

Remarks by: Brian Ferguson
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CHECK AGAINST DELIVERY

Thank you Leon.

Good evening everyone. It is a great privilege for me to be here. I must thank the Alberta Chamber of Resources for this tremendous recognition. The list of esteemed leaders that the ACR has previously recognized as *Resource person of the year* is an amazing group of people. I am humbled to share this with them.

It's an honour I accept on behalf of everyone at Cenovus.

A number of my colleagues and friends and family are attending tonight as well.

I want to recognize them.

- From Cenovus's Board of Directors – Pat Daniel and Wayne Thomson
- From Cenovus's Executive Team – John Brannan, Harbir Chhina, Kerry Dyte and Hayward Walls
- A friend of mine, and former head of CAPP, Dave Collyer and his wife
- I am also pleased to have at my table tonight, Grant Sprague, Deputy Minister of the Department of Energy
- And last, but certainly not least, my family

Thank you all for supporting me.

There are three things I'd like to talk about tonight:

- The value of Alberta's oil resource

- The opportunities we have as an industry to develop that resource, despite the current economic challenges
- And most importantly, the fundamental obligation we have to develop oil responsibly

I have a core belief that what we do in the oil and natural gas industry is critically important.

In the 21st century, access to abundant, affordable, reliable energy is a basic building block for our global society.

Oil is not becoming obsolete.

We need all sources of energy – fossil fuels, nuclear and renewables in order to meet growing global demand.

Alberta is blessed with an abundance of high-quality natural resources. Natural gas...coal... forest products... metals and minerals... and of course the world's third largest oil reserve.

These resources are part of what makes our province strong. They drive our economic growth, our quality of life and our standard of living.

You really start to see how important these resources are to the economy during a downturn.

With oil prices dropping so significantly and so dramatically in a short time, all Albertans are feeling the effect – whether you work directly in the oil industry or not.

In late 2014, the Alberta Government was predicting a surplus of cash to build schools and invest in health care. It is now anticipating a significant deficit.

Companies are making tough decisions to defer projects and to cut jobs.

While the epicentre of low oil prices will be felt in Western Canada, the impact will reverberate across our country.

The Federal Government is also making tough decisions because they're losing billions in tax revenues.

What we need to remember though, is that any commodity business is cyclical. Many of you in the room tonight have worked through a number of down cycles. I know I certainly have.

This is not a new experience for our industry.

While these are challenging times, they also come with a lot of opportunities. There's a saying that *necessity is the mother of invention*.

When times are tough, we become more creative with our problem-solving.

These are times that require us to be innovative, flexible and adaptable. Both personally and professionally. There's a great entrepreneurial spirit here in Alberta. I continue to be excited about our opportunity to compete on a global perspective. But in order to succeed globally, companies will need to improve cost structures and overall efficiencies. We can absolutely do that.

I believe, long-term, the oil industry will be healthier because of today's challenges.

Challenges that we will overcome.

Prices have rebounded before...and they will no doubt rebound again. The big question is...when. And by how much.

As an industry, we need to take this time to be prudent, and be ready for that rebound.

That's what we're doing at Cenovus.

Finding opportunities to be more efficient. To re-think how we do our work. To find ways to be better at what we do.

No matter what the price of oil is, there are some things we cannot compromise on – like developing Alberta's resources safely and responsibly.

As the Chief Executive Officer of Cenovus, I believe it is my obligation to ensure we're developing Alberta's resources in the best and most responsible way that we can.

At Cenovus, responsible development means looking for new ways to reduce our collective impact in all areas of our operations.

It means that communities will be better off because we are there.

Responsible development also means collaborating with our peers to share technology solutions to continue to reduce our impact on the environment, so that we get better... faster.

So that we can reduce our water use, our energy use and our overall footprint.

It means never accepting the status quo, or thinking that our current environmental or workplace safety performance is "good enough."

The oil sands is a high-tech business with an exciting future. Only 20 years ago, no-one thought you could economically produce oil from the oil sands the way that we do today, by drilling for it.

The technology just wasn't commercially viable.

And in a few years from now, I believe the technology we use will likely be completely different.

The future is something I think about a lot.

Especially given these last six months.

The world is becoming more turbulent and more unpredictable... the resiliency of the oil industry will continue to be tested.

As I look around the room... I am encouraged and excited.

As Leon already noted earlier this evening, there are many current leaders from government, industry and community here tonight.

Including some from the First Nations near our operating areas.

- Chief Jim Boucher of Fort McKay First Nations

- And the Grand Chief of the Confederacy of Treaty Six First Nations, who is also Chief of Cold Lake First Nation, Bernice Martial

We have a number of Presidents, Vice-Presidents and other Executives in attendance representing local, national and international resource companies.

We also have the future leaders and innovators of our industry here tonight... students and new grads who bring a fresh perspective to the work we do.

It's an abundance of experience, knowledge and talent that I see in this room and throughout our industry. That makes me optimistic about the future.

Because we share the belief that our natural resources are important to Alberta, and to Canada, and to the world.

The oil sands are a great part of that. Too great to be ignored, taken for granted or dismissed.

I believe we can strike a balance between environmental performance, economic prosperity and social well-being.

I know you, and all Albertans, and all Canadians will hold Cenovus – along with all the other oil sands developers – accountable to do just that.

We have some of the best and brightest minds working in this industry, and with our industry, to achieve that balance.

But the Canadian public is telling us that they want us to think beyond just our development practices.

They believe we have a responsibility to help address the impacts of the use of our product. Their concerns about climate change have heightened.

While they acknowledge and value the benefits they get from oil, Cenovus research shows that Canadians are just as concerned about the environmental impacts of their own use of oil as they are from the development of the oil sands.

Today, oil makes up 92 percent of the world's transportation fuel... and transportation is one of the biggest causes of greenhouse gas emissions.

As an industry, as leaders in our different resource sectors, and as a country, we need to collaborate and address carbon along the entire value chain.

We need a strategy, as a country, that enables us to take advantage of this tremendous endowment of natural resources, in a way that addresses the public's concerns.

Imagine a world where oil continues to be the primary transportation fuel, but one where we've solved the concerns about emissions.

That's a future worth striving for.

I believe Alberta has the ingredients needed to realize this vision. We have:

- the passion
- the commitment
- the will to work together
- and the collective brain power to make it happen

And the way to do it is through technology.

Technology has unlocked the potential in the oil sands.

It's what will address the challenges the industry faces...today and tomorrow.

I was born here in Edmonton, and there's a reason I chose to spend my career in Alberta.

It's a province filled with innovative, entrepreneurial people and it's a great business environment.

I continue to be excited about Alberta's future.

My career would not have been possible without the support and encouragement of my family. It is truly an honour to be recognized by the Alberta Chamber of Resources.

But I have to say, it takes a dedicated team to achieve great things. This award is a testament to the hard work of everyone at Cenovus.

Thank you again, and I hope you all enjoy the evening.