

# Bay du Nord Project

## First Remote, Deepwater Discovery in Offshore NL

Discovered in 2013, the Bay du Nord (BDN) development project represents an evolution in Newfoundland and Labrador's offshore oil and gas industry; opening up a new frontier basin (the Flemish Pass). BDN is also the first remote, deepwater discovery in offshore Newfoundland and Labrador. The project area is about 500km east of St. John's, in water depths of around 1,200m.

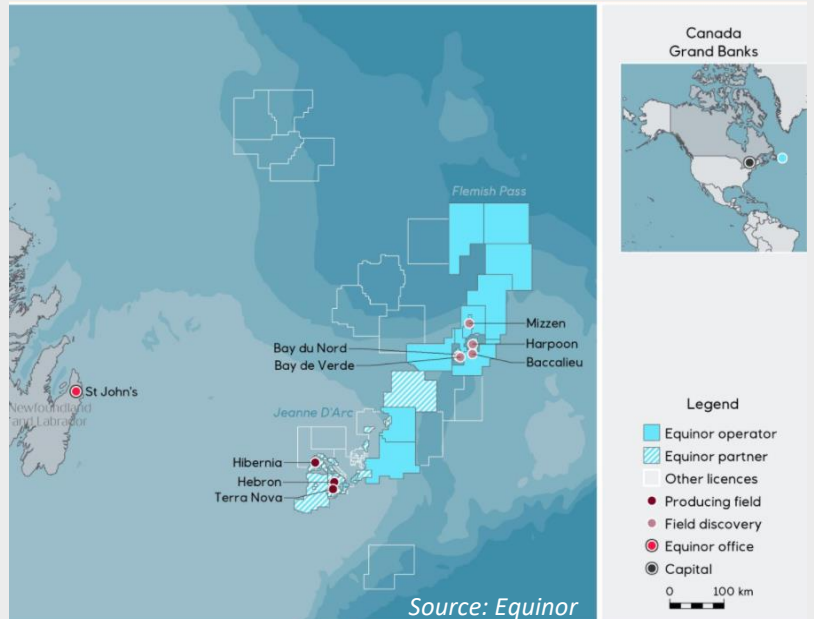
The BDN development project consists of six fields within close proximity. Two significant discovery licenses (Bay du Nord and Baccalieu) comprise the core BDN development area. Initial reserves estimate for the core discovery is around 300 million barrels of recoverable oil; however, the 2020 discoveries at Cappahayden and Cambriol could significantly increase the overall recoverable resources. Further exploration is planned for 2022 on two other prospects (Sitka and Cambriol Central) which has the potential to further enhance the development. <sup>(1)</sup>

**Sources have publicly reported that the entire project could contain nearly one billion barrels of recoverable resources<sup>(1)</sup>; which would make it the second largest offshore project in our province's history – Hibernia being the largest.**

**Such a project would bring more than \$20 billion in direct government benefit in tax and royalties to the province.**



Source: Equinor



### A significant project for NL

In July 2018, the Government of Newfoundland and Labrador announced the finalization of a framework agreement with the project operator for the development of the BDN project. The agreement laid out the many benefits of the project to the Newfoundland and Labrador economy and the people of the province. <sup>(2)</sup>

Moving forward with the BDN development project will bring significant benefits to Newfoundland and Labrador, and by extension, Canada. Development of the project will bring billions of dollars in economic activity and direct government benefit in royalties and tax revenue, in addition to thousands of person years of employment. Additional benefits include enhancing subsea engineering and fabrication capabilities in the province, funding for research and development, and education and training to position Newfoundland and Labrador as a deepwater centre of excellence.

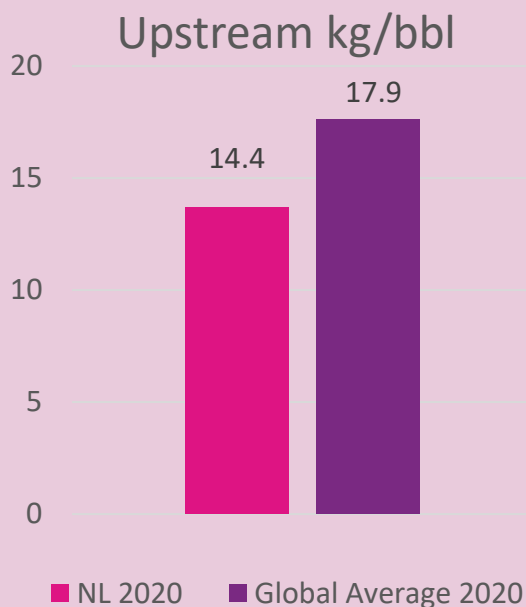
The agreement also provides the province, through OilCo, with the option to purchase a 10 per cent participating interest in the project.

## Newfoundland and Labrador's focus on lower carbon emissions

Continued development of Newfoundland and Labrador's oil and gas resources, such as the BDN project, will provide revenue and royalties that can be used to fund the transition to a lower carbon, renewable and green economy.

### 2020 offshore NL greenhouse gas emission intensity

The 2020 average offshore Newfoundland and Labrador greenhouse gas emissions for producing fields was 14.4 kilograms carbon dioxide equivalent per barrel (kgCO<sub>2</sub>e/bbl), about 20 per cent lower than the 2020 global average of 17.9 kgCO<sub>2</sub>e/bbl.



## A collaborate approach to emissions reductions

Offshore oil and gas operators are part of the solution to a lower carbon energy future. Operators, including those for the BDN project, are actively taking steps to make a lower carbon transition and to deal with the climate change.

Industry operators are reducing their energy consumption and emissions through significant investments in emissions reduction research, technology advancements, equipment replacement, preventative maintenance, and operational efficiencies.

In reference to the BDN project's carbon dioxide intensity, in June 2021, Equinor vice president Al Cook stated, "projects like Bay du Nord can produce at less than eight kilograms of carbon dioxide for every barrel of oil, which is less than half the global average...".<sup>(1)</sup> In November 2021, Cook told CBC News that Bay du Nord would be Canada's lowest emitting oil and gas project.<sup>(3)</sup>

### BDN project status

Equinor continues its work to mature the BDN discovery project. While no final investment decision has yet been made, Equinor continues its work on the development, noting that first oil could be achieved by about 2028.<sup>(3)</sup>

Project proponents are currently awaiting a decision from the federal Minister of Environment and Climate Change on the Environmental Assessment release.

Learn more about the BDN project at:

[www.equinor.com/en/where-we-are/canada-bay-du-nord.html](http://www.equinor.com/en/where-we-are/canada-bay-du-nord.html)

**Information prepared by:** Oil and Gas Corporation of Newfoundland and Labrador (OilCo)

Learn more about offshore Newfoundland and Labrador and OilCo at: [www.oilconl.com](http://www.oilconl.com)



#### Sources:

- (1) <https://www.cbc.ca/news/canada/newfoundland-labrador/equinor-newfoundland-bay-du-nord-1.6067728>
- (2) <https://www.gov.nl.ca/releases/2018/exec/0726n01/>
- (3) <https://www.cbc.ca/news/canada/newfoundland-labrador/equinor-bay-du-nord-reboot-1.6243928>