence of a significant international crisis, the possibility of a 'double-dip' recession cannot be entirely discounted. Until recovery takes hold in employment, business investment and manufacturing, the U.S. outlook will remain somewhat unclear.

Sensitivities to Fiscal Year Assumptions, 2003-04^a

(millions of dollars)

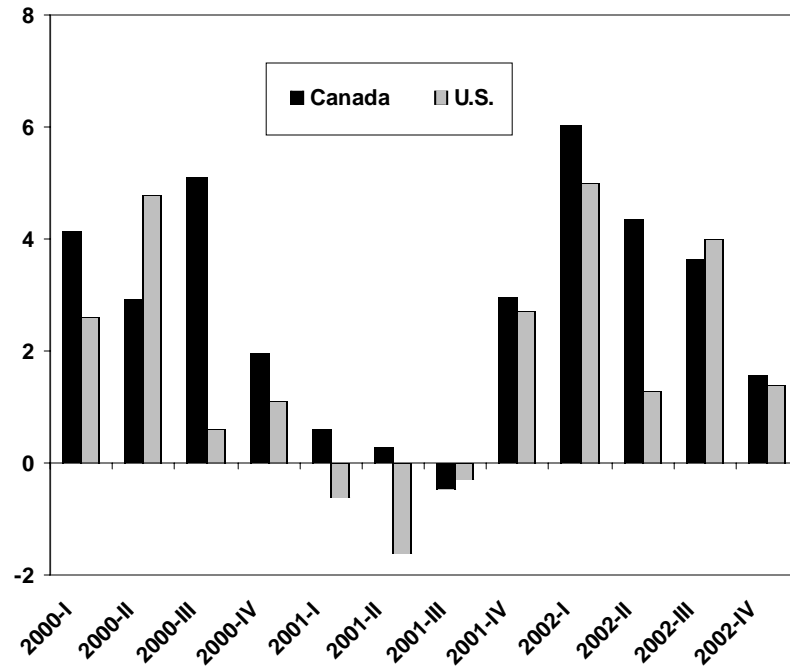
	Annual Change	Revenue	Spending	Net Change
Oil Price (WTI US\$/bbl)	-\$1.00	-76	--	-76
Natural Gas Price (Cdn\$/mcf)	-10¢	-106	--	-106
Exchange Rate (US¢/Cdn\$)	+1¢	-125	-25	-100
Interest Rates	+1%	-148	+15	-163

^a Sensitivities are based on current assumptions of prices and rates and show the effect for a full 12 month period. Sensitivities can vary significantly at different price and rate levels. The energy price sensitivities do not include the potential impact of price changes on the revenue from land sales. The interest rate sensitivity has two components, an increase in cash interest income and a capital loss. When interest rates rise, bond prices go down, causing a capital loss.

GLOBAL GROWTH HINGES ON A STRONG U.S. RECOVERY

Canada and U.S. Quarterly Real GDP (percent change at annual rates)

- The U.S. economy emerged from recession in 2002, posting real growth of 2.4%, but this growth has been uneven. Several key areas, including manufacturing, employment and business investment, remained weak.
- U.S. economic growth is expected to rise slightly to 2.5% in 2003, but there are significant risks to the forecast, including the effects of geopolitical uncertainties.
- Canada has been outperforming the U.S. economy over the past two years. However, with weak growth expected in Europe (1.2%) and Japan (0.2%) in 2003, continued strength will depend on a healthy and sustained U.S. recovery.

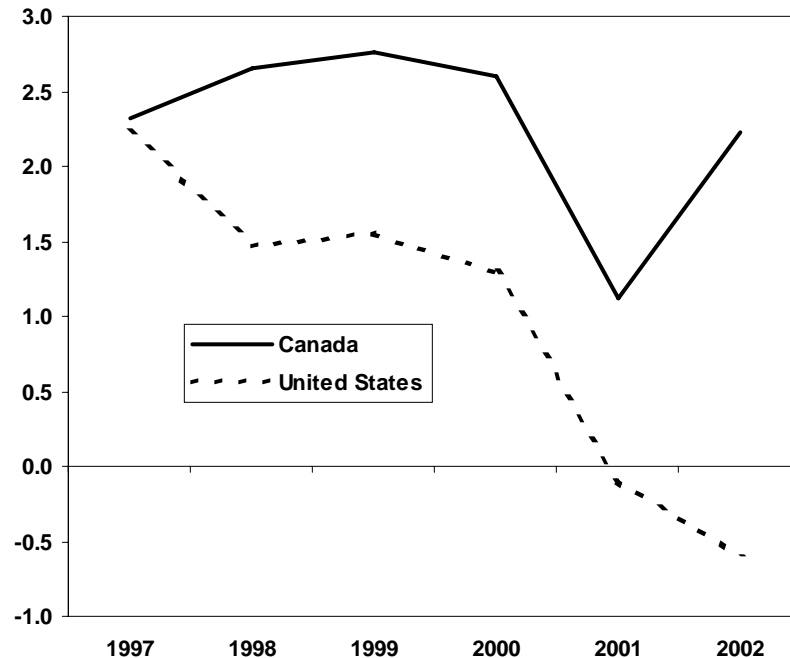


Source: Statistics Canada and the U.S. Department of Commerce.

CANADA LEADING IN JOB GROWTH

Canadian and U.S. Employment Growth (annual, per cent)

- In 2002, Canada experienced a strong rebound in job growth, with over 335,000 new jobs created. In contrast, in the United States non-farm payrolls fell by 1.1 million, a decline of almost 1 per cent.
- A large portion of Canadian job gains were in manufacturing, the auto industry in particular. In the United States, the largest job losses occurred in its manufacturing sector, which has a greater concentration of firms in the ailing high-technology area than Canada.
- Canada's manufacturing sector ended the year on a down note, with layoffs in the automotive industry. This underlines the importance of a strong U.S. recovery to Canada's job growth prospects.

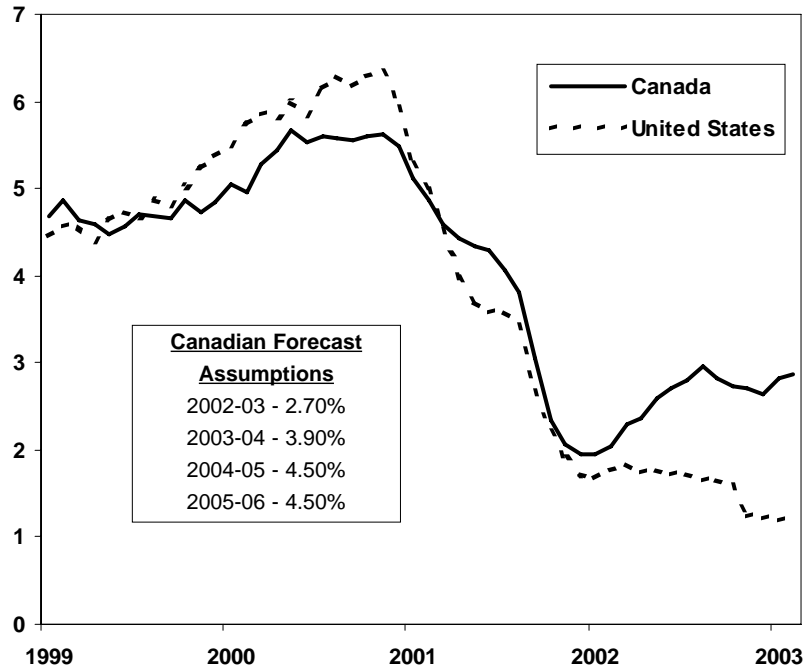


Source: Statistics Canada and U.S. Department of Labour.

LOWEST INTEREST RATES IN DECADES

3-month Treasury Bills (per cent)

- Due to the sluggish U.S. recovery, the U.S. Federal Reserve Board lowered interest rates by half a percentage point late in 2002. If the U.S. recovery falters, the Federal Reserve Board may cut interest rates even further in 2003.
- Canada's strong economic performance, on the other hand, led the Bank of Canada to raise interest rates by three quarters of a percentage point in the first 7 months of 2002, and an additional quarter of a percentage point in March 2003. Future rate increases are expected over the remainder of the year.

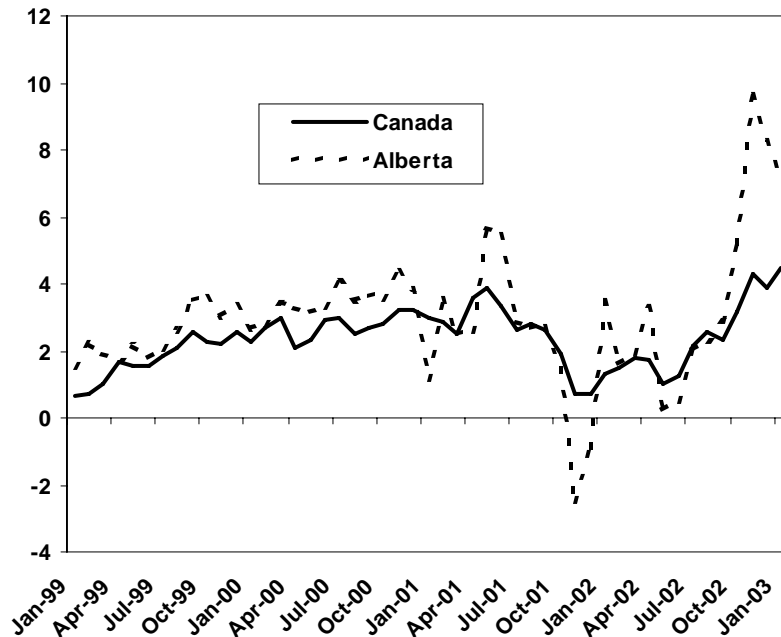


Source: Bank of Canada and Federal Reserve Bank of St. Louis.

HIGHER INFLATION PUTTING PRESSURE ON INTEREST RATES

CPI Inflation (per cent change)

- Since the beginning of 2002, concerns about rising CPI inflation have led the Bank of Canada to raise interest rates by a full percentage point.
- Canada's CPI inflation rate reached 4.6% in February 2003, well above the bank's target zone of 1% to 3%. Higher energy prices, tobacco taxes and auto insurance premiums were the main contributors.
- Alberta's CPI inflation rate was driven up by the same factors; measurement anomalies associated with various government and company natural gas rebates have made Alberta's inflation rate more volatile.

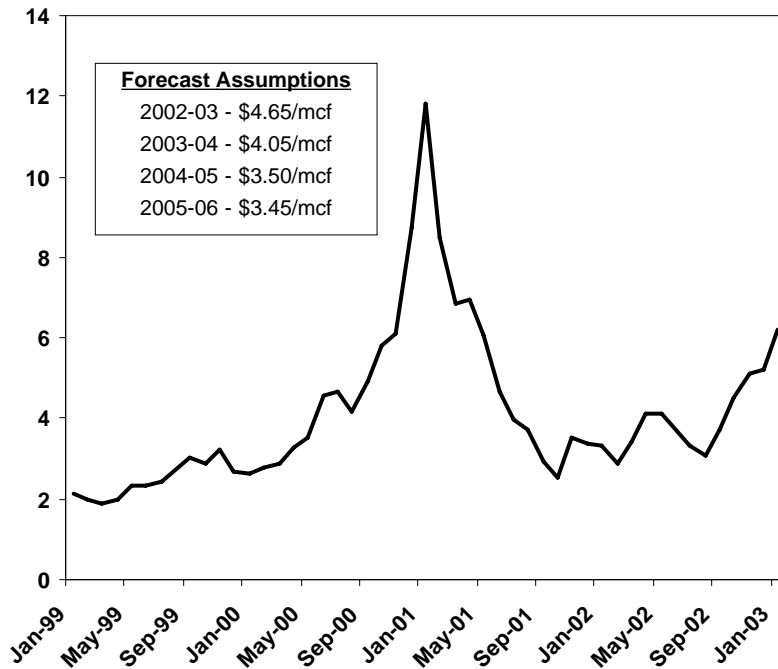


Source: Statistics Canada.

NATURAL GAS PRICES EXPECTED TO MODERATE

Alberta Reference Price (Cdn\$/mcf, monthly)

- Natural gas prices have risen sharply in recent months due to high oil prices (a substitute for natural gas) and weather-related increases in demand.
- Natural gas prices are expected to moderate as weather conditions return to normal. Over the medium term, this will be reinforced by an expected decline in the price of oil and increased natural gas drilling in response to current high prices.

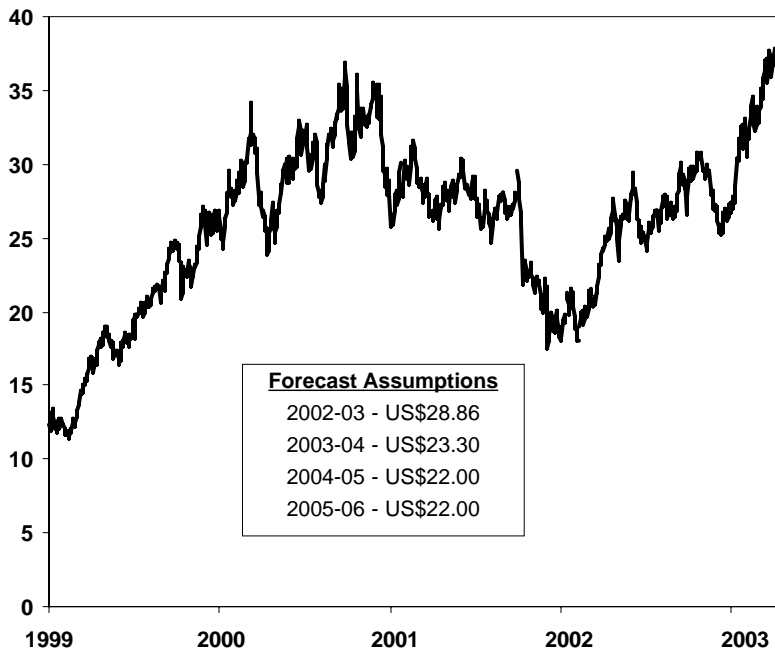


Source: Department of Energy.

OIL PRICES EXPECTED TO MODERATE

WTI Price (US\$/bbl, daily)

- The price of oil climbed fairly steadily through most of 2002, even though global oil demand was essentially flat. By year's end, the threat of war in Iraq and the disruption of oil production in Venezuela had raised prices well above US\$30. Prices rose further in the first quarter of 2003, averaging about US\$34 per barrel.
- With the anticipated reduction in geopolitical tensions over the course of 2003, oil prices are expected to moderate, returning to around US\$22.

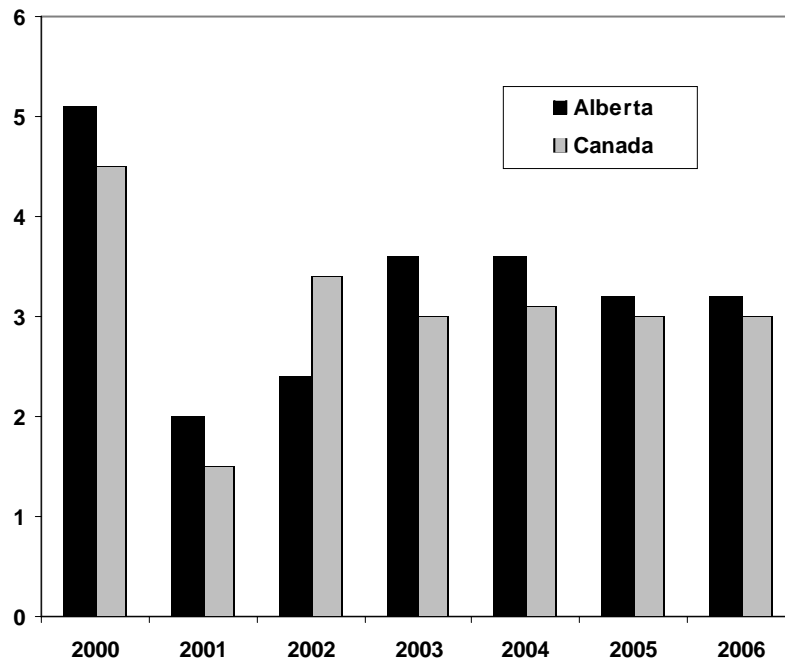


Source: Department of Energy.

ALBERTA'S ECONOMIC GROWTH TO STRENGTHEN

Real GDP (per cent change)

- Alberta's economic growth is expected to accelerate to 3.6% in 2003, fuelled by increased investment in the conventional energy sector and higher exports.
- Over the medium term, Alberta's real growth is forecast to continue at a healthy and sustainable pace of about 3.3%, on average, driven by continued export growth.

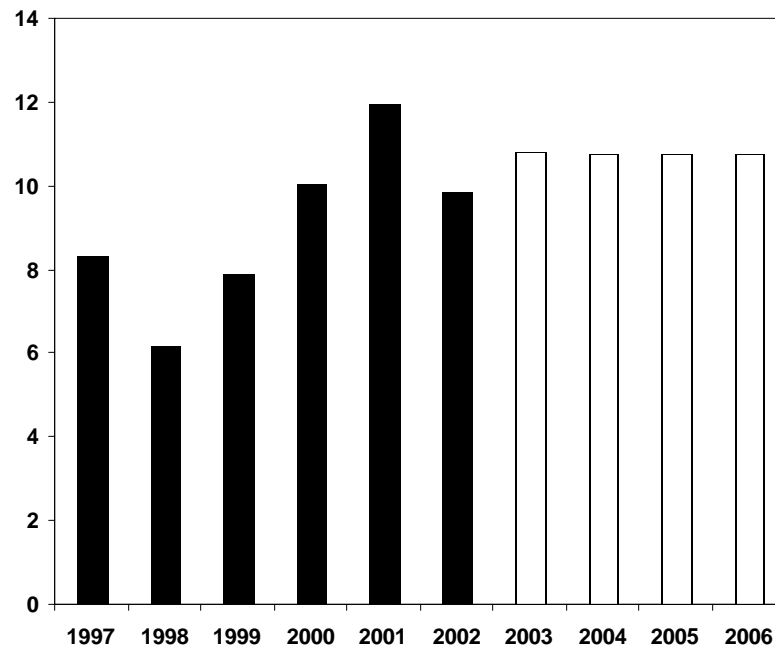


Source: Statistics Canada and Alberta Finance.

CONVENTIONAL OIL AND GAS ACTIVITY TO RECOVER

Conventional Oil and Gas Wells Drilled (thousands)

- Strong oil and natural gas prices are expected to sustain the recent rebound in conventional oil and gas drilling. The number of rigs drilling was up 14.6% in January and February compared to the same period in the previous year. In February, the rig count was at its highest level in two years.
- The recent rise in drilling bodes well for activity in 2003. The number of completed conventional oil wells is expected to increase by 25% this year, and to remain stable over the remainder of the forecast period.

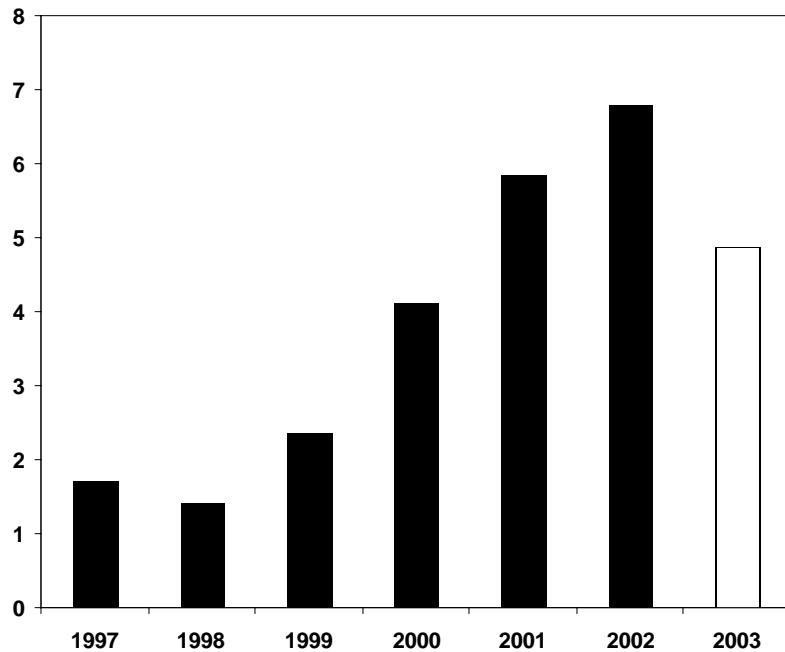


Source: Department of Energy.

OIL SANDS INVESTMENT AT HIGH LEVELS

Non-Conventional Energy Investment (\$billions)

- Oil sands investment increased dramatically between 1995 and 2002, rising from under \$1 billion to almost \$7 billion. Part of the recent run-up was due to capacity constraints that led to cost overruns.
- Oil sands investment will moderate to a more sustainable level this year. Although oil sands investment is not expected to exhibit the rapid growth of recent years, ongoing projects will keep investment levels high over the next several years.

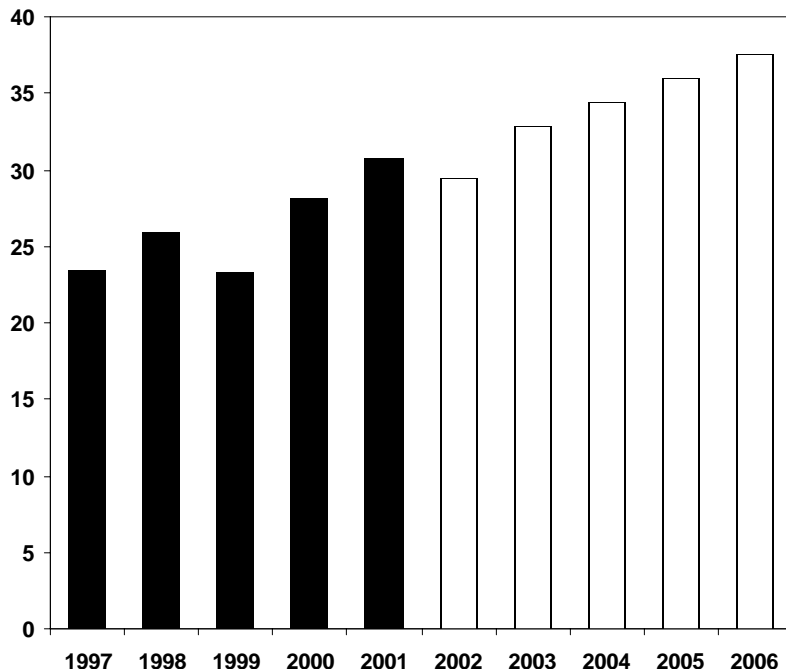


Source: Statistics Canada.

BUSINESS INVESTMENT TO GROW

Real Business Investment, (1997 \$billions)

- Although conventional energy sector investment is expected to rebound strongly this year, future investment growth in Alberta will be fuelled primarily by the non-energy sector.
- Alberta's overall business investment is expected to increase at an average rate of 4.7% per year over the medium term, as corporate profits rise in the non-energy sector.

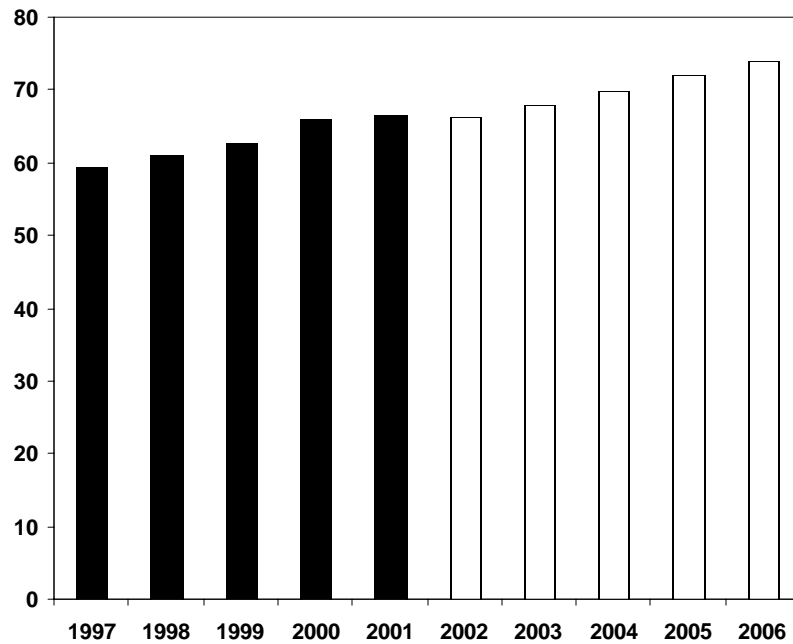


Source: Alberta Finance.

ALBERTA'S GROWTH TO BE LED BY EXPORTS

Alberta Real Exports (1997 \$billions)

- Alberta's economic growth will be driven increasingly by exports, led by energy (primarily non-conventional oil), manufacturing and services. After a difficult year in 2002, energy and manufacturing exports are expected to rebound strongly in 2003.
- Alberta's overall real exports are expected to rise around 3% per year through 2006, supported by a strengthening North American economic recovery.

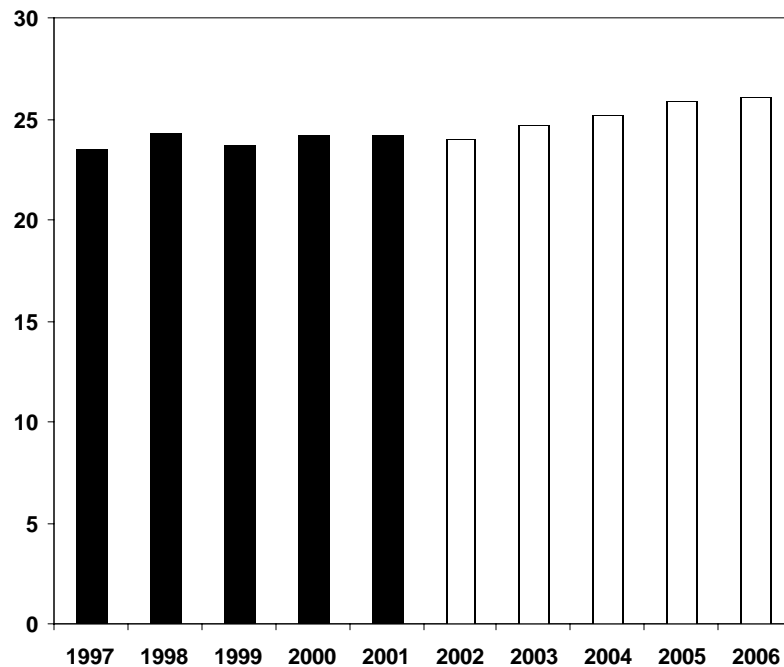


Source: Statistics Canada and Alberta Finance.

ENERGY EXPORTS

Alberta's Real Energy Exports (1997 \$billions)

- The rise in energy exports will be fuelled mainly by the production of non-conventional oil. While natural gas and conventional oil production are expected to decline gradually, increased oil sands production will more than offset this decline.
- Oil sands production accounted for 42.9% of Alberta's total oil production in 2001. This proportion is expected to rise to 67% by 2006. Natural gas production is expected to fall by roughly 2% per year through the forecast period.

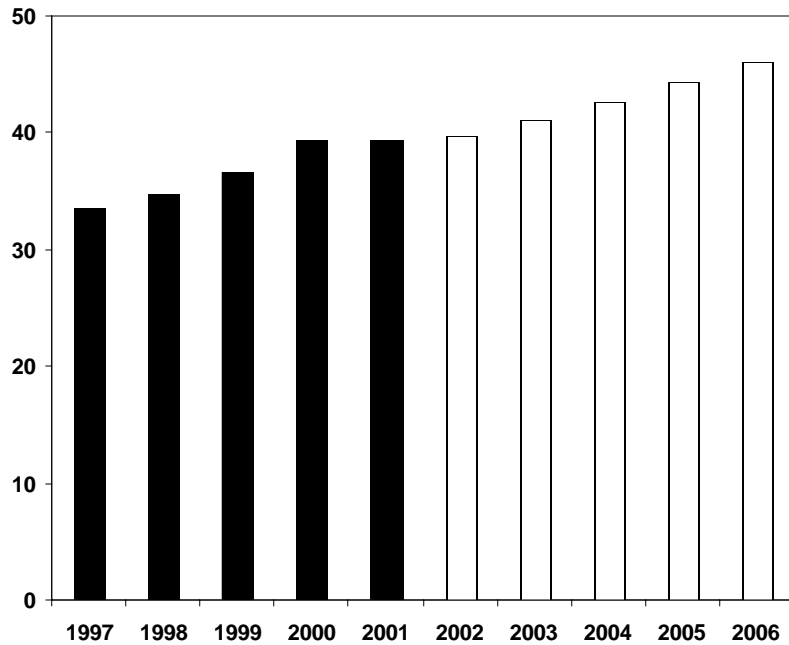


Source: Alberta Finance and Department of Energy.

MANUFACTURING AND SERVICES EXPORTS

Alberta's Real Manufacturing and Services Exports (1997 \$billions)

- Alberta's export profile has become increasingly diverse over the past decade, with real manufacturing and services exports rising from 50% of total exports in 1991 to 59% in 2001.
- The diversification of Alberta's export sector provides a strong foundation for broadly-based future export growth, with reduced susceptibility to volatile commodity markets.

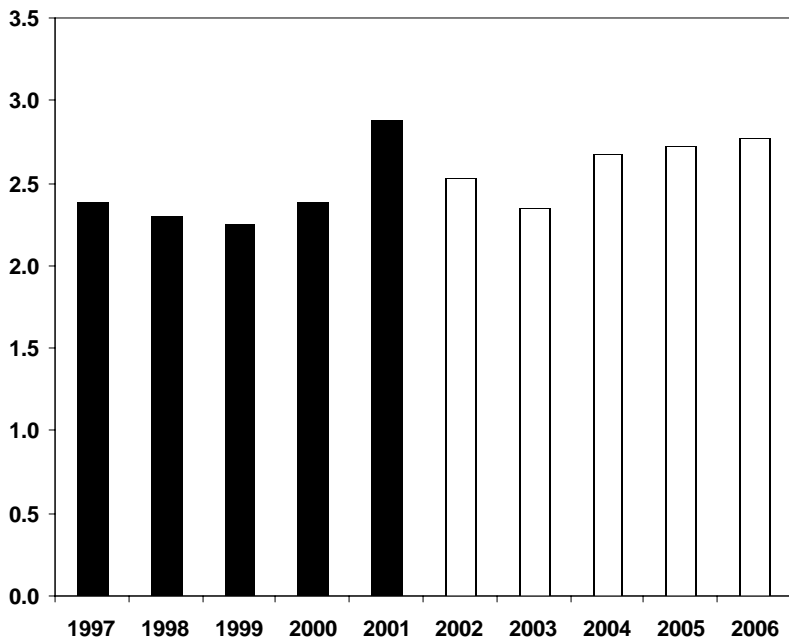


Source: Alberta Finance.

AGRICULTURAL EXPORTS

Alberta's Real Agriculture Exports (1997 \$billions)

- Weakness in the agricultural sector contributed to a decline in Alberta's exports in 2002. The severe drought lowered the value of Alberta's international crop exports by 27.4%, while livestock exports declined by 12.2%. The lingering effects of the drought are expected to dampen Alberta's agricultural exports in 2003.
- Alberta's agricultural exports are becoming increasingly driven by livestock and animal products. Between 1991 and 2001 exports of grains increased by 8%, while animal exports grew by 49%.

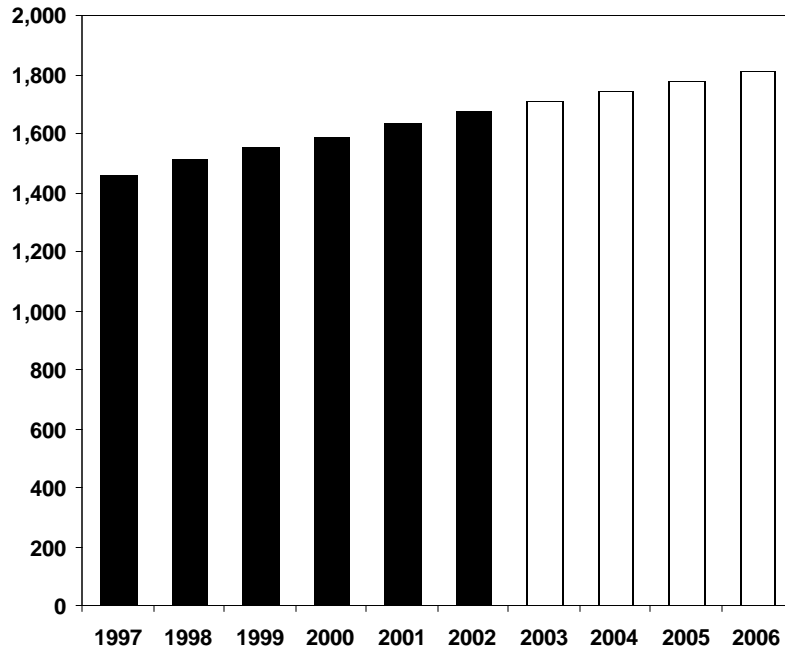


Source: Alberta Finance.

ALBERTA JOB GROWTH TO REMAIN STRONG

Alberta's Employment (thousands)

- Alberta employment increased by 2.6%, or 41,700 jobs, in 2002. Almost 37,000 new jobs are forecast in 2003.
- Over the medium term, employment growth is expected to average around 2% per year. This growth will be restrained by population constraints, as changing demographics slow the growth of Alberta's working-age population.
- The Alberta economy is expected to generate 140,000 new jobs by 2006.

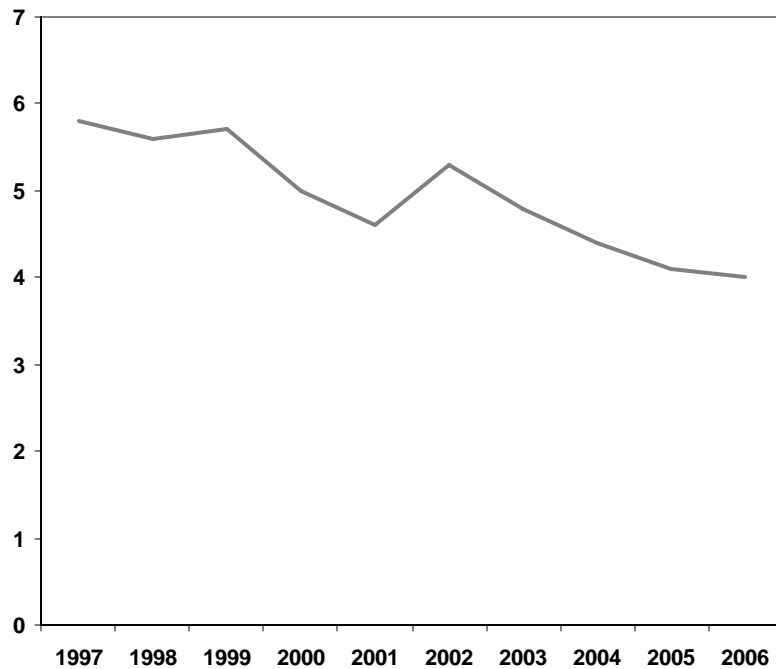


Source: Statistics Canada and Alberta Finance.

LOW UNEMPLOYMENT

Unemployment Rate (per cent)

- Despite healthy employment growth, Alberta's unemployment rate rose to 5.3% in 2002 due to a large increase in the number of people entering the job market.
- With strong economic growth forecast for Alberta, unemployment is expected to decline steadily over the forecast period, falling to 4% by 2005 - the lowest level in a quarter-century.

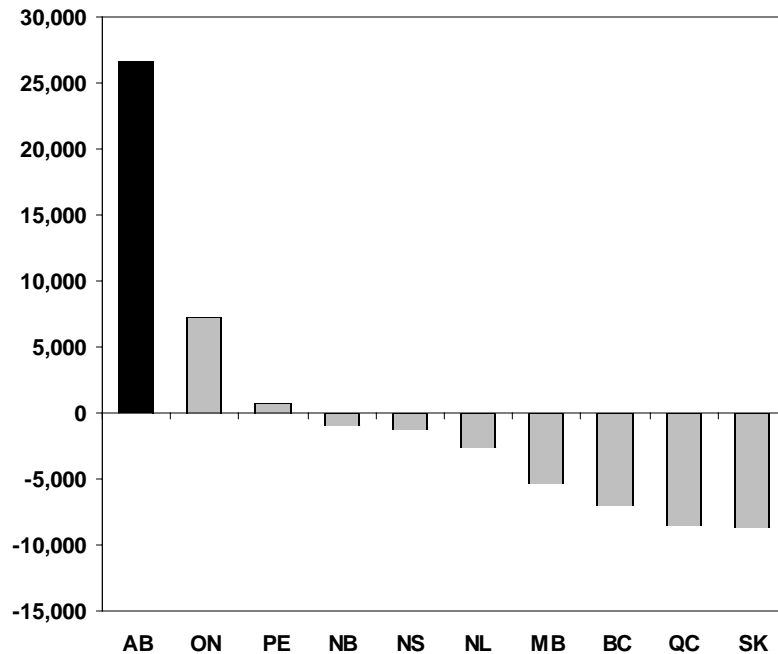


Source: Statistics Canada and Alberta Finance.

HIGHEST INTERPROVINCIAL MIGRATION AMONG PROVINCES

Interprovincial Migration
Between July 1, 2001 and June 30, 2002

- A strong labour market, healthy wage gains and low provincial tax rates have attracted a growing number of people to the province. During the census year ending June 30, 2002, 26,740 Canadians moved to Alberta, the highest net in-migration of any province.
- Over the medium-term, continued high interprovincial migration levels are expected to add about 20,000 people per year to Alberta's population.

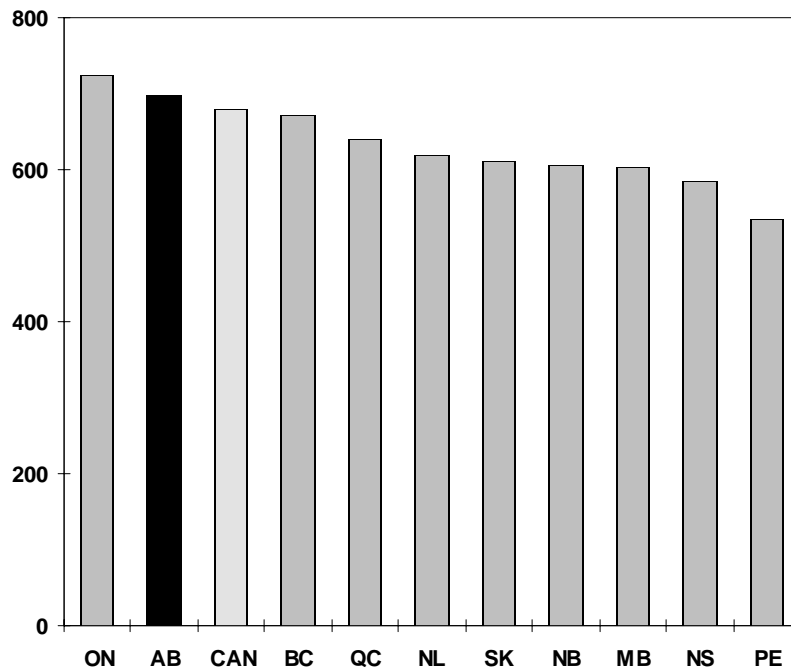


Source: Statistics Canada.

WAGE LEVELS AMONG HIGHEST IN CANADA

Average Weekly Earnings (dollars), 2002

- Alberta's average weekly earnings are second only to Ontario's. In 2002, Alberta's total labour income grew by 7.2%.
- Over the medium term, wages are expected to increase at a rate slightly above inflation, sustained by continued strong productivity gains in the Alberta economy.

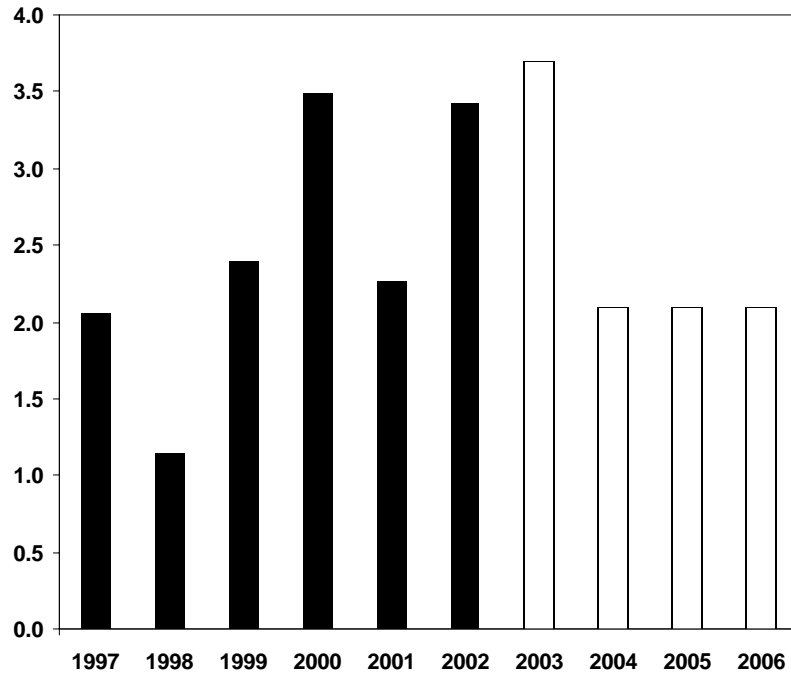


Source: Statistics Canada.

ALBERTA INFLATION RATE TO MODERATE

Consumer Price Index (12-month per cent change)

- Alberta inflation averaged 3.4% in 2002. Increases in tobacco taxes and auto insurance premiums, as well as Statistics Canada's treatment of natural gas rebates (which ended in 2002), contributed to the increase in inflation last year.
- These factors will continue to affect the inflation rate through the first part of 2003. However, inflation should start to decline in the latter part of the year. By 2004, Alberta's annual inflation rate is expected to fall to about 2%.

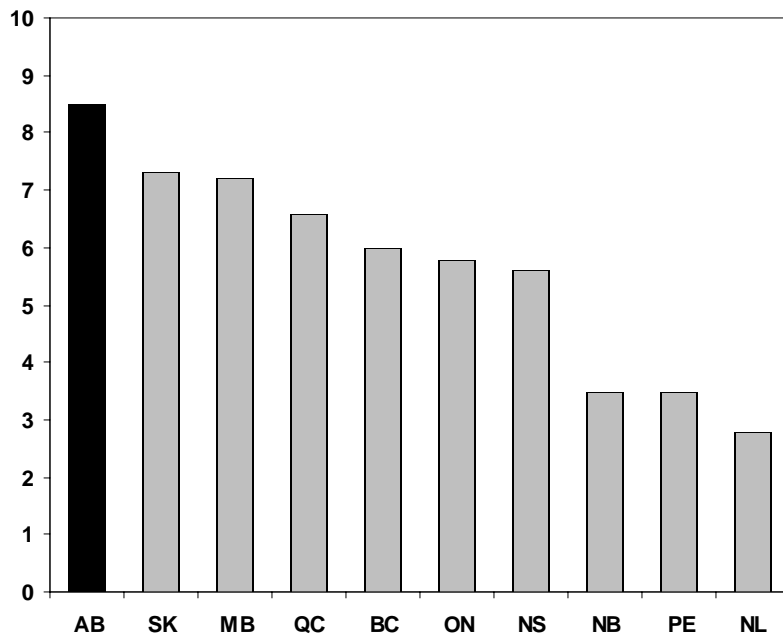


Source: Statistics Canada and Alberta Finance.

ALBERTA LEADING IN RETAIL SALES

2002 Retail Sales (per cent change)

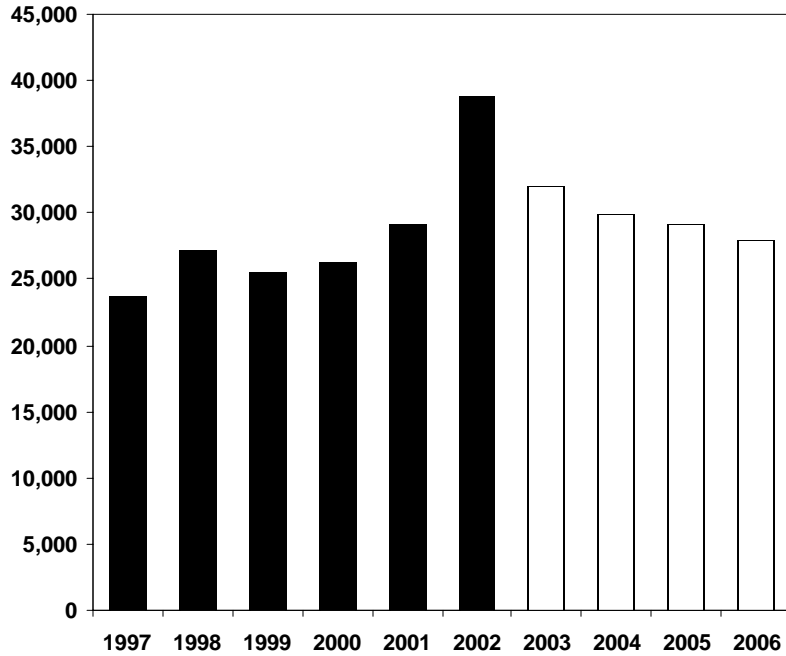
- In 2002, Alberta once again led the country in retail sales growth, recording a 7.9% increase over 2001. This robust performance was supported by strong wage and employment growth.
- Alberta's retail sales strength was especially evident in the area of durable goods. Low interest rates and a booming housing market fueled strong sales in the auto and home furnishing sectors.
- Retail sales are expected to remain strong in 2003, although growth is expected to moderate somewhat after an exceptional year in 2002.



Source: Statistics Canada.

NEAR-RECORD ALBERTA HOUSING STARTS IN 2002

- Alberta's strong economy and labour market, along with low interest rates, pushed provincial housing starts to their highest level since the early 1980s.
- Alberta's total housing starts reached 38,754 last year, an increase of 32.8% from 2001.
- Over the medium term, housing starts in Alberta are expected to moderate, but to remain strong due to high interprovincial migration, continued low interest rates, and a robust Alberta economy.

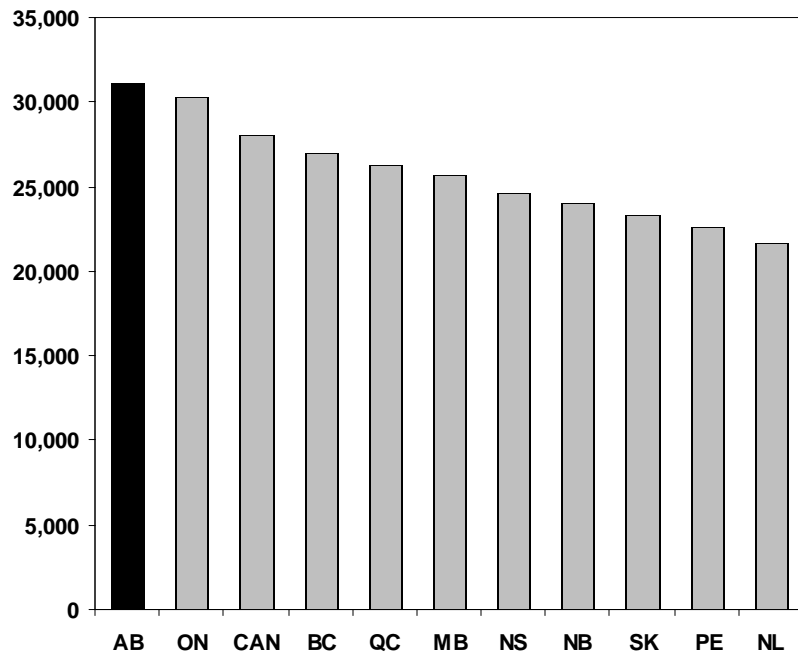


Source: Canada Mortgage and Housing Corporation and Alberta Finance.

HIGHEST PERSONAL INCOMES IN CANADA

2001 Personal Income Per Capita (dollars)

- Alberta had the highest average personal incomes of any province in 2001, the latest year for which data is available.
- In 2001, Alberta's personal income per capita was almost \$3,000 (10.5%) above the Canadian average.



Source: Statistics Canada and Alberta Finance.

Oil Price Forecast Benchmark

West Texas Intermediate (US\$/bbl)

Organization	2003	2004	2005	2006
National Forecasting Agencies				
Conference Board of Canada (Mar/03)	30.18	26.52	25.10	25.71
Global Insight: formerly DRI-WEFA (Mar/03)	30.13	23.84	24.82	25.80
Investment Dealers				
CS First Boston (Mar/03)	28.50	23.00	18.50	18.50
Goldman Sachs (Feb/03)	27.38	23.00	18.50	18.50
JP Morgan (Mar/03)	28.30	25.80	23.00	23.50
Lehman Brothers (Mar/03)	27.50	23.00	20.00	20.00
RBC Dominion Securities (Mar/03)	26.50	24.00	n/a	n/a
Industry Analysts				
Canadian Energy Research Institute (Mar/03)	26.00	22.75	n/a	n/a
Peters & Co. Limited (Mar/03)	27.00	24.00	22.00	22.00
High	30.18	26.52	25.10	25.80
Low	26.00	22.75	18.50	18.50
Average	27.94	23.99	21.70	22.00
Alberta Government (calendar year)	26.00	22.00	22.00	22.00

In developing its energy price forecasts, the Department of Energy also looks at private forecasts from the following forecasters: PIRA, Purvin & Gertz, CGES, EIA, Petroleum Economics Ltd. and Ziff.

Tracking the Forecasts of Oil Prices

West Texas Intermediate (US\$/bbl)

Organization	How Did They Do 2002 ^a	What They Were Saying About 2003 in Budget 2002	What They Are Saying About 2003 in Budget 2003
Actual	27.20		
CS First Boston	-6.20	18.50	28.50
Canadian Energy Research Institute	n/a	n/a	26.00
Conference Board of Canada	-6.25	23.79	30.18
Global Insight: formerly DRI-WEFA	-4.58	24.64	30.13
Goldman Sachs	-9.20	18.00	27.38
JP Morgan	-1.40	24.70	28.30
Lehman Brothers	-8.20	19.00	27.50
Peters & Co. Limited	-7.20	22.00	27.00
RBC Dominion Securities	-7.20	22.00	26.50
Average	-6.28	21.58	27.94
Alberta Government (calendar year)	-7.20	20.00	26.00

^a This compares an organization's forecast for 2002 at the time of Budget 2002 to what actually happened. A minus sign indicates an underestimate and a plus sign indicates an overestimate.

Natural Gas Price Forecast Benchmark

Alberta Average Reference Price (Cdn\$/mcf)

Organization	2003	2004	2005	2006
Canadian Energy Research Institute (Mar/03)	6.25	n/a	n/a	n/a
Gilbert Lausten Jung Associates (Mar/03)	6.30	5.15	4.85	4.85
National Bank Financial (Mar/03)	5.50	4.00	3.20	3.20
Peters & Co. Limited (Mar/03)	5.25	4.50	3.75	3.75
High	6.30	5.15	4.85	4.85
Low	5.25	4.00	3.20	3.20
Average	5.83	4.55	3.93	3.93
Alberta Government (calendar year)	4.68	3.39	3.46	3.45

In developing its energy price forecasts, the Department of Energy also looks at private forecasts from the following forecasters: PIRA, Purvin & Gertz, CGES, EIA, Petroleum Economics Ltd. and Ziff.

Tracking the Forecasts of Natural Gas Prices

Alberta Average Reference Price (Cdn\$/mcf)

Organization	How Did They Do 2002 ^a	What They Were Saying About 2003 in Budget 2002	What They Are Saying About 2003 in Budget 2003
Actual	3.88		
Canadian Energy Research Institute	n/a	n/a	6.25
Gilbert Lausten Jung Associates	+0.07	4.35	6.30
National Bank Financial	-1.23	3.00	5.50
Peters & Co. Limited	-1.03	3.55	5.25
RBC Dominion Securities	-0.81	4.17	n/a
Average	-0.75	3.77	5.83
Alberta Government (calendar year)	-1.09	3.17	4.68

^a This compares an organization's forecast for 2002 at the time of Budget 2002 to what actually happened. A minus sign indicates an underestimate and a plus sign indicates an overestimate.

Canadian Short-Term Interest Rate Forecast Benchmark

3-month Government of Canada Treasury Bills (per cent)

Organization	2003	2004	2005	2006
National Forecasting Agencies				
Conference Board of Canada (Mar/03)	3.32	4.36	n/a	n/a
Global Insight: formerly DRI-WEFA (Mar/03)	3.32	4.83	5.00	5.00
Banks				
Bank of Montreal (Feb/03)	3.19	4.75	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/03)	2.95	3.55	n/a	n/a
Royal Bank (Jan/03)	4.75	5.75	n/a	n/a
Scotiabank (Mar/03)	3.58	4.38	n/a	n/a
Toronto Dominion Bank (Mar/03)	3.40	4.50	n/a	n/a
Investment Dealers				
BMO Nesbitt Burns (Mar/03)	3.35	4.41	n/a	n/a
CIBC World Markets (Mar/03)	2.95	3.55	n/a	n/a
High	4.75	5.75	5.00	5.00
Low	2.95	3.55	5.00	5.00
Average	3.42	4.45	5.00	5.00
Alberta Government (calendar year)	3.60	4.40	4.50	4.50

Canadian Long-Term Interest Rate Forecast Benchmark

10-Year Government of Canada Bonds (per cent)

Organization	2003	2004	2005	2006
National Forecasting Agencies				
Conference Board of Canada (Mar/03)	5.87	6.44	6.36	6.26
Global Insight: formerly DRI-WEFA (Mar/03)	5.28	6.10	6.23	6.24
Banks				
Bank of Montreal (Feb/03)	5.34	5.98	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/03)	4.75	5.15	n/a	n/a
Royal Bank (Jan/03)	5.55	5.85	n/a	n/a
Scotiabank (Mar/03)	5.50	5.83	n/a	n/a
Toronto Dominion Bank (Mar/03)	5.21	5.80	n/a	n/a
Investment Dealers				
BMO Nesbitt Burns (Mar/03)	5.22	5.44	n/a	n/a
CIBC World Markets (Mar/03)	4.75	5.15	n/a	n/a
High	5.87	6.44	6.36	6.26
Low	4.75	5.15	6.23	6.24
Average	5.27	5.75	6.30	6.25
Alberta Government (calendar year)	5.60	6.00	6.00	6.00

Canada/United States Exchange Rate Forecast Benchmark

(US¢/Cdn\$)

Organization	2003	2004	2005	2006
National Forecasting Agencies				
Conference Board of Canada (Mar/03)	66.9	66.0	n/a	n/a
Global Insight: formerly DRI-WEFA (Mar/03)	67.0	70.4	71.0	71.7
Banks				
Bank of Montreal (Feb/03)	66.5	69.6	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/03)	68.3	70.4	n/a	n/a
Royal Bank (Jan/03)	68.5	70.4	n/a	n/a
Scotiabank (Mar/03)	69.6	70.7	n/a	n/a
Toronto Dominion Bank (Mar/03)	68.3	69.6	n/a	n/a
Investment Dealers				
BMO Nesbitt Burns (Mar/03)	67.4	68.9	n/a	n/a
CIBC World Markets (Mar/03)	68.3	70.4	n/a	n/a
High	69.6	70.7	71.0	71.7
Low	66.5	66.0	71.0	71.7
Average	67.9	69.6	71.0	71.7
Alberta Government (calendar year)	65.5	66.0	66.4	66.5

Alberta Real Gross Domestic Product Forecast Benchmark

(per cent change)

Organization	2002	2003	2004	2005	2006
National Forecasting Agencies					
Conference Board of Canada (Feb/03)	0.3	5.5	4.9	n/a	n/a
Global Insight: formerly DRI-WEFA (Jan/03)	3.8	4.1	4.1	3.4	3.2
Banks					
Bank of Montreal (Nov/02)	3.8	4.8	4.5	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/03)	2.8	3.6	3.6	n/a	n/a
Royal Bank (Oct/02)	4.1	4.1	n/a	n/a	n/a
Scotiabank (Feb/03)	4.0	3.5	3.8	n/a	n/a
Toronto Dominion Bank (Feb/03)	2.8	4.4	4.1	n/a	n/a
Other					
BMO Nesbitt Burns (Dec/02)	4.0	4.1	n/a	n/a	n/a
Canada Mortgage and Housing Corporation (Feb/03)	3.0	4.5	4.2	n/a	n/a
High	4.1	5.5	4.9	3.4	3.2
Low	0.3	3.5	3.8	3.4	3.2
Average	3.2	4.3	4.3	3.4	3.2
Alberta Government (calendar year)	2.4	3.6	3.6	3.2	3.2

Announced Major Projects Over \$100 Million

Announced or Under Construction

Company Name	Location	Type of Project	Cost (\$millions)	Timing
OIL AND GAS				
Albian Oilsands	RM of Wood Buffalo (near Fort MacKay)	"Jackpine" Mine Mining and Extraction Facility, Phase 1	2,000	2003-2005
Anadarko	Cold Lake/Provost/ Lindbergh	In situ Bitumen Production	400	2001-2003
Canadian Natural Resources Ltd.	MD of Bonnyville (Lindbergh/Wolf Lake/ Elk Point/Cold Lake)	In situ Bitumen Production Expansion	225	1996-2003
	Lakeland County (Primrose/Wolf Lake)	In situ Bitumen Production Expansion Stage 1	130	2001-2004
Conoco Philips Canada/ Total Fina Elf/Devon Energy	RM of Wood Buffalo (Surmont, near Anzac)	SAGD* Bitumen Commercial Project - Phase 1	300	2003-2005
	RM of Wood Buffalo (Surmont)	SAGD Bitumen Commercial Project - Phase 2	280	2006-2008
EnCana Corporation	RM of Wood Buffalo (Christina Lake)	SAGD Bitumen Production	400	2000-2009
	Wheatland County	Countess Gas Storage Facility	130	2002-2005
ExxonMobil Canada Ltd.	MD of Bonnyville (near Cold Lake)	In situ Bitumen Plant	100	1997-2005
Imperial Oil	Strathcona County	Strathcona Refinery Upgrades	220	2002-2003
Petro-Canada Oil and Gas	Strathcona County	Strathcona Refinery: Gasoline De-sulpherization - Phase 1	130	2001-2003
Petro-Canada Oil and Gas/ Nexen Inc.	RM of Wood Buffalo (S of Fort McMurray)	"Meadow Creek" SAGD Bitumen Production	700	2005-2006
Petrovera Resources Ltd.	Lindbergh/Elk Point/ Frog Lake/Marwayne	In situ Bitumen Production	1,200	2000-2010
Shell Canada/Western Oil Sands/Chevron Canada Resources	Strathcona County	Bitumen Upgrader	1,700	2000-2003
Suncor Energy Inc.	RM of Wood Buffalo	"Firebag" In situ Bitumen Recovery Project	1,000	2003-2012

* Steam Assisted Gravity Drainage

Announced Major Projects Over \$100 Million

Announced or Under Construction

Company Name	Location	Type of Project	Cost (\$millions)	Timing
OIL AND GAS (continued)				
Syncrude Canada Ltd.	RM of Wood Buffalo (Fort McMurray)	Continuous Improvement	1,500	1997-2007
	RM of Wood Buffalo (Fort McMurray)	Phase 3: Upgrader Expansion Phase 1: Aurora Mine Train 2	5,670	2001-2005
PIPELINES				
Alberta Oil Sands Pipelines Ltd.	RM of Wood Buffalo to Strathcona County	Increase in Pipeline Capacity	188	2002-2004
Bison Pipeline Ltd.	RM of Wood Buffalo to Edmonton area	Bitumen Pipeline	800	2003-2005
Cold Lake Pipeline Limited Partnership	Foster Creek to Bonnyville area to Hardisty	Expansion of Cold Lake Pipeline System	143	2002-2004
Nova Gas Transmission Ltd.	Across Alberta	Pipeline Capacity Addition	1,000	1999-2003
POWER PLANTS				
Enmax/Vision Quest	MD of Willow Creek (S of Fort McLeod)	Wind Farm (75MW)	100	2002-2003
EPCOR Utilities Inc.	Leduc County	Genesee Power Plant - Phase 3 (490MW)	600	2002-2004
Hunt Power Company Ltd.	MD of Rocky View (S of Crossfield)	Gas-Fired Power Plant (345MW)	300	2004-2006
TransCanada PipeLines Ltd./ Petro-Canada	RM of Wood Buffalo (near Fort McMurray)	MacKay River Co-Gen Project (165MW)	135	2001-2003
COMMERCIAL, RETAIL AND REAL ESTATE CONSTRUCTION				
Cameron Corporation/ Grosvenor International Canada Ltd.	Edmonton	"South Edmonton Common" Retail Complex	250	1997-2005
Heritage Partners	Calgary	"Deerfoot Commons" Retail Complex	400	2003-2004
Qualico Developments West Ltd.	Edmonton	"Station Lands" Commercial/ Residential Development	250	2003-2018

Announced Major Projects Over \$100 Million

Announced or Under Construction

Company Name	Location	Type of Project	Cost (\$millions)	Timing
COMMERCIAL, RETAIL AND REAL ESTATE CONSTRUCTION (continued)				
Pauls Properties Corp/ GE Pension Trust	Calgary	"Princeton" Apartment Condominium Development	125	2000-2004
Shivam Developments	Strathcona County (Sherwood Park)	"Shivam Park" Auto Mall and Shopping Centre	100	2002-2006
OTHER				
Bell West/Axia NetMedia	Across Alberta	Alberta SuperNet Fibre Optic Communications Grid	300	2001-2004
Calgary Airport Authority	Calgary	Airport Improvements	800	1998-2007
Destination Resorts Inc.	Canmore	Three Sisters Resort	150	2002-2010
Stone Creek Properties	Canmore	Silver Tip Hotel/Resort Village	270	1995-2015
Various Irrigation Districts	Across Southern Alberta	Irrigation Systems/Rehabilitation	600	1997-2006
TOTAL			22,596	